Division of Student Affairs
Part 2: Budgeting and Finance in the Division of Student Affairs Presented by Lori Gordon, Executive Director of Business and Finance for Student Affairs
Thursday, March 25

Lori Gordon: Hey good afternoon everyone, my name is Lori Gordon and welcome to the Student Affairs Budget 101 series. This is part two and we apologize for a little bit of the technical difficulties that we had at the beginning of this so bear with us we're….we're still getting people in from the waiting rooms and we've had some you know does other challenges connecting but thank you very much for waiting for us.

And I wanted to give the Norris team a shout out for really working through some of the connectivity issues, and of course Regan and Ronnie who have worked effortlessly behind the scenes to get these sessions pulled together.

So, because we're a little short on time I'm going to go ahead and jump right in alright. So, if you remember we had part one of the budget series about a month ago and Jake Julia did some presentation, some overview of the university kind of the…the budget and some of the processes and procedures that take place so we're going to pick up from there.

But what we're going to do is first talk a little bit about what we expect to learn with our time together today and Anthony if you want to go to the next slide.

So, I'm going to go through this very quickly, just so we're going to be a little short on time today we're going to do a little bit of a part one rewind looking at the university's total operating budget from fiscal 18. We're going to talk a little bit about vocabulary and then also the fiscal cycle that we're currently going through. Then we're going to talk a little bit about how Student Affairs Business and Finance actually builds the annual budget and kind of the overall resource planning process here at the university and kind of where we are and then a little bit more about how we think about building budgets, at least from business and finances perspective.

All right, and I do want to say this is supposed to be fun, this is an overview and not a deep dive, think of this as a snorkeling adventure into finance and that no need to worry about getting a CPA after this our goal is to have you all become a little bit more familiar with our processes and so, everyone is level set because there's been a lot of changes over the past two or three years.

All right, Anthony let's go to the next slide we're just going to talk a little bit about again the definition and or function of an operating budget. And the main takeaway here and Jake touched upon this a little bit, is a budget has two major functions – it's one, it helps us monitor financial activities throughout the year. And then, secondly, it also helps approximate the cost of completing an objective, particularly for a department or program. So, something that comes to mind, for the second item is Posse – Posse has a very specific budget each year and

commencement it has a very specific budget each year, and so we monitor progress against those budgets for this specific programs.

So, we're going to jump off on to the next slide and I pulled this information from the Central Budget Office, and it is public and I invite you to take a look there. But this goes back to fiscal 2018 and if you remember Jake talked a little bit about the budget and what's included from a university perspective, and then a little bit about the size.

But for fiscal 18 the total university operating budget was about 2.37 billion, so this would have been actual expenses. And one of the interesting things if you look at the purple and blue slices and you combine salary wages and benefits, then the university operating budget about 54% of it goes to compensation, it goes to human resources and people.

So, universities are very people intensive places, and so you can see that, by the proportion of the total budget that’s dedicated to supporting compensation. Some of the other items here just on an expense basis includes transfers, maintenance, equipment, utilities. And then service, supplies, travel, kind of that's where some of the programming events fall out and we'll talk a little bit more about that in the slides to come. Anthony if you can go to the revenue side.

So, here's the revenue budget from fiscal 18 and here you can see, the total actual operating result was 2.39 billion, a couple of interesting things here.

There was some question about grants and a little bit about financial aid and tuition during Jake's presentation and, if you look at this particular pie chart, you'll see that student revenues is really about 26% of the total revenue for the university and that's after financial aid. So really tuition is only funding about 26% of the total university operating budget. Grants which are either direct or indirect depending on where they're coming from, these are mostly federal research grants or state research grants, they are funding about 27% of the university's operating budget.

The yellow slice is endowment distribution, which we commonly refer to as endowment payout. And then there are gifts, which is the green slice at the bottom, which is about 11% of the total revenue sources. And then sales and other services is the gray slice and that's about 14%. So that's just a quick snapshot of the overall university budget, but one of the interesting things if you, if you remember the slide before this in 2018 expenses were $2.37 billion compared to the revenue of 2.39 billion so that's where the university in 2018 actually had a surplus. So, if you connect that dot to what Morty had mentioned around fiscal 20 that there was a surplus that's where that amount of money comes from at a total university operating level, so it just wanted to kind of connect some numbers and then bring those forward to FY20.

