Minutes of the Budget Committee Meeting on 2/1/16

Committee Members Present: Julia Eichelberger (Chair), Calvin Blackwell, Doug Freidman, Courtney Murren, Thomas Ross, Martha Stackel, William Veal, and Provost Brian McGee (ex-officio).

Guests in Attendance: Conseula Francis (Assoc. Provost for Curriculum & Institutional Resources); Tammy Ingram (Assoc. Professor of History); Jerry Hale (Dean of HSS) and Fran Welch (Dean of EHHP)

The budget committee met at 3pm on Monday, February 1st. The meeting agenda included the following items: (1) Corrections/additions to the minutes from the previous meeting; (2) Addressing two curricular proposals that require the signature of the Budget Committee - deletion of Athletic Training Education Program (ATEP) major and approval of a New Minor in Southern Studies; (3) Summary and follow-up discussion of the Special Faculty Senate Meeting on Jan 26, and the BOT Budget & Finance Subcommittee meeting on Jan 28; and (4) Discussion of Academic Affairs' 2016-17 budget hearing process and related scheduling issues.

The committee’s work began by discussing a curricular proposal that would delete the athletic training education program major (ATEP) from our current Bachelor’s degree offerings. Fran Welch, Dean of Education, Health and Human Performance, began by discussing the impetus for this program deletion.

Dean Welch informed the committee the accreditation body that oversees athletic training education (ATE) recently determined that undergraduate programs will no longer be accredited. Moreover, any ATE program seeking accreditation must be offered as a Master’s degree program, effective 2019. Dean Welch also indicated the proposed program deletion would affect three faculty members who were recruited to support this program.

Dean Welch then addressed several questions posed by committee members. Julia Eichelberger asked if the deletion of ATEP would allow her to reallocate faculty and other resources to better address current demands in other curricular areas. Dean Welch indicated this was definitely the case and Provost McGee added the faculty members involved have the expertise to help the school of EHHP address other program staffing needs that are currently in high demand.

William Veal inquired about the nature of the decision-making process and whether faculty were consulted before deciding to terminate the program. Dean Welch reported that faculty were involved at all levels and phases of the process to discontinue the ATE major. The possibly developing a Master’s program was first explored but found to be cost prohibitive. Tom Ross asked if the program would be “cost neutral” or could perhaps be compensated for by other low cost programs. Dean Welch indicated this was clearly not the case given the requirements necessary for accreditation and anticipated low enrollments (i.e., only 10 to 12 students would be expected to enroll in the major). Provost McGee added that in some cases other degree
programs can compensate for a high cost program, but this was not the case for the ATE program. Dean Welch reported that EHHP faculty members were also consulted about the teach-out plan (i.e., phasing the program out).

Finally, Dean Welch reported the proposal to delete the major was going through the curricular process at the College of Charleston. Provost Brian McGee added that CHE approval would also be required to discontinue a major program. Students admitted in the F15-S16 academic year will be the last group of students to be offered the major.

The budget committee then voted unanimously in favor of the proposal to discontinue the ATE major.

The committee then turned to the next curricular matter, the addition of a new minor program in Southern Studies. Tammy Ingram, Associate Professor of History, was present to answer questions from the committee about the proposal. Tammy first provided an overview of the program including the new coursework required and other resources needed to support the minor (e.g., director stipend). The program would require a new introductory course and a one-credit hour capstone experience. The remaining curricular requirements could be satisfied by coursework offered by several different departments. Therefore, in theory no one department would be disproportionately burdened with additional workload.

Tom Ross asked if some departments could be affected disproportionately in practice because some courses are taught with higher frequency relative to courses taught in other departments. Tammy Ingram stated this would not be the case. She added that the frequency of course offerings and the staffing plans of various participating departments were carefully researched when the list of minor program coursework was developed.

Dean Jerry Hale of HSS next presented on the financial resources required for the program and indicated that the director stipend and other costs would be covered by the School of Humanities and Social Sciences budget. Dean Hale also indicated he worked closely with the faculty developing the program to make sure that it could be executed in the context of the limited resources available.

William Veal inquired about the value of the minor – namely, what this new minor offering would do for students. Julia Eichelberger answered that it would serve students similarly to other minors in the liberal arts by providing an area of expertise that would inform many different disciplines and professional areas. Calvin Blackwell pointed out this new minor might attract prospective donors and Dean Hale agreed.

The Budget Committee then voted on the matter and unanimously supported the addition of the new minor in Southern Studies.

Next, committee member William Veal gave a report on the Board of Trustee’s Budget and Finance Subcommittee meeting which occurred on January 28th. William indicated the BOT
subcommittee was given the proposed cuts from the various divisions and that very little discussion took place. Provost McGee added the recent meeting was primarily an informational one and a formal vote will not happen until BOT meetings in April.

William next informed our committee the School of Professional Studies is developing a proposal to decrease the cost of tuition for the BPS. The impetus for the decrease being that other institutions in this market were offering much lower prices and some reduction would allow the BPS program to be more competitive.

