

Budget Advisory Committee

Meeting Minutes

August 6, 2021

I. Introduction (Ms. Laury Fiorello)

The committee will discuss the budget timeline for fiscal year 2023, current enrollment statistics for fall 2021 and the structure of this committee during today's meeting.

II. Enrollment (Ms. Laury Fiorello)

As of Wednesday, ATU Russellville campus is trending 13 percent behind enrollment from the same date one year ago. It is approximately a \$3.6 million shortfall from what is budgeted for fiscal year 2022. The five-year financial model adopted by the university in advance of fiscal year 2022 included contingencies for shortfalls such as this. There is also a state base funding increase of approximately \$2.4 million this year. As a result, the university can manage the shortfall resulting from decreased enrollment for fall 2021. Ms. Fiorello advised that budget advisory committee meetings will take place on a monthly basis and will provide updates as more enrollment figures are reported. President Dr. Robin E. Bowen stated that flagship universities are faring better than regional comprehensives and private schools during the pandemic, citing data from The Chronicle of Higher Education. Dr. Bowen also said that trends show the pandemic is disproportionately causing lower income students to defer higher education due to higher wages at entry level positions that do not require a bachelor's degree. Kevin Solomon reported anecdotal evidence that supported the trends noted by Dr. Bowen.

III. Timeline for Budget Advisory Committee (Ms. Laury Fiorello)

Ms. Fiorello shared a proposed timeline for how the university can plan for fiscal year 2023 during fiscal year 2022. Vice presidents would be required to submit budget proposals by November 2021. The ATU Office of Budget would translate that into a first look at the overall fiscal year 2023 budget by January 2022. ATU executive council would review the proposed budget in February 2022. Budget books would be produced and vice presidents would review during March and April 2022. Board review and possible adoption of the proposed budget would take place in May 2022. Mr. Ken Wester raised the point of including strategic planning considerations in budget planning for fiscal year 2023 as the university goes through a stretch year and prepares for the creation of a new strategic plan. Dr. Robin E. Bowen raised the point that the lower than anticipated freshman class in fall 2021 will affect the university's five-year budget model and that the university will need to adjust its revenue projections for future years based upon the current enrollment realities. Mr. Wyatt Watson asked if the November 2021 deadline would effectively correspond with upcoming academic restructuring at the college level. Dr. Bowen responded that the Board of Trustees will not consider the academic restructuring until January 2022.

IV. Structure of the Budget Advisory Committee (Ms. Laury Fiorello)

Ms. Fiorello opened the floor for conversation about the structure of budget advisory committee. Dr. Jeffrey Cass stated that he has found it difficult in the past to make policy with a group as large as budget advisory committee as currently constituted. Dr. Jeffrey Cass suggested that smaller sub-groups could be formed that could address specific issues and then bring them back to a smaller core group of overall BAC members. Dr. Bowen and Ms. Fiorello expressed support for that idea. Ms. Fiorello indicated she will begin developing a proposed structure along those lines and will bring it back to the budget advisory committee for review at a future meeting.

V. Future Meetings (Ms. Laury Fiorello)

Ms. Fiorello indicated that the group will meet the second week of each month with the next meeting planned for September 2021.

Budget Advisory Committee
Meeting Minutes
September 24, 2021

- I. Amended Budget Calendar (Ms. Laury Fiorello)
Key dates for the fiscal year 2023 planning schedule were provided, including the dates for future budget advisory committee meetings. Those meetings for the remainder of the 2021-22 fiscal year are scheduled for Oct. 22, Nov. 19, Dec. 9, Jan. 27, Feb. 25, March 18, April 29, May 27 and June 24.
- II. Budget Worksheet Training Sessions (Ms. Laury Fiorello)
The first budget worksheet training session will be at 2 p.m. on Oct. 15. The second one will be at 2 p.m. on Oct. 22. These trainings will be about spreadsheet utilization in budget planning. The plan in subsequent years will be to use Banner instead of spreadsheets. The training will be recorded and made available to those who cannot attend and need access to it.
- III. Fee Committee (Ms. Laury Fiorello)
Dr. Jeffrey Cass will serve as chair. The committee will serve as a body to receive and discuss all fee requests from units across the university in planning for fiscal year 2023. The committee is constructed similarly to how it has been constructed in the past. The fee committee will meet before each budget advisory committee meeting and provide a report to the full BAC each month. Ms. Fiorello and Dr. Cass will develop a process for units to provide fee requests to the fee committee. Recommendations for approval or denial of requested fees will come before the full budget advisory committee for review.
- IV. Budget Worksheets (Ms. Laury Fiorello)
Finalized budget worksheets from each unit are due back to the Office of Budget by Dec. 17. Those worksheets will be processed by personnel in the Office of Budget and returned to the appropriate vice presidents by Jan. 31.
- V. E&G Budget vs. Actual Tuition and Fee Revenue (Ms. Laury Fiorello)
Tuition and fee revenue for fall 2021 will be between \$2.4 and \$2.5 million lower than was projected in the budgeting process. Due to restructuring initiatives that provided contingencies in the fiscal year 2022 budget, the university will be able to account for the reduced revenue without making budget cuts for fall 2021. A revised five-year budget model is being developed based upon new revenue projections and will be shared with the budget advisory committee when the new model is ready.

