



Budget Forum
FY24-25 Budget
October 4, 2023

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

Road Map

- Introduction
- Enrollment
- Budget Update - FY24
- Budget Update – FY25
- Timeline / Next Steps



Introduction

Interim President Janz

A community of learners improving our world

The background of the slide features a photograph of a grand, classical building. The image is dominated by a series of wide, light-colored stone steps that lead up to a row of tall, fluted columns. The columns are part of a portico, and their bases are visible on the steps. The lighting is soft, highlighting the texture of the stone and the architectural details. The overall tone is professional and academic.

**University
Improvement
Day
Thank You!**



U.S. NEWS & WORLD REPORT 2023-2024 RANKINGS




UNIVERSITY
IN THE MINNESOTA
STATE SYSTEM



TOP PUBLIC
UNIVERSITY
IN MINNESOTA



UNIVERSITY
IN MINNESOTA
OVERALL
(includes public &
private universities)

A collection of white chess pieces, including a king, queen, rook, knight, bishop, and several pawns, arranged on a checkered board. The background is a gradient of blue and orange.

FY25 Planning





Enrollment

A community of learners improving our world

Enrollment – Summer and Fall 2024 Targets



- Summer 2023 enrollment -1.1% or 6 students from last year
- Fall 2024 Enrollment Targets(budget based on):
 - New Entering Freshman: 1,200 (1,164 in 2023)
 - New Entering Transfer: 430 (408 in 2023)

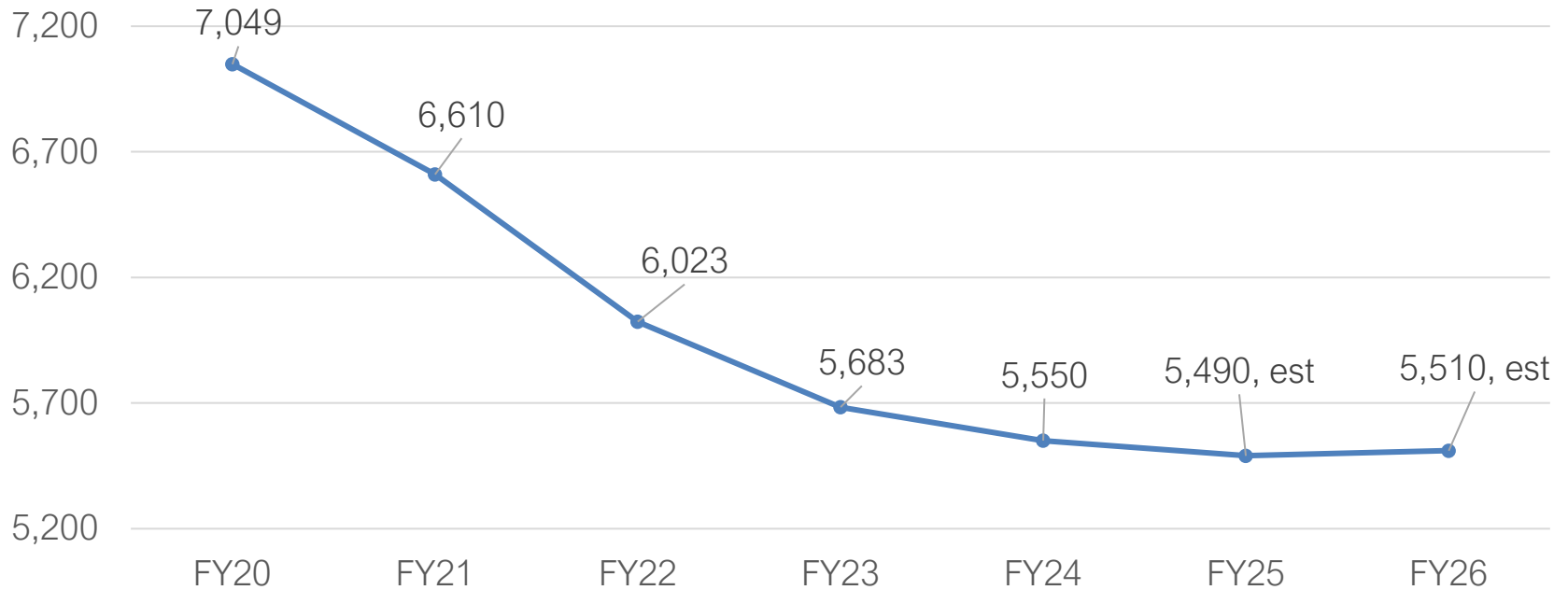
Enrollment – Feb 23 Forecast to Fall Actual



