

WSU budget cuts: 15 teaching jobs

by ALEXANDRA RETTER

Winona State University's (WSU) proposed budget for the 2022 fiscal year includes \$4.4 million in cuts mostly associated with eliminating vacant positions — including 15 teaching positions. The university also proposed reducing various departments' budgets.

WSU's budget draft features a plan to use \$1.1 million in federal COVID relief funding to achieve a balanced budget, as well.

Final approval of the budget is pending the conclusion of the state legislature's special session and an affirmative vote by the Minnesota State system's Board of Trustees.

"This is I would say our fourth major budget reduction in the last say five or six years," WSU Vice President of Finance Scott Ellinghuysen said. "You don't want to continuously be in a budget reduction mode. You'd like to be in a growth mode and be thinking a lot more about opportunities instead of always cutting your budget. So from that standpoint, the kind of cumulative nature of these budget reductions, I think it's definitely starting to wear on people and on the institution."

About 75 percent of the university's budget is related to staffing, Ellinghuysen said, and of the other 25 percent, many of the

costs are tied to operating expenses such as utility bills and insurance. "It doesn't leave you with a lot of choices when it comes to balancing the budget other than looking at positions and personnel," he said.

About 64 percent of proposed budget reductions regard staffing. To help balance its budget, WSU plans to eliminate 23 positions recently vacant due to retirements or resignations, Ellinghuysen said. Among the 23 positions were 15 teaching positions, four clerical positions, two information technology positions, one student services faculty position and one administrative position in adult continuing education.

WSU Faculty Association President Jennifer Chernega said she feels university administrators share faculty members' interest in maintaining courses and programs. Of cutting vacant positions, she said, "That's going to have an impact on some of our programs, but it does, at least, preserve our programs as they are for the time being." She added, however, "At some point, we can't keep doing what we're doing with fewer and fewer resources."

Departments would adjust to the new staffing levels, Ellinghuysen said. For example, a short-staffed academic department could combine some sections.

Chernega said there could be an increase in class sizes and a decrease in how of-

ten departments offer particular courses. "We're at the point where we've gone through budget reductions enough that the effects are felt," she said. "The easy things have been cut at this point."

In the draft budget, a very small number of employees would experience slight reductions in the hours they worked over the summer when students are not on campus, as well, Ellinghuysen said.

WSU also proposed reductions to some departments' budgets. Approximately 16 percent of cuts in the draft budget are connected with operating budget reductions. Those departments include the library, information technology, the president's office, university advancement, enrollment management and student life and finance and administration.

Admissions and student recruitment did not face cuts in the draft budget.

On the revenue side of the budget proposal, potential tuition increases for fall semester 2021 are awaiting the end of the legislature's special session and a positive vote by the Minnesota State system's Board of Trustees. The legislature has stated that tuition could increase 3.5 percent in both fiscal year 2022 and fiscal year 2023, Ellinghuysen said.

To develop the draft budget, the university considered a best case scenario of mak-

ing \$3.7 million in cuts, a likely scenario of making \$5.5 million in cuts and a worst-case scenario of making \$7.1 million in cuts. Ultimately, the \$5.5 million scenario was selected. Within the \$5.5 million, \$4.4 million comes from reductions, and \$1.1 million comes from federal COVID relief funding. Various department leaders considered what could be cut from their budgets, additionally.

Ellinghuysen said it is a little too early to tell if the university will need to make cuts for fiscal year 2023 and WSU will have a better sense of what the fiscal year 2023 budget could look like around September. "We need to get through the legislative cycle, need the board to approve things," he said. "And then locally, the big thing will be, 'What is our enrollment? What will we have for incoming freshmen, transfer students, graduate students, international students?'"

Chernega said she would like WSU to focus on recruiting and retaining students to receive more revenue from tuition. "Because we're really good at what we do," she said, "and we want to be able to keep doing it."

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WAPS approves budget; state could reverse deficit

by ALEXANDRA RETTER

Winona Area Public Schools (WAPS) may dip into its limited reserves to cover a deficit in next year's budget — or an increase in state education funding may wipe out the deficit entirely.

Last Thursday, School Board members unanimously approved a 2021-2022 budget with a deficit of about \$422,000, money that would come out of the district's tight reserves, or fund balance. The budget also includes some staffing reductions, such as a decrease in teaching positions equivalent to about three full-time positions and a decrease in educational assistant positions equivalent to about five full-time positions.

The budget approval comes as School Board members and district leaders prepare to discuss the possibility of pursuing another multi-million-dollar building referendum at a work session later this month. Decreasing reserves could lower the district's credit rating and increase the cost of borrowing money to upgrade school buildings. By policy, WAPS is supposed to keep reserves equal to 10 percent of its annual operating budget, but next year's deficit is projected to drain the actual reserves to 6.2 percent.

