



EASTERN KENTUCKY UNIVERSITY

# 2024 Faculty Senate Budget Committee Report

# AN ATTEMPT TO ANSWER:

- How much money do we have?
- Do we have sufficient resources?
- Why the financial drama every spring?





# BUDGET REPORT

- What is a Budget
- Budget Philosophy
- Budget Practices and Issues
- Budget Analysis & Financial Condition
- Concerns/Positives

# What is a Budget

- The story of the community's hopes, dreams, and aspirations for its students.
- Roadmap
- Reflection of priorities (should be)

# Budget Philosophy & Practices

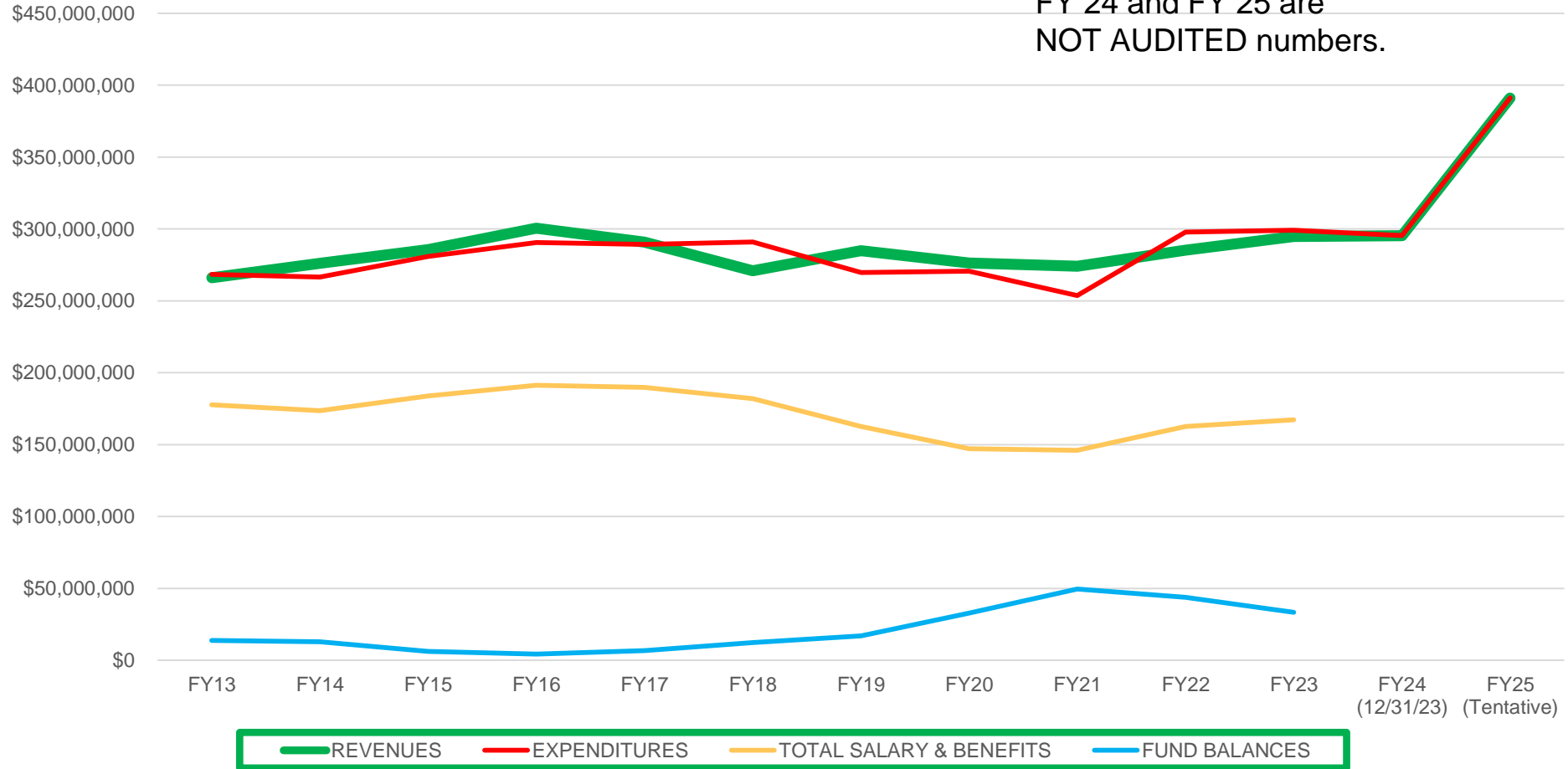
- **Ever changing vs. fixed target**  
*FY23 budget was 20+% off (Caused the Drama)*
- **Incremental vs. hybrid zero based budgeting (Good practice, not innovative)**
- **Strategic reserves (Intended to prevent Drama)**

