



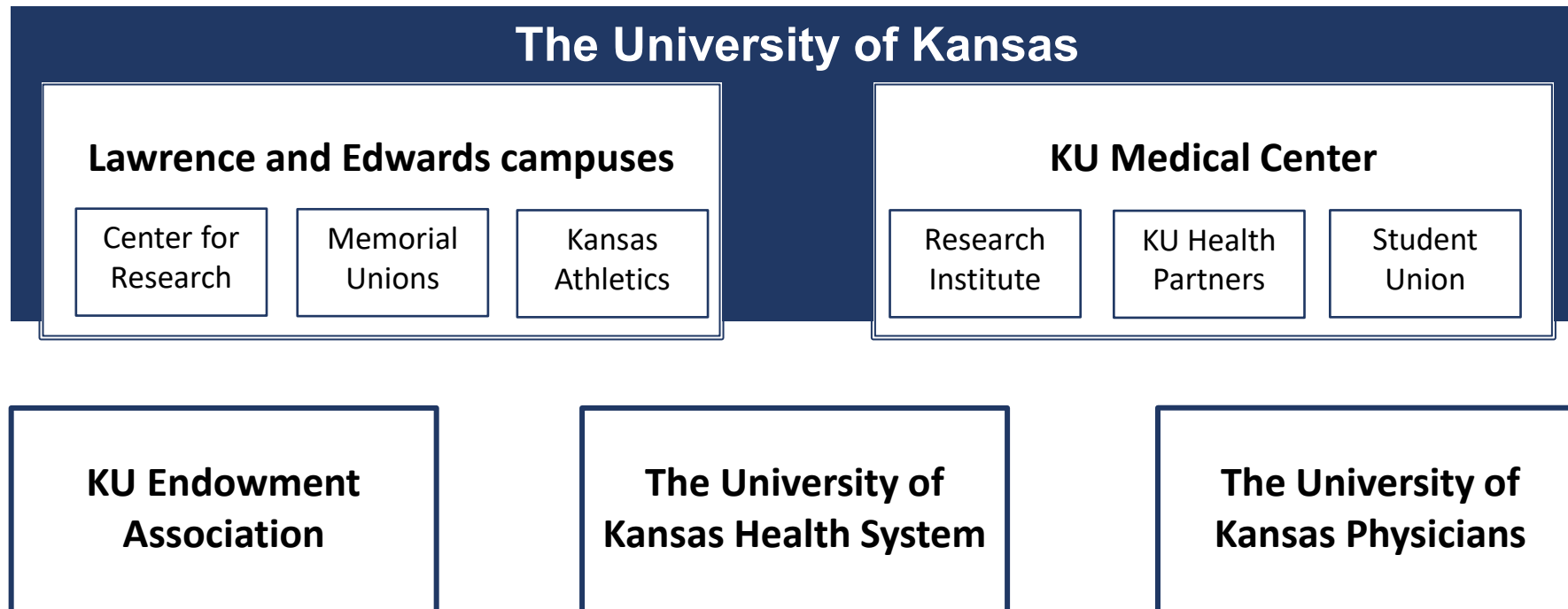
**Kansas Board of Regents
Fiscal Affairs & Audit Committee
Mid Year Budget Update
March 22, 2023**

Agenda:

- **KU Structure**
- **Mid-Year Updates – Lawrence and Medical Center Campuses**
- **Enrollment – FTE, First Time Freshman, and Student Credit Hours**
- **Educational Costs – SGF and Tuition**
- **Tuition & Fees – Peer Comparisons**
- **General Use Budget Update – Lawrence and Medical Center Campuses**
- **Operating Expenditures – Consolidated, Lawrence, and Medical Center Campuses**
- **Debt Service & Composite Financial Index Score**

KU Structure

- Two Agencies
- Six Primary Controlled Affiliated Corporations
- Three Primary Non-Controlled Affiliated Corporations



