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UNIVERSITY OF 
Cincinnati



CURRENT FUNDS
BUDGET PLAN
Fiscal Year 2011-2012

Prepared by the Office of the VP for Finance | June 21, 2011



THE BUDGET BOOK

The University of Cincinnati continues the transformation of its budget process to an all-university, all-funds methodology. The university utilizes fund accounting to budget and monitor the use of funds in accordance with the principles of the Governmental Accounting Standards Board (GASB). Budgeting by fund enables the university to track the sources and uses for each fund as is often required ensuring compliance with internal and external restrictions. Fund accounting also allows for monitoring and tracking of different financial objectives that arise from the various types of activities the university conducts and allows for budgeting based on current funds (Uptown and branch campuses), auxiliary operations, designated funds and restricted funds. Detailed schedules of these funds' total budgets are presented in subsequent sections of this publication. Following Board of Trustees approval, the budget is modified throughout the year as changes in circumstances occur. On March 31st of each year the permanent budget is frozen and after this date no changes can be made. Therefore, the column labeled "2011 Budget as of 3/31/11" represents the final budget for Fiscal Year 2011 (FY 2011.)

At the end of FY 2010, the university acquired SAP Public Budget Formulation (PBF) as part of the continuous improvement of its core business processes. During FY 2011, the implementation of PBF took place under the direction of key budget and systems personnel with the resulting go-live in time for the FY 2012 Budget Formulation process. PBF is the next step in higher education budgeting, specifically designed for government and education budgeting. PBF provides substantial functional and technical capabilities beyond the university's prior budgeting tools.

Leveraging these capabilities, the university will be able to streamline budgeting processes and provide a more comprehensive budget formulation, reporting and analysis solution. The PBF implementation was successfully completed on time and under budget.

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INTRODUCTION

The Fiscal Year 2011-12 (FY 2012) University of Cincinnati budget is presented to the Board of Trustees at a time of great change for the university. This budget was built in response to numerous challenges as well as with strong emphasis on the aspirations envisioned in UC 2019 ► Accelerating Our Transformation.



KEY PERSONNEL

On September 19, 2010, President Gregory H. Williams' investiture as UC's 27th president took place on campus at Fifth Third Arena in a ceremony that was part of student convocation for the entering freshman class. As part of the "new beginnings" theme of the day, President Williams introduced his new strategic plan, UC 2019 ►, outlining the blueprint for achieving excellence as well as setting institutional priorities. "This blueprint for our future challenges us to transform UC into one of the best universities in the world," he said.

Also in September 2010, Santa Jeremy Ono, PhD, was appointed Senior Vice President for Academic Affairs and University Provost. He also serves as Professor of Pediatrics with the College of Medicine and Professor of Biology in the McMicken College of Arts and Sciences. After holding positions at the Johns Hopkins School of Medicine, the Harvard School of Medicine, and University College London, Dr. Ono joins UC after his most recent appointment as Senior Vice Provost for Undergraduate Academic Affairs at Emory University.

Dr. David Szymanski joined UC as the 9th dean of the College of Business. Prior to coming to UC, Dr. Szymanski held senior administrative and faculty positions at Texas A&M University.

Karen Faaborg, JD was appointed Executive Vice President in the Office of the President effective February 1, 2011. During her 30-year career at UC, she has served as both a faculty member and as an administrator, most recently as Senior Associate Vice President and Chief Human Resource Officer responsible for all employment functions for faculty, staff, and student employees.

Thomas Boat, MD, has been appointed Dean for the College of Medicine and Vice President for Health Affairs effective July 1, 2011. Dr. Boat served as Executive Associate Dean for the College of Medicine since April 2008 and as Chief Executive Officer of UC Physicians since July 2008. He was instrumental in unifying 15 separate physician practices into one UC Physicians corporation. In addition he served as director of Children's Hospital Research Foundation and Chairman of the UC College of Medicine's Department of Pediatrics as well as physician-in-chief of Cincinnati Children's Hospital Medical Center.

UC 2019 ► ACCELERATING OUR TRANSFORMATION

In building toward its bicentennial celebration, UC developed UC 2019 ►, a plan about UC's readiness to take its place among the elite institutions of the nation and the world. The goals of UC 2019 ► offer a map of how UC will move from a period of definition into a period of focus and achievement. It defines how UC will measure success as well as prioritize and target resources on those areas in which it excels. The aim is to achieve most of the aspirational

goals within 5 years, while monitoring progress through an annual report card as well as a continually updated institutional dashboard. In achieving its strategic goals, the University of Cincinnati will be guided by the following operational principles:

- Learning ► UC is dedicated to learning and scholarship.
- Discovery ► Innovation and entrepreneurship are necessary for stimulating new ideas and for taking research into the public domain.
- Community ► UC is committed to creating a vibrant campus community, while also participating fully with the people of the Uptown neighborhood, Greater Cincinnati, and beyond.
- Economy ► UC must exercise responsibility by maintaining strong fiscal stewardship, achieving financial stability, creating opportunity for sustainable growth, and building real value for the citizens of its city and state.
- Sustainability ► A careful and responsible approach to the environment and resources will ensure that they are sustainable over time.
- Global Engagement ► UC will identify, develop and integrate the knowledge and skills that each person needs in order to live successfully within the world-wide community and to contribute to human advancement in meaningful ways.
- Diversity ► UC is committed to creating and maintaining a community that is broadly diverse and inclusive thus promoting full participation and access in all aspects of university operations.
- Mission-Based Health Care ► UC is committed to innovation and discovery in medical care and knowledge so that the region will have access to the highest-quality care.
- Collaboration ► As a contributing citizen and willing partner for initiatives that advance the common good, UC must maintain vigorous collaborative engagement within its urban environment and throughout the global community.

One important component of UC2019 ► will be the Academic Master Plan – the guidelines, expectations, goals and activities that will guide the academic endeavors within UC2019 ►. On April 11, 2011, Provost Ono released Phase I of the Academic Master Plan which has been described as the visioning work. The university looks forward to Phase 2, the action plan which will include the business plan that brings the UC2019 ► vision into being and sets the next crucial steps in motion in UC's development and achievements as a world-class institution.

OTHER HIGHLIGHTS

Some of the recent key successes at UC include:

- The largest enrollment in UC history with over 41,350 students on all campuses in autumn quarter 2010.
- Freshmen class enrolled autumn 2010 was the most academically prepared ever with an average ACT score of 25.
- The number of UC students applying for Commencement in June 2010 reached the highest level in two decades with 4,728 degrees awarded.
- Record-breaking total research funding at more than \$443 million including affiliates, an increase of 17% over the previous year. UC has nearly doubled its research in just 10 years.

- Recognition as one of the world's most beautiful college campuses, according to Forbes magazine.
- Ranking among the top 200 World Universities, according to The Times Higher Education magazine in London.
- Reaching the \$755 million mark in the \$1 billion Proudly Cincinnati Campaign as of March 31, 2011.
- Completion of phase 1 of the Sheakley Athletics Complex and indoor practice facility.
- Formation and continuing transition of UC Health, more closely aligning the mission of UC and UC Health.
- Ranking 11th among institutions identified as "up and comers" by U.S. News and World Report.
- Initial offering of classes in the fall of 2010 at UC East located in the former Ford plant in Batavia Township.
- Progress toward conversion from quarters to semesters on August 27, 2012 continues with the bulk of ongoing curricular revisions substantially complete.
- Five UC Centers of Excellence as named by the University System of Ohio.
- Princeton Review named UC among the nation's top "green" universities.
- Merger of the College of Applied Science and the College of Engineering into the College of Engineering and Applied Science.

POLICIES AND PRINCIPLES GUIDING THE BUDGETING PROCESS

The university continues to update policies designed to improve the financial stability and business practices across the institution. Of those, the Operating Cash Policy and the Structural Deficit Policy as well as Performance Based Budgeting continue to have the most pronounced impacts on improving the university's financial strength even as state support for higher education declines. These efforts have contributed positively to the decision by Moody's to move the institution's financial outlook from stable to positive.

OPERATING CASH POLICY

Measures included in the operating cash policy, approved by the Board of Trustees in November 2006, help support the institution's liquidity goal of attaining an average daily cash balance of no less than 25% of annual operating budget expenditures and transfers, as well as a minimum daily cash balance of no less than 17% of annual operating budget expenditures and transfers. Operating cash has continued to grow to a balance of \$358M as of April 2011 including spring tuition payments. Cash balances now regularly exceed the minimum daily target of \$185M. In accordance with policy, the cash position is monitored by the Cash Committee on a periodic basis to ensure that the required levels are achieved. In addition, the cash status is reported to the Board of Trustees quarterly as well as annually in the audited Financial Report.

In March 2007, the Board of Trustees authorized withdrawal of up to \$100M of university quasi-endowment funds to assist with improvement of UC's cash position. As a result of the collaborative effort in which all units contributed positively to the university's financial health, the actual draw on the quasi endowment funds was limited to a one-time amount of \$40M. Assuring that donor restrictions were preserved and honored, \$21M of the \$40M draw was

used to pay off negative fund balances leaving \$19M remaining in liquidity reserve funds. Reassessment of the university's cash position resulted in the return of the remaining \$19M in liquidity reserve funds to each of the original quasi-endowment principal funds on July 1, 2010. This action resulted in the funds being eligible once again for income generation and distribution, as defined in the endowment spending policy.

STRUCTURAL DEFICIT POLICY

In November 2008, the Board of Trustees approved a policy aimed at eliminating all overdrafted cash balances. This policy identified specific measures to restore cash balances including:

- Utilizing a proactive budgeting process;
- Requiring any new deficit funds be approved in advance by the Vice President for Finance in consultation with the appropriate Vice President;
- Obtaining payback plans for funds that are currently in a deficit position;
- Reducing the scope, postponement or cancellation of capital projects;
- Focusing on receivables management.

Compliance with this policy is monitored on a regular basis and is responsible for the continued reduction in overdrafted cash balances.

FINANCIAL POLICIES

The Financial Policy Development Committee continues to develop and implement institutional financial policies in response to audits as well as efforts to contain costs and institute better business practices. Draft policies are fully vetted through the university's decision-making and governance structure to gain valuable feedback as well as heighten awareness of fiscal stewardship and accountability. The results have been continually improved internal controls, in addition to assisting cost containment over a wide array of university activities.

In addition, consultants were hired to conduct an operations assessment review of the university's custody requirements in conjunction with the Office of the Treasurer and the Investment Office. After a thorough due diligence process, it was concluded that there are significant benefits to selecting BNY Mellon as UC's new master custodian. A master custodian's chief responsibilities are the safekeeping and related servicing of its client's portfolio of assets. With a conversion date of July 1, 2011, BNY Mellon will assist UC in a number of portfolio management areas such as improved reporting timeliness, valuation pricing, and performance reporting as well as compliance and risk monitoring.

PERFORMANCE BASED BUDGETING

The university adopted a Performance Based Budgeting model in FY 2010, replacing the historical allocation of resources for the undesignated general fund. The model is resource and enrollment driven with incentives for both growth and efficiencies. Each college or administrative unit is assigned a mandatory budget threshold that is to be met through growth, cost saving measures, or some combination of both. The model allows for college units to share in the growth that results from exceeding established thresholds and building enrollments. Some changes were made in FY 2011 as Performance Based Budgeting continues to evolve. More detail on the Performance Based Budgeting template is included in Section 3.

REVENUE SUMMARY

STATE SUPPORT

State appropriations are expected to decline significantly in FY 2012 due to an \$8 billion deficit in the State of Ohio biennial budget. Since FY 2011 state appropriations relied heavily on one-time federal stimulus funds, State Share of Instruction (SSI) university-wide including branches is expected to decline \$28.8M in FY 2012. In anticipation of this funding loss, the Uptown Campus accumulated a reserve of nearly \$15M to help cover its share of the loss in SSI support of approximately \$24.9M. This loss in SSI funding is significant but less than was originally anticipated. While SSI is by far the largest segment of state funding, other state appropriations are expected to decline approximately 15%.

TUITION REVENUE

House Bill 153 proposes capping resident undergraduate tuition and fee increases at 3.5%. Therefore, at the May 2011 Board of Trustees meeting, a 3.5% increase to resident undergraduate tuition and fees was approved effective autumn quarter 2011. The nonresident undergraduate surcharge was left unchanged. At the graduate level, tuition and fees increase 3.5%. Professional students in the Medicine MD program will see tuition and fee increases of 3.5%, while Law will increase 6% and PharmD will increase 8.5%. (See fees schedules in Appendix 1.) These increases are expected to generate approximately \$11M in additional tuition revenue on the Uptown campus.

Current FY 2012 enrollment projections anticipate an increase above the record 41,350 students enrolled in FY 2011 on all UC campuses mainly due to improved retention.

GOVERNMENT AND PRIVATE GRANTS AND CONTRACTS

UC and its affiliates received over \$443 million in research funding in FY 2010, an increase of more than \$65 million over the total in FY 2009. UC, excluding its research affiliates, received \$284.8 million, a 19% increase for FY 2010. UC ranks number 25 among public institutions for federal research expenditures.

Success in FY 2010 is attributed in large part to gains from the American Recovery and Reinvestment Act (ARRA). The university received more than \$44 million in ARRA funding, but even without this money, UC increased its research-dollar total. It is anticipated, however, that research funding in FY 2012 will decrease noticeably from FY 2011 levels overall as ARRA funding is discontinued.

A significant part of UC's research funding comes from the National Institutes of Health (NIH), the major supporter of biomedical research. UC's College of Medicine brought in \$169 million in research funding in FY 2010.

Industry has become an increasingly important research partner. In FY 2010, UC was awarded \$15.2 million from industry collaborators.

ENDOWMENT INCOME

The university uses its endowment to support current operations in a way that generates a predictable stream of support, while maintaining the purchasing power of the endowment funds adjusted for inflation. Therefore, the university spending policy provides for annual distributions of 5% of the 12-quarter moving average market value of assets in the investment

pool. While down about 8% in FY 2011, the spending policy payout will decrease 12.2% in FY 2012.

As of June 30, 2010, the market value of the UC endowment ranked 71st out of 850 higher education institutions surveyed by the NACUBO-Commonfund Study of Endowments. The university's endowment market value was \$886 million as of June 30, 2010. As of March 31, 2011, the market value of the UC endowment was \$990 million, reflecting the recent strength of the global equity markets.

FUNDRAISING CAMPAIGN

Proudly Cincinnati: Tower of Strength, Rock of Truth is the University of Cincinnati's most ambitious campaign in its history, supporting the goal of UC becoming the finest urban research in the nation. The target of Proudly Cincinnati is to raise \$1 billion by 2013 to fund the university's key initiatives including:

- Learning and scholarships;
- Training tomorrow's healthcare professionals;
- Science and technology research;
- Faculty and staff retention and endowments;
- Creative expression;
- Partnerships between UC and its surrounding communities;
- Enhanced student life experiences including co-op opportunities.

Proudly Cincinnati is about the transformative power of higher education and the foundation it lays for the future of the students, community, state, nation and world. The campaign has successfully raised more than 75% of its \$1 billion goal.

AUXILIARY ENTERPRISES

The university's main auxiliary enterprises include Campus Services and Athletics. Campus Services continues to exhibit sound financial management despite a variety of challenges which directly impact its bottom line. Campus Services auxiliaries have been able to benefit from increased enrollments while containing expenses through implementation of cost-saving measures. Operations are expected to generate a positive net margin in FY 2011. This strategy of revenue growth combined with cost containment is expected to continue into FY 2012 when Campus Services again expects operations to result in a positive net margin. This has been accomplished with minimal increases to room and board rates in both FY 2011 and FY 2012.

Athletics experienced another successful year in FY 2011 both on and off the playing field as they continue towards CATAPULT goals. Athletics continues to explore opportunities for revenue growth as well as cost containment as they seek to be competitive in the Big East and NCAA sports.



2. TOTAL CURRENT FUNDS BUDGET SUMMARY

**FISCAL YEAR 2011-2012
CURRENT FUNDS BUDGET SUMMARY
(IN THOUSANDS)**

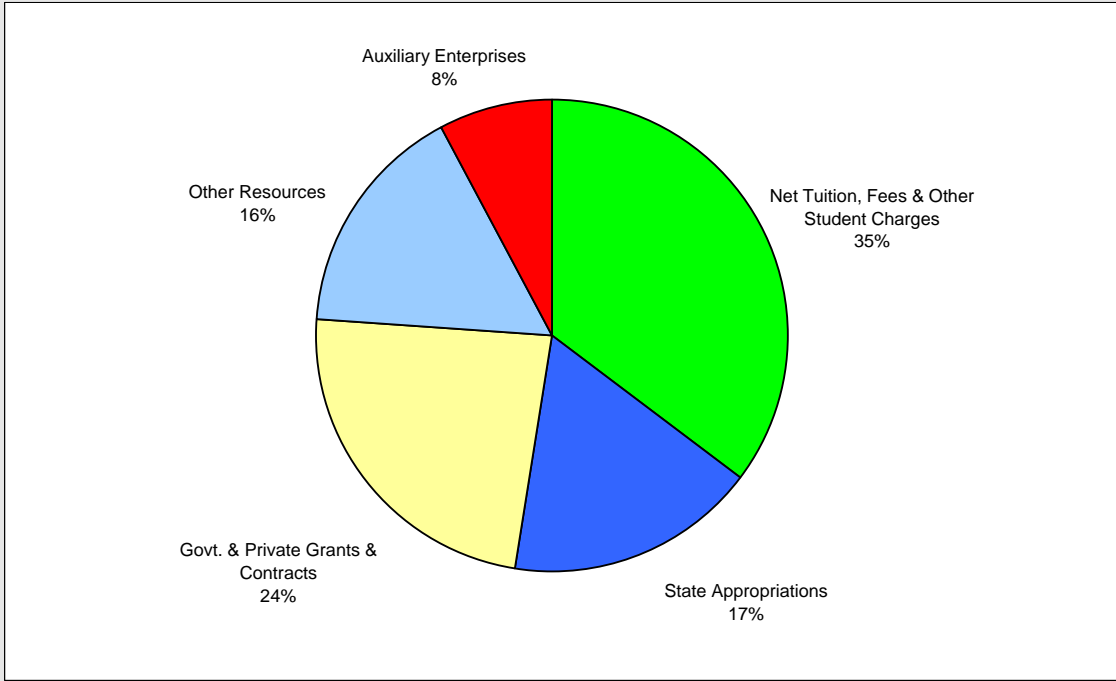
	Undesignated General Funds Uptown Campus	Undesignated General Funds Branches	Auxiliary Enterprises	Designated General Funds	Restricted Funds	Total Current Funds
RESOURCES						
Gross Tuition, Fee and Other Student Charges	358,951	44,631	13,448	23,311	-	440,340
Less Scholarships and Fellowships	(67,334)	(782)	-	-	-	(68,116)
Net Tuition, Fee and Other Student Charges	291,616	43,849	13,448	23,311	-	372,223
State Appropriations (State Share of Instruction)	154,686	17,555	-	-	8,887	181,129
Govt. and Private Grants and Contracts	19,859	27	-	18,965	210,692	249,543
Private Gifts	319	-	4,841	91	32,217	37,468
Endowment Income	1,396	-	-	1,080	57,150	59,626
Sales and Service	10	19	-	61,329	-	61,358
Temporary Investments	3,770	-	-	-	-	3,770
Other Sources	1,779	73	-	3,118	2,281	7,251
Auxiliary Enterprises	-	-	82,986	-	-	82,986
Total Resources	473,436	61,522	101,275	107,893	311,228	1,055,354
EXPENDITURES						
Educational and General						
Instructional and General	214,655	34,936	-	7,932	42,683	300,206
Separately Budgeted Research	7,250	-	-	15,406	178,620	201,276
Public Service	892	158	-	52,139	4,679	57,868
Academic Support	67,894	5,368	-	14,079	7,046	94,386
Student Services	19,354	5,286	-	16,472	3,838	44,950
Institutional Support	47,759	8,571	-	13,056	8,832	78,219
Operation and Maintenance of Plant	48,100	5,829	-	2	12	53,943
Scholarships and Fellowships	-	-	-	1,627	54,698	56,325
Budget Cut Reserve	(28,502)	-	-	-	-	(28,502)
Stimulus Funding Reserve	-	-	-	-	-	-
Semester Conversion Reserve	1,000	-	-	-	-	1,000
Future Yrs Reallocation Reserve	7,873	-	-	-	-	7,873
Total Educational and General	386,275	60,148	-	120,712	300,407	867,542
Auxiliary Enterprises	-	-	69,216	-	-	69,216
Mandatory Transfers						
Loan Fund Matching	-	-	-	-	-	-
Debt Service	26,014	-	37,415	24,515	988	88,931
Nonmandatory Transfers						
Subsidies to Non-Instructional Units	15,897	259	(16,367)	212	-	-
Plant Funds	869	-	2,900	-	-	3,769
Designated	40,599	-	133	(40,732)	-	-
Other	(316)	1,115	5,914	7,191	9,770	23,674
Claims on Operations Repayment	4,100	-	-	(4,100)	-	-
Total Expenditures and Transfers	473,436	61,522	99,210	107,797	311,165	1,053,130
Net Increase (Decrease) In Fund Balance	0	0	2,065	96	63	2,224

