



Budget Discussion

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The University of Memphis

*2012 U of M
100th
Anniversary*

Strategic Goals

- ▶ Student Success
- ▶ Research and Creativity
- ▶ Access and Diversity
- ▶ Partnerships
- ▶ Campus Culture and Service Excellence
- ▶ Sense of Place

Our priorities remain the same:

- ▶ Protect students' programs and progress toward timely graduation
- ▶ Enrollment growth through recruitment and retention
- ▶ Enrollment growth in Nursing, Public Health and on-line education
- ▶ Promote research where funding is probable and that position us for greater strength

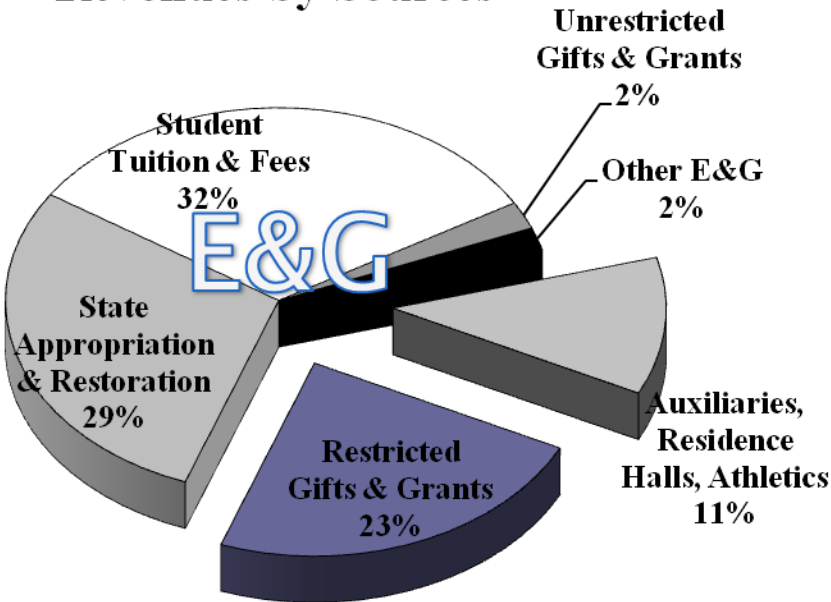
University Budget FY2010

The three main components of the University's Budget:

- ▶ Educational & General (E&G) -- primarily state & tuition/fee funded
- ▶ Auxiliaries & Athletics - Revenue supported activities including student housing, bookstore, food services, & vending; intercollegiate athletics
- ▶ Restricted - Federal & State Grants, Sponsored Research, Private Gifts, Lottery, Pell, and Other Financial Aid Programs

	in millions	
	FY10 Budget - with 7.1% tuition revenue+ & stimulus restoration	October Revised
Education and General (E&G)	\$ 280.6	
Auxiliaries/Athletics		49.5
Restricted		100.6
Total	\$ 430.7	

Revenues by Sources



2010–2011 Proposed Budget

Governor's recommendations

- ▶ Future funding formula will include increased emphasis on retention and graduation rates
- ▶ Recommended 6.6% (\$6,438,200) state funding reduction
- ▶ Recommended Maintenance of Effort (MOE) funding reduction of \$1.6M
- ▶ One-time 3% bonus for employees. Recommended Maintenance of Effort to be used for one-time funding
- ▶ Retirement contributions will be provided to the TCRS and 401K match
- ▶ Funding recommendation for three U of M capital maintenance projects: Engineering HVAC/fire system modernization, Access security updates (door locking), Elevator modernization projects totaling approximately \$5.8M

Note: All references to the 2010–11 proposed budget are subject to final approval by the legislature of the State of Tennessee.

Tuition and fees to be established by the Tennessee Board of Regents.

