

POSITION	TERM	NAME	DEPARTMENT/DIVISION
Chair	2021-24	Don DaSaro	Business Management
Vice President of Finance & Administration	2023-24	John Harman	Finance and Administration
Provost / Vice President of Academic Affairs	2023-24	Joanna Mott	Academic Affairs
Vice President of Student Affairs	2023-24	Mandi Clark	Student Affairs
Dean College of ETM	2024-25	Neslihan Alp	Research and Academic Affairs
Administrative Council Representative	2023-24	Carleen Drago Starr	Educ. Partnerships & Outreach
Assoc. Vice President of Financial Operations	2023-24	Alicia Dillon	Finance and Administration
Senate Executive Representative	2023-24	Cristina Negoita	Faculty Senate
Univ. Admin/ Staff Rep. 1	2022-25	Ken Fincher	University Advancement
Univ. Admin/ Staff Rep. 2	2024-26	Anna Clark	Budget/Planning Office
Univ. Admin/ Staff Rep. 3	2023-26	Lara Pracht	Housing and Residence Life
Faculty 1	2022-25	Rose McClure	Natural Sciences
Faculty 2	2022-25	Mark Neupert	Humanities & Social Science
Faculty 3	2022-25	David Hammond	Applied Mathematics
Faculty 4	2021-24	Dibyajyoti Deb	Applied Mathematics
ASOIT President, Klamath Falls des.	2023-24	Diana Escamilla	ASOIT
ASOIT President, Portland-Metro	2023-24	Aaron Hill	ASOIT
Executive Assistant	2023-24	Helen Drewel	Finance and Administration

Agenda

Meeting called to order – Chair DaSaro

- 1. Reports Emailed Prior to Meeting: Review and Discussion**
 - a. January 18, 2024, FOAC Minutes – Chair DaSaro*
 - b. Tuition Recommendation Committee Update – VP Harman*
 - c. 2nd Quarter Investment Report – VP Harman*
 - d. FOAC Budget Survey Results – AVP Dillon*
- 2. Budget Planning Timeline - VP Harman**
- 3. Division Budget Updates – VP Harman, Dr. Clark, Dr. Fincher, Dr. Mott**
- 4. February Management Report – VP Harman**

Meeting adjourned – Chair DaSaro

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Chair	2021-24	Don DaSaro	Business Management
VP of Finance & Administration	2023-24	John Harman	Finance and Administration
Provost / VP SEM	2023-24	Joanna Mott	Academic Affairs
AVP of Student Affairs	2023-24	Mandi Clark	Student Affairs
Vice Provost	2023-24	Abdy Afjeh	Research and Academic Affairs
Administrative Council Representative	2023-24	Carleen Drago Starr	Educational Partnerships & Outreach
Asst. Vice Pres. Financial Operations	2023-24	Alicia Dillon	Finance and Administration
Senate Executive Representative	2023-24	Cristina Negoita	Faculty Senate
Univ. Admin/ Staff Rep. 1	2022-25	Ken Fincher	University Advancement
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ASOIT President, Klamath Falls des.	2023-24	Diana Escamilla	ASOIT
Executive Assistant	2023-24	Helen Drewel	Finance and Administration

Minutes

Attendees: Anna Clark, Dr. Mandi Clark, Dr. Abdy Afjeh, Chair Don DaSaro, Dr. Dibyajyoti Deb, Alicia Dillon, Carleen Drago Starr, Dr. David Hammond, VP John Harman, Prof. Rose McClure, Dr. Joanna Mott, Dr. Cristina Negoita, Dr. Mark Neupert, Lara Pracht

Additional Attendees: Celia Green, Michelle Meyer

Meeting called to order – Chair DaSaro called the meeting to order at 2:02pm.

- 1. Review Minutes from October 2023 Meeting-** Chair DaSaro reviewed the minutes. Dr. Neupert moved to approve the minutes; Rose McClure seconded.
- 2. Audit Risk Assessment and Multi-year Audit Plan-** Michelle Meyer reviewed the Internal Audit Risk Assessment & Heat Map.
 - a. Dr. Mott asked how the risk rating was calculated. Michelle replied that the overall risk scores are a weighted average based on the combination of each risk’s likelihood and impact and are assigned by the external Internal Audit firm. The external Internal Audit firm takes into consideration programmatic, operational, and financial data, including the strategic plans, when assigning risk categories for the weighted average calculations. Michelle offered an opportunity to walk through the report in depth outside of this meeting.
 - b. Dr. Deb inquired about the meaning of the axis on the heatmap graph, as well as how often the risk assessment is performed. Michelle replied that the "Overall Likelihood Score" is a measure of the possibility a given event will occur, whereas the "Overall Impact Score" is a measure of the potential consequence across the University. The Internal Audit risk assessment is performed annually by the external Internal Audit firm.

