

Finance & Administration Committee (FAC), October 26, 2020, FY21 Adjusted Budget

Education & General Fund Component:

Education & General Fund has a net budget deficit of \$1.303M. When added to our Beginning Fund Balance of \$6.240M, this results in a projected ending FY21 Fund Balance of \$4.937M, 7.05% of revenues. The FY21 BOT Adopted Budget from June 10, 2020 (Adopted Budget) had a net budget deficit of \$6.512M, and resulted in a projected negative ending fund balance for FY21.

Revenue Assumptions:

Total Revenues for FY21 Adjusted Budget are \$70.047M, which is \$5.212M more than the FY21 Adopted Budget.

Enrollment Fees

- Tuition adjusted for actual fall enrollment, an approximate 7.5% enrollment decline from prior year, or approximately 148,200 credit hours for Undergraduate and 8,500 credit hours for Graduate. This results in a decrease of \$1.23M in budgeted tuition revenue from the Adopted FY21 budget.
- Fee revenues have been updated to reflect projections based on the first three months of actuals. Matriculation fee has decreased by \$75K due to fewer students matriculating. Course fees have decreased by \$200K; many courses have waived assessing course fees due to remote delivery fall term (this adjustment is offset by a corresponding decrease in Services & Supplies budget). Application fee revenue budget has decreased by \$105K to correspond to the decrease in fees collected so far. Online course fee revenue is adjusted to \$5.5M based on actual assessment from fall term of \$2.7M, an assumed 10% fall attrition and potentially capping at 15 credit hours for winter term, and 20% of courses being offered online for spring (approximately 11,300 credit hours). Altogether, this results in an increase of budgeted fees of \$3.245M.
- Fee remission budget remains at \$7.05M.
- Net Tuition & Fees adjusted budget totals \$37.965M, \$2.015M more than the FY21 Adopted budget.

Government Resources & Allocations

- State funding has been updated to reflect the original biennium funding level, updated for the true up, an increase of \$4.447M from the Adopted Budget.

Other Revenues

- Budgeted Gift Grants and Contracts have decreased by \$250K to reflect the projected level of revenue based on the first three months of actuals.

- Interest Earnings/Investment budget has been decreased by \$1M to reflect actual earnings so far, which is indicative of interest earnings being at an all time low, and that interest was not assessed on student accounts for 3 months due to COVID-19.

Expense Assumptions:

Total Expenses for FY21 are budgeted at \$66.256M, which is \$1.665M more than the FY21 Adopted Budget.

Personnel

- Personnel budget totals \$57.198M, \$2.988M less than the Adopted Budget.
- Budgeted amount for faculty has been updated to \$18.747M, which reflects savings identified by the Deans of approximately \$426K in LAS and \$501K in COE.
- Budgeted amount for unclassified staff totals \$9.139M, which includes part-year savings of \$360K as a net result of positions eliminated and FTE reduction.
- Budgeted amount for classified staff totals \$6.264M, which has been adjusted to include additional furlough and Leave Without Pay savings, and reflects part-year savings from eliminated positions with a net result of \$1.055M.
- Student pay has increased by \$26K in Graduate Studies; this has a corresponding decrease in Graduate Studies budgeted Services & Supplies.
- A budgeted reserve of \$600K has been added for the vacation payouts at separation.
- Unemployment Insurance budget was decreased to \$100K.
- Budget Other Payroll Expense has been decreased by \$1.171M as a result of the savings adjustments.

Services & Supplies (S&S)

- Services & Supplies net budget totals \$8.849M.
- Includes an additional \$100K budgeted in the operating reserve (bringing the total to \$200K), due to having spent nearly all of the institutional CARES money and uncertainty around continued COVID-related needs.
- Reflective of a \$400K increase in bad debt expense budget based on prior year.
- Decreased Course Fee budgeted expense by \$200K, corresponding with the budgeted decrease in revenues.
- Includes an additional \$50K for the purchase of Campus Logic for Financial Aid.
- Reduced budgeted internal sales by \$1.007M, primarily due to an expected decrease in General Administrative Overhead which is assessed on auxiliary expenses.

