

UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE

STRATEGIC FINANCIAL PLAN

May 13, 2004

**Financial Feasibility Study:
Advancing the Vision
2004-2013**

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RATIONALE FOR THE VISION AND AN OUTLINE OF THE ASSUMPTIONS USED IN THE FINANCIAL ANALYSIS

Because the University of Vermont is situated in a small state unable to provide the level of annual financial support typical for a public university, it relies heavily on tuition, especially out-of-state undergraduate tuition, to support its programs and operations. This situation is compounded since UVM owns its land, buildings, and facilities and is responsible for the associated financial burden of maintenance, renovation, and construction.

Since it will never be an inexpensive public institution, UVM will remain in a highly competitive environment as both a *high-quality, affordable alternative to private institutions* and *as the public university with a "private feel."* We are placing an emphasis on academic quality and on an excellent co-curricular student experience to succeed in this market. Although UVM's academic reputation is strong and improving, some facilities, such as the residence halls and the student center, do not match those of our competitors. It is crucial we invest in the facilities necessary to attract and retain quality students and faculty. The combination of strong academic programs and excellent facilities will provide the foundation for enhanced enrollments, greater net tuition revenue, and increased state, federal, and private support.

The funds for facility investments need to be borrowed primarily from the financial markets and repaid by dedicated or general fund revenue sources. Some support is projected to be available from state and federal funds. The revenue sources to support financial borrowing are primarily student tuition and fees, gifts and endowment revenue, and reimbursement of expenditures related to our federally-funded research enterprise.

The investments in facilities and services not only are critical to supporting the growth of the University, they also add to the asset base of the institution. This increase in assets is reflected in new facilities and in the renovation and replacement of a portion of the current levels of deferred maintenance.

President Fogel and his administration have concluded that the current size of the institution cannot support the investment necessary for future success. He has proposed a vision in which UVM grows significantly in terms of undergraduate enrollments. Furthermore, an expansion of graduate student enrollments is also included within the growth scenario since this is also critical to strengthening the academic position and research enterprise of the University.

A feasibility study has been undertaken of the vision, essentially a ten-year financial analysis, built around a set of components constituting extrapolation of the status quo (baseline), proposed facility construction, enrollment, research growth, etc.

The Study and General Assumptions

The feasibility study essentially comprises comparing 1) a baseline scenario in which there is no substantial growth in enrollments and none of the new facility investments included in the growth model (it does incorporate a modest level of research growth on an inflation basis and borrowing for critical facility and system investments that are required for continued base operations), and 2) the growth scenario with its enrollment and research growth and associated capital projects. The baseline and growth scenarios are then combined to create the summary financial picture of the entire University.

To conduct such a study various general assumptions and predictions have to be made, including changes to tuition, compensation, inflation, interest rates, federal spending, and so on. The same assumptions, the financial context perhaps, are applied to both baseline and growth scenarios although they may have differential impacts. The particular elements of the forecast are well framed in the near term but obviously become more speculative as time goes on. Also, departures from a forecast can have a compounding effect over time.

The goal is to demonstrate the overall feasibility of the approach and/or to focus on specific areas where policy and management intervention is needed to respond to shifts in the internal and external environment that are different from the current forecast. The forecast will provide a programmatic and financial context within which to plan and implement appropriate changes, while keeping the core objectives of the University vision in mind. As such, the particulars of operating implementation may or will, of necessity, differ from the forecast as it has been defined initially. This makes this initiative less of a definitive report and more of an iterative process.

An overall strength of the forecast lies in linking it to the current operations and financial standing of the University, embodied in the FY 2003 year-end audited financial statements. From this base, the forecast is rolled forward over the ten-year period that is being examined.

Building the forecast from the financial statements of the University means that all funds from all sources (general funds, restricted funds, and income and expense activities) are included. The resulting work then encompasses all activities of the University, without the risk of overlooking the interactions across different funding sources.

Core Assumptions

There is a series of core assumptions that are used throughout the model. A summary of those assumptions follows.

The forecast is built using the format of the University's financial statements, with FY 2003 as the actual starting point. There are then ten years of forecast, FY 2004 through FY 2013. The forecast defines the growth in undergraduate and graduate enrollment and the research activities of the University. Both to stimulate and support the growth, there are a series of interdependent building projects that are required, including the Student Commons, new dormitories, refurbishing of existing dormitories, creation of new, expanded replacement space for the College of Agriculture and Life Sciences, and expansion of research activities through acquisition and expansion of the facilities serving the College of Medicine in Colchester and upgrading of other research space. Attached is a ten-year timeline that highlights the major activities that are defined in the plan. (Appendix 2)

These assumptions have been used through out the forecast and apply, as appropriate, within the various specific income and expense statements.

