

Capital Budget and Buildings

Question: Why do we keep constructing new buildings and instead, not build anything new unless absolutely necessary?

Millersville University promises an education “**second-to-none**” for all students. In order to deliver the promise, MU must provide the latest in facilities and equipment not only to attract the best and brightest students, but to attract the very best faculty from around the country and world if necessary. High school students are looking for a progressive campus not only in academic buildings but resident halls, dining services and student unions. In order to provide high quality education, MU needs cutting edge technology, facilities and faculty. Millersville University’s educational experience is second-to-none and the University will seize the opportunity whenever possible to make this the best institution possible.

Question: Please explain the difference between Capital and Operating budgets one more time?

There does seem to be a disconnect between the current (operating) budget problem and all of the new construction (capital budget) taking place at the same time. Let me start with the Capital Budget.

Each April, Millersville University is required to submit a Capital Budget plan for the next five years to the Pennsylvania State System for Higher Education (PASSHE). PASSHE gathers all of the requests from the Universities and submits a Five-Year Capital Budget to the State. Over the past few years, the State has provided approximately \$130 million to PASSHE for new or renovated academic buildings across the 14 PASSHE institutions. The key here is that these funds are only for academic buildings. In the case of MU, these funds help to pay for the new Visual and Performing Arts Center (VPAC) being constructed at Lyte Auditorium next to Stayer Hall, and for the renovation of Ganser Library which will begin this summer. In addition, Capital Funds were used to purchase the 42 North Prince Street building now named Millersville University-Lancaster. These funds, because they are provided by the State with PA bonds, are restricted in their use for construction ONLY. They cannot be used for operating budgets of any kind. Five to six years ago, we submitted these two buildings, VPAC and Ganser Library, to be built. During the past five and six years, the economy was in pretty good shape. The State continues to fund these buildings because they help create jobs and; therefore, are an economic force.

The operating budgets come from state appropriations, tuition and fees and other minor revenue sources. State appropriations come from various state revenue sources such as: sales taxes, income taxes, etc. These funds cannot be mixed with Capital Funds.

You have two separate funding sources for two distinct purposes, and the funds cannot be co-mingled.

Program Cuts

Question: The University should cut *this PROGRAM*.

The Budget Suggestion box has received multiple suggestions and you can fill in the PROGRAM with any campus program. Just about every program has been suggested to be eliminated, curtailed, reduced, or downsized in some fashion. Program elimination is a very serious decision and will only be considered when everything else has been reviewed.

Cost Cutting Ideas

Question: Why don't you cut these ITEMS?

The Budget Suggestion box has received multiple suggestions and you can fill in the ITEM with any campus activity such as: student speakers, guest speakers or lecturers, D2L, paper handouts in classes, planting flowers on campus, trash bags, etc. The operating budgets are being reviewed by every manager to provide savings. The reality is that approximately 80% of MU's budget consists of personnel expenses; another 10-12% are fixed costs such as lights, heat, bond payments, etc. The remaining 8% of the funds represent a very small portion of the budget.

Question: Why are you wasting money on putting up huge flat screen TV's in the Anchor and the Galley?

First, these screens when purchased in quantity are not that expensive compared to more static models. Second, believe it or not they save us money over the long term. HOW? These screens can be programmed to make changes automatically and fast. Old type menu boards take personnel time to make changes; there are maintenance issues and they require constant updating. As a result, MU will save on personnel costs over the next few years.

Some screens are set for television viewing. These provide a nice leisure for students who are waiting for the next class, friends, etc. In addition, they provide updated news, world events such elections, disasters, storms, 911, etc. Finally, they will also bring people to these locations to inform them on what is happening.

Therefore, they are not that expensive, they lower personnel costs and they provide a public service function.

Question: Why can't we get people to turn off the lights? Or why don't we better regulate the heating and air conditioning?

This is an excellent question and series of questions. Millersville University spends approximately \$3.5 million in utility costs per year. At the turn of this century, the University was 100% electric. That means University buildings were heated and cooled with electricity. Thirty-five years ago it was cheaper for MU to do this. But today, it is very expensive. During the last four years, we have begun a campaign to heat the buildings with natural gas. It is less expensive, cleaner and Pennsylvania has a lot of it. In addition, gas is better for the environment. MU has reduced the carbon footprint by 7% last year. Working with PASSHE, the University rebid the electrical contract at a savings of over \$400,000 this year alone.

So yes, ***please turn off the lights.***

Collective Bargaining and Personnel Issues

Question: Why don't administrators take a pay cut to help out the budget problem?

In the last four years, every union on campus received pay increases some with salary increases and steps. Since 2009 most unions have enjoyed salary increases of approximately 11.5%. Non-union employees received a 3% increase for a half year.

Question: There were many questions dealing with Collective Bargaining issues.

It is not appropriate for the University to comment on any of these suggestions. All of these suggestions/issues should be negotiated in good faith by both sides.

Other Specific Questions

Question: Does the difference in the In-State and Out-of-State Tuition accurately reflect the Pennsylvania Subsidy?

Pennsylvania Subsidy is not a term used in higher education; however, let's try to answer this question. Out-of-state tuition is based on the total cost of attending Millersville University. For the current academic year, the in-state undergraduate tuition is \$5,804 and out-of-state tuition is \$14,510 or 250% of in-state tuition. Any student coming from another state pays full cost.

Pennsylvania provides State Appropriations to each PASSHE institution to lower cost for Pennsylvania residents. In-state tuition is based on the amount of State Appropriations and the difference necessary to balance the budget. You could say Pennsylvania subsidizes each student the difference between out-of-state tuition and in-state tuition or (\$14,510 minus \$5,804) \$8,706 per PA student.