

MINUTES OF THE MEETING
of the
FINANCE COMMITTEE
May 15, 1968

The Finance Committee convened at Kellogg Center at 7:00 p.m.

The following members were present: Messrs. Harlan, Hartman, Merriman, Nisbet, Smith, Stevens, Thompson, and White; President Hannah and Secretary Breslin.

Absent: No one.

Discussion
1968-69 Budget

1. At the last Trustees meeting the Board authorized a tentative budget. The House Ways and Means Committee has increased the appropriation for Michigan State University by \$208,788 and for Oakland University by \$480,141. It is assumed that this bill will pass the House, and it will then undoubtedly go to a conference committee.

It is hoped that the Trustees will approve a registration fee, or student health fee, or an increase in student fees sufficient to balance the budget at both institutions.

These items were discussed at length at the Wednesday evening session. Roger Wilkinson and Provost Neville presented the following information with reference to the budget problem for 1968-69.

PROPOSED 1968-69
GENERAL FUND ALLOCATION

1967-68 Budget		\$66,513,255
Adjustments to Base:		
Overhead - Computer	\$685,000	
Overhead - Centers and Institutes	225,000	
Adjust to conform to Michigan Manual - English Language Center	<u>181,000</u>	<u>1,091,000</u>
Adjusted Base Budget		\$67,604,255
Inescapable Additions:		
Wage and Salary Adjustments		
Academic Areas - 6%	\$2,147,180	
Non-Academic Areas - 6%	553,320	2,700,500
Other commitments		
Academic Areas	\$1,469,576	
Physical Plant	524,850	
Business - Service Operations and Student Services	822,867	
Implementation of Committee of 16 Report	<u>200,000</u>	<u>3,017,293</u>
Suggested 1968-68 Budget		<u>\$73,322,048</u>

SUMMARY OF 1968-69
GENERAL FUND REVENUE

Current Income		\$66,513,255
Adjustments (Overhead - English Language Center)		<u>1,091,000</u>
		\$67,604,255
Increase:		
State Appropriations	\$3,936,263	
Fee Revenue	<u>300,000</u>	<u>4,236,263</u>
Total Funds Available		<u>\$71,840,518</u>
Needs		\$73,322,048
Funds Available		<u>71,840,518</u>
Additional Funds Needed		<u>\$ 1,481,530</u>
Reconciliation:		
Reported to Trustees - April 1968		\$ 1,281,530
Implementation Committee of 16 Report		<u>200,000</u>
		<u>\$ 1,481,530</u>

POSSIBLE METHODS OF RAISING ADDITIONAL REVENUE

- a. \$12 Health Fee - 7 credits or more - 108,500 students - 4 terms

\$1,302,000
89,000 (Departments and Kellog Center services)
<u>\$1,491,000</u>
- b. \$10 Registration Fee \$1,367,000 (136,690 registered for 4 terms)

continued - -

1. Budget items, continued

Discussion
1968-69 Budget

Possible methods of raising additional revenue, continued

c. Student Fees - \$12 per term increase in maximum and minimum \$1,390,555

	<u>Present</u>	<u>Proposed</u>
Resident Undergraduate	\$118-167	\$130-179
Resident Graduate	143-177	155-189
Non-Resident Undergraduate	400	415
Non-Resident Graduate	410	425
Fee Reduction - Undergraduate	49	49
Fee Reduction - Graduate	34	34

d. Student Fees - Increase percentage 1% to 1.1% \$1,863,000

	<u>Present</u>	<u>Proposed</u>
Resident Undergraduate	\$118-167	\$130-185
Resident Graduate	143-177	155-195
Non-Resident Undergraduate	400	420
Non-Resident Graduate	410	430
Fee Reduction - Undergraduate	49	55
Fee Reduction - Graduate	34	40

e. Student Fees - Increase percentage 1% to 1.1% \$1,521,700
Minimum \$10
Maximum \$15

	<u>Present</u>	<u>Proposed</u>
Resident Undergraduate	\$118-167	\$128-182
Resident Graduate	143-177	153-192
Non-Resident Undergraduate	400	415
Non-Resident Graduate	410	425
Fee Reduction - Undergraduate	49	54
Fee Reduction - Graduate	34	39

- f. In response to a question as to what fee schedule would be required if the resident undergraduate minimum was at \$125 instead of \$128, the answer was that an out-of-state fee increase of \$20 rather than the suggested \$15 would probably produce the funds required.

After much discussion, it was agreed that Mr. Wilkinson would prepare an additional tabulation based on the assumption of no increase in the minimum fee to permit determining the feasibility of such a plan.

A request was made that Mr. Wilkinson calculate what would be required in a flat fee charge if the present system relating fees charge to family income was to be discarded.

The discussion terminated with the understanding that Mr. Wilkinson would prepare a new tabulation of all of these possibilities and including any others that were suggested by individual Trustees and distribute them to all members of the Board within the next few days.

The tentative salary schedule as prepared by the officers of the University was presented by the Provost and the President and by Chancellor Varner for Oakland University.

After much discussion, it was agreed that the Trustees would notify Mr. Neville or Mr. Varner of any questions about individual salary recommendations within the next few days, and that final consideration of the salary schedules would be delayed until a special Board meeting or the next regular Board meeting after the legislature has finally acted upon appropriations.

Questions were raised with reference to the possibility of eliminating any reserve or contingency funds, curtailing of services, etc.-- all designed to reduce the amount of fee increase that might be required.

Adjourned.