

**FY2010 OPERATING BUDGET
&
STUDENT CHARGES**

May 18, 2009

FY10 FINANCIAL PLANNING TIMETABLE

	2008 July	Aug	Sept	Oct	Nov	Dec	2009 Jan	Feb	Mar	Apr	May	June
FY2009 Financial Forecasts					X			X			X	
Multi-year planning	●-----●											
Biennial budget request submitted			3									
Governor's supplemental budget announced						16						
Presidents' Council meets to discuss FY2010 budget process & assumptions							8					
Governor's biennial budget announced							9					
Board of Trustee discussion of multi-year projections & assumptions							11-12					
CFO's meet to discuss FY2010 budget process & assumptions							15					
Administrative Transformation Work							15	●-----●				
Distribute forms & allocations to CFO's							26					
Prepare interim close reconciliations as of February 28th									1-31			
CFO's review campus budgets with Vice Chancellor for Finance & Administration									20-30			
Interim Close									31			
CFO's review Administrative Transformation work & SWS budget with Vice Chancellor for Finance & Administration										15		
Budget forms due in System Office										25		
Presidents' Council review of consolidated budget											7	
Trustee Finance/Facilities Committee reviews budget & student charges											11	
Trustees approve budget and student charges for FY2010											18	
FY2010 budgets in PeopleSoft											31	

FY10 BUDGET DRIVERS

- ❖ Declining appropriation :
 - ✓ \$6.8 million below FY08
 - ✓ \$15.6 million below original FY10 biennial request
- ❖ Projected 1.8% enrollment decrease system-wide
- ❖ Minimize in-state, undergraduate student cost increases:
 - ✓ 5.8% weighted average tuition increase
 - ✓ 6.0% weighted average tuition and mandatory fee increase
 - ✓ 5.3% weighted average comprehensive student charges increase
 - ✓ 8% E&G financial aid budget increase to mitigate endowment/gift income losses
- ❖ Increases in compensation and benefit costs

Reductions in the workforce and other operating costs are necessary to balance the budget

Every attempt will be made to minimize the impact on quality and program offerings

STATE APPROPRIATION

<u>Unrestricted Appropriation</u>	<u>FY08</u>	<u>FY09</u>		
Originally Legislated	\$185.7	\$189.1		
UMS Supplemental Request		\$197.1		
Supplemental Budget as Legislated		\$186.0		
After Curtailment		\$177.7		
	<u>FY10</u>	<u>FY11</u>		
Requested	\$194.5	\$203.2		
Governor's Initial Budget	\$181.0	\$181.0		
Governor's Revised Budget	\$178.9	\$178.9		
<u>MEIF</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>
	\$13.7	\$14.7	\$14.7	\$14.7
<u>Stimulus</u>	-----	\$8.4	\$5.9	\$5.9

FY10 OPERATING BUDGET

(Excluding Restricted - \$ in Thousands)

	FY08		FY09		FY10 Proposed	
	Actual		Forecast		Budget	
Revenues						
Tuition & Fees	\$216,379	43%	\$231,886	47%	\$243,400	48%
Dining & Residence	56,636	11%	58,760	12%	59,450	12%
Less: Waivers/Scholarships	(33,750)	(7%)	(37,590)	(8%)	(42,319)	(8%)
Net Student Charges Revenue	\$239,265	47%	\$253,056	52%	\$260,531	51%
State Appropriation (excludes MEIF)	185,736	37%	177,657	36%	181,000	36%
Indirect Cost Recovery	14,546	3%	12,874	3%	12,025	2%
Investment Income/Gift Revenue	3,720	1%	(9,804)	(2%)	3,607	1%
Other Sales/Services/Auxiliary	60,765	12%	54,774	11%	51,979	10%
Total Net Revenues	\$504,032	100%	\$488,557	100%	\$509,142	100%
Expenses						
Compensation & Benefits	\$325,488	64%	\$334,323	65%	\$342,397	66%
Fuel & Electricity	23,312	5%	24,895	5%	24,698	5%
Interest	7,786	2%	10,151	2%	10,173	2%
Other Expenses/Depreciation	127,633	25%	121,061	24%	123,084	23%
Matches/Transfers	20,623	4%	22,099	4%	19,525	4%
Total Expenses	\$504,842	100%	\$512,529	100%	\$519,877	100%
Operating Increase/(Decrease*)	(\$810)		(\$23,972)		(\$10,735)	
Cash Flow						
Operating Increase/(Decrease)	(\$810)		(\$23,972)		(\$10,735)	
Plus Depreciation	23,149		25,594		27,193	
Less: Capital Expenditures	(13,662)		(6,676)		(6,064)	
Debt Service Principal	(8,086)		(9,031)		(10,023)	
Net Change	\$591		(\$14,085)		\$371	
Additional Approp. Reduction					(2,070)	
Adjusted Net Change					(\$1,699)	
Stimulus					\$5,957	

*Depreciation only partially funded resulting in operating loss

FY10 OPERATING BUDGETS BY UNRESTRICTED FUND

(Excluding Restricted - \$ in Thousands)

	E&G		Auxiliary		Total	
Revenues						
Tuition & Fees	\$243,400	58%	\$0	-	\$243,400	48%
Dining & Residence	-	-	59,450	67%	59,450	12%
Less: Waivers/Scholarships	(40,755)	(10%)	(1,564)	(2%)	(42,319)	(8%)
Net Student Charges Revenue	\$202,645	48%	\$57,886	66%	\$260,531	51%
State Appropriation (excludes MEIF)	181,000	43%	-	-	181,000	36%
Indirect Cost Recovery	12,025	3%	-	-	12,025	2%
Investment Income/Gift Revenue	3,607	1%	-	-	3,607	1%
Other Sales/Services/Auxiliary	21,674	5%	30,305	34%	51,979	10%
Total Net Revenues	\$420,951	100%	\$88,191	100%	\$509,142	100%
Expenses						
Compensation	\$318,735	74%	\$23,662	27%	\$342,397	66%
Utilities	17,030	4%	7,668	9%	24,698	5%
Interest	4,165	1%	6,008	7%	10,173	2%
Other/Depreciation	74,389	17%	48,695	55%	123,084	23%
Matches/Transfers	17,971	4%	1,554	2%	19,525	4%
Total Expenses	\$432,290	100%	\$87,587	100%	\$519,877	100%
Operating Increase/(Decrease*)	(\$11,339)		\$604		(\$10,735)	
Cash Flow						
Operating Increase(Decrease)	(\$11,339)		\$604		(\$10,735)	
Plus Depreciation	22,179		5,014		27,193	
Less: Capital Expenditures	(4,719)		(1,345)		(6,064)	
Debt Service Principal	(6,307)		(3,716)		(10,023)	
Net Change	(\$186)		\$557		\$371	
Additional Approp. Reduction	(\$2,070)		\$0		(2,070)	
Adjusted Net Change	(\$2,256)		\$557		(\$1,699)	
Stimulus					\$5,957	

