APPROVAL OF FISCAL YEAR 2012 TOTAL UNIVERSITY CURRENT FUNDS BUDGET

Synopsis: Approval of the total University Current Funds Budget for FY 2012 is proposed.

WHEREAS The State budget for FY 2012 and 2013, including funding levels for State institutions of higher education, has been enacted; and

WHEREAS Tuition and Fee increases for the Columbus and Regional Campuses for FY 2012 have been approved at previous meetings of the Board of Trustees; and

WHEREAS The President now recommends approval of the Current Funds Budget for the total University for FY 2012;

NOW THEREFORE

BE IT RESOLVED, That the University’s Current Funds Budget for FY 2012, as described in the accompanying FY 2012 Current Funds Budget Book, be approved, with authorization for the President to make expenditures within the projected income.
THE OHIO STATE UNIVERSITY BOARD OF TRUSTEES
FINANCE COMMITTEE

September 8, 2011

TOPIC:

FY 2012 Current Funds Budget

CONTEXT:

This is the final step in approval of the FY 2012 operating budget. This is based on the tuition and fee levels approved by the full Board in June.

SUMMARY:

Included are the following:

- A summary of the Current Funds Budget (Attachment 1)
- A description of what is included in the Current Funds Budget Document (available online at http://rplia.ohio-state.edu/cfb) (Attachment 2)
- FY 2012 Priorities (Attachment 3)
- FY 2012 Current Funds Budget document (Separate document)

REQUESTED OF THE FISCAL AFFAIRS COMMITTEE:

Approval of the FY 2012 Current Funds Budget
FY 2012 Current Funds Budget
Summary

- This budget provides for an overall spending level of $4.9 billion for all campuses, all funds. This is a 4.6% increase over the FY 2011 budget, including a 7.8% increase for the Health System and a 2.5% increase for Instruction and General costs.

- This budget provides for an overall increase of 2.6% in spending for Columbus Campus General Funds. As part of this, undergraduate student financial aid increased $12 million, or 12%, to support the increase in tuition and housing and the implementation of the Enrollment Plan.

- Undergraduate resident instructional and general fees increased by 3.5% per temporary law in the Biennial Budget Bill in Autumn Quarter 2011 for State Fiscal Year 2012. When considering instructional, general and other mandatory fees, undergraduate and resident costs will increase 3.3% in Fiscal Year 2012. Non-resident surcharge and graduate fees increased by 5%.

- Areas of programmatic emphasis include:
  
  - Enrollment Plan $1.1 million
  - Semester Conversion $4.0 million
  - Systems $5.0 million
  - Research Support $1.0 million
  - Development Support $0.8 million
  - Sustainability $1.5 million

- State Share of Instruction (SSI) appropriations for the Columbus Campus will decrease $61.2 million, or 15.7%, in Fiscal Year 2012 compared to the Fiscal Year 2011 SSI revenue. This is due to the loss of federal stimulus funding that was appropriated in FY 2010 and FY 2011 as part of the SSI. The budget as passed did not fill the gap caused by this loss. Total state operating support will decrease 14.9%, primarily due to the decline in SSI mentioned above, as well as decreases in appropriation line items and grants and contracts.

- SSI appropriations for the Regional Campuses will decrease $4.1 million, or 15.7%, as well for FY 2012, due to the loss of the federal stimulus funding.

- Preliminary projections show the University will be able to meet its academic goals for FY 2012 under the parameters established in the state biennial budget bill, if appropriations are released as planned.
Summary of Information in CFB Document

(NOTE: This report can be accessed online at http://www.rpia.ohio-state.edu/cfb/)

Budget Related Resolutions

I. Setting Budget Priorities
   • Budget Context
   • Academic Progress
   • Financial Progress
   • Budget Allocation Process
   • FY 2012 Priorities
   • Higher Education in the State of Ohio and The Ohio State University

II. FY 2012 Revenue Summary
    • Overview
    • State Support
    • Student Fees
    • Sponsored Research
    • University Overhead
    • Other Income
    • Columbus Campus General Funds Budget Summary
    • State Capital Appropriations
    • Gifted Endowment Distributions

III. FY 2012 Expenditure Summary
     • Resource Allocation
     • Changes by Category
     • Changes by College and Academic Support Units

IV. The Regional Campus Cluster
    • Budget Context
    • Revenues and Expenditures

V. Multi-Year Commitments and Financial Goals
   • Multi-Year Commitments
     o Continuing General Funds
     o One-Time General Funds
     o Capital Investments
   • Financial Goals
   • Conclusions

Selected Definitions

Tables and Appendices
FY 2012 Budget Priorities

The FY 2012 Operating Budget advances the following priorities:

- **One University**
  Aligns strategic objectives and strengthens enterprise-wide initiatives such as sustainability, development activities and enrollment strategies campus-wide. Also provides for the joining of alumni, development and communication functions and the joining of the University and Medical Center facility organizations.

- **Students First**
  Funds semester conversion activities and funds Student Financial Aid in accordance with tuition, room and board increases and implementation of the Enrollment Plan; and provides for additional library acquisition funding.

- **Faculty and Staff Success**
  Funds a 2.0% merit pool for salary increases. In addition, the University will remain focused on moving many elements of the Staff Talent Plan forward.

- **Research**
  Much work has begun on the development of research pipelines and partnerships. In addition, the new office for Technology Commercialization has been established to further encourage and leverage the University’s research contributions.

- **Commit to Our Communities**
  Provides funding for Seed Grants for the Office of Outreach and Engagement to strengthen the partnership with Columbus City Schools. The University is also moving forward with the international gateways, like the one which has opened in China.

- **Financial Stability**
  Allows for central funding to be targeted to colleges where necessary to address the impact of the loss of state subsidy revenue and continues to support the streamlining and simplification processes already underway.