

**Faculty Association  
Meet and Confer Agenda  
Thursday, August 15, 2019  
3:00 - 5:00 p.m.  
Alumni Room, Atwood Memorial Center**

**Approve Minutes**

1. July 18, 2019

**New Business**

1. Budget and Enrollment Summary (ADM) Provost Gregory
2. Personnel Actions for FY21 (ADM) President Wacker

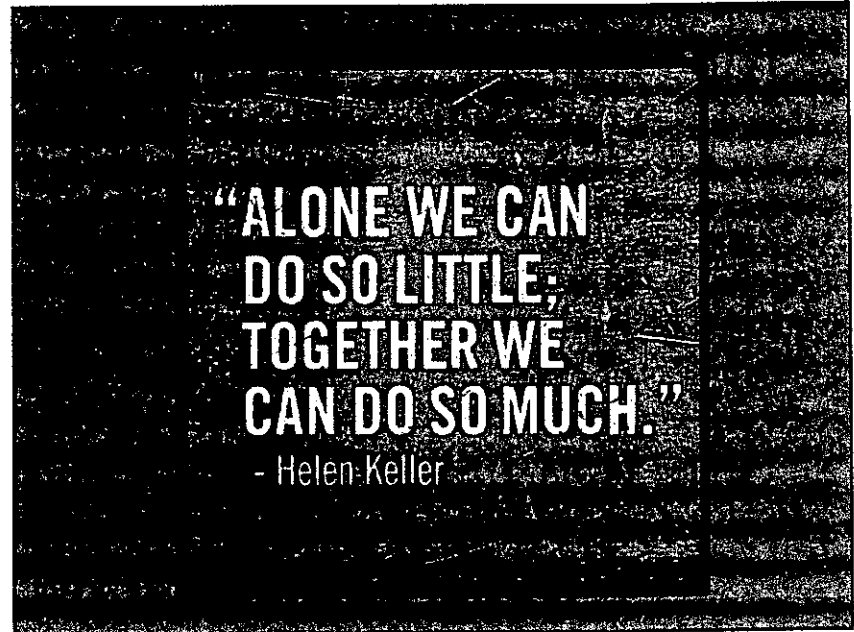
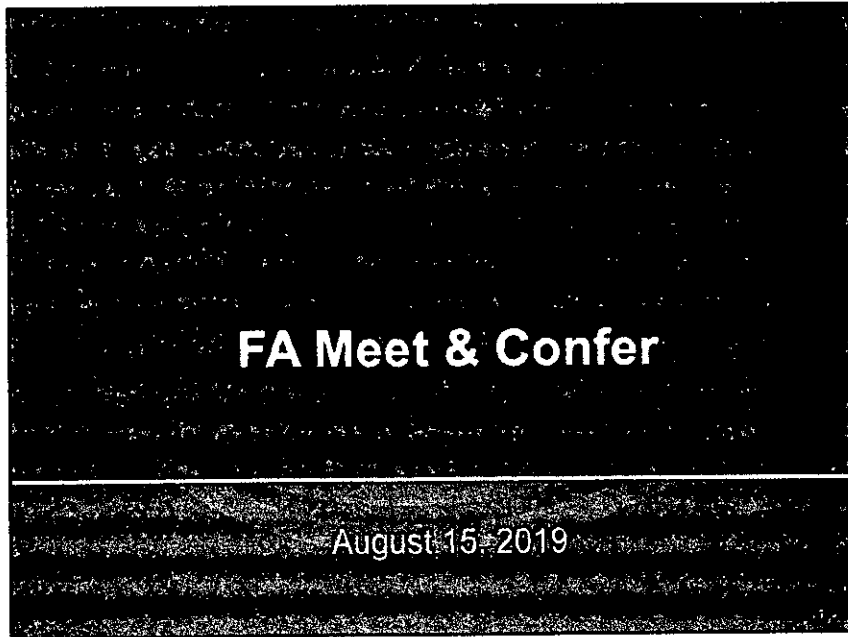
**Unfinished Business**

**Progress Reports**

1. SEM Strategy update (ADM)

**Announcements:**

1. Administrative Positions (FA)



M&C 20190815\_1

## Meeting Objectives

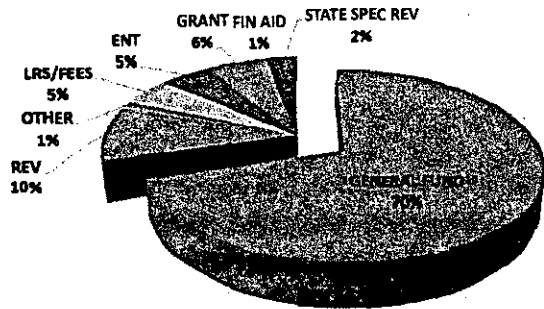
- 1) Share fiscal management information and strategies
  - Background
  - Fiscal management strategies and results
  - FY-19 University budget
  - FY19 Academic Affairs budget
  - FY18 Cost Study
  - FY-20 preliminary budgets
- 2) Questions and discussion

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## Background

# Background

## University Budget Components

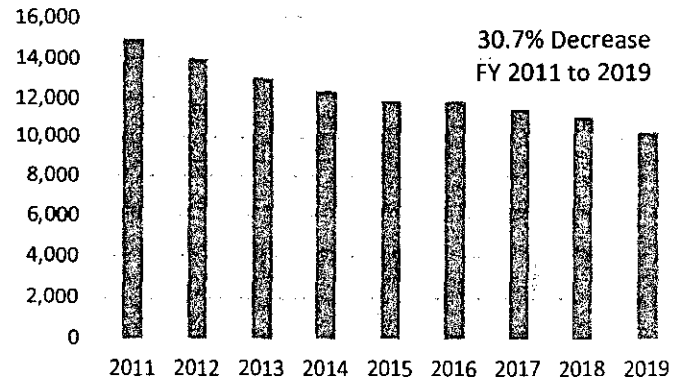


Gen = General Fund; the largest budget component; linked directly to "Tuition & Appropriation"

