



October 19, 2022

FY2023 Annual Operating Budget Update

FY2023 All Funds **Approved** Budget June 22, 2022

<i>\$s in millions</i>	FY2022 Current Budget	FY2023 Proposed Budget	\$ Change	% Change
Sources				
General Fund	\$1,657.9	\$1,683.6	\$25.7	1.6%
Revenue Fund	\$102.5	\$108.0	\$5.5	5.3%
Other Funds	\$302.8	\$285.9	(\$16.9)	-5.6%
HEERF Funds	\$242.2	\$41.5	(\$200.7)	-82.9%
Sources Total	\$2,305.5	\$2,119.0	(\$186.5)	-8.1%
Expenses				
Compensation	\$1,353.1	\$1,366.6	\$13.5	1.0%
Operating costs	\$998.6	\$763.0	(\$235.6)	-23.6%
Expenses Total	\$2,351.7	\$2,129.6	(\$222.1)	-9.4%
Budget gap	(\$46.2)	(\$10.6)		
HEERF transfer in	\$86.8	\$22.0		
Budget balance	\$40.6	\$11.4		

*Numbers may not add due to rounding.



FY2023 General Fund Operating **Approved** Budget

June 22, 2022

<i>\$s in millions</i>	FY 2022 Current Budget	FY 2023 Proposed Budget	\$ Change	% Change
Revenue/Sources				
State appropriation	\$792.0	\$789.5	(\$2.5)	-0.3%
Tuition	\$707.1	\$712.7	\$5.6	0.8%
Other revenues	\$140.1	\$131.2	(\$9.2)	-6.5%
Programmed fund balance	\$18.4	\$50.2	\$31.8	172.7%
Total budgeted	\$1,657.9	\$1,683.6	\$25.7	1.6%
Expenses/Uses				
Compensation	\$1,249.9	\$1,267.1	\$17.2	2.6%
Operating costs	\$454.1	\$435.3	(\$18.8)	-4.1%
Total budgeted	\$1,704.0	\$1,702.4	(\$1.6)	-0.1%
Budget gap	(\$46.1)	(\$18.8)		
HEERF transfer in	\$74.9	\$21.7		
Budget balance	\$28.7	\$2.9		

3 **Numbers may not add due to rounding.*

System's enrollment outlook for FY2023

FY2023 Compared to FY2022	June 2022 Enrollment Projections	June 2022 Enrollment FYE Projection	October 2022 Enrollment Projections	October 2022 Enrollment Projections
Colleges	-2.2%	63,430	-3.0%	62,763
Universities	-3.0%	42,039	-5.0%	41,160
System	-2.2%	105,469	-3.8%	103,923

FY2023 All Funds Budget **Update** October 19, 2022

<i>\$s in millions</i>	FY2023 Approved Budget	FY2023 Updated Budget	\$ Change	% Change
Revenues/Sources				
General Fund	\$1,683.6	\$1,678.8	(\$4.8)	-0.3%
Revenue Fund	\$108.0	\$106.6	(\$1.4)	-1.3%
Other Funds	\$285.9	\$290.9	\$5.0	1.7%
HEERF Funds	\$41.5	\$38.7	(\$2.8)	-6.8%
Total budgeted	\$2,119.0	\$2,115.0	(\$4.0)	-0.2%
Expenses/Uses				
Compensation	\$1,366.6	\$1,366.6	\$0.0	0.0%
Operating costs	\$763.0	\$763.5	\$0.4	0.1%
Total budgeted	\$2,129.6	\$2,130.0	\$0.4	0.0%
Budget gap	(\$10.6)	(\$15.0)	(\$4.4)	41.5%
HEERF transfer in	\$22.0	\$25.0	\$3.0	13.8%
Budget balance	\$11.4	\$10.0	(\$1.4)	-12.1%

