

Fort Hays State University Financial Analysis

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Orientation

Fiscal Year (FY)

- July 1 to June 30 each year
- FY24 = Fiscal year 2024 = July 1, 2023, to June 30, 2024
- We are in FY25 – data will be available in approximately January 2026

Negative numbers

- Numbers in () are negative
- (\$500,000) = \$-500,000

A note about BudgetS

- Budgets are planning tools that are built on assumptions
- They are often built on conservative estimates of student enrollment and revenue from various sources
- Budgets are not reality

Conclusions (1 of 2)

- Positive financial results 5 of the past 6 years. There has been revenue in excess of expenses, positive operating cash flow, and growth of expendable net assets.
- FY23 negative values were reversed in FY24
- Fort Hays State has a strong bond rating in the middle of the range of healthy scores
- Total net assets of the foundation increased by \$60 million since FY19 (a 52% increase)

However, instruction of students is not prioritized in salary spending

- Faculty salaries are below the means of similar comparison institutions
- Mean faculty salaries have not kept up with inflation
- Growth in spending on salaries is higher for management and business and financial operations than instruction
- Raises received by the president have been greater than those received by the faculty
- The board of regents says that the institution and the president are high performing, but the people who provide the labor for the core mission of the institution are not being recognized in the same tangible way

Conclusions (2 of 2)

There are financial resources available as shown by the revenue in excess of expenses, the positive operational cash flow, the growth of expendable net assets, and the increases in spending for salaries in other areas of the institution.

It is time for Fort Hays, as a financially healthy institution, to invest in student learning and the faculty and staff that are most central to facilitating the core mission of the institution.

Agenda

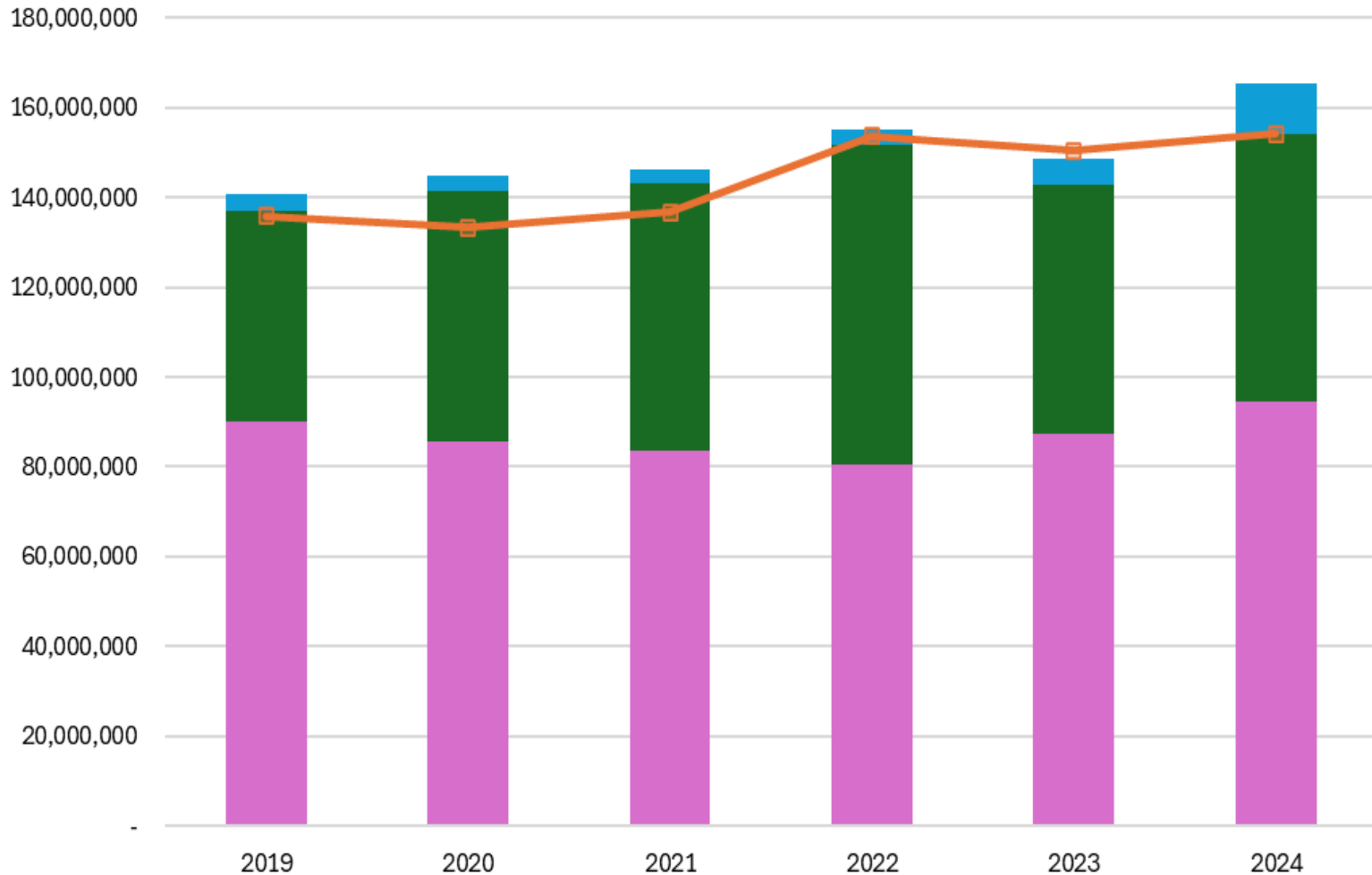
- Financial Position of the Institution
- Revenue
- Athletics
- Expenses by function
 - Total
 - Salaries and Wages
- Staffing Levels and Total Salary Outlays
- Faculty Salaries means
- Conclusion

Financial Position of the Institution



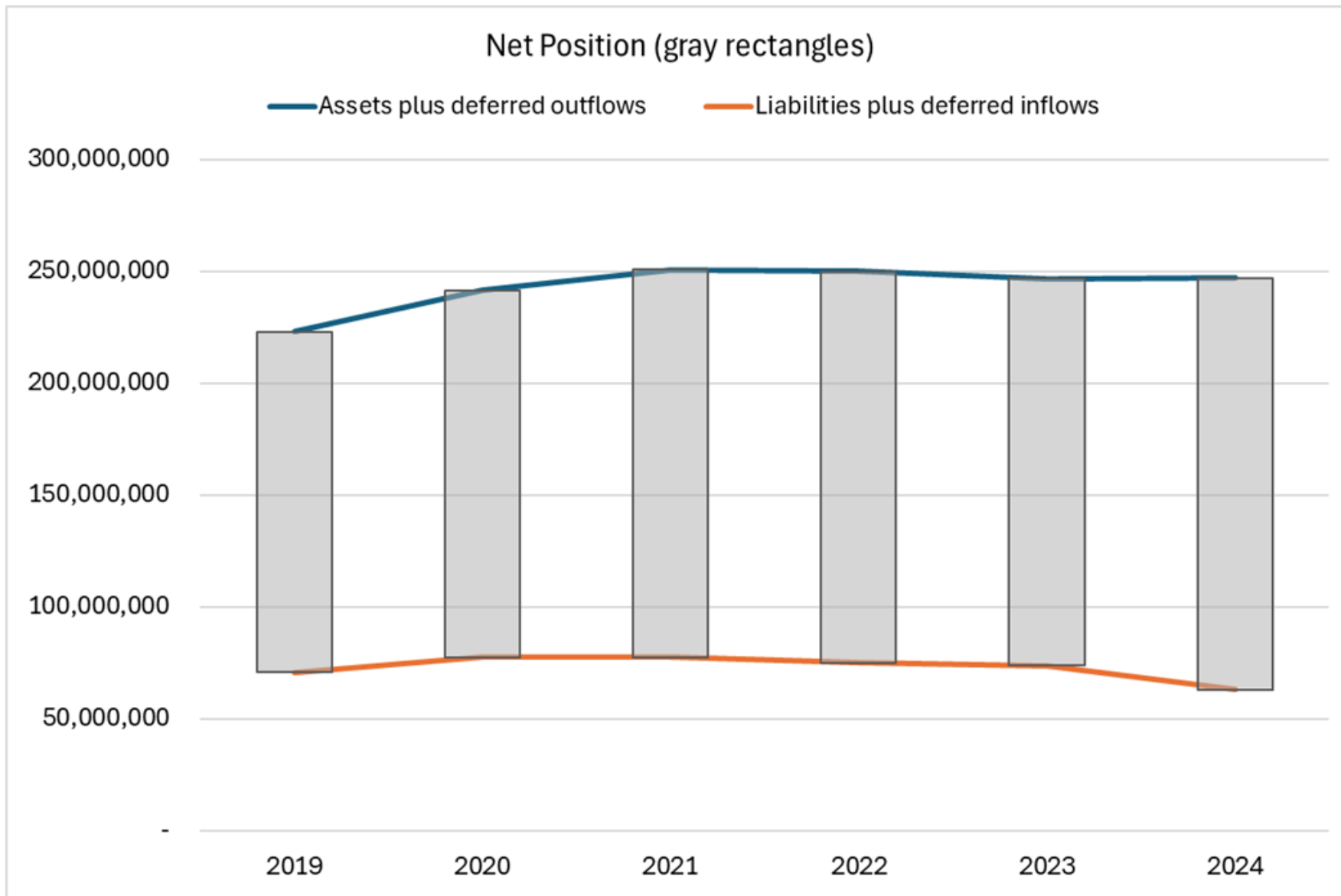
Revenue and Expenses

Total operating revenues
Capital appropriations
Net nonoperating revenues (expenses)
Total operating expenses



- Revenues – Expenses = Change in Net Position
- 3 types of revenue
- Ideally the expense line is below the top of the green section in most years
- The space between the top of the column of revenue and the line for expenses is the change in net position

\$10.5 Million of increase in expenses in FY22 was scholarships and fellowships
See full report for complete financial statements



These values do not include the Foundation

Example:

