



Council of Trustees
West Chester University
West Chester, Pennsylvania 19383

Council of Trustees
Resolution
2010-27

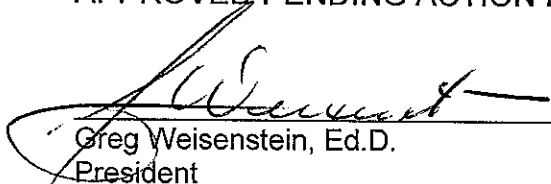
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Proposed

RESOLUTION
COUNCIL OF TRUSTEES
WEST CHESTER UNIVERSITY OF PENNSYLVANIA
SEPTEMBER 23, 2010
2010-11 PROPOSED BUDGET

BE IT RESOLVED THAT THE COUNCIL OF TRUSTEES OF WEST CHESTER UNIVERSITY OF PENNSYLVANIA HEREBY APPROVES THE 2010-11 OPERATING BUDGET FOR WEST CHESTER UNIVERSITY AS IT IS PROPOSED.

APPROVED PENDING ACTION BY THE COUNCIL OF TRUSTEES



Greg Weisenstein, Ed.D.
President

8-7-10
Date

APPROVED BY VOTE OF THE COUNCIL OF TRUSTEES



Thomas A. Fillippo, Chairperson
Council of Trustees

Sept 23, 2010
Date

WEST CHESTER UNIVERSITY OF PA
FISCAL YEAR 2010-2011 BUDGET PROPOSAL

Please refer to the attached copies of the "FY 2010-11 Unrestricted E&G Budget" and the "FY 2010-11 Funds Summary" projections.

REVENUE

The recurring appropriation to PASSHE for last year (FY 2009-10) reflected an 8.5% decrease from the previous year or a total of \$46,057,792. However, for FY 2010-11, PASSHE's appropriation represented level funding. Largely because of enrollment, WCU's share of the appropriation increased by \$760,751 to a total of \$46,818,543. The University also will receive an additional \$4,479,639 in ARRA (federal stimulus) funding for FY 2011. However, these funds are non-recurring, so funding shortfalls could occur in FY 2011-12 and beyond.

On July 22, 2010, the Board of Governors approved a 4.5% across-the-board tuition increase for FY 2010-11, effective with fall semester 2010. In addition, the University has planned an overall 2.9% enrollment growth this year. As a result, academic year tuition revenue is expected to increase by 11.1% over last year.

The Board of Governors also approved a 12.6% increase in the Technology Tuition Fee, which will increase from \$103 to \$116/per semester for a full-time, undergraduate resident student. This rate increase, coupled with enrollment growth, is expected to result in revenue from the Technology Tuition Fee to be \$3,639,386 (a 21.4% increase). As in the past, these monies are designated by PASSHE for enhancing student-related technology across the campus.

It is anticipated that West Chester University will receive \$3,430,403 in Performance Funding, as well as an additional \$1,143,467 in Program Line Initiative Funding, which is level with FY 2009-10 allocations. Notification of the actual allocations will be received later in the fall semester.

The Other Fee Revenue category is projected to increase by 4.4% due to approved increases in the Health Center Fee and projected new revenue from an increase in the Commencement Fee, both of which were approved at the March 2010 COT Meeting. The Interest Income category is projected to remain flat due to the current low rates of return.

EXPENDITURES

Salaries & Benefits:

As in the past, many of the expenditure increases that will impact the University during this year are beyond the University's direct control and include contractual obligations approved several years ago. Salary and benefit expenses continue to be the most significant expenditure items in the University's budget, representing 74.7% of the projected expenditure budget. All collective bargaining agreements are in the final year of a four-year contract in FY 2010-11 and include the following mandated increases:

- ◆ APSCUF – 4% across-the-board increase effective October 1, 2010, plus step increments ranging from 2.5% - 5% (depending upon pay schedule placement) effective August 28, 2010.
- ◆ SCUPA/OPEIU – 4% across-the-board increase effective October 1, 2010, plus 2.25% step increments effective August 28, 2010.
- ◆ AFSCME and SPFPA – 4% across-the-board increase effective October 1, 2010, plus 2.25% step increments effective January 2011.

Managers, the only employee group not covered by a collective bargaining agreement, probably will not receive an increase again this year.

Employer health care rates are also projected to change as follows based on benefit assumptions provided by PASSHE:

AFSCME Annuitant	-19.58%
All Other Annuitant	- .35%
AFSCME & SCUPA/SUA Hospitalization	10.00%
All Other Hospitalization (depending upon plan)	2.01 to 15.42%
AFSCME & SCUPA/SUA H&W	N/A
APSCUF	N/C
Manager/SPFPA/OPEIU H&W (depending upon plan)	.31 to 2.6%

Please note that with the exception of AFSCME & SCUPA Hospitalization, these rate increases are significantly less than those reviewed at the May 2010 COT meeting.

Projected salary and benefit expenses also include the cost of additional faculty to accommodate enrollment increases.

Operating Increases:

Much of the increase in operating expenditures is related to projected increases in both Educational Services and Technology Fee expenses; these expenses typically mirror the revenue generated by the corresponding fees. Tuition and fee increases and enrollment growth are projected to generate additional revenue to meet student technology needs. The University also is anticipating a 15.5% increase in utilities expense due to refinement of the square footage allocation between E&G and Auxiliary facilities and deregulation of electricity rates slated for January 2011. The University has also committed funding to develop/enhance the University's Distance Education Program and International Programs in order to develop new revenue sources, provide alternate learning delivery services, and position the University to weather possible future funding reductions.

