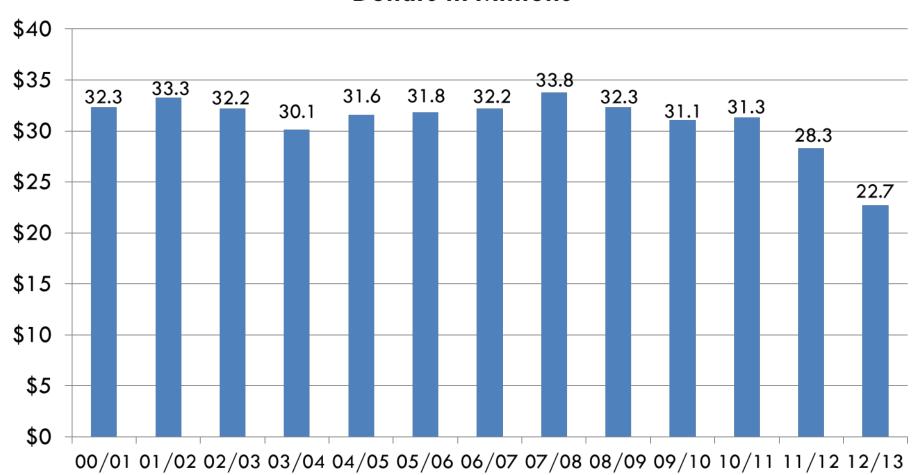
## Ship Budget Overview

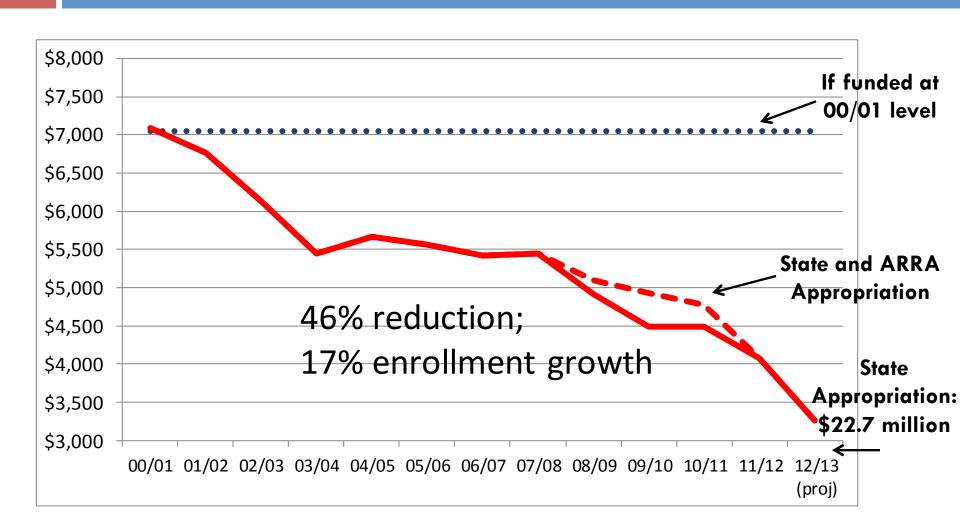
# State Appropriation History for Ship Operating Budget (E&G)

