



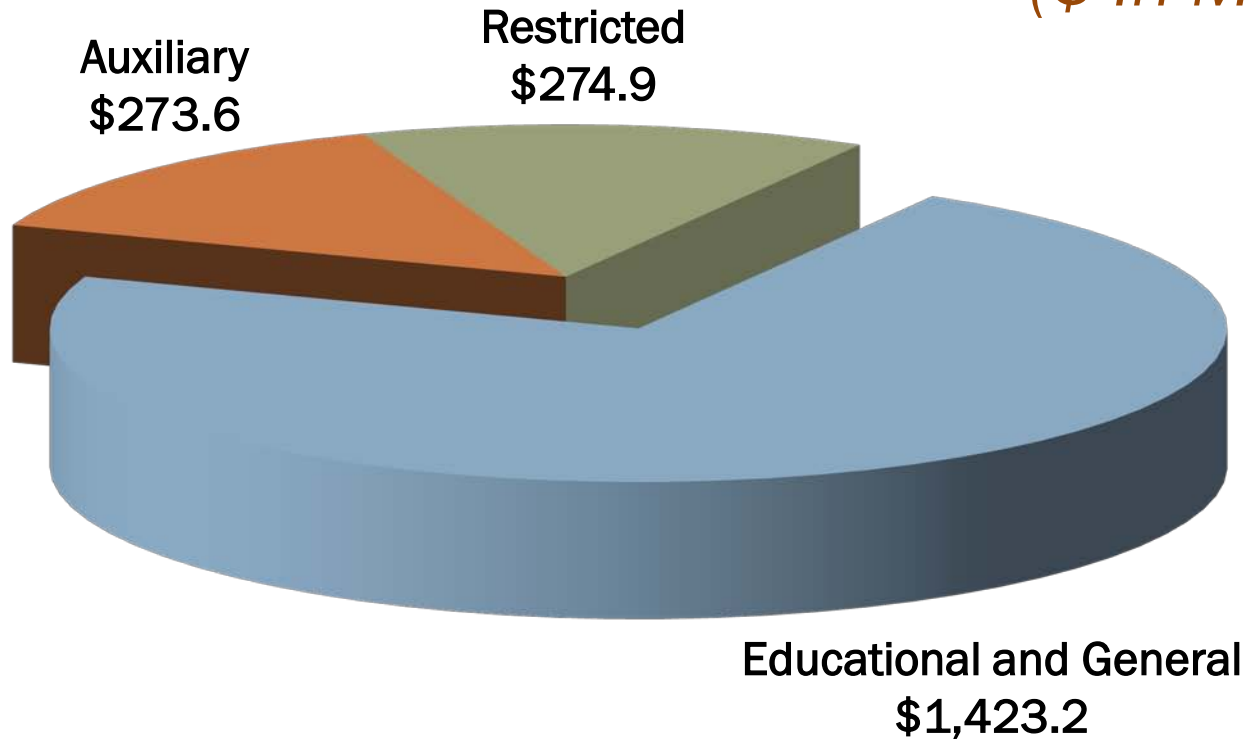
BUDGET OVERVIEW

February 19, 2010



2009/10 Total Budget

(\$ In Millions)



Total Budget
\$1,971.7

2009/10 Appropriations

Commonwealth Enacted Budget

\$ in Millions

	2008/09	2009/10			State Change		Total Change	
	Final State	State	ARRA	Total	\$	%	\$	%
E&G Appropriation	\$477.3	\$444.5	\$38.2	\$482.6	(\$32.9)	(6.9%)	\$5.3	1.1%
Other Appropriations	19.8	20.7		20.7	0.9	4.4%	\$0.9	4.4%
Total General Fund	\$497.2	\$465.2	38.2	\$503.4	(\$32.0)	(6.4%)	\$6.2	1.2%
Key '93*	13.9	0.0			(13.9)	(100%)	(13.9)	(100%)
Total Appropriations	\$511.1	\$465.2	\$38.2	\$503.4	(\$45.9)	(9.0%)	(\$7.7)	(1.5%)

