FY ’20 Initial General Use (GU) Budget Planning Overview

Budget Advisory Committee
University Budget Office
Committee’s Charge to Aid President’s Executive Team:

• Suggest budget priorities consistent with the strategic plan in the event of reductions in state appropriations or other funding limitations.

• Gather information regarding areas where long-term budget efficiencies might be achieved while increasing effectiveness in achieving strategic goals.

• Suggest areas that might result in increased income that are consistent with the strategic plan.

• Communicate regularly with the campus regarding ideas and discussions.
BUDGET DEVELOPMENT CALENDAR

- Early January: Gov.’s recommended budget released
- Mid January: Budget Advisory Committee Convenes
- March: Individual budget meetings held with Colleges and Departments
- Late April: Budget training with Budget/Review Officers
- Late May: budget requests due
- Mid May: Legislature adjourns
- Early May: Tuition Proposal due
- Late June: Operating budget finalized
- July – October: State budget submission
- Late June: Operating budget finalized
- Late April: Budget training with Budget/Review Officers

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**OPERATING BUDGET**

- **General Use:** Combined revenues from the State General Fund (SGF) and Tuition
- **Restricted Use:** Special revenues that must be used for the specific purpose collected

<table>
<thead>
<tr>
<th>ADOPTED OPERATING BUDGET – FY ’19</th>
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<tbody>
<tr>
<td>FY 2019 TOTAL:</td>
</tr>
<tr>
<td>$351.5 MILLION</td>
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<tr>
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<tr>
<td>$169,459,072</td>
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<tr>
<td><strong>GENERAL USE</strong> - State General Fund $79,978,072 and Tuition $89,481,000</td>
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<tr>
<td>$182,026,093</td>
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<tr>
<td><strong>RESTRICTED USE</strong> – Restricted Fees, College Program/Class Fees, Grants, Research, Student Housing, Scholarships, Parking, etc.</td>
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</tbody>
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Excludes nonreportable expenditures
Approx. **82%** of the General Use budget goes to the Divisions of **Academic Affairs** and **Finance and Administration**.
**Operating Budget**

**Where Dollars Go by Expenditure Class – FY ’19 Adopted**

### General Use Funds (SGF & Tuition)

- **Salaries and Fringe Benefits**: 69.7%
- **Other Operating Expenditures**: 30.3%

### All Funds

- **Salaries and Fringe Benefits**: 54.3%
- **Other Operating Expenditures**: 45.7%

<table>
<thead>
<tr>
<th>Expenditure Classification</th>
<th>Amount</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Fringe Benefits</td>
<td>$118,041,151</td>
<td>69.7%</td>
</tr>
<tr>
<td>Other Operating Expenditures</td>
<td>$51,417,921</td>
<td>30.3%</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td><strong>$169,459,072</strong></td>
<td>100.0%</td>
</tr>
</tbody>
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<tr>
<td>Salaries and Fringe Benefits</td>
<td>$191,006,180</td>
<td>54.3%</td>
</tr>
<tr>
<td>Other Operating Expenditures</td>
<td>$160,478,985</td>
<td>45.7%</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td><strong>$351,485,165</strong></td>
<td>100.0%</td>
</tr>
</tbody>
</table>

*Summary excludes nonreportable expenditures*

70% of the General Use budget goes to pay **Salaries and Fringe Benefits**
Total fall credit hours up 1.7%

International credit hours down 7.2%, while domestic non-resident up 17.8%

TAP Increases by 3,129 credit hours
Most State General Fund revenue is allocated to General Operating support, with remaining balances earmarked for specific purposes by the Legislature.
State disinvestment from FY ’09 to FY ’17

Key changes in FY ‘19 included:

- No direct SGF reduction, but no increases for health benefits
- + 204K for other fringe benefits
- + $1.2M restoration of FY ’17 Gov. Allotment

*Total funding increase in 2017 caused by 27th pay period*
Tuition grows from 42% in FY ‘08 to 59% in FY ‘19
GOVERNOR’S RECOMMENDED BUDGET
STATE GENERAL FUND: GENERAL OPERATING

- **Base Recommendations** *(pending Legislative approval)*
  - +$717K for full restoration of FY ’17 Governor’s Allotment
  - $0 for health and other fringe benefit increases

- **If Adopted by State Finance Council** *(and Legislature)*
  - +$1.347M 2.5% COLA
  - +$193K KPERS re-amortization
New Revenue

State General Fund: General Operating - $717 Thousand
- $717K Restoration of Remaining FY ‘17 Gov. Allotment (if adopted by Legislature)
- Significant State Budget Considerations
  - KEPRS Re-Amortization
  - Decoupling with Federal Tax Returns

