Budget Listening Session

January 8, 2009
WSU Budget Principles  
(Adopted December 2008)

Winona State University will be guided by its mission statement and look at the good of the whole. Budget decisions will be based on a consistent set of data and communication will be transparent and inclusive. Winona State University will:

1. Provide classes that allow students to complete their educational programs in a timely manner
2. Maintain its commitment to our faculty and staff
WSU Budget Principles
(Adopted December 2008)

As we strive to accomplish the above during these hard times, we will:

• Maintain a physical environment that meets the health and safety needs of the University community
• Provide services and activities that support student success
• Remain committed to high quality affordable education
• Work to increase the efficiency and effectiveness of our operations
• Create and enhance revenue stream
• Not exempt any unit of the university from making needed sacrifices
FY2009 Unallotment
(Executive branch power to reduce spending to avoid a deficit)

- State of Minnesota estimated budget deficit for FY2009: $426 million
- MnSCU’s share of the unallotment: $20 million
  - Office of the Chancellor/Shared Services Unit: $0.93 million
  - System-wide debt service savings: $2.8 million
  - Colleges and Universities: $16.27 million (allocated based on percentage of FY2009 allocation)
- WSU’s share of the unallotment: $921,985
  - WSU has 5.67% of the FY2009 allocation from the state
FY2010/11 State Budget Deficit

- State of Minnesota projected budget deficit for FY2010/11: **$4.8 billion**
- State of Minnesota budget for FY2010/11: **$36.7 billion**
- State budget deficit as a percentage of budget: **13.2%**
- A **13.2%** reduction to the WSU state appropriation would be: **$4.1 million**
- MnSCU is approximately **4%** of the state budget
Strategic Planning & Budgeting

The state appropriation represents about 29% of our entire budget.

Total Budget by Revenue Source

- **Students**: 69% (FY09)
- **State**: 29% (FY09)
- **Federal**: 1% (FY09)
- **Other**: 1% (FY09)

<table>
<thead>
<tr>
<th>Revenue Source</th>
<th>FY99</th>
<th>FY09</th>
</tr>
</thead>
<tbody>
<tr>
<td>State-Funded</td>
<td>44%</td>
<td>29%</td>
</tr>
<tr>
<td>Student-Funded</td>
<td>54%</td>
<td>69%</td>
</tr>
</tbody>
</table>

Graph showing the percentage change from FY99 to FY09 for Student-Funded and State-Funded revenues.
Critical Dates

• Governor Pawlenty’s State of the State address – January 15th
• Governor Pawlenty’s Budget released – January 27th
• February Economic Forecast released – End of February
How we are managing our unallotment and preparing for the next biennium

• Apply core budget principles.
• Use institutional goals and priorities as a guide.
• Open and frequent communication.
• Budget suggestion site on homepage.
• Consultation with campus community through all-university committees.
Communication about Budget Planning

• Budget messages can be found by clicking on President’s office on the WSU Home Page and then clicking on Budget Planning.

http://www.winona.edu/president/10590.htm

• The WSU Portrait will soon be on-line with information about our budget, some budget tools, and our institutional profile.

• Fiscal affairs webpage contains a budget toolkit for further budget information
Institutional Goals
Presidential Work Plan 2009

ONE: Invest in academic excellence by supporting innovation and distinctive programming.

TWO: Invest in support for student learning and success by enriching the student experience.
THREE: Build Capacity to support our mission.

FOUR: Make the University a working model of scholarship and creative solution-finding as well as a laboratory for the practice of contemporary democracy.
Institutional Goals
Presidential Work Plan 2009

FIVE: Develop a clear vision for WSU programs in Rochester and continue to work with RCTC to integrate student support services and develop career pathways. Enhance programmatic collaboration to serve the needs of the Rochester community.
Institutional Priorities for 2008-2009
Targets for Investment

• Support academic innovation, distinctiveness and excellence.
• Enrich the student experience and support student success.
• Expand our climate commitment and sustainability efforts.
Steps we have already taken to manage the unallotment, part 1

• Selective Recruitment

– Essential positions being filled ($3.2 M)
– Positions being held ( $850K)
– Positions frozen indefinitely ($495K)
Steps we have already taken to manage the unallotment, part 2

• Examine every significant expenditure according to the following two tests.

1. Is this something we must do in order to
   – Maintain our appeal to prospective students
   – Support student success
   – Generate additional revenue
   – Maintain the integrity of our institution?
Steps we have already taken to manage the unallotment, part 2

• Examine every significant expenditure according to the following two tests.

2. If this is something we must do, is this the best way to do it?
Steps we have already taken to manage the unallotment, part 3

• Limit back fill for contractually required sabbaticals (The estimated cost of $900K has been reduced by approximately half.)
• Capture circa 25% of remaining unencumbered funds from all units; exceptions to be made only with VP approval.
• VP approval of any significant expenditure.
• For academic units, dean approval will also be needed.
• Limit discretionary travel (in-state, national, international) to trips that are essential.
Next Steps
Managing a potential additional $4.1M reduction in our state appropriation

• Additional strategies will be discussed with our constituency groups as they are developed this spring.
• We shall use the all-university Facilities and Finance Committee as our vehicle for designing a process to involve the campus community in reviewing and assessing our options.
• We shall continue to employ an investment approach to managing our budget.
# The Investment Approach

<table>
<thead>
<tr>
<th>Investment model</th>
<th>Conservative model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget as an investment portfolio</td>
<td>Focus on cutting the budget</td>
</tr>
<tr>
<td>Capitalize on gains</td>
<td>Cut losses</td>
</tr>
<tr>
<td>Try new approaches</td>
<td>Stick to the familiar</td>
</tr>
<tr>
<td>Take calculated risks (up the ante)</td>
<td>Reduce risks; add more management controls</td>
</tr>
</tbody>
</table>
What else we need to know

• Depth of the budget deficit
• State appropriation to MnSCU for FY 2010-2011
• Continuation rates for our current students and “yield rate” for new students (enrollment)
• Allowable and appropriate tuition increases
• Effectiveness of our efforts to generate additional revenue and introduce cost savings
Now it is your turn.

• What aspects of our mission and our university matter most to you personally and to your program or department? What do you think we ought to try hardest to protect?

• What are you doing now to enhance our attractiveness to students, support student success and increase our capacity to accomplish our mission?

• What could we each do individually and together to enable us to come through the recession with our core capacity intact?