



Michigan State University

Fiscal Office Update

April 29, 2021

Agenda

- Upcoming budget trainings
- Budget planning calendar overview
- Carryforward
- OOI/Budget Transfers
- Allocations
- UNTF Increment
- FAS salary concession true-up
- Budget to Actual
- Planning process
- FY22 update
- Next steps

Budget Training Calendar – Upcoming Dates to Note

- **April 30, 3:00-4:00:** RBI training
- **May 11, 2:00-3:00:** BBR/SWA training
 - Meeting Info being sent out tomorrow (Friday). Reach out to Bill Buddle to be included
- **May 12, 2:00-3:00:** BAC/PAD training
 - Meeting Info being sent out tomorrow (Friday). Reach out to Bill Buddle to be included
- **June 7, 2:00-3:00:** UBP and BCN training
 - Meeting Info being sent out tomorrow (Friday). Reach out to Bill Buddle to be included

Budget Calendar – Upcoming Dates to Note

- **May 3:** OOI requests due to OPB (Error on Calendar)
- **May 21:** BBR/SWA **Due**
- **May 21:** Special Program Fee **Due**
- **May 25:** OCCI **Due**
- **May 26:** RBI **Due**
- **June 7:** BCN/UBP Open
- **June 11:** Identify accounts to EXCLUDE from BCN and UBP
- **July 6:** Salary Distribution Run
- **July 9:** Carry Forward Opens
- **July 16:** Final allocations available BAC
- **August 6:** Carry Forward **Due**
- **August 13:** Budget Entry closed/**Due**
- **August 27:** Budget Applied to Ledger

FY22 Carryforward

- To increase unit flexibility, 10% carryforward parameter authorized for balances in GA, GC, GD accounts
 - Memo request for balances in excess of 10% similar to previous cycles
- Other GF sub-funds unchanged – continues as automatic for GS, GE, GH, GT, GL, others
- Timeline unchanged – continues use of PA application, calendar indicates dates – will try to expedite approvals of GA/GC/GD amounts
- Ongoing review of use of funds constraints
- Encumbrances removed from Application

Application Status Updates:

■ Special Program Fees

- Narrative reported to the Controller's Office for student billing which is not consistent with MSU tuition rates
- Submit by **May 21**

■ OCCI (Off Campus Credit Instruction)

- Pass thru revenue on qualifying off campus student credit hours
- Total allocation links to Budget Allocation based on FY18 cap
- Submit by **May 25**

Application Status Updates:

■ RBI (Revenue Based Initiatives)

- Revenue share on approved online programs
- Submit by **May 26**
 - FY22 profile / request / rates (if applicable)
 - FY21 true up (if applicable)
- New functionality training Friday, April 30 @ 3pm

■ RFA (Research Facilitation Allocation)

- 10% department and 10% MAU share on IDC for research
- FY22 model being finalized, minor adjustment to selected award
- Initial release anticipated in coming days, will identify completion date at that time

Changes to OOI and Budget Transfers

- Currently processing
- Budget Transfers
 - Will be processed as a Base Budget Reconciliation (BBR) MAU to MAU Transfer
 - Finalizing details of each transfer with respective fiscal officers affected.
- Reach out to Charmaine Shellman for anything of concern.

Remaining FY21 Allocations

- Please review any outstanding items as we move towards year-end.
- Note any discrepancies not reflected in Program Allocations (PRA)/Program Allocation Detail (PAD) to Charmaine Shellman
- Includes various of types –
 - Supplemental funding for operations during the year
 - Budget Corrections
 - Startup
 - GII
 - AI
- Please reach out to Charmaine Shellman for any remaining allocations for the FY21 year.