I think the results for FY21 are to be determined, but again, we have a really big university, has many different funding sources, we’re upwards of 2.4…$2.5 billion of an operating budget and now we're going to talk a little bit more about budget vocabulary, so we can continue into the Student Affairs specific portion of this presentation. Anthony do want to go forward one slide.

So, rest assured, there is no pop quiz after this, so a couple of things about the budget vocabulary and some common terminology. When I was pulling this together, I realized, there are probably some terms that are relatively new to everyone, because there's been many changes to how budgets are created and how they're managed at the university level over the past two years, but we're going to start at the top and just take these, one by one, just again, this is a level set so we can continue to talk through some other slides.

I did want to mention that Irene Armas did pull together companion PowerPoint where this is all been translated into Spanish and I think the Norris team has that and they'll put that link into the chat so you can follow along.

Alright, so some common budget vocabulary. We're going to start at the top just go through these fairly quickly, so we've talked a little bit about something that might be recurring. So recurring means that you can have an expense or revenue that is going to repeat for the foreseeable future, so it recurs every year. Non-recurring is usually a one time or fixed short interval of expensive revenue.

So, a couple of good examples recurring revenue, for instance on the housing side would be room and board. On the Student Affairs side a large portion of our recurring revenue comes from the appropriation. Recurring expenses, as we touched upon earlier the biggest one for Student Affairs is compensation right?

On the non-recurring side when something is again a one time or maybe fixed for short term, a good example from the revenue side often are gifts. We get gifts that might just cover a period of three or five years and then sometimes the actual cash donated is a very specific amount, but just for that year only.

On the expense side, usually, when we talk about non-recurring expenses, a lot of that relates to facilities, improvement and capital so again, that is something that housing manages very carefully regarding their deferred maintenance.

All funds, a term near and dear to my heart and Sheila and David's, all funds when we present a budget which you'll see later, we're talking about not only fund 110 the operating budget which most people are most familiar with, but we also combine 171 which is designated chart strings 172 which is self-supporting which is mostly food service now. Funds that start with 320 which are gifts and funds that start with 400 which are usually our endowment payout right?

All funds is a newer term I think a lot of folks probably fiscal 2018….17 earlier we're really focused more so on the fund 110 operating budget. But now there's a more of a focus to use all of the resources, regardless of the fund group and we try to use gifts and endowment as much as we can, those are more restricted sources, so it makes sense to use those first.

Another newer term which came into being around fiscal 19 were budget controls. So, these are actually spending control limits that are now in place with our budgets. FY 18 and earlier,

the university actually had budgets that they really didn't limit or control the spending, and I think this is something folks are wrestling with and I know I still am. So, what we find is that we have certain limits that we can spend and they're split into two, we have a spending control limit on compensation expense, so we have a ceiling, we can only spend so much.

And then on non-compensation expense and these control limits are set at an all-funds level there isn't a separate one, for instance for 110 versus endowments it's an all funds basis. But we do have those we've been very fortunate, we have not hit them in the past couple years but that's something that we do monitor behind the scenes in business and finance.

Another newer term is management budget – So kind of in the old days 2018 and earlier, we would get some information from the Budget Office but they would normally just tell us the incremental change to our budget. Now, we actually get a management budget that comes in the spring, they tell us on an all-funds basis how much we can spend. And they break it into our compensation and non-compensation control limits. So, there are limits set on what we can spend and then how that spending is split into compensation and into non-compensation.

So, some other common terms, just as we go throughout the presentation, auxiliary operations is generally housing and dining and then, when we speak to non-auxiliary operations that's kind of everybody else…that's Dean of Students, Career Advancement, CAPS, Health Services, Division Resources, Norris Center, CIC, SES these are usually the departments that have a appropriation associated with them. Alright, so that's some common budget terminology two more quick budget pages we're going to go through these very quickly…Anthony if you can go to the next slide.

So, some basic expense terminology we've covered some of this already, the largest expenses generally compensation and we speak to compensation includes all faculty, staff, add pays, student wages and fringe benefits. Non-compensation expenses, kind of everything else…supply, software, insurance, maintenance, utilities, programs, etc.

