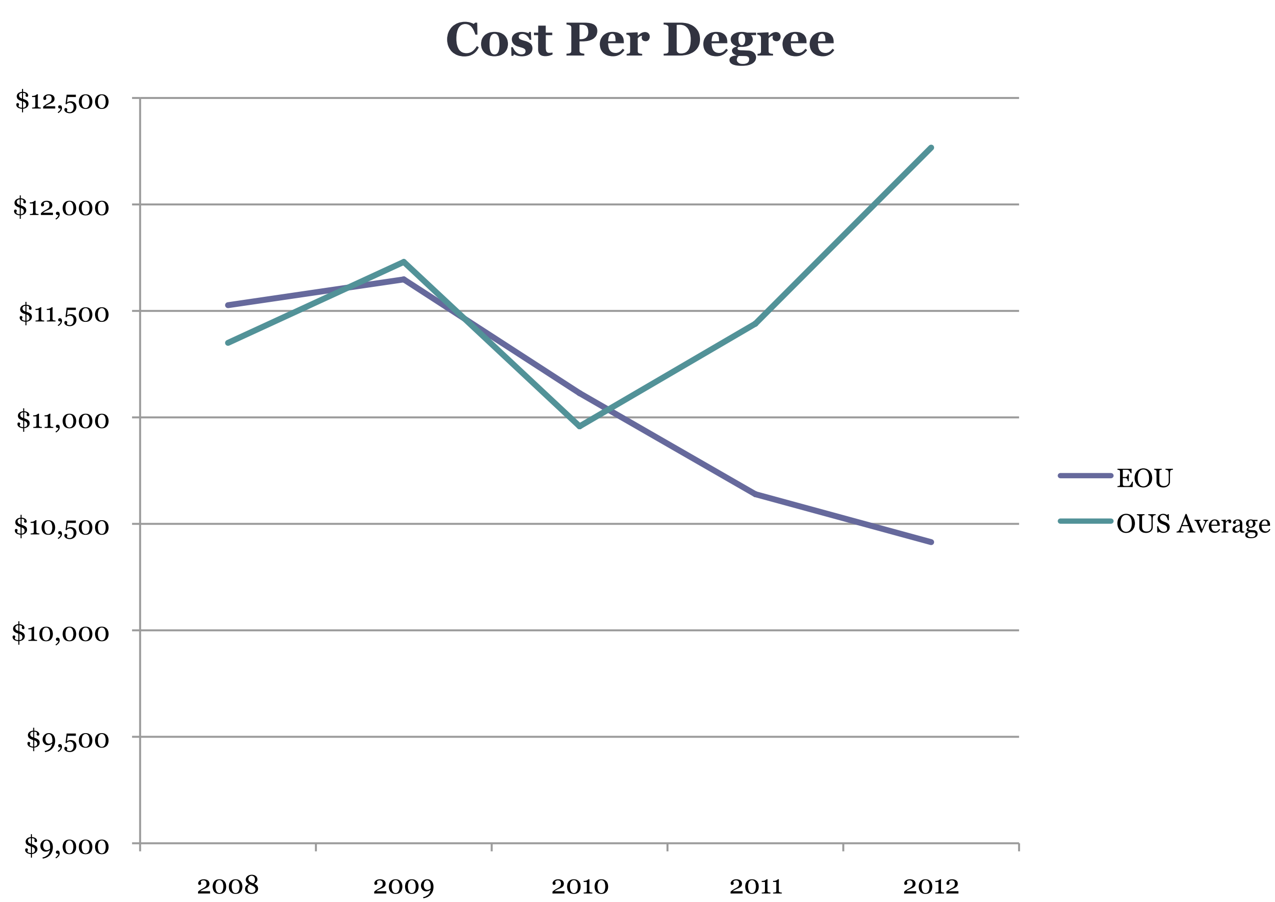
Update on Financial Analysis for the University Governance Task Force