**Numbers may not add due to rounding.*



FY2023 General Fund Operating **Update** Budget

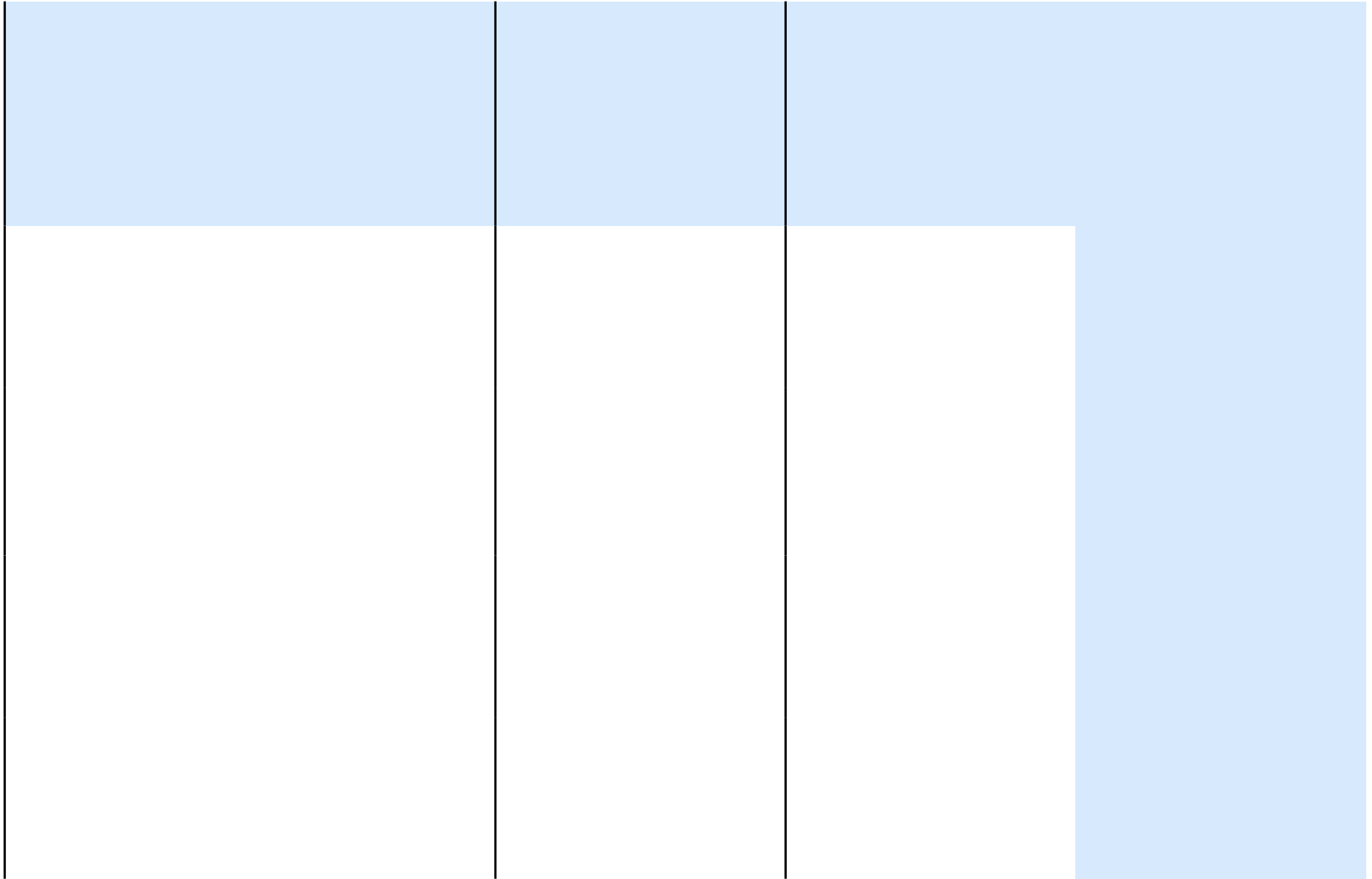
October 19, 2022

<i>\$s in millions</i>	FY 2023 Approved Budget	FY 2023 Updated Budget	\$ Change	% Change
Revenues/Sources				
State appropriation	\$789.5	\$789.5	\$0.0	0.0%
Tuition	\$712.7	\$703.0	(\$9.6)	-1.4%
Other revenues	\$131.2	\$131.1	(\$0.1)	-0.1%
Programmed fund balance	\$50.2	\$55.2	\$5.0	10.0%
Total budgeted	\$1,683.6	\$1,678.8	(\$4.8)	-0.1%
Expenses/Uses				
Compensation	\$1,267.1	\$1,264.8	(\$2.3)	-0.2%
Operating costs	\$435.3	\$436.5	\$1.2	0.3%
Total budgeted	\$1,702.4	\$1,701.3	(\$1.1)	-0.1%
Budget gap	(\$18.8)	(\$22.4)	(\$3.7)	19.5%
HEERF transfer in	\$21.7	\$24.3	\$2.7	12.4%
Budget balance	\$2.9	\$1.9	(\$1.0)	-34.2%

