Budget Committee Meeting

Monday, October 22, 2018

Present: William Veal, Julia Eichelberger, Todd McNerny, Agnus Southgate, Tom Noland, Provost Brian McGee, Physics Department Chair Narayanan Kuthirummal, and Executive Vice President of Business Affairs Paul Patrick.

The meeting opened with a discussion about the new Engineering proposals being submitted to different university-wide committees for approval. In particular, a two-sided budget proposal for both the Systems and Electrical programs were discussed. Here is a summary:

- Due to the method of accounting for a public institution in this state, we use an incremental-based model. Money can be gained by a program while excess revenue can be spread to other programs to make up shortfalls.
  - We cannot determine ‘true’ costs.
  - 60-70% of revenue goes to operating costs through Academic Affairs. (ledger lines 1 & 3)
- It is difficult to determine the future costs of such a program.
- The School of Science and Mathematics did an excellent job of presenting the costs of the program. In particular, they used only the tuition and excluded any fees associated with being a student.
- The numbers by the SSM do not include added revenue that will come when fees are collected as part of the SSM and lab fees.
- Part of the institutional method for accounting is to consider each student as “full-paying.” Any discounts due to scholarships, for example, are already considered an expense and is funded.
- For this proposal, all students counted will be considered “new” since it is assumed that the reason they are coming to CofC is to become an engineer.
- If there is an overflow of students to a program, it would most likely be from engineering into another major or program due to potential attrition rates.
- The proposal indicates that 5 new faculty will be added using funds from the tuition of the students. These would be additional “lines.”

As a result of the discussion, the committee discussed how we can take this experience and make it part of future proposals.

- Proposals could have estimated costs laid out for 10 years instead of the current 5.
- The Budget Committee from here on forward can generate reports to show the “fiscal-health” of a program that was established 5-10 years prior to compare the proposal to the actual status.