

MINUTES
Board of Trustees
Finance and Facilities Committee
May 18, 2018, 1:15 pm

MEMBERS PRESENT: Mike McCoy, Clint Shelton, Senator Arthur Orr, Maxine Randolph, Mike Essary, Lynn Frank, Tere Richardson, Chad Easterling, Robert Glenn, and Barbara Ferguson, reporting.

Mr. Shelton called the meeting to order at 1:09 pm. After roll call, the committee reviewed and accepted the minutes from the January 19, 2018 meeting.

The first item of new business was the financial summary for the quarter ending 3/31/2018. Mr. McCoy informed the committee that the special appropriation for the ACCS collaboration and the grant from the Alabama Council for the Arts are now reflected as revenues along with our regular state appropriation. Mr. McCoy discussed the increase in tuition revenue and reminded the committee that a 3.5% tuition increase was approved for the current academic year. He also pointed out that the University did not include graduate tuition revenue in the budget. Therefore, all graduate tuition will be excess revenue. He also discussed that operating expenses are higher this year primarily due to open positions being filled. As reflected on this statement, the University's excess revenues over expenses have increased by \$1,061,565 over the same time period last year. He reminded the committee that this excess revenue will be needed to cover expenses over the summer months when tuition revenue is decreased.

Next, Mr. McCoy discussed the 2018-2019 tuition and fee schedule to be presented today to the board for approval. He informed the committee that the Budget Advisory Committee and the President's Cabinet did not propose a tuition increase for the upcoming academic year. The committee considered the option of proposing a tuition increase and discussed structuring the tuition increase for 2018-19 to be in line with the rate of inflation. Mr. Craft researched the rate of inflation for the previous calendar year (Jan. 1, 2017-Dec. 31, 2017) and informed the committee that the reported rate is 2.1%. After discussion, the committee requests that today's action item for the board be revised to propose a 2.1% tuition increase for the academic year 2018-19 to be earmarked for reserves and one-time, critical need items. Mr. McCoy did not discuss the next agenda item, 2018-19 proposed budget, due to the fact that these figures will potentially change with the approval of a tuition increase.

Finally, Mr. McCoy provided a brief update on campus projects. He informed the committee that the Foundation has applied for a grant for the repair and renovation of the Nazaretian house.

The meeting was adjourned at 2:20 p.m.