

Submitted by: M. Roy Wilson, President

**Wayne State University
Proposed General Fund Budget
FY 2021**

Recommendation for Board Action

The proposed FY 2021 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 2021 Budgeted Revenue

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 2021 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. Based on the State of Michigan's FY 2021 budget finalized at the end of September, the FY2021 higher education state appropriation remained flat reflecting only a \$45K increase in the Indian Tuition Waiver Adjustment to Wayne State. Please note, during FY 2020, the State of Michigan reduced Wayne State's state appropriations by \$22.75 million while supplementing the funding with CARES Act -Coronavirus Relief Fund money to maintain funding at the budgeted level.

FY 2021 tuition and fee rates, previously approved in a separate action by the Board of Governors, remain frozen at FY 2020 rates. Specifically, tuition and fee rates remain unchanged from FY 2020 for undergraduates and graduate and most professional students. In a separate Board action, School of Medicine MD program rates were increased by 4.5 percent for resident students and 2.5 percent for non-resident students. In addition, all MD students will continue to pay a flat tuition rate for students taking more than 40 or more credit hours on an annual basis. The tuition and fee resolution details the specific rates of every program.

The COVID-19 pandemic creates significant challenges for projecting enrollment for the FY 2021 budget as student behavior may not be consistent with past patterns. Enrollment projections were made based on the best available information; Fall 2020 semester is based on actual enrollment at census date while the remaining semesters reflect projections based on FY 2020 budgeted and actual enrollment. For FY 2021, this budget projected undergraduate credit hour enrollment to increase by 1.60 percent, while graduate credit hour enrollment is projected to decrease by approximately 3.9 percent, not including professional programs. Changes to enrollment for Winter and Spring/Summer 2021 semesters 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 increases and these enrollment estimates.

FY 2021 Proposed General Fund Budget

October 30, 2020

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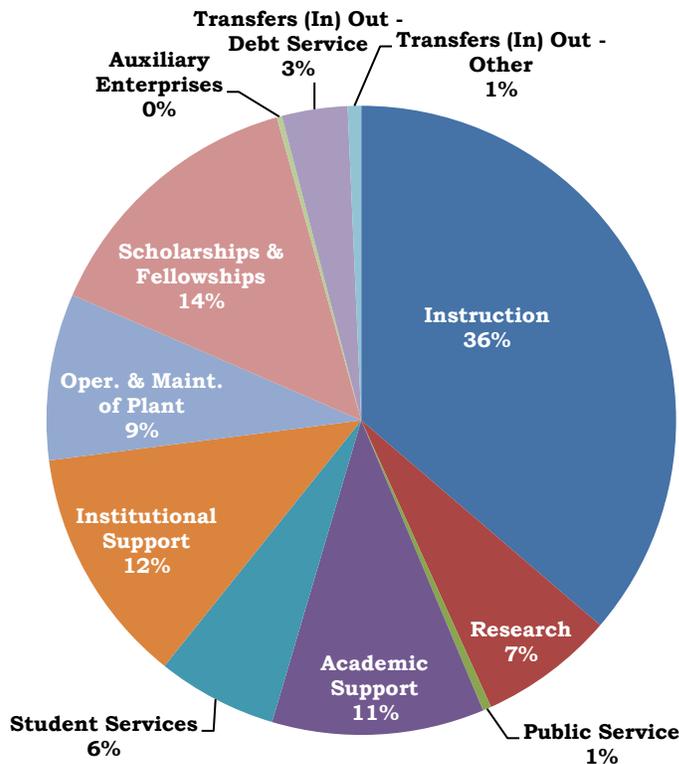
Indirect cost recovery is projected to remain flat from FY 2020 at \$36.5 million. Investment income for Wayne State is budgeted to decrease from FY 2020 by \$1.6 million to \$4.1 million.

Overall, the \$671 million proposed general fund budgeted revenues represents a 0.6 percent decrease over FY 2020.

FY 2021 Budgeted Expenditures

Budgeted expenditures for FY 2021 are projected to increase by 1.2 percent from FY 2020, to a total of \$683 million.

The proposed FY 2021 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 \$42 million in student support. Institutional support, public service, operation and maintenance of plant, debt service and other transfers totaling \$175 million make up the balance of the General Fund expenditures for FY 2021. The estimated functional use of General Fund expenditures described above is shown by percentage below:



The proposed budget seeks to contain costs, manage within a challenging revenue environment, while protecting students from tuition increases and minimizing the negative impact on faculty and staff. 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**

	Fiscal Year 2021 (In Dollars)			
	FY 2020 Restated Budget	FY 2021 Recommended Budget	Variance	
			Dollars	%
Revenues				
State Appropriations	203,165,900	203,210,900	45,000	0.0%
Net Tuition and Fee Revenues	419,521,612	416,076,336	(3,445,275)	-0.8%
Indirect Cost Recovery	36,500,000	36,500,000	0	0.0%
Investment Income	5,700,000	4,100,000	(1,600,000)	-28.1%
Other Revenues	9,951,309	10,759,025	807,716	8.1%
Total Revenue	674,838,821	670,646,261	(4,192,559)	-0.6%
Expenditures				
Schools and Colleges	228,762,247	227,603,520	(1,158,727)	-0.5%
Divisions	166,913,942	162,033,905	(4,880,037)	-2.9%
Student Financial Aid	82,352,263	95,993,121	13,640,858	16.6%
Central Accounts	181,349,063	181,715,048	365,985	0.2%
Other Expenses	15,461,305	15,803,543	342,238	2.2%
Total Expenditures	674,838,821	683,149,137	8,310,316	1.2%
Net Budget Surplus (Shortfall)	0	(12,502,876)	(12,502,876)	
Use of Fund Balance Reserves	0	12,502,876	12,502,876	