

University Budget Development Committee

University of Wisconsin Oshkosh
Meeting Agenda and Summary

Meeting Time: 11-12am
Meeting Date: Friday, 30 October 2015
Meeting Location: Dempsey 236

Agenda

- ❖ Summary
- ❖ Announcements
 - Presentation updates
- ❖ Discussion topics:
 - Budget spreadsheet
 - Budget 101
 - Public no more – chapter 6
 - Nacubo article
- ❖ Standing question up for debate: *Should UW Oshkosh continue to use the current incremental budget model as it currently operates at the university to college/unit level?*
 - What do we need to know in order to answer this question?
- ❖ Walk-ons

Recommended readings:

- Chapter 6 in "Public No More" book
 - http://www.nacubo.org/Business_Officer_Magazine/Magazine_Archives/January_2013/The_Buck_Stops_Elsewhere.html
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Summary

Attendees: Ryan Haley, Julia Hodgen, Lori Worm, Matt Suwalski, Dean Koker, Bill Wacholtz, Reginald Parson, Dean Neal-Boylan, Dean Beyer

- I. Announcements
 - a. Ryan gave an update to Leadership Council regarding the UBDC.
 - i. Positive feedback from the governance groups.
 - b. Idea to have a ½ day workshop on a Saturday to present the allocation spreadsheet.
 - i. Explain where the money goes and how it works.
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Prepared By: Angie Metke and M. Ryan Haley
Date Prepared: 5 November 2015

- ii. Springboard into a discussion on how to make this easier to understand moving forward and what we would like in a new model.

II. Budget 101

- a. As we go through this please imagine the audience being people who do not have a full background in terminology of our current model.
 - i. We want to err on the side of obvious rather than confusion.
- b. First item is an outline of the biennium process and how we submit our request to the Governor for funds.
 - i. This is from State to Board of Regents
 - ii. When we present we will need bigger font
 - iii. Bill: I think what gets lost is that we originally submit the request and then after all of these processes they tell us what they have decided.
 - iv. John: There can be a large impact from step 1 to step 8 that drastically changes what we think will happen.
 - v. Ryan: What people are submitting for in step 1 is the increment. They use the incremental system at the state level as well.
 - vi. Reginald: When the governor didn't have a budget ready, what happens to the campuses? Do you all use the same funds from the previous year?
 - 1. Response: Yes
- c. Biennia Math
 - i. When the biennial budget is put together they use biennial math.
 - 1. Biennial Math takes the first year twice plus the second year is your amount.
 - ii. It's a political way to make things look bigger and smaller depending on the cut or increase.
 - iii. John: I try to think about it as when it's a base budget reduction it is counted twice; once in the first year and once in the second year.
 - 1. Ryan: I think of it as you take your cut the first year and in the second year you have to maintain that cut and also take a second cut (if applicable).
 - iv. Ryan: As an example, let's talk about the 250 Million dollar base reduction we just received.
 - 1. We have to take 125 million the first year and maintain it in the second year (with another 125 million) and that is one way to meet the 250 million base reduction.
 - v. John: The other reason, I think they do it in the biennium is that they give the universities the ability to take the cut in either the first, the second, or throughout both years.
 - vi. John: The confusion is the state provides a biennial budget while the UW System does an annual budget.
 - vii. Ryan: We will have to think very carefully how we present this to people who don't know any of this material.
 - 1. Leslie: I think what will come down to it is people will think it will come out of salary. That's the best metaphor, because that is what is happening.
 - 2. Ryan: If out of salary, then we just won't be able to re-hire those people. It is a reduction in flow, not a one-time event.
- d. GPR/PR

- i. We thought it was important to point out the flexibility our campuses have been given with our GPR funds.
- ii. In the block grant world of flexibility, nothing changed on the Program Revenue side.
 - 1. It only provided flexibility for the GPR funds.
- iii. Ryan: What is the difference between Fund 128 and 136?
 - 1. Lori: To help explain that we could provide the statutory reference. Historically 128 always related to the Auxiliary enterprises where there was a fee paid for services. 136 was more connected with programs that were related closer to the Academic Mission.
- iv. Ryan: Are all of these funds listed important?
 - 1. If they are necessary let's keep them. But if they aren't used that often do we want to keep them and add to the confusion?
 - 2. Could we combine all the Federal funds (144-151) and group them in the description as Federal Funds?
 - 3. Lori: The Pell Grants and the other student collection Funds we could possibly remove.
 - 4. John: You could group them and put 128, 131, and 136 on the same line. Put some of the student ones on the same line.
- v. Reginald: What is the gift and loans? If it's a loan you have to pay it back.
 - 1. Lori: That is the fund that we use for our short-term loans for students. This was money that was gifted to the University to help students during financial struggles.
 - 2. Ryan: Why is this not run through Art's (Foundation) unit?
 - a. Response: Because it's not a gift to the Foundation but to the University. The Foundation is a separate entity from the University.
- vi. Ryan: I imagine taking this information (Budget 101) and ultimately putting it into a 20-slide presentation.
- vii. Matt: Ryan's graphic that provides the purview of the UBDC would be great to include in between the Biennial Math and GPR/PR pages.
- e. Annual Operating Budget Diagram
 - i. Bill: The goal was to make this look similar to a house payment.
 - ii. Ryan: Rename Reserves to Savings.
 - iii. Leslie: Make what you are trying to say with the UW System Required Tuition Target, there, more clear
 - 1. Ryan: One way to rearrange this is to put all the outflow type payments on the right side – move UW System Required Tuition Target
 - iv. Leslie: I'm assuming that when you explain this, I would not want to give the impression that the triangles are "a lot" – make smaller.
 - 1. Ryan: Change the language of Excess Tuition
 - 2. Leslie: Even if it's not made smaller visually, it needs to be emphasized that the amounts in those "pots" are small.
 - v. Lori: We could actually put the numbers in this graph for FY15
 - 1. Ryan: We could put the figures in the pipes.
 - 2. Bill: If we put numbers in we will need to put percentages in

3. Bill: Make the vat smaller.
- vi. Reginald: Is there a way to explain what Student Dollars pay for? Because the students would want to know this.
 1. Bill: We need to be careful not to split hairs too much.
 2. Reginald: Students don't know where their money goes and it would be helpful for them to know where their dollars go.
 3. Ryan: I view this as not the only one schematic. I think we can break this down to several different graphics for further explanation.
 4. Bill: We could have a different schematic of where the student dollars flow into besides the basics.
 5. Ryan: This is where the spreadsheet tags onto this. It will go into greater depth of where funds go.
 6. Ryan: My concern of having a line in the vat is that it suggests that there is money in the vat and in reserves, but it is really one or the other, not both.
 - a. Bill: We need a valve going from the vat into the three triangles of reserves.
- vii. Scott: Do students understand that their tuition mixes with other funds which cover various expenses?
 1. Reginald: I don't think so.
 2. Ryan: That would need to be another slide.
 3. Bill: I think this is also depicted with the revenue sources.
 - a. We could change the sizes of the revenue sources to reflect the percentages of them.
 - b. Ryan: If we leave all the spheres equal size it infers that each revenue source is the same amount/percentage, which is not correct.

III. Closing

- a. We will continue Budget 101 next time, as well as work on the spreadsheet.