

**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD ACTION
FY2022 Board Of Trustees Operating Budget

BACKGROUND

Board Policy 1A.2, Part 5, Subpart A states: 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/facilities committee and the board.

FY2021 BUDGET STATUS

The FY2021 Board Operating Budget is \$194,000. As of April 30, 2021, the board has spent \$87,995 or about 45 percent of its budget. Projected expenses through June 30, the end of the fiscal year, are about \$105,750, or 55 percent of the budget. Due to the pandemic, the projected amounts for meeting and travel expenses were left unspent which contributed to the relatively low percent of budget spent.

RECAP OF FY2021

By the end of the fiscal year, the board will have had 17 meeting days, including two joint meetings with the Leadership Council in November 2020 and January 2021. All meetings were held virtually. Due to the COVID-19 pandemic, in-person campus events were very limited with only one ribbon-cutting ceremony occurring during Fall 2020 with three trustees participating in the event. The board hired consultants to provide training related to diversity, equity, and inclusion: Gabriel Sims for an initial session on cultural competency in July 2020 and YWCA-Minneapolis to provide IDI assessments and follow-up conversations in March and April 2021. The board's operating budget also supported LeadMN's annual scholarship gala, held virtually this year.

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 for trustees. This year's conferences were held virtually and included:

- ACCT Leadership Congress in October 2020 – attended by six trustees
- ACCT National Legislative Summit in February 2021 – attended by five trustees
- AGB's National Conference on Trusteeship – attended by four trustees
- ACCT Governance Leadership Institute – attended by one trustee

FY2022 BUDGET PLANNING

The system office's base appropriation as defined by law is currently fixed at \$33.073M. In order to have a structurally balanced budget by FY2025 and not compromise the system's fund balance, the system office's budget needs to be reduced by approximately \$6M. A minimum of \$1.5M in permanent adjustments must be made for FY2022 and FY2023 (a similar reduction was taken in FY2021). The methodology used to adjust budgets for FY2022 took into consideration each division/business unit's capacity for reduction with all groups contributing to the reduction, but larger divisions absorbing the greatest share.

FY2022 PLANNING ASSUMPTIONS:

- COVID-19 may continue to disrupt in-person gatherings for the first quarter of FY2022.
- Two joint meetings with the Leadership Council: November and January
- Two-day retreat in September, tentatively to be held at Riverland Community College/Austin
- Committee and board meetings in October, November, January, March, April, May, and June
- Trustees' attendance at three national conferences: Association of Community College Trustees Annual Congress in October, Association of Community College Trustees National Legislative Summit (dates TBD), and the Association of Governing Boards Conference on Trusteeship (dates TBD).
- Social events including annual Awards for Excellence reception

PROPOSED FY2022 BOARD OF TRUSTEES OPERATING BUDGET

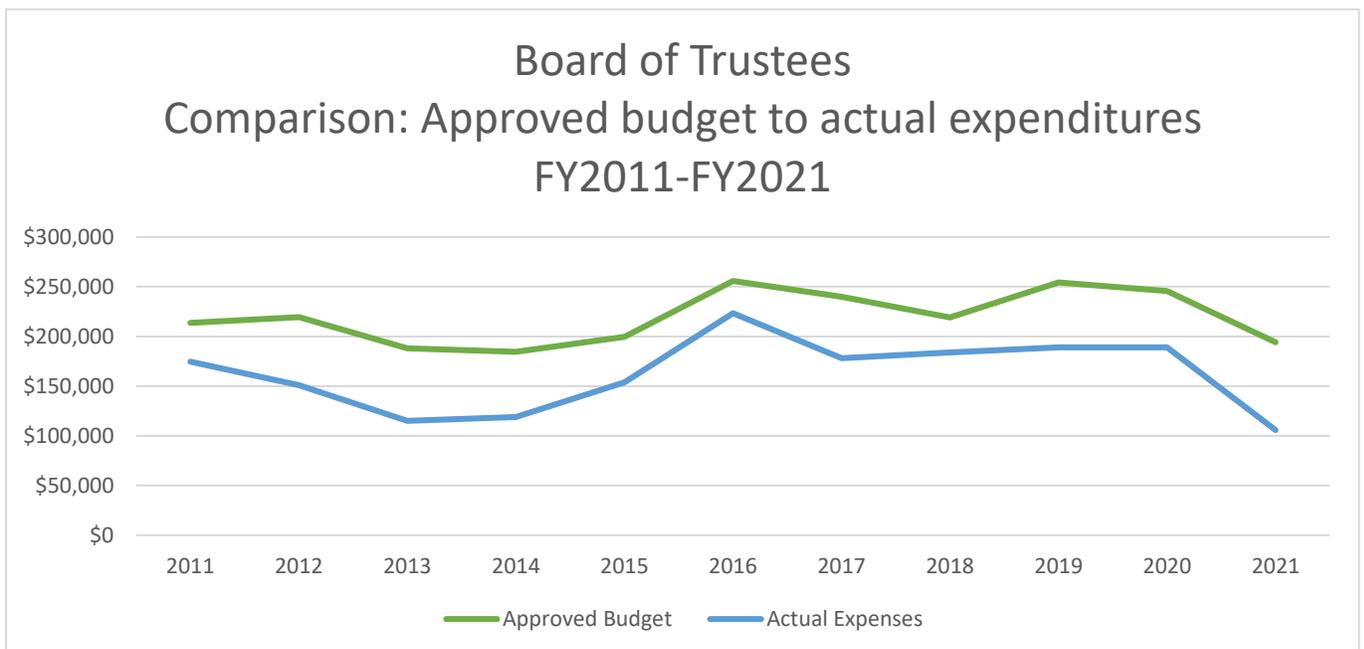
	Approved FY2021 Budget	Projected Year-end FY2021 Expenditures	Proposed FY2022 Budget
<u>Expenses:</u>			
Per Diem	\$24,000	\$31,000	\$30,000
Meeting Expense (1)	\$27,000	\$3,000	\$25,000
Amplification/Streaming (2)	\$10,000	\$14,000	\$12,000
Travel in-state (3)	\$40,000	\$0	\$35,000
Development/National Conferences (4)	\$25,000	\$7,000	\$24,000
Memberships (5)	\$25,500	\$25,000	\$26,000
Travel / Accident Insurance (6)	\$1,000	\$750	\$1,000
Consultants (7)	\$15,000	\$7,000	\$10,000
Chair Expense	\$9,500	\$1,000	\$9,000
Passageways OnBoard Portal (8)	\$17,000	\$17,000	17,000
<u>Total:</u>	<u>\$194,000</u>	<u>\$105,750</u>	<u>\$189,000</u>

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 ACCT and AGB.
- (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

The chart below shows the approved operating budget compared to actual expenditures from FY2011 to FY2021. The board has never exceeded its approved budget.



RECOMMENDED COMMITTEE MOTION

The Executive Committee approves the FY2022 Board Operating Budget of \$189,000 and refers it to the Finance Committee to be included in the overall FY2022 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: 5/5/2021