AUBURN UNIVERSITY
FY13 Budget

Presented to the Board of Trustees
September 21, 2012

Agenda

• Review of Proposed Budget Guidelines

• Review of Actual Funding Sources/Allocations

• Review of State Appropriation Funding

• FY13 Proposed Final Budget
• Review of Proposed Guidelines

Budget Strategy
• Continued focus on strategic plan
• Emphasis on maintaining salary competitiveness
• Enhance quality and reputation and maintain progress of past years
• Reduce costs of operations where possible
• Inclusive budget process
  • 26 member Budget Advisory Committee with broad representation
  • Various meetings/discussions with Deans
Proposed Cost Commitments

- Merit salary increases
  - 2% pool permanent
  - 2% pool one-time
  - Merit promotions
- Fringe benefit rate increases
- Increase in debt payments
- Provost/academic needs

Proposed Funding Plan

Significant Funding Sources

- Continuing sources
  - Decrease in FY 13 State Appropriations
  - Continuing tuition increase
  - Budget reallocations
- One-time
  - Use of reserves for one-time salary supplement
• Review of Actual Funding Sources/Allocations

Summary of Base Allocations

<table>
<thead>
<tr>
<th>Allocations</th>
<th>Combined</th>
<th>Main Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt Service</td>
<td>$ 1.2M</td>
<td>$ 1.2M</td>
</tr>
<tr>
<td>Promotions</td>
<td>1.0M</td>
<td>.7M</td>
</tr>
<tr>
<td>Utility/facilities costs</td>
<td>.2M</td>
<td></td>
</tr>
<tr>
<td>Provost/Academic Affairs</td>
<td>1.7M</td>
<td>.5M</td>
</tr>
<tr>
<td>Salary Inc (Perm &amp; One-Time)</td>
<td>13.4M</td>
<td>9.5M</td>
</tr>
<tr>
<td>Other priorities</td>
<td>.6M</td>
<td></td>
</tr>
<tr>
<td>Fringe benefit rate increase</td>
<td>2.8M</td>
<td>1.8M</td>
</tr>
<tr>
<td>Total</td>
<td>$ 20.9M</td>
<td>$13.7M</td>
</tr>
</tbody>
</table>
### Summary of Revenue/Reallocation Sources

<table>
<thead>
<tr>
<th>Source</th>
<th>Combined</th>
<th>Main Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>State appropriations</td>
<td>$ (9.8M)</td>
<td>$ (6.4M)</td>
</tr>
<tr>
<td>Budget reallocation</td>
<td>13.0M</td>
<td>5.9M</td>
</tr>
<tr>
<td>Tuition increase</td>
<td>17.7M</td>
<td>14.2M</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$20.9M</td>
<td>$13.7M</td>
</tr>
</tbody>
</table>

- **Review of State Appropriations**
### State Appropriations by Division

(amounts in millions)

<table>
<thead>
<tr>
<th>Division</th>
<th>FY12 Budget</th>
<th>FY13 Budget</th>
<th>(Dec)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AU</td>
<td>$161.3</td>
<td>$155.5</td>
<td>$ (5.8)</td>
</tr>
<tr>
<td>AUM</td>
<td>22.9</td>
<td>$ 21.9</td>
<td>$ (1.0)</td>
</tr>
<tr>
<td>AAES</td>
<td>31.2</td>
<td>$ 30.0</td>
<td>$ (1.2)</td>
</tr>
<tr>
<td>ACES</td>
<td>32.5</td>
<td>$ 31.2</td>
<td>$ (1.3)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$247.9</strong></td>
<td><strong>$238.6</strong></td>
<td><strong>$ (9.3)</strong></td>
</tr>
</tbody>
</table>

### State Appropriations by Division

(amounts in millions)

<table>
<thead>
<tr>
<th>Division</th>
<th>FY08 Actual</th>
<th>FY13 Budget</th>
<th>Decrease since FY08</th>
</tr>
</thead>
<tbody>
<tr>
<td>AU</td>
<td>$220.0</td>
<td>$155.5</td>
<td>$ 64.5</td>
</tr>
<tr>
<td>AUM</td>
<td>30.9</td>
<td>$ 21.9</td>
<td>$ 9.0</td>
</tr>
<tr>
<td>AAES</td>
<td>41.2</td>
<td>$ 30.0</td>
<td>$ 11.2</td>
</tr>
<tr>
<td>ACES</td>
<td>44.6</td>
<td>$ 31.2</td>
<td>$ 13.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$336.7</strong></td>
<td><strong>$238.6</strong></td>
<td><strong>$ 98.1</strong></td>
</tr>
</tbody>
</table>
FY13 Proposed Final Budget

Auburn University
Proposed FY13 Total Budget - $1.017B

- Unrestricted: $713M (70.1%)
- Restricted: $180M (17.7%)
- Auxiliary: $124M (12.2%)
Total FY13
Proposed Budget by Division $ 1.017B

Main Campus
$818M
80.4%

ACES
$50M
4.9%

AAES
$63M
6.2%

AUM
$86M
8.5%

Auburn University-Main Campus
Proposed FY13 Total Budget - $818M

Unrestricted
$582M
71.1%

Auxiliary
$116M
14.2%

Restricted
$120M
14.7%
Summary

- The FY13 budget has been prepared with the major focus on personnel costs which include: fringe benefits, permanent salary increase, one-time supplements, and merit promotions.
- Going forward, the challenge will continue to be fluctuating continuing revenues with little annual growth in state appropriations due to the Rolling Reserve Act.