

Finance & Administration Committee (FAC), November 1, 2022

FY23 Proposed Adjusted Budget

M-Report (Fall 2022 as of October 10th):

	This Year	Last Year	Difference	Pct Change
Total Enrollment	3,746	4,024	-278	-6.9%
Total Credit Hours	45,776	49,299	-3,523	-7.1%
Total FTE *	3,104.6	3,339.8	-235.2	-7.0%
Total UG Enrollment	3,317	3,611	-294	-8.1%
Total UG Credit Hours	42,603	46,107	-3,504	-7.6%
Total UG FTE *	2,840.2	3,073.8	-233.6	-7.6%
Total GR Enrollment	429	413	16	3.9%
Total GR Credit Hours	3,173	3,192	-19	-0.6%
Total GR FTE *	264.4	266.0	-1.6	-0.6%
Freshmen	764	761	3	0.4%
Sophomores	595	613	-18	-2.9%
Juniors	844	979	-135	-13.8%
Seniors	1,034	1,167	-133	-11.4%
Post Bacc / Non-Graduate	54	63	-9	-14.3%
Graduate Masters	410	401	9	2.2%
Post Baccalaureate	0	0	0	
Non-Admit Undergraduate	26	28	-2	-7.1%
Non-Admit Graduate	19	12	7	58.3%
Total	3,746	4,024		

Education & General (E&G) Fund Component:

The FY23 Education & General Fund totals \$65.869M in revenues and \$73.613M in recurring expenses and transfers. Combined with one-time activities of \$152K, this results in a budget deficit of \$7.896M. Beginning FY23 Fund Balance totals \$15.090M; this deficit level would reduce the fund balance to \$7.194M, or 10.92% of revenues by the end of FY23. See the FY23 Education & General Fund Detail worksheet for a comparison of the FY23 Proposed Adjusted Budget to the FY23 Preliminary Budget, as well as FY22 Budget.

Revenue Assumptions:

Total Revenues for the FY23 Adjusted Budget are \$65.869M, down \$1.866M from the FY23 Preliminary Budget. The changes in assumptions resulting in the decreased revenue are detailed below.

Tuition & Fees

- FY23 Preliminary Budget Tuition assumed a 5% UG enrollment decline and flat (0%) GR enrollment from Fall 2021. Actual fall enrollments are approximately a 7.6% decline for UG, and a 0.6% decline for GR.
 - Annual tuition and fee revenue budget is a combination of actual Fall 2022 and projected Winter & Spring 2023 based on 6% attrition between terms. This results in a projected 118,663 undergraduate and 7,906 graduate credit hours. Applying the applicable tuition rates as approved at the April 20, 2022 Board of Trustees meeting results in total undergraduate tuition of \$25.681M and graduate tuition of \$3.637M, for a total decrease of \$1.521M from the FY23 preliminary budget.
- Summer tuition revenues were assumed to be approximately the same as FY22 in the preliminary budget, totaling \$2.311M. However, Summer 2022 enrollment was down approximately 8.7% from Summer 2021. Summer tuition crosses two fiscal years, with approximately 15% of revenues recognized in the fiscal year just ending and 85% in the fiscal year beginning. Summer 2022 resulted in \$1.642M of FY23 revenue, with the remaining budgeted summer revenue of \$358K expected from Summer 2023.
- Online course fee revenues have been updated to a projected 56,508 online course credit hours based on actual fall enrollments and projected Winter & Spring 2023, resulting in a budget of \$2.995M, a decrease of \$34K from the preliminary budget.
- Fee remissions remain budgeted at \$5.5M in collaboration with Financial Aid. While we have fewer students, we are still waiting to see the full impact of the RNL optimization to fee remissions.

