

St. Olaf College
Budget Advisory Committee Minutes
April 6, 2016
Tomson Hall 200

Members Present:

Cheri Floren	Jan Hanson	Michael Kyle
Steve Lindley	Diana Postlethwaite	Marci Sortor
Emma Lind	Mike Goodson	

Members Absent:

Greg Walter

Others Present:

Angie Mathews	Anita Aase
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CALL TO ORDER: Meeting called to order by Hanson at 8:04 am. Quorum present.

APPROVAL OF MINUTES: Minutes will not formally be approved but will be provided on the shared drive for all to review.

INTRODUCTORY SECTION: Emma was introduced to the committee as the student representative and SGA president-elect for next year.

DISCUSSION AND ACTION ITEMS:

1. Topic 1: Wage and Salary Drivers

Goodson highlighted the paramount factors affecting the wage and benefit portion of the FY16-17 budget. These items are typically referred to as “unfunded mandates”.

- a. Effective August 1, 2016, the minimum wage will increase to \$9.50/hour affecting primarily the 2000 student workers on campus.
- b. FLSA’s change in overtime laws are currently proposed and will likely be approved. Implementation could be as soon as this summer. Effectively, any exempt employee making less than \$50,440 per year will become an hourly employee, subject to overtime. HR estimates approximately 45-50 St. Olaf employees will be affected, many of which are in resident life and admissions.
- c. Shift differential pay for those employees working second or third shift. Currently, we do not pay shift differential. Is this something we want to initiate?
- d. The college has a self-insured health plan which means we fund our own health claims up to \$225,000. Last year this benefit cost \$5M; the biggest driver is the high cost of claimants. Would it be helpful to better educate our members regarding HSAs, medical reimbursement accounts, wellness programs, etc. What and how we do as a community affects all of us.

- e. Due to Affordable Care Act implications, part-time temporary help is now hired through an outside, third party, who handles their payments and benefits.
- f. Legal fees have grown exponentially due to divestiture of the telephone company, personnel issues, title IX, etc. This upward trend is expected to continue. We are assessing in-house legal counsel. There would still be a need for some outside legal counsel.

2. Topic 2: Enrollment and Discount Assumptions

Kyle explained the college meets the demonstrated need of every admitted student, only one of three schools in Minnesota to do so (Macalester and Carleton are the others). We also have a merit scholarship program given on the basis of academic results and need.

The discount drivers are 1) the college's commitment to diversity, 2) the Posse scholars program, 3) the college's commitment to international students, and 4) a majority of student's have demonstrated high need.

We are meeting the need of all first years, this year, without unsubsidized loans. The median debt of our graduating seniors is \$27,000 and 55% of our students borrow. We are feeling good about our commitments for next year and running about 50 deposits ahead of last year. Our challenge now is our net revenue per student.

NEW BUSINESS: None

ANNOUNCEMENTS – None

ADJOURN - Meeting adjourned at 9:00am.

NEXT MEETING – Monday, April 18, 8:00am – 9:00am, TOH300

Recorded by: Anita Aase