

Budget Advisory Committee

Meeting Minutes

September 2, 2022

- I. Introduction (Ms. Laury Fiorello)
Ms. Fiorello welcomed the members of the Budget Advisory Committee to fiscal year 2024 preparations.
- II. Upcoming Schedule (Ms. Laury Fiorello)
The Budget Advisory Committee is scheduled to meet Oct. 12, 2022, Nov. 18, 2022, Dec. 16, 2022, Jan. 20, 2023, Feb. 17, 2023, March 17, 2023, April 21, 2023 and May 19, 2023. The Jan. 20, 2023, date will likely be adjusted due to a conflict with Leadership Tech.
- III. Fee Sub-Committee (Ms. Laury Fiorello)
Dr. Jeanine Myers, associate vice president for academic affairs, will chair the fee sub-committee this fiscal year. Meetings will likely be held the week before Budget Advisory Committee meetings. Dr. Myers and Ms. Fiorello will work together to identify members for the fee sub-committee. Ms. Fiorello indicated that the fee form developed by Dr. Jeffrey Cass in advance of fiscal year 2023 will be utilized again in preparation for fiscal year 2024.
- IV. RSA and Productivity (Mr. Wyatt Watson)
Mr. Watson provided the Budget Advisory Committee with an overview on the history of funding methodologies for higher education in Arkansas and an explanation of how the current productivity formula is structured as context for its conversations throughout the fiscal year 2024 budget planning cycle.
- V. Five-Year Model Assumption Recommendations (Ms. Laury Fiorello)
Primary components of the five-year model include the consumer price index, enrollment percentage change and projections for future enrollment trends. The Budget Advisory Committee will review the model during its October 2022 meeting.
- VI. November Meeting (Ms. Laury Fiorello)
Topics for the November 2022 meeting will include contingency reserve, proposed professional and classified salary increases for fiscal year 2024 and benefit rate increases.
- VII. February Meeting (Ms. Laury Fiorello)
The Budget Advisory Committee is scheduled to discuss tuition and fees for fiscal year 2024 during its February 2023 meeting.

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October 12, 2022

- I. Future Budget Advisory Committee Meetings (Ms. Laury Fiorello)
The BAC will meet Nov. 18, 2022; Dec. 16, 2022; Jan. 13, 2023; Feb. 17, 2023; March 17, 2023; April 21, 2023; May 19, 2023; and June 16, 2023.
- II. Future BAC Fee Sub-Committee Meetings (Ms. Laury Fiorello)
The BAC fee sub-committee will meet Nov. 10, 2022; Dec. 8, 2022; Jan. 12, 2023; Feb. 9, 2023; March 9, 2023; April 13, 2023; May 11, 2023; and June 8, 2023. The deadline to turn in course fee submission forms is 5 p.m. on Jan. 6, 2023. Completed forms should be e-mailed to Laury Fiorello and Dr. Jeanine Myers.
- III. Fiscal Year 2024 Budget (Ms. Laury Fiorello)
Ms. Fiorello reviewed the fundamentals of building the fiscal year budget, which is based upon the rolling five-year budget model, estimated revenue, estimated expenses and influential external factors such as inflation. Members of the BAC engaged in a conversation about the factors involved in projecting enrollment for future years. Ms. Fiorello encouraged BAC members to begin engaging in department-level, college-level and division-level conversations about needs for fiscal year 2024 so those needs can be considered during the budgeting process.
- IV. Upcoming Meetings (Ms. Laury Fiorello)
Contingency reserves, the possibility of a salary increase for ATU faculty and staff for fiscal year 2024 and the impact of benefit rate increases will be discussed during the November meeting. The December meeting will include revenue projections through summer 2023. The BAC is scheduled to consider tuition and fees for fiscal year 2024 during its February meeting.

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November 18, 2022**

- I. Budget Advisory Committee Future Meetings (Ms. Jami Fisher)
 - December 16, 2022
 - January 13, 2023
 - February 17, 2023
 - March 17, 2023
 - April 21, 2023
 - May 19, 2023
 - June 16, 2023
- II. BAC Fee Sub-Committee Future Meetings (Ms. Jami Fisher)
 - December 8, 2022
 - January 12, 2023
 - February 9, 2023
 - March 9, 2023
 - April 13, 2023
 - May 11, 2023
 - June 8, 2023

The deadline to return course fee submission forms is 5 p.m. Jan. 6, 2023. Forms should be submitted via e-mail to Dr. Jeanine Myers and Laury Fiorello.
- III. Purpose and Charge FY24 Budget Development (Ms. Laury Fiorello)

The charge for the Budget Advisory Committee, the BAC Fee Sub-Committee and the role that distributed leadership plays in the budgeting process was communicated to the BAC.
- IV. Budget Module Introduction (Ms. Laury Fiorello and Ms. Jami Fisher)

