



EASTERN OREGON
UNIVERSITY

FINANCE AND ADMINISTRATION

To: Faculty Senate
From: Virginia Key, Finance and Administration
Date: September 18, 2008
Subject: Budget Notes

I appreciate this opportunity to offer the Faculty Senate a few budget highlights.

- EOU ended the June 30, 2008 fiscal year with a fund balance of 7.7% despite beginning the year at only 2.1% fund balance. Please note that EOU received a one-time \$1million allocation from OUS for "underpinning." That \$1million is responsible for 3.2% of fund balance increase.

Fund balance is one of the fiscal indicators monitored by OUS and the Board. The board has established a system-wide goal fund balance of 10% with an acceptable range of 5-15%. President Lund has received approval from Chancellor Pernstiner for EOU to target 6% as a fund balance goal for the short term.

- EOU received \$232,647 in enrollment funding as a result of the enrollment funding settle-up for academic year 2007-08. This was the first time in several years that OUS performed a settle-up of budgeted enrollments compared to actual enrollments. Since EOU exceeded budgeted enrollments, EOU received additional funding.

OUS anticipates an annual settle-up process. Should EOU's enrollments be less than projected, EOU will lose funding. Enrollment funding is based on the Resource Allocation Model, aka RAM. The RAM allocates funding based on full time student equivalents, student division and program level. For example, the enrollment funding EOU receives for an upper division liberal arts major is 25% higher than for lower division. Liberal arts funding per FTE is only about 60% of the funding for fitness studies, health professions or the visual and performing arts.

OUS has announced that the next settle up will be in February 2009 and will be based on Fall 2008 end of term enrollments. OUS has about \$1.9 million to distribute in this settle-up.

- Each quarter, EOU submits a quarterly management report to OUS for review and comment by the Board. Those reports will be posted for EOU campus discussion and I welcome questions and comments as the year unfolds.

Oregon University System
Quarterly Management Report

As of the Quarter Ended June 30, 2008
For the Fiscal Year Ended June 30, 2008

	Actual to Prior Year		Actual to Budget		Projection		
	Prior Yr. Actual	YTD Actual	Adjusted Budget	Variance from Adj. Budget	Actual as a % of Budget	Δ Since Prior Report	Notes
EASTERN OREGON UNIVERSITY							
(in thousands of dollars except enrollment)							
EDUCATION & GENERAL - LIMITED							
Slate General Fund	14,202	17,033	17,105	(72)	100%	(72)	
Tuition & Resource Fees, net of Remissions	12,800	12,535	11,878	557	106%	(114)	(1)
Other	1,106	982	1,410	(428)	70%	(69)	
Transfers In	235	468	85	383		242	(2)
Total Revenues & Transfers In	28,343	31,018	30,478	540	102%	(13)	
Personnel Services	(24,807)	(24,865)	(25,800)	1,135	96%	(55)	
Supplies & Services	(4,095)	(4,061)	(4,074)	13	100%	9	
Capital Outlay	(490)	(463)	(547)	84	85%	46	
Transfers Out	(118)	(27)	(132)	105		23	
Total Expenditures & Transfers Out	(29,510)	(29,216)	(30,553)	1,337	96%	23	
Net from Operations and Transfers	(1,167)	1,802	(75)	1,877		10	
Fund Additions/Deductions	0	0	0	0		0	
Change in Fund Balance	(1,167)	1,802	(75)	1,877		10	
Beginning Fund Balance	1,759	592	592	0		0	
Ending Fund Balance	592	2,394	517	1,877		10	
% Operating Revenues	2.1%	7.7%	1.7%				
Student FTE Enrollment (YTD-Through Spring Term)	2,460	2,435	2,317	118		(15)	
AUXILIARY ENTERPRISES							
Total Revenues	6,956	6,895	6,818	77	101%	(5)	
Expenditures & Net Transfers (Excl. Depr. Exp.)	(6,648)	(6,658)	(7,023)	365	95%	152	(3)
Net from Operations	308	237	(205)	442		157	
Additions/Deductions to Unrestricted Net Assets	0	(19)	0	(19)		(19)	
Change in Unrestricted Net Assets	308	218	(205)	423		138	
Beginning Unrestricted Net Assets	981	1,289	1,289	0		0	
Ending Unrestricted Net Assets	1,289	1,507	1,084	423		138	
DESIGNATED OPERATIONS, SERVICE DEPARTMENTS, CLEARING FUNDS							
Total Revenues	772	801	786	15	102%	15	
Expenditures & Net Transfers	(698)	(780)	(756)	(24)	103%	(24)	
Net from Operations and Transfers	74	21	30	(9)		(9)	
Fund Additions/Deductions	17	0	0	0		0	
Change in Fund Balance	91	21	30	(9)		(9)	
Beginning Fund Balance	441	532	532	0		0	
Ending Fund Balance	532	553	562	(9)		(9)	

