

Written Response to Question to Provost

In regard to Phase II of the Program Review/Reduction Process as communicated on 1/27:

1. As background, what is the current estimate of the difference between the University's expenses and revenues, and (how) is this estimate changing from earlier projections?


A detailed Q1 forecast can be found in the materials provided to the F&A committee on November 10th. The docket can be found at [November 10 2021 F&A Committee Meeting Docket.pdf](#) and the relevant pages are pages 8-15. These slides are attached for ease of reference.

2. Is there a specific marker--such as reduction in expenses stated in dollars, some other quantitative measure, or some definitely stated qualitative marker--which this process is intended to achieve as its end goal?

Given that the budget will fluctuate based on tuition revenue, state funding and expenses, there is not one specific maker. The goal is that by FY25 we will no longer be dependent upon our reserves to fund operations. For FY23, it is estimated that the University will need \$7-9 million to fund operations. Additionally, this process should:

- Support our ability to meet our persistence, graduation and enrollment goals by ensuring we are responding to and meeting student needs. Please see the [University Metrics Annual Report](#) to see current progress against these goals.
 - Increase our ability to allocate budget resources based on the work necessary to meet the needs of our students and priorities of the University through a deeper understanding of our departments/programs and their contribution to the University. This allows for data informed decision making, and moves us beyond utilizing random attrition to support budget allocations.
3. In view of the above, how might individual departments, as well as Deans of named units, most usefully respond?
 - Increase familiarity with and use of data to inform department-level decision-making so that we have alignment around common ways of achieving institutional goals.
 - Continue to align use of resources to support student enrollment, persistence, and completion.
 - Identify areas of opportunity for increasing new student enrollments.
 - Approach this exercise as an opportunity to expand beyond the metrics and to provide context to the department.
 - Enhance opportunities to secure external support for the university's mission, including through externally-funded research and philanthropy.

FY21-22 Forecast

- » Gross tuition revenue  \$6.4 million from budget offset by less remissions
- » State support increased by \$7.2 million over budget due to new funding formula and increased investment from the state
- » Expenses under budget mostly due to personnel savings of \$12.7 million
- » Use of operating reserves will likely be less than the \$15 million included in the E&G budget
- » Auxiliary revenue and expenses lower than budget due to slow return to on campus activities
- » Restricted funds includes HEERF student funds and current direct institutional expenses but the all funds forecast does not include the impact of additional HEERF lost revenue reimbursements

