

Lincoln University Board of Curators

June 16, 2022

OPEN SESSION

1. Call To Order:

The Lincoln University Board of Curators Open Session was officially called to order by Board President Victor B. Pasley, at 12:02 p.m., on Thursday, June 16, 2022, in the Board Room, 201 Young Hall on the Lincoln University campus, Jefferson City, Missouri. The meeting was held in person and via zoom.

1. A. Roll Call: Curators present were: Vernon V. Bracy, Stacia R. Bradley Brown, Everidge Cade, Richard G. Callahan, Victor B. Pasley, Terry Rackers, and Tina Shannon. Curator Richard Popp joined the meeting in progress. Rose Ann Ortmeyer recorded the minutes.

2. Approval of the Open Session Agenda:

Curator Callahan moved for approval of the Open Session Agenda as modified - The order of business was revised. Curator Rackers seconded the motion. Motion carried.

3. Contract for Chartered Bus Service:

Mr. Damon Nunn, Director of Purchasing, and Mr. Michael Rothermich, Buyer II, reviewed the recommendation resulting from RFP B22-1215A - Chartered Bus Services. The recommendation is to enter into an agreement with Cavalier Coaches for Chartered Bus Services. It is a two (2) year agreement with three (3) one (1) year renewals. Curator Rackers moved for approval of the recommendation as presented. Curator Shannon seconded the motion. Motion carried.

4. Revision to Sections 4.30.1 - Procurement Policies and 4.60.2 Bidding Policy for All Construction Projects - Lincoln University Rules & Regulations:

Mrs. Sandy Koetting, Vice President for Administration and Finance, and Mr. Damon Nunn, Director of Purchasing, reviewed the attached recommendation to increase bid thresholds. Following discussion, Curator Callahan moved for approval of the attached Revision to Section 4.30.1 - Procurement Policies; and 4.60.2 Bidding Policy for All Construction Projects - Lincoln University Rules & Regulations. Curator Rackers seconded the motion. Motion carried.

5. Revised Tuition Rates for the Second Chance Pell Initiatives:

Vice President Sandy Koetting reviewed the attached Revision to the Second Chance Pell Program Fee Structure. Curator Brown moved for approval of the revised Second Chance Pell Program Fee Structure as presented. Curator Cade seconded the motion. Motion carried.

6. Fiscal Year 2023 General and Auxiliary Operating Budgets:

Vice President Sandy Koetting reviewed the attached Fiscal Year 2023 General and Auxiliary Operating Budgets totaling \$32,998,248 and \$6,194,764 respectively. Following discussion, Curator Rackers moved for approval of the Fiscal Year 2023 General and Auxiliary Operating Budgets. Curator Cade seconded the motion. Motion carried.

7. Other Business:

There was no Other Business for discussion in Open Session.

8. Motion for Adjournment:

Curator Callahan moved that the Open Session Conference Call be adjourned. Curator Shannon seconded the motion. Motion carried. The Open Session adjourned at 12:53 p.m.



Victor B. Pasley, President



Everidge Cade, Secretary



306 Young Hall • 820 Chestnut Street
Jefferson City, MO 65101
Phone: (573) 681-5071
Fax: (573) 681-5072

TO: Members, Lincoln University Board of Curators

THROUGH: John B. Moseley, Ed.D., President

FROM: Sandy Koetting, VP Administration and Finance *Sandy Koetting*

DATE: June 13, 2022

SUBJECT: Action Item: Increased bid thresholds

The University's current procurement policy guidelines under section 4.30.1 and 4.60.2 provide thresholds for informal and formal bid solicitations. To increase efficiency and more closely align the University thresholds with other state entities, the University recommends the following changes to Rules and Regulations.

4.30.1 Procurement Policies

The function of the Purchasing department is to purchase goods and services for all campus units. Although Lincoln University is exempt from the requirements of Chapter 34 RSMo, the area of Purchasing routinely follows the State of Missouri Division of Purchasing and Materials Management University Procurement Authority Delegation and Procedures as a good model and practice. A current copy of Chapter 34 RSMo will be maintained in the office of the Director of Purchasing and is also available through the Lincoln University Web site.

All purchases in excess of ~~five~~ twenty-five thousand dollars shall be based on competitive bids. The only exceptions are those requirements needed in an emergency situation single feasible source requirements those items and services on State of Missouri contracts or University contracts, those supplies and services provided directly by a governmental entity, and those items and services available through Missouri Vocational Enterprises.

The procurement method used in any given situation is determined solely by the Purchasing Department, and is predicated on several factors, including dollar amounts involved, market situation, commodity, etc. Departments are not authorized to solicit bids for requirements exceeding ~~\$5,000~~ \$25,000. The Purchasing Department will conduct all bid solicitations exceeding ~~\$5,000~~ \$25,000 and may delegate bid solicitation authority back to the department if the existing conditions warrant. Formal bids are required for solicitations exceeding \$100,000.

4.60.2 Bidding Policy for All Construction Projects

A. Advertising or Invitation to Contractors

Lincoln University complies with RSMo. 8.250 regarding bidding of construction projects involving state buildings and lands. Copies of the current 8.250 will be housed in the office of the executive director of Facilities and Planning. Responsibility for compliance with State Statute 8.250 follows the chain of command from executive director of Facilities and Planning to the chief of staff, the president and the Board of Curators.

B. Prevailing Wages

Prevailing wages will be paid on all construction work performed by contract. Prevailing wage rates used will be as provided by Division of Labor standards. It is the responsibility of the Office of Facilities and Planning to obtain, from the Division, the current prevailing wage for a particular project.

C. Minority Business Enterprise/Women Business Enterprise Participation

In awarding major construction projects, Lincoln University shall comply with current state statutes and executive orders as related to Minority Business Enterprise (MBE) and Women Business Enterprise (WBE) participation levels. Current state statutes and executive orders shall be kept in the office of the executive director of Facilities and Planning and on the Lincoln University Web site.