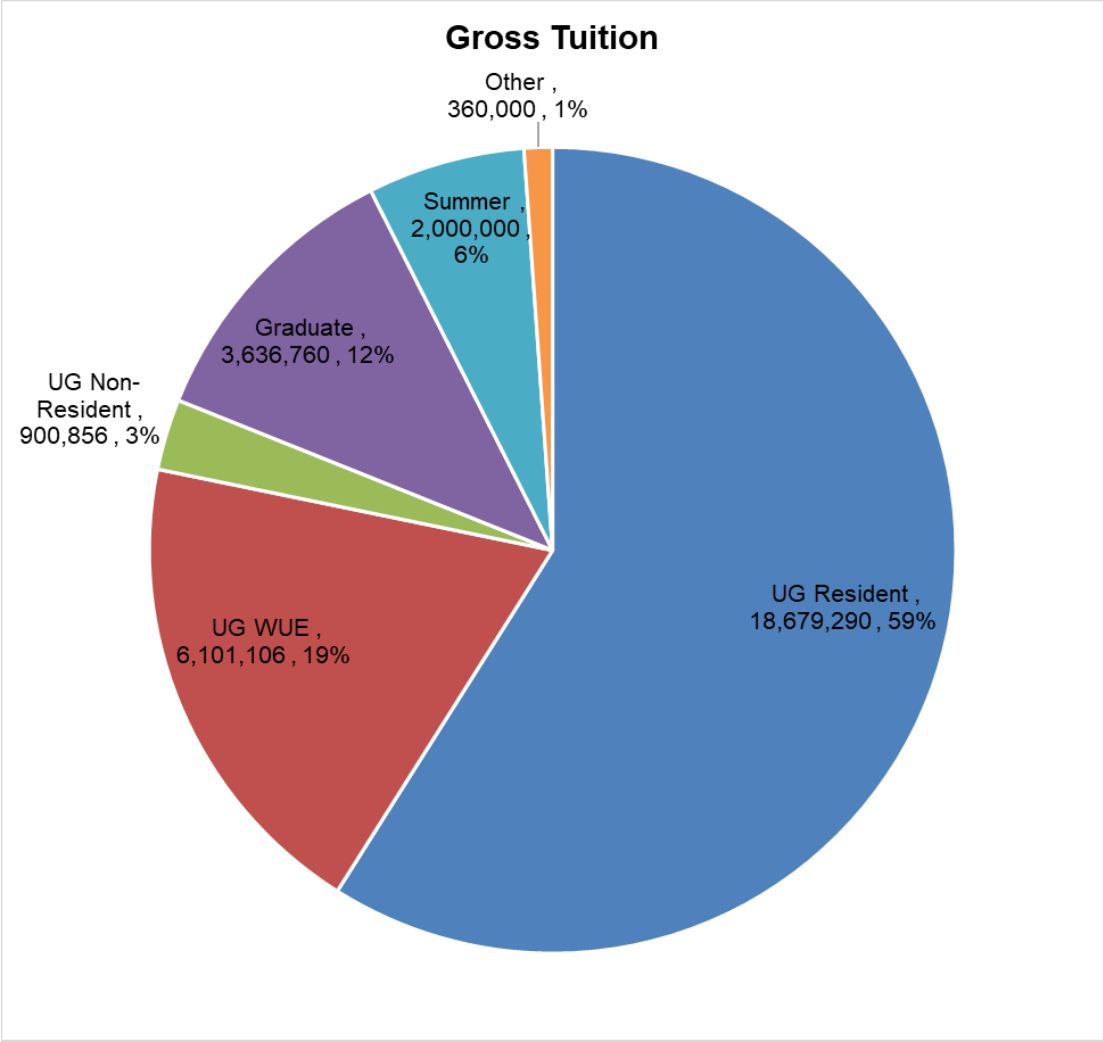


Figure 1: Tuition Revenue by category

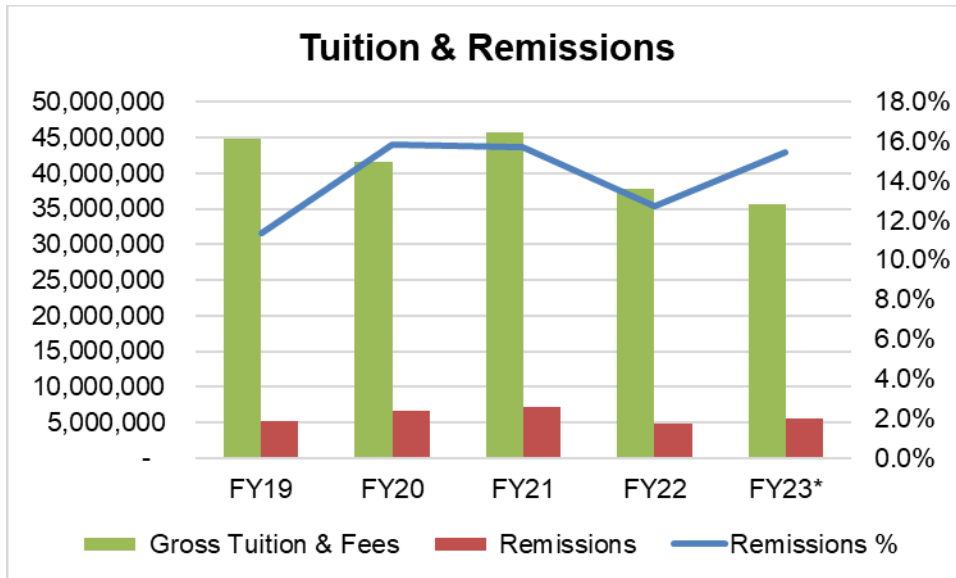


Figure 2: Total gross tuition & fees, total remissions, and remissions as a percentage of gross tuition & fees for FY19 – FY23 (FY23 based on proposed adjusted budgeted numbers).

