



MSU Moorhead Town Hall Meeting

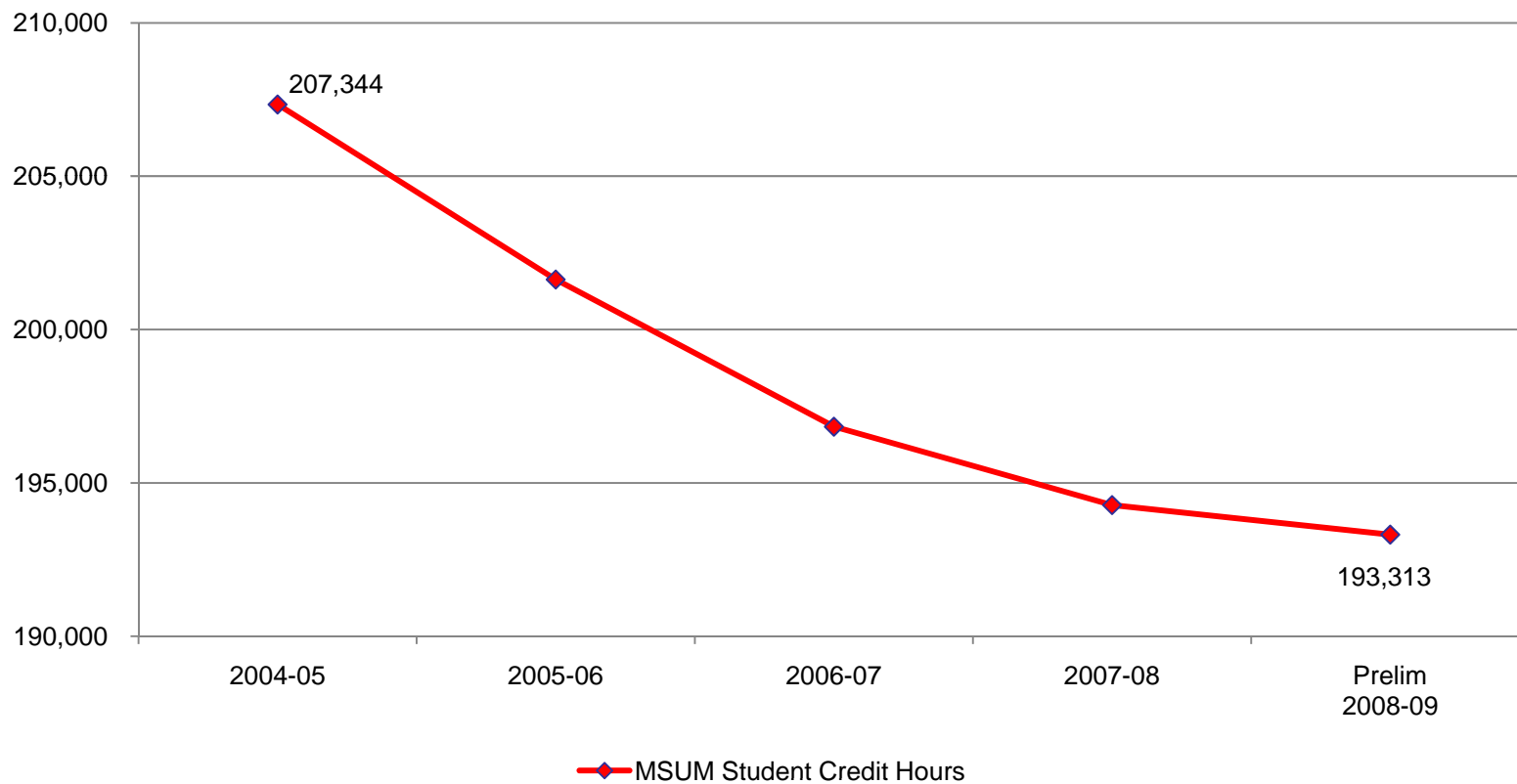
May 13, 2009

FY 2010 Budget Situation: Causes

- Total FY 2010 projected deficit: **-\$8.75M**
 - Structural deficit: **-\$4.95M**
 - declining student credit hour generation
 - decreasing percent share of state appropriation
 - rising costs (e.g. compensation, fuel & utilities)
 - disincentives in tuition & fee structure
 - Decrease in state appropriation: **-\$3.8M**
 - current economic recession

