OAA Forum III: FY16 OAA Budget

May 27, 2015
Purpose

• To share (60 min with Q&A):
  • FY 16 Division of Academic Affairs and school/college expenditure budgets and revenue requirements

• To hear (remaining time):
  • Suggestions for the Division of Academic Affairs FY 17 budget process
Session is not about:

- How other divisions set their budget
- Details of how specific department budgets are set within the context of their school/college

Warning: I will talk a lot about $ in the presentation, not because it is the most important thing, but because this is a presentation about budget.
## FY15 Expenditure Budget and Revenue Performance

<table>
<thead>
<tr>
<th>School/College</th>
<th>FY15</th>
<th>FY15 Revenue Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>General Fund Budget</td>
<td>Total General Fund Expenditure Budget</td>
</tr>
<tr>
<td>University Studies</td>
<td>$7,524,510</td>
<td>$8,032,286</td>
</tr>
<tr>
<td>Honors</td>
<td>$909,758</td>
<td>$909,758</td>
</tr>
<tr>
<td>College of Liberal Arts &amp; Sciences</td>
<td>$58,199,763</td>
<td>$61,039,994</td>
</tr>
<tr>
<td>Intensive English Language Program</td>
<td>$4,951,202</td>
<td>$4,951,202</td>
</tr>
<tr>
<td>School of Social Work</td>
<td>$6,690,174</td>
<td>$6,857,359</td>
</tr>
<tr>
<td>College of the Arts</td>
<td>$10,784,157</td>
<td>$11,069,650</td>
</tr>
<tr>
<td>Graduate School of Education</td>
<td>$12,933,522</td>
<td>$13,083,628</td>
</tr>
<tr>
<td>Maseeh College of Engineering &amp; Computer Science</td>
<td>$15,808,661</td>
<td>$17,207,002</td>
</tr>
<tr>
<td>College of Urban &amp; Public Affairs</td>
<td>$15,105,826</td>
<td>$16,091,880</td>
</tr>
<tr>
<td>School of Business Administration</td>
<td>$16,215,633</td>
<td>$16,467,431</td>
</tr>
<tr>
<td>Subtotal Academic Units</td>
<td>$149,123,206</td>
<td>$155,710,190</td>
</tr>
</tbody>
</table>
Recap: Planning Process for FY 16
Notes about the Process:

• PBB is just E&G!!!!
• The new revenue generated in FY15 ($3M) was how we balanced the budget/filled the $5.4 M deficit
• Used Strategic Enrollment Management Plans (SEM Plans)
• Proposed changes in revenue had an impact on changing expenditures
• Took into account interrelationship of school/college decisions
• Involved:
  • Faculty Senate Budget Committee (FSBC)
  • FSBC liaisons
  • Academic Leadership Team (Deans, Vice Provosts, Provost)
  • Academic Departments
  • Finance and Administration
  • Enrollment Management and Student Affairs
  • Office of Institutional Research
  • President’s Executive Committee
  • President
  • Board of Trustees

• **Timeline**
Setting OAA budgets FY 16
PBB Principles (May 5, 2015 blog)

• We must have a balanced budget.
• SEM plans are the building blocks of the OAA budget.
• Impacts on other units matter.
• Subsequent year’s expenditure budgets need to take into account multiple factors.
• OAA revenue supporters are expected to continue to find efficiencies.
• No funds are “Swept.”
• All for one and one for all.

✓ FY 15 was first year of PBB
✓ It will take us time to fix historic inequities in budget allocations and to understand the information and processes that make for the best decision making.
School/College Budget Plans included:

- FY15 performance (expenditure budget and year end projected revenue)
- FY16 SEM plan revenue growth/decline
- New expenditure budget needed for the direct cost of instruction to produce growth
- Other new expenditure budget needs related to instruction, but not direct
OAA Divisional Plan includes:

• Aggregation of each school’s/college’s:
  • FY15 performance (expenditure budget and year end projected revenue)
  • +3% of FY15 expenditure budget
  • FY16 accepted SEM plan revenue growth/decline
  • FY 16 approved increases in expenditure budget requested for the direct cost of instruction to produce growth
  • Decrease to FY 16 expenditure budget for not meeting FY15 revenue requirement
  • Strategic investments

• Revenue supporters
  • +3% of FY15 expenditure budget
  • Strategic investments
Bottom line

