AY 2021 budget was developed in Spring 2020 during tremendous uncertainty regarding the evolving global pandemic

• Institutional response:
  • reduced revenue targets
    • -5% undergrad enrollment assumption
    • -20% graduate enrollment assumption
  • essential only spending
    • -30% non-salary operating expenses
    • -75% travel
  • significant reserve for COVID related costs
  • additional financial aid reserve.
AY 2020-21 budget performance expected to be better than planned COVID budget

• Undergrad revenues strong, above pre COVID levels

• Graduate revenues better than COVID budget, but below pre COVID levels

• Operating expenses managed per plan

• $13.5M of COVID related costs incurred; partially offset by Federal funding

• One time COVID disaster relief payments to employees

• Funding of high priority instructional equipment, technology, and classroom upgrades

• Projected surplus ~$7M (about enough cash to operate the university for 2 weeks)
AY 2021-22 Budget – Objectives & New Priorities

• Recovery from FY21
  • Increase Employer contribution level for 403B to sustainable level
  • Reestablish salary & equity pools
  • Change Performance/Merit timeline
  • Execute on approved faculty hires
  • Right size operating budgets post COVID including WPI Forward savings

• New Priorities
  • Access & Affordability; down payment on Strategic Plan
  • Continue COVID-related (Testing/Hotel/Staffing) funding
  • New Academic Building Opening Jan 2022
  • Assess and unfreeze open positions
AY 2021-22 Budget
Parameters & Assumptions

• Enrollment – Undergraduate – First Year class: 1335 at 48% discount rate
  - Graduate – New Programs/Partnerships to slow decline
• 2.9% Undergraduate tuition increase; Graduate held flat
• Compensation – Re-establish merit pool up to 2.5%, 0.5% equity
• 403b WPI contributions increased to 9.5%
• Investment in Faculty: 10 new TTT, 16 new TRT, Teach to Tenure path
• Unfreeze $2.6M of FY21 frozen positions
• Strategic Plan (Year 1) - $4.6M for Access & Affordability/Other priorities
• Operating expense – Return to ~ 85% of Pre-Covid levels
• Maintain COVID reserve ~$ 4M for testing/staffing/hotel
• Re-establish $3M Operating Contingency