

Finance and Facilities Committee

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Board of Trustees
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Adoption of 2015-16 Budget

- Guiding principal was to develop a realistic budget
- The FY2015-16 budget developed in three phases



Adoption of 2015-16 Budget

Start with PY budget

3.0% overall enrollment growth

Creation of strategic investment pool



Adoption of 2015-16 Budget

- **All Funds Operating Budget includes revenues and expenditures in five fund types:**
 1. **Educational & General (E&G)**
 2. **Designated Operations**
 3. **Service Departments**
 4. **Auxiliary Enterprises**
 5. **Restricted Funds**





Adoption of 2015-16 Budget

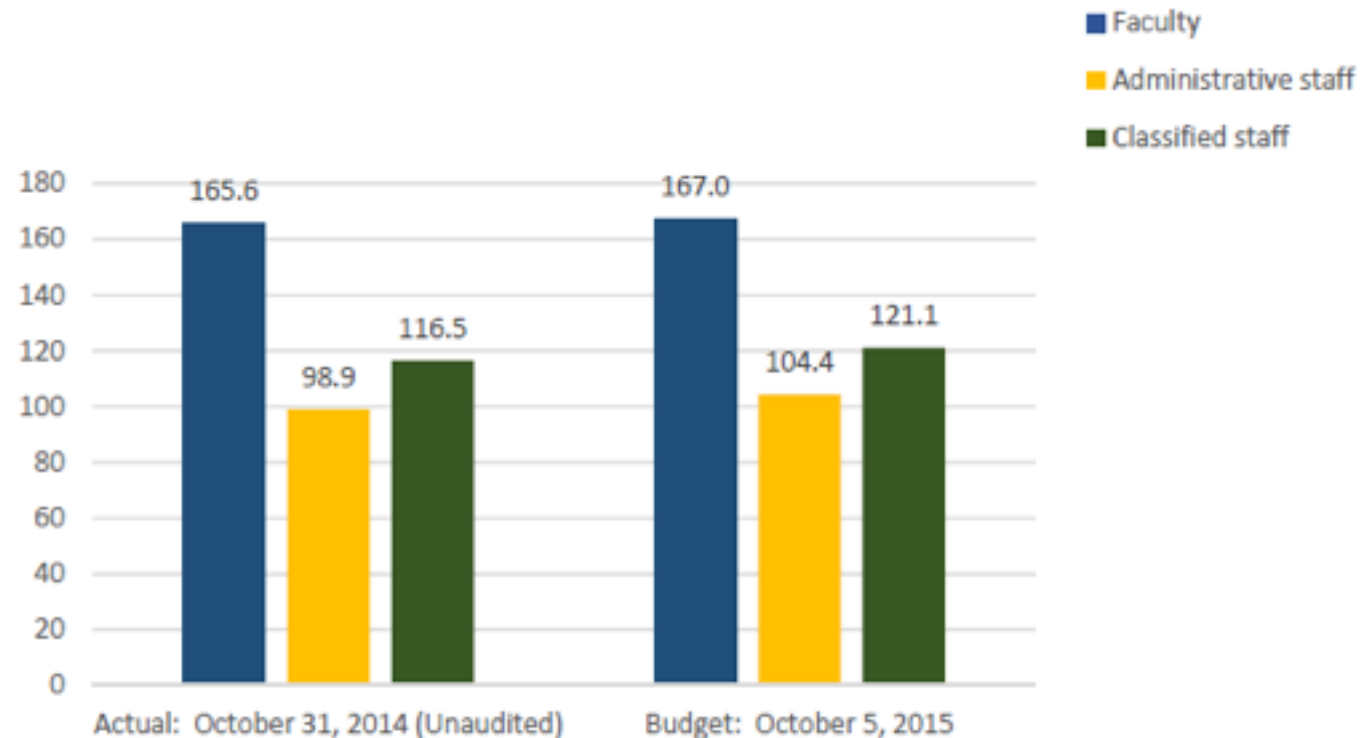
- University All Funds - Operating

Oregon Tech University All Funds - Operating Budget 2015-16						
	E&G	Designated Operations	Service Departments	Auxiliary Enterprises	Restricted Funds	Total All Funds
Revenue						
Tuition and fees, net of remissions	\$ 27,730,869	\$ 25,750	\$ -	\$ 2,959,389	\$ 17,328	\$ 30,733,336
Government resources & allocations	24,955,580			401,824	53,200	25,410,604
Gifts, grants and contracts				39,219	11,820,832	11,860,051
Internal sales			973,134	361,773		1,334,907
Sales and services revenue		27,800		5,866,391	103,296	5,997,487
Interest income	289,216	277		5,250	24,643	319,386
Other revenue	423,612			40,536	815	464,963
Total Revenue	53,399,277	53,827	973,134	9,674,382	12,020,114	76,120,734
Expense						
Salaries and wages	27,272,677	9,564	30,616	2,683,047	1,201,296	31,197,200
Other payroll expenses	12,730,667	1,933	1,107	1,285,714	399,256	14,418,677
Service and supplies	9,676,274	42,053	854,920	6,434,975	935,286	17,943,508
Athletic and Shaw Library support	1,094,611					1,094,611
Capital outlay	829,183			30,000	10,264	869,447
Student aid and student loan related expense				168,173	9,326,222	9,494,395
One-time commitments	1,061,171					1,061,171
Debt service	1,612,362					1,612,362
Depreciation			65,056	896,395		961,451
Total Expense	54,276,945	53,550	951,699	11,498,304	11,872,324	78,652,822
Other Revenue (Expense)						
Sale of Harmony (estimated net proceeds)	3,900,000					3,900,000
Reserve proceeds from sale of Harmony	(3,826,346)					(3,826,346)
Transfers in			30,883	1,078,796	46,797	1,156,476
Transfers out			(33,909)	(117,253)	(16,329)	(167,491)
Total Other Revenue (Expense)	73,654	-	(3,026)	961,543	30,468	1,062,639
Net	\$ (804,014)	\$ 277	\$ 18,409	\$ (862,379)	\$ 178,258	\$ (1,469,449)

