At this meeting, we reviewed the BOT Budget Workshop documents proposing 3 different budget scenarios. (The BOT had also received a one-page summary detailing the cuts that were made in Round One and Round Two of mid-year cuts to the 2015-16 budget—this is in the same document entitled BOT Budget Documents May 2016.)

Under the scenario that the Board currently seems likely to support, Academic Affairs will be cutting about 2.5 M—about 2.2M that needs to be cut from next year’s budget, plus an additional 250K that Academic Affairs needed to cut from last year’s budget, but had received permission to delay until this year (giving the Provost more flexibility and planning time). This scenario is the least damaging to Academic Affairs of the 3 being proposed.

Still, the Provost said, these cuts to our recurring budgets will make for “a weaker Academic Affairs next year,” with diminishments in our teaching capacity and in our staff capacity & expertise, along with very lean operating budgets.

Committee members asked for more detail regarding school-based fees. The Provost confirmed that some BOT members are ready to vote on this proposal at the June meeting, while others would like to defer the vote until August. As discussed in the May BOT workshop, the possibilities under discussion are per-credit-hour fees for 300 and 400 level courses in SSM ($50/hr) and SOBE ($75/hr). There would be a lifetime cap on the total fees a student would pay. Fees might be phased in over a year’s time or could come all at once.

SSM and SOBE each have different proposals for how these fees would be spent, should the BOT implement them. The Provost and the President and the Board all expect that some significant percentage of the fees would go back to the general fund. Whatever the percentage, there will be oversight “that goes beyond the Dean’s office” regarding how each school spends the portion of the fees that it keeps. We reminded the Provost of our committee’s recommendations for an oversight committee including faculty that would receive a regular detailed account of where the fees got spent. (SOBE is also suggestions a “Student Fee Committee” as is done at Clemson.)

These fees are not part of this year’s current budget, although they could help us during the next year. For now, the Provost also has only a few options for places to cut in order to come up with the approximately 2.5 M needed.

--Throughout Academic Affairs (including all Schools), most of our personnel dollars are not available. When looking for positions to cut, the Provost only expects to select from vacant positions, temporary positions, and positions in which someone is retiring. Even with these parameters, the Provost hopes to be as strategic as possible in deciding what must be cut. Some cuts have already been anticipated, such as the former dept chair in music who is retiring.
He doesn’t plan any “reduction in force” (layoffs). On the other hand, it is possible to ask TERI’d staff to leave, as well as probationary permanent staff.

--Provost noted he could trim the adjunct budget, but this makes little sense considering we will be cutting some faculty positions. A small number of faculty will be teaching higher loads next year (the research productivity analysis by deans has resulted in a few differential teaching assignments) but overall, the adjunct budget will rise.

--Provost can also look for vacant/temporary staff positions to eliminate. However, he is reluctant to eliminate a position for which there is a clear need (e.g., a unit that only has one admin should not lose that position).

--He is unhappy that he expects to have to cut the recurring budgets for R & D & SURF, although he may be able to move some nonrecurring dollars there later. He also regrets the need to trim some of the Library’s budget. The staff and budget in Academic Affairs will go down, resulting in slower turnaround on tasks, but he sees no way around this.

--One place to capture some $ is in the revenue-sharing dollars that are generated by Summer School. All deans told him they would prefer that the Provost use some of this money that had been shared with Schools & departments, rather than cut other existing budgets in their Schools.

In response to questions from the committee, the Provost noted that we were not actually in a hiring freeze this year. Some vacant or vacating faculty positions have been filled—at the time of this meeting, 14 new TT faculty had been hired & 3 new visitors, with some searches still ongoing. About half the positions that would be open have been filled. Some staff positions, also, have been kept unfilled.

In June the Provost will need to provide a draft of the actual cuts to be made. In making his decisions about whether to cut a position, the Provost plans to keep in mind:
- The department’s capacity for 4-year graduation of its majors
- Enrollment trends
- The “available labor pool” (e.g., whether there are adjuncts available in a particular discipline)
- How many permanent vs visiting lines a department already has

Going forward, these are things our undergraduate programs need to be paying attention to as faculty plan their curricula and staffing. The Provost’s opinion is that C of C cannot sustain a budget in which we have c. 550 roster faculty. The low 500s is much more realistic—the number we had in the early 2000s. He also feels strongly that we need to rethink the ratio of TT to nonTT faculty overall. In departments with almost all TT faculty, we will need to have more visiting and instructor-level positions.
5/10/16 budget meeting. Budget Committee met with Brian McGee

Minutes notes:

Reminder of the summer strategic plan through the BOT and legislature.

Budget process is in part based on the expected limits in tuition gains. New academic affairs budget requests are simply honoring commitments.

Good news of expected salary increases (new costs) and incoming class, potential increase funds towards overall budget through the legislature.

Discussion included preparations for 2.25M cuts to Academic affairs of the total 3.5 anticipated.

Academic affairs: looks like will cut 3-3.5 million recurring. Planning 2.25 million cut from academic affairs. (250,000 pushed from FY15/16). 500,000 contingency. 1.9 million identified could be cut. Still looking to get up to 2.25. Still discussions happening now and June.

BOT wkshp will not be specific for cuts of lines from Academic affairs. Discussion of additional revenue generation outlining graduate/certificate/new off-downtown campus programs or swell in population size downtown. Universal fee discussion at athletic fee (reduction shift to academic affairs) to E&G, staff there also must receive any state mandated increase. Debt service fee (shrink or flat) able to maintain bonds, cut into that halts additional small maintenance. New security fee also part of the universal.

Decisions for 1.9 million identified + contingency.

Summer school give back. 0.5 million. Differential effects on particular programs that built budget models based on the summer school funds.

Library.

Grant indirects (bridge to restore) based on the scenario that FY18 and future will be more balanced.

Operating budgets. If 6% then 200,000.

Positions. Visitors = Approved visiting searches with high enrollment demand, bc of enrollment demand. Only the vacant visiting positions are being considered for cut. But if visitors in place then keep.

Some roster faculty searches did go forward, and others have been parked and could be cut (due to enrollment patterns).

50-75 mix of loss (VAP and parked positions). Will share the list of parked and cut positions with committee.

Staff positions are also in play. There are few vacancies. 11 are planning to retire. Pot of money for reclassification of pay bands is now gone as part of cuts.
Adjunct budget challenge: there will be a 20K increase to replace each full time faculty whose line is not renewed.

Program-specific fees will not be on the table this year. President prefers a 3.25% increase.

Admissions & enrollment news: Quality of our SC students increased, but out of state quality has lowered since last year. 79-84% retention, lower. Provisional students’ retention rate has improved.

5.12.16 Meeting with EVP for Business Affairs Steve Osborne. Members of 15-16 committee and 16-17 committee were present.

Steve distributed a 1 page exec summary of the new money and cuts in the draft budget. He went over the handouts and answered questions about how the budget is being drafted. Below are notes on topics discussed.

The enrollment reserve of 2M has to be replenished. There is an enrollment adjustment of 6.9 M. Our senior class with a higher percentage of nonresidents is graduating so our total percentage of NR will go down next year. Retention is down, transfers in are not as high as last year.

We do have more R students than before, but it takes 2.5 R students’ tuition to cover the tuition for every NR.

Most of our payroll is funded by our own revenue. 80% of payroll is in this category. For this money, if the state requires a pay increase, we have to fund the increase. So each 1% pay increase is costing us 929K. We now dedicate everything we get from the state for salaries, so as to avoid further liability like this.

We can go off state contract for procurement if you can demonstrate a savings of 10%.

In deciding where cuts would come from, we could’ve analyzed budget by division by salaries/personal services—but we are instead using a budget that includes operating as well as personal services.

Contractual and lease obligations and scholarships were removed before we made the calculation about what each division/unit owes (3 to 5% of that figure). To get the cuts, operating and vacant positions can be used, then we look at people who are now working here, starting with TERI’d people and temporaries.

Doug F “The contraction of the budget doesn’t follow the way it has increased over time”

Steve: The additions over the last nine years match fairly closely to those allocations. Some schools fared better than others. SSM got some special appropriations. Otherwise growth has been pretty much the same across E & G.

Athletics: This division gets a fee which supports 80+% of their budget. Fee is based on # of students. Their increases have been parallel to our tuition increases. They got an extra 10% for new travel expenses when we joined the CAA.
Budget is 14.7m total, fee covers about 13 M of that. 5.1M are scholarships. 8M in personal services and operating. 20+ athletic teams, the payroll is 2.9M This year they took a 100K reduction because of enrollment drops. They’ll take at least 109 K reduction next year. They’ll be absorbing the indexing of their scholarships (169K) and their salary increase (110K).

College’s VOIP and PCI compliance will produce some new recurring costs

Harbor walk is being funded as nonrecurring now, it’s a 7 year lease.

BOT is talking about a 3-5 year projection plan and how we are going to change the financial model. Wants to know about revenue enhancements going forward.

Question: What’s the long-term plan? Can we limit students going into high cost programs? Should we grow our population?

Grow the traditional student body: 43 people per day adding to tri county area. Rather than send them to Clemson and USC we should try to serve them. Mt P and Nexxum could be satellite locations. Internat’l students: we currently have a relatively small population of these.

   Nontraditional students: using north campus in BPS;
   Expanding online courses, esp in grad programs.
   Bridge program: w TTC and other 2year programs?

Question of housing—Irina Gigova asks if this can be addressed. Students may be leaving partly bc of housing costs

Answer: College is letting the private sector fill some of those needs, since we can’t afford the high investment costs now

Tom Ross: do we have plans to add residence halls.

Steve: Craig, College Lodge and Buist Rivers need the most work. We might think of moving those residence halls further off and using the space for academic space.

We’re on our 3rd RFP for parking, and are hoping to build a parking deck.

Harbor Walk is not for sale. We’ll probably be there longer than our 7 year lease. Probably will be used for swing space for simons center.

Doug Friedman: We’ve done a lot of outsourcing. Have we saved money? Steve: bookstore and foodservice def saves us money. Janitorial clearly saves money. We don’t have to pay fringes, service levels are good.

Has this been studied, where it doesn’t work? Steve says that IT outsourcing did not work for IT in the 1990s so it doesn’t always work.
We also discussed int’l study and the fact that students often go abroad in other programs, losing us their tuition revenue without paying a fee the way other schools charge.

School-based fees: Steve thinks it is a matter of time before these will be adopted, thinks there should be significant revenue going back to E&G for this.

