

MINUTES
Board of Trustees
Finance and Facilities Committee
July 20, 2018, 1:15 pm

MEMBERS PRESENT: Mike McCoy, Clint Shelton, Senator Arthur Orr, Maxine Randolph, Mike Essary, and Barbara Ferguson, reporting.

MEMBERS ABSENT: Lynn Frank, Tere Richardson, Chad Easterling

Mr. Shelton called the meeting to order at 1:06 pm. After roll call, the committee reviewed and accepted the minutes from the May 18, 2018 meeting.

The first item of new business was a summary of the 2019 budget. Mr. McCoy highlighted some differences between the 2018 and 2019 budget. Revenues are budgeted to increase \$1,306,525. The factors influencing this increase include: increased state appropriation, special appropriation funds, and graduate tuition. He explained that based on the current year trend he has budgeted a 2% decrease in credit hours. This decrease in revenue is offset by the tuition increase approved at the May board meeting. Expenses are budgeted to increase \$872,971. The factors influencing this increase include: salaries and benefits (step increases, CUPA increases, promotions, COLA, and benefit increases), increased marketing budget, and approved critical needs for College of Education and College of Business accreditation expenses. Budgeted transfers to plant (reserves) have increased \$433,554. He reminded the committee that the tuition increase approved in May is to be directed to building up reserves.

The next item of business was the financial summary for the quarter ending 6/30/2018. Currently, excess revenues over expenses are \$548,376. Mr. McCoy reminded 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. He also reminded the committee that the University did not include graduate tuition revenue in the budget. Therefore, all graduate tuition will be excess revenue over budget. He cautioned that this excess revenue will be needed to cover expenses over the summer months. However, it is expected that revenues will exceed expenses for the fiscal year ending 09/30/2018 close to \$2,000,000.

Finally, Mr. McCoy provided a brief update on campus projects. He discussed a new project with the campus bookstore to provide direct, digital access to textbooks to students. A pilot program with 4 courses is being conducted during this summer. The average savings per student is \$181.51. This is a great benefit for our students. Additionally, the students have immediate access and do not end up waiting for textbooks, even if they register late. The committee discussed that this course delivery method does result in decreased commissions from the bookstore. However, Mr. McCoy does not project this to be a significant impact, especially since this convenient and affordable access will attract some students that may have been purchasing textbooks from an alternative provider. Mr. McCoy also discussed the Classroom Building renovation project. This project will provide recording studios, video conference centers, and a faculty commons. The recent state grant of \$1,000,000 will be utilized for this project. He also informed the committee that the Sandridge Student Center project will be going out for bid soon. Finally, he discussed the plans for the Nazaretian house at the entrance of

Founders Hall. Discussions are being held about making this house an Alumni house/welcome center. The house needs extensive renovation. The Alumni Association may pledge \$100,000 toward the renovation project. There is also the possibility of pursuing grants for additional funding. The University is working with Architecture Works, the firm on the Beaty-Mason project, to develop design specifications.

The meeting was adjourned at 1:45 p.m.