



# **FY 2027 Budget Call Letter**



## **Guidelines and Timeline for the FY 2027 Budget Development**



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## **INTRODUCTION**

This document serves as a guide to develop your unit's FY 2027 budget submission. It includes budget guidelines, assumptions, activities, and expected timeline. The budget guidelines are designed to enhance transparency surrounding decision-making and to promote consistency across all units.

WKU's budget development process is a comprehensive planning effort that reflects a collaborative environment, involving continuous discussions among the Budget Office, Deans, support unit leaders, budget governance committees, and campus executive leadership. Grounded in the strategic plan, *Climbing to Greater Heights 2018-2028*, WKU relies on its long-term financial plan to inform budget decisions and has an annual budgeting process that is preceded by data-driven planning. This inclusive process ensures accurate revenue and expense projections, incorporates the perspectives of all relevant parties, and upholds our commitment to shared governance and transparency.

WKU operates under a decentralized Resource Allocation, Management and Planning (RAMP) budget model. Each unit is responsible for developing an operating budget based on the needs and strategic plan of that unit. The budget management software, Axiom, is used for budget development with salary, benefits, and operating data entry completed and approved at the unit level before being submitted to be reviewed and approved by the Budget Office, then approved by executive leadership which includes the EVP, Provost, and President. Once the budget has been completed, the final step is to present it for approval to the WKU Board of Regents.

To support a proactive approach to fiscal responsibility, WKU adjusts current year expenditure budgets twice per year, in October and February, to align with actual and forecasted revenues. In addition, financial monitoring occurs monthly to ensure accountability at the unit level. Units are responsible for any amount over budget, and any year-end deficit will carry forward and be reflected in subsequent fiscal year budgets.



## **BUDGET GUIDELINES AND ASSUMPTIONS**

Units are expected to accurately budget revenue and expenditures within the standard categories used for internal financial reporting. This account structure is incorporated into Axiom to allow for automatic account structure grouping for each account code.

Budgeted use of carry forward or one-time funds is not permitted without prior approval from executive leadership.

### **Tuition Revenue**

University-wide enrollment projections are developed in conjunction with Enrollment Management, Institutional Research, Academic Affairs with input from Deans, and the Budget Office. Enrollment projections will be updated through the end of the budget development process as additional data becomes available. Components used to determine enrollment projections include the following:

- incoming first-time, first-year (FTFY) class
- incoming transfer students
- international enrollment
- number of students graduating
- retention of existing students

The Kentucky Council on Postsecondary Education (CPE) has the statutory authority to approve tuition rates for Kentucky's public universities. In April 2025, CPE adopted resident undergraduate tuition and mandatory fee ceilings for academic years 2025-26 and 2026-27, enabling the comprehensive universities to increase tuition rates by a maximum of \$630 over the two years and an increase of no more than \$420 in any one year. For WKU, the maximum increase over the two years is 5.4% with no more than 3.6% in any one year. Given the 3.6% increase the university implemented in the current year, WKU executive leadership is initially planning on an approximate 1.8% tuition rate increase for undergraduate resident students for FY 2027.

### **State Appropriation**

The Commonwealth approves a state budget every two years through the biennial budget process. FY 2027 is the year the General Assembly will pass a state biennial budget for both FY 2027 and FY 2028. WKU submitted a biennial budget request to the state in September 2025, but the state budget is not anticipated to be passed until April 2026.

WKU also receives performance funding which is allocated based on how well each state public university performs on 10 metrics. Validation of the performance funding metrics and final funding allocation is not expected to be received until April or May 2026.



## **Wages/Salaries**

Employee salaries as of January 2026 will be reflected in Axiom, which includes the \$1,680 across-the-board flat dollar increase effective January 1, 2026.

New for FY 2027 budget development, all units are required to budget position salaries from all funding sources including the College Heights Foundation, Hilltopper Athletic Foundation, and grants & contracts. Units should reference the personnel budget procedures to ensure compliance.

A decision on a salary increase during FY 2027 will be evaluated by executive leadership upon a recommendation from the Budget Executive Committee. If a salary increase is approved for FY 2027, the salary pool will be added to the FY 2027 budget in a university-wide holding spot index and the funds transferred to unit budgets during the year.

## **Fringe Benefits**

Fringe benefits for the FY 2027 budget include the employer health insurance increase effective January 2026. These rates are included below and may be updated if new information becomes available.

Axiom automatically calculates benefits in real-time at the position level and records the benefits in the same index to which the individual employee's salary is charged. For vacant positions (Pooled Positions in Axiom), a blended rate will be calculated based on an average of fixed and variable rates at the unit level.

