



October 17 , 2023

Fiscal Year 2024 Operating Budget Update

FY2024 Operating Budget Update

- Overall, the FY2024 operating budget update includes modest revenue and expense increases
- Enrollment beginning to stabilize, although continues to be a challenge for some
 - Most colleges are anticipating improving enrollment between FY2023 and FY2024
 - Three State Universities projecting enrollment loss between FY2023 and FY2024 and four projecting modest increases or remain flat
- \$50 million in one-time funding assisting colleges and universities with structural deficits from pandemic-related enrollment loss and also being invested to improve student success
- 26 colleges and universities projecting balanced budgets or budget surpluses and 7 projecting deficits

System's Enrollment FY2019-FY2025

Full Year Equivalent	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024 Est	FY2025 Est
Colleges	76,219	74,260	69,472	64,710	63,999	64,760	65,314
Universities	49,874	48,223	46,286	43,323	41,498	41,379	42,089
System	126,094	122,483	115,758	108,034	105,497	106,139	107,403

*FY2019-FY2023 Actual; FY2024-FY2025 Projected

System's enrollment outlook for FY2024

FY2024 Est Compared to FY2023 Actual	June 2023 Enrollment Projections	June 2023 Enrollment FYE Projection	October 2023 Enrollment Projections	October 2023 Enrollment Projections
Colleges	-0.6%	63,492	1.2%	64,760
Universities	-1.0%	41,073	-0.3%	41,379
System	-0.7%	104,565	0.6%	106,139

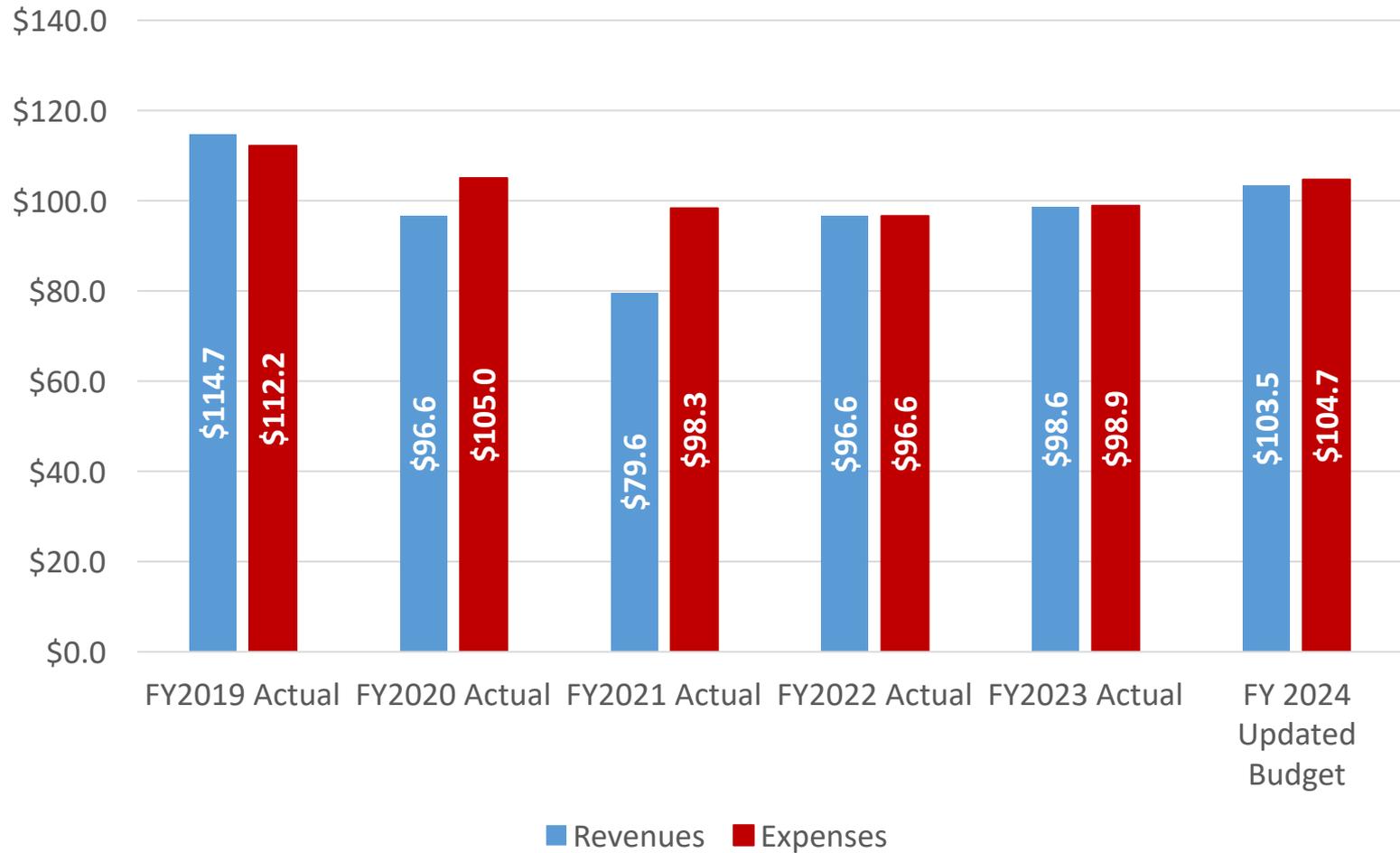
FY2024 All Funds Budget **Update** October 2023