We also wanted to talk a little bit about, then a fixed expense versus a variable expense and I'm going to speak to these terms very generally. So, a fixed expense and we have several in the Student Affairs budget, are expenses that don't really change, and they are assessed every year or every month or every quarter. And we're usually contractually obligated or have a commitment to pay these expenses. So, this isn't an expense that's not readily reducible through budget reductions. They're also variable expenses these expenses change a little bit more over time and they usually change a little bit based on demand of products and services and are more flexible when we do have to reduce budgets like we had to do so in the past couple of years.

All right, one more vocabulary slide and I think we're done with the language part of the budgeting. Anthony can you go to the revenue slide.

Alright touched upon this little bit, we have some major revenue drivers in the division of Student Affairs. The central appropriation is funding that our budget receives from central. So, each year we receive a fairly significant transfer in on the Student Affairs side that supports our fund 110 operating budget. This is for non-auxiliary units so, for instance dining and housing that reports in through Carlos they do not receive an appropriation.

Operating revenue generally comes from sales and services and fees, some good examples that you might be familiar with are Norris Center, they have a lot of sales and services through mini courses, there's some food service and catering revenue that they also pick up. Other operating revenue of course would be through dining and room and then some fees and clinics service fees that we pick up through Health Services.

We also have transfer revenue, most of ours either comes into Student Affairs non-auxiliary from central administration or from Residential Services. And then, one of the other items that we're using more as a revenue source is our carry forward, which is also called reserves, which are also called sometimes your fund balance. So, there's a few interchangeable words that we use to describe our revenue sources, and sometimes even I call them different things, but those are generally the beginning balance that you have that you can draw down, and that is where we plan our use of fund balance or from these carry forward, these reserves or what we call fund balances, so those terms are used interchangeably.

Alright, so we're going to talk a little bit about where we are right now in the fiscal cycle here and Anthony if you could go to the slide with the diagram on the fiscal cycle.

Alright, so the budget planning process at the university and Jake talked a little bit about this, it is a cycle and we go through the same steps every year. It kicks off every year with strategic planning and this is where Julie works very hard on trying to assess the needs across the division and create a strategic plan based on feedback from assessment and leadership team, as well as program reviews and she pulls this together with the help of many of you across Student Affairs into a document.

Now that document is what then feeds resource planning, so when we go each year to central administration and we discuss what our resource needs will be for the subsequent year, we pull in and we pull off of the themes in that strategic planning document. So, you'll see a little arrow where we are right, we've completed strategic planning for this year and we've completed resource planning so right now we're in a little bit of a lull in the cycle, but what we're preparing is for the next step. We're looking at performance excellence coming forward, we're looking at beginning to plan compensation and non-compensation budgeting later in May and June. And we hope to have a management budget to guide us from the Budget Office through those exercises so that'll be where me and Sheila and David will meet with many of you, and start looking at budgets and FY22 projections. So, start thinking now about your programs, and your events, things that you want to continue some things that might need to go on the backburner.

Then, once to get all that information and we get our final management budget, we go into budget preparation. And that's something that Sheila and David and I do behind the scenes in a different platform, and we build the budget in a software. Once we get that budget done, we actually then have that uploaded into the system where, then you all can begin to see it in August.

Then, once we hit August and September we start closing out the current fiscal year. So the cycle repeats itself every year and Anthony you can go to the next slide…I have a calendar here that's step by step, but I'm going to go ahead and push forward just so we have enough time and we're going to start talking a little bit about the Student Affairs budget build – so Anthony if you could go forward, I think, to slide 13. Thank you.

So, let's fast forward in that cycle we've done our compensation planning, we've done or non-compensation planning and me and David and Sheila we're going to take all of that information we're going to bring it back, we're going to go through it, and now we have to start building the budget. And so, this process for the most part is pretty similar whether you're in housing and dining or whether or not you're in Student Affairs, a non-auxiliary, but I'm going to keep this high level.

The first thing we have to do is figure out how much revenue, do we really have to support our expenses for the next year. So now we should have a pretty good idea of what the central appropriation will be, from resource planning will know what's been approved by central regarding transfers into the budgets. We will have a pretty good idea what type of additional funding, we might be getting from other contracts. Like Jim Roberts manages the Coca Cola contract, Jeremy and Jim food service with Stacey Brown, so we'll figure out, you know we'll have an idea of how all of these revenue streams are coming together for both the Student Affairs and for the dining and housing side.

