

Agenda

Budget and Planning Committee

March 31, 2011

1. Review of Stimulus project rankings
2. Review of General Assembly proposed budget items
3. Athletics Discussion
4. Salary Study

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Prince Edward Room, Blackwell

Members present were: Troy Austin, Paul Barrett, Norm Bregman, Mark Lenker, Deneese Jones, Anthony Koyzis, Frank Moore, Tracy Nelson, Susan Osborne, Ken Perkins, Keith Rider, Chuck Ross, William Stuart, Bennie Waller, and Kathy Worster. Angela Stimpson came on behalf of Dick Bratcher, Matt McGregor came on behalf of Tim Pierson, Virginia Kinman, and Jeanne Perry came on behalf of Wendell Barbour.

Ken Perkins opened the meeting by discussing the Budget Proposal Ranking handout. Norm Bregman motioned the raise the Carry forward of stimulus funds for potential raise/bonus from \$400,000 to \$500,000. Paul Barrett second the motion and it was approved.

Keith Rider wanted to know when the President will be invited to a meeting to give feedback on the list. Ken Perkins said he would talk to the President about meeting with the committee. Keith Rider stated he wanted the proposal to the President to be something he can use and if it is not then he wanted to be able to improve for the next time. Ken stated that should it be recommended that the recommendations end at the Direct Mail Friendraising and Advocacy? Bill Stuart moved that the proposal be sent to the President that Ken stated. Frank Moore second the motion. Angela Stimpson state that the fuel depot would need \$120,000 to clear and prepare the land. Kathy Worster stated that it had been pointed out and that it was in the presentation Dick Bratcher had given at a previous meeting. The proposal was passed to present the proposal to the President.

Kathy Worster presented the General Assembly proposed budget items (handout provided). Dee Jones wanted to know who made up the Conference Committee. Kathy Worster stated it is made up of members of the House and Senate. The University receives interest on earning on E&G and credit cards rebates of about \$269,000. The rebate cannot be used on salaries or for an ongoing expense because the amount changes from year to year and the money can be taken back. The University received \$885,800 for STEM initiatives and the money will be used to complete the additional renovations to Stevens. The money was given as cash and not a loan and the University will receive the money next year to be used on whatever it wants. Ken Perkins stated that the money will not be received until the Six-Year Plan is complete. Kathy Worster stated that the Six-Year Plan is due July 1 and it will be review and the University will have the opportunity to make changes so the University may see the money by January 2012 which will delay the completion of Stevens. Keith Rider asked what or where can you look up what is satisfactory for the STEM initiatives? Kathy Worster stated there are none.

O&M Operation and Maintenance - \$472,499 was given and can be used to help pay ongoing expenses of new buildings. New buildings coming online this year or next year can use the

funding. Angela Stimpson asked how much will be dispersed to the various budgets? Kathy Worster stated that had not been determined yet.

\$121,000 in base operating funds was given and the University can use money any way it would like with no strings attached.

Financial Aid will be defining what low income is and what middle income students are. \$261,671 was given to be used for student aid.

The only funding that helps with the budget cuts is the base operating funding and the O&M funding. The governor stated in the report that \$10 million is to be cut and the University does not know how much that will be but the amount should be known by the end of the fiscal year.

Angela provided a handout showing the increase in cost to maintain building and the addition of building that have been added to campus.

Bill Stuart's had questions regarding Athletics and fees. "How much our costs would be reduced if Longwood dropped from DI athletics to DIII? I've gotten that question several times in the last month, and contrary to what a lot of folks suppose, the conventional wisdom is "not as much as you think". It might be helpful to reduce speculation and put some numbers on the table if the folks who need to agree felt it is a good time to have that discussion. Presumably, there would be fewer coaches, but the revenue would decrease as well. Perhaps travel costs would decrease? If nothing else, it would be useful if we could know how much the debt service would be every year--regardless of level of competition." Kathy Worster stated that the debt service for Athletics is \$1,066,570 for 20 years. Troy Austin stated that there will short terms loses and travel would probably remain about the same. Troy Austin stated that there are 230 students who are in Athletics. Kathy Worster stated that enrollment has been flat for the past few years. Troy Austin stated that Div. I to Div. III that 80% of Athletics would depart because there would be not athletic scholarships. Keith Rider wanted to know where to the Athletic Scholarships come from. The scholarships come from Athletic comp fees and the money goes back into the academic side. Frank Moore asked what would be the payout if Longwood entered the Big South? Troy Austin stated that the expense would be cut drastically because the schools are closer and they would not have to fly and the drive would be shorter. Ken Perkins questioned if the comp fee could be lower? Troy Austin said it maybe could be lowered. Frank Moore questioned if Division III would let Longwood in. Troy said yes but it would be like starting over again trying to find a conference. Bill Stuart asked what is the number or percentage of partial or full fee paying out of state students in Athletics. What is the financial gain? Troy stated that most of the sports are made up of out of state students and there are some international students.

Ken Perkins discussed the AP contracts and the issue that new hires are being paid less than faculty hired in the previous years. He also stated that this creates a moral problem as well. Ken Perkins stated that he would be meeting with McKnight and Associates along with Kathy

Worster to see what the company does and has to offer. Ken Perkins stated that he does not know how much the company would charge to do the salary study if hired. He estimates around \$100,000. Ken stated that an outside firm provides data on the salary study that the General Assembly would look more favorably on the information provided than if Longwood did its own salary study for AP and Faculty.