



**Office of Finance and Administration**

To: PSU Campus Community

From: Steve Taksar, Vice President for Finance and Administration

Date: June 2012

Re: Campus Budget/Finance Report

I am pleased to distribute our annual Campus Budget/Finance Report which highlights financial trends and budget data for the past year. We have spent a fair amount of effort re-tooling this report to add more graphs and explanations to better explain the various budget and financial indicators in the report. It is important to note that the way the information is presented is consistent with how we view and analyze our budget. For example, a key budget metric is the calculation of a full time student, in financial terms. This is called an FFTE (Financial Full Time Equivalent) and is a revenue calculation dividing all tuition revenue by the annual undergraduate tuition rate which yields a method to count the number of students in financial terms.

A report like this is a team effort and several staff members have contributed to its final form. I'd like to thank the Budget Office staff and in particular Laurie Wilcox and Linda Dauer who have been instrumental in its concept and production.

We are happy to answer any questions you may have about the report and they can be directed to any one of us. Thanks and happy reading.



**Office of Finance and Administration**

# FY12 Annual Budget and Financial Report

## FY11 YEAR IN REVIEW

FY11 ended on a positive financial note. Total General Fund net tuition and fee revenues exceeded budgeted revenues by 7.1%. The undergraduate program exceeded its net tuition and fee revenue budget by 6.8% due to an overall increase in actual enrollments over the budgeted enrollment and a more favorable non-resident to resident mix of students (1.3% more undergraduate non-residents than planned). The FY11 undergraduate financial full-time equivalent (FFTE) mix was 1,674 non-resident and 2,362 resident students. The Frost School enrollment ended slightly higher than anticipated. The College of Graduate Studies (CoGS) also had strong enrollments particularly in the MBA program which attributed to CoGS having net tuition and fee revenues 9.0% over their budget.

## FY12 BUDGET PROCESS

To assist our students with financial planning and give USNH schools a more competitive edge, the Board of Trustees made the decision to set tuition and fees earlier than they had in the past. As a result, the FY12 budget process was an accelerated one.

With changing student demographics and the looming threat of state appropriate cuts, the budget process began with a lot of uncertainty. The PSU campus community with leadership from the Planning Budget and Leadership Group (PBLG) under the direction of the President's Cabinet banded together to come up with cost containment strategies that helped PSU create a balanced budget.

Although the Board of Trustees requires us to budget for all fund types – general, auxiliary, designated, gift, endowment, plant funds, etc. – PSU's primary operating budgets are the general funds and the auxiliary funds. As such, the data below will focus on the key elements/factors that shaped the general fund and auxiliary FY12 operating budgets.

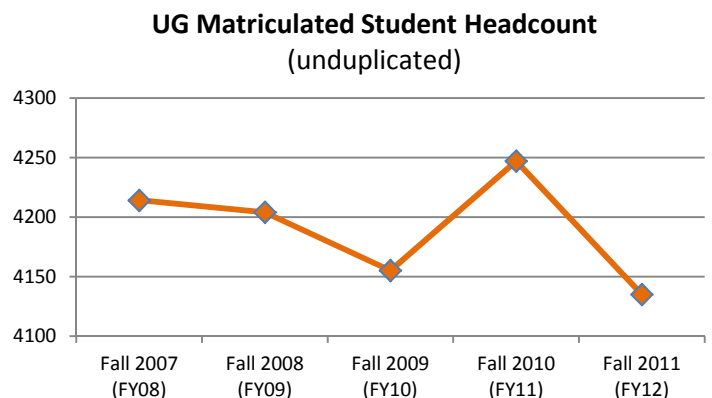
## ENROLLMENT

### STUDENT HEADCOUNT

The following graphs show the headcounts for matriculated students in each of the undergraduate and graduate degree programs and all of PSU's continuing education students. These figures are a literal count of the students enrolled at PSU and do not give any consideration to the number of credit hours in which the individual is enrolled.

