The 2015-16 Faculty Senate Budget Committee spent much of its time researching and analyzing the conditions influencing the 15-16 budget, which was cut twice during the academic year due to a shortfall in the number of out-of-state students enrolling at the College. These two rounds of mid-year cuts were especially disheartening considering that in the preceding year, Academic Affairs seemed to the Budget Committee to have been shortchanged, receiving very little discretionary funding for new hires or enhanced operations in its 15-16 budget. [N.B. During 2014-15, requests for budget increases within Academic Affairs were presented publicly, and the Budget Committee analyzed these requests in light of the very modest amount of “new money” that the Interim Provost anticipated. In May, we learned that most of these funds would be spent elsewhere in the 15-16 budget, for needs in other divisions. These requests were not presented publicly, and the spending decisions took place in meetings where no faculty representatives were present.] The 15-16 Committee met frequently, often with the Provost, to vote on curricular proposals, to research the ever-shifting fiscal landscape, and to devise reports and recommendations, in fulfillment of its charge as stated in the FAM: “To review College policies relating to long-range financial planning, budget preparation and the allocation of funds within budget categories, and to recommend policy changes” and to “review each annual College budget.” Most of the 15-16 Committee’s recommendations have already appeared in our three presentations to the Faculty Senate. This year-end summary of our activity includes information on the 16-17 budget that was adopted in June, followed by recommendations for future Committees (Appendix A). Individual meeting minutes will be archived on the Senate website; see page 3 for a list of meeting dates.

During the fall the Committee met nine times, made two reports to Faculty Senate, and sent a memo to the President regarding faculty representation during the drafting of the College budget. In their October and December Senate reports, the Committee analyzed budget cuts that had been made in October, placing these cuts in context of College spending and revenues of prior years. Our report noted, among other things, that Academic Affairs’ total budget was cut significantly more than the total budgets of other units on campus. Following this report, the Committee met with the President and with Sam Jones (Associate VP for Budgeting and Payroll), and in December we reported the answers we were able to find for the “Unanswered Questions” posed in the October report. Through our research, we uncovered a more detailed rationale for cutting more from Academic Affairs, where salaries form a greater proportion of the total, and cutting less from budgets in divisions where operating costs are higher. Some the Committee’s questions (including a question about how Athletics, which relies significantly on a fee of over $1200 per student per year, spends its money) remained unanswered in our December report (Athletics sent us a response December 22).

In Fall 2015 the Committee also researched budget and planning practices at other universities and concluded it was neither unreasonable nor unprecedented for faculty representatives to have a seat at the table—even a non-voting seat—when institutional budgets are being drafted and hard choices are made about what to fund and what to cut. In December the Committee sent the President two requests that would enable us to carry out our work. We requested information about all divisions’ budget requests before they appear in a final budget, similar to the transparency being exercised by Academic Affairs. We also requested faculty representation during meetings when the budget is being discussed and drafted by the President’s Executive Team. The President declined our requests, saying that faculty were already represented by the Provost and already participated via public Board of Trustees meetings. The President’s assertions did not align with this Committee’s experience as faculty charged with understanding and commenting on the College budget. In April 2017, the Senate adopted a resolution, originating in the College’s AAUP chapter, proposing that a faculty member be present during key points in the process of developing the College budget. (See Appendix C for an overview of this process.)

