

## **Budget Advisory Committee Minutes 2017-2018**

### **Budget Advisory Committee Wednesday, September 27, 2017 Meeting Minutes**

#### **Call to Order**

Ms. Bernadette Hinkle called the Tech Budget Advisory Committee to order on Wednesday, September 27, 2017, at 2:30 p.m. in Rothwell 256.

#### **Committee Members Present**

President Bowen, Dr. Nichols, Dr. Abdelrahman, Dr. Mott, Dr. Clements, Dr. Moody, Lindelle Fraser, Steve Mullins, Dr. Gunter, Dr. Norton, Dr. Woods, Dr. Robertson, Dr. Toms, Bruce Sikes, Sandy Cheffer, Laury Fiorello, Mike Hutchison, Bernadette Hinkle, Donna Rankin, Pat Chronister, Ken Wester, Wyatt Watson, SGA President, Graduate Council President

#### **New Business**

Ms. Bernadette Hinkle led introductions of the Budget Advisory Committee.

Ms. Bernadette Hinkle addressed new members of the Budget Advisory Committee to select Sub-committees to serve.

Ms. Bernadette Hinkle introduced Dr. Robin Bowen.

President's address

Dr. Bowen discussed the best asset of Arkansas Tech University is human capital.

She asked to be mindful to increase tuition as little as possible.

Dr. Bowen explained the Budget Advisory Committee will make a recommendation to the Executive Council and the Executive Council will make the decisions. If the decision is different than committee recommended, the Executive Council will communicate back to the committee as to the reason why.

Dr. Bowen expressed her appreciation to the Faculty/Staff Senates and their representation on committees.

She explained that we did not meet our goals on enrollment last year so there will not be additional raises. She reminded the committee to keep in mind we need to keep a university-wide perspective (Ozark).

Among the important aspects of the Budget Advisory Committee, Dr. Bowen expressed communication to others as our major role.

Dr. Bowen spoke about the downward trend in enrollment with the number of high school graduates in the state of Arkansas declining. 94% of our students come from the state of Arkansas.

She emphasized the need for hiring a Vice President of Enrollment Management to help manage university growth and revenue.

Expectations outlined in the Strategic Plan will need to adjust to flat enrollment and increasing retention rate.

This year we increased the retention rate by 2.73%.

Introduction of Dr. Mohamed Abdelrahman

Dr. Mohamed Abdelrahman explained how the scholarship initiatives and the increase of tutoring services has made a positive impact on retention. Degree Works is another program that has shown to be successful. Dr. Abdelrahman talked about the need to study how we approach remedial classes and need to study fees that are charged to online students.

Ms. Hinkle spoke of positive changes in retention areas, student payment plan revisions, the ability to use credit cards, the alteration of due dates, and the partnership with Foundation for need based scholarships. She also discussed how Student Accounts, B2E, Advising Center all working together to reach out to students with payment challenges.

Dr. Bowen commented that we need to study concurrent enrollment. There has been much growth and no financial reward at this point.

Increase focus on need based scholarships. Reach out to transfer students (BAS degree)  
Stackable degrees will be an asset. Currently working on marketing strategy to the transfer student.

Discussion of state funding. At this point it is flat. We will have challenges moving forward with the state formula. The main problem, it starts with the base. Our base is much lower than our peers. UCA receives nearly \$60 million, UALR over \$60 million, and Arkansas Tech University receives \$30 million.

We are considering filling our vacant full time Governmental Relations position. There have been issues with a part time position.

Addressing CUPA, our original goal was to achieve the 85% level, we are now at 94%. I knew this would make our budget tighter. But our Faculty are important. We also want to have a COLA focus, don't want to fall behind. CUPA doesn't work for every group. Faculty is good, staff not as well. Dr. Jeff Robertson ask, "Can you target different groups"? The ultimate goal is an appropriate comparison group.

Dr. Bowen discussed that there will be a 7.9% increase in health premium. The largest increase for the employee only health insurance plan is \$98.00 per year.

Dr. Jeff Woods has been in discussions with the waiver review committee. He felt like the first meeting was very productive.

Dr. Bowen states that we need to look at other institutions policy on tuition benefits on Faculty/Staff. Dr. Bowen explained we will not take away the dependent benefits. Ms. Hinkle will like to have a Tuition Waiver established by the fall of 2018.

Dr. Bowen strongly encourages the committees to cascade their information. Be it good, bad, or ugly. Also challenge the committee to be fiscally responsible in their duties.

Ms. Hinkle addresses the four sub-committees in one of their biggest purposes to communicate back and forth.

Dr. Jeff Woods update on the Communications Committees has begun to add graphs, charts, and contextual information. Ms. Hinkle discussed posting minutes and the creation of a budget cycle calendar. Historical information is located on the I Drive.

Mr. Ken Wester (Cost Containment or Reductions Committee) He will bring back some ideas for follow up. Most inroads are in the procurement area. Looking to reduce costs software/hardware packages.

Ms. Hinkle (Revenue Committee) Wyatt Watson the equity is horribly out of line. Out of the 22 community colleges in the state of Arkansas, 20 receive more appropriations per FTE. Dr. Bowen states productivity model that is based on your current base, Tech will never catch up.

Dr. Lisa Toms asked if we can we prove our students are leaving with more debt than other students? Alan McCormick asked how the funding got so out of whack.

Dr. Bowen expressed that she has never been in a state that didn't make adjustments on their budgets based on enrollment. We are on an island alone in voting at the ADHE. I have met the legislature and government to voice our concern.

