Budget Committee
Agenda
April 13, 2020, 9am Zoom
https://cofc.zoom.us/j/89803793481

Members present: Bob Pitts, Agnes Southgate, Suzanne Austin, Julie Davis, John Loonan, Jonathan Neufeld, Tim Barker, William Veal, Yaron Ayalon

Meeting began at 9:00am

1. “Thank you” to departing 21/22 members – Julie Davis & Todd McNerney
   Welcome new 22/23 members – Tim Barker (Chemistry) & Cliff Peacock (Studio Art)

2. Update – Committee Scheduled Reporting to Senate – Early Fall & Late Spring – written yearly report - Pitts

3. Election of Chair and Secretary for 22/23
   ● Bob Pitts unanimously elected to continue as chair
   ● Adam Jordan unanimously elected to continue as secretary

4. Update - Continuing development of procedures and timetable for Committee & Senate recommendations for School and Department Structural Changes - Pitts & Provost Austin
   From our duties - The committee reviews costs for new College programs, initiatives, and program termination (brought forth by the Provost)
   ● Provost Austin expressed the desire to continue to design an inclusive process, pointing to the importance of the flow chart (File attached)

5. REACH and REI Budget Allocations for 22/23 and beyond – Provost Austin
   ● Provost Austin expressed the need for sufficient sections of courses which meet the requirements of the REACH Act.
     ○ Several options could achieve this including: 1. 3 visiting professors on a 4/4, 2. Adjuncts who teach a 4/4
     ○ 122 credit hours remain the requirement for graduation at CofC
     ○ New REACH and REI requirements will cause shifts in enrollment
     ○ Provost Austin has released a call for director of REI, which includes stipend and course release. The search committee is formed and the call is active.
     ○ Provost Austin estimates the cost of the REI director and associated initiative to be around $40k.
     ○ In 2 to 3 years, the college will reach the “demographic cliff,” in which the number of graduating high school students will decline.
○ Yaron Ayalon raised a question as to whether or not certain subgroups within the overall “demographic cliff” data may actually increase, suggesting an investment now in the recruitment of those groups may be beneficial.
○ Phase 2 articulation agreement will allow transfer students with enough credits to apply those credits to Gen Ed requirements, allowing them to enter with junior status.

   ● John Loonan shared revenue forecasting provided by Kennedy and Company.
   ● Full budget proposal to the state will be submitted in June after meeting with the trustees in May.
   ● John Loonan reported that the college will receive a $4.1 million appropriation increase. A 3% salary increase is projected.
   ● Longterm (5 year) budget projection suggests a decrease in acceptance rate (76% in 2021-2022 to 69% in 2025-2026). In that time period total revenue is forecasted to grow from $142.4M to $168.2M. Incoming freshmen classes remain between 2300-2500 each year.
   ● One major upcoming cost is a required 18% increase to the cost to the employer by PEBA for health insurance.
   ● William Veal raised a question regarding adjunct pay, noting that while faculty pay is scheduled to increase annually, adjunct pay is not included and this could result in difficulty in the recruitment of well-qualified adjuncts.
   ● Yaron Ayalon raised a question as to whether the CFO’s office would consider investment in rising demographic populations. John Loonan affirmed that his office would consider data regarding demographic population increases.
   ● Tim Barker inquired as to whether there was a specific figure for adjunct pay increases. John Loonan did not have that figure available, but would prepare it for the next meeting.
   ● Tim also inquired about summer school projections. John Loonan expressed that summer school represented about $10M out of our $190M budget, and this was an area where growth was possible.
   ● Jonathan Neufeld inquired as to how summer semesters would be calculated under RCM. John Loonan expressed that it would be managed by the schools.

7. Discussion: Implementation of Committee recommendations to provost for Academic Affairs budget priorities – procedures and timetable given college budget timetable.

Adjourn 10:24
The Budget Committee is composed of seven faculty members. As a standing Senate Committee, at least one of the elected faculty members must be a Senator. The Provost and the College Budget Director are non-voting, ex-officio members.

