Fall 2017 Budget Presentation
Armstrong State University
4 August 2017
Christopher Corrigan
Vice President, Business & Finance
## 2016 – 2017 Comparison

<table>
<thead>
<tr>
<th></th>
<th>2017 Actual</th>
<th>2016 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenue</td>
<td>$ 54,020,772</td>
<td>$ 53,514,981</td>
</tr>
<tr>
<td>Non-operating Revenue</td>
<td>$ 45,570,310</td>
<td>$ 43,530,645</td>
</tr>
<tr>
<td>Capital Grants - State</td>
<td>$ 1,636,697</td>
<td>$ 3,466,521</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>$ 101,227,779</td>
<td>$ 100,512,147</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>$ 98,205,590</td>
<td>$ 94,902,062</td>
</tr>
<tr>
<td>Non-operating Expenses</td>
<td>$ 1,419,928</td>
<td>$ 1,855,373</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>$ 99,625,518</td>
<td>$ 96,757,435</td>
</tr>
<tr>
<td>Net</td>
<td>$ 1,602,261</td>
<td>$ 3,754,712</td>
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</tbody>
</table>
FY 2017 - Highlights

- Fiscal 2017 was a good year. The financial health of the University remains strong.

- Cash position – remains adequate and stable, and slightly lower than last year due to payments required for the construction of the CoHP academic building.

- Significantly higher staff vacancies created lapse salary funding for year end projects, especially in facilities.

- Actual tuition revenue was within 1% of budget and because of lower spending in the 2\textsuperscript{nd} half of the year, we added an additional 1% to our tuition carry forward reserve.
FY 2017 – Highlights
(continued)

- All auxiliary enterprises achieved surpluses during 2017. A major housing renovation was scheduled over the summer using accumulated reserves as funding.

- Significant increases in staff/faculty salary and benefit expenses were offset by increased tuition revenue and state appropriation. The result was a $1.6M increase in net position.
Overview of Budget Process

FEBRUARY
• University Budget Hearing (Chancellor and his staff)

APRIL
• Dean’s Budget hearings
• Vice President’s budget hearings
• Receive State Appropriation allocation for FY18
• Estimate tuition revenue based on tuition model
• Reconcile Current year Budget and roll forward

MAY
• President’s Cabinet finalizes budget
• Budget submitted to BOR

JULY
• FY18 Budget begins
Armstrong Student FTE Trends

Fall Enrollment
FY17 Enrollment Assumptions

- 7064 target enrollment (headcount)
- Enrollment revenue budget model projection assumptions
  - Assumes 3.5% reduction in headcount based on average data from previous consolidations
  - 2% Tuition rate increase
  - Overall: Tuition revenue budget is 1.7% lower compared to FY16 budget.
State Appropriations

- FY2017 Final: $31,620,800
- FY2018 Additions: $1,481,532
- FY2018 Original: $33,102,332

- Addition: Health Insurance $145K
- Addition: M & O <$31K>
- Addition: Retirement $470K
- Addition: Merit Pay Increase $667K
- Addition: DOAS Insurance $16K
- Addition: General Funds $280K
New Funding for Institutional Priorities

- Market base salary adjustments for faculty and staff: $374,000
- University match (.5%) for merit salary increase: $282,000
- Relocation costs for Ashmore renovation: $125,000
FY18 Salary Increase

- Market Adjustments (2%) – $949K
  - State Appropriation $667K
  - University Match $282K
- Merit Adjustments* - $374K
  - Faculty $160K
  - Staff $214K

*Merit increases applied to a group of the lowest paid faculty & staff to bring their salaries to at least 90% of the midpoint of their salary range