



# Budget Book

## 2022-2023



**OHIO**  
UNIVERSITY

# Table of Contents

1	Executive Summary.....	3
2	Summarized Budgets & Forecasts.....	5
2.1	Budget Explanations .....	5
2.2	FY23 Budget (OHIO Operating Units—Consolidated).....	6
2.3	FY23 Budget (OHIO Operating Units by Unit Type).....	7
3	Revenues.....	8
3.1	State Appropriations.....	8
3.2	Net Tuition, Fees, Room & Board.....	9
3.2.1	Enrollment Trends.....	10
3.2.1.a	Undergraduate FTE.....	10
3.2.1.b	Athens Graduate FTE.....	10
3.2.1.c	Doctor of Osteopathy (HCOM) Headcount.....	11
3.2.2	Athens Undergraduate Tuition & Financial Aid.....	11
3.2.3	Room & Board.....	12
3.3	Grants/Facilities & Administrative Cost Recovery.....	13
3.4	Private Support.....	13
3.5	Internal & External Sales.....	14
3.6	Spending Authorization.....	15
4	Expenses.....	17
4.1	Salaries, Wages, & Other Compensation.....	17
4.1.1	Employee Headcount .....	18
4.2	Benefits.....	20
4.3	Supplies, Services, & Capitalized Costs.....	21
4.4	Internal Loans & Debt Service.....	21
4.5	Expense Allocations.....	21
5	Multi-Year Budget Planning.....	22
6	GAAP Adjusted Budgets.....	27
6.1	GAAP Adjusted Totals—Consolidated.....	27
6.2	GAAP Adjusted Totals—FY23 Budget by Unit Type.....	28
6.3	Non-Operating, Component Unit, and Financial Statement Adjustment Budgets.....	29

The development of the FY23 Budget and FY24-28 Forecasts represents a campus-wide multi-year planning effort with a continued focus of ensuring a sustainable financial future for Ohio University. Under the strong leadership of President Sherman, conversations with the Board of Trustees resulted in a focus on balancing Operating Revenues with Operating Expenses to understand the University's structural position. This focus on Results of Operations differs from the prior approach of reviewing the total projected impact to University reserves, as it eliminates large one-time financial outlays for which the institution has been intentionally accumulating funds. While it is important to be aware of the cashflow and reserve impacts of these large outlays, it is unrealistic and misleading to assume that current-year revenue will support not only current-year base expense assumptions but also fully cover the costs for large one-time expenses for which reserves have already been set aside.

In addition to focusing on Results of Operations, a historical multi-year budget-to-actual variance analysis highlighted capacity for adjustments within the compensation expense budgets. There has been a historical trend at the University to budget for all active and open positions for the entire year, whereas our actual compensation spend has been consistently 4%-5% (\$15-\$20M) under-budget for the past 5 years due to vacancy savings and structural turnover. As such, the University implemented a system-wide mandate that all units adjust their faculty and staff compensation budgets supported by Operating fund sources by adding a 3.0% reduction factor beginning in FY23 to capture the vacancy savings in units' compensation budgets and align the total University compensation budget with historical spending levels.

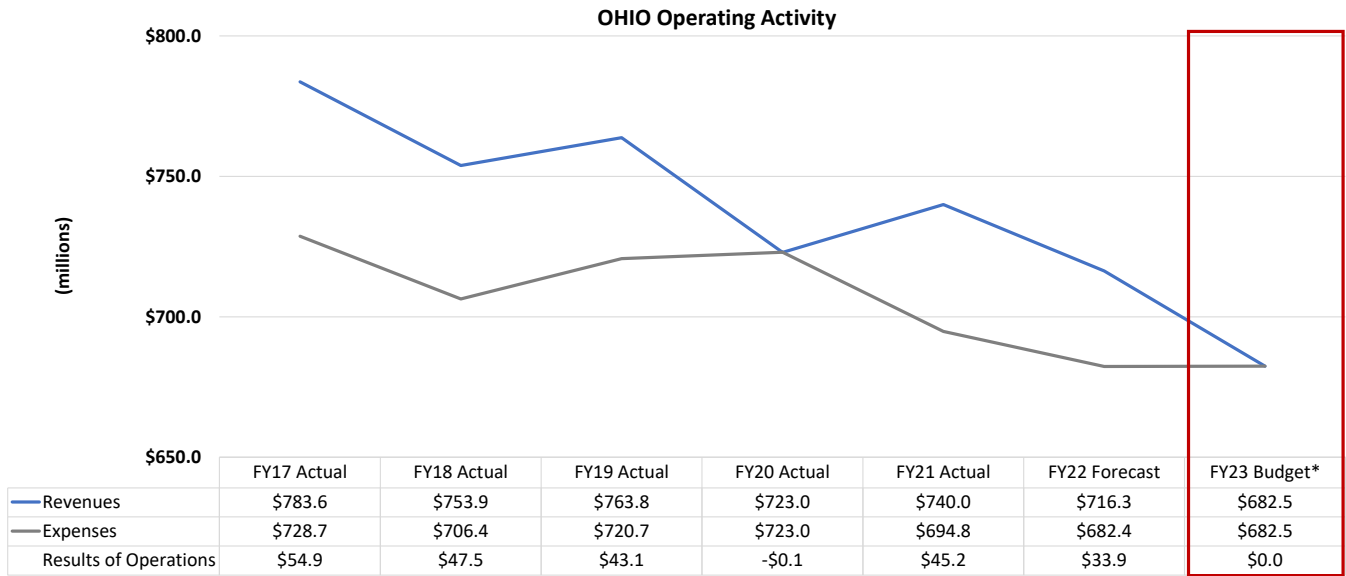
Additionally, the larger Fall 2021 (FY22) Athens incoming cohort will have a positive impact on the multi-year financials as the stronger-than-budgeted cohort progresses through its undergraduate career. Strategic investments in financial aid, student success, enrollment management, and marketing resulted in a budget planning scenario that included Fall 2022 (FY23) incoming cohort enrollment growth on the Athens Campus. While we will not know the final Fall 2022 freshman enrollment figures until mid-September, early indicators suggest we will exceed the FY23 budgeted enrollment.

The final key driver of balancing the FY23 budgeted Results of Operations was the Voluntary Separation or Retirement Program (VSRP) 2022 initiative. While the University will recognize the up-front costs associated with the VSRP in FY22, budgeted compensation expense will decrease by \$4.7M in FY23 and another incremental \$1.2M in FY24 based on employee participation and departure dates.

Our FY23 OHIO Operating Budget includes:

- Operating Revenues of \$682.5M
- Operating Expenses of \$682.5M
- Transfers to Capital Projects of \$20.3M from accumulated fund balances

The results of our FY23 Budget Planning efforts are depicted in the graph below:



\* Excludes COVID FY23 contingency budget of \$1.0M

### Future Financial Planning

As part of the biannual budget process, which occurs in the fall and spring of each fiscal year, planning units submit not only upcoming fiscal-year budgets but also financial projections five years into the future. It is important to note that these future-year forecasts are built based on point-in-time assumptions that will continue to evolve as we gather additional information on key budget drivers. While assumptions will continue to change for the future years, the financial trajectory based on point-in-time assumptions allows the institution to be proactive in determining strategic investments or reacting to potential financial challenges that may arise. Although the formal budget planning cycle occurs twice a year, executive leadership receives continuous updates with out-year projections inclusive of multiple financial scenario impacts to key budget drivers.

Please see Section 5 (Multi-Year Budget Planning) for more information on future year financial planning efforts.

### 2.1 Budget Explanations

The following section contains summarized budget views of revenues and expenses for the OHIO Operating Units. Financials for GAAP Adjusted Totals are presented in Section 6.

**OHIO Operating Units** represent the core units of the institution, separated into the following 4 categories:

- Auxiliary Units (Intercollegiate Athletics, Culinary Services, Housing & Residence Life, and Transportation & Parking Services)
- College of Medicine (Athens, Cleveland, and Dublin Campuses)
- Regional Campuses (Executive Dean, Chillicothe, Eastern, Lancaster, Southern, and Zanesville Campuses)
- Athens Campus (Athens Colleges, Administrative & Academic Support, Central & Reserve Units)

**GAAP Adjusted Totals** include the OHIO Operating Units noted above, and also include the following:

- Non-Operating Units (Endowment, Capital, Century Bond, and Internal Bank)
- Component Units (TechGROWTH Ohio, Muskingum Recreation Center & OUF subsidiaries)
- Financial Statement Adjustments—GAAP adjustments required for external audited financial statements, including GASB 68 pension and GASB 75 health benefit (OPEB) unfunded liabilities; elimination of capital expenditures and addition of depreciation; elimination of bond principal payments; debt premium, discount, and refunding amortizations; and multiple year-end accruals

Given that the OHIO Operating Unit financials represent the core activity of the institution against which forecasts are measured and presented to the Board of Trustees, as well as the fact that Financial Statement Adjustments can result in significant impacts to historical financial trending, unless otherwise noted all figures presented throughout Sections 2—5 of the Budget Book reflect OHIO Operating Units only, therefore excluding Non-Operating Activity, Component Units, and Financial Statement Adjustments. The focus on OHIO Operating Unit activity is consistent with historical budget book presentations. Section 6 contains summarized financials for historical GAAP Adjusted Consolidated totals and the FY23 GAAP Adjusted Total budget.

Additionally, the financials contained within the Budget Book reflect all sources of funds, including unrestricted, designated, gifts & endowment distributions, and externally restricted dollars.

Whereas prior-year budget books contained static views of planning unit budgets, the FY23 planning unit budgets are available on the Budget Book website as a supporting linked Excel file.

Finally, throughout the Budget Book, all numbers are presented in millions, rounded to one decimal, unless otherwise indicated. This rounding may create discrepancies in subtotals.

## 2.2 FY23 Budget (OHIO Operating Units—Consolidated)

		FY19 Actuals	FY20 Actuals	FY21 Actuals	FY22 Forecast	FY23 Operating Budget	FY23 COVID Budget
<b>REVENUES (in millions)</b>							
1	State Appropriations	172.0	176.3	186.9	187.3	180.0	-
2	Gross Undergraduate Tuition & Fees	292.8	277.0	255.0	245.6	249.3	-
3	UG Student Financial Aid	(61.3)	(63.8)	(71.1)	(75.8)	(88.1)	-
4	Net Undergraduate Tuition & Fees	231.5	213.2	183.8	169.8	161.1	-
5	Gross Graduate Tuition & Fees	121.2	125.0	126.9	126.6	126.5	-
6	Graduate Student Financial Aid	(28.0)	(28.5)	(29.2)	(29.5)	(28.7)	-
7	Net Graduate Tuition & Fees	93.2	96.5	97.7	97.1	97.9	-
8	Room & Board	90.9	68.4	25.9	79.8	90.3	-
9	Grants & Contracts	41.3	49.5	91.6	71.0	37.6	-
10	Facilities & Admin Cost Recovery	8.0	7.8	8.8	9.3	8.7	-
11	Endowment Distributions	28.9	29.1	31.4	31.7	33.9	-
12	Contributions	8.8	9.6	9.2	12.3	6.1	-
13	Investment Income	5.6	5.6	12.7	2.8	6.5	-
14	Internal & External Sales	83.5	66.9	92.1	55.2	60.3	-
15	<b>Total Revenues</b>	<b>763.8</b>	<b>723.0</b>	<b>740.0</b>	<b>716.3</b>	<b>682.5</b>	<b>-</b>
16	Spending Authorization	-	-	-	-	-	-
17	<b>Total Revenues &amp; Revenue Allocation</b>	<b>763.8</b>	<b>723.0</b>	<b>740.0</b>	<b>716.3</b>	<b>682.5</b>	<b>-</b>
18	<b>Total Funding Transfers</b>	<b>4.2</b>	<b>1.1</b>	<b>(0.4)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENSES</b>							
19	Total Salaries, Wages, & Other Payroll	356.9	361.0	319.1	328.5	326.2	-
20	Total Benefits	120.1	121.2	113.8	116.4	120.9	-
21	Supplies, Services, & Capital Costs	186.4	168.1	199.6	171.7	178.8	1.0
22	Internal Principal & Interest	53.2	71.6	62.7	65.8	56.5	-
23	External Debt Service - Principal	-	-	-	-	-	-
24	External Debt Service - Interest	-	-	-	-	-	-
25	Depreciation	-	-	-	-	-	-
26	<b>Total Direct Expenses</b>	<b>716.5</b>	<b>721.9</b>	<b>695.2</b>	<b>682.4</b>	<b>682.5</b>	<b>1.0</b>
27	Capital Cost Allocation	-	-	-	-	-	-
28	Contribution Margin	-	-	-	-	-	-
29	<b>Total Expenses &amp; Expense Allocations</b>	<b>716.5</b>	<b>721.9</b>	<b>695.2</b>	<b>682.4</b>	<b>682.5</b>	<b>1.0</b>
30	<b>Results of Operations</b>	<b>43.1</b>	<b>(0.1)</b>	<b>45.2</b>	<b>33.9</b>	<b>-</b>	<b>(1.0)</b>

