**Budget Issues Committee**

March 7, 2019, Middle Georgia College

**Members Present:** Liz Baker (UWG), Traci Arnold-Dixon (BOR), Jamie Fernandes (KSU), Amanda Funches (MGSU), Donell Nixon (GGC), Melanie White (CSU), Traci Williams (FVSU), Steve Head (GTech)

**Members Absent:** Marlo Key (AU), Donna King (ABAC), and Denise Floyd (GSU)

Meeting called to order at 9:35 am

Minutes from the 12/8/18 meeting were approved. Moved by Jamie Fernandes and second by Amanda Funches.

**1. FY2020 Budget Update – Jason Matt**

Benefits - The budget includes funding for health and a small increase in TRS.

Merit - A 2% merit increase is funded at 75% of the estimated need. The calculation uses actual expenditures for FY2018. This was some concern that merit would not be funded due to the state’s revenue performance. The Senate is scrubbing the revenue projections since the current year actuals are 2% less than the original projection.

TRS - In the early 2000s when the TRS unfunded liability was whole, the BOR was told they no longer have to contribute additional dollars for ORP members. Now there is another unfunded liability and the auditor believes the BOR should pay it since the statute that says we need to pay was never changed.

Dual Enrollment – The governor’s bill changed the eligibility of high school students back to juniors and seniors only. Legislation restated goals to increase access/encourage students who may not go to college, increase college attainment, and assist with tuition costs. The Senate is proposing changes to governor’s bill. The House removed core course requirement and can only take 30 credits under the free dual enrollment tuition program. After 30 credits, the “free” tuition will count toward hope eligibility. Also, students are limited to 16 credit hours per semester.

Formula Funding - Funding was provided based on the USG funding formula.

Session ends April 2 and the Board will approve May 12

**2. Merit Pool – Jason Matt**

Merit will not be a board approval item in April. The system office hopes to provide merit guidelines in early April. Different approaches used on campuses was discussed. Most allow departments to determine the percent up to the maximum using a percentage range based on the evaluation rating. The following is an **example only**.

|  |  |
| --- | --- |
| **Evaluation Rating****Example** | **Percentage Increase** |
| Meets Expectations | 1% - 2% |
| Exceeds Expectations | 2.5% - 3% |
| Significantly Exceeds | 3% - 4% |
|  |  |

The discussion turned to how to implement the merit increases on campus.

1. Who has access to budget prep? At West GA just the Budget Office staff have access whereas Ga Tech and Augusta give access to departments to enter.
2. How much position data do we change in budget prep? Whatever needs to be.
3. When will we have the ability to use Excel templates to upload salary changes? A Budget Prep upload template is a priority for next year.

**3. Mandatory Fee Form – Josefina Endere**

Need to have Nvision reports based off the PPV cash flow report to use for the mandatory fee forms as these two reports must match. How can we have these created and maybe use to automate monthly management reports?

UWG has it on their project list next fiscal year to create something to autoload the mandatory fee and business plan forms. Liz will share with the committee when completed. If it will be useful for others will request USG ITS to make available to everyone.

**4. FTE Count Queries (final review and approval) – Liz Baker**

Liz emailed the queries to the committee in January and asked for feedback and suggestions. Liz was to review the queries with the suggestions offered and bring to our next meeting in June for final approval.

*After our meeting two changes occurred with the HCM position structure that may impact our FTE reporting—MCOP rules effective July 1, 2019 and classifying positions as full-time. More review is needed to determine the appropriate changes to the queries.*

*Based on clarification from the Jason, two principles need to be followed in all FTE reporting:*

* *A person cannot be reported as more than 1.0 FTE*
* *For a position to be “Budgeted,” it must be appropriately funded and not just an active position. It does not need to be filled.*

**5. BOR Representatives – Jason Matt** (This item moved up on the agenda)

Tracie Dixon’s has a new role in the Office of Strategic Implementation working on financial projects. The first projects are the PPV system and the budget model. Tracie will continue to meet with the committee as projects arise that are a focus of our committee to support Budget and Fiscal Affairs.

