

YSU Budget Advisory Council
Meeting minutes – October 30, 2017
11:00 a.m. – Kilcawley Center, Cochran Room

Members in attendance: Dr. Jeffrey Coldren, Dr. Tomi Ovaska, Dr. Bruce Keillor, Amy Gordon, Eddie Howard, Lisa Mudryk, Dr. Ken Learman, Rayann Atway, Ted Roberts, Dr. Charles Howell, Elaine Jacobs, Dr. Jeff Tyus, Dr. Kevin Ball (for Dr. Abraham), Dr. Thomas Wakefield, Neal McNally.

Members absent: Len Schiavone, Dr. Martin Abraham, Ernie Barkett, Carly Devenburgh, Connie Augustine-Thompson.

Guests: Dr. Tod Porter, Chair and Professor, Department of Economics; and Dr. Sal Sanders, Dean, College of Graduate Studies.

- 1) The meeting convened at 11:02 a.m. The minutes from the 10/3/17 meeting, which had been distributed prior to today's meeting, were accepted as final without changes.
- 2) Dr. Tod Porter and Dr. Sal Sanders presented a revenue analysis related to graduate assistantships. (This discussion item had been proposed by Dr. Ken Learman at the October 3rd Council meeting.) Dr. Sanders noted that the number of assistantships for the 2017-18 academic year were reduced by 41. This likely contributed to the decline in graduate enrollments, which fell by 39 FTE or 103 students this fall semester. Therefore, the purpose of the revenue analysis is to estimate the effect of changing the number of assistantships on the University's net revenue.

The first point made is that students on assistantships generate revenue by paying fees and helping to maintain the subsidy YSU receives from the state of Ohio. The cost of stipends for teaching assistants are partially offset by reduced expenditures for part-time faculty. For illustration, Dr. Porter presented data showing the revenue from a student without an assistantship and a student with a teaching assistantship. Both students are assumed to be in-state residents pursuing a degree outside of STEM.

This analysis assumes that the teaching assistant replaced a part-time faculty member with a master's degree who taught 9 semester hours. The number is the amount the part-time faculty member would cost including fringe benefits (\$8,640) minus the TA stipend and fringe benefits (\$9,188).

Dr. Porter stated that the University obviously generates more revenue when the student is not receiving an assistantship. However, students who are not offered an assistantship may choose to not attend YSU, in which case the University would receive no revenue. Assuming that five assistantships of this type are eliminated, the University's net revenue would decline by approximately \$26,000 according to Dr.

Porter's analysis. Assuming a reduction in 40 assistantships, the net reduction in revenue could be roughly \$146,000. Depending on how reductions in assistantships affect enrollment, the University's revenue could rise or fall.

Dr. Porter noted a number of additional complicating factors involved with estimating how changes in the number of assistantships could impact revenue. These include:

- Approximately 10% of all graduate students pay out-of-state tuition. The estimated revenue for students not receiving assistantships was adjusted upward to reflect the additional tuition paid by out-of-state students.
- Students in STEM disciplines receive higher stipends; this was adjusted for in the final estimates. The estimates were calculated using the distribution of assistantship reductions implemented in fiscal year 2017.
- Students receiving graduate assistantships do not reduce part-time expenditures but they do contribute to the University in a variety of ways. It was assumed that the average annual value generated by a graduate assistant was equal to \$6,000, which represents 20 hours of work per week for 30 weeks at \$10 per hour.
- It was assumed that sufficient excess capacity existed so that marginal changes in enrollment would not result in changes in the number of sections offered, and therefore no changes in staffing costs.

The decline in graduate enrollment between fall 2016 and fall 2017 suggests that at least some students chose not to attend because of the reduction in assistantships, which would have at least partially offset any savings from the reduction. Neal McNally noted that assistantships are awarded as scholarships and, therefore, teaching cannot be a "condition of employment" for GAs. He asked how many GAs decided to opt out of teaching assignments but maintained their scholarships. Dr. Sanders said there have been some cases of this happening but relatively few.

Dr. Ovaska asked about the impact of splitting assistantships, as is being done in the Economics Department. Dr. Porter said that the practice of splitting is a compromise that was reached as a result of the reduction in the number assistantships, and that splitting should have a positive effect on net revenue. Dr. Learman noted that the analysis doesn't take into account other factors, such as enhanced research activities and greater indirect cost recoveries. Dean Howell noted that certain costs aren't included in this analysis; increasing the number of GAs in some cases could require hiring additional faculty, for example. Mr. McNally said that the estimate for state subsidy revenue is reasonable yet overly simplistic because the state funding formula is based on a 3-year rolling average of enrollments, as well as a variety of other factors; adding or reducing one graduate student FTE will not directly impact revenue by \$3,940 in a single year but could over time.

- 3) Neal McNally distributed YSU's draft tuition guarantee plan. If approved by the Chancellor of the ODHE and by the YSU Board of Trustees, the *Penguin Tuition Promise* would become effective for the 2018-19 academic year. The draft plan was developed collaboratively by another campus committee comprised of key stakeholders, and will be discussed at this week's Academic Senate meeting (on November 1st). In light of the state's prohibition against increases in undergraduate tuition and fees, a tuition guarantee plan is the only foreseeable way state universities can increase tuition revenues absent enrollment growth. Eddie Howard asked whether the tuition promise might be a source of funding support for club sports on campus, which have grown rapidly this year. Mr. McNally said that the internal allocation of revenues from the tuition promise has not been determined but that the Budget Advisory Council should have a role in recommending those types of allocations. He cautioned, however, that the tuition promise will not generate a windfall of new revenue since it represents an incremental tuition increase, one cohort class at a time.
- 4) The Council reviewed a draft template that could be used to solicit proposals to request strategic investment funding. The template contains sections that would require proposals to include a summary of the proposal, specifically how it aligns with the 2020 strategic plan; evidence of shared governance and stakeholder engagement; return on investment; funding amount requested, including whether the request is for single- vs. multi-year funding; space utilization and modification; personnel costs; and a description of any risks mitigated by the proposal. The Council discussed how best to manage campus expectations and control the volume of requests that might be submitted. Dr. Bruce Keillor suggested that having the approval or support of the appropriate dean or area division officer would help align proposals with goals and priorities at the departmental, college and divisional level. The Council, or a subcommittee thereof, would be responsible for reviewing proposals and for developing recommendations for funding. [As an advisory body, the Council's recommendations would be submitted to President Tressel for consideration and, depending on the nature of the proposal or recommended funding level, could require the approval of the Board of Trustees.]

Neal McNally said he would revise the template and e-mail an updated version to Council members for further input and discussion.

- 5) The meeting adjourned at 12:07 p.m.