Committee Members: William Veal (Chair), Lauren Ravalico, Todd McNerney, Scott Harris, Agnes Southgate, Thomas Noland (replaced by Adam Jordan), Robert Pitts

The 2019-2020 Faculty Senate Budget Committee spent much of its time learning how the new administration would approach current Fiscal Year budget deficits and systemic deficits from the past 10 years approximately. As part of the regular duties, the Committee met frequently 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.” This year-end summary of our activity includes information on the 19-20 budget that was adopted in June, followed by recommendations for future Committees (Appendix A). Individual meeting minutes are archived on the Senate website. There were many meetings that were held as “executive sessions in April and May. Due to sensitive information being discussed minutes for those meetings were not taken and only a summary of what happened will be shared in the minutes of the committee and in this year-end report.

The reason for the executive sessions was the inherent urgency by the current administration to balance the FY 19-20 budget. Due to low student enrollments over the past 3 years, the university’s income had fallen below the budgeted amount. In addition, non-recurring costs were not being added to the yearly budget resulting in a systemic “plug the hole” mentality for past administrations. The current administration in its efforts to be more transparent shared a tremendous amount of information and logistically thinking with the committee and faculty on numerous occasions. As a result of the sharing of information, the Senate Budget Committee held multiple meetings with the administration in April and May to understand the current budget situation, learn about potential cost saving measures, and make recommendations from a faculty perspective on the rationale and measures of the administration. These meetings and sessions were not recorded. Notes were taken by individual members so that the committee could discuss the issues in subsequent weeks. A report to the Faculty Senate is submitted as minutes for April 7. A letter sent to President Hsu based upon his request is submitted as minutes for April 1.

During the fall the Committee met four times and was responsible for a faculty information session led by the administration (See notes from this session in a separate document). During the fall meetings, the Budget Committee discussed and evaluated new programs and hires and provided feedback to the Interim Provost. The meetings were mostly updating the members on enrollment numbers and potential budgetary costs and expenses for the year. Information was given to the members of the committee. In the December meeting, the Budget Committee had a discussion with the Associate Provost for International Education. More discussion and reports about how the university does not collect money from students using 3rd party programs. There should be proposals in the future addressing the imbalance for international programs and study abroad for in-state and out-of-state students. Due to the discussion about budget items, the Interim Provost will provide a sheet of non-recurring expenses that she has found to be worrisome. This list will generate discussion and items for the Budget Committee for cost savings.

The Budget Committee met two times in the Spring before the university switched to a completely online format. Due to the pandemic, the urgency for balancing the budget for the year and the long term became more apparent. The meetings consisted of discussions and information sharing by the administration to the Budget Committee. At the end of March meeting, the Budget Committee met
with President Hsu, Interim Provost Welch, VP Admissions Jimmy Foster, Paul Patrick, and Simon Lewis. President Hsu introduced Larry Kelley, former CFO/VP at the University of Toledo, who gave the committee an update on the current budgetary status of the university. A detailed account of this meeting is summarized in a report given to the Faculty Senate on April 7. Additional details are not provided due to the executive nature of the information given to the committee. The main points garnered from this presentation is that the university is on solid financial standing, there is a $2 mil deficit for the current FY, and there is a structural deficit of $15 mil. The later two items need to be mitigated immediately. As a result of this presentation by Larry Keeley and more information from President Hsu, the committee was asked to provide suggestions to President Hsu to help him develop strategies for budget reductions. Many of the items from the Interim Provost’s list were considered in the recommendations to the President.

It is noteworthy that this administration has shared so much information and included the input from the Budget Committee in making decisions. These results are the conclusions of many years of Budget Committee work and the new administrative members. It is hoped that this pattern of transparency will continue, and the administration will have confidence in the work of the Budget Committee.

During May and June, the Budget Committee participated and listened to the Board of Trustees’ meetings for the Budget Workshop, Budget and Finance Committee, Board of Trustees June meeting, and the Board of Trustees COVID update. The content and information from these meetings are contained in the Board of Trustee minutes. Of particular note for the Budget Committee is the acknowledgement of the Board of Trustees that there is a structural deficit that needs to be fixed and part of the responsibility is on the Board of Trustees. (Trustees Birch and Golding stated their concerns.)

The Budget Committee has developed a great rapport with the current administration and looks forward to working with John Loonan, the new VP/CFO, in the coming year. The old and new committee members met via Zoom on April 20 to introduce two new members to the committee for 2020-21. Scott Harris, Associate Professor of Geology and Environmental Geosciences, was elected as Chair for 2020-2021.

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