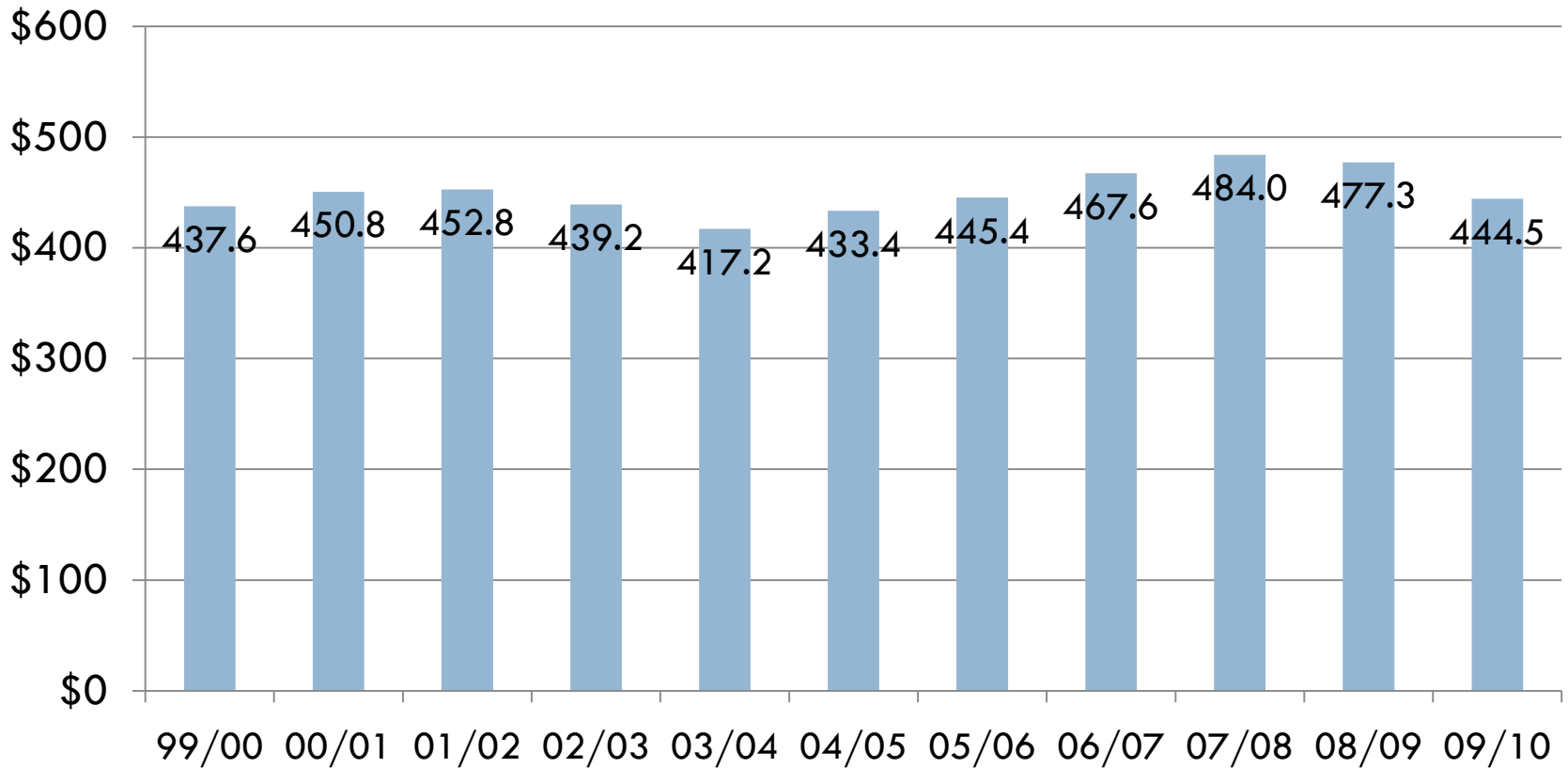
In the recently enacted 2009/10 budget, PASSHE also received a one-time payment of \$27.1 million in ARRA funds.

*For Deferred Maintenance, funded from Realty Transfer Tax—Eliminated in 2009/10 budget.

Note: Numbers may not add due to rounding.