**Budget Advisory Committee
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December 3, 2021**

- I. Fee Committee Update (Dr. Jeffrey Cass)

There is a new fee form that has been disseminated to appropriate personnel on campus. Dr. Cass indicated the form will assist the fee committee in considering proposals for fee increases. Ms. Laury Fiorello asked if supplementary information can be attached to the form. Dr. Cass indicated that would be acceptable. Ms. Fiorello said the deadline to submit fee proposals for consideration is Jan. 20, 2022. Dr. Cass expressed appreciation to all who contributed to the development of the form.
- II. Enrollment Update (Dr. Blake Bedsole)

Overall spring 2022 enrollment is trending down 4 percent compared to spring 2021. On the Russellville campus, enrollment is down 7 percent in undergraduate and up 6 percent in graduate. Ozark spring 2022 enrollment is up 3 percent compared to spring 2021. Ms. Fiorello said final numbers will be available after the 11th day of the spring 2022 semester. Dr. Robin E. Bowen asked what the projections for spring 2022 were. Ms. Fiorello indicated the projection was for a 10.8 percent decline in enrollment for spring 2022 compared to spring 2021, so the university is out-performing its enrollment projections for spring 2022.
- III. Market Share Data (Wyatt Watson)

Mr. Watson made a presentation about Arkansas Tech's average market share of Arkansas high school graduates relative to enrollment from 2014-present. Dr. John Jackson inquired about additional data concerning the overall percentage of Arkansas high school graduates choosing to enroll in higher education. Dr. Bedsole indicated the number of Arkansas high school graduates choosing to attend a four-year institution has been consistently dropping in recent years. Dr. Bedsole provided additional context on the competitive landscape for incoming freshmen in Arkansas and how it has evolved in recent years.
- IV. Budget Calendar (Ms. Laury Fiorello)

The fee committee will conduct its next meeting at 8:30 a.m. on Jan. 13, 2022. The full budget advisory committee will conduct its next meeting at 9 a.m. on Jan. 27, 2022. Subsequent meetings of the BAC are planned for Feb. 25, 2022, March 18, 2022, April 29, 2022, and May 27, 2022.

