

## Executive Budget Committee

April 27<sup>th</sup>, 2017

**Members attending:** Baker, Bennett (by phone), Canalas, Coffman, DeBoef, Einhellig, Foster, Foucart, Gebken, Gettys (for Del Vecchio), Greene, Holmer, Matthews, Mitchell (for Dockery), Morris, Olsen (for Gallaway), Peters, Siscoe, Smart, Wilson, Wittenberg (for Swearingin)

**Others attending:** Brandon McCoy (incoming SGA president)

Chair Janice Greene convened the meeting at 2:00 p.m.

State budget update – House passed budget that included 9% cut for the University of Missouri and 6.5% cut for all other colleges and universities. Senate passed budget that includes 6.5% cut for the University of Missouri and 9% cut for all other colleges and universities. They will go to conference next week and we anticipate they will return with a percentage cut that will apply to all colleges and universities between 6.5% and 9%. The legislature is required to complete their budget process by May 5.

University representatives have heard from several budget analysts that there could be a revenue gap next year as well. If we face appropriations reductions again next year, we would have to reevaluate our approach. This approach could involve a more significant tuition increase and a compensation increase for employees. Not providing a cost-of-living increase for two years in a row would create significant morale problems, and we would likely lose our best employees.

University budget update – The University is budgeting \$3,179,550 in new revenue from enrollment growth and investment income. This (plus some money that will be taken from the budget for the president's enhancement fund) will be used to offset new expenses from a required pension contribution increase, faculty promotions, utilities increase, and other expenses.

The board executive committee passed the fees resolution, that was discussed at the last executive budget committee meeting by a unanimous vote on April 19.

The board has also reviewed and indicated its approval of the non-academic and provost reductions discussed at the last executive budget committee meeting. These reductions result in the non-academic areas and provost's office making a 4.9% budget reduction, leaving the colleges to take a 1.2% reduction.

To identify the particular expense reductions for this remaining reduction, college budget committees met to develop recommendations that were presented to the academic affairs budget committee.

The University also held a budget town hall meeting to solicit input. Several options were presented:

- Option 1 - Reduce expenses of 1.2% in each college

- Option 2 - Reduce the online incentive from \$55 per student to \$40 per student (resulting in a savings of \$590,000)
- Option 3 - Reduce the online incentive from \$55 per student to \$30 per student
- Option 4 - None of the above.

Those in attendance completed a live survey.

- 317 total participants
  - 200 staff
  - 87 faculty
  - 23 students
  - 7 other
- Results
  - Option 1 – 50
  - Option 2 – 107
  - Option 3 – 128
  - Option 4 - 32

Mike Foster surveyed all faculty after the Town Hall meeting to receive additional feedback.

- 356 responses
  - Option 1 – 162
  - Option 2 – 59
  - Option 3 – 98
  - Option 4 - 37

The results from all of the surveys were presented to the academic affairs budget committee and the college level budget committees. Dr. Einhellig asked each committee to provide two scenarios, one with leaving the incentive as is and one with reducing the incentive to \$40 per student.

Academic / College Reductions – All college level budget committees and the academic affairs budget committee supported Scenario 2 (incentive reduction to \$40). This scenario would result in a cumulative of \$590,584 in less incentive payments.

The remaining college reductions include:

- Eliminating 5 vacant faculty positions
- Eliminating 2 vacant staff positions
- Eliminating 3 occupied staff positions (resulting in layoffs)

There was discussion about the pros and cons of reducing the online incentive and the points made by Dr. Gallaway in his email communications to the other members of the committee.

There was a motion to recommend the reductions set forth above by Earl Holmer, seconded by Jim Baker. Passed by unanimous vote.

Information about the proposed cuts will go out in the Clif's Notes for May 2.

Process to Complete FY 2018 Budget – The state budget is set to be passed by the legislature on May 5. Mr. Foucart will then put together a final FY 2018 budget that will be discussed at the May 18 board meeting, and board members will provide input. The final budget will be submitted for approval at the June 23 board meeting.

If the appropriations process results in unallocated money, the executive budget committee will reconvene in the fall to decide what to do with those funds.

There was discussion of whether the proposed reductions are temporary or permanent. President Smart suggested that we plan on all of the proposed cuts to be permanent. If we have unallocated money in the upcoming fiscal year or in the future, the executive budget committee can discuss whether to reverse any of the reductions at that time.

Janice Greene asked the group for any addition questions/comments/final thoughts.

Mike Foster encouraged the group to think about next year and about if we are faced with a similar cut, to protect what Missouri State University really is, a liberal arts institution. He encouraged the group to think about what makes us unique/stellar/thoughtful is that we have liberal arts programs unlike many other schools/universities.

President Smart echoed Mike's sentiments. He thanked the committee for good work this year. The college level and Academic Affairs budget committees, helped to get the University to the best possible result. If we are faced with similar changes next year, we will explore other ways to manage the reductions as to protect the integrity of the University and what it stands for.

Janice Greene thanked the administration for making these decisions and reductions an open process.

Meeting adjourned at 2:45 p.m.