

Budget Planning Council
MINUTES
March 30, 2007

Present: William Decatur, Darrell Winefordner, John Day, Dennis Irwin, Gail Houlette, Wendy Merb-Brown, Greg Shepherd, Gary Neiman, Joseph McLaughlin, David Thomas, Phyllis Bernt, Dominic Barbato, Morgan Vis, Morgan Allen, Aimee Howlee, Rich Carpinelli, Steve Flaherty

Absent: Kathy Krendl

The focus today will be to begin talking about multi-year goals and the strategies for those goals because the governor's budget will probably not stay the same as proposed. The state is giving consideration to moving to a larger guarantee (105%) and suspending the formula, with the formula being split—one for 2-year and another for 4-year institutions.

A. Cost Saving and Revenue Enhancement Priorities

- Top five cost saving strategies needed from BPC members from following the following suggestions after discussion -
 - 1. Delay salary increases to January 1? (save \$1.2M in salary)**
 - Delays the problem, but buys time
 - Savings is \$2.2M in salaries to invest in other initiatives
 - Credibility problem since this has been done before
 - 2. Healthcare (study Healthcare and relationship to total compensation)?**
 - A more thorough review of the relationship of salary and health care as components of total compensation needs to continue to prepare for next year's budget
 - BPC needs a more extensive briefing needed from Greg Fialko and BAC
 - Discussion of health care provision in Athens: Assess the relationship of Holzer and effect of prices, COM and Hudson Health Center
 - Structured change to be made would include increasing salaries and employee share to assist in the long run
 - Benefits information is received late every year
 - 3. Sell the King Air for \$4.5 million plus?**
 - \$5.3M savings – what is the net savings after buying another plane, paying off the current debt, considering the lost productivity associated with travel to and from airports, and costs related to travel budgets
 - Private air transportation needed when bringing guests to campus
 - 4. Intercollegiate Athletics?**
 - Only 6-8 universities nationwide generate enough revenue to pay for their athletic programs
 - More information on the costs of football retreats and assistant coach salaries needed; general consensus that dropping down in Divisions is not needed
 - BPC should not 'micromanage' any area or the portion of the general fee dedicated to Athletics

5. Hudson Health Center?

- Rich Caprinelli will collaborate with O’Bleness and UMA to gather information
- The President and Board of Trustees are discussing the needs supplied by Hudson

6. University College?

- Need to gather information from colleges that have eliminated this program regarding retention numbers, cost savings, recruitment, and disbursing work into other college area
- Discussion regarding advising BSS program and the quality of advising

7. Motor Pool?

- Bill is bringing information to the Deans and President’s Cabinet for feedback (not approval) – need to create incentive to save by charging full costs for labor

8. Entertainment/Meals?

- Policy needs clarification – staff should not be entertaining themselves
- General Fund costs were \$1M last year for Business meetings
- Need to look at reimbursement – per diem vs. ‘actuals’

9. Travel Budgets?

- Need to save while not removing flexibility to ensure professional development

10. Private “perk” cars?

- Provided to coaches (often by dealerships)
- Allowance to Executive Officers as part of benefits package

11. Terminate lease at HDL Building?

- In the process of discussing the terminating the contract; alternatives to house Finance area is Tupper or Central Classroom and/or purchase of the facility

12. Carry Forward?

13. Catering Costs will be added to the original list of 12 as another savings; discussion regarding “exclusivity,” health risks of outside catered food, and Policy 47.015 which describes the guidelines

Expenditures

- Credit card payment stopped – tuition – due to banking charges (added cost)
 - A 2% handling fee is charged to the Department using a card (not passed on to the customer)
 - 3rd party can be utilized where fees are paid by them
- Make auxiliary more self-sufficient – reduce subsidization (may need additional study)
 - Airport Operations goal is to move to self-supporting operations under the RCM model; three various budgets are contained within the Airport area.
 - Catering Department and the Child Development Center are also subsidized
 - Outside contractors cannot be utilized due to the Bargaining contract
- Eliminate University cell phone allowance
 - The Policy states that the user will purchase the phone and receive an allowance IF the use is predominantly for business purposes—cost for cell phone allowances last years was \$150,000
- Work on the list of expenditures will continue at the next BPC meeting.....