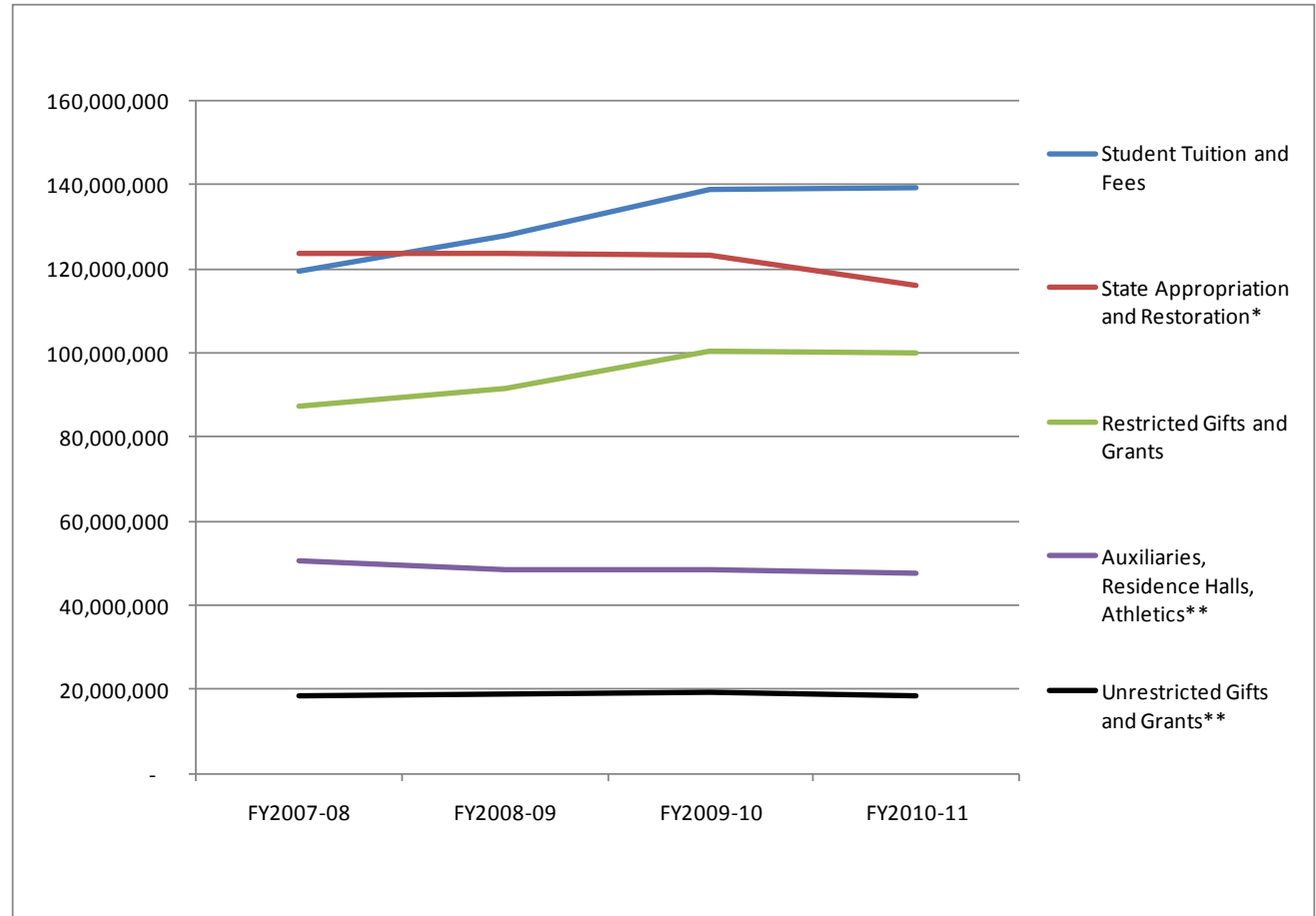
FY'11 Assumptions

- ▶ State funding reduction: 6.6% (\$6,438,200)
- ▶ Enrollment: Will we sustain enrollment growth (6.0%) from this year to next year?
- ▶ Tuition and fees: Indications from TBR that tuition could increase by 6% to 7%
- ▶ Funding requirements for current initiatives: Law School and University Center, ITD costs, student retention programs, program needs (e.g. Social Work, Nursing, Public Health, On-line)

