

YSU Budget Advisory Council

Meeting Minutes – July 17, 2017
10:00 a.m. – Kilcawley Center, Hines Room

Members in attendance: Dr. Tomi Ovaska, Eddie Howard, Dr. Jeffrey Coldren, Amy Gordon, Lisa Mudryk, Dr. Ken Learman, Dr. Jeff Tyus, Dr. Bruce Keillor, Neal McNally.

Members absent: Rayann Atway, Ernie Barkett, Dr. Martin Abraham, Carly Devenburgh, Elaine Jacobs, Len Schiavone, Connie Augustine-Thompson, Ted Roberts, Dr. Charles Howell, Dr. Thomas Wakefield.

1. The meeting convened at 10:00 a.m. The minutes from the 5/17/17 meeting, which had been distributed prior to today's meeting, were accepted as final without changes.
2. Neal McNally provided an update on the FY 2018 - FY 2019 biennial state budget bill, House Bill 49, which was recently signed by Governor Kasich. Because YSU's operating budget needed to be finalized in May, it was based on the version of H.B. 49 that had been passed by the House of Representatives earlier this year and which, among other things, prohibited state universities from raising undergraduate tuition over the next two years. Since then, the Ohio Senate passed its own version of H.B. 49, which would have allowed state universities to raise tuition by \$10 per credit hour in FY 2018. For YSU, \$10 per credit hour represents almost a 3% increase. However, the joint legislative conference committee removed the permissible tuition increase from the final version of H.B. 49. While there were no changes to State Share of Instruction funding, which is expected to remain flat over the next two years, the final version of the budget bill contains relatively modest requirements regarding textbook affordability, requiring that universities annually report to the Chancellor efforts to address textbook affordability. This is a significant departure from the governor's original proposal that would have effectively shifted the cost of textbooks from students to universities. The end result is partially attributable to heavy lobbying on behalf of higher education, as well as the realization among state policy-makers that the state of Ohio would lose significant tax revenue under the governor's proposal since state universities are tax-exempt and therefore wouldn't be subject to sales tax on textbook purchases.

As is usually the case, the most important variable affecting YSU's budget will be fall enrollment levels. YSU's FY 2018 operating budget is based on the assumption that fall 2017 enrollments will be 2% higher than last year. Mr. McNally handed out the

most recent fall enrollment report, produced by Gary Swegan, which shows that total registrations are 173 or 1.69% below last year's levels. However, there are three orientation dates scheduled before the start of fall semester, and it is anticipated that a clearer and hopefully better picture of enrollments will begin to emerge in August. Jeff Coldren asked what would happen if fall enrollments don't reach budgeted targets. Mr. McNally responded that this would be familiar territory for YSU because that has happened in the past. He said that while we may have relatively little control over our revenues, we have much greater control over the University's expenses and, therefore, we have the ability to manage a revenue shortfall by managing expenses appropriately.

3. Neal McNally described YSU's intent to implement a Tuition Guarantee program for fall of 2018. This program is outlined in the Ohio Revised Code and allows universities to raise undergraduate tuition by up to 6% for the incoming freshman class only. The tuition would then be frozen at this rate for this student cohort for four years. The tuition rate for subsequent cohorts would also be locked for four years but could be increased by the rate of inflation (in year 1 only). This will be an administratively complex endeavor because the Bursar's and Financial Aid offices will need to manage multiple and different fee structures. This will require much work over the next 12 months to ensure a smooth implementation at YSU. In order to implement such a program, the Board of Trustees and the Chancellor must approve each university's plan; and the Chancellor has indicated that he will view favorably plans that consolidate as many miscellaneous fees as possible. Currently, only Ohio University and Miami University have implemented a tuition guarantee plan, though Ohio State plans to implement this coming fall 2017.

4. Dr. Jeff Coldren described the "first-day ready" pilot program that originated in the YSU Psychology Department and which will take effect this fall semester using a course fee to purchase a code that allows students to have access to textbooks and course materials via Blackboard. Dr. Coldren said that the governor's original textbook proposal was a wakeup call for universities to begin taking steps to seriously address the issue of textbook affordability. There are several benefits to this Dr. Coldren's approach:
 - Promotes student success. Because 50-60% of students opt not to purchase textbooks, they are under-prepared and less likely to succeed academically. The first-day ready approach ensures that students will have the instructional materials necessary to succeed in the classroom.
 - Ensures compliance with the University's bookstore agreement with Barnes & Noble. The Bursar's office established a seamless process with Barnes & Noble to

facilitate this model, which discourages students and faculty from purchasing textbooks from sources other than the YSU B&N Bookstore.

- Significant and tangible cost savings for students. The price for course materials will be approximately \$90, representing a \$100 reduction in what students would have otherwise paid. This savings is made possible because this model assures that all students will purchase the book/materials, thereby allowing the publisher and the bookstore to reduce the price.
- A demonstrable effort on the part of YSU to address the issue of textbook affordability, as explicitly called for by the Governor's Task Force on Affordability & Efficiency in Higher Education. This pilot program will be a key piece of YSU's next efficiency report that must be submitted to the Ohio Department of Higher Education in October.

Dr. Coldren acknowledged the hard work of YSU's Bursar, Gloria Kobus, in helping to facilitate this pilot program, and said it will affect about 10 Psychology sections and between 800 and 900 students. As this is the first of its kind pilot program, it is anticipated that some issues may arise. For example, some students may dislike the fact that they cannot opt out of purchasing course materials. But as those issues are identified and addressed, this type of model could be expanded to other departments at YSU.

Ken Learman reported that the Physical Therapy Department was working on a somewhat similar model in which students would pay a \$300 fee in the fall semester but retain access to program materials for the entire year, reducing costs to students by \$700.

There was some related discussion about the merits of requiring YSU students to purchase a laptop computer or mobile device, just as some other universities have done, such as Ohio University. This would help students be more prepared academically, and reduce the need for computer labs on campus. However, this would be a financial burden for many YSU students and a significant departure from current practice, requiring careful consideration.

5. In terms of YSU's financial operating performance for the recently concluded FY 2017, Neal McNally said that it is still too soon to know for sure how YSU ended the year, since the Controller's office is still in the process of closing the month of June, and because a number of significant accounting entries are still in process, most notably the incurred but not reported healthcare claims. However, YSU's year-end financials would be a discussion item for the Council's next meeting that will be scheduled for sometime in August.
6. The meeting adjourned at 11:00 a.m.