Exceptions to bidding requirement for All Construction Projects:

A. Time-sensitive transactions

The executive director of Facilities and Planning may waive bidding requirements for time sensitive transactions, particularly grant funded items where required deliverable dates are driven by grant terms and conditions, research requirements, or classroom/laboratory need, up to ~~\$10,000~~ \$25,000. Documentation shall be maintained on file detailing the situation.

B. Professional Judgment

The executive director of Facilities and Planning may waive bidding requirements in those instances where professional judgment, based on an awareness of market conditions and historical purchases, shows that further vetting of the commodity or service would not be cost effective, up to ~~\$10,000~~ \$25,000. Documentation shall be maintained on file detailing the situation.



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TO: Members, Lincoln University Board of Curators
THROUGH: John B. Moseley, Ed.D., President *JBM*
FROM: Sandy Koetting, VP Administration and Finance *Sandy Koetting*
DATE: June 13, 2022
SUBJECT: Action Item: Tuition Rate for Second Chance Pell Program

In May 2022, the Board of Curators approved a tuition rate structure (see attached) that would exempt the students participating in the Second Chance Pell Program from paying certain fees including activity fee, athletic fee, building and maintenance fee and wellness fees. Based on additional information received regarding the program, the University would like to revise the proposed rate structure as follows:

The University is recommending that the cost of the Second Chance Pell Program be set to equal the maximum Pell award for the semester the courses are offered. No fees will be assessed. Tuition will not exceed the hourly rate of in-state undergraduate tuition as established by the Lincoln University Board of Curators.

The University estimates that the maximum Pell award for the academic year 2022-2023 will be \$6,895 as illustrated below in the comparison chart.

	University Standard Fees for 24 credit hours	Fees Approved at the May 2022 meeting - 24 credit hours per year	Revised Proposal 24 credit hours per year
Tuition	7,020.00	7,020.00	6,895.00
Activity Fee	240.00		
Athletic Fee	240.00		
Tech Fee	350.00	350.00	
Building & Maintenance Fee	266.00		
Wellness Fee	150.00		
Course Fee (Varies)	60.00	60.00	
Estimated cost for 12 hours	8,326.00	7,430.00	6,895.00

The University continues to seek additional external funds to support students in the Second Chance Pell Program.



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TO: Lincoln University Board of Curators
THROUGH: John B. Moseley, Ed.D., President *JBM*
FROM: Sandy Koetting, VP Administration and Finance *Sandy Koetting*
DATE: May 9, 2022
SUBJECT: Action Item: Second Chance Pell Program Fee Structure

In April 2022, Lincoln University received notification that it was selected by the U.S. Department of Education to participate in the Second Chance Pell initiative. Attached is summary of the program and selection notification.

The University has proposed a modified tuition and fee rate schedule for this program as shown below. Fees for Activity Fee, Athletic Fee, Building & Maintenance Fee and Wellness Fee will be waived for students in this program as students will not be taking classes on campus.

Description	University Standard Fees for 12 credit hours	Proposed Fees
Tuition	\$ 3,510.00	\$ 3,510.00
Activity Fee	\$ 120.00	
Athletic Fee	\$ 120.00	
Technology Fee	\$ 175.00	\$ 175.00
Building & Maintenance Fee	\$ 133.00	
Wellnes Fee	\$ 75.00	
Course Fees (Varies)	\$ 30.00	\$ 30.00
Estimated cost for 12 hours	\$ 4,163.00	\$ 3,715.00


Your approval of these fees is requested.

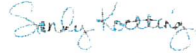


OFFICE OF ADMINISTRATION AND FINANCE

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TO: Members, Lincoln University Board of Curators

THROUGH: John B. Moseley, Ed.D., President 

FROM: Sandy Koetting, VP Administration and Finance 

DATE: June 9, 2022

SUBJECT: FY23 General and Auxiliary Operating Budgets

Please find attached the Lincoln University FY23 General and Auxiliary Operating Budget request for your review and approval. The total General and Auxiliary fund budget request are \$32,998,248 and \$6,194,764 respectively.

Your approval is requested.

**FISCAL YEAR 2023
GENERAL FUND BUDGET**

	FY 21 Budget	FY 21 Actuals	FY22 Budget	%	FY 22 Actuals as of 4/30/22	%	FY23 Budget Request	%	DIFF from prior budget request
Income Category									
State Appropriations - Core ¹	\$ 15,210,282	\$ 15,523,194	\$ 17,683,418	48%	\$ 14,852,540	45%	\$ 19,130,862	58%	\$ 1,447,444
State Appropriations - Match ²	\$ 3,773,610	\$ 3,773,610	\$ 4,883,234	13%	\$ 3,953,010	12%	\$ -	0%	\$ (4,883,234)
Tuition, Incidental & Mandatory Fees ³	\$ 11,214,994	\$ 12,159,007	\$ 10,398,560	28%	\$ 12,087,348	37%	\$ 10,306,751	31%	\$ (91,809)
Interest Income	\$ 225,000	\$ 73,291	\$ 50,000	0%	\$ (572,901)	-2%	\$ 50,000	0%	\$ -
Indirect Costs	\$ 316,000	\$ 849,578	\$ 316,000	1%	\$ 255,883	1%	\$ 307,000	1%	\$ (9,000)
Sales and Services	\$ 16,300	\$ 8,022	\$ 16,100	0%	\$ 31,570	0%	\$ 25,000	0%	\$ 8,900
Other Sources	\$ 234,845	\$ 280,852	\$ 105,699	0%	\$ 207,682	1%	\$ 187,093	1%	\$ 81,394
CARES Act Funding	\$ 3,383,040	\$ 8,060,773	\$ 3,347,154	9%	\$ 2,140,555	6%	\$ -	0%	\$ (3,347,154)
Fund Balance	\$ -	\$ -	\$ -	0%	\$ -	0%	\$ 2,991,542	9%	\$ 2,991,542
Totals	\$ 34,374,071	\$ 40,528,327	\$ 36,800,165	100%	\$ 32,955,687	100%	\$ 32,998,248	100%	\$ (3,801,917)

