



**WRIGHT STATE
UNIVERSITY**

**Current Funds Budget
Fiscal Year 2019**

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FY 2019 Budget Summary

Wright State University's Current Funds Budget document is compiled annually for the upcoming fiscal year. The Fiscal Year 2019 Current Funds Budget and contextual and supporting data are presented in the pages that follow.

Reflecting on the past fiscal year, the University made significant progress toward financial stability in FY 2018, finishing with a budget surplus for the first time since 2011. These results were a product of nearly \$50 million in spending reductions from the previous fiscal year. However, projected revenue declines due to lower enrollments will require additional reductions in budgeted expenses for FY 2019.

The FY 2019 budget development was guided by the following five objectives:

- Maintain instructional and educational components of our mission as the highest priorities;
- Produce a balanced budget with a minimum \$3 million surplus to continue restoring reserves;
- Realign base operating budget to match revenue while providing funding for strategic investments;
- Continue emphasis on a strong culture of fiscal accountability; and
- Sustain prioritization and review processes to ensure continuous efficiency and effectiveness.

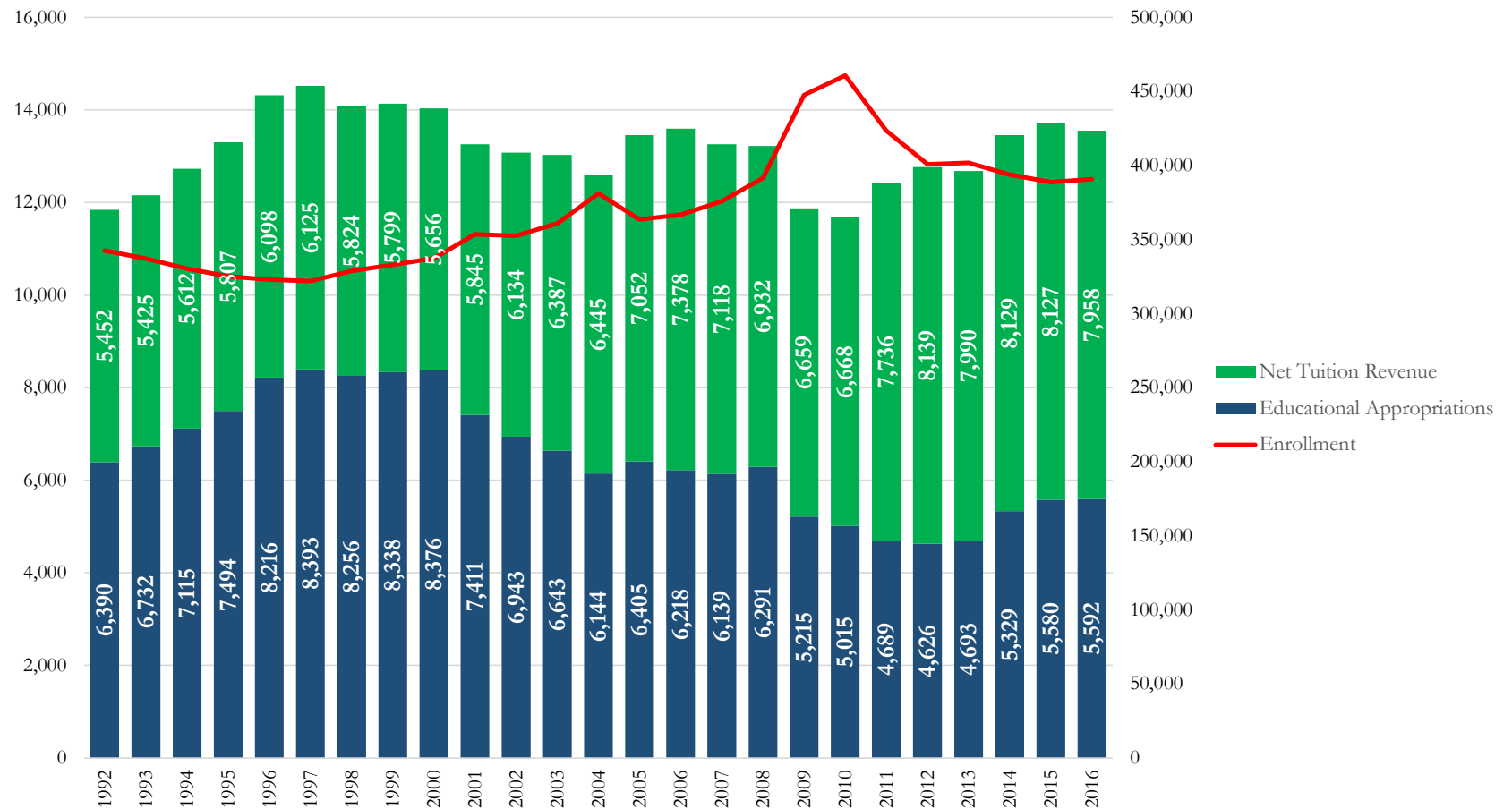
The FY 2019 Current Funds Budget was built on the following assumptions:

- State Share of Instruction (SSI) funding is based upon preliminary Ohio Department of Higher Education projections: -1.61% (\$1.4 million) decrease from FY 2018.
- Enrollment decline is estimated at a 6.2% decrease in student credit hours from fiscal year 2018 actual, including a 32.2% decrease in non-resident student credit hours.
- No annual wage increases. Promotion and Tenure increases will continue.
- Tuition increases will be adopted as follows: Non-Guarantee Undergraduate (0%); Wright Guarantee Cohort Undergraduate (6%); Graduate (3%); BSOM Professional (3%); Non-BSOM Professional (3%); Non-resident (3%).
- Room and Board increases adopted as previously approved by the Board of Trustees Resolution 18-26, related to Wright Guarantee Tuition Program: Dayton Campus board plans (3%) Dayton Campus Housing (average) (2.3%); Lake Campus housing (5%)

Entering FY 2019, Wright State University presents a Current Funds Unrestricted Budget with total sources and total uses equaling approximately \$275 million. This amount of expenditures represents a reduction of approximately 2% from the expected fiscal year 2018 expenditures and results in a minimum surplus of \$3 million to continue begin restoring reserves.

Section 1: Industry and Institutional Data

Table 1.1 Public FTE Enrollment, Educational Appropriations, and Net Tuition Revenue per FTE Ohio - Fiscal 1992-2017



Notes: Data adjusted for inflation using the Higher Education Cost Adjustment (HECA). Full-time equivalent (FTE) enrollment equates student credit hours to full-time, academic year students, but excludes medical students. Educational appropriations are a measure of state and local support available for public higher education operating expenses including ARRA funds, and exclude appropriations for independent institutions, financial aid for students attending independent institutions, research, hospitals, and medical education. Net tuition revenue is calculated by taking the gross amount of tuition and fees, less state and institutional financial aid, tuition waivers or discounts and medical student tuition and fees. Net tuition revenue used for capital debt service is included in the net tuition figures above.

Source: State Higher Education Officers

In terms of enrollment, this graph shows an increase in annual student FTE enrollments for Ohio since 1991, peaking in 2012 due to the conversion from quarters to semesters across the state. An expected correction occurred following the semester transition when enrollment moved to a decreasing trend, evening out over the past two years. The graph also shows that state appropriations have declined in total over this period, with modest increases since 2014. Reliance on net tuition revenue to cover operating expenses has increased steadily as it has become the primary source of operating revenue for Ohio public institutions of higher education.

Table 1.2 Net Tuition per FTE Student and State/Local Appropriations Midwest States FY 2017

