Executive Budget Committee

Minutes of the 26 January, 2016 Meeting

Members attending: Baker, Bennett, Bowles, Canales, Cline, Crisafulli, Einhellig, Fairbairn, Foster, Foucart, Greene, Groves (Dockery), Matthews, Morris, Nelson, Parker, Self, Siscoe, Smart

Chair Janice Greene convened the meeting.

Outlook for State Appropriations. President Smart noted key facts that affect the new budget – approximately 37% of funding for MSU comes from state appropriations with the remainder largely from tuition dollars. CPI for the past year was .7% (.007), and by prior agreement between the state and the Missouri public institutions of higher learning, comprises the cap within which they can raise in-state undergraduate tuition. Enrollment growth beyond that planned and budgeted for from the previous year constitutes another major revenue factor, and this year will provide approximately an additional $2.2 million.

Governor Nixon has recommended an increase of 6.8% for MSU (also includes having met all five of the Springfield campus' performance measures and a funding equity adjustment). This increase is linked to: a) keeping the in-state undergraduate tuition flat, and b) allocating approximately $1/6^{th}$ of the increase to STEM education enhancement. If the amount ultimately appropriated is smaller, MSU can then consider a tuition increase up to 7/10 of 1 percent, or $1.00 per credit hour for in-state undergraduate tuition. The Governor's recommendation subsequently will work through the legislative process, and will result anywhere from no increase to the full 6.8%. Preliminary indications suggest that legislative action could result in an increase ranging anywhere from about 2.8 – 4.0%, but could change as the appropriations process moves forward.

Update on Revenue. Based on previously unbudgeted enrollment growth, the range of possible state appropriations, and possible subsequent tuition decisions, revenue for MSU could range as noted below:

	Anticipated Minimum	Anticipated Maximum
New dollars from previous enrollment growth	$2,200,000	$2,200,000
Tuition increases	845,000 (.7% in-state UG; 1.4% out-of-state UG and all GR)	509,000 (1.4% out-of-state UG and all GR)
State Appropriations	____________	5,300,000
Total	$3,045,000	$8,009,000

Overall Budget Development Discussion. Chair Janice Greene then led the group in a preliminary discussion of how any new revenue realized might then be applied once any ongoing commitments such as faculty promotion adjustments or the Professor Salary Incentive Program (PSIP), as well as cost increases on current infrastructure such as insurance, utilities, rentals & leases, Banner, or police services were addressed.

Enrollment growth implies a need for new faculty lines and possibly some specific staff lines to meet either specific disciplinary need as well as to keep class sizes at a reasonable level.

It was also noted that long-range planning for 2016-2020 is underway, and that the Board of Governors has directed that some funds be set aside to address new initiatives resulting from that process.

Subsequent discussion resulted in a general consensus that remaining new funding might be distributed based on the following priorities:

1. Basic compensation increase
2. Addition of new faculty and critical staff positions
3. An increase in benefits.

Given that the legislative appropriations process will continue for several weeks, President Smart recommended that committee members consider this general set of priorities, and seek feedback from the constituencies they represent, focusing more specifically on such issues as:

1. Funding an across the board raise of one percent above CPI (this year 1.7%)
2. Funding an additional across the board raise (if above 2% will bring merit pay into play)
3. Funding any increase in the cost of health insurance centrally so as not to cause an increase in premiums for dependents, retirees or employees
4. Funding new benefits for employees
5. Funding new faculty positions in areas experiencing enrollment growth

These and other possibilities growing out of the feedback could then be discussed at the next Executive Budget Committee meeting, currently set for *1:30 p.m., Tuesday, 22 March in CAR 203*.