**Budget Council Minutes**

**Tuesday, August 18, 2015**

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| Terry Leist | Mandy St. Aubyn | Toni Lee |
| Jerry Sheehan | Doralyn Rossmann | Joel Schumacher |
| Chris Fastnow | Chris Kearns | Martha Potvin |
|  |  | *Guests:**Kathy Attebury, Heidi Gagnon, Jeff Heys, Leslie Schmidt, MacKenzie Seeley* |

1. **Call to Order**

The meeting was called to order by Chair Terry Leist.

1. **Approval of Minutes**
2. **Information/Announcements/Updates**
3. **Current Business**

**Budget Model:**

A proposed budget model was presented by Kathy Attebury and Makenzie Seeley from the Budget Office. In this proposed model, allocations would be made in each of the four general categories: Institutional Costs, Facilities, Administrative, and Academic Affairs.

Two possible options for developing a new budget model are:

1.  Should a pool be taken off the top to use for strategic investments?

2.  Or should allocations be made first and then the remaining used for a strategic pool?

Institutional Costs: These are required costs that must be paid on an annual basis (utilities, insurance, etc.)

Facilities Services:  Currently this category is budgeted similar to other areas - base budget plus actual cost increases. It is desired to move towards funding the Facilities needs on a system more similar to APPA industry standards (sq ft X cost/sq ft).

The purpose of designing and implementing a budget model is to create behaviors. The administrative costs would be set based on the actual costs.  It was recommended that this model reward or provide funds to the areas where there is growth.

It would be best if the model included benchmarking opportunities built into the process wherever possible.

Administrative:  This category doesn't have a lot of reliable benchmarking data to look at. This makes it hard to use for a comparator.

This area is composed of three components:  personal services (salaries), operating expenses, and administrative student support

Academic affairs:  This category is comprised of three components: instructional salaries, operating expenses and academic student support

An average instructional salary will be calculated based on each specific unit and its unique needs.  Considerable discussion addressed possible ways to calculate this, what is missing, and what should drive growth and budget.

Other questions that came up for consideration:

* If a department is already behind according to the benchmarking data, do we want to address it in the Budget Model or leave that up to the Vice President of that area?

* Areas that have a capped enrollment might not be able to grow - therefore they couldn't get more budget.  Would this disadvantage them?

After a budget model is created, corresponding policies and procedures will need to be created. The Budget Office has tried to look at current data to see if this model would work but they are finding that the comparators need to be refined more to be able to do that.  Their goal is to create a model which is data-driven without manipulating the model.  The Budget Office will continue to work on refining their proposal and will bring it forward to campus users at a later date.

**Strategic Investment Proposals (SIP) Assessments**

Assignments were made to members and they were asked to conduct their reviews for discussion and recommendation in the near future.