

Investing in Sustainable Excellence

Campus Budget Adjustment Proposal
May 19, 2017

UMSL

UM System Guiding Principles

- Challenge the status quo and long-held traditions that are impediments to change
- Make strategic decisions based on performance measures of excellence
- Protect programs of excellence for faculty research and creative works, student outcomes, community engagement and financial aid
- Be transparent, collaborative and accountable in making important decisions that affect the institution with input from faculty, students and staff

UMSL Guiding Principles

- Protect core excellence of academic and non-academic operations
- Invest in areas of growth and excellence
- Focus on instruction, recruitment and retention of students, and research and scholarly activities
- Consider the financial impact of decisions on student access and success

FY18 Budget Plan

Overview

- UMSL enters FY2018 in better financial shape than expected because of successful implementation of a sustainable budget plan adopted last fiscal year.
 - Many realized savings and opportunities from FY17 will carry over into FY18
- UMSL will balance its FY2018 budget through a combination of enrollment growth and scholarship initiatives, efficiency measures, and nominal tuition/fee increases
- Budget Recovery Initiatives:
 - Increases to Revenue: \$ 5.2 M
 - Decreases in FY18 Expenses: \$ 2.4 M
 - Continuation of FY17 Savings: \$ 3.4 M
 - Restructure/Consolidation \$ 3.9 M
- New FY18 expense reductions equate to 2.5% of total Operating Expense

FY18 Budget Plan

Revenue

- Generate revenue through increase in tuition and fees
 - Tuition and fees: CPI resident undergraduate, 4% non-resident undergraduate, 5% graduate
 - Supplemental fees increased relative to market and cost for high-cost programs
- Shift in fundraising to reflect short-term needs; increase in gifted scholarships
- Increased use of micro-grants to improve retention and graduation
- Implementation of Dean's Initiatives (Market, Brand, Recruiting, Enrollment)
 - Targeted marketing campaigns of 2017 are affecting 2018 enrollment
 - Acceleration of Summer Enrollment and Holiday/Spring Break marketing – Summer up 7%
- Investment in Faculty, Advising, Marketing in programs with growth potential
 - Business On-line, Education Teach in 12, Social Work enrollment expecting expansion
- In-state tuition offering into Illinois expected to increase non-resident enrollment
- Expansion of evening course and degree offerings to increase capture of adult market

FY18 Budget Plan

Expenses

- Elimination of budgeted, unused faculty, staff, and administration lines previously reserved in budgets for future use
- Reduction of graduate teaching assistants for programs not strategically aligned
- Opportunities realized for faculty and staff lines that will remain budgeted, but unused for FY18
 - Faculty, administration searches in process that will not be filled by July 1
 - Staff and Administration positions that will not filled by July 1
- Positions that will be filled but at a lower level or salary
- Attrition positions that will not be replaced
- Reduction of departmental discretionary expenses
- Analyze and reset work load parameters on Endowed Professorships

FY18 Budget Plan

Restructure/Consolidation

- Consolidation of Budgets and Planning, Accounting, Contracts and HR into service centers
- Realignment of Fiscal Officers
- Facilities staffing and structure
- IT mission transformation to deliver IT process efficiencies in partnership with academic and administrative departments while sustaining excellence in infrastructure and support services
- Realignment of Continuing Education into General Academic offering
- Realignment of Enrollment Management and Advising to improve retention

FY18 Budget Plan

Academic Excellence

- Hire additional faculty in growing or high-demand programs (computer science, communication, business, nursing, education)
- Protect core courses by consolidating low-enrollment elective sections
 - Targeting about 3% out of about 6,000 sections for elimination
 - Short-term impact of adjunct reduction; program evaluations continue in longer term
- Adjust academic program mix to focus on excellence and impact
 - Early actions from ongoing program review include eliminations of:
 - Major: Art History
 - Minors: Public Affairs Journalism, Urban Affairs
 - Certificates: Evolutionary Studies, History and Philosophy of Science and Technology
- Launch of UMSL Accelerate with Ameren provides grant income and brand strength
- First year of operation of DBA – Expected cohort of 15 (vs 8 in business plan)

