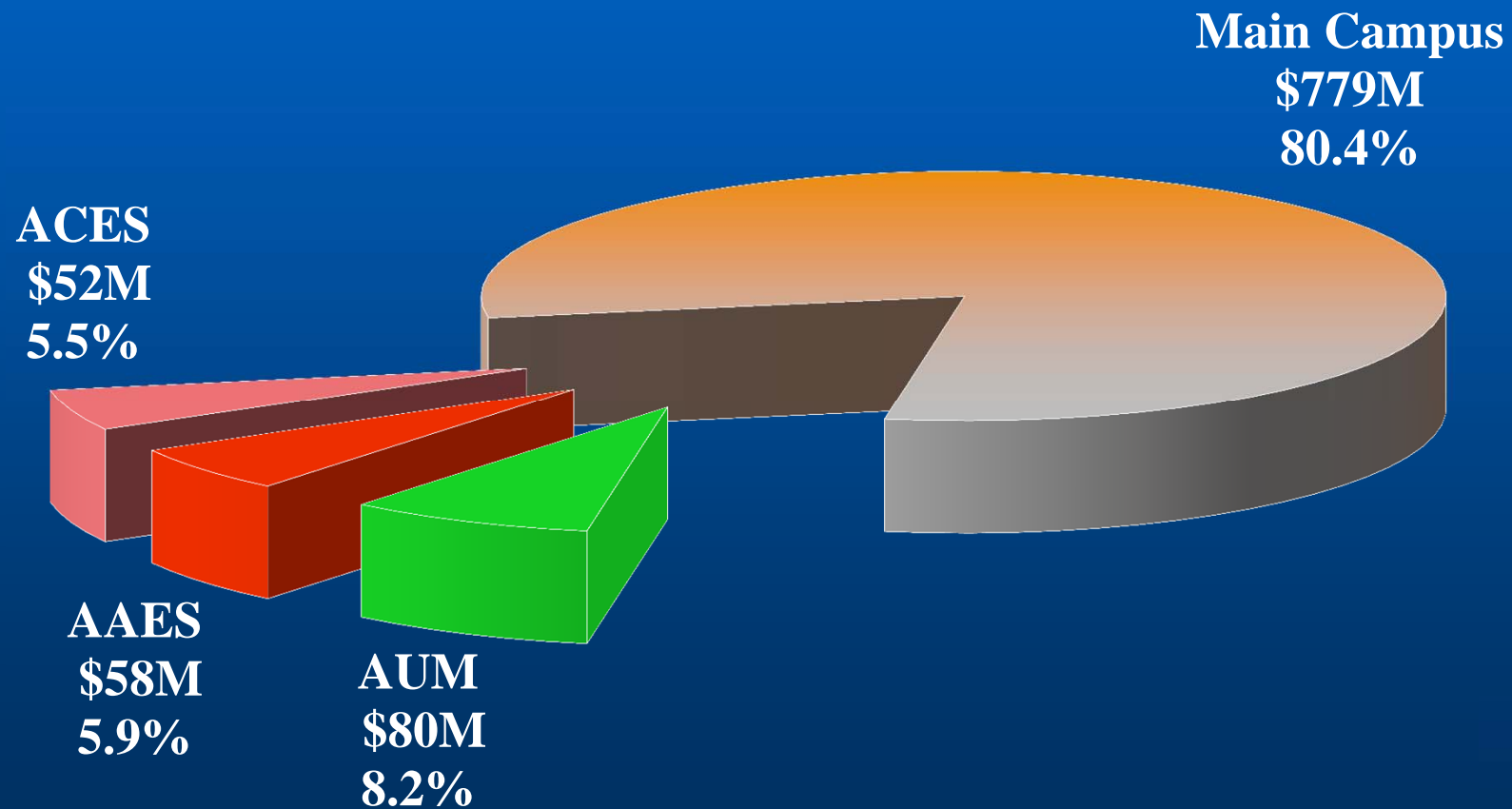


Budget Update to the A&P Assembly