Expenditure Category									
Salaries/Wages	\$ 16,158,620	\$ 15,613,262	\$ 16,775,318	46%	\$ 12,586,800	45%	\$ 14,084,010	43%	\$ (2,691,308)
Fringe Benefits ⁴	\$ 6,424,774	\$ 6,184,998	\$ 6,915,339	19%	\$ 4,902,260	18%	\$ 6,056,121	18%	\$ (859,216)
Student Labor	\$ 79,719	\$ 30,140	\$ 67,919	0%	\$ 13,171	0%	\$ 44,639	0%	\$ (23,280)
Subtotal Personnel	\$ 22,663,113	\$ 21,828,399	\$ 23,758,576	65%	\$ 17,502,231	63%	\$ 20,184,770	61%	\$ (3,573,806)
Equipment Purchase	\$ 83,339	\$ 114,396	\$ 85,245	0%	\$ 288,040	1%	\$ 81,745	0%	\$ (3,500)
Contractual Services	\$ 3,974,929	\$ 3,254,269	\$ 3,660,827	10%	\$ 3,975,520	14%	\$ 3,535,874	11%	\$ (124,953)
Travel	\$ 489,766	\$ 241,828	\$ 601,132	2%	\$ 335,351	1%	\$ 628,963	2%	\$ 27,831
Consumable Supplies	\$ 394,470	\$ 321,769	\$ 1,495,827	4%	\$ 318,403	1%	\$ 354,743	1%	\$ (1,141,084)
Other Costs	\$ 1,934,305	\$ 1,714,006	\$ 2,029,215	6%	\$ 1,304,267	5%	\$ 2,191,786	7%	\$ 162,571
Utilities/Communications	\$ 924,247	\$ 726,873	\$ 921,584	3%	\$ 669,546	2%	\$ 1,018,869	3%	\$ 97,285
Scholarships/Waivers	\$ 2,697,507	\$ 2,380,820	\$ 2,697,507	7%	\$ 2,223,777	8%	\$ 2,580,983	8%	\$ (116,524)
Transfer Out ⁵	\$ 1,212,395	\$ 916,151	\$ 1,550,252	4%	\$ 1,215,750	4%	\$ 2,420,515	7%	\$ 870,263
Subtotal Operations	\$ 11,710,958	\$ 9,669,912	\$ 13,041,589	35%	\$ 10,330,653	37%	\$ 12,813,478	39%	\$ (228,111)
GASB 68/75	\$ -	\$ 2,818,131	\$ -	0%	\$ -	0%	\$ -	0%	\$ -
Grand total	\$ 34,374,071	\$ 34,316,442	\$ 36,800,165	100%	\$ 27,832,885	100%	\$ 32,998,248	100%	\$ (3,801,917)

Functional Category									
Instruction	\$ 9,579,341	\$ 8,544,656	\$ 10,412,827	28%	\$ 7,808,075	28%	\$ 10,043,219	30%	\$ (369,608)
Research	\$ 1,823,769	\$ 1,948,022	\$ 2,000,013	5%	\$ 1,839,016	7%	\$ -	0%	\$ (2,000,013)
Public Service	\$ 1,878,652	\$ 1,803,377	\$ 2,992,234	8%	\$ 1,628,596	6%	\$ 111,221	0%	\$ (2,881,013)
Academic Support	\$ 2,198,995	\$ 2,231,501	\$ 1,846,506	5%	\$ 1,310,201	5%	\$ 1,817,502	6%	\$ (29,004)
Student Services	\$ 4,462,289	\$ 4,180,728	\$ 4,534,729	12%	\$ 3,470,116	12%	\$ 3,859,747	12%	\$ (674,982)
institutional Support	\$ 7,765,275	\$ 6,893,446	\$ 7,859,625	21%	\$ 5,869,936	21%	\$ 9,015,617	27%	\$ 1,155,992
Operations/Maintenance	\$ 2,755,848	\$ 2,599,611	\$ 2,906,472	8%	\$ 2,447,026	9%	\$ 3,149,444	10%	\$ 242,972
Scholarships/Waivers	\$ 2,697,507	\$ 2,380,820	\$ 2,697,507	7%	\$ 2,244,169	8%	\$ 2,580,983	8%	\$ (116,524)
Transfers ⁶	\$ 1,212,395	\$ 916,151	\$ 1,550,252	4%	\$ 1,215,750	4%	\$ 2,420,515	7%	\$ 870,263
Subtotal	\$ 34,374,071	\$ 31,498,311	\$ 36,800,165	100%	\$ 27,832,885	100%	\$ 32,998,248	100%	\$ (3,801,917)
GASB 68/75	\$ -	\$ 2,818,131	\$ -	0%	\$ -	0%	\$ -	0%	\$ -
Grand total	\$ 34,374,071	\$ 34,316,442	\$ 36,800,165	100%	\$ 27,832,885	100%	\$ 32,998,248	100%	\$ (3,801,917)

Notes:

¹ State Appropriations - Core are based the FY22 appropriation level plus a 5.4% increase (adjusted by the standard 3% Governor's Reserve), along with an anticipated increase for MOSERS contributions