FY18 Budget Plan

Investments

- Expansion of evening courses and degrees to address adult working market
- Retention and Enrollment Management
 - Reorganization, consolidation, and oversight through Academic Affairs
- Continuation or expansion of investment into growing, high demand fields
 - Information Systems, Teacher Education, Cybersecurity, Nursing, Entrepreneurship, Computer Science, Communications, and Business
- Faculty hiring into academic areas of excellence, research and growth
- Expansion of marketing and recruiting where return is expected to be positive
- Continued investment into development and fundraising

FY18 Budget and Assumptions

- Balanced Budget for FY18 requires \$3.6M improvement over FY17 budget prior current growth areas including:

<u>Issue:</u>	<u>FY18 Potential Impact:</u>
• Declining enrollment trend	\$(5.0M)
• State funding cut	\$(5.6M)
• Increase to Labor and Compensation	\$(2.5M)
• Unreimbursed Gen Revenue	\$(4.0M)
• CPI adjustment on tuition and fees	<u>\$ 2.4M</u>
	\$ (14.7)
• Productivity Challenge /University Enrollment Initiatives	\$ 5.7 M
• Increased enrollment in Illinois due to In-State tuition offering	\$ 1.0 M
• Gifted Scholarships / Use of institutional funds	\$ 1.0 M
• Continuing Education Consolidation	\$ 1.8 M
• Expansion of evening offerings and degrees	\$ 0.1 M
• Finance and Administration Support Restructure	\$ 1.6 M
• Optimization of class offerings and schedules	\$ 0.2 M
• Decrease in Programs	\$ - M
• Ameren Accelerate	\$ 0.1 M
• Realized Opportunities	<u>\$ 3.4 M</u>
	\$14.9

Productivity Challenge – All Budgets

<u>Revenue</u>	<u>FY18</u>
Tuition increase	\$ 1,303,000
Fees:	\$ 1,549,000
• Scholarships/Retention:	(\$ 50,000)
• Revenue Generation	<u>\$ 265,000</u>
Subtotal	\$ 3,067,000
<u>Expenses</u>	
• Salary & Labor Savings	
• Tenure/Tenure Track	\$ 18,000
• Non-Tenure Track	(\$ 55,000)
• Adjunct	\$ 1,067,000
• Staff	\$ 456,000
• Graduate Teaching Assistants	\$ 396,000
• Operating Expenses	<u>\$ 360,000</u>
Subtotal	\$ 2,242,000
<u>Program Restructure</u>	
• College of Arts & Sciences	\$ 196,000
• College of Nursing	\$ 18,000
• Student Affairs	\$ 19,000
• Academic Affairs	<u>\$ 157,000</u>
Subtotal	\$ 390,000
<u>Investments</u>	
• College of Arts & Sciences	\$ 30,000
• School of Social Work	\$ 95,000
• College of Nursing	\$ 36,000
• College of Education	\$ 97,000
• Student Affairs	(\$ 84,000)
• Academic Affairs	(\$ 200,000)
Subtotal	<u>(\$ 26,000)</u>
TOTAL Productivity Improvement	\$ 5,673,000
Transferred Opportunities: (Salary Savings due to Leaves, Hiring Gaps, Hiring Salary Savings, Course Buyouts, Grant Buyouts)	\$ 3,359,000

