Campus Open Forum
Spring 2016

Chancellor's
Committee on Budgeting

May 12, 2016

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Financial Update

Ellen O'Connor, Vice Chancellor
Administration & Finance

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Pivoting Events

External events

- Board of Trustees' involvement
- Value proposition (given weak economy)
- Concern about student debt
- Population demographics
- Tepid growth in federal, state funding

External transitions

- New Governor
- New Board of Trustees' chair, trustees
- New UMass President

Internal events

- Enrollment
- Revenue discounts (waivers)
- Investments (with weak outcome metrics)
- Lack of transparency around revenue

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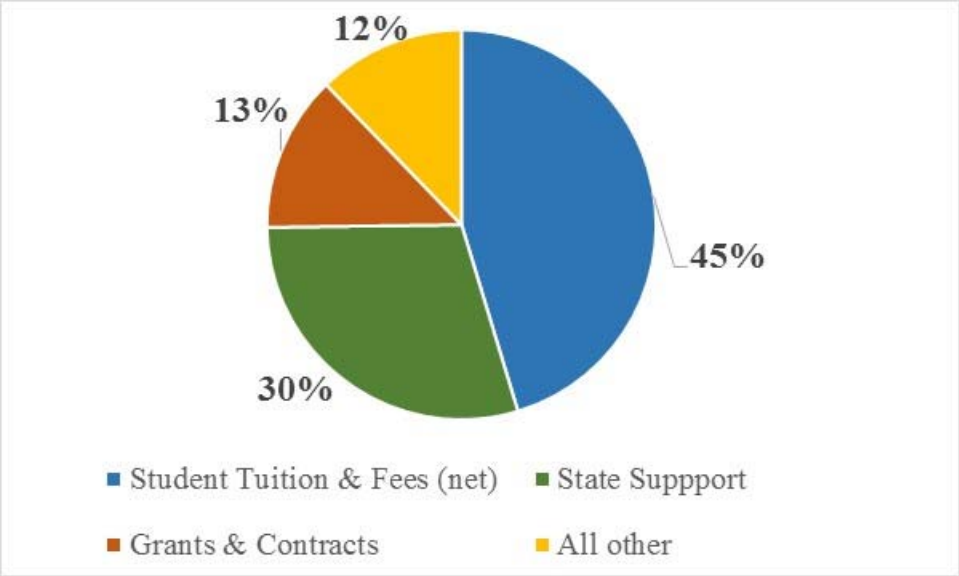
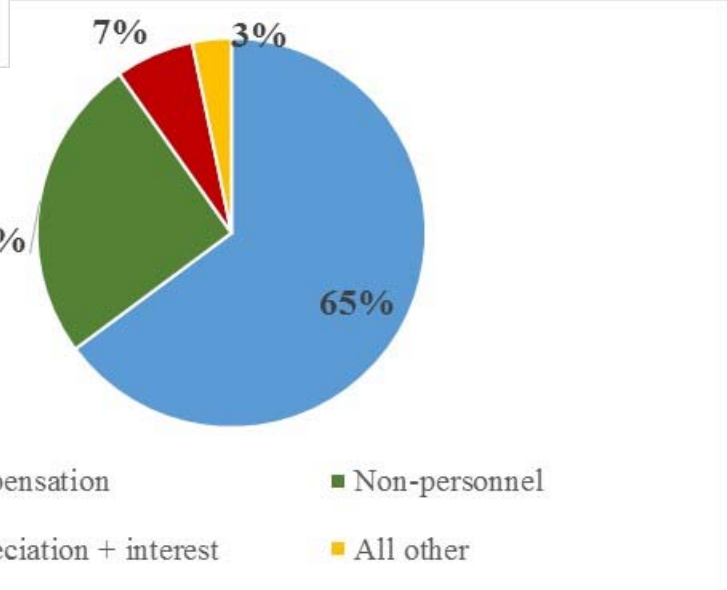
Sources & Uses of Funds

