

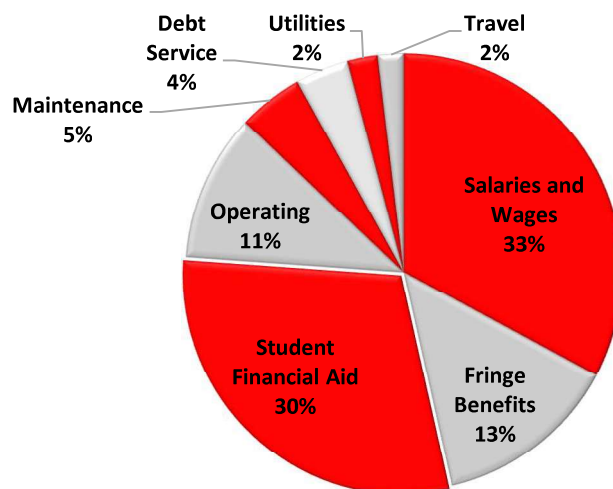
Expenditures

WKU’s expenditure budget for FY 2025 is \$394.2 million. This is \$4.3 million, or 1%, more than FY 2024. The largest expenditure category is personnel, which includes all faculty and staff salaries and fringe benefits, followed by student financial aid.

Table 12: Expenditures by Natural Classification

Expense	FY 2024	FY 2025	\$ Change	% Change
Salaries and Wages	131,090,000	137,274,000	6,184,000	5%
Fringe Benefits	52,629,000	56,997,000	4,368,000	8%
Total Personnel	183,719,000	194,271,000	10,552,000	6%
Student Financial Aid	114,847,000	124,050,000	9,203,000	8%
Operating	46,897,000	45,748,000	1,149,000	-2%
Maintenance	15,432,000	20,138,000	4,706,000	30%
Debt Service	17,008,000	16,635,000	373,000	-2%
Utilities	9,641,000	9,340,000	301,000	-3%
Travel	7,205,000	8,022,000	817,000	11%
Budget Realignment Strategy				
Prior Credit Balance	4,805,000		4,805,000	-100%
Budget Alignment Strategies		23,974,000	23,974,000	N/A
Total	389,944,000	394,230,000	4,286,000	1%

Figure 4: FY 2025 Expenditures



Personnel

Personnel costs are the largest expenditure category and account for 46% of the operating cost of the university. The FY 2025 salary and fringe budget is \$194.3 million which continues to increase to stay competitive and maintain a quality and experienced faculty and staff. This budget provides a 2% salary increase pool for faculty and staff as recommended by the Budget Executive Committee. Since 2019, we have increased salaries six times, including four across the board raises for all eligible employees.

WKU’s commitment to employees remains strong and extends beyond salary. The university offers a comprehensive total rewards package, including salary, benefits, and retirement programs to attract, engage, and retain a highly talented workforce. The fringe benefits category is increasing at a higher rate due to the increase in employer health insurance costs, which increased 20% over the prior year. Other benefits, including paid time off, play an important role in building a competitive total compensation package. There are numerous days off in addition to holidays in the benefit package including a portion of both spring and fall break, as well as a four-day work week during the summer.

Table 13: Personnel Expenditures

Personnel	FY 2024	FY 2025	\$ Change	% Change
Faculty and Staff Salaries	124,049,000	130,072,000	6,023,000	5%
Student & Graduate Assistant Salaries	7,041,000	7,202,000	161,000	2%
Fringe Benefits	52,629,000	56,997,000	4,368,000	8%
Total	\$183,719,000	\$194,271,000	\$10,552,000	6%

Student Financial Aid

The student financial assistance is a significant portion of the budget and is necessary to recruit and provide the ability to keep the WKU experience affordable for our students. The merit scholarship model is consistently reviewed to not only keep us competitive compared to other benchmark institutions, but to strategically recruit students prepared to excel.

The most impactful change this year is the update to the FAFSA from the Department of Education. The changes to the FAFSA application process alone brought a modified application timeline, delayed delivery of completed applications, and many situations where data transmitted to schools was found to be incorrect due to errors on part of the Department of Education’s systems. Only recently in late spring have some improvements been seen both from the student experience perspective, as well as from the aid administration standpoint. The university extended the scholarship deadline for the incoming fall 2024 class due to the impact of this FAFSA transition.

The institution continues to award merit scholarships to reward outstanding high school achievement as well as other incentive programs such as the Hilltopper Guarantee and Border state scholarships. A leadership group reviews and updates these programs to insure that the university experience is affordable while minimizing the overall discount rate.

The Student Financial Assistance (SFA) office not only works with the institutional scholarship programs but applies all state and federal funds as well. The university will apply an estimated \$24.5 million in federal PELL assistance and another \$15.5 million in state assistance from KEES. The significant change is associated with increased state funding to the College Access Programs (CAP). The College Access Program is a state assistance award provided to low-income students by the Commonwealth. This increase is offset by the corresponding increase in state grant funding.

Table 14: Student Financial Aid

Student Financial Aid	FY 2024	FY 2025	\$ Change	% Change
Institutional Financial Aid	63,286,500	65,056,000	1,769,500	3%
Pell	20,410,000	24,467,000	4,057,000	20%
College Access Program (CAP)	13,000,000	15,456,000	2,456,000	19%
KEES	11,250,000	11,611,000	361,000	3%
Other Financial Aid	6,900,500	7,460,000	559,500	8%
Total	\$114,847,000	\$124,050,000	\$9,203,000	8%

Operating Expenditures

Expenditures related to the operation of the university comprise maintenance costs, debt service, utilities, travel expenses, and other general operating expenses. The FY2025 budget is \$99.8 million, representing a year-over-year increase of \$1.2 million.

Table 15: Operating Expenditures

Operating Expenses	FY 2024	FY 2025	\$ Change	% Change
Supplies & Operating Expenses	46,897,000	45,748,000	1,149,000	-2%
Maintenance	15,432,000	20,138,000	4,706,000	30%
Debt Service	17,008,000	16,635,000	373,000	-2%
Utilities	9,641,000	9,340,000	301,000	-3%
Travel	7,205,000	8,022,000	817,000	11%
Total	\$96,183,000	\$99,883,000	\$3,700,000	4%

An additional effort was made to align each budget category at a unit level more in line with actuals. This stands out in the budget as a significant increase to Maintenance, but it does not have an increase over the prior year actuals. This process is moving the budget where the expenditures have historically been incurred.

It is anticipated that inflation will continue to have an impact on operating costs. While inflationary costs are being closely monitored, a thorough analysis of past expenses and a conservative estimate of future expenses have determined the university should be able to stay within the allocated operating budgets. In addition, executive leadership has established two separate committees with representation from multiple units on campus to evaluate computer software as well as Facilities commitments and contracts.