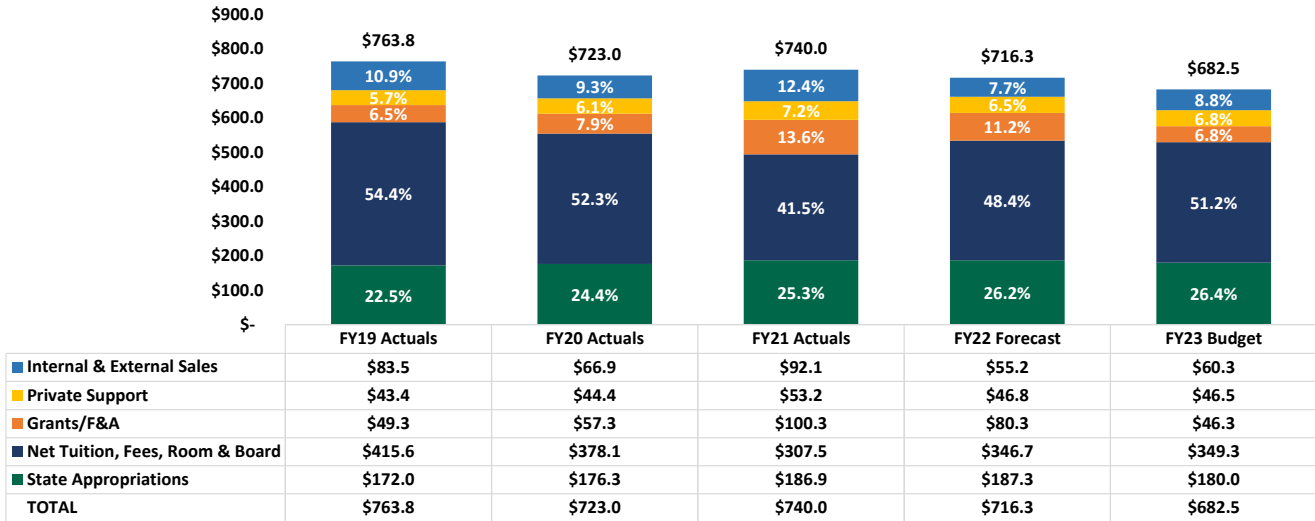
## 2.3 FY23 Budget (OHIO Operating Units by Unit Type)

		Auxiliaries	College of Medicine	Regional Campuses	Athens Campus	FY23 Operating Budget	FY23 COVID Budget
<b>REVENUES (in millions)</b>							
1	State Appropriations	-	26.2	18.8	135.0	180.0	-
2	Gross Undergraduate Tuition & Fees	-	0.1	23.2	226.0	249.3	-
3	UG Student Financial Aid	(22.0)	-	(6.0)	(60.1)	(88.1)	-
4	Net Undergraduate Tuition & Fees	(22.0)	0.1	17.1	165.9	161.1	-
5	Gross Graduate Tuition & Fees	-	50.3	-	76.3	126.5	-
6	Graduate Student Financial Aid	(0.0)	(5.0)	-	(23.7)	(28.7)	-
7	Net Graduate Tuition & Fees	(0.0)	45.3	-	52.6	97.9	-
8	Room & Board	90.3	-	-	-	90.3	-
9	Grants & Contracts	-	2.6	2.6	32.4	37.6	-
10	Facilities & Admin Cost Recovery	-	1.4	-	7.3	8.7	-
11	Endowment Distributions	0.2	1.8	0.9	31.0	33.9	-
12	Contributions	0.5	1.1	0.1	4.4	6.1	-
13	Investment Income	-	-	-	6.5	6.5	-
14	Internal & External Sales	17.2	0.7	0.2	42.3	60.3	-
15	<b>Total Revenues</b>	<b>86.1</b>	<b>79.2</b>	<b>39.7</b>	<b>477.5</b>	<b>682.5</b>	<b>-</b>
16	Spending Authorization	17.9	-	0.5	(18.4)	-	-
17	<b>Total Revenues &amp; Revenue Allocation</b>	<b>104.0</b>	<b>79.2</b>	<b>40.1</b>	<b>459.1</b>	<b>682.5</b>	<b>-</b>
18	<b>Total Funding Transfers</b>	<b>6.1</b>	<b>(1.6)</b>	<b>0.2</b>	<b>(4.7)</b>	<b>-</b>	<b>-</b>
<b>EXPENSES</b>							
19	Total Salaries, Wages, & Other Payroll	27.9	33.2	21.4	243.7	326.2	-
20	Total Benefits	9.6	11.4	8.0	91.9	120.9	-
21	Supplies, Services, & Capital Costs	29.6	15.0	5.7	128.6	178.8	1.0
22	Internal Principal & Interest	11.7	6.6	0.5	37.6	56.5	-
23	External Debt Service - Principal	-	-	-	-	-	-
24	External Debt Service - Interest	-	-	-	-	-	-
25	Depreciation	-	-	-	-	-	-
26	<b>Total Direct Expenses</b>	<b>78.7</b>	<b>66.2</b>	<b>35.7</b>	<b>501.8</b>	<b>682.5</b>	<b>1.0</b>
27	Capital Cost Allocation	1.4	0.7	-	(2.1)	-	-
28	Contribution Margin	9.6	11.8	5.5	(26.9)	-	-
29	<b>Total Expenses &amp; Expense Allocations</b>	<b>89.8</b>	<b>78.8</b>	<b>41.2</b>	<b>472.8</b>	<b>682.5</b>	<b>1.0</b>
30	<b>Results of Operations</b>	<b>8.2</b>	<b>2.1</b>	<b>(1.3)</b>	<b>(9.0)</b>	<b>-</b>	<b>(1.0)</b>

### 3 Revenues

#### Summary of Operating Revenue Sources

**Summary of Revenue Sources**  
(in millions)



**Notes:** (1) FY20 , FY21, and FY22 include COVID-related grant revenue of \$4.2M, \$45.5M, and \$25.6M respectively; (2) FY20 and FY21 include \$4.2M and \$45.5M, respectively, of Internal Sales revenue associated with the accounting treatment used to recognize the COVID-related funds.

These major revenue categories will be explained further in the following subsections.

#### 3.1 State Appropriations

State appropriations represents funding provided by the Ohio Legislature in the biennial Operating Budget Bill. Included in the state appropriations budget are both the State Share of Instruction (SSI) as well as specific higher education program support through line item appropriations. In addition, the University receives State Capital Appropriations to support deferred maintenance initiatives, which is included as part of the Non-Operating Capital budget and therefore not contained in the table below.

(in millions)	FY19 Actuals	FY20 Actuals	FY21 Actuals	FY22 Forecast	FY23 Budget
State Share of Instruction	\$ 166.7	\$ 168.3	\$ 178.5	\$ 179.7	\$ 172.4
Line Item Appropriations	5.3	8.1	8.4	7.6	7.6
<b>Total State Appropriations</b>	<b>\$ 172.0</b>	<b>\$ 176.3</b>	<b>\$ 186.9</b>	<b>\$ 187.3</b>	<b>\$ 180.0</b>
<i>% of University Operating Revenues</i>	23%	24%	25%	26%	26%

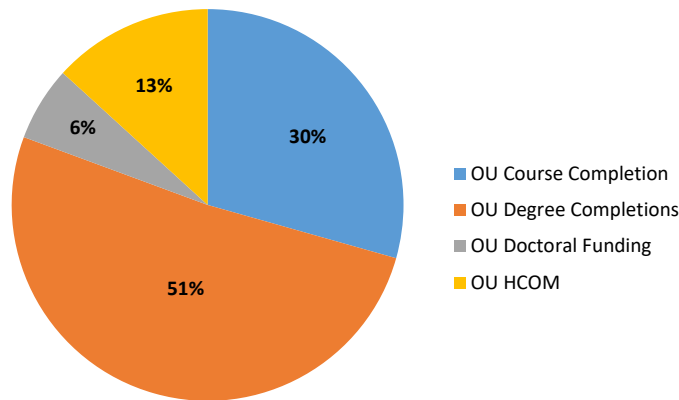
#### State Share of Instruction (SSI)

SSI is an annual, fixed-dollar appropriation from the State of Ohio that subsidizes the cost of education for Ohio resident students. Since FY15, the public university SSI funding formula has been comprised of five components: course completions; degree completions; doctoral funding; Med 1 (Veterinary Medicine and Dentistry); and Med 2 (MD or DO programs). Ohio University does not receive funding for the Med 1 component.



## OHIO's Share of Enrollments, Course Completions, & Degree Completions

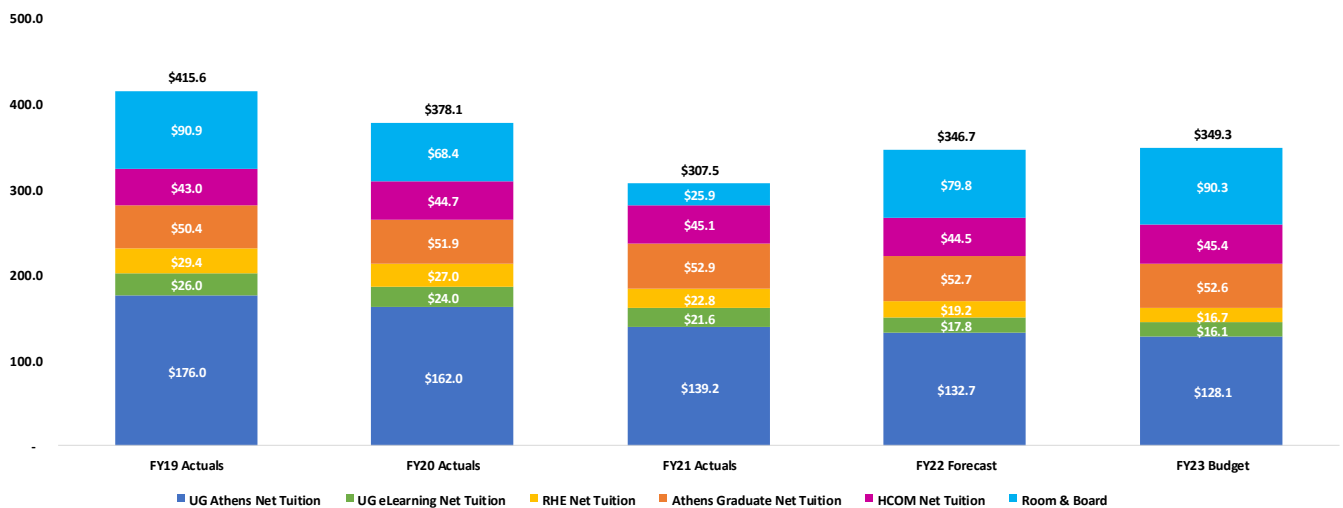
For the four components OHIO receives funding, the FY23 appropriations are comprised of the following:



While the state's SSI funding formula is based on completions, each institution's student enrollments are a key driver in the allocation of state support. Specifically, OHIO's SSI funding is dependent on how student enrollments and completions change annually, as well as how those changes compare within the public university sector. Due to the compounded nature of enrollment trajectories on degree production and the significant time delay for SSI degree completion funding, declines in undergraduate enrollments experienced over the past few years will not start to be realized in our SSI earnings until FY24, with projected annual changes through FY26. Moreover, this year's Athens incoming cohort enrollment increase will not positively impact our SSI allocation until five years after enrollment growth occurs.