Asset = value of your house

Liabilities = value of your mortgage

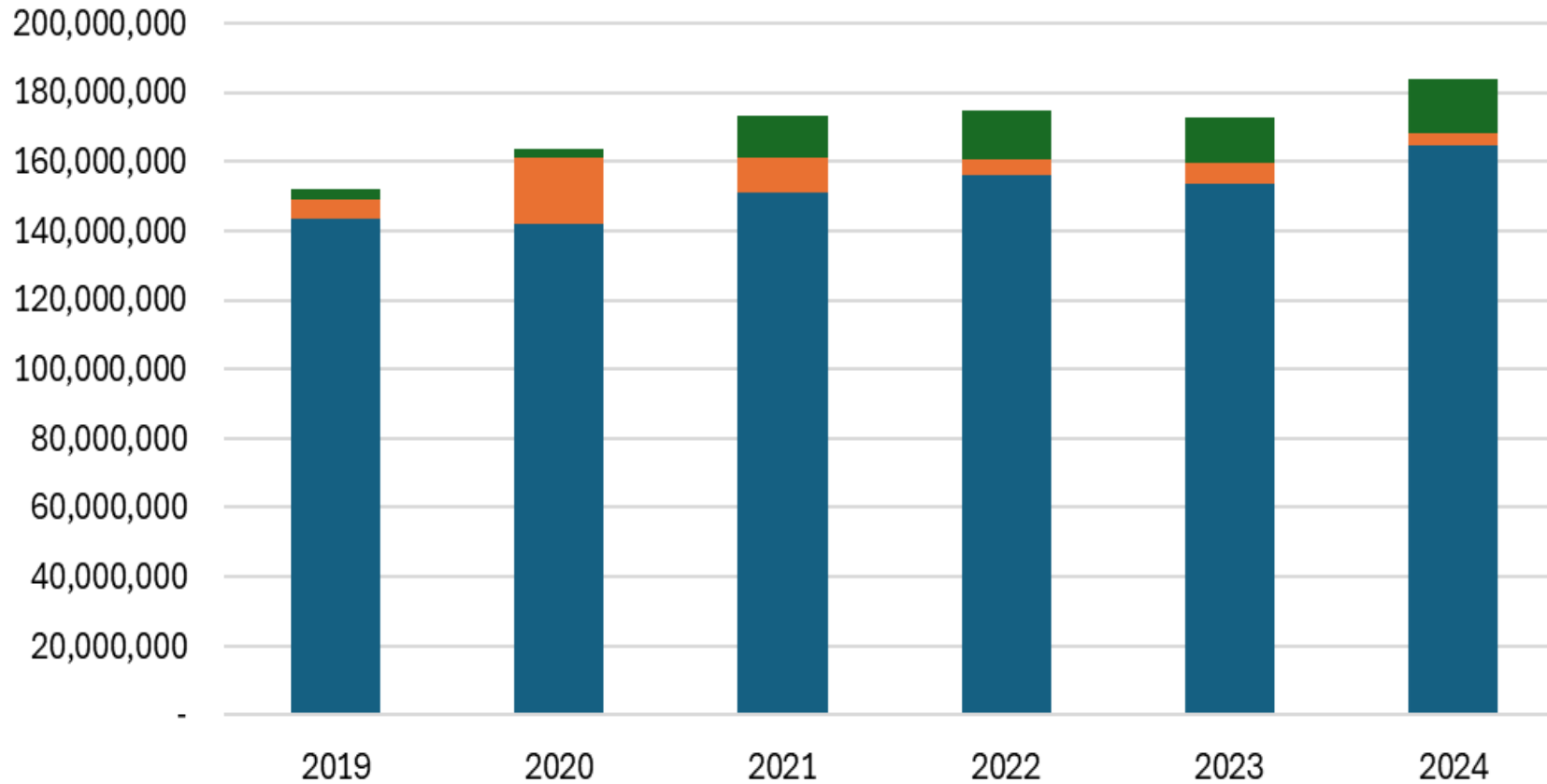
Asset – Liability = home equity

At a university
 Assets - Liabilities
 = Net Position

Growth in net position is positive

Net Position as Reported

■ Net investment In capital assets ■ Restricted Expendable ■ Unrestricted

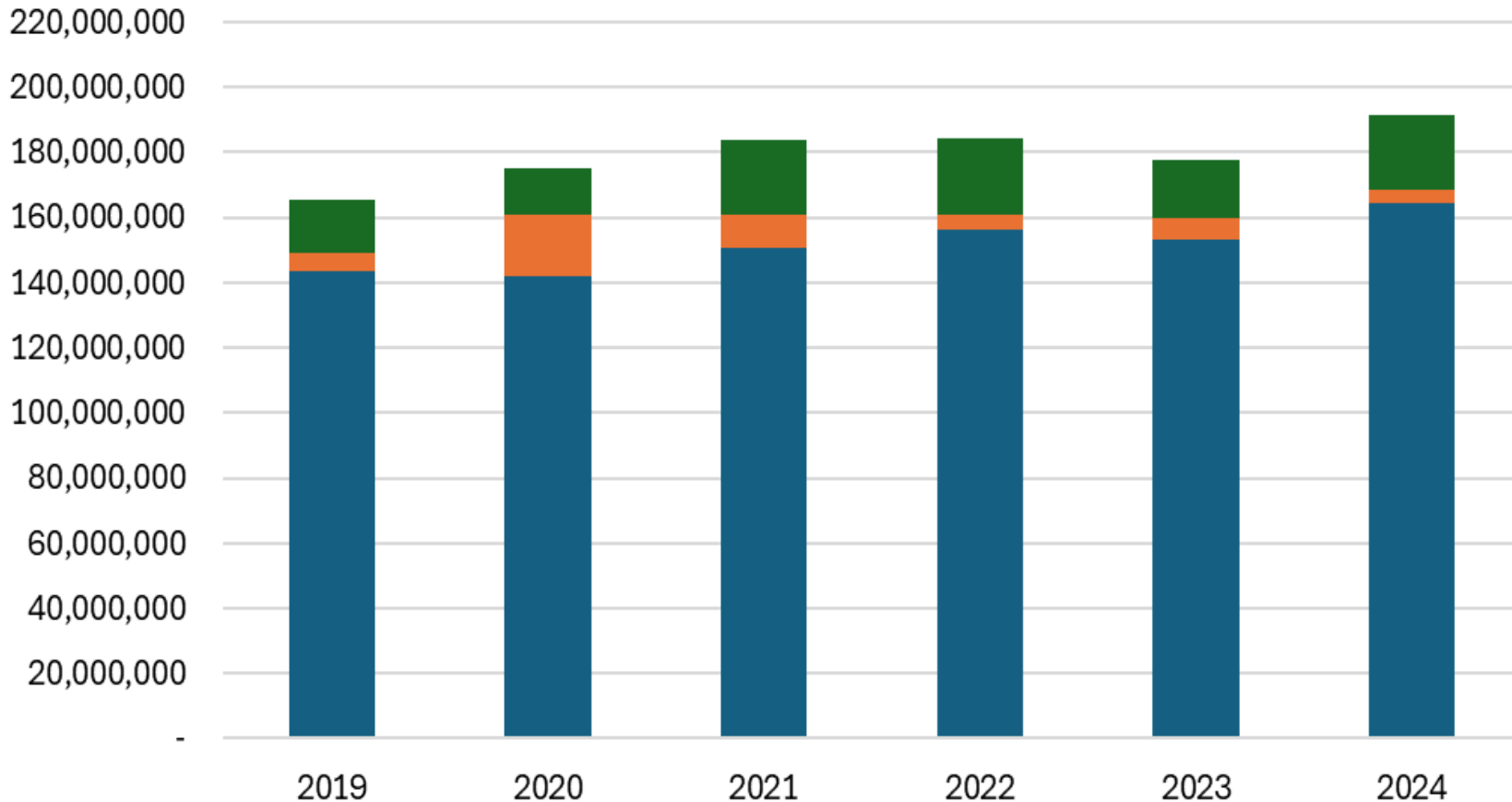


Unrestricted funds are the most flexible

The trends of growth in net position and growth in unrestricted funds are both positive

Net Position Adjusted for GASB 68 and 75

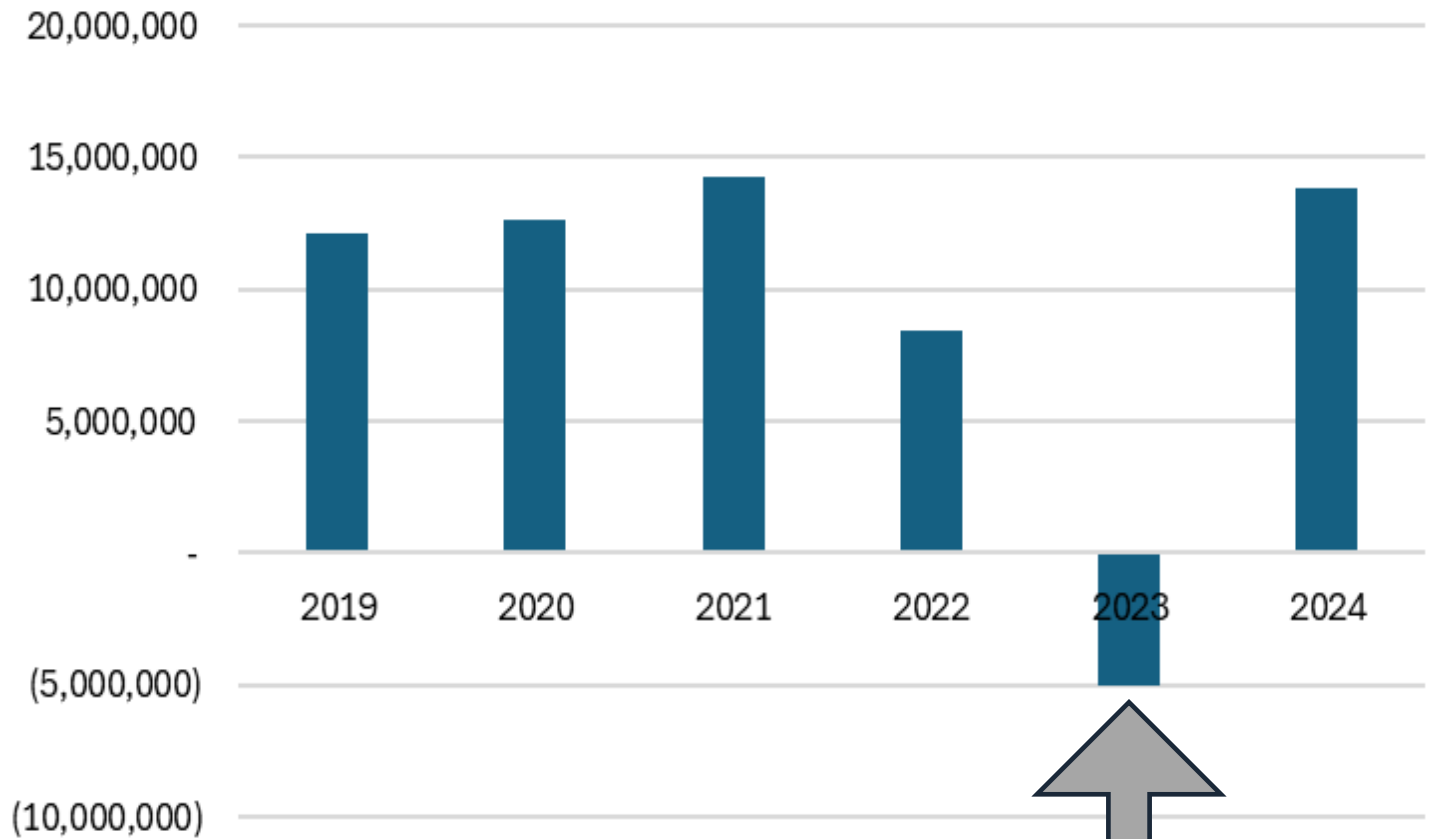
■ Net investment In capital assets ■ Restricted Expendable ■ Unrestricted (Adjusted)



Removing the required accounting entries for public pensions and other post employment benefits (OPEB) shows that the true net position is higher than reported

Expendable Net Position =
Unrestricted + Restricted
Expendable

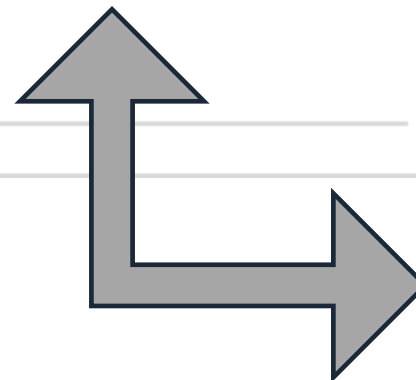
Operating Cash Flow



Operating cash flow

- Net cash from non-capital financing
- Net cash used in operating activities
- Interest expenses

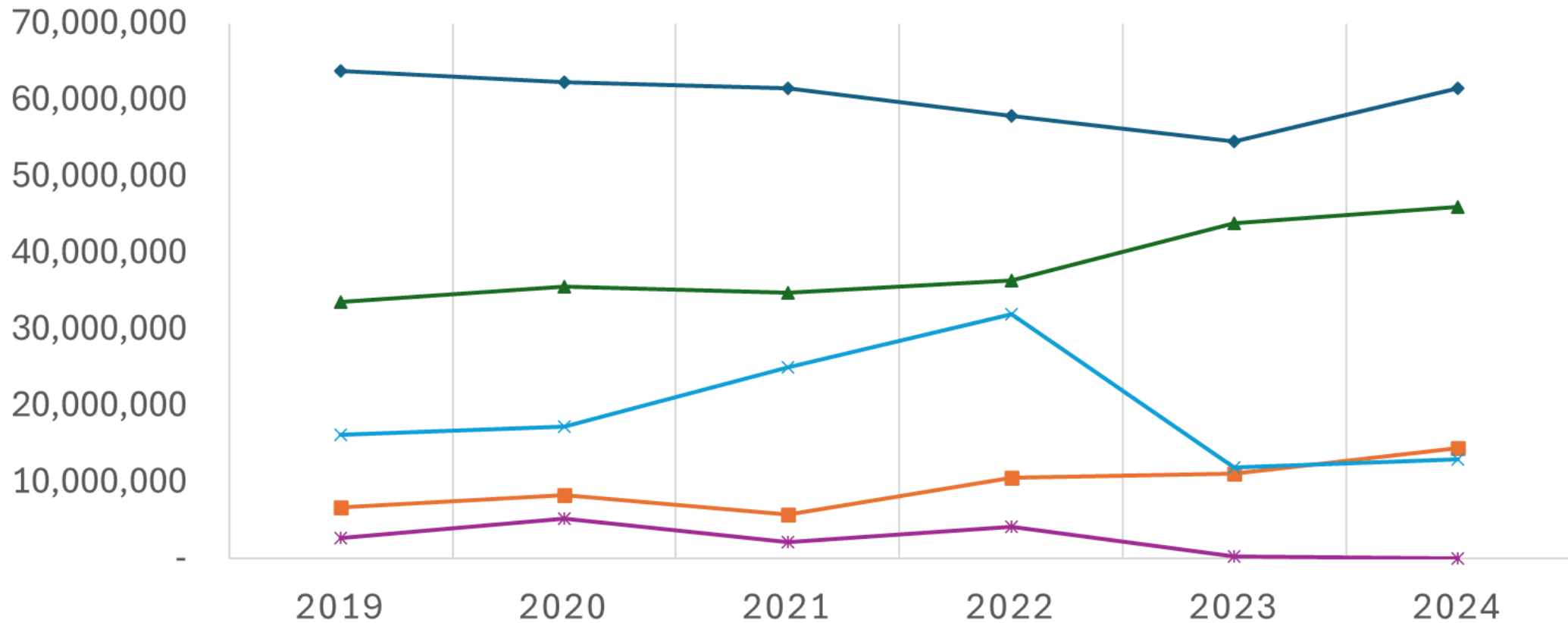
Operating Cash Flow



See next 2 slides

SELECT SOURCES OF OPERATIONAL CASH FLOW *INTO* FHS

- Tuition and fees
- Grants and contracts
- State appropriations
- Other federal grants and contracts
- Gifts

