

Board of Visitors Meeting December 01, 2009

The Board of Visitors of Christopher Newport University met on December 1, 2009, in the Board Room of the David Student Union with Rector James R. Joseph presiding.

Present from Board

Mr. Carlos Brown

Mr. John A. Conrad

Mrs. Jane Susan Frank

Mr. William P. Heath, Jr.

Mrs. Mary Elizabeth Hoinkes

Mr. Thaddeus B. Holloman, Sr.

Mrs. Ann N. Hunnicutt

Mr. James R. Joseph

Mrs. Frances Luter

Mr. Preston White

Absent from Board

The Honorable Flora Crittenden

Mr. Michael C. Martin

Mr. Veasey Wilson

Mr. Everett G. Allen

Present from the University

President Paul Tribble

Ms. Cynthia Perry, Chief of Staff

Mr. William L. Brauer, Executive Vice President

Dr. Mark Padilla, Provost

Mr. William Thro, University Counsel

Dr. Peter Carlson, President of the Faculty Senate

Ms. Beverley Mueller, Executive Assistant

Ms. Lori Jacobs, Director of Public Relations

Other

Ms. Cathy Grimes, Daily Press Reporter

Rector Joseph welcomed those present and called for approval of the September 17, 2009 minutes. Ms. Hunnicutt provided the motion, seconded by Ms. Frank and passed by unanimous vote of the Board.

President's Report

President Tribble reported that student applications are up by 500 over this time last year. Also, all capital projects are moving forward and Lewis Archer McMurrin, Jr. Hall is complete and will be ready for students in January.

President Tribble said the primary purpose of this meeting is to respond to the budget crises in Virginia . He explained that since 2008 Virginia has lost 114,800 jobs and for

the first time in eight years, Virginia suffered decline in general fund revenues two years in a row. Virginia has reduced its commitment to all four-year educational institutions by 30%. This year alone, CNU has lost \$7.9 million and this amount carries forward and becomes part of CNU's budget base. The Governor's administration hopes to use some federal stimulus monies to offset these reductions. To date, the administration has not yet received the authority from the federal government to do so, but it is fully expected that these monies will be received. Assuming the federal monies are received, they will offset a part of the reduction for the next year and half only. The federal dollars are no longer available after FY2010-2011. There is another projected shortfall in state revenues for 2010-2012 which will require another round of cuts. This will be four cuts in state funding in two years. President Tribble explained that CNU is already thinly staffed and faculty and staff have already been reduced. He recommended to the Board, reluctantly, that tuition be increased by \$200 in the next semester. He noted that this had only been done once during his tenure – during 2002 when CNU lost 25% of its budget. It is essential to maintain the quality of education for the students. Alternatives would be to reduce the number of faculty and staff, have fewer and larger classes, have students not graduate on time, poorer service, and/or eliminate 10-15 staff positions immediately or 8 faculty positions immediately. Other universities have also decided to increase tuition at mid-year. It is recommended, after broad consultation with the Provost and Budget Advisory Committee, that 25% of the mid-year tuition increase be set aside for the students who receive financial aid so those students will not be affected by the increase.

President Tribble recalled that at the last meeting there was a discussion and recommendation of the Board to increase the number of out-of-state students to offset the loss of revenue. President Tribble said that CNU will work to increase those numbers without diminishing the number of Virginians, which has been a big concern. This year, 7% of the freshmen class is made up of out-of-state students and over time, that number should be increased to 20%. However, in order to increase those numbers, it takes more resources to recruit and will be a multi-year endeavor.

President Tribble then asked Ms. Perry to review in detail the Reduction Plan Strategy for FY2009-2010 which was distributed to everyone present and is attached. Ms. Perry explained that last April tuition was increased by 4.99% which offset the third cut and generated \$988,000 in additional tuition revenues. Anticipating further reductions, the Board established a reserve of \$430,000 in the operating budget for FY2009-10. In order to fund the reserve, the departments of academic advising, career services, disability services and international programs were reorganized and the Ferguson

Center cut three staff positions. The Provost set aside \$567,500 by reducing full-time faculty positions from 239 to 236, reducing travel, supplies and equipment for academic departments and a reduction in library books and periodicals.

Ms. Perry explained that due to the continuing decline of State revenues and uncertainty of the State support for this fiscal year, it is recommended that the remaining budget reduction of \$732,925 be addressed through a mid-year tuition increase of \$200 for full-time students generating \$950,000 in additional revenues. In addition, it was recommended that 25% or \$237,500 of the additional revenue be allocated to student financial aid. She noted that the administration will continue to monitor performance closely and make appropriate reductions in staff and other expenditures to re-build reserves to offset further reductions in state support this fiscal year.

