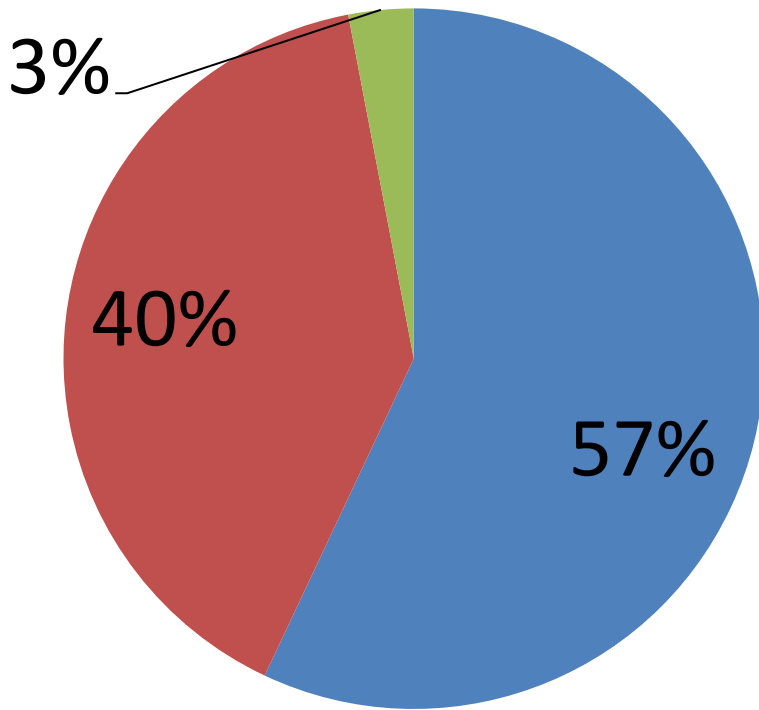


Lock Haven University Budget Review

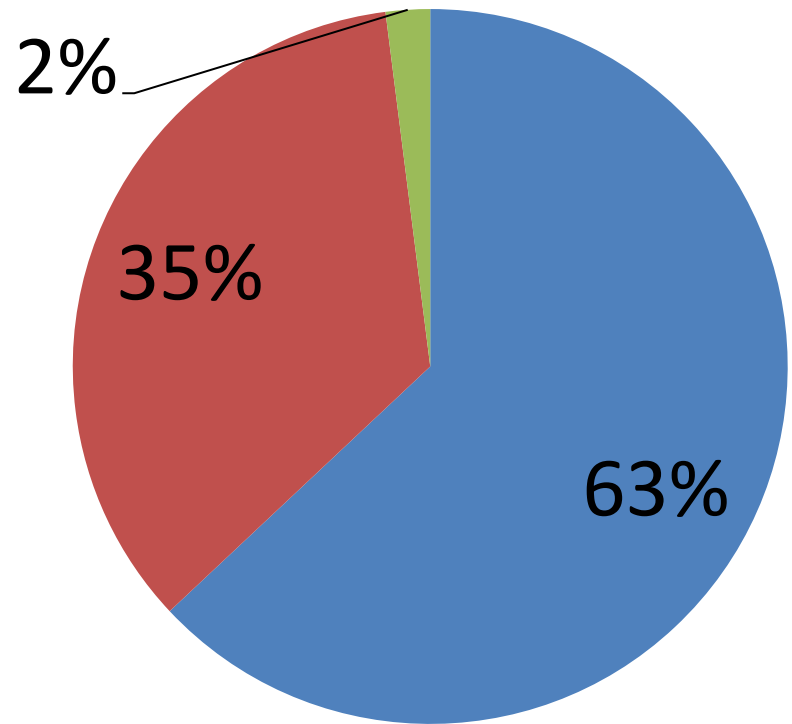
August, 2009

E & G Income – Declining Contribution From Appropriations



