UGA Fiscal Overview
for
ITMF
Annual Conference

May 27, 2008
**UGA Fiscal Overview**

* **Sources of Operating Revenue**
  - Declining “Unrestricted” State Support
  - Flattened “Unrestricted” Tuition Growth
  - Sponsored Research Funding

* **Growing “Uncontrollable” Cost Pressures**

* **Faculty Salary Competitiveness**

* **FY 2009 & 2010 Outlook**
FY 2008 UGA Budget Sources

$ 483 M - State Appropriations
$ 311 M - Internal Revenue
$ 308 M - Sponsored Sources
$ 158 M - Auxiliary Enterprises
$ 27 M - Private Funding

$1.287 B
“Unrestricted” Budget Sources

- $ 377 M - State Appropriations (Funding Formula/Credit Hours)
- $ 185 M - Internal Revenue (Tuition set by Board of Regents)
- $ 0 M - Sponsored Sources
- $ 0 M - Auxiliary Enterprises
- $ 0 M - Private Funding
- $ 562 M or 44% of $1.287 B Total Budget
Declining “Unrestricted” State Support

- Major Budget Reductions from 2003 to 2005
- Modest Formula Growth from 2004 to 2006
- No Cuts BUT Little Growth in 2007 & 2008

*Major Budget Reductions from 2003 to 2005
* Modest Formula Growth from 2004 to 2006
* No Cuts BUT Little Growth in 2007 & 2008
Declining “Unrestricted” State Support

- $69.4 Million of Budget Reductions
- $47.3 Million of Formula Growth
- $22.1 Million Reduction in Base Funding

* Cum. Budget Reduction
* Cum. Enrollment Based State Support
* Cum. Net Change

2003 2004 2005 2006 2007 2008

$0 $20 $40 $60 $80

($20) ($40) ($60) ($80)
# Funding Source Summary & Trends

<table>
<thead>
<tr>
<th>Source</th>
<th>FY 2008</th>
<th>Growth</th>
<th>FY 2002</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Appropriations</td>
<td>$483,422,073</td>
<td>37.6%</td>
<td>$442,236,809</td>
<td>46.5%</td>
</tr>
<tr>
<td>Internal Revenue</td>
<td>$311,102,029</td>
<td>24.2%</td>
<td>$189,514,922</td>
<td>19.9%</td>
</tr>
<tr>
<td>Sponsored</td>
<td>$307,800,138</td>
<td>23.9%</td>
<td>$192,553,970</td>
<td>20.2%</td>
</tr>
<tr>
<td>Auxiliary Enterprises</td>
<td>$157,631,021</td>
<td>12.2%</td>
<td>$111,938,091</td>
<td>11.8%</td>
</tr>
<tr>
<td>Private Funding</td>
<td>$27,391,264</td>
<td>2.1%</td>
<td>$14,900,000</td>
<td>1.6%</td>
</tr>
<tr>
<td><strong>TOTAL BUDGET</strong></td>
<td><strong>$1,287,346,525</strong></td>
<td><strong>35.3%</strong></td>
<td><strong>$951,143,792</strong></td>
<td><strong>1.6%</strong></td>
</tr>
<tr>
<td><strong>ENROLLMENT</strong></td>
<td><strong>33,831</strong></td>
<td></td>
<td><strong>32,317</strong></td>
<td></td>
</tr>
</tbody>
</table>

- **State:** 37.6%
- **Internal Revenue:** 24.2%
- **Sponsored:** 23.9%
- **Auxiliary Enterprises:** 12.2%
- **Private Funding:** 2.1%

- **State:** 46.5%
- **Internal:** 19.9%
- **Sponsored:** 20.2%
- **Auxiliary:** 11.8%
Flattened “Unrestricted” Tuition Growth

Guaranteed Tuition Plan
FY 2008 - No increase to Sophomores
FY 2009 - No increase to Sophomores or Juniors
FY 2010 - Increase only applies to New Freshmen

Impact on General Budget Revenue Growth

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>New Freshmen</th>
<th>Upperclassmen</th>
<th>Grads/Profs</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2008</td>
<td>15.5% inc.</td>
<td>7% inc.</td>
<td>$10,400,000</td>
</tr>
<tr>
<td>FY 2009</td>
<td>8% inc.</td>
<td>6% inc.</td>
<td>$5,900,000</td>
</tr>
<tr>
<td>FY 2010</td>
<td>6% inc.</td>
<td></td>
<td>$3,500,000</td>
</tr>
</tbody>
</table>
Flattened “Unrestricted” Tuition Growth