<i>\$s in millions</i>	FY2024 Approved Budget	FY2024 Updated Budget	\$ Change	% Change
Revenues/Sources				
General Fund	\$1,826.2	\$1,836.3	\$10.1	0.6%
Revenue Fund	\$103.2	\$103.5	\$0.3	0.3%
Other Funds	\$329.8	\$333.0	\$3.2	1.0%
HEERF Acts	\$6.6	\$7.1	\$0.5	7.8%
Revenues/Sources Total	\$2,265.8	\$2,280.0	\$14.1	0.6%
Expenses/Uses				
Compensation	\$1,418.9	\$1,419.1	\$0.3	0.0%
Operating costs	\$855.5	\$861.5	\$6.0	0.7%
Expenses/Uses Total	\$2,274.4	\$2,280.6	\$6.3	0.3%
Budget gap	(\$8.6)	(\$0.7)		
HEERF Transfer in	\$0	\$0		
Fund balance to balance budget	\$26.1	\$21.1		
Budget balance	\$17.5	\$20.4		

**Numbers may not add due to rounding.*



Revenue Fund Comparison of Revenues and Expenses



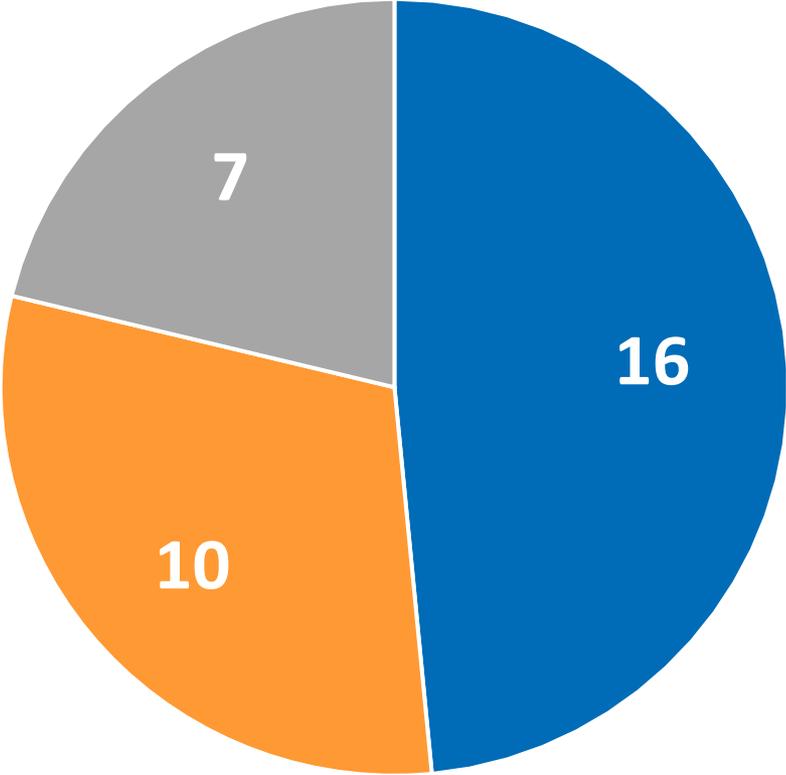
FY2024 General Fund Budget **Update** October 2023

