

# Faculty Senate Budget Forum

November 1, 2021



*Portland  
State*  
UNIVERSITY



# Faculty Senate Budget Forum

## Higher Education Emergency Relief Funds (HEERF I, II, III) Updates

<u>AWARD</u>	<u>STUDENT PORTION</u>	<u>INSTITUTIONAL PORTION</u>	<u>STRENGTHENING INSTITUTIONS PORTION (SIP)</u>
The Coronavirus Aid, Relief, and Economic Security Act (CARES/HEERF I)	\$8,320,203	\$8,320,202	\$827,183
Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA/HEERF II)	\$8,320,203	\$22,419,901	\$1,300,752
The American Rescue Plan (ARP/HEERF III)	\$27,338,293	\$26,714,861	\$2,128,770

\*NOTE - Methodology for Calculating Allocations/Distributions determined by the U.S. Department of Education



# Faculty Senate Budget Forum

Higher Education Emergency Relief Funds (HEERF I, II, III) Updates

## Purpose of Funds

- » Learning continuity
- » Direct financial aid to students impacted by the pandemic,
- » Institutional stabilization to address transition to remote learning and lost revenue

## Information from U.S. Department of Education

Authorized uses of funds continues to shift due new legislation and administration changes

- » Retroactive changes in use of funds
- » Expansion of eligible students



# Faculty Senate Budget Forum

Higher Education Emergency Relief Funds (HEERF I, II, III) Updates

## ***FY 2020-21 Lost Revenue Reimbursement***

	<b>FY 2020-21 Proposed Allocation</b>	<b>Actual Amount</b>
	<b>\$30.5 million</b>	<b>\$29,076,608</b>
Lost Tuition Revenue	\$12.5 million	\$12,493,593
Auxiliary losses	up to \$16 million	\$14,776,810
F&A reduction (research)	\$1.4 million	\$1,241,630
Designated Operations	\$600,000	\$564,575





# Faculty Senate Budget Forum

Higher Education Emergency Relief Funds (HEERF I, II, III) Updates

## ***Maximum Institutional Funding Available (Including Strengthening the Institution Portion)***

<b>Category</b>	<b>Amount</b>
Total Awards*	\$ 61,968,827
Total Spent/Allocated as of June 30, 2021**	\$35,732,607
Remaining Available Funds	\$26,236,220

\* Previously reported amount of \$61,709,669. Difference due to SIP funds received in 8/2021 being slightly larger than anticipated

\*\* Includes \$29 million of lost revenue (see previous slide), \$2.3 million COVID related costs incurred in FY21, and \$ 4.4 million of FY20 costs






*FY 2020-2021 Summary Financial Results*

## *FY21 Enrollment - Student Credit Hours*

	FY20 #	F21 #	Change #	Change %
Resident Undergraduate	539,353	515,973	-23,380	-4.3%
Resident Graduate	85,623	86,598	975	1.1%
Resident Subtotal	<i>624,976</i>	<i>602,571</i>	<i>-22,405</i>	<i>-3.6%</i>
Non-Resident Undergraduate	164,271	134,045	-30,226	-18.4%
Non-Resident Graduate	38,987	38,217	-770	-2.0%
Non-Resident Subtotal	<i>203,258</i>	<i>172,262</i>	<i>-30,996</i>	<i>-15.2%</i>
<b>Total</b>	<b>828,234</b>	<b>744,833</b>	<b>-53,401</b>	<b>-6.4%</b>



## *FY20-21 Budget to Actual and Forecast Update*

- » Gross tuition revenue  \$290 thousand from revised budget offset by less remissions
- » Expenses under budget mostly due to personnel savings of \$30.6 million
- » Auxiliary funds saw the most impact from COVID-19 due to restricted campus activities.
- » Auxiliary expenses were offset by the use of \$7.1 million in treasury reserves to cover debt payments
- » Shows the mitigation of COVID-19 impact from federal stimulus funds as a separate line item