Budget Advisory Committee

Meeting Minutes

January 27, 2022

- I. Agenda Additions-Future Meetings (Ms. Laury Fiorello)
Ms. Fiorello suggested that incorporating input from presidents from the senates representing faculty, staff and students in future Budget Advisory Committee meetings would provide the committee with more information that could be helpful in the decision-making process. She reported that she will be working with those leaders to achieve that goal.
- II. Fee Sub-Committee Report (Dr. Jeffrey Cass)
Dr. Cass reminded the committee that a new form was developed to track fee proposals. The sub-committee has approved recommendations concerning the athletics fee, nursing fees and computer science fees. Additional fee recommendations will be reviewed during the next fee sub-committee meeting on Feb. 10 and the full Budget Advisory Committee will have an opportunity to review fee recommendations during its next meeting on Feb. 25. Dr. Cass recommended extending until Feb. 4 the deadline for fee proposals to be submitted to the sub-committee. No objection was raised.
- III. FY21 Audit and Financial Finding (Ms. Suzanne McCall)
Ms. McCall shared the findings of the fiscal year 2021 financial audit overview for Arkansas Tech University. The net position of the university increased by \$2,359,686 over the course of fiscal year 2021. Net position as of end of fiscal year 2021 was \$143,851,859. Ms. McCall reported that the university took advantage of favorable interest rate conditions to decrease the institution's annual bond debt by \$6,348,953. Ms. Fiorello reported the financial audit overview attests to the university's financial stability. Ms. McCall reported that including critical maintenance in the annual operating budget moving forward will assist the university in better planning for its expenses.
- IV. EAB Contract (Dr. Keegan Nichols)
Dr. Nichols reported that, with the leadership of Dr. Blake Bedsole, Arkansas Tech has reduced its annual recruitment contact with EAB by approximately \$300,000 as of July 1, 2022, and reallocated those funds to other retention and recruitment initiatives. One emphasis is increasing recruitment in Northwest Arkansas. Another is a recruiter who works specifically with parents and families.
- V. Five-Year Model Summary and Assumption Discussion (Ms. Laury Fiorello)
Ms. Fiorello led a discussion about Arkansas Tech's rolling five-year budget model and assumptions that play into developing the fiscal year 2023 budget.
- VI. February Meetings (Ms. Laury Fiorello)
The fee sub-committee will meet at 8:30 a.m. Thursday, Feb. 10. The full Budget Advisory Committee will meet at 9 a.m. Friday, Feb. 25.

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March 4, 2022

- I. Fee Sub-Committee Report (Dr. Jeffrey Cass)
Dr. Cass reported the fee sub-committee has recently met twice, and during the second of those meetings several fee recommendations that had come forth from the university community were approved to move forward for consideration by the full budget advisory committee. The fee sub-committee will continue to review proposed general fee increases in support of the operations of the health and wellness center and athletics.
- II. Campus Master Plan Update (Ms. Laury Fiorello)
Ms. Fiorello provided the budget advisory committee with an update on progress that has been made in support of the campus master plan. In-progress projects include the new campus entrance project, planning for a new student union and recreation center and re-purposing space in Dr. Robert Charles Brown and Jill Lestage Brown Hall for academic use. Completed projects include the demolition of the Stroupe Building, McEver Hall vent hood improvements, the purchase of additional farm land and the identification of a new home for the ATU Department of Public Safety.
- III. Five-Year Rolling Budget Model Update (Ms. Laury Fiorello)
Ms. Fiorello asked for feedback on the five-year rolling budget model as it stands at this time. Dr. John Jackson asked if the ongoing work on renewed recruitment and retention goals would be incorporated into the model. Ms. Fiorello responded they will be incorporated in conjunction with the finalization of goals. She said the recruitment and retention goals will be more likely to influence budget plans for fiscal year 2024 and beyond. Dr. Blake Bedsole passed forward Staff Senate concerns that had been expressed to him in terms of protecting affordability for students and remaining competitive in the marketplace. Ms. Fiorello expressed appreciation for that feedback and a desire to have further conversations with Staff Senate concerning the issue of tuition and fees. Ms. Fiorello and Dr. Cass both expressed appreciation for the feedback and the important role it plays in budget development. Dr. Robin E. Bowen emphasized the importance of pay increases for ATU faculty and staff and requested that be a priority when updating the five-year rolling budget model.
- IV. Proposed One-Time Bonus – Current Fiscal Year (Ms. Laury Fiorello)
Ms. Fiorello said the university will consider a \$1,000 one-time bonus for faculty and staff (classified and non-classified) near the end of fiscal year 2022. It would be inclusive of all campuses of Arkansas Tech. The ATU executive council has considered this proposal. One provision is that ATU executive council would be excluded from the bonus. Ms. Fiorello said the proposal will go before the Arkansas Tech Board of Trustees for its consideration during its March meeting. Dr. Bowen stated it has been a challenging period for ATU employees and the bonus, if approved and implemented, would be an appropriate thank you.

V. Budget Calendar (Ms. Laury Fiorello)

Budget request submissions are due Tuesday, March 15. The fee sub-committee will meet on Thursday, March 10. The next meeting of the budget advisory committee is scheduled for Friday, March 18, at which time the committee will consider fee requests for fiscal year 2023. The fee sub-committee will meet on Thursday, April 14. The budget advisory committee will meet on Friday, April 29.