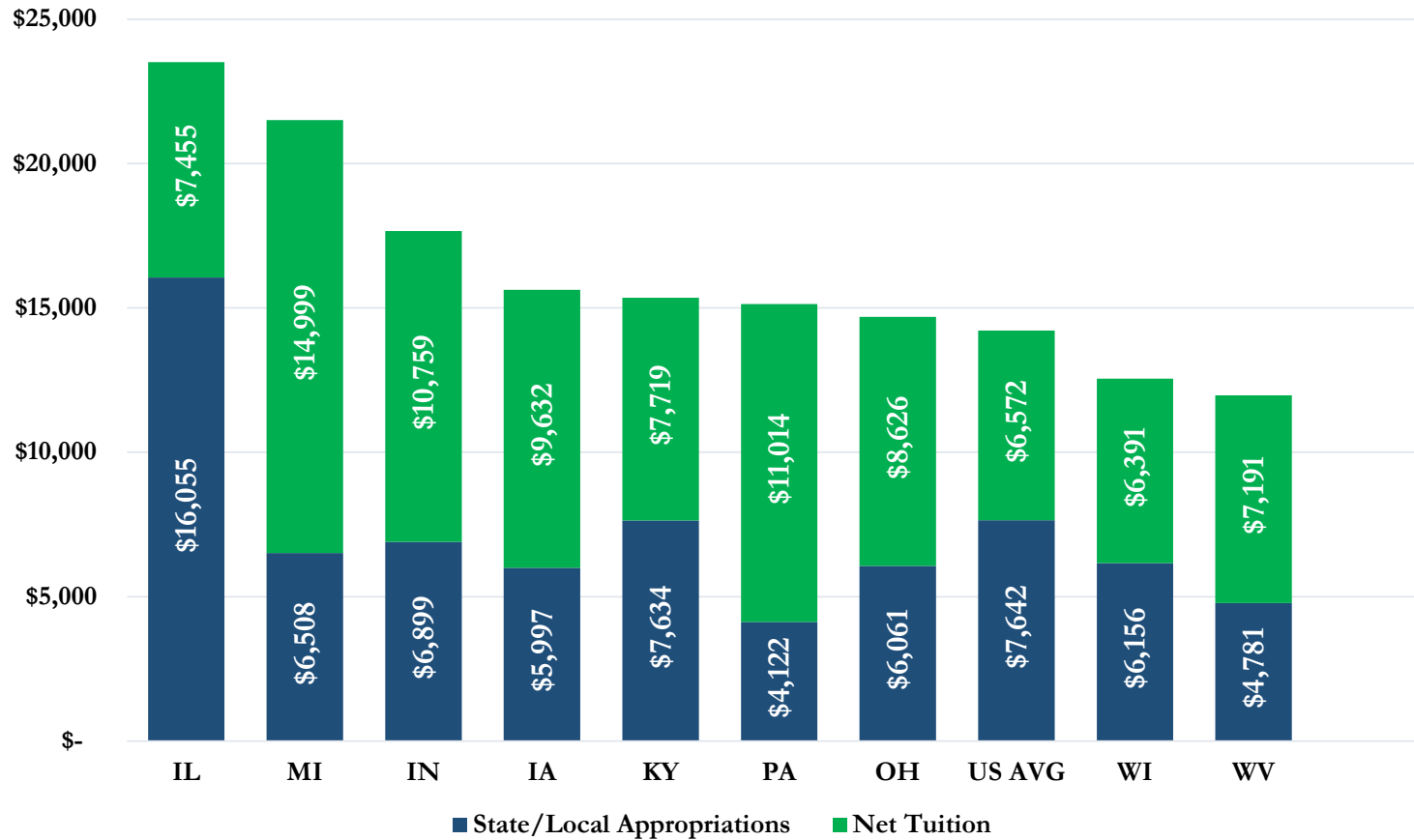
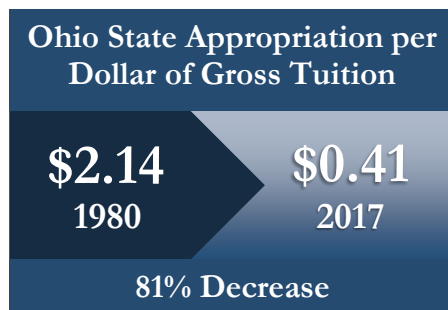


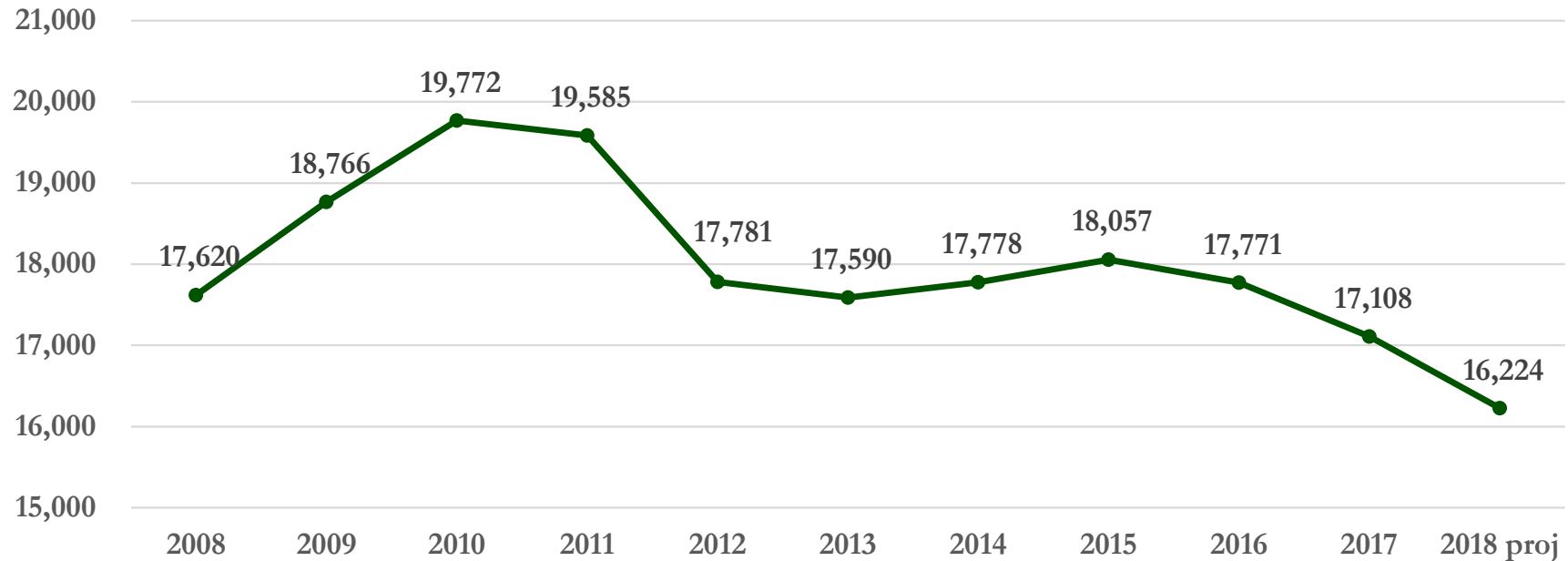
Table 1.3 State Appropriation per Dollar of Gross Tuition for Wright State



As previously noted, less and less state funding has been available when translated to a per student full-time-equivalent basis, \$2.14 per tuition dollar generated in 1980 down to 41 cents in 2017; an 81% decrease.

As shown here, Ohio's state and local appropriations fall well below the U.S. average and below most of its Midwest peers, further demonstrating the growing percentage of operational revenue that comes from Ohio students' tuition dollars.

Table 1.4 Wright State University Enrollment - Fall Headcount

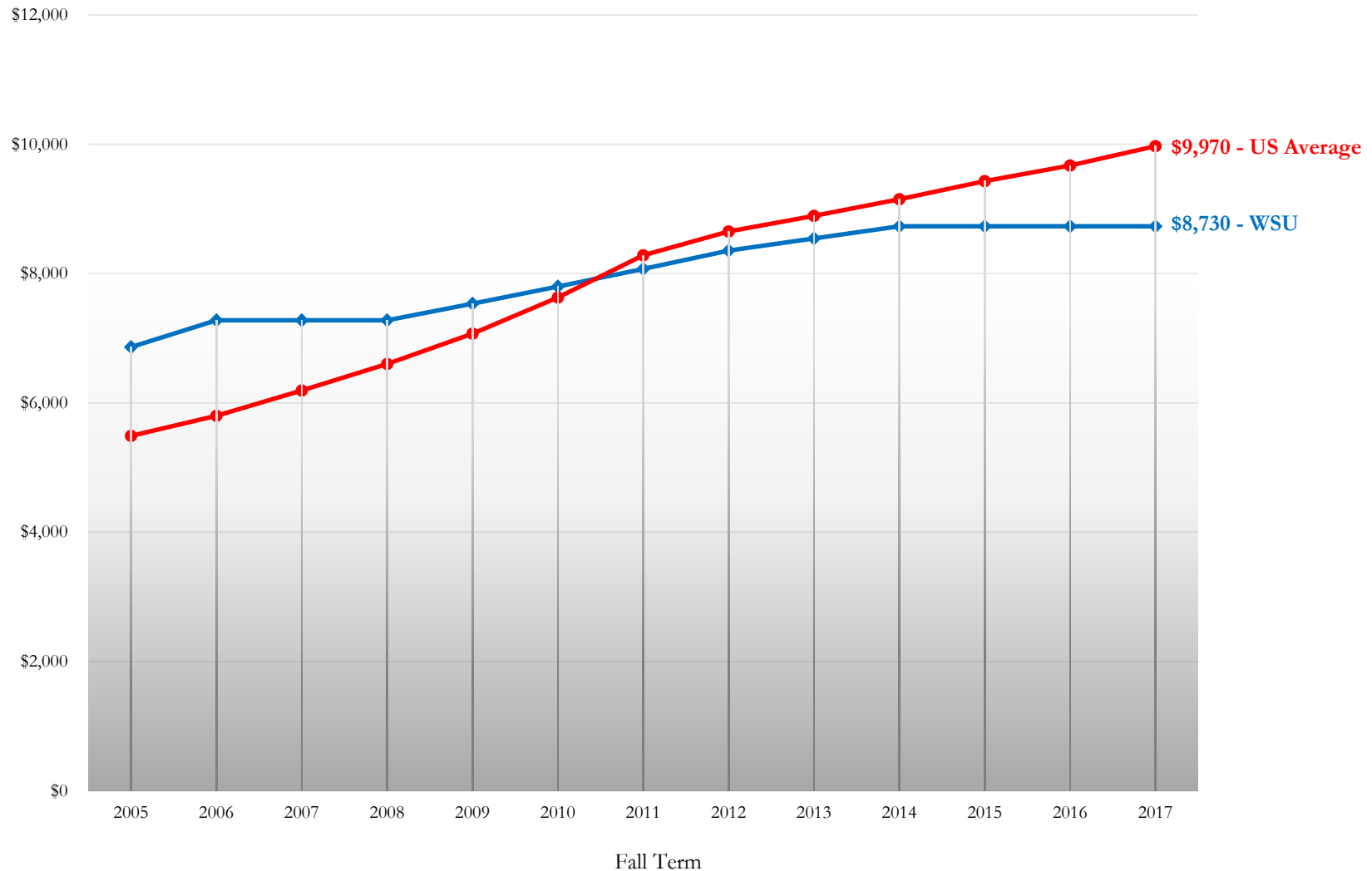


	% Change - Fall Headcounts		
	FY08 to FY18 proj.	FY15 to FY18 proj.	FY17 to FY18 proj.
Undergraduate	-7.45%	-7.70%	-4.27%
Graduate/Professional	-9.58%	-17.90%	-8.32%
All Students	-7.92%	-10.15%	-5.17%

Wright State experienced enrollment increases from 2008 to 2010 influenced by the recession. The steep drop in 2012 corresponds to the transition to semesters when students took heavier course loads to complete their degrees while still on the quarter system. This resulted in record graduation numbers, but left an overall smaller student body. A relatively steady correction followed through the next several years and aligned with pre-transition enrollment trends. In 2016, headcount enrollment began to decline, impacted by a shrinking pool of high school graduates and sponsorship policy changes that adversely affected international enrollments.