Sources of Funds

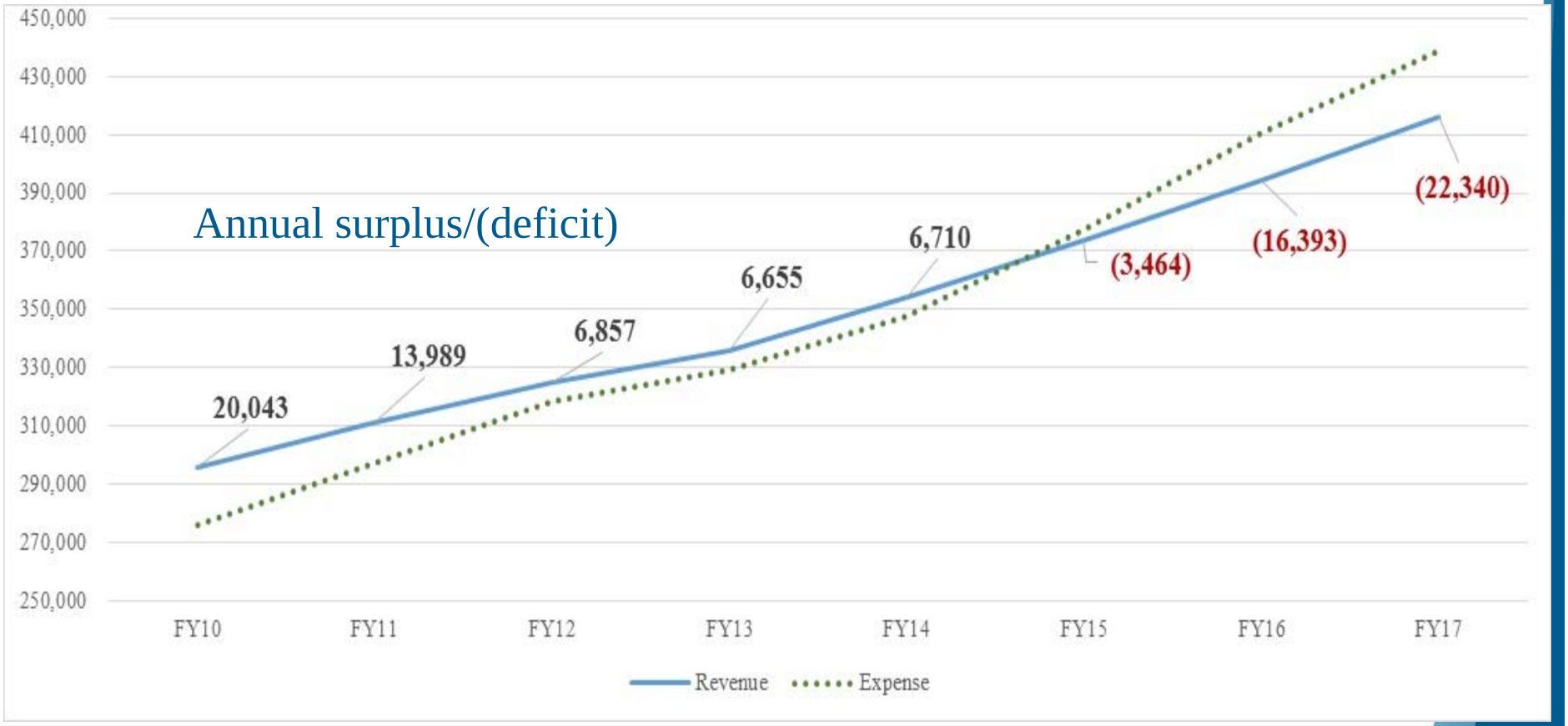


Uses of Funds

