

BUDGET SUB MEET & CONFER
TUESDAY, NOVEMBER 6, 2007
1:30 P.M. – CSU 238

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, Michael Bentley, Mary Bliesmer, Stephen Larson, Diane Richards, Sharon Sandland, Barry Wilkens, Mike Hodapp, Kevin Buisman, Rosemary Kinne, Ellen Mrja, Michael Miller, Steve Smith, Pat Swatfager-Haney, John Winkworth, Margot Zelenz, and Vickie Hanson.

The agenda was reviewed and approved.

1. Discussion Items

- Vice President Rick Straka would like to dispel a rumor regarding the change of eliminate crossing guards, due to football field overrun. This is not the case. The traffic flow did not warrant having traffic guards. A trial run was done and there was no change with or without guards. Parking has its own self-contained funds.

2. FY09 Budget Scenarios (Handout)

- VP Straka still in the midst of negotiations. Can't say a lot as what the impact will be on the FY09 budget. MnSCU board set 4% tuition rate ceiling. November Board Office of the Chancellor pay for tuition buy down of 3% to colleges. This will have a \$2½ million impact.
- Refer to handout on budget scenario impacts.

3. Group Discussion Questions-Open discussion included:

- FY09 budget difficult to say what our budget will be. VP Straka will have various scenarios at the next Budget SubMeet & Confer with bottom line numbers. With the enrollment growth, some money needs to be put aside for support services and instruction which needs to be discussed at Cabinet.
- VP Straka would like input to take back to Cabinet on items we need to invest in to get to FY09.
- Facilities RR (Repair and Replacement Projects) funding is at \$.89/sq ft. (does not include HEAPR). CSU RR gets \$2/sq ft. Bonds are a hard sell for renovation projects.
- FY09 budget has \$450,000 in special initiatives set aside.
- Tight budget scenarios: Southwest State must make a \$2M budget reduction next year; Bemidji \$1M reduction.
- Initiative money (one-time money). Short term money to allow divisions to reallocate.
- Mike Hodapp-Would like to see assessment overview of institutional diversity. Are we meeting any goals? VP Straka-Yes, special population enrollment increasing.
- Strategic planning process next year. It is a 3-5 year process (cycle).

- Margo Zelenz-Scholarships and concerns with state universities being affordable for majority of students. Look at cost for students to go to state universities and is it affordable. VP Straka-State universities are ¼ the cost of average private universities. Still see an increase of people coming to higher ed.
- VP Straka and Steve Smith attended the Audit Exit Conference at MnSCU last week. Steve presented a ½ hr to 45 min. presentation on the financial statement and the group would like Steve to present it at the next Budget SubMeet & Confer meeting. VP Straka gave kudos to Steve and his staff on no management findings in the letter (clean audit). There are new standards by the auditors making senior management of companies attest to the accuracy of the financial statements.
- Able to increase reserve to 6.3%. We are at very low reserve levels (general 5-7% reserve). Mike Hodapp has 6 months reserve in CSU.
- Enrollment management growth to 20,000 goal. President Davenport sees this as a long-term goal to happen in 15-20 years. We will need physical facility infrastructure on campus:
 - 67,000 new sq. ft. in Trafton
 - COB capital campaign
 - CA Nursing
 - Residence halls
- Financially as we grow, some planning budget scenarios-We need some level of growth and money to fund the growth.
- Is growth realistic? Pres. Davenport does not see all the growth happening on campus, there are other places to grow:
 - Extended Learning/Online
 - Graduate students
 - International students
 - Transfer populations
 - It's multi-pronged, spacing out over time.
- We are a flagship university. The Chancellor has given a charge to lead the market along the I-35 and Hwy 169 corridor.
- Students would rather have a percent increase vs. a fee for everything.

4. Reallocation Models (Handout)

- VP Straka reallocation means reduction from within and how do we do this? Would like input on how to do that from department/division/VP. See attached examples on how allocation was handled at University of Michigan and Washington State University (includes salaries). Question-Is planning committee talking about this? Needs to be discussed at joint meeting. No, right now talking about strategic priorities. Goal with questions to have answers by end of year: 1) Raise awareness 2) Make certain levels of investment to succeed in future with some level of reallocation. VP Swatfager-Haney, we need data to make decisions. We don't have anyone at the university to help "how to be more efficient" need to look at an outside consultant. Several year discussion to change the process of budget and planning.
- Retrenchment (one tool of reallocation depends on scenario of situation) vs. Reallocation. We are not at that point yet to use retrenchment.
- The good years were the last 5-6 years. Now fewer resources to give out.
- VP Straka, good input to take back to Cabinet.

5. Planning/Budget Considerations (See above discussion)

6. Other Items:

- Agenda item for next month:
Tuition differential at undergraduate level or at any level.

VP Straka appreciated all the open discussion. Please email items for future discussion to Vickie Hanson, Jean Haar or Rick Straka.

Meeting was adjourned.

The next meeting will be December 4, 2007 at 1:30 p.m. in CSU238.