FY 2012 BUDGET – AND FY 2013 PROJECTION
EMPHASIS ON GENERAL OPERATIONS
AGENDA:

- Introduction
- FY 2012 Budget
  - Budget Development Plan
  - 2012 Budget Highlights
  - Funds
  - Enrollment Characteristics
  - General Fund
    - Budget Assumptions
    - Revenue and Expense Budgets
- FY 2013 Budget Projection
- Questions
Vision & Mission

- **Vision**: Ridgewater College will be a dynamic educational leader exemplifying innovation and excellence within a student-centered learning environment.

- **Mission**: Ridgewater College provides quality educational opportunities for diverse student learners in an inclusive, supportive and accessible environment.
6,011 students served annually
Total 2011 college-wide expenses = $45.7 million
417 employees – FT and PT
More than 100 programs of study
685,000 square feet of facilities on two campuses
Dozens of student activities and clubs
1,126 graduates in 2011!
- General Operations – $31.2 million budget (75% is personnel)
- Customized Training - $1.6 million budget
- R & R - $600k budget
- SGR - $160k budget

- Specific purpose revenue
- $11.43 million budget
- Student Activities - $682k
- Also includes federal/state financial aid & federal/private grants

- Operations similar to a private business,
- $2.25 million budget
- Bookstores, parking, food service, etc...

- Funds held in a custodial capacity
- $14.9 million budget
- Direct loan & Mn loan programs
Budget discussions and planning will take place in an environment of mutual respect and civility with the greatest institutional benefit as the outcome.

Budget decisions will:

- Advance the mission, vision and strategic plan of the College and the MnSCU board of Trustees.
- Advance the college’s annual work plan and current AQIP action projects.
- Support initiatives that improve the quality, competitiveness, and efficiency of the college, its core instructional programs and essential services.
- Secure long term fiscal health for the college.
- Include analysis of all relevant data leading to structural and systematic expenditure reductions when necessary.
- Support initiatives that advance measurable student learning outcomes at the course, program or college level.
- Emphasize collaboration and cooperation as key components of improving programs and operations by reducing duplication of effort and resources.
- Focus on future sustainability, recognizing short and long term needs.
- Be made strategically rather than across the board.
- Utilize the instructional cost study and other metrics to engage in systematic analysis of each program.
- Include a review of services provided on both campuses and look for opportunities for centralization. (Roles and responsibilities will change only after an analysis of the cost of the shift, the improvements to be gained, and the impact on the college and its ability to meet the core mission)
- Identify services that can be shared with other MnSCU institutions to reduce duplicated costs.
GENERAL OPERATIONS:
- Projected Total Revenue decrease of 9.0%
- Projected Total Expense increase of 3.3%
- Net Loss projected of <$1,419,000>

OTHER FUNDS:
- Customized Training fund balance increase slightly
- No change to the R & R fund balance
- Continued fund balance increase for the Bookstores
- All other funds are budgeted on a break-even basis
## General Operations

<table>
<thead>
<tr>
<th>Revenues</th>
<th>$29,827,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenses</td>
<td>$31,246,000</td>
</tr>
<tr>
<td>CHANGE</td>
<td>($1,419,000)</td>
</tr>
</tbody>
</table>
Enrollment decreases by 7.4%, projected at 3,275 FYE’s.
Tuition increases 3% to $155.10.
No change to student fees.
Base State Appropriation decreases 6.4% or $815 k, overall appropriation decreases 10.7%, or $1.51 million from FY 2011.
R & R appropriation from above Base is flat, projected at $600,000.
Ridgewater Enrollment FYE's
FY's 2001-2014

Projected FYE's
Actual FYE's
High School Graduation Projections:

- Continues to decline by nearly 8% over the next 5 years.
- From 2017 to 2023 the number of graduates is expected to increase slightly, but will remain below 2010 numbers.
- Students of color will comprise a larger share of high school graduates within the next 11 years which will account for 23% of all high school graduates.
Enrollment Characteristics

Enrollment History By Age Group

Ridgewater College FY 2012 Budget
Enrollment Characteristics

Ridgewater Students By Gender

Number of Students

- Female
- Male

Ridgewater College FY 2012 Budget
Tuition History

Ridgewater College FY 2012 Budget
FYE, Appropriation Per FYE, and Tuition Per FYE History

<table>
<thead>
<tr>
<th></th>
<th>FYE</th>
<th>Appropriation Per FYE</th>
<th>Tuition Per FYE</th>
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<tbody>
<tr>
<td>1999</td>
<td>3,002</td>
<td>$4,497</td>
<td>$1,967</td>
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<tr>
<td>2000</td>
<td>2,995</td>
<td>$4,520</td>
<td>$2,040</td>
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<td>2001</td>
<td>2,950</td>
<td>$4,868</td>
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<td>2002</td>
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<td>2003</td>
<td>3,221</td>
<td>$4,891</td>
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<td>2004</td>
<td>3,384</td>
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<td>3,292</td>
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<td>2006</td>
<td>3,145</td>
<td>$4,617</td>
<td>$3,675</td>
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<td>2007</td>
<td>3,196</td>
<td>$4,444</td>
<td>$3,896</td>
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<td>2008</td>
<td>3,304</td>
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<td>3,514</td>
<td>$3,698</td>
<td>$4,303</td>
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<td>2011</td>
<td>3,537</td>
<td>$3,585</td>
<td>$4,517</td>
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<tr>
<td>2012</td>
<td>3,275</td>
<td>$3,623</td>
<td>$4,653</td>
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<tr>
<td>2013*</td>
<td>3,250</td>
<td>$3,637</td>
<td>$4,839</td>
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</tbody>
</table>
Tuition, 50%

State Appropriations, 42%

Fees and Other, 8%

General Operations Budget Revenue

FY 2012 Revenue Breakdown

Ridgewater College FY 2012 Budget
Tuition Revenue decreases $682,000, or 4.4%, due to tuition increase and enrollment decrease.

