

Budget Advisory Committee
08-29-19 Meeting Minutes

- I. Committee Chair Update – Ms. Bernadette Hinkle
 - o Location for Budget Advisory Committee meetings this year will be the West Chambers Dining Room to promote exchanging of ideas and better communication
 - o Introductions

- II. President’s Charge – Dr. Robin Bowen
 - a. Committee’s overall charge is to support ATU’s mission, vision, and the strategic plan
 - b. The Committee’s purpose is to engage and promote the campus in transparency in the budgeting process.
 - c. Review “THE CHARGE OF THE BUDGET ADVISORY COMMITTEE” bullets as presented on the President’s Charge 2019 Budget Advisory Committee Handout (handout attached)
 - d. ATU’s best asset is its human capital, its people.
 - e. Be mindful of students when considering an increase in tuition and fees. 93% of the student population is from Arkansas.
 - f. Ensure communication is flowing both up the chain and down the chain.

- III. Budget Process – Ms. Sandra Cheffer
 - a. Overview of Budget Process (see Budget Process Overview handout attached)
 - i. Teams Involved: Budget Advisory Committee and sub-committees, Executive Council, Vice Presidents, Board of Trustees
 - ii. Review of Expenses and Revenues Projections, Balancing Process, VP Budget Review Process
 - b. Academic Affairs Budget Development – Ms. Pat Chronister (see Academic Affairs Budget Preparation Summary handout attached)
 - i. List of priorities are provided. Meetings are held and priorities are debated. Vote is made. VP submits the priority list.
 - ii. Course fees are reviewed.
 - iii. Salaries worksheet overview.

- IV. Calendar – Budget Cycle – Ms. Sandra Cheffer
 - a. Accelerated calendar for FY21 (see Budget Cycle Calendar handout)
 - b. * denotes key dates, OZK indicates Ozark, AUX indicated Auxiliary
 - c. March 31 is deadline to print budget books

- V. Sub-Committees – Feedback Activity (see sample survey document)

Ms. Hinkle led a breakout session for discussion and feedback about the Budget Advisory Committee and the Sub-Committees, and their effectiveness. At the end of

the activity each table reported feedback to the group. Surveys were collected so that the feedback can be considered.

- VI. FY2018-19 Actual Financial Results – Ms. Suzanne McCall
 - a. ATU is part of CAFR and therefore is state audited.
 - b. FY19 operating budget ended \$489,000 in the black thanks to major adjustments across Russellville and Ozark campuses.
 - c. Overall fund balance at end of FY19 was in the red \$2.7M

- VII. Enrollment – Dr. Blake Bedsole
 - a. Russellville FY19 freshmen enrollment is up 22% compared to FY18 at 1,705. Ozark FY19 enrollment is up 22% compared to FY18.
 - b. Graduate and international enrollment are down.
 - c. At current rate, anticipation is that budget will be met based on SSCH and scholarship budget will not be exceeded.

- VIII. Other Items
 - a. BAC Sub-Committee members
 - i. Based on feedback session, Ms. Hinkle requested to hold on member selection until the next meeting as adjustments may be forthcoming.
 - b. Health Benefits
 - i. BCBS is requesting 24% increase. Current budget planning was for 15% increase.
 - ii. Stephen’s Group is working through options.
 - iii. Board of Trustees will review insurance information at October meeting.
 - iv. Package options will start January 2020. Open enrollment will be in November
 - c. Student Union and Recreation Center update
 - i. Forums will be held in September and October to gather feedback on these buildings. Please participate. Classrooms will be part of these buildings.

Budget Advisory Committee

09-25-19 Meeting Notes

- I. Committee Chair Update (Bernadette Hinkle)
 - Reviewed ADHE with 11th class day information (Russellville and Ozark figures)
 - 1 FTE is the equivalent of 30 undergrad credit hours or 24 graduate credit hours
 - High School Concurrent
 - Issue: Paying college students pay for high school students to take college classes
 - Benefit: Good recruitment tool. 30% retention rate. Concurrent Scholarship available for high school students who enroll (\$500/semester)
 - Ozark models:
 1. Bill school and charge as waiver so some revenue is collected.
 2. ATCC funded by Arkansas and money follows the student.
 3. Wash model like Russellville campus
 - Program shortens the degree for the student which is good for the student but generates less revenue for ATU.
 - Tuition and fees are charged as revenue which overstates income and expense
 - ATU will have to consider different student markets over the next 10 years
- II. Budget Process (Sandra Cheffer)
 - a. Based on current figures at this time. Drop for non-pay deadline is today. Numbers may change as a result.
 - SGA representative shared concern about ability to pay with credit card in Student Accounts. ATU is contracted with NelNet to process credit cards who charges a processing fee. In 2017, the handling fee was implemented to the payee instead of being paid by ATU.
 - a. Currently on track
- III. Calendar (Sandra Cheffer)
 - Important upcoming deadline is October 15 to submit fee proposals. Please refer to handout for October dates.
 - Dr. Robertson voiced concern about registration holds. Who is putting on holds (ex. Student Affairs and Residence Life) and why are they being put on (ex. Vaccinations)? Holds seems to be penalizing ATU instead of the student. Dr. Johnson volunteered to investigate the situation.
- IV. Budget Advisory Sub-Committees and Membership (Bernadette Hinkle)
 - Please refer to the handout for committee charges and suggested membership listing.
- V. Enrollment (Blake Bedsole)
 - SSCH on track with freshman applications for 2020 class. Expanding to Texas market.
- VI. Other items

- Health Benefits (Bob Freeman and Rebecca Lacava)
BCBS originally proposed increase of 24% has changed to 22.7%. No increase in dental or vision rates. Health insurance increased by 9% nationally. ATU budgeted for 15% increase in FY20, so there is a funding shortage to evaluate. Insurance discussion includes ATU being fully insured versus self-insured options, Employee Assistance Programs, and annual physical requirements. Suggestions from the Insurance Committee move forward to EC next week. RFPs have been sent out for self and fully insured options, F.S.A, H.S.A. and COBRA.

10-30-19 Meeting Minutes

- I. Committee Chair Update (Bernadette Hinkle)
 - Budget cycle lives year-round
 - Committee members provided with document detailing budgeted revenues for 2019-20
 - Group participated in questionnaire to learn basic budget information
 - Ms. Hinkle shared that a budget book is available at the Ross Pendergraft Library and Technology Center resource desk for anyone who wants to review it
 - Budget development is aligned with strategic plan when establishing priorities
 - Current fund balance of university is currently approximately \$56 million; of that, \$24 million is dedicated to insuring physical plant bonds; university also attempts to maintain funds to operate for two months in the event of an emergency; that two-month contingency fund is \$23 million
 - Employee salaries and benefits are the largest expenditure of the university
 - Energy sustainability program is being funded by energy efficiency rebates (approximately \$425,000 on Russellville campus and \$36,000 on Ozark campus during fiscal year 2019)
 - Goal is for advisory committee to become experts on budget and be able to share that knowledge with their peers
- II. Sub-Committee Reports (Bernadette Hinkle)
 - Revenue and Enrollment
Conducted first meeting this year during week of Oct. 28; will have deliverable in spring 2020 in terms of economizing revenue
 - Institutional Efficiency
Will investigate over next several months about work and time efficiencies that can save effort and time
 - Communications
Minutes from first two meetings of 2019-20 now posted on www.atu.edu/budgetadvisory; goal will be to post minutes within one week of each Budget Advisory Committee meeting; seeking clarity on some items within sub-committee charge and will work with advisory committee leadership to gain that clarity
 - Fees
Will be reviewing proposals submitted by Oct. 15 deadline and forwarding recommendations to the committee
- III. Calendar for Budget Cycle (Sandra Cheffer)
 - Timing is currently on schedule; response to Oct. 15 deadline for fee requests was good; when open enrollment is completed at end of November, health care costs for calendar year 2020 will be known; new strategic planning initiatives for 2020-21 will help prioritize expenses; personnel pay rate changes for 2020-21 are due to human resources by Dec. 2