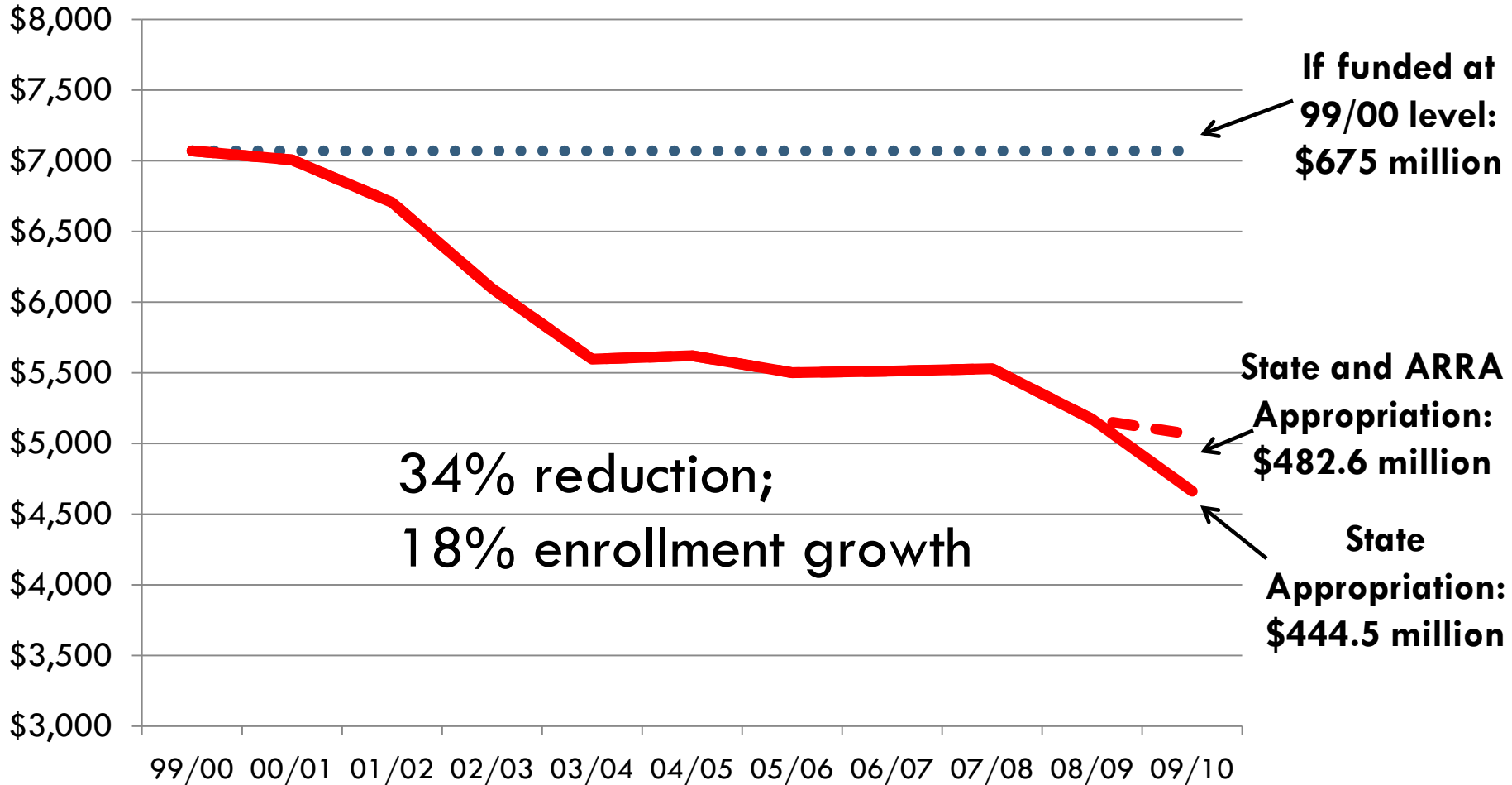
PASSHE E&G Appropriation History

Dollars in Millions



E&G Appropriation Per In-State Student*

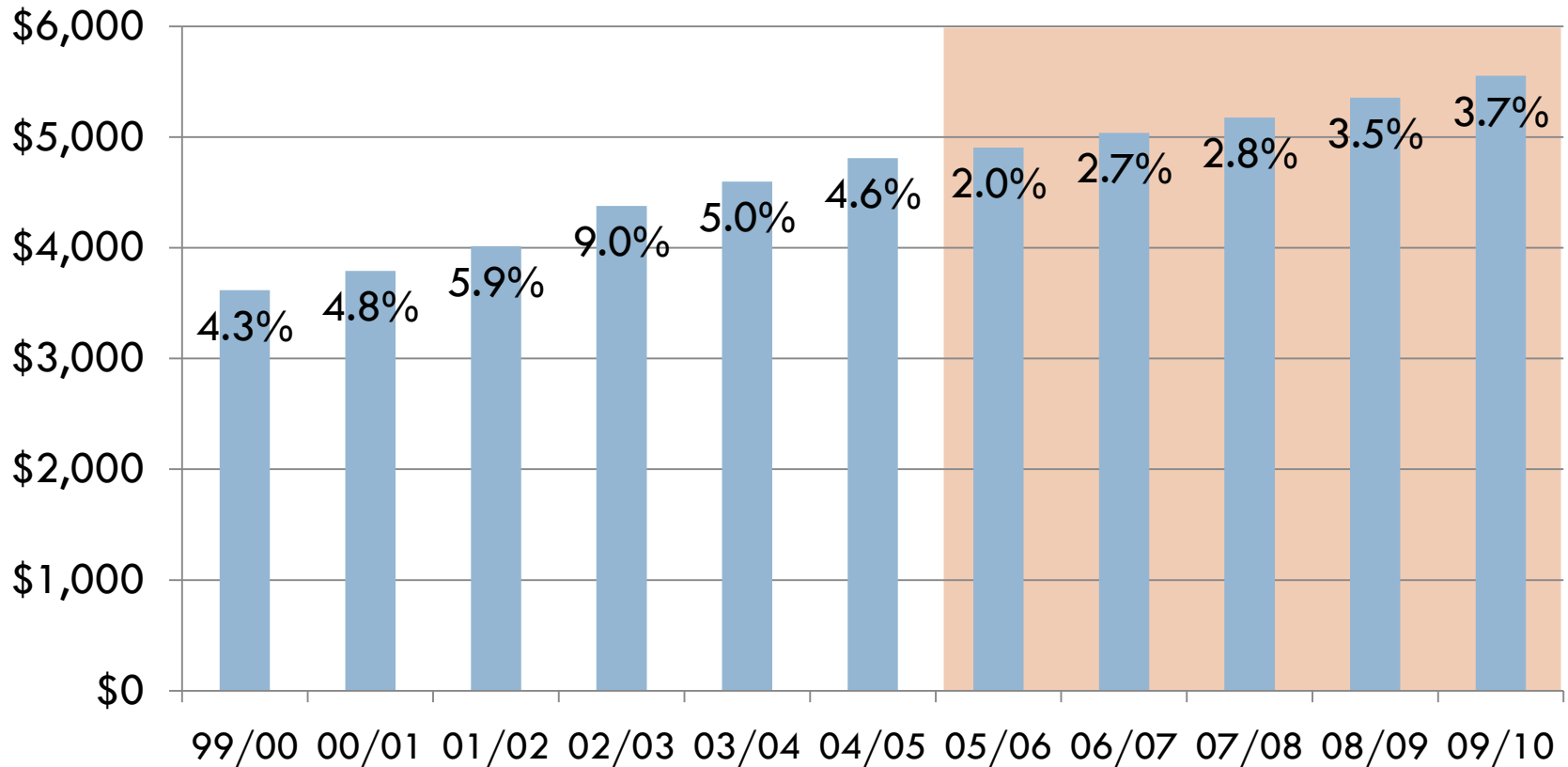
Adjusted for Inflation in 2009 dollars



*Annualized In-state FTE Enrollment

