

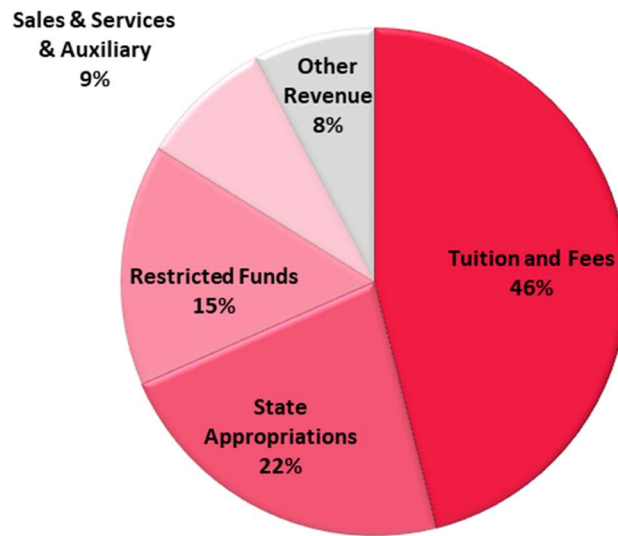
## Revenue Summary

WKU’s revenue budget for FY 2023 is \$383.4 million. This is \$7.8 million, or 2%, more than FY 2022. The largest source of revenue is tuition and fees, which represents 46% of the total revenue budget, followed by state appropriations, which represents 22% of the total revenue budget.

Table 3: Sources of Revenue

Revenue	FY 2022	FY 2023	\$ Change	% Change
Tuition and Fees	180,357,700	176,547,700	3,810,000	-2%
State Appropriations	78,345,400	85,721,600	7,376,200	9%
Restricted Funds	59,297,000	59,078,000	219,000	-0%
Sales & Services & Auxiliary	32,457,845	32,290,700	167,145	-1%
Other Revenue	25,219,425	29,809,700	4,590,275	18%
<b>Total</b>	<b>\$375,677,370</b>	<b>\$383,447,700</b>	<b>\$7,770,330</b>	<b>2%</b>

Figure 4: FY 2023 Sources of Revenue



## Tuition and Fees

WKU is a tuition dependent university as tuition and fees is the largest revenue source and accounts for 46% of the university’s revenue budget. Tuition revenue has decreased since 2015 due to multiple attributing factors. Total full-time equivalency (FTE) students have decreased 12% during that period, and the demographic makeup of the student body has changed as the international student population declined 88% during that period. These declines had started but were amplified by the impact of Covid-19 and the ability to recruit students.

The fall 2020 incoming freshman class was the first increase to FTFY students since 2015, which was a result of the new scholarship model. Although the university has seen a decline in the incoming classes, the quality of students has increased. The incoming freshman class set records for highest average GPA and highest average ACT over the past several years, which has been instrumental in the record retention that has been achieved since the implementation of the new scholarship model. The most recent fall-to-spring retention data shows an overall rate of 90.9%, which is a two-percentage point increase since last year and a 4.6% increase since the 2017/2018 academic year. Perhaps most impressively, the underrepresented minority (URM) students returned at a rate of 90.3%, compared to 85.7% last year and 80.4% in 2017/2018. This successful retention boost improves returning student tuition and the university’s overall financial position. The Division of Enrollment and Student Experience continues to work hard recruiting students to WKU with limited availability to high schools during the pandemic.

The Council on Postsecondary Education (CPE) has the statutory authority to determine and approve tuition rates for Kentucky’s public universities. In May of 2021, CPE adopted resident undergraduate tuition and mandatory fee ceilings for academic years 2021-22 and 2022-23, enabling universities to increase tuition rates by a maximum of 3.0% over the two years and an increase of no more than 2.0% in any one year. While recognizing the university’s fiscal challenges, it is essential that affordability be maintained for our students and their families. University leadership is recommending a 1.19% undergraduate resident tuition rate increase for FY 2023, which complies with CPE’s tuition and mandatory fees ceilings and policy. The effective change in annual tuition rates is only 1.06% over the FY 2020 to FY 2023 period.

Table 4: Tuition and Fee Revenue

Tuition and Fees	FY 2022	FY 2023	\$ Change	% Change
Undergraduate	138,015,500	134,500,300	3,515,200	-3%
Graduate	9,687,800	9,193,500	494,300	-5%
Other Tuition (DELO, Dual Credit, Etc.)	24,000,500	24,352,000	351,500	1%
Fees	8,653,900	8,501,900	152,000	-2%
<b>Total</b>	<b>\$180,357,700</b>	<b>\$176,547,700</b>	<b>\$3,810,000</b>	<b>-2%</b>