IV. Enrollment (Dr. Blake Bedsole)

- Applications up 200 percent for freshmen as compared to one year ago
- Will have spring 2020 projections at next advisory committee meeting
- Promising freshmen projections are balanced against smaller classes currently matriculating to graduation

V. Other Items

- Health Benefits
24 percent annual increases are not sustainable; other options are being pursued; charge is to engage with health care providers in region and ask if they would be willing to offer services on campus to better serve employees and dependents; Ms. Hinkle reported that there are no mandatory annual physical exams for ATU employees as part of health benefits for calendar year 2020
- Higher Learning Commission and Budget Advisory Committee
Dr. Johnson reported that Budget Advisory Committee is integral to demonstrating to HLC that there is widespread, broad-based knowledge of and involvement in budgeting process for university
- Student Union and Recreation Center
Planning phase work is approximately 75 percent complete; facility is scheduled to open in fall 2022

I. Committee Chair Update (Bernadette Hinkle)

- Welcomed new Staff Senate president Charity Smith; Dr. Jon Clements, vice chair of the ATU Faculty Senate; and Ashley Golleher, director of governmental relations, on the occasion of their first in-person participation at a Budget Advisory Committee meeting.
- Asked if members of the committee are learning about the budget process to ensure that information about priorities and the annual budgeting calendar may be cascaded throughout departments and offices at the university.
- Met with legislative auditor this week and finalized annual audit report for review by Legislative Council in December; university has received the highest assurance concerning the fairness and representation of the accuracy of the financial statement; will go before ATU Board of Trustees for its review in December.

II. Sub-Committee Reports (Bernadette Hinkle)

- Revenue and Enrollment: met earlier this week; focused on looking at scholarship budget and its impact on overall budget as well as SSCH for spring 2020 and fall 2021; will be looking at additional potential revenue streams in weeks and months to come; detailed report will be made available during December Budget Advisory Committee.
- Institutional Efficiencies: will be meeting in the weeks to come.
- Fee Committee: met on Nov. 5 and Nov. 14; goal of keeping increases to the absolute minimum to maintain affordability for students; committee is recommending establishment of a career service fee and increases in various course fees, the technology fee, the curriculum content fee and the athletics fee; proposed increased parking hangtag price in order to fund future improvements to parking lots; repairs would take place from July 2021 through July 2024 on a priority basis as determined by the ATU Office of Facilities Management; full committee discussed the new fee and each of the proposed fee increases; Ms. Cheffer recorded a list of questions that will be answered by consulting with the internal experts in each area; method of finalizing recommendations and preparing them for a vote at next the Budget Advisory Committee was discussed, as well as possible methods of voting.
- Communications Committee: minutes of Oct. 30, 2019, meeting were posted on Budget Advisory Committee website on schedule; committee is available to assist with posting of supporting and supplemental material to the website.

III. Calendar for Budget Cycle (Sandra Cheffer)

- Executive Council will need to vote on proposed fees by Jan. 24. As a result, the Budget Advisory Committee will need to make a final recommendation following its Dec. 18 meeting.
- By Dec. 2, any new position requests or staff pay change requests should be submitted to the Office of Human Resources; will go to position review committee between Dec. 2-16.
- Strategic plan initiative funding for 2020-21 will come forward by Dec. 6.

IV. Enrollment Update (Dr. Blake Bedsole)

- On pace to meet overall SSCH number for spring 2020; growth in undergraduates will produce more credit hours than was budgeted, but decrease in graduate credit hours may lead to small revenue gap for spring; 1 percent over pace as compared to one year ago; advising and registering students for spring 2020 is paramount at this time; monitoring scholarship expenditures for spring 2020 as compared to fall-to-spring retention.
- Ms. Hinkle shared that balance owed was the No. 1 reason for student account holds preventing them from registering. Any student with a balance of \$500 or more has a hold on his or her account and cannot register for spring 2020. The Office of Student Accounts sent out 431 e-mails Nov. 21 to students who need to pay their balance in order to be eligible to register for spring 2020.
- Dr. Johnson is reviewing account holds policy and will be bringing recommendations back to Budget Advisory Committee for any changes that might facilitate student access and student success.

V. Strategic Planning Update

- Ms. Hinkle reported that the Executive Council met with its direct reports on Nov. 13 and reviewed ongoing progress toward strategic plan goals as well as setting budget priorities relative to the strategic plan in 2020-21.
- Ms. Hinkle explained Executive Council priorities for category funding; these priorities assume known and anticipated budgetary pressures; categorical decisions concerning budget requests are selected and ranked based upon three categories; category A items are the top ATU strategic plan priorities deemed essential; category B items are strategic plan priorities for the upcoming year; category C items are strategic on-going priorities; all EC members have the opportunity to bring forward requests that are generated within their operating areas; committee discussed weighing expenditures on strategic planning initiatives as compared to expenditures on routine maintenance and the day-to-day operations of the university; Ms. Hinkle indicated that general improvement funds are not as readily available from the state as they once were, and this fact has created a pressure on addressing deferred maintenance and capital needs; Ms. Golleher provided additional context on how general improvement funds are currently allocated and are likely to be allocated in the near future.

VI. Health Benefits

- Ms. Hinkle indicated that online elections for 2020 health benefits went well; data she shared included overall total cost of health insurance is \$8.28 million per year; of that, 22 percent is being paid by employees and retiree contributions; ATU is paying the other 78 percent of the benefits; employees and retirees are contributing approximately \$1.79 million toward health insurance while the university is contributing approximately \$6.49 million; there are currently 790 employees enrolled for health insurance through ATU in 2020.
- Ms. Hinkle said the university is aware of the strain that health insurance is placing on both the institution and the employees and continues to work toward greater efficiencies for the benefit of all concerned.