We have gifts, gifts are mostly on the Student Affairs side we work with alumni relations and development to get a projection on what we believe our gift revenue will be for the next year. As well as endowment pay out, so endowment payout is basically the dividend that we get as operating revenue from the university's endowment and so would be like, if you have stocks and you've invested personally, and you get a dividend at the end of the year or quarterly from that company it's the same thing. We actually get it about every month, sometimes it's a little late, we have endowment payout transfers that come in from central into our budget.

And then, finally, this year we're using more use of fund balance. And we're going to talk about how that is all going to come together, I want to talk a little bit more on the next two slides about the appropriation, I think there's a lot of questions about our appropriation, and how it's changed over time and then how we're using the use of fund balance. Anthony, can you go to the next slide?

So, this next slide right here are all those pieces of revenue and how it's come now, this is the Student Affairs non auxiliary budgets so dining and housing are not included here. This is the

FY21 all funds revenue budget. And you can see a couple of things here, over half of our revenue comes from our appropriation so that's a really important recurring funding source from central administration. If we go around to the bottom kind of that red slice, we have about 15% revenue transfers and again the transfers come in from central administration and also from res services.

We have a fairly large slice of use of fund balance that's the green pie slice but the star next to it about 12% that's pretty high this year. And then some other traditional operating revenue sources, sales and services and contracts, professional fees, gifts and endowment and so forth. So, I want to go ahead and fast forward quickly to the next two slides I'm going to first talk about the appropriation.

One of the reasons I wanted to show this trend, so this is for Student Affairs again not dining and housing but that our appropriation, the money that we get from central that central recurring funding has decreased. Decreased over the past three years by about $3 million – now we're still substantially higher than, say 2015 on how much money we get from central. But that decrease in that recurring revenue source is where the division at large is feeling that pinch on staffing. Because generally, we like to try to have as much recurring funding supporting our compensation budget.

And this illustrates where Julie's done a great job of trying to forestall like getting any lower and certainly asking for some of that back for next year. We'll keep you posted, but I just wanted to show this trend. Anthony, can we go to the next slide.

A little bit more about using fund balance, we're using more fund balance, this year, and that is a non-recurring source of revenue to keep our budget whole. And when we use fund balance, we're essentially pulling again from a carry forward reserve or from a beginning carry forward balance and we are using it to fund an expense. So, it's like using your savings account at home to fund an expense or program for the year.

The thing with fund balance, though it is non-recurring, so once we've depleted those fund balances they're usually gone, or they have to be replenished somehow in the cases of gifts that might be possible but maybe not so much in other cases. So, it's something that we work to manage again within business and finance, along with our partners across the division. Alright, I’m going to fast forward to a couple of more slides.

So, when we look at building the expense, the revenue budget and the expense budget, they need to equal. So, we look at the compensation budget first, make sure we have enough compensation to cover what's considered you know incumbent positions, and then we look at fixed and variable expenses. So, let's go to the next slide number 18, okay Anthony?

I wanted to put this illustration up here, because just quickly in the past few years we've had some budget reductions from the Budget Office. Where they have said, maybe a five to 10% cut on non-compensation expense.

But in the case of Student Affairs we actually have a lot of fixed expense and that's where that five or 10% reduction goes sideways because we have a fixed expense you now have to focus your reductions on a much smaller piece of the pie, which is your variable expenses. So that five or 10% reduction now feels like really a 15 or 20% more reduction, so I wanted just to let you all see that within the Student Affairs, this is our fund 110 budget – Our expense, we are very people intensive is mostly compensation, but our next largest non-compensation item is really fixed expenses. I have a list of items there that we consider fixed that have to be included in our budget from year to year, and we have certain obligations or certain contracts in place.

I know I'm going through this quickly…Let's go to the next slide Anthony number 19 okay…so here, overall, this is the Student Affairs non auxiliary all funds expense budget, you can see the 42.4 million matches the revenue budgets, so the budget always has to be balanced overall.

So again, when you look at it across all of the Student Affairs funds, our salary wages and benefits or compensation expense is now about 62% but that's pretty close to where the university is overall about 54 or 55% so again illustrating that compensation is generally the largest part of the budget.

We can see that we have some, next biggest slices services and professional fees, most of that is usually for health services and for food service. We have transfers supplies and materials travel and promotions and utilities, equipment and other.

