MEMBERS PRESENT: Mike McCoy, Ronnie Chronister, John Berzett, Will Little, Senator Arthur Orr, Tere Richardson, Julia Roth, Dr. Ron Ingle, Jonathan Craft, Kerry Warren, and Barbara Ferguson, reporting.

Mr. Chronister called the meeting to order at 1:14 pm. After roll call, the committee reviewed and accepted the minutes from the October 19, 2018 meeting.

The first item of business was an update on the 2018 fiscal year audit, including a discussion of GASB 75. Chris Anderson and Casi Poslajko from CDPA, PC were present to update the committee on the progress of the audit. Mr. Anderson indicated that the audit is nearing completion and he anticipates no material entries and no findings. He expects clean audits for both the University and the Foundation. He discussed the impact of GASB 75, a new standard that requires institutions to record as a liability all post-employment benefits. For Athens State this will be primarily health insurance for retirees. He reminded the committee that this same liability has always existed but now it must be recorded and it will affect the ending net position shown on the financial statements.

The next item of new business was the financial summary for the quarter ended 12/31/2018. Mr. Craft pointed out that total revenues are up a little over $1,200,000. This is primarily due to receiving an additional monthly state appropriation as compared to 12/31/17. This is just a timing issue. Expenses are approximately the same as last year. The excess revenue is approximately $6.8M compared to approximately $5.7M last year. He pointed out that the tuition increase is offsetting the decline in enrollment. He reported that the reserve fund continues to be approximately 5.9 months. This is up from 5.18 months at 12/31/17.

Mr. Warren next provided a brief update on campus projects. He informed the committee that, although there have been some unanticipated requirements on the Sandridge Hall renovation, the project is still expected to finish close to budget. He anticipates completion around the end of May. Additionally, he informed the committee that the Classroom Building renovation is proceeding well and may finish a little ahead of schedule by early May. He also discussed that the renovation on the Security house is proceeding well and should be finished within the next couple of months. Lastly, he informed the committee that an architectural firm has been engaged to begin a renovation plan for Brown Hall.

The final agenda item was a discussion on enrollment. Mr. McCoy brought the committee up to date on recent discussions among the President’s cabinet regarding declining enrollment. Specifically, the cabinet has been discussing the trend of fewer community college graduates leading to fewer Athens State students. This trend is putting more focus on recruiting adults with some college education. Mr. McCoy informed the committee about increased competition from area universities for these adult learner students. He said the following items are being discussed as possible changes to be more advantageous to students: credit hours required for graduation and the tuition rate structure (traditional rates vs. non-traditional rates). The committee asked about the possibility of getting approval to offer more graduate programs.

The meeting was adjourned at 2:16 p.m.