



Budget Forum
FY26 Budget
March 6, 2025

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Issues to Discuss

- In person and Zoom webinar format
- All lines are muted - Chat function is disabled
- Online submit questions
- In Person – Wait for microphone so Zoom can hear your question
- Columns of numbers may not total due to rounding



This session is being recorded
and will be available on the
Budget website

Up Front

- FY26 University General Fund budget deficit reduction of \$3M
- Budget reductions have been determined
- No program closures or layoffs of existing personnel



President Janz

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Graduates Report Job Success



Winona State University continues to lead the Minnesota State system in student success, with an impressive 97% employment rate for graduates.

"Winona State provided an environment where I could thrive academically, professionally, and personally. The faculty's commitment to student success allowed me to develop practical skills and gain real-world experience in the classroom." - **Kali Uphus '24**

System Allocation Framework

- Discussion was held with Leadership Council, Senior Academic Officers and Chief Financial Officers last month (February).
- **Baseline Information & Context:**
 - Provide historical context on the system's framework for allocating state support.
- **Allocation Model Overview:**
 - Outline key components of the model used to distribute annual base state appropriations to colleges and universities.
- **Tuition & Revenue Buydown Impact:**
 - Explain how tuition policies and the revenue buydown affect the allocation model results.
- Will be discussed at the March Minnesota State Board of Trustees Meeting.

Financial Health - Allocation Framework

6 of the 7 State Universities have triggered financial health indicators.

Winona State Triggered:

- Cash Balance as a Percentage of General Fund Revenue
- CFI Score

1



Winona State 2035



- Implement a robust strategic planning process.
- Draft a University Strategic Plan by March 19, 2025.
- Become a university that thinks, acts, and learns strategically.



Winona State 2035 Fun Facts



Stakeholder Input

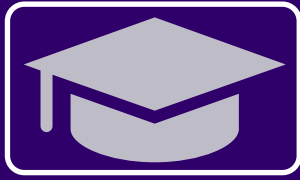
- Over 35 employee and community partner stakeholder groups interviewed so far; over 300 people and climbing
- Listening to over 1500 students and climbing; Student Senate, RAs, Ambassadors interviewed; Assessment Day survey of all undergraduate and graduate students underway; alumni survey ready to go
- Working our way through academic departments

The Student Voice

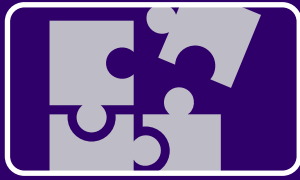
- Top priorities for students = meaningful relationships with faculty, advisors, mentors, and each other
- Enhanced facilities and learning experiences
- Air conditioning in the residence halls



Emerging Themes (Very Early Draft)



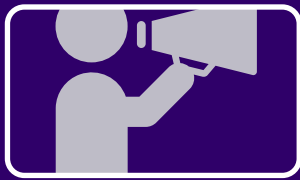
Student Success and Community Engagement



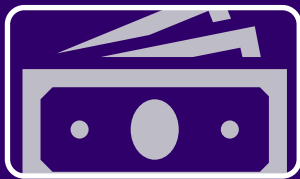
Innovation in Teaching and Learning



Campus Climate and Institutional Effectiveness



Enrollment Management and Marketing



Financial Stability and Sustainability



Improving Student Success Initiative

2

Components

1

**HLC's Student
Success Academy**



2

**AASCU's Student
Success Equity
Intensive**



3

**HLC Student Learning
Outcomes and
Assessment**



Warriors Pathways to Success Enrollment Initiative



Enrollment Progress Report (Spring 2024)

(Feb 2, 2025)

Up 1.7% Overall

Up .9% Undergraduate

Up 7.6% in Graduate

Tracking for Fall 2025

(2/24/2025)

