Budget Conversation: May 17, 2021

Topic: FY21 year-end and long-term budget planning

BAO website: close procedures

- If you have hard cash/checks coming in: must be deposited into cashiers by June 30th to be included in FY21
- Cannot backdate checks
- Closing procedures available in My Tracks

BRP: today is the 17th of May – close in on June 30th (about 5&1/2 weeks)

- BRP and BAO staff available to help assist you
- Your BRP Analysts can be found here (Analysts-RU Partner): https://brp.uoregon.edu/content/Budget-Processes

Budget pull-backs

- Provost: in process of moving budgets around
  - Schools & Colleges
  - Provost units
    - Undergrad education
    - Library
    - IS
    - Perhaps other areas
  - Spare General Fund
    - Have a very large bill to write to central side of the house
    - Budget cuts did happen back in Jan (one-time)
    - Have not done that on the Provost side; coming in next few months
- Settle-ups need to be done
  - Matriculation fees
    - Settle-up this FY, but not as big as past years
    - Due to students deferring/not coming in this year

Carry Forward:

- Budget convo in Aug to go further in debt
- Begin pulling the data after closing FY21 (July)
- Two dates:
  - Aug 13th: distributed to units
  - Aug 30th: due back to BRP for load before end of PD02

Future Planning:

- Hopeful for students and faculty/staff back on campus
- Meetings:
  - We have had budget partner meetings in-person for years
  - We have never had so many people at our meetings in person, that we have had in zoom
    - Due to this, we will begin to include Zoom/Teams broadcast and attendance during out in-person meetings as well
      - Hopeful this will keep the attendance up
  - Will there be a budget meeting with president for FY22 budget?
    - Not sure: here is the process we know

        - Everyone who have submitted Level 3 budgets
            - Currently, analysts are combing through each budget and following up with units with questions to prepare for reviews with Jamie
            - After this unit budget review, Analysts meet and present with Jamie (VP Finance)
                - There may be more follow-up questions after our reviews with Jamie
            - After this review with Jamie, Jamie moves forward to meet with VP's if necessary
                - BRP is not involved in this
- Units relying on student enrollment, it is a hard thing to think about for how to put together for future years
        - Our office has been reviewing against FY19, since that was the last "normal" year (without COVID)
        - Would not use FY20, unless you knew your unit/area was not impacted by students
            - E.g. no refunded fees
- Salary increases?
        - As soon as we know with bargaining, what those costs increases are in the upcoming years, we will post them on our website
- Blended OPE:
  Leave:
    - Encourage to not just take leave, but also to record the leave – you need to record it on the books in order to have an impact on the OPE rates
        - FY22 rates are flat, except for Classified
        - We actually use what was paid out
            - If 100hours, charged to OPE bucket ($26M)
            - The following year, we do about another $26-27M in leave
            - We do not look at any leave balances – they are not taken into consideration when calculating the OPE rates
            - If all of a sudden in the next week and a half that we calculate out that we need 3k employees to take off in the next couple of weeks
                - If this happens, rollover balance =$0
                - This will not happen though, so we will rollover the balances into the next FY
                - During covid, we were given covid time
                - Our max was at 260hr and bumped up to 340hours – this will go back down in Sep; use it or lose it
                    - Same with emergency covid leave (80hours)
                - Balances are fluffed up right now but in Sep they are bringing the OA accrual max back down (there was an additional 80hours – this goes off the books. Does not get rolled/over, counted towards OPE rates.
    - Big leave balances: concern is that if people don't take leave, and you go to calculate OPE rates for the forward years ahead, then those OPE rates could be artificially low because people did not take enough leave in the current fiscal year
        - For FY22 blended OPE rate process:
            - Pulled payroll data from FY20
                - This is when the wheels started wobbling, but did not fall off into FY21
            - We had the following:
                - VP salaries were cut in FY20 and carried into FY21
                - Leave without pay with benefits
                    - E.g. Aux units

        - University able to give COVID sick leave, of which many units used this in FY20&21
        - Workshare: many units jumped in on this and was used in both FY20 & FY21, though the majority of it was used in FY21
      - In FY23 we will be down in our rates due to the surplus we have from FY21. We can do the same process for FY23 as we did for FY22, by adding back in costs that were saved such as ….
        - Added back VP cuts and benefit savings
        - Workshare
        - Leave without pay
        - We then took the emergency sick leave (bonus) we turned that back into salary,
        - Then we looked at the average leave over couple of years and added that back in
      - So, FY22 OPE rates were very much based on FY19
        - Salaries have been now put back in
      - We would do this same process if we saw that this was happening in other fiscal years
        - We are going to do a similar process for FY23 rates, since FY21 a bogey
      - We try to do the utmost, best rate as possible
        - At end of March OPE pool off by $50k
          - This means that everything was right, only for it to crash at year end and we got $2.5M
      - When person quits the university – sick balances go "poof" off the system, unless they come back on in 5 years
        - What happens to sic
  - What will it look like to be planning for the next couple of years?
    - Do I have deficits to make up?
    - Budget has been lowered down
      - E.g. PE&Rec: have not had enough students
    - Our processes:
      - CF will be on budget reports will be on Excel
      - Fees, fines, penalties still on Excel
      - FY23 Beginning Budget will still be on Excel

Next Budget Conversation: August 9th, 1:00 – 2:00
Topic: Carry Forward