

**Executive Budget Committee**  
*Minutes of the 19 September, 2012 Meeting*

**Members attending:** Bennett, Bosch, Cline, Einhellig, Elliott, Foucart, Franklin, Gallaway, Gouzie, Herr, Hough, Kincaid, Matthews, McClure, Olsen, Oxendine, Parker, Smart, Wallentine, Williams

Chair Eric Bosch convened the meeting.

**May – September Update.**

President Smart and Steve Foucart reviewed events from the time of the final spring meeting. The key developments have been that the Governor withheld 1% instead of 7.8%, and that the University realized its goal of regaining enrollment levels equivalent to that of fall, 2010 on the Springfield campus. These subsequently yielded \$5,195,118 in additional funding. Removing certain obligations for scholarships and fee waivers leaves approximately \$4.7 million of additional unallocated revenue for FY '13.

Principal priorities identified earlier by the Board of Governors, if the fiscal picture were to improve, were:

1. Pay raise
2. Restore funds from the President's Enhancement Fund that had been designated to cover anticipated shortfalls
3. Increase development spending.

Additional factors going into fall are CY '12 university health claim costs, which have ranged from \$13-15 million per year over the past five years. Through the first six months of 2012, they stood at approximately \$9.5 million. This trend could jeopardize Board-directed goals of a two-month health care reserve balance of ca. \$2.8 million. The other unknown in health care is the upcoming conclusion of the health care bid process.

**Options and Discussion.**

The committee agreed to a general division of the increased revenue into roughly equal parts, one of which would be devoted to compensation and the other to restoration of one-time and ongoing segments of the President's Enhancement Fund and to various initiatives:

Ongoing partial restoration of President's Enhancement Fund	872,405
One-time partial restoration of President's Enhancement Fund, COBA 80/20 split	840,000
Dedicated funding for ongoing programs	500,000
Summer School Fringe	181,773
Restore West Plains Budget appropriation reduction	100,000
Other	-----

The compensation package would be effective for those occupying filled positions as of 30 June, 2012 and would include an increase for graduate assistants. After discussion, the consensus was to further

consider the issue after the health care bid outcome and costs are clearer, and as more current 2012 university health care cost trends are known. Subsequently the committee may need to meet in October.