### 3.2 Net Tuition, Fees, Room & Board

Net Tuition, Fees, Room & Board is inclusive of Undergraduate (Athens, Regionals, and eLearning); Graduate; College of Medicine; and Room & Board revenues. Tuition and fees include instructional, non-resident, general, technology, course, and program fees, as applicable with institutional financial aid expenditures subtracted. It is important to note the COVID-19 pandemic's impact on FY20 and FY21 actuals, most noticeably the decrease in Room & Board revenue, as the institution refunded pro-rated Spring term Room & Board revenue in FY20 and realized significantly less revenue in FY21 due to limited on-campus student presence.



### 3.2.1 Enrollment Trends

Throughout the Budget Book, FTE is represented as annualized FTE, which is calculated as academic year (Fall—Summer) credit hour production divided by 30. For example, if a student is enrolled for 15 credit hours for both Fall and Spring terms, their FTE is 2, and their Annualized FTE is 1. This FTE presentation should not serve as a replacement for the University Fact Book that is prepared by the Office of Institutional Effectiveness & Analytics using annualized FTEs.

#### 3.2.1.a Undergraduate FTE

Athens - Undergraduate Incoming Cohort (Fall Unduplicated)					
	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Budget
Resident	3,427	3,199	2,682	3,055	3,082
Non-resident	553	472	444	609	629
<b>Total New Freshmen</b>	<b>3,980</b>	<b>3,671</b>	<b>3,126</b>	<b>3,664</b>	<b>3,711</b>
Resident	388	286	288	256	280
Non-resident	57	60	37	53	45
<b>Total Transfers</b>	<b>445</b>	<b>346</b>	<b>325</b>	<b>309</b>	<b>325</b>
<b>Total Incoming Cohort</b>	<b>4,425</b>	<b>4,017</b>	<b>3,451</b>	<b>3,973</b>	<b>4,036</b>

Undergraduate FTE by Campus					
	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Forecast	FY23 Budget
Athens	17,302	16,210	14,552	14,114	14,120
eCampus (Athens & Regionals)	3,556	3,324	2,946	2,343	2,190
Regional Campuses (Total)	5,456	4,992	4,439	3,646	3,427
<b>Total Undergraduate</b>	<b>26,314</b>	<b>24,527</b>	<b>21,937</b>	<b>20,103</b>	<b>19,737</b>

#### 3.2.1.b Athens Graduate FTE

Athens College Graduate FTE					
	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Forecast	FY23 Budget
Arts & Sciences	732	751	774	796	717
Business	651	676	718	675	663
Communication	159	164	168	128	118
Education	613	601	608	503	503
Engineering & Technology	412	339	326	327	358
Fine Arts	240	268	309	314	323
George Voinovich School	110	100	101	91	124
Graduate College	22	43	38	35	35
Health Sciences & Professions	1,031	1,092	1,188	1,240	1,189
International Studies	86	92	66	71	90
Miscellaneous	20	-	-	-	-
<b>Total</b>	<b>4,075</b>	<b>4,127</b>	<b>4,295</b>	<b>4,179</b>	<b>4,120</b>

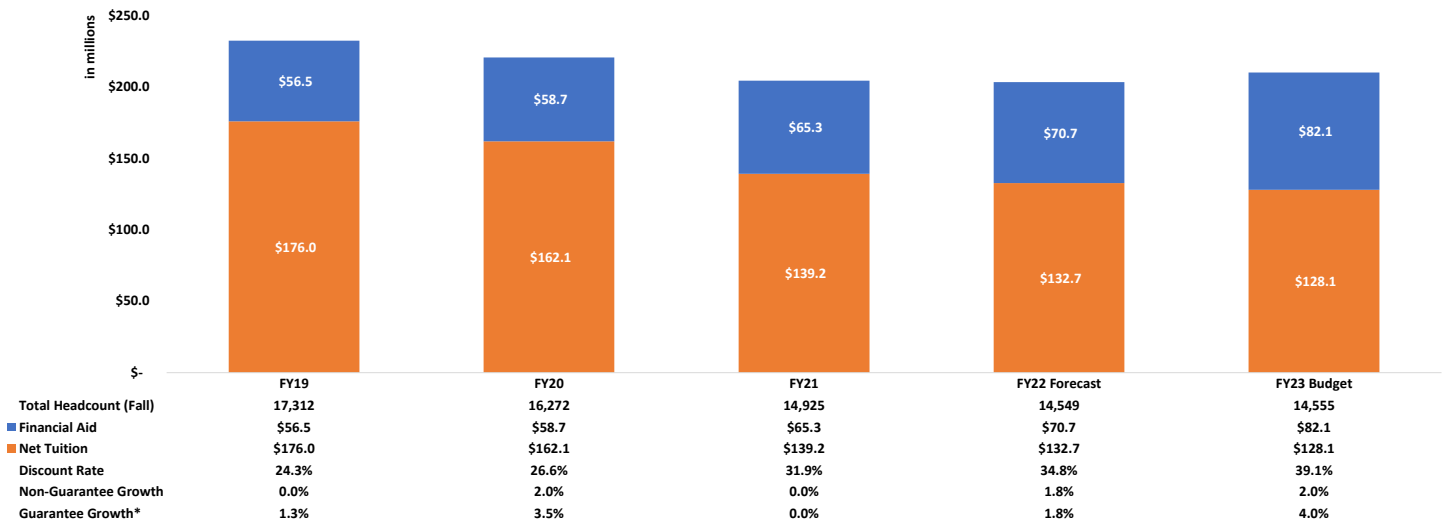
### 3.2.1.c Doctor of Osteopathy (HCOM) Headcount

HCOM Headcount (Fall Unduplicated)					
	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Budget
Athens Campus	569	540	515	487	465
Dublin Campus	208	225	247	271	280
Cleveland Campus	205	214	225	225	246
<b>Total</b>	<b>982</b>	<b>979</b>	<b>987</b>	<b>983</b>	<b>991</b>

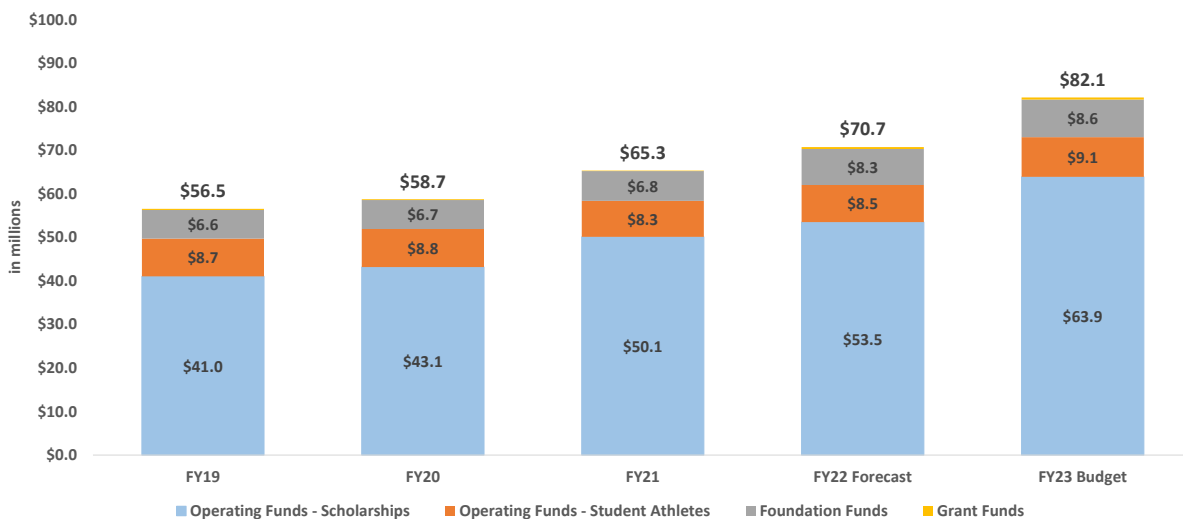
### 3.2.2 Athens Undergraduate Tuition & Financial Aid

Athens campus undergraduate cohort enrollment declines experienced between FY17 through FY21 continue to impact the University’s financials. As noted in Section 3.1, the lower enrollments will continue to impact OHIO’s SSI allocation through FY26 due to the significant lag built into the state’s funding model. Additionally, the smaller cohorts also continue to impact tuition as they progress through their undergraduate careers. While Fall 2021 (FY22) enrollments for the incoming Athens cohort represented an increase from prior year, the overall undergraduate headcount remains lower than FY21 as larger graduating classes were replaced with smaller cohorts. Incoming cohort enrollment assumptions for Fall 2022 (FY23), when taken in consideration with prior-year class sizes and retention and persistence rates, suggests a leveling off and slight recovery of total undergraduate Athens headcount enrollments in FY23.

The chart below reflects the trended net tuition (orange), financial aid (blue), and total gross tuition (column total) for Athens undergraduate students. The institution has made significant investments in student financial aid given OHIO’s prioritization of student affordability and recognition of the additional cost of acquiring students. The chart on the subsequent page details the sources of Athens undergraduate financial aid during this time period.



Between FY19 and the FY23 budget, the student financial aid offered to Athens undergraduate students is projected to increase from \$56.5M to \$82.1M, with sources detailed in the chart below. Scholarships funded by the foundation are the result of generous donor gifts but may contain restrictions for use. Future-year fundraising efforts for financial aid, particularly for those without use restrictions, represents a significant opportunity for increasing the amount of aid available for students. Scholarships funded by operating dollars for student athletes reflects full or partial financial assistance provided to athletes that meet or exceed academic and athletic performance levels, and is budgeted to increase annually with cost-of-attendance assumptions. The largest category of aid, scholarships funded by operating dollars, provides funds based on financial need and for academically talented and creatively gifted students through a variety of scholarship offerings, and has been the focus of strategic investments to prioritize student affordability.



### 3.2.3 Room & Board

All freshman and sophomore students enrolled on the Athens Campus are required to reside in University-owned housing and participate in a mandatory meal plan, subject to exemptions requiring approval. Similar to tuition, each incoming OHIO Guarantee Cohort’s room and board rates will remain unchanged for four years.