Government Resources & Allocations

- Government Resources & Allocations total \$31.966M with no change from the Preliminary Budget. We are still awaiting final allocation amounts trued up for the latest three-year rolling data (the included amount is based on the estimate provided from HECC, which is based on FY20, FY21, and FY21 as a placeholder for FY22).
 - FY23 is the second year of the biennium, with 49% of PUSF being distributed in year 1 and the remaining 51% distributed in year 2.

Other Revenues

- Other Revenues total \$3.780M with no change from the Preliminary Budget. These revenues include Gift Grants and Contracts of \$1.180M, Interest Earnings/Investment of \$2M, Sales & Services of \$500K, and Other Revenues of \$100K.

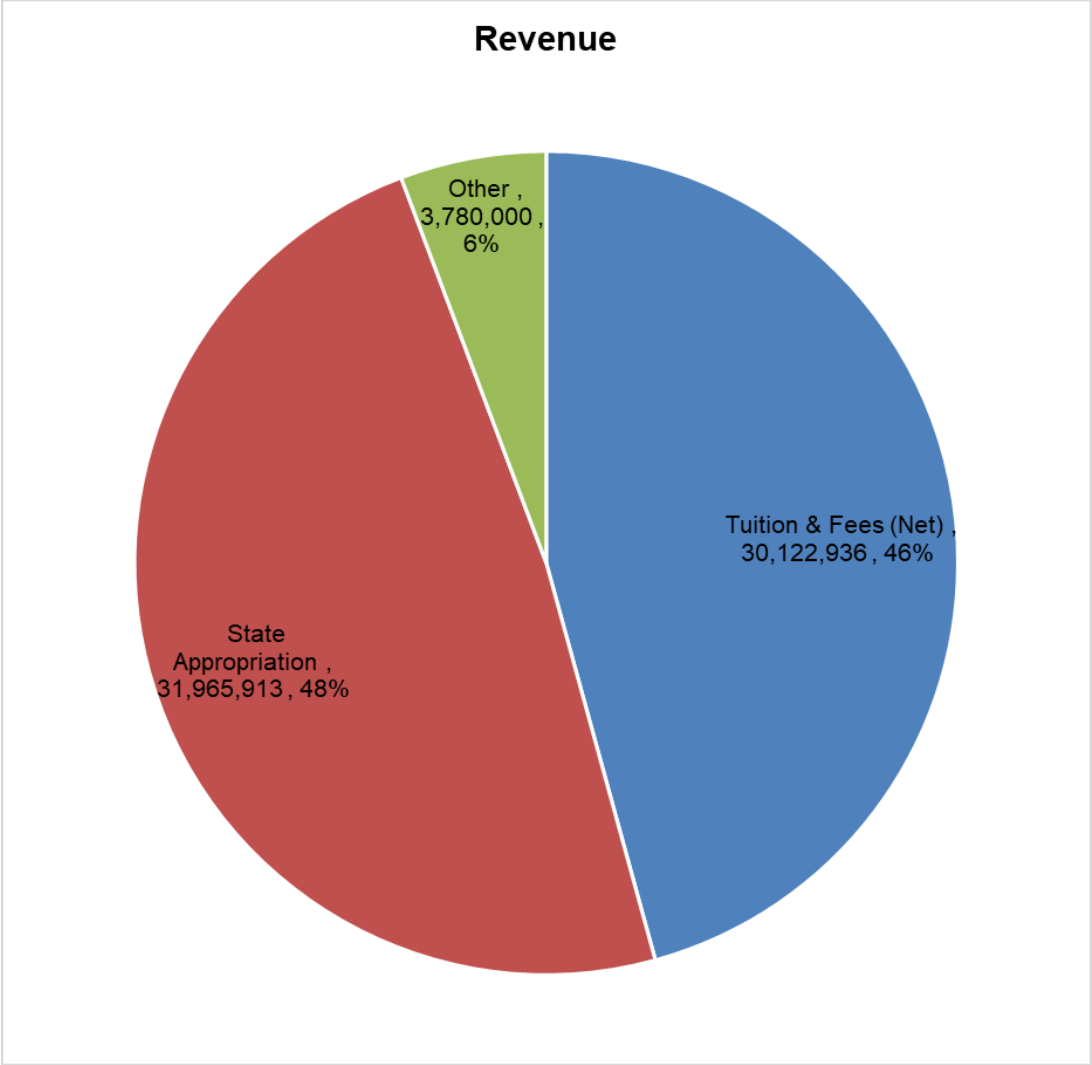


Figure 3: Total revenue by category.

Expense Assumptions:

Total Expenses for the FY23 Adjusted Budget are budgeted at \$69.986M.

