



FY23 Tuition Consultation
SFMC
March 16, 2022

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Up Front

- FY23 University budget deficit is -\$4.5M
- Budget reductions have been determined
- State budget surplus is LARGE (+\$9.25B)
- COVID-19 impacts enrollment, budget and operations
- Undergrad tuition +3.5%, Graduate +3.9%



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

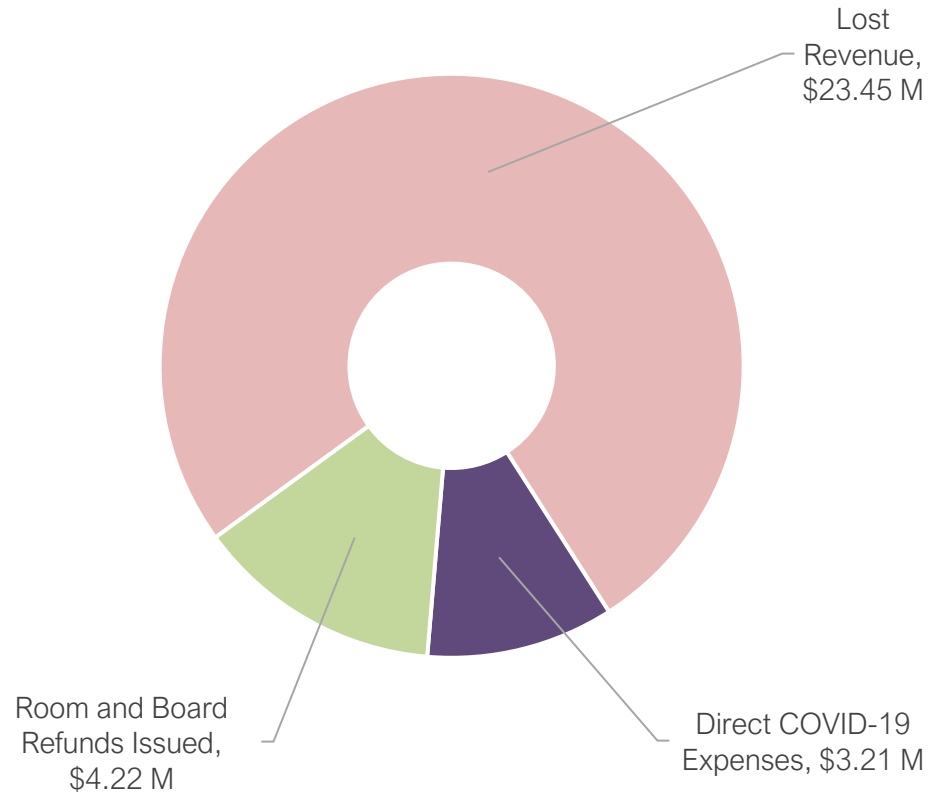
- **Lost Revenue**

- Tuition and Fees
- Room and Board
- Summer Camps
- Bookstore Sales
- Chartwells Commissions
- Child Care Center

