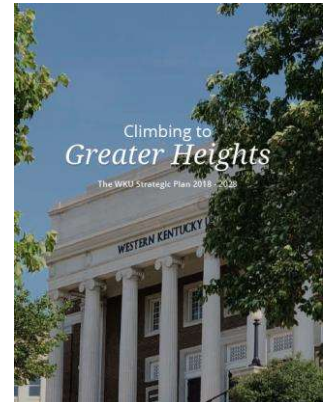


Executive Summary

Introduction

Western Kentucky University (WKU), home of the Hilltoppers, is a state-supported university located in Bowling Green, KY, the state's third most populous city. Our hilltop campus is a place of beauty and friendliness. WKU continues to be a strong community partner in Bowling Green and beyond, by preparing students of all backgrounds to be productive, engaged, and socially responsible citizen-leaders of a global society. The university provides research, service, and lifelong learning opportunities for its students, faculty, and other constituents. WKU enriches the quality of life for those within its reach. WKU's total enrollment is approximately 16,800 with five academic colleges offering undergraduate, graduate, and doctoral degrees.

The 2022-23 academic year completed the fifth year of the WKU Strategic Plan, *Climbing to Greater Heights 2018-2028*. The Strategic Plan Implementation Committee evaluated the progress made to date and concluded that WKU is on or ahead of schedule for most of the goals at the midpoint of the strategic plan. The reaffirmation process through the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) is underway with final reports for this cycle due in 2024 and 2025. Accompanied by the merger of the WKU and College Heights Foundations, WKU concluded its most successful decade of fundraising to further learning opportunities within and outside the classroom for our students. WKU provides an affordable, student-centered, total college experience where in class learning and applied research combine to prepare students to live and excel in a global society.



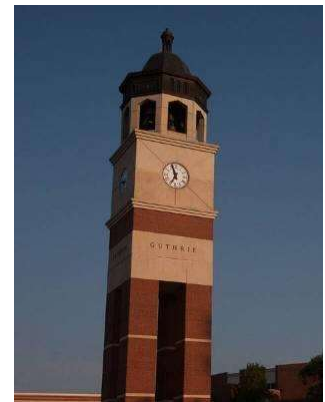
Student success continues to be the centerpiece of WKU's mission with historic fall-to-spring retention records this academic year. New academic programs have been developed with impressive enrollments to prepare students for careers in the 21st century. The WKU Living Learning Communities provide a holistic extension for the WKU family by creating a supportive environment to enhance student achievement. The implementation of Degree Works coupled with individualized 4-year plans and college schedules means that students can now register in just three clicks! The Commons at Helm Library was formally dedicated at the start of the fall term, and this beautiful location has proven to be an active learning and social center for students, faculty, staff, and community members. The dedication of WKU to our students extends to our regional campuses with WKU Glasgow celebrating its 20th anniversary this year, which was marked by the initiation of the Early College program for high school students taking classes from WKU at Glasgow. Staff and faculty combined efforts in the 60 days to Student Success Initiative, seeking means to attract a diverse student population, further their degree completion, and prepare them for the global stage.



The fifth year of the WKU Strategic Plan saw the full implementation of the Resource, Allocation, Management, and Planning (RAMP) budget model, the second goal of the Our Hill component of the plan. As a form of embracing our history, WKU established the Jonesville Reconciliation Workgroup, which facilitated the opening of the Kentucky Museum exhibit “What Happened to Jonesville?” In honor of Margaret E. Munday, the first undergraduate to enroll at WKU and who graduated in 1960, Munday Hall was dedicated on October 28, 2022. Care for our campus community was expanded with professional development opportunities and training on such topics as assisting others in distress, catharsis, and a pedagogy of kindness. The compensation package was enhanced through an inflation support payment, salary adjustment, no increase in employee healthcare contributions, and five additional days of paid time off. Research undertakings continued to garner increased external support, and students demonstrated their research and creative activity acumen through the spring term Student Scholar Showcase, which included numerous posters, presentations, and performances that exhibited the connection of college and community.



