

MEMORANDUM

TO: UAH Community
FROM: Robert A. Altenkirch, President
DATE: April 25, 2014
SUBJECT: FY2015 State Budget Update

This past legislative session, the base operating appropriation for FY15 for UAH was set at \$42.4 million, an increase of 0.7% over the FY14 base operating appropriation of \$42.1 million. For the 14 state institutions, base operating appropriation increases range from 0.7% to 1.73% with an average of 0.82% and a median of 0.7%. Additionally, \$850,000 was appropriated for the State Climatology Program, an increase of \$600,000 over FY14, and \$750,000 as a state match for expansion of the Nursing program for a total increase for UAH for FY15 of 2.1% compared to a high of 3.1% and a low of 0.37% for the 14 state institutions. For comparison the average total appropriation increase is 1.16% with a median of 0.7%.

Our total state appropriation is approximately 21% of total operating expenses. State appropriations to UAH for operations have declined by 27% from approximately \$58.1 million in FY08 to the FY15 level of \$42.4 million. Such a reduction has been accommodated through cost containment, tuition increases, and other revenue sources such as private funding.

As you know, the Executive Committee of the Board of Trustees has already approved our tuition levels for the 2014-15 academic year as we transition, for undergraduates, to a block tuition model. Detail concerning the transition over a three year period can be found at http://www.uah.edu/images/administrative/president/memos/Transition%20to%20a%20_block%20tuition_%20structure.pdf. The block tuition structure for graduate students requires no transition and is fully implemented for the coming academic year. The tuition tables are posted at <http://www.uah.edu/bursar/tuition>.

We are in the process of putting together the FY15 institutional budget, and, as we do, we will strive to continue to meet our Goal to “Strengthen and maintain a financial, physical, and personnel infrastructure that supports continuous quality enhancement and the pursuit of excellence in research and education.” Managing revenues and expenditures strategically will allow us to continue to address our Goals and continue to enhance the UAH experience.

Thanks,

Bob