- **Refunds**

- Room and Board – Spring 20

\$30.88M COVID-19 Impact to Budget



Federal COVID Relief Funding Notes

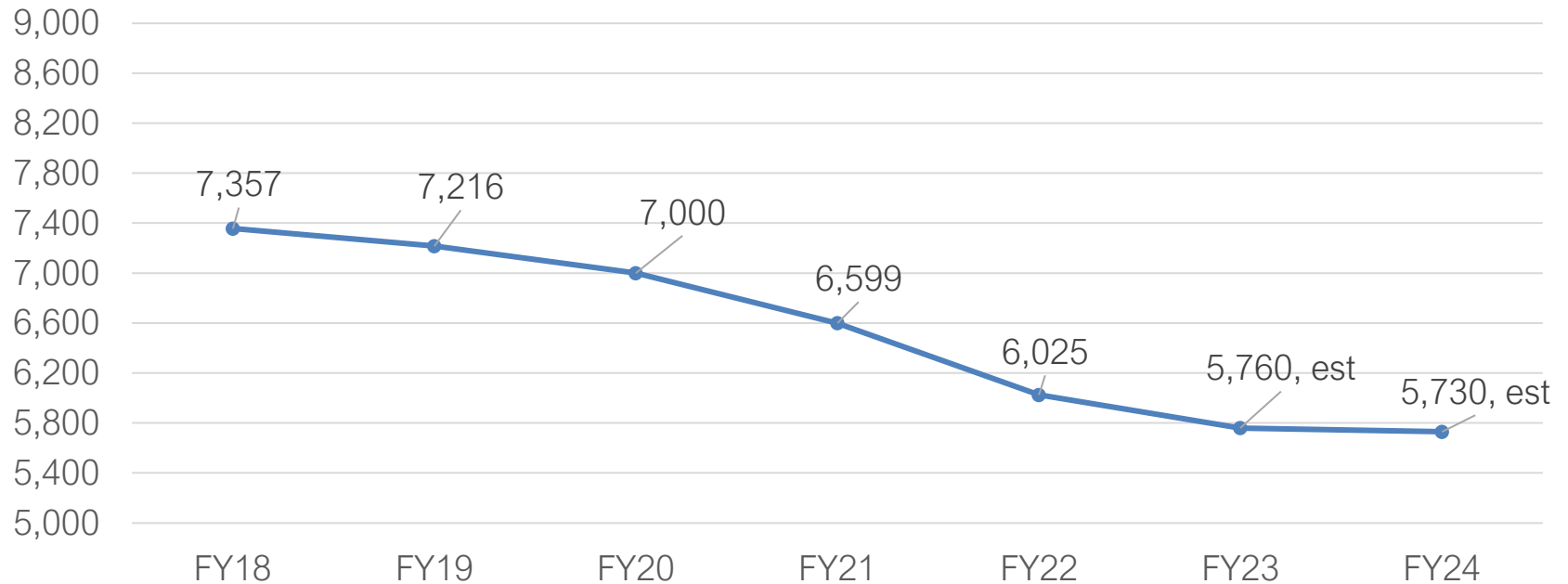
- Final ARP student allocations have all been made
- Current institutional needs (lost revenue, direct expenses, residence hall refunds) **exceeds dollars available by \$14.28M**
- All Federal COVID funds must be expended by May of 2022 – unless extended
- How to budget for future COVID impacts? (Another variant?)
- WSU conservative on COVID – impact enrollment?



Enrollment

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Total FYE (Full Year Equivalent) Enrollment