**SUMMARY OF BUDGETED RESOURCES AND EXPENDITURES
TOTAL UNIVERSITY
(IN THOUSANDS)**

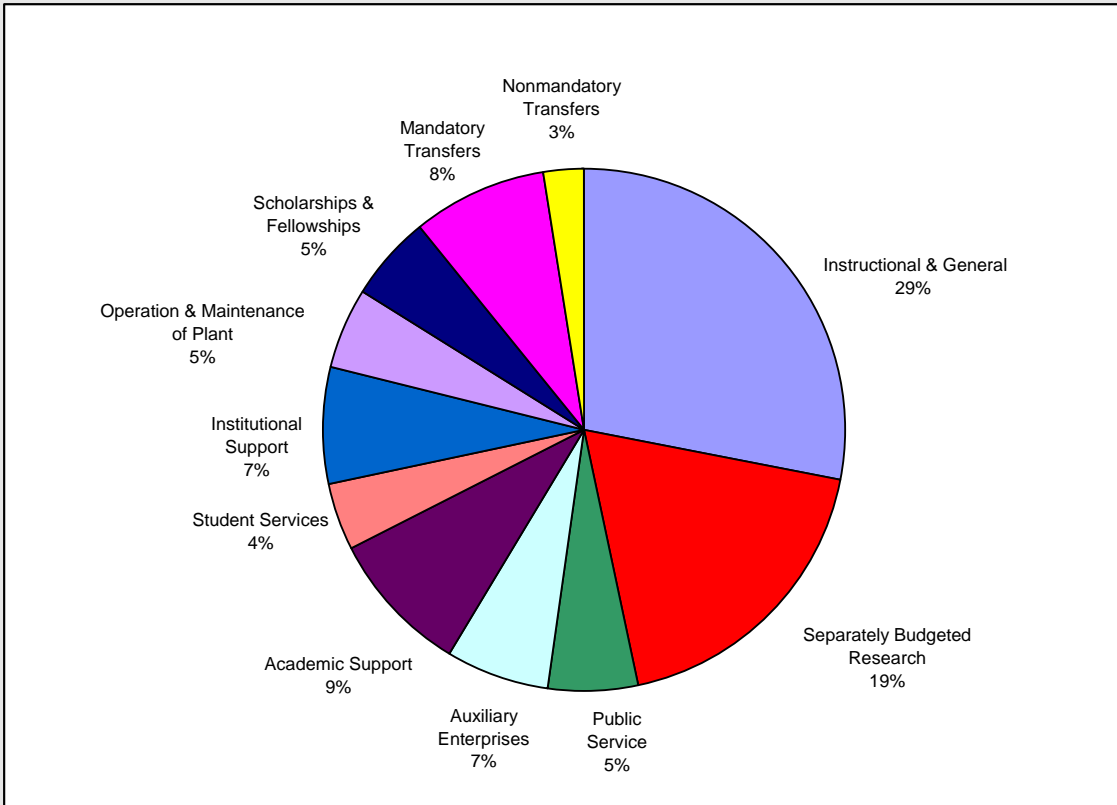
	2011 Budget As Of 3/31/11	2012 Budget	Variance	Percent Change
RESOURCES				
Gross Tuition, Fee and Other Student Charges	419,621	440,340	20,718	4.94%
Less Scholarships and Fellowships	(67,631)	(68,116)	(485)	0.72%
Net Tuition, Fee and Other Student Charges	351,991	372,223	20,232	5.75%
State Appropriations (State Share of Instruction)	209,285	181,129	(28,156)	-13.45%
Govt. and Private Grants and Contracts	275,060	249,543	(25,518)	-9.28%
Private Gifts	37,310	37,468	158	0.42%
Endowment Income	63,230	59,626	(3,604)	-5.70%
Sales and Service	59,903	61,358	1,455	2.43%
Temporary Investments	4,016	3,770	(246)	-6.12%
Other Sources	7,816	7,251	(565)	-7.23%
Auxiliary Enterprises	81,692	82,986	1,295	1.59%
Total Resources	1,090,302	1,055,354	(34,948)	-3.21%
EXPENDITURES				
Educational and General				
Instructional and General	295,797	300,206	4,409	1.49%
Separately Budgeted Research	224,620	201,276	(23,345)	-10.39%
Public Service	55,009	57,868	2,859	5.20%
Academic Support	89,614	94,386	4,773	5.33%
Student Services	43,303	44,950	1,647	3.80%
Institutional Support	76,699	78,219	1,520	1.98%
Operation and Maintenance of Plant	52,722	53,943	1,221	2.32%
Scholarships and Fellowships	59,819	56,325	(3,494)	-5.84%
Budget Cut Reserve	-	(28,502)	(28,502)	-100.00%
Stimulus Funding Reserve	14,850	-	(14,850)	-100.00%
Semester Conversion Reserve	-	1,000	1,000	100.00%
Future Yrs Reallocation Reserve	-	7,873	7,873	100.00%
Total Educational and General	912,432	867,542	(44,891)	-4.92%
Auxiliary Enterprises	72,767	69,216	(3,552)	-4.88%
Mandatory Transfers				
Loan Fund Matching		-	-	
Debt Service	88,174	88,931	757	0.86%
Nonmandatory Transfers				
Subsidies to Non-Instructional Units	-	-	-	
Plant Funds	2,218	3,769	1,551	69.94%
Designated	-	-	-	
Other	13,822	23,674	9,852	71.28%
Claims on Operations Repayment	-	-	-	
Total Expenditures and Transfers	1,089,413	1,053,130	(36,283)	-3.33%
Net Increase (Decrease) in Fund Balance	889	2,224		

**SUMMARY OF BUDGETED RESOURCES AND EXPENDITURES
TOTAL UNIVERSITY**

RESOURCES BY SOURCE



EXPENDITURES BY FUNCTION



3. PERFORMANCE BASED BUDGETING

PERFORMANCE BASED BUDGETING

Fiscal Year 2012 will begin the third year of Performance Based Budgeting (PBB). Another year of record enrollments allowed budgetary relief to most colleges in FY 2011 based on the resulting revenue growth. A broader and deeper understanding among the university community of how the university operates in total has been instrumental in modeling and matching income and expenses, both direct to the colleges as well as indirect expenses critical to all operations.

Work on PBB is ongoing through fiscal year end. It is estimated that final FY 2011 results include \$10M in tuition growth to fund academic thresholds (budget cuts) as well as splits to colleges, the Provost, and central administrative units.

During FY 2011, Provost Ono commissioned a review of PBB as currently implemented. While recognizing the successes of the PBB implementation to date, the review offered a variety of recommendations including more fully integrating all revenue and all expenses into the PBB model particularly space and all allocated costs in order to enhance accountability. PBB will continue into FY 2012 operating in a manner very similar to FY 2011 while the recommendations are reviewed, analyzed, and discussed.

Key PBB Definitions

1. **Revenue Producers:** those units that generate revenue (typically colleges).
2. **Revenue Supporters:** those units that support the revenue producers (Provost Office, Registrar, Finance, etc).
3. **Revenue:** all dollars generated (tuition, fees, SSI, other) distributed by home College (Majors).
4. **Negative Revenue:** scholarships and other adjustments against revenue.
5. **Adjustments:** adjustments for students taking classes in another college. These rows are included in the template in order to account for instruction provided between colleges.
 - a. **Adjustment Out:** adjustment for home college students taking courses in other colleges.
 - b. **Adjustment In:** adjustment for students from other colleges taking courses in a home college.
6. **Total Net Revenue:** the summation of revenue and negative revenue.
7. **Direct Expenditures:** all expenditures and net transfers directly tied to the revenue producers.
8. **Base Net Revenue:** the current amount of net revenue being generated minus direct expenditures of the revenue producers. (Total Net Revenue – Total Direct Expenditures)
9. **Base Net Revenue Target:** this is the amount of base net revenue that must be generated by the revenue producers in order to maintain a balanced university budget. (Base Net Revenue + the positive value of the Direct Threshold Share)
10. **Indirect Expenditures:** all expenditures and net transfers directly tied to the revenue supporters.
11. **Total Expenditures:** summation of the direct and indirect expenditures.
12. **Total University Threshold:** although this figure does not appear on the individual college versions of the Online Revenue & Cost Template, it is the difference between the

anticipated total net revenue and the anticipated total expenditures for the entire general fund for the fiscal year. This is the figure that forms the basis for the direct and indirect threshold shares.

13. **Threshold Share (Direct & Indirect):** the amount of the threshold that is assigned to each unit (revenue producer and supporter) that they must add to their base net revenue for the academic year.
14. **Threshold Plan:** the plan the unit submits to meet its threshold share.
15. **Incentive:** the agreed upon percentage of the amount of split-able revenue that exceeds the threshold share.
16. **Split-able Revenue:** all revenue except University Scholarships & Fellowships (GR & UG), General Fees, Other Revenue and Sponsored Revenue. General fees and Sponsored Revenue are not split-able because they have been earmarked.
17. **Shortfall:** the amount a unit returns for failing to meet its threshold share.

The following page is the initial total FY 2012 Uptown Campus General Funds PBB summary.

University of Cincinnati
Revenue and Cost Template - General Funds Only
Fiscal Year 2012

FY 2012 PBB SUMMARY

REVENUE				
	FY 2011	FY 2012 Estimate	Estimated Change	
Undergraduate	Tuition (Generated by Home College)	\$ 189,114,027	\$ 194,650,815	\$ 5,536,788
	Adjustment for Majors Instructed by Another College	\$ (38,429,033)	\$ (40,210,968)	\$ (1,781,935)
	Adjustment for Other Majors Instructed	\$ 38,429,033	\$ 40,210,968	\$ 1,781,935
	<i>Subtotal : Tuition Attributed to College</i>	\$ 189,114,027	\$ 194,650,815	\$ 5,536,788
	General Fees (Generated by Home College)	\$ 14,013,251	\$ 14,948,248	\$ 935,097
	State Share of Instruction (Generated by Home College)	\$ 76,922,182	\$ 67,499,845	\$ (9,422,337)
	Unit Scholarships & Fellowships	\$ (1,424,147)	\$ (1,424,147)	\$ -
	University Scholarships & Fellowships	\$ (19,489,362)	\$ (19,986,323)	\$ (496,961)
	<i>Net Attributable Revenue</i>	\$ 259,135,951	\$ 255,688,538	\$ (3,447,412)
	Graduate / Professional	Tuition (Generated by Home College)	\$ 129,597,391	\$ 133,815,208
Adjustment for Majors Instructed by Another College		\$ (1,482,851)	\$ (1,529,007)	\$ (46,156)
Adjustment for Other Majors Instructed		\$ 1,482,851	\$ 1,529,007	\$ 46,156
<i>Subtotal : Tuition Attributed to College</i>		\$ 129,597,391	\$ 133,815,208	\$ 4,217,816
General Fees (Generated by Home College)		\$ 4,792,019	\$ 5,103,712	\$ 311,693
State Share of Instruction (Generated by Home College)		\$ 102,620,000	\$ 87,186,258	\$ (15,433,742)
Unit Scholarships & Fellowships		\$ (44,246,050)	\$ (44,246,050)	\$ -
University Scholarships & Fellowships		\$ (1,478,169)	\$ (1,478,169)	\$ -
<i>Net Attributable Revenue</i>		\$ 191,285,191	\$ 180,280,957	\$ (10,904,233)
Adult & Continuing Ed. (Tuition Only)		\$ 4,438,215	\$ 4,578,953	\$ 140,738
Adult & Continuing Ed. (Scholarships Only)	\$ (196,334)	\$ (199,573)	\$ (3,039)	
Adult & Continuing Ed. (Gen. Fees Only)	\$ 246,892	\$ 369,891	\$ 22,999	
Sponsored Revenue	\$ 19,859,347	\$ 19,859,347	\$ -	
Other Revenue	\$ 13,179,251	\$ 13,179,251	\$ -	
Total Net Revenue	\$ 488,048,313	\$ 473,857,365	\$ (14,190,948)	
DIRECT EXPENDITURES				
Academic Support	\$ 44,967,477	\$ 45,384,438	\$ 416,961	
Institutional Support	\$ 236,735	\$ 248,366	\$ 11,631	
Instruction	\$ 192,180,981	\$ 198,049,362	\$ 5,868,381	
Public Service	\$ 33,580	\$ 34,924	\$ 1,345	
Research	\$ 5,735,360	\$ 5,892,910	\$ 157,550	
Student Services	\$ 1,319,064	\$ 1,343,350	\$ 24,286	
Unassigned	\$ 40,266	\$ 40,266	\$ -	
Total Direct Expenditures	\$ 244,513,463	\$ 250,993,616	\$ 6,480,153	
Base Net Revenue	\$ 243,534,850	\$ 222,863,749	\$ (20,671,101)	
	Direct Threshold Share	\$ (20,179,555)		
	Base Net Revenue Target	\$ 243,043,304		
INDIRECT EXPENDITURES				
Academic Support	\$ 18,994,980	\$ 19,174,110	\$ 179,130	
Institutional Support	\$ 44,426,748	\$ 46,755,341	\$ 2,328,593	
Instruction	\$ 21,200,358	\$ 26,213,260	\$ 5,012,902	
Operations Maintenance	\$ 47,241,147	\$ 49,313,486	\$ 2,072,339	
Public Service	\$ 862,388	\$ 864,964	\$ 2,577	
Research	\$ 2,601,418	\$ 2,604,483	\$ 3,065	
Student Services	\$ 18,664,740	\$ 19,260,329	\$ 595,589	
Unassigned*	\$ 89,543,072	\$ 87,180,181	\$ (2,362,891)	
Total Indirect Expenditures	\$ 243,534,851	\$ 251,366,154	\$ 7,831,303	
	Indirect Threshold Share	\$ (8,322,850)		
	Indirect Expenditures Target	\$ 243,043,304		
Total Expenditures	\$ 488,048,313	\$ 502,359,770	\$ 14,311,457	
	Total University Threshold	\$ (28,502,405)		
Net Profit/(Loss) Target	\$ (0)	\$ 0	\$ 0	

*Note: FY 2012 Indirect, Unassigned includes the following line items:

\$15M in Total Combined Reserves, \$26M in Debt Payments, \$30M in Designated Transfers, \$16M in subsidies to non-instructional units (auxiliaries).

Office of Institutional Research

4. UNDESIGNATED GENERAL FUNDS—UPTOWN CAMPUS

UNIVERSITY OF CINCINNATI

UNDESIGNATED GENERAL FUNDS

UPTOWN CAMPUS OVERVIEW

This section describes income and expense changes to UC's Uptown Campus. The main source of funding for the Uptown Campus is also referred to as the general fund and/or the undesignated fund. Nearly every unit on campus has a general fund expense budget in some amount. Income streams to the general fund are expected to total approximately \$473 million in FY 2012 with the largest revenue sources being from student tuition and fees as well as support from the State of Ohio through the Ohio Board of Regents (OBR).

UPTOWN CAMPUS BUDGET

The Uptown campus budget for FY 2012 is presented in the table on page 26. It includes the following assumptions about tuition, subsidies and expenses.

TUITION

Based upon the Governor's as well as the House of Representative's recommended budget which included resident undergraduate tuition caps of 3.5% per year for the FY 2012 and FY 2013 biennium, UC presented a tuition and fees increase request to its Board of Trustees at the May 24, 2011 meeting pending legislative approval. After seeking input from students, faculty, deans, and administrators through all-university committee participation, the following recommendation was approved by the Board of Trustees effective autumn quarter 2011:

- 3.5% increase to resident undergraduate tuition and fees amounting to a \$354 annual increase for a full-time resident undergraduate student on the Uptown campus.
- 3.5% increase to resident undergraduate tuition and fees on the branch campuses amounting to a \$171 annual increase for a full-time resident undergraduate student on the Clermont College campus and a \$192 annual increase for a full-time resident undergraduate student on the Raymond Walters College – Blue Ash campus.
- The undergraduate nonresident surcharge on all UC campuses will remain unchanged. Consequently, the tuition and fees increase for an out-of-state undergraduate student will be the same dollar amount as for a resident undergraduate student on his/her respective campus.
- 3.5% increase to all graduate tuition and fees amounting to a \$465 annual increase for a full-time resident graduate student and an \$840 annual increase for a full-time out-of-state graduate student.
- 3.5% increase to all Medicine MD student tuition and fees amounting to a \$1,080 annual increase for a resident student and a \$1,659 annual increase for an out-of-state student.
- 8.5% increase to Pharmacy PharmD student tuition and fees amounting to a \$1,125 annual increase for a resident student and a \$2,040 annual increase for an out-of-state student.

