

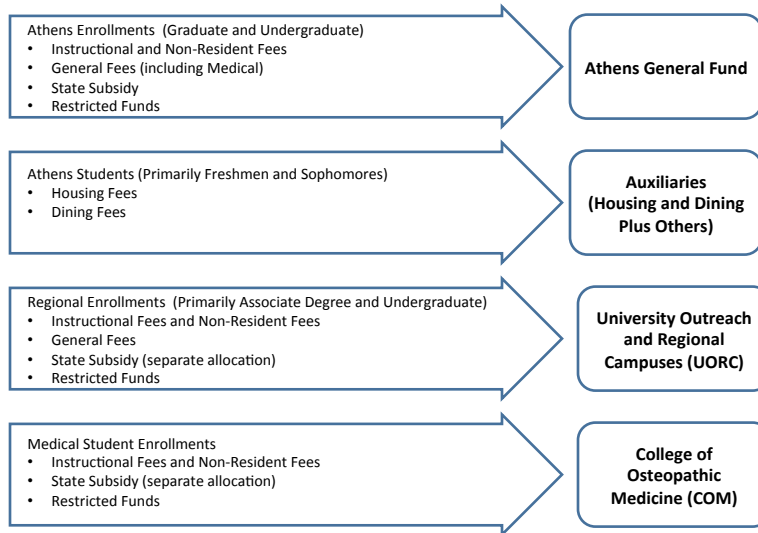
Budget 101: Athens Campus Budget Orientation

Dr. John Day, Associate Provost for
Academic Budget and Planning

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Four Major University Budget Units

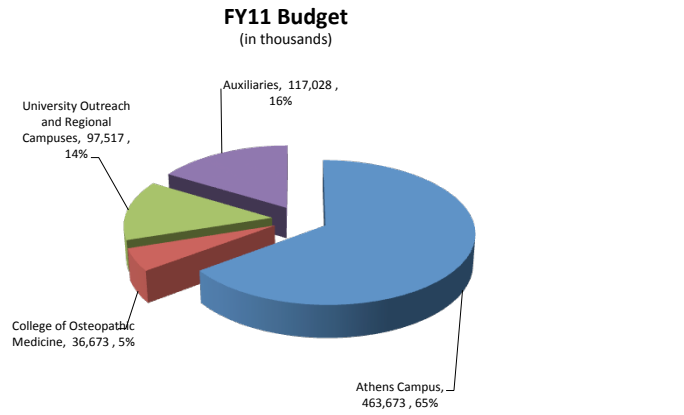
Different Missions – Separate Funding Sources – Separate Budgets



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Four Major University Budget Units

Relative Proportions of Entire Budget

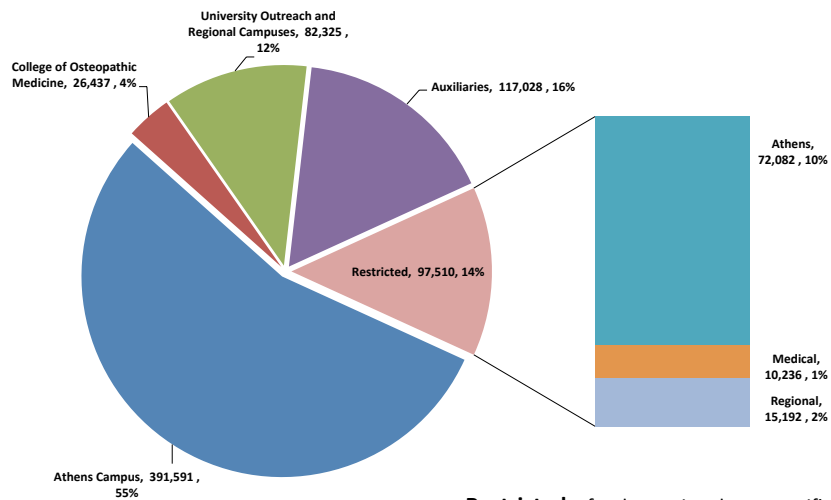


Total budget = \$714,891,000

Excludes Foundation and Capital Budgets

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Restricted versus Unrestricted Funds



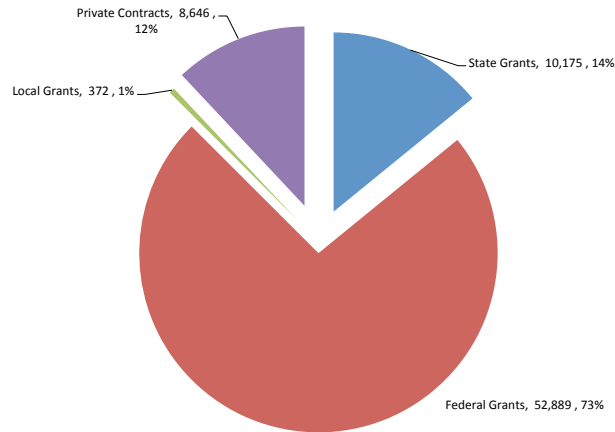
Values are in thousands

Restricted = funds restricted to a specific purpose – e.g. grants and contracts

Unrestricted = funds that can be used for any purpose (tuition, fees, subsidy)

