

Budget Advisory Group
Minutes
February 9, 2010, 12:45 p.m. – 1:45 p.m.
Atwood Memorial Center, Glacier Room

Attendees: Bob Beumer, John Eggers, Jo Flanders, Dan Gregory, Frank Harrold, Mark Jaede, Brian Johnson, Dennis Mergen, Sarah Larson, Steve Ludwig, Amos Olagunju, Wanda Overland, John Palmer, Dan Pedersen, Mahmoud Saffari, Kristi Tornquist, Leslie Valdes, Rachel Wexelbaum, and Craig Wruck

I. Approve January 26, 2010, Minutes.

No comments or questions.

II. Announcements.

It was announced that a meeting for the workgroup to discuss market based tuition will be held Friday, February 12, 2010, at 1:00 p.m.; an open invitation was made for any attendees to participate.

It was conveyed that Governor Pawlenty will share his budget in the state of the state on Thursday and will shortly thereafter present his budget recommendations to the Legislature.

An update was given that the Office of the Chancellor (OoC) has conveyed that it appears any unallotment would be at the lower end of additional reductions. There is not expected to be an unallotment during the session. In addition, the enrollment management projection request was sent to the OoC early because the due date was moved to February this year.

An announcement was made that the State Higher Education Services Office (HESO) was oversubscribed this fiscal year by \$40 million and as a result, is looking for additional funds from the Legislature this session. The explanation is that there was materially higher enrollment than HESO expected this year and partly because financial aid need was greater as a result of the recession.

It was conveyed that Academic Affairs and Student Life and Development will report their budget planning process at the next meeting.

III. Administrative Affairs Budget Planning Process.

It was reviewed that units on campus continue to plan around a 10% reduction in expenses. Each unit in Administrative Affairs is researching levels of activity in recent years including compiling peer comparisons, if available. An update by unit is listed below:

Business Services: The impact of discontinuing the acceptance of credit card payments is being explored due to the substantial amount of fees that are being paid by St. Cloud State University

(SCSU). Ways to improve the efficiency of the process are being examined. Work is also being done with the foundation to coordinate and consolidate similar activities.

Public Safety Department: No changes are expected in staffing based on the goal to have a professional staff person available around the clock and that goal has just recently been realized. Previously only student officers were available overnight. The level of student staffing is being considered. One example of costs savings could be to carefully manage students' schedules at 20 hours per pay period to save some FICA costs. Another area being considered is increase charges to the St. Cloud Technical and Community College based on the level of services being provided by SCSU.

Printing Services: The scope of work being completed has changed the distribution of tasks based on technology; services, work load, and staffing are being assessed and coordinated. Setting different rates for external and internal orders is being explored, with the goal of coming closer to covering the costs of printing services. Any remaining funds have historically gone into an account to replace equipment; these funds were once used to balance the budget of Printing Services. M&E funds continue to cover the cost of salaries. In addition, University Communications and Printing Services are exploring how to coordinate duplicate services.

Human Resources: Improving coordination with Business Services is being explored as well as identifying how to reduce costs associated with non-contractually required employee development.

Scholarships and Financial Aid: The types and level of service are being evaluated and efforts made to facilitate electronic interaction between the office and those being served.

Center for Information Systems: Seasonal variations and demands are being reviewed. Charges outside the unit for training and testing services are being studied and options are being considered such as implementing charge backs and/or discontinuing certain services.

Buildings & Grounds: The rebuilding process of a boiler on campus is near completion and is expected to result in fuel cost savings. Charging the direct cost of heating and ventilating to each unit is being examined. Levels and patterns of staffing are being evaluated. SCSU has signed an agreement with the Office of the Chancellor to participate in a pilot program by Xcel Annex 25 that looks at energy savings and reduced costs. If SCSU is able to identify some prospective changes through Annex 25, funding them through a different program "PEEBEEP" will be explored.

Administrative Affairs: Applying indirect and direct costs across university units is being considered.

The floor was opened for questions. An attendee asked how many students would be impacted by not accepting credit cards for payment. Students can still pay by debit card or bank transfers. It was stated that charges cannot be different for credit verses cash payments. It was shared that service charges are in excess of \$500,000 for tuition and fees at SCSU this year. In addition, Minnesota State Colleges and Universities entered into a system-wide agreement that assesses

credit card fees. SCSU has realized increased costs as a result. An attendee shared that the University of Nebraska, Lincoln, assesses a convenience fee if a charge card is used. Steve Ludwig requested a contact name at the institution and agreed to follow up if their model could be duplicated/modified for SCSU.

An attendee reflected that additional fees could sound like a tuition increase and asked how students would be affected. It was shared that much of the consideration regarding charging for direct and indirect costs is being given to areas that are non M&E entities or revenue generating areas.

IV. University Advancement Budget Planning Process.

Craig Wruck, Vice President for University Advancement, shared that University Advancement is the smallest of the four units under a vice president as well as that University Communications is no longer a part of this unit. A [handout](#) that summarized activities of the unit was distributed.

It was shared that labor cost savings are being examined. The long range plan to have a development officer assigned to each college has not been completed. The viability of that plan is being reevaluated with the likelihood that more than one college will be assigned to each development officer for the foreseeable future. There are vacancies within the unit which may allow the opportunity for labor cost savings without eliminating current staff.

It was conveyed that University Advancement and Business Services have been looking for ways to consolidate duplications in the financial services area.

It was noted that more than 90% of contributions are earmarked by the donor for a specific purpose or use and are not available for general budget relief. This percentage of restricted giving is consistent with other public institutions. Experience indicates that donors are inclined to make larger gifts if allowed some choice in how the contribution is used.

Meeting adjourned at 1:38 p.m.

Future topics:

Assessing Programmatic Fiscal Issues
Budget Planning Activities

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

Tuesday, February 23, 2010, AMC Glacier
Tuesday, March 16, 2010, AMC Cascade
Tuesday, March 30, 2010, AMC Glacier
Tuesday, April 13, 2010, AMC Glacier
Tuesday, April 27, 2010, AMC Glacier