Agenda

• History
• Projections
• Budget Pressures
• What can you do
History - How did we get here

- Economic Crisis
  - State revenue decreasing
  - Pension payment ramp (more competition with less dollars)
- Enrollment Fluctuations
  - Change in Demographics
  - Population reductions
  - Cost of Attendance (led to increased competition)
- Results
  - Over 10 years of decline in State Appropriations and State Capital Dollars (Last 4 years especially)
  - Enrollment dips and uncertainty
  - Passed on many costs to our students
Enrollment Trends

- Undergrad: 13,754, 11,417, 11,334, 10,263, 13,754, 13,602, 12,205, 10,263
- Grad: 2,337, 2,268, 1,942, 2,337, 2,268, 2,268, 1,942, 1,942
- Total: 16,091, 13,655, 12,205, 13,754, 15,866, 15,864, 14,147, 12,205

Graph showing enrollment trends from 1990 to 2012.
Income Fund vs GRF
(in millions)

- State Appropriation
  - FY05: 43.3%
  - FY06: 56.7%
  - FY07: 58.0%

- GRF
  - FY05: $30.0
  - FY06: $35.0
  - FY07: $40.0
  - FY08: $45.0
  - FY09: $50.0
  - FY10: $55.0
  - FY11: $60.0
  - FY12: $65.0
  - FY13: $70.0

- Income Fund
  - FY05: $30.0
  - FY06: $35.0
  - FY07: $40.0
  - FY08: $45.0
  - FY09: $50.0
  - FY10: $55.0
  - FY11: $60.0
  - FY12: $65.0
  - FY13: $70.0
Tuition Increase History

Annual Tuition (30 hrs)
<table>
<thead>
<tr>
<th>Year</th>
<th>Net Tuition</th>
<th>GRF</th>
<th>Other</th>
<th>Total Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY09</td>
<td>$67</td>
<td>$58</td>
<td>$2</td>
<td>$127.2M</td>
</tr>
<tr>
<td>FY10</td>
<td>$67</td>
<td>$60</td>
<td>$2</td>
<td>$125.9M</td>
</tr>
<tr>
<td>FY11</td>
<td>$68</td>
<td>$56</td>
<td>$2</td>
<td>$129.5M</td>
</tr>
<tr>
<td>FY12</td>
<td>$71</td>
<td>$56</td>
<td>$2</td>
<td>$131.7M</td>
</tr>
<tr>
<td>FY13</td>
<td>$71</td>
<td>$52</td>
<td>$2</td>
<td>$133.5M</td>
</tr>
</tbody>
</table>
WIU Expenses (Appropriated funds)
(in millions)

FY09  FY10  FY11  FY12  FY13 budget

Operating: $126.2
Personal Services: $115.9

$0  $20  $40  $60  $80  $100  $120  $140

$140  $120  $100  $120  $100  $120  $140

$126.2

$115.9
Income & Expense
(In millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Income</th>
<th>Total Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY09</td>
<td>100</td>
<td>110</td>
</tr>
<tr>
<td>FY10</td>
<td>110</td>
<td>120</td>
</tr>
<tr>
<td>FY11</td>
<td>120</td>
<td>130</td>
</tr>
<tr>
<td>FY12</td>
<td>130</td>
<td>140</td>
</tr>
<tr>
<td>FY13</td>
<td>140</td>
<td>150</td>
</tr>
</tbody>
</table>

Salary Increase:
- 0% Salary
- 1% Salary Increase
- 2.5% Salary Increase
Cost Per Credit hour

<table>
<thead>
<tr>
<th></th>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instructional Cost/ Credit Hour</td>
<td>$175.43</td>
<td>$183.25</td>
<td>$183.20</td>
<td>$189.28</td>
</tr>
<tr>
<td>Total Cost/ Credit Hour</td>
<td>$304.32</td>
<td>$312.20</td>
<td>$310.48</td>
<td>$322.78</td>
</tr>
</tbody>
</table>

6.07% increase over 3 years
The Game Has Changed
(Direct Costs v. Maximum Aid)

Max Pell Grant
Max MAP Grant
Max Federal Loan

$0
$5,000
$10,000
$15,000
$20,000
$25,000

$9,826
$19,746
3 year Projection – Status Quo

• Let us consider that nothing changes.
  • Level state appropriations
  • No pension cost shift
  • Level enrollment
  • 4% Tuition increases
  • Meeting contractual salary obligations
  • No major program changes
  • No operating increases
Status Quo - projection

(in millions)

<table>
<thead>
<tr>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>Expense</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$6.6</td>
<td>$7.4</td>
<td>-$1.1</td>
<td>-$6.4</td>
<td>-$10.4</td>
<td>-$12.3</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
3 year Projection - More Realistic

• What are the more realistic assumptions?
  • Reduction in appropriations of 5% then level
  • Pension cost shift of ½% per year until normal costs are reached
  • Enrollment will dip and then level out
  • 4% Tuition Increases
  • Meeting contractual salary obligations
  • No major program changes
  • No operating increases
With 5% GRF cut and Pension shift (in millions)

Income

Expense

FY09 FY10 FY11 FY12 FY13 FY14 FY15 FY16

$6.6 $7.5 -$1.1 -$9.5 -$14.2 -$16.7
Budget Pressures

- Salary Increases for FY14 – 3.5%, FY15 4.0%
  - Negotiated Groups - $2.5M
  - Minima and Promotion - $1.0M
  - Non-Negotiated Staff - $1.1M
- Pension Shift, 0.5% = increase of $540,000 per year
- Enrollment – for every 100 students not retained it is a decrease in revenue of $1,000,000
- College affordability and financial aid gap – How far can we raise tuition?
How can we help?

- Enrollment and Retention
  - Each student makes a difference
  - Do our part at Discover Western and other recruitment events
  - Do our part at retention programs (FYE, Building Connections, etc.)

- State Revenue
  - Write your local and state officials about the funding of Higher Education

- Expenses
  - Conserve wherever we can
  - Suggest opportunities for reductions in your area
  - Communicate with others when you see waste

- Feedback on larger budget issues
  - Provide feedback through your constituency group or Vice President about your thoughts, ideas, and proposals
THANK YOU!