Quarter Finance Meeting January 9, 2023

Agenda
Welcome – Stuart Laing
Financial Updates – Jamie Moffitt
  • Quarterly BOT Report
BRP Announcements – Stuart Laing
  • CCT budget changes
  • FY24 Blended OPE rates
  • FY24 Beginning Budget
BAO Announcements – Kelly Wolf
  • Audited Financial Statement

BOT Financial Report Update – Brian Fox

Highlights on finance information shared with Board of Trustees in December 2022.
  • Entire slide deck available online: Past Meetings | The Board of Trustees (uoregon.edu)

<table>
<thead>
<tr>
<th>E&amp;G Fund FY2023 Q1 – Key Takeaways</th>
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<tbody>
<tr>
<td>• Projected tuition and fee revenue up due to strong first year enrollment, particularly among non-resident, domestic undergraduate students</td>
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<tr>
<td>• Personnel Services forecasted costs slightly up, however, estimate still includes significant compensation cost savings due to unprecedented level of faculty and staff vacancies</td>
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<td>• Q1 projection shows an estimated gain of $8.4 million. This compares to initial projected gain of $9.3 million</td>
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<td>• Projected year-end fund balance for FY23 is $101.7 million (8.7 weeks of operating expenses)</td>
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• Tuition and fee revenues are up due to strong first year enrollment and retention staying strong, seeing growth in non-resident and resident students
• Personnel Services has been revised up as projections are up due to rehiring
  o Continue to be down from pre-pandemic but we are seeing hiring come up and leaves from the institution going down, see change in hiring environment.
• Quarterly projections show an estimated gain on year of $8.4 million in E&G.
**State Appropriations** is up a little due to a positive settle-up from HECC

**Tuition and Fees** has some growth year over year

**Grant activity** continues to be strong

**Personnel Services** revised up

**S&S** hard to forecast at start of year, very strong expenses in 1st quarter, will see if continues for 2nd quarter

**Student Aid** down a bit, shift from GF to Foundation funds

**Transfers** up as we continue to shift out for E&G projects

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**E&G Fund FY2023 Q1 – Projection Status**

<table>
<thead>
<tr>
<th>Category</th>
<th>FY23 Initial Projection</th>
<th>FY23 Q1 Projection</th>
<th>FY23 Initial Proj vs FY22 Act</th>
<th>FY23 Q1 Actuals vs FY22 Q1</th>
<th>Projection Adjustment</th>
<th>Q1 Proj vs FY22</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Appropriation</td>
<td>$89,200,000</td>
<td>$90,296,717</td>
<td>3.0%</td>
<td>4.0%</td>
<td>Slightly Up</td>
<td>4.2%</td>
<td>• Due to HECC settle-up and one-time targeted funding</td>
</tr>
<tr>
<td>Tuition and Fees</td>
<td>$469,808,045</td>
<td>$476,000,000</td>
<td>5.7%</td>
<td>7.9%</td>
<td>Up</td>
<td>7.1%</td>
<td>• Due to strong first year enrollment, particularly among non-resident, domestic undergraduate students</td>
</tr>
<tr>
<td>ICC Revenue</td>
<td>$28,815,000</td>
<td>$29,500,000</td>
<td>0.5%</td>
<td>6.7%</td>
<td>Slightly Up</td>
<td>2.9%</td>
<td>• Due to strong grant activity</td>
</tr>
<tr>
<td>Personnel Services</td>
<td>$465,884,000</td>
<td>$467,529,000</td>
<td>7.1%</td>
<td>5.4%</td>
<td>Slightly Up</td>
<td>7.5%</td>
<td>• Personnel Services forecasted costs slightly up, however, estimate still includes significant compensation cost savings due to unprecedented level of faculty and staff vacancies</td>
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<tr>
<td>Service &amp; Supplies</td>
<td>$125,345,000</td>
<td>$127,345,000</td>
<td>14.1%</td>
<td>22.6%</td>
<td>Slightly Up</td>
<td>15.9%</td>
<td>• Due to resumption of in-person activity and impact of inflation</td>
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<tr>
<td>Student Aid</td>
<td>$5,100,000</td>
<td>$4,100,000</td>
<td>33.3%</td>
<td>-16.9%</td>
<td>Slightly Down</td>
<td>7.2%</td>
<td>• Due to school/college projections. $1M in Student Aid will be distributed from Foundation funds</td>
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<tr>
<td>Transfers</td>
<td>$12,000,000</td>
<td>$20,000,000</td>
<td>-56.0%</td>
<td>-94.2%</td>
<td>Up</td>
<td>-26.6%</td>
<td>• Due to increased E&amp;G capital project costs</td>
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**Education & General Funds**

