

Budget Advisory Committee Minutes

April 8, 2015

The RSU Budget Advisory Committee held its first meeting April 8, 2015, in the OMA Conference Room in Meyer Hall at 8:00 a.m.

Members Present: Tom Volturo (Chair); Brent Marsh; Brian Reeves; Bryce Hall; Daniel Marangoni; Frank Elwell; James Ford; Jerry Bowen; Keith Martin; Leonard Szopinski; Mark Meadors; Maynard Phillips; Richard Beck; Ryan Erwin

Others Present: Mary Millikin; Claudia Story, Staff Support

INTRODUCTION

Chair Volturo presented some background information regarding the purpose of the formation of the committee. Due to the likelihood of reduced state funding and the resulting lack of funds to increase departmental budgets, the traditional budget hearings were suspended and a new Budget Advisory Committee was formed. The committee will concentrate its efforts on finding areas of possible cost savings while ensuring essential needs are met.

Mr. Volturo encouraged members of the committee to send emails with feedback and questions throughout the budget discussions to Tom Volturo at tvolturo@rsu.edu and Claudia Story at cstory@rsu.edu.

REVENUE DATA

Mark Meadors presented a Summary of Tuition and Fee Revenues. The FY 2016 estimates were compiled using the most recently completed academic year. A positive sign is the projected E & G revenue of \$292,434 is greater than FY 2015 budget. A change in the mix of enrollments improved the financial situation. As soon as updated information is provided, the revenue figures will be recalculated.

ENROLLMENT ESTIMATES

The committee tabled this issue until a future meeting.

MANDATORY COSTS

Mr. Meadors presented an update on the FY 2016 Mandatory Costs. He stated these cost increases are mandated by external parties and have nothing to do with new initiatives. These mandated costs include payroll expenses such as social security, insurance, workers' compensation, and life insurance. Increased costs for professional services such as auditors and legal services are mandatory as well as increased costs of utilities. Utility costs are up 10% in general for the current fiscal year.

Mr. Volturo reported that the \$215,000/yr. Expo and Rec Center lease with the City of Claremore will expire in a few years. The City wants to raise rates and negotiations are currently underway. As a cost cutting measure, the question of whether RSU should continue offering free use of the Rec Center as a benefit to students and employees was presented to the committee. The consensus of the group is to recommend continuing to provide this benefit.

COST REALLOCATION & SAVINGS

Mr. Meadors distributed current budget copies broken down by object code for the committee to review and look for opportunities to reduce expenditures and increase revenues. There was discussion regarding the use of the

\$5,000,000 Reserves, which Mr. Meadors stated is unsustainable. Dr. Beck requested a breakdown of the professional salaries and classified salaries.

The committee discussed reducing the number of copiers and printers on campus as a cost-saving measure. Several companies have analyzed the campus usage and have presented solutions to reduce costs. Dr. Ford suggested removing extra printers and copiers only and not purchasing new software and equipment. The consensus of the group is to recommend allowing an outside firm to set up an experiment within several departments on campus to test their new software and equipment. In addition, one department on campus will experiment with removing extra printers without implementing the new software to determine how it effects the department.

Mr. Volturo stated that the committee should have a goal to reduce the budget by 5% during the budget review process. The focus should be on cost savings due to the possibility of having state reductions in appropriations or no increase in state appropriations and the uncertainty of increases in tuition and fees.

TOPICS FOR FUTURE MEETINGS

Set appropriate print limits for students - the current maximum allowed is 750 (Brian Reeves).

Gary Boergermann to present case for more personnel for campus safety.

The meeting was adjourned at 10:10 a.m. The next meeting is scheduled for April 13, 2015 at 8 a.m.

Budget Advisory Committee Minutes

April 15, 2015

The RSU Budget Advisory Committee held a meeting April 15, 2015, in the OMA Conference Room in Meyer Hall at 8:00 a.m.

Members Present: Tom Volturo (Chair); Brent Marsh; Brian Reeves; Bryce Hall; Daniel Marangoni; Frank Elwell; James Ford; Jerry Bowen; Keith Martin; Leonard Szopinski; Mark Meadors; Maynard Phillips; Richard Beck; Ryan Erwin

Others Present: Claudia Story, Staff Support

REPORT FROM CHAIR

Chair Volturo opened the meeting stating the purpose of the committee is to discuss ways to increase revenues, fund mandatory cost increases, fund new initiatives and look for ways to reduce the budget. He suggested that issues not meeting those criteria should be discussed in a forum other than the Budget Advisory Committee or reviewed in the fall during the Budget Survey.

APPROVAL OF MINUTES

Dr. Marsh moved approval of minutes from the April 8, 2015 meeting. Dr. Beck seconded. Motion approved by committee.

DISCUSSION OF ARTICLES

Dr. Elwell presented an article regarding adjunct instructors and expressed the difficulty in finding properly credentialed adjuncts. He requested the committee keep in mind that RSU is maxed out on adjuncts and he proposed no cuts to faculty be considered. He stated cutting or not expanding faculty presents a problem with providing a quality education.

The committee discussed the need and requests from departments on campus to raise salaries. Chair Volturo stated any proposed raises should be included as part of the Budget Survey in October and not with the committee at this time due to current discussions by state leaders to cut the appropriations.

Dr. Elwell withdrew the second item of discussion regarding tuition costs. Mr. Volturo stated the problem is a larger issue and it would be difficult to change the current process established by the State Regents without further study. He suggested the committee discuss the issue in the fall.

STRATEGIC PLAN AND INTERNAL MANDATES

Dr. Beck presented a proposal to contract with OU to take over the university's IRB responsibilities. Contract cost would be \$25,000 which could be partially offset by funds already in the IRB account in the budget. He requested the proposed contract be considered and reviewed during this budget process. Dr. Elwell made the motion to approve \$25,000 less any current funding in the budget for an IRB contract. Dr. Marsh seconded. Motion approved by committee.

Dr. Marsh presented a proposal to contract with OU for Equal Employment Opportunity Services. The most current proposal from OU Legal was drafted back in November 2014 for \$12,000. The current agreement is for \$13,325. Members agreed to increase the budget by \$1,325 to cover the increase of the agreement.

Dr. Marsh presented information pertaining to training to educate faculty, staff, and students on Title IX requirements. The price for purchasing training material ranges from \$9,745 to \$15,000. He proposed a second option of creating a consortium with other universities to get bulk pricing on third-party software and services to create an internal process. Dr. Marsh estimates \$15,000 would be enough to meet the requirement.

Dr. Ford made the motion to approve \$15,000 in the budget for Title IX training. Dr. Elwell seconded. Motion approved by committee.

Dr. Beck presented information on discrepancies between salary adjustments for master degrees earned by EMS personnel and nursing personnel. Dr. Martin provided background information. Nurses are mandated to have a master's degree and EMS personnel are not. The committee discussed market considerations while looking at EMS salary adjustments. Dr. Elwell moved to table the issue. Dr. Bowen seconded. Motion approved by committee.

Dr. Beck presented a proposal to go forward with an agreement with OU to provide services for managing the faculty visas. He stated ensuring compliance is time consuming and complicated. Dr. Beck estimated the cost for such service to be \$10,000 for next year. Mr. Meadors stated the cost for this service has come out of the general academic budget in the past and only a reallocation may be necessary. Mr. Volturo suggested that no motion be made at this time and internal adjustments be made.

Dr. Beck provided information to the committee regarding the faculty decision on Jenzabar eLearning module. He stated the decision has been stalled awaiting Faculty Senate approval. He said this may impact the budget process late and may require going into the next budget. The committee discussed the likelihood of continuing with Angel for another year without support.

Ryan Erwin responded to information on athletic salaries and data provided to the committee by Daniel Marangoni on behalf of the Staff Advisory Council. Marangoni reported the Staff Advisory Council had concerns about the amount of money being spent on athletics and the Council's desire to see budget cuts in that department. Mr. Erwin stated much of the data and salary information in the report is not up-to-date or correct and stated the athletic programs on campus attract students as well as provide a service to the university and the community. He said this year 224 student athletes brought in \$3.3 million in revenue and 250 are anticipated for the fall and will generate approximately \$3.7 million in revenue for the university.

Maynard Phillips stated that many of the university's original donors come as athletic boosters and migrate to other programs. He stated athletics is a huge factor in fund raising and offered to provide figures to the committee.

The committee discussed a possible vote to approve the approximately \$240,000 increase for Athletics. Dr. Martin stated it would be a retroactive opinion because the additional programs have been approved by various campus committees and recruiting has begun.

