University Budget Advisory Council
Community Update
Approved 4/10/24
Current Feelings on Campus

Why is our *tuition* getting higher?
Why is our *workload* getting larger?
Why is our *workforce* getting smaller?
Why does it seem like our revenues are increasing and our expenses are decreasing, yet the \textit{budget gap} keeps growing every year?
UBAC Purpose & Membership

According to by-laws: “UBAC will advise the President, Provost and Cabinet regarding the university’s budget, providing a vital link between the university leadership and the community. In this advisory role, UBAC will make recommendations on the university budget and financial plan, accounting for both current and future needs.”

Full Membership Info:

- 5 Administrative Reps*
- 5 Faculty Reps*
- 5 Staff Reps*
- 3 Student Reps

Ex-Officio members: President & Chief Financial Officer

- 1 x Planning & Budget
- 1 x Dean
- 3 x Cabinet Members
- 1 x OPEIU (Local 29)
- 4 x At-large Members

*1 member serves as tri-chair.

Source: University Budget Advisory Council
The Annual Budget Cycle

- **Fall Census & Net Tuition Revenue Update**
  - JUL
  - AUG
  - SEP

- **Tuition Rate Increase Voted & Announced**
  - OCT
  - NOV
  - DEC

- **Spring Census & Net Tuition Revenue Update**
  - JAN
  - FEB
  - MAR

- **Next-Year Enrollment Targets Tracked & Reported (to Sep)**
  - APR
  - MAY
  - JUN

- **Next-Yr Budget Balancing Efforts**
  - Next-Yr Budget Approved

* Current-year operating forecast updated using actual activity & past trends.
Where do our revenues come from?
FY24 Sources of Operating Revenue

Nearly 90% of operating revenue comes from tuition.

- Tuition Net Exceptions: 87.0%
- Food Service: 2.2%
- Auxiliary Revenue: 8.0%
- Investment Returns: 1.2%
- Gifts & Contributions*: 0.3%
- Fees: 0.7%
- Other Revenue: 0.5%

*Does not include ~$50M in restricted gifts that support current year and endowment.

Total Revenues
FY 2024 = $519.8M

Source: FY24 Board Approved Budget (Operating Budget)
Tuition Rates Over Time

USF tends to fall in middle of range vs similar universities.

Source: FY 21-25 Tuition Fees Recommendations
Total enrollments declining over time.

<table>
<thead>
<tr>
<th>Year</th>
<th>Graduate</th>
<th>Undergraduate</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2017</td>
<td>6,776</td>
<td>4,292</td>
</tr>
<tr>
<td>FY 2018</td>
<td>6,854</td>
<td>4,242</td>
</tr>
<tr>
<td>FY 2019</td>
<td>6,727</td>
<td>4,032</td>
</tr>
<tr>
<td>FY 2020</td>
<td>6,580</td>
<td>4,088</td>
</tr>
<tr>
<td>FY 2021</td>
<td>5,906</td>
<td>4,237</td>
</tr>
<tr>
<td>FY 2022</td>
<td>5,977</td>
<td>4,073</td>
</tr>
<tr>
<td>FY 2023</td>
<td>6,020</td>
<td>3,756</td>
</tr>
<tr>
<td>FY 2024</td>
<td>5,731</td>
<td>3,585</td>
</tr>
</tbody>
</table>

Source: FY 21-25 Tuition Fees Recommendations
Total Net Tuition Over Time

Net Tuition Revenue = Total tuition - Scholarships.

Source: FY 21-25 Tuition Fees Recommendations
Where do our expenses come from?
FY24 Operating Expenses by Function

Total Academic Affairs Accounts for 62.8% of Budget

- Institutional Support: 2.7%
- ITS: 4.9%
- Student Life: 6.8%
- Athletics: 3.7%
- Business & Finance: 15.1%
- OMC: 1.0%
- Development: 2.0%
- Gen. Counsel: 0.6%
- President: 0.3%

Acad. Affairs: Other: 35.8%
Acad. Affairs: Schools: 27.0%

Total Expenses
FY24 $519.8M

Source: FY24 Board Approved Budget (Operating Budget)
FY24 Operating Expenses by Category

Nearly 50% comes from salaries & benefits across divisions.