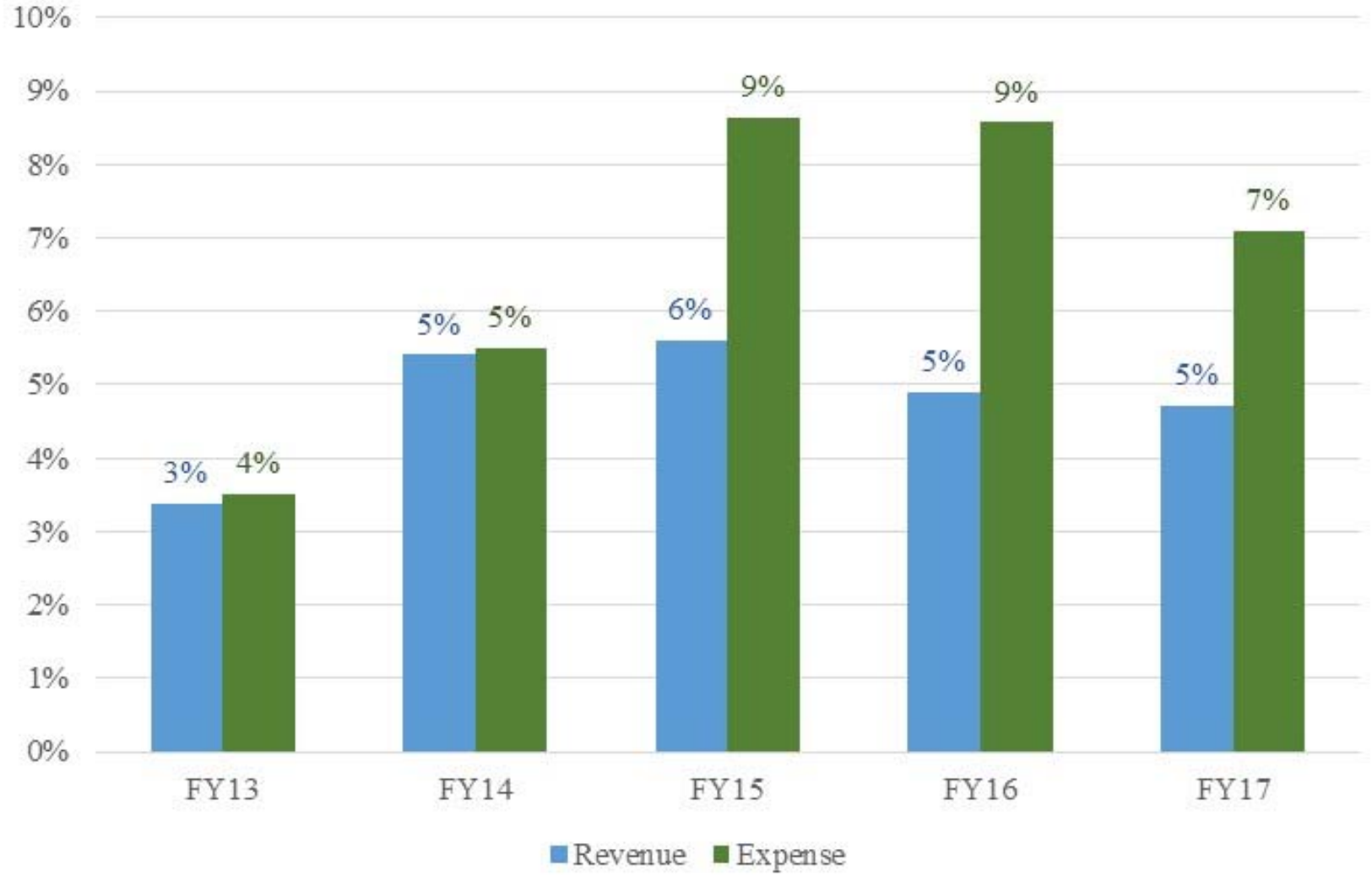


Source: FY15 annual audited financial statement (SRECNA)

