



EOU Board of Trustees

Finance and Administration Committee
New Member Orientation

October 15, 2020

OVERVIEW

- 1) Timeline of activities
 - Tuition, Mandatory Fees and Room & Board Setting
 - Annual Budget Build and Approval
 - Overview of quarterly management report schedule
- 2) Overview of the fund types
- 3) Major revenue and expense categories
 - Review primary drivers for each fund type
- 4) Financial Ratios
- 5) Student Success and Completion Model (SSCM)
- 6) E&G Historical Overview –Revenue and Expenditures
- 7) Health Care and Retirement Costs
- 8) Glossary of Terms
- 9) Contact Information



July

- Preliminary Budget Loaded
- Review prior year fiscal performance

October

- Quarter 4 prior fiscal year review
- Review Final Operating Budget
- Quarter 1 current fiscal year review
- Provide historical perspective of tuition to B&P

November

- Review tuition generation model, including enrollment and modality targets

December

- [Governor's Recommended Budget Released](#)
- Budget Documents distributed to Departments





January

- Budget requests submitted to the VP's
- Review peer data tuition rates
- Provide historical perspective Tuition, Room and Board and Mandatory Fees to F&A
- Quarter 2 current fiscal year review

February

- Legislative Session Begins
- Committee discussion regarding tuition rates, update tuition generation model

March

- Budget requests reviewed and refined by the Cabinet
- Residence Life and Mandatory Fee Budgets presented to B&P for review
- Draft budget and new initiatives submitted to B&P for review and recommendation

April

- Review peer Tuition, Room & Board and Mandatory Fee changes and Residence Life B&P and F&A
- B&P makes recommendation of new initiatives to President
- B&P makes Residence Life and Mandatory Fee Budgets recommendation to President
- Preliminary operating Budget, Tuition and Fee proposals presented for review by F&A
- Quarter 3 current fiscal year review

May

- Preliminary operating Budget, Tuition and Fee proposals presented to F&A Committee for recommendation to EOU Board for approval

June

- [Legislatively Adopted Budget Announced \(TBD\)](#)



STATE OF OREGON – KEY BUDGET MILESTONES

Governor's Recommended Budget (GRB)

The Governor and the CFO review the budget requests. They use the Governor's priorities, budget policies, and current law to make budget decisions. The Governor's Recommended Budget document summarizes those decisions. It gives data on all the state's revenues and expenditures. It also gives information on each agency's budget. The Department of Revenue puts together a Tax Expenditure Report that is published at the same time. The Tax Expenditure Report outlines the various reductions available to residents for the income tax. The Governor presents the Recommended Budget to the Legislature when it meets at the start of the next calendar year (for example, January of 2019, during the 2019-21 biennium).

Legislatively Adopted Budget (LAB)

Once the Governor's Recommended Budget is received, legislative committees review the proposed budget. They hold public hearings to request feedback from each agency and the public. Each budget bill has a Budget Report that presents the committee's recommendations. The Legislature votes on each budget bill. The budget bills that are enacted into law make up the Legislatively Adopted Budget. Agencies carry out, or execute, the budget over the two year budget period.



REVIEW OF OPERATING FUND TYPES

- Education and General (E&G)
- Auxiliary Services
- Designated Operations
- Service Departments

These are the funds included in the quarterly management report.



MAJOR FUND TYPES

Education and General (E&G)

The Education and General revenue budget consist of Public University Support Fund (PUSF) state allocation, tuition and student course fees, internal sales and miscellaneous revenue. The expense/transfer budget supports activities and services that are intrinsic to the university, including instruction, research, student services, libraries, administration, and maintenance of the campus facilities.

