

EXECUTIVE BUDGET COMMITTEE
Agenda

- 1. Welcome – Dr. Janice Greene**
- 2. FY 2017 Spending Restrictions – Clif Smart with Steve Foucart**
 - Direct and indirect impacts on MSU
 - Allocation of carryforward funds
 - Amendment to fee resolution for 2016-2017
- 3. Outlook for FY 2018 State Appropriation – Clif Smart with Steve Foucart**
 - Results of performance funding measures
 - Consumer price index increase
 - Governor’s budget recommendations
- 4. Update on Revenue – Clif Smart with Steve Foucart**
 - Actual revenue compared to budget
- 5. Overall Budget Development – Clif Smart with Steve Foucart**
 - Discuss Guiding Principles
 - Summarize key revenue and expenses items impacting the budget
 - Discuss tuition and fee increases and other strategies for increasing revenue
 - Discuss strategies for reducing expenses
- 6. Next Steps and Future Meetings – Dr. Janice Greene and Clif Smart**
- 7. Questions/Comments/Final Thoughts**

**2017 Restrictions
Springfield Campus (\$5,900,000)**

	FY16 CARRYFORWARD	\$5.9 MILLION CUT
PRESIDENT'S PROGRAM ENHANCEMENT	\$ 24,800,981	\$ 2,300,000
PROVOST (includes all academic units)	27,169,386	1,700,000
CHIEF FINANCIAL OFFICER	2,980,094	1,000,000
VP ADMINISTRATIVE SERVICES	3,210,259	334,467
VP STUDENT AFFAIRS	2,225,339	231,851
CHIEF INFORMATION OFFICER	1,619,659	168,747
VP RESEARCH & ECONOMIC DEVELOPMENT	1,224,760	127,604
GENERAL COUNSEL	205,262	21,386
INTERNAL AUDIT	153,043	15,945
VP MARKETING & COMMUNICATIONS	66,702	-
VP DIVERSITY & INCLUSION	63,474	-
VP UNIVERSITY ADVANCEMENT	19,244	-
TOTAL NON-ACADEMIC	<u>11,767,836</u>	<u>1,900,000</u>
TOTAL OPERATING FUND CARRYFORWARD	<u>\$ 63,738,203</u>	<u>\$ 5,900,000</u>

West Plains Campus (\$417,673)

PRESIDENT'S PROGRAM ENHANCEMENT		<u>\$ 200,000</u>
WEST PLAINS BUDGET	<u>3,790,618</u>	<u>217,673</u>
GRAND TOTAL	<u>\$ 67,528,821</u>	<u>\$ 6,317,673</u>

DATE: 31-Jan-17
TO: Clif Smart, President
FROM: Frank Einhellig, Prost
SUBJECT: Academic Affairs Contribution to account for funds withheld by the State, January, 2017

Academic Affairs FY 2017 BUDGET Contribution			
		Total Cut	\$ 1,700,000
		Funded by Provost	1,275,000
		Funded by Academic Cost Centers	425,000
		Total	\$ 1,700,000
			75%
			25%
ADOPTED BUDGET			
Academic Cost Centers	Adopted Budget	Percent of Total	Cost Center Cut
PROVOST (\$12,363,297.06)	-	0.00%	-
COAL	19,443,772.76	18.28%	77,702.17
COB	19,347,239.48	18.19%	77,316.40
CHHS	17,977,489.84	16.90%	71,842.54
CNAS	16,511,300.13	15.53%	65,983.28
CHPA	11,589,237.47	10.90%	46,313.49
COE	9,709,832.47	9.13%	38,802.92
LIBR	6,504,345.62	6.12%	25,992.99
COAG	3,921,523.02	3.69%	15,671.39
GRAD	1,344,966.90	1.26%	5,374.82
TOTAL	106,349,707.69	100.00%	425,000.00

Budget Reductions

State Operating Appropriation



FY18 reduction of \$8,197,940 (8.9%)

