Minutes of Faculty Senate Budget Committee, Fall 2012-Spring 2013

Notes from May 2013 Board of Trustees meetings are in a separate document

9/13/2012 First Budget Committee Meeting
No minutes. At this organizational meeting, we oriented new committee members by discussing the work of last year’s committee (report online at http:// facultysenate.cofc.edu/faculty-standing-committees/committee-reports.php).

10/1/2012 Budget Committee
Present: Julia Eichelberger (Chair), Marion Doig, Jane Clary, Marianne Verlinden, Tom Heeney, Brian McGee (guest) Absent: Linda Jones, Bev Diamond (ex officio)

Agenda with Minutes

1. Confirm approval of curricular items (changes to major in WGST, TEDU, and ECON).
Jane Clary stated that the ECON proposal had no budgetary impact, but she wanted to note that it will remove one of the few remaining requirements to the ECON major, which she disagreed with. This issue is out of our committee’s jurisdiction, however.
The decision to approve these 3 proposals, which had already been circulated by email, was confirmed.

2. Discuss the budgeting and planning process with Brian McGee, Senior Policy Advisor to the President, and propose possible revisions to the 2013 version of the Strategic Plan.
Prior to the meeting the committee had reviewed a copy of the 2012 Strategic Plan, a 1/5/12 email from the President inviting revisions to the 2009 Strategic Plan, and a 5/23/12 e-newlsetter from the President. They also had copies of the 2012 Annual Action Plan and summary of revenue and spending increases in the 2012 budget which Steve Osborne had provided to the Academic Council at an earlier meeting.

Brian McGee elaborated on the budgeting and planning process during today’s meeting. Below are the main points of information he provided in response to committee members’ questions and suggestions.

The 2009 Strategic Plan was first revised last year. The president’s plan is for the Strategic Plan to be revised and updated each year, and from this revised plan, an Annual Action Plan will be developed; the Annual Action Plan then informs the year’s budget. The 2012 Annual Action plan correlates directly to increased spending and revenues in the 2013 budget. The President wishes for the planning process to occur before summer when most faculty are away.

Brian noted that SACS requires that the College demonstrate links between planning and budgeting, so this process satisfies that requirement.

The College Budget will continue to be a fluid document since both houses of the state legislature take turns proposing and modifying the state’s budget, which in turn influences our resources. Other state mandates increase our costs too—for example, the required raises for
state employees cost us more, because the state provides raises for state-funded lines, but some lines at the college are not state-funded and we must come up with the raises for these lines.

The Strategies have not been ranked and probably will not be; they are all crucial and must all be addressed simultaneously. All Tactics are now rank ordered, and their total number is now 94.

The way a Tactic gets new funding is a complex process. Given the scarcity of resources, it would have to be ranked very near the top, although sometimes cheaper tactics that can be accomplished immediately may be chosen ahead of more costly, higher-priority items. Brian also noted that some items which cannot be funded now are still kept on the list, because there was the chance that a donor might offer to fund the item.

The expectation is that all Tactics will eventually be achieved or removed from the list. The planning process will also include tracking the Tactics, indicating how far the College has gotten toward achieving them. That tracking information has not yet been released, although there are plans to do so.

The committee noted that some tactics, like making salaries more competitive, seemed to be perennial College priorities that are not ever achieved. We would like to know more about the status of the Tactics, and who is responsible for each of them (in some cases this might be several entities, of course). We wondered whether this responsibility should be indicated somewhere in the Strategic Plan or in a tracking document. This question is not always a budget issue per se, but if we’re being asked to participate in planning and prioritizing, it would be helpful to know what steps are currently being taken to achieve a tactic.

The committee was interested in how our institutional spending compares with other institutions—specifically, what percentage of our spending goes to administrative salaries, vs. the percentage of other institutions. Brian will supply this information to us; the same info has already been provided to the Faculty Advisory Committee.

In response to a question about whether the College should spend $600,000 to switch to a different athletic conference, Brian notes that student athletic fees are the source of the Athletic departments’ budgets, so this expenditure would have no impact on the amount of money available for other needs. This kind of detail is what the Budget Committee wishes to understand better—which expenditures affect other budgets, and which are “silied” in separate funds, such as Auxiliary Services.

