

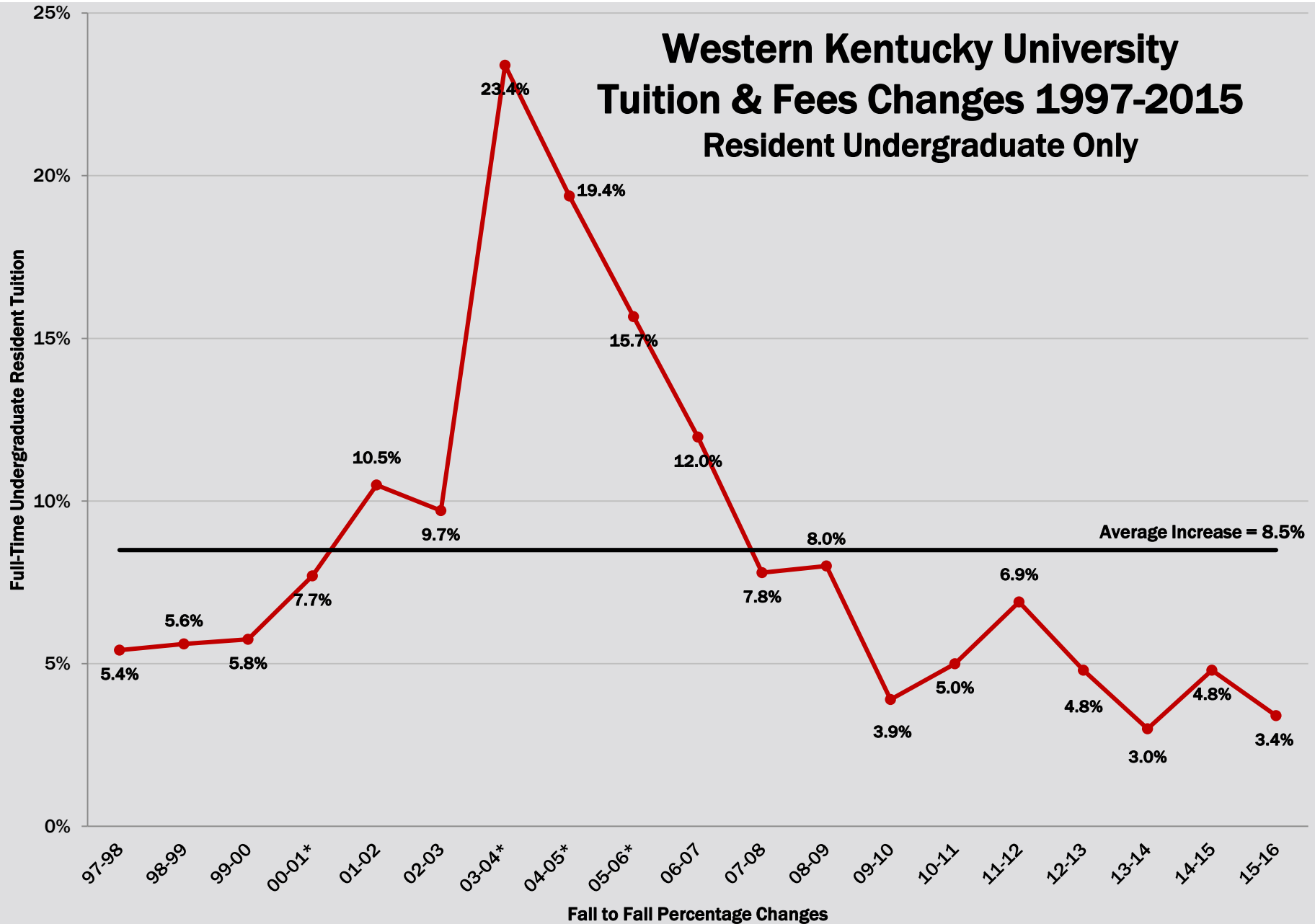


## **2015-16 OPERATING BUDGET**

# HISTORICAL PERSPECTIVE



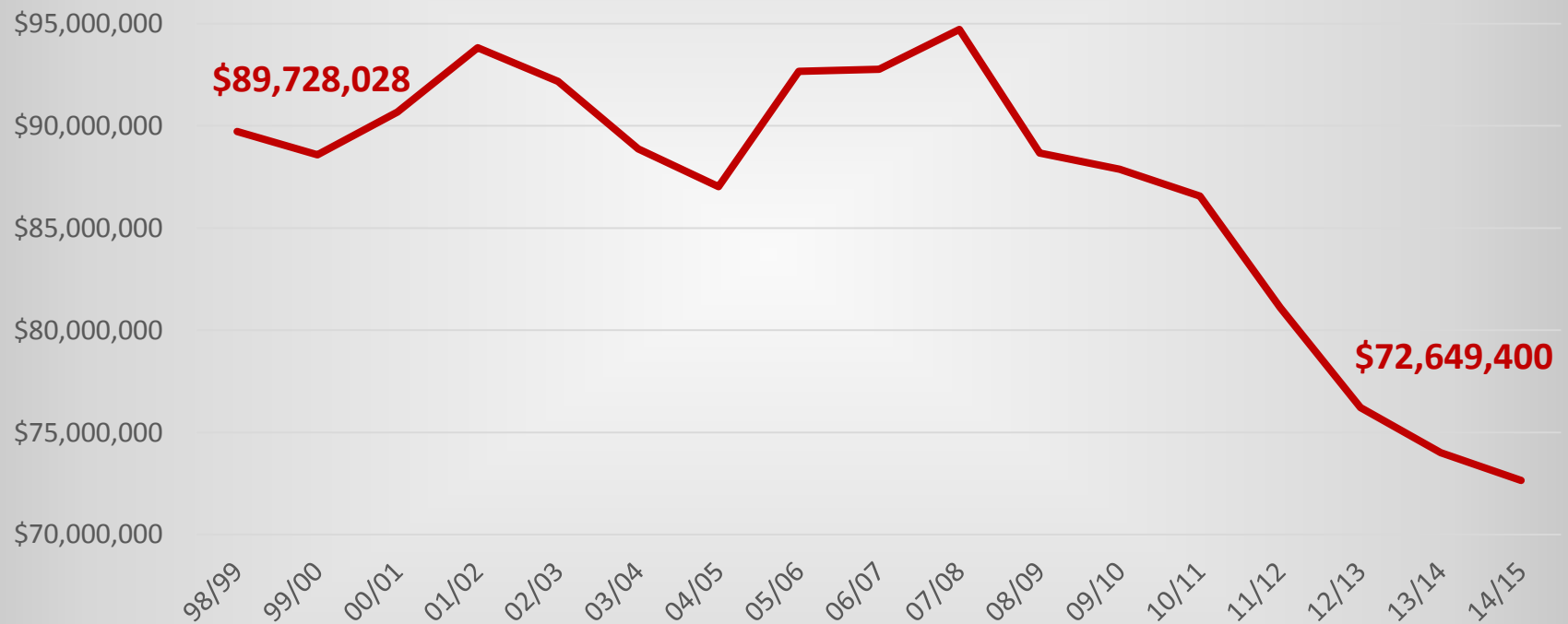
# Western Kentucky University Tuition & Fees Changes 1997-2015 Resident Undergraduate Only



\*Mid-year increases. Semester rate is the average tuition of fall and spring terms.