Finance & Administration Committee

8. Quarter 1 Forecast

TOTAL UNIVERSITY FY21-22 Quarter 1 Forecast

| Dollars in 000s | E&G | Designated Operations | Service Departments | Auxiliary Enterprises | Restricted Funds | Total All Funds | Total All Funds 2021-22 Budget | FY21 Q1 Actuals | FY22 Q1 Actuals |
|---------------------------------------|-------------------|-----------------------|---------------------|-----------------------|-------------------|--------------------|--------------------------------|-------------------|-------------------|
| Revenue | | | | | | | | | |
| Gross Tuition | 195,389 | - | - | - | - | 195,389 | 201,855 | 88,272 | 80,256 |
| Less: Remissions | (20,385) | - | - | - | - | (20,385) | (23,138) | (5,612) | (4,784) |
| Net Tuition | \$ 175,004 | \$ - | \$ - | \$ - | \$ - | \$ 175,004 | \$ 178,716 | \$ 82,660 | \$ 75,473 |
| Student Fees & Non Credit Tuition | \$ 12,010 | \$ 2,393 | \$ - | 41,827 | \$ - | \$ 56,230 | \$ 59,486 | \$ 27,069 | \$ 25,171 |
| Government Resources & Allocations | 118,379 | - | - | 1,174 | 160 | 119,713 | 112,259 | 39,463 | 42,512 |
| Gift Grants and Contracts | 10,286 | 1,917 | - | - | 63,711 | 75,914 | 76,846 | 20,748 | 21,220 |
| Student Financial Aid | - | - | - | - | 92,758 | 92,758 | 57,248 | 19,884 | 23,982 |
| Investment/Debt/Debt Service | 4,473 | 516 | - | 357 | 148 | 5,494 | 5,227 | 1,091 | 1,395 |
| Sales, Services & Other Revenue | 5,224 | 1,962 | 2,976 | 42,605 | 318 | 53,086 | 55,830 | 8,188 | 13,313 |
| Total Revenue | \$ 325,377 | \$ 6,789 | \$ 2,976 | \$ 85,963 | \$ 157,095 | \$ 578,199 | \$ 545,612 | \$ 199,103 | \$ 203,065 |
| Expense | | | | | | | | | |
| Salaries & Wages | \$ 178,078 | \$ 3,061 | \$ 437 | \$ 19,751 | \$ 24,960 | \$ 226,288 | \$232,912 | \$ 39,528 | \$ 44,191 |
| OPE (fringes) | 93,637 | 1,266 | 191 | \$ 10,034 | 12,222 | 117,351 | 123,441 | 19,473 | 23,024 |
| Service & Supplies (net of transfers) | 54,402 | 3,335 | 933 | \$ 59,651 | 26,978 | 145,298 | 153,402 | 32,499 | 38,683 |
| Student Financial Aid | - | - | - | - | 92,918 | 92,918 | 57,384 | 17,406 | 24,131 |
| Management Reserve Expenses | 9,135 | - | - | - | - | 9,135 | - | 1,586 | 3,158 |
| Held for Risk Abatement | - | - | - | - | - | - | - | - | - |
| Total Expense | \$ 335,252 | \$ 7,662 | \$ 1,561 | \$ 89,436 | \$ 157,078 | \$ 590,989 | \$ 567,139 | \$ 110,492 | \$ 133,187 |
| Net before Depreciation | \$ (9,875) | \$ (874) | \$ 1,415 | \$ (3,473) | \$ 17 | \$ (12,790) | \$ (21,527) | \$ 88,611 | \$ 69,878 |
| Depreciation | - | - | \$ 141 | \$ 11,816 | - | \$ 11,957 | \$ 12,426 | \$ 2,914 | \$ 2,870 |
| Net | \$ (9,875) | \$ (874) | \$ 1,274 | \$ (15,289) | \$ 17 | \$ (24,747) | \$ (33,953) | \$ 85,696 | \$ 67,007 |



