

NEW
beginnings...
ENDLESS
possibilities.



TM

Missouri State UniversityTM

W E S T P L A I N S

Budget 101

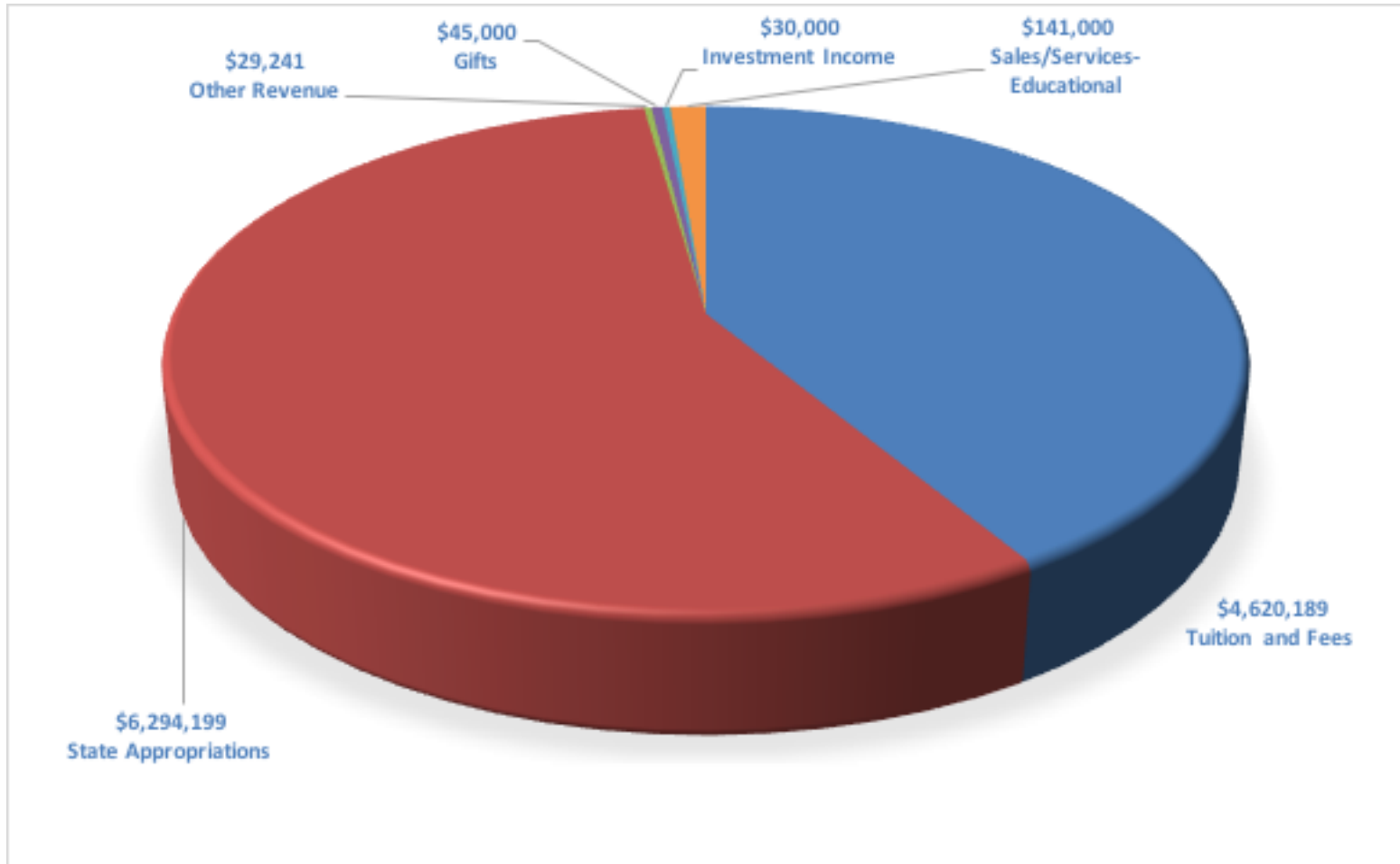
Preparing for FY18

- Where do we get our money?
- Where do we spend our money?
- What is our budget history?
- What have we done to reduce costs?
- What do we do now?