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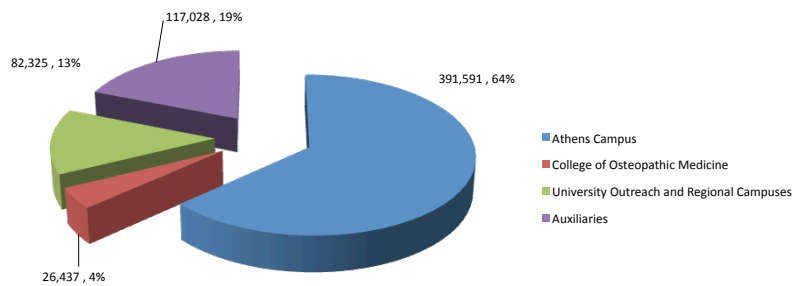
Sources of Restricted Revenue



Values are in thousands

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The Unrestricted E&G Budget

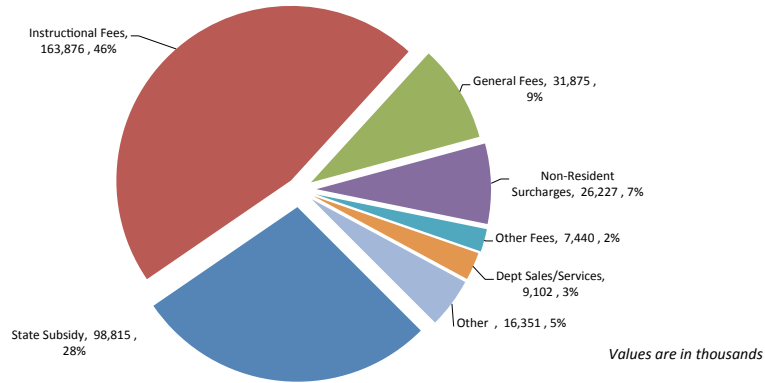


The Unrestricted Funds are referred to as the Unrestricted Education & General Budget. The Athens Campus portion of the budget is developed each year through the budget process. UORC, COM and Auxiliaries have their own budget process. Tuition and fee rates for these units are approved by the president and compensation increase are aligned with Athens increases.

Values are in thousands

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Athens Unrestricted E&G Revenues



- State Subsidy accounts for less than 30% of revenue
- Subsidy and Tuition (instructional, general and non-resident) account for 90% of revenue
- Other is primary Indirect Cost Recovery (IDC) and royalty income from research activity

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Undergraduate Tuition and Fees

Undergrad	
Resident	15124
Non-Resident	2016

	Inst Fee	Non-Res Fee	General Fee
Fall \$	44,856,073	\$ 5,972,725	\$ 8,989,071
Winter \$	42,167,559	\$ 5,617,193	\$ 8,450,225
Spring \$	39,642,486	\$ 5,285,565	\$ 7,944,150
Summer \$	6,479,836	\$ 644,599	\$ 1,582,888
\$	133,145,954	\$ 17,520,082	\$ 26,966,334

	Inst Fee	Non Res Fee	General Fee
Projected Revenue	133,145,954	17,520,082	26,966,334
Education Abroad	487,485	43,000	-
Life Long Learning	1,403,460	107,000	244,260
Nursing	36,225	4,000	8,280
OPIE	1,619,775	1,870,000	-
Other	193,545	32,000	-
Sub-Total	3,740,490	2,056,000	252,540
Budgeted Revenue	129,405,464	15,464,082	26,713,794
Total Tuition		144,869,546	
Scholarships		29,942,999	
Net		114,926,547	

- Revenue projection is driven by two enrollment numbers that are fed into the tuition model
- The model estimates revenues for Fall, Winter and Spring
 - Converts headcount into FTE based on previous year distribution of hours taken per term.
 - Includes overall retention of 94% Fall to Winter and Winter to Spring which is the net result of new enrollment, graduation rates and retention rates for all ranks
- Summer is based on the previous year's actual plus any tuition inflation
- These projections are reduced for programs that are set up to capture and operate on their portion of tuition and / or fees.
- Tuition and fees actually expendable in the budget are further offset by scholarships

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Graduate Tuition and Fees

	Graduate	Medical
Resident	1366	444
Non-Resident	1444	12
		456



	Inst Fee	Non-Res Fee	General Fee	COM GF
Fall \$	6,466,778	\$ 3,463,184	\$ 1,315,257	\$ 242,115
Winter \$	6,082,514	\$ 3,259,444	\$ 1,237,092	\$ 242,115
Spring \$	5,719,154	\$ 3,061,032	\$ 1,163,174	\$ 242,115
Summer \$	2,540,242	\$ 1,506,808	\$ 601,530	\$ 114,266
	\$ 20,808,688	\$ 11,290,468	\$ 4,317,053	\$ 840,613



