

MICHIGAN STATE UNIVERSITY

May 18, 2020

MEMORANDUM

TO: Academic Deans
FROM: Teresa Sullivan, Interim Provost
RE: FY 2021 Budget Requests

Earlier this academic year the planning process focused on strategic initiatives, specifically related to campus safety, student success, accountability, research productivity, diversity, equity, and inclusion. The materials you prepared at that time, combined with the ongoing campus response to the Coronavirus, should now guide budget requests that identify what resources are necessary to facilitate your plans.

Budget Context

With the ongoing disruption Coronavirus has introduced to our society and to our campus, MSU will operate with a very limited set of new funds for strategic re-investment. For FY21, the Provost's pool of available recurring funds approximates \$4.5M. Additionally, due to ongoing multi-year funding commitments and necessary allocations to Coronavirus response strategies, the Provost begins the budget cycle with more than half of that pool already encumbered.

Any newly allocated resources are expected to catalyze initiatives and are not expected to fully fund new projects. Units are encouraged to develop multiple fund sources for their strategic priorities, including internal reallocations, internal funds matching central support, and collaborations with other campus units. Funding requests that are aligned with strategic priorities will be best positioned to receive funding.

The Coronavirus and its impact create significant uncertainty for the campus over the coming academic year. Whether it be international enrollment uncertainty, competition for domestic non-resident students, disruptions to other campus operations, or the ongoing funding of significant institutional initiatives, resources are challenged.

The heightened uncertainty these issues create requires a reduction of 3 percent of your recurring base budget for implementation in FY21. Please note, the reduction



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target above occurs in addition to the annual Reinvestment Fund of 1 percent. Also, while additional employee wage and benefit concessions are possible for FY21, any such actions occur independently of the 3 percent reduction and 1 percent Reinvestment Fund. Please note, transactional assessments of employee salary concessions will be adjusted to reflect any FTE reductions pursued as part of the 3 percent reduction target and 1 percent reinvestment fund.

In order to assist units in generating necessary internal bridging resources for reduction planning, the carryforward threshold for FY20 will be adjusted from 4 percent to 10 percent.

Budget Instructions

For your spring budget request submission, please respond to the following:

1. Please review your unit's prior budgetary commitments carrying forward to FY21 and note any discrepancies.
 - *Commitments are indicated within Planning Analytics, your unit's fiscal officer can assist in detailing any current allocations.
2. Identify and prioritize new funding requests, addressing the following:
 - a. For each new funding request, please provide a brief description of the initiative, its connection to fall planning priorities, and delineate funding that is being requested centrally from funding that will be provided internally and/or from partnering units.
 - b. Identify how each request connects with the University's and your unit's strategic direction.
 - c. Complete the necessary requests within Planning Analytics.
 - *Your unit's fiscal officer has received training within this application and is ready to assist in completing your requests.
3. Briefly identify unit plans for the realization of a 3 percent reduction to the recurring budgetary base. Please identify both near-term strategies as well as longer-term plans for incorporating the reduction while, at the same time, preserving critical instructional, research, and outreach programming.
 - a. Please complete the attached reduction template detailing specific reduction plans to correspond with the narrative provided above.

Please send all materials electronically to David Byelich (byelich@msu.edu), with a copy to Brent Johnston (john1096@msu.edu) and Margie Aimery (aimery@msu.edu) by **Friday, May 29nd**. If you have any questions, please feel free to contact Brent Johnston at 517-285-4709 or on Teams (john1096@msu.edu).

cc: Dave Byelich