

EXECUTIVE SUMMARY***Regarding******Resolution 24-07: Resolution for the Approval of FY2024 Operating Budget***

I. ACTION ITEM: Approval of Fiscal Year 2024 (“FY2024”) Operating Budget as set forth in the proposed resolution submitted herewith.

II. BACKGROUND: The Board of Trustees of Governors State University (the “Board,” and “University,” respectively) historically approves the operating budget for the University at its October meeting. With all known factors in place, we present the FY2024 Operating Budget for approval. The Fiscal Year 2024 Operating Budget reflects the final actions of the Governor and the Illinois General Assembly for the State budget general funds budgets. Resources have been directed to support the University’s highest priorities and to maintain ongoing operations.

The University plans an operating budget based on a fiscal year that runs from July 1 to the following June 30. The current proposed action item requests approval of an operating budget for July 1, 2023 to June 30, 2024. The proposed FY2024 Operating Budget is the same as that which was approved by the Board on a preliminary basis at the June 12, 2023 meeting.

Approval of this proposal will enable the University to meet its statutory obligation to submit a budget to the Illinois Board of Higher Education (“IBHE”) by November 15 of each year. *See* 110 ILCS 205/8.

III. ANALYSIS: At the June 12, 2023 Board meeting, the President recommended and the Board approved a preliminary FY2024 Operating Budget granting the University spending authority between July 1, 2023 and the October 2023 meeting, at which time the Board would review the University’s FY2024 operating budget again and approve the final figures. The preliminary operating budget constituted a conservative estimate of revenues and expenditures of \$60,500,000. The final enacted State appropriation of \$26,058,100, along with University income fund revenues based on enrollment census data, provide for a balanced budget.

The attached represents the core or “State Funds” final operating budget proposed for FY2024 in the amount of \$60,500,000. The revenues to support the budget come from a combination of the annual State of Illinois appropriation to the University plus the revenues projected to be generated by net tuition, user fees, and interest income.

Through our collaborative PBAC (Planning and Budget Advisory Council) process, which involves discussions with constituencies and many individuals at all levels within the University, we have developed a FY2024 Operating Budget in line with the State appropriations and have further considered the lingering impact of COVID-19 on our operations as well as the implementation of our Strategic Enrollment Plan.

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Governors State University
Budget Revenues and Expenditures by Major Category
FY2024 Operating Budget

STATE FUNDS	FY2023 Operating Budget	FY2024 Operating Budget	\$ to Prior Year Budget	% to Prior Year Budget
Revenues:				
Income Fund	\$34,146,700	\$34,441,900	\$295,200	0.9%
Appropriation	24,353,300	26,058,100	1,704,800	7.0%
Total Revenues	\$58,500,000	\$60,500,000	\$2,000,000	3.4%
Expenses:				
Personnel Services	\$48,399,209	\$50,844,668	\$2,445,459	5.1%
Fringe Benefits	1,449,578	1,483,326	33,748	2.3%
Contractual	7,007,732	6,551,592	(456,140)	-6.5%
Commodities	718,875	729,120	10,245	1.4%
Permanent Improvement	0	0	0	0.0%
Travel	377,931	362,673	(15,258)	-4.0%
Equipment	315,105	305,705	(9,400)	-3.0%
Telecom	194,195	185,541	(8,654)	-4.5%
Auto Operations	37,375	37,375	0	0.0%
Awards	0	0	0	0.0%
Reserve**	0	0	0	0.0%
Total Expenses:	\$58,500,000	\$60,500,000	\$2,000,000	3.4%

BOT Resolution 16-28 established an operating reserve not to exceed 5% of the University's core operating budget. At this time, the FY2019 - FY2022 operating surplus exceeds that reserve amount, so no Reserve allocation has been budgeted for FY2024.

Resource/Contacts: Corey S. Bradford, Sr., Ph.D., Vice President for Administration and Finance; cbradford2@govst.edu; 708.235.7421; and Sandra Zurawski, Executive Director, Budget & Financial Planning; szurwski@govst.edu; 708.534.4981

IV. Proposed Resolution: A proposed resolution is submitted with this Executive Summary.