# WKU Net General Fund Appropriations\*

(in constant FY15 dollars)

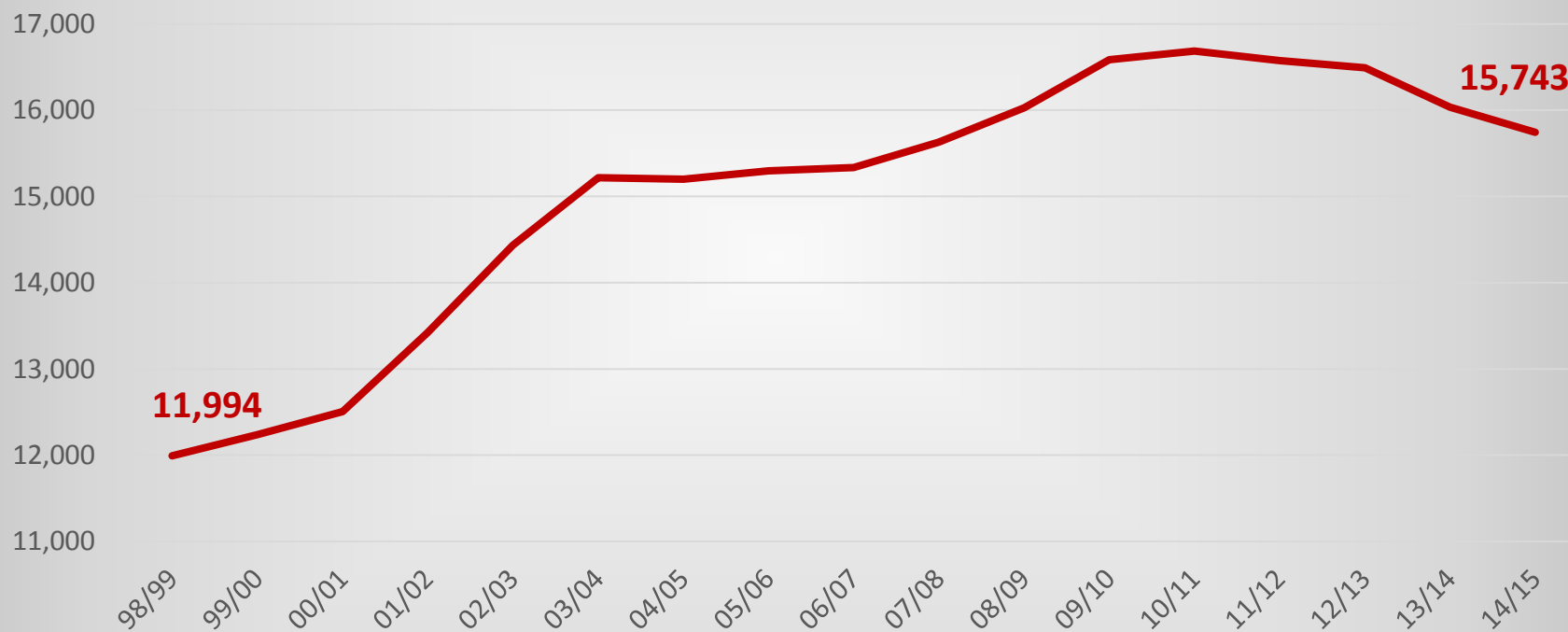


\*Net General Fund appropriations do not include debt service.

