

## Quarter Finance Meeting 6/3/2021

### Agenda:

Welcome – Stuart Laing

BOT Financial Report Update – Jamie Moffitt

BRP – Stuart Laing

- Beginning Budget FY22
- FY22 Blended OPE Update
- Carry Forward Update

BAO – Kelly Wolf

- Travel Policy Update
- Departmental Fiscal Procedures

Good of the Order

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### BOT Financial Report Update: Jamie Moffitt

- Overview on 3 slides from the BOT report presented at the May Board of Trustees meeting  
Entire slide deck available online: [Past Meetings | The Board of Trustees \(uoregon.edu\)](#)

#### Quarterly Financial Report – CFO Key Takeaways FY21 E&G Funds – Q3 Projections

- Covid-19 pandemic dramatically affecting FY21 E&G fund finances
- Spring enrollment (Spring over Spring SCH) for undergraduate students down 5.4%, compared to Fall over Fall of 4.8% and Winter over Winter of 5.9%.
- Reduction in number of first year students will affect E&G fund for the next 4-5 years
- However, COVID-19 related one time cost savings (e.g., S&S reductions, workshare savings, etc.) are expected to mitigate most of the revenue losses in the E&G fund for FY2021
- Projected E&G fund deficit updated from \$2.3 million to \$1.5M

- Covid-19 dramatically effecting finances due to freshman enrollment dropping (650 students this year) which will impact budget the next 4-5 years since they will not be with us in future years
- Fall 2021 seems to be going okay – we have updated our YE fund deficits
- Overall did better than we expected for Spring – compared to last fall down

## Quarterly Financial Report - Dashboard

### Education and General Fund – Q3 Projections

Category	FY21 Q2 Projection	FY21 Q3 Revised Projection	FY21 Q2 Proj vs FY20 Q2	FY21 Q3 Act vs FY20 Q3	Revised Q3 Projection vs FY20	Notes
State Appropriation	\$82,243,619	\$82,243,619	3.4%	3.8%	3.4%	• Timing issue.
Tuition and Fees	\$410,500,000	\$411,800,000	-3.4%	-2.9%	-3.1%	• Tuition projection increased slightly due to stronger Spring enrollment.
ICC Revenue	\$26,000,000	\$26,000,000	3.6%	0.9%	3.6%	• Projections holding steady. Q4 timing issue.
Other Revenues	\$2,500,000	\$1,300,000	-0.2%	-69.7%	-48.1%	• Projections reduced as insurance proceeds deposited directly to plant funds.
Personnel Services	\$441,000,000	\$440,000,000	-1.4%	-1.1%	-1.6%	• Timing issue. Overall compensation costs reduced slightly due to projected impact on university hiring freeze and other HR actions.
Service & Supplies	\$89,000,000	\$89,500,000	-17.9%	-18.8%	-17.5%	• Projections updated based on run rate.
Capital Expenditures	(\$4,000,000)	(\$4,000,000)	7.5%	-1.1%	7.5%	• Q4 timing issue.

- Highlights are showing quarter to quarter change
- Personnel down due to hiring freeze
- Challenge: as we roll into next year, areas where we saw savings FY21 will not be there since we will be moving out of the pandemic
  - The university is balanced this year but as we see more activity with being back to campus (travel, hiring, purchasing etc.) this will have an impact

## FY2021: Updated Auxiliary Operation Projections

Auxiliary	Initial FY21 Scenarios Size of Loss	Dec Update FY21 Proj Size of Loss	March Update FY21 Proj Size of Loss	May Update FY21 Proj Size of Loss	Notes
Housing and Dining	\$11.0 million to \$15.1 million	\$9.9 million	\$9.4 million	\$8.2 million	Fall 2020 Housing Residents down approximately 38%. Winter 2021 Housing Residents down approximately 40%. Spring housing residents on track with expectations for the year.
Health Center	\$1.0 million to \$2.2 million	\$0.2 million	\$1.5 million	\$1.5 million	Additional revenue loss due to increased Covid-19 activities, as well as lower enrollment
Athletics	\$56.3 million to \$81.1 million	\$63.0 million	\$63.0 million	\$55.0 million	Additional gift revenue transferred from Foundation; further expense reductions
EMU	Up to \$1.6 million	No loss	No loss	No loss	Expenses reduced to match projected revenue. Incidental fee funding intact.
PE & Rec	Up to \$2.1 million	\$1.1 million	\$1.2 million	\$300K	Significant loss of other revenue offset with additional expense reduction actions

