

Minutes of February 14, 2024 Meeting

The meeting convened at 3:31 p.m. via Zoom

UPBC members present: Yodit Betru, David Brown, Robin Choo, Natalie Conrad-Barnyak, Tony Delitto, Nicola Foote, Bob Gregerson, Christie Jackson, Robin Kear, Mark Kelley, Mary Lou Klem, Monica Losagio, Joe McCarthy, Ilia Murtazashvili, Luca Rigotti, Lindsay Rodzwick, Hari Sastry, Sarah Siddiqui, John Stoner, Juan Taboas, David Worley,

Also present: Valerie Doyle, Rich Henderson, Denise McCloskey, Melissa Micco, Cyndee Pelt, Lucy Russell, Kathy Tosh, Thurman Wingrove, and Steve Wisniewski.

UPBC members not present: Gene Anderson, Dave DeJong, Paul Harper, Kayla Heffernan, Varbi Mridha, Anantha Shekhar

Approval of April 26, 2023 Meeting Minutes

The minutes of the April 26, 2023 meeting were sent to Committee members in advance of the meeting. John Stoner made a motion to approve and Hari Sastry seconded. There were no additions or corrections; the minutes, as circulated, were approved with no abstentions.

Role of the UPBC

The UPBC serves as an advisory committee to the Provost and develops budgets parameters for the E&G operating budget that are then forwarded to the Chancellor for review and approval. The UPBC has three levers to work with:

- Tuition
- Salary Increases
- Budget Cuts

Makes recommendations on proposals establishing, terminating or significantly changing degree programs or significantly altering resource allocations at the levels requiring the approval of the Chancellor.

The Parameters Committee is a subcommittee of the UPBC that is open to all members of the UPBC. The Parameters Committee is responsible for collaborating with the CFO's Office, specifically Thurman and Melissa this year, to work through the levers that make-up the budget and makes recommendation to the UPBC.

Conversations are confidential in nature and information is not shared outside of the Committee, because the Committee's decisions are pre-decisional and must be approved by the Chancellor and Board of Trustees.

FY24 Budget Review

Hari Sastry began the conversation by indicating this would be his last UPBC meeting and thanked everybody for their collaborative efforts. He was told when he came to Pitt how strong the shared governance was but he has been able to witness it first-hand and believes this committee and the process it follows really does do what is best for Pitt.

He then turned it over to Thurman to provide an update on the FY24 Budget:

- Total FY23 Budget is at \$3.0 Billion
- Revenues (in order ascending to descending \$ amounts) come from grants and contracts, net tuition and fees, sales and services, Commonwealth appropriation, endowment distributions, and contributions. We are likely to surpass the \$1.2B mark in grants and contracts in FY24.
- Expenses (in order ascending to descending \$ amounts) are for compensation, other, business and professional, supplies, and utilities.

History of the Commonwealth appropriation

Pitt received level funding at \$152M. Governor Shapiro's proposed FY25 budget includes Pitt at \$159M.

Review of the FY24 UPBC recommendations versus Actual Budget

	April 2023 UPBC Recommendation	July 2023 Approval by BOT
Tuition		
PA Undergraduate	4.5%	2.0%
Out-of-state Undergraduate	7.5%	7.0%
All Graduate Students	4.5%	3.5%
Salary Pool	4.0%	4.0%
Budget Cut	0	0

Enrollment

The FY24 budget included an undergraduate enrollment that was held flat, a small increase for graduate enrollment and a slight decrease for the Regionals for an overall minor increase for the university.

Tuition

From FY19-FY23, gross tuition has increased by 16%; however, net tuition has only increased by 2.6%. This is due to additional financial aid provided to students, which can largely be attributed to the PittSuccess program that was implemented in 2020.

Budget ReSTART

FY23 was the first year of implementation. All of the RCs were given targets for the year, and we just finalized the results a few months ago. We were able to provide carryovers for the schools that exceeded their targets and for those that did not meet their targets, the Provost's Office and the CFO's Office will work with them to determine why they missed the targets and develop plans to get them back on track.

Thurman then opened it up for questions. Robin Kear asked Thurman to explain how the university made up for the difference in the Commonwealth appropriation, because the UPBC submitted a budget based on the assumption Pitt would receive a 7% increase. Thurman explained that they had to look for savings in various places, such as estimated energy, IT and leasing cost reductions. Robin Kear also requested that the CFO's Office provide additional data about salary and inflation at the next Parameters Committee meeting. Thurman indicated they could provide the inflation data and would have to determine what amount of salary data could be provided. Lindsay Rodzwick supported Robin's request for additional data.

Appropriation Discussion

Dave Brown provided an update with the Commonwealth Appropriation for FY25. He said that Governor Shapiro laid out his blueprint for higher education, which is a very ambitious and comprehensive overhaul of higher ed in the Commonwealth. It is based on themes that includes access and affordability, transparency, and workforce needs. The areas that impact the state-related institutions are as follows:

- Eliminate the 2/3 vote required for the state-related institution funding. He is proposing to bypass the individual appropriations bills and create a grant program that would operate out of the Dept of Education and run through the general appropriations bill. This would only require a simple majority vote.
- Create a performance-based funding model that includes a separate pot of money that would be awarded based on metrics related to higher education. The Governor has convened a group of higher ed professionals to begin discussing what those performance metrics would look like. Interim Provost Joe McCarthy has been selected to represent Pitt.
- Increase the PHEAA grants by \$1,000 across the board.

Matters Arising

Steve Wisniewski asked if any members had matters to bring forward. There were none. He outlined the process and timeline for the committee moving forward: Parameters on April 10 and April 24. The April 24 meeting will be a voting meeting to move forward recommendations on the three levers under the UPBC purview. The UPBC will meet on April 25 to review recommendations and finalize the recommendation that will be sent to the Chancellor.

Adjournment

The meeting adjourned at 4:23 pm.