



FY27 Budget Forum

March 26, 2026

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Up Front

- FY27 University General Fund budget deficit reduction of \$3M
- Budget reductions have been determined
- No program closures or layoffs of existing personnel
- Tuition increase for FY27



President Kenneth Janz

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Academic Year
2024 - 2025

1,446
GRADUATES

Key

- Doctorate
- Master's
- Bachelor's
- Certificate
- Associate's

Degrees by College

550
500
450
400
350
300
250
200
150
100
50

156

Science & Engineering

192

Business

255

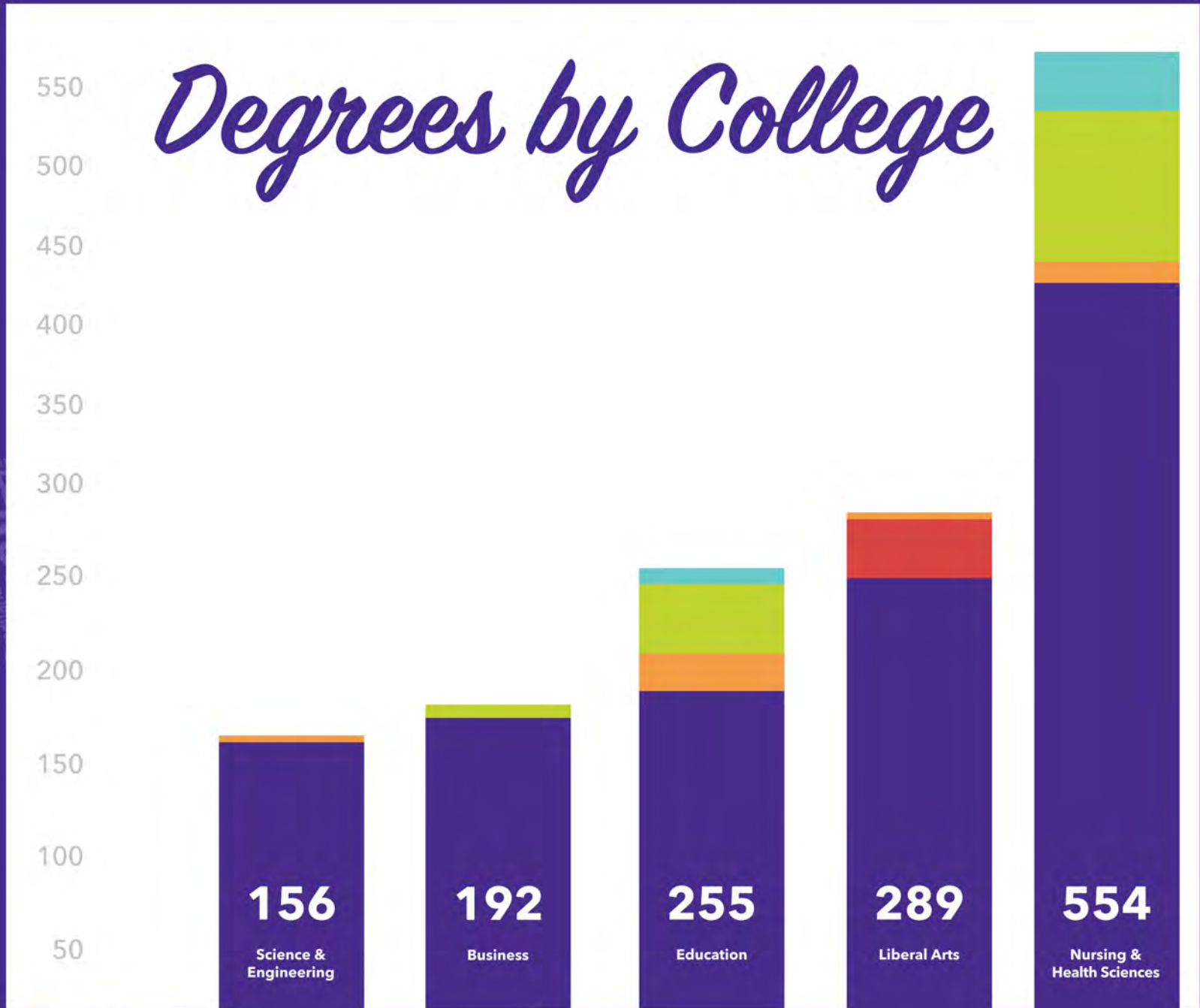
Education

289

Liberal Arts

554

Nursing & Health Sciences



NEF and NET Registration Sign-Up



Housing is up 11% Year to Date



Strategic Alignment

WARRIOR WAY

COMMUNITY • KINDNESS • BELONGING

WARRIOR EDGE

INNOVATE • EVOLVE • LEARN

WARRIOR SHIELD

RESILIENT • SUSTAINABLE • RESPONSIVE

FY26 Initiatives: Student Experience and Academic Direction

- **Warrior Journey – Engaging Students (Retention Initiative)**
Launch new student service opportunities and build Journey Maps to connect students and strengthen belonging.
- **Campus Compass – Advising for Success (Retention Initiative)**
Enhance the advising model with training, tools, and micro-credentials to provide inclusive and proactive student support.
- **Academic Plan – Shaping Our Future**
Begin work on a 5-year academic plan to align programs and priorities with Winona State 2035 and evolving learner needs.
- **Reimagine Rochester – Expanding Opportunity**
Develop a strategic plan for the Rochester campus that defines its niche and creates new pathways for growth and innovation.

FY26 Initiatives: Facilities, Data and Financial Resilience

- **Warrior Places – Investing in Facilities**

Advance projects including CICELE, a new residence hall, and campus repair and renewal.

