

Strategy & Budget Campus Conversation

VISION FOR WEST VIRGINIA UNIVERSITY

STRATEGIC PILLARS



EDUCATION



HEALTHCARE



PROSPERITY

Priorities within **EDUCATION**

1. INCREASE ENROLLMENT

- / Online Programming
- / Instate/PROMISE Scholars Recruitment
- / Regional Recruitment (Big 12 footprint)
- / International Recruitment
- / Transfers
- / Summer Camps

Priorities within **EDUCATION**

2. INCREASE RETENTION

- / Project 168
- / Student Success Collaborative
- / Advising
- / Student Services
- / Integrated College-based Recruitment/Retention Programs
- / Advanced Teaching Support (Teaching Learning Commons)

3. IMPROVE K-12 EDUCATION

- / Center for STEM Education (UTeach)
- / WV Public Education Collaborative
- / ACCESS
- / Extension (4-H camps, Energy Express, etc.)
- / College Camps

Priorities within **HEALTHCARE**

1. TRANSLATIONAL & CLINICAL CARE

- / WVU Medicine
- / Cardiac Care
- / Cancer Care
- / Critical Care
- / Neurosciences
- / Children's & Women's

2. ADDRESS STATE'S HEALTH NEEDS

- / Treatment for Addiction / Mental Health
- / Elder Health Care
- / Obesity

3. HEALTH AND WELLNESS

Priorities within **PROSPERITY**

1. CREATE ONE WVU

- / Culture of Prosperity
- / Align Partnerships
- / Transformation Teams

2. R1 STATUS

- / Research Priorities
- / Faculty Research Productivity
- / Research Support
- / Institutes & Centers
- / Doctoral Productivity

Priorities within **PROSPERITY**

3. TRANSFORM WEST VIRGINIA ECONOMY

- / Leverage Internal Expertise with External Resources
- / Partnerships with Federal Government Agencies, NGOs and Businesses
- / Leverage Entrepreneurial Activities
- / State and Community Partnerships
- / Business Engagement
- / Research-Based Solutions for State Challenges

Snapshot: **STRATEGIC PRIORITIES**

EDUCATION

/ Recruitment / Retention / K-12 Education

HEALTHCARE

/ Translational & Clinical Care / Address State's Health Needs / Health & Wellness

