

## MEMORANDUM

To: ASC Members

From: Claire Smith

Date: November 15, 2012

Subject: Notes from November 15, 2012 ASC Meeting

Members present in person: Matt Petry, Claire Smith and Nancy Morton. Members attending via teleconference: Cheryl, Health, Lynnde Colling, Pam Roberts, Mary Tasi, Carol Hogle, Sheldon Flom, Marty Kelsey, and Jayne Myrick. There was no Executive Council representation.

### Agenda Item 1: JAC Budget Hearing

- Matt informed the members that the JAC budget hearing will be held December 11 from 10:00 – 11:30 on the second floor of the Capitol Building. It is possible that it will start earlier or later but we won't know until that day. We have not seen the Governor's recommendations but anticipate that they will be the same as the Budget Division's, which denied both the enrollment growth funding and the funding requested by WPTV. The State Building Commission recommended moving all capcon projects on to the JAC. The hearing is likely to include a discussion of the line graphs that were requested on various aspects of college funding and enrollment. It is also likely that more discussion will take place regarding the use of the health and retirement pools as part of the 8% budget cuts.

### Agenda Item 2: Fiscal Impact Statements

- Matt told the council that the only fiscal impact request that has been received so far does not affect the colleges but we do anticipate receiving some more requests soon. As the session draws closer, there will be a shorter turn-around for any information that is requested so be prepared if we do need to gather information directly from the colleges. Matt feels that based on recent questions that he has been asked there are likely to be questions regarding mill levies in counties that currently do not have one.

### Agenda Item 3: Excellence in Higher Education Endowment Fund (EHEE Fund)

- Matt explained that based on the memo received from the State Treasurer's Office, it appears that the reserve for the EHEE Fund will be exhausted in FY13. In the past, the colleges have always received the full amount set as the spending policy limit. This has been possible because investment income has been supplemented by the fund's reserve in years where the investment income was not as high as the spending policy limit. With a depletion of the reserve, colleges will only be receiving their share of actual investment income

earned. Current projections show that amount likely to be approximately half of what they have received in the past.

#### Agenda Item 4: Endowment Challenge Commitment Report

- Matt discussed the new form created by the State Treasurer's Office, explaining that the only change is in the name of the current Treasurer. Members will need to pay attention to the header as they submit the form, updating it for their college and with a current date.

#### Agenda Item 5: Impacts of 8% Cut on College Reimbursement Allocations

- Matt reviewed the history of the health insurance pool and how we originally asked for \$38,000,000. After the last JAC hearing, that pool was broken out into individual pools for each college using the same criteria used when calculating the \$38,000,000. This was done because members of the JAC felt that given the history of large reversions in health insurance, we weren't really proposing a cut but rather offering to return funds one year sooner than normal. Matt explained that this was not the case due to the methodology in how the amount was determined. After much discussion following the hearing, it was decided by Don Richards from LSO, Shelly Andrews from the Governor's office and Bret Jones from Budget that these individual pools would be established allowing for better tracking of reductions and efficiencies. It was also determined by this group that the retirement pool should be handled in the same manner. This method has not yet been approved by the JAC so it is still subject to change.

#### Agenda Item 6: Ellucian Colleague

- Matt informed the council that WWCC has received all payments for the Ellucian training so those colleges that have not yet submitted reimbursement requests should have everything they need to do so. Travel costs can also be included in those reimbursement requests. Matt reviewed the spreadsheet showing who has not yet requested reimbursement for hardware and training. He also explained that the plan on I-Strategy is still for WWCC to test the system and if it is acceptable it can be purchased by all other colleges next year with reimbursement from the commission available.

#### Agenda Item 7: Receipt of College Forms and Reports

- Matt went over the form emailed to members prior to the meeting and several corrections were noted that will be followed up on next week when Larry is back. Matt asked for an idea of when audits could be expected and most said that Boards would be voting on them in early December with submission to the commission following that. Discussion took place on what period of time is to be covered in the SHEO salary survey and clarification will be provided next week along with another copy of the form that Larry created for reporting the information.

Agenda Item 8: Next ASC Meeting / Teleconference:

- The next meeting will be a teleconference on December 20. There will be a commission teleconference around December 14<sup>th</sup> for the annual tuition review but we are still waiting on the tuition survey study before a final date can be confirmed.

Agenda Item 9: Other Matters

- Lynnde asked for a follow up on the AG's opinion regarding the process on submitting lease information and who will be doing the review of the documents. Matt explained that we have asked for clarification of the positions taken in Mike O'Donnell's letter but have not yet received an answer.
- Sheldon asked if anyone had experience with getting a loan certified as a tax-exempt government obligation. This allows financial institutions to receive interest tax-free and thereby charge a lower rate on the loan. Marty said that he has been informed that benefits such as these are likely to go away soon so take advantage now if you can.
- The date for the February commission meeting is the 6<sup>th</sup> and 7<sup>th</sup>. There will be a breakfast reception at the commission's office on the 7<sup>th</sup> and everyone is welcome to come before going to LCCC for the WACCT conference.
- Lynnde asked for copies of the brochures that were handed out at the October 2011 commission meeting at EWC regarding the student response to the tuition cap proposal. These will be emailed to the group following the meeting.