

Rogers State University

Budget Advisory Committee Meeting Minutes

September 8, 2017

The RSU Budget Advisory Committee held a meeting September 8, 2017, in the OMA Conference Room in Meyer Hall beginning at 9:00 a.m.

Members Present: Tom Volturo, Chair, Richard Beck, Jerry Bowen, Cathy Coomer, Heidi Hoskinson, Steve Housel, Brent Marsh, Keith Martin, Seth McLaughlin, Mark Meadors, Chris Ratcliff, Brian Reeves, Susan Willis

Members Absent: Maynard Phillips, Karl Reynolds, Mary Van Diest

Others Present: David Hamby, Sue-Anna Miller, Mary Millikin, Claudia Story, Staff Support

CALL TO ORDER: Chair Volturo called the meeting to order at 9:00 a.m.

INTRODUCTION OF NEW MEMBERS

Chair Volturo introduced two new members to the committee. Seth McLaughlin has replaced Autumn Fourkiller as SGA representative and Cathy Coomer was appointed as an additional faculty representative.

FY 2018 BUDGET

The committee discussed the FY 2018 Budget. A 5% reduction in credit hours was built into the budget. Pending final numbers, Mr. Meadors reported current enrollment down 4.6 percent. Mr. Volturo reported that enrollment has been going down nationally since 2012. The committee discussed the need to make increased enrollment and retention a priority.

Mr. Volturo reported there remains uncertainty regarding the state budget. The \$200+ million shortfall is the result of the Supreme Court ruling on the tobacco tax and is likely to be spread between state agencies. Dr. Beck reported the state is already looking at agency cuts.

FY 2019 BUDGET SURVEY

The committee discussed the Budget Survey due to the State Regents on September 30, 2017. Chair Volturo said the Strategic Planning Committee will need to identify priorities and provide input on what to include in the survey.

Integrating academics and the on-line certificate program offered through RSU-TV was discussed. Questions were raised on how to integrate the certificate program with the academic side. Availability for financial aid for certificate programs would depend on federal legislation. More information will need to be gathered before moving forward.

The committee discussed opportunities for growth in enrollment and possible new or expanded degree programs. Ms. Hoskinson stated enrollment is about what products the university has to sell and that there is a lot of competition in the Tulsa metropolitan area. She suggested the committee look into what programs the university needs to grow.

Chair Volturo stated work will begin on the Budget Survey with Dr. Beck providing information from the Strategic Planning Committee for inclusion in the survey.

HEALTH INSURANCE

The committee reviewed the new health insurance rates effective January 1, 2018 which indicate a 4.2% increase in HealthChoice High for employee only and a 7.5% increase for spouse and dependents. The committee discussed options

for making adjustments to employee health care benefits and decided more information is needed before making a recommendation. Mr. Meadors will provide employee data, dollar figures and scenarios for the committee to review at the next meeting.

Chair Volturo stated the committee will need to meet one more time to discuss the Budget Survey before it is due and will talk again about health insurance at that time.

ADJOURNMENT

Dr. Bowen moved to adjourn the meeting. Dr. Martin seconded. Motion approved by committee. Meeting adjourned at 10:55 a.m.

Rogers State University

Budget Advisory Committee Minutes

September 29, 2017

The RSU Budget Advisory Committee held a meeting September 29, 2017, in the OMA Conference Room in Meyer Hall beginning at 9:00 a.m.

Members Present: Tom Volturo, Chair, Cathy Coomer, Heidi Hoskinson, Brent Marsh, Keith Martin, Seth McLaughlin, Karl Reynolds, Chris Ratcliff, Mary Van Diest, Susan Willis

Members Absent: Richard Beck, Jerry Bowen, Steve Housel, Mark Meadors, Maynard Phillips, Brian Reeves

Others Present: David Hamby, Sue-Anna Miller, Claudia Story, Staff Support

CALL TO ORDER: Chair Volturo called the meeting to order at 9:00 a.m.

APPROVE MINUTES: Dr. Martin made a motion to approve the minutes of the September 8, 2017 meeting. Mr. Ratcliff seconded. Motion approved by committee.

BUDGET SURVEY

Sue-Anna Miller provided hand-outs of the FY 2019 Budget Needs Survey for review by the committee. Mr. Volturo informed the committee that the State Regents have changed the budget survey reporting and extended it to cover three years which would include 2020 and 2021 requiring input from Mr. Volturo and Dr. Beck on what to include based on the Strategic Plan.

The committee discussed the 4 priorities based on the Strategic Plan listed under Mandatory Costs and Summary of Priorities in the Budget Needs Survey. Dr. Martin made a motion to change the funding source for priority #1 to restore funding to eliminate faculty & staff furloughs from state appropriated funding to other funding. Ms. Coomer seconded. Motion approved by committee.

HEALTH INSURANCE

The committee discussed possible changes to employee health care benefits. Members discussed the option of capping the amount the university will contribute toward employee premiums. Also discussed was RSU joining OU's Plan, currently with Cigna. Sue-Anna Miller and Seth McLaughlin agreed to further research this option and report back to the committee. Committee set the next meeting for Tuesday, October 3rd at 7:30 a.m. to approve a recommendation on the employee health insurance benefits.

ADJOURNMENT

Dr. Martin moved to adjourn the meeting. Dr. Willis seconded. Motion approved by committee. Meeting adjourned at 10:10 a.m.

Rogers State University

Budget Advisory Committee Minutes

October 3, 2017

The RSU Budget Advisory Committee held a meeting October 3, 2017, in the OMA Conference Room in Meyer Hall beginning at 7:30 a.m.

Members Present: Tom Volturo, Chair, Richard Beck, Heidi Hoskinson, Brent Marsh, Keith Martin, Seth McLaughlin, Mark Meadors, Brian Reeves, Karl Reynolds, Mary Van Diest, Susan Willis

Members Absent: Jerry Bowen, Cathy Coomer, Steve Housel, Maynard Phillips, Chris Ratcliff

Others Present: David Hamby, Sue-Anna Miller

CALL TO ORDER: Chair Volturo called the meeting to order at 7:30 a.m.

HEALTH INSURANCE

Sue-Anna Miller provided an overview of the OU health insurance plan structure. The OU Plan has two tiers equivalent to HealthChoice (EGID) High Plan and HealthChoice High Deductible Plan. Ms. Miller reviewed plan structure differences between HealthChoice & OU including dental and vision. Additional data is needed from RSU before OU can provide a rate for premiums including participant count by month and claims history.