Courtney: perhaps SSM should have an entrance exam for success in Biology

Another idea: Should our deposit for admissions be raised? If it’s too high you might run them off before they get here, if it’s too low then people don’t take it seriously.
1. **Election of next year’s chair by incoming committee (2:45)**
   
   *William Veal was elected 2016-17 chair.*

2. **Discussion of how to archive and organize material for future committees**
   
   *The Following documents were distributed and discussed for the benefit of new members*
   
   **I.** Documents that are distributed already, sometimes publicly available
   
   - BOT budget documents
   - Summary of budget
   - “Sources and Uses” detailing where new expenses go, where new revenue comes from, plus any cuts
   - Fee Schedule with complete breakdown of universal and other fees
   - Legislative Summary (details of state appropriations)

   **CAFR and other public reports**
   
   - Comprehensive Annual Financial Report
   - NCAA report on Athletics program
   - Moody’s Investors Service reports
   - Not sure whether the SACSCOC report includes any discussion of college finances?

   **II.** Custom reports from the Office of Budgeting & Payroll
   
   *This was explained to the incoming committee:*
   
   After several different requests and discussions with Sam, I think we have figured out the data we would like to have updated every time there is a new budget adopted or a mid-year change to a budget. We will request that this be sent to the Faculty Senate Secretariat and deposited in the Budget Committee’s archive. This will enable the committee to analyze trends and to compare spending and revenues for various departments and units on campus.

   The committee can also request additional reports.

   *Members of the incoming committee requested that we create a glossary of important terms.*

   The question of whether any particular line is “soft-funded” or not was raised. The default is that the lines are funded as a recurring expense within E & G unless otherwise indicated. New members believed program fees could be a potentially controversial issue.

   **III.** Committee records
   
   *This material will be archived in a more stable format than Google Drive, probably OAKS.*

   - Annual Reports from previous budget committees
   - More detail: Schedule of each budget meeting with minutes or notes from each
   - (Probably won’t archive curricular proposals unless these are NOT presented at Faculty Senate)
   - Committee’s reports, memos, and other official messages to Faculty Senate
   - Committee’s reports, memos, or other official communications with Provost, President, BOT, and others

   **IV.** Information on university finances and budgeting, as a resource for committee
   
   - Information on how universities fund their work and create their budgets
   - Information on budgets at other SC or peer universities
Information on shared governance in budgeting process

3. Discussion of workflow for curricular proposals

The Associate Provost’s memo was discussed.

What should this committee review as part of the curricular review process?

Answer: This Budget Committee considers “programs” to comprise all of the following: majors, concentrations, minors, and certificates. All new programs should be reviewed.

This Budget Committee also believes that any individual course proposal which will create a new budgetary impact should be forwarded to the budget committee for its review and information.

Example of proposals with no budgetary impact:

- New course to be added to the rotation of several courses that can fulfill a requirement or function as an elective, requiring no new faculty
- Change to an existing course description, title, etc.
- Change to a major that will not require new personnel but will be supported by existing faculty

Do we think this committee should be advisory only or should its approval be required?

Answer: The Budget Committee does consider its role advisory and does not think a curricular proposal should be prevented from reaching the senate just because the Budget committee does not endorse it. However, we do not think a proposal should come before the senate for a vote UNLESS the budget committee has reviewed it. If the committee is not in favor of the proposal, it can still come before the Senate and the committee can explain its reasons for a negative vote and let the Senate decide what to do.

4. Brief discussion of BOT Strategic Review April 21, which chair will attend; other members are encouraged to come if able.
Minutes of April 4 2016 Senate Meeting
Present: Julia Eichelberger, Dough Friedman, Calvin Blackwell, Martha Stackel, Courtney Murren, William Veal, Brian McGee, Todd McNerney
Guests: Conseula Francis, Grant Gilmore, Godfrey Gibbison, Weishen Wang

1. Curricular Proposals on the Senate agenda for 4.5
   a. MA in Community Planning Policy and Design

Grant explained the need for this and gives background on the program.

Questions:

Martha: Need to enroll 12 students a year at in-state tuition rates to be successful financially, figures for this?

Grant: we can handle a few more than that in the facilities we have, up to 16-18, and would give the college a good income. Survey monkey sent out to in students, 55 responses, 22 of our own said they would enroll tomorrow.

Doug: think there would be demand from elsewhere?

Grant: yes

Doug: will you market this?

Grant: yes, nationally and internationally

Tom: this is solely based on instate, would you offer in-state rates to out of staters?

Grant: good recruiting tool but we hope to have enough interest to not do that

Brain: large # of grad paying in-state; very few out of state

Courtney: grad students to have tuition remission through grants, etc?

Grant: it is possible to get this on occasion but in general people pay tuition. Have been talking to potential donors

William: Lab fees?

Grant: yes, Autocad, a design program, is an example

Brian: if this is approved we need to get program or course fees approved as well by BOT

William: Is there going to be a problem with hiring adjuncts
Grant: no, we have stack of people who would love to teach them. Teaching load wouldn’t be affected in a huge way for those teaching (Nathanial Walker, etc). ; will be “meets as” with undergrad versions of the class

Julia: Can’t get the donors without the program, couldn’t get the program without the faculty approval

Tom: is AA obligated to keep a promise for this program?

Brian: this has to be viable without a dime of donor money; must be fiscally sound on its own

Julia: doing “meets as” courses is important part of the program

Doug: What relationship does this have to the riley institute?

Grant: Joe Riley is willing to help teach; from the policy side

Doug: among faculty who does research/writing on this?

Grant: Barry, Nathanial, Kendra....

William: 12 students in the summer?

Grant: part of req’d summer study abroad program; doesn’t have to be out of the country. Do research in environment (could be hometown);

William: Like an independent study?

Grant: Yes, working with someone back here and bring it back in the fall. Sending photos back in forth, etc, Have a dynamic relationship

Julia: college would be investing…. additional clerical support, supplies, computer equipment, offset by fees?

Grant: correct. Been discussing with Geology, they have classroom space and by the time science center is ready they would have room, also we just bought some hardware for students that is helpful to undergrad and grad

Martha: Asked about articulation table at the end of the document. Showing different institutions; at the bottom univ of Charleston, “yes” under modern but I thought it should be traditional with progressive component

Grant: In our program we don’t dismiss modern

Julia: The global part, very few other programs are taking that on. Another distinctive feature

Grant: yes

William: one staff hiring, been approved?
Brain: it would not come forward if we were not willing to support it, with expectation we will get funding from the program; Anytime program underperforms it is subject to review

Tom: the table, are those model programs?

Grant: yes, and some are nearby programs. Some are better programs in the country; standard modernist urban design schools

Tom: do you foresee any new trends in this industry that would necessitate different types of accreditations that would mean we need more resources?

Grant: No this is not a professional degree so shouldn’t be a problem

**Vote: approved**

b. Discuss Healthcare Minor within BPS program —Godfrey Gibbison answering questions.

Calvin: what program are those classes in now? Those classes are in catalog but BPS is not?

Godfrey: 5 exist, 3 are new to be approved by senate tmrw; all from BPS program. 5 PRST courses and those are the only ones not in the catalog;

Doug: what dept teaches them?

Godfrey: Professional studies; Fall of 14 to spring of 15 talking with people it was suggested a minor was created; Got the 5 initial classes going first;

Julia: approved by FCC?

Godfrey: Yes

Doug: was there financial info with proposal?

Julia: Yes, costs table

Godfrey: taking same courses as Prof Studies students; next few years we can absorb students but in later years may need adjuncts

Doug: public health took off may be surprised?

Brian: that would be a good problem to have

Doug: students here (downtown campus) going there?

Brian: yes but it could take some strain off programs here; health minor was recently deactivated bc staffing problems so even if modest # of students drove to north Charleston that would be a good thing;

Calvin: these classes are already going and have access capacity? So saving money possibly?
Godfrey: Yes

Calvin: My concern is the president keeps saying firewall; doesn't seem like firewall between the two programs [BPS and BA/BS]

Godfrey: Right now there is no firewall; Dan Greeberg (Psych faculty) has students in BPS program and really enjoys having those students and their work ethic can lead to other students working harder; we can make a firewall if that is what campus insists, but now we operate under one CofC model

Conseula: nothing preventing students from enrolling in any BPS classes now

Brian: my job to make sure classes have the same quality, these are not a consolation prize; If Senate wishes to make a firewall then that can be a conversation, but it doesn't seem like a large number of students are leaving downtown to go out to these classes except if they have trouble getting a seat, etc

Godfrey: don't want to do a disservice to students down here by creating a firewall;

Courtney: how would you attract students from MUSC

Godfrey: That's a masters level program

Discuss Deletion of program: Terminate a concentration in Information Systems

Godfrey: never able to attract a lot of people to this; very hard to staff courses when there are not enough students for the courses; more burdensome to advertise so it makes sense to delete; right now nobody is in this

Julia: This is more an FYI; unless we thought it was wrong to be deleted

Doug: Why was this a dud?

Godfrey: from the start it was not strong, just 100 and 200 level csci courses. Asked comsci to strengthen it but he thinks students realized they wouldn't learn enough from it

Doug: not strong enough or not enough demand?

Godfrey: it was not strong enough; maybe if it was called information technology; info systems is often part of an accounting or business degree

Discuss New Certificate in Project Management in School of Professional Studies

Julia: certificate acts like a minor; all students could take this or come back and take this;

Doug: this is first certificate at undergrad level? why cert and not minor?
Godfrey: specific reason for this, a minor cannot stand on its own must be attached to a major; certificate you can get by itself; students w a degree could come back and get this certificate

Julia: so that would be new revenue
Godfrey: the new revenue we would hope. For someone working, at Blackbaud, Volvo, etc; Found magazine article of companies looking for credentials beyond degree, often certificates, and the #1 is in project management; very popular certificate nationally

Julia: to make this happen add how many courses?

Godfrey: Add 6; would be shared between concentration and cert; I already have the people who would be teaching them; 2 are roster faculty and 4 are adjuncts, 1 is a cofc employee (3 on campus, 3 off)

William: shifting faculty away from other courses?

Godfrey: 2 would be teaching once a year on overload basis, staff member in spare time, 2 are off campus not cofc

William: all the courses are 7 weeks long

Godfrey: yes; 40% of curriculum is express format

William: meet for 3 hours, then have online discussion, how can we justify 3 hour credit course when they only meet 3 hours a week?

Godfrey: substantial delivery is online; hybrid courses

William: 301 mgmt and proj mgmt. 301difference?

Godfrey: they aren’t the same at all; do not duplicate content

Courtney: have sense from professionals out in the world, if there was going to be campus students that have a certificate will it functionally act like a minor or its in addition?

Godfrey: It would be beyond degree; it is stand alone

Calvin: how do you apply to get into this program?

