

BUDGET SUB MEET & CONFER
TUESDAY, JANUARY 31, 2006
3:00 PM – CSU 204

Please note: The agenda and supporting documents can be obtained at Web site <http://www.mnsu.edu/finadm/submeetconfer/>.

- 1. Discussion Items – No items were brought up for discussion.**
- 2. Recreation Facilities Proposal – Kevin Buisman and Todd Pffingsten**

This presentation has been given to various groups on campus, but most importantly to the Student Senate. A few years ago when working on the Campus Master Plan, Human Performance and Campus Recreation put together an outdoor recreational facilities plan. President Davenport asked them to bring it forward again. The President's vision is to provide access to health and wellness facilities. The action plan involves five issues: field conditions, field locations, program growth and expansion, modernization of facilities, and safety. It addresses the following key programming deficiencies: field areas/surfaces, condition of existing facilities (e.g. track), limited growth potential (capacity/infrastructure), and modernization to meet student needs and demands. The conditions of the fields are poor and there are no bathrooms or water at the fields; and the programs have grown tremendously—about 60% of students participate in recreation programs. .

The plan proposes a cost of \$21.7 million in two phases of facilities and field improvements. No student fee money has been used for MSU's internal facilities: Taylor center, Myers Field House, Highland Center or Otto Recreation Center. Similar facilities throughout the region have utilized student fee support. The plan benefits health and wellness, which is a key University initiative, as well as recruitment and retention; increased community partnership, and improved campus beautification. We need good equipment and facilities which help keep students here, plus the students who utilize them get higher GPAs.

The plan consists of six initiatives: improve Campus Recreation fields, construct a multi-purpose stadium, convert field 3 to a soccer pitch, install synthetic turf at the multi-purpose stadium and Blakeslee, install a bubble at Blakeslee and the tennis courts, and construct a student ice facility.

To improve Campus Recreation fields, three new softball fields with backstops, skinned infields, dugouts, 300 foot fences, lights and centralized bathrooms and storage would be installed. Participation in Campus Recreation programs has increased to nearly 60% of the students with a future goal of 80%. To meet that goal, the necessary infrastructure improvements must be made. The Campus Recreation fields would be improved by adding two lighted flag football fields and a lighted multi- purpose field. This field would relocate the rugby pitch that will be displaced by the new residence halls. A lighted soccer field and a renovated lacrosse field would also be included. Currently, the area is relatively unusable, but it can be filled and converted to usable play space as other construction occurs on campus and can replace spaces lost to campus projects.

Lighting fields expands the window of opportunity for organized play. Our current facilities are at capacity. Softball participation has grown by 300% in 6 years. Flag football has grown from 21 teams to over 50 teams.

The plan includes the construction of a multi-purpose stadium for flag football, club soccer, lacrosse, rugby, varsity track and women's soccer. It could also be used regionally by high schools and for youth programs. It would be lighted and have a 9-lane all-weather track with seating for 1,500.

Field 3 would be converted to a soccer pitch so women's varsity soccer would be relocated there. The current varsity field is also used by Campus Recreation.

Synthetic turf would be installed at the multi-purpose stadium and Blakeslee. Artificial turf wears longer and extends field use to year round. Another addition would be a bubble over Blakeslee and the tennis courts. The bubble would be air inflated, and the areas would be heated to 55 degrees. This would also extend the playability to year round. It would accommodate more tennis sections which is a high-demand course. The MSU tennis program would also be brought back "home" from the Gustavus Adolphus courts. Having a bubble over Blakeslee would relieve the stress on the Myers Field House schedule. It could be used for a variety of academic, Campus Recreation and athletic purposes.

The proposal includes a student ice facility that would potentially be built on the existing Gage Towers site. It would be used for women's hockey practice and games, men's hockey practice, intramurals and sports clubs, academic classes and community uses. This would replace the function of All Seasons Arena and possibly relieve the community's demand for additional ice time. It would be 78,000 square feet with two sheets of ice and seating for 1,500. We have commitments that have to be honored with All Seasons Arena, so the earliest it could be built is in four years. Eventually the money being paid to All Seasons Arena would be available for other uses within the University budget. MnSCU does not fund leases; M&E operating dollars pay for these leases. The lease dollars would not go to new facilities but put back into funding our regular operating costs. The new areas could be part of our square footage on campus which would qualify for the allocation of staff and utilities and would get back into the facilities allocation formula. It was asked if there would be any equity issues with women playing on campus and men playing off campus. The women's hockey team has been offered the opportunity to play at the Civic Center, but they have declined. It is not known if the men would complain about the women playing at a new facility. A lot of city leagues could use the facilities. There is revenue potential in all the facilities. The facilities could be used to host hockey events, track meets and soccer tournaments. They could be a regional attraction which would aid the community.

The schedule for the plan is fairly aggressive beginning with the installation of the bubbles in November 2006 and with construction ending in August 2008. The estimated construction costs are as follows:

Improve Campus Recreation Fields	\$3,950K
Convert Field 3 to a Soccer Pitch	\$300 K
Construct Multi-Purpose Stadium	\$1,250K
Install Synthetic Turf at MP Stadium & Blakeslee	\$1,500K
Install Bubble at Blakeslee & Tennis Courts	\$1,200K
Construct Student Ice Facility	\$10,500K

Contingencies/Design Fees	\$3,000K
Total	\$21,700K

The estimated student costs per semester with an amortization term of 20 years are:

Cost of Funds	5%
Number of Payments	240
Total FTE	13,000
Annual Credit Hours Per Student	28
Cost Per Credit Hour for Field & Facility Construction	\$4.72
Cost Per Credit Hour for Operations & Maintenance	\$.84
Total Cost Per Credit Hour	\$5.56
Cost Per Student	\$77.70

In a tuition and fees cost comparison with 10 other Minnesota universities, MSU, Mankato is #6. The student fee would be phased in incrementally relative to the approximate construction schedule with a cost per semester of:

Year 2006-07	\$40.51
Year 2007-08	\$40.51
Year 2008-09	\$77.70
Years 2027-2029	\$48.64

The early reaction from the students is that they are interested and willing to engage in further consultation. They have asked great questions and have had good suggestions. We are looking at ways to lighten the financial load for them. The added revenue could reduce the fees they would pay. There was a suggestion to look at some revenue projections that could offset the fee and create other fee scenarios. A presentation was given to Pat Hentges who gave some feedback. Kevin Buisman is aware of what the city is planning and is on one of the planning committees. If this fails with the students, there is no back-up plan.