NOTES AND ASSUMPTIONS:

- (1) Lower than anticipated because of a higher proportion of on-line students for which there was no tuition increase in FYE 2008.
- (2) Higher than expected due to year end closing entries which included one-time accounting corrections such as closing out inactive service accounts.
- (3) Lower than anticipated due to successful ongoing efforts by residence life to minimize expenditures.

**Oregon University System
Settle-up and Incentive Funding Adjustments**

Attachment - B

	EOU	OIT	OSU	OSU-CC	PSU	SOU	UO	WOU	Total Campuses
2007 OR Approved Budget	\$ 9,128,732	\$ 9,386,427	\$ 74,667,972	\$ 868,973	\$ 67,371,975	\$ 12,900,847	\$ 63,829,494	\$ 14,193,063	\$ 247,347,483
2007-08 Adjusted Budget Based on Actual Enrollment	9,128,732	9,386,427	73,897,195	863,525	61,366,334	12,613,885	63,768,314	14,279,623	245,304,035
Difference (unearned funding)	\$ -	\$ -	\$ (770,777)	\$ (5,448)	\$ (1,005,641)	\$ (286,962)	\$ (61,180)	\$ 86,560	\$ (2,043,448)
Retention Information:									
Freshman Retention									
Actual 2005-06	65.4%	66.9%	80.9%		67.5%	64.8%	82.9%	65.3%	
Actual 2006-07	64.4%	75.8%	81.6%		67.0%	65.9%	83.7%	72.7%	
Increase/(Decrease) 05-06 to 06-07	-1.0%	8.9%	0.7%		-0.5%	1.1%	0.8%	7.4%	
Targeted 2006-07 (Low)									
Targeted 2006-07 (High)									
Actual Rate Compared to High Target	70.0%	74.3%	84.0%		74.0%	72.0%	85.0%	70.0%	
	-5.6%	1.5%	-2.4%		-7.0%	-6.1%	-1.3%	2.7%	
Freshman Cohort Headcount (06-07)	351	277	2,901		1,283	709	3,352	752	
Increase in Students Retained by Improved Retention Rate		25	20		8	8	27	56	
Transfer Retention									
Actual 2005-06	83.8%	88.9%	83.6%		85.0%	84.3%	85.4%	86.8%	
Actual 2006-07	81.9%	87.3%	87.7%		84.8%	88.1%	85.9%	84.3%	
Increase/(Decrease) 05-06 to 06-07	-1.9%	-1.6%	4.1%		-0.2%	3.8%	0.5%	-2.5%	
Transfer Cohort Headcount (06-07)	99	71	301		767	143	460	166	
Increase in Students Retained by Improved Retention Rate			12			5		2	
Incentives:									
Retention Incentives									
Annual Increase (05-06 to 06-07) (\$30K/%)	\$ -	\$ 267,000	\$ 144,000	\$ -	\$ -	\$ 147,000	\$ 39,000	\$ 777,000	\$ 819,000
Above High Target (\$50K/%)		75,000						135,000	210,000
Headcount Increase (05-06 to 06-07) (\$2,750/Student)		88,750	88,000			35,750	79,750	154,000	426,250
Total Retention Incentive		410,750	232,000			182,750	118,750	511,000	1,455,250
Enrollment above Budgeted Amount (\$1K/FTE)		67,000	232,000			182,750	79,000	590,000	263,000
Total Incentives		477,750	232,000			182,750	118,750	590,000	1,718,250
Other Adjustments Due to Change in Enrollment Projections:									
08-09 Enrollment Growth Funding per Budget			1,396,579	58,201	1,521,077	13,423	(13,308)	7,589	2,883,561
08-09 Enrollment Growth Funding per June 08 Projection				82,731	1,794,199	84,642		367,539	2,459,094
Change			(1,396,579)	24,530	273,122	51,219	13,308	359,949	(484,517)
Total Settle-up, Incentives and Enrollment Changes	220,818	563,866	(1,935,356)	19,082	(732,519)	(52,993)	70,878	1,036,509	(809,715)
Adjusted Targeted Programs Based on Updated Enrollments for 2007-09									
Small School Support Adjustment	11,829	(53,410)		(5,592)		(52,305)		(251,636)	(351,144)
Engineering Technology Undergraduate Program		(121,021)							(121,021)
Engineering Graduate Program			36,751		(156,758)				(160,007)
Enrollment Driven Targeted Program Adjustments			36,751	(5,592)	(156,758)	(52,305)		(251,636)	(632,172)
Total Adjustments	\$ 232,647	\$ 389,435	\$ (1,898,605)	\$ 13,490	\$ (929,277)	\$ (105,328)	\$ 70,878	\$ 784,873	\$ (1,441,887)
									Enrollment Reserve (423,697)
									Balance Available for Enrollment Reserve/Retention Incentives in 2008-09 \$ (1,865,584)