Godfrey: work with admissions to create a new menu; they have their own portal and so this would be added

Conseula: This would be a new admissions process; if the senate passes this then we will need a new process; in grad school they apply into grad school as non-degree seeking students

Calvin: does this count toward GPA for college admissions

Conseula: I don’t know how that will look; grad certs don’t submit GRE

Brian: we have large # of non-degree seeking students; do not submit GRE or ACT; upper 20s those numbers are basically useless, look at letters of reference; How do we screen? That is a hassle everywhere but we are already working through that at the grad level, so this will be more of the same.
Conseula: we give access to our undergrad curriculum to HS students already

Calvin: you are asking us to approve a new form of credential

Conseula: we’re asking about the budgetary implications of this

Calvin: can other undergraduate programs do this?

Conseula: yes

Calvin: Are we pulling the cat out of the bag without knowing implications? For example why would we have minor if we can have cert…

Godfrey: you would have to be able to convince your faculty of that, that the cert is a good idea. Keep in mind we are not creating anything new, it is being practiced in lots of places (duke UVA) and the fact that they have certs does not mean their minors disappear.

Calvin: counter example: Real Estate major; concentrations made more sense than majors like tourism mgmt., finances, etc. I am not comfortable voting for something I do not understand

Brian: only attracted students in urban areas, it is a new skill, professional; from looking elsewhere it is a niche market; Project Mgmt is a professional track

Godfrey: agrees with this

Tom: psych has thought about this; as Brian suggested it is a very specific niche and our minor would not be hurt by it at all; it is a very focused training program that is prof oriented

Doug: what will we get for this? Charging?

Godfrey: regular tuition

Doug: if there is differential tuition, how does that work for cofc fulltime students go up there to take those classes?

Brian: good question, do we want a firewall or not; this is an issue with differential tuition; this happens with MBA program; could say you had to be matriculated in the BPS program (but we are talking about hypotheticals) but it is not clear to me we will get that from the BOT

Calvin: no double counting issues? Minor and cert in same thing?

Brian: explains, but basically yes, they could do that in grad

Godfrey: it is the same classes so they could not really get cert and minor (Todd says same thing)

Julia: we are supposed to report to the senate; so our charge is to comment on it?

Todd: Discussion around what is a program… I think it is entirely appropriate for the budget to discuss all of these. I think you should discuss it, focus on the budgetary impacts, favor or not
favor it, and report that to the Senate. Rather than one committee looking at it, that various committees look at various pieces and makes that report

Julia: Seems like we need to decide on our opinion; Lets try to talk about it and see who is in favor from point of view of budget

Todd: These are important things to get on the record

Julia: I will convey a summary of this to the Senate

Todd: And this can be in the form of a document and it was a matter of the record

Tom: I support the deletion

Julia: healthcare minor?

Vote: 2 abstain (Courtney and calvin) the rest say Yes

Julia: Cert and the concentration in project mgmt. Lets start with the concentration

Todd: what is diff of minor and cert?

Conseula: minor is available to all students; only BPS can matriculate in a concentration

Julia: Concentration

Vote: Everyone voted Yes

Julia: Certificate

Calvin: Do we have an official policy on certs?

Brian: We have been doing grad certs for years, we will have to satisfy CHE, SACSCOC and create a policy that will be brought to Senate

Calvin: Why this before the policy and process?

Brian: chicken and egg problem; Senate support for this would start this process

Conseula: Curriculum mgmt apparatus is considerable and it is not yet clear that the will of the faculty is to do this; this would not be online until fall of 17 due to CHE and SACSCOC

William: offering certificate and minor; more students in more classes are we going to have to be willing to allow another person to teach but they are only taking 18 hours ; could be a staffing budget problem

Brian: problem with predicting flows of people into these classes

Todd: undergrad certificate is called that bc they don't need undergrad degree?

Conseula: yes; and you don't have to be degree seeking
Tom: Godfrey said there was additional capacity in the sections

Calvin: does it demand a certain minimum GPA in all those classes?

Julia: looks and doesn’t see it

Calvin: So you just have to pass? I don’t like the uncertainty of this. Heard nothing compelling to do this just thinking of more and more questions

Brian: Not my intent to have lower gpa requirements/lower standard; grad cert if you have not met minimum threshold of grad school

Calvin: are there policies for grad certs?

Brian: yes, we would have to do this for undergrad too

Julia: I will report Calvin’s concerns; Felt there are some policies that have not been fleshed out and some members of budget feel uncomfortable rendering a vote

Julia: We can go ahead and take a vote

Vote: 4 yes; 2 no Calvin and Doug; Courtney abstain

Discuss proposed new Major in Real Estate

Julia: quick overview of why this is coming as a major, already a minor; 2 new classes

Weishen Wang: he is chair answering for someone out of town; all about options for students; create option for students. Some want to be generalist, some specialist, this would be for specialist. This is natural progression from minor; cost would be small

Julia: This is not small from my reading; isn't this very expensive faculty member we are adding? Think 120 majors by 20-22; 2.5 million on salaries; 506,000 in faculty

Weishen: he does scheduling and has his own analysis; makes us more efficient. Higher level real estate, big classes not being filled: new major would make efficient.. bring in less students and they will be full, 100% capacity. We offer new classes once a year, when enrollment picks up we offer it twice a year. Business school enrollment is growing. They have a new line, he would take care of 2 new classes and help teach acct or finance classes that are very popular now. In my opinion we look at incremental cost and revenue. If we can attract 12 students it will take care of new salary.

Julia: 12 to add to undgrad?

Weishen: school of bussines is 50/50 for in and out of state; so 12 new student it would take care of their salary and fill the empty sets of classes

Julia: your department’s numbers would be better, but these students are already here

Weishen: too many majors in some disciplines; still trying to get out of state students; we position them for job market, it makes a difference
Julia: Why does this professor get paid like 3 times what I get paid?

Weishen: you have to compare with market; other schools are paying higher based on market so he has to do this to keep his faculty; supply and demand, this is why finance goes up each year

Julia: So people in this field don’t just want to teach, they’ll only do it for these high salaries?

Weishen: I understand but I have to retain these people; job market value

Doug: Need of program, you need a major because you are not filling up seats? They are not attracted to get business major with real estate concentration so you want to attract those students to take a major in real estate which will cost a faculty member?

Brian: let’s be clear, we will hire this faculty member if this is rejected; I have already committed to that

Doug: so it doesn’t matter whether classes are filled or not?

Brian: optimism with the major, resources will be there even if you vote no;

Julia: We are not controlling this expense then

Brian: One of the things I get to do is move the pieces on 17-18 the table; after reviewing the growth trend etc I made this commitment for

Weishen: Worst scenario we attract zero students, there is still teaching capacity

Todd: when you say attract new students you don’t mean add new students to the college of Charleston? I think this is why budget gets involved in these conversations, historically speaking there was often times people say there is no cost, so we are not talking about overall enrollment growth

Weishen: We cannot control where they would come from

William: So why have a major, why not have a certificate?

Weishen: excellent point, again we want to make option for the specialist with deep understanding of Real Estate; only take 12 to take care of this faculty line but already school is too big needs another faculty line

William: 50 licences for arcus? What happens when those are used up?

Weishen: No, that is per computer. I believe it is a forever licence

Julia: Approved by FCC, financial impact is not small, why doesn’t it have a program fee? Especially for a cost that is so much higher?
Brian: I’m in year 5 trying to get BOT to approve a school based fee, real estate is not the only program expensive to the institution. It would be my preference to recognize that higher cost structure for the entire school (cofc). Committee could note that, I would invite it

Julia: For me, it is unforeseeable, from the point of view of budget that I could support this program. This program costs a lot of money, I would only be in favor if it had a fee associated with it.

Calvin: The budget question we are being asked to address is how do we deal with donors, what do we do when we make a promise to a donor, and what are the potential consequences of that. His coworker says it will cost $14 million, and we should give the money back. I find his math a little interesting and I won’t endorse that but this is a very difficult question. It’s a shame. This should be a simple academic exercise.

Doug: How many in concentration?

Weishen: about 79; in concentrations and the minor… 70 in concentration & we need only 12 new students to cover the costs.

Todd: What prevents this [keeping promise to donor when we promised far more than we had funds for] from showing people that they can buy a major

Brian—there is nothing wrong w the program academically

Calvin—I have questions about the projections. Widely varying enrollments in the past. Also the real estate program pays scholarships to students to take intro courses. Its cost was clearly underestimated.

Courtney: are there adjuncts in town? Yes Brian says.

SOBE is the school with highest enrollments in majors, real estate is the lowest among those.

Tom: why exactly will the major improve efficiency? Will there be more majors than minors? Brian—yes Calvin--yes

Brian—Also you can get a professor who will teach finance courses as well so we can maximize their teaching options

Courtney: can we say we have not voted?

Julia: why are we even being asked to vote, since you have already decided this is what the college needs.

Brian: I am not saying you have to approve it.

Todd: this committee was against an earlier proposal but it got put before the senate and voted on and their opposition was on the record

Calvin: lots of SOBE discussion has been about personalities. We used to have 3 real estate faculty in the dept and it could have passed then. Now I am torn about what the best thing is.
William—I see nothing wrong with the major or keeping a promise but I cringe over the money

Courtney—the dollar figure is the hard part

Martha—I too am conflicted. Promise is in writing so we should honor it.

Tom—Improving efficiency could be done more cheaply. Could the committee say we could not evaluate this proposal?

Brian: It’s possible to forward the proposal without recommendation.

Doug: we spend money in worse ways than this. It’s not like they don’t have any students. It’d be nice if we had a calculation as to how much it really costs (brian says it’s not as expensive as it looks). It would help if we could minimize the costs in an honest way.

Calvin—in the hire letter is it a promise forever? Brian: it’s not a promise that there will be 3 forever. Calvin—It should be understood that if this program is not successful it will be revisited just as any other program will be. Could brian say that it will be revisited?

Brian—yes.

Calvin—if the major gets down to 2 students will we have to keep it? Brian: we will be able to revisit it just like any other.

The committee voted to forward the proposal to the senate with no recommendation.

Text of what was stated at the April 12 Senate meeting:
We are forwarding the Real Estate proposal to the Senate with no recommendation.

We had concerns about the high cost of a new hire needed to support this program, because much less expensive positions are now being cut from other programs. The hire represents a very significant commitment of resources over potentially 30+ years, a commitment that the College is making in a very difficult financial climate. The high cost makes this seem an imprudent hire. On the other hand, we recognize that there are a large number of students taking Real Estate courses now, that additional students may pursue a major which is likely to be more appealing than a minor or concentration, and that a new hire will be able to teach in other areas besides Real Estate, helping relieve some of the demand within your School.

Some members of the committee felt that a program with such a high per-credit-
hour cost should have program fees. This seems like a more prudent and fair way of paying for this hire—program fees would ask the students who receive this very expensive instruction to bear more of that higher cost, rather than requiring all C of C students in every major to absorb that cost. On the other hand, we recognize that this program's per-credit-hour cost is not so far from the per-credit-hour cost of other SOBE instruction, all of which, one could argue, should have program fees added to them.

