Budget Transparency Committee Meeting, December 7, 2018, 12:30-2 p.m.

Minutes by Betsy Perabo, BTC chair

Tentatively approved at January 23, 2018 meeting; minor changes made by Letisha Trepac in January 30, 2019

Members Present: Susan Czechowski, Gloria Delaney-Barmann, Stacey Macchi, Betsy Perabo, Khaled Zbeeb (via Zoom)

Visitor: Letisha Trepac

Budget Director Letisha Trepac discussed her background and her work as Budget Director, partially in response to a list of questions provided by the BTC, and then took questions from committee members. We first asked Ms. Trepac for her background and training, and then asked for a description of the budget process at WIU.

1) **Trepac’s background.** Trepac, who has worked for WIU for 20 years,discussed her work in a variety of different positions in the university – with Utech, in the non-credit programs area, in human resources (where she was involved in a salary equity study) – as well as earlier work in the Budget Office as an analyst and in the office of the Provost and Academic VP as the HR/budget person there. She has also worked in the Foundation office. Currently she oversees the entire budget, developing the capital and operating requests that go to the Illinois Board of Higher Education and to the legislature. She also reviews the day to day budget transactions at the university.

2) **Information on the budget process.**

**a) Budget cycle:** Trepac described the ongoing budget cycle (which the BTC may want to publish on our website).

**September-October**: The All funds budget, the operating request, and the capital request are submitted to the WIU Board of Trustees for approval. Once approved these are submitted to the IBHE via the RAMP document. This process has already started for FY20.

**October**: The IBHE visits each public institution

**December**: THE IBHE makes its recommendation to its own board

**February:** WIU sends state legislature reports

**February - March**: The governor gives the budget address (the budget proposal is due the third Wed of Feb unless the GA approves a delay – no delay is expected that Letisha is aware of for this year)

**March and April**: The President and Budget Director meet with the General Assembly

**May-June**: An appropriations bill is enacted (in years when there is not a budget impasse)

Internally, the chairs work with departments in January, and these reports go to the deans, who produce the consolidated review, which is passed onto the President and Budget Director before they meet with the GA.

b) **Current situation.** Trepac noted that the state of Illinois currently has a $3 billion deficit. This December, the IBHE requested a 16.6% increase for higher education for FY20. Within the 16.6% increase for higher ed overall, a 10% increase is requested for *public* institutions specifically. (there was some discussion about the accuracy of this number, but I believe we resolved it). Western [and perhaps other universities]will continue to advocate for what it feels is an adequate funding request, which is greater than the 10%. The new governor will be giving his budget address in February and is likely to discuss his own initiatives.

c) **Generating** **information on WIU’s budget:** Renee George is working on producing a copy of the FY19 budget, and is able to run a comparative budget for specific items at any time, should the BTC need to look at something. We can also access WIU’s budget system, FRBR, which is antiquated and difficult to use. (We would need to get supervisor approval to do this.)

On October 19, BOT approved the all funds budget for FY 19 (which was finalized after the 10th day of the fall semester); a preliminary budget was provided in June).

Operations and Capital request – FY 20

State appropriations projected for 19-20-21 – are not related to enrollment – not based on anything and have been changed just incrementally across the board

d) **Other information on enrollment, budgeting, and related items:** With regard to anticipated enrollment, our applications are down but acceptances are up. Marketing and advertising are part of operating budget, but it also includes some personnel. WIU has not reduced its marketing budget, and is considering options for finding assistance in this area. The computer systems for admission and budget are antiquated, but it’s difficult to find the money for the substantial upgrade that seems to be necessary at this point.

3) **Transparency and confidentiality.**  When asked to respond to the question: what information (if any) about the budget should not be available to the university community and the general public, Ms. Trepac said that in general transparency was appropriate, with the following possible exceptions (or at least “grey areas”): 1) projections, based on speculation; and 2) initiatives that our competitors might want to copy. For example, projections could be used as a recruiting tool against us.

4) **Mechanisms for sharing information with the BTC.** We can contact the Budget Director’s office if we have questions, and will also meet at least once a semester. Though it’s permissible for us to use FOIA requests, we agreed that it would be preferable to go other routes if possible. As noted above, we can also set up access to the FRBR system via WIUP if we have supervisor approval, though there is a fairly steep learning curve to use this system. There are also financial statements available on the Auditor General webpage.

5) **Resources recommended on budget matters:** See the meeting agenda for a list that Ms. Trepac sent prior to the meeting.

6) **Potential layoffs of** **civil services employees, and followup email.** Several committee members expressed concern about the forthcoming potential layoffs of civil service employees, and we raised the question of what level of salary reductions taken by all employees making (for example) more than $50,000 year would alleviate the need for those layoffs. Though Letisha did not have those numbers available at the time, she sent a followup email on 12/9 with the following information:

I also just ran an estimate to help answer your hypothetical question regarding what it would take pay-reduction wise in employees that make $50K or more beginning Feb 1 to save $5 million this year.  This would fall somewhere between 17.5 - 20% pay reduction.  It would likely fall somewhere in the middle of that range to capture the needed savings on the unrestricted funding source side.  However, using a mixture of cost-saving measures would lower the percentage reduction needed.  This is an interesting scenario and helps put things in perspective.  I'm glad you asked the question.

The followup email also included copies of the RAMP (Resource Allocation and Management Program) and ISL (Illinois State Legislature) documents, which we will put in our Google Drive.