BUDGET SUBMEET & CONFER
February 16, 2021
1:00-2:30 p.m.
Via Zoom

Please note: Budget SubMeet & Confer agendas and supporting documents are located on the Budget Website: http://www.mnsu.edu/finadm/submeetconfer/

Attendees: Rick Straka, Lisa Baures (Co-Chair), Gregg Marg, Sarah Kruse, Charles Lewis, Claudia Pragman, Scott Page, Lynette Engeswick, Matt Clay, Bryan Schneider, Matt Potocnik, Joseph Lehman, Anne Ludvik, Deb Norman, Jane Kolars, Kim Rademaker, Mark Constantine, Jean Clarke, Lynn Akey, Aaron Budge, Kevin Buisman, Chris Brown, David Cowan, Anna Dahlman, Brian Martensen, David Jones, Kristine Retherford, Skye Dauer, Brenda Flannery, Steve Smith, Matthew Loayza, Laura Yin, Teri Wallace, Jennifer Veltsos, Sheri Sargent, Chris Veltsos, Andrew Trenne, Arnavee Maltare, and Vickie Hanson

1)   **Changes/Additions to the Agenda**

2)   **Strategic Budget Planning Frameworks (Rick Straka/Lynn Akey)**
         https://mankato.mnsu.edu/about-the-university/student-success-analytics-and-integrated-planning/integrated-planning/strategic-budget-planning/
         General Fund Strategic Budget Planning Process-The reduction process previous to this may not have been sufficiently data-informed or guided by a shared understanding of institutional information utilized for decision-making. It did not fully uphold the University's Budget Planning Principles, which this group has reaffirmed. Even in economic times of increased funding, investments need to be made. Even in times of reduced resources, we need to make investments in the university. The university shall develop a reallocation process to ensure funds are available. That was the basis moving forward with Strategic Budget Planning. It started in the fall 2016 when the Joint Budget and Planning & Assessment met. As we went forward, we looked at the Budget Planning Process and Principles, our vision, the principles that we have here. We had a plan for communication, a timeline saying that we normally have a four-year cycle, but if there was something significant that happened in a program, we would update that data if the situation allowed. I think that is what is happening this year. Brian Martensen will talk later about the dashboards. We have updated a bunch of the information that came from Institutional Research. We looked at where we would be in the basic cycle. We would collect data from the programs, and have an initial categorization, final categorization and review and process. We have been through this process once. For those of you who may not have been here, this has been a 4½ year process since we started it.

         Then we can look at the criteria. We looked at undergraduate award completion, undergraduate award foundation programs, and graduate award programs. The workgroup recommends the adoption of common criteria that would be applicable. Common criteria include award productivity, program impact, program demand, program quality, and program cost effective viability. We would look at what the actual criterion would be. The bulk of what comes into the dashboards that Brian will be presenting on later is based upon the criteria and a number of the criteria from within here. The result of this and as we are looking at this, it puts people in one of the categorizations as being a candidate for investment, a candidate for maintenance of funding or a candidate for reduction/reallocation of funding. All the data that we put forward, is not an if then statement. It does not go into a Microsoft excel sheet and we just put data in, and the result comes out. It is a basis of information for us to make data informed decisions but not completely data driven. As Provost Cecil likes to say, it is part science and part art in making the final decision as we go forward.

         This is out on the website, under Strategic Budget Planning and if you want to look at evaluation rubrics, we have the rubrics for Strategic Budget Planning and how we went through that. There is a lot of

background going into looking at what we are going to do. We also have it for the non-academic areas. It gets more interesting in the non-academic areas, where in my division I must try to compare a GMW against a Financial Aid staff. There are not common metrics between those two areas. What we look at in the non-instructional areas is more enrollment trend staffing trends. Looking at IPEDs data on how we are spending money compared to some of our peers within the System. I will tell you IPEDs data nationally, once the new GASBI for pensions came into play, really make accrual-based accounting data very difficult to compare annual budget spending. It has thrown a wrench into how we used to compare ourselves with IPEDs data. There are great swings in those actuarial calculations for our accrual based financial statements with the GASBIs that have come about in the last decade.

