

**Joint Budget, Planning and Assessment Sub-Meet and Confer Notes**  
**Thursday, September 22, 2016 (3:00-4:30 p.m.)**  
**CSU 245**

**In Attendance:** Lynn Akey, Aaron Budge, Brooke Burk, Julie Carlson, Carrie Chapman, Jean Clarke, Matthew Clay, David Cowan, Casey Duevel, Lynnette Engeswick, Ron Fields, Brenda Flannery, Robert Fleischman, Kimberly Geer, Nate Gustafson, Jude Higdon-Topaz, Avra Johnson, Mark Johnson, David Jones, Cyrenthia Jordan, Paul Mackie, Pat Nelson, Roland Nord, Debra Norman, Michael Olson, Kim Rademaker, Faical Rayani, Noreen Reding, Kristen Retherford, Maria Ruiz-Mendez, Sharon Sanland, Zorian Sasyk, Bryan Schneider, Rick Straka, Steve Smith, Denise Thompson, and Susan Ward.

Lynn Akey welcomed the group and thanked them for attending. She reviewed the Charge for the meeting and discussed the initial ground work that was completed last year by the Joint Budget, Planning and Assessment Sub-Meet Committee (JBPA).

Rick Straka led introductions and discussed institutional history with regards to budget reduction and the investment processes and reviewed the website: <https://www.mnsu.edu/finadm/budgetoffice/>.

- The reduction plan of 2010 was on the basis of reduction due to the State having a 4.1 billion dollar deficit and what the projected impact was going to be to the University.
- The University had planned 8 Million dollars in reductions which was approximately 75% Academic Affairs and 25% the rest of the Institution.
  - After the reductions were made the State had a soft shutdown, in the long term the economy recovered and we were allotted more funds in special session, 2.5 Million which went back to Academic Affairs.
- During another round of reductions in FY12. There was a million dollars reallocated from the nonacademic areas.

Over the last two years the budget process has been driven primarily on reduction due to the following:

- Enrollment deadline.
- Loss of percent share of MnSCU allocation.
- Projected 4.4% increase in revenues but had 5.3% increase in expenses.
  - Compensation increase of 7.2% over a 2 year period when our revenue increased 4.4%.

In this discussion moving forward the university not only needs to look back at what has occurred in the past but also decide where to allocate resources to continue investing in the institution.

- Decide the metrics the university should use for measuring.
- Decide where there should be reductions.
- Decide where to continue making investments, even in times of declining resources.

It is important to know where the University is going. To ensure all of the goals align. The university Strategic Direction is address the following questions:

- Where does the University see itself in the going?
- What is the strategic plan?
- How do we allocate resources to move forward?
- What are our opportunities?

The University held a similar meeting in 2010. There were 5 very clear steps that came out of that process called the program metric guidelines.

Step 1: What is the relation to the intuitional mission is there something that is core to our mission or that is mandated by the system. Programs mandated by the system may be subject to some efficcence changes. Programs that are not mandated by the system may eliminated.

Step 2: Viability cost in enrollment. We placed programs into three buckets here:

1. Programs likely to be eliminated.
2. Programs likely to have reductions in staffing.

3. Programs unlikely to have substantial cost at this time. Programs that are low cost high enrollment of majors – based primarily on cost .

Step 3: Viability Mission and tally: This step gives the program an opportunity to object to the bucket in which they are placed and explain why they should be in a different bucket.

Step 4: Decisions: What should we as a group look at to say that would make a great investment for the University?

Step 5: Very aggressive timeline.

May need to hold FAQ/Town Hall Meeting – with campus to communicate the need to create a process to invest/reinvest or reduce.

Opened the floor for discussion;

- How much should be reallocated – Rick stated it's a little early to throw out a number as the target has not been set. As we look at the reallocation part of it, it's going to depend on how aggressive we want to be.
- Let's focus on making this process better and focus on making some investments.
- How does the committee compare productivity for non-academic? Need to look at nation trends, look outside the institution for those metrics.