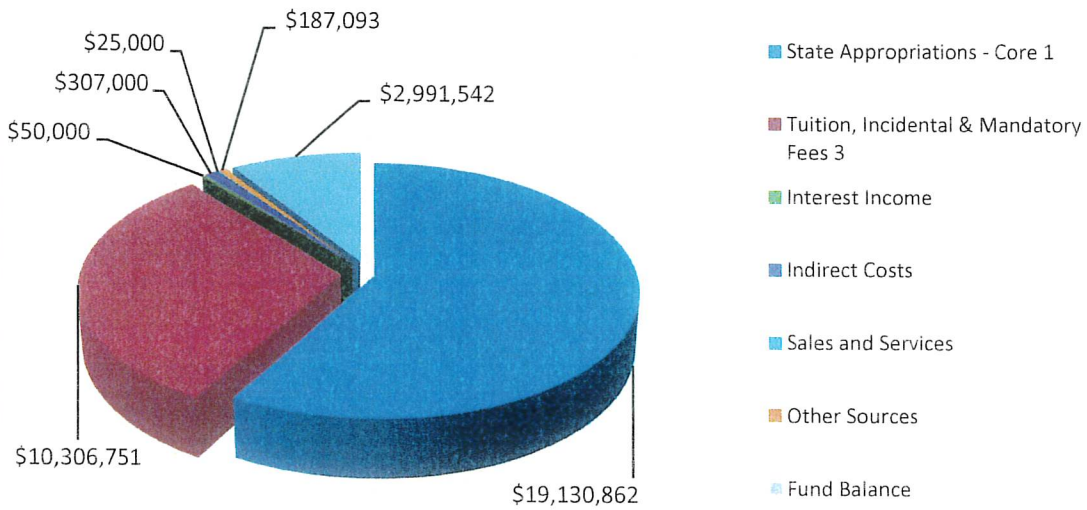
² State Appropriations - Match are being moved to the Project Accounting module to be accounted for outside of the General Operating Budget. The University is anticipating the FY23 match appropriation level to be \$5,139,389 (adjusted by the standard 3% Governor's Reserve)

³ Tuition and Incidental fees are based on 39,838 credit hours for FY23 compared to the FY22 budget of 42,453 credit hours. Tuition and fees rates increased by approximately 4%

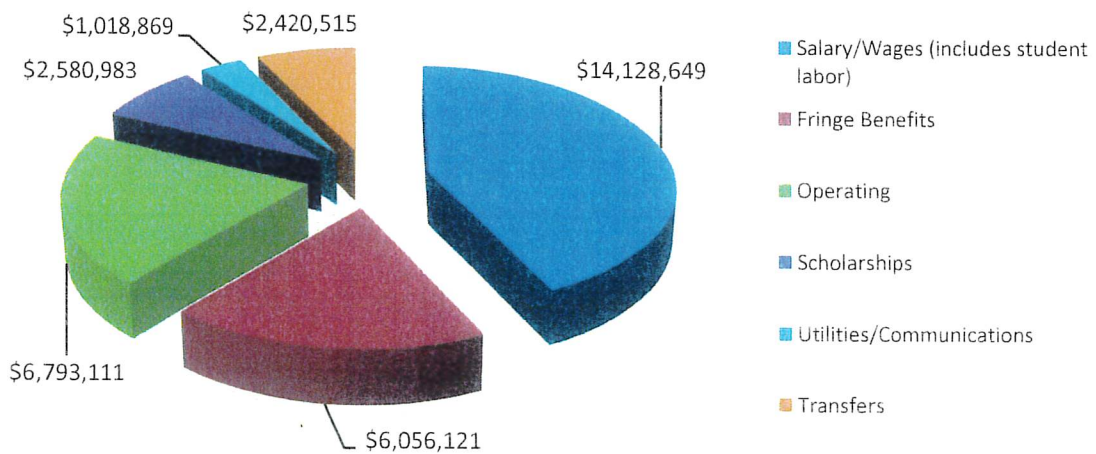
⁴ Fringe benefits are calculated at 43% of salaries

⁵ FY23 Transfer out reflects \$600,000 to ORM for base amount, \$1,395,043 to Auxiliary to support Debt Service obligations, \$205,120 to Plant for DNR Loan repayment, \$167,585 to Restricted for IDC and \$52,767 to Restricted for Utilities for the LINC

FY 23 Projected Revenues General Fund



FY 23 Projected Expenses General Fund



**FISCAL YEAR 2023
AUXILIARY FUND BUDGET**

Income Category	FY 21 Budget	FY 21 Actuals	FY22 Budget	FY 22 Actuals as of 4/30/22	FY23 Budget Request	%	DIFF from prior budget request
Residence Hall Revenue ¹	\$ 2,977,108	\$ 2,677,754	\$ 2,687,506	\$ 2,681,505	\$ 2,404,312	39%	\$ (283,194)
Board Revenue ¹	\$ 2,520,132	\$ 2,192,633	\$ 2,378,635	\$ 2,269,412	\$ 2,135,963	34%	\$ (242,672)
Auxiliary System Appropriation	\$ 164,994	\$ 190,445	\$ 168,867	\$ 182,609	\$ 160,446	3%	\$ (8,421)
Sales & Service	\$ 115,000	\$ 85,389	\$ 87,300	\$ 96,088	\$ 95,500	2%	\$ 8,200
Facility Rentals	\$ 9,000	\$ 1,650	\$ 1,500	\$ 31,800	\$ 1,500	0%	\$ -
Transfer Revenues	\$ 290,408	\$ 50,001	\$ 795,565	\$ -	\$ 1,395,043	23%	\$ 599,478
Other Revenue	\$ -	\$ 1,245	\$ 1,000	\$ 3,250	\$ 2,000	0%	\$ 1,000
CARES Act Funding	\$ -	\$ 2,297,196	\$ -	\$ 1,213,943	\$ -	0%	\$ -
Totals	\$ 6,076,642	\$ 7,496,312	\$ 6,120,373	\$ 6,478,607	\$ 6,194,764	100%	\$ 74,391