Criterion 1-Surrounds Goals or Mandates, Criterion 2-External and Internal Demand, Criterion 3-Quality, Criterion 4-Operational Effectiveness/Financial Viability, Criterion 5-Opportunity/Threat/Environmental Scan/Analysis.

Strategic Budget Planning is a base for where we started here, and we will get into more data later.

Baures-I know that one of the principles is that we are going to be investing even though we are in a climate of cutting. I was wondering, is there a certain percentage or dollar amount that the President wants to put aside for investing? Straka-No, there is not a set dollar pool. Over the last year, we have made significant investments. There are some academic programs that have received new positions to expand. We have tried to set up over the last two years, a new financial model that allows new online only programs that are really marketed to off campus. To that extended market, we have found and created a way in which they can get resources. There have been some programs on campus that have received additional resources. We have made a significant investment in Student Advising and Student Success. Over the last year we have made significant investment in the Mav Pass Program. We do not have a dollar value as we move forward and that is going to be one of the things we will look at in the future. If there is a data benchmark for an area that says that this is an area that needs some investment, we will certainly consider that. But we will have to weigh it against the reductions and that is where the art comes in as opposed to the science. Our concept is we would still like to make investments, but we do not have a set pool or percentage set aside like we did a decade ago. We had a strategic priorities line item in the annual budget, and we do not have that anymore.

3) **Institutional Data Books (Rick Straka/Lynn Akey)**
https://mankato.mnsu.edu/about-the-university/student-success-analytics-and-integrated-planning/institutional-analytics-and-strategic-effectiveness/institutional-data-and-information/annual-data-summaries/
Annual data summaries are on the website from 2010 through 2018-19.

Baures-The data that is in the data book, that is the data that a lot of people use to incorporate as part of their document that they submitted during the Strategic Budget process? Akey-The Annual Data Summary we have had historically as an institution going back is our published record of productivity as an institution. It feeds a number of different external sources of information and is our historical log of productivity. Yes, there is a number of data points within the academic data summary that are consistent with the same data points that we pull into strategic budget planning. When we went to the Strategic Planning Budget Planning Process, we identified new data points that were important to us as a campus and we built them into the academic data summary so that we start reporting on them regularly every single year. You will see some consistency between both the annual data summary and data points that are in Strategic Budget Planning. Data for 2019-20 should be updated very soon. Most of that is already updated in the dynamic dashboards that we have within Power BI and is a matter of updating the more static annual data summary that lives out there.

Straka-The timing that Assessment Meet & Confer went through and looked at the Academic Data Summary and decided how that might be restructured a little bit, was that like our Strategic Budget Planning? Akey-We update the Power BI dashboards as we see those as more actionable because they are drillable and more dynamic, but the data summary then gets updated after that. As far as updates in the Academic Data Summary, since 2010 we have gone through two substantial revisions. The first one was around 2010, 11, 12, we pulled together a workgroup as a university and made some significant changes. That was in reflection of a budget reduction process that we went through in 2009. The campus had found at that time that some of the standing data was insufficient and not supportive. We did a significant revision at that time. Then as we went through the Strategic Budget Planning Process, that two-year process in which we developed that, there was work between the joint bodies of Budget Planning and Assessment and Evaluation such as those indicators, measures, and data points that we were pulling into the Strategic Budget Planning Process were identified again, we went back and revised the academic data summary so departments would have access to that information in an ongoing way moving forward.

Baures-For a point of clarification, the data that is being pulled into the dashboard is coming from Power BI and not from the Data Summary? Akey-I would not say that the data that is getting pulled into the dashboard is coming from ISRS, its coming from our data base as an institution. That same data is what gets used to update the academic data summary and that same data is what is getting pulled into the academic dashboards. What you are seeing in the academic dashboards, is more visualization of that data. If you go into the academic data summaries right now, what you see primarily is tables, charts of data, but not visualization of data. That is where this step forward with the academic dashboards takes lot of that data as well as the addition of new data around the financial viability section and visualizes that data for us to interact and to make meaning of.

Straka-One of the issues that we had in Strategic Budget Planning is that most of our cost accounting data is at a department level, but our Strategic Budget Planning review is at a program level. Trying to dig down and get to that financial viability at a program level, let us say that is a trailer to pique your interest in Brian's presentation, that is one of the things they are trying to do.

