

**BUDGET SUB MEET & CONFER**  
**TUESDAY, FEBRUARY 6, 2007**  
**2:30 PM – CSU284**

**Please note: Budget Sub Meet & Confer agendas and supporting documents are located on Web site <http://www.mnsu.edu/finadm/submeetconfer/>.**

Attendees: Rick Straka, Chair, Jean Haar, Co-Chair, James Bailey, Michael Bentley, Mary Bliesmer, Tracy Pellett, Victoria Peters, Gary McKinley, Jerry Anderson, Mike Hodapp, Lynn Akey, Kevin Buisman, David Cowan, Avra Johnson, Rosemary Kinne, Steve Smith, Pat Swatfager-Haney, John Winkworth, Margot Zelenz, Sharon Sandland, Sandi Jessen and guests Henry Morris and Walt Wolff.

**Reviewed Agenda-**No changes.

**1. Discussion Items**

Student Pay Group met yesterday with Rosemary Kinne regarding student pay rates. Rosemary will type up a memo for Rick. Rosemary talked about the history of pay rates vs. the other businesses in town. Suggested a 3% increase in student pay with starting pay at \$8/hr. Key factors are minimum wage is going up and the quality of applicants. The next step will be Rick Straka talking to student groups and Cabinet to review and make decisions. Lynn Akey asked who would be monitoring the decision, how many positions. Steve Smith has financial aid working on utilizing student work study to create more money to keep the same number of positions and still allocating 15 hours a week even if the rate goes up. Rick said that South Central currently pays their students \$9/hr. Pat Swatfager-Haney recommended meeting earlier in the fall prior to doing revenue fund meetings.

**2. Revised FY07 M&E Budget**

Rick would like the term M&E usage changed to “General Operating Fund.” Contract travel estimate based on amount of facility contract travel close to budget, but over budget \$88,000. Increase salary budget 06-07 not accounted for non-salary base increase insurance cost \$15,000 over prior year.

KMSU Project: We have a partnership with MnDot on the tower. They will provide construction costs for the tower, giving us the tower without paying rent. The current tenant will donate the mobile building to move bringing the project cost of \$400,000 down to \$50,000.

Campus Security remodel/space rental of \$75,000 probably not getting done this year. A final solution still needs to be found.

Athletic field updates, need upgrade and safety issues on one of the fields. A 2% crown is reasonable, but a 1.5% crown is better. Outdoor Rec is addressing field safety concerns. MSU has received a commitment from the Vikings to pay back a portion of improvements over time.

MnSCU recommended the reserve level by policy is 5-7%. A healthy level would be 6-7% ratio. MSU has looked at 5% low end of recommendation as a ceiling instead of floor in the past. This is a discussion to have at the next Budget Sub Meet & Confer.

### **3. Legislative Update**

Office of the Chancellor made initial budget testimony on Higher Ed Workforce Committee on Wednesday and Thursday this week. Good news, out of \$177 million the governor recommended \$123 million to MnSCU and higher ed. Bad news, money is all fenced and there are zero dollars for inflation. Governor does not recommend a tuition freeze. Recommends 4% increase per year. The end of March into mid-April are the hard targets from the Senate, but may go into May or June with proposals. The schedule for finalizing student fees and room and board will be at the main board meeting with final approval at the June board meeting.

### **4. Assessment News-Dr. Tracy Pellett**

Tracy provided us with a survey handout and the results of the survey. Priority Survey for Online Learners had 26 questions and focused in 5 different areas. (Academic Affairs, Enrollment Services, Instructional Services, Student Services and Institutional Perceptions) In 2006 there were 794 students enrolled in online courses, of which 249 responded to the survey.

MSU Strengths: Delivery platform (D2L) is reliable; Registration and billing is convenient; Instructional materials, course media are appropriate, viewable, useable and accessible; High faculty expectations of work/quality.

MSU Challenges: Faculty/Institutional responsiveness to needs; Program requirement clarity and offerings; Course goals and procedures clarity; Faculty feedback about student progress; Quality of instruction; Tuition paid to investment.

Would like to see the trend data go up and see areas of improvement. Comparison is lower than national average. A lot has to do with the perception and knowledge percentage of what exists out there. Example: Online CDC Center has a lot to offer, not tied into the courses and students may not see it.