Lessons Learned from the last process:

- We all came together as a university.
- Understanding early on that the metrics and data is imperfect and know we cannot rely solely on institutional data.
- Recognized that the process was helpful for what it was intended (reduction) but that it did not look forward and did not look at investments.
- Comment that it is important to share results so people can use it for the future in their own department.

Avra Johnson presented on Budget Planning Principles and Guiding Practices as we Move Forward

[http://www.mnsu.edu/finadm/budgetoffice/fy15\\_21budgetplanningprinciples.pdf](http://www.mnsu.edu/finadm/budgetoffice/fy15_21budgetplanningprinciples.pdf)

1. The University mission, vision and values shall guide budgetary decisions.

Minnesota State University, Mankato promotes learning through effective undergraduate and graduate teaching, Scholarship, and research in service to the state, region, and the global community.

- a. In economic times of increased funding, investments need to be made in University Initiatives.
  - b. Even in times of reduced resources, the University needs to make investments in the University.
  - c. The University shall develop a reallocation process to ensure funds are available for Investment in the University.
2. The planning, budget and assessment process should reflect the University's commitment to Building a diverse faculty, staff, and student body.
  3. Representatives from recognized constituencies of the campus community will be engaged in The planning, budget, and assessment process.
  4. The University shall strive for a balanced annual operating budget that maintains reserve levels that comply with Minnesota State Colleges and Universities policies and procedures.
  5. The University shall strive to increase external financial support in furthering the University's mission.
  6. Planning, budget and assessment decisions must include recognition of the impact of enrollment and retention on this University.
  7. Attention shall be devoted to continually evaluating the University's budget and staffing plan at all levels with the objectives of: (1) promoting involvement and collaboration; (2) restructuring for organization effectiveness; and (3) clarifying roles of authority and responsibility.
  8. The University community values its employees and will work to allow retraining and

reassignment opportunities when feasible.

9. The assessment and evaluation of resources on campus will provide information for the planning and budget process.

Development of a Strategic Budget Planning Process (Lynn, Pat & Carrie) reviewed the handout – to discuss a possible approach. Three Team Approach- we would like to break into three work group. We have let the budget be the driver for too long and we would like to advance the work of developing a strategic budget planning process through the leadership of the Budget Sub-Meet, Planning Sub-Meet, and Assessment & Evaluation Sub-Meet work groups.

The Proposed groups are:

**Strategic Budget Planning Process Work Group** (Co-Chaired by Pat Nelson and Lynn Akey)

- Develop recommendation for overall process function, implementation, and appeal protocol.

**Academic Program Work Group** (Co-Chaired by Carrie Chapman and Lynn Akey)

- Develop recommendation for framework, metrics, and indicators used to evaluate academic programs for strategic budgeting.

**Non-Academic Program Work Group** (Co-Chaired by Avra Johnson and Rick Straka)

- Develop recommendation for framework, metrics, and indicators used to evaluate non-academic programs for strategic budgeting.

A call will go out to assemble the three work teams. Please choose an area that interests you and volunteer.

The three work groups will:

- Work through October and November, come back and inform the submeet how they want to move forward.
- Make final recommendations at the end of the term.
- January the recommendations will go to the campus community for review and feedback.
- February and March review feedback and make adjustments where needed.

Feedback from group:

- Create a flexible process that is on a cycle to stay out of crisis.
- Workgroups will need some instruction or guidelines to deliver.
- How to make it proactive so we are not always reactive.
- There may be some overlap in the workgroups – that's why the committee is meeting as a joint body in November and December.
- Provide a link on the budget website that people can give feedback.

(Rick) Provost sends her condolences as she wished to attend but she asked that I take a moment and thank everyone for attending and participating. Thank you

**Future Meeting Dates:**

Thursday, November 17, 2016, MH 103, 3:00-4:30 p.m.