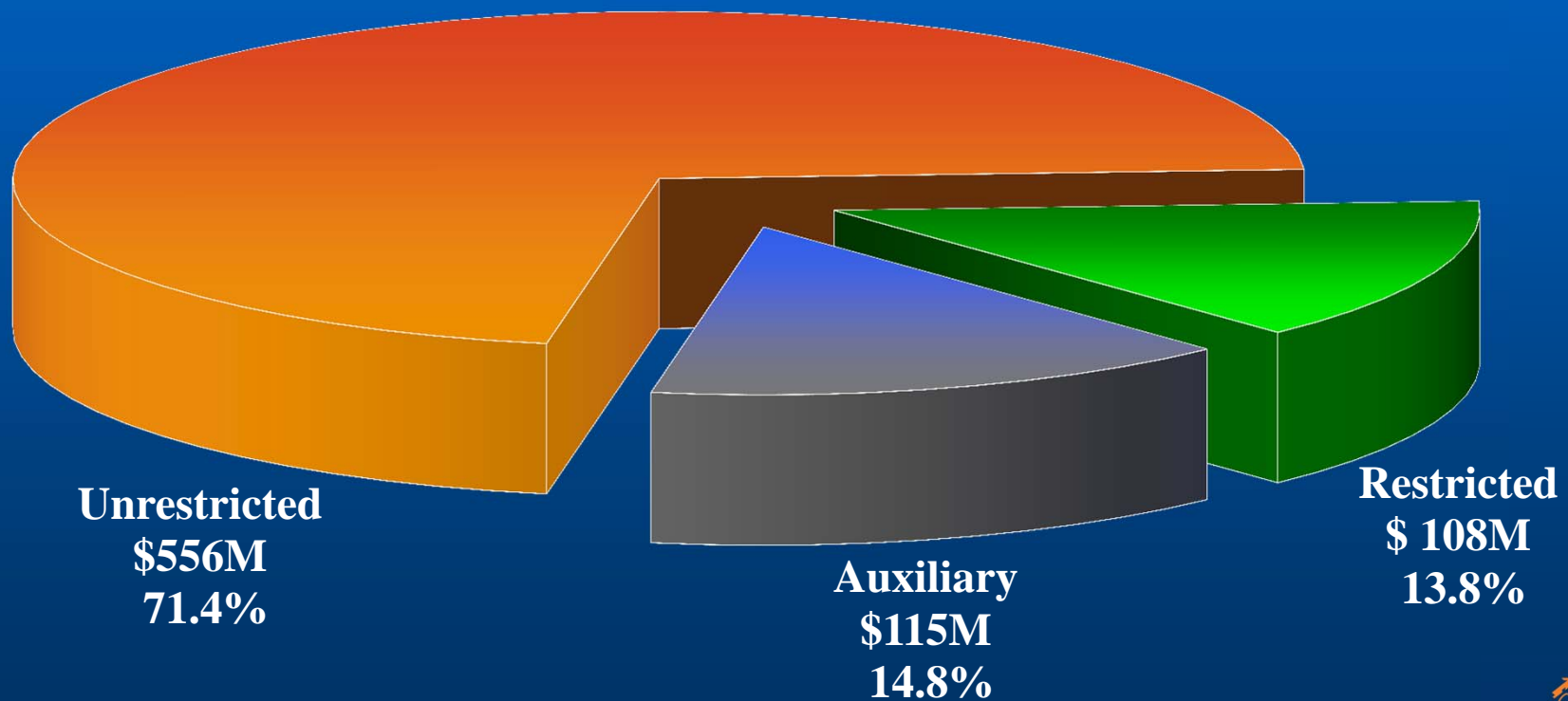
May 10, 2012

FY12 Total Budget - \$969M

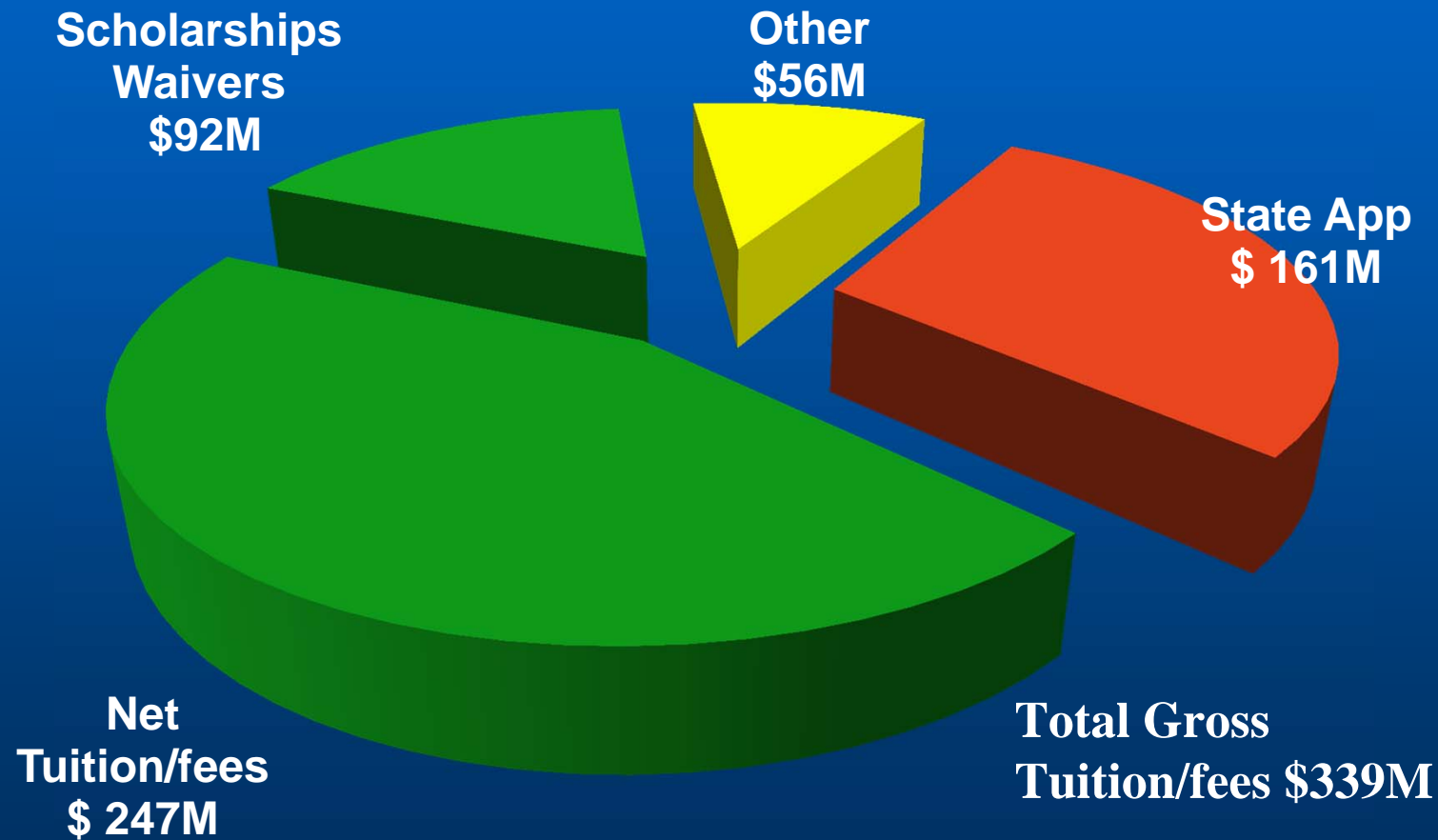
