



MSU Moorhead Budget FYs 2010-2011

February 4, 2009

Governor's Budget Recommendation

State of MN Economic Forecasts

- Governor's budget recommendation is based on the November economic forecast (released December 4) which projected a \$4.8B state deficit for the next biennium
- January 2009 economic update projected -\$131M or 4.5% decrease in revenues for the current biennium
- Governor will re-tool his recommendation if the February economic forecast (to be released March 3) differs significantly from the November forecast

Governor's Budget Recommendation

Impact on MnSCU & MSU Moorhead

- K-12 is approximately 40% of the State of MN budget; the Governor's budget recommendation does not reduce K-12 funding
- MnSCU is 3.7%; Governor's recommended -\$146M base budget cut to MnSCU represents a 10.7% reduction
- MSU Moorhead's estimated proportionate share of the Governor's recommendation is a -\$8M base budget cut for the next biennium (-\$4M each fiscal year)

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FYs 2010–2011 Budget Planning Factors

- FY 2009 unallotment (-\$892,382)
- projected FY 2009 tuition revenue shortfall (-\$641,177)
- possible FY 2009 rescission
- projected FY 2010 enrollment decline and structural deficit (-\$2.65M)
- projected impact of Governor's budget recommendation on FY 2010 (-\$4M)

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Projected Base Budget Change

FY 2009 Projected Base Budget (AY 2008-09)

FY 2009 Original base budget	\$64,822,291	
Projected tuition revenue shortfall	<u>(\$641,177)</u>	0.99%
FY 2009 Adjusted base budget	\$64,181,114	
Governor's unallotment (actual)	<u>(\$892,382)</u>	1.39%
FY 2009 Ending base budget	\$63,288,732	
Cumulative base reduction	(\$1,533,559)	2.37%

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Projected Base Budget Change

FY 2010 Projected Base Budget (AY 2009-10)

FY 2009 Ending base budget	\$63,288,732			
Projected structural deficit	<u>(\$2,655,037)</u>	4.20%		
Adjusted base budget	\$60,633,695			
Projected state appropriation reduction				
MSU Moorhead projection	<u>(\$5,013,500)</u>	8.27%		
Governor's recommendation			<u>(\$4,003,926)</u>	6.60%
FY 2010 Original base budget	\$55,620,195		\$56,629,769	
Cumulative base change	(\$9,202,096)	14.20%	(\$8,192,522)	12.64%



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Projected Base Budget Change

FY 2011 Projected Base Budget (AY 2010-11)

FY 2011 Original base budget **

MSU Moorhead projection \$55,620,195

Governor's recommendation \$56,629,769

** FY 2011 base budget is not adjusted for inflation or potential changes in enrollment

Cumulative base change (\$9,202,096) 14.20% (\$8,192,522) 12.64%

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Financial Management Strategies

- **Revenue production**
 - increase enrollment
 - summer school schedule
 - tuition and fee structure proposal
 - banded tuition proposal
 - differential tuition proposal

- **Expenditure reduction**
 - frozen positions
 - operating budget reductions
 - early separation incentives
 - voluntary reduction in hours

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Financial Management Strategies

- **Outsourcing study**
 - MN statutes & policies
 - potential base budget savings
 - maintaining quality services
- **Programs and services prioritization**
- **Enrollment management**
 - Noel-Levitz coaching

Questions?

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