



Budget Forum
FY 21 Budget
October 22 and 24, 2019

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FY21 Budget Deficit Scenarios
range from -\$3M to -\$5M

Enrollment on pace

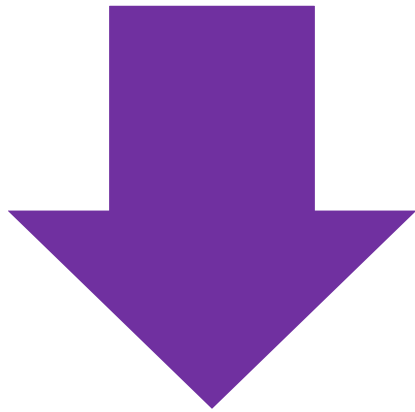
Mn State Board of Trustees
discussing supplemental
budget request



Our Budget

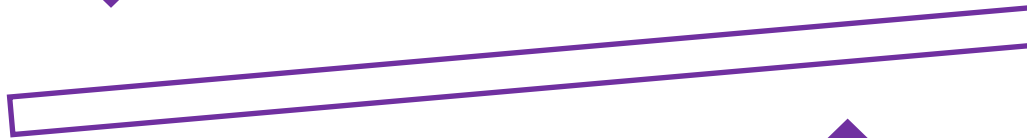
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Why Does This Happen?



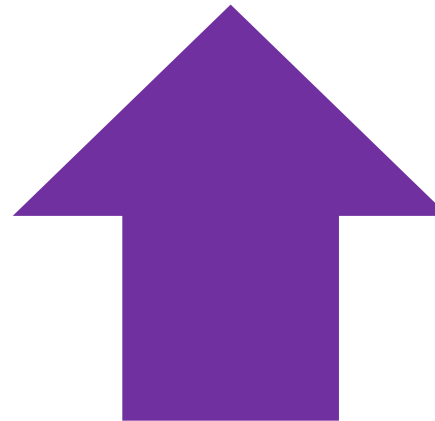
Limited Resources

- Fluctuating State Support
- Tuition Constraints
- Shifting Enrollment Demographics



Investment Needs

- Competitive Compensation
- Healthcare Cost Escalation
- Increased Financial Aid
- Deferred Maintenance



Addressing our financial challenges requires all areas of the University to be a part of the solution

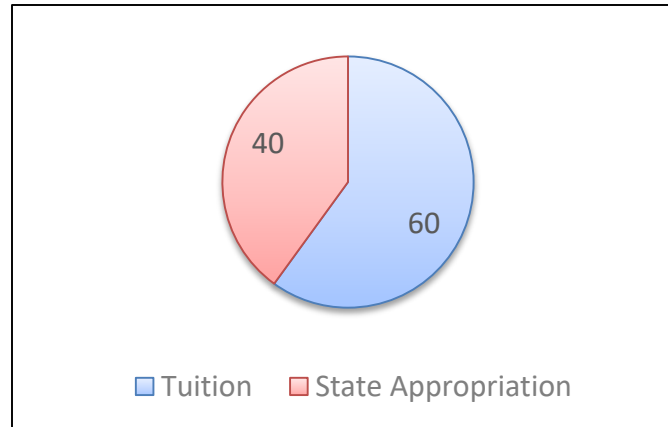
Did You Know?

State Appropriation is about \$35M

1% of change = \$350,000

Tuition revenue is about \$55M

1% change = \$550,000



Compensation Budget is about \$75M

1% change = \$750,000

A 3% increase in compensation requires either a 4.1% tuition increase or a 6.4% increase in state appropriation

Did You Know?