- Five main aux units
- Where our estimates are as far as net losses

- Athletics: due to lack of game events, however receiving financial assistance from foundation
- Housing: due to decrease in dorm occupants
- Many units are using their reserves to help cover their losses

Some good news for next year:

2 biggest things affecting the UO's budget:

1. State appropriation:

- In mid-May state came out with the latest economic forecast (positive outcomes: tax revenue increasing, projecting a billion \$ better than they thought they would be – in terms of tax receipts).
- What university's have requested from state was not a bigger budget, but rather to receive our typical current service level increases.
  - Hoping to get these funded and therefore won't be in any type of budget-cut situation – optimistic that this will happen
- Legislature in session until end of June/beginning of July.
  - Based on what we are hearing & positive report from economist outcomes should be good.

2. Enrollment:

- Enrollment management team doing a great job; deposits have been looking strong
- A challenge with this is that we don't know how student behavior will change this year vs prior.
  - In a non-pandemic year when students are making deposits in May, it usually means they've come to campus already and visited, gone on tours, etc.
  - This year there were no campus tours making it challenging to visit different universities
  - A lot of schools are seeing high level deposits and it is unclear if students are putting in deposits in multiple schools until they can visit the schools
  - Similar to state appropriation, we will have to wait to see what happens over the summer
  - Normally enrollment management team can put together projection models, but this year is different due to Covid so we are cautiously optimistic
  - Next summer we should be in a much better position

Quick Summary:

- Steady this year, no surprises Q3 in terms of what we were expecting & within discussions in board.
- Next year looking positive but we will have to wait until we hear from the state appropriation board to know for sure

## BRP: Stuart Laing

**FY22 Beginning Budget – what analysts are looking at:**

- Revenue and expenses of last year.
- Current and projected budget comparison
  - Question example: Why is S&S going down by a few \$100k when you've been spending this previously
- We may have additional follow-up questions after the analysts' reviews with Jamie.
  - Sometimes Jamie will throw a curve-ball question that we can't answer, so we then turn back to the unit
- The budget gets loaded into banner in PD01
  - We try to get it in prior to July 1, however if it doesn't happen it will happen the first week of July – depends what projects are being prioritized and the timing of the upload process timing

## **FY22 Blended OPE Update:**

- Rates have been verbally approved as of June 3<sup>rd</sup>, 2021.
  - The FY22 rates on BRP website can be considered the correct rates that will be loaded into banner & charged to units in FY22
  - They can be found here: <https://brp.uoregon.edu/content/Blended-OPE>
- Budget adjustments:
  - General fund units were automatically reset and updated
  - Service centers and everyone else, saw the rates and made updates to their budgets
  - Units will pay more for classified this upcoming FY
- Good news is that overall rates have lowered a bit for FY22
- FY23 will have some CF to cover any increases
  - This means the rates might stay flat or come down (this depends on CF amount)
- Leave:
  - June leave will hit in FY22
  - May leave hits in FY21 and will help with future OPE rates
  - If employees leave for payout (retiring, leaving the university), that gets charged onto their last paycheck which will be part of FY21
    - We pay off vacation balance
- Classified increase is due to the retirement rates increase
  - Classified are on OPSRP
    - State has decided to increase the OPSRP rate due to inability to adjust PERS 1 rate

