

PENNSSTATE



Budget Presentation

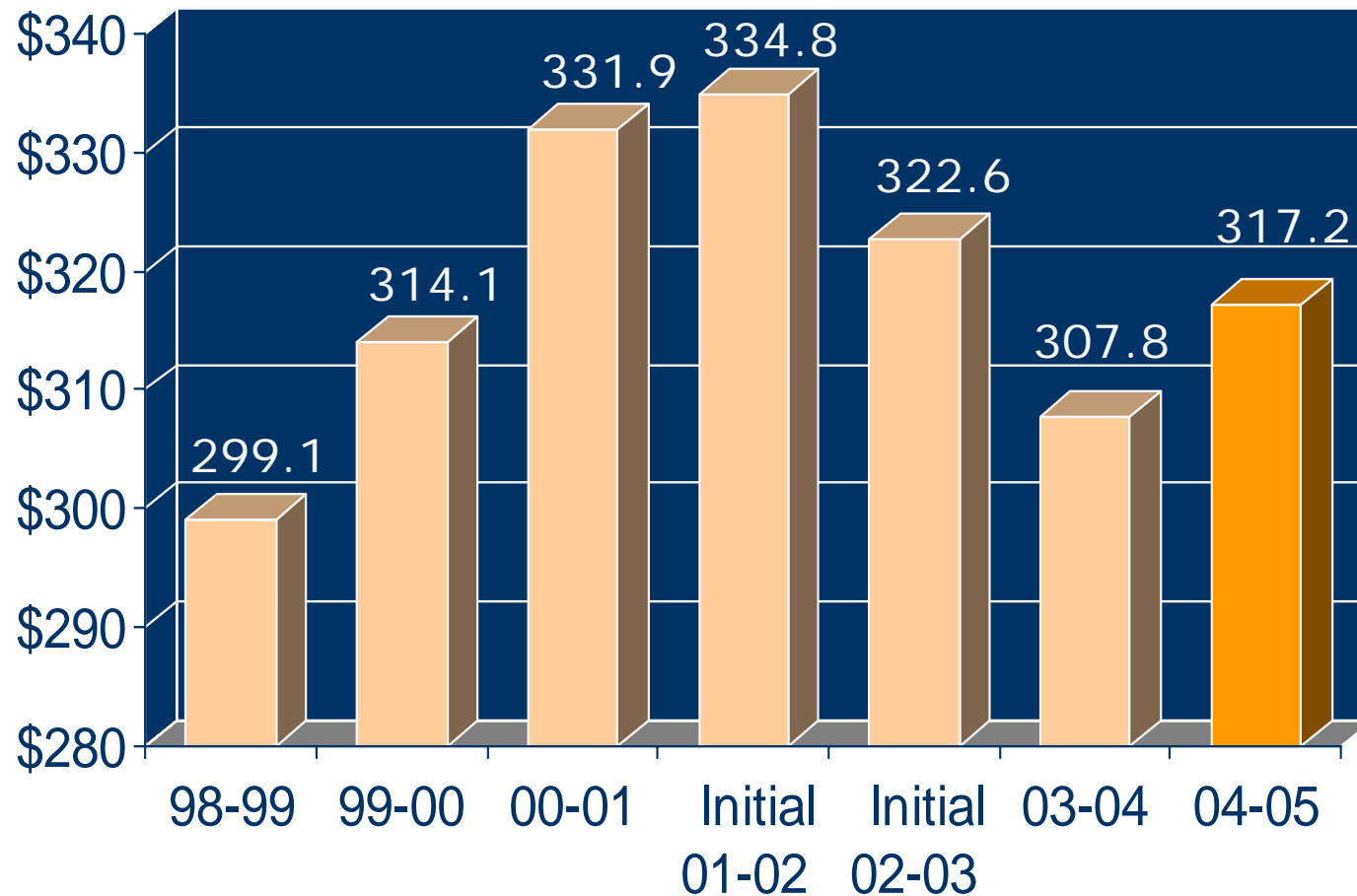


University Faculty Senate
October 26, 2004

Summary of Appropriations 1998-99 through 2003-04



Dollars in
Millions