#### **Dollars in Millions**

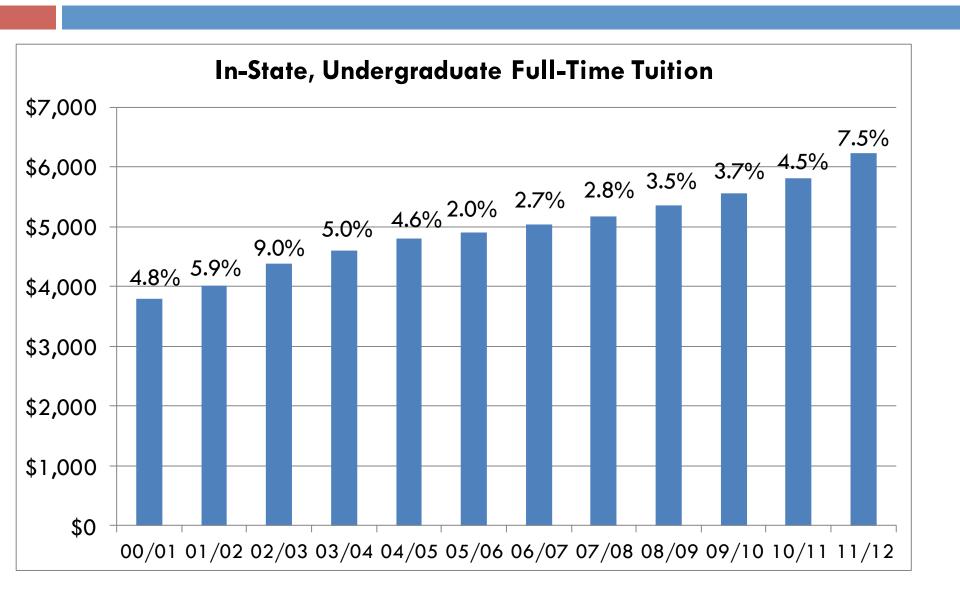


### Ship E&G Appropriation Per In-State Student\*

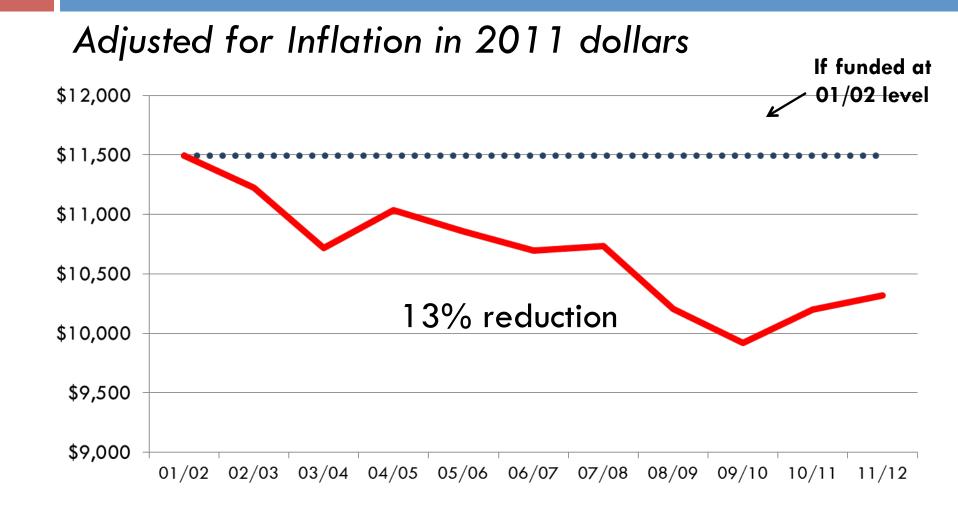
Adjusted for Inflation in 2011 dollars



## Ship Tuition History

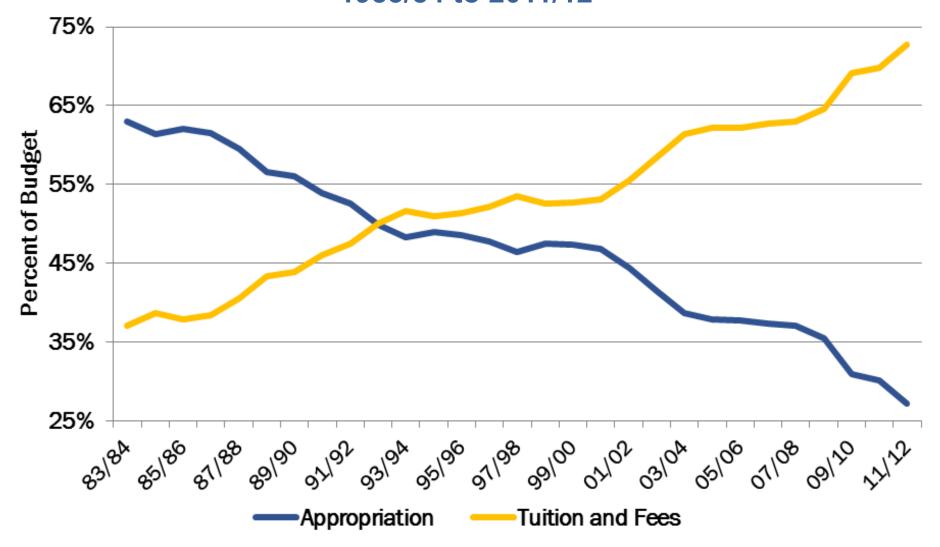


