MINUTES
UNIVERSITY ADVISORY COUNCIL ON
STRATEGIC BUDGETING AND PLANNING
June 23, 2005

PRESENT: Rhonda Arsenault, Dave Beagle, Sue Ellen Crocker, Sam Easterling, Dixon Hanna, Hugh Latimer (for Scott Hurst), Steve Kleiber, Sean O’Keefe, Dwight Shelton, David Tegarden, Lisa Wilkes

ABSENT: David Ford, Thomas Fox, Jim Hyatt, Jeryl Jones, Lindsey Leisher, Melhi Madanoglu, Eva Marand, Mark McNamee, Jan Nespor, Robin Panneton, Robert Schubert

1. CALL TO ORDER

Mr. Dwight Shelton, Vice President for Budget and Financial Management, called the meeting to order at 3:00 p.m.

2. APPROVAL OF THE APRIL 21, 2005 MINUTES

Mr. Shelton announced that the minutes of the April 21, 2005 meeting had been electronically approved and sent to University Council to be posted on the web.

3. CAPITAL OUTLAY PLAN SUBMISSION TO THE STATE

Mr. Dwight Shelton provided Council members with an update on the 2006-2012 Capital Outlay Plan submission to the state, which was approved by the Board of Visitors at its June meeting. Projects listed in the six-year capital plan total $1 billion. Projects proposed for funding in the 2006-2008 biennium are: Maintenance Reserve; replacement of deteriorated section of Davidson Hall; renovation of Liberal Arts Building, Litton Reaves Hall Exterior, and Residence and Dining Halls; code compliance for fire alarm systems and access; construction of Campus Heat Plant, Institute for Critical Technology and Applied Science II, Life Sciences Research Facility II, NIH Research Facility, Hazardous Materials Facility, Engineering/Computational Sciences Instructional Facility, Newman Library Addition – ARC, Veterinary Medicine Instruction Addition, Surge Space Building, Classroom Building, New Police Facility, Administrative Services Building, New Visitor and Admissions Center, additional recreation, counseling, and clinical space, and Indoor Athletic Training Facility; and provide a supplement to the 2002 General Obligation Bond Projects. The total request for 2006-2008 is $371.4 million.

4. UPDATE ON RESTRUCTURING ACTIVITIES

Mr. Shelton provided an update on the university’s restructuring activities. Virginia’s 2005 General Assembly session enacted the Restructured Higher Education Financial and Administrative Operations Act, which allows institutions restructured financial and operational authority. To be eligible for participation in the Act, the Board of Visitors is required to formally adopt a resolution committing to the Governor and the General Assembly to meeting the state’s eleven goals as described in the Act. At its June meeting,
the Board of Visitors approved the resolution of the University's commitment, by both the University Division and the Virginia Cooperative Extension and Agricultural Experiment Station Division, to the state's goals. The university will receive Level 1 from the state effective August 1, 2005.

In addition to participating with all of Virginia's higher education institutions in working on level one issues, Virginia Tech is also 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 would ultimately require passage by the 2006 General Assembly and become effective on July 1, 2006.

5. STATUS ON DEVELOPMENT OF 2005-06 INTERNAL BUDGET

Mr. Shelton provided Council members with handouts summarizing the university’s 2005-06 internal budget decisions. For Agency 208, the University committed approximately $23.9 million in base funding and $9.6 million in one-time funds for a total of $33.4 million funding for initiatives including: Compensation, Graduate School Initiatives, Strategic Initiatives (including Infectious Disease Cluster Hire Match; Institute for Biomedical Public Health Sciences, and Institute; and Institute for Critical Technology and Applied Science), Instructional and General Academic Initiatives, Academic Supporting Initiatives, Student Financial Aid, and Administrative and Facilities Requirements.

For Agency 229, the University committed $4.8 million in base funding and $1.2 million in one-time funding for a total of $6 million. The primary initiatives will be faculty and staff salaries and the Commonwealth Staffing Initiative, as well as equipment for the Agriculture and Natural Resources building.

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