



SFMC – FY22 Tuition Consultation

March 15, 2021

A community of learners improving our world



COVID-19 Budget Update

A community of learners improving our world

Federal CARES Act Funding



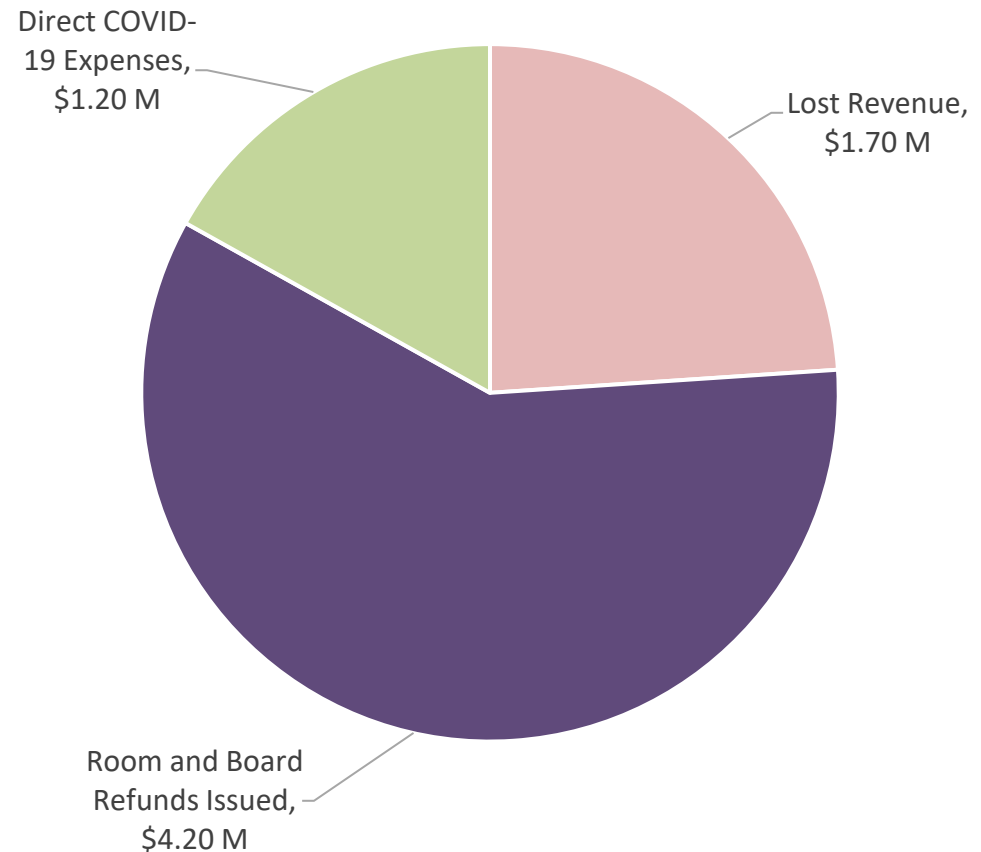
- Three rounds of Federal CARES Act Funding
 - April 2020 - \$5.7M to WSU
 - Dec 2020 - \$6.9M to WSU
 - March 2021 - ??
- Round 1 - \$5.7M allocated to WSU
 - 50% for student support (\$2.85M) – Sent to Students Spring 2020
 - 50% for institutional support – COVID-19 related expenses (\$2.85M)
- Round 2 - \$6.9M allocated to WSU
 - \$2.85M for student support – Process being approved in Spring 2021
 - \$6M for institutional support – COVID-19 related expenses and lost revenue
- Round 3 – Unconfirmed amount allocated to WSU
 - \$1.9 trillion total COVID relief bill signed by President Biden
 - Anticipated that funding to Universities will be split between student payments and institutional expenses

COVID-19 Budget Impact

\$7.1M COVID-19 Impact to Budget

All figures in millions

- **Direct COVID-19 Expenses**
 - Testing
 - Staffing (Health Service, Facilities)
 - Cleaning Supplies
 - Technology
- **Lost Revenue**
 - Summer Camps
 - Bookstore Sales
 - Chartwells Commissions
 - Child Care Center
- **Refunds**
 - Room and Board



Other COVID-19 Budget Changes



- **Reduced travel** – Saves budget, but costs students educational and life experiences and faculty/staff professional development opportunities
- **Utility usage decreased** – Fewer F2F classes and on campus employees, utility usage is down 15%
- **Auxiliary income depressed** – Impacts ability to fund student scholarships
- **Student revenue supported programs negatively impacted**
 - Residence Life and Food Service
 - Health Service
 - Integrated Wellness Center
 - Student Union
 - Athletics



