

President's Recommended Budget

For the Fiscal Year Ending June 30, 2014

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THE UNIVERSITY OF
TOLEDO
1872

MEMO

To: Members of the Board of Trustees
The University of Toledo

From: David Dabney
Chief Financial Officer

Date: June 17, 2013

Re: President's Recommended Budget – FY 2014

On behalf of Dr. Jacobs, I am pleased to submit the attached President's Recommended Operating Budget – FY 2014 for your review.

Over the past several years, the University of Toledo has built up its financial flexibility, having put \$65M into Institutional Reserves in accordance with the Investment Policy. In addition, 1) deferred maintenance has been reduced both in facilities and IT, 2) \$11M per year has been taken out of backroom operations and 3) class size has been held stable with a student to faculty ratio of 19.

FY 2014 budget is being approached as a year for maintaining stability for the university's students at the short-term expense of sustainability for the non-clinical enterprise. Thus, the recommended budget focuses on putting student needs first via offsets to capital maintenance.

The result is a cash flow positive budget that will keep the university fiscally strong. It is anticipated that it will take several years to return to the desired balance between stability and sustainability.

The clinical enterprise is experiencing challenges related to sequestration. Thus, its targeted operating margin has been reduced by the impact of sequestration.

The format has been changed to reflect interest expense as an operating expense since it is a cash outlay and depreciation in other expenses since it is a non-cash expense.

The non-clinical enterprise has a breakeven operating margin and the clinical enterprise has a 6.5% operating margin versus a 5.6% FY13 projected margin under this revised format.

Most importantly, the recommended budget includes prudent contingency funds.

The process that was used to develop the non-clinical recommended budget was highly participatory over many months of budget hearings and campus conversations. These discussions were highly transparent for everyone to follow. Special thanks are due to the University Council's Finance and Strategy Sub-Committee, which included representation from the Faculty Senate, Student Government, the Deans, and senior administrators. These discussions will continue

through June and changes to specific line items might occur, but the net result is expected to remain intact.

Similarly, the clinical budget was highly participatory over many months of budget hearings. These discussions lead to management approval and physicians signing off on the FY14 targets. The present and anticipated financial resources of the medical school and academic medical center are stable and sufficient to sustain and strengthen the medical education program and improve the patient experience. The resources of the College of Medicine and Life Sciences are increasing in spite of the challenges of the national and state economies. The increase in resources is related to growth in surgical volume and cancer care.

FY2014 Operating Budget
University of Toledo Combined

**The University of Toledo - Combined
Budgeted Income Statements
For the Fiscal Year Ending June 30, 2014**



Line #	FY 2013 <u>Amended Budget</u>	FY 2014 <u>Budget</u>	Increase/ <u>(Decrease)</u>	% <u>Change</u>
Revenue				
1	\$ 293,352,806	\$ 279,423,999	\$ (13,928,807)	-4.7%
2	(61,218,448)	(61,392,072)	(173,624)	0.3%
3	232,134,358	218,031,927	(14,102,431)	-6.1%
4	15,000,000	-	(15,000,000)	
5	111,837,317	111,677,854	(159,463)	-0.1%
6	252,123,754	258,983,723	6,859,969	2.7%
7	86,717,150	86,717,150	-	0.0%
8	7,902,238	7,317,012	(585,226)	-7.4%
9	71,352,090	69,595,498	(1,756,592)	-2.5%
10	15,504,896	22,872,412	7,367,516	47.5%
11	792,571,803	775,195,576	(17,376,227)	-2.2%
Expenses				
12	324,144,303	322,335,079	(1,809,224)	-0.6%
13	116,116,458	116,056,643	(59,815)	-0.1%
14	48,802,759	48,183,383	(619,376)	-1.3%
15	92,914,316	102,329,304	9,414,988	10.1%
16	7,934,476	7,838,206	(96,270)	-1.2%
17	12,559,216	13,324,449	765,233	6.1%
18	18,570,193	17,215,287	(1,354,906)	-7.3%
19	2,914,910	3,254,910	340,000	11.7%
20	5,665,448	5,643,272	(22,176)	-0.4%
21	1,598,316	1,598,316	-	0.0%
22	-	-	-	
23	-	-	-	
24	22,702,943	19,572,807	(3,130,136)	-13.8%
25	699,176	427,893	(271,283)	-38.8%
26	5,539,544	6,643,248	1,103,704	19.9%
27	76,312,714	76,944,675	631,961	0.8%
28	16,202,014	15,916,291	(285,723)	-0.02
29	752,676,786	757,283,763	4,606,977	0.6%
30	39,895,017	17,911,813	(21,983,204)	-55.1%
31	5.0%	2.3%	-2.7%	-54.1%
32	(51,942,831)	(54,424,690)	(2,481,859)	4.8%
33	8,293,498	1,825,000	(6,468,498)	-0.78
34	\$ (3,754,316)	\$ (34,687,877)	\$ (30,933,561)	824%

NOTE: Please see Non-Clinical (pages 7 and 8) or Clinical (pages 12 and 13) Explanations of Unusual items sheets for more details.

