



Budget Forum

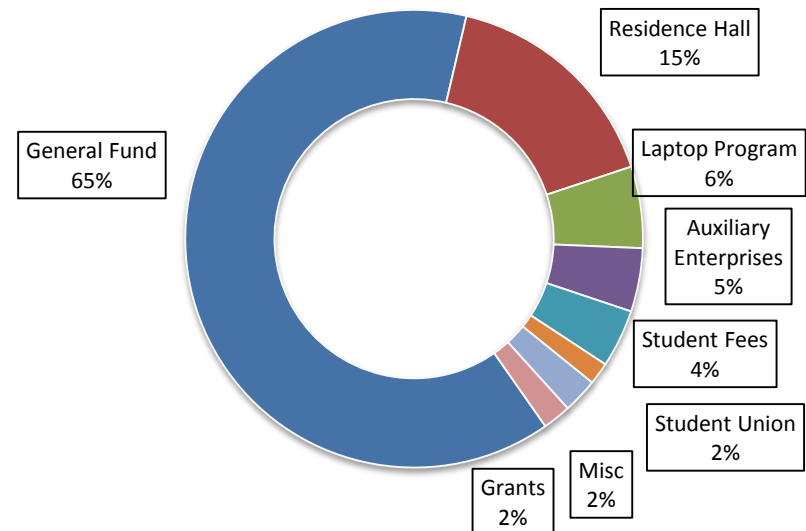
April 6, 2016

Up Front Summary

- Budget outlook for FY17 has improved slightly
- Enrollment continues to be monitored vigilantly
- Investing in our future
- No layoffs of personnel in any bargaining unit is anticipated

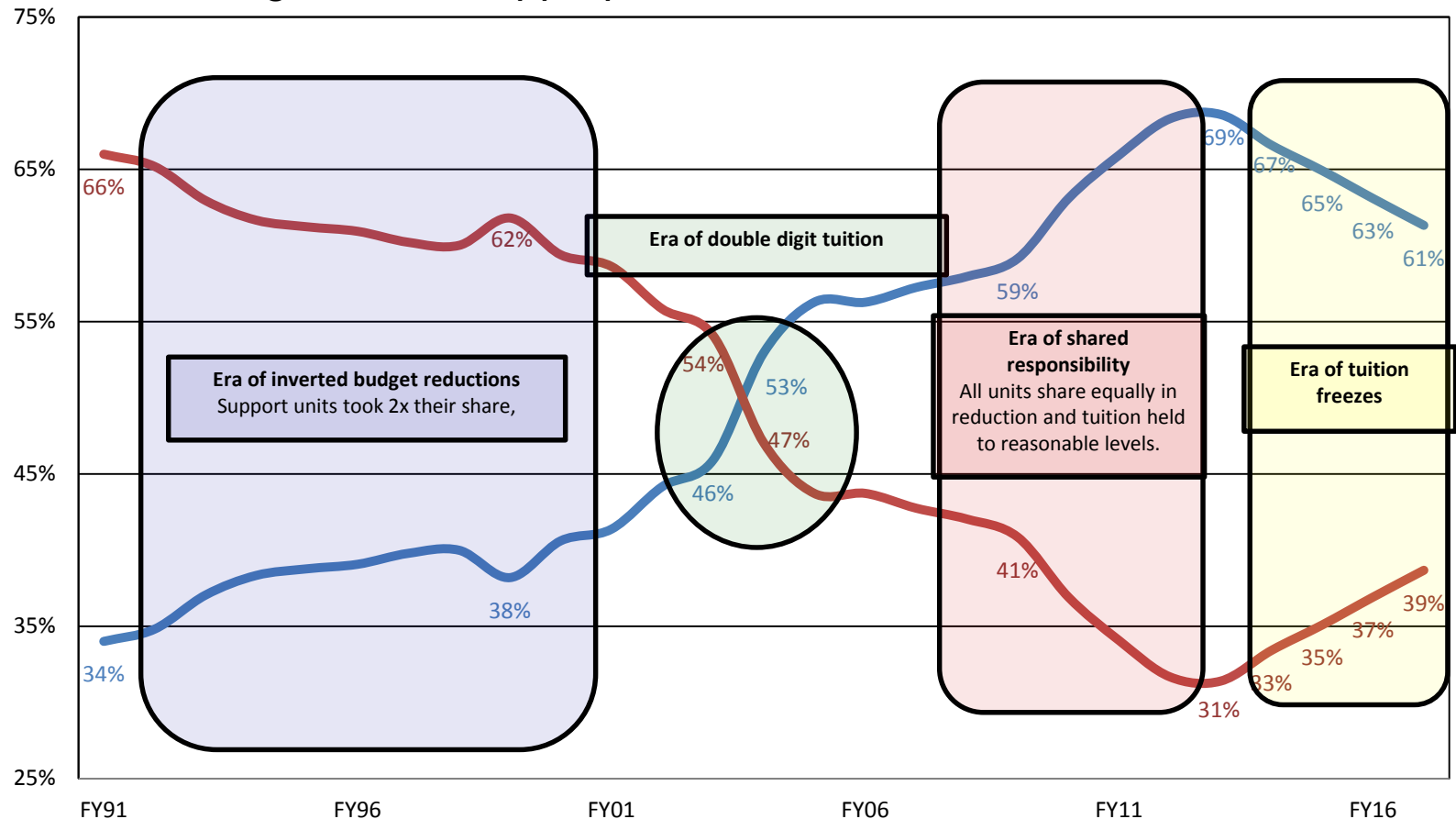
WSU Total Budget Composition – FY16

- General Fund \$92M, 66%
(Tuition \$60M, State Appropriation \$32M)
- Residence Halls \$19.8M, 15%
- Laptop Program \$7.3M, 5%
- Auxiliary Enterprises \$4.6M, 5%
- Student Fees \$4.6M, 4%
- Student Union \$2.1M, 2%
- Miscellaneous \$3M, 2%
- Grants and Contracts \$2M, 2%
- **TOTAL \$135 Million**



