

College of Arts & Sciences
Budget Advisory Committee
MINUTES
Tuesday, October 22, 2013

Present:

Voting members: Professors Stepan Simek, Bryan Sebok, Susan Glosser, Janis Lochner and Ellen Seljan

Ex-officio: George Battistel - Associate Vice President of Finance

Guests: Katherine Shallenberger – Budget Accountant, Robert Nayer - Director of Operating and Capital Budgets and Harrison Chase – student representative

Absent: Ex-officio members: Tuajuanda Jordan - Dean of the College, Gary Reiness - Associate Dean of the College

Recorder: Anne Boal - Mathematical Sciences

Chair Simek shared with the committee by email three more proposals for the Core courses that have been received by the Curriculum Committee. Since there are now 8 proposals being considered, hopefully the faculty will eliminate a few of these before this committee can proceed with a budgetary analysis.

Mr. Robert Nayer shared this year's budget figures that include CAS's approved annual budgets, actual expenses by end of September, and the annual budget forecast calculated at the end of September. This is the budget that is shown to the Board of Trustees. It shows the margin set at 1% of the net tuition revenue. He and Mr. George Battistel helped explain the budget figures to the committee.

This year there is some shrinking of the CAS budget from last year, as we have fewer students. The college had budgeted for 515 new first-year students, but only matriculated 477 students this fall. This trend has been seen nationwide. Also, the budget reflects the typical 4% melt between fall and spring terms. However, we are also attracting fewer students from California, since the UC System is improving financially and able to admit more students. The financial aid discount rate was at 43.3% for the new students, and we had budgeted 45%.

Even though there are now some empty residence hall rooms on campus, all the halls remained open, as certain rooms were already guaranteed to upper division students. The Dean of Students is reluctant to move around students to new dorms, when they had been guaranteed the same room for their years at the college. However, closing one hall would reduce heating, electricity and upkeep costs. The Dean of Students and Vice President for Business & Finance are looking at costs to upgrade one of the Forest Hall buildings to make it more attractive to students.

There are some discretionary expenses that have been reduced in these tighter years. Also the president and the dean have a discretionary spending budget to help fill the gaps where needed. The depreciation reserve is used to update buildings, classrooms and labs. Most of the expenses non-personnel operating expenses are fixed. Wages and benefits account for about 60% of the expenses.

In this budget sheet, "gifts" mean unrestricted gifts to the college, mainly the Annual Fund. Gifts restricted to certain uses are tracked separately. "Grants" on this sheet refers to unrestricted grants, which is mainly our student Federal workstudy award. Grants for specific projects and departments such as those from the National Science Foundation are tracked separately.

Gifts to the college are double what they were about 7 years ago, when they hit a low influenced by the Mooney scandal. However, our gift revenues are less than some other colleges. This is partly because we do not have an engineering school, business school or medical school, whose graduates tend to have careers with higher earnings and therefore larger gifts to their colleges.

Professor Glosser asked for the budget broken into functions/envelopes in order to break out the cost of instruction and more detailed budgets for the library and athletics.

Mr. George Battistel passed out a summary sheet of this year's budget compared to the emerging figures for next year's budget for CAS. Next year's budget is just being developed now.

Chair Simek asked about the general financial health of the college, and if there was any impending financial doom on the horizon. Mr. Battistel and Mr. Nayer do not foresee any financial disaster for the college.

They said that the college is trying to expand the "institutional zone" of the college into the neighborhood to include the houses they own adjacent to the college. These houses are expensive to own and maintain, and this would give them more latitude to use these properties for non-residential uses.