Revenue drivers:

- Tuition and student fees
- Institutional Fee Remissions
- State funding
- Indirect cost recovery (grants)
- Investment earnings

Expenditure Drivers:

- Employee compensation
- Direct Expenses
- Transfers In/Out



MAJOR FUND TYPES

Auxiliary Enterprises

Auxiliary Services include services that are essential to the support of the university's academic programs. Auxiliary units are expected to generate sufficient revenue to cover all costs of operating and capital need, and are not supported by state allocation/funding. Departments such as Housing and Dining, Student Health Center, Parking Services, Athletics, General Rentals, the Integrated Services Building (ISB) and the Incidental Student Services Fee are considered Auxiliaries at EOU. Ideally, all auxiliary enterprise units are required to pay an overhead fee to the campus for the support central services offered. Auxiliaries make the principle payments from their net revenue.

Revenue drivers:

- Student Health Fees
- Room and Board
- Student Incidental Fees
- Parking Fees and Fines
- Athletic Ticket Sales
- Sports Lottery
- General Rental Income
- Integrated Services Building Income

Expenditure Drivers:

- Health Service Contract
- Counseling Services
- Room and Board Expenses
- XI-F Bond Debt
- Student Athlete Expenses (sports)
- Parking Enforcement and Lot Maintenance
- Student Activities



FUND TYPES

Designated Operations

Designated Operations are university functions that provide self-support operations related to non-instructional activities such as field trips and community education. A Designated Operations fund will be established when approximately 80% or greater of a self-support activity is funded from external sources, including student fees for field trips.

Revenue drivers:

Field Trip Income
Athletic Donations (not EOU Foundation)
Athletic Camps
Rural Engagement and Vitality Center (REV) (transfer in)
Library Services

Expenditure Drivers:

Field Trip Expenses
Athletic Sport Expenses (transfer out to auxiliaries)
REV Contract Wallowa Resources
Library Contracts



FUND TYPES

Service Departments

A Service Department fund is established with the majority of the activity is internal to the university. EOU's Serviced Departments include: Surplus property, Telecommunications and Audio Visual departments, Teleproductions and Motor Pool.

Revenue drivers:

Audio Visual revenue

Telecommunications and Teleproductions Partner Revenue

Library Copy Services

Expenditure Drivers:

