University Budget Committee Minutes

Meeting Date and Time: Thursday 10/21/21, 4 PM	

Meeting Topic(s): Presentation by Ms. Stephanie Coleman on ECU budgeting and accounting structures, Dr. Marlena Rose update on Fixed Term Standardized Salary Increase project and next steps, Survey Results, next meeting topics	

Attendees, Members: Dr. Cindy Elmore (Vice-Chair), Steve Garrett (Secretary), Dr. Page Varnell (Chair), Dr. Jennifer McKinnon, Dr. Beth Thompson, Dr. Meghan Millea, Dr. Candace Jenkins	

Ex-officio Members: Ms. Stephanie Coleman, Dr. Wendy Sergeant, Dr. Gary Venderpool, Dr. Becky Gardner, Susan Chapman, Senate Chair Dr. Purificación Martínez, Dr. Marlena Rose, Chandler Ward	

Attendees, Guests:	

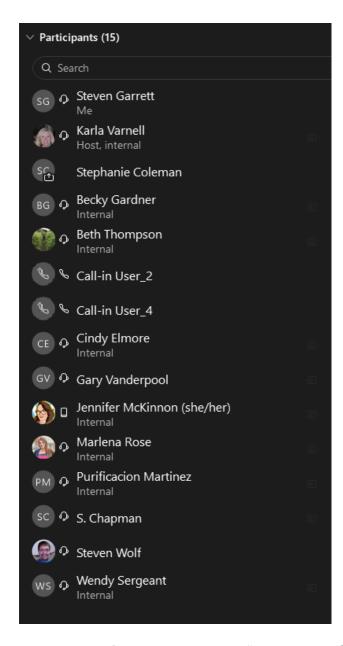|	
Meeting Purpose(s): Discuss and recommend topics or proposals for the Faculty Senate to consider	

Objectives/Outcomes: Completed presentation on the budget process. Updated the committee on the prior year project regarding the fixed term promotion/pay process. Created two sub-committees to research best practices and draft proposed language for the faculty manual.	

Agenda Item #1	**Approval of minutes from prior meeting**
Options/Points Raised:	N/A
Decisions or Recommendations:	Approved
Agenda Item #2	**Presentation on ECU Financials, Budgeting and Accounting structures**
Options/Points Raised:	Extensive discussion of the various funds, models, sources, and how the state calculates requirements. This included a five-year trend analysis with some color commentary on the background sources for changes in the numbers. The All Budget process will allow us to have clearer overall reporting, per our request from last year's committee.
Decisions or Recommendations:	Use the outcome of the All-Budget Process to continue to improve our website; consider using examples from peer institutions such as NCSU and Western Carolina.
Agenda Item #3	**Fixed Term Standardized Salary Increase Process**

Options/Points Raised:	Faculty Welfare and UBC have been working on this for a few years. There is no standardization across the various units in the University.
Decisions or Recommendations:	Develop a standardized process (SOP) that can be applied for all FT staff who successfully complete an advancement in title promotion effort. This should include a funding process that covers raises related to the title change.

Created two sub-committees to research best practices and draft proposed SOP text. |
Agenda Item #4	**Survey Results, next meeting plans**
Options/Points Raised:	N/A
Decisions or Recommendations:	N/A
Agenda Item #5	**Adjourned meeting at 5:19 PM**
Options/Points Raised:	N/A
Decisions or Recommendations:	N/A

Action Items		
Task to Be Done	**Person Responsible**	**Due Date**

Freeform Notes / Attendance

Not present - Dr. Meghan Millea, Dr. Candace Jenkins, Mr. Chandler Ward

Agenda Topic 2 - Presentation "Investing in Student Success"

Org Structure, Governance, Budget, Financial Trends, Benchmarking, HERFF

Org Structure

4 affiliated organizations for fundraising – ECU Foundation, ECU Medical and Health Sciences Foundation, ECU Alumni Association, ECU Educational Foundation (Pirate Club)

ECU Foundation has sub-orgs – Real Estate Foundation and Green Town Properties that manage and coordinate real estate purchases

General Fund – most restricted funds

Trust Fund can be restricted (endowments) or unrestricted (auxiliaries, user fee-based activities (student health, theater, etc.)