12-18-19 Meeting Minutes

- I. Budget Advisory Committee Photo (Sam Strasner)
 - Everyone smiled and was marvelous.
- II. Committee Chair Update (Bernadette Hinkle)
 - Expressed appreciation to the committee for its work during calendar year 2019.
 - Reported that significant foundational work has been performed over the past two months in preparation for the 2020-21 budget.
 - Indicated that spring 2020 is pivotal from an enrollment and student semester credit hours perspective. Early indicators are that freshman and sophomore enrollment for spring is on track with past trends. Expecting some vacancies in residence halls following large graduating class for fall 2019.
 - Referred to Arkansas Business periodical report on productivity funding and encouraged committee members to read it as an informational item. Committee was reminded that the flaw in the formula is that it is based upon a historical inequity in base funding which results in Arkansas Tech University receiving less state support than its peer institutions.
- III. Sub-Committee Reports
 - Revenue and Enrollment (Dr. Blake Bedsole)

University is over projections for undergraduate enrollment and below projections for graduate enrollment for spring 2020. Could result in small revenue projection gap for spring 2020. Projecting small surplus for scholarship budget in spring 2020 based upon current trends and historical data. Data indicates that freshman class for fall 2020 is on a similar pace to fall 2019 numbers. Projecting that a third consecutive large freshman class in fall 2021 would be a turning point in restoring overall enrollment growth. Recommending a flat scholarship budget of \$18.9 million for fall 2020.
 - Communication (Sam Strasner)

Minutes for November 2019 meeting have been posted to website. Posting of December 2019 minutes will be expedited to account for holiday break. New group photo captured at Dec. 18 meeting will be added to Budget Advisory Committee website.
 - Institutional Efficiency (Wyatt Watson)

Talked about charge of committee, to include items that should or should not be within their scope. Will begin investigating identified priorities during January 2020 and beyond.
 - Fees (Sandy Cheffer)

Fee committee met on Dec. 12 and revised fee proposals for 2020-21. Updated proposals have been provided to the committee via e-mail. Fees sub-committee utilized feedback from previous meeting and involved parties on campus to finalize fee recommendations.
- IV. Student Semester Credit Hour Calculations (Sandy Cheffer)

- Committee received overview of how historical data (past three years) and current trends are evaluated to generate a projection for student semester credit hours in the upcoming fiscal year. This is a critical step in estimating what steps must be taken in order to generate the revenue necessary for a balanced budget. Several scenarios will be projected before a final SSCH is determined. Office of Budget shared one of the current scenarios projecting 195,175 SSCH in 2020-21, down from approximately 198,876 in 2019-20. It is based on a 2 percent drop in undergraduate enrollment and a 5 percent drop in graduate enrollment. The drop in undergraduate enrollment is based upon an anticipated lower retention rate as compared to recent years. Drop in SSCH translates to a projection of \$1.23 million in reduced revenues for 2020-21. A \$1 increase in the tuition rate typically equates to \$195,000 in additional revenue for the university. Based on projections, a \$6.31 per SSCH tuition rate increase would be necessary to maintain a flat budget as compared to 2019-20.

V. ADHE Comparison of Tuition and Fees (Wyatt Watson)

- ADHE data showing annualized tuition and fees for 2019-20 at four-year and two-year institutions was provided as a guide for considering the marketplace in terms of any potential tuition and fee increases for 2020-21. Additional context was provided that when room and board is included, Arkansas Tech is in the middle of the pack among four-year universities in Arkansas for total cost of attendance.

VI. Strategic Planning Initiatives (Bernadette Hinkle)

- Executive Council is working to prioritize strategic plan-related budget requests for 2020-21 that have been passed up through their divisions. A total of \$6 million in requests were submitted to EC. Mandated expenses (minimum wage increase, promotion and tenure salary adjustments, increases in health care cost, etc.) are in category A. EC is continuing to work on prioritizing other requests into category B and category C as an exercise in establishing priorities. It is anticipated that category A items (mandatory) will total approximately \$1.2 million in added costs as compared to 2019-20.

VII. Voting for New or Increases in Fees (Bernadette Hinkle)

- Committee participated in online voting in consideration of proposed new fees or increases in fees for 2020-21. Results of the online voting will be made available to the Budget Advisory Committee and Executive Council as further discussions take place in pursuit of a final recommendation that will be forwarded to the Board of Trustees in May 2020.

VIII. Calendar – Budget Cycle (Sandy Cheffer)

- Process is on schedule as of mid-December. In addition, progress has begun on several January action items.

IX. Other Items

- The minimum wage, as defined by state law, will increase to \$10 in January 2020 and \$11 in January 2021. There is an exception in the law as it relates to student workers. The university increased student workers to the minimum of \$9.25 per hour in January 2019. As of January 2020, there will not be an automatic increase to \$10 per hour for student workers. When budgets allow, departments and divisions may go through with the increase to \$10 per hour as of January 2020. Departments and divisions that take no action will see their student worker wages remain at \$9.25 per hour. The federal minimum wage is \$7.75 per hour.

1-30-2020 Meeting Minutes

- I. Committee Chair Update (Ms. Bernadette Hinkle)
 1. Be knowledgeable about ATU budget issues in relation to other institutions
 2. Moody Report hand-out
 3. Cash on hand – our COH is 290 days; stable A1 ranking according to Moody Report (available electronically, contact Ms. Hinkle)
 4. Institutional efficiency committee – look at trends in our demographics
 1. Charge of committee: futuristic look at ATU budget/demographics
 2. Enrollment projection, relying on data from enrollment management; some assumptions
 5. Graph of national demographic trends; statewide trends also available.

- II. Sub-Committee Reports (Ms. Bernadette Hinkle)
 1. Revenue and Enrollment
 1. Morning of 11th day, Tech was up in undergraduate credit hours
 2. Graduate credit hours were down
 3. Housing apps up (paid down)
 4. Decrease in international students
 5. Applications up for fall 2020
 6. Spring numbers after 11th day
 7. We have an aggressive collection process
 8. External and internal collectors
 9. \$500 or more owed: not allowed to register for subsequent semester
 10. Discussion About ATU policies as compared to peer institutions
 11. Student accounts pulls a list of students in danger of being dropped without pay; tries to work with students to whittle number down by setting up payment plan.
 2. Communications
 1. No report.
 3. Institutional Efficiency
 1. No report.
 4. Fees
 1. Discussion about proposed fee structure for 2020-21
 2. Career services fee request withdrawn
 3. Parking hangtag fee request tabled
 4. Technology fee discussed, including historical data
 5. Ms. Hinkle agreed to create a Google Doc so that members of the committee can express opinions on fees
 6. Student Union and Recreation Center fee discussed; revenue will help fund operation of renovated space at Hull Building beginning fall 2020
 7. Discussed reallocation of \$2 per SSCH from Student Activity Fee to programs for students in the Graduate College

- III. Enrollment (Dr. Blake Bedsole)
 - 1. Update on trends in concurrent enrollment

- IV. Budget Scenario – (Bernadette Hinkle/Sandy Cheffer) – Proposed FY21 operating budget handout
 - 1. Committee provided with possible scenarios for 2020-21 budget

Budget Advisory Committee 2-27-2020 Meeting Minutes

- I. Welcome (Ms. Bernadette Hinkle, Vice President for Administration and Finance)
- II. President's Message (Dr. Robin E. Bowen, President)

Dr. Bowen addressed the Budget Advisory Committee and thanked everyone for their hard work. She expressed thoughts about the complexity of budget development and that it begins at the vice president and departmental levels, requires collaboration to address needs at all levels of the university and that executive council brings all items together.