Over the past ten years, the most significant enrollment decreases were experienced in graduate/professional, which primarily began in the last few years due to sharp declines in international headcount.

Table 1.5 Annual Tuition Charges: Wright State vs. Average for Public Four-Years



This graph compares Wright State's gross undergraduate tuition to that of the national average. The trend shows the difference between the two increasing with Wright State now \$1,240 lower than the U.S. average. This can be partially attributed to legislatively imposed restrictions on fee increases that have kept tuition at the same level since FY 2015.

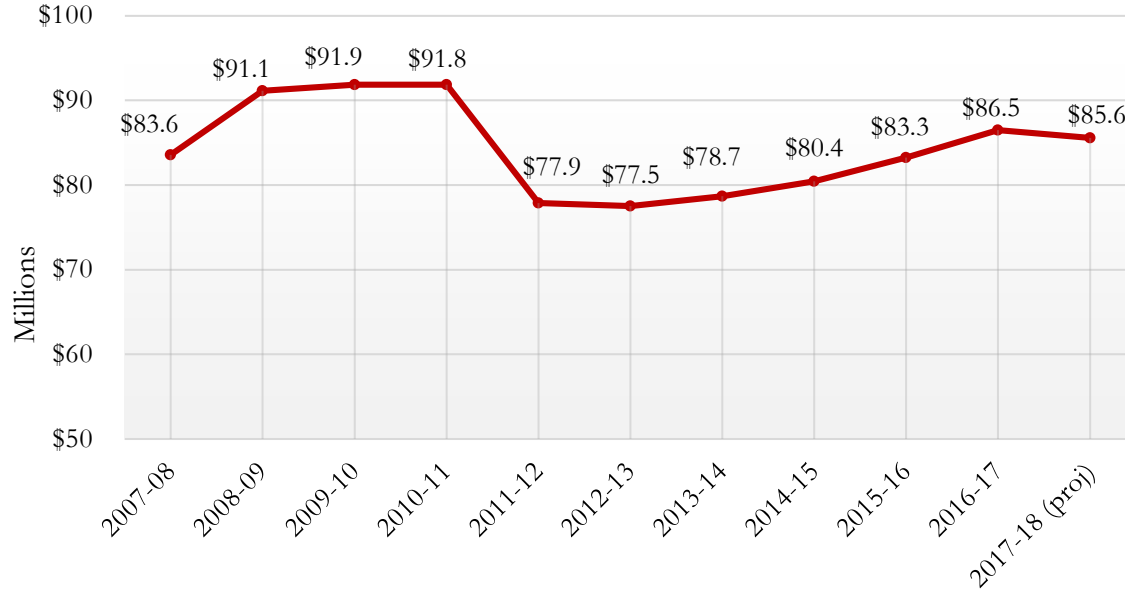
**Table 1.6 Annualized Full-Time Undergraduate and Graduate Fees,
University Main Campuses 2017-2018**

University Main Campuses	Undergraduate		Graduate	
	In State	Out of State	In State	Out of State
Miami University	\$ 14,263	\$ 32,199	\$ 13,812	\$ 30,860
University of Cincinnati	\$ 11,000	\$ 26,334	\$ 14,468	\$ 26,210
Bowling Green State University	\$ 10,726	\$ 18,262	\$ 12,088	\$ 19,624
Ohio University	\$ 10,602	\$ 19,566	\$ 9,510	\$ 17,502
University of Akron	\$ 10,270	\$ 18,801	\$ 9,136	\$ 14,641
Ohio State University	\$ 10,037	\$ 29,141	\$ 12,425	\$ 33,897
Kent State University	\$ 10,012	\$ 18,544	\$ 11,310	\$ 20,396
Cleveland State University	\$ 9,874	\$ 13,925	\$ 14,068	\$ 23,792
University of Toledo	\$ 9,380	\$ 18,718	\$ 14,757	\$ 25,094
Wright State University	\$ 8,730	\$ 17,608	\$ 13,880	\$ 23,578
Youngstown State University	\$ 8,317	\$ 8,677	\$ 12,219	\$ 12,579
Shawnee State University *	\$ 7,364	\$ 13,031	\$ 9,792	\$ 22,835
Central State University *	\$ 6,246	\$ 8,096	\$ 6,570	\$ 10,620

* Receives special supplement to maintain low tuition.

Wright State continues to rank among the lowest for undergraduate gross tuition among its Ohio public peer institutions.

Table 1.7 Wright State University Total State Share of Instruction

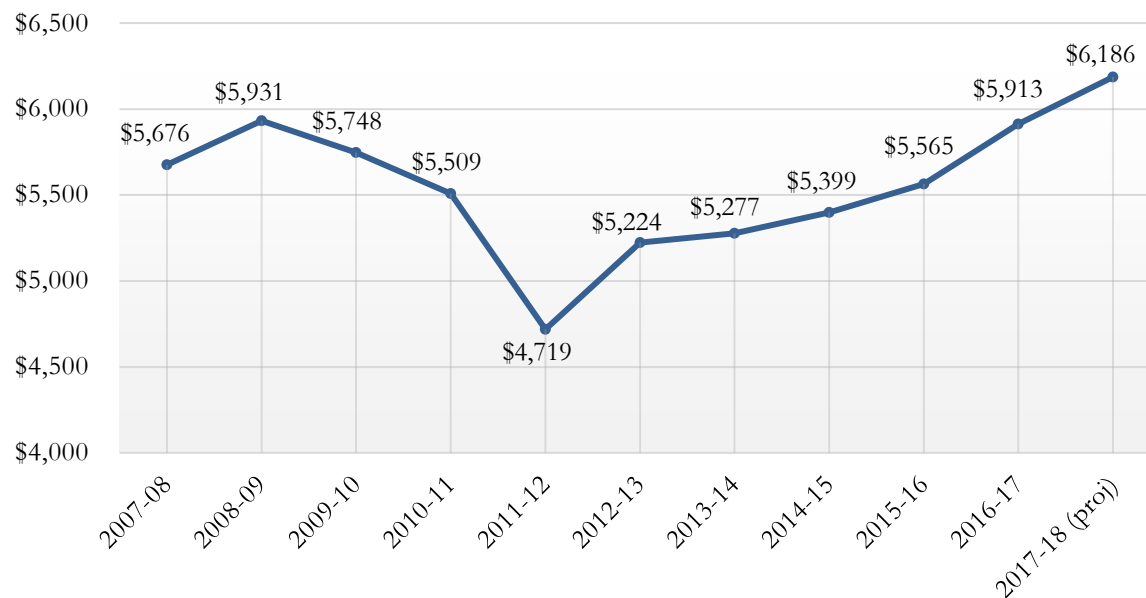


The State Share of Instruction (SSI) funding formula is fully allocated based on relative share of course and degree completions over the previous three academic years.

Wright State's total State Share of Instruction awards peaked between the 2009-10 and 2010-11 academic years, dropped sharply, and then followed a gradual increasing trend. Projections for the next academic year indicate a slight decrease in funding. This decreasing trend is expected to continue, as the previous three-year average is a lagging indicator affected by declining enrollments.

With the trend remaining relatively flat over the last decade rather than increasing in alignment with the cost of instruction, this essentially equates to a funding reduction in real dollars.

Table 1.8 Wright State University State Share of Instruction per Student FTE



The per student FTE funding level has risen steadily since its low point in 2011-12, however this is driven by a decrease in enrollments, spreading the amount of total funding over fewer students.