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Budget Trend

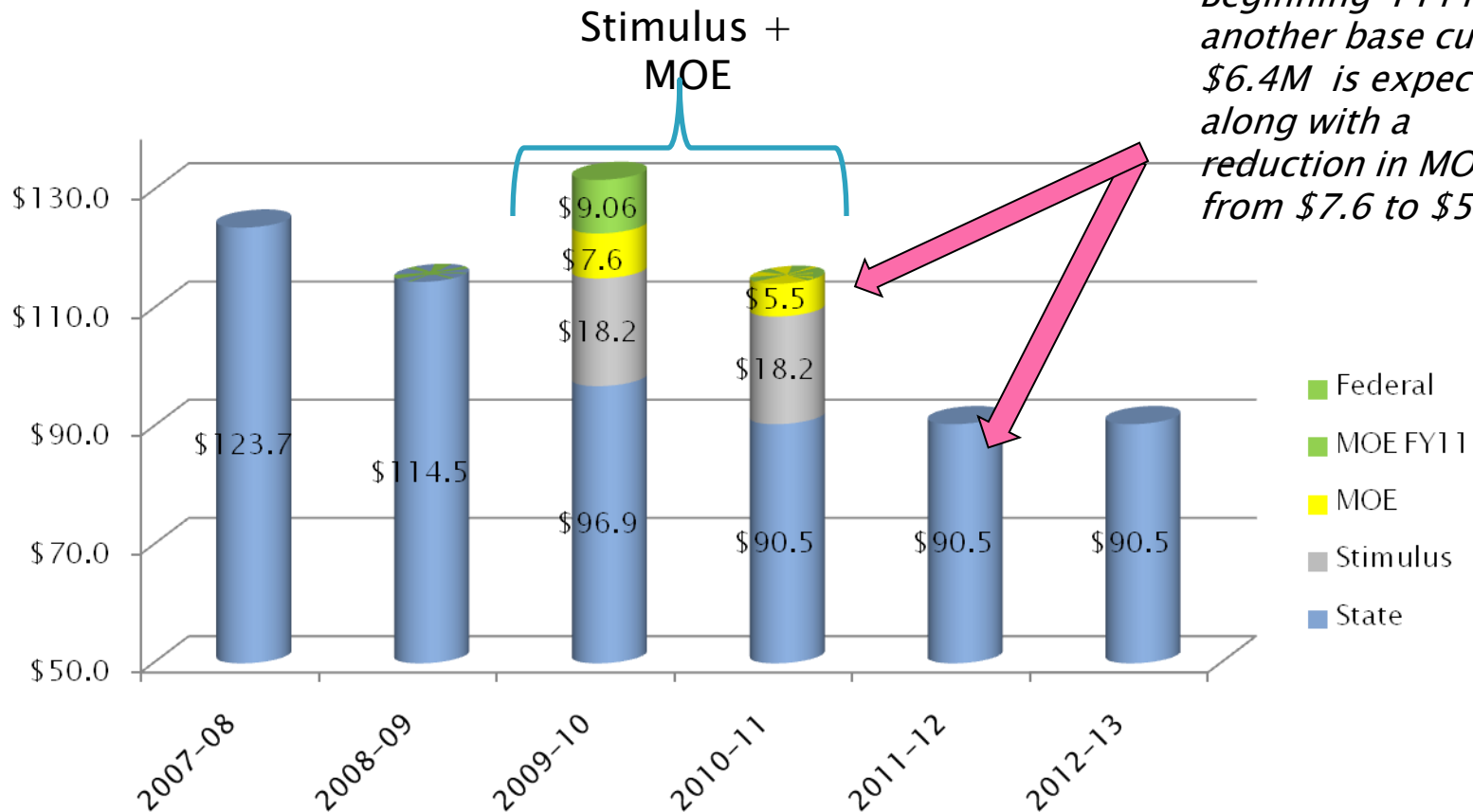


Revenue Source	Actual FY2007-08	Actual* FY2008-09	October Budget FY2009-10	Preliminary Forecast FY2010-11
Student Tuition and Fees	119,335,186	127,765,113	138,900,600	139,321,000
State Appropriation and Restoration*	123,718,800	123,584,639	123,445,400	116,151,400
Restricted Gifts and Grants	87,173,266	91,674,317	100,581,100	100,000,000
Auxiliaries, Residence Halls, Athletics**	50,465,535	48,613,297	48,599,500	47,460,000
Unrestricted Gifts and Grants**	18,661,016	18,986,394	19,163,100	18,477,000
Total	399,353,803	410,623,760	430,689,700	421,409,400

