

Budget Council Minutes
Tuesday, September 22, 2020
3:30 - 5:00 p.m.
WebEx

In Attendance:

Chris Kearns	Michael Trotter	Kim Obbink	Mark Ranalli	Bradford Watson
Jason Carter	Chris Fastnow	Craig Woolard	Tia Brown	Christine West

Guests:

Megan Lasso – Budget Office, Brittany Thompson – Budget Office, Heidi Fredenberg – Budget Office, Leslie Schroeder (meeting minutes)

Absentees: ASMSU graduate representative, Terry Leist, Robert Mokwa

I. Call to Order

The meeting was called to order by Chris Kearns, VP for Student Success.

II. Approval of Minutes

The August 25, 2020 meeting minutes were unanimously approved.

III. University Information/Announcements

- a. Introduction of new member Christine West, ASMSU undergraduate representative – Christine serves as the ASMSU Business Manager. She is a senior in the Jake Jabs College of Business & Entrepreneurship, working toward a dual option major in Finance and Accounting.

IV. Action Items

- a. Assessment Presentation Priorities for the Year
 1. Presenters will be given a copy of their original assessment submittal so that they can address what they set out to accomplish.
 2. If benchmarks are available, we will ask the presenter to include performance against those benchmarks.
 3. Presentations will run about 10 minutes with another 10 minutes for Q&A.
 4. Budget Council will make a recommendation regarding funding to the President.
 5. There will be no presentations in April.

V. Public Comment/Member Feedback

- a. Carter – University of Montana was allocated more general fund dollars in Program 02 (Research) than MSU, which is surprising given their portfolio compared to ours. Lasso will assist Carter to better understand U of M's financials.
- b. Ranalli – Any plans to distribute excess revenues back to units soon? Time is critical.
Lasso – Possibly. Some one-time-only (OTO) funding might be available, because MSU reduced spending the last few months of FY20 to prepare for COVID impacts to student enrollment, which were less than expected. Still under a hiring moratorium and still had an enrollment decline.
- c. Woolard – Long-term issue is the hiring freeze; what can be done in the meantime? Information would help to form strategy on how to get through this would be useful.
- d. Kearns – Because of our conservative approach, MSU is in a good position, which is an anomaly among the other campuses.
- e. Trotter – UIT is holding back 25% of their budget for the unknown.
- f. Carter – Montana will have a new governor in November, which may affect future funding.

VI. Informational Items

a. Board of Regents (BOR) Update – Megan Lasso

1. Each September the BOR approves operating budgets for the entire Montana University System (MUS). The approved operating budgets for each campus are on the MUS website. This gives each campus the authority to spend the funding as outlined.
2. The new “common app” is now available on the MUS website. The common app allows prospective students to fill out one application for all MUS campuses. It is expected to address the 40% problem (40% of Montanans do not go on to higher education).

b. Approved FY21 Budget – Megan Lasso

1. MSU is carrying forward \$12M to FY21 because of decreased spending in FY20. This is OTO revenue. FY22 base revenue should be closer to FY20 numbers barring any large enrollment shifts.
2. MSU enrollment this fall is strong. Typically, the state will not take allocation from one institution and give it to another midyear. Raw headcount does not fully determine revenue. Resident enrollment has declined at MSU and across the MUS. However, nonresident enrollment is up, as is WUE enrollment. The WUE increase was planned by removing roadblocks. What are the state legislators going to think about our declining resident enrollment? Nonresident students have a higher attrition rate than resident students.
3. Carter – Graduate tuition at MSU is a bargain compared to national rates. We are leaving money on the table with our grants, because our grant management fee is so low. To raise graduate tuition rates, dollars must be reinvested. We need to ask for the money we are leaving on the table. Return on investment (ROI) varies among the different graduate programs. Carter would like guidance on how to steer this conversation going forward.
4. Over 50% of budget spent on instruction.
5. Custodial services budget jumped in FY21 due to COVID adjustments.
6. FY20 and FY21 budgets will be abnormal due to COVID.
7. Smaller incoming classes will affect the enrollment for the next four years. MSU needs to actively recruit the students who are already here in order to retain them.
8. Nationally, student enrollment is expected to decline significantly in the coming years. Only 10k high school graduates in Montana each year and one-third of them don't go to college. Traditional college recruiting, which MSU has excelled at in the past, is no longer enough.
9. Kearns – How do students want to be interacted with? What role does the phone play in the student experience? Christine West (ASMSU undergraduate rep) now buys online textbooks so she won't have to carry them and rarely uses paper. This is not a COVID change – the JJCBE was already using technology before the pandemic.

Meeting was adjourned at 4:53 p.m.

Next Meeting: October 27, 2020 at 3:30 p.m. via WebEx