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Arts and Sciences Open Faculty Forum

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2013/14 Budget Overview

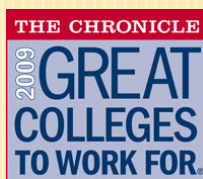


Arts and Sciences Open Faculty Forum



John M. Dunn

November 15, 2013



Operating Funds are Spent Within a Given Year in Support of On-Going Operations of the University

❑ GENERAL FUND

Represents the University's operating fund and corresponds to the actual operating budget of the University.

❑ AUXILIARY FUND

Auxiliary funds contain Residence Halls, Cafeterias, Miller Auditorium, and other units such as Parking Systems, Sindecuse Health Center, Fetzer Center and University Bookstore. These funds are essentially self-supporting.

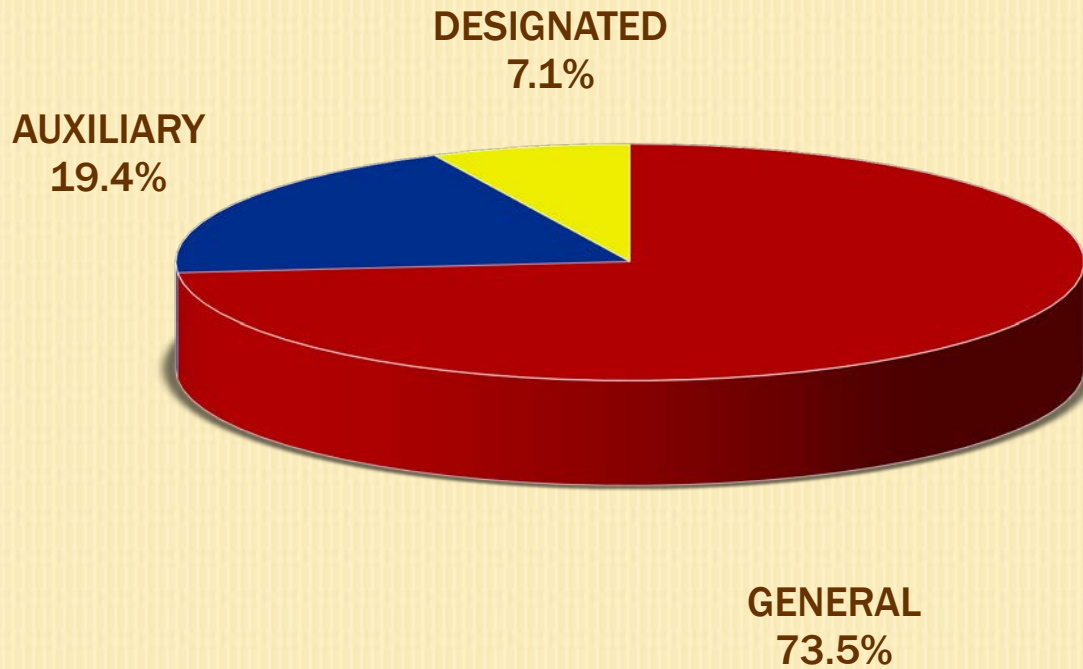
❑ DESIGNATED FUND

Funds containing program accounts that are self-supporting and designated for specific purposes in support of the main University mission. Such program activities include instructional class fees revenue, aviation flight fees revenue, enrollment fee revenues and study abroad programs; and instances where a separate fee is charged in support of direct instructional expenses.



2013/14 WMU Board Budgeted Revenues

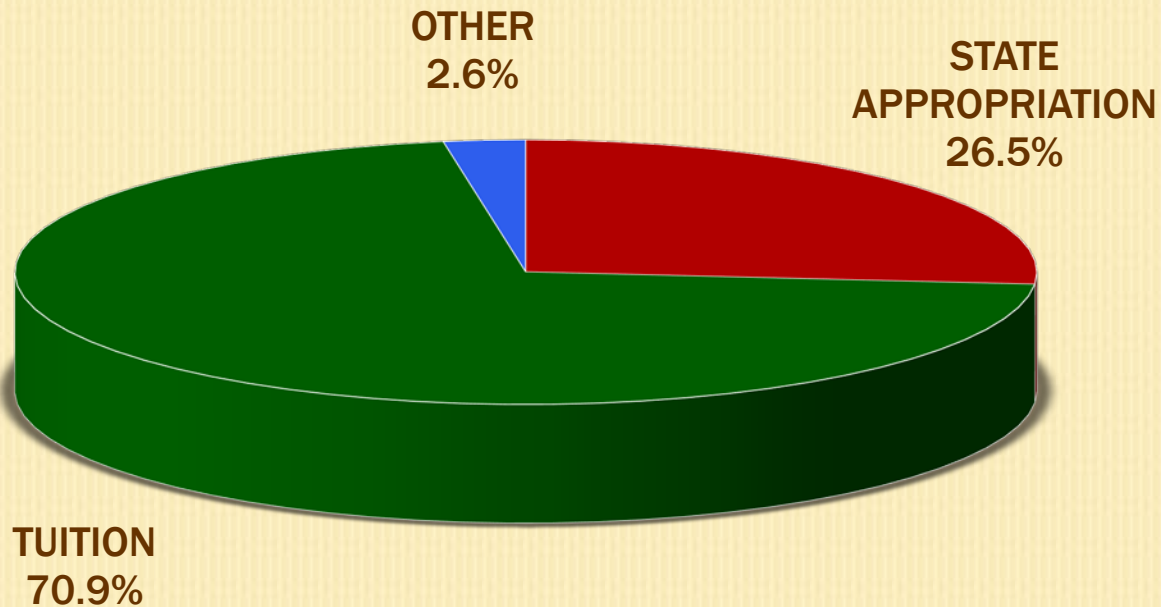
General Fund:	\$366,646,835
Designated:	35,283,460
Auxiliary:	<u>97,050,941</u>
Grand Total:	\$498,981,236