Mr. Meadors reported the budget savings to move to the OU Plan effective January 2018 amounts to approximately one-half of the savings to move to HealthChoice Basic. Committee members discussed the pros and cons of various options.

Dr. Beck moved to establish \$500 as the amount the University would pay toward employee health insurance effective January 1, 2018. Dr. Marsh seconded. Motion approved by committee.

ADJOURNMENT

Meeting adjourned at 8:54 a.m.

Rogers State University

Budget Advisory Committee Minutes

February 15, 2018

The RSU Budget Advisory Committee held a meeting February 15, 2018 in Conference Room A in the Dr. Carolyn Taylor Center beginning at 1:00 p.m.

Members Present: Tom Volturo, Chair; Jerry Bowen, Cathy Coomer, Paul Dunham, Heidi Hoskinson, Steve Housel, David Johnk, Brent Marsh, Keith Martin, Seth McLaughlin, Mark Meadors, Maynard Phillips, Brian Reeves, Karl Reynolds, Marla Smith, Susan Willis

Members Absent: Richard Beck, Chris Ratcliff

Others Present: David Hamby, Sue-Anna Miller, Mary Millikin

CALL TO ORDER: Chair Volturo called the meeting to order at 1:05 p.m.

APPROVAL OF MINUTES: Dr. Bowen made a motion to approve the minutes of the September 29, 2017 and October 3, 2017 meetings. Ms. Hoskinson seconded the motion. The motion was approved unanimously.

WELCOMING NEW MEMBERS

Committee members introduced themselves, and new members Paul Dunham, Staff, David Johnk, Faculty, and Marla Smith, Faculty, were welcomed to the committee.

ESTABLISHING MEETING DATES

The general consensus of committee members was that Friday mornings work best for regular meetings. The committee will plan to meet every two weeks from 9:00 a.m. to 11:00 a.m., with the next meeting being set for March 2, 2018 at 9:00 a.m.

TOPICS FOR FUTURE MEETINGS

Chair Volturo invited discussion on topics for future meetings of the committee. Topics will evolve over time, with elimination of furloughs currently the most critical issue facing the committee based on budgets as well as strategic planning input.

Chair Volturo shared an email with the committee just received by President Rice announcing a mid-year budget reduction for higher education amounting to \$4,718,993. RSU's portion of that cut is \$65,651. The severity and frequency of additional cuts could influence how often the Budget Advisory Committee meets.

Ms. Hoskinson spoke about initiatives being pursued to increase enrollment at RSU so that we are less reliant on state appropriations. She stated that her offices are working toward a 60% retention goal and 25% new students in the fall. She said that everybody at RSU needs to help recruit and retain students by providing outstanding customer service, by reaching out to second and third year students especially to get them involved and keep them connected, and by keeping our facilities clean and in good shape. Dr. Smith asked Ms. Hoskinson to provide some ideas or wording for faculty advisors to use when they advise students. Additionally, the RSU Early Alert system was discussed, and further information will be presented likely in May regarding its use and effectiveness.

Online fees will be a likely topic for the Budget Advisory Committee in the future. There is ongoing research into possible marketing strategies, competitors' fees, etc. that is incomplete at this point. Once that research is complete, it will be presented for further consideration.

ELIMINATION OF FURLOUGHS

Dr. Housel asked if we had to eliminate furloughs today, how would we do it? He suggested that such a presentation to others with the cons or risk of each strategy could be useful. Mr. Reynolds reminded the committee that such an exercise was completed last year.

Chair Volturo said that some things have changed since last year. For example, reserves have increased, although reserves are still less than levels required by the Regents. HLC ratios have improved, and preliminary calculation of ratios shows them to exceed "1.0", which means that HLC will not require a review this year. Enrollment declines were not as severe as expected. Mr. Meadors presented a budget update showing the revenue expected to be generated by the additional enrollment and the health insurance savings projected through the end of the fiscal year as a result of our change in carriers, offset by use of reserves for contingencies, leaving a net favorable budget impact of about \$250,000 for the current fiscal year.

The committee discussed the possibility of eliminating some of the furlough days based on this information, but the risk is that additional State budget reductions will consume any positive budget savings, leaving the possibility of not only re-implementing the furloughs that had been removed but also having to add more furloughs to make up the shortage. At this point, the special legislative session is still underway, and the committee determined that the risk that things will still change further is too great to take action now.

Dr. Smith asked about the possibility of eliminating furloughs on lower paid staff members first. Mr. Meadors reminded the committee that the furlough policy as approved by Legal Counsel and the Regents calls for equal impact to all classes of employees.

MAJOR MAINTENANCE AND REPAIR PROJECTS FY 18

Chair Volturo presented a list of major maintenance and repair projects needed during FY 18. Two elevator projects (UVA and Prep Hall) were approved by the OU Board of Regents in December so that the projects could proceed in order to be performed during the summer break. The need for remaining projects on the list (Herrington/Health Sciences floors, Sports Complex drainage and netting, and Meyer Hall roof) was discussed. The four projects are estimated to cost \$850,000 in total. Dr. Martin made a motion that all projects on the list be approved. Ms. Hoskinson seconded the motion. The motion was approved unanimously.

COMMITTEE MEMBER'S COMMENTS

Mr. Reeves provided a travel estimate for 9 people to attend the Jenzabar Annual User's Meeting in Nashville in May/June 2018. The committee discussed the benefits of attending this conference along with the absence of travel funds in the attending departments. Dr. Marsh made a motion to approve the travel estimate, with payment to come from auxiliary reserves. Mr. Reynolds seconded the motion. The motion was approved with fourteen in favor and one opposed.

ADJOURNMENT

Dr. Bowen made the motion to adjourn the meeting. Dr. Smith seconded the motion, and the meeting was adjourned at 3:15 p.m.

Rogers State University

Budget Advisory Committee Minutes

March 2, 2018

The RSU Budget Advisory Committee held a meeting March 2, 2018 in the Executive Boardroom in the Dr. Carolyn Taylor Center beginning at 9:00 a.m.

