**SENATE AGENDA ITEM III.C.1.**

**3 March 2020**

Budget Transparency Committee meeting

January 29, 2020, 11:30-1:30 p.m.

Members present: Gloria Delaney-Barmann, Duke Ousler, Betsy Perabo, Khaled Zbeeb (via Zoom)

Members not present: Ilon Lauer

Guest present: Letisha Trepac, Associate VP for Budget and Finance

1) **State actions and the state of our budget:** Letisha mentioned that we are waiting on the governor’s February budget address for more specific information, but noted that the IBHE has recommended a 5.9% increase for our budget, which would be $2.9 million for WIU[[1]](#footnote-1) - though the IBHE usually does not get as much as it wants. The hope is that we will be returned to at least FY15 levels. However, tuition revenue is likely to be down $3.5-4 million based on level new student enrollment in the fall, and with the expected shrinking of the student pool in 2025 and beyond, we need to plan for a decline.

 Gloria asked about the prospects for international student recruiting, as well as recruiting in Puerto Rico, where she has been working with schools that seem interested; she will coordinate with Mark Mossman on this.

 The BTC has asked about Letisha’s statement at the BOT meeting in December about the $8 million budget deficit, in contrast to President Abraham’s that we might break even. She clarified that the budget deficit she referred to is structural; our budgeted expenses are $8 million greater than our revenue. Dr. Abraham was discussing what we are actually spending. This constitutes a $15.5 million reduction – a 12.5% reduction in our combined income fund (mainly tuition) and state appropriations. The primary decrease in expenses is for personnel, and this includes positions that have gone unfilled but may be critical. We no longer have a reserve – in fact the “reserve” is currently negative, though this should be corrected this year.

2) **Scholarships:** Increases in spending this year include the $1.5 million in scholarship funding, due to the need to match the state’s new Aim High funding (that is, WIU had to match the Aim High funds with **new** scholarship funds). This will increase again, since we are increasing our scholarships substantially, most likely between $3 and $6 million. The exact amount will depend on how many students accepted offered scholarships, and the amount they are slated to receive, so it can vary widely. There may be some decreases in existing scholarships. Also, the Western Commitment grid has been widened, but the top tier scholarship has been lowered to $8000. (It was unclear whether this was a 4-year commitment.)

3) **Reorganization:** Administrative Services has been reorganized to take over insurance and HR; Facilities Management now reports directly to the president, and Public Safety to Student Services. Letisha’s office is now down from 3 people to just 1 (Letisha herself).

4) **Athletics:** At our request, Letisha sent us copies of the Athletics Budget before the meeting. We discussed the possibility of moving to Division II, and she said WIU did not have the large cash flow that would be needed to pay for this initially. There have been several task forces on this topic, which have been assembled and disassembled after staff changes; at this point the decision would be up to the president and the athletic director. The athletic program runs at a substantial deficit, and this cannot be made up by increasing student fees, which are already very large.

We also asked to compare the student fees towards athletics vs. talent grants to artists and other students; the athletics fee is something like ten times the other fee. If the justification is that all students benefit from an athletics program (being able to attend games, having school spirit, etc.), can’t an equally strong argument be made for the arts – and if so, why the huge disparity?

5) **Fees:** We had asked how the student fees were determined. Letisha reported that the administration reaches out to student government to present the trend of the fees and changes throughout the years, and then the SGA appoints a student committee to report back to the SGA leadership. Once the SGA approves any changes to fees it goes to the WIU leadership and then to the BOT. Recent changes include an increase to Facilities Enhancement (which is our legally obligated debt service, to fund buildings like the Multicultural Center; this year it was underwater because of the enrollment decline); decreased Courier publication fee (because some of this is now covered by appropriated funds). They are now discussing what the FY20 fees will be, and are considering changing the fee structure.

 There is a difference between a mandatory fee, which is for all students (not including extension) based on credit hours; and a charge, based on a course you take (these are at the discretion of the president). The distance learning charge, for example, was eliminated. The QC has separate fees; there Facilities Enhancement is not used to cover debt but can actually be used to enhance existing facilities.

Khaled asked whether as Budget Director, Letisha had the power to tell the president to change the athletics program, since there is a clear deficit; she said yes, but there were a lot of things to consider and weigh in on, and the continual turnover in leadership had made it difficult. In addition, there were advantages to the program she did not initially realize; for example, a Business Services analysis suggested the program has made some contributions to the income fund: $2.5 million in tuition, room and board, and fees (some athletes do not receive full scholarships); advertising and marketing that comes along with the program; the fact that some athletes help to bring in other students who are not athletes. Duke asked if she felt the decisions were being made with clear information, and she said yes, that this administration was being very proactive. He also expressed concerns that it is a disservice to keep alive athletic programs that cannot compete, due to our lack of funding. Letisha said this is being discussed with the president during a meeting on Monday.

6) **Advising and counseling expenditures.** In response to our question about decreased support for these areas, Letisha put in a request to Angela (Boniface, I think) who will get back to us. She did say that the admin has approved a couple of counseling positions recently. There has been discussion in Springfield about the need to maintain an appropriate ratio of counselors to students.

7) **TRIO grant efforts.** Gloria mentioned that she and Julia Albarracin had worked to try to pull together a grant proposal for TRIO to support first generation and minority students, as well as students with disabilities, but that the institutional data they needed was not available, and they could not get administrative support to require the AIMS staff to generate it in time. This would have been a $1.5 million grant to fund staff to support these students – not for Gloria and Julia’s time, but for other staff – and this is a grant that Carl Sandburg, Knox, and Spoon River have received. Proposals are only accepted once in five years, so this indicates the serious problems that result from a) not having an Enterprise system; b) not having an institutional grant writer who would be able to pull together these data. Letisha said she would raise this with the higher admin as well.

8) **Recruiters:** Gloria also asked about the money paid to recruiters/agents and whether we checked up on this; she will follow up on this as well.

9) **Materials on scholarships, admissions:** Letisha provided a copy of information on athletic scholarships and non-athletic scholarships, which was scanned and sent to BTC members; she is following up with the foundation on additional information about this and will provide it later. She also provided a copy of Doug Freed’s brief overview of spending on recruitment, also scanned and sent to BTC members.

10) **Future plans:** Duke asked if we have plans for what we’ll do if the progressive tax passes; Letisha said the state has such a huge deficit with the pensions that this may not affect us much. Currently Illinois is in such bad shape it may be impossible to refinance bonds at a time when it would be favorable.

11) **Performing Arts Center:** The state is releasing 10% of the PAC budget and there’s some hope that groundbreaking #3 (or 4?) may be the real one.

1. These numbers need to be confirmed; I’ve sent these to Letisha Trepac for her review and she will be able to confirm them and make any other needed changes. [↑](#footnote-ref-1)