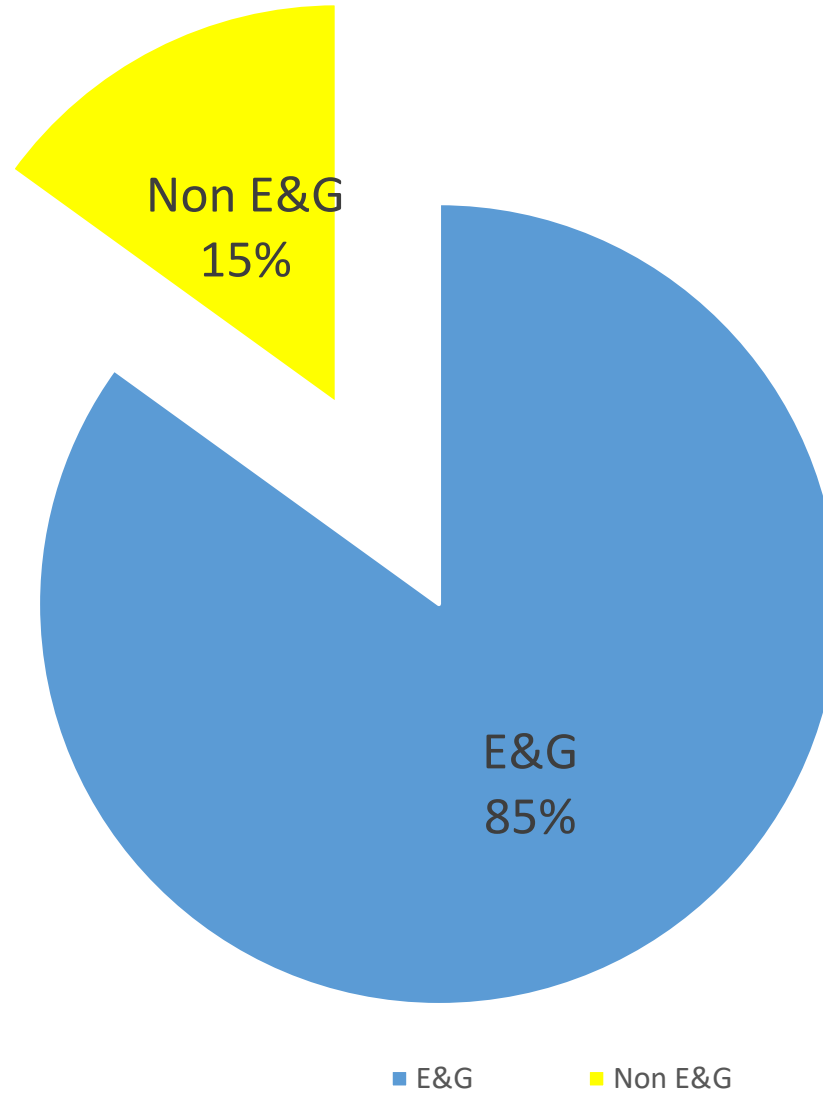
Audiovisual set up and contracts

Telecommunications contracts

Library copier supplies



FY21 BUDGETED EXPENDITURES/TRANSFERS BY FUND TYPE



EOU 2020-21 TUITION RATES PER STUDENT CREDIT HOUR (SCH)

ALL TUITION REVENUE IS IN FT11 (E&G)

	2020-21 Rates	% Increase/SCH
On Campus, UG Resident Tuition	\$174.00	4.2%
On Campus, UG Non Resident	\$468.00	4.5%
On Campus, UG Non Resident WUE	\$261.00	4.2%
Undergraduate On Line/On Site (off campus)	\$270.00	7.1%
Graduate On Line/On Site (off campus)	\$487.00	4.5%



2020-21 EOU MANDATORY FEES

Student Incidental Fee \$285/term – Fund Type 22

Student Health Fee \$185.50/term – Fund Type 24

Hoke Renovation Fee \$28/term – Fund Type 85

Building Fee \$45/term – Fund Type 85



ACCOUNTING VS BUDGETING

- Financial Statements
- Ratios
- Composites

ACCOUNTING = THE PAST

- Recording
- Reporting
- Analysis
- Audits

BUDGETING = THE FUTURE

- Information Gathering
- Modeling
- Discussions
- Decisions

- Budget Status Reports
- Management Reports

FINANCIAL RATIOS

The financial ratios provide a more holistic view of our financial performance and support a strategic approach to financial planning. EOU's mission is only attainable when our financial resources support our strategic plan. The alignment of resources and strategy is paramount for EOU to prosper as a university.

The following four ratios are used in assessing the institution's financial health. These ratios are calculated annually based on the current financial statements.

- Current Ratio
 - $\text{Current Assets} / \text{Current Liabilities}$
- Contribution Ratio
 - Divides each revenue stream by the total revenue to determine specific revenue stream contribution.
- Primary Reserve Ratio
 - $\text{Expendable Net Assets} / \text{Total Adjusted Expenses}$
- Debt Burden Ratio
 - $\text{Debt Service} / \text{Operating and Non Operating Expenses}$



STUDENT SUCCESS AND COMPLETION MODEL

The Student Success and Completion Model (SSCM) is comprised of three funding categories.

- **Mission Differentiation (MD) Funding** supports the unique regional, research and public service missions and activities of each university, as “line item” funding for services, programs or general operations.
- **Activity-Based Funding** distributes resources based on student credit hour (SCH) completions of Oregon resident students at undergraduate and graduate levels.
- **Outcomes-Based Funding** rewards degree and certificate completions by Oregon resident students. Completions by underrepresented students (underrepresented minority, low-income, rural and veteran status) and those in academic disciplines in high-demand and high-reward fields (STEM, Health, Bilingual Education) are provided additional weighting in the allocation formula.



