

Strategic Planning and Budget Study Committee

Minutes of the Meeting of January 16, 2013

Raburn Conference Room

The Strategic Planning and Budget Study Committee (SPBS) met on January 16, 2013 in the Raburn Conference Room. The following members were present: Mr. Ben Baker, Ms. Peggy Hoekenga, Dr. Bill Huddleston, Dr. Andrew Luna, Dr. Chris Maynard, Ms. Melissa Medlin (proxy for Mr. David Shields), Dr. David Muse, Dr. Steve Smith, Dr. Brian Thompson, Dr. John Thornell, Ms. Rebecca Walker, and Ms. Debbie Williams (proxy for Mr. Mark Linder). Dr. Thomas Calhoun, committee chair, presided and a quorum was present. Ms. Donna Tipps and Ms. Molly Vaughan were also present.

Call to Order

Chair Calhoun called the meeting to order at approximately 3:30 p.m.

Approval of Agenda

The agenda was approved with the addition of Item e) policy for linking budget requests to annual reports.

Approval of Minutes

Dr. Maynard made a motion to approve the minutes from the November 14, 2012 meeting. Dr. Huddleston seconded and the motion carried.

Old Business

- a. Strategic Plan Process – In Mr. Shields' absence, Ms. Medlin reported that the Strategic Planning Committee held its first meeting on January 7 and discussed the method for developing a strategic plan for the next five years and how to include the entire campus in the process.

New Business

- a. Revision of the administrative assistant position in the honors program to become an assistant director position (Thornell/Calhoun) – The conversion of this position will cost about \$20,000. After discussion of whether this position should be a coordinator position to maintain consistency with other departmental structures, Mr. Baker made a motion to designate the \$20,000 for the position. Dr. Thompson seconded and the motion carried. Dr. Brewton will be asked to clarify the title and rationale to this committee for informational purposes. This position will be posted this semester.
- b. Request for a new academic advisor position for the University Success Center (formerly CAARS) (Thornell/Calhoun) – This position will replace the one vacated by Laura Hardin, who has returned to the classroom. Since her salary line was continuously paid by the Communications Department, new money will be needed for the advisor position. This

APPROVED at the February 13, 2013 meeting position will lead the advising efforts in the University Success Center and a search needs to be conducted this semester. Dr. Maynard made a motion to approve the request. Dr. Muse seconded and the motion carried.

- c. Establishment of an Office of Graduate Admissions (Thornell/Calhoun) – Russ Darracott is the graduate admissions counselor in the Office of Admissions. This position will be moved from Admissions and will be supervised by Dr. Donna Lefort, who currently serves as the UNA coordinator for graduate studies at the state level. He will make the physical move to Stevens Hall when office space becomes available.
- d. Support for Graduate Assistantships (Thornell) – Dr. Huddleston made a motion to approve the request for six graduate assistantships in Public History, to be phased in over the course of three years (two assistantships added each year). The cost will be approximately \$30,000 the first year, with an additional \$30,000 in each of the two subsequent years. Ms. Walker seconded and the motion carried.
- e. Policy for linking budget requests to annual reports (Thornell) – A motion was made by Dr. Huddleston and seconded by Dr. Thompson to set August 1, 2013 as the date on which budget requests submitted to this committee will be required to be linked to annual reports. The motion carried. Dr. Luna will communicate this date to campus.

Announcements

- a. **Next Meeting – February 13, 2013, 3:30 p.m., Raburn Conference Room**

Adjournment

The meeting adjourned at approximately 4:30 p.m.

Attachment 1

Strategic Planning and Budget Study Committee

A. Membership

1. ~~Five (5)~~ Vice Presidents
2. One (1) member of the Council of Academic Deans, recommended to the Shared Governance Executive Committee by the Council of Academic Deans
3. Five (5) faculty members, recommended to the Shared Governance Executive Committee by the Faculty Senate
4. The Athletic Director and three (3) staff members, recommended to the Shared Governance Executive Committee by the Staff Senate
5. One (1) representative from the Student Government Association appointed by the Student Government Association President
6. The Director of the Office of Institutional Research, Planning, and Assessment will have non-voting membership.

