

Board of Governors
Financial Update
September 30, 2022

■ WARRIOR STRONG



WAYNE STATE
UNIVERSITY

FY 2022 Budget Update

FY 2022 – Operating General Fund budget shortfall approved by the BOG **-\$10.3M**

- *National enrollment trends**:
 - Spring '22 - Enrollment declines continued to worsen this spring. Total postsecondary enrollment fell to 16.2 million, marking a one-year decline of 4.1 percent. Following a 3.5 percent drop last spring, postsecondary institutions have lost nearly 1.3 million students since spring 2020
- *Michigan enrollment trends**:
 - Spring '22 - Michigan's enrollment headcount change from 2021 was -3.8% (Public 4-year) and -5.8% (state total)
- *WSU enrollment*:
 - WSU experienced an average of 3% decline for FY 2022's enrollment as compared to budget. Graduate and spring/summer '22 enrollment took the largest hit

Student Level	FY 2022 Budget		FY 2022 Est Actuals		% Variance	
	Headcount	Credit Hours	Headcount	Credit Hours	Headcount	Credit Hours
Undergraduate	39,501	446,074	38,601	443,175	-2%	-1%
Graduate	15,938	106,727	15,181	100,583	-5%	-6%
Professional	4,315	83,155	4,196	81,872	-3%	-2%
Total	59,754	635,956	57,978	625,630	-3%	-2%

- *The additional tuition and fee revenue shortfall is estimated at **-\$8.5M** when compared to FY 2022's budgeted revenue.*



**Data provided by the National Student Clearinghouse Research Center*

FY 2023 Budget Update

FY 2023 – Estimated operating General Fund budget shortfall as approved by the BOG **-\$6M**

- *State appropriations*: FY 2023's budget was approved with 2.5% increase in State appropriations. WSU will receive a 5% increase to its current State appropriation, or **+\$5M** more than the budget.
- *Tuition & fee revenue*: Institutional Research projected an average of 5% decline in FY 2023's student credit hours (compared to FY 2022's budgeted credit hours).
 - At this point, Fall '22 enrollment is forecasted to come in lower than budget. At a high level we are estimating an impact of **-\$5M** in tuition revenue only. A decline in fee revenue is also expected, estimated at **-\$1.5M**.
 - Win '23 and Spring/Summer '23 enrollment will potentially see a shortfall as well. A more accurate estimate will be calculated after census day
- Estimated total FY 2023 budget shortfall **-\$7.5M** (incl. Fall enrollment decline only). Steeper declines for Winter and Spring/Summer will drive a larger shortfall.



Summary

- Estimated budget shortfall:
 - FY 2021 **-\$12.5M**
 - FY 2022 **-\$18.8M**
 - FY 2023 **-\$7.5M**
- As approved by the BOG, available year-end balances and, as necessary, other one-time funding will be used to cover the FY 2022 and 2023 General Fund net operating budget shortfall.
 - Current Carryforward Reserve (excluding FY 2022 year-end balances):
 - \$37M
 - Other one-time funds available:
 - \$4M
 - Miscellaneous one-time funding, as available



Discussions