*Depreciation only partially funded resulting in operating loss

FY10 OPERATING BUDGETS BY CAMPUS

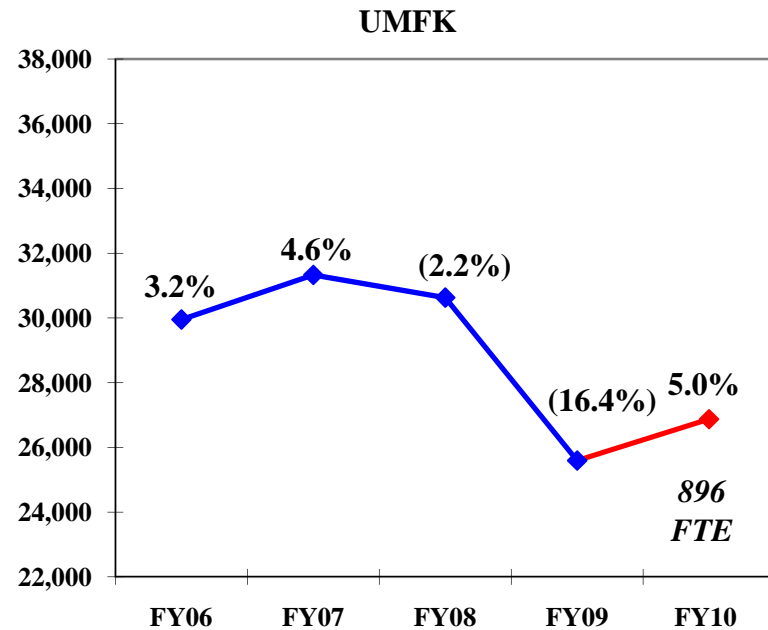
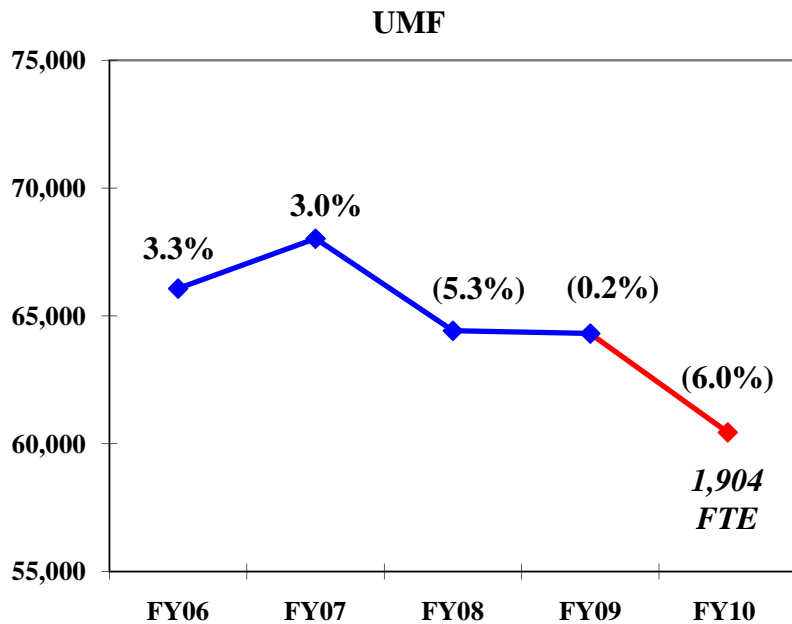
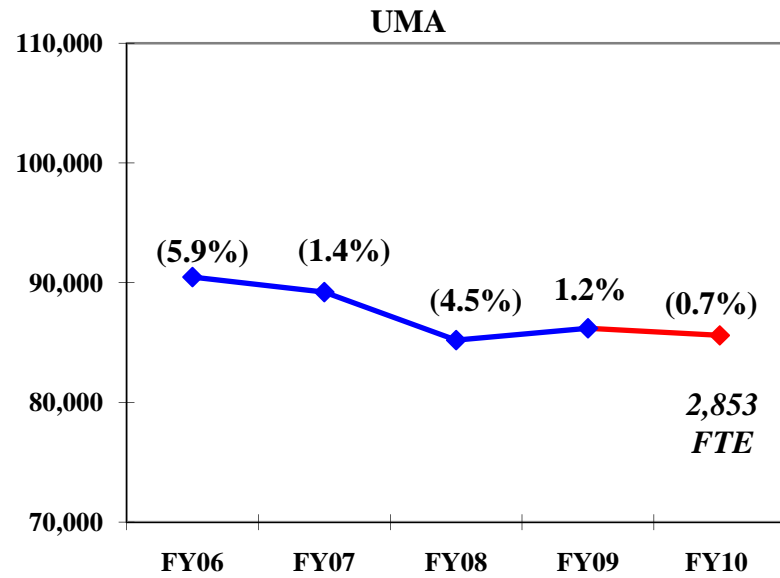
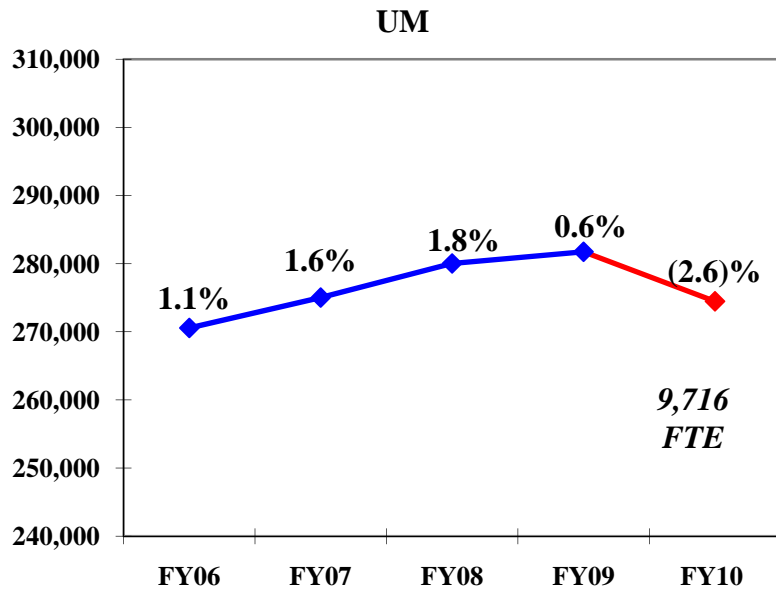
(\$ in Thousands)