- **Data Hubs – Informed Decision-Making**

Create dashboards and redesign the Report Index to provide leaders and faculty with timely, actionable information.

- **Diversify Enrollment – Broadening Access**

Strengthen recruitment in a diverse array of areas. (Concurrent Enrollment)

- **Campaign Readiness – Building Capacity**

Lay the groundwork for a potential capital campaign by identifying priorities and engaging the campus community.

Enhance Residence Hall Appeal through Facility Upgrades.



Foundation Hall

Partnership with Winona State Foundation



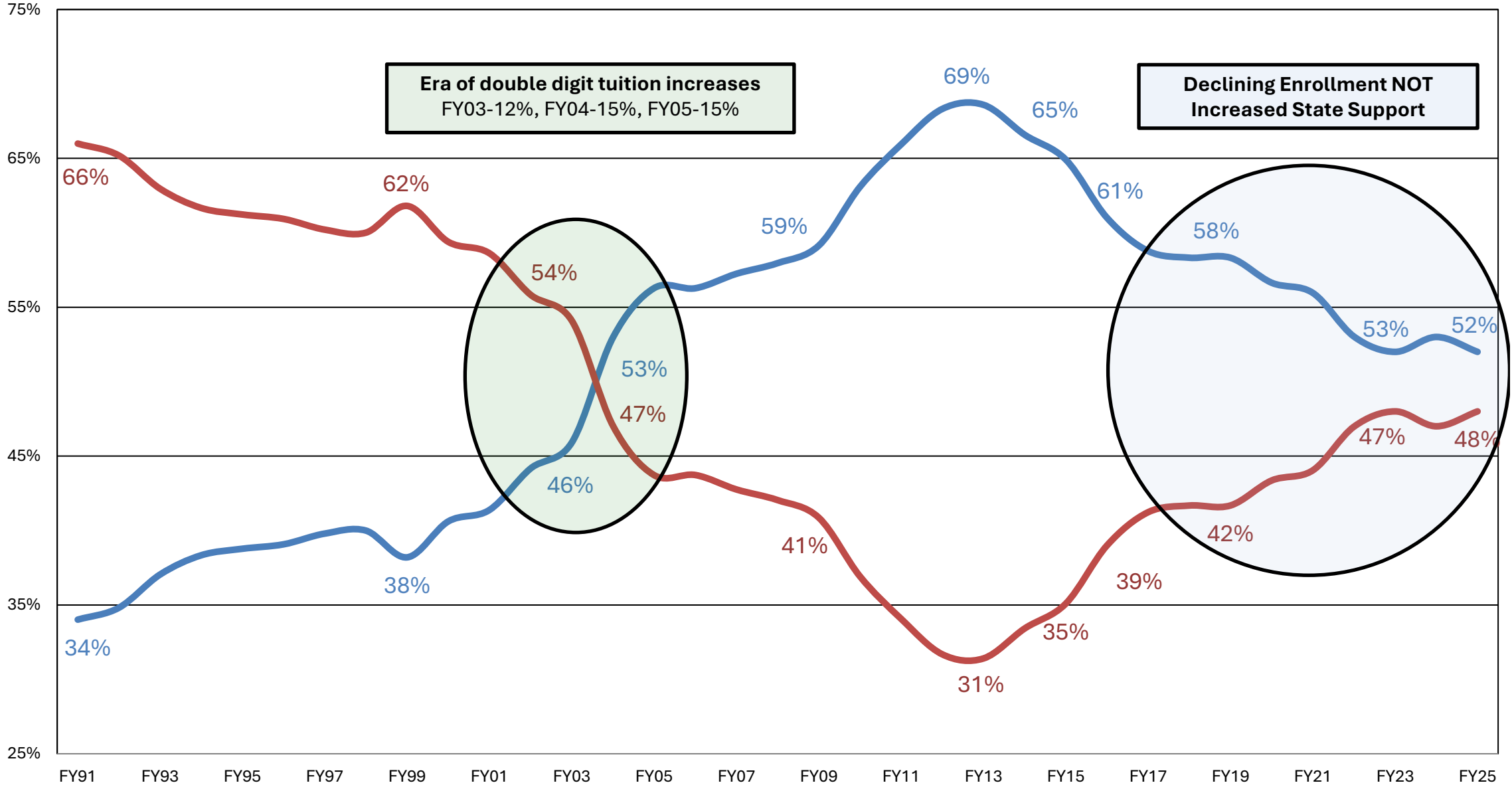
General Fund Summary

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General Fund Summary

- \$112M Total Budget
 - \$47M Tuition
 - \$43M State Appropriation
 - \$17M Other (Differential/Course Fees/Laptop)
 - \$5M Fund Balance
- State Appropriation is allocated to campuses from Mn State System Office Allocation Framework – Funds from Mn Legislature
- Tuition from Students via direct payments, scholarships, loans, etc
- Expenditures
 - 75% personnel - 800+ employees (Salaries and fringe benefits)
 - 25% operating (Student help, department operations, utilities, insurance, facility repairs, etc)

Winona State University
Percentage of General Fund Budget from State Appropriation and Tuition
Actual FY91-FY25
March 31, 2025

