Overview

• Our financial and enrollment results appear headed in the right directions

• Budget emphasis will be on transparency and providing full information about new initiatives and System Redesign

• MU will be making essential investments in student success including access, affordability, retention and quality
MU and PASSHE Budget Overview

- MU is financially stable and making investments to ensure future financial stability
  - Enrollment stabilized and student quality is improving
  - Demographics compare favorably to other regions and we benefit from a strong local economy
  - Vibrant programs and community support
- Governor’s Budget is requesting a net 1.1% increase for PASSHE
  - 1.5% E&G increase and 10.7% decrease to Key 93
- "Sharing University" model will drive nonacademic service efficiencies, academic program collaborations, and increase in share of state appropriations to under-enrolled institutions
Financial and Budget Updates

• MU finished FY 2018 (6/30/18) with an E&G operating balance of $2.1M
  – After $6.6M in capital project outlays, MU finished the year adding $2.3M to unrestricted net assets
  – Total fundraising of $15.3 million (highest in PASSHE)

• MU’s current (FY 2019) budget projects an operating balance of $1.1 million

• For FY 2020, MU will introduce new academic initiatives and employ a broadly inclusive budget process to arrive at a balanced budget
FY 2019 MU Initiatives

- Preparation for MSCHE Self-Study
- Diversity to Inclusion Project
- Launch the new Strategic Planning Process for 2020-2025
- Update 2009 Campus Facilities Master Plan
- Expanded Sustainability Emphasis and Positive Energy Fund
- Facilities Improvements
- More inclusive budget planning process and monthly financial reporting
FY 2020 Budget Priorities

• Improve affordability for students and their families
• Improve student retention and success
• Increase efficiency of nonacademic support operations
• Expand fundraising and alumni engagement (e.g., mentoring program)
• Introduce new academic programs
• Enhance MU’s brand and market strength
FY 2020 Initiatives

- Student Affordability Strategies
- Student Retention & Success Strategies
- Expanded International Student Center
- New Office of Grants & Contracts
- Completion of the Imagine Campaign
- New Academic Program Offerings
Fall 2018 is first increase in headcount enrollment since 2010.

Fall Headcount Enrollment by Residency

Source: student submission, preliminary end of 15th day data.
In Fall 2018 over 84% of incoming student GPAs 3.0 or higher

High School Class GPA Percentage of Incoming Students
Fall First-Time, Full-Time, Baccalaureate-Seeking Freshmen

Source: student submission, preliminary end of 15th day data
Long term enrollment outlook is relatively stable given current demographic projections and market share.

*Projected by Office of the Chancellor. No change estimated for out-of-state enrollment. Source for high school graduate estimates: Pennsylvania Departments of Health and Education. Methods based on Western Interstate Commission for Higher Education; updated by Office of Educational Intelligence, September 2018.
MU now updates its budget forecast monthly – current year is on track to finish very close to budget
Overall Financial Risk Assessment

MU is financially stable and in the top half of PASSHE peer institutions.
• Broaden participation in annual budget development process
  – President’s Budget Advisory Council will include student, faculty and staff representatives

• Develop multiyear operating budget plans integrating new program investments and revenue streams
  – University Budget Committee will create 5-year budget plans and scenarios to inform decisions

• Develop “all funds” budgets including operating and capital budget plans
Budget Process Changes

**Current Budget Process**

- **October**
  - Guidelines, schedule, and forms for development of facilities repair / renovation project request are submitted to Cabinet

- **February**
  - Repairs and renovations requests due to Budget office

- **January - April**
  - Departments prepare one time operating, student wage, and personnel budget requests

- **May**
  - One time requests due to Budget office

- **June - July**
  - Cabinet reviews and finalizes budget scenarios including one time requests

**New Process Adds:**

- University Budget Committee develops 5 year scenarios and recommends budget to President’s Budget Advisory Council
- President’s Budget Advisory Council prioritizes budget options for recommendation to President
- President makes final budget decisions
- Council of Trustee Budget Approval

Millersville University
Budget Unknowns

• Board of Governor tuition increase levels
• State appropriation levels and formulas
  – Include potential financial commitments impacting revenues and costs
• Impacts of System Redesign
• Outcomes of collective bargaining agreements
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QUESTIONS?