Table 5: FY 2023 Tuition and Mandatory Student Fee Schedule

<u>Student Level/Enrollment</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>Summer 2023/ Rate PCH</u>
Undergraduate			
Resident	\$5,496	\$5,556	\$463
Military Veteran/Dependent	5,496	5,556	463
Nonresident	13,500	13,500	1,125
International	13,824	13,824	1,152
Incentive	7,068	7,068	589
Graduate (Per Credit Hour)			
Resident	607	607	607
Military Veteran/Dependent	607	607	607
Kentucky/Multi-state P-12 Educator*	350	350	350
Local Government Employee Discount Program		500	500
Nonresident, International	953	953	953
Nonresident, Domestic	917	917	917
Doctorate, Ed. Leadership (Per Credit Hour)			
Resident	607	607	607
Military Veteran/Dependent	607	607	607
Nonresident, International	953	953	953
Nonresident, Domestic	917	917	917
Doctorate, Psychology (Per Credit Hour)			
Resident	607	620	620
Military Veteran/Dependent	607	620	620
Nonresident, International	953	953	953
Nonresident, Domestic	917	917	917
Doctorate, Nurse Practitioner (Per Credit Hour)			
Resident	663	663	663
Nonresident	858	858	858
Doctorate, Physical Therapy (Per Credit Hour)			
Resident	643	643	643
Nonresident	909	909	909
Distance Learning (Per Credit Hour)*			
Undergraduate	551	551	551
Graduate (Excluding Kentucky P-12 Educator, Local Government Employee Discount Program, DNP and DPT)	707	707	707
Active Military (Per Credit Hour)*	250	250	250
Dual Credit (Per Credit Hour)*	72	91	91
WKU On Demand (Per Credit Hour)			
Undergraduate	458	463	463
Graduate	707	707	707
<b>Mandatory Student Fees Per Semester</b>			
Student Athletics Fee	\$218		
Student Centers Fee	\$62		
Student Centers Fee, DSU Renovation Bonds	\$70		
Parking Structure Fee, Creason Bonds	\$30		

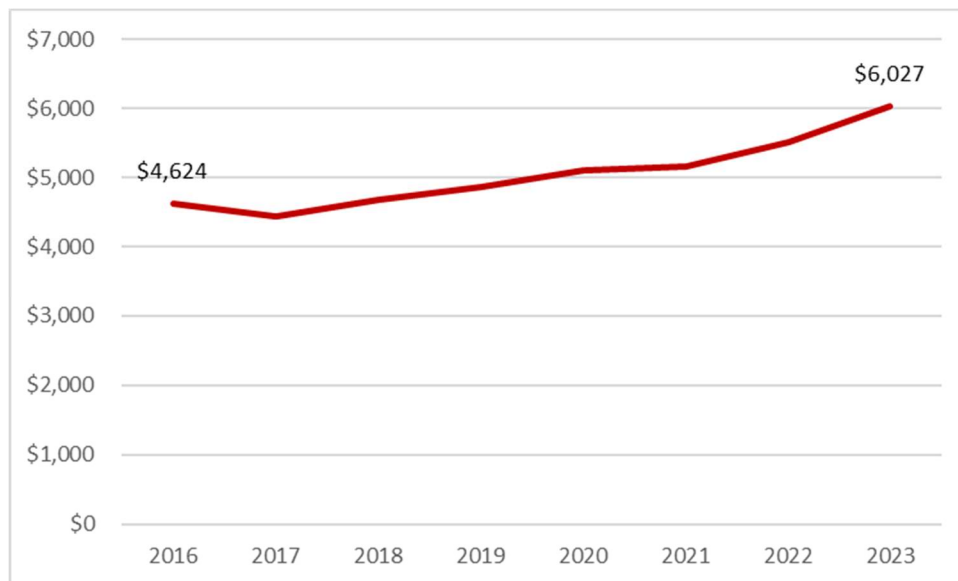
\*Mandatory student fees are not assessed to these students.

## State Appropriation

The General Assembly passed House Bill 1 (HB1) as the 2022-2024 biennial budget. This budget includes substantial investments in postsecondary education for the first time in over a decade. A significant increase of \$80 million to the overall higher education performance funding pool was approved to reward the higher education institutions in the Commonwealth based on performance metrics. This commitment to higher education resulted in an increase to WKU’s performance funding from \$1.4 million in FY 2022 to approximately \$7.8 million per year for the upcoming biennium (pending final performance funding model updates from CPE).

Figure 4 shows state appropriations per full-time equivalent student at WKU. Since FY 2016, state appropriation per FTE student has increased by more than \$1,400, or 30.3%. While state appropriation has remained relatively flat over this period, the increase to state appropriation per FTE student is due to a reduction in WKU’s FTE students over this period.