- c. Carleen Drago asked how often each department will revisit the audit process. Michelle replied that there is no specified timetable for when departments will be audited. Departmental involvement is determined based on factors such as nature of department operations and if the department has previously been reviewed by Internal Audit, and when. In addition, Carleen asked how department chairs and staff are prepared for these audits. Michelle responded that Eide Bailly will be hosting a kick-off meeting to facilitate planning and communication with departments. The Board of Trustees and the Board's Audit Committee have approved a multi-year audit plan to allow audits to be conducted with advance notice, with the goal of aligning audit timing with departmental business cycles.
- d. It was asked by Dr. Negoita how the heat maps compare from one year to the next. Michelle responded that the Internal Audit risk assessment performed by Eide Bailly provides a high-level view of possible future impacts. It is forward looking and is not necessarily comparable to prior year reports due to factors such as COVID-19. While the Heat Map may not be suitable for year-to-year comparison, we are working with Eide Bailly on Internal Audit's traditional annual review report of prior audits to show department corrective actions that have been put into place and to acknowledge the work departments are performing as an outcome of the audits.
- e. Dr. Negoita asked what the sizes of the spheres on the heat map represent. Michelle responded that a larger sphere indicates a wider, far-reaching impact across the University; a smaller sphere indicates a more localized, or minimal, impact.
- f. Prof. Rose McClure inquired about the decision to move from Kernutt Stokes (the previous internal audit firm) to Eide Bailly. Michelle responded that our seven-year contract with Kernutt Stokes had ended, and a Request for Proposal (RFP) was recommended by management to the Board of Trustees' Audit Committee, which was approved. Eide Bailly was sourced through the RFP process; one of the distinguishing factors of Eide Bailly is their subject matter expertise and experience in higher education and being able to leverage their expertise as an additional aid to Oregon Tech.
- g. Dr. Neupert asked what the FOAC's advisory role is when it comes to contracting services such as auditing firms. Michelle explained that Internal Audit reports directly to the Board of Trustees Audit Committee; therefore, the contract was approved by the Board of Trustees. Information provided by the external Internal Audit firm may provide information FOAC might find helpful when making advisory recommendations on items like capital projects, for example.

3. YTD November FY2023-24 Management Report- Alicia Dillon and Anna Clark reviewed the FY24 year-to-date Management Report through November.

- a. Dr. Deb inquired as to whether there was a deficit of \$3 million. Alicia replied that the plan in the Board's adopted budget was to use \$3 million from the reserve. Reserve funds should be maintained at 10-15% of operating expenditure, following Board policy. The question was raised by Dr. Deb as to how much is placed in the reserve each year. In response, Alicia explained that if there is a surplus at the end of the year, this surplus will be added to the reserve fund, while if there is an overspend, this fund will be utilized.
- b. Dr. Mott expressed concern that we may be overly conservative when planning budgets, particularly in areas with a history of overspending. There is concern that unnecessary budget cuts may be made in anticipation of shortfalls, leading to the loss of necessary service lines, faculty, and other resources. In the past, we have had significant surpluses in our ending budget, so why aren't we utilizing it? Alicia replied that our budget has been reduced for the past few years, we've experienced 3 consecutive years of enrollment decline, and discretionary funds are shrinking. Budget cuts have led to overspending in areas we have not experienced before, and structural deficits are becoming more evident. The University used over \$700 thousand of reserve funds in FY23 and we are currently on pace to use all of the \$3 million in reserve funds

approved for FY24. Anna Clark added that a surplus in the budget reflects the desire to keep and account for essential vacant positions and service lines.

- c. Prof. Rose McClure expressed concern about the use of salary savings as a source of funding. Anna responded that we are not intentionally leaving positions open to create savings. Alicia added that the deployment of budget cuts is made at the local division and department level rather than at the direction of Finance & Administration.
- d. A suggestion was made by Dr. Negoita to speak directly with the Medical Imaging Department (MIT), since many students have expressed interest in this field. It is important that we investigate ways to assist this department in growing. Dr. Mott responded that MIT has been involved in Academic Affairs budget conversations in the recent past. Dr. Negoita also shared direct communication should also be established with the IT department in order to identify possible ways to improve the negotiation process for infrastructure contracts. Carleen Drago suggested that we should explore ways to collaborate with other institutions regarding IT infrastructure.
- e. Prof. Rose McClure asked how we can access Quasi-Endowment funding. Anna and Alicia responded that the Board would need to approve it.
- f. Dr. Deb asked what is preventing us from using more of our fund balance. Alicia responded that figures were presented to Dr. Nagi, and this was his recommendation on use of fund balance.
- g. Alicia asked the group for their feedback on the idea of sending the budget survey University wide. Dr. Negoita suggested that it might be beneficial to tailor each question by department to obtain more comprehensive feedback. Dr. DaSaro recommended asking each department for two revenue generating ideas.

Meeting adjourned at 3:28pm.



