Budget 101:
Athens Campus Budget Orientation

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Four Major University Budget Units
Different Missions – Separate Funding Sources – Separate Budgets

Athens Enrollments (Graduate and Undergraduate)
- Instructional and Non-Resident Fees
- General Fees (including Medical)
- State Subsidy
- Restricted Funds

Athens General Fund

Athens Students (Primarily Freshmen and Sophomores)
- Housing Fees
- Dining Fees

Auxiliaries (Housing and Dining Plus Others)

Regional Enrollments (Primarily Associate Degree and Undergraduate)
- Instructional Fees and Non-Resident Fees
- General Fees
- State Subsidy (separate allocation)
- Restricted Funds

University Outreach and Regional Campuses (UORC)

Medical Student Enrollments
- Instructional Fees and Non-Resident Fees
- State Subsidy (separate allocation)
- Restricted Funds

College of Osteopathic Medicine (COM)
Four Major University Budget Units

Relative Proportions of Entire Budget

FY11 Budget
(in thousands)

University Outreach and Regional Campuses, 97,517, 14%
College of Osteopathic Medicine, 36,073, 5%
Athens Campus, 463,673, 65%
Auxiliaries, 117,028, 16%

Total budget = $714,891,000
Excludes Foundation and Capital Budgets

Restricted versus Unrestricted Funds

Restricted, 97,510, 14%
Auxiliaries, 117,028, 16%
University Outreach and Regional Campuses, 82,325, 12%
College of Osteopathic Medicine, 26,437, 4%
Athens Campus, 391,591, 55%
Athens, 72,082, 10%
Medical, 10,296, 1%
Regional, 15,232, 2%

Restricted = funds restricted to a specific purpose – e.g. grants and contracts
Unrestricted = funds that can be used for any purpose (tuition, fees, subsidy)
Sources of Restricted Revenue

Federal Grants, 52,889, 73%
State Grants, 10,175, 14%
Private Contracts, 8,648, 12%
Local Grants, 372, 1%

Values are in thousands

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
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

Values are in thousands

Undergraduate Tuition and Fees

- 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

$1,334,154,954 $17,520,082 $26,966,334

$129,405,464 $15,464,082 $26,713,794

$144,869,546 $29,940,999 $114,926,547
Graduate Tuition and Fees

- 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

Subsidy Earning Calculation

- 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:
  - Complections: 30,018.288
  - Degree Completions: 12,666.665
  - At Risk Degrees: 831.138
  - At Risk Completion: 391.138
  - Doctoral: 513,420.102
  - Medical: 121,214.329
  - SQFT Adjustment: 53.774
  - Step Loss: 277.619
  - Earnings: 124,709.151
  - Retraction: 86.779
  - Allocation: 114,490.375

Redistributions:
- College of Medicine: 11,061,659
- Lifelong Learning: 1,441,000
- Pickerington/Proctorville: 486,000
- Off-Campus Graduate: 1,721,580

98,740,013 = Athens Budget
Subsidy – Athens Campus

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

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

Athens Unrestricted E&G– All Sources

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.

Values are in thousands.
Overhead

The amount is a percentage of the unit’s revenue. An overhead study is currently underway to review and potentially reset these percentages.

The concept is that these units benefit from activities in the Athens budget and therefore should provide some support to fund those activities.

Transfers In

Transfers In are payments made from one unit to another to support specific services like those listed here.

<table>
<thead>
<tr>
<th>Unit/Service Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>University Outreach and Regional Campuses</td>
<td>$580,000</td>
</tr>
<tr>
<td>Housing Auxiliary</td>
<td>$405,000</td>
</tr>
<tr>
<td>Dining Auxiliary</td>
<td>$649,000</td>
</tr>
<tr>
<td>Foundation</td>
<td>$8,893,000</td>
</tr>
<tr>
<td>ICA</td>
<td>$380,000</td>
</tr>
<tr>
<td>ICA - Support for OTO Vision Ohio</td>
<td>330</td>
</tr>
<tr>
<td>IORC - Support for Campus Community</td>
<td>250</td>
</tr>
<tr>
<td>Housing Payment to Telephone Auxiliary</td>
<td>649</td>
</tr>
<tr>
<td>Housing payment to Information Technology</td>
<td>469</td>
</tr>
<tr>
<td>Housing payment to Facilities</td>
<td>8,893</td>
</tr>
<tr>
<td>Dining Services payment to Facilities</td>
<td>380</td>
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<tr>
<td>Foundation payment for Finance Operations</td>
<td>491</td>
</tr>
<tr>
<td>OIT Support for HLD Debt Service</td>
<td>483</td>
</tr>
<tr>
<td>ICA support for Budget Unit Manager</td>
<td>84</td>
</tr>
<tr>
<td>Total</td>
<td>11,965</td>
</tr>
</tbody>
</table>
There are three majors 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

- **Library**, 10,829, 3%
- **Information Tech**, 16,356, 5%
- **Health Sci & Prof**, 9,684, 1%
- **Fine Arts**, 15,129, 5%
- **Engineering**, 14,217, 4%
- **Education**, 10,128, 3%
- **Communication**, 13,850, 4%
- **Enrollment Servs**, 6,671, 2%
- **Arts & Sciences**, 55,021, 17%
- **Honors College**, 847, 0%
- **VP Fin./Admin**, 40,036, 13%
- **VP Research**, 8,196, 3%
- **VP Advancement**, 4,977, 2%
- **Scholarships**, 22,018, 7%
- **Funds to Be Distributed**, 4,835, 2%
- **Grad Fee Waivers**, 14,479, 5%
- **Supporting Aux.**, 687, 0%
- **Summer School**, 5,387, 1%
- **Central Budgets**, 34,216, 11%
- **Other**, 79,322, 25%

Values are in thousands

See subsequent pages for additional detail
Enrollment Services

Admissions, 2,549,878, 38%
Registrar, 1,831,072, 27%
Student Financial Aid, 1,596,322, 24%
Enrollment Management, 701,351, 11%
Student Financial Aid, 1,596,322, 24%
Registrar, 1,831,072, 27%
Admissions, 2,549,878, 38%

VP Finance Administration

Budget Analysis, 751,621
Treasury Management, 493,464
Transportation - Parking, 135,063
Safety Risk Management, 918,248
Bursar, 918,248
Other, 4,600,247
Human Resource, 2,142,067
Associate VP Facilities, 1,090,309
Facilities Management, 5,940,826
Campus Safety, 2,709,814
Maintenance Operations, 8,796,997
Custodial Services, 12,535,466
Controller, 2,673,457
Grounds Maintenance, 2,196,219

67% of this area is for Custodial and Maintenance
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.

Central Budgets

These are areas that affect the university in general as opposed to a particular planning unit.
Breakdown of General Fee

General Fee Revenues fund activities related to student health, government, recreation, student activities, cultural programming, athletics and debt service related to these activities.

Values are in thousands.

Breakdown of Designated Fund

The Designated Fund is revenue that is “earned by” or “belongs to” specific units outside normal tuition and subsidy. For academic units this is typically a share of tuition for special programs or off-campus graduate programs. For others it is revenue from fees charged for specific services or to outside entities.

Values are in thousands.
Expenditure Areas - Breakdown

FY10 Actual Expenditure

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

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

[Pie charts showing expenditure breakdown]
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

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.
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.