Committee on Finance and Business Operations
May 15, 2018

Tracey Cook, Vice Chancellor for Fiscal Affairs
Claire Arnold, Associate Vice Chancellor for Fiscal Affairs
Agenda

- **Information Item**: FY 2018 3rd Quarter Financial Update
- **Information Item**: Policy Items Moved Out of Policy Section 7
- **Approval Item**: Online Program Tuition for Doctor of Nursing Program, University of North Georgia
- **Approval Item**: Campus Center Fee, Georgia Institute of Technology
- **Approval Items**: Seven Policy Revisions – Sections 7 and 11
Third Quarter Financial Update, FY 2018

- Policy Section 1.4 requires quarterly updates
- July 1, 2017 – March 31, 2018
- Amended Budget
- Budget to Actuals
- Key Financial Trends
## FY 2018 Amended Budget – Third Quarter

Current FY18 Amended Budget = **$9.55 billion**, including all fund sources

- Includes **$257 million** carry forward funds
- Includes **$12 million** provided by State
- USG Fall 2017 enrollment up 1.1% year over year – 325,203 students
  - Spring enrollment follows similar growth as Fall 2017, up 1.0% year over year
- Amendment submitted and approved by the Office of Planning and Budget (OPB)

### 3rd Quarter Amended Budget Including Carry Forwards

<table>
<thead>
<tr>
<th>Fund</th>
<th>3rd Quarter Amended Budget Including Carry Forwards</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Appropriations</td>
<td>$2,320,871,664</td>
</tr>
<tr>
<td>Tuition</td>
<td>$2,032,379,294</td>
</tr>
<tr>
<td>Special Institutional Fee</td>
<td>$209,049,460</td>
</tr>
<tr>
<td>Other Revenues</td>
<td>$615,887,583</td>
</tr>
<tr>
<td>Sponsored</td>
<td>$2,518,446,822</td>
</tr>
<tr>
<td>Departmental Sales and Services</td>
<td>$426,414,274</td>
</tr>
<tr>
<td>Capital</td>
<td>$256,386,198</td>
</tr>
<tr>
<td>Auxiliary Enterprises</td>
<td>$1,013,808,015</td>
</tr>
<tr>
<td>Student Activities</td>
<td>$159,166,443</td>
</tr>
</tbody>
</table>

**Total FY 2018 Budget** = **$9,552,409,753**
## Actual Revenues & Expenditures as of Third Quarter, FY 2018 (July 1 – March 31)

<table>
<thead>
<tr>
<th>Revenues</th>
<th>FY 2017 Final Budget</th>
<th>FY 2017 3rd Qtr. Actuals</th>
<th>FY 2018 Amended Budget</th>
<th>FY 2018 3rd Qtr. Actuals</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Appropriations</td>
<td>$2,160,290,030</td>
<td>1,621,366,004</td>
<td>2,320,871,664</td>
<td>1,740,653,748</td>
</tr>
<tr>
<td>Tuition</td>
<td>1,990,959,864</td>
<td>1,888,317,228</td>
<td>2,032,379,294</td>
<td>1,942,349,662</td>
</tr>
<tr>
<td>Sponsored</td>
<td>2,405,728,836</td>
<td>1,686,702,551</td>
<td>2,518,446,822</td>
<td>1,751,565,118</td>
</tr>
<tr>
<td>Dept. Sales &amp; Services</td>
<td>433,858,744</td>
<td>248,685,573</td>
<td>426,414,274</td>
<td>251,697,255</td>
</tr>
<tr>
<td>Auxiliary Enterprises</td>
<td>1,016,162,190</td>
<td>864,441,765</td>
<td>1,013,808,015</td>
<td>889,781,469</td>
</tr>
<tr>
<td>Student Activities</td>
<td>166,799,377</td>
<td>120,804,133</td>
<td>159,166,443</td>
<td>125,010,778</td>
</tr>
<tr>
<td>Other Funds</td>
<td>1,133,716,018</td>
<td>536,391,701</td>
<td>1,081,323,241</td>
<td>568,899,360</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>$9,307,515,059</strong></td>
<td><strong>6,966,708,955</strong></td>
<td><strong>9,552,409,753</strong></td>
<td><strong>7,269,957,390</strong></td>
</tr>
</tbody>
</table>

**75%**
## Actual Revenues & Expenditures as of Third Quarter, FY 2018
(July 1 – March 31)

<table>
<thead>
<tr>
<th></th>
<th>FY 2017 Final Budget</th>
<th>FY 2017 3rd Qtr. Actuals</th>
<th>FY 2018 Amended Budget</th>
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</thead>
<tbody>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$9,307,515,059</td>
<td>$6,966,708,955</td>
<td>75%</td>
<td>$7,269,957,390</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and Wages</td>
<td>$4,988,815,840</td>
<td>$3,519,546,938</td>
<td>71%</td>
<td>$3,706,464,460</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>$4,318,699,219</td>
<td>$2,459,183,510</td>
<td>57%</td>
<td>$2,516,086,942</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>$9,307,515,059</td>
<td>$5,978,730,448</td>
<td>64%</td>
<td>$6,222,551,402</td>
</tr>
<tr>
<td><strong>Revenues in Excess of Expenditures</strong></td>
<td></td>
<td>$987,978,507</td>
<td></td>
<td>$1,047,405,988</td>
</tr>
</tbody>
</table>
# Key Financial Trends as of March 31