•Includes Sponsored programs and Federal and State Financial Aid programs
 **Includes Athletics

State Appropriation & Federal Stimulus Funds

Beginning FY11, another base cut of \$6.4M is expected along with a reduction in MOE from \$7.6 to \$5.5M



FY10 & FY11 restored with ARRA (Federal Funds) & MOE (Maintenance of Effort–State matching)

Source: TBR Guidelines & THEC; 6.6% base cut in FY11 from Governor's proposed budget, revised Feb 2010; State Appropriation base excludes benefit adjustments & one-time FY11 potential funding for 3% bonus

Note: All references to the 2010–11 proposed budget are subject to final approval by the legislature of the State of Tennessee.

FY '09 and '10 Budget Summary

Division	Base Reduction	New Allocations
President	\$ 306,119	\$ 0
Academic Affairs	\$11,039,428	\$ 2,275,862
Student Affairs	\$347,362	\$118,000
ITD/FIT	\$1,049,047	\$856,200
B&F/PP	\$3,165,778	\$2,305,467
Advancement	\$250,667	\$0
Communications	\$250,339	\$0
Athletics	\$1,075,000	\$500,000
General Fund	\$1,826,821	\$2,674,698
Salary Lapse Adjustment		\$2,862,000
Total	\$19,310,561	\$11,592,277

Key Components of FY'10 Model

- ▶ Voluntary Buyout
- ▶ Reallocation of existing positions
- ▶ Base budget expenditures to MOE and ARRA funding
- ▶ Enrollment growth through recruitment and retention
- ▶ Create efficiencies
- ▶ Vacant positions

Next Steps

- ▶ Review status of each funding source: E&G, ARRA, MOE
- ▶ Conduct gap analysis
- ▶ Restructuring plans and efficiencies
- ▶ Establish common guidelines, ground rules, completion dates and timetables for status updates

To be determined:

- ▶ TBR sets Tuition and Fees
- ▶ Final Legislative Action on Budget

Academic Affairs

State of the Budget

March 3rd & 4th, 2010

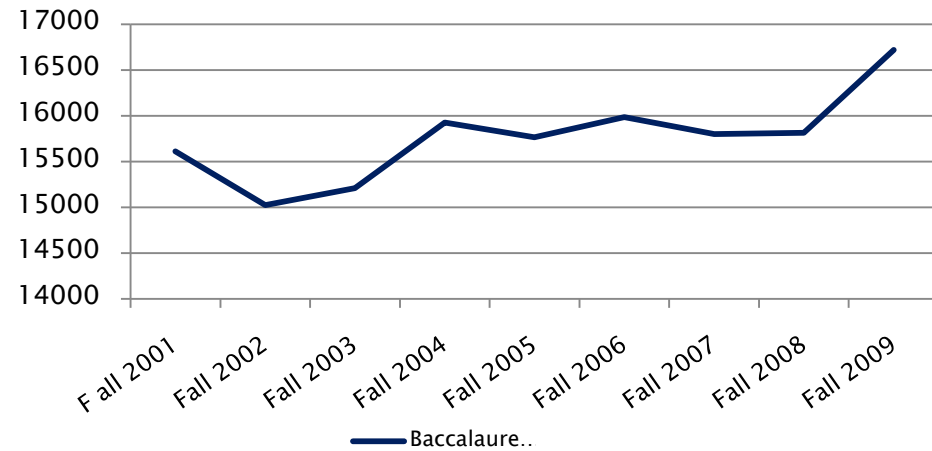
The Good News

- Enrollment was up
 - Fall 2009
 - Spring 2010
 - Net effect was approximately \$7 million
- Applications are up
- FAFSA applications are up
- Graduation rates are at an all time high

