

Colleagues,

I want to update you regarding the 2017-18 budget development process. At Morehead State University, our budget challenges continue due to years of higher education underfunding combined with shifting demographics, declining enrollments, increases in our fixed and unavoidable costs, and critical strategic investment needs. In total, these factors created a \$2.5 million budget deficit for the upcoming fiscal year that needed to be addressed.

In order to mitigate this shortfall with minimal impact on academic excellence and student support, all of the vice presidents were asked to develop strategies that would increase operating revenues and/or reduce operating costs by 3% of their division's total discretionary budget. Each vice president has developed strategies unique to their division's budget priorities, opportunities and needs while maintaining a primary focus of improving student success.

While the process is not final, we have made significant progress toward developing a balanced budget. The draft budget includes strategic investments to support initiatives including:

- the creation and study of new academic programs, including the Fall 2018 launch of our new online Master of Science in Nursing and the reintroduction of our online MBA as Quality Matters certified;
- improved and expanded technology services;
- student scholarships; and
- student success initiatives targeted to improve recruitment and retention.

We also need your help. We must do everything we can to recruit students who can succeed at MSU, support and retain them through their progression and graduation, and close achievement gaps of underrepresented minority and low socioeconomic status students. Not only will our performance on metrics in these areas help the institution financially through the new state performance funding model, but more importantly, it is what we are here to do. These tasks are not assigned solely to those in Enrollment Services or Student Success. This is everyone's responsibility.

We will be hosting forums for faculty and staff to discuss the budget and the performance-funding model on Monday, **April 17 at 2 p.m.** and Tuesday, **April 18 at 8 a.m. in Button Auditorium.** I encourage you to make every effort to attend.

I appreciate your commitment to our students and to MSU.

Wayne D. Andrews
President