Mr. Marangoni requested athletic budget figures to present to the Staff Advisory Council. Mr. Erwin said he will have budget cuts in Athletics to present to the committee.

Mr. Erwin agreed to provide the Staff Advisory Council information and attend a meeting to discuss their concerns.

TOPICS FOR FUTURE MEETINGS

- Health and Safety – Gary Boergermann
- Enrollment Estimates – Dr. Beck

The meeting was adjourned at 10:00 a.m. The next meeting is scheduled for April 20, 2015, at 8 a.m.

Budget Advisory Committee Minutes

April 20, 2015

The RSU Budget Advisory Committee held a meeting April 20, 2015, in the OMA Conference Room in Meyer Hall at 8:00 a.m.

Members Present: Tom Volturo (Chair); Brent Marsh; Brian Reeves; Bryce Hall; Daniel Marangoni; Frank Elwell; James Ford; Jerry Bowen; Keith Martin; Leonard Szopinski; Mark Meadors; Maynard Phillips; Richard Beck; Ryan Erwin

Others Present: David Barron; Gary Boergermann; David LeCount; Mary Millikin; Claudia Story, Staff Support

APPROVAL OF MINUTES

Dr. Marsh moved approval of minutes from the April 15, 2015 meeting. Dr. Elwell seconded. Motion approved by committee.

HEALTH & SAFETY ISSUES

Gary Boergermann presented information regarding campus safety and requested funding consideration for several proposals he prioritized as follows:

- Pay raise for officers – He stated it is difficult to compete with surrounding areas using the current full-time and part-time salary structure.
- Additional officers – He would like to have at least two officers on campus at all times. He currently has only one.
- Dispatchers – Requesting two dispatchers – one for the day shift and one for the evening shift. An alternative solution would be to contract with the 911 center for \$800/month to handle all non-emergency dispatching.
- Vehicles – Last year RSU purchased two new vehicles for Campus PD and will get one more this year. Chief Boergermann proposed buying a new vehicle every year until the 2 remaining older vehicles are replaced. He then proposed purchasing new police vehicles as needed (after 5-6 years) and rotating the older vehicles to the campus fleet.

The committee discussed the possibility of having a blended campus police force of CLEET certified police officers and security officers.

The question was also raised about how RSU compares to other universities regarding officer/student ratio. Boergermann stated the figures he has go back to 2008, and that he would be willing to provide updated information to the committee.

The committee discussed placing security cameras in the interior of Loshbaugh, Prep, Herrington, and Health Science buildings. The cameras would serve as a deterrent and could be used for evidence in case of crimes such as theft or assault. Brian Reeves stated there are issues with the amount of storage space available for the cameras and the need to determine how long to keep the footage.

Chair Volturo stated the original request for cameras came from faculty and staff. The university has spent between \$200,000 and \$250,000 for cameras. The committee discussed the current dedicated security fee and asked if it is sufficient to cover the cost of cameras and operations of the Campus Police Department. Mark responded the fee does not cover the cost of the Police Department operations. Cameras have been purchased from surplus and construction funds.

ENROLLMENT ESTIMATES

David Barron provided enrollment estimates to the committee. He stated enrollment is trending higher with a conservative estimate for fall of 4,186 students and 44,913 credit hours. This amounts to an estimated 3.7% increase in head count and 3.85% increase in credit hours. For budget estimates, Barron suggested a conservative 3% increase on credit hours for the fall. He stated all 3 campuses are seeing an increase in enrollment.

Mr. Barron reported on the third-party Cappex campaign to reach students and increase enrollment. At a cost of \$17,500, Cappex has generated 1,210 leads from 17 campaigns resulting in 68 enrollment conversions and 579 hours of enrollment. There are currently 61 students admitted who have not yet enrolled. Based upon current data, the campaigns will generate an estimated \$109,000 in tuition and fees since the initiative began in July 2014.

Mr. Barron stated the early enrollment initiative was successful and the t-shirt campaign was also helpful.

Mr. Barron stated Oklahoma Promise is a valuable scholarship program that brings in hard dollars as opposed to tuition waivers. RSU currently has 577 students in the program which brought in \$1,462,399 for 2014-2015. He stated the percentage of RSU students in the program is a little higher than other institutions in the region. Possible changes in program requirements, such as increasing the income requirement, could help increase student participation in the program.

According to Barron, the Hillcat Promise tuition assistance program which supplements the Oklahoma Promise funding is not widely utilized by students. 11 students in 2014-2015 received benefits amounting to \$20,710 in tuition waivers, not hard dollars.

COST REALLOCATION & SAVINGS – INNOVATION CENTER

David LeCount presented information regarding the benefits provided to the university by the Innovation Center. As an education partner, the center has developed 4 curriculums to fulfill gaps in current classes offered at RSU and serves as a mentor to students.

The Innovation Center is currently serving 66 clients and has created 192 jobs since August 2014 resulting in an estimated \$8,892,000 investment in Oklahoma's economy. Mr. LeCount stated the center team members serve on various boards in the community and make important connections to help brand RSU locally and throughout Oklahoma.

Mr. LeCount presented budget enhancement measures including acquiring grants, developing executive and certification class curriculum, and implementing an equity program for incubator clients. The equity program was developed in 2014, but not implemented due to liability issues.

Mr. LeCount proposed a budget reduction of 25% for a total of \$71,700. He estimates the implementation of the revenue measures combined with budget reductions has the potential to give back approximately \$700,000 in 2 years.

The committee discussed the possibility of using some of the office space in the Innovation Center for other university purposes. Mr. LeCount reported that creating a virtual incubator program would allow the program to continue while providing physical space for use by other departments.

Mr. Volturo suggested that the committee table any decisions regarding the Innovation Center until further consideration.

TOPICS FOR NEXT MEETING

- Savings in Fine Arts
- Savings in Department of Business
- Savings by reducing salaries \$100,000 or greater by same percentage as State reduction
- Change rotation of replacing computers
- Reduce number of print copies allocated to students
- Reduce athletic expenditures
- Reduce department heads from 11 to 6

The meeting was adjourned at 9:40 a.m. The next meeting is scheduled for April 22, 2015, at 8 a.m.

Budget Advisory Committee Minutes

April 22, 2015

The RSU Budget Advisory Committee held a meeting April 22, 2015, in the OMA Conference Room in Meyer Hall at 8:00 a.m.

Members Present: Tom Volturo (Chair); Brent Marsh; Brian Reeves; Bryce Hall; Frank Elwell; James Ford; Jerry Bowen; Keith Martin; Leonard Szopinski; Mark Meadors; Maynard Phillips; Richard Beck; Ryan Erwin; Leland Gray, representing Staff Advisory Council in Daniel Marangoni's absence

Members Absent: Daniel Marangoni

Others Present: Claudia Story, Staff Support

APPROVAL OF MINUTES

Dr. Elwell moved approval of minutes from the April 20, 2015 meeting. Dr. Ford seconded. Motion approved by committee.

CAMPUS POLICE REQUEST

The committee discussed budget requests presented by Gary Boergemann in the previous meeting. Chair Volturo clarified that Boergemann was not including himself in the two officers he requested to have on campus at all times.

The committee discussed using student workers to cover the dispatching duties and Dr. Elwell suggested drawing from the RSU Criminal Justice Program when considering applicants.

The committee discussed the request for raising officer salaries and decided that was not feasible at this time.

Chair Volturo stated the Police Department has been expanded over the years and staff and equipment has been authorized as funding becomes available. Mr. Meadors reported the dedicated safety fee generates approximately \$450,000/year and the Campus Police budget is \$584,000, requiring use of university funds outside of the fee structure to cover the excess.

Mr. Szopinski moved to approve the use of a student worker for dispatching and when funding becomes available, add second full-time officers. Dr. Marsh seconded. Motion approved.

The committee discussed the possibility of adding more security cameras on campus. Mr. Szopinski stated that most of the exterior on campus is covered and that it is more cost effective to have the exterior covered as opposed to the interior. Mr. Reeves stated in addition to the cameras, there are other associated costs such as additional switches at approximately \$6,000 each.

Chair Volturo stated the security cameras act as a deterrent, show who committed a crime, and monitor activity during an incident on campus.

The committee discussed whether the cameras currently on campus are sufficient to provide the necessary security. Some blind spots identified are the Physical Plant and the parking lot at Herrington Hall. Mr. Szopinski stated when cameras are installed at UVC the Physical Plant should be covered. Mr. Szopinski will prepare a map showing camera locations to present to the committee.

