

MINUTES
Board of Trustees
Finance and Facilities Committee
July 15, 2022, 1:15 pm

MEMBERS PRESENT: Macke Mauldin, Senator Arthur Orr, Dr. Wanda Humphrey, Dr. Sandra Sims-deGraffenried, Kayla Kohanek-Tankersley, Jonathan Craft, Dr. Philip Way, Kerry Warren, and Penny Pitts, reporting.

MEMBERS ABSENT: Mike McCoy, Barbara Ferguson, Debbie McGee, Russell Johnson

Mr. Mauldin called the meeting to order at 1:15 pm. After roll call, the committee reviewed and accepted the minutes from May 20, 2022. With no old business to address, the committee moved to new business.

The first item of new business was the proposed 2023-23 budget to be voted on by the board at today's meeting. Mr. Craft discussed that Athens State received an increase in the state appropriation of approximately 18%, including special appropriations for the Alabama Center for the Arts and a new center for excellence. This increase, in addition to the recently approved tuition increase, results in increased revenues of approximately \$2.4M. He indicated that this proposed budget includes funding for a 6% COLA for employees making \$50,000 or less and 4% for those making more than \$50,000. He also informed the committee that this proposed budget includes funding for annual STEP increases, CUPA increases, and promotions. Salary savings from 14 eliminated positions total approximately \$1.13M. The budget also contains \$1.9M for transfers for debt service, auxiliary, and plant funds. He discussed that approximately \$1.0M has been dedicated for payments to Archer Education.

Mr. Craft briefly discussed the Restricted fund budget which includes student financial aid and grants and dedicated state funds for AMSTI, ASIM, TIM and In-Service Center. He also discussed the Auxiliary budget which includes the bookstore, food service, vending, the Printing & Publication department, the Center for Lifelong Learning, and student activity funds (from fees).

Mr. Craft discussed that the Plant fund serves as the reserve fund, or a "rainy day" fund as well as the fund for future capital projects. Dr. Way discussed that our reserves are currently at 5.17 months and that this is more than many universities. Dr. Way informed the committee that during the current year we have not needed to withdraw from reserves even though the current year budget reflected that we would. It is hoped that it will not be necessary to withdraw from reserves. The committee discussed that if it is necessary to dip into reserves that it will be critical to return those funds quickly due to various factors in the economy such as high inflation. The committee expressed interest in learning about how many months reserves other local universities maintain. 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 6/30/2022. The report shows excess revenues over expenses of \$6,769,155. Mr. Craft discussed that the report shows a transfer in of \$502,324 of HEERF (Covid) funds for lost revenue associated with the pandemic. Projections for the year ending on 09/30/2022 show an excess of approximately \$780,291 considering the budgeted transfer in from reserves. Without the budgeted \$1,186,076 transfer from reserves, the projection drops to a deficit of \$405,785.

With no further business, the meeting was adjourned at 1:58 p.m.