FY21 UNTF Raise Increments

- UNTF raise increments traditionally subsumed within broader FAS increment
- Lack of FY21 FAS increment necessitates UNTF subset
- Process similar to CLO, identifying appropriate base under review
 - Planning Analytics base identifiable but appears inadequate relative to actual expense
- FY22 budgetary approach under review to better identify and allocate

FY21 FAS Reduction True-Up

FAS Reductions Criteria and Guidelines – A Brief Overview

- Executive Managers, Deans, and Academic Managers
- Faculty and Academic Staff –
 - Full-time (90-100% FTE)
 - Non-UNTF
 - Annual salary => \$50,000
- Employment offer extended on or after July 1, 2020, including new hires, re-hires, and re-appointments
- Positions funded by external grants (wholly or partially)
- Budget reduction included GF salary distribution and excluded unbudgeted GF sub-funds
- Additional 2.3% reduction applied to FY20 Budget for non-UNTF FAS open adjustments and committed adjustments
- Reductions Application –
 - EMs: 100% reduction (effective May 1st) applied to FY21.
 - Other Staff: 83.33% reduction (effective Sep. 1st) applied to FY21 and 16.67% applied to FY22

FY21 FAS Reduction True-Up

Fall True-up Adjustments Cycle – A Brief Overview

- Requested adjustments in a Template for employees who met the following criteria -
 - Offer letter signed before July 1 and employment start at MSU (first time) on or after July 1
 - Non-immigrant Visa Holders
 - Salary differential of at least \$25,000
- Processed adjustments in Planning Analytics -
 - FY21 recorded as Supplemental After-Budget Program Allocation
 - Revised FY22 FAS Reduction Budget included in FY22 Allocation Letter
- Pending (Hold-Off status) adjustments for year-end processing -
 - Employees with employment ending at a future date
 - Leave of absence with no salary and benefits
 - Open/Committed Adjustments
 - Fluctuating appointments
 - Material variance with HR record

FY21 FAS Reduction True-Up

Upcoming Year-End True-up Adjustments Cycle

- Adjustments Template: To be emailed during the week of May 3rd
- Adjustments criteria to include guidelines for -
 - Inclusions in the Template
 - Exclusions from the Template
 - Cross referenced with HR catalog of adjustments
- Fall Cycle Pending (Hold-Off status) Adjustments: FOs will be individually contacted for additional information, if necessary, to process the adjustments
- Adjustments Template: Submission Deadline June 1st
- OPB will review the submissions and follow up with FOs for additional information, if necessary
- True-up Adjustments Communication to FOs and Processing in Planning Analytics: Prior to first close

Budget to Actual

- New Application being developed in OPB
 - Soft go-live by end of May
 - Will solicit unit feedback once active
- Will include all Sub Funds, not limited to budgeted GF
- Projections entered by users as useful to individual units
- May leverage during FY22 for unit submission pending leadership priorities

Annual Planning Process

- Planning process ongoing; academic unit discussions essentially complete
- Unit reviews ongoing; preliminary allocations anticipated in early June
- Most allocation processes running simultaneously
 - Program allocations
 - Alterations & Improvements
 - Space
 - TLE



FY22 Planning: Context & Environment

- Continuing uncertainty from the COVID-19 pandemic creates a fluid and challenging planning environment
- FY21 budgeting included \$59M in diminished tuition, \$45M in appropriations reductions, and \$45M in faculty and staff salary and benefits concessions
 - Summer enrollment indicates a decline from FY20 levels
 - Expenditures exceed budget by \$15 million because CLO has not consented to salary reduction and one to one retirement match, off setting some of the improvements noted above
- Monitor spring enrollments trends and leading indicators for Fall 2021 entering class
 - Fall enrollment appears on target, challenges ahead
- Variable legislative proposals for FY22 appropriations
- Broader financial headwinds from Residential & Hospitality Services, Athletics, and other auxiliary operations disruptions





FY22 Increments

<u>FY22 Recommendations</u>	<u>% Change</u>	<u>Notes</u>
CLO Wage Increases	2.75%/TBD	Trailing CLO groups to receive 2.75% in final contract period, new contract being negotiated
Health Care	0%	Second-year savings from Humana retirement plan implementation adequate to offset other increases
Other Benefits	2.5%	Campus based FICA, retirement, and related coverages; anticipates FY22 spring-back
Unit Reductions	-3%	Current planning parameter, consistent with unit planning effort target



Feedback, Questions, Reach Out, Next Meeting

- Questions, comments, ideas, gripes, free associations?
- Please feel free to be in touch with anyone in our office, we value your feedback and partnership – Teams best for me, email (usually) works
- Will plan to host other interactions every couple of months, more as budget planning comes to fruition:
 - ~December 1 ✓
 - ~February 1 ✓
 - ~April 1 ✗
 - ~May 1 ✓
 - ~June 1