The Budget Committee met ten times in the Spring and early Summer and attended several other relevant public meetings. In January, the Speaker of the Faculty hosted a special meeting of the Faculty Senate where faculty could ask questions about the budget and about non-academic C of C divisions. EVP for Business Affairs Steve Osborne, CIO Bob Cape, AVP for Admissions Jimmie Foster, and Director of Athletics Joe Hull made brief presentations and answered questions about their divisions’ work. By this time, a second round of mid-year cuts had been announced, because enrollments and tuition revenue in the fall had dipped further. In late February, the Budget Committee and the Provost hosted public hearings for deans and division heads within Academic Affairs to present their plans for the further cuts anticipated for the 16-17 budget. In March the Committee reported again to the
As the Board of Trustees began to contemplate the 16-17 budget, some members of the Budget Committee attended a 6-hour “Strategic Review” where Trustees had asked Deans to report their visions for their schools’ future, their plans for absorbing budget cuts, and ways they planned to raise new revenue (beyond the tuition revenue that comes from teaching courses and offering degrees). In May, the Committee met with the Provost and with EVP Steve Osborne and attended two meetings of the BOT’s Budget and Finance Subcommittee. One budget scenario was based on a 3.5% tuition increase, but some Board members opposed further increases. The College also had to take into account inflationary spending, the need to replenish the reserve fund, and some state-mandated pay raises that the College would have to fund. At the May meetings, in the face of these challenges, and in response to Board members concerned about the College’s financial stability over time, the President shared with the Board a number of possible initiatives that might bring the College new revenue. The Board was encouraged by the President’s proposed “Five-Year Transformation Plan” (which has not been discussed with faculty and is separate from the Strategic Plan) and in June, trustees asked the President to develop a “dashboard” that would chart how and when these new revenues would be achieved.

The Board met in June to adopt a new budget and do long-range planning, and the 15-16 and 16-17 chairs of the Budget Committee attended the first day of the retreat along with deans and several other invited faculty. After much discussion, the Trustees adopted the budget presented by the President, which included a 3.5% tuition increase and a state-mandated pay increase of 3.25% (with the College funding 80% of the cost) for permanent employees. The Board had accepted the recommendations by the President in which Academic Affairs would not be cut as much proportionately as other units. The trustees also endorsed a resolution for implementing school-based fees for SSM and SOBE starting in Fall 2017. Portions of these fees will go to SSM and SOBE and the remainder to the College’s general fund (E&G). The 16-17 budget also reflected successes by the College’s legislative team. In addition to special appropriations for specific items, the College persuaded legislators of our need for more overall state funding because we are now serving a larger number of in-state students. This led to an increase of 2M in recurring funding, an increase of over 10% of our total recurring funding from the state.

The 2016-17 budget required Academic Affairs to cut about 2.25 M from its recurring expenses. Our understanding is that there was no reduction in force, but a dozen or more vacant faculty positions were not replaced, and several staff positions were also cut or left vacant. The Provost has promised the Committee a detailed accounting of cuts across Academic Affairs, including a list of which positions were cut and where new hires were made. When the 15-16 and 16-17 chairs met with the Provost in early September, the Provost explained that some positions and some operating budgets have been cut from recurring expenses, but are being “filled in” with non-recurring funds, and he hopes to find a way to restore some of these positions permanently. Retirements or resignations in the late Spring meant the Provost had some additional non-recurring money to work with, although some of these funds will be needed to fund an increased adjunct budget to teach the students that would have been taught by these departing faculty. The Budget Committee has not yet received the complete information we have requested, but we expect the Provost will provide it to the Committee on September 12 or to the Faculty Senate on September 13.

**Summary of recommendations (Appendix A):** Because the College budget is not approved until June, the Committee’s work extends past the end of Spring semester. During April and May, the 15-16 and newly appointed 16-17 committees met jointly several times. Incoming committee members requested that we compile as much information as possible to help them learn how to be effective committee members and advocates for the faculty. One suggestion was to develop a *glossary* of budget terminology. A first attempt at a glossary is in Appendix A, followed by Appendix B, an overview of the *timeline* for developing an annual budget. To further assist the Committee, both outgoing and incoming chairs sought a better electronic platform for the mass of data and other information the Committee must study in order to understand budgeting issues. Therefore, material from past years as well as ongoing Committee business will be archived in an OAKS course, which is more stable, secure, and easily accessed than systems used in the past (Google Drive or Dropbox folders). Finally, better protocols could streamline communications with the Budgeting & Payroll division of Business Affairs, enabling the Committee to receive relevant information automatically, instead of having to reinvent the wheel every time the membership rotates. Accordingly, the chair of the 15-16 Committee also recommends that two of the reports that the Office of Budgeting and Payroll created for us be updated each year, as *standing reports*, and automatically delivered to the Senate, analyzing more years’ data on College and divisional budgets, enrollments, the numbers of employees in various divisions, and other factors that affect the College’s expenses and revenues. We also reported information we had received from Athletics on their expenditures and revenues.
committee. We also suggest that a representative from Business Affairs attend committee meetings whenever that is feasible.