At our last meeting, SSM faculty had asked about lab fees—who sets them, where the money then goes, whether it was equally distributed to each department. Marion Doig noted that they are as low as they were when he was a student at the College. Brian acknowledged that these fees should be revisited. The College has not yet devised a tuition and fee structure that accurately reflects all the varying costs of undergraduate programs of study—i.e., some programs cost far more to deliver than others, but the tuition and fees usually do not address this and perhaps will need to in the future.

Brian said that consultants advising the College on SACS accreditation noted recently that the College seems to have insufficient staff to do all the tasks that are needed for accreditation.

Some members felt the accreditation challenges the College is facing are crucial enough to warrant more attention in the Strategic Plan. In response to one suggestion about changing the order of tactics under Strategy 6, Brian said it would be appropriate and constructive for the committee to offer such a recommendation along with a rationale from a budgetary standpoint. Since we can’t do this if we don’t know how much is being spent already, we asked for a copy of the current budget. Brian agreed to provide this to us.
Brian also emphasized that he is always available to meet with the committee chair and that he wishes to continue working with the whole committee at our scheduled meetings. Our next meeting is November 1st, and Brian plans to attend and discuss with us the revisions the President is considering and their possible impact on next year’s Annual Action Plan.

The committee agreed that each member should **study the budget (chair will forward) and the Strategic Plan, then draft up to three specific suggestions for possible revisions**, along with a draft rationale that addresses their budgetary implications. We will **discuss these suggestions by email before our Nov 1 meeting**.

11/1/2012  Budget committee meeting
8:00 AM  9 College Way Conference Room
Present: Julia Eichelberger (Chair), Jane Clary, Tim Johnson, Tom Heeney, Marion Doig, Marianne Verlinden, Brian McGee (guest), Bev Diamond (ex officio) and Linda Jones.

Agenda with Minutes

1) **Discuss AAST new major proposal (goes before Senate on 11/16).**
There were no concerns raised about the budget on this proposal.

2) **Approve or edit draft minutes from 10/2 meeting**
The minutes were approved. Discussed whether all of the information that we are assembling can be posted for the faculty and it was decided that it is all public information.

3) **Jane/Tom updated us on any news from Board of Trustees Budget & Finance Committee meeting**
Tom: The BOT had a quick update on capital projects. The cost for RHSC is estimated at 45 million. Dixie Plantation is the other big issue with a projection of 2.8 million for the field stations. An outside consulting firm discussed IT issues with the following observations. They recommended a reorientation by C of C’s IT toward stakeholders. They said that we have a good centralization of IT services. Said it is hard to find comparable institutions with similar mission, size and budget. Our spending per FTE is in the middle of the range (below the average) of IT spending compared with other schools (average is 925, Clemson spends 2116, we spend 783). Recommended some PC replacements. We’re budgeting for 22 add’l classes to be online by June 30, w about 300 classrooms wired, 100 unwired. There will eventually be a total of 8 “geo centers” delivering wireless connectivity.
Stated that we are not yet capable of large-scale distance education. We are missing program manager functionality, and we have quintupled our capacity for data but haven’t yet brought that online. Supporting more than one user platform (e.g., PC vs Mac) is expensive but should be done since students who come here have high expectations for the technology they can access.. Huron recommended an IT fee increase.

4) **Discuss current budget, revisions to Strategic Plan, and next year’s Annual Action Plan and budget with Brian McGee**
   - Jane asked if there is any effort to apply the data being generated to revise, improve, or consolidate various programs on campus.
Linda asked about strategy 6 tactic 6, whether it was related to assessment. Bev explained that this tactic addressed the creation of a data bank that chairs and others are encouraged to use in their assessments and annual reports.

Julia also mentioned a suggestion for strategy 6, to put a high priority on reviewing academic and administrative structures to ensure they are working together and support the strategic plan. She raised the issue of having incentives for departments who can show that they have used available resources to make progress toward the strategic plan. Bev responded that this is probably already done at the level of the deans.

Brian mentioned that the Strategic Plan indicates ways in which the institution plans to change and grow. In order to maintain professional competence, departments and units must also do many other very important things; such efforts aren’t in the Strategic Plan just because they are not new, not because they aren't important. But for a "new spend" to be considered for funding, it needs to be part of a top-priority tactic within the Strategic Plan. He also said that specific progress toward Strategic Plan tactics is being tracked and is almost ready to be put into a format that will be available online.

