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May 29, 2018 - From the President's Desk

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Dear Campus Community,

I am delighted to share that we have made great strides in righting our financial ship and are projecting at this time a \$7.2 million budget surplus when the 2018 fiscal year ends June 30. These funds will help rebuild our reserves.

This follows a \$38 million budget deficit in fiscal 2016 and a \$24.6 million deficit in 2017. We have come a long way in a short time.

The turnaround is the result of hard work, difficult decisions, and sacrifices by everyone in the Wright State family. You should all feel good about this accomplishment.

We are cautiously optimistic as we approach the finish line of the fiscal 2018 budget. We know what summer enrollments are, so the tuition revenue figures are solid and have been budgeted for. In addition, non-compensation spending and medical claims are both currently running under budget.

In all, we will have reduced expenses by an estimated \$50 million this fiscal year. As painful as some of that has been, it has been a necessary achievement. This year we have turned 180 degrees toward being fiscally responsible and accountable.

We continue to take every step to avoid state fiscal watch altogether, which will enable us to achieve financial sustainability at our own pace and invest in the university's future.

While our financial progress has been outstanding, we still have critically low reserves, and avoiding fiscal watch is by no means a certainty. We need to continue to be conservative, frugal, and anticipatory. Regardless of the outcome, we will exit this fiscal year in a much stronger position than anyone had thought possible one year ago.

Balancing next year's budget remains a significant challenge for Wright State. Objectives of the proposed fiscal 2019 budget include maintaining the instructional and educational components of the university's mission as the highest priority; continuing to restore reserves; providing funding for strategic investments; and continuing to emphasize a strong culture of fiscal accountability.

The [proposed budget](#) takes a very conservative approach that maximizes our chances for a better-than-expected outcome. This budget is preliminary and has not yet been approved by the Board of Trustees.

It assumes that state support will decline 1.7 percent—a \$1.4 million decrease from fiscal 2018—and that enrollment credit hours will decline by 6.2 percent.

The budget projects revenue of \$274.7 million, which includes \$162.2 million from tuition and \$84.6 million from the state. That compares to previous revenues of \$306 million in fiscal 2017 and \$287 million in fiscal 2018.

Expenses in fiscal 2019 are expected to total \$271.7 million, leaving us with a \$3 million surplus, which will again help to rebuild reserves.

Our budget strategy for next year is different from past years in that we have tried to accurately and conservatively estimate revenue first and then build an expense budget that fits within the revenue projections. In the past, there were some very unrealistic targets for tuition and fees that were driven by the expense budget.

Under the preliminary budget, there unfortunately will be no planned increases in salaries and wages except for promotions. Preliminary budget assumptions include no tuition increases for resident undergraduate students and a 3 percent increase for graduate students and non-resident undergraduate students. The incoming cohort of students in the Wright Guarantee Tuition Program had their tuition set previously.

In addition, we are budgeting an increase of \$5.5 million to address higher-than-usual medical claims as we experienced in fiscal 2018, \$3.5 million for fee waivers previously unbudgeted, and \$1 million for promotions. New items also include \$1 million to buffer enrollment fluctuations and \$1.3 million for strategic investments.

If the university did not need to budget the medical claims and fee waiver increases, next year's budget would have a \$12 million surplus, instead of \$3 million, even with enrollment declines.

Achieving a balanced budget for next fiscal year will require significant spending reductions and belt-tightening. After reviewing proposed budgets by the organization units, we still have a gap to close.

As part of righting our ship, we are also working on a fiscal sustainability plan that includes strategies for revenue enhancement and operational efficiencies for both the short and the long term. We will systematically explore every pathway to ensure we are using our resources in the most effective way possible.

Please join us for the budget presentation at the Board of Trustees' public session on June 8 at 8:30 a.m. in the Apollo Room of the Student Union.

I would like to encourage everyone from the campus community who has an idea of ways to enhance revenue or increase efficiencies to [send their suggestions to our new Idea Box](#). I promise you that all ideas are welcome and will be considered.

Finally, I will share that the momentum we generated in the spring semester during our strategic planning process is clearly carrying over into the summer. We are developing a tremendous strategic plan that will help us focus on our shared priorities and be instrumental in paving the way for Wright State's future. I encourage everyone to attend and participate in any or all of the [five strategic planning mini-summits over the summer](#).

Every voice is important. New voices help us grow. Please consider finding a way to share yours with us as we chart our course forward.

Warmest regards,

Cheryl B. Schrader, Ph.D. President

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