INNOVATION CENTER

The committee discussed the Innovation Center information presented by David LeCount in the previous meeting. It was brought to the attention of the committee that the \$71,700 proposed budget reduction is grant money.

Mark Meadors stated many of the new programs proposed to the committee by Mr. LeCount would potentially require additional funding from the university.

The committee discussed the duplication of services by the Innovation Center on providing certification classes and continuing education at the Industrial Park in Pryor. Mr. Phillips stated the work Sherry Alexander is doing at the Pryor Campus is sufficient and there is no benefit from the Innovation Center duplicating those services.

Dr. Beck stated the Innovation Center does benefit students through the incubator program and internships. He said the team members at the Innovation Center are also qualified to teach courses at RSU. He stated that while the Center does tie into the university's mission, it does not probe to the deep core of the mission.

Chair Volturo stated the Innovation Center building could be used by other departments that have critical space needs. Mr. Szopinski stated the offices and conference rooms could easily be converted into labs. The building has also been suggested as a possible new site for an Enrollment Center.

Dr. Elwell moved to close the Innovation Center. Dr. Ford seconded. Motion approved.

SAVINGS IN FINE ARTS

Dr. Elwell stated savings from Fine Arts will come from attrition. The department head is resigning and Dr. Moeller will serve as interim department head. The position will not be filled until Fall 2017, resulting in a net savings to the department.

SAVINGS IN DEPARTMENT OF BUSINESS

Dr. Beck stated vacancies in the department will result in savings over time. The department is currently seeking a department head and dean and will backfill at a lower level resulting in savings. They are currently in preliminary discussions on replacements for Dr. Garrison and Dr. Tollison. Mr. Volturo stated the amount of savings should be available to report to the committee before a committee report is finalized in May.

REDUCING SALARIES OF \$100,000 OR GREATER

Mark Meadors reported that 15 RSU employees make \$100,000 or greater. The 15 employees include faculty and staff positions. Several committee members reported it would be a symbolic gesture and morale booster if the economic situation worsens but would not recommend any reductions at this time.

Mr. Volturo stated there has been discussion by the faculty and staff councils concerning low pay, no salary increases, salary inequities, and perceived inequities. He addressed a concern by a committee member regarding salary reductions or furloughs by stating it would require a university-wide, equitable plan approved by the Board of Regents and is not under consideration at this time. He recommended an institutional study to determine what the regional and market salaries should be for the various positions on campus taking into consideration experience, degrees, job responsibilities, and job performance. He recommended the study be started this Fall.

ROTATION OF COMPUTERS

Brian Reeves stated the faculty and student lab computers are currently replaced every 3 years and he is recommending changing to a 5-year rotation plan. Staff receives the used computers from the faculty and student labs.

Mr. Meadors stated tech fees are used to purchase the computers for faculty and student labs and because they are charged by credit hour, the budget is tied to enrollment.

Mr. Reeves also recommended consolidating the 2 big labs in Health Science. He would like to see virtual labs, eliminating the need for specialized labs. Chair Volturo suggested a virtualization study to determine the feasibility of virtual labs.

Mr. Volturo recommended a 20% rotation of computers per year to include staff computers as well as faculty and student lab computers. Mr. Meadors stated the tech fees could be considered for increase, but need to look at rotation plan first. Issue was tabled until Mr. Reeves runs an analysis.

REDUCTION OF NUMBER OF PRINT COPIES FOR STUDENTS

Brian Reeves recommended reducing the number of page limit for student use of copiers from 750 to 250. Students have the option to purchase more copies from the Bursar's Office. He stated the tech fees do not cover printing costs.

Dr. Elwell recommended encouraging electronic submission and use of the card system to help keep the number of copies down and track usage.

Dr. Elwell moved to approve the 250 limit. Motion not seconded. The committee discussed how this would affect students.

Mr. Szopinski recommended a study to look at student copier use and associated costs. Mr. Reeves stated the student printers are the only ones set up to measure count.

Dr. Elwell withdrew his motion to approve the 250 student copy limit. No action taken on the issue at this time until further study.

REDUCTION OF ATHLETIC EXPENDITURES

Ryan Erwin proposed reductions to the Athletic Department budget. He proposed eliminating printing media guides for a savings of \$3,840. The department will create the guides and have them available online only.

Additional budget cuts in Athletics include \$46,000 from E&G and \$10,000 from auxiliary funds. Student workers would be reduced and coaches and trainers will be required to pick up the duties previously done by student workers. Tutors and contracting would be reduced. Total budget reduction proposed for the department is \$56,900.

Dr. Ford moved to accept the proposed budget cuts to Athletics. Dr. Elwell seconded. Motion approved.

REDUCTION OF DEPARTMENT HEADS FROM 11 TO 6

Dr. Ford suggested there may be savings by reducing department heads and by combining some of the smaller departments. Dr. Martin expressed interest in what it would look like to reduce department heads. Dr. Beck offered to provide the information. Further discussion was tabled for a future meeting.

Remaining items on the agenda will be discussed in the next meeting.

TOPICS FOR NEXT MEETING

- Reduction in the number of department heads
- RSU-TV and Radio – costs & the role they play
- Bartlesville & Pryor costs/benefits

The meeting was adjourned at 10 a.m. The next meeting is scheduled for April 27, 2015, at 8 a.m.

Budget Advisory Committee Minutes

April 27, 2015

The RSU Budget Advisory Committee held a meeting April 27, 2015, in the OMA Conference Room in Meyer Hall at 8:00 a.m.

Members Present: Tom Volturo (Chair); Brent Marsh; Brian Reeves; Bryce Hall; Frank Elwell; James Ford; Jerry Bowen; Keith Martin; Leonard Szopinski; Mark Meadors; Maynard Phillips; Richard Beck; Ryan Erwin; Daniel Marangoni

Others Present: Mary Millikin; Royal Aills; Bill Beierschmitt; Jeff Gentry; Claudia Story, Staff Support

APPROVAL OF MINUTES: Dr. Ford moved approval of minutes from the April 22, 2015 meeting. Dr. Elwell seconded. Motion approved by committee.

OPENING DISCUSSION

Daniel Marangoni stated the Staff Advisory Council has requested information about the costs and benefits associated with RSU Radio, RSU-TV, Bartlesville Campus, and Pryor Campus. Chair Volturo recommended that representatives from each of those groups present the requested information directly to the Staff Advisory Council so that Mr. Marangoni can present the ideas and recommendations of the Staff Advisory Council back to the Budget Advisory Committee. The committee agreed that since representatives for RSU Radio, RSU-TV, and the Bartlesville Campus were on the agenda and in attendance, they should go forward with their presentations.

RSU RADIO COSTS AND BENEFITS

Dr. Gentry presented information to the committee about RSU's radio station. He stated the radio station is in line with university's mission, providing educational opportunities to students as well as providing a forum for community information and public dialog. The radio station also facilitates involvement between students, faculty and community volunteers to provide programming to the public. The station provides emergency alerts to area communities through its partnership with Rogers County. It also provides culturally significant, locally-produced content and broadcasts athletic events and public service announcements.

Dr. Gentry emphasized the radio station has great promotional value and is an important recruiting tool for the university. He reported the communications program saw significant growth in enrollment while enrollment at RSU was dropping overall. The radio station provides practical, hands-on experience not available to students at other regional universities. The station employs approximately 35 student workers each semester.

Dr. Gentry reported a 2007 analysis of the radio station found it produced an equivalent of \$363,000 in annual promotional announcements for RSU and its programs.

Mr. Meadors presented financial information relating to the radio station. He reported last year Cathy Coomer raised \$35,000 in underwriting. For this year, underwriting is currently at \$25,000 and they are on target to reach their goal. The underwriting is used to pay for the physical running of the station. The cost of the radio station to the university is approximately \$90,000 in salaries and related expenses. The committee discussed the possibility of the radio station applying for public broadcasting funds and Mr. Marangoni stated he could look into that.

Chair Volturo reported the university receives approximately \$5,000 each year from rent of radio tower space and the money is used to maintain the tower on campus and the television tower.

RSU-TV COSTS AND BENEFITS

Royal Aills presented information to the committee about RSU's television station. He reported the station is a big megaphone for the university serving 71 counties with approximately 250,000 to 300,000 viewers, outpacing most cable networks on Cox, Dish and Direct TV locally.