Other topics addressed:

 - a. All have a voice
 - b. The budget is a balance of all expense items, and weighing how to prioritize those and have a minimal impact on the cost to students
 - c. We have been good stewards of the university's funds
 - d. Need for recruitment
 - e. Importance of retention
 - f. Budget scenario is based on a decrease in summer, non-resident and graduate student semester credit hours
 - g. Discussed possible decrease in international student population as well
- III. Committee Chair Update (Ms. Bernadette Hinkle)

Ms. Hinkle discussed:

 - a. Difference between headcount and student semester credit hours
 - b. Educational and general funds as compared to auxiliary funds
 - i. Auxiliaries are entities under the university umbrella that operate on their own revenues and expenses. Revenues and expenses are recorded using separate funds for each. At Tech, auxiliary operations include athletics, residence life, food service, health and wellness, post office and student union and conference center. These funds are not restricted, and still considered as educational and general Funds.
 - ii. Educational and general funds represent revenues and expenses used to sustain the overall operations of the university. Funds are unrestricted, and include sources such as tuition and fee revenue, state revenues and other revenues from educational and other activities of the university.
- IV. Sub-Committee Reports (Ms. Bernadette Hinkle)
 - a. Revenue and Enrollment – Dr. Bedsole provided an enrollment update for FY20 and FY21.
 - b. Communications – no report
 - c. Institutional Efficiency – no report
 - d. Fees
 - i. Committee last met on February 13, 2020
 - ii. Topics of discussion included current fee proposals for FY21, and an analysis of tuition and fees charged at ATU and other four-year institutions within the state of Arkansas. Comparison of how Tech measures up, how fees are assessed at other institutions and how the overall cost of attendance can be unclear to parents and students based on the way the institution categorizes or charges fees. Tech appears on the surface to have tuition ranked about the third-highest in the state, however total cost of attendance at Tech is much lower due to additional fees that other institutions charge. This is an ongoing consideration to remain effective and relevant for students attending Tech.

- iii. Sandy Cheffer gave an overview of the process that has occurred since August to receive, consider and prioritize fee proposals for FY21. The current fees remaining in consideration were discussed.
- iv. The request to reallocate some student activity fee dollars to the graduate college was discussed and a resolution has been reached to:
- v. Reallocate dollars earned from the student activity fee based on the proportionate number of students paying the fee. Allocations will be made in the fall and spring semesters.

V. Budget Scenario (Ms. Bernadette Hinkle)

Ms. Hinkle reviewed with the BAC the current budget scenario. A question and answer session was held during the scenario review.

VI. Strategic Planning Priorities (Ms. Bernadette Hinkle)

Ms. Hinkle discussed the strategic planning items and how the items were derived and prioritized to make sure the budget is built on the highest priority goals and in alignment with the strategic plan. The process begins at the departmental level, taking input from all operating areas about the needs. The vice presidents gather all of the input to ensure the opportunity for input at all levels. All requests have been prioritized by executive council into categories A, B and C, and noted as to whether the requests are one-time expenditures or ongoing. Category A items, and a few Category B items, are already planned for funding in the FY21 budget scenario. The prioritization system in place allows for a plan to follow should revenues exceed targets and additional funds are available for expenditure.

VII. Calendar – Budget Cycle (Ms. Sandy Cheffer)

The budget cycle calendar has been updated to extend final review and submission dates and the updated calendar pages were provided to the BAC, and will be updated on the website.

**Budget Advisory Committee
4-9-2020 Meeting Minutes**

- I. Welcome (Ms. Bernadette Hinkle, Vice President for Administration and Finance)
Ms. Hinkle noted that COVID-19 pandemic has stretched the university and the capacity of the university. Said it has been remarkable to watch the university come together and continue fulfilling academic mission. Dr. Barbara Johnson, vice president for academic affairs, and Bruce Sikes, chancellor of ATU-Ozark Campus, noted contributions of all faculty and staff in transition to virtual instruction. Ms. Hinkle noted main goal in pandemic response is for university community to be safe and well.

- II. State of Arkansas Update (Ms. Ashley Golleher, Director of Government Relations)
Fiscal session of 92nd Arkansas General Assembly began on Wednesday, April 8, in accordance with Arkansas constitution and requirement to provide a balanced budget. Tax revenues are slowing down due to pandemic. State has encountered unexpected costs in combating COVID-19. Unemployment claims are surging. Combination of these factors and others means that ATU will experience a \$1.5 million budget cut for fiscal year 2020. For fiscal year 2021, the revenue forecast and budgets are being set during the fiscal session. Anticipating cuts across the board for all state agencies. We will know by end of day Friday, April 10, what the updated appropriation from the state will be for fiscal year 2021. Once that number is known, it will help frame institutional budget planning for the period from July 1, 2020, through June 30, 2021. In terms of state grants, that information is likely to be made available by granting agencies at a later date. State of Arkansas will receive \$1.25 billion in federal stimulus to help recover from pandemic. Several questions yet to be answered in terms of how that money will be distributed. Timeline for receiving funds is uncertain. State agencies, including ATU, are tracking COVID-19 related expenses.

- III. Fiscal Year 2019-20 Budget Update (Ms. Bernadette Hinkle)
Estimated \$1.5 million reduction in state funding for ATU in Russellville does not including an approximate \$100,000 cut for ATU-Ozark Campus. Total cut is estimated at \$1.6 million. Impact could also be reflected in reduced investment income. Anticipating reduction in summer school enrollment. It is anticipated these factors will result in decreased revenue of approximately \$1.8 million. Expressed appreciation to personnel in administration and finance who have drafted scenarios to find \$3.4 million in savings for remainder of fiscal year to ensure a balanced budget. This will be achieved through approximately \$2.54 million in salary and benefits savings and approximately \$869,000 in supplies and services budget savings. The salary and benefits savings will come from both savings that were realized earlier in the fiscal year and by keeping many current vacant positions unfilled until July 1. Ms. Hinkle reported that by executing this scenario, the university should be in good position to achieve a balanced fiscal year 2020 budget. She expressed appreciation to everyone who found ways to save money in light of the unexpected change in circumstances.

- IV. Budget Scenario FY21 (Ms. Sandra Cheffer, Director of Budget)

Ms. Cheffer said the university is estimating a reduction in student semester credit hours as well as reductions in international enrollment and graduate enrollment in developing the fiscal year 2021 scenario. Forecasting decreased revenues of approximately \$6.5 million for fiscal year 2021 as compared to fiscal year 2020. Forecasting increased expenses of approximately \$1.46 million for fiscal year 2021 as compared to fiscal year 2020. This scenario finds the university approximately \$8 million away from achieving a balanced budget for fiscal year 2021.

- V. President's Response/Budget Input Exercise (Dr. Robin E. Bowen, President)
- Dr. Bowen expressed gratitude to entire university community for their performance during pandemic. Noted that university is rallying together to overcome challenges. Dr. Bowen said that faculty did spectacular job getting classes online very quickly and staff support was phenomenal. Students are showing great flexibility. Said that pandemic affecting everyone and everything. Also explained it is going to impact Arkansas Tech significantly during upcoming fiscal year. Extended appreciation to Ms. Hinkle and Ms. Cheffer for their work to estimate impact. Emphasized this may not be the only cut from the state; will depend upon how things evolve. Said we also will not know where our enrollment will land for some time to come, and that she appreciates the projections in that realm. May need to adjust estimates as we move forward and receive real data. Will not realize as much benefit as hoped from interest income. University has contractual obligations it must meet, including requirement to increase minimum wage and raises earned by faculty through promotion and tenure process. Anticipating \$8 million gap in budget for fiscal year 2021. We can do this, and we must. We are smart and innovative. First thing we need to try to commit to is taking care of our human capital. Continue our value initiatives. Student retention more important now than ever. Proposing we participate in an inclusive budgeting process, university wide, that begins with some assumptions: maintaining faculty and staff positions is primary priority; this should be an inclusive process that includes input from those who will be impacted; all maintenance and operations programs and the re-allocation of faculty and staff positions through attrition are on the table for consideration; facilities are not considered, including energy savings; work is very time sensitive and adherence to deadlines will be critical. Each vice president will meet with direct reports and ask them to identify cost savings measures in their budgets. Three different scenarios will be drafted. Proposed cuts should be prioritized. Assumptions should be cascaded so entire university community understands situation. Considerations should be comprehensive of all expenses. Additional opportunities for university-wide input will be provided once the initial full picture is assembled. In addition, each vice president will meet with direct reports and seek revenue-generating ideas if resources were provided. Separate task force will consider institution-wide cost savings.

