## BOARD OF TRUSTEES
## MINNESOTA STATE

| BOARD ACTION |
|---|
| **FY2021 BOARD OF TRUSTEES OPERATING BUDGET** |

**Background**
Board Policy 1A.2, Part 5, Subpart A: The Executive Committee shall approve the annual operating budget for the board office, subject to the regular budget review and approval procedures of the Finance and Facilities Committee and the board.

**FY2020 Budget Status**
The FY2020 Board Operating Budget is $245,500. As of April 1, 2020, the board has spent $157,227 or about 64 percent of its budget. Projected expenses through June 30, the end of the fiscal year, are about $189,000, or 74 percent of the budget.

**Recap of FY2020**
By the end of the fiscal year, the board will have had 20 meeting days, including:
- Three joint meetings with the Leadership Council: July 2019, October 2019 and January 2020;
- Two meetings on a campus: Hibbing Community College in July 2019 and Bemidji State University and Northwest Technical College in November 2019; and
- A retreat in September at Madden's Inn in Brainerd that included a tour and special event at Central Lakes College.

Throughout the year, trustees also attended numerous campus events such fall commencement ceremonies, groundbreaking and ribbon-cuttings, and other events at St. Cloud State University, Winona State University, Mesabi Range College, Itasca Community College, Bemidji State University, Riverland Community College, St. Cloud Technical and Community College, Central Lakes College, and Fond du Lac Tribal and Community College. The chairs of the Academic and Student Affairs and the Finance Committees have participated in meetings with campus leaders and the Higher Learning Commission. Trustees have participated in the chancellor's partnership tours, attended legislative bonding tours, attended House and Senate hearings, and Minnesota State Day at the Capitol on February 24, 2020.

The board's operating budget also supports events such as LeadMN's annual scholarship gala and the Nellie Stone Johnson Scholarship event (assuming it will occur as scheduled on June 16, 2020. The Board of Trustees is a member of two national higher education organizations – the Association of Community College Trustees (ACCT) and the Association of Governing Boards of Universities and Colleges (AGB). The organizations sponsor annual conferences that are development and networking opportunities. Six trustees attended the Association of Community College's annual congress in October in support of Trustee Dawn Erlandson who became the chair of the ACCT Board of Directors. Trustee Erlandson will serve as chair until ACCT's annual meeting in September 30-October 3, 2020.

**FY2021 Budget Planning**
The system office's base appropriation as defined by law has been fixed at $33.073M since FY2012. Beginning in FY2021 in order to have a structurally balanced budget by FY2025 and not compromise the system's fund balance, the system office's budget will be reduced by $1.5M per year. The

methodology used to adjust budgets for FY2021 was a tiered approach – budgets less than $1M were reduced 3 percent, budgets between $1M-$3M were reduced 4 percent, and budgets over $3M were reduced 5 percent.

**FY2021 Planning Assumptions:**
- COVID-19 may continue to disrupt large gatherings.
- Three joint meetings with the Leadership Council: July, November, and January
- Three off-site meetings: July, September, and November
- Two-day retreat in September
- Committee and board meetings in October, November, January, March, April, May, and June
- Board self-evaluation
- Trustees' attendance at three national conferences: Association of Community College Trustees Annual Congress in October, Association of Community College Trustees National Legislative Summit in February, and the Association of Governing Boards Conference on Trusteeship in April.
- Trustee Erlandson is the chair of the Association of Community College's Board of Directors. She will host the ACCT board's 2020 summer meeting in the Twin Cities.
- Social events including annual recognition reception

**PROPOSED FY2021 BOARD OF TRUSTEES OPERATING BUDGET**

| Expenses: | Approved FY2020 Budget | Projected Year-end FY2020 Expenditures | Proposed FY2021 Budget |
|---|---|---|---|
| Per Diem | $30,000 | $22,445 | $24,000 |
| Meeting Expense (1) | $48,000 | $29,485 | $27,000 |
| Amplification/Streaming (2) | $13,000 | $6,200 | $10,000 |
| Travel in-state (3) | $53,000 | $40,000 | $40,000 |
| Development/National Conferences (4) | $39,000 | $25,000 | $25,000 |
| Memberships (5) | $24,000 | $24,537 | $25,500 |
| Travel / Accident Insurance (6) | $1,000 | $750 | $1,000 |
| Consultants (7) | $27,500 | $0 | $15,000 |
| Chair Expense | $10,000 | $9,566 | $9,500 |
| Passageways OnBoard Portal (8) | 0 | 18,400 | 17,000 |
| **Total:** | **$245,500** | **$176,383** | **$194,000** |

Notes
(1) Meeting expenses include: printing, supplies, meals/refreshments, room and equipment rental.
(2) Sound engineer for amplification, recording and audio-streaming of meetings.
(3) Travel in-state includes trustees' mileage, meals, lodging, and parking expenses.
(4) Registration / travel to national higher education conferences for trustees.
(5) Membership dues for the Association of Community College Trustees and the Association of Governing Boards of Universities and Colleges.
(6) Board of Trustees travel accident insurance policy renewed for 3-years in September 2018.
(7) Facilitators for retreat, governance training sessions, and executive evaluations.
(8) Passageways OnBoard portal for electronic meeting materials.

**History of Board's Operating Budget**
Attachment A shows the approved operating budget compared to actual expenditures from 2010 to 2020. The board has never exceeded its approved budget.

**RECOMMENDED COMMITTEE MOTION**
The Executive Committee approves the FY2021 Board Operating Budget of $194,000, and refers it to the Finance Committee to be included in the overall FY2021 budget that will be presented to the Board of Trustees for a first reading in May and second reading and approval in June.

*Date Presented to the Executive Committee: May 6, 2020*

Board of Trustees
Approved budget compared to actual expenditures FY2010-FY2020