	UM	UMA	UMF	UMFK	UMM	UMPI	USM	SWS	TOTAL
Revenues									
Tuition & Fees	\$111,306	\$20,497	\$19,630	\$7,129	\$5,132	\$7,743	\$71,963	\$0	\$243,400
Dining & Residence	32,019	0	8,340	1,357	1,810	1,949	13,975	0	59,450
Less: Waivers/Scholarships	(26,844)	(2,096)	(2,654)	(1,032)	(1,210)	(1,128)	(7,263)	(92)	(42,319)
Net Student Charges Revenue	\$116,481	\$18,401	\$25,316	\$7,454	\$5,732	\$8,564	\$78,675	(\$92)	\$260,531
State Appropriation	85,001	13,977	10,462	4,312	4,371	6,466	42,180	14,231	181,000
Other Income	41,942	2,471	1,934	839	384	808	15,919	3,314	67,611
Total Net Revenues	\$243,424	\$34,849	\$37,712	\$12,605	\$10,487	\$15,838	\$136,774	\$17,453	\$509,142
Expenses									
Compensation & Benefits	\$151,696	\$26,288	\$25,918	\$8,684	\$6,868	\$11,440	\$97,855	\$13,648	\$342,397
Utilities	13,541	1,153	2,166	782	702	1,133	5,102	119	24,698
Other/Depreciation	83,131	8,124	10,099	3,780	3,215	3,849	35,007	5,577	152,782
Total Expenses	\$248,368	\$35,565	\$38,183	\$13,246	\$10,785	\$16,422	\$137,964	\$19,344	\$519,877
Net Increase (Decrease*)	(\$4,944)	(\$716)	(\$471)	(\$641)	(\$298)	(\$584)	(\$1,190)	(\$1,891)	(\$10,735)
Cash Flow									
Net Increase (Decrease)	(\$4,944)	(\$716)	(\$471)	(\$641)	(\$298)	(\$584)	(\$1,190)	(\$1,891)	(\$10,735)
Plus Depreciation	14,092	1,066	1,539	550	554	710	5,780	2,902	27,193
Less Capital Expenditures	(3,885)	(157)	(688)	(16)	(142)	(78)	(732)	(366)	(6,064)
Debt Service Principal	(4,840)	(156)	(380)	(99)	(161)	(48)	(3,694)	(645)	(10,023)
Net Change	\$423	\$37	\$0	(\$206)	(\$47)	\$0	\$164	\$0	\$371
Add'l Approp Reduction	(\$1,046)	(\$176)	(\$132)	(\$54)	(\$55)	(\$82)	(\$525)	\$0	(\$2,070)
Adjusted Net Change	(\$623)	(\$139)	(\$132)	(\$260)	(\$102)	(\$82)	(\$361)	\$0	(\$1,699)
Stimulus	\$2,708	\$455	\$341	\$140	\$143	\$211	\$1,359	\$600 **	\$5,957

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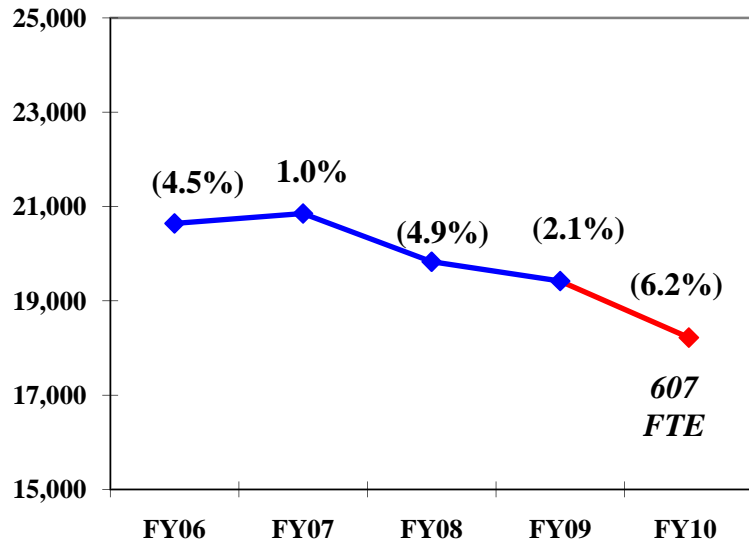
**Campus Investment Stimulus Funds -discretionary distribution to campuses