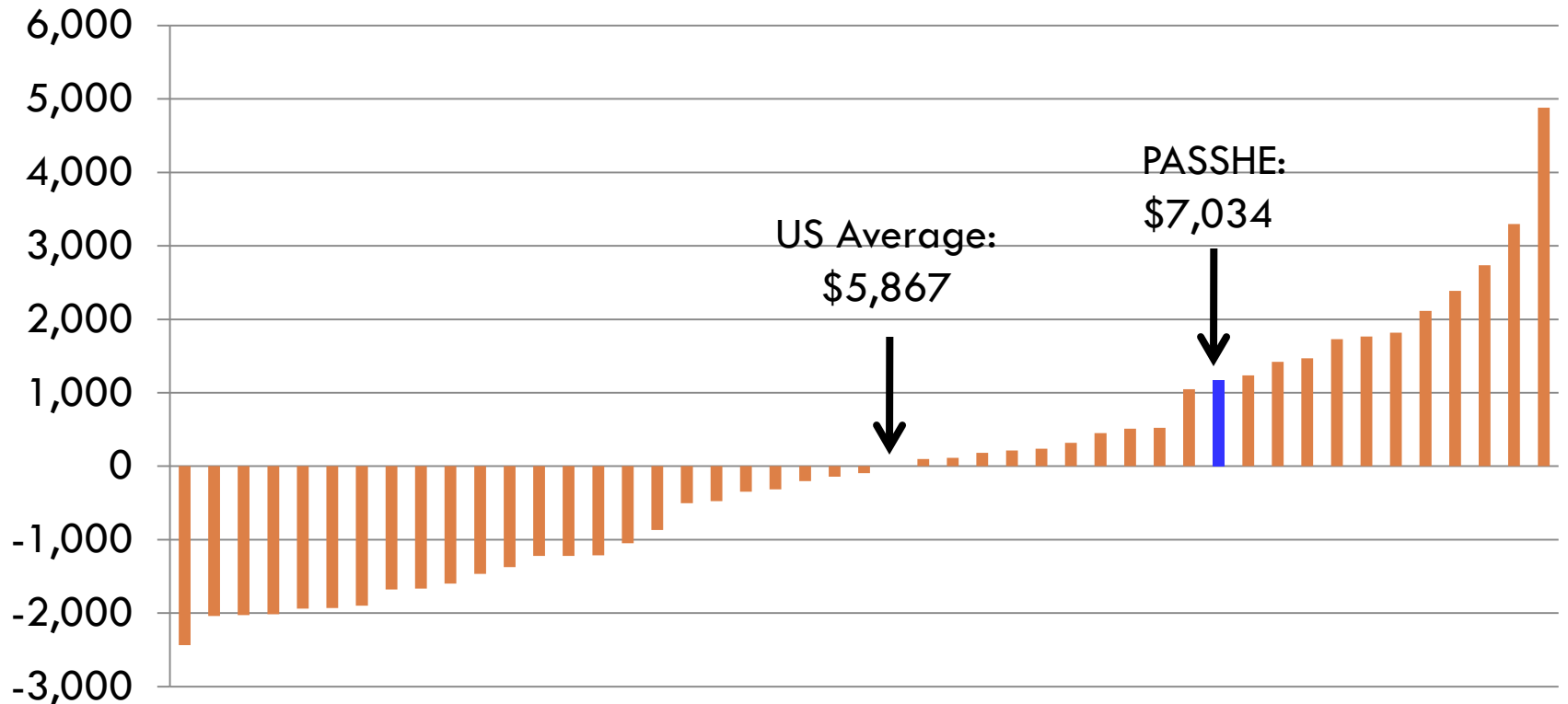
PASSHE Tuition History

In-State, Undergraduate Full-Time Tuition



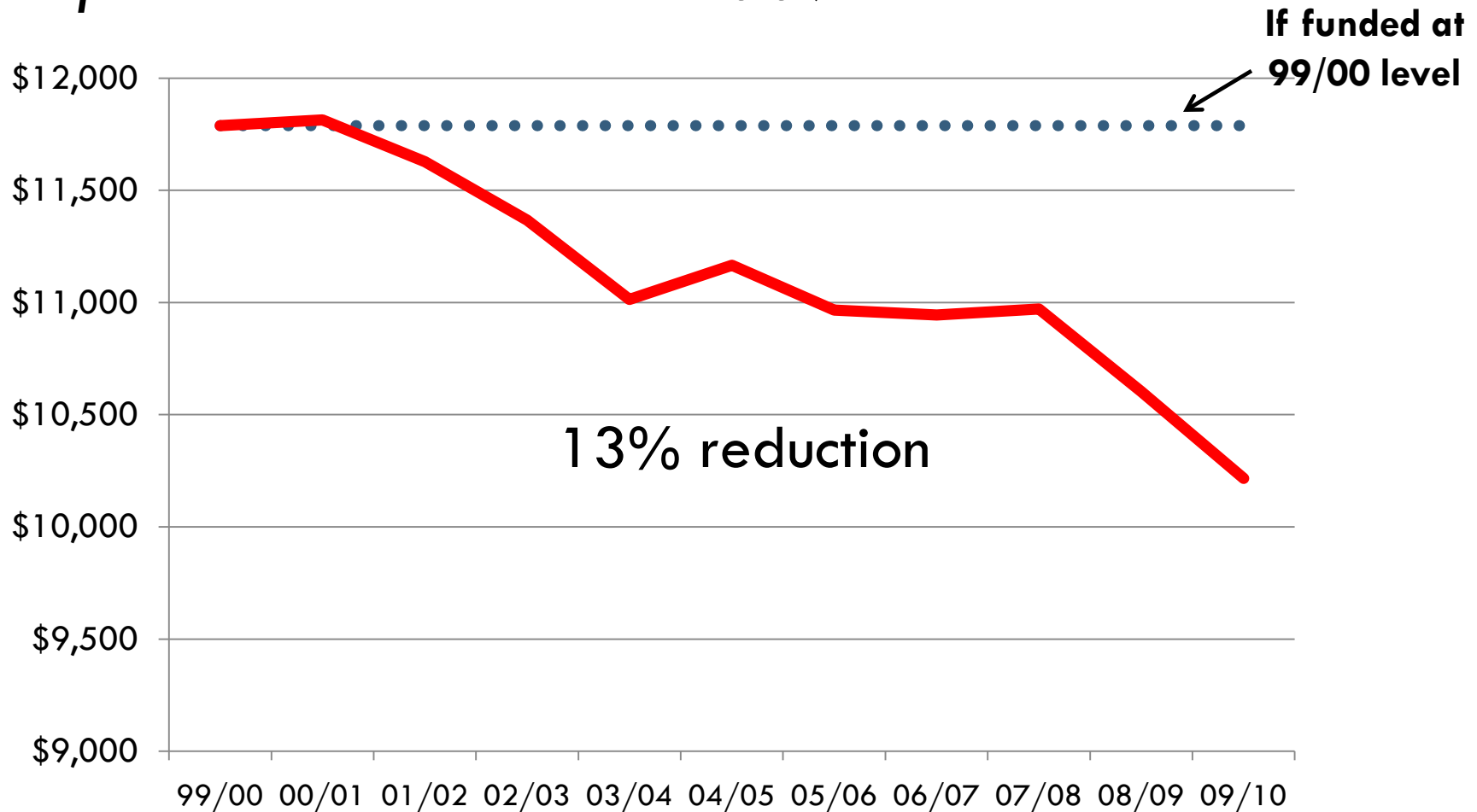
Tuition: Public Comprehensive Universities

**2008/09 Academic Year Full-Time In-State Tuition