- 6% increase to all Law student tuition and fees amounting to a \$1,258 annual increase for a resident student and a \$2,194 annual increase for an out-of-state student.

The approved tuition increase will result in gross tuition inflation of approximately \$11 million on the Uptown campus and assumes flat enrollment. This allows enrollment growth to be tracked in Performance Based Budgeting and be split as agreed to help offset budget cuts/thresholds. In FY 2012, the budget cut/threshold for the entire Uptown campus is \$28.5 million or 12% of the budget cut/threshold base.

SUBSIDY—State Share of Instruction (SSI)

Funding from the Ohio Board of Regents is closely tied to student population and mix as well as success factors. Allocations of funding are based on performance metrics such as course and degree completions, instead of headcount enrollment alone. No SSI funding is received for out-of-state undergraduate students or out-of-state distance learning students.

Since the federal stimulus funding (ARRA) ends in FY 2011, the Uptown campus will lose nearly \$25 million in SSI funding that was tied to this funding stream. Knowing that the stimulus funding would end, UC set aside nearly \$15 million over the last two fiscal years that will be eliminated from the FY 2012 expenditures budget to help absorb part of the nearly \$25 million SSI loss. While this \$25 million loss is significant, it was anticipated that the reduction to SSI would be much larger due to an estimated \$8 billion shortfall in the State of Ohio biennial budget. UC appreciates that the Governor’s and legislature’s efforts to spare higher education from even greater cuts. FY 2012 SSI for the Uptown Campus is projected to be \$154.7M.

EXPENSE—Salary/Benefits

Salary and benefit inflation is listed below. There is no budgeted salary increase for SEIU, Security Officers or Police Officers as new contracts are under negotiation. Also, there is no salary increase budgeted for unrepresented staff or student workers.

	<u>In Thousands</u>
AFSCME	\$ 207
AAUP	3,218
AAUP Promotions, Tenure, & Article 15 Adjustments	800
SEIU	--
IUOE	26
Unrepresented	--
Police	--
Security Officers	--
Emergency Dispatchers	8
University Graduate Assistants	--
Other Students	--
Total Salaries/Benefits	<u>\$ 4,259</u>

EXPENSE—Operating

Increases for operating expenses are shown below and are aligned with the goals of UC 2019
 ►. Descriptions of each amount are explained in Appendix 5 in the back of this publication.

	<u>In Thousands</u>
MSB Phase 2-5	\$ 1,500
Roof Replacements	250
Kettering North Wing/Site Prep	96
Stetson/MSB Operating	36
Turner Center Operating	8
Preventative Maintenance	250
Increase Central Moving for MSB Moves	500
UC East Lease	800
Medical Insurance Plan Increase	3,500
UCIT Funding Model	1,900
Core Systems Funding	1,000
Academic Teaching Lab Renovations	500
SACUB General Fee Increase	400
Utilities Inflation @ 5%	1,531
DAAP Façade and Roof	360
UC2019 ► Strategic Initiatives	2,500
Academic Restructuring	1,000
Internal Overhead Reduction	440
Clinical & Other due to Reductions in Medical State Support	1,500
Reduction in Support for Semester Conversion	(700)
Subtotal Other	<u>\$17,371</u>
TOTAL Salaries/Benefits and Other	<u>\$21,630</u>

SUMMARY TOTAL BUDGET/REDUCTION

	<u>In Thousands</u>
Revenue	
Tuition Increase	\$ 11,007
Reduction in State Share of Instruction	(24,856)
Expenses	<u>(21,630)</u>
SUBTOTAL	(35,479)
Reserve for Future Years Budget	(7,873)
Reduction in Reserve to Cover Federal Stimulus Funding Loss	<u>14,850</u>
TOTAL BUDGET	(28,502)
12% Budget Cut to Balance ¹	<u>\$ 28,502</u>

¹The 12% budget cut will be distributed to colleges and units.

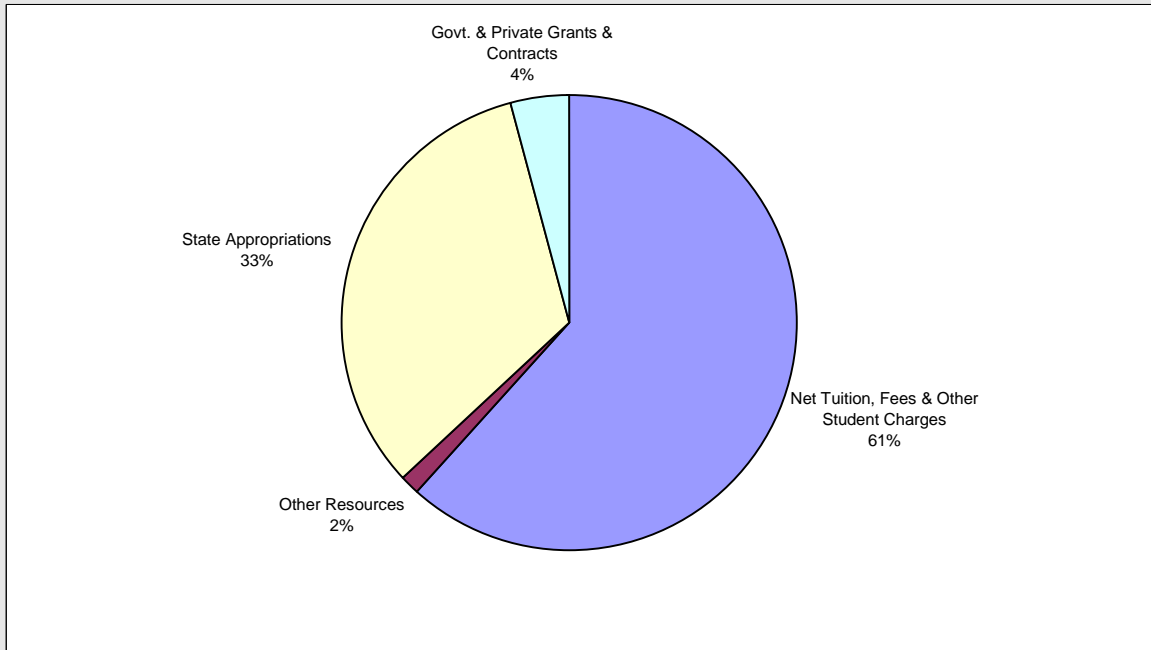
As UC enters into FY 2012, it will continue to face funding challenges linked to economic and political pressures outside of the university’s control. In addition, there are the admirable goals and transformation of UC 2019► to be achieved. UC will meet these goals and challenges with a continued emphasis on greater efficiency while maintaining a commitment to excellence.



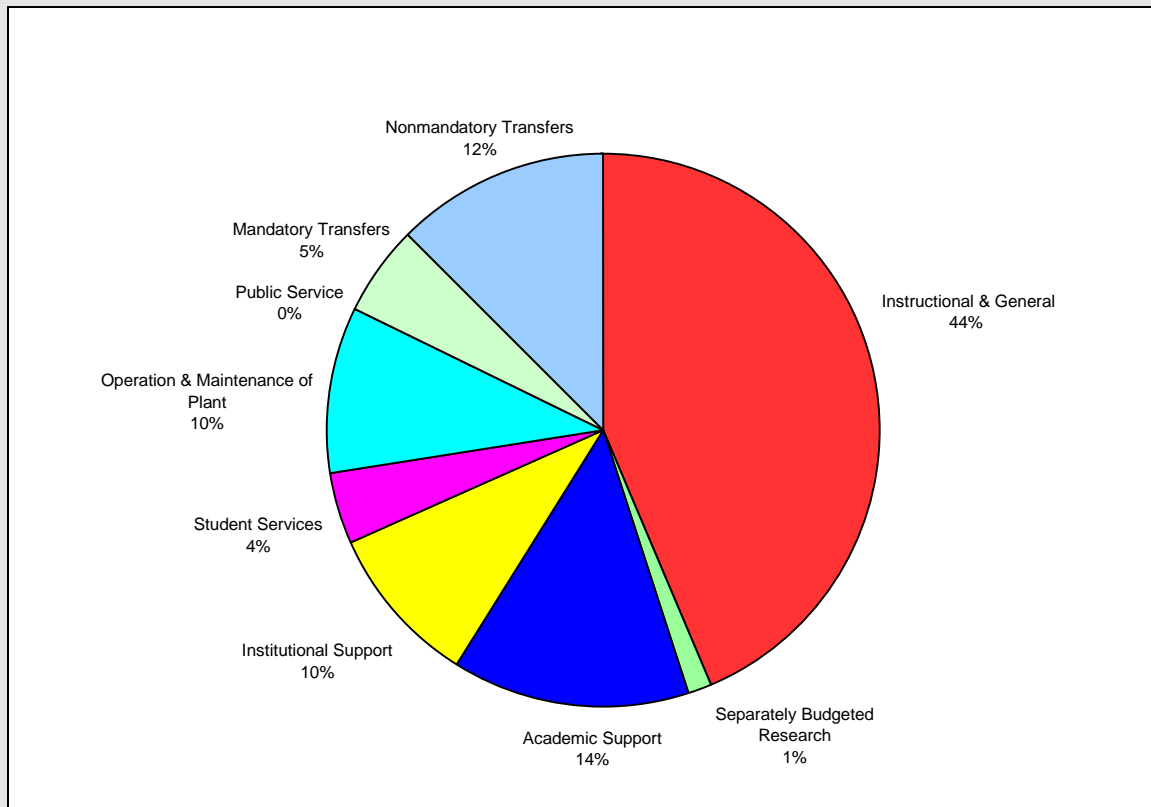
UNDESIGNATED GENERAL FUNDS UPTOWN CAMPUS (IN THOUSANDS)				
	2011 Budget as of 3/31/11	2012 Budget	Variance	Percent Change
RESOURCES				
Gross Tuition, Fee and Other Student Charges	347,786	358,951	11,165	3.21%
Less Scholarships and Fellowships	(66,834)	(67,334)	(500)	0.75%
Net Tuition, Fee and Other Student Charges	280,951	291,616	10,665	3.80%
State Appropriations (State Share)	179,542	154,686	(24,856)	-13.84%
Govt and Private Grants and Contracts	19,859	19,859	-	0.00%
Private Gifts	319	319	-	0.00%
Endowment Income	1,396	1,396	-	0.00%
Sales and Service	10	10	-	0.00%
Temporary Investments	3,770	3,770	-	0.00%
Other Sources	1,779	1,779	-	0.00%
Total Resources	487,627	473,436	(14,191)	-2.91%
EXPENDITURES				
Educational and General				
Instructional and General	213,338	214,655	1,316	0.62%
Separately Budgeted Research	8,337	7,250	(1,086)	-13.03%
Public Services	896	892	(4)	-0.42%
Academic Support	63,962	67,894	3,931	6.15%
Student Services	19,984	19,354	(630)	-3.15%
Institutional Support	47,097	47,759	663	1.41%
Operation and Maintenance of Plant	47,241	48,100	859	1.82%
Budget Cut Reserve	-	(28,502)	(28,502)	-100.00%
Stimulus Funding Reserve	14,850	-	(14,850)	-100.00%
Semester Conversion Reserve	-	1,000	1,000	100.00%
Future Yrs Reallocation Reserve	-	7,873	7,873	100.00%
Total Educational and General	415,705	386,275	(29,431)	-7.08%
Mandatory Transfers				
Loan Fund Matching				
Debt Service	25,832	26,014	182	0.70%
Nonmandatory Transfers				
Subsidies to Non-Instructional Units	15,597	15,897	300	1.92%
Plant Funds	250	869	619	248.08%
Designated	26,445	40,599	14,154	53.52%
Other	(301)	(316)	(15)	4.98%
Claims On Operations Repayment	4,100	4,100	-	0.00%
Total Expenditures and Transfers	487,627	473,436	(14,191)	-2.91%
Net Increase (Decrease) In Fund Balance	0	0		

**SUMMARY OF BUDGETED RESOURCES AND EXPENDITURES
UPTOWN CAMPUS GENERAL FUNDS**

RESOURCES BY SOURCE



EXPENDITURES BY FUNCTION





5. UNDESIGNATED GENERAL FUNDS—BRANCH CAMPUSES

UNIVERSITY OF CINCINNATI UNDESIGNATED GENERAL FUNDS— BRANCH CAMPUSES OVERVIEW

RAYMOND WALTERS COLLEGE

Dr. Cady Short-Thompson was welcomed as the College's new Dean on July 1, 2010, bringing a fresh vision, abundant energy and a noteworthy drive that has elevated the campus' acceleration and momentum. Four of the major goals for the College which she has fostered are:

- Improve Student Services and Experience
- Become More Effective/Efficient as a College Organization
- Grow to Meet Student Demand
- Grow and Improve the Physical Facility

Student Services has expanded the Professional Advising Staff. The expansion includes joint advisors with International Studies, CECH, A&S and Cincinnati Public Schools. An architectural firm has been hired to begin the planning and design stage of a Community Commons. This center will include the Library, Food Services, IT Service Center, community space, study rooms, small group project meeting rooms, student organization offices, a new Center for Faculty Teaching & Learning and an outdoor courtyard.

All departments, programs and units were reviewed, programmatically and financially, during FY 2011. Student Services was streamlined and improved. All areas of Student Affairs (Enrollment Management, Registration, Multi-Cultural Affairs and Student Life) have begun a reorganization process with more improvements on the horizon. The Academic Departments of Office Information Technology and Radiation Therapy were reconfigured to save considerable capital in staff and faculty lines—moving programs and faculty into the Allied Health and Business & Economics Departments. Electronic Media Communications, a library, service and academic unit (an odd configuration), began the conversion to a full academic department. The Electronic Media Communications Department will focus on academic programs and media production for the college while the additional media services will move to Networking, Facilities, College Relations, and Academic Affairs.

The College's FTE grew by over 5.8% in FY 2011. Various explanations exist for the increased enrollments—the economy, affordability and value and changing admission standards Uptown (and resultant deferrals to RWC). RWC is no longer the small college in Blue Ash—it is the third largest college at UC and the largest regional college in the state of Ohio. The student population has changed as well—growing younger, more diverse, more international and better prepared. The College has worked hard to engage the Uptown colleges and the region via a variety of community events and services. New this year was National Shred Day partnering with the Better Business Bureau, the Hamilton County

Commissioner's office, Cintas, and other major businesses in the area. The campus is also the host and site for a new Farmers' Market in Blue Ash.

The plan for FY 2012 is to continue with the three themes from FY 2011 of better student services, becoming more effective & efficient, plus growth and regional engagement. With the conversion from quarters to semesters, the College will continue to expand the Professional Advising Staff to meet the needs of students. Additional scholarships will be provided for International learning experiences, allowing students to study abroad along with opening the door wider for International students to study at the College. With Uptown partners, free shuttle services will be offered between the Blue Ash Campus and the Uptown Campus. The planning and design stages of the Community Commons (Muntz Hall) and Annex renovations (for new classroom and faculty offices for the Center for Art and Visual Communication) will be completed with construction to start by FY 2013.

The reorganization will continue with the consolidation of Tutoring Centers for the English, Math and Science Departments in the Center for Student Success (a space where all labs, tutors, advising and services will be housed). The Office of Outreach and Continuing Education will be refocused and reorganized. Funds have been set aside to improve and expand distance learning opportunities. The College will launch its new technical Baccalaureate Programs (Applied Administration). Nursing, Dental Hygiene and Allied Health will continue to address the student waiting list and pending programs issues, dismantling them for competitive admissions by 2014. Additional baccalaureate pathways are on the horizon, despite space considerations.

The present number of applications and confirmations indicate the College will grow by more than 5% FTE for FY 2012. The College will be adding new electronic equipment in several more classrooms and providing new technologies to faculty and staff, as well as needed training. The College has positioned itself to move forward by providing a better educational experience for the student, more tools for faculty and staff to succeed as well as a better connection with the Uptown campus which will benefit all involved.

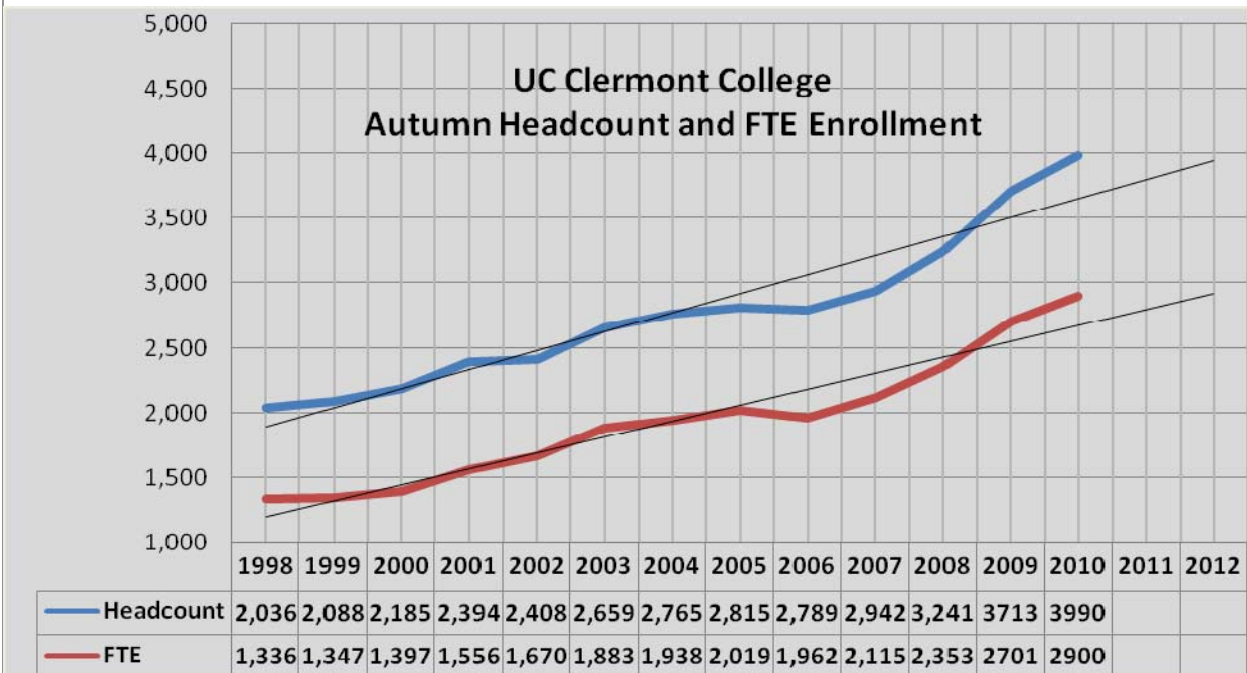
CLERMONT COLLEGE

Under the direction of new dean, Dr. Gregory Sojka, Clermont College continues to grow in a period of economic uncertainty and sustained high unemployment. The campus benefits from a geographical location which has fewer higher education competitors and relatively stable residential communities. Challenges continue to include: lack of public transportation, a need for more instructional space, and a small industrial base. Clermont has expanded its facility space through a favorable lease arrangement (UC East) with the option to purchase, adding its first baccalaureate program in the Fall of 2012 (BTAS), realigning its Dual Enrollment program with local schools in the college's recruitment area, and developing cost modeling tools to more effectively manage the cost of academic program offerings.