President Tribble explained this increase is essential to maintain the quality of education at CNU. He said that it is hard to predict future funding because we are not sure how much future cuts will be and the federal money has still not been released but it is fully anticipated that those funds will be received. In light of this, it is difficult to make a decision about the tuition increase in April, however, there may be double digit increases for every public school in Virginia.

Mr. Brown expressed his concern that CNU maintain it's accessibility for all students and that higher education should be afforded to everyone. President Tribble said we would still be committed to excellence and that we have had the greatest explosion in applications in America and that continues. He explained that we work hard not to turn students away and have established the minority task force to increase that enrollment and with this tuition increase, 25% has been set aside for those students receiving financial aid.

Rector Joseph asked Ms. Perry to recap what steps CNU has taken in the past to offset budget reductions. She told the Board that 20-30 positions remain unfilled and there is a hiring and travel freeze, among other things. In addition, President Tribble explained that no one has received a pay raise in two years and will not for several years. Everyone at CNU is working harder for less. In order to provide a superior educational experience, CNU should have many more people on faculty and staff. If 50-100 out-of-state students

are accepted, that would create additional revenue, but CNU really needs more people today to serve the students we now have.

Following a lengthy discussion of the proposed plan and alternatives, Rector Joseph called for a motion to approve Resolution 2: Mid-Year Tuition Increase attached to Handout 1: Reduction Plan Strategy for FY2009-2010. Mr. Heath provided the motion, seconded by Mr. Conrad.

Further discussion continued regarding the increase and the addition of out-of state students. Mr. White wanted to be assured that students and parents would know that this \$200 increase is an increase to the base and President Tribble said a notice would go out with the bills explaining the increase. He also said that there will be an increase in tuition for the next academic year. Ms. Hoinkes said that she would hope that CNU could increase the out-of-state student representation with minimal cost to the university.

Following that discussion, the motion was approved by unanimous vote of the Board.

Mr. Holloman suggested that the movement to increase out-of-state students to 20% should be accelerated and inquired if there were a number of out-of-state students in the current applicant pool that we could accept. President Tribble said that CNU is moving forward as quickly as possible and is taking actions to increase those numbers. The President's Leadership Program is a great vehicle for expanding the number of out-of-state-students with 17% of the students coming from out of state.

Mr. Brown asked if different options could be given to the Board for increasing revenues next year. President Tribble said that there will be a tuition increase proposed and the only other option is to cut positions and have larger and larger classes. Mr. Conrad commended President Tribble and staff for the work on reconciling the budget. He also requested that the administration further explore the topics discussed earlier, namely the increasing of out-of-state students and CNU's endowment to help CNU to continue to strive for excellence. In light of these challenging times, he would like the university to explore other opportunities to increase revenue. President Tribble said that another option is to raise money privately and the fact that CNU has such a young alumni base,

it is more difficult to do so. Rector Joseph said that there are other management initiatives underway in order to make the operation of the university more effective and efficient.

There was much discussion among the Board about the budget crises and how best to deal with the reductions and how to be best prepared to offer input into next year's budget proposal in April.

Rector Joseph asked Mr. Brauer to review with the Board Amended Resolution 1: Authorization to Issue Debt for Capital Construction for the Freeman Center . Mr. Brauer explained that this change is necessary because rather than issuing \$7,400,000 in 2007 \$7,350,000 was issued. That changed the total amount that could then be requested to \$18,750,000. This amount is still within the appropriation and represents final bond issuance on this project. Following review and discussion, Rector Joseph called for approval of the Resolution. Mr. Conrad provided the motion, seconded by Ms. Hunnicutt and passed by unanimous vote of the Board.

Mr. White reflected on the 2002-03 cuts and expressed his concern that if CNU does not get the stimulus money and suffers more cuts, a \$6 million loss could become \$10 million. He said that CNU needs to look closely at the future because we may be facing losing programs as we did in 2002-03 if budget reductions continue. President Tribble explained that we had to look at the core mission of the university and eliminate what was non-essential to CNU's mission in 2002. President Tribble explained that there is a clear sense of where we will be in 5-10 years and it has been shared broadly. He said that we will look at this in the context of the new budget realities and present options for addressing the budget cuts in February. Rector Joseph asked the Board to talk to elected representatives and ask them to restore funding to higher education. Ms. Frank said a 90-day window is critical to start addressing the budget situation and would like the Board to look at alternatives early to be fully prepared to make the best decision in April. There was further discussion on how best to distribute materials to the Board and structure board meetings.

Ms. Hoinkes reminded the Board that the Friends of the Library will be hosting several speakers and encouraged the Board to attend and to join the Friends of the Library. Roger Mudd was recently featured and there was a wonderful turnout and great

success. Rector Joseph also encouraged the Board to attend lectures, athletic events, or performances at the Ferguson in order to become better familiar with the University.

Rector Joseph called for any other business or discussion and there being none, the meeting was adjourned.