

ASL Budget Forum

Nov 21, 2016



LEARN. DO. LIVE.

CWU | Central
Washington
University

Today's Agenda

- How we are organized
- CWU funding source overview
- Foundation as a source of funds
- All about reserves
- CWU spending overview
- How is this year going?
- Current ABB Model overview
- Known limitations
- Questions/Comments

How We Are Organized (ASL)

1. ACADEMIC & STUDENT LIFE

The Four Colleges

College of Arts & Humanities

College of Education & Prof. Studies

College of Business

College of the Sciences

Academic Support

Provost's Office

University Centers

Associate Provost's Office

Grad Studies & Sponsored Research

Library

International Student Programs

Student Success

INSTITUTIONAL OVERHEAD

2. President's Division

3. Operations Division

4. Enrollment Mgmt Division

5. Bus & Fin Affairs Division

➤ Five Divisions (in blue)

➤ Same across all funding types, including Foundation

➤ Overhead = not self supporting (mostly)

How We Are Organized (Overhead)

1. ACADEMIC & STUDENT LIFE

INSTITUTIONAL OVERHEAD

2. President's Division

President's Office

Athletics

Inclusivity/Diversity

Public Affairs

University Advancement

3. Operations Division

Operations Office

Facilities

Human Resources

Information Services

Police & Parking

Institutional Effectiveness

4. Enrollment Mgmt Division

Student Financial Services

Enrollment Management

5. Bus & Fin Affairs Division

Bus & Fin Affairs Office

Financial Planning & Analysis

Finance & Business Auxiliaries

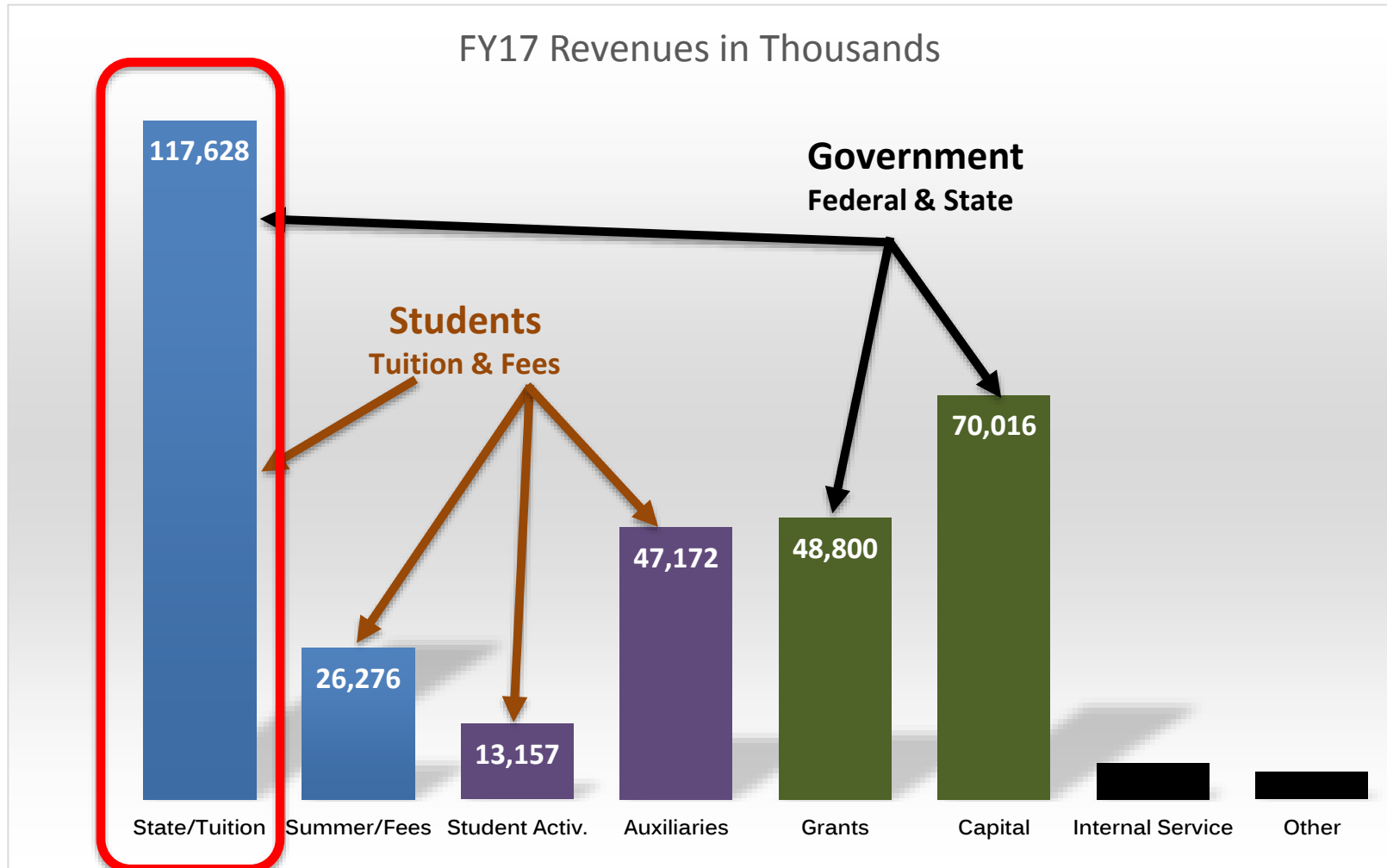
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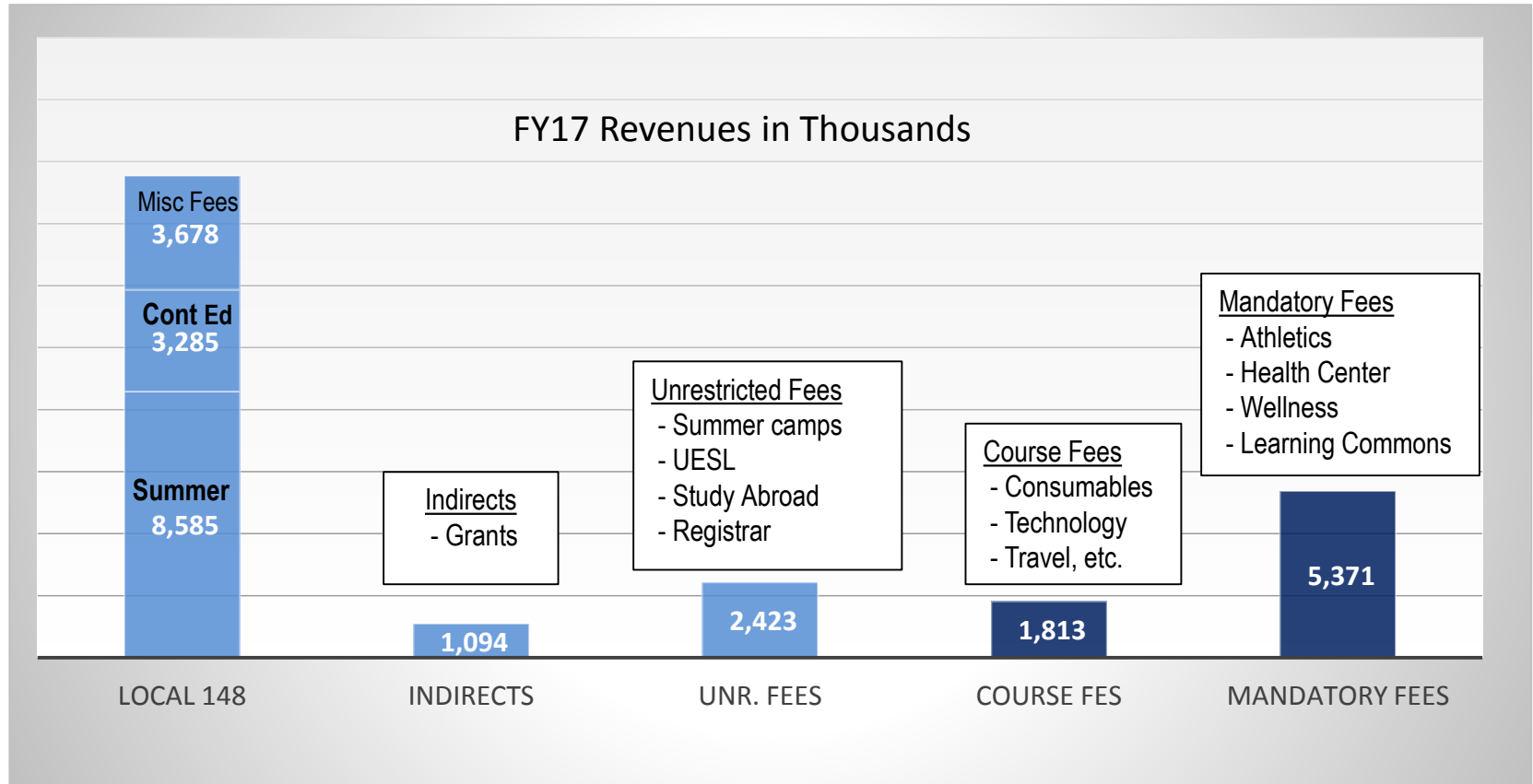
The “Color of Money” Matters

