

WASHINGTON STATE UNIVERSITY

Results	Budget	Variance
(110,000)		
997,500	27,500 F	880,000
985,000	55,000 U	950,000
902,500	27,500 U	930,000
180,000	10,000 F	170,000
72,500	2,500 U	70,000
70,000	20,000 U	50,000

Understanding the University Budget
Kelley Westhoff
Operating Budget Director
March 21, 2017

WASHINGTON STATE UNIVERSITY

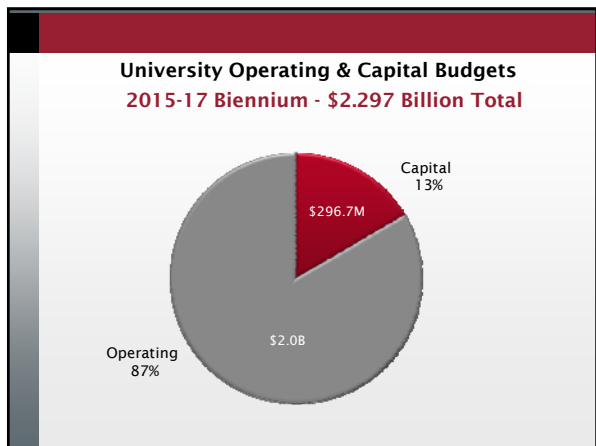
**Recording date of this workshop is
March 16, 2017**

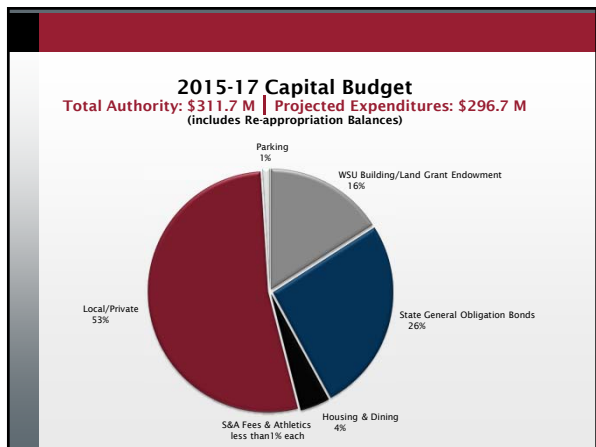
Some of the rules and procedures discussed in this workshop are subject to change.

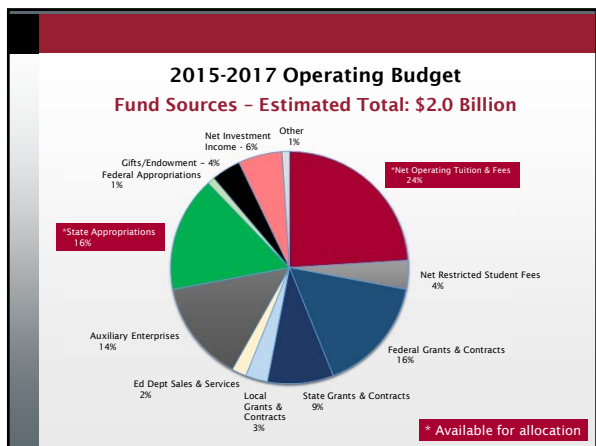
Please check university resources before relying exclusively on this recorded presentation.

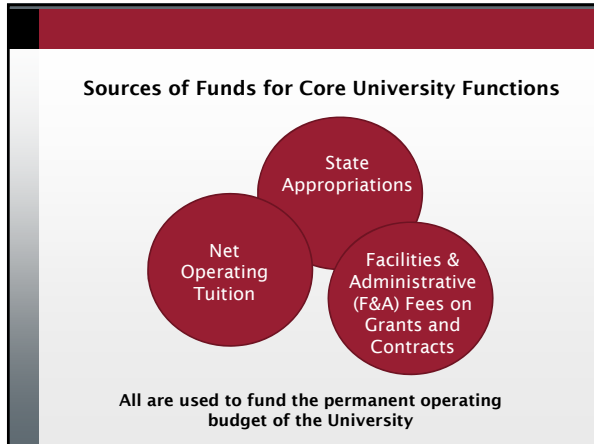
**Understanding the University Budget
Overview**

