

**“Positioning the University for the Future” Initiative
Fact Sheet**

Institutional Positioning and Budget Reduction Process:

- The MTSU *Positioning the University for the Future Initiative* began in **April 2008** with Brainstorming Sessions, which included academic chairs, deans, vice presidents, and the Faculty Senate President.
- **A follow-up session took place in June 2008**, which resulted in a prioritized listing of ideas and suggestions to help the University address potential budget reductions, achieve the goals of the University’s Academic Master Plan and better position MTSU for the future.
- In response to the final Brainstorming Session report, the significant fall 2008 budget reductions and anticipated additional State appropriation reductions, an Oversight Steering Committee (OSC) was established in October 2008 to manage the process of exploring the ideas and suggestions generated during the Brainstorming Sessions and for vetting other recommendations developed by four Strategic work groups. These work groups began meeting in December 2008.
- The Strategic Workgroups submitted reports, with recommendations, on Feb. 19, 2009; The OSC submitted its report with additional recommendations on March 2, 2009; and the President responded to the OSC report on March 19, 2009.
- **The process will continue** with the gathering of additional feedback and suggestions; meetings with key constituent groups; requested follow-up actions on recommendations that are still under consideration; and the final development of a proposal on how MTSU will reduce its budget and position the University for the future.

Budget Facts:

- Gov. Phil Bredesen submitted his proposed 2009-10 budget to the state legislature on Monday, March 23, 2009. **Based on the proposed State budget, MTSU must reduce its recurring state base funding by the anticipated “tier two” (worst case) figure of \$19,310,600 by July 2009.** Funding will be restored for the next two years only with one-time State resources and federal stimulus funds. **Thus, we must continue our budget reduction planning.**
- **State Appropriation, Reduction and American Recovery Reinvestment Act Stabilization Funds for FY 2009-10, FY 2010-11 & FY 2011-12:**

2008-2009 State Appropriation Reduction Base*	\$ 94,927,400
2009-2010 Gov. Base Budget Reduction	<u>(\$ 19,310,600)</u>
2009-2010 Proposed State Appropriation	\$ 75,616,800
2009-2010 & 2010-2011 State MOE Funds (State resources)	\$ 7,257,400
2009-2010 & 2010-2011 Federal ARRA Funds (Stimulus funds)	<u>\$ 19,663,300</u>
2009-2010 & 2010-2011 Preliminary State Appropriation	\$102,537,500
2011-2012 State Appropriation (No MOE or ARRA Funds)	\$ 75,616,800

**THEC January 20, 2009 Budget Reduction Strategies*

MOE--Maintenance of Effort requirement of Tennessee to fund higher education at 2005-06 levels before ARRA funds would be available; ARRA--American Recovery and Reinvestment Act.

Facts about Stimulus Funds:

- Although non-recurring dollars will be available to fund the current budget for the next two years, MTSU must still continue the process of reducing its base budget by \$19,310,600 to meet the \$75,616,800 state appropriation effective July 1, 2011.
- **For FY2009-10, most departments will keep their current level of operating budget.**
- All University departments, including Academics, Athletics, Auxiliaries, and Non-Academic programs, will be expected to begin processes immediately to achieve the required budget reductions.
- **Stimulus funds will help prevent and/or delay** some of the immediate faculty and staff layoffs that were previously anticipated. Additionally, as a result of these funds, the need for furloughs will not be necessary at this time. The University will rely on attrition to help reduce personnel numbers in some areas.
- The stimulus funds will allow for consideration of a voluntary buy-out program.

Other Important Budgetary Considerations:

- The Tennessee Department of Finance and Administration (F&A), the Tennessee Higher Education Commission (THEC), and the Tennessee Board of Regents (TBR) are still working on the guidelines, rules, and restrictions related to how Stimulus funds may be used.
- It will be necessary to combine spending restraint and growth to get to the \$75,616,800 base appropriation.
- **No significant new State funding increases** are anticipated for higher education in the foreseeable future.
- Increases in tuition are expected to be minimal.
- Fixed cost increases (for utilities, etc.) are expected and must be considered in the budget planning process.
- In the event that academic or nonacademic programs are recommended for elimination or a reduction in force is required, MTSU **will adhere to all applicable Board and institutional policies** and will appropriately address critical issues of concern for both students and personnel.

Academics as an Institutional Budget Priority:

- Preserving academic quality has been and remains a priority.
- Academic Affairs, which comprised 56% of 2008-09 E&G (Educational & General) base budget expenditures, has **received 83.2% (\$21,278,321 of \$25,578,625 in new funds)** of all new recurring funds (net of previous reductions) allocated to MTSU divisions between FY 2002-2009.
- **Additionally, 149 new faculty positions have been funded during the same time period.**
- Efforts to protect Academic Affairs from significant reductions have been made, even holding the division harmless during the October 2008 budget cuts (reversion).
- MTSU has demonstrated its commitment to funding academics as top priority despite being consistently ranked last or next to last among Tennessee public universities in State subsidy per student for the past 10 years.
- **In comparing “students per administrator” for the six TBR universities, MTSU is the most efficient, serving the most students per administrator, according to TBR and THEC reports.**
- For the category of “Executive Management,” which is primarily the President and senior staff, MTSU ranks last in expenditures of executive management per student and last in percentage of E&G expenditures, according to TBR and THEC reports.

Next Steps:

- Continue receiving suggestions and reviewing feedback of recommendations that are still under consideration
- Conduct a second open meeting with MTSU students regarding the budget and related recommendations on April 9, at 4:00 p.m., in the KUC Theatre
- Expect to receive Faculty Senate feedback on academic recommendations by April 24
- As required by TBR, develop a three-year financial plan to show how MTSU will make reductions and balance its budget to the reduced \$75,616,800 million state appropriation; plan due June 2009.
- After Board approval of MTSU’s proposal, some recommendations will need to be implemented immediately; others will be phased in over a specified period of time.