

2-26-2010

Finance Committee, February 26, 2010

Coastal Carolina University

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**Minutes
Coastal Carolina University
Board of Trustees**

**Finance, Planning & Facilities Committee
E. Craig Wall Sr. School of Business Administration Building, Board Room
Friday, February 26, 2010**

**Members of the
Committee Present:**

Mr. William S. Biggs, Mr. D. Wyatt Henderson,
Mr. Charles J. Hodge, Mr. Daniel W. R. Moore, Sr.,
Mr. Eugene C. Spivey and Mr. Dennis L. Wade

**Other Board Members
Present:**

Mr. William H. Alford, Mr. Larry Biddle, Mr. Joseph L.
Carter, Mr. Samuel H. Frink and Ms. Natasha M. Hanna

**Committee Member
Not Present:**

Mr. Gary W. Brown

Others Present:

Dr. David A. DeCenzo, Mr. Doug Bell, Ms. Stacie A.
Bowie, Dr. Debbie Conner, Ms. Lori G. Church, Mr. Will
Garland, Ms. Martha Hunn, Mr. Timothy E. Meacham,
Ms. Anne T. Monk, Dr. Michael Ruse, Dr. Robert Sheehan,
Dr. Judy W. Vogt, Ms. Sharon Sluys and Ms. Chyrel
Stalvey

(In accordance with the requirements of the South Carolina Freedom of Information Act, the news media were notified of the time, location, and agenda for the meeting.)

Mr. Biggs called the meeting to order at 9:00 a.m.

A motion was made by Mr. Spivey to approve the minutes of the Finance, Planning and Facilities Committee meeting on January 21, 2009. The motion was seconded by Mr. Moore and passed unanimously.

First on the agenda was the review and approval of budget and related items. Ms. Bowie reviewed the Current Projections 2009-2010 and Proposed Budget 2010-2011 which outlines where we are financially in the current fiscal year as well as where we think we need to be in Fiscal Year 2011 with the proposed tuition, housing and meal plan costs. We are requesting a consensus on the tuition increase for the next fiscal year at this time as the information is crucial to the packaging of financial aid. We would also like to post the cost of attendance on our website and send letters out to parents and students so that they may make informed decisions about their college experience.

A 4.91% increase for in-state student tuition rates was proposed. This will be a \$220 increase for full time in-state resident student and \$550 for out-of-state students.

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Graduate tuition raise proposal was between 4.95% and 8.08% depending on fee payment status, program and scenario.

Ms. Bowie asked everyone to refer to an updated version of the proposed FY 2011 budget which had been handed out. We have been informed that our state appropriations will be cut to \$9.285 million. The allocated stimulus money will be included in next year's appropriation, not given to us in addition to the state funds. Next year's total funding will be \$11,555,329. In the following year, there will not be any stimulus money, bringing our appropriations down to \$9.285 million. Since July, 2008 we are projecting a 43% or a \$7 million dollar cut in state appropriations.

The proposed tuition revenue and fees assumptions on page one were arrived at by projecting student growth slightly lower than the current year. In the fall 2009 semester we grew in-state by 4% and out-of-state students slightly over 3%. For the 2011 fiscal year budget we project a 2% increase of in-state students and a 3% increase of the out-of-state student population. A 1% decrease in in-state enrollment costs us approximately \$320,000 in tuition revenue.

We expect to face tougher competition for in-state students this year. USC has proposed dropping their SAT to 900 for admission on the third round. We expect to lose approximately 100 students if this happens. Supporting that belief is a comparative study of deposits received from our in-state students from Fall 2009 to Fall 2010 at the same time last year. We are currently behind about 20% from last year. Applicants may be waiting to see what USC does.

Dr. DeCenzo commented that most other states will be raising their tuition as a consequence of the cuts that they are also experiencing. We believe that due to this development our out-of-state rates will continue to stay competitive with their in-state rates.

Mr. Garland stated that the suggested increase for in-state students will put us well below Winthrop, which is the highest in the state. The College of Charleston will be second highest, assuming they go up by 4% or 5%. We will either be third or fourth highest in South Carolina's Comprehensive University sector, depending on what USC-Upstate and the Citadel does.

At this point the committee engaged in a discussion concerning pending budgetary issues.

Mr. Moore made a motion to go into Executive Session to discuss the economic vitality of Coastal Carolina University. Mr. Spivey seconded and the motion passed.