FY17 Operating Fund Summary - Total Revenues

Tuition and Fees	41.40%
State Appropriations	56.40%
Other Revenue	0.26%
Gifts	0.40%
Investment Income	0.28%
Sales/Services-Educational	1.26%
Grants and Contracts*	0.00%
Total Revenues	100.00%

FY17 Revenue



Total Rec'd from Grants FY16 = \$1.13 million

-\$2.5 million over 4 years: Trade Adjustment Assistance Community College and Career Training (TAACCCT) Federal grant (Year 3; ends Sept 2017)

-\$1.1 million over 5 years: Federal TRIO Program grant (Year 1. Grant renewed!)

-\$25,000: Default Prevention State Funds (1 year)

-\$250,468: Adult Education and Literacy State funds (1 year. Can request renewal for FY17)

-\$10,000: TRIM Grant (State funds) (1 year)

Grant Funded Positions

Full-Time Employees

Mary Kellum (TRiO)
Vickie Petkovic (TRiO)
Kathy Mann (TRiO)
Bruce Cavitt (TRiO)
Shelia Barton (TAACCCT)
Moiria Seiber (TAACCCT)
Elizabeth Nehring (TAACCCT)
Victoria Howerton (TAACCCT)
Joan Wright (AEL)

Part-Time Employees

Marcie Bean (TAACCCT)
Daniel Wilson (TAACCCT)
Othniel Emunah (TAACCCT)
Craig Jennings (TAACCCT)
Roy Crouch (TAACCCT)
Larry Noller (TAACCCT)
Karen Sholes (TAACCCT)
Patricia Stoops (TAACCCT)
6 tutors in TRiO
19 employees in AEL

Total Rec'd from Gifts in FY16 exceeded **\$604,000**

- 22nd Annual Auction netted over **\$16,100** with 175+ participants
- **\$15,220** received in Year 9 of the Annual Fund campaign
- Philanthropic Women for Education funded over **\$15,100** in special projects including the group's Honors Professorship pledge
- Gifts and pledges totaling over \$1,320,000 was raised for the new Carol Silvey Student Union and Hass-Darr Hall

Support for Grizzly Athletics

- Assets in the Grizzly Athletic endowed scholarship fund total approximately \$1.23 million and continues to grow. Annual earnings used to offset cost of athletic scholarships.
- Grizzly Booster Club provides approximately \$70,000 additional funding for Grizzly Athletics.
- Additional fundraising includes Herb Lunday Grizzly Golf Classic, Grizzly Basketball Trivia Night, game and tournament sponsors, advertising banners displayed around basketball/volleyball court.

Giving to Higher Education

- Charitable contributions to colleges and universities in the United States increased 7.5 percent in 2015 for a total of \$40.3 billion, according to the Voluntary Support of Education (VSE) survey, conducted by the Council for Aid to Education (CAE).
- Approximately 98% of that money goes to 4-year schools despite the fact that almost half of the undergraduates in the US attend a 2-year school
- MSU-WP accounts represent 10% of the total market value of the MSU Foundation endowment

Disadvantages

- We are not like a typical community college and receive no tax based revenue from the city or county like OTC, Three Rivers, and other community colleges.
- We are not a member of the MCCA and are not eligible for state grants to MCCA.
- West Plains is located in the 18th poorest congressional district in the country making fund raising and tuition increases extremely challenging.

2016-2017 Out-of-Taxing District Resident Attending On-Campus

State Institutions	Per Credit Hour Tuition	Total Required Fees Per Semester (15 hours)	Total Tuition & Required Fees Per Year (30 hours)
State Technical College of Missouri	\$159.75	\$540.00	\$5,872.50
Ozarks Technical Community College	\$148.50	\$425.00	\$5,305.00
Metropolitan Community Colleges	\$175.00	\$10.00	\$5,270.00
Three Rivers Community College	\$140.00	\$495.00	\$5,190.00
State Fair Community College	\$150.00	\$150.00	\$4,800.00
Moberly Area Community College	\$141.00	\$270.00	\$4,770.00
St. Charles Community College	\$149.00	\$120.00	\$4,710.00
St. Louis Community College	\$136.00	\$240.00	\$4,560.00
Jefferson College	\$146.00	\$45.00	\$4,470.00
Crowder College	\$128.00	\$300.00	\$4,440.00
Mineral Area College	\$140.00	\$10.00	\$4,220.00
North Central Missouri College	\$109.00	\$450.00	\$4,170.00
East Central College	\$111.00	\$345.00	\$4,020.00
Missouri State University-West Plains	\$119.00	\$155.00	\$3,880.00