Adoption of 2015-16 Budget

- University All Funds - Operating

FY2015-16 Budget:
University All Funds- FTE



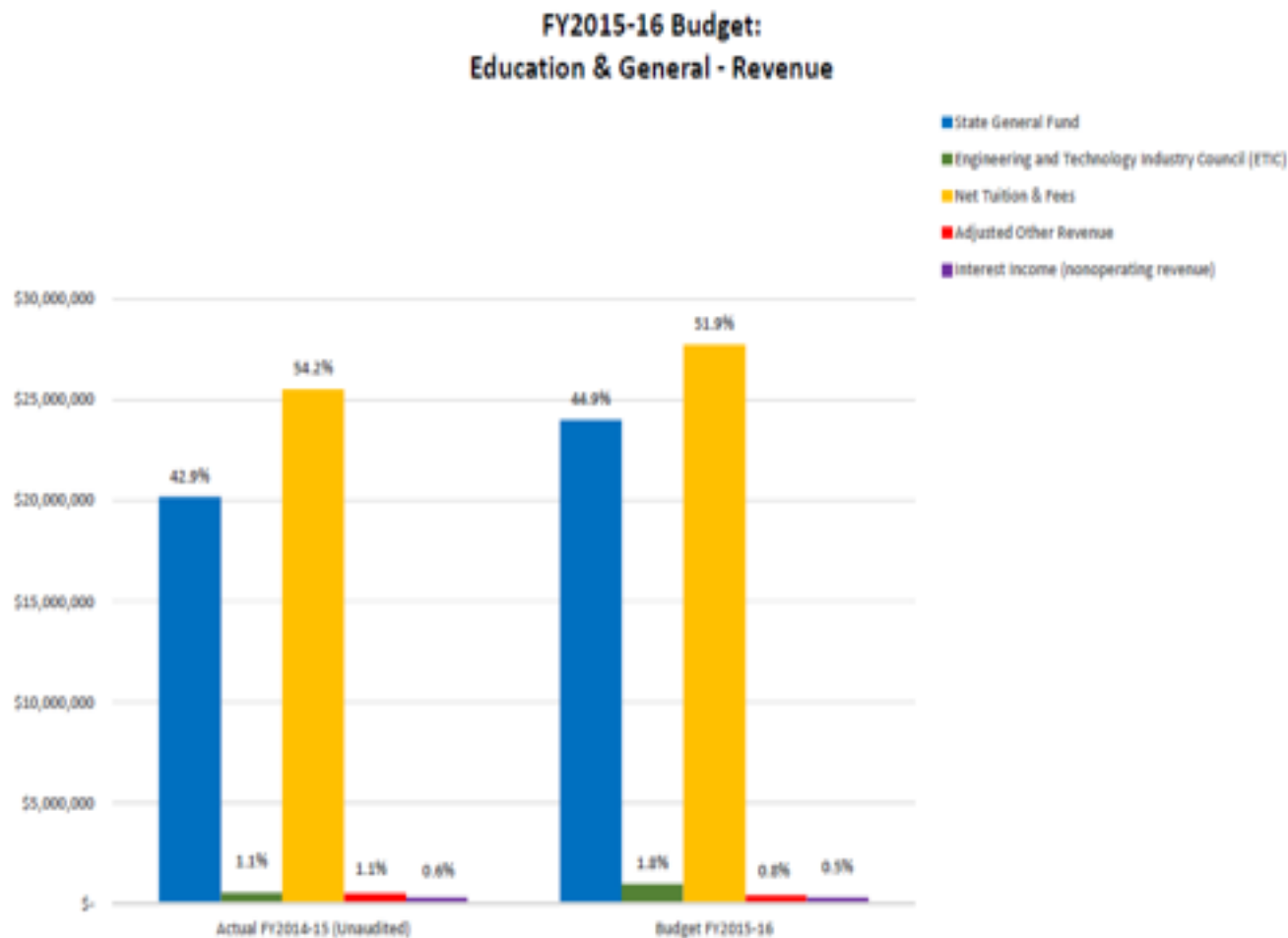
Adoption of 2015-16 Budget

- **Educational & General (E&G)**
 - Oregon Tech's core operations. E&G includes funds from tuition, state appropriations (general funds), and fees