Expenditure Category	FY 21 Budget	FY 21 Actuals	FY22 Budget	FY 22 Actuals as of 4/30/22	FY23 Budget Request	%	DIFF from prior budget request
Salaries/Wages	\$ 467,178	\$ 281,032	\$ 417,729	\$ 242,726	\$ 372,578	6%	\$ (45,151)
Fringe Benefits	\$ 182,200	\$ 129,488	\$ 167,092	\$ 117,825	\$ 160,208	3%	\$ (6,884)
Student Labor	\$ 7,200	\$ 75	\$ 7,200	\$ 2,336	\$ 7,200	0%	\$ -
Subtotal Personnel	\$ 656,578	\$ 410,595	\$ 592,021	\$ 362,887	\$ 539,986	9%	\$ (52,035)
Equipment Purchase	\$ 2,940	\$ -	\$ 11,115	\$ -	\$ 9,675	0%	\$ (1,440)
Contractual Services	\$ 2,747,859	\$ 2,521,354	\$ 2,736,285	\$ 2,355,426	\$ 2,797,165	45%	\$ 60,880
Travel	\$ -	\$ 4,208	\$ -	\$ 1,268	\$ -	0%	\$ -
Consumable Supplies	\$ 15,782	\$ 21,754	\$ 13,957	\$ 3,664	\$ 13,957	0%	\$ -
Other Costs	\$ 244,106	\$ 206,238	\$ 263,336	\$ 15,986	\$ 346,346	6%	\$ 83,010
Utilities/Communications	\$ 780,556	\$ 711,546	\$ 812,029	\$ 633,743	\$ 647,672	10%	\$ (164,357)
Scholarships/Waivers	\$ 248,858	\$ 237,561	\$ 246,224	\$ 249,705	\$ 395,012	6%	\$ 148,788
Transfer Out - Debt Service ³	\$ 1,379,963	\$ 1,363,687	\$ 1,445,406	\$ 1,445,193	\$ 1,444,951	23%	\$ (455)
Transfer Out - Nonmandatory	\$ -	\$ 1,712,196	\$ -	\$ -	\$ -	0%	\$ -
Subtotal Operations	\$ 5,420,064	\$ 6,778,544	\$ 5,528,352	\$ 4,704,985	\$ 5,654,778	91%	\$ 126,426
GRAND TOTALS	\$ 6,076,642	\$ 7,189,139	\$ 6,120,373	\$ 5,067,872	\$ 6,194,764	100%	\$ 74,391

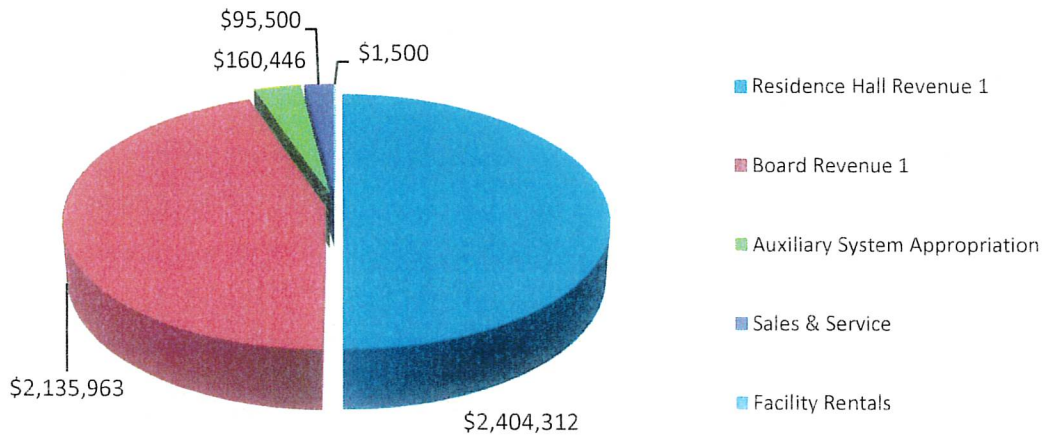
Functional Category	FY 21 Budget	FY 21 Actuals	FY22 Budget	FY 22 Actuals as of 4/30/22	FY23 Budget Request	%	DIFF from prior budget request
Institutional Support	\$ 3,233,788	\$ 2,552,022	\$ 3,001,060	\$ 2,136,547	\$ 2,803,624	45%	\$ (197,436)
Operations/Maintenance	\$ 1,289,033	\$ 1,323,672	\$ 1,427,683	\$ 1,236,427	\$ 1,551,177	25%	\$ 123,494
Scholarships/Waivers	\$ 173,858	\$ 237,561	\$ 246,224	\$ 249,705	\$ 395,012	6%	\$ 148,788
Transfer Out - Debt Service ³	\$ 1,379,963	\$ 1,363,687	\$ 1,445,406	\$ 1,445,193	\$ 1,444,951	23%	\$ (455)
Transfer Out - Nonmandatory	\$ -	\$ 1,712,196	\$ -	\$ -	\$ -	0%	\$ -
Totals	\$ 6,076,642	\$ 7,189,139	\$ 6,120,373	\$ 5,067,872	\$ 6,194,764	100%	\$ 74,391

Notes

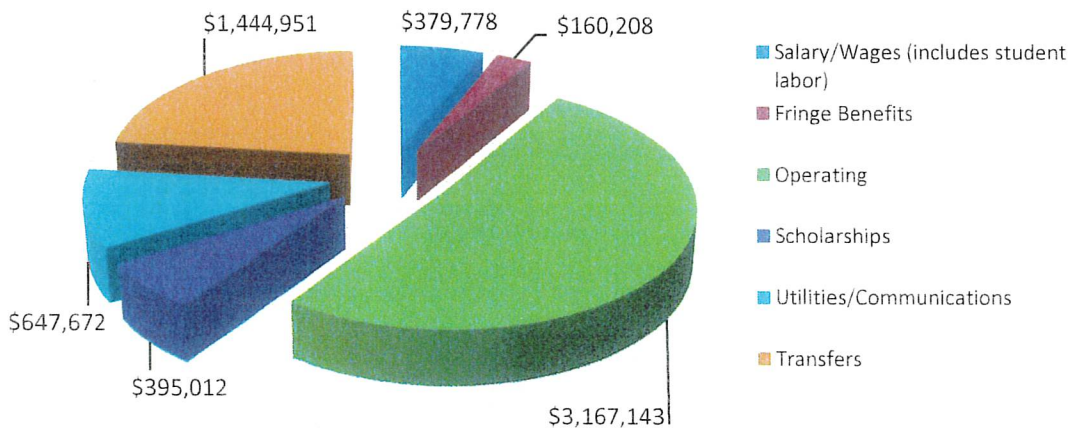
¹ Room and Board revenue is based on 557 residential students in the Fall and 510 in the Spring. Room and Board rates increased by 4%.

