

# **Fiscal Year 2011-2012 Operating Budget**

Presented to the Board of Governors

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By Nila Hayes, Chief Financial Officer

# Budget Process

- Committees formed
  - Collegiate budget committees
  - Academic Affairs Budget Committee
  - Administrative Budget Committee
- Executive Budget Committee reorganized
- Guidelines were developed
- Governor presented his proposed budget
- Committees met to develop recommendations
- Fee schedule approved by the Board of Governors
- House Bill was released

# Committees

Collegiate budget committees were formed in each college. The membership of each committee included a number of faculty with the dean acting as chair of the committee.

The committees were asked to develop recommendations to then be presented to the Academic Affairs Budget Committee.

# Committees

- Academic Affairs Budget Committee was appointed by the Provost. The membership included:
  - Academic deans
  - Dean of the library
  - Faculty members from each of the collegiate budget committees and the library
  - Faculty Senate chair
  - Faculty Senate budget committee chair
  - Faculty representatives from West Plains
- This committee received proposals from the collegiate budget committees, the provost's academic areas and those portions of student affairs that report through the provost.

# Committees

- The Administrative Budget Committee was chaired by the Vice President of Administrative and Information Services. The membership included:
  - Representatives from each of the areas represented on the Administrative Council
  - Chair of the Staff Senate
  - A representative of the Faculty Senate
  - A representative from the SGA
- The committee examined all of the administrative areas on campus and made recommendations to the Executive Budget Committee.

# Committees

- The membership of the Executive Budget Committee changed. The membership included:
  - A representative from each collegiate budget committee
  - Faculty Senate chair
  - Staff Senate chair
  - President of the SGA
  - Chair of the Academic Affairs Budget Committee
  - Chair of the Administrative Budget Committee
  - CFO
  - Provost
  - A representative of the academic deans
  - Chancellor of the West Plains campus
  - Two additional representatives from the Administrative Council

# Purpose of Executive Budget Committee

- To receive input from the academic and administrative budget committees and the West Plains campus, as well as intercollegiate athletics, and those vice presidents with auxiliary and/or designated accounts.
- To determine the budget level assigned to the various colleges and administrative units, including intercollegiate athletics and auxiliary units. Based on this, the Executive Budget Committee will make recommendations to the President, who will, in turn, recommend to the Board of Governors appropriate budget actions.

# Guidelines to Campus Budget Committees

## Budget target:

- Began with a 20 percent reduction or \$17 million in state appropriations
- To be covered by
  - \$3.3 million from carry forward from salaries and fringe benefits
  - \$3.5 million from a modest increase in tuition and fees and modest enrollment growth
  - \$10.2 million or 6.2 percent reduction in overall budget

## Guiding principles

- 6.2 percent applied across-the-board
- No one-time savings should be used to account for the reduction
- Budgetary decisions should be consistent with the mission and strategic plan of the University, including the primary focus on student learning
- Should strive to achieve budget efficiency without reducing student access
- Maintain accreditation of current programs
- Address reduction with combination of cost savings measures and plans for increased revenues

The overall goal of the budget decisions should be to help Missouri State University emerge as a stronger, more focused university poised for the future.

# Governor's Proposed Budget

- Governor made public his proposed budget during his State of the State address – January 19, 2011
- Recommended a 7 percent reduction in state appropriation for higher education
- 7 percent is approximately \$5.9 million for Missouri State University
- Executive Budget Committee met to refine the charge to the various committees and the target reduction
- Able to shift focus from “cutting to reallocating”
- Hold tuition increase to a “reasonable rate”

# Committees Met

- The committees developed web sites
- List of members are posted
- Minutes are posted
- Reviewed the guidelines and made recommendation
- Studied fee increase scenarios
- The Academic Affairs and Administrative Budget Committees developed reports and presented them to the Executive Budget Committee.

# Fee Schedule

- Senate Bill 389 – tuition controls
  - Calculation of fee increase includes tuition and student fees
  - Booked an increase of 2.43% or \$5 for FY2011
    - Undergraduate/in-state tuition - \$186 to \$191
  - For FY2012, allowed to increase a total of 4% with combination of two year increase (2.5% FY11 and 1.5% FY12)
  - Increased tuition and fees by 1.49% (combined 3.92% for two years)
    - Undergraduate/in-state tuition - \$191 to \$194
- Board approved at April, 2011 meeting

# House Bill Released

- House Bill shows a 5.7 percent decrease in state appropriations
  - General Revenue Fund \$72,790,716
  - Lottery Proceeds Funds 7,675,409
- \$4.7 million reduction after 3 percent Governor's holdback
- Allocation in FY2012 budget by campus less 3 percent holdback
  - Springfield \$72,762,870 93.223%
  - West Plains 5,198,240 6.660%
  - Defense & Strategic Studies 91,031 .117%

# Budget Estimates for FY2012

- Increase student revenues \$11,955,191
  - Flat enrollment – 1.5% increase in tuition and fees
  - Net of scholarship increase over FY11 budget
- On-going cost/revenue increases/decreases \$2,833,347
  - Faculty promotions
  - Increase fringe benefit rate from 31.4% to 32.5%
  - Increase
    - Rental of Facilities
    - Fee waivers
    - Salary range adjustments
  - Decrease
    - Credit card processing fees
    - Utilities

# Additions for FY2012

• University-wide	\$ 713,926
• President	225,650
• Provost	133,600
• VP-Student Affairs	140,154
• VP-University Advancement	471,003
• College of Health and Human Services	41,406
• College of Humanities and Public Public Affairs	87,450
• Scholarships-TRIO matching	26,000
• Transfers	<u>132,500</u>
TOTAL	<u>\$1,971,689</u>

# FY11 Non-recurring Moved to FY12 Budget

• University-wide	\$ 957,908
• President	245,000
• VP-Administrative/Information Services	55,000
• VP-Student Affairs	50,000
• VP-University Advancement	<u>160,500</u>
TOTAL	<u>\$1,468,408</u>

# FY12 Non-recurring Items

• FY11 Non-recurring items to remain as non-recurring in FY12	\$225,000
• New FY12 Non-recurring items	<u>457,150</u>
Total	<u>\$682,150</u>

Reduced from \$1,879,688 for FY11 budget

# FY12 Operating Fund Budget

Springfield Campus

Total Revenues	\$186,952,320
Total Expenses	( 182,429,340)
Total Net Transfers	<u>( 3,035,582)</u>
Net Excess of Revenues over Expenses & Transfers	<u>\$ 1,487,398</u>

# FY12 Operating Fund Budget

## West Plains Campus

Total Revenues	\$9,363,198
Total Expenses	( 9,349,132)
Total Transfers	<u>107,695</u>
Net Excess of Revenues over Expenses & Transfers	<u>\$ 121,761</u>

# Next Steps

- Gain consensus from all constitutes
  - Proposed budget has been reviewed by the Executive Budget Committee
- Load detailed information into Budget Development
  - Colleges/cost centers, departments, and other budget developers have given detailed information to Financial Services
- Make adjustments to projected budget as necessary
- Watch developments in Jefferson City
- Complete budgets including designated and auxiliaries for Board of Governors' approval at June 2011 meeting

# Improvement of Student Learning Outcomes