\$s in millions	FY2024 Approved Budget	FY2024 Updated Budget	\$ Change	% Change
Revenues/Sources				
State appropriation	\$948.9	\$948.9	\$0.0	0.0%
Tuition	\$708.1	\$712.2	\$4.1	0.6%
Other revenues	\$144.2	\$146.0	\$1.7	1.2%
Fund balance for 1x investments	\$25.9	\$29.3		
Revenue/Sources Total	\$1,827.1	\$1,836.3	\$9.2	0.5%
Expenses/Uses				
Compensation	\$1,309.7	\$1,309.5	(\$0.2)	0.0%
Operating costs	\$522.1	\$525.2	\$3.0	0.6%
Expenses/Uses Total	\$1,831.8	\$1,834.7	\$2.8	0.2%
Budget gap	(\$4.7)	\$1.7		
HEERF Transfer in	\$0	\$0		
Fund balance to balance budget	\$19.8	\$14.7		
Budget balance	\$15.1	\$16.3		

7 *Numbers may not add due to rounding.



FY2024 College and University General Fund Budget Position



■ Surplus ■ Balanced ■ Deficit

College and University Investments of One-Time Resources

- \$50 million of one-time campus support
 - Over half is being used to address budget deficits.
 - Approximately \$15 million or 30% is being used to support student success, increase student recruitment, and expand high demand academic programs.
- Utilization of FY 2024 \$13.5 million for upgrades to college and university equipment and learning environments and to develop and expand industry sector programming
- College and University planning for FY2025 and beyond in light of one-time funding going away

Budget Update Discussion

- What changes in focus would Trustees like to see to better understand not only the financial condition of the system but also of the colleges and universities?
- What might the system do to better support colleges and universities when they have budget challenges?