Productivity Challenge – College of Arts & Sciences

<u>Revenue</u>	<u>FY18</u>
• Tuition increase of \$2/hour for ACP program (40K hours); enrollment increases Expectation of 20+ full-time new students resulting from new scholarship	\$ 80,000
• Student Credit Hours projected flat for both Undergrad and Grad	-
• Fees:	\$ 113,000
• Scholarships/Retention: MicroGrants	<u>(\$ 50,000)</u>
Subtotal	\$ 143,000
<u>Expenses</u>	
• Salary & Labor Savings	
• Tenure/Tenure Track	\$ 378,000
• Non-Tenure Track	\$ 109,000
• Adjunct	\$ 950,000
• Staff	\$ 0
• Graduate Teaching Assistants	\$ 300,000
• Operating Expenses	<u>\$ 400,000</u>
Subtotal	\$ 2,137,000
<u>Program Restructure</u>	
• Art History major is being eliminated	\$ 0
• Closure of Office of Academic Innovation0	\$ 115,000
• Closure of Chemistry Service Centers (2)	<u>\$ 81,000</u>
Subtotal	\$ 196,000
<u>Investments</u>	
• Computer Sciences Additional Instructors	<u>(\$ 61,000)</u>
• Communication (\$258,000 revenue less \$139,000 expenses)	\$ 119,000
• CAST	<u>(\$ 28,000)</u>
Subtotal	<u>\$ 30,000</u>
TOTAL Productivity Improvement	\$ 2,506,000
Transferred Opportunities: (Salary Savings due to Leaves, Hiring Gaps, Hiring Salary Savings, Course Buyouts, Grant Buyouts)	\$ 1,600,000
Restructure Savings: (Staff Consolidation in HR, IT, Accounting, Budgeting, Contracts)	\$ 25,000

Productivity Challenge – School of Social Work

<u>Revenue</u>	<u>FY18</u>	
• Tuition increase	\$ 0	
• Fees:	\$ 46,000	
• Scholarships/Retention:	<u>(\$ 0)</u>	
Subtotal		\$ 46,000
<u>Expenses</u>		
• Salary & Labor Savings		
• Tenure/Tenure Track	<u>(\$ 6,000)</u>	
• Non-Tenure Track	\$ 0	
• Adjunct	\$ 0	
• Staff	\$ 0	
• Graduate Teaching Assistants	\$ 12,000	
• Operating Expenses	<u>\$ 1,000</u>	
Subtotal		\$ 7,000
<u>Program Restructure</u>		
•	<u>\$ 0</u>	
Subtotal		\$ 0
<u>Investments</u>		
• Social Work (\$175,000 revenue less \$80,000 expenses)	<u>\$ 95,000</u>	
Subtotal		\$ 95,000
TOTAL Productivity Improvement		\$ 148,000
Transferred Opportunities:	\$ 0	
Restructure Savings:	\$ 0	

Productivity Challenge – College of Education

<u>Revenue</u>	<u>FY18</u>
• Supplemental fee Increase	<u>\$ 139,000</u>
Subtotal	\$ 139,000
<u>Expenses</u>	
• Salary & Labor Savings	
• Tenure/Tenure Track	(\$ 408,000)
• Non-Tenure Track	\$ 54,000
• Adjunct	\$ 102,000
• Staff	\$ 173,000
• Graduate Assistants	\$ 70,000
• Operating Expenses	<u>\$ 57,000</u>
Subtotal	\$ 48,000
<u>Program Restructure</u>	
•	\$ 0
<u>Investments</u>	
• Teach in 12 (\$367,000 revenue less \$270,000 expense)	<u>\$ 97,000</u>
Subtotal	\$ 97,000
TOTAL College of Education Productivity Improvement	\$ 284,000
Transferred Opportunities: (Salary Savings due to Leaves, Hiring Gaps, Hiring Salary Savings, Course Buyouts, Grant Buyouts)	\$ 502,000
Restructure Savings: (Staff Consolidation in HR, IT, Accounting, Budgeting, Contracts)	

