



Missouri State[™]
U N I V E R S I T Y

Academic Year 2008–2009 Operating Budget

Decision Package Allocations

Current Budget Conditions/Constraints

■ External

- Senate Bill 389
 - Tuition controls
 - Consolidation of need-based scholarships
 - 3 year 12.6% plan
- Future Funding Formula
 - Adequate operating budgets
 - Strategic initiatives
 - Performance funding



Current Budget Conditions/Constraints

■ External

- State Appropriation
 - 4.2% increase
 - Cooperative engineering program funding - NR
 - Preparing to care
 - Capital - NR
- Lewis & Clark Capital Projects Initiative



Current Budget

Conditions/Constraints

- **Internal**
 - **Cost Center Responsibility and Autonomy**
 - Prior principles enhanced
 - Salary savings stay within cost center
 - Carryforward protected and no sharing at end of year
 - **Assume Stable or Moderate Enrollment Growth**
 - Tuition and fee revenue from 100 additional FTE Undergraduate Students added to Budget estimate
 - 30% of new revenue to Provost
 - 20% of new revenue to fund existing scholarship programs
 - 50% of new revenue available for budget allocation
 - **No Mandated Reallocation**



Executive Budget Committee

- **Representation from Administrative Council, Faculty Senate, Staff Senate and Student Government Association**
- **Goals for the Committee**
 - Better institutional understanding of the operating budget and its various components
 - Regular monitoring of revenues and expenditures
 - Development and evaluation of budget priorities for upcoming fiscal years
 - Meetings throughout the academic year



Budget Hearings

- In December 2007 and January 2008, colleges, divisions, departments, and units prepared budget requests
- The Provost, Chancellor, Vice Presidents, and Chief Financial Officer held hearings in January 2008, with colleges, divisions, departments, and units to review budget requests
- In February 2008, the Provost, Chancellor, Vice Presidents, and Chief Financial Officer met individually with the President to present their budget requests
- In March 2008 the Administrative Council and Executive Budget Committee met to review and evaluate the plans and develop a decision package
- Budget presentation to the University community through combined Faculty and Staff Senates on April 22, 2008



Salary Pool History

■ Fiscal Year 2006

- 2% across the board at the beginning of the year
- 1% mid-year increase from the first of three internal reallocations – excluding academic and institutional administration

■ Fiscal Year 2007

- 3% salary increase pool
 - 2.25% across the board
 - 0.75% merit and/or equity
- 1% step pool

■ Fiscal Year 2008

- 4.2% merit and equity pool + 0.3% special circumstances salary increase pools



Budget Priorities

- **Improve salaries**
 - 4% merit & equity pool
 - .2% additional equity pool for faculty
 - Faculty promotions
 - New salary minimums for staff
 - No change in employee contribution to healthcare plan
- **Fund Utility and Utility Maintenance Agreement Increase**
- **Fund ERP Maintenance Agreement Increase**
- **\$1 million Decision Package**