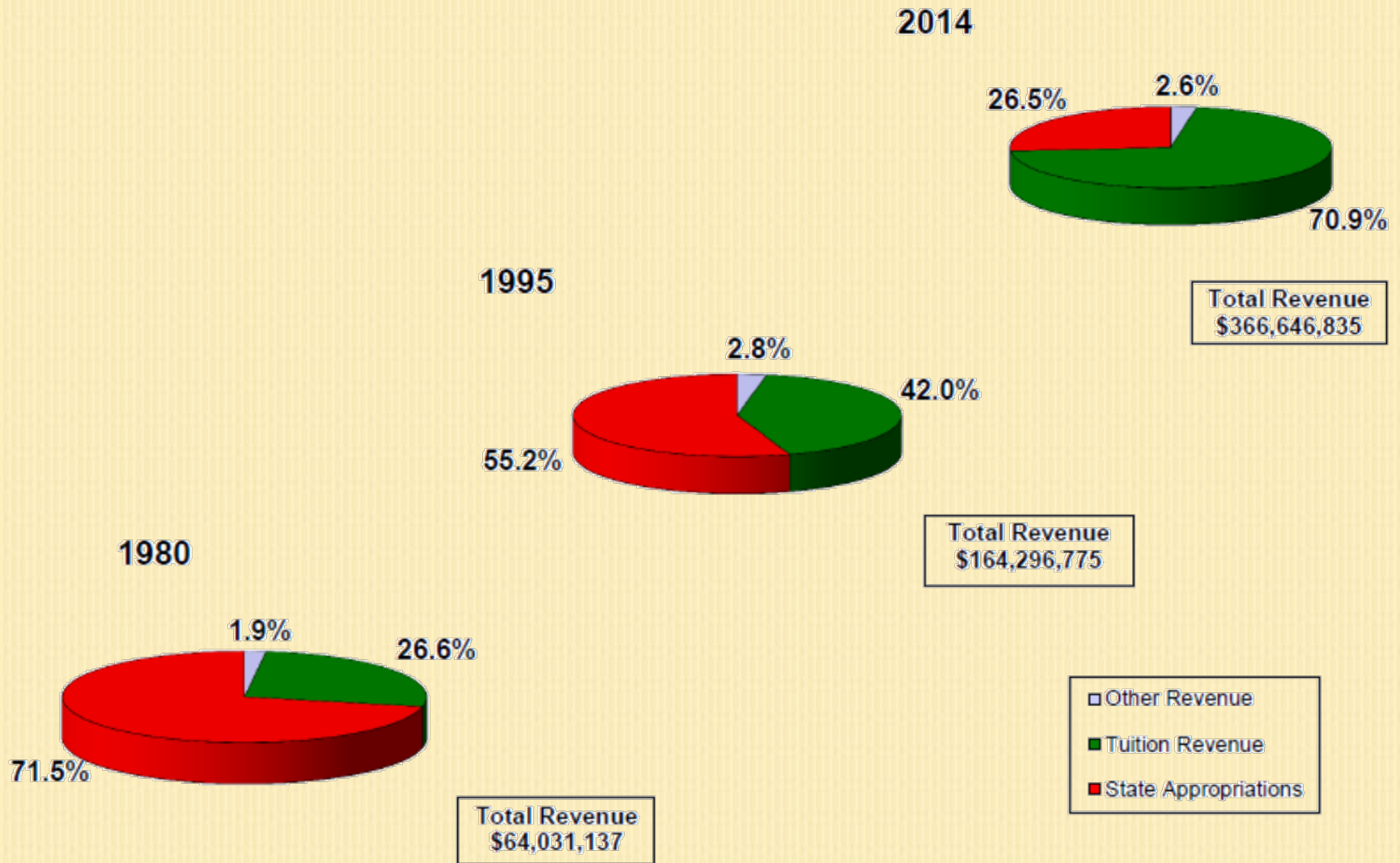
2013/14 General Fund Board Budgeted Revenue