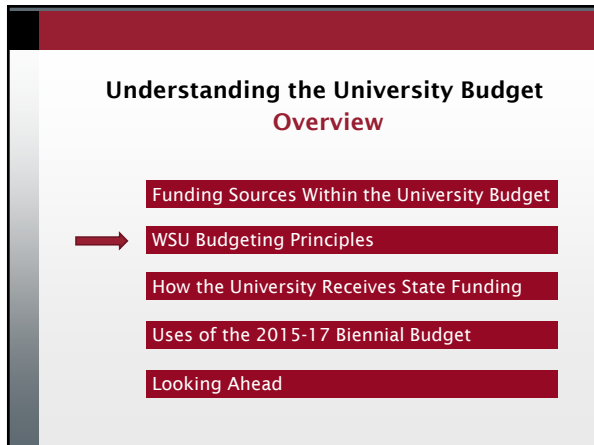
- Funding Sources Within the University Budget
- WSU Budgeting Principles
- How the University Receives State Funding
- Uses of the 2015-17 Biennial Budget
- Looking Ahead

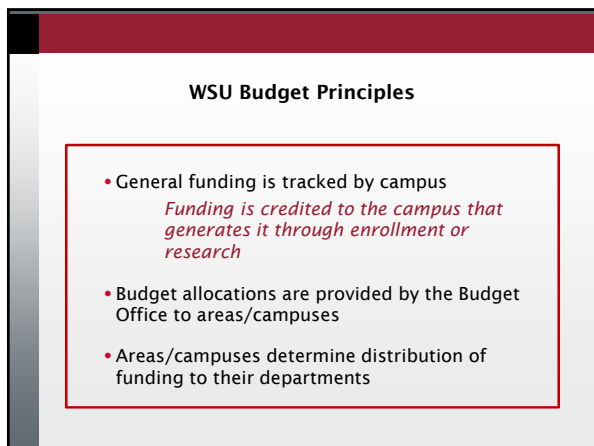












WSU Budget Principles
Special Funding Categories

Funding routed to responsible areas

- Donated Funds
- Facilities & Administration recoveries (aka F&A)