Given these factors and the unusual circumstances that prompted the Provost to decide to approve a new line in Real Estate, we were unable to make any recommendation on this motion. This was our committee’s unanimous decision.

The remainder of the agenda had to be deferred due to the lateness of the hour.

2. Update from Provost on Academic Affairs 16-17 Budget
   Possible cost savings: telephone lines, differential teaching loads
   Other plans for cuts to operating budgets and cutting vacant positions
   Timeline for finalizing budget and how our committee may participate (incl. meeting times)

3. Begin discussion of how to organize information for future committees
   Reports from Sam Jones, past College budgets, CAFR reports, and data we have compiled all have useful info. What should committees receive automatically in future years? How should we organize past Budget committee materials?
   Additionally, discuss memo from Associate Provost re curricular review and proposed new workflow
   https://drive.google.com/open?id=0B2KSoUKZjiN-Tm5teFpNT1ZFT1E
Notes for Budget Meeting 2/24/2016

Budget Hearings for Provost and Fac Sen Budget Committee—Deans and Division Heads in Academic Affairs present their plans for a 16-17 budget in which they would be cutting their operating budgets

Presenters’ handouts are in a separate document. Below is a list of questions that members of the committee posed to Deans.

Questions to the Deans from Budget Committee:

Fran Welch

Talk about the seats that there are not enough of? The scale, how many students are waiting?

Expected cost of separate accreditation for those two areas? (not sure which two areas specified but believe public health and exercise science)

Other areas you might be asked or think cuts may come from?

Amy McCandless

Do you have data on how effective those recruiting fairs are?

Funding for travel for students for research? Is that a foundation account?

Funds to pay graduate assistance-hips, are those separate?

1417 is ? That is Amy’s account

Lynne Ford

What proportion of your budget is center for student learning? Student tutors are personnel?

Do we need to be as engaged in that process as we are? Would it generate revenue to charge for a tutor?

Jimmie Foster

With regard to point 3 insufficient staffing you brought up concerns on data security, how far are we to finding best practices in this area?

What happens, students pay application fee, where does that application fee go? Does it drop into your budget? But you’re processing more of these, that doesn’t give you a larger number to work with?

Non-residents recruiting, given that they are paying more would that be wise for us?

Wanted to clarify, Recruiting is explicitly downtown only?

Alan Shao

Talk about, don’t have capacity to meet business course enrollments, can you say more about that?

How 6% budget cut would compromise your accreditation?
Valerie Morris

Unlike other departments you generate revenue, how does that fit into this? Offset?
Ongoing philanthropic work going on for simmons center?

Antonio Tillis

Do you have statistics, numbers or trends, on number of students placing out of language classes? Is it on the rise? Do you anticipate changes in best practices that would increase or decrease staff due to placement?
Study abroad funding for students; some get funding from office of international studies is that right?

Mike Auerbach

How does the sms(?) program affect you, in terms of budget?

John White

How much would you say if you removed those motors from the doors would that save? Would you do that anyways?
Historical society relocated over here, are they contributing? What is the arrangement?
What about the hours of operation?

Jerry Hale

Did you find your phones just weren’t ringing enough?
How much is a phone line?

Trisha Folds-Bennett

These students get advised a lot, is that someplace you could reduce their requirements and reduce the costs?

Andrew Sobiesuo

1. What’s the connection between admissions and CIE in terms of International students?
2. Asked about students studying abroad in affiliate programs. Asked if we are doing a lot of work for that without generating revenue. Asked what Andrew plans to do about that

Godfrey Gibbison
1. Could you give us the # of students who have stopped out in past 5 years?
2. Is the lottery scholarship money available to BPS students?

Registrar, Brian
1. What sorts of software are we talking about, one-time or recurring?
2. Essentially where are these funds coming from?
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 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 increased 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
Minutes Budget Committee
1/11/16
ECTR 228
Agenda

1. Approve old minutes, get someone to take minutes for today.

2. Discuss Provost’s Plans for budget cuts.
   **Next Year Budget:** Challenge for next year will involve a range of issues. What is our resident and non-resident mix? Will there be more recurrent state funding? We are seeking more recurring funds.
   Tuition: We are trying to get from the Board an earlier decision on tuition costs so that we can budget better and earlier. Increase level is between 2-3%. Apply only to in-state undergraduates. We need guidance from Board in January for planning.
   We must continue our obligations due to inflation. For example, we must fund any state mandated increase by the legislature.
   Example: State may ask employees to pay more for pensions. This would mean CofC would have to pay more for the pension and then more for the salary increase, which would likely come with the pension change.
   Budget for next year will have to wait until Friday, January 29 after the Board meets.
   How many are on TIAA-CREF or State Pension plan? All staff are State Pension.
   Budget planning – Do we need a better cushion based upon our projections? Should the margin be built up?
   Non-recurring money from tuition does not build up over years. It is used for special projects.

   Budget Committee will meet Monday, February 1 and Wednesday, March 2.

   **Mid-Year Cuts:** Discussion ensued. Themes and ideas were discussed.
   Discussion focused on Operating and Personnel items. Operating cuts are slightly higher due to fringes not being included. More needed to be cut from Operating items. These are recurring cuts. Proposed cuts were not equal across items/areas and there was no blanket percentage. The decisions were painfully made by input from Deans and Provost.
   Budget re-allocation process and percentages within Academic Schools will be given as a result of these cuts.
   Some of these cuts will have to be re-funded in future years. Are these proposed cuts permanent? How long is permanent?
Ideas from the Budget Committee – Phone lines for faculty, program fees within Academic Units, and study abroad (tier structure for type of program). 700 enrollments a year for non-academic students. For example, retired people get reduced and free courses, but it costs money to register them. Study abroad. The fee we charge has not changed in a while. We can sustain 33-34% non-resident students. We were at 37%. There hopefully will be stability starting in FY17. No decisions have been made about expanding the number of students beyond 10,000. There will be discussion based upon serving the local community with the increase in population. This might be influenced by facilities, online offerings, and mission. We have about 1% online set of courses. Compared to Coastal Caroline that has about 25% of courses in fall and spring online. Provost reemphasized our liberal arts mission. Selectivity for in-state students is increasing. CofC is dedicated to quality.

One opinion stated was that the decreases proposed represent a decrease in emphasis in the face-to-face student interaction. For example, the reduction in URCA and Faculty R&D might be perceived as narrowing the focus of the university away from students. Proposed operating cuts are potentially damaging for the mission of the university. Some Academic Schools might need to show more transparency with their own budget cuts and recommendations.

Other cuts from other University Units should show the same transparency the Academic Affairs has done.

3. Spring 2016 Calendar

4. President’s response
   The memo and response will go in our next report to the Senate. President does not want to expand the Executive Team meetings on the budget. Argument was made that if the athletics fee goes up, an increase in an academic fee could not. Even though these units are separate, they are connected in that if one increases the other cannot be raised, and it is still a fee on the student. The Speaker and Chair of the budget Committee are invited to certain meetings of the Board. These two people are meant to represent the faculty. It was questioned if the actual budget decision making meetings included these faculty representatives. There are specific rules when the general public can be in an Executive Team meeting. How far down the chain does (Freedom of Information Act) FOIA go? Who can attend, and which meetings are public? Is the Executive Team high enough to be considered an open meeting? The team is advising, and the president is making the decisions. There should be a faculty member to hear the advice. Faculty want to know how the decisions are made. The labor that generates the revenue should be in the meeting.
Budget Committee wants to promote that the faculty be part of the decision making process for budget items. How do we represent the faculty on budget issues? Sam Jones will be invited to a future budget committee meeting.

Special Senate meeting: Various units have been invited to present to the faculty.

Having a seat at the table is desirable. This will give us more of a voice, even if it isn’t a voting membership. Academia is supposed to be a shared governance.

5. Athletics response

Did not have time to review this. The report is in the shared folder.

We still want to have a face-to-face meeting with the president. The meeting would be to follow-up on the issues and topics raised in the special Senate meeting on January 26.

There is a program deletion coming to the committee in the future.

January 28th is the last day for sending in items for the next Senate committee.
Minutes of Oct 21 2015 Faculty Senate Budget Committee meeting
In attendance: Julia Eichelberger, William Veal, Doug Friedman, Courtney Murren, Martha Stackel, Calvin Blackwell, Tom Ross, Brian McGee, President McConnell

Main topics discussed:

At the Committee’s invitation, President McConnell attended our meeting and responded to some of the questions in our Senate report. The President assured the committee that the upcoming 1.5 M in cuts were assigned in proportion to each unit’s size in the Education and General budget. He did not have further information but said he got this information from Steve Osborne. The Interim Provost agreed that cuts were proportionate because Academic Affairs is two-thirds of E & G.

The committee asked for more detailed information and was told it would be provided at the BOT meeting the next day.

The committee asked why these cuts are made to recurring expenses and why there was not more time to assess the areas most appropriate to cut. The President said we needed to cut recurring expenses immediately, so that more money doesn’t get spent and we don’t go into more of a shortfall. No one is being fired.

The committee asked whether these cuts would be damaging to our health as an academic institution. The President said they would not. He wants C of C to “diversify its income so we don’t end up cutting muscle here”—we can’t use tuition reserve any longer. He then enumerated many things he was now asking the state legislature to fund via special appropriations: the Bachelor of Professional Studies program, increased computer security, money to renovate the Stern Center and the Simons Center and the Silcox Center, money for computer science faculty. Some of these requests could bring in new revenue, like adding facilities to Dixie Plantation so it would be more appealing as a meeting or classroom space to people who’d rent it from us. He talked about the need for other upgrades on campus like the Learning Technology Center. He said he told everyone that C of C needed to be budget conscious but we didn’t need to be “cheap.”

We asked the President about the universal athletics fee and its impact on overall fees, noting that it prevents us from assigning some of that money (~$1200 per student per year) to the E & G budget. That’s why some people think this budget should be subject to modification just like the E & G budget. We also wanted to know how shortfalls had been paid for in the past.

The President said the shortfalls had been paid for out of the Athletics budget, and that he believed that, in the future, that money should go to other things in the Athletics program, and he had told the Athletics director that they needed to become revenue-positive. We can add sports that will attract affluent students who want to come here, like lacrosse, as long as someone can help us pay for it.
Brian said that the Athletics program had many benefits, supported large numbers of scholarships, and attracted many out-of-state students who paid their way. "We’d have to think a long time before we make changes to the athletic program," he said.

Members of the committee asked if this meant that the College’s academic mission was a lower priority than buildings or athletics, despite the fact that tuition revenues are our main source of revenue and you need academic programs for that. The President and the Interim Provost said the academic program was a high priority.

In response to another question, the president said that Institutional Advancement took cuts equal to everyone else.

