Budget
Review and Update
Today’s Goals

• Understanding of...
  • Current Fiscal Situation
  • Fund Balances

• Common ground for collective action
2013 Expectations

- State budget increase
- Tuition increase
- Final phase of Blugold Commitment
2014-???? Reality

- State Funding?
- First-Ever Back-to-Back Tuition Freezes
- Blugold Commitment Tuition Freeze
- *Overall* Enrollment Declining
- Savings Depleting

Full-Time Equivalent Enrollment:

<table>
<thead>
<tr>
<th>Year</th>
<th>Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010-11</td>
<td>10216</td>
</tr>
<tr>
<td>2011-12</td>
<td>10163</td>
</tr>
<tr>
<td>2012-13</td>
<td>9987</td>
</tr>
<tr>
<td>2013-14</td>
<td>9857</td>
</tr>
<tr>
<td>2014-15</td>
<td>9635</td>
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</tbody>
</table>
• Overview of General Fund Operations
• Impact of Savings “Burn-Down”
• Impact of Enrollment Shortfall
• Current Financial Situation
Scenario: Balanced Operations

**General Fund Operations**

**Fiscal Year 1**
- Authorized Spending
  - Tuition Revenue
  - Carryover

**Fiscal Year 2**
- Authorized Spending
  - Tuition Revenue
  - Carryover

**“Savings”**

**“Budget”**
General Fund Operations

Scenario: Burn Down

Authorized Spending

Tuition Revenue

Spending

State

Carryover

Fiscal Year 1

Fiscal Year 2

Fiscal Year 3

Out
General Fund Operations

Scenario: Enrollment Shortfall

<table>
<thead>
<tr>
<th>Fiscal Year 1</th>
<th>Fiscal Year 2</th>
<th>Fiscal Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Carryover</strong></td>
<td><strong>Carryover</strong></td>
<td><strong>Carryover</strong></td>
</tr>
<tr>
<td>Tuition Revenue</td>
<td>Tuition Revenue</td>
<td>Tuition Revenue</td>
</tr>
<tr>
<td>Authorized Spending</td>
<td>Authorized Spending</td>
<td>Authorized Spending</td>
</tr>
<tr>
<td>State</td>
<td>State</td>
<td>State</td>
</tr>
</tbody>
</table>

General Fund Operations
Current Circumstances

<table>
<thead>
<tr>
<th>Year</th>
<th>Authorized Spending</th>
<th>Spending</th>
<th>Structural Deficit</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2014</td>
<td>$10.6M</td>
<td>$28M</td>
<td>$2.6M Base Reduction + $1.3M One-Time</td>
</tr>
<tr>
<td>FY 2015</td>
<td>$6.7M</td>
<td>$94.4M</td>
<td>$2.6M Base Reduction + $0.5M Salary/Fringe</td>
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<tr>
<td>FY 2016</td>
<td>$95.6M?</td>
<td>$93.1M?</td>
<td>$4.5M Structural Deficit</td>
</tr>
</tbody>
</table>

Enrollment Shortfall

Salary/Fringe

Base Reduction

One-Time

Base Reduction
We have a structural deficit because our planned base spending exceeds our planned base revenue.
- Increase enrollment by 2% (200 FTE) = $1.2M revenue increase
- Tighten operating budgets by 2% = $220K in savings
- Increase tuition by 2% = $1.2M revenue increase
### FY 14 Year-End Balances

**Balances**

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$18.2M</td>
</tr>
<tr>
<td>Auxiliary</td>
<td>$18.4M</td>
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<tr>
<td>Designated Operations</td>
<td>$7.3M</td>
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<tr>
<td>Debt Service</td>
<td>$4.8M</td>
</tr>
<tr>
<td>Federal Indirects</td>
<td>$1.5M</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$50.2M</strong></td>
</tr>
</tbody>
</table>

- State Appropriation and Tuition Revenue
- Centers, Housing, ...
- Special Course Fees, MBA Consortium, ...
- Bond Payments
- Faculty Startup, ...

Figures are approximate but reflective of actual values.
## FY 14 General Fund

### Year-End Balance

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 14 Carryover</td>
<td>$6,700,000</td>
</tr>
<tr>
<td>Enrollment Shortfall Reserve (5% of General Fund)</td>
<td>$4,800,000</td>
</tr>
<tr>
<td>Nursing and Responsible Mining Grants</td>
<td>$3,400,000</td>
</tr>
<tr>
<td>Winter/Summer/CE Revenue Share Balances</td>
<td>$1,300,000</td>
</tr>
<tr>
<td>Differential Tuition Commitments</td>
<td>$800,000</td>
</tr>
<tr>
<td>Other Commitments</td>
<td>$1,200,000</td>
</tr>
</tbody>
</table>

**FY 14 GENERAL FUND YEAR-END BALANCE** $18,200,000

*Figures are approximate but reflective of actual values.*
Fund Balances...

- must be addressed
- must include adequate reserves
- cannot solve structural deficit
What Can We Do?

- Increase revenue
- Attract and retain more students

We Define Our Future
• Increase frosh and transfer students
• Increase students of color
• Improve 4-year graduation rate
• Increase retention rates
What Can We Do?

• Decrease expenses
• Realign operations

We Define Our Future
What Can We Do?

- Increase revenue
- Attract and retain more students
- Decrease expenses
- Realign operations

We Define Our Future