³ Transfer out reflects payments made for principal and interest payments on revenue bonds (2015B and 2019).

FY 23 Projected Revenues Auxiliary Fund



FY 23 Projected Expenses Auxiliary Fund



Lincoln University – General Operating Budget Summary of FY23 budget changes

Revenues

- **State Appropriations (core)** has increased by \$1,447,444. This is a result of the 5.4% increase recommendation made by the Governor as well as an estimated increase to cover the increased cost of MOSERS retirement contributions. The later amount has not yet been determined. Both increases are still subject to the Governors approval later this month.
- **State Appropriations (land grant match)** budget methodology has changed in FY23. Funds associated with the land grant match will no longer be displayed with the general operations (Education and General). Separation of these funds from the display of the General Operating Budget provides a more transparent depiction of core operational revenues and expenses.
- **Tuition and Fees** – this line has decreased by \$91,809. Based on the historical trends and current information, the university is conservatively projecting a decrease in enrollment in 22-23 AY. The decline in enrollment coupled with the increase in tuition and fees approved at the April meeting resulted in a slight decline in revenue in this line item. However, as the University moves forward utilizing strategic recruitment efforts, increased communications through the use of Enrollment Builders, the increased efforts to establish MOU's to create efficient pathways for transfer students and increased retention efforts, it is anticipated that the decline will plateau and begin to increase over the next few years.

	FY22 actuals		FY23 budgeted	
	FA 21	SP22	FA22	SP23
Credit Hour Generation	21,058	20,233	19,179	18,589
FTE	1,794	1,854	1,656	1,734

- **CARES Act Funding** - As you recall from our prior conversations, the CARES Act resources utilized in FY21 and FY22 are not available for FY23 at this time. These resources helped soften the impact of enrollment declines specifically associated with COVID. For that reason, you will see that line item reduced by \$3.3 million.
- **Fund Balance** - the draw from fund balance/reserves in FY23 is estimated to be \$3 million. The University has worked hard and continues to look for strategic ways to increase revenue and find efficiencies or cost reductions to minimize the draw from fund balance.
 - Unrestricted General Fund fund balance as of 6/30/21 was \$24.5 million
 - Of that amount, \$800,000 is earmarked for rollover encumbrances and up to \$10 million for improvements to Dawson Hall (could be less as it is proposed to use the Auxiliary fund balance of \$4 million, Auxiliary ORM and possibly CARES Act resources prior to utilization of the General Fund fund balance).

Expenses by Natural Classification

- **Salaries/Wages** – salaries decreased by \$2,691,308. The primary reason for this change was the change in methodology associated with the **land grant match budget**. In FY22, the land grant match budget was \$2,548,856 in FY23, the amount is \$0.
- **Fringe Benefits** – the primary drivers for the decrease in fringe benefits were the following:
 - Decrease in fringe associated with the **land grant match budget** from FY22. The net decrease was \$1,224,754.
 - In FY23, the University is budgeting for an increase in **retirement contributions** (MOSERS) and to absorb the **health insurance** contribution effective January 2022 for a total change in fringe benefits of \$395,141
- **Contractual Services** decreased by \$124,953 compared to FY22 as a result of the following changes
 - Decrease in **Contingency earmarks** - \$144,758
 - In FY22, the University was required to have an **NCAA Agreed Upon Procedure** (audit). This is required only every 3 years so no funds were budgeted for this in FY23 - \$13,390.
 - The University pulled the **Mailroom back in house**, moving contractual resources to salaries - \$101,105.
 - The estimated costs for the **Sodexo Facilities contract** increased by \$135,699.
 - The cost for **MIAA officials** for some sports is expected to increase in FY23 - \$9,340.
- **Consumable Supplies** - in FY22, the University budgeted for \$1,109,624 in supplies associated with the **land grant program**. In FY23, these funds are not being budgeted in the General Operating Fund
- **Other Costs** – Other costs increased by \$162,571, primarily due to the increased cost of **property insurance** in FY23 – estimated cost is \$199,128.
- **Scholarships** – Scholarships decreased by \$116,524. Beginning in FY23, the University will be accounting for the Blue Tiger Advantage Scholarship through a discount (offset to revenues). Scholarships, including but not limited to, Curators, Presidential and Institutional will no longer be offered in FY23. Students currently on these scholarships will continue to be awarded through their eligibility period. These funds will now be used to support the Blue Tiger Advantage Scholarship.
- **Transfers** – Transfers increased by \$870,283 primarily due to the following two items:
 - **On-Going Repair and Maintenance** (ORM) increased by \$300,000. This provides a new starting balance in ORM of \$600,000 to address emergency repairs and strategically address deferred maintenance items.
 - **Transfer to Auxiliary** increased by \$599,478 to cover the total \$1.4 million needed to balance the Auxiliary budget and meet debt service obligations.

