Budget Town Hall Forum

January 13, 2009

Town Hall Forum Format

- Opening Remarks
- Presentation of State Economic Environment
  - November Forecast and Impact
  - Updated Economic Information
- Impact ON MSU
  - Unallotment
  - FY10 – 11 Base Budget Impact Projections
- MSU Budget Process/Timelines
- Open Forum Discussion

State Economic Environment

- October Revenue Report
  - Tax Receipts for July – Sept. $58 million ahead of forecast
- November Forecast
  - $426 Million Deficit for FY09 (current year)
  - $4.85 Billion Deficit for FY10 – 11 (14% of State Budget)
- January Economic Update
  - Nov. – Dec. Tax Receipts $131 million below November Forecast
Impact of State Economy

- December 2008 – Governor Unallotment to erase $426 million projected 6/30/09 deficit
  - $40 Million Unallotment to Higher Ed
  - $20 Million Unallotment to MnSCU
  - MSU Share is $1,544,652
- January 2009 – Legislature Opens and Discusses Possibility of 20% State Deficit for FY10 – 11.
  - Actual Budgets won’t be known until April – May.

Un allotment Strategies

- Limited Use of Reserves for Unallotment
  - Reserves will be needed to transition FY10 – 11 Reductions
- Remaining Possible Strategies
  - Vacant Position Salary Savings
  - Equipment Freeze
  - Travel Reduction/Freeze
  - Supplies Reduction/Freeze
  - Initiative Funds Freeze
  - Implement FY10 – 11 Base Reductions Early

FY10 – 11 Scenarios

- Four Unknown Variables
  - Appropriation Change
  - Tuition Rate Change
  - Inflation Change
  - Enrollment Change
- Small Ranges in Each Variable Compound to Very Large Range in Scenario Possibilities
  - Examples on Scenario Worksheet
Proposed Budget, Planning & Assessment Process

- **Timeline**
  - Unallotment – Early February
  - 3% Divisional Plans – Completed
  - 6% and 10% Div. Plans – End of February
  - Final Plans in April

- **Forms linking to Planning and Assessment**
  - Blank Forms on Budget Website
  - Completed Forms: www.mnsu.edu/finadmin/plans
Cost Containment/Budget Strategy Identification

- Transparency Level
  - Inclusive
  - Robust Communication – Shared Governance
  - Open Decision Making
  - Participative
  - Widely distributed information – Data Driven

- Feedback
  - Web based with ability to submit comments
    - 96 comments submitted to date
  - www.mnsu.edu/finadmin/budgetoffice/

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