#### UNDERGRADUATES (Matriculated):

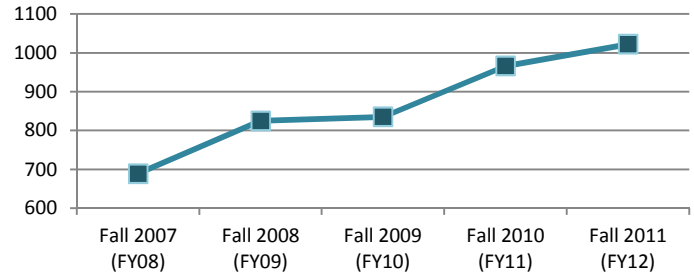
For FY12, the number of students enrolled for the fall term is lower than that of FY11. This FY12 decline is coming on the heels of a record high count over the past five years. This sort of trend was not unexpected as we consider the overall decline in the high school graduates that are expected for the next few years. Since our undergraduate program contains both full-time and part-time undergraduate students, we cannot use headcounts for budget development. These trends nonetheless are important.



**GRADUATES (Matriculated):**

For FY12, the number of graduate students enrolled for the fall term are higher than those enrolled last fall. Over the past five years, the College of Graduate Studies (CoGS) has seen an upward trend in the number of students enrolled. Since the majority of graduate students are enrolled part-time, shifts in these counts can be quite telling.

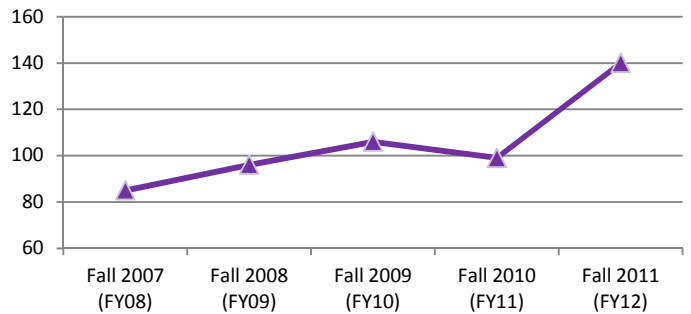
**GR Matriculated Student Headcount (unduplicated)**



**CONTINUING EDUCATION (undergraduate & graduate):**

Fall 2012 headcount shows a significant increase above Fall 2011.

**Continuing Education Headcount (unduplicated)**



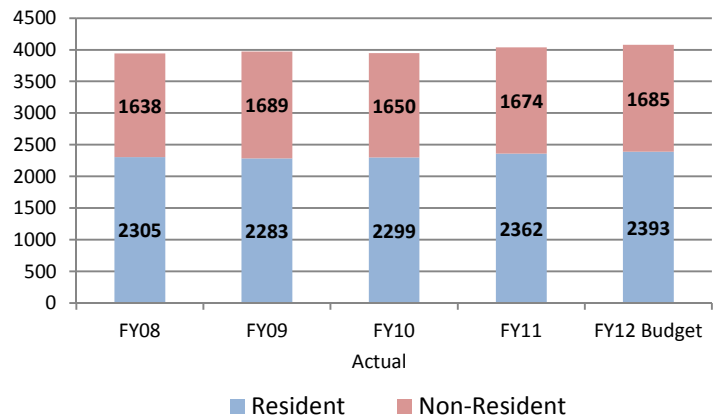
**FINANCIAL FULL-TIME EQUIVALENTS (FFTEs)**

Financial full-time equivalents (FFTEs) represent a financial count of enrollments. Actual FFTE's are determined by taking the total graduate, undergraduate, or continuing education tuition revenue and dividing it by the resident or non-resident undergraduate tuition rate. Historical FFTE information combined with other enrollment factors (economic climate, changing demographics, student competition ...) help determine our budgeted FFTE.

**UNDERGRADUATES (Matriculated):**

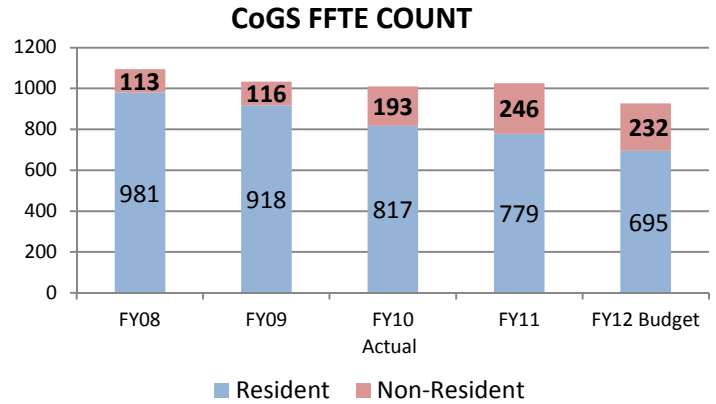
For FY12, PSU's budgeted total undergraduate FFTE enrollment is slightly higher than FY11's FFTE. This increase is the net effect of a decrease in our standard population due to changing demographics and an unstable economic climate plus the addition of new students through the Nursing Program. The same mix of residents and non-residents, 59% and 41% respectively, is expected in FY12 as we saw in FY11. PSU's goal for the future remains at a 55%/45% resident vs. non-resident mix.