## **Carry Forward FY21 into FY22:**

- FY21 Carry Forward process will be led by Jonathon Campbell
- We will be pulling the data in the week July/early August
  - Will distribute CF excel workbooks out to the Level 3 units August 9<sup>th</sup>
  - Any CF be loaded onto 9B000
  - You will review your excel workbooks and can make any adjustments on the FOAPA elements, if necessary
  - Level 3 CF workbooks will be due back to the units August 30<sup>th</sup>
- **Q:** Will the carryforward sweeps be included at that point?
  - Yes for units under the Provost:
    - Why did \$6M get pulled from admin and \$10-15M from schools a colleges and provost – because we lost that \$ centrally on undergrad students
    - Admin budget was reduced, January there was a budget change for the \$6M
    - Provost still owes central but there is still time to move \$ around
    - This will include any units under VP Provost
    - Provost are will be looking at your CF to see if you have spare money because some of the budgets within those areas do not have the funds to cover budget deficits
  - Confirmed with Rocco there will be a budget change between PD12-14. This is when you will see the money coming out of your units
- **Q:** What about the CARES, HEROES, and other Federal funds as offset to tuition revenue losses (though those might be temporary)?
  - Unfortunately there are not enough funds available
  - We are moving money around left and right, there are deficits in aux and others, however central is a lot more than what we are getting from schools/colleges budgets
- Blended OPE settle-up for those units once we got the final payment of FY
  - Housing

- Athletics
- Emu
- PE & Rec

Future Budget partner meetings:

- Agreed on in-person but also offering a live zoom option for attendance
- Zoom preferred

## BAO updates – Kelly Wolf

Policies:

- <https://policies.uoregon.edu>
  - Policies open for comment: <https://policies.uoregon.edu/content/policies-open-comment-0>
    - You can subscribe or can go back and check after every PAC meeting
      - PAC meetings are held 1<sup>st</sup> Wed of every month (however off for the summer)
    - If you would like to comment on you can submit through the policy website or to Kelly Wolfe directly
  - Open policies: Travel policy
    - A lot of changes that went through the policies: red lines & notations
      - Highlights in bullet points in beginning
Originally adopted in 2017; pre-Concur
    - Biggest change: airline tickets must be purchased through Concur
      - If you do not purchase through Concur you will not get reimbursed
      - This is because it keeps our eyes on expenses, it also allows us to apply contracted discounts with the universities
      - In addition, if there here is a risk management occurrence (e.g. natural disaster) we know where our employees are and if their situation needs to be addressed
- Fiscal policy manual
  - Departmental Fiscal Procedures:
    - Fiscal policy manual was more of a procedure has been adjusted into an actual policy
    - Other things have gone into these fiscal procedures
      - Major revisions:
        - Accounting for interfund transactions: please go to BAO website
        - Accounting & Fiscal operations for Des Ops and Aux funds
        - Pizza changed from being a meal to being refreshments
        - Moving expenses
          - Previously there was a 2-person reimbursement limit
          - This has been updated to receiving a flat rate, passable through new IRS rules
          - Units have 2 options for new employees:
            - Set at \$ amount and we will reimburse as needed
            - Bulk allowance: max \$ amounts are provided upfront
          - Maximum amounts chart is included in manual

## Good of The Order – Questions

- Q: Are there any updates on the new parking fees and policy?
  - <https://transportation.uoregon.edu/zonal-parking>

- Parking comments can be submitted until the end of business on June 4, 2021 to [budget@uoregon.edu](mailto:budget@uoregon.edu)
- Zone rates are under the fees, fines, penalty process
  - Distribution led by Donna in BRP
  - Distributed the information on behalf of VPFA
  - Documents include parking zonal rates that would be in affect this fall term
    - Feedback is due to BRP if you have comments on the rates
  - If you have not received that email please do request a copy
- **Donna comments:**
  - Working with David from transportation to answer any questions
  - Any comments on rates themselves (not structure) will be summarized and sent to Jamie Moffit
    - Comments are, and have been, taken into consideration when making final decision on what the rates will be
    - Please reach out to your staff as well for any questions or comments
  - The finalized rates will either be announced from Jamie's office or from transportation
  - May take a week or so after BRP comment submissions