Members Present: Tom Volturo, Chair; Richard Beck, Jerry Bowen, Cathy Coomer, Paul Dunham, Heidi Hoskinson, Steve Housel, David Johnk, Brent Marsh, Keith Martin, Seth McLaughlin, Mark Meadors, Maynard Phillips, Karl Reynolds, Susan Willis

Members Absent: Chris Ratcliff, Brian Reeves, Marla Smith

Others Present: David Hamby, Sue-Anna Miller, Mary Millikin

CALL TO ORDER: Chair Volturo called the meeting to order at 9:05 a.m.

APPROVAL OF MINUTES: Dr. Bowen made a motion to approve the minutes of the February 15, 2018 meeting. Ms. Hoskinson seconded the motion. The motion was approved unanimously.

FUNDING UPDATE, FY 19 BUDGET AND FURLOUGHS

During the last Budget Advisory Committee meeting, Mr. Meadors reported that we are on track to meet our FY 18 budget with a potential \$250,000 surplus. Since then, additional items have come up to reduce that surplus - \$33,000 for BOLD Planning, \$45,000 for Gray Associates and \$20,000 for Office 365. This reduces the possible surplus down to about \$150,000 before budget cuts.

Mr. Volturo reported that at yesterday's Council of Business Officers meeting, mid-year appropriation cuts were distributed. RSU's portion, including appropriations, Section 13, National Guard/Concurrent Enrollment, and OCIA debt payments, will be about \$75,000. The State is predicting a \$168 million shortfall for FY 19, which would equate to a 2.5% reduction statewide. The Oklahoma State Regents Office shared that they believe that higher education's share of the cuts would exceed 2.5%, however, due to some agencies that would likely be held harmless or would receive a lesser cut. Higher education has been invited to the capitol next week to answer questions for the entire legislature. Mr. Volturo and Dr. Beck will attend on behalf of RSU.

March is when we usually start looking at departmental budgets in order to begin preparations for the final budget submission to President Rice in mid-May. Members of the Budget Advisory Committee were tasked to start reviewing their budgets for reallocations, new initiatives, possible additional revenue sources and possible expense reductions by the end of March. Faculty Senate, the Staff Council and Student Government were all asked to seek input from their members.

Dr. Housel asked Mr. Phillips if the RSU Foundation is still considering providing operational support to relieve furloughs. Mr. Phillips said that planning is underway, and that support is for more than just furloughs. He anticipates it won't be until mid-year next year. He also stated that the campaign for operational support is new money dedicated to that purpose, not use of existing funds at the Foundation, most of which has restrictions on use according to the donor's original intent.

There was discussion regarding SGA funds, particularly with regard to the use of those funds for out of state opportunities, where the costs are higher per student but those functions might not be possible absent the SGA funds, or in state functions only in order to impact more students. SGA will vote later today on allocation of remaining funds for the current fiscal year. Ms. Coomer stated that SGA is doing a good job of budgeting its funds.

Mr. Meadors discussed HLC ratios. The financial ratio includes the RSU Foundation as a component unit of the University. Last year's ratio was above the "1" level required by HLC, in part due to a large gift of land to the Foundation. Dr. Housel asked if there is any way to relieve furlough days this year. Mr. Volturo reiterated that our \$250,000 projected surplus is already down to about \$75,000 due to contingency uses and State appropriation cuts. He stated that we could use reserves to eliminate some of the furlough, but there is risk there, too, in that reserves are one-time money and using

them for furloughs isn't sustainable. Also, diminishing our reserves negatively impacts our HLC financial ratio. The Budget Advisory Committee will continue to consider this topic, however, and if we can determine a way to eliminate some or all of the furloughs, we will take those ideas to a vote and if they pass, forward them to the President.

Ms. Coomer asked about efforts to secure alumni donations. Mr. Phillips said that the Foundation is reaching out to alumni, and some of the larger gifts to the Foundation have come from OMA alumni. Because RSU is a young university, though, our alumni are also young and haven't had time to build up assets yet.

Mr. Volturo indicated that he had met with Dr. Marsh and Kyla Short, and that there would be no housing rate increases next year. He also met with Sodexo and negotiated for no rate increases there, either. Dr. Marsh suggested that we publicize those in order to encourage students to live on campus.

Ms. Coomer asked about the possibility of decreasing course sections as a way to reduce spending. Dr. Beck said that we cut 70 sections in the fall of the year with the 16.5% budget cut. Class size has remained about the same in spite of the cuts, further evidence of enrollment declines. Dr. Millikin stated that the number one barrier stated by students in the focus group meetings she is conducting is not having classes at the times that they need them. Dr. Bowen is visiting with peers about how to offer more science classes online. Dr. Millikin said that she is finishing focus group meetings. She would like to present some of the general perceptions of students, faculty and staff to the Budget Advisor Committee in late March.

GRAY ASSOCIATES

Dr. Beck talked about the contract to Gray Associates. The RSU Committee of the OU Board of Regents has expressed concern about the role of regional universities. They would like to see RSU become the best that it can be. They have requested a cross-institutional review. The initial point of review will be delivery of academic programs. Dr. Beck provided Gray's work plan to the Budget Advisory Committee. The findings of the review will be presented to RSU on May 15 and 16, 2018. The Regents have high hopes that something good – something bold – will come from the review that will help RSU distinguish itself from other regional university's in the state. Gray will be looking for ideas that RSU can expand upon something that we already do or ideas for new areas to try.

Dr. Martin asked if Gray might also be looking to identify areas of inefficiencies. Dr. Beck said yes. Mr. Volturo said that the Oklahoma State Regents have a plan to conduct viability studies at each institution every five years. Those viability studies will also be looking at efficiencies, duplications and opportunities for shared services. Dr. Millikin asked if the review by Gray will include all three campuses; Dr. Beck responded that it would.

BOLD PLANNING

Dr. Beck discussed the contract with the Bold Planning Group. Business continuity planning for the University overall has been a concern expressed by OU Internal Auditing. RSU has some good emergency planning manuals already in place that would be used during the initial stages of a crisis. The business continuity plan picks up the pieces after the crisis is over in order to facilitate the continuation of critical business functions and ultimately a full recovery. RSU was able to piggyback off the OU contract with Bold Planning. There will be a steering committee, which will then work with departmental and external contacts.

