2/27/18 Budget Advisory Committee Notes

• FY 19 Revenue Estimates
  o New GY Revenue estimated to be $2M
    ▪ $728k SGF, 0.8% restoration of FY17 reduction
    ▪ $1.3M Tuition, this example would be a 2.5% increase in tuition combined with a shortfall in international credit hours, assuming no credit hour growth
  o State Budget Considerations – revenue collections upbeat, but the K-12 funding issue remains

• Preliminary GU FY ’19 Budget Considerations – funding all listed expenditures would require new revenue/reallocations of $7.7M
  o Primary: $5.4M
    ▪ Benefits & Comp
      • $781k employer health benefit rate increases (M)
      • $213k death & disability benefit restoration (M)
      • $202k Other benefits (M)
      • $150k Promotions in academic rank & tenure (M)
      • $1.6M 2.5% increase for faculty and staff not receiving legislature’s FY 18 mandated increase
      • $500k promotions for non-tenure track faculty
    ▪ Operating Needs
      • $100k estimated utility rate increases (M)
      • $1.65M SEM Scholarship/Retention coaches/strategic initiatives (M)*
      • $68k EAB enrollment services – multiyear contract (M)
      • $100k KanREN Internet & Networking (M)
  o Secondary: $2.3M
    ▪ Compensation
      • $1.2M Compression/Compensation Equity*
    ▪ Operating Needs
      • $400k Latinx Cluster Hire
      • $110k Implement 27th pay period reserve
      • $181k employee & dependent/spouse tuition assistance
      • $400k time & attendance initiative
      • $???? Equipment/Capital reserve
      • $???? Other Operating Needs not yet quantified

(M) = Mandatory   * = Preliminary Estimate

• Colleges are looking at using RU funds to offset the 2.5% increase for faculty and staff not receiving legislature’s FY 18 mandated increase
• Other areas without significant RU funds will have to look into reducing OOE or eliminating positions strategically (vacant positions when possible)
• 27th pay period reserve is mandated by the state, we set aside funds every year to save for the 11th year when we will have an extra pay period. We are saving up SGF funds – we will have to come up with the RU and tuition funds later.
• Idea Generator – opportunity for faculty or staff to come up with ideas for revenue generation. There are probably 50-60 ideas on there that haven't been discussed yet. David wants to establish a group that goes over the ideas and finds revenue generation ideas to discuss as a larger group.
• To fund all the budget considerations, credit hour growth would have to be around 6.4%.
• Credit hour mix is also important – in FY18 we had credit hour growth but international went down, so revenue was down overall.
• Judy Espinoza urged managers to be proactive if there are any issues with employees, as we are going through the employee review process and to engage HR business partners.