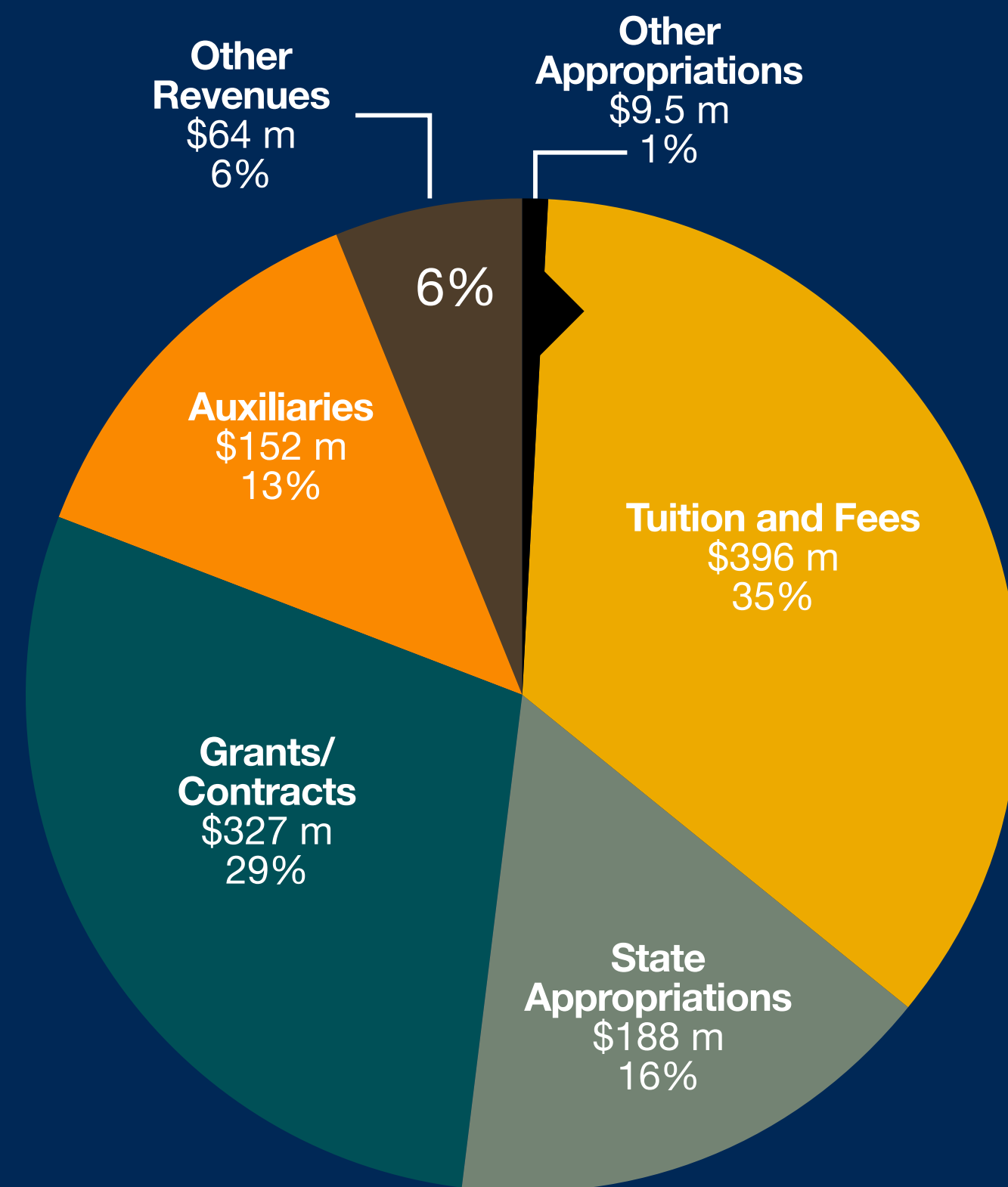
PROSPERITY

/ Create One WVU / R1 Status / Transform WV Economy

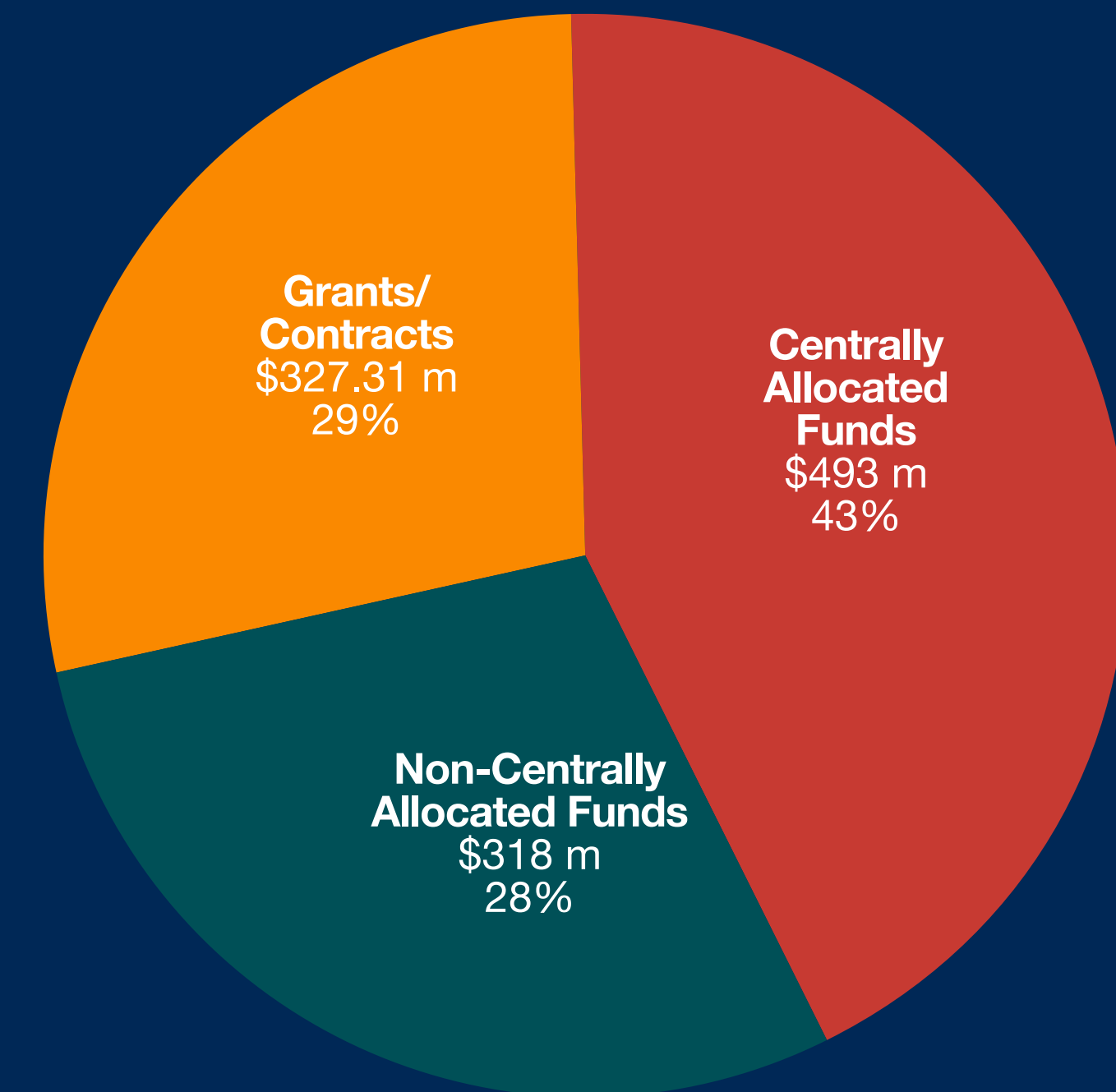
BUDGET OVERVIEW

Sources & Ownership of FY16

Sources of Funding



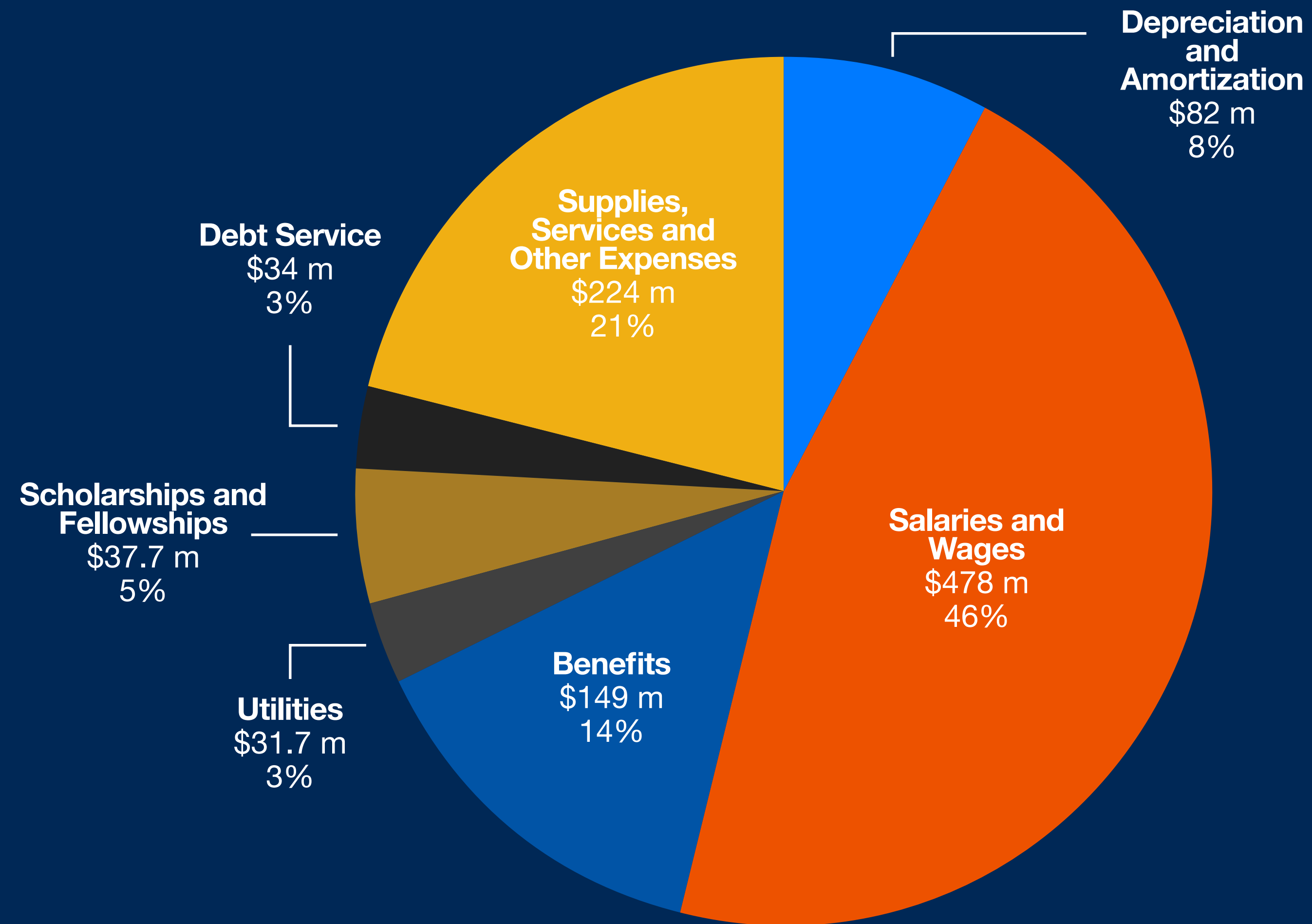
Ownership of Funding



Total Budget = \$1 billion

BUDGET OVERVIEW

2016 Budgeted Use of Funds



THE SITUATION

By the end of Fiscal Year 2017, we have to reduce our spending by \$27 million. At the end of Fiscal Year 2020, we have to reduce our spending by an additional \$18 million, for a total reduction of spending of \$45 million, annually.

HOW DID WE GET HERE?

1. DECLINING STATE SUPPORT

- / Lost \$30 million in base funding from the state

2. ENROLLMENT & PRICING PRESSURES

- / Competition, Pricing & Enrollment Challenges
- / Tuition Affordability
- / Increased Tuition Discounting/Scholarship

3. INCREASING OPERATING COSTS

- / State Obligations (i.e., PEIA, wvOASIS system)
