Minutes  
Coastal Carolina University  
Board of Trustees  

Finance, Planning & Facilities Committee  
E. Craig Wall Sr. School of Business Administration Building, Boardroom  
May 4, 2017

Members of the Committee Present:  
Mr. Carlos C. Johnson, Mr. Charles E. Lewis, Dr. Oran P. Smith, Mr. H. Delan Stevens, and Mr. William E. Turner III

Committee Member Not Present:  
Mr. Eugene C. Spivey

Other Board Members Present:  
Mr. William S. Biggs, Mr. Samuel H. Frink, Mr. D. Wyatt Henderson, Mr. Marion B. Lee, Mr. William L. Lyles Jr., Mr. Daniel W. R. Moore Jr., Mr. George E. Mullen, and Dr. Samuel J. Swad

Others Present:  
Ms. Sandra A. Baldridge-Adrian, Mr. John H. Bartell Jr., Ms. Katherine Brooks, Ms. Susan Butcher, Dr. Brian Bunton, Dr. J. Ralph Byington, Ms. Nedy Campbell, Mr. Josh M. Chesson, Ms. Whitney Comer, Dr. Debbie Conner, Ms. Amanda E. Craddock, Dr. David A. DeCenzo, Mr. Matt Hogue, Ms. Martha S. Hunn, Dr. Edward Jadallah, Mr. Christopher A. Johnson, Ms. Beverly J. Landrum, Dr. Megan McIlreavy, Mr. Timothy E. Meacham, Mr. Rein T. Mungo, Mr. Travis E. Overton, Ms. Jennifer Packard, Mr. William M. Plate Jr., Dr. Barbara A. Ritter, Mr. Patrick S. Sparks, Ms. Sharon Sluys, Ms. V. Chyrel Stalvey, Mr. Gregory T. Thompson, and Davie Yancey

(In accordance with the requirements of the South Carolina Freedom of Information Act, the news media were notified of the time, location, and agenda for the meeting. No media was in attendance.)

Chairman Carlos Johnson brought the Finance, Planning & Facilities Committee to order at 8:30 a.m.

Wyatt Henderson introduced two new Board of Trustees members, John H. Bartell Jr. and Patrick S. Sparks. Carlos Johnson now has his own seat and is no longer the governor’s designee.

Will Turner moved to approve the February 23, 2017 minutes of the Finance, Planning & Facilities Committee. Chuck Lewis seconded, and the motion passed.

Provost and Executive Vice President Ralph Byington reviewed the 2016-2017 financial report and noted that it is expected that the budget will be maintained with reasonable effort.
Byington reviewed a portion of the 2017-2018 proposed tuition and fees budget executive summary:

- Only $600,000 has been allocated by the State in the most current version of the Appropriations Bill, however, because it is not final, we have not included it at this time.
- The Undergraduate Revenue budget factors in a less than three percent rate increase for both in-state and out-of-state students. The interest in Coastal Carolina is encouraging.
- Additional revenue has been added to allow for increases projected for the CEaL and the Bridge Programs. Lab fees are included in a separate motion for review and approval.
- 10 Funds expense shows an increase of $2.9M from the current year, taking into account higher retirement, $1.5M, and employer health share expenses.
- Other operating expenses have increased due to additional spending for utilities, insurance and scholarships; however, due to targeted budget cuts, the net effect was a decrease of $1.3M in other operation expenses.
- Proposed tuition rate is 2.98% ($162/semester) for in-state and 2.99% ($376/semester) for out of state students. All the increases were reviewed on page 2 of the proposed budget book.

President David DeCenzo stated that the rise in tuition is largely due to an increase in funding for the state’s pension, health and dental insurance that was recently passed by the S.C. legislature. The net effect of the pension legislation, which passes the costs of the increase on to state institutions, is a significant increase in the University’s operating budget. The costs incurred as a result of the state pension reform bill, combined with a 1.9 percent increase in the Higher Education Price Index [a measure of the inflation rate applicable to higher education in the U.S.], would require about a four percent increase in tuition to break even. Byington stated that there will be $2.1M in operating cuts, not at the expense of current employees and furlows, but through attrition. The new budget is realistic and puts us in a favorable light. Targets have been set in the departments. After a thorough analysis of operating expenses, there will be a $3.9M increase in operating expenses.