Full Year Equivalent (FYE)	Feb 2023 Forecast	As of 10/4/23	Change
FY23	5,680	5,683	+3
FY24	5,625	5,550 est	-75
FY25	5,655	5,490 est	-165

- Fall freshman 1,164 v. 1,225 target (-61)
- Fall transfer 408 v. 400 target (+8)

Total FYE (Full Year Equivalent) Enrollment



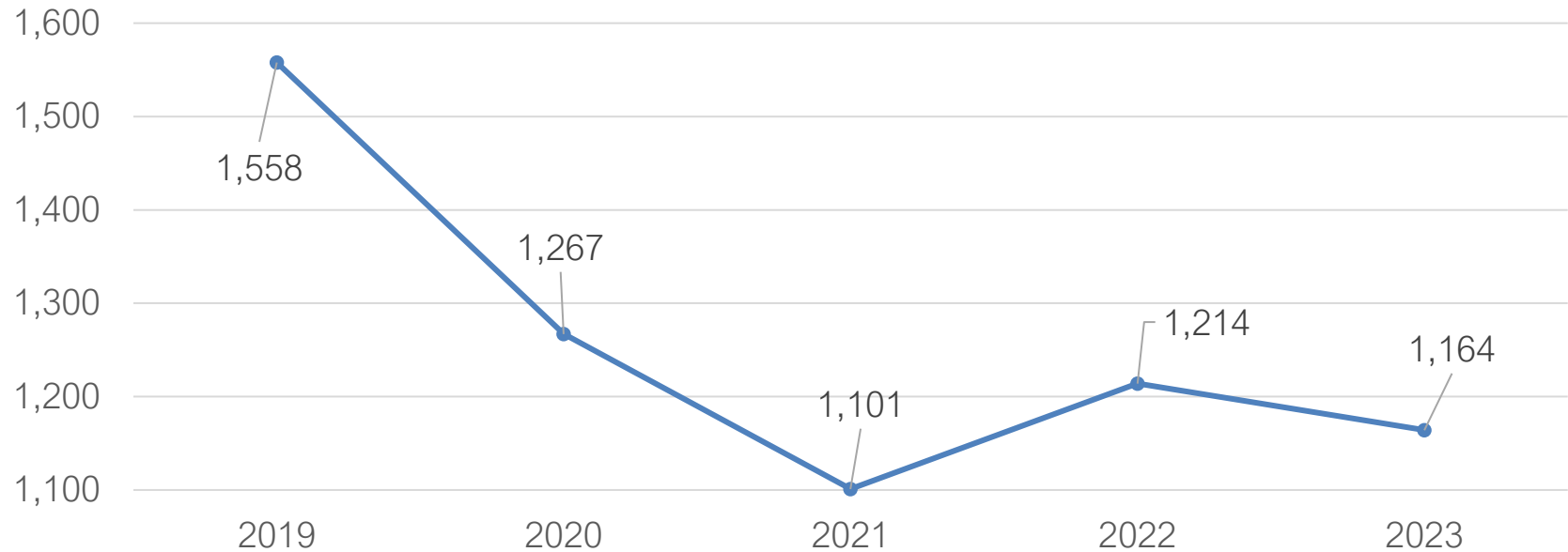
Enrollment Change

FY20 to FY25: -1,559 or -22.1%

FY23 to FY24: -133 FYE or -2.3%

FY24 to FY25: -60 FYE or -1.1%

New Entering Freshman Enrollment

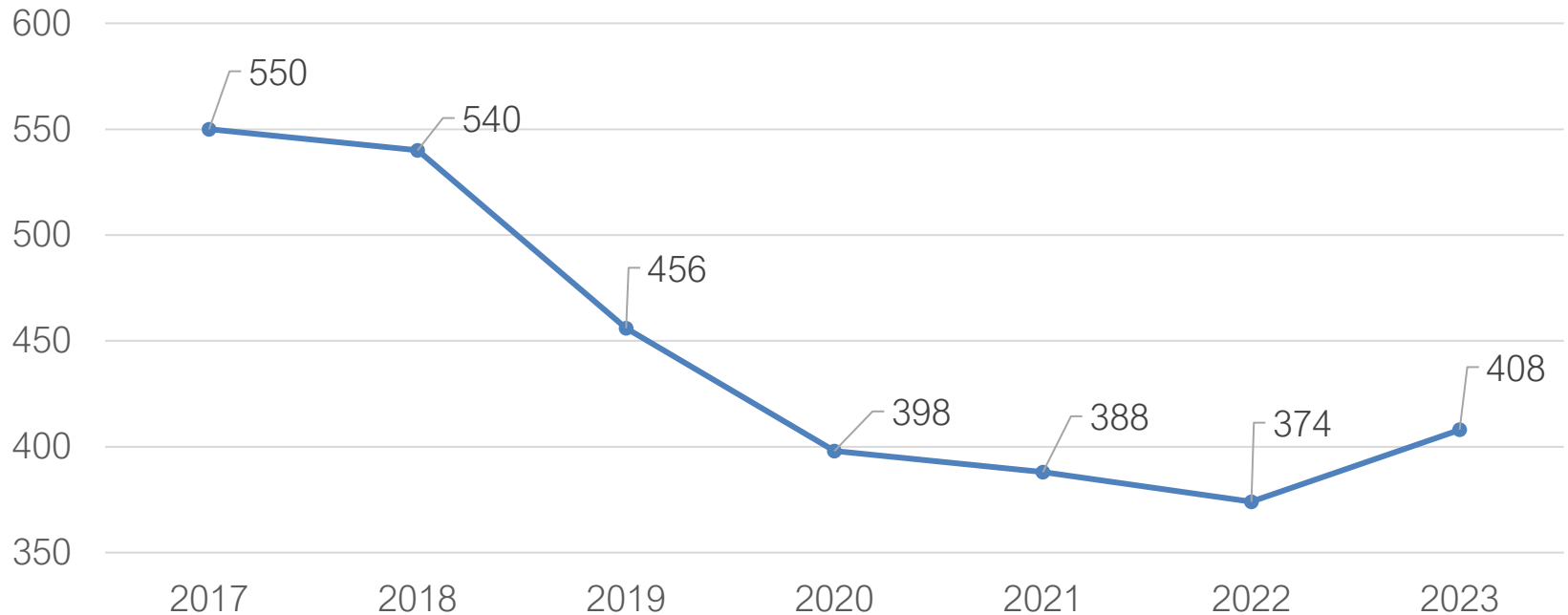


NEF Change

2019 to 2023: -394 or -25.2%