Dates of 2015-2016 Faculty Budget Committee Meetings, Memos/Reports, and BOT/Senate meetings

--Minutes or notes are available for all committee meetings listed below.
--Reports made to the Faculty Senate in October 2015, December 2015, and March 2016, are archived in the Committee folder and available on the Senate website.
--Memos/Reports not presented to the Faculty Senate, reports created by the Office of Budgeting and Payroll, and other financial documents, are kept in the Faculty Budget Committee archive.

Aug 19 2015
Sept 2 2015
Sept 21 2015
Sept 30 2015

Oct 6 2015: report to Senate

Oct 21 2015 [Meeting attended by President McConnell]
   Oct 22: BOT Budget & Finance Subcommittee meets, attended by Faculty Budget rep

Nov 9 2015 [Meeting attended by Associate VP for Budgeting & Payroll, Sam Jones]
   Nov 15 Legislative Summary from President McConnell

Nov 30 2015
   Nov. 30 State Funding Requests [H-150 documents] shared with committee

Dec 7 2015
   Dec 8 2015: report to Senate

Dec 17 2015
   Dec 18 2015 Memo sent to the President requesting that Speaker attend budget planning meetings & that all units on campus provide budgets to Fac Budget Committee prior to May budget workshop
   Dec 22 2015 Memo from Athletics provided answers to questions we posed in November

Jan 11 2016
   Jan 6 Memo from President declines requests from committee
   Jan 26: Special Senate Meeting for Senators to gain info on budgeting from Steve Osborne, info on finances and work of Admissions, IT, Athletics. Minutes of this meeting are online.
   Jan 28: BOT Budget & Finance Subcommittee attended by Faculty Budget rep

Feb 1 2016
Feb 24 2016 Fac Budget Committee Hearings: Public presentations for schools and other Ac Affairs units

Mar 2 2016 Public meeting with Budget Comm & Deans: discussion and feedback on cuts being contemplated. Points and concerns raised in this discussion are reflected in March 15 report]
   Mar 15 2016 Budget report to Senate

April 4 2016
April 18 2016 [with current and incoming 16-17 Committee]
   April 21: Strategic Review presentations from all Schools to BOT, 12-6 pm. Following this meeting in which BOT members asked for Budget Committee’s position on school-based fees, committee chair sent BOT an email summarizing our position

May 10 2016 [with Provost and both 15-16 and 16-17 committee members]
May 12 2016 [meeting attended by Exec VP of Business Affairs, current & future committee members]
   May 19 BOT Budget Workshop: Fac Budget committee reps attend

May 24 2016
   June 3 BOT Budget & Finance Subcommittee votes on draft budget; Fac Budget committee reps attend

June 6 2016
   June 13 BOT retreat at Pinopolis, SC—Current and incoming chairs attended. BOT’s minutes for this meeting are posted at trustees.cofc.edu. Annual budget adopted.
   August 11 BOT Budget & Finance Subcommittee meeting attended by past & current fac budget committee chairs. 16-17 Annual budget distributed.

Sept 12 2016 Final meeting with both 15-16 and 16-17 committees to discuss Academic Affairs budget decisions for 2016-17 budget
Appendix A
Recommendations for Collecting and Maintaining Current and Historical Budget Information

The chair of the 2016-17 Budget Committee has created an OAKS course where current budget information as well as historical data will be accessible to members of the Faculty Senate Budget Committee. This OAKS course will serve as an archive for all future committees. In the future, whenever the College ceases to use OAKS as a portal for course information, a new repository should be found for this Faculty Senate Budget archive.

The Glossary of Budget Terms and a description of the Budget Timeline should be archived for the convenience of the Committee, but should also be publicly available on the Senate website and should be amended periodically as needed. Future Committees should update and amend the Glossary and the timeline for clarity and accuracy, based on their consultation with the Office of Budgeting & Payroll and other College administrators.

After working with the Office of Budgeting & Payroll to identify the data that is most meaningful, accurate, and useful in carrying out the Committee’s work, the Budget Committee now requests that this office prepare the following reports each year and send them to the Faculty Senate Secretariat for automatic deposit in the OAKS archive:

1) A list of the total budgets for all divisions within the College in the most recently ended fiscal year. This material will update the “Historical Budgetary Data” table that is now in the OAKS archive.

