

**Executive Budget Committee**  
**February 7, 2018**

Members attending: Baker, Bennett (by phone), Canales, Crafts, DeBoef, Einhellig, Foucart, Gebken, Greene, Lambert, MacGregor, Matthews, McCoy, Moore, Morris, Qiao, Remley, Schneider (by phone), Shaw, Siscoe, Smart, Thompson

Chair Janice Greene convened the meeting at 3:00 p.m.

Outlook for FY19 State Appropriation – President Smart discussed Missouri State’s results under the new performance funding model. The Springfield campus met all six of its measures. The West Plains campus met four of its six measures.

The Governor recommended a 10 percent across-the-board cut to core operating appropriations for all public universities and community colleges. The Governor also recommended additional cuts for institutions that did not meet all of their performance funding measures. The result is that the West Plains campus would receive a cut of more than 13 percent to its operating appropriation under the Governor’s recommendations.

President Smart shared that he has joined the presidents from the other public universities to advocate to restore the cuts proposed by the Governor and to advocate against the Governor’s proposal to reduce appropriations for institutions that did not meet all of their performance funding measures.

Update on Revenue –

Overall Budget Development - the [Guiding Principles](#) document that was approved by the Board was reviewed. These principles will guide the committee and administration as the fiscal year 2019 budget is developed.

The committee reviewed and evaluated projected revenues and expenses for fiscal year 2019. There is an \$8 million funding gap for the Springfield campus. This gap consists of:

- A \$5.9 million reduction in state appropriations under the Governor’s budget recommendations
- \$1 million in lost enrollment revenue because the mix of our student body changed this year (i.e., we enrolled fewer international students and more domestic students)
- \$1.4 million in cost increases for items such as required pension plan contributions, faculty promotions, and utility costs
- An offset for \$300,000 in new revenue from procurement card incentives and additional interest income

\$4 million in new revenue and expenditure reductions have been identified to help fill the gap. \$2.5 million to be generated by increasing in-state undergraduate tuition by 2.1 percent (CPI rate) and increasing out-of-state and graduate tuition by 4.2 percent. Another \$1.5 million identified in administrative expenses that can be eliminated before the next fiscal year begins.

President Smart will move forward with discussing these items with the Board of Governors at their February meetings.

A remaining gap of \$4 million will still exist after the identified new revenue and expenditure reductions have been implemented. The Executive Budget Committee evaluated several strategies to generate additional revenue to address the remaining funding gap, but no particular decisions were reached. The committee will continue to work in the coming months to evaluate options to close the gap and develop a stable fiscal year 2019 budget. President Smart and administrators will also continue to aggressively advocate that the legislature restore the appropriation cuts recommended by the Governor.

Compensation Strategies – The Administrative Budget Committee has been tasked to look for options for a one-time compensation package for faculty and staff. If state support and on-going revenue improves, the package could become an ongoing compensation increase. These options will be proposed to the Executive Budget Committee meeting at a future date.

Next Steps and Future Meetings – The Executive Budget Committee will next meet after the House marks up the budget.

President Smart and other administrators will meet with Faculty Senate, Staff Senate and other groups on campus to cover the Governor's budget recommendations and strategies on how to handle the cuts.

Meeting adjourned at 4:32 p.m.