■ Tuition & Fees
■ Appropriation
■ Other

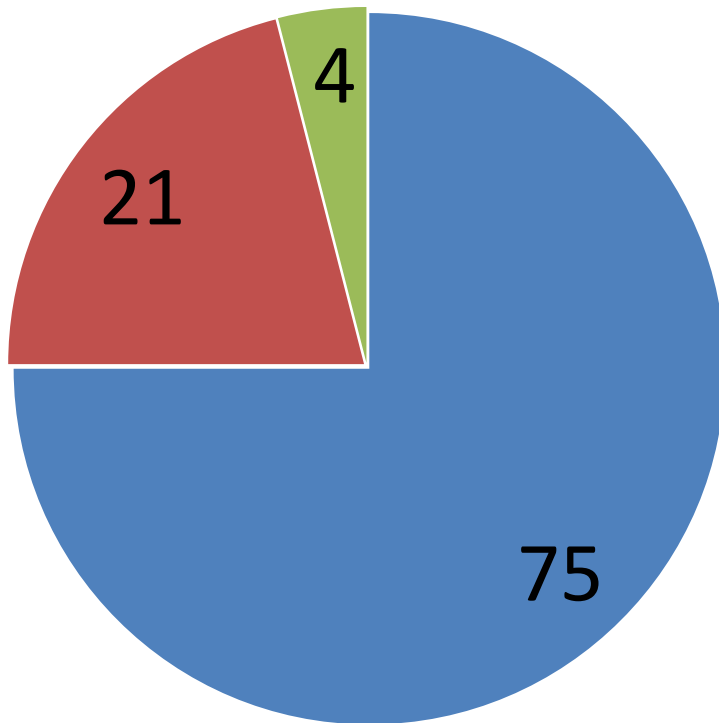
2003-2004 (A)



■ Tuition & Fees
■ Appropriation
■ Others

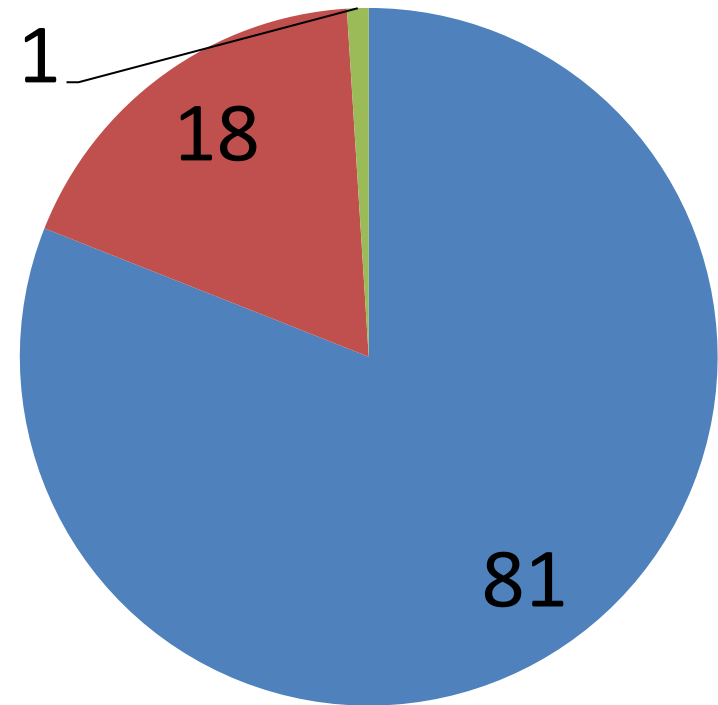
2011-2012 (P)