Policies dealing with budget savings/shortfalls

- Allocation Transfers
- Salary Accruals
- Carryforward Balances

WSU Budget Principles
Donated Funds

Currently, 100% of donated funds go to area specified by donors

*WSU is one of only a few institutions that do not "tax" donated funds**

* 3% fee on bequests and liquidations of trusts

WSU Budget Principles
Distribution of F&A Revenue

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graph TD
    A[23% to F&A Revenue Generating Units] --> B[4% Office of Research]
    A --> C[7% Libraries]
    A --> D[38% Campus Support]
    A --> E[28% University Support]
  
```

For more information: BPPM 40.25

WSU Budget Principles
Distribution of Generating Units F&A

23% of F&A revenue is distributed to revenue-generating units

Distributions are made in one of three ways:

<p style="text-align: center;">PULLMAN CONTRACTS</p> <p>Department: 15% Dean: 8%</p>	<p style="text-align: center;">URBAN CAMPUS CONTRACTS WITH Academic Unit Affiliation</p> <p>Academic Dean: 11.5% Chancellor: 11.5%</p>	<p style="text-align: center;">URBAN CAMPUS CONTRACTS WITHOUT Academic Unit Affiliation</p> <p>Chancellor: 23%</p>
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WSU Budget Principles
Allocation Transfers

<p style="text-align: center;">Transfers between non-salary objects</p> <p style="text-align: center;"><i>OK with Dean's approval unless restrictions/provisos</i></p>	<p style="text-align: center;">Transfers between projects or budgets</p> <p style="text-align: center;"><i>OK with Dean's approval unless restrictions/provisos</i></p>
<p style="text-align: center;">Transfers between fund types</p> <p style="text-align: center;"><i>Not allowed</i></p>	<p style="text-align: center;">Transfers between programs</p> <p style="text-align: center;"><i>Reviewed on case-by-case basis</i></p>

WSU Budget Principles
Accruals (Salary Savings) Policy

- Central pool provides for turnover costs (sick and annual leave payouts), and PIDs
- Areas retain savings from vacant faculty and graduate student positions on WSU program 05 (*libraries*) and 06 (*instruction*)
- Areas retain savings from the transfer of expenditures to grants (programs 11A-14Y) regardless of employee type
- Central captures savings from vacant classified, administrative professional, and non-instructional faculty positions for the first four months. Subsequent accruals are returned to areas upon request

* WSU Vancouver, WSU Tri-Cities, Extension, and Ag Research manage their own accruals.

WSU Budget Principles
Carry Forward Policy

What happens to funds at fiscal year end?