April 2, 2024 FOAC Meeting

Tuition Recommendation Committee Update

TRC Committee Members:

TRC Members for 2023-24	Committee Role	Organizational Role	Location
John Harman - Chair	Voting Administrator	Vice President for Finance & Administration	Klamath Falls
Mandi Clark- Ex-Officio ⁽¹⁾	Voting Administrator	Associate Vice President of Student Affairs	Klamath Falls
Joanna Mott	Voting Administrator	Provost & Vice President of Academic Affairs	Klamath Falls
Josephine Ness ⁽²⁾	Voting Administrator	Director of Admissions	Klamath Falls
Anna Clark	Voting Administrator	Assistant Director of Budget	Klamath Falls
Alicia Dillon	Voting Administrator	Associate Vice President of Finance & Controller	Klamath Falls
Kendal Marks	Voting Administrator	Financial Aid & Registration Coordinator	Klamath Falls
Don DaSaro	Voting FOAC Chair	FOAC Chair, Assistant Professor	Klamath Falls
Feng Shi	Voting Faculty	Associate Professor	Klamath Falls
Riley Ambrose	Voting Student	ASOIT Vice President, Klamath Falls	Klamath Falls
Taylor Jacobs	Voting Student	ASOIT Representative, Portland-Metro	Portland Metro
Jordan Spencer	Voting Student	Klamath Falls Student	Klamath Falls
Graeme Wiltrout	Voting Student	Klamath Falls Student	Klamath Falls
Mike Duncan	Voting Student	Klamath Falls Student	Klamath Falls
Ryland White	Voting Student	ASOIT Vice President, Portland-Metro	Portland Metro

⁽¹⁾ Votes per Robert's Rules, but does not count toward determining a quorum
⁽²⁾ Gave Proxy to Dr. Stringer

FY 2024-25 Tuition Scenarios

Every 1% increase in tuition is approximately \$350k



	FY 2023-24 Board Approved Budget ¹	0% Tuition Increase FY 2024-25 Budget Projection	3% Tuition Increase FY 2024-25 Budget Projection	4% Tuition Increase FY 2024-25 Budget Projection	5% Tuition Increase FY 2024-25 Budget Projection	21% Tuition Increase FY 2024-25 Budget Projection
Revenue						
Gross tuition and fees	\$ 39,514	\$ 36,479	\$ 37,530	\$ 37,881	\$ 38,231	\$ 43,839
Less fee remissions	(5,805)	(7,520)	(7,520)	(7,520)	(7,520)	(7,520)
Net tuition	\$ 33,709	\$ 28,959	\$ 30,010	\$ 30,361	\$ 30,711	\$ 36,319
State appropriations	33,942	37,446	37,446	37,446	37,446	37,446
Other	2,374	3,100	3,100	3,100	3,100	3,100
Total revenue	\$ 70,024	\$ 69,505	\$ 70,556	\$ 70,907	\$ 71,257	\$ 76,865
Expenses						
Labor	\$ 54,946	\$ 58,372	\$ 58,372	\$ 58,372	\$ 58,372	\$ 58,372
Supplies and Services	16,654	17,091	17,091	17,091	17,091	17,091
Transfers	1,406	1,406	1,406	1,406	1,406	1,406
Total expenses	\$ 73,006	\$ 76,869				
Net from Operations before Other Resources (Uses)	\$ (2,982)	\$ (7,364)	\$ (6,313)	\$ (5,962)	\$ (5,612)	\$ (5)
Other Resources (Uses)						
Transfers In	\$ 82	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers Out	(100)	-	-	-	-	-
Use of Reserve	3,000	-	-	-	-	-
Total from Operations and Other Resources (Uses)	\$ 0	\$ (7,364)	\$ (6,313)	\$ (5,962)	\$ (5,612)	\$ (5)

Notes: These projections are preliminary and are subject to change

(1) For comparability, Applied Computing and Rural Health Initiatives expenses and transfer-in are removed

Tuition Rate Scenarios



	FY24		FY25		FY25		FY25		FY25	
	Base Tuition	Differential Tuition	Base Tuition +3%	Differential Tuition	Base Tuition +4%	Differential Tuition	Base Tuition +5%	Differential Tuition	Base Tuition +21%	Differential Tuition
Tuition per credit	\$233	\$319	\$240	\$329	\$242	\$332	\$245	\$335	\$291	\$398
Tuition per term at 15 credits/term	\$3,497	\$4,791	\$3,602	\$4,935	\$3,637	\$4,983	\$3,672	\$5,031	\$4,359	\$5,972
Additional Revenue			\$1.1M		\$1.4M		\$1.8M		\$7.4M	
Remaining Unfunded Gap			\$(6.3M)		\$(6.0M)		\$(5.6M)		\$0	

\$1.1M increase to revenue
 \$105 increase in tuition per quarter (15 credits)