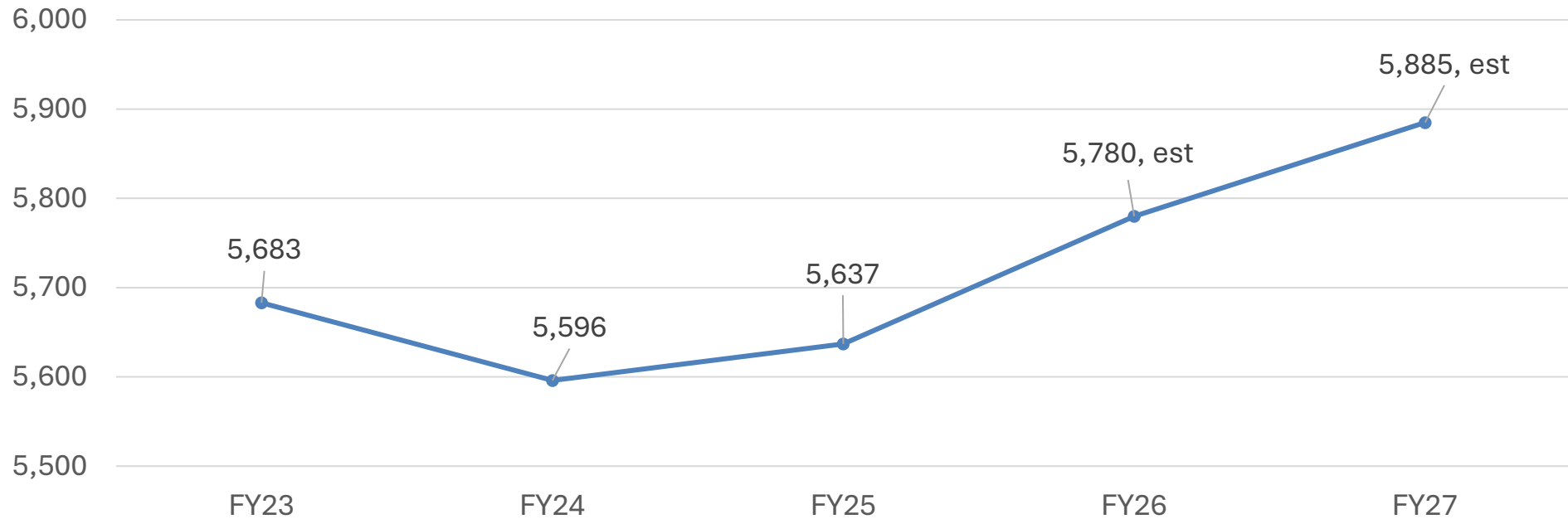




Enrollment

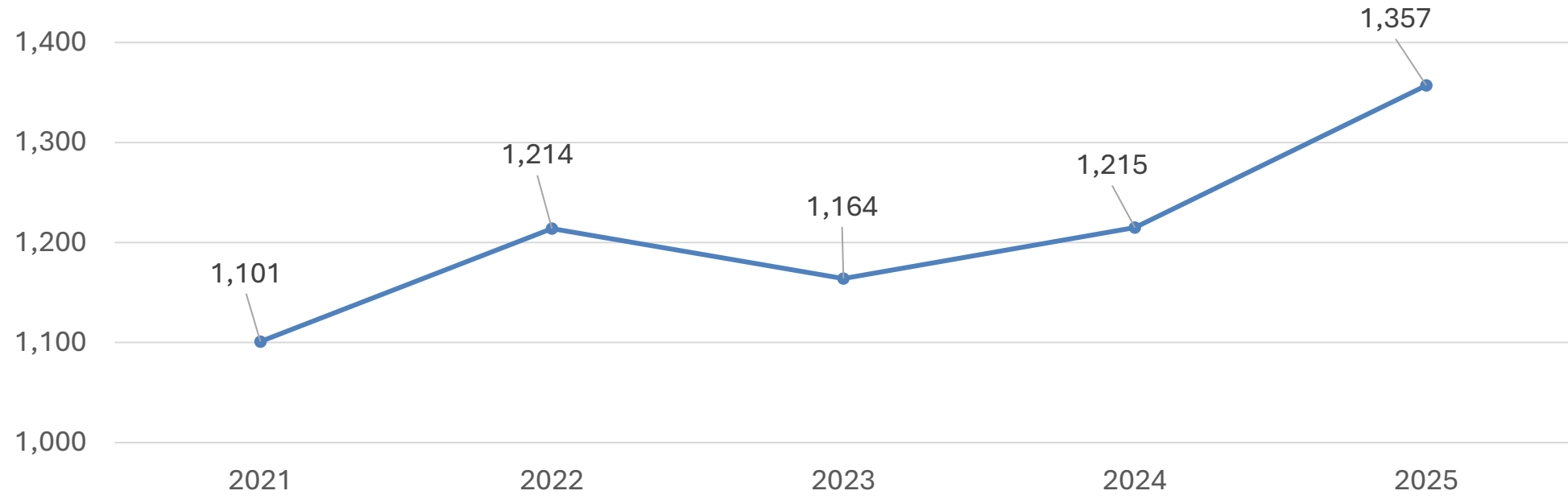
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Total FYE (Full Year Equivalent) Enrollment