Revenue Budget
366,646,835



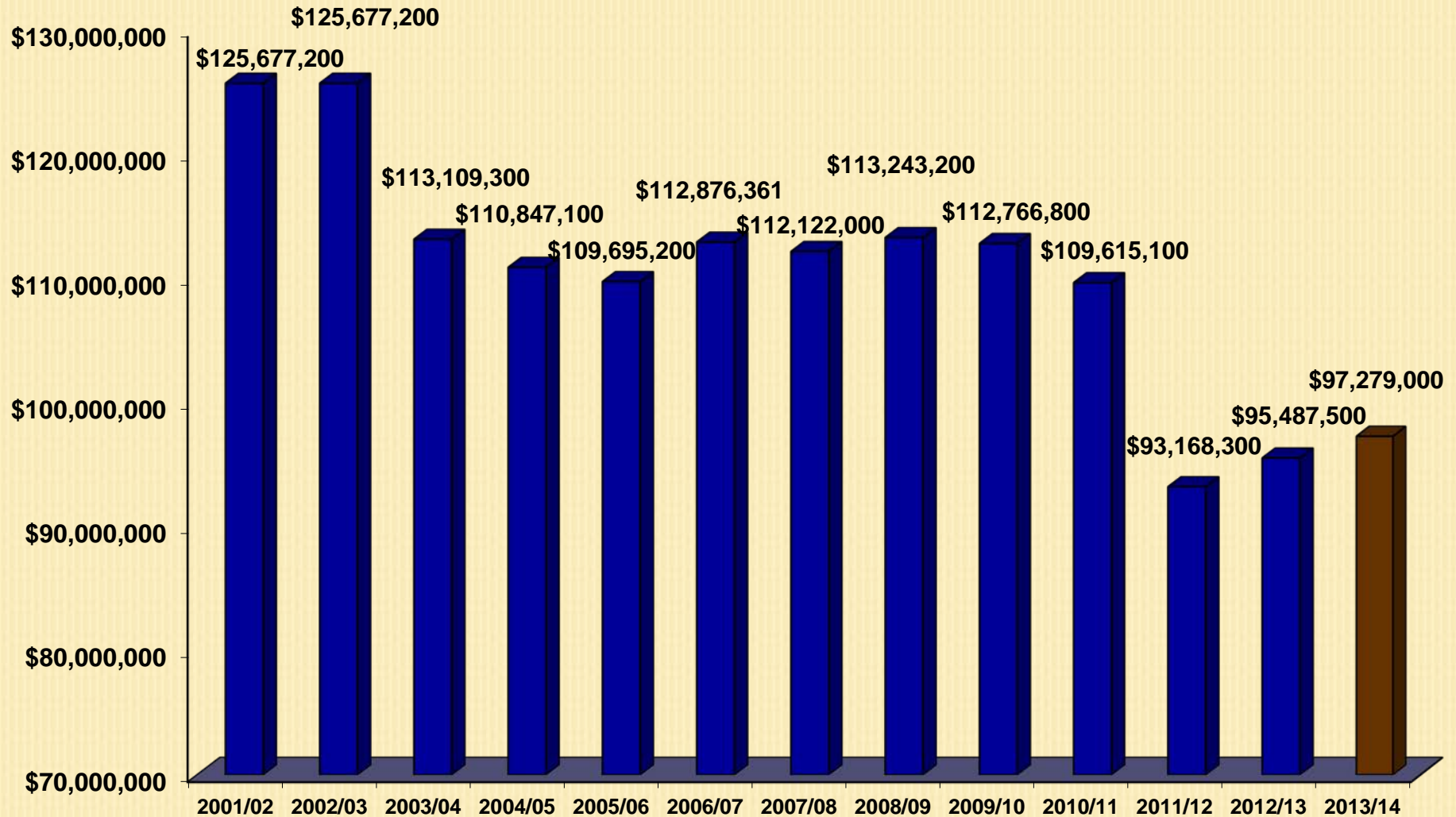


General Fund Revenue History



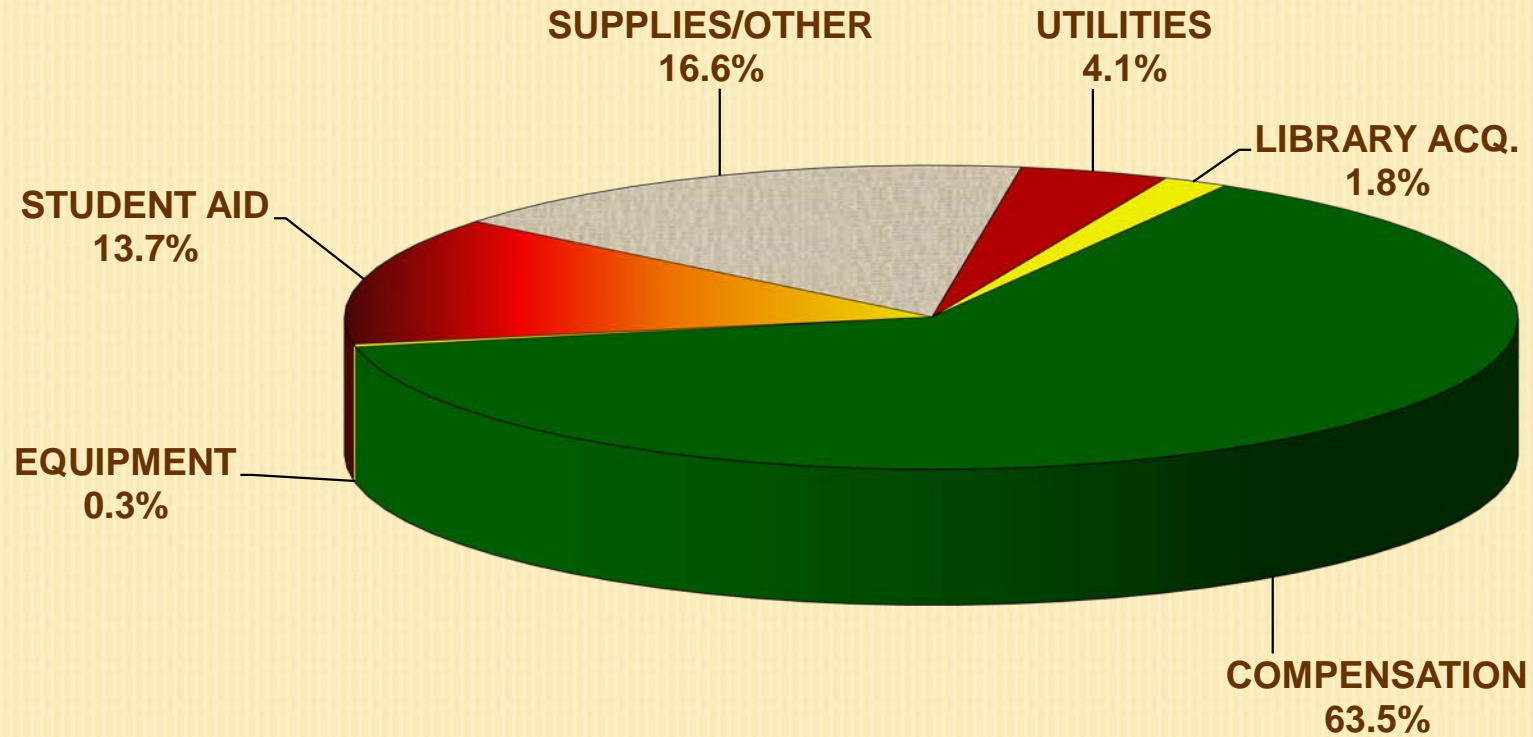


Analysis of State Appropriation Support 2001/02 TO 2013/14





2013/14 General Fund Expense Budget





2013/14 WMU General Fund Budget Expenditures

Where the Money Goes



81 cents of each \$1 goes to classroom, academic, and student support activities

- Instruction
- Scholarships and Student Financial Aid
- Academic Advising and Support Services
- Libraries
- Faculty Research Support
- Student Services

