BSU Budget Information

BSUFA Budget Committee
For BSUFA meeting - 2/13/2017

Budget Committee Members

- Crystal Cleven - TRIO
- Eric Forsyth - Human Performance, Sport, & Health
- Amber Fryklund - Athletics
- Jan Heuer - Criminal Justice
- Bill Joyce - Accounting
- Debra Sea - Mass Communications
- John Truedson - Physics
- Jeff Ueland - Geography
Some Basic Information

- BSU has a budget shortfall this year (FY 17, AY 16-17)
- BSU is projected to have another budget shortfall for next year (FY 18, AY 17-18)
- The state of Minnesota has a projected budget surplus
- BSU administration has announced they are considering retrenchment
- This presentation lays out some information that might offer some context to the current situation
BSU Current year (AY 16-17) budget issues

- Last Spring the BSU administration announce a projected deficit for the current year (AY 2016-2017) of ~ $1.6 M
  - In actuality, it turned out to be a bit less
  - Assumed a 3% enrollment increase which did not transpire

- Ways deficit was planned to be addressed
  - Personnel savings through retirements, change in athletic insurance policies, M&E budgets, sweeping carryforwards, others

- BSU is still working to address this shortfall which has to be reconciled by the end of the fiscal year (30 June 2017)

- No formal plan to address the 2017-2018 shortfall has been forwarded by the BSU administration as of yet
Next years (AY 17-18) budget shortfall - Oct 16 Projection Scenarios

Much of the financial outlook revolves around two items
- Enrollment and State Appropriation
- Still very much up in the air as the amount of state allocation will not be known until closer to May 2017

Assumptions
- Flat Enrollment
- Includes an inflationary increase 3.5% - 4%
  - insurance increasing by ~10% which might increase the deficit

<table>
<thead>
<tr>
<th>Budget Scenarios from Oct 2016 Budget Meeting</th>
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<tr>
<td>State Appropriations</td>
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<tr>
<td>Tuition Freeze</td>
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<tr>
<td>1% Tuition Increase</td>
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<td>2% Tuition Increase</td>
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<td>3% Tuition Increase</td>
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BSU - NTC Budgetary Relationship

- BSU and NTC are separately accredited institutions
- In terms of state allocation, BSU and NTC are allocated one lump sum
- The local BSU administration decides on the split of the allocation
  - BSU ~ 87%
  - NTC ~ 13%
- Services provided by BSU to NTC are billed back and vice-versa
State of Minnesota Appropriations / Bonding

- Governor Set out his ask for $318 M
  - $125 for MN State
  - + $18M for ISRS
- State Announced a $1.4B surplus in November
- Next forecast is in February
  - House and Senate will set Higher Ed Targets from this forecast
- Bonding?
  - Last year’s proposal passed Senate already, Hagg-Sauer currently not included
  - HS is in the Governor’s proposal
IFO - MN State Legislative Ask

- MN State Legislative Ask
  - $178 Million
    - $143M for inflation
    - $25M for ISRS
    - $10M for Diversity Scholarships

- MN State Legislative Ask
  - $178 Million
    - All towards the base
    - Directed to local campuses
BSU Enrollment

- Enrollment has been very stable for the last few years.
- As of today, BSU is slightly up in enrollment (not reflected on chart)
  - FY 16 - 4295 FYES
  - FY 17 - 4320 FYES
  - Most schools in the system down

![Figure 4. Fall Semester FTE (Unadjusted)](image-url)
Summary

- **Positives**
  - Likely state budget surplus over $1B
  - Governor offers disproportionate allocation to MN State vis-à-vis the U of M
  - Governor’s $143M ask for MN State is a solid ask historical terms
  - Stable Enrollment
  - Bonding a possibility

- **Concerns / Challenges**
  - BSU Deficit of ~$1.5M this year
  - BSU Projected deficit between $2.3M - $3.3M for next year
  - Any level of state allocation is likely to still result in a Deficit at BSU
  - Potential retrenchment