Productivity Challenge – College of Nursing

<u>Revenue</u>	<u>FY18</u>
• RN-BSN Online Program credit hours are flat	\$ 0
• Supplemental Fees Increase	\$ 22,000
Increased DNP fees but lower enrollment in DNP and PT/Evening/Weekend Pre-licensure Programs; Phasing out MSN program	
	<u>(\$ 0)</u>
Subtotal	\$ 22,000
<u>Expenses</u>	
• Salary & Labor Savings	
• Tenure/Tenure Track	<u>(\$ 20,000)</u>
• Non-Tenure Track	\$ 81,000
• Adjunct	\$ 0
• Staff	\$ 0
• Graduate Teaching Assistants	\$ 0
• Operating Expenses	<u>\$ 0</u>
Subtotal	\$ 61,000
<u>Program Restructure</u>	
• RN-BSN Program 3 Section Reduction * 6,000	<u>\$ 18,000</u>
Subtotal	\$ 18,000
<u>Investments</u>	
• Pre-Licensure Program (\$121,000 revenue less \$85,000 expenses)	<u>\$ 36,000</u>
Subtotal	\$ 36,000
TOTAL Productivity Improvement	\$ 137,000
Transferred Opportunities: (Grant Buyouts)	\$ 335,000
Restructure Savings:	\$ 0

Productivity Challenge – University Advancement

<u>Revenue</u>	<u>FY18</u>	
• Tuition increase	\$ 0	
• Fees:	\$ 0	
• Scholarships/Retention:	<u>(\$ 0)</u>	
Subtotal		\$ 0
<u>Expenses</u>		
• Salary & Labor Savings		
• Tenure/Tenure Track	\$ 0	
• Non-Tenure Track	\$ 0	
• Adjunct	\$ 0	
• Staff	\$ 98,000	
• Graduate Teaching Assistants	\$ 0	
• Operating Expenses	<u>\$ 0</u>	
Subtotal		\$ 98,000
<u>Program Restructure</u>		
•	<u>\$ 0</u>	
Subtotal		\$ 0
<u>Investments</u>		
•	<u>(\$ 0)</u>	
Subtotal		(\$ 0)
TOTAL Productivity Improvement		\$ 98,000
Transferred Opportunities:		\$ 0
Restructure Savings: (Staff Consolidation in HR, IT, Accounting, Budgeting, Contracts)		\$ 59,000

Productivity Challenge – Student Affairs

<u>Revenue</u>	<u>FY18</u>
• Scholarships Allowance and supplemental fees	<u>\$ 711,000</u>
Subtotal	\$ 711,000
<u>Program Restructure</u>	
• Programming Changes	<u>\$ 19,000</u>
Subtotal	\$ 19,000
<u>Investments</u>	
• Athletic Department	<u>(\$ 60,000)</u>
• New Student Program (\$110,000 revenue less \$57,000 expenses)	\$ 53,000
• Student Involvement and Engagement	<u>(\$ 77,000)</u>
Subtotal	<u>(\$ 84,000)</u>
TOTAL Productivity Improvement	\$ 646,000
Transferred Opportunities: (Scholarship for Athletics not used during first quarter of the year)	\$ 173,000
Restructure Savings: (Staff Consolidation in HR, IT, Accounting, Budgeting, Contracts)	\$ 0

Productivity Challenge – Vice Chancellor of Academic Affairs

<u>Revenue</u>	<u>FY18</u>	
• Tuition increase	\$ 0	
• Fees:	\$ 0	
• Scholarships/Retention:	<u>(\$ 0)</u>	
Subtotal		\$ 0
<u>Expenses</u>		
• Salary & Labor Savings		
• Tenure/Tenure Track	\$ 200,000	
• Non-Tenure Track	\$ 0	
• Adjunct	\$ 0	
• Staff	\$ 167,000	
• Graduate Teaching Assistants	\$ 0	
• Operating Expenses	<u>(\$ 75,000)</u>	
Subtotal		\$ 292,000
<u>Program Restructure</u>		
• Close Center for Ethics in Public Life	<u>\$ 157,000</u>	
Subtotal		\$ 157,000
<u>Investments</u>		
• Vice Provost for Student Success	<u>(\$ 125,000)</u>	
• Communication	<u>(\$ 75,000)</u>	
Subtotal		<u>(\$ 200,000)</u>
TOTAL Productivity Improvement		\$ 249,000
Transferred Opportunities: (Carry forward from Center for Ethics in Public Life)		\$ 625,000
Restructure Savings: (Staff Consolidation in HR, IT, Accounting, Budgeting, Contracts)		\$ 0

