



Budget Forum  
FY23 Budget  
September 8, 2021

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# 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

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# COVID-19 Testing Update

Lori Reed  
Human Resources Director

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# Up Front

- FY23 Budget deficit scenarios range from -\$4.3M to -\$7.5M
- Enrollment and State Allocation continue to be a challenge
- COVID-19 impacts enrollment, budget and operations



# COVID-19 Budget Update

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# Federal COVID Relief Funding

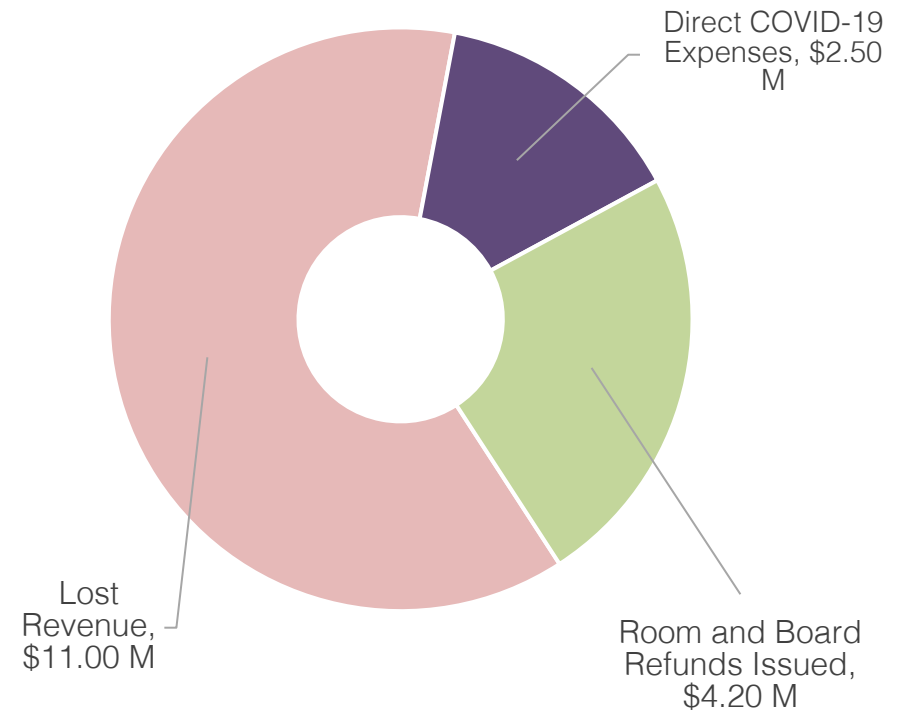


Bill	Date Signed	Total Amount to WSU	Student Portion	Institutional Portion
CARES	March 2020	\$5.70M	\$2.85M	\$2.85M
CRRSAA	December 2020	\$8.90M	\$2.85M	\$6.05M
ARP	March 2021	\$15.48M	\$7.78M	\$7.70M
Total		\$30.08M	\$13.48M	\$16.6M

# COVID-19 Budget Impact

- **Direct COVID-19 Expenses**
  - Testing
  - Staffing (Health Service, Facilities)
  - Cleaning Supplies
  - Technology
- **Lost Revenue**
  - Tuition and Fees
  - Room and Board
  - Summer Camps
  - Bookstore Sales
  - Chartwells Commissions
  - Child Care Center
- **Refunds**
  - Room and Board – Spring

