

MINNESOTA STATE UNIVERSITY

M A N K A T O



Budget Open Forum

April 17, 2019

April 18, 2019

Rick Straka

FY20 Budget Planning Variables

- ◆ **Academic Year Tuition is Approx. \$94M**
 - 1% Tuition Rate Increase = \$940,000
 - 100 FYE Change = \$720,000
- ◆ **Appropriation is Approx. \$53M**
 - 1% Change is Approx. \$530,000
- ◆ **Compensation Budget is Approx. \$122M**
 - 1% Change is Approx. \$1.2M



Key Financial Pressures on the University Budget

FY19 \$4M Base Budget Challenge

1. Enrollment Loss – Tuition Revenue Loss
2. Structural Deficit in Biennium Funding
3. New Base Expenditures/Costs

FY19 Base Budget is in Deficit by Approx. \$4M

Prior to Any Budget Investments



FY19 Deficit is Base

- ◆ **This Deficit is Prior to any FY20-21 Impacts**
- ◆ **Must target full \$4M in Base beginning in FY20**
 - **PRIOR** to any FY20-21 Impacts
 - Use of Bridge Strategies Will be Required
 - Division Plans of \$6M to Fund Possible Investments and to Avoid Across The Board Reductions



Enrollment Trends

Minnesota State University, Mankato

MinnStateUniversity Student Enrollment Trends (FY2017 - FY2019 projected)

Institution	FY2017 FYE	FY2018 FYE	FY2019 Projected	Change from FY2017 to FY2019	
				Total Change Amt	Total Change %
Bemidji State University	4,338	4,319	4,218	(120)	-2.77%
Metropolitan State University	6,168	6,064	5,935	(233)	-3.78%
Minnesota State University Moorhead	5,378	5,297	5,138	(240)	-4.46%
Minnesota State University, Mankato	13,657	13,456	13,250	(407)	-2.98%
Southwest Minnesota State University	3,760	3,608	3,561	(199)	-5.29%
St. Cloud State University	11,480	11,081	10,372	(1,108)	-9.65%
Winona State University	7,530	7,357	7,200	(330)	-4.38%



Tuition Loss

FYE Enrollment Loss FY18-19

400 FYE

Approx. Tuition Per FYE

\$7,200

Total Approx. Tuition Loss

\$2,880,000



Possible Bridge/Short Term Budget Options To Implement FY20 Base Reduction Plans

- ◆ Institutional Equipment reduction or freeze
- ◆ International/Outstate Travel Restrictions (excluding contract professional travel)
- ◆ Non-emergency supply budget review
- ◆ Review/Moratorium on department/division funded facility renovations
- ◆ Additional reviews of any purchases
- ◆ One Time Spend Down of Reserve as Bridge
- ◆ Other Options?



Base Budget Balancing Discussions

- ◆ Review Strategic Budget Planning Data to Inform Decision Making
- ◆ Investments to Increase Enrollment and/or Revenues
- ◆ BESI Options
- ◆ Position / Workload/Staffing reductions
- ◆ Review summer surplus model to potentially help support academic year budget
- ◆ Non-salary reductions



Base Budget Options cont'd

- ◆ **Seek campus input via budget website for additional solution ideas**
- ◆ **Increase Retention to help offset enrollment declines**
- ◆ **Other Strategies??**



FY20 Budget Timeline

- ◆ **Budget Plans from Divisions – April/May 2019**
- ◆ **Cabinet Budget Decisions – May 2019**
- ◆ **Final Budget Decisions – May/June 2019**
- ◆ **Legislative BOT Budget Update – July 2019**



The background features two stylized, yellow, flame-like shapes rising from two rectangular bases. The flames are composed of several curved, overlapping bands, giving them a sense of movement and heat. The bases are also yellow and have a stepped, blocky appearance. The entire scene is set against a white background.

Discussion



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