

# BUDGET TOWN HALL

June 4, 2020



MISSOURI  
**S&T**

# BUDGET CHALLENGES: FY20

## Revenue Shortfalls

State Appropriation Withholds	\$ 6.7
Student Auxiliary Refunds	<u>3.5</u>
Total Shortfall	\$ 10.2

\$ Millions

## Actions Taken

CARES Funding	\$ 2.6
Reduction in Operating Expenses	2.3
Furloughs, Leaves, Pay Reductions	0.1
Vacant Position Savings	<u>8.1</u>
	\$ 13.1

\$ Millions

# BUDGET UPDATE FOR FY21

- > Instructed by UM System to plan for a 12.5% reduction in unrestricted operating revenues or \$21.5 million
- > Leadership team developed scenarios of 10%, 15%, 20% reductions for operating funds
  - 15% is most likely for general revenue allocations



# FY21 ANTICIPATED REVENUE SHORTFALL

*Originally instructed by UM System to plan for a reduction in unrestricted operating revenue of 12.5% or \$21.5 million dollars*

## Unrestricted Operating Funds



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# FY21 BUDGET ASSUMPTIONS

## Revenue Assumptions

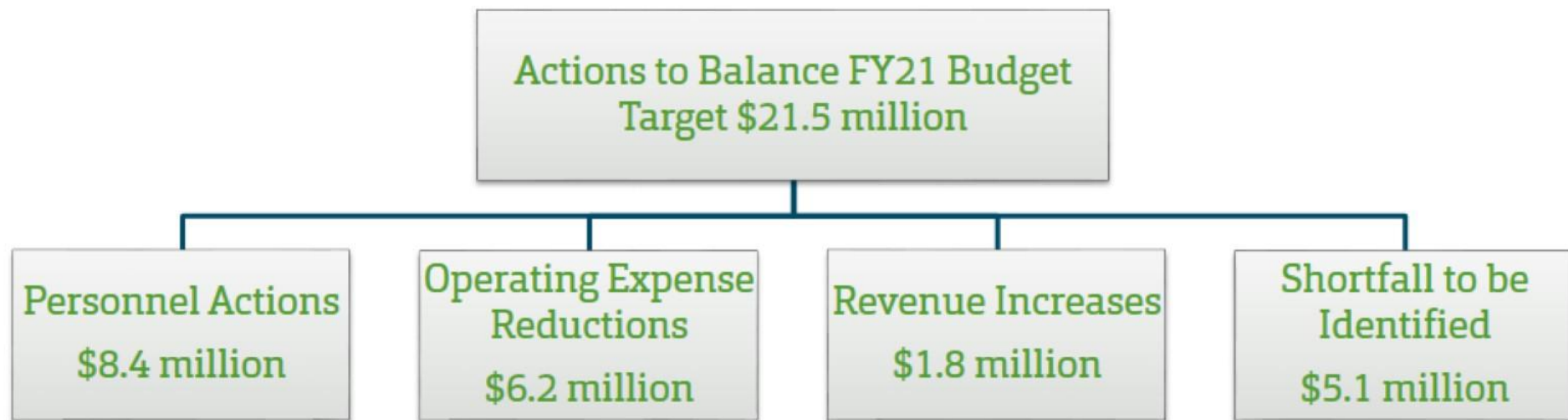
- > Reduction in state support of 15% or \$7.5 million
- > Reduction of 500 undergraduate and 67 graduate students due to reduction in returning student numbers
- > Reduced occupancy in residential life

## Expenditure Assumptions

- > Increase in benefit costs of \$1.1 million
- > Promotion and tenure, increase in minimum wage
- > No merit pool

# BUDGET ACTIONS TAKEN FOR FY21

## Unrestricted Operating Funds



*The FY21 budget is currently a work in progress. Additional work must be done to bring the budget into balance on a recurring basis.*

# Budget Strategies for FY21

## Reduction Plan for Staffing

1. Vacancy eliminations, layoffs and furloughs identified and action taken - *in process*
2. Voluntary separations and retirements identified and processed - *in process*
3. Transfer of faculty salaries to grants and endowment funds
4. FTE reductions identified if appropriate
5. Pay reductions initiated if necessary based on revenue situation
6. Continue to evaluate filling of positions on as needed basis



# Planned Personnel Actions for FY21 Budget

Category	Number of Positions	FTE	FY21 Recurring Cuts/Savings
layoffs - staff	44	43.5	\$ 2,528,085
resignations - staff	2	1.4	33,348
retirements - staff	2	2.0	227,765
open position eliminations - staff	58	56.1	2,656,587
Total Staff Reductions	106	103.0	\$ 5,445,785
NTT faculty non-renewals	3	3.0	336,920
TT faculty terminal year contracts	2	2.0	226,005
retirements - faculty	5	5.0	487,500
open position eliminations - faculty	13	13.0	1,896,000
Total faculty reductions	23	23.0	\$ 2,946,425
Total recurring savings for FY21 and beyond	129	126.0	\$ 8,392,210 *

\* Does not take into account the cost of transition assistance and vacation payouts.

Table reflects actions taken or planned as of May 2020

Temporary furloughs, leaves and pay reductions in FY20 and FY21 have affected 90 people and generate \$233,000 in savings to date



# NEXT STEPS

- > Continue to evaluate and adjust the budgets originally submitted in our round 1 budget to make sure they are as accurate as possible
- > Some planned cuts have not yet been identified, and are booked at the campus level. As cuts are identified, the budgets will be adjusted at the unit level.
- > Accrued vacation is being managed to reduce liability.
- > Revenue estimates will be closely monitored as the fiscal year progresses. Budgets will be adjusted as revenue assumptions are modified.
- > Quarterly budget updates will be made to the Board of Curators for FY21.

# QUESTIONS?

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