



# **Fiscal Operations Advisory Council**

## **May 30, 2024**



# FY 2024-2025 Budget Overview

# FY 2024-25 Budget Planning

Budget planning forecasts indicated we would be in a budget deficit scenario for FY 2024-25.

Closing the projected net deficit, after the tuition increase, would require a combination of budget reductions and use of reserve.

Summary - Deficit Coverage	
<b>Projected Net Deficit</b>	\$ 5,815,596
<b>Deficit Coverage Possibilities:</b>	
Use Of Reserve	\$ 2,500,000
Budget Reductions	\$ 3,315,596
% Budget Cuts	4.3%
<b>Projected Ending Fund Balance</b>	\$ 10,679,317
<b>% Fund Balance</b>	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 2024-25 Budget Planning

Vice Presidents built their initial budgets with a 5.7% reduction. This included an additional 1% reduction to allow for interdivisional evaluation of the severity of impacts.

<b>Division</b>	<b>Percent of Budget (excluding Institutional)</b>	<b>5.7% Reduction</b>
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
<b>Total</b>		<b>\$4,086,324</b>

# FY 2024-25 General Fund Budget

## FY 2024-25 General Fund Budget

### Footnotes:

	FY 2023-24	FY 2024-25	Variance FY 2023-24 to FY 2024-25
<b>Revenues</b>			
State Appropriations	\$ 33,819,717	\$ 37,445,936	10.7%
Tuition and Fees (less special general funds)	38,807,036	37,343,370	-3.8% (1)
Remissions	(5,805,377)	(7,519,960)	29.5% (2)
Other Revenues (less special general funds)	1,275,771	1,914,535	50.1%
Special General Fund Revenues	1,926,987	1,898,094	-1.5%
<b>Total Budgeted Revenues</b>	<b>\$ 70,024,134</b>	<b>\$ 71,081,975</b>	<b>1.5%</b>
<b>Expenses</b>			
Permanent Budget	\$ 72,476,862	\$ 70,974,592	-2.1%
Salary Recapture	(3,500,000)	(3,500,000)	0.0% (3)
Special General Fund Expenses	1,926,987	1,898,094	-1.5%
Contingency Reserve	517,603	400,000	-22.7% (4)
Administrative Salary Pool (effective January 1, 2025)	114,343	537,011	369.6% (5)
Faculty Salary Pool (effective Jan/Feb 1, 2025)	273,337	386,342	41.3% (6)
Classified Salary Pool	-	930,722	- (7)
<b>Total Budgeted Expenses</b>	<b>\$ 71,809,132</b>	<b>\$ 71,626,761</b>	<b>-0.3%</b>

- (1) Tuition revenue projections are based on an estimated 3.0% decline in student credit hours.
- (2) Budgeted remissions account for updated eligibility criteria and increased award amounts.
- (3) Budgeted salary recapture aligns with the savings realized over the past four fiscal years.
- (4) The contingency fund is 0.6% of operating revenue.
- (5) The administrative staff salary pool includes a contingent budget for mid-year salary increases, budget for miscellaneous staffing changes, and a reserve for adjustments based on the administrative compensation study. The FY 2024-25 portion of January 1, 2024 salary increases is already in the FY 2024-25 budget.
- (6) The faculty salary pool includes budget for January 1, 2025 salary adjustments (per the AAUP CBA) and faculty promotions. The FY 2024-25 portion of January 1, 2024 faculty increases is already in the FY 2024-25 budget.
- (7) The classified salary pool increases salary budgets to align with the new SEIU CBA.

# FY 2024-25 General Fund Budget Cont'd

FY 2024-25 General Fund Budget			Variance
	FY 2023-24	FY 2024-25	FY 2023-24 to FY 2024-25
<b>Strategic Investments</b>			
Math Learning Lab	\$ 40,000	\$ -	
Bridge Funding for AIRE Lab	100,000	-	
AVP Strategic Enrollment Management and Retentic	263,366	-	
Assistant Director of Admissions Operations	104,195	-	
Director of Career Services	159,559	-	
Dean of Students	187,241	-	
Associate Dean of HAS	228,764	-	
Environmental Safety Officer	131,877	131,877	
Marketing Initiative	-	660,000	
HRIS Data Administrator	-	155,999	
Doctor of Physical Therapy Permanent Support	-	624,936	
Tech Village Concept Development	-	205,000	
Enterprise Security Camera Software License	-	57,902	
Business Continuity Software License	-	27,500	
Radiation Security Officer and Program Support	-	42,500	
Global Engagement Permanent Support	-	49,500	
<b>Total Strategic Investments</b>	<b>\$ 1,215,002</b>	<b>\$ 1,955,214</b>	<b>60.9%</b>
<b>Total Expenses</b>	<b>\$ 73,024,134</b>	<b>\$ 73,581,975</b>	<b>0.8%</b>
<b>Net from Operations Before Other Resources (Uses)</b>			
	<b>\$ (3,000,000)</b>	<b>\$ (2,500,000)</b>	
<b>Other Resources (Uses)</b>			
Use of Reserve	\$ 3,000,000	\$ 2,500,000	
<b>Total from Operations and Other Resources (Uses)</b>			
	<b>\$ -</b>	<b>\$ -</b>	