	FY 2008 Original Operating Budget	FY 2009 Operating Fund Change	FY 2009 Designated Funds Change	FY 2009 PRO FORMA Operating Budget
Operating Revenue				
Tuition and Fees	\$ 93,386,044	\$ 4,315,276	\$ 161,086	\$ 97,862,406
Scholarships and Fellowships	(18,140,136)	(809,744)	-	(18,949,880)
Grants and Contracts	3,056,809	-	-	3,056,809
Sales and Services of Educational Services	8,018,587	-	212,930	8,231,517
Other Revenue	2,591,798	-	-	2,591,798
Total Operating Revenue	<u>88,913,102</u>	<u>3,505,532</u>	<u>374,016</u>	<u>92,792,650</u>
Operating Expenses				
Decision Package and Academic Initiative				
Decision Package	-	954,957	-	954,957
Academic Initiative - Credit Hours Growth	-	167,399	-	167,399
Academic Initiative - Marginal Internet Course Increase	-	266,555	-	266,555
Academic Initiative - From Non Credit CE	-	64,196	-	64,196
Faculty and Staff Salaries	91,583,695	(47,063)	-	91,536,632
Merit Pool - 4%	-	3,428,475	205,650	3,634,125
Faculty Promotions	-	92,000	-	92,000
Equity Pool for Faculty - .2%	-	171,424	-	171,424
Provost Additional Funding of Equity Pool for Faculty	-	38,576	-	38,576
Pay Plan Adjustments - Operating Fund Minimums	-	178,000	-	178,000
Other Personnel	6,989,704	108,815	-	7,098,519
Benefits	26,782,391	883,625	45,242	27,711,258
Bad Debt Expense	100,000	-	-	100,000
Utilities	3,629,713	283,434	-	3,913,147
Utility System Maintenance Agreement	227,095	8,638	-	235,733
ERP Maintenance	382,862	29,133	-	411,995
Supplies and Services	36,250,365	-	124,230	36,374,595
Total Operating Expenses	<u>165,945,825</u>	<u>6,628,164</u>	<u>375,122</u>	<u>172,949,111</u>
Operating Income (Loss)	<u>(77,032,723)</u>	<u>(3,122,632)</u>	<u>(1,106)</u>	<u>(80,156,461)</u>
Other Non-Operating Revenues (Expenses)				
State Appropriations	78,316,120	3,285,382	3,895	81,605,397
Gifts	2,606,272	-	61,407	2,667,679
Investment Income	645,000	-	-	645,000
Debt Service - Capital	(1,306,963)	-	-	(1,306,963)
Operating Transfers - Auxiliaries and Designated	(2,331,143)	(4,536)	(64,196)	(2,399,875)
Net Non-operating Revenues	<u>77,929,286</u>	<u>3,280,846</u>	<u>1,106</u>	<u>81,211,238</u>
Increase (Decrease) in Net Assets	<u>\$ 896,563</u>	<u>\$ 158,214</u>	<u>\$ -</u>	<u>\$ 1,054,777</u>



Decision Package Allocations

PROVOST

Description	Recurring	Non-Recurring
.33 of FTE for 6 Budget Officers for Colleges	\$ 98,442	
Endowed Professor in Ozarks Studies	80,487	\$ 2,500
Software for Faculty Portfolio	16,000	
Diversity Outreach Coordinators - 1.0 FTE	61,922	
Diversity Outreach		30,000
Library Materials-core and new programs	100,000	100,000
Library Materials-serial/database		
Dean Support	100,000	
Professional Education Committee		
Graduate Admissions Support 1.0 FTE	27,651	
Statistics Institute 1.0 FTE and Student Wages	74,407	
International Initiative		25,000
SEVIS ERP Integration		55,972
Study Away		75,000
Hotel & Restaurant Management Teaching Position-1.0 FTE		121,097
Brick City Lease maintenance costs		50,253
Brick City Lease		235,000
	\$ 558,909	\$ 694,822



Decision Package Allocations

VICE PRESIDENT FOR ADMINISTRATIVE AND INFORMATION SYSTEMS

<u>Description</u>	<u>Recurring</u>	<u>Non-Recurring</u>
Title III personnel last .33 FTE	\$ 17,994	
Title III personnel last .33 FTE	24,522	
Budget Officer .33 FTE	16,407	
Police Substation Contract Increase	23,216	
Employment Specialist*	48,512	
Media Support 1.0 FTE	59,373	\$ 15,000
Background Checks		48,222
Reforestation		50,000
Increase Maintenance & Repair		250,000
Radio Communication Center Expansion		100,000
New Locks - Campus Security		150,000
Lead Tracking System Software		100,000
Title IX Facility Commitment - Final		115,000
	<u>\$ 190,024</u>	<u>\$ 828,222</u>

* Contingent on state appropriation level



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Decision Package Allocations

VICE PRESIDENT FOR RESEARCH AND ECONOMIC DEVELOPMENT

<u>Description</u>	<u>Recurring</u>	<u>Non-Recurring</u>
Line Building for Associate VP for Economic Development	\$ 20,000	
Proposal Development Specialist (1.0 FTE)*		\$ 33,991
	<u>\$ 20,000</u>	<u>\$ 33,991</u>

* Three Year Commitment – 2nd year



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Decision Package Allocations

VICE PRESIDENT FOR STUDENT AFFAIRS

<u>Description</u>	<u>Recurring</u>	<u>Non-Recurring</u>
Director of Admissions - 1.0 FTE	\$ 101,611	
Budget Officer .33 FTE	16,407	
Recruitment of Students - Enrollment Management		\$ 150,000
Kauffman Program Support		30,000
Need Based Aid - best use		200,000
Missouri State Promise		100,000
	<u>\$ 118,018</u>	<u>\$ 480,000</u>



