Minutes
Budget Committee Meeting
Oct. 3, 2016
ECTR 228

Present: William Veal (chair), Scott Harris, Martha Stackel, Irina Gigova, Provost McGee, Weishen Wang, Speaker McNerney and Roxane DeLaurell (taking minutes).

The chair called the meeting to order. Last month’s minutes were approved by unanimous vote.

The first item on the agenda called for Provost McGee to respond to five questions submitted by the chair after the last meeting.

1. **Update on Budget?**
   Provost McGee stated that we were essentially in the same place as last meeting; the College is meeting its financial obligations and the budget is sound.

2. **Update on Foreseeable Budget Cuts?**
   Provost McGee stated that there were no foreseeable budget cuts at this time.

3. **What are the numbers in the revenue accounts?**
   Provost McGee explained that there are two reserve accounts: (1) the enrollment reserve and (2) the institutional reserve. The enrollment reserve is currently around 2 million dollars and has been funded for 2017. Whatever is not used from this account at the end of the year is rolled over into the institutional reserve. The institutional reserve can fluctuate from 2-10 million and the Provost is not certain what the current number is. He explained that this reserve is used for maintenance of our aging buildings. The normal process is to tap the enrollment reserve first then go on to the institutional reserve.

4. **Will the State cut any funds due to a budget shortfall?**

   Provost McGee reported that the Governor is cautioning the College to prepare for a potential pull back of a possible 3% in the event the State experiences a revenue shortfall. It was pointed out that legislators have not echoed those same concerns and in view of the governmental structure of the State the possibility may be remote: nonetheless the Provost assured the Committee that in the event of a 3% give back the College had the reserves to handle it without cuts. Before moving on to question 5, a discussion was had on whether or not the State sweeps the College’s accounts at the end of the year, taking back what had not been spent. Provost McGee said the State does not do this but at the department level some budgets that are not spent will be swept into the College’s general ledger. He shared that those funds could be used then to make up deficits in other areas, for example the budget for the academic experience had been seriously cut, including important student support services such as the Center for Student Learning. Provost McGee’s choice is to continue to operate those important services at a deficit.

5. **Discussion**

   A discussion followed on how the College can best use the financial resources it has. Provost McGee stressed the importance of maintaining the quality of education for all students, regardless of financial status. He also noted the need for continued support of student services and programs, such as the Center for Student Learning.

   The Committee agreed that maintaining a strong financial foundation is crucial for the College’s future success. They discussed the importance of strategic planning and budgeting to ensure that resources are allocated effectively and efficiently.

   The meeting concluded with a commitment to continue working collaboratively to address the financial challenges facing the College.
He further explained that lapse salaries (a faculty member retires or leaves at a higher salary than her replacement, thus leaving a lapsed amount) are used to help cover structural deficits in the adjunct budget. (This reporter heard that the adjunct budget is somewhere at 5 million dollars a year. We will ask Provost McGee to speak more to this budget item next time.)

Provost McGee then discussed the types of ledger accounts which would allow for money to be carried forward: ledger 3 accounts which include grants and indirects and ledger 1 accounts such as the MBA and the Low Country Graduate Center. The latter is legislatively funded. He concluded that carry forward does exist in some limited situations. Provost McGee concluded that in these challenging financial times, the College is doing a good job in maintaining its favorable bond rating which is evidence of its credit worthiness.

He went on to share with the Committee that he has circulated a memo to the Deans and Academic Council stating that Deans can ask for current vacancies and the attached funds to be moved so long as their choices are within the confines of their authority. Deans may move operating funds to support a position. Chairs can make these decisions about staff within departments and Deans about faculty and staff within Schools. There are no longer faculty staff turnover accounts, dollar amounts are attached to positions and that may present a problem in competitive hiring.

5. Update on the 14 faculty and 3 staff lines that were cut along with criteria used to make those cuts.

The chair asked if the committee still wanted the answer to this question since it had been asked by last year’s chair. The committee agreed that it did not need to discuss specifics but that it wanted to know the criteria used. The Provost using Communications and French as exemplars without any specificity stated that the criteria he considered included: number of majors down, declining SCH activity, no plan to reverse the process, no likelihood of change, low likelihood of four year graduation, however tolerance for such classic inefficiencies could be offset by contributions to general ed and graduate programs, support of new programs, support of the College’s mission and strategic plan and the needs of the low country and the population we serve.

The chair then moved on to the second item on the agenda to add a representative from business affairs. It was moved, seconded and passed that the language “College Budget Director” as it appears in our charge will be replaced by “Executive Vice President for Business Affairs or his ‘designee’”. The chair will circulate a motion.

Discussion was then held on the current acceptance rates at the College. Believed to be at 80-88%, the committee was concerned moving forward. Provost McGee stated that he had been in meetings with Mr. Foster, admissions, to correct our acceptance rate downward to the 70’s. The Provost shared that since the state schools have switched from a seven point grade scale to a ten point grade scale, our incoming GPA numbers will be varied. He commented that we have over 200 provisional
students this year and the supporting programs are working well because we are retaining most of them.

Finally the Provost advised the Committee that the 2018 budget would contain funds for existing programs, salary adjustments for adjuncts and faculty where needed. It would take care of existing programs.

The chair stated that the Oct. 24 meeting would be cancelled. Irina Gigova will be our representative at the Oct. 21st Board of Trustees Budget meeting. She will circulate notes from the meeting to the members. Our next scheduled meeting is November 14. The chair will circulate specifics.

Discussion was then had on the Graduate School and developments in that area. The Provost stated that he was putting together a Graduate School Committee to look into the future of the Graduate School and how that future should look. The chair asked to place the Graduate School on the November Agenda.

Discussion was had on the Strategic Plan for the College and the impact of the 2020 Roadmap. The Provost stated that the strategic plan would expire in 2020 so a discussion of the topic is appropriate but not urgent. He suggested that the discussion should move us toward a more thoughtful review of our academic quality, position in the marketplace and our financial model. He mentioned bridge programs for South Carolina residents would likely increase in the future.

The Provost was thanked and excused. Discussion with Speaker McNerney was had with reference to the role of the committee. The Speaker encouraged the committee to build on the work done by last year's committee and insist on spring budget hearings on the 2018 budget. The chair agreed to place the matter on the November agenda.

Adjourned at 4:30.

Respectfully Submitted,

Roxane DeLaurell