UNIVERSITY PLANNING BUDGET AND ANALYSIS COMMITTEE (UPBAC)
April 15, 2003

PARTICIPANTS

Members present:
David Dooley      Lea Acord      Rich Howard      Tom McCoy
Craig Roloff     Jerry Bancroft  Bruce McLeod      Sue Leigland
Robert Marley    Bruce Morton   Allen Yarnell     Don Kress
Warren Jones     Jim Mitchell    Trevor Blyth      Shelley McKamey
Diane Wyn        Jim McMillan   Richard Semenik   David Gibson

Members absent:
Greg Weisenstein

Others present:
Joseph Fedock    Clyde Carroll   Kathy Attebury   Ben Sharp
Jim Rimpau       Chris Fastnow

ITAC Report on InterNet2 Funding

- Three concepts for Internet funding were submitted by ITAC
  Concept One:
  Fund Commodity Internet costs using existing model (ITC and ResNet)
  InterNet2 funded centrally at baseline level (25%)
  Research/G&C to fund remaining InterNet2 costs (75%)
  Concept Two:
  ResNet to fund 50% of Commodity Internet
  Research/G&C to fund 20% of InterNet2 costs as high capacity premium
  Remaining costs (both Commodity and InterNet2) distributed across university and
  agencies based on technology-worker FTE
  Concept Three:
  Fund Commodity Internet using existing model (ITC and ResNet)
  Distribute InterNet2 costs across the university and agencies based on technology-
  worker FTE
- Discussion followed regarding options submitted
  Touch America discount significant
  Commodity Internet costs currently $130,000 /FY
  ITAC votes on the three options
  Concept 1: 3 in favor
  Concept 2: 7 in favor
  Concept 3: 6 in favor
  1 abstention
  ITC budget never increased to cover internet costs originally
  ITC “overhead charge” on Computer Store purchases generates this money
  Should Internet charges be considered a fixed cost?
  UPBAC to make decision regarding concept of funding Internet
Multi-year impact

- Motion was made and seconded to approve Concept Two with the following conditions:
  - ITC “overhead charge” on Computer Store purchases will be discontinued
  - Costs to be distributed based on technology-worker FTE
  - InterNet2 cost to increase to $108,000/FY or more if Touch America discount disappears
  - Consider increases in Internet charges as fixed cost

- Vote: 17 in favor, 2 abstentions

FY04 FTE and Tuition Update

- Application headcount over 300 ahead of last year
  - Increase in out of state applications - 285
  - In-state applications even with last year
  - Housing applications increased by 60 over last year

- FTE and tuition data in macro analysis remains accurate

FY04 Macro Analysis Update

- Revised macro analysis reviewed
  - Second page includes $1 million for proposed budget amendments
  - Will expand to include itemized list of budget amendments for next meeting
  - Pay plan now just includes increase in state contribution to health insurance

- Possible to set aside specific amount for FY05 for new initiatives
- Add $170,000 to fixed costs for Internet funding
- Board of Regents will determine tuition and fees at May meeting
  - Student senate indicated tuition increase of $12-20 acceptable for quality enhancements
- Legislature yet to determine general fund appropriation
- Each University to develop plan for sustaining smaller campuses
  - MSU has $500,000 earmarked from OLP funds for this purpose