Bev noted that program/curriculum assessment is different from program review, and that program review already occurred. Ac Affairs now wants annual reports to incorporate the data that Jim Posey in Institutional Research is now making more readily available (trends in enrollment, spending, how many majors graduated, and many other statistics). They want department chairs and faculty to use this data to analyze their own work and to document or predict their contributions to the strategic Plan. Tim (a dept chair) said this data will be extremely helpful for chairs in preparing annual reports and also in doing their own planning.

Jane wondered if there could be too many new programs at the College, and if anything budgetary ever happens as a result of program review. Bev said that existing resources are reallocated regularly. Sometimes lines move from one dept to another, sometimes programs are terminated; as Ac Affairs reported to the Board not long ago, the total number of programs C of C has added is similar to the number of programs that are no longer active and therefore have been terminated. Per new language in the By-laws, faculty governance does not just approve new programs, but is informed of any program terminations.

Due to time constraints, Brian will take our written suggestions for revisions back to the president.

Brian reviewed the latest version of the strategic plan and alerted us to small changes that the President is contemplating (less than 150 words total). We offered some feedback. (For example, regarding one proposed rewording that was intended to recognize that the North Campus’s new Bachelor of Professional Studies will serve non-traditionally aged students: committee members noted that we serve and will continue to serve these students downtown who take classes for enrichment or who pursue our B. A. or B. S. degree here while working full-time. So we don’t want the phrasing to suggest that the BPS and North Campus are the only ways we reach non-traditionally-aged students.) The next step in the budget process is the annual action plan.

Julia asked about the way in which the budget committee will be involved throughout the rest of the budget process. Brian said we will be consulted early in 2013 as the annual action plan is developed.

Tom asked how the College will measure the effectiveness of the North Campus? Bev noted that for the new, the College developed a budget with costs for dean, staff, & faculty. This campus is much easier for us to cost out, Bev said, and will also add seats in lower division courses that will
help departments here; in addition, it will bring in tuition from the new BPS students. The plan is for the BPS to be self-supporting by year 2, she said.

- Linda asked if the new faculty lines included in the strategic plan would require more students to be enrolled to support the cost. Brian said that the hope is to fund these new lines with money from philanthropy and tuition rather than new students. Current levels of adjunct dependence are not commensurate with the kind of institution we want to be. The goal is to have fewer adjuncts teaching classes. But we will have to find other money for this. Further tuition increases were planned so that we could add faculty, but these increases continue to be politically problematic, so we have less $ than we expected to have at this point. Hopefully within the 10-year framework of the strategic plan we can find a way to work in new faculty lines.

5) **Introduce new program of summer school revenue sharing**
Tabled for the next meeting.

6) **Discuss when to update Faculty Senate on budget/planning issues we are addressing**
This item was not addressed.

7) **Introduce any other items that committee wishes to discuss in future**
- Bev will update us on the progress towards online classes.

Meeting adjourned at 9:15. Next meeting scheduled for November 29.
Submitted by Linda Jones

Senate Budget Committee Agenda with minutes
Thursday 11/29, 8 AM, 9 College Way
Jane Cleary, Julia Eichelberger, Bev Diamond, Brian McGee, Linda, Marion Doig, Tom Heeney present

1. **Confirm schedule of Spring semester Budget Committee meetings; review schedule of Academic Council & Board of Trustee meetings.**
The spring schedule appears at the end of these minutes.

2. **Discuss recent progress toward 2013 Annual Action plan**
Brian McGee explained that he is still meeting with faculty committees to discuss the strategic plan and that the academic action plan should follow.
He explained the historical and zero-sum methods of budgeting.
The Priorities Committee meets on January 7. An annual action plan needs to be in place by the trustees meeting in January 19 to direct the budget requests.
Julia asked for details on how new lines are included in the budget. Brian answered that they do have a set of requests from last year but they have not created a list yet this year for new lines. Priorities must be re-established. There is a general fund to accommodate funding of new lines that does not require specific targeting. The state does not require specific details on this while the trustees do require details.
Bev explained that departments were requested to present pressures that they felt as a beginning to the budget. The reports are submitted in the Summer and are reviewed in the Fall. Jane asked about the apparent growth of administration at the College. Brian will discuss the growth of administrators and said he needed a more clear definition of “administrators”.