2) A more detailed account of budgets within E & G for the same fiscal year. This budget should indicate the total amounts within Schools and other divisions for personal services (salaries) and fringe benefits, and for operating budgets. It should also list the total number of positions within each school or division and the number of positions cut or added in the last fiscal year. The model for this report is a document entitled “Faculty Senate Budget Committee Inquiry” dated Feb 19, 2016.

3) If the College makes mid-year budget cuts, we ask that a new report be issued reflecting those cuts, as was done in 2015-16.

We request that C of C Annual Budgets and Fee Schedules also be sent directly to the Faculty Senate Secretariat from the Office of the President so that they may be filed in this OAKS archive.

The Faculty Senate Budget Committee will deposit its own records in the OAKS archive: reports to the Faculty Senate, other memos from the Committee to the Provost, President, and the like, as well as the committee’s annual minutes and annual report.

Other materials relevant to budgeting and planning, such as the College’s Comprehensive Annual Financial Report, revised Strategic Plans and other long-range planning documents, reports from Academic Affairs Budget Hearings, etc., will be collected by the Committee or furnished by appropriate administrators.

The 2015-16 Committee counsels future Budget Committees to be as judicious as possible with the budget information they obtain or receive. Many of the materials mentioned above are public documents. Some documents the committee views, however, such as the draft budget from the May budget workshop, reflect work in progress, and the Committee is sometimes asked not to distribute these documents since they deal with positions that may or may not be cut in the final budget. Other documents contain more detailed information than the Committee in recent years has chosen to share, simply because the potential for misinterpretation seems too great. Given the level of detail in these documents and the average C of C faculty/staff member’s understanding of this detail, it’s possible for a particular item to be misinterpreted and to cause anxiety or hard feelings that may not serve our best interests as an institution. At the same time, Budget Committees should always be willing answer questions from individuals and to give more detailed explanations to the Senate upon request.
Appendix B
Glossary of Terms Related to Budget Process at the College of Charleston

**Annual Budget** This document is an overview and plan for all spending at the College for the upcoming fiscal year. This plan gets voted on by the Board of Trustees (BOT), usually at the June meeting, and it’s made available later in the summer. An annual budget includes a “Fee Schedule” listing tuition and other universal fees, summaries of the College’s “Sources and Uses” (revenue and expenses), and accounts of any increases or decreases to last year’s budget. C of C’s Annual Budget does not contain a breakdown of all spending, or even a figure for each division’s budget. (We have begun requesting that information separately from the Office of Business Affairs.) Expenditures that do not increase or decrease are not reported here; this practice is known as “historic budgeting” rather than the alternative practice, “zero-based budgeting,” in which every item in a division’s budget must be justified in each new budget year. For an institution of our size, zero-based budgeting would require a tremendous amount of time as well as paper. The College’s budget is separated into “Education & General” or “E & G” and “Auxiliary” budgets, explained below. The Budget Committee now keeps copies of all annual budgets; our archive goes back to 2011.

**E & G:** The College’s “Education & General” account is the source of almost all salaries, benefits, and regular operating costs. Tuition and fees and some other forms of income, including funding from the State, fund this account. Within the “E & G” universe are the budgets for Schools, Libraries, Admissions, the Provost’s Office, the President’s office, Student Affairs, Physical Plant, IT, Institutional Advancement [E & G funds salaries & operating costs for the C of C Foundation, but the funds donated to the C of C foundation live in a separate budget]. The E & G account is distinct from Auxiliary Services.

**Auxiliary Services:** The items within Auxiliary Services are funded differently than E & G items. By state law, these services must be “self-funding” rather than supported by money from the state or E & G. Funds cannot be transferred in either direction between auxiliary services and E & G. Most auxiliary services are wholly funded by their users—those who use College parking, residence halls, food services, and the bookstore.

The exception is Athletics, which receives funds from a combination of sources: donations, revenue (ticket sales, concessions, summer camps, etc.), and student fees. All students are required to pay an Athletics fee which partially funds the College’s NCAA teams. This fee does not fund students’ own recreational services; these are supported by a separate Student Activities fee. In 2015-16 the annual Athletics fee was $1246 per student and the Student Activities fee was $150.