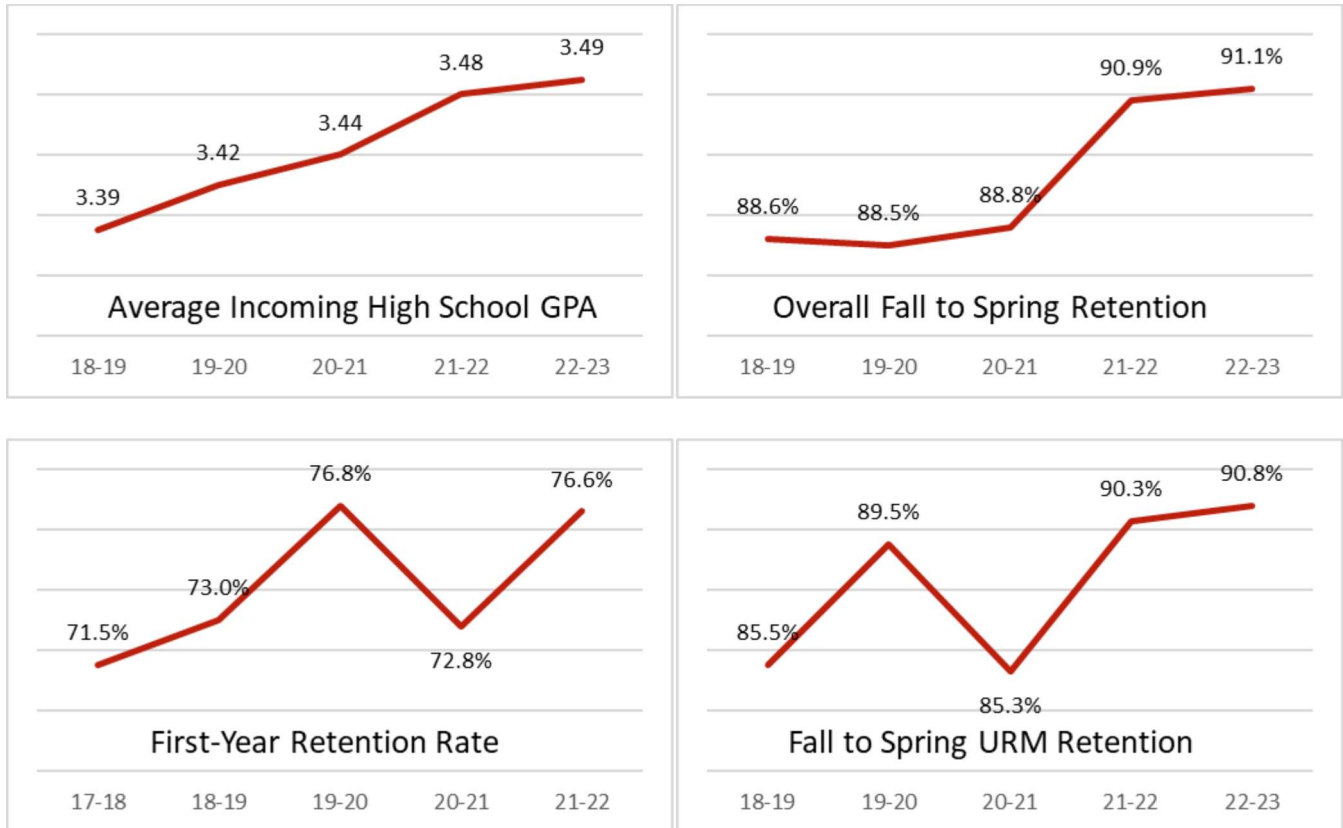
WKU serves as a regional lighthouse providing routes to intellectually stimulating and globally enticing ports of call. The WKU Office of Global Learning and International Affairs adopted a new moniker of WKU Global, but retains the mission of changing student lives through a global perspective. WKU Global was a partner in receiving one million dollars for Kentucky Innovative Scholarships for forced migrants at WKU and Kentucky scholarships for rural students to study abroad because such experience greatly enhances graduation rates for rural students. WKU also is advancing micro-credentialing in multi-cultural competence for students, and Alumni Ambassadors are serving as Career Consultants to assist students in their transition from college to full-time employment. The development of the Innovation Campus at WKU accelerated in the past year with the opening of the Collaborative SmartSpace, the formation of the Metals Innovation Initiative, and the establishment of the headquarters for the Central Region Ecosystem for Arts, Technology, and Entrepreneurship (CREATE) at the Innovation Campus. WKU and Community partnerships continue to unfold with numerous industry, governmental, and nongovernmental entities joining with WKU to shine an even brighter light of opportunity for our students today and tomorrow.