Straka-We do have those resources, and data on our website. It is available for you to look at. Strategic Budget Planning within our university community, if you have a star ID and password you can go in and look at the results, program by program, where people were classified when we went through that Strategic Budget Planning Process.

4) **Academic Affairs Planning Dashboards (Brian Martensen)**
   Martensen-The basis for these dashboards was the Strategic Budgeting Process, so a lot of the data being shared there is the same kind of data you would have seen. It is not different from the data book, except for timing. It is the same data sources, the way we would pull the data, it has just been updated with members of Lynn's staff to the most recent data. We try to be very consistent with using the definitions that we have all come to know and love on campus.

   On the Provost Office website, there is a page called Academic Initiatives, https://admin.mnsu.edu/academic-affairs/academic-initiatives/. We are currently building a Equity 2030 page, there is some information on Proposed New Schools that we started last year, but we did also add this page on Budget Planning. If you go to the Academic Affairs Budget Planning, you will see a link to the dashboards coming soon. There is a PDF document that explains how to Interpret Data on the Dashboards. It shows what you are looking at and gives descriptions on what each section is.

   Timeline: We mentioned the dashboards at Meet & Confer on January 14, we released them in early February to department chairs. The idea is during these next couple of weeks through February 20, department chairs are helping us vet them. They are letting us know if there is access issues, to Power BI do some number looks off, can you tell us what this really means and did our explanation adequately

capture what that metric was measuring. When I ask for faculty count, is that a head count, and FTE count or did this course enrollment data include summer or not? We are trying to have that information in there without being too overwhelming. We are getting a lot of questions right now on faculty counts and we can show department chairs how we got that number and verify that we are counting correctly. March 1-the state revenue projection is released; March 4-draft budget plan presented at Meet & Confer for consultation. April 8-finalize draft plan at Meet & Confer. There will be a time period in there before March 4 where the whole campus community will see the dashboards.

When you get access to the dashboards, you will get an email. This academicsbudget@mnsu.edu is an excellent way to reach out to us with questions, concerns. That goes to our staff, and they do a great job of following up to make sure the right person gets that question answered.

When you click on the dashboard you will see department and program pages. The department page has three columns of data so we can look for trends, number of students declared per faculty over time, the number of awards per faculty over time. Actual FTE, the standard way we would have done that with the data book. There is faculty, adjuncts by credits they teach, also a formula that we have used for years on how TAs are accounted for. It is a base salary calculation, converted over to make the cost of the TA somewhat equivalent to a fixed term position. You also see things like what percentage of your faculty's time is given to non-instructional assignments in FWM, student credit hour per FTEF.

The middle column is enrollment data, how many course enrollments you have, how many majors you have declared within the department to all your programs, that includes certificate programs, how many degrees you are conferring, this is your department level in graphics. One question we have gotten asked is how does that compare to the university?

There is an area for your department's offerings in service to the rest of the university. As you hover over things, they give you information on metrics and how they are computed. There are also places where you can get additional information. The blue circles pop up with additional data.

The last column is the new financial metrics. We compute them two different ways, the far right is the course level, what is the tuition generated by your courses, minus the instruction that it takes to run them. Then we apply department level overhead and then we apply college level and academic affairs level overhead based on a formula. That formula is your course count weighted by the faculty load that goes into offering those courses. If you want to see your overhead, you can actually hover over the blue line and you can see 2018, 19 and 20 at department, college and academic affairs level overhead that we are assigning to your department. The program net income is the sum of all your programs and how they are doing. That number is calculated differently, that is looking at the student point of view. When a student majors in one of your programs, we look at how much tuition that student generates, minus all the instruction for all the courses they take. We get a course income and apply overhead at the department level, college, and Academic Affairs this time proportional to declarations. There is also a breakdown section of revenue and cost expenses per credit hour and course.

A program page, for every degree you offer, including certificates, there is a program page that gives similar data. There will be financial data just for that degree.   There is a trend chart. Graduate and retention rates and enrollments and employment projections of Minnesota and national trends from 2018 to 2024. Data telling us where your students come from, NEF, internal transfers (people who switch majors to your program from another major on campus), how students leave programs, external transfers (transfer students that come into and then leave the university).

