

## MEMORANDUM

To: ASC Members

From: Matt Petry

Date: June 20, 2012

Subject: Notes from May 17, 2012 ASC Meeting

Members present in person: Matt Petry, Larry Buchholtz and Claire Smith. Members attending via teleconference: Marty Kelsey, Lynnde Colling, Ron Granger, Cheryl Heath, Sheldon Flom, Carol Hoglund, Herry Andrews and Jayne Myrick. There was no Executive Council representation.

### Agenda Item 1: 2013-2014 Budget

- Matt gave an update on the 2013-2014 biennial budget, and he indicated that all of the changes needed to properly set up the budget in the State's on-line financial system had been finished by Claire.
- Matt notified the Council that the Commission would have to appear before the Joint Appropriations Committee in July to explain its proposed 8 percent cuts for fiscal-year 2014.
- Matt outlined the possible supplemental budget requests, but cautioned that making a case for exception requests in a year characterized by cuts to the Standard Budget would be very difficult. Regardless, the list of possible requests included enrollment growth funding, external costs adjustments, additional funding for the Veterans Tuition Waiver Program, and additional funding for the health insurance premiums reimbursement pool. describe its proposed described the 2013-2014 Biennial Budget allocations that will be presented to the Commission on April 20. He explained how every college funding type is segregated for purposes of tracking using the state's financial system. Matt also notified the Council of the Governor's decision to ask agencies to prepare for an 8 percent cut in fiscal-year 2014, rather than the previously planned cut of 4 percent. In terms of the handout showing allocations, the figures in the last column of the spreadsheet would simply be doubled.
- Matt described the top three rows of the spreadsheet as the total state aid appropriation, and that the amount separated out for retirees' health insurance assessment was included in the state aid appropriation, as distinguished from the regular health insurance premiums reimbursement line or the increased retirement contributions reimbursement line.
- Matt stepped through the magnitude of each of the proposed 8 percent cuts to fiscal-year 2014 college appropriations, and he cautioned that a request for enrollment growth funding for fiscal-year 2014 would probably not be well-received. Marty suggested that the colleges

estimate their assessed valuations given current natural gas prices, and Bob suggested that the Commission may want to consider a “greater than usual” tuition increase in order to offset some of the potential loss in Standard Budget appropriations.

#### Agenda Item 2: Proposed Rules

- Matt provided the council members with drafts of the sections in the Commission’s Chapter 5 Rules governing the Veterans Tuition Waiver Program and capital construction requests. Both sections had been revised since the most recent update to the Council on proposed rule changes.

#### Agenda Item 3: Cap-Con Database Updates

- Larry notified the Council that despite the fact that cap-con funding requests would not be considered in fiscal-year 2013, the process of data collection in support of statutorily-mandated reporting would begin shortly. Unlike the previous year, custom extracts would not be used. Rather, the colleges would be provided with Excel templates to complete, resulting in greater transparency.

#### Agenda Item 4: Recalibration of Fixed and Variable Costs

- Matt informed the council members that recalibration of fixed and variable costs, as required by statute, would be automated as much as possible. Given that the colleges had begun using a standardized chart of accounts in fiscal-year 2011, commission staff would be able to develop and use a custom-written Envision Basic program to extract the colleges’ expenditure data for the 2011-2012 biennium. The colleges would still be able to verify the validity of the data, but it would minimize not only the effort needed to extract and compile the data, but also the probability of any reporting errors.

#### Agenda Item 5: Common Data Structure and Consistency

- With funding of the project to migrate the college administrative computing system from Unidata to SQL, Matt notified the Council that at least four years of historical data and all future data would have to adhere to the common data structure and consistency standards that the Data Consistency Working Group had already begun developing. These standards would further support the longer-term goal of a statewide longitudinal data system.

#### Agenda Item 6: June Recapture/Redistribution

- Matt asked that the council members try to have their final 4-mill estimate to him no later than June 15. This would allow him to estimate the colleges’ payables and receivables associated with the close-out of the 2011-2012 biennium.

#### Agenda Item 7: Next ASC Meeting / Teleconference:

- May 17 teleconference, 3:00 – 4:30 p.m.

Agenda Item 8: Round Table Discussion

- Claire provided an update from the State Treasurer's Office on the Excellence in Higher Education Endowment, as well as a description of how the endowment functions.