

Faculty Senate Study Institutional Support Expenditures As Compared to Peer Institutions January, 2011

The University of Memphis Faculty Senate, Budget & Finance Committee conducted a study of Institutional Support Expenditures at the University of Memphis. The effort has revealed consistent spending in the area of Institutional Support as compared to peer institutions.

Spending at the University of Memphis, as at other institutions of higher learning, is traditionally reported in the broad categories of Instruction, Research, Public Service, Academic Support, Student Services, Institutional Support, Operation and Maintenance of Plant, Scholarships and Fellowships and Auxiliary Operations. The National Association of College and University Business Officers (NACUBO) describes Institutional Support as:

“...expenses for central, executive-level activities concerned with management and long-range planning for the entire institution...; fiscal operations...; administrative information technology...; employee personnel and records; logistical activities that provide procurement...; support services to faculty and staff that are not operated as auxiliary enterprises; and activities concerned with community and alumni relations, including development and fundraising.”

Integrated Postsecondary Educational Data System (IPEDS) defines Core Spending as “expenses for the essential education activities of the institution. Core expenses for public institutions reporting under GASB standards include expenses for instruction, research, public service, academic support, student services, institutional support, operation and maintenance of plant, depreciation, scholarships and fellowships, interest and other operating and nonoperating expenses.” Auxiliary Operations are excluded from Core Spending.

Institutional Support expenditures as a percent of total core spending were benchmarked against the University’s twelve peer institutions for the fiscal year ended June 30, 2008. This data was obtained from the IPEDS website and is the most current data available. Results ranged from 6% to 13% with an average of 8%. The University of Memphis percentage was **8%**. (Attachment 1)

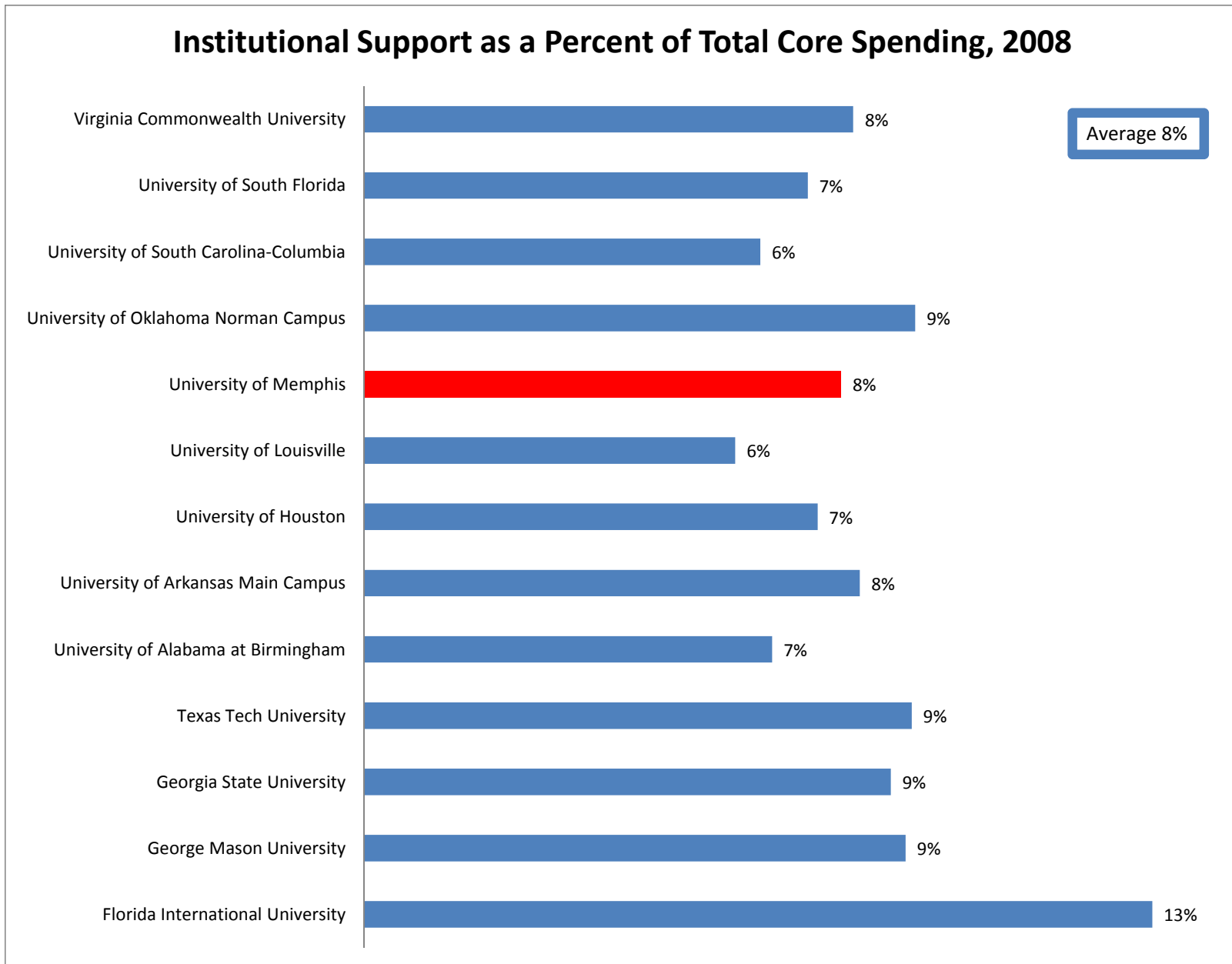
Institutional Support expenditures were also measured per student full-time equivalent and compared to the twelve peer institutions for the fiscal year ended June 30, 2008. The University of Memphis ranked as the second lowest institutional support cost per student FTE when compared to the peer institutions at a cost of **\$1,677** per student FTE. Results ranged from \$1,625 to \$7,028 per student FTE with an average of \$2,346. (Attachment 2)