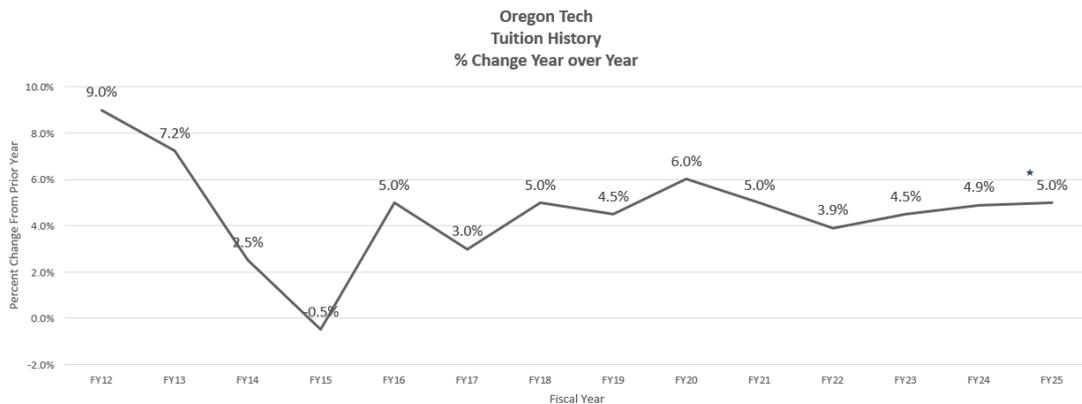
\$1.4M increase to revenue
 \$140 increase in tuition per quarter (15 credits)

\$1.8M increase to revenue
 \$175 increase in tuition per quarter (15 credits)

\$7.4M increase to revenue
 \$861 increase in tuition per quarter (15 credits)

March 6, 2024 TRC Recommendation:

Oregon Tech Base Tuition Adjustment History



* Note: This is the recommendation from the TRC only and has not yet been approved by Dr. Naganathan or the Board of Trustees.

Q2 Investment Update

Update Item 3.4

Investment Report: Q-2 FY 2023-24



Public University Fund (Prepared by the Public University Fund Administrator)

Oregon Tech's operating assets are invested in the Public University Fund (PUF). As of December 31, 2023, OIT had **\$28.6 million on deposit in the PUF**. The PUF **increased 2.3% for the quarter and 3.5% fiscal year-to-date**. The PUF's three-year and five-year average returns were 0.9% and 2.2%, respectively.

The Oregon **Short-Term Fund increased 1.3% for the quarter and 2.4% fiscal year to date**, underperforming its benchmark by 10 basis points and 30 basis points, respectively. The **Core Bond Fund increased 4.6% for the quarter and 3.8% for the fiscal year**, equal to its benchmark for the quarter and outperforming its benchmark by 10 basis points for the fiscal year. The PUF investment yield was 1.3% for the quarter and 2.3% fiscal year to date.

Investors cheered as the Federal Reserve signaled an end to the current rate increase regime and alluded to potential rate cuts during calendar 2024, moving bond prices higher. The Core Bond Fund's 18% allocation to structured credit, particularly mortgage-backed securities, supported the Fund's strong performance during the quarter. The Fund's investment officers initiated positions in corporate bonds within the financial sector during the period, given the rising expectations that interest rates have peaked for this current rate cycle.

Oregon Tech Quasi-Endowment Fund

The Oregon Tech **Quasi-Endowment assets increased 4.6% for the quarter and 3.8% fiscal year-to-date**. The Oregon Intermediate-Term Pool performance was in line with its benchmark for the quarter. The Endowment assets were valued at \$6.8 million, as of December 31, 2023.

Investment Performance to Benchmark



Oregon Tech Investment Summary as of December 31, 2023 (Net of Fees)

	Quarter Ended 12/31/2023	Current Fiscal YTD	Prior Fiscal YTD	3 Yr Avg	5 Yr Avg	10 Yr Avg	Market Value	Actual Asset Allocation	Policy Allocation Target
OIT Operating Assets Invested in Public University Fund									
Oregon Short - Term Fund	1.3%	2.4%	1.0%	2.1%	2.0%	1.6%	\$ 7,436,386	26.0%	1
Benchmark - 91 day T-Bill	1.4%	2.7%	1.3%	2.2%	1.9%	1.3%			
PUF Core Bond Fund	4.6%	3.8%	-1.4%	-0.8%	2.1%	N/A	21,153,464	74.0%	1
Benchmark - Bloomberg Barclays Intermediate U.S. Gov't./Credit Index ²	4.6%	3.7%	-1.6%	-1.6%	1.5%	2.0%			
Public University Fund Total Return	2.3%	3.5%	-0.5%	0.9%	2.2%	N/A	\$ 28,589,850	100.0%	
Public University Fund Investment Yield ³	1.3%	2.3%	1.4%	2.6%	2.7%	N/A			
OIT Endowment Assets									
Oregon Intermediate-Term Pool	4.6%	3.8%	-1.5%	-0.9%	2.0%	N/A	\$ 6,761,538	100.0%	
Benchmark - Bloomberg Barclays Intermediate U.S. Gov't./Credit Index ⁴	4.6%	3.7%	-1.6%	-1.6%	1.3%	1.4%			

¹ The Public University Fund (PUF) policy guidelines define investment allocation targets based upon total participant dollars committed. Core balances in excess of liquidity requirements for the participants are available for investment in the Core Bond Fund. Maximum core investment allocations are determined based upon anticipated average cash balances for all participants during the fiscal year.

