Planning and Budget Committee Meeting, 22 October 2021, 12:30 pm

Present: Rich Apollo, Sleiman Ghorayeb, Geoff Tarson, Ling Huang, Nate Rigel, Elisabeth Ploran, Mike Sikorski, Karyn Valerius (had to leave at 1), Kathleen Wallace

Guest: Sofia Kakoulidis, Vice Provost for Research and Sponsored Programs

Committee briefly discussed that some classrooms could be improved in order to encourage experiential and collaborative learning; some faculty are interested in discussing this. R. Apollo reported that he would be happy to meet with faculty and discuss classrooms they would like to reconfigure.

The committee then had an informative discussion with Sofia Kakoulidis regarding academic external grants. She explained that her office handles all the pre-award grant processes, but all the post-award grant processes are handled by the Finance office. Sofia reported that competition for grants has become more fierce. She said that she thought that Humanities and non-science grants that would be successful would be more interdisciplinary and collaborative, and involve larger scale institutional projects.

Her office can provide some assistance in grant writing (they have a part-time grant writer, Myra Koggin) who can help with looking at grant guidelines and drafting broader impact statement; Sofia and Alice Bonhomme-Diaz help with budget development for grants.

Sofia also reported that indirect costs do not come with every grant and they are not the same for each grant. However, Hofstra treats recovered indirect costs as follows, comparing it to what some other universities do:

<table>
<thead>
<tr>
<th></th>
<th>PI or PI’s Dept</th>
<th>PI’s Dean</th>
<th>Provost</th>
<th>Gen’l Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hofstra</td>
<td>6%</td>
<td>6%</td>
<td></td>
<td>85%</td>
</tr>
<tr>
<td>St. John’s</td>
<td>20% (to PI, not dept.)</td>
<td>10%</td>
<td>10%</td>
<td>60%</td>
</tr>
<tr>
<td>Fordham</td>
<td>30% (to PI, not dept.)</td>
<td></td>
<td>(research office) 10-15%</td>
<td>55-60%</td>
</tr>
<tr>
<td>NYU</td>
<td>100% to school &amp; unit of co-PIs</td>
<td></td>
<td>10-15%</td>
<td>55-60%</td>
</tr>
<tr>
<td>Syracuse</td>
<td>100% to school &amp; unit of co-PIs</td>
<td></td>
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</tbody>
</table>

Sofia said that her office is compiling a more extensive report on how indirect costs are handled at other universities.

The committee asked about support for grant writers, e.g., release time, as the investment of time in writing grants is quite demanding. Sofia reported that the university would support release time if the grant were awarded (after the fact), but there is currently no incentive for grant writing.

The committee requested to see a report on all external grants, including non-academic, straight research ones, as well as the report on indirect costs when that is compiled.

The meeting adjourned at 1:30 pm

Minutes taken by Kathleen Wallace
Planning and Budget Committee Meeting, 9 November 2021, 8:45 am

Present: Rich Apollo, Mike Sikorski, Ling Huang, Nate Rigel, Elisabeth Ploran, Mike Sikorski, Karyn Valerius, Sean Fanelli, Jacqueline Cassar, Gioia Ciani, Keun Lee, Kathleen Wallace

Guests: Bill Caniano, Chair SEC; Jessica Eads, Vice President for Enrollment Management, Chavon Stuparich, Executive Director of Institutional Research & Assessment

Minutes of the 22 October 2021 meeting were approved.

The committee reviewed with Jess Eads and Chavon Stuparich enrollment and retention data prepared by Chavon.

The retention data is for first year students who retain to the sophomore year. The committee made some suggestions for additional parameters to consider, such as looking more closely at what cohort experiences student have and how that may affect retention, as well as looking at what students participate in outside of the classroom. It was also suggested that the committee ask to see the NESI data that looks at first year students and seniors.

The committee discussed some of the factors, in addition to financial and academic, that seem to contribute to whether a student retains or not. It was suggested that since Hofstra is not located in a college town, perhaps more could be done to develop local connections for students, in addition to the NYC trips and opportunities. It was also pointed out that early bonding experiences may be important; for instances, students who do early rather than late summer orientation sessions are less likely to melt. (It would be interesting to see if there are other factors contributing to that besides the timing of the orientation session. Is there a particular type of student who chooses to come to early orientation?)

The meeting adjourned at 9:45 a.m.

Minutes prepared by Kathleen Wallace.
Minutes
Planning and Budget Committee
3 December 2021

Present: Rich Apollo, Mike Sikorski, Jacqueline Cassar, Sean Fanelli, Sleiman Ghorayeb, Ling Huang, Keun Lee, Geoffrey Tarson, Elisabeth Ploran, Karyn Valerius, Kathleen Wallace

Approved minutes from 9 November 2021

Discussion of Classrooms and proposal for a strategic planning process for classrooms that are used by many different areas.