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March 18, 2022

- I. Upcoming Dates (Laury Fiorello)
The fee sub-committee will meet April 14 at 8:30 a.m. via Webex. The budget advisory committee will reconvene at 9 a.m. on April 29. Seeking a location that will facilitate in-person and Webex attendance options. The fee sub-committee will provide its final report inclusive of student semester credit hours fees at the April 29 meeting. The final meeting of the budget advisory committee in advance of the adoption of the fiscal year 2023 budget will be 9 a.m. on May 27.
- II. Fee Sub-Committee Report (Laury Fiorello and Dr. Jeffrey Cass)
Course fees are essentially finalized. Feedback concerning general fees such as health and wellness and athletics continues to be gathered.
- III. Five-Year Model Summary (Laury Fiorello)
Ms. Fiorello presented background information relative to the budgetary impact of changes in enrollment, tuition and mandatory fees rates and expenses and how projected changes in those factors help build the annual budget for the university. The group engaged in conversations about the importance of maintaining competitive salaries in order to attract and retain quality faculty and staff while simultaneously maintaining affordability for students.

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April 29, 2022

- I. Fee Sub-Committee Report (Dr. Jeffrey Cass)

Dr. Cass reported that recommended changes in education and general fees that apply to all students reflect a 1.5 percent increase as compared to fiscal year 2022. Recommended increases for education and general fees are for the technology operations fee (from \$17 per student semester credit hour to \$17.25 per SSCH), the instructional support fee (from \$12.60 per SSCH to \$12.79 per SSCH) and the facilities fee (from \$18.50 per SSCH to \$18.78 per SSCH). Two auxiliary fees --- the health and wellness fee (from \$8.90 per SSCH to \$9.17 per SSCH; an increase of 3 percent) and the athletic student fee (from \$20.60 per SSCH to \$21.20 per SSCH, an increase of 2.9 percent) --- are also recommended for increase. Margie Link reported the average student would see a \$24 per semester increase in their cost to attend as a result of these five recommended fee increases. The budget advisory committee voted in favor of moving the five fee increases forward for consideration by the Arkansas Tech University Executive Council and the ATU Board of Trustees. Dr. Cass also reported on course-specific fee increases and decreases that have been requested by academic departments. The budget advisory committee voted in favor of moving the course fee changes forward for consideration by the ATU Executive Council and the ATU Board of Trustees.
- II. Five-Year Model Assumption Recommendations (Laury Fiorello)

Ms. Fiorello provided an update on factors that go into the five-year rolling budget model for Russellville campus education and general fund projections. Dr. Judy Cezeaux and Dr. John Jackson led a discussion about how budgets will be determined for colleges that experienced changes as a result of academic restructuring that goes into effect July 1, 2022.
- III. Next Meeting (Laury Fiorello)

The next scheduled meeting of the budget advisory committee is 9 a.m. on Friday, May 27.

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May 27, 2022

- I. Fee Sub-Committee Report (Ms. Laury Fiorello)
Ms. Fiorello informed the budget advisory committee that the proposed fiscal year 2023 budget includes an increase of \$2.35 per student semester credit hour (SSCH) for the student union and recreation center fee. The increase will bring the total student union and recreation center fee for fiscal year 2023 to \$8.60 per SSCH. Of that, \$3 per SSCH will fund operations at the existing Hull Building Student Union. The remaining \$5.60 per SSCH will be assigned to bond debt service on the new student union and recreation center. It would be the beginning of a phased-in approach to increasing the student union and recreation center fee that will allow the university to address bond debt service and operational costs for a new student union and recreation center facility, which is scheduled to be completed in approximately 2025. Ms. Fiorello led the budget advisory committee in a subsequent conversation about the overall funding model for the new student union and recreation center.
- II. 5-Year Model Assumption Recommendations (Ms. Laury Fiorello)
Ms. Fiorello provided an update on factors that go into the five-year rolling budget model for Russellville campus education and general fund projections. They include enrollment trends, increases in the consumer price index and increased costs associated with employee salaries and benefits.
- III. Budget Calendar (Ms. Laury Fiorello)
The ATU Board of Trustees will consider Arkansas Tech's fiscal year 2023 budget during its meeting on June 16. The budget advisory committee will re-convene in September 2022 to begin planning for fiscal year 2024.