• FY16 OAA Total Fund Expenditure Budget projected to grow by $7,417,863 or 4.2% over FY15
  • Additional revenue producing investments of $1,462,084
  • +3% Base General Fund increase of $5,105,793
  • Net increase in GA Fee Remissions and Targeted Funds of $596,076
  • Strategic Investments funded to date of $253,910

• FY16 Revenue Performance Target projected at $244,133,350 growing by 1.2% or $2,923,514 (when subtracting expenses and tuition remissions (aka net)) over FY15 Revenue Performance Target
  • A 1.3% increase or $3,165,936 over the FY15 4th Week Winter RCAT
Adjustments

- Undergraduate -- Functions and budgets from EMSA for advising, registrar, career service and learning center

- Graduate - Functions and budgets from EMSA for graduate recruitment and admission

- Study aboard revenue attribution
Revenue Targets
## Final FY16 Revenue Performance Target

<table>
<thead>
<tr>
<th>University Studies</th>
<th>FY15 Revenue Performance Target</th>
<th>Incremental Revenue Performance Change over FY15 target</th>
<th>Tuition Remissions Change</th>
<th>Total FY16 Revenue Requirement (FY15 target + new growth/decline)</th>
<th>Difference ($)</th>
<th>FY 16 Incremental Performance Target to FY15 4th Wk Winter RCAT</th>
<th>Difference (%)</th>
<th>FY16 Revenue Target to FY15 4th Week Winter RCAT</th>
<th>Difference (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>University Studies</td>
<td>$13,320,848</td>
<td>$636,071</td>
<td>$-</td>
<td>$13,956,919</td>
<td>$150,016</td>
<td>1.1%</td>
<td>-1.1%</td>
<td>($931,003)</td>
<td>-0.9%</td>
</tr>
<tr>
<td>Honors</td>
<td>$1,527,038</td>
<td>$392,941</td>
<td>$-</td>
<td>$1,919,979</td>
<td>$181,723</td>
<td>10.5%</td>
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</tr>
<tr>
<td>College of Liberal Arts &amp; Sciences</td>
<td>$99,505,862</td>
<td>$(877,115)</td>
<td>$-</td>
<td>$98,628,747</td>
<td>$(931,003)</td>
<td>-0.9%</td>
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<tr>
<td>IELP</td>
<td>$6,981,350</td>
<td>$(909,296)</td>
<td>$-</td>
<td>$6,072,054</td>
<td>$880,558</td>
<td>17.0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>School of Social Work</td>
<td>$11,044,749</td>
<td>$456,656</td>
<td>$-</td>
<td>$11,501,405</td>
<td>$377,307</td>
<td>3.4%</td>
<td></td>
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</tr>
<tr>
<td>College of the Arts</td>
<td>$18,801,295</td>
<td>$1,000,000</td>
<td>$(400,000)</td>
<td>$19,401,295</td>
<td>$739,677</td>
<td>4.0%</td>
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<tr>
<td>Graduate School of Education</td>
<td>$16,690,536</td>
<td>$269,968</td>
<td>$-</td>
<td>$16,960,504</td>
<td>$436,247</td>
<td>2.6%</td>
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<tr>
<td>Maseeh College of Engineering &amp; Computer Science</td>
<td>$21,980,395</td>
<td>$743,337</td>
<td>$-</td>
<td>$22,723,732</td>
<td>$1,079,520</td>
<td>5.0%</td>
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<tr>
<td>College of Urban &amp; Public Affairs</td>
<td>$23,939,913</td>
<td>$523,456</td>
<td>$-</td>
<td>$24,463,369</td>
<td>$(226,272)</td>
<td>-0.9%</td>
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<td></td>
</tr>
<tr>
<td>School of Business Administration</td>
<td>$27,417,850</td>
<td>$996,972</td>
<td>$-</td>
<td>$28,414,822</td>
<td>$387,639</td>
<td>1.4%</td>
<td></td>
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<tr>
<td>Subtotal Academic Units</td>
<td>$241,209,836</td>
<td>$3,232,990</td>
<td>$(400,000)</td>
<td>$244,042,826</td>
<td>$3,075,412</td>
<td>1.3%</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Tuition Increase</td>
<td>$90,524</td>
<td>$90,524</td>
<td>$90,524</td>
<td></td>
<td></td>
<td>$90,524</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$241,209,836</td>
<td>$3,232,514</td>
<td>$(400,000)</td>
<td>$244,133,350</td>
<td>$3,165,936</td>
<td>1.3%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Expenditure Budgets
Things to keep in mind

• The year is not done-Summaries compare where we think we will end up in revenue (4th week winter RCAT) to what we project for FY16

• +3% needs to cover increased costs (personnel costs, inflation...)

