

Let's Talk Forum

January 24, 2018



WRIGHT STATE
UNIVERSITY

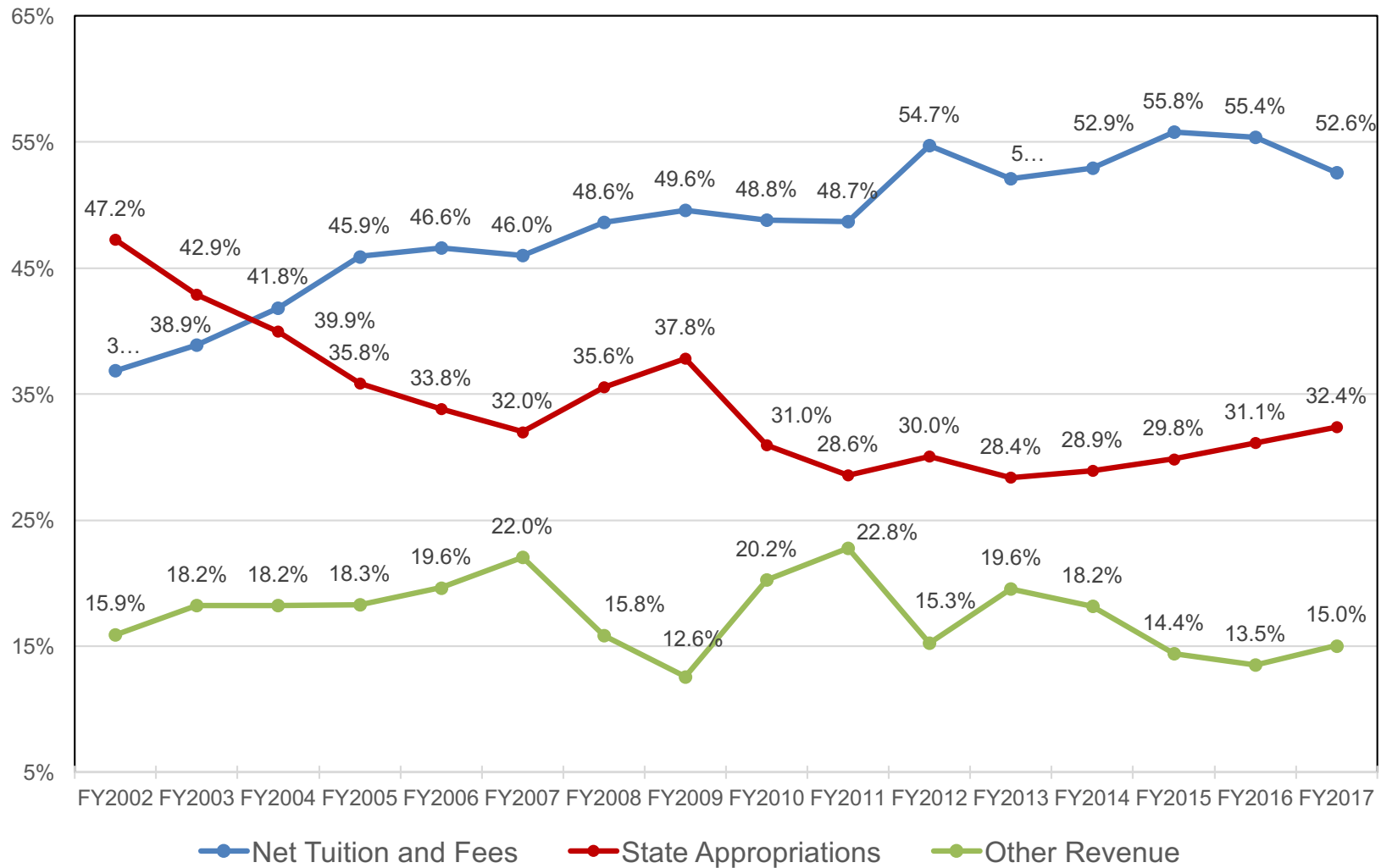
Walt Branson

Vice President, Finance and Operations
and Chief Business Officer