Expenses by Functional Classification

- **Instruction** – decreased by \$369,608. Based on recommendations presented by the academic areas, there are positions that will be left vacant for AY 2022-2023 and will be reassessed in FY24. Net change is \$270,387
- **Research/Public Service** – In FY23, the University will be budgeting and managing the land grant match resources outside of the General Operating Fund Budget. This allows for a more accurate reflection of operating resources and expenses.
- **Student Services** – decreased by \$674,982
 - The **Office of Financial Aid** was consolidated with Student Accounts to create the office of Student Financial Services. Financial Aid was previously coded as Student Services and has moved to Institutional Support. Net change was \$298,309.
 - Historically, the University budgeted for estimated **Student Activity Fee revenue** and matched that to an operating budget to support student activities. In FY23, revenues and expenses will be managed outside of the General Operating Fund Budget to manage those resources more efficiently. This change resulted in a reduction of \$354,228.
- **Institutional Support** – increased by \$1,155,992
 - Salary and Fringe associated with **phase I of the salary study** assessment currently underway \$621,911.
 - The **Office of Financial Aid** was consolidated with Student Accounts to create the office of Student Financial Services. Financial Aid was previously coded as Student Services and has moved to Institutional Support. Net change was \$298,309.
 - In FY22, the University estimated that the cost of **property insurance** would increase but had not anticipated the degree to which it would increase. In FY21, the cost was \$247,845. In FY22, the cost nearly doubled at \$520,858. This increase will allocate additional resources in FY23 to cover the increased cost. It is anticipated that the cost of insurance will increase in FY23 by an estimated 12-15%. The net change is \$199,128.
- **Operations/Maintenance** – Operations & Maintenance increased by \$242,972 as a result of increased costs in the below items.
 - Utilities increased by \$102,000
 - Outsourced Sodexo Facilities contract is estimated to increase by \$135,699. The Sodexo contract started in December 2015 and was renewed for two additional one-year extensions and is set to expire in December 2022. These services are currently being bid with bids due to Purchasing in late June.
- **Scholarships** – Scholarships decreased by \$116,524. Beginning in FY23, the University will be accounting for the Blue Tiger Advantage Scholarship through a discount (offset to revenues). Scholarships, including but not limited to, Curators, Presidential and Institutional will no longer be offered in FY23. Students currently on these scholarships will continue to be awarded through their eligibility period. These funds will now be used to support the Blue Tiger Advantage Scholarship.
- **Transfers** – Transfers increased by \$870,283 primarily due to the following two items:
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Lincoln University – Auxiliary Operating Budget Summary of FY23 budget changes

Revenue

- **Residence Hall Revenue** - a decrease in occupancy is forecasted due to an overall decrease in enrollment in FY23. In FY22 occupancy was 619 in the fall and 557 in the spring. In FY23, occupancy is estimated to be 566 in the fall and 510 in the spring. The estimated decrease in occupancy is offset by an increase in rates as approved at the April 2022 meeting.
- **Board Revenue** – a decrease in occupancy is forecasted due to an overall decrease in enrollment in FY23. Board revenue follows the same trends as indicated for room revenue as all residential students are required to have an unlimited meal plan. The estimated decrease in occupancy is offset by an increase in rates as approved at the April 2022 meeting.
- **Transfer Revenue** increased by \$599,478. To ensure sufficient revenues to meet debt service obligations and operating expenses, a transfer is needed from the General Fund to balance the FY23 budget.

Expenses by Natural Classification

- **Salaries/Wages** decreased by \$45,151 due a decrease in FTE due to a decrease in occupancy in the residence hall.
- **Contractual Services** increased primarily due to the costs for the Facility contract - \$60,748.
- **Other Costs** increased by \$83,010 primarily due to the increased cost of **property insurance**.
- **Utilities/Communications** – Effective in FY23, the University will be eliminating **cable** services on campus at a cost of \$237,000 offset by an increase in **utilities** of \$62,266.
- **Scholarships** – increased by \$148,788. Scholarships used primarily to support room and board waiver scholarships were moved from the General Operating fund to Auxiliary to accurately present costs of the Auxiliary program.

Expenses by Functional Classification

- **Institutional Support** – As indicated above, **property insurance** increased by \$85,340, the decrease in **cable services** \$237,000 and the changes in **FTE** as stated above net to the overall decrease in Institutional Support.
- **Operations/Maintenance** increased by \$123,494 due to the increased cost of the **Facilities contract** of \$60,748 and the increase in **utilities** of \$62,266.
- **Scholarships** – increased by \$148,788. Scholarships used primarily to support room and board waiver scholarships were moved from the General Operating fund to Auxiliary to accurately present costs of the Auxiliary program.