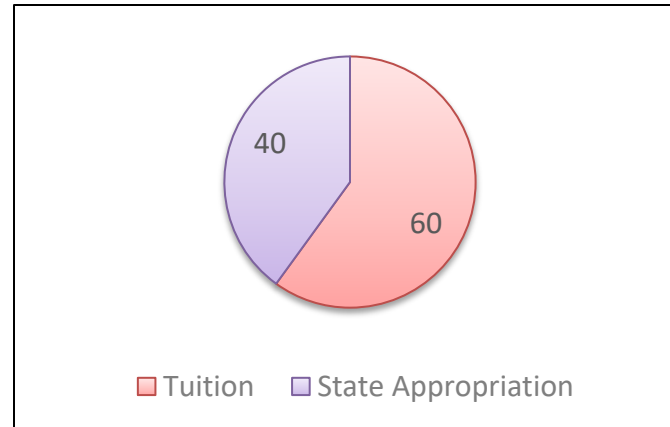
Enrollment

A community of learners improving our world

Did You Know?

State Appropriation is about \$35M
1% of change = \$350,000

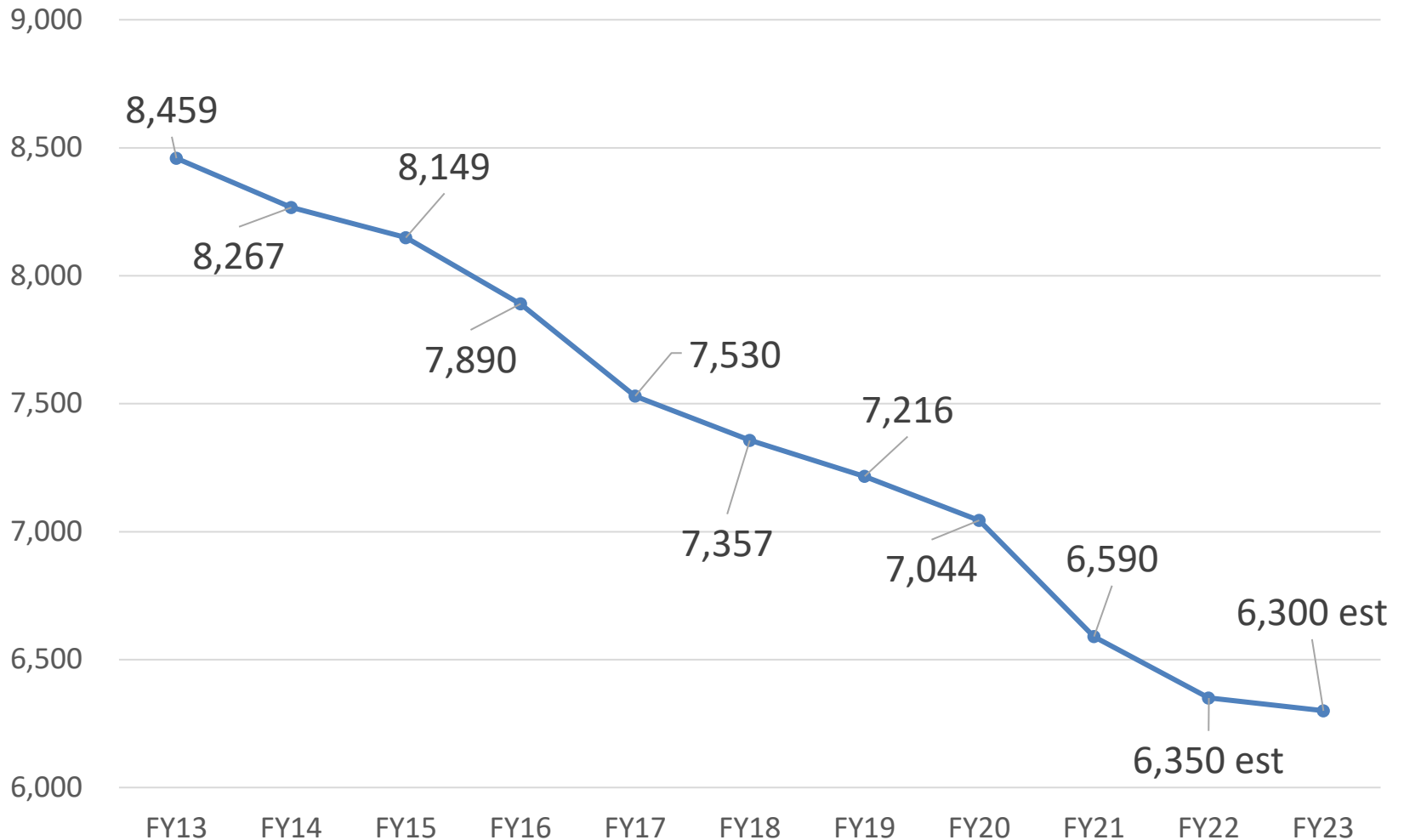
Tuition revenue is about \$55M
1% change = \$550,000