- / Talent, Fringes, Supplies & Infrastructure

WHERE DO WE GO FROM HERE?

1. INVESTING IN PRIORITIES

- / Research
- / Programs
- / Talent
- / Enrollment
- / Infrastructure

2. MAINTAIN STRATEGIC FINANCIAL GOALS

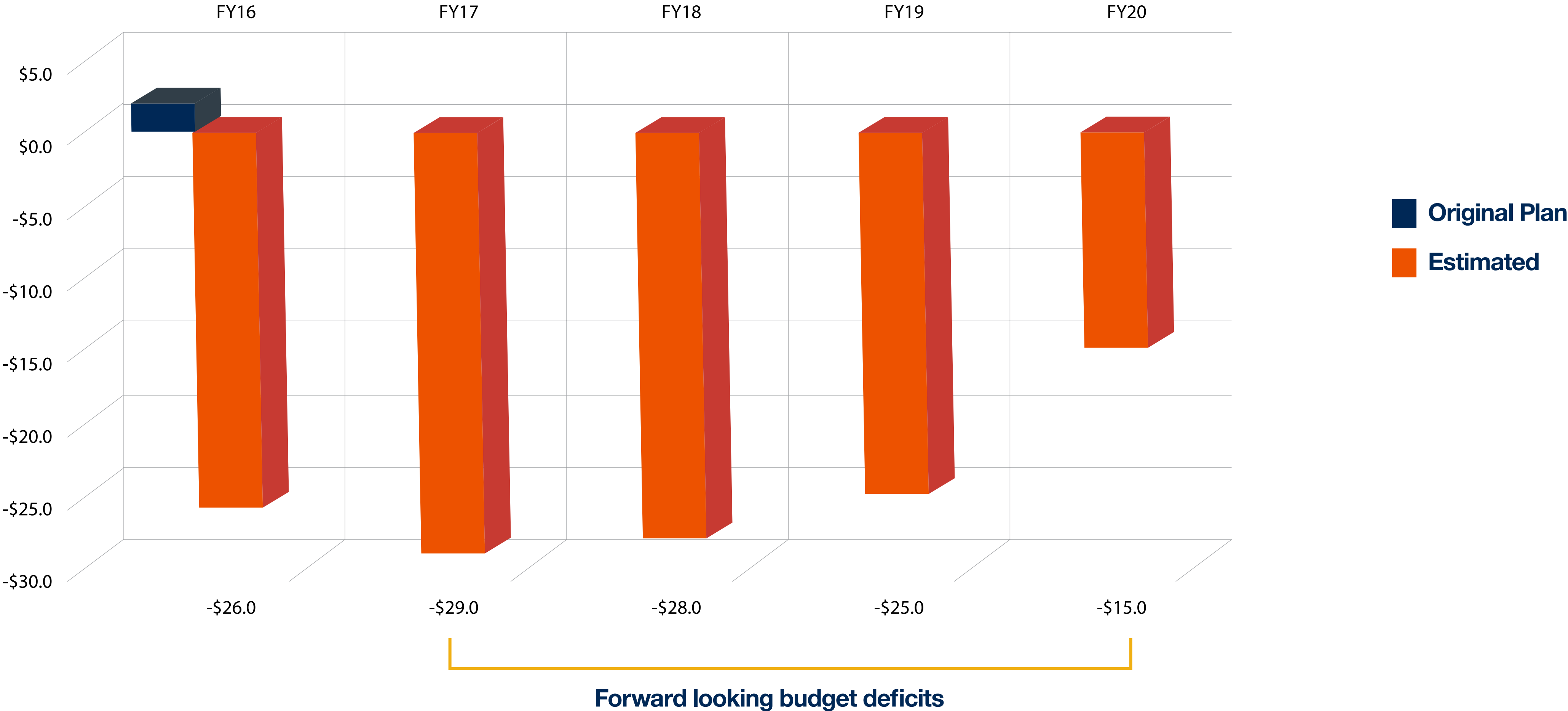
- / Positive Adjusted Operating Margin & Preserve Cash Position
- / Maintain Bond Rating
- / Continue Strategic Investments for Future Growth

3. TRANSFORMATION TEAMS

- / 12 teams looking at how the University can reduce expenses and generate revenue

Impact of FY 2016 Budget Activities on Future Years

(as of June 30, 2016) Dollars in millions



HOW WE FIX THIS (THE 5-YEAR PLAN)

(as of July 1, 2017)

1. TUITION INCREASES

/ 5% for Resident & NonResident through FY21

2. STATE APPROPRIATIONS

/ 2% Reduction in FY18 - flat thereafter

3. SALARY INCREASE PROGRAM

/ \$1.5 million retention pools in FYs 17, 19 and 21

/ 3% Raise Pools in FYs 18 and 20

HOW WE FIX THIS (THE 5-YEAR PLAN)

(as of July 1, 2017)