The University of Toledo - Combined
 Budgeted Cash Flow
 For the Fiscal Year Ending June 30, 2014



Line #	FY 2013 <u>Amended Budget</u>	FY 2014 <u>Budget</u>	Increase / <u>(Decrease)</u>	% <u>Change</u>
1	\$ (3,754,316)	\$ (34,687,877)	\$ (30,933,561)	823.9%
2	51,942,831	54,424,690	2,481,859	4.8%
3	(6,584,880)	(12,255,000)	(5,670,120)	86.1%
4	-	-	-	
5	2,700,000	-	(2,700,000)	0.0%
6	(49,583,672)	(7,400,000)	42,183,672	-85.1%
7	\$ (5,280,037)	\$ 81,813	\$ 5,361,850	101.5%

The University of Toledo - Combined
 Budgeted Balance Sheet
 For the Fiscal Year Ending June 30, 2014



Line #		FY 2013 Projected	FY 2014 Budget	Increase/ (Decrease)	% Change
Assets					
1	Cash and Investments	\$ 292,951,436	\$ 299,885,081	\$ 6,933,645	2.4%
2	Accounts Receivable	101,868,055	103,480,701	1,612,646	1.6%
3	Other Current Assets	11,124,720	11,124,720	-	0.0%
4	Capital Assets, Net	675,186,519	631,461,829	(43,724,690)	-6.5%
5	Other Assets	66,339,502	66,339,502	-	0.0%
6	Total Assets	\$ 1,147,470,232	\$ 1,112,291,833	\$ (35,178,399)	-3.1%
Liabilities					
7	Current Liabilities	\$ 150,920,779	\$ 150,920,779	\$ -	0.0%
8	Bonds Payable	327,086,260	314,555,569	(12,530,691)	-3.8%
9	Other Long-Term Liabilities	34,295,768	33,695,768	(600,000)	-1.7%
10	Total Liabilities	512,302,807	499,172,116	(13,130,691)	-2.6%
11	Net Assets	635,167,425	613,119,717	(22,047,708)	-3.5%
12	Total Liabilities and Net Assets	\$ 1,147,470,232	\$ 1,112,291,833	\$ (35,178,399)	-3.1%

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FY2014 Operating Budget
Non-Clinical Enterprise

The University of Toledo Non-Clinical Enterprise
 Budgeted Income Statement
 For the Fiscal Year Ending June 30, 2014



Line #		FY 13 Budget	FY14 Budget	Increase/ (Decrease)	% Change
Operating Revenue					
1	Student Tuition & Fees	\$ 293,352,806	\$ 279,423,999	\$ (13,928,807)	-4.7%
2	Scholarships & Other Student Financial Aid	(61,218,448)	(61,392,072)	(173,624)	0.3%
3	Net Tuition & Fees	232,134,358	218,031,927	(14,102,431)	-6.1%
4	State Capital Appropriations-Maint. & Repair	15,000,000	-	(15,000,000)	-100.0%
5	State Share of Instruction / Other Appropriations	111,837,317	111,677,854	(159,463)	-0.1%
6	Grants & Contracts	86,717,150	86,717,150	-	0.0%
7	Gifts	7,902,238	7,317,012	(585,226)	-7.4%
8	Sales & Services	71,352,090	69,595,498	(1,756,592)	-2.5%
9	Other Revenue	3,169,402	5,503,702	2,334,300	73.7%
10	Total Net Operating Revenue	528,112,555	498,843,143	(29,269,412)	-5.5%
11	Salaries	218,250,898	213,777,317	(4,473,581)	-2.0%
12	Benefits	88,911,685	87,994,462	(917,223)	-1.0%
13	Outside Purchased Services	19,629,196	19,540,648	(88,548)	-0.5%
14	Supplies	24,404,028	30,637,223	6,233,195	25.5%
15	Seminars & Travel	6,919,158	6,961,242	42,084	0.6%
16	Information & Communication	9,397,556	9,796,150	398,594	4.2%
17	Occupancy	18,570,193	17,215,287	(1,354,906)	-7.3%
18	Provision for Doubtful Accounts	2,914,910	3,254,910	340,000	11.7%
19	Pooled Designated & Contingency	5,665,448	5,643,272	(22,176)	-0.4%
20	Insurance	1,598,316	1,598,316	-	0.0%
21	UTMC Academic Support	-	(2,400,000)	(2,400,000)	
22	Reimbursement from Hospital	(6,458,843)	(5,219,219)	1,239,624	-19.2%
23	Cost of Goods Sold - Auxiliary Services	22,702,943	19,572,807	(3,130,136)	-13.8%
24	Leases	699,176	427,893	(271,283)	-38.8%
25	Miscellaneous	1,895,177	1,783,701	(111,476)	-5.9%
26	Grants & Contracts	76,312,714	76,944,675	631,961	0.8%
27	Interest Expense	11,493,336	11,314,459	(178,877)	-1.6%
28	Total Operating Expenses	502,905,891	498,843,143	(4,062,748)	-0.8%
29	Operating Income	25,206,664	-	(25,206,664)	
30	Operating Margin	4.8%	0.0%	-4.8%	
31	Depreciation	(36,700,000)	(38,500,000)	(1,800,000)	4.9%
32	Investment Income	220,000	325,000	105,000	47.7%
33	Net Income (Loss)	\$ (11,273,336)	\$ (38,175,000)	\$ (26,901,664)	238.6%

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Explanations of Unusual Line Items – Non-Clinical Enterprise

These statements are presented for internal use in establishing the budget and are not intended to reflect the financial statements in accordance with generally accepted accounting principles. For example, State Share of Instruction is reflected as operating income in this budget document, but is required to be reported as non-operating revenues in the audited financial statement. Depreciation is a non-cash expense and is reflected as another expense.

