



Budget Forum

FY23, 24 and 25 Budget Update and Mn State
System Biennial Budget Request

November 1, 2022

A community of learners improving our world

Agenda



1. Review of WSU FY23, 24 and 25 Budget

2. MnState Biennial Budget Request - Feedback
 - *Mn State Board of Trustees*
 - *1st Reading at October meeting (10/18-19)*
 - *2nd Reading at November meeting (11/15-16)*

 - *\$350M request = 17% increase*

 - *Feedback to sellinghuysen@winona.edu*



President Scott Olson

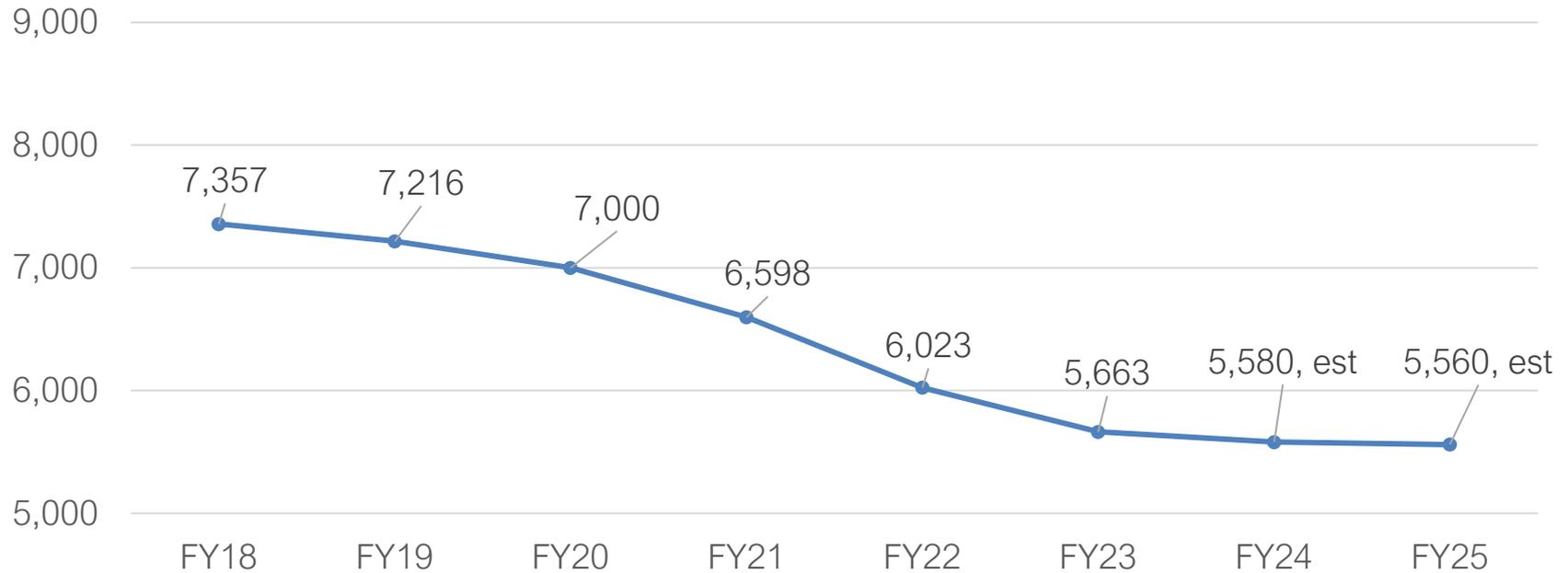
A community of learners improving our world



