

BUDGET SUB MEET & CONFER
THURSDAY, APRIL 3, 2008
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, Jean Haar, Ellen Mrja, Sharon Sandland, Mike Hodapp, Sandi Jessen, Lynn Akey, Kevin Buisman, David Cowan, Avra Johnson, Rosemary Kinne, Michael Miller, Steve Smith, Pat Swatfager-Haney, John Winkworth, Margo Zelenz, Jason Schilling and Vickie Hanson.

The minutes were approved with the following changes noted:

- There are 5,400 parking spaces at MSU.
- Parking is self-sustaining (does not use general funds). It costs \$30,000 in electricity a year to light the lots and heat the shelters. The state contributes to this.
- Gage will be occupied on all floors in FY2008-09. Three rooms per floor will be offered as single rooms, reducing the building capacity by 72. In addition, 200 Crawford beds are off-line for renovation in 2008-09.

The agenda was reviewed and the following item was added and discussed:

- A question regarding the current credit crisis and how it affects student loans and financing was asked. VP Straka responded that TCF Bank is getting out of the college lending division and will no longer be in college lending. They have already contacted students with a list of other vendors. This may mean multiple loans levels at the end of college for students. This is more of an issue once students are out of school. There will be no impact to current students. TCF will continue alternative lending, but not federal loans.

1. Discussion Items

2. FY09 Institutional Equipment Proposed Prioritized List (Handout)

Rosemary Kinne reported that there were 8-10 representatives on the group that worked on prioritizing the institutional equipment list. On the attached list, Items 1-25 are being recommended for funding. The next group of Items 1-27, are in priority order if future funding becomes available. On Page 6 there are items that do not qualify for capital assets, items to be submitted as R&R Projects for remodeling projects and items that have been removed from the list.

3. FY08-FY13 Budget Planning Principles-Draft (Handout)

The principles expired in FY07. Basic guiding principles will be in effect as we move forward. Comments and adjustments on the first reading should be forwarded to Rosemary Kinne. Primary change-Investments to better transition ourselves to the future, planning to drive where we are going vs. budget.

4. FY08 General Fund Base Allocation-1 ½% Planning Reduction (Handout)

President Davenport has asked the Vice Presidents to bring back a plan for 1½% reductions in their divisions to Cabinet. The House and Senate are under \$10M, system-wide funds. We are in a hurry up and wait mode. Rep. Rukavina made good shots in the

Tribune today. There was \$1M before this plan came forward. This reduction would bring us to \$1 1/2M, including 90% salary and fringe. There will be cuts going into FY10. There was \$529,000 base adjustment in FY08, planned for 4 1/2%. We may not need all these adjustments by July 1 but should start to garner this. We must be balanced when we go into FY10.

There will be vacant position savings, by positions not being filled. Academic Affairs will be taking the blunt of the budget. Need to have base adjustment identified. \$1/2M salary savings already built into the budget. Governor's budget takes a three prong approach: 1) Central Office 2) Campuses (level of reductions) 3) Tuition. VP Straka thinks we will be closer to the legislative side rather than the governor's side. We may end up more in the middle. \$975M bonding bill-Governor can line item bonding bill, cannot line item omnibus bill. We are in a decent position that we could balance the budget for the next year managing with 1 1/2%. Once the cuts are made the positions are gone. These will be permanent reductions when they are made. We will be starting from scratch again. Need to think in investment mode, from the start, what investments do we need to make to move into the future? Manage by looking forward, by planning and planning drives it. Discussions will be held at Meet & Confers.

5. FY09 Budget and Legislative Update (VP Straka)

- Good news on the bonding bill. Trafton is solid with \$29M for renovating. It will be a stressful two years to get the facilities we need. The facilities group has done a nice job with the employees and students of Trafton.
- The \$975,000 planning money for the civic center expansion would provide hockey rent expansion (athletic program), auditorium expansion. There are Title 9 concerns, men's and women's hockey would move downtown which could help with recruiting, and help out campus recreation as there would be another sheet of ice as well as more time for broomball, hockey and skating.
- The ice arena in St. Cloud cost \$3-\$4M. They came up with matching money. Duluth received \$40M of state money for the \$80M deck expansion. They had money of their own with the city matching funds. Mankato was asking for matching money.
- VP Straka told Student Senate that this is the sixth time of hurry up and wait. It's acting like a biennium forecast. The final budget will not be out until May. The Board will act on fees at their May meeting.

6. Other

Reminder that parking passes are online and ready for registration. Gold permits will be \$236 next year. If you pay up front you will be entered in a drawing for prizes.

Paul Hustoles presentation "Millie" begins this weekend.

The meeting was adjourned.

The next meeting will be April 30, 2008 at 1:30 p.m. in CSU238.