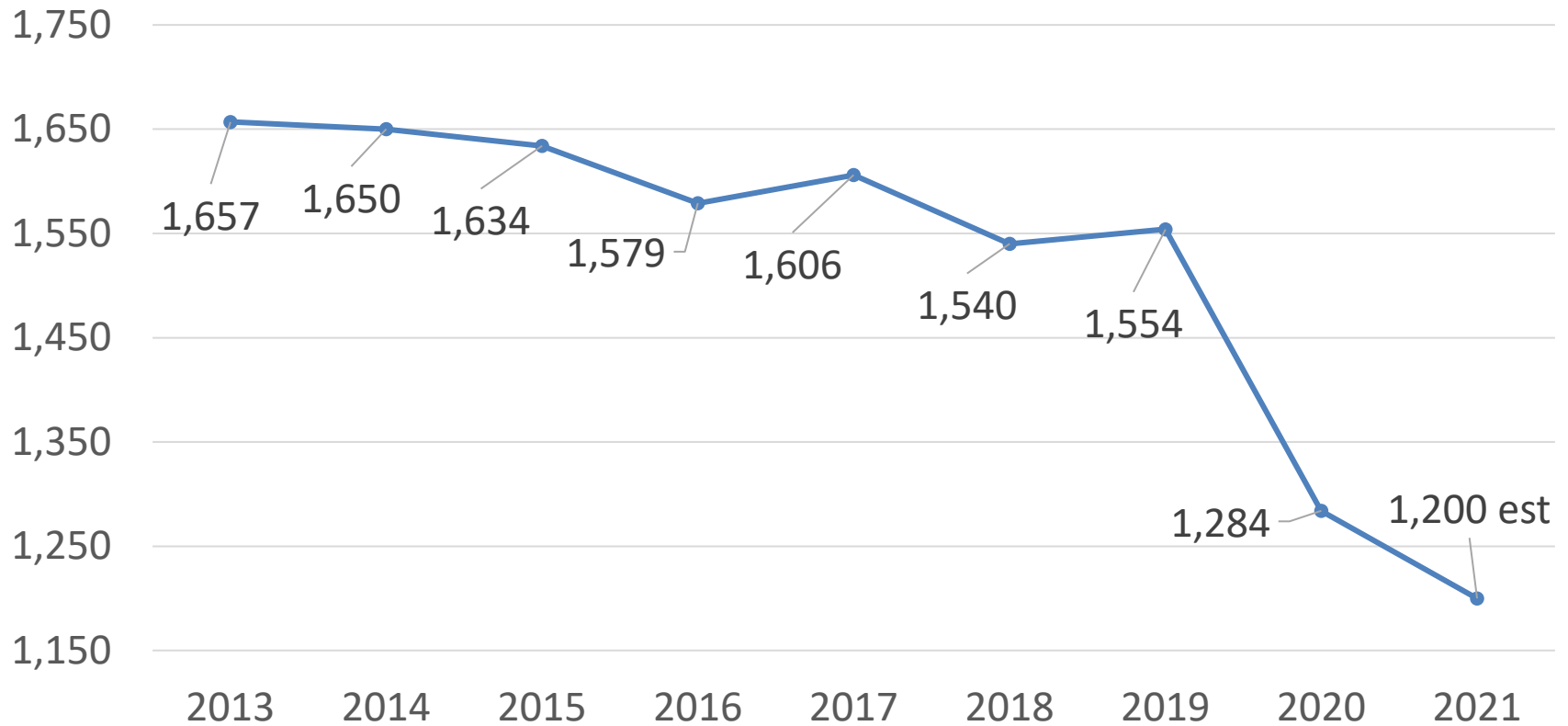
Compensation Budget is about \$75M
1% change = \$750,000