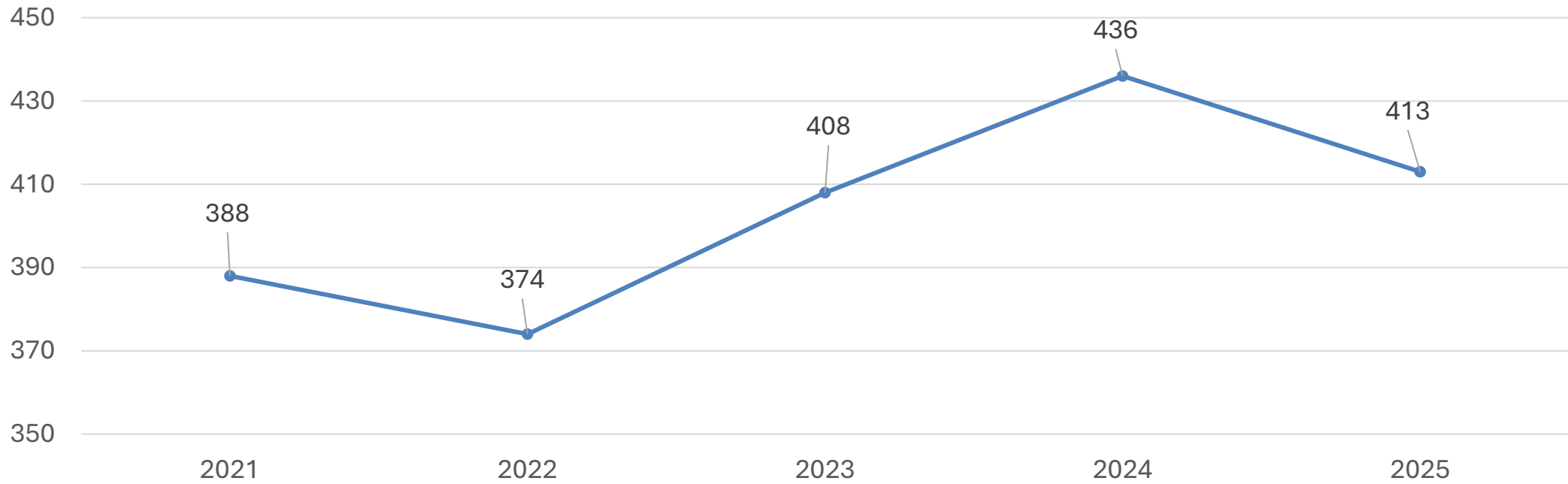
Enrollment Change
FY25 to FY26: +143 FYE or +2.5%
FY26 to FY27: +105 FYE or +1.8%

New Entering Freshman Enrollment



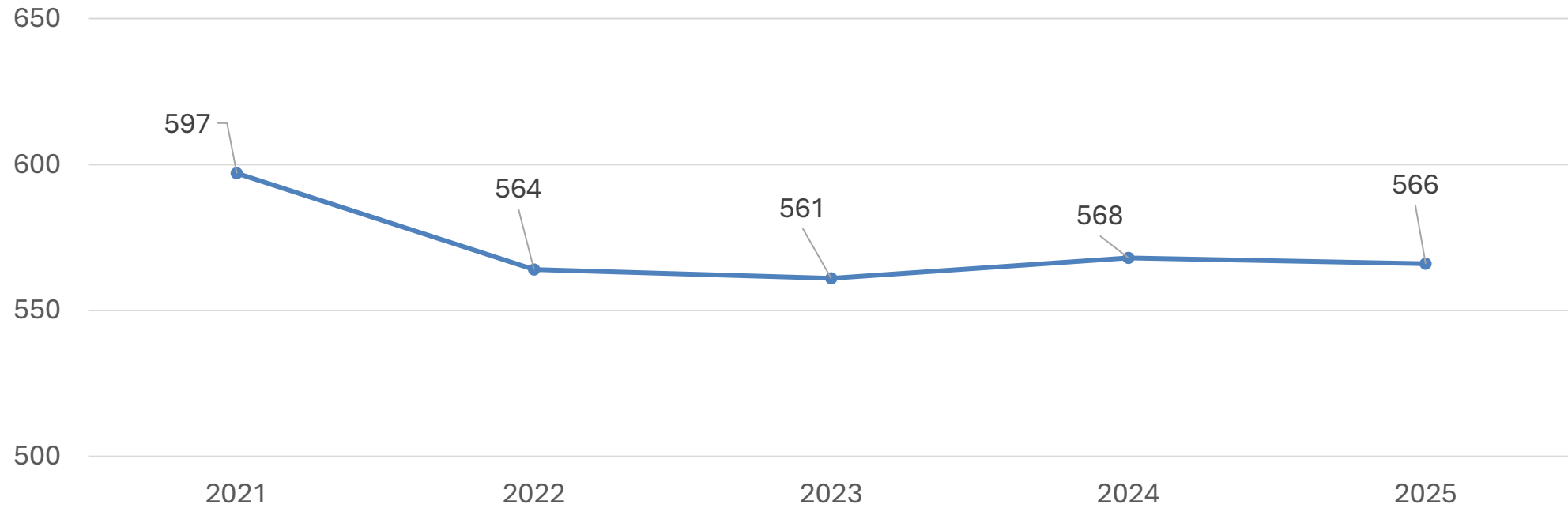
NEF Change
2024 to 2025: +142 or +11.6%

New Entering Transfer Enrollment



NET Change
2024 to 2025: -23 or -5.2%

Graduate Enrollment (FYE)



Graduate FYE Change
2024 to 2025: -2 or -0.3%

Enrollment – Mn State



Full Year Equivalent (FYE)	Spring 25 v Spring 26 %	Spring 25 v Spring 26 FYE
Bemidji State	-1.2%	-17.4
Metro State	4.5%	+99
MSU-Mankato	1.2%	+72
MSU-Moorhead	6.0%	+100
St Cloud State	-2.4%	-68
SW Minn State	1.7%	+26
Winona State	2.3%	+57
Rochester CTC	1.8%	+27
MNState College SE	0.0%	+1