² 100% Bloomberg Barclays Intermediate U.S. Gov't./Credit Index as of February 1, 2021. From April 1, 2017 to January 31, 2021, the benchmark was 75% Bloomberg Barclays's Aggregate 3-5 Years Index, 25% Bloomberg Barclays's Aggregate 5-7 Years Index.

³ The reported investment yield for the quarter and fiscal year-to-date represent earned yields for the period and are not annualized rates.

⁴ 100% Bloomberg Barclays Intermediate U.S. Gov't./Credit Index as of January 1, 2021. From June 1, 2015 to December 31, 2020 the benchmark was Bloomberg Barclays 3-5 Year U.S. Aggregate Index.

Note: Outlined returns underperformed their benchmark.

What ideas would you recommend to streamline or reduce costs in the FY2024-2025 budget to increase efficiency without sacrificing educational quality? ⓘ

Feel this one could be limited to training or travel to conferences.

1) Ask the Provost Office to report on the "financial stability" element of the Academic Master Plan. We need to have an honest and nuanced discussion of the academic economy of OT. 2) Begin discussions to merge with Oregon State. Such a merger would reduce costs tremendously. We could eliminate most of our senior-level administrators, some mid-level positions, and possibly department chairs/stipends as well. It would have the happy outcome of having more effective administration in many areas, especially SPGA. We need to recognize that our overriding responsibility is to the State of Oregon and we (and our BoT) have a duty to make sure this facility is being put to its highest and best use. Barring a merger, we absolutely must reduce the administrative costs we incurred as a result of the OHSU breakup. We should work with the TRU's to re-establish a shared services system. At the minimum we should eliminate our General Counsel Office staff and move to a contracted or shared counsel system. 3) Good to hear we have finally purchased a course scheduling software package - only 15 years too late. This needs to be rolled out as soon as possible - by next fall quarter - who is responsible for leading this complicated rollover? Who will be accountable? 4) Cut OMIC off of all institutional support subsidies - no longer provide, HR, Budget, Insurance, Marketing, Lobbying, Risk, Facilities, etc... without charging OMIC going rates. OMIC is a drain our budget - a carefully obscured drain, but a drain nonetheless.

Consider collaborative contract negotiations for purchases made by IT and other related saving around purchasing from external sources.

Review all contracts and renegotiate those whose terms are near expiration. Conduct an inventory of all IT vendors and eliminate redundant or unnecessary software.

Consider entering into an agreement with Sky Lakes Medical to pay the differential between in state and out of state. tuition, in exchange for the student to work for one to two years at Sky Lakes in some medical role. The student would pay in state tuition and would be paid by Sky Lakes the normal wages for whatever the medical role would demand. Second One: Develop an endowment challenge with the board of trustees to increase the endowment for OIT through industry relations. Third One: Offer Continuing Education programs by various OIT departments to industry - on site or on line.

1) Support art at Oregon Tech (STEAM), 5 years ago we had twice the SCH enrollment in ART classes. These classes are good for students and make net revenue for OT. We have lost several adjunct instructors and requests for a full-time NTT 3-year visiting ART instructor have not been approved. Additionally, our art studio was eliminated during the Boivin Remodel. With this decline, OT has lost both revenue and positive student experiences. 2) Music - we once had choir, violin, guitar, etc.. Now, OIT is a music-free university. These classes, while small, still made net revenue for the university while offering students an enriching experience. We should commit to music and work with Admissions to communicate to students to bring their instruments. We might even be able to attract more and better students if we have music options for them. 10 years ago, the HSS department made \$1,200,000 in net revenue (tuition vs hss budget). It probably makes half that for the institution now. Who should be held accountable for this loss? 3) Again, merging with Oregon State would be effective for these goals. OSU has strong brand recognition, strong recruiting systems, effective SPGA offices, and we could begin to offer more lower cost programs - such as education. 4) In general, OT needs growth in two areas - Business and Arts and Sciences - if it is to become better off financially. An examination of the program portfolio of our comparator institutions supports this point.

To generate additional revenue we should invest in faculty lines - and to retain faculty we should provide better compensation and competitive pay with the market.

