

Executive Budget Committee

Minutes of the 9 May, 2011 Meeting

Members attending: Baker, Bennett, Bosch, Brown, Byrd, Cline, Cofer, Doman, Federman, Franklin, Gallaway, Gouzie, Harsha, Hayes, Haynes, Kincaid, McCarthy, McClure, Owens, Scott, Woodard

Supplementary materials distributed to the Committee:

1. MSU E&G Operating Fund, Springfield Campus (draft)
2. Budget Estimates for FY2012, 05-05-11 (draft)
3. Administrative Budget Committee Report, 04-13-11
4. Outsourced Services Summary, 05-09-11
5. Academic Affairs Budget Committee Report, 05-06-11
6. Salary Adjustment Summary

1. **FY 2012 Budget.** Nila Hayes reviewed the draft FY 2012 operating fund budget with the Committee in preparation for the Board of Governors meeting later in the week. The budget was viewed by cost center, by adjustments among areas, and finally, by function. Nila noted that the projected tuition revenue included the planned increase in tuition and was based on flat student numbers.
2. **Budget Estimates for FY 2012.** Nila and Dr. Cofer reviewed ongoing cost increases, increases/additions, non-recurring items moved to the FY 12 budget, non-recurring items to remain non-recurring, and new non-recurring items for FY 12. Among major items moving from non-recurring to the FY12 budget (continued funding) include the Brick City lease, the ERP system, and the salary/support for the new diversity officer position.
3. **Academic Affairs Budget Committee Report.** David Byrd reported on the 6 May AA Budget Committee meeting. The AA Budget Committee has discussed criteria that might be applied to the evaluation of initiative proposals. Currently four have been identified: impact on student learning outcomes (SLOs); alignment with university goals, the public affairs missions and the long-range plan; evidence of collaboration; and cost-effectiveness, which includes sustainability. During discussions of possible initiatives the AA Budget Committee identified two general ideas for University-wide initiatives: a focus on improving written communication skills and a concept of engaged inquiry. The AA Budget Committee also developed some process guidelines by which cost centers might utilize \$1.4 million in nonrecurring funds made available by the President for FY 2012 to develop and review data on SLOs and make recommendations for program/curricular and pedagogical changes: all cost centers should report by September to the AA

Committee plans for identifying and evaluating SLOs; by January 2012 cost centers should develop and forward recommendations of initiatives that will enhance SLOs; each college budget committee will have identified a set of discipline specific means to enhance SLOs; beginning in FY13, \$3 million in nonrecurring funds would be available annually for up to five years to support discipline initiatives; and beginning in FY13, \$1.4 million would be available for salary increases.

Discussion.

There was discussion of how discipline specific the SLOs might be and the possibility that even within college/cost center different disciplines/departments might identify different SLOs. President Cofer observed that this could be a possibility and that there need not be a cookie cutter approach to identifying outcomes.

There was also discussion of the issue of whether this approach placed emphasis on remediation as opposed to the development of areas of excellence.

There was a question about sustainability of efforts after five years. One thought was that if specific goals were achieved such as increased retention with resultant tuition, then a measure of sustainability could be achieved.

There was discussion of the possible need for resources to do assessment as well as how the current general education discussion might fit into these efforts.

In addition to discussions of how retention would play into these efforts there was discussion of sources of students and the way in which scholarship dollars would be distributed. With the prospect of 3-5% fewer high school graduates in the short term, there will be a challenge for the University to hold its own for beginning freshmen and subsequently adjust to the demographics for transfer and non-traditional students.

4. **Administrative Budget Committee Report.** Ken McClure reported on behalf of the Administrative Budget Committee, and noted of one-time and recurring reductions in the administrative areas that totaled about \$1.7 million. He also reported that 52 staff from Administrative Services (for a total of \$2.8 million) will take the retirement initiative during the year. The Committee has also made a number of recommendations for future savings, including such items as convenience fees on credit card payments on University accounts (est. \$900,000); charging for graduate hoods (est. \$27,000); and charges for transcripts (est. \$234,000). These and other initiatives are projected to save approximately \$1.4 million along with an additional \$235,000 in revenues for a total of \$1,653,310 net positive impact. Ken also distributed a summary of some 200 plus outsourced services at the University that

amount to approximately \$24 million, with many of the contracts resulting in net savings over handling the responsibility in-house.

5. **Faculty Salary Adjustments.** Dr. McCarthy distributed a summary of equity adjustments for the six colleges, the Library, and School of Agriculture, and included for each the number of requests, the number funded, and comparison to the CUPA average for FY11 and FY12 after application of the adjustments. The Provost supplied \$500,000 which was matched by each college proportionately, based on the total faculty salary pool of each. Some additional funding was provided by the President as well. There were about 50 promotions this year with the promotion stipend increased by \$1,500 at each level.