Dr. Mary Gunter (Fee Committee) Would like to study Undergraduate Admission Fee, Campus Recreation Fee, (Master Planner Input), Technology Fee increase, Online Student and fees, Faculty/Staff Fees, (do we waive?) All proposals due to committee by December 4<sup>th</sup>. Do we need to further study Curriculum or Course Fees?

Ms. Sandy Cheffer wants the students to understand where their fees go.

Dr. Mohamed Abdelrahman (Online Fee Sub-Committee) We need the money created to support Auxiliary Enterprises.

How do you define an online student that does not receive benefits from fee charge? That is our challenge.

Ms. Hinkle uses the example of property taxes that you pay that goes towards being part of the community. Example: Your taxes goes to local schools and you have no children.

Dr. Mary Gunter asked should we make the tuition payment one figure.

Dr. Hanna Norton stated we are behind in how we market our online courses.

Dr. Lisa Toms commented, make sure we are clear in the benefits you receive.

Ms. Hinkle, Every student counts – 11<sup>th</sup> class day – 11,833 enrollment, 1,048 Graduate School. Will bring back SSCH the next time we meet.

### **Good and Welfare**

A doodle will be sent out for next meeting time in October 2017.

### **Adjournment**

Meeting was adjourned at 4:35 p.m.

## **Budget Advisory Committee (BAC)**

**October 30, 2017**

### **Meeting Minutes**

- I. Sub-committee updates:
  - A. Communication sub-committee update from Dr. Woods
    - Minutes from the previous meeting were distributed and all members were asked to please review them and submit any changes via email to Ms. Hinkle.
    - Dr. Woods explained that the Budget Advisory Committee has a folder on the I-drive for reference of all Budget Advisory Committee documents.
    - Communications are up to date and available on the I-drive for committee member to access.
    - Minutes from each meeting and the calendar will be accessible on the Budget Advisory Committee website.
  - B. Cost Containment/Reductions sub-committee update from Mr. Ken Wester
    - An email has been sent to all department heads asking for them to review their budget(s) and submit proposed budget cuts and changes.
    - Mr. Wester has received several responses already.
    - A meeting was held with Procurement to identify cuts or efficiencies from last fiscal year.
  - C. Revenue sub-committee update from Ms. Hinkle
    - Currently running numbers on tuition discount rates to see how this will impact revenue.
    - With the current tuition and fee refund policy, students can get an 80% refund of tuition and fees through the 5<sup>th</sup> week of classes. To date, the refund policy has been very liberal. A change in the student refund policy is being considered and a proposal is forthcoming.
    - Dr. Abdelrahman added that there is a desire to align the financial policies.
  - D. Fees sub-committee update from Dr. Gunter
    - Recap of the tuition and fee webinar that the committee reviewed. Dr. Gunter reported that the webinar confirmed that the Tech BAC is considering the same type of fee issues as other institutions in the nation. Tuition is on the rise, yet fees are increasing at a faster rate. The webinar included student and parent input about tuition and fees; there is no easy solution; each institution should have a policy; the policy and the tuition and fees should be localized.

- Cheffer will submit to Dr. Woods a copy of the slides and hand-out from the webinar for distribution to the rest of the committee.
- Dr. Gunter has asked the campus community to consider any new fees they would like to propose and submit them through their Dean / Vice President by December 4.
- Online student fees sub-committee is meeting regularly to discuss fees to online students
  - The sub-committee acknowledged that online students utilize more online services
  - Blackboard is used by 80% of students
  - Face to face students and online students are subsidizing one another
  - Athletics services are used more by face to face students
  - Can show where fees would adjust to be more reflective of actual costs; for example, a higher technology fee
  - December 4 is the goal for the online student fees sub-committee to provide a resolution

## II. FY18 Operating Budget

Ms. Hinkle reviewed several handouts explaining what the end result of the work will be of the Budget Advisory Committee.

Handouts include:

- May 18, 2017 memo detailing the tuition and fee changes for the 2017-18 fiscal year. Discussion included the Curriculum Content fee and how it was determined that Engineering, nursing and music coursework were identified as the high cost coursework. Does this list need to change? Be expanded?

The Delaware cost study was the main source of information regarding high cost programs. BAC would like to see the effect of the increased fee and the revenue that has been generated; is it reaching the goal? Will we need to have another increase? Should other programs be added to the high cost group? Has this affected retention rates? Deans, VPAA and Institutional Research to review again.

- Revenue Estimate for FY18  
State appropriations will be flat. We can affect the tuition and fee line.
- Proposed budgeted expenses for FY18
- Discussion of the Budget Re-Cap showing all new expenses for FY18. In addition to COLA for classified employees, a merit raise was also given but it is not shown on the re-cap because it was already included in the prior year budget, but not previously given. The actual increase in health insurance costs was 7.93%.

## III. ATU Budgeting Cycle calendar for FY 19

- Calendar was distributed and reviewed; Ms. Hinkle will provide an electronic copy to Dr. Woods and it will go on the BAC website.
- By January, one goal is to understand the FY18 end of year projections to better understand how we think FY18 will end.

- What effect can the legislature have on our timeline?
- When will we know the state funding? Approximately April
- Also a brief discussion about the compensation plan and CUPA was held. Information about CUPA numbers will be available the last day of February and it will take a few days to compile the numbers once that survey data is received.