Membership duties include reviewing College policies relating to long-range financial planning, budget preparation, the allocation of funds within budget categories, and the recommendation of policy changes is also included. Committee members review, in particular, projected costs of proposals for new College programs, initiatives, and program termination (brought forth by the Provost). The members inform the Senate, before these proposals are put to a vote, of the Committee’s overall evaluation of their potential budgetary impact. Finally, committee members review each annual College budget. The Chair of the Budget Committee, or a designated representative, attends meetings of the Budget Committee of the Board of Trustees.

(Description adapted from the Faculty/Administration Manual, August 2017: Article V, Section 2.B.2)
Agenda
Budget Committee
Wednesday March 9 2022 @ 9 am

Zoom Meeting
https://cofc.zoom.us/j/89803793481 meeting ID 898 0379 3481

In attendance: Bob Pitts, Andrew Hsu, Agnes Southgate, Julie Davis, Todd McNerney, John Loonan, Jonathan Neufeld, Simon Lewis, Suzanne Austin, William Veal, Yaron Ayalon, Adam Jordan

President Andrew Hsu - Expectations for financial decision making going forward

Committee Issues for Discussion – Committee’s charge from Senate is below at end of the agenda for reference

- Process expectations and timetable for Academic Affairs programming
- Budget Committee input into the 5 Year budget plan
  - Suzanne Austin stressed that a meeting will be held next week with Simon Lewis, Bob Pitts, and members of the standing senate committee to discuss process and structure on the “academic side of the house.”
- Budget Committee input into annual College budgets prior to submission to the trustees
  - Budget committee may be more useful in looking at a “two-year-out” budget due to timelines
  - Bob Pitts stressed the importance of strategic input focused on investment when new programs are introduced. President Hsu agreed.
- Committee’s role under RCM

CFO John Loonan - Review of College midyear budget to actual (Revenue v Expenses)

- Budget committee can help with 5 year budget planning.
- A calendar can be created which would give the committee a more focused charge based on the overall timeline and available data.
  - Jonathan Neufeld ask for clarification to the process so that the committee has an idea of budget processes as they occur so that the committee has a point of comparison in the absence of a previous 5 year plan.
  - John Loonan clarified that a version exists already by analyzing revenue and expense projections.
- John Loonan shared the report to the trustees from January, 2022.
  - Timeline was shared.
  - Bob Pitts asked if John Loonan could share a projected “ask” of the BOT.

RCM update

- Model refinement underway with Kennedy and Co.
- Creation of School of Health Sciences complicated process
- Model is in the process of “handover.” The model will run as a “shadow model” for two years. Deans will get feedback of data and model will be tweaked pre-implementation.
- In the model, divisions and schools should be able to reassign retained funds from a fiscal year and be able to use them in a mission critical initiative.
Good of the order – member concerns

- Bob Pitts proposed an agenda item for the next meeting which demonstrated 5 year budget projections.
  - John Loonan agreed to talk with Suzanne Austin to see what is reasonable and feasible for presentation.

Committee responsibilities from Faculty Senate website

“…duties include reviewing College policies relating to long-range financial planning, budget preparation, the allocation of funds within budget categories, and the recommendation of policy changes is also included. Committee members review, in particular, projected costs of proposals for new College programs, initiatives, and program termination (brought forth by the Provost). The members inform the Senate, before these proposals are put to a vote, of the Committee’s overall evaluation of their potential budgetary impact. Finally, committee members review each annual College budget. The Chair of the Budget Committee, or a designated representative, attends meetings of the Budget Committee of the Board of Trustees.”
Budget Committee
Agenda

Wednesday February 9, 2022 at 9am
https://cofc.zoom.us/j/7530490185
Meeting ID: 753 049 0185

In attendance: Bob Pitts (chair), Julie Davis, Todd McNerney, Jonathan Neufeld, Agnes Southgate, Adam Jordan