## E&G Appropriation and Tuition Per In-State Student\*



<sup>\*</sup>Annualized In-State FTE Enrollment; Undergraduate in-state tuition

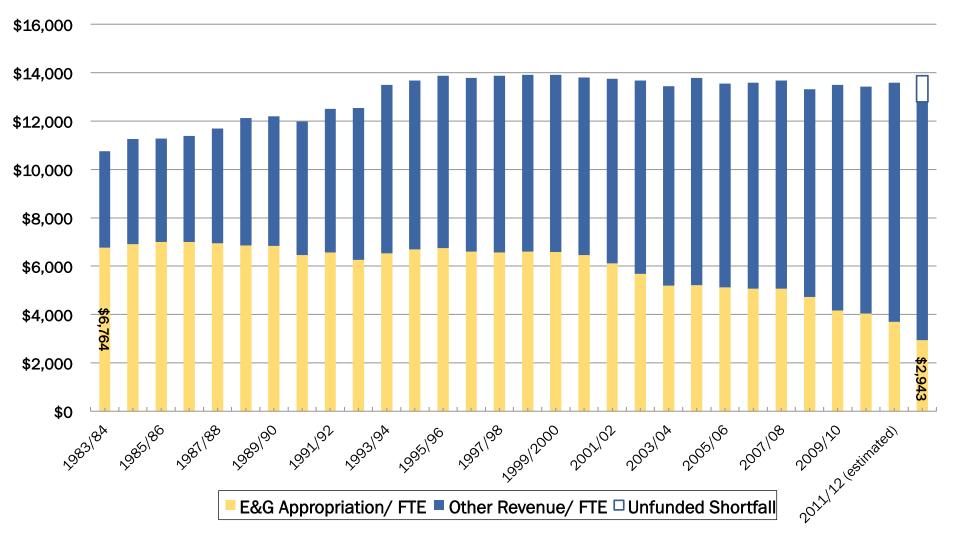
## PASSHE E&G Appropriation vs. Tuition and Fees\* 1983/84 to 2011/12



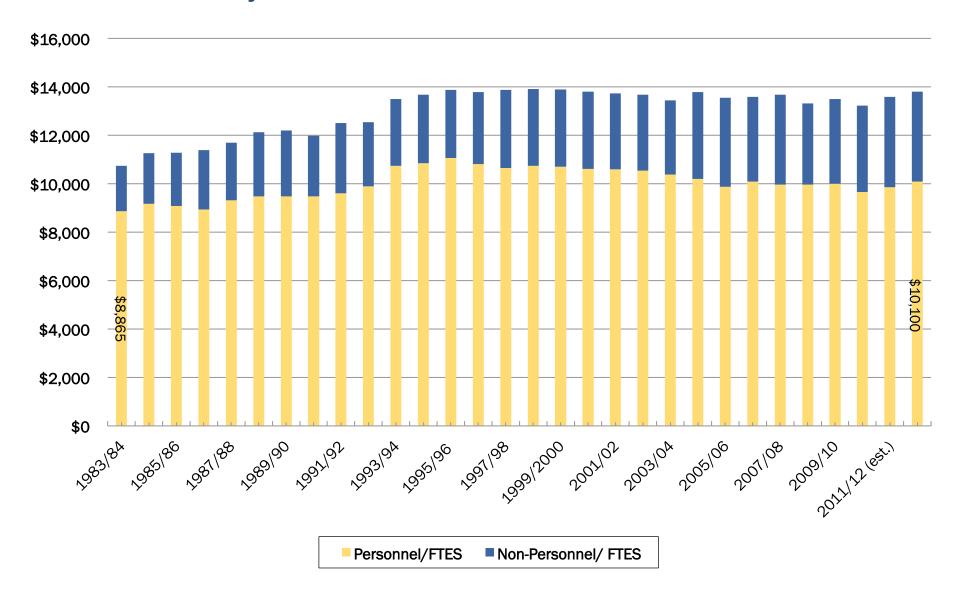
<sup>\*</sup>Includes all other miscellaneous revenue sources