So wanted to quickly go through that and again just to give you the magnitude of the budget as well. Let me check the time, so we have about five minutes left I'm going to go back to my mission control colleagues and ask, should we take some questions or go through the last couple of slides for housing and dining?

Regan Lindsey: Yeah, Lori go ahead…it's Regan, hi everyone! Go ahead and run through those last few slides and then we'll get the Q&A started maybe about quarter to? So about 1:45.

Lori Gordon: Okay perfect. So, Anthony if you can go ahead and pop into the next section. We're going to talk a little bit about housing and dining. So, this is for everyone that's involved in dining and then in res life and housing operations. So, housing and dining this is combined and does include our vendor clearing 133 which has a lot of the food service expenses. You can see that this is a very different revenue picture than Student Affairs. So, Student Affairs remember half of our revenue or more comes from a central appropriation.

For auxiliary services nearly 90% of the revenue is really coming from room and board, summer conferences and some fraternity and sorority fees all right? A big chunk comes from how they operate. The next couple of pieces contracts, fees…can you go back one slide? Thanks. The next piece on the revenue is contracts and fees those tend to be other types of internal transfers in for summer camps, we do have a small use of fund balance. Housing also specifically has some endowment payout, investment returns and then there's some other sales and services. Let's bounce to slide 22 thanks Anthony.

Alright, so you can see, housing and dining again from an all-funds expense perspective, and you can see that again these revenue and expense budgets are balanced, both at 68.5 million.

So, it's a little different now on how housing and dining spend their budget. So just quickly the biggest slice is services and professional fees that 35% that includes payments to companies for food service things like internal security, which we pay to central administration, and that would also include, for instance, the custodial contract. If you swing down to the green slice the transfers out about 4 million of that is actually for capital transfers. Housing has some debt for the new building at 560 Lincoln and some of the renovations that have been done over time, so they basically have an interest and principal debt payment back to central administration that's included in that piece.

They also pay central administration what we call a shared services fee it's kind of like a tax, but we go ahead and we pay them about $3.5 to $4 million a year, and then there is a piece that does come over to Student Affairs to support our recurring fund 110 budget.

So that's a pretty large piece of transfers out from dining and housing. They have some money spent on supplies, material, travel, the big orange slice - maintenance equipment…maintenance utilities and equipment is really the facility shops. That's everything from carpentry, paint, elevators all of the things it takes to run the residence halls.

The dark blue slides, which is utilities, communication and other that's primarily utilities, which would be steam, sewer, water, electric. So those are a pretty hefty amount out of the budget about $6.4…$6.5 million. And then you can compare to Student Affairs, housing spends far less as a percent of their budget on compensation right? So, two different budget dynamics that we have between Student Affairs and between residential services. Aright? So, I'm going to bounce I think we have some time for questions Regan I'll take that back to you.

Regan Lindsey: Yeah, so first of all thank you all for joining us and Lori you are just phenomenal and gracious and beautifully held everything together behind the scenes, so thank you, then of course Norris for all your work behind the scenes, and you all, all you fabulous guests who sat through there too until we were able to access the room. We're going to spend probably the next five maybe you know 10 minutes, hopefully, on some questions so feel free to chat those you can also raise your hand, Ronnie will be kind of helping behind the scenes letting me know.

There he is giving us the peace sign… letting us know if you all have anything that you'd like to get in front of Lori. Now I'm no Julie here playing moderator but I'm going to do my best okay?

Lori Gordon: And I appreciate everyone kind of moving through the speed racer version of this presentation so it is recorded and certainly happy to send any information out to everyone to review it.

Regan Lindsey: So, any questions on any of the content that Lori kind of ran through?

Lori Gordon: It was more of a sprint.

Regan Lindsey: Sprint. Full on sprint.

Lori Gordon: If you are thinking about questions in the meantime, I am going to plug the third part of the budget, 101 series. Our wonderful Julie Payne-Kirchmeier, is going to present the last installment it's the stewardship of the division of Student Affairs budget so stay tuned that will be 11 to 12pm on Wednesday April 21.

Kelly Schaefer: Lori, I would ask a question, because this is my particular frustration I'm just not in the system, every day, and so reporting is a real challenge for me when I want to get to something specific. I know, probably for folks who are in the system, every day, you know they it's more easily, things are more easily found but are there any tips or tricks for finding things that I want to find in the in this in the reporting?