FY26 Budget Update

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State of Minnesota Budget

- FY26/27 State Budget Forecast shows a surplus of **\$3.73B** as of 2/26
 - Total State Biennial Budget is about \$67B
- FY28/29 State Budget Forecast shows a surplus of **\$0.38B** as of 2/26
- Big shift from December to February forecast
 - Improved by \$1.3B in 26/27 and \$2.2B in 28/29
 - Still much uncertainty as it pertains to Federal budget and the economy/inflation
- Mn House and Senate are closely divided
 - Difficult to pass bills

Mn State Supplemental Budget Request – FY27



- Due to State budget, prospects for supplemental budget funding are slim
- System will not submit a formal supplemental budget request
- System will advocate for the principles in the biennial budget request from last year
 - 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
- **Governor Walz did not include any additional funding for Mn State in his supplemental budget**

Financial Health Meeting with Chancellor Olson



- **Two financial health indicators triggered**
 - Fund balance as a percentage of General Fund revenue – 10% versus target of 20%
 - CFI (Composite Financial Index) Score – 0.23 (FY25) versus 1.00 target – 0.48 (2Yr Avg) versus 1.50 target
- Meeting held on **January 20, 2026, with Chancellor Olson** and Vice Chancellors
- Feedback received included:
 - General Fund Balance needs to be monitored (Difficult with Workday)
 - Academic programs v. enrollment demand - important
 - Hiring chill is a good strategy to slow down hiring
 - Continue enrollment diversification efforts

Where are we? – FY26 Budget



- Budget deficit in FY26 (\$4.4M) will have to be solved with fund balance and carryforward funds
 - “Hiring Chill” in effect starting Fall Semester 2025
 - Cabinet approves the filling of every position and will be cautious
 - Deficit is primarily caused by tuition rate increase being reduced by MnState Board of Trustees, higher than expected health insurance cost increases and changes in State Appropriation
- Fund balance is below the 20% Mn State threshold
 - Currently at around 10%
 - 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, unspent operating budgets, etc
 - Annually about \$2-3M is realized from carryforward

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



FY27 Budget Update

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Where are we? – FY27 Budget



- President's Cabinet has decided to **make base budget reductions of \$3M for the FY27 budget**
- Budget reduction targets have been established
- Deadline for budget reductions was February 1st
- Presidents Cabinet is finalizing plans

Why do we have a deficit? – FY27 Budget



- Declining State support via Mn State Allocation Model
 - \$45.4M in FY25 down to \$43.0M in FY26 and FY27
- **FY26 tuition request lowered by 2.5%** (9% to 6.5%)
- Higher employee salary increases than revenues 4%+
- **Large increases to health insurance costs +17% 2026 and +10% 2027**
 - Negotiated by State of Minnesota – Zero local control

FY27 Allocation Model – Workday Issues



- FY27 Mn State Allocation Model **will be essentially frozen** from the FY26 level due to data issues arising from the Workday implementation – **Affecting all institutions, not only WSU**
- Primary challenges involve the Instructional Cost Study
 - **Payroll was not correctly posted for the first nine months of FY2025**, resulting in millions of dollars assigned to payroll default cost centers that were not assigned to the correct cost center
 - Despite extensive cleanup work, **accuracy of accounting data varies across campuses**
 - Inconsistent coding practices in **Faculty Workload Management (FWM)** limit reliable reporting of faculty assignment data
 - The **transition of ISRS program codes to Workday function codes** resulted in confusion on what function codes to use when coding instructional expenses
- Secondary challenges involve the revenue buydown and student success components
 - **Changes to the FAFSA and Pell eligibility** hindered the System Office ability to pull data
 - **Cash reconciliation continues to be an issue** with Workday making the revenue buydown component unreliable

Potential Revenue Changes for FY27 and Beyond

- MnState is exploring a common tuition rate for the State Universities
 - WSU currently has the lowest tuition rate among the State U's – 7% from Bemidji
 - Phased in over 1-3 years?
 - Still in the discussion stages
 - More tuition revenue to WSU
- MnState have said they will adjust the allocation model
 - Alter shifting of funds between the 2-year and 4-year institutions
 - Short term(1-2 yrs) vs. long term(recalibration) solution
 - More State Appropriation revenue to WSU
- Enrollment is trending positive!
 - New Entering Freshman up this past Fall
 - **New Residence Hall – Foundation Hall is on the way!**
 - Diversification of enrollment - WSU 2035





FY27 Tuition Proposal

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FY27 Tuition Proposal



Tuition increase of \$20 per credit Undergraduate and \$37 Graduate

MN Undergraduate	FY26 Board Approved	FY27 Amount of Increase	FY27 est. (Proposed)
Per Credit (7%)	\$295.43	\$20.68	\$316.11
Banded –Semester (7%)	\$4,466.34	\$312.64	\$4,778.98