Add three new athletic teams: Men's and Women's Tennis in Portland Metro Competitive Cheer Squad (Men's and Women's)

Fiscal Operations Advisory Council

John Harman. MBA, CGMA, CMPE

Vice President of Finance and Administration

April 2, 2024

Review of Distributed Items:

- January 18, 2024 Minutes
- 2nd Quarter Investment Reports
- Tuition Recommendation Committee Update
- FOAC Budget Survey Results

FY 2024-25 Budget Planning Timeline

- **February 24:** FY 2024-25 Budget Memo sent to Vice Presidents
- **February 26 – March 1:** BPO met with VP's for strategy discussion and approach options
- **March 4:** Prepared and distributed templates with reduction targets
- Work with Budget Authorities closely to develop budget and include impact narrative
 - VPs are responsible for identifying their own budget reductions
 - Allow VPs to request strategic funds if necessary
 - Note: Any new investments require reductions in other areas
- **April 2:** High-level budget discussion with FOAC
 - Advisory recommendations welcomed
- **April 22:** Review completed templates with Senior Leadership for discussion and decision-making
- **April 29:** Final budget decisions made by Senior Leadership
- **May 15:** Budget finalized for submission to Board for approval in June

Key Highlights

- Enrollment is down 5.6%; FY 2023-24 planning used a flat enrollment assumption, Shortfall results in a tuition decrease of \$1.9M compared to budget
- FY 2023-24 planning used the Governor's budget for state support but legislature approved larger increase for higher education. Final support along with October true-up came in \$2M higher than budgeted, offsetting the tuition decrease
- Remissions awarded through Admissions Office and Financial Aid are projected to be \$1.4M over budget, resulting in reduced revenue compared to budget
- Expenses overall are currently projected to be moderately over budget, *BUT only if \$931K agreed-upon reductions through year-end are achieved*

FY 2023-24 February YTD Summary

	Board Adopted Budget	February Forecast	Variance
Revenue	\$70,024	\$70,737	\$713
Expenses	73,811	74,133	322
Use of Other Resources	(787)	38	825
Projected Year End Net	(\$3,000)	(\$3,434)	(\$434)

FY 2024-25 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 have increased from \$5.8M in FY 2021-22 to a projected \$7.2M for FY 2024-25.
- **Increasing Expenses:** Increasing labor costs as well as S&S expenses. Many of these increases are contractually obligated or due to inflationary pressures.

FY 2024-25 Budget Planning

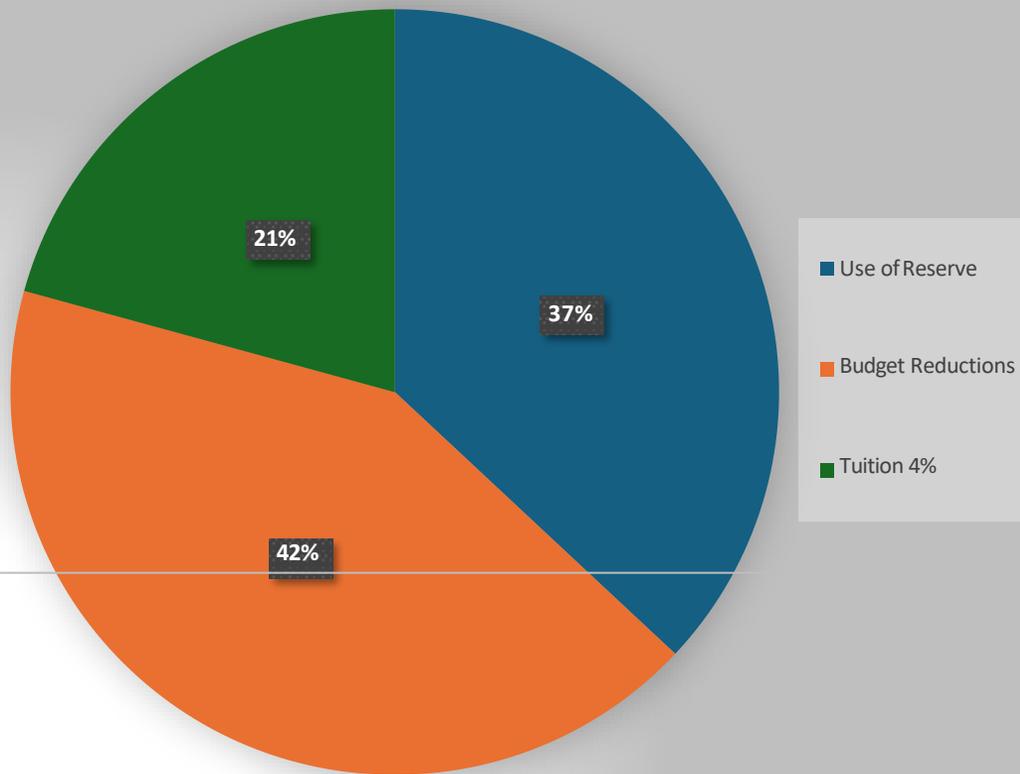
Budget planning forecasts indicate we will be in a budget deficit scenario for FY 2024-25. Closing the projected net deficit, after the tuition increase, will require a combination of budget reductions and use of reserve.