- WSU Health Insurance budget = \$12M
 - Projected to increase 7.6% or \$900,000 in FY21 and FY22
 - Family coverage now exceeds \$20,000 per year, per employee
 - Average student tuition is about \$7,500 per year and \$1,075 of that goes just to health care costs for employees
 - Tuition would have to increase 1.7% or state appropriation would have to increase 2.6% just to cover health insurance increases





FY21 Budget Update

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Fiscal Updates

- Fall enrollment meeting revised, lowered projections
- ASF and IFO/Mn State have reached a tentative agreement
- AFSCME, MAPE and MMA contracts are at Legislative committee for approval

FY21 Budget Scenarios

	Scenario A	Scenario B	Scenario C
New State Appropriation	\$140,000	\$140,000	\$140,000
Supplemental SA Request	\$0	\$0	\$0
New Tuition Revenue	\$1.6M (3%)	\$800,000 (1.5%)	\$0 (0%)
Salary/Fringe Settlements	\$2.4M	\$2.4M	\$2.4M
Inflation	\$200,000	\$200,000	\$200,000
Admissions Investments	\$300,000	\$300,000	\$300,000
FY20 Budget Deficit	\$1.6M	\$1.6M	\$1.6M
FY21 Budget Status	-\$2.9M	-\$3.7M	-\$4.5M

Mn State Supplemental Budget Request



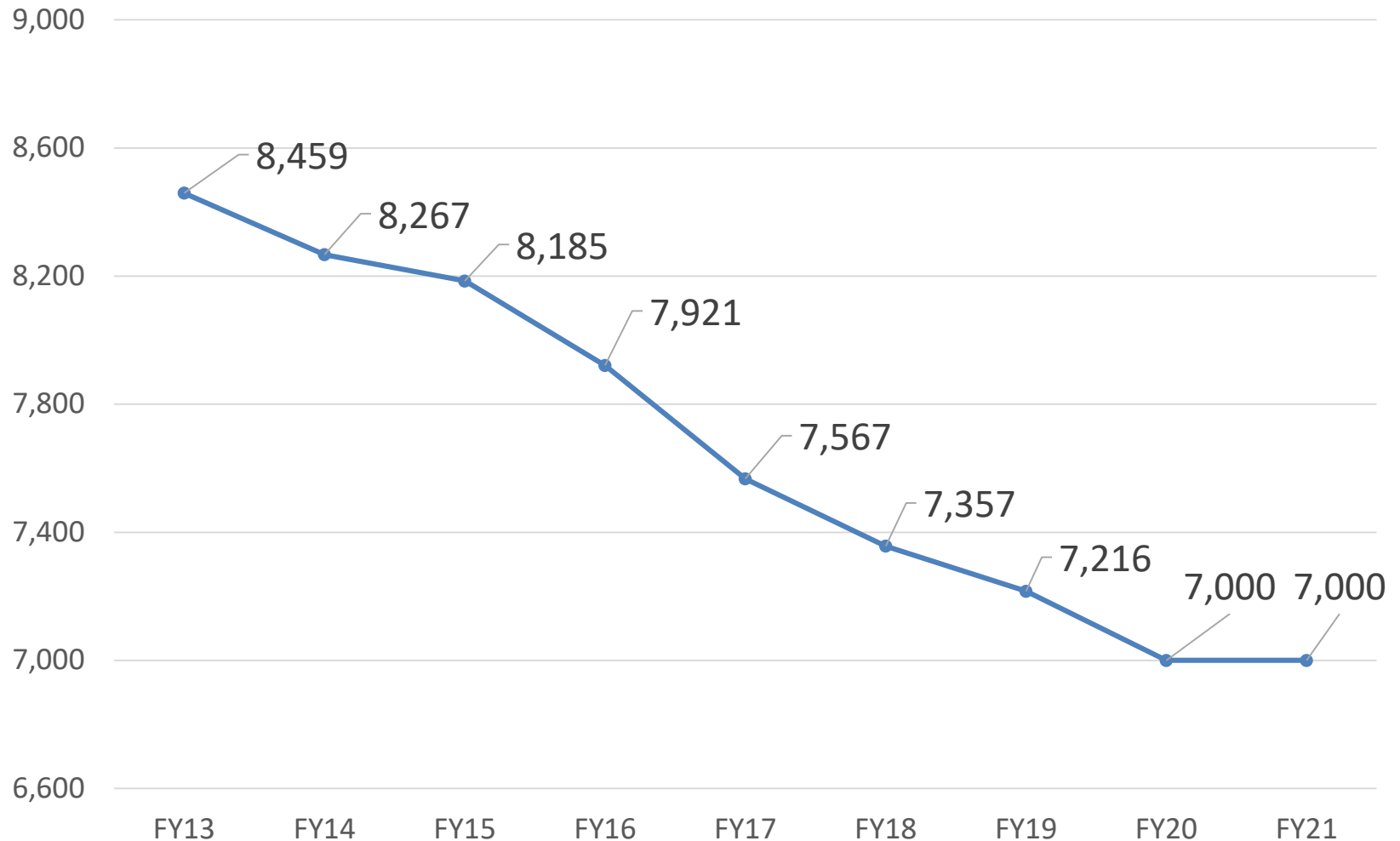
- MnState Board of Trustees have discussed at October meeting
- Amount of request not finalized - Expected action at November meeting
- \$54M unfunded from last session
 - \$23M for tuition freeze (\$0 impact to WSU budget)
 - \$16.7M for campus support (\$850,000 to WSU budget)
 - \$14.5M for ISRS Next Gen (\$600,000 to WSU budget)