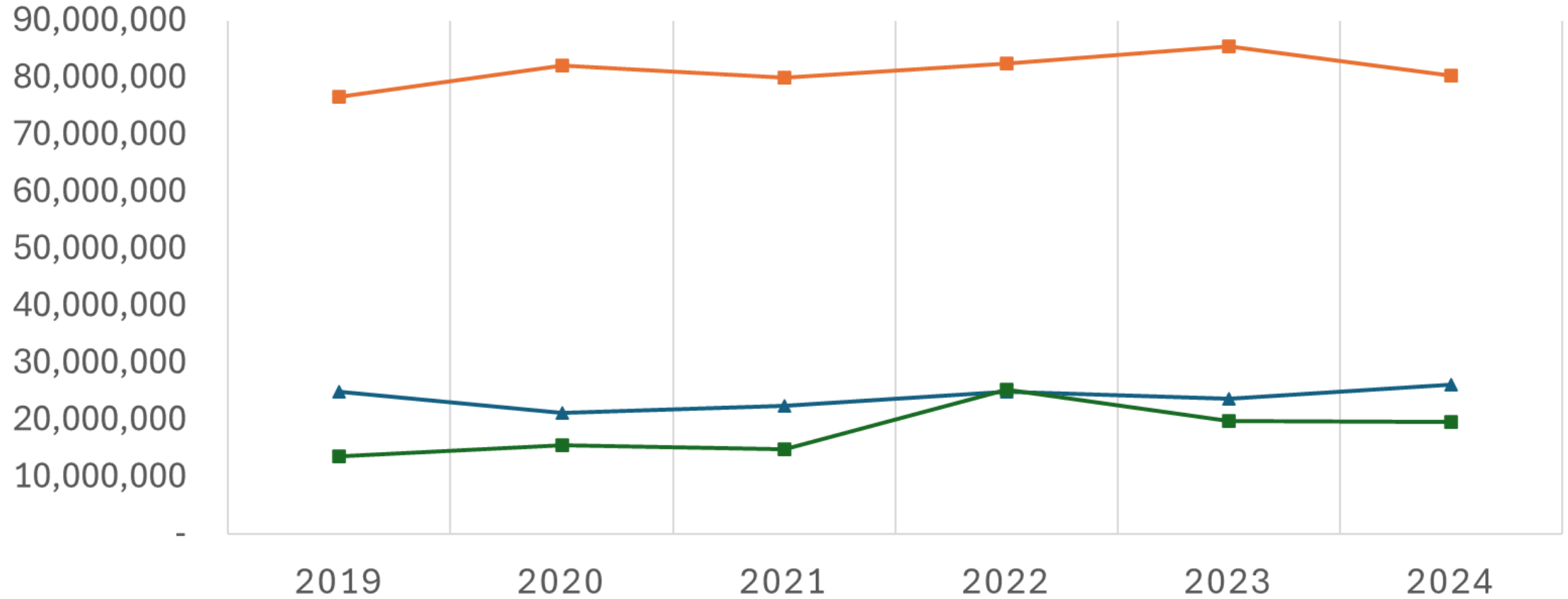


SELECT SOURCES OF OPERATIONAL CASH FLOW *OUT OF* FHS

—▲— Payments to suppliers

—■— Compensation and benefits

—■— Payments for scholarships and fellowships

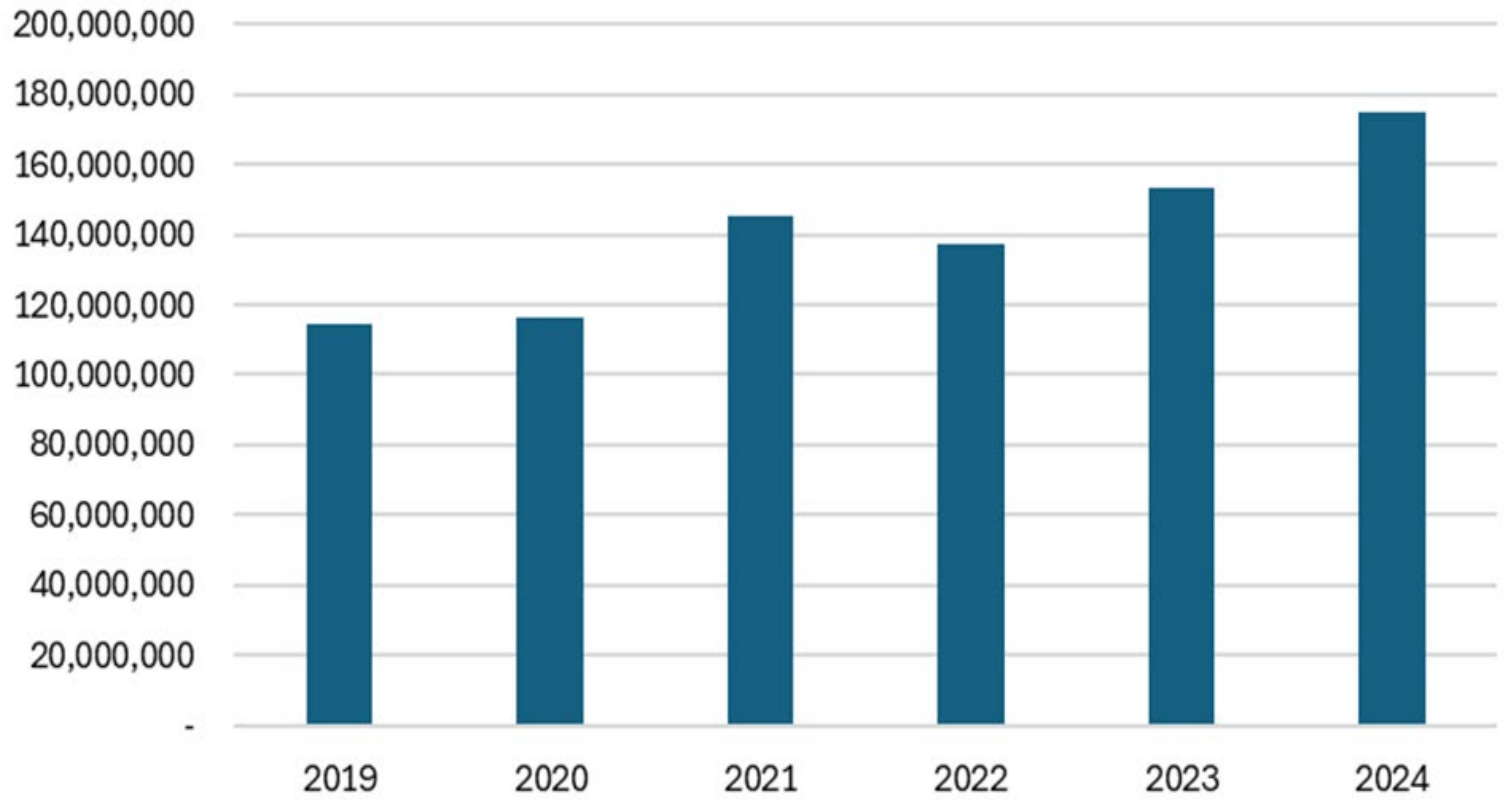


Covid relief funding from the the federal government			
	Minimum to student	Maximum to institution	Total
Cares Act	1,262,038	1,262,037	2,524,075
HEERFII	1,370,261	4,786,907	6,157,168
HEERFIII	9,685,909	8,540,474	18,226,383
TOTAL	12,318,208	14,589,418	26,907,626

FY23 Federal grants and contract were substantially lower than FY22

	2019	2020	2021	2022	2023	2024
Other federal grants and contracts	16,189,610	17,230,008	25,064,506	32,044,351	11,881,515	12,961,151

Total Net Assets - Foundation



The Foundation

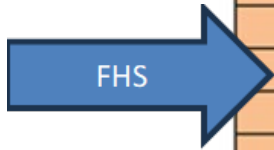
The large increase in value in FY21 and small decline in FY22 is common at most institutions and was partially caused by fluctuating market conditions during the pandemic.

The general trend of growth is positive

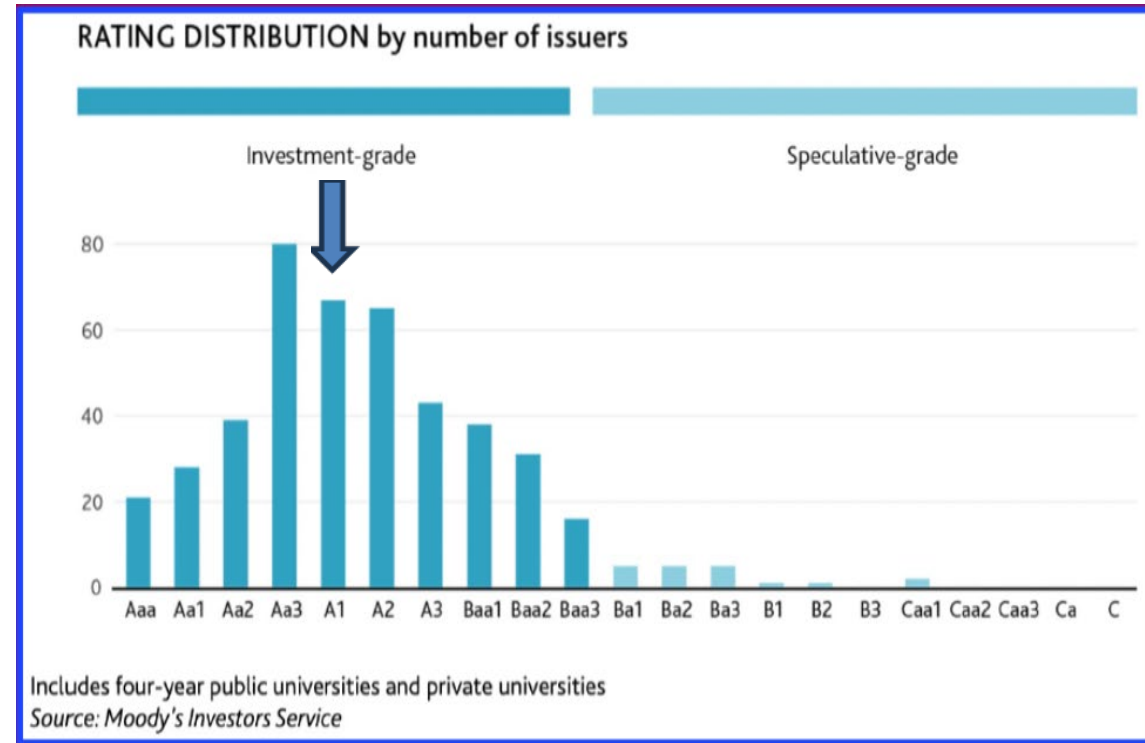
Credit Rating Scales by Agency, Long-Term

Moody's	S&P	Fitch	
Aaa	AAA	AAA	Prime
Aa1	AA+	AA+	High grade
Aa2	AA	AA	
Aa3	AA-	AA-	
A1	A+	A+	Upper medium grade
A2	A	A	
A3	A-	A-	
Baa1	BBB+	BBB+	Lower medium grade
Baa2	BBB	BBB	
Baa3	BBB-	BBB-	
Ba1	BB+	BB+	Non-investment grade speculative
Ba2	BB	BB	
Ba3	BB-	BB-	
B1	B+	B+	Highly speculative
B2	B	B	
B3	B-	B-	
Caa1	CCC+	CCC	Substantial risk
Caa2	CCC		Extremely speculative
Caa3	CCC-		Default imminent with little prospect for recovery
Ca	CC	CC	
	C	C	In default
/	D	D	
/			