Meeting began: 9:00am

- Update from Agnes on Board of Trustees Fiscal Year 2023 Budget Development Meeting
  - Fall application trend is promising in terms of total applicants and diversity of applicants
  - Slightly smaller freshmen class is predicted in order to increase the readiness of the students. (Julie)
  - Facilities management was discussed as a part of the budget.
  - School of Health Sciences was not discussed

- Motion to recommend to administration that the BUDD cleaning contract be raised to a higher level of cleanliness than the current APPA Level 4 described as “Moderate Dinginess”. Re email from Frank Covington, Director of Facilities Operations (2/4/2022)
  - Motion was made by Bob, seconded by Todd. All present members voted to approve (Bob, Todd, Agnes, Jonathan, Adam)

- Budget Committee & Program Review Issues
  - Need for increased involvement of the budget committee in all processes.

- Committee Exclusion in Approval of Termination of Masters of Historic Preservation
  - The committee would like to be informed of future terminations.

- Committee Evaluation of New Minors Going Forward
  - The budget committee feels they should be included in this process.

- Implications for future evaluation & decisions of Trustees approval for School of Health and Human Performance
  - Budget committee was not informed. No other committees were aware either.

- Committee Input for Annual AA Budget Priorities
  - Faculty Salary Increases in Future College Budgets
    - Update Re Faculty Advisory Committee to the President of President & Provost Discussion/Review of Merit Allocation Processes.

- Discussion of Budget Committee input into the 5 Year budget plan and annual budgets prior to submission to the trustees
Budget Committee
Agenda

Wednesday January 12,2022 at 9am
https://cofc.zoom.us/j/89803793481
Meeting ID: 898 0379 3481

In attendance: Bob Pitts (chair), Suzanne Austin (Provost), Julie Davis, Todd McNerney, Yaron Ayalon, Jonathan Neufeld, Agnes Southgate, Simon Lewis, Adam Jordan

Meeting began: 9:04am

- Academic Affairs program approval process – Continued
- Committee input for annual AA budget priorities
  - Dr. Austin clarified that CofC has a mandate to build a sound reserve fund.
  - Concerns continue over the rate of adjunct pay. Dr. Austin expressed her opinion that this should be prioritized.
  - Dr. Austin expressed that last year, approvals from her office prioritized funding positions in the Honors College that were previously funded on soft money.
  - Todd McNerney expressed that the prior points are evidence to the importance of why the CofC budget committee should be instrumental in the budget process in a proactive manner.
  - Dr. Austin agreed, pointing to the flow chart she provided prior to the winter 2021 holiday break.
  - Dr. Austin also pointed out the need for addressing facility needs along with other goals (raises, etc).
  - Simon Lewis asked about recurring strategies for student debt reduction. Dr. Austin clarified that some one-time money could help immediately based on budget meeting outcomes in Columbia, but long-term strategies are currently unknown.
  - Bob Pitts pointed out that the governor’s message called for a tuition freeze, which could be problematic. Bob also clarified that at CofC, the provost position is not in a chief operating officer position. Dr. Austin added that the president is an academic, with a commitment to academics and faculty. Dr. Austin expressed that the president is committed to faculty raises.
  - Discussion of institutional processes proceeded, with notation about a need to continue clarification efforts.
  - Agnes Southgate asked if the committee could meet with the RCM consultants (Kennedy and Co.).
- Proposed School of Health and Human Performance
  - Tabled

- Faculty Salary Increases in Future College Budgets – Importance in College Budget and Merit allocation processes.
  - Formally tabled, but see notes and comments above from provost

- Faculty Budget Committee and 5 Year Budgeting for Strategic Reserve and Strategic Investment
  - Recommendation for the budget committee to give two updates each year to the senate (fall and spring)

- RCM Update - Role of Faculty Budget Committee and procedures under RCM
  - Tabled
Budget Committee
December Agenda
Wednesday December 8 at 9am. The zoom link is https://cofc.zoom.us/j/89803793481
Attendees: Bob Pitts, Jonathan Neufeld, Simon Lewis, Suzanne Austin, Todd McNerney, Yaron Ayalon, John Loonan, Julie Davis, Adam Jordan