Net Transfer Assumptions:

Total Net Transfers are budgeted at \$5.094M.

- Reflective of a decrease of \$331K in the athletics subsidy, resulting from savings in athletics personnel.
- Updated to reflect \$1M of support to Incidental Fee that has been committed for fall term, and a potential continued \$1M of support for winter and spring terms.

Auxiliary Component:

The auxiliary component is composed of Athletics, Housing, Dining, Parking, Conference Services, Bookstore, Student Health & Counseling Center (SHCC), Child Development Center (CDC), and other minor operations. The net budget deficit for all Auxiliaries (excluding IFC) totals \$2.323M, or 20.8% of revenues.

University Housing:

University Housing comprises approximately \$4.569M, or 30.9%, of budgeted auxiliary expenses.

- University Housing has a deficit budget of \$528K.
- University Housing has approximately 725 residents living in Housing fall term. The adjusted budgeted revenues of \$5.012M are based on this occupancy-level continuing winter and spring terms.
- Total expenses and transfers are budgeted at \$5.548M (inclusive of a \$1.159M transfer out to debt service):
 - Personnel budgeted totals \$1.218M is reflective of 2.5 FTE being held vacant for the year, resulting in \$194K of savings.
 - Supplies & Services budget has been adjusted to reflect approximately \$200K of savings resulting from debt refinancing, and totals \$4.509M.

Campus Dining:

Campus Dining comprises approximately \$2.766M, or 18.7%, of budgeted auxiliary expenses.

- Campus Dining's budget totals a \$424K deficit for the year.
- Campus Dining's budgeted revenues total \$2.428M, based on fall term meal plans and only one retail location (Café Allegro) being open for the year.
- Personnel for campus dining has been decreased to \$1.406M. This is reflective of two months of Leave Without Pay savings, and savings resulting from 1.5 FTE being held open for the year. It also includes \$100K of budgeted student labor.
- Services & Supplies for Campus Dining are budgeted at \$1.360M, which includes \$500K of food costs.

Student Health & Counseling Center (SHCC):

Student Health & Counseling Center (SHCC) comprises approximately \$1.494M, or 10.1%, of budgeted auxiliary expenses.

- SHCC's budget totals a \$533K deficit for the year.
- Enrollment fees are budgeted at \$779K based on actual fall term assessment (approximately 400 students at a rate of \$145) with the assumption that winter term will result in a similar level of students paying the fee, and that spring term will return to normal levels with approximately 4,500 students paying the fee. If spring term is mostly remote instead, this would result in approximately \$600K less revenue.
- Overall, SHCC revenue is budgeted at \$854K, including other miscellaneous revenues at a decreased level from prior years to reflect fewer students being on campus.
- Personnel expense budgeted total \$887K, which is reflective of savings from furloughs, reduced FTE, Leave Without Pay savings, and ten position eliminations.
- The Services & Supplies budget has also been adjusted down, totaling \$250K.

Athletics:

Athletics (excluding Incidental Fee component) comprises approximately \$3.901M, or 26.3%, of budgeted auxiliary expenses.

Athletics receives funding from several sources including Education & General Fund, Lottery, Tickets & Concessions, and Special Projects.

- Adjustments have been made to reflect no revenue from tickets, concessions, or summer camps. Lottery revenue has been updated to reflect receiving funding all four quarters.
- The personnel budget has been updated to reflect savings from eliminating/reducing 3.2 FTE.

Parking:

Parking comprises approximately \$373K, or 2.5%, of budgeted auxiliary expenses.

- Parking's budget totals a deficit of \$288K for the year.
- Sales & Services revenues have been adjusted down to \$80K, which is reflective of the lower amount of parking passes sold so far this year.

Overall Auxiliaries:

Bookstore and Child Development Center are other significant auxiliary components, comprising approximately \$1.696M, or 11.5%, of budgeted auxiliary expenses. These remain largely unchanged from the Adopted FY21 Budget, and includes the \$150K subsidy from E&G for Child Development Center.