IV. Productivity Funding update – Mr. Wyatt Watson

- ADHE is not splitting revenue allocations for Russellville and Ozark in the new model. It has not yet been determined how ATU will identify what funds should go to Ozark.
- Not all of the productivity funding goes into the base, a portion of it is given as one-time funds. For example: in the handout, ATU shows that it will receive \$322,165 added to the base appropriation, and \$371,526 is awarded one time in FY19. Mr. Watson said that the funding model is fair and equitable, however the model does not make the per-point value equal across all institutions. Funding by the model is based on performance over and above the current base. Over the long term, the model could regulate and give Tech a better percentage.
- If an institution experiences a loss, the loss is capped at 5% in any one year. FY19 will be a “hold harmless” year and even if an institution has negative performance, they will not lose funding.
- In FY19, productivity gains will be capped at 1% and in FY20 productivity gains will be capped at 2%
- Remember, this productivity funding model is an ADHE recommendation to the legislature, but the legislature will be the final decision making body.

There being no further business discussed, the meeting was adjourned.

Budget Advisory Committee

November 27, 2017

Rothwell 456 1:15-3:15 PM

Meeting Notes

I. President's Address

Welcome was given by Ms. Hinkle. She reminded committee members about upcoming December deadlines for fee committee recommendations to be submitted to EC. No specific dates were given. She spoke briefly about enrollment and salary issues.

II. Subcommittee Updates

a. Communications

Dr. Woods gave a report concerning additions to the Budget Advisory Committee website. Minutes from the September meeting and the current budget cycle are available online. October minutes were not complete as of the November meeting. In addition, Dr. Woods indicated the productivity funding distribution page and subcommittee documents would go in the archive.

b. Cost Containment and Reductions

Ken Wester delivered the report. The Cost Containment survey generated 47 responses. The results were similar to last year. Among the comments were ideas on rehiring for vacancies and job sharing for unfilled positions. An app is being created to increase energy savings by allowing employees to share rides when traveling on University business.

c. Revenues

Ms. Hinkle and Wyatt Watson gave the report. No additional state appropriations are expected. Decreasing enrollment and housing revenues are a concern. Connecting with students who have not yet enrolled in the spring semester is a priority. The Concurrent Enrollment Committee is proposing a one-time scholarship offer to High School concurrent students who enroll. Wyatt said that we can run the concurrent student list through the clearing house data base to see which students have enrolled elsewhere. The idea of a housing scholarship was discussed with general approval as was a two-for-one deal on graduate courses.

d. Fees

Dr. Gunter opened the discussion about fees. December 4<sup>th</sup> is the proposal deadline. December 8<sup>th</sup> is the review deadline.

III. Online Fee Subcommittee

Dr. Abdelrahman began the discussion concerning online fees (refer to the Online Student Fee hand out). Fee changes are a wash. He acknowledged additional support would have to be found to support Student Health Services if the auxiliary fee is eliminated for online students. Dr. Norton communicated her desire to make sure we clearly explain the changes to online students. Ms. Hinkle spoke about the need to make up the difference for the Student Health Services auxiliary and explained how auxiliaries are funded. Dr. Nichols proposed the following fee increases: Health and Wellness - \$9, Public Safety \$1, and Student Activities \$1. Ms. Hinkle shared the President Bowen's desire to keep fees low. ATU is the 3<sup>rd</sup> highest in relationship to fees for the state. Dr. Nichols reported building a recreation center would require a \$75 per semester fee. Dr. Toms said we can either be the low cost leader or differentiate ourselves from the competition.

There was a short discussion about reducing expenses and increasing revenue. Dr. Abdelrahman said that the funnel for students entering next year is larger than it was this year. Ms. Hinkle discussed future marketing initiatives. Dr. Abdelrahman spoke about the need to focus on increasing enrollment. Dr. Nichols had looked at billing insurance for wellness services.

Ms. Hinkle spoke about financial policy alignment. There is a need to change the refunding policy. Historically, refunds are not released until the 11<sup>th</sup> day of class. The need for access to these funds outside of purchasing course materials was discussed. ATU's refund policy is one of the most liberal in the state.

#### IV. Compensation CUPA

Wyatt Watson gave an update on CUPA (see CUPA reference page handout). Ozark uses a different comparator than Russellville. Faculty CUPA amounts are accurate. Staff CUPA amounts are accurate for only about 50% of positions because the pool of comparable universities is so small that many of our positions do not have comparable ones at other institutions. He said he would like to revisit how we use the groups to calculate the staff numbers. Ms. Hinkle said that HR is reviewing Admin I, II, and III positions. She also said President Bowen wishes to address compression with length of service taken into consideration.

#### V. Enrollment

Wyatt Watson presented student data to show how we have constituents in every county of the state (see enrollment handout).



## **Budget Advisory Committee**

### **Meeting Minutes**

**Meeting Date: January 22, 2018**

**Rothwell Building Room 456 from 2:00 – 4:00pm**

Ms. Hinkle opened the meeting, welcoming all attendees and invited Dr. Bowen to address the Committee.

#### **Agenda Item I**

President's Address

Dr. Bowen thanked the Budget Advisory Committee for its work and gave the following updates:

- Dr. Bowen mentioned the government shutdown and that it was short and did not affect Tech as far as employment or funding.
- ATU will receive approximately \$700,000 in new dollars based on the performance funding model.
- If the performance funding model is approved by the Legislature, the Governor has asked all Arkansas 4 year institutions to freeze tuition and not raise tuition charged to students. This freeze is regarding tuition only, and there is no freeze on fees, program costs, etc.
- Two year institutions may still increase tuition up to the CPI of 1.8%, therefore Ozark will be able to increase its tuition rate.
- Dr. Bowen asked the Budget Advisory Committee to work on the budget and provide two scenarios, one with tuition frozen and including the new performance funding dollars, and a second scenario that includes a tuition increase. The second scenario would be from the perspective of: What would we have done? What would our tuition increase have been and how would we utilize those new dollars?
- A Tuition Waiver Committee has been formed to look at Tech's tuition waiver benefit. Ours is the most generous in the state. Some recommendations that have been discussed by the committee include:
  1. Limit the number of credit hours one employee may take toward a degree
  2. Limit employees to 18 credit hours in one fiscal year, knowing that an academic program may have more stringent rules.
  3. If a grade of an F is earned in an undergraduate course, or a D in a graduate course, the individual would have to pay back the tuition to the University.
  4. If an employee withdraws from a class, the employee is responsible for paying the portion of tuition and fees due based on when the withdrawal happens during the reduction period.
- Other items mentioned by Dr. Bowen included the immediately passed Board of Trustees meeting, the first winter intersession and that it was a success, a debt restructure will save approximately \$300,000 in debt service annually, spring enrollment,