UMS ENROLLMENT - ANNUAL CREDIT HOURS

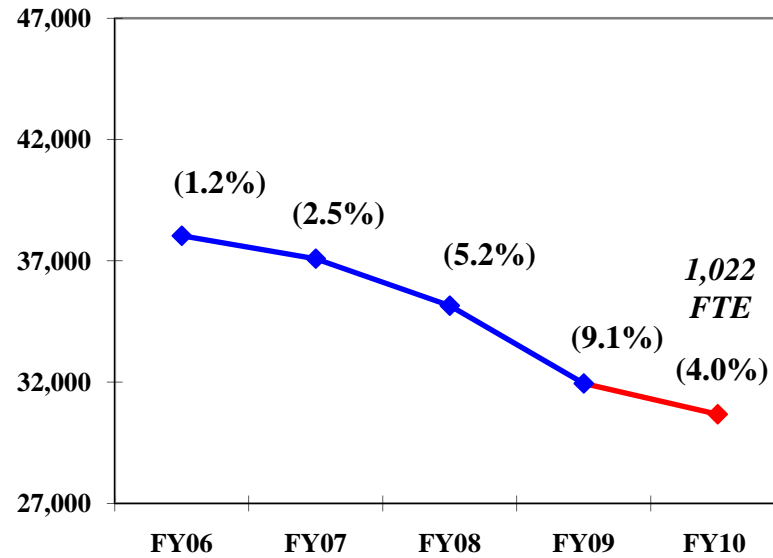


UMS ENROLLMENT - ANNUAL CREDIT HOURS

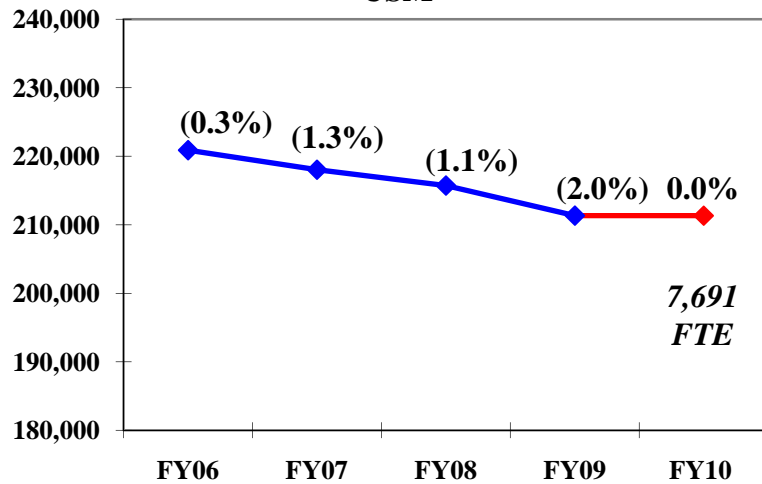
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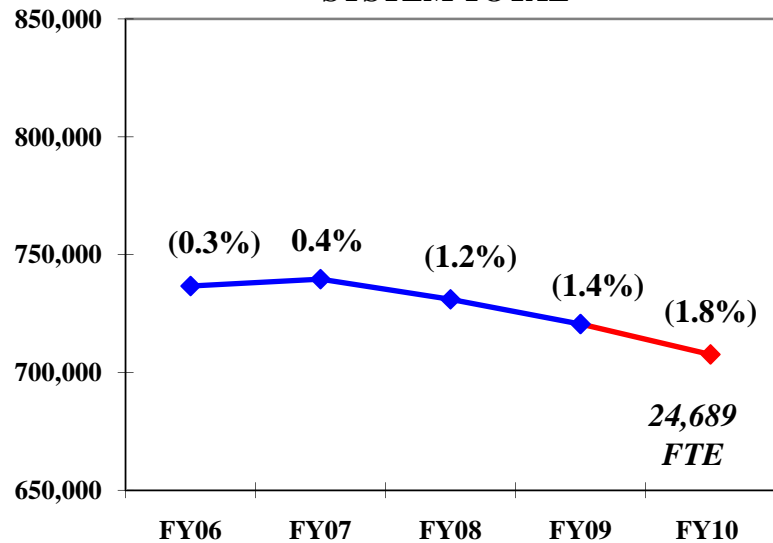
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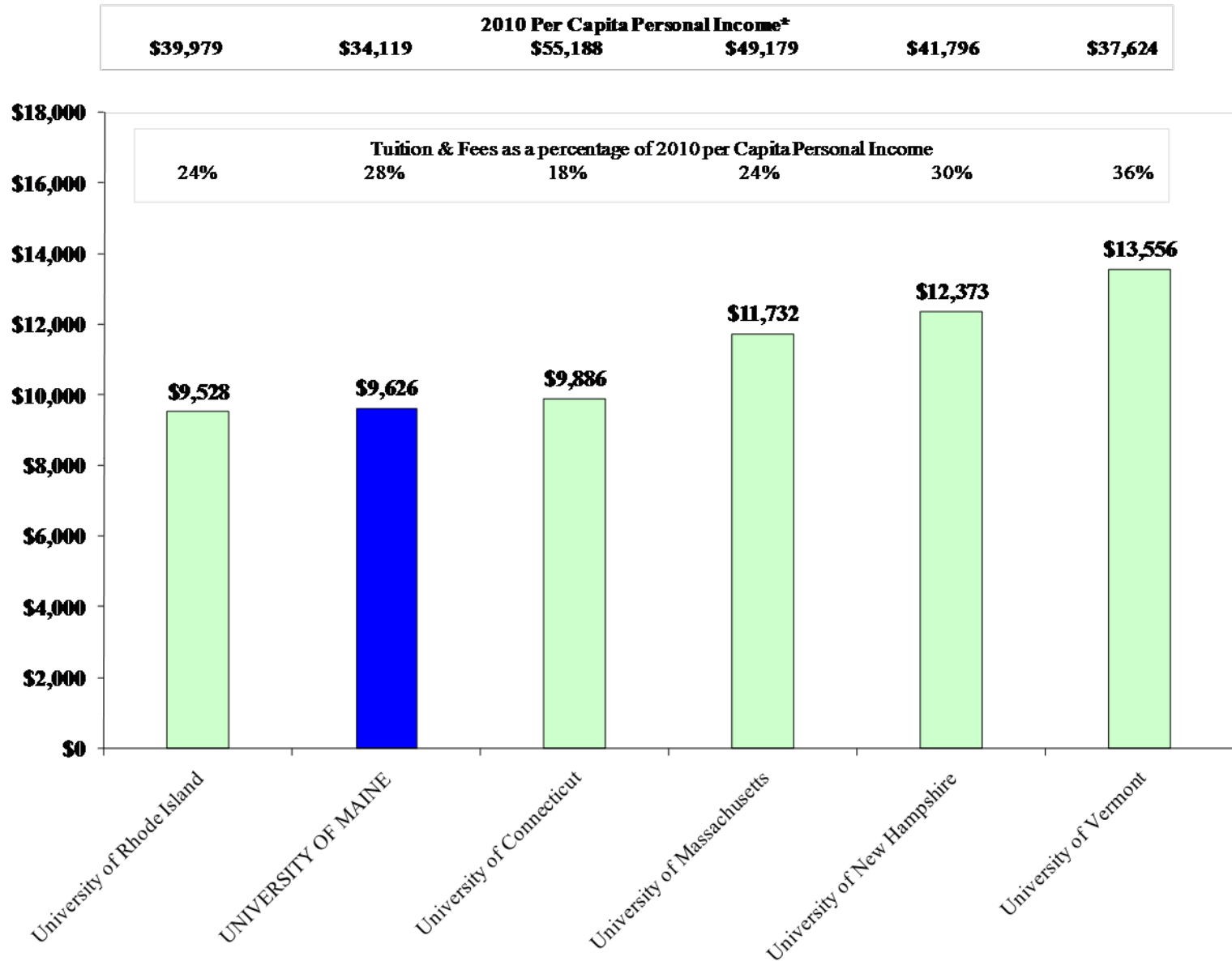
USM