Table 1.9 Wright State University Undergraduate Completed Student Credit Hours (SCH)

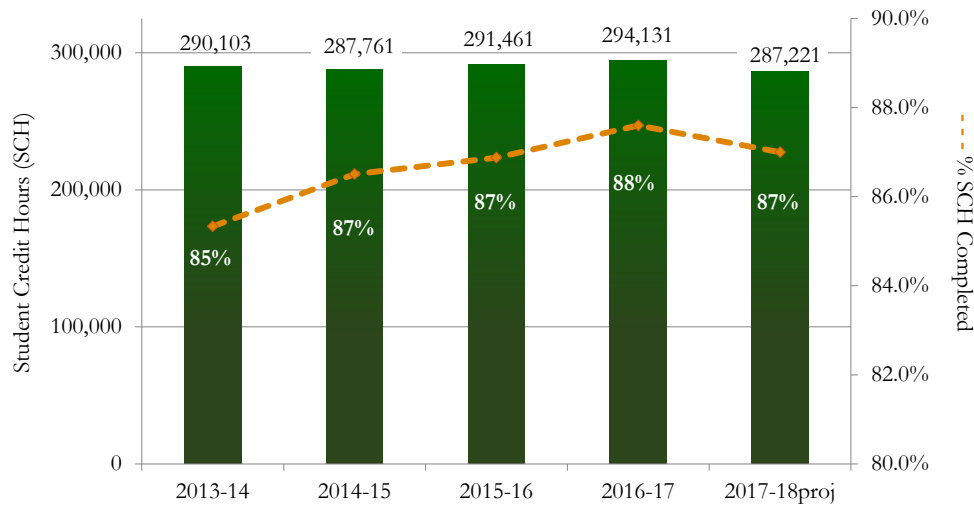


Table 1.10 Wright State University Master's Completed Student Credit Hours (SCH)

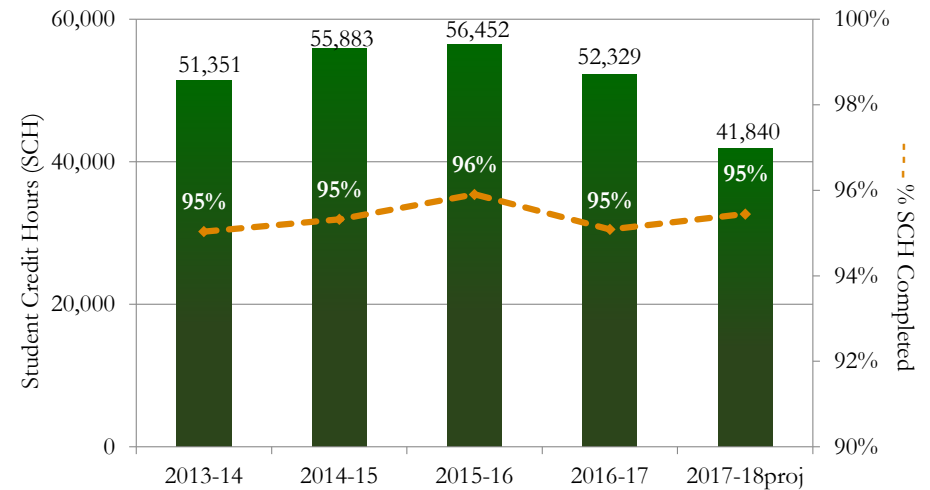
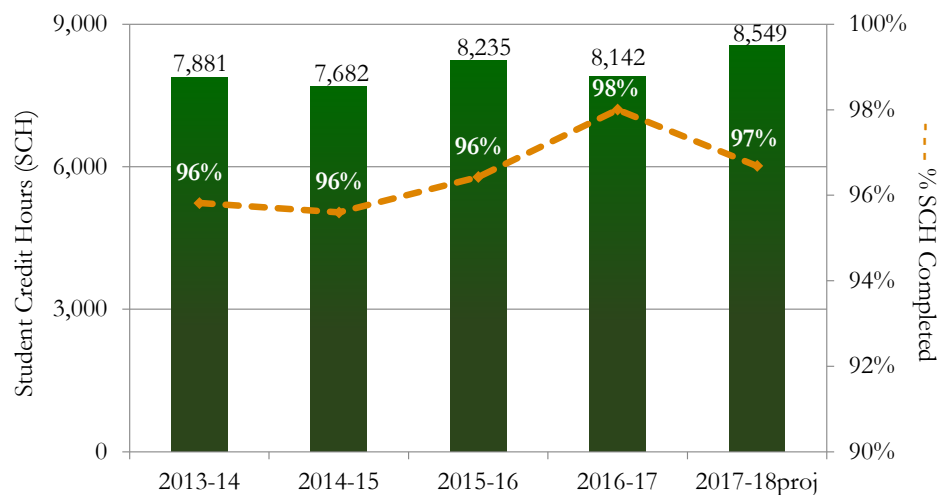


Table 1.11 Wright State University Doctoral Completed Student Credit Hours (SCH)



Note: Includes subsidy eligible credit hours only (Total University)

In terms of total completed credit hours, Wright State experienced declines this year at the undergraduate, master's, and doctoral levels.

Percentage of attempted student credit hours completed decreased 1% at the undergraduate and master's levels, but increased slightly at the doctoral level.

Table 1.12 Wright State University Associate Degrees as a Percent of State Total

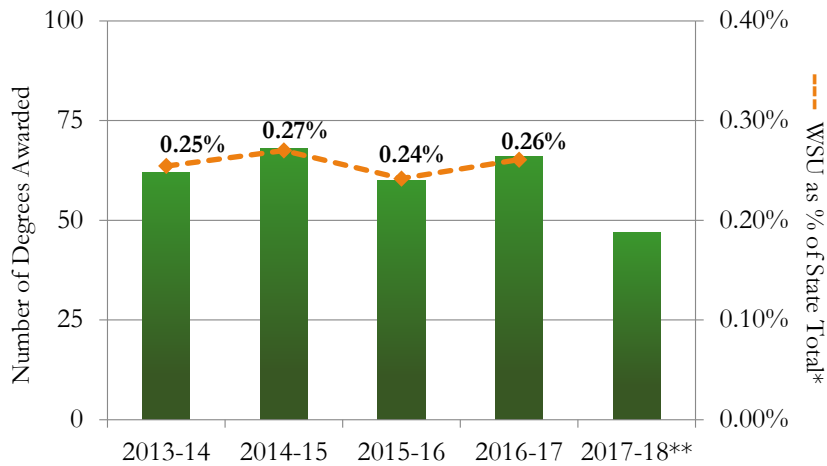


Table 1.13 Wright State University Bachelor's Degrees as a Percent of State Total

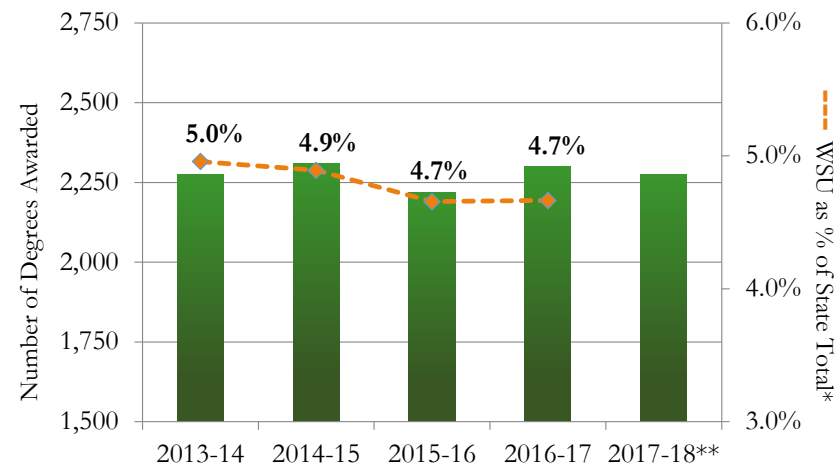


Table 1.14 Wright State University Master's Degrees as a Percent of State Total

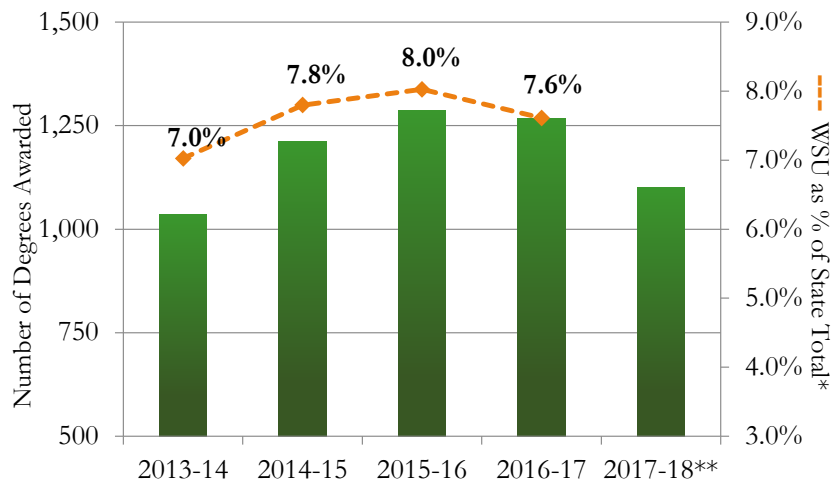
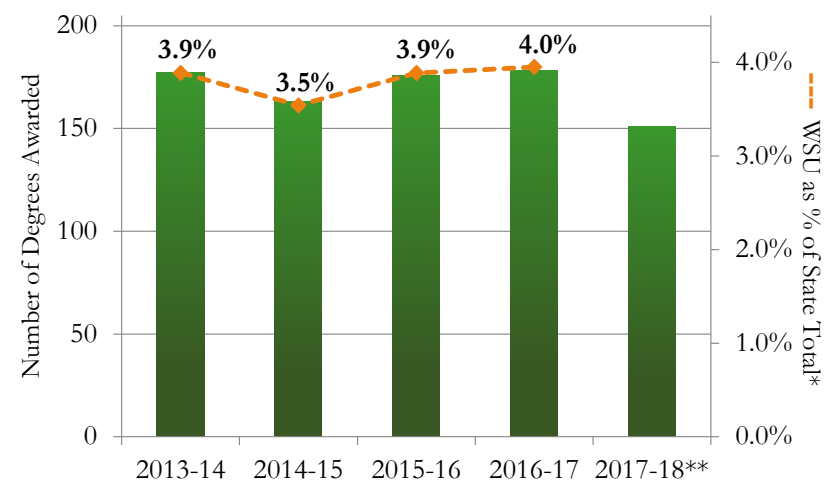