By State Compared to National Average**



E&G Appropriation and Tuition Per In-State Student*

Adjusted for Inflation in 2009 dollars



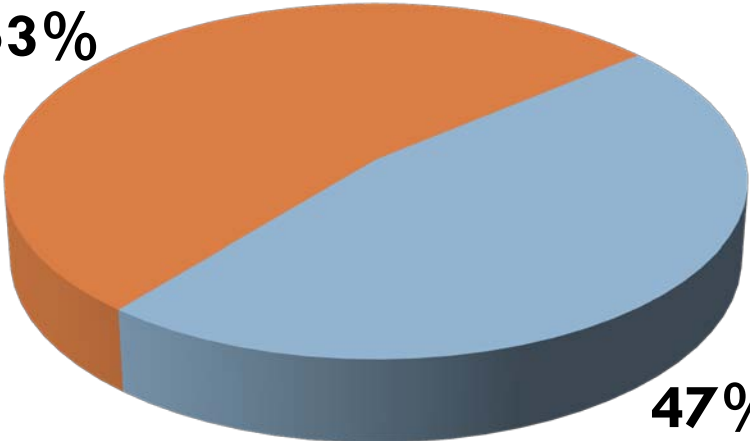
*Annualized In-State FTE Enrollment; Undergraduate in-state tuition