**Student Enrollment is directly responsible for about 74% of our revenue
and
Indirectly responsible for about 95% of our revenue**

General Fund Budget Percentage of State Appropriation v. Tuition



Budget Status

		January 2016	April 2016	Base or 1x
A	FY17 Projected Budget Deficit	(\$1,500,000)	(\$1,500,000)	
B	Enrollment Increase of 100 FYE	\$700,000	\$700,000	Base
C	Allocation Model Change		\$500,000	Base?
D	State Appropriation Supplemental	\$0	\$0	Base
E	Revised Deficit	(\$800,000)	(\$300,000)	
	Administrator Positions Vacant (FY17)			
F	Library Dean (S+Fr)	\$147,000	\$147,000	One Time
G	AVP Marketing (S+Fr)	\$115,000	\$115,000	One Time
H	Finance Admin (S+Fr)	\$180,000	\$180,000	One Time
I	Undistributed FY16 Equipment	\$150,000	\$150,000	One Time
J	Rochester Lease		(\$150,000)	Base
K	Position Investments		(\$45,000)	Base
L	Revised Deficit	(\$206,800)	\$97,000	

Enrollment - Historical

- Enrollment has been slipping and remains uncertain for FY17 and beyond
 - FY12: 8,544 FYE
 - FY13: 8,459 FYE (-85 FYE or -1%)
 - FY14: 8,267 FYE (-192 FYE or -2.3%)
 - FY15: 8,185 FYE (-82 FYE or -1%)
 - FY16: 7,930 FYE (-255 FYE or -3%)
 - FY17: 8,030 FYE (TARGET)
- 2015(FY16) Summer Session enrollment -10% from 2014
- 2016(FY17) Date to Date Summer Session is flat YoY

Enrollment – Misery Loves Company

- FY2012-2016 Enrollment Changes
 - WSU -614 or -7.2%
 - St. Cloud -2,075 or -14.9%
 - Mankato -718 or -5%
 - Moorhead -822 or -12.5%
 - Bemidji -372 or -8.0%
 - Southwest St. -27 or -0.7%
 - Metro St. -4 or -0.1%
 - SE Tech -496 or -27.6%
 - 2 Year Colleges -15,651 or -16.4%
 - 4 Year State U's -5,132 or -8.9%
 - MnSCU -20,783 or -13.5%

Enrollment – Where We Stand

- **Target of 100 total increase to enrollment** from FY16 to FY17
 - Mix of New Entering Freshman, Transfer, Graduate and International
- Scholarship registration has begun – 168 Registered on April 1st
- New Entering Freshman signals mixed
 - Admissions data slightly ahead
 - Residence Life data slightly behind

Allocation Model

- MnSCU Allocation Model distributes State Appropriation from Legislature to the campuses
- 90+% enrollment based
- **WSU gained \$500,000 from FY16 to FY17**
- Uncertain future
 - **We benefited more by what others didn't do than what we did do**
 - Enrollment changes at 2 year colleges greatly impacts the model
 - Changes to the model are coming

Investments – Rochester

- Approved **two new faculty positions** in the College of Business for new programming in Rochester
- **Leasing space for downtown location** – Lease cost plus buildout of space

Investments – New Position Requests

- New position requests flow up from departments/committees through vice presidents to Cabinet
- Not an “all call”
- Key Criteria:
 - External Funding Source
 - Financial Return on Investment
- **Positions Funded:**
 - **Gender Based Violence Grant Position and GA - \$40,000 (Matching \$)**
 - **Sustainability Director - \$5,000 (Student Green Fee provides ½ funding)**

Tuition – FY17 and Beyond

- Tuition Increase of **\$0 or 0% for FY17** as tuition was frozen by the Legislature and MnSCU Board of Trustees in 2015 session
- No discussion yet on FY18 or FY19

Minnesota Legislature – Supplemental Request

- MnSCU is requesting \$21 million dollars from the legislature during this session (State surplus \$900 million)
- If fully funded, WSU impact would be about \$1 million dollars
- **Not included in our budget scenarios**

Looking Ahead

- Many of the solutions in the budget scenarios are one time
- If likely case happens, base deficit still exists in FY 18 of about \$500,000
- If enrollment target is not reached, deficit projections will be revised and there could be other possible actions in FY17/18
- Change in carryforward process – Allowed to only request 75% of balances
- Future Considerations
 - Operations expense of Education Village
 - Investments in diversity
 - Adequate scholarship offerings (philanthropy)

Still in Good Financial Health, For Now

- Using Composite Financial Index as a measure, WSU is in relatively good financial condition

<u>State Universities</u>	2015
Metropolitan State University	1.45
Winona State University	1.21
Minnesota State University-Moorhead	1.01
Minnesota State University, Mankato	0.90
Bemidji State University	0.77
Southwest Minnesota State University	(0.26)
St. Cloud State University	(1.13)

Thank You and Questions