

1c. Multi-Year Budget

Explanation of Projected 2003-2004 and 2004-2005 Revenues and Expenditures

Revenues

Revenue projections for FY 04 and FY 05 assume no subsidy rate increase over that available in FY 03. The only increase in state subsidy projected for these two budget years is an increase due to planned enrollment growth. This conservative approach was based on the best available information regarding state revenues for higher education over this period of time. The tuition rate for FY 04 is assumed to be 9.5% and for FY 05 is assumed to be 9%. The budget assumes the completion during FY 04 of the planned two-tier tuition increase by the addition of \$300 for new students above the planned increase for the continuing students who entered in the fall of FY 03. These tuition assumptions are subject to modification depending on State support and other factors. It is hoped that these might be reduced should State support rebound. No additional budget reductions from the state are assumed. The revenues assume a possible implementation of a parking fee with a partial employee cost offset (see compensation section).

Scholarships and Fee Related Expenses

The FY 04 and FY 05 projected budgets include new funds to make progress on several key student support goals related to the University mission.

1. Funds are included to move toward the completion of the new guaranteed scholarships for high achieving students (\$1,120,000 in FY 04 and \$1,000,000 in FY 05) and for underrepresented students (\$500,000 in FY 04). This funding should further enhance the University's ability to attract a high quality and diverse student population.
2. Additional funding is included to complete the need based grant program initiated to assist new students brought in

under the new two-tier tuition system from less affluent families (\$300,000 in FY 04 and \$300,000 in FY 05).

3. Funding is included to continue the initiative to reduce the general fee problem for graduate students (\$400,000 each year). This is essential in improving the quality of our graduate program efforts, a key goal in the University's mission.
4. All other funding increases in this section are related to automatic scholarship increases due to tuition increases.

Compensation Related Expenses

The projected FY 04 and FY 05 budgets include funds to speak to several key compensation goals of the University. Several issues are noted that need to be investigated relevant to these goals.

1. The projected budgets assume a 3% increase for all employees for both years. Because faculty compensation studies show a continuing decline in the salary rankings of faculty against other state institutions and since faculty salary competitiveness is an important goal, the projected budgets include \$810,000 in year 2 for faculty salary adjustments.
2. The projected budgets assume \$200,000 and \$250,000 for additional stipend dollars to increase competitiveness for high quality graduate students. The enhancement of quality graduate programs is a key goal in the Presidential Mission Statement.
3. The compensation budget includes \$375,000 for a possible offset of an employee parking fee.
4. The budgets assume the completion of the IT compensation package initiated last year.
5. The budgets assume the planned phase in of the employee's share of health insurance costs to reach 10% by FY 05, and also assume a medical claims trend of 16% per year.

6. All other increases in this section are related to automatic increases triggered by an increased compensation pool.

Continuing Commitments

The projected budgets include increased costs in the following areas:

1. Increased POM costs associated with bringing additional facilities on line (e.g., Bentley Hall)
2. Increased utility costs that are linked to new facilities and rate increases. Continued aggressive utility savings programs are assumed.
3. Completion of the dual career funding (\$50,000) in FY 04.
4. Completion of previous commitments for student activities funds (\$45,000) and enterprise software maintenance costs (\$100,000).

Academic Excellence Investments

The projected budgets include several academic excellence initiatives that are related to key components of the Presidential Mission Statement.

1. Additional amounts of \$600,000 per year are included to implement the new general education program. These funds should support faculty through released time and TA support (among other approaches) to insure the success of general education and student engagement.
2. In FY 04, two additional rounds (at \$1,000,000 per round) of the New Faculty Initiative will be completed with one additional round for FY 05. The faculty hires completed here will support general education and student engagement, enhance diversity, assist in meeting heavy enrollment demands in certain areas, and provide key support to selected graduate areas.

3. In both FY 04 and FY 05, continuation of the funding for selective enhancement of graduate education initiated in FY 03 will be accomplished (\$830,000 and \$200,000 respectively). This includes selective enhancement for two doctoral programs and completion of the growth and enhancement of the on-campus MBA program. This funding is the planned extension of selective graduate funding initiated in FY 01 and is a key component for enhancing graduate education in the Presidential Mission Statement.

Other New Investments

The proposed budgets include several investments crucial for accomplishing the University's mission or for correcting budget problems.

1. The University has strived to enhance its faculty diversity. Funds totaling \$100,000 in FY 04 and \$50,000 in FY 05 are included for partially funding programmatic efforts to attract new underrepresented faculty.
2. Funds totaling \$220,000 in FY 04 and \$100,000 in FY 05 are included to complete the upgrading of the University's Student Information System to allow it to handle the new general education program, the two-tier tuition system, and a possible switch to the semester system.
3. A total of \$100,000 is included in FY 04 to enhance recruitment and marketing. This was a key recommendation from a report aimed at enhancing the ability of the University to recruit more non-resident students.
4. Funds totaling \$100,000 each year are included to enhance parking and transportation resources on campus. This is partially funded by the revenues raised from a possible employee parking fee.
5. Funding of \$100,000 per year is included to correct a funding problem in Intercollegiate Athletics.

6. An additional \$100,000 is included in the Provost's one time only investment account to allow that office to better respond to immediate needs throughout the year.
7. Funds of \$728,000 and \$1,412,000 for FY 04 and FY 05 respectively are included to support crucial program needs such as operating costs (3-9) support, technical support, enhanced start-up costs, and other crucial university needs. Budgets in these areas have been seriously under-funded in the past few years and need to be addressed.