



**University Budget Committee**  
**March 27, 2024**  
**3:00 – 5:00 PM**  
**Gilkey Board Room (GXE 103)**

**Attendance:** Paul Lasiter, Stacey Eve, Mary Kreta, Tony Crawford, Nicole Krause, Troy Magnuson, Amanda Dawsey, Jen Geist-Quigley, Jolyn Schleiffarth, Alicia Houghtaling, Eli Caplan, Paul Kirgis, Cindy Johnson, Nicholas Ververis

**Attachments:** Budget Allocation Model

VP Lasiter advised that it was the opening of the budgeting season and that he had begun meeting with sectors about FY24 year-end projections and FY25 budgetary asks.

VP Lasiter advised that while the budget is balanced this year, it is very close. He gave a brief overview of how UM receives its allocation from the State through the Office of the Commissioner of Higher Education. He believes that in next Biennium, we have a chance of receiving an increase appropriate share of the State allocation.

## **1. Revenue/Expense Review**

### **a. Budget Allocation Model**

VP Laster gave an overview of how the budget allocations in the past were done when he arrived on campus (base plus). He then went over the creation of the budget model. The model uses the Net Tuition figure but also takes into account the student credit hour numbers in the colleges' budgets. The current year model estimates a 1.5% increase in student credit hours this coming fiscal year.

VP Kreta advised that the Fall 2020 class are now seniors, and the incoming class will be larger than the Fall 2020 which will create a shift in the headcount on campus. VP Lasiter advised that in light of that, we are budgeting based on a flat enrollment for FY25.

This budget model is only general fund monies. VP Lasiter advised that the general fund consists only of the allocation from the state and net tuition from enrollment. He said that we are estimating a 5.4% increase in Net Tuition, however, the pay plan costs will consume that increase and possibly more. Lasiter went through the revenue estimates and the data behind it on the tabs – specifically looking at the Net Tuition AY tab. These are estimates based on where the current tuition is. Laster then went through Program tuition forecasts – roughly \$8.2 MM. This model is a working document.

Dawsey asked if the Expense-to-Revenue (ER) ratio takes into account the program tuition – Lasiter advised that program tuition is not accounted for in the ER ratio. Lasiter advised that the ER ratios are not updated every year. The model is a starting point, during allocation the Provost's office retains an amount of the total allocation that is

divvied up after the college allocations are given out. The budget model attempts to attribute the revenue coming in to each of the colleges based on weighting methodology and then is adjusted.

Geist-Quigly asked how the ER ratio is calculated. Lasiter advised that the history is on the Historical College Expenses tab. Lasiter advised that the model assumes that all the expenses that should be on the general fund are charged to the general fund. Lasiter went over the ER ratio tab calculation and gave background on how they came to the adopted ER ratio.

Laster went back and advised that the total Net Tuition and Fees have gone up 6% which are going into the general fund. He also advised that the Tuition and Fees per credit hour are continuing to go up. He advised that this is because the revenue per credit hour needs to continue to keep up with the cost of providing each credit hour. Lasiter advised this is coming from a program that give more aid to more people, but that it is the correct amount of aid per student, and not too much or too little to continue enrollment. Lasiter advised the difficulty with this is there is a portion of revenue that is driven by the Board of Regents mandate rather than the ability to set rates by UM. Lasiter also advised that we only bill for the first 12 credit hours, however, OCHE calculates FTE based on 15 credit hours. WUE students are a group of students who pay the least (150% of in-state tuition) while receiving the most benefits.

Lasiter went over the weighted attribution of revenue and how the Committee decided to calculate them – broken into three pieces: Credit hours, Majors, and Research. To find these pieces, prior years' data and estimates from Deans are used to plan for the coming fiscal years. Credit hours are weighed at 70%, Majors are 20%, and Research is 10%.

Lasiter walked through the percentage of estimated FY25 revenue, based on the budget model, coming to about 55.6%. He then explained that the Board of Regent's target for Instructional cost is 50%.

Lasiter walked through a few portions of the administrative units that could create more funds or increased costs (specifically Settlements/Spec. Charges and Administrative fee assessments).