**UG FFTE COUNT**



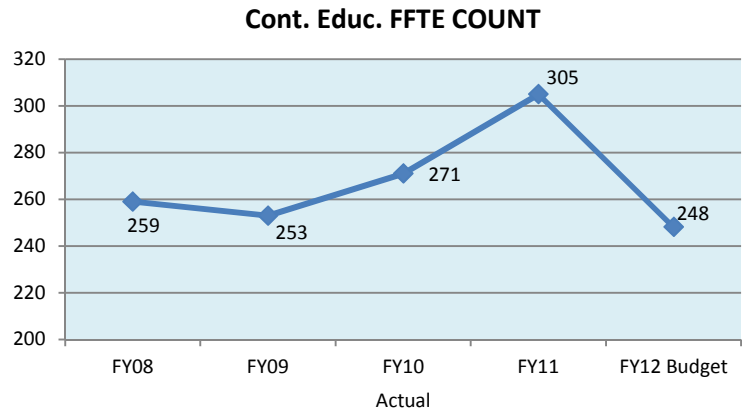
**GRADUATES (Matriculated):**

In FY12, the College of Graduate Studies is showing a decrease in FTEs from FY11. The decrease in resident FTEs is, however, simply the result of the impact of the undergraduate resident tuition rate on the graduate FTE calculation (GR Tuition \$ divided by UG tuition rate).



**CONTINUING EDUCATION (undergraduate & graduate):**

In FY12, there is a budgeted decrease in continuing education FTEs. This decrease resulted from the fact that the in-state tuition rate was increased a second time in early June to compensate for a further reduction in the state appropriation without time to further adjust the FY12 budget. The higher in-state tuition rate resulted in a lower FTE calculation.

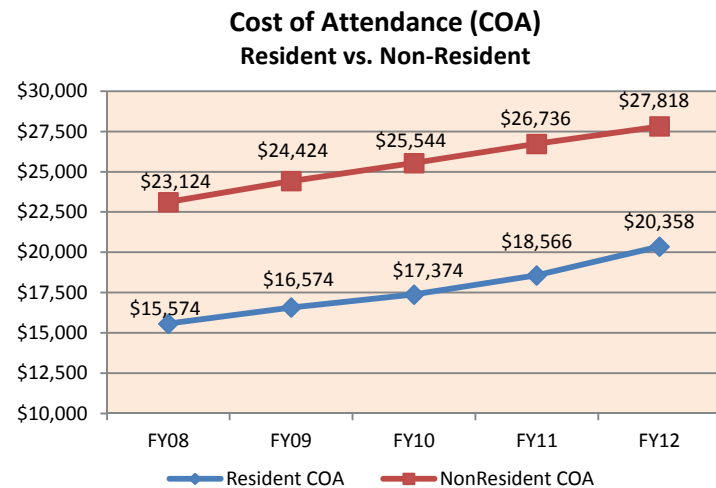


**UNDERGRADUATE COST OF ATTENDANCE**

The cost of attendance represents the average cost an on-campus student would pay to attend PSU. This cost includes: full time tuition, mandatory fees, and the most common room assignment and meal plan – the double room and the 210-block meal plan (excluding flexcash).

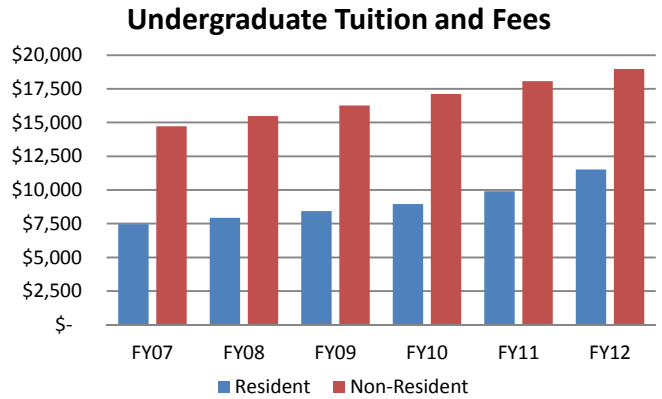
**AVERAGE COST OF ATTENDANCE**

For FY12, the overall average cost of attendance (COA) for our resident students increased 9.7% over last year due to the high tuition increase that resulted from the cut in state appropriation. Non-resident COA increased 4.0% over FY11. The result of these increases is the narrowing of the gap between resident and non-resident cost of attendance.