Mid-Year Updates

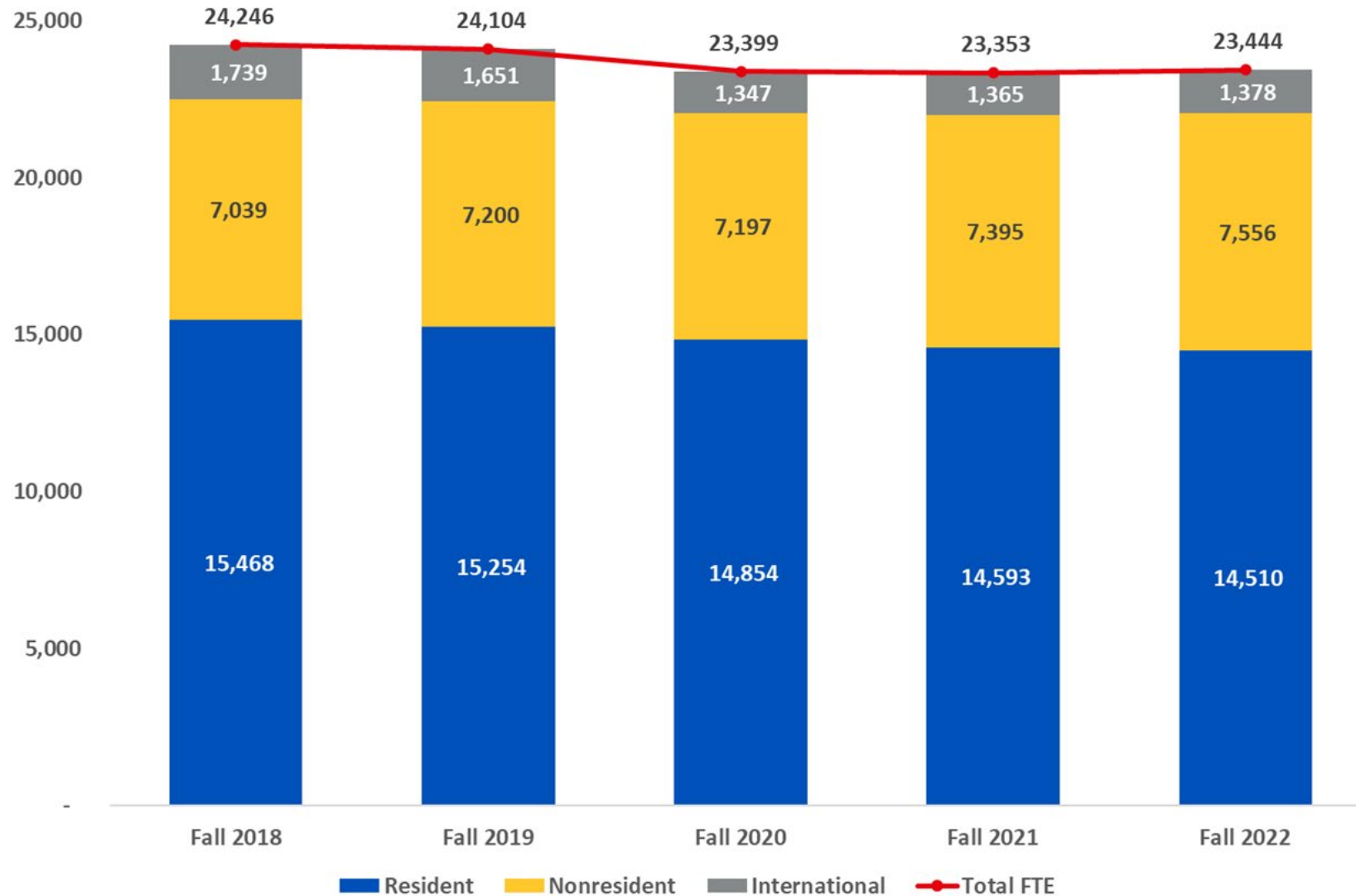
Lawrence Campus FY 2023 Mid-Year Updates:

- Second highest freshman class at 4362
- Fall 2023 applications to date indicate another strong freshman class
- FY2023 General Use budget and five-year financial plan managed through several strategic initiatives and reserves
- Campus master plan addressing all facilities to be complete in early summer
- New state of the art Welcome Center opened in March 2023

Medical Center Campus FY 2023 Mid-Year Updates:

- Enrollment remains steady
- Research enterprise continues strong growth
- New Wichita, Cancer, and Brain Health building plans in development
- Administrative efficiencies being achieved with KU Health System

