

FINANCE & FACILITIES COMMITTEE | 5.25.2017



2017-18 Budget Recommendation

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Budget Planning Assumptions



- **Scope:** Education & General (E&G) budget for fiscal year 2018
- **Goals:**
 - Ensure stability and continuity into FY 2018 for academic and administrative departments
 - Support agreements on shared investment with students through tuition setting process
 - Create fiscal space the President, with direction for the Board, to establish strategic and tactical investments after planning and analysis
 - Ensure flexibility given uncertain state funding and enrollment
- **Framework:** Establish budget frameworks for Board adoption using known revenue and expenses information and incorporate anticipated enrollment and state funding assumptions.

Revenue Assumptions



- Increased Tuition and Fees based on Board direction at its May 8, 2017 meeting and subsequent approval by the HECC
- Initial budget assumes a 3% increase in SCH enrollment in on-site and on-campus locations and 12% increase in Distance Education
- Increased fee remissions from 11% of tuition revenue to 12.1%
- State appropriations at GRB, resulting in significant reduction in state funding (assumes continued ETIC and Sports Action Lottery funding)
- Miscellaneous income increased to reflection inflationary changes and enrollment adjustments

Budgeted Revenues



Education and General Fund

2017-18 Proposed Operating Budget

Revised Projection as of May 15, 2017

	<u>2016-17</u> <u>Approved</u> <u>Budget</u>	<u>6/30/17</u> <u>Projected</u> <u>Budget</u>	<u>2017-18</u> <u>Proposed</u> <u>Budget</u>	<u>FY 18 to FY</u> <u>17 (Projected)</u>
Revenues:				
Gross Tuition	\$32,552	\$32,535	\$37,038	\$4,503
Fee remissions	(\$3,415)	(\$3,579)	(\$4,278)	(\$699)
Net Tuition	\$29,137	\$28,956	\$32,760	\$3,804
State Funding	\$26,135	\$26,391	\$24,948	(\$1,443)
Other Income	\$1,053	\$1,325	\$1,391	\$66
Total Income	\$56,325	\$56,672	\$59,099	\$2,427

Expense Assumptions



- Position roster rolled forward from FY 2017 (current year)
- Retirement expenses calculated using published PERS Tier 1, 2, and 3/OPSRP pick up rates and current/forecast employee distribution
- Health care increased at published 8% cost increase
- Service & Supplies (S&S) expenses were rolled forward from current year (including 5% reduction from FY 2015), any left over balances in S&S were carried forward to current year.
- Utilities were increased recognizing actual and forecast expenses, including increased power purchases (geothermal plant) and increased water treatment expense.
- Strategic investment fund was created to support targeted investments in strategic and tactical objectives of the university, including adjustments employee compensation.
- Strategic investment and salary funds linked to meeting enrollment targets.

Budgeted Expenses



Education and General Fund 2017-18 Proposed Operating Budget Revised Projection as of May 15, 2017

	<u>2016-17</u> <u>Approved</u> <u>Budget</u>	<u>6/30/17</u> <u>Projected</u> <u>Budget</u>	<u>2017-18</u> <u>Proposed</u> <u>Budget</u>	<u>FY 18 to FY 17</u> <u>(Projected)</u>
Expenses:				
Unclassified	\$23,048	\$22,677	\$24,812	\$2,135
Classified	\$5,366	\$5,264	\$5,539	\$275
Student	\$739	\$725	\$753	\$28
GTA	\$40	\$13	\$40	\$27
OPE	\$13,717	\$13,303	\$15,737	\$2,434
S&S	\$10,879	\$11,010	\$12,504	\$1,494
Travel	Incl. above	Incl. above	Incl. above	Incl. above
Capital Outlay	\$807	\$1,642	\$802	(\$840)
Service credits	(\$933)	(\$1,366)	(\$1,107)	\$259
Transfers	\$1,190	\$1,204	\$1,334	\$130
Debt Service	\$1,472	\$1,472	\$1,472	(\$0)
Total Expenses	\$56,325	\$55,944	\$61,886	\$5942

Other Non-Recurring



Education and General Fund

2017-18 Proposed Operating Budget

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Other Non-Recurring				
Harmony Sale		\$0		
Capital Match/Remodel	(\$435)	(\$896)		
OMIC	(1,700)	(\$1,700)		
Planned use of F/B	(\$1,442)		(\$430)	
Transfers-In	250	115		
Total Non-Recurring	(\$3,327)	(\$2,597)	(\$430)	\$2,157

