VISION: Wichita State University is internationally recognized as the model for applied learning and research.

MISSION: The mission of Wichita State University is to be an essential educational, cultural and economic driver for Kansas and the greater public good.
Higher Education Outlook

2019 outlook remains negative with continued low net tuition revenue growth

**NEGATIVE**

Drivers of the negative outlook

» Weak net tuition revenue growth curbing operating revenue growth, which is projected in the 3%-4% range (excludes patient care).
» With rising labor costs, expense growth will top revenue growth for many
» Public universities face more difficulty than private universities.

**STABLE**

What could change outlook to stable

» A greater proportion of colleges and universities able to grow net tuition revenue at 3% or higher.
» Revenue growth exceeding expense growth for most universities

**POSITIVE**

What could change outlook to positive

» Stronger pricing power leading to healthy net tuition revenue growth.
» Continued strong investment market, bolstering endowment spending and philanthropy
» Operating surpluses for many universities, allowing greater capital and programmatic investment.

This outlook represents our forward-looking view on credit conditions over the next 12-18 months. This sectorwide outlook, however, does not imply the likelihood or direction of rating actions for individual issuers.
Financially

- Nationally, expenses are outpacing revenue for many universities
- 48% run deficits
- 10% have surpluses more than 5%

Source: Moody’s Investors Service
Seven large states (CA, TX, NY, FL, NC, GA, and IL) accounted for half of FY 2018 state support for higher education. Their total increase for FY 2018 was 2.4%, compared to 0.9% for remaining states.
Regional Challenges

- Population in Kansas is relatively flat
- Growth in low paying jobs is outpacing high paying jobs
- High paying jobs don’t have academic programs to educate people
- Increases pressure on out of state enrollment
HOW IS WICHITA STATE RESPONDING?
Economic Driver

SHOCKER CITIES
I-35 Corridor Strategy

- Enrollment has increased along the I-35 corridor by close to 200% since 2014 (average increase of 30% per year):
Industry, BREG and Greater Wichita Partnership Needs

- Additive Manufacturing and Design
- Data Science and Analytics
- Materials Science
Research Trends and WSU

"Est." indicates our estimated data based on preliminary information. "For." indicates our forecasted data.

Sources: Moody’s Investors Service, National Science Foundation, National Center for Science and Engineering Statistics, Higher Education Research and Development Survey
Spirit Partnership

2018: Added 1,000 employees
2019: Expects to add 1,400

Resulting in highest employee count since Boeing’s departure in 2005
Current Partnerships on Innovation Campus

BCG  BOSTON CONSULTING GROUP

DEPARTMENT OF DEFENSE  UNITED STATES OF AMERICA

DASSAULT SYSTEMES  TURKISH AEROSPACE

SPIRIT AEROSYSTEMS

UNITED STATES ARMY

HEXAGON MANUFACTURING INTELLIGENCE

AIRBUS

GO CREATE  A KOCHE COLLABORATIVE

youth entrepreneurs

stratasys
Just Awarded—
Largest Federal Grant in WSU History

Development of Aging Aircraft Sustainment Program

$15.95 M
STATE INVESTMENT IS CRITICAL

• Respectfully request $50 million for FY20 to help provide greater access to higher education opportunities in Kansas to grow the Kansas economy.