#### **Agenda Item II**

Sub-Committee Updates

### **Communications**

Dr. Woods indicated that communications on behalf of the Budget Advisory Committee are going well. He also mentioned the work that Dr. Jon Clements was doing in connection with ADHE.

### **Cost Containment**

Mr. Ken Wester indicated that the Cost Containment sub-committee is continuing to do its work.

### **Revenue**

Ms. Hinkle stated that the revenue sub-committee has discussed the definition of a mandatory fee and the desire to be able to compare them evenly across peer institutions.

### **Fees**

Ms. Cheffer went through in detail the Fee Recommendations by the Fee Sub-Committee Fee. Feedback included:

- How much revenue are we losing? How do we recover the money? Answer: We will lose approximately \$100,000 in revenue.
- How much revenue is generated out of the high cost programs?
- When will we know if we will be charged by 911 for the services provided by the City of Russellville?
- Will there be funds for Promotion and Tenure, COLA and/or CUPA?

A revision was made to the order of the fee increases on the last page of the summary. The order of the fee proposal approved by the Fee Sub-Committee is:

1. Health and Wellness fee increase \$2.00 per SSCH
2. Public Safety Fee increase \$ .50 per SSCH
3. Technology Operations fee increase \$1.00 per SSCH
4. Student Activity Fee increase \$ .50 per SSCH
5. Athletics Fee increase \$1.00 per SSCH
6. Athletics Fee, additional increase \$ .50 per SSCH

Ms. Hinkle asked for the committee to consider the proposal and stated that the recommendations would be proposed for a vote at the next Budget Advisory Committee meeting.

### **Agenda Item III**

#### **Enrollment**

Dr. Blake Bedsole was introduced as the new Vice President for Enrollment Management. He provided an update and handout about enrollment for Fall 2017 compared to Fall 2018 to date.

#### **Other**

Ms. Hinkle provided other information items for the Committee as follows:

- We are reviewing the FY18 budget vs actual to assess what the possible surplus will be at the end of the fiscal year. There are good signs that we will have surplus funds.

There being no further business, the meeting was adjourned.

Respectfully submitted: Sandra Cheffer

## **Budget Advisory Committee**

### **Meeting Minutes**

**Meeting Date: February 26, 2018**

**Rothwell Building Room 456 from 2:00 – 4:00pm**

Ms. Hinkle opened the meeting.

#### **Agenda Item I**

President's Address

Dr. Bowen was unable to attend therefore a President's address was not given.

#### **Agenda Item II**

Sub-Committee Updates

#### **Communications – Dr. Jeff Woods**

Dr. Woods indicated that communications on behalf of the Budget Advisory Committee are going well. Minutes from the January, 2018 meeting are pending.

Dr. Woods indicated that he was the sole person on the Communications Sub-Committee and the following individuals volunteered to serve on this committee:

- Dr. Keegan Nichols
- Dr. Johnette Moody
- Dr. Linda Bean

During the report, Ms. Hinkle stated that the Arkansas legislature has approved the Arkansas Tech budget for the 2019 fiscal year.

#### **Cost Containment – Mr. Ken Wester**

Tammy in procurement is checking closely on phone bills to ensure all charges are valid.

A pilot for network T.V. possibility for residence halls is under way. Dr. Nichols indicated that students are not really using cable service so another medium will provide cost savings if the service is acceptable to students.

The Office of Information Systems and the IT Prioritization Committee continue reviewing software/hardware proposals/renewals.

The effort of replacing analog lines is still in progress.

Fiber run to Lake Point is under investigation.

#### **Other:**

Ms. Hinkle recommended that in early April/May she would ask procurement to look at encumbrances and release PO's that will not be used so funds may be used elsewhere.

Possible employee bonus at year end if funds are available.

\$266,000 donated in endowment – money for OTA Scholarship

There is a pending offer on Eastgate apartments.

#### **Revenue – Ms. Hinkle**

Mr. Wyatt Watson brought forward to the committee the following comments:

Recommendation 2 from the Fee Sub-Committee will take significant work to implement and please remember to give those offices the appropriate amount of time.

Recommendation 4 – regarding the Curriculum Content Fee and a part of the decision for deciding whether or not to change the fee from per course to per SSCH, we should re-visit the makeup of the fee revenue and the net cost per program without the fees having been implemented to see if the high cost programs have changed. Dr. Jon Clements stated that Music majors already pay the fee because there are more one credit hour classes in the Music curricula.

Mr. Watson will review the previous year numbers to see what the revenue projections were and how we might suggest to move forward with the Curriculum Content Fee. (Please see the memo provided my Mr. Watson to the Fee Sub-Committee for more details).

Dr. Bridgmon recommended fee simplification and make it easier for students to calculate their total cost. The charge to the committee: look at each college fee as compared to peers. For example: Mandatory fee for all students vs fee within a college. Ex: UCA fees charged per SSCH based on the program in which you are enrolled, which makes the fee then not a mandatory fee.