Operating Margin Trends



Revenue & Expense Trends



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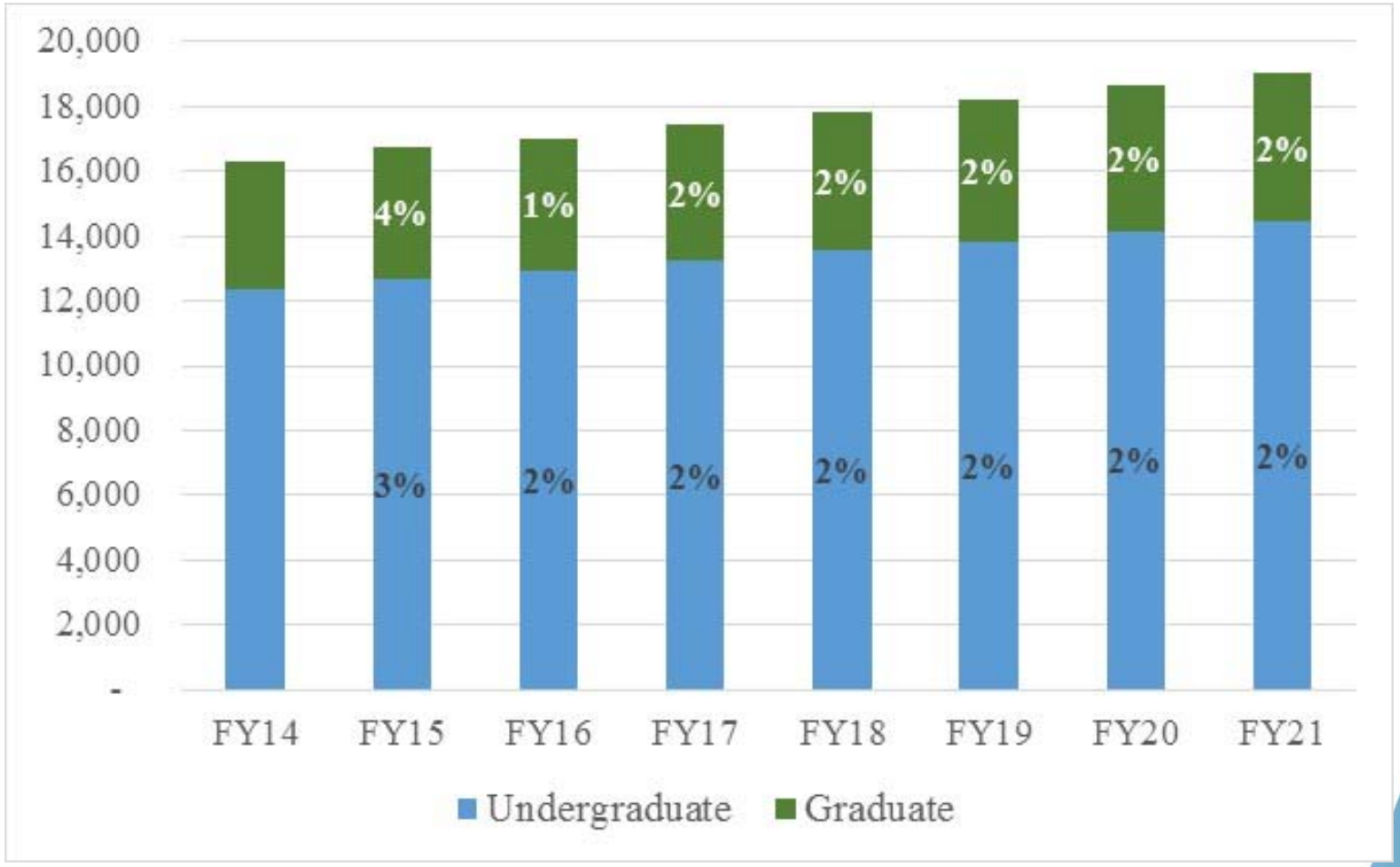
Growth in Enrollment (HCT)
FY14 -21 (*projected*)



