Budget Open Forum

April 17, 2019
April 18, 2019
Rick Straka
FY20 Budget Planning Variables

- Academic Year Tuition is Approx. $94M
  - 1% Tuition Rate Increase = $940,000
  - 100 FYE Change = $720,000

- Appropriation is Approx. $53M
  - 1% Change is Approx. $530,000

- Compensation Budget is Approx. $122M
  - 1% Change is Approx. $1.2M
Key Financial Pressures on the University Budget

FY19 $4M Base Budget Challenge

1. Enrollment Loss – Tuition Revenue Loss
2. Structural Deficit in Biennium Funding
3. New Base Expenditures/Costs

FY19 Base Budget is in Deficit by Approx. $4M

Prior to Any Budget Investments
FY19 Deficit is Base

- This Deficit is Prior to any FY20-21 Impacts

- Must target full $4M in Base beginning in FY20
  - PRIOR to any FY20-21 Impacts
  - Use of Bridge Strategies Will be Required
  - Division Plans of $6M to Fund Possible Investments and to Avoid Across The Board Reductions
# Enrollment Trends

## Minnesota State University, Mankato

**MinnStateUniversity Student Enrollment Trends (FY2017 - FY2019 projected)**

<table>
<thead>
<tr>
<th>Institution</th>
<th>FY2017 FYE</th>
<th>FY2018 FYE</th>
<th>FY2019 Projected</th>
<th>Total Change Amt</th>
<th>Total Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bemidji State University</td>
<td>4,338</td>
<td>4,319</td>
<td>4,218</td>
<td>(120)</td>
<td>-2.77%</td>
</tr>
<tr>
<td>Metropolitan State University</td>
<td>6,168</td>
<td>6,064</td>
<td>5,935</td>
<td>(233)</td>
<td>-3.78%</td>
</tr>
<tr>
<td>Minnesota State University Moorhead</td>
<td>5,378</td>
<td>5,297</td>
<td>5,138</td>
<td>(240)</td>
<td>-4.46%</td>
</tr>
<tr>
<td><strong>Minnesota State University, Mankato</strong></td>
<td>13,657</td>
<td>13,456</td>
<td>13,250</td>
<td>(407)</td>
<td>-2.98%</td>
</tr>
<tr>
<td>Southwest Minnesota State University</td>
<td>3,760</td>
<td>3,608</td>
<td>3,561</td>
<td>(199)</td>
<td>-5.29%</td>
</tr>
<tr>
<td>St. Cloud State University</td>
<td>11,480</td>
<td>11,081</td>
<td>10,372</td>
<td>(1,108)</td>
<td>-9.65%</td>
</tr>
<tr>
<td>Winona State University</td>
<td>7,530</td>
<td>7,357</td>
<td>7,200</td>
<td>(330)</td>
<td>-4.38%</td>
</tr>
</tbody>
</table>
Tuition Loss

FYE Enrollment Loss FY18-19
400 FYE

Approx. Tuition Per FYE
$7,200

Total Approx. Tuition Loss
$2,880,000
Possible Bridge/Short Term Budget Options To Implement FY20 Base Reduction Plans

- Institutional Equipment reduction or freeze
- International/Outstate Travel Restrictions (excluding contract professional travel)
- Non-emergency supply budget review
- Review/Moratorium on department/division funded facility renovations
- Additional reviews of any purchases
- One Time Spend Down of Reserve as Bridge
- Other Options?
Base Budget Balancing Discussions

- Review Strategic Budget Planning Data to Inform Decision Making
- Investments to Increase Enrollment and/or Revenues
- BESI Options
- Position / Workload/Staffing reductions
- Review summer surplus model to potentially help support academic year budget
- Non-salary reductions
Base Budget Options cont’d

- Seek campus input via budget website for additional solution ideas
- Increase Retention to help offset enrollment declines
- Other Strategies??
FY20 Budget Timeline

- Budget Plans from Divisions – April/May 2019
- Cabinet Budget Decisions – May 2019
- Final Budget Decisions – May/June 2019
- Legislative BOT Budget Update – July 2019
Discussion
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