

Southwest Minnesota State University

This information has been developed for the FY2007 operating budget discussion - December 2005

Enrollment		
FY2005	FY2006	FY2007
3,695	3,510	3,605

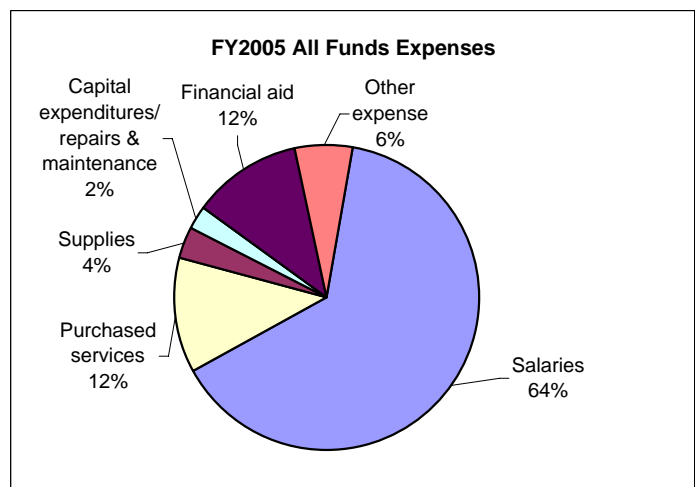
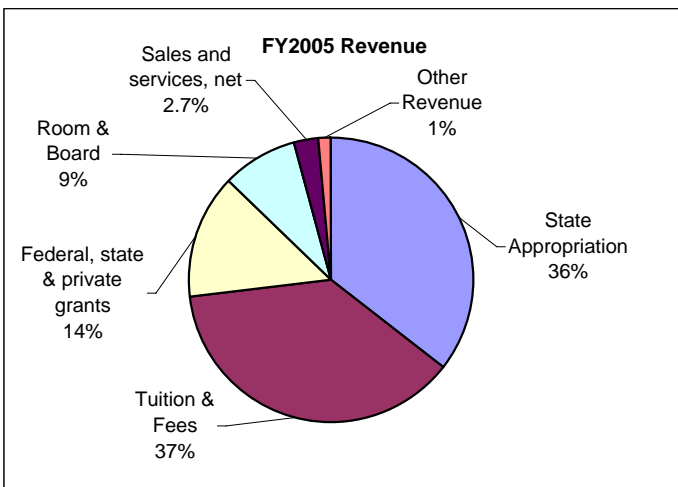
Academic priorities/work plans/budget solutions

The Southwest Minnesota State University academic priorities and work plan remain correlated with the Minnesota State Colleges and University's strategic directions and work plan adopted by the Board. SMSU continues to develop increases in access and opportunity through a variety of methods such as enhanced recruiting from inner-city areas, providing a safe and secure environment for learning, and, even in the face of ever increasing tuition costs, maintaining a reasonably priced education. One example of our expansion of high quality services is in the area of HRI/Culinology where we are in the beginning stage of creating a first class program. Our outreach efforts continue to be strong, led by distance learning efforts including graduate programs offered at off-campus sites; where the students are. Lastly, we continue to provide excellent stewardship of public funds as can be attested to by our auditors.

Southwest Minnesota State University has reallocated significant funds in recent years to balance the budget. We have reached a point where further major reductions would be counter productive to maintaining a quality experience for students. Therefore, we have rebuilt a limited number of budgetary items in fiscal year 2007 but have also reallocated resources to fund important activities and expenditures. Some of these actions are made possible because compensation increases appear to be negotiated at a lower rate than that which was predicted last year, enrollment in the prior years was higher than estimated and prudent spending, including salary savings as a result of not filling positions immediately, saved funding.

Our budgetary concerns include: 1) An allocation/appropriation decline of almost 9% from FY02 to FY07 even before adjusting for inflation 2) Utilities that are increasing at a minimum of 20% 3) Faculty staffing that has declined moderately in the past five years while enrollments have increased 4) Certain items that have been reduced (reallocated) and/or have not kept pace with inflation for a period of several years and simply cannot be maintained at these levels 5) Keeping tuition as low as is possible in light of past year's increases. Budget solutions and reallocations for fiscal year 2007 include: 1) Reducing 3 faculty positions; two by retirements and one yet to be identified 2) Increasing tuition a relatively moderate amount of slightly less than 7.7% 3) Funding an equipment budget that has been held to \$-0- for four years at a moderate \$100,000 to purchase needed educational, scientific, and other equipment 4) Rebuilding already reduced renewal and replacement funds by \$100,000 to provide funds to attack deferred maintenance 5) Increasing certain fixed expenses, such as insurance and refuse removal, by inflationary amounts 6) Providing start up funding for the HRI/Culinology program 7) Increasing library acquisitions by \$25,000 8) Increasing operating budgets by 5% (\$100,000) because they have been held constant for five years and inflation has whittled away at the core 9) Utilizing much of our carry over but, at the same time, rebuilding reserves to a 3% level and providing a small contingency fund for unexpected expenses.

Lastly, our tuition increase request is slightly less than 7.7%. When combined with last year's 7% increase and the change to banded tuition, students can make choices that allow them to decrease the impact of tuition. For example, a student taking 16 credits will see an average annual increase of 5.8% over the past two years, at 17 credits 2.5% per year, and at 18 credits there is a decrease in the amount of tuition a student paid in FY05



BUDGETARY DISPLAY

REVENUES

State Appropriation
Tuition
Other
Carry forward
Total Revenues

FY2006		
General Fund	Other Funds	Total
15,605,751		15,605,751
15,131,500		15,131,500
2,212,864	11,718,542	13,931,406
250,000		250,000
33,200,115	11,718,542	44,918,657

FY2007		
General Fund	Other Funds	Total
15,265,811		15,265,811
16,000,000		16,000,000
	12,088,663	12,088,663
1,100,000		1,100,000
32,365,811	12,088,663	44,454,474

EXPENDITURES

Personnel
Other Operating Costs
Total Expenditures

26,089,202	1,928,886	28,018,088
7,110,914	9,534,014	16,644,928
33,200,115	11,462,900	44,663,016

26,257,804	2,006,042	28,263,846
6,108,007	9,813,989	15,921,996
32,365,811	11,820,031	44,185,842

Revenues/Expense	(0)	255,642	255,641	0	268,632	268,632
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