

**Budget Council Minutes**  
**April 12, 2022**  
**10:30 a.m. - 12:00 p.m.**  
*WebEx*

**Members:**

Terry Leist	Robert Mokwa	Chris Kearns	Ryan Knutson
Kim Obbink	Dan Miller	Michael Brody	Jason Carter
Chris Fastnow	Craig Woolard	John Ooley	Isaac Birdwell
Conner McCollum			

**Guests:**

Ian Godwin (on behalf of Chris Fastnow), Megan Lasso, Brianna Bos, Brittany Thompson, Mackenzie Seeley, Kate Argall, Leslie Schroeder (admin support)

**Absentees:** Kim Obbink, Robert Mokwa, Chris Kearns, Dan Miller, Craig Woolard, Conner McCollum, Isaac Birdwell

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**I. Call to Order**

The meeting was called to order by Chair Terry Leist.

**II. Approval of Minutes**

The January 12, 2022, meeting minutes were unanimously approved.

**III. University Information/Announcements**

**a. Board of Regents Meeting Update**

- Foundation agreements for all the campuses
- Multiple facilities maintenance items
  - MSU's biggest item – purchase of Molecular Bioscience Building, 3 acres, \$9M (\$2M under appraised value); good investment for MSU in the long run; even with improvements it is much less expensive than our cost per square foot for new construction

**b. FY23 Institutional Investment Process**

- Performance funding allocations (part of MSU's state appropriation) – Out of a \$15M MUS pot, MSU earned entire allocation of \$5.8M
  - Earned based on the following performance metrics: resident FTE, student retention, graduation rates, research expenditures and funding, and degrees and certificates awarded
  - Remaining money from unearned allocations is used by OCHE for their strategic priorities

**IV. Training and/or Data Review**

**a. Enrollment Outlook – Megan Lasso, Budget Director and Terry Leist**

- First-time full-time retention is down, but spring retention was better than prior spring
- Last fall was second-highest enrollment in MSU history
- Enrollment for this fall is looking strong
- Grad student enrollment is increasing
- Need more housing for students – ASMSU also working on this and has invested money toward it; MSU currently has enough housing for freshman, international students, and some grad students
- Student housing and employee wages are top priorities

**b. Biennial process and budgeting cycle**

- MSU's annual process is baked into a larger process that includes the legislative process, which happens every two years
  - For submittal of present law adjustments, the Higher education inflation index is utilized – IT expenditures and library acquisitions are allowed an increased inflation rate
  - MSU submits its budget to the OCHE which submits to the Governor's Office, then the Governor develops a budget for presentation. This is the starting point for the legislature to work on total state budget allocations.
- President's strategic funding process – two-year cycle; in even years information is prepared for the next two years; legislative sessions are in odd years; tuition and fee rates are set in May of odd years
  - 2% reallocation of base budgets (unrestricted funds) and one-time-only (OTO) funds
  - Units should look across the board at all available funds; now is the time to begin working on budgets for the next two years
- FY23 investments will align with Planning Council strategic plan Learning Goal 1.1 (broaden access to underrepresented populations), Discovery Goal 2.4 (expectations for scholarship), and Stewardship Goal 3.3 (foster a culture of collaboration, continuous improvement, and individual growth, which includes sustainability, diversity framework, etc.)
  - Considerations for investment decisions include Planning Council priorities, strategic and operational needs, fixed costs (like utilities), alternative funding sources, any unutilized balances
  - Investments focused on maintenance, need-based aid for resident students, staff & faculty wages, advising, retention, mental health, and graduate education
  - MSU has less authority/autonomy with professional staff salaries and more with classified staff salaries
  - There are currently 230 contract/professional employees (outside of faculty contracts)
- In the future, there has to be a balance between large institutional investments and the President's strategic funding process
- MSU will continue to invest in salaries – so far approximately 2/3 of staff have received salary increases; MSU would prefer to increase employee pay than invest in employee housing
- Retention Task Force is making proposals for the Provost's Office

**V. Public Comment/Member Feedback**

**a. Future presentation topics**

- Carter would like a presentation on upcoming construction projects and space management (John How); currently 69 projects over \$1M with no project managers to take them
- Brody suggested a high interest by students and faculty in sustainability and energy consumption (Megan Sterl)

Meeting was adjourned at 11:23 a.m.

**Next Meeting: July 12, 2022, from 3:30-5:00 p.m. in 10 Montana Hall (President's Conference Room)**