- The mission of the television station is entertainment as well as education. It is the only public full-power broadcast station licensed to a public college or university in Oklahoma.
- The television station and radio station are under one license and work together to meet the obligations of the FCC. Funding for the television station comes from federal grants and university funds.
- The station promotes RSU as a university running an average of 448 spots per month, and in particular promotes the higher learning program for adults with an average 100 spots per month. These promotional spots are valued at \$96,840.
- RSU-TV employs 11 student workers who receive hands-on experience and training working with cameras, boards, and other equipment used in producing television programs.
- RSU-TV has expanded its content to include new programs such as *Living Grand on Grand Lake*. This program promotes Grand Lake lifestyles and was a #1 hit last year.
- Mr. Aills reported the station has reached out to local tourism groups with the Green Country Tourism Promotion which has been successful in promoting RSU and gaining underwriter support.
- The television station has formed a partnership with the Tulsa Aviation Group to provide ground school aviation training. Mr. Aills stated this is a good marketing tool for the university.
- Mr. Aills reported the *I Want Answers* academic bowl attracts high school students and gives out \$12,000 a year in scholarship funds. RSU-TV is the only station in the nation that does this. The station has raised \$40,000 in underwriting to date to fund this program.
- Mr. Aills stated the goal of the station is to continue marketing the university through its programs, building the RSU brand, and providing educational content to its viewers.
- Future plans for the station are to provide certification through adult continuing education offered thru *Okcal*, a course provider which will be available on the RSU-TV website. The plan includes targeting 19 business industries to allow access to the certification portal.

Dr. Elwell asked if there were any projections on the *Okcal* program. Mr. Aills stated a goal of one-half to one million dollars in five years with hopes that it will pay for itself in one year. He is currently working with Maynard Phillips to obtain funding to build the website. The program would be promoted through RSU Radio and Television.

The television station receives approximately \$600,000 in federal grant money to cover salaries and programming and \$300,000 from university funds for salaries, fees, utilities, and audit expense.

Mr. Meadors stated the television station is currently generating about \$900,000 in terms of matching, \$300,000 of which is hard dollars.

BARTLESVILLE COSTS AND BENEFITS

Mr. Beierschmitt presented information to the committee regarding the Bartlesville Campus. He stated the campus is housed in a nine-story building built in 1919 and is a constant battle to update old systems.

- Mr. Beierschmitt reported he is responsible for a 1.6 million dollar budget. The Bartlesville building has 22 tenants leasing space from the university generating \$418,915 in revenue each year. In addition, \$10,000 in revenue is generated each year from leasing 35 parking spaces.
- In cooperation with the Lyon Foundation, the university has made capital improvements to the roof and windows of the nine-story building. He expects the partnership with the Lyon Foundation to continue.

- Mr. Beierschmitt stated future plans to promote growth include developing a RSU-TV studio in Bartlesville, creating a certification program with support from Phillips 66 and Conoco Phillips to meet their employment needs, and establishing a health clinic on the Bartlesville Campus.
- RSU in Bartlesville has partnered with the Lowe Family Young Scholars Program to offer scholarships to students from the Bartlesville Public School system. Also, this year's Bartlesville RSU Foundation Breakfast raised \$17,000 which goes back to scholarships in Bartlesville.
- Mr. Beierschmitt reported RSU in Bartlesville had an overall 2.68% growth in enrollment since 2006. He reported there have been discussions about expanding degrees offered at the Bartlesville Campus.

Mark Meadors reported Bartlesville operates its building as an auxiliary. He reported a budget of \$600,000 for E&G, \$730,000 for the building, and \$50,000 for the bank building. Approximately \$1,561,394 is generated in tuition and fees. The net operations of the campus generate a positive cash flow, albeit faculty salaries are not included in the Bartlesville budget. Those are accounted for in the academic budgets, making it difficult to measure the true cost.

Mr. Beierschmitt presented the following information for other possible growth opportunities for Bartlesville.

- Square footage of rent space for tenants has been re-evaluated and the minimum increased from \$6.50 to \$7.50/sq. ft.
- International company inquiring about renting space
- Master's program is providing credibility

Mr. Marangoni asked if there are any capital improvements planned for Bartlesville. Chair Volturo said the university has made improvements to the roof and windows and there are plans for new flooring, sprinklers, and elevator repairs. Mr. Beierschmitt said renovating the 9th floor of the building could be a large draw for the university.

Dr. Elwell stated there is potential in Bartlesville and would like to see a long-term strategic plan in place to develop that potential. Mr. Beierschmitt stated with innovative thinking and long-range planning Bartlesville has the potential to reach 1,000 students.

OTHER BUSINESS

Chair Volturo would like to provide a re-cap at the next meeting and look at some preliminary budget figures. He stated the legislature needs to decide on appropriations, and the State Regents need to comment on tuition and fee increases before final budget decisions can be made.

TOPICS FOR NEXT MEETING

- Reduction in the number of department heads – Dr. Beck
- Pryor costs and benefits – Sherry Alexander & Mark Meadors

The meeting was adjourned at 9:45 a.m. The next meeting is scheduled for May 4, 2015, at 8 a.m.

Budget Advisory Committee Minutes

May 4, 2015

The RSU Budget Advisory Committee held a meeting May 4, 2015, in the OMA Conference Room in Meyer Hall at 8:00 a.m.

Members Present: Tom Volturo (Chair); Brent Marsh; Brian Reeves; Bryce Hall; Frank Elwell; James Ford; Jerry Bowen; Keith Martin; Leonard Szopinski; Mark Meadors; Maynard Phillips; Richard Beck; Ryan Erwin; Daniel Marangoni

Others Present: Mary Millikin; Sherry Alexander; Claudia Story, Staff Support

APPROVAL OF MINUTES

The committee discussed amending the minutes of the April 27, 2015, meeting to clarify the costs of the television station to the university. The wording in the last sentence under the RSU-TV Costs and Benefits section should read, "Mr. Meadors stated the university provides approximately \$900,000 in matching to the television station, \$300,000 of which is hard dollars." Dr. Ford moved to approve the minutes of the April 27, 2015, meeting as amended. Maynard Phillips seconded the motion. Motion approved.

REDUCTION IN NUMBER OF DEPARTMENT HEADS

Item tabled until May 11, 2015 meeting.

FACULTY/STAFF CHANGES/NEW POSITIONS

Item tabled until May 11, 2015 meeting.

PRYOR COSTS AND BENEFITS

Sherry Alexander presented information to the committee regarding the Pryor Campus. The Pryor Campus was started in 1986 with 7,000 square feet and five classrooms; doubled in size to 14,000 square feet and from five classrooms to 10 in 2008; and moved to the Mid-America Industrial Park in 2014, expanding to 38,000 square feet.

- Ms. Alexander stated the mission of the Pryor Campus is the same as the Claremore Campus.
- The Pryor Campus recruits concurrent high school students, many of whom are from rural schools and need some remediation. They advise heavily in Pryor to help transition into the campus at Claremore.
- Enrollment in Pryor is tied to what is going on in the Mid-America Industrial Park. When the industrial park is doing well and hiring, enrollment is down and when hiring is down, enrollment is up.
- Ms. Alexander stated there are many opportunities available for the Pryor Campus being located at the industrial park. The Innovation Center is currently doing a survey to see how Pryor can better serve the workforce. She thinks a good option would be to establish internships. She also sees the necessity to offer additional programs in Pryor to remain competitive and said finding the right niche could be very valuable.
- Ms. Alexander said she has a good staff and feels they are compensated well. The utility cost for the campus on Elliott in Pryor was .20/square foot per month and is .18/square foot per month at the Industrial Park. While this sounds good, she said when enrollment remains the same, this is a problem.
- The O.D. Mayor Foundation has generously contributed to the cost of expanding the Pryor Campus as well as funding the O.D. Mayor Endowed Chair at the Pryor Campus. Dr. Dana Gray is the O.D. Mayor Endowed Professor of Business at RSU in Pryor and is currently working on a marketing analysis for the Pryor Campus. The Mayor Chair is not included in the Pryor budget.

- Some weaknesses at the Pryor Campus include lack of a maintenance person and having only two full-time faculty. Ms. Alexander stated there is a problem with maintaining consistency in the quality of adjuncts in Pryor.
- Ms. Alexander stated Pryor has two big things going for it – recruitment to the east in rural areas and the Mid-America Industrial Park. She stated it would be a big issue with the Industrial Park if the campus was to close and it would affect Claremore as well.
- Students from Locust Grove High School with a Cherokee card can attend NSU for free. Locust Grove pays for those students who do not have a card to attend NSU. They pay for them to attend NSU because it costs less than RSU. The cost difference is approximately \$8.00/credit hour between RSU and NSU.

The committee discussed the need to track where high school students in the area are going after graduation. Dr. Ford would like to see a separate study of concurrent students.

