College of Arts & Sciences
Budget Advisory Committee
MINUTES
Tuesday, November 18, 2014

Present:
Voting members: Professors Bryan Sebok, Eric Tymoigne, Janis Lochner, Rishona Zimring and Štěpán Šimek
Ex-officio: Jerusha Detweiler-Bedell – Interim Dean of the College, Gary Reiness - Associate Dean of the College, Carl Vance – Vice President for Business and Finance, George Battistel - Associate Vice President of Finance, and David Shapiro – Student Representative

Guests: Katherine Shallenberger - Budget Accountant, Robert Nayer - Director of Operating and Capital Budgets, plus Rebecca Lingafelter, Todd Lochner and Julio de Paula – faculty members on the Committee on Admissions and Financial Aid

Recorder: Anne Boal, Administrative Coordinator

This was an open-forum meeting for the CAS faculty members.

Chair Zimring introduced the members of the Budget Advisory Committee and the Committee on Admissions and Financial Aid to the group.

Professor Tymoigne distributed data and graphs on the average CAS faculty salaries at Lewis & Clark and the 14 colleges in our peer group. This data for the last 10 years showed the average CAS LC salary relative to the other 14 colleges for assistant, associate and full professor. One graph was adjusted for the Consumer Price Index and one was unadjusted. Chair Zimring added that according to the salary memo provided by the Dean's Office in the fall, the spread of salaries between the first and third quartiles for the Assistant Professors was only 4K, the spread between the first and third quartiles for Associate Professor was 9K, while the spread for full professors was 40K, a dramatic difference.

Professor Todd Lochner opened the discussion concerning the Financial Aid discount rate of 50% for the current incoming first-year students. This high number is a real concern especially since the rate may be this high next year and subsequent years. He expressed concern about the college's ability to correctly model the discount rate, since it was so far off this year. He would like to know the college's plan for addressing the high discount rate.

Professor de Paula said that Willamette College has been at the 50% discount rate for a while, and we're not alone in seeing this rate creep up, because of the bad economy. However, if we need to bring in more students to reach the needed net tuition revenue, then this affects the numbers in classrooms and the residence halls.

Professor Tymoigne shared that Mr. Battistel sent the committee two reports from the College Board and one report from the Department of Education with lots of data on college finances, financial aid and enrollment.

Professor Deborah Heath asked about the 10% reduction in departmental operating budgets that chairs were asked to submit in their budget requests for next fiscal year. She would like to see some sign that the administration also needs to make cuts. Mr. Vance replied that all of the administrative departments were also asked to project for a 10% budget reduction, and that significant cuts have been made to administrative budgets.

Professor Loening asked what percentage of the budget is used to pay salaries? Chair Zimring responded that the 10-year spreadsheets were difficult to interpret because up until 2008-9, envelopes showed instruction expenditures, but after that year, natural classification showed simply salary expenditure, but not only instructional. She asked for a breakdown in envelopes in order to show instruction again, and Robert Nayer provided her with this information, which BAC plans to distribute. Mr. Vance replied that total compensation, that is salaries and benefits, is over 60% of the budget. Tuition supplies between 80 – 90% of the revenue to the budget. Since 2008, any open position has to

Bedell replied that they are not looking at cutting the operating budgets by 10% at this time, but are looking at a flat budget for operations. Professor Loening commented that in many cases a flat budget is the same as a budget cut, given inflation. Mr. Vance said that in 2013/14, CAS spent $1M less in operations, and they are looking at how to replicate that situation.

There was a discussion about the tradeoffs between the Financial Aid discount rate and retaining high diversity in the student population. Professor Todd Lochner noted that admissions is not need-blind and that the students with the higher financial need tend to be the most diverse students.

Professor Rachel Cole asked if the AFA committee was continuing to address a persistent problem of polarization between students paying an extremely high tuition, fully supported by their families, and students highly dependent on loans and financial aid. Is it possible to make adjustments at both ends to achieve greater equity? Professors Todd Lochner and de Paula confirmed that the AFA committee continues to investigate this concern.

Professors Todd Lochner and Štěpán Šimek talked about finding a formal mechanism to unite the Budget Advisory Committee and the Committee on Admissions and Financial Aid, since both committees are looking at similar budgetary issues at this time.

Mr. Vance said that we are now using 5.5% of the endowment for the operations budget and debt service, and that 9% of scholarships are funded by the endowment. Other colleges may fund up to 60% of scholarships through the endowment. The spending of most of the scholarships is donor-dictated and the Board of Trustees decides what percentage of the endowment can be spent for operations. The Davis Scholarship is our largest scholarships with 40 scholarships of $20,000 per student. Professor Janis Lochner asked how we could reach out to other organizations for donations. Mainly, Institutional Advancement takes care of this.

Professor Daena Goldsmith Expressed concern that the faculty are being asked to pay more attention to advising, but that this needs to be balanced with the considerable demands on faculty in terms of teaching, scholarship and service. Chair Zimring noted that our enrollment is now targeted to be 2040, a significant rise above the previous enrollment of 1750. The budget for flexible faculty (adjuncts and visitors) doubled over the last 10 years. We should be vigilant about this increase, and the failure to increase the number of tenure-track faculty in tandem with an increase in the number of students.

Professor Tymoigne found our reliance on tuition revenue is not reliable in the long run. Another model is needed. We can tweak the numbers some each year, but this will continue to be a problem.

Professor Šimek thinks that our first priority should be other sources of revenue, such as a capital campaign. Professor Heath said that the Board of Trustees is looking at this. Mr. Vance replied that a campaign consultant has been hired to work up a feasibility study for a campaign. Three of the Board members said that they would match student donations 1-1 for a student-sponsored scholarship fund, which is a good sign. Professor Heath said that there has been a shift in the Board to members motivated to give to the college. Professor Šimek thinks that the faculty members ought to be involved in promoting and pushing for a campaign. Professor Will Prichard suggested that the faculty step up and start a campaign to give to the college, to set an example to donors.

Professor Sebok asked how the faculty could be the most efficient to help raise funds from donors? Professor de Paula also asked what their best use of time is for recruitment, either on the phone banks, emails or another method.

Professor Heath asked what the committee's process will be this year. Chair Zimring responded that they intended to give a survey to the faculty on their priorities after these open forums and then generating a detailed report to the college at the end of the school year. Professor Heath suggested that small focus groups could be helpful in generating the priorities from the faculty, as a step between these open forums and a survey.

Professor Todd Lochner suggested that we develop a contingency plan if the budget gets really bad. Mr. Vance explained that the first contingency is 2% of net tuition revenue that is budgeted as a contingency margin. The second contingency is the $500,000 strategic initiative fund. So between these two budgeted items, there is a