



Minutes of the Budget Committee

November 1, 2007

Members Present:

Dr. Julie Sullivan (Co-Chair)
Mr. Kevin Cole
Dr. Paula Cordeiro
Ms. Debbie Gough
Mr. Ky Snyder

Dr. Timothy O'Malley
Dr. Andrew Allen
Rev. William Headley
Ms. Vivian Standifird
Dr. Frederick Galloway

Ms. Patricia Oliver
Dr. Nicholas Healy
Mr. Chris Wessells
Mr. Andre' Mallie'

Members Absent:

Mr. Paul Bissonnette
Dr. Sally Hardin
Ms. Lindsey McDouble
Ms. Nancy Carter

Msgr. Daniel Dillabough
Mr. Ed Starkey
Mr. Matt Thelan
Dr. Angela Yeung

Ms. Carmen Vazquez
Ms. Marissa Lyftogt
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. Cathy Johnson
Mr. Dan Yourg
Ms. Anita Hunter

Ms. Kathe Myrick
Ms. Linda Johnston
Mr. Don Trinh
Mr. Michael Lovette-Colyer
Mr. Charles Moeller
Ms. Jane Georges

Opening

Dr. Sullivan opened the meeting at 3:05 PM.

Approval of Minutes

The minutes of the October 4, 2007, Budget Committee meeting were approved.

2008-2009 Budget Update and Finalization

Ms. Kalfayan began the budget update with a request to the Vice Presidents for submission of 2008-09 student fee increase proposals and to the Deans for 2009-10 graduate tuition rate proposals. She requested that everyone encourage attendance at the Open Budget Hearings as attendance tends to be poor. She also requested that budget administrators either attend the Budget Committee sessions or Open Budget Hearings which will assist in the twice yearly Financial Analysis and Review Meetings, eleven of which were completed in October 2007.

Ms. Kalfayan reviewed the status of the 2008-09 budget proposal that included \$12,163,375 in additional resources funded by tuition increases, investment income, and the reallocation of existing equipment funds. The proposed allocation to fund a 4.5% merit increase pool was discussed by the committee in the

context of The Epler Company's San Diego Comprehensive Salary Study and consumer price indices. Dr. Allen indicated the university could raise salaries only 4.25% and still remain competitive with the market data presented. This would provide more funds for 2008-09 critical requests. Ms. Hunter indicated the professional schools find it difficult to attract faculty due to current salary levels, and expressed her opinion that the previously approved 4.5% merit increase should remain in tact. The committee discussed raising staff at a higher percentage than faculty and administrators. Dr. Sullivan indicated the university did not have the data to support distinct merit increases by staff, faculty, and administrators. After discussion, a motion was made for a 2008-09 merit increase of 4.25%, but the motion did not pass. A second motion for 4.5% passed by majority vote. There being no further discussion, the 2008-09 budget proposal was finalized and ready to be presented to the Finance Committee of the Board of Trustees on December 6, 2007.

Ms. Kalfayan closed the meeting with a brief study on labor and benefit cost trends for the university. Over the last five years, labor and benefit costs have increased by an average of 6.7%. Over the same period, enrollment has remained level and tuition has increased by an average of 6.8%. The tuition increase for 2008-09 will be lower than the previous years' average at 4.7% in response to the STAMATS tuition pricing study. Should labor costs continue to increase in a manner consistent with the last five years, and if tuition continues to increase by only 4.7% per year, then it is projected that the entire tuition increment will be consumed by the salary merit, financial aid, and President's reserve increments in the year 2016-17 with no funds available for strategic initiatives, mandatory or critical requests. As such, it is important that new positions and labor costs be minimized and controlled to the extent possible.

The meeting adjourned at 4:08 PM

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

Did not attend.

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