

9-9-2014

Minutes, Arts & Sciences Finance and Service Committee Meeting, Tuesday, September 9, 2014

Arts & Sciences Finance and Service Committee

Follow this and additional works at: http://scholarship.rollins.edu/as_fs

Recommended Citation

Arts & Sciences Finance and Service Committee, "Minutes, Arts & Sciences Finance and Service Committee Meeting, Tuesday, September 9, 2014" (2014). *Finance and Service Committee Minutes*. Paper 66.
http://scholarship.rollins.edu/as_fs/66

This Minutes is brought to you for free and open access by the College of Arts and Sciences Minutes and Reports at Rollins Scholarship Online. It has been accepted for inclusion in Finance and Service Committee Minutes by an authorized administrator of Rollins Scholarship Online. For more information, please contact wzhang@rollins.edu.

Finance and Service Committee

September 9, 2014

12:45 – 1:45

Cornell Social Sciences #217

- I. Approval of Minutes from April 22, 2014

- II. Update from Planning & Budget Committee meeting, September 2, 2014

- II. Old Business—none

- III. New Business
 - A. Create Agenda for AY 2014 – 2015
(The following were discussed at the April 22 meeting)
 - 1. Examine food plan
 - 2. Continuing education for faculty and staff regarding the conversion to Transamerica
 - 3. Continuing education for faculty on the budget
 - 4. Discussion of course release policy

 - B. Other agenda items?

- IV. Adjourn

Meeting Schedule:

Sep9, Oct7, Nov4, Dec2, Jan20, Feb17, Mar17, Apr14, Apr28.

FINANCE AND SERVICE COMMITTEE

MINUTES: September 9, 2014

Approved:

Attending:

Faculty: Don Davison, Chair, Ashley Kistler, Susan Cohn Lackman, Richard Lewin, Paul Reich, Michelle Boulanger; Staff: Steve Gauthier, Udeh Lugo, Bill Short (ex-officio); Students: Mary Birthisel (to be replaced by 3 students); Visitor: Robert Smither, Dean.

Minutes, April 22, 2014, approved.

Don Davison, as F&S Chair, presenting notes from Planning and Budget Committee meeting.

- Cornell discretionary funds overspent; the College is in the process of building reserve
- Budget balanced for 2014 – 2015 through the 3% and 6% reductions submitted by departments and other methods.
- 2% one-time stipend for 2014-15
- The opening enrollment is the largest in history (approximately 1945 students although that number will decline over the next few weeks); surplus revenue will be used to replenish the reserve funds
- Commercial properties generated \$3 Million
- Board will get recommendations from auditors for more formalized process for budget expenditures.
- Future raises are dependent on enrollment and part of the Sustainable Business Model. Jeff Eisenbarth said a priority for the FY2015-2016 budget is raises going into base salary.
- Future budgets will be based on very conservative assumptions. The budget for next year assumes no students from Jindal. The College learned that many of the Jindal students are waitlisted for law school and we assume that a percentage of those ultimately accepted will decline Rollins.

New Business:

Creating Agenda for next year:

- Student food plan
- Continuing education to faculty on budget process
- Continuing education on Transamerica conversion
- Discussion of course release policy

- Asking the dean's office to conduct a comprehensive salary study for compression, inversion, gender equity, and consequences of market forces.

Davison: Acting president McAllaster is concerned about the number of course releases in the undergraduate division. Craig plans to bring the issue to Finance and Service.

Smither: If you add up all course releases given, it adds up to 27 FTEs. We need to set up guiding principles and policies.

Davison: What is included in the count for course releases? For instance, sabbaticals, 4th years, endowed chairs, department chairs, program chairs, FEC.? Some of these releases such as sabbaticals seem to be a separate category and should not be included in this discussion. If we remove sabbaticals then the 27FTE declines to 17 FTEs.

Several other observations were made by attendees: Two release courses in 4th year may go down to one. The current count of release courses does not include rFLA that will go on line in Spring 2015. There is no differentiation for release/stipend based on size of majors, or other. Endowed-chair releases are paid from its endowment, however, most of the chairs are not fully funded, so the difference is funded from the general budget. Are new endowed chairs funded at a larger sum? Each endowed chair is based on a different gift amount. Generally more recent chairs are endowed at larger amounts than older chairs, but each one is different. Every department chair has a course release or a stipend; what percentage takes one or the other, and is there an option which to take?

In anticipation of the course release issue, several questions and the need for more information were raised:

- How are course releases allocated by category? For example, how many course releases are used by sabbaticals, department chairs, etc.?
- Does the distribution of course releases change over time?
- Who has authority to approve releases?
- What are options for course releases?
- How many adjuncts do we hire to replace the course released faculty?
- Is there a policy on how they're renewed?
- There does not be a timetable for the issue, but will probably happen this year. Need details based on types (sabbaticals, *et al*); where do the funds come from; who approves the funds. The committee will table the issue until the president submits his request to F&S.
- The committee agreed that it is time for a comprehensive salary study similar to the one conducted 6 or 7 years ago. That study compared Rollins' faculty salary to

CUPA comparison categories. AAUP data is inadequate because it uses averages over a larger number of faculty and does not differentiate by discipline.