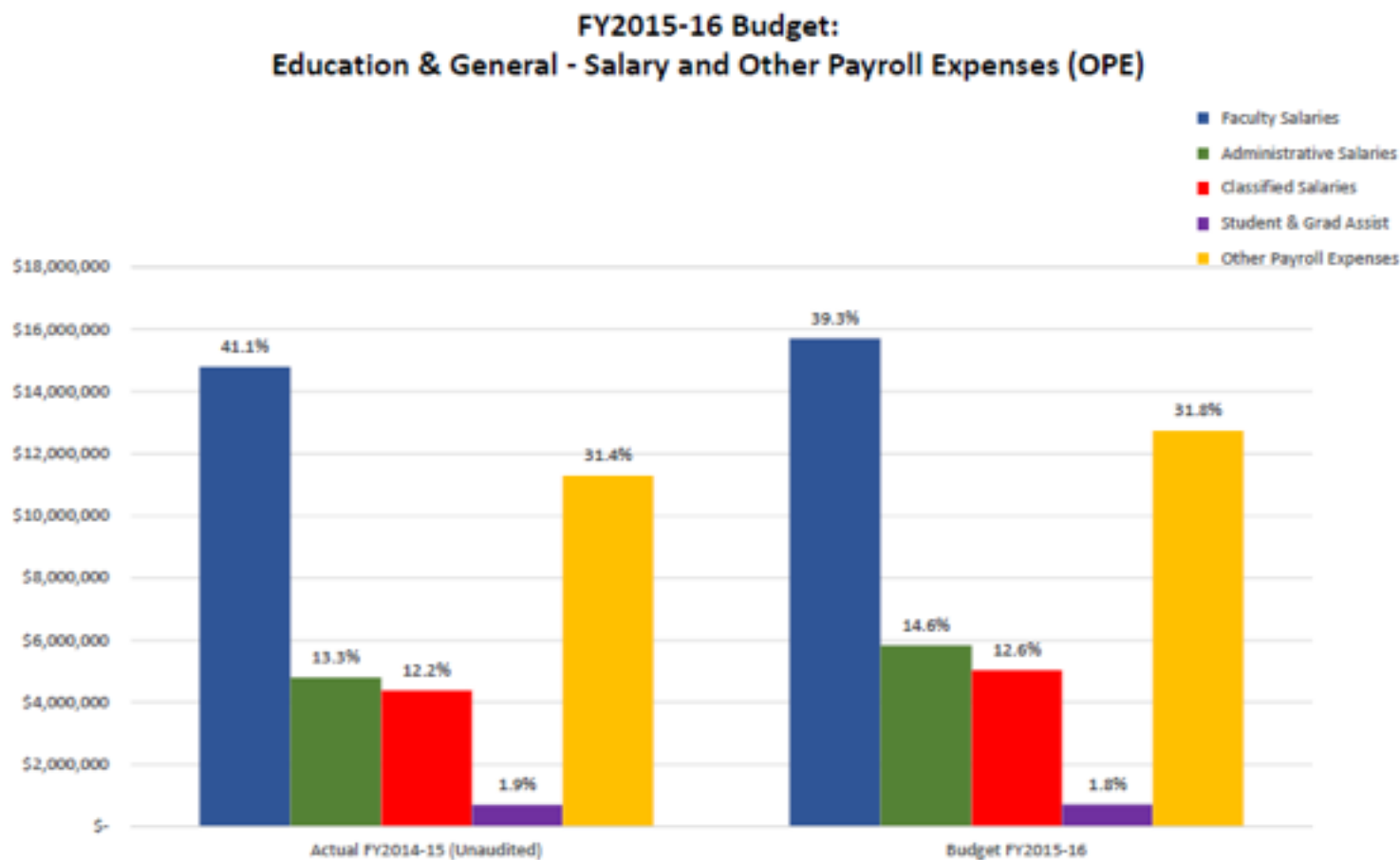
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- E&G



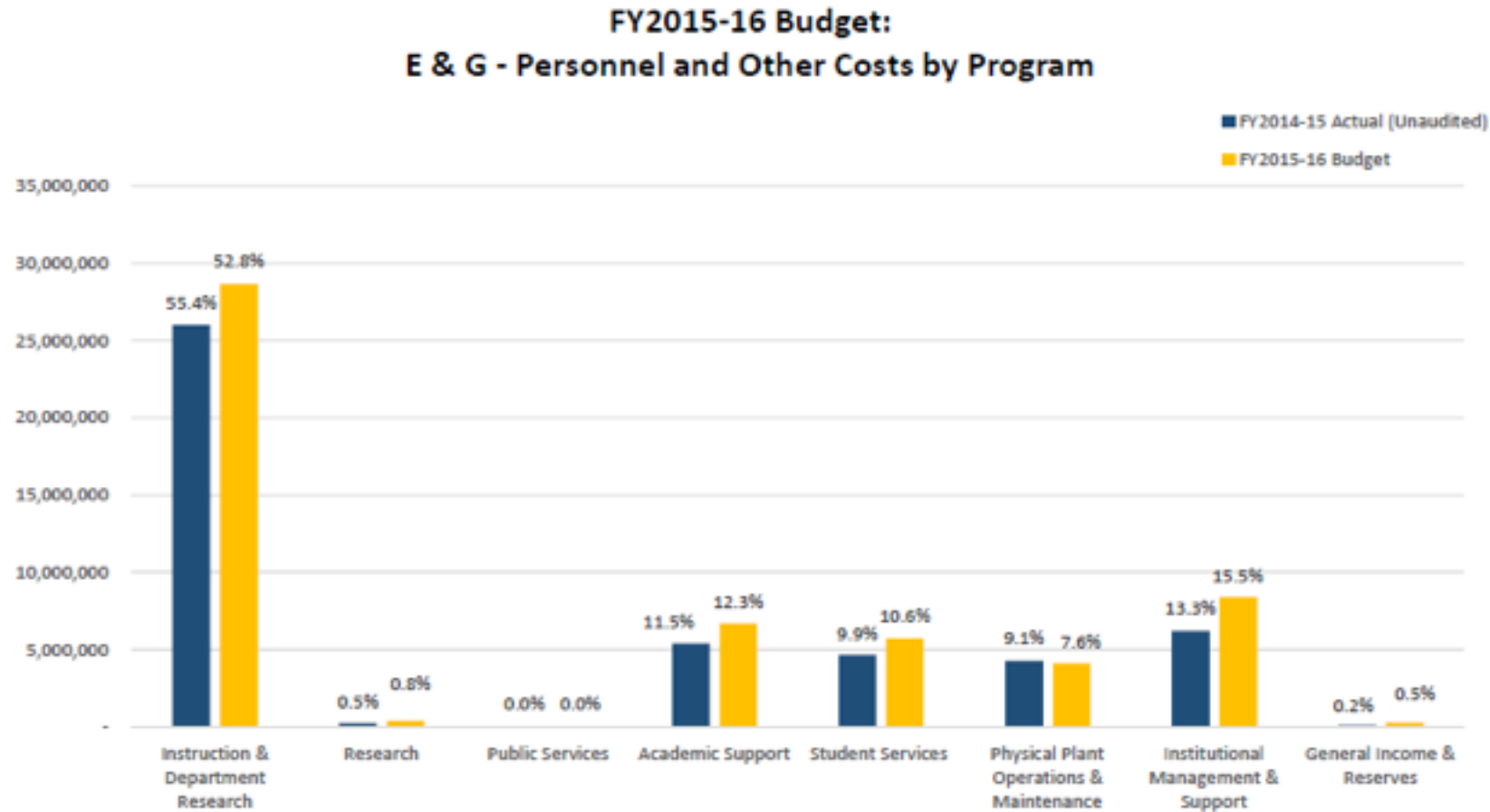
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- E&G