It was communicated to the Budget Advisory Committee that budgeting will be conducted through a Banner module beginning with fiscal year 2024 planning. As part of that transition, units will begin budgeting specifically and separately for functions such as supplies and travel. Doing so will better align the university with reporting structures established by the Arkansas Division of Higher Education.
- V. Fee Sub-Committee Report (Dr. Jeanine Myers)

Dr. Myers reported that fee sub-committee members reviewed distributed leadership and that concept's application to their work during the group's most recent meeting.
- VI. Fiscal Year 2024 Budget Development (Ms. Laury Fiorello)

Ms. Fiorello shared updated model assumptions that will be utilized in performing projections necessary to build the fiscal year 2024 budget. She reported that key next steps in the budgeting process will be budget module implementation on Banner, setting key dates for budget development and the development of the first projection of revenues vs. expenditures for fiscal year 2024.

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January 13, 2023

- I. Fiscal Year 2024 Budget Development Launch (Ms. Laury Fiorello)
Ms. Fiorello shared details about how information will be communicated to Budget Advisory Committee members during the fiscal year 2024 budget preparation cycle.
- II. Budget Requests and Banner (Mr. Matt Fraser)
Mr. Fraser shared with the committee that the new budget development portal in Banner will empower departments to enter their own budgetary adjustments. Mandatory training on the new budget development portal in Banner will be provided to individuals who have responsibility for entering budget data. Creating this process will align budget development with how the budget is implemented from a computer software standpoint.
- III. Budget Development Timeline (Ms. Laury Fiorello)
Following training on the new Banner portal in late January, the budget module system will open in February. Subsequently, vice presidents will review and approve budgets in March, the preliminary fiscal year 2024 budget will be produced in April, the proposed fiscal year 2024 budget will be presented to the Budget Advisory Committee in mid-May, the budget report that will go forth to the ATU Board of Trustees will be prepared in late May and the board will review the proposed budget in June.
- IV. Fee Sub-Committee Report (Dr. Jeanine Myers)
Dr. Myers brought forth proposed course fee changes for PHYSC 4061 (\$0 to \$40), RS 4194 (\$0 to \$90), RS 4012 (\$0 to \$90) and RS 4104 (\$0 to \$90). The fee sub-committee has recommended each of the proposed course fee changes for implementation.
- V. 5-Year Enrollment Projections (Mr. Wyatt Watson)
Mr. Watson shared projections that are based upon ATU maintaining its current market share of Arkansas high school graduates and enrollment rates from other student demographic groups remain consistent.
- VI. Enrollment Update (Dr. Keegan Nichols)
Dr. Nichols provided updates on the processes to fill the assistant vice president for enrollment management and director of admissions positions as well as positions that will manage concurrent enrollment and admissions communications, particularly relative to the implementation and management of software designed to support recruiting. Time Out for Tech 2023 is scheduled for Feb. 23. Dr. Nichols also provided the committee with an update on scholarships and enrollment trends for fall 2023.

- VII. Voluntary Early Retirement Incentive (Mr. Ed Armstrong)
Mr. Armstrong shared with the committee that a voluntary early retirement incentive for ATU faculty and staff will be presented to the ATU Board of Trustees during the board's January 2023 meeting.
- VIII. Budget Development (Ms. Laury Fiorello)
Ms. Fiorello provided an overview of projected revenues and costs as well as how those figures will influence fiscal year 2024 budget development.

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February 17, 2023

I. Introduction (Ms. Laury Fiorello)

Ms. Fiorello introduced John Joyner, new director of budget and financial reporting. She also introduced Dr. Robin E. Bowen, Arkansas Tech University president, who spoke to the committee about the importance of keeping the mission, vision and strategic plan of the university in mind when developing the fiscal year 2024 budget and establishing priorities.

II. Target Dates (Ms. Laury Fiorello)

Results of the Voluntary Employee Retirement Incentive will be made available to appropriate personnel on the ATU Executive Council March 12. Deadline for keying changes to the fiscal year 2024 budget will be April 7. Final target date for fee submissions is April 7. Fee submissions should be sent to Dr. Jeanine Myers and Laury Fiorello. Vice president review and approval of changes will be completed by April 10. The preliminary fiscal year 2024 budget will be produced April 28 and presented to the Budget Advisory Committee May 19. Preparation for presentation to the ATU Board of Trustees will begin May 22 and the budget will be presented to the board for its review and possible adoption June 15. Salary changes and transfers in from strategic plan, SERC plan or public safety pay plan need to be incorporated into respective budget entries.