Guiding Principles Budget Withholdings January 2017

Guiding principles for a balanced budget

1. The overall goal of budget decisions should be to help our university emerge as a stronger, distinctive, and more focused leader in higher education, poised for the future. We must maintain quality, maximize efficiency, reduce expenses and increase revenue.
2. Protecting the core mission of the university—academic achievement, scholarship and student success—is paramount. Budgetary decisions should be consistent with the mission and strategic plan of the university, with a primary focus on preserving strong academic programs, increasing the number of graduates at all levels, and enhancing diversity and inclusion.
3. All units will share in budget reductions and must become more efficient, but decisions about the relative levels of reductions will be strategic and reductions will not be equal in all areas of the university.
4. Given the importance of increasing revenue, any reduction in student credit hours would negatively impact the budget. Enrollment growth must continue to be a priority. The university must continue to invest in programs, facilities and technology that will grow enrollment and increase revenue while continuing to align with accreditation requirements.
5. Affordability and access remain important goals of the university; therefore, the university will not rely solely on increased tuition and fees to replace the budget shortfall
6. All budget decisions will be made through a transparent process that uses existing budget committees, involves all constituent groups, and utilizes a university-wide communication strategy. The university will continue its commitment to valuing and supporting people and will carefully consider the impact of all budget decisions on faculty and staff.

Specific strategies cost centers should consider or avoid in making budget decisions:

1. No one-time savings should be used for filling an on-going budget shortfall without prior approval from the president or provost. Transferring an ongoing and necessary cost to another unit is not an option.
2. Rather than imposing across the board cuts, cost centers should evaluate if entire programs may be eliminated without significantly impacting enrollment. Budget decisions should not reduce student access to core courses during fall, spring and summer semesters.

Guiding Principles
Budget Withholdings January 2017

3. Evaluate restructuring units, positions, programs and support services to achieve greater efficiency.
4. Budget reductions should not significantly increase risk to the university. Evaluate the effects of cuts on enterprise risk management.
5. Budget reductions should not interfere with the university's compliance with state and federal regulations.
6. Continue to develop and leverage partnership with other colleges and universities in the state, along with corporate partnerships, for successful program expansion and increased revenue.

**Executive Budget Committee Tuition/Fee Discussion
February 9, 2017**

FY2018 Budget Tuition/Fee Discussion

Potential tuition/fee options.

- a) MSU's HESFA traditional approach: Missouri resident undergraduate increase by CPI (2.1%) including \$11.00 student fees, all other approximately 4.1%. Estimated increased revenue including FY2017 increase: \$3.5 million

Estimate based upon 2.1% CPI	Mid year increase		Health Center	Total		
	Current	FY2017		Increase FY2018	Potential FY18	% Increase
Undergraduate-Resident						
Tuition per credit hour	\$205.00	\$1.00	\$4.00		\$210.00	1.94%
Student fees/semester	\$455.00	\$8.00	\$11.00	\$29.00	\$503.00	
Undergraduate-Non-Resident						
Tuition per credit hour	\$440.00	\$0.00	\$18.00		\$458.00	4.09%
Student fees/semester	\$455.00	\$8.00	\$11.00	\$29.00	\$503.00	
Graduate-Resident						
Tuition per credit hour	\$258.00	\$0.00	\$10.00		\$268.00	3.88%
Student fees/semester	\$455.00	\$8.00	\$11.00	\$29.00	\$503.00	
Graduate-Non-Resident						
Tuition per credit hour	\$518.00	\$0.00	\$21.00		\$539.00	4.05%
Student fees/semester	\$455.00	\$8.00	\$11.00	\$29.00	\$503.00	

- b) Raise all tuition by 2.1% + \$11.00 student fees. Estimated increased revenue including FY2017 increase: \$2.9 million

2.1% CPI Option	Mid year increase		Health Center	Total		
	Current	FY2017		Increase FY2018	Potential FY18	% Increase
Undergraduate-Resident						
Tuition per credit hour	\$205.00	\$1.00	\$4.00		\$210.00	1.94%
Student fees/semester	\$455.00	\$8.00	\$11.00	\$29.00	\$503.00	
Undergraduate-Non-Resident						
Tuition per credit hour	\$440.00	\$0.00	\$9.00		\$449.00	2.05%
Student fees/semester	\$455.00	\$8.00	\$11.00	\$29.00	\$503.00	
Graduate-Resident						
Tuition per credit hour	\$258.00	\$0.00	\$5.00		\$263.00	1.94%
Student fees/semester	\$455.00	\$8.00	\$11.00	\$29.00	\$503.00	
Graduate-Non-Resident						
Tuition per credit hour	\$518.00	\$0.00	\$10.00		\$528.00	1.93%
Student fees/semester	\$455.00	\$8.00	\$11.00	\$29.00	\$503.00	