WOLFSTREET.com

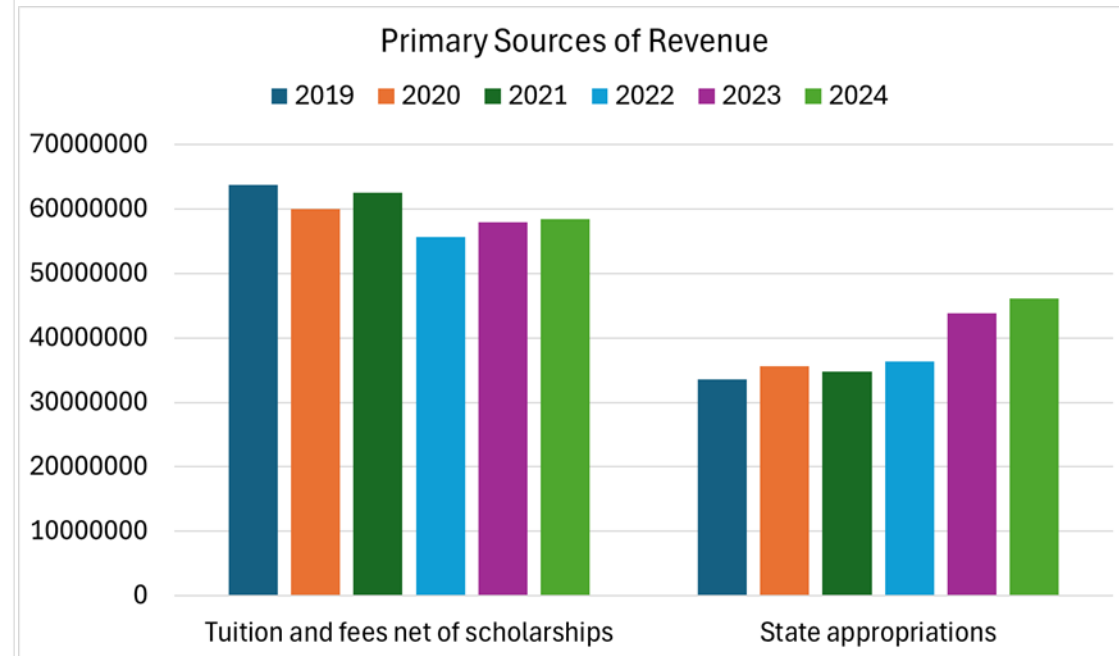
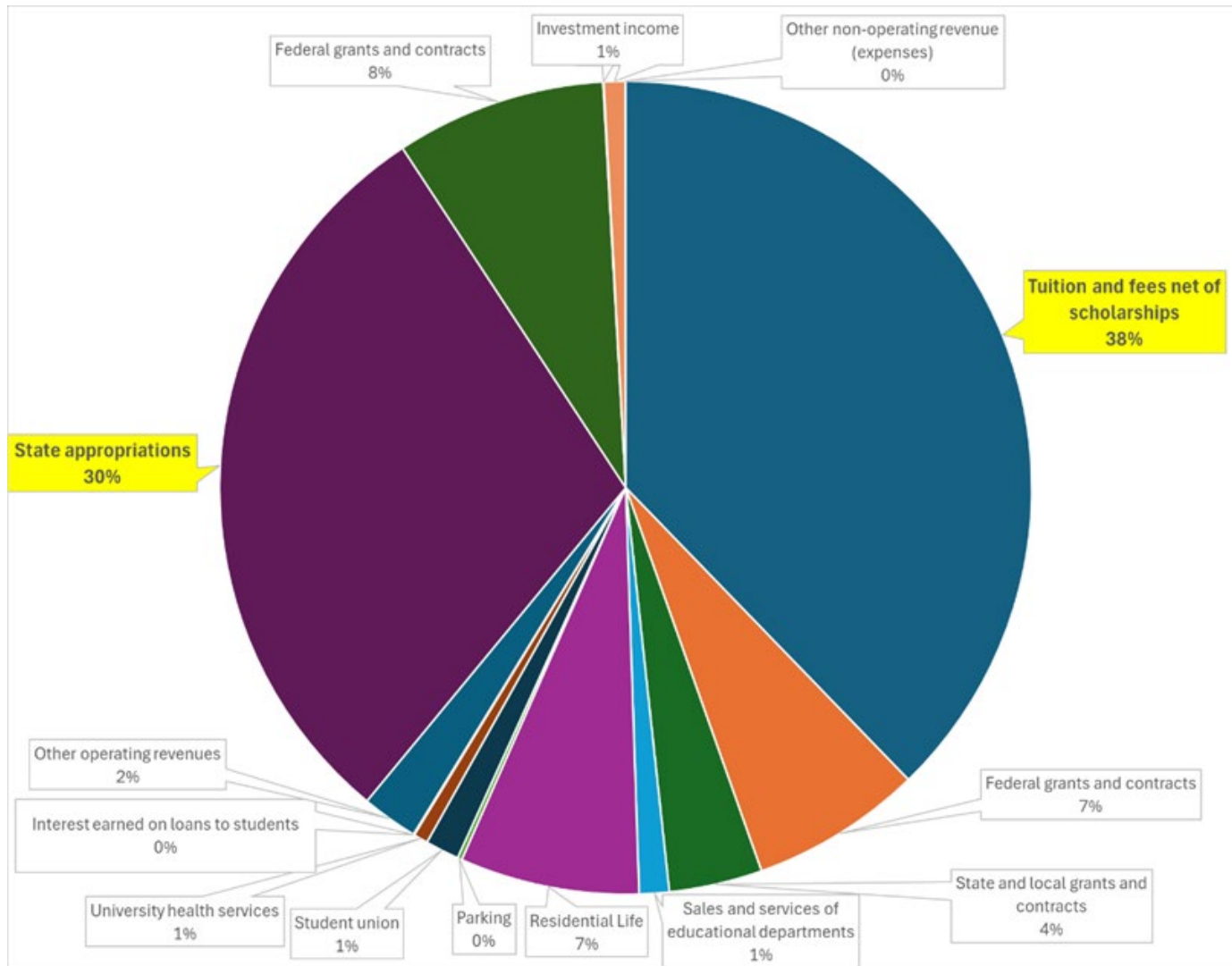


Ratings agencies have assessed the financial and competitive position of the institution and have rated the bonds as upper medium grade debt. Moody's has assigned a grade of A1. This is a strong indication of the strong financial health of the institution. In April of 2024, Moody's revised their ratings outlook from stable to negative.



Revenue





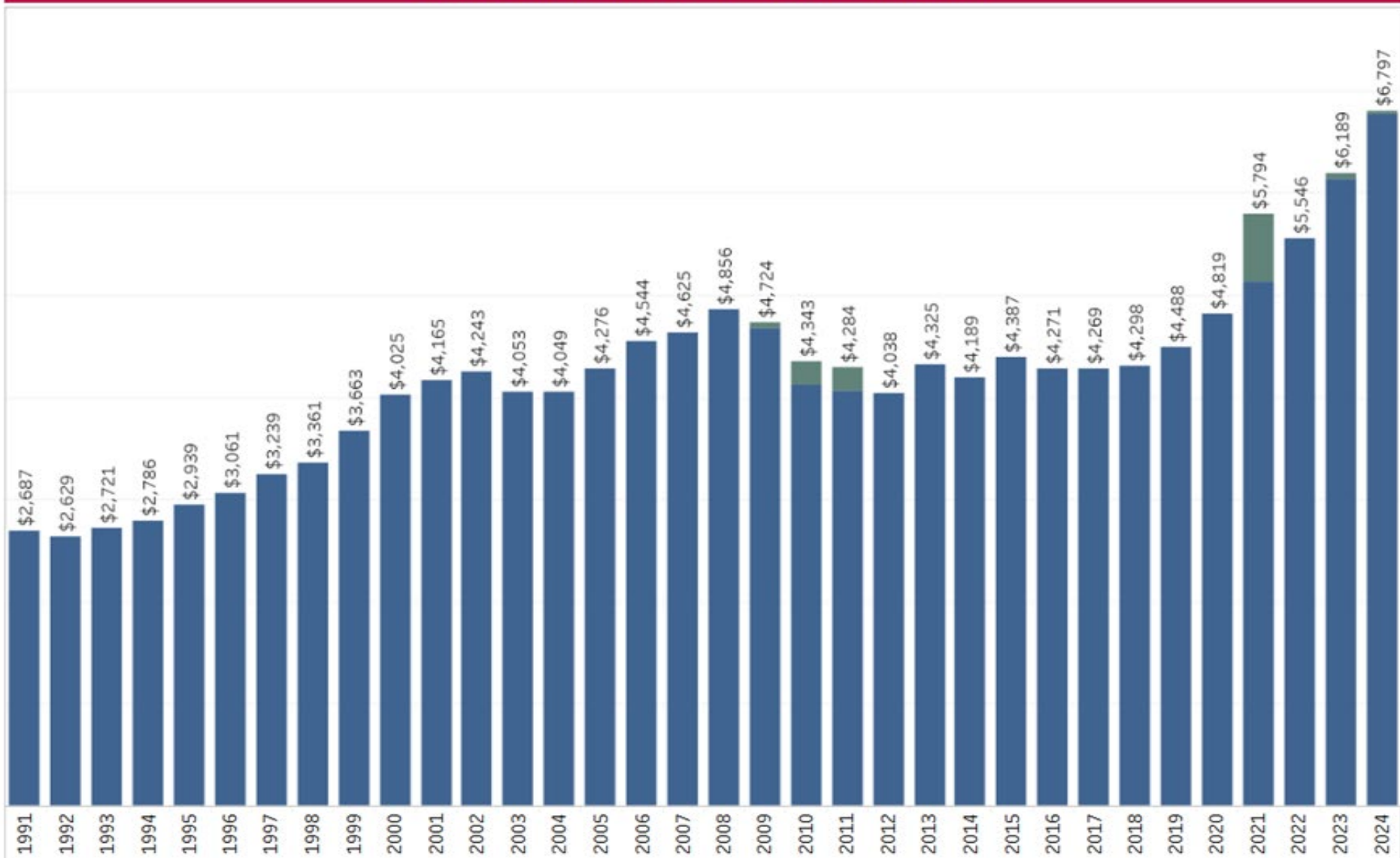
Tuition and fees net of scholarships declined in FY22 but has increased in FY23 and FY24

State appropriations increased in FY23 and FY24

Increases in your main sources of revenue are good for the financial health of the institution

State Fiscal Support for Higher Education

Education appropriations per student, Unadjusted (dollars)



Fiscal year
 1991 2024

Measure
 Education appropriations
 Education appropriations per student

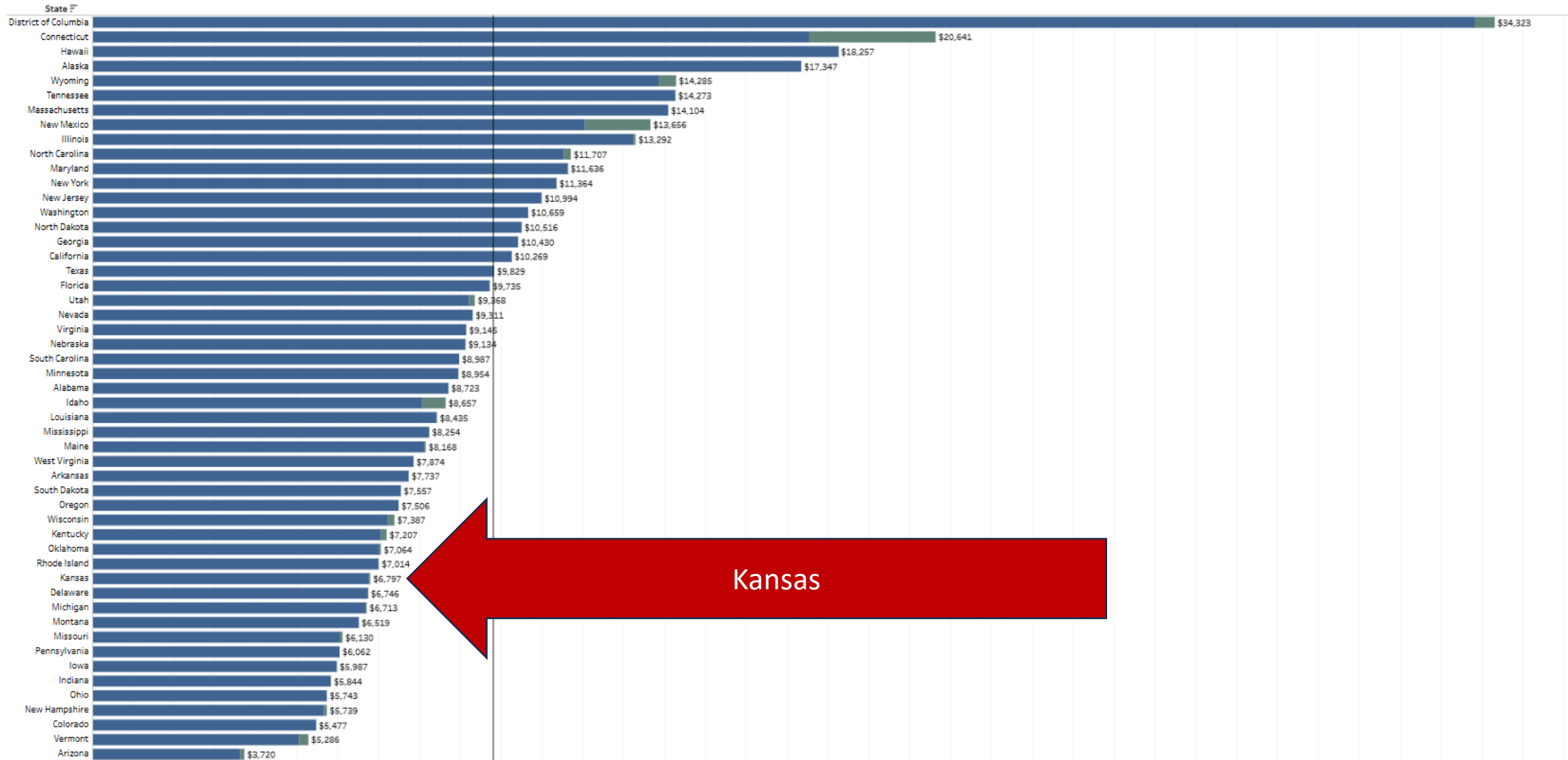
Inflation adjustment
 PCEPI adjusted (Dec 2023 dollars)
 R-CPI-U-RS adjusted (Dec 2023 dollars)
 Unadjusted (dollars)