• College contingency funds
FY16 Expenditure Budget Factors

• FY15 Expenditure Budget
• +3% FY15 Base General Fund Budget
• Additional investment based upon the accepted increase in revenue
• GA Fee Remissions
• Targeted Funds in the General Fund
• Reallocation of Funds based on FY15 performance (- 15% of FY15 Winter RCAT-FY 15 revenue requirement)
• Strategic Investments
### Final FY16 Expenditure Budgets

<table>
<thead>
<tr>
<th>University</th>
<th>FY15 Base Expenditure Budget</th>
<th>Total Fund Expenditure Budget (FY15 base, +3%, additional funds to support new revenue, GA remissions, Targeted funds, reallocations)</th>
<th>Difference ($) : FY16 Total Expenditure + to FY15 Total Expenditure</th>
<th>Difference (%) : FY16 Total Expenditure + to FY15 Total Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>University Studies</td>
<td>$7,524,510</td>
<td>$8,674,323</td>
<td>$642,813</td>
<td>7.99%</td>
</tr>
<tr>
<td>Honors</td>
<td>$909,758</td>
<td>$1,005,265</td>
<td>$95,507</td>
<td>10.50%</td>
</tr>
<tr>
<td>College of Liberal Arts &amp; Sciences</td>
<td>$58,199,763</td>
<td>$63,648,894</td>
<td>$5,449,131</td>
<td>9.35%</td>
</tr>
<tr>
<td>Intensive English Language Program</td>
<td>$4,951,202</td>
<td>$4,531,260</td>
<td>($419,942)</td>
<td>-8.48%</td>
</tr>
<tr>
<td>School of Social Work</td>
<td>$6,690,174</td>
<td>$7,266,064</td>
<td>$575,890</td>
<td>8.64%</td>
</tr>
<tr>
<td>College of the Arts</td>
<td>$10,784,157</td>
<td>$11,412,223</td>
<td>$628,066</td>
<td>5.84%</td>
</tr>
<tr>
<td>Graduate School of Education</td>
<td>$12,933,522</td>
<td>$13,467,260</td>
<td>$533,738</td>
<td>4.14%</td>
</tr>
<tr>
<td>Maseeh College of Engineering &amp; Computer Science</td>
<td>$15,808,661</td>
<td>$17,984,307</td>
<td>$2,175,646</td>
<td>13.70%</td>
</tr>
<tr>
<td>College of Urban &amp; Public Affairs</td>
<td>$15,105,826</td>
<td>$16,693,363</td>
<td>$1,587,537</td>
<td>10.49%</td>
</tr>
<tr>
<td>School of Business Administration</td>
<td>$16,215,633</td>
<td>$17,400,900</td>
<td>$1,185,273</td>
<td>7.05%</td>
</tr>
<tr>
<td>Subtotal Academic Units</td>
<td>$149,123,206</td>
<td>$162,083,859</td>
<td>$6,960,653</td>
<td>4.69%</td>
</tr>
</tbody>
</table>

**Notes:**
- Total Fund Expenditure Budget includes FY15 base expenditure + 3% increase, additional funds to support new revenue, GA remissions, targeted funds, and reallocations.
Items funded directly related to revenue generation

• New Tenure-track faculty
• New Non-tenure track faculty
• Adjunct faculty
• Graduate assistantships

Plus additional strategic investments
Strategic Investments

• Centrally determined
• Available to all Divisions
• Based on:
  • Potential State appropriation increases
  • Projected new revenue after school/college expenses are accounted for
  • Possible new revenue if enrollments/student mix comes in stronger than forecasted
# OAA Strategic investments

