



Budget Forum
FY23 Budget
February 9, 2022

A community of learners improving our world

Presentation Format

- Zoom webinar format
- All lines are muted - Chat function is disabled



This session is being recorded and will be available on the Budget website



Any questions submitted through the Q&A function will be answered at the end of the presentation



Opening Remarks

President Olson

A community of learners improving our world

Up Front



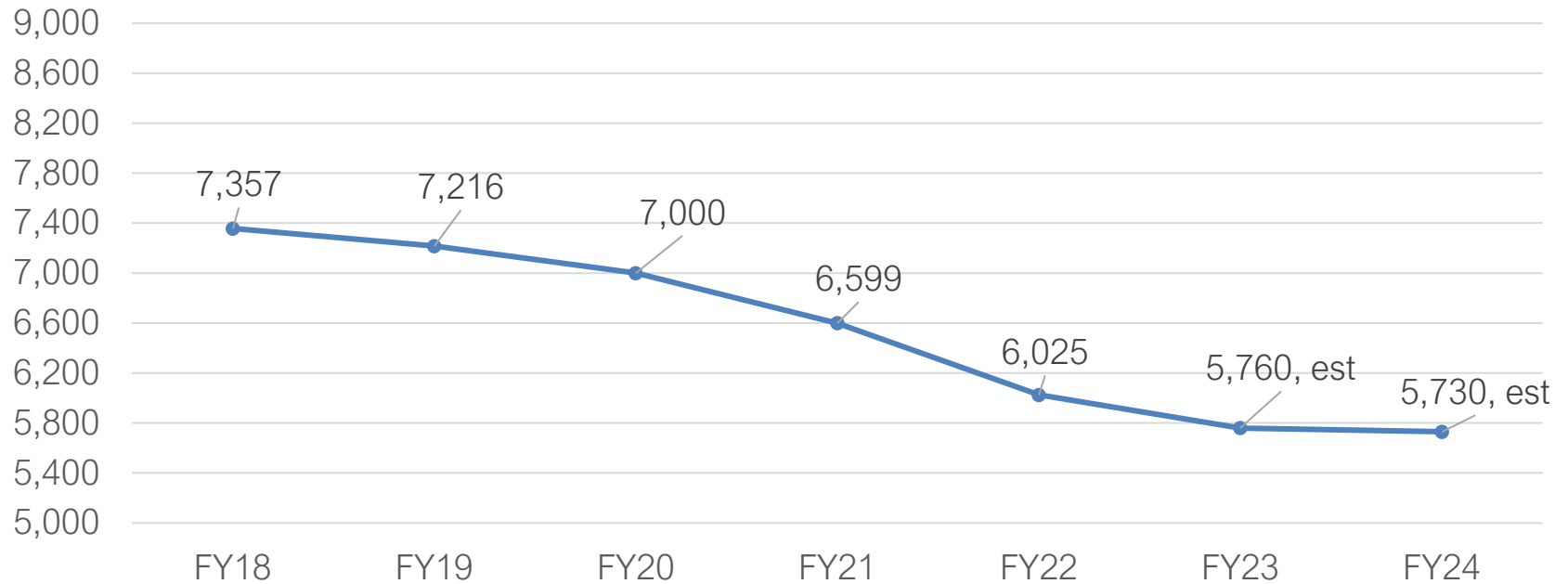
- FY23 Budget deficit scenario is -\$4.5M
- Budget reductions have been determined
- State budget surplus is LARGE (+\$7.7B)
- COVID-19 impacts enrollment, budget and operations



