

MINUTES
Board of Trustees
Finance and Facilities Committee
January 15, 2016, 1:00 pm

MEMBERS PRESENT: Cathy Dickens, Mike McCoy, Senator Arthur Orr, Tazewell Shepard, John Berzett, Dr. Ed Nichols, and Barbara Ferguson, reporting.

MEMBERS ABSENT: Dwight Lovell

Ms. Dickens called the meeting to order at 1:05 pm. After roll call, the committee reviewed and accepted the minutes from the October 16, 2015 meeting. Under new business, the first agenda item was review of the draft audit report for the fiscal year ending 09/30/2015. Mr. McCoy indicated that the auditors, CDPA, P.C., have released a draft copy of the audit. Mr. McCoy pointed out that there is a new GASB guideline related to recording of pension liability. This new format will affect the recording of the University's net position. Mr. McCoy also indicated that he expected an audit finding of a timing issue related to financial aid reporting. The auditors have indicated this is a common finding for colleges and universities. He reported that the final audit will be presented at the April board meeting.

The next item was the financial summary for the period ending 12/31/2015. This is the same report discussed during the lunch presentation. Mr. McCoy gave additional detail for some of the variances between FY15 and FY16. Specifically, he reported that as of 12/31/15 we were short one month's state appropriation and that the increased amount for institutional support was for legal fees. Additionally, there have been fewer system tuition waivers (scholarships) to date during this academic year.

The next item of new business was a discussion of credit hour production. Mr. McCoy reported credit hours were down slightly for both Fall and Spring semesters. Actual credit hours are closer to budgeted hours for this academic year, but DL hours continue to decrease while traditional hours continue to increase. Also, more blended classes are being offered and these are charged the traditional tuition rate. This discussion led to one of the next agenda items relating to tuition strategy. The committee agreed that the University should seek to decrease the DL tuition rate while increasing the traditional tuition rate. Ms. Dickens suggested a small group from the committee meet in February to study the tuition rates and make a recommendation for tuition before the April board meeting.

Mr. McCoy next 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, after the board meeting. This will allow him to factor in the recommendation from the board for tuition strategy. The final budget will be presented for approval at the July board meeting.

Lastly, Mr. McCoy provided the committee with a handout updating campus projects. The meeting was adjourned at 1:45 pm.