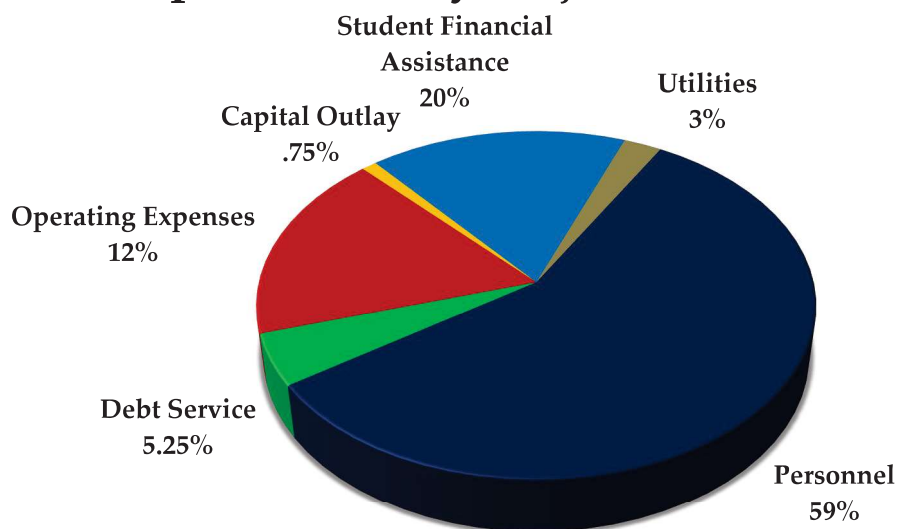


The 2020-21 budgeted expenditures, by major classification, are summarized as follows:

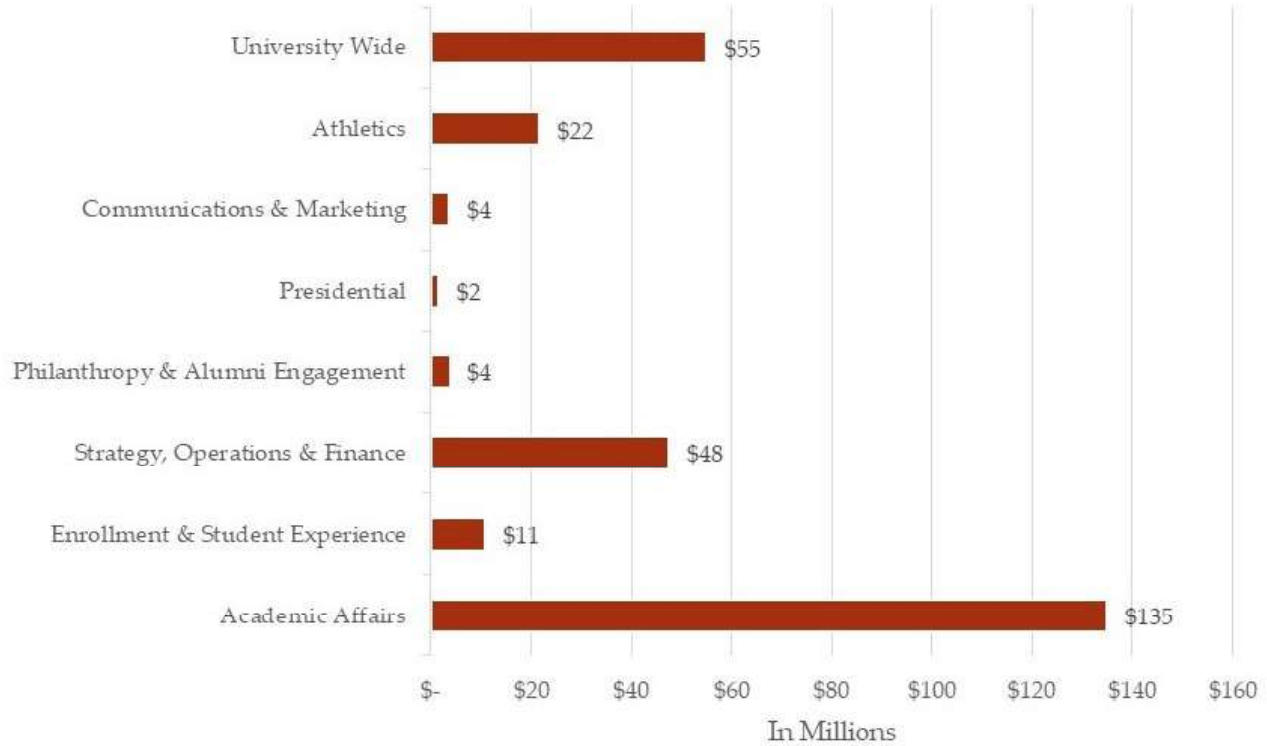
2020-21 Unrestricted E&G Expenditures by Major Classification