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

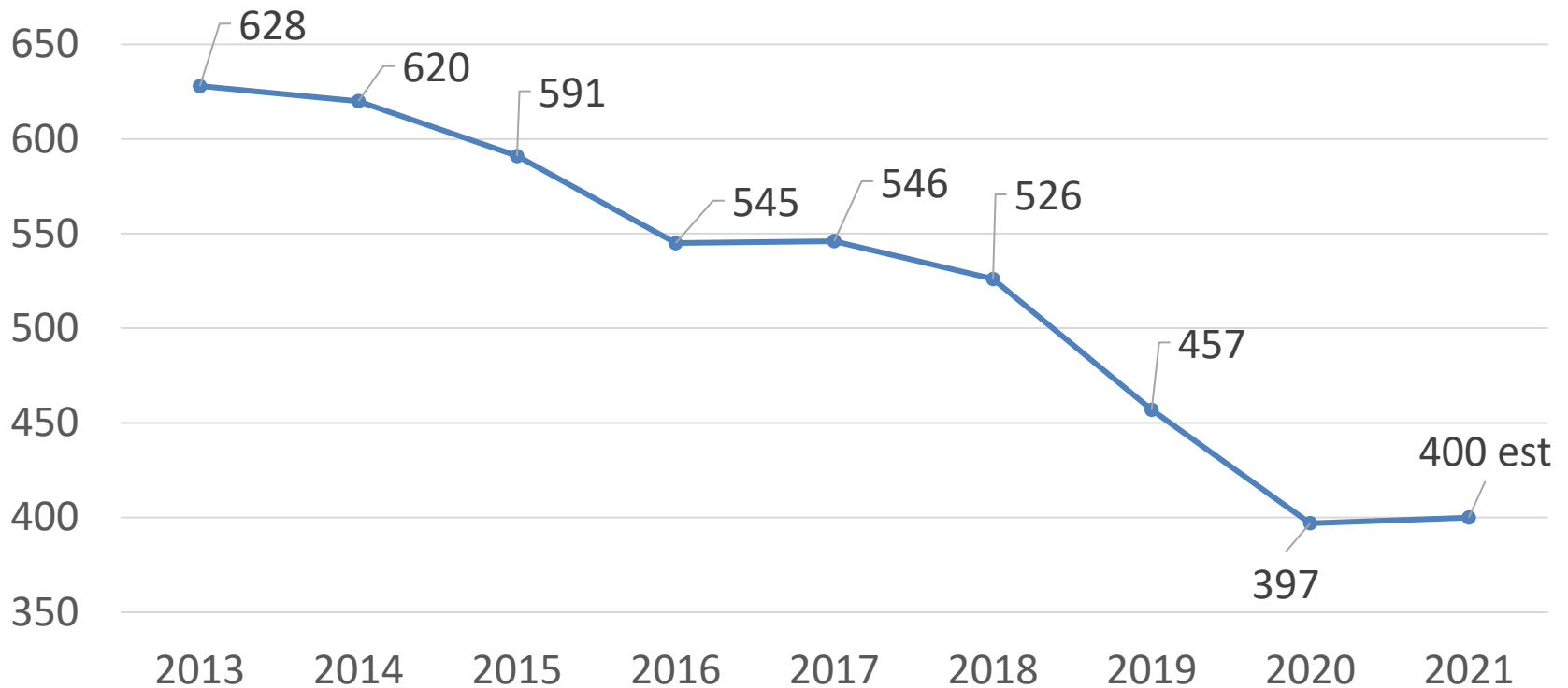
FYE (Full Year Equivalent) Enrollment



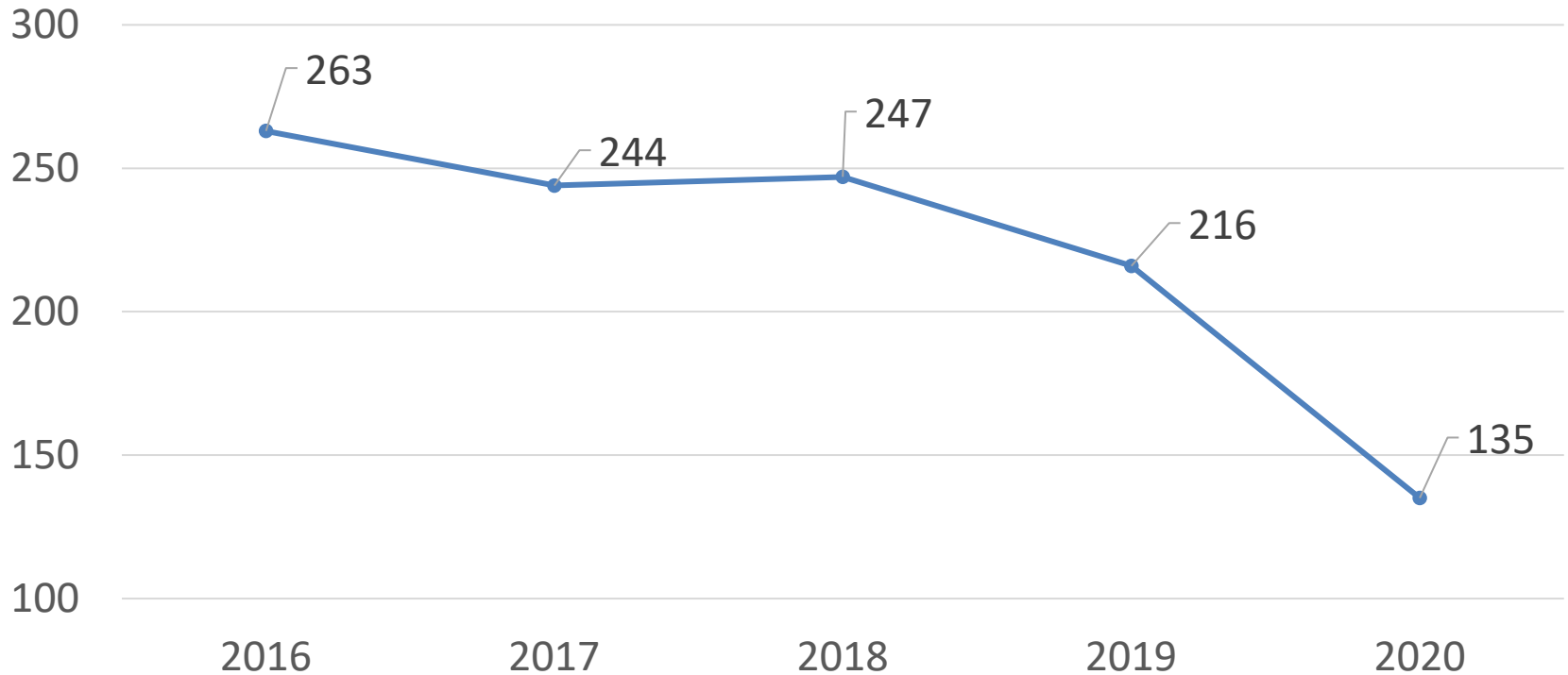
New Entering Freshman



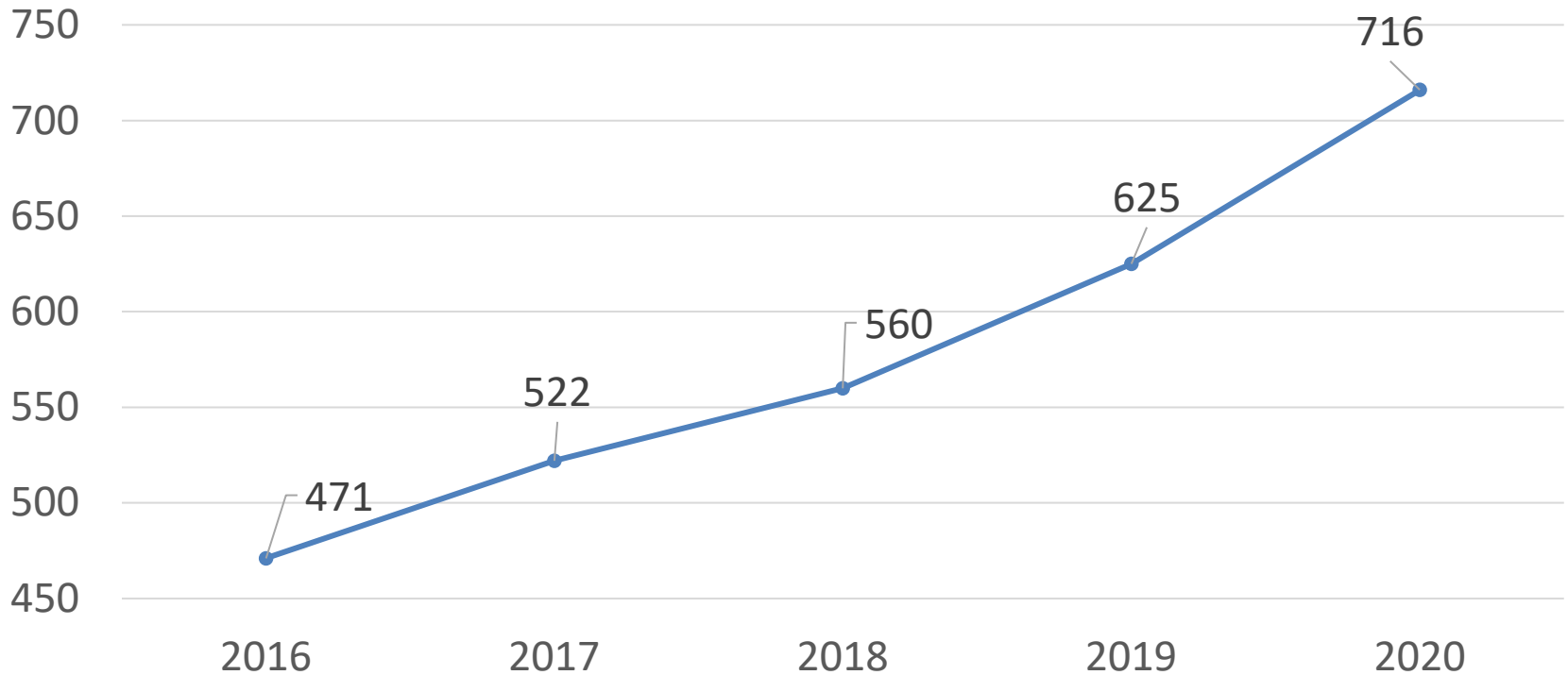
New Entering Transfers



New International Students



New Graduate Students



Enrollment – Mn State



Full Year Equivalent (FYE)	FY19	FY20	FY21	FY22 (proj)	4 Year Change
Bemidji State	4,214	4,067	3,608	3,705	-12.1%
Metro State	5,937	5,827	5,722	5,665	-4.6%
MSU-Mankato	13,256	13,202	13,450	13,450	+1.5%
MSU-Moorhead	5,258	5,166	4,915	4,795	-8.8%
St Cloud State	10,428	9,547	8,518	8,364	-19.8%
SW Minn State	3,565	3,365	3,363	3,361	-5.7%
Winona State	7,216	7,049	6,590	6,350	-12.0%
Riverland CC	2,066	2,164	2,060	2,100	+1.6%
Rochester CTC	3,498	3,363	3,437	3,437	-1.7%
MNState College SE	1,145	1,157	1,035	1,035	-9.6%

MnState systemwide enrollment is -5.4% from FY20 to FY21
(2Yr -5.9%, 4Yr -4.5%)



FY21 Budget Update 2020-2021 Academic Year

A community of learners improving our world

FY21 - Fiscal Updates



- Fall enrollment came in short of expectations
 - Freshman class of 1,284 vs. target of 1,550