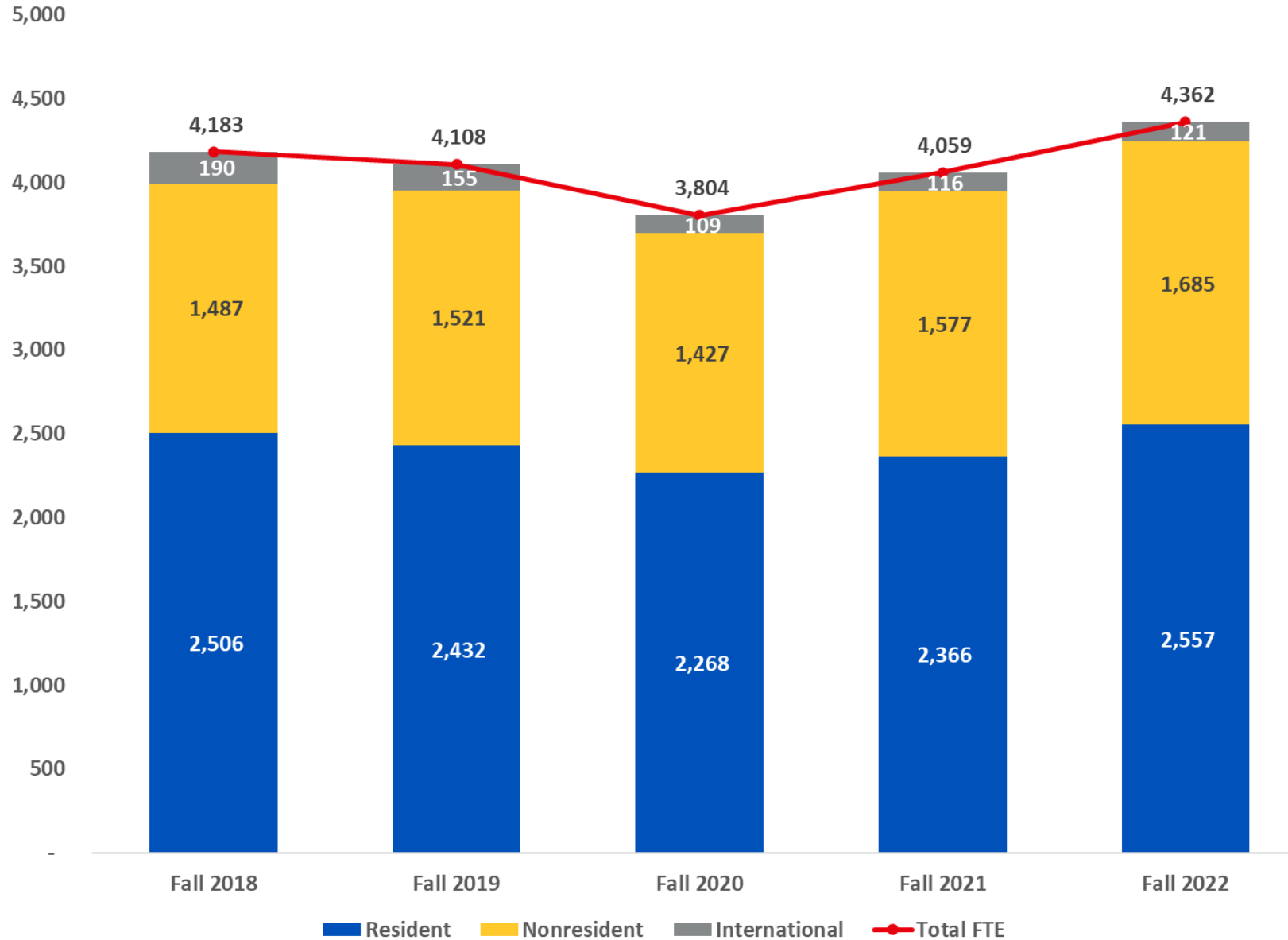
Overall FTE Enrollment Stable Since Fall 2020



Note: FTE calculated using 15 credit hours as a divisor for undergraduate students, 12 for graduate students