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# Background

## Enrollment (FYE) is primary contributor to the General Fund



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## Background

### SCSU Financial Work Out Plan

- The significant enrollment drop from 2011 to 2014 resulted in cash reserves decreasing below the 20% Board of Trustee's expectation
- In addition to the decreasing cash reserves, the Composite Financial Index (CFI) fell from 2.03 in FY13 to -.27 in FY15. The HLC target for institutions like SCSU is 3.0
- HLC and the System Office worked with SCSU to develop a Financial Workout Plan aimed at rebuilding our cash reserves and increasing our CFI

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## Fiscal Management Strategies & Results

# Fiscal Management Strategies

Fiscal management requires a number of strategies integrated together

Portfolio Management

Personnel Management

Fiscal Management

Asset Management

Enrollment Management

Enterprise Risk Management

Project Management

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# Fiscal Management Strategies

Each strategy has a number of specific tools

Enrollment Management	Portfolio Management	Personnel Management	Fiscal Management	Asset Management	Enterprise Risk Management	Project Management
Strategic Enrollment Management Plan	Program Portfolio Management Process	Faculty	Staff	Tuition Strategy	Institutional Access Plan	System Level Risk Management Plan
New Student Recruitment Plan	Program Review Accreditation	Faculty Tenure Salary & Retention Process	Staff Incentive & Retention Process	Program Cost Study	Operational Stock Plan	University Level Risk Management Plan
Retention Plan	Program Development Plan	Admins Attrition	Admins Attrition	6 Month Budget Review	Technology Replacement Plan	Division Level Risk Management Plan
Admission Student Support	Academic Process	Management Process	Exit Process	Real Estate Budget Management	Infrastructure Plan	College Level Risk Management Plan
	Continuation Process	Probationary Retention	Grant Capture	Budget Management	Health Response Plan	
	Schedule Development	Board Change Succession (Executive)	Support for future R&D	Revenue Management		

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## Fiscal Management Strategies

### Portfolio Management

#### Program Portfolio Management (PPM)

- Relevance
- Resulted in the creation of new degree programs as well as the closure of 60 majors, minors, and certificates

#### Program Review/Accreditation

- Continuous improvement

#### Program Development Plan

- Revenue generation

#### Scheduling

- Student Success

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## Fiscal Management Strategies

### Personnel Management

#### 335 FTE reduction in overall workforce 2011-2019

- 23% reduction in faculty
- 20% reduction in administrators
- 5.6% reduction in managers/supervisors
- 8% reduction in professionals (MSUAASF, MAPE)
- 28.9% reduction in AFSCME

Reduced approximately \$22 million in salary and fringe

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## Fiscal Management Strategies

### Enrollment Management

Developed a Strategic Enrollment Management (SEM) division

Invested in EAB Enrollment Services

- Robust infrastructure to recruit new students

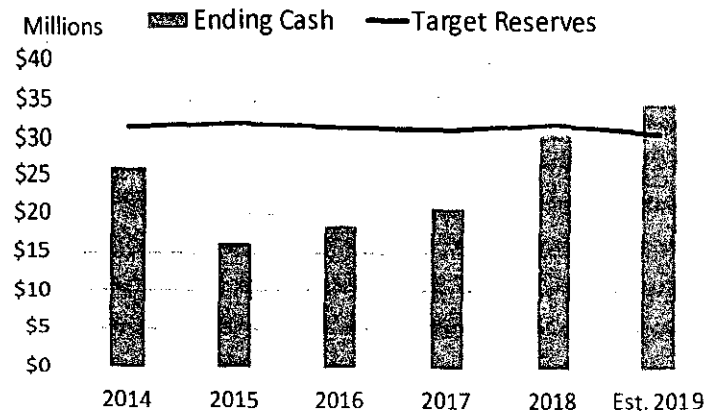
Invested in EAB Navigate

- Formally known as the Student Success Collaborative (SCC)
- Focuses on student retention

Developing enrollment management plan

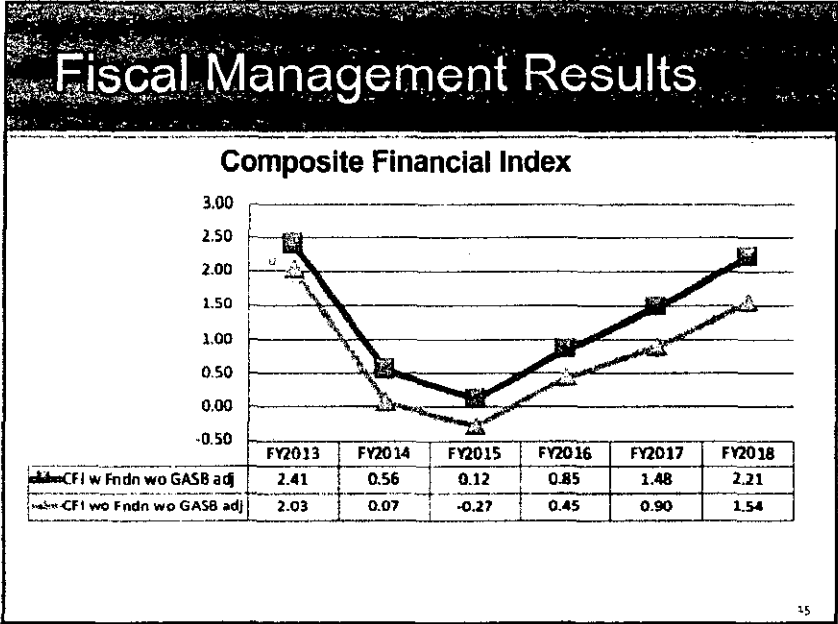
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## Fiscal Management Results