### **5. FY08 Passenger Fleet Budget Review-David Cowan**

David Cowan submitted the Passenger Fleet Budget for 2007-08. The proposed \$380,000 revenue plan rests on a recommendation of no increases in the existing daily rate charge. It also continues the \$100 per trip across the border surcharge for a second year in a row to help deal with the massive insurance cost increase the University received this past year. Across-border trips average 250 each year. The existing inventory of 48 passenger vehicles is such that no replacement units are planned in FY08. Revenue forecasts for FY07 appear to be on target with 60% of our receipts showing up during the Spring Semester. The \$51,798 accumulative shortfall which carried over from 2005-06 cannot be totally paid for in 2006-07. It took three years to develop and it will take a couple of years to address. Dave expects that \$22,999 of that shortfall will be how the Passenger Fleet's self-sustaining cost center ends on June 30, 2007. The 2007-08 revenue plans accommodates that final payroll in FY08. With mileage reimbursement at 41.5 cents a mile, a trip to Minneapolis averages \$70 vs. taking a state provided vehicle at \$33.

Out-of-state travelers can get a van from Enterprise, however there are certain restrictions if you use the Enterprise Fleet that MnSCU and MSU doesn't have, such as driver must be 25 years old, must sign up for collision and liability insurance thru the rental agreement. A sub-committee titled Out-of-State Travel Insurance Committee was set up. It will be chaired by David Cowan, with Kevin Buisman and Margo Zelenz as committee members. The committee agenda will include: Looking into RSO's who travel in their own vehicles and MSU taking a proactive approach; PT university supervisors who travel in their own cars, who covers the liability; Issues for safety of students in case of accident. Minnesota insurance will follow the vehicle, liability insurance on their vehicles on states behalf needs to be negotiated.

## **6. FY08 Initiative Funding Request Review**

32 proposals for FY08 initiative funds were received totaling \$4.5 million in requests. To fund all of these, reallocations would need to be made to other budgets. Budget needs to look at one-time funding requests such as positions being requested, and salary, but no fringe dollars. Still need to develop a budget process. Rosemary and Rick showed the FY08 planning document to Cabinet. Student populations, tuition, and compensation to calculate the bottom line could impact where the reallocations come from. This shows the need to go to the legislature with what we cannot do with our funding. A recommendation was made to add this to the proposal next year: One time-Decision tree, and Vice President long-term expenditure. Rosemary recommends to planning base request to go thru difference process. To pull out of this pool of funds, go to Cabinet for base funding review.

## **7. Call for Sub-Committees of BSMC**

### **-For FY08 Institutional Equipment Prioritization**

Sub-Committee members include Gary McKinley, Rosemary Kinne, Mike Bentley, Mike Hodapp, Malcolm O'Sullivan, Lynn Akey and Margo Zelenz.

### **-Course Fee Approval Process**

Sub-Committee members include Mike Bentley, Sandi Jessen, John Winkworth and Rosemary Kinne.

## **8. Enrollment Management Update**

Henry Morris and Walt Wolff, Co-Chairs of Enrollment Management gave the committee an update. They were appointed by President Davenport to review the short and long-term enrollment management throughout the year. Invitations will be going out for the Campus-Wide Enrollment Management Summit on March 23 from 8-3 p.m.

Charge: The Fall enrollment in '07 took a hit already in Fall '06. Committee brought in four consultants to campus to review recruitment, retention; extended learning and financial services. Long-term goals: Shift goals due to 2010 demographic shift. Primary market is Minnesota. In 2009-67,000 high school seniors will be graduating; in 2015-57,000 high school seniors will be graduating. \$600,000 has been taken out of budget to reflect the reality. President Davenport has put enrollment management as a high priority. The market is in metro area. St. Cloud will continue to grow as the northern Metro tends to go there. We need to find other pockets such as Iowa, Illinois and Wisconsin. Our in-state tuition should be on the same playing field as other schools. NEF class of 2,400 would be the second largest class we ever had. Price is not having an effect on the options, it's a wonderful deal for what students get. We are in the ballpark and it is not the determining factor in their decision. Pat Swatfager-Haney said the mix of the class we want and factors on where we are drawing students and marketing is important. Illinois is much bigger than us, we compare more with Wisconsin. In FY'07 \$125,000 was set aside for enrollment management, which includes the consultants at \$40,000 and administrative expenses. Marketing has already been budgeted and Cabinet has been real supportive to get the 2,400 first year students. There is an enrollment committee on every campus.

**Meeting Adjourned.**