Fall 2015 Budget Presentation
Armstrong State University
31 August 2015
Christopher Corrigan
Vice President, Business & Finance
<table>
<thead>
<tr>
<th></th>
<th>2014 Actual</th>
<th>2015 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenue</td>
<td>$ 55,082,018.00</td>
<td>$ 52,404,218.00</td>
</tr>
<tr>
<td>Non-operating Revenue</td>
<td>$ 41,587,685.00</td>
<td>$ 43,172,107.00</td>
</tr>
<tr>
<td>Capital Grants - State</td>
<td>$ 1,684,062.00</td>
<td>$ 3,209,674.00</td>
</tr>
<tr>
<td>Gain - P3 Transactions</td>
<td>$</td>
<td>$ 5,544,942.00</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>$ 98,353,765.00</td>
<td>$ 104,330,941.00</td>
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<tr>
<td>Operating Expenses</td>
<td>$ 93,969,457.00</td>
<td>$ 96,227,054.00</td>
</tr>
<tr>
<td>Non-operating Expenses</td>
<td>$ 4,588,520.00</td>
<td>$ 4,316,234.00</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>$ 98,557,977.00</td>
<td>$ 100,543,288.00</td>
</tr>
<tr>
<td></td>
<td>$ (204,212.00)</td>
<td>$ 3,787,653.00</td>
</tr>
</tbody>
</table>

FY 2015 benefitted from a capital gain resulting from the sale of P3 housing facilities.
Overview: FY15 Financial Results

- Cash position – remains adequate and stable
- Facilities outlook good due to state funded capital projects and priority attention to maintenance projects
- Conservative FY15 budget allowed for limited year end spending, despite some revenue shortfalls.
- Major changes to Balance Sheet (assets and liabilities) due to P3 transfer and pension accounting changes.
FY14 versus FY15 Comparisons

- Operating Revenue declined by $2.7M
  - Tuition & Fees  -$1M
  - Fed. Fin. Aid  -$1.7M

- Non-operating revenue increased by $7.2M
  - Pell Grants  +$950K
  - State Approp.  +$700K
  - Non-op Cap. Gain  +$5.5M

- Capital Grants
  - Liberty Center Proj.  +1.5M
FY14 versus FY15 Comparisons (cont)

- Operating expenses increased by $2.3M
  - Increased employee salary and benefit costs

- Non-operating expenses decreased by $300K
  - Lower interest expenses
Revenues by Source
2012 – 2015 Actual, 2016 Budget

Fiscal Year

State Approp
Tuition & Fees
Auxiliary
Other
### Auxiliary Revenue Trend

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing</td>
<td>9,211,665</td>
<td>8,900,283</td>
<td>8,345,600</td>
<td>7,798,930</td>
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<tr>
<td>Dining Services</td>
<td>3,412,132</td>
<td>3,756,423</td>
<td>3,436,076</td>
<td>3,304,084</td>
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<tr>
<td>Bookstore</td>
<td>375,432</td>
<td>354,320</td>
<td>270,014</td>
<td>297,914</td>
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<tr>
<td>Health</td>
<td>231,372</td>
<td>203,459</td>
<td>281,526</td>
<td>276,372</td>
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<tr>
<td>Parking</td>
<td>451,365</td>
<td>432,503</td>
<td>394,151</td>
<td>363,537</td>
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<tr>
<td>Other</td>
<td>2,794,218</td>
<td>3,133,714</td>
<td>2,785,029</td>
<td>2,629,550</td>
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<tr>
<td><strong>Total</strong></td>
<td>20,159,619</td>
<td>19,196,790</td>
<td>17,819,040</td>
<td>17,340,754</td>
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</table>
Auxiliary Operations Rev vs Exp
Auxiliary Enterprise Financial Performance

Housing Rev vs Exp

Bookstore Rev vs Exp

Parking Rev vs Exp

Dining Services Rev vs Exp

Other Auxiliaries Rev vs Exp

Athletics Rev vs Exp
Overview of Budget Process

APRIL

- Deans’ Budget hearings
- Vice Presidents’ budget hearings
- Receive State Appropriation allocation for FY16
- Reconcile current year budget and roll forward