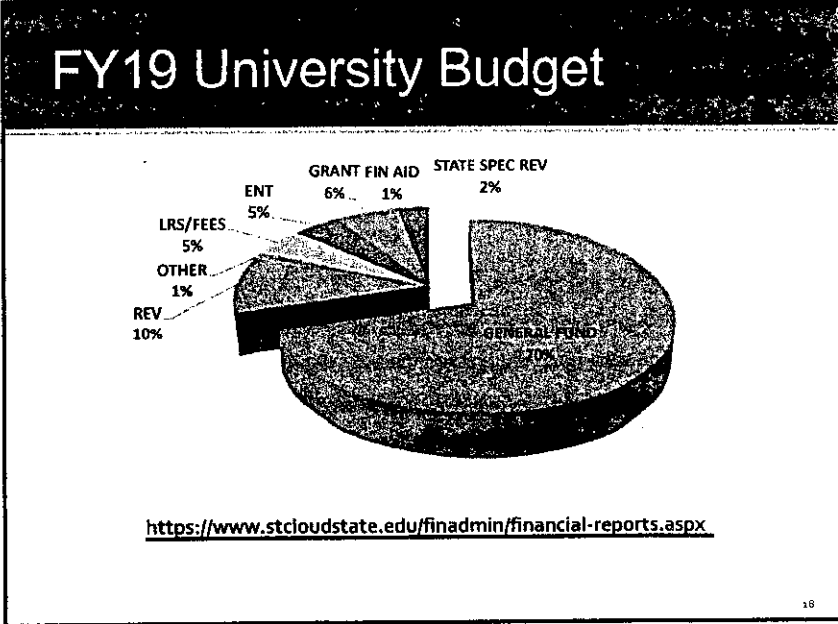
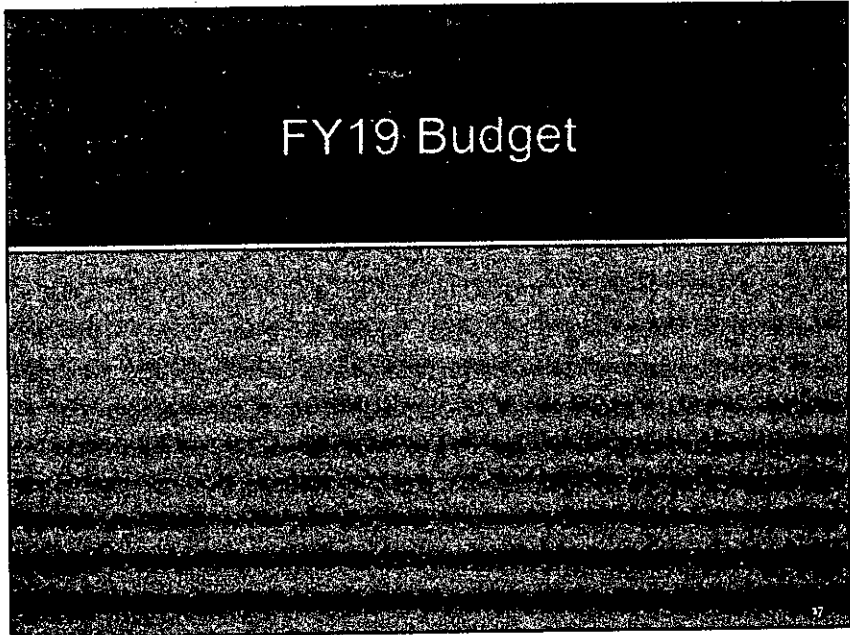


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- ### Fiscal Management Results
- Due to budget reductions and strategic investments, the level of cash reserves has steadily increased since FY15 and is expected to exceed the **20%** Board of Trustee's expectation.
  - Through budget reductions and cash reserve replenishment, the CFI increased steadily to **1.54** in FY18.
  - Unfortunately, we have not yet stabilized enrollment which has resulted in continued downward pressure on fiscal stability.
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## FY19 University Budget

### FY19 SCSU General Fund Original Budget by Institutional Division

President	\$ 1,560,500
Athletics	\$ 5,751,806
Planning & Engagement	\$ 1,064,944
Information Technology	\$ 6,735,364
Academic Affairs	\$ 88,986,142
Finance & Administration	\$ 26,557,349
Student Life & Development	\$ 4,101,890
University Advancement	\$ 1,821,984
Strategic Enrollment Management	\$ 8,999,602
	\$ 145,579,581

Division	Percentage
Academic Affairs (AA)	61%
Finance & Administration (F&A)	18%
Strategic Enrollment Management (SEM)	6%
Information Technology (IT)	5%
Student Life & Development (SLD)	3%
UA	1%
Pres	1%
Athl	1%
P & E	1%

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## FY19 University Budget

### FY19 Net Operations

General Fund \$ millions	FY19 Current Budget February 2019	FY19 Estimated Year End Actual April 2019	FY19 Actual Budget July 25, 2019
<b>Total Revenue</b>	<b>\$148.9</b>	<b>\$150.1</b>	<b>\$150.7</b>
Compensation	\$117.7	\$113.7	\$112.9
Non-Salary	\$31.1	\$31.4	\$32.1
<b>Total Expenses</b>	<b>\$148.8</b>	<b>\$145.1</b>	<b>\$145.0</b>
<b>Net Operations</b>	<b>\$0.1</b>	<b>\$5.0</b>	<b>\$5.7</b>

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## FY19 College/School Budget

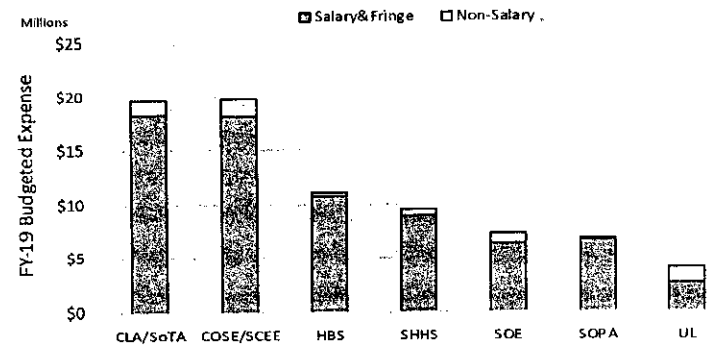
### FY19 Original Expense Budget

Academic Area	Salary	Fringe	Non-salary	Total Budget
CLA	\$13.7	\$4.7	\$1.3	\$19.7
COSE	\$13.7	\$4.5	\$1.6	\$19.8
HBS	\$8.3	\$2.5	\$0.2	\$11.0
SHHS	\$6.7	\$2.2	\$0.6	\$9.4
SOE	\$4.9	\$1.5	\$0.9	\$7.3
SOPA	\$5.0	\$1.7	\$0.2	\$6.9
UL	\$2.0	\$0.8	\$1.2	\$4.1