- Discussion of Revisions to Academic Affairs Program Approval Process
  - Provost Austin shared a draft flow chart for the structure of Academic Affairs
  - Budget committee will review this flow chart and suggest edits

- Review proposal and budget for the proposed School of Health Sciences
  - Previously provided by Provost Austin
    - Bob Pitts suggested that the proposal should be re-written as it is written around the concept of new programs, yet, the program has existing students.
    - Additional conversation focused on the lack of physical space on campus to accommodate dedicated spaces for new schools
    - Provost Austin expressed the benefits of existing MOUs with the Medical University of South Carolina

- Faculty Budget Committee and 5 Year Budgeting for Strategic Reserve and Strategic Investment

- RCM Discussion – Continued –
  - RCM update – Loonan & McInnis
  - Role of Faculty Budget Committee and procedures under RCM

- Discussion of member Recommendation - Should the Faculty members of the Committee have a “pre-meeting” to establish an agenda without Administration members or their representatives.

The link to add the monthly meeting at the same time to your calendar for next semester

Robert Pitts is inviting you to a scheduled Zoom meeting.
Topic: Budget Committee
Monthly:
https://cofc.zoom.us/meeting/tZ0ld-qvpzguEtXBBOBbZaap5ajws2PVgaz/ics?icsToken=98tyKuGhpjspHd2WtBGGRpx5Goigb-3xmH2bj7dlvh3NLCJYWAL3JrdDOKVsQujm

December 8 at 9am
Join Zoom Meeting
https://cofc.zoom.us/j/89803793481

Meeting ID: 898 0379 3481
One tap mobile
+13017158592,,89803793481# US (Washington DC)
+13126266799,,89803793481# US (Chicago)
Budget Committee Agenda

Wednesday November 10, 2021 at 9am – 10:30am

Zoom - https://cofc.zoom.us/j/86882498679
Meeting ID: 868 8249 8679

Present: Bob Pitts, Todd McNerney, Agnes Southgate, Dan Greenberg, Deanna Caveny, John Loonan, Jonathan Neufeld, Julie Davis, Kathy DeHaan, Yaron Ayalon, Simon Lewis

Discussion:

Role of Budget Committee and Academic Affairs Program Approvals

- Discussion of when the budget committee should be informed of items such as new programs/schools (School of Health and Human Performance)

Proposed School of Health and Human Performance

- The proposal for a School of Health and Human Performance originated with the HHP faculty. (Deanna Caveny)
- Discussion of the role of committee chairs in the planning stages of new schools. (Simon Lewis)
- Discussion regarding the origin of funding for a new school of Health and Human Performance (i.e. Dean salary, Associate Dean salary, space, etc) (Dan Greenberg)
- Question of where the budget committee fits into the new school development process:
  - John Loonan expressed the need for functional models and processes that are multivariate and uniform across programs. The budget committee should be involved early on in the conceptualization of these programs/schools.
  - Deanna Caveny expressed the importance of having the conversation of budget committee involvement in the timeline of approval should be done with the provost as well as with the RCM consultants. Noted that Kennedy and Co focuses on the formation of governance systems, which is important to this discussion.

RCM Update & Role of Budget Committee under RCM

- Discussion of what authority schools will have over their own budgets under RCM
  - John Loonan expressed the importance of an RCM governance structure in this regard.
- Discussion of how salary increases should be considered

Meeting adjourned at 10:23 am
Budget Committee Wednesday October 13, 2021 at 9am

Potential Items for Agenda

Role of Budget Committee and Academic Affairs Program Approvals

Role of Budget Committee under RCM

Members Present: Bob Pitts, Suzanne Austin, Julie Davis, Todd McNerney, Everett McInnis, John Loonan, Jonathan Neufeld, Yaron Ayalon, Adam Jordan, Agnes Southgate, Simon Lewis

