



The University of Alabama in Huntsville

Faculty Senate Budget Presentation

Budget Overview

March 10, 2022

Revenue

How is UAH funded?

Expenditure

How UAH spends the revenue?

FY 2021-22 Budgeted Revenue Summary

	<u>\$ Millions</u>		<u>Percent</u>
State Appropriation *	\$ 58.3		17.0
External Contracts **	\$114.7		33.4
Tuition & Fees	\$126.0		36.6
Other ***	\$ 22.5		6.5
Auxiliary	<u>\$ 22.3</u>		<u>6.5</u>
Total	<u>\$343.8</u>		<u>100.0</u>

* Includes earmarked state appropriations.

** Includes F&A Cost Recovery.

*** Includes sales & services, investment, & endowment incomes.

Major Change in E&G Funding Sources In Percent of Total Budget

	<u>2007-08</u>	<u>2021-22</u>
State Appropriation	36.3	17.0
Tuition & Fees	23.7	36.6

These two are the primary funding sources for the day-to-day Educational & General (E&G) operations of the colleges and the support units including salaries, benefits, and operating expenses.

Alabama Education Trust Fund (ETF) Governor Proposed FY 2022-2023

\$8,299,759,929

K-12	72.64%
Higher Education	27.36%

For comparison purpose, the General Fund proposed budget is \$2,718,205,354.

Proposed FY 2022-23 State Appropriation Governor's Proposed & House Passed

	<u>FY 2021-22</u>	<u>FY 2022-23</u>	<u>New Money</u>
State Appropriation *	\$58.3 M	\$63.6 M	\$5.3 M

- * Includes two earmarked lines:
1. State Climatology Program \$850,000
 2. Redstone Research \$2,700,000 (dedicated to capital projects)

Proposed FY 2022-23 Tuition Revenue

	<u>FY 2021-22</u>	<u>FY 2022-23</u>	<u>New Money</u>
Tuition Revenue	\$126.0 M	\$?	\$?

Tuition Revenue = Tuition Rate x Enrollment

Based on the current enrollment mix:

1. 1% tuition rate increase will **gross** an additional \$1.08 million.
2. An additional 100 students will gross an additional \$1.0 million.
3. Overall UAH discount rate is ~44%.

