



SOU Financial Discussion

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Roadmap for Discussion

- FY 21 Budget
- COVID-19 impacts

- Backup Slide
 - Additional COVID-19 cost breakout

Board Approved Scenario

(-10% Enrollment SCH)

- Includes 3% State budget rescission; revenue losses (\$1M + \$1.2M)
- Assumes Furlough savings through 12/31 (\$1.7M in E&G)
- Includes extension of hiring freeze through Summer term (\$300k)
- Includes 20% of CARES allocation (\$1.88M) to E&G (= \$253k)
- Outcome: **CUTS of \$6.43M to achieve minimum 8%**

	2018-19	2019-20	2019-20	2020-21
Education and General <i>(in thousands of dollars)</i>	Actual <i>(000's)</i>	BUDGET <i>(000's)</i>	ESTIMATE <i>(000's)</i>	FAST BUDGET <i>(000's)</i>
Revenue				
State Appropriations: SSCM	21,270	22,696	22,696	23,357
<i>Funding Changes</i>				(1,007)
Total State Funding (SSCM,ETSF,SELP)	21,651	23,072	23,074	22,710
Tuition	37,709	40,047	38,854	36,741
Fees	3,294	3,547	3,522	3,472
Raider Aid	(3,638)	(3,600)	(4,063)	(3,307)
<i>Oth tuition & fee adjustments</i>				
Tuition, net of Raider Aid	37,365	39,994	38,313	36,906
<i>Growth Opportunities</i>				
<i>Revenue External to modeling</i>				253
Misc. Other Revenue	3,013	2,950	2,706	2,767
TOTAL REVENUES	62,030	66,016	64,093	62,636
Personnel Services				
Faculty	(15,801)	(16,560)	(16,059)	(17,395)
Admin	(9,230)	(10,051)	(9,744)	(8,976)
Classified	(6,484)	(6,824)	(6,487)	(6,219)
Student (& Other)	(1,500)	(1,615)	(1,501)	(1,643)
Salaries Total	(33,014)	(35,050)	(33,792)	(34,233)
Retirement (PERS + ORP)	(7,007)	(9,142)	(7,917)	(8,214)
PEBB	(7,306)	(7,687)	(7,304)	(7,825)
Other	(3,018)	(3,502)	(3,088)	(3,420)
OPE	(17,331)	(20,331)	(18,310)	(19,460)
<i>Vacancy Adj.</i>				
<i>Other Adj. to Labor</i>			214	
Net Personnel	(50,344)	(55,381)	(51,887)	(53,693)
Supplies & Services	(11,732)	(11,116)	(10,705)	(11,370)
<i>Program Investment</i>			0	
<i>S&S Adjustments</i>			117	
Total Supplies and Services	(11,732)	(11,116)	(10,589)	(11,370)
Cost Reductions and Savings		2,380	As Modeled	6,430
TOTAL EXPENDITURES	(62,077)	(64,117)	(62,476)	(58,633)
Net from Operations Before Transfers	(47)	1,899	1,617	4,003
Budgeted Transfers	(1,739)	(1,971)	(2,330)	(2,411)
<i>Transfers Adjustments</i>				(1,220)
NET TRANSFERS	(1,739)	(1,971)	(2,330)	(3,631)
Change in Fund Balance	(1,786)	(71)	(713)	371
Beginning Fund Balance	7,139	5,352	5,352	4,639
Ending Fund Balance	5,354	5,280	4,639	5,010
% Operating Revenues	8.63%	8.00%	7.24%	8.00%

Initial Coping: Furloughs and Work Share

328 employees furloughed 20-40%

Workshare keeps employees on the payroll with full benefits; and eligible for state and federal UI

Avoids laying off 101 employees

Will save \$2.2M in E&G and Auxiliaries over 8 months

Updated (7-21-20) Scenario (-10% Enrollment SCH)

- Removes 3% State budget rescission; revenue losses (\$1M + \$1.2M)
- Assumes Furlough savings through 12/31 (\$1.7M in E&G)
- Includes extension of hiring freeze through Summer term (\$300k)
- Includes 20% of CARES allocation (\$1.88M) to E&G (= \$253k)
- Outcome: **CUTS of \$4.4M to achieve minimum 8%**