NEF Applications Up 8%

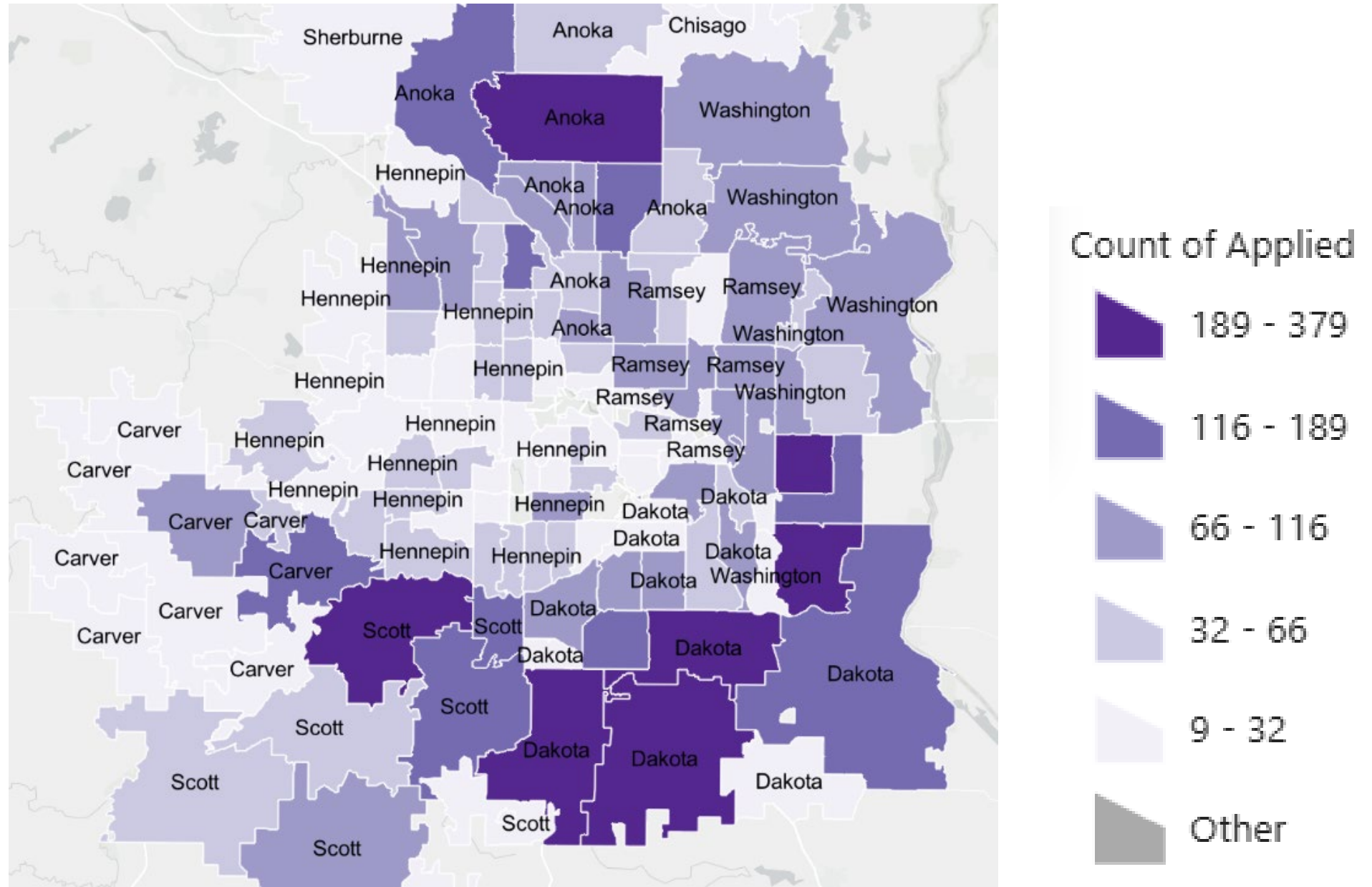
Housing Applications Up 6%

Transfers Accepted Up 12%

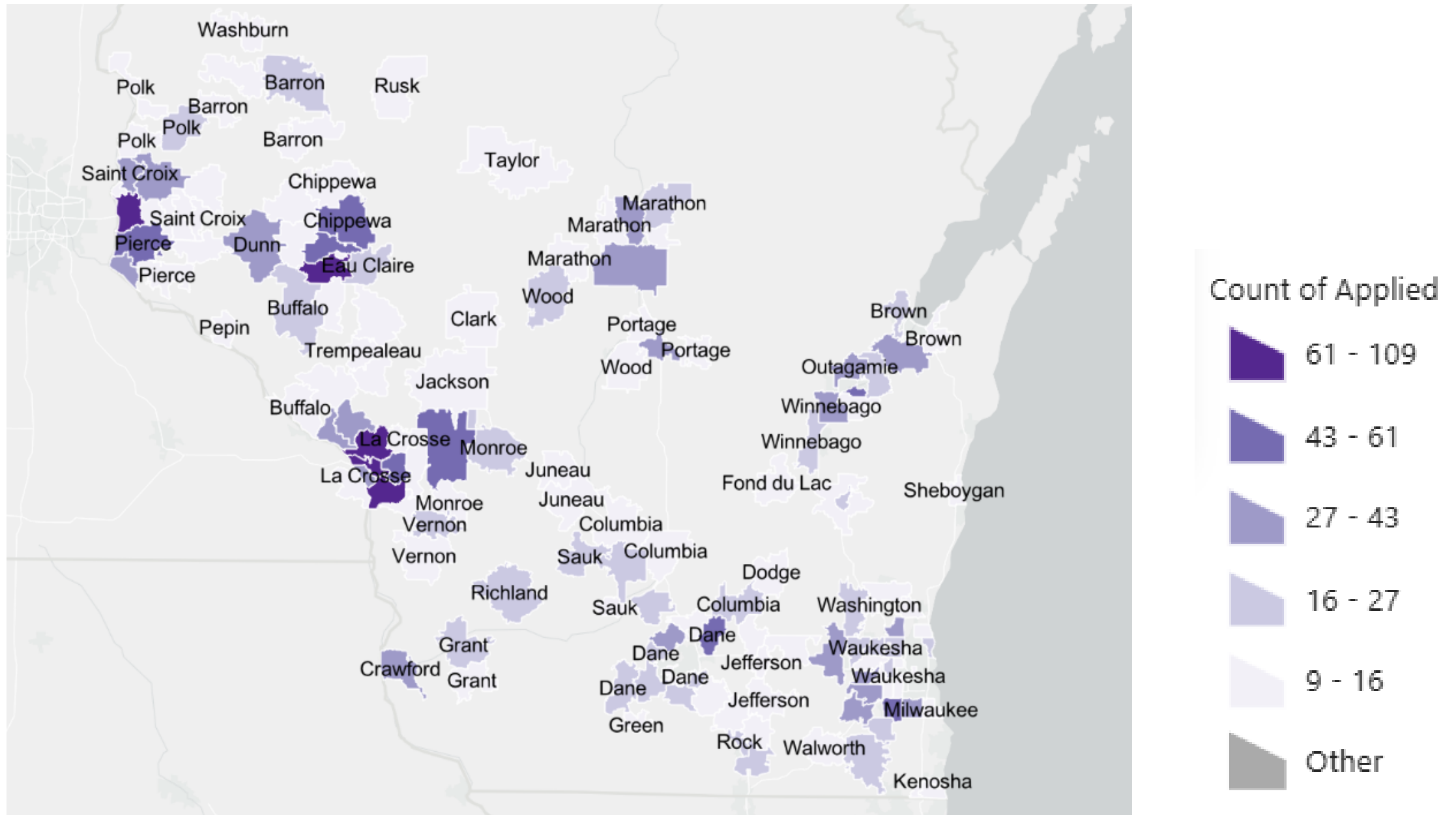
NGS Applications Up 24%

**President has concerns over Wisconsin Application Numbers
(We are up in our low yield areas and down in high yield areas)**

Applications by Zip Code – Zone 11 (Metro)



Applications by Zip Code – Wisconsin



Paid Advertising Enhancements