- Gen Ops / Facilities: 13.7%
- Reserves: 1.5%
- Debt Service: 4.4%
- Insurance: 1.4%
- Food Service: 2.2%
- Total Compensation: 48.9%
- Financial Aid: 27.8%

Total Expenses
FY24 $519.8M

Source: FY24 Board Approved Budget (Operating Budget)
How does the budget *increase*?
Sources of Expense Adjustments

FY24 Base Budget ($513.4M)

FY25 Increase to Expenses

Budget Assists ($13.5M)

Law Adjust ($3.5M)

Net Housing Model (<$0.1M)

FY25 Decrease to Expenses

Net Tuition Model ($1.0M)

Meal Plan Adjust ($0.7M)

One-Time Funds Returned ($0.6M)

Total Expense Adjustment FY25: +$14.8M

Source: FY25 Budget Components Adjustments
Budget Assists: One-Time vs Base

- FY24 Base Budget: $513.4M
  - Disappears after next fiscal year.

- FY25 One-Time: $7.7M requested (primarily capital expenditures)
  - ~$0.3M approved

- FY25 Base: $13.8M requested
  - ~$13.2M approved
  - Permanently increases budget for next fiscal year

Source: FY25 Budget Assist Requests
Most Budget Assists Contract Increases

FY24 Base Budget: $513.4M

FY25 Contract Increases: ~$13.2M

FY25 Other: ~$0.3M

Examples:
- Rising costs for water, gas, electricity, garbage
- Compensation rises from CBA contracts
- Contract increases from Gleeson, ITS, OMC, enrollments

- Digital & physical marketing
- Fixing card readers
- Improving student safety & experiences
- Automated external defibrillators

Source: FY25 Budget Assist Requests
How does the budget decrease?
Budget Cuts: One-Time vs Base

One-time cuts "kick the can" down the road.

Base cuts help rebalance budget.
One-time budget cuts still used.

Budget balanced via one-time cuts & revenues; passes on to next FY.

Budget balanced primarily with base cuts

$600
$550
$500
$450
$400

FY 2018: $455M
FY 2019: $468M
FY 2020: $489M
FY 2021: $489M
FY 2022: $477M
FY 2023: $515M
FY 2024: $553M
FY 2025*: $535M

* Forecasted

Source: FY18-24 Operating Base Budgets
Most FY25 Balancing Efforts Carried Over

This is where the reported $58M shortfall comes from

$513.4M
FY24 Revenue Base Budget

$571.4M
(FY24 base + FY25 revenue reduction and expense increases)

$39.6M
(FY24 One-Time Savings)

But most savings have accrued from previous one-time cuts.

Source: FY25 Board Approved Budget (Operating Budget)
Savings Allocated Proportional to Size

Part of budgets are exempted before savings are allocated.

Source: FY25 Base Savings Scenarios
Submit Questions to UBAC
(https://tinyurl.com/UBACquestions)
Sources

**Office of Planning & Budget Reports**
- Operating Budget Timeline
- FY19-25 Board Approved Budgets (Operating Budgets)
- FY21-25 Tuition Fees Recommendations

**Additional Sources Curated by UBAC**
- FY18-24 Operating Base Budgets
- FY25 Base Savings Scenarios
- FY25 Budget Assists Requests
- FY25 Budget Components Adjustments
Additional Resources

**UBAC Educational Workshops**
- Financial Aid (9/19/23)
- Internal Bank (6/23/23)
- Athletics (2/22/22)
- External Audit & Moody’s Ratings (2/1/22)
- Compensation (12/14/21 & 2/25/21)
- Law School Budgeting (11/30/21)
- Big Contracts (10/27/21)
- USF Federal Stimulus (2/4/21)
- The Endowment (2/4/21)
- Capital Budget (12/17/20)
- Tuition & Discounting (10/1/20)