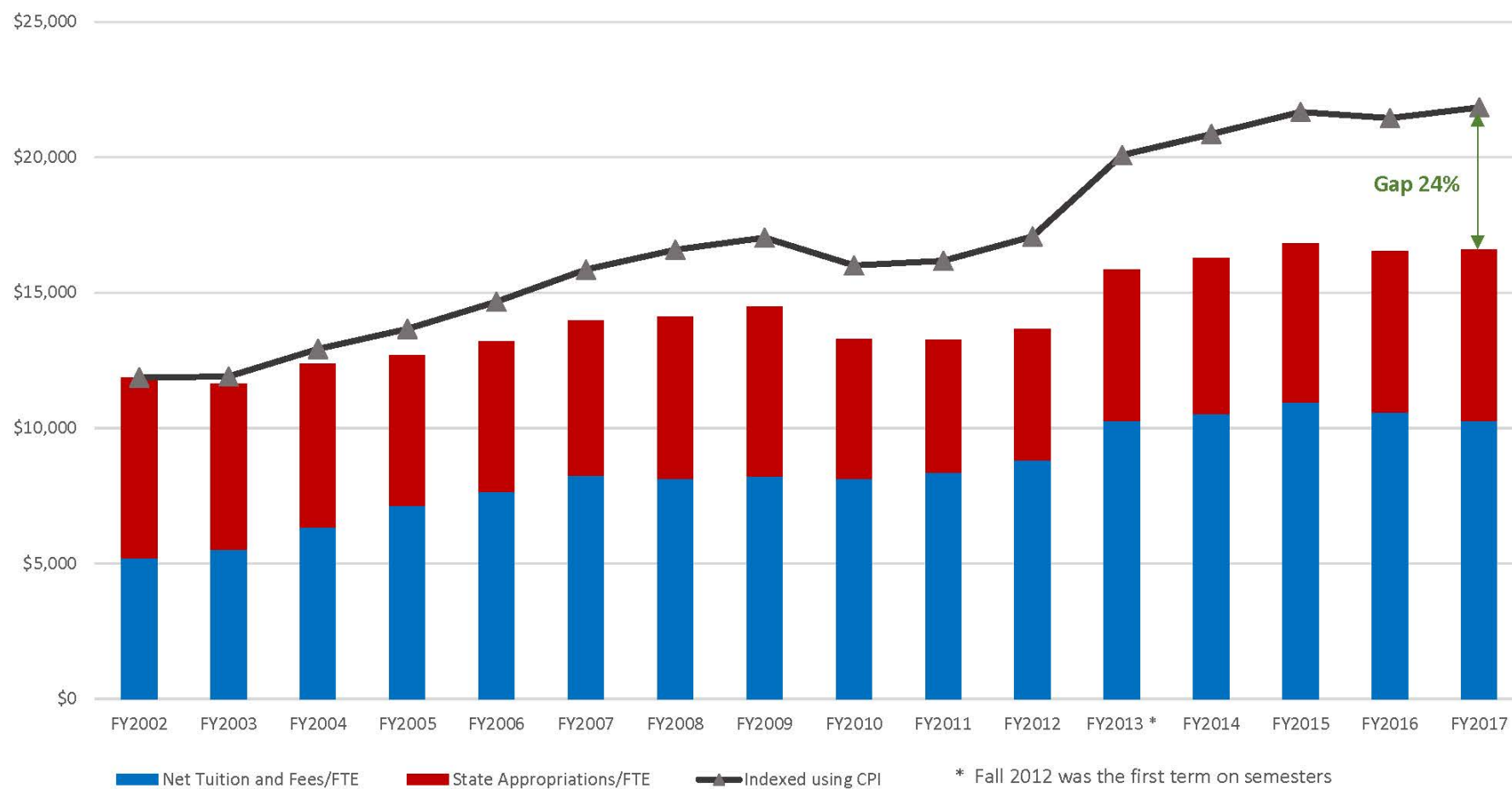
Wright State Funding Challenges

Tuition and fees replace state support for Wright State University



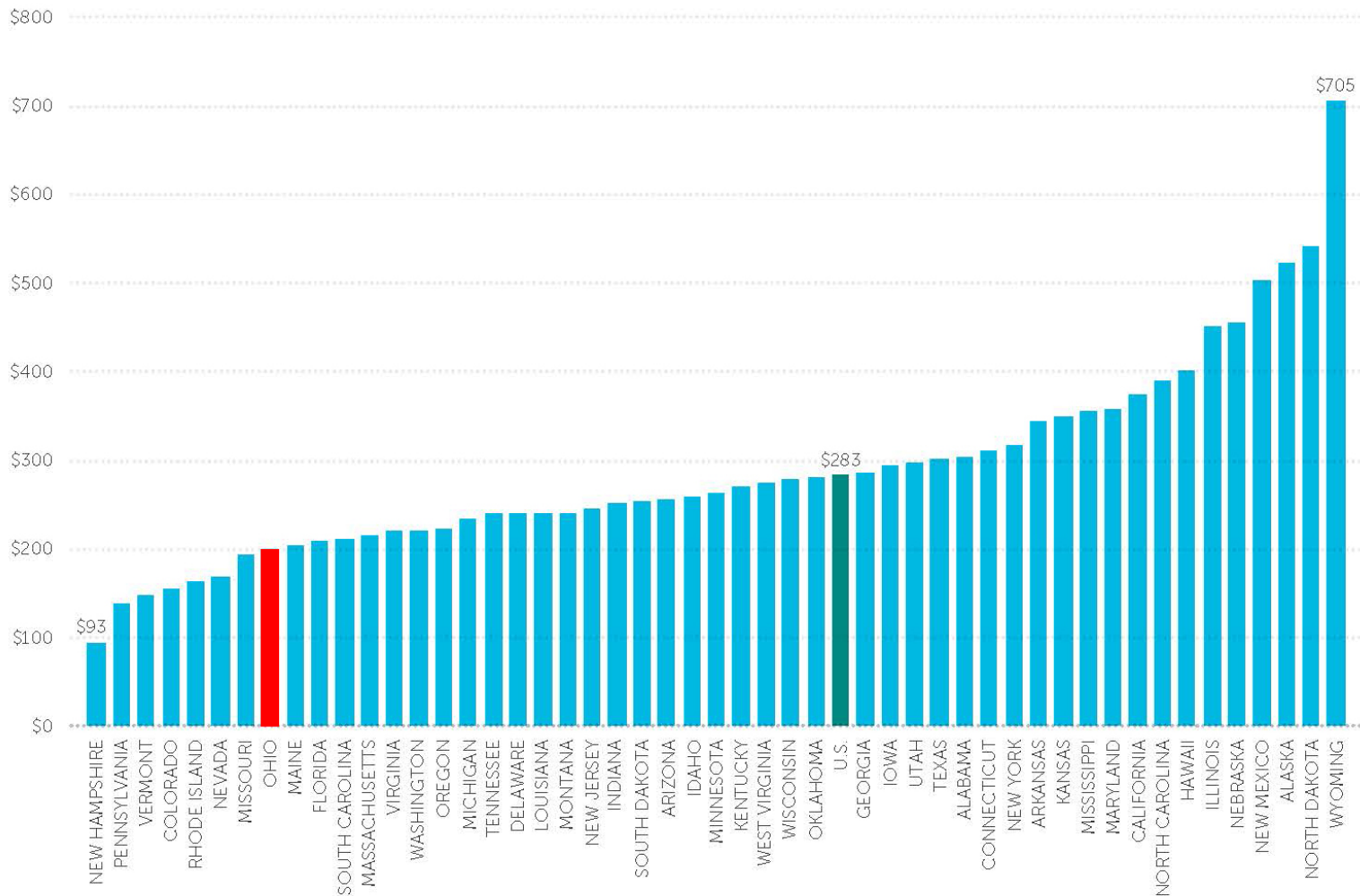
WRIGHT STATE UNIVERSITY