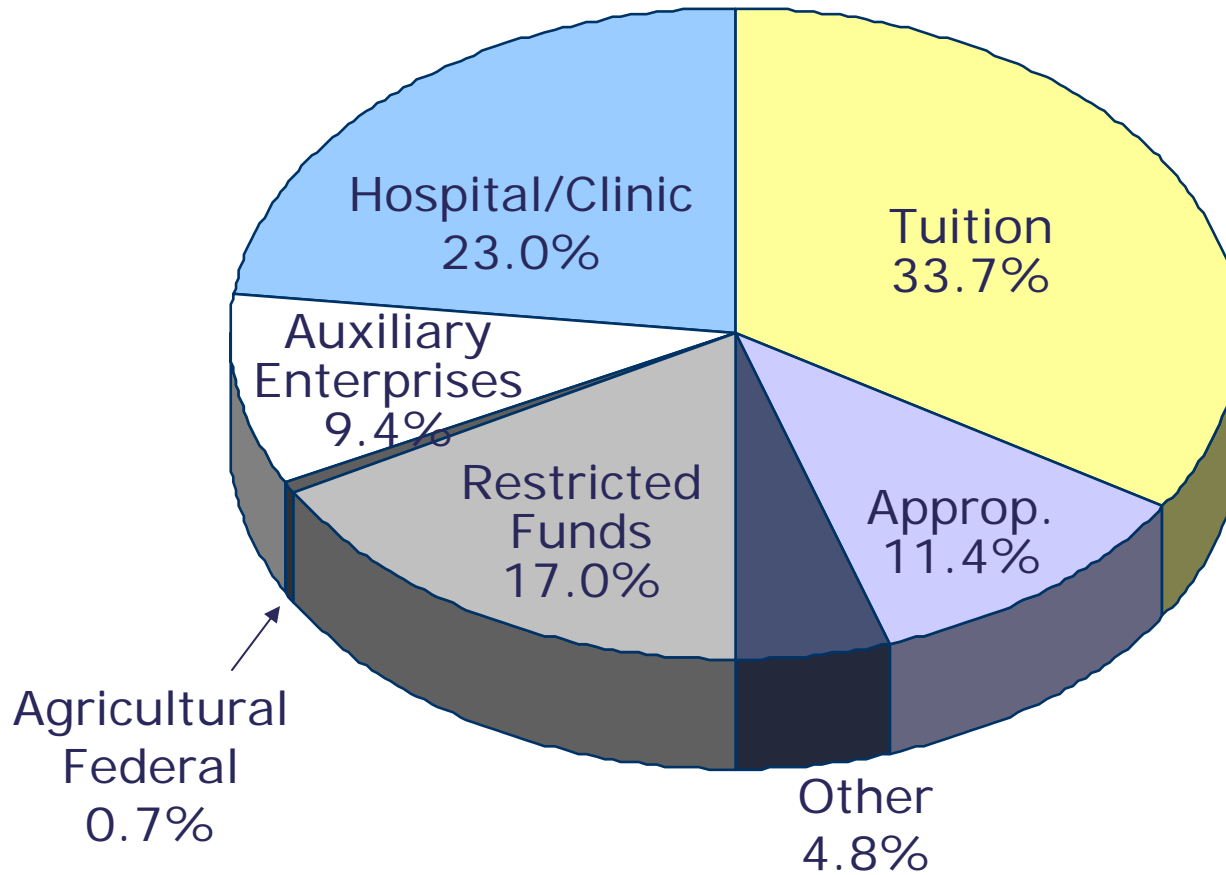


Budget Priorities



- Increased benefits costs
- Maintaining and improving facilities
- Competitive salaries
- Strategic academic program investments
- Cost savings initiatives