Athletic fee – Three years ago the institution began the process of change the Athletics Fee to make it more transparent and charge directly to the students as an auxiliary fee rather than an implied fee that was paid to E&G through tuition and then transferred to Athletics.

### **Fees**

Ms. Hinkle asked for a review of the Fee Sub-Committee Fee Recommendations for the 2019 fiscal year. Subsequent to this discussion Ms. Hinkle asked for a vote regarding the Fee Recommendations.

Dr. Bean made a motion to approve, Matthew Smith, President of Student Government, seconded the motion. There was no further discussion. All were in favor. None opposed. The Recommendation will now go forward to Executive Council.

Ms. Hinkle also asked Ms. Cheffer to provide an Executive Summary of the Fee Recommendations for submission to Executive Council.

### **Agenda Item III**

#### **Enrollment**

An enrollment was update provided by Dr. Bedsole. Regarding new for Fall 2018 Dr. Bedsole stated that the University reached a break-even with revenue generating students. For Fiscal year 2019, Tech will capture all of Virtual Arkansas concurrent enrollment and be the sole provider for the state. This will increase the concurrent population by 700 students.

Other statistics:

Entering freshman is down 4.5% from last year, which equals 62 students if admissions to enrollee yield rate. 4209 admitted and 1529 enroll. Up to 40% yield 84 students.

Flat enrollment projection for FY2019.

Dr. Bedsole would like to improve yield rate: 160 fee paying students last year's yield as compared 2015 banner year. EC decided that concurrent students will be automatically admitted, which gets students to admit but may not turn into enrollees.

A discussion was held about how 700 new concurrent students will affect FTE. Ken Wester indicated that costs for software are based on FTE so it will take us over 9k SSCH as a campus. Housing applications are down from prior year. There has been a change in bed count.

One of the members asked: What are the effects of instituting an application fee?

Dr. Bedsole responded - many who receive the waiver of the fee – so we charge it and then waive it which creates extra work for the staff. We want to capture more of the students who receive low scholarships and give them small a scholarship so they will come to Tech and stay.

### **Promotion and Tenure**

Changes in assumptions for existing Promotion and Tenure policy. Will begin process during FY19.

### **Agenda Item IV**

Budget Draft Scenarios

Ms. Sandra Cheffer went through two draft budget scenarios with the committee; see handouts.

Scenario A: No increase in tuition and the new performance funding is implemented by the Legislature.

Scenario B: No new performance funding and an increase in tuition.

Dr. Woods asked about the year to year predictability of the budget. He stated that the budget plans are annual and each year the University seems to get surprised. Dr. Woods asked why the University is not making 5-10 year projections. It seems that each year revenue does not equal expenditures and have extra costs each year. He suggested that we deal with the long term and try to do better job predicting.

- There is a history of super ultra conservative projection with options for added expenses according to priorities.
- Dr. Bridgmon asked about the yield – can we improve it? As compared to other institutions, the money is appropriate, but not used as efficiently. Top end of scholarship award is very generous. Lower end - we are making more money on the scholarships and the University needs more full pay students.
- Dr. Norton asked if there was a need for a Scenario C for the budget, where there is no new performance funding, and a different amount of tuition and fee changes were implemented. Cheffer indicated that there was not a Scenario C at this time, however we could create one.
- Mr. Michael Hutchison asked: Are we doing CUPA? His recollection from a recent EC meeting was that CUPA would not be implemented next year. As a line item for new funding, would we need any dollars for CUPA? Cheffer stated she would inquire further.

There being no further business, the meeting was adjourned.

Respectfully submitted: Sandra Cheffer

## Budget Advisory Committee Meeting

March 29, 2018

Welcome by Ms. Hinkle

We are at about the mid-point in the process to establish the FY19 budget.

Since the first meeting, there has been a lot of work behind the scenes, including preparation of documents plus multiple EC meetings to achieve a balanced budget.

The budget is still a draft and will not be final until the Board of Trustees approves it. There is still a time for input so if you have feedback, please provide.

I. President's Address  
No report

II. Sub-Committee update  
A. Communications: Dr. Woods  
Communications Met 3/26/18

The sub-committee would like to send reminder to faculty that the BAC website exists and how to find, what to find.

On the website, the minutes are up to date and there is a new picture of the Budget Advisory Committee.

Please let Dr. Woods know if there is anything more that needs to be put on the website.

Information on the website to provide some long-term context or thinking about the budget and how it transitions from year to year. Ex: average increases each year, CUPA/COLA/technology/health insurance/. Will give context to what we face each year and help others better understand budget processes.

Internal BAC information – request to put Delaware Cost Study on I-drive. Ms. Hinkle also requested a memo to accompany the Delaware Cost Study to be sure it can be easily understood. Overall our University's programming costs are lower than other universities. The Delaware Cost Study shows programs that our high cost programs are still high cost, but among our peers we are not high cost.

Please send to Dr. Woods, he will put on the committee I-drive.

Suggestion – ask the new Director of Government Relations, Ashley Golleher, to meet with the BAC to find out what information may be effective for the BAC and for Ms. Golleher to take forward to legislative activities.

B. Cost Containment/Reductions: Mr. Wester  
Continue to review possibilities for cost containment.

Discussed technology funds and what costs can be reallocated so that funds are available for other expenses. Various detailed cost adjustments were discussed to help the technology budget.

C. Revenues  
No report

D. Fee Committee  
No report

### III. Enrollment

Dr. Bedsole

Discussed summer Pell eligibility opportunities.