SYSTEM TOTAL

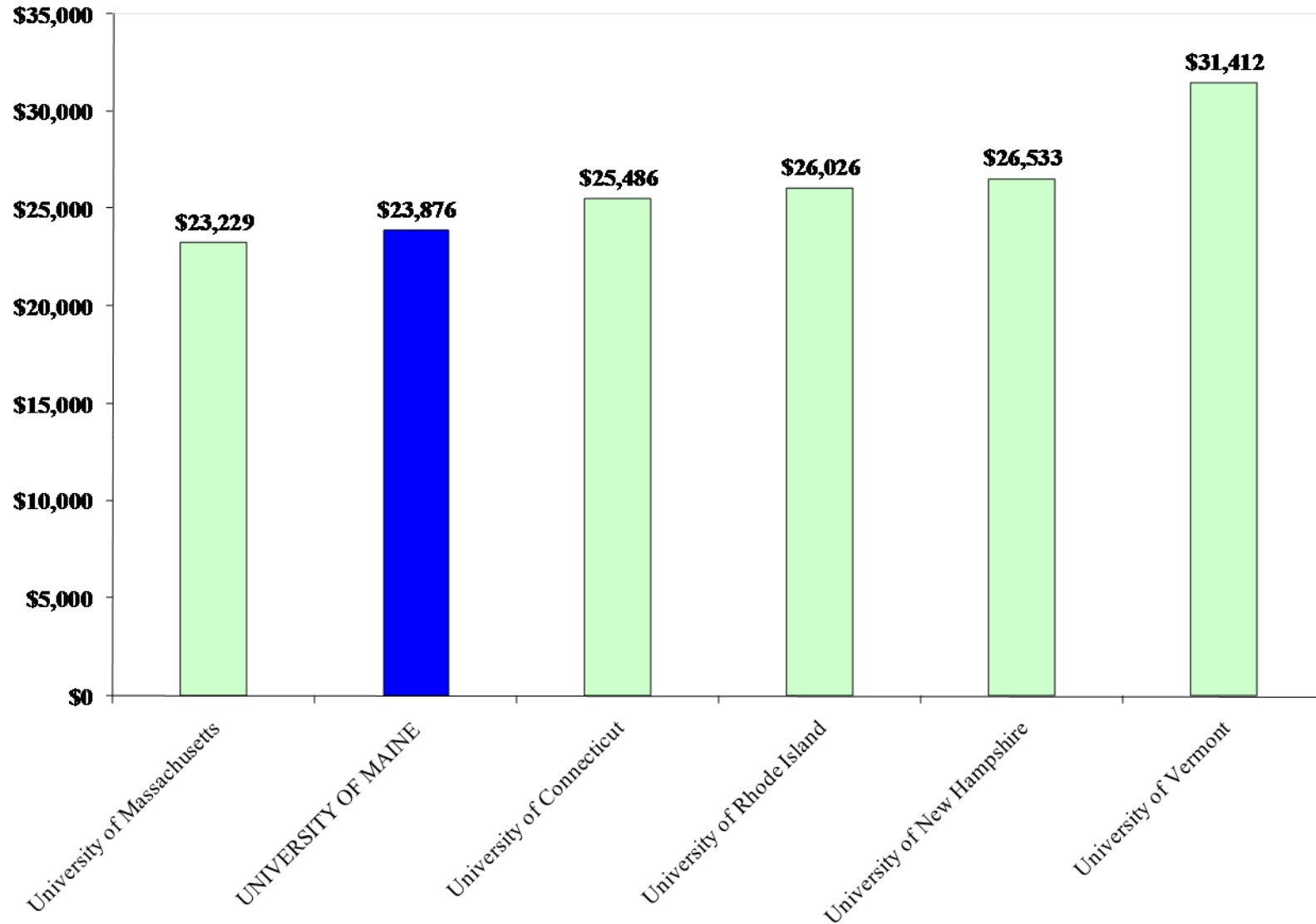


FY10 NEW ENGLAND LAND-GRANT UNIVERSITIES ESTIMATED IN-STATE UNDERGRADUATE TUITION & MANDATORY FEES

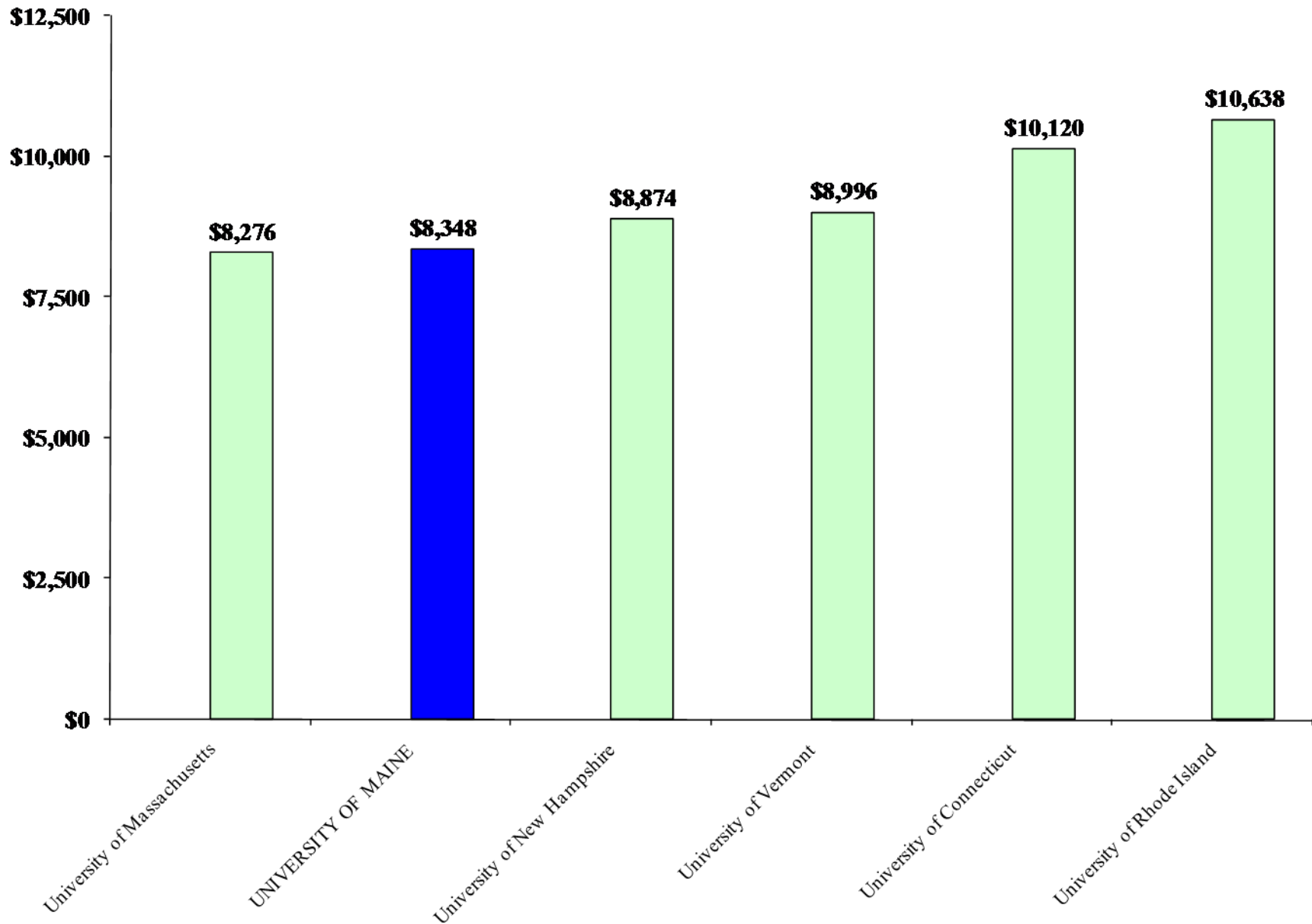


*Data: Bureau of Economic Analysis

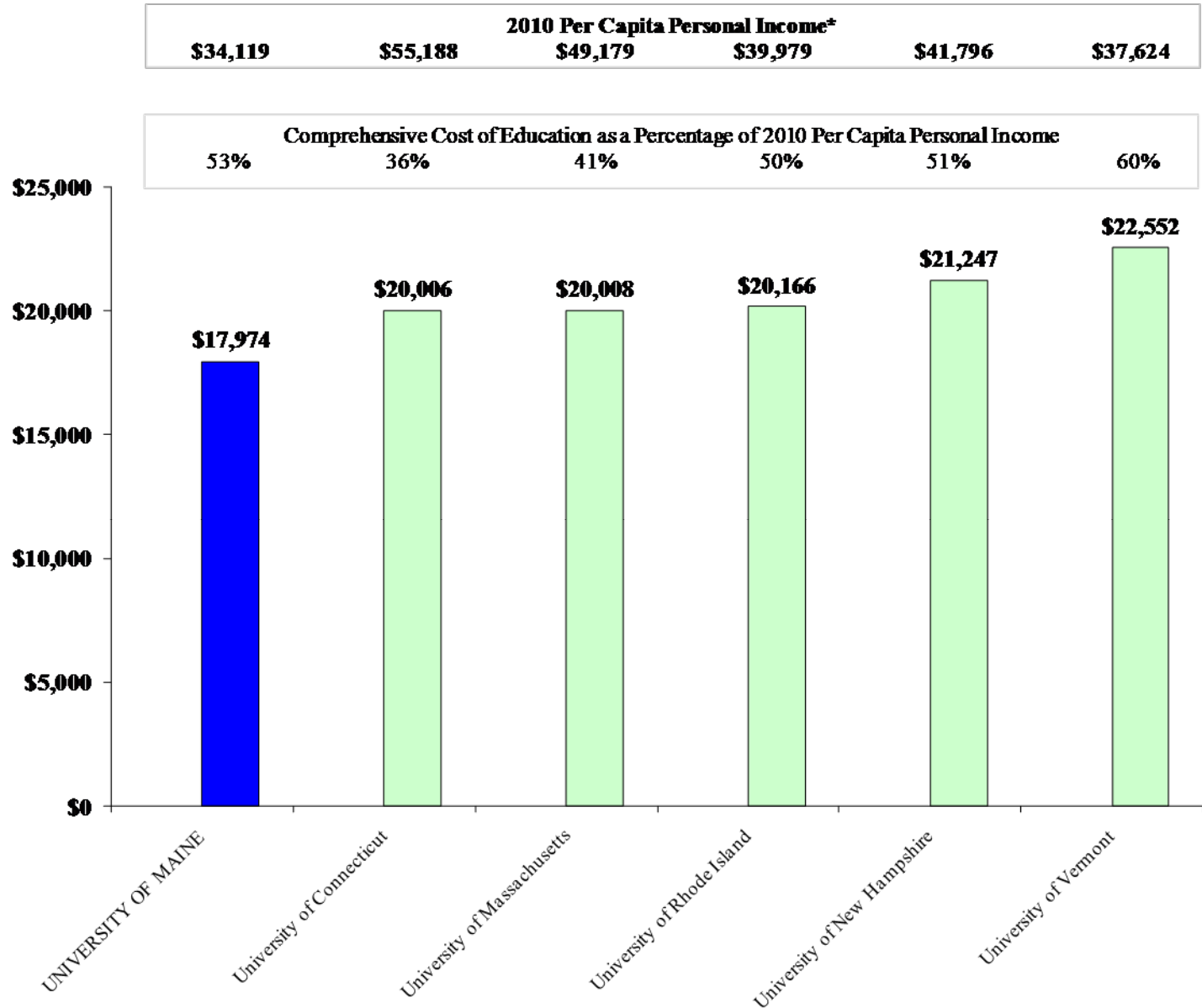
***FY10 NEW ENGLAND LAND-GRANT UNIVERSITIES
ESTIMATED OUT-OF-STATE UNDERGRADUATE TUITION & MANDATORY
