

College of Arts & Sciences
Budget Advisory Committee
MINUTES
Wednesday, February 16, 2011

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 and Robert Nayer - Director of Operating and Capital Budgets

Recorder: Anne Boal - Mathematical Sciences

Absent: Student representative - Christabel Escarez

The minutes for the February 2nd meeting were approved.

The Finance Committee of the Board of Trustees will meet on Friday to vote on the budget for 2011-12, and make its recommendation to the full board. Mr. Vance explained that they now have six options to present to the Finance Committee concerning refinancing the variable rate bonds. These options include various percentages of variable/fixed rate bonds, and with or without building a new residence hall.

Chair Bekar asked why they are still considering building a new residence hall since that decision seemed to be related to a low interest rates, which have now risen slightly. Mr. Vance explained that even at 6% interest rate, the residence hall is still a break-even option. Also, construction costs are still low. They are considering lowering the LEED certification from Platinum to Gold+ to lower costs, however this would not eliminate any of the cost-saving measures. They are also considering other alternatives to the building, although a 4-story residence hall with options to block off rooms in segments of 9 single rooms for law or graduate students seems to be a good option. Dean Hunter commented that there are good, long-term benefits for students to live on campus such as, better retention, higher GPA, etc. Mr. Battistel noted that adjusting food service options could be looked at to make living on campus more attractive to older students. Mr. Vance commented that switching to a per-item cost for food instead of the current all-you-can-eat system might be more attractive to students. Although, since the college now makes a profit on the board charges and a per-item charge would need to be a reasonable market-value price, tuition may have to be increased to maintain this profit. Mr. Vance also said that parking spaces would remain approximately the same, and fees would not be increased.

Chair Bekar would like more detail on how they were able to arrive at the proposed balanced budget. Mr. Vance will get back to him about this.

Mr. Vance confirmed that the survey of faculty salaries by Sibson Consulting was given to the Finance Committee of the Board of Trustees, but discussing this survey is not on the agenda for this week's meeting. Mr. Vance cannot predict how or when this report

will be used in the future. Dean Hunter and Mr. Vance reassured the committee that both the Board and the President are interested in pursuing increases in faculty and staff salaries. Chair Bekar would like to know how the Board perceives the Sibson study – as a benchmark or as a new policy, as this committee has a previous faculty salary study that they want to update. Mr. Vance will give Chair Bekar more data on the construction of the Sibson survey, so that Chair Bekar can analyze their methods and results.

There was further discussion regarding salary increases for faculty based on a percentage or a fixed amount system. Mr. Vance would feel more comfortable with a graduated percentage system, whereby the lower-paid faculty members receive a higher percentage and the higher-paid faculty members receive a lower percentage. One problem is that if full professors fall behind our peer institutions, they may be tempted to leave. Chair Bekar suggested a fixed amount for the cost-of-living raise and a percentage increase for the merit raises. This system may keep associates and full professors motivated. Associate Dean Reiness suggested that we should determine the goals of salary increases and what we are trying to achieve.