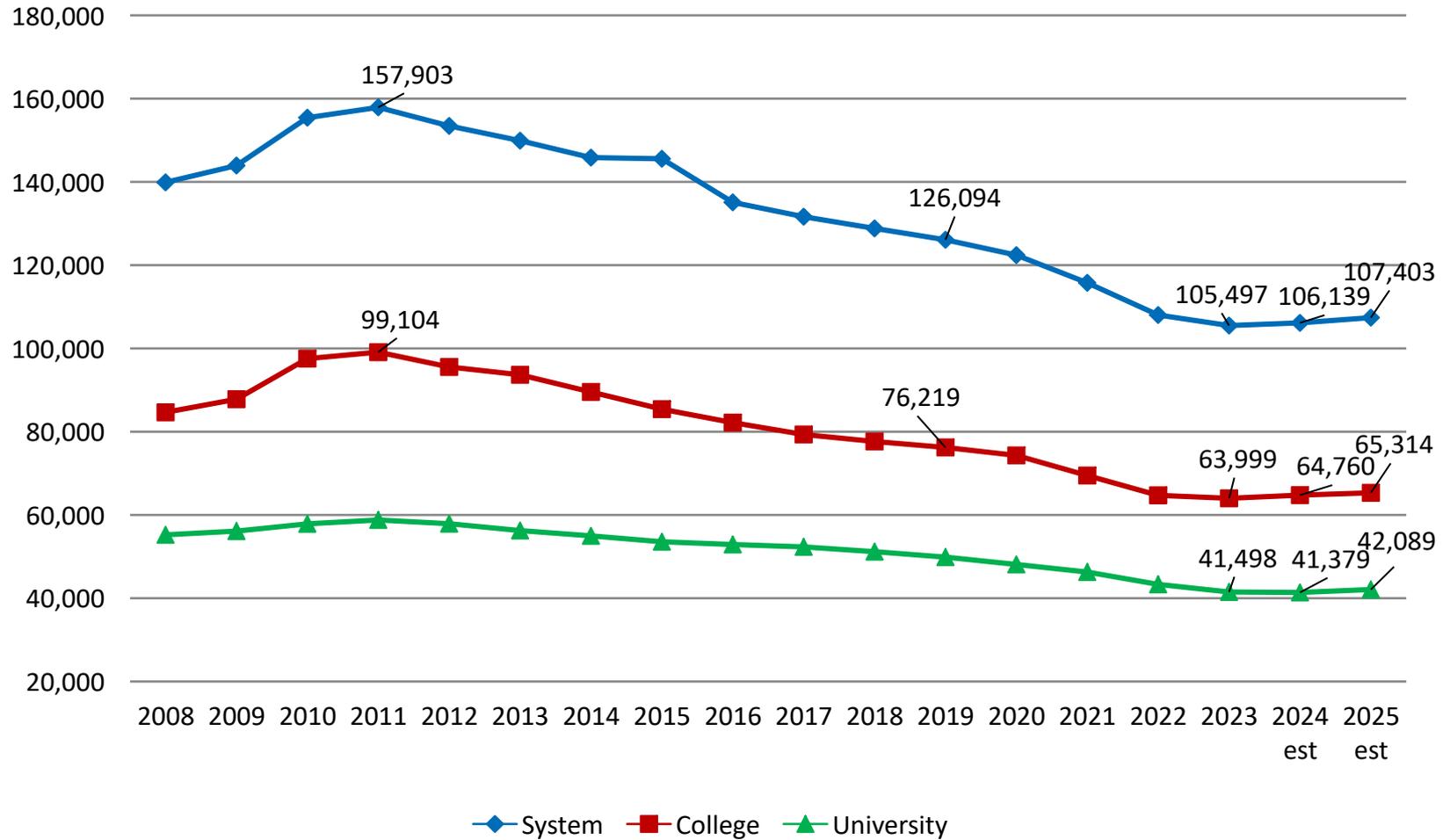
Next Steps

- Fiscal Year 2023 Audited Financial Statements will be presented to the Board in November and January
- Results of the Financial Health Indicators, including newly implemented measures, will be shared with the Board in January 2024
- Legislative session begins February 12th, 2024, with the System's bonding and supplemental budget requests being considered
- Enrollment update presented to the Board in March 2024
- Fiscal Years 2024 - 2025 Operating Budgets presented and approved by the Board May/June 2024