## \$17.7M COVID-19 Impact to Budget





# Federal COVID Relief Funding Notes



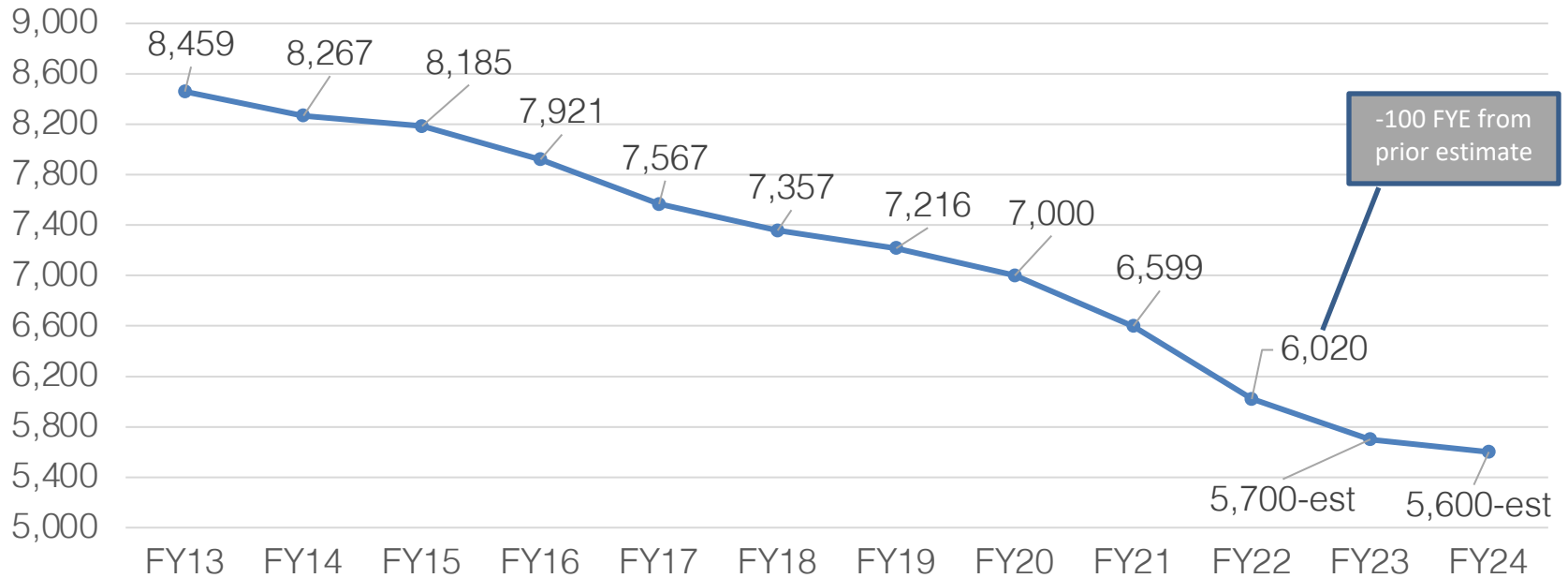
- Final ARP student allocations have been approved by system office
- Current institutional needs (lost revenue, direct expenses, refunds) exceeds dollars available by \$1.1M
- Statewide COVID testing requirement will place another financial burden on the University
  - University required to pay for weekly testing of unvaccinated
  - Unknown potential cost
  - Variables include final testing option, cost of individual test, number of unvaccinated and duration of testing requirement
  - Estimates range from \$1M to \$8M
- All Federal COVID funds must be expended by May of 2022 – unless extended



# Enrollment

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# Total FYE (Full Year Equivalent) Enrollment



