Budget Update to the A&P Assembly

May 10, 2012
FY12 Total Budget - $969M
By Division

- **Main Campus**
  - $779M
  - 80.4%

- **AAES**
  - $58M
  - 5.9%

- **ACS**
  - $52M
  - 5.5%

- **AUM**
  - $80M
  - 8.2%
Main Campus
FY12 Total Budget - $779M

- **Unrestricted**
  - $556M
  - 71.4%

- **Auxiliary**
  - $115M
  - 14.8%

- **Restricted**
  - $108M
  - 13.8%
Main Campus
FY12 Total Unrestricted Budget-$556M
By Revenue Source

- State App: $161M
- Scholarships Waivers: $92M
- Other: $56M
- Net Tuition/fees: $247M
- Total Gross Tuition/fees: $339M
Main Campus
FY12 Total Unrestricted Budget-$556M
By Revenue Source

- State App $161M
- SCH Alloc $22M
- Scholarships/ waivers $92M
- Allocated Fees $53M
- Other $56M
- Net Tuition/fees $172M
- Gross Tuition/fees $339M
Main Campus
FY12 Total Unrestricted Budget-$556M
By Revenue Source

- Gross Tuition/fees: $339M
- State App: $161M
- SCH Alloc: $22M
- Scholarships/waivers: $92M
- Allocated Fees: $53M
- Other-Unit: $42M
- Other-Central: $14M
- Net Tuition/fees: $172M
Overview

• Since 2008, unprecedented reductions in state funding

• Budget is stable/balanced in FY12

• Further reductions in state funding projected

• Tuition increases do not fully cover state funding reductions.
## State Appropriations by Division

(amounts in millions)

<table>
<thead>
<tr>
<th>Division</th>
<th>FY08 Actual</th>
<th>FY12 Budget</th>
<th>Decrease since FY08</th>
</tr>
</thead>
<tbody>
<tr>
<td>AU</td>
<td>$220.0</td>
<td>$161.3</td>
<td>$58.7</td>
</tr>
<tr>
<td>AUM</td>
<td>30.9</td>
<td>$22.9</td>
<td>$8.0</td>
</tr>
<tr>
<td>AAES</td>
<td>41.2</td>
<td>$31.2</td>
<td>$10.0</td>
</tr>
<tr>
<td>ACES</td>
<td>44.6</td>
<td>$32.5</td>
<td>$12.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$336.7</strong></td>
<td><strong>$247.9</strong></td>
<td><strong>$88.8</strong></td>
</tr>
</tbody>
</table>

One-time proration of $64M in addition to permanent funding reductions
Strategies – To Date

• Permanent budget reductions totaling $45M

• Efficiency efforts and cost reductions – electronic processes, sourcing contracts, document and data storage

• Minimal salary improvement - one time supplements have replaced permanent salary increases

• Increases to tuition and mandatory proration fee
FY13 Preliminary Budget Planning

• Expected decrease in state appropriation – now at 4-5% or $6-8M for Main Campus

• 8% Increase in tuition – will generate about $6M

• Internal reallocations are possible to provide funding for mandatory cost increases (debt, fringe benefits, promotions)

• Salary improvement – Board expressed desire for permanent increases for faculty
Going Forward

• Continue to monitor net tuition revenues, scholarship costs, and enrollment and student profiles to maximize revenues and student quality

• Budget guidelines with flexibility in salary increases, allowing for colleges/units to supplement with available funds

• Continued budget reductions/reallocations and efficiencies (emphasis on decisions made at unit level)

• Slow rate of facilities expansion