COMMITTEE MEMBER'S COMMENTS

Ms. Coomer discussed an idea impacting the radio station. The radio station is operated as a separate budget that pays for itself through donations and support of listeners except for part of the station manager's salary and some student workers. With the loss of their administrative assistant, the radio station has fallen under the Department of Communications for administrative support (the Communications Administrative Assistant handles the radio station currently). Because the operations of the radio station are similar to those of the TV station, Ms. Coomer suggested that the administrative functions of the radio station be combined with the TV station instead of Communications. She indicated that the TV station is receptive to the idea. This move will require no funding changes from RSU. The KRSU TV station Administrative Assistant position is currently vacant, so the radio station would remain with the Communications

department until the KRSU TV station position is filled. This move would not impact the organizational chain of approvals; approvals for purchase orders, etc. would remain with Mr. Rosser.

Mr. Phillips made a motion to accept Ms. Coomer's recommendation to combine radio station administrative functions with the KRSU TV station. Dr. Marsh seconded the motion. The motion was approved unanimously.

Dr. Housel asked if Ms. Hoskinson and/or Mr. Hamby would present an analysis of marketing funds spent during the current fiscal year. Mr. Hamby agreed, and the topic will be added to the March 16 meeting agenda.

Mr. Meadors addressed the recent payroll conversion from Poise to EX. The hardware for the Poise system failed two weeks before the February payroll for full-time staff was due. While steps had been taken to try to set up a duplicate processing environment in the Jenzabar Tulsa office in case of hardware failure, that wasn't able to be accomplished. The plan was to move to EX sometime this spring anyway; the hardware failure just moved the timeline up. The conversion was successful. A new payroll breakdown report that replaces the old green bar report will be going out in campus mail. Mr. Meadors asked all department budget managers to review the breakdown and communicate any issues to himself, Sue-Anna Miller or Suzanne Perry. Leave balances have not been updated in EX yet. The December balances are on the portal, and Mr. Meadors asked that everyone use those balances in conjunction with their personal calendars to manually calculate leave balances until the leave module can be brought up in EX. Mr. Meadors said that they still need to go back and run January payroll in EX to correct year-to-date balances; this will be done by April. Student payroll will be transmitted to the state on Monday and deposited to employee accounts the following Monday. Mr. Volturo commended Mr. Meadors and his staff for their work on this conversion.

ADJOURNMENT

The meeting was adjourned at 10:45 a.m.

Rogers State University

Budget Advisory Committee Minutes

March 16, 2018

The RSU Budget Advisory Committee held a meeting March 16, 2018 in the Executive Boardroom in the Dr. Carolyn Taylor Center beginning at 9:00 a.m.

Members Present: Tom Volturo, Chair; Richard Beck, Cathy Coomer, Paul Dunham, Heidi Hoskinson, David Johnk, Brent Marsh, Keith Martin, Mark Meadors, Maynard Phillips, Chris Ratcliff, Brian Reeves, Karl Reynolds, Marla Smith, Susan Willis

Members Absent: Jerry Bowen, Steve Housel, Seth McLaughlin

Others Present: David Hamby, Sue-Anna Miller, Mary Millikin

CALL TO ORDER: Chair Volturo called the meeting to order at 9:05 a.m.

APPROVAL OF MINUTES: Dr. Beck made a motion to approve the minutes of the March 2, 2018 meeting. Dr. Marsh seconded the motion. The motion was approved unanimously.

MARKETING FUNDS

Mr. Hamby provided a snapshot of recruitment and advertising expenses during fiscal years 2017 and 2018. The mix of advertising funds spent is shifting with more emphasis being placed on digital media, which can be more tailored to specific audiences and can track response. Online marketing builds on the "It All Starts Here" campaign, and includes videos speaking to student successes. Ms. Coomer encouraged continuation of use of that campaign. Mr. Hamby agrees because there is typically better response to online videos than to sites without videos. Also, in-house production saves the University a lot of cost.

Dr. Smith will connect with Ms. Hoskinson because she will be going out to area schools in the near future, and Ms. Hoskinson will provide materials such as flyers. Additionally, Ms. Hoskinson will work on some targeted geographical advertising so that those areas will know that Rogers State University will be in their area.

eSPORTS

Mr. Reeves attended an event in Des Moines regarding competitive online games (such as Overwatch and League of Legends). This is a growing area for involvement by colleges and universities, and there is no presence at the university level in Oklahoma yet. This is an area of potential involvement for RSU. A relatively small investment of about \$50,000 for computers and ergonomic stations would be required, and space in the old student union annex could be used after some work by Physical Plant this summer. Discussion about using such a program as a tie-in to RSU gaming degree and attraction of high school students through tournaments. Such a program might attract sponsorship from a technology company, but ironing out would take some time; moving quickly might help RSU get its program established as the first in the state of Oklahoma. Ms. Hoskinson sees this as a real opportunity to grow enrollment by attracting students who might not normally even attend college. If we were to start our program soon, we could let social media carry the message for it, possibly impacting enrollment as soon as Fall 2018. Mr. Ratcliff says that while online competitive gaming is not yet recognized as a sport by NCAA (because of prize winnings and sponsorships for tournaments), it is recognized by NAIA, with many private schools having teams and even offering small scholarships to players. He said he receives alerts on a regular basis of new teams popping up and encouraged RSU to take swift action to be the first school in Oklahoma with a team. Mr. Volturo indicated the start-up funds required are available in student fee accounts and there would be no budget impact on E&G expenses. Mr. Reynolds made a motion to support eSports at RSU and proceed with planning efforts. Ms. Hoskinson seconded the motion. The motion was approved unanimously.

BUDGET REALLOCATIONS, NEW INITIATIVES, NEW REVENUE, EXPENSE REDUCTIONS

The BAC will be discussing ideas to reduce the current year budget to meet state appropriation cuts in the current fiscal year, and more importantly, to address next year's budget. Discussions will continue over next several meetings.

Dr. Beck provided the committee with a list of potential staff reductions and the impact of those reductions. Reductions were predominantly in areas where enrollment has not grown and programs are not well-supported by students. He also presented a list of new initiatives that his group believes either are needed or will help grow programs that are doing well. Re-instatement of the Communications department head is suggested when budget funds allow. Vacancies in accounting and supply chain management faculty positions present an opportunity to increase the salaries in those positions and hire PhD faculty members. Such hires allow RSU to expand its MBA program, potentially adding 20 MBA students. The committee discussed the idea of offering an online accounting degree, and it was believed that there was sufficient demand by students to support such a program. There may be interest in SAP program as a part of accounting curriculum on the Bartlesville campus. Mr. Phillips will address the possibility of a sponsorship that would help RSU during the first couple of years until enrollment grows and supports the program.

