

**BUDGET PLANNING COUNCIL**  
**MINUTES**  
**May 11, 2007**

- Present:** Gail Houlette, Gary Neiman, Phyllis Bernt, Joe McLaughlin, Dominic Barbato, Morgan Vis, David Thomas, Kathy Krendl, Aimee Howley, Morgan Allen, Greg Shepherd
- Staff:** Darrell Winefordner, John Day
- Absent:** Dennis Irwin, Bill Decatur, Rich Carpinellie, Wendy Merb-Brown
- Guests:** Steve Flaherty, Jean Witowski

**Provost Krendl provided an Enrollment Update:**

- We have not reached our freshman target and May 1 is typically our measurement date. This corresponds to our housing deposit deadline. 3875 final admits per Mike Williford – we continue to take applications and admit students. We estimate we are probably at 3975 with commuters, etc.
- The budget assumes 4,050 freshmen and we provided Admissions a target of 4,100. Provost Krendl pointed out that Ohio University has the 2<sup>nd</sup> largest freshman enrollment target in the state behind OSU. However, it was pointed out the other 4-year institutions count on transfer students more heavily than Ohio University.
- We had more applications but fewer admitted students this year over last as we attempted to increase our ACT profile for entering students. Hopefully, the increased selectivity will aid in improving our retention rates. International recruitment up. Non-resident applications, admits and final admits are up. Most of the softness in our yield is the result of decreased admits from Central Ohio due at least in part to media / negative publicity and OSU's increased presence, etc.
- At this point it looks like we will meet our transfer target for next year of 450.
- We have significantly increased ACT average for the entering class. Strategy to strive for a more academically prepared class seems successful and should reap budget benefits in the following years if the better prepared students are retained.
- Efforts are underway (E-mail and phone campaign to students which match our preferred profile) to increase the yield. Deans are coordinating efforts from their colleges to communicate with potential students.
- The committee discussed the need to match University enrollment goals with those of individual programs to ensure quality, accreditation requirements, getting as many 25-30 ACT kids as possible, etc. (The discussion was sparked by a discussion of the likely over-enrollment in Journalism next year).

- The practice of budgeting at a lower enrollment level than the admissions target as a continuing budgeting strategy was discussed.
- There needs to be better coordination of the University's transfer strategies to ensure that we are marketing to prospective students that are interested in residential campus experience and to recruit students in programs with capacity.

**Darrell Winefordner provided an update on the State budget:**

- Darrell quickly reviewed the Governor's budget proposal which was the basis for most of the past modeling.
- The committee discussed the basis for calculating and defining the 'efficiency savings' in the Governor's budget was still not determined.
- It was noted that SII comparisons between the Governor's budget and the House version are complicated by the fact that Governor's runs utilize the SII model, while the House version provides for proportional (flat percentage) increases to Fiscal Year 2007 SSI allocations.
- The House version will provide approximately \$2.6M additional funding for the Athens campus in FY08, based on the increased tuition and decreased SII.
- A significant issue will be can we structure our reallocations to ensure that they qualify for the University's efficiency savings.
- Darrell noted that Chancellor Fingerhut advocated to the Senate that they reinstate the Governor's tuition limitations (zero percent tuition increase in first year and 3% in the second year. Darrell indicated that he had suggested the concept of allowing 3% cap over the 2 year biennium. It was also noted that there are discussions that the Senate may try to provide more SII than the House in Fiscal Year 2008 in return for the expectation that there not be any tuition increases over the biennium.

**University Budget Discussion**

- We discussed the need to announce the changes to the health benefits plan changes to the University community – elections need made for next year.
- Darrell informed the committee that the University's health insurance actuarial valuation has come back with favorable claims experience and favorable future spending trends - this results in additional \$1M of reduced costs above the \$1 million of plan changes that already a part of President McDavis' budget package based on the Governor's budget.
  - Some committee members wanted to know whether there will be a premium holiday with EE portion of savings (~8%) for this fiscal year as done in past.
  - Also, they wondered if the health care reserve helps our SB6 ratios.
- Darrell also indicated that some estimates were still being revised. It appears that approximately \$1 million favorable adjustment to the transfer estimate. .

- The estimated additional funds resulting from the change to the House version and revised spending estimates (to date) amount to \$4-5 million. The large differences between the various versions of the State budget will make it difficult to finalize estimates until mid-June at the earliest.
- The Committee was asked to consider what to do with any additional funds that might become available. Their discussion included:
  1. reallocation decisions,
  2. priority spending (retention, etc),
  3. Protect academic units, etc.
- A question was asked regarding how will the \$1.2 million in faculty increase be distributed. John Day is working on a memo from Kathy to the academic areas on guidance for faculty salary increases.
- One committee member indicated that if there was a possibility of a tuition increase that the University needed to start publicizing that fact. All the news releases were still focused on the Governor's 0% from the 'Compact'. To date there has been very little press on the House version.
- If we receive excess funds, reduce reallocation targets to academic units – don't give money and then take away through large reallocations.
- It was suggested that the committee go back to proposals and focus on areas that need attention:
  - (a) IT,
  - (b) Retention,
  - (c) First-year experience.
- For the short-term we have known needs:
  - We need to identify things that must be fixed or will fall apart (e.g. IT).
  - What has a proven track record of success – Residential Learning Communities
  - What do we need to do that might work – advisors to impact retention
- The Committee expressed the desire to invest more time in RCB education to the general University community

**Next meeting is May 25**

- General Fee recommendations
- SB6 analysis overview
- How to spend additional funds provided by the House (and health savings)