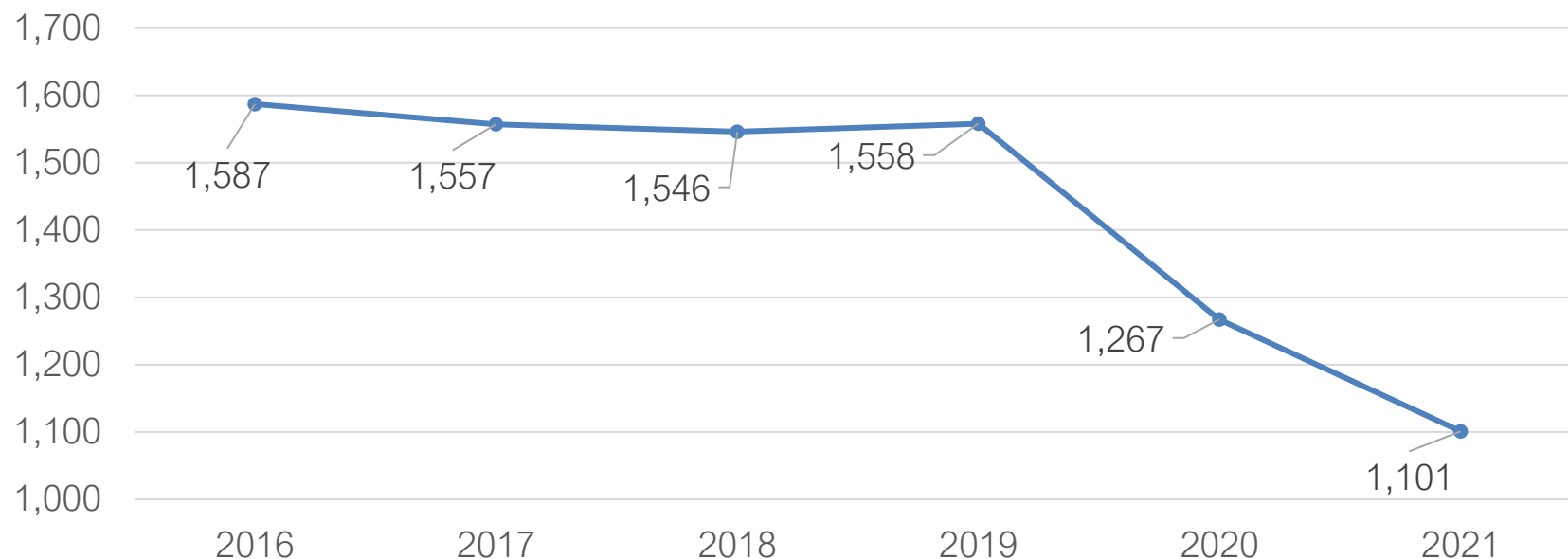


Enrollment Change

FY21 to FY22: -574 FYE or -8.7%

FY22 to FY23: -265 FYE or -4.3%

New Entering Freshman Enrollment



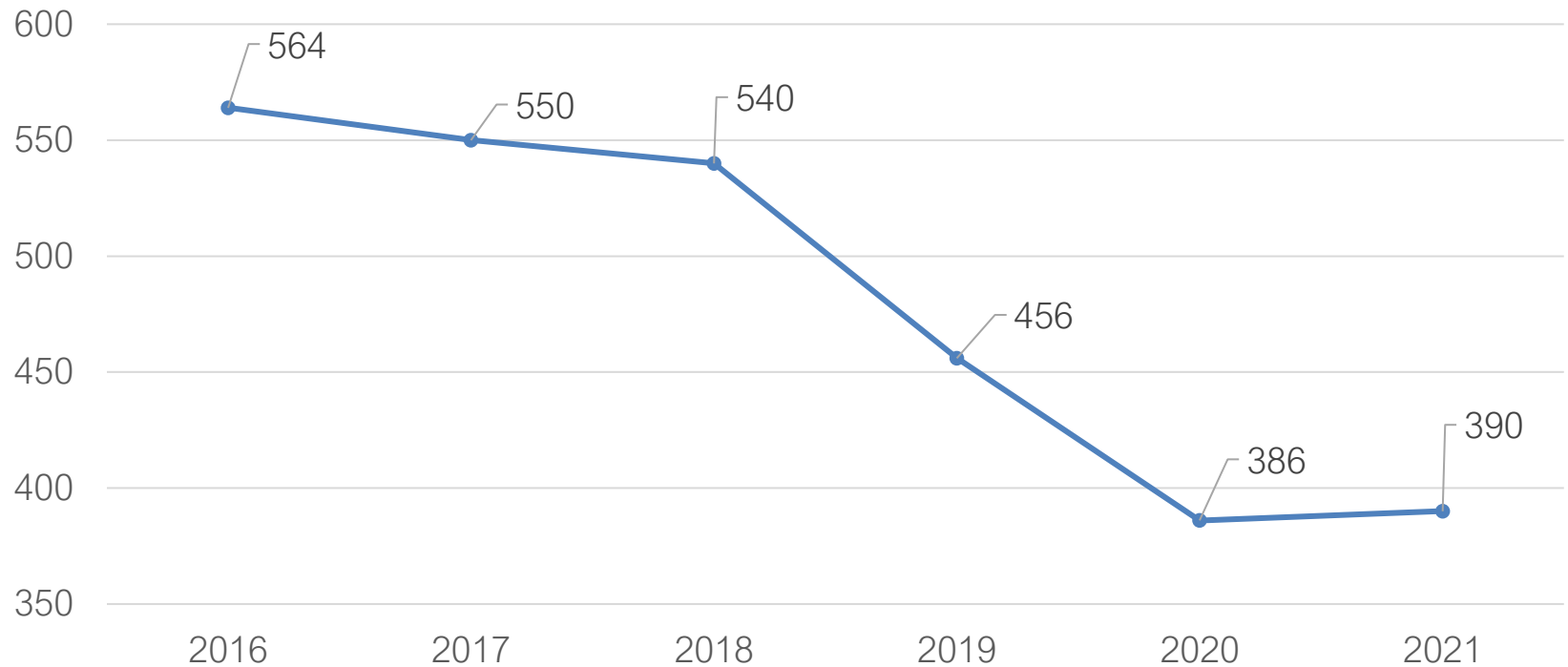
NEF Change

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

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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 from last year is still at 3.5% for undergraduate 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
- State budget surplus as of February 2022 is \$9.25 billion

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



FY23 Budget Reduction Process

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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

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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

