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Why Minnesota State University Moorhead is a Special Place

It has been just a year now since last year’s opening remarks, and what a year it has been! We have been through budget cuts and the Red River flood. Through all of our challenges, I have become ever more convinced that MSUM is, indeed, a very special place. We have been a well kept secret, and we are in the process of changing that status. Here are some reasons why we should all be very proud.

- With the addition of Martin Grindeland, we’ve had eight faculty members named as Carnegie Foundation Minnesota State Professors of the Year. This feat puts us among the top 15 universities in the country and the clear leader in our region. And, these individuals are just the tip of the iceberg. As I have previously noted, we have amazing bench strength in the excellence of our faculty.

- Our students have continued to excel in national and regional competitions. For example,
  - Once again our students placed extraordinarily well at the Society of Professional Journalists Mark of Excellence Awards with one national winner and five finalists. The only universities with more awards that MSUM were Arizona State, University of Maryland – College Park, and University of North Carolina, Chapel Hill.
  - This past year, two MSUM students were among 278 students in the nation to win prestigious Goldwater scholarships, bringing us to 9 winners in 8 years.

- On campus, our students also excel. For example,
  - Last Spring, a new record of 585 students participated in the eleventh annual Student Academic Research Conference.
  - Our Theatre department presented another stellar season of the Straw Hat players.
  - Our student athletes, with their overall GPA of above 3.0, placed 67th out of 290 schools in the Learfield Directors Cup Standings, which are based on academic performance.

- Thanks to the hard work of our staff and volunteers, our successful Dragons After Dark program received an award for Innovation in Student Affairs programming from the Chancellor’s Office.

- Retiring Dean Ron Jeppson was recognized by the Chancellor’s Office as the Outstanding Academic and Student Affairs Administrator for the system.

- And then there was the flood. The university community came together to help save the region. Students, staff, and faculty worked well above the call of duty to get the job done and to show the nation that we are a caring community.

I could go on for hours. However, I refer you to our Points of Pride Web site at [http://web.mnstate.edu/pointsofpride/](http://web.mnstate.edu/pointsofpride/). I believe that our new mission statement says it all:

*Minnesota State University Moorhead is a caring community promising all students the opportunity to discover their passions, the rigor to develop intellectually and the versatility to shape a changing world.*
Budget Context

Throughout the country, public higher education faces some of the most difficult times in recent history. The global recession and state revenue shortfalls have caused massive budget cuts and layoffs. It is highly unlikely that we will see a return to the levels of state support we enjoyed in previous decades. As we start our year, we provide a brief overview of our situation for the current and the coming biennium.

The 2010 Biennium (7/09 – 6/11)
We closed a very significant budget gap by working together. We managed to close it without layoffs and with the loss of very few academic programs. Here’s a summary of our budget challenge for the 2010 biennium and our solution.

- Our budget gap coming into the biennium eventually settled at $9.07M (~14%) Throughout the Spring, economic forecasts worsened; the governor and legislature adjusted their positions; contracts were settled with little or no increase; and our actual credit production figures solidified. During this time, our estimates of the gap ranged from about ~$8M to $9.7M. Of the final $9,076M, $4,95M resulted from our structural deficit and the remainder from the recession-caused state revenue shortfall. (See http://web.mnstate.edu/president/Speeches/budget_and_planning_presentations/5_13_2009_townhallmeeting.htm for a description of the source of our structural deficit.)

- We solved the gap through a combination of actions that were aided by bargaining unit settlements that saved $1.2M. The rest of the cuts were covered by the hiring freeze we implemented almost a year ago, early separation incentives, decreased operating costs, tighter fiscal controls, increased program efficiencies, and increased revenue.

- Faculty, staff, and students from throughout the campus worked to contain costs and find savings, thus saving jobs.

- More detail on closing the 2010 gap can be found in the July Town Meeting postings at http://web.mnstate.edu/president/Speeches/budget_and_planning_presentations/7_28_2009_townhallmeeting.htm.

