

BUDGET SUB MEET & CONFER
TUESDAY, SEPTEMBER 16, 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, Ellen Mrja, Kitty Foord, Stephen Larson, Diane Richards, Barry Wilkens, Gary McKinley, Sharon Sandland, Chris Connolly, Mike Hodapp, John Caven, Lynn Akey, Kevin Buisman, David Cowan, Avra Johnson, Scott Johnson, Michael Miller, Steve Smith, John Winkworth, Margo Zelenz, Harshdeep Bhasin and Vickie Hanson.

The minutes from the previous meeting were approved.

The agenda was reviewed and the following item was added:

- Passenger Fleet Vehicles Rate Charges for 2008-09 (David Cowan)

1) Introductions

- Introductions were made.

2) New Budget Process

a. President's Retreat Team Comments and Feedback

A handout was provided detailing team comments and feedback relating to budget from the August 19, 2008 President's Retreat at Gustavus.

b. Budget Office Website (www.mnsu.edu/finadm/budgetoffice/)

i. Budget Planning Process Timeline

As a follow-up to last year's joint meet & confer the new budget process and timeline has been developed. Key item that came out of the process is:

- Timeline budget process
- Set in place budget scenarios
- Best case, worst case scenario

Cabinet will have to meet on the shortened calendar year for FY10. The Budget Planning Process Timeline was handed out to the group. The below timeline will start in FY11:

- Academic Affairs is the first trigger of the calendar dates by April 1 of primary year (to allow early fall searches).
- Divisional Plan to Budget Office with by September 1
- Post to the Budget website by September 15
- Bargaining units Preliminary Input and Comments by October 15
- Cabinet One day retreat to prioritize scenario plan by October 31
- Present formal plan to Meet & Confers in November
- Final scenarios by December 1
- Cabinet monitoring in December-April
- Cabinet proposed final budget to Meet & Confer in April
- Final budget approved by Cabinet in May

As part of this plan every division would put forward the following forms for review:

- Summary of Divisional Investment/Reduction Plan
- Divisional Investment Base Funding Plan Form
- Divisional Reduction Base Funding Plan Form

The timeline is for the fiscal year following the academic year. This will be done every year as part of the annual budget process. Planning is driving more than the budget. There may be under-anticipated things that may change in the middle of the year.

We don't always know the outcome during biennial budget years until May, June or July. The budget is not always set on time. Right now the worst case/best case scenario adjustments can be made. There is a \$2-\$4B deficit statewide in the biennium process. We will not balance the budget on basis of students. Cabinet will need to come up with a condensed version for this year. All VP divisional work plans will be put on the internet and will be open for review and input. This process has been vetted through Sub Meet & Confer and Budget Meet & Confer (Planning, Assessment and M&C). Preliminary discussion was held at the full Meet & Confer level. Mike Miller stated that no where do we have full discussion, input, when and where does this happen. Broader discussion should happen at a grand Meet & Confer. VP Straka stated we are open on how to do this in the shared governance process. We will be making reductions in each area for the good of the university. Feedback, not sure we are ready to give input at that level. VP Straka asked if bargaining units would be able to decide on eliminating positions or let someone else decide. Bring forward to the Meet & Confer process. When the concept was brought up no one brought up opposition to this. Avra Johnson said they did not have this discussion at joint meetings. What does it mean to "participate"? Go back to joint committee and bring back what "participation" means. Some units are uncomfortable with the ideas of what we are talking about. Right now-shared governance-consultation governance-input, not shared decision making. Decision making rests with the administration. VP Straka wants this to be transparent and for people to have multiple opportunities before decisions are made. How do we go about doing this? We won't ever get a consensus on process or final decisions. No point-to-point comparison at budget M&C (level of detail). Cabinet is ultimately responsible to make these decisions for reallocation. There is more benefit from an investment then to lose at a reduction.

The campus community (any faculty, staff or student) can also put forward Cost Containment Strategies comments. The form can be found on the Budget website. The next 2-4 upcoming years will be financially challenging. We saw growth the past 5-6 years. VP Straka encourages everyone to offer strategies online. Look at input and ask how do we react to these comments? Do they get forwarded to divisions or division heads? How do we report back to the campus community? VP Straka is open to ideas. Bring your comments to the next Budget Meet & Confer on how to notify faculty and staff. Discussion was held regarding concerns of repetitive postings and the data being unusable. Maybe posting can be tracked by IP address. Talk should happen with IT on setting this up. VP Straka noted that at BYU they will not tolerate any playing of games on the budget process. If someone gets caught playing games they will go up to two

years with no additional money. They take it very seriously. Rosemary Kinne has done research into schools who have implemented similar models.

Cabinet must decide what's best for the institution.

3) Preliminary MnSCU Biennial Budget Request

VP Straka-There has been preliminary talk about what MnSCU will take. Number 1 priority is inflation. The initial process of \$12.5M expectations for reallocation of current institutional resources are for inflation and other things. Reduce the year's existing budget to help pay for things you want to get. It's a \$400,000 cut in each of two biennium years for us. The Leadership Council Board will react in October. Try to avoid a de-allocation for Higher Ed. President Davenport talks about a 4% tuition cap. The U of M really got beat up last year. MnSCU believes lower tuition is the best form of financial aid for all students. Differential tuition was discussed. This has become a bigger topic for discussion in the MnSCU system. The Board remains more opposed to tuition differential. The Chancellor is not looking at this now.

4) Passenger Fleet Vehicles Rate Charges for 2008-09 (David Cowan)

David Cowan is proposing this revised version to reflect fuel increases, insurance changes and equipment buy. The 2009 plan assumes \$3.90 per gallon gas. Phase out of 12 passenger vans begins with one replacement vehicle under 10 passengers.

Currently have five 12-passenger vans. Would like to move away from replacing these but will wait to make purchase to see about gas pricing. Rick Straka said to look at the fleets we have. What we address to keep or replace doesn't even begin to touch replacement of the fleet. After 100,000 miles or 5 years, vehicles are sent to auction. Newer vehicles can sustain 120,000 miles before auction. There was a drop of 17% in reservations last year. Discussion was held on purchasing more fuel effective vehicles. We have to purchase what the state allows us to have. Security runs around campus with hybrid vehicles (1/2 battery and 1/2 gas). There are not a lot of E85 pumps in the area. Mileage is not good on the 12 passenger vans, plus they are not safe. We have the need to move large number of students and there are rules being imposed on this. Using charter bus services with bus companies was discussed. Athletics is currently using charter services. There is not a lot of competition out there. A suggestion was made to connect with the Mankato school system.

The proposal will be presented to Cabinet as a general supplement. Supplemental requests will be entertained for the year.

David Cowan stated that long-term vehicle operations need to be invested in every year in the vehicle fleet. Need to replace and replenish the vehicle fund. 2006-07 was the last year we purchased two vehicles. Current fleet maintains at 44. We can't keep going with zero investment. Enterprise is pulling from the system. Some 2-year institutions are eliminating their fleets. Minnesota tort claims do not get recognized out of state. Our previous insurance provider did not put in an RFP upon renewal. They were not looking at education, but MnDOT and DOER instead.

Rick Straka thanked everyone for the good discussion. The meeting was adjourned.

The next meeting will be October 7, 2008 at 1:30 p.m. in CSU238.