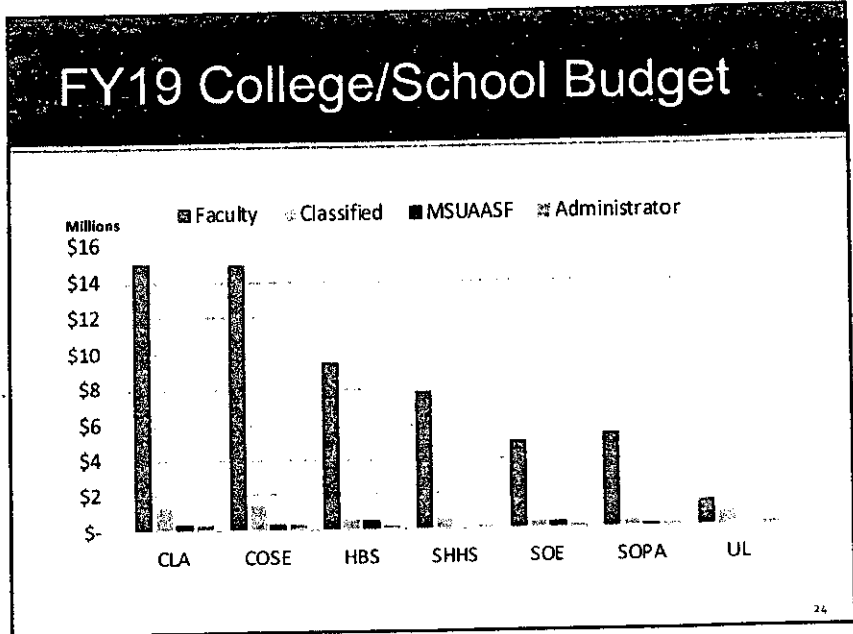
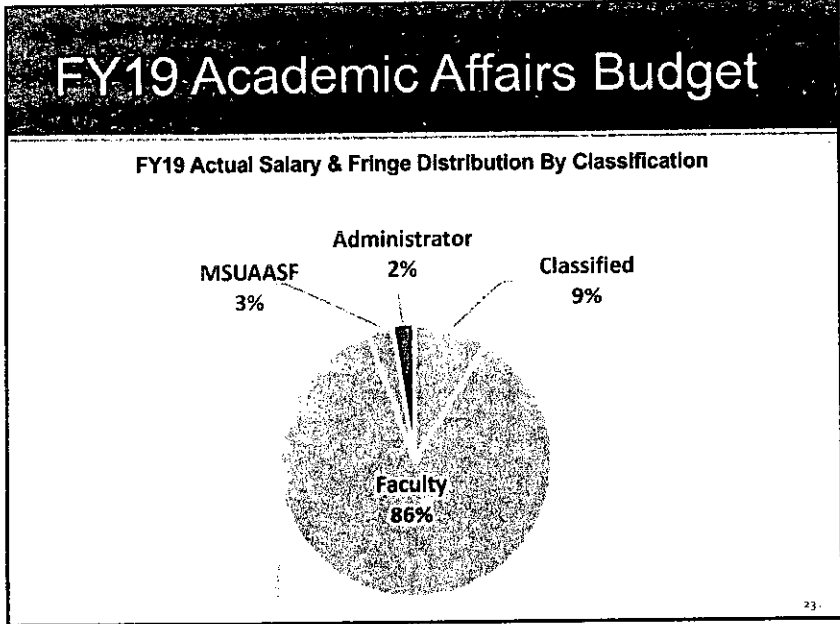
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## FY19 College/School Budget