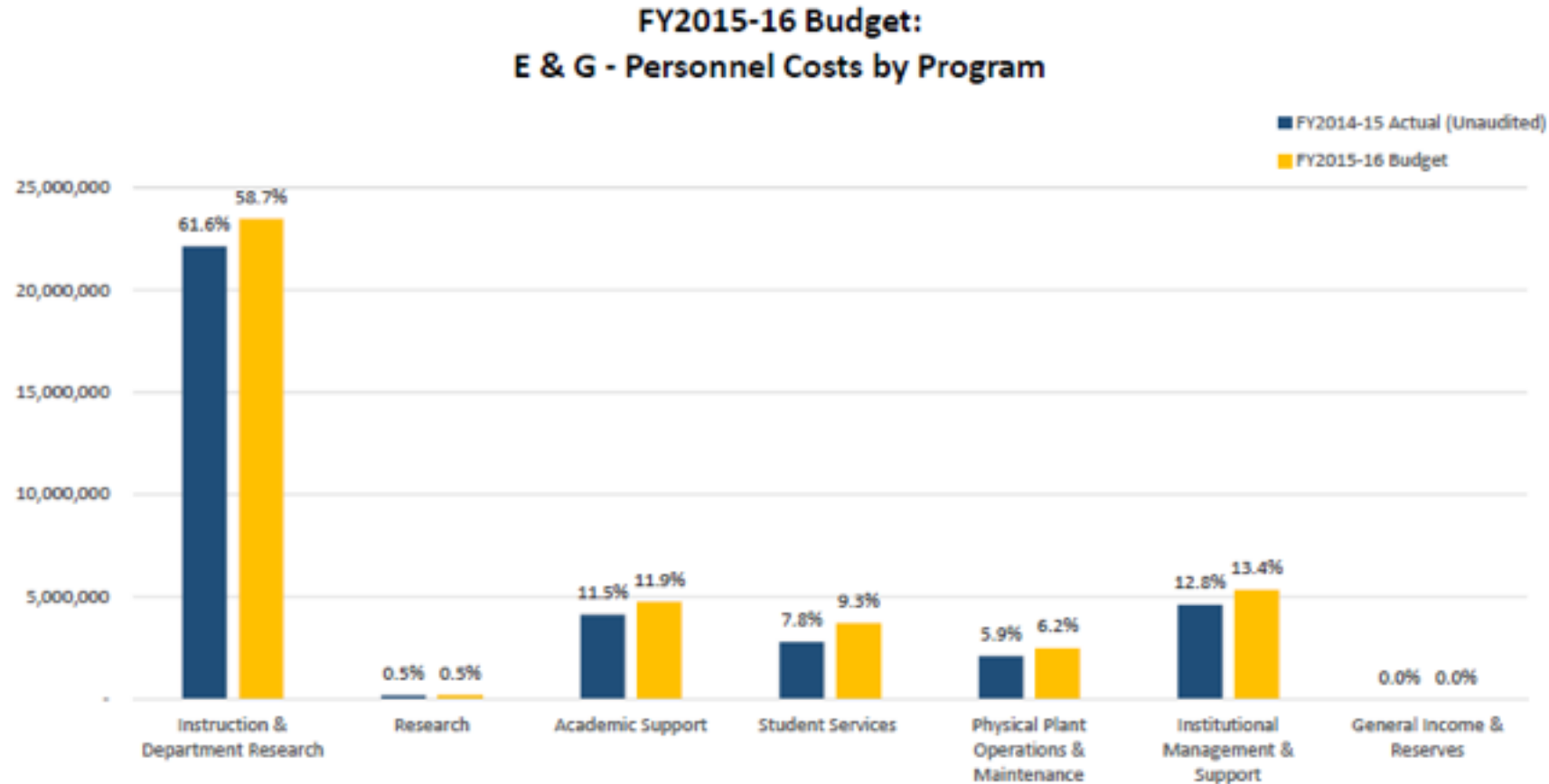
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- E&G