STUDENT SUCCESS AND COMPLETION MODEL

Funding Category	Data	Calculation
Mission Differentiation (MD) Funding	Historical funding levels Dual Credits	Allocation is “off the top”; base plus growth Includes line item funding related to transition, funding model, and definitional changes



STUDENT SUCCESS AND COMPLETION MODEL

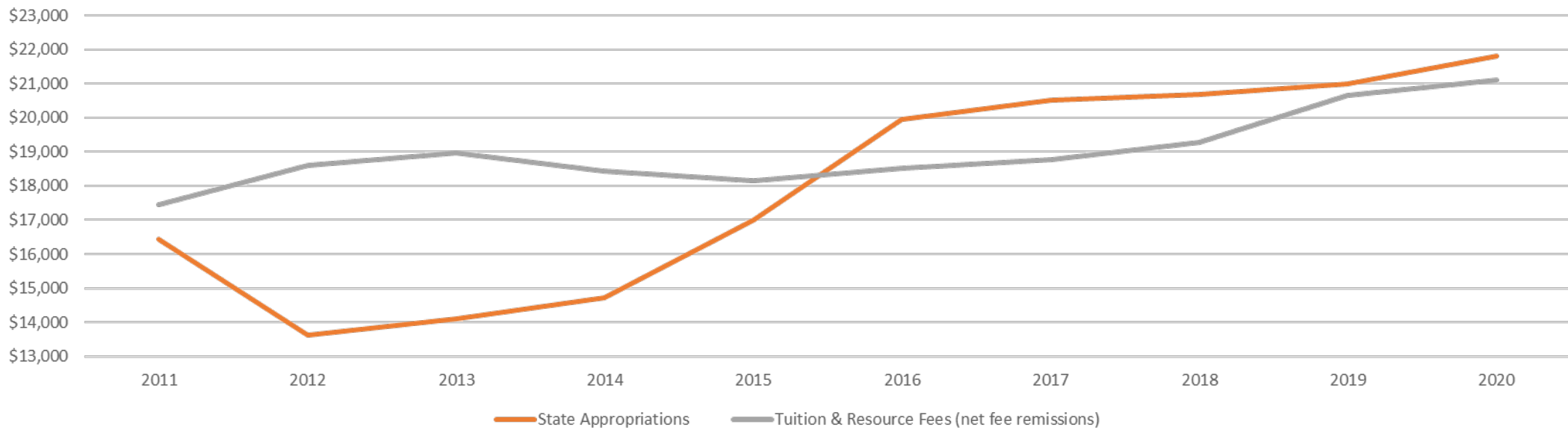
Funding Category	Data	Calculation
Activity-Based Funding	SCH completions by academic program area and student level	40% of non-MD funding is distributed for SCH completions Utilizes program- and course level-specific cost weighting system
Outcomes-Based Funding	Degree and certificate completions by level and discipline Completions by underrepresented, low income, minority student rural student, veteran student Completions in priority areas STEM, Health, Bilingual Education	Degrees at all levels are funded: BA/BS through PhDs, including graduate certificates Cost-weighting adjustments are made by program and course level Allocations for transfer students are discounted relative to non-transfer students