The University of Memphis expenditures by function for 2006 thru 2009 are presented on Attachment 3. Institutional Support Expenditures as a percent of total expenditures has remained constant at 7%. In fact, expenditures by function across the board have remained relatively consistent, with the exception of Scholarship and Fellowship expenses, which has increased due to tuition rate increases.

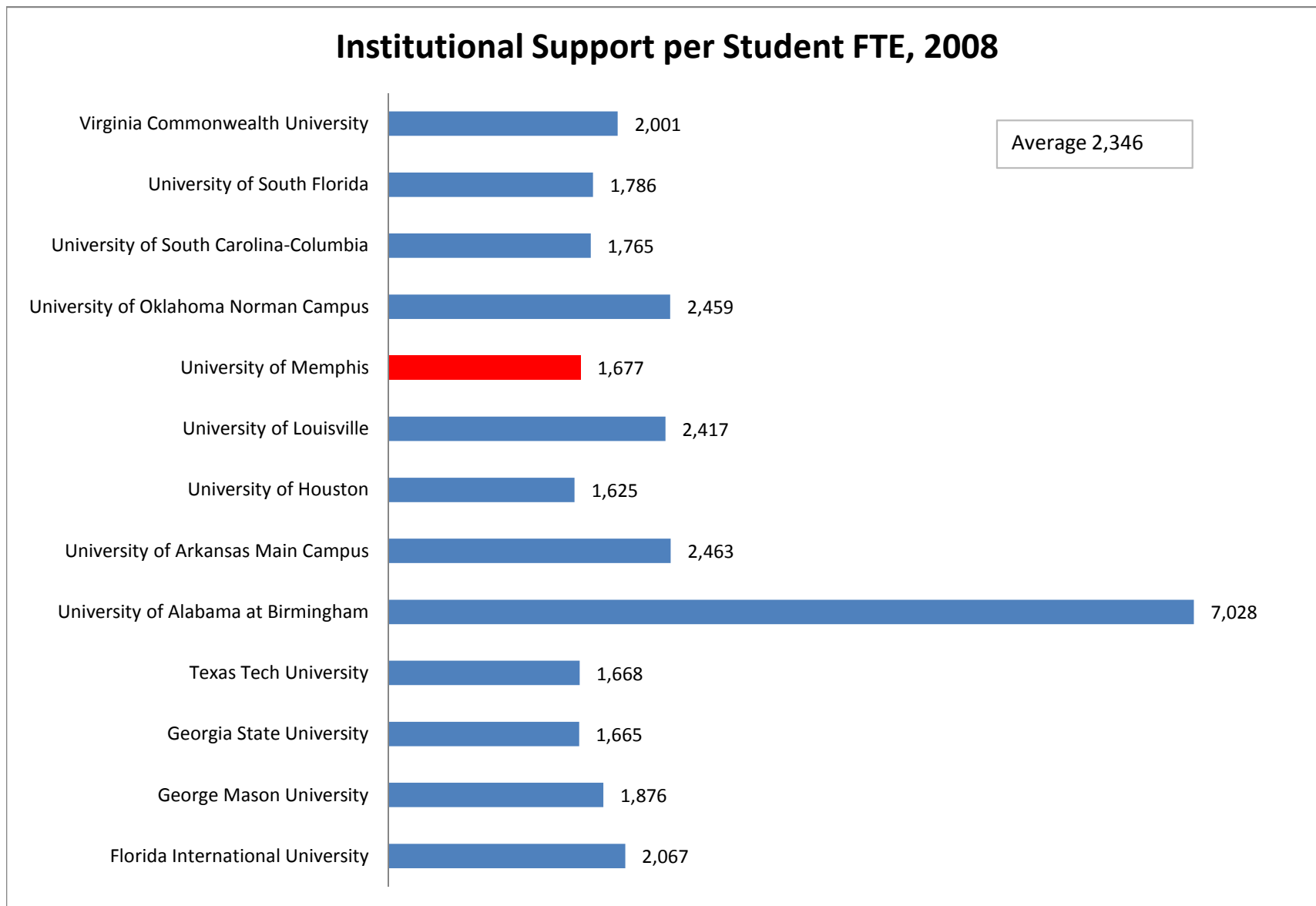
Attachment 4 presents an analysis of Institutional Support spending for 2006 thru 2009. The increases in 2007 and 2008 were primarily related to university wide across-the-board salary increases, a one-time bonus payment (October 2006, \$350/person), as well as increased fringe benefit costs, specifically health insurance and Tennessee Consolidated Retirement System (TCRS) required contributions, and were universal to all functions with personnel costs.

Spending on Institutional Support increased by \$2.7million between 2006 and 2009 (Attachment 4). This represents growth of about 12 percent. In comparison, University spending increased by \$60.3 million over this same period. This represented a growth of 18%.