This is the kind of data we are looking at; we are having people look to see if it makes sense, the explanations of what the data is does it make sense, what questions do you have, what are we not thinking

of, and does something look off? We are hearing a lot of, did you know that these two programs are combined, or this is just a name change or this program had an end date, cleanup work in the system.

On the Academic Affairs Budget Planning page, is a frequently asked questions link, so right now we have populated it with questions we have been getting and its everything from the overall budget process, Strategic Budget Planning to how the dashboards work. As you submit questions, if we see patterns, we tend to add questions to this page. Greg Margg has suggested that we timestamp this page so you will know when it was last updated and that is a wonderful idea, and we will start doing that. https://admin.mnsu.edu/academic-affairs/academic-initiatives/academic-affairs-budget-planning/academic-affairs-budget-planning-faq/,

The Provost and I have an offer out to visit with departments, chairs leadership teams. We have had many departments reach out to us and take us up on that offer. We will come visit with them, explain the budget work to date and any questions they have about the dashboard. Over the next six weeks we have quite a few of those scheduled.

Baures-Going forward, will the dashboard be updated and distributed for review on an annual basis? Martensen-This came about because we had a task in front of us which was to look at budget reductions. We already have the Strategic Budgeting process; this was targeted to this event. Having said that we are finding the tool useful and I think that does lead to a good discussion and we will have to talk to Planning SubMeet as well if these two processes start learning from each other, folding in together and becoming a tool that could be available long-term. Could it adapt to something more in a planning nature? As opposed to an evaluate nature. That is a great question. The idea is yes, we feel like there is a role for this dashboard going forward and that whether it is an annual update, or having more capabilities to do front-end planning, I think those are excellent questions. I would like to see us use it or something like it to get data into people's hands so they can get a true sense of what is happening. Akey-The dashboard that has been created is for the task that is in front of Academic Affairs right now in looking at a budget reduction, but I see the opportunity of potential for that to fold back into the Strategic Budget Planning Process that we have and how do we continue as we have been on the journey of visualizing more and more of our data for utilization in a pro-active way to support our planning and work moving forward. I think it will be an excellent conversation as we go forward. It has been an outstanding step forward in our work, so I do not know why if we find it helpful, we will not want to embrace that and continue to build upon it. Straka-I agree, for me it is helpful. I am used to looking at numbers, but a lot of people will find the visualization very helpful. I would say as we move into NextGen we can fully expect the product that we are going to be moving to WorkDay, to incorporate a number of these and the ability to better dashboard data from what ISRS does is very intensive to get this data out of ISRS and do what we need to. We are hopeful that some of the things we have been shown from NextGen. Now Finance and HR are about 20 months away from implementation. Student Records we are out six years from full implementation.

Martensen-Those two financial tools are new to us. When the Provost sent that to Chairs, he very much called it a 1.0 version. This is something that is new, and we are still getting used to and refining. We are trying to figure out how is this a helpful budgeting tool, it is not perfect, and we are not pretending it is. We are excited to look at this tool as something that could be refined to get even better as we go.

Baures-You made mention in the dashboard of courses that were part of supporting general education and other programs, I was wondering how the impact of service courses is measured? Martensen-The team looked at every course on campus and who requires that course. We can look at the effects if we know that a budget reduction in one area would lead to something not being taught, we are able to look at the effect of what the impact would be and if there are any adjustment, we could do to those areas to account for that. As far as looking at the evaluation side, we are looking at more of the global level, what is a department's mission. Are their numbers matching that mission? We do see a lot of clustering of

data. If 90% of your credits are going to service, do your resources align with that mission? Or are you being inefficient in other areas? That is where we would look. I think of all these metrics as blood tests. You go to the doctor and they give you a battery of tests and it tells them where to look. It says there might be some issue over here. It probably does not tell you the exact diagnosis and the treatment. It might tell you we need some follow-up work, but it gives you a sense that something might be up. That is how I view these. In a case of a service course/department that offers a lot of service, the numbers tell us where to look and we can also look if it is being offered efficiently enough and then we would do a deeper dive into why. We also have everything from faculty load sheets to course rotation, etc. that we do not display in aggregate, but we can do a deep dive.