Goal: Increase brand awareness and applications in priority zones with enrollment declines

MN Economic Zone 11 (Metro Area)

- Launched October 5
- Ads on live and streaming TV on Comcast cable network
- Live sporting events including Monday Night Football, NCAA Football, and March Madness tournament to reach families and male students

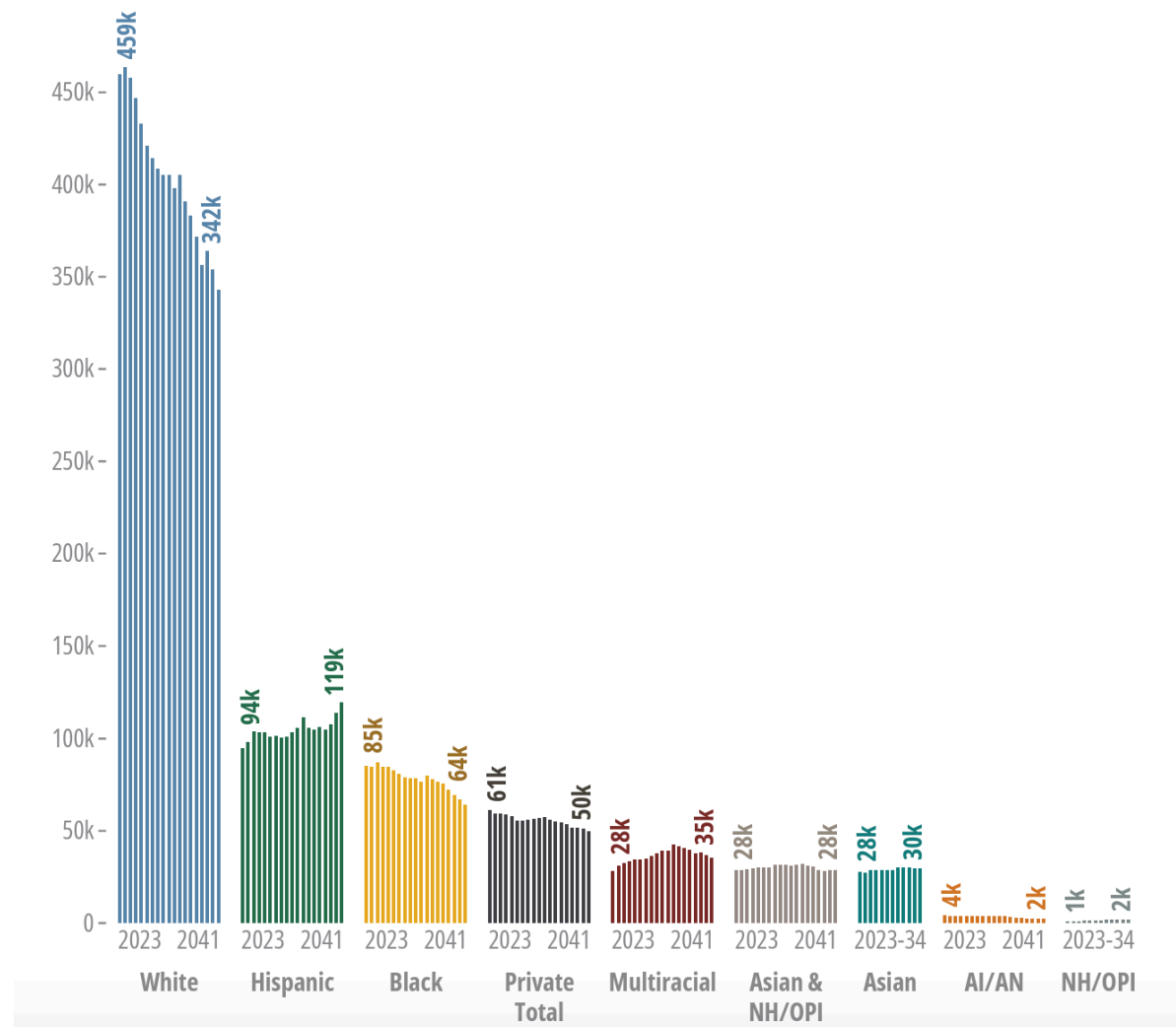
Wisconsin (La Crosse-Eau Claire media market)