3. Indirect Cost Income Distribution Procedure

One income item in the budget that has been handled on a formula distribution basis rather than on a request basis is indirect costs. About seven or eight years ago there was a proposal to distribute indirect costs on a formula basis. The idea was to put money out from the indirect costs earned from grants and contracts to be an incentive to generate income through more grants to the institution. In an accounting sense you can look at it a couple of ways: (1) distribute resources on the basis of entitlement or (2) distribute resources by need, or a specific area of need in the University, which is the direction we have tried to handle most of our allocations. We want to reassess this to see if the current procedure is accomplishing what it was intended to do. If so, maybe we won't make any changes; but if not, we need to look at other distribution approaches for the dollars that are currently around \$250,000. We have been talking more about dealing with initiatives and putting money toward things that are going to produce results and measure and hold units accountable for dollars received. This item was put on today's agenda to let you know what we are doing and to get feedback on the next steps. Based on this formula, cost centers are set up for all units or individuals receiving money through the formula. We now have over 90 cost centers with balances ranging from \$6 to \$40,000+. We carry forward more dollars than what are spent. Most of these dollars are being distributed in the Academic Affairs Division, and each year any

proposed change would not see the dollars going any place other than Academic Affairs. One objective that was considered when the new procedure was put together—generate more external grants and contracts. From the beginning, the cash balances have been growing each year. The Budget Office does not receive any expenditure plans for these dollars. Grants and Sponsored Programs gets 30% of the dollars. A report has been sent out regarding the carryforward and distribution of these dollars in the last few years, and we also send quarterly reports to the deans. When dollars are put out without a spending plan, it takes individuals a while to decide what to do with it. Also, if needs are being met by departments, what do you do with the money? If we allocate the money based on creative proposals, the money could be spent very quickly and, hopefully, achieve the objective of generating more grants and contracts. A group should be formed to discuss this matter. It needs faculty representation, and the Graduate Office has to be involved. It makes sense to talk to project directors about what they would like. It was suggested we look at other schools that are bringing in this kind of money and see how they are using it. Models from other schools give part of the money back, but it is not known how well this works. If we did an assessment, it would show that a lot of the money has not gone to new grant production. A report can be given on where the money has gone. Members of the work group to discuss this matter are: Debbie Sinning and Sharon Sandland from Business Services (volunteered by Steve Smith), Lynn Akey, Scott Johnson, Nina NeNoir, and Michael Bently (suggested by John Winkworth).

4. Criteria Development for Joint Planning & Budget – Update

Attached to today's agenda were the materials that had been presented at the January 24, 2006 Planning and Budget Sub Meet & Confer by the criteria committee from BSM&C. There was a lot of discussion at that meeting, and the committee was asked to do additional work. Some of the ideas were a timeline of when this process would happen and a time when people could submit new ideas. A template was requested since there was concern about the questions that were included in the criteria. Examples of something going through the process were requested. The work group will meet again and come up with an example. The committee wants everyone to understand what not to include; groups could be established so people are aware of the information. The committee hopes to streamline the process and make it work. A visual will be created to help show what needs to be done. There is no desire to circumvent and duplicate other processes.

Planning is trying to look at a position description in the planning area. Programs that are doing annual assessments and giving data to Tracy Pellett would indicate that the quality indicators could be tied in. The financial area is not reviewed. Broader indicators could be looked into. Lynn Akey is doing a lot of Student Affairs' assessment. On the visual chart that was included in today's handouts, it looks as though only new programs can be "Not Approved". However, there is an arrow from the bottom box "Future Funding Decision" that goes up to the "Not Approved" box from existing programs. This could possibly be modified.

5. Information Items

- FY07 Institutional Equipment – Lists due February 10, 2006

A copy of the MSU equipment allocation process was included with today's agenda. The FY07 institutional equipment process is now being done. Information was sent out at the end of December, and the BSM&C committee will prioritize the division lists and give the final list to the Cabinet to approve or make changes. Representatives from each division and bargaining units are needed to prioritize the FY07 equipment lists. There will be one or two meetings after February 10.

- FY07 Approved Tuition Rates to Date

A report showing the FY07 approved tuition rates to date was also included with today's agenda. The academic year impact for MSU shows that in FY06 the rates for two tuition bands was \$4,682 and for FY07 will be \$5,104—an increase of \$422. Tuition for full-time graduate students in FY06 is \$4,860 and will increase to \$5,298 in FY07—an increase of \$438. Reciprocity agreements have not yet been received.

- FY006 Enrollment Update

A report showing FYE enrollment from FY03 to date in FY06 at MnSCU universities was also included with today's agenda. Most institutions decreased in enrollment, but spring semester numbers will still change. MSU is down about 1% from last year.

6. Other Items – No items were mentioned.

7. Next Meeting Date – February 14, 2006 – 3:00 PM in CSU 204

Dave Cowan will give an update on parking at this meeting. The Parking Advisory Committee is making a recommendation for changes in permit fees.