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%

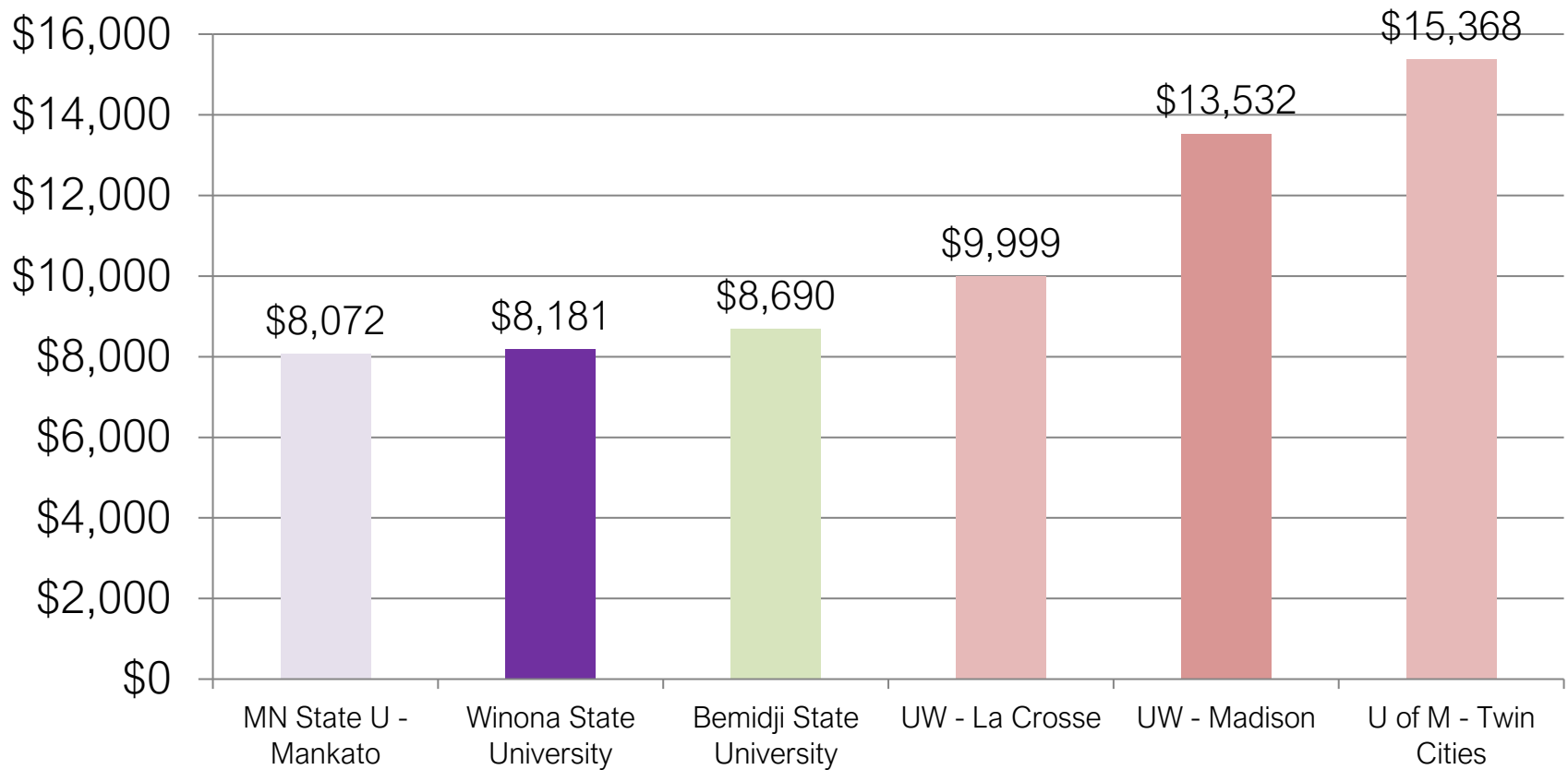


FY23 Tuition Proposal

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Tuition Costs at Selected Institutions – FY22

Annual Undergraduate Tuition – Full Time Student

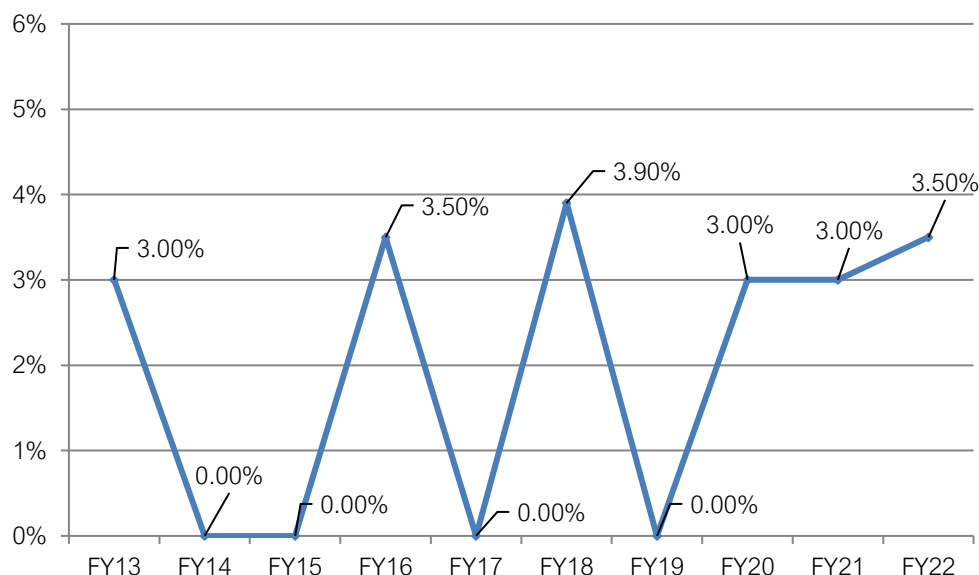


History – Tuition and Budget Reductions

•Tuition Increases

- FY13 – 3%
- FY14 – 0%
- FY15 – 0%
- FY16 – 3.5%
- FY17 – 0%
- FY18 – 3.9%
- FY19 – 0%
- FY20 – 3%
- FY21 – 3% (0% Fall)
- FY22 – 3.5%

- 5 Year Average (FY18-22) – 2.38%
- 10 Year Average (FY13-22) – 1.84%



Budget Reductions

FY10 - \$1.8M
 FY12 - \$2.5M
 FY15 - \$1.5M
 FY18 - \$4.0M
 FY19 - \$5.9M
 FY21 - \$6.0M
 FY22 - \$5.3M
 FY23 - \$4.5M

FY23 Tuition Proposal

- Tuition increase of 3.5% Undergraduate and 3.9% Graduate

MN Undergraduate	FY22 Board Approved	FY23 Amount of Increase	FY23 est. (Proposed)
Per Credit	\$267.90	\$9.38	\$277.28
Banded (Semester)	\$4,050.09	\$141.75	\$4,191.84
Banded (Annual)	\$8,100.18	\$283.50	\$8,383.68
MN Graduate	FY22 Board Approved	FY23 Amount of Increase	FY23 est. (Proposed)
Per Credit	\$444.98	\$17.36	\$462.34

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!

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