

DRAFT

**BOARD OF VISITORS
SPECIAL EXECUTIVE COMMITTEE MEETING**

President's Conference Room

July 13, 2006

MINUTES

1. Establish Quorum/Call to Order

Mr. Jack L. Ezzell, Jr., Rector, called the meeting to order at 10:35 a.m. and established that a quorum was present.

Executive Committee Members Present:

Mr. Jack L. Ezzell, Jr., Rector

Mrs. Viola M. Madison-Foreman, Vice-Rector

Mr. Howard P. Kern

Executive Committee Members Absent:

Ms. Virginia M. Board, Secretary

Mr. Bobby N. Vassar

Members of the NSU Staff Present:

Dr. Carolyn W. Meyers, President

Mr. Earlie P. Horsey, Executive Director, Planning and Budget

Ms. Pamela F. Boston, University Counsel

Mrs. April T. Allbritton, Office Manager

2. Discussion - Operating Budget

Mr. Ezzell stated that there is only one item on the agenda for discussion and that is the operating budget. He asked Mr. Horsey to present.

Mr. Horsey presented a slide on the legislative budget recommendations for 2006-08. He stated that the top line of the slide represents the Governor's budget at the conclusion of the General Assembly session for education and general for NSU. Mr. Horsey gave an overview of the items submitted as initiatives for NSU's operating plan that were originally included in the Governor's interim budget in the amount of \$3.1M. The initiatives included funding support for the new Ph.D. Program in Materials Science and Engineering; library books and materials; public safety and general maintenance; expansion of the nursing program; maintenance for the new facility coming online (RISE); and enhancement of academic computing and technology services. He stated that the Governor included a 3% increase for faculty salaries.

Mr. Horsey stated that as a result of the final action from the legislature, the Ph.D. program was stripped from the Governor's budget in the amount of \$832,000. He stated that the university knew that this item would be removed; however, what was not expected is that the Governor would reduce the amount for enrollment growth and graduation tuition of \$284,000. Also, the legislature took out an additional \$615,000 which is a concern for the university. As a result, out of the \$3.1M requested, approximately \$1.7M was removed. He stated that the \$1.4M provided for NSU is an increase over last year's budget; however, it will seriously impact how the university will handle the initiatives mentioned previously. There will have to be a discussion between the President and her Executive Cabinet on what the priorities will be.

Mr. Kern asked what items were requested for the nursing dollars? Mr. Horsey stated that approximately \$381,000 was requested for three new instructors because the program is currently at capacity.

Dr. Meyers asked if funds are in place for repairs and maintenance? Mr. Horsey stated the university will not receive additional funding for maintenance but what we do have on the capital side is funds for deferred maintenance/maintenance reserve. He added that the Governor increased the funding for raises at 3% to 4%. Also on capital, the Governor approved funding for two major projects that was later stripped: 1) NCH planning money of \$1.5M; and 2) \$15.7M to renovate the library. Mr. Horsey stated that university received funding for all of the cost overruns: \$1.8M for Robinson Tech, \$3M for RISE, and \$1M for the Police Public Safety Building. He added that the maintenance reserve money is there on the capital side; however, the university requested approximately \$300,000 for routine general maintenance dollars on the operating side that was not awarded.

Mrs. Madison-Foreman questioned why the term cost overrun has to be used because it is not really a cost overrun. Mr. Horsey stated that it is a term that the Commonwealth uses but it is more of a cost escalation. Mr. Kern stated that every institution had this and it is a function of when estimates are originally done and where construction costs are now. He stated that there is always a contingency built in but the contingency didn't account for the escalation of the materials due to Katrina.

The Committee discussed general routine maintenance, concurring that the longer items go without repair, the more expensive it is later to fix putting you further and further in the hole. Mr. Horsey stated that is an argument that NSU has been making for many years; however, NSU did receive some funding for maintenance from the Office of Civil Rights (OCR) Plan.

Mr. Ezzell stated that he fielded questions from the press on the renovation of the President's House; adding that this is what happens when you defer maintenance on a building for a long

time and \$150,000 to correct major deficiencies is not a lot. Mrs. Madison-Foreman concurred that the house was in poor condition.

Mr. Kern asked how will NCH be handled with the lost of funding as it is tied to the staging of other renovations. Mr. Horsey stated that he believes that the employees in NCH will be strategically moved after the completion of Robinson Tech, although he would have to verify this with Mr. Appleton. He stated that there is a completion date of August or September for Robinson Tech but it is expected to be ready by December for the next semester.

Mrs. Madison-Foreman asked if there is a plan for a walkway or crosswalk for students to get to the RISE Center. Mr. Horsey stated that Mr. Appleton is addressing this with city officials. He stated that even a pedestrian walk light would provide some added protection.

Mr. Ezzell asked if there were any further questions or comments on the budget. There being none Mr. Kern made a motion.

Mr. Kern motioned, seconded by Mrs. Madison-Foreman, and unanimously recorded as a 3-0 vote by the Executive Committee to approve the operating budget with the provision that management will evaluate the \$600,000 impact and make the appropriate adjustments in the operating plan.

Recorded vote of Committee members:

Ezzell..... yes
Madison-Foreman yes
Kern..... yes
Board..... (absent from meeting)
Vassar..... (absent from meeting)

3. Adjournment

A motion was made and approved to adjourn. The meeting concluded at 10:58 a.m.

Respectfully submitted,

Jacqueline A. Curtis, Special Assistant
to the President/Board Liaison

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