For fall 2018, expecting flat enrollment. It is still possible for the Russellville freshmen to increase. Overall, admissions is currently down approximately 2%.

Desire to increase the admission yield rate – enroll as many admitted students as possible. Goal, to increase the yield rate.

Other statistics:

Transfer applications up 12%

Graduate admissions 7%

Ozark

Ozark transfer up also.

The average student applies to 7 universities, and may even make deposits at up to 2-3 institutions.

We lose about 20% of those applicants.

We are currently doing a survey to get feedback from students as to their enrollment intentions.

Donald McCormick – recommended an event for students to keep them engaged between the time they apply and the next communication point.

Dr. Bedsole also discussed additional ideas for student engagement.

Do Deans receive the list of students who have admitted? Could there be a visit to classrooms for those students to sit in on a class during the spring or summer? Dr. Bedsole is assisting to coordinate 5 dates for student visits.

Band member for a day – Dr. Woods shared program that is held through the music department where band students from surrounding high schools come to campus and play with the band at a football game for that day. Other discussion about ideas to engage students and build those relationships early.

The ATU alumni base is a large asset. Discussion: to develop alumni ambassadors who can also help attend recruitment fairs and other events.

How can we influence students to enroll earlier than the week before class, or the week of class?

Parent email address, discount on housing deposit, opportunity to register early, small scholarship (\$200) for registering by a certain date, go to the student counseling day and register them too.

IV. Sandra Cheffer reviewed the current budget scenarios, including agenda item V. regarding Executive Council early decisions regarding budget assumptions.

- a. In going through the budget scenario where there is no tuition increase, the fee changes that are currently proposed are:



## SUMMARY OF APPROVED FEE INCREASES

### 1. Health and Wellness

Fee Increase: \$1.75 per SSCH

### 2. Public Safety

Fee Increase: \$. 25 per SSCH

### 3. Technology Operations

Fee Increase: \$.50 per SSCH

### 4. Student Activity

Fee Increase: \$. 50 per SSCH

### 5. Athletics Fee

Fee Increase: \$1.25 per SSCH

### 6. Other

Fee Increase: Additional \$2.00 per SSCH to go to general revenue

Which fees will increase has not yet been determined

- b. Credit Card convenience fees are proposed at 2.75% of total credit card charges. Additional work is being done to clarify how the convenience fee will be implemented. Discussion: will the new fee be accepted by credit card users? Overall response by BAC – yes.
- c. The high cost curriculum fee, titled Curriculum Content Fee, has been included in the total revenue projection for FY19 and will begin with the FY18 rates per student level and change from a flat rate per course to a charge per student semester credit hour.
- d. Strategic Planning priorities placed in the budget scenario are denoted with an “SP-#”
- e. Salary program is a proposed 2% COLA increase for all classified and non-classified faculty and staff. No CUPA increases are planned for FY19. Promotion and Tenure and Administrative Specialist I, II, III changes in pay are included in the budget scenario.
- f. Scholarships – there is an additional \$975,895 proposed in the FY19 budget scenario.

Other discussion about the budget scenario:

- Include the total increase in new fees on the budget draft – revenue line item 3.
- Be sure that the new fee revenue is adjusted for the reduction in fees collected for Student Activity and Public Safety fees due to Online students not paying those fees any longer.
- S. Cheffer review the Auxiliary budget and reconcile budget revenues to expenses.

- Discussion about High School Concurrent Credit revenues and expenses – adjust the item showing in expense. Where would we break even with concurrent students?
- Ms. Hinkle reminded committee that the changes in fees may still be subject to adjustment as we learn about how our peer institutions change their fees.

There being no further business, the meeting was adjourned.

The next Budget Advisory Committee meeting is April 16, 2018 at 1:00pm in Rothwell 456.

Respectfully submitted:

S. Cheffer

See attached for 3/28/18 budget scenario. An updated budget scenario based on recommended changes will be presented at the 4/16/18 meeting.

Budget Advisory Committee Meeting  
April 16, 2018

I. Welcome by Ms. Hinkle

- The President and Director of Government Relations were unable to attend today's meeting due to schedule conflict.
- Ms. Hinkle circulated two documents for information – one showing the total state appropriations for all institutions, and the second being the Capital Funding Request for the 2019-21 Biennium for both the Russellville and Ozark campuses.
- Capital improvements are submitted every other year for the biennium. Beginning the 2017-19 Biennium the flow of funds to capital projects was stopped due to misuse by one institution in Arkansas. Still, the information is required. Arkansas Tech submitted a request for \$137.8 million to fund capital requests, of which the University anticipates \$48.8mm from funding sources other than the State of Arkansas. The remaining requested from the State is \$88.97mm.
- Executive Council approved changes to the policy governing the refund period during which students may receive 100% or 80% refund of tuition and fees if classes are dropped. The 80% reduction period has been moved up to 11<sup>th</sup> class day. It is anticipated that this policy change will save the University approximately \$150,000 per semester in money refunded to students due to dropping classes late into the semester.

II. Sub-Committee updates

A. Communications: Dr. Woods

All information on the website is up to date.

Please remember the available resources and let Dr. Woods know if there is anything more that needs to be put on the website. Also, there is information on the I-drive for the BAC members.

Dr. Woods is in the process of collecting a list of "regular" costs such as supplies, services, technology, personnel, for the purpose of a five year budget projection.

The goal is to provide some long-term context for thinking about the budget and how it transitions from year to year. Ex: average increases each year, CUPA/COLA/technology/health insurance/. Will give context to what we face each year and help others better understand budget processes.

B. Cost Containment/Reductions: Mr. Wester

The sub-committee continues to review possibilities for cost containment.