Line

- 1** **Student Tuition & Fees** – The decrease in this line item is primarily a result of the dip in enrollment that the university experienced in FY13 and reflects an additional anticipated reduction of 3% in enrollment for undergraduates in FY14. Reflected in this item is an increase in tuition rates for Graduate, MBA, PharmD, MD, DNP, and Law of 3.5%.
- 2** **Scholarships & Other Student Financial Aid** – This line item reflects the net change in projected financial aid due a new housing scholarship as well as a contractual agreement for an increase in law scholarships.
- 4** **State Capital Appropriations – Maintenance & Repairs** - There is no planned capital appropriation from the state for FY14.
- 5** **State Share of Instruction (SSI)/ Other Appropriations** – This line item reflects the last projection from the state for FY14 with an additional \$500K for the current Senate version on medical SSI. When the SSI number is confirmed from the state this line item will be updated.
- 8** **Sales & Services** – The decline in this line item is mainly due to the decline in enrollment. There is a reduction in the cost-of-goods sold line that correlates with the expected decline in revenue.
- 9** **Other Revenue** – Reflected in this line is a \$2.4M distribution from Board Designated reserves from the Foundation.
- 11 & 12** **Salaries and Fringe Benefits** – These line items reflect changes due to the reorganization that has occurred in the university for FY14.
- 14** **Supplies** – Supplies have increased mainly due to bringing the central contingency back to 1.5% of total expenses.
- 17** **Occupancy** – This line has been decreased mainly to reflect reductions in utilities due to energy saving measures.

- 21** **UTMC Academic Support-** This line reflects the Medical Center's \$2.4M distribution from Board Designated reserves which will be used to support academic operations.
- 22** **Reimbursement from Hospital for Central Services -** This line reflects the hospital's reimbursement for university administrative services supporting hospital operations. It reflects a decrease due to the movement of some personnel lines which have been determined to be 100% hospital to the clinical enterprise budget.
- 23** **Cost of Goods Sold - Auxiliary Services -** This line item includes items purchased for resale such as in Food Services, Telecom, and the Pharmacy in the Medical Center. This line item is decreasing mainly due to the decline in enrollment.
- 31** **Depreciation -** Depreciation expense for the university is expected to increase in FY14.

**The University of Toledo Non-Clinical Enterprise
 Budgeted Cash Flow
 For the Fiscal Year Ending June 30, 2014**



Line #		FY 2013 <u>Projected</u>	FY 2014 <u>Budget</u>	Increase / <u>(Decrease)</u>	% <u>Change</u>
1	Budgeted Net Income (see previous page)	\$ (11,273,336)	\$ (38,175,000)	\$ (26,901,664)	238.6%
2	Add Back Non-Cash Expense (depreciation expense)	36,700,000	38,500,000	1,800,000	4.9%
3	Principal Payments on Debt	(4,521,300)	(5,206,330)	(685,030)	15.2%
4	Transfer from Hospital	10,000,000	11,614,899	1,614,899	16.1%
5	State Capital Appropriations	2,700,000	-	(2,700,000)	-100.0%
6	Capital Expenditures	(30,000,000)	(3,700,000)	26,300,000	-87.7%
7	Budgeted Cash Flow	\$ 3,605,364	\$ 3,033,569	\$ (571,795)	-15.9%

**The University of Toledo Non-Clinical Enterprise
Budgeted Balance Sheet
For the Fiscal Year Ending June 30, 2014**



Line #		FY 2013 <u>Projected</u>	FY 2014 <u>Budget</u>	Increase/ <u>(Decrease)</u>	% <u>Change</u>
Assets					
1	Cash and Investments	\$ 235,000,000	\$ 236,000,000	\$ 1,000,000	0.4%
2	Accounts Receivable	53,000,000	53,000,000	-	0.0%
3	Other Current Assets	2,400,000	2,400,000	-	0.0%
4	Capital Assets, Net	529,000,000	497,500,000	(31,500,000)	-6.0%
5	Other Assets	32,500,000	32,500,000	-	0.0%
6	Total Assets	\$ 851,900,000	\$ 821,400,000	\$ (30,500,000)	-3.6%
Liabilities					
7	Current Liabilities	\$ 127,000,000	\$ 127,000,000	\$ -	0.0%
8	Bonds Payable	229,800,313	224,318,292	(5,482,021)	-2.4%
9	Other Long-Term Liabilities	25,000,000	25,000,000	-	0.0%
10	Total Liabilities	381,800,313	376,318,292	(5,482,021)	-1.4%
11	Net Assets	470,099,687	445,081,708	(25,017,979)	-5.3%
12	Total Liabilities and Net Assets	\$ 851,900,000	\$ 821,400,000	\$ (30,500,000)	-3.6%

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FY2014 Operating Budget
Clinical Enterprise (UTMC)

The University of Toledo Clinical Enterprise UTM / UTMAC
Income Statement - Comparison of FY13 Projection to FY14 Budget



