



University Budget Update

February 9, 2018



Takeaways for Today.....

- 2017-2018 – Good
- Next Year (July 1) – Potentially Difficult (Pensions/Budget)
- Kentucky has been cutting for 8-10 years
- We will continue to be a strong university going forward
- Other KY universities and K-12 are in this same situation
- Let's stay student-centered



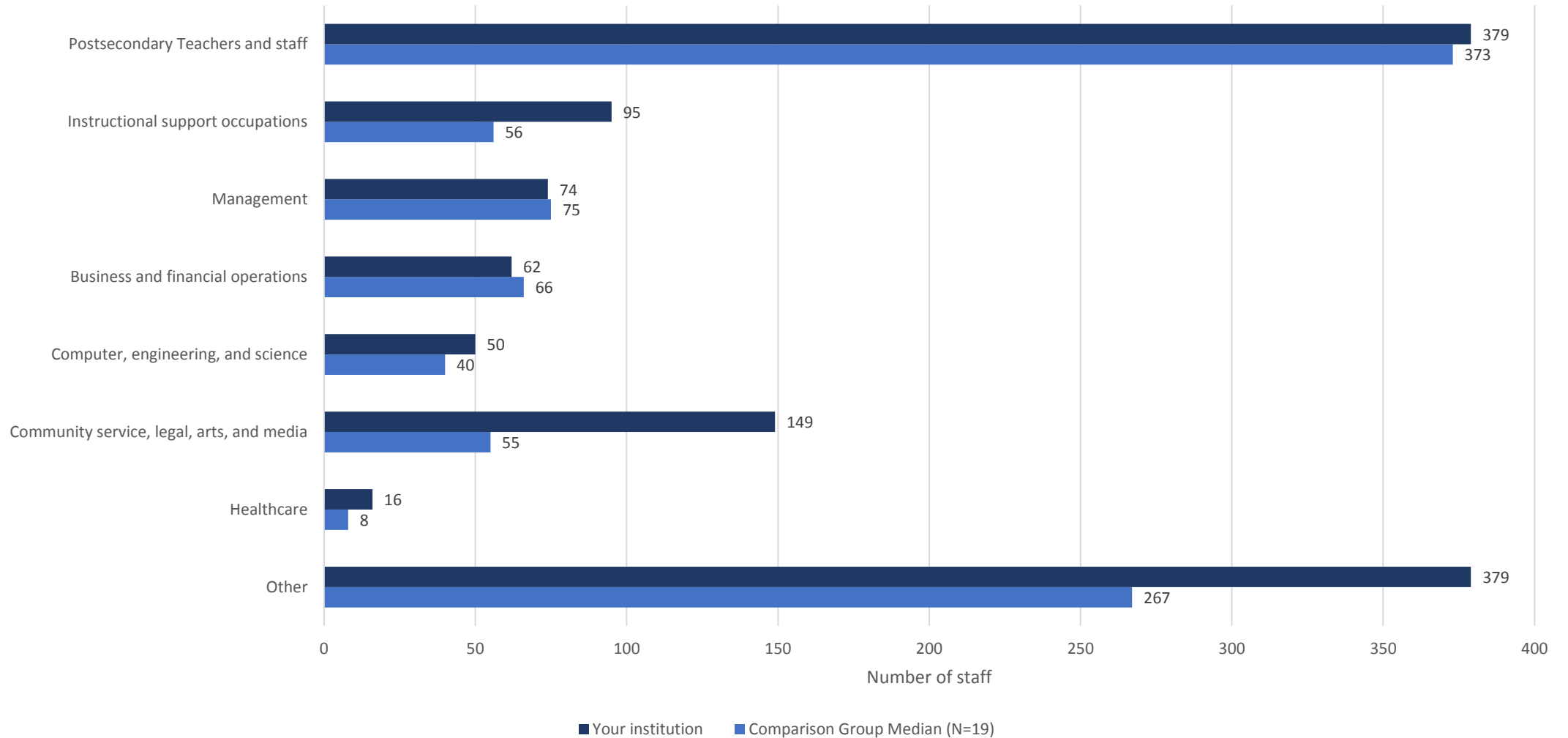
MSU Budget ... In Brief

- \$152 Million Dollar Total Budget
- \$41-42 Million in State Appropriation Fund
 - \$2.8 Million - Craft Academy
 - \$200,000 - KY Folk Art Center
 - = \$38 Million for General State Support
- 820 FT Employees
- \$50 Million Plus in MSU Foundation –
Scholarships and Other University Support
- \$416,000 +/- Mid Year Give Back



A Snapshot of Our Campus Personnel

Figure 18: Full-time equivalent staff, by occupational category: Fall 2015



Next Years Budget (July 1).....