2022 to 2023: -50 or -4.1%

New Entering Transfers Enrollment

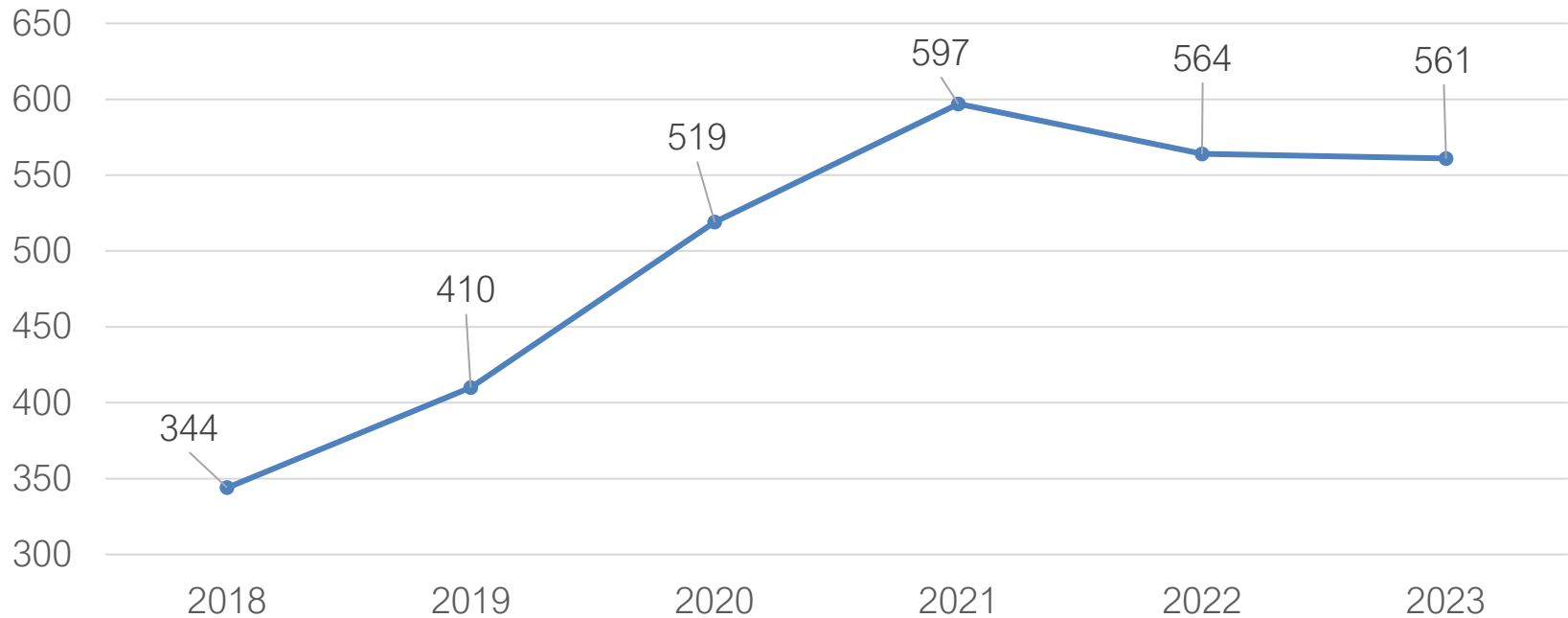


NET Change

2017 to 2023: -142 or -25.8%

2022 to 2023: +34 or +9.1%

Graduate Enrollment (FYE)



Graduate FYE Change

2018 to 2023: +217 or +63.1%

2022 to 2023: -3 or -0.5%

Enrollment - Others



Full Year Equivalent (FYE)	Fall 2022 vs. Fall 2023	Total FYE Enrollment
MSU-Mankato	0.5%	13,125
St Cloud State	-2.0%	7,261
Winona State	-2.4%	5,550
Metro State	-1.9%	4,906
MSU-Moorhead	-6.4%	3,965
SW Minn State	6.4%	3,378
Bemidji State	-2.9%	3,194
Rochester CTC	3.8%	3,056
MNState College SE	12.2%	1,220



FY24 Budget Update

A community of learners improving our world

Collective Bargaining Update



- Agreements with AFSCME, MAPE, IFO and ASF
 - Final costs are being calculated on a campus level
 - Settlements exceed 5% in each year of the biennium
 - Each agreement has other non-across the board items that will impact the campus level costing
 - Law change this session: No longer requires Legislative approval

FY24 Budget Status (as of 10/4/23)



