

Financial Operating & Capital Plan Reviews FY 2012



Budget Forum

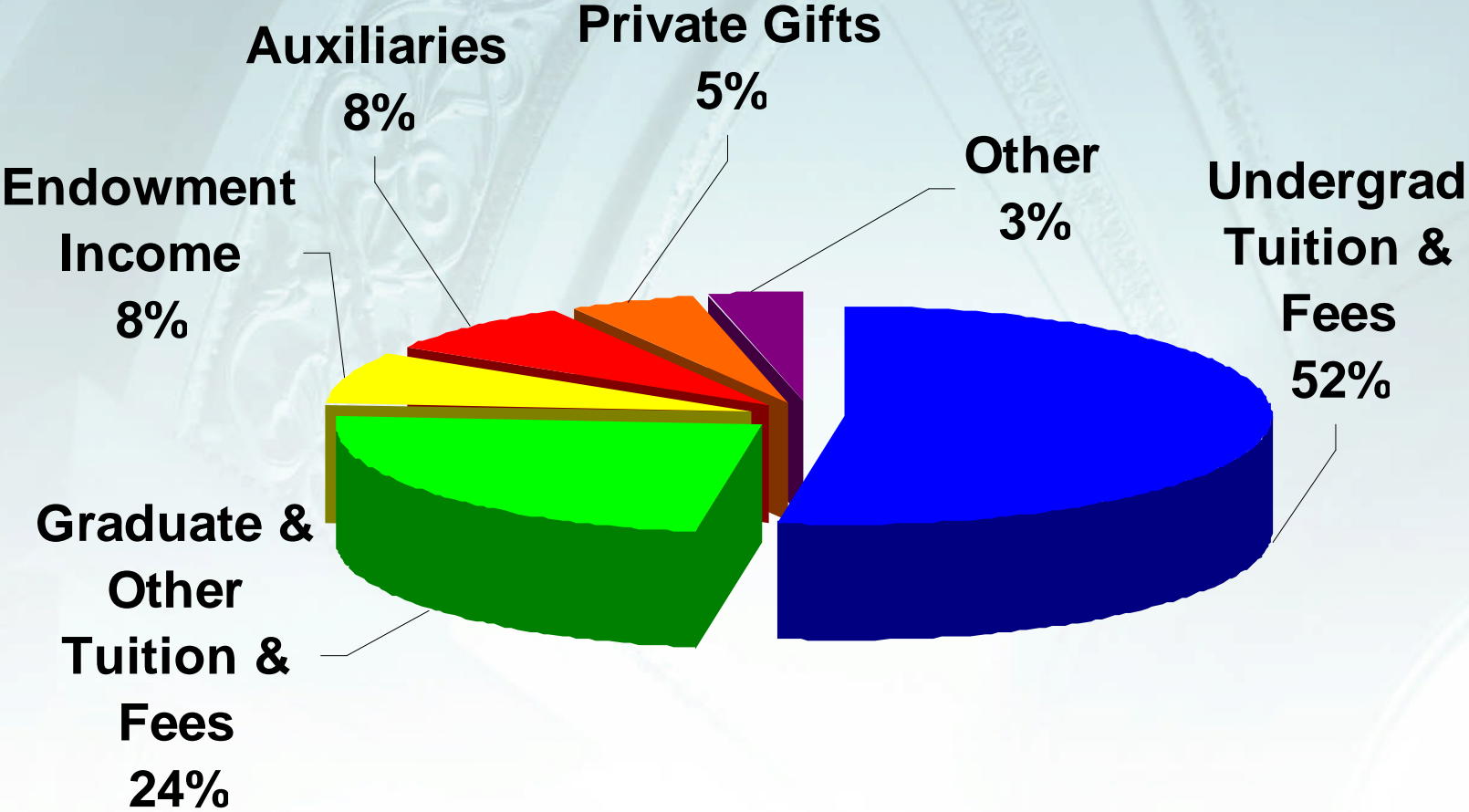
February 17, 2011

University Budget Council (UBC)



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Michael Sexton	Vice Pres. for Enrollment Management
Fred Smith	President, Staff Senate
Atom Yee	Dean, College of Arts & Sciences

FY 2012 Revenue Budget



Total: \$367.3M

Revenue Assumptions



Undergraduate Program

- 4,825 full time students
 - Minor increase from prior year target
 - Future enrollment may be adjusted based on Capacity Study results
- 3.9% Undergraduate Cost of Education increase
 - Composite Tuition, Room & Board rate increase
- Financial aid increased to support enrollment goals