Funding source
 Federal stimulus funding
 State support

State
 Kansas

<https://data.aaup.org>

State Fiscal Support for Higher Education, FY 2024
Education appropriations per student, R-CPI-U-RS adjusted (Dec 2023 dollars)

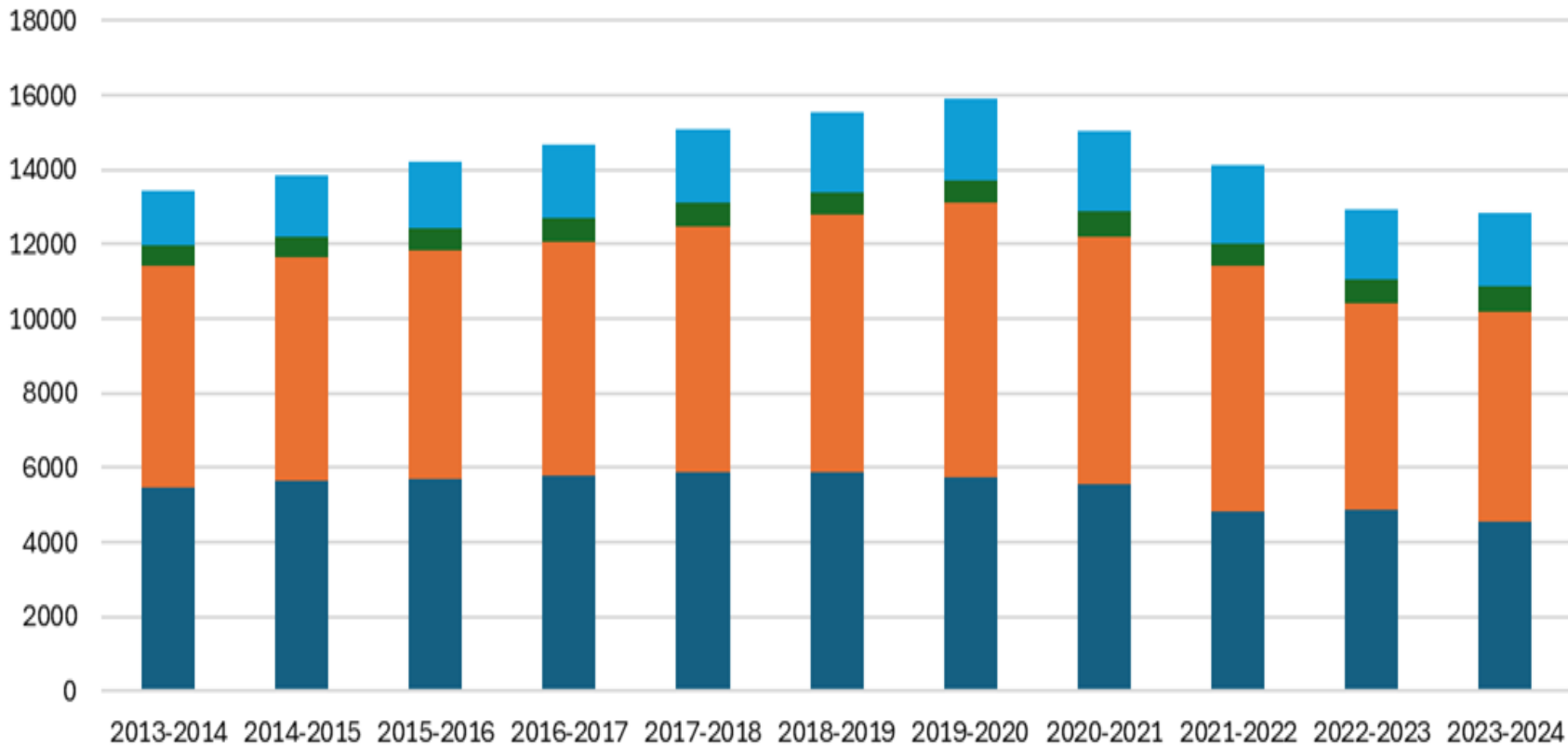


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<https://data.aaup.org/state-support/>

Headcount - Fall

■ Full time undergraduate ■ Part time undergraduate
■ Full time Graduate and First professional ■ Part time Graduate and First professional



Enrollment declines in Fall 2020-Spring 2021 may have been related to the pandemic

Enrollment declines have been largest in undergraduate enrollment

Since tuition and fees are the largest source of revenue, enrollment growth would be preferred

Athletics



Athletics expenses reported on the EADA website

Sum of Grand Total Expenses	Column Labels					
Row Labels	2017	2018	2019	2020	2021	2022
Emporia State University	5,246,837	5,529,175	5,378,002	4,995,375	5,381,174	6,902,367
Fort Hays State University	9,571,925	8,294,203	8,280,899	6,898,250	8,663,812	9,301,444
Lincoln University	4,881,913	5,146,278	4,632,778	4,568,207	4,906,063	5,622,130
Missouri Southern State University	6,668,978	7,798,699	10,525,804	9,799,913	10,231,429	8,692,816
Missouri Western State University	6,335,475	7,208,825	6,698,354	7,494,266	8,279,009	9,103,192
Newman University	5,247,538	5,364,157	5,021,545	4,997,503	5,351,355	5,618,965
Northeastern State University	5,602,088	5,617,464	5,471,046	5,298,391	5,545,739	5,519,748
Northwest Missouri State University	9,362,017	9,716,859	9,808,422	9,361,360	11,259,348	11,724,151
Pittsburg State University	7,581,266	6,272,324	9,156,466	8,355,187	9,414,568	9,621,601
Rogers State University	4,302,994	4,396,575	4,201,847	4,386,112	4,876,451	4,877,089
University of Central Missouri	11,582,883	10,013,560	9,881,762	9,806,829	12,570,036	13,470,955
University of Central Oklahoma	10,638,007	9,519,719	9,633,418	8,621,179	9,426,846	9,916,889
University of Nebraska at Kearney	8,372,549	7,332,387	7,369,097	7,370,946	8,771,326	9,460,525
Washburn University	7,216,913	7,636,703	7,404,308	7,488,084	8,548,759	9,118,315

Athletics expenses are similar to other institutions in the conference

Athletics Revenue reported to EADA in FY22

\$9.3 million

Athletics revenue in FY23 from the 990 included:

- Contributions from related organizations \$2.5 million
- Student activities fees \$1.1 million
- Sponsorships \$0.3 million
- Gate receipts and concessions \$0.8 million



