

Report to Fiscal Operations Advisory Council

October 11, 2024

John A. Harman, MBC, CGMA, CMPE | VP Finance & Administration

FOAC Membership

POSITION	TERM	NAME	DEPARTMENT/DIVISION
Chair	2024-27	Don DaSaro	Business Management
VP of Finance & Administration	2024-25	John Harman	Finance and Administration
Provost	2024-25	Joanna Mott	Academic Affairs
VP of Student Affairs	2024-25	Mandi Clark	Student Affairs
Vice Provost	2024-25	Abdy Afjeh	Academic Affairs/Research
Administrative Council Representative	2024-25	Carleen Drago Starr	Educational Part. & Outreach
AVP Financial Operations/Controller	2024-25	Alicia Dillon	Finance and Administration
Senate Executive Representative	2024-25	Ashton Greer	Faculty Senate
Univ. Admin/ Staff Rep. 1	2022-25	Ken Fincher	University Advancement
Univ. Admin/ Staff Rep. 2	2023-26	Anna Clark	Budget/Planning Office
Univ. Admin/ Staff Rep. 3	2023-26	Lara Pracht	Academic Affairs
Faculty 1	2022-25	Rose McClure	Natural Sciences
Faculty 2	2024-27	Krista Beaty	Dental Hygiene
Faculty 3	2022-25	David Hammond	Applied Mathematics
Faculty 4	2024-27	Riley Richards	Communication
ASOIT President, Klamath Falls des.	2024-25	Uriel Aguilar Torres	Student Government
ASOIT President, Portland-Metro	2024-25	Ryland White	Student Government
Executive Assistant	2024-25	Helen Drewel	Finance and Administration

Council Responsibilities

1. Advise the President on budget and financial matters.
2. Participate in the general operating fund budget planning process.
3. Review the call for budget development from the President.
4. Recommend fiscal management priorities to align with the strategic goals of Oregon Tech considering both the long-range fiscal priorities and budget planning as well as immediate fiscal and budgetary issues.
5. Review the institution's annual budget and advise the President on the development of new budget initiatives.
6. As needed, review and advise on the format for reporting the annual budget to the campus community.
7. Function as an integral group in strategic planning activities, with a university-wide perspective.

General Fund Monthly Report
FY 2023-24 June Year End (in thousands)

	YTD Comparison		FY 2023-24 Budget & Forecast			Notes
	FY 2022-23 June Year End Actuals	FY 2023-24 June Year End Actuals	FY 2023-24 Board Adopted Budget (BAB)	FY 2023-24 Adjusted Budget	Board Adopted Budget to Actuals Variance	
Revenue						
State Appropriations	\$33,744	\$36,813	\$33,942	\$34,964	\$2,871	(1)
Tuition & Fees	37,487	38,691	39,514	39,514	(823)	(2)
Remissions	(6,600)	(7,318)	(5,805)	(5,805)	(1,512)	(3)
Other	3,498	3,774	2,374	2,398	1,401	(4)
Total Revenue	\$68,130	\$71,961	\$70,024	\$71,070	\$1,936	
Expenses						
Administrative Staff Salary	\$8,468	\$8,723	\$10,234	\$10,135	(\$1,511)	
Faculty Salary	13,008	14,129	14,405	14,458	(275)	
Adjunct and Admin/Faculty Other Pay	3,622	3,009	3,649	3,450	(640)	
Classified	6,092	6,691	6,396	6,444	295	
Student	909	1,105	1,041	1,037	64	
GTA	94	82	121	121	(39)	
OPE	17,570	17,657	19,841	19,985	(2,184)	
Total Labor Expense	\$49,763	\$51,396	\$55,687	\$55,630	(\$4,291)	(5)
Service & Supplies	\$14,560	\$16,992	\$15,517	\$16,979	\$1,474	
Internal Sales	(1,287)	(1,256)	(1,388)	(1,388)	132	
Debt/Investment	1,718	1,719	1,208	1,208	511	(6)
Capital	620	465	175	744	290	
Utilities	1,686	1,657	1,205	1,205	452	(7)
Transfers In	-	-	-	-	-	
Transfers Out	1,433	1,406	1,406	1,406	-	(8)
Total Direct Expense	\$18,731	\$20,982	\$18,123	\$20,154	\$2,859	
Total All Expense	\$68,494	\$72,378	\$73,811	\$75,784	(\$1,432)	(9)
Net from Operations before Other Resources (Uses)	<u>(\$364)</u>	<u>(\$418)</u>	<u>(\$3,787)</u>	<u>(\$4,714)</u>	<u>\$3,369</u>	(10)
Other Resources (Uses)						
Transfers In	\$180	\$278	\$887	\$887	(\$608)	(11)
Transfers Out	(441)	(1,705)	(100)	(100)	(1,605)	(12)
Use of Reserve	626	1,845	3,000	3,000	(1,155)	
Total Other Resources (Uses)	\$364	\$418	\$3,787	\$3,787	(\$3,369)	(13)
Total from Operations and Other Resources (Uses)	\$ -	\$ -	\$ -	(\$927)	\$ -	
Beginning Fund Balance	\$17,218	\$16,613	\$16,613	\$16,613	\$-	
Fund Balance Adjustment	(605)	(1,824)	(3,000)	(3,000)	1,176	(14)
Ending Fund Balance	\$16,613	\$14,789	\$13,613	\$12,686	\$1,176	
Fund Balance as % Operating Revenues	24.4%	20.6%	19.4%	17.8%	2.7%	
Ending Cash Balance	\$18,091	\$17,944				(15)