<i>Dollars in 000s</i>	E&G	Designated Operations	Service Departments	Auxiliary Enterprises	Restricted Funds	Total All Funds	Total All Funds 2020-21 Budget	FY21 Q3 Forecast to Q4 Actuals: Forecast	FY21 Q3 Forecast to Q4 Actuals: Percent
<b>Revenue</b>									
<i>Gross Tuition</i>	211,442	-	-	-	-	211,442	211,730	211,529	0.0%
<i>Less: Remissions</i>	(20,363)	-	-	-	-	(20,363)	(23,111)	(20,393)	-0.1%
<b>Net Tuition</b>	<b>\$ 191,079</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 191,079</b>	<b>\$ 188,619</b>	<b>\$ 191,136</b>	<b>0.0%</b>
Student Fees & Non Credit Tuition	\$ 12,443	\$ 1,764	\$ -	39,342	\$ -	\$ 53,549	\$ 60,443	\$ 54,061	-0.9%
Government Resources & Allocations	110,608	-	-	1,127	-	111,735	110,677	111,558	0.2%
Gift Grants and Contracts	12,964	1,295	0	1	96,200	110,461	85,101	81,716	35.2%
Student Financial Aid	-	-	-	-	65,213	65,213	64,537	67,711	-3.7%
Investment/Debt/Debt Service	3,666	832	-	373	57	4,928	4,917	5,597	-12.0%
Sales, Services & Other Revenue	5,923	1,726	2,879	25,687	334	36,549	44,304	34,609	5.6%
<b>Total Revenue</b>	<b>\$ 336,683</b>	<b>\$ 5,617</b>	<b>\$ 2,879</b>	<b>\$ 66,531</b>	<b>\$ 161,804</b>	<b>\$ 573,514</b>	<b>\$ 558,598</b>	<b>\$ 546,388</b>	<b>5.0%</b>
<b>Expense</b>									
Salaries & Wages	\$ 171,467	\$ 2,431	\$ 746	\$ 15,608	\$ 26,318	\$ 216,569	\$ 239,532	\$ 217,369	-0.4%
OPE (fringes)	89,616	1,056	320	\$ 9,167	12,471	112,629	120,257	111,294	1.2%
Service & Supplies (net of transfers)	61,210	2,405	1,150	\$ 33,848	29,134	127,747	152,302	133,756	-4.5%
Student Financial Aid	-	-	-	-	64,611	64,611	64,606	67,711	-4.6%
Management Reserve Expenses	7,904	-	-	-	-	7,904	-	8,656	-8.7%
<b>Total Expense</b>	<b>\$ 330,197</b>	<b>\$ 5,891</b>	<b>\$ 2,215</b>	<b>\$ 58,622</b>	<b>\$ 132,534</b>	<b>\$ 529,460</b>	<b>\$ 576,697</b>	<b>\$ 538,786</b>	<b>-1.7%</b>
<b>Net before Depreciation</b>	<b>\$ 6,486</b>	<b>\$ (275)</b>	<b>\$ 664</b>	<b>\$ 7,909</b>	<b>\$ 29,270</b>	<b>\$ 44,053</b>	<b>\$ (18,099)</b>	<b>\$ 7,602</b>	
Depreciation	\$ -	\$ -	\$ 121	\$ 11,532	\$ -	\$ 11,652	\$ 11,447	\$ 11,610	
<b>Net before HEERF Reimbursements</b>	<b>\$ 6,486</b>	<b>\$ (275)</b>	<b>\$ 543</b>	<b>\$ (3,623)</b>	<b>\$ 29,270</b>	<b>\$ 32,401</b>	<b>\$ (29,547)</b>	<b>\$ (4,008)</b>	
<b>HEERF Reimbursements</b>	<b>\$ 13,735</b>	<b>\$ 565</b>	<b>\$ -</b>	<b>\$ 14,777</b>	<b>\$ (29,077)</b>	<b>\$ -</b>			
<b>Actual Net</b>	<b>\$ 20,221</b>	<b>\$ 290</b>	<b>\$ 543</b>	<b>\$ 11,154</b>	<b>\$ 193</b>	<b>\$ 32,401</b>			