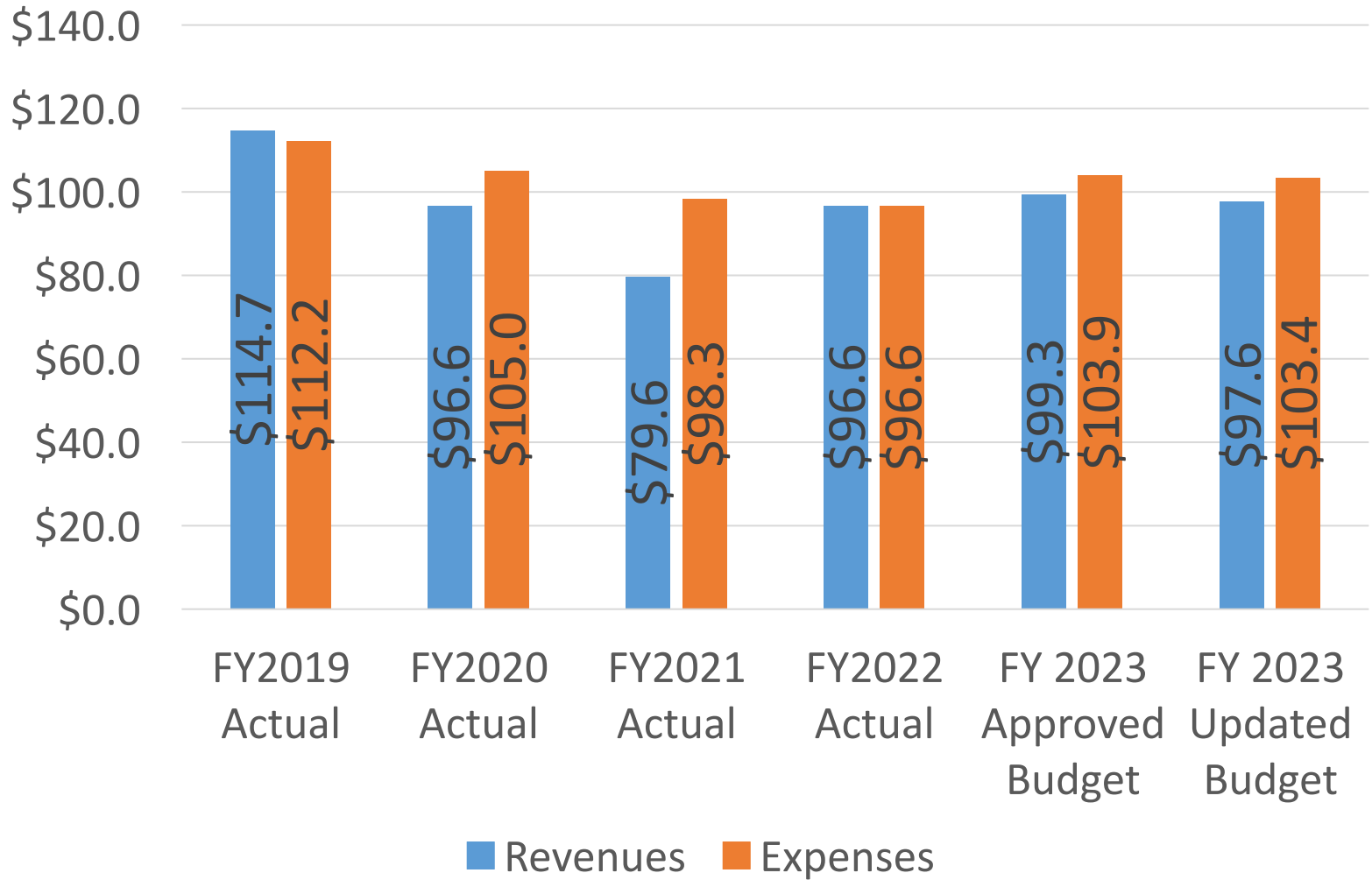
6 *Numbers may not add due to rounding.



