East Tennessee State University

Budget Redesign Committee Meeting

April 14, 2016 – 12:00 PM

President’s Conference Room

Attendees: Wallace Dixon, Mike Smith, Gordon Anderson, Dennis Depew, Margaret Pate, Joe Sherlin, David Collins, Larry Calhoun, Kimberly Hale, Katherine Weiss, Randolph Wykoff, Wendy Nehring, Mira Gerard

Absentees: Randy Byington and James Batchelder

**Agenda item 1: Faculty Senate Presentation Discussion**

Presenter– Larry Calhoun

The first agenda item regarding the Faculty Senate presentation lead to several possible scenarios and concerns based on feedback the committee has received from colleagues. Larry will provide a report of the presentation at the next meeting. Considerable discussion of items related to the proposed model took place prior to the second action item. A wide gamut of possible revisions, questions, and solutions were discussed by the committee. After much discussion, no conclusions or action items were decided on. The discussion was tabled and will continue at the next meeting.

**Agenda item 2: Subcommittee Report**

Presenter– Gordon Anderson

1. Tuition and state appropriation is in an approximate 70:30 ratio so we propose that a 70:30 SCH to degrees ratio be used for revenue distribution.
2. Academic and general support are fixed costs so they should not be a percentage of revenue. They should not increase or decrease simply because enrollment does.
3. Assuming the current academic and administrative support cost are appropriate, there is a case to be made that the total $63.6M cost should be allocated to revenue centers on the basis of SCH production, or the SCH/degrees ratio.
4. We identified only about $2.3M that might be considered as associated with final degree production (Alumni, Career Services, Registrar, Commencement expenses). This is less than 4% of the support total
5. We suggest that a percentage of total revenue should be taken before allocation to colleges to cover (a) Strategic initiatives

(b) Reserves

(c) College subventions

1. Support cost should be fixed for a period of time (three years). If changes in support services are required during that period, they should be funded as strategic initiatives until the indirect cost are renegotiated.

No final decisions were made regarding these recommendations and discussion will continue at the next meeting.

*Note Taker: Carrie Guy, Office Manager for the Vice President for Finance and Administration at ETSU*