	Inst Fee	Non Res Fee	General Fee
Projected Revenue	20,808,688	11,290,468	4,317,053
Education Abroad	20,000	13,000	-
Life Long Learning	33,000	2,000	6,210
OPIE	214,000	215,000	-
Other	1,190,000	312,120	248,400
Sub-Total	1,457,000	542,120	254,610
Budgeted Revenue	19,351,688	10,748,348	4,062,443
Waived	18,692,633	9,001,059	
Collected	659,055	1,747,289	
		Total	4,897,208
		Waived	1,200,000
		Collected	3,697,208

- Revenue projection is driven by the two Athens enrollment numbers and the total number of Medical students for just the general fee
- The model estimates revenues for Fall, Winter and Spring
 - Converts headcount into FTE based on previous year distribution of hours taken per term.
 - Includes overall retention of 94% Fall to Winter and Winter to Spring which is the net result of new enrollment, graduation rates and retention rates for all ranks
- Summer is based on the previous year's actual plus any tuition inflation
- These projections are reduced for programs that are set up to capture and operate on their portion of tuition and fees.
- Tuition and fees actually expendable in the budget are further offset by fee waivers and the general fee buy down

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Subsidy Earning Calculation

Model	Funded FTEs (Weighted)	SSI Earnings	Adjusted to include FY11 Reduction
AH 1	913	\$2,397,109	\$2,199,899
AH 2	2071	\$7,185,234	\$6,594,105
AH 3	1289	\$5,773,324	\$5,298,353
AH 4	367	\$2,414,002	\$2,215,403
AH 5	258	\$2,771,263	\$2,543,270
AH 6	184	\$2,372,720	\$2,177,516
BES 1	344	\$794,283	\$728,938
BES 2	1213	\$3,245,918	\$2,978,876
BES 3	927	\$3,055,948	\$2,804,535
BES 4	3605	\$14,349,645	\$13,169,102
BES 5	556	\$3,588,594	\$3,293,363
BES 6	158	\$1,277,916	\$1,172,782
BES 7	337	\$3,316,482	\$3,043,636
STEM 1	1048	\$2,494,804	\$2,289,556
STEM 2	1446	\$4,864,869	\$4,464,637
STEM 3	645	\$4,275,512	\$3,923,765
STEM 4	1097	\$9,727,853	\$8,927,543
STEM 5	497	\$4,715,232	\$4,327,310
STEM 6	86	\$1,200,173	\$1,101,433
STEM 7	253	\$3,481,830	\$3,195,380
STEM 8	121	\$2,367,188	\$2,172,438
STEM 9	30	\$590,159	\$541,607
	18,669	\$86,260,054	\$79,163,444

- Subsidy is earned by producing credit hours
- 22 cost models – represents statewide average cost of producing an FTE (45 quarter hours) in different discipline groups)
 - AH = Arts & Humanities
 - BES = Business, Education & Social Science
 - STEM = Science, Technology, Engineering & Math
- Shaded = Masters level

Additional factors:

Completions	85,498,268
At Risk Completions	761,786
Degree Completions	12,584,646
At Risk Degrees	811,170
Doctoral	\$13,421,103
Medical	\$12,061,659
SQFT Adjustment	(226,784)
Stop Loss	(201,698)
Earnings	124,710,151
Reduction	91.77%
Allocation	114,450,253

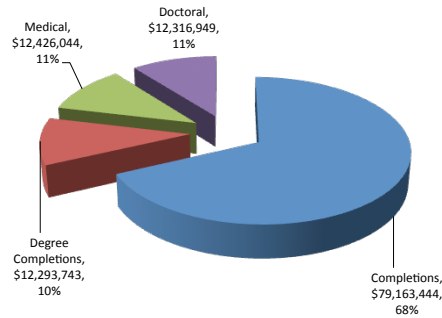
Redistributions:

College of Medicine	12,061,659
Lifelong Learning	1,441,000
Pickerington/Proctorville	486,000
Off-Campus Graduate	1,721,580
	98,740,013 = Athens Budget

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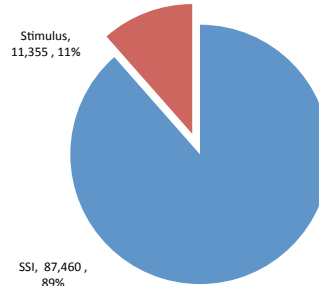
Subsidy – Athens Campus

Proportional Types of Subsidy



These numbers are prior to reductions and redistributions so total is inflated

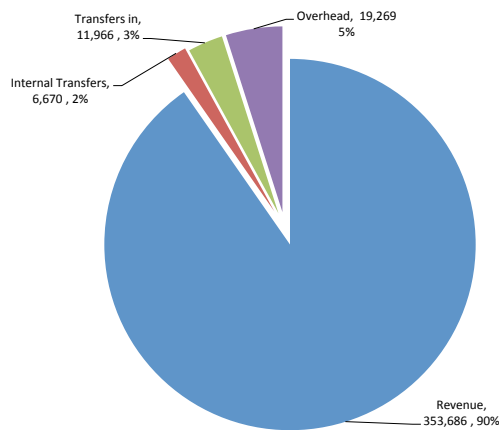
Vulnerability to Federal Stimulus



The question for FY12 is what happens to the part of the budget temporarily shored up by stimulus funds when those funds are consumed?