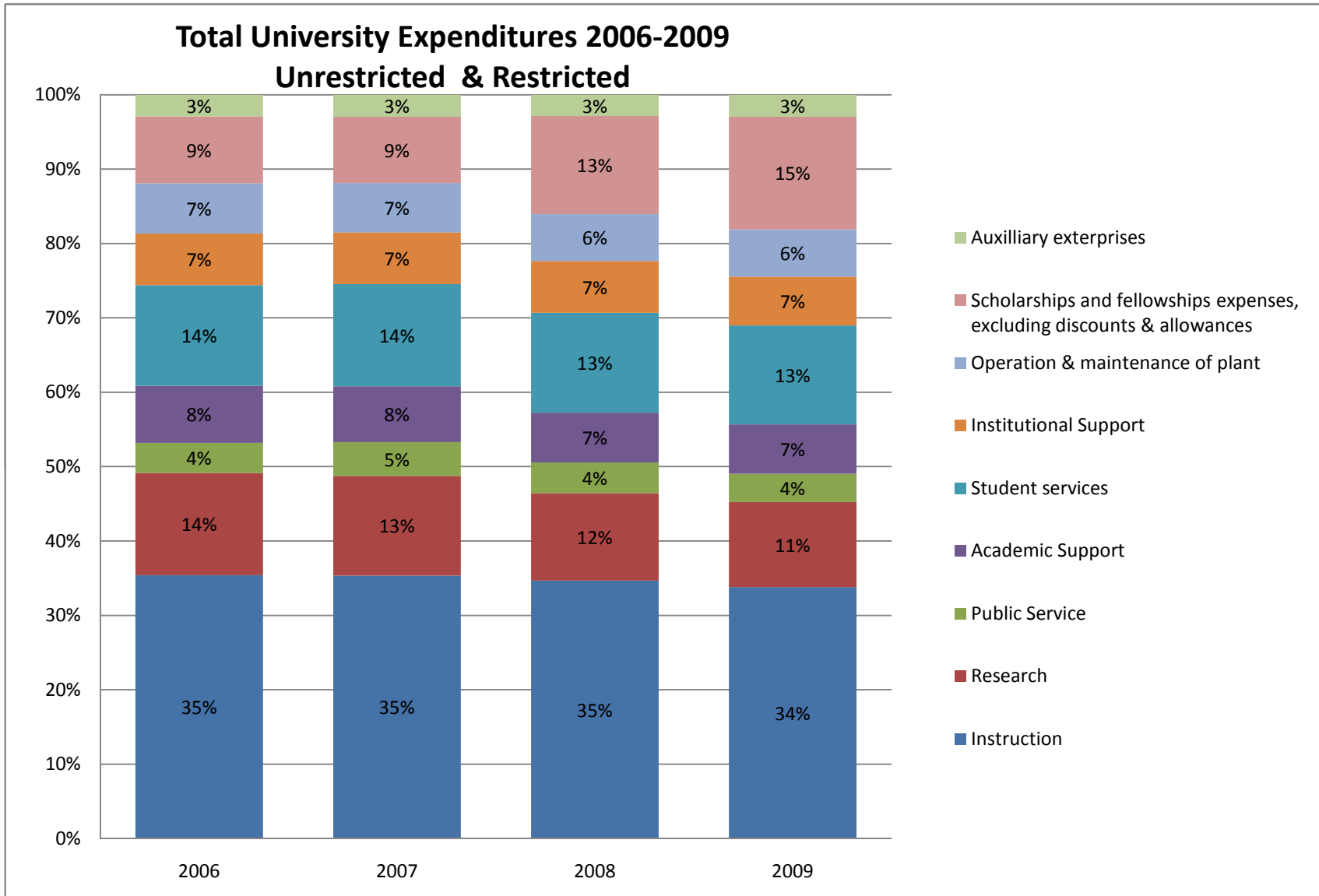
Additional information provided is a detailed listing of university departments included in the Institutional Support function with fiscal year 2009 expenses is included as Attachment 5.



