

Senate University Budget Committee

December 11, 2013 Meeting Minutes

Present: Rajeev Bansal, Safet Berisa, Thomas Bontly, Angela Brightly, Elizabeth Jockusch, Min Lin, Nomin Mankhbat, Jim Marsden, Katrina Spencer, Daniel Stolzenberg and Mohamed Hussein (Chair).

Invited Guests: Tom Callahan, Mona Lucas and Lysa Teal

The meeting was briefed by Mona Lucas, Director of Student Financial Aid Services and Tom Callahan, AVP Infrastructure Plan & Strategic PRJ MGMT. Katrina Spencer, Budget Director and Lysa Teal, AVP Finance contributed to the briefing.

Work Study and Financial Aid: Director Lucas responded to the three questions of the Committee.

Question 1: What are the current numbers on work study positions, loans, and scholarships?

Director Lucas provided the following statistics:

1. Graduate Students:

| Fund Type | 2013/14 Recipients as of 12/6/13 |
|--------------------|---|
| Federal Work-Study | 144 |
| Grants | 537 |
| Scholarships | 237 |
| Loans | 1,459 |

2. Undergraduate Students:

| Fund Type | 2013/14 Recipients as of 12/6/13 |
|--------------------|---|
| Federal Work-Study | 440 |
| Grants | 8,917 |
| Scholarships | 4,911 |
| Loans | 13,461 |

Question 2: Why about a third of students awarded work study don't take it? Is it because departments didn't come up with the 25% or because they have other resources?

Director Lucas provided the following written response:

Many work-study positions were advertised via the student employment website this year. We have no reason to believe students forfeited their awards because departments were unable to fund the required institutional match.

She expanded on the written response and responded to other questions from the members. She mentioned that some students might not take advantage of the award because they couldn't find jobs in specific departments or might have other job opportunities. There are still work study jobs posted.

Perhaps in the future some departments might not have the funds to pay the 25% and thus reduce opportunities, but this year there are enough jobs for work study students who wanted them. Regional campuses are one area that will be given priority in the future because of their significant need for student workers. Work study is based on financial need but the awards are made on the basis of 'first-come-first-served'. If some of the departments cannot come up with the 25%, the University does not have the funds to make up the difference. If there were additional financial aid funds that the university did not use (due to more students than financial aid than jobs available) we would need to return federal funds. We are monitoring closely to ensure this does not happen. The State used to provide some funds for work study but it doesn't any more. Financial Aid does not track all work study job openings because not every work study job is advertised on its JobX website.

Question 3: How is work study managed for graduate students?

Federal work-study for graduate students is managed in the same manner as undergraduate students. Interested students are asked to file the Free Application for Federal Student Aid (FAFSA) on or before March 1st and to express an interest in the FWS program via this application. Once the results of the FAFSA are received, the office awards funds to a percentage of the financially eligible students who filed the FAFSA on or before the priority deadline.

The university demand for FWS funds greatly exceeds the federal allocation.

Director Lucas added that the total work study funds are allocated among 4 groups - undergraduate students (including regional campuses), graduate students, the School of Social Work and the Law School.

The implementation of the savings identified in the McKinsey Report:

According to AVP Tom Callahan the McKinsey Study was driven by the Board of Trustees. It is one of three external reviews done since the late 1990s; these included PwC in the late 1990s and the Papas Group in 2003. There have also been several internal reviews with the same objective of increasing efficiency and reducing costs. The McKinsey study was limited to the non-academic side of the University. Mr. Callahan made the following comments about the progress of the implementation of the McKinsey recommendations:

1. Steady progress has been made in procurement, facilities and UITS. For example:
 - a. Procurement has replaced the transaction approach of the past with a strategic sourcing approach. Coordination of purchasing results in bulk buying discounts.
 - b. The separate central and residential facilities units have merged in an effort to improve service and cut costs. Facilities is also using resource planners and maintenance engineers to improve efficiency and achieve savings.
 - c. UITS has improved the Help Desk service. It has also started using project managers. More savings and improvements are expected as the new CIO takes actions.
2. The biggest savings are in energy as a result of our securing gas and electricity supplies at favorable rates via long term contracts thereby imiting annual price volatility, reducing demand through

building retro-commissioning, and cogeneration. An added benefit is that the University is becoming greener.

3. Some initial investments have to be made, e.g. in UITS, before significant efficiencies and savings can be achieved.
4. The SEBAC agreement's four year layoff protection limits the achieving labor costs savings recommended by McKinsey as the University has to depend on attritions.
5. Not all the savings accrue at the University level. Some accrue at the departments' level to Federal and other contracts.