8. Quarter 1 Forecast

EDUCATION & GENERAL (E&G) Fiscal Year 2021-22 Quarter 1 Forecast

| | FY21 Actual | FY22 Budget | FY22 Q1 Forecast | FY22 Budget to Q1 Forecast | | FY21 Q1 Actuals | FY22 Q1 Actuals |
|---------------------------------------|-------------------|--------------------|-------------------|----------------------------|--------------|-------------------|-------------------|
| | | | | Dollars | Percent | | |
| Revenue | | | | | | | |
| Gross Tuition | \$ 211,442 | \$ 201,855 | \$ 195,389 | \$ (6,465) | -3.2% | \$ 88,272 | \$ 80,256 |
| Less: Remissions | (20,363) | (23,138) | (20,385) | 2,753 | -11.9% | (5,612) | (4,784) |
| Net Tuition | \$ 191,078 | \$ 178,716 | \$ 175,004 | \$ (3,712) | -2.1% | \$ 82,660 | \$ 75,473 |
| Student Fees | \$ 12,443 | \$ 13,394 | \$ 12,010 | \$ (1,384) | -10.3% | \$ 5,910 | \$ 6,105 |
| Government Resources & Allocations | 110,608 | 111,122 | 118,379 | 7,257 | 6.5% | 39,225 | 42,219 |
| Gifts Grants and Contracts | 12,964 | 11,512 | 10,286 | (1,226) | -10.7% | 4,206 | 3,147 |
| Investment/Debt/Debt Service | 3,666 | 4,146 | 4,473 | 328 | 7.9% | 883 | 1,129 |
| Sales, Services & Other Revenue | 5,923 | 6,695 | 5,224 | (1,470) | -22.0% | 1,047 | 1,218 |
| Total Revenue | \$ 336,684 | \$ 325,585 | \$ 325,377 | \$ (208) | -0.1% | \$ 133,931 | \$ 129,291 |
| Expense | | | | | | | |
| Salaries & Wages | \$ 171,467 | \$ 181,766 | \$ 178,078 | \$ (3,688) | -2.0% | \$ 27,512 | \$ 30,921 |
| OPE (fringes) | 89,616 | 98,295 | 93,637 | (4,658) | -4.7% | 14,060 | 17,089 |
| Service & Supplies (net of transfers) | 47,475 | 60,577 | 54,402 | (6,175) | -10.2% | 16,445 | 13,006 |
| Management Reserve Expenses | 7,904 | | 9,135 | 9,135 | - | 1,586 | 3,158 |
| Total Expense | \$ 316,463 | \$ 340,638 | \$ 335,252 | \$ (5,386) | -1.6% | \$ 59,604 | \$ 64,175 |
| Net before Depreciation | \$ 20,221 | \$ (15,053) | \$ (9,875) | \$ 5,178 | | \$ 74,328 | \$ 65,116 |
| Depreciation | | | | | | | |
| Net | \$ 20,221 | \$ (15,053) | \$ (9,875) | \$ 5,178 | | \$ 74,328 | \$ 65,116 |

AUXILIARIES Fiscal Year 2021-22 Quarter 1 Forecast

| | FY21 Actual | FY22 Budget | FY22 Q1 Forecast | FY22 Budget to Q1 Forecast | | FY21 Q1 Actuals | FY22 Q1 Actuals |
|---------------------------------------|------------------|--------------------|--------------------|----------------------------|--------------|------------------|------------------|
| | | | | Dollars | Percent | | |
| Revenue | | | | | | | |
| Student Fees & Non Credit Tuition | \$ 39,342 | \$ 42,824 | \$ 41,827 | \$ (996) | -2.3% | \$ 20,725 | \$ 18,657 |
| Government Resources & Allocations | 1,127 | 1,000 | 1,174 | 174 | 17.4% | 238 | 293 |
| Gifts Grants and Contracts | 1 | - | - | - | - | 1 | - |
| Investment/Debt/Debt Service | 373 | 468 | 357 | (111) | -23.8% | 137 | 82 |
| Sales, Services & Other Revenue | 25,687 | 43,718 | 42,605 | (1,113) | -2.5% | 5,974 | 11,070 |
| Total Revenue | \$ 66,531 | \$ 88,010 | \$ 85,963 | \$ (2,047) | -2.3% | \$ 27,076 | \$ 30,103 |
| Expense | | | | | | | |
| Salaries & Wages | \$ 15,608 | \$ 22,244 | \$ 19,751 | \$ (2,493) | -11.2% | \$ 3,178 | \$ 4,388 |
| OPE (fringes) | 9,167 | 11,315 | 10,034 | (1,281) | -11.3% | 1,927 | 2,250 |
| Service & Supplies (net of transfers) | 19,071 | 60,867 | 59,651 | (1,216) | -2.0% | 8,435 | 16,442 |
| Total Expense | \$ 43,845 | \$ 94,426 | \$ 89,436 | \$ (4,990) | -5.3% | \$ 13,540 | \$ 23,079 |
| | | | | - | | | |
| Net before Depreciation | \$ 22,686 | \$ (6,416) | \$ (3,473) | \$ 2,943 | | \$ 13,535 | \$ 7,024 |
| Depreciation | \$ 11,532 | \$ 12,285 | \$ 11,816 | \$ (468) | -3.8% | \$ 2,883 | \$ 2,835 |
| Net | \$ 11,154 | \$ (18,701) | \$ (15,289) | \$ 3,411 | | \$ 10,653 | \$ 4,188 |