Productivity Challenge – Libraries

<u>Revenue</u>	<u>FY18</u>	
• Tuition increase	\$ 0	
• Fees:	\$ 0	
• Scholarships/Retention:	<u>(\$ 0)</u>	
Subtotal		\$ 0
<u>Expenses</u>		
• Salary & Labor Savings		
• Tenure/Tenure Track	\$ 0	
• Non-Tenure Track	\$ 0	
• Adjunct	\$ 0	
• Staff	\$ 124,000	
• Graduate Teaching Assistants	\$ 0	
• Operating Expenses	<u>\$ 0</u>	
Subtotal		\$ 124,000
<u>Program Restructure</u>		
Subtotal	<u>\$ 0</u>	\$ 0
<u>Investments</u>		
Subtotal	<u>(\$ 0)</u>	<u>(\$ 0)</u>
TOTAL Productivity Improvement		\$ 124,000
Transferred Opportunities: (Part time position, not approved, postpone hiring)		\$ 13,000
Restructure Savings: (Staff Consolidation in HR, IT, Accounting, Budgeting, Contracts)		\$ 0

Productivity Challenge – International Studies and Programs

<u>Revenue</u>	<u>FY18</u>	
• Tuition increase	\$ 0	
• Fees:	\$ 0	
• Scholarships/Retention:	<u>(\$ 0)</u>	
Subtotal		\$ 0
<u>Expenses</u>		
• Salary & Labor Savings		
• Tenure/Tenure Track	\$ 0	
• Non-Tenure Track	\$ 0	
• Adjunct	\$ 0	
• Staff	\$ 64,000	
• Graduate Teaching Assistants	\$ 0	
• Operating Expenses	<u>(\$ 54,000)</u>	
Subtotal		\$ 10,000
<u>Program Restructure</u>		
	<u>\$ 0</u>	
Subtotal		\$ 0
<u>Investments</u>		
	<u>(\$ 0)</u>	
Subtotal		<u>(\$ 0)</u>
TOTAL Productivity Improvement		\$ 10,000
Transferred Opportunities: (Part time position, not approved, postpone hiring)		\$ 0
Restructure Savings: (Staff Consolidation in HR, IT, Accounting, Budgeting, Contracts)		\$ 0

Productivity Challenge – Information Technology Service

Revenue

- Revenue Generation
- Subtotal

FY18

\$ 105,000
\$ 105,000

Expenses

- Salary & Labor Savings
 - Tenure/Tenure Track
 - Non-Tenure Track
 - Adjunct
 - Staff
 - Graduate Teaching Assistants
 - Operating Expenses
- Subtotal

\$ 0
\$ 0
\$ 0
\$ 23,000
\$ 0
\$ 219,000
\$ 242,000

Program Restructure

Subtotal

\$ 0
\$ 0

Investments

Subtotal

(\$ 0)
(\$ 0)

TOTAL Productivity Improvement

\$ 347,000

Transferred Opportunities: (Part time position, not approved, postpone hiring)

\$ 111,000

Restructure Savings: (Staff Consolidation in HR, IT, Accounting, Budgeting, Contracts)

\$ 45,000

Productivity Challenge – College of Business Administration

<u>Revenue</u>	<u>FY18</u>
• Tuition increase (PMBA, IMBA, DBA)	\$ 1,033,000
• Fees:	\$ 518,000
• Miscellaneous Income: Bootcamps and Digital Marketing	<u>\$ 160,000</u>
Subtotal	\$ 1,711,000

<u>Expenses</u>	
• Salary & Labor Savings	
• Tenure/Tenure Track	(\$ 126,000)
• Non-Tenure Track	(\$ 299,000)
• Adjunct	\$ 15,000
• Staff	(\$ 193,000)
• Graduate Teaching Assistants	\$ 14,000
• Operating Expenses	<u>(\$ 188,000)</u>
Subtotal	(\$ 777,000)

