

Quarterly Finance meeting Monday, May 23, 2-3pm

Agenda:

Welcome – Stuart Laing

Financial Updates – Jamie Moffitt

- Quarterly BOT Report Updates

BRP Announcements – Stuart Laing

- FY23 Beginning Budget updates
- FY22 into FY23 Carry Forward timeline

BAO Announcements – Kelly Wolf

- Business Affairs staffing updates
 - Year-end processes and deadlines
-

Financial Updates: Jamie Moffitt

Quarterly BOT Report Updates

Entire slide presentation available online: [Past Meetings | The Board of Trustees \(uoregon.edu\)](#)

- Focused heavily on the E&G fund
- Tuition and fee side looks good: Strong spring enrollment and a study abroad rebound for this spring and summer
- Very small Fall 2020 class, will continue to negatively impact the revenue for the next three years
- Significant one-time compensation cost savings due to unprecedented number of vacant positions, causing a lot of operational strain and risk
- Transfers increased by \$17M due to primarily E&G capital project costs
 - Escalation in capital construction costs
- Q3 projection shows an estimated gain of 2.4M
- Year end fund balance for FY22 is 63.7M without HEERF lost tuition funding (5.6 weeks of operating costs) and 82.4M with HEERF

Long term projections model scenarios have been updated

Long-Term Projection Model Scenarios

- The purpose of this analysis is to show the range of E&G fund budget scenarios that the University could be facing over the next five years, given different assumptions about tuition rates for entering cohorts of undergraduate students, state appropriation levels, enrollment levels and inflation.
- We are not forecasting any one specific scenario, but instead are trying to illustrate the projected impact of various potential assumptions
- If some of these adverse scenarios were to materialize, the institution would need to take budget actions to balance projected revenue and expenses. The projected financials do not include these cost cutting actions, as we wanted the board to have information about the magnitude of the budget challenge we would face in each scenario

Long-Term Projection Model Scenarios

- The analysis includes three sets of scenarios based on different assumptions about how much the guaranteed tuition rate for incoming first year undergraduate cohorts increases each year:
 - Set A: 3.0% increase for non-residents / 4.5% increase for residents
 - Set B: 3.0% increase for non-residents / 3.0% increase for residents
 - Set C: 2.5% increase for non-residents / 4.5% increase for residents
- Within each set of scenarios, there are five different cases:
 - (1) Base Case – 100% of non-resident enrollment targets
 - (2) Downside Case – Below-Target Enrollment
 - (3) Downside Case – Significant Reduction in State Funding
 - (4) Downside Case – Extended Inflation
 - (5) Upside Case – Above-Target Enrollment

Long-Term Projection Model Scenarios

- Basic Assumptions included in all scenarios:
 - Increased staffing over several years to build back from current pandemic low level of employees
 - Supplies and Services assumed to return to pre-pandemic levels of activity, with increases for inflation, as well as specific increases for property/liability insurance
 - Small PERS increase in FY2024 and full PERS increase in FY2026
 - Unless otherwise indicated, state appropriation assumed to grow modestly (e.g., 4%) per year

Ran through the base case scenario and then briefly went through a few other scenarios

- Deposits look strong
- Goal was to give the board a feeling of what could happen and what steps the University could take.

Set A of Scenarios: 3.0% Non-resident tuition rate increase & 4.5% resident tuition rate increase (entering cohorts)