### FY-19 Salary & non-salary expense budget by College/School



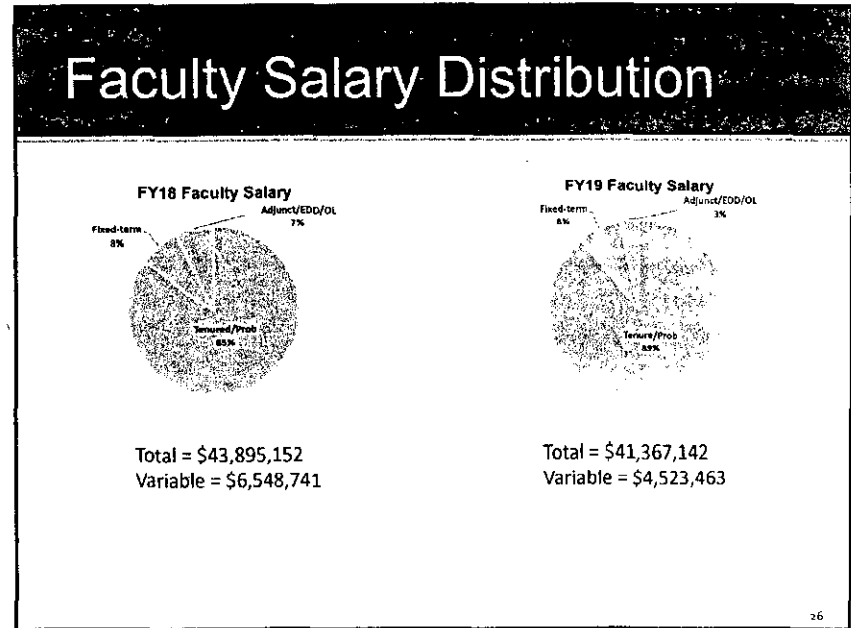
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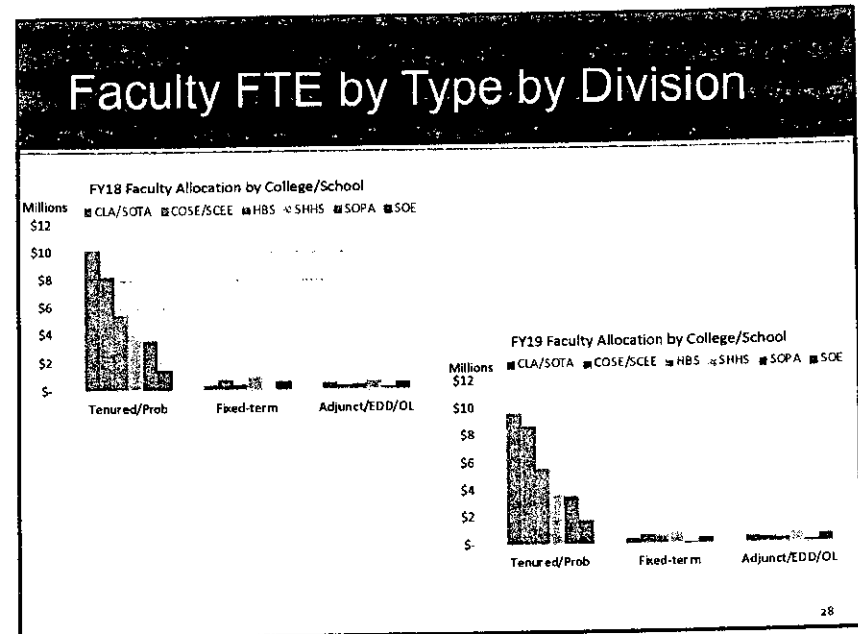
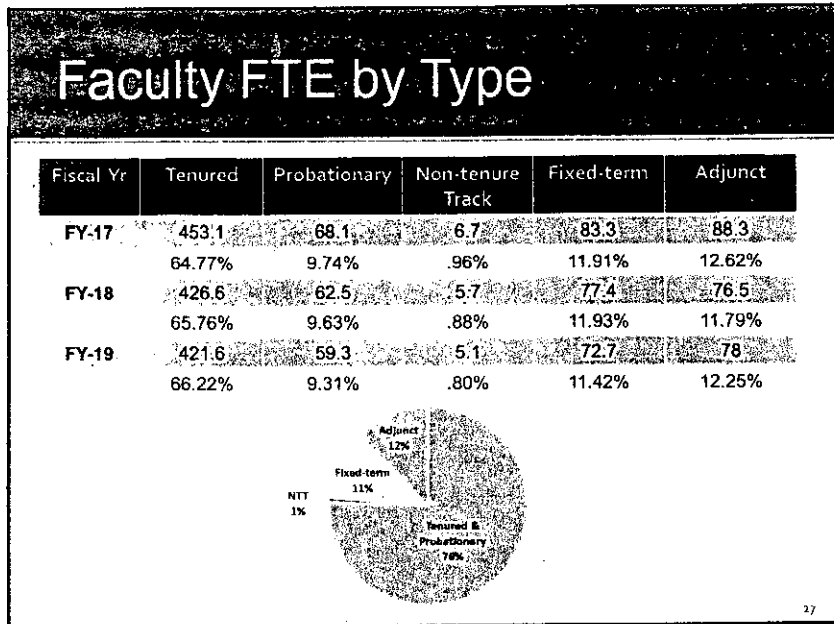


## Faculty Salary Budget

Fiscal Year	Total Faculty Salary	Fixed Salary	Variable Salary
FY18	\$43,895,151	\$37,346,410	\$6,548,741
		85.1%	14.9%
FY19	\$41,367,142	\$36,843,679	\$4,523,463
		89.1%	10.9%

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## FY19 Budget Summary

- Ended the fiscal year with a positive balance of \$5.7M
- Aggressively managed salary and non-salary budgets using a range of fiscal management strategies
- FY-19 cash reserves will exceed the 20% system target
- Mid-year enrollment declines required utilization of all contingency funds

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## FY18 Cost Study

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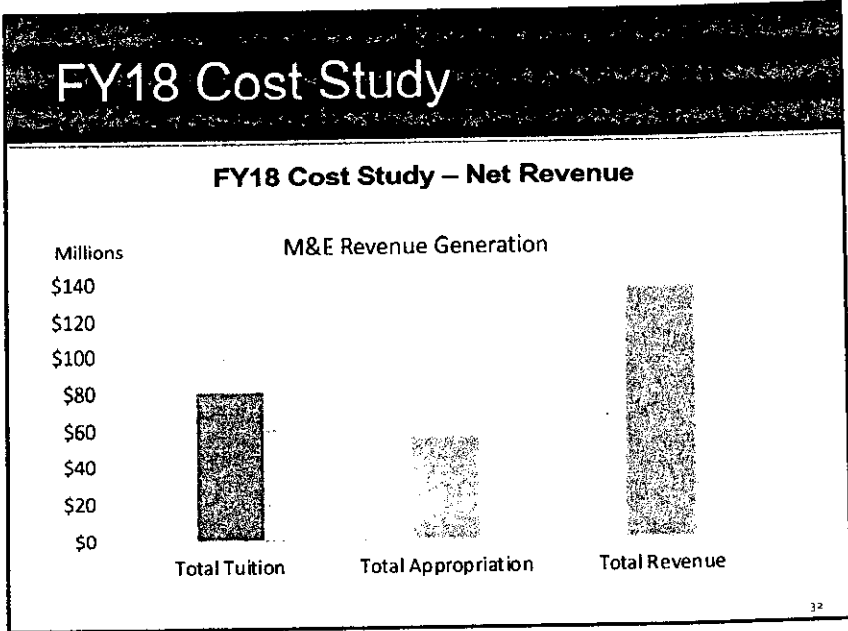