Incidental Fee (IFC) Component:

Incidental Fee has a net deficit budget of \$1.088M.

- Enrollment fees are budgeted at \$1.460M based on actual fall term assessment (approximately \$85,000) with the assumption that winter term will result in a similar level of students paying the fee, and that spring term will return to normal levels with approximately 3,370 students paying the fee.
- Incidental Fee expenses currently reflect the original allocation from last spring. The Committee has made an updated fall term allocation and are currently in session to set the budget for the rest of the year. Expenses will be updated as additional decisions are made.
- Net transfers of \$1.780M reflects a \$1M subsidy from E&G for fall term to account for lost incidental fee revenues due to 95% of classes being delivered online, as well as including a potential continued \$1M of support from E&G for winter and spring terms.

Designated Operations & Service Departments Component:

Designated Operations & Service Department budgets are inclusive of primarily Council of Presidents and Telecommunications, as well as other small miscellaneous budgets. As such, the budgets have no significant changes from the FY21 Adopted Budget.

FY21 Adjusted Budget across Component Funds:

Combined component budgets results in a total net budget deficit across these funds of \$4.738M, or 5.6% of revenues.

STAFF RECOMMENDATION:

It is recommended that the Western Oregon University Finance and Administration Committee recommends to the Board of Trustees to approve the FY21 Adjusted Budget as presented in the docket.

**Western Oregon University
FY21 Proposed Adjusted Budget
Overall Budget Summary**

	Education & General (E&G)	Auxiliary (excluding IFC)	Incidental Fee (IFC)	Designated Operations & Service Depts	Total
Revenues					
Enrollment Fees	37,965,000	951,415	1,460,330	113,134	40,489,879
Government Resources & Allocations	28,981,566	-	-	-	28,981,566
Gift Grants and Contracts	500,000	29,626	40,050	-	569,676
Investment	2,000,000	31,000	100,021	4,190	2,135,211
Sales & Services	500,000	9,005,333	185,762	126,630	9,817,725
Other Revenues	100,000	1,146,552	251,598	2,030,156	3,528,306
Total Revenues	70,046,566	11,163,926	2,037,761	2,274,110	85,522,363
Expenses					
Personnel	57,197,692	6,987,082	2,255,385	985,332	67,425,491
Services & Supplies	8,848,814	7,799,325	2,649,899	1,311,580	20,609,618
Capital Outlay	209,691	-	-	-	209,691
Total Expenses	66,256,197	14,786,408	4,905,284	2,296,912	88,244,800
Net Transfers	5,093,785	(1,299,073)	(1,779,599)	750	2,015,863
Net Budget	(1,303,416)	(2,323,409)	(1,087,924)	(23,552)	(4,738,301)

Western Oregon University
 FY21 Proposed Adjusted Budget
 Education & General Fund Detail