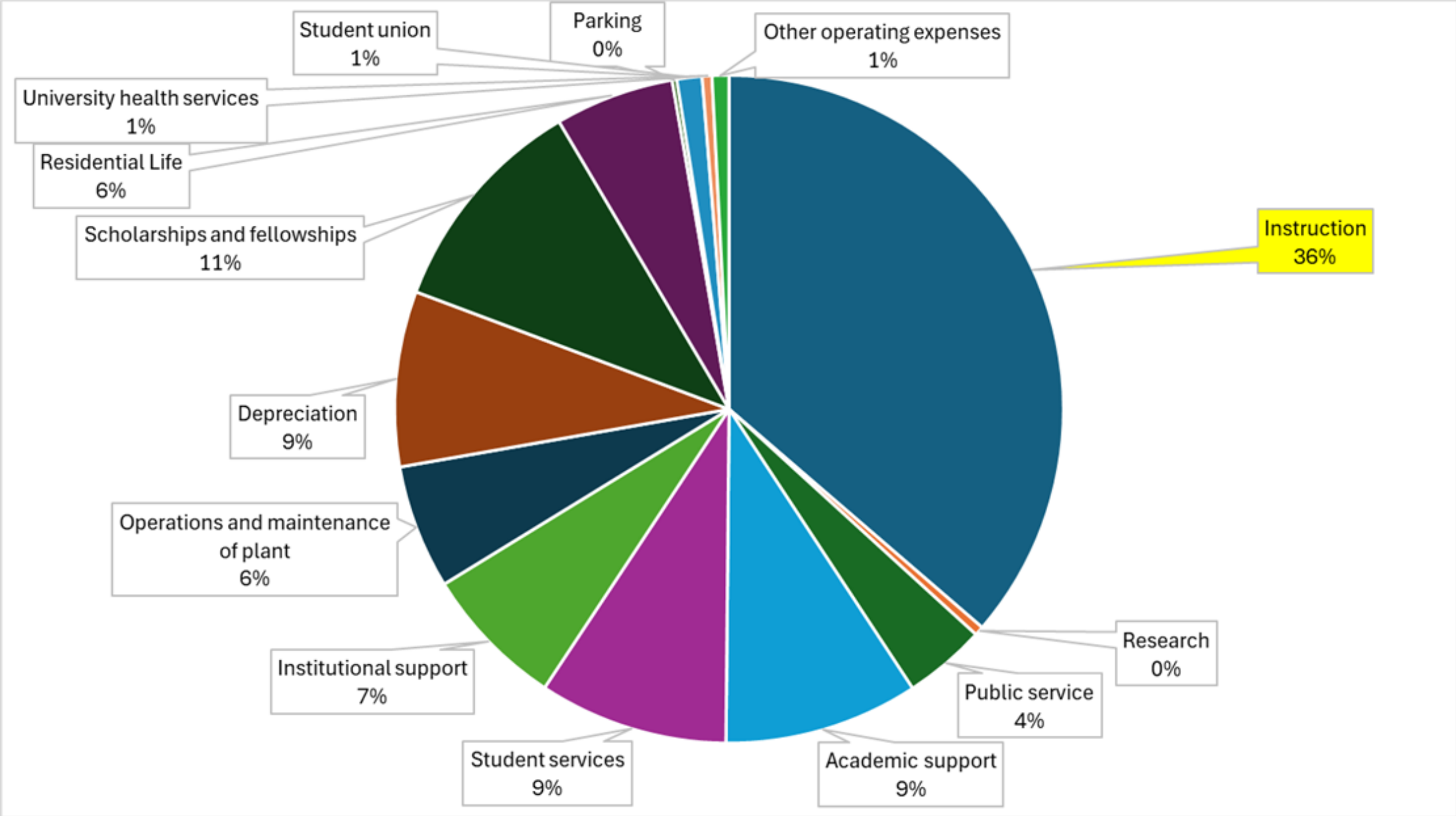
Expenses by function

- Total

- Salaries and Wages

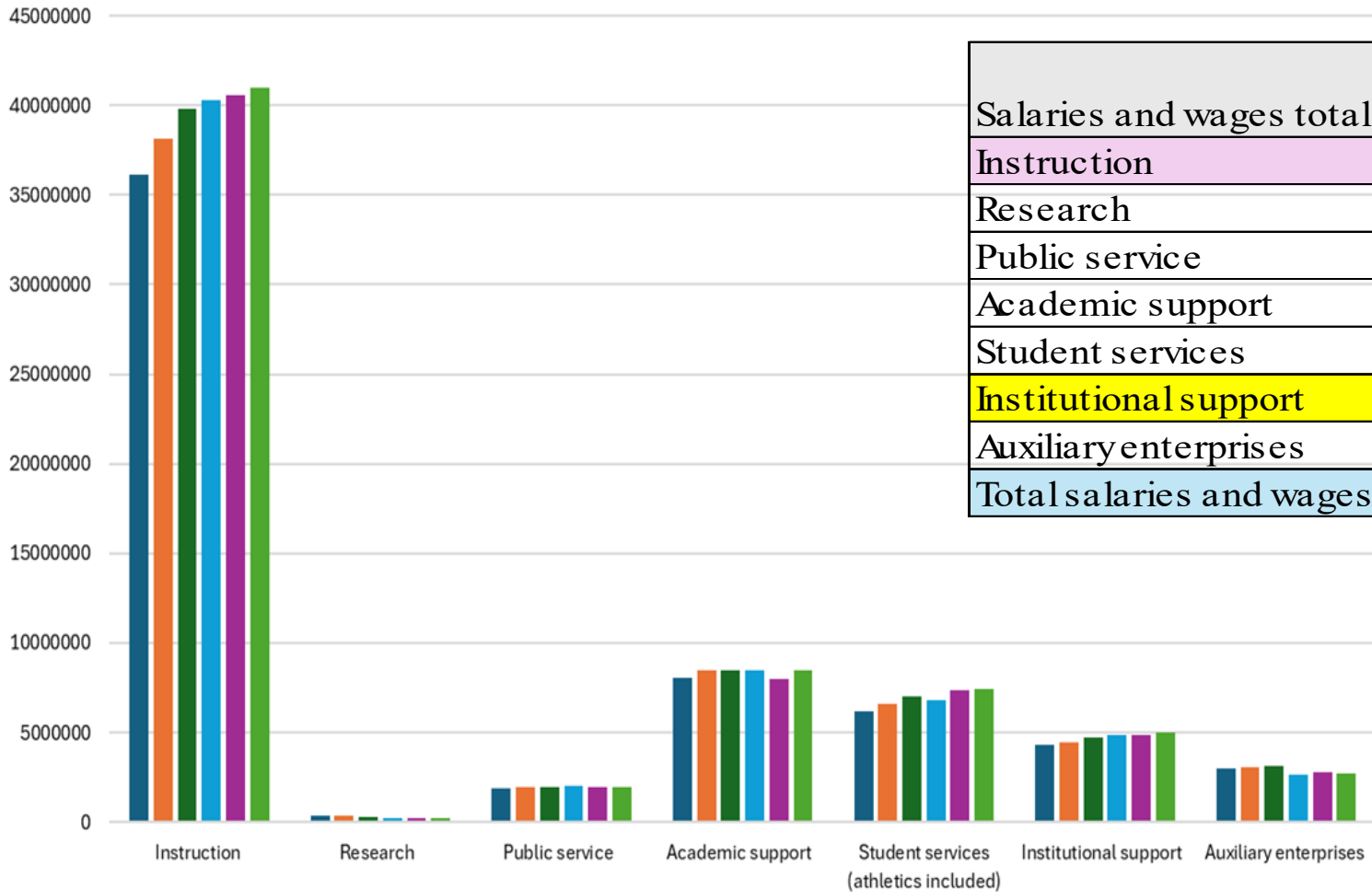


Expenses by Function



Salaries and wages total

■ 2018 ■ 2019 ■ 2020 ■ 2021 ■ 2022 ■ 2023



Salaries and wages total	2018	2023	% change from 2018
Instruction	36,156,746	40,985,652	13.4%
Research	354,195	203,700	-42.5%
Public service	1,884,904	1,950,344	3.5%
Academic support	8,037,250	8,441,437	5.0%
Student services	6,182,845	7,405,738	19.8%
Institutional support	4,314,741	4,995,029	15.8%
Auxiliary enterprises	3,014,781	2,714,721	-10.0%
Total salaries and wages	59,945,462	66,696,621	11.3%

IPEDS: Salaries and wages for full-time and part-time employees

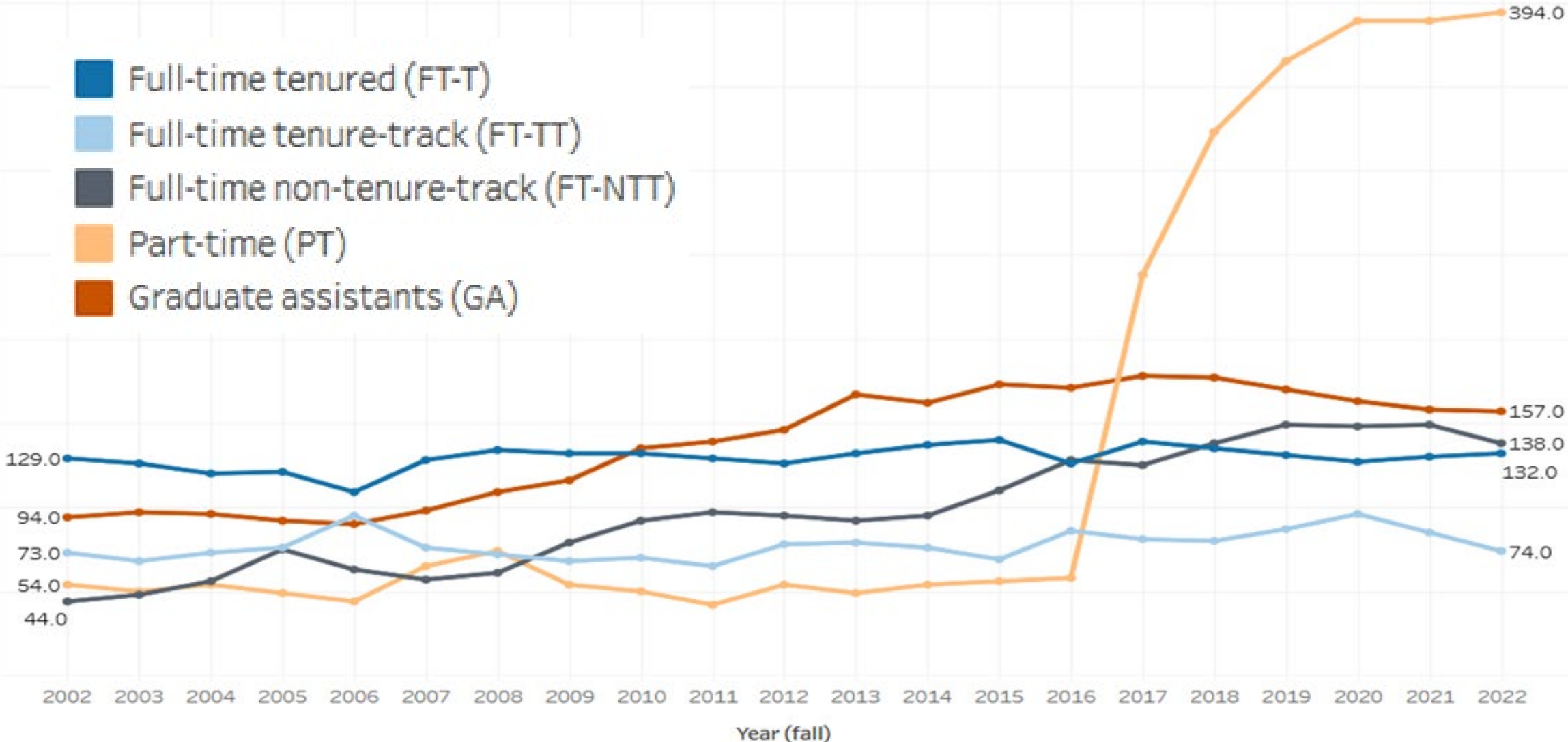
Staffing Levels and Total Salary Outlay Changes for Full-time Employees



IPEDS ACADEMIC WORKFORCE, FALL 2002 to 2022

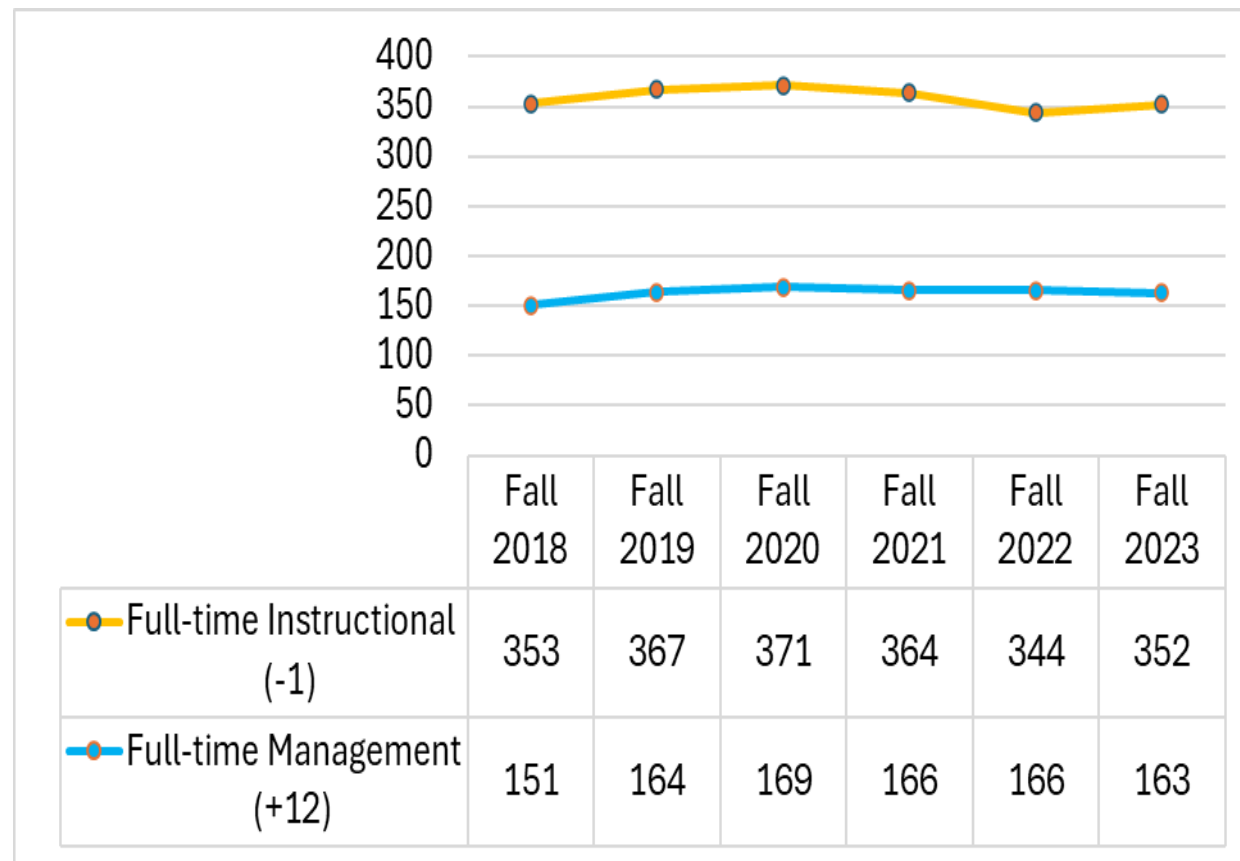
By Appointment type, Headcount

Note: Filters set in the DRILLDOWN tab are applied to all other tabs.