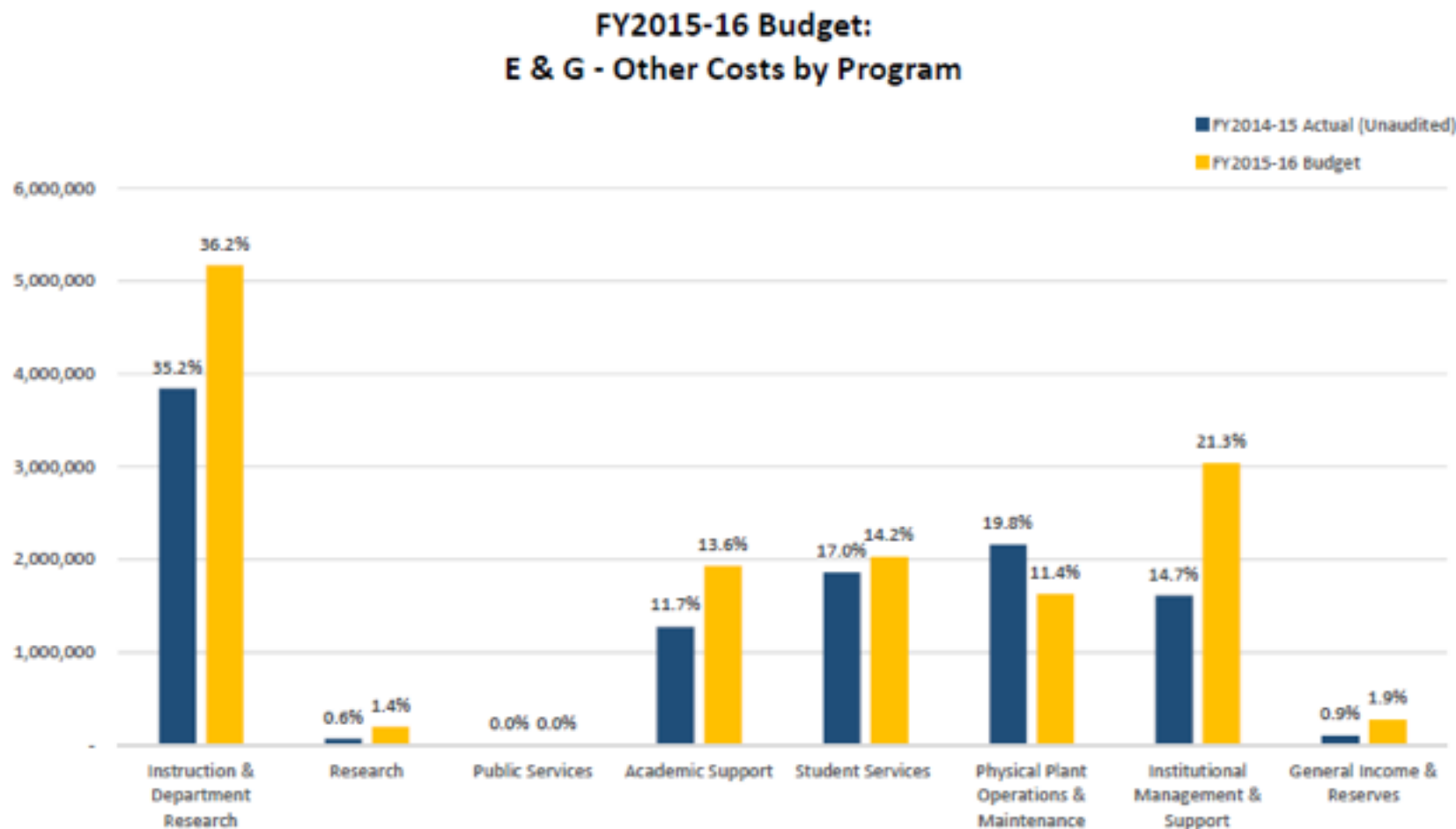
Adoption of 2015-16 Budget

- E&G



Adoption of 2015-16 Budget

- E&G



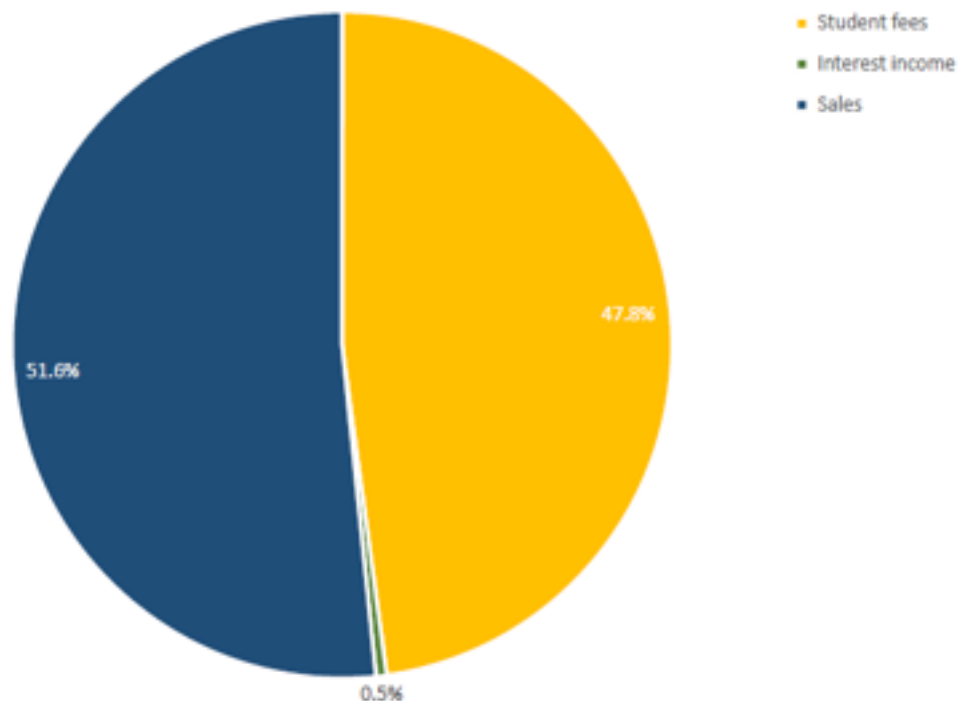
Adoption of 2015-16 Budget

- **Designated Operations**
 - Fees charged for external activities, non-credit programs, workshops, community service programs, conferences and related activities
 - Examples include: camps and clinics
 - Teaching with Spatial Technology, recreation and fitness center courses, youth programs

