

FINANCE & FACILITIES COMMITTEE | 1.24.2019



2018-19 Mid-Year Adjusted Budget

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FY 2019 Original Budget Goals



- Balance the operating budget before strategic investment and contingencies
- Create fiscal space for investments aligned with the 11 Short-Term Action Plan Goals
- Ensure stability and continuity into FY 2019 to sustain forward momentum

Mid-Year Adjustment Planning



- **Scope:** Education & General (E&G) budget for fiscal year 2019
- **Goals:**
 - Remain within bounds established by the original Board approved budget
 - Invest in alignment with the 11 Short-Term Action Plan Goals
 - Re-align investment within the institution to support forward momentum

Short-Term Action Plan Goals



1. Increase Reputational Capital
2. Increase Enrollment
3. Grow Student and Campus Diversity
4. Extend Academic Planning I (Essential Studies)
5. Extend Academic Planning II (Classroom Technology)
6. Invest in Talent
7. Grow Our Culture of Pride
8. Organizational Improvement I (Business Processes)
9. Organizational Improvement II (Entrepreneurial Culture)
10. Build Alumni Relations and Philanthropy
11. Leverage Academic and Industry Partnerships

Budget Redevelopment Process



- Incorporate budget decisions and adjustments after the Board adopted the FY 2019 budget in May 2018. Including:
 - New faculty hires
 - Organizational Chart changes
 - One-time and ongoing investments and savings
 - FY 19 budget errors and omissions
- Met with budget owners across E&G units to establish tuition and expense forecast and un-adjusted FY 2019 year-end position
- President driven investment prioritization process with input and prioritization from the Senior Leadership/Vice President level



Adjusted Budget

Adjusted Budget



Acct	FY19 Board			FY19 Adjusted Budget
	Adopted Budget	Forecast	Adjustments	
State Allocations	\$29,301,174	\$28,945,097	\$0	\$28,945,097
Tuition & Fees	\$35,557,629	\$36,464,814	\$1,487,700	\$37,952,514
Remissions	(\$4,110,518)	(\$4,558,000)	\$0	(\$4,558,000)
Other	\$1,556,975	\$1,557,000	\$0	\$1,557,000
Total Revenue	\$62,305,260	\$62,408,911	\$1,487,700	\$63,896,611
Labor & OPE	\$48,229,090	\$47,596,219	\$1,703,862	\$49,300,081
Planned Salary Savings	(\$1,000,000)	(\$1,000,000)		(\$1,000,000)
Other Expenses	\$15,030,778	\$14,371,606	\$1,102,827	\$15,474,433
Total All Expenses	\$62,259,868	\$60,967,825	\$2,806,689	\$63,774,514
Net (Revenue - Expenses)	\$45,392	\$1,441,086	(\$1,318,989)	\$122,097

Revenue Assumptions



- Increased Tuition and Fees based on current and projected enrollment
- Reduced state allocation based on HECC approved PUSF Distribution
- Increased fee remissions based on Fall Term enrollment/remission utilization

Expense Assumptions



- Forecast budget includes anticipated salary savings and OPE savings from current vacancies/anticipated refill rates
- Salary and OPE savings recaptured centrally for re-investment
- S&S savings using prior year expenditure rates and discussion/anticipated spending rates from departments.
- Adjustments based on hires above expected/approved rates, errors in rolling forward budgets, new positions/re-organizations approved after the budget was adopted
- S&S investments, equipment, and capital expenses approved throughout Q2

Budget Adjustments



Budget Adjustments	
Base Budget	
Faculty Investment	\$492,122
Other Academic Investment	\$389,431
Investment in Staff	\$64,309
Capital Improvement	\$111,668
Organizational Improvement	\$96,000
Bargaining	\$125,000
Operations	\$197,325
Prior Year (Equipment)	\$31,564
Budget Correction	\$1,299,270
Base Budget Total	\$2,806,689

Investments



Acct	FY19 Board Adopted Budget	Forecast	Adjustments	FY19 Adjusted Budget
Investments				
Contingency Fund	\$250,000	\$250,000	\$123,370	\$123,370
Strategic Fund & Salary Pool	\$814,480	\$814,480	\$2,090,043	\$2,090,043
New Positions	\$1,166,880			
Total Strategic Fund	\$2,231,360	\$1,064,480	\$2,213,413	\$2,213,413
Total Net FY19 Budget	(\$2,185,968)	\$376,606	(\$3,532,402)	(\$2,091,317)

Strategic Investment Overview



Strategic Investment Detail	
Investment Area	
2% Pay Increase (mid-year)	\$268,015
0.5% Merit Pay Award	\$67,004
Strategic Enrollment Management	\$820,585
ABA Clinic & Programming	\$249,121
General Counsel (Labor Relations)	\$69,794
2018 Softball Field Upgrade Match	\$202,187
Marketing and Development	\$59,850
Reserve	\$300,000
Other	\$53,487
Total	\$2,090,043



Questions