Graduate as percent of total enrollment 24%

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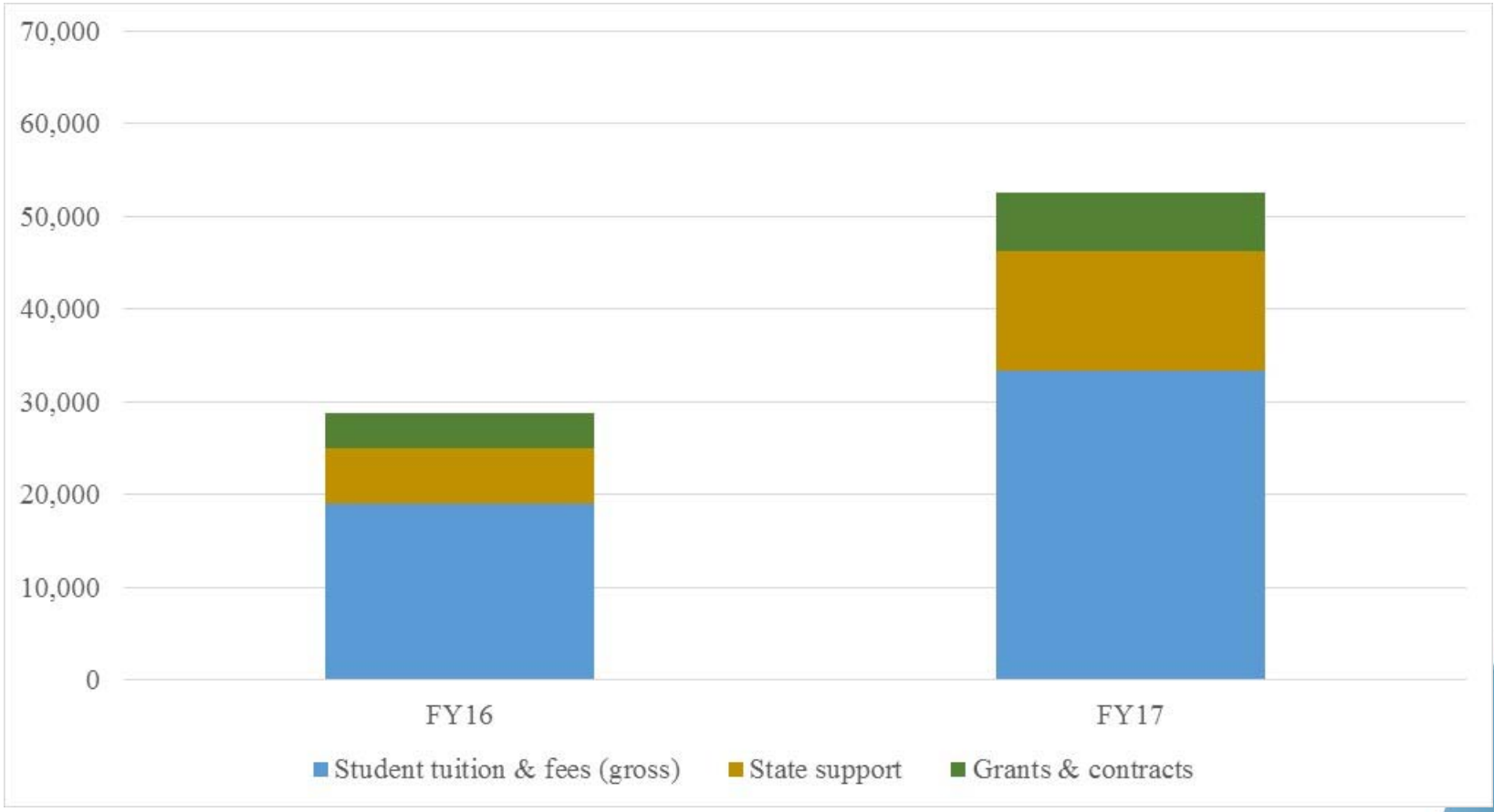
Growth in Revenue Compared to FY15



