

Budget Council Agenda
Tuesday, December 13, 2011

Terry Leist
Sue Leigland
Jeff Jacobsen
Wendy Stock
Chris Fastnow
Allen Yarnell

Don Mathre
Blake Bjornson
Jim Luebbers
Megan Bergstedt
Jim Rimpau
Kathy Attebury

Martha Potvin
Shelley McKamey
Doralyn Rossmann
Jeanne Wilkinson
Anne Milkovich, guest

I. Call to Order

II. Approval of Minutes of November 22, 2011

The minutes were approved.

III. University Wide Information/ Announcements

- Foundation Operating Agreement

At the Board of Regents Conference Call on December 9, they approved the operating agreement for merging the Foundation and Alumni offices. There will be a 50% share with the University, which includes events, salaries, etc. (approximately \$1.2 M). This item was approved by the BOR – they were very complimentary on the process. The institution will cover the costs for now and it will be determined, at some point, if the monies will be collected from the departments or if it will be funded institutionally.

Alumni operations was previously funded with state money and will now be funded by the Foundation. The specific accounting still needs to be determined.

IV. Updates:

- Counseling and Psychological Services Funding Request

President Cruzado approved their request for funding from the November meeting. The Counseling Center will submit a request for additional funding using the investment proposals process.

- Investment Proposal Process

Terry Leist asked that the Council determine the scoring method prior to reviewing proposals. It is anticipated that a very large group of investment proposal requests will be submitted. Terry suggested we use subcommittees for the preliminary screening and scoring. Reviewers will need to ensure that each proposal meets the criteria, rather than accepting the proposer's evaluation of that. It is recommended that the priority level from all authorized people in the process (i.e., dean, department head) be considered carefully.

The Council specified that all proposals come forward, regardless of the ranking set by each level.

For the screening of the proposals, it was suggested that the pool be divided between subcommittees for manageability. We may need to schedule more than one date for department presentations. Once the size of the pool is determined, the process can be more clearly defined.

Anne Milkovich proposed using a rubric process, and consistent rubric tools and statements would apply. It would be necessary to ensure that the correct tools were available to maintain consistency, if subcommittees are formed for reviewing. Anne is willing to share her documents with us.

- January meeting date

The regularly scheduled meeting (January 24, 2012) conflicts with the President's Listening Session. We plan to reschedule for either January 25 or 26 and the committee will be contacted for their availability on an alternate date.

(The President's Listening has now been rescheduled to January 18 so the Budget Council meeting will remain on it's regular schedule - January 24 @ 3:30 p.m.)

V. Informational Items:

- Workgroup Update - Funding Allocation Model

The Budget Council Task Force has completed its work and has made a recommendation to the Council on a proposed Allocation Model. Based on the projections, it is anticipated that there will be \$4.2M in unallocated revenue this fiscal year. Kathy Attebury clarified that the \$4.2M in unallocated revenue is based on projected spring enrollment. If actual enrollment is less than projected, reexamination of the funding allocation splits may be necessary.

The President set aside \$1.5M of this amount for ADA & classroom renovations, leaving \$2.7M available for allocation. Of this \$2.7M, the group recommends \$1.5M in base funding be awarded to instructional programs with the remaining \$1.2M to be used for investment proposals (base and one-time funding). Justification for determining this allocation to instructional programs was made utilizing data from peer and historical information, as well as targets determined by OCHE.

The Office of the Commissioner of Higher Education (OCHE) has suggested that 70% of expenditures be assigned to instruction, academic and student services. Currently we are less than this so the committee recommended that these three programs receive priority in the proposal process. Terry Leist asked for clarification - proposals in one of these three programs would not take precedence over other proposals but could receive some extra points.

It was discussed that on page 2 of the recommendation on the Budget Council Workgroup document, the student affairs number includes athletics (approximately 1/3). Discussion followed on whether actual expenditures should be reflected by division so as to create less confusion regarding the athletics funding. For example, in FY11 the amount under Student Services would show a decrease with the change in the reporting structure of Athletics. Terry Leist explained that the reporting is consistent with OCHE standards and is used by OCHE for determining our benchmarks. Appropriate footnotes will be used to explain this.

Discussion followed on when the Council should vote on this recommendation – suggestions included: at the next meeting or by email. The timing of the notice could decrease or increase the number of proposals submitted, depending on departmental assumptions of available funds, but recognizing it may set realistic expectation.

It's suggested to wait until President Cruzado approves our recommendation. There was a motion to have a vote for approval, which passed. Terry put forth a motion to approve with an understanding there will be further amendments to the first paragraph, as well as the rewording the priorities. Further discussion followed before voting, including Provost Potvin's opinion on the advantages of the process.

Although the standard practice of the Budget Council has been to present agenda items for discussion with a vote/action to be taken at subsequent meetings, Jim Rimpau suggested that we vote on this item. Due to the timely nature of this item, the group agreed to immediately vote after discussion on the recommendation made by the Task Force, to include slight rewording to the narrative for clarification purposes only. Consensus was reached from the group to do so.

The question was asked whether this allocation model would be used in the event of budget cuts or deficits. Wendy Stock did not feel that the process could be used in this reverse manner. The group will need to address this issue if it arises in the future. Wendy reported that the Task Force was not able to find other allocations or models or institutions with more efficient methods.

With several amendments needed (clarification will be made on where Athletics shows in the report and the salary data includes benefits), Sue Leigland made a motion to approve this recommendation. Martha Potvin seconded the motion. After a vote, the motion passed unanimously.

- Revenue & Expenditure Trends

With a steady enrollment growth, questions have been asked regarding the revenues and expenditures. Kathy Attebury explained the funds for the period of time from FY06-FY11. Actual revenues show roughly \$30M in revenue between tuition and state appropriated money.

Expenses are actual budget. Beginning with FY06 base budgets, along with adjustments approved through UPBAC, we made base adjustments of \$1.8M. Even though we had several years with no salary increases, the annualization of salaries, merit & market adjustments, health insurance

Even without 2 years of salary increases, expenditures included \$19.6M in salaries and associated benefits. A very large portion of our funds are dedicated to personal services (salary and benefits) – nearly \$20M of the \$27M total expenditures. It was suggested that this information be shared with the campus community (in a simplified format) so it is easily understood.

The meeting was adjourned.