MINUTES

UNIVERSITY ADVISORY COUNCIL ON
STRATEGIC BUDGETING AND PLANNING

August 30, 2007

PRESENT:  Judy Alford, Julia Beamish, Donna Dunay, Kyrille Goldbeck, Johanna Hahn, Muhammad Hajj, Dixon Hanna, Scott Hurst, Bernie Jortner, Mary Ann Lewis, Don Rimstidt, Dwight Shelton, Linda Tegarden, Stephanie White

ABSENT:  David Ford, Eric Hallerman, Jim Hyatt, Heidi McCoy, Mark McNamee, Denisa Olteanu, Kerry Redican

1. CALL TO ORDER AND WELCOME TO NEW MEMBERS

Mr. Dwight Shelton, Vice President for Budget and Financial Management, called the meeting to order at 3:04 p.m. and welcomed new members to the Council.

2. APPROVAL OF THE MAY 17, 2007 MINUTES

Mr. Shelton announced that the minutes of the May 17, 2007 meeting have been electronically approved and sent to University Council to be posted on the web.

3. UPDATE ON HIGHER EDUCATION RESTRUCTURING ACT

Mr. Shelton provided members with an overview of the current status of the restructuring activities. The Restructuring Act was enacted by the General Assembly in 2005. This Act provided restructuring benefits and responsibilities for all Virginia institutions of higher education. For Virginia Tech, the Act also provided the opportunity to apply for additional “Level 3” authority and responsibilities. In November 2005, the Board of Visitors approved a resolution adopting Virginia Tech’s Management Agreement and related operational policies and performance measures, in accordance with the Restructuring Act and as approved by the Governor’s Office. The 2006 General Assembly converted the Management Agreement into a Section One Bill, which was subsequently passed by the General Assembly and signed by the Governor.

With the approval of the Management Agreement legislation, effective July 1, 2006, the University was granted the authority to operate as a Covered Institution in accordance with its Management Agreement and operational policies for a period of four years. The Management Agreement provides the University greater autonomy in the areas of capital outlay, leasing, procurement, information technology, finance,
and human resources. Accountability is an important part of the Restructuring Act, and all institutions of higher education have a common set of performance measures to achieve. Further, Management Agreement institutions have additional performance measures created through the application for Covered Institution status.

In May 2007, SCHEV certified that all institutions including Virginia Tech, had successfully met all educational measures for the first year. In addition, the Level 3 universities also have institutional performance measures created through the application for Covered Institution status. The University established a process to track compliance with these additional measures, and believes it is in compliance with all of the measures.

During 2007-08 the University will continue to work to fully implement the Management Agreement, as well as to manage the new authorities that have already been implemented. A major focus of the upcoming year will be to work to develop the new Human Resources system, and to begin operating under the new finance and accounting structure.

4. REVIEW OF 2008-10 APPROPRIATIONS REQUEST

Mr. Shelton provided a review of the university's 2008-10 Appropriations Request. For Agency 208, the university's operating budget proposal will be structured to request funding for Base Budget Adequacy, enrollment growth, security enhancements, Commonwealth Research Initiative, Center for Creative Technologies in the Arts, quarantine at the Equine Medical Center, operation and maintenance of new facilities, and Unique Military Activities (UMA). For Agency 229, requests will be focused on the Food, Fiber, and Health Initiative.

5. STATUS OF THE STATE'S REVENUE AND UPDATE ON 2007-08 OPERATING BUDGET

Mr. Shelton reported that the State is predicting a shortfall of $850 million. The Governor has asked state agencies to prepare budget reduction plans. As soon as information is available, it will be disseminated.

There being no further business, the meeting adjourned at 4:12 p.m.