Julia suggested that we make a list of the type of information that we would like to gather to inform the faculty.

3. Discuss summer school revenues and profit sharing plans

Bev reported that Academic Affairs agreed to share the net revenue with the schools and departments. The dean has control of how it gets distributed to the departments. It is meant to be an incentive to the departments. Departments can think about “bottleneck” courses in the major, offering online or distance options. Jane suggested that we think about a flat rate for summer teaching to stop inflation of salary for faculty who make much higher salaries. Bev explained that they have done this in the North Campus for the BPS where retired faculty are making $4500 per course. ‘Adjuncts still make the usual $2500 per course.

4. Discuss other possible forms of revenue, current and future (student fees, differential tuition)

Chemistry and Physics are requesting increased lab fees. These are currently being reviewed by the dean and will be brought to the trustees in April. We will table the discussion on differential tuition for the next meeting.

5. Discuss communication with Faculty Senate on budgeting process

Linda suggested that we solicit input from the Senate when we report. Jane asked if anyone wants to replace her on the Academic Council (deans, provost, VPs, representatives from Budget and Academic Planning) where they listen to reports from the Provost and have the opportunity to observe, occasionally give input. The January meeting will be a prioritization process and Bev may have some small group discussions. Monday, January 7 is the next meeting.

December 5 at 10 AM meeting with Academic Council—Linda & Julia will attend

Tom & Julia will attend in January

Future meetings & other important dates:

- 12/4 Senate mtng
- 12/5 Academic Council 10AM
- 1/7 Academic Council 10AM
- 1/3 Jan Senate agenda deadline
- 1/15 Senate mtng
- 1/17 Board of Trustees Budget & Finance cmttee

**Th 1/24 8 AM Budget mtng**

- 2/5 Senate mtng
- 2/6 Academic Council 10AM

**Th 2/14 8 AM Budget mtng**

- 3/6 Academic Council 10AM
- 3/12 Senate mtng

**Th 3/14 8 AM Budget mtng**

- 4/2 Senate mtng
- 4/3 Academic Council 10AM
- 4/9 Senate mtng--if needed to complete 4/2 meeting agenda
- 4/18 Board of Trustees Budget & Finance cmttee
- 4/24 Last day of Spring classes

**4/25 Budget mtng**

- 5/1 Academic Council 10AM
- 6/5 Academic Council 10AM
- 6/10 BOT meets in Columbia
- 7/3 Academic Council 10AM
- 8/1 Board of Trustees Budget & Finance cmttee
- 8/7 Academic Council 10AM
Budget Committee Meeting  
Thursday, January 24, 2013  8:00 AM  
72 George Street conference room

Present: Julia, Marion, Bev, Linda, Tom, Tim and Mary Ann, Brian McGee (guest)

Agenda:  
1) Approve the minutes from Nov 29 meeting

2) 2013-2014 Budget Planning:  
Get updates from Brian (if he can join us) on Annual Action Plan  
Get updates from Bev on how the budgets under Academic Affairs have been developed this year  
Report on BOT meeting from Tom  
Look at remaining BOT meeting dates to see if the committee can be represented at these

3) Communicating the budget planning process to faculty  
Discuss ways to guide future committees so they won’t have to reinvent the wheel—possibly create glossary for terms we were unfamiliar with, flow chart for how the process is supposed to work, place to archive previous budgets; should we ask Jim Posey or someone else to help us look at trends in spending and revenue, etc?

4) If Brian can come, perhaps he can brief us on whether differential tuition or other fees are being considered for next year.

Minutes:  
The committee discussed the idea of Tom looking into archived records of budgeting, spending and planning to create a record of certain issues to be suggested by committee members.  
There was a discussion about functional areas that are understaffed, acute areas that are necessary to support the academic mission. These are identified as the registrar, advising center and other departments where administrative support has been temporary or inadequate. Bev explained that there is a goal to support faculty travel for all faculty lines and get to the point where departments can have discretionary spending on items such as visiting speakers.  
The Budget Committee wants to have some written record of input that is forwarded to the administration regarding budget items along with some record of how it was used and the impact it may have had on budget related decisions. Marion asked where our comments go and whether they are heard. Tom suggested that we might focus on more specific issues and submit more clear recommendations. For example we might comment on the current budget priorities. Bev suggested that it would be useful to include representatives from the Budget Committee at the annual July budget meeting. Traditionally faculty members have not been invited as many are off campus at that time.

