

Budget Update



How Did We Finish the 2009-2010 Fiscal Year?

MILLERSVILLE UNIVERSITY
Current Unrestricted Fund
Educational and General Budget Projection

	2009-10 ACTUAL
I. SOURCE OF FUNDS	
Prior Year Carryover	4,513,991
State Appropriation	39,573,393
University Revenue - Tuition, Fees, Miscellaneous	64,969,076
TOTAL SOURCE OF FUNDS	109,056,460
II. USE OF FUNDS	
Personnel Compensation	77,514,078
Services, Supplies, & Other Exp	14,819,717
Capital Expenditures	678,652
Transfers To & From Plant & Endowment	8,466,597
Reserve for Future Commitments	6,577,415
TOTAL USE OF FUNDS	108,056,460
SUBTOTAL EXCESS/(SHORTFALL)	1,000,000

Explanation of E&G Fund Balance - June 30, 2010

Spring 2010 Rebudget Surplus **\$ 787,382**

Revenue

Increased Tuition/Fees/Misc Income (primarily Su 1 & 2) **402,967**

Personnel Expense

Savings in Su Salaries, TPTF, Overtime, Student Wages, etc. 648,718

Savings in Workers Compensation 237,388

Project Management funded via Auxiliary Plant Funds 452,653

Total Personnel Savings **1,338,759**

Operating Expense

Savings in CUO's/Temp Help/Advertising, etc. 260,746

Savings in Utilities 110,083

Total Operating Savings **370,829**

Transfers to Plant/Other Reserves

Increased Funding for Deferred Maintenance **(659,405)**

Subtotal Operating Surplus **\$2,240,532**

Other Year-End Allocations to Reserve

Shared Administrative System (850,725)

Contingency Reserve to 6.5% (389,807)

Total Increased Transfers to Plant and Other Reserve **(1,240,532)**

June 30, 2010 Year-End Surplus **\$1,000,000**

How Did We Balance the 2010-2011 Budget?

2010-11 Reductions

Eliminate or freeze 25 Administrative positions	2,404,953
Reduction of 10 TPTF positions	628,100
Conversion of 33.99 vacant Faculty positions to TPTF	440,743
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	3,473,796

**MILLERSVILLE UNIVERSITY
Current Unrestricted Fund
Educational and General Budget Projection**

	2009-10 ACTUAL	Aug 18, 2010 2010-11 ORIGINAL BUDGET
I. SOURCE OF FUNDS		
Prior Year Carryover	4,513,991	2,982,104
State Appropriation	39,573,393	36,962,461
University Revenue - Tuition, Fees, Miscellaneous	64,969,076	67,833,821
TOTAL SOURCE OF FUNDS	109,056,460	107,778,386
II. USE OF FUNDS		
Personnel Compensation	77,514,078	81,394,324
Services, Supplies, & Other Exp	14,819,717	17,619,816
Capital Expenditures	678,652	837,756
Transfers To & From Plant & Endowment	8,466,597	6,119,241
Reserve for Future Commitments	6,577,415	1,358,339
TOTAL USE OF FUNDS	108,056,460	107,329,476
SUBTOTAL EXCESS/(SHORTFALL)	1,000,000	448,910

What About 2011-12?

Assumptions for the 2011-12 Budget Report

(Submitted on September 3, 2010)

Revenue

State Appropriation - Elimination of Federal Stimulus Funding (\$2,996,745)

Tuition - No Increase (1% generates \$538,000)

Enrollments

Resident - Stable Enrollments

Non-Resident - Increased (Non-Resident Enrollment Initiative)

General Fee - Inflationary Increases

Personnel

Continued freeze on positions frozen in 2010-11

Salaries - To be determined: CBA contracts have not been negotiated. No increases other than 1.3% residual impact of Prior Year increments and October 1, 2010 general pay increase

Benefits

Retirement - TIAA CREF Remains at 9.29%

Retirement - SERS Increase from 4.11% to 7.11% (72.99% increase)

Retirement - PSERS Increase from 2.82% to 5.82% (106.38% increase)