- March 16-April 7
- TV ads to air live on March Madness



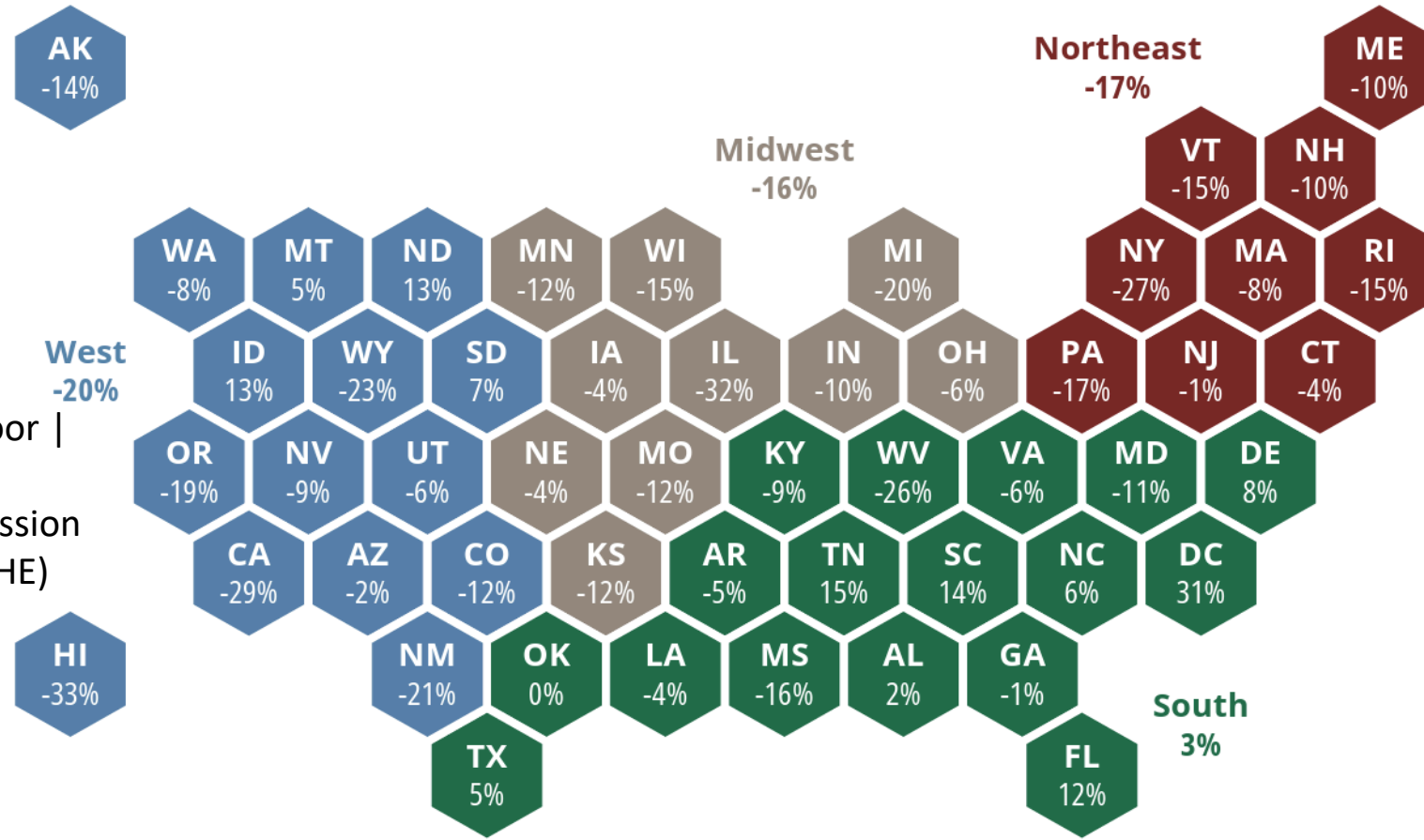
Changing Demographics

Projected High School Graduates in the Midwest, 2023 to 2041



Knocking at the College Door |
11th Edition | 2024 |
Western Interstate Commission
for Higher Education (WICHE)

Projected Percent Change in High School Graduates, 2023 to 2041



Notes: Total high school graduates include public and private schools. In these projections, the U.S. includes the 50 states and the District of Columbia. Future work will explore projected trends for the U.S. Territories and Freely Associated States.