Mr. Biggs stated that no actions were taken in Executive Session.

Mr. Spivey made a motion that the Finance, Planning and Facilities Committee recommend to the full Board of Trustees to close the Coastal Carolina University's Georgetown Facility (Motion 10-21). Mr. Hodge seconded and the motion passed.

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Mr. Spivey made a motion that the Finance, Planning and Facilities Committee recommend to the full Board of Trustees to waive their personal per diem and travel expenditure reimbursements to show good faith in our budget crisis (Motion 10-22). Mr. Henderson seconded and the motion passed.

Mr. Garland reviewed the proposed new rates for room and board on campus for the 2010-2011 academic year. The increase is 2.15% for a double suite and 2.17% for a private bedroom quad room, in other words a \$50 or \$55 per semester increase.

Mr. Spivey made a motion that the Finance, Planning and Facilities Committee recommend to the full Board of Trustees to approve a 2.15% or a 2.17% increase in housing fees per semester, depending on the type of room and as seen on page 4 of the 2010-2011 budget book. Mr. Henderson seconded and the motion passed (Motion 10-15).

Mr. Garland recommended the adoption of the submitted meal plan rate for 2010-2011. Currently, the meal plan is \$1,275 per semester. It was proposed increasing this to \$1,300 per semester, a 1.96% increase. The rationale for the increase is that food costs will go up by \$56 per semester. We are asking for an increase of \$25 per semester and the University will absorb the remaining \$31 per semester.

Mr. Spivey made a motion that the Finance, Planning and Facilities Committee recommend to the full Board of Trustees that the Board of Trustees approve a 1.96% increase in the current meal plan per semester as seen on page 4 of the 2010-2011 budget book (Motion 10-16). Mr. Hodge seconded and the motion passed.

Mr. Garland proposed a tuition increase of \$220 per semester for in-state students and \$750 per semester for out-of-state students. The impetus for the change is due to decreased state funding, continued cuts and to gain parity for the out-of-state rate to return to 2.5%.

Mr. Spivey made a motion that the Finance, Planning and Facilities Committee recommend to the full Board of Trustees that the Board of Trustees approve an in-state tuition increase of \$220 per semester and an out-of-state increase of \$750 per semester as seen on page 3 of the budget book (Motion 10-17). Mr. Moore seconded and the motion passed.

Mr. Garland reviewed a request from the Provost to approve new course lab fees for Fall 2010 which range from \$50 a course to a maximum of \$200.

Mr. Spivey made a motion that the Finance, Planning and Facilities Committee recommend to the full Board of Trustees to approve the new course lab fees for the Fall 2010 semester as noted on the handout (Motion 10-18). Mr. Moore seconded and the motion passed.

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Mr. Garland presented a proposal to proceed with the placement of the 500 space parking lot behind Bill Baxley Hall which had been carried over from the January 2010 meeting. The estimated construction cost for the proposed parking lot is \$800,000 to \$900,000 which will be paid for with the Penny Sales Tax monies. The parking lot will connect to Chanticleer Drive.

Mr. Spivey made a motion that the Finance, Planning and Facilities Committee recommend to the full Board of Trustees that the Board of Trustees approve the construction of a 500-space parking lot behind Bill Baxley Hall (Motion 10-03). Mr. Hodge seconded and the motion passed.

Mr. Spivey made a motion that the Finance, Planning and Facilities Committee recommend to the full Board of Trustees that they direct the President to look for \$4 million in savings outside of the normal revenue streams to be presented at the next Board of Trustees meeting (Motion 10-23). Mr. Moore seconded and the motion passed.

Mr. Spivey made a motion that the Finance, Planning and Facilities Committee recommend to the full Board of Trustees to direct the President to look for means of generating revenue for the University outside of normal revenue streams and to bring suggestions back to the May Board of Trustees meeting (Motion 10-24). Mr. Moore seconded and the motion passed.

Mr. Spivey made a motion that the Finance, Planning and Facilities Committee recommend to the full Board of Trustees that any information that Will Garland and his staff to disseminate materials to this Board prior to the next meeting for review (Motion 10-25). Mr. Moore seconded and the motion passed.

There being no further business, Mr. Spivey made a motion to adjourn. Mr. Moore seconded and the meeting adjourned.

Respectfully submitted,

Sharon Sluys for
Secretary Treasurer