Budget Advisory Committee members participated in an exercise that led to idea generation concerning reduced costs and enhanced revenue. Results of the exercise are shown at the end of these minutes.

- VI. Budget Advisory Committee Budget Recommendations (Ms. Hinkle)

Ms. Hinkle summarized suggestions and led a conversation with input from other members of executive council.

VII. Health Insurance Committee Update (Ms. Laury Fiorello and Dr. David Blackburn)
Ms. Fiorello and Dr. Blackburn presented data concerning possible savings to the university if the Arkansas Public Employees Retirement System (APERS) was eliminated as a retirement plan option for future hires at Arkansas Tech University. ATU is currently the only university that offers APERS as an option for new hires. Long-term savings to the institution could top \$600,000 per year based upon data provided during presentation. If an APERS phase-out was instituted, current ATU employees on the APERS plan would be grandfathered into that system.

VIII. Calendar – Revised Budget Cycle (Ms. Hinkle)

Upcoming meeting dates and times:

April 30, 2020	1:30 – 3:30 PM	location: Webex Meeting
May 11 (week of), 2020	1:30 – 3:30 PM	location: Webex Meeting
May 28, 2020	1:30 – 3:30 PM	location: Webex Meeting

During the Budget Advisory Committee meeting on Thursday, April 9, 2020, members were invited to submit suggestions for ways in which Arkansas Tech University could either generate more revenue or achieve more savings during the 2020-21 fiscal year. The ideas below were submitted through a chat box as part of the WebEx meeting that day.

April 9, 2020 3:56 PM from Jeffrey Cass to everyone: Since interest rates are less than zero, let's borrow the money, take the discount, and pay off the loan.

April 9, 2020 3:57 PM from Linda Bean to everyone: Something to consider that is being utilized in many universities is to go to a 4 day week.

April 9, 2020 3:57 PM from Richard Schoephoerster to everyone: This is a good time to go entirely paperless; significant savings on paper, copying, disposal, etc.

April 9, 2020 3:57 PM from Sam Strasner to everyone: Propose federally-funded program to study effect of infectious diseases in rural areas and how to improve response in future outbreaks.

April 9, 2020 3:58 PM from Laury Fiorello to everyone: I believe the voluntary furlough or reduced hours worked could be a voluntary option for employees. Especially in the summer time when things are a little slower.

April 9, 2020 3:58 PM from Linda Bean to everyone: Review programs that are not viable and adjust for savings.

April 9, 2020 3:58 PM from Ken Wester to everyone: We are proving that work from home (remote) can work for some and could relieve some expenses on office space and utilities.

April 9, 2020 3:59 PM from Brent Etzel to everyone: No better time to advertise and promote our pandemic-related majors: emergency management, nursing and health information management.

April 9, 2020 3:59 PM from wwatson to everyone: If we take a close look at the software we have purchased, I am sure that some of it can be eliminated. There are cases where we do technically use the software, but not to its full ability and either a home grown solution or a change to a different package would reduce our expenses.

April 9, 2020 3:59 PM from Jeffrey Cass to everyone: How about a 4-day work week in the summer, turn off the AC in buildings that aren't being used or don't require climate control, and then turn them back on on Sunday night.

April 9, 2020 3:59 PM from Laury Fiorello to everyone: I think some honest review of recurring expenses could be analyzed and micro savings could add up to a larger savings overall. We all could contribute at some level operationally.

April 9, 2020 3:59 PM from Judy Cezeaux to everyone: Complete VOIP phone installations.

April 9, 2020 3:59 PM from Richard Schoephoerster to everyone: Invest in market analysis for current and existing programs and use results to maintain, fix or close existing and start new with high enrollment potential.

April 9, 2020 3:59 PM from Sam Strasner to everyone: Investigate short-term reduction in university contributions to retirement accounts, with possibility of retroactively making those contributions whole again when times are better.

April 9, 2020 3:59 PM from Linda Bean to everyone: Will definitely need to scrutinize positions as to can they be eliminated or combined.

April 9, 2020 4:00 PM from Robin Bowen to everyone: Dr. Bean, I like your idea as it also gives students an extra day to work if they so desire.

April 9, 2020 4:00 PM from Judy Cezeaux to everyone: Provide more program-specific summer camps/programs (engineering, computer science, etc.).

April 9, 2020 4:01 PM from David Eshelman to everyone: Early retirement incentives.

April 9, 2020 4:01 PM from Brent Etzel to everyone: Allow for 9-month contracts for classified positions that directly tied to the academic year.

April 9, 2020 4:01 PM from Sam Strasner to everyone: Aggressively identifying and recruiting displaced workers to provide them with improved career prospects when recovery arrives.

April 9, 2020 4:01 PM from Blake Bedsole to everyone: Would love to hear the groups thought over expanding online enrollments through a third-party provider (tuition share agreements)

April 9, 2020 4:01 PM from Jeffrey Cass to everyone: Add bowling as a sport. I'll coach for free.

April 9, 2020 4:01 PM from Richard Schoephoerster to everyone: Consider differential teaching loads that allow some faculty to devote more time to obtaining research funding which will draw increased direct and indirect cost funding to the university

April 9, 2020 4:01 PM from Robin Bowen to everyone: This is great. You all have wonderful ideas!

April 9, 2020 4:02 PM from Blake Bedsole to everyone: And same with expanding international recruitment through agencies with similar revenue agreements.

April 9, 2020 4:02 PM from Birkn to everyone: 1) Reduce all travel - many universities have already done this 2) review of all contracts and consultants, may need to renegotiate 3) Offer 3/4 time to some employees

April 9, 2020 4:02 PM from Kevin Mason to everyone: (1) Seek greater industry partnerships to provide resources to programs. (2) Given the economic impact of ATU for Russellville and Pope County, maybe get resources from them. (3) Identify the key core elements of ATU and look to cut in areas that are less essential (e.g., athletics).

April 9, 2020 4:02 PM from Ken Wester to everyone: Retirement with part-time work options; helps with loss of knowledge and could contribute to shared positions.

April 9, 2020 4:02 PM from Brent Etzel to everyone: Adding soccer programs will help increase international student enrollment, might draw additional domestic students.

April 9, 2020 4:02 PM from Jeffrey Cass to everyone: Provide faculty lines for high-enrolled programs like rehab science. I could get another 30-40 students easily.

April 9, 2020 4:02 PM from Judy Cezeaux to everyone: Take more graduate programs online to reach out to adult learners.

April 9, 2020 4:03 PM from Jeffrey Cass to everyone: Make the process for putting programs online more expeditious. I could put several programs online quickly.