<https://www.wiche.edu/wp-content/uploads/2024/12/2024-Knocking-at-the-College-Door-final.pdf>



Enrollment

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Total FYE (Full Year Equivalent) Enrollment

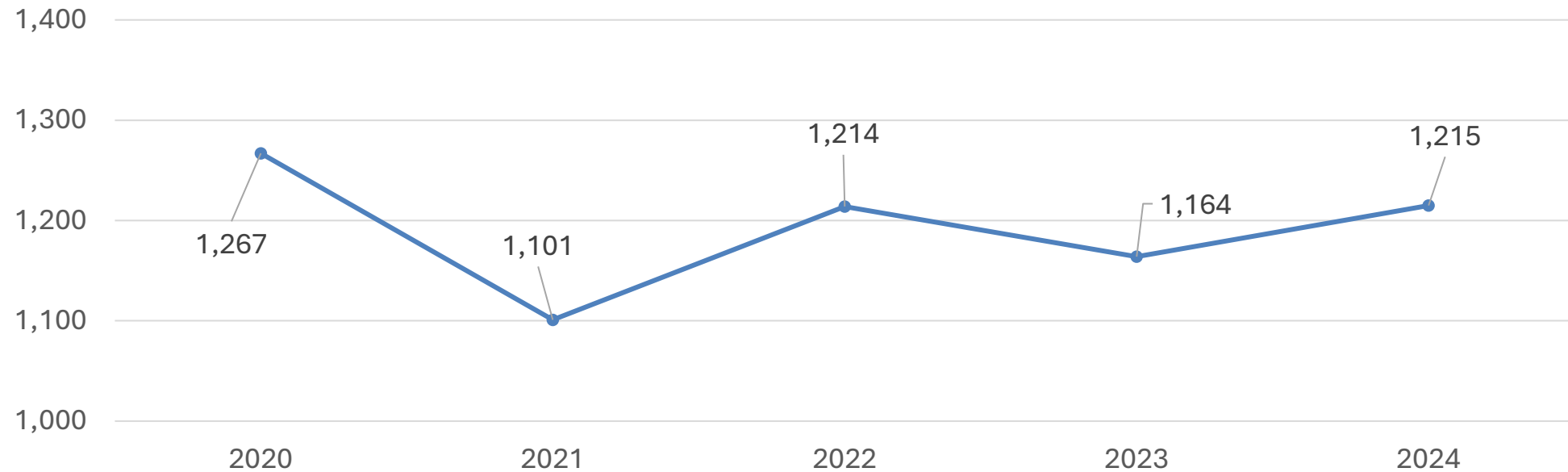


Enrollment Change

FY24 to FY25: +39 FYE or +0.7%

FY25 to FY26: +55 FYE or +1.0%

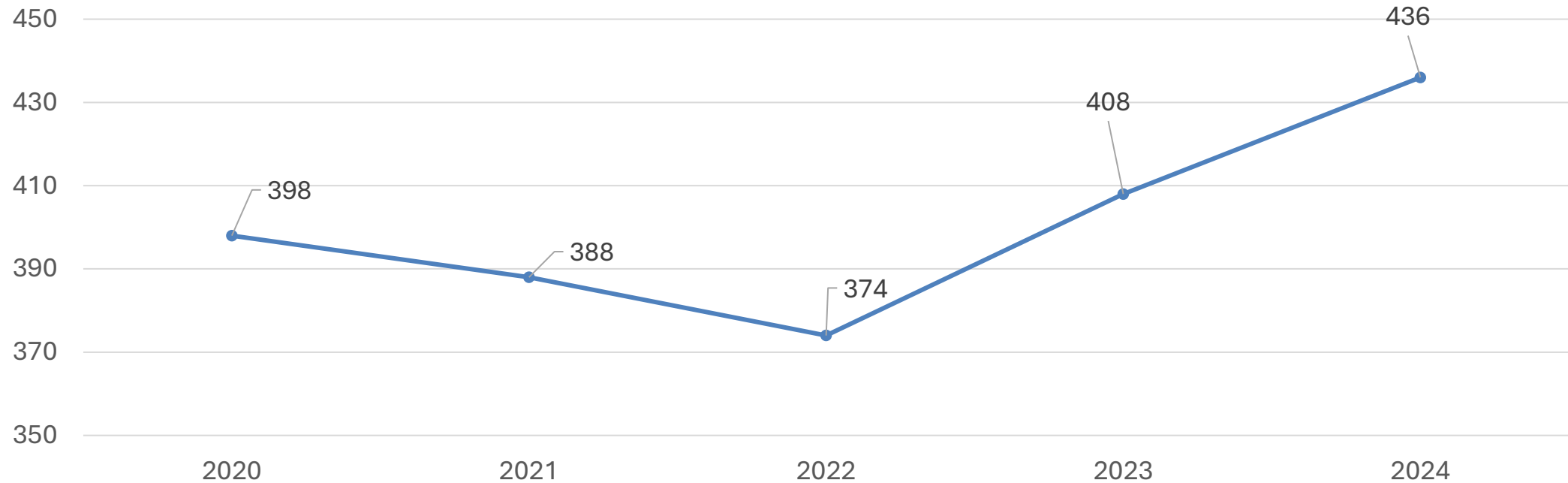
New Entering Freshman Enrollment



NEF Change

2023 to 2024: +51 or +4.3%

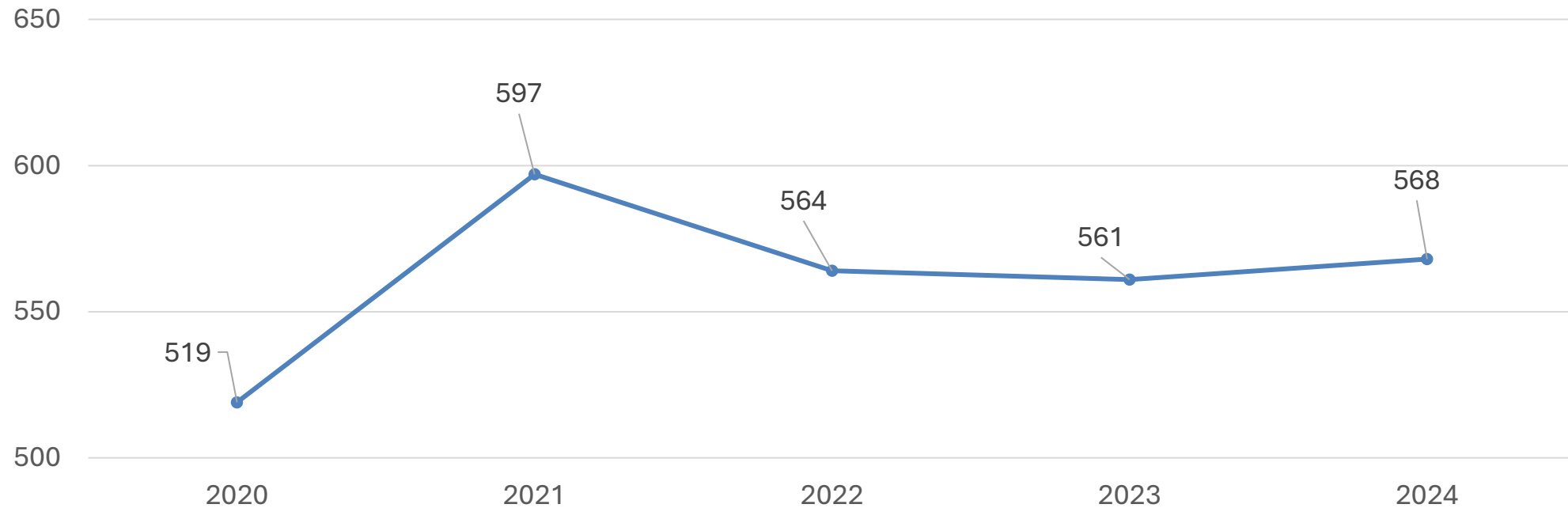
New Entering Transfers Enrollment



NET Change

2023 to 2024: +28 or +6.8%

Graduate Enrollment (FYE)



Graduate FYE Change

2023 to 2024: +7 or +1.2%

Enrollment – Mn State

Full Year Equivalent (FYE)	Spring 2024 vs. Spring 2025
Bemidji State	6.4%
Metro State	11.3%
MSU-Mankato	2.9%
MSU-Moorhead	2.4%
St Cloud State	-4.6%
SW Minn State	14.5%
Winona State	1.7%
Rochester CTC	8.3%
MNState College SE	13.0%



State Budget and Legislative Update

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State of Minnesota Budget

- FY26/27 State Budget Forecast shows a surplus of \$616M as of 12/4/24
 - Total State Biennial Budget is about \$66B
- Spring 2024 estimate was a surplus of \$1.7B (Decline of \$1.1B)
 - Structural imbalance in future years (FY28/29 Deficit of -\$5.1B est)
- Updated economic forecast will be released on March 6, 2025
 - Impact of Federal Government actions(DOGE/Tariffs, etc) on economy

Mn State Biennial Budget Request – FY26/27

- Total Biennial Budget Request \$465M (\$365M base and \$100M one time)
- Student Affordability and System Operations \$285M (About a 5% increase annually)
- Critical Infrastructure \$100M (one-time - \$50M HEAPR, \$25M Demo, \$25M Workday)
- Student Support \$40M
- Workforce-Focused Support \$40M
- Silent on tuition (If 5% fully funded, assumption is a zero/very low tuition increase)
- Governor Walz did not include any of the Mn State Biennial Budget request in his budget recommendations
 - With the discontinuation of one-time funding Mn State received in FY24/25, the System is actually facing a small reduction in State Appropriation



FY25/26 Budget Update

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Where are we? – FY25 Budget

- Budget deficit in FY25 (\$3.9M) will have to be solved with carryforward and fund balance
 - **Hiring chill = 40+ positions vacant (combination of faculty and staff)**
- Fund balance is already below the 20% Mn State threshold
 - Current fund balance is around 16%
 - 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 and unspent operating budgets
 - Annually about \$2-3M is realized from carryforward (hopefully higher this year)

