

BUDGET SUB MEET & CONFER
Tuesday, February 9, 2010
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, Mary Bliesmer, Co-Chair, Ellen Mrja, Mahbubur Syed, Daardi Sizemore, Gary McKinley, Mike Menne, Sharon Sandland, Mike Hodapp, Deb Schulz, John Caven, Kevin Buisman, Marilyn Fox, Avra Johnson, Rosemary Kinne, John Knox, Michael Miller, Warren Sandmann, Steve Smith, Margot Zelenz and Vickie Hanson.

The minutes from the previous meeting were approved.

1) Changes or Additions to the Agenda – Avra Johnson asked that “Strategic Planning Task Force” be added to the agenda.

2) Faculty Pay for Grants (Mary Bleismer)

Mary expressed concern regarding the ‘mechanics’ of payment of faculty members for research that is supported with grant funds as it relates to current faculty, emeriti faculty, faculty on sabbatical, on leave etc. It has been an issue in the past when the Family Research Team requested Indirect Funds fall semester and their application was not considered. Rosemary responded that there are specific guidelines the team uses to determine if a proposal will be looked at. The new RASP Director would be very helpful in the writing of the grants and Human Resources can help on the payment of additional duty days for faculty working on grants.

3) Extended Learning Online Differential

The Board of Trustees is looking at online differential tuition and the uses of it. This will be going through the Extended Learning SubMeet and probably the main meet & confers. It appears that the discussion we have been hearing is that the Board is reacting negatively to a couple of instances where they have heard the use of differential tuition has been seed money for additional courses. They do not believe that is acceptable or the correct way to use the money for online learning. The basic initial pushback resulted in every institution sending their plan of how online differential tuition is used to the Office of the Chancellor to be given to the Board of Trustees. There is Central Office and Board of Trustee oversight on what the appropriate use of those funds should be. There should be something of value for online, a match in the revenue received and the value or expenses that go out. They don’t see funding additional sections as matching the revenue. It could be used for improving the quality or building the infrastructure to allow online students to get students services and advising better. It is not an additional budget fund for staffing.

The fee was initially proposed and sold to the students as improving quality of online education, not as a convenience fee. Of the \$35 fee, \$30 goes to the university and \$5 to Minnesota Online to cover the online cost and system.

4) State of Minnesota Economic Outlook-Implications for the System (Laura King)

The 20 minute webcast done by Laura King from MnSCU was presented to the group. The webcast can be found at <http://www.mnsu.edu/finadm/budgetoffice/>.

5) Facilities and Administration Costs Process (Formerly called Indirects) (Rosemary Kinne)

A draft copy of changes made to the process was presented to the group for review and consideration. When the process was changed in FY07 it was done for two years with the idea of making changes after that time. Indirects are the overhead costs we get back from externally funded grants or contracts from outside sources. Explanations were made on when we use the off-campus rates. Clarification was made to the distribution and carryforward process. There is a cost center for each division or college, every year by October 1 we do the distribution from the previous year's grant and contract activity indirects that have been collected based on the formula from this document. After the distribution is made each college or division can decide on how they use the funds. Carryforward process – clarify the fact that you can only carryforward the funds one year. The purpose is to not build up funds year after year and not use them for research. By September of each year each college or division has to submit a plan on how they are going to spend the carryforward for that next year and if they are not spent the next year they go back into the central fund and are redistributed. Any balances from prior years are moved to incentive funds for reallocation. An exception to the carryforward process has been added. Occasionally, you have activity or equipment where you do need carry forward for more than one year so we added #6 as an exception.

Another process review will take place in FY12.

6) Strategic Planning Task Force (Avra Johnson)

President Davenport has extended the deadline for the Strategic Task Force groups to have their final reports completed by April 15, 2010.

Other:

The meeting was adjourned.

**Next Budget SubMeet & Confer
March 15, 2010 10:00 a.m. in CSU238**