Dr. Willis discussed the EMT program. RSU is unable to compete on the basis of price with nearby career tech schools on EMT Basic class, which is a pre-requisite to the associates program at RSU. Her group is exploring the possibility of converting the EMT Basic course to a continuing education offering, with faculty salaries for that program moving from the E&G budget to the continuing education budget. It is believed that enrollment would increase dramatically because of RSU's strong reputation, and this should also lead to conversion to associates degree students, since students are inclined to finish where they start. Dr. Willis says that they will complete their research on this idea by the end of April.

Dr. Martin's group is exploring filling of Biology faculty position that is funded by student fees this fall. The funding exists, but they must ascertain that the job duties are appropriately aligned with the fee. Biology is also a popular area where enrollment growth could be expected.

Mr. Volturo indicated that RSUPD has some current year savings that it could offer, but those savings won't likely repeat next year for a permanent budget reduction. Some one-time funding will be required for camera systems next year.

Mr. Reynolds indicated that the Physical Plant is losing experienced personnel to higher paying jobs. The expectation is that those positions will not be able to be replaced for what the incumbent was making. Additionally, the Physical Plant is working on a major maintenance needs document.

Mr. Reeves did not find any budget savings potentials in his areas. Software costs continue to increase each year, though the hope is that the Office 365 project will help contain costs.

Dr. Marsh said his department has no reductions to bring to the table. They have a smaller footprint on the E&G budget, as many areas under Dr. Marsh are funded by fees or grants. He addressed the need for WIFI in UVC and plumbing issues; Mr. Reynolds is aware of the issues. Haven, the system used for harassment training, was up for renewal. Through negotiations, Dr. Marsh was able to secure a renewal rate that is less than the proposed but still more than the previous rate. The new offerings, however, will be much broader than the original offerings. Mr. Volturo added that the new offerings will help with compliance and risk management.

Dr. Millikin talked about the move of student evaluations to an all-online and smart device-enabled platform. This new system will save RSU about \$2,000 a year, plus it will provide for administrative evaluations, which had previously been discontinued because of the \$10,000 per year cost. Questions on the new survey will be more standardized but results will be available much sooner and will be more comparable with peer institutions (five other Oklahoma schools are using this system).

Ms. Hoskinson gave enrollment update. 40 students enrolled for summer and 175 for fall through early enrollment. There is some confusion about the "hold amnesty" being offered, meaning that students with holds can go ahead and enroll and then must clear their holds by May. Ms. Hoskinson will do some additional communication on the hold amnesty. April 6 begins early enrollment for new students. At the current time, there are 1,400 applications for new fall students, which is ahead of where we were at this time last year. Ms. Hoskinson said that the outlook is encouraging, but there is still a lot of work to be done. It was suggested that Ms. Hoskinson begin using eSports information in recruiting efforts as soon as possible.

ADJOURNMENT

Dr. Marsh made motion to adjourn and Mr. Ratcliff seconded the motion. The meeting was adjourned at 10:50 a.m.

Rogers State University

Budget Advisory Committee Minutes

April 20, 2018

The RSU Budget Advisory Committee held a meeting April 20, 2018 in the OMA Board Room in Meyer Hall beginning at 9:00 a.m.

Members Present: Tom Volturo, Chair; Richard Beck, Jerry Bowen, Paul Dunham, Heidi Hoskinson, Steve House, David Johnk, Keith Martin, Mark Meadors, Maynard Phillips, Chris Ratcliff, Karl Reynolds, Marla Smith, Susan Willis, Seth McLaughlin

Members Absent: Cathy Coomer, Brent Marsh, Brian Reeves,

Others Present: David Hamby, Sue-Anna Miller, Mary Millikin

CALL TO ORDER: Chair Volturo called the meeting to order at 9:04 a.m.

APPROVAL OF MINUTES: Dr. Beck made a motion to approve the minutes of the March 16, 2018 meeting. Dr. Martin seconded the motion. The motion was approved unanimously.

EMT PROPOSAL TO MOVE TO CONTINUING EDUCATION CLASS

Dr. Willis presented a proposal to move the Basic EMT class to a Continuing Education (CE) offering. She explained that RSU used to have 40 students per class in the Basic EMT course but this number has dwindled to 8 students per class because the career tech schools are able to offer the class at a lesser cost. The 8 hour course is a pre-requisite to the Paramedic Associates Degree. The idea is that at \$1,500 for the class, we could compete with the career techs as there is a lot of respect for the RSU program and people would like to come here except for the cost. We would lose tuition and fees by converting it to a CE class but this would be offset by moving a portion of Clem Ohman's salary to the CE auxiliary and by additional enrollment in the CE class. Dr. Willis pointed out that if we don't take action, we may lose the program anyway. Any profits in the CE Auxiliary could, in theory, be moved to the E&G fund. Additionally, an important concept of increasing enrollment at RSU in the Basic EMT class is that students who start at RSU are more likely to stay and finish at RSU. Mr. Volturo said that sometimes, with a program change like this, there is no profit in the first year but then as the program picks up speed, it becomes profitable. He also pointed out that the Board of Regents has encouraged RSU to think outside the box and make some bold changes, and this suggestion could be the start of doing things differently. The change would become effective for Fall 2018, and marketing would begin immediately. Dr. Smith made the motion to support the proposal, make the necessary budget changes and present the proposal to the Academic Council for informational purposes. Mr. Ratcliff seconded the motion. The motion was approved unanimously.

ONLINE PROPOSAL

Discussion regarding RSU's online fees has been ongoing in several groups since December 2017. Dr. Smith presented an update. She passed out survey data that has been gathered from students regarding online courses at RSU. She summarized the issue, noting that RSU's online fee for students who are also taking on ground courses is higher than the online fee for students taking strictly online classes because there is no waiver of facility, activity and parking fees (the FAP waiver). She stated that students have been approaching the faculty and saying that they are taking online classes elsewhere (not at RSU) because the price at RSU is too high. She said that the online fee for on ground students is not competitive with our peers (other 4-year institutions). Finance is looking at the numbers and will not have its information ready until Fall 2018 because of the complexity of the issue. Dr. Smith indicated that the Faculty Senate supports the idea of lowering the online fee so as to be more competitive.