Federal HEERF Funding



Revenue Fund Comparison of Revenues and Expenses



Revenue Fund

- Revenue Fund revenues are \$17 million less in FY2023 compared to FY2019
- Colleges and universities rely on one-time fund balance and/or HEERF funding to cover budget gaps
- Residential housing makes up 74% of the Revenue Fund revenues
- Bed utilization declined by 29% between FY2019 and FY2023

Structural Gap – October 2022

	General Fund	Revenue Fund	Other Funds
\$s in millions			
Revenue/Sources	\$1,623.6	\$97.6	\$287.0
Expenses/Uses	\$1,701.3	\$103.4	\$288.4
Budget gap	(\$77.6)	(\$5.7)	(\$1.4)
HEERF Transfer in	\$24.3	\$0.4	\$0.3
Programmed fund balance	\$55.2	\$8.1	\$3.9
Budget balance	\$1.9	\$2.8	\$2.8

**Numbers may not add due to rounding.*

Budget Strategies

- Adjusting course offerings
- Hiring delays and/or eliminating positions due to vacancies
- Board Early Separation Incentive (BESI) program to right-size staffing
- Investing in student success technologies to improve tracking and retention of current students
- New program development or program expansion to meet regional needs

Summary

- Long-term enrollment challenges continue
- HEERF funding no longer available after FY2023
- Stabilizing Revenue Fund operations