Prior to the FY22-23 biennial budget bill, room and board rates were not capped by the state of Ohio; however, effective FY22, room and board rate changes for incoming Guarantee Cohorts are subject to the same legislative caps as the Cohort’s tuition. For instance, the 2% cap + 3-year average CPI methodology resulted in a total permissible increase of 4.6% for the Fall 2022 (FY23) incoming cohort. This permitted increase applies to tuition, room, and board rates.

Beginning in FY22, the institution pursued differential room rate increases to begin realigning pricing with the room size/space per student as well as differential amenities offered that an across-the-board increase for all room types would not address. The weighted average room and board rates remained within the legislative caps. For FY23, the University is continuing with differential price increases across room types to continue progressing with the space and amenity cost realignment, with higher increases to larger and renovated room types and lower increases to smaller and unrenovated rooms. As with FY22, the state approved the proposal for FY23, and the weighted average room and board rates will again be within the legislative restrictions.

### 3.3 Grants/Facilities & Administrative Cost Recovery

Grants and Contracts are restricted funds that must be spent on the activity of the grant and also include the reimbursement of direct expenses (cost recovery) incurred on sponsored projects and exclude the following:

- Grants for financial aid that are netted against the tuition revenues
- State capital grants and line items that are included in the state appropriations

<i>(in millions)</i>	FY19 Actuals	FY20 Actuals	FY21 Actuals	FY22 Forecast	FY23 Budget
Grants & Contracts - Federal Gov't	\$ 17.3	\$ 18.5	\$ 28.5	\$ 26.6	\$ 25.0
Grants & Contracts - Local Gov't	2.9	1.9	0.8	0.7	0.5
Grants & Contracts - State Gov't	10.3	7.2	6.6	8.2	7.4
<b>Total Government Grants</b>	<b>\$ 30.5</b>	<b>\$ 27.6</b>	<b>\$ 35.8</b>	<b>\$ 35.5</b>	<b>\$ 32.8</b>
Grants & Contracts - COVID Support	-	4.2	45.5	25.6	-
Grants & Contracts - Private/Foundation	10.8	17.7	10.3	9.9	4.8
<b>Total Grants &amp; Contracts</b>	<b>\$ 41.3</b>	<b>\$ 49.5</b>	<b>\$ 91.6</b>	<b>\$ 71.0</b>	<b>\$ 37.6</b>

### 3.4 Private Support

Endowment distributions represent the internal distribution of endowment income based upon shares held in the endowment portfolio of the foundation. The annual endowment distribution to planning units is equal to the product of a 4% spending rate and the endowment's average market value for the trailing 36 months (ending December 31). Additionally, an administrative fee is charged by the foundation as a percentage of the trailing 36 month market value. From FY13-FY20, the administrative fee charged was 2%. During FY19, the Foundation Board adopted a new funding model that implemented a 5% current-use gift fee on January 1, 2020, as well as a phased reduction of the endowment administrative fee by 10 basis points per fiscal year, from 1.9% in FY21 to 1.5% in FY25. As such, the administrative fee for FY23 is 1.7%.

Gifts contained in OHIO's Operating Activity reflect non-endowed (expendable) gifts to the University. Endowed gifts (non-expendable) are reflected in the Non-Operating Endowment budget (see Section 6). Gifts are recorded as revenue by units in the year the cash is received.

Most of the University's investment income is contained in its Non-Operating units of Endowment, Century Bond, Internal Bank, and Component Units, as it represents the interest, dividends, and investment returns earned on the working capital and investment pools of the University (see Section 6). The investment income reflected in OHIO's Operating Activity supports the operations of the Foundation and the Strategic Opportunity Reserve.

<i>(in millions)</i>	FY19 Actuals	FY20 Actuals	FY21 Actuals	FY22 Forecast	FY23 Budget
Endowment Distributions	\$ 28.9	\$ 29.1	\$ 31.4	\$ 31.7	\$ 33.9
Gift Contributions - Expendable	8.8	9.6	9.2	12.3	6.1
Investment Income	5.6	5.6	12.7	2.8	6.5
<b>Total Private Support</b>	<b>\$ 43.4</b>	<b>\$ 44.4</b>	<b>\$ 53.2</b>	<b>\$ 46.8</b>	<b>\$ 46.5</b>

### 3.5 Internal & External Sales

Internal Sales represent sales between operating units of the University.

External sales includes royalties, sales and services, and other sales. This includes non-student revenue generated from academic activities, clinical revenues, and retail sales from auxiliary operations (e.g. parking, transportation, athletic ticket sales, and sponsorship agreements).

Based on the accounting treatment used to spend down COVID-relief funds, the Internal Sales line includes \$4.2M in FY20 and \$45.5M in FY21 of paired Internal Charge (IC) revenue associated with COVID funds. The offsetting paired IC expense code appears in Supplies, Services, and Capital Costs.

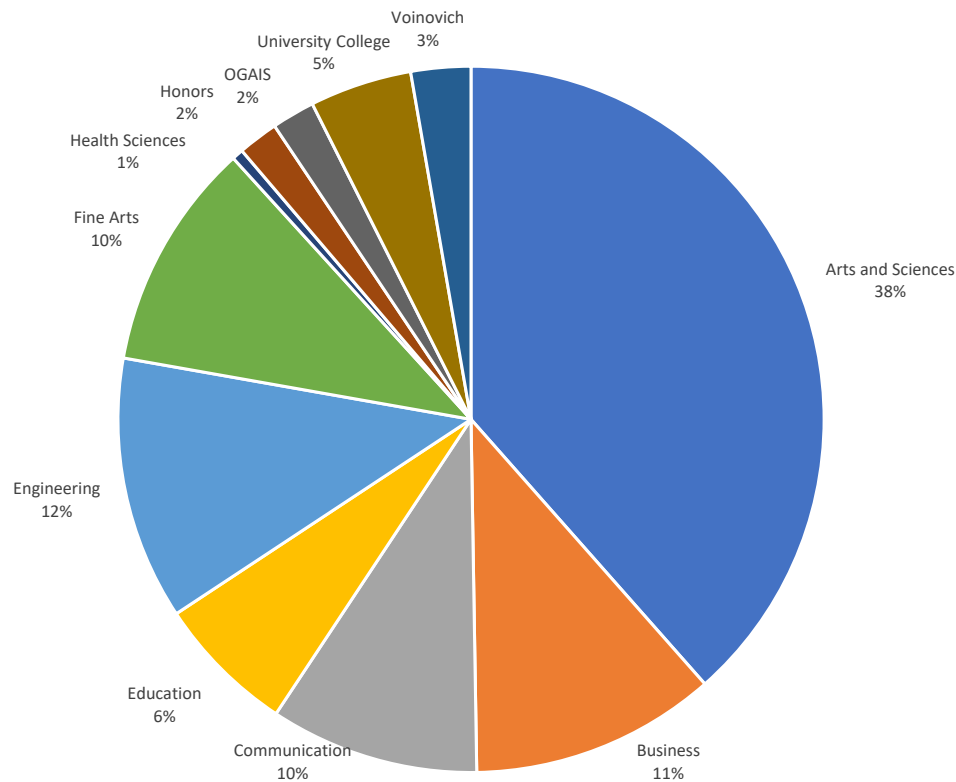
<i>(in millions)</i>	FY19 Actuals	FY20 Actuals	FY21 Actuals	FY22 Forecast	FY23 Budget
External Sales	\$ 44.1	\$ 31.1	\$ 18.7	\$ 28.5	\$ 30.5
Other Sources	12.2	9.3	10.3	8.2	10.3
Internal Sales	27.1	26.5	63.0	18.5	19.5
<b>Total Internal &amp; External Sales</b>	<b>\$ 83.5</b>	<b>\$ 66.9</b>	<b>\$ 92.1</b>	<b>\$ 55.2</b>	<b>\$ 60.3</b>

### 3.6 Spending Authorization

Spending Authorization represents the central funding provided to Planning Units to support their operating costs. Central revenues that support the allocation of revenue to Athens' Colleges and Administrative units are derived from SSI, Athens UG net tuition, and contribution margins paid by the Auxiliary units, the Heritage College of Medicine (HCOM), and Regional Campuses.

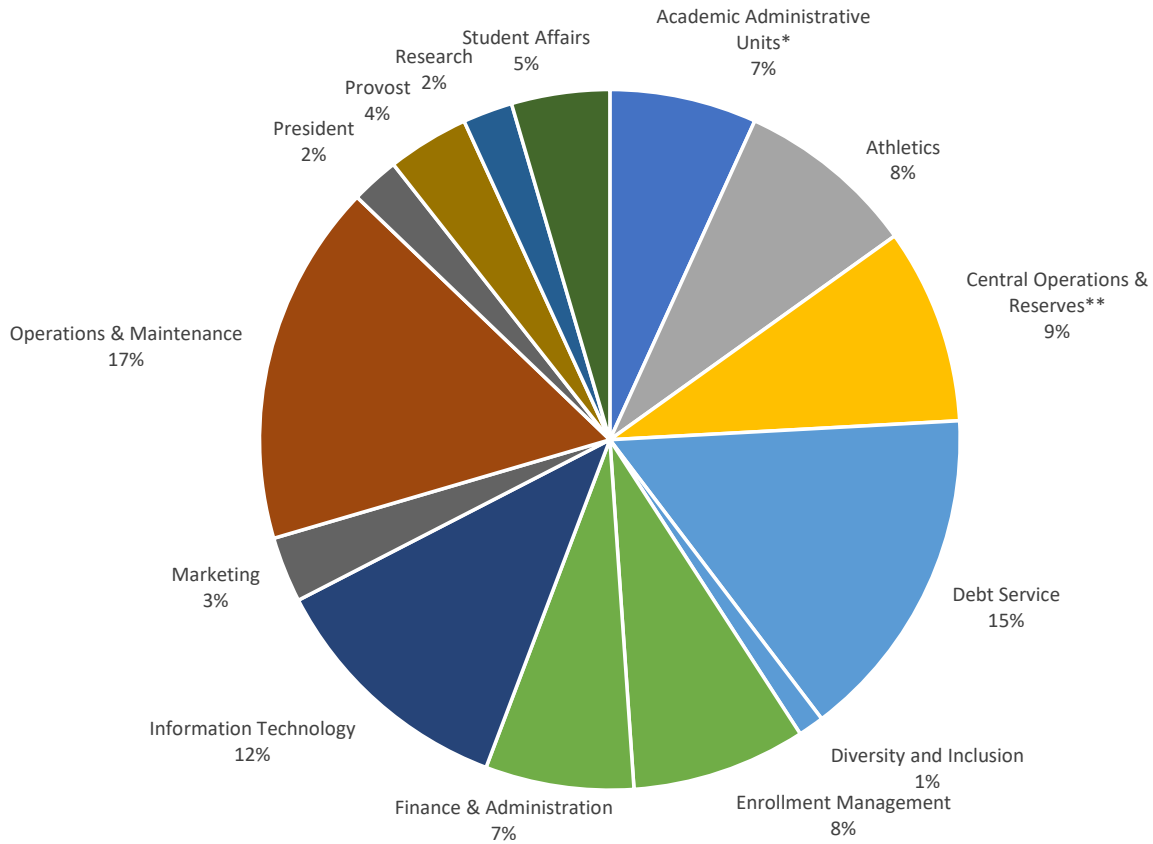
The following charts provide information on the allocation of spending authorization.