	Fall 2018	Fall 2019	Fall 2020	Fall 2021	Fall 2022	Fall 2023
Instructional Staff Total						
Full-time Instructional (-1)	353	367	371	364	344	352
Part-time	323	365	389	389	394	381
Librarians						
Full-time	9	9	5	4	3	4
Part-time	0	0	0	1	0	0
Library technicians						
Full-time	4	5	5	5	5	5
Part-time	0	0	0	0	0	0
Archivists, Curators, and Museum Technicians						
Full-time	8	8	8	8	7	7
Part-time	0	0	0	0	0	0
Student and Academic Affairs and Other Education Services						
Full-time	4	4	4	4	4	4
Part-time	0	0	0	0	0	0
Management						
Full-time Management (+12)	151	164	169	166	166	163
Part-time	20	29	32	29	32	38
Business and Financial Operations						
Full-time	34	34	39	39	41	37
Part-time	0	2	1	1	1	0
Computer Engineering and Science						
Full-time	32	32	33	28	30	32
Part-time	1	0	0	0	0	0
Community Service Legal Arts and Media						
Full-time	53	57	60	62	60	61
Part-time	1	3	1	1	2	0
Healthcare Practitioners and Technical						
Full-time	7	7	8	8	8	7
Part-time	1	3	1	1	1	3
Service Occupations						
Full-time	105	108	97	97	84	84
Part-time	13	13	12	10	12	13
Office and Administrative Support						
Full-time	88	87	80	79	72	72
Part-time	14	18	12	13	27	26
Natural Resources Construction and Maintenance						
Full-time	42	39	41	41	34	34
Part-time	17	18	17	10	7	6
Production Transportation and Material Moving						
Full-time	7	7	6	5	5	5
Part-time	5	5	1	1	1	1
All staff						
Full-time	897	928	926	910	863	867
Part-time	395	456	466	456	477	468

IPEDS data



Total Salary Outlays for Fulltime Employees	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	Percent Change from 2018-19 to 2023-24
instructional staff total	22,928,074	24,110,249	24,527,735	24,078,111	24,229,692	25,447,541	11%
Librarians Curators Archivists and Academic	1,282,078	1,368,872	1,141,494	1,116,560	1,081,187	1,164,004	-9%
Management	9,218,558	10,216,641	10,721,566	10,344,496	10,613,510	10,659,887	16%
Business and Financial Operations	1,619,975	1,708,961	1,878,339	1,906,224	2,094,277	1,980,801	22%
Computer Engineering and Science	1,789,169	1,842,936	1,898,543	1,664,692	1,849,634	2,029,585	13%
Healthcare Practitioners and Technical	345,365	375,999	456,173	459,580	483,686	394,304	14%
Service	3,619,855	3,777,856	3,427,087	3,428,966	3,096,813	3,235,842	-11%
Community Social Service Legal Arts Design	2,836,095	3,073,066	3,181,102	3,270,889	3,415,458	3,533,829	25%
Office and Administrative Support	3,209,329	3,198,355	2,920,877	2,845,465	2,715,567	2,691,867	-16%
Natural Resources Construction and	1,569,674	1,517,029	1,603,441	1,613,042	1,413,344	1,479,957	-6%
Production Transportation and Material Moving	275,254	276,971	257,348	206,518	209,453	220,155	-20%
TOTAL	48,693,426	51,466,935	52,013,705	50,934,543	51,202,621	52,837,772	9%

Growth in salary outlays for all full-time employees was 9% from 2018-2019 to 2023-2024

Total salary outlays for full-time instruction increased 11%

Total salary outlays for full-time management increased 16%

Total salary outlays for full-time business and financial operations increased 22%

Total salary outlays for full-time community, social service, legal, arts, and design was 25%

Many areas show a decline in total salary outlays for full-time employees including librarians at -9%

These expenditures do not appear to support the core mission of the institution, nor do they prioritize students and student learning

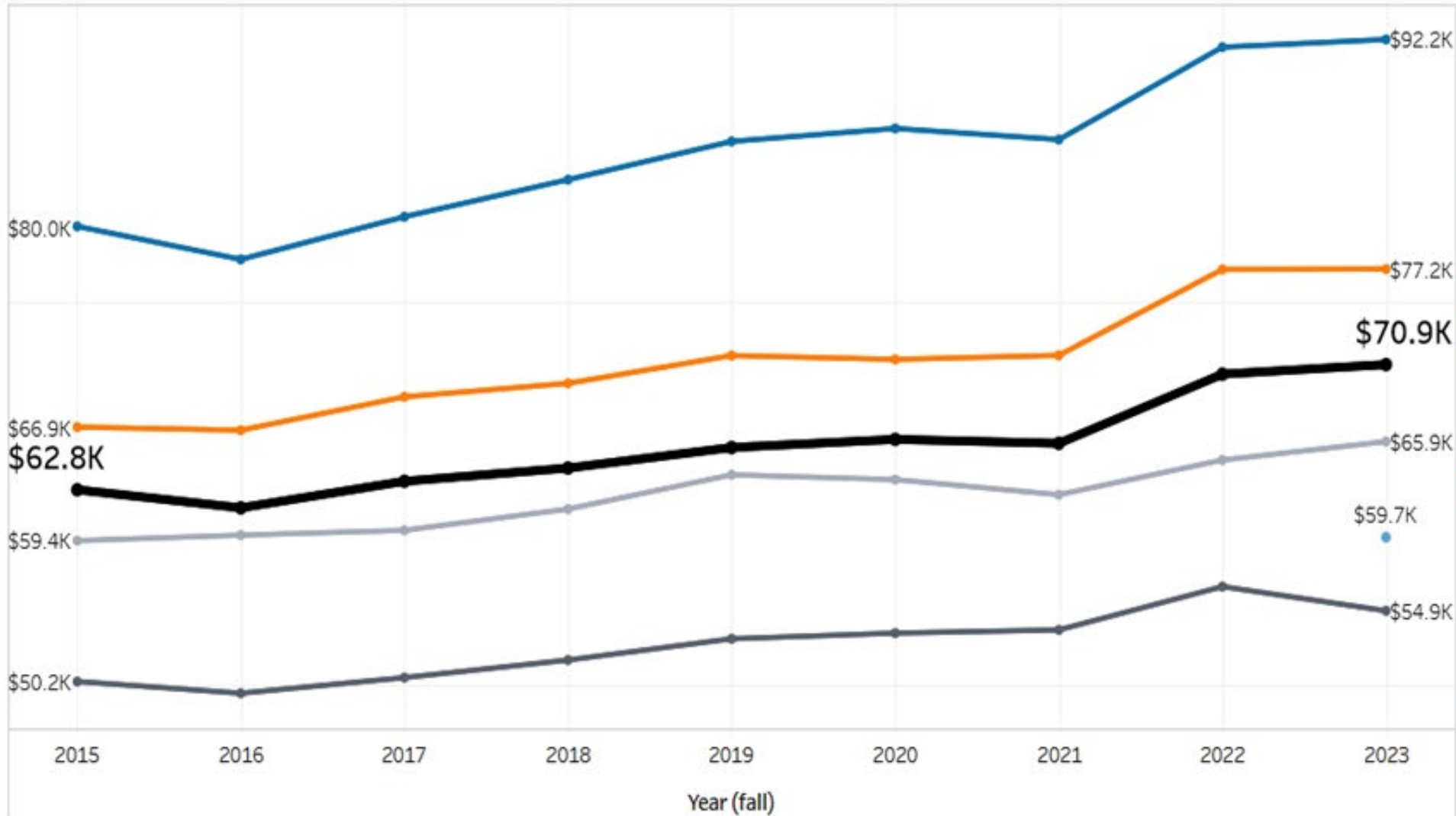
Faculty Salaries



FCS FULL-TIME FACULTY SALARIES, FALL 2015 to 2023

Average salary, equated to a 9-/10-month contract, by academic rank, Unadjusted (dollars)

Note: Filters set in the DRILLDOWN tab are applied to all other tabs.



Minimum year (fall)

2015



Inflation adjustment

PCE adjusted (Dec 2023 dollars)

R-CPI-U-RS adjusted (Dec 2023 dollars)

Unadjusted (dollars)

Worksheet title (Edit to customize)

FCS FULL-TIME FACULTY SALARIES

Selected categories (long)

Professor (PR)

Associate professor (AO)

Assistant professor (AI)

Instructor (IN)

Lecturer (LE)

No rank (NR)

All categories combined

Academic rank

(All) ▼

Gender

(All) ▼

FCS FULL-TIME FACULTY SALARIES, FALL 2015 to 2023

Average salary, equated to a 9-/10-month contract, by academic rank, R-CPI-U-RS adjusted (Dec 2023 dollars)

Note: Filters set in the DRILLDOWN tab are applied to all other tabs.

Minimum year (fall)

2015



Inflation adjustment

- PCE adjusted (Dec 2023 dollars)
- R-CPI-U-RS adjusted (Dec 2023 dollars)
- Unadjusted (dollars)

Worksheet title (Edit to customize)

FCS FULL-TIME FACULTY SALARIES

Selected categories (long)

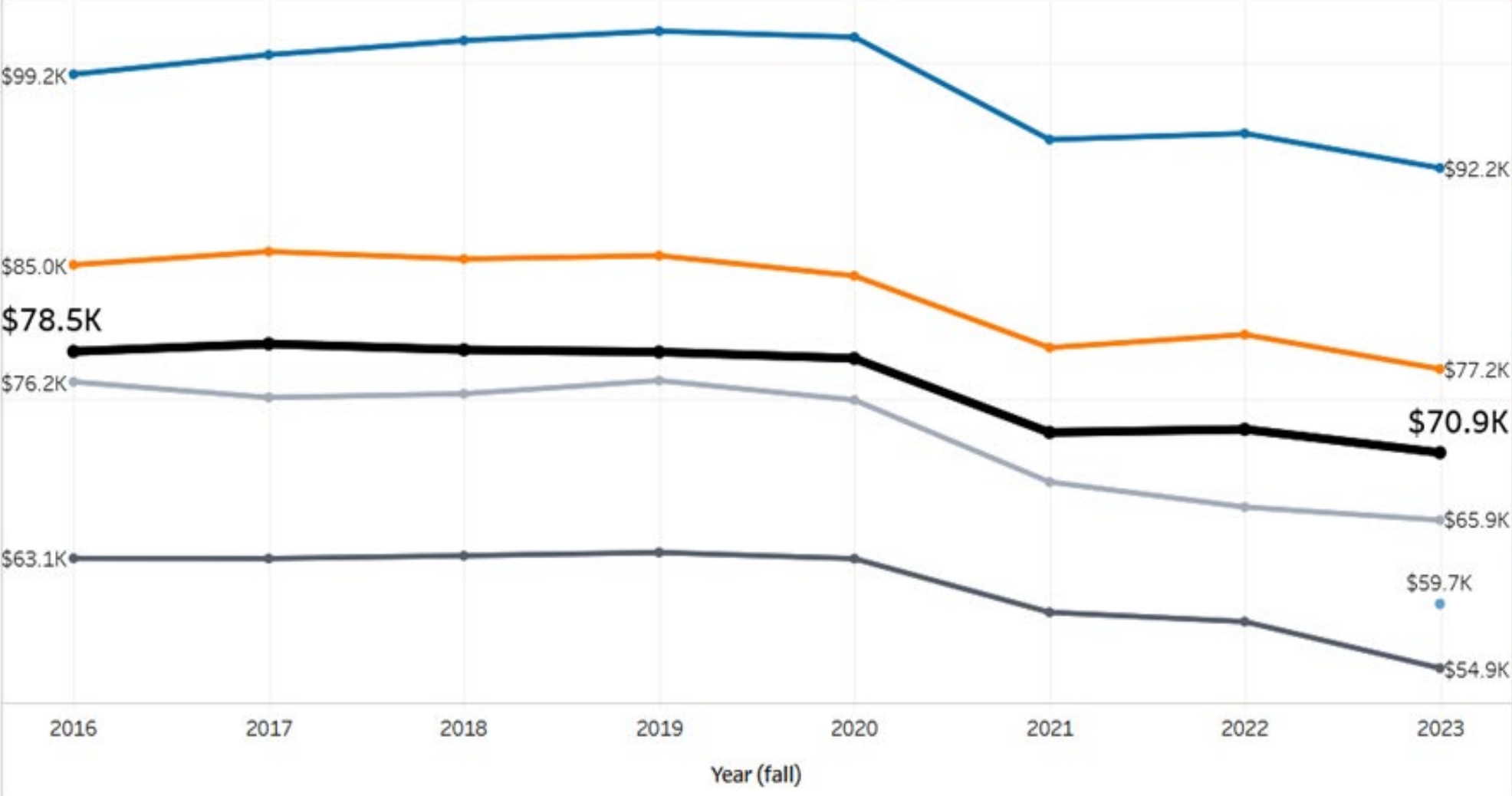
- Professor (PR)
- Associate professor (AO)
- Assistant professor (AI)
- Instructor (IN)
- Lecturer (LE)
- No rank (NR)
- All categories combined

Academic rank

(All)

Gender

(All)



FCS FULL-TIME FACULTY SALARIES, FALL 2023

Average salary, equated to a 9-/10-month contract, by academic rank, Unadjusted (dollars)