Personnel

- Personnel budget totals \$60.033M, \$305K more than the FY23 Preliminary Budget, and \$2.787M more than the FY22 Budget.
- Faculty Salaries are budgeted at \$17.965M, \$458K less than the Preliminary Budget, which is reflective of removing five vacant T/TT lines (Natural Science, Creative Arts, Mathematics, and two from Humanities) where it was determined no search to replace the lines would happen and the funding was returned to the base budget.

- The FY23 Preliminary Budget for faculty salaries had incorporated: 5 new T/TT lines in Business, Computer Science, Special Education, Deaf & Professional Studies, & Social Sciences; increase in salaries for annual step increases, 0.5% COLA February 2022 (not reflected in FY22 Budget) and 1.5% COLA September 2022, and promotions (resulting in 4 step increases) for 19 faculty; approximately \$313K of budget savings generated from the remaining Article 15 T/TT reductions; an increase in the NTT pool average salary rate of 3.8% (\$5,500/month); and an approximate 7 FTE decrease in NTT pool allocations based on realizing the remainder of Article 15 savings and other efficiencies.
- Budgeted amount for unclassified salaries totals \$10.801M, \$675K more than the preliminary budget, which incorporates a 4.5% COLA effective July 1, 2022 (\$437K), added position for Program Director of Occupational Therapy (\$133K), added position for Title IX Coordinator (\$80K), and increasing General Funded portion of Student Conduct position (\$25K).
 - The FY23 Preliminary Budget already incorporated a 1% COLA effective January 1, 2022 (which was not in the FY22 Budget), and the following 6 new positions and 3 increases: Benefits Navigator (funded by new state appropriation), President Office support staff, Admissions Office Transfer Specialist Assistant Director, Business Dept Recruitment & Retention Advisor, Education Advisor, an increase in pay/FTE for Associate Provost position resulting from a reorganization, and an increase in both DEI positions to full year (were only budgeted for partial year in FY22's Budget).
- Faculty & Unclassified Supplemental pay is budgeted at \$583K. This category is largely reflective of stipends paid to faculty and unclassified staff, but also includes temporary employee and allowance funds.
- Budgeted amount for classified salaries totals \$6.721M, an increase of \$75K from the preliminary budget reflective of an additional custodial position and other small budget corrections.
 - The FY23 Preliminary Budget already incorporated COLAs according to the SEIU Collective Bargaining Agreement of 3.1% effective January 1, 2022 (not reflected in FY22 Budget) and 2.5% effective July 1, 2022 and 2 new positions including an Admissions Slate Analyst and Registrar Services Specialist (OS2).
- Classified Pay is budgeted at \$260K and includes \$50K budgeted for longevity pay differential. This category includes pay for differentials, overtime, and temporary employees.
- Student pay is budgeted at \$1.822M and reflects allocation of the student pay reserve that was added in the FY23 Preliminary Budget.
- Budgeted Other Payroll Expense (OPE) totals \$21.881M. This is comprised of multiple components – health insurance (which is budgeted at a flat annual rate of \$17,004 per eligible individual), retirement (which is budgeted at a composite

percentage of 27.5% applied to each employees' specific budgeted pay), and other rate of 8.15% (FICA, etc.).