By Division



Main Campus FY12 Total Budget - \$779M



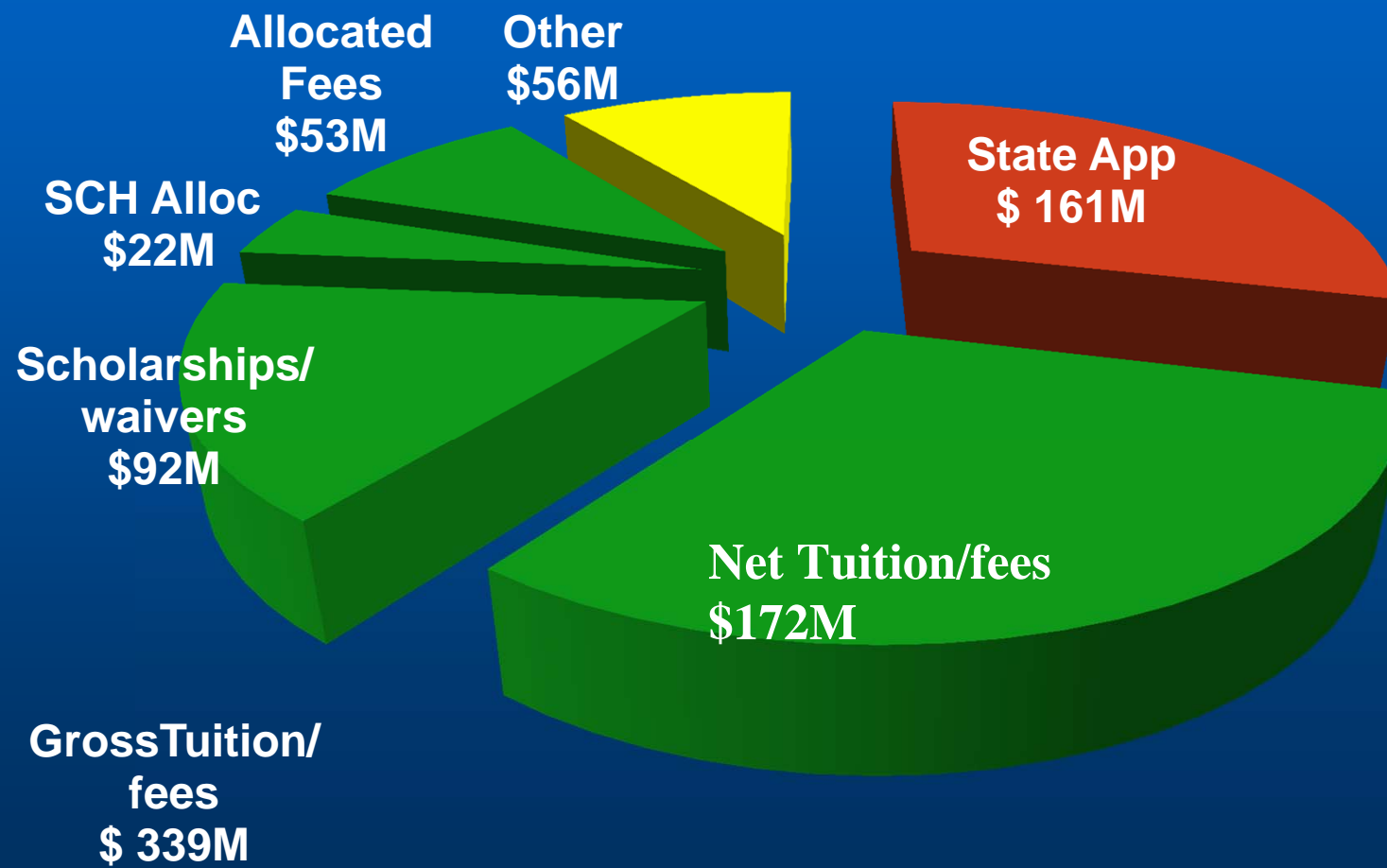
Main Campus FY12 Total Unrestricted Budget-\$556M By Revenue Source