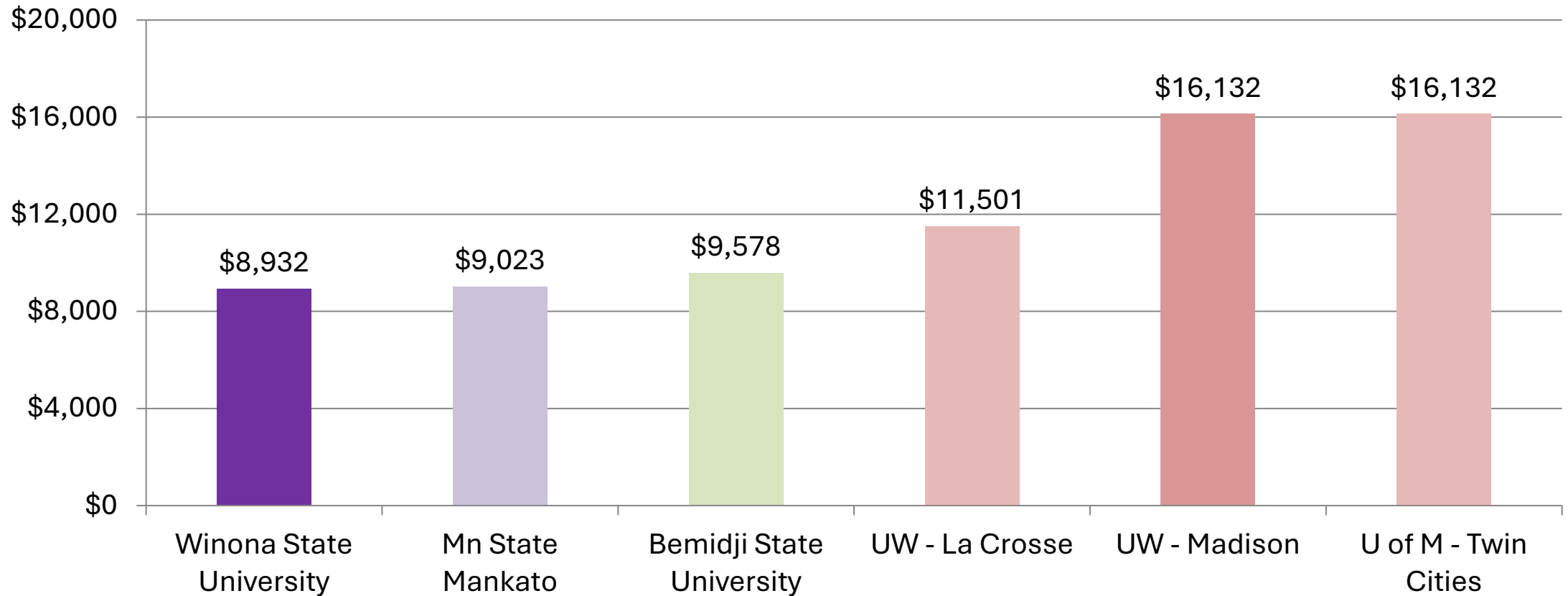
MN Graduate	FY26 Board Approved	FY27 Amount of Increase	FY27 est. (Proposed)
Per Credit (7%)	\$529.74	\$37.08	\$566.82

- Tuition increase request amount could be lowered if there is different guidance from the system office and/or Legislature
- New Differential Tuition in College of Science and Engineering (Geoscience, Computer Science, Math/Stats, Physics) – Course fees may be eliminated

Tuition Costs at Selected Institutions – FY26



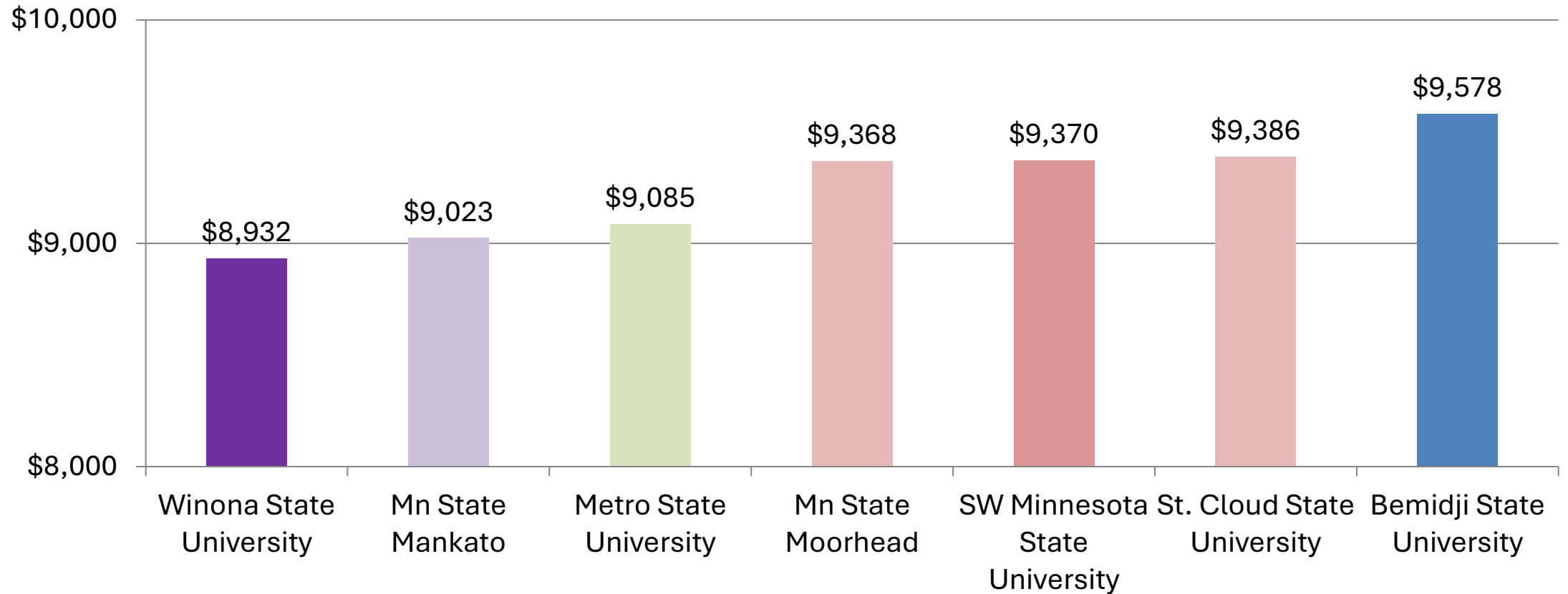
Annual Undergraduate Tuition – Full Time Student