Lori Gordon: Now Kelly that's a good question. And it's…it's really hard again if you are, you know, in a reporter in a system like one time and then you're not in it for a few months. We will be bringing the tableau reporting back online after the reorganization and whatnot, but I think what I really suggest is some of the most common reports, the GL005 the GL008 they really are handy they are the best budget reports for GL reports, they tell you, your status to your budget.

I can send out a link there are training materials online and that are available, but I would also say, if you ever have a question and or need something deciphered let me Julie…Julie ha! Let me or Sheila or David know because sometimes we have more levels of access to the data on a transaction basis to ferret out a piece of information and or to demystify something that you might see in your budget materials or something that you think is creating an anomaly. That it's really just using them on a frequent basis, a lot of these reports, just to gain that familiarity with them.

Kelly Schaefer: Yeah and your team is fantastic! I never have you know…anytime I asked for help, I get really excellent help I just know that I ask a lot of questions.

Lori Gordon: No yeah. Thank you. I think I see a question from Kim.

Regan Lindsey: Yes, from Kim Lange in the chat. In what ways has covid most impacted Student Affairs budgeting?

Lori Gordon: And Kim I think what you mean is regarding our forecasts and our budget for FY21 and I am going to ask David Hartman to unmute if you would also like to chime in. It's really impacted us, because we brought a very controlled group of students back in the fall so it's really impacted our revenue, more than anything. So, we are operating very similar to normal, we have reduced some expense, because we did not have students here in Q1 but the biggest impact is the hit to dining revenue and also to room revenue, simply because we just had so

few students here in the fall, so we are carrying some pretty significant deficits in this year that will probably hit fund balance. We're hoping for a little bit of relief centrally.

I think the bigger question is looking forward, what will FY22 look like regarding revenues we're planning for the most part, for a mostly normal return but we'll have to see. Good question Kim. David did you want to add anything?

David Hartmann: Not really. The one thing I would add is that while there is some room revenue, we had about 560 students – normally if you think a normal quarter is about 3,900 undergrads in housing, we had 560 in housing during the fall and for winter we've had around 2,400 so think about those numbers and what that means in terms of revenue and because we could not sustain for meal plans our obligation to dining we've gone through to a contractual obligation with compass that we are making them whole, so we are getting zero dining revenue, while still incurring dining expense.

Lori Gordon: I see another question, thank you, David from Keith Garcia. So, where in the budget would the commitment to establishing a dedicated funding pool for retention and promotion of BIPOC staff come from?

And that is something we're working on, I, as I, as I think we get information Keith from everyone, we have working sessions already scheduled for mostly I think May and June – We're going to take a look at everyone's budget, and this is a priority for the division and we will figure out a way to build in a reserve or contingency that we can use to address these issues and to make sure that we're able to you know show some progress on that front. That is something that I'm happy to report back to everyone, as we get closer to FY22 and I think it is obviously an objective of Julie's were able to do that.

Regan Lindsey: Good question Keith, thank you for that. Lori, we have another question that came through kind of not in the chat but on a back channel that I'd like to pose to you. How do we handle as a division any anticipated expenses that we haven't budgeted for. So how do we handle that?

Lori Gordon: How do we handle that…it depends right? And I look at things again regarding….Is a compensation or is it non compensation right? So, in some areas where we've had unplanned compensation, again we've had a lot of temporary staff we've had some issues…not issues but we've had more departures than we expected so we've had to do some things on an interim basis, bringing interns and temps. We actually manage that, through what we call salary breakage so we try to manage that, right now, at a holistic level at the division to be able to address that.

A couple of the tricks that we have been doing on a non-recurring basis if there's unplanned non-compensation expense this year, it changes, a little bit based on the funding source. If it's actually coming in through a gift and we have some gift revenue that can also cover it. We can

work with the Budget Office on some budgeting, or we can look at trying now to spend against that revenue where that used to be a little more restrictive in the past couple of years.

One of the other things that we do, although it's not my favorite thing to do, if we have a little bit of access compensation budget in an area we can do a non-recurring budget adjustment and bring some of that down to non-compensation and give some relief if something's happened and or we find that we have a priority expense that's come through.

A couple of good examples are particularly students who have an unplanned need or go on medical leave. So, we try to work, we have to look at them on a one-off basis but the sooner we know there could be something unplanned, particularly if it's a very material amount on the sooner than we can plan for it and look at solutions.