*TOTAL UNIVERSITY FY20-21 Quarter 4 Unaudited Actuals*

# EDUCATION & GENERAL (E&G) Fiscal Year 2020-21 Quarter 4 Unaudited Actuals

	FY20 Actuals	FY21 Budget	FY21 Q4 Actuals	FY21 Budget to Q4 Actuals - Dollars	FY21 Budget to Q4 Actuals - Percent	FY21 Q3 Forecast to Q4 Actuals - Forecast	FY21 Q3 Forecast to Q4 Actuals - Percent
<b>Revenue</b>							
Gross Tuition	\$ 218,695	\$ 211,730	\$ 211,442	\$ (288)	-0.1%	\$ 211,529	0.0%
Less: Remissions	(20,536)	(23,111)	(20,363)	2,748	-11.9%	(20,393)	-0.1%
<b>Net Tuition</b>	<b>\$ 198,160</b>	<b>\$ 188,619</b>	<b>\$ 191,079</b>	<b>\$ 2,460</b>	<b>1.3%</b>	<b>\$ 191,136</b>	<b>0.0%</b>
Student Fees	\$ 14,478	\$ 14,502	\$ 12,443	\$ (2,059)	-14.2%	\$ 12,359	0.7%
Government Resources & Allocations	107,018	109,659	110,608	949	0.9%	110,608	0.0%
Gifts Grants and Contracts	11,870	12,622	12,964	342	2.7%	12,754	1.6%
Investment/Debt/Debt Service	9,161	3,700	3,666	(34)	-0.9%	4,338	-15.5%
Sales, Services & Other Revenue	5,670	6,936	5,923	(1,013)	-14.6%	4,962	19.4%
<b>Total Revenue</b>	<b>\$ 346,355</b>	<b>\$ 336,038</b>	<b>\$ 336,683</b>	<b>\$ 645</b>	<b>0.2%</b>	<b>\$ 336,157</b>	<b>0.2%</b>
<b>Expense</b>							
Salaries & Wages	\$ 175,569	\$ 187,261	\$ 171,467	\$ (15,794)	-8.4%	\$ 172,427	-0.56%
OPE (fringes)	90,072	95,974	89,616	(6,358)	-6.6%	88,945	0.75%
Service & Supplies (net of transfers)	61,104	63,803	61,210	(2,593)	-4.1%	56,553	8.24%
Management Reserve Expenses	8,651	-	7,904	7,904	-	8,656	-8.69%
<b>Total Expense</b>	<b>\$ 335,397</b>	<b>\$ 347,038</b>	<b>\$ 330,197</b>	<b>\$ (16,841)</b>	<b>-4.9%</b>	<b>\$ 326,581</b>	<b>1.11%</b>
<b>Net before Depreciation</b>	<b>\$ 10,958</b>	<b>\$ (11,000)</b>	<b>\$ 6,486</b>	<b>\$ 17,486</b>		<b>\$ 9,576</b>	
Depreciation	\$ -	\$ -	\$ -			\$ -	
<b>Net before HEERF Reimbursements</b>	<b>\$ 10,958</b>	<b>\$ (11,000)</b>	<b>\$ 6,486</b>	<b>\$ 17,486</b>		<b>\$ 9,576</b>	
<b>HEERF Reimbursements</b>			<b>\$ 13,735</b>				
<b>Actual Net</b>	<b>\$ 10,958</b>	<b>\$ (11,000)</b>	<b>\$ 20,221</b>	<b>\$ 17,486</b>		<b>\$ 9,576</b>	



### *Component Reserves*

The Policy recognizes six component reserves: the Central Reserve, Operating Reserve, Working Capital Reserve, Capital Reserve, Treasury Reserve and the Risk Management Claims Reserve. The prudent maintenance of the component reserves will result in the accumulation of expendable net assets necessary to meet the aspirational reserve goal of the University.

**The Board of Trustees [Reserves Management Policy](#) has a target minimum of holding 25% (13 weeks) of the annual E&G Budget in Central and Operating Reserves. This minimum is based on guidance from NACUBO on having 20.8 weeks of reserves. At the close of FY21 PSU had 25.8 weeks of reserves (excluding GASB 68 & 75).**





# Faculty Senate Budget Forum

## Reserves

\$5.2 million of unused bridge funding from FY2021 were returned to central reserves

\$14.9 million is budgeted as bridge funds to supplement the FY 2021-22 operating budget