Tuition Costs at Mn State Universities – FY26



Annual Undergraduate Tuition – Full Time Student



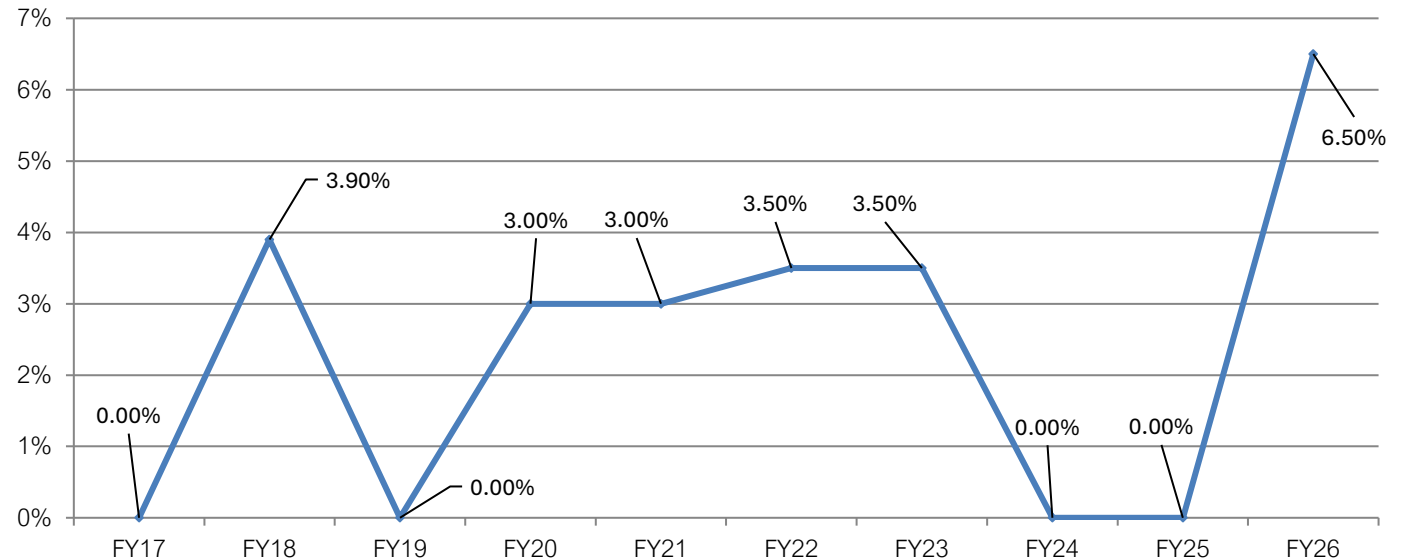
History – Tuition and Budget Reductions



•Tuition Increases

- FY17 – 0%
- FY18 – 3.9%
- FY19 – 0%
- FY20 – 3%
- FY21 – 3% (0% Fall)
- FY22 – 3.5%
- FY23 – 3.5%
- FY24 – 0%
- FY25 – 0%
- FY26 – 6.5%

- 5 Year Average (FY21-26) – 2.70%
- 10 Year Average (FY16-26) – 2.34%



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
FY25	-\$7.0M
FY26	-\$3.0M

Student Implications of Budget Reductions



- Always try and keep student at front and center of budget reduction decisions
- Try to match faculty staffing levels with student demand to be able to offer students courses they need to matriculate
- **Cutting faculty = cutting courses available = longer time to graduate for students**
- **Longer time to graduate = more expense in college (Rent, food, loss of income, etc)**
- Academic Affairs did a good job this year of keeping faculty position reductions low
- Attempt to reduce items that do not impact classroom experience
 - Operating budgets, extra duty days, IT costs, facility lease expenses, et al
- No one likes to pay more



FY27 Budget Reductions Summary

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Budget Reductions Summary – FY27