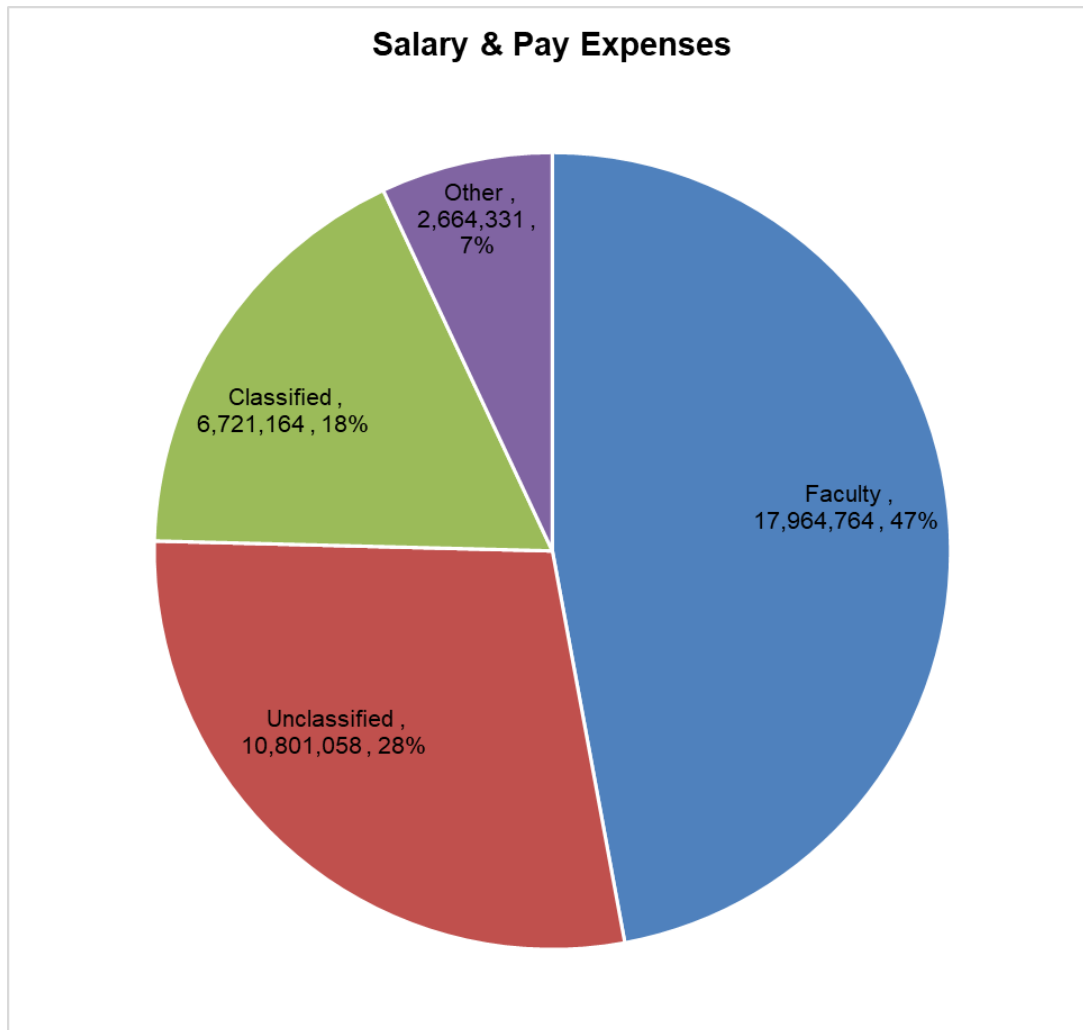


Figure 4: Total salary & pay by category.

Services & Supplies (S&S)

- Services & Supplies net of Internal Sales budget totals \$9.763M. With Services & Supplies increasing approximately \$198K, and Internal Sales increasing approximately \$150K from FY23 Preliminary Budget.
 - S&S funds were added to the marketing budget (\$40K), DEI for Title IX training development (\$5K), UCS (\$40K) offset by increase in internal sales), and Legal to cover increased PURMIT dues (\$113K).
 - Internal sales were increased by \$100K to bring FY23's budget up to actual FY22 general admin overhead received, and \$50K for UCS (with an offsetting \$50K of expense in S&S/student pay).

Capital Expense

- Capital Expense (Library and University Computing Solutions purchases) is budgeted at \$190K, remaining unchanged from the Preliminary Budget.

Net Transfer Assumptions:

Total Net Transfers are budgeted at \$3.627M.

- Athletics Subsidy is increased to \$3.288M, by \$111K to cover the 4.5% COLA for unclassified staff (as well as OPE and General Administrative Overhead associated).
 - The FY23 Preliminary Budget incorporated increasing men's soccer coaches to be budgeted for a full year (only partially budgeted in FY22's Budget), and adding two new positions, a part time sports performance coach and an athletic trainer.
- Other transfers of \$150K subsidy to the Child Development Center and \$175K transfer for SELP funding match remain consistent, while misc. other transfers were updated to reflect a cost share match.