DRAFT Report

Presented on

December 10, 2013

Historical Trends



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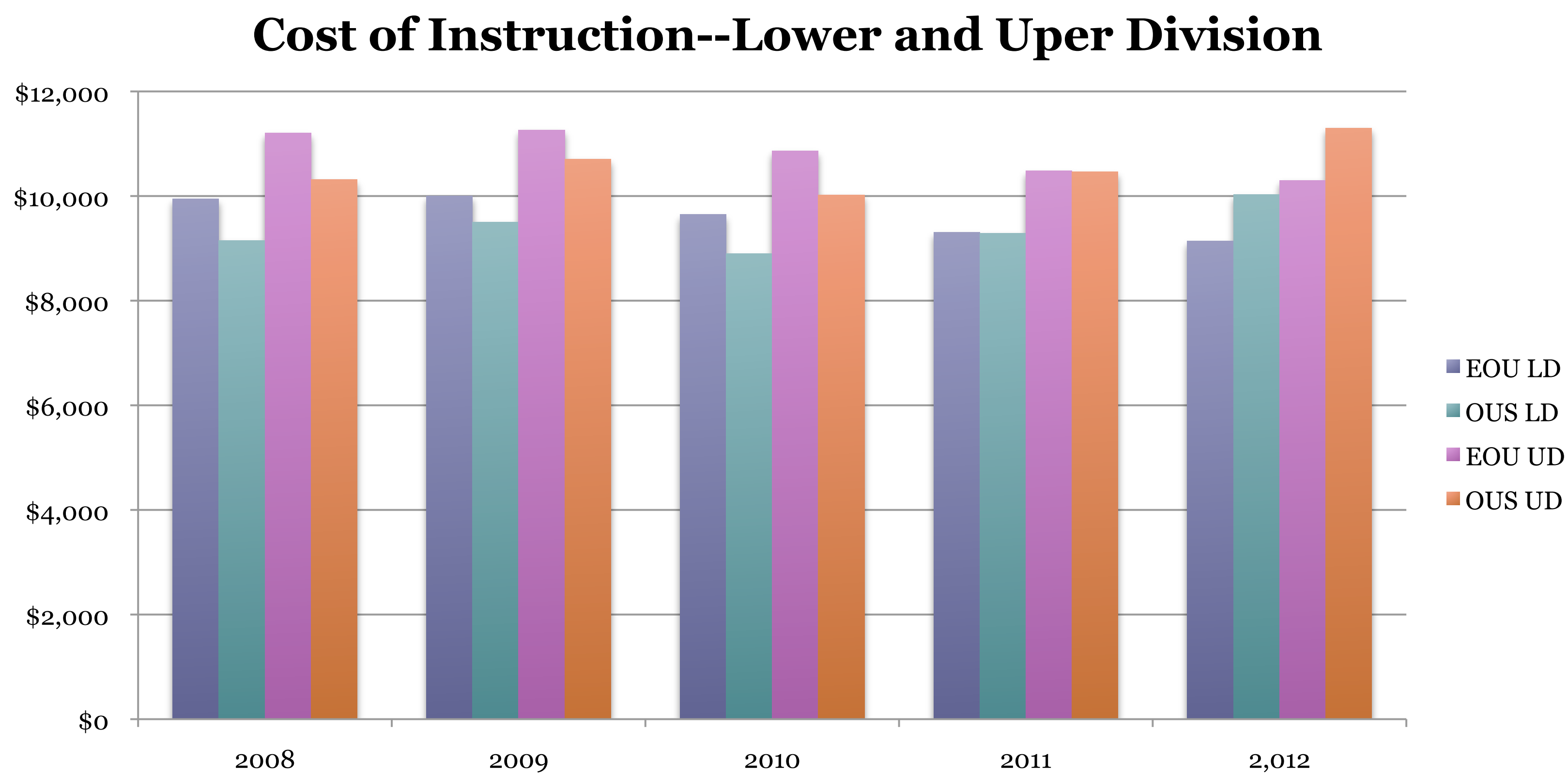