**FY23 Academic Spending Authorization**



<i>(in millions)</i>	FY23 Spending Authorization Budget	Unit Share of Spending Authorization	FY23 Net Revenue Budget	Spending Authorization as a Share of Net Revenue
Arts and Sciences	\$ 49.0	38%	\$ 63.6	77%
Business	14.3	11%	36.4	39%
Communication	12.2	10%	15.2	80%
Education	8.2	6%	15.5	53%
Engineering	15.4	12%	33.5	46%
Fine Arts	13.3	10%	15.9	84%
Health Sciences	0.7	1%	35.5	2%
Honors	2.4	2%	2.2	107%
OGAIS	2.5	2%	4.0	62%
University College	6.0	5%	5.1	117%
Voinovich	3.5	3%	20.0	17%
Regional Campuses	0.5	0%	40.1	1%
<b>TOTAL</b>	<b>\$ 127.8</b>		<b>\$ 287.1</b>	<b>45%</b>

## FY23 Central & Administrative Spending Authorization



<i>(in millions)</i>	FY23 Spending Authorization Budget	Unit Share of Spending Authorization	FY23 Net Revenue Budget	Spending Authorization as a Share of Net Revenue
Academic Administrative Units*	\$ 14.6	7%	\$ 21.1	69%
Athletics	17.9	8%	17.1	105%
Central Operations & Reserves**	19.4	9%	30.3	64%
Debt Service	33.5	16%	33.5	100%
Diversity and Inclusion	2.6	1%	2.6	99%
Enrollment Management	17.3	8%	18.1	96%
Finance & Administration	14.8	7%	16.0	92%
Information Technology	25.2	12%	26.7	94%
Marketing	6.5	3%	6.5	100%
Operations & Maintenance	36.0	17%	38.8	93%
President	4.8	2%	4.8	100%
Provost	8.1	4%	9.8	83%
Research	5.0	2%	8.6	58%
Student Affairs	9.8	5%	12.5	78%
<b>TOTAL</b>	<b>\$ 215.5</b>		<b>\$ 246.5</b>	<b>87%</b>

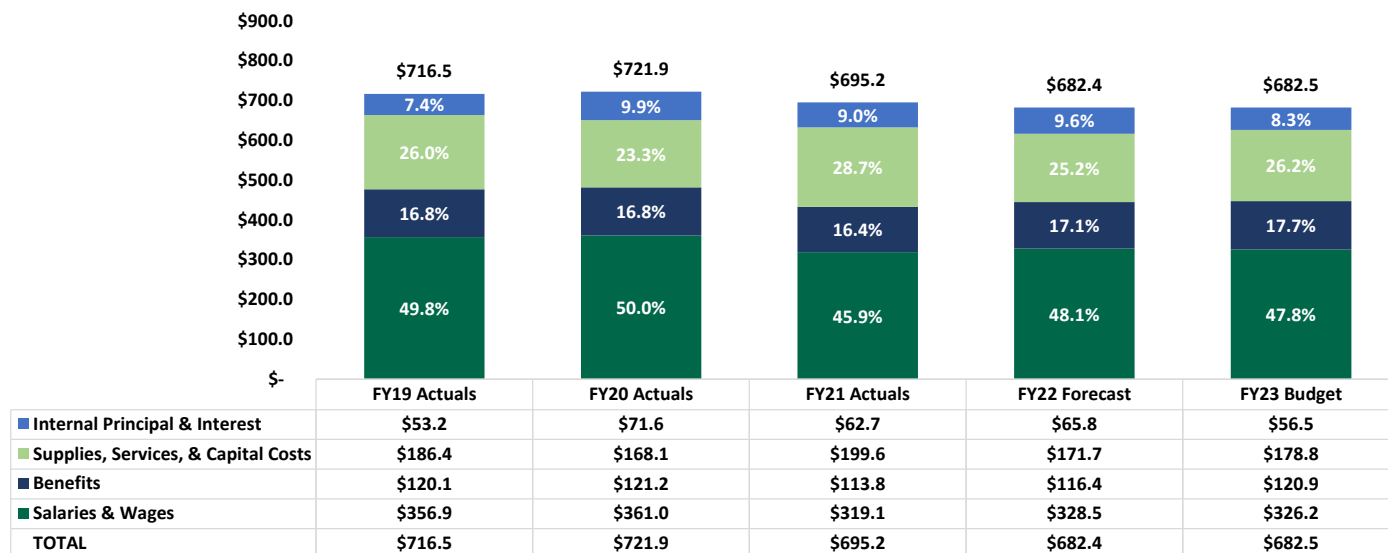
\* Academic Administrative Units include Athena, Kennedy Museum, Child Development Center, International Student and Faculty Services, Library, Marching 110, Wellworks, and WOUB.

\*\* Central Operations & Reserves includes Provost Reserves, Institutional Reserves, Central Accounting, Program Support, Staff Governance, & Airport



Summary of Operating Expenditures

Summary of Direct Expenses  
(in millions)



Notes: (1) FY20 Internal P&I includes HCOM’s advance principal repayment in the amount of \$14.2M; (2) FY21 COVID-19 expenses offset with one-time CARES Act funding.

4.1 Salaries, Wages, & Other Compensation

As the University realized smaller enrollments beginning in FY17, OHIO began turning to cost-savings efforts to help offset revenue losses. In addition to alternative revenue generation and non-compensation expense adjustments, the University offered VSRP/ERIP 2020 and VSRP 2022, in addition to enacting faculty and staff reductions that are evidenced in the salary and employee headcount charts below and on the following pages.

The table below reflects historical and budgeted faculty, staff, student, and graduate student salaries, wages, and other compensation. Please note the FY23 budget includes a 2.0% raise pool for eligible faculty and staff.

<i>(in millions)</i>	FY19 Actuals	FY20 Actuals	FY21 Actuals	FY22 Forecast	FY23 Budget
Faculty Salaries	\$ 141.6	\$ 140.9	\$ 126.8	\$ 121.2	\$ 122.2
Staff Salaries & Wages	170.7	169.5	158.3	158.8	163.3
Student Wages	18.7	15.8	7.9	12.0	15.7
Graduate Student Wages	22.0	22.0	22.0	21.7	21.8
<b>Total Wages</b>	<b>\$ 353.0</b>	<b>\$ 348.1</b>	<b>\$ 314.9</b>	<b>\$ 313.8</b>	<b>\$ 322.9</b>
Other Compensation	3.4	2.5	1.6	2.6	3.3
Other Compensation: VSRP & ERIP	0.5	10.4	2.6	5.4	-
FY22 Bonus Funding	-	-	-	6.8	-
<b>Total Salaries, Wages, &amp; Other Compensation</b>	<b>\$ 356.9</b>	<b>\$ 361.0</b>	<b>\$ 319.1</b>	<b>\$ 328.5</b>	<b>\$ 326.2</b>

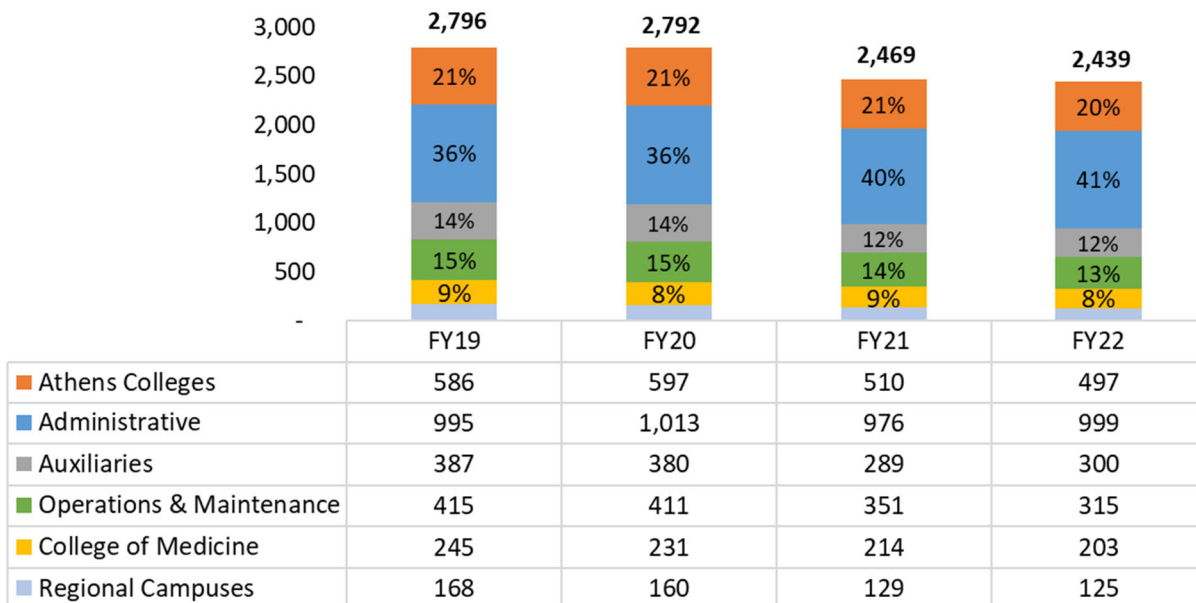
### 4.1.1 Employee Headcount

The following tables illustrate the University’s employment trends by job category. It is important to note that the headcounts represent a snapshot of filled positions as of November 1st of each year (census date used for IPEDS reporting), including both full-time and part-time employees, but excluding temporary and intermittent staff, as well as Fixed-Term Instructors (formerly Group III faculty). The census is taken on November 1 of each year to provide a consistent frame of reference and does not exactly represent staffing level fluctuations throughout the year. The headcounts are inclusive of all funding sources, including operating funds, grant funds, and foundation funds. All employee headcount figures presented throughout the Budget Book reflect census headcounts.

Employee Headcount by Job Category				
	FY19	FY20	FY21	FY22
Early Retired Faculty	69	57	44	30
Tenure Track Faculty	831	831	775	717
Instructional Faculty	445	471	440	397
Visiting Professors	43	35	26	30
<i>Subtotal: Faculty</i>	<i>1,388</i>	<i>1,394</i>	<i>1,285</i>	<i>1,174</i>
Staff	2,779	2,771	2,443	2,419
Post Doc	17	21	26	20
<i>Subtotal: Staff</i>	<i>2,796</i>	<i>2,792</i>	<i>2,469</i>	<i>2,439</i>
<b>Total Job Category Headcount</b>	<b>4,184</b>	<b>4,186</b>	<b>3,754</b>	<b>3,613</b>

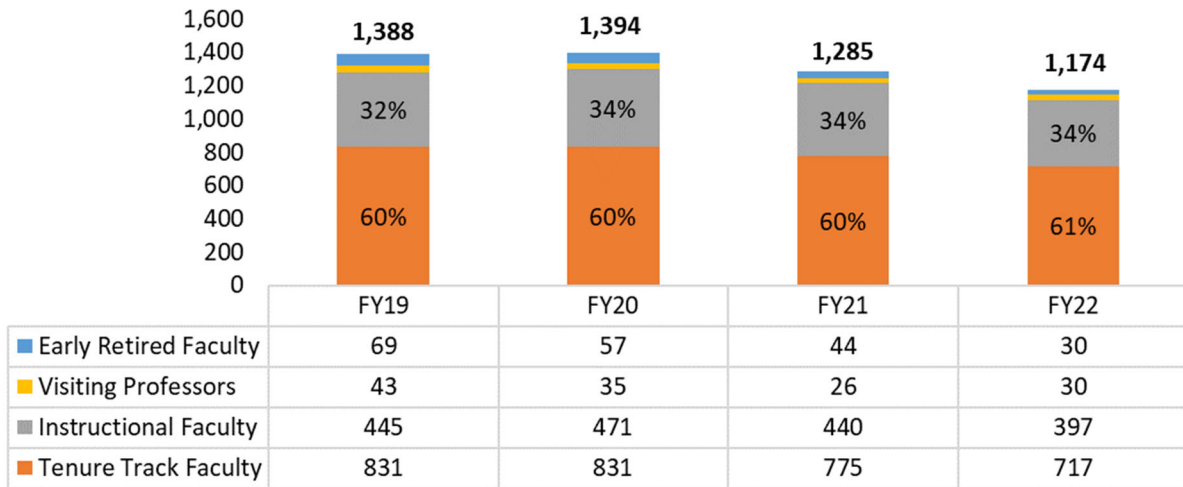
The chart below shows trended staff headcounts across the institution since FY19.

