Welcome to
Town Hall
April 15, 2020
You may not hear any sound.
Audio/video will begin at 10 a.m.
MSUM
Budget Planning
Jean Hollaar, VP Finance & Administration
MSUM Budget Plans

- FY 2021
- FY 2022
MSUM Planning & Budgeting Process

• Aligned with our strategic framework, our strategic priorities and our master plans
• Create staffing plans that are integrated with our curriculum decision-making process.
• Budget investment, reallocation and reduction decisions will all be informed by data and metrics
MSUM FYs 2021-2022
Budget Planning Timeline

• Planning & budgeting process started Fall 2019
• Instructional planning metrics data provided
• Budget planning parameters identified
  – Realistic initial revenue-expense projections
Revenues
- Campus Allocation
- Tuition Revenues
  - Tuition Rate
  - Enrollment

Expenses
- Salary & Fringe Benefits
- Operations
Budget Planning Scenarios

• Scenario A – More Favorable
• Scenario B – Most Likely
• Scenario C – Less Favorable
## Budget Planning Scenario B – Most Likely

### Scenario B - Most Likely

<table>
<thead>
<tr>
<th>Revenue</th>
<th>FY 2021</th>
<th>FY 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Campus Allocation</td>
<td>-1%</td>
<td>3.7%</td>
</tr>
<tr>
<td>Tuition Rate</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Enrollment</td>
<td>-2.35%</td>
<td>-1.88%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expense</th>
<th>FY 2021</th>
<th>FY 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary</td>
<td>2.25%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Fringe Benefits</td>
<td>7.5%</td>
<td>7.4%</td>
</tr>
<tr>
<td>Operations</td>
<td>0%</td>
<td>3%</td>
</tr>
</tbody>
</table>
Budget Planning Scenario B – Most Likely

FY 2021

<table>
<thead>
<tr>
<th></th>
<th>FY 2021</th>
<th>FY 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$69.2M</td>
<td>$70.7M</td>
</tr>
<tr>
<td>Expense</td>
<td>$74.1M</td>
<td>$76.6M</td>
</tr>
</tbody>
</table>

Gap: -$4.8M

FY 2022

<table>
<thead>
<tr>
<th></th>
<th>FY 2021</th>
<th>FY 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$59.3M</td>
<td>$61.7M</td>
</tr>
<tr>
<td>Expense</td>
<td>$60.0M</td>
<td>$60.0M</td>
</tr>
</tbody>
</table>

Gap: -$5.9M

Employee Compensation
MSUM FYs 2021-2022
Budget Planning Timeline

• Division budget targets were set to balance the budget using the most likely scenario
• Cabinet leaders worked within their divisions and with each other to create a comprehensive budget plan aligned with projected revenue
• Comprehensive budget plan presented to University Planning & Budget Committee (UPBC)
MSUM FYs 2021-2022
Comprehensive Budget Plan

<table>
<thead>
<tr>
<th>Division</th>
<th>FY 2020 Budget</th>
<th>FY 2021 Budget</th>
<th>Net Change %</th>
<th>FY 2022 Budget</th>
<th>Net Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic Affairs</td>
<td>$39,804,880</td>
<td>$38,038,736</td>
<td>-4.44%</td>
<td>$35,292,687</td>
<td>-7.22%</td>
</tr>
<tr>
<td>Athletics</td>
<td>$3,690,282</td>
<td>$3,664,047</td>
<td>-0.71%</td>
<td>$3,515,806</td>
<td>-4.05%</td>
</tr>
<tr>
<td>Enrollment Management &amp; Student Affairs</td>
<td>$5,925,328</td>
<td>$5,402,714</td>
<td>-8.82%</td>
<td>$5,042,589</td>
<td>-6.67%</td>
</tr>
<tr>
<td>Finance &amp; Administration</td>
<td>$10,265,865</td>
<td>$9,867,405</td>
<td>-3.88%</td>
<td>$9,955,472</td>
<td>0.89%</td>
</tr>
<tr>
<td>Human Resources</td>
<td>$675,842</td>
<td>$675,842</td>
<td>0.00%</td>
<td>$608,258</td>
<td>-10.00%</td>
</tr>
<tr>
<td>President’s Office</td>
<td>$617,901</td>
<td>$617,901</td>
<td>0.00%</td>
<td>$527,140</td>
<td>-14.69%</td>
</tr>
<tr>
<td>University Advancement</td>
<td>$2,186,816</td>
<td>$1,936,031</td>
<td>-11.47%</td>
<td>$1,742,428</td>
<td>-10.00%</td>
</tr>
</tbody>
</table>
Comprehensive Budget Plan

FY 2021

Gap: -$3.7M

$69.5

$74.1

Revenue

Expense

$53.8M Employee Compensation

FY 2022

Gap: -$600K

$71.5

$72.1

Revenue

Expense

$50.3M Employee Compensation
MSUM FYs 2021-2022 Budget Planning Timeline

- UPBC provides input and feedback on the budget plan before the end of spring semester
- Input and feedback is received through Meet & Confers
- President finalizes the budget plan
Guiding Principles

President Anne Blackhurst
Achieve Structural Balance

• Costs are outpacing revenue
  – State support has declined
  – MSUM spends more per student than comparable universities