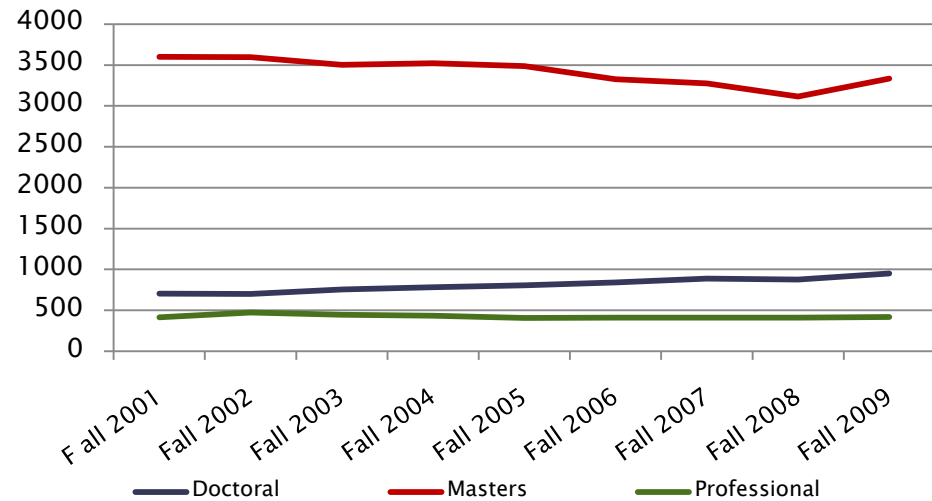
MULTI YEAR ENROLLMENT TREND

Academic Year (Fall)	Total Enrollment (Headcount)
2001	20,332
2002	19,797
2003	19,911
2004	20,668
2005	20,465
2006	20,562
2007	20,379
2008	20,214
2009	21,424

Baccalaureate



Graduate and Professional



Glossary of Terms

- Base Funds – ongoing budgets that continue each year
- Stimulus – one time funds
 - ARRA – Federal one time funds
 - MOE – State Maintenance of Effort funds provided by the state as required by the Feds

FY09-10 Budget Cuts

- Based Primarily on Availability
 - Faculty on one year appointments
 - Temporary Instruction
 - Summer School

Faculty Profile

(positions highlighted in yellow do not have E&G base funding)

	FY07						FY10					
	T & TT	Inst/ Clinic/ Rsch Funded	1 yr Inst – Not funded	Gifts/ Fee Fund/ Other	Total		T & TT	Inst/ Clinic/ Rsch/ Funded	1 yr Inst – Not funded	Gifts/ Fee Fund/ Other	ARRA	Total
CAS	310	40.5	20	0	370.5		297	7	15	3	39	361
FCBE	81	14	0	11	106		73	6	0	11	7	97
EDU	111	38	8	0	157		98	35	3	0	12	148
CCFA	116	0	6	0	122		110	0	3	0	4	117
ENGR	49	1	1	0	51		49	0	1	0	0	50
SPH	6	1	0	0	7	*	13	1	0	0	3	17

* In FY07 positions were in CAS & EDU

Faculty Profile

(positions highlighted in yellow do not have E&G base funding)

	FY07						FY10					
	T & TT	Inst/ Clinic/ Rsch Funded	1 yr Inst – Not funded	Gifts/ Fee Fund/ Other	Total		T & TT	Inst/ Clinic/ Rsch/ Funded	1 yr Inst – Not funded	Gifts/ Fee Fund/ Other	ARRA	Total
AUSP	12	15	0	0	27		11	12	0	0	1	24
LAW	21	3	0	0	24		18	2	0	0	1	21
LIBR	25	0	0	0	25		22	0	0	0	0	22
NURS	12	20	0	0	32		13	30	0	4	0	47
UC	4	2	3	0	9		3	3	1	0	0	7
Other	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>2</u>		<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Total	748	135.5	38	11	932.5		708	96	23	18	67	912

FY11 – FY12 Budget

- Loss of \$23+ million dollars in stimulus funds
- Base Budget Gap to be determined
 - Enrollment Growth
 - Retention
 - Investments
- Essential Instructional Costs must have base funding by 2012

FY11 – FY12 Budget

- Investments and Cuts must be strategic
 - Maximize revenue
 - Minimize effect
 - Quality
 - Enrollments
 - > On line
 - > Off Campus
 - > On Campus