Financial Health Meeting with Chancellor Olson



- Two financial health indicators triggered
 - Fund balance as a percentage of General Fund revenue – 16% versus target of 20%
 - CFI (Composite Financial Index) Score – 0.94 (FY24) versus 1.00 target – 0.69 (2Yr Avg) versus 1.50 target
- Meeting held on January 24, 2025, with Chancellor Olson and Vice Chancellors
- Feedback received included:
 - Not allowed to draw down general fund balance any further as related to FY26 and FY27 budget decisions
 - Financially difficult to maintain the current number (200+) of programs
 - Continuation of the hiring chill
 - Pursue opportunities in the Metro area market
 - Report back to System Office on BESI results

Federal Funding Changes

- Executive orders signed by President Trump
- Information gathering at this point from MnState/MMB
- Could have far reaching implications
 - Federal Financial Aid
 - Grants
 - One-time funded projects

Hiring Chill

- Starting in the Fall, Cabinet limited hiring to essential positions
- More than 40 positions had been held vacant or searches delayed for extended periods of time
- As budget reduction plans have been approved, positions were released for search
- Cabinet will continue to review and approve all positions for replacement

Where are we? – FY26 Budget

- FY26 Budget scenarios ranged from -\$3.9M to - \$6.9M
- President's Cabinet has decided to make base budget reductions of \$3M for the FY26 budget
- Budget reductions were due February 14, 2025
- Student tuition consultation – two tracks:
 - +5% - Small State Appropriation Increase
 - +8% - No State Appropriation Increase

Student Fee Funded Budgets



Student fee funded budgets
are under pressure

Athletic Fee

- +21.00%
- Subject to Student
Referendum Vote: 3/24-27

Fees are working their way
through the student
consultation process

Health Service Fee

- +10.00%

Student Union Fee

- +6.01%

Wellness Center Fee

- +5.00%

Directors have done a good
job managing their budgets
while still serving students

Technology Fee

- +5.02%

Student Life Fee

- +1.90%



FY26 Budget Reductions Summary

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Budget Reductions Summary – FY26

- 20 vacant positions will be eliminated from the budget
- No elimination of academic programs or retrenchment of faculty
- No layoffs where a person moves from employed to no employment
- **Still working through details in certain areas**
- **Additional details available from your administrator**

BESI Offer - 2025

- BESI (Early separation incentive) w/ no replacement
 - BESI was offered to 72 employees
 - IFO - 62
 - MAPE – 3
 - MSUAASF – 5
 - MMA – 1
 - Commissioners – 1
 - BESI is a management tool to help balance the budget – Not an employee right or entitlement
 - Parameters would include non-replacement of position
 - Cabinet may consider limited replacement in an area where a significant number of BESI's are accepted
 - Average acceptance rate has been 20% - Hopeful to achieve \$1.5M+ in base savings

