



Minutes of February 14, 2022 Meeting

The meeting convened at 3:30 p.m. via Zoom

UPBC members present: Yodit Betru, Tyler Bickford, Kathy Blee, Yvonne Brewster, Ivy Chou, Angie Coldren, Ronna Colland, John Crawford, Ann Cudd, Betsy Farmer, Tony Gaskew, Bob Gregerson, Paul Harper, Christine Jackson, Robin Kear, Pat Kroboth, Amy Miller, Deb Miller, Hari Sastry, John Stoner, and Julie Vandenbossche

Also present: Richard Henderson, Denise McCloskey, Cyndee Pelt, Lucy Russell, Natalia Sidorovskaia, Paul Supowitz, Kathy Tosh, David Wehrle, Thurman Wingrove, and Steve Wisniewski.

UPBC members not present: Dave DeJong, Jude Hays, Aboli Kesbhat, and Anantha Shekhar

Approval of May 10, 2021 Meeting Minutes

The minutes of the May 10 meeting were sent to Committee members in advance of the meeting. John Stoner made a motion to approve and Betsy Farmer seconded. There were no additions or corrections; the minutes, as circulated, were approved with one abstention.

Role of the UPBC

Ann Cudd provided an overview on the role of the UPBC. Information on the UPBC can be found in the Planning and Budgeting System on the Office of the Provost website, specifically Section 1.3.2.

Parameters is a subcommittee, which this year will be chaired by Betsy Farmer. All UPBC members are welcome and will receive an invitation to attend the Parameters meetings.

All discussions and materials shared in meetings are confidential. Our deliberations and recommendations are pre-decisional. The Chancellor takes our recommendations very seriously but still has the freedom within the process to decide on how to present the University Budget to the Board of Trustees (BOT). Nothing is final until approved by the BOT at the June meeting. Information being shared prior to BOT approval could negatively impact the process and jeopardize the status of UPBC recommendations.

She encouraged members to speak freely within meetings, because confidentiality protects our ability to do so.

FY22 Budget Review

Hari Sastry provided an update on the FY22 Budget:

- Total FY22 Budget is at \$2.6 Billion
- Revenues (in order ascending to descending \$ amounts) come from grants and contracts, net tuition and fees, sales and services, Commonwealth appropriation endowment distributions, and contributions.

- Expenses (in order ascending to descending \$ amounts) are for compensation, other, business and professional, supplies, and utilities.

History of the Commonwealth appropriation indicates that while in absolute dollar amounts the institution has returned to 2011 levels of funding, due to inflation we are below that level of funding in real terms. Funding goes directly to providing in-state discounts for the Pennsylvania students

UPBC recommendations for FY22 Budget were approved by the Board of Trustees and implemented by the University.

The salary pool will likely be a challenge for the UPBC in FY23 due to wage inflation. It is incredibly important and will have more pressure on this one parameter than any other.

New Budget Model

Hari continued his presentation with an update on the new budget model:

- Changes decision-making and empowers deans
- Provides transparency
- Creates incentives

Stakeholder engagement has been taking place over the past ten months. FY23 will be the first year where we formulate and execute the budget in the new model.

RCs are organized by their ability to influence revenue generation and fall into one of two categories: Primary and Support.

The budget model is built on three main elements: revenue allocation, cost allocation, and the strategic funding mechanism. The Primary RCs pay a 16% participation fee that is known as the strategic funding mechanism that will be used to provide a research incentive fund and address RC subventions and university strategic priorities.

The meeting adjourned at 4:38 pm.