

From: Minner, Amanda Jane

Sent: Saturday, May 12, 2018 8:22 AM

Subject: Budget Model Timeline & Strategic Investments Progress

Good morning:

Budget model committee meetings will be rescheduled to August 2018 to allow additional time to complete modeling of various budget scenarios. Although this is later than our original proposed timeline, it is consistent with our mandate from the President to move deliberately and carefully toward a new budget model that incentivizes new revenue and participation from all units, including departments and colleges. As you know, our base budget rightsizing exercise has continued as we plan for FY19: recurring expenses have been allocated to base budget, and one-time expenses, including startups, are being funded from reserves. Even as we allocate base budget, we are evaluating requests for significant new investments and the President, Provost and EVP are very pleased with the collaboration and open discussions that continue to occur allowing allocation of resources appropriately for FY19. As a result of conversations and requests from colleges and departments, the following strategic investments are underway:

- Faculty hiring investments:
 - FY18: Additional faculty hires were made that yielded 49 net new faculty over FY16
 - FY18: 113 new faculty hires were approved for FY19, with the intent to yield 40-50 net new faculty hires for FY19
 - Data Science cluster hire of 6 faculty was approved, hires to start FY19.
 - First round of FY19 searches authorized: 50 new faculty searches approved for hires to start FY20
 - In addition, competitive faculty Cluster Hire approvals are expected by the President and Provost in early June 2018 which are expected to award 5 cluster areas with approximately 5 hires each, for approximately 25 additional new interdisciplinary faculty hires.
- Reserves are being utilized for onetime expenses, including startups. If reserve balances are insufficient to fund startups, central funding is being allocated.
- Increased investment in undergraduate scholarships:
 - FY18: Undergraduate scholarships increased by \$10.0 million, of which \$3.0 million was due to investment in quality and diversity.
 - FY19: Undergraduate scholarships are anticipated to increase by approximately \$12.0 million, of which ~\$4.0 million is due to investment in quality and diversity, which has enabled Enrollment Management to increase URM enrollments, and increase quality of students, including increase in Honors students for FY19.
- Capital Investments are moving forward:
 - New construction on STAR campus
 - Biopharmaceutical Innovation Building
 - STAR Tower
 - STAR Infrastructure
 - WorriLOW Hall renovations are proceeding
 - Planning and design for McKinly are underway
 - Beginning FY18: Deferred Maintenance investment increased from \$18.0 million to \$36.0 million annually, allowing renovations like Drake Laboratory to move forward.

Recurring meetings will be canceled shortly and calendars will be updated over the next few weeks.

Thank you,

Don Sparks, Mary Remmler and Mandy Minner
Steering Committee Co-Chairs