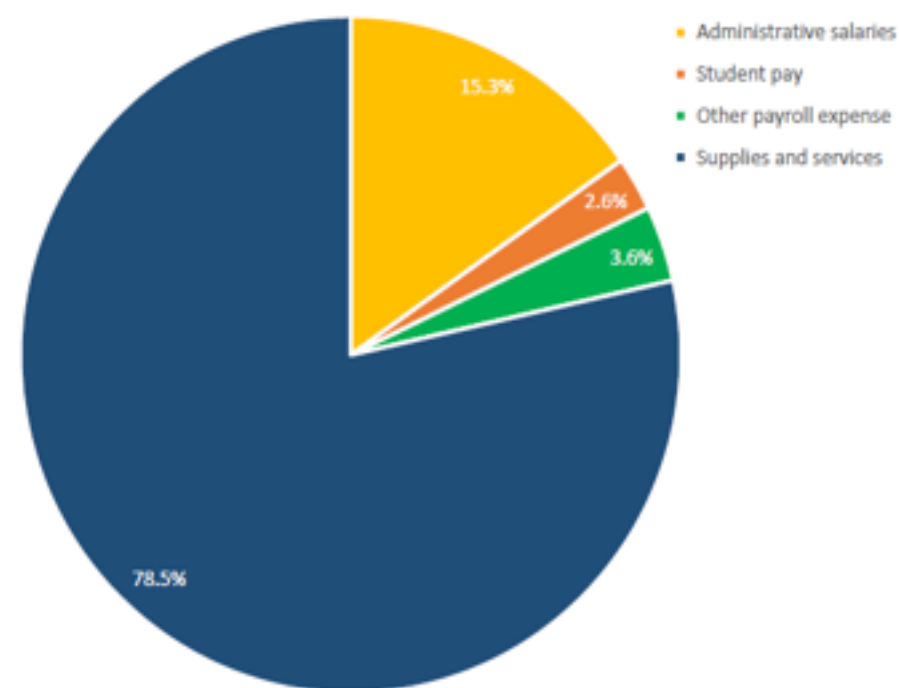


Adoption of 2015-16 Budget

**FY2015-16 Budget:
Designated Operations - Revenue**



**FY2015-16 Budget:
Designated Operations - Expense**



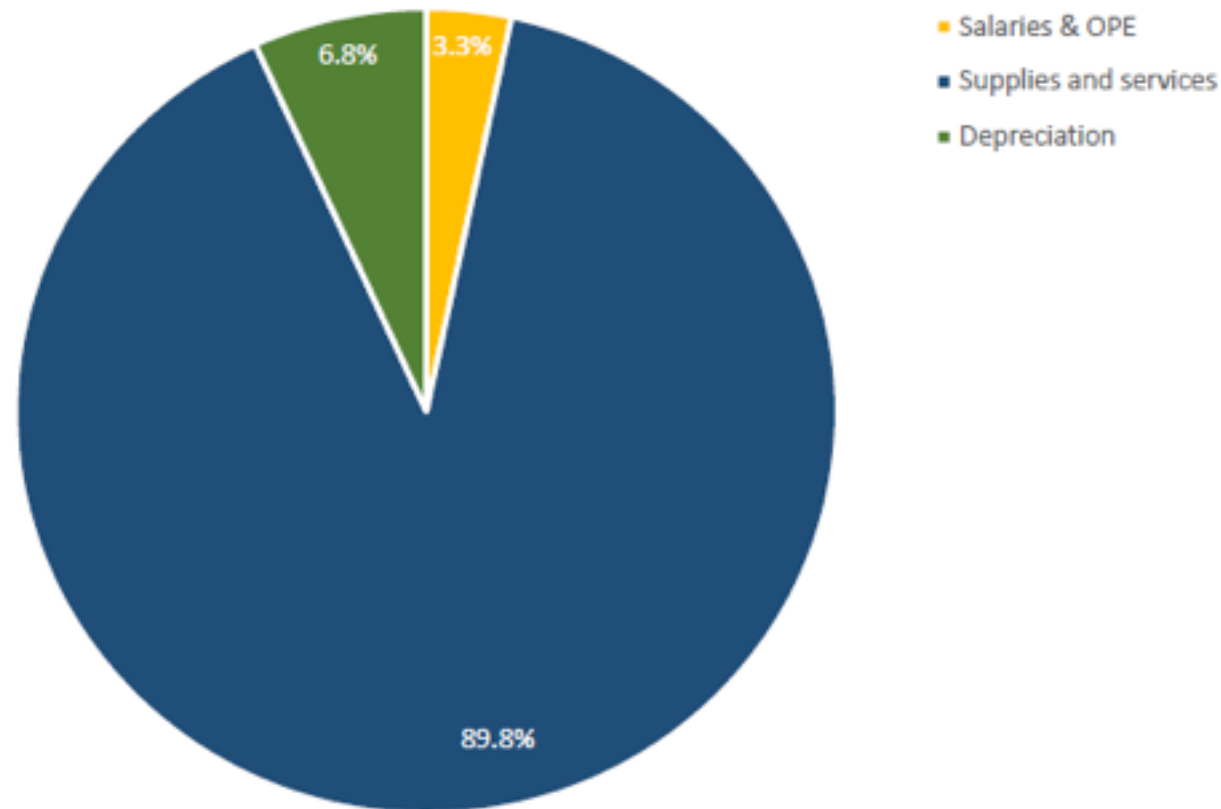
Adoption of 2015-16 Budget

- **Service Departments**
 - Departments that provide a service internal to the university
 - Examples include telecommunications and copying services



Adoption of 2015-16 Budget

FY2015-16 Budget:
Service Department - Expenditures



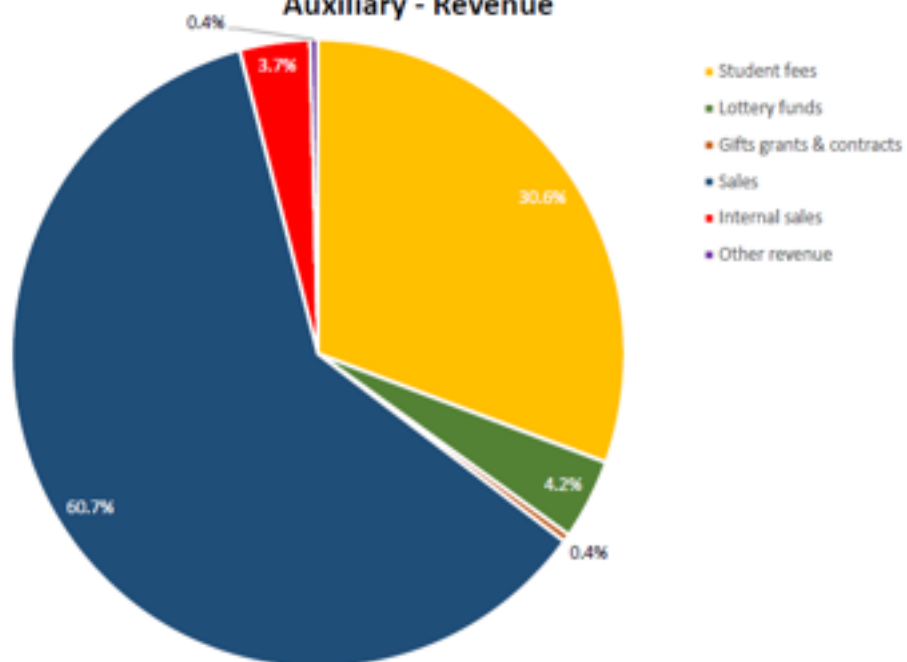
Adoption of 2015-16 Budget

- **Auxiliary Enterprises**
 - University services that generally do not receive state support
 - Examples include Housing, Student Activities, Athletics, Health Services and Parking

