

College of Arts & Sciences  
**Budget Advisory Committee**

MINUTES

Friday, December 17, 2010

Present:

Voting members: Professors Cliff Bekar, Rachel Cole, Susan Glosser, Todd Lochner and Jens Mache

Ex-officio: Jane Hunter – Interim Dean of the College, Gary Reiness - Associate Dean of the College, George Battistel - Associate Vice President of Finance.

Guests: Carl Vance - Vice President for Business & Finance, Robert Nayer - Director of Operating and Capital Budgets, and Erica Johnson - Senior Associate Dean of Admissions

Absent: student representative - Christabel Escarez

The minutes for the November 5<sup>th</sup> meeting were approved.

Erica Johnson, the Associate Dean of Admissions, reported that they just mailed 1,267 acceptance letters to Early Action admissions students. This is a slight increase over last year. The number of students applying under regular decision is comparable to last year. The number of high school students will be declining beginning next year, so Lewis & Clark is trying to improve their yield, that is, the percentage of students who decide to attend. The college's acceptance rate is about 66%, and their yield is about 14-16%. As Lewis & Clark tries to recruit the more successful high school students with high GPAs and test scores, then they are in direct competition with higher ranked colleges. Some students therefore, think of LC as their second tier or even their safety school. To increase our yield, the admissions office is looking at more outreach from our parent and alumni programs and possible interactive web-seminar sites where prospective students and parents can gain a more personal touch. The financial aid package often is an issue for students. She expects the discount rate to stay around 42% again next year.

Chair Lochner asked if there is a trend for students to attend junior college for two years in order to save money. Associate Dean Johnson replied that is often the case in certain parts of the country and demographics. This had often been the case in California, because of their extensive community college system, but is shifting away from that because of the California budget crisis in their higher educational system as a whole.

Associate Dean Johnson is looking forward to having a new director of admissions to help with their issues. Admissions staff has lots of ideas but not enough resources to give as much of a personal touch as they would like.

Mr. Battistel updated this committee on the Budget Managers' Group's meeting yesterday. They are modeling 510 new first-year students and 60 transfers for next fall with a 5% tuition increase, and a 5% increase in annual gifts from development. At a 42% discount rate, the budget would still show a negative 850,000. At only a 4% tuition increase, the deficit would increase to \$1.3M.

Both these scenarios are budgeting a 2% salary increase for CAS, while 3% is budgeted for the Graduate and Law Schools.

Given that bond rates are now fluctuating daily, they are trying to assess many factors that would determine the optimal time to switch to the fixed rate debt. Another advantage of fixed rate debts is the lack of the strict covenants that do not allow any part of the budget to run in the deficit.

Mr. Vance hopes to negotiate a repayment system for the fixed rates bonds that has a similar payment amount each year, or a jump every five years, instead of a repayment system heavily rear-loaded.

Interim Dean Hunter mentioned that President Glassner is still interested in revenue producing projects from the faculty.

Professor Bekar asked if they believe the present budget problems will be short-term or long-term issues. Mr. Battistel replied that as the economy improves they expect donations to increase and the new president to facilitate more contributions to the college. Mr. Nayer replied that the business office continues to model five-year budgets and long term financial plans, but many factors in the economy and financial markets make these projections difficult.

Mr. Vance explained that the Voluntary Employee Severance Program successfully attracted 45 employees – 30 staff and 15 faculty members across the institution. Within the faculty who were accepted into the program, 3 were tenure-track CAS faculty, 6 were non-tenure track CAS faculty, 4 were from the Law School and 2 from the Graduate School. Of the 30 staff members, 15 were from CAS. The large number of faculty members who applied took them by surprise. Dean Hunter assured the committee that the college is committed to maintaining the faculty/student ratio, and are not looking to eliminate tenure-track positions. The college hoped is to save at least \$1M through this program and in the near future will be evaluating each position to see whether this can be achieved.

Mr. Vance reported that the design of the new residence hall is progressing well. Half of the dorm rooms would be singles, with some suites and some double rooms. The design will allow partitioning off part of the dorm for use by graduate or law students, if necessary. If registration, which happens every spring, were insufficient for the entire dorm to be occupied by undergraduates, then they would accept applications from graduate or law students. Chair Lochner asked if they anticipate charging a premium to live in this new dorm, as it would be more popular. However, this idea is not on the table at this time. Even with rising bond rates, it is still viable to go ahead with building this new dorm.

Professor Bekar will chair this committee when it meets again in the Spring Semester.