Foundations have their own funds because they're different legal entities. They hold private gifts and endowments. These are restricted based on intent of the donor.

Governance

Audit – multiple audits, primarily run by the state
Regulatory group – Office of State Budget Management, Office of State Controller, State Controller – highly regulated
Personnel regulated by Office of State Human Resources

Accounting – we observe GAAP and GASB (governmental accounting standards board)

Budget Management
We are required to budget some funds, but not all funds
Internal rule – total unrestricted funds cannot decrease > 5% (or $12 m).
We use unrestricted funds to balance the university budget
Beginning with FY23 (next budget cycle), Board of Trustees (ECU) and Board of Governors (all UNC system) will approval all funds budgets.
Nonstate funds must fund any legislative salary and benefit increases – auxiliaries, for example.

Every college / academic unit must create a budget. These are combined into an overall ECU budget.

This will allow us to have a consolidated budget with the ability to see each unit separately.

Non-recurring funds have to be managed
Sources of funds – lapsed salaries, contingency, utility savings – can be use to cover tuition revenue shortfall, repairs and renovations, liabilities, enrollment support, computer upgrades, capital carryforward (up to 2.5% allowed) and other strategic priorities

5 Year Trend

To understand the high level numbers, we need to know what was happening.

Revenues to expenses and operating income has been flat.

74% of revenues comes from state money, tuition, and fees

State money is generally tied to specific spending. Increased enrollment is the best way we can increase our revenues without restrictions.

Funding Models
Medical and Dental enrollment is funded by FTE (full-time equivalent)
All other funded by student credit hour (SCH) production

These figures are used to calculate the 'gap', which is what the legislature funds in arrears. FY22 (current year) is based on 19/20 differences.

The models use either FTE or SCH to set baseline for teaching positions funded, and add a factor for other costs and deduct tuition. This is how the models generate the state funding amount.

If we can grow student credit hours, we have access to money that isn't restricted.

Undergrad enrollment has declined 6% since 2017 and graduate school FTE has declined, however professional school has increased

58% of our spending supports instruction and student services.

HEERF – Higher Education Emergency Relief Funds – 3 rounds of Covid relief

Questions
1. When did we start funding at year-end? 21/22 cycle
2. What is source of promotion and tenure increases? Promotion and Tenure increases are primarily state funded. We cover everything regardless of budget basis for the individuals.

Agenda Topic 3 – Update on Fixed Term Salary Increase related to promotions and tenure grants

AAUP chapter submitted a resolution to the faculty senate that was accepted by the Faculty Welfare committee. The efforts included reviewing and update the faculty manual as a start. One goal is to have some faculty renew at multi-year terms after meeting specific standards. New process is the Advancement in Title process. This is based on the tenure process. Different colleges / units have handled this process and raises differently. One reason is the basis for funding that the unit receives.

Next step might be setting a standardized process across ECU that creates a consistent outcome for Fixed-term faculty in all units.

Faculty Welfare Committee and UBC could work together to address this issue. This has been in process for a few years now. There are no written guidelines on what the pay increases are to be for changes in title for FT instructors.

Change in pay will be a flat rate. The issue is determining the numbers and providing funding for all units. Question – should we form a sub-committee to look at what other UNC system universities are doing? A – yes, plus have Faculty Welfare Committee prepare a draft SOP. Suggest contacting IPAR for guidance.

Volunteers for sub-committees – Steven Wolf, Marlena Rose, Jennifer McKinnon will help with SOP. Wendy Sargent has volunteered as a resource as needed. Steven Wolf will work with FWC chair to find a volunteer.

Agenda Topic 4 – Review Survey Results, plan for next meetings

Western Carolina could be a good resource for us to get started inclusive budgeting process.

White Paper from Vice-Chancellor for Research could be another topic in a future meeting.