

**MEMORANDUM**

**To:** Board of Regents  
**From:** Board Office  
**Subject:** Board Office FY 2005 Budget Revisions  
**Date:** August 20, 2004

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**Recommended Action:** Adopt the amended FY 2005 Board Office budget as provided on the attachment.

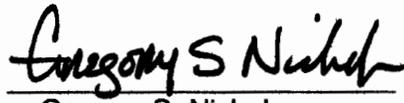
**Executive Summary:** Adjustments are necessary in the Board Office FY 2005 as a result of the recommendations of the Public Policy Task Force. The adjustments will result in a budget totaling approximately \$2.8 million for Board operations.

The net recommended FY 2005 Board Office budget revenue adjustments are increased 'institutional reimbursements' of \$350,000, which covers ongoing expenses for the three legislative liaisons and new deputy director. There is also a modest revenue increase of approximately \$6,000 in state appropriations as a result of Department of Administrative Services (DAS) calculations of intergovernmental transfers and billings required by law.

None of the proposed changes anticipate additional state appropriations beyond the modest change calculated by DAS. The budget changes associated with the legislative liaisons involve moving the revenue and expenditures already budgeted by the Regent institutions to the Board Office budget.

**Background:** In June 2004, the Board approved a Board Office all-funds budget of approximately \$2.46 million, which was identical to the revised FY 2004 budget and slightly less than those for previous years. At the time that budget was presented, the Board was informed that should ongoing conversations about possible reorganization within the office occur, changes in state support, or other functional changes be adopted, Board support would be necessary to amend the budget.

Largely as a result of changes in the Board Office organization called for by the Public Policy Task Force, budget adjustments will now be necessary. The proposed new FY 2005 budget is outlined in the attachment.

  
Gregory S. Nichols

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**BOARD OFFICE REVISED BUDGET - FY 2005**

|  | FY 2004<br>Revised<br><u>Budget</u> | FY 2005<br>Preliminary<br><u>Budget</u> | FY 2005<br>Revised<br><u>Budget</u> |
|--|-------------------------------------|---|-------------------------------------|
| <b>TOTAL BOARD OFFICE BUDGET</b>                 |                                     |   |                                     |
| <b>Income</b>                                    |                                     |   |                                     |
| State Appropriations                             | 1,160,398                           | 1,160,398                               | 1,166,210                           |
| <b>Institutional Reimbursements <sup>1</sup></b> | <b>1,293,325</b>                    | <b>1,293,325</b>                        | <b>1,643,325</b>                    |
| Non-institutional                                | 3,500                               | 3,500                                   | 3,500                               |
| Principal Demutualization                        | <u>2,100</u>                        | <u>2,000</u>                            | <u>2,000</u>                        |
|  | <u><b>2,459,323</b></u>             | <u><b>2,459,223</b></u>                 | <u><b>2,815,035</b></u>             |
| <b>Expenditure</b>                               |                                     |   |                                     |
| Personnel  |                                     |   |                                     |
| Board Office Staff                               | 1,428,786                           | 1,451,572                               | 1,696,572                           |
| Regents per diem                                 | 5,000                               | 5,000                                   | 5,000                               |
| Fringe benefits                                  | 386,154                             | 396,830                                 | 467,830                             |
| Principal Demutualization                        | <u>2,100</u>                        | <u>2,000</u>                            | <u>2,000</u>                        |
| sub-total  | <u>1,822,040</u>                    | <u>1,855,402</u>                        | <u>2,171,402</u>                    |
| Travel   | 43,650                              | 52,336                                  | 74,336                              |
| Office Supply, Print & Dues                      | 47,000                              | 47,000                                  | 47,000                              |
| Advertising                                      | 4,750                               | 2,000                                   | 2,000                               |
| Communications                                   | 28,500                              | 28,500                                  | 40,500                              |
| Outside Services                                 | 22,760                              | 22,760                                  | 28,572                              |
| Workers Comp                                     | 4,175                               | 4,175                                   | 4,175                               |
| Outside Repairs                                  | 150                                 | 150                                     | 150                                 |
| Data Processing                                  | 28,063                              | 28,500                                  | 28,500                              |
| Office Equipment                                 | 6,000                               | 6,000                                   | 6,000                               |
| Office Space                                     | 94,000                              | 94,000                                  | 94,000                              |
| Educational/Training Expense                     | 14,000                              | 15,000                                  | 15,000                              |
| Special Services                                 | <u>344,235</u>                      | <u>303,400</u>                          | <u>303,400</u>                      |
| sub-total  | <u>637,283</u>                      | <u>603,821</u>                          | <u>643,633</u>                      |
| <b>Grand Total Expenditures</b>                  | <u><b>2,459,323</b></u>             | <u><b>2,459,223</b></u>                 | <u><b>2,815,035</b></u>             |

<sup>1</sup> Attorney General, Bargaining and Strategic Planning included in FY 2004 Institutional Billings.

cf:revised budget-b