	2017-19 Biennium	□	2019-21 Biennium	
	2018-19	2019-20	2019-20	2020-21
Education and General <i>(in thousands of dollars)</i>	Actual <i>(000's)</i>	BUDGET <i>(000's)</i>	ESTIMATE <i>(000's)</i>	FAST BUDGET <i>(000's)</i>
Revenue				
State Appropriations: SSCM	21,270	22,696	22,696	23,357
<i>Funding Changes</i>				
Total State Funding (SSCM,ETSF,SELP)	21,651	23,072	23,074	23,716
Tuition	37,709	40,047	38,917	36,641
Fees	3,294	3,547	3,516	3,461
Raider Aid	(3,638)	(3,600)	(3,965)	(3,298)
<i>Oth tuition & fee adjustments</i>				
Tuition, net of Raider Aid	37,365	39,994	38,469	36,804
<i>Growth Opportunities</i>				
<i>Revenue External to modeling</i>				253
Misc. Other Revenue	3,013	2,950	1,934	1,977
TOTAL REVENUES	62,030	66,016	63,476	62,751
Personnel Services				
Faculty	(15,801)	(16,560)	(16,083)	(17,395)
Admin	(9,230)	(10,051)	(9,617)	(8,976)
Classified	(6,484)	(6,824)	(6,362)	(6,219)
Student (& Other)	(1,500)	(1,615)	(1,445)	(1,643)
Salaries Total	(33,014)	(35,050)	(33,508)	(34,233)
Retirement (PERS + ORP)	(7,007)	(9,142)	(7,881)	(8,214)
PEBB	(7,306)	(7,687)	(7,312)	(7,825)
Other	(3,018)	(3,502)	(3,253)	(3,420)
OPE	(17,331)	(20,331)	(18,447)	(19,460)
<i>Vacancy Adj.</i>				
<i>Other Adj. to Labor</i>				
Net Personnel	(50,344)	(55,381)	(51,955)	(53,693)
Supplies & Services	(11,732)	(11,116)	(10,260)	(11,370)
<i>Program Investment</i>			0	
<i>S&S Adjustments</i>				
Total Supplies and Services	(11,732)	(11,116)	(10,260)	(11,370)
Cost Reductions and Savings		2,380	As Modeled	4,391
TOTAL EXPENDITURES	(62,077)	(64,117)	(62,214)	(60,672)
Net from Operations Before Transfers	(47)	1,899	1,262	2,079
Budgeted Transfers	(1,739)	(1,971)	(1,676)	(1,997)
<i>Transfers Adjustments</i>				
NET TRANSFERS	(1,739)	(1,971)	(1,676)	(1,997)
<i>Change in Fund Balance</i>				
Beginning Fund Balance	7,139	5,352	5,352	4,938
Ending Fund Balance	5,354	5,280	4,938	5,020
% Operating Revenues	8.63%	8.00%	7.78%	8.00%

FY 21 Fiscal Challenge

(with PUSF held harmless; -10% enrollment)

• Projected Budget Gap (including ‘known savings’) =	\$ 4.4M*
• Survival Strategy	
○ Faculty negotiations	\$ 0.65M**
○ Academic program savings	\$ 1.6M
○ Layoffs or Furloughs from 1/1 – 6/31/21:	\$ 1.5M***
○ Continue Hiring Freeze	\$.65M
• New Revenue	<u>\$????</u> ****
Total	\$ 4.4M