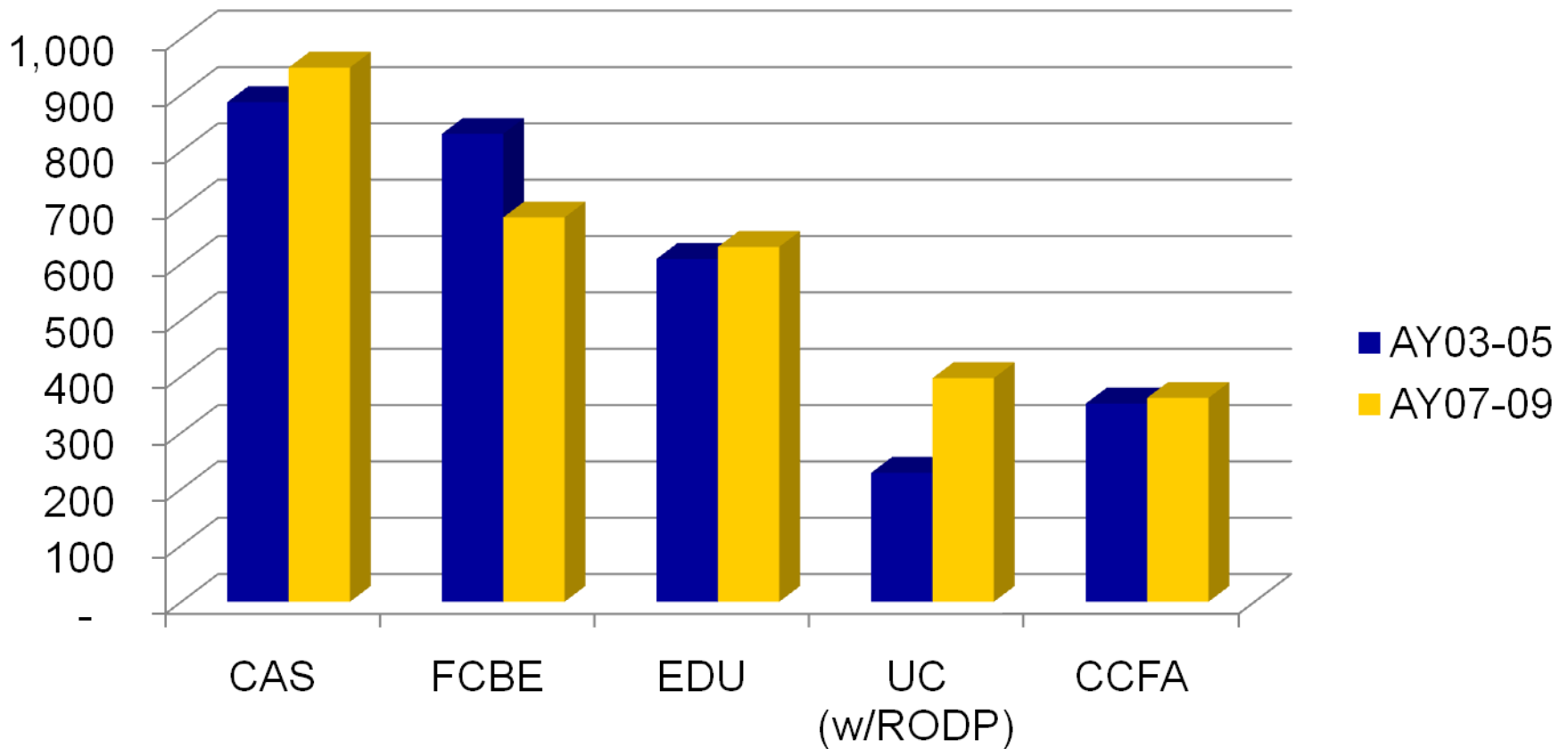
What Drives Decisions

- Look at programs
 - Are they low producing?
 - Do they fit within our strategic plan?
 - What do they cost?
 - Do they produce research?
- Look at graduation rates

