

Budget Council Minutes
Tuesday, August 23, 2011
3:30 - 4:30 pm
President's Conference Room, 10 Montana Hall

Terry Leist
Sue Leigland
Jeff Jacobsen
Wendy Stock
Allen Yarnell
Joseph Stephens
Heidi Gagnon, admin support

Anne Camper
Sheron McIlhattan
Jim Rimpau
Blake Bjornson
Luebbers, Jim
Chris Fastnow

Doralyn Rossmann
Jeanne Wilkinson
Kathy Attebury
Don Mathre
Megan Bergstedt
Gail Schontzler, guest

I. Call to Order

The meeting was called to order by Chair Terry Leist.

II. Approval of Minutes of June 28, 2011

After a spelling correction, a motion was made and seconded to approve the minutes.

III. University Wide Information/ Announcements

Terry Leist explained that Academics saw an increase to their budget this fiscal year by \$1.2 million in base funding. \$600,000 in one-time funds will be released in September as soon as the Board approves it. Student Services will be getting \$100,000 for tutoring, which was for taking over the TRIO program.

Meeting Process: Terry confirmed with the group that they would like to see the agenda items be addressed at the meeting in a two-step process - information and action items.

Terry suggested discussions take place at the meeting on items and then a vote be conducted electronically (i.e., Survey Monkey) in a 10 day or 2 week time period. There was group consensus the process might need to be slightly different, depending on the issue. Some might need to be discussed again as a group prior to voting. Some items are sensitive so taking a vote in two weeks with an email vote might be appropriate. It was agreed that items would need to be considered on a case-by-case basis.

Terry reported that President Cruzado has agreed to attend the next Budget Council meeting on September 27.

A discussion took place on whether the meeting time of the 4th Tuesday of each month would work for the Fall meeting schedule. While it did conflict with some teaching schedules and other commitments, the consensus was to keep the same schedule.

IV. Topics for Discussion:

1. Campus Budget Proposal Process

Kathy Attebury presented a Draft Budget Proposal Process. The tentative schedule would be:

October-December 2011: Units/departments would develop proposals and submit to their Executives (members of PEC).

January 2012: Proposals would be due to the Budget Council for review and consideration.

February 2012: The Budget Council would hold discussions and public forums to rank all proposals submitted. Proposals would then be recommended to President with proposals in highest priority (in rank order). This prioritized list of proposals would then be ready at any time funds were determined to be available. Terry conveyed that it would ultimately be the President's decision on which items would get funded.

Jim Luebbers asked if there would be a template or standard process for submitting items. Terry felt that this would be beneficial so the requests are similarly presented. A Working Group will focus on defining the proposal process. They agreed to meet on Tuesdays at 4:00 pm during September and the final product (templates and process) will be brought to the September 27 meeting for the Council to discuss.

Membership of the Executives – considerable discussion followed on whether the entire PEC group would be included (specifically the Foundation). There seemed to be some merit for including the entire PEC group, especially for the possibility of split funding proposals.

Doralynn Rossman – the process might work well with the legislative session but the group would want to discuss whether it would work in the off year. We would want to be clear that our list wasn't a wish list for legislative funding but rather a list of priorities for when (and if) funding was available.

Anne Camper asked in which fiscal year the allocations would be available. Terry suggested if the President approves proposals, we would determine when it would be funded depending on the resources available (human, IT, etc.).

The regular meetings will continue at the same date/time - 3:30 for regular meetings - and finish at 4:30.

2. Interim Process

Terry Leist asked the Council - What does the Council do if the President and/or Provost approve funding of requests that haven't gone through the standard process? Considerable discussion followed on setting limits for funds that could be made available so that they would not need to bring all requests to the Council for funding.

Jeff Jacobsen suggested identifying a contingency/emergency fund - \$250,000 or so the President could authorize requests without having to follow the Budget Council process. There will likely be requests occasionally that can't follow the process due to their unique needs and will need immediate funding. Terry reported the University of Montana sets money aside (contingency fund) for needs such as this.

Wendy Stock expressed her preference that all base funding requests come to the Budget Council for consideration. Assuming our revenues come in as projected, we anticipate having \$1.2 M on the table which has not been committed and which could be used to fund proposals submitted to the Council.

Terry suggested the Budget Council members give this more thought and come to the September meeting where it will be discussed. Terry plans to update the President on where we are with defining our processes for submitting and considering proposals.

3. Budget Concepts

Some of the suggestions made included:

- Contingency Fund

- University Discretionary Fund (Supplemental Budget)

- Position Controls (to utilize vacancy savings)

- Off-the-top Reinvestment (fund budgets at 98% and invest the remaining 2% in new or existing programs/proposals)

Jim Rimpau - The suggestion of taking 2% of the budgets prior to allocations could make it difficult for many of our operations. The majority of our budgets lie in personnel. Jim asked whether we need to "right size" before we can consider taking an amount off the top.

Allen Yarnell suggested that an emergency fund be established and presented to the Budget Council. A CEO should have funds available in the event of an emergency, unplanned event, or for discretionary spending. Rather than planning to have emergency or contingency funds on hand, we typically have just added funds when we could and hope that we have enough when something happens.

Allen Yarnell - For example: MSU had to come up with a couple hundred thousand dollars immediately to replace a boiler on the MSU Northern campus. They were

unable to heat their residence halls and had no funds available for this. An emergency fund would have been appropriate for this situation.

Ultimately the President makes the budget decisions. Terry said accountability would be absolutely necessary in this process. Wendy Stock suggested it was worth waiting to discuss this with the President when she joins the Council at the September meeting.

University Revolving Reserve:

The President and Provost recommended that some funds be used to address accessibility and ADA issues for students. No dollars have been committed yet but this is a high priority that the President and Provost would like to consider investing in.

The current revolving reserve funds include commitments to the following projects:

\$1M Degree Works/IT investments
\$3M ADA/Classroom Renovations

Although it was preferred the Budget Council be a part of the budget process, time was of the essence. At the September Board of Regents meeting, Terry anticipates getting BOR approval to move forward with funding some of these projects using funds from the Revolving Reserve.

Next Meeting: September 27, 2011