**Capital improvement fee** The College takes out bonds to finance capital improvement. These bonds are paid off over time, either by people using that particular service (e.g., debt service for residence hall construction & upkeep for food service facilities is factored into the price of rent or meal plans) or by the general student population which pays an annual capital improvement fee. The general principle behind the capital improvement fee is that students should not pay for buildings they cannot use: we don’t take money from students to save up for a future building, only to pay for buildings these students are currently using. (This principle applies to the student body as a whole, however. Not all students make equal use of the facilities that all are paying for, since some Schools have had more purpose-built construction and renovation than others.) Decisions about what to build and renovate are reportedly made in accordance with a campus master plan. [This might be a topic for future Budget committees to discuss with EVP Steve Osborne and whoever else maintains the master plan. It could be helpful to get regular updates on capital improvements that are being planned and on how that debt is being financed.]

**Recurring vs. non-recurring revenue and costs**

**Recurring** revenues are those we normally expect in future budgets, such as tuition revenue and state appropriations. Tuition revenue typically rises slightly each year, since we increase it slightly and keep the same number of students. This revenue drops if we have fewer students, especially fewer students paying out-of-state or non-resident (NR) tuition. Recurring state appropriations also could go down if the legislature saw fit to reduce them or experienced a shortfall. Recurring costs include expenses like salaries, fringe benefits, utilities and other operating costs.

**Non-recurring** revenue is funding that the College doesn’t count on from year to year. This could be a special appropriation, unspent money from other accounts, or income of a limited duration (e.g. rental income for a College property, fees paid by a film crew, etc.). Nonrecurring expenses may include such things as equipment, software, fees for a visiting speaker, startup costs that a division will eventually absorb within its own budget, maintenance of a particular campus building. Rents we pay for sites that are considered temporary (e.g., Harbor Walk) are also sometimes budgeted as non-recurring.
Some items that aren’t budgeted as recurring costs are de facto recurring and, over a period of many years, get paid for out of non-recurring funds—either non-recurring revenue or unspent funds (lapsed salaries, for example). This approach can work well for a long time, but there is a risk of being unable to fund something in a lean year when the institution’s unspent funds are scarce or need to be spent elsewhere. Funding is less likely to be cut if it is built into a budget as a recurring expense. When a new recurring expense is added to the College budget, it creates an increase in the total budget, unless another recurring expense is cut to offset it.

**State Funding**: Each year the SC Legislature sets its funding levels for each state university. Between 1990 and 2012, state funding levels went from 20M to 18M, and from 41% of our revenue in 1990 to 8% in 2012, following a national trend.

In good budget years, the Legislature can also approve special appropriations for particular needs, like the renovation of a particular building or the funding of a particular position. Funds for renovation would be non-recurring special appropriations, which are more common, but the legislature can also choose to make some special appropriations recurring, as they did when funding positions in computer science and supply chain management. The 2016 legislature took the unusual and welcome step in a recurring special appropriation increasing our across-the-board funding by 2M. The President and the legislative team successfully made the argument that the College is now serving a larger number of in-state students and needs additional funding to do so. Each year the College’s legislative team works with senior leadership to devise a wish-list of special appropriations that particular legislators might be willing to advocate for. They ask for things they have some hope of getting because the requests will appeal to particular legislators. Once the President finalizes the list, funding requests are submitted (these are filed as “H-150” forms; we have copies of those submitted in 2015.) The Budget Committee has not yet been involved in any discussions of which items were on the original wish list and which ones were ultimately requested. Future committees might at least ask to receive summaries of items being considered and some notification of when these lists are going to be finalized.

The College receives an indirect benefit from a state-run program, the lottery, which provides scholarship money for SC residents.

The College also receives an important form of state support whenever the Legislature approves (guarantees) bonds that enable the College to borrow money to make capital improvements. (Students then pay a capital improvement fee to support the cost of building & maintaining our facilities.)