 - Current FYE est for FY21: 6,590 vs. prior est of 6,850 (Decrease of 260 FYE)
 - **Decrease of \$2.1M in tuition revenue**
- Budget imbalance will be solved thru one-time methods in FY21
 - Salary savings from vacant positions
 - No carryforward from FY21 to FY22
 - **Added to base budget deficit in FY22 budget planning**
- Budget adjustments in other funds will be required



FY22 Budget Update 2021-2022 Academic Year

A community of learners improving our world

FY22 - Fiscal Updates



- **Cabinet lowered estimates** for Fall 2021 enrollment due to uncertainty
 - Fall 2021 freshman class of 1,200 vs. 1,284 in Fall 2020
 - Fall 2021 transfer target of 400 vs. 397 in Fall 2020
 - Current total FYE Est FY22 6,350 vs. prior total FYE est of 6,750
 - Decrease of 400 FYE
- **IFO has announced a 0% ATB for FY22** (ASF, AFSCME, MAPE and MMA negotiations yet to begin)

State of Minnesota Budget Situation

- ~~Budget deficit of \$4.7B for FY22/23 – estimated in May~~
- Budget surplus of \$1.57B for FY22/23 – February 2021 Economic Forecast
- No un-allotment for FY21
- State budget required to be balanced (Unlike Federal budget)