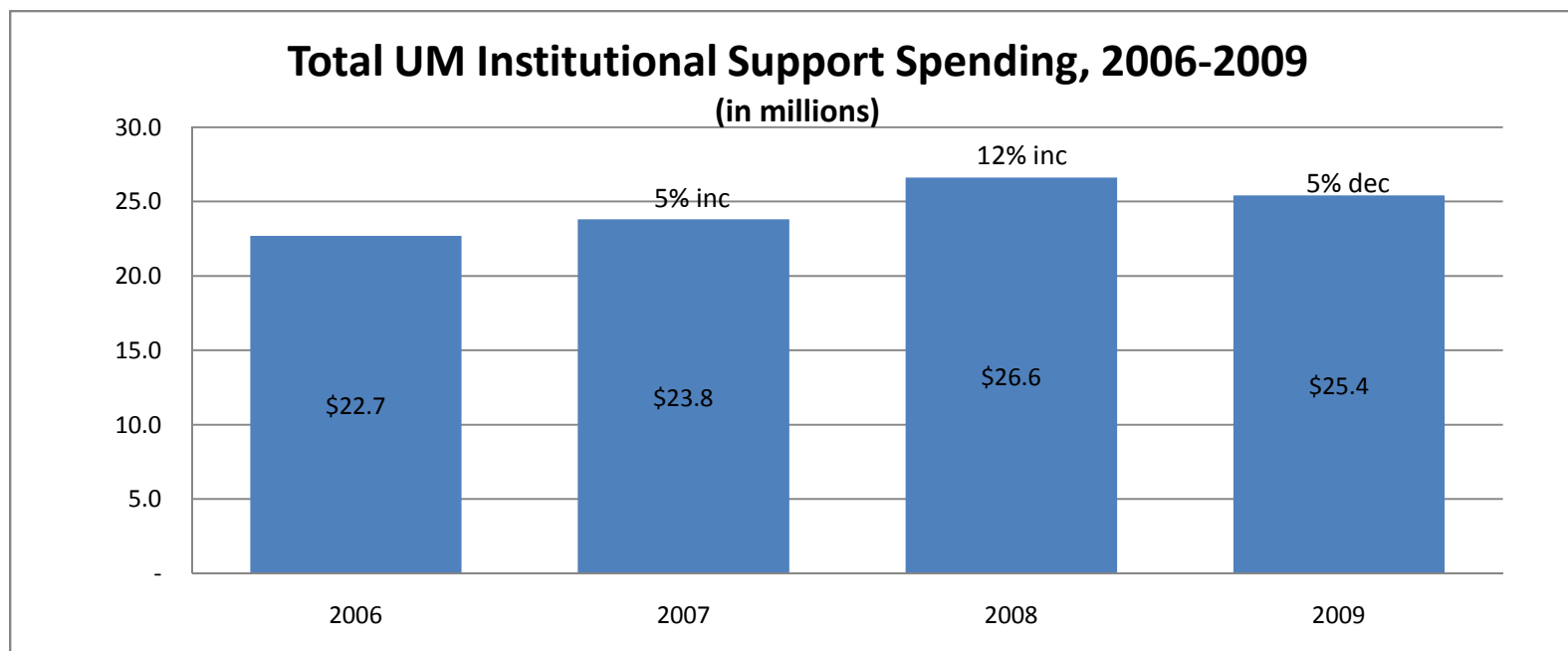
Source: NCES IPEDS data.



Source: NCES IPEDS data.



** Increase in Scholarship expenditures is related to tuition increases and a reporting change of the Hope Scholarship & TSAC Awards*



Factors Contributing to Institutional Support Changes:

2007 increases

- 2% ATB Salary increase and related benefits as well as one-time bonus (\$350/person)
- Health insurance and TCRS (State Retirement) employer contribution rate increases (6.39% and 32% respectively)
- Initiative to increase college development fund raising activities-implemented over two years. This initiative was funded by the UM Foundation.
- Contract cost for F & A Rate proposal development and State audit cost increase

2008 increases

- 5% ATB and Merit Salary increase and related benefits
- Health insurance employer share rate increase
- Established Crisis Management Department
- Established new Communication Division as part of the University's plan to address image and reputation. In FY 2008, an additional \$250,000 was spent on advertising. This initiative was funded by the UM Foundation.
- Initiative to increase college development fund raising activities. This initiative was funded by the UM Foundation.
- Increase in the TBR administrative cost allocation and increase in University student bad debt expenses.
- Public safety initiatives that included additional security in the library commons and 24 hour TAF labs.

2009 decrease

- University had base budget reductions and current year reversions. All departments on campus had mandated expenditure curtailments including hiring and travel freezes.

