FY 2005 Revenue by Category

State Appropriation
$25,995,091 25.5%

Tuition & Fees
$36,450,849 35.8%

Sales & Services of Education
$1,269,429 1.2%

Auxiliary Operations
$29,328,096 28.8%

Self Support
$2,846,020 2.8%

Restricted Funds
$5,927,483 5.8%

Total Revenue: $101,816,969
## Changes in Revenue
### FY 2005 vs FY 2006

<table>
<thead>
<tr>
<th>Category</th>
<th>FY 2005</th>
<th>FY 2006</th>
<th>$ Increment</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Appropriation</td>
<td>$25,995,091</td>
<td>$27,477,380</td>
<td>$1,482,289</td>
<td>5.7%</td>
</tr>
<tr>
<td>Tuition &amp; Fees</td>
<td>36,450,849</td>
<td>38,480,526</td>
<td>2,029,677</td>
<td>5.6%</td>
</tr>
<tr>
<td>Sales &amp; Services</td>
<td>1,269,429</td>
<td>550,000</td>
<td>(719,429)</td>
<td>(56.6)%</td>
</tr>
<tr>
<td>Auxiliary</td>
<td>29,328,096</td>
<td>30,161,628</td>
<td>833,532</td>
<td>2.8%</td>
</tr>
<tr>
<td>Self Support</td>
<td>2,846,020</td>
<td>2,912,510</td>
<td>66,490</td>
<td>2.3%</td>
</tr>
<tr>
<td>Restricted Funds</td>
<td>5,927,483</td>
<td>5,927,483</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>101,816,969</strong></td>
<td><strong>105,509,527</strong></td>
<td><strong>3,692,559</strong></td>
<td><strong>3.6%</strong></td>
</tr>
</tbody>
</table>
FY 2005 Expenditures by Program

- Instruction $29,282,250 (30.9%)
- Grants $2,142,687 (2.3%)
- Public Service $1,565,881 (1.7%)
- Academic Support $6,828,510 (7.2%)
- Student Services $4,004,329 (4.2%)
- Institutional Support $11,625,898 (12.3%)
- Plant Operations $9,204,401 (9.7%)
- Scholarships $4,924,578 (5.2%)
- Auxiliary $25,165,977 (26.6%)

Total Expenditures: $94,744,510
FY 2005 State Support Unrestricted Expenditures by Program

- Instruction $27,851,376 (45.0%)
- Grants $197,981 (0.3%)
- Public Service $152,468 (0.2%)
- Academic Support $6,828,510 (11.0%)
- Institutional Support $11,625,898 (18.8%)
- Plant Operations $9,204,401 (14.9%)
- Scholarships $2,200,459 (3.6%)

Total Expenditures: $61,925,663
## Changes in State Support Unrestricted Allocations
### FY 2005 vs FY 2006

<table>
<thead>
<tr>
<th>Category</th>
<th>FY 2005</th>
<th>FY 2006</th>
<th>$ Increment</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction</td>
<td>$28,350,520</td>
<td>$30,093,636</td>
<td>$1,743,116</td>
<td>6.2%</td>
</tr>
<tr>
<td>Grants</td>
<td>237,232</td>
<td>448,740</td>
<td>211,508</td>
<td>89.1%</td>
</tr>
<tr>
<td>Academic Support</td>
<td>7,060,818</td>
<td>7,300,822</td>
<td>240,004</td>
<td>3.4%</td>
</tr>
<tr>
<td>Student Services</td>
<td>4,035,573</td>
<td>4,229,891</td>
<td>194,318</td>
<td>4.8%</td>
</tr>
<tr>
<td>Institutional Support</td>
<td>11,104,118</td>
<td>11,714,748</td>
<td>610,630</td>
<td>5.5%</td>
</tr>
<tr>
<td>Plant Operations</td>
<td>9,227,548</td>
<td>10,438,967</td>
<td>1,211,419</td>
<td>13.1%</td>
</tr>
<tr>
<td>Scholarships</td>
<td>2,227,205</td>
<td>2,843,505</td>
<td>616,300</td>
<td>27.7%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>62,243,014</strong></td>
<td><strong>67,070,309</strong></td>
<td><strong>4,827,295</strong></td>
<td><strong>7.7%</strong></td>
</tr>
</tbody>
</table>
Changes in State Support Unrestricted Allocations
FY 2005 to FY 2006

• FY 2005 State Support Unrestricted Allocation $62,243,014
• FY 2006 State Support Unrestricted Allocation $67,070,309

• Change in Allocation $4,827,295

• Distribution
  – Personnel Costs $3,577,350
    • Salaries/Benefits (new positions, replacement costs) $1,448,247
    • COLA/Merit 1,379,743
    • Health Benefits 648,160
    • Retirement Match 101,200
  – Mandatory Costs $648,160
    • Fuel & Utilities $340,000
    • Facilities Renewal 138,000
    • Debt Service/Construction Fees 170,160
  – Institutional Initiatives $601,785
    • Financial Aid $610,000
    • Other Adjustments/Redistributions (8,215)
FY 2006 State Supported Summary

• **Initial allocation:**
  – State Support Revenue: $67,459,822
  – State Support Budgeted Expenditures: $67,070,309
  – Balance Available: $389,513

• **Subsequent Activity**
  – Revenue: $259,951
    • 1% State Appropriation
  – Expenditures: $457,713
    • USM Audit Costs: $54,000
    • Health Benefits Non-Tenure Faculty: $180,000
    • Recruitment & Retention Funds: $115,713
    • Early Contingent II conversions: $108,000

• Adjusted Balance Available: $191,751
Status of FY 2007 Budget & Institutional Business Plans

Presentation to the Finance Committee

August 25, 2005
Benefits of New Planning Process

• Front-end Board input and policy guidance
• Greater institutional input and exchange in budget process
  – Two planning meetings held with each institution
  – “Rear view mirror” approach to meetings
• Funding predictability and targeted priority initiatives
Six Fundamental Drivers

• Addressing enrollment growth
  – Per FTE funding key to growth strategies
• Ensuring quality
  – Fulfill legislative mandate for funding of the Flagship
  – Improve Funding Guideline attainment system wide
• Moderating tuition rate increases and increasing need-based financial aid
• Recognizing mandatory cost increases
• Addressing state needs
• Diversifying fiscal resources
  – Increase emphasis on fund raising, entrepreneurship, and tech transfer as alternative sources of revenue
Next Steps

• Receive BOR feedback
• Meet with DBM and Governor’s Office on budget plans
• Develop detailed plans for major initiatives (enrollment strategies, Flagship Initiative, etc.)
• Develop campus by campus Four-Year Business Plans for BOR approval
  – Includes four-year tuition estimates per new policy
• Submit FY 2007 budget for BOR approval in November/December timeframe
Potential Impacts at SU:

• How much growth can we handle?
  – Additional faculty and staff
  – Sufficient departmental operating budgets
  – Impact on facilities
    • Classrooms
    • Residential areas
    • Library/study space
    • Physical activity space
    • Parking
  – Maintain quality

• What (if any) initiatives do we pursue?
  – Institutional based financial aid
  – New programs
    • Undergraduate
    • Graduate

• What is an appropriate balance for State Appropriation/Tuition & Fees?
  – Access
  – Affordability