Mr. Volturo said that the budget is currently the first priority for time and attention. Dr. Beck recalled that an initial meeting was held in the President's office with Dr. Elwell, Dr. Gray, Tom Volturo, President Rice and Dr. Beck and everyone agreed the online proposal should be a project to be completed by December 2018 so that it could be submitted for fee changes next year. He also asked whether the marketing plan is ready, stating that if we make changes

to the fee structure but the marketing campaign is not ready and is not launched immediately, the likelihood of lost revenue will not improve the budget situation and could even make it worse. Mr. Meadors suggested further analysis of the survey results presented by Dr. Smith; he speculated that the growth in online enrollment may have to do with factors other than price and that lowering the online fee may not have any great impact on enrollment at all. Dr. Beck said that Gray and Associates has found that distance education (online enrollment) is more local students, meaning that perhaps they are taking the classes in an online format for convenience that has nothing to do with price. In theory, we could begin marketing the net \$27 online fee for online-only students (\$80 fee less \$53 FAP waiver) immediately, though. Ms. Hoskinson said that she and Dr. Gray are working on a marketing plan now. Mr. Volturo thanked Dr. Smith for her update.

CAMPUS MASTER PLAN

Mr. Volturo presented a Board of Regents agenda item for presentation at the May meeting regarding RSU's campus master planning efforts. He stated that following the Board of Regents approval, the plan will be submitted to the State in June. The projects on this list are essentially the same as last year, but costs have been tweaked for some of the projects. He explained that the costs in this agenda item would represent caps if RSU were to issue bonds for the projects, so it's best to keep the costs up to date. Additionally, the line for Renovations and Repairs was increased. These projects addressed deferred maintenance, and Mr. Reynolds handed out a list of specific items identified as RSU's deferred maintenance at this time. Mr. Reynolds said that the list is ever evolving; as projects are identified, they are added to the list and as projects are completed, they are removed from the list. Mr. Reynolds encouraged anybody who knows of major repair projects should communicate those to the Physical Plant.

The projects on the campus master plan are sort of "pie in the sky" in that they will not happen unless a funding source is identified, such as a major donor. Mr. Phillips said that the RSU Foundation is launching a campaign for operational funding that would include furloughs. Historically, the Foundation has focused on scholarships, but going forward, capital needs will also be addressed according to donor wishes.

Dr. Millikin asked how much deferred maintenance comes off the list each year; she explained that this will be a part of RSU's assurance argument this year for accreditation. Mr. Volturo said that with decreased state funding, we are addressing approximately 7% each year. Roofs have been evaluated by an external consultant, and several roofs on campus have been identified as needing to be replaced as soon as possible. These are high on the list in terms of priority.

Dr. Bowen made a motion to approve the Campus Master Plan as presented. Dr. Martin seconded the motion. The motion passed unanimously.

FINANCIAL RESPONSE PLAN

Mr. Volturo discussed the financial response plan, which gives President Rice the authority to address continuing budget issues with the Board of Regents (such as the continuation of furloughs). It's basically the same plan as was approved by the Budget Advisory Committee last year, but OU Legal Counsel recommended that it be updated and reapproved for the coming fiscal year. Mr. Volturo said that the OSRHE Chancellor last week said that he was hoping for a flat budget for higher education in FY19. On the other hand, some legislators have been heard saying that they might be looking at a double-digit decrease in funding for higher education. Still others have talked about looking for funding for a faculty salary increase in FY19. There is also discussion about increasing the State's funding of concurrent enrollment. In other words, we just don't know what the FY19 budget will include. A 10% budget cut for RSU would be about \$1 million. The financial response plan gives the President authority to do whatever is needed to address the budget and financial stability of the institution. Ms. Hoskinson made the motion to approve the financial response plan. Mr. Phillips seconded the motion. The motion passed unanimously.

BUDGET CONSIDERATIONS FOR FY19

Mr. Volturo indicated that the Budget Advisory Committee needs to start identifying budget reductions for FY19 now. We would all like to get rid of furloughs, but the question is, "How?" We need everybody's input. Mr. Meadors said that operationally, we are tracking at or below budget in the current fiscal year, meaning that our cash position is better than

was projected. We've increased the budget by about \$228,000 since the beginning of the year; some of these items may be one-time but others need to be continued into the new budget cycle. This increase was offset by a \$129,000 decrease in health care costs for the first 6 months of calendar year 2018. Mandatory cost increases of about \$354,000 were filed in October and should be close to actual cost increases for things like contracts, health insurance and utilities. The actual enrollment decline was less than the 5% projected. Mr. Volturo said that we could use some of our cash reserves to relieve part of the furloughs but we would all need to clearly understand the implications of using reserves before we took such action.

Mr. Volturo said that by next Friday's meeting, we really need to come up with suggestions to reduce next year's budget. Dr. Martin and Ms. Hoskinson both stated that we need to have a plan in place to reduce or eliminate furloughs by this August; the lost productivity coupled with the costs of retraining people who leave because of the furloughs is not sustainable. Mr. Reynolds said that furloughs were never designed to be long-term solutions, and to eliminate furloughs, we need to consider eliminating positions, but where? Demands have not diminished. Dr. Smith said that the Faculty Senate acknowledges that we are at the point of considering eliminating positions in order to reduce or eliminate furloughs. Mr. Reynolds said that Physical Plant is already having a hard time attracting qualified candidates at current RSU salaries and that lower salaries will only hurt recruiting efforts further. Others on the committee agreed.

Committee members were asked to block every Friday except for graduation week to discuss budget reductions and other budget issues from today until May 18.

ADJOURNMENT

Dr. Willis made a motion to adjourn the meeting and Dr. Bowen seconded the motion. The meeting was adjourned at 10:35 a.m.

Rogers State University

Budget Advisory Committee Minutes

April 27, 2018

The RSU Budget Advisory Committee held a meeting April 27, 2018 in the OMA Board Room in Meyer Hall beginning at 9:00 a.m.

Members Present: Tom Volturo, Chair; Richard Beck, Jerry Bowen, Paul Dunham, Heidi Hoskinson, David Johnk, Brent Marsh, Seth McLaughlin, Mark Meadors, Chris Ratcliff, Brian Reeves, Marla Smith, Susan Willis

Members Absent: Cathy Coomer, Steve Housel, Keith Martin, Maynard Phillips, Karl Reynolds

Others Present: David Hamby, Sue-Anna Miller

CALL TO ORDER: Chair Volturo called the meeting to order at 9:05 a.m.

