

1b. Principles, Assumptions and Goals

Principles

Several key principles serve as the foundation for the Ohio University budget for FY 03:

1. The budget is a tool to accomplish the University's mission and goals
2. A multi-year budget structure allows for a more coherent approach to accomplishing the University's goals
3. A two-tier tuition strategy keeps an implicit contract with continuing students while allowing a repositioning of tuition levels
4. Both budget reductions and new investments must be accomplished consistent with the University's mission and goals
5. The University must include in its budget and planning process issues of space planning, enrollment planning, and structural review and reallocation

Assumptions

1. The state subsidy revenue will be slow to recover and will be below FY 02 original budget levels by 5.6%, 2.8%, and 1.9% respectively over the next 3 years.
2. The tuition increase for continuing students will be 9.9% for FY 03. For FY 04 and FY 05, tuition rates of 9.5% and 9% respectively have been assumed for continuing students, although these are subject to modification depending on the level of State support. It is hoped that these might be lowered should State support rebound.

3. Tuition for new students will increase by \$300 above continuing students for FY 03
4. Tuition for new students in FY 04 will increase by \$300 above continuing students who entered in the fall of 2002.
5. A partially reimbursed parking fee may be implemented in FY 04
6. The budgeted enrollment level for freshmen will be 3,735, 3,600, and 3,600 respectively over the next 3 years.

Goals

Several key goals underlie this three year budget plan presented to the Board of Trustees in April 2002:

1. **The development of a distinctive undergraduate educational experience**
 - a. The budget supports the development of the new general education program and enhances student engagement
 - i. A substantial portion of all new crucial expenditures for FY 03 are directly related to general education and student engagement (\$270,000), and an additional \$40,000 provides important infrastructure support for general education
 - ii. The second round of the New Faculty Initiative (NFI) (\$1,000,000) will support general education and student engagement
 - iii. The Student Information System is upgraded to support the implementation of the general education program (\$300,000 in the first year and \$320,000 over the last two years plus

- one time only money for equipment and software)
 - iv. Significant new resources are built in to the second and third year of the budget plan to support general education and student engagement (\$1,200,000 over two years)
 - v. Three additional rounds of the NFI are planned to add an additional 33 faculty over the last two years of the three year budget plan (total of \$3,000,000)
 - vi. Funding is included to provide instructional capacity to meet unanticipated demand (\$129,000)
 - vii. Budget reductions protect instructional capacity of the University
 - b. The budget supports the attraction of high quality students and underrepresented students and works to insure access to students from less affluent families
 - i. Funding is included to continue the implementation of four year guaranteed scholarships for high achievers (\$787,000 in year 1, \$1,120,000 in year 2, and \$1,000,000 in year 3)
 - ii. Funding is included to provide 4 year guaranteed scholarships for under-represented students (\$500,000)
 - iii. Need based grants are included to offset the two-tier tuition system (\$175,000 in year 1, \$300,000 in year 2, and \$300,000 in year 3)
 - iv. Additional funds are included to provide infrastructure support for the Admissions office for recruiting (\$70,000 in year 1)
 - v. Funds are included for marketing the University and recruiting of out of state students (\$100,000 in each of the first two years)
 - c. The budget supports undergraduate education by the hiring of additional faculty, providing access to renowned scholars and artists, and acquiring new library holdings
 - i. Three new faculty are to be hired in computer science, consumer science and communications (\$188,000 in year 1)
 - ii. A visiting scholars and artists program is funded in Fine Arts (\$60,000 in year 1)
 - iii. Library acquisitions are increased in year 1 by \$100,000
- 2. The development of focused graduate education and targeted research expertise**
- a. The budget supports the development of improved graduate student funding
 - i. Funding is included to reduce the general fee problem for graduate students (\$400,000 for each of the three years)
 - ii. Funding is included for additional stipend support (\$100,000 in the first year, \$200,000 for year 2, and \$250,000 for year 3)
 - b. The budget supports increased funding for selective enhancement of doctoral and masters education

- i. Funding is included for a second round of doctoral selective enhancement and for masters program enhancement (\$859,000 for year 1, \$830,000 for year 2 and \$200,000 for year 3)

- iii. Funding is included for new employee training (\$130,000 in year 1)

3. Ohio University values its employees

a. The budget supports employees by including raises for all employees each year of the 3-year budget

- i. A 3% increase is included each year for all employees
- ii. Funding is included to complete the IT compensation plan (\$208,000 in all 3 years)
- iii. Funding is included and a call is made for a careful study of how best to increase faculty salaries to the University's goal (\$45,000 in year 1 and \$810,000 in year 2.
- iv. A study is called for to determine if administrative salaries need a targeted increase
- v. Funding is included to complete the dual career program to enhance our ability to recruit new employees (\$100,000 in year 1 and \$50,000 in year 2)

b. The budget supports the diversification and training of the workforce

- i. Funding is included to initiate the Office of Diversity (\$205,000 in year 1)
- ii. Funding is included to implement new faculty diversity programs (\$100,000 in year 2, \$50,000 in year 3)