E & G Expenses – Growing Percentage for Personnel



■ Personnel
■ Non-Personnel
■ Transfers to Plant

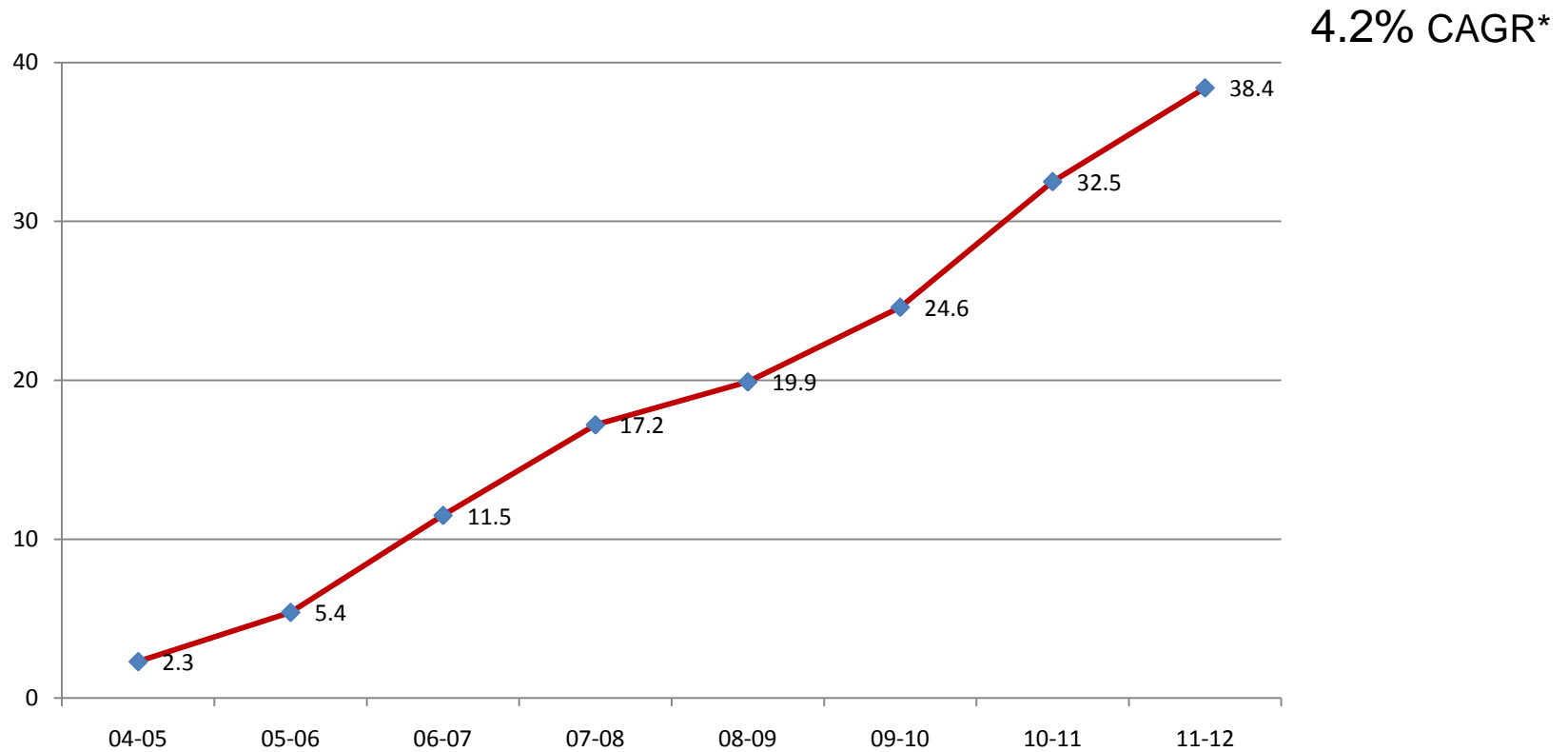
2003-2004 (A)