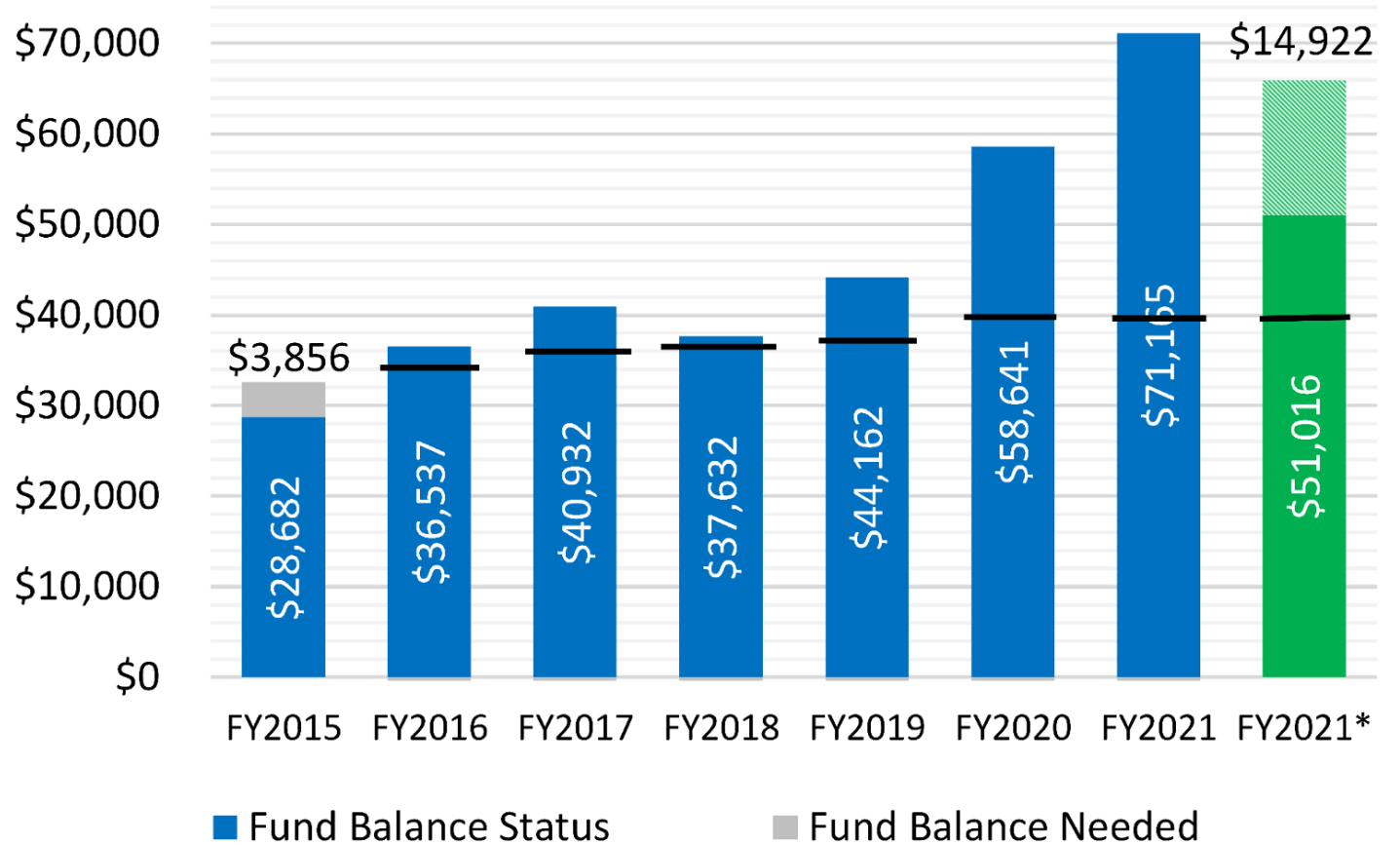
After the use of bridge funds, operating reserves are still over target by \$11.8 million

Divisions historically underspend their budgets which may result in little to no reduction in operating reserves in FY 2021-22

Operating reserves will be needed to supplement the operating budget for at least the next 2 years

## Operating Reserves

(thousands)