Minutes:

Meeting called to order by chair at 9:05

1. Bob Pitts discussed the role of the committee as noted in the agenda.
   a. Point of discussion: Role of the committee in programming initiatives
   b. Suzanne Austin pointed out that program proposals come from departments and are not administrative generated initiatives. Noted the role of the committee as an appreciated “second set of eyes” reviewing curricular costs with new programming.
   c. Everett McInnis spoke to the longitudinal and multi-step, multi-party nature of the curriculum process.
   d. Agnes Southgate expressed the concern that the budget committee has not, historically, had an opportunity for meaningful input on processes given the fact that the committee often receives proposals after they’ve gone through other stages of the approval process.
   e. Suzanne Austin suggested the committee returning to the senate to discuss how conversations between committees and departments could be facilitated before curriculum approval processes.
   f. Jonathan Neufeld suggested moving the budget committee to an earlier stage in the Curriculog process.
   g. Todd McNerney spoke to the history of the process as a long-standing member of the budget committee, clarifying that the committee has always been provided data, but often the data have not been implemented into a predictive revenue model. Todd asked the provost and CFO to clarify how the committee could better serve the institutional processes.
   h. John Loonan discussed the incremental budgeting process and the importance of prioritization. Todd McNerney spoke to the way these data can help the committee have a valued input.
   i. The state of facilities was discussed as a concern (HVAC, mold, etc).

2. Bob Pitts requested information on the approval process under RCM
   a. John Loonan noted the importance of discussing this process. Noted the importance of the committee in providing input, particularly prior to Board of Trustees processes.
   b. Jonathan Neufeld spoke to the importance of transparency during the parallel budgeting process.
   c. Suzanne Austin stressed the importance of clear communication and the importance of clearly communicating with faculty as members of the budget committee.
   d. Agnes Southgate discussed the possibility of budget committees at the school/unit level and inquired as to those specifics.
   e. Everett McInnis shared the budget timeline process used at the administrative level.
   f. Bob proposed, as a member of the budget steering committee, proposing that each school has a budget committee.
i. Todd McNerney motioned to approve Bob’s proposal. Jonathan Neufeld seconded the motion.

ii. Everett McInnis clarified that the current steering committee is responsible for model development. After this, a governance committee will be formed, which may be the more appropriate place for this motion.
Meeting Agenda:

Chair’s Annotations

Role of Budget Committee and Academic Affairs Program Budget Approvals

The Committee has been informed that "..... preliminary review by the president, provost and CFO is to agree on support for new academic program proposals—including when necessary financial support."

We now know that budgets approved through AA will have any financial and line needs covered having been reviewed and guaranteed by the President, Provost and CFO. It appears that Budget Committee approval of a program would be a given. I guess we can still ask any questions we might have about the development of the budget forecast and risk reward and advise the Senate. However, I want to discuss why we are "reviewing" program budgets (in the case of the Software Engineering Major showing a loss as analyzed by the Budget office) when the program's budget and any financial risk has already been approved (cover guarantee) by the President, Provost and CFO.

Agnes raised a key question about Academic Planning and how and who is involved in prioritizing new programs and their financial support. The College's current process approves programs majors etc. sequentially throughout the year. They are discussed by chairs deans and the provost extensively but if only reviewed one at a time there is really no way to evaluate one versus others supposedly competing for scarce resources. Many organizations have a formal review of potential resource allocations prior to the approval of a yearly budget and only approve new resources outside that process on a very exceptional basis. Thus competing uses of resources can be evaluated on a risk reward basis.

Dan Greenberg indicated that Academic Planning is now getting a "heads up" of programs in the pipeline before they appear on Curriculog. We need an a process for input prior to AA final approval if we are to have an active voice in new program approval.

Note on Budget office review of programs - The Budget Office’s Program financial model only allocates revenue directly related to the program’s credit hour production to the program. However, the non-allocated revenue goes to fund other credits taken by the student (other departments typically do not get new resources) and general college overhead. If this revenue is considered new, then this is all new revenue unless new costs are incurred.