Mn State Biennial Budget Request

- \$120M(+3%) budget request for FY22/23
 - \$75M for campus inflation
 - \$45M for equity and affordability to support critical student needs
 - Mental Health Needs
 - Career and Technical Education
 - Open Educational Resources
 - New Scholarship Programs
- Approved at November Board of Trustees meeting

FY22 Budget Scenarios (as of 3/15/21)



		Scenario A (10/29/20)	Scenario B (10/29/20)	Scenario C (10/29/20)	Latest (3/15/21)
A	State Appropriation Change	-\$3.0M (-9%)	-\$1.65M (-5%)	\$900,000 (+3%)	\$0 (0%)
B	Tuition Rate Change	\$1.6M (3%)	\$800,000 (1.5%)	\$0 (0%)	\$1.6M (3%)
C	Total Revenue Change	-\$1.4M	-\$850,000	\$900,000	\$1.6M
D	Salary/Fringe Settlements (IFO 0%)	\$1M (3%)	\$650,000 (2%)	\$300,000 (1%)	\$1M (3%)
E	Inflation	\$200,000	\$200,000	\$200,000	\$200,000
F	Total Expense Change	\$1.2M	\$850,000	\$500,000	\$1.2M
G	Tuition Loss: Enrollment Change	-\$3.8M(-7%)	-\$1.9M (-3.6%)	-\$1.5M (-2.8%)	-\$3.5M (-6.5%)
H	FY21 Budget Status (-260 FYE from budget plan)	\$-2.1M	\$-2.1M	\$-2.1M	\$-2.1M
I	Total Other/Enrollment Change	-\$5.9M	-\$4.0M	-\$3.6M	-\$5.6M
J	FY22 Budget Status	-\$8.5M	-\$5.7M	-\$3.2M	-\$5.2M



