

Budget Balancing Strategies

2021 Operating Budget



Prior to the COVID-19 pandemic and the associated economic impact, WKU was poised to navigate through a modest 1.5% decline in budget over prior year. However, in response to the crisis, WKU anticipates greater enrollment decline, reduction in mandatory student fee revenue, declines in athletic revenue, and an approximate state appropriation decline of 10%.

The FY21 budget is estimated to be \$33.2 million, or approximately 9%, less than prior year. Of that total, \$6.2 million will be offset by expenditure decreases to the appropriate revenue generating department. The remaining \$27 million shortfall will be address through a series of recommendations from the Budget Executive Committee.

To achieve a balanced budget, the BEC recommends a two-pronged approach. This approach includes reductions through central strategies that all of the campus community will participate in. The remaining reduction will be managed at the divisional level.

Central Strategies	Amount
Continue Hiring Pause	\$2,000,000
Travel Reductions	\$6,000,000
Performance Improvements	\$2,500,000
Tiered Salary Reductions	\$2,400,000
Applied Carry Forward Funds	\$6,000,000
Subtotal	\$18,900,000
Division Managed Reductions	\$8,293,414
Total	\$27,193,414

Based on the recommendations from the BEC, campus leadership determined a distribution to each Primary and Central Support Unit for the FY21 reductions. These targets will be achieved over the course of the fiscal year. Targets were determined in partnership with Provost Stevens, Executive Vice President Howarth, and President Caboni.

It should be noted that some primary and support units will also be responsible for meeting remaining FY20 reduction targets. While many units were able to meet the FY20 targets through permanent reductions, some balances will remain during FY21. Units who carry FY20 target balances into FY21 will be encouraged to meet those remaining targets through permanent reductions.

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Primary & Academic Support Units

Unit	FY21 Reduction Target
College of Education & Behavioral Sciences	\$783,660
College of Health & Humans Services	722,593
Gordon Ford College of Business	472,231
Ogden College of Science & Engineering	1,188,561
Potter College of Arts & Letters	1,345,427
Academic Support Units	994,348
Total	\$5,506,820

Central Support Units

Unit	FY21 Reduction Target
Athletics	\$1,060,834
Enrollment & Student Experience	241,507
Philanthropy & Alumni Engagement	69,537
Presidential	57,256
Communications & Marketing	53,367
Strategy, Operations, & Finance	1,304,093
Total	\$2,786,594

FY21 BUDGET REDUCTION ALLOCATION(\$27M)

