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From: owner-official_list@wright.edu [mailto:owner-official_list@wright.edu] On Behalf Of David R. Hopkins
Sent: Monday, February 20, 2017 11:40 AM
To: official_list@wright.edu
Subject: [OFFICIAL-L] Budget Realignment Campus Update

I want to take this opportunity to update you on the University Budget Realignment Plan for FY2017 and FY2018. In January 2016, I charged Provost Tom Sudkamp and Chief Financial Officer Jeff Ulliman to develop and implement a plan to bring our expenses into alignment with anticipated revenues. Details of the plan were shared with the campus during the June 2016 Budget Workshop and updated to the campus in fall 2016.

The plan spans two years with $19.7 million in base savings accomplished in FY2017 and $8 million in FY2018. A midyear review was recently conducted to assess the effectiveness of the budget realignment strategies and determine if further action needs to be taken for FY2018.

One assumption built into the FY2017 budget was an anticipated enrollment growth of over 1 percent. While domestic enrollment grew by 130 students or 0.8 percent, our international enrollment decreased by 414 students or 21 percent. This overall enrollment loss (-1.6 percent or 284 students), combined with a changing mix of College Credit Plus students, has resulted in a $10 million loss in anticipated revenue.

This, along with the previously anticipated $8 million reduction for FY2018, an expected loss of $2.5 million in investment income, and the urgency to restore our unrestricted reserve level, results in our need to accomplish $25 million in base savings for FY2018 versus the original $8 million projected.

Given the shortfall of the FY2017 plan, all vice presidents and deans have been instructed, where possible, to reduce expenditures for the remainder of FY2017. I have also informed the Strategic Hiring Committee (SHC) to not approve positions unless they represent health, safety, or compliance needs, or demonstrate a direct impact on revenue. For position searches already approved but not completed, I have asked the SHC to re-analyze these positions with the same criteria as above.

I have also asked Provost Sudkamp and CFO Ulliman to provide a detailed plan to me by April 3, 2017, that identifies additional opportunities to merge operations, eliminate unnecessary duplication, alter existing policies to provide greater flexibility to address our budget challenge, and stop activities and/or initiatives that are not core to our academic mission.

After reviewing anticipated enrollment trends and the recent release of Governor Kasich's biennial budget in regard to higher education, it is very clear that we must take further action now. I appreciate everyone's continued cooperation as we address the urgent need to balance our base budget and restore our unrestricted reserves.

Thank you.
David R. Hopkins