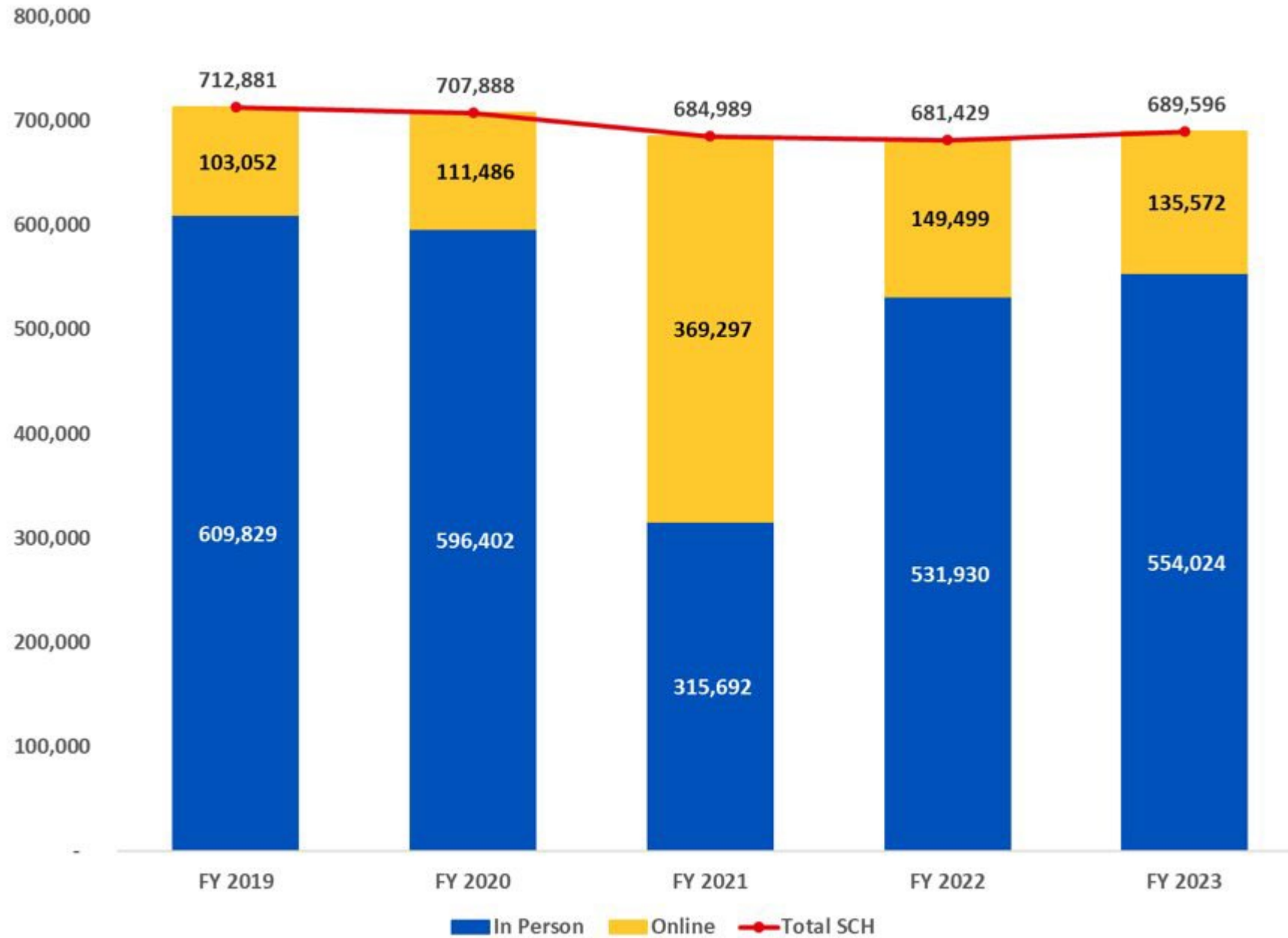
Includes All Campuses

Second Largest Freshman Class Ever in Fall 2022



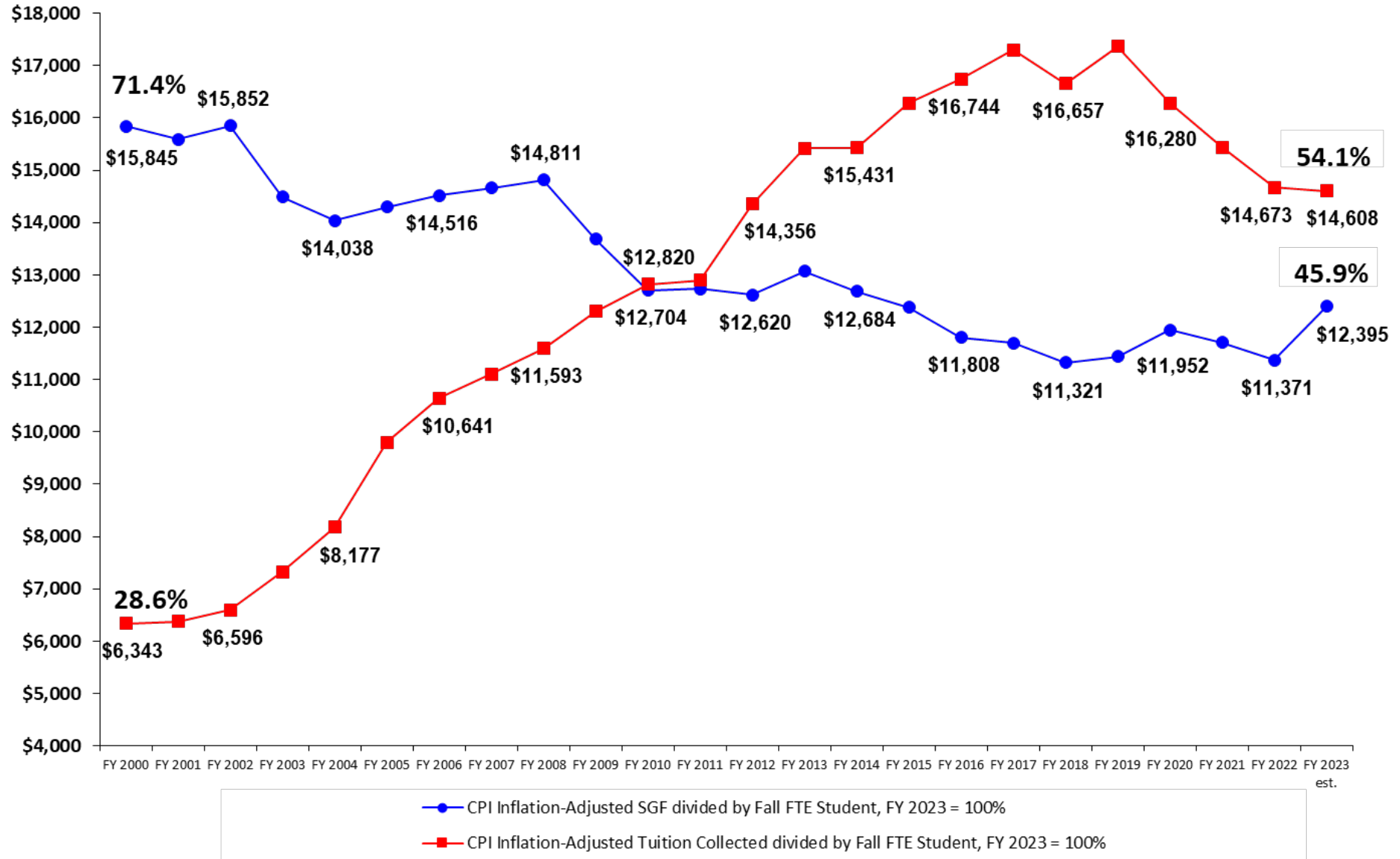
Note: FTE calculated using 15 credit hours as a divisor

