

Budget Advisory Group
Minutes
February 23, 2010, 12:45 p.m. – 1:45 p.m.
Atwood Memorial Center, Glacier Room

Attendees: Bob Beumer, Diana Burlison, Deborah Carlson, John Eggers, Jo Flanders, Dan Gregory, Frank Harrold, Mark Jaede, Brian Johnson, Karen Lindgren, Devinder Malhotra, Sarah Larson, Steve Ludwig, Bobbi Murphy, Amos Olagunju, John Palmer, Daniel Pedersen, Mark Springer, Kristi Tornquist, and Leslie Valdes

I. Announcements.

-Governor's Message/FY 11 Budget

It was announced that Governor Pawlenty's message on February 15, 2010, reflected a disproportionately smaller reduction for Minnesota State Colleges and Universities than the University of Minnesota because he looked at each system separately. While this is positive news, the legislature is still in session and still has time to act on a different decision. The Governor's announcement revises the projected shortage to approximately \$6 million in FY 11 and possibly additional costs next year.

-Enrollment Projection

An enrollment projection of 14,850 for FY 2011 was forwarded to the Office of the Chancellor (OoC). This is higher than anticipated in FY 10 due to a change in the alignment of financial aid probation and academic probation. These changes will result in a lower FYE next year, although it is anticipated that the numbers will continue to rise gradually thereafter. While the OoC usually requests enrollment projections in March, their request came in February this year. The information is needed for the Minnesota Office of Higher Education because they plan to seek additional funds from the legislature this session as a result of being oversubscribed by \$40 million this fiscal year.

-Market/Program Tuition Work Group

Leslie Valdes conveyed the Market/Program Tuition Work Group met and plans to meet again to finalize a document to share. She also shared that the Office of the Legislative Auditors did a review of the audit of the OoC's spending habits and that report is available on their website if anyone is interested in reading it.

II. Student Life and Development Budget Planning Process.

Daniel Pedersen, Director of Residential Life, gave the report due to the illness of Vice President Overland. It was shared Student Life and Development has units with varied funding sources. The variations include:

- 100% M&E funds
- 100% student fees
- Auxiliary revenue and M&E funds combination
- Auxiliary revenue and student fees combination
- Partial student fees and/or partial grant dollars
- Residential Life is the only unit that operates solely on auxiliary revenue

It was shared that the largest cost savings last year came from closing Eastman Pool and unfilled salary positions in their divisions. This year an attempt is being made to identify new cost savings options and revenue enhancements. The difficulty of impacting students as minimally as possible was acknowledged. Examples of current options being considered includes:

- Leave some positions vacant while possibly reassigning some of the responsibilities to lower level positions.
- Evaluate graduate assistant funding and tuition payment formula.
- Discuss how to assume costs of credit card fees and how to deal with administrative costs.
- Evaluating M&E staff positions that also serve revenue funded areas, for possible division of salary and benefits.
- The President advised Student Government Association to cap a student fee increase no larger than 5%; this limits revenue sources for those areas supported by fees.
- Engage the OoC in discussing the variables and costs regarding credit card fees.
- Recognize that Student Life and Development units may have added direct and administrative costs formerly covered by M&E funds.

It was noted that impact of budget cuts effect each unit differently based on the diverse sources of funding. There are other constraints in any revenue enhancement. For example, the price of room and board cannot be so expensive that students choose to live in private housing or decline to attend.

An attendee asked what the range of anticipated dollar savings would be. It was expressed that the details have not been calculated because the parameters of what Student Life and Development will need to be responsible for has not yet been established.

III. Academic Affairs Budget Planning Process.

Devinder Malhotra, Provost and Vice President for Academic Affairs, was introduced. He shared that when discussing the budget, he views that there are two different aspects of the budget process. Balancing the budget is one aspect; long term sustainability incorporating prioritized efforts such as strategic planning is a second.

Provost Malhotra shared that as the budgetary structures are considered, thought must be given to how to accomplish strategic goals other than solely meeting a budget. Work has begun on this process. The majority of SCSU's expenses are ultimately tied up in the curriculum by either supporting it or delivering it. As a result, scheduling practices, particularly if there are ways to deliver curriculum in a manner that offers cost savings (reduction of overloads and number of adjuncts in particular) are being examined and evaluated. He thanked Mark Jaede for engaging in the process of assessing how to establish more effective schedules.

Provost Malhotra shared that he plans to include a proposal at the next Faculty Association Meet and Confer to reorganize the area of Academic Affairs. Part of the goal is to move toward an institutional arrangement which allows collaborations across units, divisions, and colleges. He also explained that while the position of Provost was introduced into the structure at St. Cloud State University approximately 10 years ago, there have been no other structural changes to Academic Affairs. Provost Malhotra shared that there are currently six positions (some currently vacant) in the Office of Academic Affairs, that he is proposing to consolidate them into four positions in an effort to meet these objectives. The positions include:

Current positions:

Undergraduate Studies Dean
Associate Dean Undergraduate Studies
Graduate Studies Dean
Associate VP, Curriculum
Assistant VP, Faculty Relations
Assistant VP, Research & Sponsored Programs

Proposed positions:

Associate Provost of Graduate Education and Research
Associate Provost of Organization and Faculty Development
Associate Provost of Undergraduate Education, Curricular and Student Support Services
Assistant Provost of Student Support Services

Provost Malhotra conveyed that effort is being made to minimize the impact on students (both in and out of the classroom) when looking at making budget cuts. He has asked the deans to plan for a 10% cut keeping in mind this same mandate. The actual budget cuts may be smaller. In addition, the proposals are to indicate the impact associated with any proposed cuts.

The question was asked if the change in structure would increase costs because an associate provost may require a higher salary than an assistant Vice President's or dean's salary. While it was acknowledged that perhaps costs for the individual positions could increase, the number of positions would decline and some support services could be centralized. It was stated that rational structures cost less than irrational structures.

It was shared that the plan for a change readiness assessment recommended by Larry Goldstein is yet to be determined. Any organizational change that would result from that assessment could take an additional couple of years to implement and is therefore not a short term solution to balance the current budget.

Meeting adjourned at 1:45 p.m.

Future topics:

Program and Market Based Tuition Reporting Procedures
Assessing Programmatic Fiscal Issues

Future meetings (all 12:45 p.m. – 1:45 p.m.):

Tuesday, March 16, 2010, AMC Cascade
Tuesday, March 30, 2010, AMC Glacier
Tuesday, April 13, 2010, AMC Glacier
Tuesday, April 27, 2010, AMC Glacier