Notes:

- FY 2023-24 State Appropriations Actuals** - 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 3.8% enrollment decline (excludes ACP). Flat enrollment was budgeted for FY 2023-24.
- FY 2023-24 Remissions Actuals** - Reflects impact of increased President's Award amounts.
- FY 2023-24 Other Revenue Actuals** - Reflects unbudgeted increases in PUF earned interest and indirect grant revenue.
- FY 2023-24 Total Labor Expense Actuals** - 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 Debt Service/Investment Actuals** - Increase due to realized Public University Fund investment losses.
- FY 2023-24 Utilities Actuals** - Increase due to unbudgeted increase in electricity expenses.
- FY 2023-24 Transfers Out YTD Actuals** - Transfers-out are regular, budgeted support of Athletics and the Shaw Library.
- FY 2023-24 Total All Expense BAB** - To match the Total Expenses row in the June 2nd, 2023 Board of Trustees docket, subtract the net of Other Resources (Uses) Transfers In and Transfers Out rows.
- FY 2023-24 Net from Operations YTD Actuals** - Because of increased revenue and decreased expenses, the net loss at year-end is less than budgeted - however, that reduction is partially offset by reduced transfers-in and increased transfers-out associated with reduced spend of prior year Applied Computing and Rural Health and transfers-out for unbudgeted capital project expenses.
- FY 2023-24 Transfers In (Other Resources (Uses)) YTD Actuals & Budget** - 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 Transfers Out (Other Resources (Uses)) YTD Actuals & Budget** - Transfers-out include budgeted institutional support for the AIRE grant, unspent TRU+PSU Sustainability funds, and miscellaneous transfers for unbudgeted capital project expenses.
- 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, increased transfers-out for unspent TRU+PSU Sustainability funds and unbudgeted capital project expenses, and lower use of reserve.
- FY 2023-24 Fund Balance Adjustment** - Fund balance adjustments reflect the use of reserve, and an accounting adjustment related to an Athletics interfund loan.
- FY 2022-23 Ending Cash Balance Actual** - FY 2022-23 cash is restated due to a correcting entry related to an audit adjustment