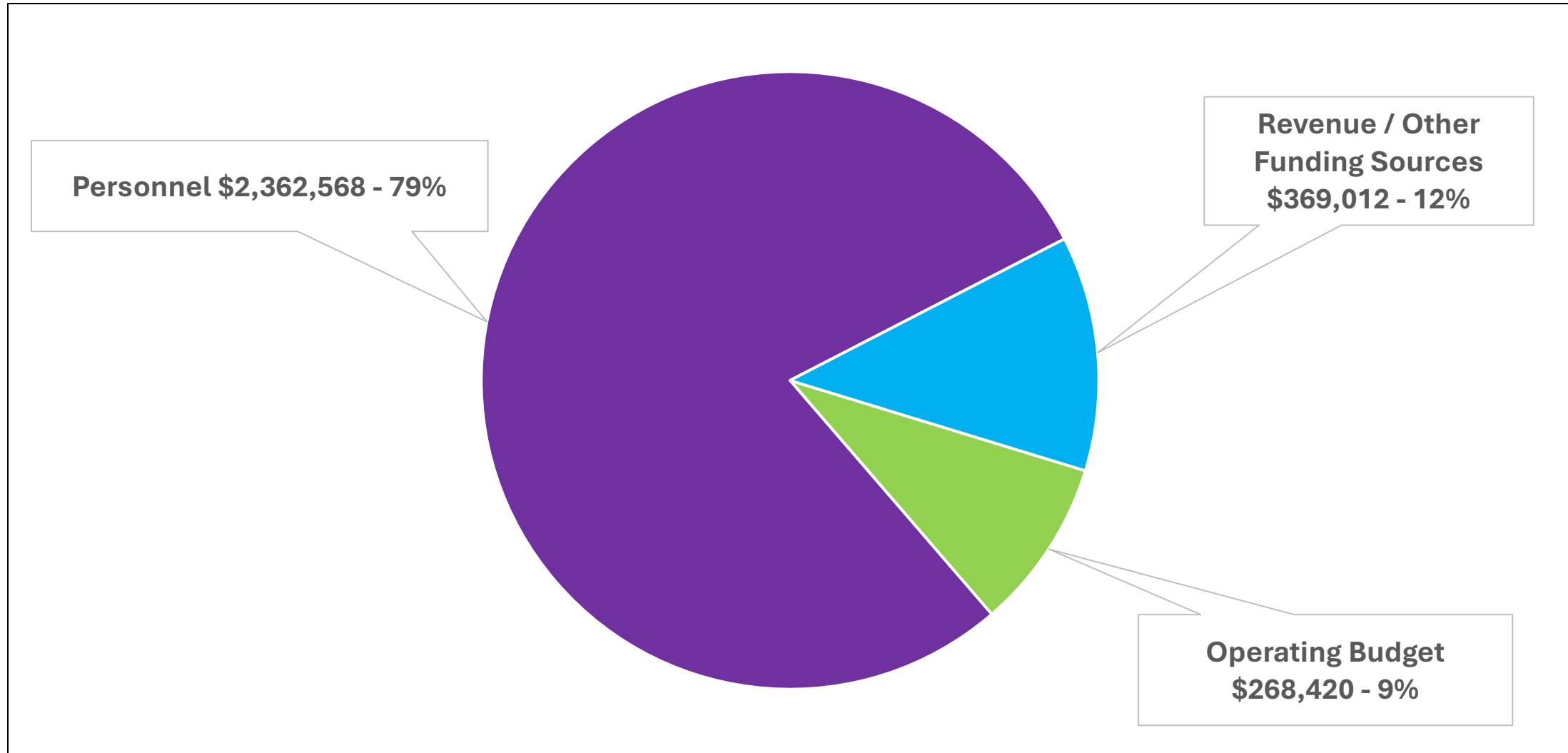
BESI Results - 2025

- BESI (Board Early Separation Incentive) – Deadline 2/5/25
 - A budget balancing tool used for the benefit of the institution, not the employee
- 7 total acceptances (72 offered – 10% acceptance rate)
 - 5 IFO (1 COB, 1 COE, 1 COLA, 2 COSE)
 - 2 ASF (1 CGE, 1 COSE)
- Total BESI incentive payout \$422,000 - Total base budget savings \$835,000
- 1 IFO position replaced due to concentrated acceptances in a department

Budget Reduction Targets

Area	Reduction Target
Academic Affairs	\$1,983,000
Finance and Administration	\$336,000
Enrollment Management and Student Life	\$216,000
Information Technology	\$168,000
Athletics	\$144,000
University Advancement	\$135,000
Presidents Office	\$18,000
Total	\$3,000,000

Budget Reductions by Function – FY26



Budget Reductions by Area – FY26

Unit	Personnel (Salary and Fringe)	Operating Budget	Revenue / Other Funding Sources	Total
Academic Affairs	\$126,000	\$0	\$0	\$126,000
Library	\$81,000	\$0	\$0	\$81,000
Information Technology	\$154,580	\$13,420	\$0	\$168,000
College of Business	\$258,000	\$0	\$0	\$258,000
College of Education	\$243,000	\$0	\$0	\$243,000
College of Liberal Arts	\$549,000	\$0	\$0	\$549,000
College of Nursing and Health Sciences	\$218,988	\$0	\$114,012	\$333,000
College of Science and Engineering	\$358,000	\$35,000	\$0	\$393,000
Enrollment Management and Student Life	\$216,000	\$0	\$0	\$216,000
Finance and Administration	\$158,000	\$58,000	\$120,000	\$336,000
University Advancement	\$0	\$0	\$135,000	\$135,000
Athletics	\$0	\$144,000	\$0	\$144,000
Presidents Office	\$0	\$18,000	\$0	\$18,000
Total	\$2,362,568	\$268,420	\$369,012	\$3,000,000

Vacant Positions Eliminated by Bargaining Unit

Unit	Vacant Positions Eliminated
IFO	8
AFSCME	4
ASF	7
MAPE	1
Administrators	0
MMA	0
Commissioners	0
MNA	0
Total	20

Vacant Positions Eliminated by Area

Unit	IFO	ASF	AFSCME	MAPE	Total
Academic Affairs	0	2	1	0	3
Information Technology	0	0	0	1	1
College of Business	1	0	0	0	1
College of Education	1	1	0	0	2
College of Liberal Arts	4	0	0	0	4
College of Nursing and Health Sciences	0	0	1	0	1
College of Science and Engineering	2	1	0	0	3
Enrollment Management and Student Life	0	3	0	0	3
Finance and Administration	0	0	2	0	2
University Advancement	0	0	0	0	0
Athletics	0	0	0	0	0
Presidents Office	0	0	0	0	0
Total	8	7	4	1	20

Budget Timeline

- WSU Super Meet & Confer / Budget Forum – December 5, 2024
- BESI Announcement – January 2025
- Legislative Session Begins – January 14, 2025
- Begin Student Tuition and Fee Consultation – January 2025
- Budget Reductions to Cabinet – February 14, 2025

- **Super Meet and Confer – March 6, 2025**
- **Budget Forum – March 6, 2025**

- State Economic Forecast – March 6, 2025
- Legislative Session Ends – May 19, 2025
- MnState Board of Trustees (Approve Budget/Tuition/Fees) – May/June 2025
- Implement Budget Reductions – June 30, 2025



Thank You!

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