MEMBERS PRESENT: Mike McCoy, Senator Arthur Orr, Cathy Dickens, Tazewell Shepard, Trisha Black, Tina Sloan, Steve Clark, Keshia Neerhof and Barbara Ferguson, reporting.

MEMBERS ABSENT: Ronnie Chronister

Ms. Dickens called the meeting to order at 1:15 pm. After roll call, the committee reviewed and accepted the minutes from the October 21, 2016 meeting. There were no items of old business on the agenda.

The first item of new business was the review of the year to date financial summary for the period ending 12/31/2016. Mr. McCoy provided detail about the excess revenues over expenses of $5,497,888. Mr. McCoy pointed out that the excess revenue at 12/31/2016 includes tuition and fee revenue that will be used to fund expenses for the Spring semester. He also explained that the excess revenue is primarily due to how tuition is assessed to non-traditional classes. Mr. McCoy discussed that even though credit hours are down slightly the tuition revenue has increased due to the way classes are now defined as either traditional or non-traditional. More classes now are defined as non-traditional with the higher tuition rate. He also explained that the University continues to monitor vacant positions. Vacancies are filled only as demand requires.

Mr. McCoy next provided the committee with a handout updating campus projects. He provided some detail about the scope of work that is being defined for remodeling the Sandridge Student Union building. The committee discussed the prioritization of projects and the importance of projects that will make it possible for our students to benefit from the most advanced information technology.

Next, Mr. McCoy discussed the University’s budget process. He provided a handout detailing the fiscal budget procedures. He reminded the committee that departmental budget meetings will begin in April. As information is summarized from the departmental meetings, he will be able to prepare a recommendation for tuition strategy for the April board meeting. The final budget will be presented for approval at the July board meeting. The committee requested that Mr. McCoy provide a summary for the April committee meeting to detail the pattern of tuition increases at other institutions.

Additional topics discussed included profitability of the Alabama Center of the Arts (ACA) and a possible retirement incentive program for qualified employees. The committee requested that Mr. McCoy provide an update on the ACA revenues at the April committee meeting. The committee also requested that Mr. McCoy provide a cost/benefit summary for a proposed retirement incentive program in April.

The meeting was adjourned at 1:50 pm.