HISTORICAL OVERVIEW

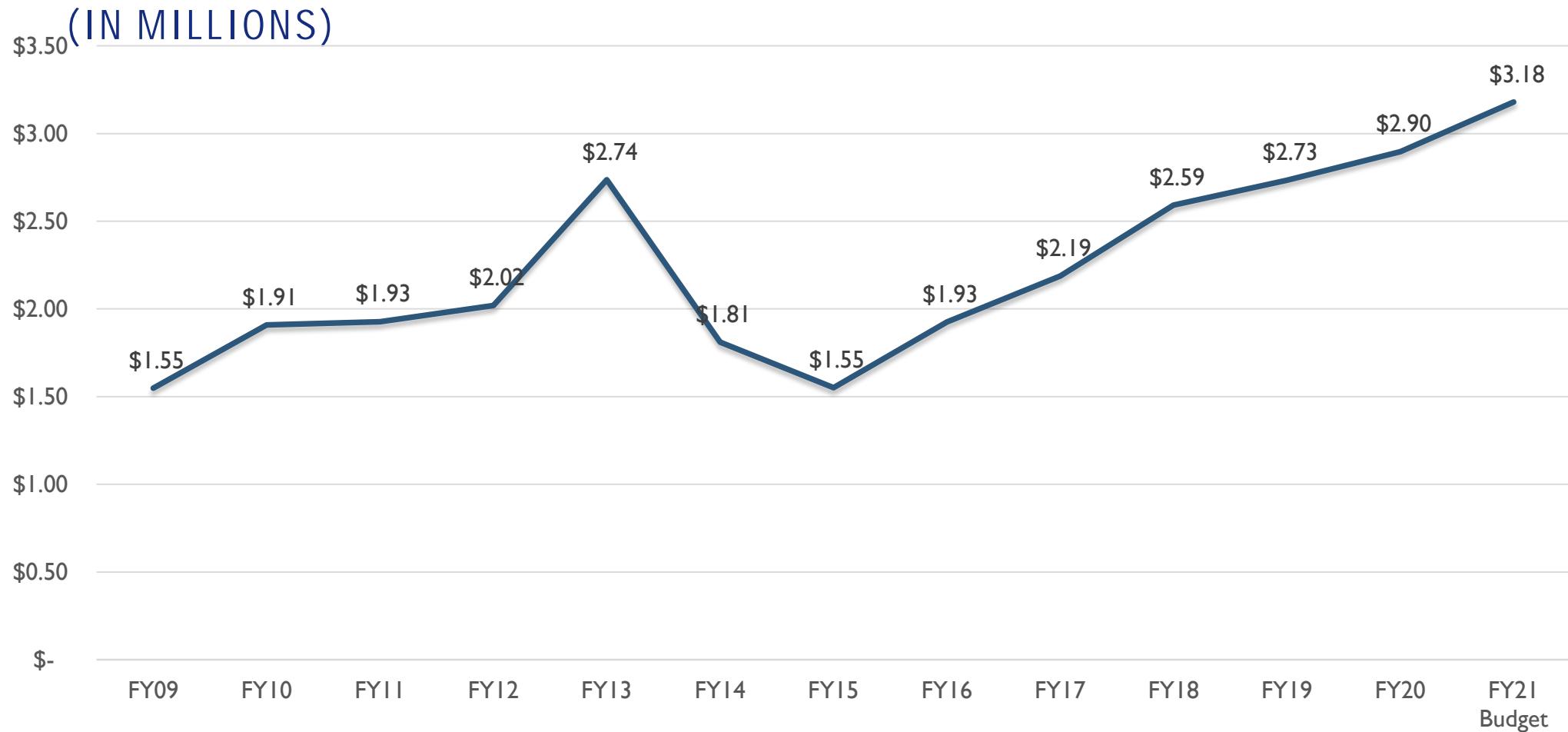
E&G STATE FUNDING/TUITION

State Allocation and Tuition Revenue
In thousands



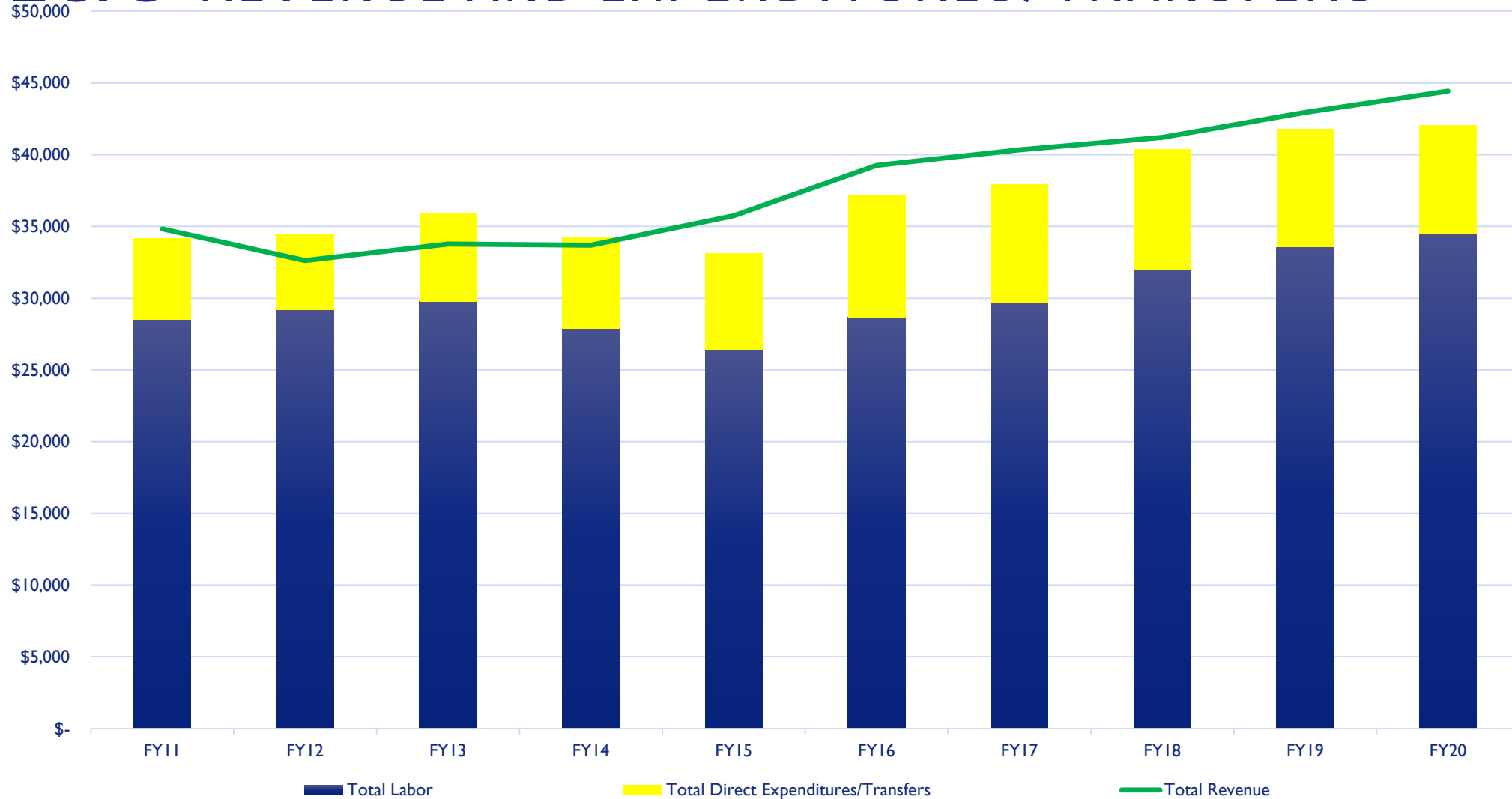
HISTORICAL OVERVIEW

E&G INSTITUTIONAL FEE REMISSIONS



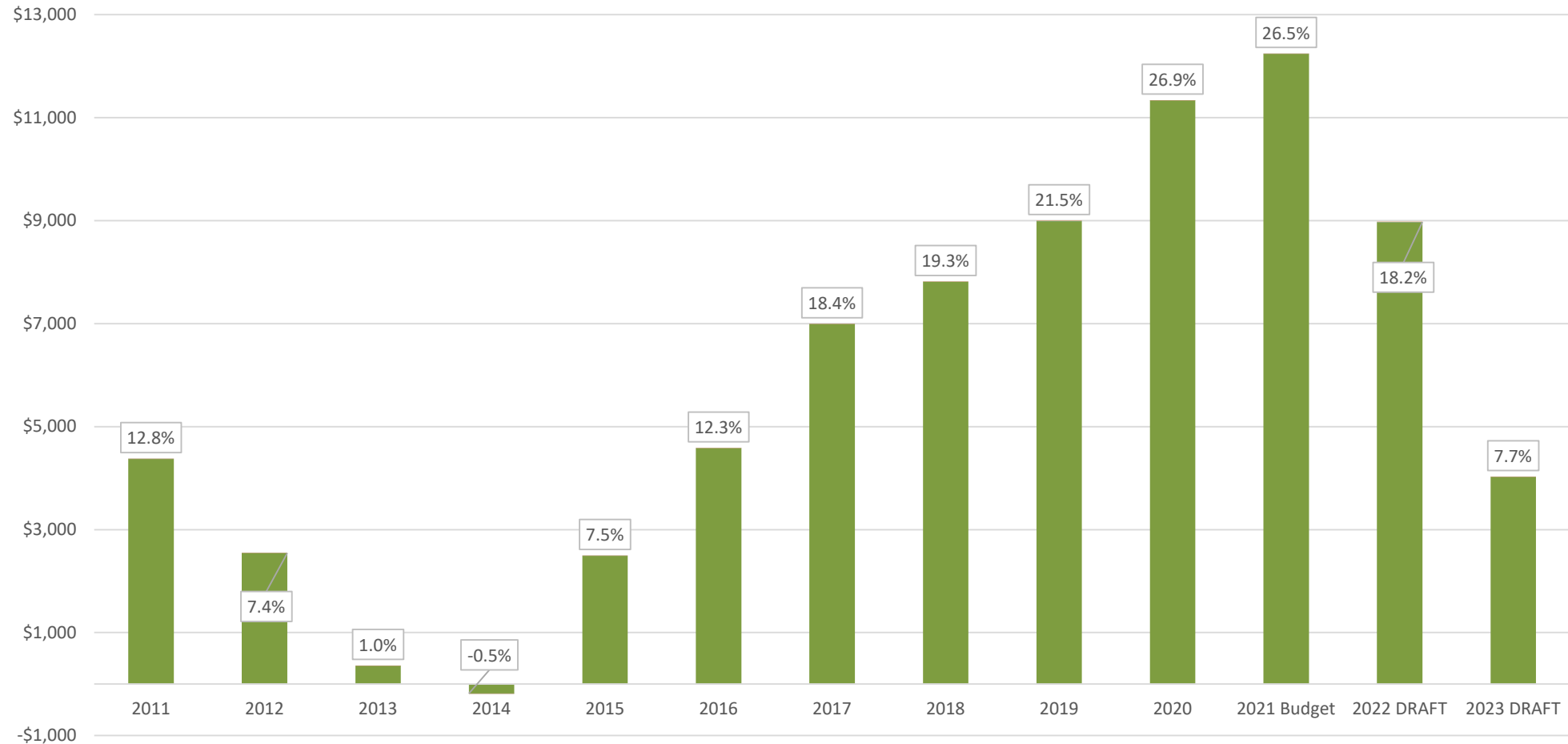
HISTORICAL OVERVIEW

E&G REVENUE AND EXPENDITURES/TRANSFERS



HISTORICAL OVERVIEW

E&G FUND BALANCE/RESERVES AS A PERCENT OF REVENUE



HISTORICAL OVERVIEW HEALTH CARE AND RETIREMENT COSTS ALL FUNDS



GLOSSARY (REVENUE)

- **Student Fees** include tuition and course fees charged for all credit courses at EOU. Course fees are charged in association with a particular class, typically these fees are for labs, academic field trips or course materials. Tuition in this category includes fee remissions.
 - **Fee Remissions** are also known as tuition discounting or institutional resources provided to students as financial aid. Discounts and allowances have a significant impact on the financial statements, therefore it is required that fee remissions are recorded as negative revenue in order to discount tuition.
- **Government Resources and Allocations** are funds allocated through the Public University Support Fund (PUSF). The allocation also includes funding for special projects such as the Small Energy Loan Program (SELP) that is sponsored by the Oregon Department of Energy. The loans are for the purposes of providing partial funding for energy conservation or energy efficient projects.

