

## **University Planning and Budgeting Committee**

### **Minutes of April 26, 2021 Meeting**

The meeting convened at 3:32 p.m. via Zoom

UPBC members present: Tammeka Banks, Tyler Bickford, Kathy Blee, Chris Bonneau, Ronna Colland, Ann Cudd, Dave DeJong, Betsy Farmer, Jude Hays, Christine Jackson, Robin Kear, Patricia Kroboth, Eric Macadangang, Patricia McClain, Debbie Miller, Manisha Nigam, Hari Sastry, Jem Spectar, Andy Stephany, John Stoner, Jean Truman, Julie Vandenbossche, Chad Zutter

Also Present: Cassie Brenner, Valerie Doyle, Richard Henderson, Mallory Oslosky, Lucy Russell, Paul Supowitz, Steve Wisniewski

UPBC members not present: Diaz Mabeth, Bill Madden, Charles McLaughlin, Anantha Shekhar, David Wehrle

### **Minutes of March 15th, 2021 Meeting**

There was a motion to approve the minutes of the March 15<sup>th</sup> meeting. There was no discussion. The minutes were approved unanimously.

### **Update on University Revenue**

Hari Sastry updated the committee about the University's revenue. Our two largest forms of revenue are grants and contracts and net tuition, with sales and service close behind. Looking at our revenue over the past five years, generally there is a steady increase each year for grants and contracts. 85% are federally funded, and do not contribute to the E&G budget.

Net tuition and fees show an upward trend from fiscal year 2016 through 2019, largely due to small increases in tuition cost and undergraduate enrollment. Fiscal year 2020 shows a small decrease in enrollment, though Pitt Success had a large impact. In fiscal year 2021 enrollment decreases due to Covid-19. Hari explains this trend was expected. Hari presents that undergraduate enrollment steadily increased beginning in FY16 and peaked in FY19. On the other hand, graduate student enrollment has been steadily decreasing over the last five years. This is a large area of opportunity. How do we reverse this? Hari then presented undergraduate tuition rates and explained the price of tuition is another lever to increase tuition revenue. The goal has been to steadily increase out-of-state tuition rate, while keeping in-states rates relatively stable.

Sales and service revenues are largely auxiliary. There is opportunity on this budget, though it does not contribute to the E&G budget. Commonwealth Appropriation revenue has steadily increased over the past 10 years, though it is not within the University's direct control and is affected by the political climate. For endowment distributions, in FY20 we increased the distribution on the University's quasi-

endowment from 4.25% to 4.75%. Lastly, contribution revenues make up <2% of the revenue budget and are often restricted in nature.

Our largest expense by far is compensation. Approximately 60% of the University's resources are focused on compensation, and it has steadily increased over the past few years. The University has some ability to influence the expense category with events like the FRIP and SERP. This expense category is a target for improvement through the OTI.

Hari presented the Administrative Activity Study (AAS) with four major findings; duplication of services, fragmented communication across the organization, capacity constraints and siloes, and lack of mission focus. Lastly, Hari mentioned the desired outcomes of budget ReSTART model as empowering the deans and president to innovate and act on their strategic vision. This new model will provide transparency and incentives to grow in educational reach and research. This model also provides funds to enable growth of centers. This new budget model is scheduled to run parallel to the current budget for FY22.

### **Commonwealth Relations Update**

Paul Supowitz updated the committee on the Commonwealth Appropriation. The budget outlook is on track with a flat appropriation this year.

### **Parameters Meetings**

President Jem Spectar presented the committee with the outcome of the latest parameters meeting. The proposed impacts discussed include compensation increases at a 1% for faculty and staff. A 2.5% base tuition rate increase at the Oakland campus and 1.5% tuition increase at the regional campuses, and a proposed 1.0% cut to the E&G budget in FY22. Last year's budget cuts were discussed, both permanent and one-time cuts. Non-academic units took the largest cuts in FY21.

Hari Sastry states that ending the parameters meeting it was decided that any additional monies found would go to reducing the overall 1% budget cut, but he asked the question should that money found go to the compensation increases instead?

### **Member vote on the Parameters Subcommittee recommendation**

A motion was made to table the approval of the recommendations made by the Parameters Subcommittee as 1% increase compensation pool for faculty and staff. Nine voted yes, six voted no. Another meeting to be scheduled for mid-May.

The meeting adjourned at 5:21 p.m.