Ms. Alexander said through the Leadership Advancement Program (LAP), American Castings at the Industrial Park is paying the tuition to help prepare employees for supervisory positions. The program includes five, eight-week courses with nine currently enrolled.

Mark Meadors reported the FY 2015 Pryor budget is up approximately \$100,000 from FY 2014 due to the higher overhead costs associated with the larger campus at the Industrial Park. They are still operating with the same staff.

Ms. Alexander stated the campus is receiving revenue from renting the auditorium and many of the industries at the industrial park rent the auditorium. Mr. Meadors reported Pryor also has a third party concessionaire paying for rent.

Ms. Alexander stated students with ACT scores of between 15 and 20 are being recruited by tech schools and stressed the importance of finding a way to become competitive with OSUIT and NTC. Online courses from OSUIT cost less than RSU online courses. Dr. Millikin stated students with ACT scores from 15-20 are less likely to transfer out.

The committee discussed that students with an applied associate degree are able to go into a bachelor's program. Students are also able to get an associate degree through the Pryor Campus if paired with online courses.

Ms. Alexander reported a good revenue opportunity would be to put extensive ACT prep courses on compressed video out of Pryor.

INCREASE ENERGY CONSERVATION

Leonard Szopinski presented information to the committee regarding energy conservation. He stated that about 4-5 years ago, the university analyzed the energy usage and implemented measures to reduce heating and air conditioning costs by looking at building usage and setting minimum and maximum temperature parameters.

The university's utility expense for all campuses is approximately \$1,250,000 annually. With the proposed changes to the City of Claremore's electric and water meters, the university may see a 2%-3% increase in utility costs.

Mr. Szopinski stated that the current thermostat setting is 72° year round and by changing the thermostat setting to 70° for heating and 74° for cooling, the university could see an approximate 3% or \$30,000 savings annually. He stated this savings combined with the anticipated 3% increased costs from the City of Claremore would create a flat budget.

Chair Volturo reminded the committee of the State's new energy savings program, recommending turning off lights, computers, and printers when not in use. Mr. Szopinski stated because RSU had previously implemented energy savings measures, such as motion sensors for lights, he is uncertain the new initiative by the state will create significant additional savings for RSU.

Mr. Szopinski stated the university is in the process of switching the lighting on campus from high pressure sodium to LED which will result in energy cost savings. Using LEDs will also allow maintenance to spend time on other projects other than changing light bulbs due to the longer life of LED lights.

REDUCE CUSTODIAL SERVICES

Mr. Szopinski stated custodial costs were evaluated about 4-5 years ago and changes were made at that time to save the university money.

Currently the classrooms and hallways are cleaned every day. Faculty and staff offices are cleaned once a week and floors are hard cleaned twice a year. The windows are cleaned once a year. All student housing is cleaned "like new" at the beginning of the semester.

The current custodial budget is \$558,000 for everything. University Village C will add approximately \$80,000 to \$90,000 to that cost.

Mr. Szopinski proposed that changing the classroom cleaning to once a week could save approximately \$100,000 a year. Restrooms and hallways would continue to be cleaned daily.

Chair Volturo suggested that cleaning classrooms only once a week might not be enough and that a few times a week might be a better option. The committee discussed the cleaning needs are not the same for all classrooms. Dr. Elwell stated that most of the Liberal Arts classrooms won't be used on Fridays beginning in the fall. Mr. Volturo proposed gathering data from departments to determine where the cleaning schedule can be cut back. Mr. Szopinski will send out an email to different departments requesting feedback.

Mr. Meadors stated the approximate \$558,000 per year custodial cost includes Pryor and Bartlesville and the existing housing. The additional \$80,000 to \$90,000 will come out of the housing account.

OTHER PHYSICAL PLANT ITEMS

- No increase in the buildings and grounds budget
- 4 contracts coming due – current budget extended with no increase
- Physical Plant staff is aware to obtain best pricing on purchases
- Maintain fleet for use from 100,000 – 150,000 miles (50,000 – 70,000 is standard)
- Normal HVAC life is 10-15 years. RSU approaching 20 years.

The committee discussed the cost savings associated with turning off computers and also the need to leave computers on to receive updates. Some faculty require updates be completed overnight to be available first thing the next morning prior to classes.

Brian Reeves stated that monitors and printers can be turned off, but stated it is difficult to tell how much savings this generates. The current policy is to turn them off.

CLASSIFIED AND PROFESSIONAL SALARY ADJUSTMENTS

Mr. Marangoni presented a resolution from the Staff Advisory Council declaring the need to assess and review staff salaries. He reported the Council is opposed to reducing salaries of \$100,000 or more, but would like a comprehensive assessment of current salaries.

Mr. Meadors presented a list of classified staff categorized by degree pulled from the manning table data. The table showed proposed minimum salaries of \$25,000 for those with no degree, \$27,000 for those with an associate degree, \$30,000 for employees with a bachelor's degree, and \$32,000 for those with master degrees. The additional annual cost to the university to bring classified salaries in line with degrees would be \$286,921.

Mr. Meadors pointed out there are problems with applying this method of salary adjustment to all classified employees, particularly for the campus police officers. He questioned whether a degree should drive the salary for these positions.

Chair Volturo stated this degree method of salary adjustment doesn't take into consideration certifications or licenses for police, electricians, and plumbers and shows the difficulty of trying to determine salary and pay policies. He stated this issue cannot be resolved in this budget cycle and suggested it be reconsidered in the fall.

Dr. Ford moved the university have a full review of salaries to begin in the fall of 2015. Dr. Elwell seconded. Motion approved.

OTHER BUSINESS

Chair Volturo told the committee he expects an approximately 2% to 4% cut from the legislature or as high as a 5% reduction. A 2% reduction including paying debt service is \$554,000 and the institution will have an additional expense of \$500,000 in mandatory costs.

Mr. Meadors stated he should have a budget proposal ready to present to the committee on Monday. Chair Volturo said this will include revenue projections and a first draft of the budget showing best case and worst case scenarios.

Dr. Marsh inquired about health insurance. Mr. Volturo said there will be time in July and August to evaluate health insurance. Eliminating the option for employees to opt out of our insurance and receive the value of health insurance premium as salary has been considered by the President's Cabinet. Another consideration could be to pay for Health Choice Basic as the university provided health insurance and if employees select Health Choice High, the employee would pay the difference in premiums.

HONORS AND PLC SCHOLARSHIPS COSTS AND BENEFITS

The committee also discussed looking at reducing costs associated with PLC and the Honors Program. Dr. Ford stated it would be inappropriate to consider changes at this time because promises have already been made for the upcoming fall semester. Mr. Phillips mentioned the possibility of the Foundation redirecting funds to PLC and Honors Programs.

TOPICS FOR NEXT MEETING

- Salary Adjustments for Professional Staff

The meeting was adjourned at 10:00 a.m. The next meeting is scheduled for May 6, 2015, at 8 a.m.

Budget Advisory Committee Minutes

May 6, 2015

The RSU Budget Advisory Committee held a meeting May 6, 2015, in the OMA Conference Room in Meyer Hall at 8:00 a.m.

Members Present: Tom Volturo (Chair); Brent Marsh; Brian Reeves; Bryce Hall; Frank Elwell; James Ford; Jerry Bowen; Keith Martin; Leonard Szopinski; Mark Meadors; Maynard Phillips; Ryan Erwin; Daniel Marangoni

Members Absent: Richard Beck

Others Present: Mary Millikin; Claudia Story, Staff Support

APPROVAL OF MINUTES

Dr. Marsh moved approval of minutes from the May 4, 2015 meeting. Dr. Elwell seconded. Motion approved by committee.

OPEN DISCUSSION

Chair Volturo asked the committee members if there were any topics they wish to discuss or action necessary on previously discussed topics. He stated the committee has added approximately one million dollars in new requests and initiatives from the previous budget.

Chair Volturo stated the news reported today that Representative Sears is talking about a 7% cut to agencies in Oklahoma and considering using the \$300 million from the rainy day fund.

The draft of the budget to be presented in Monday's committee meeting will reflect an approximate 3.17% reduction which corresponds to information presented by the Chancellor's office.

HEALTH INSURANCE

Dr. Elwell inquired about the option for employees to opt out of health insurance and receive the value of the premium as salary. He asked what the President's Cabinet is recommending and the projected savings if this choice is eliminated.