III. Fiscal Health Indicators (Ms. Laury Fiorello)

Ms. Fiorello provided data on the primary reserve ratio and days of cash on hand to demonstrate the fiscal health of Arkansas Tech University. As of the most recent audited report, ATU has 6.46 months of operating reserves and 328 days of cash on hand. These figures were compared to a peer institution that has experienced fiscal distress as well as industry standards to show that ATU is not in fiscal distress.

IV. Billable Hours Review (Ms. Laury Fiorello)

Ms. Fiorello provided the committee with projected enrollment and student semester credit hours at ATU through fiscal year 2028. Ms. Fiorello also provided the committee with data on the budget impacts of a 1 percent change in billable hours, tuition and fee rates, supplies and services budget, utility costs, benefits, salaries and retention.

V. Fiscal Year 2024 Budget Model Components (Ms. Laury Fiorello)

Ms. Fiorello shared details about decreases in revenue and expenses that are forecast for fiscal year 2024 and additional expense compression that will be necessary in order to produce a balanced educational and general budget.

VI. Fiscal Year 2024 Auxiliaries (Ms. Laury Fiorello)

Ms. Fiorello and representatives from various operating areas shared details about decreases in revenue and expenses that are forecast for fiscal year 2024 and additional expense compression that will be necessary in order for those operating areas to produce a balanced budget.

VII. Next Steps and Strategies (Ms. Laury Fiorello)

Ms. Fiorello reminded the committee about the forthcoming results of the Voluntary Employee Retirement Incentive and asked that the university community closely analyze any vacancies due to natural attrition. Dr. Robin E. Bowen expressed appreciation to the ATU Division of Administration and Finance for its diligence in preparing the budget reports and detailed ongoing efforts to enhance recruitment and retention. Dr. Bowen also reminded the committee that comprehensive regional public universities are being disproportionately affected by the post-COVID downturn in higher education. She encouraged the committee to remain steadfast, positively influence conversations about the university and its future and remain patient as the ATU community works to ensure the continued, long-term financial well-being of the university.

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April 14, 2023

- I. Welcome (Ms. Laury Fiorello)
Ms. Fiorello drew the committee's attention to the Arkansas Tech University mission statement, vision statement and strategic plan as the guiding documents in budget development.
- II. Budget Development (Mr. John Joyner and Mr. Matt Fraser)
Mr. Fraser reminded operating areas that it will be important for information to be entered into the Banner budget development system by midnight May 5, 2023, in order for the subsequent development of the budget book for presentation to the ATU Board of Trustees for its consideration and possible adoption.
- III. Educational and General Budget Discussion (Ms. Laury Fiorello)
Ms. Fiorello reminded the committee that the ATU Board of Trustees has asked the university to plan for fiscal year 2024 and fiscal year 2025 in the current budget development process. Ms. Fiorello told the committee that the university community has worked cooperatively in its deliberations in order to reach a balanced budget.
- IV. Fee Sub-Committee (Ms. Laury Fiorello)
Ms. Fiorello updated the committee on potential fee adjustments for fiscal year 2024 and next steps in gaining feedback on those fees.

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May 3, 2023

- I. Welcome (Dr. Robin E. Bowen)
Dr. Bowen expressed her appreciation to the members of the Budget Advisory Committee for making time to meet during a busy time of year as well as the group's efforts throughout the year in building the fiscal year 2024 budget.
- II. Vision and Mission Statements (Ms. Laury Fiorello)
Ms. Fiorello reminded the committee of the importance of establishing budgeting priorities that align with the university mission and vision statements.
- III. Old Business (Mr. John Joyner)
Mr. Joyner requested that each division have a representative available to answer questions as the Office of Budget goes through the process of finalizing the budget book for ATU Board of Trustees review.
- IV. Fee Sub-Committee (Dr. Jeanine Myers)
The sub-committee met on Tuesday, May 2, and discussed proposed course fees relative to mathematics and journalism for fiscal year 2024. The sub-committee recommends those fees for adoption.
- V. Music Fee (Ms. Laury Fiorello)
A non-mandatory student fee is proposed to help fund the university's music programs. Ms. Fiorello reported that the proposed fee remains under consideration. However, she will be meeting with the appropriate academic leaders to identify the best course of action, such as a differential tuition rate, that would benefit the music program and its proposal.
- VI. Board Meeting Update (Ms. Laury Fiorello)
Ms. Fiorello reported that an outline of a balanced budget for fiscal year 2024 and fiscal year 2025 was shared with the ATU Board of Trustees during an open meeting on Wednesday, April 26, and no directive to change course was issued. The draft proposed budget includes no reduction in force among ATU employees. Dr. Bowen expressed her appreciation to Ms. Fiorello for her leadership in achieving a balanced draft proposed budget that holds ATU employees harmless.