Enrollment

A community of learners improving our world

Total FYE (Full Year Equivalent) Enrollment

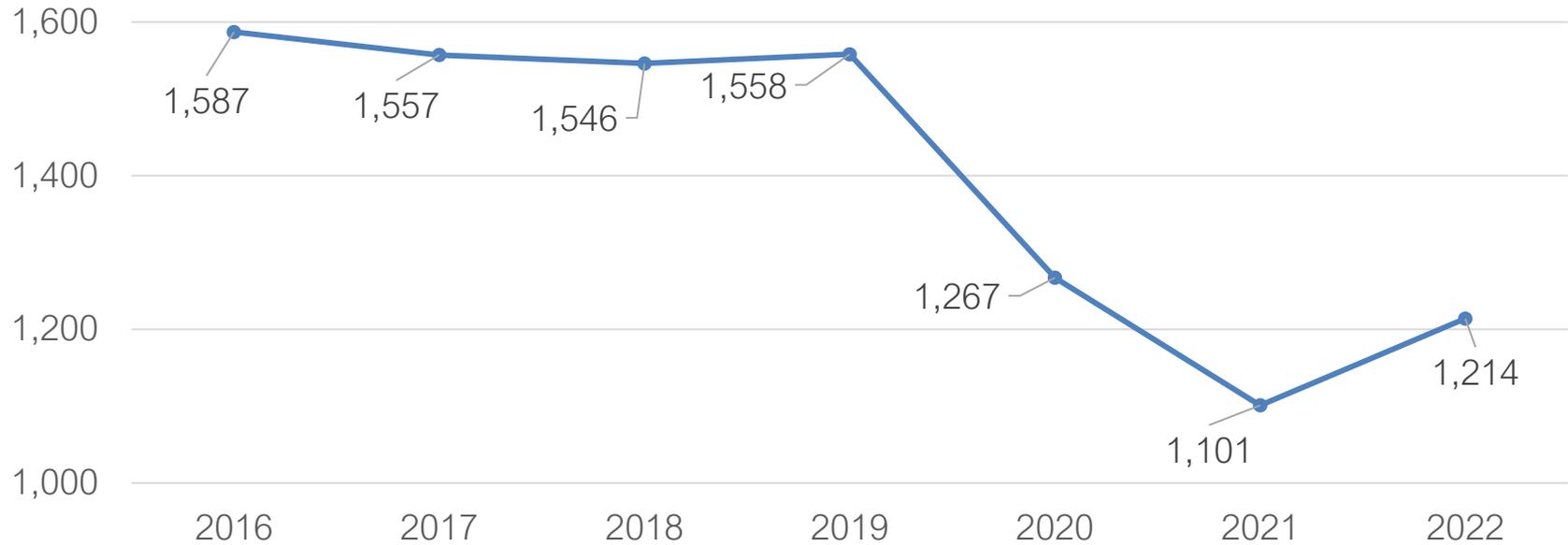


Enrollment Change

FY22 to FY23: -360 FYE or -5.9%

FY23 to FY24: -83 FYE or -1.4%

New Entering Freshman Enrollment



NEF Change

2020 to 2021: -166 or -13.1%

2021 to 2022: +113 or +10.2%

Enrollment – FY23

- FY23 enrollment is mixed
 - Freshman class exceeded target
 - Declines in Summer, Transfer and Graduate from estimates
 - Spring 2022 projection was for 5,760 – New estimate is 5,663

Enrollment – Fall 2023 Metrics

- Targets(budget based on):
 - New Entering Freshman: 1,225 (1,214 in 2022)
 - New Entering Transfer: 400 (374 in 2022)
- Early Data Returns
 - Applications/Admits currently even
 - Housing deposits are up 20%



FY23 Budget Update

A community of learners improving our world

Budget Update – FY23

- \$4.4M of base budget reductions have been determined
- Supplemental funding from Legislature did not pass
 - \$750,000 included in budget estimate will have to be factored into FY24 budget planning
- FY23 enrollment adjustment
 - Spring 2022 projection was for 5,760 – New estimate is 5,663
 - Decline of 97 or about \$775,000 in tuition revenue
- *University will be frugal on position replacements and other expenses in an attempt to generate as much budget savings to help offset the \$1.5M in FY23*