EOU 2008-09 Budget Projection

Title: EOU 2008-09 Budget Projection
 Audience: Faculty Senate
 By: Finance and Administration
 Date: September, 18 2008

EASTERN OREGON UNIVERSITY
 (in thousands of dollars)
 CONFIDENTIAL DRAFT

	Actual FYE 6/30/2005	Actual FYE 6/30/2006	Actual FYE 6/30/2007	Actual FYE 6/30/2008	Actual FYE 6/30/2008	Enrollment Percent Change	Tuition Percent Change	Projected 6/30/2009
EDUCATION & GENERAL - LIMITED								
REVENUES								
State General Fund	12,427	13,553	14,202	17,033	17,033			17,466
Tuition & Resource Fees, net of Remissions On Campus	12,582	13,512	12,800	12,535	12,535			
Total On Campus					5,423	2.16%	1.90%	5,645 (1.1)
Less Plateau (Tuition Rev * .26--percent of tuition from on campus undergraduate * 4%--expected under graduate on campus SCH over 15 credit hour load)						4.00%		(1,137) 5,532
On Site					1,071	0.59%	0.00%	1,077 (1.1)
On Line					5,724	7.00%	0.00%	6,125 (1.1)
Graduate					1,395	11.39%	1.90%	1,583 (1.1)
Special Student and Resource Fees								717
Total Tuition & Resource Fees					701			15,035
Less Remissions								(1,800)
Tuition & Resource Fees, net of Remissions								13,235
Other	808	1,008	1,106	982	982			1,003
Transfers In	323	137	235	468	468			300
Total Revenues & Transfers In	26,140	28,210	28,343	31,018	31,018			32,004
EXPENDITURES								
Personnel Services								(25,175)
On Line								(2,000)
Total Personnel Services	(20,519)	(24,252)	(24,807)	(24,665)	(24,665)			(27,175)
Supplies & Services								(5,200)
Capital Outlay	(4,563)	(4,479)	(4,095)	(4,061)	(4,061)			(540)
One-Time Spending Authority	(482)	(485)	(490)	(463)	(463)			(383)
Transfers Out								(53)
OUS RAM Settle-Up	(68)	(58)	(118)	(27)	(27)			(67)
Total Expenditures & Transfers Out	(25,632)	(29,274)	(29,510)	(29,216)	(29,216)			1,000
Net from Operations and Transfers	508	(1,064)	(1,167)	1,802	1,802			(32,418)
Fund Additions/Deductions	(577)	0	0	0	0			(414)
Change in Fund Balance	(69)	(1,064)	(1,167)	1,802	1,802			0
Natural Savings								(414)
Beginning Fund Balance	3,552	3,483	1,759	592	592			2,394
Ending Fund Balance	3,483	2,419	592	2,394	2,394			1,980
% Operating Revenues	13.3%	8.6%	2.1%	7.7%	7.7%			6.2%
Adjustment for summer DDE								
Ending Fund Balance, adjusted		(660)						
% Operating Revenues		1.759						
		6.20%						

Notes and Assumptions

(1) Projected enrollment % based on the projected SCH report, prepared by Enrollment Management and Institutional Research