**Staff Headcount by Unit Type**

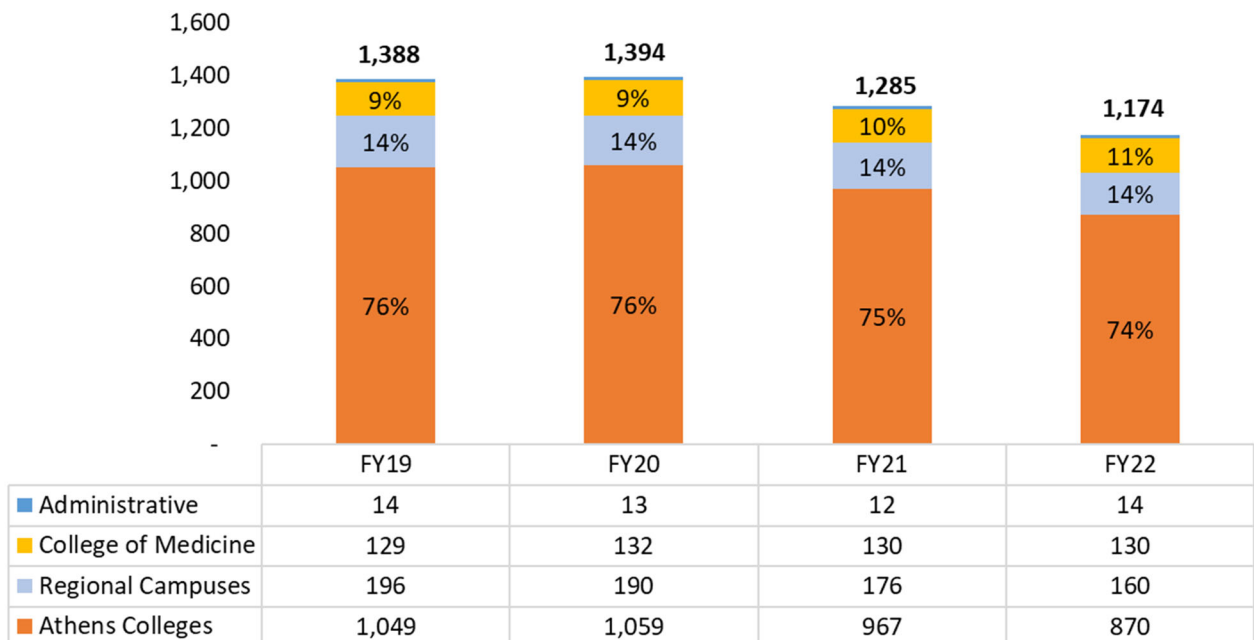


The charts below show trended faculty headcounts across the institution since FY19. Throughout this time period, the University has offered two Voluntary Separation or Retirement Programs (VSRP), with the VSRP 2020 program extended into FY21. Participation in the VSRP's are as follows: FY20= 74; FY21= 21; FY22= 45.

### Faculty Headcount



### Faculty Headcount by Unit Type



## 4.2 Benefits

The University provides a comprehensive benefits program to faculty and staff as part of their total compensation package, as detailed below.

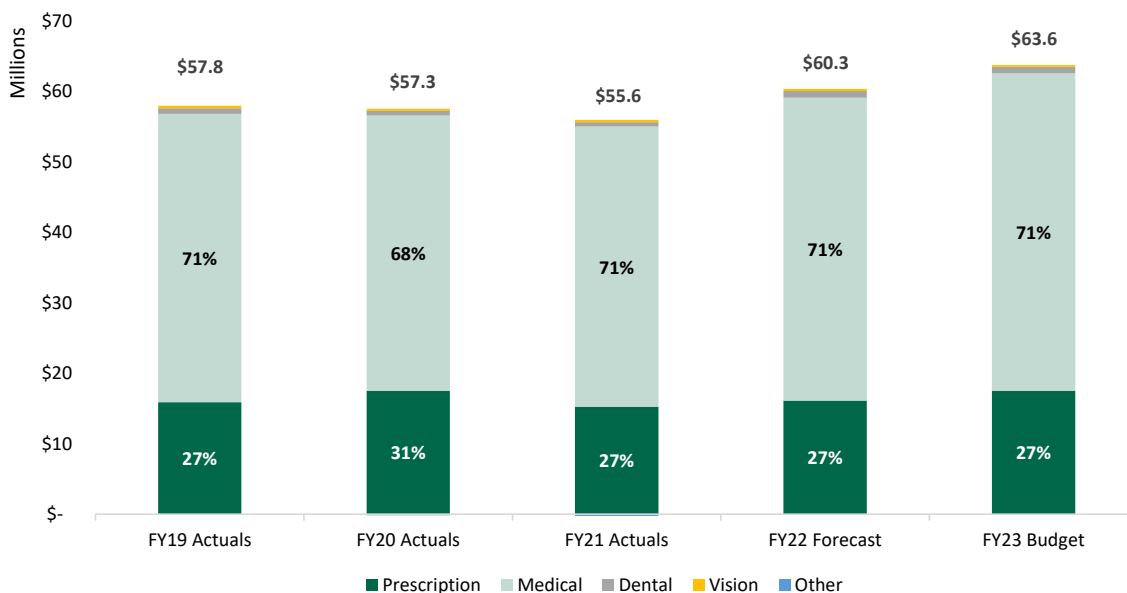
- Healthcare: health, vision, dental, life and disability insurances, etc. for faculty and staff
- Variable Benefits: retirement contributions and legally mandated benefits (workers compensation, Medicare, etc.)
- Employee Fee Waivers: educational benefits for faculty, staff, retirees, and their dependents
- Other Benefits: retirement payouts, AFSCME contract related costs, relocation expenses, etc.

<i>(in millions)</i>	FY19 Actuals	FY20 Actuals	FY21 Actuals	FY22 Forecast	FY23 Budget
Healthcare	\$ 57.8	\$ 57.3	\$ 55.6	\$ 60.3	\$ 63.6
Variable Benefits	51.7	51.9	46.4	46.5	47.7
Employee Fee Waivers	8.7	8.8	8.2	7.6	7.8
Other Benefits	1.9	3.2	3.6	2.0	1.9
<b>Total Benefits</b>	<b>\$ 120.1</b>	<b>\$ 121.2</b>	<b>\$ 113.8</b>	<b>\$ 116.4</b>	<b>\$ 120.9</b>
<i>Y-O-Y Growth</i>		<i>1%</i>	<i>-6%</i>	<i>2%</i>	<i>4%</i>

### Healthcare Expenses

Downward trends in the variable benefits tied to University payroll have been offset by significant growth in healthcare and prescription expenses in FY22 and budgeted for FY23. In FY19-FY21, OHIO realized decreases in health-related expenses as it underwent workforce reductions. While the number of benefits-eligible employees was lower in FY22, a higher-than-usual number of large claims are resulting in a current-year forecast that is \$4.7M higher than FY21. The FY23 budget assumes an additional \$3.3M growth. Given the size and relative growth of healthcare expenses, the Benefits Advisory Council is charged with keeping the growth in the University's share of healthcare expenses at or below 5% through plan design changes and changes to premiums in conformance with the guiding principles and strategies under the direction of the President.

The graph below reflects trends in healthcare expense categories:



### 4.3 Supplies, Services, & Capitalized Costs

Based on the accounting treatment used to spend down COVID-relief funds, the Supplies & Services line includes \$4.2M in FY20 and \$45.5M in FY21 of paired Internal Charge (IC) expenses associated with COVID funds. The offsetting paired IC revenue appears as Internal Sales.

Additional COVID-impacts should be noted in the lower FY20 and FY21 actuals for Supplies & Services and Cost of Goods Sold (COGS), as a result of restricted travel and reduced auxiliary operations from limited on-campus student presence.

<i>(in millions)</i>	FY19 Actuals	FY20 Actuals	FY21 Actuals	FY22 Forecast	FY23 Budget
Supplies & Services	\$ 125.3	\$ 113.6	\$ 155.3	\$ 116.3	\$ 119.5
Occupancy & Maintenance	34.9	34.5	29.6	33.9	35.4
Capital Costs	7.3	6.4	6.2	5.7	7.6
Cost of Goods Sold	18.8	13.6	8.4	15.7	17.3
<b>Total Supplies, Services, &amp; Capitalized Costs</b>	<b>\$ 186.4</b>	<b>\$ 168.1</b>	<b>\$ 199.6</b>	<b>\$ 171.6</b>	<b>\$ 179.8</b>
<i>Y-O-Y Growth</i>		-10%	19%	2%	5%

### 4.4 Internal Loans & Debt Service

Under the University's Internal Bank and Century Bond Bank models, internal loans are charged to departments to support external debt service payments.

The Operating Results reflect the planning units' debt service obligations on internal loans. From a consolidated standpoint, the Century Bond Bank and Internal Bank use those receipts to pay external debt service (principal and interest) obligations to the University's bondholders.

Please note that FY20 includes a \$14.2M advance principal repayment from the College of Medicine.

<i>(in millions)</i>	FY19 Actuals	FY20 Actuals	FY21 Actuals	FY22 Forecast	FY23 Budget
Internal Loan - Principal & Interest	\$ 53.2	\$ 71.6	\$ 62.7	\$ 65.8	\$ 56.5

### 4.5 Expense Allocations

#### *Capital Cost Allocation*

Capital Cost Allocation represents an allocation methodology that collects for internal loan debt service (principal and interest) on Central loans. As it is an internal redistribution, Capital Cost Allocation nets out within the Operating Activity of the institution.

