WSU Budget Forum

January 20, 2011
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
Bottom Line Up Front

FY-12 BUDGET PLAN PHASE 1:
(Feb-Dec 2010)

REDUCE ANNUAL BUDGET TARGET FOR
FY-12 BY $2.5 MILLION
(Based on projected $100 Million FY12-13 Cut to MnSCU)
Bottom Line Up Front

FY-12 PLAN PHASE 2:
(Jan-May 2011)

INCREASE ANNUAL BUDGET TARGET FOR FY-12 FROM $2.5 MILLION TO $3.8 MILLION ($1.3 MILLION INCREASE)
(Based on Projected $150 Million FY 12-13 Cut to MnSCU)
BACKGROUND: REDUCED STATE FUNDING IS THE “NEW NORMAL”

State Appropriation in Millions by FY

- FY09: $31 Million
- FY10: $27 Million
- FY11: $26.5 Million
- FY12 (est): $24 Million Phase 1
BACKGROUND: REDUCED STATE FUNDING IS THE “NEW NORMAL”

State Appropriation in Millions by FY

- **FY09**: $31 Million
- **FY10**: $27 Million
- **FY11**: $26.5 Million
- **FY12 (est)**: $22.7 Million (Phase 1 and Phase 2)
BACKGROUND:

STRATEGIES TO DATE:

- Retirement Incentives
- Reduce Administration
- Reduce Faculty/Staff Positions Through Attrition
- 7% Operating Budget Reduction
- Educational Lean and Restructuring
- Maintain Enrollment
- Tuition Increase
- Revenue Fund Cost Shifts
- Review Programmatic Scans
- Differential Tuition
- Summer Session Restructure
- Reduce Faculty Reassigned Time
- New Graduate and OCED Programming
- Non Traditional Funding Sources
- Energy Savings
FY-12 PHASE 1 BUDGET SOLUTIONS:

<table>
<thead>
<tr>
<th>Organizational Unit</th>
<th>$2,500,000 Budget Deficit Planning Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic Affairs</td>
<td>($1,765,000)</td>
</tr>
<tr>
<td>President's Office</td>
<td>($17,500)</td>
</tr>
<tr>
<td>University Advancement</td>
<td>($96,250)</td>
</tr>
<tr>
<td>Information Technology</td>
<td>($137,500)</td>
</tr>
<tr>
<td>Student Life &amp; Development</td>
<td>($182,500)</td>
</tr>
<tr>
<td>Finance and Administrative Services</td>
<td>($227,500)</td>
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<tr>
<td>Athletics</td>
<td>($73,750)</td>
</tr>
<tr>
<td><strong>GRAND TOTAL</strong></td>
<td><strong>($2,500,000)</strong></td>
</tr>
</tbody>
</table>

**NOTES:**
1. Planning indicates a FY12 General Fund budget deficit of $2.5 million dollars.
2. Planning target is calculated using the organizational unit's percentage share of the general fund budget.
WHY FY-12 PHASE 2 WITH THE ADDITIONAL $1.3M/YR?

• LITTLE IMPROVEMENT IN STATE ECONOMY

• CHANGE IN LEGISLATIVE MAKE UP
  – Reflects MnSCU appropriation reduction of $150 Million over FY 12-13 biennium (previous planning estimate--$100 Million)
FY-12 PHASE 2 BUDGET SOLUTIONS:

• Continue Phase 1 Strategies
• Early Separation Incentives (ESI)
  – Board Early Separation Incentive (BESI)--less broad
  – IFO MOA to extend early notification date
• Reorganize academic and support units
• Faculty redesign of curricula
• Retrenchment and layoffs (if needed)
• Others?  (University Budget Suggestion Box)
## FY-12 Budget Calculator

### Major Areas:
- Appropriation
- Tuition
- Enrollment
- Salaries

### Revenue Summary

<table>
<thead>
<tr>
<th>Item</th>
<th>Base Adjusted</th>
<th>Change</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Appropriation-Base</td>
<td>$265,000</td>
<td>-15%</td>
<td>$3,975,000</td>
</tr>
<tr>
<td>Tuition Rate Change</td>
<td>$500,000</td>
<td>+5%</td>
<td>$2,500,000</td>
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<tr>
<td>Enrollment Change from FY11</td>
<td>$6,000</td>
<td>0</td>
<td>$0</td>
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<tr>
<td><strong>Total Revenue</strong></td>
<td>$0</td>
<td></td>
<td><strong>-$1,475,000</strong></td>
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</table>

### Expense Summary

<table>
<thead>
<tr>
<th>Item</th>
<th>Adjusted</th>
<th>Change</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary Adjustments, Steps, etc (Sal + Fr)</td>
<td>$650,000</td>
<td>+1%</td>
<td>$650,000</td>
</tr>
<tr>
<td>Salary Settlements-ATB (Salary + Fringe)</td>
<td>$650,000</td>
<td>+2%</td>
<td>$1,300,000</td>
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<tr>
<td>Health Insurance Rate Change</td>
<td>$60,000</td>
<td>+3%</td>
<td>$180,000</td>
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<tr>
<td>Inflation on Operating Budget</td>
<td>$90,000</td>
<td>+%</td>
<td>$0</td>
</tr>
<tr>
<td>Inflation on Equipment Budget</td>
<td>$12,000</td>
<td>+%</td>
<td>$0</td>
</tr>
<tr>
<td>Inflation on Library Materials</td>
<td>$7,000</td>
<td>+%</td>
<td>$0</td>
</tr>
<tr>
<td>Inflation on Fuel and Utilities</td>
<td>$20,000</td>
<td>+10%</td>
<td>$200,000</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$2,330,000</td>
<td></td>
<td></td>
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**UNIVERSITY ACTIONS (Cost Reduction or Revenue Enhancements)**

- $2.5 Million in Budget Reductions Already Identified in Phase 1

**Ending Budget Status**

<table>
<thead>
<tr>
<th>Budget Status as a Percentage of General Fund Budget</th>
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</thead>
<tbody>
<tr>
<td><strong>-$1,305,000</strong></td>
</tr>
<tr>
<td><strong>-1.6%</strong></td>
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Budget Unknowns

• Final Legislative Appropriation
• Distribution of deficit among state agencies
• Campus allocations from Office of the Chancellor
• Repayment of FY10-11 state budget shifts
• Salary settlements
• Tuition Cap
2011 KEY DATES:

Governor’s Budget, 15 Feb
February Forecast, Mar 2* BESI/ MOA Close, 15 Mar MnSCU Provides FY-12 Planning Guidelines to Campuses, April WSU Submits FY-12 Budget to MnSCU, May

BESI/ MOA open, 15 Feb Governor’s Budget update, Mid March Legislative Targets, Early - Mid Apr Legislature Adjourns, May 23

* Governor & legislature required to use February forecast when finalizing budget
Budget Resources

- WSU Budget Toolkit
  - FY12 budget calculator
  - Electronic budget suggestion box
  - President’s budget messages
  - Budget forum presentations
  - Budget terms and definitions
  - Budget principles

- All University Facilities and Finance Committee
WSU Budget Forum

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QUESTIONS