MINUTES
UNIVERSITY ADVISORY COUNCIL ON
STRATEGIC BUDGETING AND PLANNING

August 25, 2005

PRESENT: Dave Beagle, Julia Beamish, Dixon Hanna, Scott Hurst, James Hyatt, Bernie Jortner, Mark McNamee, Robin Panneton, Susanna Rinehart, Robert Schubert, Dwight Shelton, David Tegarden, Lisa Wilkes

ABSENT: Rhonda Arsenault, Jean Brickey, David Ford, Johanna Hahn, Lindsey Leisher, Eva Marand, Sean O’Keefe, Patrick Washington

1. CALL TO ORDER AND WELCOME TO NEW MEMBERS

   Dr. Mark McNamee, University Provost and Vice President for Academic Affairs, called the meeting to order at 3:00 p.m. and welcomed new members to the Council.

2. APPROVAL OF THE JUNE 23, 2005 MINUTES

   Dr. McNamee announced that the minutes of the June 23, 2005 meeting have been electronically approved and sent to University Council to be posted on the web.

3. UPDATE ON RESTRUCTURING ACTIVITIES

   Mr. James Hyatt, Executive Vice President and Chief Operating Officer, provided members with an overview of the current status of the restructuring activities. Implementation of the Restructured Higher Education Financial and Administrative Operations Act will require work in phases throughout the current fiscal year. At the state level, the State Council of Higher Education for Virginia’s efforts have focused on the development of a framework for the six year academic and financial plans as well as the identification of performance measures. For the Executive Branch, work has occurred regarding the implementation of the Level One authorities as well as preparation for discussions with various institutions regarding potential Level Two and Level Three management agreements. University personnel have been actively engaged with the State Council with regard to the institutional six year plans as well as review and discussion of the Level One authorities. The University also continues to work on the requirements for becoming a Level Three or “Covered” Institution.

   Mr. Dwight Shelton, Vice President for Budget and Financial Management, reviewed two documents and a list of key upcoming dates that were shared with the Board of Visitors at its August meeting. The Act requires public colleges and universities to
submit six year institutional plans to include academic, financial and enrollment components. The first document Mr. Shelton reviewed is a template developed by State Council which describes the activities and support services that will occur during the six year academic plan to address the state goals identified in the Act and accepted by the Board of Visitors. This document will serve as the basis for the academic component of the institutional plan. The second document provides the financial plan template from the State Council. The Financial Plan will contain projections over six years of the funding required to cover annual expected expenditures. The end result is anticipated to be a six year projection of the total budget. The University submitted the enrollment component of the institutional plan to State Council in the spring.

In addition to working closely with the State Council on the institutional template, the University has also been working on its specific plan, with an anticipated completion date of early to mid September. A review of the University Plan by the Board of Visitors is scheduled for September. Completed institutional plans are due to State Council by October 1.

The Governor will develop the initial financial and administrative management performance measures and benchmarks to report to the General Assembly by November 15, 2005. Both the academic measures and the financial and administrative measures will be included in “The Budget Bill” or in the proposed gubernatorial amendments to the general appropriation act. These will be voted on by the General Assembly during the 2006 legislative session.

The university received Level 1 authority from the state on August 1, 2005, and is now preparing materials regarding the development of the management agreement in order to become eligible for Level Three authority. This work is occurring in conjunction with the University of Virginia and the College of William and Mary. Management agreements negotiated with the Commonwealth and passed by the 2006 General Assembly would become effective on July 1, 2006.

4. REVIEW OF 2006-08 APPROPRIATIONS REQUEST

Mr. Shelton provided a review of the university’s 2006-08 Appropriations Request. For Agency 208, the university's operating budget proposal will be structured to request funding for Base Budget Adequacy, enrollment growth, strategic academic and research initiatives, operation and maintenance of new facilities, and Unique Military Activities (UMA). For Agency 229 requests will be focused on Cooperative Extension’s Commonwealth Staffing Initiative.

There being no further business, the meeting adjourned at 4:00 p.m.