Board of Trustees
Budget Briefing
April 27, 2023
Business and Finance
Budget Briefing
June 2023
The information provided is a modified packet from the actual presentation. Information included in the modified version is focused on historical data and does not include any future financial projections.
University Budget Information
Description of Fund Groups

- **OPERATING FUNDS** – Funds spent within a given year in support of on-going operations of the University.
  - **General Fund** – Represents the University’s main operating fund and corresponds to the actual operating budget of the University.
  - **Auxiliary Funds** – Self-supporting operations that provide a service to students, faculty or staff and charge a fee for these services. Examples include, Housing and Dining Services, Parking Services, and Miller Auditorium.
  - Designated Funds – Funds containing program accounts that are self-supporting and designated for specific purposes in support of the main University mission. Examples include new student orientation, Medieval Conference, and theatre productions.
  - Insurance and Fringe Benefits Fund – Funds containing holdings for fringe benefits and self-insurance coverage.

- **RESTRICTED FUNDS** – Funds used for a given purpose in support of the University but not necessarily spent in a given year.
  - Student Loan Funds – Federal, State, institutional or many private gifts restricted for student loan use.
  - Annuity and Life Income Funds – Used by WMU to account for resources provided by donors under various kinds of agreements in which WMU has a beneficial interest in the resources but is not the sole beneficiary.
  - Expendable Restricted Funds – Includes scholarship and grants and contracts activities.

- **PLANT FUNDS** – Used for the acquisition, construction and maintenance of buildings, equipment repair or replacement, and debt retirement.
FY2022/23 WMU Budgeted Revenues

General Fund: $406,848,724
Designated: 14,564,360
Auxiliary: 108,160,155
Grand Total: $529,573,239

- General Fund: 76.8%
- Auxiliary: 20.4%
- Designated: 2.8%
WMU Depends on Tuition and Fees

2022-23 General Fund Budget
$406.8M

- Tuition and Fees: 69%
- state of Michigan: 28%
- Other: 3%

Student choices outweigh state funding

2.6 x
5 Year Enrollment History

<table>
<thead>
<tr>
<th></th>
<th>Fall 2018</th>
<th>Fall 2019</th>
<th>Fall 2020</th>
<th>Fall 2021</th>
<th>Fall 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergrad</td>
<td>17,760</td>
<td>17,051</td>
<td>16,554</td>
<td>15,309</td>
<td>14,397</td>
</tr>
<tr>
<td>Graduate</td>
<td>4,802</td>
<td>4,419</td>
<td>3,936</td>
<td>3,729</td>
<td>3,438</td>
</tr>
<tr>
<td>Total</td>
<td>22,562</td>
<td>21,470</td>
<td>20,490</td>
<td>19,038</td>
<td>17,835</td>
</tr>
</tbody>
</table>

Enrollment History
Historical State Funding for WMU

$90,000,000

$95,000,000

$100,000,000

$105,000,000

$110,000,000

$115,000,000

$120,000,000

$125,000,000

$130,000,000
2022-23 General Fund Operating Budget by Expense

- Compensation (64.3%)
- Financial Aid (14.3%)
- Utilities (3.5%)
- Debt Service (4.5%)
- Other (13.4%)

Note: With the new budget model (SRM) there is a cost of space allocation for each area based on square footage claimed. The costs used for this allocation include utilities, debt service and compensation and supplies for custodial and maintenance. Categories shown on this graph are by expense type paid and do not reflect SRM cost of space of allocation.
OBF Budget Information
Five Year History – Business and Finance All Funds Budgets

Five Year History – Business and Finance General Fund Budget

Note: With the budget reduction in FY2021, not all general fund positions are funded. There are currently 28 unfunded general fund positions and 4 soft-funded positions.
# Five Year History – OBF FTE Counts

