Minnesota State University Moorhead  
Town Meeting  
April 7, 2009

Topics

- Flood Preparation and Recovery
- Budget
- University Mission Statement

Flood Preparation and Recovery

First, thank you to everyone for the dedication and hard work that saved this community. This challenge confirmed to me that this is one of the finest communities in the nation. Second, I would like to explain a little about how decisions were made in planning and answer any questions.

- The campus is high ground and mostly safe at the 44 ft. stage, although we need to plug lower level drains and sandbag critical infrastructure beyond the 41 ft. stage.
- We follow the National Incident Management System (NIMS) to structure our operations and to coordinate with the city and county.
- Michael Parks serves as our Incident Commander, with full control over the day to day management of the incident.
- Cabinet members and I constitute a Policy Advisory Committee that advises Mike and the front line Emergency Management Team (our version of the Emergency Operations Center) on issues related to the long term operation of the university.
- Our planning is fully coordinated with the city and county. Jeff Goebel and/or Mike Parks attend all city/county Emergency Operations Center meetings.
- Our decisions about closure of the residence halls are influenced partially by city infrastructure issues. We continue to discuss our plans with the city in anticipation of the second crest.
- Chancellor McCormick visited twice during the preparations for and recovery from the first crest. He was accompanied by State Emergency Service Director Don Beckering and Vice Chancellor Laura King. They were most supportive and arranged for helpful assistance from their office and from other system institutions. We continue to keep them posted of preparations for the second crest.

Budget

Context

Change in demographics here and in the state as a whole suggests that our portion of the appropriation pie will continue to decrease. Although we can work hard to increase enrollment, it is doubtful that we can reverse the shrinkage of our piece of the pie, because of the strong growth rate of the rest of the system. Further, it is unlikely that we will see a return to sizeable state appropriations in the near future.

For the last several years, our credit hour production has decreased. This decrease had an immediate impact on tuition revenue and a delayed impact on our portion of the appropriation. Although the university has cut budgets throughout this time, we still have an infrastructure that is too large to be supported by our current or projected enrollment.

Plan
As we discussed in our town meeting on March 11, (see http://web.mnstate.edu/president/Speeches/budget_and_planning_presentations/3_11_2009_budgetpresentation.htm), our current deficit has two components: our structural deficit, which is a symptom of infrastructure exceeding revenue, and the decrease in state appropriations. Further, we are looking at a 4 year plan.

Stimulus money is likely to replace part of the decrease in state appropriation during the coming biennium. However, it is only one time and will not continue into the next biennium. Thus, cuts are still necessary. Fortunately, the stimulus can offset some of the tails on the reductions. Following is an explanation of our deficit and plan.

Current Estimated Total Deficit $8.2 – $9.2M

- Structural Deficit and Tuition Revenue Shortfall $4.2M
- Estimated Reduction in Base Appropriation $4 –5M

Planned Base Budget Correction $8.2 - $9.2M

- Already Accomplished $4.89M
  - (reductions, freezes, and proposed tuition and fee structure change)

- Changes in Compensation Plans up to $1M

- Remaining Cuts $3M-$4.3M
  - Early Separation Incentives $1M-$1.5M
  - Program Closures and Other $2.5M - $3M Personnel Reductions
  - Voluntary Salary Reductions $.2M - .5M

Use of Stimulus Dollars (one time)

- Early Separation Incentives

- Tails for Layoffs

- Targeted efforts to increase enrollment

**Building the Revenue Engine and Planning Forward**

Even as we decrease our infrastructure, we still must attend to our revenue engine. Increasing enrollment is critical and may be somewhat challenging given our recent media coverage of the flood. To that end, we are planning to invest in a marketing director as well as additional recruitment activities targeted to the Twin Cities metro area.

In the future, resource allocation will be much more closely associated with revenue generation, thus decreasing the probability of a structural deficit.

**University Mission Statement**

Faculty members of the Vision Task Force will present the revised mission statement along with comments received at town meetings and through the web