Figure 5: State Appropriation per FTE Student



Kentucky’s performance funding pool is allocated to public universities and colleges based on how well each institution performs on 11 metrics. WKU is expected to receive \$7,775,000 from the state’s performance funding pool, an increase of \$6.4 million from the prior year. Funding allocation and metrics are grouped into the following categories:

- 35% student success – degree production and student progression toward a degree
- 35% course completion – student credit hours earned
- 30% operational support – campus operations, services, and infrastructure that support student learning and success

Table 6: State Appropriation

State Appropriation	FY 2022	FY 2023	\$ Change	% Change
Base State Appropriation	67,619,000	67,619,000	0	0%
Performance Funding	1,398,800	7,775,000	6,376,200	456%
Gatton Academy	4,985,100	4,985,100	0	0%
KERS Subsidy	3,592,500	3,592,500	0	0%
KY Mesonet	750,000	1,750,000	1,000,000	133%
<b>Total</b>	<b>\$78,345,400</b>	<b>\$85,721,600</b>	<b>\$7,376,200</b>	<b>9%</b>

State Operating Funds

State appropriation in FY 2023 totals \$85.7 million, an increase of 9% from FY 2022. Included in the approved state budget is an additional \$1.0 million to fund the Kentucky Mesonet, bringing the FY 2023 total to \$1.75 million. Additionally, the KERS pension subsidy remained at 100 percent for FY 2023 and 90% for FY 2024. The original subsidy passed in the prior year budget was to decrease beginning in FY 2023.

State Capital Funds

For FY 2023, the State General Assembly approved numerous investments in higher education, including funds to construct a new Gordon Ford College of Business. In addition, the General Assembly funded an asset preservation pool of \$34,040,000 in each year of the biennium, which can be utilized with just a 15% match by the university. In total, there will be about \$78.3 million available to fund asset preservation projects over the next biennium.

The new construction project will consist of a new facility to house the Gordon Ford College of Business. The new building will support both undergraduate and graduate programs to meet the escalation for professional business education. The current schematic design proves to provide a state-of-the-art facility for the next generation of business leaders in Finance, Accounting, Management, Marketing, Economics, and Business Data Analytics. The site selected for this project is well situated to be convenient for both undergraduate students as well as the outside business community. The new building will be more visible as well as an ideal place where students, faculty, and professionals from the community collaborate.



## Restricted Funds

Restricted revenue includes federal and state funds for student financial aid and research-based grants and contracts. Restricted funds are a separately identified resource which donors or agencies have placed limitations on how the funds may be used.

The Kentucky Higher Education Assistance Authority announced a significant increase to the College Access Program (CAP) maximum award amount for the 2022-2023 academic year. For the FY 2023 budget, WKU’s CAP grant budget increases by \$2 million to reflect this maximum award increase.

Table 7: Restricted Funds

Restricted Funds	FY 2022	FY 2023	\$ Change	% Change
Pell	22,000,000	22,000,000	0	0%
KEES	12,500,000	12,000,000	500,000	-4%
College Access Program (CAP)	6,500,000	8,500,000	2,000,000	31%
Facilities and Administrative (F&A)	1,629,000	1,747,000	118,000	7%
Other Restricted Funds	16,668,000	14,831,000	1,837,000	-11%
<b>Total</b>	<b>\$59,297,000</b>	<b>\$59,078,000</b>	<b>\$219,000</b>	<b>-0%</b>

## Sales & Services and Auxiliary

Sales & services revenue helps supplement (E&G) Programs to offset the total funded program cost. The university has many programs in this category which included athletic funds (ticket sales, NCAA & Conference distributions, game guarantees), application fees, transcript sales, orientation fees as well as several other programs and services. Auxiliary revenue includes self-supporting activities of WKU such as Barnes & Noble, WKU Child Care Centers, WKU Restaurant Group, and housing (reimbursed costs from the Student Life Foundation).

Table 8: Sales & Services and Auxiliary

Sales & Services & Auxiliary	FY 2022	FY 2023	\$ Change	% Change
Sales & Services	16,300,500	15,683,700	616,800	-4%
Auxiliaries	16,157,345	16,607,000	449,655	3%
<b>Total</b>	<b>\$32,457,845</b>	<b>\$32,290,700</b>	<b>\$167,145</b>	<b>-1%</b>

## Other Revenue

Other revenue includes various non-instructional programs that provide benefits to the educational mission of the university. Examples include summer camps, vehicle parking permits, and contributions from the Foundation and HAF.

In order to provide stability during the implementation of RAMP and to promote academic success, the Provost has developed a three-year balancing strategy, which will use cash on hand as a one-time source to supplement the academic colleges currently in subvention. This three-year strategy is anticipated to put each College on a level starting point.

Table 9: Other Revenue

Other Revenue	FY 2022	FY 2023	\$ Change	% Change
Working Capital	13,620,000	13,620,000	0	0%
Other Revenue	9,128,425	10,960,800	1,832,375	20%
One-Time Sources	0	2,814,900	2,814,900	NA
Vehicle Parking Permits	1,375,000	1,285,000	90,000	-7%
Educational Camp Revenues	1,096,000	1,129,000	33,000	3%
<b>Total</b>	<b>\$25,219,425</b>	<b>\$29,809,700</b>	<b>\$4,590,275</b>	<b>18%</b>