

Executive Budget Committee

Minutes of the 2 April, 2015 Meeting

Members attending: Baker, Bennett, Bosch, Cline, DeBoef, Einhellig, Fairbairn, Fiedler, Foucart, Greene, Groves, Matthews, McClure, McGee, McIntyre, Nelson, Parker, Siscoe, Smart

Chair Eric Bosch convened the meeting.

Outlook for Appropriations and Revenue.

President Smart reviewed the current state of the appropriations process and revenue expectations.

Appropriations. Currently, the working figure for an increase in state appropriations for the University is \$1,329,362, or a 1.5% increase. This amount, based in part on having reached the University's performance goals, is above the average 1.3% increase among all the public institutions of higher education.

The Missouri House recommended the same amount as the governor. As of 2 April, the Senate had not yet acted on the budget. It is possible that it could be as high as 3%, but would then have to go through the full Senate, and the House/Senate conference process. The governor could subsequently approve, veto, or withhold some of the funds. Subsequently, in the Budget Committee's discussions, the amount in the governor's budget is being used. Experience has indicated that the University will not likely receive less than what the governor recommends.

Additional revenue.

Other

Fee resolution, tuition growth (net)	\$1,397,328
FY 15 enrollment growth (net)	1,867,488
Other additional revenue	1,343,675

The net growth for tuition and fees, assumes the same numbers and mix of student categories. FY 2015 enrollment brought unbudgeted growth during the current year. Other additional revenue is largely from more effective investments. Overall estimated additional revenue, including the current estimated FY 2016 state appropriation increase, then totals **\$5,937,853**.

New Expenses.

Increased Utilities

Disability Support Center

Increased Property Insurance

ERP budget increase

Increased rental costs

Increased Athletic costs
Police contract increase
Compliance
President's enhancement

Increases in utility costs largely reflect the effect of new construction. The increased athletics costs include the new cost of attendance policies, increased broadcast costs, and additional salary costs. Depending upon the degree of additional compensation, estimated total new expense could range between \$1,212,305 and \$1,215,498.

Overall Budget Development

Priority increases and compensation increases were then discussed within three raise scenarios, using 1%, 1.6%, and 2% increases.

Priority Increases.

New faculty positions
CPI cost center budget increase
Increased maintenance, security, grounds
Staff positions – compliance & support

All cost centers would receive an increase equal to the cpi used in the budget scenario (.8/10th of 1%). Many new positions reflect the anticipated completion of new construction and subsequent staffing needs. In addition, critical position needs are to be addressed in such areas as the Testing Center, Internal Audit, and Diversity & Inclusion.

Compensation Increases.

Pay raise operating fund with fringe
Staff pool
Instructor equity pool
GA wage increases
Faculty promotions with fringe
Full Professor with fringe (est.10)

The overall funding for each of these categories, with the estimated new revenue fixed and new expenses being relatively fixed for purposes of this exercise, would vary within the 3 raise scenarios, and then relatively against each other as priorities among these six categories were discussed.

Discussion.

After brief discussion, the consensus of the committee was that a) key issues were the potential for meaningful efforts at addressing the Staff pool and the Instructor equity pool, and b) the 1.6% scenario provided the best balance of a significant overall increase and yet provided resources to enhance one or the other or both of the key issues.

Subsequent discussion centered on the relatively low compensation for instructors. The current mean salary is \$39,000 but the low end of the range goes well below that. However, it was also noted that it has been seven years since the last staff equity adjustment, and there was concern expressed that the University is losing a number of skilled, experience staff members to other local entities.

In the 1.6% raise scenario, the six initial compensation estimates were:

Pay raise operating fund with fringe	\$1,922,665
Staff pool	150,000
Instructor equity pool	150,000
GA wage increase	56,581
Faculty promotions with fringe	233,531
Full professor program with fringe (est. 10)	67,300

After further discussion, an option was proposed to increase the staff pool to \$225,000 and make the instructor equity pool \$100,000. The additional \$25,000 would reduce the President's enhancement line under New Expenses from \$28,226 to \$3,226:

Pay raise operating fund with fringe	\$1,922,665
Staff pool	225,000
Instructor equity pool	100,000
GA wage increase	56,581
Faculty promotions with fringe	233,531
Full professor program with fringe (est. 10)	67,300

.....under New Expenses	
President's Enhancement	\$ 3,226

Discussion indicated this approach would continue a path of addressing specific categories of salary concern on a systematic basis. The committee agreed unanimously to adopt this working scenario, contingent upon the final resolution of the state appropriations process. Because the

figures are tentative they are to be confidential for the time being. At the next meeting the clarified state appropriations picture will inform these tentative conclusions.

Next meeting: Monday, 4 May, 10 – 11 a.m., CAR 203.