

ST. JOHNS RIVER STATE COLLEGE
DISTRICT BOARD OF TRUSTEES
Palatka, Florida

Budget Workshop
May 21, 2014

MEMBERS PRESENT:

Ms. Denise M. Bramlitt, Putnam County, Chairperson
Mr. Ronald Coleman, Clay County, Vice-Chairperson
Mr. Wendell Davis, Clay County
Col. Mickey Duren, St. Johns County
Mr. Brian Keith, Putnam County
Ms. Marlene Lagassé, Putnam County

MEMBERS ABSENT:

Ms. Mary Ellen Hancock, St. Johns County

OTHERS PRESENT:

Joe H. Pickens, J.D., Executive Secretary

The Budget Workshop was held at the Thrasher-Horne Conference Center in Suites C & D at the Orange Park Campus and began at 2:30 p.m.

Chairperson Bramlitt opened the workshop and recognized Al Little, Vice President for Finance and Administration/CFO.

V.P. Little presented workshop materials to the Board and explained the College's budget process. VP Little described that the process aligns the budget with the College's mission and goals and involves staff at all levels and departments over several months of discussion and review. President Pickens indicated the College's funding is dependent on a number of variables, the tuition point and enrollment, as well as legislative appropriation.

V.P. Little then reviewed cost increases that the College faces each year to include increases in health insurance, retirement contributions, utilities, property insurance, and software maintenance costs to name a few. President Pickens then shared that the College explores on a regular basis cost-savings opportunities rather than accept increases as a cost of doing business. Trustees questioned whether the College was expecting additional funding for capital projects and V.P. Little shared the capital project identified in the General Appropriations Act. Trustee Bramlitt questioned what the College would do if we were not to receive capital project funding. V.P. Little suggested the College would reevaluate and would most likely move funding to cover expenditures for that project. President Pickens indicated that the receipt of capital funds also allows the College to use resources to address other capital issues on other campuses. Trustee Duren noted that the more we delay addressing critical needs eventually the College will be forced to catch up at a cost or risk falling further behind.

V.P. Little shared with the Board a comparison of salary increases compared to

increases in the Consumer Price Index and showed that recurring salaries have not kept pace with inflation and other increased costs for employees. Trustee Duren noted that even with an increase staff actually took home less money than the year before.

VP Little indicated that the College has, for the past 5 years or so, maintained operating costs at a constant level and even reduced operating costs, however, the need has arisen to pursue additional funds to cover critical needs such as lab expenses, industry accreditation, and facilities maintenance.

V.P. Little then shared that after reducing budgets and looking at critical need costs there is an 1.5% increase over 2013-14. V.P. noted the College overall received a .8% increase in recurring funds. V.P. Little then discussed student fee changes and enrollment projections as they relate to College funding.

V.P. Little then discussed the College's need to raise tuition and the legislative approval two years that allowed colleges to increase tuition up to 5% that the College chose not to do. The College again opted not to increase tuition last year as well. Trustee Lagassé asked V.P. Little the number of FCS institutions that raised tuition and V.P. Little responded that some colleges did raise tuition up to the 5% limit and some didn't and SJR State was around the middle or just below. President Pickens noted challenges in the state appropriations regarding compression the Community College Program Fund and how money has been distributed through compression. Trustee Davis discussed how the tuition increase would affect students in terms of cost-per-credit hour. Trustee Bramlitt asked V.P. Little to discuss what the College can expect with respect to dual enrollment funding. President Pickens discussed last year's dual enrollment funding as well as legislative changes to dual enrollment funding that will take effect next fiscal year. Trustee Duren discussed the increased tuition and asked whether the increase would still allow the College to meet the Governor's \$10,000 degree initiative. President Pickens and V.P. Little confirmed that the College has plans in place to meet the initiative.

Trustee Bramlitt suggested considering a lower tuition increase and reexamination of salary recommendations to see how critical needs might be met.

V.P. Little discussed the College has a total increase of just over 1.1% and that the College remains in a solid fiscal position.

Chairperson Bramlitt adjourned the Budget Workshop at 3:30 p.m. so that the Regular Board Meeting could convene.

The Board reconvened the Budget Workshop at 4:50 p.m. to continue discussions.

V.P. Little and President Pickens discussed merit increases and how the decision was made to award increases. Trustee Davis asked for clarification on the employees who might receive a merit increase, those who might receive a salary increase, and those who might receive the one-time non-recurring award. Trustee Keith asked how the tuition increase impacted the suggested budget allocation for staff salaries with increases. President Pickens and V.P. Little discussed the tuition increase and its impact on personnel costs.

President Pickens also noted that the College is not proposing any increase to the Capital Improvement Fee even though there is need since the critical need exists in operating costs. State capital outlay funding also allows the College to forego increasing Capital Improvement Fees.

Trustee Davis asked what percentage of employees receiving increases are instructional employees to which V.P. Little indicated just over half of employees receiving increases are instructional.

Trustees Duren and Bramlitt discussed the tuition increase noting that if the College sought the full 5% increase the College would only be exercising authority and catching up to what could have been raised two years ago. President Pickens also noted there will be a recommendation to not increase the Capital Improvement Fee this year.

Trustee Bramlitt questioned why the College reduced course fees to which VP Lebesch replied that course fees have to be directly related to actual costs incurred in those courses. As costs go down the fees must be reduced as well.

President Pickens stated that he and Al Little are available for any questions and another workshop can be scheduled on June 4th if the Board desires to do so.

President Pickens stated that V.P. Little will categorize in a chart what the 5% tuition increase would cover by project, estimate the total requested salary increases by each project, show how much is allocated for new positions, and take into account costs which are increasing. He also explained that if the Board approves the full proposal, employees will still make less the following year because of the non-recurring bonus.

The Board decided to schedule another Budget Workshop to continue discussion on all of the factors involved. It will be held on Wednesday, June 4th, beginning at 3:30 p.m. and will be held at the Palatka Campus.

Chairperson Bramlitt adjourned the Budget Workshop at 5:40 p.m.