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Athens Unrestricted E&G– All Sources

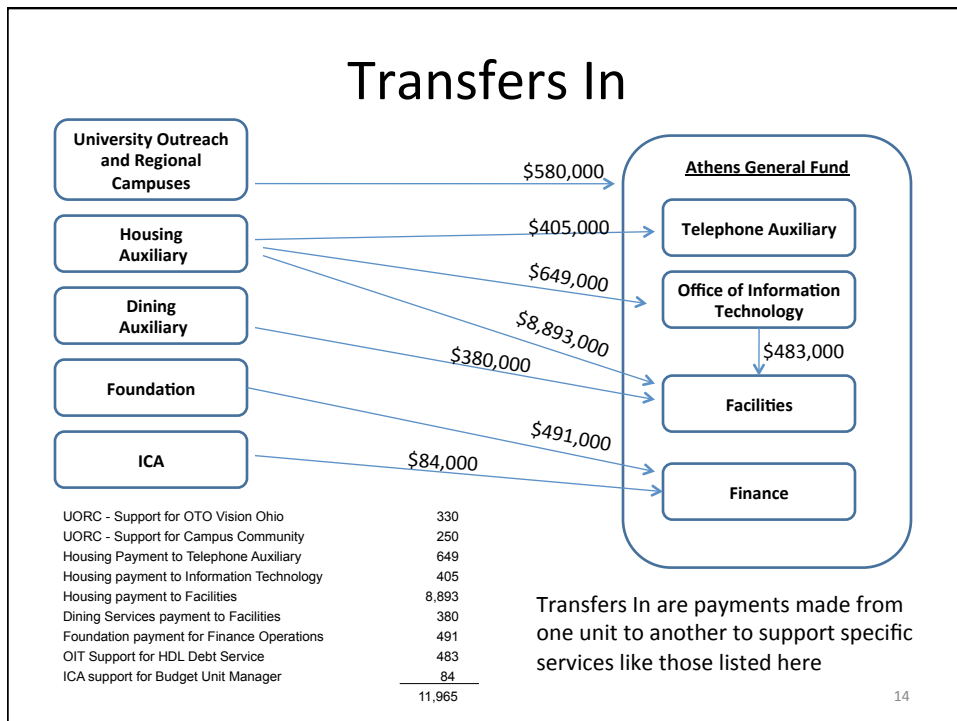
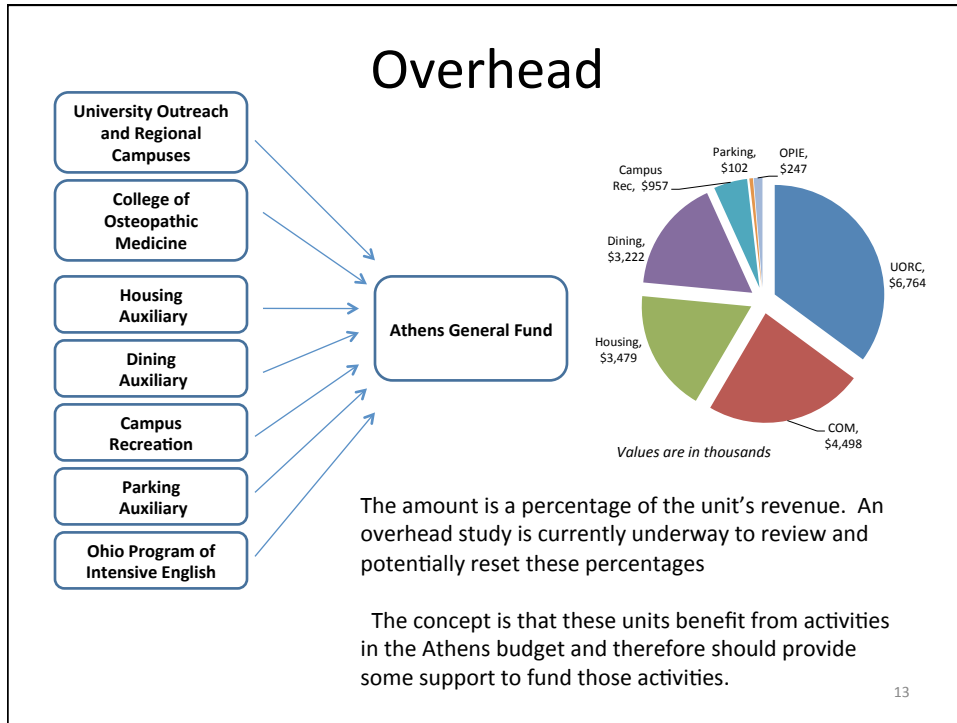