The 2012 Biennium (7/11 – 6/13)
Unfortunately, we are not out of the woods. At the present time, the state (http://www.mmb.state.mn.us) is forecasting a revenue shortfall of over $7B coming into the 2012 biennium. This will mean a cut in state appropriations for the Minnesota State Colleges and Universities System and, therefore, Minnesota State University Moorhead. The Chancellor’s Office has advised campuses to begin planning for a cut in the 2012 biennium, and to anticipate a possible unallotment during the coming year. Based on our percentage of the system and past formulas, our early estimate is a campus cut of approximately $4M per year. We will continue to refine this estimate over the coming years.

As we mentioned in the July 28th town meeting, we are implementing a multi-faceted strategy to increase revenue, decrease base budget costs, and maintain or increase quality of service. Given our $4M estimate, initially, we expect to address the cut through:

- $2M increase in tuition revenue (6% increase in enrollment),
- $1M base budget cut, primarily from early separation incentives, and
- $.5M from increase summer session revenue
- $.5M of reserve each year as a bridge, if the economic forecast suggests recovery.

We expect this plan to evolve over the coming years. More specifics will be provided in the last section of this presentation on our goals for the coming year.

I have absolutely no doubt that this fine and caring community will work together to surmount the current budget challenges. We will enter the next biennium with a new fiscal model that promotes both prosperity and long-term fiscal stability.

Update on Last Year’s Goals

Last year, on the occasion of the opening address, I set out four goals to focus my activity for the year. As the budget challenge became apparent, I added that as a goal. I have provided quarterly updates on the web on each of these
goals. Here, I will provide a very brief summary.

**Goal 1: Listen, Learn, and Build Relationships**

- We have established a tradition of town meetings and regular meetings with bargaining unit leaders.
- I meet with service clubs and other community groups as requested, and have done a good number of such meetings.
- Throughout the year, I attended the Diversity Committee of the Minnesota State Colleges and Universities Presidents’ Leadership Council. During the coming year, I will co-chair that Committee with Dr. Whitney Harris. This appointment will also require my attendance at the Board of Trustees meetings each month.
- I have met individually with legislators and community leaders, and have met with groups of alumni and students.
- I was only able to meet with some of the departments before the budget challenge intensified. I plan to pick up with those meetings this semester and hopefully to establish a regular schedule of departmental and unit meetings.

**Goal 2: Build Shared Vision and Focused Identity**

- The Vision Task Force completed its work, which included multiple town meetings to discuss drafts. The new mission and vision statements for the university were approved by the MNSCU Board of Trustees in May. (See [http://web.mnstate.edu/president/mission.htm](http://web.mnstate.edu/president/mission.htm).)
- The identity statement was refined and is on the Web. (See [http://web.mnstate.edu/president/msumidentity.htm](http://web.mnstate.edu/president/msumidentity.htm).) It will be revised as needed.
- A Points of Pride website was developed and linked from the home page. (See [http://web.mnstate.edu/pointsofpride/](http://web.mnstate.edu/pointsofpride/).

**Goal 3: Enhance Enrollment and Student Success, Including Retention**

- We engaged the Noel-Levitz consulting firm for a focused review on enrollment management. Their report recommended a number of improvements that are currently underway.
- To focus on enrollment, we have secured one time funding from the Chancellor’s Office for the following positions: an additional Twin Cities recruiter, a director of marketing, a web communications strategist, and additional FTE for data management for enrollment management. These positions are part of a plan to increase enrollment 2% by this time next year. The increased tuition revenue will enable base budgeting of the new positions no later than 2011 and will provide increasing additional revenue beyond that for future years.
- To focus on recruitment and retention, we initiated four new first year living learning communities with the following foci: Education, Visual Arts, Biosciences, and Dragon Core.
- The Academic Resource Office has continued to develop its focus on retention.
- The Residential Life master planning consultants completed their work and presented it to the Cabinet and a representative from the Chancellor’s Office. The work included an analysis of how the projects would be supported within the revenue fund, through a combination of bonding, fees, and public private partnerships. The plan will be presented to the Student Senate and other interested groups in the Fall and will then proceed to implementation.
- We have continued work with Metro Alliance partners and with the Chancellor’s Office to open new opportunities for completion programs in the Twin Cities.