OIS is currently doing a pilot project with residence life to move from cable service in the residence halls to utilizing wireless for watching television via streaming services. Information to be gathered will include usage data, and the cost of purchasing the added hardware to support a change to 100% wireless, should the cable service be eliminated.

Mr. Wester is currently working with the Office of Procurement to focus on new ways to take advantage of state contracts and other strategies to ensure the university is keeping costs low.

C. Revenues

Ms. Hinkle circulated the proposed meal plan changes and discussed the implications of a possible increase in the meal plan rates. In the multi-year contract with Chartwells, the escalation clause includes an annual increase of 3%. Chartwells has asked the University to consider a 3%, 3.5%, and 4% rate increase and Chartwells plans to negotiate for an increase higher than 3%. The reason cited is increased food cost. The BAC discussed several things, including the possibility of checking with other food service providers such as Aramark or Sodexo to compare possible

pricing structures and keep costs as low as possible for students. Ms. Hinkle indicated that even with the increase of 4% for FY2019, the meal plan costs to students at Arkansas Tech are still lower than UCA and UA Fort Smith.

#### D. Fee Sub-committee

No report

### III. Technology Operating Budget

Mr. Wester discussed the technology operating budget and that the new revenue of \$107,500 from the Technology Operations fee increase has been incorporated into the FY19 budget.

The FY19 technology budget is balanced. Fiscal years 20 and 21 will be extremely costly due to high ticket items such as Banner coming up for renewal in those years. The technology reserve funds are very important to have so that the University can fund those costs. There is also a capital expenditure budget for technology that projects expenses through the year 2027.

Each year the university spends \$5.36mm on technology. Discussion: the ability to fund the purchase of all computer hardware for every office on campus based on its useful life. Mr. Wester indicated that the technology budget is approximately \$260,000 short per year to be able to fund computers for all of campus. Also, OIS is looking at moving all of housing to virtual machines which would reduce the cost of computer replacement significantly.

Please refer to the I-drive, the Budget Advisory Committee folder to find the detailed technology budget.

### IV. Enrollment

Dr. Bedsole gave an enrollment update:

- Forecasting an increase in enrollment for summer, headcount is currently up 6.6% and enrollment by student semester credit hour is up 29%. The increased numbers are attributable to the renewed summer Pell eligibility. These increases for summer should be sustained in the future.
- Fall enrollment is currently up 7.8%
- There has been a significant changes in the TESOL program, which has had sustained a consistent level of enrollment over the last few years due to grant funds. ADHE will no longer fund it in the same way. For FY19 and going forward, ADHE will pay the institution for the cost of instruction, and not provide funding for tuition and fees for students. Students will be responsible for paying for tuition and fees through other means. There will be a scholarship for the TESOL students to help defray the costs for students and to encourage enrollment, however it is anticipated that there will be a significant drop in enrollment from this population. Dr. Woods will provide some additional details about anticipated enrollment for FY19, and a cut in this revenue line item for the FY19 budget may be necessary to adjust for a reduction in enrollment.

V. Ms. Cheffer reviewed the current budget scenarios, including changes in the projections.

#### a. In going through

Other discussion about the budget scenario:

- The budget scenario forecasts no tuition increase in FY19.
- Changes to the new revenue projected included a change for HS Concurrent credit and Interest Income.

- The total increase in new fees on the budget draft was adjusted to reflect a reduction in new dollars since online students will not pay the Public Safety and Student Activity fees – revenue line item 3.
- A contingency of \$100,000 was added to the expenditure budget.
- There was discussion about a review of staff positions to determine if the job duties, minimum requirements and related pay are appropriate. It was expressed that the positions of library technician and Facilities Maintenance journeyman/electrician are two positions that should be reviewed.

VI. Ms. Cheffer discussed High School (HS) Concurrent Credit revenues and expenses and gave a breakdown of how those dollars flow through revenues and expenses. Currently, HS Concurrent Credit is included in the SSCH calculation when forecasting revenue. In addition, the appropriate amount of expenses are also budgeted. Therefore, when preparing the FY budget, the HS Concurrent Credit must remain neutral to the budget.

As the fiscal year goes along, we have to determine: of the revenue booked, how much of that revenue is from HS Concurrent Credit SSCH and know that 100% of those SSCH dollars will be utilized as expense. It takes 6-8 weeks into the semester to determine this amount of revenue adjustment. Beginning with the Fall 2018 semester the procedures will be changed to track the revenue differently from the HS Concurrent Credit, and to make the necessary adjustments to be able to better predict actual revenue outcomes each semester.

VII. Ms. Hinkle reminded committee that the changes in fees may still be subject to adjustment as we learn about how our peer institutions change their fees. She also reminded the committee that the budget is still a draft and will not be final until the Board of Trustees approves it.

There being no further business, the meeting was adjourned.

The next Budget Advisory Committee meeting is May 29, 2018 at 9:30 am in Rothwell 456.

Respectfully submitted:

S. Cheffer

See attached for the 4/16/18 budget scenario.