4. STUDENT AID

/ \$7 million in FY17 and \$5 million annual increase thereafter

5. STUDENT RETENTION

/ 1% improvement in FY17 with an additional 1% improvement in FY18

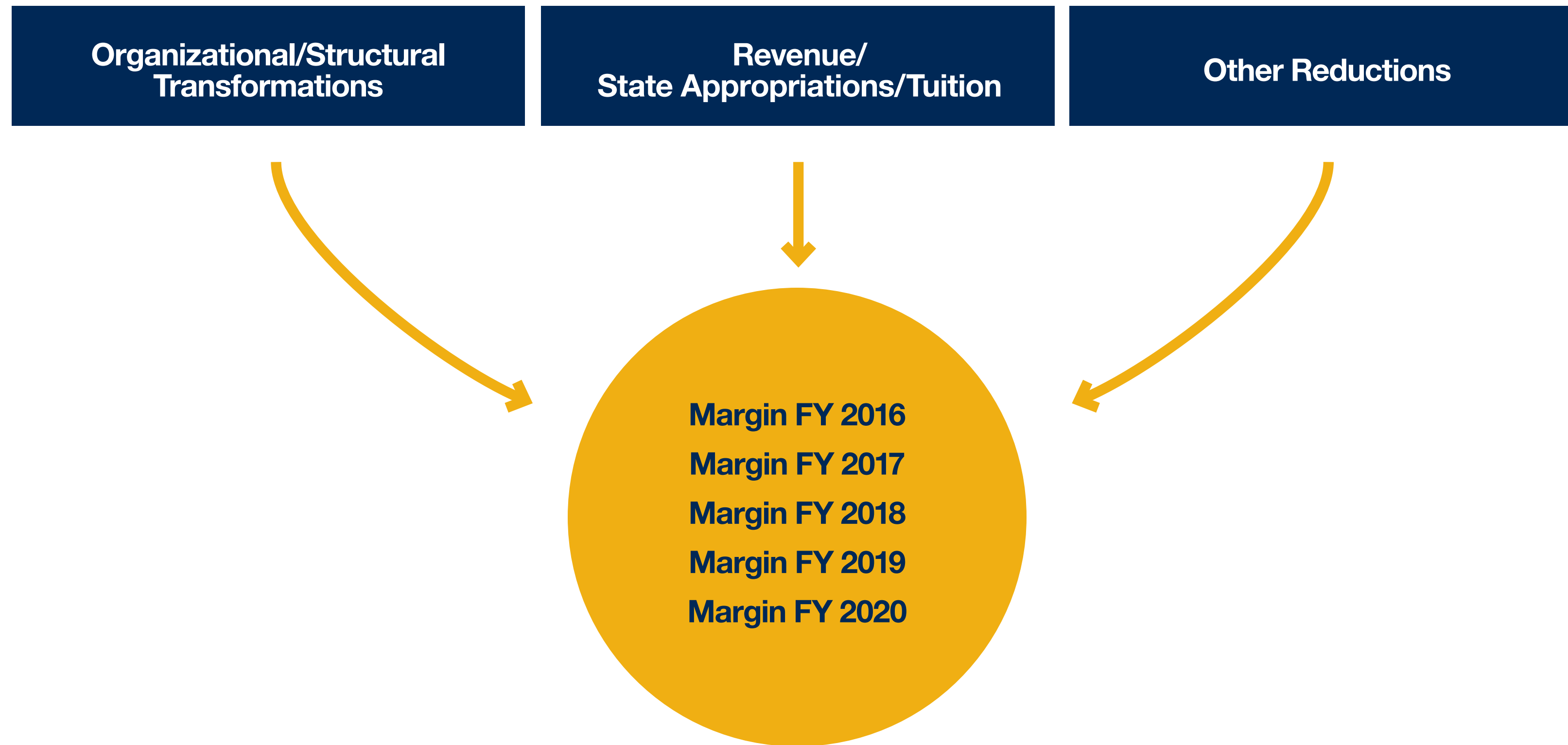
6. BUDGET TRANSFORMATION PROGRAM

/ Reduce spending at the end of 4 years

/ Budget Reductions + Expense Limits + Revenue Targets

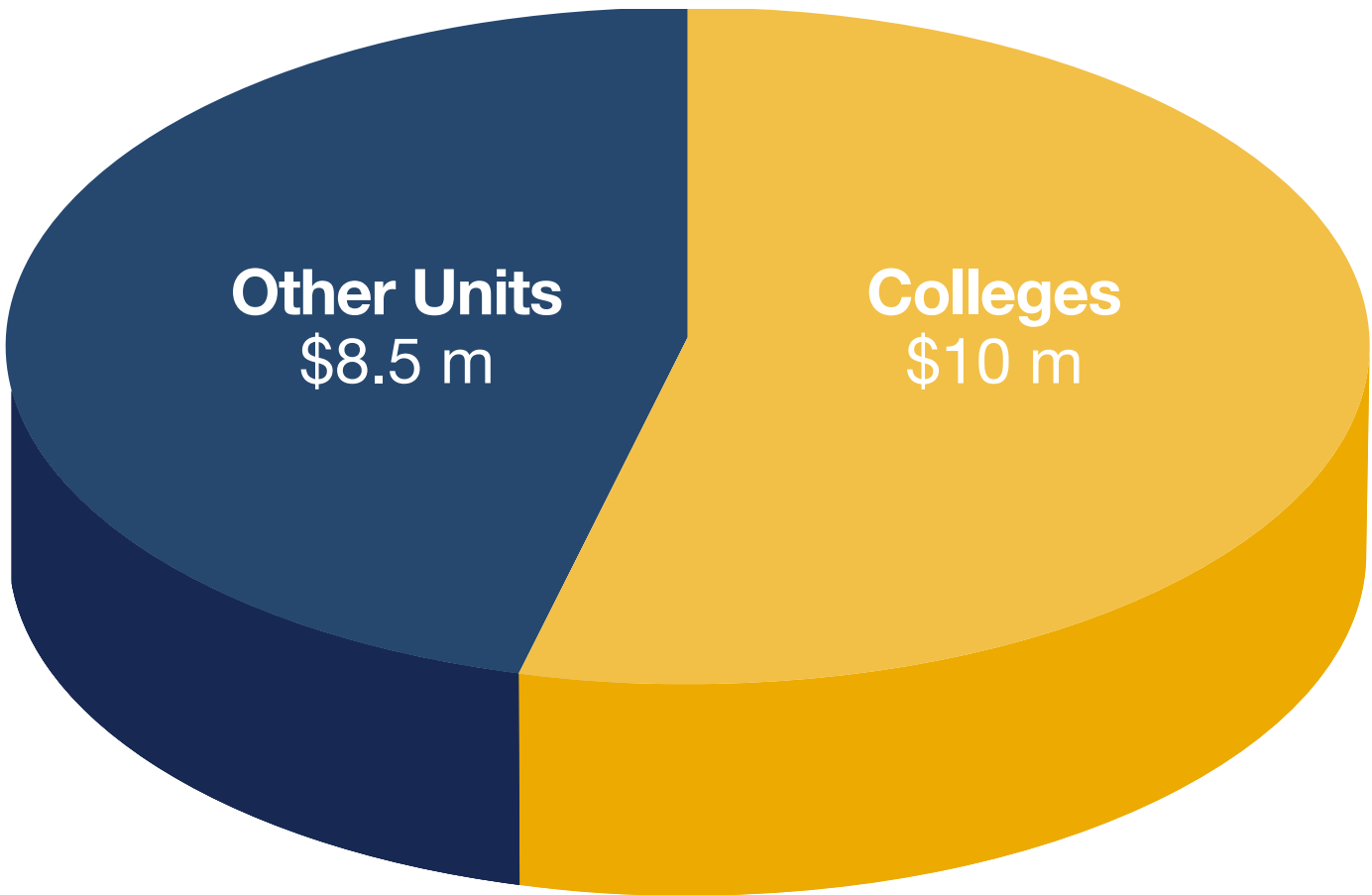
/ FY17 is a planning year to reduce spending while making permanent reductions in FY18