Student Credit Hours Flat Since FY 2021

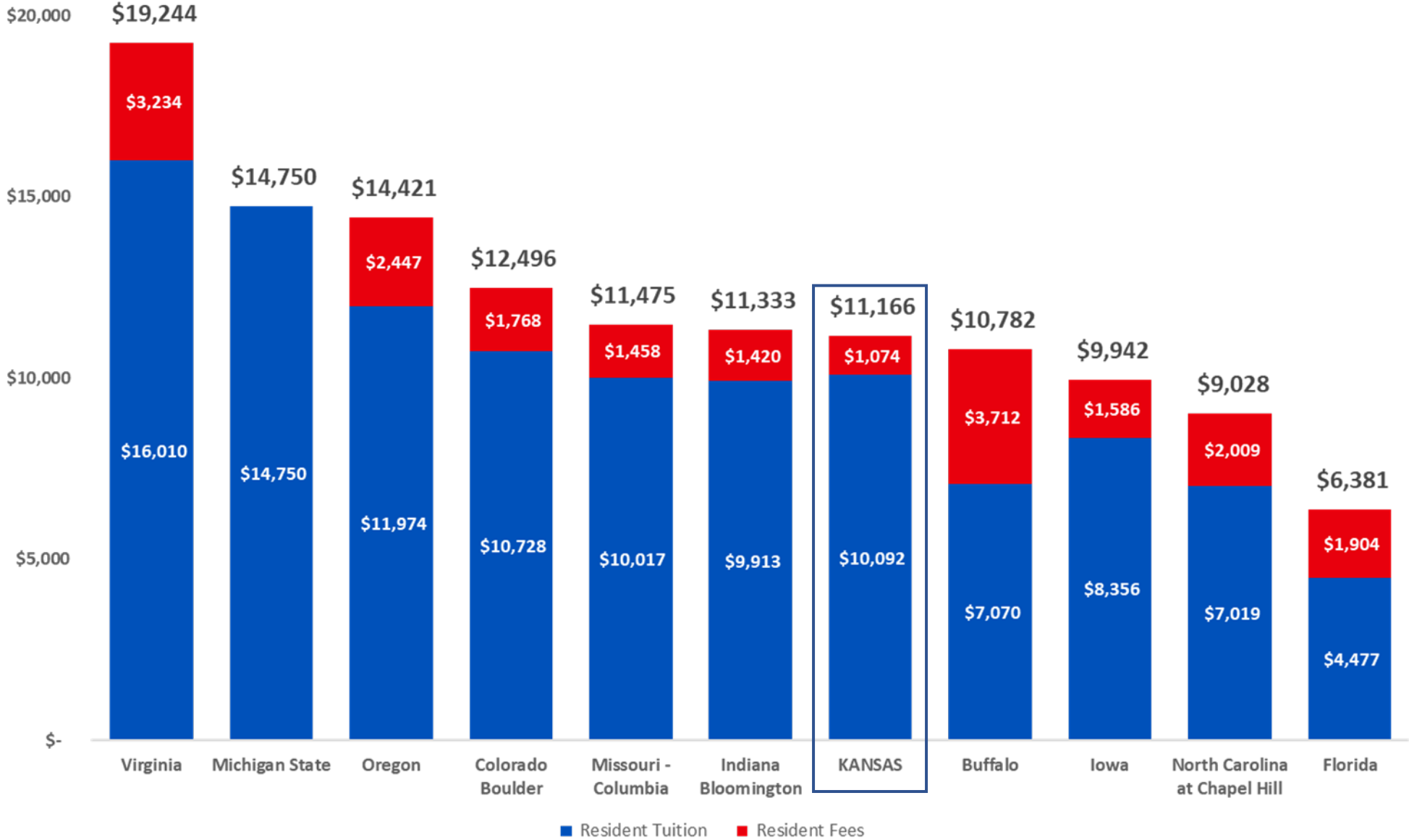


Note: Includes all Campuses

Students Shoulder Larger Portion of Educational Cost



KU Tuition & Fees Below Peer Average of \$11,985



KU Lawrence Campus – General Use Budget (as of 12/31/22)

Revenue by Funding Source	ABR - FY 2023 Budget	Year to Date Actual	YTD as % of Budget
SGF - Operating Funds	178,195,575	89,097,788	50.00%
Tuition	293,871,965	150,073,950	51.07%
Other General Use	46,841	23,421	50.00%
Total Revenue Budget	\$ 472,114,381	\$ 239,195,158	50.66%

Expenditures by Budget Program	ABR - FY 2023 Budget	Year to Date Actual	YTD as % of Budget
Instruction	240,519,712	111,756,667	46.46%
Research	26,252,870	13,747,828	52.37%
Public Service	2,571,125	1,735,855	67.51%
Academic Support	49,825,488	21,735,088	43.62%
Student Services	24,161,712	11,943,995	49.43%
Institutional Support	42,727,347	21,639,002	50.64%
Operations and Maintenance of Plant	53,398,943	32,064,914	60.05%
Scholarships and Fellowships	15,697,825	8,940,904	56.96%
Other Auxiliary Enterprises	428,359	270,827	63.22%
Debt Service	1,722,000	0	0.00%
Capital Improvements	14,809,000	3,508,951	23.69%
Total Expenditure Budget	\$ 472,114,381	\$ 227,344,032	48.15%