**Goal 4: Improve Fund and Friend Raising**

- During the past year, we developed a new strategic plan for the Alumni Foundation along with a new strategic communications plan. Both plans and VP Justesen’s May 09 report to the Alumni Foundation board are on the Web. (See [http://web.mnstate.edu/president/Speeches/fundraising_documents/index.htm](http://web.mnstate.edu/president/Speeches/fundraising_documents/index.htm).)
- During Fiscal Year 2009, donors provided $578,858, which was 6.5% more in annual and endowed scholarships than in the previous year.
• Fundraising for the Wellness Center continued.
• The D-1 Hockey exploration process has yielded considerable media coverage as well as the very real potential for significant donor investment during the coming months.

Goal 5: Navigate Budget Challenges
• As noted earlier, with the help of all constituents of our community, we closed a $9M budget gap with no layoffs and have plans underway to address the reduction expected for the 2012 biennium.

Indeed, it has been a very busy year, and I thank all of you for your hard work as we navigated the challenges of the budget and the flood.

Goals for the Coming Year
For the coming year, in addition to our work on the campus component of the System strategic plan, we are focusing activity around the following goals and will report progress in quarterly Web updates.

1. Increase recruitment, retention, and student success.
   • Increase enrollment and related tuition revenue by 6% by Fall 2011 from the base of Fall 2008 through a combination of increased new freshmen, increased transfers, and improved retention.
   • Develop a plan to improve graduation rates (4, 5, and 6 year) across colleges.
   • Increase recruitment and retention of underrepresented students.
   • Increase the number of living and learning communities and the number of students participating in such communities.
   • Consult with students and work towards implementation of the Residential Life Master plan to renew our facilities and support recruitment and retention.

2. Assure both quality and efficiency in all areas of the university.
   • Continue the focus on assessment of student learning outcomes across the university.
   • Continue work on specialized program accreditation as applicable.
   • Continue focus on cost recovery ratios in academic departments. Departmental data has been posted to the Web and will be updated each year and reviewed by the Academic Affairs Budget Advisory Committee.
   • In non-instructional areas, continue to examine potential for collaborations, collocations, or reorganizations in order to promote efficiencies and achievement of key goals. In addition, use quality improvement tools to involve and empower employees in the effort to continually improve work processes.
   • Develop assessment plans for all non-instructional units.

3. Increase external recognition, alumni engagement, and fundraising.
   • Refine and implement a strategic marketing plan for university, including improved use of the Web for external and internal audiences.
   • Continue visibility in local community and expand to surrounding areas.
   • Develop programs to engage new alumni and to increase regional alumni groups.
   • Continue development of Homecoming as a campus wide event to celebrate and support the university.
   • Increase the frequency of alumni communication, including special group updates.
   • Increase the number of donors by 5% over the baseline of FY08.
   • Increase the amount of money for scholarships by 10% over the FY08 baseline.
4. **Continue development of a stable fiscal model to take the University into the 2012 biennium and beyond.**

- Decrease base budget personnel costs by $1M through
  - stronger fiscal controls on hiring that directly restrict expenditures to levels consistent with current and predicted revenue.
  - early separation incentives coupled with replacement at a lower salary level and/or unit reorganization for efficiencies, which would be marked by fewer overall FTE and/or lower paid positions.
- Continue focus on efficiency of expenditures (e.g., department cost recovery ratios) and operating budgets.
- Increase revenues through increased effort and accountability in marketing, enrollment management, fundraising, and residential life with special attention to increasing new first time freshmen and new donors.
- Realize the benefits of the new tuition and fee structure.
- Continue improvements in the quality and profitability of the summer session.
- Increase the reserve to the maximum allowed by Minnesota State Colleges and Universities policy in order to assure a more stable operating environment during this time of economic uncertainty.

5. **Complete a New Strategic Plan for the University**

- Building on the new vision and mission statements, complete and begin implementation of a new strategic plan for the University that aligns with the System strategic plan.
- Develop an annual report process of the plan, complete with key performance indicators, which will be monitored by the University Planning and Budget Council. It is intended that an annual report on the plan along with any necessary changes in goals or strategies will be posted each year to the Web and reported to the university community.
- Develop a campus master plan that follows the strategic plan and vision and integrates the Residence Life master plan.