

FACULTY SALARY AND BUDGET COMMITTEE

DECEMBER 2, 2016

PRESENT: Marty Abramson, Neal Buckwalter, Larry Burns, Gregg Dimkoff, Kathy Gulembo (ex-officio), Robert Hollister (Chair), Lori Houghton-Rahrig, Zack Kurmas, Nancy Mack, Paul Murphy, Julia Mason, Len O'Kelly, Jon Rose, Ashley Rosener, Paul Stephenson, Rachel Travis, Mike Yuhas.

1. The meeting was called to order at 12:00pm and the Agenda was approved.
2. The Minutes of November 18, 2016 were reviewed and approved.
3. The committee reviewed the Resource Analysis Memo a final time before sending.
4. The committee reviewed and approved the progress report to ECS.
5. Scott Richardson (Vice President for Finance and Administration) and Jeff Musser (Assistant Vice President for University Budgets) led a discussion on the University's Budget. In most ways the situation is the same as previous years which can be summarized as the following: State funding for GVSU is low, GVSU tuition is below average, the two previous points forces the University to run very efficiently, the University is in need of additional facilities to run optimally, and most importantly the University continues to outperform our peers on nearly every performance metric.

The University appropriations per student remain well below the mean; however, GVSU is no longer the lowest (Oakland now is). The primary reason for our lower than average funding is because enrollment has increased; in fact, State appropriations have increased but not in proportion to enrollment. The net result is only 18.2% of the budget comes from State appropriations. GVSU tuition remains below average; however, most Michigan Public Universities have similar tuition (within \$500 of the mean). The general fund at GVSU has outpaced inflation since approximately 2009 (prior to 2009 the general fund was approximately the same or less than inflation for the preceding decade). The number of tenure-track faculty positions has increased nearly every year for the past decade; however, the ratio of students to faculty has not changed over the past 4 years. The budget item that has changed the most over the past decade is Financial Aid, despite the increases GVSU remains among the lowest in Michigan. Faculty compensation represents 36% of the budget. Salaries and benefits have increased in recent years. Over the past decade increases in benefits have outpaced increases in salaries, but over the past 4 years that trend has diminished and benefits per faculty have remained more or less stable. University facilities have increased in recent years but we remain well below the average in square feet per student. As we increase space, costs go up, especially as we increase space for higher cost programs; therefore, the University must struggle with the need to grow while continuing to be efficient. Student performance metrics (measured as ATC scores, enrollment, graduation rate, degrees granted, retention rates, and student loan default rate) remain strong. The University has significant funds set aside for future planning, the largest of these are for new facilities.

The following is follow up information to questions raised during the meeting. Approximately 48% of students receive some form of financial aid (from the general fund). Approximately 9% of scholarships come from Endowments. Over the past 5 years the proportion of money allocated to the main budget categories have remained essentially the same; all categories were within a single percentage point except faculty salaries which decreased by 2% and contingency funds increased by 2%.

6. The meeting adjourned at 1:30pm.