<table>
<thead>
<tr>
<th>Employee Group</th>
<th>FY2019</th>
<th>FY2020</th>
<th>FY2021</th>
<th>FY2022</th>
<th>FY2023</th>
<th>5 Year Change</th>
<th>5 Year % Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clerical/Technical</td>
<td>70.7</td>
<td>67.7</td>
<td>66.7</td>
<td>46.4</td>
<td>47.4</td>
<td>-23.3</td>
<td>-32.9%</td>
</tr>
<tr>
<td>Contract/Professional</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
<td>0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Exec/Sr Admin Officer</td>
<td>7.0</td>
<td>6.0</td>
<td>5.0</td>
<td>5.0</td>
<td>5.0</td>
<td>-2.0</td>
<td>-28.6%</td>
</tr>
<tr>
<td>AFSCME - Custodial, Landscape, Maintenance</td>
<td>313.0</td>
<td>305.0</td>
<td>111.0</td>
<td>230.8</td>
<td>221.8</td>
<td>-91.3</td>
<td>-29.2%</td>
</tr>
<tr>
<td>Police (POA)</td>
<td>22.0</td>
<td>21.0</td>
<td>22.0</td>
<td>22.0</td>
<td>19.0</td>
<td>-3.0</td>
<td>-13.6%</td>
</tr>
<tr>
<td>Power Plant (MSEA)</td>
<td>17.0</td>
<td>17.0</td>
<td>17.0</td>
<td>17.0</td>
<td>16.0</td>
<td>-1.0</td>
<td>-5.9%</td>
</tr>
<tr>
<td>Professional/Administrative</td>
<td>147.0</td>
<td>145.0</td>
<td>142.0</td>
<td>108.0</td>
<td>112.0</td>
<td>-35.0</td>
<td>-23.8%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>577.7</td>
<td>601.8</td>
<td>367.3</td>
<td>447.7</td>
<td>435.8</td>
<td>-155.5</td>
<td>-26.9%</td>
</tr>
</tbody>
</table>

**Note:** FTE counts are as of July 1 of each year and include all OBF FTE not just GF positions.
Facilities Management

Facilities Management Budgets

Custodial
Maintenance
Landscape
Projects/Construction Services
Admin (AVP and IT)
Office of Campus Planning
Architecture and Design
Transportation
Solid Waste Reduction
Power Plant

Power Plant Budgets

Note: The decrease in debt service is due to the final payment of 1992 Bonds during FY2022.
Note: The decline in Parking budgets is tied to declining enrollments and impact of COVID.
Auxiliaries - Actual Financial Activity

• Fetzer Center – 4 of the last 5 years resulted in an operating loss.

• Follett Bookstore Contract – 4 of the last 5 years resulted in a operating profit and expect to break-even for FY23.

• Miller Auditorium – 4 of the last 5 years resulted in an operating loss. The increase in revenues in FY22 are the result of receiving a Small Venue Operating Grant (SVOG) which is a federally funded COVID relief grant.

• Paper Pilot Plant – 4 of the last 5 years resulted in an operating profit and the remaining year was close to break-even.

• Parking Services – 3 of the last 5 years resulted in an operating profit and are close to break-even in FY23 but unable to fund paving improvement projects.
FY2023-24 GENERAL FUND BUDGET PLANNING
State Appropriations – Executive Budget Recommendation

• 4% base increase for university operations (WMU: $4.5M)
• $100M additional ($50M ongoing, $50M one-time) for Michigan Achievement Scholarship (total FY 24 investment $400M)
• Phase 2 of 3 - minimum floor funding ($4,500/FYES) for OU, GVSU & UM-Dearborn-$7M.
• $141M one-time for Infrastructure, Technology, Equipment and Maintenance "ITEM" (WMU: $9.3M)
• $39M one-time for Student Wellness Fund (WMU: $2.5M)
• No funding for additional MPSERS debt paydown or reversal of "MPSERS Penalty".
State Appropriations – House Budget Recommendation

• 4% ongoing base increase and 1% one-time increase. (WMU: $4.5M ongoing, $1.1M one-time)
• $21.4M for accelerated plan for minimum floor of $4,500/FYES.
• $350M for MI Achievement Scholarship. Removes $50M proposed in Exec. Rec.
• Placeholder for Campus Security & Safety Upgrades.
• $2.3M one-time for SBDC Regional Centers
• Inclusion of mental health ($5.6M), academic catch-up program ($5.6M) & then "special projects" for a handful of universities using federal stimulus/COVID dollars. Uncertain if this is permissible or if funds are still available.
• Passed by House on 5/10
State Appropriations – Senate Budget Recommendation

- Significant win/investment for WMU thanks to Sen. Sean McCann & Senate Majority Leadership!
- 6% base funding increase, ongoing (WMU: $6.82M)
- One-time MPSERS Penalty Reversal Payment (WMU $3.48M)
- ITEM (WMU $9.3M) & includes WMU requested language to support "sustainability & modernization"
- $2M seed funding for MI Geological Survey relocation
- Concurs w/ Exec. Rec. on MI Achievement Scholarship investment and following 3-year phase-in for floor school funding.
- No other university specific "special projects".
- Passed by Senate on 5/10
State Appropriations – What’s Next

• Consensus Revenue Estimating Conference on May 19 provided revenue numbers needed to set spending levels for final negotiations – estimates were -$1.8B short-fall

• Budget bills to conference committees for final negotiations

• Final passage possible by late June