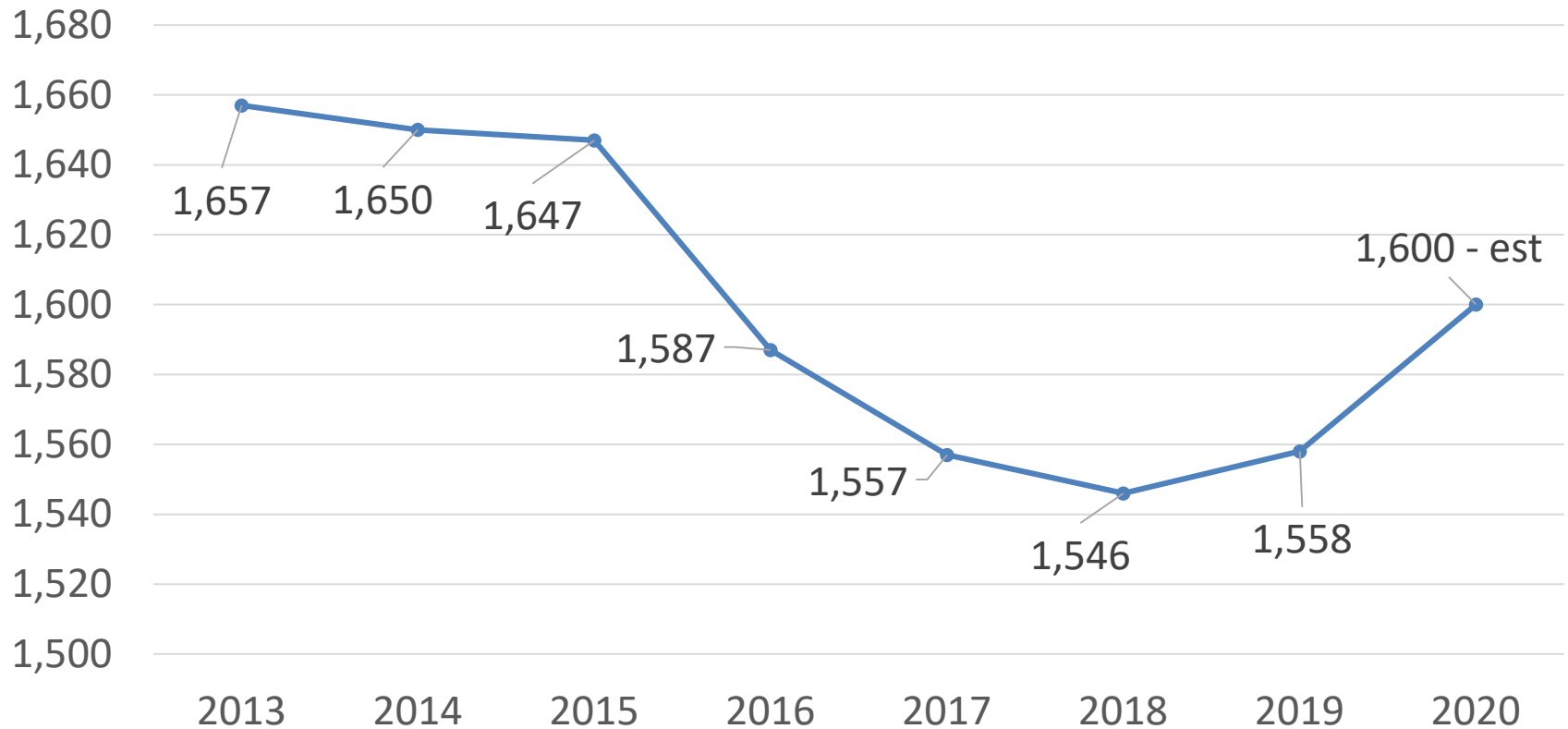
Enrollment

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FYE (Full Year Equivalent) Enrollment