| | | | | | | |
|---|---------------|----------------|-----------------|-----------------|-----------------|-----------------|
| Scenario A-1 (BASE CASE) | | | | | | |
| Hit enrollment targets, state appropriation grows at 4% YoY | | | | | | |
| Net Run Rate w/ Federal Funds - Lost Revenue | FY2022 | FY2023 | FY2024 | FY2025 | FY2026 | FY2027 |
| | \$ 21,111,139 | \$ 9,260,000 | \$ (270,507) | \$ 6,203,292 | \$ (5,645,334) | \$ 2,762,574 |
| Ending Fund Balance | \$ 82,396,615 | \$ 91,929,608 | \$ 91,659,101 | \$ 97,862,393 | \$ 92,217,059 | \$ 94,979,632 |
| Weeks of Operating Expenses | 7.2 | 7.7 | 7.2 | 7.3 | 6.4 | 6.4 |
| Scenario A-2 Downside (BELOW TARGET ENROLLMENT) | | | | | | |
| Enrollment at 95% of target for NR and Int'l in FY23-FY27 | | | | | | |
| Net Run Rate w/ Federal Funds - Lost Revenue | FY2022 | FY2023 | FY2024 | FY2025 | FY2026 | FY2027 |
| | \$ 21,111,139 | \$ 4,019,881 | \$ (10,193,326) | \$ (8,089,725) | \$ (23,649,232) | \$ (16,259,764) |
| Ending Fund Balance | \$ 82,396,615 | \$ 86,689,689 | \$ 75,996,363 | \$ 67,406,638 | \$ 43,257,405 | \$ 26,497,641 |
| Weeks of Operating Expenses | 7.2 | 7.3 | 5.9 | 5.0 | 3.0 | 1.8 |
| Scenario A-3 Downside (SIGNIFICANT REDUCTION IN STATE FUNDING) | | | | | | |
| State funding falls 20% in FY24, +4% annually thereafter | | | | | | |
| Net Run Rate w/ Federal Funds - Lost Revenue | FY2022 | FY2023 | FY2024 | FY2025 | FY2026 | FY2027 |
| | \$ 21,111,139 | \$ 9,260,000 | \$ (21,699,559) | \$ (15,235,968) | \$ (27,095,004) | \$ (18,697,715) |
| Ending Fund Balance | \$ 82,396,615 | \$ 91,929,608 | \$ 69,730,010 | \$ 53,994,043 | \$ 26,399,039 | \$ 7,201,324 |
| Weeks of Operating Expenses | 7.2 | 7.7 | 5.4 | 4.0 | 1.8 | 0.4 |
| Scenario A-4 Downside (EXTENDED INFLATION) | | | | | | |
| Additional 3% personnel and general expenditures in FY2023 | | | | | | |
| Net Run Rate w/ Federal Funds - Lost Revenue | FY2022 | FY2023 | FY2024 | FY2025 | FY2026 | FY2027 |
| | \$ 21,111,139 | \$ (6,777,797) | \$ (17,353,869) | \$ (11,784,802) | \$ (24,797,478) | \$ (16,917,759) |
| Ending Fund Balance | \$ 82,396,615 | \$ 75,992,011 | \$ 58,138,142 | \$ 45,853,340 | \$ 20,555,862 | \$ 3,138,104 |
| Weeks of Operating Expenses | 7.2 | 6.2 | 4.4 | 3.2 | 1.3 | 0.1 |
| Scenario A-5 Upside (ABOVE TARGET ENROLLMENT) | | | | | | |
| Hit 103% of target for NR and Int'l enrollment in FY23-FY27 | | | | | | |
| Net Run Rate w/ Federal Funds - Lost Revenue | FY2022 | FY2023 | FY2024 | FY2025 | FY2026 | FY2027 |
| | \$ 21,111,139 | \$ 12,403,689 | \$ 5,666,789 | \$ 14,746,374 | \$ 5,107,620 | \$ 14,109,603 |
| Ending Fund Balance | \$ 82,396,615 | \$ 95,073,497 | \$ 100,240,286 | \$ 114,486,660 | \$ 119,094,280 | \$ 132,703,883 |
| Weeks of Operating Expenses | 7.2 | 8.0 | 7.9 | 8.6 | 8.5 | 9.2 |

BRP Announcements – Stuart Laing

- FY23 Beginning Budget updates
 - Analysts are working on questions right now, sending them
 - A few units need to rework their budgets
 - Moved out our meetings BRP And Jamie to July
 - Academic model: still working with Brady on this
- FY22 into FY23 Carry Forward timeline
 - Carry forward, first round will be in August
 - Beginning of August the units will get an excel report, at then of August the units will send it back to BRP
 - Carry forward, second round will be in November
- BRP is hiring an analyst: if anyone knows anyone that wants to apply, send them to the website
- Any permanent budget changes since March 2021; please contact your analyst

BAO Announcements – Kelly Wolf

- Business Affairs staffing updates
 - Dan Patton, long time A/P manager retired and Diane is new and taking over as A/P manager
 - New payroll operations manager: Lisa Knox
- Year-end processes and deadlines
 - Putting out the usual e-mails and reminders as to what it will look like and refresher training sessions, focusing on leases and lease accounting, the new GASB standard they are incorporating and focusing this year
 - Working through software issues and so vendor setups are a little slower than usual