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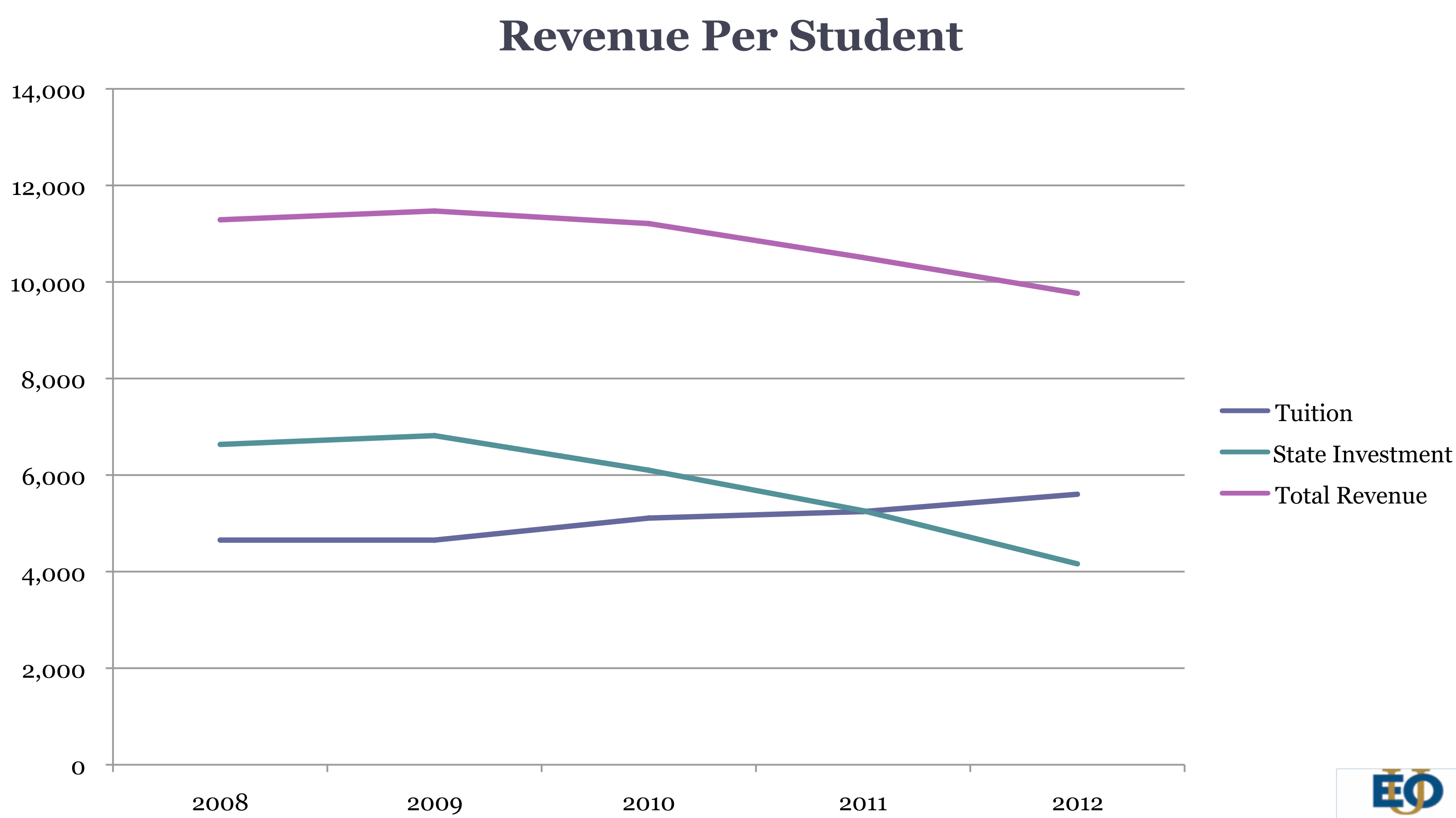