April 9, 2020 4:03 PM from wwatson to everyone: I think that we need to take a close look at positions and their allocation in context of the organizational chart. We can almost certainly combine specific positions or re-allocate from one area to another. Every area is understaffed, but some are more understaffed than others.

April 9, 2020 4:03 PM from Kimberly DuVall Renteria to everyone: Partner with Community Corrections to offer online instruction to inmates.

April 9, 2020 4:04 PM from Jeffrey Cass to everyone: Kim's idea is a good, especially if we are given greater access online for the Master of Science degree in criminal justice. We could also hybridize the program.

April 9, 2020 4:04 PM from Kimberly DuVall Renteria to everyone: Volunteering to help recruit students to come to my beloved alma mater.

April 9, 2020 4:04 PM from Ken Wester to everyone: More non-credit, but certificate classes to fill the gap in between degree programs and add options to graduates.

April 9, 2020 4:04 PM from David Blackburn to everyone: Southern New Hampshire University (SNHU), while being a state-funded institution, gets most of their revenue through their online curriculum. Perhaps we can leverage the current situation to increase our available online courses this fall by hiring adjuncts around the country to teach those new sections where possible and advertise our expanded online presence.

April 9, 2020 4:05 PM from wwatson to everyone: Can we use more thin clients or virtual machines and reduce the number of actual computers that we purchase.

April 9, 2020 4:05 PM from Bernadette Hinkle to everyone: Sell Lake Point property and use a portion of the one-time money on the revenue enhancement ideas.

April 9, 2020 4:05 PM from Jeffrey Cass to everyone: We can certainly use adjuncts around the country, but the problem is that we need more online programs

April 9, 2020 4:05 PM from Bernadette Hinkle to everyone: Negotiate a higher indirect cost recovery rate from DHHS.

April 9, 2020 4:06 PM from Jeff Aulgur to everyone: If we don't expand online offerings across the board we will not increase (or sustain) enrollment.

April 9, 2020 4:06 PM from Sam Strasner to everyone: If an aggressive online enrollment push is made, extend out of state tuition waiver to more states.

April 9, 2020 4:06 PM from Sandra Cheffer to everyone: What kind of professional development can we deliver internally to broaden skills and knowledge, by utilizing our own expertise?

April 9, 2020 4:06 PM from Jeff Aulgur to everyone: Targeted scholarships for adult learners. Non-traditional students are major component of the institution's enrollment.

April 9, 2020 4:07 PM from Jeff Aulgur to everyone: Provide support services for adult, graduate and online students equivalent to residential 18-22 year old students.

April 9, 2020 4:07 PM from Ken Wester to everyone: We are positioned well to utilize more virtual systems across the university setting, but fits well in administrative positional roles. And many others.

April 9, 2020 4:10 PM from Phillip Fisher to everyone: The ATU Foundation is looking into potential new annual funding models to help alleviate required state funding.

April 9, 2020 4:10 PM from Jeffrey Cass to everyone: Use our IPBR connections with industry.

April 9, 2020 4:10 PM from wwatson to everyone: I believe that if we create a pool of discretionary scholarship money that we can be offered/distributed using some of our new analytical tools we can show a positive return. We need to offer the right students the right amount of scholarship money; this by definition would be a new program using discretionary funds.

April 9, 2020 4:11 PM from Taylor Rigsby to everyone: Shift recruitment efforts from high school graduates matriculating into college through the traditional paths, and instead focus on recruitment of non-traditional and graduate students. There will be an enormous increase in people without jobs who may take the opportunity to improve their education for better job prospects

April 9, 2020 4:11 PM from Jeffrey Cass to everyone: I agree with this last comment. We don't really know if the use of our scholarship monies is "efficient."

April 9, 2020 4:11 PM from Sandra Cheffer to everyone: Developing student-led entrepreneurial efforts to link with existing businesses, and possible development of small business.

April 9, 2020 4:13 PM from Robert Fraser to everyone: Ask is there anything we can stop doing.

April 9, 2020 4:13 PM from Jeffrey Cass to everyone: I also think we could reallocate some of the PDG money or some pot of money to leverage extramural funding. Give faculty members a small grant, which then requires them to go after a bigger grant.

April 9, 2020 4:15 PM from Jeffrey Cass to everyone: I think we need to consider alternative programming. Saturday seminar programming like St. Mary's in San Antonio, month-long classes like National University, etc.

April 9, 2020 4:16 PM from Bernadette Hinkle to everyone: On average, Russellville campus spends \$6,250 a day on utilities.

April 9, 2020 4:16 PM from Birkn to everyone: Reduce the number of copiers as we transition to a paperless environment.

April 9, 2020 4:18 PM from Bernadette Hinkle to everyone: Event management; use facilities for revenue?

April 9, 2020 4:18 PM from Jeff Robertson to everyone: Suspend all capital improvements that can be suspended. Evaluate scholarships and look for cuts among those that have the least benefit to the university in terms of retention, graduation, diversity, etc.

April 9, 2020 4:19 PM from Judy Cezeaux to everyone: Need to do analysis to determine if shutting down AC will save money. May need more energy to cool down after shut off than to keep temperature level.

April 9, 2020 4:19 PM from Ken Wester to everyone: Reduced printing, networked printers for required printing, digital approvals and signatures. Just like the idea of wireless first, we should support digital first.

April 9, 2020 4:20 PM from wwatson to everyone: If we took a close look at the organizational chart would we find any areas that could be combined in order to reduce "administrator" positions.

April 9, 2020 4:20 PM from Kimberly DuVall Renteria to everyone: Lease the farm land?

April 9, 2020 4:20 PM from Jeff Aulgur to everyone: Telework reduces expenditures. It is the future. It should be embraced as a permanent practice option.

April 9, 2020 4:20 PM from Sam Strasner to everyone: The doors were kept open in part during the 1930s by the Hull administration by pursuing opportunities to host federally-funded programs. If new or expanded programs are offered as part of a nationwide economic recovery, innovative approaches to utilizing our facilities to host those could be beneficial.

April 9, 2020 4:21 PM from Kimberly DuVall Renteria to everyone: Sell interstate access farm land?

April 9, 2020 4:21 PM from Robert Fraser to everyone: Expand usable academic space by moving admin positions online.

April 9, 2020 4:22 PM from Jeff Robertson to everyone: Lease land for commercial use (fire station to Tina's gym).

April 9, 2020 4:22 PM from Jeffrey Cass to everyone: I have an idea about our cows. There are federal and state programs, I believe, that pay farms to house and feed cattle. I was in charge of one in Louisiana (Calf-to-Carcass). We should look into that. Pass-through money is always good.

April 9, 2020 4:23 PM from Judy Cezeaux to everyone: Our farm is a revenue generator for the campus.

April 9, 2020 4:23 PM from Jeffrey Cass to everyone: I like Jeff's idea of leasing land.

April 9, 2020 4:23 PM from Jeffrey Cass to everyone: I know it is, Judy. I was just spitballing.

April 9, 2020 4:27 PM from Jeff Robertson to everyone: I recommend going away from APERS and transition to TIAA-CREF for everyone going forward now, offer transition to vested people's mid-career and grandfather the rest.

April 9, 2020 4:27 PM from Jeffrey Cass to everyone: I don't think we're doing enough to connect to Ozark. I wonder if we could do more to add online possibilities for Ozark associates' degrees so that students in that region could stay there and finish their baccalaureate degree.