<table>
<thead>
<tr>
<th>Request</th>
<th>Funded to-date</th>
</tr>
</thead>
<tbody>
<tr>
<td>SBA Faculty and Research Support</td>
<td>$500,000</td>
</tr>
<tr>
<td>CLAS Biology Faculty</td>
<td>$125,000</td>
</tr>
<tr>
<td>CLAS Psychology Faculty</td>
<td>$125,000</td>
</tr>
<tr>
<td>CLAS School of the Environment Faculty</td>
<td>$125,000</td>
</tr>
<tr>
<td>SSW Field Capacity Build-out</td>
<td>$85,000</td>
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<tr>
<td>Advising</td>
<td>$500,000</td>
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<tr>
<td>Library supplement for serials, database</td>
<td>$100,000</td>
</tr>
<tr>
<td>Health Systems and Policy Faculty</td>
<td>$100,000</td>
</tr>
<tr>
<td>CUPA Public Administration Faculty</td>
<td>$63,910</td>
</tr>
<tr>
<td>COTA College/Faculty Support</td>
<td>$80,000</td>
</tr>
<tr>
<td><strong>TOTAL REQUEST</strong></td>
<td><strong>$1,803,910</strong></td>
</tr>
<tr>
<td><strong>Funded to-date</strong></td>
<td><strong>$253,910</strong></td>
</tr>
</tbody>
</table>
Changes for OAA Revenue Supporters

• +3% of FY15 expenditure budget
• Library $114,000 for increased costs of serials and databases
• PSU Foundation $250,000 for 6 years for comprehensive campaign support
<table>
<thead>
<tr>
<th>Office of Academic Affairs</th>
<th>Base Expenditure Budget</th>
<th>Reallocation of Funds (FY15 base, +3%, reallocations)</th>
<th>Total Fund Expenditure Budget (FY15 total expenditure)</th>
<th>Difference ($)</th>
<th>Difference (%): FY16 Total Expenditure + to FY15 Total Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office of Graduate Studies</td>
<td>$2,120,427</td>
<td>$2,184,040</td>
<td>$63,613</td>
<td>3.00%</td>
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<tr>
<td>Office of Academic Innovation</td>
<td>$720,468</td>
<td>$1,143,484</td>
<td>$71,614</td>
<td>6.68%</td>
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<td>Office of International Affairs</td>
<td>$394,275</td>
<td>$560,922</td>
<td>$9,592</td>
<td>1.74%</td>
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<tr>
<td>Graduate - EMSA Transfer</td>
<td>$2,146,027</td>
<td>$2,210,408</td>
<td>$64,381</td>
<td>3.00%</td>
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<td>Undergraduate - EMSA Transfer</td>
<td>$374,302</td>
<td>$385,531</td>
<td>$11,229</td>
<td>3.00%</td>
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<td>School of Public Health Initiative</td>
<td>$5,001,470</td>
<td>$5,151,514</td>
<td>$150,044</td>
<td>3.00%</td>
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<tr>
<td>Library</td>
<td>$400,000</td>
<td>$400,000</td>
<td>-</td>
<td>0.00%</td>
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<tr>
<td>Supporters subtotal</td>
<td>$20,742,449</td>
<td>$114,799</td>
<td>$22,059,833</td>
<td>$772,370</td>
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<tr>
<td>FY16 OAA Divisional Commitments</td>
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<tr>
<td>PSU Foundation</td>
<td>$250,000</td>
<td>$250,000</td>
<td>$250,000</td>
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<td></td>
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<tr>
<td>Acad. Discretionary Investment Fund</td>
<td>$327,436</td>
<td>$349,259</td>
<td>$21,823</td>
<td>6.66%</td>
<td></td>
</tr>
</tbody>
</table>
A look at OAA units

(if time permits)
• Projecting a revenue decrease over the FY15 4th Week Winter RCAT of ($931,003) for FY16 revenue totaling $98,628,747. This represents a -0.9% revenue decline from FY 15 performance.

• Expenses are budgeted to grow by 4.27% to $63,648,894 in FY16.

• Increased GTAs with an associated revenue of $1,362,515 and an increased budget expenditure of $520,269

• Adding COM Assistant Professor with an associated $287,707 in revenue and a budget increase of $93,526

• Adding capacity in School of Gender, Race and Nations with an associated increase in revenue of $120,436 and a budget increase of $67,901
College of Urban and Public Affairs

- Projecting a revenue decrease over the FY15 4\textsuperscript{th} Week Winter RCAT of ($226,272) for FY16 revenue totaling $24,463,369. This represents a -0.9\% revenue decline from FY15 performance.

