UNIVERSITY PLANNING BUDGET AND ANALYSIS COMMITTEE (UPBAC)
January 26, 2010

PARTICIPANTS

Members Present:
Jim Rimpau  Jeff Butler  Joe Fedock  Kevin Thane
Tamara Miller  Shelley McKamey  Helen Melland  Carl Fox
Tom McCoy  Connie Carmack  Teresa Snyder  Shannon Taylor
Allen Yarnell  Sue Leigland  Marvin Lansverk  Wes Lynch
Jeff Jacobsen  Robert Marley  Paula Lutz  Susan Agre-Kippenhan
Craig Rolloff

Members Absent:
Cathy Conover  Rolf Groseth  Larry Baker  Dan Moshavi

Others present:
Chris Fastnow  Greg Young  Megan Bergstedt  Terry Leist
Jim Luebbers  Kathy Attebury  Jeff Adams  Kim Obbink
Jill Thorngren  Bruce Raymond  Tracy Ellig  Todd Kipfer

--------------------------------------------------------------------------------

➢ Budget Update – Craig Rolloff
  • January 6 revenue report from Legislative Fiscal Analyst
    o Revenue collections continue to show further weakness
    o Estimate $270M less than anticipated
    o Statutory limit for fund balance
  • Governor has called for budget reduction plans from all state agencies
    o Identify budget reductions for FY11
    o Each agency to submit 5% budget reduction plan and impacts to State of these reductions
    o Reductions may continue into FY 12 and FY13
    o Due to Governor by January 29
  • Board of Regents conference call on January 28 to finalize MUS response to Governor
    o Response will be in aggregate, not at campus level
    o MSU campuses $3.85M reduction for FY11
    o Loss of federal stimulus funds in FY 12 and FY13 with possibility of no inflationary adjustments
  • Governor will submit his recommendation to Legislative Finance Committee on February 19
  • Committee to meet on March 4 and 5, to take action on Governor’s plan
  • Anticipate another revenue update report in early February and again in early March

➢ UPBAC Working Group Report – Jim Rimpau
  • 170+ ideas for revenue enhancement/cost savings submitted
  • Initial suggestions:
    o Cut state funding for the Big Sky Institute
    o Implement furloughs
    o Implement 4-10 work week
- Consolidate 4 campus services
- Pool support staff
- Create early retirement options
- Close some buildings
- Develop shop smart program

Suggestions fell into five major categories:
- Things we are doing already
- Might have merit – should be investigated
  - Recommend to unit
  - Recommend to a committee
  - Recommend to BOR/OCHE
- Small savings or very long term return on investment period
  - Not recommended as savings are zero or small
  - Not recommended as return on investment is too long term
- Should be the purview of unit directors (too specific or focused)
- Untenable suggestions

Recommended next steps:
- February 9: Open meeting for public comment
- February 23: Actionable items for UPBAC consideration

Distribution of work group report and summary of considerations
- Brief history of creation of working group and process utilized to reach recommendations
- BSI recommendation
  - Seek external funding
  - Eliminate state funding
- Furloughs
  - Require BOR approval
  - Use as stop-gap measure to avoid layoffs
  - Keep on table as possibility
- 4-10 work week
  - Mixed response from employee groups - more negative than positive
  - Recommend it not be implemented
- Consolidate 4 campuses services
  - Funded by OTO funds in FY10
- Pool support staff
  - Idea has merit, but need to know specifics
  - Recommend unit administrators consider
- Create early retirement options
  - Requires vacancies to remain vacant
  - Assumes new employees will cost less than retirees
- Close some buildings
  - Possibility for small buildings?
  - Recommend this be referred to Space Management Committee
- Shop Smart program
  - Possible implementation
- UPBAC Working Group Report available online at UPBAC website
- Concern expressed regarding the use of word “furlough”
- Discussion of proxy votes scheduled for next UPBAC meeting
- Next UPBAC meeting February 2
  - President Cruzado will attend