

University Budget Committee Meeting Notes

Tuesday, February 7, 2017 3:30 – 4:45 MCM 305

1. Welcome and introduction

Interim Chancellor Larsen was welcomed and introduced to UBC members and the constituency each member represents.

2. Legislative update (Larsen)

Chancellor Larsen explained the state budget situation is not improving; however, a portion of the \$23 million cut from higher education may be returned.

There was a presentation to the Higher Education Committee by Tyler Trevor from OCHE. The point of the presentation was to convey to the legislature that if nothing is done to restore the \$23 million, there will be substantial tuition increases needed to restore those funds for the MUS.

Discussion:

If we have to raise tuition, could we foresee a 10-15% tuition increase at MSUB?

We have had long term tuition freezes. Dr. Larsen says expects OCHE to calculate the hike needed to replace the state budget shortfall and then allow campuses to increase tuition less than that amount. The largest tuition increase we have had was 13% in early 2000's. A strategy to widen the tuition differential between us and flagship has been discussed; thus allowing other campuses to keep their tuition lower.

3. BOR update (Hoar)

A) State appropriation allocations to campuses

BOR met virtually in January and discussed the mechanism for state appropriation distribution. Draft process is posted on BOR webpage as part of information items. The plan is to bring this back as an action item after some feedback time. Currently OCHE splits state allocation into MSU and UM pots. This proposal would break up the allocation into more than two pieces. This proposal would move the responsibility for making campus allocation into hands of OCHE directly. Fundamental shift in who is making the decision on how much each campus is allocated from state funding.

Vice Chancellor Iverson explained this proposal would take the state allocation distribution back to the way it used to be done. Trudy Collins explained the state allocation distribution has been done via a variety of methods. The current method has been used for the last 2-3 biennia. Formula for allocation distribution used by OCHE would not necessarily be the same formula as

has been used. This introduces uncertainty in our budget planning. We have no way to know if this change would be beneficial or detrimental for us. The reason for making this change was not discussed at BOR meeting.

The proposed process is going to be brought back to a future BOR meeting; it would be by May if it is going to be used for this biennium's state allocation distribution.

B) Salary increases for executives and head coaches

Raises, similar to the one received by other employees, were submitted for executives and coaches to the BOR. BOR decided to table these raises but approved new hires.

C) Performance based funding

We do have some information about how our funding plays out in terms of Performance Based Funding. University campus at 55% of PBF and City College at 100%. There is some discussion about looking at MSUB as one campus rather than two.

4) FY 2017 Retention initiatives update (Collins/Hoar)

The retention initiatives funded via PBF money received late in process went through a mid-year check-in with the initiative champion. A review of status and funding level was done. Funds were moved between initiatives as needed.

Overall, the year to date expenditures and balances remaining indicate there is still quite a lot to spend on these initiatives.

Provost Hoar and Vice Chancellor Oravec have set aside Monday's from 11:30 am to 1 pm in CCR to be available for campus to discuss and request funding for additional initiatives. They have awarded funding to some initiatives and have asked for more information regarding others.

Success Story: Co-requisite courses is one of the initiatives we are funding through this effort. Instead of preparing for first college course in remedial education, you help students succeed in that first college course. Preliminary results indicate students placed in the co-requisite course with Math 105 performed better than students who placed directly into Math 105.

5) FY 2018 and FY 2019 Budget development (Hoar/Gagnon)

UBC began discussion in December regarding development of next biennial budget, with some conversation about our budgeting goals. We have a budgeting goal to spend 50% of our budget in instruction. Our actual expenditures have not quite reached that level.

In charted data, over past few years, actual expenditures have worked out to be somewhat less than but near 50% instructional. We have been budgeting >50% in instructional for last few years.

Discussion points:

- Should we adjust our budget for instruction in order to meet the expenditure goal?
- And if so, what should the adjustment look like?

Discussion:

- We have 2 enrollment reserves
 - 5% of prior year general fund operating revenue (tuition and state approp) as limit in a BOR approved Designated fund
 - \$750K as a base budget line item
- Instruction is important to MSUB; our product is to instruct students.
- Rather than speaking in percentages, what dollar amount is needed to educate our students? Can we determine how much our peers spend on instruction?
 - IPEDS Finance Survey information is different than what we are looking at here. IPEDS is reporting on all budgets not just general operating budget.
- Who set these budget goals?
 - A) Instruction goal = 50%. MSUB picked as goal.
 - B) Instruction + Academic Support + Student Services = 70%This is related to BOR policy; aggregate budget for state support dollars.

The UBC should conduct a survey of stakeholders before next meeting. We would be looking for ideas to generate new revenue or synergies to reduce expenditures. This would be a mechanism for gathering ideas. The expectation is there are some ideas out there that the scenarios will not generate.

6. Other
7. Future meeting date: March 14