Tuition and Credit Hour Impact

- Given the current tuition rate of \$119 per credit hour and the number of credit hours taught in a given year:
 - A 1% increase in tuition would increase revenue approximately \$35,000
 - A 1% increase in credit hours would increase revenue approximately \$43,000

State Funding Decisions Impact MSU-WP Disproportionately

- In FY17, 56.4% of revenue for West Plains is from state appropriations
- In FY17, 37.7% of revenue for Springfield is from state appropriations

Allied Health Additional Funds

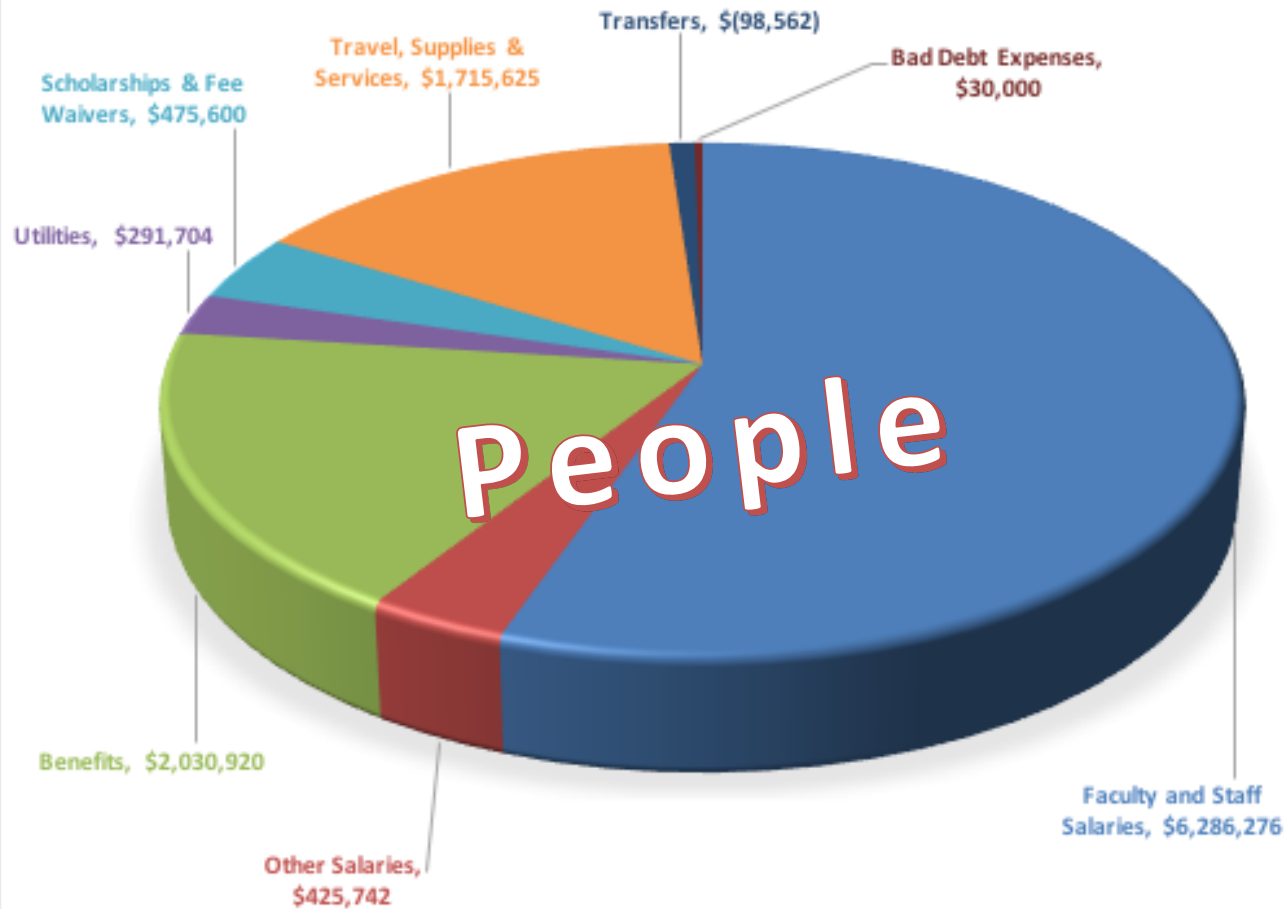
- For FY14, the State of Missouri provided MSU additional funds through a special request to enhance programs.
- Springfield campus received \$825,000 for occupational therapy
- West Plains campus received \$500,000 for allied health / health information technology (designated account)
- For FY15, the funds released mid to late fiscal year
- For FY16, the funds were available at the beginning of the fiscal year
- For FY17, the funds have been added to the core funding