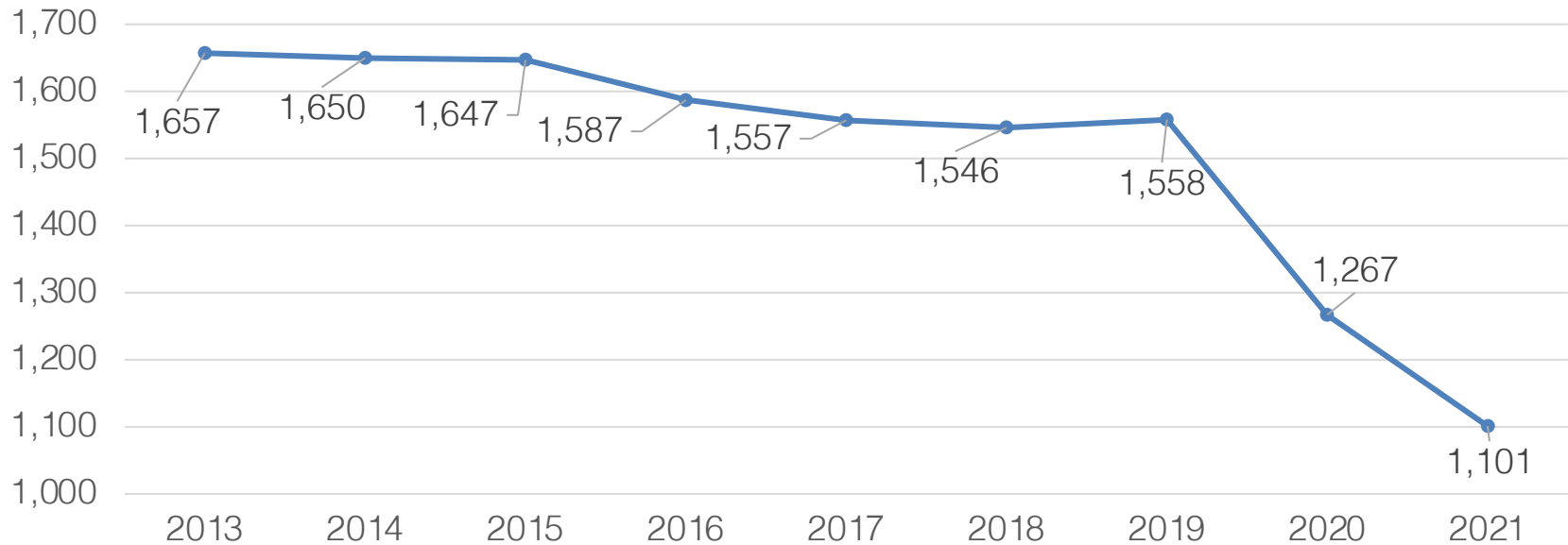
## Enrollment Change

FY21 to FY22: -579 FYE or -8.8%

FY22 to FY23: -320 FYE or -5.3%

FY13 to FY24: -2,859 FYE or -33.8%

# New Entering Freshman Enrollment



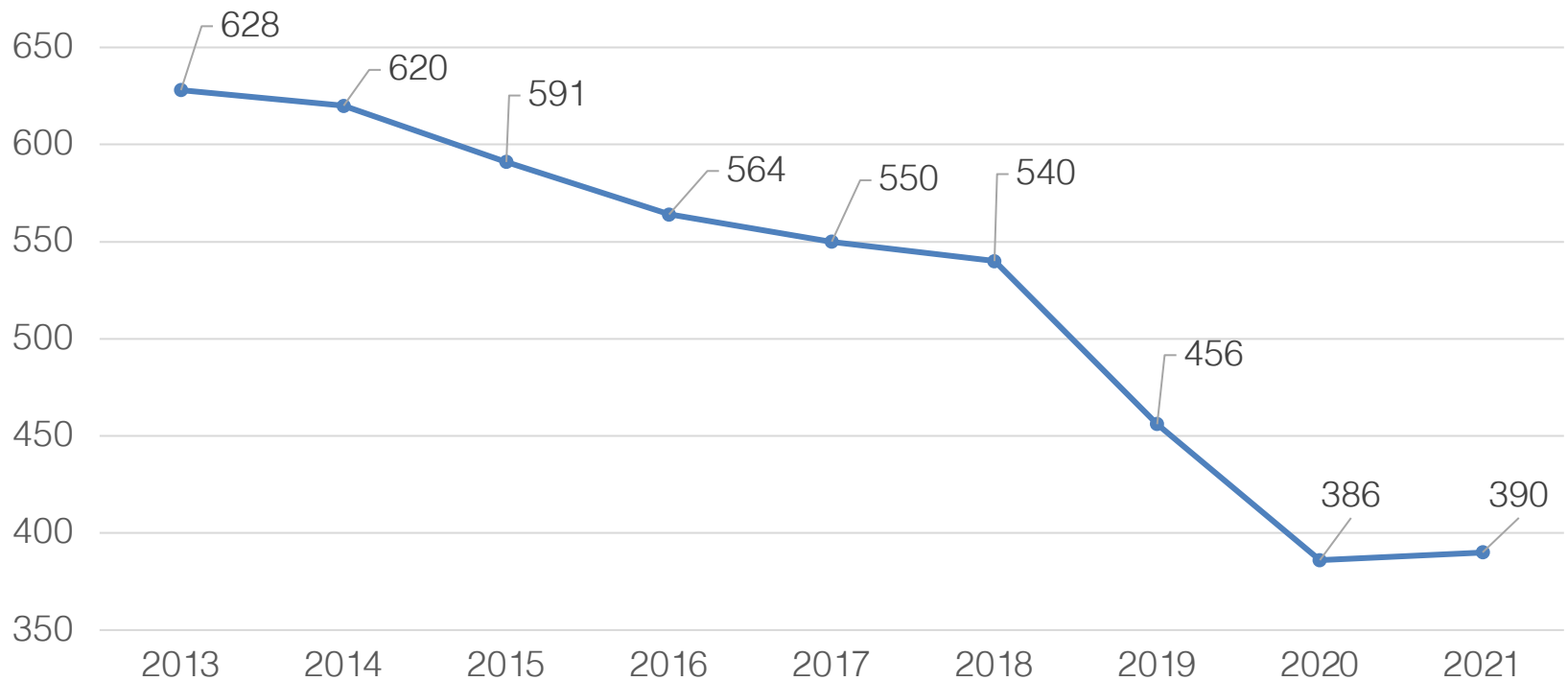
## NEF Change

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)	Fall 2020 vs. Fall 2021
Bemidji State	-7.5%
Metro State	-7.8%
MSU-Mankato	-3.6%
MSU-Moorhead	-9.2%
St Cloud State	-13.0%
SW Minn State	3.8%
Winona State	-8.9%
Riverland CC	-9.1%
Rochester CTC	-9.9%
MNState College SE	-8.5%



# FY23 Budget Update

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# Fiscal Updates



- FY23 Enrollment projections not finalized
  - Assumption used in budget scenarios is flat new entering students
- ASF and IFO in contract negotiations
- AFSCME, MAPE and MMA contracts have tentative agreements
- Mn State discussions have begun on a supplemental state appropriation request
- Systemwide state appropriation increase was \$25M below request for the FY22-23 biennium



# FY23 Budget Scenarios (as of 9/8/21)



		Scenario A	Scenario B	Scenario C
A	State Appropriation Change	\$0 (0%)	\$0 (0%)	\$0 (0%)
B	Tuition Rate Change	\$1.6 (3.5%)	\$1.6 (3.5%)	\$1.6 (3.5%)
<b>C</b>	<b>Total Revenue Change</b>	<b>\$1.6M</b>	<b>\$1.6M</b>	<b>\$1.6M</b>
D	Salary/Fringe Settlements	\$1.8M (3%)	\$2.7M (4.5%)	\$3.6M (6%)
E	Shift Scholarships to Gen Fund (Estimate)	\$1M	\$1M	\$1M
F	Inflation	\$500,000	\$500,000	\$500,000
<b>G</b>	<b>Total Expense Change</b>	<b>\$3.3M</b>	<b>\$4.2M</b>	<b>\$5.1M</b>
H	Tuition Loss: FY22 Enrollment Change	-\$600,000 (-1.2%)	-\$800,000 (-1.6%)	-\$1M (-2%)
I	Tuition Loss: FY23 Enrollment Change	-\$2M (-4%)	-\$2.6M (-5.3%)	-\$3M (-6.2%)
<b>J</b>	<b>Total Enrollment Change</b>	<b>-\$2.6M</b>	<b>-\$3.4M</b>	<b>-\$4M</b>
<b>K</b>	<b>FY23 Budget Status</b>	<b>-\$4,300,000</b>	<b>-\$6,000,000</b>	<b>-\$7,500,000</b>