## PASSHE History of E&G Revenue/FTES

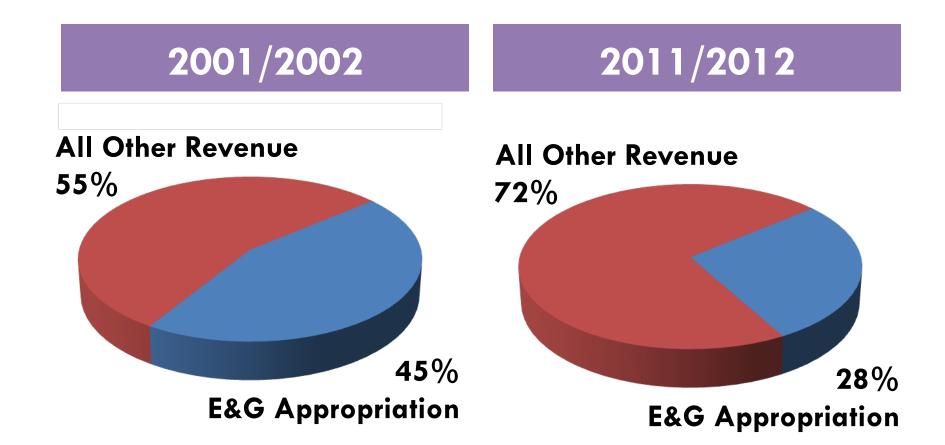




### PASSHE History of E&G Expenditures/FTES Adjusted for Inflation—In 2011/12 Dollars



### **Educational and General Revenue**

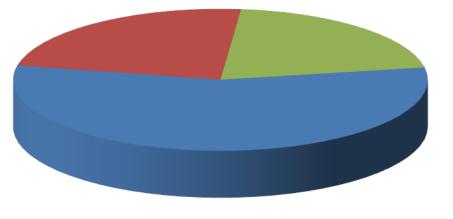


### 2011/12 E&G Expenditures

\$ in Millions

Operating \$20.4 (21%)

Benefits \$23.2 (23%)



Salaries & Wages \$55.4 (56%)

Total E&G Budget \$99

## 2012/13 E&G Budget Requirements

(As submitted to BOG)

					<u>Change</u>		nge	
	201	.1/12	20	12/13		\$	%	\$ in Millions
Tuition/Fees	\$	65.5	\$	65.7	\$	0.1	0.2%	•
State Appropriation		28.4		22.7		(5.7)	-20.0%	
Federal Appropriation		0.3		0.3		0.0	0.0%	
Other Revenues		5.0		4.9		(0.1)	-1.6%	
Total Revenues	\$	99.2	\$	93.6	\$	(5.6)	-5.7%	
Salaries & Wages	\$	55.6	\$	55.7	\$	0.1	0.1%	
Benefits		22.9		24.7		1.9	8.2%	
Subtotal, Compensation	\$	78.4	\$	80.4	\$	2.0	2.5%	
Noncompensation	\$	20.8	\$	21.0	\$	0.2	0.9%	
Total Expenditures	\$	99.2	\$	101.4	\$	2.1	2.2%	
Gap	\$	(0.0)	\$	(7.8)				
Additional Tuition Increase								
Needed to Fully Fund				15.0%				

## Shippensburg University FY12/13 Budget Projection

(Includes Auxiliaries)

Dollars in millions

			Change		Change
	2010/11	2011/12	%	2012/13	%
Tuition/Fees	\$ 61.4	\$ 65.6	6.83%	\$ 65.7	0.0%
State Appropriation	\$ 31.3	\$ 28.4	-9.34%	\$ 22.7	-20.0%
Other Revenues	\$ 4.5	\$ 4.3	-4.18%	\$ 4.3	0.0%
Auxiliaries	\$ 28.0	\$ 29.3	4.62%	\$ 29.7	3.0%
Federal Stimulus Funding	\$ 2.7	\$ -	0.0%	\$ -	0.0%
Prior Year Correction	\$ -	\$ 1.1	0.0%	\$ -	0.0%
Carryforward	\$ 0.0	\$ 1.0	0.0%	\$ 1.0	0.0%
Total Revenues	\$ 127.9	\$ 129.7	1.41%	\$ 123.4	-2.96%
Salaries & Wages	\$ 57.4	\$ 59.5	3.62%	\$ 60.1	1.29%
Benefits	\$ 22.0	\$ 23.3	6.26%	\$ 25.5	8.01%
Subtotal, Compensation	\$ 79.4	\$ 82.8	4.35%	\$ 85.6	3.3%
Noncompensation	\$ 44.4	\$ 45.5	2.47%	\$ 45.6	1.1%
Total Expenditures	\$ 123.8	\$ 128.3	3.68%	\$ 131.2	2.53%
Gap	\$ 4.1	\$ 1.4		\$ (7.8)	

Request for State Appropriation freeze of 5% in 2011/12 is not included (\$1,418,758). Tuition increase of 0% in 2012/13. No enrollment increases in 2012/13.