FY17 Operating Fund Summary - Total Expenses & Transfers

Faculty and Staff Salaries	56.34%
Other Salaries	3.82%
Benefits	18.20%
Utilities	2.61%
Institutional Scholarships & Fee Waivers*	4.26%
Travel, Supplies & Services	15.38%
Transfers	-0.88%
Bad Debt Expenses	0.27%
Total Expenses	100.00%

* Actively pursuing reduction through privatization of current institutional scholarships

FY17 Expenses



FY17 Operating Fund Summary

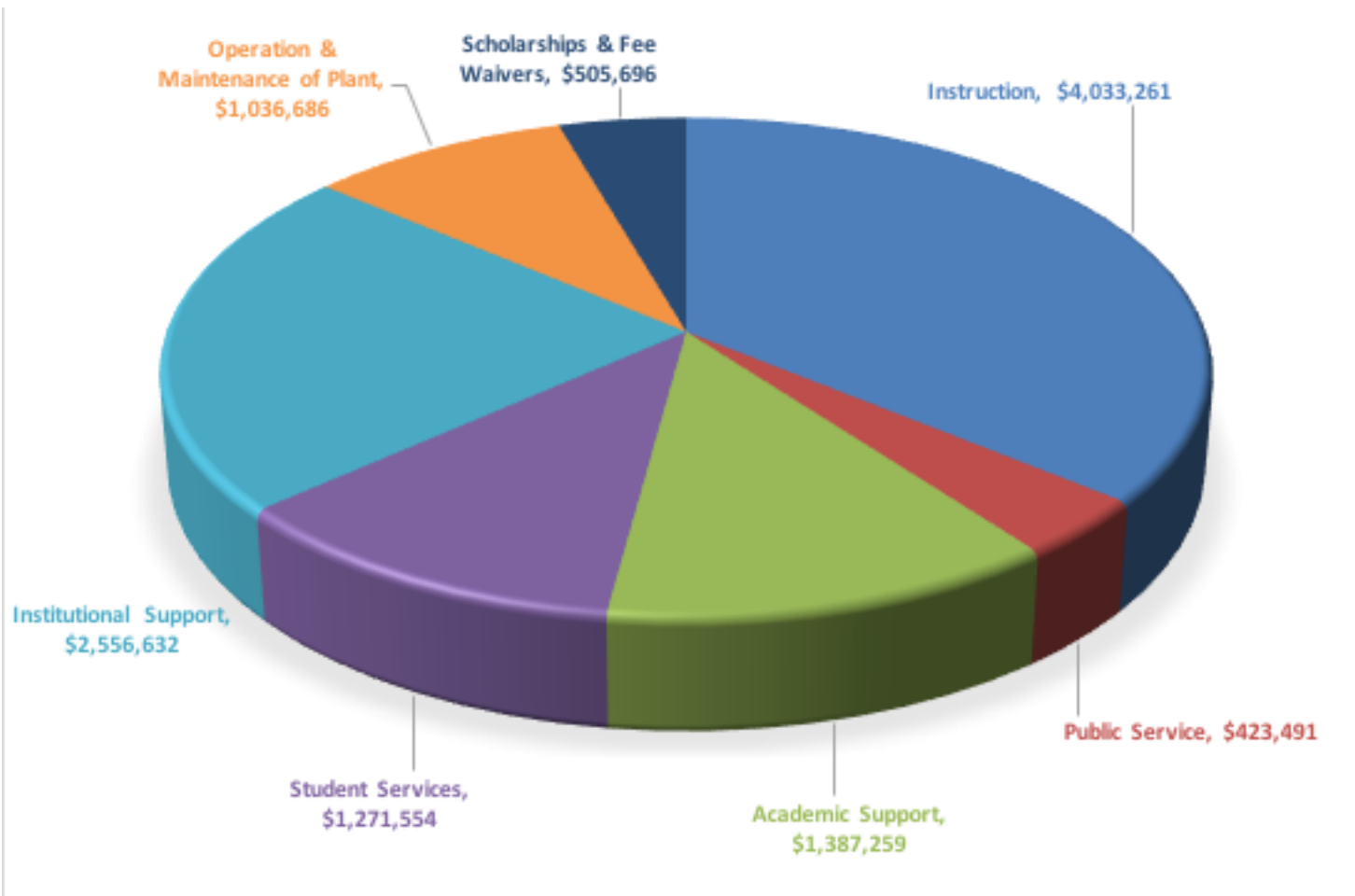
Total Expenses by Program

Instruction	35.96%
Public Service	3.78%
Academic Support	12.37%
Student Services	11.34%
Institutional Support	22.80%
Operation & Maintenance of Plant	9.24%
Institutional Scholarships & Fee Waivers	4.51%
	<hr/>
	100.00%

*Transfers are not included

** Many private Universities spend 25% or more on marketing/advertising and less than 25% on instruction.

FY17 Operating Expenses by Program



Impact of Faculty Increases

- Additions in full-time faculty and overall instruction has increased budget by \$1,320,000 since 2007 (FY08)

Year	Full Time Faculty	Instruction Budget	Faculty Salaries	Faculty Salaries & Benefits
2007 (FY08)	30	\$2.71M		
2008-2011 (FY09-12)	33	\$2.94M - \$3.22M	\$1.1M**-\$1.8M	\$1.74M - \$2.43M
2012 (FY13)	36	\$3.43M	\$2.05M	\$2.76M
2013 (FY14)	37	\$3.57M	\$2.12M	\$2.87M
2014-15 (FY15 - FY16)	40*	\$3.63M	\$2.21M-\$2.26M	\$2.98M-\$3.05M
2016 (FY17)	38	\$4.03M	\$2.20M	\$2.97M
Percentage Increases	26.7%	48.7%	100%**	71.6%

*- one was grant funded (HIT through TAACCCT), but will be institutionally funded in FY17 using the Allied Health plus up

** - FY09 salary line and benefit line appear to be inaccurately distributed. However, total of salary and fringe are accurate.

FY17 Operating Fund Summary

Total Revenues*	\$11,159,629
Total Operating Transfers In <small>(included in revenue above)</small>	137,606
Total Expenses*	11,157,304
Total Debt Transfers Out <small>(included in expenses above)</small>	39,044
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Excess Revenues (budget surplus)	\$ 2,325

* - now includes Allied Health Plus Up

Auxiliary Operations

- The Drago College Store, Putnam Food Services, Grizzly House, and Student Rec Center are not part of the regular operating budget.
