

University Senate

Budget Background Information

Fiscal Priorities and Budget Planning Committee

Jeanne Hey, Chair

Sean Poley, IT Services

Elizabeth Pantle, Student Health Service

David Groggel, Mathematics

Christopher Makaroff, Chemistry and Biochemistry

Charles Ganelin, Spanish and Portuguese

Rebecca Luzadis, Management

Jonathan McNabb, ASG

Daniel Doty, GSA

David Creamer, Beverly Thomas, Mary Woodworth, Ex-Officio

17 November 2008



MIAMI
UNIVERSITY

The Budget Schedule

- Miami prepares an operating budget each year (a fiscal year is July 1 to June 30)
 - Mid-fall: enrollment targets are set for the next year
 - January: budget discussions with deans and divisional vice presidents
 - February Board meeting: tuition and fee rates are set
 - April Board meeting: budget guidelines are reviewed
 - June Board meeting: the budget for the next year is approved
- State operating appropriations are made for two years and are done in odd-numbered calendar years (2007's legislature appropriated for FY08 and FY09).

Educational & General (E&G) vs Auxiliary Enterprises

E & G

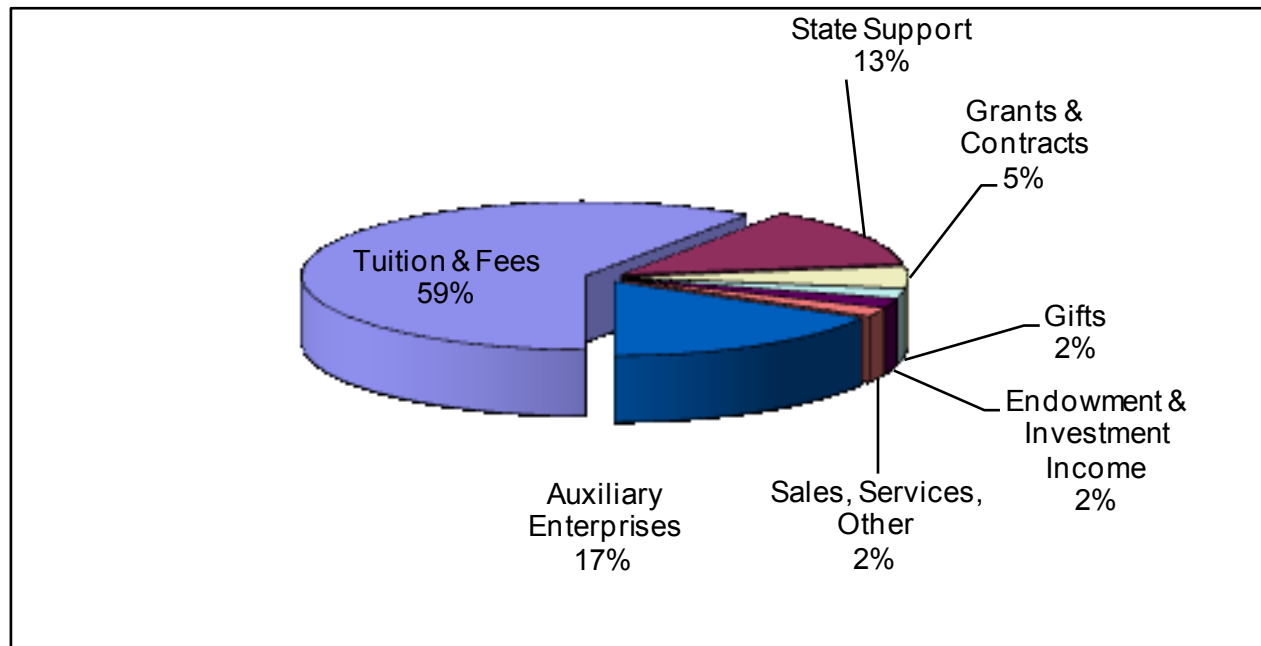
- ✓ Activities required to conduct instructional mission directly
- ✓ Receives state support (“State Share of Instruction – SSI” and Capital)
- ✓ Instructional Fee revenues
- ✓ Limited General Fee revenues

Auxiliaries

- ✓ Could have a school without these activities
- ✓ No state operating support
- ✓ Must be wholly self-supporting businesses
- ✓ Pays E&G a fee for central services