State lawmakers could save the day, however. If the state legislature approves a 1-percent increase to the amount of funding WAPS receives per student, the deficit would drop to about \$251,000, WAPS Finance Director Kristy Millering said. If

the state legislature approves a 2-percent increase in the school funding formula, the deficit would decline to approximately \$80,000. There are a few other revenue sources the legislature is considering for districts, as well, she said, such as an increase in special education funding.

Superintendent Annette Freiheit said the legislature has also discussed a 3-percent increase next year and a 1.5-percent increase the following year. After previously backing a zero-percent increase in the school funding formula compared to Democrats' two percent, Senate Republicans have now proposed a three-percent increase. That amount would likely turn WAPS' deficit into a surplus.

Even if that state funding increase doesn't come to fruition, School Board member Karl Sonneman said he was not worried about covering the deficit with reserves. "I think under the circumstances, with what the legislature has left us to do, setting a budget with the deficit we have ... it certainly doesn't disturb me at all," he said. "I tend to view the fund balance as a fiction. It's something the legislature desires the districts use because the legislature doesn't know how else to control what we do."

The Minnesota State Auditor and credit rating agencies recommend minimum fund balance policies to ensure organizations can survive financial disruptions and pay their debts.

Sonneman continued, "I will vote for this budget, because I think it has been put to-

gether well. The deficit very likely is going to be eliminated or significantly wiped out, once we know what the legislature approves for biennial funding for education."

Freiheit agreed in an email. "I do feel we are in a good position that once the legislature has approved the state budget, we will be able to bring the projected deficit down quite a bit and may possibly zero out the need to dip into our fund balance," she said. "As we do every year we will continuously revise the budget throughout the year to reduce the amount we may spend out of the fund balance." She acknowledged that using the reserves could affect interest rates for borrowing in the future, but said "that is not a definite possibility."

Like Sonneman, School Board member Michael Hanratty said he thought staff put the budget together well. "I particularly think it's a prudent strategy, given the current legislative situation up in St. Paul," he said.

School Board member Steve Schild, who expressed concerns this spring that he did not have enough information to decide between dipping into the fund balance or making cuts, said he did not question the professionalism of staff who put the budget together; however, in contrast to Sonneman and Freiheit, Schild did not like cutting into the fund balance, and felt the budget represented a state-level structural funding issue. "We have got a funding formula based on a reality that no longer exists," he said. He said that he apologized to staff who felt

his comments threw stones at them. "What I do not like, though, is our having very little alternative but to say, 'Well, we're going to make education, staffing or programming smaller for kids and families, or we're going to cut into the fund balance, which, if we need to borrow money ... or bond for money to take up our facilities needs, may cost us more money,'" he said.

Hanratty said he was concerned about the staffing reductions in the budget and how they may raise class sizes. The reductions included decreasing the number of kindergarten and fourth grade classes at Washington-Kosciusko Elementary School from three sections for each of those grade levels to two, based on projected enrollment. "I think we're at a fine line with some of those target class sizes," he said. "I can see this fall that when the dust settles, that some of those classrooms may be on the higher end."

In the next two years, Sonneman said, he believes there will be positive action in the district on enrollment and programming, but he feels WAPS could not make more cuts in the near future and move in that positive direction. "We won't bring students back into the district unless we give them a positive reason to come," he said. He added, "In this market today, people have expectations and desires that go well beyond what is bare bones."

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Winona's Schultz earns academic honors at SMU

Saint Mary's University is recognizing outstanding undergraduate students by awarding several academic honors. These awards, representing a variety of academic disciplines, are given out to deserving students each spring.

Congratulations to Justine Schultz, daughter of David and Kirstin Schultz of Winona, Minn., who received the Marilyn Frost Award (Psychology) and the Psychology Department Distinction Award.

P.E.O. STAR Scholarship award



■ P.E.O. members presented Cotter senior Aubrey Williams (center right) with a \$2,500 scholarship.

The prestigious P.E.O. STAR Scholarship, for the 2020-2021 academic year, was presented to Aubrey Williams, a senior at Cotter High School. The scholarship was presented at the Cotter High School

awards ceremony by Jane Brinkman, Jo Stejskal and Mia Martin.

Aubrey Williams is the daughter of Tom and Linda Williams and was recommended for this scholarship by Chapter CS of Winona.

Williams has been accepted and will attend Drake University in Des Moines, Iowa.

The P.E.O. STAR Scholarship is a \$2,500 scholarship based on excellence in leadership, extracurricular activities, community

service, academics and potential for future success. The program is open to young women who are citizens or legal permanent residents of the United States or Canada and who are graduating high school seniors at the time of application. A student must be recommended by a P.E.O. chapter.

For additional information on the P.E.O. STAR Scholarship, please contact Jane Brinkman at 507-450-6546 or visit peointernational.org

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