Line #		FY 2013 Projected	FY 2014 Budget	Increase/ (Decrease)	% Change
Revenue					
1	Acute Care Inpatient Revenue	\$ 544,944,676	\$ 600,872,687	\$ 55,928,011	10.3%
2	Rehabilitation Care Inpatient Revenue	15,849,208	16,543,893	694,685	4.4%
3	Psychiatric Inpatient Revenue	3,971,075	4,135,600	164,525	4.1%
4	Total Inpatient Revenue	564,764,959	621,552,180	56,787,221	10.1%
5	Outpatient Revenue	295,631,087	321,980,228	26,349,141	8.9%
6	Emergency Outpatient Revenue	39,197,052	42,587,050	3,389,998	8.6%
7	Total Outpatient Revenue	334,828,139	364,567,278	29,739,139	8.9%
8	Total Patient Revenue	899,593,098	986,119,458	86,526,360	9.6%
9	Contractuals	621,247,905	694,170,092	72,922,187	11.7%
10	Charity Care/Provision for Doubtful Accounts	36,911,689	38,965,643	2,053,954	5.6%
11	CMS Upper Payment Limit	(7,361,722)	(3,000,000)	4,361,722	-59.2%
12	Ohio Hospital Care Assurance Program	(1,500,003)	(2,000,000)	(499,997)	33.3%
13	Cost Report Settlements	(1,828,525)	(1,000,000)	828,525	-45.3%
14	Total Deductions	647,469,344	727,135,735	79,666,391	12.3%
15	Net Patient Revenue	252,123,754	258,983,723	6,859,969	2.7%
16	Other Operating Revenue	12,335,494	17,368,710	5,033,216	40.8%
17	Total Operating Revenue	264,459,248	276,352,433	11,893,185	4.5%
Operating Expenses					
18	Salaries	105,893,405	108,557,762	2,664,357	2.5%
19	Benefits	27,204,773	28,062,181	857,408	3.2%
20	Supplies	68,510,288	71,692,081	3,181,793	4.6%
21	Travel & Entertainment	1,015,318	876,964	(138,354)	-13.6%
22	Information & Communication	3,161,660	3,528,299	366,639	11.6%
23	Outside Purchased Services	29,173,563	28,642,735	(530,828)	-1.8%
24	UTMC Academic Support	-	2,400,000	2,400,000	
25	Services Rendered by University	6,458,843	5,219,219	(1,239,624)	-19.2%
26	Miscellaneous	3,644,367	4,859,547	1,215,180	33.3%
27	Interest Expense	4,708,678	4,601,832	(106,846)	-2.3%
28	Total Operating Expenses	249,770,895	258,440,620	8,669,725	3.5%
29	Operating Income	14,688,353	17,911,813	3,223,460	21.9%
30	Operating Margin	5.6%	6.5%	1.0%	18.5%
31	Depreciation	(15,242,831)	(15,924,690)	(681,859)	4.5%
32	Investment Income	8,073,498	1,500,000	(6,573,498)	-81.4%
33	Net Income	\$ 7,519,020	\$ 3,487,123	\$ (4,031,897)	-53.6%

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Explanations of Increases/Decreases – Clinical Enterprise

I/S Line

- 1-4 Total Inpatient Revenue** – The FY 2014 budget includes a 5% price increase. The FY 2014 budget is projecting a 4.3% growth in revenue based on overall growth in surgery of 6.3% and 2.0% growth in acute rehab.
- 5-7 Total Outpatient Revenue** – The FY 2014 budget includes a 5% price increase. The FY 2014 budget is projecting a 3.3% growth in revenue based on overall growth in surgery of 6.3%, 98% growth in Radiation Oncology, 5% growth in Cancer services, and 14% growth in pain services and endoscopy.
- 9-14 Total Deductions** – These line items are the amounts by which Total Patient Revenue (i.e., gross billings) is adjusted to amounts specified in payer contracts with third parties. Total Patient Revenue minus these Total Deductions equals Net Patient Revenue, which is the amount UTMC actually collects from third-party payers and self-pay patients. The budget increase in Contractuals is primarily a function of the 5% price increase. The budgeted increase in Charity Care/Provision for Doubtful Accounts is due to the 5% price increase and the continued trend of uninsured patients and potential impacts of the Affordable Care Act. These programs, however, are budgeted conservatively because their future is unknown as both the federal and state governments look to cut healthcare spending in the future. The contractuals also include a favorable \$1.7M for Meaningful Use and an unfavorable \$1.7M for sequestration.
- 16 Other Operating Revenue** – Other operating revenue is increasing \$2M due to offering hospitalized patients pharmaceutical services prior to leaving the hospital. The clinical enterprise will receive \$2.4M in other income from the 4% distribution to come from Designated Reserves. There is growth budgeted for UTP and many of the clinics, all of which, will add to the other revenue.
- 18 Salaries** – The FY 2014 salary budget includes staffing the additional 612 surgeries, and from transferring \$1.2M in salaries from UT Academic to UTMC.
- 20 Supplies** – The FY 2014 budget includes a 3% supply cost and volume increase which accounts for \$2M. Also included is the \$1.5M for the drugs related to expanded pharmaceutical services and the \$960 for the acquisition of 20 additional kidneys (Dayton program closed).
- 24 UTMC Academic Support** - The clinical enterprise will transfer \$2.4M to UT in the support of our academic mission. This will be allocated to support academic programs.
- 25 Services Rendered by University** – UT non-clinical is transferring 22 FTE's from IT and security to UTMC where the employees spend 100% of their time. UTMC will not be paying for those services in FY14 through the services rendered by the university.
- 26 Miscellaneous** – Other Operating Expenses includes a breakeven budget for the Captive, which is projecting \$3.5M in expenses for FY 2014.

- 32 **Investment Income** – FY 2014 budgeted amounts include highly conservative projected investment earnings on the University's long-term fund as these funds are estimates of income that will be earned on cash and investments – it does not include not used to support current operations and predicting one-year equity earnings is impossible to do for a one-year operating budget.