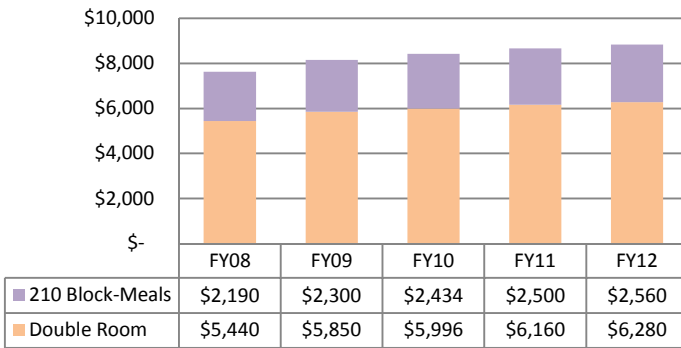
## TUITION & FEES (T&F)

Non-resident T&F for FY12 is 5% higher than that for FY11. This equates to a non-resident increase of \$902. Due to the 48% cut in our state appropriation, resident T&F increased 13.5% (or \$1,612) over FY11. From FY07 - FY12, non-resident tuition has increased 7.7% on average per year and resident tuition has increased 13.9% on average per year. The campus community, including student leadership, worked very hard to keep mandatory fee increases to a minimum.



## ROOM & BOARD

### Room & Board



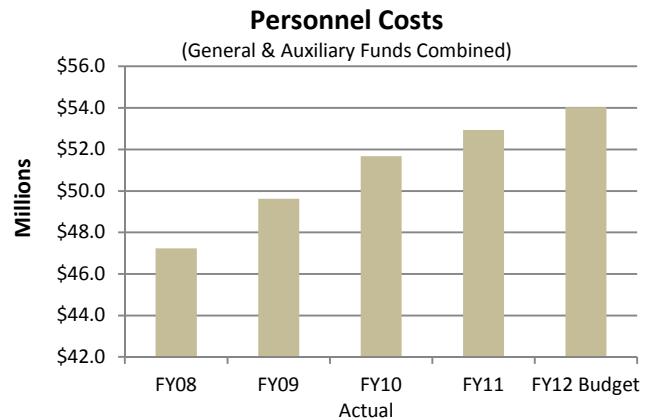
In FY12 the double room and 210-meal plan increased 1.9% and 2.4% respectively over FY11's rates. The FY12 composite increase of these costs is \$180 (or 2.1%) above last year. The total cost of room and board has increased on average 4.9% per year from FY07 to FY12.

(Note: The value of the flexcash is not included in the meal plan.)

## EXPENDITURES

### Salaries and Benefits

Salaries and benefits (personnel costs) are the largest expense in the operating budget and, hence, are a primary budget driver. In FY12, personnel costs alone represent 65% of the General Fund's total expense budget. Changes to salaries and/or benefits, therefore, have a major impact on our budget.

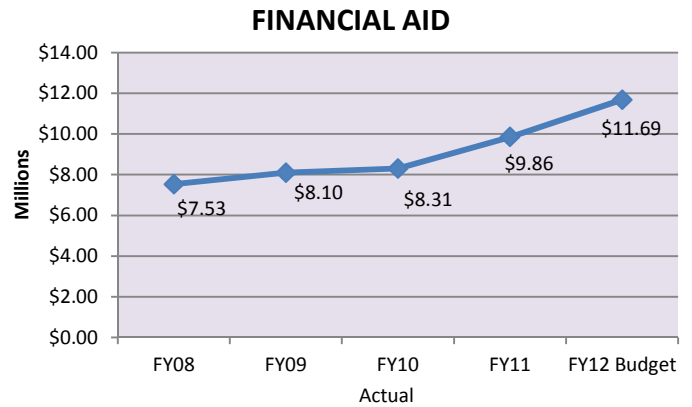


## FINANCIAL AID

PSU students can receive financial aid from a variety of funding sources – federal programs, external scholarship agencies, private lenders and from PSU directly. The sources of the PSU funding can be restricted funds (such as donor-funded gift or endowment funds) or our unrestricted operating budget. It is this latter type of PSU funding – general operating funds – that have the greatest impact on our budget and hence will be discussed below.

