



Meeting of the Winthrop University Board of Trustees Committee on Finance

Thursday, June 27, 2019 | 1:00 p.m. – 3:00 p.m.
Thompson Conference Room | Winthrop University

Committee Members Present: Randy Imler, Chair; Kathy Bigham, Donna Holly, Ed Driggers, Michael Lipscomb, Glenn McCall, Robby Sisco, Tim Sease and Isaiah Venning

Representative(s) Present: Ms. Lydia M. Johnson (Staff Assembly Representative)
Dr. Michael Lipscomb (Faculty Representative)

Others Present: Dr. Adolphus Belk (Faculty Representative), Mr. Jeff Bellantoni (Dean of the College of Visual and Performing Arts), Ms. Debra Boyd (Provost and Executive Vice President for Academic Affairs), Mr. Patrice Bruneau (Assistant Vice President for Computing and Information Technology), Ms. Lisa Cowart (Vice President for Human Resources, Employee Diversity, and Wellness), Mr. Jack DeRochi (Dean of Graduate School), Ms. Robin Embry (Executive Director of the Winthrop Foundation), Dr. Mark Herring (Dean of Library Services), Ms. Tracy Hildreth (Controller), Ms. Karen Jones (Vice Provost for Administration, Accreditation & Accountability), Ms. Malayka Klimchak (Associate Professor for Management and Marketing), Ms. Judy Longshaw (News and Media Services Manager for University Communications and Marketing), Ms. Amanda Maghsoud (Associate Vice President for Finance and Business), Dr. Adrienne McCormick (Provost and Executive Vice President for Academic Affairs), Mr. Neal Miller (Director of University Events), Ms. Linda O'Connor (Staff Assembly Representative), Mr. Justin T. Oates (Vice President for Finance and Business Affairs/CFO), Ms. Caroline Overcash (Internal Auditor), Dr. P.N. Saksena (Dean of the College of Business Administration), Mr. Craig Sauvigne (Information Security Analyst for Internal Auditor), (Ms. Takita Sumter (Vice Provost for Faculty Affairs).

1. Call to Order and Approval of Minutes for April 11, 2019 and June 11, 2019

Dr. Randy Imler called the meeting to order at 2:02 p.m. He welcomed all present.

Mr. Robby Cisco moved to accept the April 11, 2019 and Mr. Isaiah Venning seconded the motion. The minutes were unanimously approved.

Mr. Robby Cisco moved to accept the June 11, 2019 minutes with one noted change by Ms. Kathy Bigham to add her name to the Committee member's names that were present on the conference call for this meeting, and Mr. Isaiah Venning seconded the motion. The minutes were unanimously approved.

2. Update on FY2018-2019 Audit Process

Mr. Justin Oates reported that Mr. Ben Kochenower from the External Audit Firm was unable to attend the Board of Trustees Committee on Finance meeting. Dr. Imler stated that



any concerns or recommendations should be submitted to Dr. Kimberly Faust, Secretary to the Board of Trustees and Chief of Staff.

3. Review of the 2018-2019 Preliminary Year-to-Date Actuals

Mr. Oates reviewed the FY2019 Year-to-Date Financial Update PowerPoint slide (page 4) with the Committee. He stated that \$125M was the original budget at the beginning of the year and noted that enrollment had declined so the modified approved budget was \$122M in revenue and expenses (excluding the \$1M support from the Board of Trustees in Net Position). Mr. Oates reported anticipated revenues of \$119M and expenses of \$118M, which includes encumbrances. He mentioned that only \$.5M of the \$1M that the Board of Trustees allotted was likely to be needed. Mr. Oates reported \$383K more in anticipated savings.

Mr. Oates reviewed the FY2019 Scholarship Update PowerPoint slide (page 5) with the Committee. He referenced the E&G funds format budget of \$13.5M in scholarships and revealed that institutionally Winthrop provides \$21.2M in scholarships using all-funds. Dr. Imler asked if the total under the proviso limitation of 4% had increased 0.7%. Ms. Amanda Maghsoud reported that 4% of the headcount times the full-time rate per student equaled the 4% limit.