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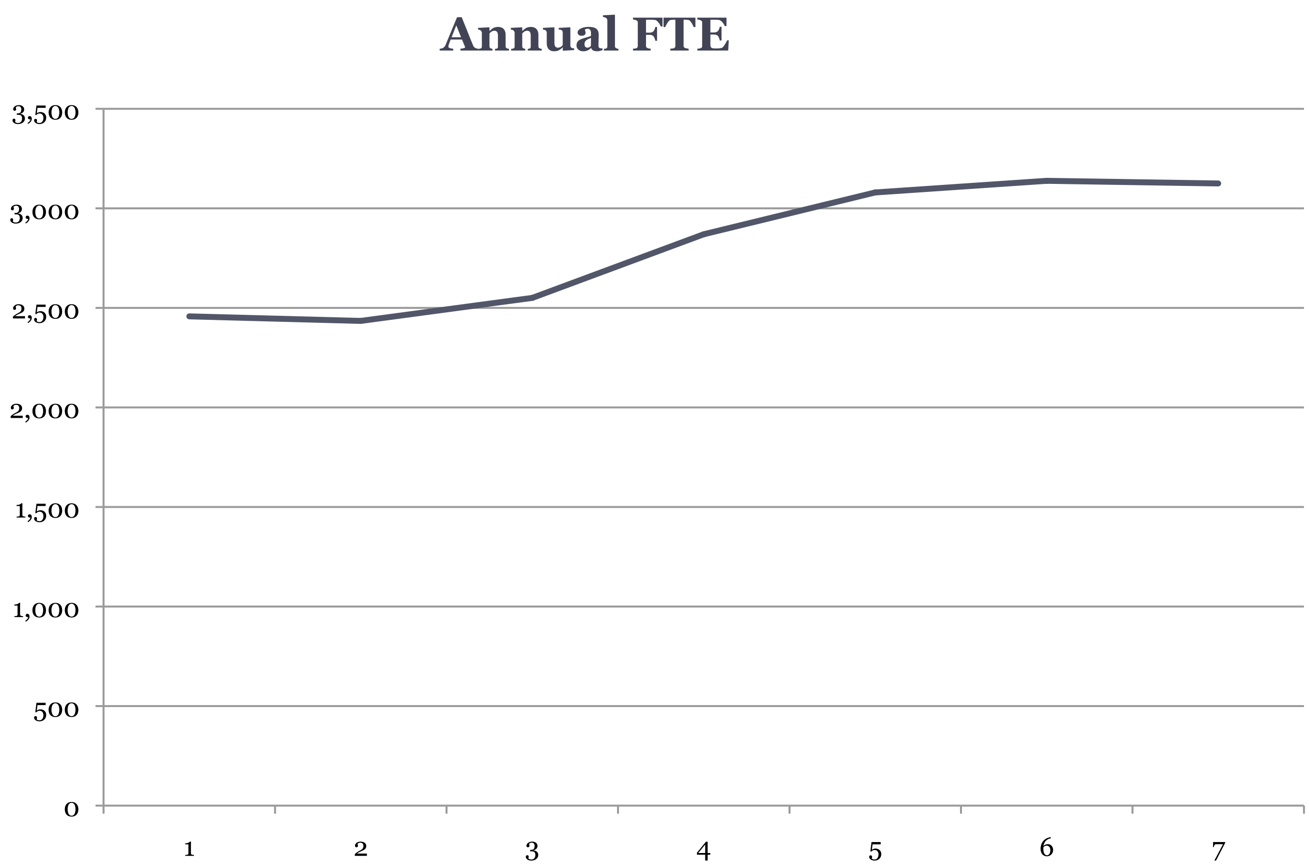

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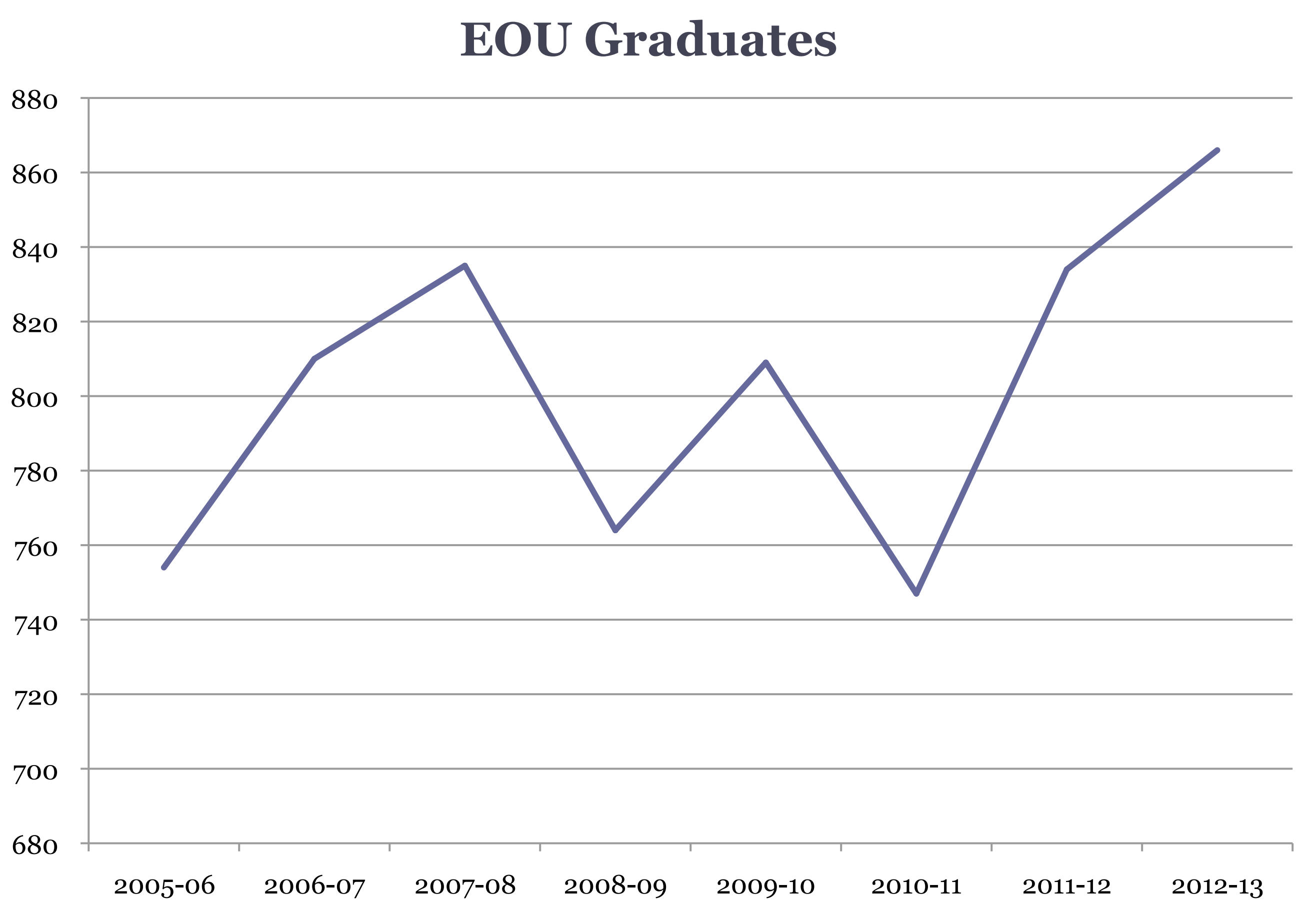