## FY19 University Budget

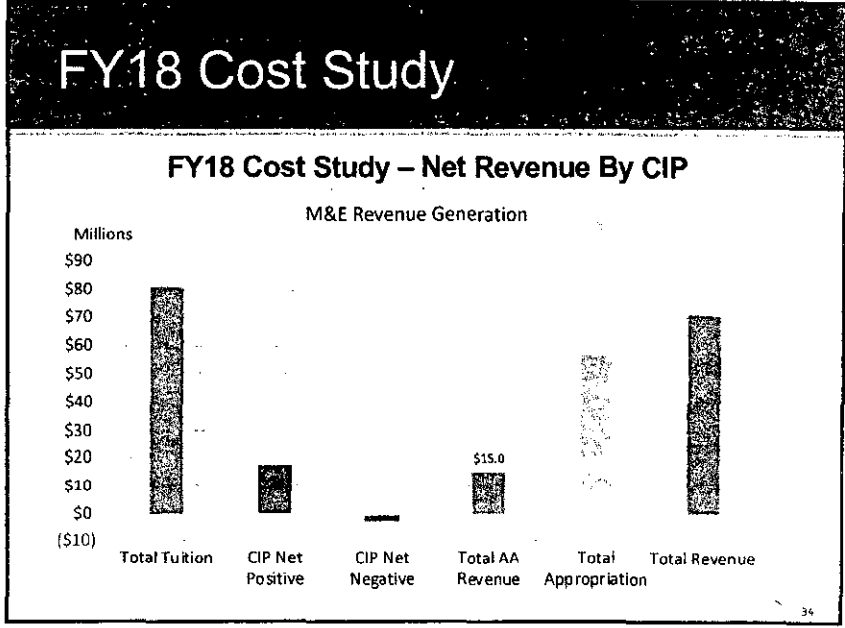
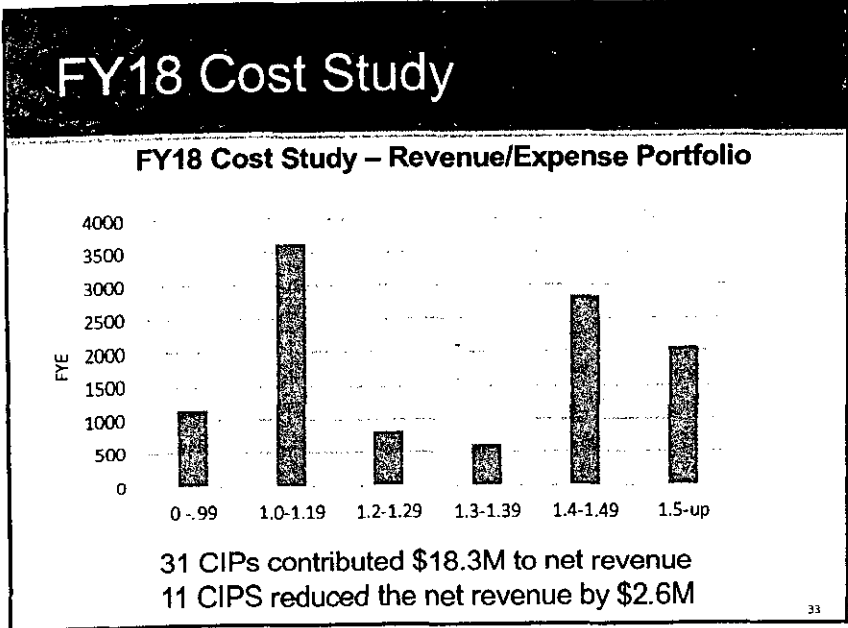
### FY19 Revenue

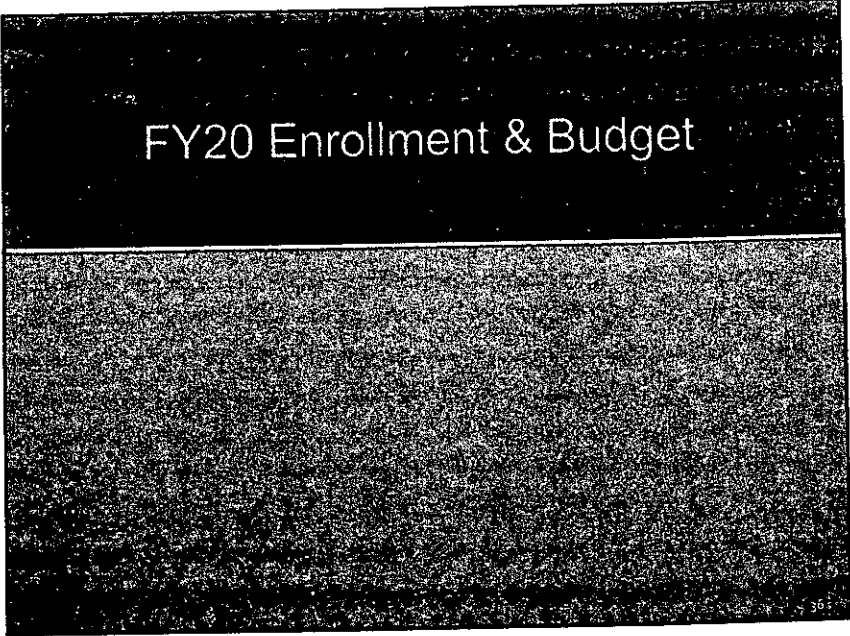
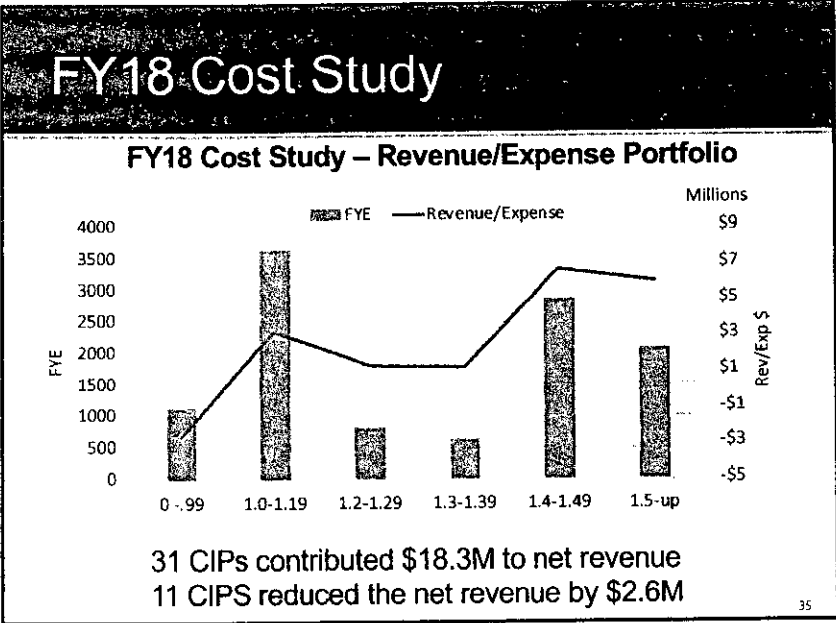
General Fund \$ millions	FY19 Current Budget March 2019	FY19 Estimated Year End Actual April 2019	FY19 Actual Budget July 25, 2019
State Appropriation	\$ 55.8	\$ 55.8	\$ 57.8
Tuition	\$ 82.2	\$ 80.5	\$ 86.6
Other Revenue	\$ 10.9	\$ 13.8	\$ 6.3
<b>Total Revenue</b>	<b>\$ 148.9</b>	<b>\$ 150.1</b>	<b>\$ 150.7</b>

