Budget Advisory Committee Minutes – 12/19/17

• Operating Budget Presentation – PowerPoint Slides
  ▪ Overview of Operating Budget Structure
  ▪ General Use funds: combined revenues from State General Fund ($71M) and Tuition ($88.6M)
  ▪ Restricted Use funds: special revenues that must be used for the specific purpose collected ($155.4M)

• Preliminary GU Budget Considerations – funding all listed expenditures would require new revenue/reallocations of $7.5M. Separated by items initially viewed as mandatory vs. discretionary. Currently we are at the initial stages of the budget process, which will continue through to the end of June.
  o Mandatory - $2.9M
    ▪ $781k employer health benefit rate increases
    ▪ $213k Death & Disability benefit restoration
    ▪ $202k other benefits
    ▪ $150k Promotions in academic rank and tenure
    ▪ $100k estimated utility rate increases
    ▪ $1.3M SEM scholarship merit based plan
    ▪ $68k EAB enrollment services – multiyear contract
    ▪ $100k KanREN internet and networking
  o Discretionary
    ▪ $1.6M 2.5% increase for faculty and staff not receiving legislature FY’18 mandated increase
    ▪ $1.2M faculty/staff compression/compensation equity – inequality between new hire faculty/staff and those who have been at WSU for many years
    ▪ $500k promotions for non-tenure track faculty – 2 new ranks
    ▪ $290k SEM college retention success coaches
    ▪ $300k strategic initiatives fund – Used to fund special initiatives, such as the Harry St. Mall & Mead property and renovations
    ▪ $400k Latinx cluster hire – 5 faculty and an MRC individual
    ▪ $110k implement 27th pay period reserve – Every 11 years you have a 27th pay period, so this would be a reserve to pay for that in 2028
    ▪ $181k employee & dependent/spouse tuition assistance – underestimated in past

• Preliminary GU Revenue Estimates – new GU revenue collections estimated at $2M
  o State General Fund - $728k
    ▪ $728k restoration of 0.8% of 3.8% FY17 reduction and benefit increases excluding health $204k
  ▪ Significant State Budget Considerations
    ▪ Revenue collections upbeat – Nov estimate increased by $230M for FY18 and FY19 combined
    ▪ K-12 funding
  o Tuition - $1.3M
- $2.2M tuition rate increase (example, not official)
- ($900k) Tuition re-alignment – estimated tuition shortfall in FY18 due to international credit hours shortfall carried forward into FY19
- For conservative budgeting, initial assumption here is for $0 base credit hour revenue growth
  - Each 1% increase in total annual credit hours and/or the tuition rate equals approximately $876k in revenue
  - Other options are reallocation of restricted use funds and prioritization of existing spend/projects
- Efficiencies Idea Generator
  - A committee who reviews the idea submissions, assesses, then reaches out to the subject expert about the feasibility to pursue. Efficiencies subcommittee will regroup to review and refine submitted items for the Priorities subcommittee.
- Continue pressure on enrollment growth
- Research funding has gone up, but it has been mainly NIAR capital rather than faculty research funding which is indirect savings rather than direct
- Important to communicate with the public – the PowerPoint can be shared with the public
  - We can do a voiceover of the PowerPoint with a transcript for accessibility