The WKU Strategic Plan, *Climbing to Greater Heights 2018-2028*, will continue to guide Our Students, Our Hill, and Our Community & Beyond “to be productive, engaged, and socially responsible citizen-leaders of a global society.”

Figure 1 displays several important student metrics at WKU. Average incoming high school GPA, fall to spring retention, URM fall to spring retention, and first-year retention rate. This shows WKU's commitment to recruiting qualified students and the increased focus on retention and persistence.

Figure 1: Key Student Metrics



Budget Priorities

The FY 2024 Budget is WKU’s financial plan for the fiscal year beginning July 1, 2023, and ending June 30, 2024. The FY 2024 Operating Budget is \$389.9 million and includes revenues and expenditures from Education & General (E&G), Restricted, and Auxiliary Enterprises. E&G revenue consists of unrestricted revenue (primarily state appropriation and tuition and fees). Restricted funds are a separately identified resource which agencies have placed limitations on how the funds may be used (primarily federal and state funds for student financial aid and grants and contracts). Auxiliary Enterprises revenue is from self-supporting activities of WKU such as housing (reimbursed costs from the Student Life Foundation) and the WKU Restaurant Group.

Table 1: WKU Total Budget

Fund	FY 2023	FY 2024	\$ Change	% Change
Education & General Funds	309,380,700	314,374,000	4,993,300	2%
Unrestricted E&G	289,688,700	304,831,700	15,143,000	5%
Revenue Dependent E&G	19,692,000	9,542,300	10,149,700	-52%
Restricted Funds	57,331,000	59,783,000	2,452,000	4%
Auxiliary Enterprises	16,736,000	15,787,000	949,000	-6%
Total Budget	\$383,447,700	\$389,944,000	\$6,496,300	2%

The reduction in the revenue dependent E&G fund is directly offset by an increase in unrestricted E&G, primarily due to the reclassification of online tuition from revenue dependent to unrestricted E&G. Since online tuition is treated the same as regular tuition in the RAMP budget model and allocated to the academic colleges, this reclassification ensures that there is consistency between all tuition revenue sources. In addition, this reclassification enables the university to allocate resources more effectively and broadly across the institution, providing greater flexibility. As a result, we can better respond to evolving circumstances and prioritize initiatives that will have the greatest impact on advancing institutional goals and benefiting students.

The university places a strong emphasis on fulfilling its mission to support the success of its students, which guides its fiscal decision-making process and rewards strategic performance throughout the organization. The FY 2024 budget priorities include funding for the following important initiatives:

Figure 2: FY 2024 Budget Priorities



Budget Governance Structure

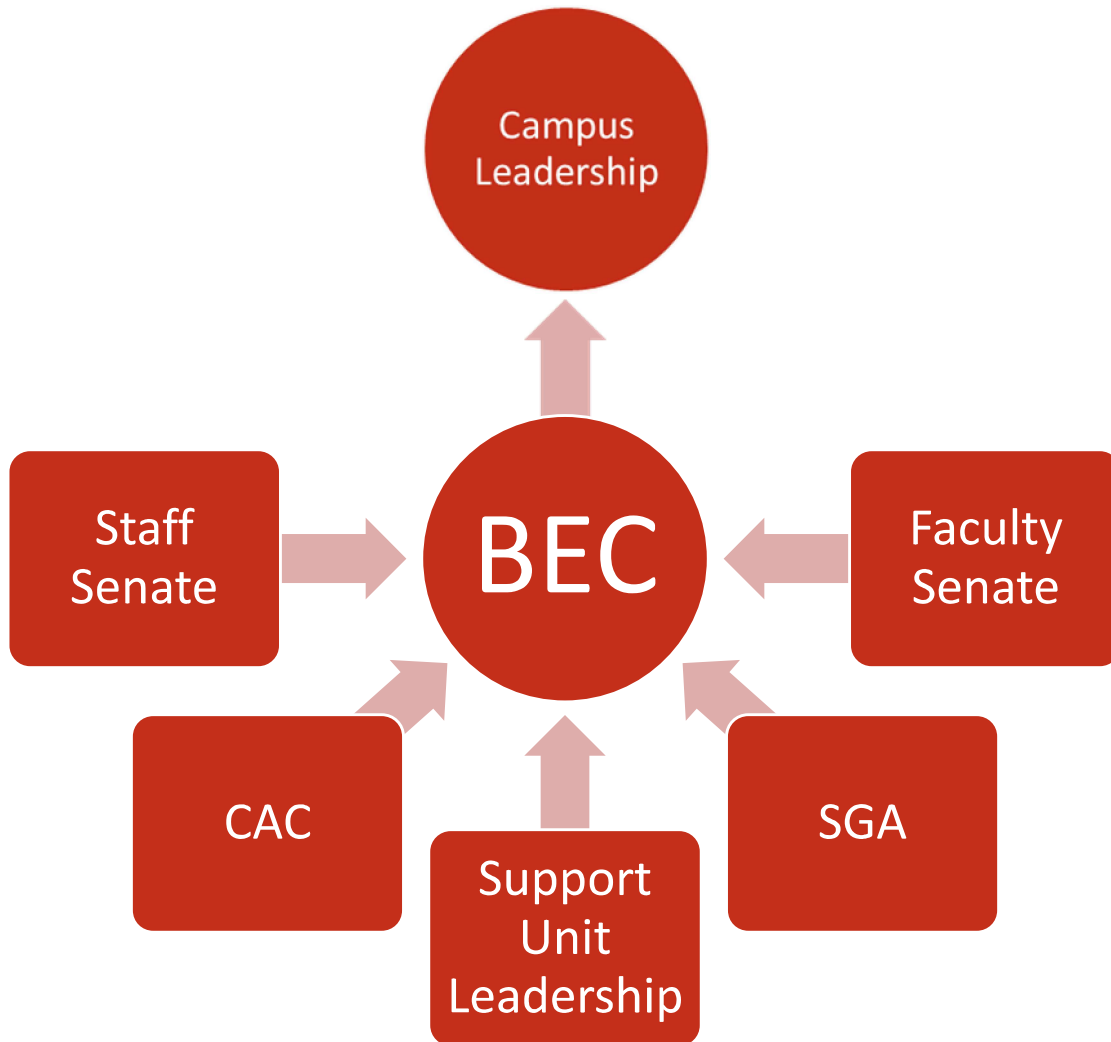
The campus community's input plays a vital role in the budget planning process at WKU. Our budget development process is a comprehensive planning effort and reflects a collaborative environment, guided by continuous discussions among deans, support unit leaders, budget governance committees, and campus leadership. This inclusive process ensures that decision-making considers the perspectives of all relevant parties, upholding our commitment to shared governance and transparency as we develop budgets that align with the WKU strategic plan, *Climbing to Greater Heights 2018-2028*.

The governance structure under RAMP includes the Budget Executive Committee (BEC) and Capital Allocation Committee (CAC). These committees comprise broad campus representation, which include faculty, staff, student, and administrative representation.