Financial Sustainability Action Plans

- Use of Delaware Data Set for cost structures
- Narrowing of academic programmatic offerings
- Low Enrolled Course Policy
- Increasing capacity through restructuring of release time practices
- Revamping of adjunct and overload salary structures
- Out of region students and on-line growth

Financial Plans Moving Forward

Major and Key Assumptions:

- Enrollment Growth: In projecting revenues, we are approaching this very conservatively and utilized the most recent OUS data (basically flat growth)
  - (NOTE: we have prepared multiple scenarios from -6% to 6%)
- Under Graduate Resident Tuition Increases: no increase for FY14, 3% increase for FY15 and beyond
- Salary Increases: reasonable increases based on past CBA's and fiscal condition
  - (NOTE: we are in negotiations and do not presume any set outcome)
- S&S budgets: increased by inflation in FY 14; increased by 4% following years

Financial Plans Moving Forward

- Impacts of personnel budget reductions: minimum one year lag time due to CBA implementation schedule
- Investments in strategic academic programs based on multiple factors
- On-going implementation of reduction of adjuncts based on increased capacity policies
- Staff investment in FY 16 and FY 17

Net Change to Fund Balance

	FY 13 Actual	FY14	FY15	FY16	FY17	FY18
Total Revenues	$34,201	$33,769	$34,926	$35,870	$36,843	$37,847
Total Expenses	$36,392	$34,947	$34,402	$33,334	$35,056	$37,274
Net Change	($2,191)	($1,178)	$524	$2,535	$1,787	$572
Fund Balance	$535	($643)	($119)	$2,416	$4,204	$4776
FB %	1.6%	-1.9%	-0.3%	6.7%	11.4%	12.6%

Note: Significant portion of the Fund Balance decline in FY 13 is due to the AR adjustment.
Projections tied to most current OUS data. Changes in enrollment will significantly alter these results.

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Financial Impacts of Governance

- No model "Guarantees" fiscal sustainability
- Marginal costs analysis:
  - While work continues, cost differentials between models are proving to be nominal
  - TRU Memorandum for Shared Services

Fiscal Focus for Governing Board

- Insights for new, or enhanced, revenue opportunities
  - Fundraising, new programs, etc.
  - Representation to the HECC, etc.
- As EOU "can not be all things to all people" which structure is best aligned to assist in determining:
  - How best to distinguish EOU
  - Areas/programs to excel/invest
  - Where, and how, to compete most effectively
  - Risk assessment of fiscal/financial decisions
- Ensure programmatic efforts meet regional economic needs and statewide goals (40-40-20)

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