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## FY20 Enrollment

- FY-20 budgeted enrollment (Fall 2019) was -323 FYE from Fall 2018.
- As of Tuesday 8-6-19 enrollment for fall 2019 was -475 FYE
  - 475 FYE current
  - 323 Budgeted
  - 152 FYE short of budget for fall 2019

1 FYE ≈ \$7,500 (152 FYE ≈ \$1.1M)

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## FY20 Enrollment

- Fall 2019 enrollment on 8-6-19 (FYE)

New Entering Freshmen	-78
New Entering Transfer	-120
Graduate	-35
Returning Undergrad	-242
	<b>-475</b>

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## FY20 Enrollment

- Current Fall 2019 enrollment is tracking down by 475 FYE
- The FY-20 M&E budget was built with a planned decrease of 323 FYE in Fall 2019
- This is an additional 152 FYE for Fall 2019
- This is approximately \$1.1M in decreased revenue for Fall 2019

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## FY20 University Budget

### FY-20 Revenue Budget

General Fund \$ millions	FY20 Estimated Budget 6% drop in FYE	FY20 Estimated Budget 10% drop in FYE	FY20 Estimated Budget 13% drop in FYE
State Appropriation	\$ 56.2	\$ 56.3	\$ 56.3
Tuition	\$ 79.1	\$ 76.0	\$ 73.6
Other Revenue	\$ 10.3	\$ 10.3	\$ 10.3
<b>Total Revenue</b>	<b>\$ 145.8</b>	<b>\$ 142.6</b>	<b>\$ 140.2</b>

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## FY20 University Budget

### FY20 Revenue and Expense

General Fund \$ millions	FY20 Estimated Budget 6% drop in FYE	FY20 Estimated Budget 10% drop in FYE	FY20 Estimated Budget 13% drop in FYE
<b>Total Revenue</b>	<b>\$145.8</b>	<b>\$142.6</b>	<b>\$140.2</b>
Compensation	\$121.2	\$121.2	\$121.2
Non-Salary	\$30.0	\$30.0	\$30.0
<b>Total Expenses</b>	<b>\$151.2</b>	<b>\$151.2</b>	<b>\$151.2</b>
<b>Net Operations</b>	<b>-\$5.4</b>	<b>-\$8.6</b>	<b>-\$11.0</b>
Reserve	\$4.9	\$4.9	\$4.9
<b>Total Operations</b>	<b>-\$0.5</b>	<b>-\$3.7</b>	<b>-\$6.1</b>

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## FY20 Budget Summary

- Current Fall 2019 enrollment is tracking down by 11% which is = 475 FYE.
- Current budget modeling projects a \$3.7M to \$6.1M deficit.
- FY-20 strategy utilizes \$4.9M out of reserves to balance the budget and will need to be resolved in FY-21.

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## FY21 Enrollment & Budget

## FY21 Fiscal Management

- Incoming enrollment and retention is expected to begin to stabilize.
- It will take several years for overall enrollment to stabilize given historic graduation patterns
- This will require continued aggressive fiscal management strategies for FY-21 which include faculty retrenchments for FY-21.

## FY21 Fiscal Management

### Provost Proposed Retrenchments

- Philosophy 3 FTE (No Program Changes)
  - Library 4 FTE (No Program Changes)
  - Theatre 1 FTE (Suspend Admission in BA program)
- 8 FTE**