* - Based on 7/20 pro forma: Fall ‘20 Enrollment projection = -10%

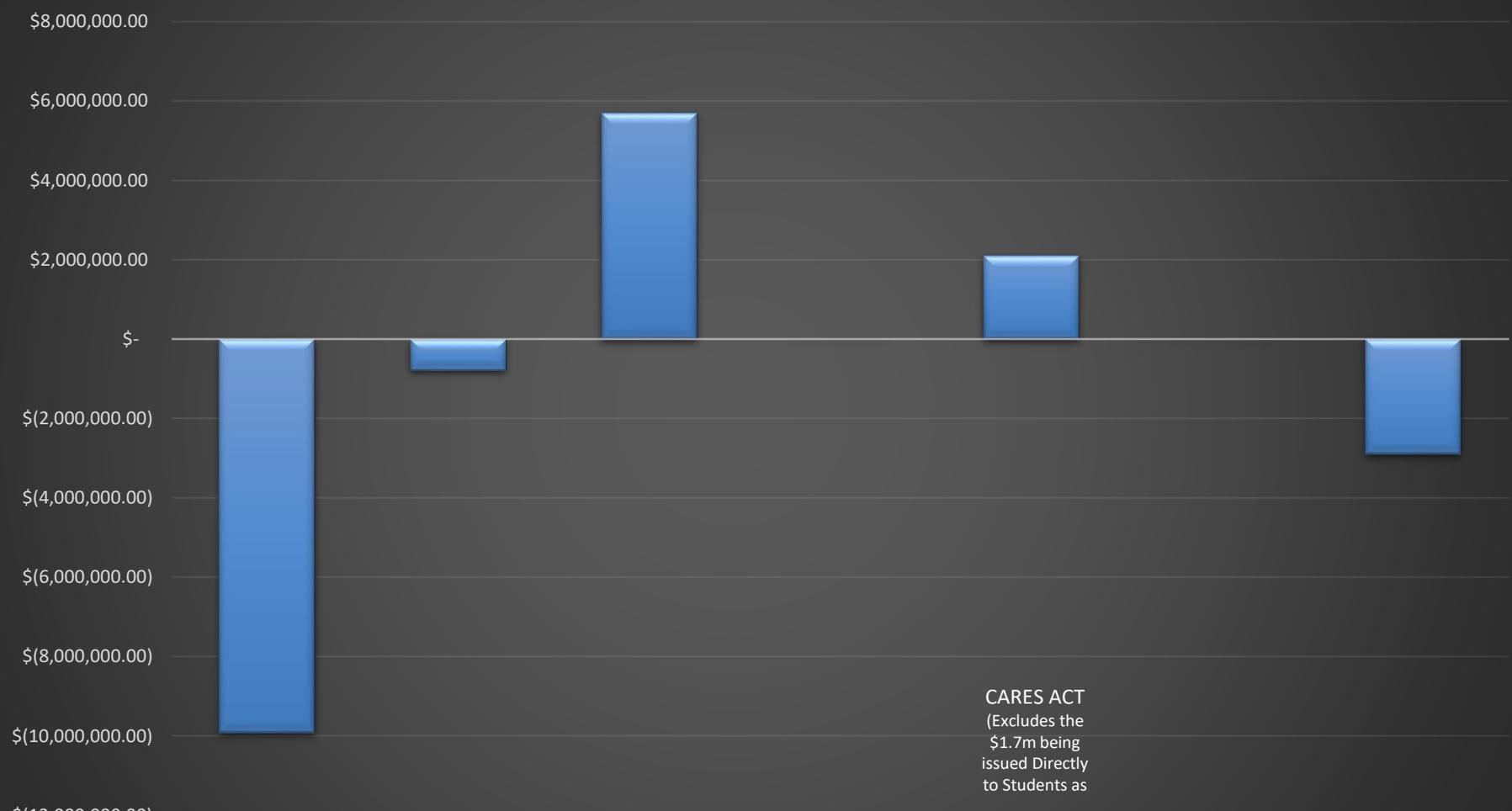
** - Negotiations concluded. Focus is “shared sacrifice” without negatively impacting the quality of Academic programs

*** - Monitoring status of OR Dept of Employment and Federal benefits

**** - 2021 – 2023 Biennium is projected to face significant state budget rescission; so really need to build fund balance (somehow)

COVID-19 Fiscal Impact

8/11/2020



CARES ACT
(Excludes the \$1.7m being issued Directly to Students as

	Lost Revenues	Added Costs	Cost Avoidance	Insurance Recoveries	Federal Recoveries	State Recoveries	Total Impact
Series1	\$(9,923,033.50)	\$(783,233.24)	\$5,696,519.81	\$-	\$2,104,469.00	\$-	\$(2,905,277.93)

Innovations

- Partnership with Regional eSports company
- Public Private Partnership (confidential)
- Regional Economic Development “incubator”
- Job placement and Internship/Apprenticeship
- Corporate Education Partnership with Lithia Motors
- Outsource International Programs and Partner with UO