■ Personnel
■ Non-Personnel
■ Transfers to Plant

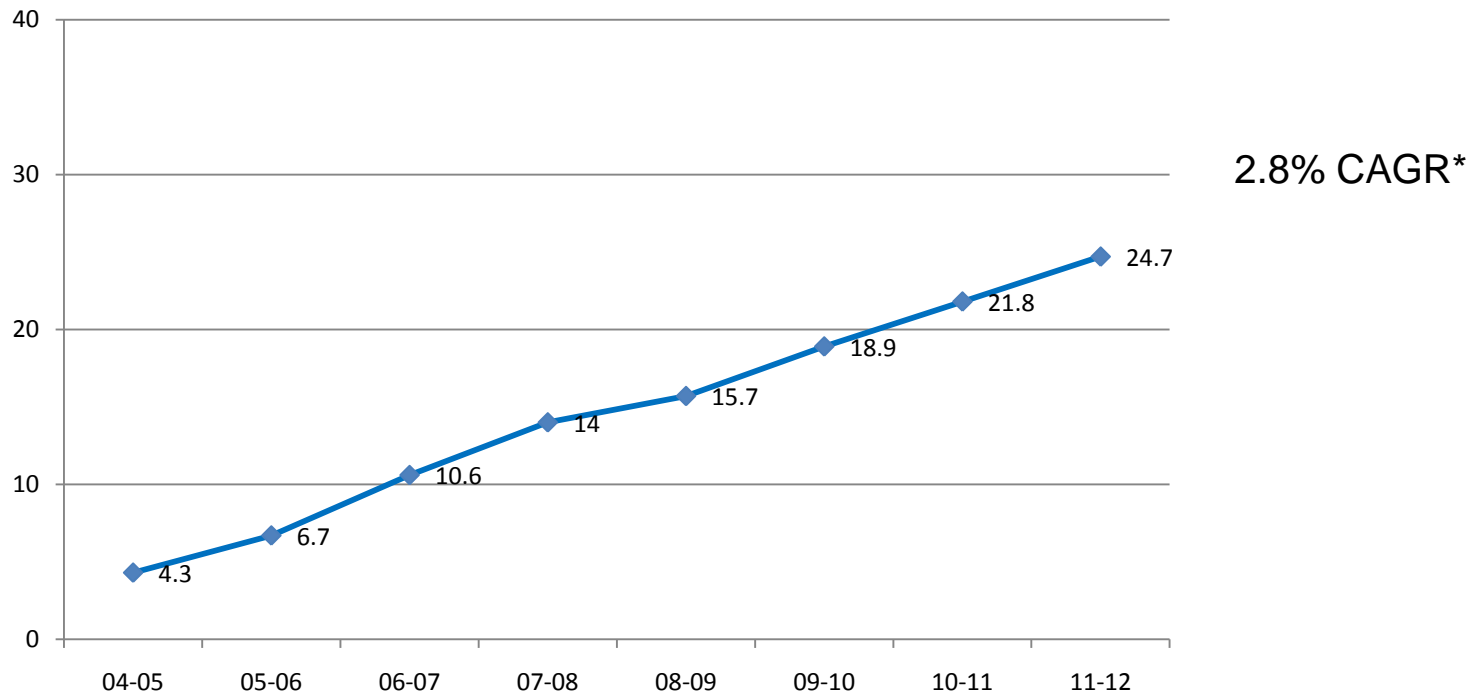
2011-2012 (P)

Cumulative Increase in Salary Rates (%)



