

Submitted by: M. Roy Wilson, President

**Wayne State University  
Proposed General Fund Budget  
FY 2022**

**Recommendation for Board Action**

The proposed FY 2022 General Fund budget, its projected revenues and expenditures, and the budgets for individual university units and specifically funded programs as summarized in this document are submitted for approval by the Board of Governors. With this approval, the Board of Governors authorizes the President to implement the budget management procedures, and budget-related policies, with such modifications as may be deemed necessary during the fiscal year.

**FY 2022 Budgeted Revenues**

Wayne State has two primary sources of General Fund revenue: state appropriation and student tuition and fees. These two sources comprise approximately 92 percent of the total FY 2022 proposed General Fund revenue budget. Funding from gifts, grants and contracts support specified functions such as research or scholarships and are not used for the general operations of the university.

State appropriation funding in Wayne State's General Fund is determined by the State of Michigan. The State of Michigan FY 2022 budget has not yet been finalized. The University's proposed FY 2022 General Fund budget is based on 1 percent one-time State appropriation increase for Wayne State University.

The proposed budget includes an increase of 3.9 percent to FY 2021 tuition and fee rates for undergraduate, graduate and most professional students. It also includes an increase for School of Medicine MD program rates; 1.9 percent for resident students, and 0.3 percent for non-resident students. The new tuition rates were approved by the Board of Governors in separate actions.

The COVID-19 pandemic creates significant challenges for projecting enrollment for the FY 2022 budget as student behavior may not be consistent with past patterns. Enrollment projections were made based on the best available information; FY 2022's proposed budget projects an average decrease of 4 percent in student credit hours over FY 2021, and 5.4 percent decrease over FY 2020. Changes to enrollment could provide variances to the projected enrollment in this recommended budget, especially given the changes in student decision-making resulting from the unique circumstances of the pandemic. The proposed tuition and fee revenues are calculated based on approved tuition and fee rates and the above enrollment estimates.

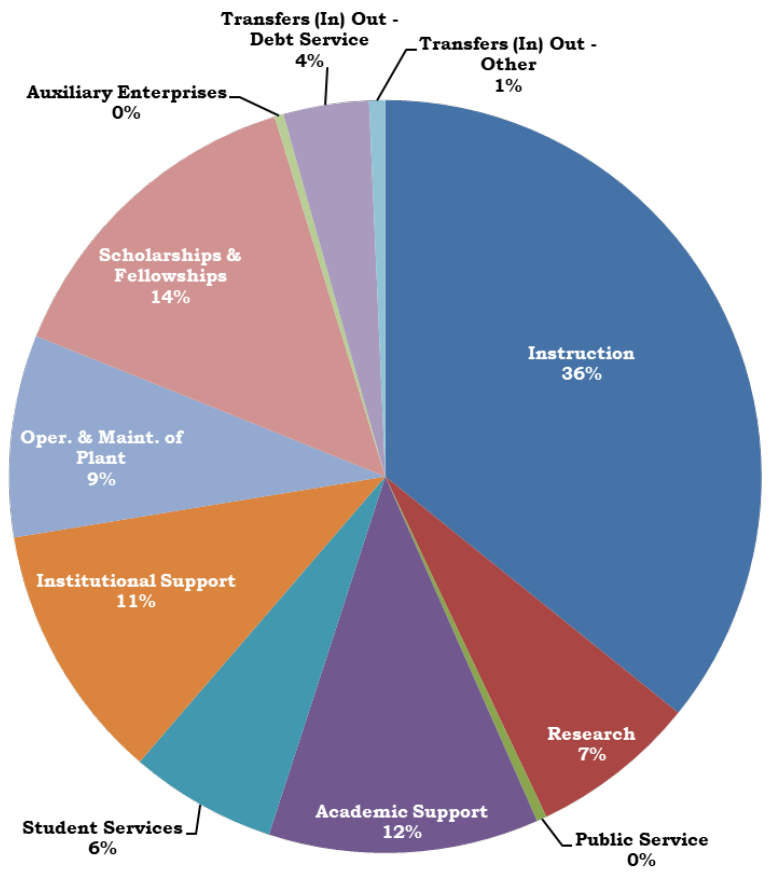
Indirect cost recovery is projected to decrease by \$2.5 million to \$34.0 million. Investment income for Wayne State is budgeted to increase by \$1 million to \$5.1 million.

Overall, the \$668 million proposed general fund budgeted revenues represent a 0.4 percent decrease over FY 2021.

**FY 2022 Budgeted Expenditures**

Budgeted expenditures for FY 2022 are projected to decrease by 1 percent from FY 2021, to a total of \$678 million. The proposed FY 2022 expenditure budgets reflect a strategic budget reduction plan of \$19.6 million.

The proposed FY 2022 General Fund budget contains \$370 million for direct instructional costs, academic support and research related expenditures. Scholarships and fellowships of \$96 million are budgeted, as well as \$43 million in student support. Institutional support, public service, operation and maintenance of plant, debt service and other transfers totaling \$169 million make up the balance of the General Fund expenditures for FY 2022. The estimated functional use of General Fund expenditures described above is shown by percentage below:



The proposed budget is a responsible budget that seeks to contain costs, manage within a challenging revenue environment, emphasize strategic priorities and encourage accountability. It reflects the University’s commitment to its students and to the community, and is responsive to the commitment to provide a quality education at an affordable price.