MAY

- President’s Cabinet finalizes budget
- Budget submitted to BOR

JULY

- FY16 Budget begins
Student FTE Trends

Fall Enrollment

FTE
FY16 Enrollment Assumptions

- 7272 target enrollment
- Enrollment revenue budget model projection assumptions
  - Significantly more new freshmen, fewer new transfers
  - More new grad students
  - Out of state students similar to FY15 (less revenue due to OOS waivers)
  - Stable retention (compared to FY15)
- Overall: Tuition revenue flat compared to FY15 budget
Retention Trends
(as of Fall 2014)

- Returning students
  - Fall to Spring: 84%
  - Fall to Summer: 40%
- Fall 2014 cohort Retained to Spring: 90.6%
- FTFTF Fall Cohort
  - One year 70.02%
  - Two year 52.60%
  - Three year 41.00%
  - Four year 24.60%
State Appropriations

Armstrong

$40,000,000
$35,000,000
$30,000,000
$25,000,000
$20,000,000
$15,000,000
$10,000,000
$5,000,000
$-

State Appropriations

- FY2015 Final: $29,628,154
- FY2016 Additions: $284,841
- FY2016 Original: $29,912,995

- Addition: Health Insurance $440K
- Addition: M & O $44K
- Addition: Retirement $266K
- Addition: Merit Pay Increase $169K
- Addition: DOAS Insurance $21K
- Addition: Enrollment decline <$655K>
## E&G Funding – Peer USG Institutions

<table>
<thead>
<tr>
<th>Institution</th>
<th>FY2016 E&amp;G</th>
<th>2014 Fall FTE</th>
<th>$ / FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Georgia College</td>
<td>$98,954,727</td>
<td>6,408</td>
<td>$15,442</td>
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<tr>
<td>Columbus State</td>
<td>$107,601,473</td>
<td>6,982</td>
<td>$15,411</td>
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<tr>
<td>Georgia Southwestern State</td>
<td>$35,287,664</td>
<td>2,293</td>
<td>$15,389</td>
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<tr>
<td>Clayton State</td>
<td>$81,759,892</td>
<td>5,728</td>
<td>$14,274</td>
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<tr>
<td><strong>Armstrong State</strong></td>
<td>$85,862,395</td>
<td>6,258</td>
<td><strong>$13,720</strong></td>
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<tr>
<td>Valdosta State</td>
<td>$136,984,050</td>
<td>10,364</td>
<td>$13,217</td>
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<tr>
<td>Middle Georgia State</td>
<td>$82,558,482</td>
<td>6,589</td>
<td>$12,530</td>
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<tr>
<td>Georgia Gwinnett College</td>
<td>$117,553,953</td>
<td>9,694</td>
<td>$12,126</td>
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<tr>
<td>University of North Georgia</td>
<td>$158,566,148</td>
<td>14,139</td>
<td>$11,215</td>
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</tbody>
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Funded Items

Market salary adjustments  $316,405
53 staff, 66 faculty

Merit salary adjustments  $216,031
125 staff, 334 faculty

Liberty Center operating costs  $108,000

Health Plan increases  $475,000

Utility cost increases  $65,000

5 new Faculty positions  $444,561
(4 COHP, 1 COLA)
Salary Increase History

FY 2012
- Market Adjustments - $454K
- Merit Adjustments - $0

FY 2014
- Market Adjustments - $140K
- Merit Adjustments - $0

FY 2015
- Market Adjustments - $685K
- Merit Adjustments - $337K

FY 2016
- Market Adjustments - $316K
- Merit Adjustments - $216K

Note: Since 2012, $2.1M applied to market and merit adjustments
Personal Services Detail
(excludes fringe)

Increase FY12 to FY15

Faculty +24.5%  Administrator +13.0%  Staff +9.0%