KU Medical Center Campus – General Use Budget (as of 12/31/23)

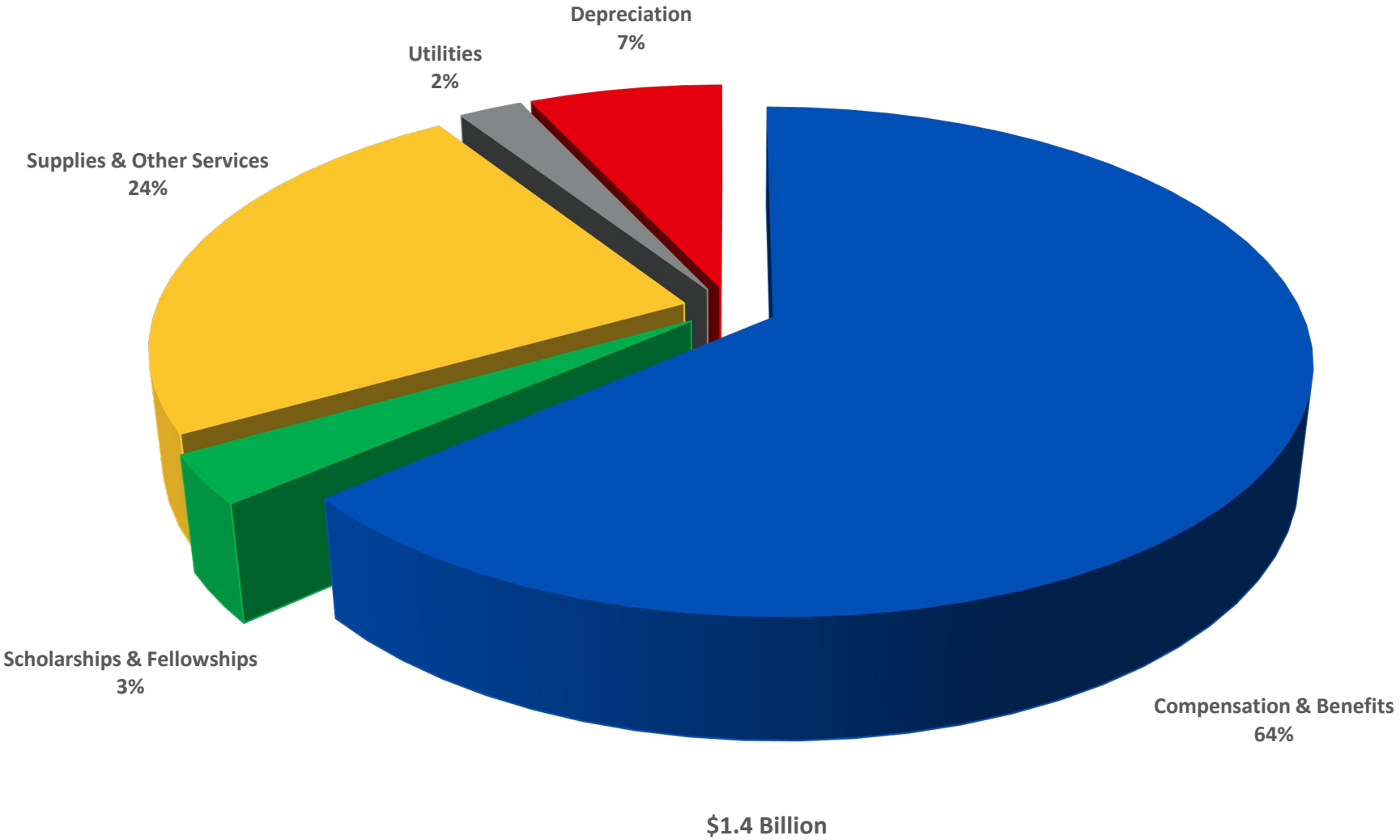
Revenue by Funding Source	ABR - FY 2023 Budget	YTD Actual 12/31/2022	YTD as % of Budget
SGF - Operating Funds	116,249,115	60,532,538	52.07%
SGF - Medical Scholarships and Loans - Primary Care	4,488,171	3,271,159	72.88%
SGF - Medical Scholarships and Loans - Psych	2,269,943	231,564	10.20%
Tuition	52,088,751	27,320,743	52.45%
Other General Use	6,144,382	1,409,083	22.93%
Total Revenue Budget	\$ 181,240,362	\$92,765,087	51.18%

Expenditures by Budget Program	ABR - FY 2023 Budget	YTD Actual 12/31/2022	YTD as % of Budget
Instruction	68,209,715	33,018,550	48.41%
Research	15,087,382	7,722,291	51.18%
Public Service	1,669,371	814,983	48.82%
Academic Support	14,160,352	7,251,368	51.21%
Student Services	2,657,895	1,294,103	48.69%
Institutional Support	38,620,856	19,210,918	49.74%
Operations and Maintenance of Plant	21,036,556	12,051,545	57.29%
Scholarships/Fellowships	9,087,575	3,597,553	39.59%
Other Auxillary Enterprises	2,653	6,444	242.91%
Debt Service	6,770,507	851,712	12.58%
Capital Improvements	3,937,500	846,460	21.50%
Total Expenditure Budget	\$ 181,240,362	\$86,665,927	47.82%