In response to a question about faculty morale being low, the President said that faculty were very important, and that his classmates still talk about their professors. He said he could have retired but was doing this job because of his love for the College.

The president supplied other examples of cost reductions—the cost of labor to move chairs, for example. We should buy more chairs and keep them on site where they are needed. He said he welcomed our ideas for saving money. Committee members offered other cost-saving ideas.

We thanked the President for taking the time to meet with us.
Faculty Senate Budget Committee
Minutes of the December 17, 2015 Meeting

Committee Members Attending:
Julia Eichelberger (Chair)
Calvin Blackwell
Doug Friedman
Courtney Murren
Thomas Ross
Martha Stackel
William Veal
Brian McGee, Provost, ex officio member

1. The Committee briefly discussed the minor in Information Management. The Committee approved the proposal.

2. The Committee discussed the latest round of budget cuts with Provost McGee. He informed the committee that:
   a. He will meet with the Dean’s council on December 17 to discuss the ideas the Deans have generated to deal with the current budget shortfall.
   b. In the first week of January, the President will discuss the budget with the senior leadership team.
   c. The President has asked that all identified cuts be finalized by January 20, 2015.
   d. The Provost would like to discuss the proposed cuts with the Budget Committee sometime between January 5 and January 10. He intends to provide the Committee with a list of proposed cuts prior to that meeting.
   e. The Provost has been busy identifying vacancies, including visiting positions, end of year retirements, one year appointments, and staff positions in which the person in that position is still on probation.
   f. The Board of Trustees will meet in late January, and will approve the President’s new budget at that meeting.

3. The Committee then discussed a variety of issues with the Provost:
   a. The Committee requested to see the list of proposed cuts. The Provost indicated he would provide the Committee with the cuts he intends to propose as well as other potential cuts discussed with the Deans: “I will show you the chessboard.”
   b. Adjunct budgets are run in an unusual manner. According to the Provost, only 40% of expenses for adjuncts are budgeted on a recurring basis; the remaining spending is funded with lapsed salary. The challenges of handling adjuncts as part of the budget were discussed, including the challenge of scheduling courses before a budget is approved, and the difficulties in adjusting class sizes as a way to lower costs. Ideas to improve the handling of the adjunct budget were discussed, including decentralizing the adjunct budget.
   c. A variety of suggestions for cutting costs were presented, including eliminating computer classrooms, reforming the computer replacement program, eliminating land lines, and firing former administrators and TERI participants
   d. The absence of faculty representation in major budget decisions. The Committee discussed asking the President to include the Speaker of the Faculty in major budget discussion/decisions. The Provost indicated his support for such a proposal. The Committee decided to draft a memo to the President asking him to include the Speaker as part of the senior leadership team’s discussions of the College budget. This memo will also include a request to the President to direct all units at the College to provide the Committee with budget information.
   e. The upcoming year’s timeline. The Provost plans to ask the Deans to provide their schools proposed budgets to him by mid-February. These plans will be provided to the Committee.
The Provost indicated that it might be useful to have the Deans meet with the Committee to discuss individual budgets. The Committee indicated its willingness to meet with the Deans, and requested access to meetings of the Deans’ Council at which the budget will be discussed.

f. The Provost indicated that the President is willing to meet with the Committee again, and would be willing to bring the CFO to that meeting. The Committee discussed what to address in such a meeting. The upcoming special Faculty Senate meeting regarding the budget was discussed and how that meeting could inform future conversations with the President.

g. The Provost indicated that the College is examining the feasibility of purchasing the King George Inn on George Street. The Provost provided an update on the College’s purchase of the Lockwood property.

Respectfully submitted,

Calvin Blackwell
Temporary Secretary
Dec. 7 2015 Budget Committee meeting

Present: Tom Ross, Calvin Blackwell, William Veal, Courtney Murren, Julia Eichelberger, Martha Stackel

--The committee discussed the Meteorology proposal with Lee Lindner and Narayanan (NK) Kuthirummal from the department of Physics & Astronomy. Committee members wanted to know more about the basis for the planned size of the program (the size is fairly typical of programs at other institutions) and how the program would be delivered with almost no additional cost (turns out many physics classes are nowhere near full at this time so they would be happy to have additional students, and the courses have been slightly modified so that they can serve both Physics and Meteorology majors). The program was suggested to C of C a long time ago by CHE who was aware that the state was paying to send students out of state to study meteorology because there’s not a program here. After discussing numerous other small details regarding library materials, equipment, facilities, and the like, the committee concluded that the proposal had been realistically budgeted and would not be an undue burden on our overall budget.

--The chair briefed the committee on her conversation with the Provost, in which she got some of the info reflected in the drafted memo to be sent to the Senate at the 12/8 Senate meeting. We discussed edits that would be needed before the memo was distributed. The committee was in favor of distributing the edited memo.

--We also discussed ways to cut costs, since the Provost has invited everyone to give him their ideas. Several ideas were floated:
—eliminating land lines from faculty offices, if a dept wished to do so
—do more energy saving so that lights don’t come on automatically in all buildings (for example)
—consider whether class sizes should be increased so that we can cover our teaching assignments with fewer lines
—consider whether more faculty should be returned to a 4-4 load if they are not active researchers
—try to find out what costs we bear (in Physical Plant) for maintaining athletics facilities, to see if Athletics needs to pay more
—find out how the Athletics reserve fund works and see if it would be possible for other divisions to build up a reserve fund rather than having most of their unspent funding swept each year
—check all contracts for true cost efficiency: e.g., Xerox now is in charge of all our printers and doesn’t want people to have individual printers in their offices. Depts. are charged $10/month for having printers like this in faculty offices. This seems to benefit Xerox and not us. In some cases this is very impractical since offices are spread out in many locations in some departments.
Budget meeting 11/30/15

Attending: Julia Eichelberger, Brian McGee, Calvin Blackwell, Tom Ross, Doug Friedman, William Veal, Martha Stackel

Discussion opened with the meteorology proposal. This proposal has been in the works since approx. 2005 and no other program exists in the state. Several questions arose during the discussion and discussion planned for 12/6/15 with faculty from Physics.

The discussion also included components of objectives of the budget committee in the approval process, as other committees such as academic planning address the mission.

Brian reported on the additional amount of melt from out of state students for spring 2016, and the next necessary mid-year budget adjustment. This second mid-year cut would be 632,000 also recurring, with none deferred. Additionally, both personnel and operating budgets are being considered together. Process still developing, budget committee would be involved, and would occur in the next couple of months. This news was communicated to faculty from the president in an email in early evening.

Brian also discussed the process for budget cuts for the 2016-2017 academic year. The suggestion was that hearings be held as last year following Deans and units development of written reduction target proposals. Hearings would likely be held in February. Julia described the general process from last year to new members of the committees.

Action items: Plans for meeting with President regarding new budget cuts and discussion of units outside of Academic Affairs, meeting with members of physics faculty regarding meteorology major, and drafting a memo to Senate with an update of the questions following our most recent senate floor report.
1. Identify secretary to take minutes for today’s meeting.

   Jessica Wolcott, Faculty Secretariat, took notes.

2. Amend draft minutes as needed; discuss any topics arising from last meeting that we should add to agenda.

Courtney - What is happening with QEP budget? How will this new QEP get funded and will this be a new expense?

Brian - The FYE was the focus of the QEP for our last SACSCOC review cycle. Before that QEP, we had a modest commitment to freshman seminar, first year student skills. Did not have an FYE program in the fashion we have now. That QEP officially ended in 2012 but we continue to support FYE programs. This budget is entirely in academic affairs.

The upcoming SACSCOC review will only be concerned about the present QEP now being developed. Currently that QEP has no budget because there is no budget proposal. Over next few months this will be developed. Calvin Blackwell of this committee will serve on the committee to develop a QEP budget.

William – What about lost funds from students attending study abroad programs elsewhere—topic brought up in August. Has anything happened with this? Is there anything we can change in how we are doing instead of accepting all transcripts as is?

Doug – reported that he sent proposal from Renee Muller to Brian from 10 or more years ago; Students are doing study abroad not on C of C programs but on affiliate programs. Our tuition/fees for our own programs are sometimes more expensive than affiliate programs, and we even let students use their scholarship $ to go on these programs; it’s a loss of tuition revenue and we employ people in the study abroad office whose main job is to help these students who study abroad elsewhere. Muller had plan to entice students to go on college programs and showed how revenue would increase for the college.

Julia – agrees with idea of charging our students a higher fee for helping them attend affiliate programs. Also worth remembering that affiliate programs may enable students to have more opportunities to go to more countries than we can provide in our own programs. Doug notes that with the current policy, we are undermining our own programs and making it much harder for them to succeed.

Brian said he has brought the proposal up with deans, they will have conversation on the history of this. To answer William’s question, this is a work in progress.

3. Introduce Sam Jones, Associate Vice President for Budgeting & Payroll.
   Discuss with Sam how cuts were made to FY 15-16 budget and what was cut from each unit.
Please review a document I made with much help from Sam, October 2015.

Budget Cut Information. Sam’s also given me info on the budgets for 2014-15 and 2015-16 that provide additional context for the cuts made in October. I’ll bring copies of these documents to the meeting.

Julia- explained budget calculations that led to the cuts voted on by the Board in October. The total amount that had to be cut from various units was 1.2 not 1.5 because of fringe benefits, which are in a separate account.

Martha –
Graduate school didn’t have to make cuts?
Brian—
They had no vacancies. Cuts were over weighted to academic affairs and underweighted to the academic schools.

Julia--I think that this sheet explains what Steve Osborne meant when he told the president, who told us at our last meeting, that the cuts were made proportionally. So next year AA still owes more money to be cut. It will make the rest of its promised cuts, and the registrar position should be restored and that money will have to be found elsewhere.

Brian-That calendar could stretch, working on funding for registrar position

Julia- So, the Registrar position was cut bc it was vacant when the cuts were made, but it is important enough that hopefully it will be restored. Are any of these other cuts, made because positions were vacant, going to be restored? Possibly due to their importance/need?

Brian- Maybe, they would need to be argued for. They are gone now, but new positions could be created through reallocations, which could in effect restore the position. These will become a loss from somewhere else. Don’t have new money.

Doug and Courtney voice concern about the loss of the registrar position. Brian indicates he is going to weigh this need against other needs that will be argued for, and that he’s certain there would be a permanent registrar again, eventually.

Julia—refers to tables created by Sam Jones that list the personal services budget s and the operating budgets of each unit within the Educational & General fund.

Sam noted that all sorts of expenses are needed besides salaries: 15M of the Provost’s budget is for scholarships, and 3M of the library’s 3.3M operating budget is for books and subscriptions, so their other operating expenses are not very large. Some units will naturally have a much larger operating budget than others.