WSU revenues per student have declined in real terms since FY 2002



Higher Education Funding Challenges

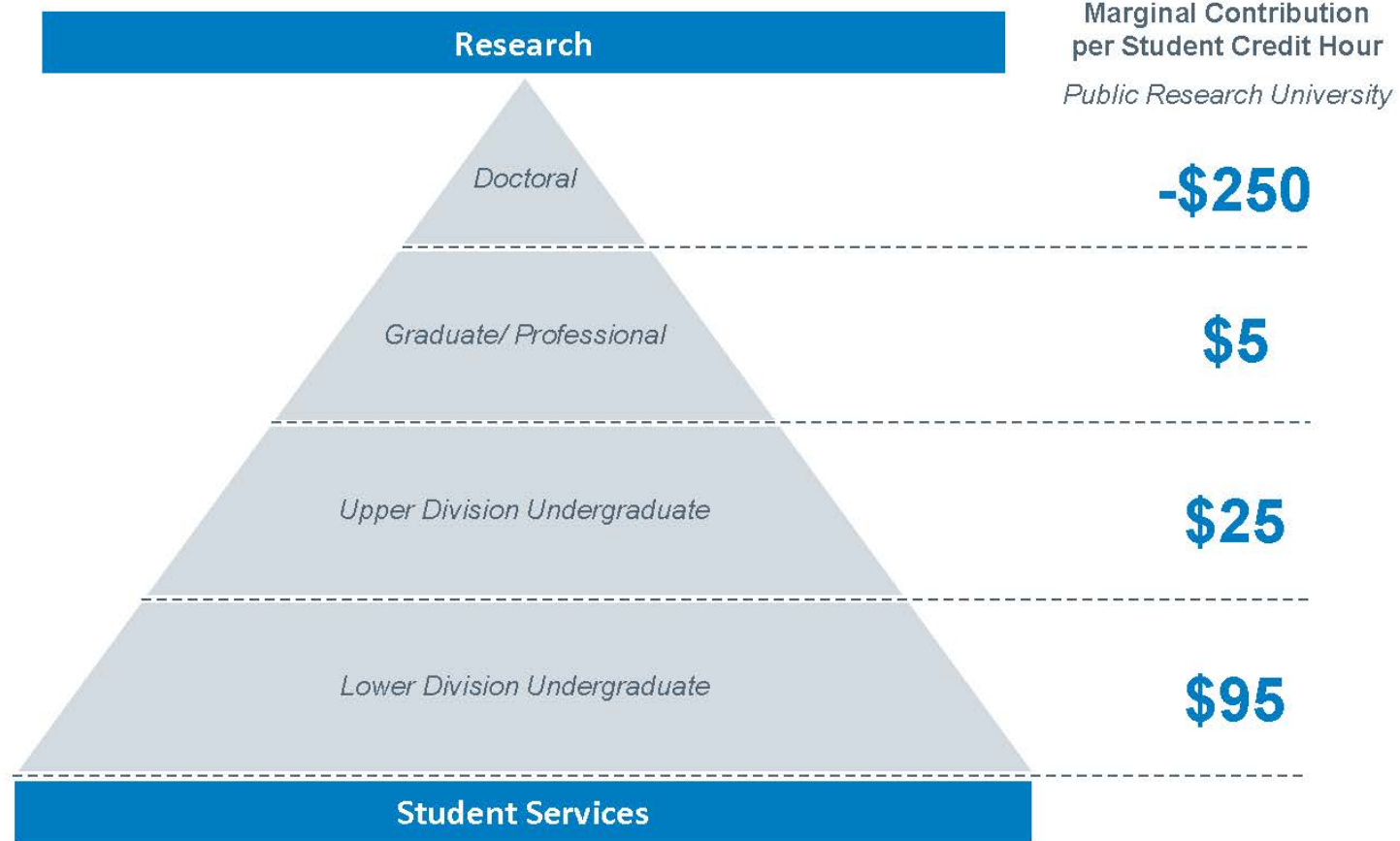
HIGHER EDUCATION SUPPORT PER CAPITA, BY STATE, FY 2015