KEY DRIVERS FOR BALANCING THE BUDGET



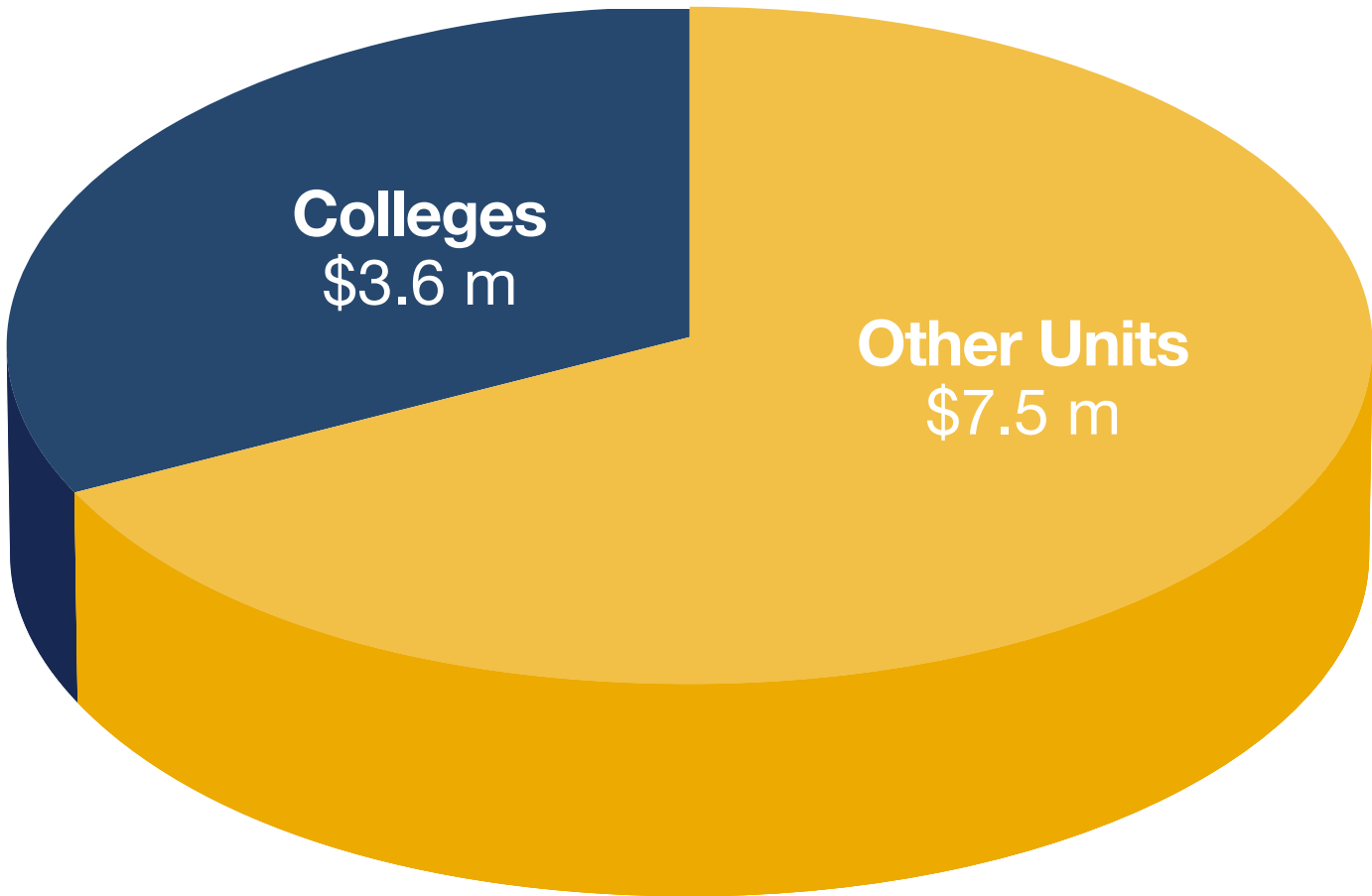
BUDGET TRANSFORMATION PROGRAM: FY17

Reduction of Centrally Allocated Budgets



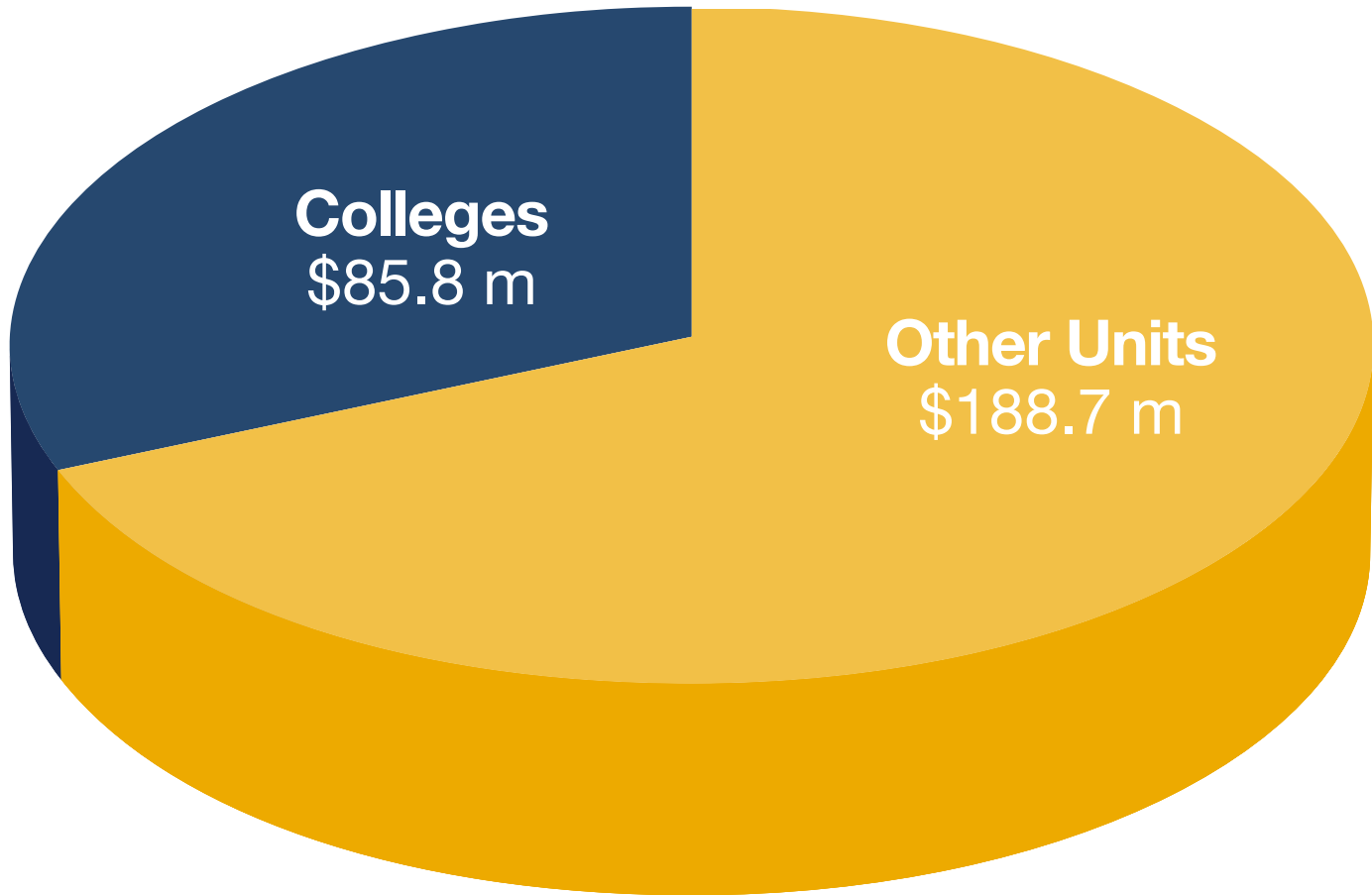
Curtail spending and return savings to meet target reduction.