Base State Appropriation decreases $814,980, or 6.4%.
- Total Appropriation decreases $1.51 million or 10.7%.

TOTAL REVENUES decrease over $2.5 million or by 9.0% from FY 2011.
FY 2012 Expenditure Assumptions

- Personnel Expenses are increased by 2.5% based on minimal salary increases, minimal benefits increases and personnel budget reductions.
- Non-personnel expenses were not increased in FY 2012.
- Budgeted funds will not be carried over in FY 2012 unless required by a grant, a contract, or statute.
General Operations Projected Expenditures

- Personnel: 75%
- Non-Personnel: 25%
General Operations Expenditure History

General Operations Expenditures by Object Code

- Salaries
- Benefits
- Purchased Services
- Supplies
- Repairs and Maintenance
- Equipment
- Utilities
- Debt/Interest Expense
- Indirect expense
- Other expense

Ridgewater College FY 2012 Budget
A few Program Category Examples

- **Instruction** – Instructional Programs
- **Academic Support** – Libraries, IT, Academic Deans, Access & Opportunity grant, etc.
- **Student Services** - Admissions, Registrar activities, counselors & advisors, financial aid, etc.
- **Institutional Support** – Fiscal operations, legal, HR, logistical services, Marketing, administration.
- **Physical Plant** – Maintenance and repair of grounds and facilities.
Personnel costs increase by $567,000 or 2.5%.

Non-Personnel costs increase by $444,000, or 6% due mainly to carryovers for Access & Opportunity and Tech fees.

TOTAL EXPENDITURES increase by $1.1 million or 3.3% from FY 2011.
General Operations Budget Summary

General Operations Revenues & Expenses
(in thousands)

2005 2006 2007 2008 2009 2010 2011 2012

Revenue
Expenses

Ridgewater College FY 2012 Budget
General Operations FY 2012 Budget Summary

General Operations Revenues & Expenses (in thousands)

Revenue
Expenses
FY 2013 General Operations Projection

REVENUE ASSUMPTIONS:

- Enrollment increases slightly at .8%, increasing from 3,275 in FY 2012 to 3,300 by FY 2013.
- Tuition is projected to increase 4% in FY 2013.
  - Tuition is capped at 4% for FY 2013 based on language in the Higher Education bill passed in 2011.
- Fees revenue is projected to increase by 1% in FY 2013.
- Base State appropriation - no change from FY 2012.
- The Repair and Replacement Budget appropriation (from the General Operations) remains at $600,000 in FY 2013.
- Other miscellaneous revenue – no change from FY 2012.
EXPENSE ASSUMPTIONS:

- Salaries and benefits are projected to increase $1.16 million, or 5% from FY 2012.
  - Current insurance rate projections from MMB suggest a 17% increase starting January 2013.
  - Negotiations with all bargaining groups have not been concluded in FY 2012.
- Staffing levels will continue to decrease slightly in FY’s 2012 – 2013 in order to reduce our projected budget deficits.
- Non-payroll expenditures are budgeted to decrease by 1% in FY 2013.
FY 2013 General Operations Projection

General Operations: Revenues vs. Expenses

Fiscal Year
*Budgeted **Projected

Ridgewater College FY 2012 Budget
FY 2013 General Operations Projection

General Operations: Revenues vs. Expenses

Fiscal Year
*Budgeted  **Projected

- Total Revenues
- Total Expenses

Ridgewater College FY 2012 Budget
FY 2013 General Operations Projection

General Operations: Net Gain/Loss

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Gain/Loss</th>
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</thead>
<tbody>
<tr>
<td>2005</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>2006</td>
<td>$1,776,000</td>
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<tr>
<td>2007</td>
<td>$465,000</td>
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<td>2008</td>
<td>$526,000</td>
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<tr>
<td>2009</td>
<td>($752,000)</td>
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<tr>
<td>2010</td>
<td>$1,049,000</td>
</tr>
<tr>
<td>2011</td>
<td>$2,519,000</td>
</tr>
<tr>
<td>2012*</td>
<td>($1,419,000)</td>
</tr>
<tr>
<td>2013**</td>
<td>($1,827,000)</td>
</tr>
</tbody>
</table>
General Operations Budget Variables

- State contract negotiations
- Enrollment
- Shared Services within MnSCU
- Contracts
- Utilities
- Unexpected repairs/maintenance
- Unplanned overtime
FY 2013 General Operations Projection

- This is projection, NOT a plan!
- We are:
  - Stepping up analysis of all programs and services in light of our mission and strategies.
  - Increasing focused efforts to improve quality, improve operating efficiencies, and reduce the growth of expenses.
  - More fully implementing an integrated college-wide planning process linking strategy with financial health.
This budget was prepared over the winter and into late April, with legislative changes in July.

Revised Budget will be prepared this coming October/November:
- Updated enrollment and other assumptions
- NO plan to adjust all non-payroll budgets, at this point

FY 2013 Budget Development will begin after the new year.
The preparation of this Budget could not have been accomplished without the efficient and dedicated services of the College’s Business Office Staff.

- Thanks to our Deans: Mike Boehme, Carl Polding, Heidi Olson, Kathy Schwantes and Ron Pribble for their many hours of effort on this project.

- Many thanks to Faculty and Staff members who contributed their time and effort during the budget development process.

- This presentation provides an overview of the current budget.
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