Educational and General Revenue per Student*

1999/2000

All Other Revenue

53%

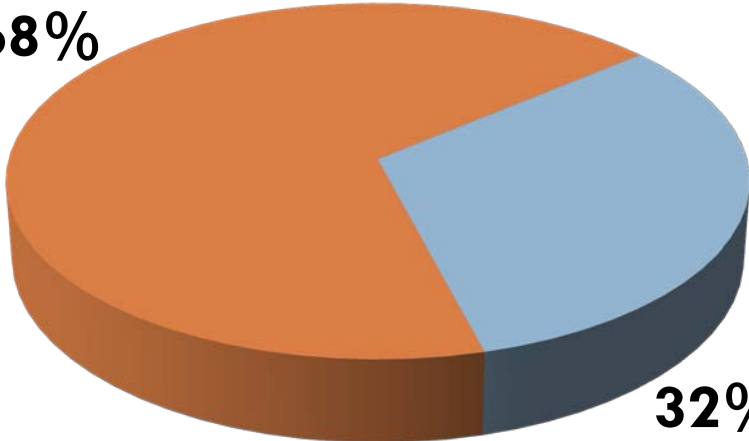


E&G Appropriation

2009/2010 (estimate)

All Other Revenue*

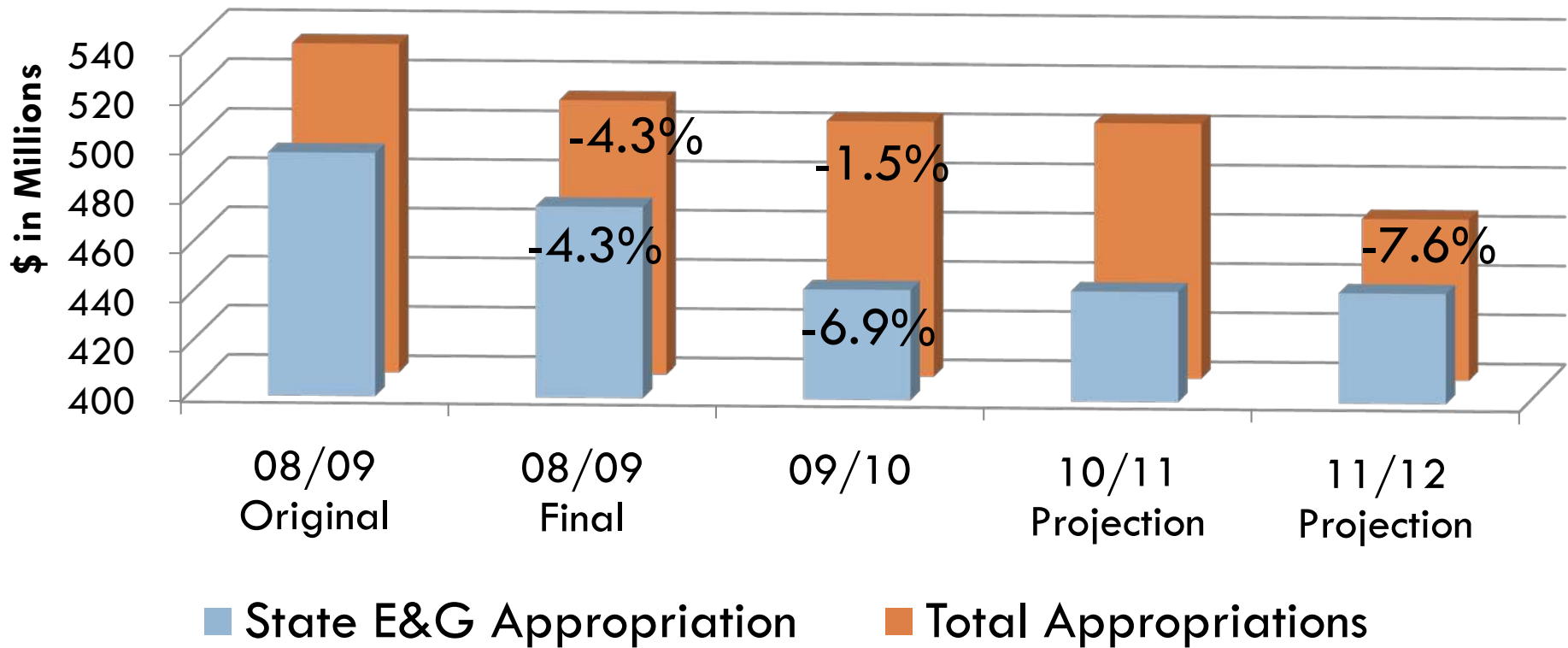
68%



E&G Appropriation

* All Other Revenue includes 2009/10 Federal ARRA SFSF.