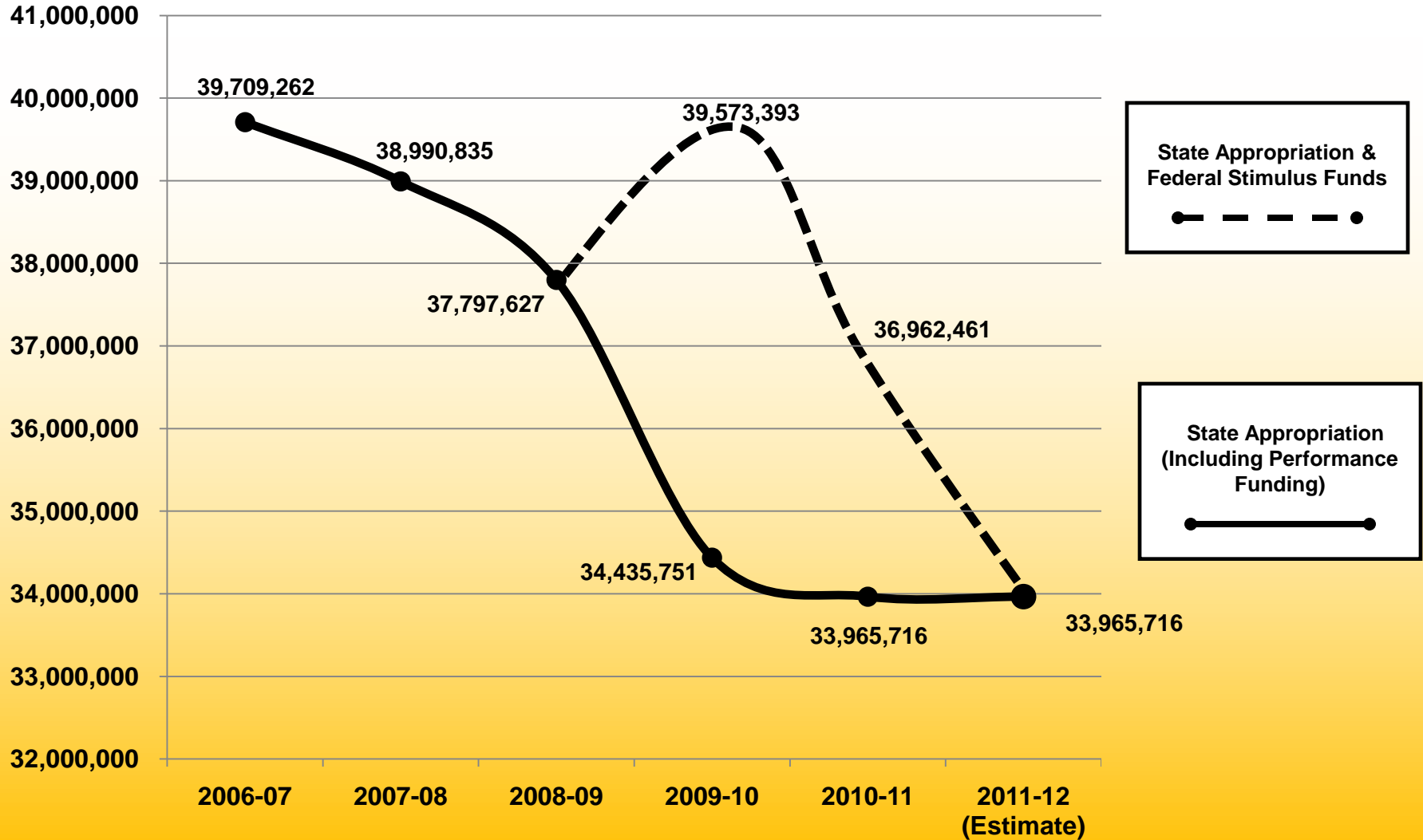
Healthcare - 10% increase for all plans

Operating/Capital

Utilities - 9% increase

All Other - 1.2% increase

The New Normal: State Appropriations



MILLERSVILLE UNIVERSITY
Current Unrestricted Fund
Educational and General Budget Projection

	2009-10 ACTUAL	2010-11 ORIGINAL BUDGET	2011-12 ORIGINAL BUDGET
I. SOURCE OF FUNDS			
Prior Year Carryover	4,513,991	2,982,104	794,535
State Appropriation	39,573,393	36,962,461	33,965,716
University Revenue - Tuition, Fees, Miscellaneous	64,969,076	67,833,821	69,156,325
TOTAL SOURCE OF FUNDS	109,056,460	107,778,386	103,916,576
II. USE OF FUNDS			
Personnel Compensation	77,514,078	81,394,324	83,460,592
Services, Supplies, & Other Exp	14,819,717	17,619,816	17,410,362
Capital Expenditures	678,652	837,756	847,809
Transfers To & From Plant & Endowment	8,466,597	6,119,241	6,161,967
Reserve for Future Commitments	6,577,415	1,358,339	-
TOTAL USE OF FUNDS	108,056,460	107,329,476	107,880,731
SUBTOTAL EXCESS/(SHORTFALL)	1,000,000	448,910	(3,964,155)

Reality Check

Pennsylvania's Budget	\$27 - \$28 Billion
Projected Deficit	\$4 - \$5 Billion (14.8% - 17.8% of budget)

*NOTE: Approximately 50% of the budget is not discretionary because of formulas and mandates
Example: Pensions, Corrections, Medical Assistance, Fixed Education Funding Costs*

Discretionary Budget Available For Reduction	\$13.5 - \$14 Billion
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*NOTE: \$4 Billion shortfall represents 29.6% of Commonwealth's discretionary budget
available for reduction*

PASSHE is funded via the discretionary component of the Commonwealth's budget

What Could Happen?