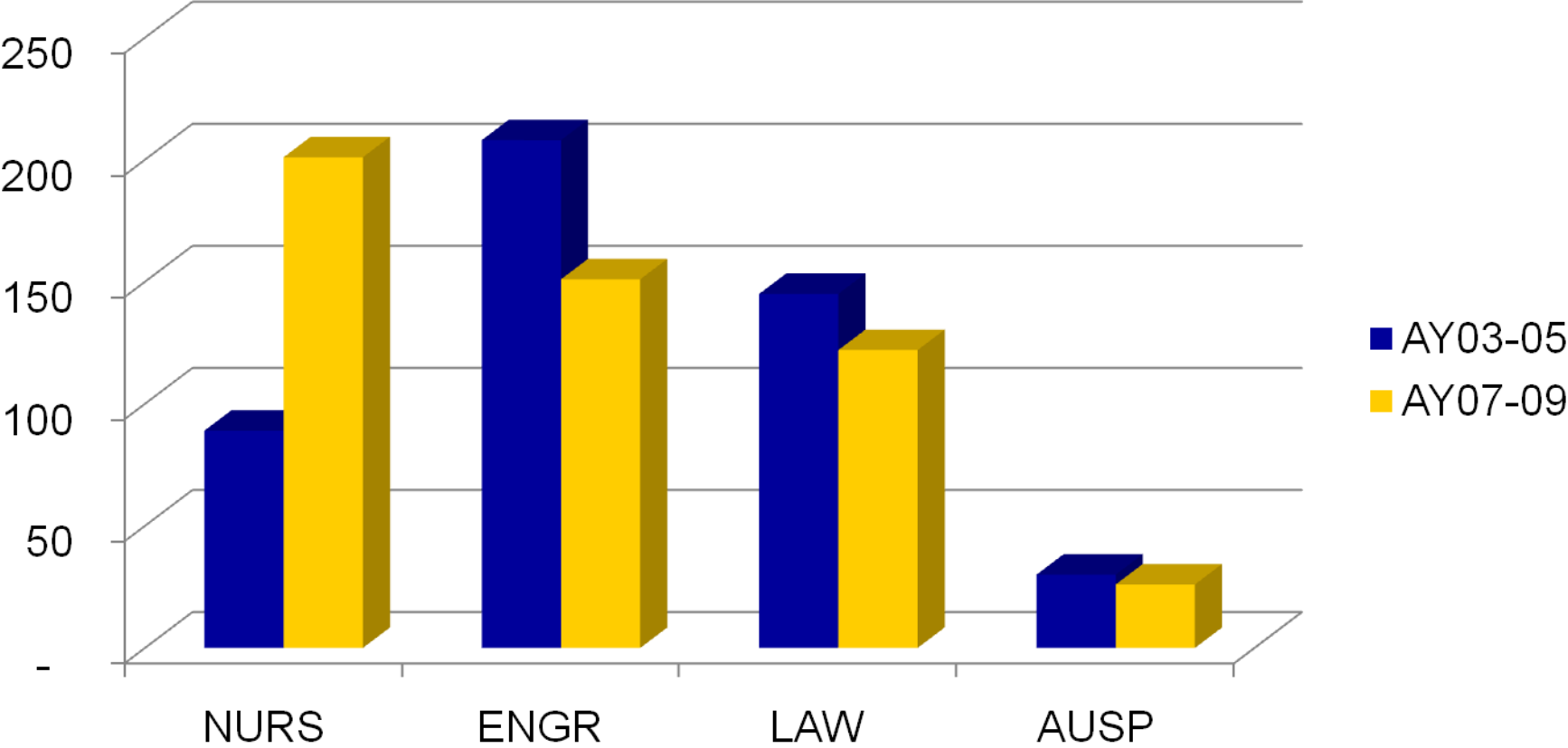
Average Number of Degrees

Unit	AY03-05 3 yr Avg	AY07-09 3 yr Avg	Percent of Change
Arts & Sciences	887	948	7%
Business & Economics	831	682	(18%)
Education	609	630	3%
Communication & Fine Arts	352	362	3%
Engineering	208	151	(27%)
Audiology & Speech Lang.	30	26	(13%)
Nursing	89	201	126%
University College	179	232	30%
University College (RODP)	50	165	230%
School of Law	145	122	(16%)