Revenue Assumptions



Graduate & Professional Programs

- Stable enrollment for most programs
 - Education to refocus on core programs
- Tuition increases:
 - 6.2% Law School
 - 4.8% Leavey School of Business Evening MBA and Graduate Engineering
 - 2% Counseling Psychology, Education, and Pastoral Ministries

Revenue Assumptions - continued



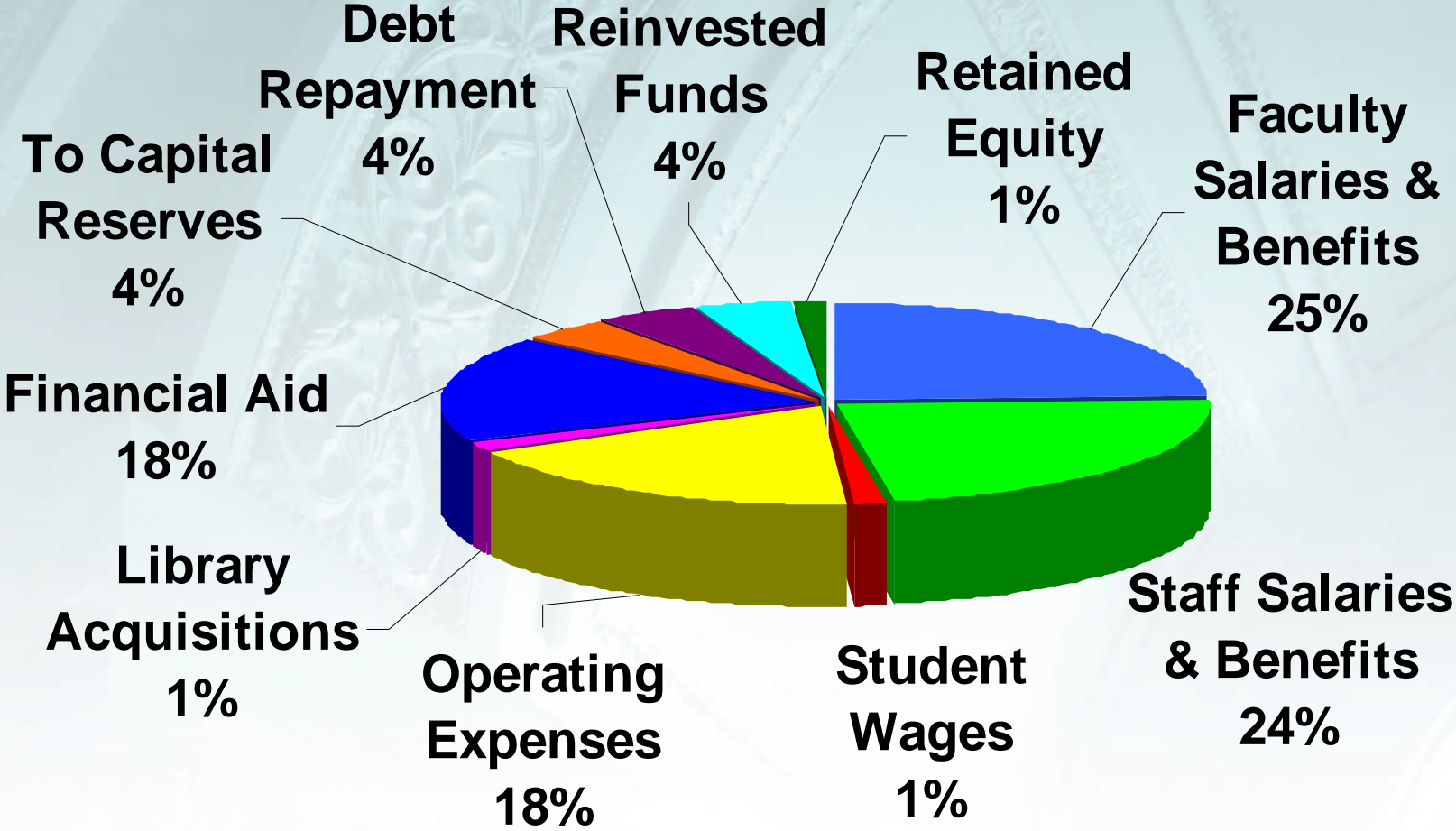
Endowment & Private Gifts

- Reduced impact of 'underwater' endowments
- 5% increase projected for general gifts

Auxiliaries

- New student residence complex (Campbell Avenue) to come online in September with over 400 new beds
- Graham student residence complex to be taken off-line and reconstructed during the year