C/F Line #

- 1 **Budgeted Net Income** – See I/S Explanations.
- 3 **Principal Payments on Debt**– FY14 budgeted amount agrees to the principal payment schedule of the current debt obligations.
- 4 **Transfer to College of Medicine** – FY14 budgeted amount is agreed upon amount to be transferred to the College of Medicine.
- 5 **Capital Expenditures Funded by Operations** – The decrease in Capital Expenditures Funded by Operations is due to FY14 budgeted amount being equal to the remaining cash flow after considering C/F Lines 2-4, thereby providing for a positive Projected Cash Flow for the combined non-clinical and clinical budgets.

B/S Line #

- 1 **Cash and Investments** – The increase in Cash and Investments is attributable to the variance in the Projected Cash Flow which is explained above.
- 2 **Accounts Receivable, Net** – The decrease in Accounts Receivable, Net due to a change in the Hospital's Payor Mix in FY13, specifically an increase in Private Pay patients. This is then netted against an estimated increase in overall Accounts Receivable, Net correlating to the expected growth in Gross Revenues (See Explanations for I/S Lines 1-4 and 5-7).
- 3 **Other Current Assets** – The increase is attributable to increase in Inventories for approximately \$0.8M with remaining difference due to an increase in Prepaid Maintenance Contracts
- 4 **Capital Assets, Net** – The increase relates to capital projects carried forward from FY13, both Bond Issue and Funded by Operations, plus the additional budgeted \$3,700,000 at C/F Line 5. Depreciation expense budgeted FY14 at I/S Line 27 is then subtracted from these additions.
- 8 **Bonds Payable** – The decrease relates to principal payments on the bond.

The University of Toledo Clinical Enterprise - UTMC / UTMAC
Statement of Cash Flow
Comparison for FY13 Projection to FY14 Budget



Line #		FY 2013 <u>Projected</u>	FY 2014 <u>Budget</u>	Increase/ <u>(Decrease)</u>	% <u>Change</u>
1	Budgeted Net Income (see previous page)	\$ 7,519,020	\$ 3,487,123	\$ (4,031,897)	-53.6%
2	Add Back Non-Cash Expenses	15,242,831	15,924,690	681,859	4.5%
3	Principal Payments on Debt	(2,063,580)	(7,048,670)	(4,985,090)	241.6%
4	Transfer to College of Medicine	(10,000,000)	(11,614,899)	(1,614,899)	16.1%
5	Capital Expenditures Funded by Operations	(19,583,672)	(3,700,000)	15,883,672	-81.1%
6	Projected Cash Flow	<u>\$ (8,885,401)</u>	<u>\$ (2,951,756)</u>	<u>\$ 5,933,645</u>	<u>66.8%</u>

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The University of Toledo Clinical Enterprise UTMC / UTMAC
 Projected Balance Sheets
 For the Fiscal Year Ending June 30, 2014



Line #		FY 2013 <u>Projected</u>	FY 2014 <u>Budget</u>	Increase/ <u>(Decrease)</u>	% <u>Change</u>
Assets					
1	Cash and Investments	\$ 57,951,436	\$ 63,885,081	\$ 5,933,645	10.2%
2	Accounts Receivable, Net	48,868,055	50,480,701	1,612,646	3.3%
3	Other Current Assets	8,724,720	8,724,720	-	0.0%
4	Capital Assets, Net	146,186,519	133,961,829	(12,224,690)	-8.4%
5	Other Assets	33,839,502	33,839,502	-	0.0%
6	Total Assets	<u>\$ 295,570,232</u>	<u>\$ 290,891,833</u>	<u>\$ (4,678,399)</u>	<u>-1.6%</u>
Liabilities					
7	Current Liabilities	\$ 23,920,779	\$ 23,920,779	\$ -	0.0%
8	Bonds Payable	97,285,947	90,237,277	(7,048,670)	-7.2%
9	Other Long-Term Liabilities	9,295,768	8,695,768	(600,000)	-6.5%
10	Total Liabilities	<u>130,502,494</u>	<u>122,853,824</u>	<u>(7,648,670)</u>	<u>-5.9%</u>
11	Net Assets	165,067,738	168,038,009	2,970,271	1.8%
12	Total Liabilities and Net Assets	<u>\$ 295,570,232</u>	<u>\$ 290,891,833</u>	<u>\$ (4,678,399)</u>	<u>-1.6%</u>

FOR INTERNAL USE ONLY

FY2014 Operating Budget
Listing of Key Budget Assumptions

Listing of Key Budget Assumptions

Enrollments, State Share of Instruction (SSI), and Tuition/Fee Increases:

- SSI decreasing based on latest information from the state
- Elimination of State Capital appropriations for maintenance & repair
- Tuition and fee adjustments:
 - 0% increase in General fee
 - 0% increase in Undergraduate Tuition
 - 3.5% increase in Graduate Tuition
 - 3.5% increase for Law Tuition
 - 3.5% increase for MD Tuition
 - 3.5% increase for PharmD Tuition
 - 3.5% increase for DNP Tuition
 - 3.5% increase in MBA Tuition
 - 3.0% decrease in Undergraduate enrollment
 - 0% change in Graduate enrollment

Scholarships:

- Graduate fee waivers adjusted for tuition increases
- College of Law scholarships adjusted for contractual increase

Salaries and Benefits:

- Reduction of salary recapture to \$5M
- Adjustments for reorganizations

Other Expenses:

- Decrease in utilities due to energy saving measures
- Increase in UTMC academic support

