As the Minnesota legislative session gets underway, it’s time for an update on how we are approaching current and predicted reductions to our state general fund support. We are close to completing the first round of budget planning, which focused on balancing our FY10-11 budget after substantial cuts to our state appropriation. We are now formulating plans to develop contingencies for a probable further unallotment to our FY11 budget and for deeper cuts anticipated in our state appropriation for the FY12-13 biennium.

Phase One

Last year we learned our state appropriation for the FY10-11 biennium would be reduced approximately $3.7 million. We all have worked hard to absorb that reduction through a mixed strategy of cost reductions, redesign of some of our support functions, revenue generation and modest tuition increases. For more details on what we have done so far, please consult my earlier budget messages at: http://www.winona.edu/President/budgetplanning.asp.

By December 2009, we had identified all but approximately $1 million of the corrections needed to structurally balance our budget for FY10-11 and were awaiting the outcome of the three early separation incentive (ESI) packages to determine whether we had generated sufficient funds to meet our budget targets. At the end of the election period, 44 members of our campus community have opted to retire under provisions of the various ESI initiatives. This number includes 11 IFO members who elected to accept one of the two packages offered to them and 33 other employees who opted to take the Board Early Separation Incentive (BESI) offer.

The combined salary and fringe benefits represented by these 44 retirements is estimated to be $3.35 million. While some of these positions must be filled, we’ll need to maximize the saving potential of our ESIs. Economic projections continue to predict a further downturn in the state’s financial condition, and the Office of the Chancellor has indicated the system should plan for the possibility of an additional FY11 unallotment between $10.5 million to $25 million. Our current share of the state appropriation to MnSCU is 5.56 percent, so any additional unallotment likely would be between $584,000 and $1.4 million.

Phase Two
We must begin budget planning now for the next biennium. Unfortunately state economic forecasts continue to predict staggering deficits for the FY12-13 biennium. Given these sobering predictions it would be realistic for WSU to anticipate further appropriation reductions from $6 million to $18 million over the next biennium. (A biennial figure should be divided in half to get a sense of its actual impact.) Many of the strategies we have used in the past two years to handle both our initial unallotment in 2008 and our base reduction for FY10-11 will soon reach their limits or become unavailable. Our early separation incentives, for example, are being financed by a one-time allocation of federal stimulus funds. Therefore, given the magnitude of possible state appropriation cuts for FY12-13, we must begin now to develop additional strategies that will allow us to examine every academic program and every support unit to determine how to staff and deliver our curriculum and our support services while retaining as much flexibility as possible until our budget becomes clear.

If we continue to work together in the collaborative way that has characterized our efforts over the past two years, we can reduce the size of the eventual hit we will take, and we will have a better chance to protect our institutional integrity. However, we will not be able to completely escape lasting consequences. We may face retrenchments and lay-offs, which as I have said all along, would be a last resort. Thoughtful and deliberative planning about our curriculum and our campus support services now will reduce the depth of the cuts we eventually will have to make.

I have asked the Council of Deans and the All-University Facilities and Finance Committee to advise me and the members of my Cabinet on the best ways to undertake the second phase of our budget planning. As part of the second phase we will:

a. ask the faculty and the Deans to review how we deliver the curriculum in every academic department and to look for ways to reduce the cost of instruction while maintaining the quality of our programs and continuing to improve student achievement. This review must be guided by clear educational goals. As a component of our Higher Learning Commission Self-Study, we have already begun articulating our goals and mapping our curricular offerings to ensure that our programs are designed to address those goals. A departmental resource scan has been developed that summarizes the resources generated and consumed by each academic department. The departmental resource scan (available through the deans) as well as the goals defined by each department will serve as starting points for discussions about how best to prepare for the next biennium;

b. explore the appropriate use of differential tuition;

c. develop additional ways to design and deliver educational programming for working professionals throughout the year in order to generate additional revenue to invest in
our future and to respond creatively to the changing needs of the professional communities we serve;

d. look to support services to absorb a share of the base reductions with emphasis on employing Educational Lean as a vehicle for providing cost effective support services throughout our institution. Each Vice President will work with an Educational Lean facilitator to conduct a thorough review of his/her division/area and develop redesigns where needed.

These efforts will continue to be guided by the budget principles we adopted a year ago (available at: http://www.winona.edu/President/budgetplanning.asp), and our decisions will be looked at through the lens of our five-part test for appropriate investment.

a. Will this help us remain attractive to potential students?
b. Will this contribute to the achievement of our current students?
c. Will this protect and enhance the quality and integrity of our academic core?
d. Will this permit us to generate additional revenue for investing in our future?
e. If we should do this, have we found the best way to do so or should we look for other ways to accomplish this goal?

We encourage you to offer suggestions and to raise questions and concerns by posting on our budget suggestion box:


We also will hold regular briefings and updates as the spring semester continues.

Judith A. Ramaley
President