Values are in thousands

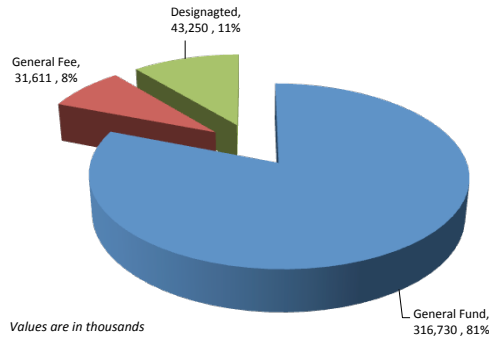
In addition to Revenue, there are some other funding sources that support the General Fund

- **Internal Transfers** are payments made from one Athens unit to another for services rendered
- **Overheads** are payments paid to the Athens budget by the other major budget units (UORC, COM and Auxiliaries). Similar to a tax on the revenues of these other units.
- **Transfers In** are payments made by the other major budget units to particular units in the Athens budget for specific services.

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Uses: Athens Unrestricted E&G Budget

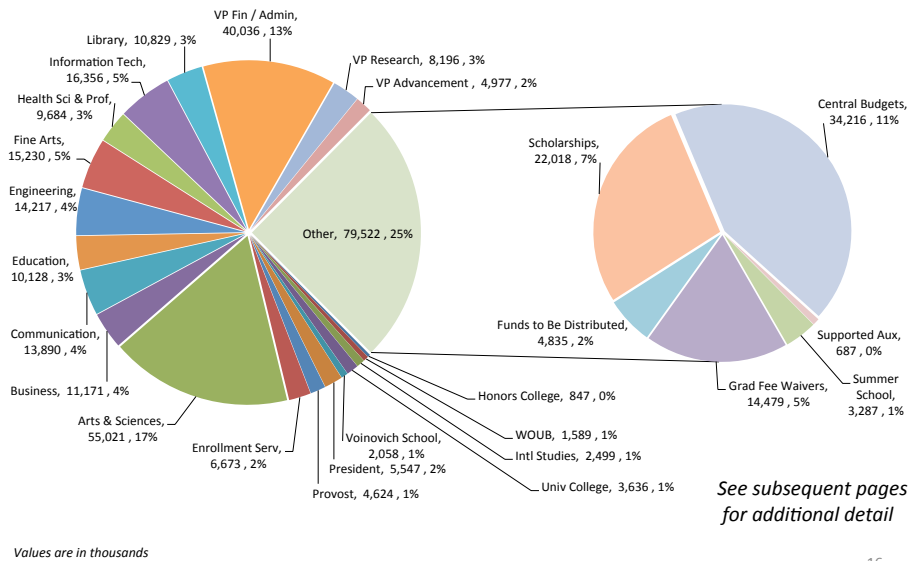


There are three major subdivisions in the Athens Budget

- General Fund** – the main part of the budget supporting most units
- General Fee** – activities supported by the general fee (student health, activities, recreation, cultural programming and athletics)
- Designated Income** – tuition and fees that go directly to units as opposed to the central budget (OPIE, Education Abroad, Lifelong Learning, and off-campus graduate programs)

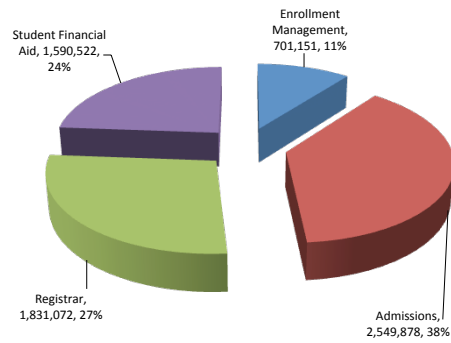
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Breakdown of General Fund



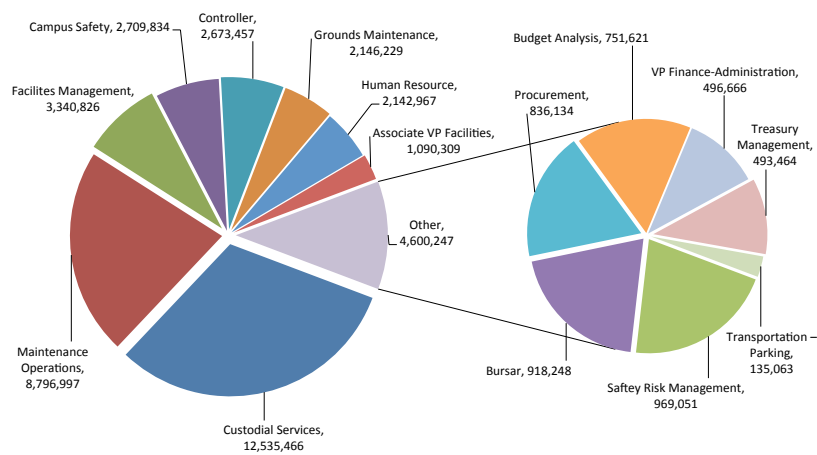
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Enrollment Services



