

**BUDGET SUB MEET & CONFER**  
**APRIL 4, 2006**  
**3:00 PM, CSU204**

Attendees: Jean Haar, Nina LeNoir, Phillip Miller, Linda Wenkel, Mark Parsley, Jerry Anderson, Lynn Akey, Kevin Buisman, David Cowan, Scott Johnson, Rosemary Kinne, Michael Miller, Steve Smith, John Winkworth, and Margot Zelenz. Guests: Fernando Delgado, Brock McMillan, Patricia Lipetzky, Gerry Schneck and Tracy Pellett

**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. **Planning for Doctoral Programs – Fernando Delgado and Brock McMillan** – Various departments assessed their interest and abilities in delivering doctoral programs. Four presented their ideas and wishes for doctoral programs with a target date to begin in August 2007. The Graduate Sub Meet reviewed the information, and the Dean of the College of Graduate Studies and Research recommended moving forward on three programs between 2007 and 2009. The intention is to deliver high-quality doctoral programs and to maintain the position as the leading purveyor of graduate education of the state universities. It is also hoped that the external dollars brought into the University will double. About \$3 million has been received, but a target of \$7 million to \$8 million has been set. Doctoral faculty will teach a little less and do more research and scholarship. To have a doctoral program we have to have a minimum number of faculty. The three programs are expected to generate tuition revenue by attracting students who would not otherwise be at MSU. The recommendation has been to target two programs in academic years 2007-08 and 2008-09 and three programs in academic years 2009-10 and 2010-11. Two programs can be done in one year because one is a consortium. MSU will be the award granting institution. We do not have a complete sense of where these students will come from. Some tuition will not be collected because of the bargaining unit contracts and tuition waiver. It has been anticipated that all programs will be full. It is hard to determine enrollment when working with a consortium.

The following questions were asked: Is there a revenue side to this? Will each doctoral student be teaching to get revenue? Are they going into programs where they can teach? A market analysis will be done. Some could teach as an adjunct rather than a GA. Some students would not be able to leave their employment to teach for us. If we had another year to plan, we would have better data. It was mentioned that it appears there would not be a revenue side unless the doctoral students work. If students are already teaching, it is unlikely they would take an assistantship with us. If we are looking long term to increase funding, Steve Smith would like to see a plan for funding potential help for the administrative part of the program.

One committee is looking into indirect costs. It was asked if some indirect costs could be used to help with the expense of doctoral programs. The more dollars there are to divvy up, the more likely it will be a pay-as-you-go operation. Sometimes RASP cannot generate enough money to pay for itself now. The amount of \$900,000 over three years is needed to pay for operational costs. We would take in some tuition revenue but do not know from where \$600,000+ will come. The President proposed not to ask MnSCU for more money for doctoral programs. In most institutions graduate programs do not pay for themselves. Undergraduate dollars may have to be used to enhance graduate education. Graduate education should enhance undergraduate programs as well as

master's programs. A question was asked if we have too many master's programs. In the allocation model if we lose undergraduate head count, we lose money. If there is a net drain, we have to cut something. What would be cut? The doctoral proposals need to be given to MnSCU in the fall. There has not been any institutional money outside of the college to pay faculty. Dean Miller said that college money will be spent to try to make it work with the money they have.

- 3. Market Rate Tuition for Online Classes – Patricia Lipetzky and Gerry Schneck** – A copy of the online tuition proposal was distributed. There are barriers for students out of state to register for online classes at MSU because of the high tuition rate. The proposal is to have resident tuition rates for online out-of-state students. MSU currently has the highest non-resident tuition for students taking online courses. We do not want to shift students from regular classes to the online mode. To maximize the utilization of seats in online courses and to recruit new students into online programs, the Extended Learning Sub Meet & Confer proposed that beginning fall semester 2006 MSU charge one tuition rate for online courses. It would be consistent with the resident tuition rate and apply to courses taken within and outside of banded tuition.

