



## **IP3 Executive Committee to the President for Institutional Planning**

**Meeting, November 7, 2002**

### **MINUTES**

Members Present: Patty Carl, Sandra D'Arco, De DeGrado, John Frye, Kevin Kennedy, Kay Langston, Doug Olson, Mike Pendola, Rosetta Polizzotto, Jim Reynolds, Joey Tidei, Brenda Jones Watkins, and Bob Wilson.

Guests Present: Marge Stabile, and Sean Sullivan.

De DeGrado, Chairperson of the Executive Committee to the President for Institutional Planning, called the meeting to order at 2:00 p.m.

#### **Fixed Costs**

Jim Reynolds reported that instead of leading a discussion on fixed costs, he brought with him two experts, Associate Vice President Marge Stabile and Vice President Sean Sullivan.

VP Sullivan stated that fixed is a relative term. In reality, nothing is fixed. That applies to all of us, because there is no guarantee. AVP Stabile distributed a handout that lists the definitions of: fixed, expense, discretion, discretionary, fixed charge and fixed cost. All obtained from "Webster's New Collegiate Dictionary". VP Sullivan stated that our fixed costs are not really fixed, that we can choose to pay them or not, but be prepared to take responsibility for the consequences.

VP Sullivan's next handout was "Obligatory Institutional Expenses – Operating Budget, Phase I". \*He stated that contractual expenses, such as salaries, are listed, including hourly salaries. This is the salary of all 5-employee groups.

The next column represents employee benefits. Although employee salaries are going down, benefits are going up. This is a big cost. Next are utilities, here we have a substantial drop.

\*See Page 3. All examples given are listed below.

The next column represents Transfer to Other Funds; for example Johnson Controls (CoGen), and contractual obligations through bonds.

General Materials include postage and some employee benefits like the ergonomic chairs. Other Expenses include professional development, tuition charge backs. Contractual Services includes consultants and collection services. Do we need collection services? We don't have to have them, but we do need to try to reclaim some of our lost tuition. These costs are listed as obligatory, but everything is discretionary.

The next handout was "Obligatory Institutional Expenses – Phase II". This year we are at \$40 million, last year we were at \$41. These expenses include the copier charge. We are in the 2<sup>nd</sup> year of a 5-year contract with Xerox. We have better service than before. This was a five-year plan to save money. The printing of schedules is included, along with fuel for campus vehicles, maintenance equipment, janitors at the satellites, and some leases, such as Pitney Bowes. Currently our postage is \$370 thousand. We don't have to spend that postage, but then how would we get our schedules to the community? Everything has a balance. You take money from one to another.

VP Sullivan stated that it looks like the budget cuts will continue because the state deficit is bigger than anticipated. We have spent \$40 million. How will we spend the \$2 million that is left? This is operating funds. We took \$1.2 million out of the bank this year. We hope that not all of our budget is used so we can put some of it back in the bank. ICCB is projecting that next year will be worse than this year. Student tuition is only 30% of our budget.

### **Announcements**

De DeGrado announced that a special open forum would be held on Wednesday, November 13<sup>th</sup> at 1:00 p.m. A notice will be included in "Your Triton Newsletter" and a flyer for campus distribution on Monday, November 11. De DeGrado asked everyone to invite at least 1 person to the Wednesday Special Session Open Forum.

### **Adjournment**

Chairperson DeGrado adjourned the meeting at 2:41 p.m.

## Obligatory Institutional Expenses Operating Budget, Phase I

### \*EXAMPLES:

Salaries: Full-time & Part-time Employees  
Employee Benefits: Medical/Dental, Group Life, Staff/Family Tuition Waivers,  
Retirees Health Insurance  
Utilities: Gas, Water, Electricity, Phone, Refuse  
Trf to Other Funds: Johnson Controls Bond  
General Materials: Postage, Schedules, Institutional Dues, (Some) Employee Benefits  
i.e. Ergonomic Chairs  
Contractual Services: NSF, Tuition Collection Fee Legal Services, General Planner  
Services, Institutional Consultants i.e. Insurance

## Obligatory Institutional Expenses, Phase II

### \*EXAMPLES:

Salaries: Full-time & Part-time Employees  
Employee Benefits: Medical/Dental, Group Life, Staff/Family Tuition Waivers,  
Retirees Health Insurance  
Utilities: Gas, Water, Electricity, Phone, Refuse  
Trf to Other Funds: Johnson Controls Bond  
General Materials: Xerox Contract, Schedules, Fuel/Gasoline Credit Cards  
Contractual Services: Maintenance Service, Operations & Maintenance i.e. HVAC  
Services, Janitorial Services Main Street, Fire Alarm, Elevators,  
Sprinklers, High School Community Education, Radios/Pagers,  
Scantron Maintenance  
Fixed Costs: Hillside Lease Equipment, Equipment Rental, Pitney Bowes

\*The above are limited examples.