Development of the FY 2024 budget began in the fall of 2022 with meetings of the budget governance committees, the Axiom budgeting and labor management software opening to deans, vice presidents, and budget managers, and initial enrollment and tuition revenue projections. In addition, the BEC began accepting and reviewing budget requests from support unit leadership for fixed cost/contractual increases and requests for new initiatives. Several budget updates, enrollment projections, and budget scenarios were shared with the BEC throughout the planning process to help inform and assist committee members with budget priorities and salary increase recommendations. By March 2023, the BEC completed its prioritization of budget requests and provided a final FY 2024 budget recommendation to campus leadership.

Figure 3 summarizes the many opportunities for the campus community to provide input into the budget development process.

Figure 3: Budget Governance Structure



Members of the BEC include faculty, staff, and administration, as well as representatives of the faculty and staff Senates and the Student Government Association. The committee’s objectives are to review recommendations from vice presidents and the Provost regarding support unit budget requests, recommend strategic funding priorities, and conduct outreach across university on resource allocation priorities. The committee also submits final budget recommendations to campus leadership.

Budget Executive Committee

Chairs:

Chris Shook
Dean of Gordon Ford College of Business

Jordan Basham
Staff Senate Vice-Chair

Members:

Corinne Murphy
Dean of College of Education & Behavioral Sciences

David Brown
Dean of Ogden College of Science and Engineering

Tania Basta
Dean of College of Health & Human Services

Terrance Brown
Dean of Potter College of Arts & Letters

Amanda Trabue
Vice President of Philanthropy & Alumni Engagement

Ethan Logan
Vice President of Enrollment & Student Experience

John-Mark Francis
Assistant Vice President, Marketing & Brand Strategy

Bryson Davis
Director of Student Financial Assistance

John McCammon
Senior Associate Athletic Director

Kristi Smith
University Controller/Treasurer

John Sunnycard
Associate Provost for Global & International Affairs

Toni Szymanski
Faculty Senate Chair

Ranjit Koodali
Associate Provost for Research & Graduate Education

Kirk Atkinson
Faculty Senator

Anthony Paganelli
Faculty Senator

Holli Drummond
Faculty Representative

Ron Demarse
Faculty Representative

Brian Campbell
Staff Senate Chair

Jason Cansler
Staff Senator

Sam Kurtz
Student Government Association Representative

Jeppie Sumpter
Assistant Vice President for Information Technology Services

Non-Voting Members:

Robert Fischer
Provost & Vice President for Academic Affairs

Susan Howarth
Executive Vice President for Strategy, Operations and Finance

Bruce A. Schulte
Associate Vice President for Strategy, Performance & Accountability

Renaldo Domoney
Assistant Vice President for Budget, Finance & Analytics

Brian Dinning
Executive Director of Budget and Financial Planning

Jessica Gilland
Director of Academic Budgets & Resources

The CAC is comprised of faculty, staff, and administration representation, and is tasked to advise the BEC and university regarding the use and allocation of academic space and deferred maintenance fund requests. The committee ensures that the university uses its space and fiscal resources as effectively and efficiently as possible in furtherance of the WKU Strategic Plan.

<u>Capital Allocation Committee:</u>	
Co-Chairs:	
David Brown <i>Dean of Ogden College of Science and Engineering</i>	Bryan Russell <i>Chief Facilities Officer</i>
Members:	
Tania Basta <i>Dean of College of Health & Human Services</i>	Rodney Hounshell <i>Inventory Control Coordinator</i>
Morgan Moran <i>Staff Senate Representative</i>	Ken Branch <i>Director of Facilities Management</i>
Jessica Steenbergen <i>Scheduling Applications Coordinator</i>	Les Forsythe <i>Senior Associate Athletic Director</i>
Amy Fugate <i>Accounting & Financial Reporting Director</i>	Travis Wilson <i>Academic Department Chair</i>
Ron Ramsing <i>Faculty Member</i>	
Non-Voting Members:	
Brian Dinning	<i>Executive Director of Budget & Financial Planning</i>
Renaldo Domoney	<i>Assistant Vice President for Budget, Finance & Analytics</i>
Bruce A. Schulte	<i>Associate Vice President for Strategy, Performance & Accountability</i>
Joshua Montgomery	<i>GIS Specialist</i>

Resource Allocation, Management and Planning (RAMP)

A key component of “Our Hill” in WKU’s strategic plan necessitates the university to implement a budget model that is sustainable, supports institutional priorities that ensure student success, and rewards strategic performance across the enterprise. Our commitment to the mission of supporting the success of students served as the primary driver of the fiscal decision-making process.

