

<b>Initial Budget Assumptions - December 12, 2008</b>				
	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
<b>Revenue</b>				
Base Revenue	\$269,000,000	\$263,000,000	\$275,051,000	\$287,825,000
State Rescission	(\$6,000,000)			
Potential State Rescission		(\$5,000,000)		
Revenue Increase with a 6% Tuition Increase		\$12,051,000	\$12,774,000	\$13,540,000
Potential State Appropriation Increase				\$800,000
Enrollment Increase of 300 Students (2010 & 2012)		\$5,000,000		\$5,000,000
<b>Total Revenue</b>	<b>\$263,000,000</b>	<b>\$275,051,000</b>	<b>\$287,825,000</b>	<b>\$307,165,000</b>
<b>Expenditures</b>				
Base Expenditures	\$280,870,000	\$279,376,000	\$281,582,000	\$289,797,000
Salary Increases		\$6,174,000	\$6,400,000	\$6,700,000
Operating & Equipment Increase		\$794,000	\$800,000	\$800,000
Energy Cost Increase (27%) <sup>1</sup>		\$3,468,000	\$1,200,000	\$1,500,000
Increases in All Other		\$815,000	\$815,000	\$815,000
Existing Base Commitments <sup>2</sup>		\$5,000,000	\$2,000,000	
One-time Commitments		\$700,000		
Repayment of 2009 Treasury Operations Loan <sup>3</sup>		\$1,000,000	\$1,000,000	\$1,000,000
Increase in Debt Service <sup>4</sup>		\$5,000,000		\$1,200,000
Reduce Payments to Treasury Operations <sup>5</sup>		(\$5,000,000)		
Increase Deferred Maintenance Spending			\$2,000,000	\$2,000,000
Addition of PeopleSoft Reimplementation Funding to Base Budget (Contracts)		\$500,000		
Formula based decrease in College of Medicine funding	(\$792,000)	(\$660,000)		
Formula based decrease in Extension & Ag Related Services Funding	(\$702,000)	(\$585,000)		
<b>Total Expenditures</b>	<b>\$279,376,000</b>	<b>\$296,582,000</b>	<b>\$295,797,000</b>	<b>\$303,812,000</b>
Base Expenditure Cuts		(\$15,000,000)	(\$6,000,000)	
	\$279,376,000	\$281,582,000	\$289,797,000	\$303,812,000
<b>Budget Gap</b>	<b>(\$16,376,000)</b>	<b>(\$6,531,000)</b>	<b>(\$1,972,000)</b>	<b>\$3,353,000</b>
Turn Treasury Operations Loan into a Transfer		\$1,000,000	\$1,000,000	\$1,000,000
One-time Treasury Operations Transfer		\$5,827,000	\$5,268,000	
Reduction in One-time PeopleSoft Funding	\$1,000,000			
.75% Across the Board Rescission in Administrative unit base budgets	\$650,000			
.75% Across the Board Rescission in Academic unit base budgets	\$670,000			
Additional Reductions in Reappropriations and Gift reserves	\$1,300,000			
<b>Fund Balance (Approved FY 2009 Budget Assumes \$12.8 M Gap)</b>	<b>(\$12,756,000)</b>	<b>\$296,000</b>	<b>\$4,296,000</b>	<b>\$4,353,000</b>

<sup>1</sup> The use of 300,000 gallons of fuel oil purchased in 2007, which will not be available in 2010, is helping to hold down energy costs in 2009.

<sup>2</sup> New deans and faculty, start-up packages and permanent transitions.

<sup>3</sup> May not be necessary if Board adjusts policy.

<sup>4</sup> Debt service will increase, because of projects now under construction, but would be offset if the Board supports the proposed change in payments to treasury operations.

<sup>5</sup> Subject to Board approval.

If a recovery is desired for distribution thereafter, it will need to be above and beyond reductions necessary to balance the budget.