FY 2014 Tuition Rates and Fees



2013-14 Tuition & Fees

All fees per semester unless otherwise noted

Undergraduate

In-State	2012-13			2013-14			Total % Increase
	Tuition	General Fee	Total	Tuition	General Fee	Total	
Full-time (12-16 credit hours)	\$ 3,931.92	\$ 595.20	\$ 4,527.12	\$ 3,931.92	\$ 595.20	\$ 4,527.12	0.00%
Per credit hour	\$ 327.66	\$ 49.60	\$ 377.26	\$ 327.66	\$ 49.60	\$ 377.26	0.00%
Per credit hour ≥ 17	\$ 310.96	-	\$ 310.96	\$ 310.96	-	\$ 310.96	0.00%
Out-of-State Surcharge							
Full-time (12-16 credit hours)	\$ 4,560.00	-	\$ 4,560.00	\$ 4,560.00	-	\$ 4,560.00	0.00%
Per credit hour	\$ 380.00	-	\$ 380.00	\$ 380.00	-	\$ 380.00	0.00%
Per credit hour ≥ 17	\$ 380.00	-	\$ 380.00	\$ 380.00	-	\$ 380.00	0.00%

Graduate

In-State	2012-13			2013-14			Total % Increase
	Tuition	General Fee	Total	Tuition	General Fee	Total	
Fall & Spring Full-time (12-15 credit hours)	\$ 6,297.48	\$ 595.20	\$ 6,892.68	\$ 6,517.80	\$ 595.20	\$ 7,113.00	3.20%
Per credit hour ≥ 16	\$ 524.79	-	\$ 524.79	\$ 543.15	-	\$ 543.15	3.50%
Summer Full-time (9-11 credit hours)	\$ 4,723.11	\$ 267.84	\$ 4,990.95	\$ 4,888.35	\$ 267.84	\$ 5,156.19	3.31%
Per credit hour ≥ 12	\$ 524.79	-	\$ 524.79	\$ 543.15	-	\$ 543.15	3.50%
Out-of-State Surcharge							
Fall & Spring Full-time (12-15 credit hours)	\$ 5,117.00	-	\$ 5,117.00	\$ 5,117.04	-	\$ 5,117.04	0.00%
Per credit hour ≥ 16	\$ 426.42	-	\$ 426.42	\$ 426.42	-	\$ 426.42	0.00%
Summer Full-time (9-11 credit hours)	\$ 3,837.78	-	\$ 3,837.78	\$ 3,837.78	-	\$ 3,837.78	0.00%
Per credit hour ≥ 12	\$ 426.42	-	\$ 426.42	\$ 426.42	-	\$ 426.42	0.00%
Fall & Spring General Fee per credit hour ≤ 12		\$ 49.60			\$ 49.60		
Summer General Fee per credit hour ≤ 9		\$ 29.76			\$ 29.76		

Law

In-State	2012-13			2013-14			Total % Increase
	Tuition	General Fee	Total	Tuition	General Fee	Total	
Full-time (12-16 credit hours)	\$ 9,941.40	\$ 595.20	\$ 10,536.60	\$ 10,289.40	\$ 595.20	\$ 10,884.60	3.30%
Per credit hour ≥ 16	\$ 828.45	-	\$ 828.45	\$ 857.45	-	\$ 857.45	3.50%
Out-of-State Surcharge							
Full-time (12-16 credit hours)	\$ 5,774.16	-	\$ 5,774.16	\$ 5,774.16	-	\$ 5,774.16	0.00%
Per credit hour ≥ 16	\$ 481.18	-	\$ 481.18	\$ 481.18	-	\$ 481.18	0.00%
Fall & Spring General Fee per credit hour ≤ 12		\$ 49.60			\$ 49.60		
Summer General Fee per credit hour ≤ 12		\$ 29.76			\$ 29.76		

MBA

In-State	2012-13			2013-14			Total % Increase
	Tuition	General Fee	Total	Tuition	General Fee	Total	
Full-time (12 credit hours)	\$ 6,048.00	\$ 595.20	\$ 6,643.20	\$ 6,259.68	\$ 595.20	\$ 6,854.88	3.19%
Per credit hour	\$ 504.00	\$ 49.60	\$ 553.60	\$ 521.64	\$ 49.60	\$ 571.24	3.19%
For each credit over 12	\$ 130.00	-	\$ 130.00	\$ 134.55	-	\$ 134.55	3.50%
Out-of-State Surcharge							
Full-time (12 credit hours)	\$ 4,944.00	-	\$ 4,944.00	\$ 4,944.00	-	\$ 4,944.00	0.00%
Per credit hour	\$ 412.00	-	\$ 412.00	\$ 412.00	-	\$ 412.00	0.00%
For each credit over 12	\$ 115.00	-	\$ 115.00	\$ 115.00	-	\$ 115.00	0.00%
Fall & Spring General Fee per credit hour ≤ 12		\$ 49.60			\$ 49.60		
Summer General Fee per credit hour ≤ 12		\$ 29.76			\$ 29.76		

M.D. Program

In-State	2012-13			2013-14			Total % Increase
	Tuition	General Fee	Total	Tuition	General Fee	Total	
Fall & Spring (min 15 credit hours)	\$ 14,754.34	\$ 694.95	\$ 15,449.29	\$ 15,270.74	\$ 694.95	\$ 15,965.69	3.34%
Summer (min 9 credit hours)	\$ 9,870.93	\$ 430.02	\$ 10,300.95	\$ 10,216.41	\$ 430.02	\$ 10,646.43	3.35%

Out-of-State Surcharge

Fall & Spring (min 15 credit hours)	\$ 15,102.00	-	\$ 15,102.00	\$ 15,102.00	-	\$ 15,102.00	0.00%
Summer (min 9 credit hours)	\$ 10,063.08	-	\$ 10,063.08	\$ 10,063.08	-	\$ 10,063.08	0.00%

Fall & Spring General Fee per credit hour ≤ 15
 Summer General Fee per credit hour ≤ 9

\$ 46.33
 \$ 47.78
 \$ 46.33
 \$ 47.78

Masters of Public Health (MPH)

Per the consortium agreement between UT and BGSU, UT's tuition for the Masters of Public Health degree may be assessed at the combined average of the graduate tuition of UT and BGSU. The same is true for the general fee. The increase below represents the combined average of the two schools' graduate tuition and general fees.

