

VICE PRESIDENT FOR STUDENT AFFAIRS  
THE UNIVERSITY OF TEXAS AT AUSTIN

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February 21, 2007

Marcus Cenicerros  
Chair, Student Services Budget Committee  
Vice President, Student Government  
SSB 4.206

Dear Marcus,

I am writing to inform you that I accept and approve your Student Services Budget Committee report for 2006-07. I commend you and the committee on what you have accomplished this past year. I understand that your committee heard 28 presentations which took 16 hours of meeting time over a four-week period. Thank you for your leadership of this important committee. I am grateful for the dedication of each committee member during this process.

As was noted by former President Larry Faulkner in his December, 2004 letter to Chancellor Yudof in which he outlined the proposed flat-rate tuition recommendation for 2005: "There is great value in preserving the healthy participation of our student leadership in the setting of these charges and the budgeting of their proceeds, even as we move toward a simplified system of overall charges." Your leadership and the committee's work have confirmed our strong partnership with students.

In the fall semester, I challenged the committee to carefully consider requests from the agencies for new funding for 2007-08. We were in the fortunate position to have been allocated funds in addition to the minimum amount requested last year for 2007-08. It appears to me that much thought and discussion was given to the funding dilemmas presented by the agencies. I know that you had difficult decisions to make and I recognize the complexity inherent in making these choices.

I also asked the committee to collect 2008-09 budgets from our agencies. These requests represented the early thinking on the part of our administrators for the 2008-09 fiscal year. Although your committee did not make allocation decisions for 2008, the fact that our agencies were asked to incorporate their early plans for two years in the future is an important step in our process of planning for the future. These budgets will provide a foundation for next year's process for the agencies and for your successor.

Another important issue I asked you to consider during this cycle is the level of reserves maintained by Division of Student Affairs departments. I asked the committee to begin a

dialogue this year with our agencies regarding their plans for building reserves, their justification for acquiring reserves and the level of recommended reserves. One of the plans you received recommended 3% of facility replacement value and 3 months of operating expenses as the optimum level. I will continue to study the matter of acquiring capital and operational reserves so that our departments are in the best possible position to maintain facilities and to be able to pay for unexpected spikes in the cost of doing business. I expect to continue discussions with the SSBC on this matter next year.

A major topic for the last two committees is the escalating cost of utilities. The average increase in utilities expenditures from 2004-05 to 2005-06 for Student Affairs departments funded by the SSBC was 26%. These expenditures were 24% over the budgeted amounts. Our strategy to pay for the difference between the budget and the actual cost of utilities in 2005-06 was to delay projects and use operational funds and reserves. This reinforces the importance of maintaining an appropriate level of operational reserves. Our Student Affairs units will be asked to identify suitable levels of operational and capital reserves and to develop a methodology for the accrual of reserves.

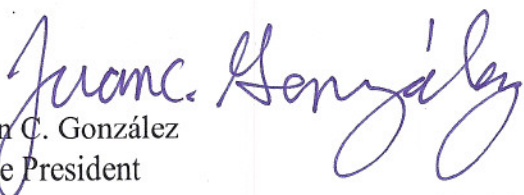
The committee also participated in discussions about salary equity within our Student Affairs community. You supported requests from several departments for equity increase funding to allow staff in these areas to achieve a salary level commensurate with similar positions within the Division. It is also important to note that the SSBC continues to support the medical professional positions with salary increase funds to support the effort to be competitive with the local market.

The committee received requests for salary increase funds to supplement the University's salary increase pool. I do not support the across the board salary adjustments as requested by these agencies. The SSBC should not carry the burden of overall salary increase adjustment. I concur with the decision of the committee not to fund these request.

Planning for future years will include responsibility for the Student Activities Center allocation once that building is completed. We are evaluating the impact of the SAC on the SSBC funding with respect to staffing levels and specific budgets within the SSBC allocations. We will address these and other issues in more detail in the next 1-3 years.

Your detailed and timely report leaves an excellent model for future leaders and committee members to follow. Thank you for your hard work.

Sincerely,

  
Juan C. González  
Vice President