# Budget Analysis & Financial Condition

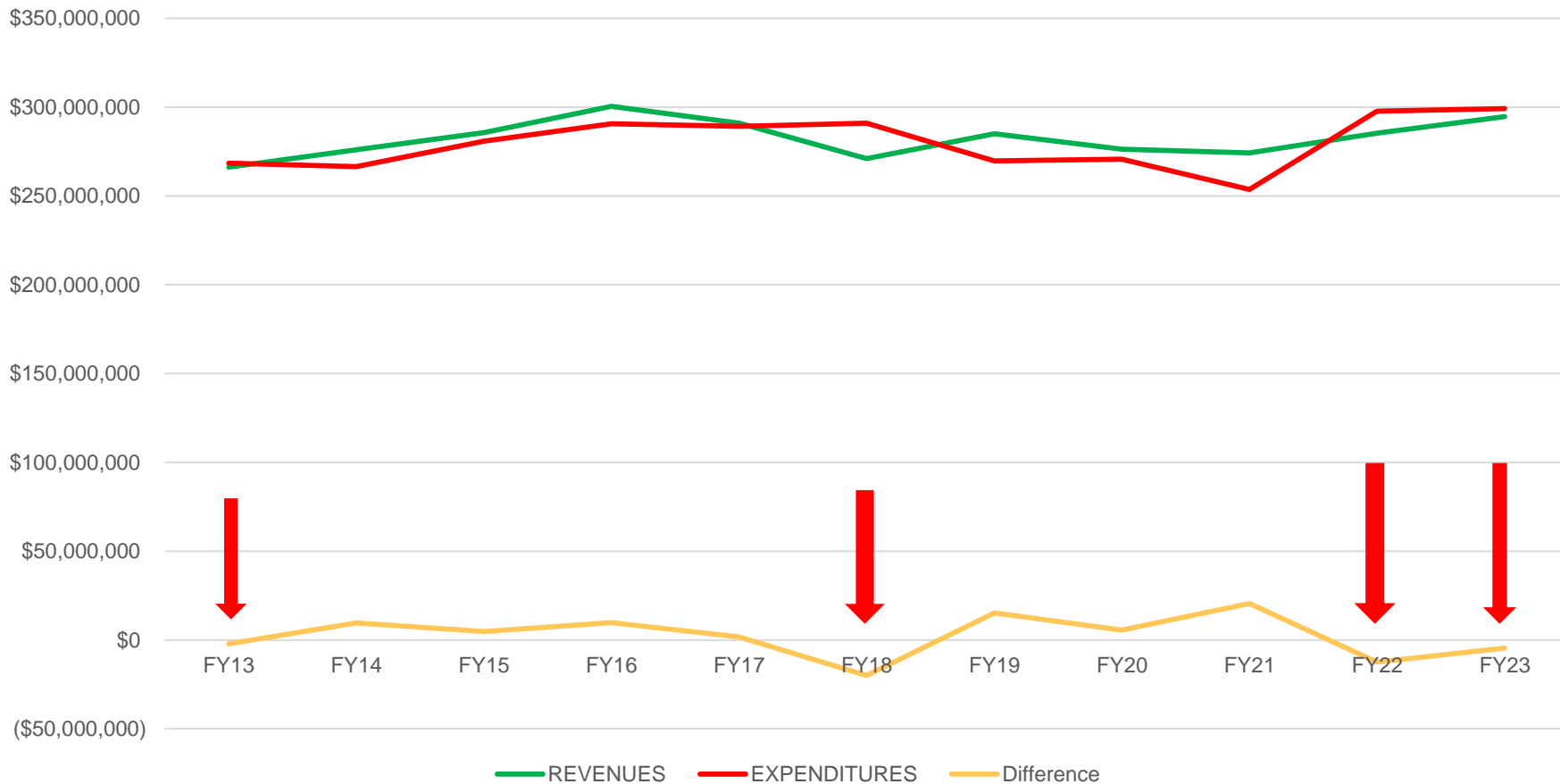
- **Presents the finances in plain English.**
- **Some data have been collapsed or removed for purposes of presentation (some areas will inherently be estimates).**
- **These (removed) data tend to be about pension liabilities and governmental accounting standards that auditors need more than the general public.**

# EKU Finances

FY 24 and FY 25 are  
NOT AUDITED numbers.