GLOSSARY (REVENUE)

- **Gifts, Grants and Contracts** can be funded through state, local government agencies, and private organizations. Each grant or contract is for a specific program or project, and functions associated with the award must be performed in accordance with the conditions of the agreement outlined by the sponsoring agencies. The revenue received in E&G funds is related to the indirect and administrative cost recovery on the grant or contracts.
- **Investment/Debt/Debt Service** is revenue from interest on accounts and investments as well as royalty and collections charges.
- **Sales and Services** is made up of event income, library fines, forfeited deposits, transcript and testing fees.
- **Other Revenue** is generated from rebates and contracts such as Barnes and Noble and the Law Library.
- **Internal Sales** is primarily used for revenue generated for internal telecommunication services and copy services.



GLOSSARY (EXPENSES)

- **Unclassified Salaries** include Faculty and Administrative Professionals salaries, as well as salary pay for those employees on sabbatical and any offsets/stipends received as part of the employees pay.
- **Unclassified Pay** is used for faculty overload pay, summer pay awards, vacation payouts, taxable moving expenses and employee discounts on services (athletic facility usage)
- **Classified Salaries** are those in the SEIU bargaining unit, this includes both full time and part time classified employees.
- **Classified Pay** includes overtime, temporary employees, vacation payouts for classified staff,
- **Student Pay** is for our students whose primary effort is directed toward receiving a formal education and whose work effort is part-time and secondary in nature. A student employee may be enrolled in either a secondary or a post-secondary institution.
- **Graduate Assistants** is for students working as graduate assistants within the university.
- **Benefit Compensation** this category is used for employee moving related expenses.
- **Other Payroll Expenses** is the amount paid for each employee by EOU based upon the type of employment, the gross pay amount, retirement system eligibility, and benefits. OPE varies monthly and annually, but a rate is estimated by the Budget Office so that departments can plan for this expense.



GLOSSARY (EXPENSES)

- **Services and Supplies** are expenses associated with the maintenance and administration of the day-to-day business of the institution. The operating expenses include supplies, utilities, repairs, travel and fees, but do not include capital expenses.
- **Capital Expenses** are purchases of equipment, buildings, major remodeling, or improvements other than buildings (such as artwork, outside lighting systems, sidewalks, etc.) that meet the dollar threshold and other criteria for capitalization but are not funded through capital construction project funds. Capitalized equipment is tangible, personal property that is loaned, leased, controlled, or possessed by an institution and is not consumed in the normal course of business, has a value in excess of \$5,000 and has a useful life that exceeds one year. For EOU this expense area is primarily used for purchases of Library Collection materials.
- **Student Aid** is used for tuition payments, usually associated with Lottery or Incidental Fees.
- **Internal Sales Reimbursements** consist of all operations, which provide services or supplies to others and charge a fee for the recovery of the cost incurred. These are non-cash transactions for goods and services necessary to meet the mission of the university. These may be between departments and units; or charges to externally funded grants/contracts or state-wide public service projects.
- **Transfers In/Out Transfers (Net)** are used when moving from one fund type to another, such as in the case of providing funding from operations for a capital project. Transfers can be used within fund types to redistribute resources between individual operating funds, as in the case of funding for cost share. Transfer account codes are also used to move cash associated with budget within the Budgeted Operations fund type.



CONTACT INFORMATION

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QUESTIONS?