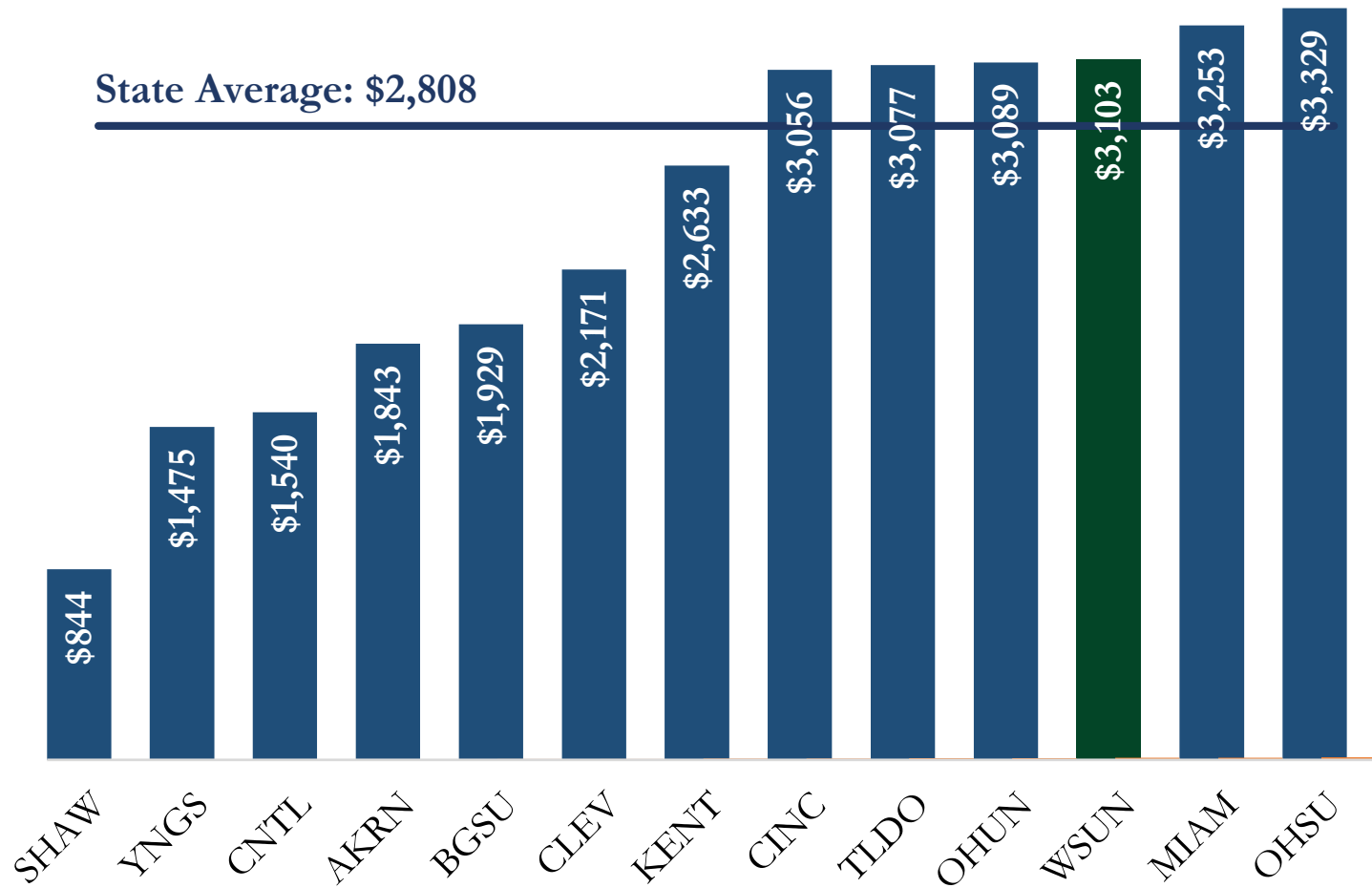
Table 1.15 Wright State University Doctoral & Professional Degrees as a Percent of State Total



*State Total includes degrees awarded at all Ohio public campuses **Projected (not yet finalized)

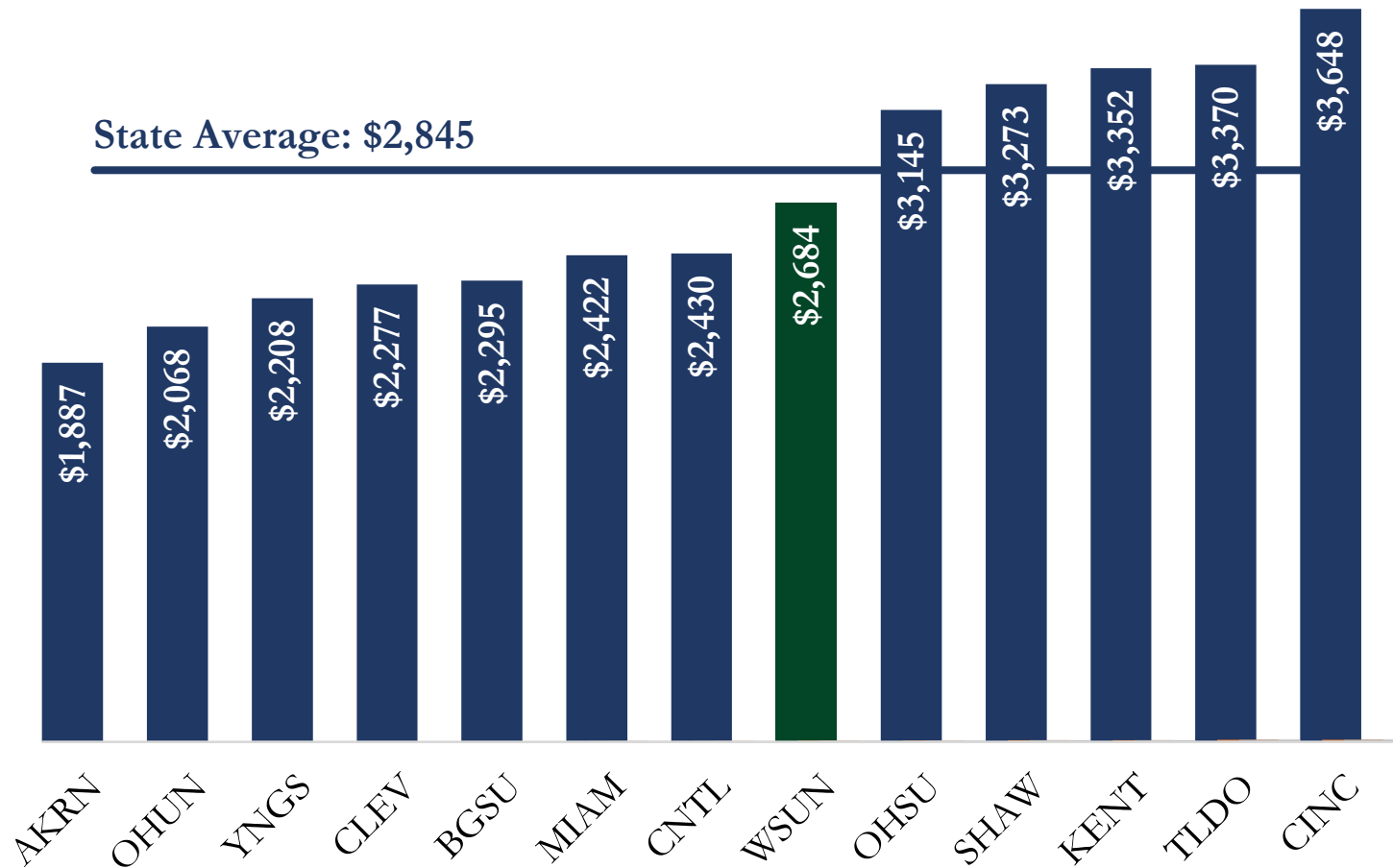
With respect to degree completions, 2017-18 saw declines across all degree levels - associate's, bachelor's, master's, and doctoral and professional degrees. With regard to degrees as a percentage of the total degrees awarded at Ohio public campuses, Wright State's share remained relatively flat for associate's, bachelor's, and doctoral and professional degrees, but decreased slightly for master's degrees.