- These entities are self-supporting by providing a revenue stream from the charges they impose for their goods and services.
- There is a budget transfer from the auxiliaries each year to support the regular operating budget.

Budget History

- When considering inflation and enrollment growth, we have not recovered from state budget cuts in FY2002
- We raised tuition for Fall 2011 for first time in 4 years
- Our state appropriations was reduced by 5.2% in FY11
- Our state appropriations was reduced by 3.16% in FY12
- Our state appropriations were flat for FY13
- Our state appropriations was increased by 4.8% for FY14, 3.2% for FY15, and 1.8% for FY16, 2.9% for FY17
- Since the State budget cut in 2002, the budget has served as much as 30% more students during that time.
- And our budget for FY18.....

Potential State Budget Impact

- For FY18 = unknown
- MOSERS increase will add approx. \$125,000 / yr

Performance Funding Measures

1. Three Year Completion Rates - The percentage of first-time, full-time entering students who successfully complete a certificate or degree of at least one year or longer, or successfully transfer to a four-year institution.
2. Fall to Fall Persistence - The percentage of students that started in the Fall of one year and returned in the Fall of the following year. Uses a three-year rolling average to track progress.
3. Student Performance on Gateway Math- The percentage of students who successfully complete the gateway math class. Uses a three-year rolling average to track progress.
4. Licensure/Certification Exam Passage- The percentage of career/technical graduates who pass their required licensure/certification examination.

Performance Funding Measures

5. Community College Financial Responsibility and Efficiency Measures - The ratio of credit hours earned per \$100,000 of state appropriations.

Success is measured by improvement over the previous year's performance (three-year rolling average) or sustained performance in the top third of the National Community College Benchmarking Project (for measures 1, 2, and 3).

Notification from MDHE on December 5, 2016 indicates that all five measures were met for the latest academic year (FY16).