## **Shippensburg University FY12/13 Budget Projections**

(Includes Auxiliaries)

Dollars in millions

		Change								
	2012/13	%	2012/13	%	2012/13	%	2012/13	%	2012/13	%
Tuition/Fees	\$ 67.4	3.21%	\$ 69.1	6.41%	\$ 65.7	0.0%	\$ 67.4	3.21%	\$ 69.1	6.41%
State Appropriation	\$ 22.7	-20.0%	\$ 22.7	-20.0%	\$ 23.6	-17.0%	\$ 23.6	-17.0%	\$ 23.6	-17.0%
Other Revenues	\$ 4.3	0.0%	\$ 4.3	0.0%	\$ 4.3	0.0%	\$ 4.3	0.0%	\$ 4.3	0.0%
Auxiliaries	\$ 29.7	3.0%	\$ 29.7	3.0%	\$ 29.7	3.0%	\$ 29.7	3.0%	\$ 29.7	3.0%
Carryforward	\$ 1.0	0.0%	\$ 1.0	0.0%	\$ 1.0	0.0%	\$ 1.0	0.0%	\$ 1.0	0.0%
Total Revenues	\$ 125.1	3.5%	\$ 126.8	3.4%	\$ 124.3	0.3%	\$ 126.0	3.3%	\$ 127.7	3.3%
Salaries & Wages	\$ 60.1	1.29%	\$ 60.1	1.29%	\$ 60.1	1.29%	\$ 60.1	1.29%	\$ 60.1	1.29%
Benefits	\$ 25.5	8.01%	\$ 25.5	8.01%	\$ 25.5	8.01%	\$ 25.5	8.01%	\$ 25.5	8.01%
Subtotal, Compensation	\$ 85.6	3.3%	\$ 85.6	3.3%	\$ 85.6	3.3%	\$ 85.6	3.3%	\$ 85.6	3.3%
Noncompensation	\$ 45.6	1.1%	\$ 45.6	1.1%	\$ 45.6	1.1%	\$ 45.6	1.1%	\$ 45.6	1.1%
Total Expenditures	\$ 131.2	2.53%	\$ 131.2	2.53%	\$ 131.2	2.53%	\$ 131.2	2.53%	\$ 131.2	2.53%
Gap	\$ (6.1)		\$ (4.4)		\$ (6.9)		\$ (5.2)		\$ (3.5)	

Tuition increases as noted: \$0, \$100 per semester (3.21%), or \$200 per semester (6.41%). State appropriation cuts of either 20% or 17%.

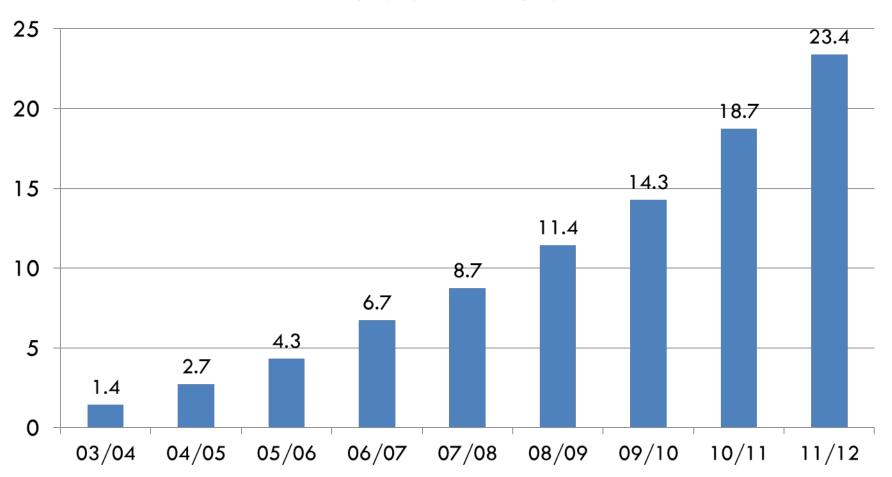
## Shippensburg University FY12/13 Budget Projections