10 cents of each \$1 pays for operations and plant maintenance

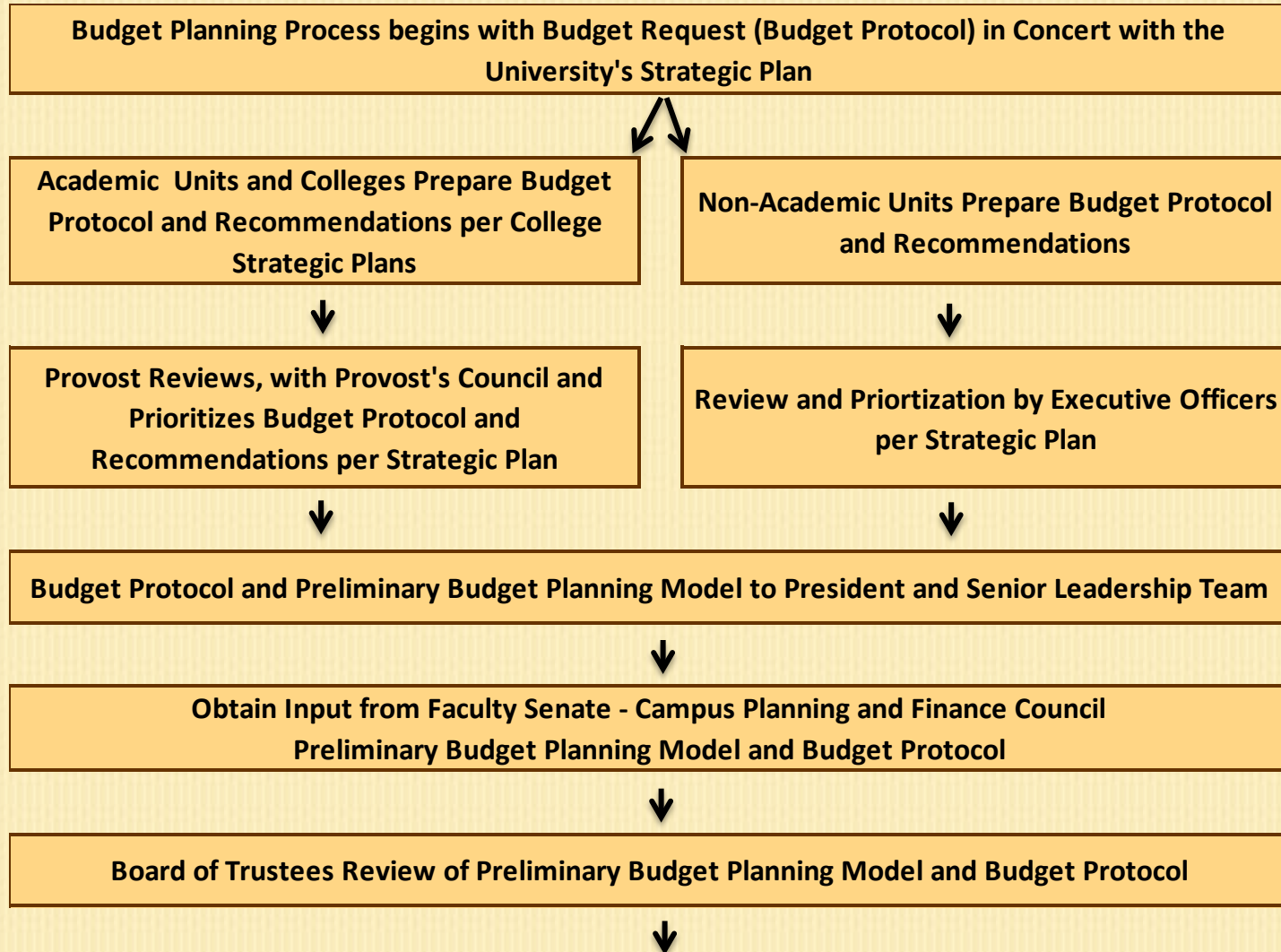
- Utilities
- Custodians
- Maintenance
- Landscape

9 cents of each \$1 goes to institutional support services

- Fundraising Activities
- Budgeting and Accounting Services
- Human Resources
- Central Information Technology
- Legal Services
- Public Safety

