



Minutes of the Budget Committee

October 4, 2007
3:00pm to 5:00pm
Maher Solomon Hall

Members Present:

Dr. Julie Sullivan (Co-Chair)
Rev. Msgr. Daniel Dillabough
Dr. Andrew Allen
Rev. William Headley
Ms. Vivian Standifird
Mr. Ky Snyder
Mr. Matt Thelan

Mr. Paul Bissonnette (Co-Chair)
Ms. Patricia Oliver
Dr. Nicholas Healy
Mr. Chris Wessells
Mr. Ed Starkey
Ms. Marissa Lyftogt
Dr. Frederick Galloway

Dr. Timothy O'Malley
Mr. Kevin Cole
Dr. Sally Hardin
Ms. Debbie Gough
Mr. Andre' Mallie'
Ms. Lindsey McDougle

Members Absent:

Ms. Carmen Vazquez
Ms. Nancy Carter

Dr. Paula Cordeiro
Dr. Angela Yeung

Dr. Patricia Roth

Budget Committee Staff Present:

Ms. Terry Kalfayan
Ms. Erin Brown
Ms. Joan Wolf

Staff and Faculty Present:

Ms. Stephanie Reighley
Ms. Rondi Stein
Ms. Catherine Crutchfield

Ms. Kathe Myrick
Ms. Linda Johnston
Mr. Don Trinh

Opening

Dr. Sullivan opened the meeting at 3:08 PM.

Approval of Minutes

The minutes were approved as amended.

Unrestricted Operating Report

Ms Standifird reviewed the results of our operations for the year ended June 30, 2007. Before year-end budget transfers, the university realized an \$18.1 million operating surplus which was used to fund Minor Capital Outlay (\$4.2 million), increase quasi endowment (\$100,000) and increase the plant reserve (\$13.5 million). Mr. Starkey pointed out that the reason Copley Library was notably under budget was related to capitalization of library resources. Ms. Standifird further explained that Accounting performs a review at the end of the year to identify capitalizable items under the university's policy and accounting principles. These items are reclassified as assets and depreciated over time. The Library's budget is revised accordingly to reflect this reclassification.

2008-2009 Budget Update

Ms. Kalfayan began the budget update with an announcement to all Vice Presidents that student fee increase proposals for 2009-2010 are due to the Office of Budget & Treasury by October 31, 2007. The draft 2008-2009 budget changes were then presented to the committee. Proposed additional resources were the 5.25% tuition increment, \$1 million from investment income, and a \$2 million re-allocation of base budget equipment funds. Total proposed resources were \$12.2 million compared to recurring, mandatory, and proposed expenses of 17.4 million. Recurring expenses included increases for financial aid, the President's Reserve, and the salary merit pool. Mandatory expenses represent those requests necessary for funding before critical requests.

Included in the recurring allocations was a 4.8% merit pool increase proposed by Human Resources. Dr. Gregory Pogue, Associate Vice President for Human Resources, requested in writing that the committee consider a 4.8% merit pool to recapture lost ground caused by our 3.5% merit increase in 2007. Per Human Resources, survey data reflected price increases for 2007 in the range of 3.8% - 4.3%. Dr. Galloway raised the question of increasing faculty salaries differentially. Dr. Sullivan has not seen it done in other institutions. Discussion ensued over merit increases compared to other schools and how low increases can cause salary compression. Concern was expressed that increases be evaluated after considering inflation. Questions were raised concerning adequacy of staff salaries at the lower end of our pay scale. Mr. Bissonnette explained the history of salary increases in the context of the total compensation package which includes benefits.

Mr. Starkey moved to keep the merit pool no lower than 4.5% and Dr. Healy seconded. Voting was in favor, however Ms. Oliver asked for suggestions for additional resources and Ms. Kalfayan asked the Deans to look at programs with higher than budgeted surpluses.

At the next Budget Committee meeting on November 1, the 2008-2009 budget will be finalized. Mr. Bissonnette explained that historically, the Board of Trustees has followed the Budget Committee's recommendations for tuition. In addition, the Board has not changed the committee's salary pool recommendation, but has asked questions. Also, the Executive Committee of the Board uses an outside consultant to review salary recommendations posed by the Budget Committee. Dr. Sullivan suggested requesting a historical CPI salary chart from Human Resources.

Ms. Kalfayan asked everyone to think about ways other than salary to cover the budget deficit, such as transferring base budget money and using restricted funds to cover budget.

Meeting adjourned 4:05 PM

Dr. Julie H. Sullivan,
VP for Academic Affairs and Provost
Co-Chair

Mr. Paul E. Bissonnette,
VP for Finance & Administration
Co-Chair

Joan Wolf
Recording Secretary

****Signatures are on file in the office of
Budget and Treasury