Enrollment

A community of learners improving our world

Total FYE (Full Year Equivalent) Enrollment

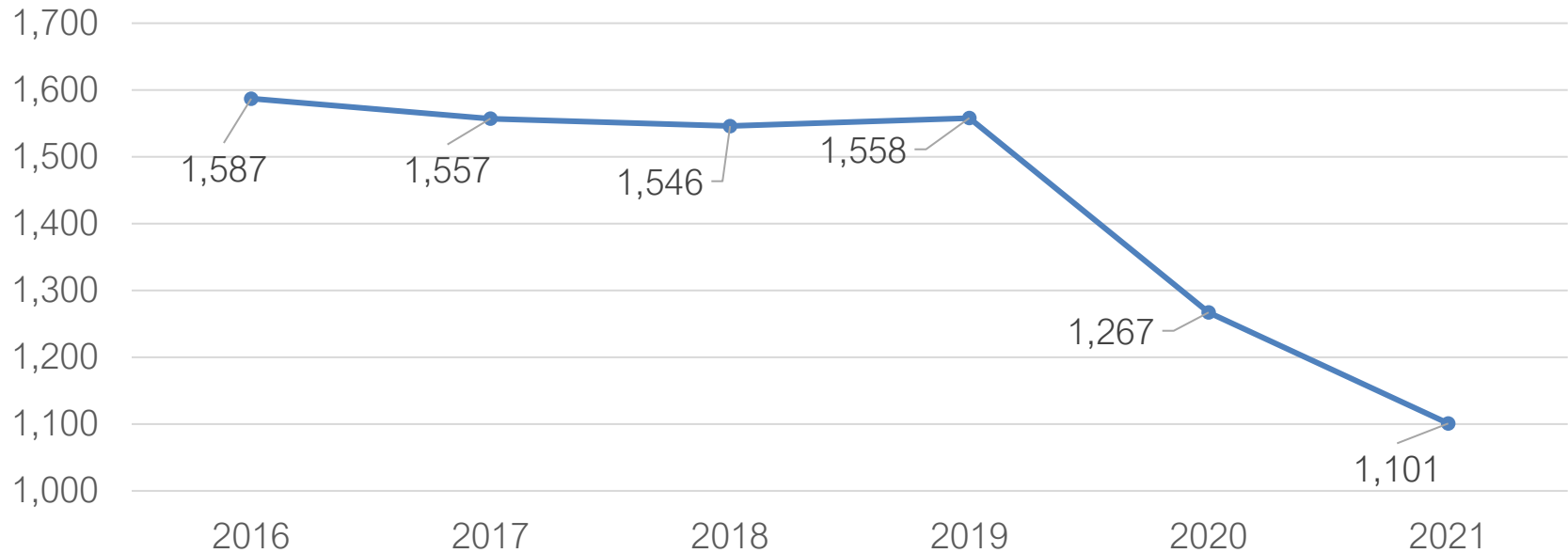


Enrollment Change

FY21 to FY22: -574 FYE or -8.7%

FY22 to FY23: -265 FYE or -4.3%

New Entering Freshman Enrollment



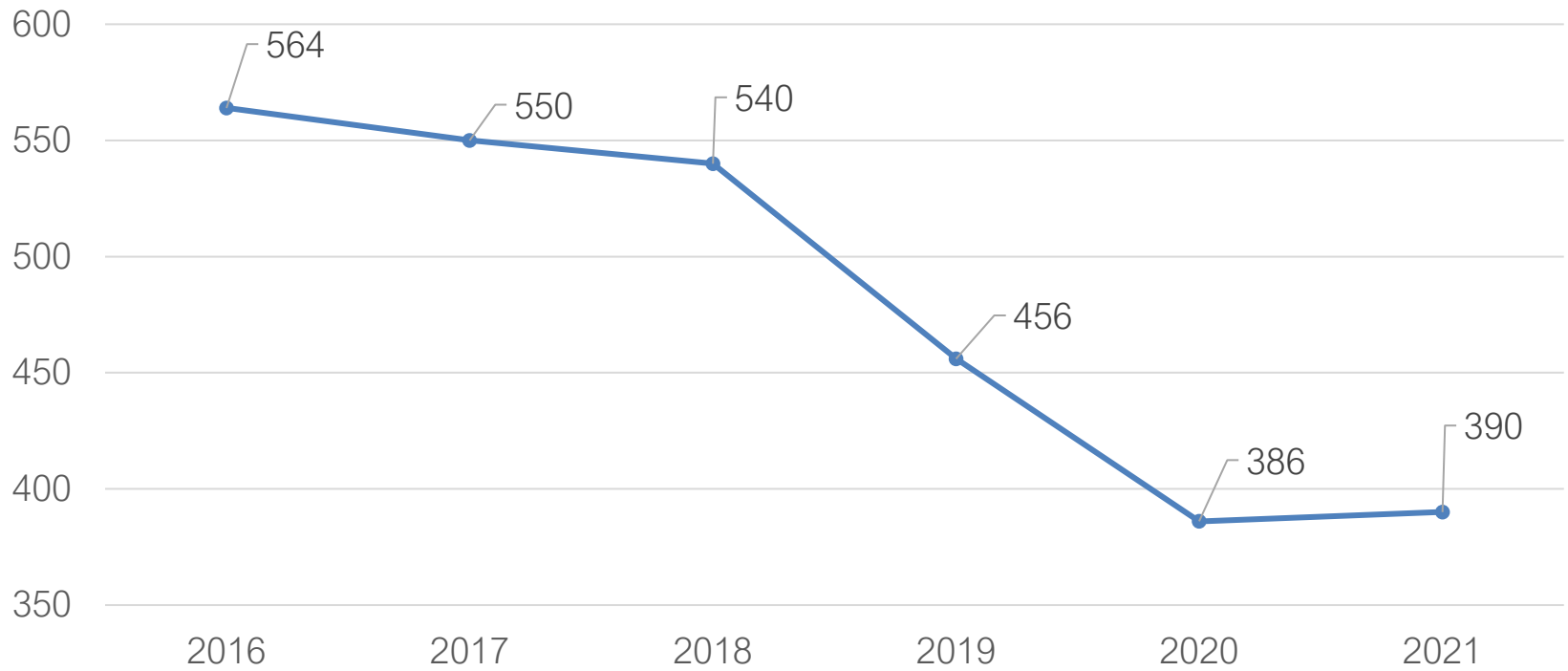
NEF Change

2019 to 2020: -291 or -18.6%

2020 to 2021: -166 or -13.1%

2019 to 2021: -457 or -29.3%

New Entering Transfers Enrollment



Enrollment – Mn State



Full Year Equivalent (FYE)	Spring 2021 vs. Spring 2022
Bemidji State	-9.0%
Metro State	-9.3%
MSU-Mankato	-1.9%
MSU-Moorhead	-8.5%
St Cloud State	-7.4%
SW Minn State	3.3%
Winona State	-8.7%
Riverland CC	-2.9%
Rochester CTC	-7.1%
MNState College SE	0.8%

Enrollment – Fall 2022 Metrics

- Targets(budget based on):
 - New Entering Freshman: 1,100 (1,101 in 2021)
 - New Entering Transfer: 400 (388 in 2021)
- Applications/Admits currently tracking down about 2%
- Housing deposits are up 12%



FY23 Budget Update

A community of learners improving our world

Fiscal Updates



- FY23 Enrollment projections submitted to system office 1/31
- All collective bargaining contracts have been ratified and sent to Legislature
- Inflation continues to rise – CPI +7% YoY
 - On campus felt through large increases to energy costs, food prices and personnel costs
- System guidance is still at 3.5% for tuition increase

State Budget Surplus

- State budget surplus as of December 2021 is \$7.7 billion
 - Total State budget is about \$54B
 - Largest ever recorded – Typical surplus is \$1B-2B