Source: State Higher Education Executive Officers

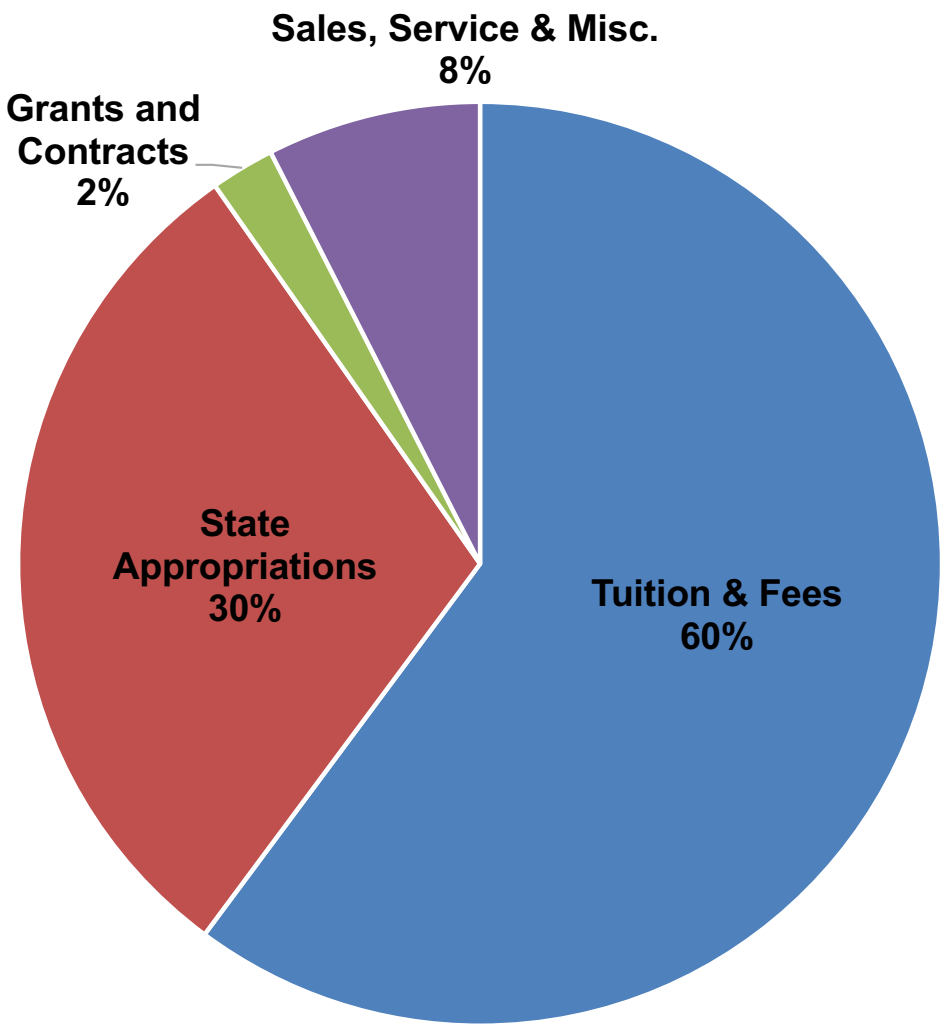
Higher Education Funding Challenges

University Economics Built on Subsidies from Lower Division Courses



Source: EAB. (2017). The future of arts and sciences: Understanding key drivers of shifting demand and engaging faculty in program revitalization. *Academic Affairs Forum*, 71.

