

University Fiscal Health Advisory Committee  
Meeting Minutes  
June 12, 2018  
Lighty 403

Attendance: Stacy Pearson, Dan Bernardo, Todd Butler, Michael Craven, Daryll DeWald, Maria de Jesus Dixon, Chip Hunter, Greg Rose, Matt Skinner, Phil Weiler, Kelley Westhoff, Chris Hoyt, Kris Olson

Documents Provided:

- May 2018 Fiscal Year End Projection
- Some History & Path Forward
- Budget Model Machine Graphic
- Budschem (Provost schematic)
- Unfunded Commitments

1. Introduction

Announced that a research faculty member will be appointed to the committee beginning in July per recommendation of the Faculty Senate.

2. Committee charge and responsibilities review.

- Examine current budgetary practices and propose new budget models for the future.

Reviewed current budgetary practices and had a discussion on best practices.

Suggest strategic ways to enhance revenue.

The committee discussed starting a strategic budget process Winter 2019 for the subsequent year's cycle. Study what types of models public research universities are using and talk about the pros and cons and lessons learned. Focus on revenue enhancements in our budget model and then incorporate other measures in future years. Continued focus on expenditure plans and meeting targets so we can start moving into a good budget process for WSU.

- Suggest strategies for streamlining administrative operations to decrease costs, including lean principles. Also being addressed in the modernization initiative, as nearly 30 processes are identified.
- Review programs or initiatives proposed for discontinuation to determine the larger impact on the campus community and student experience.

Be mindful of these principles in terms of what some of those actions could be as we gather data.

- Examine administrative costs vs. instructional costs and submit recommendations for making our ratio comparable to our peer institutions.

The kind of comparability of administrative costs has been a challenge in higher education. In working with EAB, we find out how different institutions put their costs together. There are plenty of best practices research out there for us to review.

- Solicit suggestions from the greater WSU community about general university budget matters and provide responses to ideas on a periodic basis.

Our website is a great avenue to solicit suggestions. Maintaining communication is imperative.

- Facilitate communication about the budget in a transparent and informative manner with the university community.

### 3. Fiscal recovery plan and current status for FY2018—Kelley Westhoff

Kelly walked the committee through the update on where we are on our fiscal recovery plan and the current status for 2018 (May 2018 year end projection).

### 4. Athletics fiscal recovery plan—Stacy Pearson

Athletics maintains a very large accumulated deficit due to building new facilities without revenues to support (PAC 12 revenues approx. half of what was expected and very little fundraising for facilities). There was legislation passed that required that the regents see their actual expenditures for the prior three years and then the planned expenditures for the next five years (Athletics budget plan). Given the magnitude of that number, they are on a longer recovery plan than the rest of the university. Athletics is not projecting that they can reduce expenses; they believe they have to solve this by increasing revenues. Particularly by fund raising and better sponsorships. There is a student fee listed, but that is going to be planned and discussed over the next few years. AD Chun felt it important to include the fee and be transparent as to it being discussed at some point.

The value to WSU of being a PAC 12 institution, which is beyond Athletics. The PAC12 schools are all top research universities.

### 5. Some history and a path forward

How we got here discussion starting with the great recession, significant increases in revenues (but even greater in expenses) and the state buy down of tuition increases.

### 6. Next steps

- a. Discussed EAB book, *Aligning the Budget Model to Strategic Goals*. The document attached is a graphic on “the budget model machine” - the 13 most important decision points to align your budget model and strategic priorities. EAB does a good summary of what other institutions are doing and other models and why.

Provost Bernardo created a graphic (attached) of where our revenues go right now and it will inform our discussion about how some of the things we might want to change.

*b.* Meeting schedule and frequency

Future monthly meetings of the UFHAC have been scheduled July, 2018 through May, 2019.