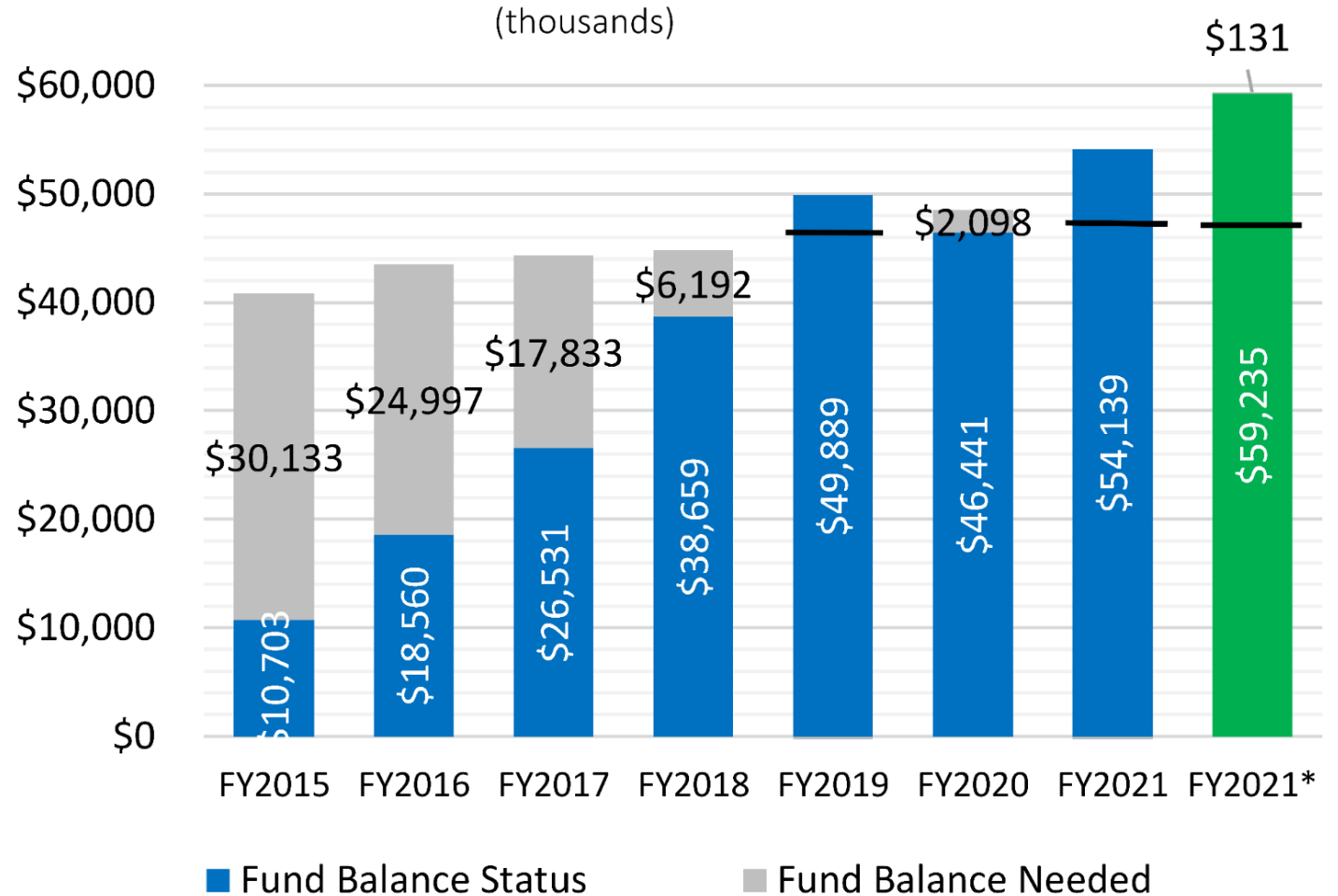


# Faculty Senate Budget Forum

## Reserves

- » FY2021 reflects a \$12.5 million receivable from HEERF funds and a transfer out \$5 million to athletics
- » \$131 thousand is budgeted as bridge funds to supplement the FY 2021-22 Athletics general fund operating budget
- » After the use of bridge funds, central reserves are still over target by \$11.7 million
- » Includes internal loans (as of 6/30/2021) of \$11.6 million
- » May be replenished through additional lost tuition revenue reimbursements from the remaining HEERF funds
- » Known costs and future liabilities (athletics and other auxiliary losses, capital projects, longer term enrollment declines)

## Central Reserves





***FY 2021-2022 All Funds Budget***





# Faculty Senate Budget Forum

FY 2021-22 All Funds Budget

## *Budget Summary*

- » The 2021-22 budget is built using the tuition increase approved by the Board of Trustees in April 2021, a forecast change in enrollment of 5.5% from 2020-21, a slight increase in the state allocation and roughly a **1.5% reduction in the general fund from the 2020-21 revised budget** which includes an estimated \$15 million in reserves.
- » Each division made strategic decisions on how to deploy the general fund budget.
- » In addition to the \$15 million in reserves for the operating budget, divisions may use additional reserves for strategic purposes
- » The All Funds Operating budget anticipates a cash loss of \$21 million
- » One-time funding Higher Education Emergency Relief Funds slated to be used in 2021-22 are not included in the budget