WKU's benefits committee is expected to provide a recommendation to the President's Cabinet by summer 2026 for health, dental, vision, and life insurance rates effective January 2027. If any rate increase is approved effective January 2027, half of the annual amount (six months) will be transferred to unit budgets during FY 2027.

### **Filled Position Benefits Rates**

<b>Variable Fringe Benefits</b>	<b>Rate</b>	<b>Fixed Fringe Benefits</b>	<b>Rate</b>
<u>Retirement</u>		Health Insurance	12,372.00
KERS Hazardous	18.83%	Dental Insurance	172.80
KERS Nonhazardous	85.03%	Vision Insurance	65.28
ORP	8.74%	Life Insurance	51.00
TRS 1-3	15.87%	<b>Subtotal Fixed Rate</b>	<b>\$12,661.08</b>
TRS 4	9.78%		
TRS TRP/Rehire Retiree	27.24%		
FICA	7.65%		
Worker's Comp	0.50%		
Employer Disability Insurance	0.15%		



**Vacant Position (Pooled Positions) Blended Benefits Rate**

<b>Division/Unit</b>	<b>Benefits Rate</b>
Athletics	31.15%
College of Education and Behavioral Sciences	41.18%
College of Health and Human Services	41.57%
Gordon Ford College of Business	33.06%
Ogden College of Science and Engineering	39.26%
Philanthropy and Alumni Engagement	38.73%
Potter College of Arts and Letters	40.57%
<u>President</u>	
Campus & Community Events	65.84%
Internal Audit	29.17%
President's Office	23.93%
Public Media	57.24%
All Other President	41.81%
<u>Provost &amp; Academic Affairs Support Units</u>	
Associate Provost	50.55%
Enrollment Management	53.05%
Gatton Academy of Math and Science	43.40%
Graduate School	55.73%
Innovation Partnerships and Business Outreach	65.29%
International Programs	39.13%
Mahurin Honors College	43.30%
Provost and Vice President Academic Affairs	48.98%
Regional Campuses	73.73%
Research	38.41%
Student Success and Online Learning	55.04%
University Libraries	51.58%
<u>Strategy, Operations and Finance</u>	
Business Services	88.87%
Facilities	96.77%
WKU Innovation Campus	65.74%
WKU Police	71.50%
All Other SOF	51.62%
Student Experience	63.10%



## **RAMP**

### **Revenue and Cost Pool Allocations**

The RAMP budget model allocates revenue, such as tuition and fees and state appropriation, to each of the academic colleges, and allocates indirect expenses (cost pools) to academic colleges and auxiliary units according to the applicable allocation metrics and formulas. FY 2027 tuition revenue and state appropriation allocations to academic units are accurately reflected in Axiom.

Cost pool allocations in Axiom will remain fluid until support unit budgets are finalized.

### **Subvention**

Tuition revenue and state appropriation are subject to a 13% participation fee to fund the subvention pool. The subvention pool is used to fund auxiliary programs at the same level as the prior year, pending any budget adjustments. The Provost will manage subvention for the academic colleges with the Deans. Academic colleges may receive support from the subvention pool correlated to changes in a unit's enrollment, credit hour production, research productivity, and other long-term performance trends.



## **BUDGET DEVELOPMENT TIMELINE**

FY 2027 budget development will be guided by the following timeline. All dates are subject to change.

<b>Dates</b>	<b>Activity</b>
<b>October</b>	
	WKU's FY27 and FY28 biennial budget request submitted to the state
	Preliminary fall 2026 enrollment projections provided
	Discussion with Deans on fall 2026 preliminary enrollment projections
<b>January</b>	
	State budgets for FY27 and FY28 begin to release
	Budget kickoff (Axiom system opens for data entry)
	BEC accepts and reviews requests for support unit FY27 budget increases
	FY27 salary data including January 2026 salary increase updated in Axiom
<b>February</b>	
	Updated fall 2026 enrollment projections provided
	Discussion with Deans on fall 2026 updated enrollment projections
	External grants & contracts budget provided by Office of Research and Creative Activity
	Academic Affairs support unit budget submissions due to Provost's Office
<b>March</b>	
	All support unit budget submissions due to the Budget Office
	BEC support unit FY27 budget increase recommendations due to executive leadership
	Finalize fall 2026 enrollment projections and FY27 financial aid budget
<b>April</b>	
	BEC FY27 salary increase recommendation due to executive leadership
	Academic College budget submissions due
	State budget for FY27 and FY28 finalized
	State performance funding allocation distributed
<b>May</b>	
	Provost meets with Deans for subvention discussion
	Final balancing of all budgets
<b>June</b>	
	Final budget approval by Board of Regents
	CPE approves tuition rates