

**BUDGET COUNCIL MINUTES – 25 November 2008**  
**205 WELCH HALL**  
**9 am – 11:00am**

Members Present: Betty Beard (NUR), Colin Blakely (Art/AA), Byron Bond (Cont. Ed.), Jason Borge (B/F), Polly Buchanan (COT/AA), Howard Bunsis (COB/Faculty), Jim Carroll (Physics/Astronomy), David Clifford (Faculty Council), John Donegan (Physical Plant), Raeuf Hanna (ISPC/Econ), Mark Higbee (Faculty Council), Laverne Higgins (COB/AA), Brian Kulpa (SA), Sheilah Larnhart (Advancement), John Lumm (B/F), Michael Malach (Athletics), Bob Neely (AA), Todd Ohmer (B/F), Mahaud Rahman (Faculty Council), Chris Shell (EM), Wade Tornquist (CAS)

**Reminder: All chairs should send their handouts electronically to Ken Adkins ([kadkins5@emich.edu](mailto:kadkins5@emich.edu)) to get posted on the UBC web site.**

Meeting convened at 9:00 am.

1. Approval of Minutes from November 11, 2008; minutes stand as submitted.
2. Subcommittees-reporting out/updates:
  - a. Subcommittee A (Pricing); Colin Blakely, Chair, reporting. Committee agrees/proposes more competitive tuition/fee models. Committee agreed on a priority list for fees:
    - Combine new student fees into a single fee (Fast Track, orientation, etc.). Goal is to streamline the fees to avoid overlap. They are in the process of preparing a proposal for consideration by the UBC and will provide same at next meeting.
    - Roll per credit hour fees into a general tuition fee (technology fee, Student Center fee, etc.); a one time fee included in tuition.
    - Program fee model vs. differential tuition model; J. Borge to build different tuition models based on student distribution to contrast/compare the different changes to total revenue based on student distribution. Principles that drive differential tuition to be reviewed.
    - Goal is to simplify the fee structure so that there are no hidden costs/fees, only tuition.
  - b. Subcommittee B (Idea Generation); Jim Carroll, Chair, reporting. Met with faculty department heads to discuss and encourage them to offer more 300 level courses in Spring/Summer and they resisted the idea. Reasons include:
    - Can't simply duplicate Fall/Winter courses; it requires planning. Also noted that EMU has a culture of course cancellations when minimums are not met. If you have more classes, it requires adjunct faculty to teach them and then you have adjunct faculty who are planning to work Spring/Summer classes. If a course is cancelled, they don't work. Department heads don't like to "mess around" with adjunct' schedules. Department heads indicated that Colleges are not marketing right now for Spring/Summer courses. If they are going to offer more classes, they want a guarantee to run the courses; need incentives so people don't invest a lot of time planning new classes and then the classes get cancelled.

- Are already canceling courses for Winter 2009; current mentality at EMU is on filling classrooms rather than on profitability per class and offering what students want to take.
  - Department heads also noted that there is a problem in Banner with respect to changed course numbers; that if a course number is changed, it is not reflected in Banner. Therefore, students don't know that the course is still being offered and often go elsewhere to take the required course or the course they want.
  - Proposed that some analysis be done on course cancellations as it relates to enrollment, breakeven points, profitability, effect on student enrollment (numbers and where students take classes if a class here is cancelled). Will look at the change in number enrolled when there is a change in the number of sections offered. Also, will review the class "minimums" (enrollment) policy; perhaps may be different minimum enrollments required for different courses/colleges. Noted that breakeven point is often less than 12 (grad minimum unofficially) or 15 (undergrad minimum) students required to run a class. Will invite Betty Warren to conduct analysis and for Q & A on course cancellation policy/breakeven points. Data for Fall/Winter at the 50,000/70,000/100,000 amounts to be analyzed.
  - Copier Refresh Program. Committee discussed possibility of a program similar to our computer refresh program to cut costs/meet university/department demand as machines breakdown or new ones are needed. Committee proposed looking at contracting with one company who would service the entire university community by providing toner, repair, maintenance, etc. for all the copiers.
- c. Subcommittee C (Entrepreneurial/Incentive Budget Models); Byron Bond, Chair, reporting. Committee proposed an idea for a Spring/Summer growth plan based on a revenue sharing model. Same is not necessarily the model for EMU; rather it is a suggestion. Growth plan is meant to be institutional in nature. Foundation of the plan is that it gives us a baseline plus a theory of revenue sharing. Look at 5 year trend and match up expenses to general budget allocation. Departments develop a plan to meet enrollment based on enrollment projections/budget. Anything that goes beyond that is identified as coming within the growth plan. Additional spending is based on the growth plan. Net revenue to be divided among participants based on analysis of breakeven points. For example, in 2004, Continuing Education made up 11.7% of credit hours; in 2008, Continuing Education makes up 14.1% of Credit Hours. Model provides a "day to day" teaching model (baseline plus) to build other programs. It is a way to manage growth and new opportunities. Credit hour target can lead to extra revenue. Revenue sharing model is seen as an incentive. University Budget Council to review B. Bond's handouts and come prepared to discuss his proposed growth plan/revenue sharing model at next meeting. Note: Continuing Education revenue sharing decision forthcoming.
- d. Subcommittee D (Class Scheduling Patterns); Chris Shell, Chair, reporting. Nothing to report out; subcommittee did not get a chance to meet since last UBC general meeting. C. Shell noted:
- overall headcount is up .58%; credit hours up 2.09%.
  - New Graduate headcount is down 19%

- Overall credit hours down 4.2%.
  - First bill for W09 is due Friday, January 2<sup>nd</sup>; late payment fees, late registration fees and drop fees have been delayed until Wed. January 7<sup>th</sup> this year.
- e. Subcommittee E (Creating a Budget Approach/Process for FY10); Howard Bunsis, Chair, reporting. Presentation on overall costs to university at the divisions levels. Costs will be reflected in all areas (including other than faculty salaries). Costs have increased in a variety of areas. Are reviewing SSM/consumables areas and faculty costs at divisional level. President's Office and Athletics have had their SSM budgets increased. Looking at the data historically for the last 5 years for overall trends/thrust. It appears as though the trend has been away from Academic Affairs with capital spending being the biggest expense. Data looks at the actual expenditures/increases or decreases from 2004-2008.
3. FY 09/FY 10 Budget Challenges and UBC Recommendations. Nothing to report; we will have a better idea of what we're doing at the UBC December 9<sup>th</sup> meeting based on data for Winter 2009 enrollment and the release of the Governor's directive.

Action items for next meeting:

- Further discussion of class cancellation policy/"minimum" enrollment and profitability; at what "number" do we cancel the class?
- FY 09/FY10 Budget Challenge Update
- Discussion of Subcommittee C's proposed Continuing Education Revenue Sharing Model plan
- Report outs from various subcommittee groups.

Respectfully submitted,

Sheilah D. Larnhart  
For Polly Buchanon

Attachments: Draft-Proposal: Spring and Summer Term Growth Plan  
Forging Financial Partnerships: A Revenue Sharing Proposal  
Tracking Various Expense Lines  
EMU-General Fund Five Year-Aggregate  
EMU-General Fund Five Year-Area of Concentration