

**Budget & Planning/TAC Committee
Meeting Minutes
Zoom Meeting
October 26, 2021
3:15pm**

Chair Vitor Pedrosa called the meeting to order at 3:15pm

Present: Vitor Pedrosa, Lyle Henderson, Karyn Gomez, Tony Tovar, Katie Townsend, Kris Martens, Tressa Seydel, Helen Moore, Connor Mayberry, Emily Yamiary (Proxy for Cedric Riel) and Anna Kestie (Proxy for Alexa Jamison)

Ex-Officio: Lara Moore and LeeAnn Case

Others: John Garlitz and Teresa Carson-Mastrude

Absent: Linda Jerofke, Scott McConnell and Emily Adams

ACTION ITEMS

Approval of September 28, 2021 Meeting Minutes:

Motion: Lyle Henderson moved to approve the minutes as presented.

Second: Karyn Gomez

Discussion: None

Action: Motion passed

DISCUSSION ITEMS

FY21 Q4 Management Report

LeeAnn Case reviewed the report with the committee. The EOU Board of Trustees approved the final operating budget on November 12, 2020. During the year budget were revised to reflect year end forecasts. However, the year reality was an increase to net operating of \$4.8M. This significant increase is due to many factors, with all funds being impacted. The pandemic continued to have an impact on Eastern Oregon University throughout FY21. The auxiliary units, designated operations and service departments were challenged due to the campus closures and the ability to offer services on campus during the year. These challenges impacted both the revenue and expenditure forecasts. Due to the challenges, EOU Administration used \$910,615 of CARES/HEERF Institution funding to backfill some of the lost revenue in the Auxiliary units. This was not included in the year end forecast for Auxiliaries. The variance between the yearend actual and the April forecast for the Education and General Fund is primarily due to the supply chain and timing of purchases, as well as unforeseen fourth quarter vacancies in positions. During the year, the EOU Administration continued to apply strategies to maximize the fund and cash balances to prepare for possible future declines in enrollment, increases in academic and capital investments and ongoing costs related to the pandemic.

FY22 Operating Budget Overview

The overview was reviewed and discussed with the committee.

The report summarizes Education and General operating expense and revenue budgets for fiscal year 2022. A FY22 preliminary operating budget was approved at the May 20, 2021 EOU Board of Trustees meeting. The Final FY22 E&G Operating Budget will now be presented to the Board of Trustees for approval.

The final E&G revenue budget has been adjusted to reflect the revised student credit hour (SCH) projections for 2021-22. The revenue budget has also been adjusted to reflect the current state

allocation after the fall True Up. The expenditure budget addresses the immediate needs associated with academic quality and expansion, salary and benefit increases, contract escalators and student support enhancements.

The FY22 preliminary budget was on the following assumptions:

- A projected FY21 year end fund balance of \$13.1M
- State funding increase of \$200K over FY21
- Enrollment increase of 3.4%
- Tuition rate increases applied as approved
- Invest a minimum of \$3,393,000 of tuition revenue in fee remissions
- Targeted investments for academic expansion
- Mandatory/compliance increases and programmatic needs
- Expenditure reductions or savings of \$500K to be identified during the year
- Maintain fund balance as 15.0%

However, the budget assumptions have been refined since May. The FY22 budget is based on the following realities:

- FY21 ending fund balance \$14.2 or 31.8% of expenditures
- State funding through the SSCM decreased slightly from the estimate.
- EOU will receive funding for a Benefits Navigator position
- Enrollment is down fall over fall
- Tuition rate increases applied as approved
- Modality mix refined
- Fee Remissions funded at \$3.1M
- Targeted investments for academic expansion
- Mandatory/compliance increases and programmatic needs
- Carryforward expenses from FY21
- Expenditure budget revised to include additional transfers
- Use of \$1M HEERF funds for lost revenue
- Increase budgeted temporary savings to \$1.2M
- FY22 budget assumes the expenditure budget will be fully expended by June 30th.
- Any additional FY22 investments will be made using any additional temporary savings.
- FY22 projected fund balance \$11.9M or 25.5% of revenues or 24.3% of expenditures

FY22 Q1 Management Report

This report summarizes Education and General operating expense and revenue budgets for fiscal year 2022. A FY22 preliminary operating budget was approved at the May 20, 2021 EOU Board of Trustees meeting. The Q1 FY22 Management Report budget reflects the final draft budget, rather than the FY22 preliminary budget.

The final EOU all-funds operating revenue budget is \$54.8M and the expenditure/transfer budget is \$56.4M.

At the close of Q1, EOU had received \$19.5M in revenue or 35.6% of the budget and recorded expenses

and transfers of \$11.2M or 19.7% of the budget. Revenue increased 1.87% over the prior year and expenditures are up 24.16% or \$2.2M. Labor expenses are up \$899K or 14.81%. The large variance in compensation is due to the participation in the Oregon Workshare program in Q1-FY21. The expenditures and transfers to date represent approximately 19.4% of the total budget for FY22. While it is early in the fiscal year, there are no financial concerns in any of the funds.

Capital Update

John Garlitz (Facilities Director) gave a brief update to the work that has been going on since last Spring. Garlitz noted that EOU will be preparing its next capital projects proposal. The two items that will be proposed to HECC are Loso Hall Phase 2 and Ackerman Hall Phase 2. EOU received HECC approval to move forward with the Inlow Hall Phase 2 which will begin in 2023 when the funds are released.

Meeting Schedule

The next meeting is scheduled for November 23rd at 3:15pm. It was noted that this is during a time when there are no classes and attendance could be minimal. The December meeting is scheduled for December 28th which is also during a time when classes will not be held.

The next meeting will be November 23, 2021

The meeting was adjourned at 4:45pm

Respectfully Submitted
Teresa Carson-Mastrude