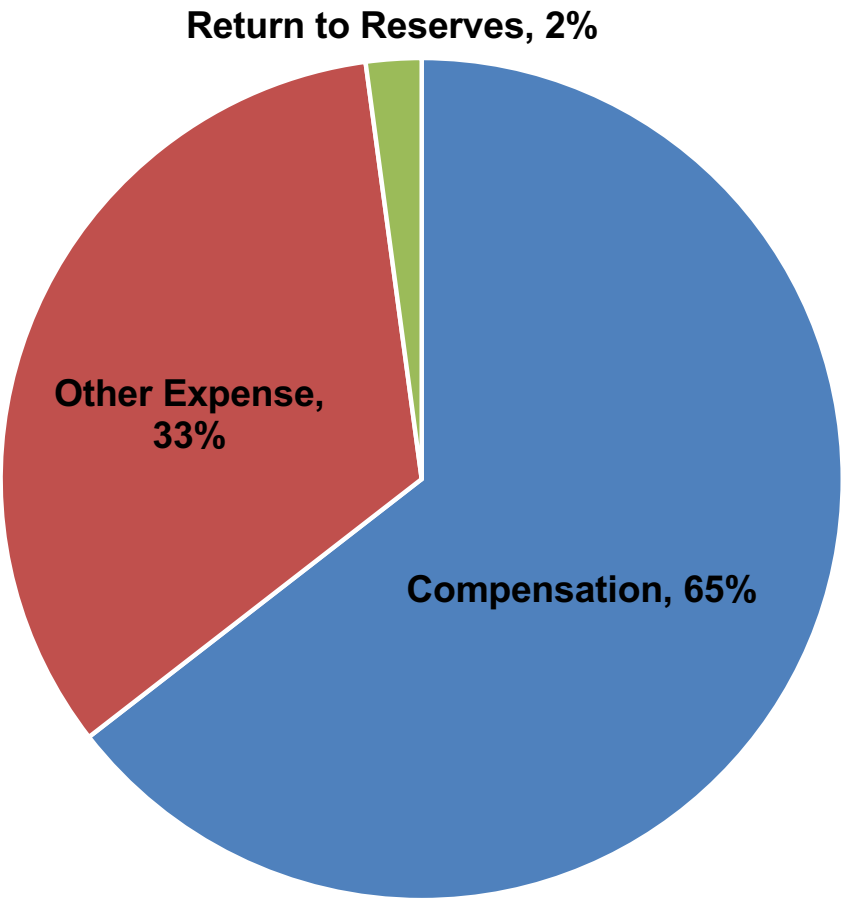
FY18 Current Funds Revenue by Source



Revenue Sources
(in 000's)

Tuition & Fees	\$172,007	60%
State Appropriations	\$86,032	30%
Grants & Contracts	\$6,400	2%
Sales, Service & Misc.	\$21,418	8%
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Total	\$285,857	100%

FY18 Current Funds Uses by Category



Revenue Uses
(in 000's)

Compensation	\$184,393	65%
Other Expenses	\$95,373	33%
Return to Reserves	\$6,091	2%
<hr/>		
Total	\$285,857	100%

Wright State University Unrestricted Funds Budget

Including Auxiliaries

(000's)

Description	2018 Budget (Revised)	2019 Budget (Initial Estimate)
Revenues:		
Tuition and Fees:		\$172,000
Rate Impact		1,200
Enrollment Impact		(3,500)
Total Tuition and Fees	172,007	169,700
State Appropriations	86,032	86,000
Grants and Contracts	6,400	6,400
Sales, Service & Miscellaneous	21,418	21,500
Total Revenues	\$285,857	\$283,600

Wright State University Unrestricted Funds Budget

Including Auxiliaries

(000's)

Description	2018 Budget (Revised)	2019 Budget (Initial Estimate)
Expenses:		
Compensation:		\$184,400
Strategic Hires		2,000
Attrition		(5,000)
Total Compensation	184,393	181,400
Operating Expenses	95,373	93,750
Inflationary Increases		500
Unexpected/Contingent Expenses		1,000
Net One-Time Expense Impacts		850
Total Expenses	\$279,766	\$277,500
 Net Change in Fund Balances	 \$6,091	 \$6,100

Tina Heigel

University Controller



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How financially sustainable is my institution today?

Ohio's Senate Bill 6 looks at three key financial ratios to ensure institutions are held to a high level of financial accountability

Key questions	Financial ratios		Multiplier
Are <u>resources</u> <i>sufficient and flexible</i> enough to support the mission?	Primary reserve ratio (Expendable net assets/ total expenses)	×	50%
Do <u>operating results</u> indicate the institution is living within available resources?	Net income ratio (Operating surplus or deficit/Total revenues)	×	20%
Is <u>debt</u> managed strategically to advance the mission?	Viability ratio (Expendable net assets/ Long-term debt)	×	30%

Total composite score

Highest score possible is 5.00

A score of **below 1.75** for **two consecutive years** results in an institution being placed on **fiscal watch**

