



## Minutes of the Budget Committee

March 15, 2007  
2:30pm to 4:00pm  
University Center, Room 107

### Members Present:

Dr. Julie Sullivan (Co-Chair)  
Ms. Pat Oliver  
Mr. Chris Wessells  
Mr. Ed Starkey  
Dr. Frederick Galloway

Ms. Carmen Vazquez  
Dr. Andrew Allen  
Ms. Debbie Gough  
Mr. Rhett Buttle

Dr. Timothy O'Malley  
Dr. Paula Cordeiro  
Ms. Vivian Standifird  
Dr. Patricia Roth

### Members Absent:

Mr. Paul Bissonnette  
Dr. Sally Hardin  
Mr. Rob Salas

Rev. Msgr Dillabough  
Mr. Rudy Spano  
Graduate Student

Prof. Kevin Cole  
Mr. Ky Snyder  
Prof. Nancy Carter

### Budget Committee Staff Present:

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

### Staff and Faculty Present:

Ms. Liza Peterson  
Ms. Rondi Stein  
Ms. Linda Johnston

Ms. Kathe Myrick  
Mr. Dan Yourg  
Mr. Steve Pultz

### Opening

Dr. Sullivan opened the meeting at 2:38 PM and introduced Terry Kalfayan, the new Assistant Vice President for Budget & Treasury.

### Approval of Minutes

The minutes were approved as written.

### Unrestricted Operating Report

Ms. Standifird presented the unrestricted operating report for the eight months ended February 28, 2007. Tuition revenue includes billed tuition for all four academic terms in 06-07. Tuition revenue is tracking higher than last year due to the fact that there are three classes paying at the higher tuition tier versus only two classes last year. Ms. Standifird reported that expenditures are higher than last year due primarily to increases in expenses for Continuing Education; technology projects; heating and utilities; debt service; and quasi-endowment transfers. It was noted by Debbie Gough that the Continuing Education expense increase was due to \$800,000 of 05-06 expenses posted in the 06-07 fiscal year.

### 07-08 Budget Summary & 08-09 Budget Update

Ms. Kalfayan presented a summary of the 07-08 operating budget approved by the Finance Committee in December 2006. Tuition will increase an average 5.52% for all students resulting in additional revenue, net of quasi-endowment transfers, of \$10.2 million. Other resources will

provide \$3.9 million in 07-08. The \$14.1 million in additional revenues budgeted will be appropriated as follows: \$333,000 for presidential strategic directions; \$432,000 for SOLES building operations; \$4.3 million for the salary pool; \$3.6 million for financial aid; \$442,000 for salaries previously funded by the President's reserve; \$229,000 for the President's reserve; \$950,000 for strategic initiatives; and \$3.8 million for mandatory and critical requests.

Ms. Kalfayan then presented a status report on the 08-09 operating budget. She reported that 08-09 tuition rates were approved by the Finance Committee in February 2007 and that tuition will increase an average 4.56% for all students. Tuition rate increases for undergraduate, graduate and law students have all been reduced in relation to 07-08 rate increases. This will translate into less tuition revenue available for expenditures in 08-09 as compared to 07-08. In light of this reduction, Ms. Gough asked the committee to limit their 08-09 budget requests to only those items absolutely necessary. Dr. Sullivan requested that the Office of Budget and Treasury work with the Provost's Office in re-examining 08-09 graduate FTE estimates.

#### **STAMATS Undergraduate Tuition Pricing Study**

Mr. Pultz presented the results of an undergraduate tuition pricing study performed by Stamats, Inc. The study objectives were to better understand prospective students' and parents' perceptions of USD; to determine how our current tuition compares to our perceived brand value; and to examine price sensitivity differences among various market segments. The study concluded that respondents tended to rate USD extremely high on non-academic attributes such as location, off-campus activities, and an overall fun college experience. The study also concluded that USD's brand value in relation to its competitors is trailing our current tuition cost. Mr. Pultz then welcomed and answered questions posed by the committee.

#### **Integration of Operating Budget into USD Audited Financial Statements**

Ms. Kalfayan led the committee in a presentation describing the operating budget as a component of the overall USD financial structure. Ms. Kalfayan described the various funds outside of the operating budget that comprise USD's financial statements including restricted, loan, endowment, unexpended, plant and agency funds. The presentation ended with a review of the audited Statement of Activities and Balance Sheet. The committee asked numerous questions and thanked Ms. Kalfayan for sharing such helpful information with them.

Meeting adjourned 4:00 PM

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

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

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Joan Wolf  
Recording Secretary

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