	Summary - Deficit Coverage	
Projected Net Deficit	\$	5,815,596
Deficit Coverage Possibilities:		
Use Of Reserve	\$	2,500,000
Budget Reductions	\$	3,315,596
% Budget Reductions		4.3%
Projected Ending Fund Balance	\$	10,679,317
% Fund Balance		15.0%

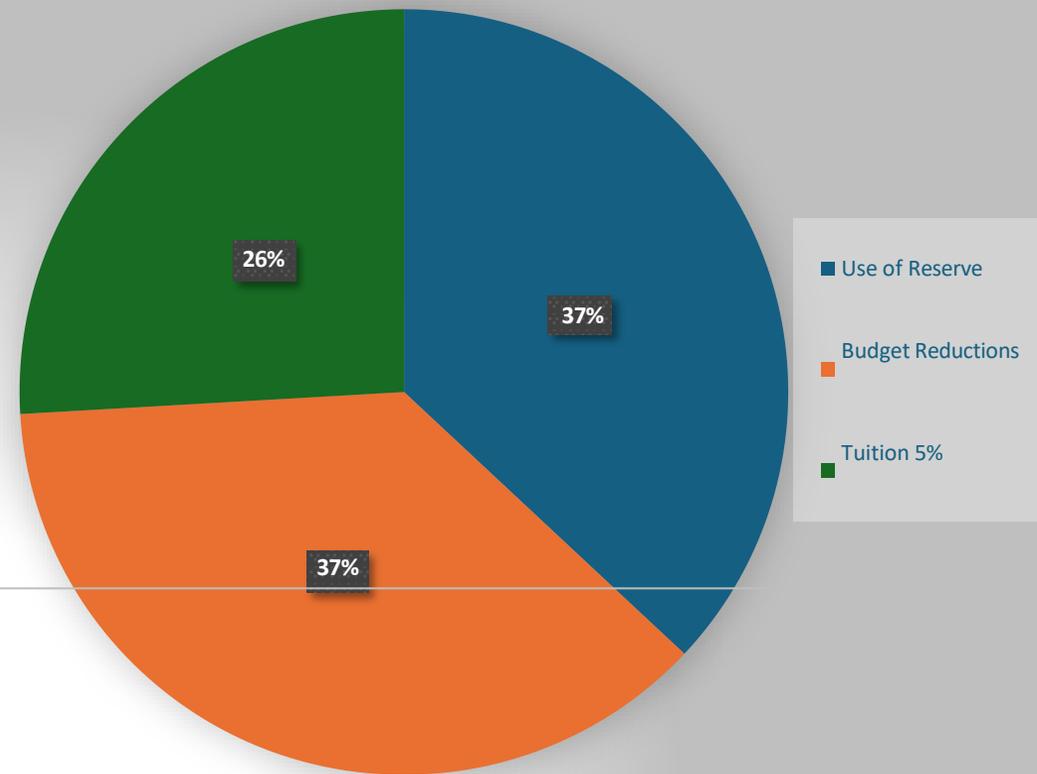
Note: This planning scenario contains early estimates and data elements that may be subject to change. Board policy requires we maintain a fund balance equivalent to 10-15% of operating revenue. Ending fund balance based on February FY 2023-24 management report forecast.

FY 2023-24 Budget Deficit Coverage by Category

Deficit Coverage - 4% Tuition Increase



Deficit Coverage - 5% Tuition Increase



FY 2024-25 Budget Planning

Vice Presidents are building their initial budgets with a 5.7% reduction. This includes an additional 1% reduction to allow for interdivisional evaluation of the severity of impacts. Next steps will include evaluation of reductions, structural deficits, and strategic investments.

Division	Percent of Budget (excluding Institutional)	5.7% Reduction
President	3.6%	\$146,693
Provost & Academic Affairs	56.7%	\$2,318,938
Student Affairs	5.2%	\$211,528
Enrollment Management	8.9%	\$362,934
Finance and Administration	22.6%	\$924,581
Advancement & Marketing	3.0%	\$121,650
Institutional General	0.0%	\$0
	Total	\$4,086,324

Division Budget Updates

February Management Report

General Fund Monthly Report

FY 2023-24 February (in thousands)