Julia asked Sam about the way software licenses had for years been treated as a non-recurring expense and then late last spring, the decision was made to make these new recurring expenses, which ate up a lot of the money we thought we could use, all from the modest tuition increase we were planning on. Sam said that whenever you know for sure an expense will be recurring you should put it in that category. Brian said that Steve Osborne said last spring that we had reached a point where funding these software licenses as non-recurring could no longer continue and we needed to make these recurring.
Calvin asked about an instance in his own department where he could not pay for all of a software license in FY15, and he had expected to pay for it with summer school revenues that can’t be predicted from year to year and can’t carry over. Steve suggested he might be able to help chairs in this situation to reallocate some of this money, if they contact him.

4. Discuss with Sam Jones the factors that influence the initial construction of a budget and the adjustments to that budget that are reported quarterly.

   Examples of such factors:
   - tuition revenue that differs from our projections
   - new revenue from special appropriations
   - new expenses that come from external mandates (e.g., 800 state-employee bonus) or new internal initiatives (e.g., our new security fee).
   
   Sam can provide insights on how/when these factors can occur and how/when decisions get made in response to them, resulting in the quarterly adjustments that are reported at BOT meetings.

Special appropriations
Julia- The president talked to us about a lot of items he was asking for. How was that list developed? People on this committee last year remember special appropriations for faculty lines (comsci, and supply chain); special appropriations were outside of the budget process and the committee didn’t even know about them while they were hearing all the School budget requests.

How do leaders construct the list of special appropriations to ask for, why isn’t budget committee present for any of those discussions?

Sam-
Special appropriations are transferred to us in June, but the process that starts it is in prior august or September. Requests are filed as part of “governor’s budget request.” To make the list, Sam puts together institutional items he is aware of. EVPs in consult with our government relations team and Steve Osburn have conversations about what projects have a chance of getting funded by particular legislators. This group (EVPS plus gov. relations staff) know which projects may be of interest (such as supply chain and CSCI). They put together a list that will be sellable to the legislature, and hope they come out the next June with a check attached.

Our requests are first submitted as part of governor’s request, then they go through senate finance committee and others, ??, before they arrive at the governor’s office for signature.

Brian-In the past these requests have been small compared to size of the college; College doesn’t request what legislature is not interested in. We try to match request with legislature interest. Gov’t relations staff are in these meetings because they know what legislature is interested in.

This year there could be bond bill. So this year people have pretty much submitted the kitchen sink and not in a forced ranked list. If a dean submitted an idea, it was put on the list.

Doug-State appropriation isn’t all that large to begin with. Worry is about priorities of the things we end up asking for.
Julia—So there’s a first round of decisions that the leadership team in consultation with the legislative team makes, and that has already happened for possible appropriations for the following year.

Brian—Yes and no. We submitted unranked list, but at some point there will be time in early 2016 to talk about what we push hardest for.

Julia—Another kind of budget adjustment is when we reconcile actual revenues with expenses, like when we realized we were going to have 1.5M more expenses than revenue. So the team has to decide what to do, and I assume this happens fairly often in smaller amounts?

Sam—Yes, there are always adjustments. Every quarter we present to BOT the budget adjustment categories by division and detail of what is being handled; fringe benefits are always presented; something like a speaker coming in and multiple division will pay for it can lead to an adjustment; some items are for “zero based budgets” that zero out—for example, rental of guest hosting is recognized as income, then immediately added to the auxiliary services budget so there is increased income and increased money to spend.

Julia—Another example of a budget decision was to add a new security fee to students fees. Do those decisions that come up as a budget conversation or is that outside these budget discussion?

Sam—Certainly ends up being a budget conversation; most probably this decision happened at executive level and then we decided we needed to fund it with a fee; it is unusual that we would enact that type of fee mid year.

Julia—This summer the State mandated an $800 per-permanent-employee bonus; what happens when we have a situation similar to this? Where does that money come from?

Sam—Bc this was a bonus and not recurring, we used money from this year’s institutional carry forward funds—unspent funds across the institution—to fund this non-recurring item. Had a salary increase been required by the state, funding would have had to been via recurring expenses (i.e. an increase to next year’s budget rather than funding it once out of this year’s carryforward)

William asked if the legislative team would want a member of this committee to attend these discussions of special appropriations.

Brian—That is up to the president; AA affairs is now represented by the provost.

Courtney—How much of what was asked for last year (in the original Academic Affairs budget, items that we were largely unable to get) was on the list?

Brian—We were not working on those requests via special appropriations, except for CSCI lines. Those lines meant we had more money to do other things instead.

Courtney—The Honors college had a proposal for a new summer program, I could see that being state appropriated

Brian—That wasn’t asked for; we left it on the table with honors college but they didn’t take it up for other reasons, they wanted to wait.
Sam is going to send the list of “governor’s budget request” items to Julia to share with the committee.

5. Begin a discussion of how we currently get information on the College budget and different models for reporting and shared governance used at other institutions. Please take a look at the document entitled “Shared governance and budget transparency elsewhere” and, if you have time, follow the links therein.

Julia showed committee the handout with examples of how other institutions take faculty input on budget.

Clemson has fac rep on its BOT—non voting, but this rep can put items on the agenda and is expected to make reports to the board. Georgia State has senior admin and Fac members on committees on budget and fiscal advisory committee. Appears to be more faculty input than we have now. Eastern Kentucky committee with fac. Members that voted on the budget, according to the recollection of Kendra Stewart who used to chair the budget committee here and worked at Eastern Ky. If we were to pursue another arrangement than what we have now these are some avenues/examples.

Brian—Regarding having faculty representation on the Board, trustees would say that is the role that the speaker plays now.

Julia—Could we have language making the speaker an ex-officio member? Brian was not sure the trustees would support this.

Julia asked the rest of the committee for their thoughts on these examples from other institutions.

William—Why do we want to make more work for ourselves? Brian has a job and he did it, is it our job to be faculty members or manage the budget? I think we are in an advisory capacity, Brian relays information to us and we inform the senate. As long as budget process is transparent, aren’t we doing our job? How far do we want to go?

Calvin—We have numbers but they are still pretty meaningless to me. I don’t know what that money was spent on (operating budget), found out things going on in other schools which I would have addressed (as a chair) if I had known. I think our job may be to get more transparency, and watch to make sure the process is being done fairly and thoughtfully.

William—We have interim chair in our department, you’ve given examples of how you (talking to Calvin) deal with the budget, what is the training chairs receive on the budget?

Calvin says Zero training

Brian—This is Macro v Micro question. In most depts. It isn’t difficult to work within the budget you’re given, you either have or don’t have foundation money or annual donors and manage a lot like household budget. Not say we can’t train chairs better.
Julia-I don’t expect us to become accountants but I want faculty to be fully represented when we are facing these cuts and budget requests. Last year the committee took great care and time to look through all requests and offer advice to Brian, and then forces outside Academic Affairs basically nullified that work, and now there are more cuts coming. So it is important for the fac to pay attention and make sure those who decide on these cuts understand how the cuts will affect our academic mission and make sure that is supported as well as it can be. Policy of personal services being used for cuts was not really explained to the committee, for example. The rationale for basing the cuts on personal services is one that disadvantages units that are almost all salaries. And since last year Academic affairs is sort of moved back on all that they have to spend, our buying power is a little lower this year.

Brian-Was satisfied with the method that was just used (basing cuts on personal services) but he wouldn’t be a proponent of this method to make cuts again.

William-We’re on the right track in focusing on transparency and understanding the process

Julia-Better understanding by all faculty on budget reality will be beneficial, for them to be more realistic. FAM gives us and senate an advisory role, but we can’t give sensible advice if someone doesn’t understand the budget better.

Courtney-Brian, we learned a lot and dreamed big dreams in the things we talked about last year, but money is scarcer than we thought it would be . What is our next step and where do we fit in? How can we dream about something new, with hope? Within the context of our budget reality.

Brian-Process was new last year, I thought dollar figures we were hoping to get were quite modest. All of it turned to ash, but it was not bc process or the level of spending was unrealistic; it changed because assumptions about enrollments were no longer true. Thinks this year will be similar process, with hearings, but he is considering asking for proposals to cut not increase spending. This has been done at other institutions he’s worked for, this is old school but new here. That institution told departments the % cut they had to make and they were asked explain what they would cut, and they were also what they would do if they got that % back or more than that %.

Julia-The example, that approach is more reasonable since we haven’t had to make cuts before. An item is added to the budget and you keep it until it’s taken away, you don’t have to justify it ever again. It’s unrealistic to imagine the whole budget could be justified every year, but beginning to think about dept budgets in a holistic way would be healthy step. Because reallocation is going to happen.

Brian-Is talking to Deans about process but in a different place conversation wise than where he is with us or the president. Not sure they will be supportive, but he does not wish to make cuts un-strategically

William-Committee could work in advisory role, make sure the mission as liberal arts stays as is and make sure faculty suggestions are heard

Calvin-Is there anything like the Delaware study to get us disciplinary norms for operation budgets?
Brian-
It’s very hard to compare budgets to other universities especially if they have decentralized budgets

Calvin-Operating expenses on this list make no sense to me, do these numbers have a rational basis? It would be nice to know that they do.

Brian-The last time you could argue that there was a reasonable granular budget process that talked about allocation of budget dollars was turn of the last century; Higden froze operating budget or moderate freeze. A year ago I wanted to bump up operating budgets across Academic affairs bc of inflation and it hadn’t been done in a long time. Budgets are not rational, there is a lot of disparity. Part of the aversion to making adjustments is people with a little more money may be unwilling to reallocate.

Calvin-Faculty want to know there has been a discussion about how money is allocated, and what you should be spending on what

Doug-We started a program and it didn’t have money at all, we had to beg for it

Brian- One way to facilitate thoughtful reallocation would be the support of this committee.

Calvin-May be reasons for disparity across campus but I have no idea why, need transparency, would be nice to know

Julia-Thanked Sam for coming, very helpful for having him here

Adjourned at 4:50

Remaining items will be further discussed at our remaining November meetings:
6. Discuss how next year’s budget will be constructed and how this committee should participate in order to play a meaningful role and fulfill our charge in the FAM.

7. Discuss what we have learned so far about the Athletics budget and what other information we would like to collect on this topic.
At Sam’s suggestion, I’ve contacted Laura Legemen, Associate Athletics Director, and requested information on their personnel, operating, and scholarship expenses since 2010-11. I also asked for information on how funds are accumulated in the Athletics budget as a cushion against shortfalls and how these funds were moved around in 12-13 and 13-14 to cover the shortfalls we reported to the Senate. I’ll pass along any information I get from her.
Senate Budget Committee Meeting  Sept 30 2015
Present: Doug Friedman, Brian McGee, Courtney Murren, Martha Stackel, William Veal, Julia Eichelberger

Brian confirmed and elaborated upon his email sent to us the night before. {memo is below in small font}

At our last meeting, I was moving back and forth between a personnel dollars calculation (with fringe benefits removed) and an actual dollar calculation of our goal for budget reductions. That practice was confusing, I think. For simplicity, let us note that the full budget cut for Academic Affairs will be $1,055,000, with $250,000 of that amount to be deferred to FY17.

