

Budget Advisory Committee Meeting  
X-Period, 9/29/09

- The first order of business was to talk with President Meadors about his ideas concerning the Budget Advisory Committee, their process of developing/recommending the budget to him, etc.
  - President Meadors said that with his limited understanding of what the committee does in the few months he has been here, his only real concern at this point is that he wants to ensure that even though the committee is primarily made of up faculty, that all portions of the campus—including non-academic areas—are given adequate budgets to meet their needs. He wants to ensure that no one is neglected, because every part of the campus community is vital to the overall well-being of the University.
  - President Meadors also suggested that he would like this committee to determine percentages of funds to give each division/department and then let that division/department decide how that budget will be broken down from there. Those divisions/departments have a better idea of how to subdivide their budgeted amount and should be allowed to have that part left up to them.
  - President Meadors thanked the committee for the time that they have committed to work on this and gave his best wishes to the group as they begin working on their recommendations for the FY11 budget.
  - Laura Young asked what his feelings were on the current budget allocations.
    - § President Meadors did not have any major problems with the current budget, though he was concerned that perhaps Academic Affairs had a significantly larger budget to work with than some of the other departments/divisions did who also have immediate needs for that money.
  - Terri Canino asked how he wanted the committee to consider new funds that might become available for budgeting (tuition increases, etc.)—whether on an individual basis, or to include them and re-evaluate the budget as a whole each time new money became available to be budgeted.
    - § President Meadors said that yes, he wanted the new funds to be looked at as they became available, but that he wanted to be consulted each time they did in case he had specific places he wanted to ensure that money went to. He gave the example of any money that might be saved in cutting back on scholarships—he has plans of using that money to fund a raise in FY11.

- President Meadors stated that he would like to have each department look at their budgets on a month-by-month basis to see where they are in relation to their 12-month budgets. He said he believes this will help everyone keep a closer watch on how they are spending their money and will be very helpful in keeping everyone more in line with their budgets.
- Mike Casey asked what his expectation was for the reserves.
  - § President Meadors said that he would like to put about \$2 million into reserves over the next couple of years. He hopes to do this by finding ways to move the stimulus money around so that other money can be put into reserves. He would like to eventually be at 4% - 5% of the overall budget being in reserves.
- Laura Young asked if the committee needed to budget for the large amount of deferred maintenance.

- § President Meadors said that he would leave the decision of whether or not to do that up to the committee. He said that he has no plans of giving a disproportionate share of Housing's revenue to other areas because that revenue needs to go back into maintenance.

- The President left the meeting, and then the committee members each introduced themselves to the group.
- The committee charge was reviewed – several updates/changes had been made. The committee is responsible for reviewing changes and updates to the budget over the course of the fiscal year. They are to make studies and inquiries about the University's funds as they see necessary. They are also to present any concerns and/or recommendations about the budget to the President.
- The procedures that are to be followed by the committee had been heavily revised. The committee will begin meeting in September to review the budget and will meet monthly to review updated projections. They will begin the process of getting recommendations and requests from other campus areas and prepare to present their final recommendations to the President in February.
  - Julia Winden Fey asked if the recommendations that were made by the committee last year were essentially what became the budget.
    - § Terri Canino responded that yes, most of the needs expressed last year were met in the current budget. However, there were some issues when some funds that were expected to be base funds turned out to be

temporary. In spite of this, though, most of the requests still made it through to the final budget.