# FY 2024-25 Non E&G Fund Budgets

## FY 2024-25 Non E&G Funds Budget

	Auxiliary	Designated	Service
<b>Revenues</b>			
Academic Affairs (HAS only)	\$ 500,000	\$ -	\$ -
Student Affairs	10,425,914	-	-
Finance & Administration	3,663,300	5,790	180,000
OMIC	903,000	-	-
<b>Total Revenues</b>	<b>\$ 15,492,214</b>	<b>\$ 5,790</b>	<b>\$ 180,000</b>
<b>Expenses</b>			
Academic Affairs (HAS only)	\$ 500,000	\$ -	\$ -
Student Affairs	10,621,374	-	-
Finance & Administration	3,515,825	5,000	180,000
OMIC	430,000	-	-
<b>Total Expenses</b>	<b>\$ 15,067,199</b>	<b>\$ 5,000</b>	<b>\$ 180,000</b>
<b>Net</b>	<b>\$ 425,015</b>	<b>\$ 790</b>	<b>\$ -</b>

# FY 2024-25 Budget Timeline

## January:

- Senior leadership met to evaluate early FY 2024-25 projections and to evaluate forecasted revenues and expenditures gap
- FOAC meeting – Discussed FY 2024-25 Budget planning challenges and requested Council to share budget reduction ideas

## February

- FY 2024-25 Budget Memo sent to Vice Presidents
- BPO presented budget timeline and process to senior leadership
- Budget reduction/revenue survey sent to FOAC

## March:

- BPO met with VPs for strategy discussion and approach options
- 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 divisional budget reductions

## April:

- FOAC meeting- Discussed nature of reductions being taken by VPs and encouraged Council to share ideas on reductions
- Divisions building budgets in templates

## May:

- Senior Leadership presented most impactful budget reductions and top four prioritized budget requests
- Senior Leadership provided feedback on prioritized budget requests through rating process and discussion
- Final budget decisions made by President
- Budget presentation to FOAC prior to June Board meeting presentation



# Budget Outcome: Overall Reductions by Division

\*Does not include strategic investments

## FY 2024-25 Permanent Regular General Fund Budget by Division

Division	FY 2023-24		Net Adjustments <sup>1</sup>	Budget Reductions	FY 2024-25 Total Budget	Variance FY 2023-24 to FY 2024-25
	Permanent Budget					
President	\$ 2,563,599	\$ (9,354)	\$ (146,693)	\$ 2,407,552	-6.1%	
Academic Affairs	40,161,731	216,142	(1,903,573)	38,474,300	-4.2%	
Student Affairs	3,653,950	29,221	(211,528)	3,471,643	-5.0%	
Enrollment Management	6,304,763	14,732	(362,934)	5,956,561	-5.5%	
Finance and Administration	16,068,071	30,951	(790,583)	15,308,439	-4.7%	
University Advancement	2,108,199	9,997	(14,883)	2,103,313	-0.2%	
Institutional General	3,002,784	250,000	-	3,252,784	8.3%	
<b>Total</b>	<b>\$ 73,863,097</b>	<b>\$ 541,689</b>	<b>\$ (3,430,194)</b>	<b>\$ 70,974,592</b>	<b>-3.9%</b>	

<sup>1</sup> Adjustments include a position change between the President's Division and Student Affairs, FY 2024-25 portion of January 2024 salary increases, ongoing support for the Math Learning Lab, and a budget increase for rising insurance premiums.

# VP Budget Reduction Summary by Division



# Finance and Administration

John Harman, MBA, CGMA, CMPE | Vice President

# Finance and Administration Budget Reduction Summary

Departments: Facilities, ITS, BAO/BPO, PACS, Payroll, HR, REMS

## Major Categories of Reductions:

1. Facilities reduction in overtime (effects of snow removal, support of special events)
2. Facilities reduced S&S in areas responsible for repairs and replacements (equipment in Klamath Falls and the building at Portland-Metro)
3. Grounds maintenance S&S reduction (equipment and maintenance supplies)
4. Elimination of HR Generalist
5. Elimination of CEET Custodian
6. ITS reduction of student pay for Audio/Video (AV) support and help desk staffing
7. Overall reduction of supplies, subscriptions, continuing education, team development and travel



# Academic Affairs

Joanna Mott, Ph.D. | Provost and Vice President



# University Advancement

Ken Fincher, Ed.D. | Vice President and Executive Director



# Student Affairs

Mandi Clark, Ed.D. | Vice President

# Budget Reduction

Department: Athletics

Description of Major Impacts:

1. Team budgets were reduced from \$2,000-\$4,000 depending on program
2. Each team will need to fundraise more than ever to cover costs  

Some teams looking at an additional \$10,000-60,000 to fund raise depending on their needs/desires for current and future
3. Coaches are working to not pass this reduction to student athletes in terms of stipend for food during travel, mode of transportation, lodging accommodations
4. Continued uncertainty of lottery funding also causing concern with this reduction in gen funding



# Budget Reduction

Department: Disability and Testing Services

Description of Major Impacts:

- 1) Computer replacement rotation in Testing Center
- 2) Cut buffer for unanticipated accessibility tool needs that may (and often do) crop up during the fiscal year

# Budget Reduction

Department: Student Involvement and Belonging

Description of Major Impacts:

- 1) Budget cut to support identity-based graduation (cords/stoles and event)
- 2) Budget cut to support recruitment events in support of Admissions for these groups of potential students:
  - a) Latinos Unidos
  - b) Island Owls
  - c) Klamath Tribes MOU support

# Budget Reduction

## Reduced positions in the following Departments:

- PM Services Systems Access Manager position (Josie moving into a new role, not replacing her current role)
- Disability Services Coordinator

## Description of Major Impacts:

Less opportunity for structural changes in the division

# Budget Outcomes Q&A



# Pre-read Meeting Materials Q&A

April Financial Report

3<sup>rd</sup> Quarter Investment Report

# Questions