Brian arrived at the meeting and was asked to clarify the status of the budget process. Julia asked Brian how the Budget Committee can play a role. Brian explained that a draft action plan (based on the strategic plan) is given to chairs and EVP’s to inform their budget requests. The budget requests are then collected from the divisions and result in the finalized action plan which is used to create the budget. He expects the action plan to be published at the end of January. Brian said that the feedback provided by the Budget Committee was reviewed by the president. He stressed that the action plan is a fluid document until it is presented to the trustees. We should have a copy of it before the next Budget Committee meeting on Feb 14.
Departments, divisions, etc. should think about pressures and priorities throughout the year and should always be prepared to answer the question of the pressures and priorities in their departments/divisions that are needed to support their academic mission.

Bev and Brian discussed issues that were brought up at the Budget and Finance Meeting. Room and board fees were set for next year with a small increase. The North Campus is a major concern with a new facility needed. It was mentioned that the goal is to have the North Campus self-sustaining. Another facilities issue is that swing space must be leased for the renovation of the Hollings Science Center. A further issue is the mandated affordable health care act which requires the College to offer health care to temporary employees with at least 30 hours per week. Adjuncts who teach 3 courses are counted as 27 hours per week. Adjuncts who teach 4 courses will be eligible for health care benefits.

Summer school revenue sharing was presented for the first time to the Board of Trustees. The next BOT meeting is in April.

In summary, the committee’s priority is to establish a written record of recommendations made by the committee and to obtain a record of the response to the recommendations by administration.

2/14 Budget Committee Meeting
In attendance: Julia, Tim, Tom, Linda, Jane, Marianne

1) Jan 24 minutes were approved

2) Julia reported that we will be able to review the budget. She will look into the possibility of us viewing the current draft budget.

3) Tom suggested that we ask about the independent state audit such as was reported in the newspaper last week for Winthrop.

Tom discussed that we want to select some metrics to follow such as ways in which we compare to other institutions in administration, auxiliary services, etc. Just under 50% of our budget is spent on faculty salaries but other institutions have a lower percent. Tom suggested that we look at a 5-year trend since President Benson has been here for five years. We want to look at how our budget is divided up and how it has changed over time compared to other institutions over time. Jane suggested that we look at growth over the five years more than the actual amount that is spent. Tom said that we just spent under 50% on faculty salary and is interested in what areas are going up. Tim suggested that the fact that 50% of the budget being spent on the fixed cost of faculty salaries may mean that we have a lower total amount of money to spend. Julia suggested looking at allocated travel money, equipment and R&D. Marianne reported that administrative per diem for travel is much higher than faculty per diem. Julia requested a report of department budgets other than salary and how it has changed over time. Linda said she would like to see a report of the fees compared to other institutions. Julia said that looking at the CHE website, our fees are lower than other institutions. Marianne asked whether other institutions charge extra tuition for more than 12 or 18 credits and whether it is standard within the state. Tom suggested that this issue may be related to completion rates. Tom said that students may not risk taking extra courses if they have to pay for the extra credits and the completion times are greater. He explained that it is detrimental for students to stay too long because then seats are limited for the incoming class.
Julia suggested that we could obtain the raw numbers for these issues and then decide how to present it and make it available to the faculty. Tom will provide preliminary reports as he gathers information.

4) Discussion of fee increases that are being contemplated for C of C
(Brian will brief us on what sorts of increases the senior leadership is considering. You may wish to review "2012-2013 Fee Summary With Additional Fees" in our dropbox, for a summary of fees at other SC institutions.)

5) Discussion of summer school revenue sharing for future years: committee members have expressed interest in reviewing the present policy and presenting some sort of formal response. Julia said that last year the scheme was based on 2011 as a baseline with any increases subject to revenue sharing. The scheme is intended to generate increases in revenue. Julia said that it seems like some schools that were already generating large amounts of money are being penalized. Julia suggested that we obtain the current scheme for the upcoming summer. The committee discussed the transparency of how the revenue is shared with the departments by the dean. Betsy suggested that it may be more fair to evenly distribute the revenue among the schools. Tim mentioned that the research obligations are related and that we might not want to pull the faculty away from their research. Chairs may be tempted to use adjuncts to make more revenue. Tom mentioned that some departments have such limited summer classes that the regular faculty who are willing to teach in the summer are not able to do so. Tom mentioned that USC is making summer into a third semester to generate more tuition revenue. Julia will ask Bev to give us the information about the upcoming summer school revenue sharing policy.