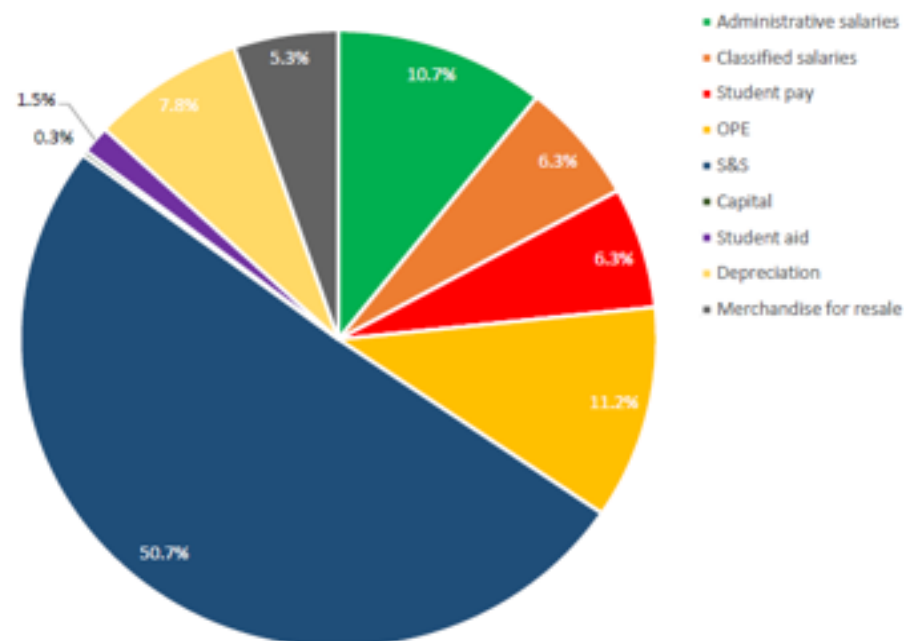


Adoption of 2015-16 Budget

**FY2015-16 Budget:
Auxiliary - Revenue**



**FY2015-16 Budget:
Auxiliary - Expense**



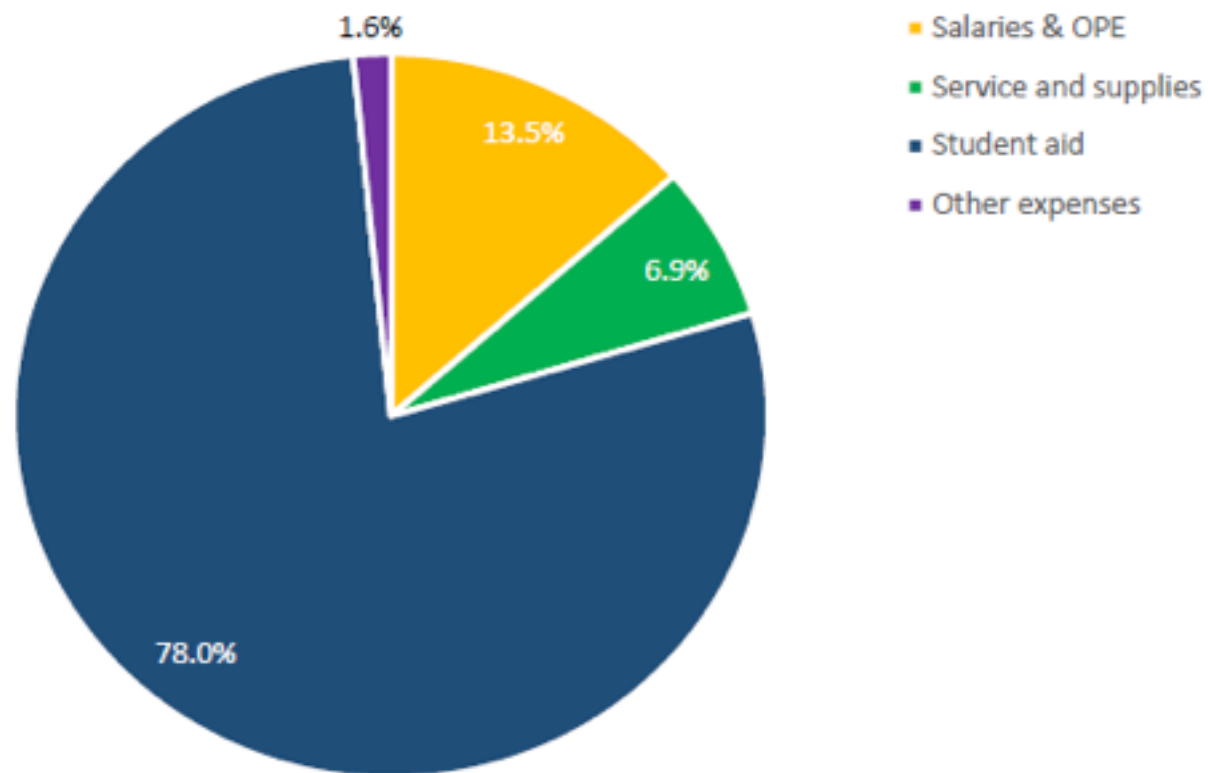
Adoption of 2015-16 Budget

- **Restricted Funds**
 - Funds that can only be used for a designated purpose
 - Examples include gifts, grants, contracts and student financial aid



Adoption of 2015-16 Budget

FY2015-16 Budget:
Restricted Funds - Expenditures



Third Period Management Report

- **Period of March 1 – June 30, 2015**
 - **Education& General**
 - Change in reporting of ETIC Funds
 - Salary savings
 - Delayed capital expenditures
 - Dissolution of Chancellor's Office
 - **E&G and Auxiliary**
 - Change in timing of debt service payment(s) to bond agent
 - Change in procedures related to debt payments



One-time Funding Philosophy - Update

- **Resource for non-recurring strategic and capital investments**
- **Restrictions, or lack thereof, generally associated with one-time monies**
- **Non-recurring funds & on-going expenditures**



One-time Funding Philosophy - Update

- **Four distinct categories,**
 1. **Generate increased revenue**
 2. **Generate recurring cost savings for both financial and human capital**
 3. **Contribute to the strategic mission of Oregon Tech**
 4. **Address unmet needs**