FY24/25 Budget Update

A community of learners improving our world

Fiscal Updates – FY24/25

- Collective bargaining units have yet to begin negotiations on a new contract covering FY24/25
 - Mayo Clinic +6% for staff employees
- Inflation remains high – CPI +8% YoY
 - Highest CPI rate in 40 years
 - Chartwells Food Service: + 9%
 - Travel(Athletics, Professional Development, etc): +20% or more
 - Utilities: +20-30%
- System guidance on tuition has not been disclosed

Fiscal Updates – FY24/25



- Not planning on a BEIS offering in FY24
- FY24 Budget scenarios after Mn State Board of Trustees Meeting on November 15 and 16



Other Finance Topics

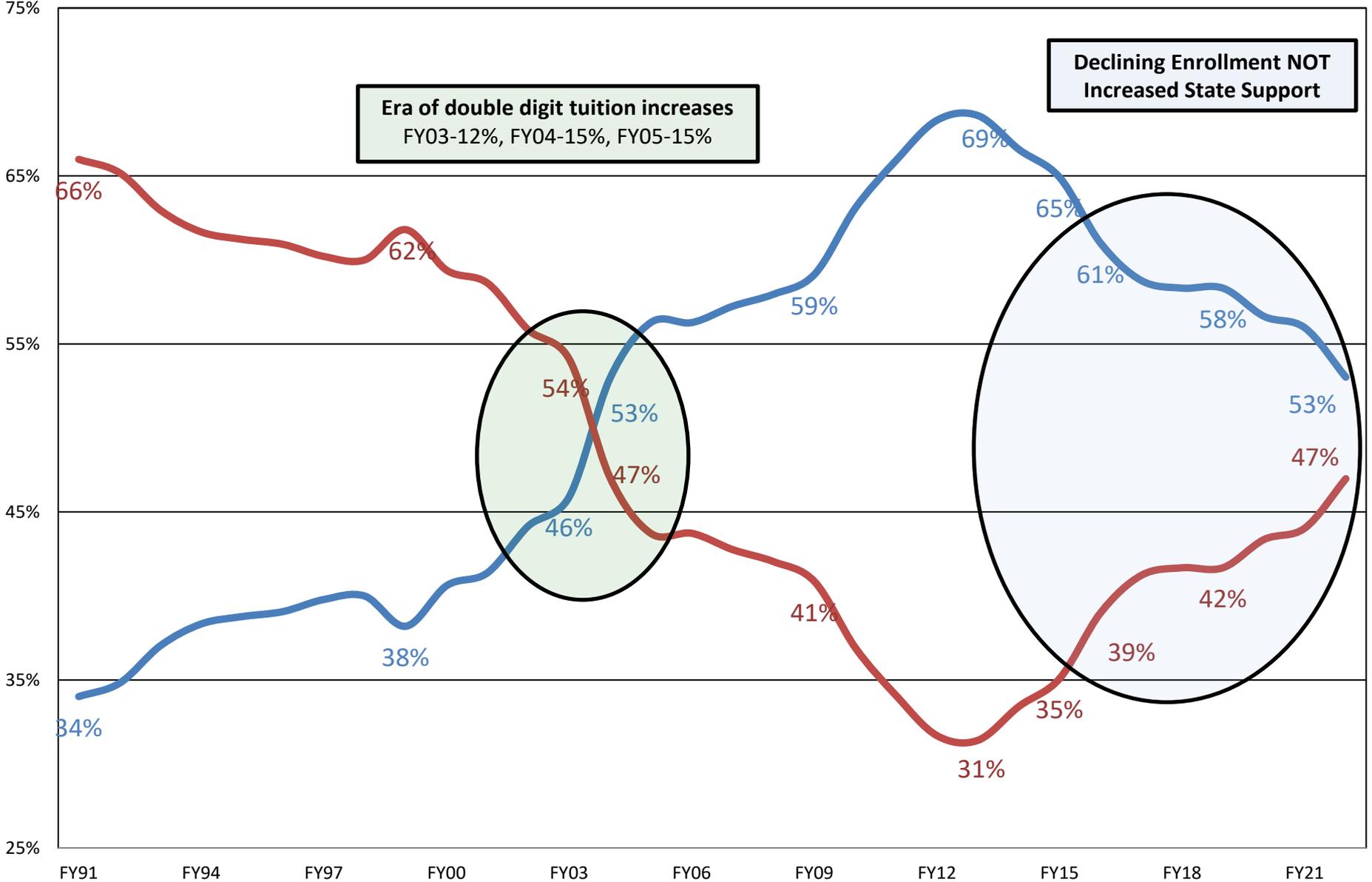
A community of learners improving our world