Margg-Department chairs can see this now. What is the date when you expect everyone to be able to look at it? Martensen-Before the March Meet & Confer. I will have to confer with the Provost. We have been trying to give people time for feedback. Some departments could not meet with us until after the 20th, so we were trying to give some room. Some of these numbers will change and the financial numbers are not an easy run. Our 32GB computer was struggling, we actually buy time on Amazon webservices to run the algorithm. We do not want to keep doing this consistently. So, part of it is as we get the feedback and realize we must make a few adjustments, then we will probably do one last big run of the data, then we must import it over to the dashboard and then we could do a release. Part of the reason we are vetting in the stages we are is the numbers will change. I do not have an exact date for you.

Margg-For most of us digging into this data would not be very valuable because we do not think of it that way, but if there were somebody who really would like to dig into the broad data more, is there a way that they could get access too? Martensen-Yes and no. Some of the enrollment data, the faculty data, we can vet that stuff fast. I would say right now the financial data is a little harder to quickly get into. We have a team that is trying to vet it now and as we have questions, reach out to Deans and Department Chairs. The best I can say at this point is if you have something you think looks off, ask us about it and we will try to investigate and we may draw you into that, but I do not have a way to distribute access to these reports. Straka-There are some appointments in HR that should not be released at a point where they can be attributed to an individual until that assignment has been paid, it is not public. An example would be BESIs. If it is in FWM as an early incentive, that is not public data until it is paid. At some point in time, we must make sure that the data we release is aggregated in enough of a form that we are not releasing something that could get back to being protected data. Martensen-The data I have is by tech ID for the students, so there would be some cleaning, but then tracking.

5) **Open Forums – Process and Content Discussion (Rick Straka)**
Straka-Where should we go with open forums? Right now, we have had the Provost and Martensen meeting with smaller departments. When will town hall forums be more useful? Is it still prior to when we release those plans in March because we will not have the detail of what cuts will be, it is more still laying the table versus will it be better discussion once we release plans to go out and present those plans to the university community and then stand for questions and communication? What type of content would you want us to talk about? We could do some general prep work, or do we wait until the concentration on this is the proposed plan, this is where we are moving and then go out and get some more feedback and discuss the process? Where in the timeline that is on the Academic Affairs budget website, where would be the most appropriate time to hold some university community-wide forums?

Constantine-I think this information is very dense and I do not think people can get it all to get it to present before the March Meet & Confer. I think wait until it comes out and then plan an action from there. Margg-The March Meet & Confers are two week and two days away. Really need a week lead-time to get this announced at least, I am not sure how much production you would get out of something before the Meet & Confers. We have Meet & Confer, then we go into spring break. So that will give people a little more time to think about it, so I am thinking the week after spring break would be a good target. Straka-That is helpful feedback.

6) Governor's Budget and MinnState Request (Rick Straka)

Straka-The Governor has come forward with his budget recommendations. He did very well, based on the Minnesota State request in campus responsiveness and stabilization. The Governor is suggesting that it is about a 2.4% increase and its biennial math. We would get 2.4% on our base in FY22 and an additional 2.4% in our base. That is the good news. The contrary part of this is this is built on a lot of new state revenue which is another term for a lot of new state taxes. I will tell you that the Senate leadership has said the Governor's budget is pretty much dead in the water right now because they are going to fight any significant new tax revenues. While it is good news and I share this, I would say that this Governor's budget is probably even better than a best-case scenario and likely the Senate will come in significantly lower. The House may come in something like this. In our Legislature the way it works is overall omnibus bills both the revenue for the state that is created and the spending for the state, separate bills come through the House and through the Senate. Unless they happen to pass the exact same bills, it goes to Conference Committee. I am going to guess this year as with all the politics in our country right now, this will be a dozy of a year to be in a Conference Committee. I do not see the House and Senate starting very close to each other. To me it is setting up to be one of the more intriguing Legislature sessions since 2012. That is when we had the partial state shutdown, the $4.1B deficit in the state of which we solved about $2B and then used accounting shifts to kick another $2B down the road. I am not sure where that will all end, but I wanted to share where we are with the Governor's budget, but also wanted to share that I'm very skeptical that we are going to get anything close to this because I don't see the Senate agreeing to significant increases in tax revenue. In the past when there has been a state budget deficit, higher education has shared in solving that problem, but getting a reduction in state appropriation. Although I will say this, in the past that has often happened because we were able to turn to tuition and I do think society and our students are in a different place in respect to seeing significant tuition increases than we were. In the early 2000s Minnesota State Mankato had back-to-back 15% tuition hikes. That is not going to happen. Even back in 2012 we were in the 7%. Society as a whole and the Legislature is much more interested in tuition. It is a different environment than it was a decade ago.