### TOTAL PSU AID:

PSU spends a significant amount of its operating budget on financial aid. In FY12, 15.4% (or \$11.7 million) of General Fund operating revenue has been sent aside for financial aid - \$9.5.M for undergraduates and \$2.2M for graduate students.



### UNDERGRADUATE FINANCIAL AID:

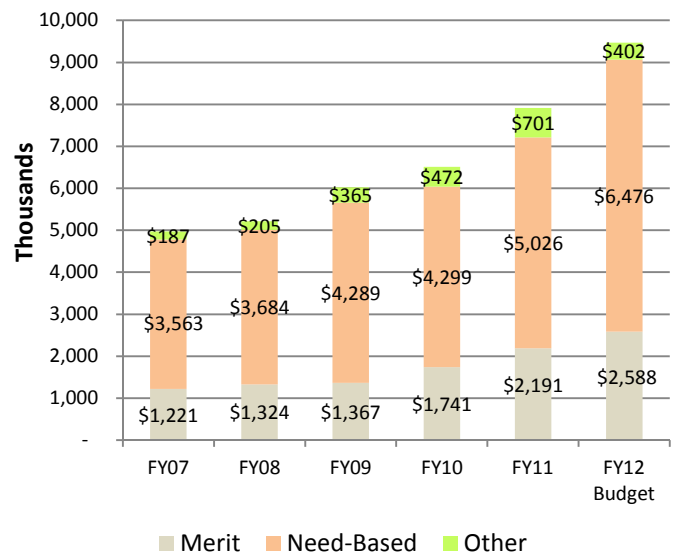
UG financial aid is divided into three major categories – “merit”, “need-based”, and “other”. Although “merit-aid” is awarded to students based on specific academic qualities, it is aid that helps to fill the financial gap of our neediest resident students.

The FY12 undergraduate financial budget represents a 19.6% (or \$1.5 million) increase over FY11's actual expense. This increase is due in part to the elimination of the Affordable College Effort (ACE) program as a result of the State's budget cuts and PSU's desire to help mitigate the large tuition increase for our in-state students.

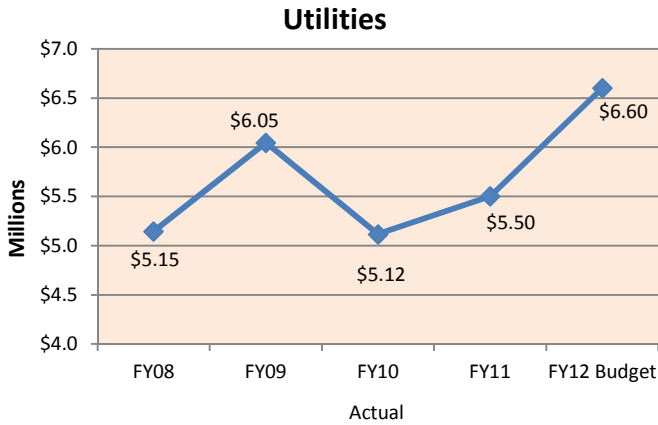
The largest growth in undergraduate financial aid has been in “need-based” awards which illustrates PSU’s commitment to college affordability. In fact, FY12 UG “need-based” aid increased 28.9% (or \$1.4 million) over FY11. “Merit” aid increased 18.1% while “Other” aid decreased 42% over FY11.

Over the past 6 years, PSU has increased its undergraduate financial aid \$4.5 million from \$4.9 million in FY07 to \$9.4 million for FY12. As a result, the FY12 budget is nearly twice as much as that for FY07.