FY 2012 Expense Budget



Current Operations: \$347M

Expense Assumptions



Faculty & Staff Compensation & Benefits

- 2% average salary merit increase pool
- Faculty:
 - Additional funding to address priority promotional, market, and equity adjustments
 - Increased Law School and Graduate program support to strengthen the curriculum and increase program quality
- Staff
 - Additional support for Undergraduate and Graduate priority requirements, including core curriculum
 - Limited funding for market and equity adjustments

Expense Assumptions - continued



Operating Expenses

- Hold Department Operating Budgets at current levels
 - Continue to reallocate resources from non-strategic activities to higher priority requirements and programs

Financial Aid

- Provost Office working with Enrollment Management, Deans, and University Relations to:
 - Achieve greater strategic alignment between financial aid and enrollment goals
 - Support both undergraduate, graduate, and professional program enrollment goals

Expense Assumptions - continued



Retained Equity

- General University contingency
 - Operating reserve for unanticipated revenue shortfalls or one-time expense increases
 - University commitment for 'underwater' endowments
 - Graduate Education program restructuring contingency
- Retained Income - planned or actual surpluses from operations retained as strategic operating reserves

Reinvested Funds

- Gifts and school generated funds retained for future needs / Unexpended annual endowment allocations

FY 2012 Operating Budget - \$ in Millions



REVENUE	TUITION & FEES	\$	280
	ENDOWMENT INCOME		28
	AUXILIARIES		28
	PRIVATE GIFTS		18
	OTHER		13
	TOTAL REVENUE	\$	367
EXPENSE	FACULTY SALARIES		66
	STAFF SALARIES		63
	STUDENT WAGES		5
	TOTAL SALARIES & WAGES	\$	134
	BENEFITS		46
	TOTAL SALARIES & BENEFITS	\$	180
	OPERATING EXPENSES		67
	LIBRARY ACQUISITIONS		5
	FINANCIAL AID		64
	DEBT REPAYMENT		16
	TO CAPITAL RESERVES		15
	TOTAL EXPENSE	\$	347
CURRENT OPERATIONS NET			20
	RETAINED EQUITY		5
	REINVESTED FUNDS		15
NET INCOME		\$	-

Capital Budget Assumptions



Capital Renewal & Improvement

- Facilities - Academic & Administrative
 - Major capital improvement projects:
 - Enrollment Management Building
 - Art & Art History Building (pending gift funding)
- Technology
 - Evaluate capital spending plan in light of comprehensive technology review
- Auxiliaries
 - Graham residential complex reconstruction

FY 2012 Capital Budget - \$ in Millions



Line Item	CAPITAL PLAN		SOURCE OF FUNDS				Funding Total
	Request	Capital Budget	Capital Reserves	Debt	Gifts & Grants		
					Actual	Goal	
Capital Renewal							
General University Facilities	5.8	4.9	4.9	-	-	-	4.9
Auxiliaries	0.5	0.5	0.5	-	-	-	0.5
Technology	1.9	1.9	1.9	-	-	-	1.9
Other Equipment	0.4	0.4	0.4	-	-	-	0.4
Subtotal Renewal	8.6	7.7	7.7	-	-	-	7.7
Capital Improvements							
General University Facilities							
Physical Environment	0.6	0.6	0.6	-	-	-	0.6
Program Change							
Modifications	2.0	1.5	1.5	-	-	-	1.5
All Other	3.6	1.9	1.9	-	-	-	1.9
Total Facilities	6.2	4.0	4.0	-	-	-	4.0
Auxiliaries							
Campbell Avenue Residences	1.9	1.9	1.9	-	-	-	1.9
All Other	0.2	0.2	0.2	-	-	-	0.2
Technology							
Other Equipment	7.1	1.8	1.8	-	-	-	1.8
Other Equipment	-	-	-	-	-	-	-
Subtotal Improvements	15.4	7.9	7.9	-	-	-	7.9
New Construction							
General University Facilities							
Enrollment Management Building	15.0	15.0	-	7.0 *	-	8.0	15.0
Art & Art History Building	25.0	25.0	-	-	-	25.0	25.0
Auxiliaries							
Graham Student Residence	35.0	35.0	-	35.0 *	-	-	35.0
Subtotal New Construction	75.0	75.0	-	42.0 *	-	33.0	75.0
Grand Total	99.0	90.6	15.6	42.0 *	-	33.0	90.6

Enrollment Management Building



Graham Residence Hall



View From Northwest (Benson Center)



Graham Residence Hall



View From Southwest Across The Alameda