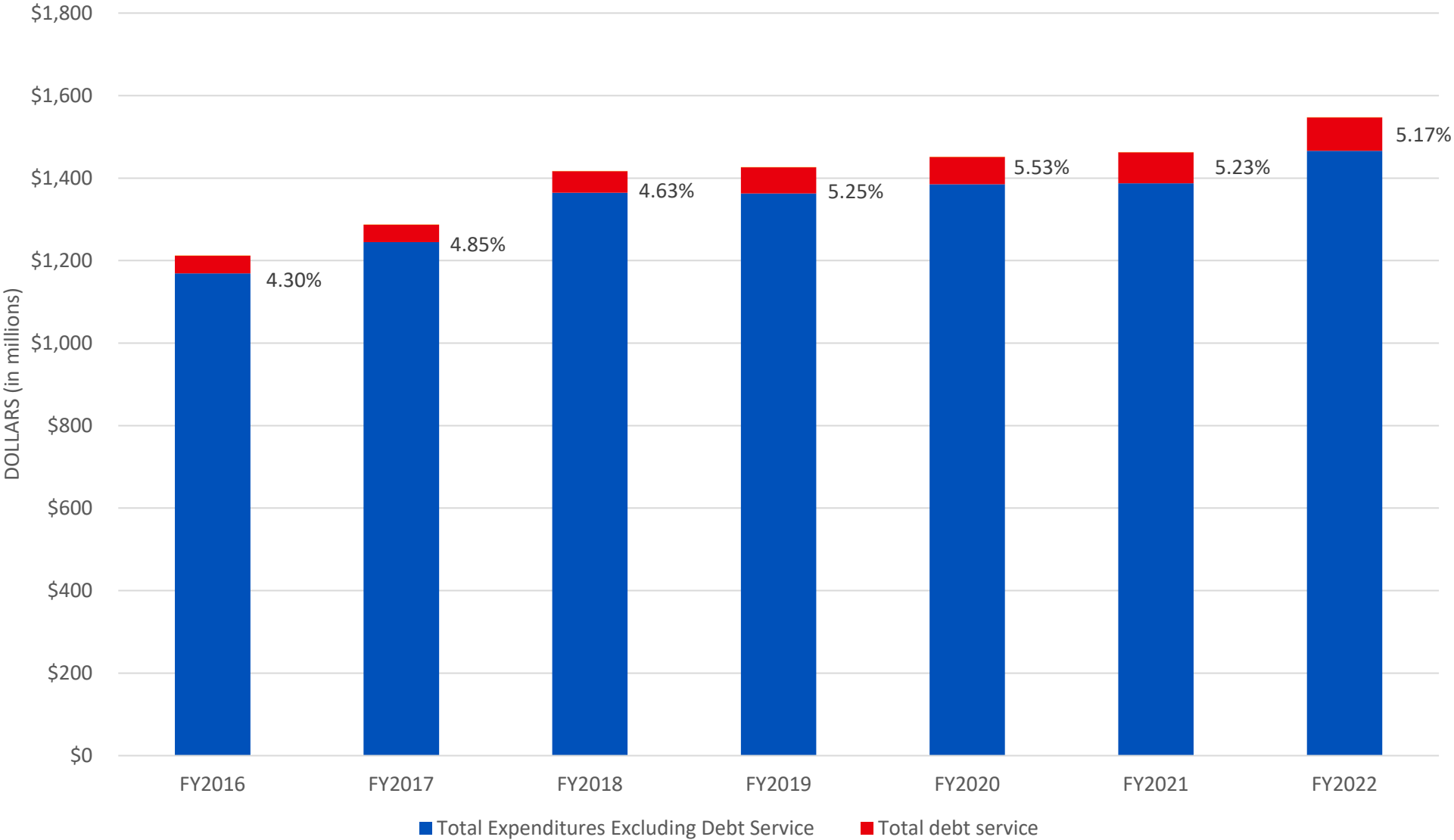
Consolidated Operating Expenditures – 5 Year Trend

Classification	2018	2019	2020	2021	2022
Instruction	\$ 425,903,941	\$ 428,445,063	\$ 440,237,070	\$ 416,557,473	\$ 425,266,109
Research	266,784,693	259,620,680	289,136,753	286,135,478	334,750,010
Public service	47,086,911	56,599,571	50,144,325	55,347,527	50,903,510
Academic support	65,777,017	65,298,599	66,475,360	76,639,656	67,780,575
Student services	38,172,391	41,149,695	40,801,016	46,895,540	43,464,595
Institutional support	63,592,652	63,894,686	74,995,751	86,330,227	93,570,170
Operations and maintenance of plant	90,870,614	88,015,434	90,743,195	100,404,051	96,856,766
Depreciation	104,229,330	113,663,073	74,398,078	100,643,356	98,281,589
Scholarships and fellowships	18,935,345	16,532,918	26,138,916	28,087,745	43,624,072
Auxiliary enterprises	169,108,342	180,784,729	171,901,276	142,453,283	162,674,027
Other operating expenses	2,651,185	722,676	600,659	762,856	56,580
Total	\$ 1,293,112,421	\$ 1,314,727,124	\$ 1,325,572,399	\$ 1,340,257,192	\$ 1,417,228,003