	FY20 Actuals	FY21 (Adopted June 10, 2020 BOT Meeting) Budget	FY21 Proposed Adjusted Budget	Difference FY21 Adopted Budget to FY21 Proposed Adjusted Budget
Revenues				
Tuition & Fees				
Undergraduate Tuition				
Resident	17,751,958	22,237,000	21,650,000	(587,000)
WUE	6,449,685	7,467,000	7,630,000	163,000
Non-Resident	2,111,435	2,524,000	1,740,000	(784,000)
Online	6,338,772	-	-	-
Total Undergraduate Tuition	32,651,851	32,228,000	31,020,000	(1,208,000)
Graduate Tuition				
Resident	653,689	579,800	370,000	(209,800)
Non-Resident	311,817	443,400	250,000	(193,400)
Online	3,352,436	3,253,800	3,650,000	396,200
Total Graduate Tuition	4,317,942	4,277,000	4,270,000	(7,000)
Summer				
Undergraduate	1,750,564	1,870,000	1,870,000	-
Graduate	1,021,925	680,000	680,000	-
Total Summer	2,772,489	2,550,000	2,550,000	-
Other Tuition	387,856	365,000	350,000	(15,000)
Total Tuition	40,130,138	39,420,000	38,190,000	(1,230,000)
Fees				
Matriculation	637,490	650,000	575,000	(75,000)
Course	427,793	500,000	300,000	(200,000)
Application	151,571	205,000	100,000	(105,000)
Online	-	1,875,000	5,500,000	3,625,000
Other	171,585	350,000	350,000	-
Total Fees	1,388,439	3,580,000	6,825,000	3,245,000
Fee Remissions	(6,583,183)	(7,050,000)	(7,050,000)	-
Total Tuition & Fees (net of remissions)	34,935,394	35,950,000	37,965,000	2,015,000
Government Resources & Allocations				
Student Success & Completion (SSCM)	26,846,062	23,890,379	28,291,650	4,401,271
Engineering Technology (ETSF)	288,045	261,160	307,728	46,568
Small-Energy Loan Program (SELP)	382,188	382,188	382,188	-
Total Government Resources & Allocations	27,516,295	24,533,727	28,981,566	4,447,839
Other Revenues				
Gift Grants and Contracts	745,051	750,000	500,000	(250,000)
Interest Earnings/Investment	2,876,412	3,000,000	2,000,000	(1,000,000)
Sales & Services	420,237	500,000	500,000	-
Other Revenues	439,241	100,000	100,000	-
Total Other Revenues	4,480,941	4,350,000	3,100,000	(1,250,000)
Total Revenues	66,932,630	64,833,727	70,046,566	5,212,839

**Western Oregon University
FY21 Proposed Adjusted Budget
Education & General Fund Detail**

	FY20 Actuals	FY21 (Adopted June 10, 2020 BOT Meeting) Budget	FY21 Proposed Adjusted Budget	Difference FY21 Adopted Budget to FY21 Proposed Adjusted Budget
Expenses				
Personnel				
Faculty Salary & Wages	19,752,730	19,674,065	18,747,194	(926,871)
Unclassified Salary & Wages	10,799,701	9,499,321	9,138,951	(360,370)
Classified Salary & Wages	7,674,500	7,320,218	6,264,374	(1,055,844)
Student Pay	1,537,295	1,694,177	1,720,177	26,000
Reserve for Vacation Payouts	-	-	600,000	600,000
Unemployment Insurance	-	200,000	100,000	(100,000)
Other Payroll Expenses (OPE)	22,648,736	21,798,275	20,626,996	(1,171,279)
Total Personnel	62,412,962	60,186,055	57,197,692	(2,988,363)
Services & Supplies				
Services & Supplies	12,063,572	11,661,106	11,977,076	315,970
Internal Sales	(4,253,166)	(4,135,217)	(3,128,262)	1,006,955
Total Services & Supplies	7,810,405	7,525,889	8,848,814	1,322,925
Capital Outlay				
	411,109	209,691	209,691	-
Total Expenses	70,634,477	67,921,635	66,256,197	(1,665,438)
Net Transfers				
Foundation Endowment Earnings	-	(8,893)	(8,893)	-
Athletics Subsidy	3,214,552	3,103,418	2,772,874	(330,544)
Child Development Center Subsidy	150,000	150,000	150,000	-
Jensen Endowment Fund Match	-	4,804	4,804	-
SELP Funding Match	-	175,000	175,000	-
Salem Vick Building Purchase	2,698,042	-	-	-
Misc. Other Transfers	(177,008)	-	-	-
Incidental Fee Subsidy	-	-	2,000,000	2,000,000
Total Net Transfers	5,885,586	3,424,329	5,093,785	1,669,456
Net	(9,587,433)	(6,512,237)	(1,303,416)	5,208,821
FY20 Ending Fund Balance			6,240,178	
Projected FY21 Ending Fund Balance			4,936,762	
Fund Balance as a Percentage of Revenues			7.05%	