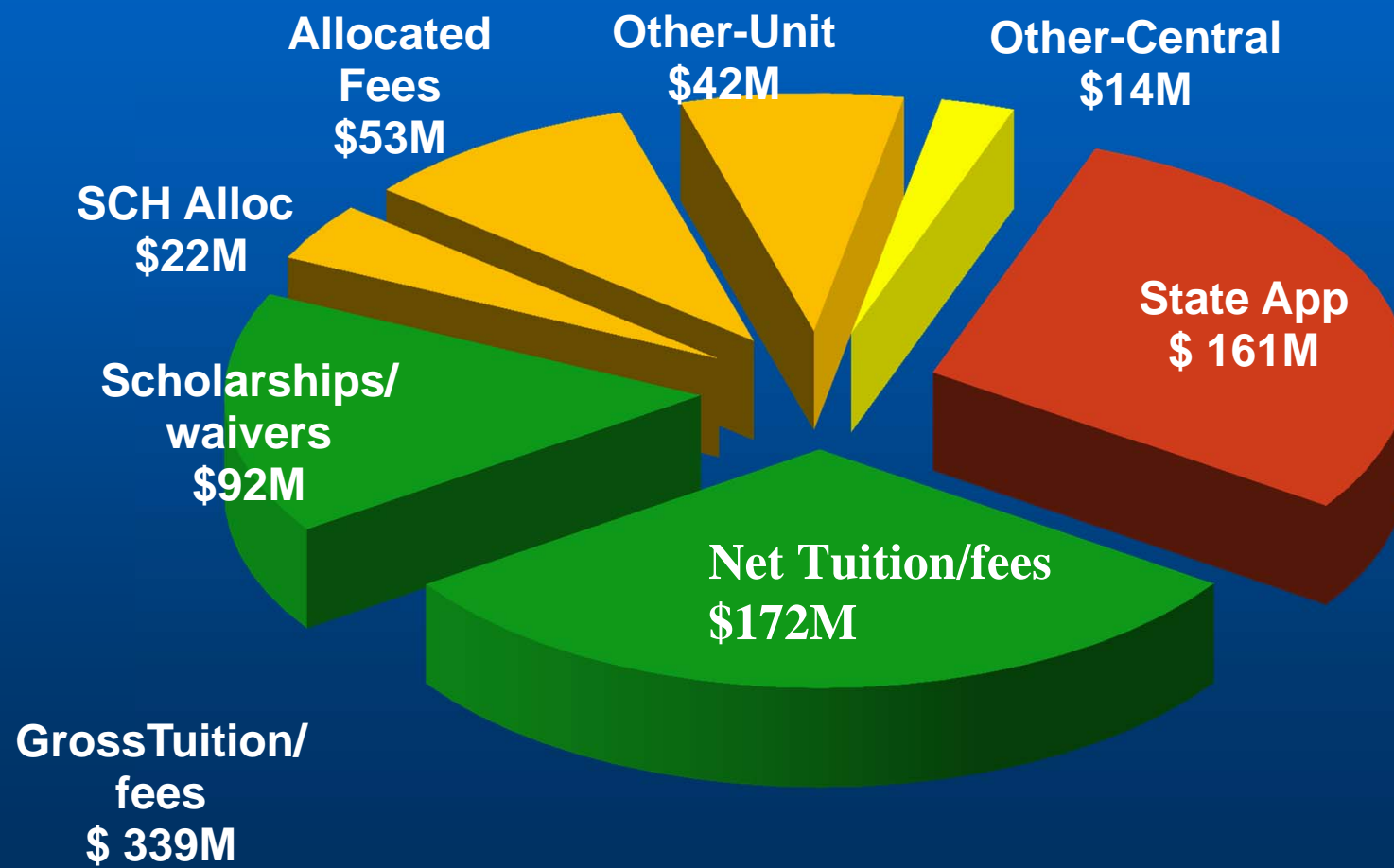
Main Campus

FY12 Total Unrestricted Budget-\$556M

By Revenue Source



Main Campus FY12 Total Unrestricted Budget-\$556M By Revenue Source



Overview

- Since 2008, unprecedented reductions in state funding
- Budget is stable/balanced in FY12
- Further reductions in state funding projected
- Tuition increases do not fully cover state funding reductions.

State Appropriations by Division

(amounts in millions)

	FY08 Actual	FY12 Budget	Decrease since FY08
AU	\$220.0	\$161.3	\$ 58.7
AUM	30.9	\$ 22.9	\$ 8.0
AAES	41.2	\$ 31.2	\$ 10.0
ACES	44.6	\$ 32.5	\$ 12.1
	\$336.7	\$247.9	\$ 88.8

One-time proration of \$64M in addition to permanent funding reductions

Strategies – To Date

- **Permanent budget reductions totaling \$45M**
- **Efficiency efforts and cost reductions – electronic processes, sourcing contracts, document and data storage**
- **Minimal salary improvement - one time supplements have replaced permanent salary increases**
- **Increases to tuition and mandatory proration fee**

FY13 Preliminary Budget Planning

- **Expected decrease in state appropriation – now at 4-5% or \$6-8M for Main Campus**
- **8% Increase in tuition – will generate about \$6M**
- **Internal reallocations are possible to provide funding for mandatory cost increases (debt, fringe benefits, promotions)**
- **Salary improvement – Board expressed desire for permanent increases for faculty**

Going Forward

- **Continue to monitor net tuition revenues, scholarship costs, and enrollment and student profiles to maximize revenues and student quality**
- **Budget guidelines with flexibility in salary increases, allowing for colleges/units to supplement with available funds**
- **Continued budget reductions/reallocations and efficiencies (emphasis on decisions made at unit level)**
- **Slow rate of facilities expansion**