BESI

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# 2021 BESI Authorization



- BESI = Board Early Separation Incentive
  - Authorized via Mn State Board Policy 4.11
  - Must be approved by the System Office before implementation
  - *A budget balancing tool used for the benefit of the institution, not the employee*
  - WSU has used 5 times in the past, with base budget savings ranging from \$2M to \$4M

# 2021 BESI Eligibility



- Work Unit Designation Criteria
  - Work units were designated to be offered a BESI by bargaining unit if it was determined that:
    1. Position would not be replaced
    2. Position would be replaced at a lower cost, including consideration for reorganization of a function or program
  - *Work units will not be identified in the campus communication as to not identify single employee eligible areas*
- Employee Eligibility
  - 55 Years of age
  - 10 consecutive semesters or 5 continuous years of service

# 2021 BESI Offer

- BESI Offer
  - 2% per year of service or 50% of base salary, whichever is greater
  - Cannot exceed 100% of salary
  - Base salary is prorated by position FTE
  - Separation date between May 11, 2022 and June 30, 2022
  - All offers will be accepted
  - Deadline for acceptance is October 15, 2021
  - *Employees receiving a BESI offer will receive communication from Human Resources with additional information and instructions to setup an appointment to discuss the offer*

# Fall Budget Reduction Timeline

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- 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 11/1 (2 weeks)
- Cabinet conversations on future reduction plans 11/1 to 11/15 (2 weeks)
- Super Meet and Confer 12/1ish
- Budget Forum 12/1ish
- Finals 12/6-10 – Commencement 12/10



Thank You!

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