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Decision Package Allocations

VICE PRESIDENT FOR UNIVERSITY ADVANCEMENT

<u>Description</u>	<u>Recurring</u>	<u>Non-Recurring</u>
Phone Campaign Expenses	\$ 30,000	
Comprehensive Campaign Publications		
Nationwide Alumni Events		
Signature Event and KC/St. Louis		
Missouri State Magazine		
Database Wealth Screening Service		
Annual Giving Direct Mail Solicitation		
Founders Club Dinner		\$ 200,000
Scholarship/Endowed Banquets		
Comprehensive Campaign Kickoff Event		
Part-Time Prospect Research Staff		
Planned Giving Mailings		
Advancement Services Personnel		
Graduate Assistant in Donor Relations		
Alumni Master's Symposium		
	<u>\$ 30,000</u>	<u>\$ 200,000</u>



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Decision Package Allocations

INTERNAL AUDIT

<u>Description</u>	<u>Recurring</u>	<u>Non-Recurring</u>
Upgrade admin assistant position to staff auditor	\$ 12,107	



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Decision Package Allocations

CHIEF FINANCIAL OFFICER

<u>Description</u>	<u>Recurring</u>	<u>Non-Recurring</u>
Property Management Forklift		\$ 25,000



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Decision Package Allocations

PRESIDENT

<u>Description</u>	<u>Recurring</u>	<u>Non-Recurring</u>
TITLE III grant personnel - .33 FTE	\$ 17,199	
General Counsel Operating Expenses	8,700	
Enhancement for Marketing Initiatives		\$ 185,000
Funding Faculty, Staff and Student Discounts		75,000
	<u>\$ 25,899</u>	<u>\$ 260,000</u>



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Decision Package Allocations

UNIVERSITY WIDE

<u>Description</u>	<u>Recurring</u>	<u>Non-Recurring</u>
ERP Implementaton - Year 3 FY09		\$ 1,509,333
ERP Support Software and Maintenance		459,630
	-	\$ 1,968,963



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Decision Package Allocations

SUMMARY - RECURRING		
	AMOUNT	PERCENT
PROVOST	\$ 558,909	58.53%
VICE PRESIDENT FOR ADMINISTRATIVE AND INFORMATION SYSTEMS	190,024	19.90%
VICE PRESIDENT FOR RESEARCH AND ECONOMIC DEVELOPMENT	20,000	2.09%
VICE PRESIDENT FOR STUDENT AFFAIRS	118,018	12.36%
VICE PRESIDENT FOR UNIVERSITY ADVANCEMENT	30,000	3.14%
INTERNAL AUDIT	12,107	1.27%
PRESIDENT	25,899	2.71%
TOTAL	\$ 954,957	100.00%



Carry Forward Estimate and Non-Recurring Budget Allocations

Operating Fund

Year Ending June 30, 2008

Beginning Balance - July 1, 2007	\$ 8,578,324
FY 2008 Unspent Expense Budget or Unanticipated Revenues	
Investment Revenue (estimate of actual over budget)	\$ 2,000,000
Fringe Benefits on Unfilled Positions	1,000,000
Unspent Program Enhancement Fund	2,000,000
Contribution by Provost	165,939
Contribution by Dean, College of Natural and Applied Sciences	24,219
FY 2007 & 2008 Excess Revenues over Expenses	<u>3,738,663</u>
Total Increase in University's Carryforward	<u>8,928,821</u>
Total University's Carryforward	17,507,145

