
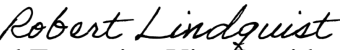


## MEMORANDUM

To: Carmen Scholz  
President, Faculty Senate

From: Darren Dawson  
President 

Robert Lindquist   
Interim Provost and Executive Vice President for Academic Affairs

Date: September 8, 2021

Subject: Faculty Senate Resolution 21/22-01: Request for Academic Year 2021-2022  
Raises for UAH Faculty and Staff

As UAH finalized the FY 2021-22 Operating Budget, we examined the feasibility of providing a salary increase pool for UAH faculty and staff. Specifically, we examined if UAH could fund a 2% salary increase pool for our faculty and staff. A 2% salary increase pool would cost UAH approximately \$2M in recurring funds inclusive of benefits.

The University's education & general (E&G) operating budget relies on two main sources of revenue: State appropriations and tuition/fees. Tuition/fees revenue is impacted by two factors: enrollment and rates. In recognition of the financial hardship faced by our students and their families during the ongoing pandemic, UAH did not ask the Alabama Board of Trustees to consider a tuition increase for this current academic year. Additionally, UAH's Fall 2021 enrollment declined by approximately 350 students. This enrollment decrease has had a negative impact on UAH's revenue. Fortunately, UAH received an appropriation increase of \$3.9M from the State of Alabama; however, the state appropriation increase barely offset UAH's projected loss of net tuition revenue of \$3.5M.

Please see the table below that details anticipated revenue changes for FY 2021-22.

Revenue Item	Proposed % or \$ Change	General Operating Revenue	Auxiliary Revenue
<b>State Appropriation O&amp;M Increase</b>	7.7%	\$3,933,512	
<b>Net Tuition Revenue Based on Enrollment Projection*</b>	9,700 Student HC	-\$3,498,220	
<b>College Fees</b>	No Increase	\$0	
<b>Infrastructure Fee</b>	\$5 per credit hour	\$1,280,659	
<b>Meal Plan Rates</b>	~3% Contractual		\$210,000
<b>Housing Rates</b>	No Increase		\$0
<b>Phased Parking Rate</b>	No Increase		\$0
<b>Grand Totals</b>	<b>\$ 1,925,951</b>	<b>\$1,715,951</b>	<b>\$210,000</b>

\* Down-budget enrollment from 10,200 in Fall 2020 to 9,700 in Fall 2021. Gross tuition -\$5,419,220 + scholarship savings of \$1,921,000 results in a net revenue change of -\$3,498,220.

As one can see from the table above, our appropriation increase offsets net tuition losses with only \$435K in new flexible funds remaining that will be used to fund customary faculty promotions and mandated cost increases. The other revenue sources shown are approved and dedicated for specific purposes and cannot be used to fund salary increases.

Throughout this year’s budget development cycle, we have kept various stakeholder groups informed of our revenue projections. These groups include the Budget and Planning Advisory Council, Faculty Senate, Staff Senate, Council of Deans, UA System Officials, and The Board of Trustees. It was made clear that UAH’s ability to fund a pay increase pool depended on Fall 2021 enrollment being very close to that of Fall 2020, which was 10,000. As of today, UAH’s Office of Institutional Research and Assessment projects a Fall 2021 census count of approximately 9,650.

Given the information presented above, UAH will not be able to provide a salary increase pool for its faculty and staff for FY 2021-22. While we are deeply saddened by the knowledge that we cannot reward our dedicated faculty and staff who have worked through very difficult circumstances caused by the ongoing pandemic, UAH simply does not have the financial resources available to fund the salary increase pool.