Chair Volturo stated that insurance consultants and those who rate insurance agree it is an uncommon practice to pay employees the full premium value for opting out of insurance coverage. If this is done, the amount is normally about \$50 to \$100. When RSU originally offered this option, the amount was \$200 and now it is approximately \$500. From a rating standpoint, having a few employees opt out will not make a difference due to the size of the pool RSU is in currently (State Insurance Pool). The President's Cabinet also discussed looking at offering a high deductible plan and placing a specified dollar amount into a Health Savings Account to offset part or all of the difference.

Mr. Meadors said out of 315 RSU employees eligible for benefits, there are currently 100 who opt out and have the premium value added to their pay. These employees are either eligible for Medicare or have alternative insurance. He said the option the employees choose does not change the cost to the university, just the nature of the benefit. Mr. Meadors stated going to a high deductible plan with the health savings account would save the university approximately \$600,000 annually.

Mr. Meadors proposed another option would be to modify the university policy and make any proposed changes to the opt-out benefit effective for only those employees hired after a certain date.

Dr. Ford stated that he would like to see the university include faculty and staff in the discussions on any changes to the health insurance benefits to allow others the opportunity to voice their opinions. Chair Volturo said if any changes are going to be made to health insurance that the discussions need to take place this summer with faculty and staff input in order to have a proposal to take to the Board in September.

REDUCE CUSTODIAL SERVICES

Lenn Szopinski stated he has not had an opportunity to gather feedback from university departments regarding cleaning the classrooms once a week instead of every day to reduce custodial costs. He stated the university could save approximately \$100,000 annually by changing the cleaning schedule to once a week.

Mr. Meadors stated the custodial contract is elaborate with different buildings and rooms receiving different service. Some employees in his department report not having the carpet vacuumed for 3 months and he questioned whether the university is paying too much under the current contract for the actual services being performed.

Mr. Szopinski said if the custodial issues aren't reported, the problems can't be resolved. The physical plant does spot checks but it is difficult to measure and evaluate. Dr. Millikin suggested all faculty and staff be notified of what the expectations are to help identify when issues arise.

Dr. Ford moved to change classroom cleaning schedule to once a week to save the university approximately \$100,000/year, with the understanding that the trash cans will continue to be emptied daily. Dr. Elwell seconded. Motion approved.

The committee also discussed how often the common bathrooms in University Village C should be cleaned. UVC will have semi-public restrooms with 10 people sharing one restroom with two toilets, two showers, and two vanities. Each room will still contain a sink for personal use.

Ryan Erwin moved to have the UVC restrooms cleaned every other day for a total of 4 days per week of service. Dr. Ford seconded. Motion approved.

RSU-TV STATION

The committee discussed whether any action should be taken regarding the television station. Dr. Ford stated it appears the radio station is a great value to the university as far as the students are concerned, but does not feel the television station provides the same value and opportunities for students.

Daniel Marangoni reported on a community college in Virginia that is doing what RSU-TV is proposing to do as far as providing online certification programs. He said they have had the program for 18 months and have not been profitable and he questioned whether RSU-TV could be profitable. He stated there are currently tech schools and community colleges in the area doing a good job in offering certification programs.

Mr. Phillips stated RSU-TV does not wish to compete with NTC on the certification programs and the Foundation is working with RSU-TV on that issue. He feels the program could be profitable in some areas. He is looking for ways to fund the \$150,000 cost of the program through the Foundation as opposed to having the university pay for it.

Mr. Marangoni stated he feels the television station and the certification programs are two separate issues. In his opinion, the certification programs should be delivered out of the Pryor Campus.

Mr. Volturo said the reason RSU-TV took on the certification programs was because no one else on campus took the initiative to move forward with the continuing education programming. The program proposed by the television

station is in the preliminary stages and Royal Aills is working with the Foundation on the final proposal and funding. Royal thinks the program can be profitable.

Dr. Ford asked if the television station budget could be reduced and still receive the matching grant. Mr. Volturo stated he is not sure how much, if any, the budget could be reduced, that it currently has a very thin staff. Dr. Ford would like to see the television station function more as a classroom to reach more students like the radio station is doing.

Mr. Marangoni stated the decision was made quickly by the committee to close the Innovation Center and sees the television station as the same. He stated the television station has made it difficult for student involvement. Mr. Phillips disagrees with the comparison to the Innovation Center and sees the opportunity for the television station to expand academic programs and reach way beyond what the Innovation Center was providing.

Mr. Volturo stated the television station is going through some changes and working on branding for RSU. He stated to close the station down would not be in the best interest of the university from a financial standpoint at this time. The FCC is currently considering a nation-wide purchase of television stations' spectrum which could generate a large amount of cash to RSU and the station.

Dr. Marsh suggested working on intentional partnerships through the television station and looking for ways of maximizing opportunities to get the most out of the \$300,000 investment.

Mr. Phillips and Mr. Volturo pointed out the positive relationships the station has established such as with the Cherokee Osiyo program, the Kaiser Foundation, Guthrie Green, and *Living Grand on Grand Lake*. These programs have tapped into businesses and individuals with the potential of becoming big donors to the university.

Dr. Elwell would like to see the television station integrated into the strategic plan of the university. No motions were made regarding the television station.

PROFESSIONAL SALARIES

The committee discussed analyzing the professional salaries at the university. Chair Volturo said it is difficult to categorize and compare professional salaries due to all the variables to be considered.

The committee discussed the faculty receiving approximately \$2,500 below the regional average for various ranks. Aside from faculty pay, the only other formal information collected by Regents is on 12 to 14 positions which can be used for comparison purposes. Once it gets down to the department ranks and the directors, there is no data collected and compared.

OTHER DISCUSSION

Dr. Elwell inquired into the bottom line cost of the operations in Pryor, aside from the \$100,000 increase due to moving to the Mid-America Industrial Park. Mr. Meadors stated he will compile all costs and revenue and report back to the committee.

Mr. Meadors asked if the committee could identify any other areas not previously approved by the committee where reductions can be made.

Dr. Ford said he will provide the amount of the reduction in costs for this year's PLC scholarships.

Dr. Elwell would like to consult with Dr. Beck before making recommendations regarding the Pep Band.

Dr. Ford asked if the newspaper budget has been zeroed out. Dr. Elwell stated there is currently no one interested in doing it but there is some discussion about doing something electronically. Dr. Ford said it is still a possibility and worth looking into.

Ryan Erwin inquired if the Pep Band is in the budget. Mr. Meadors stated there are both student and community volunteer members who receive a stipend of \$100 to \$200 depending on their involvement in the band and money is in the budget.

Mr. Marangoni asked if not continuing with the NCAA is an option. Dr. Martin stated there would be a negative academic impact of not staying with NCAA. Graduation rates and GPAs are better with NCAA. Mr. Erwin indicated many schools have left the NAIA and going back to the NAIA is not a good option. No motions were made.

Dr. Elwell voiced his concern of the number of classes student athletes have missed due to baseball and softball games. Mr. Erwin stated the weather had an impact on scheduling this year. Dr. Ford suggested these issues can be discussed during the Athletic Advisory Committee meetings.

The meeting was adjourned at 9:50 a.m. The next meeting is scheduled for May 11, 2015, at 8 a.m.

Budget Advisory Committee Minutes

May 11, 2015

The RSU Budget Advisory Committee held a meeting May 11, 2015, in the OMA Conference Room in Meyer Hall at 8:00 a.m.

Members Present: Tom Volturo (Chair); Brent Marsh; Richard Beck; Brian Reeves; Bryce Hall; Frank Elwell; James Ford; Jerry Bowen; Keith Martin; Leonard Szopinski; Mark Meadors; Maynard Phillips; Daniel Marangoni

Members Absent: Ryan Erwin

Others Present: Mary Millikin; Claudia Story, Staff Support

AMENDED MINUTES

Sherry Alexander requested the minutes of the May 4, 2015 meeting be amended. The 10th paragraph under the Pryor Costs and Benefits heading should reflect that the Cherokee Nation will pay the fees and books for concurrent students with a Cherokee card to attend anywhere, including NSU and RSU. Locust Grove High School will pay for fees and books for their students who aren't Cherokee to attend NSU or RSU, but RSU fees are higher, making it difficult to compete with NSU for those students. Mr. Szopinski moved to approve the correction to the minutes. Mr. Meadors seconded. Motion approved.

APPROVAL OF MINUTES

Maynard Phillips requested the May 6, 2015, minutes be amended under the RSU-TV Station heading, third paragraph, last sentence to read "He and Royal Aills together are looking for ways to fund the \$150,000 cost of the program through the Foundation as opposed to having the university pay for it." Dr. Elwell moved to approve the minutes as amended. Mr. Szopinski seconded the motion. Motion approved.