Most funds carry forward at the area level. Dean, vice president or chancellor decides if they carry forward at the department level.

- Operating budgets
- F&A accounts
- Donated funds

Some funds do not carry forward

- Equipment replacement allocations
- Special allocations for specific purposes, such as proviso funds

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State Funding for the Higher Ed Sector

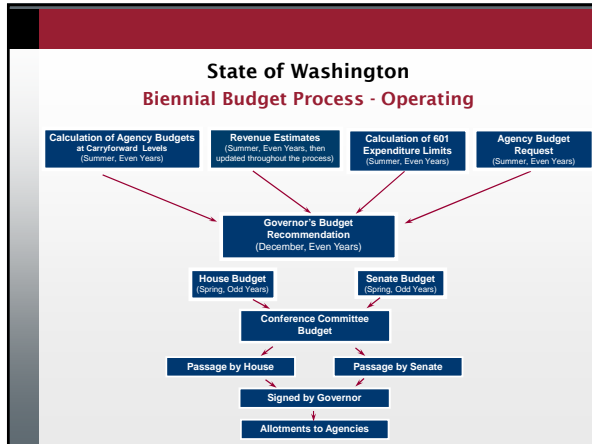
Change in Washington State Higher Education Funding 2001-03 to 2015-17

Category	Funding (Millions)	% Change
Overall Higher Education Budget	5950	+20%
IECU/WSAC (Financial Aid)	5285	+108%
Community and Technical Colleges	5311	+79%
Public	546	-9%

Source: <http://fiscal.wa.gov>

Footer: wsu.edu/budget

Overall state spending has increased \$13.4B since 2001-2003. Overall spending on higher education has increased \$500M in the same timeframe, and Washington public baccalaureate institutions have seen a \$45M decrease in state funding.



Tuition Rate History

2015-17 Biennium

- Resident undergraduate tuition (operating fee portion) reduced by 5% for academic year 2015-16 and by an additional 10% in academic year 2016-17, per legislative mandate. Backfill state funding was provided.
- Although authorized to increase tuition by any amount for all other student categories, WSU opted for no tuition increase in academic year 2015-16, or 2016-17.

2013-15 Biennium

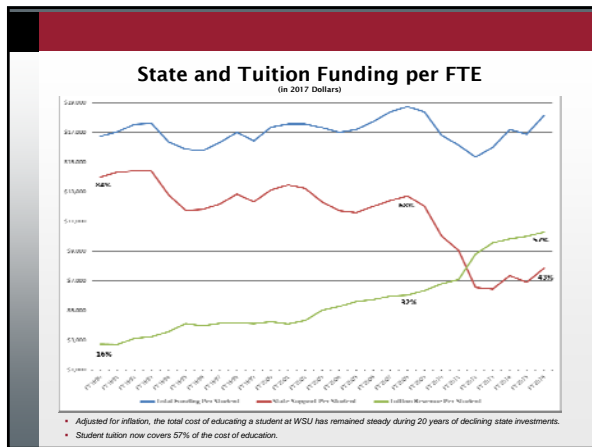
- No tuition increases, per legislative mandate.

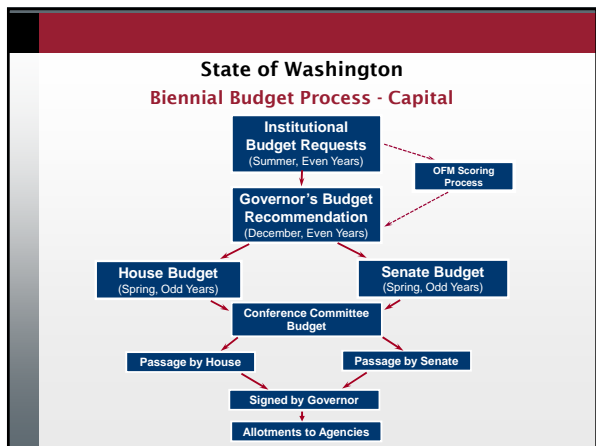
2011-13 Biennium

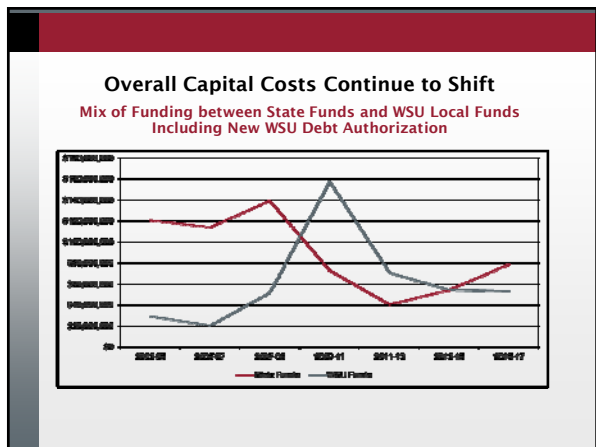
Governing boards were authorized to increase tuition

- For resident undergraduates: up to 16% per year*
(authority established by Legislature in appropriations act each biennium)
- For all other categories of students: by any amount
(authority in RCW)

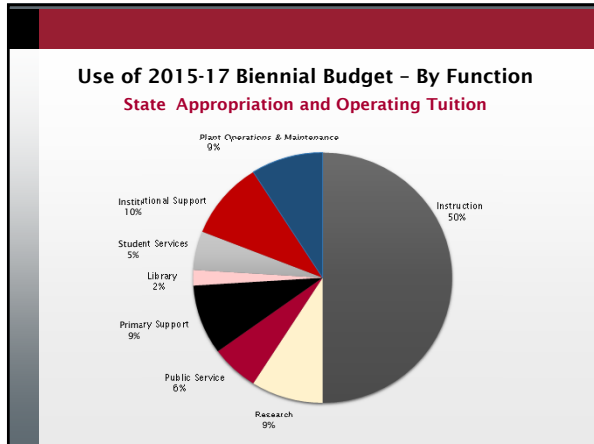
*Institutions had authority for higher increases but would trigger financial aid mitigation requirements.

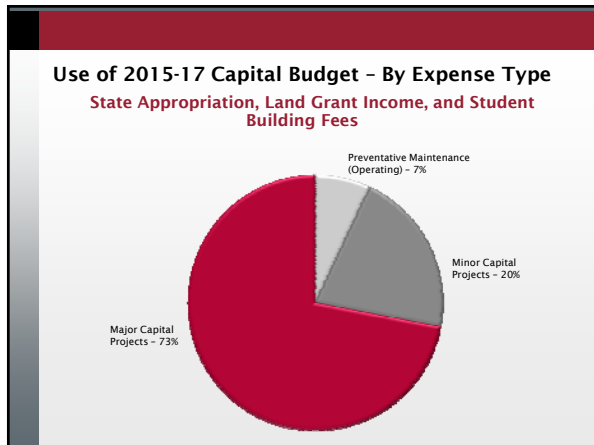


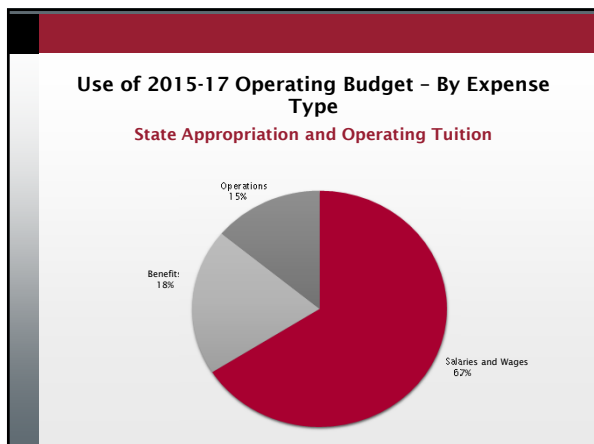




- ### Understanding the University Budget
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2017-19 Operating Budget WSU Request

Medical Education, Elson S. Floyd College of Medicine	\$10.8M
Salaries for Faculty, Staff, and Graduate Students (4% for each of the two years)	\$37.0M
Center for Advanced Manufacturing and Aerospace (Vancouver and Everett)	\$ 5.0M
Maintenance and Operations for New Buildings	\$ 1.6M
Research for Spokane – One Health Initiative	\$ 1.2M
Collective Bargaining Agreements	Various

2017-19 Capital Budget WSU Request

CAPITAL		
Pullman Plant Sciences (REC5)	Construction	\$58.90M