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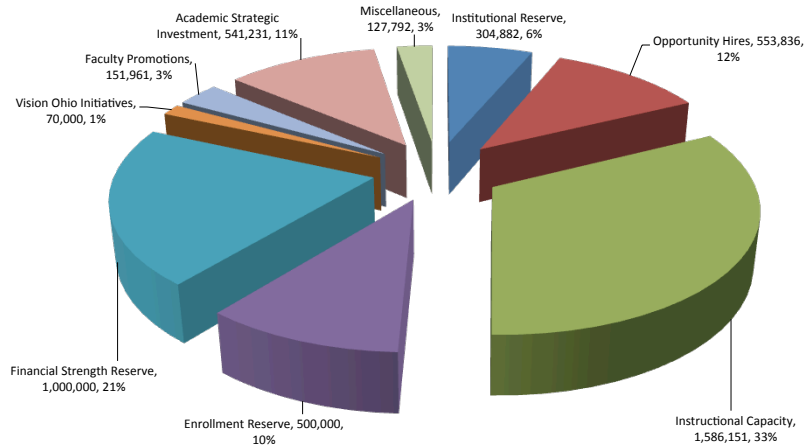
VP Finance Administration



67% of this area is for Custodial and Maintenance

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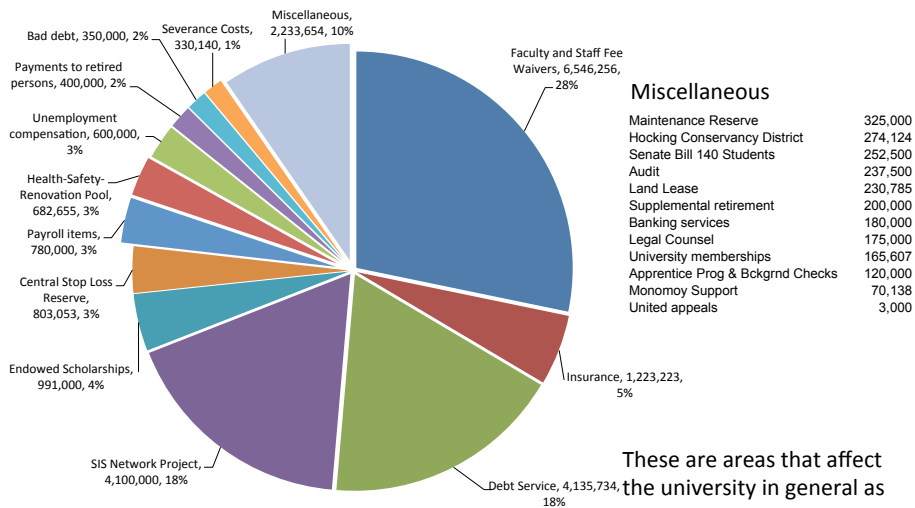
Funds to be Distributed



These are central pools held in reserve. Most of these funds end up going out to planning units on a short term basis to support specific activities or needs