Miami University's Budget

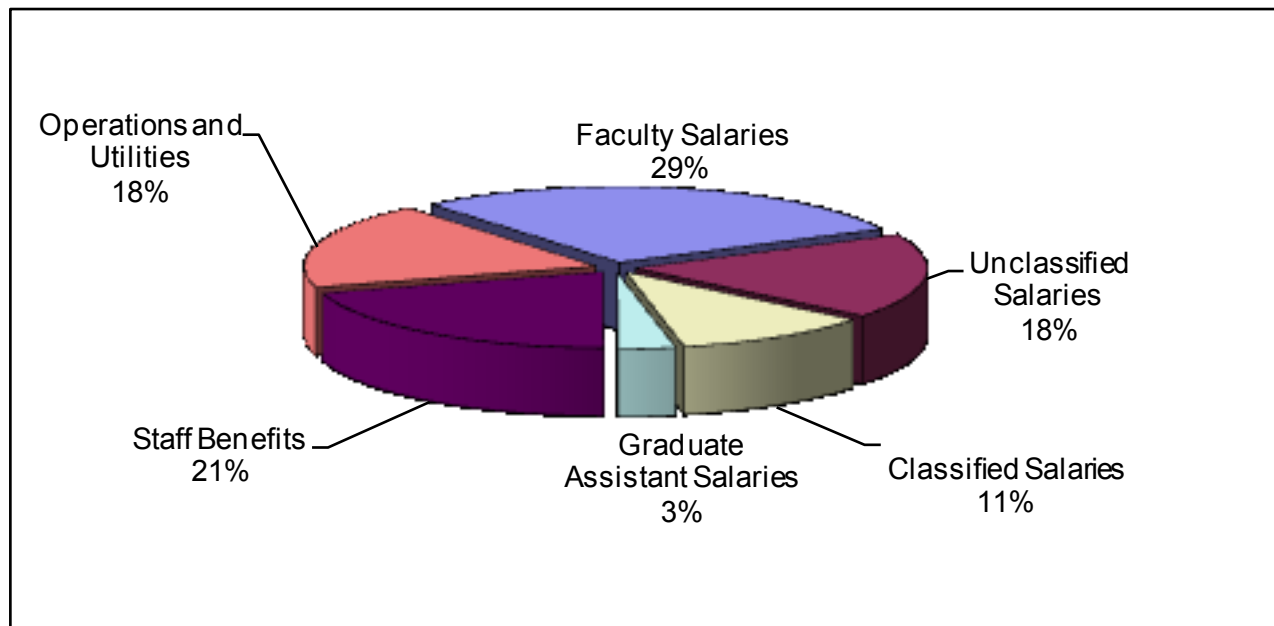
FY 2009 Total Revenue Budget = \$676,940,100



General Fund Budget by Expenditure Type

(Excluding Scholarships & Fee Waivers)

Personnel Costs = 82%



Budget Environment – FY 2009

- In-State tuition and fees frozen for two years.
(Fall 2007 and Fall 2008)
- State subsidy is scheduled to increase 9% in FY 2009 to partially offset the tuition freeze.
(Equates to a 2.3% tuition increase)
- Ohio's economy is struggling, but Governor Strickland is committed to supporting higher ed.
(Higher ed was protected in September budget cuts)

Budget Actions – FY 2007 and 2008

- Special fees – business, technology
- Successful fund-raising
 - Endowment growth
 - Major pledges (a long-term impact since most pledges are to be paid over a period of years)

(continued...)

Budget Actions – FY 2007 & 2008

(continued)

Budget efficiency initiatives included:

- No increases in non-personnel budgets for 3 years
- Controlling benefits costs
- Reducing classified overtime
- Minimum wage increase absorbed into budgets
- Aggressively addressing utility costs
- Principal payments on 2007 bonds delayed 2 years
- Divisional budget savings - \$3 million in 2008
- Reduced CR&R funding - \$2 million in 2008

Budget Actions – FY 2009

FY 2009 Budget Guidelines:

- Zero net new E&G positions
- Zero increase to non-personnel budgets
- Salary increment pool at 2.75%
- One-time program improvements funded from budget carryforwards
- Continue incentives and research to control health benefits costs
- No new enhancements to benefit programs
- Vacant positions to remain vacant as long as possible

Budget Actions since the Crisis

- \$5 million giveback from Divisions
- Hard hiring freeze
- Units planning for budget cuts

Budget Variables

<u>Manageable Variables - Decision Points</u>	
Enrollment Levels (at current mix of in-state / out-of-state)	<i>100 students = \$1.4 million in revenue, net of OLS/ORS</i>
In-State / Out-of-State Enrollment Mix	<i>1% mix change = \$1.95 million in revenue</i>
Upperclass Retention Rate	
Salary Increases	<i>1% increase = \$2.0 million in salary and benefits expense</i>
Non-Personnel Budget Increases	<i>1% increase = \$440,000</i>
Program Initiatives	
Fund-Raising Goals and Priorities	
Level of E&G Funding for CR&R	

<u>External Vulnerabilities</u>	
State Cap on Tuition & Fee Increases	<i>1% fee increase = \$2.5 million in revenue, net of OLS/ORS</i>
State Support (SII and Other Operating Appropriations)	<i>1% change = \$623,000</i>
Spikes in Operating Costs such as Benefits or Utilities	<i>1% of benefits = \$510,000</i> <i>1% of utilities = \$125,000</i>

**Oxford Campus
Investment Income Comparison
Budget to Actual
FY 2001 through FY 2009**