Average Number of Degrees



Average Number of Degrees



Productivity Profiles

	FY10 Base Budget (excl. revenue)	F09 Credit Hours	2009 Research Dollars	Number of Degrees	Estimated Cost/Hour	Cost/Degree	Cost/Research
CAS	\$ 30,238,367	118,006	\$ 19,717,783	939	\$ 128.12	\$ 22,890.51	\$ 1.53
FCBE	\$ 11,633,528	31,319	\$ 2,176,448	713	\$ 185.73	\$ 12,482.33	\$ 5.35
EDU	\$ 10,345,076	26,345	\$ 9,989,692	660	\$ 196.34	\$ 9,852.45	\$ 1.04
CCFA	\$ 11,740,563	28,279	\$ 632,080	399	\$ 207.58	\$ 22,621.51	\$ 18.57
ENGR	\$ 5,473,499	6,136	\$ 4,741,430	120	\$ 446.02	\$ 32,580.35	\$ 1.15
LAW	\$ 4,410,890	6,009	\$ -	121	\$ 367.03	\$ 12,151.21	
AUSP	\$ 2,487,255	976	\$ 461,903	30	\$ 1,474.21	\$ 34,545.21	\$ 5.38
LIBR	\$ 6,578,762		\$ 2,500	0			\$ 2,631.50
UC	\$ 1,279,036	4,355	\$ 10,000	551	\$ 146.85	\$ 2,093.35	\$ 127.90
NURS	\$ 3,597,979	7,909	\$ -	229	\$ 227.46	\$ 12,804.20	
SPH	\$ 1,613,062	836	\$ 1,221,545	0	\$ 964.75		\$ 1.32

Recent Base Budget Reductions

(includes revenue budgets)

	FY08 Budget	FY10 Budget	Difference
CAS	\$33,277,715	\$30,010,738	(\$3,266,977)
FCBE	\$13,178,706	\$11,555,528	(\$1,623,178)
EDU	\$11,661,197	\$10,204,519	(\$1,456,678)
CCFA	\$12,433,691	\$11,518,713	(\$914,978)
ENGR	\$6,061,108	\$5,473,499	(\$587,609)
LAW	\$4,798,357	\$4,382,390	(\$415,967)
AUSP	\$2,586,805	\$2,313,305	(\$273,500)
LIBR	\$6,993,910	\$6,470,462	(\$523,448)
UC	\$961,832	\$710,761	(\$251,071)
NURS	\$2,798,829	\$3,554,733	\$755,904
SPH	\$841,895	\$1,613,062	\$771,167

Recent Base Budget Reductions

	FY08 Budget	FY10 Budget	Difference
Provost	\$2,808,670	\$2,073,269	(\$735,401)
Enrollment Services	\$4,458,666	\$4,406,629	(\$52,037)
Assessment & OIR	\$1,289,638	\$1,130,626	(\$159,012)
UG Programs	\$2,359,134	\$2,414,313	\$55,179
Graduate Programs	\$552,616	\$501,269	(\$51,347)
Extended Programs	\$2,082,295	\$1,883,369	(\$198,926)
Research	\$2,271,674	\$1,583,831	(\$687,843)*
Fellowships	\$327,411	\$327,411	\$0
Honors Scholarships	\$839,442	\$1,184,442	\$345,000

* Funds shifted to IDCR fund.

Budget Model & Estimates

	<u>Base Cut</u>	<u>Stimulus Loss</u>	<u>Total</u>
Academic Affairs portion	\$2,250,000	7,750,000	\$10,000,000
Option 1:			
FY 10: Funds Available	\$2,250,000	\$7,750,000	\$10,000,000
FY 11: Funds Available		\$10,000,000	\$10,000,000
FY 12: Funds Available		\$ - 0 -	\$ - 0 -
Option 2:			
FY 10: Funds Available	\$2,250,000	\$7,750,000	\$10,000,000
FY 11: Funds Available		\$6,667,000	\$6,667,000
FY 12: Funds Available		\$3,333,333	\$3,333,333

Continue Initiatives

- Recruitment Efforts
 - Honors
 - Emerging Leaders
 - Partnership Enrollment Programs
- Retention Efforts
 - Expand offerings in large classrooms
 - Course Redesign
 - Early Intervention
 - At Risk Counseling
 - Learning Communities

What Can You Do?

- Improve Student Success
 - What are Barriers?
 - Courses with low success rates
 - Requirements that add marginal value
 - Make retention your goal
- Become a student recruiter
- Submit a grant proposal

Questions

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