

Minutes of the University Senate Budget Policies Committee Friday, October 8, 2010

Present: J. Baker (Chair), K. Barlow (U. Times), S. Carr, J. Cassing, B. Dixit, B. Gaines, H. Good, M. Hahn, R. Henderson, A. Ramicone, B. Ridge, M. Semcheski (Secretary), C. Singh, J. Sukits, P. Wion, P. Supowitz (VC for Governmental Relations)

1. Introductions:

This was the committee's first meeting of the year and there were some new members. All attendees of the meeting introduced themselves.

2. Minutes:

A motion was made by Carr and seconded by Cassing to approve the minutes of the May 29 meeting as they were distributed. The motion passed by unanimous voice vote.

3. Report from Paul Supowitz, Vice Chancellor for Governmental Relations:

Supowitz gave an update on the University's government relations with what happened over the last year and what is expected over the next year.

Supowitz presented a summary of the FY2011 Commonwealth Appropriations. The report showed the appropriation was the same from 2010 to 2011 in terms of General Support. There was a minor decrease in the Academic Medical Center Funding. Supowitz noted that \$7.5 million per year of Federal Stabilization money would expire. It was given over a term of three years, with 2011 being the final year. This cessation of Federal Stabilization was referred to as the "Funding Cliff" in the Commonwealth's budget. Still, the University did well with respect to other state funded entities. The FY2012 appropriation request would be the same 5% increase as was requested for FY2011, though no action was expected on it until May or June at the earliest.

Supowitz talked about the changing political landscape, with the certainty of a new governor, and possible changes in the State House of Representatives. He noted that the change could potentially be positive. Supowitz noted that Pitt works with Penn State, Temple and Lincoln, but there is little to do until the election has taken place. Individuals in the University community can get active through Pitt's advocacy network, Pitt day in Harrisburg, and other grassroots activities. Baker said that he was impressed with the graduate and undergraduate participation in the political advocacy. Supowitz stated that it was especially helpful in the city and state.

Cassing asked about the Marcellus Shale and its possible tie-in to education funding. Supowitz replied that getting funding for Marcellus Shale research was a priority. The Marcellus Shale tax revenues would likely go to offset the costs from the drilling, and then to the state's general fund.

Singh asked about the possibility that the state would remove funding it had been obligated to appropriate to Pitt in order to receive the Federal Stabilization money. Supowitz thought this was unlikely, as the threat to remove the funding may have been a purely political maneuver. The state related universities were generally seen as a very good investment.

Sukits asked about the possibility of cutting the fat in the legislature, given the size of the legislature and the waste of development money in the state. Supowitz answered that that is a consideration, given the aversion to raising taxes. However, public welfare and prison costs represent a much larger portion of the budget.

Carr asked about whether there was concern at the state level over the cost of tuition or compensation at the University. Supowitz answered that the state understood that Pitt was an efficient and responsible entity, but there is always a possibility that a concern will arise.

Cassing asked if the differences between state and state related universities with respect to credit

transfers had been cleared up. Supowitz replied that he felt Pitt had a reasonable position, which has been formalized and recognized.

Semcheski asked if Pitt was pursuing Marcellus Shale research funding. Supowitz replied that the governor had approached Pitt about setting up a research center. Penn State was currently getting more of the funding, in part because it is a larger university. Pitt is in a good location and has the capabilities to do some of the research.

Singh asked if the money from the state funding does go away how it will be made up. Supowitz noted that it was not his decision. Ramicone estimated that 75 million of 775 million of research funding is stimulus funding in 2011. A large portion of the increase in funding is stimulus funds, but is expected that a significant part of those funds would have been gotten without the stimulus.

3. Old Business

Baker noted that he is hoping for progress on finding a substitute for the attribution study that had been done in years past.

Wion noted that the Athletic Department budget had been made available to the SBPC until three years ago. It had been beneficial to the University in the past for providing a sense of prudence and efficiency because it had shown that the Athletic Department was not losing money for the University.

Semcheski made a motion, Carr seconded, to ask Ramicone to repeat the survey questions from last year regarding the salary appeal process. The motion passed by unanimous voice vote.

Baker noted that the UPBC meetings would start soon.

3. New Business

Baker noted that Barbara Warnick would not be able to serve as Co-Secretary because of a scheduling conflict. It was resolved that Semcheski would be the Secretary.

9. Adjournment: The meeting was adjourned at about 1:15 p.m.

Submitted by:
Mike Semcheski, Secretary
10/13/2010