Total Budgeted Expenditures (In Millions)

Major Classification	Unrestricted	Restricted	Auxiliary	Total
Personnel	\$165.5	\$.20	\$6.3	\$172.0
Operating Expenses	\$33.3	\$15.0	\$6.9	\$55.2
Utilities	\$7.1	0	0	\$7.1
Capital Outlay	\$2.1	0	\$.45	\$2.55
Student Financial Assistance	\$56.1	\$43.2	0	\$99.3
Debt Service	\$14.7	0	\$2.4	\$17.1
Total	\$278.8	\$58.4	\$16.0	\$353.2

2020-21 Unrestricted Budgeted Expenditures By Division



FY21 expenditures are down in all major categories, with the exception of Student Financial Assistance. Student Financial Assistance increases by approximately \$5 million over FY20 in response to WKU’s new aggressive scholarship model.

Academic Affairs, WKU’s largest division, totals \$135 million or approximately 49% of the total unrestricted E&G budget. Strategy, Operations, & Finance, WKU’s second largest division totals \$48 million, or approximately 17% of the total unrestricted E&G budget.

Univesrity wide expenditures include bond payments, institutional scholarships, and additional funding for potential increases in the Kentucky Retirement System contribution rates.

Salary Highlights



Unrestricted personnel costs include budgeted full-time positions (filled and vacant), as well as pooled budgets for part-time faculty and staff, graduate assistants, and student employees. FY21 unrestricted personnel expenditures drop by approximately \$7.9 million. This decrease is due in part to campus wide efforts to eliminate the vacant position budget reduction put into place in FY20.

In March 2019, WKU began a campus wide compensation study, with the primary goal of creating a Compensation philosophy, salary structure and pay administration guidelines, and a long term compensation plan for the campus community. Market analysis for both faculty and staff began in late fall of 2019, with market matches sent to campus managers in January 2020 and complete study findings and recommendations were due to campus leadership in Spring 2020. In the same time frame, WKU began a comprehensive performance development project. Pilot groups began using the new performance development process in Fall 2019.

Due to the unique circumstances, and financial impact, of the COVID-19 health crisis, the compensation study and performance development projects were placed on hold in March 2020. WKU remains committed to the creation of a sustainable campus wide compensation plan, and the implementation of the new performance development project. The campus community will reengage with the study in the coming months.

Fringe Benefit Highlights

Fringe benefit expenditures remain constant for FY21 as well. In response to COVID-19, Kentucky Retirement System contribution rates were held the same in the enacted one-year state budget. WKU remains well positioned to navigate increases to this rate in the coming fiscal year, as an approximate \$4.9 million increase continues to be budgeted. Contribution rates for KTRS and WKU's ORP (Optional Retirement Plan) will also remain the same for FY21.

Health insurance premiums and contribution rates will also remain the same for employees for FY21.