Regan Lindsey: Thank you for that. Lori, we have Kelly Bankert, I think this was in regards to your response to Keith but she was asking will that be budget is as a reoccurring expense moving forward?

Lori Gordon: That's the plan Kelly. We will, I think consult you know, with everyone particularly there is a subcommittee with many folks from the Student Affairs Council also participated on how we're trying to move many of our racial equity objectives forward.

So, I think more to come on that, particularly as we start you know building the budgets and trying to get all of the moving pieces together, which will start to have more of an idea where we're going to land, probably by June…early July and again happy to report back on that. And Kelly, you know where to find me.

Regan Lindsey: We all do. All right, it is about five to two. We probably have time for one or two additional questions are there any out there from the group that you'd like…we have Lori in front of us now is the time.

Michael A. Youakim: Um, hey Lori I have a question for you.

Lori Gordon: Hey Michael Youakim!

Michael A. Youakim: How ya doin? I know that central appropriation was a large piece of the budget. So how does central get their funding to fund us? Like where does that come from?

Lori Gordon: Yeah, and good question so when, at the very beginning of the presentation, when we talked a little bit about some of the FY18 university operating budget, I actually have a hard copy I'm gonna flip back all the way. My paper notes…Going back in time.

The central budget also they have various revenue sources and so they…they it's interesting because one of the subtle differences, and Michael maybe this is where you're getting, at when you're at a state university there's very defined or designated streams of revenue that come

into certain areas. For instance, students who are paying a health that fee goes directly to health services. We're a private university, so what central basically does is they have all of this revenue coming in right? And again, it can come from finance as a student revenue through tuition, grants, sales, services, gifts, endowment, but how they ultimately fund the appropriation is probably, this is my guess…my belief, that it's mostly from tuition because those are unrestricted dollars, from endowment because the major parts of that are a payout is unrestricted, as well as likely some reserves and from sales and services.

So, they take this big bucket of money, and then they allocate out what the appropriation will be based on a centralized long range planning model. And so that's one of the things where we've…we've had some struggles, I think at the university level with the budget climate over the past few years, because revenue has been short I think spending was getting a little too accelerated in fiscal 17,18, 19 started putting more controls in place to get that under control because there's such….You know, such a need to try to hold tuition and not increase it too much right? So, there's a variety of mixes of revenue sources, but I think, in a nutshell hopefully that paints a better picture of a private university probably does things and approaches the mixing of funding sources to support appropriations, a little differently than a state or public institution.

Regan Lindsey: Okay Lori, we have we have two questions in the chat one about a ASG that Sheila was able to respond to and then we have one from Christina, and this will probably be our last question before a really brief close out.

So, Christina's asking will we have access to more fund balance in FY22?

Lori Gordon: We requested a significant portion of fund balance in FY22. And Christina good question I know SES is extraordinarily reliant to serve their students to use the fund balance that they do have particularly in gifts and endowments.

So, we did make a pretty significant request on our resource planning materials, we will find out what has been approved again probably early May, when the Budget Office gives us our management budget and then our compensation non-compensation targets, and any approved resource requests.

Regan Lindsey: Thank you Lori. I don't know if you all can see Colleen little coworker I mean…that just made my whole day.

So, I know you all have heard this in this let's see this past hour a few times, but thank you for your patience, a huge, huge, huge thank you to Norris who was helping us throughout all of the Zoom hurdles, we had to go through. There is a zoom outage, so I hope for the rest of your afternoon meetings that it goes a little smoother.

And then Lori of course you're brilliant and we just so appreciate your time and joining us, and I know Lori mentioned earlier, but this will…this event will be translated in Spanish and posted to our virtual gathering website, so we will push that out in an upcoming snapshot.

And then Julie Payne-Kirchmeier will be sharing the final part three series of this budget, 101. She'll be talking a little bit about stewardship and kind of priorities, how we align our priorities as a division so look for that Wednesday the 21st and you'll be seeing more communication in the snapshot and how to register for that as well.

So that is it, it is two o'clock on the nose and Ronnie, of course, thank you for all your hard work behind the scenes we couldn't do it without you as well, so you all have a great rest of the day, and thanks again for your time was wonderful seeing so many of you.

Lori Gordon: Thank you everyone.