April 9, 2020 4:28 PM from Suzanne McCall to everyone: 1) review capital projects that have not started and request the board to move those funds back to the educational and general fund from plant; 2) reduce out of state travel; 3) 3/4 time for those who volunteer.

April 9, 2020 4:38 PM from Ken Wester to everyone: Would any of these options affect the Drop or Paws programs within APERS.

April 9, 2020 4:38 PM from Linda Bean to everyone: Totally agree and think this is a step forward.

April 9, 2020 4:40 PM from Kimberly DuVall Renteria to everyone: Thank you!!!

April 9, 2020 4:41 PM from Bernadette Hinkle to everyone: Great job everybody!

April 9, 2020 4:41 PM from Jeffrey Cass to everyone: Thank you, Bernadette and Sandy.

April 9, 2020 4:42 PM from Mary B. Gunter to everyone: Thanks to all.

April 9, 2020 4:42 PM from Ken Wester to everyone: Thanks everyone.

Budget Advisory Committee
5-21-2020 Meeting Minutes

- I. Welcome (Ms. Bernadette Hinkle)
Ms. Hinkle welcomed committee members to the virtual meeting. Invited questions at any point during meeting as well as feedback.

- II. State of Arkansas Update (Ms. Ashley Golleher)
In addition to announced cuts in state funding for Arkansas Tech University, we are also tracking reductions in Educational Excellence Trust Fund (EETF) and Workforce 2000 funds that typically benefit ATU students. The State of Arkansas is anticipating a 5 percent decrease in sales tax collections as result of the pandemic. She is communicating with legislators and state-level department employees to inform them that CARES Act funds will not be enough to offset the reductions in state funding. All institutions in Arkansas are collectively working on a safe opening, to including social distancing, appropriate safety materials, contact tracing and testing.

- III. Enrollment Update Summer and Fall (Dr. Blake Bedsole)
Summer 2020 credit hours are down approximately 20 percent compared to same day last year. Students are registering at a steady rate, but not enough to chip away at that deficit. Planning for 7.5 percent decline in undergraduate enrollment, 10 percent decline in graduate enrollment and 50 percent decline in international enrollment for fall 2020. Entering freshman and new transfer students is ahead of fall 2019 pace. Major negative is in the returning undergraduate population, which is down as compared to same date last year. That gap is closing. Returning graduate numbers are also down. During question and answer phase, connections were made to ensure contact of graduate students who are eligible to return who have not yet registered for fall 2020. Conversation revealed anecdotal evidence that potentially returning undergraduate students who have yet to register for fall 2020 are difficult to engage due to the fact they are not responsive to communications. Dr. Bedsole indicated the current trend on the drop in returning students could not be overcome by the positive numbers on freshman enrollment. Dr. Barbara Johnson stated it is her belief many potential returning students are waiting to see how pandemic recovery progresses before making their decisions about fall 2020. Dr. Judy Cezeaux reported a number of potential returning students have holds on their accounts that are preventing registration. She advocated for removing non-financial related holds in order to facilitate returning student registration. Dr. Keegan Nichols stated that residence life is developing a list of students who have holds on their accounts due to the fact they have not signed a housing contract for fall 2020. Dr. Robin E. Bowen spoke to the fact that enrollment is everyone's job and expressed appreciation on the efforts thus far. She asked members of the university community to continue reaching out to potential returning students and make notes on those who give a reason for why they are not

returning. Dr. Jeff Robertson suggested adjustments in structure for account holds.

IV. Federal CARES Act A and B (Dr. Blake Bedsole and Mr. Thomas Pennington)
CARES Act total funding for ATU was just more than \$7 million, with half earmarked for direct student support. ATU has received more than 2,000 CARES Act funds applications from students and the hope is to post the initial awards on Wednesday, May 27. The institutional half of the funds may be utilized to cover any costs associated with significant changes to the delivery of instruction due to the coronavirus, so long as such costs do not include payment to contractors for the provision of pre-enrollment recruitment activities; endowments; or capital outlays associated with facilities related to athletics, sectarian instruction or religious worship. As the granting agency, the U.S. Department of Education has also encouraged institutions to utilize CARES Act funds to expand remote learning programs, enhance information technology capacity to support such programs and train faculty and staff to operate effectively in a remote learning environment. A working group appointed by the president has prioritized the needs of the institution in accordance with the CARES Act guidelines. Suzanne McCall indicated safety items and cleaners are being purchased in bulk quantities to provide adequate materials for a safe re-opening of the university at the appropriate time. Dr. Keegan Nichols indicated the COVID-19 task force recovery framework will be published on approximately Wednesday, May 27. It was discussed that the top procurement priorities at this time are on the items that are in the shortest supply and greatest demand. Dr. Judy Cezeaux expressed a desire to obtain expertise in cleaning sensitive equipment in laboratories. Ms. Hinkle responded with appreciation for her concern and an assurance that appropriate measures will be taken at the appropriate time in order to keep members of the university community safe. Members of the Budget Advisory Committee were referred to www.atu.edu/finaid/cares.php and OneTech announcements for more information.

V. Break

VI. Budget Scenario FY21 (Ms. Bernadette Hinkle and Ms. Sandy Cheffer)
Ms. Hinkle said input from Budget Advisory Committee is essential in process. Planning on a difficult year in fiscal year 2021. Budget is based upon 7.5 percent decrease in undergraduate enrollment, 20 percent decrease in undergraduate summer enrollment, 50 percent decrease in international enrollment and a 10 percent decrease in graduate enrollment. Budget does not include a tuition increase because of desire to encourage students to return. Most significant change in fees will be applying the \$6.25 per student semester credit hour student union and recreation center fee to all eligible students as opposed to the graduated fee that was utilized in fiscal year 2020. Renovated student union space in Hull Building on pace to open in September 2020. Certain course fees and the curriculum content fee will also be adjusted for fiscal year 2021. Departments across campus have developed and submitted budget reduction plans of 5, 10 and 15 percent. Reserve funds are also being utilized to shore up the

fiscal year 2021 budget, but those are one-time funds that will not be replenished, so that is not a long-term strategy. Dr. Bowen also asked members of the committee to reach out to peers at other universities and professional associations for ideas on common problems and to share our solutions. Ms. Cheffer provided a high-level overview of the fiscal year 2021 budget. ATU is forecasting a more than \$7 million decrease in tuition and fee revenue as well as a \$4.1 million decrease in state funding. Measures taken to account for shortfall include transfer of \$4,688,939 in university reserve funds, transfer of \$3,000,000 in food service reserve funds, transfer of \$500,000 in foundation funds to education and general funds and \$125,000 in University's Greatest Need one-time foundation funds to support student success initiatives in academic affairs and student affairs. In addition, maintenance and operational expenditures, the scholarship budget and budgets for auxiliary operations have been decreased in order to achieve a balanced fiscal year 2021 budget.

