

**REPORT: CHANCELLOR'S PLANNING & BUDGET ADVISORY COMMITTEE
AP STAFF COUNCIL MEETING
[MEETING: July 22, 2013]**

MEETING

On July 22, 2013, the Chancellor's Planning and Budget Advisory Committee met in the Balcony Conference Room in Anthony Hall.

AGENDA AND DISCUSSION

A. Approval of Minutes from April 22, 2013

B. Chancellor's Updates

1. Hopes to get back on track with meetings as more and more budget components are becoming known.
2. Enrollments are looking good for being up university-wide. SIUC should have the largest freshman class ever coming into the University. As of today, enrollment up +344.
3. As budget cuts become known, staffing will likely be reduced again. The goal is to improve the learning environment, quality instruction, and the elimination of redundancies.
4. Incoming students will receive new technology (tablet notebooks).
5. Next year, the goal is to dive into retention efforts with the same fervor as we have attacked declining enrollments.

C. Department of Education College Cost Watch Lists

1. Tuition and Fee Cost Analysis. Marshall cited a recent article from NACUBO, stating that the average tuition increase for 4 year institutions over a three year period is 15.6%. The average for SIUC over the same period was 6.9%. SIUC did not make any of the watch lists.
2. Institutional Research reported that an analysis of FY13 tuition and fees put SIUC at \$11,528, while UI was at \$14,960.

D. FY14 Budget Development – state and local [Judy Marshall]

1. FY14 Budget Planning. In March, they anticipated at 5.62% budget reduction. With the increased enrollment in new students, the feeling may be that our reduction might not be as high as expected. We will know more with the collection of data through December. We will learn more about the enrollment picture after "Day 10 enrollments" are known. There should be more solid numbers regarding potential budget cuts sometime in early October.
 - a. Performance Funding. At this time, Marshall believes the performance funding reduction may be the only reduction the state might levy. They estimate it to be around \$73,900. However, there are other internal items that will need funding that will also impact cuts internally for the campus.

- b. Larger Freshmen Class Impact. Although the senior class enrollment is down, the hope is that the revenue and increased enrollments from the new larger freshman class will offset the loss from the smaller senior class. The higher tuition rates from the incoming freshman class should increase revenue approximately \$1M.
 - c. Other Enrollment Factors. At this time, transfer enrollments are down, but new graduate student enrollment is up.
 - d. Expenditure Items. Internal items that will need to be funded will include such things as: (1) Promotion and tenure (\$500K-\$550K); (2) 2% Salary increase; (3) Student Services new building costs; (4) Utility cost increases (\$300K); (5) Medicare and insurance increases; (6) Contingency fund reductions (\$250K); and (7) Group health expenses.
2. Position Budget Control. Will be given back to the Colleges. However, salary increases will be absorbed by the Colleges.
 3. Distance Education. Revenues for distance education will continue with the 70/30 split to be given back to the colleges. And the colleges will be allowed to carry-forward FY13 funding for one-time usage. This will result in approximately a \$1.5M carry-forward for the campus.
 4. State Funding Mix. Marshall reported that the total state support is now at 47%, with 53% of the budget coming from the income fund (tuition and fees). At this time, the State still owes us approximately \$50M for FY2013.
 5. Faculty Exits. There have only been a handful of retirements (possibly less than 10) since last year. There have also been a few faculty who have left to take other jobs. And in the past year, there have been approximately 7-8 faculty who have received counter-offers. Most of those we were able to retain.

E. Retention Efforts

1. Goal. The goal is to engage the best thinkers in the US to help improve our retention. The largest problem is retaining students after the first year.
2. Focus. This is an area of focus over the next year. Raising the admittance criteria will help, as well as saying "No" to several students on the lowest end of the spectrum for admittance. To increase enrollment of better quality students, they are offering scholarships to higher level students. Retention increases translates into higher revenues.

F. Decentralized Salary Control

1. Starting July 1, the salary pool will be returned to the colleges.
2. Vacant Positions. When a position becomes vacant, 90% of the salary will remain with the college. 10% will go back to the Provost for investment in strategic hires. Efficiencies will be returned to the campus, with the hopes of investing in interdisciplinary and collaborative hires.
3. Vacation/Sick Leave Payouts. Will be covered by the Department. If a new position is hired, it will likely have to be left vacant to cover the costs of the payout.
4. Position Requests. Although salary position management is returning to the Departments, the Departments must still complete the PRF process to receive permission from the Provost to create and fill a position.
5. Efficiencies will be returned to the campus in the form of interdisciplinary hires as well as being plowed back into campus priorities.

G. Subcommittee Reports

1. 5-10-15 Rule.

This rule refers to a long-standing standard used to determine minimum enrollment for a class. Other institutions around the country have a similar rule. The subcommittee developed models based on the "portfolio approach" rather than per class.

- a. Efficiency Model. The committee sought to create a model to measure efficiency which would include multiple enrollment data points as well as data on budgeting. They also looked at scheduling systems. The committee turned to Institutional Research to draw on information from the Cost Study such as instructional unit costs. However, the data available was dated back to FY10.
- b. Testing the Model. The committee tested the model on a sampling of colleges that included COS, COE, and COLA (54% of all departments).
- c. Components of Fiscal Health. The components in the model included (1) Tuition revenue generated (undergraduate and graduate); (2) Indirect costs generated by grant activity; (3) Distance education revenues generated; (4) Total state expenditures; and (5) Revenue to expense ratio (total state expenditures relative to total revenue). The "Fiscal Health" equation developed:

$$\text{Fiscal health} = \frac{\text{Tuition Revenue} + \text{F\&A Generation} + \text{Distance Education}}{\text{Total State Expenditures}}$$

- d. Recommendations. Recognizing there were several factors that were unclear with the efficiency model, the committee did pull together some recommendations on the matter. (1) Courses or sections should not be cancelled automatically. (2) Improving the scheduling system and mechanisms for changes. (3) A wait-list mechanism should be implemented in the registration system to provide more accurate information to allow adjustments in course sections to optimize offerings. Overall, the committee suggested the development of an effective enrollment management plan that will use the portfolio approach based on the fiscal health of a department rather than addressed things on a course-by-course basis.

2. Budget Efficiencies

- a. Summer School. There has been some movement on the development of a new summer school model which plows enrollment revenue generation back into the colleges and centers that generate the revenue. The goal is to make summer school more self-supporting. A 70/30 split (similar to distance education) is being examined.
- b. Staff Reassignments.
 1. Staff reassignments are taking place. All "Events Staff" are being combined (athletics, theatre and music, etc.)
 2. Grants and contracts accounting is being moved to OSPA. Six accountants will move and report to Wayne Glass.
- c. Testing Accounts. These testing accounts will now have to pay some type of overhead.

H. Other

a. Interim Announcements.

1. Susan Ford, Interim Dean of the Graduate School
2. Interim VC for Research (100%) – to be named soon

i. Adjourn. Meeting adjourned shortly after 4:30PM.