

The Academic Budget Committee met on February 9, 2015 in the 1<sup>st</sup> Floor Conference Room of the College of Business with the following attending:

Russ Jones, Chair  
Lynita Cooksey  
Jeannie Cossey  
Mitchell Holifield  
Susan Hanrahan  
Kathleen Wren  
Lauri Umansky

Len Frey, Invited Guest

The meeting was called to order at 1:30 pm. Dr. Frey was recognized to address budget concerns for the 2015-2016 academic year. The following is a synopsis of his presentation:

The FY 15 E&G budget was approximately \$153M with state appropriations of \$65M. The current budget year is short \$1.2M with the majority of the shortfall being associated with the degree centers. With considering the FY 16 budget, not only does the \$1.2M shortfall have to be addressed, but the following items must be considered:

Promotion for faculty \$61K

Healthcare cost above premiums \$459K

Maintenance & Overhead for new buildings \$659K (this is a one-time cost based upon a state law requiring escrows for new buildings)

ITS & Security & Software Maintenance \$455K

Minimum Wage Increase Cost \$108K

This means the FY 16 budget must address an additional \$3.1 million in cost. This is with no raises to employees.

After Dr. Frey's presentation, the question was asked how these expenses will be covered. The committee was informed that for every 1% raise in tuition an additional \$430K would be received. For every 1% increase in enrollment, an additional \$582K would be recognized in revenue. These are the two major ways to meet the FY 16 budget. Since we cannot guarantee increased enrollment and a tuition increase of the size needed to cover \$3.1M would not be appropriate, other means of cutting costs will be reviewed. Items discussed included savings recognized by the reorganization of the university, open salary lines not being filled, review of programs that are not producing sufficient credit hours, and others.

While the next fiscal year will come with a highly constricted budget, the members of the committee were reminded of how well budget needs have been met over the past several years while still providing all employees with a constant stream of raises at a time when surrounding states were reducing staff and requiring mandatory salary reductions.

The committee adjourned at 3:30 pm.