State Budget



- State budget surplus as of February 2022 is \$9 billion
 - Total State budget is about \$54B
 - Largest ever recorded – Typical surplus is \$1B-2B
- Revenues as of October are \$2.9 billion over February 2022 estimates
 - Minnesota's economic consultant now forecasts a recession for 4th Quarter 2022 and first two quarters of 2023
- Next economic forecast will be in early December 2022

Winona State University
Percentage of General Fund Budget from State Appropriation and Tuition
Actual FY91-FY22
October 21, 2022



Student Loan Forgiveness



- Biden administration program announced 24 August 2022
- \$10,000 forgiven up to income levels of \$125k/\$250k
- Additional \$10,000 forgiven if Pell eligible
- Only applies to Federal student loans, not private loans
- Legal challenges
- *WSU will not be raising tuition due to this program*



Mn State Biennial Budget Request

A community of learners improving our world



Finance Committee

October 19, 2022

State Biennial Budget Request for FY2024 and FY2025

First Reading

WSU Comments Added

Minnesota State Biennial Budget Listening Sessions

Our Listening Session was @ RCTC



September 2022

By The Numbers:

- 12 listening sessions
- 550+ attendees
- 14 legislators
- Local print and tv coverage in many regions visited

Summary of Themes from Listening Sessions

Student Success and Equity

- Funded tuition freeze
- Financial support directly to students
 - Additional student scholarships
 - Additional student emergency grants
 - Increase of student worker wages
 - All required internships, practicums, student teaching, etc. become paid experiences
- Basic needs support
 - Additional funding for food pantries
 - Housing insecurity
 - Childcare
 - Transportation
 - Campus coordinators
- Additional student services
 - Mental health resources
 - Social workers
 - Community resource connectors
 - Additional college and university staffing to provide services

Summary of Themes from Listening Sessions

Minnesota State Stabilization

- Direct campus support to cover inflation – campuses can no longer do more with less
- Faculty and staff compensation not keeping up with the market and inflation
- Asset preservation: taking care of buildings
- Technology funding
 - Additional mobile devices for students
 - Digital literacy
- Need state funding to replace HEERF funding for mission-critical positions added during the pandemic



Summary of Themes from Listening Sessions

Workforce and Economic Development

- Increase collaboration and partnerships with K-12 and business and industry
 - More career pathway and pipeline programs
 - Expand the number of internships and apprenticeships
- **Expand career, technical, and professional programs**
 - Funding for equipment
 - Funding for additional supplies
 - Competitive salaries to be able to recruit & retain faculty
- Funding for innovation and program development
- Increase non-credit training opportunities
 - Adult learning
 - Removal of financial barriers