Julia mentioned that we were expecting to have more of an opportunity to give input on the budget-related issues at the provost’s planning meetings. Committee members expressed an appreciation of Bev’s contributions to be open about the details. Jane pointed out that the provost may not be aware of our desire to be more involved.

6) Brief updates on recent Senate news related to budget: Linda reported that it was mentioned at the Faculty Senate meeting that a member of the Budget Committee is involved on a committee that is working to create a strategic plan for IT as suggested by the Huron report. As the Budget Committee members are unaware of this, Linda will look into a contact person to make this connection.

Minutes of Budget Committee Meeting March 14 2013

Present: Julia Eichelberger, Linda Jones, Marianne Verlinden, Jane Clary, Tom Heeney, Marion Doig, Bev Diamond, Brian McGee
Absent: Tim Johnson

The committee received updates from Brian McGee on budget planning. The College expects the state House to flat-fund all higher ed, which will require us to pay more $ to existing permanent employees; meanwhile, at the federal level we will be required to pay health benefits for more employees. We expect the state to contribute a small percentage of the cost of renovation of Hollings science center. We don’t expect them to fund a pay increase for state employees. The state Senate could modify this—last time they increased the pay raise recommended.
This year's Annual Action Plan may have mandated new spending on salary increases, if there such an increase is mandated by the state again this year; we expect to be paying higher premiums for every employee's health insurance this year; the Affordable Care Act's requirements will be on top of that.

Inflationary required spending is predicted at another million. So there will be at least 2 M of increases no matter what. There will in all likelihood be a limit on how much tuition can be raised, probably 2-4%. We get about 1M in increased revenue for every increased percentage point.

Brian noted that the Compensation Committee's proposal, passed at this week's Senate meeting, calls for the college to increase its budget by 1.5 M over 5 years to get salaries up to CUPA levels. And of course, the strategic plan calls for additional spending. Significant increases in IT last year were partly paid for by a significant increase in students' technology fee.

Fees receive surprisingly little attention from state legislators, unlike tuition. Brian notes that if a fee is charged to every student, it goes into the total tuition cost. If a fee is charged only to some students then it doesn't go under that all-in sticker price. Right now the technology fee is different depending on the student's class, so it is not part of “tuition.”

SSM's fees are already being studied—lab equipment and supplies cost much more now so the structure needs to be reexamined. Committee members asked about whether we should we add more fees. USC currently charges 650/semester for every school of biz student. Brian suggested that we could look at the U of Mich or OK for models of institutions that have much more complex fees than we do. Different fees could be set for each school based on a calculation of the school's unique costs. Sometimes institutions impose a school fee every time the student enrolls in a particular school's class. Clemson has a fee by major AND a fee by course. Business and behavioral sciences are all required to pay $1K in semester fees for being in that school their last 2 years. So Clemson has 13K/year in tuition plus 2K/year for last two years students are in that school.

Jane Clary suggested that if we add more fees, it might not be advisable to distribute them to schools to do whatever they wish. Instead it needs to go to institution with better oversight. Tom also noted that we need to help the rest of the faculty understand that these fees exist elsewhere. Marianne asked whether students' scholarship would cover these increased fees. The answer is that financial aid would cover more of this for some students, but not for all.

Jane asked rhetorically if Brian thought public education was dead in SC? In effect, she thinks it is. Linda asked whether the hollings center will really get renovated? Brian & Bev said yes, we plan to pay for it ourselves essentially, the tiny amount we get from the state is something we are not really counting on.

Marion asked Brian how much the College hoped to get in fees. We might get 3M in a tuition increase and 2M is spoken for, so what more do we hope to get? Brian replied that the present tech fee brings in 1.5 or so; if we doubled it, that would bring in another 1.5 M.
This year’s annual action plan will look fairly similar to last year’s, Brian says. Last year’s was finished just before the BOT meeting in April, and that probably will happen similarly this year. With info the College will get from the from state House budget, we’ll have a clearer picture of the landscape, and we have some priorities that Exec team has put forward and that will be fought over internally. This includes possible increases for the diversity strategic plan, salaries, IT, plus investments needed in schools and departments. The Action Plan will be released in April.