Enrollment for Fall 2011 is projected to grow at a moderate rate of 4-5% from the Fall 2010 enrollment level; however, potential exists for slightly higher growth, given the sluggish economy and retraining needs of the region's population. Clermont continues to focus on Distance Learning opportunities and ways to better serve the Veteran population. For the students enrolled here, Clermont will continue to support the Supplemental Instruction initiative to boost retention and success in course completions. In addition to strong enrollment for existing programs, Clermont will continue to offer new programs and weekend classes to assist in the redeployment of individuals who need to find alternative careers.

State SSI is projected to be reduced by roughly 15% in FY 2012 given the weak condition of the state economy; however, the enrollment growth trend somewhat mitigates this financial impact for Clermont. Moreover, branch tuition rates are increasing by 3.5% and the addition of the first baccalaureate program will provide some incremental revenue.

Any surpluses that result at year end will be utilized to strengthen the contingency fund and to assist in master planning for the college (e.g. renovations, new building or to possibly acquire the UC East facility). Clermont is currently debt free, but will make allowances for debt service in the future as needed.



**UNDESIGNATED GENERAL FUNDS
BRANCH CAMPUSES SUMMARY
(IN THOUSANDS)**

	2011 Budget as of 3/31/11	2012 Budget	Variance	Percent Change
RESOURCES				
Gross Tuition, Fee and Other Student Charges	38,985	44,631	5,646	14.48%
Less Scholarships and Fellowships	(796)	(782)	15	-1.84%
Net Tuition, Fee and Other Student Charges	38,189	43,849	5,659	14.82%
State Appropriations (State Share)	19,342	17,555	(1,786)	-9.24%
Govt and Private Grants and Contracts	27	27	-	0.00%
Private Gifts	-	-	-	
Endowment Income	-	-	-	
Sales and Service	23	19	(4)	-17.39%
Temporary Investments	-	-	-	
Other Sources	73	73	-	0.00%
Total Resources	57,653	61,522	3,869	6.71%
EXPENDITURES				
Educational and General				
Instructional and General	31,511	34,936	3,425	10.87%
Separately Budgeted Research	-	-	-	
Public Services	192	158	(34)	-17.48%
Academic Support	5,411	5,368	(44)	-0.80%
Student Services	4,886	5,286	400	8.19%
Institutional Support	8,364	8,571	208	2.48%
Operation and Maintenance of Plant	5,462	5,829	367	6.72%
Total Educational and General	55,825	60,148	4,323	7.74%
Mandatory Transfers				
Loan Fund Matching	-	-	-	
Debt Service	-	-	-	
Nonmandatory Transfers				
Subsidies to Non-Instructional Units	259	259	-	0.00%
Plant Funds	42	-	(42)	-100.00%
Other	1,528	1,115	(413)	-27.01%
Total Expenditures and Transfers	57,653	61,522	3,869	6.71%
Net Increase (Decrease) In Fund Balance	0	0		

**UNDESIGNATED GENERAL FUNDS
BRANCH CAMPUSES
RAYMOND WALTERS COLLEGE
(IN THOUSANDS)**

	2011 Budget as of 3/31/11	2012 Budget	Variance	Percent Change
RESOURCES				
Gross Tuition, Fee and Other Student Charges	23,124	25,873	2,749	11.89%
Less Scholarships and Fellowships	(351)	(336)	15	-4.17%
Net Tuition, Fee and Other Student Charges	22,773	25,537	2,764	12.14%
State Appropriations (State Share)	11,583	9,864	(1,719)	-14.84%
Govt and Private Grants and Contracts	-	-	-	
Private Gifts	-	-	-	
Endowment Income	-	-	-	
Sales and Service	23	19	(4)	-17.39%
Temporary Investments	-	-	-	
Other Sources	50	50	-	0.00%
Total Resources	34,429	35,470	1,041	3.02%
EXPENDITURES				
Educational and General				
Instructional and General	20,236	21,178	942	4.66%
Separately Budgeted Research	-	-	-	
Public Services	134	93	(41)	-30.53%
Academic Support	3,527	3,384	(143)	-4.05%
Student Services	2,374	2,688	314	13.24%
Institutional Support	3,594	3,560	(34)	-0.95%
Operation and Maintenance of Plant	3,414	3,769	356	10.41%
Total Educational and General	33,279	34,673	1,394	4.19%
Mandatory Transfers				
Loan Fund Matching	-	-	-	
Debt Service	-	-	-	
Nonmandatory Transfers				
Subsidies to Non-Instructional Units	174	174	-	0.00%
Plant Funds	4	-	(4)	-100.00%
Other	973	623	(350)	-35.94%
Total Expenditures and Transfers	34,429	35,470	1,041	3.02%
Net Increase (Decrease) In Fund Balance	0	0		

**UNDESIGNATED GENERAL FUNDS
BRANCH CAMPUSES
CLERMONT COLLEGE
(IN THOUSANDS)**

	2011 Budget as of 3/31/11	2012 Budget	Variance	Percent Change
RESOURCES				
Gross Tuition, Fee and Other Student Charges	15,862	18,758	2,896	18.26%
Less Scholarships and Fellowships	(446)	(446)	-	0.00%
Net Tuition, Fee and Other Student Charges	15,416	18,312	2,896	18.79%
State Appropriations (State Share)	7,759	7,691	(68)	-0.88%
Govt and Private Grants and Contracts	27	27	-	0.00%
Private Gifts	-	-	-	
Endowment Income	-	-	-	
Sales and Service	-	-	-	
Temporary Investments	-	-	-	
Other Sources	23	23	-	0.00%
Total Resources	23,224	26,052	2,828	12.18%
EXPENDITURES				
Educational and General				
Instructional and General	11,275	13,758	2,483	22.02%
Separately Budgeted Research	-	-	-	
Public Services	58	65	7	12.51%
Academic Support	1,884	1,983	99	5.28%
Student Services	2,512	2,598	86	3.43%
Institutional Support	4,769	5,011	242	5.07%
Operation and Maintenance of Plant	2,048	2,059	11	0.56%
Total Educational and General	22,546	25,475	2,929	12.99%
Mandatory Transfers				
Loan Fund Matching	-	-	-	
Debt Service	-	-	-	
Nonmandatory Transfers				
Subsidies to Non-Instructional Units	85	85	-	0.00%
Plant Funds	38	-	(38)	-100.00%
Other	556	492	(63)	-11.39%
Total Expenditures and Transfers	23,224	26,052	2,828	12.18%
Net Increase (Decrease) In Fund Balance	0	0		



6. AUXILIARY OPERATIONS

UNIVERSITY OF CINCINNATI AUXILIARY ENTERPRISES— OVERVIEW

CAMPUS SERVICES AUXILIARY

Campus Services, a single umbrella auxiliary organization consisting of eight departments, provides a coordinated effort to meet the needs of the campus community:

Retail Services	Housing & Food Services
MainStreet Operations	Bearcat Campus Card
Kingsgate Conference Center	Conference and Event Services
Campus Recreation	Parking services

Campus Services projects a positive operating margin of \$5.5M for FY 2011; \$3.7M over the original budget of \$1.8M. The improvement is due to increased enrollment that has translated into higher housing occupancy levels, additional meal plan sales, and increased revenue from the Campus Life fee. At the same time, Campus Services has been able to maintain expenses at the budgeted level which has resulted in driving the increase in revenue directly to the bottom line. The FY 2012 budget reflects a budgeted net margin of \$2.8M, after a nonmandatory transfer of \$3M to the renewal and replacement fund with a continued strategy of revenue growth and cost-saving measures.

Retail Services consists of six Bookstores, two convenience stores, Central Stores, and Vending Services. In FY 2012, the successful rental program, Rent-A-Text, will enter the second year, offering a wide selection of books that saves students an average of 50% off the price of a new book. Additionally in FY 2011, students saved more than \$1.7M by purchasing used textbooks and participating in textbook buyback. Central Stores has entered into a new Office Supplies agreement with Guy Brown Express, an Ohio Minority Business Enterprise (MBE) that is also certified in Ohio's Encouraging Diversity, Growth & Equity (EDGE) program. Guy Brown's wholesale partner in this joint venture is OfficeMax. Vending Services will continue to be operated by Campus Services earning a rebate of \$100K through the Pepsi rebate contract.



Housing & Food Services (H&FS) is projecting an occupancy rate of 96%, with no rate increase for traditional housing facilities, a 3% increase to all suite-style facilities (to include Stratford Heights), and a 2% increase in meal plans for FY 2012. Initiatives in student retention and facilities management are projected to assist with revenue growth. As of January 1, 2011 Bellevue Gardens transitioned to H&FS management with FY 2012 financial projections included in this document. MarketPointe and CenterCourt are national award-winning residential dining centers. Late-night services will continue to be provided at CenterCourt dining center. The Food Services contract with ARAMARK Corporation will enter the second year of the 10-year

contract and continue to provide the favorable financial terms with significant savings in meal plan cost and continuous improvement in the quality of food and presentation.

MainStreet Operations oversees the facilities and programs in Tangeman University Center, Steger Student Life Center, and MainStreet open spaces. Students enjoy a variety of services and venues along MainStreet including Catskeller, a popular student hangout which realized a substantial increase in revenue in FY 2011. In FY 2012, two new national concepts, Taco Bell and Papa John's, will open in the TUC Food Court. MainStreet Operations sponsors many of the 8,000-plus events that take place on MainStreet including Worldfest, a film series at the Cinema, Friday Night Live weekly programs, the MainStreet Stride, the fireworks at the Sigma Sigma Carnival, and Relay for Life.



The Bearcat Campus Card expands the use of the UC ID as a debit card program, providing convenient payment options to students, faculty, and staff at nearly 450 locations that include restaurants, vending machines, laundry, and retail locations on- and off-campus. Bearcat Card sales are projected to exceed \$6M in FY 2012. Campus debit card linking to the bank account contract with PNC Bank will enter the second year of the five-year contract and will continue to provide guaranteed total revenue of \$125K and services such as Virtual Wallet, free online/mobile banking, unlimited ATM transactions, and educational programs to the UC community.

Kingsgate Conference Center continues to earn a high level of satisfaction from guests with respect to facilities, lodging, and restaurant. The conference center is operated under a contract with Marriott Hotel Services Inc. Kingsgate has continued to meet its debt service and other financial obligations and has ranked at the top of its competitive group in numerous operational categories. A renovation of the Conference Center's rooms to sustain these standards will be continued in FY 2012. A slight decline in revenue is expected with the room renovations and competition with Hampton Inn in the university neighborhood.

Conference & Event Services (CES) provides conference management services to almost 40 university, community, state, and national organizations each year, serving more than 10,000 participants. The large number of repeat conferences, clients, and referrals is indicative of the high level of customer satisfaction achieved. In FY 2012, CES will continue to focus on fulfilling the one-stop model to increase revenue and service to UC departments and external clients.

Campus Recreation operates two comprehensive fitness facilities: the Campus Recreation Center, and the Fitness Center at CARE/Crawley. The Campus Recreation Center continues to receive local and national recognition and provides many programs and services including group fitness, personal training, massage therapy, fitness and wellness workshops, specialty instruction classes, swimming lessons, summer camps, climbing wall, and birthday parties. Campus Recreation will continue to develop partnerships with local hospitals and businesses to increase membership. Campus Recreation has made strides over the past three years with a steady increase in revenue sources including rentals and programming fees. However, the department continues to face growing competition for membership.

Parking Services operates 12 garages and eight parking lots with more than 14,000 annual decal sales for 11,954 parking spaces. Parking rates for FY 2012 will not increase, with the exception of the daily rate, which will increase to \$10 from the current rate of \$9. All garages and lots continue to provide state-of-the-art pay-in-lane technology. The new online parking management system effectively streamlines services and in-office processes by managing citations, permits, decals, asset management, appeals, and finances. Upcoming renovation projects include Clifton Court façade replacement, Calhoun elevator repairs and minor repairs in other parking facilities.

INTERCOLLEGIATE ATHLETICS

2010-11 was another successful year for UC Athletics as the department accomplished many achievements towards the CATAPULT goals, paced by two teams that had stellar performances, each of which were capped by post-season tournament appearances.

The UC Women's Volleyball finished with its first 30-win season since 1983 after compiling a 30-6 record, a BIG EAST Conference Championship, and its third consecutive NCAA Championship appearance. Stephanie Niemer was named the 2010 BIG EAST Player of the Year. She was also named to Volleyball Magazine's All-America First team, and was also an American Volleyball Coaches Association Second Team All-American. Head Coach Reed Sunahara was honored with the 2010 BIG EAST Coach of the Year award.

On the court, the UC Men's Basketball team advanced to the third round of the 2010-11 NCAA Men's Basketball Championship before falling to eventual national champion Connecticut. The Bearcats' 26 wins this season marks the first time they have reached the 20-win plateau since the 2005-06 season. The UC Men's Basketball team is the only team from the six major conferences to win more games than the previous year in each of the last five seasons. Redshirt freshman Sean Kilpatrick was named to the BIG EAST All-Rookie Team.

Academically, UC Athletics had five teams post perfect APR single year scores. When the next APR figures are released, Women's Cross Country, Women's Tennis, Women's Soccer, Men's Golf and the Men's Basketball teams will have perfect scores of 1,000. Also, during the Fall and Winter quarters of 2010, 13 of UC's 18 teams had GPAs greater than 3.0 while over 150 student-athletes were named to the Dean's List.

On the external side, UC Athletics worked hard to capitalize on the momentum gained from an undefeated season and BCS Sugar Bowl berth from the previous year. As a result, UC Athletics saw record revenues associated with the football program, posting revenues exceeding \$5,700,000 for the 2010 season. Total attendance for football games increased 20% to 245,472, up from 203,741 in 2009. The second highest attendance total at a UC Football game (58,253) occurred during this season with UC playing the University of Oklahoma at Paul Brown Stadium. Since 2007, football ticketing revenues have increased nearly 200%, with total season tickets distributed reaching over 22,000.

UC Athletics has experienced a significant increase related to patrons involved in the UCATS program. The total number of donors has reached 5,400, up from less than 1,900 in 2005-06. This represents an increase of more than 180%. These record-setting levels of private support for athletics in successive years have come while many other college athletic departments are trying not to lose patrons in this tough economic climate.

Out in the community, UC Student-Athletes and staff have logged more than 18,000 community service hours assisting in 200 community events since the 2006-07 academic year.

The end of FY 2010 saw the department's deficit finalized at \$2.55 million, which marks the second consecutive year in which the department's deficit number has decreased. In FY 2009, the department's deficit finalized at \$2.7 million, which was a significant decrease from the FY 2008 year-end deficit of \$4.8 million. Fiscal Year 2011 stands to be another sound fiscal showing as UC Athletics looks to improve upon the planned deficit of previous years and report a \$969,000 deficit at year's end. With continued sound fiscal management and increased revenues, the department is on course with a plan for the future that leads to fiscal responsibility, transparency, and strategic spending.



**SUMMARY OF AUXILIARY OPERATIONS
UPTOWN CAMPUS
(IN THOUSANDS)**

FISCAL YEAR 2011

	RESOURCES			EXPENDITURES and TRANSFERS				Net Income
	Auxiliary	Restricted	Total Budget	Expenses	Debt Service	Other Transfers	Total Budget	
Campus Services Auxiliary*	73,935	-	73,935	38,456	33,507	227	72,190	1,745
Intercollegiate Athletics	19,957	5,307	25,264	34,311	6,321	(14,400)	26,232	(969)
GRAND TOTAL	93,892	5,307	99,198	72,767	39,829	(14,173)	98,422	776

FISCAL YEAR 2012

	RESOURCES			EXPENDITURES and TRANSFERS				Net Income
	Auxiliary	Restricted	Total Budget	Expenses	Debt Service	Other Transfers	Total Budget	
Campus Services Auxiliary*	76,135	-	76,135	35,245	30,929	7,146	73,320	2,815
Intercollegiate Athletics	20,299	4,841	25,140	33,970	6,486	(14,567)	25,890	(750)
GRAND TOTAL	96,434	4,841	101,275	69,216	37,415	(7,420)	99,210	2,065

* Campus Services Auxiliary includes Retail, Food Services, Housing, Faculty Club, Kingsgate, Conferencing, Campus Recreation Center, Tangeman University Center/Steger Student Life Center, Campus Life Fee, Fitness Center at CARE/Crawley, Stratford Heights, Parking Lots and Garages, Bellevue Gardens

**SUMMARY OF CAMPUS SERVICES AUXILIARY
(IN THOUSANDS)**

FISCAL YEAR 2011

	RESOURCES	EXPENDITURES and TRANSFERS				Net Income
	Total Budget	Expenses	Debt Service	Other Transfers	Total Budget	
Retail	5,102	3,022	540	498	4,060	1,042
Food	13,143	10,058	457	1,797	12,312	832
Housing	19,463	11,862	7,528	137	19,527	(64)
Faculty Club	125	225	370	(439)	156	(31)
Kingsgate	1,352	-	1,340	100	1,440	(88)
Conferencing	216	343	-	-	343	(126)
Campus Recreation Center	1,247	2,775	1,800	(327)	4,248	(3,001)
TUC/Steger Student Life Ctr.	985	3,294	320	(1,921)	1,694	(709)
Campus Life Fee	12,200	-	8,394	800	9,194	3,006
Fitness Center at CARE/Crawley	122	245	-	(120)	125	(3)
Stratford Heights	4,656	1,909	2,807	550	5,266	(610)
Parking Lots and Garages	15,324	4,721	9,951	(849)	13,823	1,500
Bellevue Gardens	-	2	-	1	3	(3)
GRAND TOTAL	73,935	38,456	33,507	227	72,190	1,745