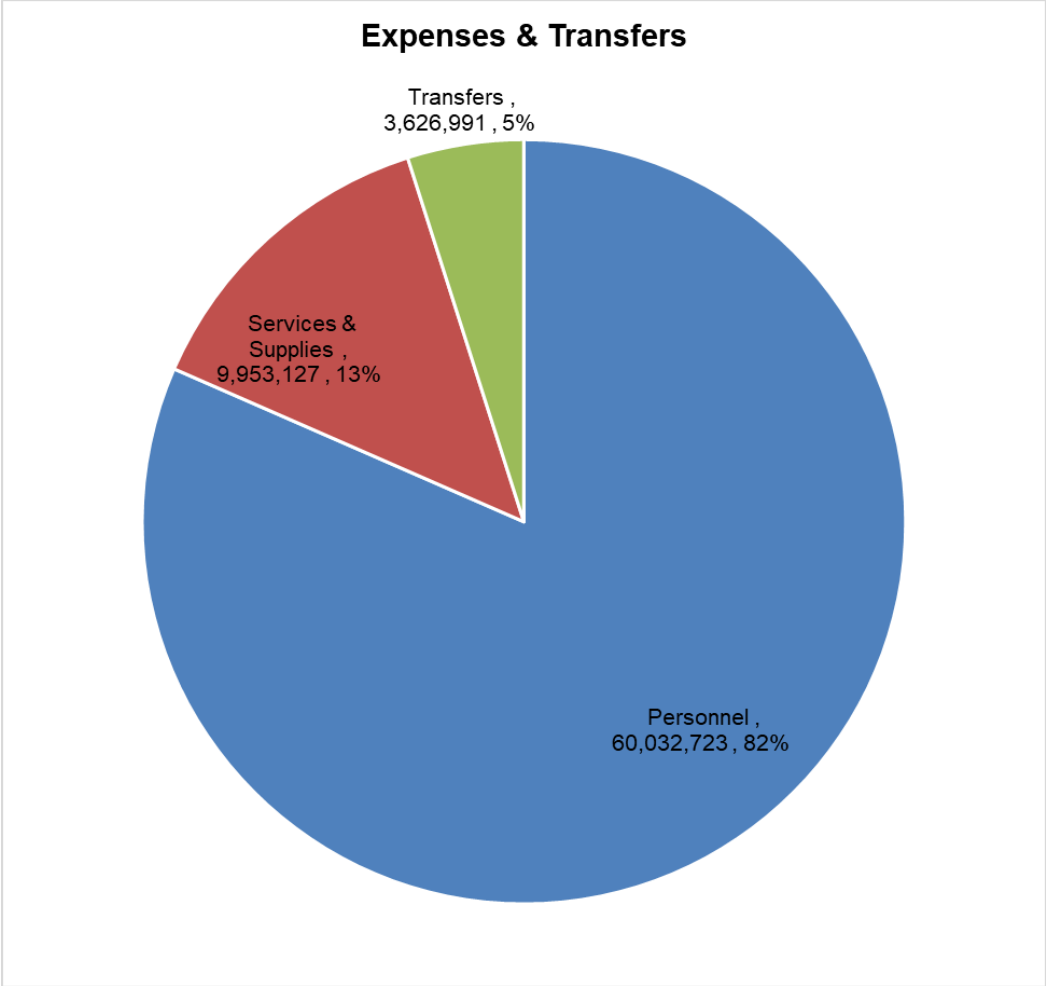


Figure 5: Total recurring expenses and transfers.

Other Activity Assumptions:

Total Other Activities representing one-time resources and expenses are budgeted at \$152K, a decrease of \$740K from the FY23 Preliminary Budget.

- Other misc. activities total \$1.151M, an increase of \$260K from the Preliminary Budget, incorporating \$150K for an equity audit, \$35K for the accreditation visit, \$6K for Title IX outsourcing, and \$69K for misc. one-time expenses.
 - The FY23 Preliminary Budget incorporated \$268K for Banner Financial Aid implementation, \$72K for the RNL contract to optimize financial aid, \$382K for the EAB contract, and \$169K for Freedom Center, Stitch Closet, and President’s relocation.
- WOU has been awarded \$299K in SSARP funds, which will be used to reimburse lost revenue in the general fund as a one-time source of relief.

- To support the equity audit, a transfer in of \$150K of the quasi-endowment funds has been incorporated (pending board approval).
- Estimated one-time budgetary savings of \$550K total, \$500K of which result from sweeping salary savings centrally (rather than letting units use them for other one-time expenses as has been the practice; typical salvage is \$1M in a year) and \$50K of savings resulting from an Academic Affairs grant that will cover some staff personnel expense.