	State Appropriation									
Tuition	0%	-5%	-10%	-15%	-17%	-20%				
0%	-\$2,109,375	-\$3,528,133	-\$4,946,891	-\$6,365,650	-\$6,933,152	-\$7,784,408				
1%	-\$1,586,635	-\$3,005,393	-\$4,424,151	-\$5,842,909	-\$6,410,412	-\$7,261,668				
2%	-\$1,063,895	-\$2,482,653	-\$3,901,412	-\$5,320,170	-\$5,887,672	-\$6,738,928				
3%	-\$541,155	-\$1,959,913	-\$3,378,672	-\$4,797,430	-\$5,364,932	-\$6,216,188				
4%	-\$18,415	-\$1,437,173	-\$2,855,932	-\$4,274,690	-\$4,842,192	-\$5,693,448				
5%	\$504,325	-\$914,433	-\$2,333,192	-\$3,751,950	-\$4,319,452	-\$5,170,708				
6%	\$1,027,065	-\$391,693	-\$1,810,452	-\$3,229,210	-\$3,796,712	-\$4,647,968				
7%	\$1,549,805	\$131,047	-\$1,287,712	-\$2,706,470	-\$3,273,972	-\$4,125,228				
7.5%	\$1,811,175	\$392,417	-\$1,015,508	-\$2,445,100	-\$3,012,602	-\$3,863,858				
8%	\$2,072,545	\$653,787	-\$764,972	-\$2,183,730	-\$2,751,232	-\$3,602,488				
9%	\$2,595,285	\$1,176,527	-\$242,232	-\$1,660,990	-\$2,228,492	-\$3,079,748				
10%	\$3,118,025	\$1,699,267	\$280,508	-\$1,138,250	-\$1,705,752	-\$2,557,008				
15%	\$5,731,725	\$4,312,967	\$2,894,208	\$1,475,450	\$907,948	\$56,692				
20%	\$8,345,425	\$6,926,667	\$5,507,908	\$4,089,150	\$3,321,648	\$2,670,392				

### Ship Cost Savings

#### **Cumulative**

#### **Dollars in Millions**



### **Examples of Cost Savings**

- Increased the number of students while foregoing faculty positions thus holding faculty complement nearly level
- Increased class sizes in general education courses thus reducing opportunities for personal attention and high impact educational practices that increase retention.
- Reduced overtime budgets by over \$300,000 over the past three years, including a 57% reduction on our building and grounds maintenance overtime.
- Reduced faculty sabbatical leave replacement costs by approximately 50%.

## Examples of Cost Savings cont'd

- Worked to expand into new programs and grow current ones which have higher student demand (Computer Engineering, Exercise Science, Software Engineering).
- Looked for additional revenue-generating opportunities, including more on-line classes, offering programs at other locations, partnering with sister schools to provide programs with shared resources, hosting more non-academic programs, and increased grants.
- Increasingly relying on donors to provide our students with both scholarship dollars as well as financial support to the University.
- Have been forced to increase student fees by 65% over the last four years to provide student services which were previously able to be absorbed within the operating budget.

## Examples of Cost Savings cont'd

- Have validated that we have very few low enrolled programs, so if any programs are discontinued, there will be significant number of students who will need to be able to finish their program(s)
- Have cancelled low enrolled classes that are not required for graduation by students
- Have reduced our use of overloads to where they can't be avoided (e.g. emergency situation)
- Have reduced our use of adjunct faculty, reducing total compensation costs ,while not increasing permanent faculty
- Have closed an academic center
- Have moved Professional, Continuing, and Distance Education to a completely self-supporting basis

## Examples of Cost Savings cont'd

- Running a large number of vacancies. Currently 9.7% of our staff positions and 9.1% of our management positions are unfilled, creating impacts on student support and service, facility maintenance and cleanliness, and increasing staff workloads.
- Replanting of trees from construction areas.
- Operating budgets have been cut, reducing everything from supplies to academic equipment to professional development to travel.
- Slashed utilities budget by over \$400,000 in three years and achieved a total reduction in utilities of 31% in just seven years.

### Future energy improvements include

- Chilled water
  - Centralizing chilled water production
  - Thermal energy storage tank
  - Saves \$330K/year in operational costs
- Heat
  - Decentralizing heat production
  - Converting from coal to gas
  - Saves \$10M up-front costs
  - Saves \$20M over 30 year period in operational costs

### Student Association construction of new oncampus residence halls

- Student rent financed
- No Commonwealth funding involved
- Three-phase program to replace 100% of existing residence halls
- Phase 1 eliminates \$20M existing deferred maintenance
- Privatized, third party construction model
- Design-build with Guaranteed Maximum Price
- Market sector execution versus separate primes
- Privately financed at \$52M with 37% of current construction subcontracted with PA firms

#### CUB construction

- Student fee financed
- No Commonwealth construction funds
- \$22M with local construction firms

General contractor: Lobar of Dillsburg

Electrical contractor: Lobar Electrical of Dillsburg

HVAC contractor: Stouffer Mechanical of Chambersburg

Plumbing contractor: Stouffer Mechanical of Chambersburg

- Revenue generating
  - Follett Bookstore
  - Chartwells Food Services
  - Student mail service to be contracted