

**St. Olaf College**  
**Budget Advisory Committee Minutes**  
**May 25, 2016 ~ 9:00am-10:00am**  
**Tomson Hall 200**

Members Present:

Cheri Floren	Jan Hanson	Michael Kyle
Steve Lindley	Greg Walter	Marci Sortor
Emma Lind	Steve Freedberg	Anthony Lott

Members Absent:

Mike Goodson	Diana Postelethwaite
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Others Present:

Angie Mathews	Anita Aase
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**CALL TO ORDER:** Meeting called to order by Hanson at 9:00 am. Quorum present.

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

**DISCUSSION AND ACTION ITEMS:**

All members were introduced. Hanson and Mathews indicated they were willing to meet with Freedberg and Lott to provide background on Budget Advisory Committee activities to date.

Topic 1: FY15/16 Current year budget-to-date update

Mathews reviewed FY15/16 budget to actual revenues and expenses. Benefit expenses are projected to be \$1.6M over budget. This is primarily due to significant increases in health insurance expenses. Gifts/Grants revenue is projected to exceed budget by \$2.2M. The unrestricted net income is expected to come in less than budgeted, which will decrease the amount available for quasi-endowment transfer at year-end. It was noted that many things could change still, depending on how revenues and expenses pan out in May.

Topic 2: FY16/17 Budget updates since the February board meeting

Mathews presented the FY16/17 preliminary budget that was approved by the Board of Regents at the May 2016 meeting. There are many moving parts and as information becomes available, items may change.

- a. Projected enrollment at our last meeting was 780, but we are now currently projecting 825. Melt has been slow.
- b. IOS projections will change and enrollment numbers for those programs are low.
- c. Negotiations continue with Pepsi vs Coke; the Pepsi proposal looks more favorable.

- d. Wage pool increase has been approved at 2% with an additional .5% available for promotions and mid-year adjustments.
- e. The financial impact of the FLSA exempt vs overtime mandate is estimated to be \$200,000. FLSA changes take effect December 1, 2016.
- f. The college will be staying with BCBS as its provider, who estimated cost increases at 4.7%. The preliminary budget reflected an increase in health expense, and the college should be able to remain within that budgeted amount. Additionally, the college remains compliant with ACA regulations.
- g. The college will be refinancing and paying off approximately \$9M debt while refinancing other debt. This will favorably impact the capital budget.
- h. Projecting \$4.0M in total unrestricted net change for FY16/17.

### Topic 3: Proposed budget process timeline

Mathews reviewed the FY2017/18 proposed budget timeline as it relates to the Board of Regents. How will the Budget Advisory Committee be affected by this timeline? We plan to meet in late September/early October, before department budgets are requested. We will meet again in late January to review the departmental budgets and how it flows to the overall budget prior to the February Board of Regents meeting. Kyle indicated that over the summer his team will look at the guaranteed cost plan model for tuition.

### Topic 4: Budget feedback from group members

- a. This will be an ongoing agenda item for all future meetings.
- b. There should be a Budget Advisory Committee panel available week one, at the beginning of the school year, allowing students and first years to discuss budgets and SGA allocations.
- c. As the gap between revenues and expenses continues to shrink, we're not sure how much more we can increase revenue. We need to look at cutting expenses. The Leadership to Legacy group, sponsored by HR, is charged with looking for alternate revenue generating ideas.
- d. Allocation of department budgets should be reviewed, since they likely haven't been adjusted over the years, while the number of majors, number of staff, and programs have changed, etc.
- e. The IPAT (individual professional account for travel) is great, however, we should review this process, how funds are allocated, and the assumptions used to make these allocations.

### Topic 4: Future business

Are we making good use of our time?

Prepare draft charter and determine membership term lengths

ANNOUNCEMENTS – None

ADJOURN - Meeting adjourned at 10:00am.

NEXT MEETING – tbd

Recorded by: Anita Aase