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Students on campus at Wright State University.

Wright State says it will avoid fiscal watch but state won’t verify status until 2019

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By

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FAIRBORN —

Wright State University is set to avoid fiscal watch, the school’s chief business officer told the campus in an email this morning.

The state measures every public college’s fiscal health with something called a “Senate Bill 6 score,” an annual rating of 0 to 5.
Half the score is based on the school’s reserve fund, essentially how much cash the school has in the bank. The other two factors include a viability score which calculates the university’s ability to service its debts and an income ratio which measures the school’s change in net assets, according to the FY 2018 WSU budget.

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Any school that falls below a 1.75 two years in a row is put on notice.

Wright State projected its score for fiscal year 2017 was a .8, meaning one more year below a 1.75 would put the school on fiscal watch. The school is now projecting its score for FY 2018 will be a 2.2, chief business officer Walt Branson said in a Tuesday campus-wide email.

The state of Ohio will not announce the school’s official score until the spring of 2019 though, Branson said. Wright State generated a $10-million surplus last year, which Branson said was due to the sacrifices made by many on campus.

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“In my opinion we have stopped the financial free-fall of previous years, a significant feat in and of itself, Branson said in his email. “However, we have
not yet re-established a solid financial foundation. It will likely take several years before we fully accomplish that.”

Some of that $10 million will go toward budget shortfalls that have already occurred this fall though. Fall enrollment was under projections which translated to tuition and fee revenue coming in $2.5 million under budget for fiscal year 2019, which started July 1.

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The email comes just days after a report was made public that stated Wright State would not fully regain the financial position it had in 2012 for more than 20 years from now. The report was submitted to a fact-finder as part of ongoing contract negotiations with the university faculty union.

The report was created by the university administration to make a case for its stance on contract negotiations.

The administration has offered faculty a three-year contract with no raises and reduced health benefits, said Martin Kich, president of the Wright State chapter of the Association of American University Professors. A final fact-finder’s report on negotiations is due out at the end of October and the faculty union has threatened to strike if a deal is not reached.

In his Tuesday email, Branson pushed back on the news from the report, saying that it was created before the end of the fiscal year on June 30.

“While it is true that it may take us 20 years to restore reserves to what they were six years ago, (financial) sustainability will come much sooner as we build revenue and regularly realize an operating surplus,” Branson said in his email.

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