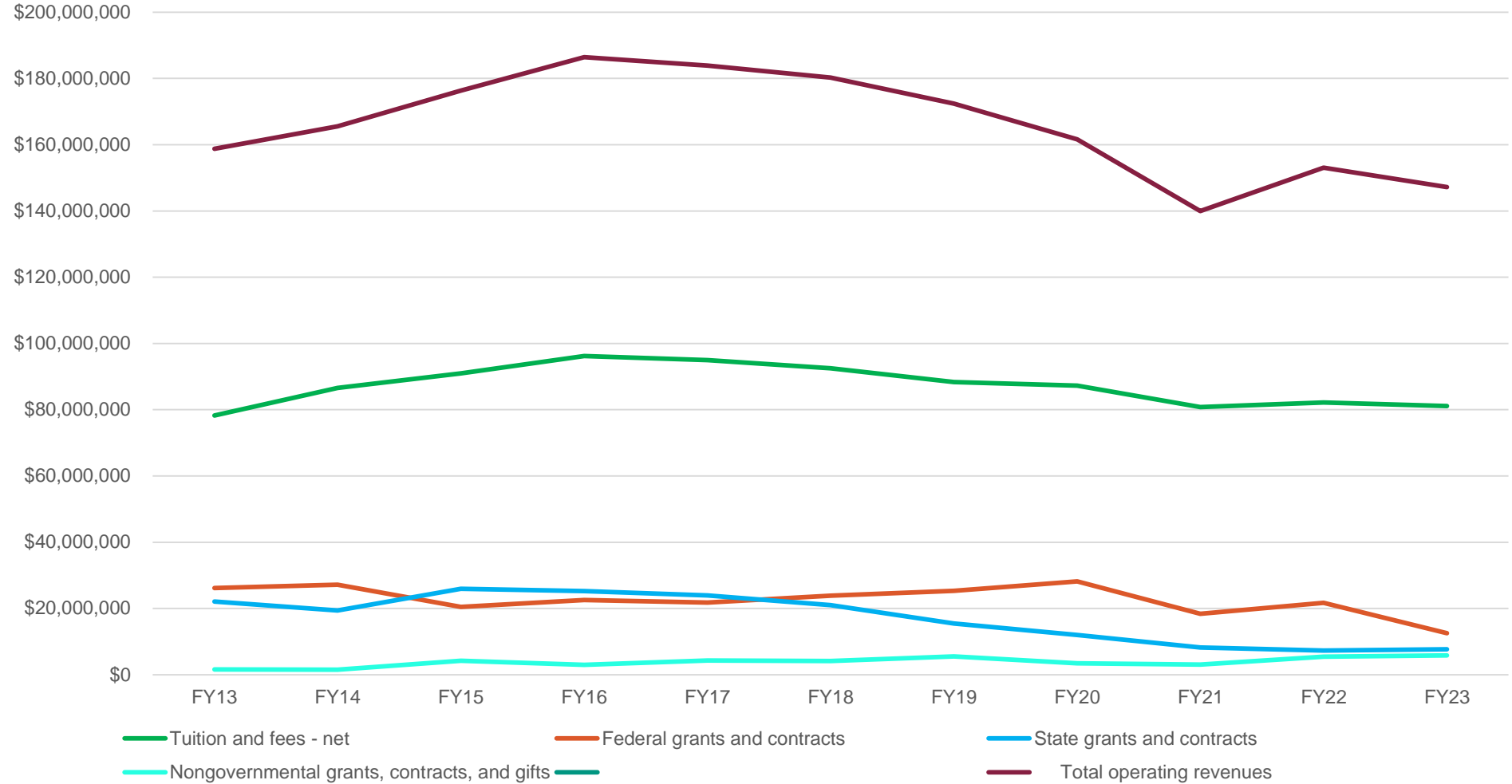


## Revenue vs. Expenditures





## Major Operating Revenue Sources



# Do we have money in the bank?

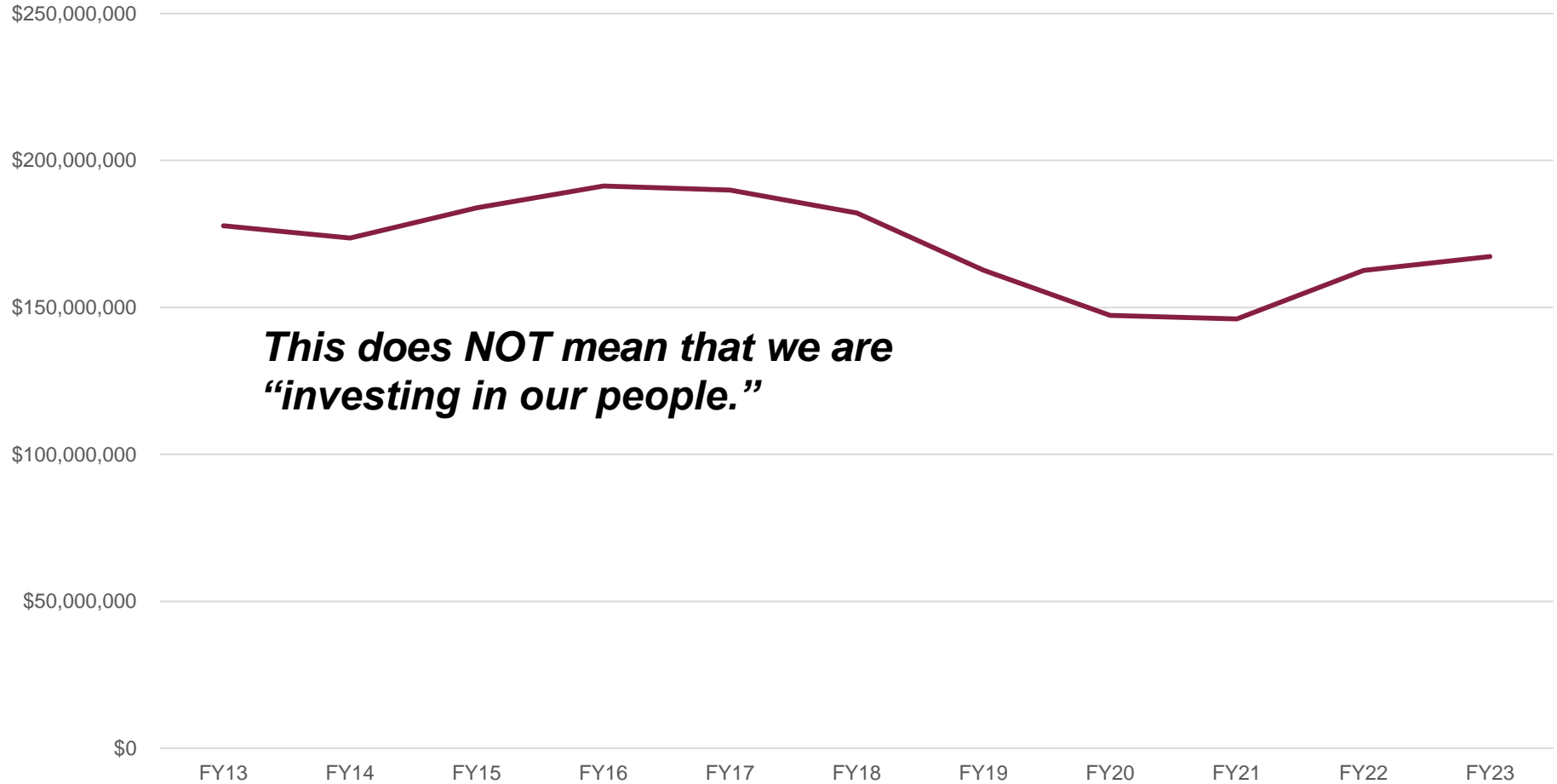
## FUND BALANCE



## Fund Balances vs. Surplus/Deficits



## TOTAL SALARY & BENEFITS



# The problem with moving targets...

	Revenue	Expenditures
Approved 2022-23 Budget	\$362,527,084	\$362,527,084
Revised 6/30/23 Financial Report	\$281,481,499	\$291,516,639
Actual 6/30/23 Amounts	\$278,225,617	\$285,720,927
Variance Between Budget and Actual	(\$84,301,467)	(\$76,806,157)
Variance Between Revenues and Expenditures (Deficit spending)	(\$7,495,310)	
Percentage off from budget	23.25%	21.19%

# 2023-24 TENTATIVE BUDGET

2024-25 Tentative Operating Budget				
Revenues	\$391,138,874			
Expenditures	\$391,138,874			
Difference	\$0			

2% across the board raises

# Concerns/Positives

## Concerns:

- Deficit spending for the past two years
- Changing the budget during the year without Board of Regents' approval
- Absence of any kind of long range financial plan (3-5 years)
- Need to increase fund balances for long term financial health
- 2% across the board raises
- Need for additional state funding

## Positives:

- Avoiding the spring drama
- Hybrid zero based budgeting
- Strategic Reserves from a budget management perspective

**THANK YOU!**