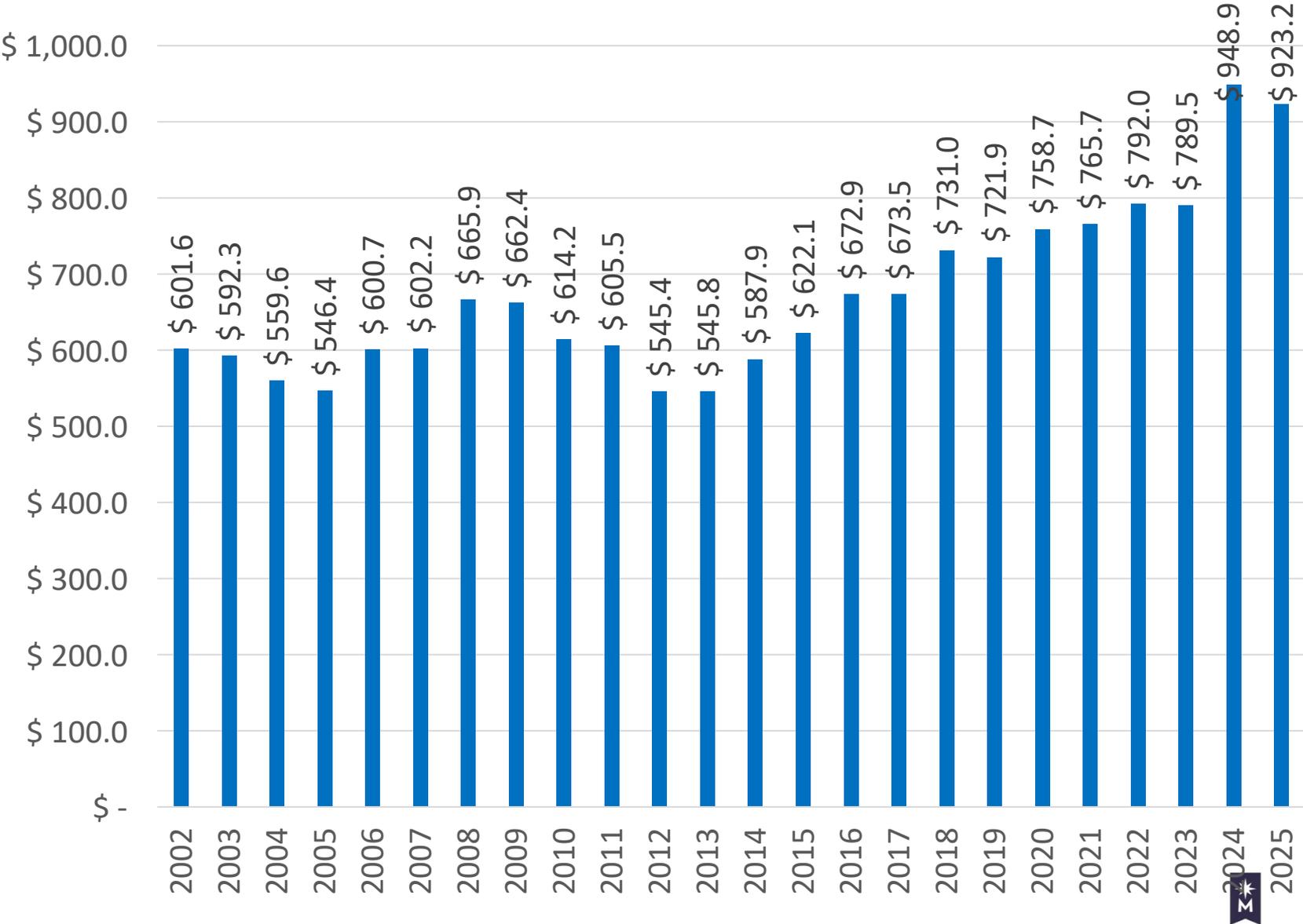
Year-to-date enrollment as of October 9

FY2024 Compared to FY2023	Summer YTD	Fall YTD
Colleges	3.8%	3.1%
Universities	-2.8%	-0.9%
System	0.6%	1.5%

FY2008 – FY2025 Full Year Equivalent (FYE) Enrollment



System Appropriation History (\$ in millions)



FY2024-FY2026 Annual Appropriations

Appropriations in Thousands of Dollars	FY2024	FY2025	FY2026
System Stabilization	\$ 64,000	\$ 64,000	\$ 41,500
One-time Operation Support	\$ 50,000		
Tuition Freeze	\$ 25,000	\$50,000	\$37,500
Student Support, Basic Needs	\$ 3,158	\$ 3,158	\$ 3,158
Z-degrees/Free Materials	\$ 1,000	\$1,000	
Advanced Technology/Facilities	\$ 6,750	\$ 6,750	
Industry Sector Development	\$ 6,750	\$6,750	
IRAP Employer Contributions	\$861	\$ 872	\$ 883
Unemployment Insurance	\$809	\$809	\$809
Menstrual Products	\$482	\$282	\$282
Child Development Pathway	\$475		
Total	\$ 159,285	\$ 133,621	\$ 84,132

FY2024 All Funds Budget – June 2023

<i>\$s in millions</i>	FY2023 Updated Budget	FY2024 Proposed Budget	\$ Change	% Change
Revenues/Sources				
General Fund	\$1,655.0	\$1,826.2	\$171.2	10.3%
Revenue Fund	\$101.0	\$103.2	\$2.2	2.2%
Other Funds	\$309.0	\$329.8	\$28.0	6.7%
HEERF Acts	\$34.6	\$6.6	(\$28.0)	-80.9%
Revenues/Sources Total	\$2,099.6	\$2,265.8	\$166.2	7.9%
Expenses/Uses				
Compensation	\$1,363.4	\$1,418.9	\$55.5	4.1%
Operating costs	\$799.7	\$855.5	\$55.8	7.0%
Expenses/Uses Total	\$2,163.1	\$2,274.4	\$111.2	5.1%
Budget gap	(\$63.5)	(\$8.6)		
HEERF Transfer in	\$23.6	\$0		
Fund balance to balance budget	\$59.7	\$26.1		
Budget balance	\$19.7	\$17.5		

16 *Numbers may not add due to rounding.



FY2024 General Fund Operating Budget – June 2023

\$s in millions	FY2023 Updated Budget	FY2024 Proposed Budget	\$ Change	% Change
Revenues/Sources				
State appropriation	\$789.5	\$948.9	\$159.4	20.2%
Tuition	\$706.3	\$708.1	\$1.8	0.3%
Other revenues	\$143.4	\$144.2	\$0.9	0.6%
Fund balance for 1x investments	\$15.9	\$25.9		
Revenue/Sources Total	\$1,655.0	\$1,827.1	\$172.1	10.4%
Expenses/Uses				
Compensation	\$1,261.7	\$1,309.7	\$48.0	3.8%
Operating costs	\$449.4	\$522.1	\$72.7	16.2%
Expenses/Uses Total	\$1,711.1	\$1,831.8	\$120.7	7.1%
Budget gap	(\$56.1)	(\$4.7)		
HEERF Transfer in	\$22.3	\$0		
Fund balance to balance budget	\$49.2	\$19.8		
Budget balance	\$15.4	\$15.1		

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