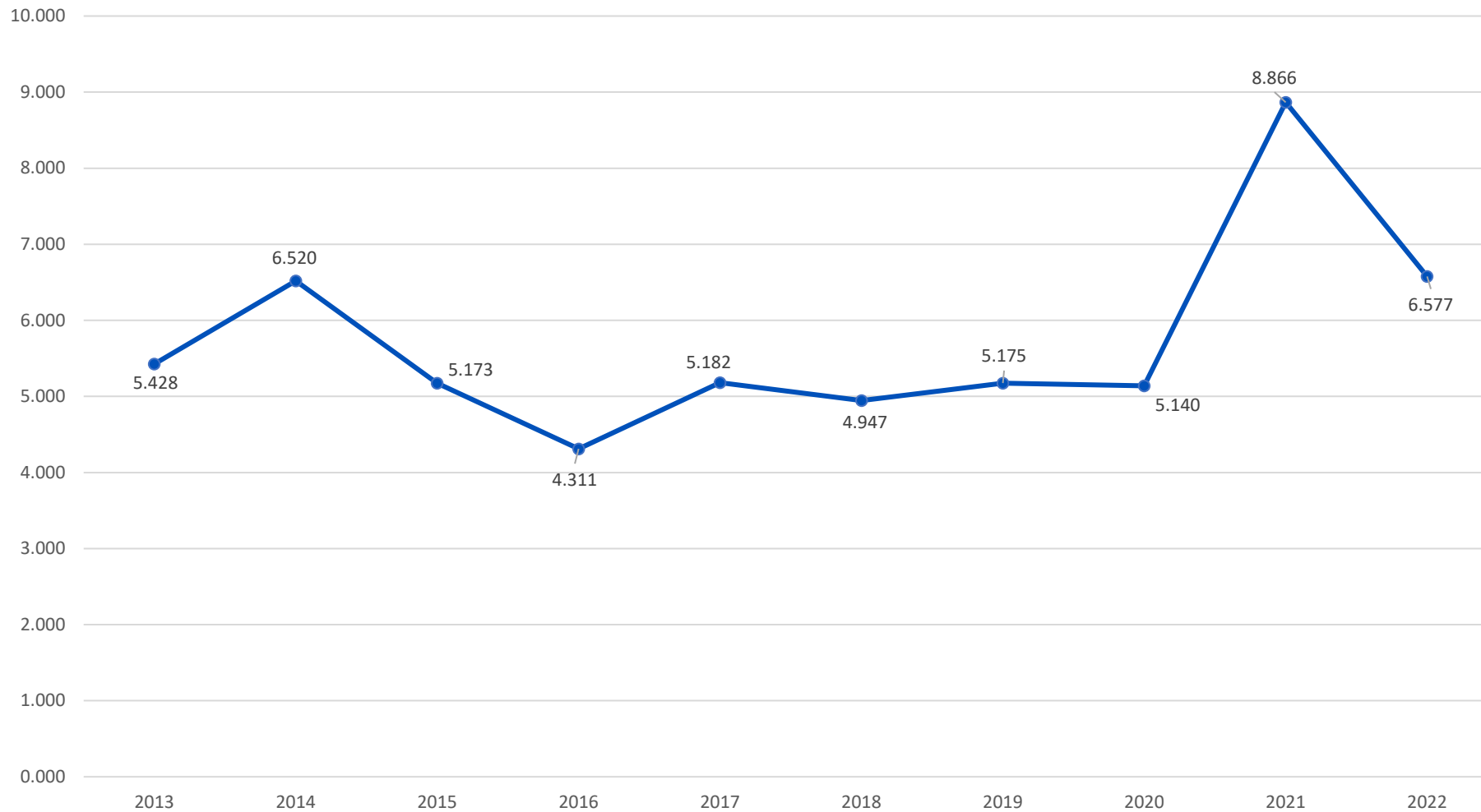
FY 2022 Expenditures by Type - Consolidated



Debt Service Comprises Less Than 6% of Expenditures



Composite Financial Index Score



Causes for Change:

- 2014 – Market Increase on KUEA and Investments
- 2016 – Market Decline on KUEA and Investments
- 2021 – Market Increase on KUEA and Investments
- 2022 – Market Decline on KUEA and Investments

Risks

Key Risks:

- Inflation
- Faculty and staff recruitment and retention
- Enrollment trends
- Facility upgrades and maintenance across all campuses
- Cybersecurity threats and rapidly changing IT environment

Risk Mitigation:

- Enrollment Management Initiative – Increased efforts to grow campus and online enrollment
- Student Success Initiative – Increased efforts to improve retention
- Continuous Improvement Initiative – Increased efforts to improve campus efficiency
- Market based pay initiative for faculty and staff
- Targeting investments in research and education buildings
- Integrating and improving efficiency and effectiveness of functions shared with UKHS, including IT
- Increased collaboration on IT issues across all campuses

Jayhawk Blvd.

Questions & Answers