WVU BUDGET 101: CHALLENGES & OPPORTUNITIES

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What we will do today

Review how the WVU budget works
Share challenges & opportunities
Transformation Teams
Open Discussion
FY 2016 Sources – All Campuses

Operating & Non-Operating Revenues - $1,137,919,000

FY 2016 Budget:

- 51% of the revenues were generated from a combination of tuition and state appropriations.
- Grants and contracts contributed 29% of the revenue and is the second largest source of funds.
FY 2016 Uses – All Campuses

Operating & Non-Operating Expenses - $1,036,959,000

FY 2016 Actuals:

- Salaries wages and benefits consume 61% of the budget.
Change in General University Appropriations

FY2000

$0

$20,000,000

$40,000,000

$60,000,000

$80,000,000

$100,000,000

$120,000,000

$[VALUE]
Change in General University Appropriations

FY2000: $115,000,000
FY2014: $105,000,000
Change in General University Appropriations

- FY2000: $115,000,000
- FY2014: $105,000,000
- FY2015: $103,662,042
- FY2016: $100,950,174

($0 - $140,000,000)
Change in Tuition Rates

FY2000

$96,000,000
Change in Tuition Rates

- FY2000: $96,000,000
- FY2014: $347,000,000

260% Increase from FY2000 to FY2014
Financial Aid

In addition to increasing institutional financial aid at the rate of tuition and fee increases, $2.25 million was added in FY2016 to provide additional need-based scholarship aid.
Strategic Investments

Base budget of $4.5 million to support
• Project 168
  • 4-year academic plan
  • 4-year financial plan
  • Career Planning
• Adventure WV
• Live-Learn Communities
• EAB Student Success Collaborative
Highlights for FY 2016

• Positive margin after adjustment for the effect of GASB 45, amortization of software and unrealized gains from investments

• Positive contribution to cash balance

• Continued investment in the 2020 Strategic Plan

• Continued investment in our employees and students

• Continued investment in infrastructure
Transformation: Strategic Initiatives

Develop and strengthen academic, research and outreach programs that serve the state of West Virginia.

May include:

• developing academic programs
• raising research productivity
• encouraging outreach
• expanding philanthropy
• hiring faculty
• augmenting salaries

• increasing enrollment
• revamping advising and other student support
• attending to capital needs through construction or renovation
• streamlining bureaucracy
Transformation: Opportunities

- Enrollment growth will only be achieved if student recruitment and retention improve significantly.
- Tuition revenue growth will be achieved only if tuition discounting strategies are managed effectively.
- Must be innovative in our thinking.
- Transformation Teams are charged with identifying at least $45 million in cost savings and revenue generation over the next five years.
Transformation: Teams

- **Team No. 1:** Adjust the financial assumptions used in developing the FY16 five-year financial plan and fiscal strategies used to manage the University’s resources.
- **Team No. 2:** Position management and authorization to fill vacant positions.
- **Team No. 3:** Fully utilize available dollars in the WVU Foundation.
- **Team No. 4:** Simplify and standardize business functions; reduce the cost of procuring goods and services; and curtail spending while improving services and quality.
- **Team No. 5:** Consolidate or coordinate student academic support services.
Transformation: Teams

- **Team No. 6**: Evaluate supervisor positions.
- **Team No. 7**: Generate new sources or expand existing revenues; review auxiliary business models.
- **Team No. 8**: Assess if unit functions/tasks are needed to support the primary mission; assess how to begin and end new initiatives; increase overhead recovery; and reduce the cost of research.
- **Team No. 9**: Consolidate, coordinate or reduce the number of marketing, fundraising, event planning and corporate relations positions and/or events.
- **Team No. 10**: Implement behavior-based utility management programs.
Transformation: Teams

- **Team No. 11**: Transform the support of general education and improve quality measures.
- **Team No. 12**: Explore how graduate students are being funded, particularly through graduate assistantships and tuition waivers.
Open Discussion

To learn more or share ideas, visit www.bureaucracybusters.wvu.edu