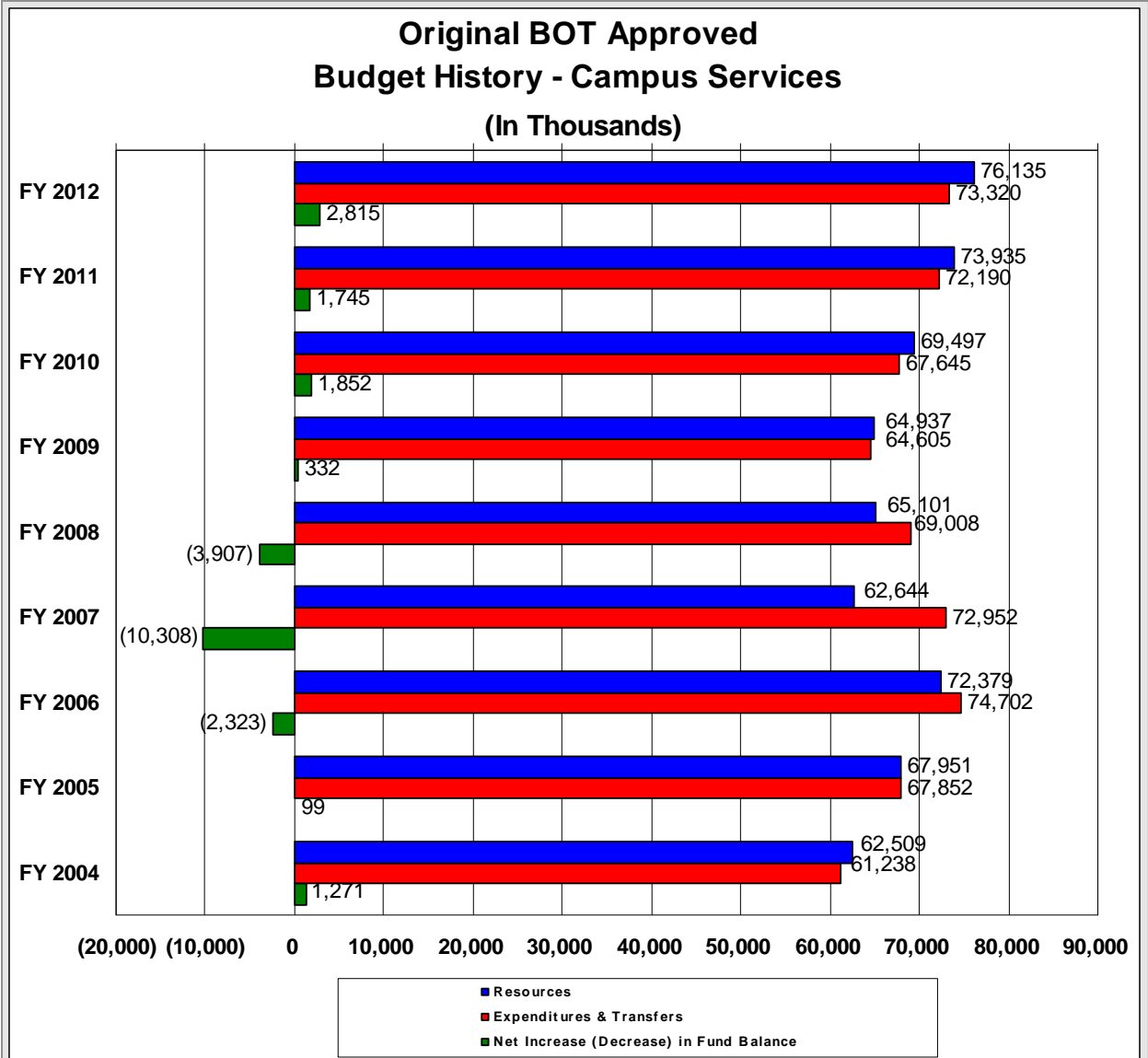
FISCAL YEAR 2012

	RESOURCES	EXPENDITURES and TRANSFERS				Net Income
	Total Budget	Expenses	Debt Service	Other Transfers	Total Budget	
Retail	2,866	863	0	1,713	2,576	290
Food	13,750	9,302	262	1,374	10,937	2,813
Housing	20,223	11,385	6,495	1,112	18,992	1,231
Faculty Club	-	110	370	(410)	70	(70)
Kingsgate	1,459	-	1,175	271	1,446	13
Conferencing	251	346	-	(100)	246	6
Campus Recreation Center	1,496	2,728	-	1,973	4,702	(3,206)
TUC/Steger Student Life Ctr.	1,079	3,316	-	(1,111)	2,205	(1,126)
Campus Life Fee	13,448	-	12,617	(2,660)	9,957	3,491
Fitness Center at CARE/Crawley	-	110	-	(110)	-	-
Stratford Heights	4,837	2,085	-	3,675	5,761	(923)
Parking Lots and Garages	16,290	4,913	9,777	1,404	16,094	196
Bellevue Gardens	437	87	234	15	336	101
GRAND TOTAL	76,135	35,245	30,929	7,146	73,320	2,815

CAMPUS SERVICES AUXILIARY SUMMARY
Comparison of FY 2011 to FY 2012 Budget
(IN THOUSANDS)

	2011 Budget As Of 3/31/11	2012 Budget	Variance	Percent Change
RESOURCES				
Sales	18,442	17,159	(1,282)	-6.95%
Student Meals	12,114	12,624	510	4.21%
Housing	22,927	23,705	777	3.39%
Rentals	43	84	41	95.97%
Contracts	3,614	3,897	284	7.86%
Other	4,596	5,218	623	13.55%
Miscellaneous Student Fees	12,200	13,448	1,248	10.23%
Total Resources	73,935	76,135	2,200	2.98%
EXPENDITURES				
Cost of Sales	11,171	8,208	(2,963)	-26.53%
Salaries	6,638	6,220	(418)	-6.30%
Benefits	2,344	2,435	91	3.90%
DOE	14,857	14,741	(116)	-0.78%
University Overhead	2,056	2,210	154	7.47%
Programming	1,390	1,432	42	3.01%
Total Expenditures	38,456	35,245	(3,211)	-8.35%
Mandatory Transfers				
Debt Service	33,507	30,929	(2,578)	-7.69%
Non-Mandatory Transfers				
Reserve for Repairs and Renovations	1,926	2,900	974	50.55%
Reserve - Other	139	133	(6)	-4.37%
Subsidies to Non-Instructional Activities	(1,191)	(1,463)	(272)	22.84%
Internal Campus Services Overhead	1,654	4,900	3,246	196.27%
Other	(2,301)	677	2,978	-129.44%
Total Expenditures and Transfers	72,190	73,320	1,131	1.57%
Net Increase (Decrease) in Fund Balance	1,745	2,815		

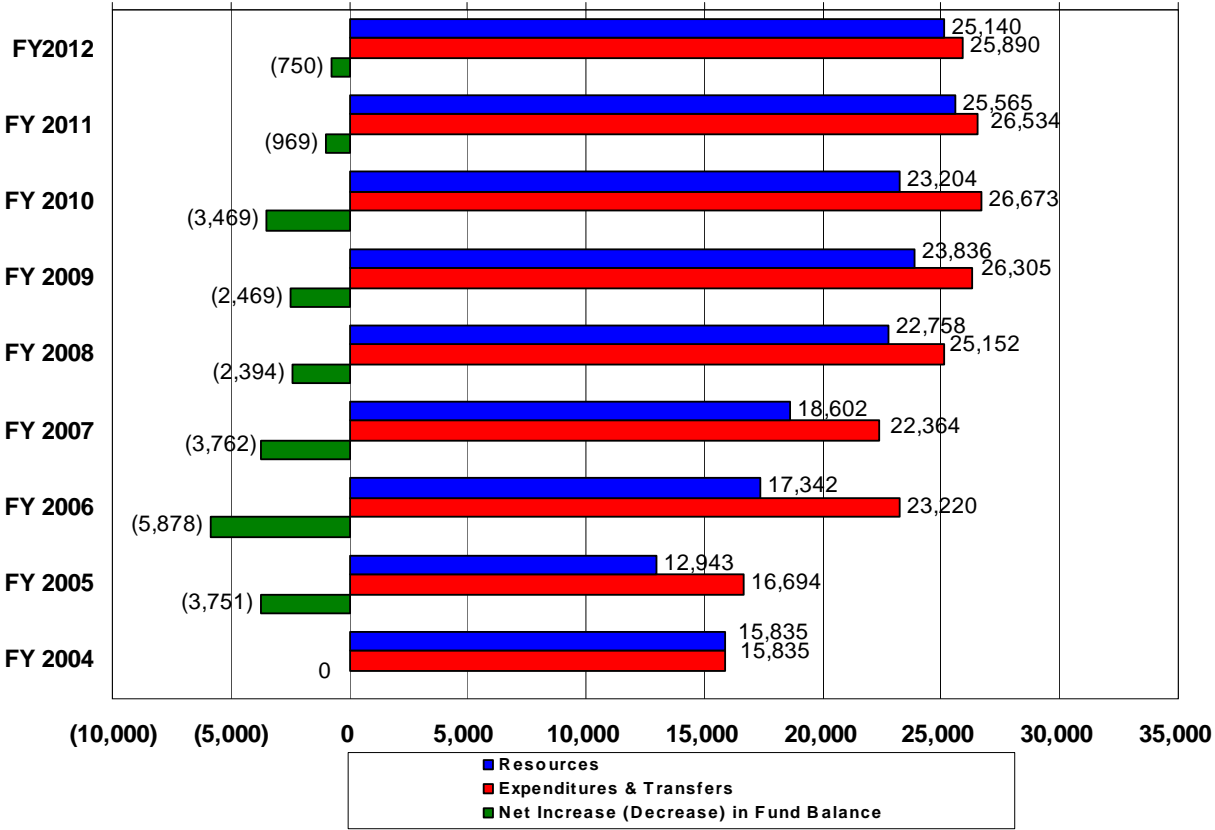
* Campus Services Auxiliary includes Retail, Food Services, Housing, Faculty Club, Kingsgate, Conferencing, Campus Recreation Center, Tangeman University Center/Steger Student Life Center, Campus Life Fee, Fitness Center at CARE/Crawley, Stratford Heights, Parking Lots and Garages, Bellevue Gardens



**INTERCOLLEGIATE ATHLETICS
(INCLUDING FIFTH THIRD ARENA)
(IN THOUSANDS)**

	2011 Budget as of 3/31/11	2012 Budget	Variance	Percent Change
RESOURCES				
Sports				
Men's Basketball	4,449	4,331	(118)	-2.64%
Football	9,927	10,337	410	4.13%
Gifts	5,307	4,841	(466)	-8.78%
Other	5,581	5,631	50	0.89%
Total Resources	25,264	25,140	(124)	-0.49%
EXPENDITURES & TRANSFERS				
Sports				
Men's Basketball	3,703	4,271	568	15.34%
Football	9,849	10,476	626	6.36%
Women's Sports	5,960	6,311	351	5.89%
Other Mens Sports	2,078	2,015	(63)	-3.03%
Total Sports	21,590	23,073	1,483	6.87%
Administrative & General	8,331	8,009	(322)	-3.86%
Operations & Maintenance	4,391	2,889	(1,502)	-34.20%
Total Expenditures	34,311	33,970	(341)	-0.99%
Mandatory Transfers				
Debt Service	6,321	6,486	165	2.61%
Non-Mandatory Transfers				
Subsidies for Non-Instructional Activities	(14,876)	(14,904)	(28)	0.19%
Other	475	337	(138)	-29.10%
Total Expenditures & Transfers	26,232	25,890	(342)	-1.31%
Net Increase (Decrease) in Fund Balance	(969)	(750)		

Original BOT Approved Budget History - Athletics (In Thousands)





7. DESIGNATED GENERAL FUNDS

UNIVERSITY OF CINCINNATI

DESIGNATED GENERAL FUNDS—

OVERVIEW

Designated General Funds are funds that are internally restricted for certain purposes, or activities by the Board of Trustees. Some examples include service centers such as utilities and UCIT. Other examples include Information Technology and Instructional Equipment (IT&IE) fees from students, as well as research incentive departmental funds. Several funds that are a part of the structural deficit are also included in designated funds, such as central fringe benefits, claims on operations, and the research deficits.

All such funds are required to be fully budgeted in income and expense each year through the annual budget formulation process at the detailed level. Fund balances are checked for potential concerns during this process as outlined in the university cash policy. All areas have submitted written payback plans to eliminate existing overdrafts and the Office of Budget Management prevents transfers on already existing over-drafted funds.

Designated funds represent an important opportunity for leveraging undesignated general funds in supporting the overall mission of the institution and providing enhancements. Incentive programs for sponsored projects and continuing education activities provide departments with discretionary funds that are used for instructional programs.

HOXWORTH BLOOD CENTER

Under the leadership of Ronald A. Sacher, MD, Hoxworth continued to achieve its strategic goals as the community's only blood center, providing blood, blood components and blood-related services for the patients in the 31 tri-state hospitals served. Achievements for Hoxworth over the past year included the following:

- In FY 2010, Hoxworth Blood Center collected 94,094 red cell units from community blood donors. Hoxworth is on target to collect 94,000 red cell units in FY 2011. The goal for FY 2012 is 98,500 red cell units.
- Hoxworth continued its strategic planning, focusing on donor recruitment. Critical success factors include donor relationship management, Hoxworth people and Hoxworth donors, blood drive coordinator relationship management, and internal processes. The next iteration of strategic planning will be regarding potential environmental threats.
- Hoxworth received a \$25,000 gift from the H.B., E.W. and F.R. Luther Foundation toward the purchase of a new customer relationship management system called Donor Dialogue. Additionally, a \$25,000 gift from the Jacob G. Schmidlapp Trust was received and applied toward the new Hoxworth bloodmobile.
- The 9th annual Bengals Blood Drive was held October 13 at Paul Brown Stadium. The event collected 792 products. There were 95 first time donors at this event. The UC blood drives during the week of October 11-15 were UC's most successful blood drives collecting 829 products. Hoxworth is now a sponsor of the Skyline Chili Crosstown Shootout, which was successful. The second annual Hero2Hero promotion was held November 10 through November 12. The total collection for the three days was 1,083 red cells and 91 platelets.

Hoxworth matched blood donations by sending care packages to troops serving in the Middle East.

- The Hoxworth Reference Lab is implementing antibody registry software as a value added service for hospital customers. This software will allow hospital customers to access historical red cell alloantibody information on patients who have been previously transfused at other facilities. Local transfusion services will be able to improve transfusion safety by utilizing this reference.
- Hoxworth is implementing the Appropriate Inventory Management (AIM) system. Customers will be able to track key blood management metrics and the system provides national transfusion data as well as blood product utilization data to hospitals to evaluate transfusions by gender, age, etc. It can also help reduce unnecessary transfusions by providing utilization reports with local, regional, and national benchmarking to reveal evidence based best practice.
- Hoxworth developed the new Premier Donor Club, which involves a donation pledge to patients at recommended donation levels, a rolling one-year calendar to complete, and only being called based on a donor's pledge. Donors receive a letter of appreciation, newsletter, bumper sticker and magnet upon enrollment.
- Carolyn Lutzko, PhD, joined the faculty at Cincinnati Children's Hospital Medical Center with the additional title at Hoxworth as the Scientific Director of the Cellular Therapy Division. Dr. Lutzko has extensive experience with peripheral stem cell culture and manipulation, and will be a valuable addition to the regenerative medicine initiative.
- Hoxworth has purchased a new quality assurance system called ETQ. This system will allow development, review and approval of Standard Operating Procedures electronically. The system will do the same for training documents, equipment calibration, and maintenance records.
- Hoxworth relocated its Blue Ash neighborhood donor center from Hunt Road to 9708 Kenwood Road. The new facility is outstanding in function and appearance. Hoxworth expanded its existing Ft. Mitchell neighborhood donor center in Kentucky to better serve donors.

UNIVERSITY SERVICE CENTERS

The final two tables in this section represent the budgets for the two largest university service centers, UCIT and Consolidated Utilities. A service center is an institutional entity that provides a service or product to university users for a fee. The rates charged by the center are calculated so that the center recovers its costs. The university has two types of service centers.

University Service Center – A facility that provides a service or product on a continuous basis to the university community (including the public) and charges the user a predetermined rate calculated to recover the total (where the allocation of facilities and administrative costs are material) cost of operations over a period of time.

Department Service Center – A facility that provides a specific type of service or product to a limited segment of the university community; applies a rate to recover the direct costs of providing the service and is not deemed a university service center.

These two university service centers, UCIT and Consolidated Utilities, cannot be summed with the other Designated Fund schedules to determine a total for designated funds, because their income is accounted for as an offset to expenditures. While they function as self-supporting

entities over time, they are presented here due to their relative size when compared to other funds and departments.

UCIT INITIATIVES

Implement a new funding model for technology services

UCIT will be implementing an FTE model of bundled services for FY 2012 which will provide a uniform set of services to all members of the university community with reduced administrative oversight.

Provide 100% wireless coverage to the UCIT campus

UCIT will initiate a three-year plan in FY 2012 to bring the campus to 100% wireless coverage. The dormitories will be completed first over the summer of 2011, followed by the rest of campus over the next three years. This project will complete one of the UC 2019► goals for the university.

Increase UC's bandwidth

UCIT will increase UC's bandwidth connection to the internet to 10 gigabits, up from the current 1 gigabit that is limited by the equipment in place. The upgrade in connectivity should enable UC to be able to keep up with projected use of internet activity due to cultural changes in teaching and research.

Expand UCIT's course management hosting project

UCIT continues to provide shared services to Ohio schools and generate revenue through its Blackboard hosting services. UCIT added one new high school to the project this past year. UCIT also added Moodle (an open-source e-learning tool) hosting to available services, and will be marketing that service during the upcoming academic year.

Continue to increase UCIT's inventory of electronic classrooms

UCIT continues to add to the list of centrally scheduled electronic classrooms through renovation of existing, non-electronic classrooms using money drawn from ITIE funds. This will be the fourth year of a five-year project period, at the end of which all centrally scheduled classrooms will be electronic. When this project is finished, UCIT will have completed a second goal of the UC 2019► plan. Podcast Producer, which was installed in many classrooms last year, is now actively recording 227 classes during each quarter, and the use of this technology will expand in the upcoming year.

Continue to support UC Flex

UCIT played an active role in preparing for, implementing, and supporting the new Public Budget Formulation module acquired by Administration & Finance. The project was delivered on time, and requires one full-time individual to maintain and support the infrastructure required to run the application.

Semester conversion

UCIT continues to provide software support to the semester conversion project. Tools are being developed to ease the transition and allow course data to be entered and easily analyzed as all courses are reviewed before being approved for use in a semester calendar.

The scope of this effort in 2012 involves significant modifications to six university core systems as well as more than 30 departmental systems under UCIT support.

Student lab access anywhere on campus, with any computer

UCIT will be implementing secure cloud computing for UC students using the VPN client on the UC network allowing them access to lab software from their own computers, from any location.

Blackboard V9.1 rollout

Blackboard will update to version 9.1 in December of 2011, and will be the only learning management system fully supported by UCIT in the upcoming year. The upgrade should address some of the issues that faculty and students have had with the existing product.

Technology equipment loaning program

The FTRC created a tablet-lending program for faculty members who want to experiment with using an iPad in the classroom. Due to the popularity of this program, it will be expanded in FY 2012 to include additional iPads and Android-based tablets.

Increase central data storage for the university

UCIT invested in new data storage capabilities which will protect university data for the foreseeable future. During FY 2012, marketing will encourage units to take advantage of the service, support consolidation, reduce redundant operations and leverage enterprise-class storage.