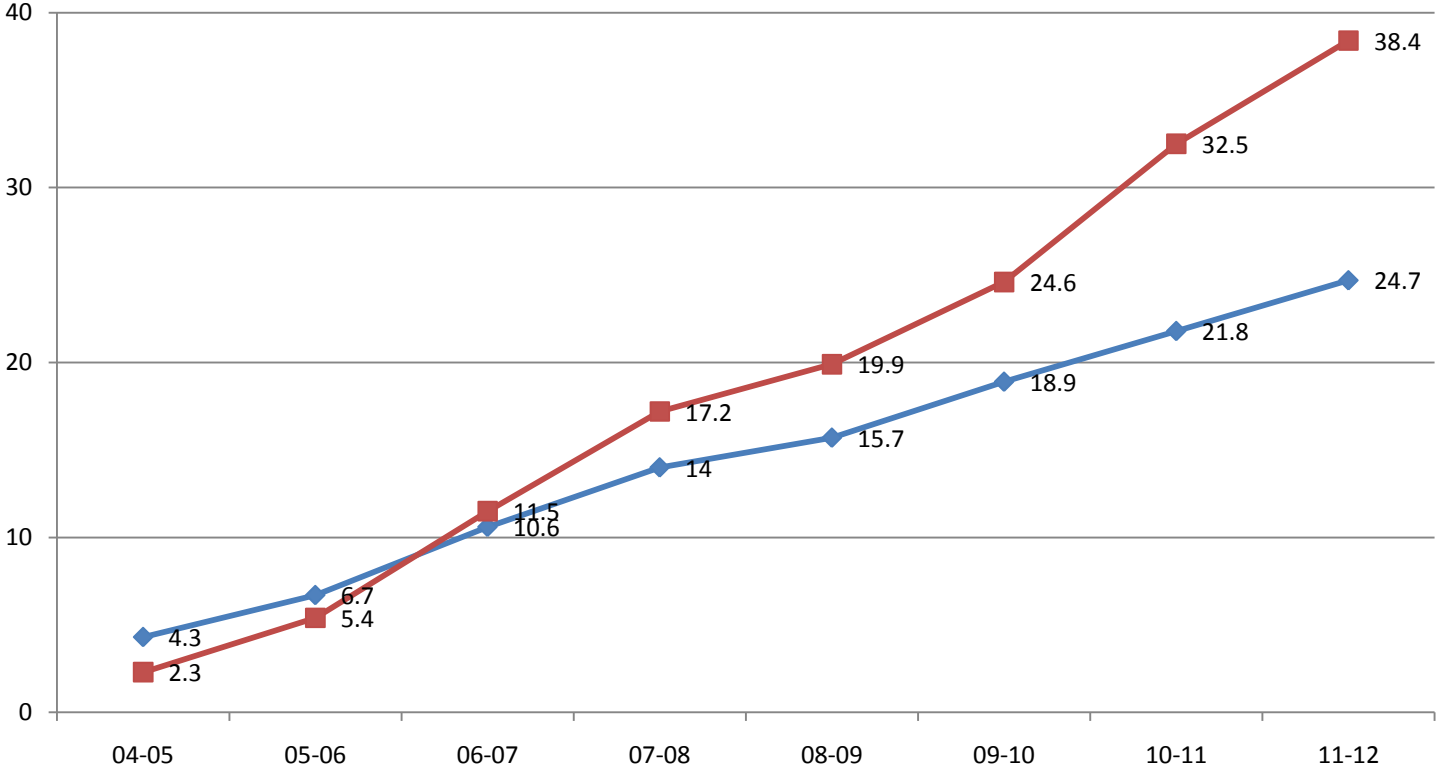
*Compounded annual growth rate.

Cumulative Increase in Tuition Rate and State Appropriation (%)



*Compounded annual growth rate.