While the majority of the budget cut will necessarily come from our personnel expenses, it appears likely that we will put together between $100,000-175,000 in recurring operating funds as part of this year’s budget reductions.

A very limited number of vacant positions are currently available in Academic Affairs for use in this year’s budget exercise. Most of those positions will have to be swept in order to meet our budget-reduction goal. I will have more details on these points in our meeting.

I expect the following principles will guide me in making these budget reductions, and any budget reductions that may be necessary for next year:

Operating budgets will not be the primary source of funds for these budget-reduction exercises. Our operating budgets in many cases are already too lean.

Reductions in administrative support services will be prioritized over cuts made directly to the classroom.

Reductions in staffing will have to include some faculty positions, because so much of our personnel budget is devoted to faculty support. Further, while adjunct and visiting positions are those most easily eliminated, reductions in those positions alone will not be sufficient to meet our financial goals.

We should retain the capacity to provide salary increases for faculty and staff, even while making budget reductions in other areas.

We must continue to involve faculty in shared governance as we discuss all possibilities for reducing personnel and operating budgets.

At the meeting the Interim Provost gave more detail. The amount we must cut (1,055,000) has been confirmed with Steve Osborne. Brian reported that some cuts will be made in other units, such as in IT. He acknowledged that even so, Academic Affairs is taking about 70% of the needed cuts (the President called for a total of 1.5M) even though we are not 70% of the total budget.
He explained this is a 2-phase process. First he has to produce a budget reduction of 800,000 for the President by Friday. Next, he’ll begin planning where to cut that additional 250 down from next year’s budget. He is also anticipating more strains on our revenues & new expenses next year. When this year’s senior class graduates, our percentage of nonresident students will drop. So in the next fiscal year, we can expect a need for additional cuts in addition to finding the 250 that is promised. There’s a chance we could get a higher number of nonresidents by recruiting more international students, which would raise revenues, and there’s also a chance the state will mandate a raise that we have to pay for (like this year’s $800 bonus for all permanent employees making less than 100,000). We also don’t know how conservative the BOT will want us to be for next year. Will we be allowed to use our enrollment reserve fund, or will they want new cuts to offset possible new dips in revenue? Also we can be sure there will be increases in health insurance and that there will be other mandated new expenses.

To get the 800000 he needs to cut, Brian will definitely cut 2 vacant positions in Provost’s office, which gets us down to 612K. He hopes to get up to 100K from schools’ operating budgets and another 75K in operating budget cuts from his office and other units. Schools’ cuts will be negotiated with Deans. If we made only about 50K in cuts, we’d have around 480K still left to cut. Remaining cuts will come from vacant positions. The Interim Provost did not list each specific position that he anticipates cutting, but discussed with us some vacant positions, noting some he deemed too critical to cut (for example, the Registrar). Other staff positions that generate revenue (for example, ORGA, SOBE, Admissions) seem to him unwise to cut.

In choosing to cut faculty lines, the Interim Provost is considering the department’s % of adjunct use, enrollment trends in that unit, and the likelihood that cutting a position will impair students’ ability to complete degree in a reasonable time; he will also consider local adjunct availability for particular disciplines. [We are not actually calculating added adjunct costs at this point.] Each dean is asked to make a case for any critical lines and to force-rank if there are multiple lines vacant. “The more efficient a unit appears to be, the more likely it is that its resources will be protected.”

In planning for next year’s budget, the College could in effect restore a position we just cut, as soon as we can ID something else to take that cut’s place next year. So the Interim Provost is looking towards any vacancies we anticipate for next year. In addition to new retirements, every TERIed staff member is in an “employment at will” situation and every TERIed faculty member and all faculty in visiting and instructor lines are on annual contracts; when they finish this year’s teaching they do not have to be renewed. (Brian has no interest in
losing instructors who’ve done great work for us for many years, he says.) In trying to find ways to cut next year’s expenses while minimizing harm to our academic mission, we have to look at every possible position that can be rearranged. Even before the upcoming BOT meeting, deans will begin to work with the Interim Provost as he finds the 250K needed for next year’s cut.

The Provost notes that we still have plenty of good news as an institution. In-state applications are up; this year’s incoming class has more students of color than we’ve had in previous years; we are still doing excellent work in the classroom and as scholars.

The committee asked more questions:

Some noted the low pay of most of these positions being considered for cuts, vs the high pay of some senior people who (let us imagine hypothetically) may not be contributing very much, teaching very few students, doing no research/service, etc. Wouldn’t it be better to eliminate these costly positions, some wondered. Brian pointed out that we wouldn’t want to start letting tenured faculty go, which we agreed with. Some committee members suggested that faculty (especially highly paid senior faculty) who are not teaching many students may need to start teaching more. The Interim Provost noted that different departments have different policies assigning particular faculty to certain kinds of workloads. It’s incumbent upon deans/chairs to try to make efficient use of their faculty and to evaluate them accurately. If they are not performing in all the required areas, their evaluations should reflect this.

We noted that other units outside Academic Affairs don’t appear, to us, to be held accountable and rigorously evaluated in the way faculty are. If they are assessed and held accountable for their work, we’d like to know a little more about that. Brian said that from his previous job in the President’s office he knew that every unit had some sort of assessment and accountability protocols. IT and Athletics each have had a fairly thorough evaluation/review in recent years (Huron corporation did a very expensive external review of IT; Athletics was evaluated in the 2000s before we joined the CAA). Brian suggested we might meet with the President and/or Paul Patrick to get their perspectives on the way other units are assessed and how that assessment affects their level of funding. We noted that in 2012-13, according to the NCAA report, the Athletics department had spent 1,400,000 over its budget—an amount similar to what we are now being asked to cut from the College budget as a whole.

We asked if the school expects to change its mix of tenure-stream to visiting faculty, moving toward a higher percentage of instructors or visiting faculty who teach 12 hours. Brian said we need to come up with a clearer rationale, in every discipline and department, for why we have the mix that we have.

Other comments by the committee:

We wish we could look to the state for better funding, especially since we have many excellent SC residents attending and many of them could be better supported with financial aid
packages. Could we ever expect to get more than 8.5% of our funds from the state, to better support SC residents? Could special appropriations be directed to this end? The Interim Provost said there is little reason to expect this from our Legislature.

Should we increase the size of our freshman class even if they are in-state—wouldn’t that help? Brian noted that we don’t really have room for more than about 10,500 students. Additionally, serving students in satellite locations could be a way to increase capacity but we cannot invest new money in a new facility at this point; we already have a nice new place in N Charleston that we are not fully using yet. In-state students do not pay the full cost of their education; adding more would only increase revenues if we did not add lines or new buildings to accommodate them.

Members of the committee affirmed that they understood the general principles and two phased process of the Interim Provost’s plan for making cuts and for trying to balance out inequities in planning for next year’s budget. We had no further advice for him at this point. We think we will need to pose some further questions to the President since the Interim Provost is not responsible for other units and the President’s overall policies.

We also discussed what to present to the Senate at the October meeting. The plan is to give a very brief summary of what’s happened since April, not going over information that has already been presented but explaining how our committee has participated before and after decisions have been made. Hopefully the report will be no more than 10 minutes. Courtney is going to gather info from the IRP Fact Book about trends in the size of our faculty, the number of students from in and out of state, the number of staff, etc. over the past 10 years or so. This will be part of the Senate report. Julia will draft an outline for this report and get feedback from the committee before the Senate meeting.
Budget Committee

9/21/15

Agenda

1. Minutes from 9/2/15
2. Assign Secretary Duties
3. Provide input to Interim Provost on possible Academic Affairs budget allocations and committee’s role in Academic Affairs budget process
4. Discuss possible new revenues being sought by the President and the BOT, other budgetary matters outside Academic Affairs
5. Discuss possible report for October Senate meeting

Minutes for 9/21/15

Members Present: Julia Eichelberger, William Veal, Martha Stackel, Thomas Ross, Courtney Murren, Calvin Blackwell, Doug Friedman, and invited guests Todd McNerny and Brian McGee.

Minutes motioned to approve by Tom, second by Veal. Motion passed.

Brian update:

Senate meeting – President provided a financial update.

He stated that we have exceeded our enrolment reserve. We are down by half a million. Must find this recurring money.

We project a more conservative enrollment for next year. We are not going with a 1-year solution.

Capture on a recurring basis, 1.5 million for education and general budget (ENG money). Cut from this year’s approved budget. Academic Affairs is largest unit on campus.

Business affairs IT are about $220,000 out of $1.2 million. Second largest for Business Affairs.

Do not use operating budget. Allow raises for the future.

Personnel is the most expensive. $1.2 million find in personnel with fringes of $300,000.

$844,000 out of personnel. Adjunct budget is 60% with lap salary from non-filled positions.

Provost Office has Academic Affairs and Business Affairs. All is done that can be done.

Dumb bad luck if there was a retirement and then no replenishing. Deferment of $250,000 is two years. $150,000 is taken care of in Provost’s Office. He ate the rest. He is actively looking for faculty vacancies.

6 Academic Schools. 2 have no vacancies.

Choices to make: Structural or Operating budgets?
• Option: look at consolidating academic departments
• Staff who are TERI-ed? Could be terminated immediately, on the staff side. Faculty could have a TERI date looked at.

This is a cut for all staff and faculty. This includes Instructors who are year by year employees. No reduction of force will happen this year. Mainly which positions are now and will be eliminated next year.

2nd method for kicking can forward. Look at forward vacancies and see how they can be mortgaged now for later. TERI ends 2018. Ex. Department A needs someone now and will use Department B’s line that it will have in Fall 2018. So in Fall 2018, Department B will not have its line.

The lines here have followed the recessions or economical periods in the past few decades.

Start with lines that are currently vacant.

We might be involved with this? We need to know what the vacancies are in the future.

Provost does not know what the process is right now. Incremental adjustments.

ENG is taking 0.7% hit just as other Divisions are.

Adjunct utilization is not the same across the Unit. He could look at how different departments use adjunct lines. Would one be more favorable over the other?

What does he do when one dept. has a different use of student numbers, number of adjuncts, and etc.

Some departments are growing, holding, and loosing.

Roll-over tenure position to adjunct.

President has taken out more than their expected cut. There are few accountability measures for his office.

Line cuts, departmental restructuring, retirement. Travel freeze? But the problem is a recurring problem. Non-recurring would be an easy fix on operating expenses.

