

Washburn University

Town Hall Meetings - Budget Issues Discussion

April 2010

FY10 General Fund Budget

Revenues (Excluding Auxiliary Operations):

• Tuition and Fees	\$39,551,553	52%
• State Operating Grant	\$11,307,796	15%
• Sales Tax	\$18,150,719	24%
• Other Income	<u>\$ 7,158,252</u>	9%
Total	\$76,168,320	100%

FY10 General Fund Budget

Other Operating Expenses (Excluding Auxiliaries):

• Instruction	\$29,408,040	38%
• Academic Support	\$ 9,154,141	12%
• Public Service	\$ 2,675,249	4%
• Student Services	\$ 6,648,042	9%
• General Institutional	\$ 5,556,974	7%
• Facilities Services	\$ 5,904,223	8%
• Benefits	\$12,922,415	17%
• Scholarships	\$ 1,807,408	2%
• Transfers	\$ 2,091,828	3%
Total	<u>\$76,168,320</u>	100%

FY10 General Fund Budget

Other Operating Expenses (Excluding Auxiliaries):

• Salaries and Wages	\$57,352,562	75%
• Other Operating Expense	<u>\$18,815,758</u>	<u>25%</u>
Total	\$76,168,320	100%

General Fund Budget Reductions – FY09 and FY10

Revenue Reductions:

• FY 09/FY10 State Operating Grant (9.63%)	\$1,204,935
• FY 09/FY10 – Enrollment Decline	2,068,828
• Interest Income – Idle Fund Investments	550,000
• Endowment, Unrestricted & Restricted Gift	414,123
• Other Income	<u>5,650</u>
Total Reductions	\$4,243,536

General Fund Budget Reductions – FY09 and FY10

Revenue Increases:

• FY10 Tuition and Fees	\$ 756,020
• Stimulus Funds	622,555
• KTWU	7,225
• Reserves (Enrollment Management)	<u>320,000</u>
Total Increases	\$1,705,800
• Total Revenue Shortfall FY10	\$2,537,736

General Fund Budget Reductions – FY09 and FY10

Expenditure Reductions:

• FY09/FY10 Position Eliminations	\$1,466,625
(12 faculty, 50 adjunct, 6 administrative, 7 hourly)	
• Early Retirement Incentive Program	512,494
(6 faculty, 5 hourly)	
• Staff Benefits	647,029
• Operating Expense Reductions	<u>1,181,288</u>
Total Reductions	\$3,807,436

General Fund Budget Reductions – FY09 and FY10

Expenditure Increases:

• Positions – Whiting/Enrollment Management/Mulvane	\$ 23,410
• Faculty Promotions/Student Minimum Wage Increase	58,750
• Insurance/Audit Fees	37,000
• Utilities	325,000
• Marketing and Advertising	250,000
• Scholarships	20,000
• Fringe Benefits (Health Insurance/Positions)	<u>455,540</u>
Total Increases	\$1,269,700

• **Total Expenditure Reductions FY10 \$2,537,736**

Impact of FY09/FY10 Reductions

- Reduced Class Sections:
 - 81 less sections (1460 to 1379 sections)
- Larger Class Sizes
- Reduced Positions:
 - 18 Faculty
 - 50 Adjuncts
 - 18 Administrative/Hourly
- Qualified Students Not Admitted:
 - Bachelor of Health Science, 35
 - Allied Health, 50
 - Nursing, 23

FY10/FY11 Budget Issues

- Reduction in FY10 Monthly Sales Tax Collections Compared to FY09 Collections
 - July – January, \$(393,974) less in FY10 than FY09
- Reduction in State Operating Grant
 - Decreased 2.3%, \$(260,079)
- Decreased Interest Income
 - Estimated \$(250,000) less than budgeted
- Increased Utilities
- Health Insurance
- Permanent Funding for Enrollment Management
\$320,000
- Stimulus Funding Ends FY11 (\$622,555)

FY10/FY11 Budget Issues

	Issues	FY 10	FY 11
Sales Tax Undercollections	393,974	393,974	393,974
State Operating Grant Reduction	260,079	260,079	260,079
Interest Income Reduction	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>
Total	904,053	904,053	904,053
Enrollment Management	320,000		106,600
Stimulus Funding	<u>622,555</u>		<u>311,278</u>
Total	942,555		417,878
Utilities (Note 1)	150,000		150,000
Other Cost Increases	140,000		140,000
Health Insurance (Note 2)	<u>465,000</u>		<u>465,000</u>
Total	755,000		755,000
Grand Total	2,601,608	904,053	2,076,931

Note 1: Assumes 7% increase to cover proposed rate increases plus slight increase utilization

Note 2: Assumes 10% increase in University share of premiums (5% increase would be \$232,500)

FY11 Budget Challenges

- Increased Enrollment - \$433,000
- Early Retirement Incentive Program:
 - 16 Confirmed Participants (without SOL and Auxiliaries)
 - Total Salary 16 Participants - \$991,723
 - Estimated 12 Positions Will be Replaced at Lower Salaries
 - Savings of \$343,829
- 1% - 2% Budget Cuts
- Additional Revenue ? ?
- Other Ideas ?



Discussion