The growth in the Non-Allocated budget line represents funding set aside in the Central Budget that will be allocated throughout the year to provide institutional support for projects such as the Information Services/IS Long Range Plan and Facilities Projects, as well as funding for University wide expenses related to PASSHE Consolidated University Operation expenses, Chancellor Fund fee, and legal fees.

SUMMARY

Overall, the Education and General (E&G) budget for 2010-11 is projected to grow by 8.2% to \$180,309,766 over last year's approved budget. The University's All Funds Budget (including E&G, Auxiliary and Restricted Funds) is projected to increase to \$230,864,424. At this time, the FY 2011 budget as presented projects a surplus of \$1,186,358. The surplus, along with budget reduction strategies currently being developed by each division, will be used to offset anticipated funding shortfalls that may occur starting in FY 2011-12 with the loss of ARRA stimulus funding and possible reductions in state appropriation.

**West Chester University
FY 2010-11 Unrestricted E&G Budget Projections**

	FY 2009-10 Approved (COT 9/15/2009)	Adjs	FY 2010-11 Projected Budget	Percent Change
Revenue				
Appropriation	50,330,414	(3,511,871)	46,818,543	-7.0%
ARRA Stimulus Funding	-	4,479,639	4,479,639	
Performance Funding	3,643,434	(213,031)	3,430,403	-5.8%
Program Line Initiative Funding	-	1,143,467	1,143,467	
Regular Tuition	81,090,212	8,983,021	90,073,233	11.1%
Summer Tuition	9,092,437	388,534	9,480,971	4.3%
Ed Svcs Fee	7,696,646	707,097	8,403,743	9.2%
Technology Fee	2,998,517	640,869	3,639,386	21.4%
Facilities Improvements/Sustainability	2,612,365	19,381	2,631,746	0.7%
Other Fees	3,525,717	156,551	3,682,268	4.4%
Interest Income	2,144,393	(257,021)	1,887,372	-12.0%
Miscellaneous Income	3,493,955	1,145,040	4,638,995	32.8%
Total Revenue	166,628,091	13,681,675	180,309,766	8.2%
Expenditures & Transfers				
Salaries (inc Summer & AYM)	89,461,655	7,091,551	96,553,206	7.9%
Benefits (allocated and non-allocated)	34,925,936	2,300,518	37,226,454	6.6%
Operating Expenditures	23,397,658	944,488	24,342,146	4.0%
Designated Infrastructure	901,826	93,716	995,542	10.4%
Facilities Improvements/Sustainability	2,612,365	19,381	2,631,746	
Ed Services -- Academic Computing*	622,640	36,075	658,715	5.8%
Ed Services -- Instruction*	691,822	40,083	731,905	5.8%
Ed Services -- Library*	1,245,280	145,340	1,390,620	11.7%
Ed Services -- Facilities				
Improvements/Sustainability*	299,620	118,154	417,774	39.4%
Technology Fee	2,998,517	640,870	3,639,386	21.4%
University-Wide Non-Allocated	9,833,904	702,010	10,535,914	7.1%
Total Expenditures & Transfers	166,991,223	12,132,185	179,123,408	7.3%
Budget Surplus/(Shortfall)	(363,133)	1,549,491	1,186,358	

*Projected FY2011 allocation pending formal approval by the Council of Trustees.

West Chester University FY 2010-11 Funds Summary		Education & General		Auxiliaries	Total Unrestricted	Restricted	Total Funds
Revenue							
Appropriation	46,818,543				46,818,543		46,818,543
ARRA Stimulus Funding	4,479,639				4,479,639		4,479,639
Performance Funding	3,430,403				3,430,403		3,430,403
Program Line Initiative	1,143,467				1,143,467		1,143,467
Tuition	99,554,204				99,554,204		99,554,204
Educational Services	8,403,743				8,403,743		8,403,743
Technology Fee	3,639,386				3,639,386		3,639,386
Facilities Improvements/Sustainability	2,631,746				2,631,746		2,631,746
Others Fees	3,682,268				3,682,268		3,682,268
Interest Income	1,887,372				1,887,372	217,283	2,104,655
Miscellaneous Income	4,638,995				4,638,995	26,846,102	31,485,097
Residence Halls		11,362,130			11,362,130		11,362,130
Food Service		10,431,018			10,431,018		10,431,018
Sykes Student Union (Auxiliaries)		1,607,854			1,607,854		1,607,854
Other Auxiliaries (USH)		1,276,630			1,276,630		1,276,630
Total Revenue	180,309,766	24,677,632	204,987,398		27,063,385		232,050,783
Expenditures & Transfers							
Salaries	96,553,206	4,891,886	101,445,092		1,610,534		103,055,626
Benefits	37,226,454	2,192,866	39,419,320		240,991		39,660,311
Operating Expenditures	24,342,146	17,592,879	41,935,025		25,211,860		67,146,885
Designated Infrastructure	995,542		995,542				995,542
Facilities Improvements/Sustainability	2,631,746		2,631,746				2,631,746
Educational Services	3,199,014		3,199,014				3,199,014
Technology Fee	3,639,386		3,639,386				3,639,386
Non-Allocated (Miscellaneous)	10,535,914		10,535,914				10,535,914
Total Expenditures & Transfers	179,123,408	24,677,631	203,801,039		27,063,385		230,864,424