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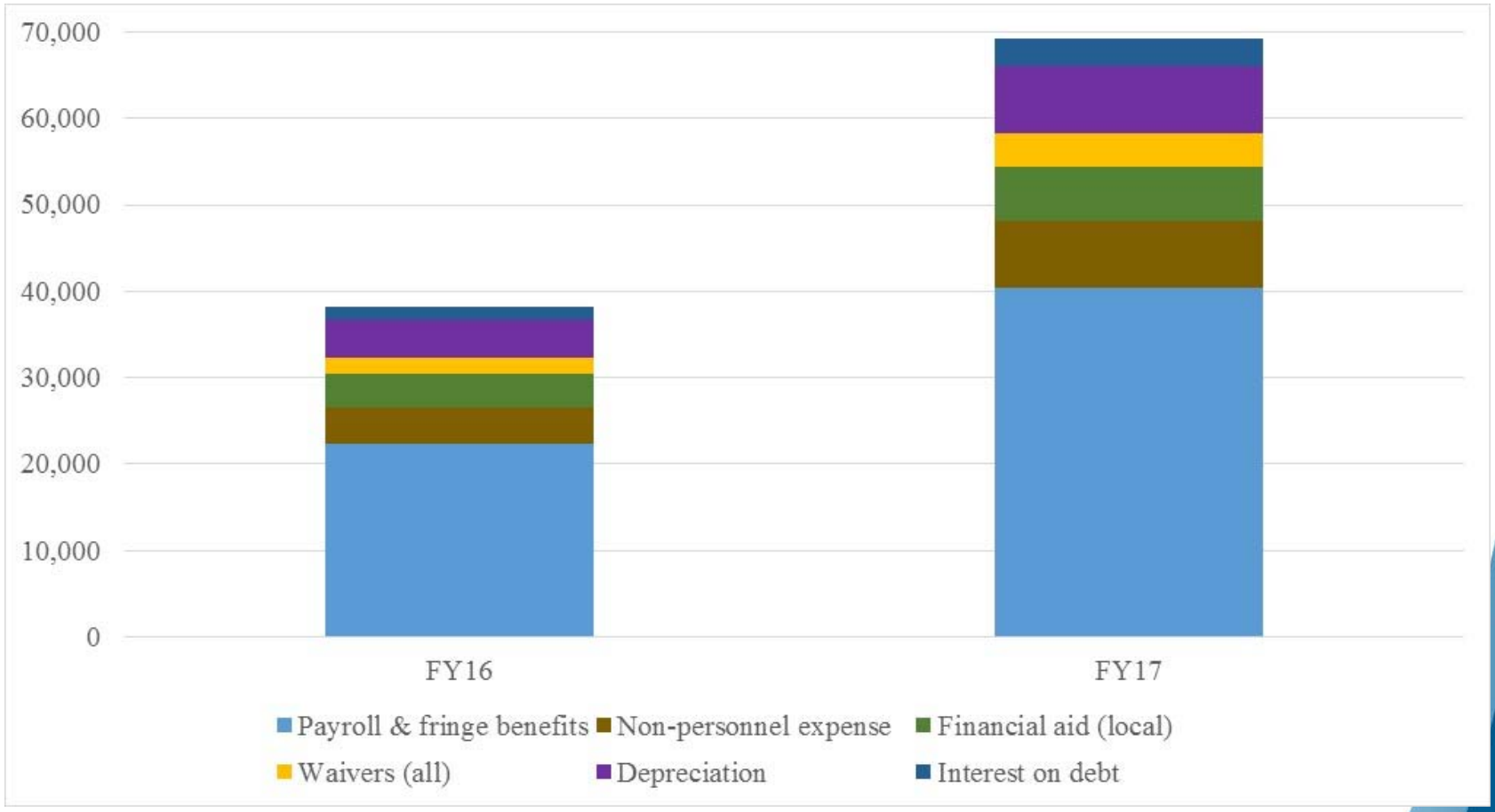
Growth in Expense Compared to FY15