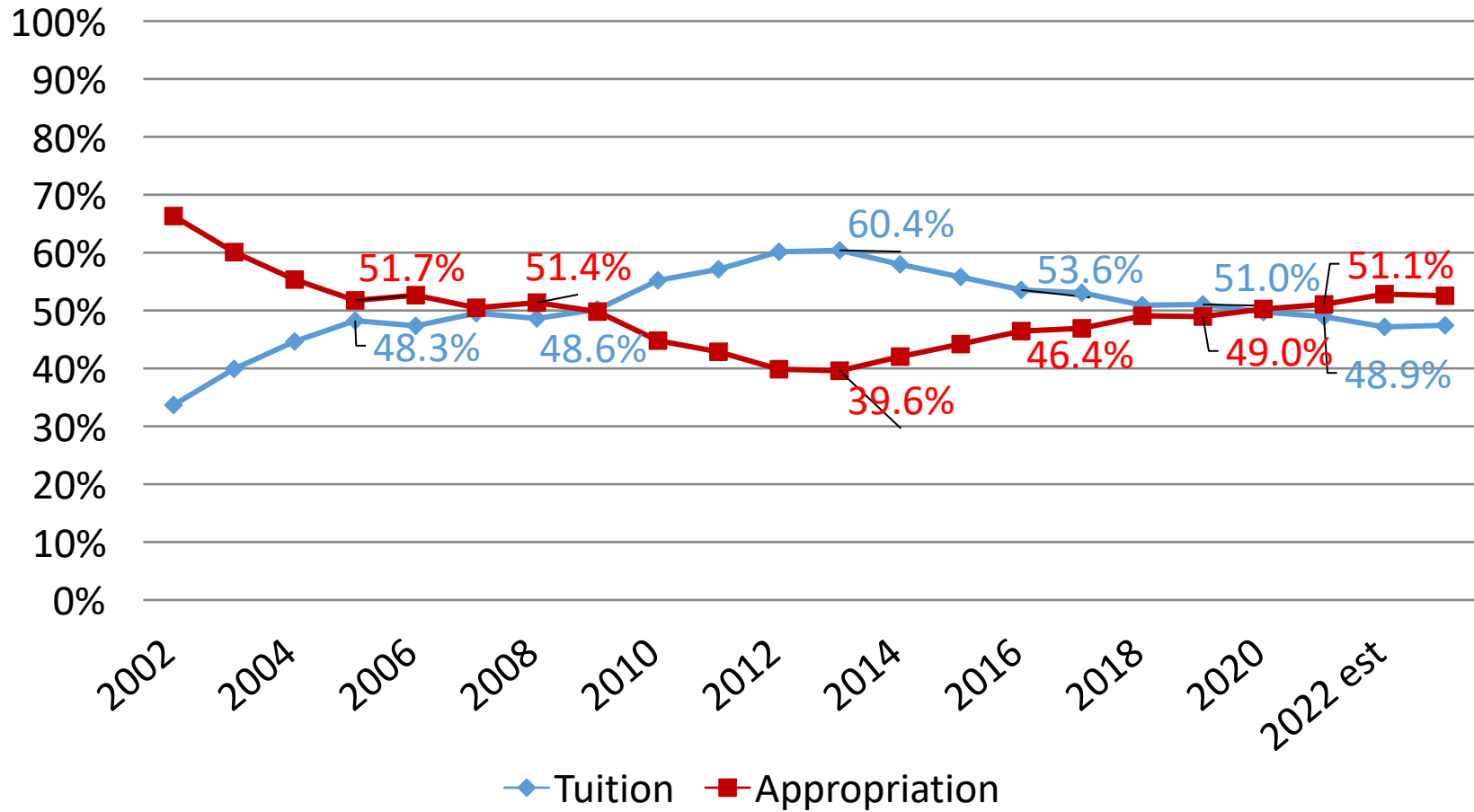


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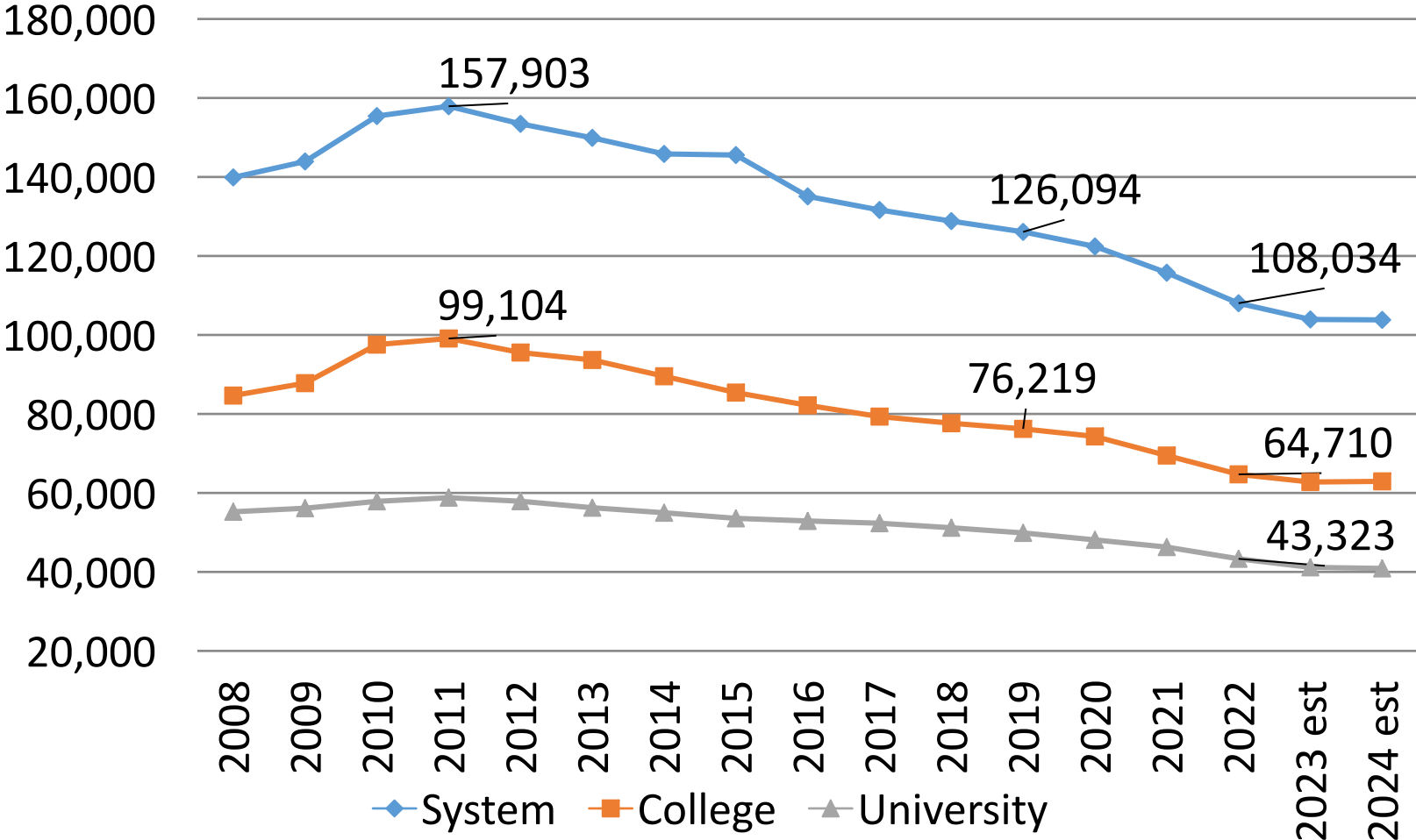
FY2023 Annual Operating Budget Update