REDUCTION IN NUMBER OF DEPARTMENT HEADS

Dr. Beck presented information on faculty by department and status, providing spreadsheets with headcount within each school and department indicating the number of full-time faculty, full-time faculty with overload, deans and full-time faculty overload from other departments, adjunct faculty, and ratio of adjunct faculty to total faculty. The numbers provided were from fall 2010 and fall 2014 and included all 3 campuses.

Dr. Beck also provided to the committee a spreadsheet indicating faculty credit hours (actual hours taught) by department and full-time or adjunct status, comparing 2010-2011 with 2013-2014.

Dr. Beck provided the committee with proposed administrative restructuring within Academic Affairs. The proposal for combining the departments of Applied Technology and Sport Management would save \$22,000 by eliminating the department head position and \$22,000 by eliminating the administrative assistant position, for a total savings of \$44,000.

Within the School of Liberal Arts, combining Communication and Fine Arts would save \$15,000 by eliminating the department head position and \$21,000 by eliminating the administrative assistant position, for a total savings of \$36,000.

Dr. Elwell stated combining Fine Arts and Communication departments would not be a good idea. Each department is a different discipline in different locations and each has veteran chairs in Gary Moeller and Jeff Gentry.

Several committee members expressed concern regarding the elimination of administrative assistants in the proposed administrative restructuring plan. Dr. Beck stated if the administrative assistants are taken out of the mix, there is not much cost savings.

The question was also raised about how the new department heads would be elected and what regional peers are doing. Dr. Ford pointed out that RSU has a lot of department heads in comparison to the number of faculty.

Chair Volturo proposed the restructuring of departments may be something that can be considered to save money and to help balance the budget throughout the next fiscal year.

Dr. Martin moved to table the proposed reduction of department heads for further consideration until the fall of 2015. Dr. Elwell seconded. Motion approved.

FACULTY AND STAFF CHANGES/NEW POSITIONS

Dr. Beck presented an analysis of open positions and number of retirements for 2015-2016. The analysis presented proposed savings in Business and Technology of approximately \$63,000 through the use of temporary instructors and delay in hiring a Sarkey's Chair. Another savings of approximately \$18,000 in Liberal Arts salaries was proposed by hiring temporary instructors to replace Denny Schmickle. These savings do not take into consideration the previously proposed combination and reduction of departments.

The Math, Science, and Health Sciences analysis reveals an increase of approximately \$163,000. Mr. Meadors pointed out that \$140,000 in newly designated math science and health science fees will offset the \$163,000, resulting in a net increase of approximately \$23,000.

PROPOSED BUDGET SCENARIO

Mr. Meadors presented a FY 2016 Draft Budget Summary to the committee for discussion purposes. His draft included an increase of \$343,835 in mandatory costs and \$848,476 in other cost increases, for a total expenditure increase of \$1,192,311. He presented a total decrease in cost reduction measures of \$827,966, resulting in a proposed FY 2016 Expenditure Budget of \$34,809,491, an increase of \$364,345 from the current FY 2015 Budget.

Mr. Meadors presented a revenue scenario showing a reduction of \$703,001 in total state appropriations. He based revenues from tuition and fees on a 3% increase in tuition and a 2% increase (conservative) in enrollment. His scenario shows an increase in total tuition and fees of \$1,260,977. After taking into consideration \$18,277 draws from endowment funds, the total FY 2016 net increase in budgeted revenue is \$539,699, requiring the use of reserves to balance the budget. Looking at the current year, if the \$3,132,512 reserves are not spent, the university will break even for the year.

Mr. Marangoni inquired about the OPEB funding. Discussion followed concerning the requirement to fund OPEB and the Supplemental Retirement Plan.

Mr. Marangoni requested a detail listing of the contingency usage from FY 2015 listed under FY 2016 Other Cost Increases. Mr. Meadors stated he would distribute a list to the committee members.

The committee discussed the requirement of the university to maintain one month of reserves, or approximately 8.3% of the operating budget.

Mr. Meadors reported he is finalizing the auxiliary figures and for the most part, the auxiliary budget will be relatively flat. He will have an auxiliary budget to present to the committee at the next meeting.

OPEN DISCUSSION

The committee discussed the HLC ratios and Chair Volturo reported the university's HLC ratios have improved over the past few years thanks in large part to assets added by the Foundation. The ratios are currently looking good and will remain good if the economy continues to do well.

The committee discussed the opening of University Village C and Mr. Szopinski said it will be ready for fall. Mr. Meadors stated the university will require 70%-80% occupancy to meet the debt service on UVC. Profits from UVA and UVB can also be used to help pay the debt.

Dr. Bowen inquired about the meal plans for the Chapman Dining Hall available to faculty and staff and commented the maximum meals are high and hard to meet. Chair Volturo said the meal plans are stipulated in the contract with Sodexo which is reviewed annually and may be amended as necessary. Mr. Meadors reported faculty and staff can save on meals by adding money to their cards to avoid paying sales tax. He will ask Katelyn Crawford to communicate this savings information to faculty and staff.

Chair Volturo reported he would like to present the preliminary budget to President Rice along with those items the committee has agreed need further consideration in the fall on Friday, May 15th. He asked Claudia Story to summarize those items for the next committee meeting.

The meeting was adjourned at 10:00 a.m. The next meeting is scheduled for May 13, 2015, at 8 a.m.

Budget Advisory Committee Minutes

May 13, 2015

The RSU Budget Advisory Committee held a meeting May 13, 2015, in the OMA Conference Room in Meyer Hall at 8:00 a.m.

Members Present: Tom Volturo (Chair); Brent Marsh; Richard Beck; Brian Reeves; Bryce Hall; Frank Elwell; James Ford; Jerry Bowen; Keith Martin; Leonard Szopinski; Mark Meadors; Maynard Phillips; Daniel Marangoni

Members Absent: Ryan Erwin

Others Present: Mary Millikin; Gary Boergermann; Claudia Story, Staff Support

APPROVAL OF MINUTES: Mark Meadors requested the minutes of the May 11, 2015 meeting be amended in the first paragraph under the Faculty and Staff Changes/New Positions heading, third sentence, to read “adjunct” instructors instead of “temporary” instructors. Daniel Marangoni requested the minutes be amended under the Proposed Budget Scenario heading, third paragraph, to reflect he inquired only about the funding of the Supplemental Retirement Plan, not the OPEB. Mr. Meadors requested the minutes be amended to reflect, under the Proposed Budget Scenario heading, sixth paragraph, that he stated he would “attempt” instead of “will” have an auxiliary budget to present at the next meeting. Dr. Elwell moved to approve the minutes as amended. Dr. Martin seconded. Motion approved.

CAMPUS POLICE DEPARTMENT DISCUSSION

Chair Volturo reported the agenda item for discussion regarding the Campus Police Department was added at the request of Gary Boergermann. Mr. Volturo said the designated security fee nearly funds the current operating budget of the Campus Police Department. The committee may want to consider increasing the security fee to accommodate Mr. Boergermann’s budget request.

Dr. Millikin inquired whether Section 13 Funds can be used for E & G. Mr. Volturo stated the funds are not intended to fund operating expenses. The funds should be used for one time capital expenditures. Chair Volturo reported Mark Meadors attended the recent Business Officers meeting and was informed Section 13 Offset Funds will also be reduced by the same percentage reduction to appropriations if a reduction occurs. In the past, the university received \$500,000 in Section 13 Offset Funds. It has now been cut to \$436,000 and continues to decrease. Mr. Meadors reported that \$200,000 of those funds have been committed to Jenzabar.

Mr. Meadors reported if security fees are increased, they would need to be included in the calculation of the previously proposed 3% increase in tuition and fees, not in addition to the 3%.

Gary Boergermann presented the Campus Police Department budget needs and requests to the committee for consideration. Chief Boergermann stated his concern is for the safety of students, faculty, staff and police officers. Chief Boergermann proposed ways to reduce the Campus Police Department budget by transferring the following costs to other departments:

- Transfer \$4,500 to HR Department to run background checks
- Transfer \$9,700 to Public Relations for RSU Emergency Notification System
- Transfer \$3,000 to Athletics for police coverage at basketball games
- Transfer \$12,500 out of Police Department budget for door locking system

Boergermann also proposed reducing the amount in the Campus Police Department budget for training and travel and motor pool.