#### *Contribution Margin*

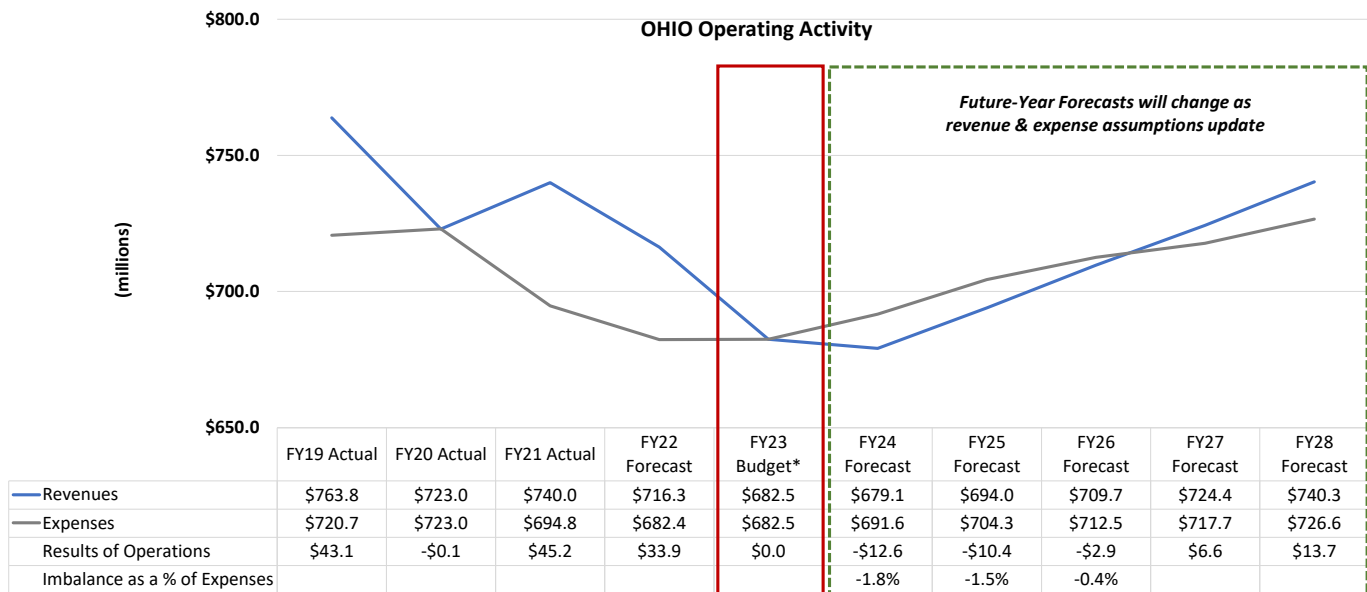
Contribution Margin reflects support from the College of Medicine, Regional Campuses, and Auxiliaries that serves as the funding mechanism for academic and administrative support functions across the institution.

## 5 Multi-Year Budget Planning

The goal of the FY23 University budget planning process was to continue building a multi-year strategy to effectively balance the University’s revenues and expenditures to ensure the institution maintains a strong, stable, and sustainable financial future.

The FY23 budget process began in November 2021 when all planning units submitted their preliminary FY23 budgets based on central planning assumptions. Institution-wide, the Fall budget submissions were compiled to evaluate our capacity for future year expense growth given our revenue base. As discussed in Section 1, all planning units were asked to include a 3% vacancy savings offset to compensation supported by Operating fund sources in their Spring (February) budget submissions. In addition to the mandated vacancy savings budget offset, units resubmitted their unit-specific revenue and expense budgets based on revisions from their Fall iterations. Finally, units affected by the Voluntary Separation or Retirement Program (VSRP) 2022 initiative adjusted their compensation and spending authorizations according to the impact on their unit. The final budget was again compiled and presented to leadership for review, with balanced revenues and expenses for OHIO Operating Units for FY23. The resulting FY23 budget was subsequently presented to, and approved by, the Board of Trustees in April 2022.

The budget planning process included not only the submission of the FY23 budget, but also projections for FY24-28 based on point-in-time planning assumptions. The resulting multi-year revenues, expenses, and results of operations are presented in the following chart:



\* Excludes COVID FY23 contingency budget of \$1.0M

The planning assumptions underlying the budgeted and future-year revenues and expenses are detailed on the following page. It is important to note that assumptions used for FY24-FY28 forecasting reflect point-in-time assumptions and will change as we progress through the next round of budget iterations in FY23. Additionally, the future-year figures provided in previous chart are not reflective of the anticipated multi-year budgets that will be brought forward to the Board of Trustees for approval during those years, as the institution is committed to presenting balanced or surplus budgets for all future years. For instance, the FY24 forecasted deficit should be interpreted that based on a certain set of planning assumptions, and assuming no additional revenue generation or operational efficiencies are pursued, we could expect expenses to outpace revenues by \$12.6M. It should be noted that neither leadership nor the Board of Trustees is willing to accept deficit budgets in future-years in the absence of strategic rebalancing efforts.

The table below contains the FY23-28 Central Budget Planning Assumptions as of April 2022.

<b>FY23-28 Budget Planning Assumptions</b> <i>As of April 2022</i>	<b>FY23 Planning Assumption</b>	<b>FY24 Planning Assumption</b>	<b>FY25 Planning Assumption</b>	<b>FY26 Planning Assumption</b>	<b>FY27 Planning Assumption</b>	<b>FY28 Planning Assumption</b>
<b>Revenue Assumptions</b>						
<b>State Share of Instruction (SSI)</b>						
State Appropriation Growth (Overall Distribution)	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Undergraduate (UG) Gross Tuition</b>						
UG Guarantee Rate Increases	4.0%	4.0%	3.0%	3.0%	2.0%	2.0%
UG Athens Freshmen: SEEC Enrollments	3,711	3,739	3,848	3,960	3,994	4,018
UG Athens Transfers: SEEC Enrollments	325	350	375	400	425	450
Total UG Athens Headcount	14,555	14,612	15,150	15,552	15,914	16,226
Regional Higher Education (RHE) Credit Hour Production	104,451	100,272	98,267	98,267	98,267	98,267
<b>Central Student Financial Aid</b>						
Athens UG Student Financial Aid - \$ Growth vs Prior Year	\$10.4M	\$8.1M	\$6.0M	\$3.9M	\$1.7M	\$1.5M
<b>Other Revenues</b>						
Rate Increase: Housing & Residence Life	Variable (4.0% Standard Double)	3.5%	3.5%	3.5%	3.5%	3.5%
Rate Increase: Culinary	4.0%	2.0%	2.0%	2.0%	2.0%	2.0%
<b>Expense Assumptions</b>						
<b>Compensation &amp; Benefits</b>						
Raise Pool	2.0%	1.5%	1.5%	1.5%	1.5%	1.5%
Healthcare: Standard Benefit Rate*	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%

\*Healthcare Standard Benefit Rate Collection is set annually to offset the University's total Healthcare Expense budget, managed by Benefits Advisory Council.

As a reminder, the FY24-28 Central Planning Assumptions reflected in the prior table will be reevaluated and adjusted as needed based on revised expectations.

### State Share of Instruction (SSI)

As OHIO's share of the SSI distribution is based not only on the overall appropriation size but also our relative position against the other public universities, significant variances could develop specifically associated with our relative share assumptions. The projection used in this multi-year planning scenario assumes our overall share of the allocation will remain flat; however, changes to OHIO's share could affect the base share used for future years. The overall appropriation growth is detailed in Ohio's Biennial State Operating Budget, for which a 0.9% growth is known for FY23. Future-year total appropriation growth is assumed at 0.0% but could adjust based on expectations for the FY24-25 biennial budget.

### Undergraduate (UG) Gross Tuition

As undergraduate tuition makes up a significant portion of OHIO's Operating revenues, enrollments across the Athens, Regional, and OHIO Online Campuses have a significant multi-year impact on the university's financial outlook. Regardless of campus environment, undergraduate tuition is based on a combination of incoming student enrollment and their respective UG Guarantee Tuition rates, prior year cohorts and their respective UG Guarantee Tuition rates, persistence (fall-to-spring) and retention (fall-to-fall) rates for prior year cohorts, and average credit hours enrolled per headcount, among other items. The enrollments in this table are simply the result of an April planning exercise where the assumed incoming freshman class for Fall 2022 was 3711. As the enrollment process has progressed, it already appears that the incoming freshmen class will exceed that target. This will alter the aforementioned assumptions for future-years and will continue to evolve based on information we receive throughout FY23. The final FY23 enrollment figures will impact future years as those students progress throughout the system and provide a new base against which we apply future-year growth. Additionally, the 3-year average persistence and retention rates used for modeling purposes will adjust based on student behavior in FY23. So the enrollment numbers in this table are merely assumptions from the April process used to create the multi-year projection graph.

Finally, Ohio's Biennial State Operating Budget will contain legislative language regarding permissible tuition rate increases for the Fall 2023 (FY24) cohort. During the April planning process, increased inflation had driven the tuition cap up to 4.6% so the assumption for tuition rates was increased to 4% in the near term and then assumed that inflation would decline and/or the state would lower the cap in order to create a conservative estimate for tuition revenue given the potential uncertainty with respect to inflation trends and legislative actions related to caps. As such, revisions to central planning assumptions associated with undergraduate gross tuition should be expected for FY24-28 that could result in a significantly different financial projection in the out-years.



## Central Financial Aid

Similar to undergraduate tuition, central student financial aid will be subject to the same underlying assumptions, as the overall institutional expense will depend on the award aided to the actual students enrolled. Significant investments in base financial aid continue to impact the system as each incoming cohort is eligible for the increased award amount, leading to a compounding impact of previous strategic investments before leveling off in future-years.

## Other Revenues

Housing & Residence Life (Room) and Culinary (Board) rate increases have historically grown annually by 3.5% and 2.0%, respectively. Prior to the State of Ohio's FY22-23 Biennial Operating Budget, room and board rate growth was not restricted by legislative caps. However, the FY22-23 Biennial Budget placed the same legislative restrictions on room and board as tuition under the guarantee. As such, while the April planning exercise assumed Housing & Residence Life and Culinary rates of 3.5% and 2.0% annual growth for FY24-28, the actual rate adjustments will most likely have to align with restrictions detailed in the State's Biennial Operating Budget. The growth in the endowment distributions to planning units, which represents 4% of the trailing 36-month market value, will be reforecast at least annually by the Ohio University Foundation as updated market values and revised expectations are available.

## Compensation & Benefits

The April multi-year budget planning exercise included the potential for salary inflation using a 1.5% annual raise pool for faculty and staff. This is simply an assumption for planning purposes and nor an indication of any actual decisions. Every 1% raise pool equates to roughly \$3.5M of additional base compensation expense being layered into the institutional budget. It should be noted that employee compensation is an institutional priority, with the potential for revisions to FY24-28 planning assumptions should capacity arise between revenues and expenses. The assumed increase in the Healthcare Standard Benefit Collection rate is 5.0%, and represents the internal charge to planning units for each benefits-eligible employee to offset the University's total Healthcare Expense budget, and is managed by the Benefits Advisory Council. The employee fee waiver benefit has seen significant decreases over the past few years, most likely the result of a lower employee base eligible for use of the benefit. A significant rebase of the collection of \$1.0M is occurring in FY23, with small increases in future-years aligned with assumed rate increases and benefit utilization rates.

While the assumptions outlined above from the April planning exercise are Central assumptions that all units are expected to implement in their multi-year financial planning efforts, units also rely on unique assumptions relative to their specific operations that impact their revenues and expenses. It is expected that planning units incorporate adjustments to their unit-specific assumptions with each budget iteration so that the university has the most accurate forecast of the future-year financial trajectory.

Please note that the revenue and expense chart on the prior page is inclusive of all OHIO Operating units. As explained in Section 2, OHIO Operating contains the following 4 subcategories, whose financial projections are delineated in the table below:

- College of Medicine (Athens, Cleveland, and Dublin Campuses)
- Auxiliary Units (Intercollegiate Athletics, Culinary Services, Housing & Residence Life, and Transportation & Parking Services)
- Regional Campuses (Executive Dean, Chillicothe, Eastern, Lancaster, Southern, and Zanesville Campuses)
- Athens Campus (Athens Colleges, Administrative & Academic Support, Central & Reserve Units)

	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>	<b>FY28</b>
	<b>Budget</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>
College of Medicine*	2.1	(0.1)	0.2	(0.9)	1.5	2.3
Auxiliaries	8.2	7.6	8.5	12.6	15.5	16.7
Regional Campuses	(1.3)	(5.6)	(7.4)	(8.2)	(8.5)	(8.9)
Athens Campus	(9.0)	(14.5)	(11.7)	(6.4)	(1.8)	3.4
<b>Subtotal: OHIO Operating</b>	<b>(0.0)</b>	<b>(12.6)</b>	<b>(10.4)</b>	<b>(2.9)</b>	<b>6.6</b>	<b>13.7</b>

*\*Assumes advance principal payments for debt paydown*

While the overall institutional budget is balanced for FY23, imbalances on the Athens and Regional Campus components are offset by surpluses within the College of Medicine and Auxiliary units. The deficits on the Athens and Regional Campuses are forecasted to persist over the next few years, with a recovery on the Athens Campus as State Share of Instruction (SSI) stabilizes from the lower Athens Campus enrollments experienced between FY17 and FY21 and tuition revenues increase from larger incoming cohorts replacing smaller graduating class sizes. Future-year planning assumptions used for Regional Campus enrollments suggest continued declines before stabilization, resulting in a growing deficit during the forecasting horizon.