**FISCAL YEAR 2023
GENERAL FUND BUDGET
(excludes all Land Grant funding)**

	FY 21 Budget	FY 21 Actuals	FY22 Budget	%	FY 22 Actuals as of 4/30/22	%	FY23 Budget Request	%	DIFF from prior budget request
Income Category									
State Appropriations - Core ¹	\$ 15,210,282	\$ 15,523,194	\$ 17,683,418	55%	\$ 14,852,540	51%	\$ 19,130,862	58%	\$ 1,447,444
State Appropriations - Match ²	\$ -	\$ -	\$ -	0%	\$ -	0%	\$ -	0%	\$ -
Tuition, Incidental & Mandatory Fees ³	\$ 11,214,994	\$ 12,159,007	\$ 10,398,560	33%	\$ 12,087,348	42%	\$ 10,306,751	31%	\$ (91,809)
Interest Income	\$ 225,000	\$ 73,291	\$ 50,000	0%	\$ (572,901)	-2%	\$ 50,000	0%	\$ -
Indirect Costs	\$ 316,000	\$ 649,578	\$ 316,000	1%	\$ 255,883	1%	\$ 307,000	1%	\$ (9,000)
Sales and Services	\$ 16,300	\$ 8,022	\$ 16,100	0%	\$ 31,570	0%	\$ 25,000	0%	\$ 8,900
Other Sources	\$ 234,845	\$ 280,852	\$ 105,699	0%	\$ 207,682	1%	\$ 187,093	1%	\$ 81,394
CARES Act Funding	\$ 3,383,040	\$ 8,060,773	\$ 3,347,154	10%	\$ 2,140,555	7%	\$ -	0%	\$ (3,347,154)
Fund Balance	\$ -	\$ -	\$ -	0%	\$ -	0%	\$ 2,991,542	9%	\$ 2,991,542
Totals	\$ 30,600,461	\$ 36,754,717	\$ 31,916,931	100%	\$ 29,002,677	100%	\$ 32,998,248	100%	\$ 1,081,317
Expenditure Category									
Salaries/Wages	\$ 13,532,216	\$ 13,183,180	\$ 14,226,462	45%	\$ 10,576,417	43%	\$ 14,084,010	43%	\$ (142,452)
Fringe Benefits ⁴	\$ 5,277,568	\$ 4,841,513	\$ 5,690,585	18%	\$ 3,903,956	16%	\$ 6,056,121	18%	\$ 365,536
Student Labor	\$ 79,719	\$ 30,140	\$ 67,919	0%	\$ 13,171	0%	\$ 44,639	0%	\$ (23,280)
Subtotal Personnel	\$ 18,889,503	\$ 18,054,834	\$ 19,984,966	63%	\$ 14,493,544	59%	\$ 20,184,770	61%	\$ 199,804
Equipment Purchase	\$ 83,339	\$ 114,396	\$ 85,245	0%	\$ 248,040	1%	\$ 81,745	0%	\$ (3,500)
Contractual Services	\$ 3,974,929	\$ 3,254,256	\$ 3,660,827	11%	\$ 3,638,687	15%	\$ 3,635,874	11%	\$ (124,953)
Travel	\$ 489,766	\$ 241,628	\$ 601,132	2%	\$ 335,351	1%	\$ 628,963	2%	\$ 27,831
Consumable Supplies	\$ 394,470	\$ 321,769	\$ 386,203	1%	\$ 318,403	1%	\$ 354,743	1%	\$ (31,460)
Other Costs	\$ 1,934,305	\$ 1,713,975	\$ 2,029,215	6%	\$ 1,235,397	5%	\$ 2,191,786	7%	\$ 162,571
Utilities/Communications	\$ 924,247	\$ 726,873	\$ 921,584	3%	\$ 669,546	3%	\$ 1,018,869	3%	\$ 97,285
Scholarships/Waivers	\$ 2,697,507	\$ 2,380,820	\$ 2,697,507	8%	\$ 2,223,777	9%	\$ 2,580,983	8%	\$ (116,524)
Transfer Out ⁵	\$ 1,212,395	\$ 916,151	\$ 1,550,252	5%	\$ 1,215,750	5%	\$ 2,420,515	7%	\$ 870,263
Subtotal Operations	\$ 11,710,958	\$ 9,669,867	\$ 11,931,965	37%	\$ 9,884,951	41%	\$ 12,813,478	39%	\$ 881,513
GASB 68/75	\$ -	\$ 2,818,131	\$ -	0%	\$ -	0%	\$ -	0%	\$ -
Grand total	\$ 30,600,461	\$ 30,542,832	\$ 31,916,931	100%	\$ 24,378,496	100%	\$ 32,998,248	100%	\$ 1,081,317
Functional Category									
Instruction	\$ 9,579,341	\$ 8,544,656	\$ 10,412,827	33%	\$ 7,808,075	32%	\$ 10,043,219	30%	\$ (369,608)
Research	\$ -	\$ -	\$ -	0%	\$ -	0%	\$ -	0%	\$ -
Public Service	\$ 105,055	\$ 29,780	\$ 109,013	0%	\$ 13,223	0%	\$ 111,221	0%	\$ 2,206
Academic Support	\$ 2,022,751	\$ 2,179,510	\$ 1,846,506	6%	\$ 1,310,201	5%	\$ 1,617,502	6%	\$ (29,004)
Student Services	\$ 4,462,289	\$ 4,180,728	\$ 4,534,729	14%	\$ 3,470,116	14%	\$ 3,859,747	12%	\$ (674,982)
Institutional Support	\$ 7,765,275	\$ 6,893,446	\$ 7,859,625	25%	\$ 5,869,936	24%	\$ 9,015,617	27%	\$ 1,155,952
Operations/Maintenance	\$ 2,755,848	\$ 2,599,611	\$ 2,906,472	9%	\$ 2,447,026	10%	\$ 3,149,444	10%	\$ 242,972
Scholarships/Waivers	\$ 2,697,507	\$ 2,380,820	\$ 2,697,507	8%	\$ 2,244,169	9%	\$ 2,580,983	8%	\$ (116,524)
Transfers ⁵	\$ 1,212,395	\$ 916,151	\$ 1,550,252	5%	\$ 1,215,750	5%	\$ 2,420,515	7%	\$ 870,263
Subtotal	\$ 30,600,461	\$ 27,724,701	\$ 31,916,931	100%	\$ 24,378,496	100%	\$ 32,998,248	100%	\$ 1,081,317
GASB 68/75	\$ -	\$ 2,818,131	\$ -	0%	\$ -	0%	\$ -	0%	\$ -
Grand total	\$ 30,600,461	\$ 30,542,832	\$ 31,916,931	100%	\$ 24,378,496	100%	\$ 32,998,248	100%	\$ 1,081,317

Notes

¹ State Appropriations - Core are based the FY22 appropriation level plus a 5.4% increase (adjusted by the standard 3% Governor's Reserve), along with an anticipated increase for MOSERS contributions

² State Appropriations - Match are being moved to the Project Accounting module to be accounted for outside of the General Operating Budget. The University is anticipating the FY23 match appropriation level to be \$5,139,389 (adjusted by the standard 3% Governor's Reserve)

³ Tuition and Incidental fees are based on 39,836 credit hours for FY23 compared to the FY22 budget of 42,453 credit hours. Tuition and fees rates increased by approximately 4%.

⁴ Fringe benefits are calculated at 43% of salaries

⁵ FY23 Transfer out reflects \$600,000 to ORM for base amount, \$1,395,043 to Auxiliary to support Debt Service obligations, \$205,120 to Plant for DNR Loan repayment, \$167,585 to Restricted for IDC and \$52,767 to Restricted for Utilities for the LINC.