Proposed FY 2022-23 Operating Budget

Incremental Budget

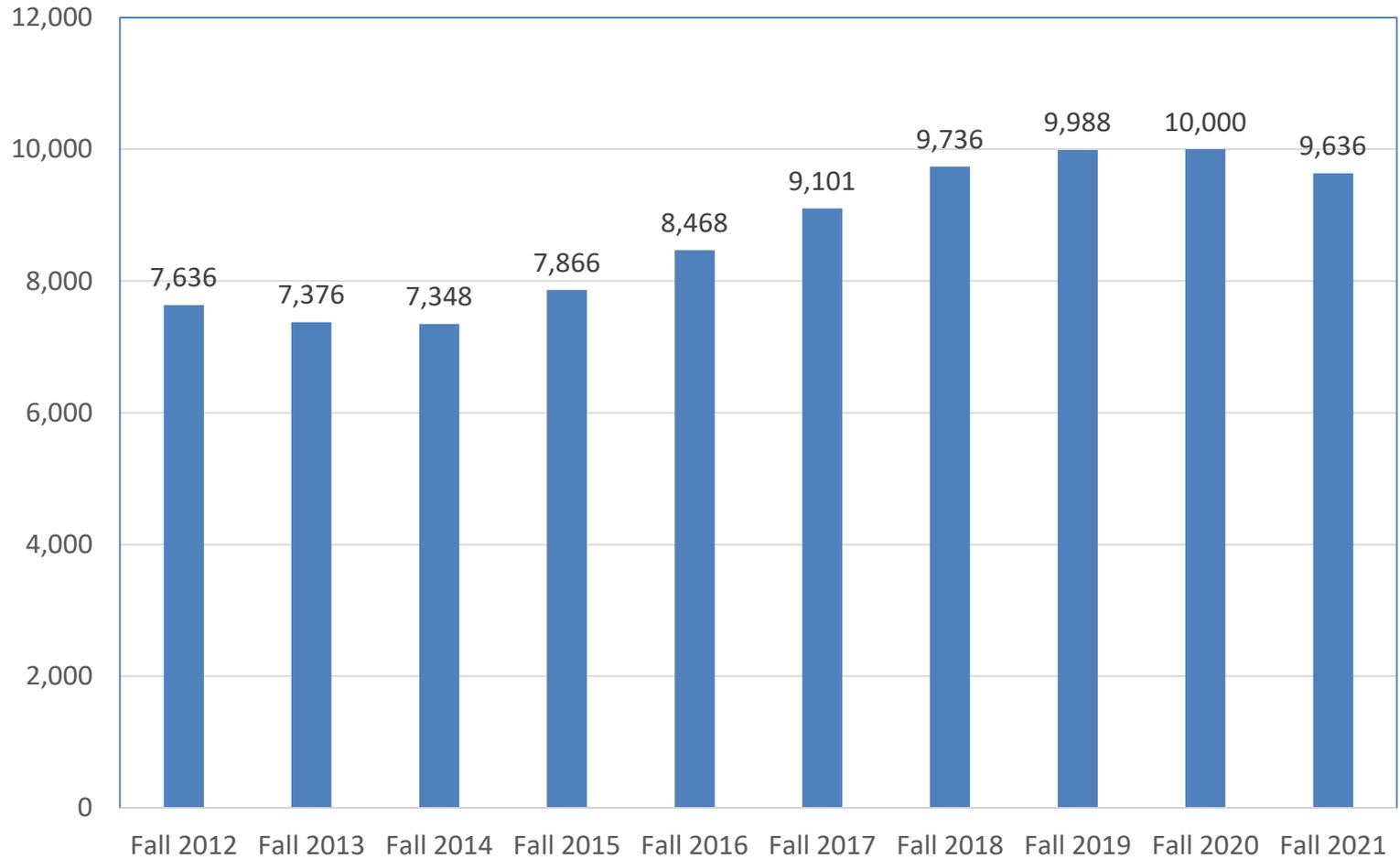
Revenue

State Appropriation	\$5.3 M
Tuition Revenue (TBD)	\$?
Total	\$5.3 M

In-State Undergraduate Taking 30 Credit Hours



Headcount Enrollment



FY 2021-22 Budgeted Expenditure Summary

	<u>\$ Millions</u>	<u>Percent</u>
Salaries & Wages ¹	\$141.4	41.1
Fringe Benefits	\$ 47.0	13.7
Operating ²	<u>\$155.4</u>	<u>45.2</u>
Total	<u>\$343.8</u>	<u>100.0</u>

1. Any payment that flow through the UAH payroll office.
2. Any expenditure not processed through UAH payroll office is classified as operating: examples are scholarships, utilities, travel, technology purchases, and service contracts.

What is included in fringe benefits, generally 33% of salary?

- FICA
- TRS Employer Matching
- Health Insurance
- Supplemental Retirement (TIAA)
- Life Insurance
- Long Term Disability Insurance
- State Unemployment Insurance

The percent of fringe benefit varies depending on the types of jobs, but in general, the higher the salary, the lower the fringe benefit rate because the health insurance matching is a fixed amount.

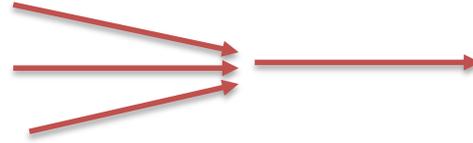
FY 2021-22 Budgeted Expenditure Summary

	<u>\$ Millions</u>	<u>Percent</u>
President/Athletics	\$ 9.7	2.8
Academic Affairs	\$ 96.1	28.0
Finance & Administration	\$ 62.6	18.2
Diversity	\$ 0.7	0.2
Student Affairs	\$ 74.3	21.6
University Advancement	\$ 2.8	0.8
Research	\$ <u>97.6</u>	<u>28.4</u>
Total	\$ <u>343.8</u>	<u>100.0</u>

Typical Revenue & Expenditure Funding Relationship

Revenue

State Appropriation
Tuition
Investment (Realized Gains)



College, Course, Program Fees



Auxiliary (Self-Supporting)



External Grants & Contracts



Sales & Services



Expenditures

Colleges, President/VP Offices
Library, OIT, Scholarships

Direct relationship to the colleges

Housing, Bookstore, Food
Services

Research Centers

Usually have direct earmarked
relationships such as athletic &
parking.

Proposed FY 2022-23 Operating Budget

Incremental Budget

Revenue

State Appropriation	\$5.3 M
Tuition Revenue	<u>\$?</u>
Total	\$5.3 M

Expenditure

Customary Faculty Promotions	\$?
Campus-wide salary pool	\$?
Fixed-Costs: Insurance/Utilities	\$?
Other: new faculty/staff positions	<u>\$?</u>
Total	\$?

Proposed FY 2022-23 Operating Budget

Expenditure

Campus-wide salary pool:	1% = \$1 million
Customary Faculty Promotions:	Annually \$150,000 - \$200,000
Fixed-Costs:	Utilities, Tuition Assistance, Property, Liability, Flood, Cybersecurity, Motor Vehicle Insurance Premiums, Service Contracts including hard & software, lawn care, custodial, & library subscriptions.
Other: New faculty/staff positions	Varies. New tenure-track faculty hires for the colleges of Science & Engineering is very expensive, typically add \$200,000 - \$300,000 for startup for each hire. Business faculty salary is high but no startup required.

Proposed FY 2022-23 Operating Budget

Working Calendar

<https://www.uah.edu/budget/budget-information>