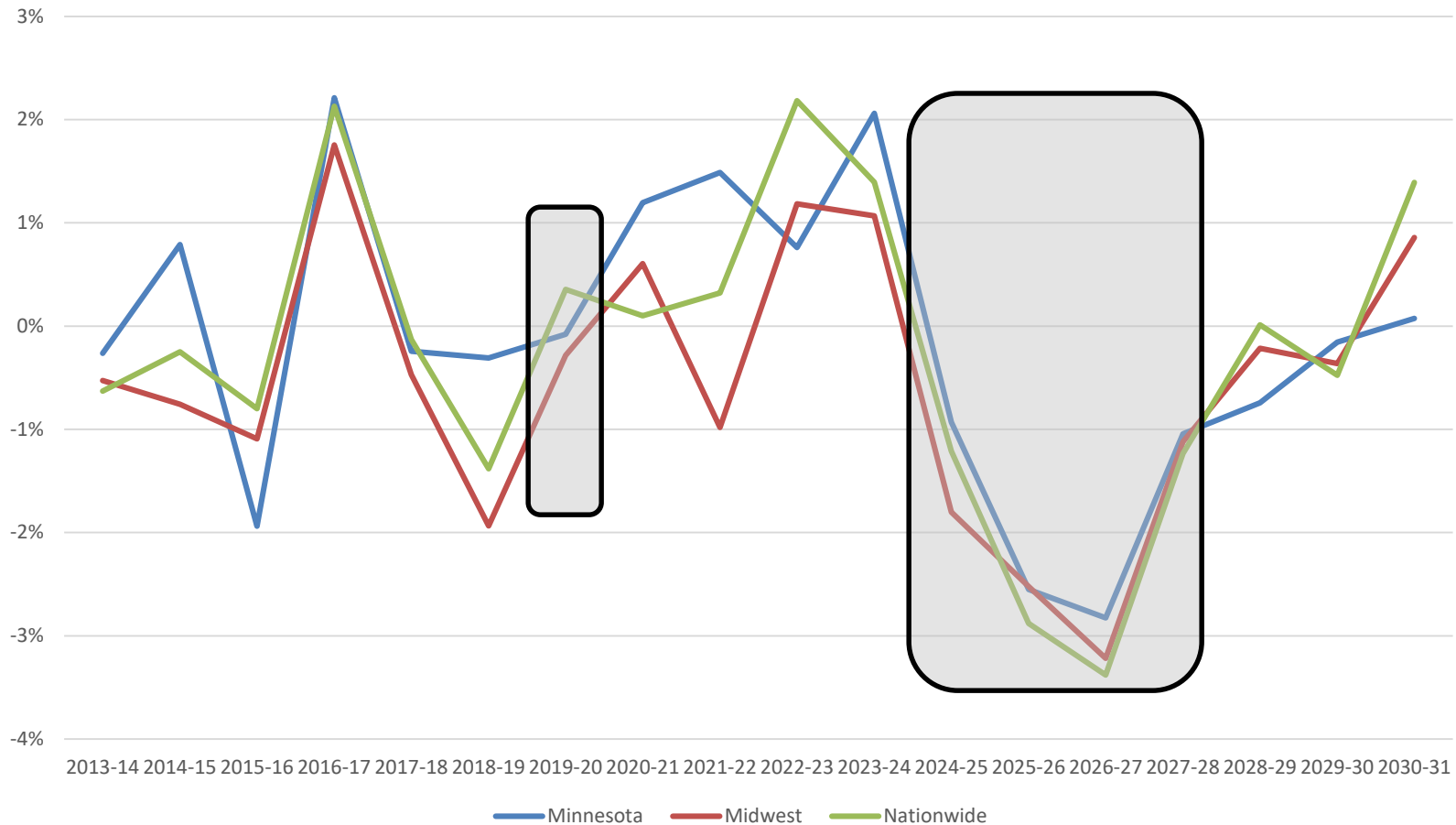


New Entering Freshman Enrollment

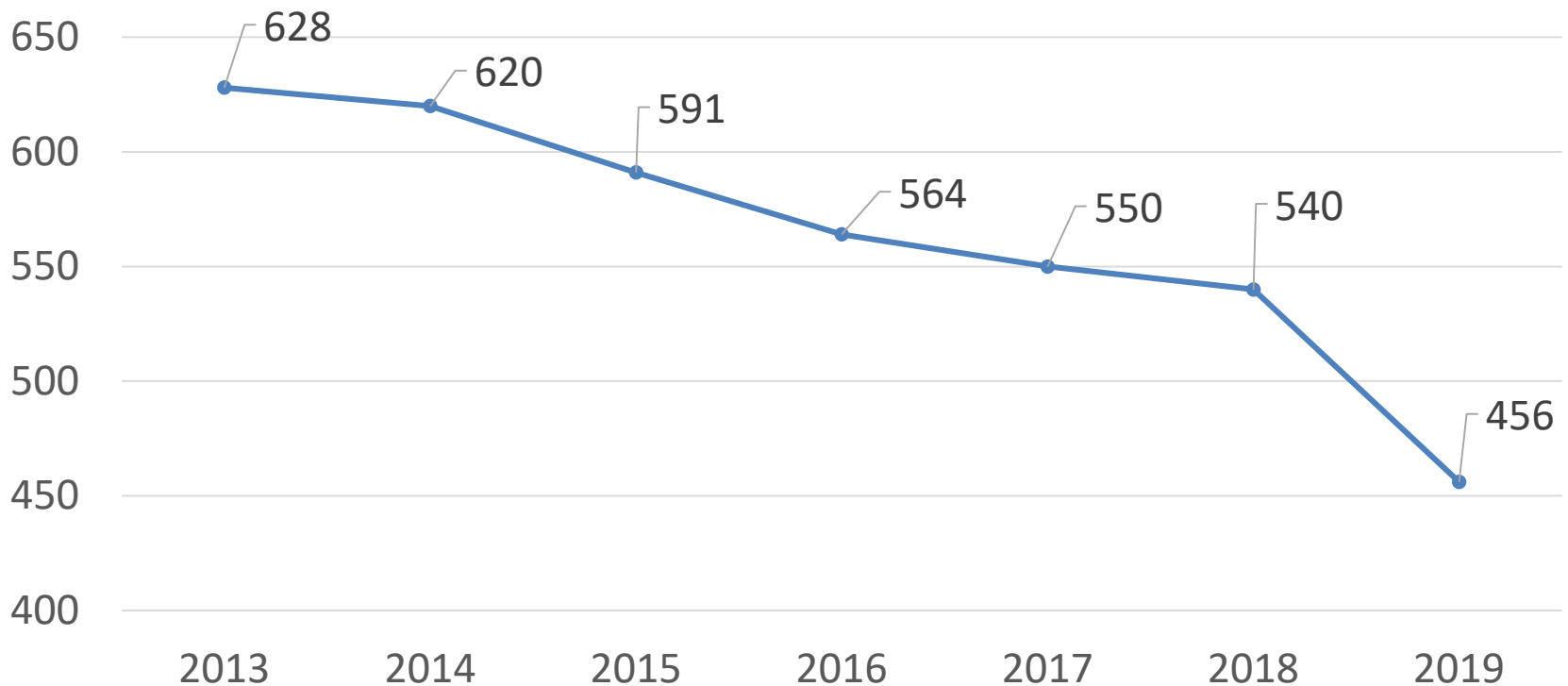


High School Graduates

Forecasted % Change in High School Graduates



New Entering Transfers - Enrollment

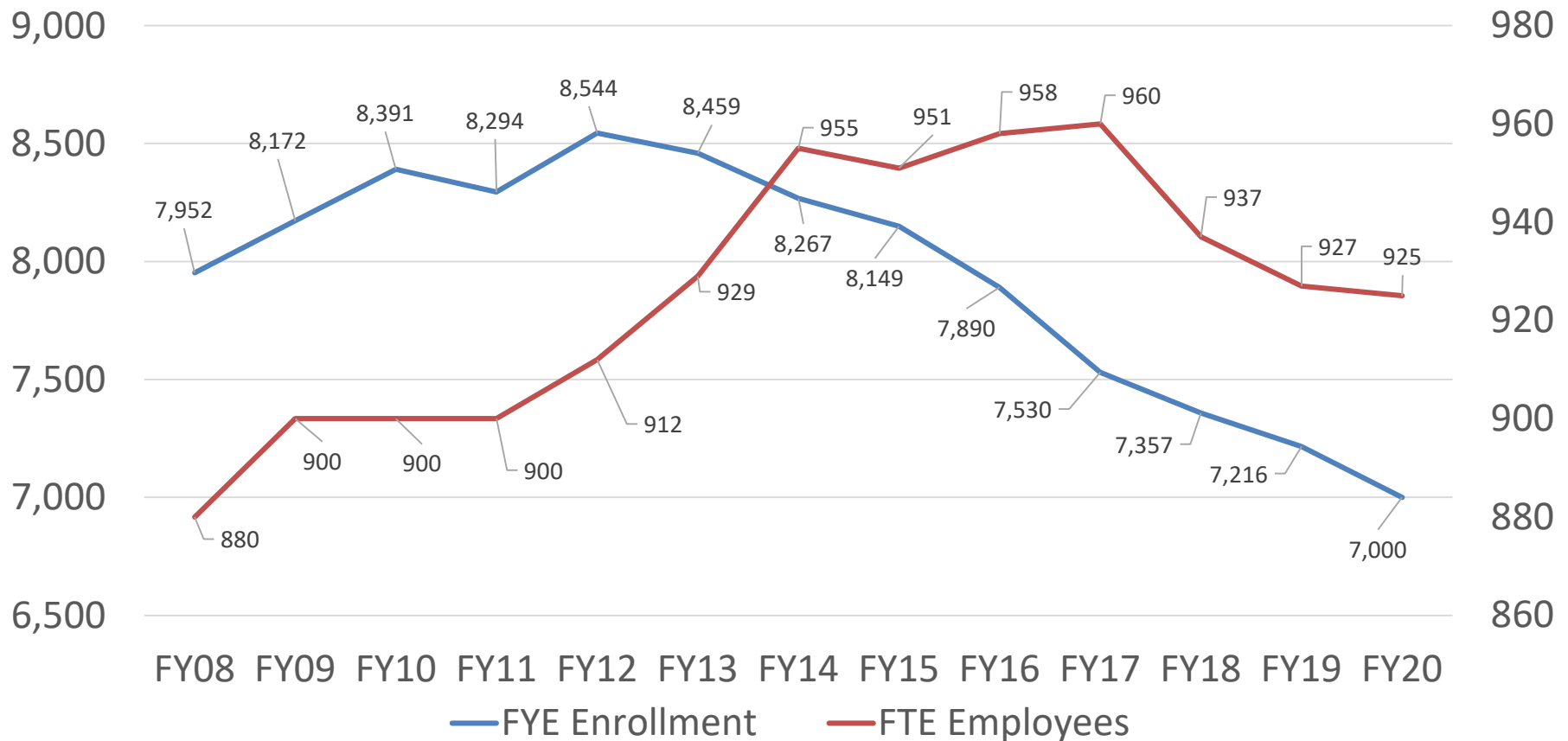


Enrollment – Mn State

Full Year Equivalent (FYE)	FY18	FY19	FY20	FY21 (proj)	4 Year Change
Bemidji State	4,319	4,214	4,032	4,108	-4.9%
Metro State	5,937	5,855	5,855	5,855	-1.4%
MSU-Mankato	13,456	13,256	13,150	13,150	-2.3%
MSU-Moorhead	5,297	5,258	5,163	5,124	-3.3%
St Cloud State	11,081	10,428	9,775	9,529	-14.0%
SW Minn State	3,608	3,565	3,380	3,415	-5.3%
Winona State	7,357	7,216	7,000	7,000	-4.8%
Riverland CC	2,009	2,066	2,125	2,150	+7.0%
Rochester CTC	3,116	3,131	3,037	3,067	-1.6%
MNState College SE	1,220	1,145	1,130	1,130	-7.3%