**FY23 E&G Q1 REVENUE PROJECTIONS**

- ICC Revenue 4.8% $28,500,000
- Other Fees & Tuition 4.3% $26,311,365
- Resident UG Tuition 13.2% $81,069,574
- Non-Resident UG Tuition 47.1% $289,315,402
- Graduate Tuition 13.3% $81,069,574
- Other 1.3% $8,182,000
- Interest & Investment 1.6% $9,856,000

**FY23 E&G Q1 EXPENSE PROJECTIONS**

- Transfers 3.3% $20,000,000
- Student Aid 0.7% $4,100,000
- Service, Supplies & Other 17.8% $109,361,000
- Total Personnel Services 77.8% $467,529,000

Student Aid Expense does not include $78.9M of fee remissions awarded to students. Remissions are booked as negative revenue. Capital Expenditures not included.
• Far right column – highlighted number is where we have made changes
• Personnel Services expect to be up significantly from last year
• S&S significant jump from year prior, could be re-purchasing as we hit pre-pandemic back in person stride

**BRP: Stuart**

**CCT Project - Moving to Teams phones**
The project team over the last couple of years looked at how do we pay for Teams phones (software, licensing fees, etc.)
• Memo will be sent from VPFA and IS to announce CCT project is alive and going forward
• Communication with units, chief of staffs, etc. has taken place over the last year
• Email will be sent to Level 3 RUs asking units to provide index and FOPAL for budget change to move GF funds
  o Example: If Level 3 unit has been paying $5,000 for telephones a budget change will be done to redistribute $5,000 from unit’s GF to Central then to IS
• The expense of the old phones (land lines) for all GF unit budgets will be shut off in January 2023

**Blended OPE rates**
• FY24 rates have been sent to federal government and are posted on BRP web site.
• Rates are a bit less because of UO buying down future PERS rates
• Will work with auxiliary units regarding their portion of the PERS buy down, a message will be sent to units soon
• Rates have not been officially approved by federal government but should start using for planning purposes.
FY24 Beginning Budget Dates

- February 27 BRP will send BB excel workbook files
- March 31 due back to BRP
- Dates will be the new normal due to timing with Board and expense authority
- If a unit does not return a Level 3 workbook, BRP will load what was sent out
  o the GF allocation will be given and then the unit would need to move budget within indexes for where they want to spend

Questions/Comments on Beginning Budget dates?

- Units will not know ICC distribution that usually goes out in workbooks shared by BRP. Distributions is based on period 9 thru period 8 so will not have numbers for February 27
- Will we still have position data available to us?
  o Yes, we will send the normal information - 3 years’ worth of expenses and roster report, which generates OPE calculations by position for budgeting on Blended OPE account codes.
- Knight Campus concerns about shortened timeline, announcement today doesn’t give us a lot of time to have internal conversations as we based our timeline on prior year processes

BA: Kelly Wolf

Announcements

- Going away from BAO (Business Affairs Office) to just BA (Business Affairs)
- Personnel – Travel Manager Laurie Jacoby is retiring, Brooke Mullet-Montgomery is the new manager
- Rob Freytag is leaving UO January 22, a search will be launched

Financial Audit Statements presented to Board at December meeting,

Executive Summary

- Clean audit, no findings, no management letter comments

Recognition

- Huge thanks to all in this group who touches financial transactions – anything that happens financially at the university rolls up to these financial statements.
- Thank you to financial services group in Business Affairs for all the work compiling information, doing year end entries and for producing financial statements.

What did we do this year?

- Implemented GASB Statement 87, reclassifies all leases from regular monthly leases to long term financing. Changes balance sheet on back end, not a lot of the operational work on front end, may see slight changes in how paying.

Entire slide deck available online: Financial Reports | Business Affairs (uoregon.edu)