PROPOSAL: University Budget for 2019-2020

Background

The general fund is the primary operating fund of the University and provides the University with the financial resources to meet instructional, programmatic and operating needs. Resource allocation is aligned with the University’s 2020 Gold Standard Strategic Plan and transformational initiatives identified. WMU wants to ensure a distinctive and supportive learning experience that fosters success in a diverse and inclusive culture. We want to build on our Carnegie classification of being a higher research doctoral university that advances new knowledge and value-added discovery while advancing economic and environmental sustainability practices and policies. Initiatives should promote WMU being the school of choice, diversifying revenue streams, and recruiting and retaining students and ensuring their academic success.

The budget being proposed today reflects our practice and commitment to present a balanced general fund budget for Board approval. The attached proposed fiscal year 2019-2020 general fund budget totals approximately $423M, which represents an increase of .61% from last year’s budget. In terms of real dollars, both revenue and expenses increased $2.6 million over last year’s Board approved budget.

The budget reflects a 1% increase in appropriations ($1.1M) and a tuition increase as calculated using the State formula of 4.3%. The change in budgeted revenues results from the increase in both state appropriation and tuition revenue also recognizing a projected decline in enrollment.

The university is committed to containing costs and being sensitive to the life’s demands placed on our students including financial. For this reason, WMU is taking measures to reduce our expenses by $10M. In addition, approximately one-half of our new budget adjustments are dedicated to the well-being of our students and employees. We are investing in campus infrastructure designed to meet students’ needs, have substantially increased our student financial aid dollars and are providing additional initiative dollars focused on students’ holistic needs. Additional dollars are also being provided to address identified concerns of our staff. The budget reflects negotiated compensation increases for collective bargaining agreements.

Recommended Action

It is recommended the Board approve the proposed fiscal year 2019-2020 general fund budget, which provides the necessary University financial resources to meet instructional, programmatic and operating needs, in alignment with the University strategic plan with any required adjustments made at the direction of the President upon final State of Michigan higher education appropriations.