CWU funding sources



Continuing Shades of Color

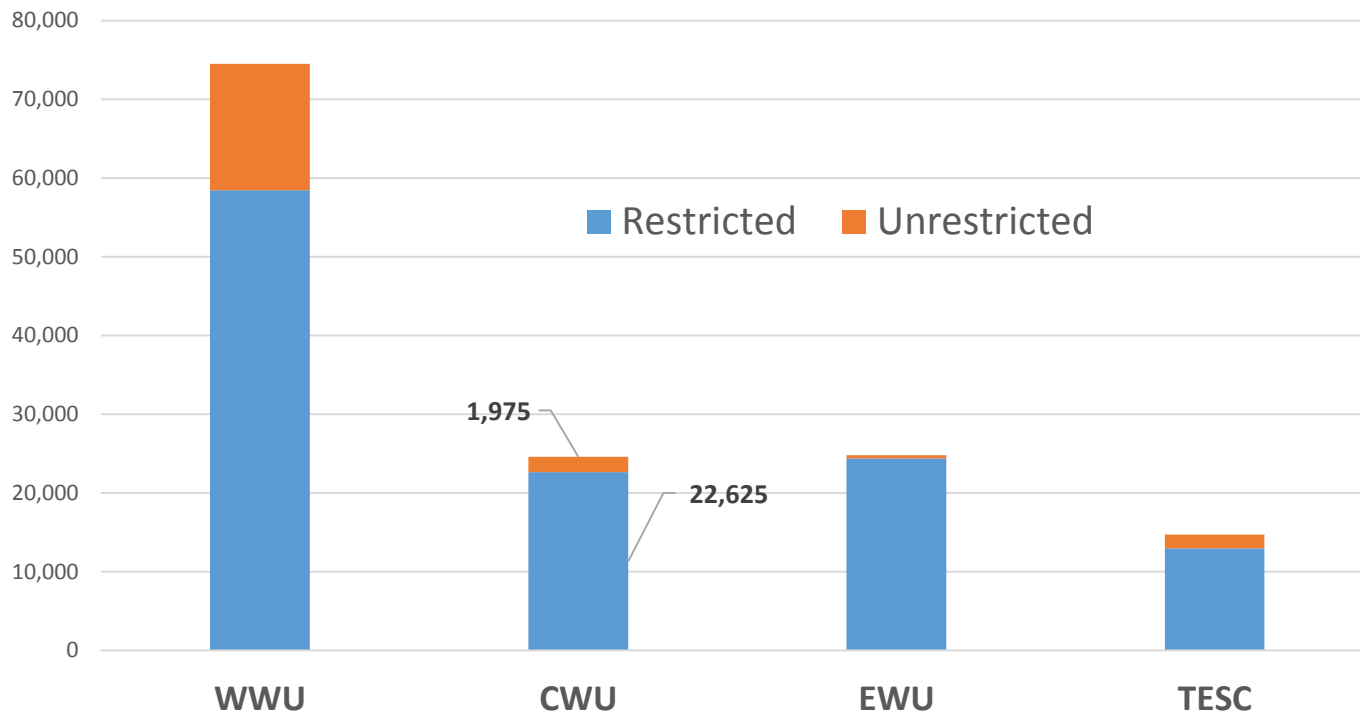
Summer and other Fees



Foundations – WA State Universities

Total Net Assets 2015 (In Thousands)