APPROVAL OF MINUTES: Dr. Beck recommended a change in the April 20, 2018 meeting minutes. Dr. Bowen made a motion to approve the amended minutes. Dr. Smith seconded the motion. The motion was approved unanimously.

BUDGET UPDATE

Chair Volturo said that the legislature is winding down. Appropriation bills were passed this week giving a 1% increase to higher education and other state agencies. RSU has not received its final budget numbers from the Oklahoma State Regents for Higher Education. Concurrent student enrollment is to be funded at either 80% or 100%. Mr. Meadors indicated that an increase in funding to 80% for concurrent senior enrollment would be an increase in excess of \$200,000. Dr. Beck said that he understood that the 1% increase for higher education is the concurrent student funding, meaning that the rest of the budget should be a flat budget.

Chair Volturo indicated that he had visited with the President regarding RSU's budget. The FY18 budget has been increased by about \$100,000 since the beginning of the fiscal year. A 5% tuition and fee increase for FY19 is contemplated, and that 5% increase would cover mandatory cost increases for FY19. It was pointed out that RSU might not be able to increase tuition and fees by 5%. Any ideas that the Budget Advisory Committee can generate to reduce the budget might be able to be used to eliminate a portion of the furlough days.

Chair Volturo said that we might start FY19 off by eliminating furlough days for the first three or six months, using reserves to make up any deficit. The University's financial statements would be reviewed in October or November to see how HLC ratios look; HLC ratios would be a major factor in whether to continue furlough relief or add the furloughs back in January. Fall enrollment would have to also be reviewed. Mr. Meadors stated that use of reserves for operating expenses is not sustainable. He also stated concern that removing and then reinstating furloughs would be an emotional roller coaster for faculty and staff. When the budget crisis started, it was decided that everybody would share the pain and take furloughs rather than doing a Reduction in Force like Cameron did. Mr. Meadors stated that he would like to honestly and openly look for reductions in staff and other expenses before using reserves. Chair Volturo agreed with Mr. Meadors that using reserves is not the best business option and it is not the module that RSU has ever used. Using reserves carries a risk and the BAC should be aware of using reserves to fund ongoing operational expenses will lower reserves below the 8.3% requirement of the State Regents for Higher Education and could affect the HLC ratios. Thoughtful consideration by the BAC should be considered before proceeding. Ratcliff asked how much we might have to take from reserves to relieve six months of furloughs. Chair Volturo stated that he thought that it might take \$200,000 or so, but we are waiting for final enrollment data, which will have a big impact on the overall budget.

Dr. Smith asked Ms. Hoskinson how the VA benefit reduction will impact RSU. Ms. Hoskinson said that she is not expecting a large impact because of the small footprint of only about 200 VA students at RSU.

BUDGET CONSIDERATIONS FY19

Committee members were asked for ideas on budget reductions for FY19 that would help us address the furloughs. Ms. Miller passed out a list of ideas that the Accounting department had worked on.

An increase to the Degree Check fee was proposed. Currently, RSU charges \$40 for a degree check prior to graduation. Graduation fees nationally exceed \$100 per student, and in the State of Oklahoma, they vary, with \$75 being the maximum found online. Increasing the Degree Check fee from \$40 to \$75 would generate an additional \$30,800 annually in revenue. Also, the current fee does not cover the cost of commencement activities, so increasing the fee would reduce the amount being drawn for commencement from the general budget. Mr. McLaughlin was concerned that charging too high a fee would leave a bad taste in students' mouths at the end of their RSU career and that this impression would be passed to future students. Ms. Hoskinson agreed and suggested that the fee be added to a student's account as soon as they apply for graduation, which would move it earlier. Mr. McLaughlin made a motion that Accounting perform an analysis of the costs associated with graduation and bring its recommendations back to the Committee in the fall (September). Ms. Hoskinson seconded the motion, and the motion passed unanimously.

Complete withdrawals by students, accompanied by a refund of associated tuition and fees, resulted in about \$80,000 in forgone revenue so far in FY18. Dr. Beck explained that significant issues such as illness, death of a family member, or a student and faculty member not getting along were reasons that complete withdrawals are granted. A set of individuals including the Registrar and Financial Aid review all appeals, and Dr. Beck said that as many are denied as are granted. Chair Volturo pointed out that returned financial aid and housing releases were additional costs on top of the waived tuition and fee revenue and suggested that Housing and Student Affairs be added to the review process for appeals. Ms. Miller stated that this idea was brought to the Committee only to bring attention to the issue and its impact on the budget.

The reduction or elimination of travel claims between campuses was discussed. Dr. Bowen stated that faculty already feel that the mileage they receive is not equitable compensation for driving between campuses. Chair Volturo reminded the Committee that there is a \$250 supplement as well as the mileage for driving and stated that he thinks that we should review all supplemental payments being made as a way to reduce the budget. Dr. Smith recommended that Motor Pool cars be used when driving between campuses whenever one is available.

The idea of moving towards a shared services model for departmental administrative services was introduced. RSU currently has 22 Administrative Assistants (AA's). An analysis of how many faculty and staff each of those AA's serve along with where each is located suggests that as many as 5 to 9 of them could be eliminated and consolidated with other AA's. Ms. Hoskinson said that we might need to look at how some of those jobs have morphed and are no longer simply AA positions. Dr. Bowen said that perhaps we should have various levels of AA's to reflect the different requirements and expectations of each. Chair Volturo asked each member of the Committee to look at his/her area for possible consolidations or even positions that could be shifted to 10 months instead of 12. Student employees might be added where necessary to cover reductions in full time staff.

Ms. Miller recommended that the Accounting office explore the use of a P Card to make payments against purchase orders. This would not change anything at the departmental level; departments would process transactions just like normal. When the Accounts Payable Coordinator received invoices for payment, she would pay as many of them as possible with a P Card instead of a check, increasing the rebates that RSU receives for P Card usage. The Committee agreed that Accounting should research this and implement it if possible.

The elimination of one position on the Pryor Campus was discussed. The Manning Table reflects 3 positions on the Pryor Campus involved with admissions, enrollment and counseling, plus there is currently a half-time temporary person. There are only 2 ½ positions on the Bartlesville campus performing similar functions. Dr. Beck agreed to consider this further.