## 6 GAAP Adjusted Budgets

### 6.1 GAAP Adjusted Totals — Consolidated

		FY19 Actuals	FY20 Actuals	FY21 Actuals	FY22 Forecast	FY23 GAAP Adjusted Budget
<b>REVENUES (in millions)</b>						
1	State Appropriations	183.8	189.0	202.2	209.9	206.0
2	Gross Undergraduate Tuition & Fees	292.8	277.0	255.0	245.6	249.3
3	UG Student Financial Aid	(61.3)	(63.8)	(71.1)	(75.8)	(88.1)
4	Net Undergraduate Tuition & Fees	231.5	213.2	183.8	169.8	161.1
5	Gross Graduate Tuition & Fees	121.2	125.0	126.9	126.6	126.5
6	Graduate Student Financial Aid	(28.0)	(28.5)	(29.2)	(29.5)	(28.7)
7	Net Graduate Tuition & Fees	93.2	96.5	97.7	97.1	97.9
8	Room & Board	90.9	68.4	25.9	79.8	90.3
9	Grants & Contracts	42.2	56.4	92.9	71.6	41.8
10	Facilities & Admin Cost Recovery	8.0	7.8	8.8	9.3	8.7
11	Endowment Distributions	-	-	-	-	-
12	Contributions	24.8	19.2	45.2	41.6	21.3
13	Investment Income	51.4	32.6	286.8	(58.9)	66.9
14	Internal & External Sales	92.5	72.4	97.3	61.3	66.3
15	<b>Total Revenues</b>	<b>818.3</b>	<b>755.6</b>	<b>1,040.7</b>	<b>681.5</b>	<b>760.4</b>
16	Spending Authorization	-	-	-	-	-
17	<b>Total Revenues &amp; Revenue Allocation</b>	<b>818.3</b>	<b>755.6</b>	<b>1,040.7</b>	<b>681.5</b>	<b>760.4</b>
18	<b>Total Funding Transfers</b>	<b>0.8</b>	<b>0.6</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENSES</b>						
19	Total Salaries, Wages, & Other Payroll	359.2	363.6	317.5	328.5	326.2
20	Total Benefits	122.4	159.2	11.5	116.4	120.9
21	Supplies, Services, & Capital Costs	189.8	177.1	211.7	179.5	202.4
22	Internal Principal & Interest	-	-	-	-	-
23	External Debt Service - Principal	0.1	0.1	0.3	-	-
24	External Debt Service - Interest	28.0	28.0	26.2	25.9	25.6
25	Depreciation	57.6	59.5	61.4	62.0	62.4
26	<b>Total Direct Expenses</b>	<b>757.1</b>	<b>787.6</b>	<b>628.6</b>	<b>712.3</b>	<b>737.6</b>
27	Capital Cost Allocation	-	-	-	-	-
28	Contribution Margin	-	-	-	-	-
29	<b>Total Expenses &amp; Expense Allocations</b>	<b>757.1</b>	<b>787.6</b>	<b>628.6</b>	<b>712.3</b>	<b>737.6</b>
30	<b>Results of Operations</b>	<b>60.4</b>	<b>(32.6)</b>	<b>412.1</b>	<b>(30.8)</b>	<b>22.8</b>

## 6.2 GAAP Adjusted Totals — FY23 Budget by Unit Type

		Auxiliaries	College of Medicine	Regional Campuses	Athens Campus	FY23 Operating Budget	FY23 COVID Budget	Non- Operating Activity	Financial Statement Adj & Component Units	GAAP Adj Totals
<b>REVENUES (in millions)</b>										
1	State Appropriations	-	26.2	18.8	135.0	180.0	-	26.0	-	206.0
2	Gross Undergraduate Tuition & Fees	-	0.1	23.2	226.0	249.3	-	-	-	249.3
3	UG Student Financial Aid	(22.0)	-	(6.0)	(60.1)	(88.1)	-	-	-	(88.1)
4	Net Undergraduate Tuition & Fees	(22.0)	0.1	17.1	165.9	161.1	-	-	-	161.1
5	Gross Graduate Tuition & Fees	-	50.3	-	76.3	126.5	-	-	-	126.5
6	Graduate Student Financial Aid	(0.0)	(5.0)	-	(23.7)	(28.7)	-	-	-	(28.7)
7	Net Graduate Tuition & Fees	(0.0)	45.3	-	52.6	97.9	-	-	-	97.9
8	Room & Board	90.3	-	-	-	90.3	-	-	-	90.3
9	Grants & Contracts	-	2.6	2.6	32.4	37.6	-	4.3	-	41.8
10	Facilities & Admin Cost Recovery	-	1.4	-	7.3	8.7	-	-	-	8.7
11	Endowment Distributions	0.2	1.8	0.9	31.0	33.9	-	(33.9)	-	-
12	Contributions	0.5	1.1	0.1	4.4	6.1	-	14.9	0.3	21.3
13	Investment Income	-	-	-	6.5	6.5	-	59.9	0.5	66.9
14	Internal & External Sales	17.2	0.7	0.2	42.3	60.3	-	0.2	5.8	66.3
15	<b>Total Revenues</b>	<b>86.1</b>	<b>79.2</b>	<b>39.7</b>	<b>477.5</b>	<b>682.5</b>	<b>-</b>	<b>71.3</b>	<b>6.7</b>	<b>760.4</b>
16	Spending Authorization	17.9	-	0.5	(18.4)	-	-	-	-	-
17	<b>Total Revenues &amp; Revenue Allocation</b>	<b>104.0</b>	<b>79.2</b>	<b>40.1</b>	<b>459.1</b>	<b>682.5</b>	<b>-</b>	<b>71.3</b>	<b>6.7</b>	<b>760.4</b>
18	<b>Total Funding Transfers</b>	<b>6.1</b>	<b>(1.6)</b>	<b>0.2</b>	<b>(4.7)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENSES</b>										
19	Total Salaries, Wages, & Other Payroll	27.9	33.2	21.4	243.7	326.2	-	-	-	326.2
20	Total Benefits	9.6	11.4	8.0	91.9	120.9	-	-	-	120.9
21	Supplies, Services, & Capital Costs	29.6	15.0	5.7	128.6	178.8	1.0	129.8	(107.2)	202.4
22	Internal Principal & Interest	11.7	6.6	0.5	37.6	56.5	-	(56.5)	-	-
23	External Debt Service - Principal	-	-	-	-	-	-	13.4	(13.4)	-
24	External Debt Service - Interest	-	-	-	-	-	-	26.2	(0.6)	25.6
25	Depreciation	-	-	-	-	-	-	-	62.4	62.4
26	<b>Total Direct Expenses</b>	<b>78.7</b>	<b>66.2</b>	<b>35.7</b>	<b>501.8</b>	<b>682.5</b>	<b>1.0</b>	<b>112.9</b>	<b>(58.7)</b>	<b>737.6</b>
27	Capital Cost Allocation	1.4	0.7	-	(2.1)	-	-	-	-	-
28	Contribution Margin	9.6	11.8	5.5	(26.9)	-	-	-	-	-
29	<b>Total Expenses &amp; Expense Allocations</b>	<b>89.8</b>	<b>78.8</b>	<b>41.2</b>	<b>472.8</b>	<b>682.5</b>	<b>1.0</b>	<b>112.9</b>	<b>(58.7)</b>	<b>737.6</b>
30	<b>Results of Operations</b>	<b>8.2</b>	<b>2.1</b>	<b>(1.3)</b>	<b>(9.0)</b>	<b>-</b>	<b>(1.0)</b>	<b>(41.6)</b>	<b>65.4</b>	<b>22.8</b>

### 6.3 Non-Operating, Component Unit, and Financial Statement Adjustment Budgets

	Endowment	Internal Bank	Century Bond	Capital	Non-Operating Activity	Component Units	Financial Statement Adjustments	Financial Statement Adj & Component Units
<b>REVENUES (in millions)</b>								
1	State Appropriations	-	-	-	26.0	26.0	-	-
2	Gross Undergraduate Tuition & Fees	-	-	-	-	-	-	-
3	UG Student Financial Aid	-	-	-	-	-	-	-
4	Net Undergraduate Tuition & Fees	-	-	-	-	-	-	-
5	Gross Graduate Tuition & Fees	-	-	-	-	-	-	-
6	Graduate Student Financial Aid	-	-	-	-	-	-	-
7	Net Graduate Tuition & Fees	-	-	-	-	-	-	-
8	Room & Board	-	-	-	-	-	-	-
9	Grants & Contracts	-	-	-	4.3	4.3	-	-
10	Facilities & Admin Cost Recovery	-	-	-	-	-	-	-
11	Endowment Distributions	(33.9)	-	-	-	(33.9)	-	-
12	Contributions	14.9	-	-	-	14.9	0.3	0.3
13	Investment Income	40.4	7.8	11.7	-	59.9	0.5	0.5
14	Internal & External Sales	-	0.2	-	-	0.2	7.8	(2.0)
15	<b>Total Revenues</b>	<b>21.3</b>	<b>8.0</b>	<b>11.7</b>	<b>30.2</b>	<b>71.3</b>	<b>8.7</b>	<b>(2.0)</b>
16	Spending Authorization	-	-	-	-	-	-	-
17	<b>Total Revenues &amp; Revenue Allocation</b>	<b>21.3</b>	<b>8.0</b>	<b>11.7</b>	<b>30.2</b>	<b>71.3</b>	<b>8.7</b>	<b>(2.0)</b>
18	<b>Total Funding Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENSES</b>								
19	Total Salaries, Wages, & Other Payroll	-	-	-	-	-	-	-
20	Total Benefits	-	-	-	-	-	-	-
21	Supplies, Services, & Capital Costs	-	0.3	-	129.5	129.8	5.2	(112.3)
22	Internal Principal & Interest	-	(38.9)	(17.6)	-	(56.5)	-	-
23	External Debt Service - Principal	-	13.4	-	-	13.4	-	(13.4)
24	External Debt Service - Interest	-	12.2	14.0	-	26.2	-	(0.6)
25	Depreciation	-	-	-	-	-	1.3	61.2
26	<b>Total Direct Expenses</b>	<b>-</b>	<b>(13.0)</b>	<b>(3.6)</b>	<b>129.5</b>	<b>112.9</b>	<b>6.4</b>	<b>(65.2)</b>
27	Capital Cost Allocation	-	-	-	-	-	-	-
28	Contribution Margin	-	-	-	-	-	-	-
29	<b>Total Expenses &amp; Expense Allocations</b>	<b>-</b>	<b>(13.0)</b>	<b>(3.6)</b>	<b>129.5</b>	<b>112.9</b>	<b>6.4</b>	<b>(65.2)</b>
30	<b>Results of Operations</b>	<b>21.3</b>	<b>21.0</b>	<b>15.3</b>	<b>(99.2)</b>	<b>(41.6)</b>	<b>2.2</b>	<b>63.2</b>