**Lapsed salaries** These are salaries for positions that are currently vacant. If a position is in the budget already, or if it is added to the budget at the beginning of a new fiscal year, money is allocated for the salary/fringe benefits. If the position is vacant because the employee leaves or has not yet been hired, the money is not spent. Normally, lapsed salaries are swept back into the E & G budget, along with other money that is unspent by the end of the fiscal year. These funds are used to fund non-recurring costs. The Budget committee has not determined when, and by whose authority, these funds typically get moved around. Presumably if a position is vacant, there’s no need to wait until the end of the fiscal year to access the lapsed salary. We do know that Schools do not control lapsed salaries for their own positions, and we assume this is true for other units within E & G.

**State line** A line is a position (potential or actual) as a state employee. An institution needs a line in order to employ a person in a full-time position that receives state insurance and retirement benefits. A state line does not have to be attached to a particular position, pay grade, or division/school/department. When one of our lines becomes vacant or when the legislature approves a new state line, it’s usually the College that chooses where to deploy it.

Most of C of C’s permanent faculty and staff positions are state lines, but most of our lines are not state-funded, which means that C of C must pay for the salary and fringe benefits for these positions (about 80% of the total) out of its existing budget. C of C currently has a few more lines than it is using, partly because we’ve had to cut recurring costs over the past couple of years. When we eliminate a position, we still get to keep the line to use later if we can come up with funding for it. If a high-paying position is terminated, this could potentially free up funds to pay for multiple positions at lower salaries, if we have unused lines available.

**Temporary employees** These employees do not receive retirement benefits (but if they work more than 30 hours per week, they are eligible for health benefits). They are not eligible for mandatory state-employee raises or bonuses, and they do not have job security. Salaries for temporary employees sometimes come from non-recurring funds. This category of employee includes adjunct faculty as well as temporary staff employees. A temporary position can be converted to permanent if the conversion is deemed advisable, if there is a line available, and if recurring funds to cover the salary on a permanent basis can be added to the budget or reallocated.
Faculty ranks include permanent positions (senior instructor, tenured and tenure-track) as well as visiting positions that usually last one year or more. (At C of C, all these faculty are in a group called “roster faculty.”) Any faculty position may be reassigned or taken offline after a faculty member retires, moves, or (if a visiting faculty) finishes a contract. Adjunct faculty normally are employed only a semester at a time and paid according to the number of hours they teach; they are not counted among our roster faculty. Graduate students who have earned at least 18 graduate hours are eligible to teach at C of C, although only a small number of them do, which partly explains our levels of adjunct reliance compared with R-1 universities where graduate students teach far more of the courses.

Fringe benefits Health insurance, retirement, life insurance, and other items for which the College pays a portion of the costs. Typically the College expects to pay about 40% of a salary (in addition to the salary itself) for each full-time employee’s fringe benefits. Part-time faculty and staff and full-time temporary staff do not automatically receive benefits, although they’re eligible to contribute to a retirement plan.

In compliance with the Affordable Care Act, all employees working 30 hours a week or more are eligible for health insurance. For adjunct faculty, teaching 10 hours or more meets the threshold of eligibility. Eligible part-time employees who enroll in a health plan have their premiums deducted from their pay, just as full-time employees do. Human Resources has a system for deductions that accommodates adjuncts’ pay schedules, since these are different from the pay schedules of full-time faculty.

For all the state lines that are not state-funded (circa 80%), the College must pay the fringe benefits as well as the salary out of its own budget. Whenever the cost of state benefits increases, the College bears an increased cost for the benefits associated with all its non-state-funded lines.

Reserve fund The institutional reserve fund and the enrollment reserve funds are recurring items in the budget that may be used to offset dips in tuition revenue or other shortfalls. If we spend the money from this fund, we have to replenish it the following year.

Tuition and fees [universal fees] Fees paid by all students at the College. There are two undergraduate tuition rates, for SC residents (R) and for nonresidents (NR). Tuition goes into the E & G fund. All students must also pay other fees: athletics, library, security, capital improvement, student activities, health services. Any fees that are charged to every student are known as universal fees. The legislature typically has discouraged SC institutions from raising their universal fees beyond a certain percentage each year (usually, the rate of inflation). In 2016 the state omitted any discussion of limits to tuition and fees.