Continue to support the Treasurer's Office in making UC servers PCI compliant

During FY 2011, UCIT created a unique infrastructure for all central servers that handled credit card transactions, as dictated by the payment card industry (PCI). For FY 2012, UCIT will work with the Treasurer's office to offer protected services for non-central servers where deemed appropriate and necessary by the Treasurer's office.

Web-based ARPT system

A Web-based ARPT (appointment, reappointment, promotion and tenure) system, created by the UCIT Web development team, is used by the College of Medicine to streamline the process for managing reappointment, promotion and tenure. The system takes a historically paper rich process and converts it to a fully digital process with built in work flow, reporting and approval notifications. The Provost's office has taken an interest to this system, and it is expected that the system will be used campus-wide starting in the fall.

Mobile access to all wireless carriers

UCIT is in the process of investigating and possibly executing a revenue-based agreement to install a Distributed Antenna System that will help to improve cellular 3G/4G coverage on campus for the major cellular operators. UCIT is working with UHealth in planning this agreement and the carrier hotel will be located within the UC datacenter to serve both entities.

Physical plant constraints and requirements

UC's data center resides on the ground level of the Medical Services Building. While safeguards and upgrades have been put into place, the Data Center lacks a secondary power source, is reaching capacity on current battery protected power distribution. A new Data Center, enhancements to the existing one, or relocation to leased space, is important for the

long-term safety of the systems and data within the center. However, to do so requires funding and retaining the Data Center as a line item on the University of Cincinnati Capital Campaign.

SUCCESSSES

- Continued holistic disaster recovery preparation discussion through the IT Governance structure. Such work will enable a master plan for disaster recovery to be presented to higher administration.
- Utilized the data protection policy to implement the screening of outgoing emails for the presence of restricted data. Individuals who violate the policy are trained in the proper use of handling sensitive data.
- Expanded use of the university course evaluation system (CourseEval) in just its third year of use university wide, thereby standardizing Course Evaluation procedures for many courses.
- Reorganized certain units within UCIT. Systems and Operations was reorganized so that IT resources would be closer to and better aligned with UC's core business.
- Instructional Services offered 76 technology workshops that were attended by 399 instructors.
- The UCIT Help Desk, often the front line for IT-related communications, answered 92% of calls offered within a minute and the average call loss was 3%. The Help Desk has been averaging 7,000 calls per month. The Help Desk also answers, on average, 1500 questions per month via electronic communication.
- UCIT partnered with Student Government via 50% cost share to improve the BTS mobile shuttle tracker application that went into production March 2011. UCIT also supported the re-design and launch of a new UC Mobile website; (<http://m.uc.edu/>)
- E-professional (an internally developed application to manage professional information) was licensed to Georgetown University. UC is hosting their installation. As the Office of Research paid for a large part of the development of E-professional, the revenues are split between the two offices.
- UCIT rolled out SharePoint 2010 for community use this year, and customers have been using the product.

Consolidated Utilities

Consolidated Utilities continues to make strides to reduce the consumption of energy and to keep the rates charged to customers (i.e. – the university) level or slightly lower than the prior year. A reduction in rates results from lower commodity costs and from having other costs remain fairly steady. In FY 2010, producing electricity became a more viable option for the university as the Duke Purchase Power rider rates increased significantly, and the cost for natural gas became more favorable. It should be noted that Consolidated Utilities still must purchase electricity from an outside vendor for part of the university's electricity needs. For FY 2011, Consolidated Utilities leveraged a contract with a certified retail electric supplier (CRES) to purchase electricity at a rate considerably lower than previously offered. Consolidated Utilities also began purchasing abandoned coal mine methane through displacement, resulting in the reduction of greenhouse gases and the potential to sell renewable energy credits.

Overall in FY 2011, weather conditions were warmer in the summer and remained consistent in the winter compared to a normal year. Consolidated Utilities projects to end FY 2011 with an approximate 1-2% decrease in expenses from the previous year. Part of this decrease resulted from more favorable prices for commodities, as well as from the reduction in other

production costs. In FY 2011, Consolidated Utilities continued to coordinate energy reduction projects for the university to reduce energy consumption, thereby lowering costs.

Additionally in FY 2011, \$1.2 million was paid toward an internal deficit with the university. As of the end of the third quarter, this deficit has been reduced to approximately \$9.2 million from a beginning balance (July 2007) of \$15.5 million.

For FY 2012, Consolidated Utilities hopes to be able to hedge more of the needs for commodities, thus locking in lower prices. By locking in electric rates for a larger portion of the purchased electricity needs, in conjunction with operating the co-generation turbines, Consolidated Utilities plans to save more money. Further, Consolidated Utilities has hedged natural gas for steam production at a higher than current rate, but has not hedged natural gas for the production of electricity. Currently, Consolidated Utilities is working toward a new RFP to purchase natural gas for a five year period. While natural gas costs are low, Consolidated Utilities hopes to be able to hedge some of the natural gas needs to produce electricity, thus realizing more savings for Consolidated Utilities and rate payers. While natural gas prices are low, Consolidated Utilities will also produce more steam with natural gas that is currently hedged. Though coal will not be eliminated in producing steam, Consolidated Utilities will realize some savings by producing more steam with natural gas than they have historically produced. By using natural gas instead of coal, a reduction in greenhouse gases could also be realized for the university as whole. In conclusion, in FY 2012 Consolidated Utilities expects to make an additional \$1 million payment beyond the scheduled \$1 million payment towards the internal deficit. Even with this additional expense, Consolidated Utilities projects the overall budget for expenses to decrease again in FY 2012.

**DESIGNATED GENERAL FUNDS
INCLUDING HOXWORTH BLOOD CENTER
(IN THOUSANDS)**

	2011 Budget as of 3/31/11	2012 Budget	Variance	Percent Change
RESOURCES				
Gross Tuition, Fee and Other Student Charges	20,651	23,311	2,660	12.88%
Less Scholarships and Fellowships	-	-	-	
Net Tuition, Fee and Other Student Charges	20,651	23,311	2,660	12.88%
Govt and Private Grants and Contracts	21,072	18,965	(2,108)	-10.00%
Private Gifts	91	91	-	0.00%
Endowment Income	1,172	1,080	(92)	-7.87%
Sales and Service	59,870	61,329	1,459	2.44%
Other Sources	3,921	3,118	(802)	-20.46%
Total Resources	106,776	107,893	1,117	1.05%
EXPENDITURES				
Educational and General				
Instructional and General	7,307	7,932	625	8.56%
Separately Budgeted Research	17,251	15,406	(1,846)	-10.70%
Public Services	48,690	52,139	3,449	7.08%
Academic Support	12,742	14,079	1,337	10.49%
Student Services	14,832	16,472	1,640	11.06%
Institutional Support	11,079	13,056	1,977	17.84%
Operation and Maintenance of Plant	7	2	(5)	-66.74%
Scholarships and Fellowships	1,274	1,627	353	27.70%
Total Educational and General	113,181	120,712	7,531	6.65%
Auxiliary Enterprises				
Mandatory Transfers				
Debt Service	21,514	24,515	3,001	13.95%
Nonmandatory Transfers				
Subsidies to Non-Instructional Units	211	212	(1)	-0.28%
Undesignated General Funds	(26,583)	(40,732)	(14,149)	53.22%
Other	2,468	7,191	4,723	191.39%
Claims On Operations	(4,100)	(4,100)	-	0.00%
Total Expenditures and Transfers	106,691	107,797	1,105	1.04%
Net Increase (Decrease) In Fund Balance	85	96		

**DESIGNATED GENERAL FUNDS
HOXWORTH BLOOD CENTER
(IN THOUSANDS)**

	2011 Budget as of 3/31/11	2012 Budget	Variance	Percent Change
RESOURCES				
Services Provided	44,121	43,621	(500)	-1.13%
Interest Income	225	314	89	39.38%
Total Resources	44,346	43,935	(411)	-0.93%
EXPENDITURES				
Compensation	18,346	18,248	(98)	-0.53%
Other	22,681	22,781	100	0.44%
Total Educational and General	41,027	41,029	2	0.00%
Mandatory Transfers				
Debt Service				
Non-Mandatory Transfers				
Plant Funds	1,352	1,200	(152)	-11.23%
Other	22	90	68	303.87%
Total Expenditures and Transfers	42,401	42,319	(82)	-0.19%
Net Increase (Decrease) in Fund Balance	1,945	1,616		

**DESIGNATED GENERAL FUNDS
UCIT
(IN THOUSANDS)**

	2011 Budget as of 3/31/11	2012 Budget	Variance	Percent Change
RESOURCES				
Recovery - General Fund	10,000	-	(10,000)	-100.00%
Recovery - Other	16,221	15,679	(542)	-3.34%
Total Resources	26,221	15,679	(10,542)	-40.20%
EXPENDITURES				
Compensation	12,905	14,665	1,760	13.64%
Other	10,015	10,649	634	6.33%
Total Educational and General	22,921	25,314	2,393	10.44%
Mandatory Transfers				
Debt Service	800	-	(800)	-100.00%
Nonmandatory Transfers				
Plant Funds	1,493	902	(591)	-39.59%
Undesignated	-	(11,806)	(11,806)	100.00%
Other	893	1,186	293	32.78%
Total Expenditures and Transfers	26,107	15,596	(10,511)	-40.26%
Net Increase (Decrease) in Fund Balance	114	83		

Difference between FY2011 and FY2012 reflects a change in funding methods for UCIT.

This budget reflects resources and expenditures for a University Service Center. A University Service Center is an entity which provides a service or product on a continuing basis to the University Community (sometimes including the public) and charges the user a predetermined rate which is calculated to recover the total cost of operation over a specified period of time.

**DESIGNATED GENERAL FUNDS
CONSOLIDATED UTILITIES
(IN THOUSANDS)**

	2011 Budget as of 3/31/11	2012 Budget	Variance	Percent Change
RESOURCES				
Recovery - Steam	24,354	22,430	(1,924)	-7.90%
Recovery - Chilled Water	14,259	15,134	875	6.14%
Recovery - Electric	27,881	28,348	466	1.67%
Recovery - Water and Sewage	2,006	2,604	598	29.79%
Total Resources	68,500	68,516	16	0.02%
EXPENDITURES				
Compensation	4,973	4,856	(117)	-2.35%
All Other	50,884	49,150	(1,734)	-3.41%
Total Expenditures	55,857	54,006	(1,851)	-3.31%
Mandatory Transfers				
Debt Service	9,729	10,102	374	3.84%
Non-Mandatory Transfers				
Plant Fund	1,924	1,997	73	3.80%
Undesignated Central	-	-	-	
Designated	1,462	2,000	538	36.77%
Other	-	-	-	
Total Expenditures and Transfers	68,972	68,105	(867)	-1.26%
Net Increase (Decrease) in Fund Balance	(472)	411		

This budget reflects resources and expenditures for a University Service Center. A University Service Center is an entity which provides a service or product on a continuing basis to the University Community (sometimes including the public) and charges the user a predetermined rate which is calculated to recover the total cost of operation over a specified period of time.



8. RESTRICTED FUNDS—

UNIVERSITY OF CINCINNATI— RESTRICTED FUNDS— OVERVIEW

Restricted Funds are those funds that the university receives that have been designated by an external agency or individual and are limited to the support of a specific purpose and/or unit. Included in this group are gift funds, the earnings on endowments, and both private and governmental grants and contracts. Restricted funds are under the local control of colleges and vice presidential areas within the external restrictions imposed. Actual income must have been received, or guaranteed from these sources before expenditure budgets are approved. These funds are reviewed centrally based on the Operating Cash Policy and are an important addition to the university budget, in terms of their leveraging effects to the undesignated general fund.

Restricted funds revenue sources have been aggressively pursued and the results of those efforts are being realized in the current fiscal year. Revenues in excess of expenses for FY 2012 of approximately \$63K are anticipated.

State appropriations are primarily funds retained by the College of Medicine for Clinical Teaching Subsidy. A variety of programs are supported at the college with this important source of funds.

RESEARCH

The University of Cincinnati is classified as a Research Extensive University by the Carnegie Commission. It is ranked in the top 25 of all public institutions by the National Science Foundation for federal research and development expenditures. UC is an institution with a rich history in discovery and innovation. It is credited with many firsts, from the oral, live-virus polio vaccine, the first observations by the National Weather Service, the first antihistamine, the first electronic organ and the first safe, anti-knock gasoline. UC researchers are literally transforming the way people live and work. It is UC's history that has established it as a leading research institution, and that great tradition of excellence continues today as the research enterprise grew to more than \$443 million in FY10.

GOALS

Building a world-class faculty, creating and sustaining interdisciplinary research programs and promoting entrepreneurial efforts through partnerships are all part of the goals of the Office of Research. A Research Strategic plan was approved by the Board of Trustees in the Fall of 2009 which provides more specific action items on how to promote interdisciplinary research efforts, recruit world-class faculty, translate discoveries into the public domain and improve partnerships within the region, state and nationally. In addition, the Office of Research is participating in the UC 2019 Academic Master Plan planning process.

As a result of extensive collaborations with industry, state agencies, and locally supported technology-oriented business incubators, many of the research programs supported by funds to the Office of Research are directly related to economic development in the region and across the state.

FUNDING

Funding to the Office of Research comes from a combination of sources including general funds, an allocation from the facilities and administrative costs, from extramural grants to UC, endowment funds and funds from the Ohio Board of Regents. These funds are used to support the infrastructure required to support UC's research enterprise. In addition, they go to support the recruitment of new faculty, pilot grant programs, grant writing programs, interdisciplinary research programs, undergraduate and graduate student research programs and cost sharing on federal and state grants. Some of these programs are highlighted below.

INITIATIVES AND SUCCESSES

Recruitment and Retention of World-Class Faculty

The recruitment of outstanding new faculty to the University of Cincinnati is critical for the success of the research programs. In order to successfully recruit junior and senior investigators with either the potential to run internationally recognized research programs or who have already achieved this level of success, significant start-up funding is required. The Office of Research works with the Deans and Department Chairs to support appropriate funding for new researchers at UC.

Faculty Development Programs

The Office of Research supports grant writing workshops open to all faculty, postdoctoral fellows and graduate students at the University of Cincinnati. Each year about 350 people participate in these programs, which have proven to contribute to UC's increased success in obtaining new grants. A Research Orientation program is given each year to introduce faculty to issues and programs important to running a successful research program. The videos, handouts and powerpoint presentations from this program are available on the Office of Research intranet site to all researchers called Researchers Gateway.

Interdisciplinary Research Institutes/Centers

Funds from the Office of Research are used to provide an incentive for developing programs that address emerging interdisciplinary problems which span traditional departments and colleges. The goal is to stimulate formation of centers and institutes that have the potential for national visibility, significant research income and outstanding scholarship. The University Research Council grant program provides support for interdisciplinary research initiatives.

Third Frontier Initiatives

There are several areas of expertise that put the University of Cincinnati at a unique advantage with respect to the potential commercial development of ongoing research programs. With the diversity of 13 colleges, the Metabolic Disease Institute, the unique relationship with Cincinnati Children's Research Foundation and with the local industry in the region, UC is in an excellent position to successfully compete for Third Frontier support. Third Frontier grants require a significant financial commitment from the university in the form of cost-sharing; funds from the Office of Research are used as part of this commitment.

Cost-sharing for Extramural Grant Proposals and Equipment Funds

A portion of the Office of Research budget is used to cost-share on extramural grant proposals and for equipment purchases that are part of grant proposals. Along with college and departmental support, funds are provided when appropriate for required institutional commitment to research projects. Federal support of major instrumentation and research

infrastructure requires cost sharing by the university. Office of Research and state funding support has been instrumental for matching required funding and for UC's success in obtaining these awards.

Undergraduate, Graduate and Post-doctoral Research Programs

A commitment to providing research experiences to UC students hopefully will excite this generation of students to become the next generation of scholars and researchers. Support from the Office of Research funds is critical for the success of these programs. An Office of Undergraduate Research has been created to provide an umbrella program to the numerous undergraduate research programs throughout the university. Funding from the Office of Research supports summer undergraduate research programs.

Office of Research funds are used to support graduate student research through a competitive program where students apply for summer research funding. This past year over 200 applications were received with about 30% funded. Graduate students attend the various grant writing workshops that have been discussed above.

An Office of Postdoctoral Research has been formed and is a university-wide initiative to organize and recognize postdoctoral fellows. Lunch-time seminars, career discussions and informal gatherings will be supported. In addition, postdoctoral fellows attend the various grant writing workshops and the Research Orientation series.

CHALLENGES

Federal and state budget cuts have a direct affect on the research efforts at UC and the budget for the Office of Research. Decreases in funding to major federal science agencies including the National Institutes of Health and the National Science Foundation mean that they will be awarding fewer grants to UC faculty. Because of this, it will be harder to maintain cutting edge research programs. The university must stay vigilant and lobby for increased funding for science.

At the same time as major federal funding cuts to science, the state has reduced budgets to institutions of higher education. For the Office of Research, this means a reduction of both its Research Incentive allocation from the Ohio Board of Regents and the Third Frontier and its General Funds allocation from the university. These funds go to support the initiatives indicated above, as well as support research infrastructure in the research-intensive colleges.

Due to these decreases in funding, the FY 2012 budget for government and private grants and contracts is 10% less than the budget for FY 2011.

The goals for the Office of Research for FY 2012, are the same as those mentioned above. Priority is given to providing seed funding and teaching grant writing skills to researchers so that they can be successful in obtaining extramural grants.

The distribution of the funding received for Facilities and Administrative costs (also called indirect costs) associated with sponsored research as well as technical assistance agreements is as follows:

General funds	52%
Research Support	21%
Provost	1.5%
Deans	3.5%
Departments	22%

ENDOWMENT

The endowment provides a permanent base of support to the current operations of the university. The university spending policy for the endowment investment pool specifies an annual distribution of 5% of the pool’s 12-quarter moving average market value. The university’s Investment Office is responsible for investment management of the endowment. With oversight by the Investment Committee of the Board of Trustees, the Investment Office balances expected investment returns and risks to create a diversified portfolio using external investment managers. The primary objective is to sustain spending by earning returns that maintain the real, inflation-adjusted value of the endowment.

As of March 31, 2011, the market value of the endowment was \$990 million, which is up 12% or over \$100 million since June 30, 2010. This increase is due to the continuing recovery of global stock markets since the lows of March 2009. The investment pool is the principal endowment fund, with holdings of \$727 million. Excluding \$61 million in neighborhood development corporations loans, it consists of approximately 46% public equities, 31% public fixed income, and 23% other investments, including private equity, real estate, and hedge funds. Based on market values at the end of FY 2010, the UC endowment is the 69th largest of over 800 endowments of U.S. institutions of higher education (excluding Canadian institutions.)

