

Submitted by: Dr. Kimberly Andrews Espy, President

**Wayne State University
Proposed General Fund Budget
FY 2025**

Recommendation for Board Action

The proposed FY 2025 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 2025 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 2025 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 2025 budget has not yet been finalized. The University's proposed FY 2025 General Fund budget is based on 2.5 percent base State appropriation increase for Wayne State University in FY 2025.

The proposed budget includes an increase of 4.5 percent to FY 2024 full time tuition and fee rates for most undergraduate, graduate and professional students. It also includes an increase for School of Medicine (SOM) MD program rates; 5.5 percent for resident, and 1.5 percent for non-resident students. The SOM tuition rates were approved by the Board of Governors in separate actions.

Enrollment projections were made based on the best available information; FY 2025's proposed budget projects flat enrollment over FY 2024's estimated overall student headcount. The proposed tuition and fee revenues are calculated based on the proposed tuition and fee rates and the above enrollment estimates.

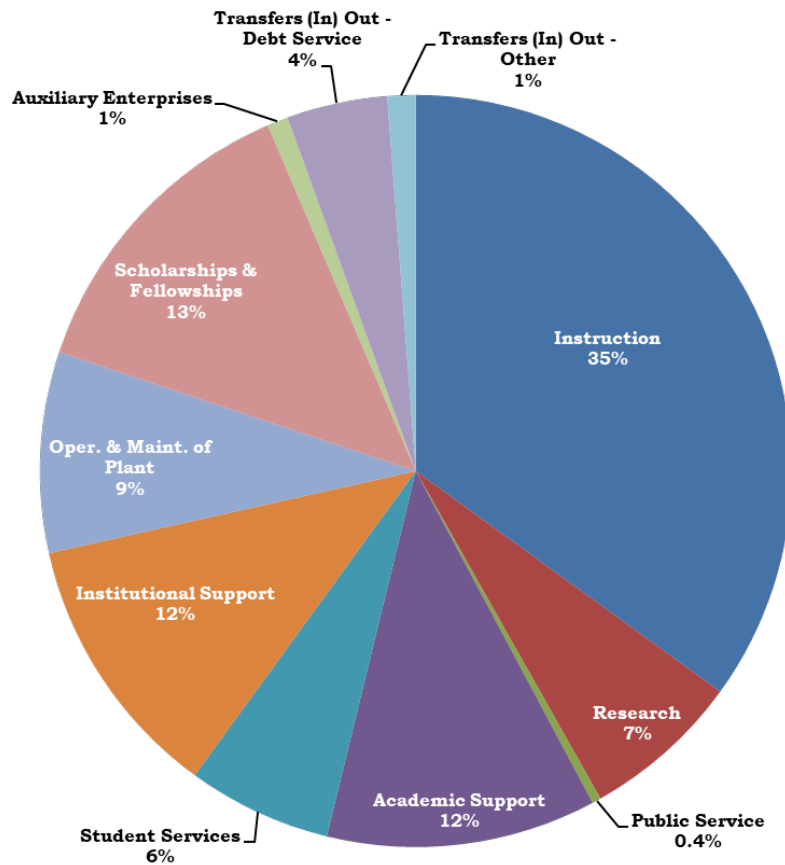
Indirect cost recovery is expected to increase by \$2M due to an increase in grant activity. Investment income is projected to remain flat for FY 2025, at \$5.1 million.

Overall, the \$726 million proposed general fund budgeted revenues represent a 4 percent increase over FY 2024.

FY 2025 Budgeted Expenditures

Budgeted expenditures for FY 2025 are projected to increase by 4 percent from FY 2024 to a total of \$726 million. The proposed FY 2025 expenditure budgets reflect a strategic base budget reallocation plan of \$3.6 million.

The proposed FY 2025 General Fund budget contains \$388 million for direct instructional costs, academic support and research related expenditures. Scholarships and fellowships of \$98 million are budgeted, as well as \$45 million in student support. Institutional support, public service, operation and maintenance of plant, debt service and other transfers totaling \$195 million make up the balance of the General Fund expenditures for FY 2025. 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 resources 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**

**Fiscal Year 2025
 (In Dollars)**

	FY 2024 Budget	FY 2025 Budget	Variance Dollars	%
Revenues				
State Appropriations	221,957,877	229,711,577	7,753,700	3%
Net Tuition and Fee Revenues	420,816,032	439,365,326	18,549,294	4%
Indirect Cost Recovery	37,500,000	39,500,000	2,000,000	5%
Investment Income	5,100,000	5,100,000	0	0%
Gift and Endowment Revenue	3,800,000	3,800,000	0	0%
Rentals and Leases Revenue	1,145,892	1,145,892	0	0%
Other Revenues	7,603,104	7,603,104	0	0%
Total Revenue	697,922,905	726,225,899	28,302,994	4%
Expenditures				
Schools and Colleges	228,300,924	234,384,342	6,083,419	3%
Divisions	172,813,158	184,277,379	11,464,221	7%
Student Financial Aid	97,572,919	97,593,746	20,827	0%
Central Accounts	191,875,137	202,609,665	10,734,528	6%
Other Expenses	7,360,767	7,360,767	0	0%
Total Expenditures	697,922,905	726,225,899	28,302,994	4%
Net Budget Surplus (Shortfall)	0	(0)	(0)	0%

If applicable, available year-end balances, and as necessary, other one-time funding will be used to cover the FY 2024 General Fund net operating budget shortfall.

FY 2025 Central Accounts expenditures include compensation increases that are distributed to the appropriate Schools/Colleges/Divisions during the fiscal year.

FY 2025 Proposed Auxiliary Activity Budgets

Recommendation for Board Action

It is recommended that the Board of Governors approve the proposed FY 2025 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 13 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 generally self-supporting 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 solely to students, faculty or staff.

The FY 2025 auxiliary budget includes an increase in general fund one-time support to Housing and Residential Life as a result of suspended Corvias’ payments.

Category	FY 2024 Approved Budget	FY 2024 Projected Actual	FY 2025 Proposed Budget
REVENUES			
Beginning Net Assets	\$2,745	\$3,362	\$2,614
Operating Revenue			
Student Tuition and Fees	\$8,635	\$9,657	\$9,657
Auxiliary Revenues	\$22,537	\$23,412	\$25,314
----- Total Operating Revenue	\$31,171	\$33,069	\$34,970
Non-Operating Revenues			
Gifts	\$3,012	\$2,843	\$3,339
Other	\$0	\$0	\$0
----- Total Non-Operating Revenues	\$3,012	\$2,843	\$3,339
TOTAL REVENUES	\$34,184	\$35,912	\$38,309
EXPENDITURES AND TRANSFERS			
Auxiliary Enterprises			
Compensation	\$13,533	\$13,201	\$14,955
Operating Expenses	\$17,420	\$18,400	\$19,994
----- Expenditures	\$30,953	\$31,601	\$34,949
Transfers Out/(In)			
Debt Service	\$7,701	\$7,701	\$7,361
Plant & Other	\$1,629	\$2,750	\$2,231
General Fund Support	(\$5,433)	(\$5,391)	(\$5,704)
----- Subtotal Transfers	\$3,896	\$5,060	\$3,887
TOTAL EXPENDITURES AND TRANSFERS	\$34,849	\$36,661	\$38,837
Operating Surplus / (Deficit)	(\$665)	(\$749)	(\$528)
Ending Net Assets	\$2,080	\$2,614	\$2,086