

## Budget Advisory Committee Meeting

1:30 p.m., 9/28/10

- The minutes of the BAC meeting on 4/27/10 were approved. They may now be shared with others outside the committee as necessary.
- Dr. Meadors addressed the committee.
  - He hopes that the task of the committee will be easier to accomplish in coming years as our financial position improves.
  - He would like the committee to see how UCA's budgeting/use of money compares to that of other state schools and use this information to develop and recommend "targets."
  - He believes it is possible that UCA could end up in a better financial position later in the fiscal year if the 1.5% cut from the state does not occur; we have prepared for this ahead of time, so if the cut does not happen, we would have approximately an additional \$900,000 with which to work.
- Lynn Burley reviewed the committee's charge, which is available both online and was included in her email to committee members.
  - Because the charge includes the review of changes/updates in the budget as they occur, the concern was raised that the committee does not typically meet during the summer months to review changes that occur at that time.
    - It was suggested that the committee receive emailed budget updates during the summer months, and if it is determined that a meeting is necessary, one will be called at that time.
- Laura Young was appointed as a non-voting member of the BAC.
- Revenue expected from departmental fees is now built into the base budgets for each department; the money is available to be spent as soon as the new fiscal year begins. To the extent that enrollment is higher than what was predicted, more money would then flow to those departments.
- Diane Newton went over two handouts: the Cash Position Statement and the Operating Summary.
  - Cash Position Statement
    - The information on this statement is from the end of the last fiscal year and is the same report that was given to the board.

- The report shows the trend on our cash position from 2003/2004 up through the estimated 2010/2011 cash.
  - Our cash went negative in 2006/2007 and started coming back into the black in 2008/2009.
  - At this point, our net is approximately \$23 million, but much of this is restricted (loans, endowments, grants, contracts, etc.). The unrestricted portion is approximately \$4.5 million.
  - Our target is in the \$12 million range, but the actual number will change based on our budget and needs.
  - Diane will email the goals to the BAC members.
- Operating Summary
  - This is one of the reports that was in the Budget Book for the current fiscal year.
  - Breaks down how money is allocated in natural classifications.
    - Diane will provide another chart at the next meeting that shows how the money is allocated based on functional classifications.
  - This report will show budget changes (changes occur mostly within departments; these budget adjustments are generated by the departments)
- A good time to get information and compare UCA's budgeting with that of peer institutions' will be after the 17 series ADHE reporting is complete.
  - Careful attention to detail will be necessary when comparing numbers; want to be certain that we are comparing "apples to apples." Consistent data must be used to make accurate comparisons.
- If the \$789,000 in B money flows, the BAC will provide oversight for how it is budgeted. It is not included in the current version of the budget.
- There is a great concern over how replacement positions will be funded. This will be a big challenge for the BAC to tackle.

- The \$1.7 million in stimulus money UCA received for this fiscal year has been banked. It was one-time money.
- The 2.25% salary increase is still being held until January.
- Our conservative budgeting has helped absorb the decline in enrollment; however, if the state does come back and cut A money again, we will have to find other ways to cover the shortfall.
- The meeting was adjourned at 2:30 p.m.