FEES***



FY10 NEW ENGLAND LAND-GRANT UNIVERSITIES ESTIMATED ROOM & BOARD



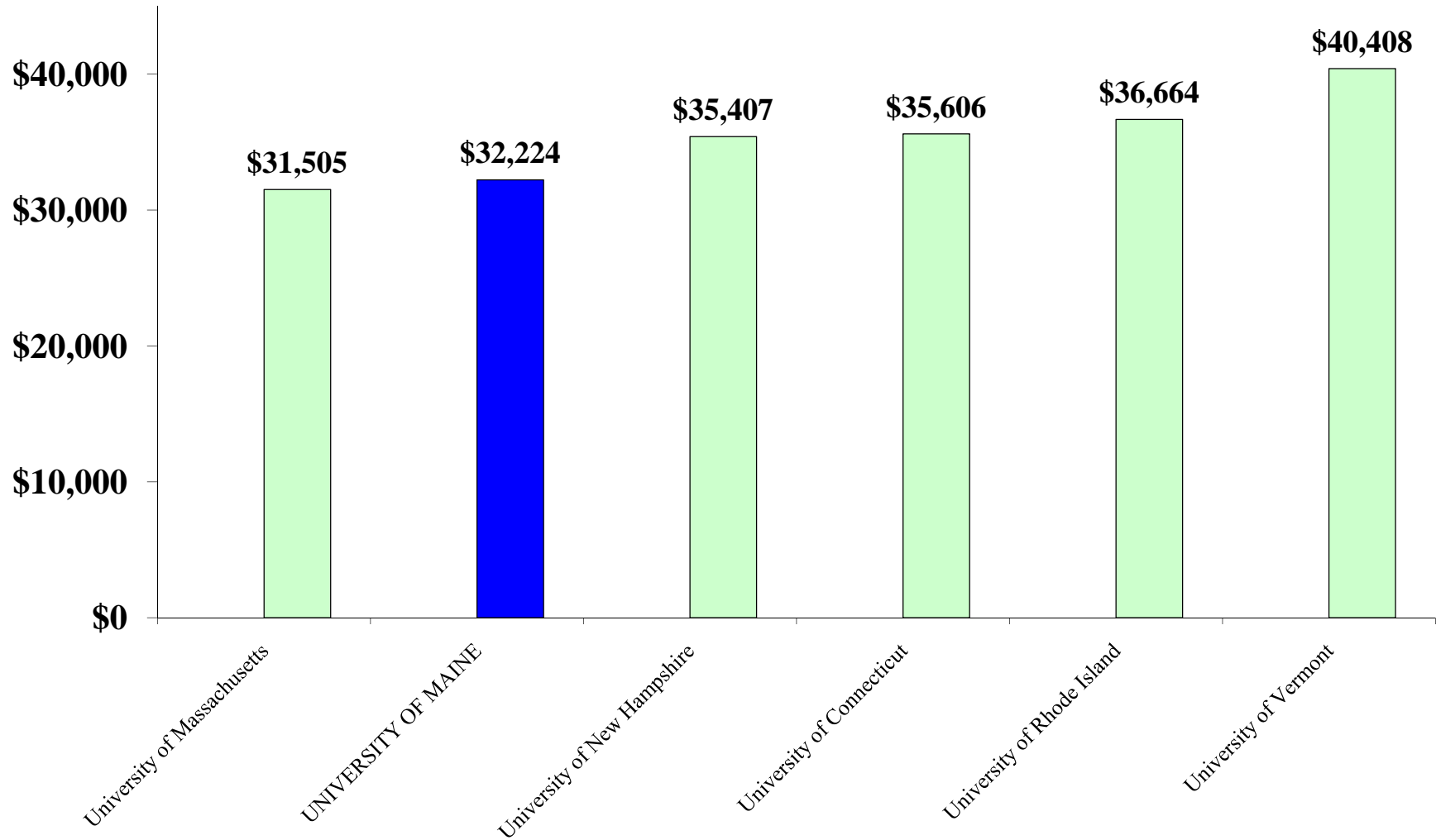
FY10 NEW ENGLAND LAND GRANT UNIVERSITIES ***ESTIMATED IN-STATE UNDERGRADUATE COMPREHENSIVE*** ***STUDENT COST OF EDUCATION*** *(Tuition, Mandatory Fees, Room & Board)*