Projection looking at the FY22 and 23 biennium and look at what could happen based on where we are. This is a November state budget forecast, projected deficit impact on state appropriation. Right now, there is under $1.3B state deficit, in that document in the forecast in November was a projected state budget of $51.1M, that comes out to 2.5%. Our initial appropriation through the allocation model this year, was $57M. What is 2.5% of that, $1.4M. If we took our share, we could expect $1.5M deficit. I have been asked to put something to paper and come up with a possible scenario. Our compensation inflation budget in the general fund budget is $125M. The reason I have a lower number in the first year, than the second year, is that this is in recognition of the IFO saying that they would forego an across the board increase in FY22. That is why you are looking at a little bit lower number. I am plugging in 3% in the second year. There is a lot of factors to go in there. What will health insurance be, will there be progression increases or will there just be an across the board or will there be some kind of freeze? I do think that these three factors, especially these two and state appropriation, so if I take this factor, appropriation, inflation, and tuition, I liken them to one of the long balloons you use with balloon animals, if you put pressure on one area, it will put pressure on the rest that you are not squeezing. If appropriations go down, it will put pressure for a tuition increase, yet we know that the planning for the MinnState is a 3% tuition increase, we know for sure that does not represent our students' viewpoint and stance on acceptable tuition, it may not even reflect Legislators. We have frozen our tuition, 4 of the last 7 years, we have had frozen tuition here and the two-year institution's even more so. I am putting in 3% to offset inflation but knowing that there is concern about increasing tuition costs and just putting in an enrollment change impact. This is a wildcard for me, trying to figure out whether we are going to look like we did this past fall or will look more normal. I think are we going to have students fully in our residence halls, we are planning on it as of now, but I think there could be some fatigue with remote learning for our existing students and incoming and freshmen students. I still think we are going to outperform our sister institutions and as of today, we are down under 20 FYE from spring to spring, but we were up over 200 FYE fall to fall. Across the System there has been a 2-3% drop in how our sister institutions looked fall to fall to spring to spring.

Almost everyone had a drop in their fall to spring returning enrollment rates. We were up in fall, pretty much even for spring.

I have all these assumptions together, about $1.6M deficit for us in the first year of the biennium, but the second year of the biennium if we go to 3% inflation and we look at 3% in tuition and no change in appropriation, that is going to drive an additional $700,000. Somewhere around $2.5M, we have been talking about $2-4M for quite a time period. Look at how quickly a 1% tuition change in rate is $1M, so 1% a year for both years is a $2M swing. Appropriation is a $.5M swing for 1%. Compensation is $1.25M for 1% and enrollment if we change by 133 students that is $1M. The good news any of those could go up or they could go down. Look at how quickly these if these four things all changed by 1%, 1% and 1% and 133 students and they went the wrong way, we are talking $3.8M. That is why it's hard to project exactly where we are.

The other way we could do this is I could put two scenarios out there and think where the bookends would be. It is hard to project what might happen as we really do have state appropriation, inflation, tuition increase and enrollment. All those four factors will impact our budget and will impact our results.

That is why we have been talking about we have a $3M structural deficit for the current biennium and we are there with a combination of BESIs between $1.7 and $1.8M and then we've looked at some other reductions that we have identified, some adjunct reductions, administrative position reductions, and other positions, we've done attrition and we are looking forward so we are probably close to the $3M, but I think we do have another $2M that we have to get at. Depending on what we are talking, the lead time to get to the future cuts gets expanded, this budget starts July 1, we are likely not going to have a lot of that next amount identified and available July 1. We will have to talk about some additional bridge funding and how we get there.