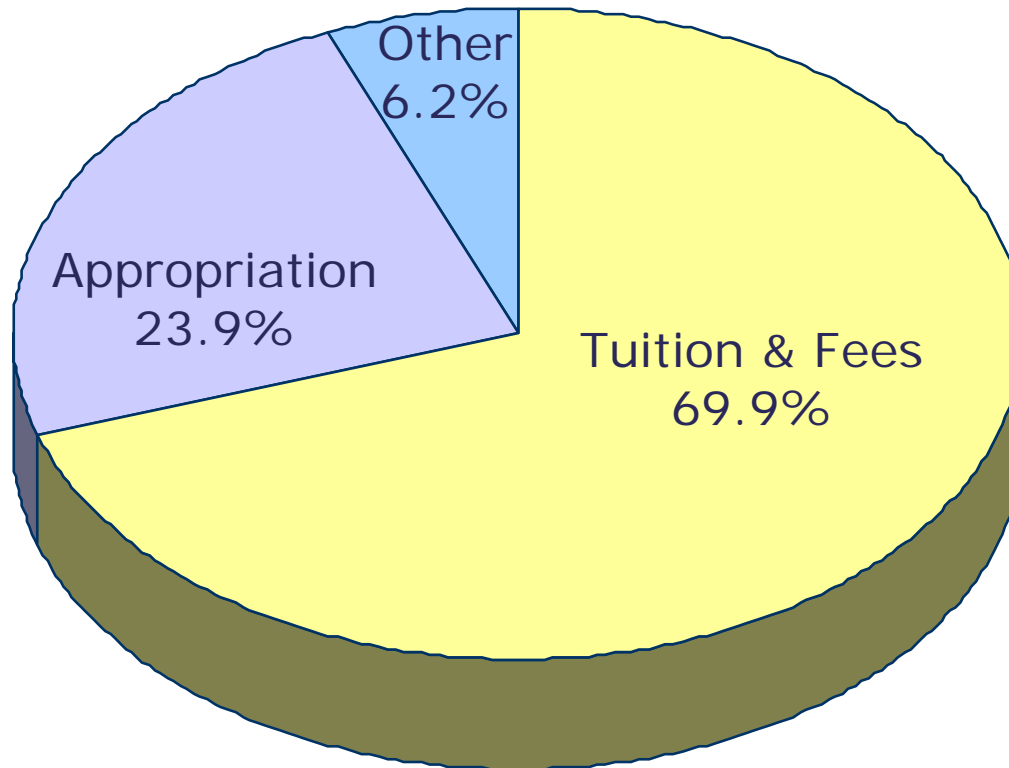
2004-05 Total Budget – Income



Total Budget - \$2,786,403,000

2004-05 General Funds Budget – Income

(Excl. HY, DSL & Penn College)



General Funds - \$1,211,708,000

General Funds Budget



- Educational and General (E&G)
- Agricultural Research
- Cooperative Extension
- College of Medicine
- Pennsylvania College of Technology
- Dickinson School of Law

Benefits and Other Insurances



Benefits:

Employee Health
Insurances.....

\$13 862 000

Graduate Assistants
Health Benefits.....

700 000

Retirement, Social
Security & GIA's.....

4 572 000

Total.....

\$19 134 000

Property and
Liability Insurances.....

\$ 1 200 000

Facilities and Maintenance



- Maintenance and operation of new facilities
- Capital improvement program
- Deferred maintenance
- Total - \$10,916,000



Salary Adjustments



- PSU rankings have improved
- Multi-year plan to regain lost ground begun in 2001-02



Average Faculty Salaries Big Ten Public Institutions (Main Campuses Only)



Penn State's Rank Professor Associate Assistant

1995-96	2 nd	2 nd	8 th
2000-01	5 th	6 th	7 th

Average Faculty Salaries Big Ten Public Institutions (Main Campuses Only)



Penn State's Rank Professor Associate Assistant

1995-96	2 nd	2 nd	8 th
2000-01	5 th	6 th	7 th
2001-02	4 th	6 th	5 th
2002-03	3 rd	5 th	4 th
2003-04	2 nd	4 th	3 rd