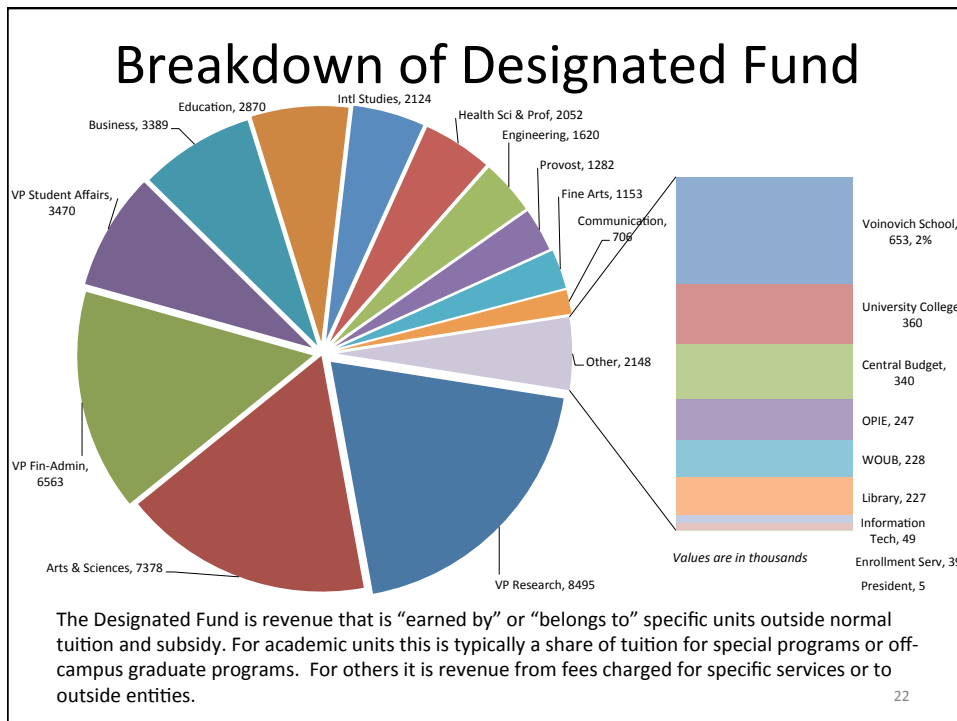
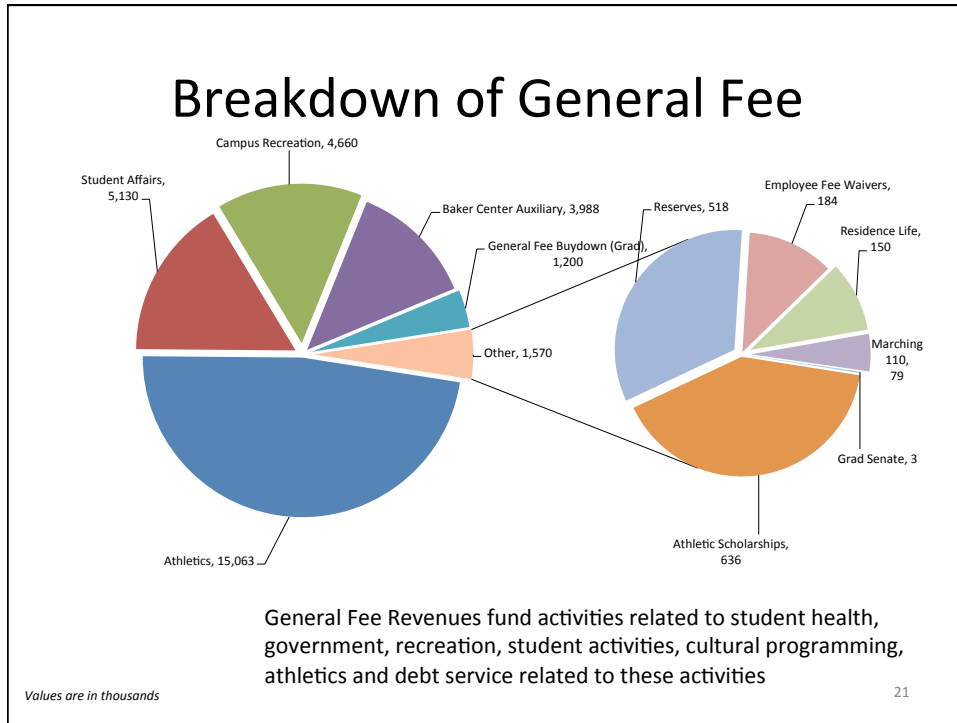
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Central Budgets



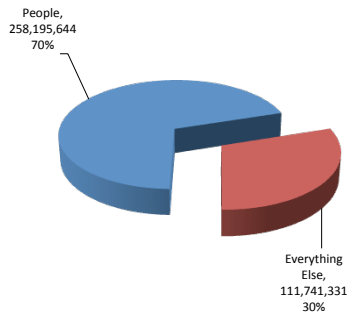
These are areas that affect the university in general as opposed to a particular planning unit

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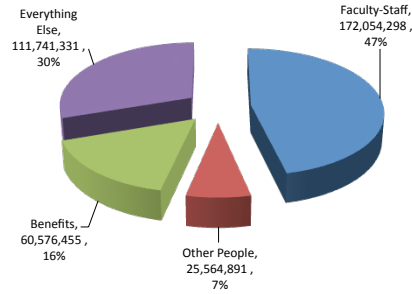


Expenditure Areas - Breakdown

FY10 Actual Expenditure



The "People" slice includes all faculty and staff, student employees and associated benefits

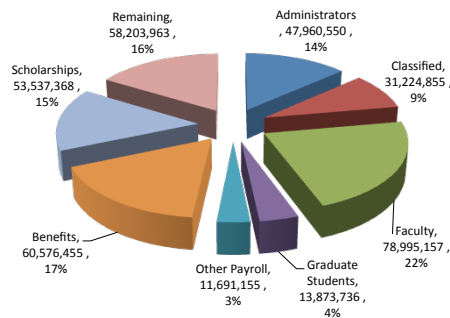


The "People" slice includes all faculty and staff, student employees and associated benefits