Tuition - $1.2 Million
- Tuition Rate Increase
  - $2.2M Tuition Rate Increase (Example @ 2.5%, Recommendations to KBOR Submitted in Late April/May)
- Base Tuition Re-Alignment
  - ($1.0M) Tuition Re-Alignment (initial estimated tuition shortfall in FY ‘19 due largely to International credit hours)
- Credit Hour Growth
  - $0 Base Credit Hour Revenue Growth (for conservative budgeting, we do not traditionally estimate credit hour growth)
    - Each 1% Increase in Total Annual Credit Hours and/or the Tuition Rate Equals Approx. $879K in Revenue (assuming type of student remains constant)

*All tuition estimates are preliminary
**INITIAL GU OPERATING**
**FY ‘20 NEW EXPENDITURES**

**Funding all listed new expenditures would require new revenue/reallocations of $3.7 million**

**Pending Considerations by Broad Category**

**Primary, $2,100,000**

**Secondary, $1,600,000**

**New Expenditures**

**Primary - $2.1 Million**

- **Compensation & Benefits**
  - $240K Promotions in Academic Rank & Tenure (M*)
  - $358K Employer Health Benefit Rate Increases (M)
  - $166K Other Benefits (M)
- **Operating Needs**
  - $300K Estimated Utility Rate Increases (M*)
  - $153K EAB Enrollment Services – Multiyear Contract (M)
  - $1.0M Final Year of Multi-Year Scholarship Plan (M*)
  - $100K Supplemental Instruction – Academic Success (M)
  - $50K Interpreting – Disability Services (M)
  - $(307)K Internal Reallocations, Phase-Out GU Centers Funding

**Secondary - $1.6 Million**

- **Compensation & Benefits**
  - $??? Market and Compression (*)
  - $1.1M 2.5% “Tuition” COLA (assumes SGF COLA is funded by State) (*)
- **Operating Needs**
  - $350K Strategic Initiatives Fund
  - $55K Houston Admissions Representative
  - $60K Finish Phase-In of 27th Pay Period Reserve (2028)
  - $???? Employee & Dep./Spouse Tuition Assistance
  - $???? Other Operating/Equipment/Capital Needs

(M) Mandatory  (*) Preliminary Estimate
IMPORTANCE OF CREDIT HOUR GROWTH

CREDIT HOUR GROWTH

• Each 1% Increase in Total Annual Credit Hours and/or the Tuition Rate Equals Approx. $879K in New Revenue (assuming type of student remains constant)

• Example: 4% Growth in Total Annual Credit Hours = $3.5 Million
TWO KEY CHARGES OF THE COMMITTEE

Committee’s Charge to Aid President’s Executive Team:

• Suggest budget priorities consistent with the strategic plan in the event of reductions in state appropriations or other funding limitations.

• Gather information regarding areas where long-term budget efficiencies might be achieved while increasing effectiveness in achieving strategic goals.

• Suggest areas that might result in increased income that are consistent with the strategic plan.

• Communicate regularly with the campus regarding ideas and discussions.
WSU IDEA GENERATOR

2017 Budget Advisory Committee Outline

Campus Community
- Faculty, Staff, Students, Administrators, Academic Units, Non-Academic Units submit ideas through the Idea Generator on-line portal
- Ideas may be opportunistic or strategic, and may involve revenue enhancement and/or cost reduction
- Campus community provides review and comment on proposed ideas available on-line

Budget Advisory Committee
- Evaluates opportunistic and strategic ideas at monthly meetings
- High impact ideas are forwarded to units/champions for further proposal development
- Seeks additional information (if necessary) and review from appropriate colleges and units
- Evaluates proposals at meetings using prioritization criteria
- Submits prioritized list or recommendations to the President’s Executive Team (PET)

PET
- PET reviews recommendations and decides which proposals should be implemented and when
**Budget Advisory Committee Idea Submission Form**

The WSU Budget Advisory Committee is working to make the budget development process more inclusive and collaborative. As part of that initiative, we are hoping to draw upon the wealth of experience and expertise across the campus community to make sure all ideas are considered and every voice is heard. If you have an idea that can help WSU save money or increase revenue, we hope you'll take the time to complete the following four-item form to give us your ideas and input. **Click the "Next" button at the bottom of the page to begin.**

Thanks for participating!

Given the sometimes sensitive nature of budget-related suggestions, this form has been created in Qualtrics as an anonymous form – no data will be gathered about you or your device, although you will have the option to leave an email address, if you wish.

If you have more than one submission, please hold to one idea per form submission to allow us to more easily route the idea to the proper subcommittee. After your first submission, you'll have the option to fill out a new form.

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**NEW SUBMISSION**

Use existing employees instead of new hires to support software purchases

June 5, 2018 — 0 Comments
**Next Steps:**

- *Is BAC okay with a subcommittee deciding what is placed on the WSU Idea Generator site, with reporting back to the full committee?*
  - *Who is interested in being on the subcommittee?*
- *Campus-wide kick-off communication next week.*
- *Start with a clean slate, removing the past submissions.*
- *BAC will need to decide how best to select and evaluate the ideas to be proposed to the President’s Executive Team.*
QUESTIONS

• Feel free to contact me with any questions or to present to your campus group
• Will be adding voice over copy of the presentation on the BAC’s website

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