

Memo from the Provost to the President regarding the UBAC Recommendations.

Dear President Schulz,

As Chair of the University Budget Advisory Committee (UBAC), I am forwarding for your consideration the Committee’s recommendations as they relate to the University’s FY 2017 General Use budget and three-year budget planning.

Under your leadership, developing transparent budget processes has been a priority. Last fall, the Committee implemented the university’s first open budget enhancement request process. This was a transparent opportunity for all units to request general use base funding in a uniform manner for their most important operational needs. We received 22 requests from 14 units and the Committee carefully considered the requests. Due to the severity of the financial situation facing the institution we are unable to recommend any of the enhancements for FY 2017 funding outside of the new buildings operating support, the utility budget increase, providing minimal custodial staffing, chill plant operating staff, the chill plant debt service, and continuing professorial performance awards, tenure-track faculty promotion increments, and targeted faculty salary enhancements (175). In addition, a portion of the HCS proposal is included because the funding had already been committed for software.

The budget proposals recommended for approval for the FY17 budget are listed below.

RECOMMENDED PROJECTS			
		Original Request	UBAC Rec.
		FY 2017	FY 2017
College/Major Unit		Base	Base
Administration and Finance	Utilities for New Infrastructure	\$ 1,383,133	\$ 1,383,133
Administration and Finance	Support Staff & OOE for New Infrastructure	\$ 930,056	\$ 656,798
Human Capital Services	Human Capital Services Operating Support	\$ 630,088	\$ 115,500
Subtotal - Base Requests		\$ 2,943,277	\$ 2,155,431

The budget proposals not recommended for approval are listed below.

NOT RECOMMENDED			
		Original Request	UBAC Rec.
Base Requests		FY 2017	FY 2017
College/Major Unit			
Agriculture/KSRE *	CoA/KSRE Program and Infrastructure Needs	\$ 760,000	\$ -
Arts and Sciences	GTA Tuition Support	\$ 180,077	\$ -
Arts and Sciences *	New Faculty and GTA Positions in Arts & Sciences	\$ 623,298	\$ -
Beach Museum - Office of the President	Beach Museum Salary Support	\$ 105,613	\$ -
Business Administration	K-State CBA International Business Center	\$ 92,000	\$ -
Communications and Marketing	Strategic Marketing Budget	\$ 150,000	\$ -
Grad School	Graduate School Staff Salary Support	\$ 166,033	\$ -
Human Ecology	GTA Tuition Waiver	\$ 100,000	\$ -
School of Leadership Studies	Resourcing Service-Learning for K-State 2025	\$ 164,760	\$ -
Student Life	Exceptional Admit Program (Plan for Success)	\$ 125,653	\$ -
Undergraduate Studies - Office of the Provost	Investing in Undergraduate Student Success	\$ 100,000	\$ -
Subtotal - Base Requests		\$ 2,567,434	\$ -
One-Time Requests			
College/Major Unit	Proposal Title	One Time	
Agriculture/KSRE	CoA/KSRE Program and Infrastructure Needs - Other	\$ 2,740,400	\$ -
Business Administration	Obtain Stem Status for CBA MIS Program	\$ 165,000	\$ -
Engineering	Replace Roofs - Durland, Rathbone, Fiedler Halls	\$ 750,000	\$ -
Engineering	Renovate Research Facilities	\$ 1,520,000	\$ -
Undergraduate Studies - Office of the Provost	Investing in Undergraduate Student Success	\$ 228,500	\$ -
Human Capital Services	Human Capital Services Operating Support	\$ 85,900	\$ -
Subtotal - One-Time Requests		\$ 5,489,800	\$ -

* UBAC recommends that the Provost's office be allocated a funding line for new faculty positions. That office would then determine the addition of funding for faculty positions based on criteria developed by the Provost.

The budget proposals recommended for further consideration for FY18 and FY19 are listed below in priority order based on the committee's evaluation.