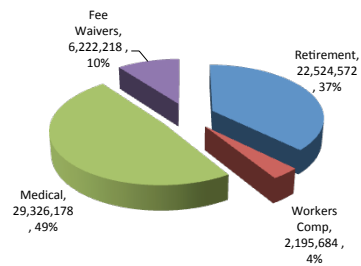
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Expenditure Areas - Breakdown

FY10 Actual Expenditure



- "People" costs broken down by type of employee
- "Everything Else" divided into Scholarships and the rest
- "Other payroll" includes mostly professional fees, student workers, and honoraria/fellowships



- Total medical spending is actually around \$34M but employee premiums pay about \$4.8M of that
- This is only the Athens portion of health care. The total health care budget also includes COM and UORC employees

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Key Budget Assumptions

- Enrollment
- Tuition and Fee Rates
 - Instructional Fee (Undergraduate and Graduate)
 - Non-Resident Fee (Undergraduate and Graduate)
 - General Fee
 - Housing and Dining Rates
- State Subsidy
- Compensation
 - Salary Increases
 - Faculty (Tenure Track and Non Tenure Track)
 - Administrators
 - Classified (Hourly)
 - Graduate Stipends
 - Health Care
 - Other Benefits
- Utilities
- Scholarships / Graduate Fee Waivers
- Debt
- Strategic Investments

These will be the major topics for
BPC over the coming year

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Glossary

- **Fund** - An income source established for the purpose of carrying on specific activities or objectives, in accordance with special regulations, restrictions or limitations.
- **Current Funds** - Those funds that are earned and expended in the current fiscal year. There are also “non-current” funds such as carry-forward, internal loans, and plant funds. Plant funds support capital projects.
- **Restricted Funds** - Funds whose use has been restricted by an external agency or individual. These funds are limited to support specific purposes and/or units. Examples include certain research awards and gifts.
- **Unrestricted Funds** - Refers to funds that have no external limitations on their use. Examples of unrestricted funds include *auxiliary funds* and *general funds*.
- **Auxiliary Funds** - Funds that exist to furnish goods or services to members of the campus community – examples include residence halls, food services, airport, parking, Intercollegiate Athletics.
- **General Funds** - Unrestricted funds that support instruction, administrative, and physical plant expenditures. Includes General Program, General Fee, and Designated Funds.
- **General Program:** Often referred to as the “General Fund,” are funds collected centrally, pooled, and allocated by the budget process. The primary revenue sources are instructional fees and unrestricted State support – the State Share of Instruction (SSI).
- **General Fee:** The General Fee is restricted funding for non-instructional student services. The fee is charged to every student who is enrolled in at least one class, and is used to promote the student’s emotional and physical well-being, as well as their cultural and social development outside of formal instructional programs, most specifically through student services and student activities.
- **Designated Fund:** Consist of revenue earned from activities conducted within a single department or unit. It is available for unrestricted use by the department.
- **Budget** - The annual plan for the expenditure of estimated resources to support the University’s priorities and operations.
- **Operating Budget** - Detailed projection of all estimated income and expenses based on forecasted revenue during a given period (usually one year) to support the operations of the university, including instruction, scholarships and financial aid, and administrative activities.

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Glossary

- **Fiscal Year** - The University's fiscal year begins on July 1 and ends on June 30 of the following calendar year.
- **Capital Budget** - Budget/plan for capital assets and infrastructure such as facilities, renovation, information technology, and certain equipment. Appropriations from the state of Ohio are the primary source.
- **Revenue** - Inflow of funds from sales, services, fees, gifts, or other external sources, including the state of Ohio and tuition.
- **Expenditure** – The use of funds to pay for activities related to the operation of the university
- **Base Budget** – Represents resources that are consistent and reasonably anticipated to continue from year to year. For example, salaries for permanent positions are expected to be base funded.
- **One-time Funds** - Resources that cannot be anticipated on a long-term or consistent basis and therefore should not be allocated to support ongoing expenses.
- **Carry-forward** - Funds that are not expended during the course of a fiscal year are “carried forward” typically in the form of segregated accounts within each unit's budget.
- **Internal Transfers** - Represents financial activity between units within the university for services rendered.
- **Tuition Caps** - The Ohio General Assembly has authority to establish limits on increases to the combination of instructional and general fees. Typically applied to the tuitions assessed to undergraduate residents.
- **The State Share of Instruction (SSI)** - Unrestricted funding that supports a portion of instructional and administrative costs incurred by campuses. Uses an outcome-based funding model based the following outcomes: course and degree completion; retention of financially disadvantaged students; promotion of instruction in science, technology, engineering, mathematics, and medicine (STEM²).
- **Transfers In** - Resources transferred INTO one fund or unit FROM another fund or unit within the university. For example, the Housing transfers funds INTO the facilities budget to support maintenance of dorms. The facilities budget would show this as a Transfer In
- **Transfers Out** – Resources transferred FROM one fund or unit to another fund or unit within the university. For example, the same transfer described above would show up in the Housing budget as a Transfer Out