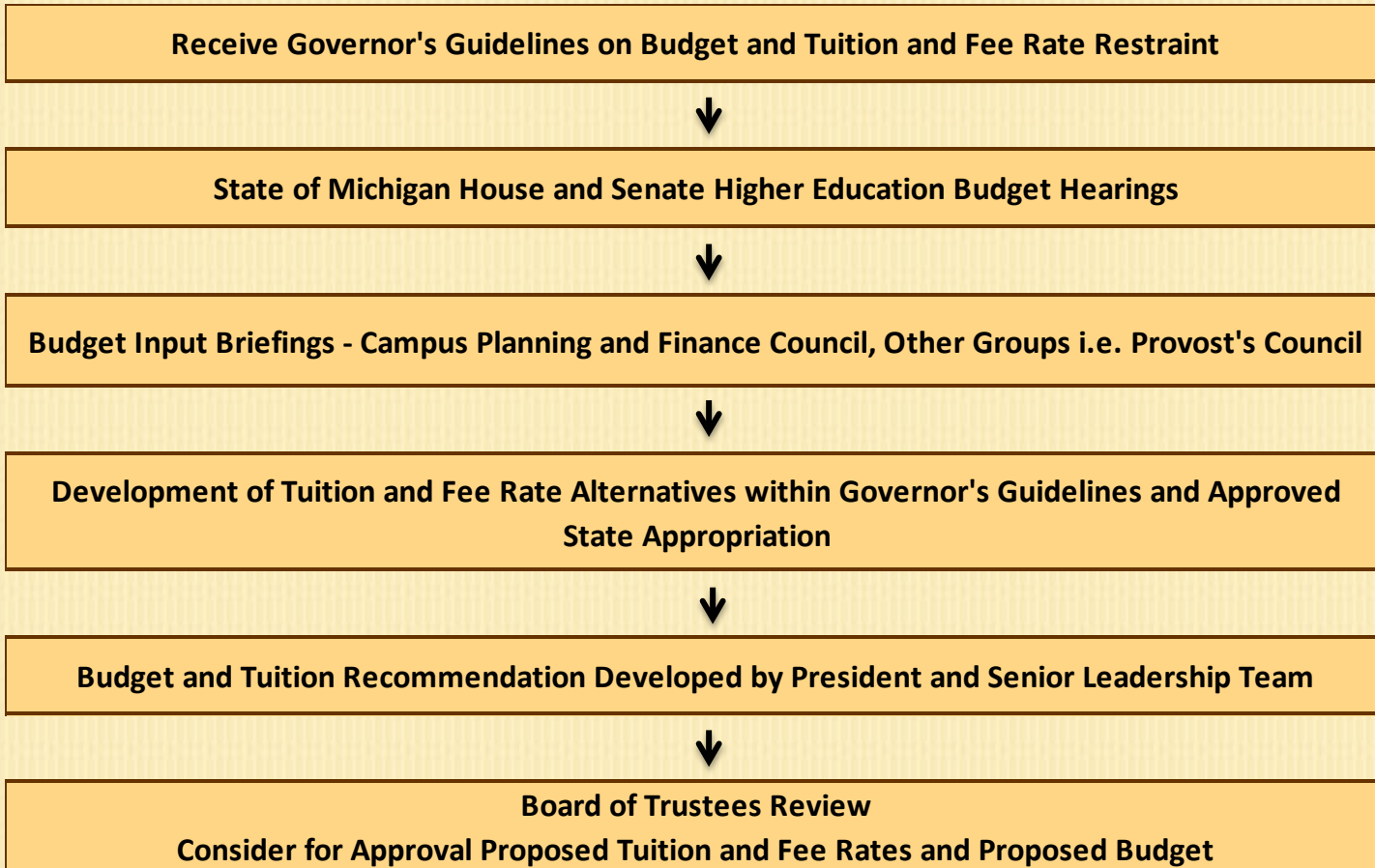


Linkage of University Strategic Plan to the General Fund Budgetary Process





Linkage of University Strategic Plan to the General Fund Budgetary Process





2013/14 General Fund Budget Outlook

2012/13 Board Approved Revenue Base (In Thousands)		\$358,489.3
2012/13 On-campus fall/spring tuition shortfall		-\$5,554.0
2012/13 Off-campus EUP adjustment		\$1,689.7
2012/13 State appropriation (restraint allocation)		\$169.2
Departmental revenue		-265.8
2012/13 Adjusted Revenue Base		\$354,528.4
2013/14 Revenue Changes (In Thousands)		
Estimated state appropriation operating increase (+1.8%)	1,747.7	
Estimated tuition revenue increase		
On-Campus		
Tuition increase (3.57%)	7,473.0	
Estimated enrollment change (-2.3%)	-4,462.6	
Estimated college differential tuition increase	2,369.7	
EUP Tuition Increase	4,990.6	
Subtotal 2013/14 - Revenue Changes		12,118.4
2013/14 Estimated Resources Available		\$366,646.8



2013/14 General Fund Budget Outlook

2012/13 Board Approved Expense Base		\$358,489.3	
2012/13 Off-campus EUP adjustment		\$1,689.7	
Departmental revenue		-265.8	
2012/13 Adjusted Expense Base		\$359,913.2	
2013/14 Expense Changes (In Thousands)			
Compensation	5,697.6		
MPSERS Retirement rate change (+0.5%)	773.7		
Utilities (+5.5%)	871.0		
Debt Service - East Hall Alumni Center Project	359.3		
EUP program support	3,490.6		
College Differential - program support increase	1,777.3		
- student financial aid increase	592.4		
Investments (Budget Protocol):			
Public safety officers	124.0		
Subtotal 2013/14 - Expense Changes		\$13,685.9	
Subtotal 2013/14 Adjusted Expense Base		\$373,599.1	
2013/14 Budget Reduction (-2.86%)		-6,952.3	needed to help cover shortfall
2013/14 Net Estimated Expenditures		\$366,646.8	
2013/14 Estimated Excess Revenue over Expenditures		\$0.0	



General Fund Changes from 2006/07 to 2013/14

2006/07 Booked Budget

\$287,502,662

Revenue Changes:

Tuition Increases	\$64,822,952
State Appropriations	-15,597,361
EUP Tuition Increases	19,486,915
Differential Tuition	6,729,386
Other Income	3,734,000
Total Revenue Increase	\$79,175,892

Board Authorized Expense Increases:

Compensation and Fringe Benefit Changes	\$37,002,984
Utilities	3,307,945
Student Aid	18,110,882
Library Acquisitions	980,593
Differential Tuition Adjustments	6,729,386
Programmatic Adjustments	23,524,970
EUP Program Support	13,458,612
FY06/07 Budget Short-fall (\$8,268,294) Recovery	8,268,294
Resource Allocation Increase	\$111,383,666

Revenue Short-fall/Budget Reduction	<u>-\$32,207,774</u>
-------------------------------------	-----------------------------

Change in Resource Allocation 2006/07 through 2013/14

\$79,175,892

2013/14 Booked Budget

\$366,678,554



Resource Allocation and Budget Reduction by VP 2006/07 through 2013/14

	FY06/07 Booked Budget	Percent of FY06/07 Total Bkd Budget	Increase in Resources	Reduction	Net Change	FY13/14 Booked Budget	Percent of FY13/14 Total Bkd Budget	Percent Change VP Budget
President	16,518,263	6%	6,334,824	-1,888,576	4,446,248	20,964,511	6%	27%
VP for Academic Affairs (Includes VP for Information Technology)	207,006,554	72%	75,056,005	-22,715,302	52,340,703	259,347,257	71%	25%
VP for Development	1,176,099	0%	1,114,019	-774,793	339,226	1,515,325	0%	29%
VP for Student Affairs (Includes VP for Diversity & Inclusion)	4,871,750	2%	1,149,872	-500,272	649,600	5,521,350	2%	13%
VP for Business and Finance	43,348,809	15%	9,175,614	-3,563,363	5,612,251	48,961,060	13%	13%
VP for Gov't Affairs/Univ Relations	2,557,240	1%	763,823	-561,477	202,346	2,759,586	1%	8%
VP for Legal Affairs/General Counsel	457,258	0%	96,053	-56,073	39,980	497,238	0%	9%
VP for Research	4,532,017	2%	1,902,723	-1,385,526	517,197	5,049,214	1%	11%
Other Assigned Costs	7,034,672	2%	15,790,733	-762,392	15,028,341	22,063,013	6%	214%
	287,502,662	100%	111,383,666	-32,207,774	79,175,892	366,678,554	100%	28%