Discussion of scheduling meeting in the spring with CFO Hennessey and information that committee is interested in.
Planning and Budget, Minutes 4 February 2022

Present: Nate Rigel, Sean Fanelli, Elisabeth Ploran, Karyn Valerius, Rich Apollo, Mike Sikorski, Ling Huang, Keun, Jacqueline Cassar, Geoffrey Tarson

Kathleen updated committee about meeting with Provost Lenaghan regarding proposal for a strategic planning committee for teaching and learning spaces and classrooms that would include faculty input on pedagogy and classroom use.

The committee discussed questions about finances and budget that it would like to ask of Vice-President Hennessey and Provost Lenaghan at its 11 March meeting with them. Items discussed included:

1. The comparison of the Adopted and the Actual Budgets for FY 2020-2021, and what we know so far for FY 2021-2022
2. The current Adopted Budget by function, i.e., instruction, support services, etc.
3. The percentage for Personnel and Fringe Benefits and Other Than Personal Services broken down by school. We are interested in trend analysis for schools for the past 5 years.
4. The average “discount” for undergraduate and graduate tuition
5. The totals for the individual OTPS categories in the current budget
6. The number and/or percentage of students receiving Title IV funding and the current Hofstra default rate for students in repayment.
7. What do the indirects from grants support? Do they support instructional needs? Do they support research capital and infrastructure?
8. Are there any programs that are doing particularly well financially, and are even “cash cows” for the university? Are there graduate programs that make money beyond their operating costs?
9. What are the trends in residence hall occupancy? What are the differences between occupancy rates of different residence halls and the cost of the residence hall?
10. What is the impact of the loss of summer rental income?
11. Has summer camp recovered?
12. How many people who were cut or furloughed (not those who voluntarily left due to vaccination policy) – staff, plant, student affairs – have been rehired?
13. What are the plans for restoring pandemic cuts such as discretionary release time, which is a small expense to the university but has a large impact for the students and faculty in small programs where that is one of the few operating resources they have.
Planning and Budget Minutes, 4 March 2022 1 pm

Present: Karyn Valerius, Rich Apollo, Mike Sikorski, Keun Lee, Nate Rigel, Ling Huang, Geoff Tarson, Sean Fanelli, Sleiman Ghorayeb, Kathleen Wallace

Meeting began at 1:03 pm.

Approved minutes from 4 Feb. 2022 meeting

Update from Nate Rigel regarding committee looking into indirect costs and research grants. Nate reported that in addition to himself the following were on the committee: Joanne Wiley (Medicine), Sina Rabbany (Dean, ENGG), Krish Pillaiyapakamnatt (CSC), Jess Santagelo (BIO), Kevin Bisceglia (CHEM), Simon Doubleday (HIST), Keith Shafritz (PSY), along with Sofia Koukalidis and Alice Diaz-Bonhomme.

Kathleen Wallace reported that she will be meeting with Steve Fabiani about some ideas he has for a classroom planning committee.

There was then discussion of prioritizing questions on the committee’s list of questions for meeting with V-P Hennessey and Provost Lenaghan, and identification of committee members who will take charge of asking specific questions.

Meeting adjourned at 1:30 pm.
Planning and Budget Meeting, 11 March 2022
Minutes

Present: Kathleen Wallace (chair), Michael Sikorski, Nate Rigel, Karyn Valerius, Elisabeth Ploran, Keun Lee, Ling Huang, Sleiman Ghorayeb, Jacqueline Cassar, Sean Fanelli (arrived 1:30), Guests: Catherine Hennessey, Janet Lenaghan, Jennifer Mone, William Caniano, William Nirode

The meeting began at 1 pm.

The committee met with Senior Vice-President for Finance, Catherine Hennessey, Interim Provost Janet Lenaghan, and University Counsel, Jennifer Mone to discuss University finances.

V-P Hennessey presented Board of Trustees summaries of December 14, 2021 and March 1, 2022, as well as Moody’s 7 December 2021 outlook for the Higher Education Sector (attached).

The committee then discussed a range of aspects concerning the budget and financial outlook for the university.

Budget Process

October: develop projected budget; then invite proposals from V-Ps for their areas.

The develop a preliminary budget (current budget is $10M over pre-COVID), so that can determine tuition increases by March.

Revise budget, and adopt a final budget in June.

Enrollment and Tuition Revenue

Enrollment and thus tuition revenue is down for Spring 2022 (see below on budget shortfall). V-P Hennessey did not have the information on the number of students with Title IV funding and referred that question to be asked of V-P Eads. Approximately 25% of students have Pell Grants. V-P Hennessey reported that less than 1% of students are in default on loans.