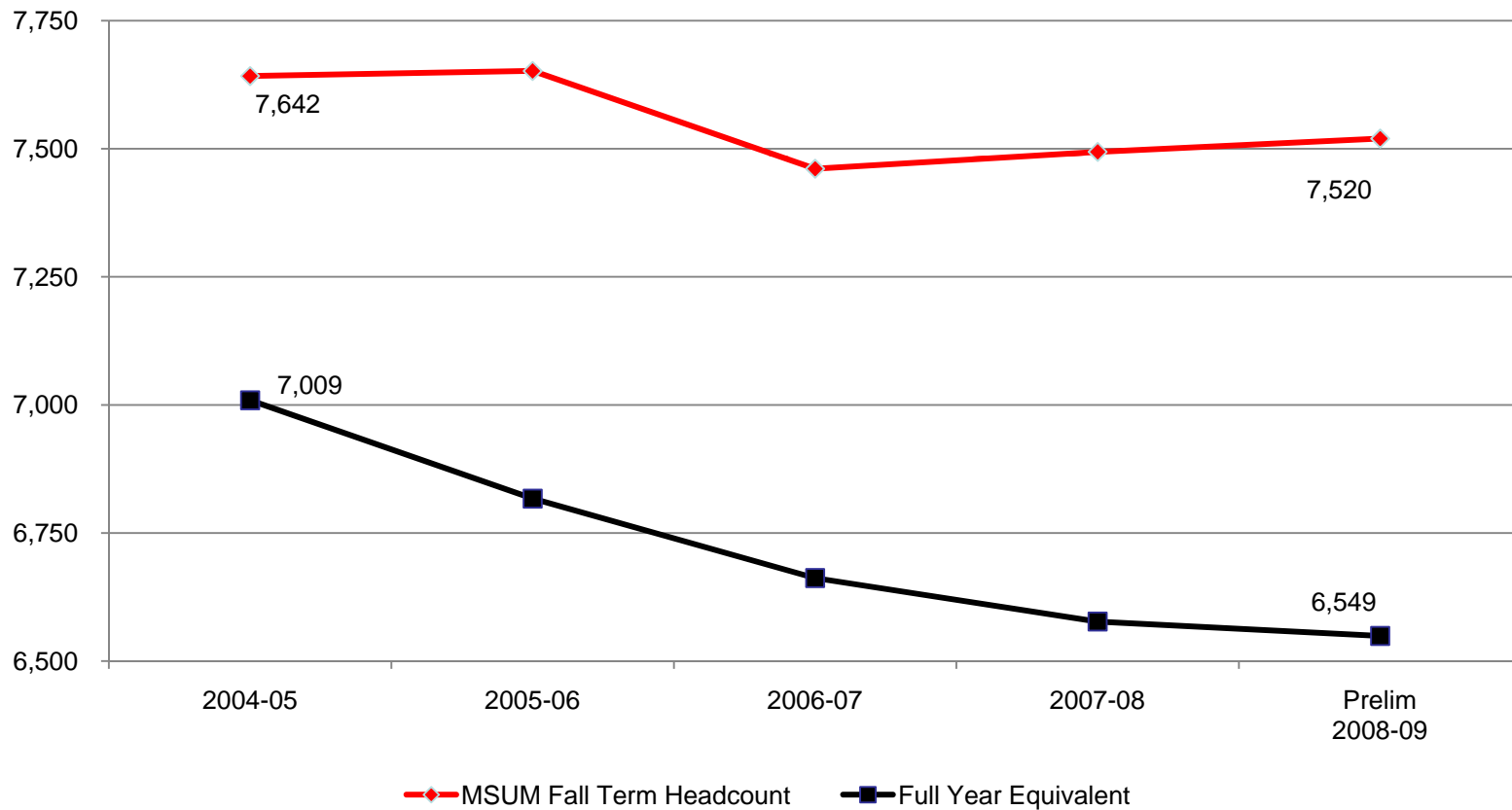


MSUM Student Credit Hours (SCH)