May is the month for a BOT Budget workshop, which will be a public meeting. A Sources & Uses document will be worked on there, a document with a high level of granularity. The June board meeting is the time the “budget book” will be produced. This is a less detailed budget, like the 13-p book we got from this past year.

Tom reported that he is researching growth rates in athletic spending, faculty salaries, maintenance, student affairs. He also noted the College’s practice of making 12 credits the threshold for a flat fee. (i.e., once students pay for 12 credits, that cost covers all additional hours they register for. He has learned that this apparently is a practice, not a law, so in theory we could charge students more who register for 15, 18, or 21 hours. Tom wanted to know more about our ratio of faculty to non-faculty. Brian said our ratios have changed. We had 40% faculty, 60% staff in 2000; in 2009 37% fac to 63% staff; in 2010 38% fac, 62% staff. In response to the question of how many of these staff are upper (highly paid) administration, Brian replied that the relationship between a person’s title and pay grade is murky; we can request more detail from him if we have more defined terms.

Marianne asked about the College’s coverage of foreign travel: do administrators get a higher per diem for foreign travel than other faculty do? Brian says there is an allowable increased per diem for travel done for promotional purposes but College employees always stick to state per diem for everything.

April 25 2013 Budget Meeting

Present: Julia Eichelberger, Tim Johnson, Marianne Verlinden, Jane Clary, Tom Heeney, Marion Doig, Bev Diamond, Brian McGee
Absent: Linda Jones

Brian distributed copies of this year’s Annual Action Plan. This includes required new spending and proposed additional spends that the president and senior leadership consider feasible. The leadership team whittled down an initial set of requests to a set of high-priority items that have some chance of being accepted by the Board.

Section One is “Mandated New Spending for 2013-14.” Affordable Care Act will require about 1M additional dollars to cover new insurance obligations we’ll have for FT temporary (including adjunct) employees. Also, for continuing permanent employees, we anticipate higher health insurance premiums. Total rough estimate is $1,425,000.
Section Two is “Inflationary Required Spending,” covering maintenance, insurance, which will be approx. 1 M

Section Three is Strategic Action items, new spending that will support the Strategic Plan. First item is salary increases. 1% salary raise for market adjustments, 2% pool of money for merit raises. This supports strategy 3, tactic 1. Brian noted that this money also furthers goals expressed in the recent Faculty Senate/Compensation Committee recommendations.

The second item is an increase to departmental budgets: some for inflation (approx. 3%, but that varies with department), some for recurring expenses that have not yet been built into budgets (piano tuning is an example given, a recurring expense that heretofore has not been put into the Music department’s budget).

The third item is personnel requests. Original requests for new personnel were much larger. Brian notes that this item includes $ for making temporary positions permanent.

The fourth item, 125K for the Diversity strategic plan, is primarily scholarship money.

The fifth item is for recurring IT investments, personnel, hardware, & software. This would address many of the items out of a list of 50 possible action items requested for IT, at a cost of 1.6M.

The sixth item, at 249K, is distance ed support. We’ve reached the limit of what courses we can offer without additional training & investment.

Total for this section is a similar amount to what was requested last year. Not all of this was approved by the board. Sometimes the Board will strike an individual item and sometimes there will be a limit of overall spending.

Section Four contains requests for non-recurring dollars:

1 IT investments, 1M. This is considered catch-up
2 Rental of swing space. Hollings Science center must be renovated, ergo we must have swing space. This will continue for several years but will not recur forever, hence it’s in the nonrecurring column. This will also include leasing a fitness center in the new privately owned residence hall behind the Sottile. Fitness center will be available to all students.
3 Purchase equipment to be used in new student fitness center. Tom commented that this apartment is now advertising it will have a fitness center for residents; are we paying for that? Brian said he didn’t know what was being advertised, but we will be paying for space that’s available only to C of C students. Bev asked if this new fitness center will mean that some funds be freed up from the money we’ve been paying to East Shore Athletics? Brian said yes. He also noted we expect this new facility to be completely used to its maximum capacity and that it will not actually meet 100% of our needs.
4 Costs for furnishing swing space. Committee members asked where the space will be? This info was asked to be kept private as leases are still being negotiated. We will run a shuttle bus to wherever the space is. The state is reluctant to have us lease non-state space and sq footage is more per foot here than state recommended costs per square foot, so this is still being worked out.