Limits on Non-centrally Allocated Expense Budgets



Curtail spending and retain savings.

Revenue Targets for Non-Centrally Allocated Budgets

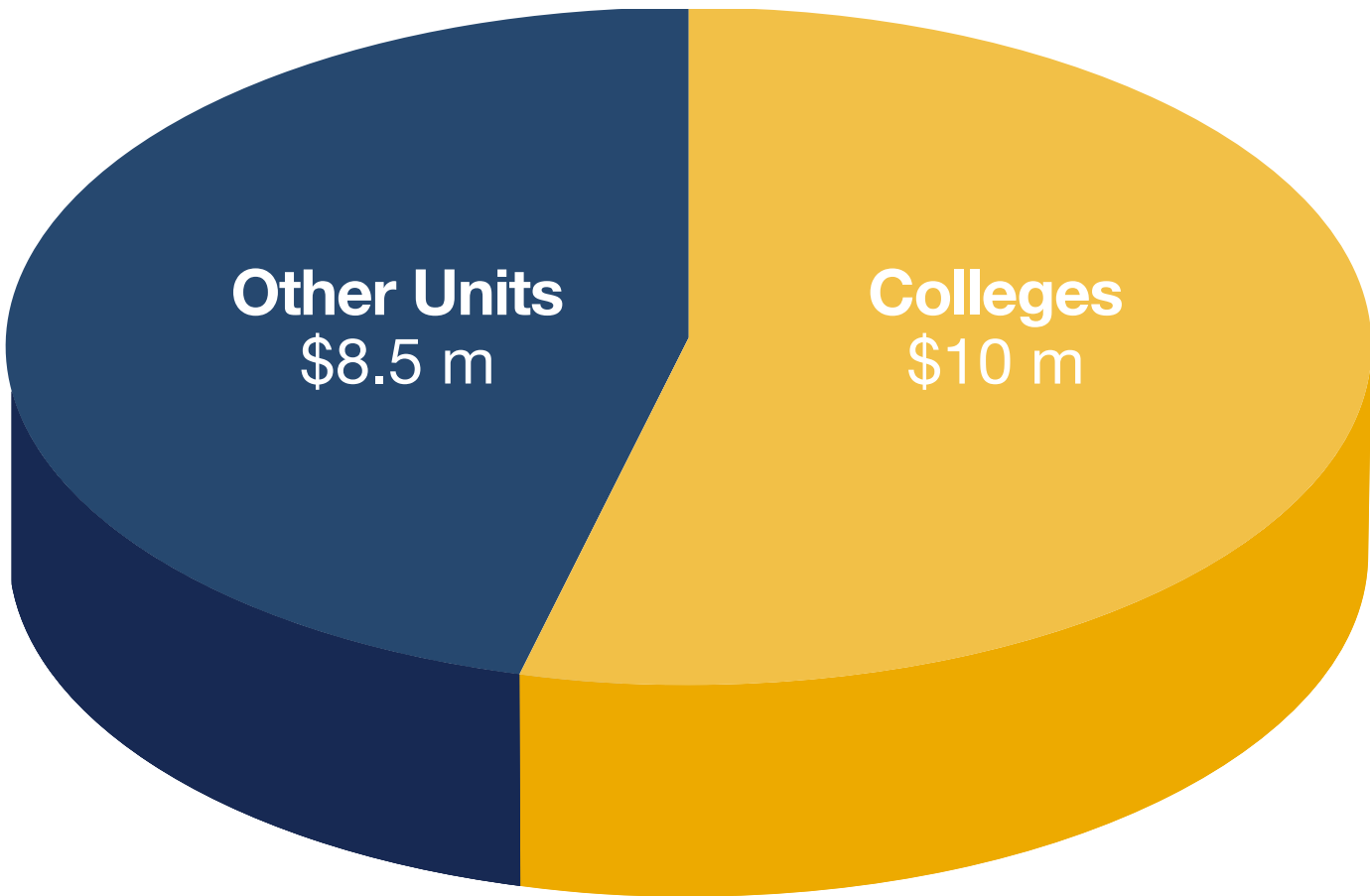


Collect revenues equal to budget.