Prepared by the Office of Institutional Research, August 2015



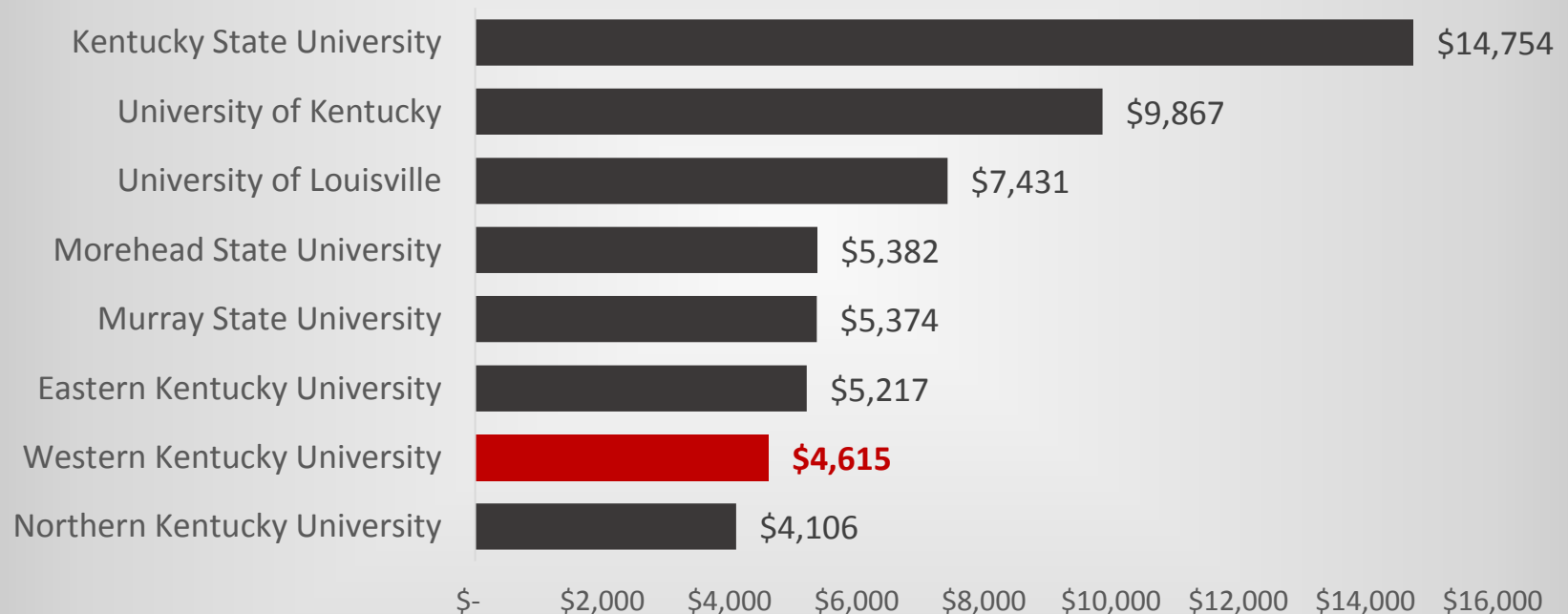
# WKU FTE Students



Prepared by the Office of Institutional Research, August 2015



# FY15 Net General Fund Appropriations\* per FTE at Kentucky's Public Universities



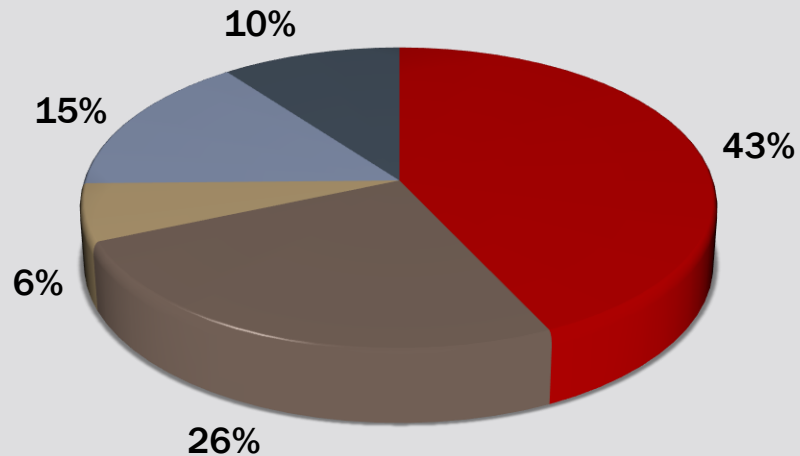
\*Net General Fund appropriations do not include debt service.