PASSHE Appropriations



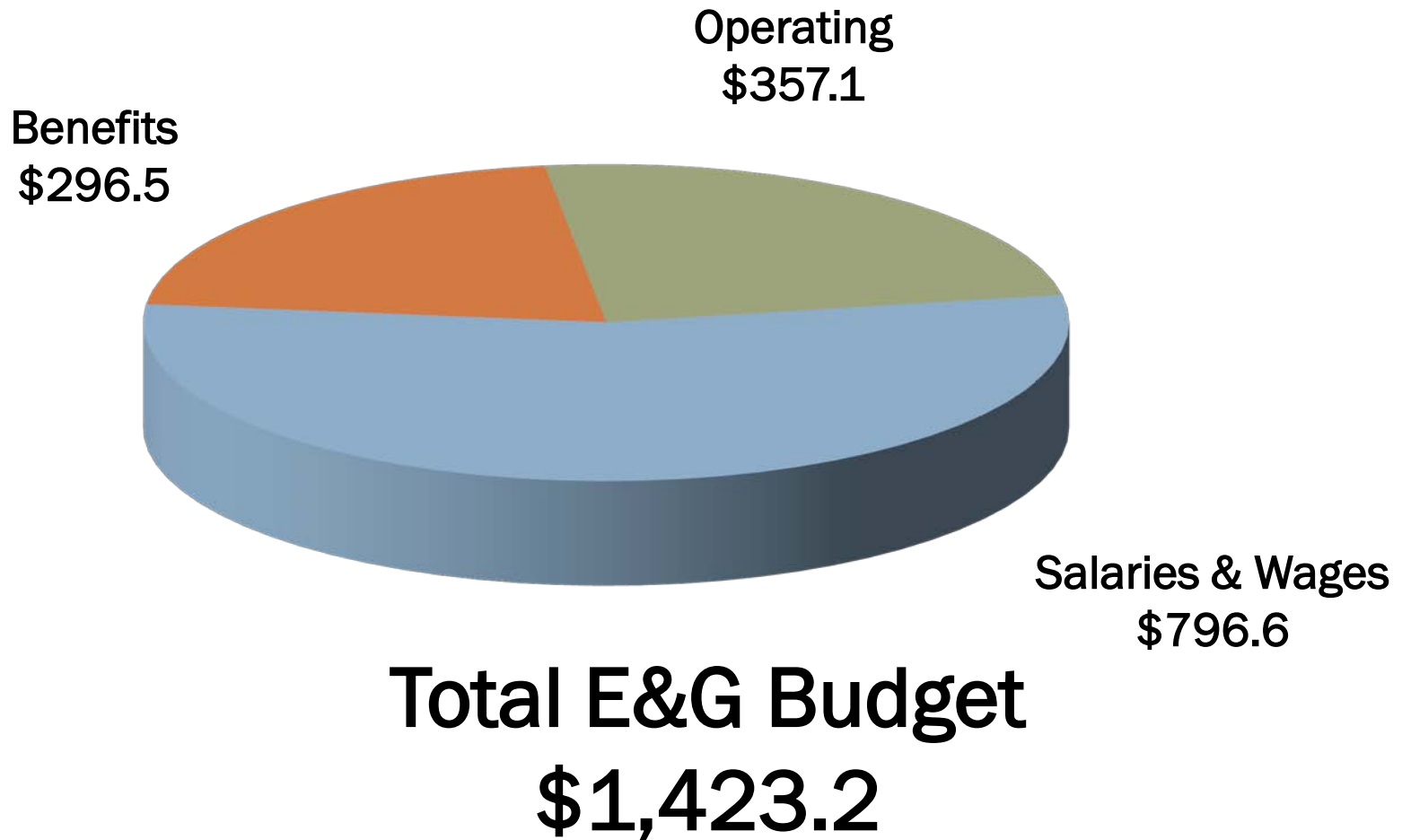
Projections assume no change in state appropriations in either 2010/11 or 2011/12, and elimination of federal ARRA appropriations in 2011/12.



PASSHE Budget Projections

2009/10 E&G Expenditures

\$ in Millions



Note: Numbers may not add due to rounding.

2010/11 Mandatory Increases

	\$ in Millions	Percent
Pay Increases for Bargaining Unit Employees:		
Salaries	\$32.9	5.4%
Associated Benefits (Social Security and Retirement)	<u>\$4.8</u>	<u>14.6%</u>
Total	\$37.7	5.9%
Healthcare	\$12.9	7.9%
Retirement—SERS Rate Increase	\$6.8	75.2%
Utilities	\$3.0	8.1%
Total Mandatory Increases	\$61.1	5.6%

Note: Numbers may not add due to rounding

2010/11 Total Increases

	\$ in Millions
Total Mandatory Increases	\$61.1
Non-Mandatory Increases	<u>15.1</u>
Total Expenditure Requirement (5.4%)	\$76.2
New University Revenue	\$ <u>12.9</u>
Net Revenue Requirement	\$63.2

Note: Numbers may not add due to rounding

2010/11 E&G Budget Requirements

(As submitted to BOG)