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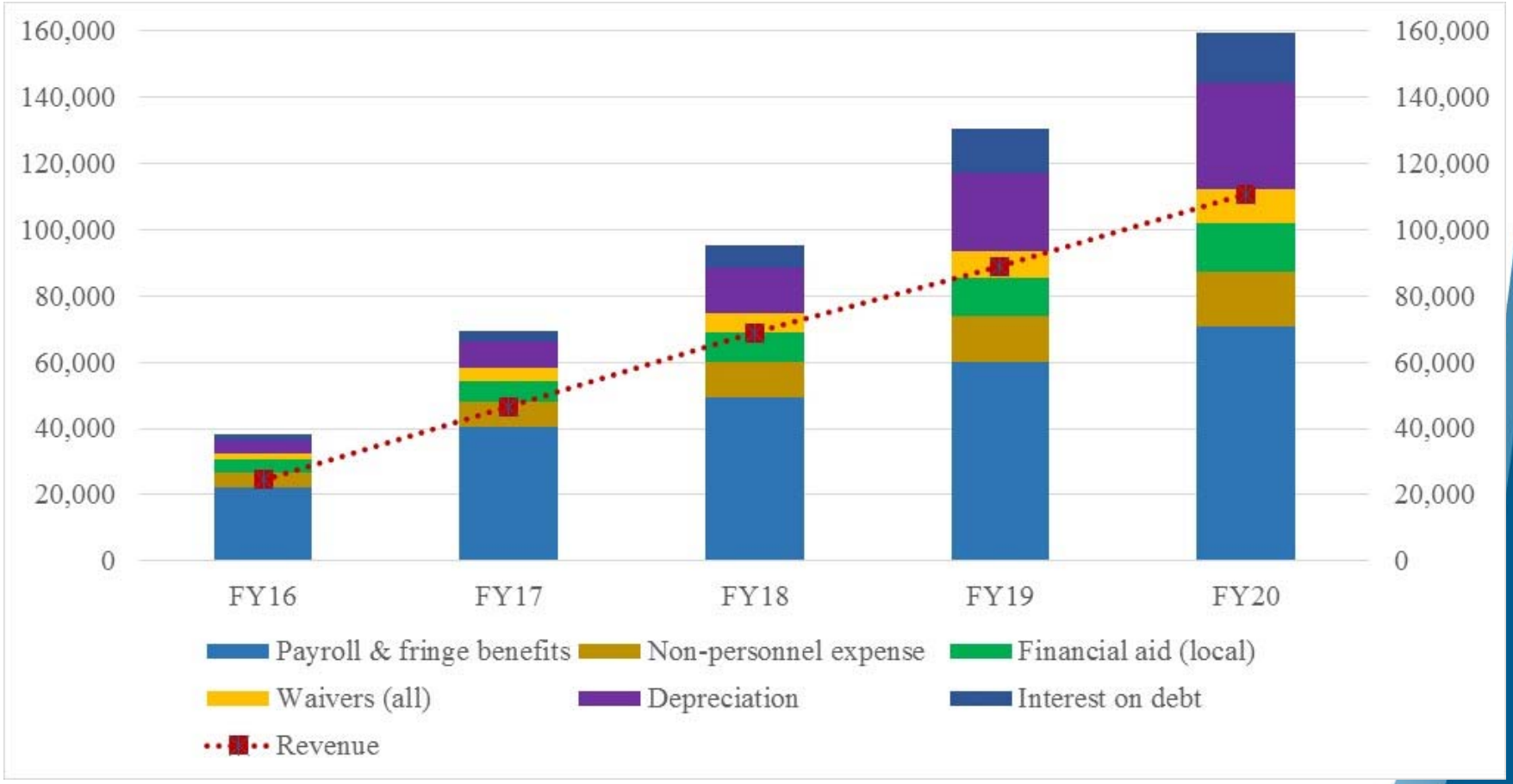
Growth in Revenue & Expense Compared to FY15



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Operating vs Capital Budget

Operating Budget

- Sources of funds: tuition and fees, state appropriation, grants & contracts, auxiliary revenue, federal aid
- fiscal year
- Support expenditures that normally occur during business operations:
  - Salary & fringe
  - Utilities
  - Supplies
  - Depreciation & interest
  - Other

Capital Budget

- Sources of funds: long-term debt (*borrowed funds*), state-support, capital grants, research grants, fundraising and net assets (*reserves*)
- Multiple fiscal years
- Supports long-lived assets
  - Major fixed and movable equipment
  - Land improvements (UCRR, Bayside)
  - Building renovation projects
  - New buildings
- Cost is "expensed" over the assets' estimated useful lives via depreciation