Average Faculty Salaries 22 AAUDE Institutions (Main Campuses Only)



Penn State's Rank

Professor Associate Assistant

1995-96	2 nd	2 nd	12 th
2000-01	8 th	10 th	12 th

Average Faculty Salaries 22 AAUDE Institutions (Main Campuses Only)



Penn State's Rank

Professor Associate Assistant

1995-96	2 nd	2 nd	12 th
2000-01	8 th	10 th	12 th
2001-02	7 th	9 th	10 th
2002-03	4 th	6 th	8 th
2003-04	2 nd	6 th	4 th

Salary Increase Plan



- 2.0 percent pool for merit-based increases
- Faculty/Staff Excellence Fund
- President's Excellence Fund
- Total - \$26,095,000

Program Adjustments



• Academic Initiatives	\$ 950 000
• Strategic Investments	6 149 000
• Other Program Commitments	3 938 000
• Libraries & Information Technology	2 000 000
• Need-Based Student Aid	1 200 000

Cost Savings Task Force



Cost Saving Initiatives:

- Selective budget reductions..... \$4 189 000

Income Enhancements:

- Increased F&A Recovery..... 2 311 000

Total..... 6 500 000

Approximately \$100 per year in avoided tuition increase for each full-time student.

Cost Savings Task Force 2003-04 and 2004-05



Cost Saving Initiatives

2003-04	\$ 11 561 000
2004-05	4 189 000

Income Enhancements

2003-04	\$ 2 900 000
2004-05	2 311 000
Total	\$20 961 000

Total tuition increases avoided - 3.8 percent

Internal Budget Reductions and Reallocations



- Reallocate resources based on new priorities
- \$113 million in reallocations over the past 12 years
- \$5,639,000 internal reallocations for 2004-05
- Based on strategic plans

Basic Tuition Rate Increases Per Semester for Pennsylvania Residents



	University Park	Comm. College Campuses
UG – Lower	\$306	\$230
UG – Upper	\$310	\$242
Graduate	\$329	\$267

Basic Tuition Rate Increases Per Semester for Non-Pennsylvania Residents



	University Park	Comm. College Campuses
UG – Lower	\$459	\$345
UG – Upper	\$465	\$363
Graduate	\$494	\$401

Agricultural Research



Income Changes: State Appropriation \$688 000



Expense Changes:

Salary Adjustments 570 000

Employee Benefits
Costs 444 000

Program Changes (326 000)

Total Expense Changes \$688 000

Cooperative Extension



Income Changes: State Appropriation \$827 000



Expense Changes:

Salary Adjustments 675 000

Employee Benefits
Costs 595 000

Program Changes (443 000)

Total Expense Changes \$827 000

College of Medicine



Income Changes

State Appropriation:

Medical Education

Other Line Items

Transfer from E&G

Tuition

Endowment Income

Other Income

Academic Support (MSHMC)

Total

\$ 144 000

200 000

2 023 000

2 276 000

(77 000)

(235 000)

600 000

\$ 4 931 000

Summary of Changes General Funds Budget



Educational & General	\$ 70 658 000
Agricultural Research	688 000
Cooperative Extension	827 000
College of Medicine	4 931 000
Pa. College of Technology	5 710 000
Dickinson School of Law	810 000
Total	<hr/> <u>\$ 83 624 000</u>