Smith asked if we can continue to grow with current academic excellence. Byington stated that we have merit scholarships. Next year, if we have to increase tuition, then the scholarships will increase. We are bringing in a better quality student which makes the University more attractive. We can be competitive and offer quality. We continue to monitor our competitors.

There is a 40% decrease in deposits from New York because of new legislation there. However, there are strong stipulations, other than students can go to school for free, if the family financial income is under certain amount.

Henderson reminded everyone that CCU has cut $10M off the operating budget since 2011. If you look at overall cost of in-state students and the refinancing of the housing bonds, the increase is only a 1.5% increase with tuition, food and housing. If you factor in inflation since then, in-state and out-of-state students in today’s dollar pay less than in 2011. We have held the cost down for students. We have not gone up in housing rates in four years.
Mullen believes that there is a perception issue and perhaps we should look at having less increase in tuition and have additional housing. DeCenzo stated that Columbia now requires reporting tuition increase as well as any fee increase and provide the total percentage to budget makers in Columbia. It is a total composite look. Byington reminded everyone that housing affects only half of the student body.

The following budget requests were reviewed and approved.

- **Oran Smith** moved to approve and adopt the proposed tuition, fees and allocations as presented in the Proposed Budget for FY 2017-2018 as noted on page 2 (Motion 17-21). Turner seconded, and the motion carried.
- **Turner** made a motion to request approval and adopt the proposed Room and Board rates as presented in the Proposed Budget for the 2017-2018 academic year as noted on page 8 (Motion 17-22). Smith seconded; the motion passed.
- **Smith** moved to approve a $20 per semester fee for students who participate in fraternity and sorority life to provide programming and support resources in that area (Motion 17-23). (Debbie Conner stated it is common at other institutions to insure that they are thriving in a positive direction.) Stevens seconded, and the motion passed by acclamation.
- **Turner** moved to approve the discretionary fund for University President David A. DeCenzo in the amount of $270K, for fiscal year 2017-2018 (Motion 17-24). Delan Stevens seconded. The motion passed.

The following lease renewals were reviewed, seconded as noted and approved unanimously.

- **Stevens** made a motion to approve renewal of one-year lease with Horry Georgetown Technical College for three classrooms and three faculty offices in the Speir Building at the HGTC Grand Strand campus at an annual cost of $26,000. Rent to include all utilities, security, maintenance, custodial and telecommunication costs (Motion 17-25). Smith seconded.
- **Smith** moved to approve the renewal of one-year lease to the Small Business Development Center of Winthrop University for $3,000 per year (Motion 17-26). Dan Moore seconded.
- **Turner** moved to approve a one-year lease, in its final renewal year per the lease agreement, of 6,215 square feet of space in Litchfield Landing for annual rent of $93,225 for the term July 1, 2017 through June 30, 2018 (Motion 17-27). Stevens seconded.

Byington reviewed the following capital projects and noted completion dates:

- Smith Science Renovation - October 2017
- UP Dining Facility –November 2017
- Academic Classroom Building II –completed by July 2017, ahead of schedule
- Brooks Stadium Expansion – has begun and should be completed by August 2018

The new Delan and Lynn Stevens Tennis Complex had a wonderful grand opening.
As there was a little extra time allotted to the meeting and for the sake of the new trustees, Henderson explained the purposes of the Coastal Education Foundation, Student Housing Foundation, and the Chanticleer Athletic Foundation and how they work with the University.

Stevens added that the Horry County Higher Education Commission owns several buildings on campus, provides scholarships and receives Horry County millage. Horry County gave land in Atlantic Center to the HCHEC. This is atypical of any other university in the state.

The county penny sales tax collected more than anticipated and has been used to build academic buildings. These funds can only be used for academic building, purchasing land, or reducing debt. It cannot be used for athletic buildings. No other university has this sales tax either.

The State paid for a tract of land in 1999 and since then has not paid for any other building/facility on campus. Ironically, when new buildings have been built and paid for since then, the state owns it without contributing anything.

Delan Stevens stated that Deborah Vrooman has assisted in discussions regarding archiving on campus. Henderson asked Dan Moore, Stevens, and Vrooman to present suggestions and proposals this summer.

Respectfully submitted,

V. Chyrel Stalvey
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Recorder