State Appropriations Funding Formula for MSU-WP

- The Missouri State University West Plains campus will receive a minimum amount portion of the State's Truly Agreed To and Finally Passed Budget Appropriation for Fiscal Year 2016. This amount is \$5,817,867 and will not decrease in future budget cycles unless the system's appropriations are cut by the State.
- Any state appropriations which are made in order to fund specific campus programs or initiatives shall be allocated directly and entirely to that campus. The West Plains Allied Health \$500,000 designation is such an example.

State Appropriations Funding Formula for MSU-WP

- For appropriations after fiscal year 2016, any increase in appropriations received based upon performance funding measures will be allocated to each campus based upon the percent of performance funding measures met by that campus. Each campus has a line item in the Governor's budget proposal which is based upon the prior year appropriations and the percentage of funding measures met.

We Have Already Reduced Costs

- Closed Continuing Education and Outreach, Fall '07
- Conducted a 1% reallocation of the budget and applied that money (\$13K) to special equity pool for salaries, FY '09
- Consolidated Institutional Research and Assistant to the Chancellor into one position, Jan '09
- Did not replace VESTA Executive Director, Jul '09
- Closed Houston classroom site, Jan '09
- Turned two full time staff positions into part time staff positions, Jan '09 and Jul '10
- Reduced Athletic costs: coaches' salaries reduced 11.78% (total salary savings: \$22,193), Aug '08 to Apr '09

Reduced Costs (cont)

- Reduced maintenance and repair
- Reduced campus improvements
- Reduced University/Community Programs Operating Budget – 7% (\$11,169), Jul 2011
- Increased the Mandatory Transfer from the Bookstore to University Operating (add'l \$25,000; \$78,320 total), Jul 2011
- Reduced Institutional Scholarships by \$10,000 (Annual Fund Reimburse), Jul 2011
- Reduced Men's and Women's Athletics Operating Budget – 7% (\$8,808), Jul 2011

Reduced Costs (cont)

- Gap: Assistant to the Chancellor/Coord. of Institutional Research , July 2012
- Gap: Coordinator of Academic Support & Grants, July 2012
- Early pay off of Grizzly House loan, saving \$100,000 in interest over the next 10 years, Feb 2013
- Gap: Instructional Designer, August 2015
- Continued energy efficiency improvements when replacing mechanical and lighting equipment
- Gap Admin Assistant in Development and History faculty member in 2016
- Reduced full-time staff position to part-time to help fund FLSA requirements in 2016

Preparing For The Future

- Intent is to maintain and grow where possible
- Enrollment Growth
- CAAP scores at / above national average in all 5 categories for 19* consecutive years.
- Current staffing levels

**As of FY15*

Preparing For The Future

- Retention Rate^{*}, goal = 60%
 - 3 year average, 2011-2013 cohort^{**}*
 - MSU-WP = 44% [2014 – 53%, 2015 – 55%][†]*
 - Missouri Average^{††} = 61%*
 - National Average^{††} = 59%*
- Average Graduation Rate^{*}, goal = 30%
 - 3 year average, 2009-2011 cohort^{**}*
 - MSU-WP = 25% [2012 – 22%, 2013 – 23%][†]*
 - Missouri Average^{††} = 27%*
 - National Average^{††} = 20%*

** Retention rate = percent of freshmen cohort returning the following fall;*

Graduation rate = percent of freshmen cohort earning a degree/certificate within 3 years

***Cohort = Fall, full-time, degree-seeking freshmen*

†Based on internal calculations for years not yet officially reported by IPEDS

†† Missouri/National averages from IPEDS 2016 Digest of Education Statistics, tables 326.20 and 326.30 and IPEDS Data Tools Statistical Tables (online); based on 2 year degree-granting colleges

What do we do now?

- Continue the West Plains Executive Budget Committee – faculty representation increased from 2 to 6 in 2014-15.
- Open discussion at all levels, most of which will be bottom up
- Website accessible information includes
 - Operating budget summaries for five (5) most recent fiscal years
 - Detailed operating budgets for five (5) most recent fiscal years
 - Budget narrative for current fiscal year
 - External audit reports
 - Experts webpage with committee agendas, meeting documents, and meeting minutes
- Integration with Springfield budget process:
 - 2 Faculty Reps on Academic Affairs Budget Committee
 - Yet to be determined
 - West Plains Chancellor is a member of Springfield Executive Budget Committee