

DRAFT Minutes FAP Meeting #19 AY2016-17
March 2, 2017; 9 a.m. – 10 a.m.
Faculty Governance Conference Room-SL225

Members: Tanja Dominko (Secretary), Tahar El-Korchi (Chair), Fabienne Miller (on leave at PC), George Pins, Jeffrey Solomon - Executive Vice President/CFO, Kristopher Sullivan - Assistant Vice President Academic Affairs

1. Approval of the Agenda
Agenda was approved as distributed.
2. Announcements

a. Report on the Board of Trustees Meeting (Mr. Solomon)

Mr. Solomon summarized the presentation that was given to the Board of Trustees Budget and Finance Committee during the February 24th, 2017 Board meeting.

Operating budget 2016/17

After the first six months of the fiscal year, a surplus of \$8.1M (3.7% of projected revenue) was projected. This was based on spring enrollment and financial aid information as well as estimates for key areas of expense. Total revenues were projected to be above budget by almost \$4.0M, while the projection for expenses was lower by \$3.1M.

Revenues:

- Undergraduate tuition revenues are expected to be below budget by about \$766k. However, there are significant savings in financial aid with an overall discount rate projected at slightly below 40% vs. the budgeted 40.5%. Undergraduate tuition net of financial aid is projected to be \$1M above budget.
- Graduate credit hours delivered on campus are running 4% above budgeted credit hours; tuition revenue, net of graduate student support, is forecasted to be about \$790k higher than budget. Revenue from corporate graduate courses is projected to be \$400k below budget while on-line delivery is expected to be \$1M over budget.
- Endowment support for operations is projected to be \$2.1M above budget; Indirect cost recovery is projected to be \$1M below budget. The overall projection for housing and meal plans revenue is projected to be \$400k above budget.

Expenditures:

- We are again generating significant savings from 30-40 unfilled positions. In addition, the increase in health insurance rates for January 1, 2017 was less than expected and savings of \$1M are projected for compensation and benefits.
- There has been limited use of the contingency to date, and no more than \$1M of the budgeted \$3M is projected to be spent at the end of the fiscal year.

FY 2017 capital budget

The projection continues to track closely to the approved budget, namely \$37.6M, with \$22M going towards the Foisie Innovation studio, \$12.1M for deferred maintenance, and \$2.4M for Faculty start-up expenses.

Stratton, Kaven and Olin Halls are all in need of significant upgrade or replacement. Some additional space may become available on the 3rd floor of the Northworks building on Grove Street (about 7,000 sq. ft.), and the Board approved tentative acquisition of a property which includes a manufacturing building adjacent to the Salisbury Estates (27,000 sq. ft.) for future use.

Ms. Solomon pointed out that infrastructure investments on Campus need to be prioritized to accommodate not only Strategic plan goals, but need to accommodate anticipated growth of the University beyond 2018. If the trends observed during the past years continue, we could anticipate the need to accommodate additional 50 TTT Faculty and additional 1,000 undergraduate students by 2021. Mr. Sullivan observed that our current space configuration is restraining growth and that there are few opportunities to expand the use of space for academic purposes. A short-term relief will be provided by outfitting about 6,000 sq. ft. on the third floor of 85 Prescott Street.

FY 2018 budget development process, and proposed parameters and assumptions

This is the third year of the Annual Planning & Budgeting Process (APBP). The overarching institutional priorities for the coming year are to continue to make critical progress on the strategic plan initiatives and to more effectively understand and manage key risks to the institution. Additionally, we are developing enhanced support for faculty (especially for research, space and advising); implementing a new framework for talent development and diversity; planning for our ERP system renewal or transition; and focusing on key economic development and innovation opportunities.

Key parameters and assumptions for the 2018 budget are:

- Tuition increase – 3.5%
- Room and board increase – 3.5%
- Enrollment target – between 1,120-1,140 freshmen
- Graduate credits - 19,600
- Endowment draw – 4.7%
- Salary pool – 3%
- 16 Faculty searches approved

3. Approval of Minutes from Meeting #18, February 2nd, 2017
Minutes were approved as amended.
4. Adjourned at 10 a.m.

Tanja Dominko, Secretary