Prepared by the Office of Institutional Research, August 2015

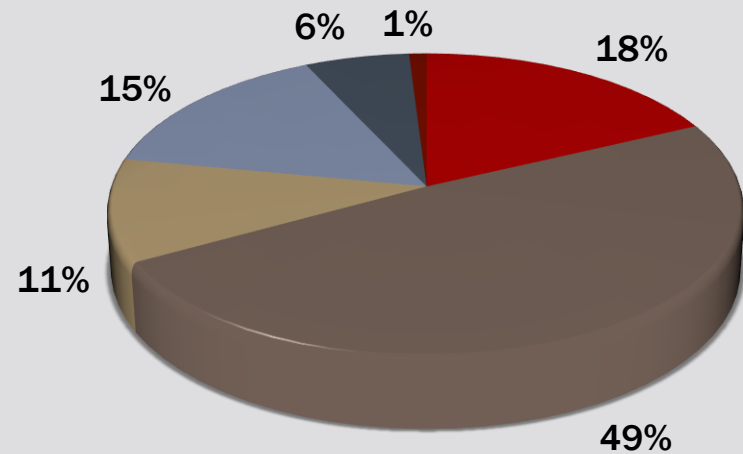


# WKU OPERATING BUDGETS

## FY 1998 Budget



## FY 2016 Budget



State Appropriation  
Tuition & Fees

Self-Generated  
Restricted Funds

Auxiliary Enterprises  
Designated State Funding

# RECURRING STATE BUDGET REDUCTIONS & INSTITUTIONAL REALLOCATIONS

Summary	State Reduction	Reallocations of Base to Balance Budget*
FY 2009	\$ 5,047,100	\$ 352,500
FY 2010	2,399,700	1,612,500
FY 2011	1,123,100	—
FY 2012	781,600	407,000
FY 2013	4,952,100	—
FY 2014	—	1,848,000**
FY 2015	1,106,300	2,940,800***
FY 2016	—	7,937,400
Total	\$15,409,900	\$15,098,200

\*Excludes reallocations within divisions to address cost increases and growth pressures.

\*\*Excludes reallocation of redirected revenue.

\*\*\*Includes \$26,000 reduction to Athletics as part of FY14 budget reduction decision (\$132K to be taken over five years).



# WKU SALARY INCREASES

<b>2015-16</b>	<b>0%</b>
<b>2014-15</b>	<b>1% (\$500 floor)</b>
<b>2013-14</b>	<b>0% (\$447,709 Faculty Equity Adjustments funded by Academic Affairs)</b>
<b>2012-13</b>	<b>2% Across the Board</b>
<b>2011-12</b>	<b>1% (\$500 floor/\$1,000 ceiling)</b>
<b>2010-11</b>	<b>1.5% (2009-10 increase made permanent) 2% Across the Board</b>
<b>2009-10</b>	<b>1.5% One Time Pay (\$500 floor/\$1,000 ceiling)</b>
<b>2008-09</b>	<b>\$500 Full Time Employees \$284,000 Faculty Salary Compression/Market Adjustment</b>
<b>2007-08</b>	<b>4% Merit \$317,000 Faculty Market Adjustments</b>