Employee Benefits Cost Chart Western Kentucky University Effective July 1, 2020

Benefit Category	Percent/Amount
Retirement	
TRS	15.865%
ORP	8.74%
KERS	49.47%
KERS-Hazardous	36%
TRS TRP	25.91%
FICA	7.65%
Unemployment Compensation	N/A (centrally funded)
Workers' Compensation	.50%
Employer Disability Insurance	.20%
Employer Life Insurance	\$50.40/year
Employer Health, Dental & Vision Insurance	\$8,460.00/year

Part-Time positions scheduled to work an average of 30 or more hrs/wk for 6 months or longer are eligible for full benefits at the full fringe rate upon hire. Part-time positions scheduled for less than 30 hrs/wk, or if hours will vary by week and it is unknown if hours will average 30 or more hrs/wk, may only subject to Social Security and Workers' Compensation charges. However, if a TRS covered position is 70% time or greater, TRS contributions must be withheld both for the University and the employee. If a KERS covered position averages 100 hours or more per month, then KERS contributions must be withheld both for the University and the employee. KERS contributions are not applicable for appointments less than 6 months. If a position averages 30 hrs/wk or more during a 12 month measurement period, health insurance (per ACA regulations), and all other benefits must be offered for the subsequent 12 month period.

Sample Benefits Cost Calculation \$60,000 salary & TRS Retirement:	
TRS @ 15.865%	\$9,519.00
FICA@7.65%	\$4,590.00
Workers' Compensation @ .50%	\$300.00
Disability @ .20%	\$120.00
Life Insurance	\$50.40
Health, Dental, & Vision Insurance	\$8,460.00
Total Cost	\$23,039.40
Total Percent of Salary	38.40%

Sample Benefits Cost Calculation \$35,000 salary & KERS Retirement:	
KERS @ 49.47%	\$17,314.50
FICA@7.65%	\$2,677.50
Workers' Compensation @ .50%	\$175.00
Disability @ .20%	\$70.00
Life Insurance	\$50.40
Health, Dental, & Vision Insurance	\$8,460.00
Total Cost	\$28,747.40
Total Percent of Salary	81.40%

Expenditure Highlights

2021 Operating Budget



Financial Aid Highlights

FY21 budgeted institutional scholarship expenditures will increase by approximately \$4.9 million. This increase is to support the new merit scholarship program for first time freshmen entering WKU in the Fall of 2020.

This new scholarship model no longer considers ACT score to award aid for the majority of merit based and targeted academic scholarships. Additionally,

the minimum merit scholarship award was raised from \$1,000 to \$2,500. The minimum GPA requirement for aid was lowered from 3.3 to 3.0, and additional awards were created for underrepresented minority students. These changes are essential to maintaining WKU's affordability and accessibility for all students and their families.



Utilities Highlights

FY21 utility expenditures will decrease by approximately by \$400,000 over prior year. This decrease highlights the Hilltopper community's commitment to efficiency and environmental sustainability. Many campus buildings utilize energy efficient lighting fixtures that are also occupancy controlled to reduce energy costs. The campus community continues to participate in energy conservation periods, such as Winter Break, and heating/cooling are kept at minimal levels when buildings are unoccupied to also reduce utility costs.

Debt Service Highlights

University wide principle & interest agency bond payments, renovation bond payments, and other debt service will remain at \$14.7 million for FY21. Renovation bond payments include debt service for Downing Student Union renovations, as well as Diddle Arena and Parking renovations.

Expenditure Highlights

2021 Operating Budget



FY21 Fixed Cost Increases

As part of the RAMP budget process, the Operating Allocation committee provided recommendations in late 2019 to the Budget Executive Committee for the prioritization of FY21 fixed cost or unavoidable cost allocations. Due to the unique budget circumstance that WKU faces in the coming year, only two allocations will be made for FY21:

Provost/Academic Affairs:	
Faculty Promotions	\$361,335
University Wide:	
Employer Health Insurance	\$55,680
Total: \$417,015	