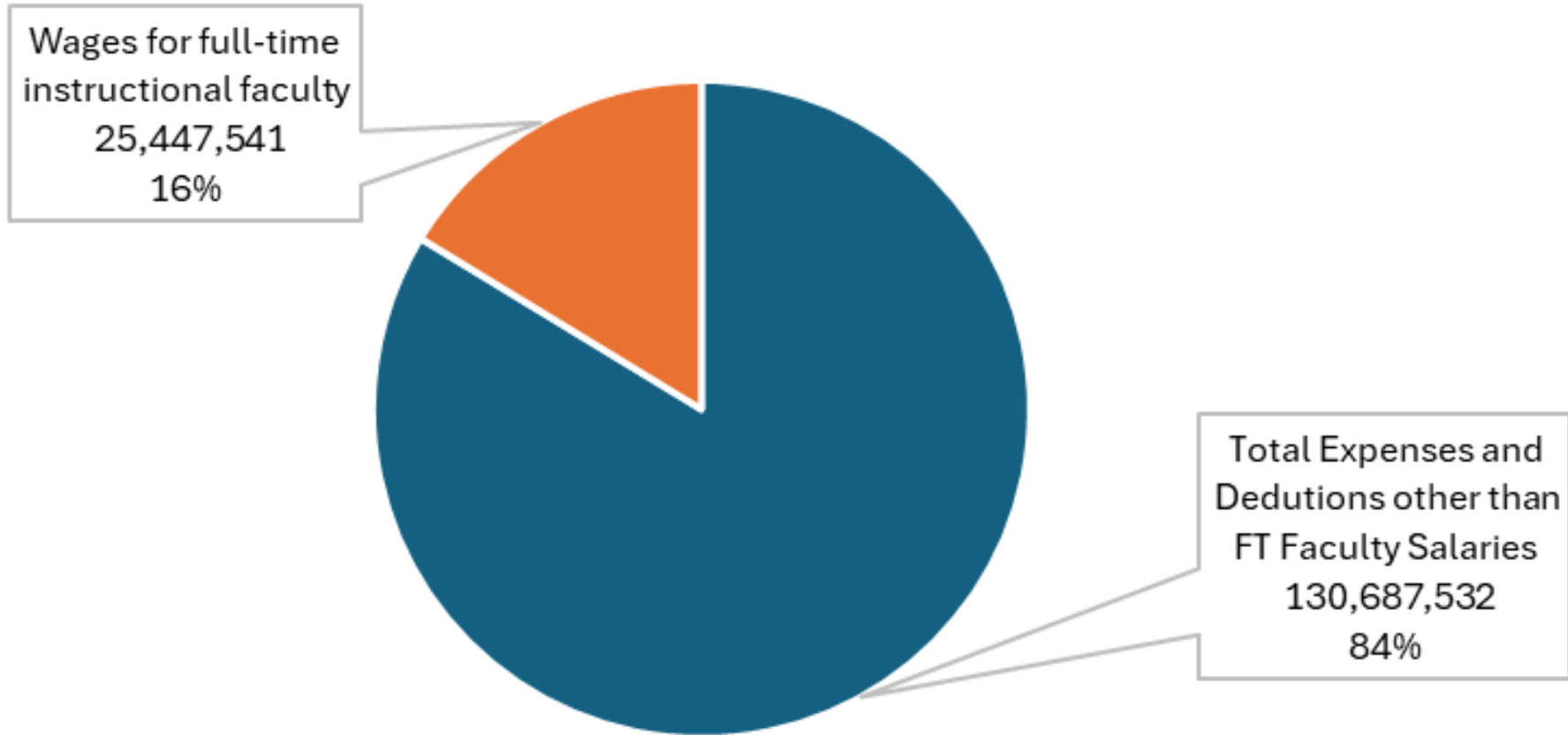
Note: Filters set in the DRILLDOWN worksheet are applied to all other tabs.

FCS institution name	PR	AO	AI	IN	LE	NR	All ranks
Grand total (weighted mean)	\$96.2K	\$79.3K	\$69.2K	\$60.1K	\$56.9K	\$75.3K	\$77.8K
Allen Coll	\$87.2K	\$71.2K	\$64.9K	(n < 5)			\$71.2K
Augsburg U	\$92.4K	\$81.6K	\$74.9K	\$72.1K			\$80.6K
Augustana U	\$82.5K	\$70.2K	\$60.9K	\$50.6K			\$67.3K
Columbia Coll	\$84.7K	\$80.4K	\$67.8K	\$64.9K		(n < 5)	\$75.3K
Creighton U	\$132.6K	\$100.1K	\$82.7K	\$76.4K			\$100.0K
Drake U	\$107.5K	\$88.0K	\$76.8K	\$57.5K			\$91.0K
Drury U	\$68.9K	\$64.5K	\$68.5K	\$51.3K			\$65.4K
Emporia St U	\$73.6K	\$67.8K	\$63.8K	\$45.9K			\$63.9K
Fort Hays St U	\$92.2K	\$77.2K	\$65.9K	\$54.9K	\$59.7K		\$70.9K
Graceland U-Lamoni	\$97.1K	\$73.7K	\$74.5K	(n < 5)			\$80.4K
Missouri Baptist U	\$70.5K	\$71.8K	\$63.8K	\$51.1K			\$65.5K
Morningside U	\$80.4K	\$65.1K	\$64.0K	\$58.1K			\$67.7K
Mount Marty U	\$76.7K	\$70.0K	\$76.9K	\$49.1K			\$71.4K
Nebraska Wesleyan U	\$69.6K	\$62.9K	\$58.2K	\$54.2K			\$63.0K
Northwestern Coll	\$76.2K	\$65.3K	\$57.4K	\$54.1K		\$86.0K	\$69.0K
Saint Mary's U Minnesota	\$72.5K	\$66.0K	\$63.2K	(n < 5)			\$66.1K
Southeast Missouri St U	\$99.1K	\$73.4K	\$67.9K	\$56.7K		(n < 5)	\$75.3K
St Catherine U	\$83.6K	\$73.7K	\$62.3K	(n < 5)			\$68.6K
Truman St U	\$79.1K	\$70.0K	\$59.5K	\$48.3K	(n < 5)		\$67.4K
U Central Missouri	\$94.3K	\$81.8K	\$71.6K	\$65.6K			\$77.9K
U Minnesota-Duluth	\$103.9K	\$82.8K	\$69.1K	\$58.2K			\$78.4K
U Nebraska Kearney	\$92.2K	\$71.7K	\$66.7K	(n < 5)	\$54.5K		\$74.5K
U Northern Iowa	\$93.9K	\$79.6K	\$72.1K	\$60.7K			\$79.4K
Upper Iowa U	\$72.6K	\$63.1K	\$63.0K		(n < 5)		\$64.6K
Washburn U	\$107.6K	\$78.9K	\$69.7K	\$120.1K	\$59.1K		\$79.2K
Wayne St Coll	\$86.9K	\$69.4K	\$61.7K	\$61.6K	(n < 5)		\$72.8K
Webster U	\$101.3K	\$82.5K	\$67.6K				\$84.7K



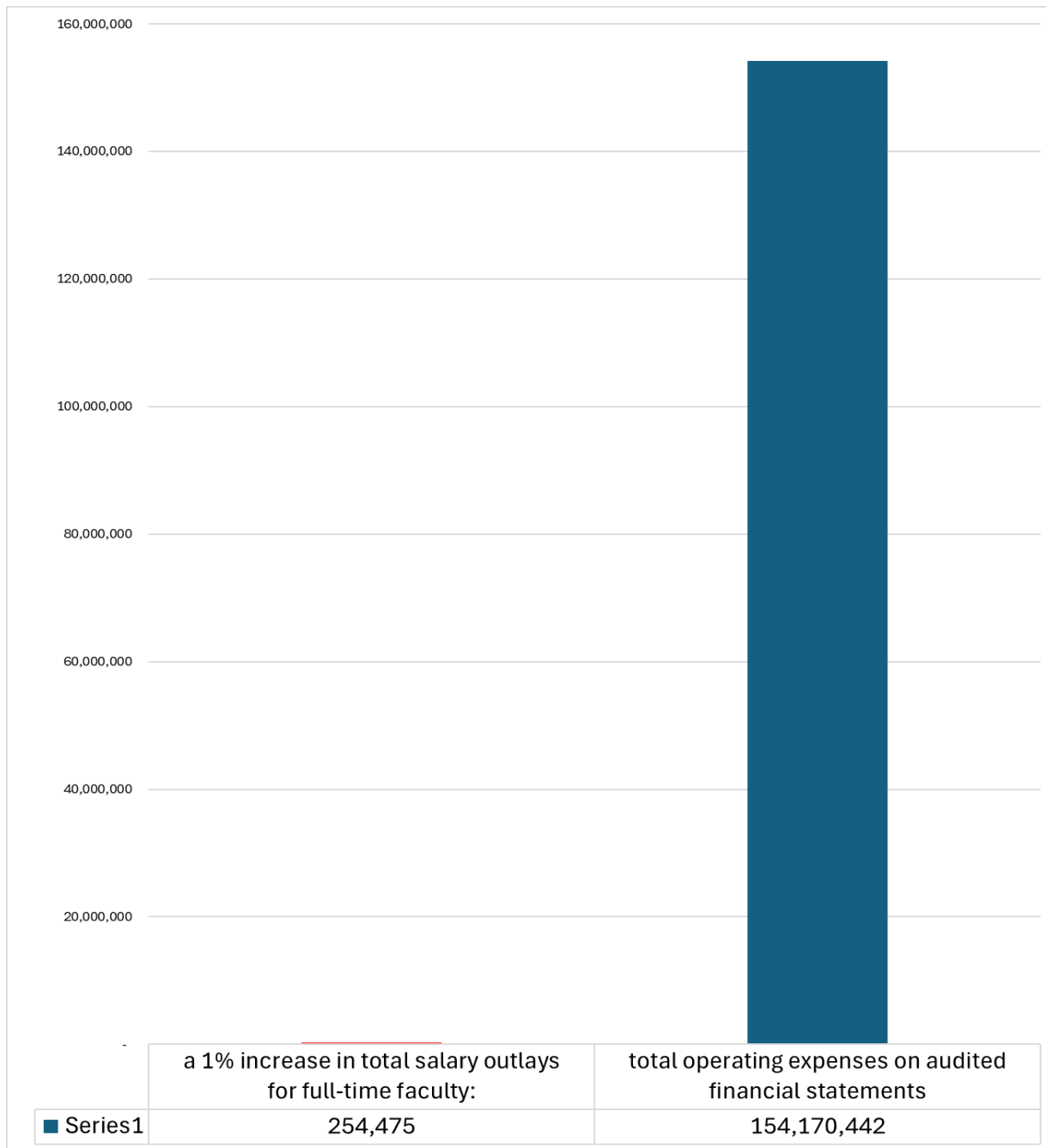
Twenty-seven IIA (Master's) institutions in the North Central West region reported data for Fall 2023 to the AAUP compensation survey. FHS's mean salaries are lower than the weighted means (at the top of the table) for all ranks except lecturer.

Fulltime Instructional Wages as % of Total Expenses



Source: IPEDS

\$254,475



1% increase in total salaries and wages for full-time instructional employees reported for 2023-2024

\$254,475

In Comparison

In June 2023, the President of Fort Hays State received **a 6% pay increase** to \$318,000 (<https://pro.stateaffairs.com/ks/flash/regents-approve-raises-for-university-presidents>) from the Kansas Board of Regents.

In June 2024, the President was awarded **an additional 4% pay increase** by the Board of Regents. <https://www.cjonline.com/story/news/state/2024/09/06/raises-of-kansas-university-presidents-compared-to-those-of-faculty/74692475007/>.

At the meeting to approve the raises, one regent noted that "I think we have a very high performing group among our presidents and chancellor".

It is incomprehensible that there can be high performing presidents without high performing faculty providing the labor that supports the core mission of those institutions. However, the communications officer at Fort Hays noted that **the faculty would receive a 1.2% merit-based raise for the fiscal year 2025.**

Conclusion



Conclusions (1 of 2)

- Positive financial results 5 of the past 6 years. There has been revenue in excess of expenses, positive operating cash flow, and growth of expendable net assets.
- FY23 negative values were reversed in FY24
- Fort Hays State has a strong bond rating in the middle of the range of healthy scores
- Total net assets of the foundation increased by \$60 million since FY19 (a 52% increase)

However, instruction of students is not prioritized in salary spending

- Faculty salaries are below the means of similar comparison institutions
- Mean faculty salaries have not kept up with inflation
- Growth in spending on salaries is higher for management and business and financial operations than instruction
- Raises received by the president have been greater than those received by the faculty
- The board of regents says that the institution and the president are high performing, but the people who provide the labor for the core mission of the institution are not being recognized in the same tangible way

Conclusions (2 of 2)

There are financial resources available as shown by the revenue in excess of expenses, the positive operational cash flow, the growth of expendable net assets, and the increases in spending for salaries in other areas of the institution.

It is time for Fort Hays, as a financially healthy institution, to invest in student learning and the faculty and staff that are most central to facilitating the core mission of the institution.

QUESTIONS?

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