Table 1.16 FY 2017 Academic Support per Student FTE



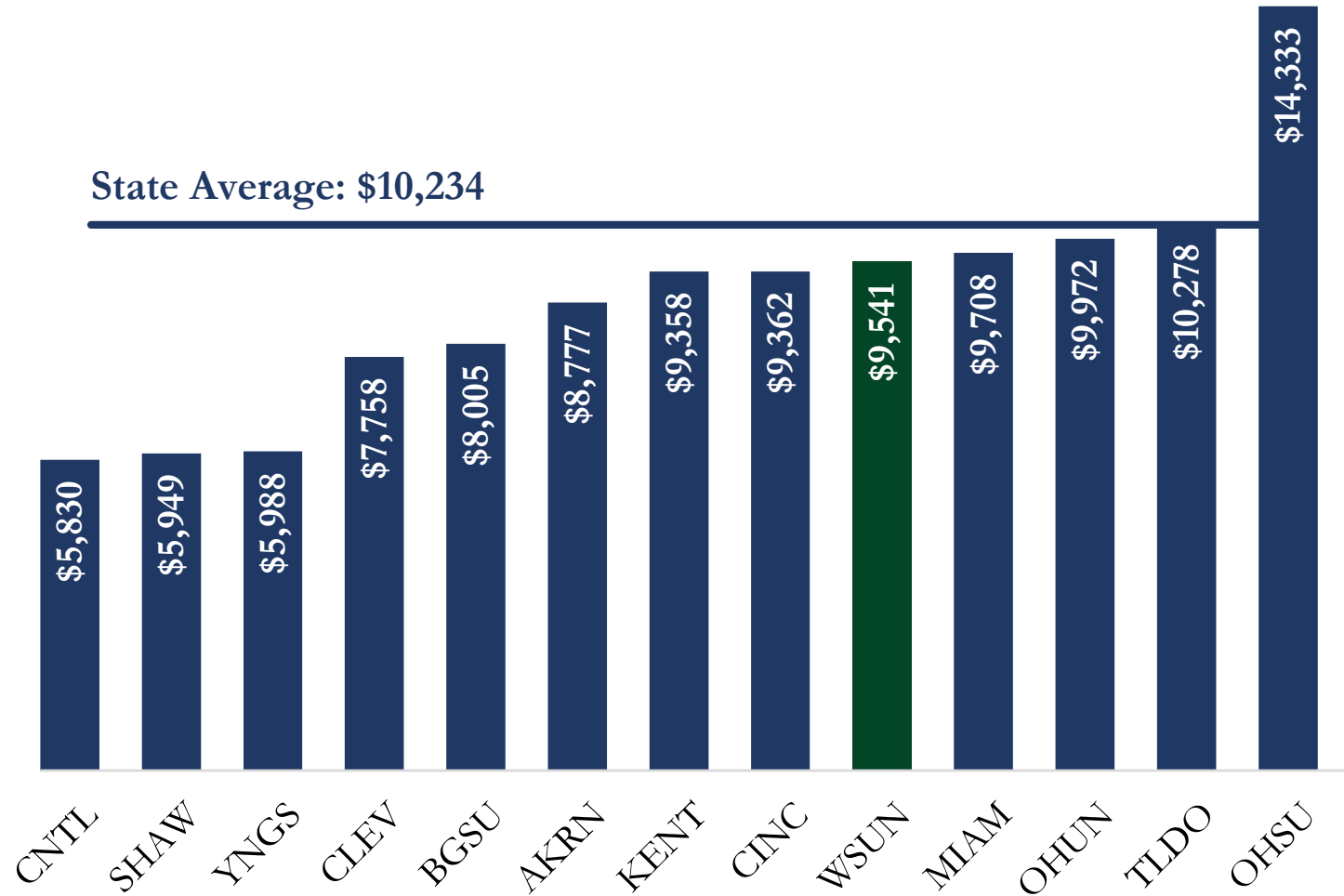
Wright State University's expenditures on academic support, which are expenses associated with areas such as University Libraries, deans' offices, a portion of information technology and data processing, University College, and Research and Sponsored Programs, are above the average for Ohio public four-year universities.

Table 1.17 FY 2017 Institutional Support per Student FTE



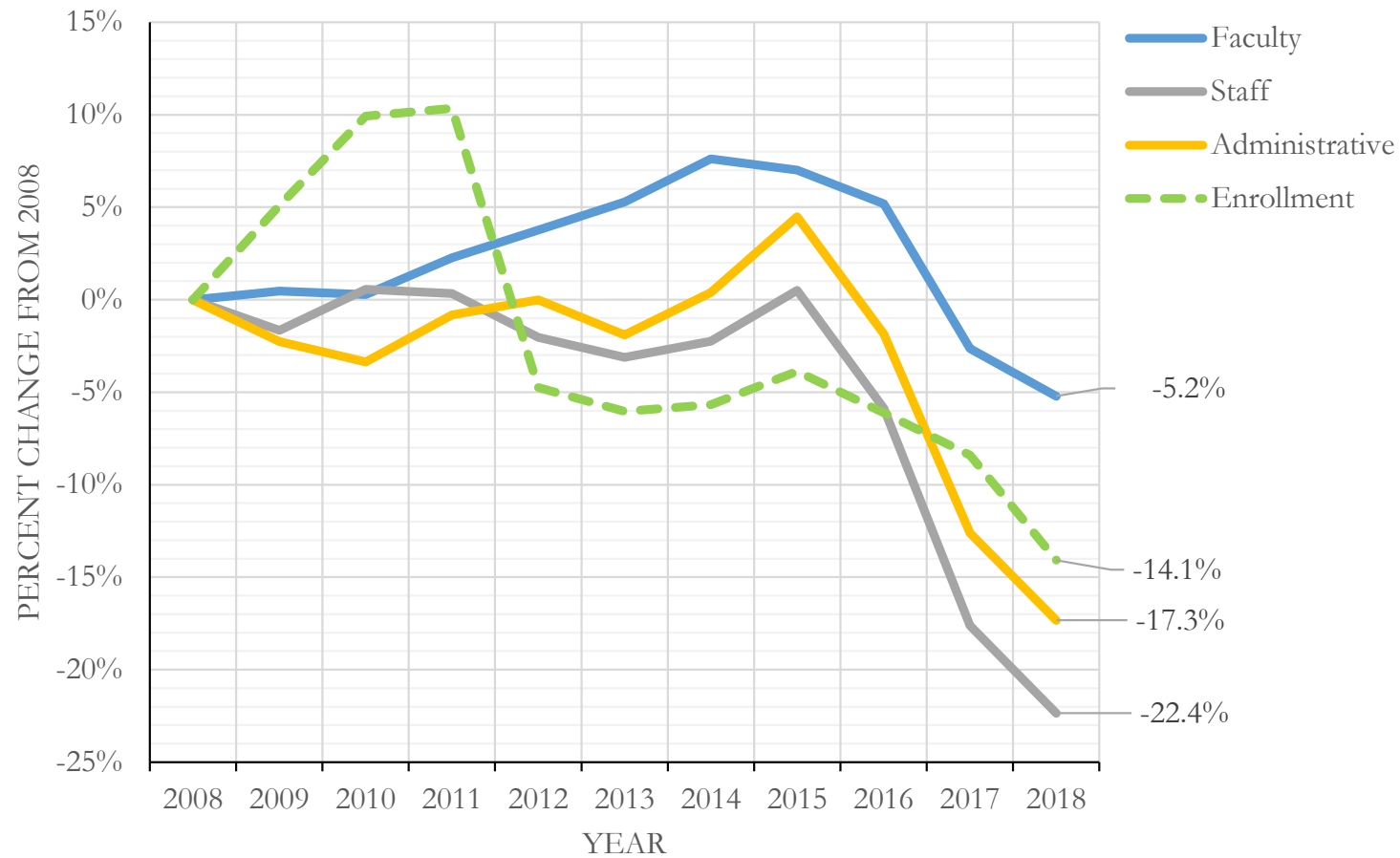
Wright State's cost per full time equivalent (FTE) in the category of institutional support, which are the expenses associated with fiscal operations, some information technology and data processing, space management, human resources, procurement, and a variety of other administrative expenses, track below the state average.

Table 1.18 FY 2017 Instruction and Departmental Research per Student FTE



In terms of instruction and departmental research, Wright State ranks among the top for Ohio public four-year universities. When evaluating the total spent per FTE in this category, it is important to note that the state average figure is skewed by one significant outlier.

Table 1.19 Cumulative Percent Change in Employee Headcount



Notes: 2008-2017 based on November 1 payroll and Fall enrollment
2018 based on April 28 payroll and projected Fall enrollment

The above chart depicts the cumulative change in employee headcount by faculty, staff, and administrative classifications between 2008 and 2018 alongside student enrollment changes over the same period. Overall reductions in headcounts were experienced in all categories, with the steepest declines occurring since 2015. This trend aligns with budget remediation efforts that included strategic hire and position eliminations.

Over the past ten years, staff have experienced the greatest decline with a 22.4% reduction in headcount. Administrative appointments also saw a considerable reduction of 17.3%. Faculty were least impacted over this period with an overall reduction of 5.2%. Student enrollment between 2008 and 2018 declined by 14.1%.