WSU	WWU	UW	CWU	TESC	EWU
472,815	74,502	2,428,058	24,601	14,733	24,792

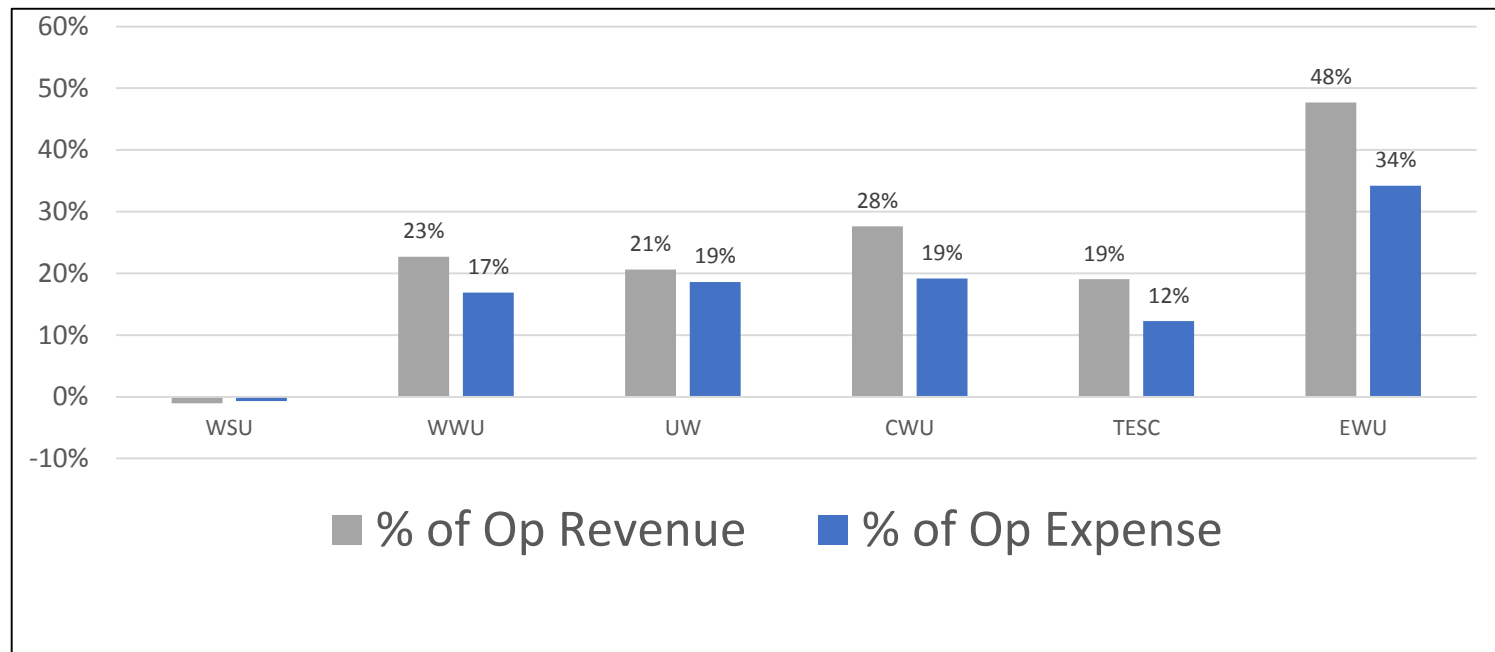


Benchmarking WA Universities

Unrestricted Reserves

Unrestricted Net Position (In Thousands)