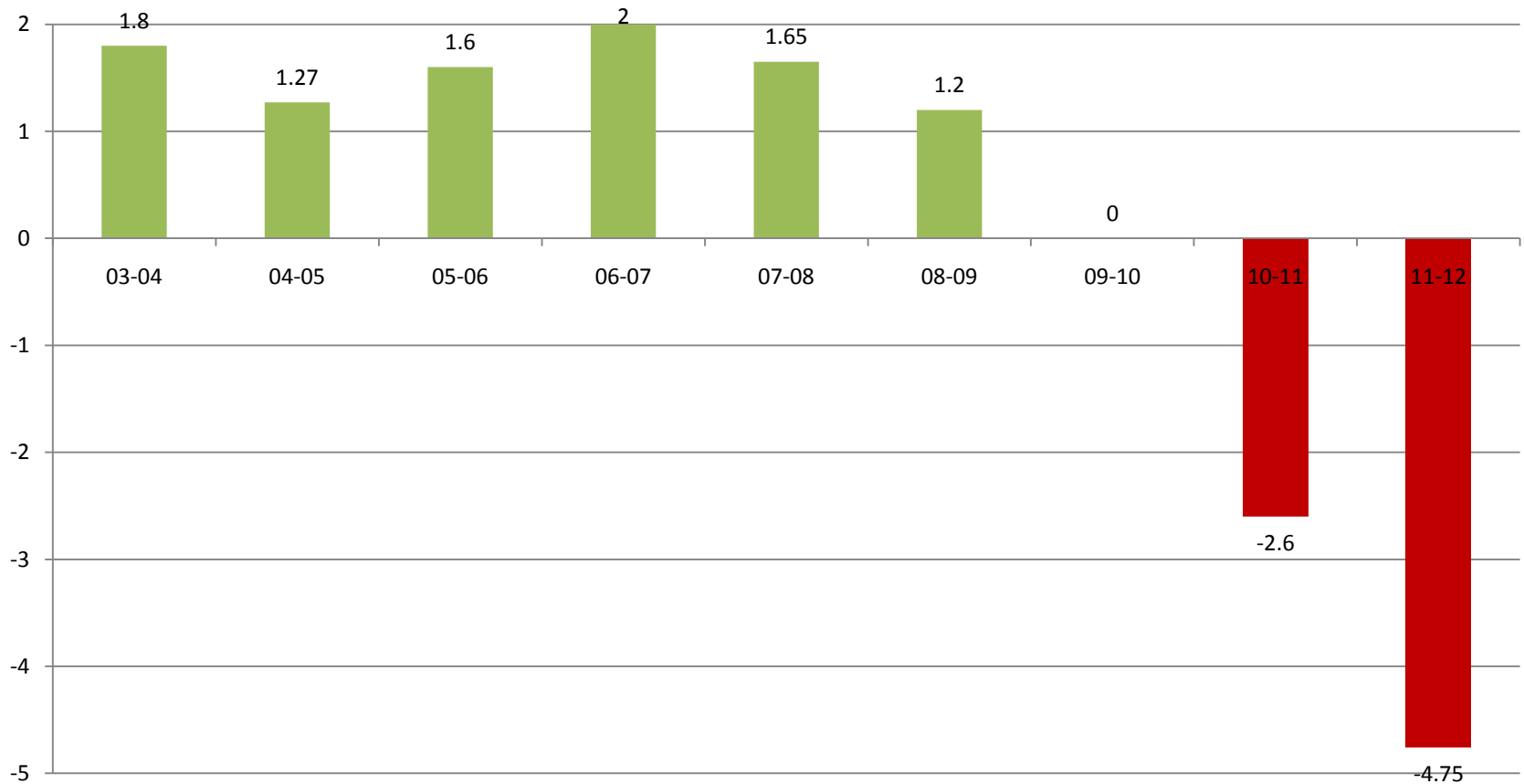
Salary Rate Increases Outstripping Revenue Increases (%)



Salary Rates

Tuition Rate and State Appropriation

E & G History – Transfers to Plant/Funding Gap (\$Millions)



Plant Transfer
Funding Gap

Dollar Impact of Major Assumptions in Budget Projections (\$Millions)

	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Tuition and Fees	\$1.4	\$1.5	\$1.5
State Appropriations	\$0.3	\$0.0	\$0.0
Other Revenue	-\$0.3	\$0.0	\$0.0
Subtotal	<u>\$1.4</u>	<u>\$1.5</u>	<u>\$1.5</u>
Salaries, Wages & Other Pay:			
APSCUF	\$1.3	\$1.4	TBD
AFSCME	\$0.2	\$0.4	TBD
Management	---	\$0.2	TBD
SCUPA/Other	\$0.1	\$0.2	TBD
Subtotal	<u>\$1.6</u>	<u>\$2.2</u>	
Benefits & Payroll Taxes	<u>\$1.7</u>	<u>\$1.5</u>	
Total Personnel (except student employment)	<u>\$3.3</u>	<u>\$3.7</u>	

