

YSU Budget Advisory Council

Meeting minutes for February 27, 2017
10:00 a.m. – Kilcawley Center, Hynes Room

Members in attendance: Carole Weimer, Martin Abraham, Amy Gordon, Elaine Jacobs, Dr. Ken Learman, Carly Devenburgh, Lisa Mudryk, Dr. Jeffrey Coldren, Eddie Howard, Dr. Tomi Ovaska, Dr. Thomas Wakefield, Dr. Jeff Tyus, Neal McNally.

Members absent: Connie Augustine-Thompson, Len Schiavone, Gabriella Gessler, Dr. Charles Howell, Jacob Schriener-Briggs.

1. The meeting convened at approximately 10:05 a.m. Dr. Tomi Ovaska, Associate Professor of Economics, was welcomed as the newest member of the Council, filling the vacancy created by the departure of Dr. Ray Shaffer. The minutes from the 2/14/17 meeting, which had been distributed prior to today's meeting, were accepted as final without changes.
2. There was a brief follow-up discussion about the enrollment presentation that Gary Swegan made at the February 14th meeting. Neal McNally said that the enrollment levels upon which the University bases next year's operating budget will be one of the most important recommendations this Council will make. He also stated that based on the data Mr. Swegan's presented, he would be comfortable budgeting on the basis of a 2% overall increase in FTE student enrollments. Provost Abraham stated that it will be critical for budgeted enrollment levels to be as accurate as possible. And Elaine Jacobs suggested that a more conservative approach might be advisable. There was some discussion as to why a nearly 9% increase in admitted freshman translates into an increase of only 2% in overall enrollment. It was clarified that the 9% increase reflects freshman who have been admitted but not necessarily registered, and in fact many of those admitted students will not enroll at YSU. Overall enrollment is also impacted by retention of current students, and by the number of students expected to graduate this spring.

Carole Weimer stated that if an aggressive approach is taken regarding enrollment projections, then a contingency "plan B" should be developed in case enrollments don't meet budgeted targets. She also noted that some public universities in Pennsylvania are experiencing severe financial and operational problems, which could make YSU a more attractive option for students from Pennsylvania. It was

suggested that before the Council formulates a recommendation, Mr. Swegan should be invited back later in the semester to provide an update.

3. Neal McNally provided a verbal update on the Governor's state budget proposal for FYs 2018 and 2019. House Bill 49 is currently pending in the Ohio House of Representatives. The higher education section of H.B. 49 includes a number of items that will directly impact YSU, most notably prohibitions on raising tuition and fees, including other fees not previously capped, e.g., course fees, program fees, college fees, and transportation fees. Although H.B. 49 does not cap increases to graduate tuition, non-resident surcharges, and room and board rates, the parameters could change as the budget bill moves through the legislature.

The governor's budget proposal also calls for a 1% increase in the statewide appropriation for State Share of Instruction (SSI) funding. For reference, a 1% increase for YSU amounts to approximately \$420,000 in revenue. However, an increase to statewide funding levels does not automatically translate into an increase for each state university, as SSI funding will continue to be allocated through a complex formula that rewards campus performance for things like the number of successful course completions and degrees awarded, and is based in part on academic program costs and enrollment levels weighted by various risk categories.

H.B. 49 also includes language that would largely shift the burden of textbook costs from students to universities. While this language is somewhat unclear, it appears to allow universities to charge a \$300 per year fee to cover the cost of textbooks, but would require universities to cover any additional textbook costs above \$300/year. For some academic programs, the annual cost of textbooks can be as much as \$600 or more per semester. Based on information provided by YSU's bookstore operator, Barnes & Noble, the governor's proposal would cost YSU no less than \$2.5 million per year to cover the cost of textbooks. This would also create significant administrative costs for universities. The legislative intent of this proposal is to force universities to address the issue of textbook cost inflation. Jeff Coldren noted that the student behavior of selling back textbooks has contributed to the rise in textbook costs. Per H.B. 49, the textbook language would become effective fall 2018, giving universities a year to plan for implementation. All universities statewide are opposed to and actively lobbying against this proposal. Tomi Ovaska explained that universities in Finland handle textbooks by allowing students to borrow books. Dr. Ovaska said that this approach has worked well at controlling costs but doesn't allow for frequent updates to textbook editions. Martin Abraham noted that Barnes & Noble's *LoudCloud* platform should increase the number of textbooks available in

digital format, thereby helping to lower costs. Periodic updates will be provided to the Council as information about the state budget process becomes available between now and June 30th.

4. Martin Abraham made a PowerPoint presentation on the topic of departmental cost data that was generated from the Delaware Study, a national survey of university costs that YSU has participated in for the past two years. [This Presentation is posted on the Budget Advisory Council website.] This study enables participating universities to compare department-level costs with other peer institutions. The data indicates that some YSU departmental costs (per credit hour) are above average while others are below average or near the median. And although the data does not include the revenue associated with academic programs, it is nonetheless a useful budget tool, especially since tuition is the same across all disciplines. On the other hand, accounting for revenue generated by program, course and college fees would be helpful when making decisions as to whether to invest in academic programs. This is because, unlike tuition, program, course and college fees can vary widely among programs, thereby creating disparities in revenue per credit hour.

Some of the data presented suggests that some YSU's programs are more expensive than Kent State's. Dr. Abraham explained that this is probably because many Kent State students take courses at one of Kent's branch campuses, where costs are significantly lower.

Ken Learman suggested that the data be shared broadly and especially with departments. Allowing departments to know how their costs compare will foster better and more strategic decision making. Dr. Learman also noted that providing a prescriptive plan to students would enable them to know exactly which classes to take and would help them stay on track, which would ultimately reduce costs for students.

5. A Doodle survey will be sent out to schedule Council meetings for March. Future discussion items may include a review of preliminary budget projections, a discussion of workforce priorities, and an update on the print management program that began last year and which is intended to reduce costs by reducing the number of desktop printers on campus.
6. The meeting adjourned at approximately 11:05 a.m.