Summary of General Fund Instruction Booked Budgets for Fiscal Year 2006/07 through 2013/14

	<u>2006/07 Budget</u>	<u>Dollar Change</u>	<u>2013/14 Budget</u>	<u>Percent Change</u>
ACADEMIC AFFAIRS - INSTRUCTION	\$130,554,166	\$31,798,388	\$162,352,554	24%
Earmarked Items:				
EUP Program Support		-\$13,458,612		
Differential Tuition		-4,977,350		
Adjusted AA Instruction Budget		\$13,362,426	\$143,916,592	10%
College of Arts and Sciences	\$45,425,811	\$2,286,839	\$47,712,650	5%
College of Aviation	\$3,941,832	\$363,336	\$4,305,168	9%
College of Business	\$13,540,622	\$1,863,690	\$15,404,312	14%
College of Education	\$12,694,920	-\$133,064	\$12,561,856	-1%
College of Engineering and Applied Sciences	\$15,359,483	\$1,898,185	\$17,257,668	12%
College of Fine Arts	\$10,510,979	\$1,471,453	\$11,982,432	14%
College of Health and Human Services	\$10,338,445	\$2,736,343	\$13,074,788	26%
Extended University Programs	\$9,184,694	\$13,458,612	\$22,643,306	147%



College of Arts and Sciences 5-Year Budget History

	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
Booked Budget	\$49,346,534	\$50,524,249	\$50,531,875	\$50,234,023	\$49,687,654
GA/DA Funds	\$8,533,147	\$8,940,467	\$8,969,434	\$9,350,737	\$9,871,536 *
Part-time Allocation	\$1,020,000	\$1,045,500	\$1,014,135	\$1,014,135	\$1,014,135
EUP Revenue Share	\$631,503	\$710,735	\$882,254	\$1,184,635	TBD **
Total	\$59,531,184	\$61,220,951	\$61,397,698	\$61,783,530	\$60,573,325
Tenured and Tenure-track Faculty (Fall)	326	331	325	315	320
Undergraduate Headcount (Fall)					
- Primary Program (unduplicated)	4,948	5,101	5,248	5,059	4,728
Graduate Headcount (Fall)	1,163	1,198	1,179	1,193	1,158
Total Headcount	6,111	6,299	6,427	6,252	5,886
Undergraduate Headcount (Fall)					
- All Majors (duplicated)	6,574	6,853	6,825	6,478	6,105
Student Credit Hours (Fall) - Main	147,745	149,087	143,338	133,706	127,082
Student Credit Hours (Fall) - Online	2,763	3,112	3,823	5,737	5,945
Student Credit Hours (Fall) - Regional Site	1,209	893	924	815	625
Total Student Credit Hours (Fall)	151,717	153,092	148,085	140,258	133,652

* GA/DA Funds for 2013-14 preliminary

** To be determined. EUP Revenue Shares for 2013-14 not yet distributed.



Summary of 2013/14 Academic Affairs Budget Reduction to Areas

	University Budget Reduction	Provost Assigned Budget Reduction	Total Provost Budget Reduction
Arts and Sciences	1,380,114	527,620	1,907,734
Aviation	84,922	32,466	117,388
Business	344,637	131,756	476,393
Education	367,837	140,625	508,462
Engineering and Applied Sciences	395,275	151,114	546,389
Fine Arts	256,088	97,903	353,991
Health and Human Services	202,825	77,541	280,366
Other - Instructional Reserves	631,224	142,035	773,259
Other - Non-Instructional	765,696	292,727	1,058,423
Total 2013/14 Budget Reduction	4,428,618	1,593,787	6,022,405

Chronological Academic Affairs Enrollment and Budget Timeline

May 15, 2012 – Discussion of 2013/14 enrollment and Academic Affairs budget began.

June 12, 2012 – Further enrollment discussion with an early -1.02% projected 2013/14 enrollment drop. Discussion and an early alert from the provost of a possible 2013 University budget cut of 2.6 million and an estimated Academic Affairs cut of 1.5 to 4 million.

July 10, 2012 – Provost indicated statewide decline in the number of new freshmen. There may be as much as a 4 million budget reduction that goes into effect at the start of FY2013. Provost indicated that the areas with enrollments in decline will take larger cuts.

August 28, 2012 through March 12, 2013 – Enrollment and budget discussions continued at 10 Provost's Council meetings. Deans were encouraged to prepare reduction scenario plans at various levels up to a maximum of 4%.

Chronological Academic Affairs Enrollment and Budget Timeline

April 23, 2013 – President Dunn and Dean Honsberger presented a PowerPoint presentation that projected the University budget.

Projected 2013/14 enrollment down -1.92%. Expense over revenue projected at -7.5 million. Honsberger indicated that budget cuts are coming. There was discussion regarding areas that could be cut and reductions based on performance.

May 24, 2013 through November 1, 2013 – Further enrollment and budget discussion continued at 8 Provost's Council meetings.

Primary Variables Used to Determine Budget Reallocations to Colleges

- Undergraduate Enrollment
- Graduate Enrollment
- Student Credit Hours Generated
- Research Funding
- Freshmen to Sophomore Retention Rate
- Other Qualitative Enhancements in the College (awards, achievement, etc.)