- 13 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 and Results - 2026

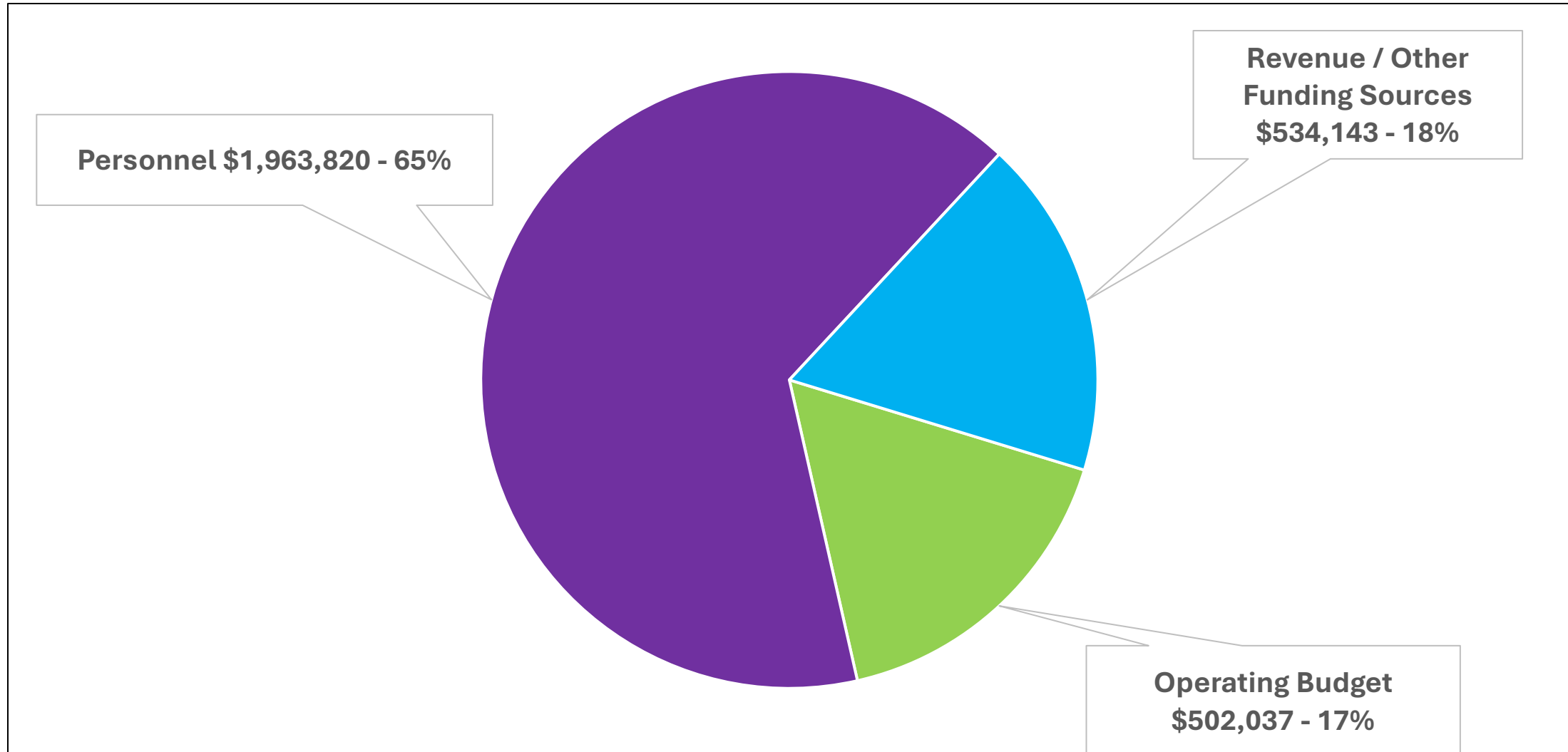
- BESI (Early separation incentive) w/ no replacement
 - BESI was offered to 9 employees
 - AFSCME, MAPE, Commissioners
 - BESI is a management tool to help balance the budget – Not an employee right or entitlement
 - Parameters would include non-replacement of position
 - Average acceptance rate has been 20%
- 3 total acceptances (9 offered – 33% acceptance rate)
 - 1 AFSCME
 - 1 MAPE
 - 1 Commissioners Plan
- **Total BESI incentive payout \$110,000 - Total base budget savings \$285,000**

Budget Reduction Targets



Area (Rounded to \$1,000)	Reduction Target
Academic Affairs	\$2,102,000
Finance and Administration	\$350,000
Enrollment Management	\$256,000
Student Life	\$43,000
Athletics	\$146,000
University Advancement	\$85,000
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 (IT, Roch, Grad, et al)	\$208,607	\$353,975	\$0	\$562,582
Library	\$48,785	\$26,000	\$0	\$74,785
College of Business	\$250,279	\$0	\$0	\$250,279
College of Education	\$150,961	\$0	\$0	\$150,961
College of Liberal Arts	\$354,182	\$0	\$79,267	\$433,449
College of Nursing and Health Sciences	\$308,278	\$6,000	\$94,289	\$408,567
College of Science and Engineering	\$131,770	\$0	\$90,000	\$221,770
Enrollment Management	\$221,938	\$30,062	\$4,000	\$256,000
Student Life	\$42,879	\$0	\$0	\$42,879
Finance and Administration	\$174,911	\$86,000	\$88,892	\$349,803
University Advancement	\$0	\$0	\$84,695	\$84,695
Athletics	\$53,193	\$0	\$93,000	\$146,193
Presidents Office	\$18,037	\$0	\$0	\$18,037
Total	\$1,963,820	\$502,037	\$534,143	\$3,000,000

Vacant Positions Eliminated by Bargaining Unit



Unit	Vacant Positions Eliminated
IFO	3
ASF	3
AFSCME	5
MAPE	1
Administrators	0
MMA	0
Commissioners	1
MNA	0
Total	13

Vacant Positions Eliminated by Area



Unit	IFO	ASF	AFSCME	MAPE	Commissioners Plan	Total
Academic Affairs	0	0	0	0	0	0
Information Technology	0	1	0	0	0	1
College of Business	1	0	0	0	0	1
College of Education	0	0	2	0	0	2
College of Liberal Arts	1	0	1	0	0	2
College of Nursing and Health Sciences	1	0	0	0	0	1
College of Science and Engineering	0	0	0	1	0	1
Enrollment Management	0	2	0	0	0	2
Student Life	0	0	0	0	0	0
Finance and Administration	0	0	2	0	0	2
University Advancement	0	0	0	0	0	0
Athletics	0	0	0	0	0	0
Presidents Office	0	0	0	0	1	1
Total	3	3	5	1	1	13

Next Steps / Timeline

- WSU Super Meet & Confer / Budget Forum – November 13, 2025
- Begin Student Tuition and Fee Consultation with SFMC/Student Senate – January 2026
- Present Tuition at Student Fee Management Committee – March 18th
- Present Tuition at Student Senate – March 25th
- Budget Forum to Update Campus on Budget – March 26th
- Student Consultation Letters are due – End of April 2026
- Board of Trustees Meetings to Approve Budget, Tuition and Fees – April/May 2026
- Legislative Session Ends – May 18, 2026
- Implement Budget Reductions – June 30, 2026



Thank You!

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