- Mike Casey mentioned that in the previous year, the committee had not been able to work with the entire budget. They merely allocated the increase (approx. \$3 million). While they were provided copies of the budget, it was too late in the year to reallocate monies.
- Dave Harvey mentioned the ways the committee tried to cut costs last year: by cutting back on money spent for advertising, scholarships, concurrent enrollment, etc. He said that the committee tried to divert as much of that money as possible back toward things such as deferred maintenance. He felt that the committee has been trying to work for the best interest of the entire campus.
- John Parrack mentioned that the President seems to be concerned that the committee members would fight among each other for the money, but that in his experience, the committee tends to work very well together to make sure that everyone on campus is taken care of—the committee is sensitive to the other groups' needs.
- The scheduling of future meetings was then discussed. Everyone was asked to turn in schedules showing what times they would and would not be available for meetings so that, if possible, meetings could be scheduled for times other than x-period when necessary.
- Alan Russell went over updates to the FY10 budget.
  - Because of enrollment numbers being down this fall, \$1.4 million less in revenue has come in as compared to what was projected in the budget. Alan said that the corresponding drop in scholarship money, however, has made up for some of that shortfall.
  - Alan is trying to get down to a “more specific level” on projections. It is a work in progress and will take some time, but will be very useful.
  - He then went over the Student Accounts Receivable information. He explained that there was a difference in the “amount billed” and the actual amount collected thus far.
  - There are plans to purge class schedules and cut off meal plans for students who have not made payments totaling more than \$2000/set up payment plans/are more than two months behind on payment plans by mid-October. He mentioned that last year, this was a very effective method for getting students

to take care of their account balances: 800 students were notified of their impending purging/meal plan loss, and all but 47 took care of making payments or arranging payment plans as a result. Students will be notified of the purging/meal plan cut-off dates by announcements in the Echo, on SCTV, by telephone calls, emails, bills, etc. in the meantime.

● Alan Russell then went over the cash flow projection update.

- Older outstanding balances are more difficult to collect. This being the case, he is asking the Student Accounts office to give him their best projections each month on what they realistically expect to be able to receive. Alan would like to keep bad receivables under 2% of the revenue for the term. The projections that Student Accounts will be providing to Alan should help in creating a more accurate cash flow projection.
- Alan then went over the different segments making up current Student Accounts Receivable – payment plans, contracts (VA/Rehab/etc.), Financial Aid pending, Pre-collect/Collection agencies, Debt Set-off, etc.
- Alan addressed the question of what would be done with any “budgetary surpluses” by saying that to him, the meaning of what it was to have “reserves” was to have actual cash in the bank. He does not have a way of knowing at this point whether or not we will have a positive cash flow at the end of this fiscal year. He feels like UCA is on sound financial footing and that it will be taking care to try not to repeat the same financial mistakes that had been made in the past. He said he would be extremely surprised if the cash flow was negative or zero at the end of the fiscal year.
  - § Mike Casey responded that it would be possible for ending cash flow to be less than expected if Governor Beebe made more budget cuts. He said that state tax receipts have been down and that depending on whether or not those numbers increased, more state budget cuts may become necessary—and higher education is always one of the first to receive cuts.
- Dave Harvey commented that in the past it seemed that the broadly held viewpoint was that the more students we had, the more money they would bring to the school. He mentioned how rapidly the student population at UCA had increased in recent years, but how the lack of planning for those increases had not had the best outcomes in many ways.
  - § Alan Russell responded to this by stating that President Meadors plans to address this concern in the strategic planning process. One of the objectives he has for that process is to set a number of students that UCA

would like to have enrolled and make plans for how to reach that goal with the campus having planned/prepared for it in advance.

- Julia Winden Fey raised a concern about whether or not communicating with the various departments on campus about their budgets would have the desired effect. She said that in the past, many departments would try to spend as much of their budget as possible before March because they were afraid that if they had not spent the money by then, the money would be cut from their budgets and used to supplement other departments'/divisions' budgets.
  - Terri Canino and Laura Young responded by saying that there should not be any reason to worry about that happening any more. There is no intention of taking anyone's budgeted money to supplement other budgets. There is a big effort to do things differently now—spend more wisely all across campus so that that kind of thing no longer has to happen. However, if the state does give UCA a big budget cut, there is still the possibility that money would have to move around, but that is certainly not the plan.
- The meeting was adjourned at 2:40 p.m.