

MINNESOTA STATE UNIVERSITY

M A N K A T O



Budget Open Forum

February 12, 2015

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Key Financial Pressures on the University Budget

1. Enrollments Declining – Tuition Revenue Loss
2. Loss in MnSCU Allocation Percent Share
3. Final Inflation Greater than Planned

FY15 Base Budget is in Deficit by Approx. \$4M

NOTE: \$4M is 2.7% of \$150M Gen Fund Budget



FY15 Deficit is Base

- ◆ **This deficit is prior to any FY16 impacts**
 - Further enrollment Decline?
 - Legislative Impacts (Tuition Freeze?)
 - Change in MnSCU Allocation Percent Share?
 - Inflation Projections?



Budget Planning Variables

- ◆ **Academic Year Tuition is Approx. \$90M**
 - 1% Tuition Rate Increase = \$900,000
 - 100 FYE Change = \$710,000
- ◆ **Appropriation is Approx. \$48M**
 - 1% Change is Approx. \$500,000
- ◆ **Compensation Budget is Approx. \$110M**
 - 1% Change is Approx. \$1.1M



May 2014 Planning Scenarios Related to FY15 Base Budget

May 2014 Planning Scenarios		Scenario 1 Level Enrollments	Scenario 2 3% Enrollment Decline	Scenario 3 2 % Enrollment Increase
Change in Base From FY13 to FY15		(\$1,016,985)	(\$3,716,985)	\$783,015

Note: Only Variable Change in Scenarios is Enrollment/Tuition Revenues.

Newer UG Cohorts Declining

	Fall 2010	Fall 2011	Fall 2012	Fall 2013	Fall 2014
NEF	2,359	2,467	2,264	2,380	2,253
Transfer	1,130	1,149	1,076	1,028	1,040
Total	3,489	3,616	3,340	3,408	3,293
Change		127	(276)	68	(115)



Enrollment Trends

	FY12	FY13	FY14	FY15	Change From FY13
UG FYE	11,973	11,809	11,681	11,442	(367)
GR FYE	1,309	1,261	1,295	1,346	85
ACAD YR	13,282	13,070	12,976	12,788	(282)
SUMMER	1,161	1,124	1,204	1,122	(2)
Total FYE	14,443	14,194	14,180	13,910	(284)



Tuition Revenue Impact

FYE LOSS from FY13	-282
X Ave Tuition per FYE	7,100
Base Tuition Loss	(\$2,002,200)



MnSCU Enrollment Trends

MnSCU State University Student Enrollment Trends (FY2012 - FY2015)						
Data as of 1.14.2015						
Institution	FY2012 FYE	FY2013 FYE	FY2014 FYE	Projected FY2015 FYE	Change from FY2012 to FY2015	
					Total Change Amt	Total Change %
Bemidji State University	4,634	4,347	4,296	4,265	(369)	-8.0%
Metropolitan State University	6,086	6,266	6,192	6,068	(18)	-0.3%
Minnesota State University Moorhead	6,574	6,167	5,987	5,677	(897)	-13.6%
Minnesota State University, Mankato	14,443	14,194	14,180	13,910	(533)	-3.7%
Southwest Minnesota State University	3,681	3,769	3,679	3,602	(79)	-2.1%
St. Cloud State University	13,938	13,053	12,381	11,829	(2,109)	-15.1%
Winona State University	8,544	8,459	8,267	8,255	(289)	-3.4%
Total	57,900	56,255	54,982	53,606	(4,294)	-7.8%

Allocation Percent Share Loss

- ◆ **Minnesota State University, Mankato percent share of the MnSCU Allocation Model is declining**
- ◆ **Loss of Percent Share From FY14 to FY15**

(\$700,000)



Evolving Changes in Inflation Scenario Planning

- ◆ **Inflation Plan for FY14-15 at Spring 2013**
 - Annual Inflation of 2.65% for FY14 and FY15 at BOT
- ◆ **Inflation Plan for FY14-15 in Spring 2014**
 - Annual Inflation at 3.25%, Health at 6.5%
- ◆ **Final Inflation Figures**
 - Exceeded 3.25%
- ◆ **Inflation in June/July of 2013 Effective for July 2011 - June 2013 exceeded planning by \$500,000**



Bridge/Short Term Budget Options

- ◆ Hiring freeze (Essential only replacements)
- ◆ Equipment freeze
- ◆ Travel Restrictions (excluding contract professional travel)
- ◆ Non-emergency supplies freeze or supply budget unallotment
- ◆ Moratorium on department/division funded facility renovations
- ◆ Additional reviews of any purchases > TBD dollar level
- ◆ Other Options?



Base Budget Balancing Options

- ◆ **Investments to Increase Enrollment and/or Revenues**
- ◆ **BESI / Phased or AEP Retirements**
- ◆ **Position / Workload reductions**
- ◆ **Review summer surplus model to potentially help support academic year budget**
- ◆ **Non-salary reductions**
- ◆ **Possible changes in carryforward policies**



Base Budget Options cont'd

- ◆ Edina Operation/Facility changes (Analyze 7700 vs Partner institutions space and operations optimization)
- ◆ Seek campus input via budget website for additional solution ideas
- ◆ Cultural Contribution Scholarship
- ◆ Increase Retention to help offset enrollment declines
- ◆ Extended Ed/Continuing Ed Opportunities
- ◆ Other Strategies??



FY15-16 Budget Timeline

- ◆ **Budget Plans from Divisions – March 2015**
- ◆ **Draft Cabinet Budget Decisions – April 2015**
- ◆ **Consultation on Budget Plans – April/May 2015**
- ◆ **Final Budget Decisions – May 2015**



The background features stylized yellow flames rising from two base shapes. The base on the left is a solid yellow rectangle with a small notch at the bottom center. The base on the right is a yellow shape composed of three horizontal bars of decreasing width, stacked vertically. The flames are represented by several curved, wavy yellow bands of varying lengths and positions, creating a sense of movement and heat.

Discussion



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