UBAC RECOMMENDS THESE REQUESTS BE CONSIDERED FOR INCLUSION IN THE FY 2018-2020 BUDGET PLAN				
		Original Request		
		FY 2017	FY 2018	FY 2019
College/Major Unit				
Administration and Finance*	Utilities for New Infrastructure		\$ 229,205	
Administration and Finance**	Support Staff & OOE for New Infrastructure		\$ 124,580	
Administration and Finance	Public Safety	\$ 50,000	\$ 139,979	\$ 62,954
Office of the Provost ***	New Faculty Positions		\$ 750,000	\$ 750,000
Student Life	OSL - Federal Safety Mandate	\$ 266,620		
Student Life	Students with Disabilities Accommodations - Federal Mandates	\$ 239,941		
Grad School	Graduate Research Assistant Tuition Support Program	\$ 970,342	\$ 686,011	
Student Life	Counseling Services - Additional clinicians and alcohol/drug staff needed	\$ 192,514		
Libraries	Libraries Acquisitions Enhancement	\$ 500,000	\$ 500,000	\$ 500,000
Subtotal - Base Requests		\$ 2,219,417	\$ 2,429,775	\$ 1,312,954

* The FY 2017 portion of this request was recommended for inclusion in the budget.

** The FY 2017 portion of this request was partially recommended for inclusion in the budget.

*** As mentioned above, the Committee recommends that the College of Agriculture and College of Arts and Sciences request be combined and a funding line for new faculty positions be provided for the Office of the Provost to allocate to departments.

The severity of the budget situation facing the university cannot be understated. The loss of state funds, our drop this academic year in enrollment, as well as increased operating costs related to new infrastructure will once again cause us to delay implementing recommendations for improving compensation for faculty and staff as well as funding key initiatives geared towards K-State 2025 and university priorities. This causes us to fall further behind in our ability to attract and retain the best and brightest faculty and staff as well as continue our progress advancing the university.

It is the sense of the Committee that it is past time for the University to begin “doing business” in a different manner. Steps need to be taken immediately so that the University can begin positioning itself to address key financial priorities in the coming years. To that end, the committee has the following additional recommendations related to university operations:

1. The University must begin implementation of alternate budget strategies to reduce costs and increase revenues. Continuing across-the-board budget cuts to annually balance the budget is not sustainable. Such cuts do not take into consideration those departments that have seen growth in enrollment or research activities and/or have the capacity to seek additional revenues through differential tuition. We must begin to plan strategically for a future that might not allow us to always do the things that we have historically been able to do.
2. It must be a priority for this institution to focus on faculty and staff salary needs. The quality of our academic and research endeavors will suffer unless we can begin providing reasonable salary increases to faculty and staff. We must recognize that the state is no longer going to fund salary adjustments and develop sustainable funding sources for compensation that make up for the loss of state support for salaries.
3. Major construction initiatives for the Manhattan Campus should be placed on hold for the next two fiscal years unless the project can demonstrate a net zero impact to the General Use budget. While it is recognized that the new facilities that have been constructed over the last few years have revitalized the campus and provided much needed space for academic and research endeavors, significant general use resources for the operation of the buildings have been committed as a result of the construction. The state will not provide resources to support these new assets and it has become apparent that fundraising for these projects does not adequately address the operational and maintenance costs which increase as a result of the additional square footage.
4. Definitive strategic enrollment initiatives must be developed over the summer for implementation in the Fall of 2016. The Committee recognizes the futility of requesting additional state funding to finance our critical operations. At the same time, continual tuition rate

increases on our current student population places increased pressure on the affordability of higher education. We must seek out new or maximize our capability in existing markets to grow our enrollment. With this increased enrollment comes additional revenues that may be targeted to departments which grow their enrollment or to address university –wide initiatives.

Thank you for your consideration of the University Budget Advisory Committee recommendations.

April Mason

cc: General Richard Meyers
UBAC members
President Cabinet Members