Section Five of the Annual Action Plan is items that were not recommended. (This is to demonstrate to board that we did already make some choices among all the meritorious requests.) The first category’s request would get employees back to 2008 purchasing power: this would be 3 M more. 3rd request does the same for dept budgets. 4th is add’l scholarship & programming for diversity strategic plan. 2.6 M more in IT, 1.35M for marketing.
There is a total of about 15M requested. To cover these requests, C of C anticipates add’l tuition, add’l fees, possibly reallocation of some money from existing budgets. We expect to be flat funded (no increase) in state appropriations.

Bev noted that we’ve requested about 10 new lines, about half faculty and half staff (one new advising line and the rest of the staff are conversions of temp to permanent).

Jane asked if the raises would include janitorial staff. Brian said yes, we have a few contract employees doing that work, but all permanent College employees will be eligible. Tim asked if we are going to be at odds w state which seems reluctant to comply w affordable care act in any way. Bev responded that we think this will work fine w FT temporary employees but there may be some pushback w how we interpret FT adjunct employment. Academic Affairs has been gathering info on what translates as “fulltime” for faculty. We don’t want to try to exclude people via keeping them just below the minimum. Also there is a question of whether we have an annual obligation to adjunct faculty if they teach fall and spring. Brian notes that IRS has taken an interest in institutions making “fair and reasonable” calculations on what is fulltime. They may provide some guidance, and states may also do this. The budget will include slight pay raises for adjuncts, even though it’s not a whole lot.

Members of the committee noted that these increases in salary for employees at all levels, the conversion of temporary positions to permanent, and the availability of health coverage to adjuncts were all very important and worthy priorities for this year's budget.

Brian said that Hugh Leatherman has asked that in-state undergraduate tuition be increased by no more than 3.16%. At approximately 1M per percentage of tuition increase, a 3.16 increase will not yield enough additional revenue to cover the Annual Action plan’s requests. The College expects to increase out-of-state tuition to offset some of that; course-specific fees will go up in SSM and perhaps elsewhere, and other fees are being considered.

Brian noted that we will need to continue improving our IT over a period of several years, and that our current IT fees are still extremely low relative to other institutions.

Marianne asked how many senior citizens take our courses and whether that fee should be increased. Bev noted that these students/auditors only take courses when seats are available, after classes have begun. Marianne asks about raising the amount above the current $25 per course. Bev says this would not net us a significant amount, and the PR the College gets for this service is very positive.

Some SOBE faculty seem to think that increased fees on their students would be returned to the school, Jane says. Brian says that in our highly centralized budgeting system, fees for higher-cost programs, fees go back into central budget, to offset the disproportionate cost that goes out of the budget to fund more-costly-than-average programs. Committee members asked about how the College tracks the productivity or effectiveness of a particular office or program. Julia re alled that we were told this fall that the College intended to publish Strategic Plan benchmarks and what we’ve done to achieve them, so as track our progress toward achieving the various goals/strategies in the Plan. Brian said this information has not yet been made public. The
administration has been overwhelmed by completing the SACS report and has not yet put this information online. He noted that the funding requested in this year’s Annual Action plan addresses 16 tactics from the Strategic Plan.

Tom asked who paid the initial $ we had to pay to get out of the Southern Conference and into Colonial Athletic Association? Brian said the college had funds from a naming fee for the TD Arena, as well as were cash reserves that were in the athletics budget. Marion asked how many students are athletes. Brian thought maybe 5% of the student body. Tim commented that he thought athletics are important for branding; Bev said they’re also important for student retention, and Brian said that the schools in the CAA are schools we want to be associated with.

We discussed how the committee could participate further in the May workshop where the actual budget will be built. Brian said we can show up to the workshop, as it is a public meeting. The Board may choose to go into executive session, but we could still show up. Jane, Tom, and others spoke in favor of submitting some sort of report to the Board in response to the Annual Action Plan, and in being present for the May discussion, as this is the only way we can be sure faculty views are represented. Julia agreed to draft some sort of memo to this effect and circulate it to the committee, and to keep everyone informed of the progress of the budget through these final stages in the budgeting cycle.