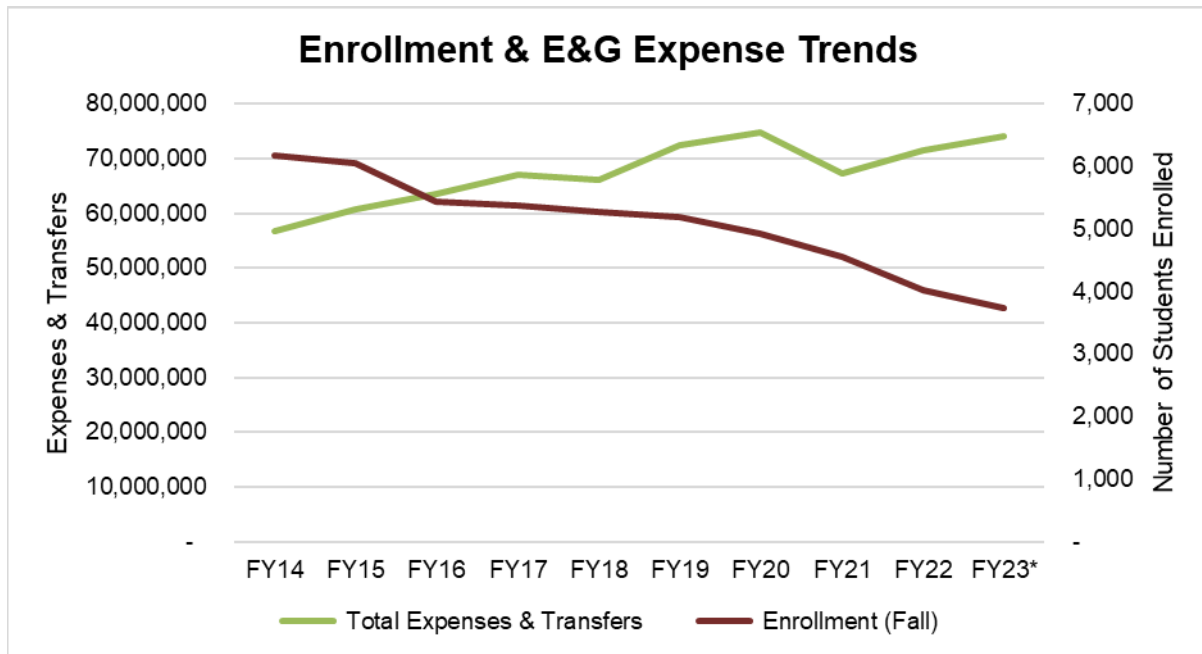


Figure 6: Enrollment (headcounts) and E&G Expense trends over the last 10 years (FY23 based on proposed adjusted budget).

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 \$726K, with auxiliaries having sufficient reserves to cover the deficit. Auxiliary budgets have been updated for the 4.5% unclassified COLA and increased transfer into athletics from general fund, but no other adjustments were deemed necessary at this time.

Incidental Fee (IFC) Component:

Incidental Fee has a net deficit budget of \$309K, with plans to cover the deficit from reserves. Unclassified salaries have been updated for the 4.5% COLA, with the difference coming from S&S budgets (as incidental fee allocations are determined by the Incidental Fee Committee).

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 FY23 Preliminary Budget.

FY23 Preliminary Budget across Component Funds:

As shown on the Component Funds Budget Summary worksheet included below, combined component budgets results in a total net budget deficit across these funds of \$8.959M, or 10% of revenues.

COMMITTEE RECOMMENDATION:

It is recommended that the Western Oregon University Board of Trustees approve the FY23 Adjusted Budget as presented in the docket.

**Western Oregon University
FY23 Proposed Adjusted Budget
Component Funds Budget Summary**

	Education & General (E&G)	Auxiliary (excluding IFC)	Incidental Fee (IFC)	Designated Operations & Service Depts	Total
Revenues					
Enrollment Fees	30,122,936	1,621,319	3,987,165	48,134	35,779,554
Government Resources & Allocations	31,965,913	1,300,000	-	-	33,265,913
Gift Grants and Contracts	1,180,000	29,626	83,649	-	1,293,275
Investment	2,000,000	9,000	21	4,175	2,013,196
Sales & Services	500,000	10,778,567	185,443	126,630	11,590,640
Other Revenues	100,000	401,554	177,103	2,074,156	2,752,813
Total Revenues	65,868,849	14,140,066	4,433,381	2,253,095	86,695,391
Expenses					
Personnel	60,032,723	8,464,420	2,127,264	1,019,023	71,643,431
Services & Supplies	9,763,436	8,056,068	2,422,306	1,261,556	21,503,366
Capital Outlay	189,691	-	-	-	189,691
Total Expenses	69,985,850	16,520,488	4,549,571	2,280,579	93,336,488
Net Transfers	3,626,991	(1,653,959)	192,797	750	2,166,579
Total Expenses & Transfers	73,612,841	14,866,529	4,742,368	2,281,329	95,503,067
Net Recurring Budget	(7,743,992)	(726,463)	(308,987)	(28,234)	(8,807,676)
One Time Activities	151,770	-	-	-	151,770
Net Budget	(7,895,762)	(726,463)	(308,987)	(28,234)	(8,959,446)

Western Oregon University
 FY23 Proposed Adjusted Budget
 Education & General Fund Detail