# THE 2015-16 OPERATING BUDGET



# BUDGET SUMMARY

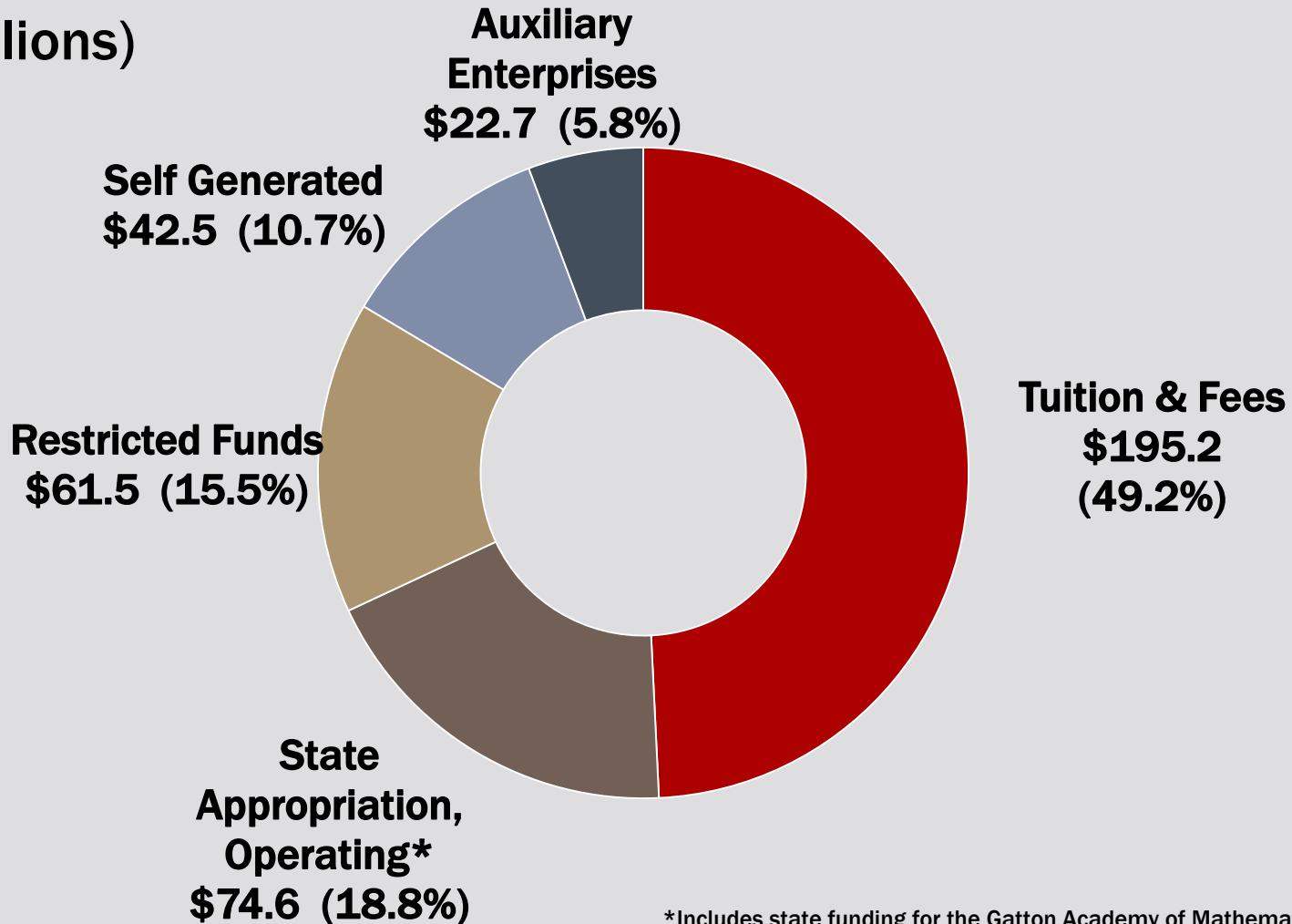


# 2015-16 OPERATING BUDGET

	<b>2015-16 Budget</b>	<b>Dollar Incr/Decr</b>	<b>Percent Incr/Decr</b>
Total Budget	\$396,565,000	\$4,268,000	1.1%
Total E&G	373,818,000	5,310,000	1.4%
Unrestricted E&G	312,289,000	5,163,000	1.7%
Restricted E&G	61,529,000	147,000	0.2%
Total Auxiliary Enterprises	22,747,000	(1,042,000)	(4.4%)

# PROJECTED REVENUE BY SOURCE

(In Millions)



\*Includes state funding for the Gatton Academy of Mathematics and Science.