Impact on General Budget Revenue Growth
FY 2008 to FY 2010

$10.4 Million
to
$5.9 Million
to
$3.5 Million
Sponsored Research Funding
“Uncontrollable” Health Insurance Costs

- $5.8 Million Current Funding Shortfall
- FY 2009 Shortfall Projected at $11.8 Million

FY Participation Costs

Base Budget Funding


* $5.8 Million Current Funding Shortfall
* FY 2009 Shortfall Projected at $11.8 Million
“Uncontrollable” Health Insurance Costs

* $5.8 Million Current Funding Shortfall

* FY 2009 Shortfall Projected at $11.8 Million

"Uncontrollable" Utility Costs

* $6.1 Million Current Funding Shortfall
* Projected at $6.3 Million in FY 2009
“Uncontrollable” Utility Costs

* Consumption reduced by 19% over 10 years
* Energy cost has grown by over 50% since 2003
“Uncontrollable” Utility Costs

* 9.4% growth in Building Space
* 10% growth in Gross Energy Consumption
* 2% growth - Adjusted for Extended Operating Hours
Age of Resident Instruction Space (years)

- Under 10: 16%
- 10 to 20: 13%
- 20 to 30: 4%
- 30 to 40: 16%
- 40 to 50: 17%
- 50 to 100: 28%
- Over 100: 6%
MRR/ Deferred Maintenance Needs

$300 Million Backlog of Needs

- $87.5M - Electrical Systems
- $75M - HVAC System Repairs/Upgrades
- $27M - Plumbing Repairs/Upgrades
- $18M - Fire Protection Systems

Pie chart showing distribution of maintenance needs:

- Over 100: 6%
- Under 10: 16%
- 10 to 20: 13%
- 20 to 30: 4%
- 30 to 40: 16%
- 40 to 50: 17%
- 50 to 100: 28%
Faculty Salary Competitiveness

Percent Increase from 2003 to 2007 - SREB Flagships

<table>
<thead>
<tr>
<th>Institution</th>
<th>Percent Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>UGA</td>
<td>12.7</td>
</tr>
<tr>
<td>Alabama</td>
<td>33.7</td>
</tr>
<tr>
<td>LSU</td>
<td>26.2</td>
</tr>
<tr>
<td>UNC</td>
<td>24.9</td>
</tr>
<tr>
<td>Virginia</td>
<td>23.9</td>
</tr>
<tr>
<td>Oklahoma</td>
<td>23.6</td>
</tr>
<tr>
<td>Mississippi</td>
<td>22.5</td>
</tr>
<tr>
<td>Arkansas</td>
<td>21.0</td>
</tr>
<tr>
<td>West Virginia</td>
<td>20.7</td>
</tr>
<tr>
<td>Texas</td>
<td>20.5</td>
</tr>
<tr>
<td>Delaware</td>
<td>20.2</td>
</tr>
<tr>
<td>Kentucky</td>
<td>20.0</td>
</tr>
<tr>
<td>Maryland</td>
<td>18.1</td>
</tr>
<tr>
<td>Tennessee</td>
<td>17.7</td>
</tr>
<tr>
<td>South Carolina</td>
<td>15.4</td>
</tr>
<tr>
<td>Florida</td>
<td>13.5</td>
</tr>
</tbody>
</table>
Faculty Salary Competitiveness

UGA Ranking among SREB Flagships - 2003 through 2008
Faculty Salary Competitiveness

Steps Taken by UGA

FY 2006 – Add $2.3M from Redirection to $3M from the State
FY 2007 – Add $400K from Redirection to $5M from the State
FY 2008 – Add $1.5M from Redirection to $4M from the State
FY 2009 – BOR Provided $1.8M Special Allocation
          UGA Provided $1M from Redirection

Improved Average Increase since 2003
from 12.7% to 14%

Still well below US Average of 15%
SREB Peers: Exceeds only Florida’s 13.5% increase
State Budget Outlook

$21.1B FY 2009 Budget
- $650M more than FY 2008
- Assumes 3% revenue growth
- $245M reduction in March

Potential for budget cuts
- Critical Hiring Process
- 2% Reserve