PASSHE is requiring that all institutions develop 3 additional scenarios

- **Elimination of Federal Stimulus + additional 5% reduction**
- **Elimination of Federal Stimulus + additional 10% reduction**
- **Elimination of Federal Stimulus + additional 15% reduction**

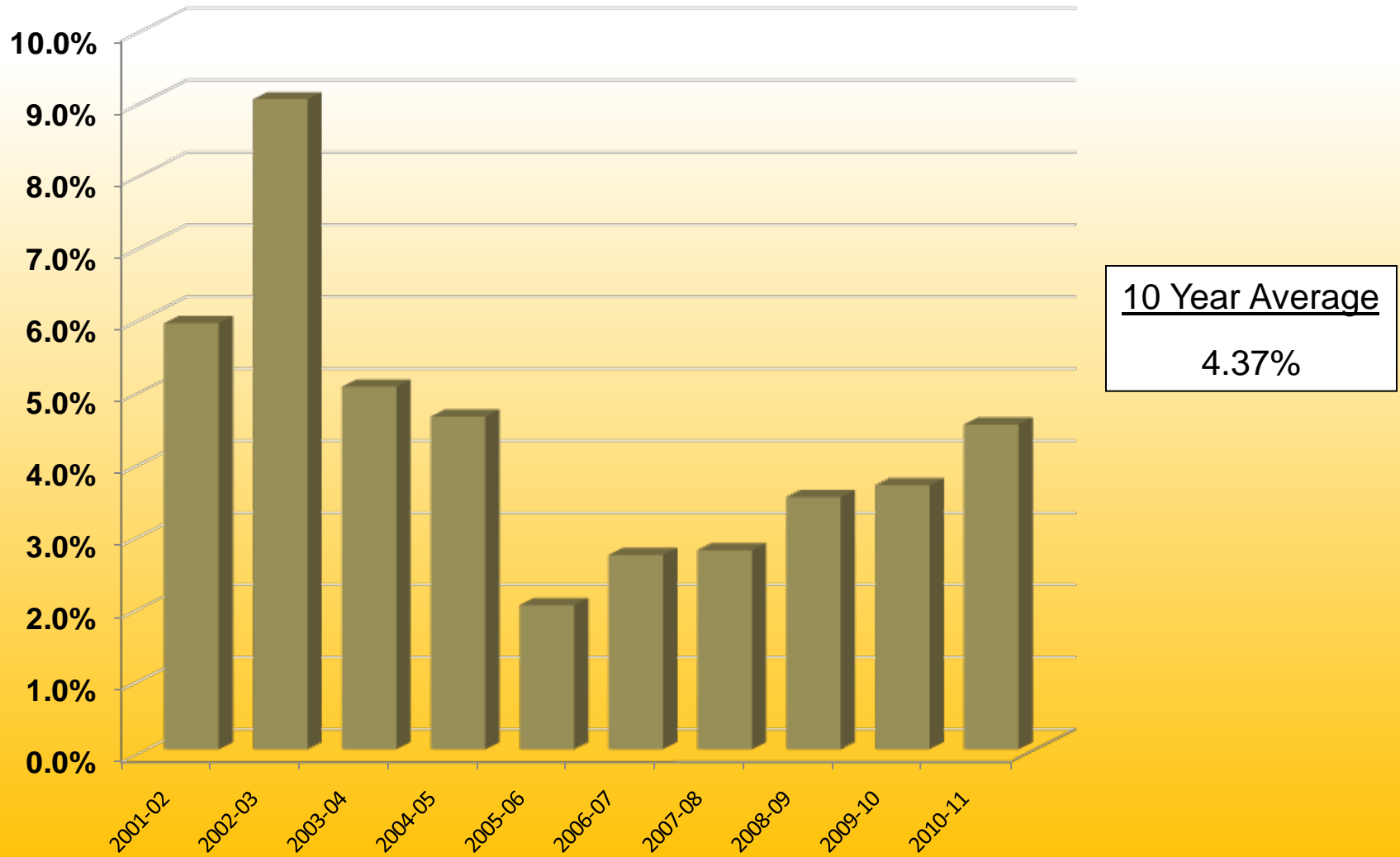
One of These Could Happen

	Scenario 1 Stable Base Appropriation	Scenario 2 5% Reduction to Base Appropriation	Scenario 3 10% Reduction to Base Appropriation	Scenario 4 15% Reduction to Base Appropriation
Elimination of Federal Stimulus Funding (will happen)	\$2,996,745	\$2,996,745	\$2,996,745	\$2,996,745
Potential Additional Base Appropriation Reduction	\$0	\$1,698,286	\$3,396,572	\$5,094,857
Total Appropriation Reduction	\$2,996,745	\$4,695,031	\$6,393,317	\$8,091,602

The above scenarios are based on 0% Tuition Increase

Percent of Tuition Increase Required	5.57%	8.73%	11.88%	15.04%
Total Appropriation Reduction	\$2,996,745	\$4,695,031	\$6,393,317	\$8,091,602
Budget Excess/Shortfall	\$0	\$0	\$0	\$0

Tuition Increase Realities



What Does the Future Hold?

- New Governor?
- What does that new Governor mean for Board of Governors?
- Tuition Increases?
- Will tuition history repeat itself?
- How can we position ourselves for the future?
- Will we need contingency reserve to balance the budget?

Millersville University

SEIZE THE OPPORTUNITY



Bright Future!