**Undergraduate Financial Aid by Aid Type**



## UTILITIES

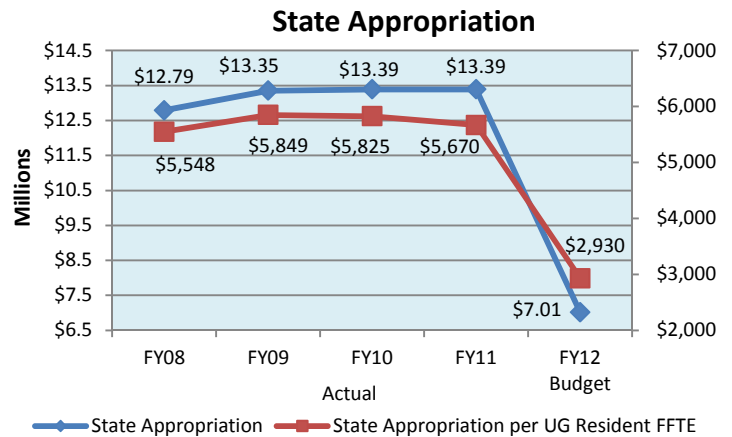


The FY12 utilities budget represents a 20% increase over FY11 actual. This sharp increase is the result of the expiration of our recent 18-month oil contract, in which we had locked into a low oil rate, and the higher price of oil in the current market. Due to volatility in the energy markets, campus faculty, staff and students need to make energy efficiency a high priority. Given our commitment to sustainability, we must continually strive to promote sustainability and achieve climate neutrality on the PSU campus.

## REVENUES

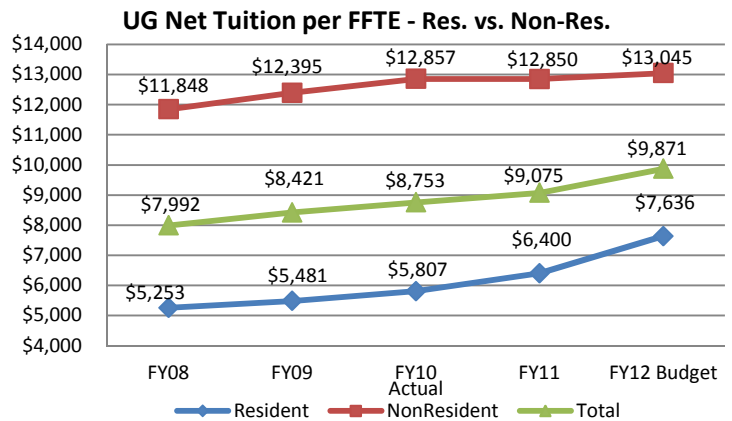
### STATE APPROPRIATION

In FY12 our state appropriation was reduced \$6.8 million (or 48%) from FY11. This includes the loss of \$550,000 earmarked for Affordable College Effort (ACE) financial aid. The state appropriation represents about 6% of PSU's total revenue budget.



### UNDERGRADUATE NET TUITION REVENUE

Net tuition revenue is simply tuition revenue less financial aid. It is a better representation of the tuition dollars available to PSU to cover administrative and educational expenses. Due to the cut in state support, PSU must rely more heavily on these student dollars to cover its operating costs.





The Board of Trustees requires PSU to prepare an all-funds-budget but the following is simply a comparison of actual general fund revenues and expenses for FY10 & FY11 and the FY12 Board-approved budget.

**Plymouth State University**  
**General Fund Revenues and Expenses**

	FY12 Budget	FY11 Actual	FY10 Actual
<u>Operating Revenue:</u>			
Resident Undergraduate Tuition	\$21,800,230	\$18,067,278	\$16,092,370
Resident Graduate Tuition	6,328,660	5,960,834	5,720,196
Non-Resident Undergraduate Tuition	27,920,450	26,478,550	25,024,994
Non-Resident Graduate Tuition	3,839,493	3,885,035	2,929,343
Financial Aid	(11,688,316)	(9,854,532)	(8,306,163)
<b>Net Degree Tuition</b>	<b>48,200,517</b>	<b>44,537,165</b>	<b>41,460,740</b>
Continuing Education	2,260,259	2,332,741	1,893,833
Student Fees	4,403,417	4,269,822	3,636,319
<b>Subtotal Net Tuition and Fees</b>	<b>54,864,193</b>	<b>51,139,728</b>	<b>46,990,892</b>
State Appropriation	7,011,504	13,391,000	13,391,000
Grants and Contract Revenue	195,700	287,905	193,203
Operating Investment Income	676,006	666,734	575,455
Endowment Income used for Operations	82,131	71,775	57,784
Sales of Educational Activity	708,323	696,122	632,464
Other Sources of Income	560,250	415,258	361,990
<b>Total Net Operating Revenues</b>	<b>\$64,098,107</b>	<b>\$66,668,522</b>	<b>\$62,202,788</b>
<u>Operating Expense:</u>			
Salary & Wages	\$36,531,283	\$35,965,446	\$34,627,768
Benefits	13,415,134	13,394,411	13,413,616
<b>Subtotal Personnel</b>	<b>49,946,417</b>	<b>49,359,857</b>	<b>48,041,384</b>
Supplies and Services	9,282,132	7,913,461	7,502,953
PPOM/ASC <sup>(1)</sup>	(9,739,961)	(8,902,898)	(8,865,541)
USNH Central Services	2,148,102	2,273,905	2,319,343
Utilities	6,601,053	5,501,191	5,115,721
Contingency	894,781	-	-
Other Expenses	1,628,325	-	-
<b>Total Operating Expense</b>	<b>60,760,849</b>	<b>56,145,516</b>	<b>54,113,860</b>
<u>Transfers:</u>			
Transfers to Plant (Deferred Maintenance)	3,979,288	4,703,878	3,992,456
Other Net Transfers (including IFB) <sup>(2)</sup>	(642,030)	5,352,354	3,556,189
<b>Total Operating Expense &amp; Transfers</b>	<b>\$64,098,107</b>	<b>\$66,201,748</b>	<b>\$61,662,505</b>
<b>Surplus (Deficit)</b>	<b>\$0</b>	<b>\$466,774</b>	<b>\$540,283</b>