  $100m building/40 Years = $2.5m annual depreciation

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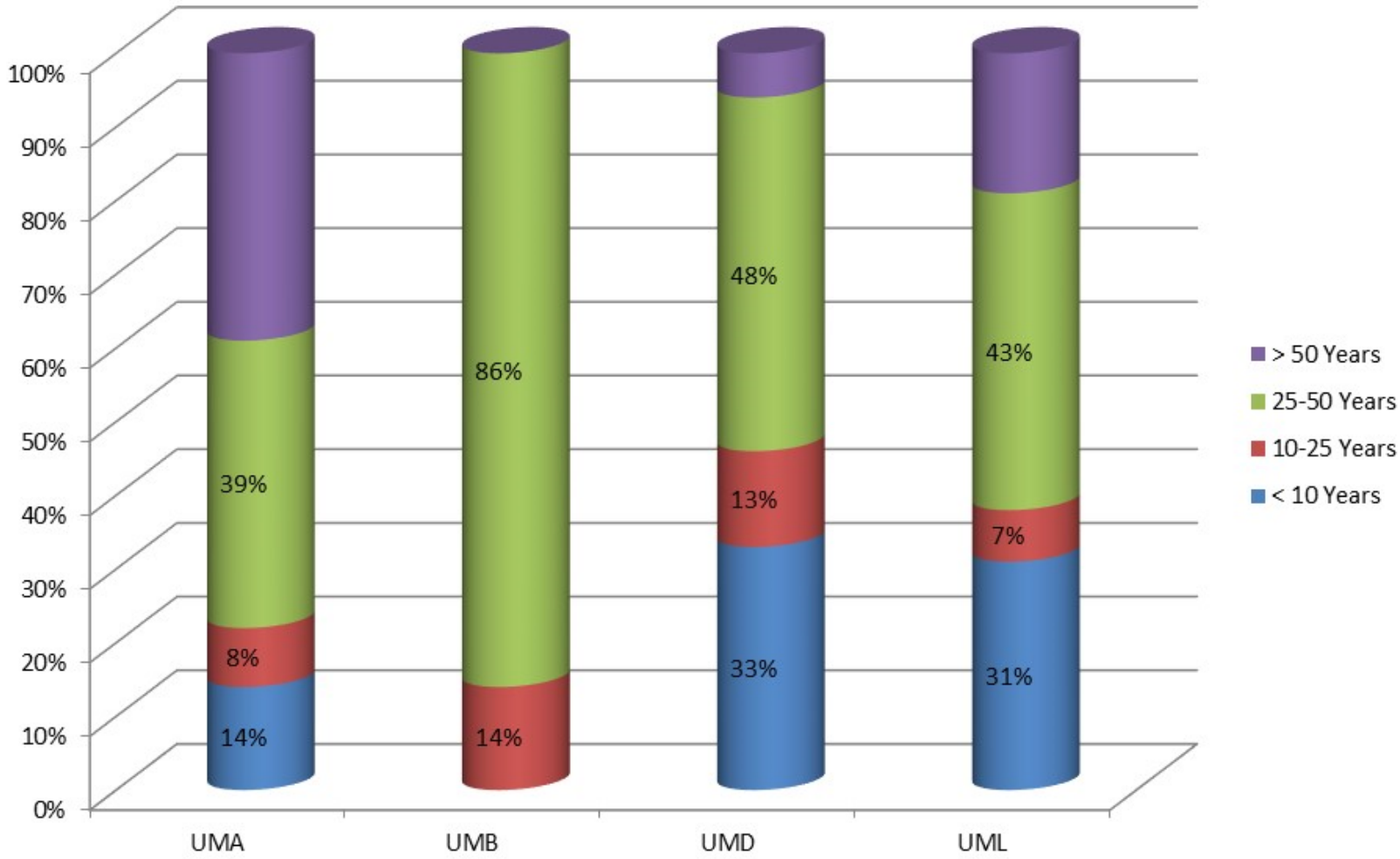
Academic Planning

- UMB has lagged behind other campuses in investing in the physical campus



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Financial Outlook

Questions & Comments

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