

Budget and Planning Committee
Meeting Minutes
April 10, 2013
Ackerman Alumni Room

Present: Jeff Carman, Les Mueller, Ken Watson, Ray Brown, Joyce DePriest, David Lageson, Elwin Martin, Rachel Hawes, Stephen Jenkins, Michael Sell, Andy Ashe, Sue Cain, Lara Moore, President Davies, Provost Adkison

1. Jeff Carman called the meeting to order at 1:00 pm
2. Minutes from the March 12th and March 20th meetings were approved as submitted.

Jeff Carman noted that Lon Whitaker was not able to join the meeting today, but he would be at the next one on April 24th. Jeff also stated that the regular meeting day will most likely be moved back to Tuesday after the meeting on the 24th.

Prior to President Davies' presentation on the budget, some concerns were raised by committee members regarding how quickly the budget went from okay to not good. A few months ago the committee was told there was every confidence that we would meet the goal of having a 5% fund balance. What happened between then and now?

Lara Moore offered some explanations. In addition to some unanticipated expenses, our self-projections of revenue were \$210,000 less than expected. OUS projections were used rather than EOU's and OUS was off. Fee remissions also came in higher than expected. Eastern offers many different types and amounts of fee remissions and the total this year was between \$500,000 and \$600,000 more than last year.

In the recent past, there have not been effective controls on how many remissions were awarded or how the recipients were selected. A task force was formed earlier this year and will soon have recommendations for revamping the entire fee remission process. The recommendations will include options for how to better project the number of fee remissions. However, because commitments have already been made for the next academic year, full impact of these changes will not be realized until the 2014-15 academic year.

Ray Brown asked if there was a bottom line on the budget deficit. Lara responded that there is a bottom line and it could have been as much as \$560,000. This estimate was affected by some unresolved issues with capital expenditures (Gilbert Center) that were only recently settled with OUS. Now that the capital expenditures issue is resolved, Lara has been able to identify other short term budgetary options to help reduce the deficit. There is a possibility of transferring some auxiliary dollars from various areas, such as Parking – Property Rentals, ISB, and Student Health. Lara stressed that type of option would be a one-time only fix.

Jeff Carman asked if there has been talk about increasing long term revenue growth in areas such as tuition. Lara responded that there is currently a 5% increase planned, but we have to be very careful that we stay affordable.

President Bob Davies presented the Sustainability Plan Update to the committee. He reminded us that the plan is a living document that can and will be evaluated, refined and altered as needed. Bob stressed that we have been operating in a cycle of feast and famine or cut, then spend and we have to stop that cycle. Our fund balance has fluctuated between 2% and 12% over the past few years and we have to get it stabilized at above 5% and ideally at approximately 8.5%.

After the presentation, Les Mueller asked if there was a reason to continue examining and evaluating the departments' budgets as well as considering requests for increases. Steve Adkinson said that the process should continue partly because, even if there is no budget available to address the requests for increases, this exercise will help document needs. However, he did say that at this point there is no need to continue examining personnel costs, rather the committee should concentrate on the Services and Supplies budgets. Steve stressed that the role of the Budget and Planning Committee should include recommending priorities in the normalized budget process and future, current and ongoing requests all need to be considered.

Ken Watson asked if it is appropriate to send requests back to the department when clarification is needed and both Bob and Steve agreed that it is.

Meeting adjourned at 3:15pm.

Minutes respectfully submitted by Helen Moore.