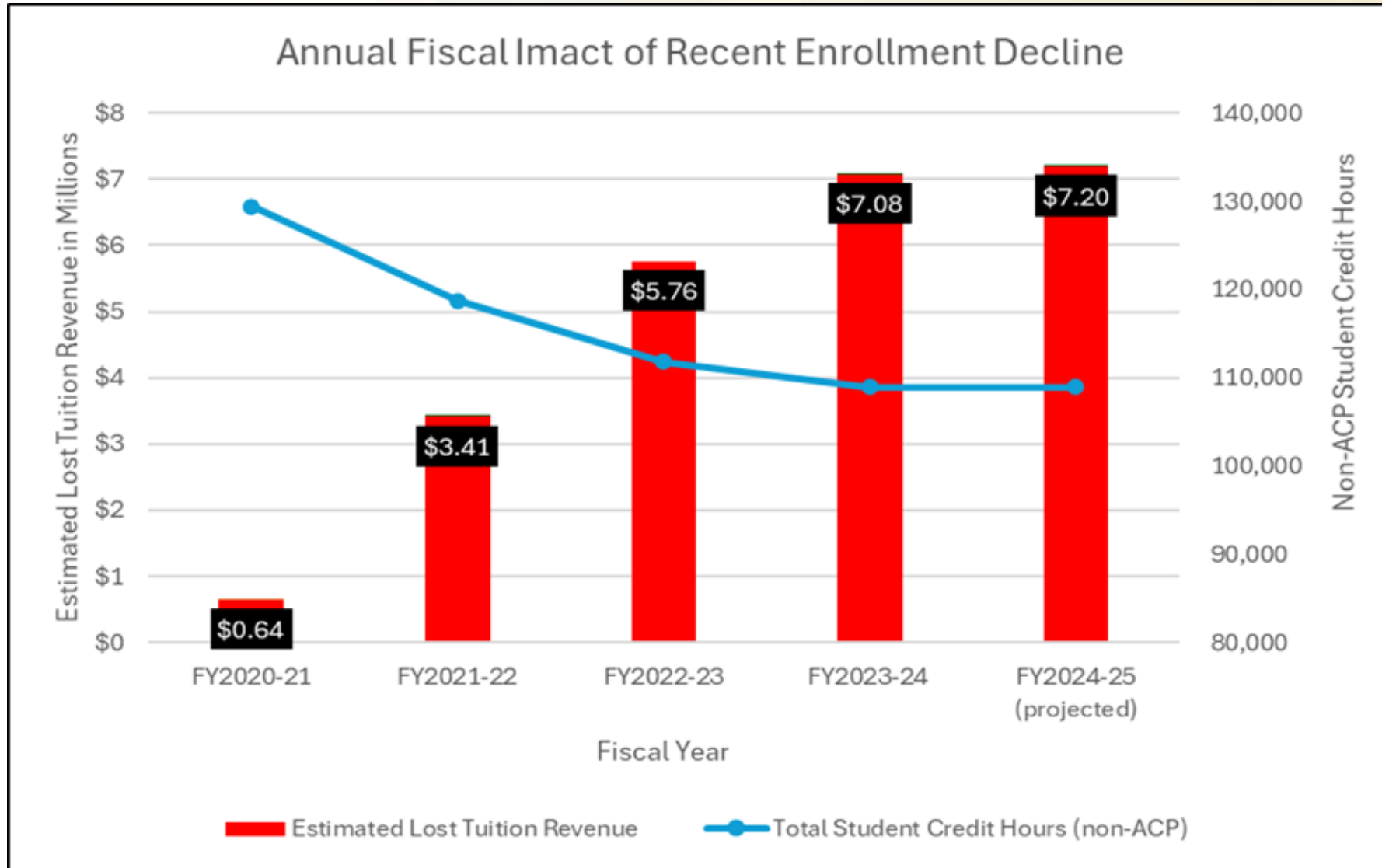
Key Highlights

- Enrollment was down 3.8%; FY24 planning used a flat enrollment assumption
- FY24 planning used the Governor's budget for state support but final support came in \$2M higher, offsetting the tuition decrease
- Remissions were \$1.5M over budget
- Expenses overall came in under budget. Under budget in Labor Expense, over budget in Direct Expenses.
- Used less reserve than anticipated

FY24 Year End Summary

Category	Board Adopted Budget	FY24 Year End Actuals	Variance
Revenues	\$ 70,024	\$ 71,961	\$ 1,937
Expenses	\$ 73,811	\$ 72,378	\$ (1,433)
Transfers In/(Out)	\$ 787	\$ (1,428)	\$ (2,215)
Use of Reserve	\$ 3,000	\$ 1,845	\$ (1,155)
Year End Net	\$ -	\$ -	\$ -

Fiscal Impact of Enrollment Decline



Inherent Budget Challenges

- Balancing operating budget with reserves
- SSCM funding model is up for review this fall
- Governor's budget is targeting no more than 1% increase for 2025-27
- OPUs calculated for CSL we need minimum 9.5% increase, HECC calculated 6.2% increase
- Uncontrollable PEBB and PERS benefits costs
- SEIU increases are paid by legislature for agencies, but not OPUs
- October HECC true-up only about \$80K more
- Enrollment appears to be near flat so far, official count date is 2 weeks out
- HECC update, community colleges and bachelor's degrees

Knowledge Building Sessions

Planned Topics:

- OMIC Deep Dive
- Budget Basics
 - Funding Sources
 - Fund Accounting
 - Organizational Structure
 - Salary Savings, Remissions
- Budget Process
 - Overview of budgeting process
 - Position budgeting

Schedule of Meetings

(Subject to change)

FOAC Meetings	Knowledge Building Sessions
<ul style="list-style-type: none">• Friday, October 11, 2024• Thursday, January 9, 2025• Thursday, March 27, 2025• Thursday, May 22, 2025	<ul style="list-style-type: none">• Wednesday, November 7, 2024• Wednesday, November 13, 2024• Wednesday, November 20, 2024

Board of Trustees
<ul style="list-style-type: none">• Friday, October 16, 2024• Friday, January 17, 2025• Friday, April 11, 2025• Thursday, June 12, 2025

Questions