**Mainly directed @ 2 yr
Colleges – WSU will
participate when able**



Minnesota State Biennial Budget History

\$ in millions

Fiscal Year	Request	Appropriation	College Tuition Increase	University Tuition Increase	Fiscal Year	Request	Appropriation	College Tuition Increase	University Tuition Increase
1996	\$115.7	\$42.5	3.9%	6.0%	2010	\$71.7	(\$92.7)	4.8%	5.0%
1997	\$29.7	\$4.9	4.3%	8.9%	2011	\$0	(\$60.5)	4.7%	5.0%
1998	\$127.9	\$110.5	2.2%	3.0%	2012	\$50.0	(\$120.0)	3.7%	4.9%
1999	\$42.0	\$36.0	3.8%	0.6%	2013	\$0	\$0.5	3.7%	4.4%
2000	\$253.0	\$104.4	3.6%	4.6%	2014	\$97.0	\$88.3	0.0%	0.0%
2001	\$21.6	\$13.2	4.5%	6.3%	2015	\$31.0	\$17.0	0.0%	0.0%
2002	\$310.9	\$105.0	11.2%	10.3%	2016	\$142.0	\$101.5	0.0%	3.5%
2003	\$0	(\$22.7)	11.4%	10.3%	2017	\$21.0	\$0.6	(1.0%)	0.0%
2004	\$107.6	(\$189.0)	13.2%	14.9%	2018	\$178.0	\$106.3	1.0%	3.9%
2005	\$0	\$0	13.0%	15.3%	2019	\$31.0	\$0	0.0%	0.0%
2006	\$197.3	\$107.5	5.9%	6.6%	2020	\$246.0	\$81.5	3.0%	3.2%
2007	\$31.5	\$0	6.9%	8.4%	2021	\$54.2	\$0	3.0%	3.0%
2008	\$177.0	\$151.8	3.4%	3.9%	2022	\$120.0	\$56.4	3.3%	3.5%
2009	\$0	(\$7.6)	2.0%	4.1%	2023	\$60.0	\$0	3.3%	3.5%



Recent Biennial Budget Requests

(requested vs. received in biennial numbers)

Typically, less than 50%
of request is funded

- 2022-2023 request - (\$120 mil vs. \$56.4 mil)
 - Campus support (\$75 mil vs. \$45 mil)
 - Equity & Affordability (\$45 mil vs. \$3 mil)
 - Additional legislative funded priorities - \$8.4 mil for rural colleges, workforce scholarships, system office
- 2020-2021 request - (\$246 mil vs. \$81.5 mil)
 - Campus support, including funding a tuition freeze (\$169 mil vs. \$64.5 mil)
 - ISRS Next Generation (\$37 mil vs. \$8 mil) total of \$8 million ongoing
 - College Promise/University Transfer Grants (\$25 mil vs. \$0 mil)
 - Career Technical Education (\$15 mil vs. \$0 mil)
 - Additional legislative funded priorities - \$9 mil for workforce scholarships, mental health, leveraged equipment, etc.
- 2018-2019 request - (\$178 mil vs. \$106.2 mil)
 - Campus support, including funding a tuition freeze (\$173 mil vs. \$91.1 mil)
 - ISRS Next Generation (\$25 mil vs. \$8 mil) total of \$4 million ongoing
 - Student Incentive Grants (\$10 mil vs. \$0)
 - Additional legislative funded priorities - \$7.2 mil for rural colleges, workforce scholarships, etc.



Minnesota State Proposed FY2024-FY2025 Biennial Budget Request

	FY2024	FY2025	Biennium
Student Support \$77M for tuition freeze	\$50	\$75	\$125
Minnesota State Stabilization Direct campus support	\$40	\$85	\$125
Workforce & Economic Development	\$50	\$50	\$100
Total	\$140	\$210	\$350
<i>(dollars in millions)</i>			



Student Support

Tuition Freeze, Affordability

\$77 million

- Consistent with past legislated limitations on undergraduate tuition, would be in-lieu of 3.5 percent increase each year
- Would save students \$25 million in FY2024 and \$50 million in FY2025
- Expanded offerings of free Open Educational Resources (OERs) and zero materials costs Z-degrees would save students additional out of pocket costs