- Dean Smither said he was happy to help with such a study but the data are in the Provost's Office.
- Davison will request salary data from the Provost.
- Maria Martinez addressed F&S two years ago about staff and faculty salaries; Davison will discuss information with Martinez. Short: there should be articulation of the salary and principles underlying the philosophy of the compensation system. Davison will find last document on salary principles, will check with Matt Hawks.
- Other issues:
 - Food plan: Student concerns are cost, quality of food, non-refundable balance on R-card at the end of the year, and a non-refundable \$200 "broken plate" charge (annually) even if you do not break anything. The C-Store isn't stocked as late as April, so there is no place to use the leftover funds.
 - Offer faculty fall budget update – Bill Short said they were planning to give a budget presentation in the fall.
 - Transamerica colloquium is placed on hold since no one has received complaints. Several enhancements to the Transamerica plan are under discussion and perhaps a colloquium could be combined with a presentation on new plan provisions.

Meeting adjourned 1:52 p.m.

Respectfully submitted,
Susan Cohn Lackman, Ph.D., M.B.A., Secretary

Updates from the Planning and Budget Committee Meeting

September 2, 2014

Finance and Service Committee Members:

Below are some of the highlights from the last Planning and Budget Committee Meeting. Please remember that the P&BC is only an advisory body. In other words, it is a forum to share information and ideas; final decisions are not made at the P&BC. (Attached is a copy of the mission of the P&BC). I believe it is helpful though that relevant information be shared with Finance and Service Committee members.

- President Duncan overspent the Cornell discretionary funds leaving no reserves. The College is in the process of rebuilding the reserves.
- The College experienced a \$4.4M revenue shortfall in FY2013-14. Despite this large shortfall we were able to balance the budget ending May 31, 2014. The current year budget, FY2014-15, was balanced by reducing spending by approximately \$2M through the 3% and 6% budget reduction scenarios reported by all divisions. We began the year with a balanced budget but will realize surplus funds due to the record enrollment and improvement in all areas. This surplus will be used to replace the depleted reserves. (JE)
- The College hopes to distribute a 2% stipend (does not go into base salary) in September or October. The monies used for the stipend will come from 'carry forward' funds at the College level—it will not come from department budgets. The goal is to construct the FY 2015-16 budget with salary increases allocated to base salary.
- Rollins is enjoying a very healthy AY2014-15 enrollment. Admissions accomplished this enrollment using a 43% (approx.) discount rate. This is well below many of our peers. The large enrollment is primarily from new students, not retention.
- Rollins is not in financial danger although it must adopt a sustainable budget model as we move forward.
- Commercial properties generate about \$3m of annual revenue
- Faculty salary compression and inversion as well as concern about offering competitive salaries were identified as priorities. Concern was also expressed regarding lower-paid staff.
- The housekeeping staff has decreased by 4 or 5 positions through attrition. The plan is to remain at the smaller staff level resulting in faculty offices being cleaned twice per week; public spaces will continue to be cleaned daily.



ROLLINS

Planning and Budget Committee (P&BC)

Role and Scope of the P&BC

Academic and administrative units formulate and assess goals for ongoing planning, evaluation, and operational purposes at Rollins. Goals, reports, and budget requests are submitted to the appropriate vice presidents who oversee and review activities related to budgets, revenues, expenditures, and other resource allocations for his/her respective areas of responsibility to ensure that such activities support the College's mission, priorities, and institutional plans. Major budgeting and resource allocation decisions are decided by President's Cabinet (president, vice president for academic affairs and provost, vice president for student affairs, vice president for business and finance and treasurer, and vice president for institutional advancement) with guidance from a cross-campus Planning and Budget Committee (P&BC).

Effective with the 2006-2007 academic year, Dr. Lewis M. Duncan, the College's 14th president, replaced the College's former budget advisory committee with a Planning and Budget Group, subsequently renamed the 'Planning & Budget Committee' or 'P&BC'. This change in institutional process was driven by the desire to better tie organizational strategy and planning to budget, and by the belief that increasing the College's planning timeline would enable quicker, more thoughtful, and strategic reactions in the face of a rapidly changing environment. **The P&BC is an advisory committee, and its membership represents the college as a whole.** The College's president and vice presidents as a group, with advice from the P&BC, are responsible for overseeing the development of the budget plan and linking it with institutional and educational planning.

Membership of P&BC includes the president, vice presidents, assistant vice president for finance and assistant treasurer (primary budget officer), deans of all programs, faculty governance representatives, and directors of major administrative units. To ensure integration of College priorities and resource allocations, the P&BC is jointly chaired by the vice president for business and finance and treasurer, and the vice president for academic affairs and provost. ***The priorities and resource requests identified from institutional and departmental planning processes are reviewed and discussed by P&BC members at regular meetings, and guidance from the committee serves as a basis for resource allocation.*** Increased participation by campus constituents has enhanced campus understanding and acceptance of the planning and budgeting process, and encouraged open communication of College priorities and resource allocations aligned to those priorities.



ROLLINS

Planning and Budget Committee (P&BC)

The budget process and conversations with the PB&C begin early each academic year, usually in September at the first committee meeting. Vice presidents engage their areas to set priorities, identify funding needs, and other issues affecting the budget. Funding requests are reviewed and prioritized by each vice president, and those requests that are approved are brought forward to the P&BC for further consideration and recommendations. Enrollment projections and revenue expectations are discussed and confirmed for all programs. The assistant vice president for finance and treasurer then compiles a college-wide budget priority list for the committee to use in the budget development process.

This process continues over several months, as budget estimates are refined and funding requests are added or deleted. The Board of Trustees is updated on the process at its October board meeting and approves key budget parameters including tuition increases, discount rate, salary increases, and enrollment targets for all academic programs. At the February Board of Trustees meeting, the Board is presented with the annual budget proposal for the upcoming year along with commentary. As the final step in the budget process, the Board of Trustees reviews and approves the College budget, which is reflected in the Board of Trustees minutes.