

WRITTEN REPORT 2

FY25 Budget Execution – Financial Performance Update

(Leslie Brunelli/Matt Skinner/Chris Jones)

March 6-7, 2025

SUBJECT: Fiscal Year 2025 Budget Execution – Financial Performance Update

SUBMITTED BY: Leslie Brunelli, Executive Vice President, Finance and Administration/CFO

Finance and Administration conducts financial performance review and monitoring each month. Key takeaways as of January 31, 2025, include:

Core Funds Budget: Core budget expenditures are tracking at the same percentage change as last year.

Tuition: As of January 31, total student billing is approximately 2% lower than the previous year, and collections are down by 1.5%, both of which exceed the budgeted 1% decrease. This suggests that tuition revenue may be lower than the budgeted level.

Sponsored Grant Revenue: With the ongoing federal transition, executive orders and work stop demands, uncertainty surrounds federally funded research and the collection of indirect cost recovery. On average, a \$1,000,000 reduction in federally sponsored research leads to a \$300,000 loss in indirect cost recovery for WSU. Additionally, a \$1,000,000 drop in indirect cost recovery results in a \$44,000 loss in interest earnings. The Office of Research and Sponsored Programs Services is actively monitoring these financial impacts and modeling for management of working capital.

Interest Earnings: Collections are trending with the budget. However, the most significant risk to interest earnings arises from declines in the fund balance or loss of federal funding.

Expenditures: Salary costs are tracking 4% higher than last year due to a planned general salary increase. Operating expenses for goods, services, and other operating costs across all funds have risen by 16%, 12% and 12% respectively, driven by increased capital expenditures, expanded marketing and legal activities, and additional scholarship expenses associated with Pell awards.

ATTACHMENT: Fiscal Year 2025 Financial Performance Update Presentation