Total Undergraduate/Graduate Credit Hours

	Fall 2009	Fall 2010	Fall 2011	Fall 2012	Fall 2013	2 Year % Change	1 Year % Change
Arts and Sciences	147,745	149,087	143,338	133,706	127,082	-11.3%	-5.0%
Aviation	4,843	4,636	4,893	5,291	5,759	17.7%	8.8%
Business	35,170	34,577	32,976	30,451	31,196	-5.4%	2.4%
Education and Human Dev	26,236	25,831	25,358	24,466	23,653	-6.7%	-3.3%
Engineering	19,600	19,420	19,686	19,858	20,183	2.5%	1.6%
Fine Arts	17,775	18,698	18,509	17,575	17,063	-7.8%	-2.9%
Health and Human Services	21,225	22,776	24,147	23,650	24,145	0.0%	2.1%

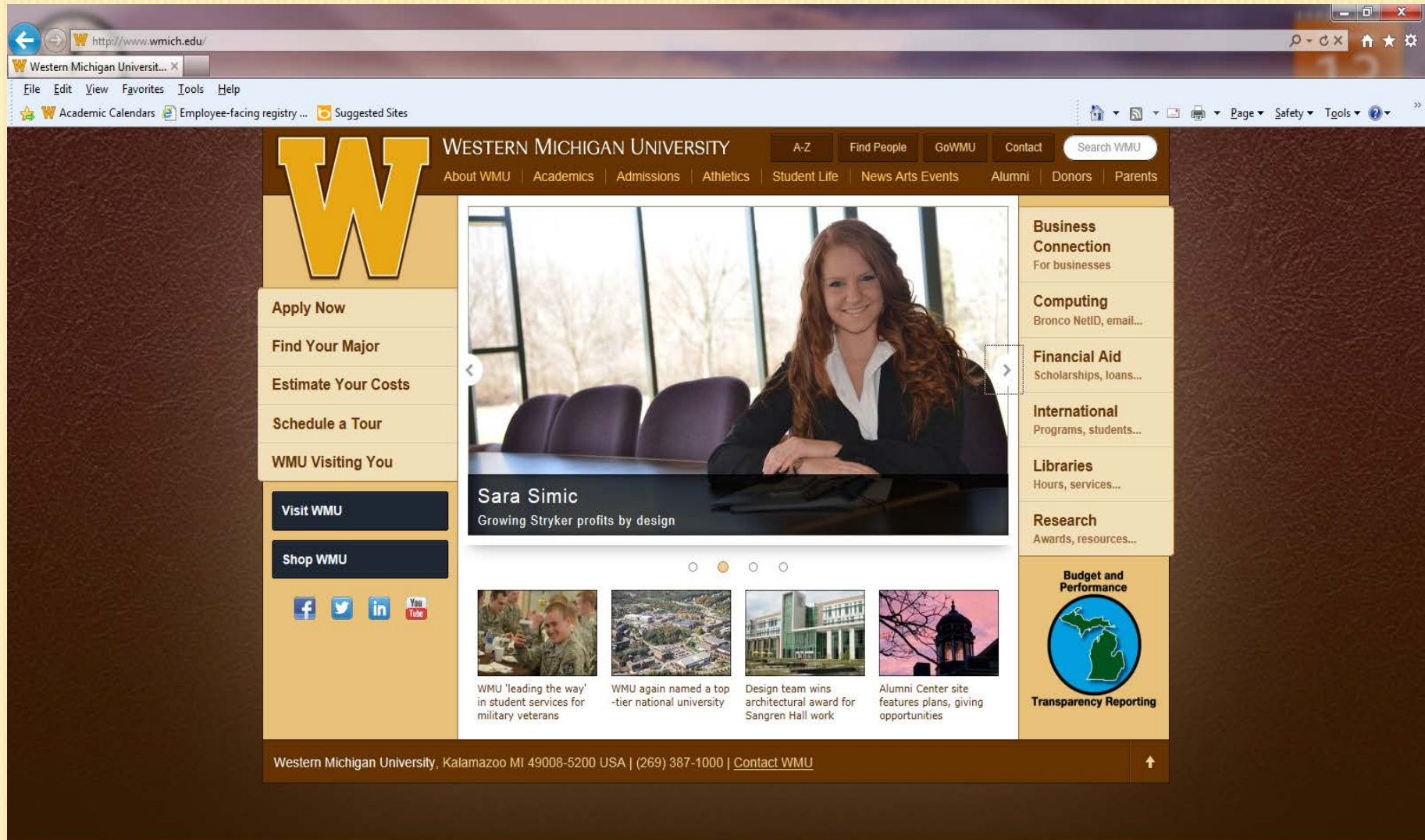


Total Undergraduate/Graduate Enrollment

	Fall 2009	Fall 2010	Fall 2011	Fall 2012	Fall 2013	2 Year % Change	1 Year % Change
Arts and Sciences	6,111	6,299	6,427	6,252	5,886	-8.4%	-5.9%
Aviation	665	668	663	696	726	9.5%	4.3%
Business	4,448	4,283	4,117	3,978	4,117	0.0%	3.5%
Education and Human Dev	5,219	5,200	4,961	4,695	4,519	-8.9%	-3.7%
Engineering	2,526	2,597	2,661	2,609	2,680	0.7%	2.7%
Fine Arts	1,082	1,093	1,109	1,091	1,122	1.2%	2.8%
Health and Human Services	2,670	2,889	3,018	3,176	3,262	8.1%	2.7%

Budget and Performance Transparency Reporting

<http://www.wmich.edu/transparency>



The screenshot shows the Western Michigan University website homepage. The browser address bar displays <http://www.wmich.edu/>. The website features a large yellow 'W' logo on the left. Below the logo are links for 'Apply Now', 'Find Your Major', 'Estimate Your Costs', 'Schedule a Tour', and 'WMU Visiting You'. Further down are buttons for 'Visit WMU' and 'Shop WMU', followed by social media icons for Facebook, Twitter, LinkedIn, and YouTube. The main navigation bar includes links for 'About WMU', 'Academics', 'Admissions', 'Athletics', 'Student Life', 'News Arts Events', 'Alumni', 'Donors', and 'Parents'. A search bar is also present. The central content area features a large photo of Sara Simic, a woman with long red hair, sitting at a desk. Below her photo is the text 'Sara Simic' and 'Growing Stryker profits by design'. To the right of the main content are several vertical panels: 'Business Connection' (For businesses), 'Computing' (Bronco NetID, email...), 'Financial Aid' (Scholarships, loans...), 'International' (Programs, students...), 'Libraries' (Hours, services...), and 'Research' (Awards, resources...). At the bottom right, there is a 'Budget and Performance Transparency Reporting' section with a map of Michigan and the text 'Transparency Reporting'. The footer contains the text 'Western Michigan University, Kalamazoo MI 49008-5200 USA | (269) 387-1000 | [Contact WMU](#)'.