Online and Extended Learning can set their own tuition rate per MnSCU. The handout showed tuition rates for MnSCU institutions. Rates at institutions inside and outside of MnSCU were reviewed. Many have market rate credit production for online courses. At some point we may have to adjust the market rate. Some campuses are adding another fee onto anything offered online. It is much more difficult to process extra fees at MSU because we have to go through certain steps with MnSCU. A handout listed the online tuition rates for non-MnSCU institutions—Univ. of Phoenix, Walden Univ., Capella Univ. and the U of M. The vast majority of students are on-campus, online students. We hope to get more students from out of state. Seats for online courses are often taken by students on campus who register early. By creating a market tuition rate it is hoped that students will be encouraged to enroll in online courses. Bemidji has the highest production for online students in MnSCU. We need to look at all the barriers and find a way to make online tuition more competitive. We need to maximize the utilization of seats. The Faculty Association passed a resolution supporting this online tuition proposal. The proposal is now going to the meet and confers. It has already been presented to the Planning Sub Meet & Confer and the Learning & Technology Round Table. The VP for Academic Affairs will eventually present it at Cabinet. All comments, negative and positive, are being taken.

It was asked if this presents special problems in billing. The program is a challenge with banded tuition. There is one rate for 12-18 credits for on-campus students. If students take 10 credits on campus and 2 credits online, they think that should be in the band. A decision needs to be made whether or not they are in the band in this type of situation. The whole area of billing needs to be reviewed. The market rate can be decided by us and does not have to go through MnSCU. At Bemidji if students have courses in the band and one is online, they pay the band + three credit hours. They have very little problem with their competition because students know their competition costs more. Coding also has to be worked out. Registration has started, and students have to be notified when they register about additional course fees. It would be difficult to have this in place for fall, but it could be ready for spring.

- 4. Evaluation System for MSU Institutional Goals – Tracy Pellett** – Tracy had explained the evaluation system at a previous BSM&C and came back to see if there was any feedback. This evaluation system has gone through a number of committees and groups for feedback. If anyone has comments related to this, Tracy would like them now. There is no money attached to this. It does have the potential to have an impact

on what happens on campus to measure what we say we do. This pulls together what we are already doing and helps us save money. The seven institutional goals are listed under the University mission on the President's Web site.

5. **Revised FY07 Institutional Equipment List** – The Institutional Equipment list was revised slightly because additional items were identified as having been funded in FY06 and were taken off for FY07. There were some changes in funding for card access. The list still has to go to the Cabinet, so this is still a draft.
6. **FY07 Student Pay Matrix** – The list of FY07 student pay rates was distributed. The new rates will become effective August 23, 2006
7. **Out-of-State Insurance Surcharge – David Cowan** – In the middle of the year we received an invoice from MnSCU for MSU's vehicle fleet insurance. MnSCU got pressure from the insurance carrier because once our cars are sent outside of Minnesota, our coverage becomes problematic. We are not well insured when our vehicles cross state lines. Therefore, MnSCU put additional insurance coverage on all of its vehicles. MSU generates about 100,000 miles a year and almost 12%-15% are out of state. MSU's part of the bill of \$150,000 is \$40,000. The Cabinet was asked to help pay for this unexpected charge, but any help it gives will not be long term.

David prepared a proposal that was circulated a month ago to the deans and other parties. It mentioned rates in general and proposed that employees who drive across the border take on a \$100 surcharge per vehicle per trip. This would recover about \$27,000 of the \$40,000 owed. Athletics and Admissions would be affected very much by the additional charge. MSU does not have 15 passenger vans and is trying to phase out the 12 passenger vans for safety reasons. This extra fee would also affect student activity funds. The Student Allocations Committee needs to know how we are going to proceed with this. They may decide not to supplement student activity programs. We would like to try this proposal for one or two years. We do not think the out-of-state trips will cover the total insurance charges. Those driving out of state can go commercial, but MSU is still the best deal in town. We pay for gas; Enterprise does not. Enterprise also has stringent rules on who can drive, and insurance is different for Enterprise. The department would have to pay the deductible with a private carrier if someone has an accident.

For about 25 years we received returns/rebates because we had a good track record, and other institutions did not. We have insurance through State Department of Risk Management. This additional insurance cost is new, and conversations have not been held about payment coming from M&E funds. It was asked if a committee should be formed to discuss the options for this proposal or to go forward with this proposal for one year. Long term this added cost will probably not go away. We do not use private vehicles because there may be something in employee contracts that we have to have a pool of cars. Next year the bill would probably be another \$40,000. We cannot get rid of this bill, and we need to plan for FY07.

8. **Next Meeting** – April 18, 2006, 3:00 PM, CSU 204. We will look at the strategic initiatives funding requests and the FY06-07 budget.