Governor Pawlenty released his supplemental recommendations for handling the FY 2010-11 budget Feb. 15. He proposed to reduce the appropriation to the Minnesota State Colleges and Universities by $10.467 million and the appropriation to the University of Minnesota by $36.12 million.

In both cases, the state appropriation to higher education in Minnesota would be brought down to 2006 levels. The state’s eligibility for a second year of federal stimulus funding under the terms of the American Recovery and Reinvestment Act (ARRA) of 2009 would then be retained.

The governor’s recommendation is the first step in a budget balancing process at the state level. The process will be further informed by the economic forecast to be released in early March. The recommendations will be considered as the Legislature works to close the gap in the biennial budget. In short, the governor has made recommendations, but those recommendations have not yet been enacted.

The second phase of our own budget process was designed with the assumption that we could see further reductions in our base expenditures during this biennium. Therefore, the governor’s recommendations do not change our planning model or our goals. (For details on our second phase, please see my Feb. 11 Budget Memo at: [http://www.winona.edu/President/budgetplanning.asp](http://www.winona.edu/President/budgetplanning.asp).)

If the Governor’s recommendations are enacted and the Office of the Chancellor handles reductions as they have in the past, our share of this latest budget cut would be an additional reduction of $592,432 in our current base.

The following information may provide a useful context:

- Since the beginning of this biennium, our state appropriation has been reduced by $3.6 million, for a total of 12 percent of our state appropriation.
- This reduction is the equivalent of 48 faculty positions or 72 staff positions, based on the average salaries of these two groups. To avoid losing positions, we have emphasized strategies outlined in my recent Budget Memo (available at: [http://www.winona.edu/President/budgetplanning.asp](http://www.winona.edu/President/budgetplanning.asp)), including incentives for early retirement.
- As of the end of this fiscal year, our state appropriation will represent 38 percent of our general fund budget and 24 percent of our entire budget.
- As recently as FY2005, the state appropriation represented 50 percent of our general fund budget.
Judith A. Ramaley
President