

**EXECUTIVE BUDGET COMMITTEE
MINUTES
NOVEMBER 5, 2020**

Members in attendance:

Jim Baker, Melissa Bledsoe, Ryan DeBoef, Frank Einhellig, Steve Foucart, Richard Gebken, Lyon Hough, Ryan Reed, James Kaatz, Mitzi Kirkland-Ives, Josh Lambert, Dennis Lancaster, Vic Matthews, Cameron Wickham, Matt Morris, Cathy Pearman, Matthew Pierson, Suzanne Shaw, Dee Siscoe, Clif Smart

Members absent:

Tara Orr

Meeting was conducted in person and phone due to the Coronavirus pandemic

1. Welcome – Dr. Richard Gebken

- Dr. Gebken called the meeting to order at 11:30 a.m.

2. FY2021 Budget Update – Clif Smart with Steve Foucart

3. Discuss Potential Adjustments to FY2021 Budget – Clif Smart with Steve Foucart

- President Smart worked through the attached handout.
- The FY2021 budget includes numerous cost cutting measures, including funding reductions for facility repairs and classroom upgrades, the President's enhancement fund, academic equipment, and travel as well as savings generated by a hiring freeze, eliminating incentive payments for teaching online classes, and delaying completion of the new residence hall.
- Even with these reductions in place, the university planned to use \$4 million of reserves to balance this year's budget.
- Enrollment exceeded projections. Accordingly, it does not now appear the university will need to use reserves to balance the FY2021 budget.
- Additionally, Gov. Parson released a portion of the withheld state appropriations. The Springfield campus will receive \$1,560,535 of these funds.
- The committee decided to recommend that these funds be allocated to pay for a modest compensation increase and a temporary restoration of a portion of the facility repairs and classroom upgrades budget.
- The committee debated how to calculate the compensation increase. The options presented were for a 1% across-the-board increase or a \$600 per year across-the-board increase. By a vote of 14 to 5 (President Smart did not vote), the members present voted in favor of the \$600 increase.
- Reasons presented for a \$600 increase included that the financial impact of the pandemic and of forgoing raises in July disproportionately affected our lowest paid employees, and our lowest paid employees benefit more from a \$600 raise than a 1% raise. Moreover, almost all of our employees who were placed on 2/3 pay during the spring and summer will benefit more from a \$600 raise, and the committee thought it important to recognize their loyalty in returning to work after their temporary pay reductions.

- The committee's recommendation also adjusts pay ranges to match the calendar year 2019 employment cost index. It also temporarily restores a portion of the reduced funding for facility repairs and classroom upgrades. Because the \$600 raise is being implemented in the middle of this fiscal year, only half of the annual cost of the raise must be allocated in the FY2021 budget. Accordingly, the committee tentatively tagged the funds used to partially restore the facility repairs and classroom upgrades budget as available to fund most of the remaining cost of the \$600 raise in the FY2022 budget.

4. Next Steps and Future Meetings – Dr. Richard Gebken and Clif Smart

- No additional meetings needed at this time.

5. Questions/Comments/Final Thoughts

- Meeting adjourned at 12:30 p.m.

JANUARY 2021 BUDGET ADJUSTMENT

FY21 Budgeted Cost Saving Measures

Open positions Frozen Through 6/30/2021	\$4,931,000
No internet incentive	\$2,188,657
Delay opening new residence hall	\$868,000
Interest income due to residence hall delay	\$384,017
Reduce repairs/classroom upgrades 75%	\$1,616,250
Reduce President's Enhancement 25%	\$275,000
Reduce Academic Equipment 75%	\$375,000
Reduce Travel Budget 50% all areas	\$753,500
Reserves	\$4,000,000
Total	\$15,391,424

FY21 10/2020 State Appropriation Release

Springfield	\$1,560,535
West Plains	\$112,361

Executive Budget Committee Recommendation

	Option 1	Option 2
1% ATB Compensation Increase (6 mos., all funds) - Springfield	\$830,000	
\$600 ATB Compensation Increase (6 mos., all funds) - Springfield		\$875,000
Salary Range Adjustment	\$25,000	\$25,000
Increase repairs/classroom upgrades	\$705,535	\$660,535
Total	\$1,560,535	\$1,560,535