 - Pre-Omicron – Data may change
- Next economic forecast will be end of February 2022

Mn State Supplemental Budget Request



- Mn State Board of Trustees approved a \$60M supplemental state appropriation request
 - Campus support/operations \$30M
 - Tuition Freeze FY23 \$25M (No new \$ to campus)
 - Students Mental Health/basic needs/workforce \$5M
 - *Maximum amount of appropriation to WSU would be \$1.5M*
- Governor Walz has recommended funding for this request

Budget Scenarios – FY23

- Budget deficit scenarios currently:
 - “Best” -\$1.9M
 - “Likely” -\$4.5M
 - “Worst” -\$7.2M
- Variables that primarily impact budget:
 - Final Legislative supplemental funding – May 2022
 - Tuition approval from MnState Board of Trustees – May/June 2022
 - Enrollment – Fall 2022

FY23 Budget Scenarios (as of 2/8/22)



		Scenario A	Scenario B	Scenario C
A	State Appropriation Change	\$1.5M	\$750,000	\$0
B	Tuition Rate Change	\$1.6 (3.5%)	\$1.6 (3.5%)	\$1.6 (3.5%)
C	Total Revenue Change	\$3.1M	\$2.35M	\$1.6M
D	Salary/Fringe Settlements	\$1.8M (3%)	\$2.7M (4.5%)	\$3.6M (6%)
E	Change in Scholarships Funding	\$1M	\$1M	\$1M
F	Inflation	\$500,000	\$500,000	\$500,000
G	Total Expense Change	\$3.3M	\$4.2M	\$5.1M
H	Tuition Loss: FY22 Enrollment Change	-\$600,000 (-1.2%)	-\$800,000 (-1.6%)	-\$1M (-2%)
I	Tuition Loss: FY23 Enrollment Change	-\$1.12M (-2.3%)	-\$1.92M (-4%)	-\$2.72M (-5.6%)
J	Total Enrollment Change	-\$1.72M	-\$2.72M	-\$3.72M
K	FY23 Budget Status	-\$1,920,000	-\$4,570,000	-\$7,220,000