In-State	2012-13			2013-14			Total % Increase
	Tuition	General Fee	Total	Tuition	General Fee	Total	
Fall & Spring Full-time (12-15 credit hours)	\$ 5,779.68	\$ 639.12	\$ 6,418.80	\$ 5,878.80	\$ 595.20	\$ 6,474.00	0.86%
Per credit hour ≥ 16	\$ 481.64	\$ 53.26	\$ 534.90	\$ 489.90	\$ 49.60	\$ 539.50	0.86%

Summer Full-time (9-11 credit hours)	\$ 4,334.76	\$ 287.64	\$ 4,622.40	\$ 4,409.10	\$ 267.84	\$ 4,676.94	1.18%
Per credit hour ≥ 12	\$ 481.64	-	\$ 481.64	\$ 489.90	-	\$ 489.90	1.71%

Out-of-State Surcharge

Fall & Spring Full-time (12-15 credit hours)	\$ 4,385.64	-	\$ 4,385.64	\$ 4,385.64	-	\$ 4,385.64	0.00%
Per credit hour ≥ 16	\$ 365.47	-	\$ 365.47	\$ 365.47	-	\$ 365.47	0.00%

Summer Full-time (9-11 credit hours)	\$ 3,289.23	-	\$ 3,289.23	\$ 3,289.23	-	\$ 3,289.23	0.00%
Per credit hour ≥ 12	\$ 365.47	-	\$ 365.47	\$ 365.47	-	\$ 365.47	0.00%

Fall & Spring General Fee per credit hour ≤ 12
 Summer General Fee per credit hour ≤ 9

\$ 53.26
 \$ 31.96
 \$ 49.60
 \$ 29.76

Doctor of Nursing Practice (DNP)

In-State	2012-13			2013-14			Total % Increase
	Tuition	General Fee	Total	Tuition	General Fee	Total	
Fall & Spring Full-time (12-15 credit hours)	\$ 7,920.60	\$ 595.20	\$ 8,515.80	\$ 8,197.80	\$ 595.20	\$ 8,793.00	3.26%
Per credit hour ≥ 16	\$ 660.05	-	\$ 660.05	\$ 683.15	-	\$ 683.15	3.50%

Summer Full-time (9-11 credit hours)	\$ 5,940.45	\$ 267.84	\$ 6,208.29	\$ 6,148.35	\$ 267.84	\$ 6,416.19	3.35%
Per credit hour ≥ 12	\$ 660.05	-	\$ 660.05	\$ 683.15	-	\$ 683.15	3.50%

Out-of-State Surcharge

Fall & Spring Full-time (12-15 credit hours)	\$ 3,576.96	-	\$ 3,576.96	\$ 3,576.96	-	\$ 3,576.96	0.00%
Per credit hour ≥ 16	\$ 298.08	-	\$ 298.08	\$ 298.08	-	\$ 298.08	0.00%

Summer Full-time (9-11 credit hours)	\$ 2,682.72	-	\$ 2,682.72	\$ 2,682.72	-	\$ 2,682.72	0.00%
Per credit hour ≥ 12	\$ 298.08	-	\$ 298.08	\$ 298.08	-	\$ 298.08	0.00%

Fall & Spring General Fee per credit hour ≤ 12
 Summer General Fee per credit hour ≤ 9

\$ 49.60
 \$ 29.76
 \$ 49.60
 \$ 29.76

Medical Sciences

College of Medicine is requesting to change the Medical Sciences tuition structure from an annual tuition fee to a per credit hour fee. Charging a per credit hour fee will align the correct program cost to the actual instruction credit hours per semester. An increase of 3.5% is also requested.

In-State	2012-13			2013-14			Total % Increase
	Tuition annual fee	General Fee annual fee	Total	Tuition per credit hour	General Fee per credit hour	Total per credit hour	
In-State	\$ 23,021.47	\$ 1,246.00	\$ 24,267.47	\$ 595.68	-	\$ 595.68	3.50%
Out-of-State Surcharge	\$ 25,744.00	-	\$ 25,744.00	\$ 666.13	-	\$ 666.13	3.50%

*full-time tuition & fees for one-year program (40 credit hours)

*per credit hour fee

Fall & Spring General Fee per credit hour ≤ 12
 Summer General Fee per credit hour ≤ 9

\$ 49.60
 \$ 29.76
 \$ 49.60
 \$ 29.76

Pharm D

In-State	2012-13			2013-14			Total % Increase
	Tuition	General Fee	Total	Tuition	General Fee	Total	
Full-time	\$ 6,204.24	\$ 595.20	\$ 6,799.44	\$ 6,421.32	\$ 595.20	\$ 7,016.52	3.19%
Per credit hour	\$ 517.02	\$ 49.60	\$ 566.62	\$ 535.11	\$ 49.60	\$ 584.71	3.19%
For each credit over 12	\$ 141.01		\$ 141.01	\$ 145.95		\$ 145.95	3.50%