Facility Master Plan - Update

- **Request for Proposals (RFP) in draft form**
 - Scope of work provided for comment
 - RFP finalized and published upon completion of Academic Plan
 - 60-day timeline
 - Responders to be interviewed by RFP committee





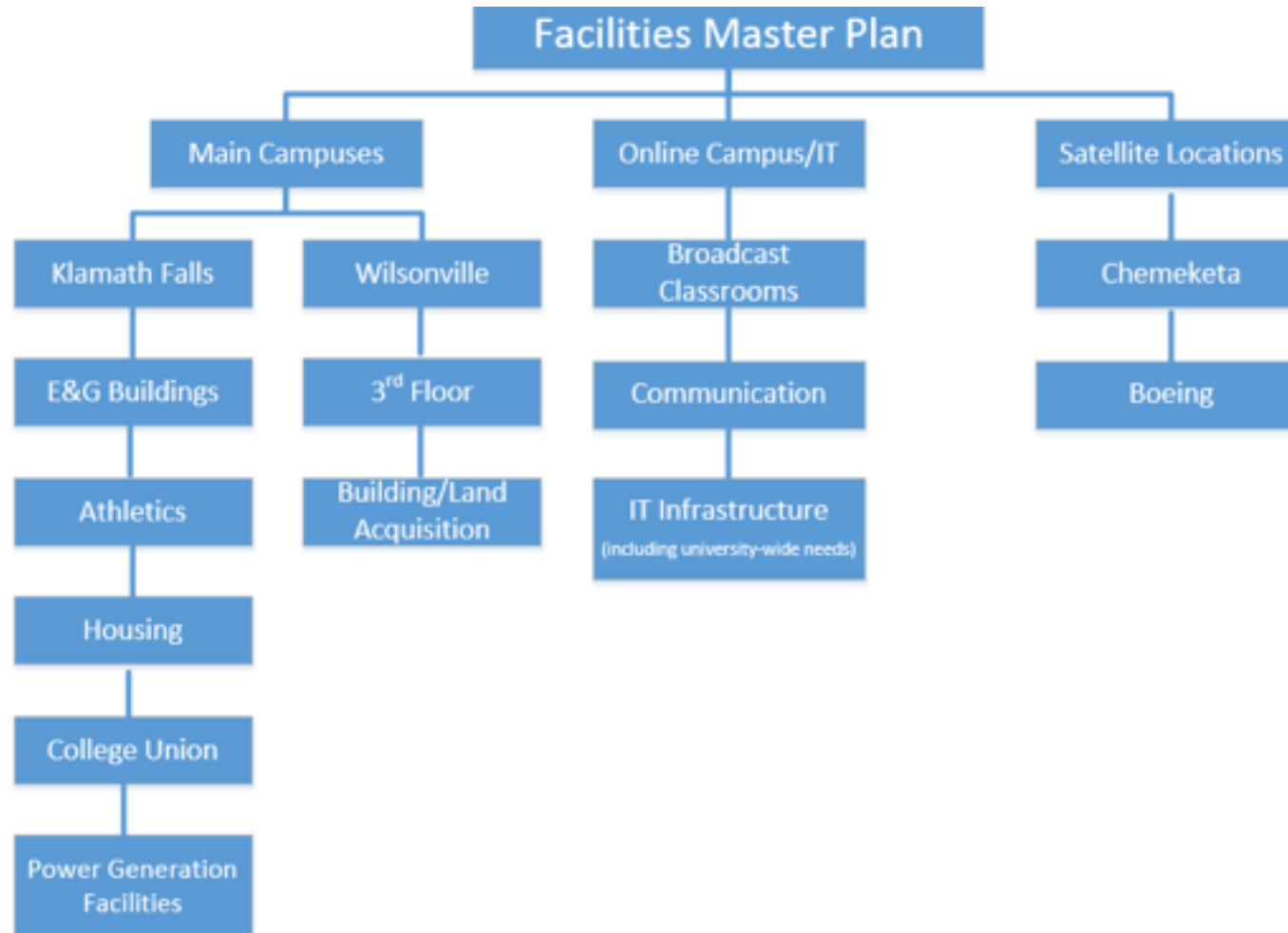
Facility Master Plan - Update

University Forums

- Forums held to represent university locations and activities

Forum and Meeting Groups	Klamath Falls	Wilsonville	Satellite Locations
Administration & Facilities Planning commission	2	2	1
Faculty and Students	1	1	1
E & G Facilities	1		
Athletics and Recreation	1		
Housing and College Union	1		
Facilities and Power Generation	1		
IT/Online Campus & Satellite Sites	2	1	1
Neighborhood and Community groups	1	1	
City/County planning groups	1	1	
Open Forum Presentation of Draft Master Plan	1	1	
Open Forum Presentation of Revised Master Plan	1	1	
Presentation of Final Master Plan to University	1	1	

Facility Master Plan - Update



Institutional Risk Assessment Process – Update

- **Risk Assessment**

- Identification and analysis of relevant risks (e.g. operational, financial, and compliance)
- After risks have been identified they must be evaluated using a formal/informal process which includes:
 - Estimating the significance of a risk.
 - Assessing the likelihood (or frequency) of the risk occurring.
 - Assess the actions that could be taken to manage risk and their associated costs.
- Is an on-going process.



Institutional Risk Assessment Process – Update

Figure 1 **Evolution of Risk Management**



Institutional Risk Assessment Process – Update

- **Where is Oregon Tech**
 - **Integrated**
 - Analysis of key threats underway
 - Risk identification
 - Establish process for proactively managing operational threats to the university
 - **Traditional approach already addressed; related questions and actions are continually reviewed to ensure actions still meet the needs of the university.**



Institutional Risk Assessment Process – Update

Internal Review of ITS

- Formal/informal process
 - Development of standardized for department use and campus dialogue
- Estimating the significance of a risk
 - Identify risk and expected consequence; potential impact measured on scale of 1-5
- Assessing the likelihood (or frequency) of the risk occurring
 - Likelihood measured on scale 1-5
- Assess the actions that could be taken to manage risk and their associated costs
 - Mitigation includes proactive and responsive actions



Institutional Risk Assessment Process – Update

Figure 2

The Role of Internal Audit in ERM