	(M = Millions)	HE Bill Passed / Mn State Budget Approved (6/23)	As of 10/4/23
A	Entering FY23 Budget Deficit	-\$6M	-\$6M
B	State Appropriation Change	\$3.00M (9%)	\$3.00M (9%)
C	Tuition Freeze Fully Funded by Legislature	\$1.70M (3.5%)	\$1.70M (3.5%)
D	One-time State Appropriation Funding	\$4.40M	\$4.40M
E	Tuition Gain/Loss: FY24 Enrollment Change	\$0.00M (0%)	-\$600,000 (-75 FTE)
<i>F</i>	<i>Total Revenue Change (B+C+D+E)</i>	<i>\$9.10M</i>	<i>\$8.50M</i>
G	Salary/Fringe Settlements	\$4.20M	\$4.20M
H	Inflation	\$600,000 (6%)	\$600,000 (6%)
<i>I</i>	<i>Total Expense Change (G+H)</i>	<i>\$4.80M</i>	<i>\$4.80M</i>
<i>J</i>	<i>FY24 Budget Status w/ One Time \$ (A+F-I)</i>	<i>-\$1.70M</i>	<i>-\$2.30M</i>
<i>K</i>	<i>FY24 Budget Status – Base (w/o One Time \$)</i>	<i>-\$6.10M</i>	<i>-\$6.70M</i>

Cash Balances – Mn State Universities



University	Cash Balance	Gen Fund Budget	Cash Balance as a % of GF Budget
Bemidji State	\$7,018,128	\$69,375,734	10%
MSU-Mankato	\$54,069,123	\$227,029,021	24%
SW Minn State	\$10,671,086	\$43,375,218	24%
Metro State	\$23,948,545	\$91,377,824	26%
St. Cloud State	\$9,052,315	\$151,528,000	6%
MSU-Moorhead	\$14,527,180	\$71,872,397	20%
Winona State	\$16,222,606	\$110,454,103	15%

Guidance from System Office is 20%+
2 Year Colleges range from 25% to 88%

Where are we? – FY24 Budget

- Budget deficit in FY24 (\$2.3M) will have to be solved with fund balance and carryforward funds
 - Cabinet will be cautious on filling of positions – More later
- Fund balance will be below the 20% Mn State threshold
 - Currently at around 15%
 - Mn State is watching and monitoring
 - **Once budget is balanced, will have to rebuild this fund balance above 20%**
- We need as much carryforward as possible
 - Carryforward comes from salary savings due to unfilled positions, unspent operating budgets, etc
 - Annually about \$2M is realized from carryforward

Student Fee Funded Budgets

	Deficit
Student Union	Budgets range from balanced (\$0) to deficits of \$500k+
Wellness Center	
Health Service	
Res Life / East Lake	
eWarrior	
Technology Fee	
Athletic Fee	
Student Life Fee	

- All of these budgets are 75%+ enrollment based with many of them being 99% enrollment based
- Reserves have also been depleted due to COVID - University used HEERF Funds for General Fund and Residence Life
- Student consultation process is followed via Student Fee Management Committee(SFMC) and Student Senate
- Directors are working on balancing their budgets while keeping fee increases minimal



FY25 Budget Update

A community of learners improving our world

Special Funding in Higher Education Bill



- Student support services - \$62,650
 - Expand support for student basic needs – Mental health, food insecurity, etc
- Equipment and learning environments upgrades - \$400,000
 - Cabinet is reviewing submittals from Deans, Library and IT
- Free menstrual products - \$35,000
 - Per new State law, equipment and products will be installed in all restrooms

Special Funding in Higher Education Bill



- Workforce development scholarships
 - Details and amounts pending
- Industry sector programs and work-based learning - \$201,000
 - Career and technical ed FT faculty
 - Biology FT faculty
 - Biology Equipment
 - Additional funding is available in FY25 through RFP process
- North Star Promise (Starting in FY25, free college \$80k family income or less)
 - OHE will establish program in FY24 for rollout in FY25
 - Should be a good match for our first gen and other populations

Mn State Biennial Budget Request



- Details still being finalized with System Office
- Appears as of today that a \$61M request will be submitted to the Legislature for consideration at the 2024 Legislative session
- WSU is about 5+% of the System, so we could receive \$3.7M if request is fully funded
 - Compare to the \$4.4M we received in one time funding in FY24
- First reading at October Mn State Board of Trustees meeting
- Current estimate is State has a surplus of \$1.6 billion

FY25 Tuition Freeze



- 2023 Legislature froze tuition for FY24 and FY25
- Legislature fully funded the tuition freeze (Means WSU received funding to cover the lost revenue from the freeze)
- Tuition freeze rate assumed was 3.5% for each year
- Student consultation on tuition is still required per Mn State Board policy