## Budget Advisory Committee Meeting Minutes

May 29, 2018

- I. Committee Chair update (Sandra Cheffer for Bernadette Hinkle)
  - a. Welcome
  - b. Introductions
  - c. Updates
    - i. President and BOT have approved the 2018 Merit Pay and Bonus Pay for classified faculty and non-classified staff.
    - ii. Merit is 0-3% based on performance review. 2% bonus for faculty and non-classified staff.
    - iii. The Merit Pay and bonus were paid from salary savings during FY2018, and unspent contingencies.
    - iv. Overall – good stewardship and increased retention rates
    - v. Also, during the board meeting – the board approved a 2% COLA for all employees for FY2019
    - vi. Review memo – larger elements of budget
    - vii. Thank you again to this committee and all subcommittees for your good work and service.
- II. Government Relations Update (Ashley Golleher)
  - a. Ashley's message, she plans to meet with people internally
  - b. Where are we strong? Where do we need help?
  - c. Legislative committee meetings
    - i. Key legislators who will support Tech
      1. Dr. Markham and Nick Fuller at ADHE positive to be present and a part of conversations.
    - ii. Governor's Staff and Strengths at Tech
    - iii. ATU Internal STEM Goals
      1. Items that come up:
        - a. Concurrent credit – de-vamp the pathway
        - b. Strong support to change
        - c. Have been working multiple angles to be at the table
        - d. Ask for Tech to be at the table and help lead conversation
        - e. Changes coming – funding for Concurrent
        - f. Collaborative role – accomplishments
        - g. Sharing in existing ground work
    - iv. Proposals for the funding – \$1.7 million
    - v. Staff have been educated on Tech's inequity.
      1. Priorities – positioning/presence at each meeting. Positive branding.
      2. EAM Strength – following up with legislators

- vi. Met with Alumni Foundation Board. Send a note to legislation and making the story personal. Legislative panels come and speak.
- vii. Work from different
- viii. What can budget committee do?
  - 1. Contracts for review
  - 2. Other
    - a. Get bullet points to make sure she is up to speed on items
- ix. Budget hearing October 16 – put together info
- x. One change for budgeting
  - 1. Budget more than 10% over prior year. ATU would need to come and explain.
  - 2. Need to increase the budget. Justification.
- xi. How/if to communicate Tech’s inequitable funding. It is okay to talk about it, educate others
  - 1. But be sure to convey that Tech is in good financial position. Great things happening and great people and support.
- xii. What is our message?
  - 1. Know the audience
  - 2. Share our strength, but need. Will use the communication facts to frame the message
- xiii. Grants and other funding sources:
  - 1. Let Ashley know if an opportunity exists. She may be able to help with legislative and congressional.

### III. Sub-Committee Updates

- a. Communications
  - i. Long-term Cost trends
  - ii. Update with this year’s budget
  - iii. Data on website can be dry – let’s create a more positive list.
  - iv. Money sources/stewardships
  - v. We will post budget on iDrive and website. We also need to add three previous years of the budget posted.
- b. Cost Containment
  - i. Now that budget is set – may need to meet again and look forward to FY19. Hope to meet by June.
- c. Revenue
  - i. No Report
- d. Communications-
- e. Fees
  - i. We will soon convene the fee committee to discuss
    - 1. Charge of the fee sub-committee. In other words, where the responsibilities of that sub-committee begin and end
      - a. Where the V “evaluation of” fees lies
      - b. Responsibility of the

- c. During FY18 there were times where the lines became somewhat gray
    - 2. Mandatory Fees
      - a. Definition
      - b. Comparison to our peers
      - c. Possibility of reworking fees to not appear as “mandatory fees.” Again, comparison to peers.
        - i. Example: take a student curriculum and find out what that major would cost student at Tech and peers for all four years, by semester, course, etc.
- IV. Tuition and Fee Comparison (Wyatt Watson)
  - a. Wyatt Watson review a handout showing tuition and fees for Tech and peer institutions. This information based only on press releases according and not official cast of attendance. Ranking has not changed – we were third and we stay third
    - i. UALR
    - ii. UAF
    - iii. ATU - Gap has grown between UAF and ATU
  - b. Only a few institutions have published housing. We have fewer non-mandatory fees than other four-year institutions.
  - c. These are not represented in this report. How did UALR justify 20% increase in Fees? No info.
  - d. Pine Bluff increased 27%.
- V. Enrollment (Dr. Blake Bedsole)
  - a. Summer continues to look good. Summer: plus 4.5% increase ssch
  - b. Ozark plus 13% increase ssch
    - i. Attribute to: Summer Pell
    - ii. Some students taking more courses
  - c. Fall: concern for incoming freshman class. Housing down 3-4%. Scholarship acceptance also down.
  - d. “STEP” Students – advising effort has been positive. 3% increase overall for returning students.
  - e. Reporting on numbers less concurrent
    - i. Huge head count increase for concurrent (700 students)
- VI. Technology Budget (Ken Wester)
  - a. iDrive has FY18 and FY19 current technology budget spreadsheet
  - b. Cannot get rid of Advise software– will be working with Ellucian
  - c. See items on report showing orange
  - d. Tegrity will remain this year but we are looking for another source of video communication
  - e. Items on budget that across all campus or campuses discussion about blackboard.
  - f. ? Banner a before EOY 18? Working on pages only.



- g. Any issues with those fees that increase and how these dollars will impact the budget? How is it planned to spend those new dollars?
  - h. New \$ - \$150,000 renew fire wall systems. Currently anticipate about \$250,000 into reserves.
  - i. Please be thinking about FY20 technology items.
  - j. We need to know those requests early Fall. What should this budget pay for?
- VII. Next BAC Meeting: June 25, 2018, 2:00-4:00 p.m.
- a. BAC Members
    - i. Who will be serving in FY19?
    - ii. Who will be leaving the committee?
  - b. Please send an email to Hinkle/Moody and Cheffer indicating if you will be
    - i. Serving on BAC
    - ii. Serving on a subcommittee
    - iii. Would like to serve on a subcommittee
    - iv. Know anyone we should add to BAC
  - c. Will current content fee
    - i. Tables involving info:
      - 1. Number of students per state appropriated \$