

**Budget Council Minutes**  
**Tuesday, January 27, 2015**

Terry Leist  
Chris Fastnow  
Martha Potvin  
Jerry Sheehan

Tricia Cook  
Chris Kearns  
Doralyn Rossmann

John Cowles  
Steve Luft  
Joel Schumacher

*Guests:*

*Kathy Attebury, Megan Bergstedt, Heidi Gagnon, Bob Mokwa, MacKenzie Seeley*

**I. Call to Order**

The meeting was called to order by Chair Terry Leist.

**II. Approval of Minutes**

The minutes from the December 16, 2014 meeting were approved.

**III. Information/Announcements/Updates**

Performance Funding Model

Chris Fastnow updated the group on the draft model for performance funding. The Board of Regents approved the metrics to be used and the metrics were distributed. Two year campuses will be measured differently than four year campuses.

Each campus is competing against itself so there should not be competition among campuses. The allocation will be made based on resident FTE numbers since state base funding is based on resident FTE. It is anticipated that using three year averages should help to buffer significant changes in FTE.

If a campus falls short in the first year of the biennium, the money is held back. If they reach their pre-determined goals in the second year, they can earn those funds from year 1 as well. Any leftover funds may be swept into university scholarship reserves to be used for scholarships within the University system. This would allow campuses that don't meet their goals to still benefit from the funds.

It is not clear yet how we will maintain quality in the programs while still avoiding "gaming" of the program? At the March Board of Regent meeting, this topic will be discussed with expected approval on the agenda for the May meeting. There will be forums scheduled in the near future so that all constituent groups can get additional information and ask questions so they are informed prior to the BOR meeting.

FY16 Budget Process

February 10 is set for an Extended VP/Legal meeting with the deans. The strategic plan update will be on that agenda. The discussion will include whether changes are needed. Are there other parts of the strategic plan that should be addressed? If so, how will they be funded?

## Progress Reports on Updating MSU

Budget Process and Model: The Budget Office is currently working on straw man model and anticipates bringing it to Budget Council at their next meeting. Megan Bergstedt has researched other universities that have budget funding models. It is clear that our challenge will be to decide which parts of those plans will work for us and it is possible that we will end up with a hybrid for our model. Historical data isn't always what drives the budget decisions so those factors need to be determined as well.

### **IV. Current Business**

#### Strategic Investment Proposal Timeline

Kathy Attebury discussed the timeline and process for the Strategic Investment Proposal requests. She suggested issuing a call for year 2 assessments around the first of April. We could then give them until August to submit materials. This would give them a heads up before they leave for the summer.

Faculty Senate has suggested a process for funding proposals. The next reading on their proposal will be done at the January 28 Faculty Senate meeting. It will be important to ensure that their proposed process isn't circumventing the existing processes of Budget Council, Planning Council and the President's Executive Council.

Homework assignment - be prepared to discuss at the next Budget Council meeting:

- What role do you think Budget Council should play in the future planning process?
- What particular things should we be involved with? This information should be offered at a macro level since we don't know what our budget model will be.

The meeting was adjourned.