- Expenses are budgeted to grow by 3.74\% to $16,693,363 in FY16.

- SEM Plan increase of $423,456 with associated GA Remissions of $7,901 and $15,568 budget increase for new MPP Program

- $100,000 of increased summer instructional revenue with an associated expense of $65,000

- Strategic investment for Public Administration faculty (partial) of $63,910
Graduate School of Education

• Projecting an increase of $436,247 over the FY15 4th Week Winter RCAT for revenue of $16,960,504, a 2.6% increase from FY15 performance.

• Expenses are budgeted to grow by 2.9% to $13,467,260 in FY16.

• SEM Plan increase of $269,968 with an associated increase in budget of $20,568 for teacher diversity coordinator.
Maseeh College of Engineering and Computer Science

• Projecting a revenue increase over the FY15 4th Week Winter RCAT of $1,079,520 for FY16 revenue totaling $22,723,732. This represents a 5.0% revenue increase from FY15 performance.

• Expenses are budgeted to grow by 4.5% to $17,984,307 in FY16.

• Adding Civil Engineering Geotech faculty with an increase of $131,971 in revenue and associated budget increase of $112,176

• Adding Computer Science faculty to increase revenue by $43,321 at an increase expense of $52,058

• Overall TA support projecting an increase of $427,616 with an associated increase in GA Remissions of $118,701 and budgeted cost of $80,502
School of Business Administration

- Projecting a revenue increase over the FY15 4th Week Winter RCAT of $387,639 for FY16 revenue totaling $28,414,822. This represents a 1.4% revenue increase from FY15 performance.
- Expenses are budgeted to grow by 5.67% to $17,400,900 in FY16.
- SEM Plan increase of $715,994 with an associated increase of $165,000
- Adding Director for the A&OG Program with a revenue increase of $280,978 and increase of $132,000
- Strategic Investment of $150,000 for faculty position to meet accreditation
School of Social Work

- Projecting a revenue increase over the FY15 4th Week Winter RCAT of $377,307 for FY16 revenue totaling $11,501,405. This represents a 3.4% revenue increase.
- Expenses are budgeted to grow by 6.0% to $7,266,064 in FY16.
- SEM Plan additional revenue totaling $456,656
- Adding faculty member in MSW online $150,000
- Adding adjuncts to CFS $15,000
- Adding advising capacity $50,000
College of the Arts

• Projecting a revenue increase over the FY15 4th Week Winter RCAT of $739,677 for FY16 revenue totaling $19,401,295. This represents a 4.0% revenue increase from FY15 performance.

• Expenses are budgeted to grow by 3.1% to $11,412,223 in FY16.

• SEM Plan increase of $1,000,000 with an associated increase in tuition remission of $400,000

• Strategic Investment in College/Faculty support of $40,000
University Studies

• Projecting a revenue increase over the FY15 4th Week Winter RCAT of $150,016 for FY16 revenue totaling $13,956,919. This represents a 1.1% revenue increase from FY15 performance.

• Expenses are budgeted to grow by 8.0% to $8,674,323 in FY16.

• Faculty investment to support Instruction with revenue of $91,653 and budget increase of $93,526

• Faculty investment to support Instruction with revenue of $37,057 and budget increase of $93,526

• Expansion of Senior Inquiry with revenue increase of $128,381 and budget increase of $125,000

• Increase revenue of $378,980 for courses taught with adjunct faculty with an associated expense of $89,250
• Projecting a revenue increase over the FY15 4th Week Winter RCAT of $181,723 for FY16 revenue totaling $1,919,979. This represents a 10.5% revenue increase from FY15 performance.

• Expenses are budgeted to grow by 10.5% to $1,005,265 in FY16.

• Adding shared NTTF and additional adjunct faculty funding for courses totaling $392,941 in additional revenue, funding required at $68,214
Intensive English Language Program

• Projecting a revenue decrease over the FY15 Revenue Budget of ($909,296) for FY16 revenue totaling $6,072,054. The FY15 4th Week Winter RCAT projection for IELP shows a 25.5% decline for FY15 revenue to $5,191,496 from a FY15 revenue target of $6,981,350.

• Expenses are budgeted to decline by 8.5% to $4,531,260 in FY16.
Process moving forward
• Longer planning horizon
• Start process earlier
• Annual cycle shift
• SEM/PBB process analysis

• Other ideas/comments???