	FY23 Proposed Adjusted Budget	FY23 Preliminary Budget	Increase/ (Decrease)	FY22 Budget	Increase/ (Decrease)
Revenues					
Tuition & Fees					
Undergraduate Tuition					
Resident	18,679,290	19,436,860	(757,570)	19,420,776	(741,486)
WUE	6,101,106	6,128,169	(27,063)	7,004,598	(903,492)
Non-Resident	900,856	1,248,060	(347,204)	1,353,460	(452,604)
Total Undergraduate Tuition	25,681,252	26,813,089	(1,131,837)	27,778,834	(2,097,582)
Graduate Tuition	3,636,760	4,026,380	(389,620)	3,700,240	(63,480)
Summer					
Undergraduate	1,400,000	1,575,200	(175,200)	1,900,000	(500,000)
Graduate	600,000	736,000	(136,000)	800,000	(200,000)
Total Summer	2,000,000	2,311,200	(311,200)	2,700,000	(700,000)
Other Tuition	360,000	360,000	-	360,000	-
Total Tuition	31,678,012	33,510,669	(1,832,657)	34,539,074	(2,861,062)
Fees					
Matriculation	500,000	500,000	-	550,000	(50,000)
Course	300,000	300,000	-	300,000	-
Online Course	2,994,924	3,028,632	(33,708)	2,233,376	761,548
Other	150,000	150,000	-	150,000	-
Total Fees	3,944,924	3,978,632	(33,708)	3,233,376	711,548
Fee Remissions	(5,500,000)	(5,500,000)	-	(5,500,000)	-
Total Tuition & Fees (net of remissions)	30,122,936	31,989,301	(1,866,365)	32,272,450	(2,149,514)
Government Resources & Allocations					
Student Success & Completion (SSCM)	31,179,017	31,179,017	-	30,293,705	885,312
Benefits Navigator	115,000	115,000	-	-	115,000
Engineering Technology (ETSF)	292,648	292,648	-	307,728	(15,080)
Small-Energy Loan Program (SELP)	379,248	379,248	-	382,188	(2,940)
Total Government Resources & Allocations	31,965,913	31,965,913	-	30,983,621	982,292
Other Revenues					
Gift Grants and Contracts	1,180,000	1,180,000	-	622,260	557,740
Interest Earnings/Investment	2,000,000	2,000,000	-	2,000,000	-
Sales & Services	500,000	500,000	-	500,000	-
Other Revenues	100,000	100,000	-	100,000	-
Total Other Revenues	3,780,000	3,780,000	-	3,222,260	557,740
Total Revenues	65,868,849	67,735,214	(1,866,365)	66,478,331	(609,482)

Western Oregon University
FY23 Proposed Adjusted Budget
Education & General Fund Detail

	FY23 Proposed Adjusted Budget	FY23 Preliminary Budget	Increase/ (Decrease)	FY22 Budget	Increase/ (Decrease)
Expenses					
Personnel					
Faculty Salaries	17,964,764	18,422,700	(457,936)	17,876,075	88,689
Unclassified Salaries	10,801,058	10,126,174	674,884	9,078,781	1,722,277
Faculty & Unclassified Supplemental Pay	582,647	570,647	12,000	572,206	10,441
Classified Salaries	6,721,164	6,646,464	74,700	6,545,170	175,994
Classified Pay	260,061	260,061	-	260,311	(250)
Student	1,821,623	1,897,830	(76,207)	1,785,055	36,568
OPE	21,881,406	21,804,341	77,065	21,128,003	753,403
Total Personnel	60,032,723	59,728,218	304,506	57,245,601	2,787,122
Services & Supplies					
Services & Supplies	13,265,015	13,067,155	197,860	13,295,408	(30,393)
Internal Sales	(3,501,579)	(3,351,579)	(150,000)	(3,273,841)	(227,738)
Total Services & Supplies	9,763,436	9,715,576	47,860	10,021,567	(258,131)
Capital Outlay					
	189,691	189,691	-	209,691	(20,000)
Total Expenses	69,985,850	69,633,485	352,365	67,476,859	2,508,991
Transfers					
Athletics Subsidy	3,287,753	3,176,817	110,936	2,979,025	308,728
Child Development Center Subsidy	150,000	150,000	-	150,000	-
SELP Funding Match	175,000	175,000	-	175,000	-
Other Transfers	14,238	(4,089)	18,327	13,342	896
Total Transfers	3,626,991	3,497,728	129,263	3,317,367	309,624
Total Recurring Expenses & Transfers	73,612,841	73,131,213	481,628	70,794,226	2,818,615
Net Recurring	(7,743,992)	(5,395,999)	(2,347,993)	(4,315,895)	(3,428,097)
Other Activities					
HEERF Reimbursement	(299,487)	-	(299,487)	(3,000,000)	2,700,513
Quasi Endowment Transfer In	(150,000)	-	(150,000)	-	(150,000)
Salvage Savings Sweep	(550,000)	-	(550,000)	-	(550,000)
Other Misc. Activities	1,151,257	891,366	259,891	924,811	226,446
Total Other Activities	151,770	891,366	(739,596)	(2,075,189)	2,226,959
Net	(7,895,762)	(6,287,365)	(1,608,397)	(2,240,706)	(5,655,056)
Beginning Fund Balance	15,089,728	11,810,809		10,870,294	
Projected Ending Fund Balance	7,193,966	5,523,444		8,629,588	
Fund Balance as a Percentage of Revenues	10.92%	8.15%		12.98%	