Reflecting the effect of the markets’ earlier decline on the moving average value of the endowment, the spending policy distribution decreased by approximately 10% for each of FY 2011 and 2012.

INITIATIVES

Inflation Risk Reduction – Inflation is a risk to the maintenance of the real value of the endowment. The Investment Office has recommended an increase in the proportion of endowment investments that would hedge against a significant increase in inflation. In FY 2012, the office will continue to work on this important program by implementing investments in inflation-linked fixed income securities and emerging markets debt. Staff will also be evaluating whether foreign exchange and commodities have a role in this area.

U.S. Equity Portfolio – The current portfolio structure uses investment managers that specialize in specific size sectors of the market, i.e., large, mid and small cap managers. Internal research indicates that a portfolio structure where qualified managers invest across all capitalization sizes provides the potential for a significant improvement in investment returns. If this research is confirmed, the Investment Office expects to use this approach for at least part of the U.S. equity portfolio in the fiscal year.

Infrastructure – Working with the Office of the Treasurer, during FY 2011, a new custodian trustee / master record keeper was hired to support university investments. With this new service, the Investment Office will be assisting in substantial improvements to investment reporting capabilities. These improved reporting capabilities will also support the Investment Office's assumption of responsibility for the investment management of the university's temporary investment pool for operating funds.

Governance – During FY 2012, the Investment Office will be reviewing a limited number of endowment funds trustee outside of the university for opportunities to improve performance and reduce cost. The office will also review and recommend changes as appropriate to the Investment Committee's investment guidelines. Finally, the Investment Office will develop, and recommend to the Investment Committee an updated investment management and oversight process for the temporary investment pool.

SUCSESSES

Private Markets Investments – During the past year, the Investment Office obtained the approval of the Investment Committee to increase the combined strategic asset allocation of the investment pool to private equities and natural resources investments from 9½% to 12½%. This is the last step in a program that has increased the allocation from a starting position of 3% over the past five years. At the same time, actual holdings of 2% of the endowment in private real estate were significantly below the benchmark weight of 5%. The Investment Committee approved a 3% reduction in this benchmark weight, which will eliminate the potential for a large performance mismatch while private real estate investments grow over the next 2-3 years.

Inflation Risk Reduction – In FY 2010, the Investment Office identified the risk posed by inflation to maintaining the long-term real value of the endowment, and an approach to hedging this risk. The objective is to build up a diversified set of inflation sensitive investments equal to about 25% of the endowment. During FY 2011, the office added to holdings of private markets investments in real estate and energy exploration and development, and conducted research on inflation-hedged fixed income investments.

U.S. Equities Structure – The Investment Office has performed a historical statistical evaluation of portfolio structures using new strategies, including all-cap equities, fundamental indexing and long/short equity hedge funds. This work shows the potential for substantial performance improvement by incorporating these strategies into the U.S. equity portfolio structure. Implementation of all-cap equities began in FY 2011, as noted under "Initiatives."

Selection of a Top-Tier Custodian – The Investment Office led this major undertaking, which involved collaboration across UC's finance functions. The office identified the need for a top-tier custodian trustee and master record keeper for the endowment and operating funds, and drove the analysis of client requirements and the search process, including hiring a consultant to support the work of the UC team. This culminated in the recent selection of BNY Mellon as UC's new custodian trustee. BNY Mellon is currently working with the Office of the Treasurer and other UC finance functions to integrate processes. The new custodian will provide a big step up in information available for the analysis of investment portfolios, and in the operating efficiency of the Office of the Treasurer.

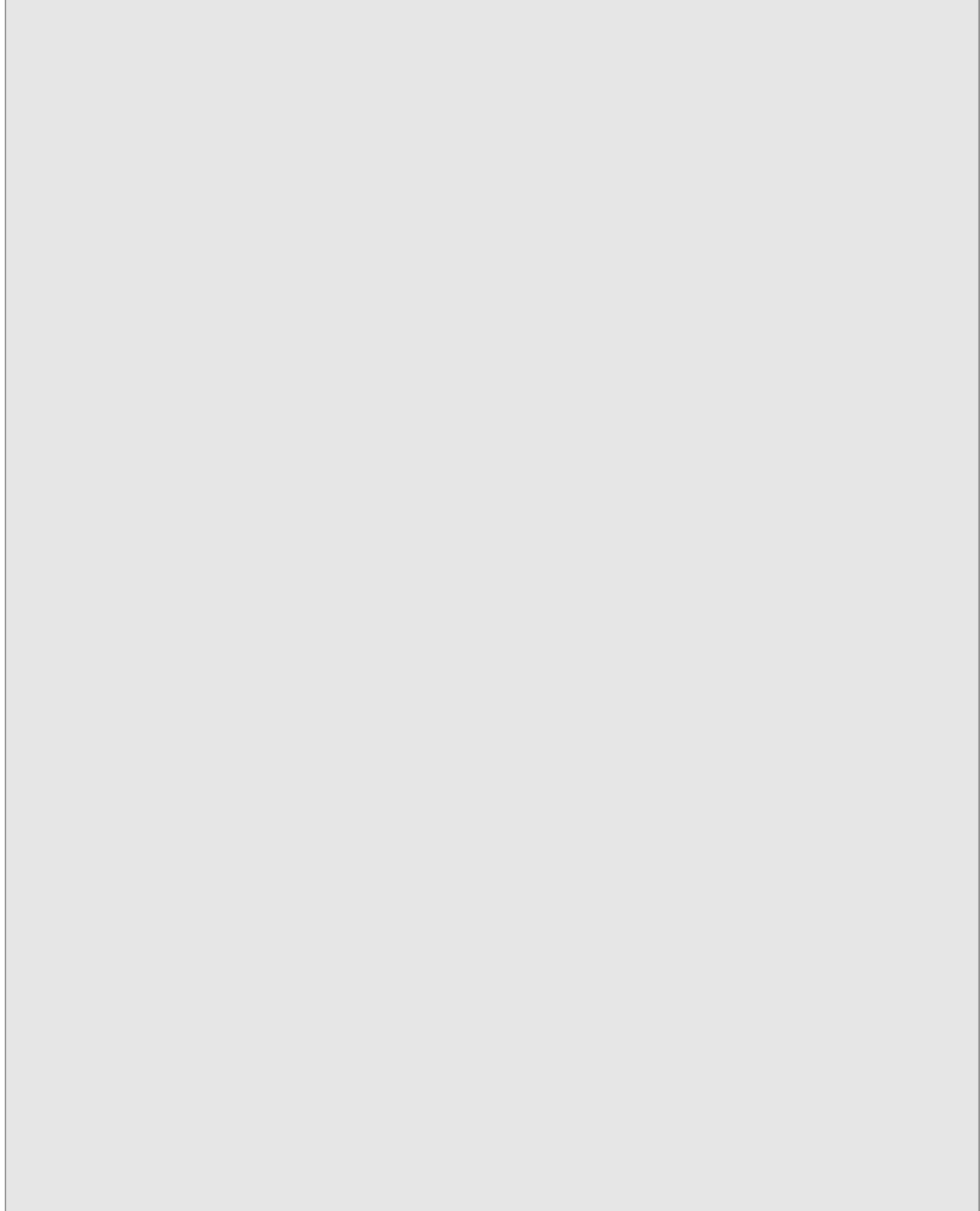
**RESTRICTED FUNDS
(IN THOUSANDS)**

	2011 Budget As Of 3/31/11	2012 Budget	Variance	Percent Change
RESOURCES				
State Appropriations	10,401	8,887	(1,514)	-14.55%
Govt. and Private Grants and Contracts	234,102	210,692	(23,410)	-10.00%
Private Gifts	31,593	32,217	624	1.98%
Endowment Income	60,662	57,150	(3,512)	-5.79%
Temporary Investments	246	-	(246)	-100.00%
Other	2,044	2,281	237	11.60%
Total Resources	339,048	311,228	(27,820)	-8.21%
EXPENDITURES & TRANSFERS				
Educational and General				
Instruction and Department Research	43,641	42,683	(958)	-2.20%
Separately Budgeted Research	199,032	178,620	(20,413)	-10.26%
Public Service	5,231	4,679	(552)	-10.56%
Academic Support	7,498	7,046	(452)	-6.03%
Student Services	3,601	3,838	237	6.57%
Institutional Support	10,159	8,832	(1,327)	-13.06%
Operation & Maintenance of Plant	12	12	-	0.00%
Scholarship and Fellowship	58,546	54,698	(3,847)	-6.57%
Total Expenditures	327,721	300,407	(27,314)	-8.33%
Mandatory Transfers				
Debt Service	1,000	988	(12)	-1.24%
Nonmandatory Transfers				
Other	10,299	9,770	(529)	-5.13%
Total Expenditures & Transfers	339,020	311,165	(27,855)	-8.22%
Net Increase (Decrease) in Fund Balance	28	63		



APPENDIX 1

Student Fees and Historical Data



**UNIVERSITY OF CINCINNATI
APPROVED QUARTERLY STUDENT FEES
EFFECTIVE AUTUMN QUARTER 2011**

FULL TIME RATES

Undergraduate Programs:

CAMPUS LIFE FEE ¹		
Autumn FY 11 Approved	Autumn FY 12 Approved	
Uptown Campus	157	162
Clermont College	0	0
Raymond Walters College	0	0

Professional Programs:

CAMPUS LIFE FEE ¹		
Autumn FY 11 Approved	Autumn FY 12 Approved	
Law	236	244
Medicine (MD)	157	162
Pharmacy (PharmD)	157	162

Graduate Programs⁴

GENERAL FEE		
Autumn FY 11 Approved	Autumn FY 12 Approved	
Uptown Campus	255	260
Clermont College	152	152
Raymond Walters College	152	152
Law	383	391
Medicine (MD)	255	260
Pharmacy (PharmD)	255	260
Graduate Programs ⁴	255	260

IT&IE FEE ²		
Autumn FY 11 Approved	Autumn FY 12 Approved	
Uptown Campus	112	116
Clermont College	88	88
Raymond Walters College	88	88
Law	168	174
Medicine (MD)	0	0
Pharmacy (PharmD)	112	116
Graduate Programs ⁴	112	116

FULL TIME RATES

Undergraduate Programs:

INSTRUCTIONAL FEE AND NONRESIDENT SURCHARGE				
Ohio Autumn FY 11 Approved	Ohio Autumn FY 12 Approved	Out-of-State ⁵ Autumn FY 11 Approved	Out-of-State ⁵ Autumn FY 12 Approved	
Uptown Campus	2,831	2,935	7,672	7,776
Clermont College	1,381	1,438	3,665	3,722
Raymond Walters College	1,593	1,657	4,371	4,435

Professional Programs:

INSTRUCTIONAL FEE AND NONRESIDENT SURCHARGE				
Ohio Autumn FY 11 Approved	Ohio Autumn FY 12 Approved	Out-of-State ⁵ Autumn FY 11 Approved	Out-of-State ⁵ Autumn FY 12 Approved	
Law	9,686	10,293	17,476	18,551
Medicine (MD)	9,873	10,223	15,390	15,933
Pharmacy (PharmD)	3,888	4,249	7,471	8,137
Graduate Programs ⁴	3,888	4,029	7,471	7,737

Graduate Programs⁴

PART-TIME RATES

Undergraduate Programs:

PART TIME PER CREDIT HOUR FEES (INSTRUCTIONAL, GENERAL, IT&IE, CAMPUS LIFE AND NONRESIDENT SURCHARGE)				
Ohio Autumn FY 11 Approved	Ohio Autumn FY 12 Approved	Out-of-State Autumn FY 11 Approved	Out-of-State Autumn FY 12 Approved	
Uptown Campus	280	290	683	693
Clermont College	136	140	326	331
Raymond Walters College	153	159	385	390

Professional Programs:

PART TIME PER CREDIT HOUR FEES (INSTRUCTIONAL, GENERAL, IT&IE, CAMPUS LIFE AND NONRESIDENT SURCHARGE)				
Ohio Autumn FY 11 Approved	Ohio Autumn FY 12 Approved	Out-of-State Autumn FY 11 Approved	Out-of-State Autumn FY 12 Approved	
Law	873	926	1,522	1,614
Medicine (MD)	858	888	1,317	1,363
Pharmacy (PharmD)	442	479	800	868
Graduate Programs ⁴	442	457	800	828

Graduate Programs⁴

- (1) Campus Life Fee approved at the May 23, 2000 Board of Trustees meeting.
- (2) The IT&IE Fee assists in funding information technology, instructional equipment and improved student access to computer resources and other instructional materials.
- (3) Includes parking fee of \$45 in FY 12.
- (4) Medicine Graduate Programs do not charge the IT&IE Fee.
- (5) Includes the Ohio instructional fee and the non-resident surcharge.

**APPROVED SUMMARY OF QUARTERLY STUDENT FEES
ALL CAMPUSES EFFECTIVE AUTUMN QUARTER 2011**

	FULL-TIME RESIDENT TUITION & FEES				FULL-TIME NON-RESIDENT TUITION & FEES			
	Autumn FY 11 Tuition & Fees	Autumn FY 12 Tuition & Fees	Dollar Change	Percentage Change	Autumn FY 11 Tuition & Fees	Autumn FY 12 Tuition & Fees	Dollar Change	Percentage Change
Undergraduate								
Uptown Campus	3,355	3,473	118	3.5%	8,196	8,314	118	1.4%
Clermont College ¹	1,621	1,678	57	3.5%	3,905	3,962	57	1.5%
Raymond Walters College ¹	1,833	1,897	64	3.5%	4,611	4,675	64	1.4%
Professional Programs								
Law ²	10,473	11,102	629	6.0%	18,263	19,360	1,097	6.0%
Medicine (MD)	10,285	10,645	360	3.5%	15,802	16,355	553	3.5%
Pharmacy (PharmD)	4,412	4,787	375	8.5%	7,995	8,675	680	8.5%
Graduate Programs ³	4,412	4,567	155	3.5%	7,995	8,275	280	3.5%

**APPROVED SUMMARY OF ANNUAL STUDENT FEES
ALL CAMPUSES EFFECTIVE AUTUMN QUARTER 2011**

	FULL-TIME RESIDENT TUITION & FEES				FULL-TIME NON-RESIDENT TUITION & FEES			
	Autumn FY 11 Tuition & Fees	Autumn FY 12 Tuition & Fees	Dollar Change	Percentage Change	Autumn FY 11 Tuition & Fees	Autumn FY 12 Tuition & Fees	Dollar Change	Percentage Change
Undergraduate								
Uptown Campus	10,065	10,419	354	3.5%	24,588	24,942	354	1.4%
Clermont College ¹	4,863	5,034	171	3.5%	11,715	11,886	171	1.5%
Raymond Walters College ¹	5,499	5,691	192	3.5%	13,833	14,025	192	1.4%
Professional Programs								
Law ²	20,946	22,204	1,258	6.0%	36,526	38,720	2,194	6.0%
Medicine (MD)	30,855	31,935	1,080	3.5%	47,406	49,065	1,659	3.5%
Pharmacy (PharmD)	13,236	14,361	1,125	8.5%	23,985	26,025	2,040	8.5%
Graduate Programs ³	13,236	13,701	465	3.5%	23,985	24,825	840	3.5%

(1) A parking fee of \$45 per quarter in FY 12 is assessed by the branch campuses (included in the above amounts).
 (2) College of Law tuition calculated on the semester basis.
 (3) Medicine Graduate Programs do not charge the IT&IE Fee.

**STATE SHARE OF INSTRUCTION AND STUDENT FEES
TEN YEAR & FIVE YEAR TRENDS
UPTOWN CAMPUS
(IN THOUSANDS)**

	State Share of Instruction (1)			Student Fees (2)		
	State Share of Instruction	Dollar Change	Percent Change	Fees	Dollar Change	Percent Change
FY 2003 Actual	144,220	(5,674)	-3.8%	195,126	24,544	14.4%
FY 2004 Actual	144,188	(32)	0.0%	218,477	23,351	12.0%
FY 2005 Actual	140,384	(3,804)	-2.6%	247,747	29,270	13.4%
FY 2006 Actual	140,076	(308)	-0.2%	271,034	23,287	9.4%
FY 2007 Actual	145,115	5,039	3.6%	298,557	27,523	10.2%
FY 2008 Actual	152,367	7,252	5.0%	316,455	17,898	6.0%
FY 2009 Actual	167,319	14,952	9.8%	319,730	3,275	1.0%
FY 2010 Actual	178,781	11,462	6.9%	338,870	19,140	6.0%
FY 2011 Projected	179,437	656	0.4%	371,061	32,191	9.5%
FY 2012 Budget	154,686	(24,751)	-13.8%	384,034	12,974	3.5%
Ten Year Average Increase			0.5%			8.5%
Five Year Average Increase			1.6%			5.2%

- (1) These figures represent the FTE driven State Share of Instruction. Other challenge items such as Access, Success, Jobs, Research and Priorities in Higher Education are not reflected in this table through FY 09.
- (2) Student Fees include Instructional, General, IT&IE, Campus Life, Non-Resident Fees, Program Fees and Co-Op Fees. Includes Inflation and Enrollment growth.
- (3) Reduced by a 2.5% Statewide Budget Cut.
- (4) In FY 10 Access and Success Challenges were absorbed into State Share of Instruction.
- (5) SSI includes \$27.9 million in Federal Stimulus funding
- (6) SSI includes \$25.8 million in Federal Stimulus funding
- (7) Federal Stimulus discontinued at the end of FY11

**ANNUAL FEE HISTORY
OHIO RESIDENT FEES - UPTOWN CAMPUS**

Year	Under-graduate	Center for Access and Transition**	Graduate	Law	Medicine
2002-03	6,936	5,448	8,094	11,020	17,709
2003-04	7,623	5,988	8,985	12,236	19,662
2004-05	8,379	6,579	9,975	14,084	21,831
2005-06 Autumn	8,877	6,975	10,773	16,210	23,580
2006-07	9,399	7,392	11,661	18,032	25,965
2007-08	9,399	7,392	12,111	18,982	26,910
2008-09	9,399	7,392	12,354	19,362	27,987
2009-10	9,399	7,392	12,723	19,942	29,385
2010-11	10,065	7,917	13,236	20,946	30,855
2011-12	10,419	0	13,701	22,204	31,935
Ten Year Average Annual Increase	\$460	N/A	\$688	\$1,286	\$1,685
Five Year Average Annual Increase	\$204	N/A	\$408	\$834	\$1,194
Ten Year Average Annual Increase	6.1%	N/A	7.3%	9.2%	7.9%
Five Year Average Annual Increase	2.1%	N/A	3.3%	4.3%	4.2%