B. Charge

1. To participate in all aspects of strategic planning, including:
 - Reviewing procedures for University strategic planning;
 - Relating the strategic planning process to annual reports; and
 - Reviewing progress and recommending updates to the University's Strategic Plan annually.
2. To conduct systematic reviews of expenditure needs and revenue needs including:
 - Reviewing and prioritizing recommendations from all areas of the University concerning financial resource needs, based on the University's Strategic Plan;
 - Reviewing links between budget requests and departmental annual reports;
 - Reviewing results reported by the Institutional Effectiveness Committee to support assessment, evaluation, and improvement;
 - Reviewing prioritized recommendations from the Infrastructure Development Committee to monitor conformity with the University's Strategic Plan; and
 - Conducting systematic reviews of actual and planned expenditures.
3. To communicate its deliberations and findings to the President, and after discussion with the President, to the University community.

C. This committee reports to the President through the Vice President for Academic Affairs and Provost.

Attachment 2

Scholarship Strategy
University of North Alabama
Fall 2012

Reductions in state funding on a recurring basis and the likelihood that those funds won't return, prompt universities like UNA to study more closely every aspect of its operations. The needs of the institution tend to outpace the resources coming in so every investment and expenditure has to be investigated. Among those in need of particular attention is the scholarship budget of the University. This area represents a significant portion of the University and Foundation budgets. Also it has direct influence on all dimensions of enrollment so it is crucial that it be efficiently managed to maximize investment.

Scholarship awards at UNA serve multiple purposes. They are used: as an incentive to attract excellent students to attend UNA and to retain them once they are enrolled; to recruit and retain students gifted with special skills such as athletics and band; to reward students for services and leadership on behalf of the University; to honor the wishes of donors who designate special criteria and conditions for scholarship awards; and to augment certain elements of the institutional mission such as diversity through targeted scholarship awards.

Given the various purposes associated with scholarships, it becomes a challenge to prioritize which are the most crucial to the University. Yet during the difficult economic times facing UNA, such assessments are necessary. UNA currently spends about \$4,600,000 on scholarships during a given year, excluding athletic scholarships. Aside from personnel costs this is the single largest expenditure made by the University. The scholarship budget has increased exponentially in recent years as the institution has attempted to be responsive to tuition increases and also remain competitive with peer schools. However, all stakeholders now realize that UNA must develop a strategic plan for addressing scholarship expenditures. The current ad hoc approach is not sustainable. The Strategic Planning and Budget Study Committee (SPBSC) has requested that such a plan be developed so it will have some guidance in making judgments about budget requests for scholarship increases.

Proposed herein is a twofold approach to scholarships. First, there must be a containment strategy that controls the growth of the scholarship budget. This strategy would include administrative controls, transparent policies and procedures, and ongoing assessment of enrollment management strategies. Second, there must be a philosophical shift in scholarship strategy that puts greater emphasis on allocation of funds that augment enrollment growth. There must be greater attention given to the role that scholarships play in impacting enrollment, thus providing a positive return on investment (ROI). Given current economic conditions, UNA cannot afford financially, to make a significant number of awards to students for whom there is little or no return on the investment. For example, students with an ACT of 29 or better receive an annual renewable scholarship of \$8,000, the full cost of schooling. Although they are strong additions to the academic quality of the institution, their ROI is basically zero. In contrast students with an ACT of 27 taking 15 hours per semester receive \$4,000 yet pay approximately \$8,148 in tuition and fees, a differential of \$4,148 annually. It makes sense financially to assign much of the discretionary scholarship dollars to the 27 ACT students. The \$4,148 differential per student for 100 awards would translate to \$414,800 per annum. Applying this same strategy across multiple scholarship levels and types would save the University significant money. This makes funds available for the University to address multiple needs, but also positions it to not be so dependent on tuition increases each year.