Budget Summary – FY23



- -\$4.5M “likely case” scenario has been selected to focus planning around
- \$4.4M of base budget reductions have been determined
 - Admissions and student recruitment are being held harmless in budget reductions
- Budget plan may be tweaked depending upon outcome of Legislature and enrollment

Cash Balances – Mn State Universities



University	Cash Balance	Gen Fund Budget	Cash Balance as a % of GF Budget
Bemidji State	\$20,890,402	\$58,112,163	36%
MSU-Mankato	\$63,058,682	\$201,736,752	31%
SW Minn State	\$13,302,936	\$43,375,218	31%
Metro State	\$24,886,404	\$85,424,589	25%
St. Cloud State	\$29,668,263	\$137,071,029	22%
MSU-Moorhead	\$16,953,541	\$75,525,572	22%
Winona State	\$15,700,775	\$98,780,709	16%

Guidance from System Office is 20%+
2 Year Colleges range from 25% to 88%
WSU has smallest % in System*



FY23 Budget Reduction Process

A community of learners improving our world

Budget Deficit Targets



Area	Reduction Target
Academic Affairs	\$3,343,500
Finance and Admin	\$486,000
Enrollment Mgmt and Student Life	\$252,000
Athletics	\$202,500
University Advancement	\$175,500
Presidents Office	\$40,500
Total	\$4,500,000

Admissions budget is held harmless

2021 BESI



- BESI (Board Early Separation Incentive)
 - 2% per year of service or 50% of base salary, whichever is greater
 - *A budget balancing tool used for the benefit of the institution, not the employee*
 - Acceptance deadline was October 15, 2021
- 23 total acceptances (approx. 115 offered – 20% acceptance rate)
 - 16 IFO (COB-5, COLA-4, COSE-3, CONHS-3, COE-1)
 - 4 AFSCME (2 non-General Fund)
 - 2 MAPE (2 IT)
 - 1 ASF (COE)
- Total BESI payout \$1.179M (From lost revenue COVID funds)
- Total base budget salaries \$2.069M (\$1.979 Gen Fund)
- **Only 3 of the 23 BESI acceptances will be replaced**

Budget Reduction Timeline

- Budget Super Meet and Confer – Wednesday, 9/8
- Budget Forum and BESI Announcement– Wednesday, 9/8
- Deadline for BESI and IFO early notification 10/15 (5 weeks to decide)
- COA works on staffing plans following BESI deadline 10/15 to 1/1
- Cabinet conversations on future reduction plans 1/1 to 2/1
- Super Meet and Confer 2/9
- Budget Forum 2/9