# WKU'S 2015-16 OPERATING BUDGET

<b>TOTAL BUDGET</b>	<b>\$ 396,565,000</b>
---------------------	-----------------------

**LESS:**

**RESTRICTED FUNDS**

<b>GRANTS AND CONTRACTS</b>	<b>18,725,000</b>
-----------------------------	-------------------

<b>STUDENT FINANCIAL AID</b>	<b>42,804,000</b>
------------------------------	-------------------

<b>SELF-GENERATED REVENUE</b> ie. Center for Gifted Studies, DELO, Floral Shop	<b>42,457,600</b>
---	-------------------

<b>AUXILIARY ENTERPRISES</b> ie. Dining, WKU Store, ID Center	<b>22,747,000</b>
--	-------------------

<b>DESIGNATED STATE FUNDING</b>	
<b>ACADEMY FOR MATH &amp; SCIENCE</b>	<b>4,926,800</b>

<b><i>PUBLIC FUNDS (State and Students)</i></b>	<b>264,904,600</b>
---	--------------------

# FROM EVERY PUBLIC FUNDS REVENUE DOLLAR RECEIVED

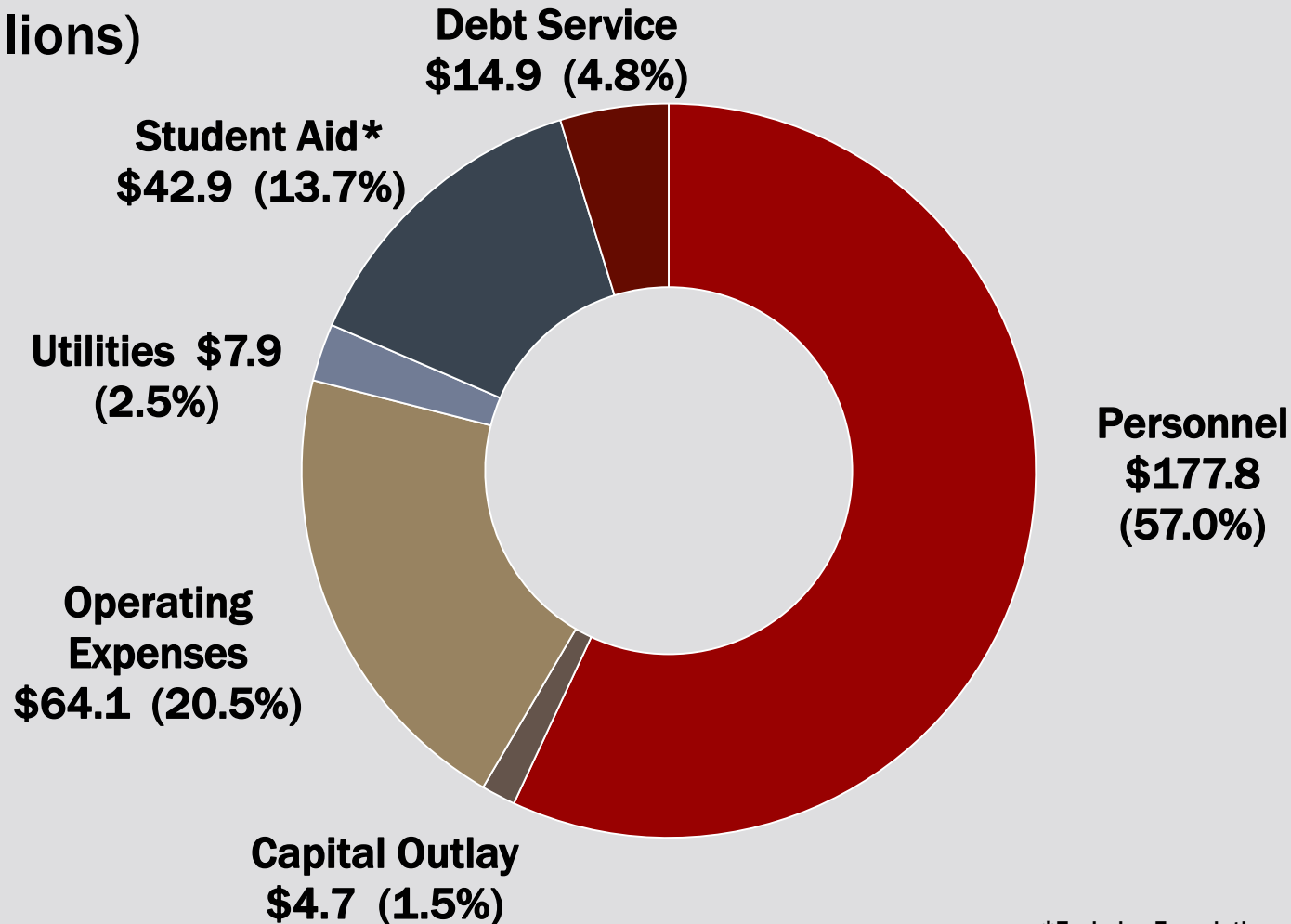
■ 26¢ comes from  
State Appropriations

■ 74¢ comes from  
Tuition and Fees



# UNRESTRICTED E&G BUDGETED EXPENDITURES

(In Millions)



\*Excludes Foundations, Federal and State.



# UNRESTRICTED E&G BUDGETED EXPENDITURES

*By Organizational Area*  
(In Millions)



- Development & Alumni Relations - \$4.1
- Public Affairs - \$4.3
- Student Affairs - \$7.9
- Finance & Administration - \$9.9
- Information Technology - \$12.0
- Athletics - \$23.3
- Other\* - \$29.0
- Facilities - \$30.0
- Enrollment & Graduation - \$32.6
- Academic Affairs - \$159.8

\*Other includes Office of the President, Chief Diversity Officer, General Counsel and University-Wide.

# BUILDING THE BUDGET



# BUILDING THE BUDGET

## ■ Revenue

- Change in state appropriation
- Maximum tuition rate increase set by CPE
- Change in enrollment

## ■ Expenditures

- Fixed costs projections