Budget Reduction Process

A community of learners improving our world

Budget Reduction Process - Overview



- Strategic approach using available data
- \$8.5M, \$5.7M and \$3.2M budget reduction scenarios will be considered
- Communication with:
 - Finance and Facilities Committee
 - Bargaining Units Meet and Confer
 - Campus Budget Emails and Budget Forums
- Budget planning review to take place from November thru February
- GOAL: Reductions in place by July 1, 2021

Current 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 and will be highly scrutinized***

Finance and Facilities Committee



- 21 Person All-University Committee
 - 6 IFO – V Leighton, N Williams, P Paulson, C Schreiber, G Michlitsch, S Herron
 - 3 ASF – T Rahim, K Ziegler, M Bambenek
 - 1 AFSCME – M Ezdon
 - 1 MAPE – P Omdal
 - 1 MMA – P Malotka
 - 2 COA – P Miene, J Locust
 - 2 Students – G Wagner, D Christensen
 - 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



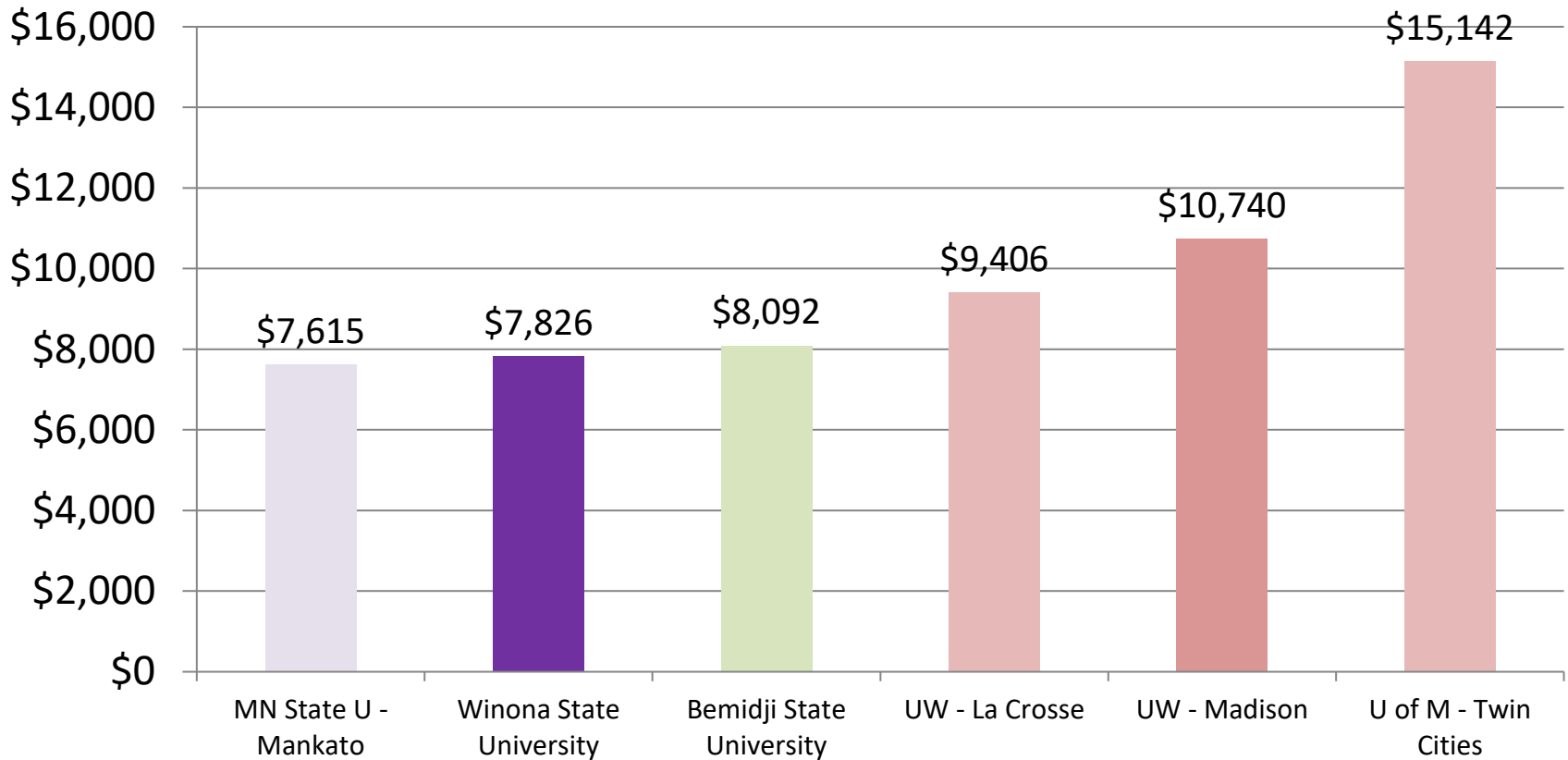
FY21 Tuition Proposal

A community of learners improving our world

Tuition Costs at Selected Institutions – FY21



Annual Undergraduate Tuition – Full Time Student



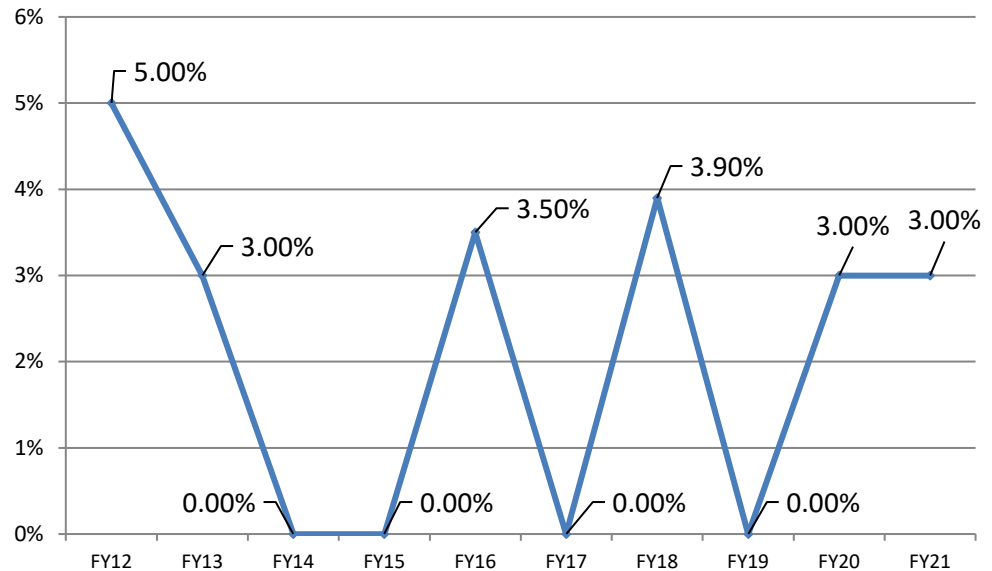
History – Tuition and Budget Reductions



•Tuition Increases

- FY12 – 5%
- FY13 – 3%