E&G Summary Financials

	<u>2008/09</u>	<u>2009/10</u>	<u>Change</u>	<u>Change</u> <u>%</u>	<u>2010/11</u>	<u>Change</u>	<u>Change</u> <u>%</u>	<u>2011/12</u>	<u>Change</u>	<u>Change</u> <u>%</u>
Tuition/Fees	\$37.2	\$38.7	\$1.4	3.9%	\$40.2	\$1.5	3.8%	\$41.7	\$1.5	3.8%
State Appropriation	\$23.0	\$23.2	\$0.3	1.2%	\$23.2	\$0.0	0.0%	\$23.2	\$0.0	0.0%
Other Revenues	\$2.0	\$1.6	(\$0.3)	-16.4%	\$1.6	\$0.0	0.0%	\$1.6	\$0.0	0.0%
Carryforward Fund	(\$2.5)		\$2.5			\$0.0			\$0.0	
Total Revenues	\$59.7	\$63.5	\$3.9	6.5%	\$65.0	\$1.5	2.3%	\$66.5	\$1.5	2.3%
Salaries & Wages	\$34.3	\$36.1	\$1.8	5.1%	\$38.3	\$2.2	6.1%	\$39.9	\$1.7	4.4%
Benefits	\$12.7	\$14.3	\$1.7	13.2%	\$15.8	\$1.5	10.2%	\$17.3	\$1.5	9.6%
Subtotal, Compensation	\$47.0	\$50.4	\$3.4	7.3%	\$54.1	\$3.7	7.3%	\$57.2	\$3.2	5.9%
Noncompensation	\$11.1	\$12.2	\$1.1	9.6%	\$12.7	\$0.5	3.7%	\$13.1	\$0.4	3.4%
Mandatory Transfers	\$0.4	\$0.9	\$0.6	163.9%	\$0.9	(\$0.1)	-6.4%	\$1.0	\$0.1	10.1%
Plant Fund Transfer	\$1.2	\$0.0	(\$1.2)		\$0.5	\$0.5		\$0.5	\$0.0	0.0%
Total Expenditures/Transfers	\$59.7	\$63.5	\$3.8	6.4%	\$68.1	\$4.6	7.2%	\$71.8	\$3.7	5.4%
Gap	\$0.0	\$0.0	\$0.0		(\$3.1)	(\$3.1)		(\$5.3)	(\$2.2)	

2009/10 Budget Highlights

- Assuming flat enrollment with lower freshman class offset by improved retention and increased transfer students
- Discretionary budgets (operating plus student employment) based on final budgets for 08/09 less 2% across the board decrement (\$120,000 reduction)
 - Rollover of unused balances from 08/09 will also be available (Discretionary rollovers were \$639,165)
 - Will begin to chargeback cost centers for land lines – budgets will be supplemented based on last year's actual lines plus long distance
- LHU Institutional Help scholarship funded at \$50,000
- Budget balances but no replenishment of Plant fund included (also losing Key 93 funding)
- State appropriation has not been finalized – budget is subject to change if appropriation is lower than assumed (Senate version)

Summary

- Substantial effort has been made in all areas to contain costs and this provides the basis for a balanced budget outlook for 2009-10
 - Student retention rates have improved
 - Temporary positions and vacancies from retirements and resignations have not always been filled
 - Class sizes have increased
 - Operating budgets have been reduced several times
- The challenge continues for 2010-11 and 2011-12 with rate of increase in personnel costs exceeding rate of revenue growth
- Discussion on engaging the campus on solutions for the future
 - Email suggestions on engagement to Denise Shoemaker at dshoemak@lhup.edu