WSU	WWU	UW	CWU	TESC	EWU
(7,461)	47,023	869,120	41,269	11,744	74,733



Rating Agency Opinion

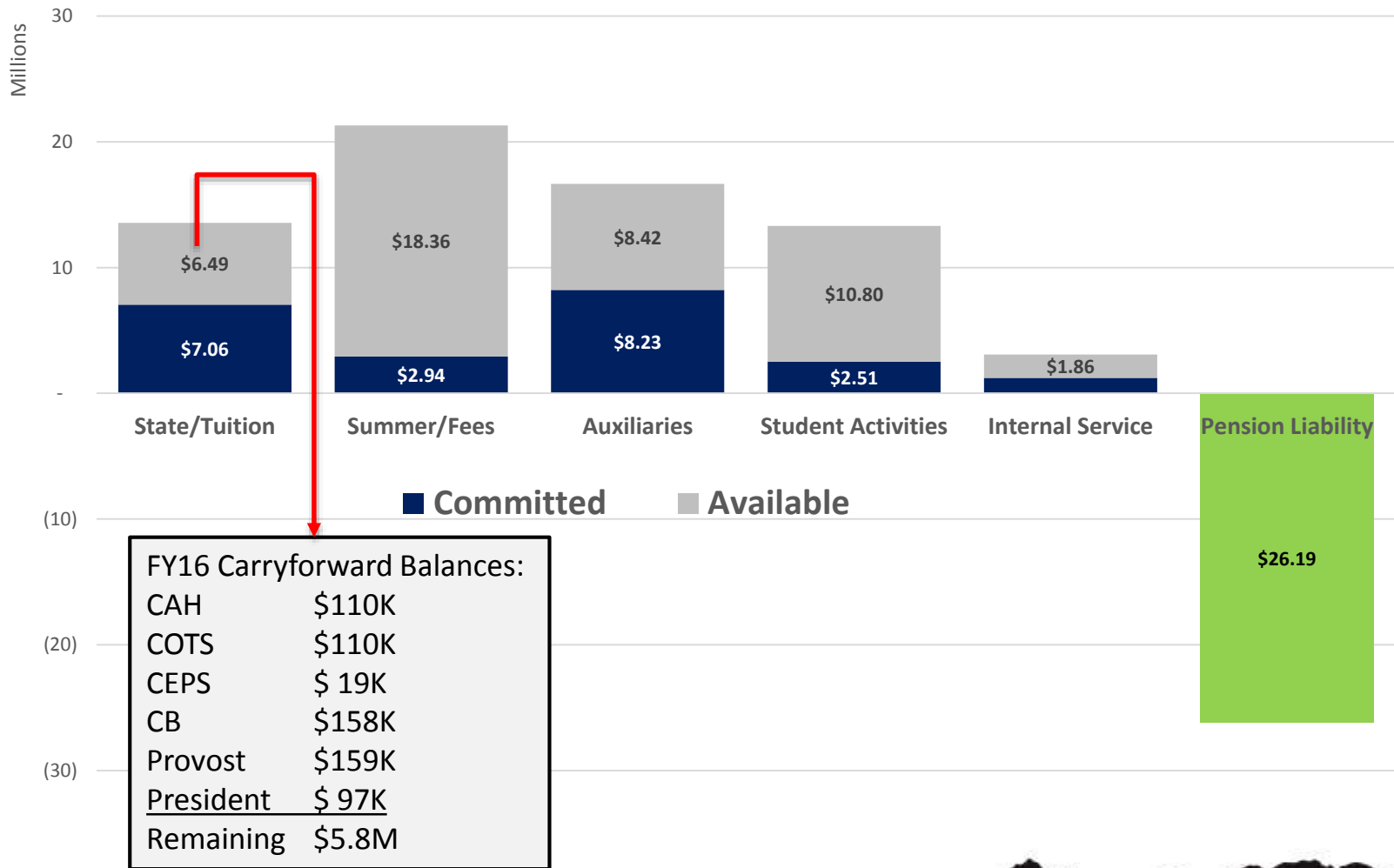
- CWU Operating Reserve Ratio = .3
- Moody's Median = .7

Credit Challenges: *“Thin reserves relative to operations; spendable cash and investments covered expenses a low 0.3 times in FY 2015”*

“Spendable cash investments, which also remained flat between FY2011-15, covered operations a thin 0.3 times in FY 2015, well below the median of 0.7 times for A1-rated public universities.”

CWU Reserves

By Fund Group (in Millions)