Anticipated salary and fringe savings ≈ \$840,000

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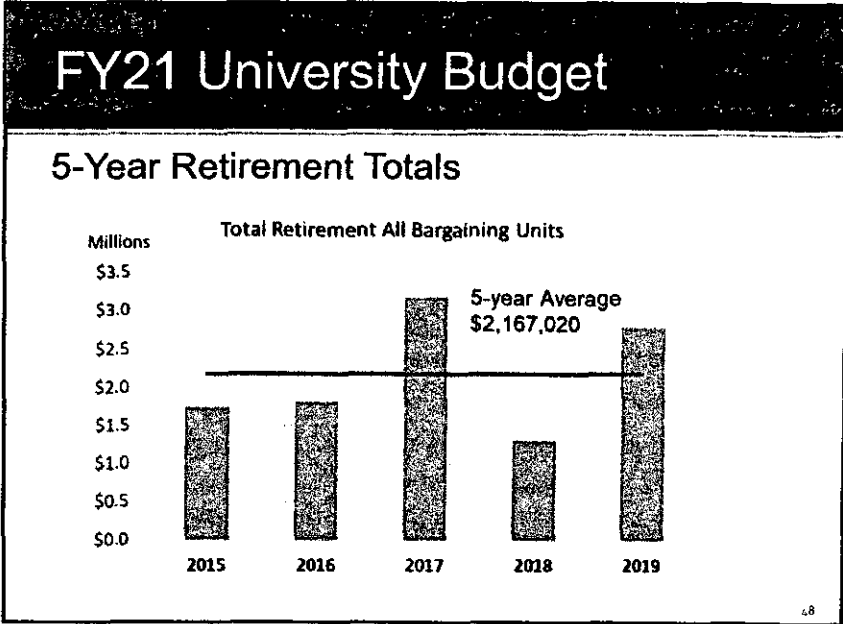
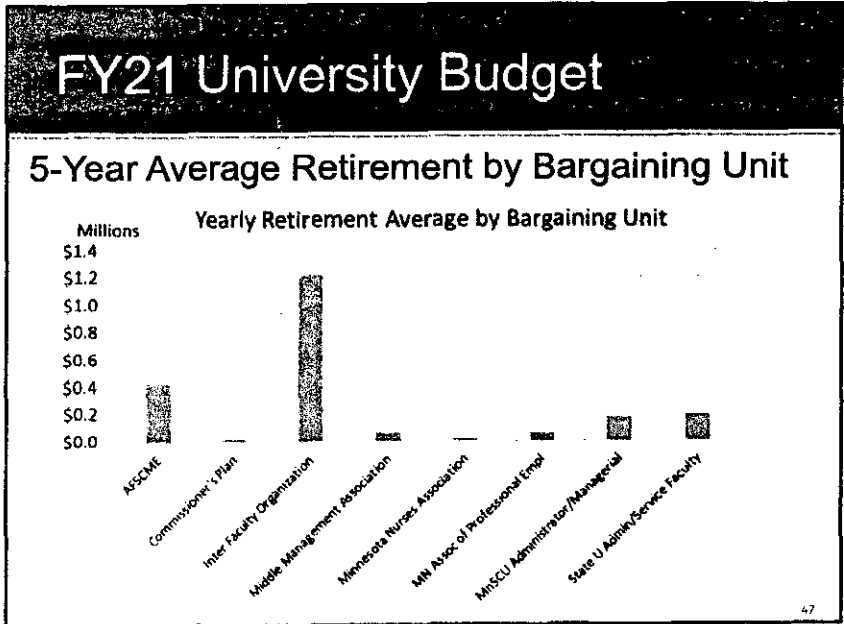
## FY21 University Budget

General Fund \$ millions	FY20 Estimated Budget 6% drop in FYE	FY20 Estimated Budget 10% drop in FYE	FY20 Estimated Budget 13% drop in FYE
<b>Net Operations</b>	<b>\$5.4</b>	<b>\$8.6</b>	<b>-\$11.0</b>
<b>Reserve</b>	<b>\$4.9</b>	<b>\$4.9</b>	<b>\$4.9</b>
<b>Total Operations</b>	<b>-\$10.3</b>	<b>-\$13.5</b>	<b>-\$15.9</b>
<b>Proposed Retrenchments</b>	<b>\$8.4</b>	<b>\$8.4</b>	<b>\$8.4</b>
<b>Total Gap Remaining</b>	<b>-\$9.5</b>	<b>-\$12.7</b>	<b>-\$15.1</b>
<b>% by Retrenchment</b>	<b>8%</b>	<b>6%</b>	<b>5%</b>
<b>% Gap Remaining</b>	<b>92%</b>	<b>94%</b>	<b>95%</b>

\* Estimates assume flat enrollment in FY-21

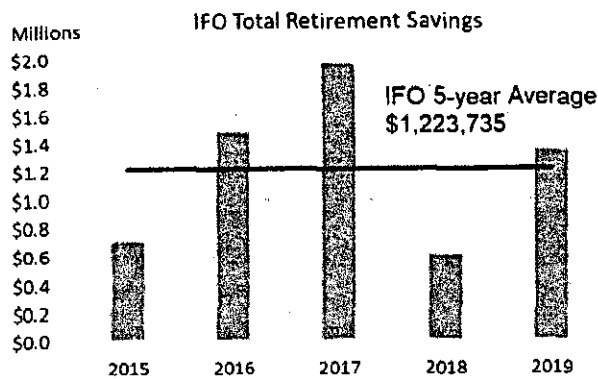
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# FY21 University Budget

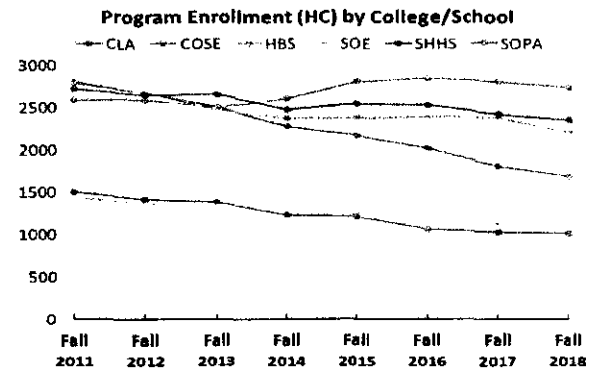
## 5-Year Average Retirement IFO



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# FY21 University Budget

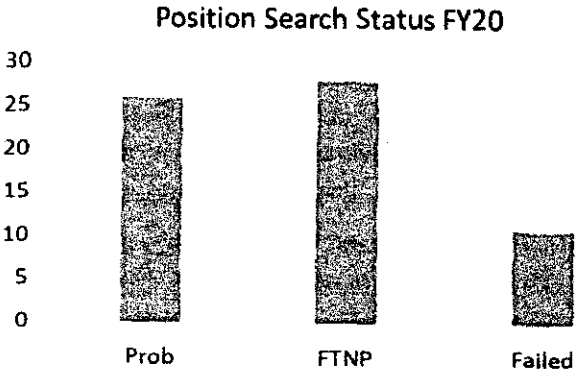
Enrollment changes are different across each college/school:  
Reductions and investments will also be different.



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## FY21 University Budget

### Update on position allocations for FY20



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## Future of Higher Education

- Higher education, like many industries, is experiencing profound change.
- At her convocation address, President Wacker will launch a collaborative effort to define SCSU in the new model for higher education.
- It is essential that we all engage in this work to ensure SCSU thrives in the new higher education reality.
- Thank you for all you do for SCSU and our Students!

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## Questions & Discussion

Questions, Thoughts and Ideas?

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