<u>Program Restructure</u>	
•	\$ 0
•	\$ 0
•	<u>\$ 0</u>
Subtotal	\$ 0

<u>Investments</u>	
•	(\$ 0)
•	\$ 0
•	(\$ 0)
Subtotal	<u>\$ 0</u>

TOTAL Productivity Improvement \$ 934,000

Transferred Opportunities: (Salary Savings due to Leaves, Hiring Gaps, Hiring Salary Savings, Course Buyouts, Grant Buyouts) \$ 0

Restructure Savings: (Staff Consolidation in HR, IT, Accounting, Budgeting, Contracts) \$ 0

Productivity Challenge – College of Optometry

<u>Revenue</u>	<u>FY18</u>	
• Tuition increase	\$ 110,000	
• Fees:	\$ 0	
• Miscellaneous Income:	<u>\$ 80,000</u>	
Subtotal		\$ 190,000

<u>Expenses</u>		
• Salary & Labor Savings		
• Tenure/Tenure Track	\$ 0	
• Non-Tenure Track	\$ 0	
• Adjunct	\$ 0	
• Staff	\$ 0	
• Graduate Teaching Assistants	\$ 0	
• Operating Expenses	<u>\$ 0</u>	
Subtotal		\$ 0

<u>Program Restructure</u>		
•	\$ 0	
•	\$ 0	
•	<u>\$ 0</u>	
Subtotal		\$ 0

<u>Investments</u>		
•	\$ 0	
•	\$ 0	
•	<u>\$ 0</u>	
Subtotal		\$ 0

TOTAL Productivity Improvement **\$ 190,000**

Transferred Opportunities: (Salary Savings due to Leaves, Hiring Gaps, Hiring Salary Savings, Course Buyouts, Grant Buyouts) **\$ 0**

Restructure Savings: (Staff Consolidation in HR, IT, Accounting, Budgeting, Contracts) **\$ 0**

Support Restructure/Consolidation – Finance/Administration

- UMSL has utilized staff reductions to offset budget challenges in previous years. Total headcount for staff (non-union and union) is down 5.6% since June 2014.
- Savings from reductions in FY17 will continue into FY18
- Additional savings will be realized in FY18 due to streamlining of processes, improvement in tools, upgrades in skills and consolidation of staff that perform functions in the areas of:
 - Human Resources
 - Information Technology
 - Accounting
 - Budgeting
 - Contracts
 - Facilities and Maintenance
- FY18 Commitment of \$1.6 M savings (includes previous initiatives that carry forward)

Advanced Evening Offering

- Dean's initiative was developed in Fall 2017 to enhance summer program and grow enrollment
 - New standards implemented for business case evaluation
 - Initial enrollment date accelerated by months to encourage early student action
 - Marketing campaigns added over holiday and spring break to catch students
 - Result: Summer enrollment up by 7%
- Now will focus on Evening and Online Offering
 - Courses and degrees offered in evening have diminished
 - Expansion of evening and online courses and degrees will enable capture of adult market
 - Alternate eight-week schedule being evaluated
 - Limited roll-out in fall; growing in spring

Scholarships

- University Advancement has launched a campaign to raise \$1M in scholarships for the FY18 academic year
 - Tuition practice will be revised to not 'stack' additional gifts on scholarships already provided by the University
 - Will ensure that additional gifts provide intended financial support
- Scholarships are being awarded on a trial basis which discount tuition to in-state
 - Provides information of interest in sample regions
 - Begins to build UMSL brand awareness in remote markets

Academic Program Review

- Academic program reviews in work to evaluate on ‘standards of excellence’, research quality, and economic feasibility
- Program evaluations and resultant actions will provide limited benefit to FY18
 - Will require time for shared governance
 - Phasing out programs will follow student declining enrollment as program ends
 - Investments to enhance programs will not be immediate – search and start-up
- Short-term impact will be provided by FY18 reduction of 75 class sections
 - Elimination of low volume courses in elective areas, or combinations of sections of same class
 - Will be realized through decrease in adjuncts; protects permanent faculty
 - Maintains high quality instruction and offerings for students