WKU has embraced fiscal responsibility by adopting and fully implementing a decentralized, resource allocation budget model, and completed its transition to the Resource Allocation, Management

and Planning (RAMP) budget model last year for the development of the FY 2023 operating budget. Rather than a historical, incremental budgeting process, RAMP is an incentive-based approach that uses the principles of responsibility-centered management (RCM) and is a financial management philosophy that supports decentralized decision-making to allow us to incentivize and reward performance. By assigning ownership of revenues and expenses to the academic colleges, RAMP fosters entrepreneurship, encourages efficiency, and promotes sound educational choices. Administered by the provost, this budget model also establishes a subvention fund to support internal investments for academic colleges based on strategic priorities. Key principles of the budget model include:

- Create incentives that promote the advancement of campus goals.
- Simplicity
- Enhance transparency.
- Revenue ownership and accountability for academic units.
- Encourage engagement and collaboration.

Table 2: FY 2024 RAMP Budget

Metric	College of Health and Human Services	Ogden College of Science and Engineering	Potter College of Arts & Letters	Gordon Ford College of Business	College of Education and Behavioral Sciences	Academic Units Total
Tuition & Fees	36,814,782	43,826,582	44,454,325	23,484,684	22,019,972	170,600,344
Scholarships, Fellowships, and Waivers	(10,402,891)	(16,161,225)	(17,156,568)	(7,913,011)	(6,827,166)	(58,460,861)
Grants & Contracts	1,530,868	3,150,871	797,667	1,960	4,698,238	10,179,604
State Appropriations	16,679,070	21,480,699	18,875,959	9,160,215	14,185,257	80,381,200
Other Revenue	1,725,899	2,766,619	377,514	296,392	3,284,896	8,451,319
Total Revenues	46,347,727	55,063,545	47,348,896	25,030,240	37,361,198	211,151,607
Direct Expenses	23,692,750	29,552,706	23,195,575	13,114,506	20,825,716	110,381,253
Indirect Expenses	18,891,268	20,747,647	17,016,632	9,910,766	14,560,619	81,126,933
Total Expenses	42,584,018	50,300,353	40,212,207	23,025,272	35,386,335	191,508,185
Margin	3,763,710	4,763,192	7,136,689	2,004,968	1,974,863	19,643,421
Participation Fee Payment (Outflow)	(6,867,036)	(8,191,362)	(8,202,907)	(4,143,282)	(4,695,630)	(32,100,217)
Margin for Subvention Pool Disbursement	(3,103,326)	(3,428,170)	(1,066,218)	(2,138,314)	(2,720,767)	(12,456,796)
Subvention Fund Disbursement (Inflow)	3,353,326	3,678,170	1,316,218	2,338,314	2,920,767	13,606,795
Strategic and Mission Enhancement Fund	250,000	250,000	250,000	200,000	200,000	1,150,000

Subvention Pool

The RAMP budget model allocates revenue, such as tuition and fees and state appropriation, to each of the five academic colleges based on pre-determined metrics. These revenues are then subject to a 13% participation fee to provide a subvention pool administered by the Provost. The total subvention pool for the FY 2024 budget is approximately \$32 million, which is partially utilized to fund Auxiliary and Support Unit programs at the same level as the prior year. The remaining funds are for the Provost to award to the academic colleges to remain in balance or fund new strategic initiatives.

To ensure stability and encourage academic success during the early years of RAMP, the Provost has developed a multi-year strategy that involves supplementing the academic colleges currently in subvention using one-time funds. This multi-year plan aims to establish an even starting point for each academic college and provide an incentive for successful strategic planning. Additionally, the Provost has met with each academic college's Dean to distribute the subvention pool in a way that supports academic success and strategic funding.