Most of our sister institutions took on this current biennium last year. Winona, Moorhead, and others went through some significant budget reductions a year ago. I know those institutions are looking at additional significant budget reductions for next year as well.

Margg-I remember way back when Dean Trauger was here, we really had tables like this every other year. Do you think there is more uncertainty now as a result, pandemic, or anything like that, or are we on the same range of uncertainty? Straka-I think there is a little more uncertainty. We have been incredibly fortunate because we have reacted to our students well and we have tried to show that we care. We have had much less of the enrollment change. I look at our sister institutions, like St. Cloud is down 1,100 FYE, Winona will be down another 5-7%. We do not have that additional amount on top of what is happening with state appropriation and just what is happening with our inflation where there is just a structural deficit in what we were planning to go in. A lot of our sister institutions are having to deal with that, and significant enrollment declines and tuition loss. Do I see a way out of this? I do not know that I have ever felt that there is societal pressure on affordability and tuition levels at a place I am not sure it has been. It is hard and there is a lot of pushback for raising tuition. State appropriation, the state budget is in trouble. We have got to figure out how to solve that, but when I look at this and though we have been low in CEI and other inflation, it is not like we have gotten overly generous compensation increases over the last decade when we compare ourselves to private industry. I think there is great pressure on all three of those. I do not know if one of them gets squeezed, I am not sure there is much flexibility in the other two as there has been in past biennium's and over my time. I feel there is less flexibility within the System for those three things to play off each other.

7)   CRRSA (HEERF II) Update (Rick Straka)

Straka-I attended a webinar on Friday afternoon and the answer that NACUBO had on almost everything was, boy we really hoped to have had some answers by now, but our answer to almost everything is hurry up and wait. The transition in administrations in going slow and having a big impact in the Department of Education. The Department of Education has not come out with great guidance on this money. We are going to be about $4.5M in student aid, there is lots of discussion right now, some new discussion that came out this morning from the System Office about how we do that. The intent of the Legislation is to get dollars to the neediest students. Pell may be a guidepost; it is not the only guidepost on how to determine who the neediest students are. That is a real question. There is a real question of can we even do, like the $295 we did last year for every eligible student, can we even do an across the board for every eligible student, that is not a given yet. We are still waiting for that. I think there is thought that we will look at emergency grants and try to do more of our aid through emergency grants, but I will remind people if we do that, that is incredibly time and labor intensive. It means that every grant application that we put out to our students needs to be reviewed, needs to be hand approved and every award needs to be hand entered. That is all individual work that will need to be done. Is that 1,000 students, 5,000 students? As opposed to the thing that we did under CARES Act one by having the majority be across the board, is we could fill those award fields with data imported into the award fields, process it, get the checks out in a matter of a week. Even just to do $400,000 of emergency grants we opened that process on Friday night and we had to close it by Monday morning because we had about $160,000 more aid than we had set aside. We decided to grant that out of the institutional side of the aid, but that shows that need is there if we open it up to the student body. We do not have answers yet whether we will be able to get aid to international students, we do not have an answer completely whether DOCA related students will be able to. The answer seems to be pointing to no to both of those. That they are pointing to that you must have the ability to be eligible for other federal programs. They are not tying it directly to Title 4 aid, but other financial programs like other social supports like welfare, food stamps. There still is some work there.

As far as the other big piece that is out there, we are going to get about $10M in institutional aid. It can cover lost revenues. Can it cover things like our parking lots are not very full right now, but we still have parking expenses? Can it recognize the loss in our residence halls for decreased enrollment? Our theatre we are not bringing people in. Student Union rentals of space, athletics, the sports dome? Those are significant revenue sources. It will be great if we can do it. The Legislation seems the intent is that this would go back to the start of the pandemic last March, but the initial guidance from the Trump administration Department of Education says no the Legislation passed on December 27, 2020, you can use lost revenue in expenses then. We have created $3M of pandemic expenses going into this fall. We really need to look back because that is when we prepared our campus to teach remotely and that is when we made our investments to be able to still do our instruction during COVID. Putting that due date up, we will have some lost revenue, and new expenses in spring but the bulk of higher education dealt with the pandemic between last March and the start of their fall semester.