Role of Budget Committee in the future under RCM –

RCM Update – President and Kennedy & Company will update in town hall and the President is visiting each school where issues are being raised. But many have questions /issues and the general topic of faculty concern will be raised by the Faculty Advisory Committee to the President.

John Loonan has proposed a role for the Committee in the development of long range – 3-to-5-year budgets under RCM (see Scott’s 20/21 report). Last year we discussed recommending that the Committee seek a significant and procedural role in the College level budget processed under RCM and that each school should have a transparent budget with a budget committee working with the school’s administration.

Yoran raised an additional issue concerning the Committee’s role in budget policy. “... is it within our committee’s mandate to make recommendations to the administration on budget-related issues? He referenced the application of a standard merit system to motivate performance. Issues with the process and lack of transparency in the 1% merit raises given this year have also been raised.
1. Introduction of Devon McGee from Kennedy and Company and update (9:00 am)
   ● John Loonan provided an update that Kennedy and Company have been provided a significant amount of data over the summer and that RCM will continue to be a monitored implementation.
   ● Devon McGee updates:
     o Kennedy and Company is working on model development which includes allocation algorithms
     o Shared PowerPoint providing overview of RCM basics including discussion of the RCM Cost Allocation Model
       ▪ Bob Pitts expressed concern with one proposed model which suggests splitting cost allocations across departments for students with multiple majors. College of Charleston students do not come in as freshmen with declared majors.
       o Suzanne Austin expressed that early declaration of major is a tool for student retention, thus a change in this practice at CofC is possible and up for conversation. This would allow students to begin to build relationships with departments and faculty members.
       o Devon McGee noted that the current CofC model allows for great academic exploration, but from an RCM perspective, may contribute to issues with retention.
       o Yaron Ayalon noted the long-term investment of RCM and noted the departmental structures of CofC and suggested that majors and minors may be a dated approach and suggested discussion of more diverse models.
       o Both Suzanne Austin and Devon McGee noted that no final decisions have been made and noted the importance of considering structures and noted that the implemented model is one that will be adapted over time.
       o Jonathan Neufield inquired as to whether the committee would have access to proxy (cost allocation) models from other schools. Devon McGee expressed that every RCM
model at every institution is different and that the model will be custom fit for CofC.

- John Loonan noted that the committee members need a copy of the book focused on the RCM model. Members of the committee will receive a copy of the book.
- John Loonan indicated that the timeline for when RCM will go into effect is not determined at this time. The RCM steering committee will reconvene. Some schools and centers have volunteered to pilot RCM. Optimistically, pilot could begin at the start of FY2023.

2. Discussion – Review of 21/22 Budget  (Budget Book and Chair’s review and comments were provided as email attachments ahead of the meeting)
   - Bob Pitts noted that there are 3 new major proposals in line which require budget review.
   - Suzanne Austin noted that there has been an implemented pre-review process for new program budgets.
   - Bob Pitts displayed the 2020-2021 and 2021-2022 budget numbers and opened the floor for questions. John Loonan expressed that a surplus was achieved in the 2020-2021 budget, which will go to surplus funds. John overviewed the budget preparation process and noted the updates to the process. (Approximately $12 million dollar surplus)
   - Todd McNerny suggested that updates regarding the timeline process for the budget process would be helpful, noting that this could help the budget committee be more helpful. John Loonan suggested that the committee could be most helpful by reviewing budgets one fiscal year out.
   - Suzanne Austin noted the importance of faculty involvement at the school and department level in identifying budget goals.
   - Suzanne Austin also noted that President Hsu has not expressed a desire to grow the overall enrollment of the in-person institution, but rather to increase quality delivery. However, online programs are a space for growth as they do not require new facilities as CofC is largely land locked in regards to physical space.
   - Bob Pitts noted the shift of the budget committee to become more strategically oriented.

3. Adjournment (10:30 am)