Dr. Bowen said that he believes that the proposal to move department heads to 10 month appointments should be researched. There are 9 department heads, so eliminating 2 months' salary for each would save 18 months' worth of salaries. Ms. Hoskinson stated that Admissions relies on faculty members to advise incoming transfer students through the summer. It was suggested that maybe department heads, or even other faculty members, could be paid a stipend to be available for telephone advising throughout the summer. Alternatively, somebody in the Registrar's Office could be trained to be able to advise transfer students. Chair Volturo stated that he is also researching the use of 10 month appointments in other areas of the University, such as Athletics, Student Affairs and the Health Center.

Dr. Smith asked if the Advanced Standing Fee should be reviewed. She also stated that perhaps we should ask department heads to come up with some budget cuts. We could ask each department head how they would cut 3-5% from their budget and then see what comes of it.

Chair Volturo said that we might consider going back to zero based budgeting and departmental budget hearings to set annual budgets. RSU used zero based budgeting until 3 to 5 years ago, and it was thought to have saved money.

Ms. Hoskinson suggested that perhaps a one-year moratorium could be placed on all out of state travel. She referred to a graph from a previous Budget Advisory Committee meeting showing that travel was about \$400,000, or 1% of the budget. She suggested that we could eliminate ALL unnecessary travel for a year to help relieve furloughs. Chair Volturo asked the Budget and Accounting Department to produce an analysis of all travel claims for a one-year period of time so that the Committee can see how travel dollars are being spent.

Chair Volturo asked the Budget and Accounting Department to perform a review of health care costs and bring a recommendation to the Committee this fall regarding how faculty and staff might be asked to contribute to their health care costs. Such a change could be implemented in January 2019.

COMMITTEE MEMBERS' COMMENTS AND OTHER NEW BUSINESS

Chair Volturo discussed an annual financial statement evaluation performed by Moody's Investor Service. This review pertains to the 2007A revenue bonds used to finance the Dr. Carolyn Taylor Center. RSU received a downgrade from A3 to Baa1 this year due to falling enrollment and declining state appropriations. Revenue bonds are guaranteed with revenue that is to be 125% of bond debt through the life of the bonds. For FY17, Moody's calculated a 122% ratio, and this is the first time in the history of those bonds that the ratio has fallen below the 125% requirement. Chair Volturo stated that we can redeem part of the bonds (the 2032 bonds) out of reserves, which would eliminate about \$650,000 worth of principal and \$350,000 worth of interest payments. Additionally, he stated that we need to stop waiving the \$10 Facility Fee for online enrollments. Those two actions would correct the issues identified by Moody's and allow us to see a correction to the 125% ratio requirement next year. The bond rating only impacts RSU if it issues new bonds, but it's also a public relations issue. Dr. Beck and Ms. Hoskinson stated that the net online fee of \$37 after fee waivers is still very competitive, and it could be marketed that way.

Dr. Smith asked for an update on the eSports proposal the Committee approved recently. Mr. Reeves said that space has been identified in Herrington Hall, and computers and furniture are going to be ordered. Security cameras will be placed throughout the building, and ID card swipe access to get into the building after hours will be added. The space should be ready to be used by fall. Mr. Reeves said that he would start out as the sponsor of the program (which will be a club sport), but ideally, the program will be transferred to another sponsor long-term.

Chair Volturo discussed the timing of the next Budget Advisory Committee Meeting, and it was decided that the next meeting will be scheduled May 16, 9:00 a.m.

ADJOURNMENT

The meeting was adjourned at 11:50 a.m.

Rogers State University
Budget Advisory Committee Minutes
May 16, 2018

The RSU Budget Advisory Committee held a meeting May 16, 2018 in the Executive Board Room in the Dr. Carolyn Taylor Center beginning at 9:00 a.m.

Members Present: Tom Volturo, Chair; Richard Beck, Jerry Bowen, Cathy Coomer, Paul Dunham, Frank Elwell, Heidi Hoskinson, Brent Marsh, Keith Martin, Mark Meadors, Brian Reeves, Karl Reynolds, Marla Smith, Susan Willis

Members Absent: David Johnk, Seth McLaughlin, Maynard Phillips, Chris Ratcliff

Others Present: David Hamby, Sue-Anna Miller

CALL TO ORDER

Chair Volturo called the meeting to order at 9:05 a.m.

APPROVAL OF MINUTES

Dr. Smith made a motion to approve the minutes of the April 27, 2018 meeting. The motion was approved unanimously.

BUDGET UPDATE AND BUDGET RECOMMENDATIONS FOR FY 19

Chair Volturo updated the committee on the FY 19 budget. The 2018-19 RSU Financial Response Plan approved by the Board of Regents was provided to committee members. The State Regents will provide RSU with its FY19 allocation in late May. The Budget Advisory Committee's task is to make recommendations to come up with a budget that fits within RSU's revenue. Revenue is made up of both state appropriations and tuition/fees. We are hoping for an increase in tuition and fees to help offset mandatory cost increases.

A plan to eliminate three to six furlough days in FY19 was discussed. Dr. Beck made a motion to approve the reduction of furlough day(s) beginning in January pending RSU having sufficient reserves to maintain proper HLC ratios, sufficient enrollment, and no further reductions in state appropriations (such as a potential revenue vote in November). Dr. Elwell seconded the motion, and the motion was approved unanimously.

Dr. Beck discussed some potential ideas that he plans to submit to Budget and Accounting in support of the pursuit of new strategic initiatives. The ideas were discussed, and the committee concurred with the pursuit of them, with further discussions to occur as necessary where the issues require research. Ms. Hoskinson also mentioned some budget cuts that her area was able to propose.

Mr. Meadors gave a general outline of the FY19 budget process, stating that the RSU budget has essentially four factors:

1. Revenue, which is made up of state appropriations and tuition and fees; tuition and fees is affected by declining enrollment and increasing rates.
2. Expenses, which include general operating expenses minus any proposed cuts, plus an increase in scholarships and waivers because of the increase in tuition and fee rates.
3. Mandatory cost increases for FY19 of about \$350,000.
4. New initiatives, including position realignments and rank promotions.

COMMITTEE MEMBERS' COMMENTS AND OTHER NEW BUSINESS

There was no other new business.

ADJOURNMENT

The meeting was adjourned at 11:23 a.m.