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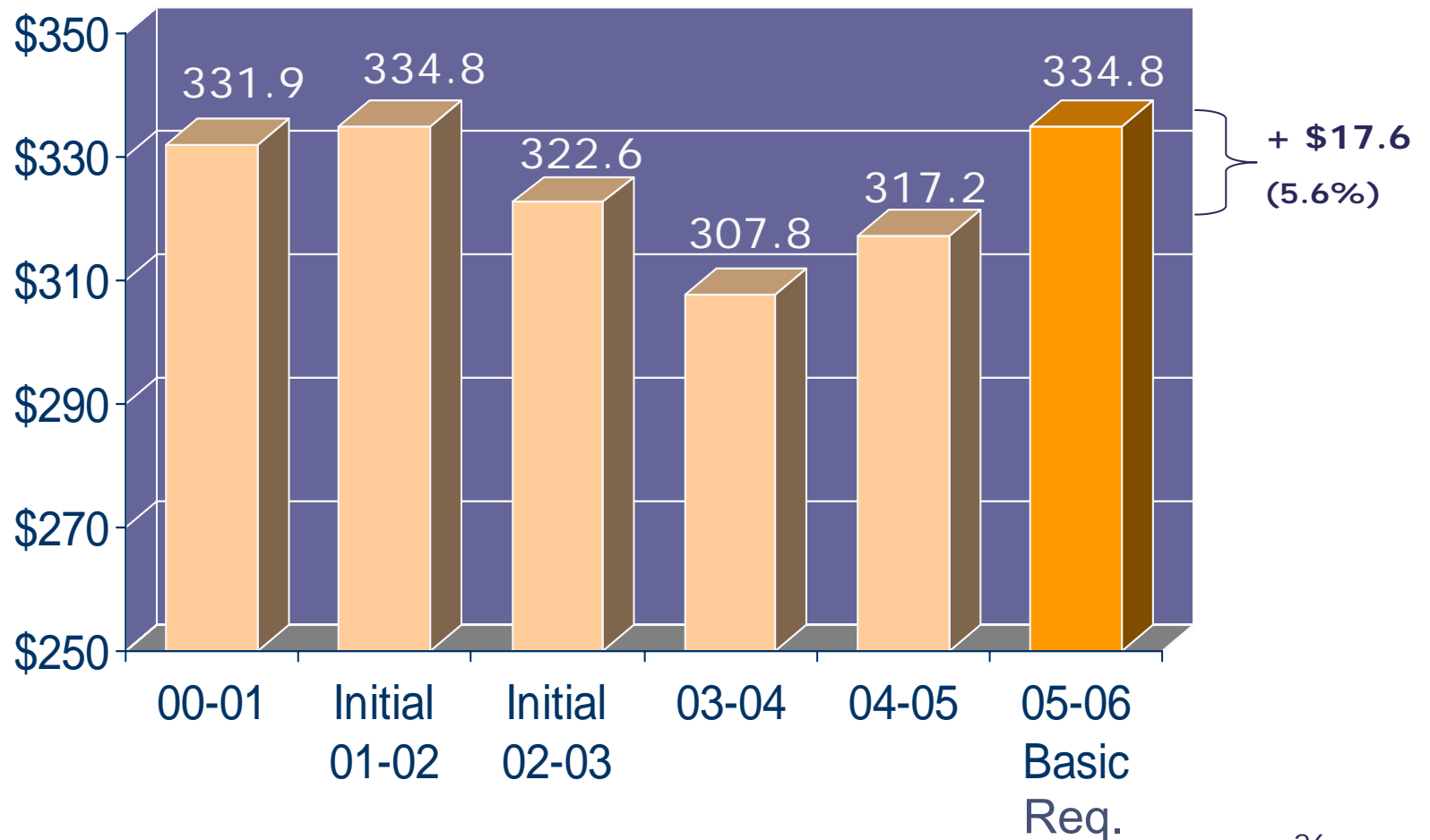
2005-06 Appropriation Request



Summary of Appropriations 2000-01 through 2005-06



Dollars in
Millions



Basic Operating Costs



- Employee Benefits and University Insurances
- Facilities
- Faculty and Staff Salary Adjustments
- Strategic Initiatives and Other Program Needs
- Budget Reductions, Cost Savings and Internal Reallocations

Strategic Investment Priority



College of Medicine

- Ranks last nationally in public medical school funding
- Can no longer be supported from clinical revenues
- \$10 million base operating support requested
- Plan to request similar base increases over the next two years

2005-06 Appropriation Request Summary



Basic Operating Costs

- \$17.6 million increase requested
- Reflects restoration to overall 2001-02 level

Strategic Investment:

College of Medicine

- \$10 million requested
- First of three-year plan