**FY 2023-24
YTD February
Management Report**

YTD Comparison		FY 2023-24 Budget & Forecast						
FY 2022-23 February Actuals	FY 2023-24 February 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	Notes	
Revenue								
State Appropriations	\$28,333	\$31,068	\$33,744	\$33,942	\$34,964	\$36,806	\$2,864 (1)	
Tuition & Fees	34,885	35,835	37,487	39,514	39,514	37,600	(1,914) (2)	
Remissions	(4,538)	(5,031)	(6,600)	(5,805)	(5,805)	(7,200)	(1,395) (3)	
Other	1,923	2,375	3,498	2,374	2,395	3,531	1,158 (4)	
Total Revenue	\$60,603	\$64,246	\$68,130	\$70,024	\$71,067	\$70,737	\$713	
Expenses								
Administrative Staff Salary	\$5,635	\$5,806	\$8,468	\$10,234	\$10,281	\$8,677	(\$1,556)	
Faculty Salary	7,813	8,160	13,008	14,405	14,458	13,395	(1,009)	
Adjunct and Admin/Faculty Other Pay	1,975	2,111	3,622	3,649	3,617	3,780	131	
Classified	4,076	4,286	6,092	6,396	6,446	6,478	82	
Student	515	667	909	1,041	1,047	1,100	59	
GTA	68	51	94	121	121	94	(27)	
OPE	11,375	11,780	17,570	19,841	19,963	18,022	(1,820)	
Total Labor Expense	\$31,458	\$32,860	\$49,763	\$55,687	\$55,933	\$51,547	(\$4,140) (5)	
Service & Supplies	\$9,459	\$12,089	\$14,560	\$15,517	\$16,849	\$18,600	\$3,082 (6)	
Internal Sales	(867)	(855)	(1,287)	(1,388)	(1,388)	(1,258)	130	
Debt/Investment	1,162	1,298	1,718	1,208	1,208	1,593	386 (7)	
Capital	151	546	620	175	296	847	672 (8)	
Utilities	1,027	944	1,686	1,205	1,205	1,398	192	
Transfers In	-	-	-	-	-	-	-	
Transfers Out	723	709	1,433	1,406	1,406	1,406	- (9)	
Total Direct Expense	\$11,655	\$14,730	\$18,731	\$18,123	\$19,576	\$22,586	\$4,462	
Total All Expense	\$43,113	\$47,590	\$68,494	\$73,811	\$75,509	\$74,133	\$322	
Net from Operations before Other Resources (Uses)	\$17,490	\$16,656	(\$364)	(\$3,787)	(\$4,441)	(\$3,396)	\$391 (10)	
Other Resources (Uses)								
Transfers In	\$36	\$397	\$180	\$887	\$887	\$398	(\$489) (11)	
Transfer Out	(340)	(522)	(441)	(100)	(100)	(436)	(336) (12)	
Use of Reserve	-	-	626	3,000	3,000	3,434	434	
Total Other Resources (Uses)	(\$304)	(\$125)	\$364	\$3,787	\$3,787	\$3,396	(\$391) (13)	
Total from Operations and Other Resources (Uses)	\$17,186	\$16,531	\$ -	\$ -	(\$655)	\$ -	\$ -	
Beginning Fund Balance	\$17,218	\$16,613	\$17,218	\$16,613	\$16,613	\$16,613	\$ -	
Fund Balance Adjustment	-	21	(605)	(3,000)	(3,000)	(3,434)	(434)	
Ending Fund Balance	\$34,404	\$33,165	\$16,613	\$13,613	\$12,958	\$13,179	(\$434)	
Fund Balance as % Operating Revenues	56.8%	51.6%	24.4%	19.4%	18.2%	18.6%	0.4%	
Ending Cash Balance	\$27,941	\$25,008	\$19,398					

Notes:

- FY 2023-24 State Appropriations Forecast** - State appropriations increased from the Governor's budgeted four percent PUSF increase to the legislatively approved 11%.
- FY 2023-24 Tuition & Fees Forecast** - Reflects impact of unexpected 5.6% enrollment decline (excludes ACP). Flat enrollment was budgeted for FY 2023-24.
- FY 2023-24 Remissions Forecast** - Reflects impact of increased President's Award amounts.
- FY 2023-24 Other Revenue Forecast** - Reflects unbudgeted increases in PUF earned interest and indirect grant revenue.
- FY 2023-24 Total Labor Expense Forecast** - Reflects budgeted positions remaining unfilled for all or part of the year (mostly in administrative staff and faculty), and associated savings in other payroll expenses.
- FY 2023-24 Service & Supplies Forecast** - Increase in spending due to multiple factors, including unbudgeted spend of TRU + PSU Financial Sustainability state appropriation, new marketing initiative, FY23 strategic investment carry forward, and accelerating software costs.
- FY 2023-24 Debt Service/Investment Forecast** - Increase in spending due to realized Public University Fund investment losses.
- FY 2023-24 Capital Forecast** - Increased capital spend resulting from FY23 equipment received in FY24 and planned spend of FY24 Academic Affairs equipment funds in capital rather than service and supplies.
- FY 2023-24 Transfers Out YTD Actuals** - Transfers out are regular, budgeted support of Athletics and the Shaw Library.
- FY 2023-24 Net from Operations YTD Forecast** - Because of increased revenue, the net loss at year-end is less than budgeted - however, that reduction is offset by reduced transfers in associated with reduced spent of prior year Applied Computing and Rural Health Initiatives funding.
- FY 2023-24 Transfer In (Other Resources (Uses)) YTD Actuals, Budget & Forecast** - Budgeted transfers in include use of prior year Applied Computing and Rural Health Initiatives funding and miscellaneous transfers, reduced because of lower forecasted spend.
- FY 2023-24 Transfer Out (Other Resources (Uses)) YTD Actuals & Budget** - Transfers out include budgeted institutional support for the AIRE grant and miscellaneous transfers.
- FY 2023-24 Total Other Resources (Uses) YTD Forecast** - Total Other Resources (Uses) is less than budgeted because of reduced transfers in of prior year Applied Computing and Rural Health Initiatives, as well as an increase in unbudgeted repair/maintenance projects.

Questions?