The third thing that comes into this in the $1.9T stimulus package that President Biden is proposing, there is $40B for higher education which is twice as much as he put aside in the CRRSA/CARES 2. Where does that fit in? It is all one-time money. You can kick the bucket down the road, or you can pay for one-time expenses or recognize one-time lost revenue, but it doesn't help solve the structural budget issues we have. How does that fit in and then try to project when we cannot even get answers on how we are going to implement the Act that was passed in December, now we are trying to project what will be the implications in an Act that has not even been written yet and has not passed the House or Senate and Conference Committee. I am hoping that we can come up with at least an initial proposal to get aid to some of our most needy students. How do we get them some help? Because we know there are students that need help. We are looking at a proposal to try to get out at least an initial run of aid out of that $4.5M to our students. Another difficulty with that is with students consent, this aid could be applied to university charges and to pay off tuition. But we need affirmative students consent, so how do we gather that, it will be individual in nature. They have not determined whether the students can pay off fall

charges or whether it can only pay-off spring charges. There are six different award types depending on whether a student is going to give us consent to charge or not charge and whether it is going to be emergency grants, an application type or just an award.

8) **Student Course Fee Consultation Group (Rick Straka/Brian Martensen)**
Straka-The students have asked, we have consultation processes in place for technology fee, student activity fees, or wellness and recreation fees and other fees. One place we really have not dialed our students into very well in the past is an annual review of course fees. When we look at our personal property and service charge fees that we give to our students and our other pass-through fees that are added to courses, we are going to say can we look at this group, perhaps is creating a subgroup or a process where we can get consultation on the student fee process, the course fee process in addition to the designated course fees that are out there.

Martensen-Thanks Andrew for bringing this to our attention. There is a couple of issues, what is often referred to as course fees, personal property service charges, but there is a Board policy on what is allowed and what is not allowed. When these requests come to our office we are checking if they align with Board policy.

There are a few ways to do this, it makes sense for me to have a subgroup of budget as opposed to its own committee, but to have a greater student voice as new requests come up. The basic idea would be that new ideas comes up for new fees, they would be consulted with, changes and then an annual report. We need to do a better job of accounting, but we can look at was the money spent in alignment. We have a plan for how the money is going to be spent and we can report on whether it went the way we anticipated. In some cases, people are requesting for alternative activities that were not possible during COVID, but would it be appropriate to do this other thing, it would be nice to have a group to whey in. Debra Norman and I are the ones that handle the requests currently. The group would meet four times a year, once each semester to look at new requests. When we get new requests, we also send a spreadsheet to the departments for people who have current fees, and we ask them to verify that these activities are still occurring. There would be a meeting where we would review those new requests or change requests and then a follow-up meeting to answer questions. The end of the year would be a good time for us to look at the reports. Andrew, I do not want to speak for you, but you were less interested in going back and being punitive but saying going forward maybe that charge can be something different and we can look at a different way? If the Student Government then wants that group to present or give information to them, we would be open to that. The intent was four meetings, the first to vet requests and then to look at reports at the end of the year. Student Government also asked about similar requests around online differential. The way we currently do online differential is we get a plan every year from departments/colleges and then at the end of the year we get a report from the previous year and plan for the coming year. That is something we could look at those reports at the same time. In other areas we have a very formal and well-designed consultation process. I have a draft charge I started for the group, but the group could look at that when the meet. Does it make sense to for the group to be responsible to Budget SubMeet and report annually?

Straka-I am comfortable with that, and Andrew thank you for bringing it to our attention. It is something we are short on time for what we do for this year, and maybe we talk about how we meet with you, Andrew, and go over what we have for next year and have a discussion at Budget SubMeet how we set something up moving forward. Take back through your bargaining leadership on the make-up of the group and bring back to Meet & Confers in two weeks. Margg-I will add it to the Exec Committee meeting agenda for Thursday. Martensen-I will send you the rough draft charge.

9) **Rumors/Other Agenda Items**

The meeting was adjourned.