

Fiscal Operations Advisory Council

Alicia Dillon

Associate Vice President for Finance and Controller

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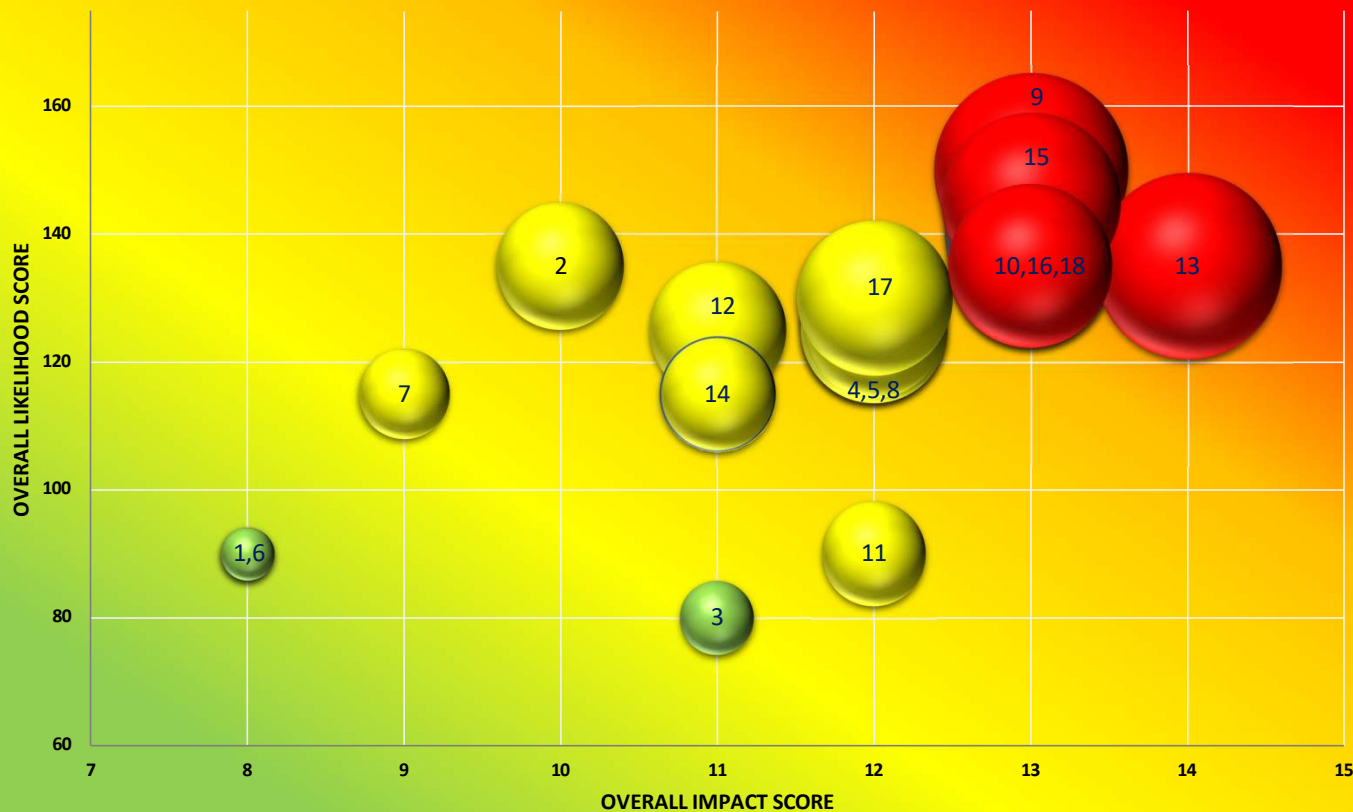
Agenda

- Internal Audit Risk Assessment
- YTD November FY2023-24 Management Report
- FY 2024-25 Budget Planning

Internal Audit Risk Assessment

HEAT MAP

Overall Likelihood / Impact Score



Departments & Operating Units

1. Archives & Records Management
2. Athletics
3. Board of Trustees
4. College of Engineering Technology & Management (ETM)
5. College of Health, Arts & Sciences (HAS)
6. General Counsel
7. Government Relations
8. Housing and Residence Life
9. Human Resources & Affirmative Action
10. Information Technology
11. Institutional Advancement
12. Office of the President
13. Office of the Provost & Academic Affairs
14. Office of the Vice President for Finance & Administration
15. Oregon Manufacturing Innovation Center
16. Procurement, Contracts & Risk Management
17. Registrar's Office
18. Title IX

polytechnic University

Oregon TECH

YTD November FY2023-24 Management Report

General Fund Monthly Report

FY 2023-24 November (in thousands)