Where the Money Goes

NACUBO Spend Categories – provides common classification for comparison

Instruction

Research

Academic Support

Public Service

Student Services

Institutional Support

Facilities

Student Aid

Auxiliary

Depreciation



Academic Expenses

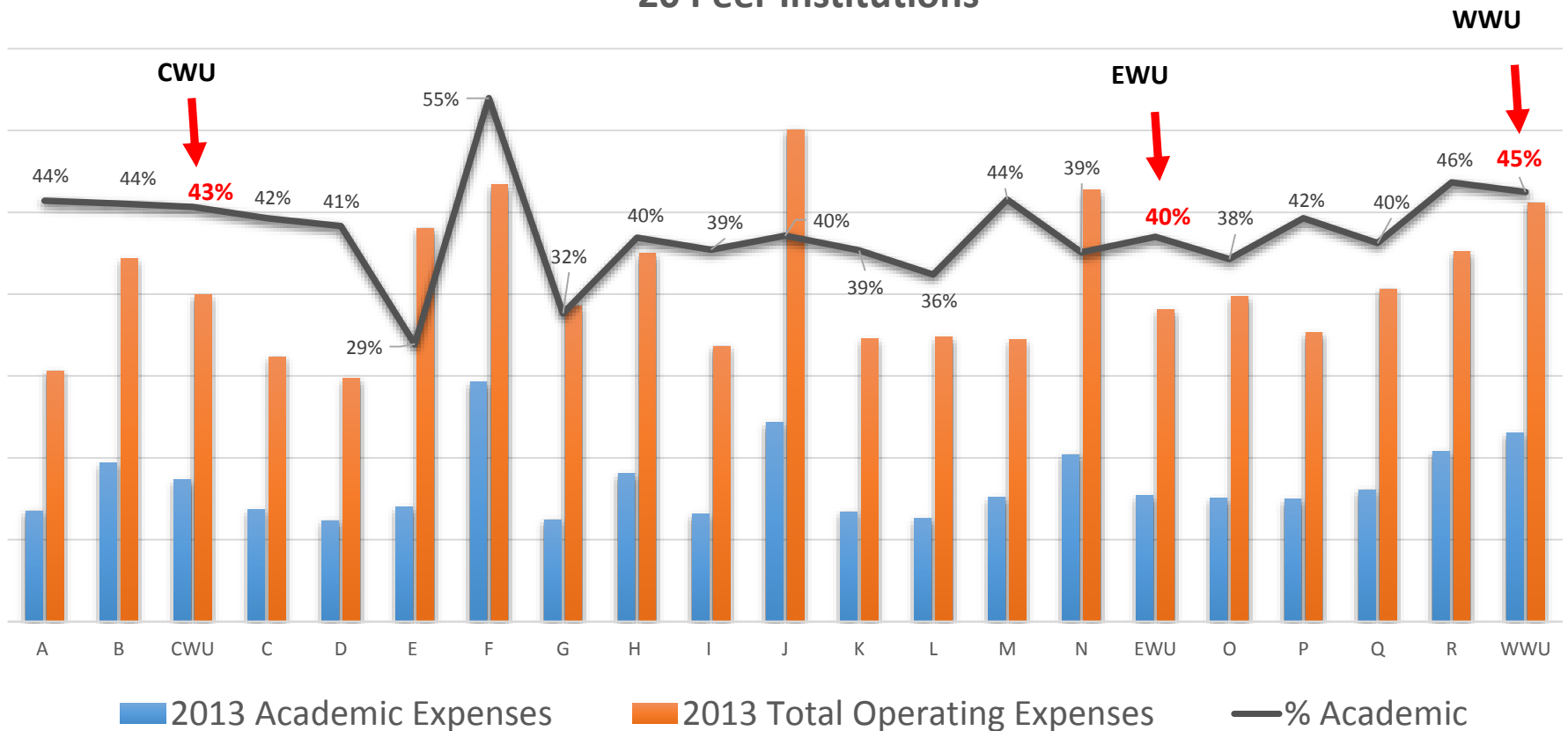
Instruction: Expenses related to credit and noncredit courses, academic, vocational, technical instruction, remedial, special and extension sessions.

Research: Expenses related to institutes and research centers, and individual and project research expenditures for activities specifically organized to produce research outcomes

Academic Support: Expenses related to support services for the institution's primary missions (instruction, research, public service). This includes: Libraries, Grad Studies, Educational media services, Academic computing support, Ancillary support, Academic administration, Museums & Galleries, Educational Media Services, and Course and curriculum development.