Note: 1. PPOM/ASC is the cost of utilities and administrative services which are reimbursed to the general fund by the auxiliaries (Res Life, Dining, HUB, Telecom, etc.).

2. IFB payments = internal fund borrowing payments to the System

The Board of Trustees requires PSU to prepare an all-funds-budget but the following is simply a comparison of actual auxiliary fund revenues and expenses for FY10 & FY11 and the FY12 Board-approved budget.

**Plymouth State University**  
**Auxiliary Fund Revenues and Expenses**

	FY12 Budget	FY11 Actual	FY10 Actual
<u>Operating Revenue:</u>			
Sales of Auxiliary Services:			
Conferences & Events	\$ 97,157	\$ 107,684	\$ 226,840
Copying Sales	26,792	1,190	5,141
Dining Services	7,445,205	7,388,531	6,893,255
Hartman Union Building	3,232,087	3,376,585	3,295,254
Health & Wellness	1,285,044	1,285,632	1,151,461
Ice Arena	1,181,887	1,051,562	-
Parking (included Shuttle in FY11 & 10)	350,458	326,906	385,760
Residential Life	15,431,849	15,503,703	14,921,805
Shuttle Services	81,021	-	-
Telecommunication	78,547	77,569	73,767
Financial Aid	-	-	(4,000)
<b>Total Net Operating Revenues</b>	<b>\$ 29,210,047</b>	<b>\$ 29,119,362</b>	<b>\$ 26,949,283</b>

<u>Operating Expense:</u>			
Salary & Wages	\$ 3,071,589	\$ 2,910,333	\$ 2,685,509
Benefits	1,020,036	975,218	945,060
<b>Subtotal Personnel</b>	<b>4,091,625</b>	<b>3,885,551</b>	<b>3,630,569</b>
Supplies and Services	7,935,309	6,990,109	6,655,934
PPOM/ASC <sup>(1)</sup>	9,728,816	8,885,616	8,831,458
<b>Total Operating Expense</b>	<b>21,755,750</b>	<b>19,761,276</b>	<b>19,117,961</b>

<u>Transfers and Other Expense</u>			
Transfers to Plant (Deferred Maintenance)	1,419,837	2,607,072	1,929,801
Other Net Transfers (including IFB <sup>2</sup> )	(665,134)	208,165	41,407
Add to Reserves	247,954	-	-
Debt Service:			
Dining Services	267,216	265,914	264,314
Hartman Union Building	694,033	692,916	693,563
Ice Arena	1,099,328	1,099,328	-
Residential Life	4,391,063	4,390,866	4,390,092

<b>Total Operating Expense, Transfers &amp; Other Exp.</b>	<b>\$ 29,210,047</b>	<b>\$ 29,025,537</b>	<b>\$ 26,437,138</b>
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<b>Surplus (Deficit)</b>	<b>\$ -</b>	<b>\$ 93,825</b>	<b>\$ 512,145</b>
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Note: 1. PPOM/ASC is the cost of utilities and administrative services which are reimbursed to the general fund by the auxiliaries (Res Life, Dining, HUB, Telecom, etc.).

2. IFB payments = internal fund borrowing payments to the System