UNIVERSITY PLANNING BUDGET AND ANALYSIS COMMITTEE (UPBAC)
April 20, 2010

PARTICIPANTS

Members Present:
Joseph Fedock         Jeff Butler         Kevin Thane         Carl Fox
Tamara Miller        Shelley McKamey     Helen Melland       Shannon Taylor
Allen Yarnell        Sue Leigland        Wes Lynch           Craig Roloff
Jeff Jacobsen        Robert Marley       Paula Lutz          Cathy Conover
Rolf Groseth         Sheldon McKamey

Members Absent:
Jim Rimpau           Larry Baker         Connie Carmack     Susan Agre-Kippenhan
Marvin Lansverk      Tom McCoy           Eric Fisher

Others present:
President Cruzado    Chris Fastnow       Greg Young         Megan Bergstedt
Terry Leist          Jane Shelby          Terry Dysart       Kim Obbink
Jim Luebbers         Kathy Attebury      Jeff Adams

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➢ FY11 Budget Update – President Cruzado
  • Recap of April 15, 2010, Board of Regents Meeting
    o Focused on presentations by MUS agencies
      - Extension Service
      - Agriculture Experiment Station
      - Fire Service Training School
      - Bureau of Mines
      - Forestry and Conservation Experiment Station
    o Extensive public comment on behalf of agencies
    o Anticipate finalization of FY10 & FY11 budgets at late April/early May BOR meeting
      - Unable to proceed internally with budgets until BOR reaches final decision
  • FY10/11 budget challenges
    o Governor’s reductions: ~$500,000 each year
    o Reallocated stated funding based on resident FTE: ~$350,000 (FY11)
    o Educational units anticipate reduction of 2.6%
      - Maintenance of Effort requirement limits this reduction
    o Agencies anticipate reduction of 10%
  • President Cruzado: The best method to manage the situation is to table the distribution of one-time only dollars (as voted by UBPAC at the December 15, 2009 meeting in order to minimize impact of base cuts.
    o Funding to areas related to student growth would receive distribution in order to adequately serve students
    o Other one-time only funds would be returned to the University Reserve
      - These funds may be carried forward to FY12
    o Will develop budget reduction plan
Vice President Roloff stated that with the increased funding of the University Reserve from the one-time only pool, departments/units should not suffer additional reductions in FY10 and FY11.

Provost Fedock recommended that the $100,000 marked for additional educational costs for spring semester 2010 be distributed.
- General consensus from the committee.

Motion made and seconded to table distribution of one-time only dollars and revert these funds to the University Reserve as presented, with the exception of the additional $100,000 for spring semester increased educational costs.
- Motion passed unanimously.

➢ Benefits Management
- This issue came up repeatedly at the President’s listening and learning sessions.
  - Additional workload to departmental staff.
  - Operational reductions.
- Proposal to return responsibility for benefits management to central office.
  - Only recover centrally allocated funds (not those originating with department).
  - Change will be effective July 1, 2010.
  - Budget office will coordinate with executives and colleges.
  - $500,000 benefits shortfall will be assumed centrally.
    - President Cruzado: Charge HR to develop process to keep this shortfall from occurring again.
    - Craig Roloff: Plan to recover shortfall from enrollment growth.
  - Departments will continue to be responsible for annual leave payouts.
  - Sick leave payouts will be assumed centrally.
  - President Cruzado: Proposal to centralize benefits is not tied to centralization of vacancies.
- Motion made and seconded to accept proposal for centralization of benefits management.
  - Motion passed unanimously.
- Provost Fedock acknowledged work of VP Roloff and the Budget Office staff and called for collaboration in facilitating a timely and effective transition to centralization of benefits.
- New positions will require identification of adequate funding for salary and benefits regardless of the funding source.