**General Fund Budget  
 SUMMARY REVENUES AND EXPENDITURES**

<b>Fiscal Year 2022 (In Dollars)</b>				
	<b>FY 2021 Restated Budget</b>	<b>FY 2022 Recommended Budget</b>	<b>Variance Dollars      %</b>	
<b>Revenues</b>				
State Appropriations	203,210,900	205,248,400	2,037,500	1%
Net Tuition and Fee Revenues	416,076,336	410,677,396	(5,398,941)	-1%
Indirect Cost Recovery	36,500,000	34,000,000	(2,500,000)	-7%
Investment Income	4,100,000	5,100,000	1,000,000	24%
Other Revenues	10,759,025	12,636,902	1,877,877	17%
<b>Total Revenue</b>	<b>670,646,261</b>	<b>667,662,698</b>	<b>(2,983,563)</b>	<b>0%</b>
<b>Expenditures</b>				
Schools and Colleges	228,809,765	217,907,624	(10,902,141)	-5%
Divisions	169,133,228	166,931,789	(2,201,440)	-1%
Student Financial Aid	95,993,121	96,015,360	22,239	0%
Central Accounts	181,715,048	189,661,457	7,946,409	4%
Other Expenses	7,497,975	7,448,673	(49,302)	-1%
<b>Total Expenditures</b>	<b>683,149,137</b>	<b>677,964,902</b>	<b>(5,184,235)</b>	<b>-1%</b>
<b>Net Budget Surplus (Shortfall)</b>	<b>(12,502,876)</b>	<b>(10,302,204)</b>	<b>2,200,672</b>	<b>-18%</b>
Use of One-Time Funding	12,502,876	10,302,204	(2,200,672)	
<b>Final Budget Surplus (Shortfall)</b>	<b>0</b>	<b>0</b>	<b>0</b>	

The Rainy Day fund will be used to cover the FY 2021 General Fund net operating budget shortfall only if lost revenue funding from Higher Education Emergency Relief Fund grant and the 3.9% supplemental funding from the state are insufficient to cover the actual FY 2021 General Fund deficit.

Lost revenue funding from the Higher Education Emergency Relief Fund grant will be used to replace the Rainy Day fund previously approved by the Board to cover the actual FY 2021 Parking Fund deficit.

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The Rainy Day fund will be used to cover the FY 2022 General Fund net operating budget shortfall in FY 2022 only if lost revenue funding from Higher Education Emergency Relief Fund grant is insufficient to cover the actual FY 2022 General Fund deficit.

FY 2022 Central Accounts expenditures include compensation increases that are distributed to the appropriate Schools/Colleges/Divisions during the appropriate fiscal year.

Submitted by: M. Roy Wilson, President

**FY 2022 Proposed Auxiliary Activity Budgets**

**Recommendation for Board Action**

It is recommended that the Board of Governors approve the proposed FY 2022 budgets for the auxiliary activity units summarized in this document. Total auxiliary activities revenue and expenditures are as follows (dollars in thousands):

**Background**

The University's auxiliary operations consist of thirteen units that provide non-academic essential services to students, faculty, staff, other institutional departments and to the community. Auxiliary activities are characterized by two primary elements: auxiliaries are essentially self-supported and generate revenue based on or related to the cost of the goods and services they provide. For the purposes of this document, auxiliary activities include WDET-FM; a unit categorized as an independent operation operated by Wayne State but not established to provide services to students, faculty or staff.

Category	FY 2021 Approved Budget	FY 2021 Projected Actual	FY 2022 Proposed Budget
<b>REVENUES</b>			
<b>Beginning Net Assets</b>	\$4,159.5	\$4,712.1	<b>\$423.0</b>
<b>Operating Revenue</b>			
Student Tuition and Fees	\$6,056.5	\$7,247.9	<b>\$7,250.3</b>
Auxiliary Revenues	\$17,523.3	\$12,309.5	<b>\$22,343.9</b>
Total Operating Revenue	\$23,579.8	\$19,557.4	<b>\$29,594.2</b>
<b>Non-Operating Revenues</b>			
Gifts	\$2,540.0	\$2,524.0	<b>\$2,640.0</b>
Other	\$1,569.8	\$2,220.8	<b>\$3,515.2</b>
Total Non-Operating Revenues	\$4,109.8	\$4,744.8	<b>\$6,155.2</b>
<b>TOTAL REVENUES</b>	\$27,689.6	\$24,302.2	<b>\$35,749.4</b>
<b>EXPENDITURES AND TRANSFERS</b>			
Auxiliary Enterprises			
Compensation	\$11,228.9	\$10,088.2	<b>\$12,500.2</b>
Operating Expenses	\$13,125.8	\$12,169.3	<b>\$16,893.9</b>
Expenditures	\$24,354.6	\$22,257.5	<b>\$29,394.2</b>
Transfers Out/(In)			
Debt Service	\$6,918.0	\$6,918.0	<b>\$7,754.6</b>
Plant & Other	\$1,376.9	\$1,218.9	<b>\$1,341.6</b>
General Fund Support	(\$1,803.1)	(\$1,803.1)	<b>(\$2,649.6)</b>
Subtotal Transfers	\$6,491.8	\$6,333.8	<b>\$6,446.6</b>
<b>TOTAL EXPENDITURES AND TRANSFERS</b>	\$30,846.4	\$28,591.4	<b>\$35,840.7</b>
<b>Operating Surplus / (Deficit)</b>	(\$3,156.8)	(\$4,289.1)	<b>(\$91.4)</b>
<b>Ending Net Assets</b>	\$1,002.7	\$423.0	<b>\$331.6</b>

Note: General Fund Support is now shown as a transfer item.