**St. Olaf College**

**Budget Advisory Committee Minutes**

**September 27, 2021 ~ 3:00 pm**

**Virtual Meeting**

Members Present:

|  |  |  |
| --- | --- | --- |
| Filip Dusek | Leslie Moore |  |
| Carly Eichhorst | Ryan Sheppard |  |
| Jan Hanson | Mary Trull |  |
| Alissa Jorgensen |  |  |

Members Absent:

|  |  |  |
| --- | --- | --- |
| Stacey Argabright | Michael Kyle |  |
| Seth Binder | Marci Sorter |  |

Staff & Others:

|  |  |  |
| --- | --- | --- |
| Angie Mathews |  |  |

**Call to Order:** Hanson called the meeting to order at 3:00 pm. Quorum present.

**Approval of Minutes:** Minutes from the 5/27/21 were not discussed. They will be approved at the next meeting.

**Discussion Items:**

1. No agenda – introductory meeting
	* 1. Discussed Schedule – removed quiet week meeting from proposed dates
		2. Discussed time of meeting – meeting will be held virtually and recorded for those unable to attend
		3. Discussed topics for upcoming meetings
			1. The operating and capital budget will be reviewed at an upcoming meeting
			2. The group discussed a possible refresher course on endowments
			3. Compensation philosophy
			4. Visioning Task Force Updates
			5. Enrollment/Financial Aid updates with Chris George and Michael Kyle, including comprehensive fee increase to be determined later in 2021
			6. Discussed that in the future, Committee input will be sought for items more advisory in nature, where the BAC can provide thoughts and advice into key budget issues
		4. The communication plan was discussed, with the following suggestions mentioned:
			1. Short informational videos may be a helpful way to capture people’s attention
			2. Finance staff could attend departmental meetings to discuss budgets to educate and engage the community on budgets. It was noted that budgets are a topic faculty are interested in and would likely prioritize in their meeting schedules.
			3. Incorporate budgets into the onboarding process or through OleNotes.
2. Mathews shared FY20-21 Final Operating Results
	* 1. Net Operating Revenue of $11M last year vs. a budgeted break even
			1. $6.7M is unrestricted operating (where we have discretion on how to use)

$3.1M was allocated to the capital budget (2.5% of unrestricted revenue goal) and $3.55M was allocated to quasi-endowment

Main reasons for the favorable variances = $2M of Institutional CARES funding was received to relieve COVID expenses; COVID testing/consulting/PPE expenses came in $2.1M less than budgeted (had budgeted $5M not really knowing what to expect); $2.3M of departmental savings from reduced travel and events (budget assumed travel/events would resume by Spring 2021, which did not happen).

* + - 1. $4.3M of the overall net income was restricted, where we must use the funds per donor/grant guidelines, and will use in a future year accordingly.
			2. FY20-21 results include $1.7M of unbudgeted wage contributions (2% base amount + $1,000-$1,500 per employee), as well as $1.6M of unbudgeted make-up VEBA and Retirement contributions.

This decision to make employees whole by providing the above amounts was made before year-end, before we knew how favorable the final numbers would come in (we don’t know how much departments will spend in the last month of the year, or how certain expenses will come in until late June).

After the final year-end results were in, the decision was made to give a higher wage increase of 3% (highest since 2014) in FY21-22 to compensate for not having a base increase in FY20-21.

1. Closing Thoughts/Announcements: The group checked in to see how everyone is doing.

**UPCOMING MEETINGS and PROPOSED TOPICS:**

* **October 11 ~ FY21-22 Proposed Final Budget (Mathews)**
* **November 8 ~ FY22-23 Budget Assumptions, Enrollment/Comprehensive Fee (Mathews/Kyle/George)**
* **November 22 ~ Future Forecasting: Board Visioning Task Force Recommendations (Kyle/Hanson)**
* **December 6 ~ Faculty Salaries + Compensation Philosophy (Moore/Hanson)**
* **December 20 ~ Endowment Refresher (Gelle)**
* **Next Spring - TBD**

**Meeting Adjourned** at 4:00 pm.

Recorded by: Angie Mathews