- Strategic investments

# CHANGE IN STATE APPROPRIATION 2015-16

2015-16	
Base Operating Funds	\$0
Gatton Academy of Mathematics and Science	2,000,000
Total	\$2,000,000


# FISCAL CHALLENGE

<b>Tuition Available to Fund FY 2016 Fixed Costs*</b>	<b>\$1.8M</b>
<b>Investment Earnings Shortfall</b>	<b>\$0.2M</b>
<b>Fixed Costs / Programmatic Obligations</b>	<b>5.7M</b>
<b>Academic Scholarships</b>	<b>3.8M</b>
<b>Total Uses</b>	<b>\$9.7M</b>
<b>Reallocation to Balance Budget</b>	<b>\$7.9M</b>

\*Reflects FY 2015 \$2.4 million enrollment shortfall.

# FIXED COSTS

**\$2,865,000**

- 
- Health Insurance Increase
  - Retirement Systems Rate Increases
  - Worker's Compensation Increase
  - Contractual Obligations
  - Utilities and M&O
  - DSU Debt
  - Property and Auto Insurance
  - Degrees and Certifications

# PROGRAMMATIC OBLIGATIONS

**\$6,733,400**

- 
- **All Scholarships (Unrestricted)**
  - **Enrollment Management Permanent Base Budget**

# SCHOLARSHIPS

## ■ Budget Includes

- Departmental scholarships
- Athletics grants-in-aid
- Academic scholarships (excluding foundations)
- State mandated waivers
- Faculty/staff scholarships
- Dependent child scholarships
- Institutional fellowships



# SCHOLARSHIPS

## ■ Challenges

- Competing for the best and brightest students (competitive market)
- Uncertainty of acceptance rates
- Uncertainty of enrollment
- Increased competition for KCTCS transfer students
- Restructured academic scholarships in FY 2014 and eliminated the scholarship application in FY 2015

# ACADEMIC SCHOLARSHIPS

Estimated returning students with renewable academic awards	1,512
Estimated first-time freshmen/first-time transfer awards	1,120
Total	2,632
Increase in budgeted awards	726