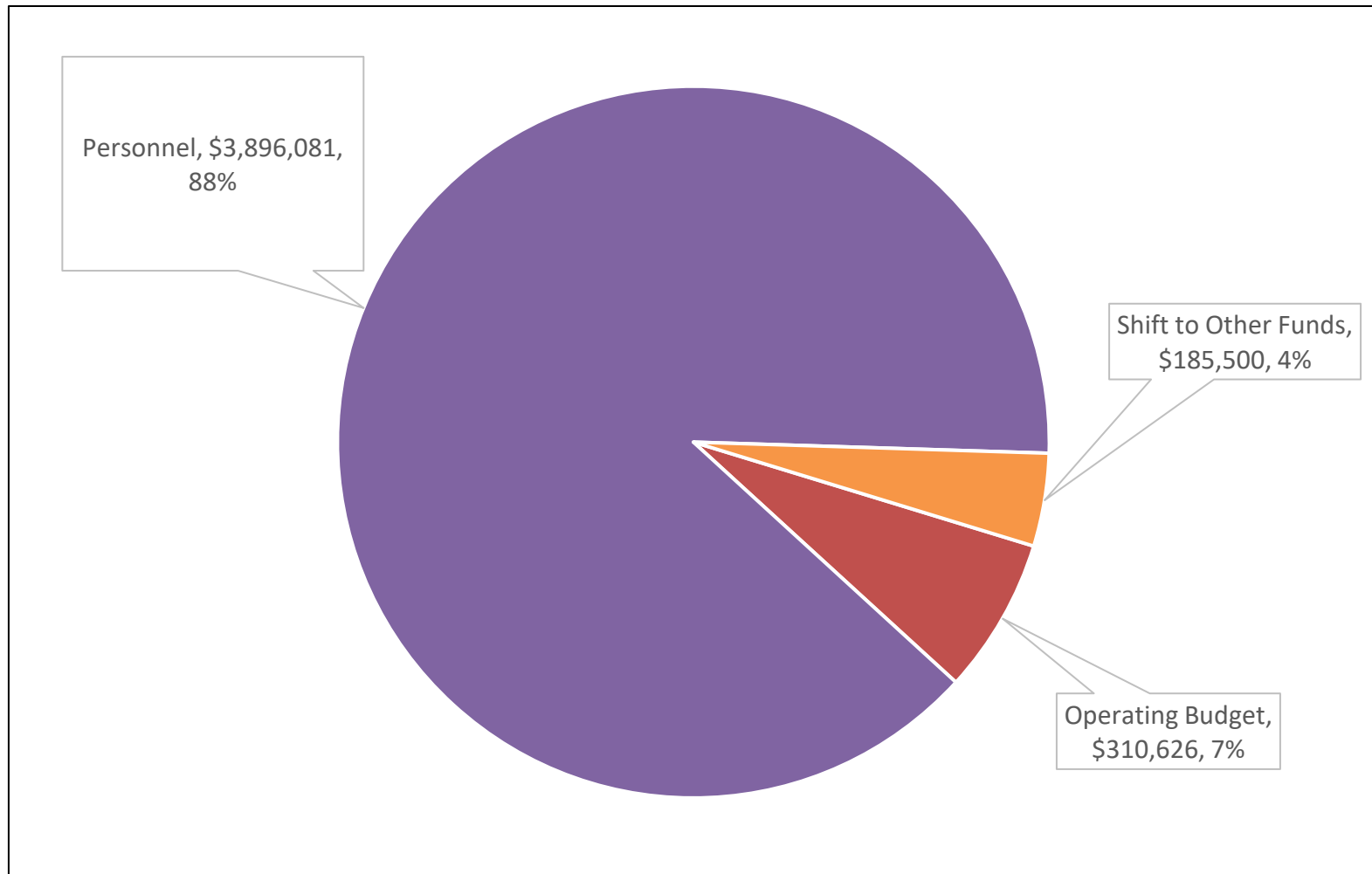
Budget Reductions

A community of learners improving our world

Budget Reductions – FY23

- 29 vacant positions will be eliminated from the budget
- No retrenchments of faculty
- No layoffs where a person moves from employed to no employment
 - Still working through the Bookstore transition which may result in AFSCME employees having different roles on campus
- Certain budget actions require bridge funding
 - Retirement at the end of FY23 and actual reduction will not take place until FY24
- High level summary
 - Details from administrator or supervisor

Budget Reductions by Function



Budget Reductions by Area

	Operating Budget	Personnel (Salary/Fringe)	Shift Expenses to Other Funds	Revenue	Grand Total
College of Business		\$756,844			\$756,844
College of Education		\$317,889			\$317,889
College of Liberal Arts		\$750,718			\$750,718
College of Nursing and Health Sciences		\$345,084			\$345,084
College of Science and Engineering		\$394,672			\$394,672
Library	\$44,126	\$95,374			\$139,500
Information Technology		\$243,000			\$243,000
Academic Affairs (ex. Colleges, IT, Lib)	\$180,000	\$108,000			\$288,000
Presidents Office	\$40,500				\$40,500
University Advancement			\$175,500		\$175,500
Enrollment Mgmt and Student Life		\$242,000	\$10,000		\$252,000
Finance & Administration	\$46,000	\$440,000			\$486,000
Athletics		\$202,500			\$202,500
	\$310,626	\$3,896,081	\$185,500	\$0	\$4,392,207
% of Total	7.1%	88.7%	4.2%	0.0%	100.0%

Vacant Positions Eliminated

Unit	Vacant Positions Eliminated
IFO	13
AFSCME	9
ASF	3
MAPE	3
Administrators	1
MMA	0
Commissioners	0
MNA	0
Total	29

Looking Ahead



- Legislative Session Begins – January 31, 2022
- State Economic Forecast – End of February
- Legislature Adjourns – May 23, 2022
- Budget and tuition/fees action at May/June Board of Trustees
- Implement budget reductions by July 1, 2022 (other than bridge funding)
- COVID-19
- Future budget communications



Thank You!

A community of learners improving our world