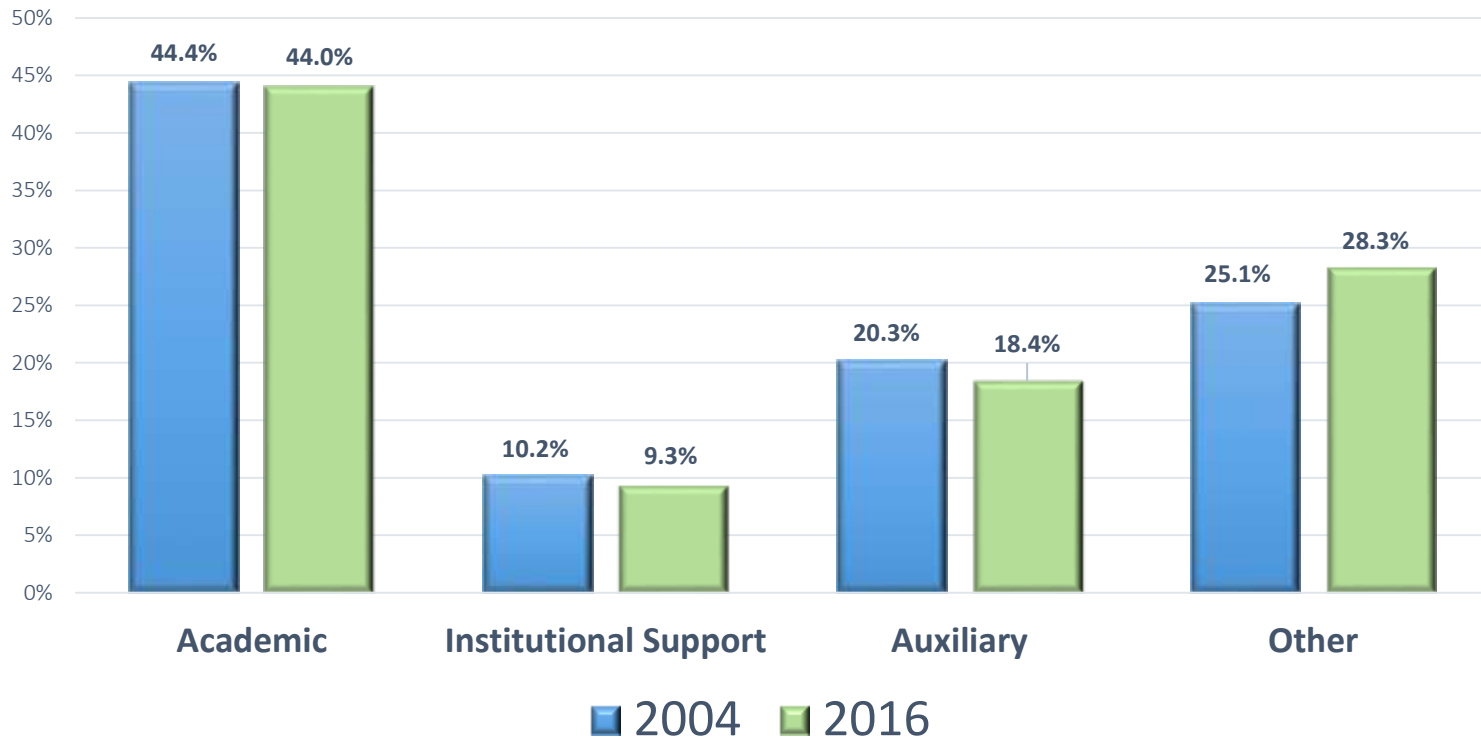
IPEDS Benchmarking

% of Total Expenses Spent on Academic Spend Types (2013-14)
20 Peer Institutions



Spending Patterns Steady

Total Spending 2004 vs. 2016



All Categories vs. Peer Avg

2014

	Peer Average	CWU
Instruction	35%	37%
Research	2%	1%
Academic Support	8%	6%
Public Service	3%	1%
Student Services	8%	5%
Institutional Support	10%	9%
Facilities	5%	6%
Student Aid	7%	6%
Auxiliary	14%	21%
Other	2%	0%
Depreciation	6%	8%
	100%	100%

FY17 Outlook – Tuition Revenue

3 Academic Terms

Headcount - Fall 16			
Student Type	Budget	Actual	Variance
New Students	1751	1903	152
Resident UG	9857	9609	-248
Non-Resident UG	864	861	-3
Resident Grad	385	399	14
Non-Resident Gra	129	133	4

- Great New Student Numbers
- Transfers flat
- Retention down slightly
- Net Result – 233 fewer than budget

- Resident Waivers down 10%, Tuition down 15%
- International waivers up \$1M since 2014, headcount down
- Net Result - \$100K less net tuition than expected fall quarter = **\$300K full year**

Net Tuition - Fall 16			
Student Type	Budget	Actual	Variance
Resident Undergrad	14,814,667	15,425,820	611,154
Non-Resident Undergrad	3,500,288	2,730,086	(770,202)
Resident Grad	586,411	625,558	39,147
Non-Resident Grad	254,773	273,467	18,694
Total	19,156,139	19,054,931	(101,208)

RCM & ABB

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Primary Decision Makers:
Provost & Deans