Mr. Oates reviewed the FY2019 Net Position Forecast PowerPoint slide (page 6) with the Committee. He noted that FY2018 net position ended at \$20.2M and the Board of Trustees had approved \$1M usage of Net Position for operations but only \$0.5M usage is a conservative estimate. Mr. Oates reported a projection of \$1.4M decrease in the Other Revenue Funds that were not included in the Board of Trustees discussions. The \$1.4M is driven by the funding gap in the Athletic Scholarships. Dr. Imler stated that Student Life, Athletics, and Finance needed to drill down deeper and consult Mr. Ken Halpin and Dr. Daniel Mahony about the structural gap that is driving those deficits and recommended plan to eliminate those structural deficits. Mr. Oates mentioned that last year Athletics went over \$.5M in Student Activities, but they were not allowed to go negative in FY19 which caused those expenses to be covered with Other Revenue funding.

Ms. Bigham discussed concerns regarding the cost of coliseum maintenance (roof leakage and sound system) and other structural issues with the Committee. Mr. Oates stated that as event revenues increased the revenues would support the coliseum maintenance issues. He also stated the roof is expected to be replaced in FY20 using State Allocations. A discussion regarding the \$18M projection in Unrestricted Net Position and the reduction of unrestricted Net Position beyond the April projection ensued by the Committee. Mr. Oates requested that if the University budget comes in better than \$18M at the end of FY2019 that administration be allowed to use the difference to support capital projects. Dr. Imler stated that \$18M should be used as the floor and the internal limitations are up to \$200K, which would hopefully support critical student facing improvements to be made.



4. Review of 2019-2020 Budget and Student Fee

Mr. Oates reviewed the FY2020 Operating Budget Planning PowerPoint slide with the Committee. He expounded on the components that make up the annual operation budget Education and General, Student Activity, Auxiliary, Other Revenue and Vending. He examined the FY2020 Operating Budget Planning Prior Reporting Version with No Fee Increase, the FY2020 Operating Budget Planning Preliminary Budget Data in the All-Funds Format, and the FY2020 Incremental Changes PowerPoint slides.

Mr. Oates reviewed the FY2020 Balanced Budget PowerPoint slide and noted that based on the estimated revenue and expense changes compared to the FY2019 Forecast, Divisional Operating Budgets will need to be reduced \$2.5M. He mentioned that the Division of Finance is prepared to meet with each Division to leverage their budget request in building a balanced budget.

Mr. Oates requested approval to transfer \$20 from the Academic Fee to the Debt Fee. He revealed that in FY2019, the Debt Service fee barely covered the Debt payments. This would ensure that debt payments are covered without going up on fees. Mr. Robby Cisco made a motion that there be a recommendation to the full Board to transfer \$20 from the Academic Fee to the Debt Fee for FY2020 and Mr. Isaiah Venning seconded. It was unanimously approved.

The Committee discussed FY2020 Undergraduate Tuition. After a discussion, Mr. Isaiah Venning made a motion that there be a recommendation to the full Board for a .5% increase in undergraduate tuition and Mr. Robby Sisco seconded. It was unanimously approved.

The Committee discussed FY2020 Undergraduate Room and Board Fees. After a discussion, Mr. Isaiah Venning made a motion that there be a recommendation to the full Board for a 2% increase for housing and 3% increase for board fees and Mr. Robby Cisco seconded. It was unanimously approved.

The Committee discussed FY2020 Graduate Tuition and Fees. After a discussion, Ms. Kathy Bigham made a motion that there be a recommendation to the full Board for a 1% increase in graduate Tuition and a decrease in Graduate online Master of Business Administration \$200.00 per credit hour program tuition and Mr. Isaiah Venning seconded. It was unanimously approved.

5. Review and Discuss 2020-2021 State Budget Request

Mr. Robby Sisco made a motion to create a continuing resolution to approve the pre-existing appropriations at the same levels as fiscal year 2019 until August 19, 2019, or until the Board of Trustees approves the FY2020 budget for the University, whichever comes first and Mr. Isaiah Venning seconded. It was unanimously approved.



6. **Executive Session pursuant to S.C. Code Ann. §30-4-70, (2) discussion of negotiations incident to proposed contractual arrangements**

The Committee on Finance did not adjourn into Executive Session.

7. **Old Business**

The Committee on Finance had no old business to discuss.

8. **New Business**

The Committee on Finance had no new business to discuss.

9. **Adjournment**

Dr. Imler adjourned the meeting at 3:01 p.m.

Lydia M. Johnson, Recording Secretary

Dr. Randy Imler, Committee Chair