

University Budget Committee

Tuesday, Nov 15, 2016 3:30 – 4:45 MCM 305

Meeting Notes

1. Welcome by Co-Chairs Hoar and Gagnon
2. University Budgeting 102: Auxiliary Operations. Financial Services Director LeAnn Anderson and Budget Director Trudy Collins presented the Auxiliary Operations budget presentation.

Discussion Items:

- Dining Services is essentially a pass through to Sodexo; we take funds in and pay right back out.
- Student Union Building (SUB) is both fee based and operating based (rents out space); the Academic Support Center pays rent to SUB.
- Which MSUB buildings are auxiliary buildings?
 - Petro, Rimrock, SUB complex
 - Family housing
 - Absaruke
 - Parking garage
 - Rental Houses
- Charges for administrative services provided from General Operating funded offices to Auxiliary were set years ago and have not been revised; there were no changes in response to either increased or decreased student enrollment.
- The General Fund has never been used to cover bond payments. It is MSUB practice to keep a bond payment cushion set aside. Every year the bond ratio is examined - if approaching < 1 , indicating we could not cover the debt, we would make changes.
- Is Auxiliary bound to state pay plan as approved by the Board of Regents for employees? Yes, it is.
- Most recent large Auxiliary expenditure was for the roof of SUB, $> \$800K$. Auxiliary will be paying for this over 10 years.
- There are some large dollar needs within Auxiliaries, for example, residence hall modernization renovations, dining service renovations, and meeting space for conferences.
- Board of Regents has to approve expenditures for Auxiliary buildings/bonds. We obtain state authority to build but the state does not fund.
- Who approves increases in residence hall room charges? BOR at the May meeting approves these.

- Deferred maintenance, where do we stand?
Our largest deferred maintenance items are residence halls, PE building, and the science building. Our deferred maintenance was in line with MSU side, but now that Bozeman has done so much new construction over the past few years, we probably do not compare as favorably.
- Where does the development of a Conference Center stand?
Auxiliary would fund a conference center, in process of bringing this item back to the table for further discussion. Working on updating the costs for the project and looking into how to get authority for construction. This can put on Long Range Building Plan for authority only or we can get BOR approval first and then get the governor to sign off on the project. This is a Chancellor priority.
- Fees:
 - Mandatory fees - all students pay these
 - Course fees - specific to particular courses where there is a high need for supplies or students keep project at end of course
 - Miscellaneous fees - room and board
 - Program fees – ‘super’ tuition for higher cost programs
- Fees cannot be changed in the middle of a biennium.
- Final changes to student fees are taken to Student Senate to determine if MSUB students support or do not support. BOR will ask if students are in support prior to approval of fees.
- Is there guidance from OCHE regarding overall fee increases?
As a general rule of thumb, in the past we went with no greater than a 2% increase. However, other campuses did request and receive approval for larger percentage increases. This cycle, we have received unwritten guidance that any increases should not exceed 3% annually in aggregate. A particular fee could change by any percentage. Mandatory fees are aggregated when comparing to the 3%. Course fees stand alone.

3. University Budgeting 103: Performance Based Funding

Budget Director Trudy Collins presented the Performance Based Funding presentation

Discussion:

- General observation that it will be difficult to increase degree numbers when enrollment is declining.
- The PBF Allocation methodology can be adjusted by the Board of Regents to some extent – which metrics are included and the percent improvement goal are examples of possible adjustments.
- Performance Based Funding was a Board of Regent directive; OCHE clearly indicates MUS would not have received the state allocation it received without enacting PBF.
- Is there a credit limit on graduate certificates which count in performance based funding?

4. Distribution of meeting notes
We will continue to distribute detailed notes to UBC members and post summary minutes on the Budget Office website. The file attachments and detailed notes will be posted in Box.

5. Set agenda for December 13, next UBC meeting
 - a. ROI on previous scholarships awarded
 - b. Projections for next biennial budget