\$ in Millions

	2009/10	2010/11	Change		2011/12	Change	
			\$	%		\$	%
Tuition/Fees	\$ 845.5	\$ 861.4	\$ 15.9	1.9%	\$ 870.0	\$ 8.6	1.0%
State Appropriation	444.5	444.5	0.0	0.0%	444.5	0.0	0.0%
Federal Appropriation	38.2	38.2	0.0	n/a	0.0	(38.2)	-100%
Other Revenues	81.2	78.2	(3.0)	-3.7%	73.6	(4.6)	-5.8%
Total Revenues	\$ 1,409.3	\$ 1,422.2	\$ 12.9	0.9%	\$ 1,388.1	\$ (34.1)	-2.4%
Salaries & Wages	\$ 769.6	\$ 808.9	\$ 39.3	5.1%	\$ 843.3	\$ 34.4	4.3%
Benefits	296.5	323.6	27.1	9.1%	357.8	34.2	10.6%
Subtotal, Compensation	\$ 1,066.1	\$ 1,132.6	\$ 66.4	6.2%	\$ 1,201.1	\$ 68.5	6.1%
Noncompensation	\$ 343.2	\$ 352.9	\$ 9.7	2.8%	\$ 355.8	\$ 2.9	0.8%
Total Expenditures	\$ 1,409.3	\$ 1,485.5	\$ 76.2	5.4%	\$ 1,556.9	\$ 71.5	4.8%
Gap	\$ 0.0	\$ (63.2)			\$ (168.8)		

Note: Numbers may not add due to rounding

Appropriations Request Concepts

E&G Appropriation

- Seek reinstatement to 2008/09 funding level over two years
- 4.0% increase, or \$17.8 million
- Total of \$462.2 million

Tuition Assumption

- In-state undergraduate rate increase of \$222, or 4.0%
 - \$31.1 million
- (No BOG action on tuition at this time)

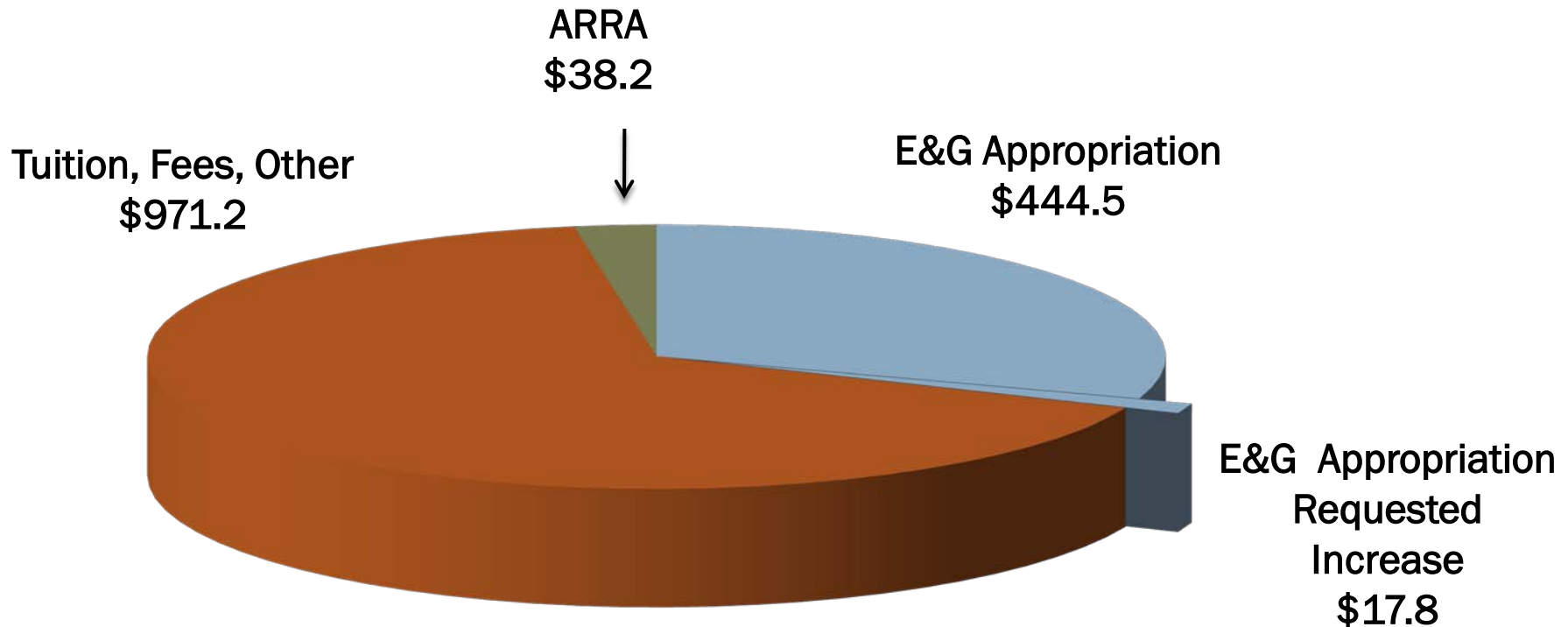
Multi-Year Strategies

- Universities must transition off ARRA funds
- New efficiency initiatives underway
- Develop alternative revenue streams

Requires reduction in anticipated E&G expenditures by \$14.3 million

2010/11 E&G Requested Revenue

\$ in Millions



**Total E&G Budget
\$1,471.7**

Note: Numbers may not add due to rounding.

New Cost Reductions, Efficiencies and Effectiveness Efforts Underway

- Review of business and student support services
- Review of academic programs
- Inter-institutional Collaboration
- Workforce Planning
- New revenue generation through new and expanded markets