Table 1.20 Revenues and Expenses per Student FTE

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Description	Actual (000's)	Actual (000's)	Actual (000's)	Actual (000's)	Actual (000's)	Forecasted Actual (000's)	Preliminary Budget (000's)
Revenues	\$ 297,915	\$ 305,067	\$ 304,450	\$ 307,018	\$ 305,947	\$ 287,350	\$ 277,640
Expenses and Transfers	300,360	309,535	326,152	345,064	330,548	280,114	274,640
Net	<u>\$ (2,445)</u>	<u>\$ (4,468)</u>	<u>\$ (21,702)</u>	<u>\$ (38,046)</u>	<u>\$ (24,601)</u>	<u>\$ 7,236</u>	<u>\$ 3,000</u>
Student FTE	13,884	13,697	13,750	14,011	13,685	13,352	12,524
Revenue per Student FTE	\$ 21,457	\$ 22,273	\$ 22,142	\$ 21,913	\$ 22,356	\$ 21,521	\$ 22,169
Expenses and Transfers per Student FTE	\$ 21,634	\$ 22,599	\$ 23,720	\$ 24,628	\$ 24,154	\$ 20,979	\$ 21,929
Net	<u>\$ (176)</u>	<u>\$ (326)</u>	<u>\$ (1,578)</u>	<u>\$ (2,715)</u>	<u>\$ (1,798)</u>	<u>\$ 542</u>	<u>\$ 240</u>

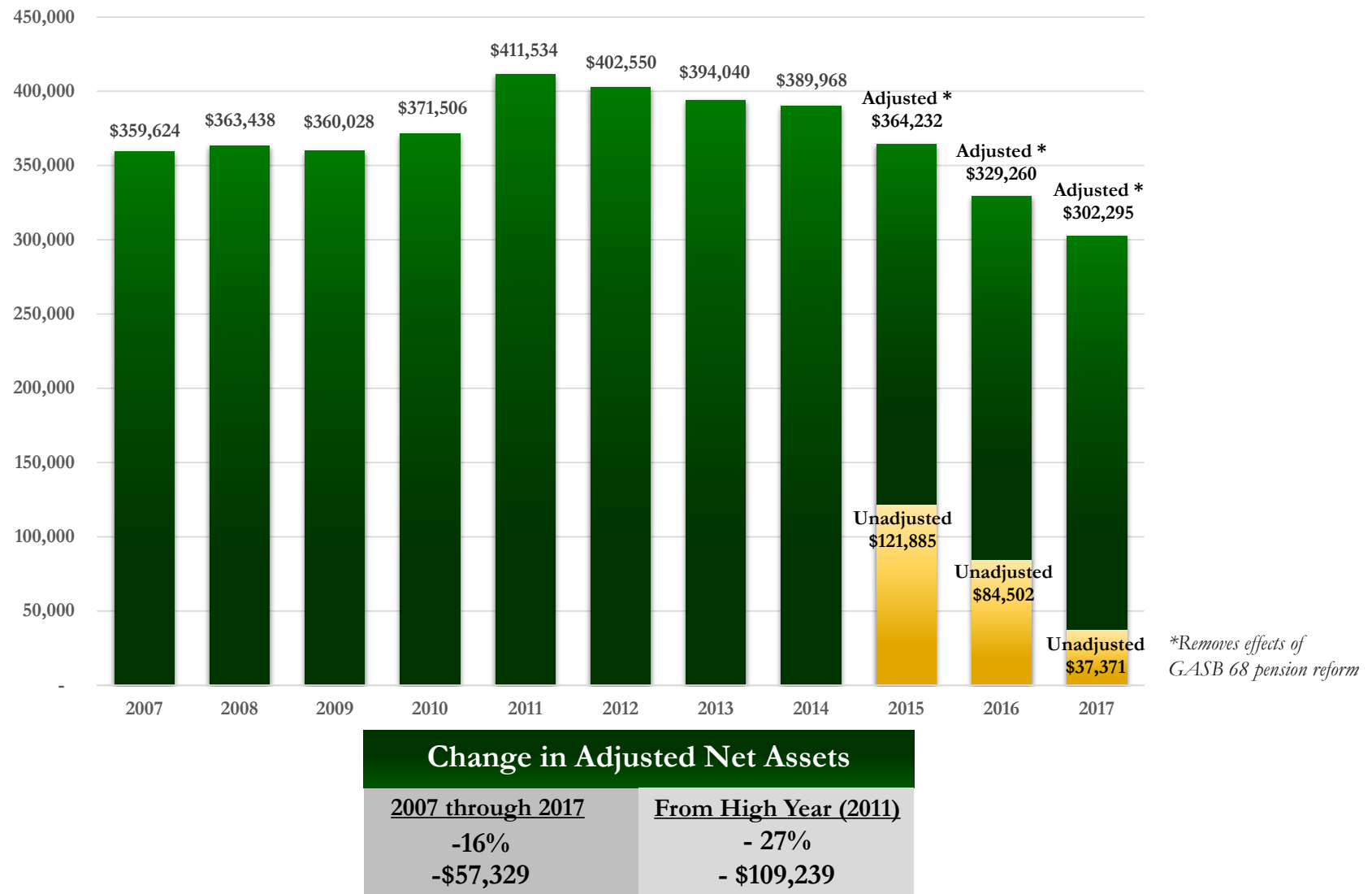
Notes: FY 2019 Student FTE estimated as a 6.2% reduction from FY 2018 Student FTE

All FTE based on Fall FTE

The table above shows net revenue and net revenue per student FTE for FY 2013 through FY 2019 projected. Expenses and transfers exceeded revenues by an increasing margin through 2016. Considerable deficit spending continued in FY 2017, although decreased from FY 2016 levels. Reliance on reserves over this period depleted university cash balances, resulting in limited flexibility and adverse impacts to key financial metrics, such as Senate Bill 6 scores. In FY 2018 significant spending realignments and reductions resulted in the first budget surplus since 2011, estimated at \$7.2 million. FY 2019 is projected to result in a net revenue of \$3 million to continue rebuilding university reserves.

On a per student FTE basis, revenues have remained fairly consistent, indicative of modest tuition increases in FY 2013 and 2014 followed by flat tuition since FY 2015. Expenses and transfers per student FTE began to fall below revenue per FTE in 2018 and are planned to continue to result in positive net revenue moving forward.

Table 1.21 Wright State University Total Net Assets (000's)



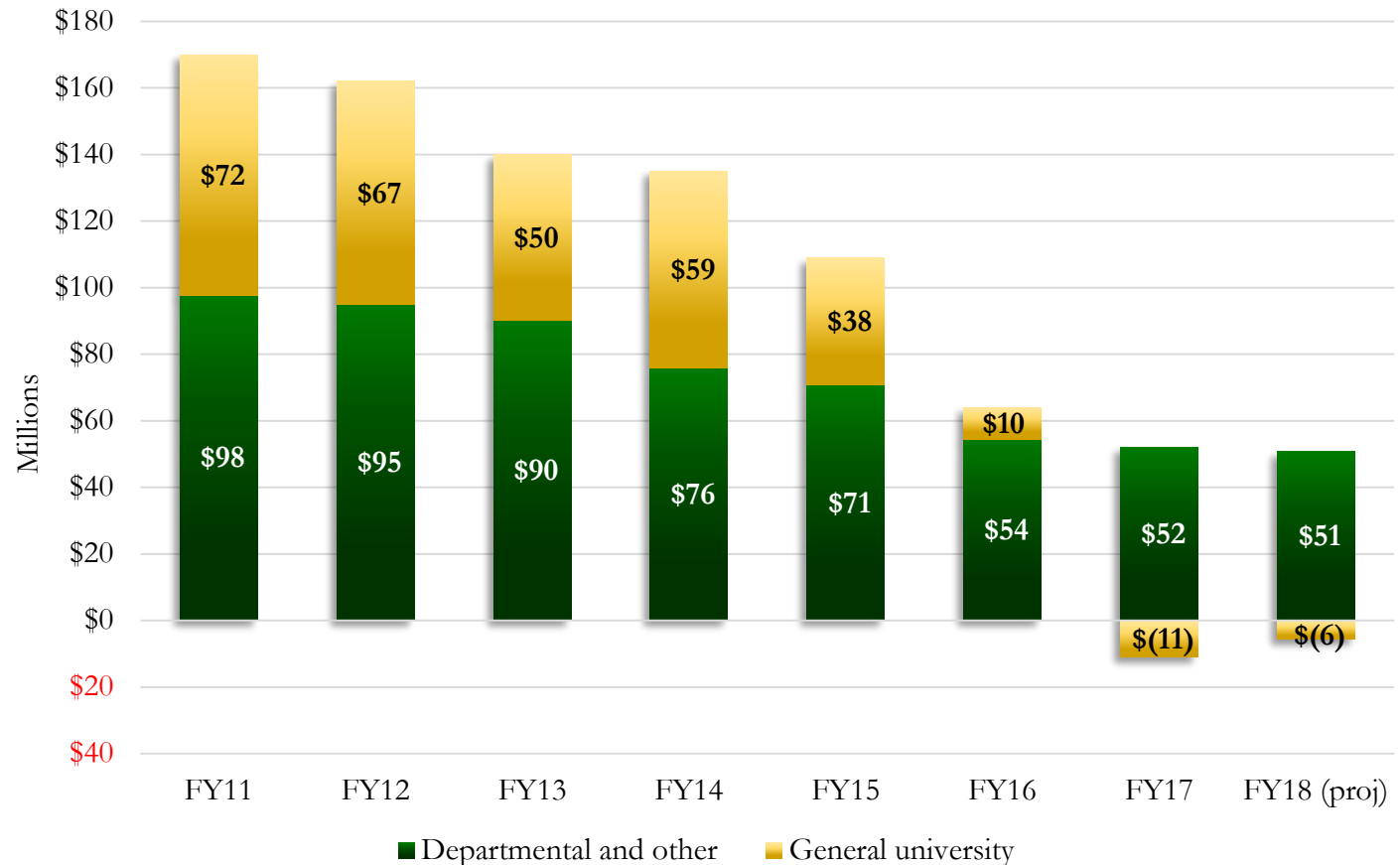
The Total Net Assets chart displays the trend in the growth of the University's net assets since 2007. This includes all net assets; unrestricted, restricted, and capital assets. The university saw a growth trajectory through 2011, but experienced steepening declines since 2012. It should be noted that net assets for 2015 forward have been adjusted to strip out the effect of the GASB 68 pension standard that significantly impacted the value of the university's net assets. That standard has no economic substance and distorts the true financial picture of Wright State. For informational purposes, unadjusted net assets are still displayed. It is expected that net assets will begin to show improvement with 2018 final numbers as a result of budget realignment strategies.