Julia interprets this as an opportunity for departments to make those cuts first and then advise the Provost. Provost is asking the Deans and then the department chairs. Members are saying the timeline is XFEHXZYTX for the timeline of 12 days. We find the money in two weeks and then deploy over several years.

We have more roster faculty than 3 years ago. This is aligned with institutional goals. The Deans must turn in a faculty recruitment plan. Lines don’t automatically get returned back to department. Departments must justify line to keep.

Members provided suggestions for a long term goal for faculty decline and saving money. For example, this year we could take $100,000 in non-recurring funds and then next year work towards a complete focus on recurring funds.
Provost has been looking at Delaware numbers, ration of students to course offerings, etc. He will make decisions based upon these data. Shared governance allows us to advise him. One third greater than the $444,000 is available on the lines that are open.

Morale will be a very important issue in the next 3 weeks.

2009 Strategic Plan was to get 100 more lines. Basic premise, with more faculty, the more we could do. This was predicated on raising capital with tuition primarily. This was accomplished partially with a tuition increase. This did not work since tuition did not go up as much as anticipated. Need to find better revenue generating graduate programs. The original financial model has been greatly compromised.

President wants a QEP. Next time it will be managed for cost.

Athletics budget? Might more programs get cut? He will look at how the scholarships and participation on an athletic team correlate to positive cash flow in terms of tuition. Athletics is Auxiliary.

Can we see the “gross” totals of faculty and staff growth over time?

We will develop a report for the October Senate meeting.

A Doodle poll will be sent out to see if the committee can meet next week.

Principles for reduction: See Senate report.
Faculty Budget Committee
Meeting September 2, 2015

Attending:
Julia Eichelberger, Chair
Brian McGee, Interim Provost
Calvin Blackwell
Doug Friedman
Courtney Murren
Martha Stackel
Tom Ross

Julia requested a volunteer to serve as secretary; the committee decided to rotate this position among committee members.

Brian McGee shared with the committee the chart listing undergraduate fall enrollments at the College of Charleston from 2012 to 2015, with both official enrollments and enrollment projections. He noted that the College has missed its enrollment targets since 2012; this follows a period of relative stability in enrollment targets in the 1990’s and early 2000’s. Even with a large expenditure devoted to improving recruiting in the past year, enrollment of non-resident (NR) students did not meet projections. Thus there is a 1.3 million dollar shortfall in this year’s budget. The quality of NR students is changing; whereas the College was accepting 60% of NR applicants in 2008, in 2015 the College accepted 80% of NR applicants. Average SAT scores have dropped from last year’s score of 1130 to this year’s score of 1119. McGee also noted that more students are opting to take the ACT rather than the SAT.

McGee stressed that the College must adjust its world view to incorporate the new reality of fewer NR enrollments. The College must bring in more revenue or spend less. The Bachelor of Professional Studies program is not bringing in meaningful revenue, and this matter is being addressed. Changes in admission requirements are being reviewed as one possible answer to attract additional students. Permanent downsizing is a likely scenario for the College, although this is difficult with the thin operational budget currently in place.

McGee spoke at length about tenure stream versus non-tenure stream faculty. There is a good deal of unevenness in how departments have populated their teaching staff, with little apparent thought having gone into the decision making at times. Some departments consist of all tenure stream faculty; other departments have a mix of tenure stream, non-tenure stream and adjuncts. McGee spoke of the need for a frank and candid discussion about these faculty staffing concerns. He also advocated for professional development opportunities for all faculty, not just those in tenure track positions.

McGee emphasized that the College is not in dire straits; we need not proceed in a panic. There should be a multi-year process to tighten up our financial situation and to move to a new financial reality. He also recognized the importance of providing faculty raises in non-recession times.
Some discussion of the School of Professional Studies followed. Space available there is not being used to its full extent; enrollments are disappointing. McGee noted that the mature students the BPS seeks to interest do not want to come downtown to attend classes; they far prefer the ease of parking and attending classes in the North Area. Market indicators project increased demand for programs for mature students. The College has not yet been really serious about attracting these students and has bungled past attempts in the North Area.

The discussion then turned to fees and whether they should be instated for the more expensive School of Business and the School of Sciences and Mathematics. When asked about fees per credit hour, McGee advised that this was very difficult to administer as drop/adds, financial aid, and other complications make accounting for per-credit hour a nightmare. The Faculty Budget Committee may be asked to weigh in on the question of fees for some schools; the Board of Trustees will be asked to consider this issue sometime this fall.

McGee said that the Provost’s Office would be carefully reviewing any faculty openings; some departments may be denied permission to fill faculty lines.

The College is looking at many ways of doing things differently; we have been slow to adjust to changing student preferences and trends.

Respectfully submitted,
Martha Stackel
8/19/2015 Meeting of outgoing and incoming Budget Committees

Present: Tom Carroll, Rhonda Mack, Rohn England, Courtney Murren, Tom Ross, Julia Eichelberger, Calvin Blackwell, William Veal, Martha Stackel, Doug Friedman, Todd McNerney, Brian McGee

After brief introductions Julia Eichelberger showed the committee the records of last year’s work and recapped our efforts to provide significant input on the Academic Affairs budget requests. The process was perceived as successful as of April of last year, yet over the summer, we met with very disappointing fiscal news. Julia invited Brian to speak briefly about that and take questions and comments from both outgoing and current committee members.

Brian explains: This year we have over 2M of expenses greater than our revenues. We will use the enrollment reserve and institutional reserve funds to offset the expense for this year, but must make changes going forward.

Next meeting we should start thinking about “short-term vs long-term planning for reducing expenses,” he said. We have about 550 instructional faculty whereas another school our size is more like 390 (in Wisconsin) –those faculty are all teaching 4-4s. In the last 2 recession cycles we had to take money away from operating budgets but this is not sustainable, these budgets are already too thin.

Todd McN notes that the operating budget in his unit, when he was chair, was still at about the same level that it had been in mid 90s.

Brian says the main place we have left to make cuts is in personnel—the number of people we have working here. We need more visiting lines, more effective use of temp faculty including adjuncts, and higher enrollments in our classes. It won’t make sense to budget for 1000 out-of-state students this year since we keep missing that number. We need to plan on a lower number.

Doug Friedman asks: What has changed that brought our numbers down?

Brian: Clemson & USC now are larger and more aggressive about buying out-of-state talent and recruiting full-payers. USC is buying out of staters and adding students bc they have economies of scale we do not have. We’re winning relative to quality but still losing more students to USC and Clemson in-state.

Out-of-state is harder for us now:
More affluent families deposit with no expectation of coming. Our deposit is only 300 and we may need to increase that to 500.
Southeast is the place we do just as well as ever. NJ, CT, MA, ME etc students have been coming here and we have fewer of them. There are fewer of them but we compete with schools
closer to them, which have been discounting or trying to grow their way out of their fiscal problems.

Doug: we don’t do much w foreign student recruitment. “That’s the last frontier,” Brian agrees, and we need to do that, building pipelines to targeted countries.

Courtney Murren: notes she knows Wisconsin faculty who have successfully left that state system and improved their salaries that way; new faculty make more than senior faculty here, in many cases.

Brian says he has told the president that this cannot happen next year, there has to be a salary increase. The pres believes that but the board may not be there yet.

But if income is down, the only way to get more money is to find it elsewhere. For example, we could be 15 roster faculty smaller and create salary increases.

Rhonda Mack: we also need to continue to discuss fees. We had concerns on the guidelines for how these fees would be used, transparency on this and faculty oversight. But they might be a way to help without reducing personnel.

Also, our students who study abroad on affiliate programs: they don’t pay c of c tuition. A lot of universities charge students a fee or charge company a finder’s fee for their students. Perhaps we can look more at developing our own programs and capturing the tuition.

300+ students do these programs and that’s a lot of tuition we lose.

Brian: yes, we need places to increase $ via internat’l students, offering our own programming, but we are “thinly resourced” for this already.

Doug: Renee in SOBE did a study earlier on what we could earn from this (charging fees to C of C students who study abroad at non-C of C programs) and the recommendations were never used.

Brian: I’d like to see this old study, please send it to me.

Martha Stackel asked: why is the BPS program low-enrolled?

Brian’s response: Many reasons, but we designed the program for people who already have an associate’s degree. Many in the degree-completion market don’t have that yet even if they have 60 hours.

Also we require a 2.6, but that eliminates most of the market; if you got a 2.6 and assoc degree you are more likely to finish on your own & don’t need this degree.

We expect a proposal to come back to the Senate making changes to that program that will help increase enrollments.

The discussion then turned to what work the committee should prioritize this year.

Tom Ross: we need to have a conversation about fees.
Todd McNerney: in addition to schoolwide fees we might think more globally about fees. At other schools there are add’l fees for all sorts of courses.

Brian: “I can’t deliver fees to the board at this point,” but we will be talking about that soon. Also: 
---A discussion of any cuts that will happen b/c of this year’s shortfalls.
--Deans want to see the committee’s feedback sooner in the process than they saw it this past year, Brian says. In advance of the Senate report, for example.

Brian acknowledged the lateness (in the academic year) of the process: we need a better way to get the committee in on the process as the budget gets built in April and May when fac is not here.

The state is making its budget decisions very late and the board does not want to make its decisions before knowing the tuition level

Brian notes he is willing to meet regularly this year but we can certainly meet without him also. He suggests an early September meeting.

Tom Ross asks: given the shortfalls and 2 missed targets, what will happen with requests to renew lines?

Brian replies: first, we still don’t know the final makeup of the enterig class. We have slightly higher trends on transfers this week. We may still have an uptick of students who ultimately register.

Deans will need to give more info on faculty recruitment plans earlier this year. These were due Aug 10 and some schools are getting extensions. Brian is telling deans to pick, prioritize. But we will be recruiting faculty this year: in depts. Where we have trouble graduating students on time or where we need to meet accreditation goals. We will also talk about student credit hour production and declines in some departments. If a dept has declining SCH and declining roster faculty there is little chance to replace a line in that department. No decisions yet made to freeze or stop positions. It could be that we delay a search for a year. It could be that we change the mix of visiting/TT—some programs may need to do more with visitors, even adjuncts. He’ll ask people to give reasons why a particular program is roster-only, for example. Final management tool = ACA, which has not cost us as much as we budgeted for it, gave us another tool for creating a class of better-paid adjunct (“Super adjuncts” is not a good term but it’s used sometimes). These are visiting fellow positions created without a state line, appointment letter and title, living wage, duties outside of instruction, and health care benefits. A FT adjunct gets about 27K now, but we can give 5-10K more to someone and advertise the position, give them an appt. letter etc. So for example the dance program, which still has only one roster faculty, may get a “fellow” position. Each of these positions is individually worked out to deal with very specific needs in particular programs.

The committee adjourned after agreeing that Mondays and Wednesdays at or after 3 could be an open time.