Fees that are mandatory, but that vary depending on the student’s year (freshmen vs seniors, for example, or fees charged only for a particular course or program) are not counted as part of these universal fees. Most SC institutions charge significantly higher fees for various programs and courses than C of C has done. Because the cost of living is generally lower in other SC institutions, these students’ total cost may not be higher than the cost of attending C of C.

School-based fees Fees for coursework taken in a particular School. Many SC institutions have school-based fees. Some charge the same fee to all students majoring in a particular school, and others charge by the credit hour. There is often a cap on the total amount a student must pay in a semester or in a college career. Lower-division coursework is sometimes excluded from the school-based fee. The rationale for school-based fees being considered at C of C is that some schools have higher instructional costs. A portion of the fees collected will go to the schools, with some restrictions attached, and a portion goes back to E & G. It could in theory go to assist other schools with lower instructional costs, since the students in these schools are, in effect, subsidizing the higher costs of other schools. 40% of the 2017-18 school-based fees for SSM and SOBE upper-level courses will go to E & G.

Program and course fees These are fees charged for a program (the MBA program, the REACH program, a study abroad program) or a specific course (lab fees, horseback riding fees, etc.) These fees must be approved by the BOT and listed publicly. Our understanding is that some fees go back into E & G and some go immediately into the budget of the program or, in the case of science lab fees, the School. [This could be a topic for a future Budget Committee to research.]

The program fee for the MBA program returns to the School of Business. [This particular program has drawn interest and questions from Senators, since it was presented to the Senate as something that would eventually pay for itself and generate additional revenue for the College. Next year’s committee could ask a representative from Business Affairs to help them understand how this works. At the June 2016 BOT retreat, EVP for Business Affairs Steve Osborne said an $800,000 profit had been generated thus far by the MBA program. The Budget Committee would need more information to understand how “profit” is defined, how the MBA faculty salaries are now being funded, and how/when a percentage of the program’s profit gets sent to E & G or left in SOBE’s budget.]
Appendix C
Timeline and Steps for C of C’s Budget Development

Summer: The President’s Executive Team (including Vice President for Business Affairs and other administrators) collects ideas for possible items that might receive special funding, discusses them with the President’s Legislative team, and decides on a wish-list of special appropriations. If approved, such items will receive separate funding by the legislature, outside of the regular state support we receive.

Fall: In normal budget cycles, during the fall semester, the Provost gives schools permission to begin searches for the following academic year, especially if these are searches for lines that are going to become vacant due to retirement.

Spring: Division heads develop a list of any new budget requests they hope to make in the next fiscal year. Within Academic Affairs, these new requests may be discussed in public hearings hosted by the Faculty Senate Budget Committee. The President’s Executive Team uses divisions’ requests to create a draft budget for the upcoming year.

Mid-May: The Board of Trustees Budget & Finance Subcommittee holds a “Budget Workshop” in mid-May to present a draft of the proposed upcoming annual budget. Trustees who attend this meeting may ask questions, request more information, and voice their opinion on specific components of the draft budget.

Late May: The BOT Budget & Finance Subcommittee meets to vote on the draft budget. The draft budget may be adjusted according to the amount of funding the state allocates, the amount of new expenses the College faces (sometimes in the form of unfunded increases in salary or benefits), and any limits from the state or the Board regarding how much universal fees will be allowed to increase.

June: The full Board meets to vote on the annual budget for the upcoming fiscal year. This budget includes any special appropriations that have been approved by the legislature.

Each Fall and Spring semester, the budget for the current year is adjusted to reflect any difference between the actual revenues we receive and the amount we’d planned on receiving in the annual budget. There is a reserve fund in place to cushion against dips in tuition revenue, but the 2015-16 budget projections were greater than the amount available in this fund, leading to two mid-year budget cuts.

Faculty Participation in the Budget Process: Representatives from the Faculty Senate Budget Committee are invited to attend public meetings of the BOT Budget & Finance Subcommittee, including the May Budget Workshop, and the June BOT meeting. The 2014-15 and 2015-16 Budget Committees have met regularly with the Provost to receive updates on the College budget and to provide input for the Provost’s decisions. The Budget Committee and other faculty representatives have not been present for any meetings of the Executive Team, although the 15-16 committee made this request to the President.