UNIVERSITY PLANNING BUDGET AND ANALYSIS COMMITTEE (UPBAC)
April 15, 2009

PARTICIPANTS

Members Present:
David Dooley        Shannon Taylor        Wes Lynch        Jim Rimpau
Paula Lutz           Larry Baker           Dan Moshavi      Sue Leigland
Tom McCoy           Craig Roloff           Allen Yarnell    Elizabeth Nichols
Tamara Miller        Carl Fox              Kevin Thane      Susan Agre-Kippenhan
Shelley McKamey     Jeff Butler

Members Absent:
Rolf Groseth         Connie Carmack         Marvin Lansverk  Jeff Jacobsen
Robert Marley        Cathy Conover         Theresa Snyder

Others Present:
Terry Leist          Joseph Fedock          Kathy Attebury   Doug Steele
Chris Fastnow        Jeff Adams            Megan Bergstedt  John Sherwood
Anne Camper

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Opening Remarks – David Dooley
- Uncertainty regarding outcome of Legislative session and Board of Regents decisions
- Need to begin work on next biennial budget
- BOR will distribute lump sum from Legislature across MUS
- Tuition and fees will have significant impact on budget future
- MSU increasingly driven by enrollment

Legislative Update – Craig Roloff
- Three major bills that affect funding of MUS and MSU
  o HB13: Pay Plan
    - Passed by both Houses and signed by Governor
    - Provides for significant increase in employer contribution to health insurance
    - OTO salary bonus for employees making $45,000 or less
    - Previous biennium 85% of pay plan was funded by Legislature
    - In next biennium 42.5% of pay plan was funded
      ✓ Less (35.5%) for MSU due to higher percentage of non-resident students
  o HB2: Appropriations Bill
    - No funds for inflationary costs (Present Law Adjustments – PLA) in House version ($2.8 million biennial reduction)
    - Senate version added 2% ATB reduction ($7.2 million biennial reduction)
  o HB645: Stimulus Funding (one-time only)
    - $18 million for tuition mitigation for resident students
    - Governor wants to freeze tuition in return for $18 million
  o Anticipate both HB2 and 645 will go to conference committee
  o Legislature scheduled to adjourn the week of April 20
  o Information provided today will be outdated by Friday
Regent Decisions Expected at May 28-29 Meeting – David Dooley, Craig Roloff, Joseph Fedock
- General sense is the BOR wants to cap resident tuition, but allow increase in non-resident tuition
  - Need to be mindful of competitive standing when increasing non-resident tuition
- Possibility of moving funds from main campuses to smaller campuses
  - Tuition increases at smaller campuses would not generate significant funds to cover shortfall
- Shifting funds from MSU to UM will not likely happen in FY10, but significant concern in FY11
- Fee package for MSU has been submitted to OCHE
  - Student support for fee increases is critical
  - Waiting for feedback from OCHE on fee proposals
  - Significant effort to keep increases in university-wide fees very modest

Enrollment Report – Rimpau/Yarnell
- FY2009
  - Increase of 35 FTE overall; only down in resident undergraduates
  - 2500 graduates expected this spring – up about 100
- FY2010 Outlook
  - More fence-sitting and waiting for scholarships than typical
  - In-state applications up 234 or 13%
  - Out of state applications up 28%
  - Overall applications up 30%
    - Nationally other state schools are up, so there is a trend
  - Also up in transfers: 40 in state and 62 out of state
  - Seeing big increase in in-state acceptances
  - Added $150,000 to scholarship pool
  - Housing applications: basically flush, but will be impacted by scholarship acceptances

FY09 Tuition Revenue Update – Attebury
- Net gain of $350,000 since last report to UPBAC in February
- Better than anticipated resident undergraduate enrollment
- Possibilities for distribution of unanticipated revenues:
  - Return proportionately to executive
  - Scholarship reserve
  - Retirement payout reserve
  - Benefits shortfall
- General agreement to defer decision until next UBPAC meeting

Tentative FY2010 and 2011 Macroanalysis – Attebury/Roloff
- Numbers presented in macroanalysis represent best-case scenarios for state funding
- Possible funding gap in FY10: $2.8 million; FY 11: $2.9 million
- Will provide more information at next meeting, including some modeling examples
- 1% tuition increase results in approximately $350,000 additional revenue
- Request for more information on status of Foundation