Revenues & Expenses



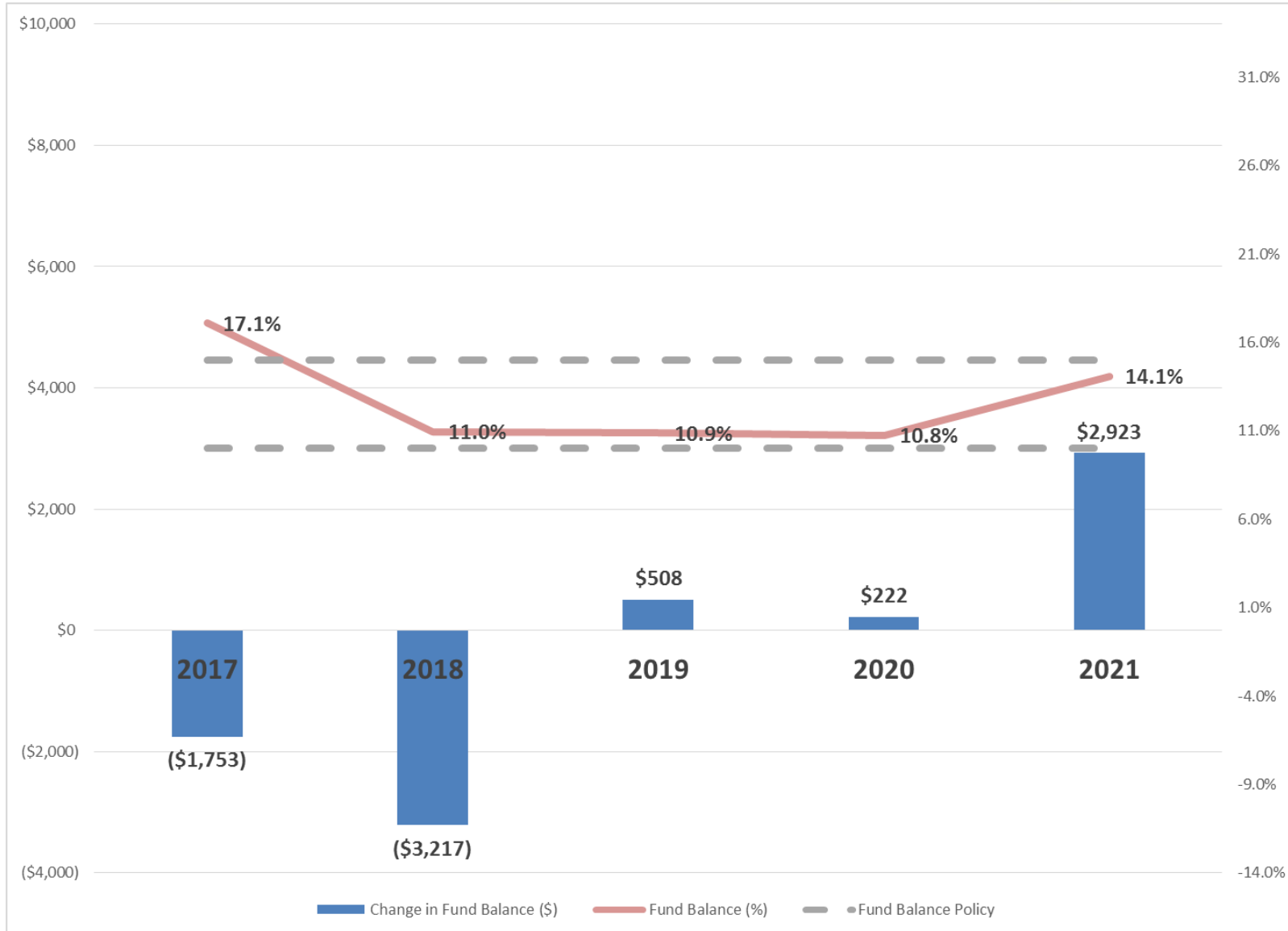
Education and General Fund

2017-18 Proposed Operating Budget

Revised Projection as of May 15, 2017

	<u>2016-17</u> <u>Approved</u> <u>Budget</u>	<u>6/30/17</u> <u>Projected</u> <u>Budget</u>	<u>2017-18 Proposed</u> <u>Budget</u>	<u>FY 18 to FY 17</u> <u>(Projected)</u>
Revenues:				
Total Income	\$56,325	\$56,672	\$59,099	\$2,427
Expenses:				
Total Expenses	\$56,325	\$55,944	\$61,886	\$5,942
Other Non-Recurring				
Total Non-Recurring	(\$3,327)	(\$2,481)	(\$430)	\$2,157
Net	(\$3,327)	(\$1,753)	(\$3,217)	
Fund Balance	\$9,394	\$9,692	\$6,475	

Fund Balance Projections





Questions