Student Support

Student Support Services

\$26 million

- Funding direct to campuses, customized for local needs with local and systemwide data assessment to guide responsiveness and improvement
- Student support services such as
Advisors Transfer specialists Social workers
Community resource connectors Mental health support staff
Basic needs coordinators, etc.
- Basic needs access via support for 24/7 phone, text, and online hub connecting students with campus and community resources
- Mental health support including 24/7 access to
Peer mental health resource platform
Professional clinical support platform including telepsychiatry
Mental health education for students, faculty and staff,
including bystander intervention training



Student Support

Transfer Scholarships, Emergency Grants \$22 million

- \$12 million in scholarships for students who transfer from a Minnesota State College to a Minnesota State university completing a transfer pathway program to further their educational goals
- \$10 million for emergency grants that are locally customized, administratively streamlined, promptly awarded fund to help with unforeseen emergencies
- These funds help fill funding needs where HEERF dollars have gone away



Systemwide Funding Stabilization

Continuing Operations

\$125 million

Enough to cover
inflationary increases?

- \$40 million in FY2024 and \$85 million in FY2025
- Providing exceptional education and ensuring availability of the programs and services that serve students on a daily basis
- Equates to roughly five percent annual increase in core operations funding



Appropriation and Tuition Changes since 2014

Fiscal Year	Appropriation in \$millions	Appropriation Change from previous year	College Tuition Compared to previous year	University Tuition Compared to previous year	State Funding in-lieu of Tuition
2014	587.9	7.7%	Frozen	Frozen	Yes, fully funded
2015	622.1	5.8%	Frozen	Frozen	Yes, fully funded
2016	672.9	8.2%	Frozen	Increased overall average of 3.4%	Colleges fully funded
2017	673.5	0.1%	Reduced by 1%	Frozen	None
2018	731.0	8.5%	Increased overall average of 1%	Increased overall average of 3.9%	Colleges fully funded
2019	721.9	-1.2%	Frozen	Frozen	None
2020	758.7	5.1%	Increased by 3%	Increased by 3%	None
2021	765.7	0.9%	Increased by 3%*	Increased by 3%*	None
2022	792.0	3.4%	Increased overall average of 3.3%	Increased by 3.5%**	None
2023	789.5	-0.3%	Increased overall average of 3.4%	Increased by 3.5%**	None

*Fall 2020 tuition frozen by Board **Not including online reset at four universities



Workforce and Economic Development Equipment and Learning Environments \$49 million

- Strategically directed funding for program modernization
- Enhancing stand-alone equipment, technologies or learning environments, such as: labs for applied research, data visualization spaces, spaces for collaboration
- Funding matched one-to-one with non-state funds in-kind or cash

Workforce and Economic Development

Workforce Development Scholarships

\$25.5 million

- Funding directly to colleges and universities to award to students
- Adding three new degree fields for scholarship eligibility: construction, education, and law enforcement and public safety
- Expanding eligibility to state university students, increasing award maximum in recognition of the difference in tuition and fees
- Adding select credit and non-credit certificates and short-term stackable credentials
- Funding matched one-to-one with non-state funds in-kind or cash

Workforce and Economic Development **Industry Sector Programming** **\$25.5 million**

- Add Centers of Excellence for:
 - Public Safety (law enforcement, first responders, firefighting)*
 - Construction/Building Trades*
- Develop programs in high-demand areas experiencing extraordinary changes in occupational skills due to technological changes
- Create multiple-entry stackable credential career pathways to enable students to further their education, secure employment and advance
- Funding matched one-to-one with non-state funds in-kind or cash



Next Steps

- Consultation will continue with statewide college and university student associations, all statewide bargaining units, the Leadership Council
- Local campus discussions will inform consultation, including conversations with students, faculty, staff, and campus leadership
- Second reading of biennial budget request at November Board of Trustees meeting
- Legislature will convene in January
- Governor will release budget proposals in January or February



Thank You!

A community of learners improving our world