- VII. FY21 Estimated Budget Shortfall/Proposed Future Actions (Ms. Hinkle/ Dr. Robin Bowen)
Dr. Bowen expressed appreciation for all parties involved in the development of the fiscal year 2021 budget, including those who made suggestions. Continuation of protection of human core will depend upon fall 2020 enrollment numbers. Nationally, projections are for a 15 percent drop in college enrollment this fall. That would create a \$17.7 million deficit for ATU if it comes true as opposed to the \$13.4 million budget the university is presenting to the ATU Board of Trustees for review and potential adoption. Work is beginning on strategies that could be implemented if the shortfall, in the final analysis, is more than \$13.4 million. State funding for ATU was reduced by 13 percent. Further cuts could come, or some of that money could return to the university if statewide economic conditions improve. Category A funds from state were provided to ATU. If conditions improve and funds from Category B, Category C and Category D are provided by state, each of those pools would result in an additional \$1.5 million in funding for ATU. If those additional categories are funded by the state, those additional funds would be used to restore the institutional reserves that were used to shore up the fiscal year 2021 budget. Dr. Bowen explained that like general reserves, the food service reserve is one-time money, and that there are limits to what the foundation is capable of providing. She said that the cut to academic affairs was less, by percentage, than what was experienced by other divisions. Dr. Bowen emphasized that utilizing reserve funds cannot be a long-term budget strategy. Shortfalls that were covered by one-time funds will have to be accounted for through other means moving forward. The ATU Institutional Efficiency and Effectiveness Committee will be working to identify core activities and ensure those are funded strongly. She said that while the current budget situation is challenging, ATU is in better position than other institutions that are exploring layoffs and furloughs for faculty and staff. Dr. Bowen asked for help in identifying ways in which ATU can become even stronger.
- VIII. Task Force B Survey Results (Dr. Mary Gunter/Wyatt Watson)
Dr. Gunter spoke about the ideas of early retirement, a step-down program, voluntary furloughs and reduced time contracts for ATU faculty and staff. Survey of university

employees about those topics closed on Tuesday, May 19. Results of survey were presented to Budget Advisory Committee. Data revealed significant interest in early retirement and step down among those age 62 or higher, while between one-fifth and one-third of all respondents are interested in more information about reduced time contracts or voluntary furloughs.

IX. TIAA Vesting Proposal (Ms. Rebecca Lacava)

Ms. Lacava reported on ways in which new employees could become vested in the university retirement system on a graduated schedule as opposed to becoming automatically fully vested in terms of matching contributions upon employment.

**Budget Advisory Committee
Meeting Minutes 6-11-2020**

- I. Welcome and Update (Ms. Bernadette Hinkle)
- II. Enrollment Update (Dr. Blake Bedsole)

Budgeted for fiscal year 2021 based upon 7.5 percent decline in undergraduate, 10 percent decline in graduate, 50 percent decline in international and 20 percent decline in summer enrollment. Currently on the positive side of those projections. Summer credit hours are down 17 percent compared to last year. Incoming freshman numbers for fall 2020 are comparable to one year ago.
- III. Housing Update (Dr. Keegan Nichols/Dr. Delton Gordon)

Numbers are comparable to same time one year ago. Occupancy for fall 2020 is at 91.4 percent. There are approximately 215 beds remaining for students to sign up for fall 2020. Currently reaching out to students who have a contract for 2020-21, but have not selected housing and/or registered for classes. That population is approximately 250 students.
- IV. Tech Advise (Dr. Barbara Johnson)

Dr. Johnson reported that as of Monday, June 8, 1,221 entering freshmen have been registered in classes for fall 2020, an increase of 187 entering freshmen as compared to the same time last year. Returning students are also receiving advising, and deans and department heads are reaching out to potentially returning students to help facilitate their enrollment for fall 2020.
- V. Fiscal Year 21 Narrative and Scenario (Ms. Bernadette Hinkle /Ms. Sandra Cheffer)

Operating budget for fiscal year 2021 is \$169.5 million, which is down 2.58 percent as compared to fiscal year 2020. Budget is based upon 179,993 student semester credit hours for fiscal year 2021, which is down 9.5 percent as compared to fiscal year 2020. Decrease in state funding for fiscal year 2021 for Arkansas Tech University as compared to fiscal year 2020 is approximately \$5 million. The university also anticipates reduced income from investments during fiscal year 2021. Utilization of university reserves, contributions from the ATU Foundation, hiring freezes and reductions in supplies and travel are among the factors that allowed ATU to achieve a balanced proposed budget for fiscal year 2021. Ms. Hinkle reported there will be zero tuition increase at ATU for fall 2020 and spring 2021. She said this will be the second time in three years that ATU has held tuition flat for its students. There will also be no increases to mandatory fees. Approximately \$178,000 in salaries and benefits were added to the Russellville campus base budget for approved promotion and tenure adjustments and benefits. Also, in last year's legislative session, changes to minimum wage, classified pay plan and career service awards resulted in the need to budget this year approximately \$256,000 in unfunded mandates. There are no across-the-board salary increases for ATU employees in fiscal year 2021. Ms. Hinkle expressed appreciation to the budget advisory committee and all who contributed to the fiscal year 2021 budgeting process.

- VI. FY21 Worst Case Scenario (Ms. Bernadette Hinkle/Mr. Bruce Sikes)
If enrollment were to drop 15 percent for fiscal year 2021, the Russellville campus would need to pursue several strategies to account for what would become a \$17.7 million budget shortfall. These strategies could include voluntary furloughs, early retirements, mandatory furloughs and scholarship savings. Ms. Hinkle emphasized that she does not anticipate it being necessary to pursue those strategies at this time. Mr. Sikes reported that a worst-case scenario (15 percent drop in enrollment) at Ozark campus would include the consideration of voluntary and/or mandatory furloughs if that came to pass.
- VII. Voluntary Furlough/Reduced Time Contracts (Mr. Thomas Pennington)
Mr. Pennington emphasized that reduced time contracts are a one-year election by the employee, while voluntary furloughs can be implemented on a quarterly basis within the same fiscal year at the employee's discretion. A full version of the proposed policy will be released if it is approved by the ATU Board of Trustees.
- VIII. Budget Policies (Ms. Bernadette Hinkle)
Ms. Hinkle reaffirmed that the president, the executive council and the budget advisory committee take a proactive approach to inform the university community of the budgeting process. She also pointed out that deficit spending is not allowed in any budget at the university.
- IX. Institutional Efficiency Committee Update (Dr. Barbara Johnson/Ms. Bernadette Hinkle)
Dr. Kevin Mason reported that his team reviewed human resources suggestions, of which there were 72. They identified several themes: providing early retirement and phased step-down retirement options, eliminating the APERS retirement system for new hires, considering TIAA have a vesting time period for new hires and the possibility of voluntary furloughs, among them. Dr. David Eshelman reported that his team focused on academic and athletic issues. There were approximately 90 items for review. The possibility of academic restructuring, moving more programs online and designating a marketing budget for reaching online students were among their highlights. Dr. Judy Cezeaux reported that her team focused on a wide variety of topics, including communication about the process by which scholarships are distributed and how financial leveraging is utilized. Laury Fiorello reported that her team discussed the utilization of food service and auxiliary reserves and energy efficiency initiatives.
- X. Budget Information/Communication (Ms. Bernadette Hinkle/Mr. Sam Strasner)
Mr. Strasner reported on the means by which the budget advisory committee can help disseminate information about the outcomes of the fiscal year 2021 budgeting process. These include minutes at www.atu.edu/budgetadvisory and the ATU Board of Trustees meeting recap news release, which will be posted at www.arkansastechnews.com on Thursday, June 18. It was discussed that overcoming a \$13.4 million budget shortfall without increasing tuition or mandatory fees and without laying off any full-time faculty or regularly contracted full-time staff is an achievement of which the university can be proud.