Provost McGee informed the committee that this was not a formal proposal for the Board of Trustees budget subcommittee to consider, but simply a notification about the development of the proposal. Provost McGee also reminded the committee that the entire premise of the BPS program is to provide a cost-effective service to the community and nontraditional students in particular. The cost of the BPS program is lower than other programs on our main campus because the bulk of the courses are taught by adjuncts and retired faculty. The BPS is being challenged by our competitors who offer greatly reduced tuition (e.g., Palmetto Online College by USC). According to Provost McGee, Dean Godfrey Gibbison believes a modest tuition reduction will result in an increase in program enrollment. Provost McGee indicated that he and others are currently evaluating Dean Gibbison’s proposal.

Committee member Calvin Blackwell raised concerns about differential pricing, noting this may have negative repercussions for issues of branding and quality. He suggested that perhaps the BPS should have a different name, much like the way the Palmetto Online College offered by USC is not called “USC.”

Provost Brian McGee also mentioned the possibility of differential tuition in other areas is being considered, such as for high cost programs in the School of Business and School of Sciences and Mathematics. Tom Ross asked if a differential pricing model was used at other institutions and by our aspirational peers in particular. Provost McGee indicated that differential tuition was indeed common among these institutions and pointed out William and Mary College as an example.

The committee’s attention then turned to a discussion of the Special Faculty Senate meeting that occurred on January 26th. After summarizing the reports of Steve Osborne and Jimmy Foster, it was clear to the committee (and hopefully to our faculty colleagues) that we need a new model for projecting future revenue to guide budgets. Provost McGee added that the last few years of data suggest the current budgetary model and the associated risk are no longer acceptable.

Provost McGee then summarized some of the historical trends and factors that increase our financial dependence on tuition and tuition generated from nonresident students in particular. The dwindling state support and caps on tuition increases for residents were mentioned. Julia Eichelberger added that adjusting the resident/nonresident mix was the only financial lever available to generate more immediate revenue.
The committee next commented on the report by athletic director Hall. During the Special Senate meeting, Mr. Hall indicated athletics has a cash reserve to address budgetary shortfalls. These funds are separate from, but similar to the tuition cash reserve available to academic affairs. According to Provost McGee, this mechanism to address budget shortfalls in Athletics is essential because, unlike the academic divisions, athletics does not have access to capital funds for facility maintenance.

The subject changed to discussing Steve Osborne's presentation. Julia Eichelberger suggested that a faculty member be present for meetings that involve building the budget and voting on the final budget. She felt that Steve Osborne was still open to this possibility but this privilege to participate does not currently exist for faculty.

Calvin Blackwell then brought up the issue of reducing tuition for out-of-state students or considering tuition abatements in an effort to attract more non-residents. Provost McGee informed the committee that abatements are different than reduced fees. For example, abatements are subject to regulation by the state and typically limited to a small percentage (e.g., 4%). Provost McGee also stated that lowering our nonresident tuition would probably not attract more students and would likely reduce the revenue that we are dependent upon. Other pricing strategies such as a high tuition-high discount approach were discussed as this model is commonly used by private colleges (which are also tuition dependent). Provost McGee indicated that, in theory, such a tuition pricing model could be used here at College of Charleston but not as effectively when compared to other institutions (e.g., USC). This is because we are quite limited in space and in the number of new students we could admit to the college. As an example, access to real estate needed to expand our facilities is very limited and extremely expensive.

The topic then shifted to the future budgeting plans and the process for budget hearings for divisions within Academic Affairs. Provost McGee began by stating that he, Steve Osborne and others are still working with the board of trustees to determine budgetary plans and projections. For example, the possibly of tuition increases and the associated revenue generated in light of caps/restrictions are among items being researched.

Provost McGee then summarized several additional concerns that must be taken into account during the early stages of the budget planning process. First, the college needs to restore its enrollment reserve fund which was depleted because of past shortfalls. In addition, the college needs to address our current debt (i.e., budgetary shortfalls). Provost McGee added that the college would have to deal with any mandatory salary increases for South Carolina employees. Provost McGee also stated that we need to address the potential risk or liability associated with next year's enrollment numbers. More specifically, the possibility of coming under the target enrollment projections (even with a more conservative model in place) should be built into the budget.
Provost McGee next informed the committee there remains the possibility more cuts would be needed to next year’s budget. He wanted to plan for this possibly and identify thoughtfully targeted reductions at the beginning of the budget planning process. In particular, Provost McGee wanted to avoid having to make reactionary cuts mid-year that are often non-strategic. The Provost indicated that Academic Affairs will likely hold onto any open lines to ensure greater financial flexibility in the next budget cycle.

The committee then addressed pragmatic issues of scheduling the budget reduction hearings. Currently the budget hearings are scheduled for February 24. The Provost indicated that holding budget hearings relatively early in the year will allow the departments and programs more time to prepare for any forthcoming cuts. He plans to provide the committee with the instructions given to the Deans and other units under Academic Affairs. Julia Eichelberger suggested that the committee be given proposals in advance of the hearings and Provost McGee agreed.

Finally, Julia Eichelberger announced that Bill Olejniczak (from History) plans to bring forth a motion before the Faculty Senate. This motion will be in the form of a recommendation or resolution designed to encourage the Board of Trustees and President McConnell to allow a faculty member the opportunity to be present during budget development meetings. Additionally, the motion would call for a faculty member to be present at executive meetings when BOT members vote on the final budget for the College of Charleston. Julia circulated the draft motion via email and invited committee members to provide comments.

The meeting was adjourned at approximately 5:15 PM.
Respectfully submitted,
Tom Ross