Appropriation and Tuition

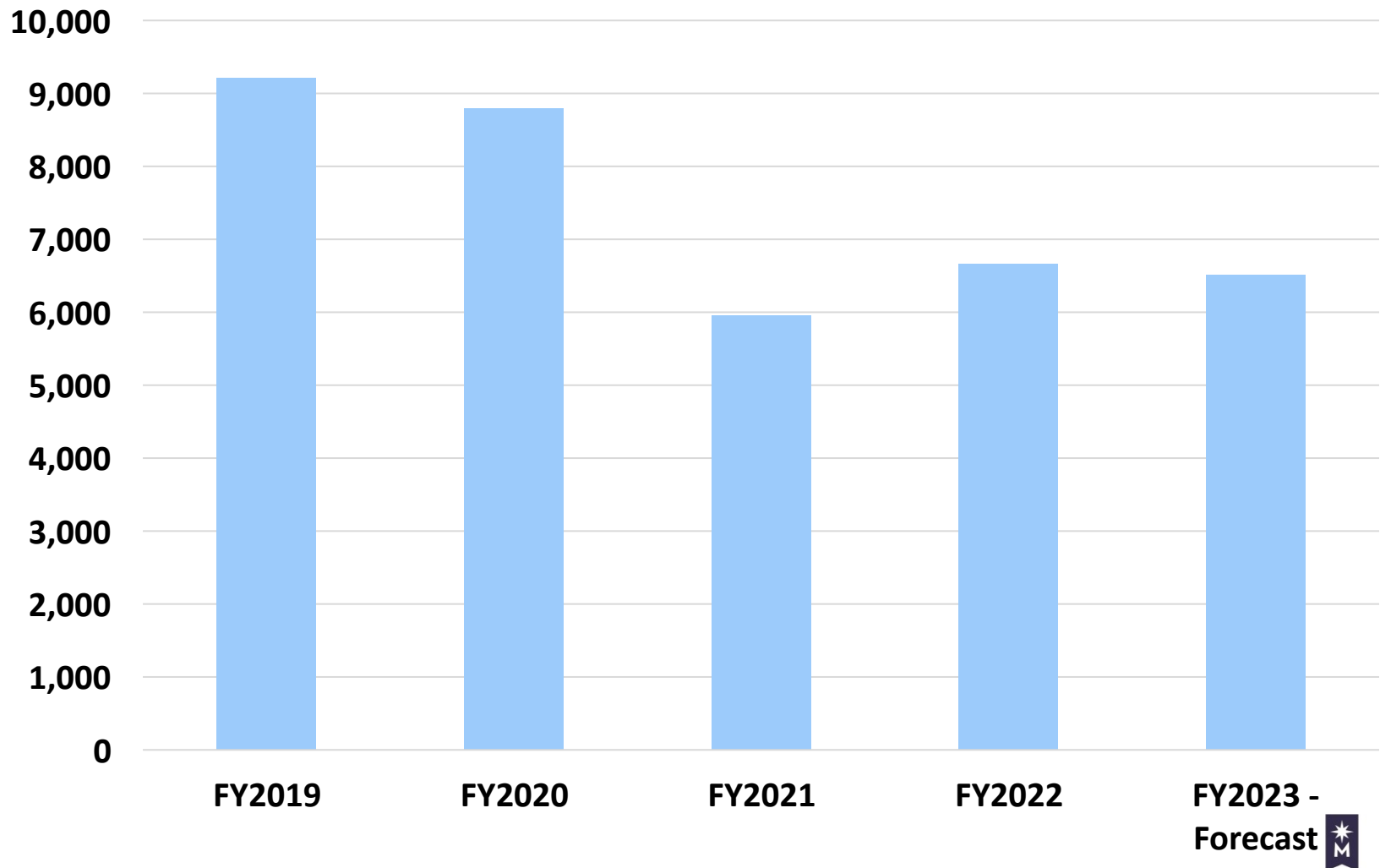
Appropriation and Tuition Relationship



Historical & Projected Enrollment for the System



University Revenue Fund Residential Beds Used



Year-to-date enrollment as of October 10

FY2023 Compared to FY2022	Summer YTD	Fall YTD
Colleges	-7.3%	-1.5%
Universities	-3.8%	-4.9%
System	-5.7%	-2.8%