Equals \$29.6 million

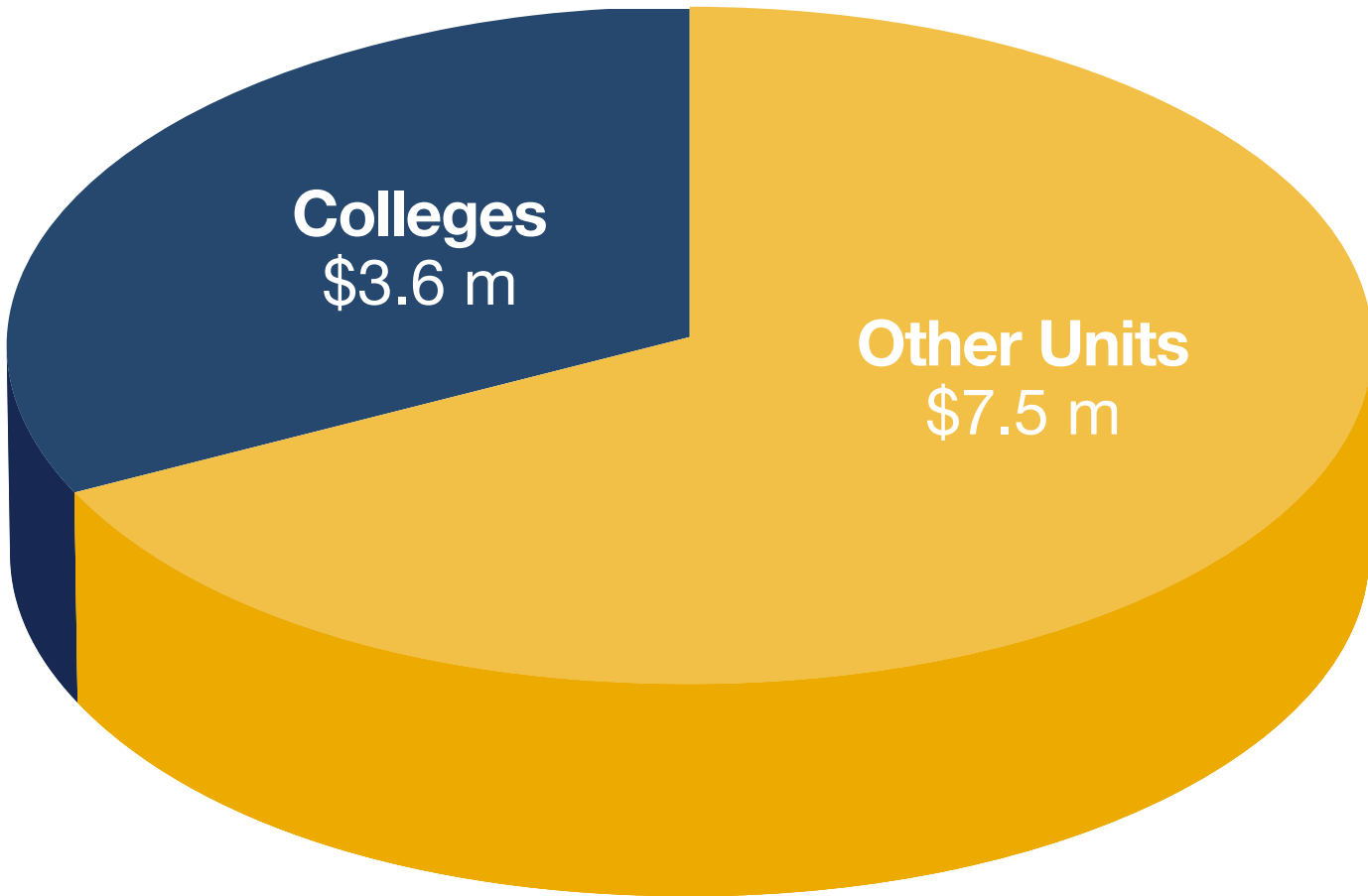
BUDGET TRANSFORMATION PROGRAM: FY18

Continued Reduction of Budgets

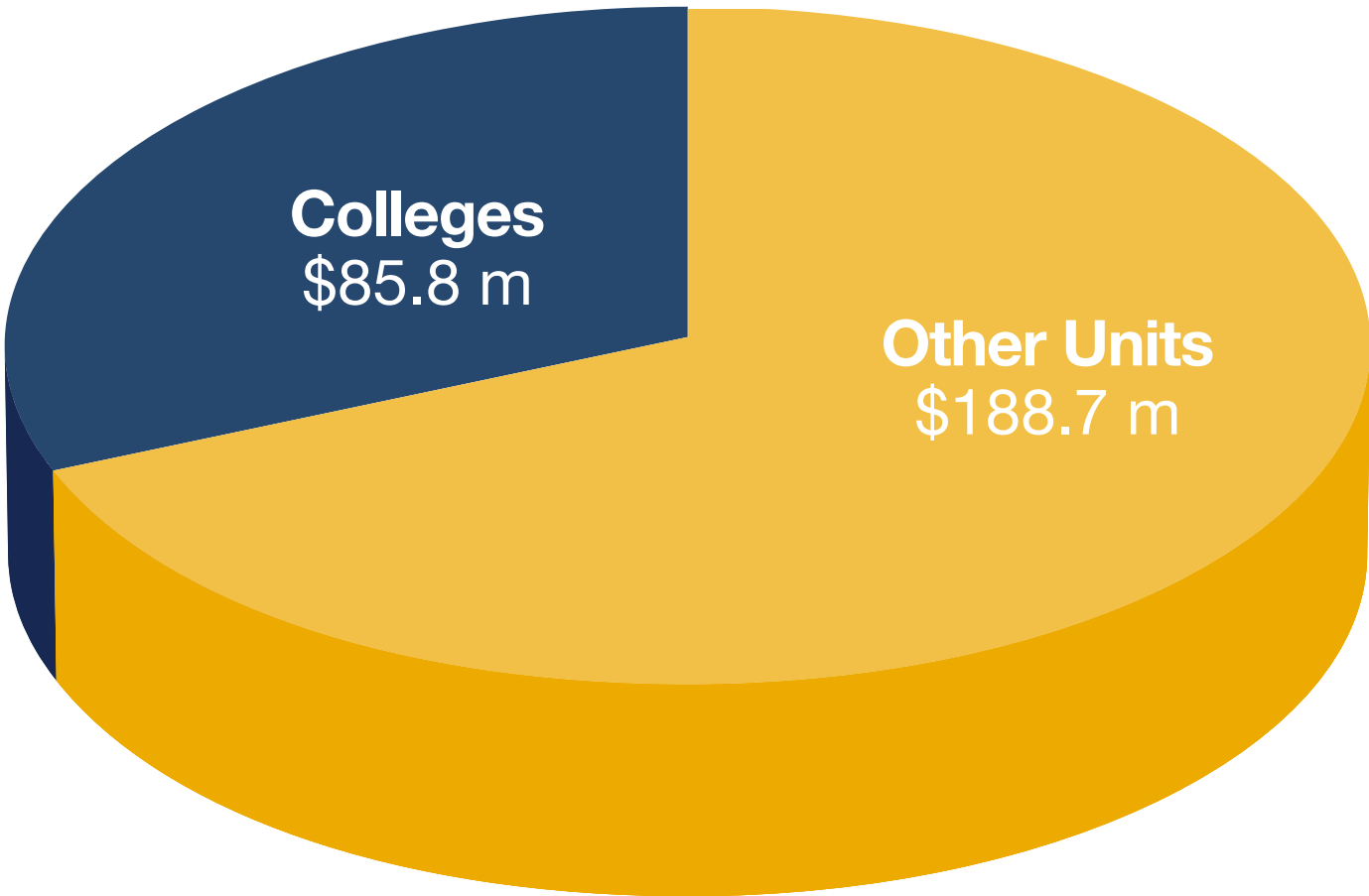


Base budget reduction.

Limits on Non-centrally Allocated Expense Budgets

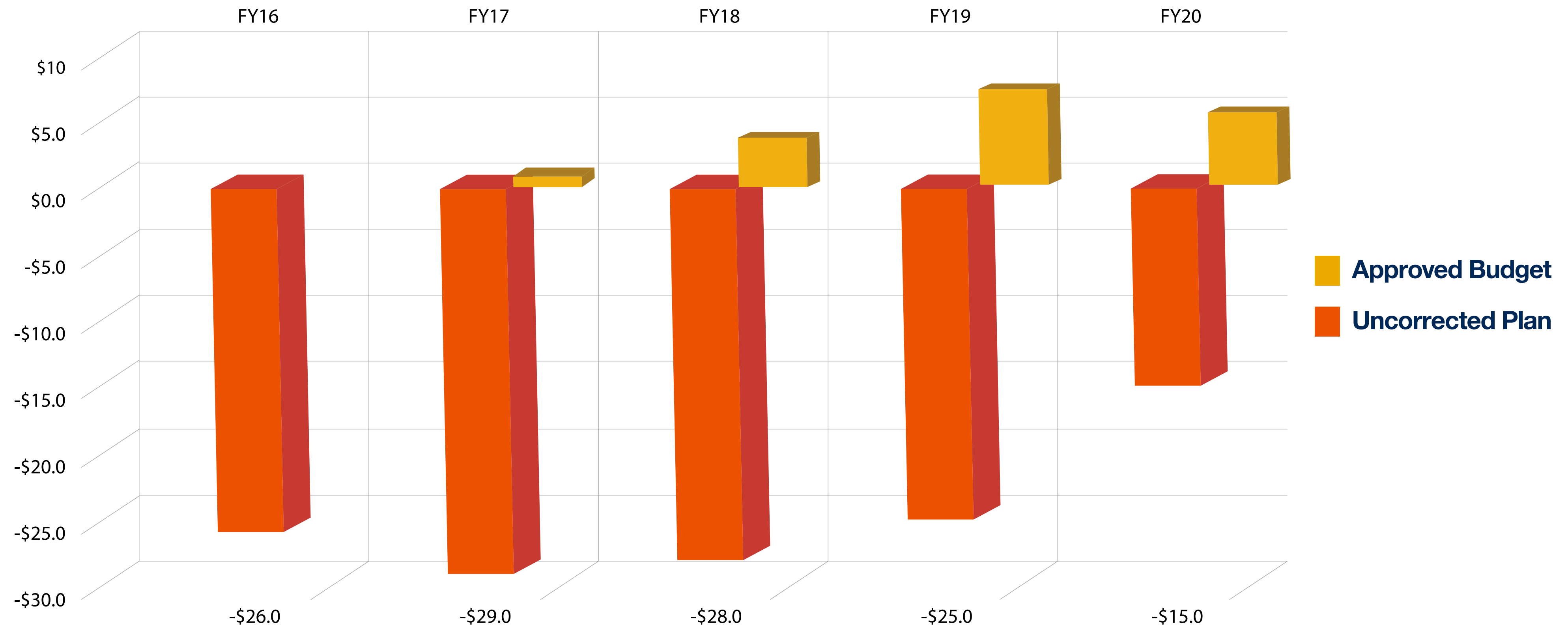


Revenue Targets for Non-Centrally Allocated Budgets



Expense budget limits and revenue targets reset annually based on activity revenues and cash continues to flow to fund owners.

Impact of Revised 5-year Planning Assumptions (as of July 1, 2016) Dollars in millions



Savings:	FY16	FY17	FY18	FY19	FY20	Total
Targeted annual base budget savings	\$14	\$15	\$10	\$6	\$0	\$45
Realized savings	\$0	\$29 (target)				

Snapshot: **BUDGET**

If we can correct FY17, the University will be better positioned to move forward and make investments in priorities and prepare for growth.

And as state appropriations and enrollment turns around, we will be better positioned to prepare for future opportunities, while removing costs that do not directly contribute to our land-grant mission.

NEXT STEPS

1 STRATEGIES AND IMPLEMENTATION

POSSIBLE STRATEGIES

1. USING FOUNDATION DOLLARS

2. BUDGET REDUCTIONS

3. MANAGEMENT ORGANIZATION

4. ACADEMIC RESTRUCTURING

5. RECRUITMENT & RETENTION

6. REVENUE GENERATION

A blue-tinted photograph of a large, historic building with a clock tower, a lawn, and a street lamp. The building is multi-storied with many windows and a prominent clock tower in the center. In the foreground, there is a green lawn and a black street lamp. The overall scene is peaceful and academic.

FINAL THOUGHTS.

Thanks for your participation.