

## **Executive Budget Committee**

*Minutes of the 26 April, 2016 Meeting*

**Members attending:** Baker, Bennett, Bowles, Canales, Crisafulli, Cline, DeBoef, Dockery, Einhellig, Fairbairn, Foster, Foucart, Greene, Matthews, Morris, Nelson, Parker, Pavlowsky, Self, Siscoe, Smart

Chair Janice Greene convened the meeting.

**State Appropriations Update.** President Smart and Mr. Foucart updated the Committee on the progress of state appropriations since late March. At that time, the higher education appropriation passed by the Missouri House of Representatives would have reduced the increase for MSU from the original 6% proposed by the Governor to 2% which would then be placed in reserve to be released late in the fiscal year (if released at all).. However, after the House-Senate budget conference, the legislature passed, and the governor signed a budget that includes a 4% increase for public universities. In addition because MSU met all five of the Springfield campus' performance measures and received a funding equity adjustment, the total increase was 4.5% for the operating budget, or about \$3,544,870. In turn, the University will not apply the \$1.00/credit hour in-state undergraduate tuition increase which would reduce net growth for fees from \$753,434 to \$401,596. However the 4.5% increase in state funding will more than offset the difference and mean an overall increase in revenue growth for the University of approximately \$6.35 million, compared to the projection of \$3.15 million in March.

**FY 2017 Budget Discussion.** President Smart then proposed the following adjustments to the budget scenario that the Committee had deliberated on and agreed to at the March meeting:

- Institute a 2% across the board salary increase (including GA's) instead of the previously proposed 1%.
- Add \$250,000 for cost center heads to provide staff with merit and equity pay increases.
- Invest \$900,000 in new faculty lines to address the increases in enrollment.
- Continue to invest in the third year of the Professor Salary Incentive Program (same as March proposal).

In addition to modest additional investments in compliance & support, diversity, and a learning management system, President Smart and Mr. Foucart also recommended a cost center budget increase at CPI (.7%).

**Next Steps.** After brief discussion, the Committee approved the proposal. After further discussion President Smart suggested that the broad details of the proposal, while still tentative, be shared with the University community in the next Clif's Notes, subject to the Board of Governors' approval at the 12 May Board meeting.