

Budget Council Minutes
Tuesday, June 26, 2012
3:30 - 4:30 pm
145 Animal Bioscience Building

Terry Leist
Jim Rimpau
Chris Fastnow
Kathy Attebury

David Singel
Heidi Gagnon
Doralyn Rossmann
Jeanne Wilkinson

Shari Curtis
Joel Schumacher
Jim Luebbers

I. Call to Order

II. Approval of Minutes

Minutes were approved with no changes

III. University Wide Information/Announcements

IV. Updates:

All items were passed at the May Board of Regents meeting, including MSU's Bond Refunding and Student Fee Proposal items discussed in the May Budget Council meeting.

FY13 budgets will load the week of July 9th, with a final year end roll on July 17th. There will be a campus notification to run month-end reports the beginning of July once encumbrances liquidate. All reports for the operating budgets are due August 17th to OCHE. FY 14/15 biennium will be input into the Governor's budget in mid-August, using present law adjustments to reflect inflationary costs.

The Board-approved reserve balances are as follows:

- Scholarship reserve has approximately \$2.25 million
- Stipends reserve has approximately \$1.6 million
- Retirement reserve has approximately \$1.5 million
- Revolving reserve has approximately \$7 million, which between \$0.5 - \$1 million will be used for ADA access projects

The President and VP's discussed ideas on reserve fund utilization; for example, need based scholarships for resident students. Kathy Attebury reminded the Committee \$500K was earmarked for scholarships in FY12, but the final total was \$575K. FY13 had \$500K earmarked, but \$600K was agreed upon.

The Budget Council may wish to make recommendations for the use of these reserves. Some ideas are facilities and equipment improvements, professional development, and academic program enhancements (summer school & evening courses). Jeanne Wilkinson questioned whether we should move down our list of strategic investment proposal requests (OTO only). It was agreed this should be reviewed.

David Singel asked for an explanation of the difference between scholarships and tuition waivers. The scholarships are cash, whereas tuition waivers are recorded as revenue and an expense, with no cash involved.

In researching OCHE's website, program 01 (instruction) is not tracked to the 50% standard as previously discussed. However, the total of all 3 programs (01-instruction; 04-academic support; 05-student support) are tracked and must meet the 70% standard. Scholarships and classroom investments are not within these programs, so continued communication with OCHE is necessary for accurate reporting. We also may need to track plant funds manually, because the current accounting method does not accurately reflect where monies are expended in each program; i.e. \$3M in facilities expenditures was accounted for in program 07, but was actually for classroom renovations (instruction).

The automation of the Strategic Investment Proposal process is still being discussed. Kathy Attebury asked if we can change the timing of the requests. It currently seems to happen too late in the year to spend the money by fiscal year end. One alternative would be to hold public hearings and complete the prioritization for the President's review earlier in the fall.

V. Information Items

Next meeting: August 28, 2012 - 3:30 pm