- Moving Pieces/People for Performance Funding and Other Strategic Metrics Designations
- *'Earn to Learn'* – Designated Student Wages
- A Few Reinvestments – Mainly Due to Pending Budget Gap
- Travel Reductions of 5% Across-the-Board (More in some areas)
- Fractional Loads – Designated as .10 = 1 course, etc.
- Use of “One-time, Non-recurring Funds” to Retire Selective Debt
- An Attempt To Move Funds in the Right Areas to Reduce Transfers
- Attempt to Protect Our “Core” Educational Mission
- View Almost Line-by-Line Categorical Budgeting



Internal Audit

Functional Category: Institutional Support

Performance Funding Components: N/A

Roster ID	Print Name	Job Title	Retire. Plan Desc.	FTE	Contract	2017-18 Salary	2017-18 Annualized	2018-19 FTE	2018-19 Salary	2018-19 Annualized	Comments
2807		Director, Internal Audits	KTRS	1.00	12	85,889	85,889	0.80	65,711	65,711	move 0.2 FTE to School of Business Admin (teach 2 accounting courses per year) - TBD

Object Description	Opening Budget	Fund Balance	Recurring Base Budget	2018-19 Recurring Changes	2018-19 Base Budget	2018-19 Fund Balance	2018-19 Opening Budget	Comments
Salaries & Wages	85,889	-	85,889	(20,178)	65,711	-	65,711	move 0.2 FTE to School of Business Admin
Medical Insurance	6,576	-	6,576	(1,315)	5,261	-	5,261	
Life Insurance	48	-	48	(10)	38	-	38	
Dental Insurance	312	-	312	(62)	250	-	250	
KTRS	13,627	-	13,627	(3,202)	10,425	-	10,425	
FICA	6,571	-	6,571	(1,544)	5,027	-	5,027	
Supplies	425	-	425	-	425	-	425	
Travel	2,075	-	2,075	(104)	1,971	-	1,971	5% reduction (\$104)
Memberships	175	-	175	-	175	-	175	
Telephone Device Profile	84	-	84	-	84	-	84	
Postage	49	-	49	-	49	-	49	
Internal Audits Total	115,831	0	115,831	(26,415)	89,416	0	89,416	



Starting Estimates of Deficit For Next Year

(\$10-12 M.)

- \$2.5 Million - 6.25% State Reductions (Currently Known)
- \$3.2 Million - New Pension Cost Increases
- \$1.0 Million - Loss of International Students (Saudi's)
- \$1.0 Million - Estimated Fixed Cost Increases (Estimating)
- \$2.0+ Million - Loss of Tuition of Domestic Students (Estimating)
- \$1.5 Million - Increased Health Care Costs (Possibly Less)
- \$200,000 - KY Folk Art Center Eliminated in State Budget
- xxxx - Misc



Estimates of Where We are Presently for Next Year

(Initial \$10-12 M. Now Down to \$5 M. or less)

- Removing Some Vacant Lines
- Not Filling Vacancies
- Reorganization Within Units
- Pension Control Measures
- Paying Down Strategic Debts
- Reducing Some Non-core Areas
- Repositioning Some Areas and Consolidating
- Full-time to Part-time
- Selective Contracting and Outsourcing
- Etc.



University “Shared-Responsibility” Deficit Reduction Strategies

- \$ 500,000 – Facility Cost Reduction Goal (Taskforce)
- \$1,500,000 – 2019 Health Care Reduction Goal (Taskforce)
- \$ 250,000 – Dental Insurance (MSU Paid to Optional)
- \$ 350,000 – Discontinue Sick Leave ‘Retirement Service Credit’
- \$ 300,000 – Administrative Reduction and Reorganization Goal



Themes You May See... Which May Include Difficult Decisions

- A Push for Enrollment and Increased Retention
- Continued Repositioning of People
- Discussions on Scholarship Areas – Refocus for the Next Year
- Tuition “Shy” or “Limited”
- Less Buildings, Smaller/Tighter Physical Footprint
- Pension Pressures May Require Some Outsourcing
- Non-Strategic Property Disposition
- Benchmarking to Universities That Look Like Us - Review All Areas
- Slim Down in Non-Core Areas (Program/Unit Elimination)
- Voluntary Employment Separation Options
- Non-Voluntary Employment Separation



What Will Our Future Be.....

- Student-Centered
 - Student Success
 - Efficient Through Innovation
 - More Efficient Campus
 - Let Our Strategic Plan Guide Us (Winners and Losers)
 - Everyone Helps With Recruiting and Retention
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- We would ask you to keep pushing forward!



Voluntary Employment Separation Options



Takeaways for Today.....

- Let's Stay Student-Centered
- Lets Be Morehead State - Not Fractured





Questions?

