MINUTES

UNIVERSITY ADVISORY COUNCIL ON
STRATEGIC BUDGETING AND PLANNING

October 4, 2007

PRESENT: Judy Alford, Julia Beamish, David Ford, Kyrille Goldbeck, Muhammad Hajj, Dixon Hanna, Scott Hurst, Bernie Jortner, Mark McNamee, Hardus Odendaal, Don Rimstidt, Dwight Shelton, Marty Simpson (for Donna Dunay), Linda Tegarden

ABSENT: Ellen Bielema, Johanna Hahn, Eric Hallerman, Jim Hyatt, Mary Ann Lewis, Amanda Mitchell, Stephanie White

GUESTS: Heidi McCoy

1. CALL TO ORDER

Dr. Mark McNamee, Provost & Vice President for Academic Affairs, called the meeting to order at 3:02 p.m.

2. APPROVAL OF THE AUGUST 30, 2007 MINUTES

Dr. McNamee announced that the minutes of the August 30, 2007 meeting have been electronically approved and sent to University Council to be posted on the web.

3. STATUS OF STATE BUDGET

Mr. Shelton reviewed a handout providing a budget overview as of October 1, 2007. The State reported that in fiscal year 2007, revenues grew 4.9 percent, compared to an anticipated 6.5 percent growth rate. This created a projected $641 million revenue shortfall for 2006-08. A cumulative $849 million shortfall is projected to occur for the two years of the 2008-10 biennium. On October 1, 2007, the Administration announced plans to address the $641 million shortfall; the plans call for $300.3 million in reductions to agency budgets, approximately $22 million in new revenues, and $318.7 million through unspent balances and an allocation from the State’s Revenue Stabilization Fund. Overall, higher education absorbed a significant share of the reductions. With reductions totaling $90.4 million, the institutions’ combined reductions represent 30 percent of the $300.3 million in agency reductions.
4. VIRGINIA TECH'S RESPONSE TO THE STATE BUDGET REDUCTIONS

Mr. Shelton stated that to internally plan for reductions, the University will follow a two stage process. First, the University is asking the campus to plan for a 2.5 percent one-time reversion in 2007-08. The second stage of the process focuses on implementing base budget reductions in 2008-09. The University has asked each vice president and dean to present two scenarios of how expenditure reductions or revenue enhancements can be achieved on an ongoing basis beginning July 1, 2008. The scenarios are for a 3.5 percent reduction in the University division (4 percent in agency 229) and a 5 percent contingency planning scenario for each agency. The budget reductions will not impact the 4 percent salary increases for faculty and staff to become effective in November. Also, untenured faculty positions will not be cut.

There being no further business, the meeting adjourned at 4:30 p.m.