

PROPOSAL: General Fund Fiscal Year 2026-27 Operating Budget

Background

The General Fund is the University's primary operating fund and provides the financial resources necessary to support instructional, programmatic, and operational needs. Western Michigan University is committed to providing a distinctive and supportive learning experience fostering student success within a diverse and inclusive culture while advancing economic and environmental sustainability. Resource allocation should strengthen WMU's position as a destination for holistic, experience-driven learning, support student recruitment and retention, promote academic success, and diversify revenue streams.

The proposed fiscal year 2026–27 General Fund budget reflects the University's longstanding commitment to presenting a balanced operating budget for Board approval. The proposed budget totals approximately \$432.2 million, representing an increase of 1.6 percent from the fiscal year 2025–26 budget. In total, both revenues and expenditures have increased by approximately \$7 million compared to the prior year's budget.

The proposed fiscal 2026-27 General Fund budget is built on a zero change in base operating state appropriations. For the second consecutive year, the state has not provided a base appropriation increase to the public universities. The state's tuition restraint, established as part of the fiscal year 2026–27 budget, limits tuition and fees increases to 4.0 percent or \$651, whichever is greater. This proposed budget complies with this requirement.

The budget also reflects an approximately \$2 million adjustment resulting from an allocation included in last year's higher education budget for Michigan public universities participating in the Michigan Public School Employees' Retirement System (MPSERS). Changes in budgeted revenues are attributable to this adjustment, tuition and required fee rate changes, and enrollment projections.

On the expenditure side, the budget recognizes employee compensation increases, including contractually obligated adjustments. Additional expenditure increases include a strategic investment of 4 percent in student financial aid (\$2.1 million), as well as higher projected utility and property insurance costs. The projected \$4.7 million gap between expenditures and revenues will be addressed by budget allocation strategies identified by senior leadership.

Recommended Action

It is recommended that the Board of Trustees approve the proposed fiscal year 2026–27 General Fund budget, which provides the financial resources necessary to support the University's instructional, programmatic, and operational priorities.

WESTERN MICHIGAN UNIVERSITY
2026/27 GENERAL FUND PLANNING BUDGET OUTLOOK

2025/26 General Fund Budget (In Thousands)		\$425,205.7
2026/27 Revenue Changes (In Thousands)		
Estimated state appropriation operating increase (+0.0%)	\$0.0	
2025/26 state appropriation base funding adjustment	\$2,045.2	
Estimated tuition revenue change		
Tuition and fee rate change (+4.0%)	14,365.8	
Enrollment Change (-4.0%)	(9,417.5)	
Subtotal 2026/27 - Revenue Changes		6,993.5
2026/27 Expense Changes (In Thousands)		
Compensation	8,493.4	
Utilities (+6.0%)	828.3	
Student Financial Aid (+4.0%)	2,114.5	
Property Insurance	300.0	
Use of Base Budget Stability Reserve	(\$10.8)	
2026/27 Budget Reduction	(\$4,731.9)	
Subtotal 2026/27 - Expense Changes		\$6,993.5
2026/27 Estimated Balanced Budget		\$0.0
2026/27 Estimated General Fund Budget		\$432,199.2

