

MINUTES
Board of Trustees
Finance and Facilities Committee
July 21, 2023, 1:15 pm

MEMBERS PRESENT: Mike McCoy, Dr. Wanda Humphrey, Dr. Sandra Sims-deGraffenried, Russell Johnson, Jonathan Craft, Dr. Catherine Wehlburg, Kerry Warren, and Barbara Ferguson, reporting.

MEMBERS ABSENT: Senator Arthur Orr, Mac McCutcheon, Debbie McGee, and Kayla Kohanek-Tankersley

Mr. McCoy called the meeting to order at 1:16 pm. After roll call, the committee reviewed and accepted the minutes from May 19, 2023. With no old business to address, the committee moved to new business.

The first item of new business was the revised tuition and fee schedule to be approved by the board later at today's meeting. The schedule is being revised to reflect the addition of fees for the ACA Residence Hall. The newly constructed residence hall is expected to be ready for occupancy for the Spring 2024 semester. There was discussion about how much net revenue is expected from the dorms for Athens State. Mr. McCoy indicated that there are 66 rentable beds and 33 of those are allotted for Athens State students. If those 33 are not filled by Athens State students, they will be made available to Calhoun students. He is projecting revenue of \$230,000 and associated expenses of \$175,000 for a net revenue of approximately \$50,000. The committee recommended moving forward with this item for approval at today's board meeting.

The next item of new business was the proposed 2023-24 budget to be voted on by the board at today's meeting. Mr. McCoy reminded the board that the tuition and fee schedule approved in May authorized a 3.75% increase for both undergraduate and graduate tuition. He and Dr. Wehlburg discussed that the budget has been based on the previous year's actual credit hours and no increase in hours has been budgeted. They are certainly hopeful that an increase will be achieved, but felt that it was better to develop a conservative budget that can be met. Mr. McCoy also discussed that we received approximately a \$1.0M increase in our state appropriation. He indicated that the salaries and wages expense includes the following: a 2% COLA for approximately \$490,000, CUPA adjustments/promotions/step increases for approximately \$360,000, and \$1.1M in new positions and positions that were partial savings from the current year. The budget also includes a \$200,000 transfer to the plant/reserve fund. He indicated that reserves are holding around 5 months. He informed the committee that marketing expenses are budgeted for an increase of \$876,695 for a total of \$1,179,195. This additional expense comes from a savings from the previous year's budget for Archer expenses. Finally, he shared that scholarships will be funded with an additional \$230,800. The committee agreed to move the proposed budget forward for approval of the full board at today's meeting.

Next, Mr. Craft presented the financial summary for the quarter ended 6/30/2023. The report shows excess revenues over expenses of \$10,741,702. Mr. Craft discussed that the report shows an increase in investment income due to better market performance. The report also shows the increase in the state appropriation as well as tuition and fee revenue, due to the tuition increase and small increases in budgeted credit hours. He reminded the committee that some of the tuition revenue for the Fall 2023 semester has already been recognized at this point. Because the fall semester spans two fiscal years, part of the revenue will be deferred from FY2023 to FY2024.

Finally, Mr. McCoy provided updates on the following capital projects:

- New roofs at Chasteen Hall and the Center for Lifelong Learning – PSCA funded, contracts executed
- New elevator in Founders Hall – PSCA funded, contracts executed
- New chillers at Kares Library and Sandridge Student Center – PSCA funded, contracts executed
- Construction of new Maintenance building – PSCA funded, construction approximately 80% complete
- New windows in Powers Hall – University funded, waiting on contract execution
- Brown Hall renovation – Supplemental appropriation, waiting on bid
- Nazaretian House renovation – Supplemental appropriation, waiting on bid

With no further business, the meeting was adjourned at 2:06 p.m.