Strategies Moving Forward

I. Revenue Enhancement

- Increase State Funds
- Increase Tuition
- Expand Differential Tuition
- Grants and Contracts
- Philanthropy

II. Enhance Enrollment

- Provide Academic Programs that are in High Demand
- Recruit Students
- Retain Students
- Change Mix of Resident and Non-Resident Students
- Expand On-Line

III. Other Options

- Reduce Costs
- Shift Costs
- MPSERS Relief



2013/14 Michigan Public Universities Tuition and Fees

13/14 UNDERGRADUATE RESIDENT LOWER

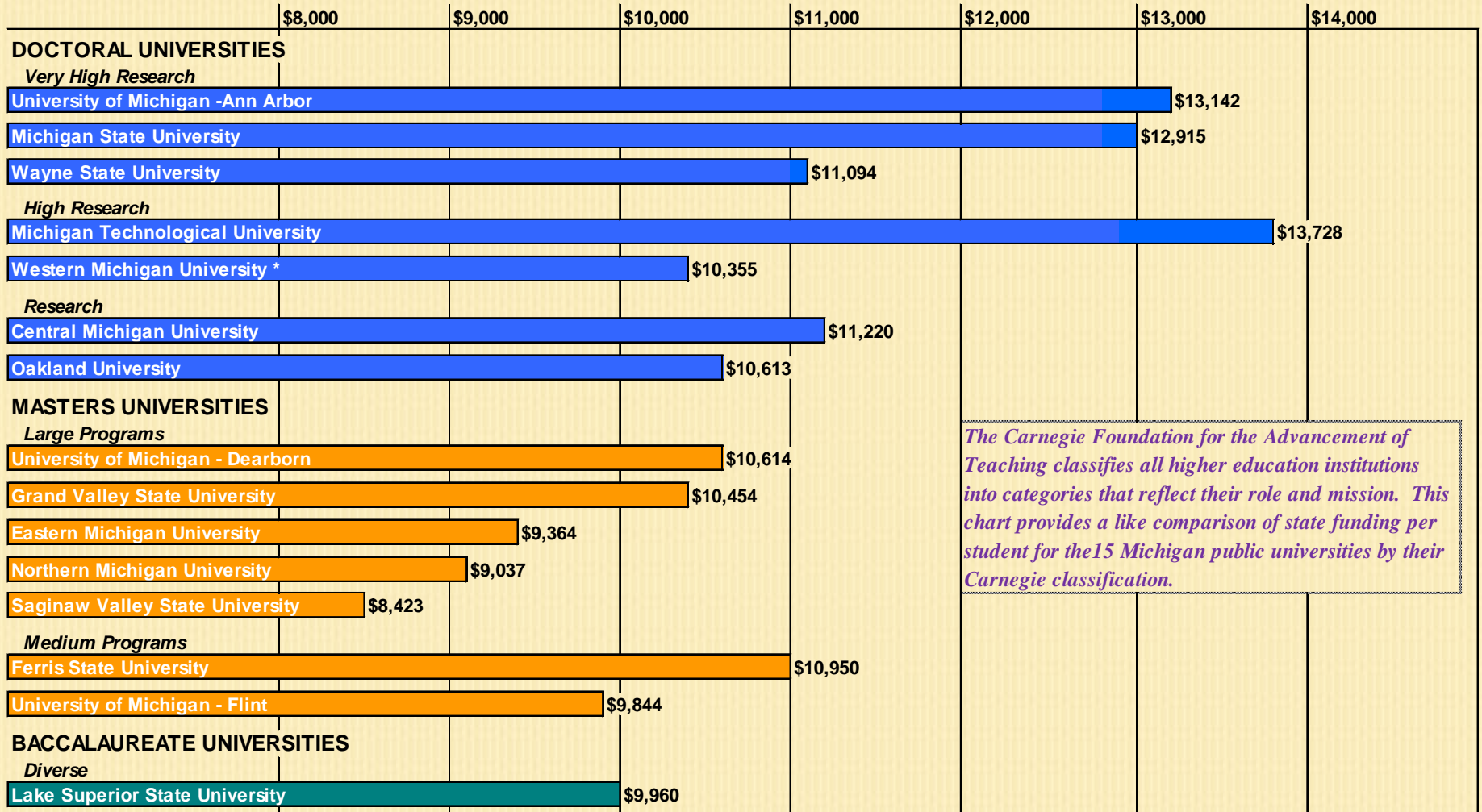
1	Michigan Technological	13,728	High Research
2	University of Michigan - Ann Arbor	13,142	Very High Research
3	Michigan State	12,915	Very High Research
4	Central Michigan	11,220	Research
5	Wayne State	11,094	Very High Research
6	Ferris State	10,950	
7	University of Michigan - Dearborn	10,614	
8	Oakland	10,613	Research
9	Grand Valley State	10,454	
10	Western Michigan*	10,355	High Research
11	Lake Superior State	9,960	
12	University of Michigan - Flint	9,844	
13	Eastern Michigan	9,364	
14	Northern Michigan	9,037	
15	Saginaw Valley State	8,423	



2013/14 Michigan Public Universities

Tuition and Fees for Carnegie Classification

Undergraduate Resident Lower



The Carnegie Foundation for the Advancement of Teaching classifies all higher education institutions into categories that reflect their role and mission. This chart provides a like comparison of state funding per student for the 15 Michigan public universities by their Carnegie classification.

Excludes \$300 one-time Records Initiation Fee