



Board of Trustees

Finance and Capital Assets Committee

September 29, 2015

President's Boardroom, The Horace Mann Center

MEMBERS IN ATTENDANCE: Trustees Connolly, Johnson, Landrau, Marcus, Perez, and Queenin.

GUESTS: Trustees Martin and Slakey.

Meeting called to order at 12:40 PM.

MOTION made by Trustee Perez, seconded by Trustee Connolly to accept the minutes from the June 8, 2015 Finance and Capital Assets Committee meeting. Motion passed unanimously.

Dr. Kimberly Tobin, Vice President for Administration and Finance, reported the FY16 budget was based off of 4,500 students. Enrollment is higher than anticipated at 4,644 students. This number will decline come spring but is unlikely to fall below 4,500. There are additional expenses associated with the increased number of students ranging from \$350-\$400,000.

To-date 20 individuals have expressed their intention to participate in the Early Retirement Incentive Program. This is a fluid number as these individuals have until December 31, 2015 to rescind but the potential savings is approximately \$600,000. Vacant positions will not be immediately backfilled. Instead, the university will be engaging in conversations about how to best maximize efficiency. There are some units who are under supported and some over supported, but there is consensus the university doesn't have too many employees.

The Financial Planning Working Group worked diligently towards achieving zero based budgeting practices over the summer break as a result of a Presidential Grant from the Davis Educational Foundation. They continue to meet to further develop this proactive approach by defining what change looks like and how that change can come about. It's an opportunity for the university to begin developing meaningful numbers. The group is looking for a trustee volunteer to be part of the ongoing conversation.

The Board of Higher Education's (BHE) Standards for the Expenditures of Trust Funds govern some of the financial practices of the institution. The university is looking for clarification from

the board in what they define as charitable events versus marketing purposes. There is an absence of process and the board needs to define what requires approval and what does not in accordance with the Standards for the Expenditures of Trust Funds. Committee members would like to see how much the university has spent in years past for things of this nature including the total budget aggregate. The committee would also like this to be part of the budgetary process: a specified amount to be presented every fiscal year with the process in how the money was spent to be reported in June of each year. It was made clear charitable events are not donations to a charity, which would be a miss appropriation of funds.

Dr. Marsha Marotta, Vice President for Academic Affairs, provided the committee with detailed information regarding the proposed Physician Assistant (PA) Program. New academic programs must go through governance before it's presented to the board for approval. Academic Affairs would like to involve the committee in the discussion from the beginning because the process is long and complicated and they want to give the committee ample time to review information and ask questions. There are three potential financial models for the program. The cost to the student is less than other programs in the area at private institutions but must be at a certain level in order for the program to be self-sufficient.

Meeting adjourned at 2:07 PM.