## FY 2021-22 Final All Funds Budget

<i>Dollars in 000s</i>	E&G	Designated Operations	Service Departments	Auxiliary Enterprises	Restricted Funds	Total All Funds
<b>Revenue</b>						
<i>Gross Tuition</i>	201,855	-	-	-	-	201,855
<i>Less: Remissions</i>	(23,138)	-	-	-	-	(23,138)
<b>Net Tuition</b>	<b>\$ 178,716</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 178,716</b>
Student Fees & Non Credit Tuition	\$ 13,394	\$ 3,268	\$ -	42,824	\$ -	\$ 59,486
Government Resources & Allocations	111,122	-	-	1,000	-	112,122
Gift Grants and Contracts	11,512	1,940	5	-	63,389	76,846
Student Financial Aid	-	-	-	-	57,384	57,384
Investment/Debt/Debt Service	4,146	532	-	468	81	5,227
Sales, Services & Other Revenue	6,695	2,007	3,092	43,718	319	55,830
<b>Total Revenue</b>	<b>\$ 325,585</b>	<b>\$ 7,747</b>	<b>\$ 3,097</b>	<b>\$ 88,010</b>	<b>\$ 121,173</b>	<b>\$ 545,612</b>
<b>Expense</b>						
Salaries & Wages	\$ 181,766	\$ 2,988	\$ 916	\$ 22,244	\$ 24,997	\$ 232,912
OPE (fringes)	98,295	1,392	430	\$ 11,315	12,008	123,441
Service & Supplies (net of transfers)	60,577	4,114	1,061	\$ 60,867	26,783	153,402
Student Financial Aid	-	-	-	-	57,384	57,384
Management Reserve Expenses	-	-	-	-	-	-
<b>Total Expense</b>	<b>\$ 340,638</b>	<b>\$ 8,494</b>	<b>\$ 2,407</b>	<b>\$ 94,426</b>	<b>\$ 121,173</b>	<b>\$ 567,139</b>
<b>Net before Depreciation</b>	<b>\$ (15,053)</b>	<b>\$ (748)</b>	<b>\$ 689</b>	<b>\$ (6,416)</b>	<b>\$ -</b>	<b>\$ (21,527)</b>
Depreciation	\$ -	\$ -	\$ 141	\$ 12,285	\$ -	\$ 12,426
<b>Net</b>	<b>\$ (15,053)</b>	<b>\$ (748)</b>	<b>\$ 549</b>	<b>\$ (18,701)</b>	<b>\$ -</b>	<b>\$ (33,953)</b>



# Faculty Senate Budget Forum

FY 2021-22 All Funds Budget

## *Expenditure Budget by Division*

<i>Dollars in 000's</i>	E&G	Designated Operations	Service Departments	Auxiliary Enterprises	Restricted Funds	Total All Funds	% of total
Academic Affairs	\$224,607	\$8,030	\$281	\$44,710	\$51,504	\$329,131	56.8%
Office of the President	11,116	124	3	221	1,361	12,825	2.2%
PSU Foundation	6,481	-	-	-	123	6,604	1.1%
Enrollment Management	7,851	-	-	-	3	7,853	1.4%
Research & Graduate Studies	10,266	341	363	7	10,262	21,240	3.7%
Office of Information Technology	19,387	-	2,199	-	3	21,589	3.7%
Finance & Administration	34,785	-	402	34,818	25	70,030	12.1%
Athletics	2,373	-	-	7,830	508	10,710	1.8%
General University Obligations	23,773	-	(700)	19,125	57,384	99,583	17.2%
<b>Total Expenditure Budget</b>	<b>\$340,638</b>	<b>\$8,494</b>	<b>\$2,548</b>	<b>\$106,711</b>	<b>\$121,173</b>	<b>\$579,565</b>	<b>100%</b>