Pullman Global Animal Phase 2	Construction	\$38.10M
Tri-Cities Academic Building	Design	\$ 3.00M
Minor Capital Improvement (MCI/Equipment)	Pool	\$21.75M
Minor Capital Preservation (MCR)	Pool	\$42.50M
STEM Teaching Labs/Bld. Infrastructure Upgrades	Renovation	\$ 4.90M
Upgrades		
Pullman Life/Physical Sciences Building	Predesign/Design	\$ 3.50M
Vancouver Life Sciences Building	Predesign	\$ 0.50M
Pullman Security-Building Card Key Access	Infrastructure	\$ 4.75M
Renovation for Consolidated University Data Center	Renovation	\$ 4.95M
Pullman Life/Safety/BAS Building Systems	Infrastructure	\$ 4.90M
Spokane Teaching Lab/Clinical Research	Renovation	\$ 4.99M
	TOTAL	\$192.7M

Side-by-side charts of the 2015-17 budget operating and capital proposals from the Governor and the Legislature can be found at: <https://budget.wsu.edu/state-budget/index.html>

2017-19 Governor's Operating Budget

- Governor's biennial budget proposes \$4.4 billion in new revenue
 - Increases state B&O tax on services from 1.5% to 2.5%
 - 7.9% capital gains tax on sale of stocks, bonds, other assets
 - Carbon pollution tax on emissions from production, consumption of fossil fuels
 - Repeal of various tax preferences

2017-19 Governor's Operating Budget

Proposed for WSU in the Governor's Budget:

- Funds \$10.0M of WSU's \$10.8M request for funding to support the first class of 60 students at the Elson S. Floyd College of Medicine beginning fall of 2017.
- Provides for salary increases for state employees for both years of the biennium.
- Provides \$1.086M in new funds for the study of long- and short-term effects of marijuana use.
- Provides \$1.58M in maintenance and operations funding (on a marginal basis) for new buildings.
- Provides funding for implementation of Initiative 1433 which will increase the minimum wage incrementally beginning January 2017 through 2020.

2017-19 Governor's Capital Budget

Governor Inslee's proposed capital budget actions include:

- Funds \$58.9 million construction of the Plant Sciences Building
- Funds \$3 million design of the Tri-Cities Academic Building
- Funds \$4.9 million renovation of STEM Teaching Labs/Building Infrastructure Upgrades
- Funds \$500,000 predesign for the Vancouver Life Sciences Building
- Funds \$33.202 million for Minor Capital Preservation

WASHINGTON STATE UNIVERSITY



This has been a WSU Training Videoconference

If you attended this live training session and wish to have your attendance documented in your training history, please notify Human Resource Services within 24 hours of today's date:

hrstraining@wsu.edu

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