Source:
Ohio Department of
Higher Education

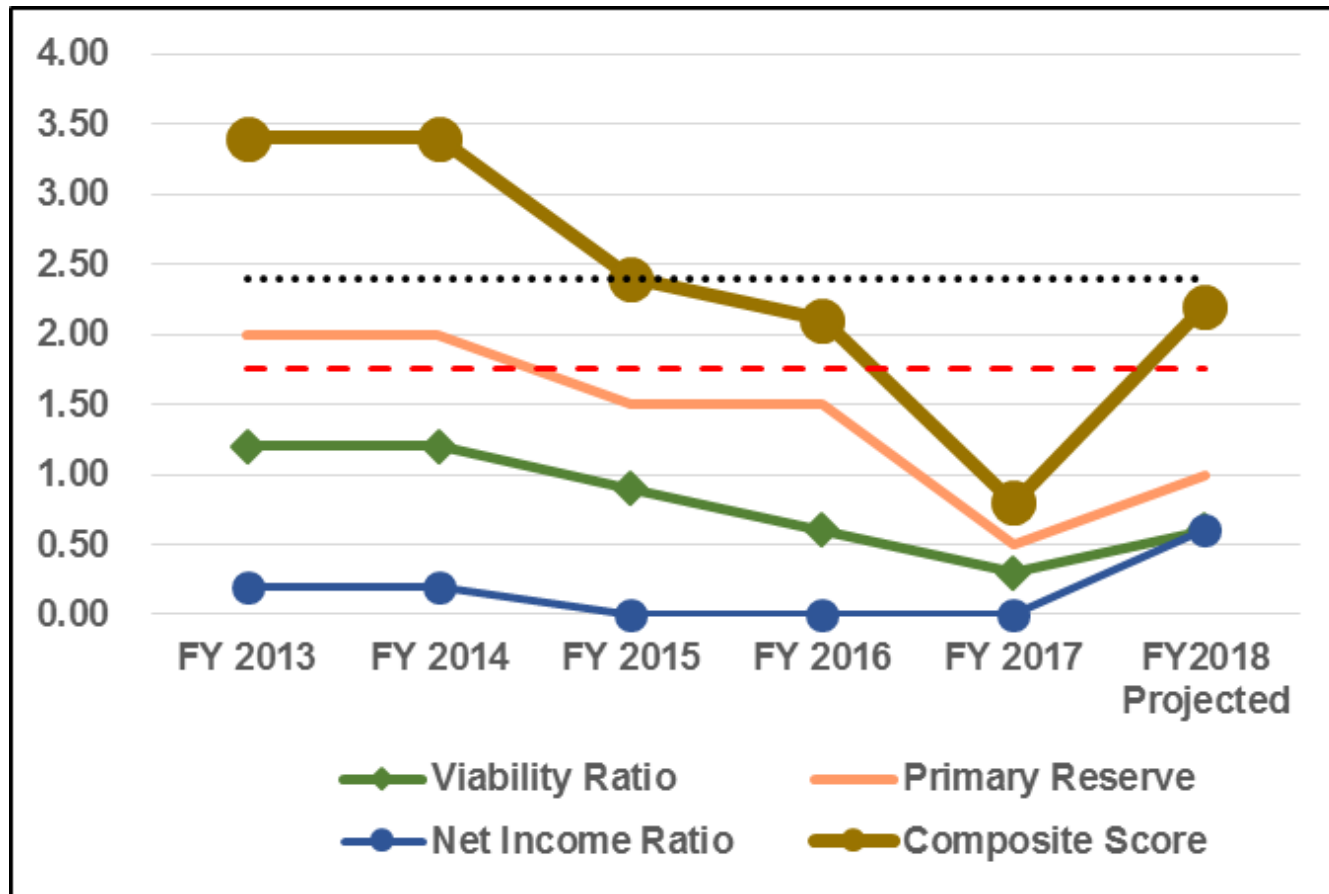
Senate Bill 6 Scoring

Example: Primary Reserve Ratio (FY2017)	
$\frac{\text{Expendable Net Assets}}{\text{Total Expenses}}$	$\frac{16,907,992}{392,570,472}$
Ratio	0.043
Score	1
Weighting	50%
Contribution to Composite Score	0.50

Wright State University Senate Bill 6 Scores

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY2018 Projected
Primary Reserve	2.00	2.00	1.50	1.50	0.50	1.00
Net Income Ratio	0.20	0.20	0.00	0.00	0.00	0.60
Viability Ratio	1.20	1.20	0.90	0.60	0.30	0.60
Composite Score	3.40	3.40	2.40	2.10	0.80	2.20

Wright State University Senate Bill 6 Scores



Doug Fecher

Chair

University Board of Trustees



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