Table 1.22 Wright State University Year-End Bank and Investment Balances

The year-end bank and investment balances graph tracks the value of Wright State's cash and investments at the fiscal year end with projections for the current and next fiscal years.

This represents all of the university's reserves, both restricted and unrestricted. Restricted reserves are earmarked to pay Wright State's creditors and other external agencies such as the federal government for loan monies advanced to students. Unrestricted reserves are largely carryforward dollars and funds set aside for renewal and replacement projects that the various departments control. The university's reserves have been spent down primarily using general university funds, which dipped into negative territory beginning FY 2017. General university balances are projected to finish FY 2018 negative again, but to a lesser extent.

Included in the FY 2019 budget is a plan to increase reserves by at least \$3 million. Efforts to rebuild reserves further will continue moving forward.



Section 2: FY 2019 Budget

Table 2.1 Current Funds Unrestricted Budget - FY 2019 Proforma

In (000's)

Description	Adopted 2018 Budget	Anticipated 2018 Actual	Preliminary 2019 Budget
Revenues:			
Tuition and Fees	\$ 178,497	\$ 173,000	\$ 164,800
State Appropriations	85,548	86,032	84,600
Grants and Contracts	6,400	6,400	6,400
Other Revenues	21,418	21,918	21,840
Total Revenues	\$ 291,863	\$ 287,350	\$ 277,640
Expenses:			
Compensation	\$ 195,172	\$ 195,500	\$ 183,000
Operating Expenses	92,863	84,614	81,040
Expenses before budget realignment	\$ 288,035	\$ 280,114	\$ 264,040
FY19 new budget items:			
Fringe benefits provision			5,500
Fee waivers			3,200
Promotion and tenure / minima			600
General Counsel /legal			300
Strategic Investments			1,000
Remaining budget alignment			
Total Expenses	\$ 288,035	\$ 280,114	\$ 274,640
Net Change in Fund Balances	\$ 3,828	\$ 7,236	\$ 3,000

Table 2.2 Current Funds Budget FY 2019

In (000's)

Description	Unrestricted and Auxiliaries	Restricted	Total
Revenues:			
Tuition and fees	\$ 164,800		\$ 164,800
State appropriations	84,600	12,510	97,110
Grants and contracts	6,400	72,950	79,350
Other revenues	21,840		21,840
Total Revenues	\$ 277,640	\$ 85,460	\$ 363,100
Expenses:			
Compensation	\$ 183,000	\$ 38,604	\$ 221,604
Operating expenses	81,040	46,856	127,896
Expenses before budget realignment	\$ 264,040	\$ 85,460	\$ 349,500
FY19 new budget items:			
Fringe benefits provision	\$ 5,500		\$ 5,500
Fee waivers	3,200		3,200
General Counsel / legal	300		300
Promotion and tenure / minima	600		600
Strategic investments	1,000		1,000
Total Expenses	\$ 274,640	\$ 85,460	\$ 360,100
Net Change in Fund Balances	\$ 3,000	\$ -	\$ 3,000

Table 2.3 Instruction and General Fee Analysis: Undergraduate

Wright Guarantee Program

Previously approved 6% increase for incoming undergraduates

Proposed 3% increase for nonresident

Undergraduate Semester Fees	Dayton Campus Fees			Lake Campus Fees		
	Fiscal Year 2017-2018	Fiscal Year 2018-2019	Amount of Increase	Fiscal Year 2017-2018	Fiscal Year 2018-2019	Amount of Increase
			1 Through 10.5 Hours/Per Hour	1 Through 10.5 Hours/Per Hour		
Instruction Fee	\$ 342	\$ 362	\$ 20	\$ 229	\$ 243	\$ 14
General Fee	52	55	3	36	38	2
Nonresident Tuition	409	421	12	409	421	12
Total Nonresident	\$ 803	\$ 838	\$ 35	\$ 674	\$ 702	\$ 28
			11 Through 18 Hours	11 Through 18 Hours		
Instruction Fee	\$ 3,791	\$ 4,019	\$ 228	\$ 2,612	\$ 2,770	\$ 158
General Fee	574	608	34	309	327	18
Total Resident I&G Fee	\$ 4,365	\$ 4,627	\$ 262	\$ 2,921	\$ 3,097	\$ 176
Nonresident Tuition	4,439	4,572	133	4,439	4,572	133
Total Nonresident I&G Fee	\$ 8,804	\$ 9,199	\$ 395	\$ 7,360	\$ 7,669	\$ 309

Students enrolled prior to Summer 2018

Proposed 3% increase for nonresident

Undergraduate Semester Fees	Dayton Campus Fees			Lake Campus Fees		
	Fiscal Year 2017-2018	Fiscal Year 2018-2019	Amount of Increase	Fiscal Year 2017-2018	Fiscal Year 2018-2019	Amount of Increase
			1 Through 10.5 Hours/Per Hour	1 Through 10.5 Hours/Per Hour		
Instruction Fee	\$ 342	\$ 342	\$	\$ 229	\$ 229	\$
General Fee	52	52		36	36	
Nonresident Tuition	409	421	12	409	421	12
Total Nonresident	\$ 803	\$ 815	\$ 12	\$ 674	\$ 686	\$ 12
			11 Through 18 Hours	11 Through 18 Hours		
Instruction Fee	\$ 3,791	\$ 3,791	\$	\$ 2,612	\$ 2,612	\$
General Fee	574	574		309	309	
Total Resident I&G Fee	\$ 4,365	\$ 4,365	\$	\$ 2,921	\$ 2,921	
Nonresident Tuition	4,439	4,572	133	4,439	4,572	133
Total Nonresident I&G Fee	\$ 8,804	\$ 8,937	\$ 133	\$ 7,360	\$ 7,493	\$ 133

Table 2.4 Instruction and General Fee Analysis: Graduate and Professional

Proposed 3% increase for BSOM, SOPP, graduate and out-of-state fees

Graduate Semester Fees	Dayton Campus Fees			Lake Campus Fees		
	Fiscal Year	Fiscal Year	Amount of	Fiscal Year	Fiscal Year	Amount of
	2017-2018	2018-2019	Increase	2017-2018	2018-2019	Increase
1 Through 10.5 Hours/Per Hour						
Instruction Fee	\$ 555	\$ 572	\$ 17	\$ 555	\$ 572	\$ 17
General Fee	85	88	3	85	88	3
Nonresident Tuition	451	465	14	451	465	14
Total Nonresident	\$ 1,091	\$ 1,125	\$ 34	\$ 1,091	\$ 1,125	\$ 34
11 Through 18 Hours						
Instruction Fee	\$ 6,317	\$ 6,507	\$ 190	\$ 6,317	\$ 6,507	\$ 190
General Fee	623	642	19	623	642	19
Total Resident I&G Fee	\$ 6,940	\$ 7,149	\$ 209	\$ 6,940	\$ 7,149	\$ 209
Nonresident Tuition	4,849	4,994	145	4,849	4,994	145
Total Nonresident I&G Fee	\$ 11,789	\$ 12,143	\$ 354	\$ 11,789	\$ 12,143	\$ 354
School of Professional Psychology and DNP Program Semester Fees						
Professional Fees	Fiscal Year	Fiscal Year	Amount of	Fiscal Year	Fiscal Year	Amount of
	2017-2018	2018-2019	Increase	2017-2018	2018-2019	Increase
1 Through 10.5 Hours/Per Hour						
Instruction Fee	\$ 656	\$ 676	\$ 20	NOT APPLICABLE		
General Fee	99	102	3			
Nonresident Tuition	453	467	14			
Total Nonresident	\$ 1,208	\$ 1,245	\$ 37			
11 or more Hours						
Instruction Fee	\$ 7,447	\$ 7,670	\$ 223	\$ 16,036	\$ 16,517	\$481
General Fee	699	720	21	903	930	27
Total Resident I&G Fee	\$ 8,146	\$ 8,390	\$ 244	\$ 16,939	\$ 17,447	\$508
Nonresident Tuition	4,872	5,018	146	8,476	8,730	254
Total Nonresident I&G Fee	\$ 13,018	\$ 13,408	\$ 390	\$ 25,415	\$ 26,177	\$762

This report was compiled by the Division of Business and Finance with contributions from Financial and Business Operations administration; Budget Planning and Resource Analysis; and Office of the Controller.

June 30, 2018