

Budget Council Minutes – May 6, 2008

11 am to 1 pm, 205 Welch Hall

Members Present: B. Beard (Fac. Council NUR), C. Blakely (ART), B. Bond (CE), M. Bretting (COE), P. Buchanan (COT), M. Byrd (IRIM), H. Bunsis (ACT), D. Clifford (Fac. Council – CHHS), J. Donegan (Phy. Plant), T. Greco (CAS), M. Hague (B&F), R. Hanna (ISPC), L. Higgins (COB), S. Larnhart (M-C), B. Lindke (VPSA), J. Lumm (B&F), M. Malach (Athletics), T. Ohmer (B&F), B. Price (Fac. Council), M. Rahman (Fac. Coun. ACT), C. Shell (R&R), B. Sipe (CAS), W. Tornquist (AA)

1. Approval of Minutes from April 29; unanimously approved as amended under 3.c.iv. (adding “reduction of simple bureaucratic procedures”).
2. Commentary on Auxiliary Budgets – Bernice Lindke
 - a. See handout with three time frames presented (posted online: “Auxiliary summary and Projection to June 30, 2008”
 - b. Are 13 units that operate within “Auxiliaries” in this budget.
 - i. Apartments have been a loser last year and this year.
 1. Are they... can they BE cost effective? Yes, said Bernice and they have been in the past.
 2. Are working to market to special populations like veterans, and on upgrading the units working with new project manager hired in Physical Plant. This will provide more oversight of contracted workers to make sure we get our money’s worth.
 - ii. Discussion on what the “Other” category included and if there were real losers (stinkers) here. Includes Rec IM, computer center, university licensing, Eagle Crest and now the Convocation Center and Pease Auditorium.
 - c. Impact of Auxiliaries on General Fund? Are expected to cover all own operating costs annually AND give \$3.4m to General Fund.
 - i. Questioned whether this was too much but will stay at the level for FY09, but should revisit this level for FY10.

Motion: Auxiliaries should continue to try and minimize expenses and be self supporting. They should plan on giving \$3.4m to the General Fund for FY09 but this Council will revisit this high level for FY10. Motion passed.

- d. “Premier parking” (paid reserved slots) discussed; should more be created to increase revenues? Current status is a waiting list for them but students would lose slots if this was done. Need to revisit the need for another parking structure on campus, probably on the southeastern side. (Had been a plan for this south of Pease at one time.)

3. Enrollment Projections – Mark Byrd
 - a. Shared handouts (posted online) of assumptions for Fall enrollments and subsequent tuition generated.
 - i. Has been 1-2% headcount reduction steadily over past 5 years.
 - ii. Should we decide to be a smaller university?
 - iii. Comments shared:
 1. International markets are still strong, especially from cultures that have a larger presence in Michigan.
 2. On-campus living; who wants to live there? Is dorm expansion even logical today?
 3. The “mix” of students in critical to track, especially changes within the mix.
 4. Don't forget Ohio as a good recruiting area; numbers have gone down due to cuts in recruiters down there.
 - b. John Lumm shared handout (posted online) of 2008 Estimated Actuals for year end, and suggested a start for a 2009 model which did not include any tuition increase but about a \$3.4m reduction.

Motion: For budget planning purposes, use 514,626 SCH that will generate \$165,934,034 revenue for FY09; continue to plan that there will be a 2% reduction in enrollment this year following the 5-year trend. Motion passed, 2 abstained.

4. Chris Shell gave out the latest enrollment figures for Spring/Summer/Fall, and Fast Track appointment numbers; all are lower than expected.

Future Topics:

- a. Ideas for revenue enhancement ideas, and expense reduction strategies
- b. Should Athletics be in Auxiliaries or General Fund? (Is done both ways at other universities.)