• What we can control is how we allocate the resources we have

• We must make difficult decisions today to position MSUM for the future
Guiding Principles

• Communicate with affected employees first
• Honor our employee contracts
• Align our budget with our strategic priorities
• Consider the impact on enrollment; invest in growing programs
• Position the university for the future
University of the Future

- Fewer, more focused priorities
- More nontraditional students and more flexible delivery modes
- Flexible and agile; able to take advantage of opportunities
- Lean: lower operating costs; employees who are generalists, with multiple responsibilities
- High quality programs aligned with regional demand
Program Closures

Arrick Jackson, VP of Academic Affairs
Our Programs

The top enrolled 35% of our programs produce 77% of all graduates
Approximately **175 students** enrolled in these programs:

- Advertising (16)
- Public Relations (6) *(Integrated Advertising & PR still offered)*
- American Multicultural Studies (0)
- International Studies (26)
- Paralegal (54)
- Philosophy BA degree (8)
- School Psychology (10)
- Spanish Education (8)
- Theatre Arts (27)
- TESL (Graduate) (4)
- New Rivers Press
Academic Programs

MSU Moorhead’s academic offerings will continue to include:

• Graduate majors: 11
• Undergraduate Majors: 76
• Undergraduate Minors: 78
• Undergraduate Certificates: 28
MSUM Staffing Plan

Jean Hollaar, VP of Finance & Administration
## Positions not in the FY 2021 budget plan

<table>
<thead>
<tr>
<th>Position</th>
<th>Administrator</th>
<th>IFO</th>
<th>AFSCME</th>
<th>MAPE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Faculty</td>
<td>Administrator</td>
<td>12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff</td>
<td>IFO</td>
<td></td>
<td>11.5</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>AFSCME</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>MAPE</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**IFO:** 8.5 vacant positions; 3 fixed-term positions  
**AFSCME:** 2 vacant positions
Positions not in the FY 2022 budget plan

<table>
<thead>
<tr>
<th>Administrator</th>
<th>Administrator</th>
<th>2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Faculty</td>
<td>IFO</td>
<td>24</td>
</tr>
<tr>
<td>Staff</td>
<td>Commissioner’s</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>MAPE</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>MSUAASF</td>
<td>4</td>
</tr>
</tbody>
</table>

MAPE: 1 vacant position
MSUAASF: 1 vacant position
Positions not in the FY 2024 budget plan

<table>
<thead>
<tr>
<th>Faculty</th>
<th>IFO</th>
<th>7</th>
</tr>
</thead>
</table>
## Total Personnel Reductions FY21-FY24

<table>
<thead>
<tr>
<th>Category</th>
<th>Subcategory</th>
<th>Reduction</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrator</td>
<td>Administrator</td>
<td>3</td>
<td>-15%</td>
</tr>
<tr>
<td>Faculty</td>
<td>IFO</td>
<td>43</td>
<td>-13%</td>
</tr>
<tr>
<td>Staff</td>
<td>AFSCME</td>
<td>11.5</td>
<td>-9%</td>
</tr>
<tr>
<td></td>
<td>Commissioner’s</td>
<td>2</td>
<td>-29%</td>
</tr>
<tr>
<td></td>
<td>Managerial</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>MAPE</td>
<td>3</td>
<td>-6%</td>
</tr>
<tr>
<td></td>
<td>MMA</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>MSUAASF</td>
<td>4</td>
<td>-6%</td>
</tr>
<tr>
<td>All employees</td>
<td></td>
<td>66.5</td>
<td>-11%</td>
</tr>
</tbody>
</table>
Faculty Rosters Impacted

- Accounting
- American Multicultural Studies
- Archaeology
- Art: Studio
- Economics
- English: Writing
- Geographical Information Sciences
- History
- Journalism

- Mathematics
- Paralegal
- Philosophy
- Physics
- School Psychology
- Sociology
- Teaching English as a Second Language
- Theatre Arts
- Theatre: Dance
Board Early Separation Incentive (BESI) Offers

- Incentive: $25,000
- Offered only in rosters and classifications where layoffs are planned.
- Positions will not be replaced.
Board Early Separation Incentive (BESI) Offers

**AFSCME**
- OAS Intermediate
- OAS Senior

**MAPE**
- Instructional Communications Specialist
Board Early Separation Incentive (BESI) Offers

IFO ROSTERS
• Accounting
• American Multicultural Studies
• Archaeology
• Economics
• English: Writing
• History

• Journalism
• Mathematics
• Paralegal
• Philosophy
• Physics
• School Psychology
• Teaching English Second Language
What Happens Next

President Anne Blackhurst
Timeline

- April 14: Conversations with affected employees
- April 14: Bargaining unit leader meeting
- April 15: Plan presented at UPBC & Town Hall
- April 17: BESI Offers Sent
- April 22: UPBC Feedback
- April 30: Meet and Confer
- May 6: UPBC Feedback
Timeline

- May 8 & 11: BESI Acceptance & Decisions
- May 13: UPBC Feedback (if needed)
- May 15: FY21 Budget Plan Finalized
- May 18: Formal Layoff Notices for Staff
- June 1: Decision Day for Classified Staff with bumping rights
- Fall 2020: FY22 Budget Plan Finalized; Formal Layoff Notices for Faculty
Questions

Cabinet