



UNIVERSITY SYSTEM OF GEORGIA

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

Fund	3rd Quarter Amended Budget Including Carry Forwards
State Appropriations	\$2,320,871,664
Tuition	\$2,032,379,294
Special Institutional Fee	\$209,049,460
Other Revenues	\$615,887,583
Sponsored	\$2,518,446,822
Departmental Sales and Services	\$426,414,274
Capital	\$256,386,198
Auxiliary Enterprises	\$1,013,808,015
Student Activities	\$159,166,443
Total FY 2018 Budget	\$9,552,409,753

- 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)

Actual Revenues & Expenditures as of Third Quarter, FY 2018

(July 1 – March 31)

	FY 2017 Final Budget	FY 2017 3rd Qtr. Actuals		FY 2018 Amended Budget	FY 2018 3rd Qtr. Actuals	
Revenues						
State Appropriations	\$ 2,160,290,030	\$ 1,621,366,004	75%	\$ 2,320,871,664	\$ 1,740,653,748	75%
Tuition	\$ 1,990,959,864	\$ 1,888,317,228	95%	\$ 2,032,379,294	\$ 1,942,349,662	96%
Sponsored	\$ 2,405,728,836	\$ 1,686,702,551	70%	\$ 2,518,446,822	\$ 1,751,565,118	70%
Dept. Sales & Services	\$ 433,858,744	\$ 248,685,573	57%	\$ 426,414,274	\$ 251,697,255	59%
Auxiliary Enterprises	\$ 1,016,162,190	\$ 864,441,765	85%	\$ 1,013,808,015	\$ 889,781,469	88%
Student Activities	\$ 166,799,377	\$ 120,804,133	72%	\$ 159,166,443	\$ 125,010,778	79%
Other Funds	\$ <u>1,133,716,018</u>	\$ <u>536,391,701</u>	47%	\$ <u>1,081,323,241</u>	\$ <u>568,899,360</u>	53%
Total Revenues	\$ 9,307,515,059	\$ 6,966,708,955	75%	\$ 9,552,409,753	\$ 7,269,957,390	76%



Actual Revenues & Expenditures as of Third Quarter, FY 2018

(July 1 – March 31)

	FY 2017 Final Budget	FY 2017 3rd Qtr. Actuals		FY 2018 Amended Budget	FY 2018 3rd Qtr. Actuals	
Total Revenues	\$ 9,307,515,059	\$ 6,966,708,955	75%	\$ 9,552,409,753	\$ 7,269,957,390	76%
Expenditures						
Salaries and Wages	\$ 4,988,815,840	\$ 3,519,546,938	71%	\$ 5,256,104,723	\$ 3,706,464,460	71%
Operating Expenses	\$ <u>4,318,699,219</u>	\$ <u>2,459,183,510</u>	57%	\$ <u>4,296,305,030</u>	\$ <u>2,516,086,942</u>	59%
Total Expenditures	\$ 9,307,515,059	\$ 5,978,730,448	64%	\$ 9,552,409,753	\$ 6,222,551,402	65%
Revenues in Excess of Expenditures	\$ -	\$ 987,978,507		\$ -	\$ 1,047,405,988	



Key Financial Trends as of March 31

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



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

Recommended Policy Revisions – Sections 7 and 11

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