Employees and Enrollment

Enrollment ↓ 18% Employees ↓ 3% (from peak)





Budget Reduction Process

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Budget Reduction Process - Overview



- \$3, \$4 and \$5M budget reduction targets
- Communication with:
 - Finance and Facilities Committee
 - Bargaining Units Meet and Confer
 - Campus Budget Emails and Budget Forums
- Plans back to Cabinet by end of November / beginning of December
- Cabinet will review, assess impacts, seek clarifying information and have a proposed package by February 1, 2020
- GOAL: Reductions in place by July 1, 2020

Budget Reduction Process - Details

- Bridge Funding is allowed
 - Base budget reduction may not happen until FY22, can be counted in FY21
- Possible solutions may also include revenue opportunities where appropriate as well as shifting general fund expenses to other funds
- Establishing budget targets does not mean reductions are across the board
- Each VP area is allowed to develop their own plan for consideration by the Presidents Cabinet
- Focused BESI is under consideration

Budget Reduction Targets

Organizational Unit	% of General Fund Budget	\$3M Budget Reduction	\$4M Budget Reduction	\$5M Budget Reduction
Library	3.3%	\$99,707	\$132,942	\$166,178
College of Business	9.2%	\$275,260	\$367,013	\$458,766
College of Education	7.0%	\$208,544	\$278,059	\$347,574
College of Liberal Arts	18.5%	\$554,568	\$739,424	\$924,280
College of Nursing & Health Sciences	9.4%	\$282,146	\$376,194	\$470,243
College of Science and Engineering	12.6%	\$376,882	\$502,509	\$628,136
Provost Office and Various Depts	3.4%	\$103,355	\$137,807	\$172,259
Rochester	1.7%	\$49,746	\$66,329	\$82,911
Graduate Office	0.9%	\$26,356	\$35,141	\$43,926
Center for Global Education	1.1%	\$33,914	\$45,219	\$56,524
ACE	0.5%	\$15,943	\$21,258	\$26,572
Information Technology	5.6%	\$166,932	\$222,576	\$278,221
SUBTOTAL: Academic Affairs	73.1%	\$2,193,353	\$2,924,471	\$3,655,589
President's Office	1.1%	\$32,610	\$43,480	\$54,351
University Advancement	3.9%	\$116,258	\$155,011	\$193,763
Enrollment Mgmt and Student Life	7.0%	\$210,895	\$281,194	\$351,492
Finance and Administration	10.6%	\$319,391	\$425,854	\$532,318
Athletics	4.2%	\$127,492	\$169,989	\$212,487
GRAND TOTAL	100.0%	\$3,000,000	\$4,000,000	\$5,000,000

Budget Actions

- Decision made to NOT unilaterally cancel all searches
- Every Cabinet member will be deliberate in deciding if and how positions would be replaced
- As is current practice, all positions must be reviewed and approved by Cabinet
- Administrators to limit/eliminate non-essential travel

Finance and Facilities Committee



- 21 Person All-University Committee
 - 6 IFO – R Dennison, N Williams, P Paulson, C Schreiber, G Michlitsch, S Herron
 - 3 ASF – T Rahim, R Pospichal, M Bambenek
 - 1 AFSCME – M Ezdon
 - 1 MAPE – P Omdal
 - 1 MMA – P Malotka
 - 2 COA – P Miene, J Locust
 - 2 Students – J Mann, K Buecksler
 - VP of Finance and Administration – S Ellinghuysen
 - Asst VP for Facilities Management – J Goblirsch
 - Ex-Officio – Facilities Projects: T Matthees, Registrar: T Schmidt , Budget Director: S Matthees
- Develop principles
- Review data
- Respond to and make recommendations

Next Steps

- Budget Forums – October
 - Update Budget Website
 - Activate Budget Suggestion Box
- Plans to Cabinet – End of November/Early December
- Cabinet Discussion – December to February
- Student Fee Management Committee – January to April
- Budget Reduction Decisions - February
- Budget Forums – February/March
- Mn State Board of Trustees – April, May and June



Thank You!

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