Chief Boergermann proposed contracting with Rogers County 911 Center to handle all of the Campus Police dispatching needs. Currently, student workers are allowed to answer phones, handle walk-in traffic, and perform other office tasks with hours from 9 a.m. until 4 p.m., 5 days per week. He feels the present system is inadequate and that contracting with the 911 Center would provide adequate, 24/7 coverage. The annual contract for the dispatcher service costs \$9,600. Mr. Marangoni moved to approve the contract. Dr. Elwell seconded. Discussion followed the motion and no vote was taken. Maynard Phillips stated he would like to see the provisions of the contract before approving a motion to accept it. Chief Boergermann offered to provide a copy of the contract for review by OU Legal and the Budget Advisory Committee. Dr. Marsh moved to table the motion pending review of the contract. Brian Reeves seconded. Motion approved.

Chief Boergermann presented his request to the committee to have two officers on duty at the Claremore Campus at all times. If funds are not available in the budget to hire additional officers, he proposed one option would be to move the two officers from the Pryor Campus to the Claremore Campus. Another option would be to move one officer from Pryor and one from Bartlesville to the Claremore Campus. He stated these options have not yet been discussed with either the Pryor or Bartlesville campuses. Dr. Elwell inquired if it is normal to have two officers on campus at all times. Boergermann reported that Cameron has a minimum of two officers and 2-3 dispatchers 24/7 and that Northeastern has a minimum of three officers and three dispatchers 24/7. Boergermann said supplementing with security guards is also a possibility, but using them would not save money. He also looked into using a security company, but the average cost would be \$25.00 per hour. Chair Volturo commented where to locate officers is actually an analysis of the risk and does not believe Bartlesville is at high risk due to the City of Bartlesville Police Department being located close to the campus. Mr. Phillips stated the Pryor Campus is of more concern due to its location at the Industrial Park. Dr. Ford told the committee he did not think it appropriate to make a decision on moving officers without input from the Pryor and Bartlesville campuses.

Chief Boergermann presented his request to the committee to change the titles and promote his current officers. He also asked that his title be officially changed to Chief of Campus Police from Director of Campus Police. He based his proposed changes on the OU Police Department command structure. His recommended changes would increase the budget by \$89,768, not including benefits attributed to the proposed salary increases. Maynard Phillips stated that this kind of increase is not feasible at this time in any department and suggested taking a look at the proposed changes in the fall to come up with the best-case scenario. Dr. Ford informed Chief Boergermann that the Budget Advisory Committee had previously decided to do a study of all salaries in the fall of 2015 as part of the whole budget picture.

Mr. Meadors asked Mr. Boergermann to clarify ways in which he proposed to cut the budget, pointing out that transferring costs to other departments does not change the overall budget.

Mr. Marangoni said that Chief Boergermann was just pointing out some of the items he believed should not be included in the Campus Police Department budget. Mr. Marangoni voiced his concern that the minutes of the meeting would reflect that the Budget Advisory Committee is not supportive of the Campus Police Department. Dr. Ford stated the committee is supportive and takes campus security seriously, but that the funds are just not available to hire 2 additional full time officers.

Mr. Marangoni stated he is concerned whether the current police force is adequate for the needs of the university and questioned if it is more important to fund the TV Station, for example, or the Campus Police Department.

Mr. Meadors stated this year's budget process is being handled differently than in the past. Previously, each department would have an individual budget hearing and requests would be prioritized and ranked in terms of needs. The Budget Advisory Committee has replaced the individual department hearing process. The Budget Advisory Committee has received requests and identified needs, but funds are not available to meet all the needs.

Chief Boergermann thanked the committee for taking the time to hear his proposals.

OPEB AND SUPPLEMENTAL RETIREMENT BENEFITS

Chair Volturo stated he will send a separate email (see attachment) to the Budget Advisory Committee that should be included as part of the meeting minutes in response to questions regarding the supplemental retirement.

The committee discussed the problems in funding retirement plans for the university. Mr. Volturo stated continuing to offer a lifetime annuity was not sustainable and would be very expensive to the university.

RECOMMENDED ITEMS FOR CONSIDERATION IN FY 2016

The committee agreed to recommend the following items for consideration by the President during FY 2016:

- Institutional study and review of faculty, professional, and classified salaries
- Review of adjunct salaries
- Tuition and fee comparison to other regional universities
- Increase in tech fees
- Reduction in student copy limit
- Replacement and rotation of computers
- Health insurance plans, rates and opt-out feature
- Reduction in number of department heads
- Programming for Bartlesville and Pryor campuses in relation to the Strategic Plan

Dr. Ford moved to approve the list of recommendations for FY 2016. Mr. Phillips seconded. Motion approved.

RECOMMENDATION OF PRELIMINARY BUDGET SUMMARY

Mr. Meadors presented some changes are needed to the preliminary budget summary previously presented to the committee. The first payment on the \$750,000 borrowed through the Master Lease Program for Jenzabar will be due in May. This means the FY 2016 contingency usage will be \$25,000 less and for 2015 will be \$25,000 more. He stated the budget numbers are going to keep changing until the end of May.

Mr. Meadors has begun the formal process to prepare the auxiliary budget, with two primary issues needing further consideration. One is projecting revenue from University Village C going online and the other is adding men's track and the dance team to the Student Activity Fee. He said there are still many items to be identified.

OTHER BUSINESS

Dr. Millikin distributed copies to committee members of the RSU Mission and Commitments and a copy of the Executive Summary of the Strategic Plan for 2010 thru 2015.

Chair Volturo stated the committee may have another meeting, possibly on June 1st after the legislature meets and the State Regents comment on tuition and fee increases.

Mr. Volturo distributed copies to committee members of an outline from the May 11-12, 2015 Government Accounting and Auditing Conference. The document reflects how State Auditor & Inspector Gary Jones perceives the state budget should be addressed and was provided as an information only item.

The meeting was adjourned at 9:50 a.m. The next meeting is scheduled for May 18, 2015, at 8 a.m.

Budget Advisory Committee Minutes

June 16, 2015

The RSU Budget Advisory Committee held a meeting June 16, 2015, in the OMA Conference Room in Meyer Hall at 9:00 a.m.

Members Present: Tom Volturo (Chair); Brent Marsh; Richard Beck; Brian Reeves; Bryce Hall; Frank Elwell; Jerry Bowen; Keith Martin; Leonard Szopinski; Mark Meadors; Maynard Phillips; Daniel Marangoni

Members Absent: Ryan Erwin; James Ford

Others Present: Mary Millikin; Claudia Story, Staff Support

APPROVAL OF MINUTES

Dr. Marsh moved approval of minutes from the May 13, 2015 meeting. Mr. Szopinski seconded. Motion approved by committee.

FISCAL YEAR 2016 BUDGET

Chair Volturo reported with the fast pace of the budget process and the necessity to provide information to President Rice and the State Regents in a timely manner, the Budget Advisory Committee has not had an opportunity to meet since May 13, 2015.

Chair Volturo reported the state legislature approved a 3.5 percent cut in higher education appropriations. RSU has requested a 3.5 percent increase in tuition. Overall, RSU is recommending an increase in tuition and mandatory fees of 4.98%.

Mark Meadors presented the FY 2016 Budget Summary to the committee. The two-page worksheet includes some changes since the last Budget Summary presentation at the May 11, 2015 meeting. The most significant change under the Expenditure Budget was to Contingencies. The contingency was taken out of the budget and accounting will work more to shift existing budgeting to cover expenditures.

Mr. Meadors reported an increase in budgeted expenditures. The proposed FY 2016 Expenditure Budget is \$34,506,921 which is an increase of \$61,775 from FY 2015 Expenditure Budget.

The Revenue Detail on the FY 2016 Budget Summary presented by Mr. Meadors includes the state reduction in allocations from the previous year of \$494,518. Total budgeted revenues are \$31,858,274, up \$720,994 from FY 2015.

Dr. Millikin inquired as to when the last time the state provided funding for Brain Gain. Mr. Meadors stated the last time was in 2012.

Dr. Marsh asked how much of the budgeted funds departments give back each year. Mr. Meadors stated that generally about six to seven percent of the budget is unspent. It is usually a smaller percentage for the departmental budgets with a higher percentage of the budget unused for bigger items such as utilities and insurance.

Chair Volturo stated that overall RSU is turning a corner with enrollment trending upward, and is a positive sign. He stated the battles for funding continue to get tougher and stressed the importance of keeping enrollment up and continuing to look for ways to control costs.

Mr. Phillips stated in addition to continuing to provide scholarship funding, the Foundation is focusing on getting dollars for other areas of the university.

Mr. Meadors stated that following approval of tuition and fees at the Board of Regents meeting on June 24th, copies of the budgets will be distributed to the committee.

The meeting was adjourned at 9:30 a.m.