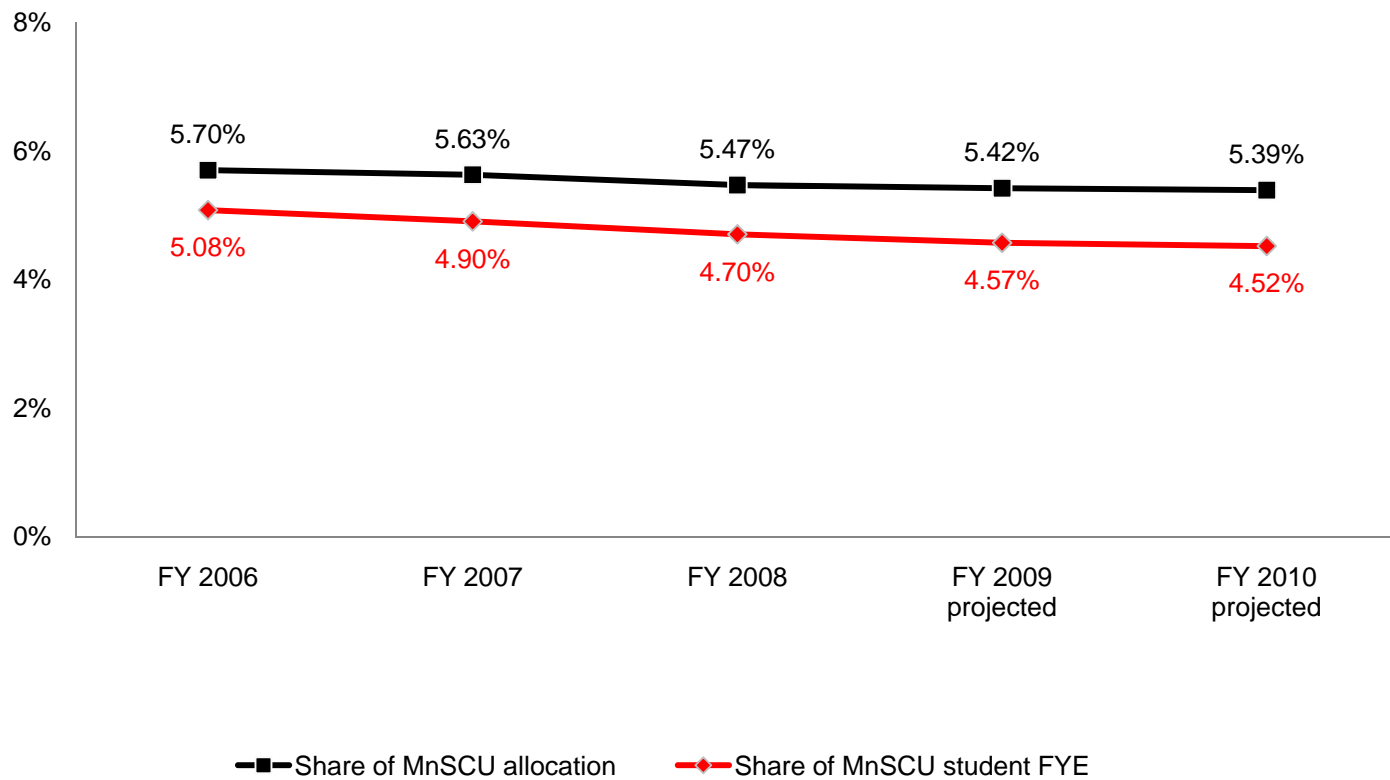


MSUM

Student Headcount and Full-Year Equivalent (FYE)



MSUM Percentage Share of MnSCU Student Full-Year Equivalent (FYE) and Allocation



Budget Situation: Current year and next two biennia

Current General Fund Budget Level							
\$65M							
Current Level Minus Structural Deficit (\$4.95M)							
\$60.05M							
Current Level Minus Deficit and Base Cut to State Appropriation (\$3.8M)				federal stimulus funds one-time ~60-80% of base cut			
\$56.25M					?	?	?
		2009	2010	2011	2012	2013	

Budget Situation: Solutions

- Communication & Information Gathering
- Budget Reduction
- Improved Fiscal Processes
- Improved Revenue Generation



Communication & Information Gathering

- Town hall meetings held monthly
- Cabinet met bi-weekly with bargaining unit leaders
- Campus-wide review of all academic, support, and administrative programs
- Tuition and Fee Structure Task Force
- Energy Task Force



Budget Reduction

- Hiring freeze
- Early separation incentives
 - 3 faculty (IFO)
 - 7 service faculty (MSUAASF)
 - additional incentives are pending the outcome of the legislative session
- Use information from program review process to selectively eliminate or reduce programs
- Use federal stimulus funds for one-time costs relating to early separation incentives and layoffs



Improved Fiscal Processes

- Revised tuition and fee structure
 - banded tuition (12-19 credits)
 - convert some fees to tuition
 - spread fees over 12 credits
- Summer school schedule restructured
- Better connect resource allocation to revenue generation
 - examine academic program cost recovery ratios
 - use data to prioritize resource allocation
 - ongoing positions only hired with firm evidence of ongoing revenue



Improved Revenue Generation

- Address areas of concern identified by Noel-Levitz enrollment consultants
- Enrollment management positions (initially funded through an auxiliary services surcharge and the Office of the Chancellor)
 - Marketing Director
 - Marketing Webmaster
 - Twin Cities Recruiter
 - Enrollment Management Data Manager



Planning for FY 2012

- Possible additional state appropriation decrease
 - based on state economic forecast
- Increase enrollment (and tuition revenue)
 - 2% by Fall 2010
 - additional 2-4% by Fall 2011
- Maximize University reserves before Fall 2011
 - provide bridge funding until economy recovers and state appropriation stabilizes
- Continue strong fiscal processes and controls



Important Budget Planning Dates

- **May 18**
 - constitutionally determined last day of legislative session
- **July 15**
 - President presents final University budget plan to UPBC
- **July 16 & 17**
 - President meets & confers with bargaining units, as needed
- **July 21-22**
 - MnSCU Board of Trustees decide FY 2010 operating budget and tuition increases

Questions?

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