Out-of-State Surcharge

Full-time	\$ 5,117.04	-	\$ 5,117.04	\$ 5,117.04	-	\$ 5,117.04	0.00%
Per credit hour	\$ 426.42	-	\$ 426.42	\$ 426.42	-	\$ 426.42	0.00%
For each credit over 12	\$ 120.06	-	\$ 120.06	\$ 120.06	-	\$ 120.06	0.00%

In-State	2012-13			2013-14			Total % Increase
	Current tuition for 34 credit hours	2 semester General Fee	Total	Tuition for 34 credit hours	2 semester General Fee	Total	
Full-time P4/APPE students only <i>annual</i>	\$ 13,818.33	\$ 1,190.40	\$ 15,008.73	\$ 14,302.44	\$ 1,190.40	\$ 15,492.84	3.23%
Per credit hour (no max)	\$ 406.43	\$ 49.60	\$ 456.03	\$ 420.66	\$ 49.60	\$ 470.26	3.12%

Out-of-State Surcharge

Full-time P4/APPE students only <i>annual</i>	\$ 11,434.68	-	\$ 11,434.68	\$ 11,434.54	-	\$ 11,434.54	0.00%
Per credit hour (no max)	\$ 336.23	-	\$ 336.32	\$ 336.32	-	\$ 336.32	0.00%

Fall & Spring General Fee per credit hour ≤ 12

\$ 49.60

\$ 49.60

Technology Fees

There are no changes to technology fees at this time. Already approved technology fees will reflect new names due to organization changes.

Lab Fees - Adjusted

Subject	Current Fee	Adjusted Fee	FY14 Projected Volume (students)	FY14 Projected Revenue at Approved Fee	Explanation
HSHS					
Internship Prep Exam fee RCRT 4850	\$ 474.00	\$ -	0	\$ -	Currently students take exam one week after graduation. Eliminate exam fee from course and students will sign up and pay for exam at a later time.

Lab Fees - New

Subject	New Fee	FY14 Projected Volume (students)	FY14 Projected Revenue at Approved Fee	Explanation
Medicine				
MSBS Research Fee	\$ 1,000.00	50	\$ 50,000	Student research
Public Health Lab Fee PUBH5160	\$ 50.00	15	\$ 750	
Public Health Lab Fee PUBH5260	\$ 50.00	15	\$ 750	
Public Health Lab Fee PUBH5310	\$ 50.00	15	\$ 750	
Public Health Lab Fee PUBH5410	\$ 50.00	15	\$ 750	
Public Health Lab Fee PUBH5520	\$ 50.00	15	\$ 750	
Public Health Lab Fee PUBH5620	\$ 50.00	15	\$ 750	
Public Health Lab Fee PUBH51720	\$ 50.00	15	\$ 750	
Natural Sciences & Mathematics				
Clinical Chemistry MEDT 4040	\$ 93.50	16	\$ 1,496	Materials for new program, MedTech Lab, fee per student
Clinical Microbiology MEDT 4050	\$ 93.50	16	\$ 1,496	Materials for new program, MedTech Lab, fee per student
Clinical Immunohematology MEDT 4080	\$ 93.50	16	\$ 1,496	Materials for new program, MedTech Lab, fee per student
Nursing				
Advanced Health Assessment NURS7740	\$ 50.00	15	\$ 750	To pay for cost of consumable lab materials and equipment. New course
Clinical I NURS7210	\$ 50.00	15	\$ 750	To pay for lab and clinical site visits and travel cost. New course
Clinical II NURS7220	\$ 50.00	15	\$ 750	To pay for lab and clinical site visits and travel cost. New course
Pharmacy				
Pharmaceutical Chemistry Lab MBC3340	\$ 125.00	50	\$ 6,250	Cost of material for new course.

The following request for fee changes is for FY15. The request is coming forward now due to the timing of when the fees will be instituted.

Residence Life Housing Deposit

Residence Life is currently charging a \$200 deposit fee for students requesting housing for FY14 (AY 13/14). Students who decide not to attend the University between July 1, 2013 and the fall 2013 start-up forfeit their deposit. Residence Life is requesting to lower the deposit fee to \$100 starting October 1, 2013 when they will begin accepting deposits for residency for FY15. Students who decide not to attend the University after May 31, 2014 will lose their deposit. The change in this fee is in concert with the enrollment deposit fee listed below.

Enrollment Deposit	Current Fee	New Fee	FY15 Projected Volume (students)	FY15 Projected Revenue at Approved Fee	Explanation
Housing Deposit	\$ 200.00	\$ 100.00	135	\$ 13,500.00	Reduce the Housing deposit fee from \$200 to \$100 to coincide with the new Enrollment Deposit of \$100.

Enrollment Deposit

Undergraduate Admissions is requesting a new enrollment deposit fee effective for the fall, 2014 term for all direct-from-high-school students. This deposit is requested to achieve firmer enrollment commitments from this population of students which will allow for better enrollment planning. The deposit will be credited against the students' account balance when they enroll and is 100% refundable until May 1, 2014 if they decide not to come to the University.

Enrollment Deposit	Current Fee	New Fee	FY15 Projected Volume (students)	FY15 Projected Revenue at Approved Fee	Explanation
Enrollment Deposit	\$ -	\$ 100.00	50	\$ 5,000.00	The average freshman class is approximately 3,000 students; estimate is that 1-2% of these students will not attend UT and forfeit the deposit.