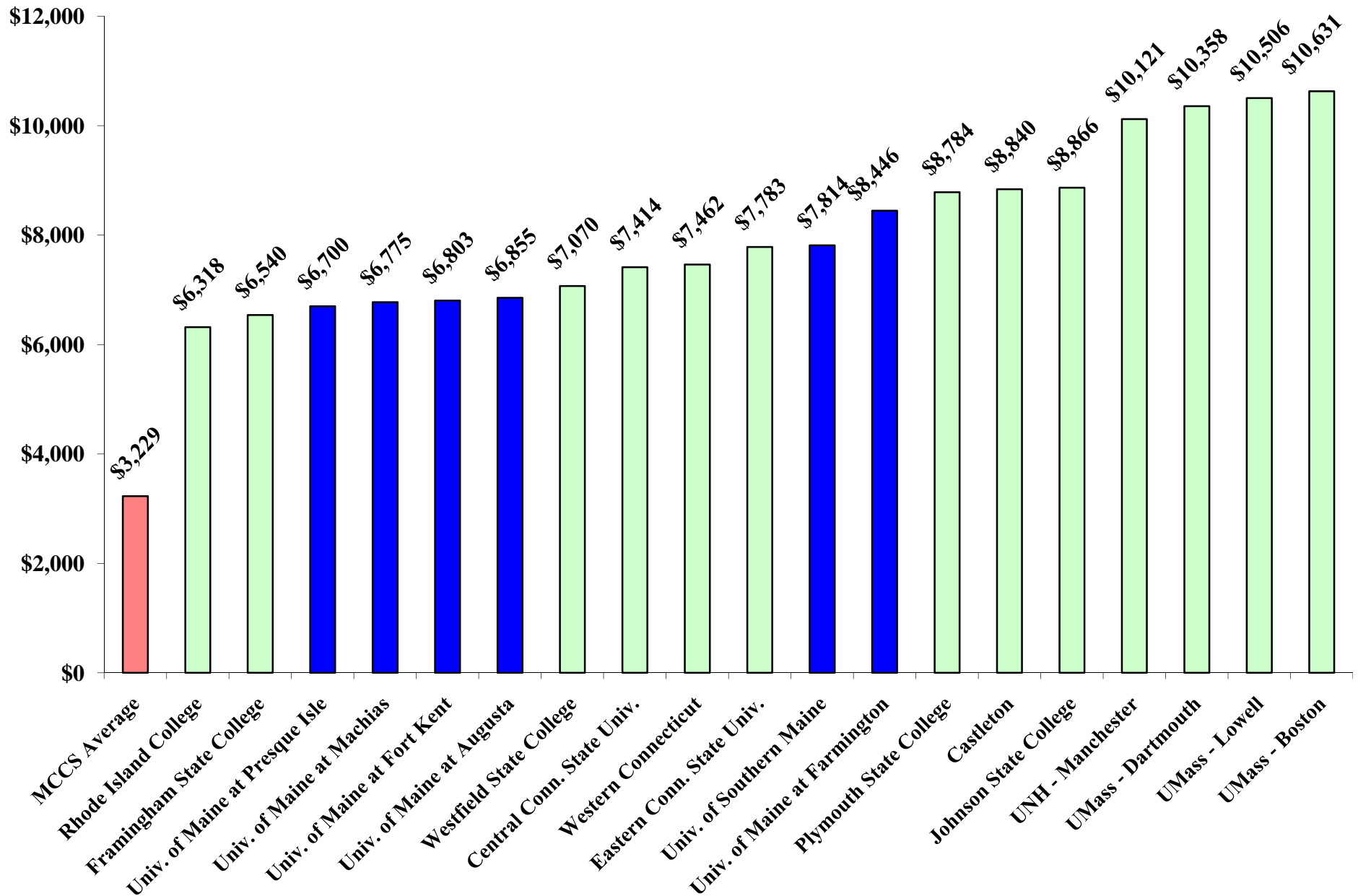
*Data: Bureau of Economic Analysis

Source: Telephone calls & websites

***FY10 NEW ENGLAND LAND GRANT UNIVERSITIES
ESTIMATED OUT-OF-STATE UNDERGRADUATE COMPREHENSIVE
STUDENT COST OF EDUCATION
(Tuition, Mandatory Fees, Room & Board)***