- FY14 – 0%
- FY15 – 0%
- FY16 – 3.5%
- FY17 – 0%
- FY18 – 3.9%
- FY19 – 0%
- FY20 – 3%
- FY21 – 3% (0% Fall)

- 5 Year Average (FY17-21) – 1.98%
- 10 Year Average (FY12-21) – 2.14%



Budget Reductions

- FY10 - \$1.8M
- FY12 - \$2.5M
- FY15 - \$1.5M
- FY18 - \$4.0M
- FY19 - \$5.9M
- FY21 - \$6.0M
- FY22 - \$5.0M+

FY22 Tuition Proposal



- Tuition increase of 3% Undergraduate and 3.9% Graduate

MN Undergraduate	FY21 Board Approved	FY22 Amount of Increase	FY22 est. (Proposed)
Per Credit	\$258.84	\$7.77	\$266.61
Banded (Semester)	\$3,913.13	\$117.39	\$4,030.52
Banded (Annual)	\$7,826.26	\$234.78	\$8,061.04

MN Graduate	FY21 Board Approved	FY22 Amount of Increase	FY22 est. (Proposed)
Per Credit	\$428.28	\$16.70	\$444.98

- Differential tuition increase – 3%
 - New online graduate program – Health/Healthcare Analytics - \$72.78 per credit
 - New graduate program – HERS Performance Analytics - \$125 per credit

Upcoming Dates

- Budget Forum – October
 - Update Budget Website
 - Activate Budget Suggestion Box
- Budget Planning Review – November to February
- Student Fee Management Committee – January to April
- Budget Reduction Decisions – March/April
- Budget Forums – March/April
- Mn State Board of Trustees – May and June



Thank You!

A community of learners improving our world