**Budget Council Minutes**

**December 15, 2015**

|  |  |  |
| --- | --- | --- |
| Terry Leist | Chris Fastnow | Chris Kearns (represented by Jen Joyce) |
| Toni Lee | Martha Potvin | Nicol Rae |
| Renee Reijo Pera (represented by Leslie Schmidt) | Doralyn Rossmann | Joel Schumacher |
| Mandy St. Aubyn |  | *Guests:**Kathy Attebury, Megan Bergstedt, Heidi Gagnon, MacKenzie Seeley* |

1. **Call to Order**

 The meeting was called to order by Chair Terry Leist.

1. Approval of Minutes

 The minutes from the November meeting were approved.

1. **Information/Announcements/Updates**

None

1. Current Business

**Budget Model Discussion**

Numerous forums were held by the Budget Office to present the proposed budget model. Groups that participated were: Dean's Council, Faculty Leadership, PEC, and Planning Council. Feedback was solicited from these groups and no major issues were identified.

Salary calculations using OSU salaries for faculty appears to have created some issues. The model, if implemented as designed, would allocate more money to departments for positions whose salaries were further from the benchmarking metrics. The intent is to continue to fund a faculty salary pool (to address promotion, market, merit, retention, and/or equity) for necessary increases, in addition to a pay plan.

Kathy Attebury presented a handout on decisions that they feel need to be made by the Council and an explanation of the anticipated process. Megan Bergstedt explained that these decisions should be made by the Budget Council as a whole, rather than the Budget Office.

It has been recommended that two pools be created: strategic pool and incentive pool. Discussion followed on these pools and some of the questions were:

* Should the incentive be based on past history/reward?
* There are not incentives in the current plan - how do we do that?
* What do we do if our enrollment drops in the future?
* How do we measure the administrative/professional areas as their success isn't always measured by enrollment metrics?
* Can we create pools to incentivize people that met the marks/metrics that have been set (similar to performance funding)?
* Can we use it for forward looking, strategic needs - try new things?
* Can we have a pool to reward performance (i.e., “atta boy" )?

Because 1/2% of our budget is almost $1 million, Kathy Attebury proposed holding 1% - $1.9 million for the pool. Discussion followed on making sure to be mindful of reserve balances and to use them when the need is great. Doralyn Rossmann suggested that both Planning Council and Budget Council work together to evaluate allocations and award funding, based on the strategic plan.

Terry Leist suggested we explore the use of BOR revolving reserve to hold the funds in. This reserve is intended to be used for unexpected declines in revenue or enrollments - we would need specific permission from OCHE/BOR to be able to use it that way.

Megan Bergstedt explained the process as:

1. Planning Council would determine the university priorities in the spring
2. Forecasted Student Credit Hours (SCH) and enrollment numbers would be input into the model
3. Delaware information would be updated each year so it could be used
4. Pay plan calculation – this would need to be funded off the top before further allocating
5. Budget overview would be presented to VP/legal for approval
6. Funding would be distributed to each of the Executives by December 1 of each year, along with providing data that will help them with making their funding decisions
7. Support Deans in asking for budget proposals at College Level
8. Proposals for Strategic Funds – distribute a pool of funds for strategic purposes
9. Distribute Outcomes Incentive Pool
10. Distribute Quality Incentive Pool

Chris Fastnow questioned whether the incentive pools should be kept at University level or managed at the dean’s level. Terry Leist felt that the challenging piece will be how to allocate from the Executive level down to the departments. It was suggested that we factor adjustments into the model, if there are unusual circumstances in a particular area.

What kind of guidelines do we need to set to guide a dean's allocation if they get additional allocated funds? Martha Potvin suggested that she would request a plan from each of the Dean's on how they would spend their funds. If a department no longer needs the funds for a project (terminated, discontinued, etc.), should it be returned to the pool for reallocation to others?

At this point, it looks like we could operate pools without reducing budgets. The increased enrollments and non-resident tuition increases will provide new funds sufficient to create the pools.

Kathy Attebury asked whether it would be helpful to have a subgroup work on the next level of conversation (i.e., pools). Suggested participants were:

* Deans – Nicol Rae
* Executive – Martha Potvin
* Professional – Toni Lee
* Planning Council – Chris Fastnow
* VP, Student Success – Chris Kearns
* Budget Office staff

 The meeting was adjourned.