FY25 Budget Scenarios (as of 10/4/23)



	(M = Millions)	Scenario A	Scenario B	Scenario C
A	Entering FY24 Budget Deficit	-\$6.7M	-\$6.7M	-\$6.7M
B	State Appropriation Change	\$0.00M	\$0.00M	\$0.00M
C	Tuition Freeze Fully Funded by Legislature	\$1.70M (3.5%)	\$1.70M (3.5%)	\$1.70M (3.5%)
D	Supplemental Appropriation Request	\$3.70M	\$1.85M	\$0.00M
E	Tuition Gain/Loss: FY25 Enrollment Change	\$0M (0%)	-\$320,000(-40 FTE)	-\$640,000(-80 FTE)
F	<i>Total Revenue Change (B+C+D+E)</i>	<i>\$5,400,000</i>	<i>\$3,230,000</i>	<i>\$1,060,000</i>
G	Salary/Fringe Settlements	\$4.00M	\$4.00M	\$4.00M
H	Inflation	\$300,000 (3%)	\$300,000 (3%)	\$300,000 (3%)
I	<i>Total Expense Change (G+H)</i>	<i>\$4.30M</i>	<i>\$4.30M</i>	<i>\$4.30M</i>
J	<i>FY25 Budget Status (A+F-I)</i>	<i>-\$5,600,000</i>	<i>-\$7,770,000</i>	<i>-\$9,940,000</i>

Where are we? – FY25 Budget

- Probable \$7M+ budget deficit for FY25
- Reduction targets need to be finalized and then a timeline will be established
- Items that could help this number:
 - Legislative support through a supplemental budget request
 - Increase in enrollment
- Items that could hurt this number:
 - Recession / Decrease in legislative support
 - Decrease in enrollment

Budget Reduction Targets

Pending final review of
academic affairs budget
model

	A	E
Organizational Unit	% of General Fund Budget	\$7M Budget Reduction
Academic Affairs - Colleges	59.2%	\$4,144,000
Library	3.1%	\$217,000
Provost Office and Various Depts	6.4%	\$448,000
Information Technology	5.4%	\$378,000
Finance and Administration	10.5%	\$735,000
Enrollment Mgmt and Student Life	6.5%	\$455,000
University Advancement	3.8%	\$266,000
Athletics	4.2%	\$294,000
President's Office	0.9%	\$63,000
GRAND TOTAL	100.0%	\$7,000,000

Final percentages may change based on FY24 budget

Budget Reduction Strategies

- “Hiring Chill” – Shifting the default stance on filling positions from “yes” to “no”
 - Additional data will be required when submitting a request to fill a position
 - Cabinet is reviewing, evaluating and approving every position
- BESI w/ no replacement
 - Offering of a BESI (early separation incentive) is under review
 - Parameters would include non-replacement of position
- Summer Session Allocation Model
 - \$686k in incentives distributed in FY23 - \$900k base budget for incentives
 - Academic departments, Library and ACE share in net proceeds
 - Stand up group to review model and make recommendations on level of incentive funding

Budget Reduction Strategies

- Departmental Reorganizations
 - Under review in multiple areas
- Support Staff Strategy
 - Following many changes over the past few years, we need to review our support staff to determine appropriate support levels
 - Benchmarking data will help in this area
- Administrator Professional Development - \$50k
 - Not allocated for FY24

Budget Reduction Strategies

- 25/75 Models - \$600K+ distributed
 - Under review

- eWarrior Program Review
 - Number of years laptops are leased
 - Other features of the program are being reviewed also

- Innovative Revenue Streams
 - New academic programs
 - Charging for space rental
 - Other revenue streams

Next Steps / Timeline

- WSU Super Meet & Confer / Budget Forum – October 4, 2023
- Supplemental Budget Request Approval @ Mn State Board of Trustees Meeting – October/November 2023
- BESI Decision – Fall 2023
- Budget Reductions / Hiring Chill – Fall 2023
- State Economic Forecast – End of November 2023
- Legislative Session Begins – February 12, 2024
- State Economic Forecast – February 2024



Thank You!

A community of learners improving our world