<table>
<thead>
<tr>
<th>Select Balance Sheet Accounts</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2YR % Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and S-T Investments</td>
<td>$1,558,996,813</td>
<td>$1,627,623,253</td>
<td>$1,705,423,280</td>
<td>4.8%</td>
</tr>
<tr>
<td>Student Receivables</td>
<td>$196,088,691</td>
<td>$207,991,439</td>
<td>$223,464,506</td>
<td>7.4%</td>
</tr>
<tr>
<td>Federal Receivables</td>
<td>$61,142,924</td>
<td>$77,290,103</td>
<td>$63,428,891</td>
<td>-17.9%</td>
</tr>
<tr>
<td>Other Receivables</td>
<td>$527,135,338</td>
<td>$562,640,970</td>
<td>$621,240,800</td>
<td>10.4%</td>
</tr>
<tr>
<td>Current Liabilities</td>
<td>$(237,792,332)</td>
<td>$(260,016,962)</td>
<td>$(261,917,228)</td>
<td>0.7%</td>
</tr>
<tr>
<td>L-T Lease Purchase Obligations</td>
<td>$(3,226,345,939)</td>
<td>$(3,113,184,361)</td>
<td>$(2,990,403,922)</td>
<td>-3.9%</td>
</tr>
</tbody>
</table>
2. Information Item

Relocation of policies from Section 7 to Section 6 of the Board of Regents’ Policy Manual, titled “Campus Affairs.”

- 7.11.1 (Sales of Institutional Products)
- 7.11.2 (Business Enterprises)
- 7.11.4 (Motor Vehicles)
- 7.11.5 (Farming Operations)
- 7.11.8 (Trademarks)
3. Approval Item

**Recommended**: Approval of Online Program Tuition for Doctor of Nursing Practice (DNP), University of North Georgia

- $375 per credit hour
- Effective Fall 2018
- Contingent upon the approval of program – Committee on Academic Affairs
4. Approval Item

**Recommended**: Approval to establish Campus Center Facility Fee, Georgia Institute of Technology

- $85 per semester
- Effective Fall 2020
- Contingent upon the authorization of Project – Committee on Real Estate & Facilities
Ongoing Policy Manual Review

- To simplify language, eliminate conflicting, redundant, and unnecessary provisions, and increase the efficiency of the Policy Manual

- Most of the recommended edits are stylistic in nature. Substantive proposed policy edits will be highlighted
7.2 – USG Budget
7.2.2 Auxiliary Enterprises Revenues and Expenditures
7.3 – Tuition and Fees
7.3.4 Out-of-State Tuition Waivers and Waiver of Mandatory Fees
7.3.5 Refunds
7.5 – Fund Management
7.5.1 Banking
7.5.2 Investments
7.5.4 Sale of Securities
7.5.5 Georgia Eminent Scholars Endowment Trust Fund
7.9 – Contracts
7.9.2 Construction Contracts
7.9.3 Contracts with Veterans Administration
7.11 – Miscellaneous
7.11.7 Student Housing
7.12 – Reserved
7.13 – Retiree Health Benefit Fund Investment Policy
7.13.1 Purpose
7.13.2 General Objectives
7.13.3 Responsibilities
7.13.4 Monitoring of Objectives
7.13.5 Short-Term Investment Portfolio
7.13.6 Long-Term Investment Portfolio
7.14 – Identity Theft
7.17 – Other Post-Employment Benefits Funding Policy
7.17.1 Purpose
7.17.2 General Objectives
7.17.3 Sources of Funding
7.17.4 Reserve Funding Levels and OPEB Trust Fund Allocation
7.17.5 Monitoring of Objectives
11 – Information Technology (IT)
11.1 General Policy
11.2 Project Authorization
11.3 Information Security Policy
Policy Revision Highlights

7.2.2 Auxiliary Enterprises
Revenues and Expenditures
 Move detailed explanations/language to the Business Procedures Manual (BPM)

7.5.1 Banking
 Align banking policy with new State statutes and Office of State Treasurer (OST) policies

7.5.2 Investments
 Update the investment policy to meet GASB requirements and add language to policy to more clearly define the current BOR investment pool practices

7.11.7 Student Housing
 Remove detailed requirements regarding housing plans
 Sufficient information is obtained through the facility integrated review process and the five-year business plan
 The facility integrated review process and the five-year business plan are in Board policy
5 -11. Approval Items

**Recommended**: Approval of revisions to Policy Section 7 (Finance and Business) and Policy Section 11 (Information Technology) and their subsections as outlined in the agenda

- Effective as of May 15, 2018
Committee on Finance and Business Operations
May 15, 2018