V-P Hennessey reported that the overall discount rate (UG and Grad) was 37%, but that UG was higher (local universities face stiff competition on this from St. John’s which has a 60% discount rate for UG). V-P Hennessey said they preferred to not say what the actual UG discount rate was for competitive reasons.

The University has seen declines in enrollment due to declines in continuing UG students, not just first year, but there are dips in 2nd and 3rd year continuing students. In light of coming demographic changes, the University is focused on improving retention. At one point, the University had hit a high of 81-82, maybe even 83% retention, but for a University of Hofstra’s calibre, the retention rate should be in the high 80s or low 90s. Graduation rate is around 70%.
Residence Halls
The university continues to see a decline in students in residence halls; in Fall 2021, they were down 1000 beds, in Spring 2022, 1200 beds. Some of this trend is due to increasing rental units in the university vicinity by local homeowners (a trend which began with the recession) and to the desire of students for more freedom from the rules of living on campus. The plan that international students might help make up for the shortfall in on-campus residents has not been realized with both the impact of the previous US presidential administration, and then COVID. A plan going forward is to consolidate empty beds into one residential unit so as to free up a building that could be used for other purposes and rentals. Nassau is being renovated to be taken off-line for this purpose.

Residence hall revenue has comprised about 10% of the university budget.

Other rentals, such as during the summers, fell during COVID, but the University is actively recruiting (athletics, conferences) in this area. Summer camp was held during Summer 2021, but no other rentals.

Cuts During COVID
All employees who had been placed on furlough were reinstated.

The University is currently advertising for 41 new positions for 2022-23 (including a few special faculty lines). Some positions that were cut during COVID may have been replaced with technology rather than new positions. A number of these positions have not been filled; V-P Hennessey reported that there were challenges with labor shortage. However, this has helped the University cover some of the budget shortfall, due to decline in enrollment and tuition revenue for Spring 2022.

Restoration of cuts to discretionary release time for small programs will have to be reviewed in the context of broader program review and establishing of priorities under the new Provost.

Endowment
There were gifts of $23.7M for 2020-21, which is up from the previous year, when gifts were $15M. In previous years, there was a 3-year naming gift for the Medical School.

Since the beginning of 2022, the endowment is down $90M. The University uses a 3-year moving average to determine spending from the endowment. ALL: DID I GET THIS RIGHT?

V-P Hennessey reported that the University is in the silent phase of a new capital campaign that will focus on fundraising for faculty (e.g., endowed lines) and programs.

A portion of the endowment ($10M) has been set aside for faculty lines to be filled when the new Provost is on board.
**Classification of University as R2**

V-P Hennessey and Provost Lenaghan discussed the reclassification of the University as an R2 University due to being able to report the increased level of institutional support for research (e.g., research leaves, funding of start up costs for new faculty). So, while the University brings in about $1.3M in externally funded research, it provides $5M in institutionally funded research and thus is able to report as an R2 University.

**Budget Shortfall**

There was a reduction in the approved budget by $4M in Fall 2021 and there is a projected $2.5M shortfall for Spring 2022 (due to decline in continuing UG students). Some of this will be addressed through contingency funding and some through expense reductions (including through the open positions which have not been filled). Also, it was noted that this year tuition remission was lower than in the past. In addition to lower tuition revenue, child activity center and conference revenues are down. V-P Hennessey reported that they expected to finish the year with a balanced budget.

V-P Hennessey pointed out that the University has many fixed costs (facilities, plant and utilities [some of which are now increasing]; insurance [also increasing]). Compensation makes up over 70% of the budget. Labor is one area in which the University has some flexibility, meaning ability to cut or add to the budget.

The University does not currently have real estate from which it could divest for additional revenue. 11 acres north of the arena are not currently viable, and the University will keep that property until it is clear how the HUB will develop, when any possible sale or development would be more profitable.

**Debt Servicing**

Hofstra does not have any variable rate debt, and thus will not be affected by interest rate fluctuations in its debt servicing.

**Academic Programs that are Doing Well**

Health programs are doing well, and Hofstra is adding new Health programs (Nursing, PT). While these are expensive programs to run, they are expected to be of overall benefit to the University. School of Business has experienced a decline, which has been exacerbated by the decline in international students particularly at the graduate level. School of Communication and Honors College are also expensive programs to run.

V-P Hennessey and Provost Lenaghan reported that the University would be focusing on developing programs of distinctions and doing market research into programs that are likely to be successful.
V-P Hennessey reported that under President Rabinowitz the University did considerable facilities and plant development and that she expected that under President Poser the focus would be on development of faculty and University reputation in research and academics.

**Teaching and Learning Spaces Strategic Planning Committee**

There was some discussion of this proposal from P & B, which V-P Hennessey appreciated hearing about.

The meeting adjourned at 2:30 pm