Jason Matt will be the system representative to our committee. His role is to facilitate what’s needed.

**6. Technology Liaison**

Melanie White emailed Donna Woodell (ITS Financials) and she has accept the role as Technology Liaison. The committee will add her and Ben Scott to our contact list. Jason will contact Donna to discuss her role with the committee and the need for someone to attend our meetings to advise our conversations. The bylaws will need to be amended to include this position.

Ben Scott is working HCM/budget prep issues for now. *Subsequent to our meeting the Technology Liaison was changed to Ben.*

**7. Plant Allocation - Liz Baker**

Liz described UWG’s plant allocation process. The allocation consists of two parts—Administrative Overhead and Direct Charges.

1. Administrative Overhead – All administrative positions are identified and tracked from year to year. The total compensation (salary and fringe) budget of the positions as well as the travel and supply budgets of the administrative offices are funded based on the percent of square feet of the self-support auxiliary units and E&G. For the past few years, auxiliaries have funded approximately 40% of the facilities and capital project costs of the university. The overhead is billed on the budget amount.
2. Direct Charges – Currently, an estimate is made in the initial budget for the total direct billings to auxiliary units based on past actuals (2 yr average). The exists are for custodial and maintenance services and supplies used. The direct charges are billed on actual costs.
3. Offset department entries (negative expenditures) are used to recapture the funding from auxiliary units. Beginning in FY2021, UWG will move to the Middle Georgia model using revenue in the department providing the services and an expenditure in the auxiliaries. This will provide easier tracking and be in line with our accounting structure.

Fina will reach out to Regina Travis from the Board office regarding the plant allocation methods used by institutions that was provided her last year (March). The committee discussed collecting an explanation of the methods used and posting them on the committee’s website on the Georgia First page as job aids.

**8. Vote for New Vice Chair – Josefina Endere**

Traci Williams from Fort Valley State University was voted as Vice Chair and will move into the Chair position at the end of her term. Amanda Funches from Middle Georgia State University volunteered to be vice chair after Traci.

**9. Budgeting for Agency Accounts**

Study Abroad and other activity currently codes as an “Agency Account” may be reclassified from fund 60000 to 20000, 14000 or 13000 based on their purpose. There is a webex scheduled later in March. The current agency accounts in fund 60000 are not budgeted. The accounting change will now require these activities to be budgeted.

You need to set up these budgets in FY2019 and add to 4th quarter amendment. If you do not add to your budget document, you’ll need to provide an estimate about the dollar value. Jason suggested we set up one department and add an estimate.

Jason will verify that we are not budgeting fund 60000 and will check that the system will not budget check since we will be using revenue and expenditure account codes. Jason asked us to think about how we will reconcile these accounts (for all fund codes).

Questions to consider in setting up budgets for the change.

* How do you set up the budgets?
* Do you wait until revenue is received?
* How do they spend before revenue received?
* What do you do about deficits?

Suggestions are to look at past collections and budget 90-95% of average or wait till revenue is earned. If you want to use student activity fund to balance any deficits where applicable, you’ll need to have your SAFBA committee approve this use—perhaps during the mandatory fee process this fall.

**10. BOR Quarterly Budget Amendment Timing – Jason Matt**

The USO is looking at combining the amendment submission with the actuals. Do not have a deadline with OPB. The USO staff report the budget amendment information to BOR at the same time as the actuals. What if amendment is due a week prior to the actuals say around the 7-9 of the month and the actuals around the 17 – 19 of the month? The desire is to create efficiencies for schools and capture as accurate and up to date information as possible. The due dates won’t change until FY2020.

**11. Other Items**

* Next committee Meeting will be June. Annual budget conference will be in October at Clayton State.
* Discussed how institutions review revenues and manage changes from a budget perspective.
* Discussed approach to inform other institutions about our committee discussions. Can send email on budget listserv about meetings and asking about agenda topics.

Meeting adjourned at 1:30 pm.