

MINUTES
Budget Advisory Committee
April 4, 2017, 9:00 a.m.

MEMBERS PRESENT: Vice-President for Financial Affairs – Mike McCoy, Assistant VP for Financial Affairs – Jonathan Craft, College of Business – Diann Hammon, Staff Senate – Steve Clark, and Barbara Ferguson, reporting.

ABSENT: Faculty Senate – Mike Essary, College of Arts & Sciences – Sara Cline, College of Education – Tina Sloan

Mr. McCoy called the meeting to order at 9:00. Mr. McCoy gave an update on how the starting point for the budget is developed. He discussed that the salary budget is the biggest portion of the overall budget. He provided a handout detailing all salaries, benefits, and projected promotions for a total salary budget of \$24,568,393. He next discussed operating budget expenses. For the beginning budget, he has already factored in an updated amount for debt service and an increased amount for scholarships. This brings the total operational budget to \$7,694,785 and the total budget to \$32,263,178.

Mr. McCoy has provided revenue projections for level credit hours and also for a 3% decrease in credit hours. With level credit hours the beginning budget deficit is \$(602,219). With a 3% decrease in credit hours the beginning budget deficit is \$(1,024,734). He reminded the committee that the credit hour projection is based on Fall 2016 actual hours, Spring 2017 actual hours, and Summer 2017 budgeted hours.

Mr. McCoy discussed the recommendation process and explained that the committee will develop a recommended budget to submit to the President's Cabinet. The Cabinet will then submit a recommended budget for approval to the Board of Trustees at the July 2017 meeting.

Mr. McCoy next discussed the plant fund transfers. There are 2 funds: Facility Renewal and Replacement and Unexpended Plant. He has factored into the beginning budget a transfer of \$600,000 for Facility Renewal and Replacement and a transfer of \$220,000 for Unexpended Plant. These transfers are for upcoming projects, unplanned repairs, and normal maintenance. The plant funds also factor into our reserve fund calculation. Our goal has traditionally been 3 months of reserves. We are currently at 4.4 months of reserves. The NACUBO recommended reserve range is 4.5 – 9 months.

The meeting was adjourned at 9:45 a.m. for the beginning of the budget hearings.