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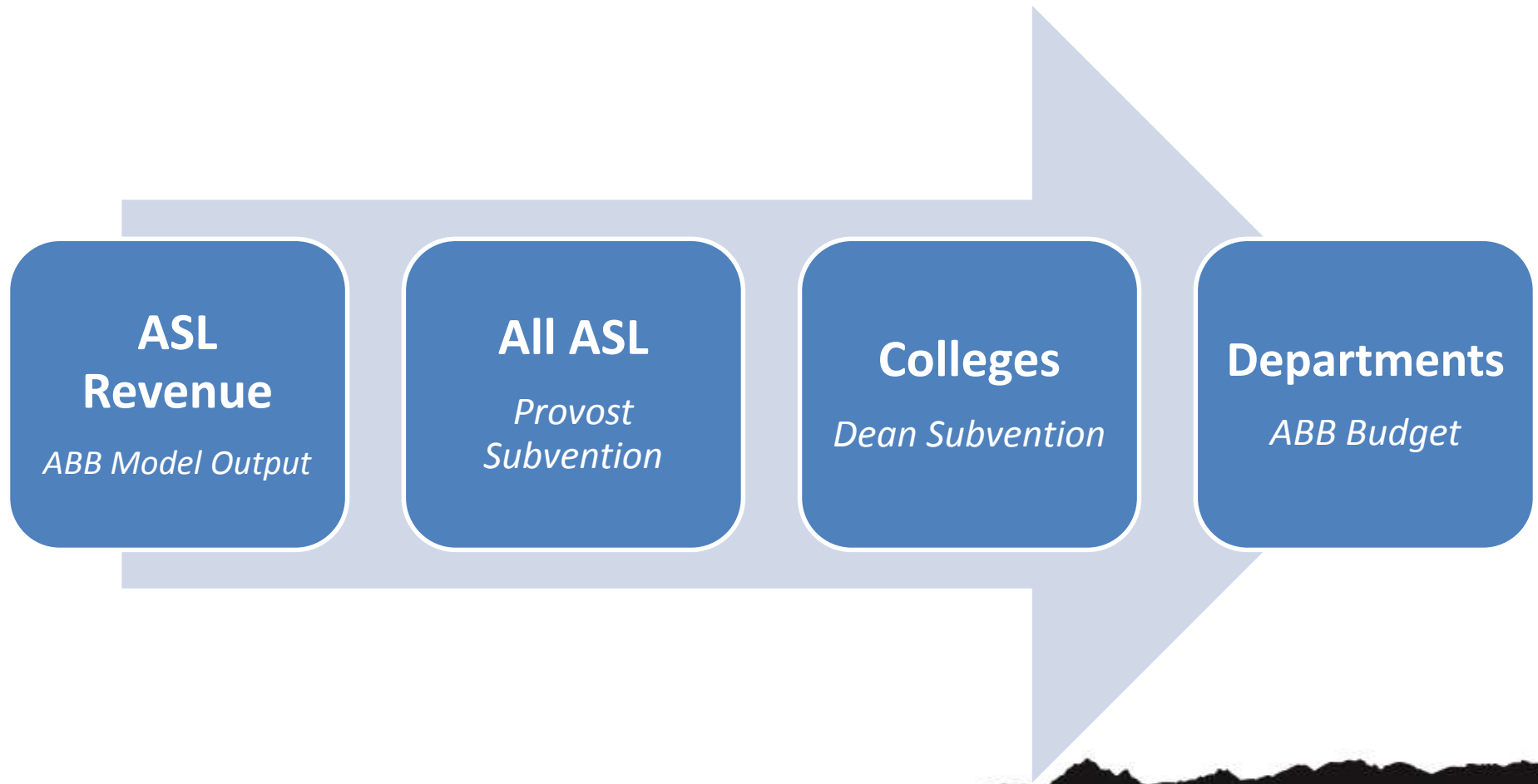
Primary Decision Makers:
President & Vice
Presidents

Current ABB Model

1. Pay Overhead (academic support + institutional support) expenses first – not an overhead rate
2. Remaining revenues shared by four colleges based on allocation formula:
 - 80% Student Credit Hours
 - 10% Majors
 - 5% Pre-majors
 - 5% Graduation Ratio
3. Create Expense Budgets

Rolling
three year
average

Responsibility Centered Management (RCM) Subvention Process



Some Known Issues

- 3 Year Rolling average
 - Intended to protect in downturn, takes too long in growth
- Can encourage silos
 - Rearranging the deck chairs
- May not reward investments in new programs
 - Not enough direct linkage between programs and SCH

What Else?