

**Marshall University Board of Governors  
Meeting of April 27, 2016**

**ITEM:** Marshall University Draft Operating Budget for Fiscal Year 2016-17 and Contingent Tuition Increases for Academic Year 2016-2017

**COMMITTEE:** Finance, Audit and Facilities Planning Committee

**RECOMMENDED ACTION:** *Resolved*, That the Marshall University Board of Governors approves the Draft Operating Budget for Fiscal Year 2016-2017 and Contingent Tuition Increases for Academic Year 2016-2017; with a Final Budget and Tuition and Fee Schedule to be brought forth once the Fiscal Year 2016-2017 State Budget is finalized

**STAFF MEMBERS:** Jerome Gilbert  
President

Mary Ellen Heuton  
Chief Financial Officer

**BACKGROUND:**

As the State of West Virginia has not yet finalized a budget for Fiscal Year 2016-2017, approval of the Fiscal Year 2016-2017 Budget and the Academic Year 2016-2017 Tuition and Fees will be delayed until the State Budget is finalized. To provide planning for 2016-2017 to continue, a Draft Operating Budget and three options for Contingent Tuition Increases are proposed for approval.

- Draft Operating Budget Notes
  - The Base State Appropriations includes the 4% mid-year reduction.
  - Strategic Priorities Reserve funding is being utilized for investment in initiatives such as increased recruiting and marketing, the offering of undergraduate courses at South Charleston, and continuing ramp-up of the Engineering programs.
  - Net revenue enhancement (revenue increases or expense reductions) realized in FY 2017 from 20/20 initiatives will be used to reduce the Strategic Priorities funding amount in Fiscal Year 2016-2017 and will be part of the 2017-2018 base.
  - Athletics funding in the Operating Budget is a net decrease of \$704,000. They will contribute \$300,000 for Overhead Cost Recovery and will have an allocation reduction of \$404,000 from an adjustment of the allocation to fund only Administrative Salaries and Benefits.
- Contingent Tuition Notes
  - The tuition rates are for “Overall Tuition” for Undergraduate and Graduate students not in a program with a separate tuition rate (thus excluding School of Medicine, School of Pharmacy, Physical Therapy, Graduate Forensic Science and Master of Public Health)
  - “Overall Tuition” includes Education and General Fees, System Capital Fees, Rec Center Fees and Auxiliary Fees
  - The estimated rate increase also allows for the inclusion of the Student Proposal for a \$16 per semester bus fee – the revenue for that is not in the Operating Budget
  - Contingent Tuition Increase Options
    - 1 – No additional State Appropriation reductions – 5% Overall Tuition Increase
    - 2 – Additional State Appropriation reductions up to 4% – 8% Overall Tuition Increase
    - 3 – Additional State Appropriation reductions over 4% – 11% minimum Overall Tuition Increase

Marshall University (no SOM or MURC)  
 FY2017 Core Operating Budget Projection

April 10, 2016

FY17 Draft Base	Adjustments for Base	FY17 Adjusted Draft Base
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**Assumptions**

State Appropriation Reduction  
 Needed Overall Tuition Increase

**SOURCES**

State Appropriations	45,371,536		45,371,536
Assume 0% State Appropriation Reduction			
Assume 4% State Appropriation Reduction			
Assume 8% State Appropriation Reduction			
Education & General Fees	55,456,855		55,456,855
Assume 5% Overall Tuition Increase			
Assume 8% Overall Tuition Increase			
Assume 11% Overall Tuition Increase			
Other Core Fees and Revenue	7,080,650	293,000	7,373,650
INTO Revenue	436,000	104,000	540,000
Summer - Institutional Share	1,000,000	100,000	1,100,000
Overhead Cost Recovery	2,204,453	890,425	3,094,878
Reserve Contribution for Strategic Priorities	-	3,672,389	3,672,389
<b>Total Sources</b>	<b>111,549,494</b>	<b>5,059,814</b>	<b>116,609,308</b>

**USES**

Base Salary Budget	63,693,087		
Additional CITE Positions Salary		1,010,000	
Vacancy Savings Salary		(1,948,000)	62,755,087
Base Fringe Budget	16,675,221		
Additions Fringe Expense		267,751	
Vacancy Savings Fringe		(516,415)	16,426,557
Base Operating Budget	34,864,683		
Operating Budget Adjustments		2,262,389	37,127,072
Athletics Allocation	3,749,377		
Adjust to Fund Only Admin Salaries & Ben		(404,289)	3,345,088
Funded Depreciation	-		-
Strategic Priorities Contribution	-		-
<b>Total Uses</b>	<b>118,982,367</b>	<b>671,437</b>	<b>119,653,804</b>
<b>Budget Balance</b>	<b>(7,432,873)</b>	<b>4,388,377</b>	<b>(3,044,496)</b>

Option 1	FY17 Draft Option 1	Option 2	FY17 Draft Option 2	Option 3	FY17 Draft Option 3
0 %		4 %		8 %	
5 %		8 %		11 %	
-	45,371,536				
		(1,814,861)	43,556,675		
				(3,629,723)	41,741,813
3,044,496	58,501,351				
		4,859,357	60,316,212		
				6,674,219	62,131,074
					7,373,650
					540,000
					1,100,000
					3,094,878
					3,672,389
3,044,496	119,653,804	3,044,496	119,653,804	3,044,496	119,653,804
-	62,755,087	-	62,755,087	-	62,755,087
-	16,426,557	-	16,426,557	-	16,426,557
-	-	-	-	-	-
	37,127,072		37,127,072		37,127,072
	3,345,088		3,345,088		3,345,088
	-		-		-
-	119,653,804	-	119,653,804	-	119,653,804
3,044,496	-	3,044,496	-	3,044,496	-