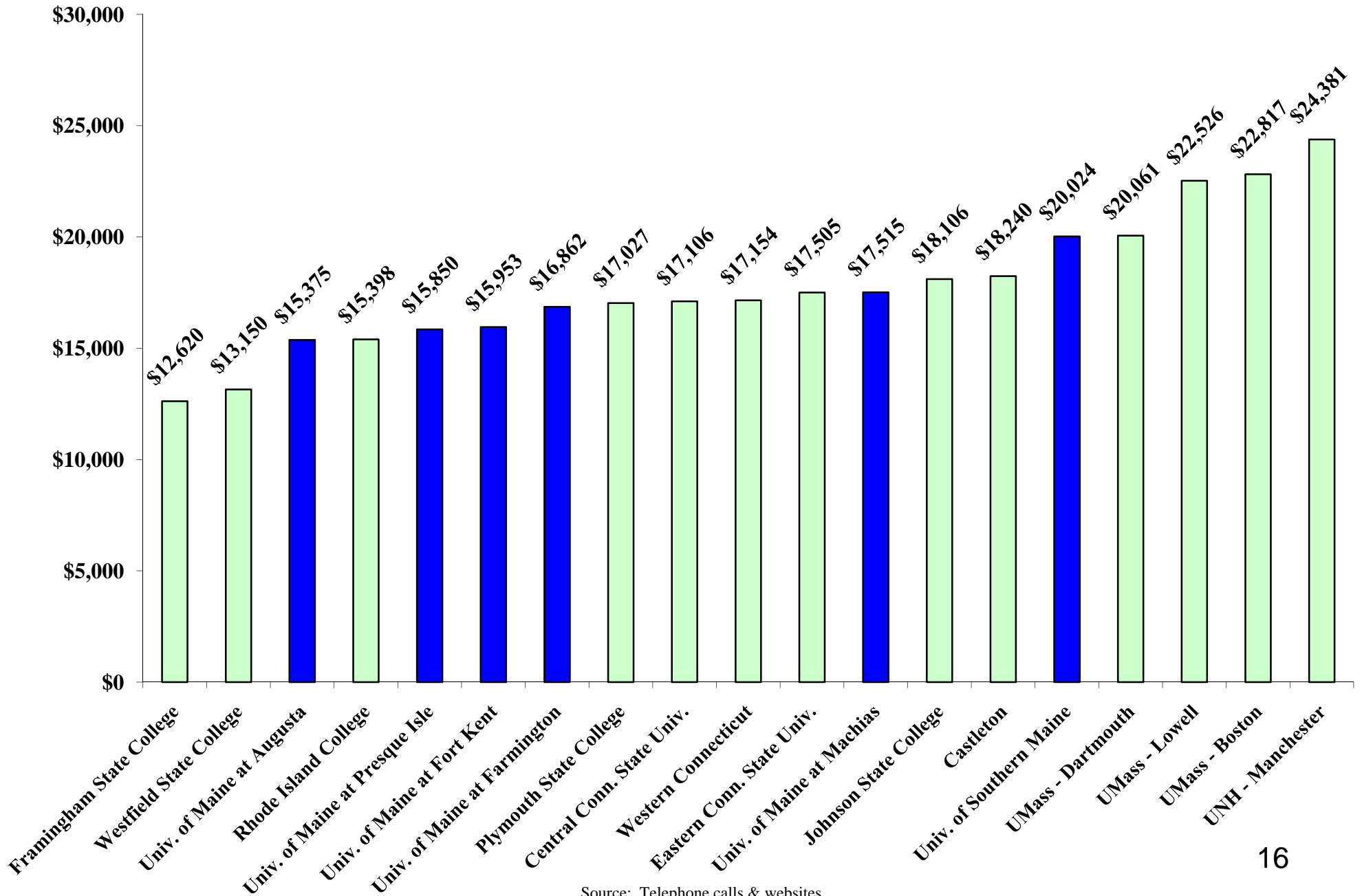


SELECTED NEW ENGLAND STATE COLLEGES & UNIVERSITIES
ESTIMATED IN-STATE UNDERGRADUATE FULL-TIME TUITION AND MANDATORY FEES
FY10



Source: Telephone calls & websites

***SELECTED NEW ENGLAND STATE COLLEGES & UNIVERSITIES ESTIMATED OUT-OF-STATE
UNDERGRADUATE FULL-TIME TUITION & MANDATORY FEES
FY10***

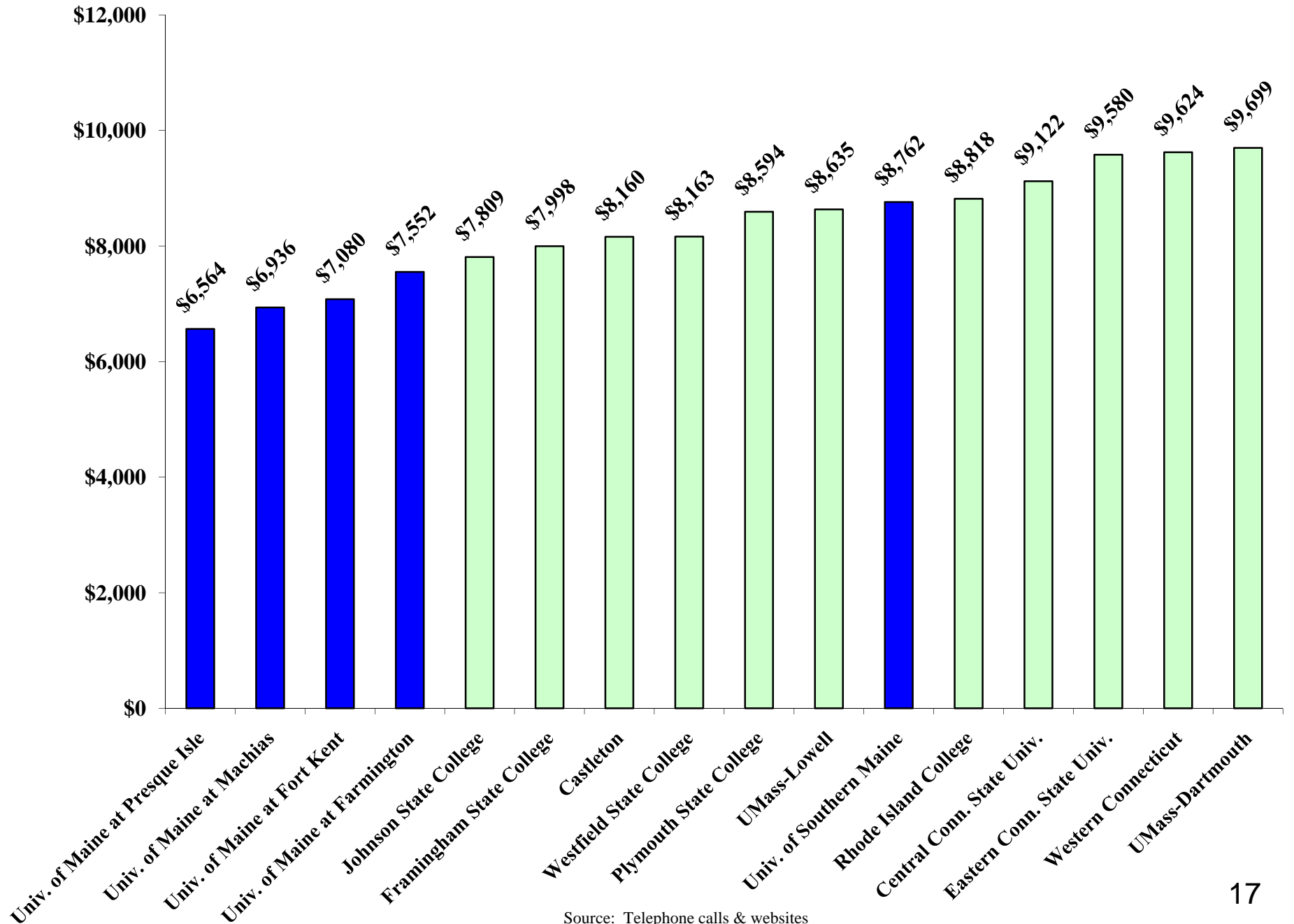


Source: Telephone calls & websites

SELECTED NEW ENGLAND STATE COLLEGES & UNIVERSITIES

ESTIMATED ROOM & BOARD

FY10



Source: Telephone calls & websites