Institutional Support Expenditures by Division and Department
Fiscal Year 2009

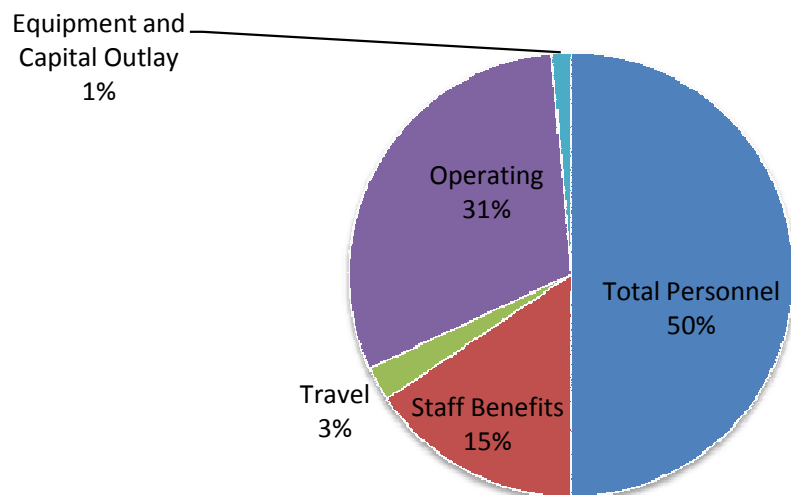
Division	Departments	FY2009 YTD
President's Units	Affirmative Action	267,232.73
President's Units	Athletic Committee	17,405.92
President's Units	Faculty Senate	44,976.64
President's Units	Government Affairs	329,097.42
President's Units	Internal Audit	407,989.21
President's Units	Office of President	1,084,676.19
President's Units	Staff Senate	3,091.83
President's Units	University Counsel	509,096.83
President's Units	University District Support	14,141.78
Academic Affairs	Institutional Research	441,219.49
Academic Affairs	Interdisciplinary Studies	1,368.26
Academic Affairs	Provost Office	813,333.76
Academic Affairs	Space Planning	183,790.25
Academic Affairs	Student Financial Aid	17,471.40
Information Technology	Network Services	1,119,526.33
Information Technology	VP Information Technology	838,381.93
Student Affairs	Commencement	354,288.54
Student Affairs	VP Student Affairs	350,362.80
Business & Finance	Accounting Office	1,399,215.90
Business & Finance	Mail Services	329,141.09
Business & Finance	AVP Admin Business Services	175,980.85
Business & Finance	AVP Finance	371,032.29
Business & Finance	Bursar	622,179.69
Business & Finance	Business and Finance Support Srvs	1,116,401.60
Business & Finance	Business Development	122,573.14
Business & Finance	Financial Planning	494,260.48
Business & Finance	Human Resources	1,714,846.99
Business & Finance	Payroll Office	403,926.65
Business & Finance	Police Services	2,639,113.99
Business & Finance	Procurement Services	563,473.85
Business & Finance	Tiger Copy and Graphics	91,812.37
Business & Finance	VP Business and Finance	509,075.49
Advancement	Alumni Programs and Special Events	553,226.69
Advancement	VP Development	1,355,829.00
Advancement	* UMF Support Development	451,100.09
Advancement	* University of Memphis Foundation	608,069.44
Advancement	** AVP Advancement	1,022,441.67
Communications	Marketing and Communications	734,439.43
Communications	VP Communications, PR, Marketing	1,230,522.65
General University	TBR ChargeBack & System Internal Audit Fee	765,800.00
General University	Legal Expenses	25,000.00
General University	Athletic Comp Tickets	148,549.00
General University	Post Retirement Health Ins/Gen data allocation	319,566.31
General University	Credit Card Service fee	603,845.96
General University	University bad debts & collection costs	246,875.50
Total Institutional Support Expenditures		25,415,751.43
Funding provided by the University of Memphis Foundation		(1,059,169.53)
Total University funded Institutional Support Expenditures		24,356,581.90

* Funding provided by the University of Memphis Foundation

** AVP Advancement also includes the offices of Advancement Services , Annual Giving, and the Development offices of Engineering/AUSP
Arts & Sciences/Fine Arts/Business & Economics /Health & Education and Law

Note: \$2.1M or 8.3% of Institutional Support expenditures are General University Expenditures

2009 University E&G Budget



2009 Institutional Support E&G Budget