Allocate one-time funds to initiatives:	
Start Up for Endowed Professor in Ozarks Studies	2,500
Diversity Outreach	30,000
Library Materials	100,000
International Initiatives	25,000
Purchase SEVIS Software	55,972
Study Away Program	75,000
Faculty Position - Hospitality & Restaurant Administration	121,097
Brick City Lease Maintenance	50,253
Brick City Lease	235,000
Media Support Supplies & Services	15,000
Background Checks	48,222
Reforestation	50,000
Increase Maintenance & Repair	250,000
Radio Communication Center Expansion	100,000
New Locks - Campus Security	150,000
Lead Tracking System	100,000
Title IX Facility Commitment - Final	115,000
Enrollment Management Support - Recruiting	150,000
Multicultural Student Services - Kauffman Program	30,000
Need Based Aid - best use	200,000
Missouri State Promise	100,000
University Advancement Support	200,000
Marketing Initiatives	185,000
Funding Faculty, Staff and Student Discounts	75,000
Property Management Forklift	25,000
Proposal Development Specialist - 1/2 year 2 of 3	33,991
ERP Support Software & Maintenance	<u>1,968,963</u>
Total Uses of University's Carryforward	<u>4,490,998</u>
Unobligated University's Carryforward	13,016,147
Cost Center Carryover -	18,273,422
Year End Encumbrances - Same as FY 2007	<u>2,467,183</u>
Projected Ending Balance - June 30, 2008	<u><u>\$ 33,756,752</u></u>

Academic Incentive Funds

- **Recurring**

- 30% allocation to Provost of estimated tuition revenue from new on-going full-time equivalent students (100 FTE for FY 2009-\$167,399)
- Marginal Increase in Internet Course Revenue (\$266,555)



Medical and Dental Insurance Fund

Twelve Months Ended

	December 31, 2007	December 31, 2006	December 31, 2005	December 31, 2004	December 31, 2003
Receipts:					
Missouri State University	\$ 10,503,554.56	\$ 10,393,217.80	\$ 9,526,564.74	\$ 8,491,975.27	\$ 7,038,442.32
Employees, Retirees and Former Employees	3,519,166.65	3,602,232.91	3,559,872.87	3,260,430.70	3,104,680.25
Investment and Other Income	360,744.30	224,875.18	113,976.33	35,148.54	33,970.53
Total Receipts	14,383,465.51	14,220,325.89	13,200,413.94	11,787,554.51	10,177,093.10
Disbursements and Administrative Expenses	13,252,166.61	11,698,587.39	10,830,083.93	12,098,843.25	11,215,783.35
Provided (Retained) by University - Board Guidelines	-	(1,403,005.14)	(1,663,132.00)	814,000.00	-
Net Increase (Decrease) in Net Assets	1,131,298.90	1,118,733.36	707,198.01	502,711.26	(1,038,690.25)
Net Assets, Beginning of the Year	3,826,253.86	2,707,520.50	2,000,322.49	1,497,611.23	2,536,301.48
Net Assets, End of the Year (Period)	\$ 4,957,552.76	\$ 3,826,253.86	\$ 2,707,520.50	\$ 2,000,322.49	\$ 1,497,611.23

From May 2005 Board of Governors Meeting Report - Guiding Principle #2:

In that budget, provide for a reserve fund that does not fall below 60 days payout, nor exceed 90 days payout. The insurance fund reserve serves two purposes:

1. It provides a cash reserve which would be used to pay incurred medical claims if the University decided to terminate the current self-insured plan and replace it with some other form of medical insurance. Payment of incurred medical claims usually requires enough cash to cover medical expenses for between 60 and 90 days after the plan has been terminated.
2. It provides a cash reserve to operate the insurance plan month-to-month as revenues and expenses rise and fall. In those months when expenses exceed revenues, the reserve fund is used to cover expenses. In those months when revenues exceed expenses, the surplus funds are retained in the reserve fund for future use.



Summary:

FY09 Operating Budget

- Units retain all salary savings and carry-forward with discretion over their expenditure
- No mandated internal reallocation
- Change in revenue
 - 4.2% increase in state appropriation
 - 3.91% increase in required student fees
 - 100 additional FTE Students
 - \$6.79 million revenue increase (net of scholarships and transfers)



Summary:

FY09 Operating Budget

- **Cost of continuing**
 - 4.0% merit + 0.2% faculty equity + \$178,000 for staff pay plan adjustments
 - \$92,000 for faculty promotions
 - 8.5% increase in utilities (\$283,434)
 - Scholarships and Fellowships (\$809,744)



Summary:

FY09 Operating Budget

- **\$1 million decision package (58.5% to Provost/Academic Affairs)**
- **\$4.5 million in one-time expenditures for special projects, financial aid, academic initiatives, and support services**
- **\$1,054,777 Unbudgeted Operating Funds (on-going)**
- **\$4,437,823 increase in University carry-forward**