# Faculty Senate Budget Forum

## Student Credit Hour Update

### *FY22 Enrollment - Student Credit Hours Summer 2021*

	FY 21 #	FY22* #	Change #	Change %
<b>Resident Undergraduate</b>	47,535	41,022	-6,513	-13.7%
<b>Resident Graduate</b>	11,688	10,251	-1,437	-12.3%
Resident Subtotal	<i>59,223</i>	<i>51,273</i>	<i>7,950</i>	<i>-13.4%</i>
<b>Non-Resident Undergraduate</b>	15,953	10,725	5,228	-32.8%
<b>Graduate</b>	4,016	3,067	-949	-23.6%
Non-Resident Subtotal	<i>19,969</i>	<i>13,792</i>	<i>-6,177</i>	<i>-30.9%</i>
<b>Total</b>	<b>79,192</b>	<b>65,065</b>	<b>-14,127</b>	<b>-18.0%</b>

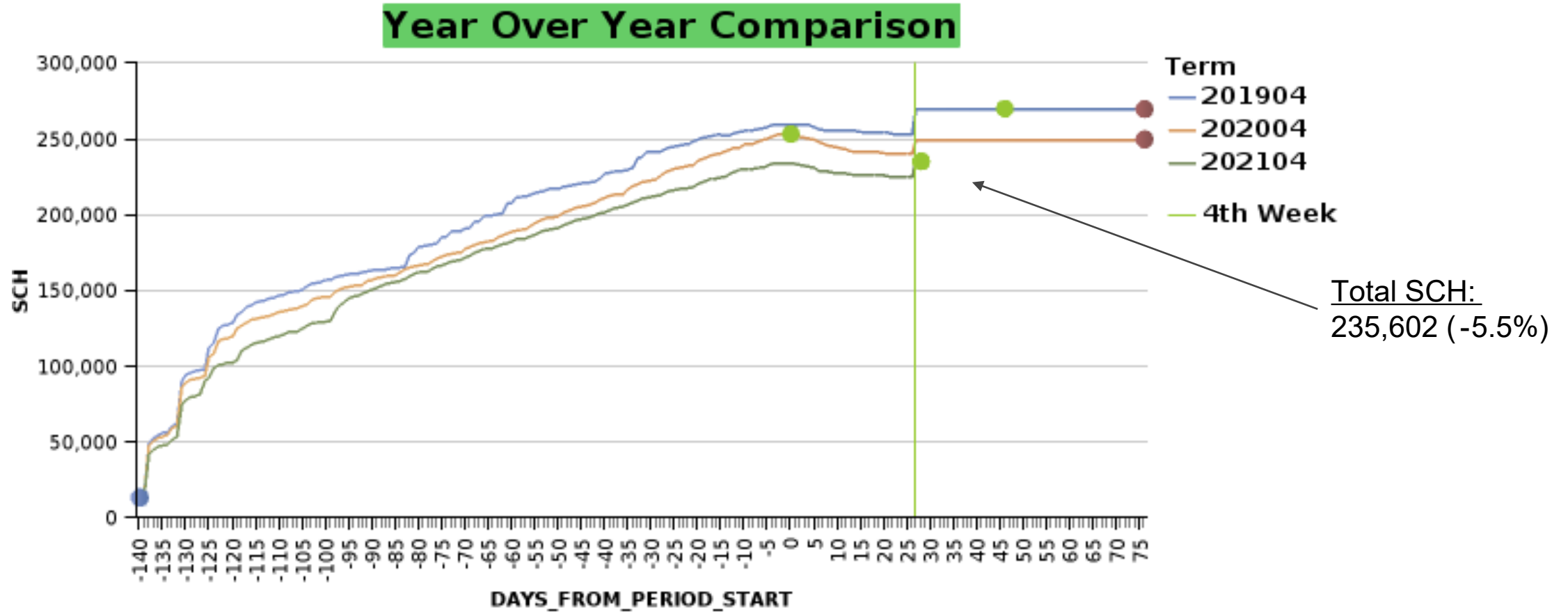
\*Summer 2021 data as September 21, 2021.



# Faculty Senate Budget Forum

## Student Credit Hour Update

### *Fall 2021 Student Credit Hours as of 10/25/21*



Information presented today can also be found on the Board of Trustees website on Finance & Administration Committee page:

<https://www.pdx.edu/board/finance-and-administration-committee>

We encourage you to tune into the next meeting on November 10, 2021 at 9am which will be live-streamed at

<https://video.ibm.com/channel/vGfGtyfbjwL>