

Strategic Budget Committee Meeting Notes

Monday, October 9, 2023, 3 PM – Alumni Room, University Union and Teams

Attendance: Sheryl Van Gruensven, Lisa Jackovich, Clif Ganyard, Melissa Nash, Susan Gallagher-Lepak, Lea Truttmann, Jen Jones, Tracy Van Erem, Courtney Sherman, Kate Burns, SuAnn Detampel, Brenda Beck, Jessica Lambrecht, John Katers, Pieter deHart, Ryan Martin, Brian Merkel, Dawn Crim, Steven Millard, Nathan Beauchamp, Ayansa Mama

1. Review Charge

Representation from Faculty, Academic Staff and University Staff have been added to the group.

2. FY23/FY24 Budget in Brief Draft

A draft of the Budget in Brief was provided by email to SBC members, and is also available on the SBC Teams page.

Sheryl provided a brief recap of year end FY23 financials. The group reviewed a draft of the Budget in Brief to provide comments and suggestions. Clif asked about the decline in Tuition Fund balance on page 14. He suggested that while comments are made early in the presentation that explain the reduction, it would help to add comments to that page. Summary comments will be added prior to releasing the final version.

3. Budget Reductions

Sheryl mentioned that the goal is to reduce one-time spending to allow us to meet the guidance UW System provided of having cash on hand available to meet 30-60 days of expenses.

a. Reductions made to date

Lisa provided an update of plans that have been made to reduce spending in FY24. The majority of these are one-time reductions that will allow us to meet our goal. Included in the reductions are savings from furloughing non-instructional employees that earn over \$100,000. There are also cuts to S&E that are being made across the university.

b. Updated FY24 projection

Lisa provided an update of the adjusted FY24 projections, including tuition revenue and expenses. The projections still include a 7/1/23 4% pay plan, although as of this meeting, it has not been approved by JCOER. Current projections have us exceeding the low-end target of cash on hand to cover 30 days of expenses. A question was asked about whether pay plan will be approved. Melissa indicated that we don't know at this point.

c. Process to reduce budget and expenses in FY25

Sheryl and Kate briefly discussed that there is high-level planning for the FY25 budget to ensure we do not have an ongoing structural deficit. Initial estimates are that we will need to make \$1.5M-\$2M of cuts in salaries and \$500,000 in S&E. Lisa shared some initial preliminary calculations being used for the basis of cabinet discussions. Susan asked if on-going cuts discussed earlier are included in these

estimates. Lisa indicated the on-going cuts are not included in those amounts. Susan asked a follow up regarding what the timeline is for making these on-going savings decisions. The current estimate is by January 2024, to allow for changes to be made as we do the FY25 budget. More information will be provided when available.

4. FY24 Quarterly Budget to Actual Report

SuAnn provide an update on the FY24 year-to-date budget to actual. She reminded that many of the spending and budget reductions that have been made are not noticeable yet in year-to-year comparisons. A change in practice has led to a number of variances that are showing up in the reports. Departmental budget to actual reports would be sent out soon. Business and Finance is pulling the reports.

5. Budgeting Fringe Benefits Memo Draft

A fringe rate calculator is being made available on the Budget website (Annual Budget Process page). This was previously only available to people that did department budgets. Sheryl asked for comments regarding the Fringe Benefits Calculator and memo, and to reach out to her, SuAnn, or Lisa with questions or concerns.

6. Budget Process for FY25

Lisa provided an update for the FY25 budget process. The initial meeting for Seg Fee funded departments has happened, and those areas have begun their processes for building their requests. Other departments have not begun yet. Information will be shared as it is available.

The next SBC meeting is scheduled for 12/12/23.