

MINUTES  
Budget Advisory Committee  
March 31, 2015 9:30 a.m.

MEMBERS PRESENT: Vice-President for Financial Affairs – Mike McCoy, Business Manager – Evan Thornton, College of Business – Dr. John Berzett, College of Education – Dr. Lisa Hyde, Faculty Senate – Dr. Robert White, College of Arts & Sciences – Dr. Sara Cline, and Barbara Ferguson, reporting.

ABSENT: Staff Senate – Damon Lares

Mr. McCoy called the meeting to order at 9:30. He first gave a highlight of the budget process for new committee members. He discussed the forms that are sent to all departments for budget request for personnel needs, critical needs, and operating funds.

He next discussed the timeframe for the 2016 budget process. Budget packets will be sent to all departments by April 3<sup>rd</sup>. Mr. McCoy will discuss initial budget projections, including the recommendations from today's meeting, with the Board of Trustees at the April 17<sup>th</sup> board meeting. He plans to ask the board for approval to increase tuition up to a certain percent, within a range. Budget hearings will be held April 27-May 1. After the hearings, the committee will propose a final budget recommendation, including a proposed tuition increase if necessary. Mr. McCoy will present this proposal to the President's cabinet on June 1. Any potential tuition increase must be approved by the Executive Committee of the Board. Mr. McCoy would prefer this occur during the first week of June followed by an immediate announcement for students if there is a tuition increase. The final budget will be presented for Board of Trustees approval at the July 17<sup>th</sup> meeting. Mr. McCoy hopes sticking to this timeline will allow for early enough notice for our students if there is a tuition increase.

Mr. McCoy provided a handout and discussed initial revenue projections. He proposes to initially level fund all departmental operating budgets. He pointed out that he has factored in a \$50,000 increase in the general administration account for potential expenditures for the new graduate programs. He also pointed out that the transfer out for bond payments has increased due to the amount borrowed for ACA Phase II construction. He discussed that he is projecting level credit hours in total but the percentage of traditional versus distance classes has been adjusted to reflect the current trend of more distance hours. This change resulted in a small increase in revenue. He also pointed out that salaries & fringes increased slightly due to projected increases in insurance and retirement.

Mr. McCoy discussed that all of these considerations result in a projected surplus of just over \$500,000. He also mentioned that there is an interest from the President's cabinet in doing a cost of living adjustment of either 1% or 2%. He has calculated that either of these options would be covered by the surplus of \$500,000. However, if a COLA is approved, there will not be enough surplus to fund any critical needs presented at the budget hearings nor to fund a transfer to facility renewal and replacement.

Mr. McCoy reminded the committee that the University went for a couple of years without increasing tuition. Subsequently, in 2013/14 it was necessary to increase tuition 9% followed by a 7% increase in 2014/15. Mr. McCoy would prefer to increase tuition by a small percentage annually rather than larger periodic increases. He believes that periodic increases of greater than 5% create more hardship for our students than smaller annual increases.

Since we will not know the critical needs until the budget hearings are complete, Mr. McCoy would like to ask for board approval to increase tuition within a range of 0% - 5% at the April board meeting. This will allow the budget to be finalized, including any necessary tuition increase, by the first week of June. We would not have to wait for the July board meeting to get a specific tuition increase approved. Our students can be notified well in advance of the beginning of the Fall semester.

The committee was in agreement with the proposed timeline. Additionally, the committee agreed that it is advisable to seek approval of the potential tuition increase range of 0% - 5% at the April board meeting.

The meeting was adjourned at 10:30 a.m.