**Formerly University College, CAT has been discontinued in FY12

**FULL TIME EQUIVALENT (FTE) ENROLLMENTS
ALL-TERMS SUBSIDY ELIGIBLE REPORTING, FY 2001-2012**

Year	Uptown Campus			Raymond Walters Branch	Clermont Branch	Grand Total
	Undergrad	Graduate & Professional	Total			
2000-01	15,103	5,031	20,134	2,244	1,469	23,847
2001-02	15,200	5,265	20,465	2,458	1,656	24,579
2002-03	14,867	5,406	20,273	2,650	1,778	24,701
2003-04	15,026	5,461	20,487	2,847	2,017	25,351
2004-05	15,111	5,662	20,773	2,969	2,088	25,830
2005-06	15,270	5,332	20,602	2,991	2,170	25,763
2006-07	15,423	5,487	20,910	3,029	2,229	26,168
2007-08	16,006	5,577	21,583	3,025	2,439	27,047
2008-09	16,536	5,444	21,980	3,056	2,649	27,685
2009-10	17,358	5,670	23,028	3,435	3,016	29,479
Est. 2010-11	18,000	5,904	23,904	3,635	3,130	30,669
Est. 2011-12	18,873	6,164	25,037	3,808	3,224	32,069

**SUMMARY OF RESIDENT STUDENT FEES
OHIO BOARD OF REGENTS' INSTITUTIONS**

	UNDERGRADUATE FEES		
	Autumn FY 2010 Fees	Autumn FY 2011 Fees	Percent Change
	Miami University ¹	12,312	12,654
University of Cincinnati	9,399	10,065	7.1%
Bowling Green State University	9,060	9,704	7.1%
Ohio University	8,973	9,603	7.0%
Ohio State University	8,706	9,420	8.2%
University of Akron	8,752	9,247	5.7%
Kent State University	8,726	9,030	3.5%
University of Toledo	8,203	8,629	5.2%
Cleveland State University	7,970	8,516	6.9%
Wright State University (C)	7,533	7,797	3.5%
Wright State University (B)	7,266	7,521	3.5%
Wright State University (A)	6,990	7,236	3.5%
Youngstown State University	6,956	7,199	3.5%
Shawnee State University	6,234	6,546	5.0%
Central State University	5,294	5,480	3.5%
Average	8,158	8,576	5.1%
	GRADUATE FEES		
University of Cincinnati	12,723	13,236	4.0%
University of Toledo	12,308	12,905	4.9%
Cleveland State University	11,470	12,251	6.8%
Miami University	11,796	12,012	1.8%
Bowling Green State University	11,442	11,550	0.9%
Wright State University (C)	10,932	11,316	3.5%
Ohio State University	10,708	11,298	5.5%
Wright State University (B)	10,545	10,914	3.5%
Wright State University (A)	10,251	10,611	3.5%
Kent State University	9,282	9,606	3.5%
Youngstown State University	9,251	9,575	3.5%
Ohio University	9,444	9,498	0.6%
Shawnee State University	7,826	8,148	4.1%
University of Akron	7,756	8,066	4.0%
Central State University	5,022	5,202	3.6%
Average	10,050	10,413	3.6%
Source: "FALL SURVEY OF STUDENT CHARGES - For Academic Year 2009 - 2010" by The Ohio Board of Regents			

University of Cincinnati amounts shown include the Instructional, General/Facilities, IT&IE & Campus Life Fees.

¹ Miami's published in-state tuition after Scholarships.

(A): Denotes fees charged to continuing students enrolled prior to summer term 2003.

(B): Denotes fees charged to new students entering summer term 2003, if different than fees charged to continuing students.

(C): Denotes fees charged to new students entering fall term 2004, if different than fees charged to continuing students.

**ROOM AND BOARD RATES
FISCAL YEAR 2011-12**

	2010-11 Actual		2011-12 Actual	
	QUARTER	ANNUAL	QUARTER	ANNUAL
I. SCHEDULE OF BASIC ROOM RATES¹				
A. Calhoun, Daniels, Dabney <i>(Multiple Occupancy)</i>	\$1,933	\$5,799	\$1,933	\$5,799
B. Stratford Heights <i>(Multiple Occupancy)</i>	2,158	6,474	2,223	6,669
C. Calhoun, Daniels <i>(Designed Singles)</i>	2,231	6,693	2,231	6,693
D. Stratford Heights <i>(Designed Single)</i>	2,336	7,008	2,406	7,218
E. Turner Hall ² <i>(Double Suites)</i>	2,288	6,864	2,357	7,071
F. Campus Recreation Center (CRC), Turner Hall, Schneider Hall ² <i>(Single Suites)</i>	2,426	7,278	2,499	7,497
II. SCHEDULE OF BASIC BOARD RATES				
209 Value Plan/Quarter Plan (19 Meals/Week Plan)	1,301	3,903	1,327	3,981
154 Plan/Quarter Plan (14 Meals/Week Plan)	1,237	3,711	1,262	3,786
132 Plus Plan/Quarter Plan (12 Plus Meals/Week Plan)	1,301	3,903	1,327	3,981
III. SCHEDULE OF ROOM AND BOARD RATES				
209 Value Plan/Quarter Plan (19 Meals/Week Plan)	3,234	9,702	3,260	9,780
154 Plan/Quarter Plan (14 Meals/Week Plan)	3,170	9,510	3,195	9,585
132 Plus Plan/Quarter Plan (12 Plus Meals/Week Plan)	3,234	9,702	3,260	9,780
IV. OFF CAMPUS MEAL TICKET RATES				
45 Meals/Quarter Plan	425	1,275	434	1,302
33 Meals/Quarter Plan	290	870	296	888
25 Meals/Quarter Plan	225	675	230	690
15 Meals/Quarter Plan	147	441	150	450

- 1) The option of a quarterly residence hall contract is available to upperclassmen as part of a pilot program for an additional surcharge of \$350
- 2) The option of signing a twelve month lease is available to Turner Hall and Schneider Hall residents only. This option adds \$986 to the annual rate.

APPENDIX 2

Definitions Used Throughout

Academic Support – Activities carried out primarily to provide support services that are an integral part of the operations of one of the three primary missions – instruction, research and public service. This category includes Academic Affairs Administration, Libraries, Museums & Galleries and the Deans' offices.

Auxiliary Enterprises – Entities that exist to furnish a service to students, faculty or staff and charge a fee directly related to, but not necessarily equal to, the cost of the service. These entities manage as essentially self-supporting. The state of Ohio specifically identified the following: Residence & Dining Halls, Intercollegiate Athletics, Student Unions, Bookstores, Parking Lots & Garages, Kingsgate Conference Center, the Campus Recreation Center, Faculty Club and the Fifth Third Arena at the Myrl H. Shoemaker Center.

Campus Life Fee – Fee charged to all undergraduate, graduate and professional students (except Raymond Walters College and Clermont College), covering various recreational and entertainment facilities and programming that can be utilized by all students to enhance the campus environment and increase student engagement. This fee was voted on and approved by the student body.

Current Fund – A fund used to expend resources earned for operating purposes during the current fiscal year. This fund group is divided into two fund subgroups: unrestricted and restricted. **NOTE:** Non-Current Funds have been excluded from this report. These funds include Plant Funds, Loan Funds and Endowment Principal.

Departmental Operating Expenses (DOE) – Expenses related to the operation of a department excluding salaries and benefits.

Designated General Fund (also called a Designated Fund) – A subgroup of Current Unrestricted Funds, these funds are designated, or set aside, by the Board of Trustees for specific purposes, programs or activities.

Endowment Income – Revenue generated from Endowment principal. The donor specifies that the principal (or corpus) is to be held in perpetuity. This principal is unexpendable, but is invested to produce earnings that are generally available, in whole or in part, for current use.

Full-time equivalent student (FTE) – An enrollment unit determined by dividing total student credit hours of course instruction by 45 for the fiscal year if on a quarter calendar (30 if on semesters.) This definition excludes the MD program.

Grants and Contracts – All amounts earned on grants, contracts, or cooperative agreements from federal, state or local government agencies. These amounts could also include funds that result from contracting or furnishing of goods and services of an instructional, research or public service nature from a nongovernmental organization.

Gross Tuition, Fee and Other Student Charges – General revenue received from regular session, summer school, continuing education and other fees. These other fees include IT&IE Fee, Campus Life Fee and Nonresident Surcharge fee. See definition of each fee within.

Information Technology and Instructional Equipment (IT&IE) Fee – Fee charged to all undergraduate, graduate and professional students (except medical programs) for the purpose of improving access to and assistance with information technology as well as funding other types of instructional equipment.

Institutional Support – Activities for operations that provide support services for central, executive-level activities concerned with management and long-range planning for the entire university. This category includes Executive Management, Finance, Human Resources, Administrative Services, Public Affairs and Development.

Instruction and General – All activities allocated directly and applicably as part of the university's instructional program. This category includes departmental research and public service that can not be separately budgeted.

Internal Campus Service Overhead – An internally charged fee within the Campus Services Auxiliary from one Campus Service Department to another and not to other funds for shared expenses.

Mandatory Transfer – Transfer made from one fund to another in order to comply with legally enforceable agreements, such as bond indentures and debt agreements.

Non-Mandatory Transfer – Transfer made from one fund to another at the discretion of the governing board to serve whatever purpose the board agrees is desirable.

Nonresident Surcharge – Fee charged for the full cost of instruction for non-Ohio residents. The Ohio Board of Regents subsidy policy does not provide support for out-of-state undergraduate students.

Operation and Maintenance of Plant – Current year activities that provide support for the administration, supervision, operation, maintenance, preservation and protection of university buildings, net of amounts charged to auxiliary operations and the University Hospital. This category includes utilities, repair and renovations, custodial services, grounds maintenance, space rental and property insurance.

Private Gifts – Contributions received from an outside organization or individual. Funds raised are allocated according to restrictions established by donors. If gifts are made without donor restrictions, allocation is determined by the university.

Public Service – Activities established primarily to provide noncredit designated course offerings and services beneficial to individuals and groups external to the university. This category includes Continuing Education and Cooperative Extension Services.

Recovery of Expenses – Expenditure made for or on behalf of the university that subsequently is recovered (reimbursed) in cash or internal transfer.

Restricted Funds (also called “Current Restricted Fund”) – A subgroup of Current Funds that is expendable only for those purposes, programs or activities specified by the donors and organizations providing the funds through gifts, grants or contracts. Externally imposed restrictions are different from internally created designations established by the Board of Trustees on unrestricted funds (which would be called a Designated Fund) because restrictions cannot be removed without the external parties’ consent.

Sales and Services Income – There are two different types of sales and services income. The first type falls under the educational activities category. These revenues are related incidentally to the conduct of instruction, research and public service and exist to provide instructional and laboratory experience for students that incidentally create goods and services that may be sold to students, faculty, staff and the general public. The second type of sales and service income falls under the auxiliary enterprises. These revenues exist to furnish goods or services, rather than training or instruction.

Scholarships and Fellowships – Outright grants and trainee stipends to individuals enrolled in formal course work. These waivers are charged against Tuition and Fees for a net amount recorded in sources of income. Remissions, scholarships and fellowships are recorded as expenditures.

Separately Budgeted Research – Activities specifically organized to produce research outcomes, whether commissioned by an external agency to the university (restricted funds) or by the university (unrestricted funds) and includes matching funds applicable to the conditions set forth by a grant or contract.

State Appropriations (State Share of Instruction or SSI) – Formula-driven state funding recommended and approved by the Governor and the State Legislature. **NOTE:** The methodology of this formula was changed beginning in FY 2010.

Student Services – Activities for which the primary purpose is to contribute to student’s emotional and physical well being, as well as his/her cultural and social development outside the context of the formal instructional program. This category includes Admissions and Registration, Counseling and Student Financial Aid.

Temporary Investment Income – Interest received on the investment of cash or equivalents into short-term instruments, which are invested for diversification of risk and yield. Such securities are limited to those issued by the U.S. government and federal agencies, government sponsored enterprises and government sponsored private corporations, plus prime commercial paper, certificates of deposit and other money market securities.

Undesignated General Fund (also called “Current Unrestricted Undesignated Fund”) – A subgroup of Current Unrestricted Funds whereas current resources are available for allocation in support of core instruction, instructional support and related general administrative and physical plant expenditures. The university maintains a separate undesignated general fund for the Uptown Campus and one for each of the branches. This

type of fund is free of internal designation by the Board of Trustees to specific purposes, programs or activities.

University Overhead – An internally set rate charged by the undesignated General Fund to other funds for administrative charges paid by the fund (including but not limited to utilities, basic maintenance of buildings.) This fee nets to zero effect on the current funds budgeted financial statements, but affects the budgeted sources of the undesignated General Fund and the budgeted expenditures of restricted, designated and auxiliary funds.

APPENDIX 3

Relationship to Financial Statements

The university's Current Funds Budget Plan and the university's Audited Financial Report are compared in the following table. The audited annual financial report includes all actual data for the fiscal year on a full accrual basis along with discussion of any relevant subsequent events.

	Budget Plan	Financial Report
Document Approvers/Reviewers		
Adopted by Board - Internal Performance Monitoring	X	
Auditor, State of Ohio		X
Federal Clearinghouse		X
Rating Agencies		X
US Dept of Education		X
Accounting Format		
Fund	X	
Governmental Accounting Standards Board (GASB)		X
Accounting Basis		
Accrual - Modified	X	
Accrual - Full		X
Accounting Data		
Budget Projections - Current Fiscal Year Budget as of 3/31/09 Compared to Next Fiscal Year's Projected Budget	X	
Actual Financial Results - Current Fiscal Year Compared to Prior Fiscal Year		X
Funds Included in the Report		
Current Funds	X	X
• General Funds		
• Auxiliary Funds		
• Designated Funds		
• Restricted Funds		
• Expendable Endowment		
• Gifts		
• Grants/Contracts		
Non-Current Funds		X
• Loan Funds		
• Plant Funds		
• Endowment Principal Funds		
Financial Reports/Information Reflected in the Documents		
Balance Sheet - Statement of Net Assets		X
Income Statement - Statement of Revenues, Expenses and Changes in Net Assets/Fund Balance	X	X
• Debt Service		
• Principal & Interest Reflected in Mandatory Transfer	X	
• Interest Only Reflected as Non-operating Expense		X
• Principal Payment Reflected as Reduction of Debt on Balance Sheet		X
• Depreciation Expense		X
• Gains or Losses on Disposal of Capital Assets		X
• Non-Capitalized Expenditures Reflected as Operating Expense	X	X
• Endowment Investment Market Gains and Losses		X
• Health Alliance - Change in Investment		X
• Other Investment Gains or Losses (Temporary Investment Pool)		X
• Grants & Contracts		
• Cash Basis	X	
• Revenue Recorded When Earned, Not When Received		X
• State Operating Appropriations		
• Reflected as Operating Revenue	X	
• Reflected as Non-Operating Revenue		X
Statements of Cash Flows		X

APPENDIX 4

Key Policies and Links

Financial Policies—<http://www.uc.edu/af/policies/>

Operating Cash Policy

Structural Deficit Policy

Office Budget Management—<http://www.uc.edu/af/budgetfinsvcs/budgetmgt.html>

Contains links to UC Budget Plans for FY 2006 — FY 2012

Controller's Office—<http://www.uc.edu/af/budgetfinsvcs/controller.html>

Collegiate Restructuring Steering Committee—<http://www.uc.edu/crsc/>

University Decision-Making Process—<http://www.uc.edu/president/decisionmaking.html>

UC 2019 ► Accelerating Our Transformation—

http://www.uc.edu/president/strategic_plan.html

APPENDIX 5

Uptown General Fund Operating Expense Increase Detail

MSB Phase 2-5—\$1,500,000

Builds permanent budget for debt service related to this project first due in FY 2015. Four years at \$1.5M per year plus \$2.5M in FY 2015.

Roof Replacements—\$250,000

Debt service for roof replacements. Funding of \$500,000 in FY 2009, \$250,000 in FY 2010, \$250,000 in FY 2011, and \$250,000 in FY 2012.

Kettering North Wing/Site Prep—\$95,500

Debt service for this project of \$162,000 in FY 2011 plus an additional \$95,500 in FY 2012.

Stetson/MSB Operating—\$35,825

Turner Operation—\$8,275

Amount reflects anticipated increase in operating expenses.

Preventative Maintenance (previously RMI)—\$250,000

Additional funds to assist in controlling deferred maintenance costs. \$250,000 per year for FY 2011 – FY 2013.

Increase Central Moving for MSB Moves—\$500,000

Specific to MSB migration, additional costs anticipated due to complexity and number of offices/facilities being moved.

UC East Lease—\$800,000

Funding the Uptown Campus portion of the lease for the UC East facility located in the former Ford plant in Batavia Township.

Medical Insurance Plan Increase—\$3,500,000

Anticipated FY 2012 increase to medical insurance costs as a result of the passage of health care reform in 2010.

UCIT Funding Model —\$1,900,000

To fund changes in the manner in which UCIT recovers the costs of shared IT data and communication services and infrastructure.

Core Systems Funding—\$1,000,000

Build-up of funding to pay debt service on new student information system (UNIVERSIS replacement). \$1M per year FY 2011 – FY 2015 plus \$900,000 in FY 2016.

Academic Teaching Lab Renovations—\$500,000

Debt service for lab renovations. Six years @ \$500,000 each year FY 2009 – FY 2014.

Student Advisory Council on University Budget (SACUB) General Fee—\$400,000

Amount of funding based on general fees increase.

Utilities Inflation—\$1,531,345

Utilities inflation of 5% of general funds utilities budget.

DAAP Façade and Roof—\$360,000

Funding of debt service for DAAP building modifications of \$725,100 in FY 2011 and an additional \$360,000 in FY 2012.

UC 2019► Strategic Initiatives—\$2,500,000

Funding for university-wide UC 2019► priorities and initiatives.

Academic Restructuring—\$1,000,000

Multi-year funding for the restructuring of the College of Applied Science and the College of Engineering into the College of Engineering and Applied Science.

Internal Overhead Reduction—\$439,977

Replacement funding needed for overhead expenditures due to changes in contract for security forces with University Hospital.

Clinical & Other Due to Reductions in Medical State Support—\$1,500,000

Assistance for Clinical Teaching and other medical support due to an anticipated cut of approximately 15% from the state clinical and medical support budgets.

Reduction in Support for Semester Conversion—(\$700,000)

As semester conversion nears completion, a reduction in support required is being implemented.

APPENDIX 6

Budget Building Process

Fiscal Year 2012 (FY 2012) budget is the product of a transparent and participatory decision-making process, structured around key committees with multiple constituencies. Among these committees are the Academic Coordinating Committee (ACC), which focuses on strategic academic priorities; and the Fiscal Coordinating Committee (FCC), which facilitates integrated decisions around fiscal planning and priorities, including tuition and discounts. Both of these groups, as well as the Faculty Senate, make recommendations to the Academic Operations Committee (AOC), which together with the President's Budget Advisory Committee (PBAC), sends recommendations to the Executive Committee, the President's Cabinet, the President and finally on to the Board of Trustees for approval.

University Decision-Making Process—<http://www.uc.edu/president/decisionmaking.html>



