

MINUTES
ADVISORY COUNCIL ON STRATEGIC BUDGETING AND PLANNING
January 11, 1994
President's Board Room
3:00 p.m. - 5:00 p.m.

PRESENT: Ballard (for McConnell), Carlisle, de Wolf, Dooley, Grayson, Hicks, Hyer, Johnston, Karp, Martinson, McCleary, Ridenour, Winstead

ABSENT: Baumgartner, Dennis, Freeman, Helfrich, Lalik, McConnell, Pratt, Randolph, Sapon-White, Smoot, Stephenson, Wolfe

VISITORS: Foster, Shumsky, Sumichrast

1. APPROVAL OF MINUTES FOR DECEMBER 2, 1993:

Fred Carlisle, Senior Vice President and Provost, opened the meeting and asked for any revisions to the minutes of December 2, 1993. There being no revisions, the minutes for December 2, 1993 were approved.

2. REVIEW OF THE GOVERNOR'S BUDGET:

Minnis Ridenour, Executive Vice President, discussed the budget amendments and the Governor's budget. Amendments to the budget are due by January 17, 1994 for the House and Senate, and all others are due by January 21, 1994. The Legislature opens on January 13, 1994. New items in the Governor's budget include tuition caps, a shift from state funding to tuition and fees, and reductions in Research, Extension and the Centers.

Kathye Johnston, University Director of Budget and Financial Planning, distributed and discussed an analysis of the Governor's recommendations. For all state institutions, tuition will be capped at 5 percent in 1994-95 and at 4 percent in 1995-96; for out-of-state students, tuition is capped at 8 and 7.5 percent respectively. Auxiliary fees are not included in these increases. The university will be allowed to fully offset General Fund reductions with tuition. In response to a question, it was noted that Governor-elect Allen may cap tuition at the rate of inflation, which would not be enough to offset core General Fund reductions.

The Governor's budget includes salary increases of 2.25 percent for both faculty and classified staff for 1994-95 and 1995-96. During the first year of the biennium, a bonus plan is proposed for faculty using a pool based on 1.72 percent of the faculty payroll, or approximately \$2 to \$2.5 million. This would be a one-time bonus that would not affect base pay. As proposed, classified staff would receive performance increases based on the following ratings: Meets

[NOTE: In the Governor's State of the Commonwealth Speech on January 17, 1994, Governor Allen indicated that he would be asking the Legislature to cap tuition at the rate of inflation.]

3. BUDGET AMENDMENTS:

Potential legislative amendments were discussed by Kathy Johnston. Language amendments include a request to consolidate the three university divisions into two. Operating amendments will request additional funding for the Instructional Technology initiative, self-funded financial aid, and for the Commercial Fish and Shellfish Technologies initiative. Capital amendments include the Upper Quad Conversion and the Coal Storage Facility; the current coal storage site contractor is experiencing environmental problems which could endanger the university's fuel supply.

A number of amendments for the university will be proposed by legislators. These include the Center for Organizational and Technological Advancement, the Northern Virginia Graduate Center, and Reynolds Homestead. A number of the amendments have State Council of Higher Education support. Also, an amendment requesting full restoration of General Funds for the Agricultural Experimental Stations and Cooperative Extension may have favorable support.

Minnis Ridenour discussed a proposal to restructure the Instructional, Research and Extension divisions into one division, and to create a second division comprised of the Cooperative Extension and Agricultural Experimental Station Divisions. An act of legislature would be required in order to restructure the university in this fashion.

There being no other business, the meeting adjourned at 4:57 p.m.