YTD Comparison		FY 2023-24 Budget & Forecast						Notes
	FY 2022-23 November Actuals	FY 2023-24 November Actuals	FY 2022-23 Year End Actuals	FY 2023-24 Board Adopted Budget (BAB)	FY 2023-24 Adjusted Budget	FY 2023-24 Forecast	Forecast to Budget Variance	
Revenue								
State Appropriations	\$20,233	\$22,446	\$33,744	\$33,942	\$33,942	\$36,806	\$2,864	(1)
Tuition & Fees	25,435	25,756	37,487	39,514	39,514	37,600	(1,914)	(2)
Remissions	(2,359)	(2,634)	(6,600)	(5,805)	(5,805)	(7,520)	(1,715)	(3)
Other	<u>1,273</u>	<u>1,211</u>	<u>3,498</u>	<u>2,374</u>	<u>2,374</u>	<u>2,941</u>	<u>567</u>	(4)
Total Revenue	\$44,583	\$46,779	\$68,130	\$70,024	\$70,024	\$69,826	(\$198)	
Expenses								
Administrative Staff Salary	\$3,487	\$3,504	\$8,468	\$10,234	\$10,309	\$9,070	(\$1,164)	
Faculty Salary	3,718	3,863	13,008	14,405	14,444	13,422	(983)	
Adjunct and Admin/Faculty Other Pay	1,323	1,309	3,622	3,649	3,613	3,649	-	
Classified	2,501	2,610	6,092	6,396	6,409	6,890	494	
Student	294	411	909	1,041	1,041	1,000	(41)	
GTA	37	27	94	121	121	94	(27)	
OPE	<u>6,770</u>	<u>7,005</u>	<u>17,570</u>	<u>19,841</u>	<u>19,944</u>	<u>18,384</u>	<u>(1,457)</u>	
Total Labor Expense	\$18,130	\$18,729	\$49,763	\$55,687	\$55,881	\$52,509	(\$3,178)	(5)
Service & Supplies	\$6,623	\$8,441	\$14,560	\$15,517	\$15,384	\$16,622	\$1,105	(6)
Internal Sales	(545)	(535)	(1,287)	(1,388)	(1,388)	(1,345)	43	
Debt Service	981	1,083	1,718	1,208	1,208	1,593	385	
Capital	102	345	620	175	288	847	672	(7)
Utilities	457	568	1,686	1,205	1,205	1,809	603	(8)
Transfers In	-	-	-	-	-	-	-	
Transfers Out	<u>723</u>	<u>709</u>	<u>1,433</u>	<u>1,406</u>	<u>1,406</u>	<u>1,406</u>	<u>-</u>	(9)
Total Direct Expense	\$8,341	\$10,611	\$18,731	\$18,123	\$18,103	\$20,932	\$2,808	
Total All Expense	\$26,471	\$29,339	\$68,494	\$73,811	\$73,985	\$73,441	(\$570)	
Net from Operations before Other Resources (Uses)	\$18,112	\$17,440	(\$364)	(\$3,787)	(\$3,960)	(\$3,615)	\$172	(10)
Other Resources (Uses)								
Transfers In	\$1	\$ -	\$180	\$887	\$887	\$770	(\$117)	(11)
Transfer Out	(200)	(136)	(441)	(100)	(100)	(236)	(136)	(12)
Use of Reserve	-	-	626	3,000	3,000	3,081	81	
Total Other Resources (Uses)	(\$199)	(\$136)	\$364	\$3,787	\$3,787	\$3,615	(\$172)	
Total from Operations and Other Resources (Uses)	\$17,913	\$17,304	\$ -	\$ -	(\$174)	\$ -	\$ -	
Beginning Fund Balance	\$17,218	\$16,613	\$17,218	\$16,613	\$16,613	\$16,613	\$ -	
Fund Balance Adjustment	-	-	(605)	(3,000)	(3,000)	(3,081)	(81)	
Ending Fund Balance	\$35,131	\$33,918	\$16,613	\$13,613	\$13,439	\$13,533	(\$81)	
Fund Balance as % Operating Revenues	78.8%	72.5%	24.4%	19.4%	19.2%	19.4%	0.2%	
Ending Cash Balance	<u>\$25,763</u>	<u>\$24,838</u>	<u>\$19,398</u>					

Key Highlights

- Enrollment is down 5.6%; FY24 planning used a flat enrollment assumption resulting in a tuition decrease of \$2M
- FY24 planning used the Governor's budget for state support but final support came in \$2M higher offsetting the tuition decrease
- Remissions are projected to be \$1.7M over budget
- Expenses overall are currently projected to be slightly over budget

FY24 November YTD Summary

	Board Adopted Budget	November Forecast	Variance
Revenue	\$70,024	\$69,826	(\$198)
Expenses	73,811	73,441	(370)
Use of Other Resources	(787)	(534)	252
Projected Year End Net	<u>(\$3,000)</u>	<u>(\$3,081)</u>	<u>(\$81)</u>

FY 2024-25 Budget Planning

FY2024-25 Budget Planning

Early budget planning forecasts indicate we will be in a budget deficit scenario for FY2024-25. Based upon these early planning figures, we anticipate needing to use a combination of reserve and budget reductions.

	Estimates
Projected Budget Deficit	\$ 5,500,000
Planned Use Of Reserve	\$ 2,500,000
Budget Reductions	\$ 3,000,000
% Budget Reductions	4% - 6%
Projected Ending Fund Balance	\$ 11,613,218
% Fund Balance	16.5%

Note: This planning scenario contains early estimates and data elements that may be subject to change
Board policy requires we maintain a fund balance of 10-15%

Oregon's Polytechnic University

FY2024-25 Budget Planning

What's causing the budget deficit?

- **Declining Enrollment**: Three consecutive years of declining enrollment (now nearly 22% overall from fall 2020); due to these historical trends and enrollment uncertainty, we are remaining conservative with recent trends for projections.
- **Increasing Remissions**: Student remissions and scholarships have increased from \$5.8M in FY22 to a projected \$7.5M for FY24.
- **Increasing Expenses**: Increasing labor costs as well as S&S expenses. Many of these increases are contractually obligated or due to inflationary pressures.

FY24-25 Budget Discussion

Given the current projections, we will be in a budget reduction scenario.

Before targets are set, we are soliciting input for consideration from the FOAC on budget reduction ideas and strategies.

Questions?