The implementation of this strategy entails two levels. The first level addresses the issue organizationally. Toward that end the current ad hoc scholarship committee will be moved under shared governance and populated with a mixture of administration, faculty, staff, and students who are not direct users of scholarship budgets. The scholarship committee will serve under the auspices of the SPBSC to ensure the proper linkage between scholarship budgets and institutional needs and priorities. Moreover, a current senior administrator currently on staff with the appropriate experience will be given responsibility for supervising enrollment management, including scholarships. This individual will sit on Executive Council and be a member of the Scholarship Committee. Also the Office of Institutional Research, Planning, and Assessment (OIRPA) will take on additional responsibility for assessment of all elements of enrollment management, including scholarship activity, and partner with the Office of Financial Assistance to maintain an active data base that tracks metrics such as retention and ROI on an ongoing basis for scholarship awardees, both new and current and both for the university and the Foundation. The second level entails a philosophical approach in scholarship awards and proposed increases in funding that gives attention to the benefits, both in terms of budget and service, to the University. In operational terms, this means that requests for scholarship funds will be reviewed by the scholarship committee and subsequently by the SPBSC in the context of return on the investment for UNA. This investment does not have to be purely financial. It can also be service to the University that contributes to institutional mission.

The following are examples that amplify an understanding of the way in which scholarships can be perceived as an investment as opposed to cost.

Fixed dollar academic scholarships (ACT scores from 26-28) tend to be a good investment because the student is sharing the cost of schooling. Assuming the initial scholarship offer recruits a student to UNA; he/she gets financial assistance but also adds tuition and fees to the budget of UNA. Moreover, the award remains with the student for four years so they continue to contribute to UNA throughout their time as a student. In contrast, full tuition scholarship students do not share the cost of schooling. From a financial perspective, they contribute little to the UNA budget and that remains in place as long as they maintain eligibility for their scholarship. These students bring high academic quality to the classroom but do so at a high cost to the University. The variance in academic performance of a 27 ACT versus a 31 ACT is negligible. Accordingly it makes financial sense to concentrate resources in the fixed dollar scholarship and maintain a small number of full tuition scholarships. Proposals for increases in funding and any reallocation of existing scholarship dollars would reflect this approach.

Another example would be leadership scholarships. These scholarships are used to recruit students with excellent records of extracurricular activity and moderate to good academic records in high school. Data indicates that these students show good graduation persistence rates and tend to be active in university life. Yet they receive minimal financial support so they contribute significantly to the cost of their schooling. Given their retention rates and financial contribution these students represent a good scholarship investment.

We also award scholarship to students to participate in a variety of university service functions. These include such areas as the band and choral groups, athletics, and service to the school newspaper and yearbook. Many of these students invest enormous hours in support of their scholarship. In short they give back on behalf of UNA in time and effort for activities that are closely aligned with out institutional mission. In most cases they also pay a significant portion of the cost of their schooling. For example, the average band scholarship is \$1,528, yet the annual cost of schooling in terms of tuition and fees for a fulltime student taking 15 hours per semester is \$8,148. The band has 220 members so its financial value to the budget of UNA is approximately \$1,482,000. Concurrent with that financial contribution is their participation in athletic events, concerts, parades, and festivals, all of which help serve as the public face

APPROVED at the February 13, 2013 meeting for UNA. The same extends to other scholarships where students give back so the return on investment is significant and needs to be accounted for when requests are made.

These examples reflect a philosophy of scholarships that perceives them as an investment to not only recruit students to UNA but also contribute in concrete ways to mission and goals once they are here. There is little dispute that having a student with an ACT of 29 or better (for this year) attend UNA is a positive. However, the current scholarship approach does not have a limit on the number of such awards. The more awards made at this level, the fewer dollars that are available for other scholarships. The financial pie does not get bigger so judgments must be made about where to allocate scholarship dollars. This proposal recommends return on investment serve as a major driver of those decisions.

In summary, two levels of change are advocated. First, UNA needs to address the importance of scholarships in a structural manner by putting in place a committee structure and senior leadership to ensure sound decision-making that serves the best interest of UNA. Second, UNA needs to have internal agreement within those decision-making structures that scholarship funding must have a value-added component indicating how awards directly contribute to the financial wellbeing of the university and/or elements of the mission of the institution deemed important as reflected in the University Strategic Plan.

John Thornell
Ben Baker
Thomas Calhoun

November 2012