Income	Major Assumptions
State Appropriation	2% increase for FY 2004-2005; 3% thereafter
Tuition Increase	4.5% for FY 2004-2005, 4.0% thereafter
Financial Aid	30.5% of undergraduate tuition, increasing to 35% of tuition by FY 2009, held steady thereafter
Private Gifts	Maintained at current levels, growing moderately over the ten-year period
Residential Life	Housing costs increase by 5.5% in FY 2004, 5.25% in FY 2005 and 2006, and 4.5% thereafter

Expense	
Inflation	A rate of 2% for inflation is used whenever there is no specific other assumption
Staffing levels	A student/faculty ratio of 16:1 is maintained throughout the forecast reflecting both undergraduate and graduate growth
Salaries	Salary increases range from 3.0% to 5.7% throughout the forecast
Benefits	Benefit levels build from current levels (38%) by 0.5% per year over the ten-year period

Undergraduate Growth

The forecast of undergraduate growth results in an increase of nearly 2,000 students by 2013. (See attached chart, Appendix 3). The growth ties to national demographic projections for high school graduates. Within Vermont, given the size of the state, UVM's current success in already attracting a substantial share of eligible students, and the peak and then decline of the high school population, the in-state share of the growth is modest through 2011 and then declines slightly. Outside Vermont, the forecast defines the target communities where applicants have shown interest in the University, builds from the demographic profiles of high school graduates,

and assumes a modest increase in the appeal among those graduates. Throughout the projection, there is an assumption that retention rates for enrolled students improve above current levels (84%) to a steady state of 88% by 2009.

Graduate Growth

Graduate enrollment is forecast to increase by 60%. (See attached chart, Appendix 4). Graduate student growth is linked to an increased emphasis on PhD students, particularly those in programs that are part of and support the research goals of the University. Over the period of the projection, the mix of students shifts to a higher proportion of students in PhD programs.

Faculty and Staff Growth

Faculty growth is linked to student enrollment and expected research growth. (See attached chart, Appendix 4) Over the ten-year period, the forecast assumes that an additional 80 faculty will be required to sustain a student/faculty ratio of 16:1. Given that the University is currently operating at a ratio of just over 15:1, the addition of faculty in the forecast does not start until FY 2007 when enrollment growth requires more faculty to maintain the target ratio. Staff growth is linked to faculty growth on a ratio of one additional staff position for every two faculty positions. Further, there is also an addition of fifty faculty associated primarily with research growth.

Research Growth

During the ten-year period, sponsored activity, including research, will increase 58% to a total in FY 2013 of \$135M of direct revenues and \$39.5M of indirect revenues. (See attached chart, Attachment 5). Research growth flows from four sources: growth associated with inflation; growth in interdepartmental programs that can be accommodated within existing space and faculty; (both of these elements of growth are recorded in the Baseline model); growth in the College of Medicine (recorded in the Life Sciences model); research activity by the new faculty to support increased student enrollment (recorded in the Academic Growth model).

The high level analysis within the feasibility study projects that facilities and administration (F&A) recovery rates from sponsored activities, including sponsored research, will decrease moderately in the coming three years, but then also increase moderately over the remainder of the study period, recognizing the added investments in space and related costs for research. (This is a conservative assumption in light of recently concluded federal negotiations which have resulted in an increase in the F&A recovery, rather than the moderate decrease used in the forecast.)

Development Activity

Considerable attention has gone into translating the ongoing activities of the Development Office and the goals and progress in the current development campaign into the forecast of the levels of income that are reflected in the financial forecast. The income from these activities is reflected in three places in the financial statements: 1) Private Gifts, 2) Endowment Payout (which appear

in the revenue section of the statement), and 3) Gifts for Endowment Purposes (which appears at the bottom of the statements in the Capital, Endowment, and Other Revenue category). The actual revenues that can be recorded are tied to the nature of the gift (operating versus endowment) and the timing of the gift (confirmed pledges are recorded at the time of the pledge, bequests are only recorded at the time the bequest is realized). Thus the actual revenues recorded in the forecast reflect development activity that occurred in years past but that is being realized in the forecast period and only the campaign activity that meets the test of being recordable in the forecast period. A substantial part of the success of the Campaign (particularly bequests) occurs after 2013.

A major impact of the campaign is to add to the endowment, resulting in growth in the Endowment Payout. The forecast recognizes new gifts for endowment purposes, combined with current endowment. Together the endowment is forecast to grow at an average of 8% over the ten years, with 5% being available each year (in concert with current policy) for payout and use for operating purposes.

All of the development activity is recorded in the Baseline model, with the exception of capital gifts that are defined for specific growth projects.

Capital Projects

Over the ten years, the plan defines a total of \$475M in capital investments to support the vision, \$49M in projects already supported by the bonding from 2002 and \$426M requiring new sources of funding. Seven percent of this amount (\$31M) is projected to be secured from public and private sources together with a modest level of University reserves and the balance (\$395M) will be borrowed. Of this borrowing total, \$243M is in the baseline and \$152M is in the growth models. A schedule of the projects and the required costs is attached (Appendix 6). Major components include:

- Student Commons;
- Residential Life – new projects and facility upgrades;
- Life Sciences buildings, both on the main campus and in Colchester;
- Investment in the Enterprise Resource Planning System; and
- An ongoing capital required to cover deferred maintenance and other building renovations that have not yet been defined precisely.

Financing

Financing of the borrowing required to support these projects is defined through use of short-term commercial paper on a revolving basis and consolidation of debt into long-term borrowing through periodic bond issues. This method of financing changes the traditional means by which the University has secured needed capital. The benefit is that, through use of commercial paper (a particular financing method available to non-profit organizations and used regularly now by many major universities), immediate needs can be met just as the funds are required.

Periodically, as the short-term borrowing increases, it is appropriate to consolidate into long-term debt through issues of general obligation bonds. This method reduces the cost of the borrowing and avoids bonding for funds before it is clear that they can be spent as planned. Short-term borrowing commences in FY 2005 and is ongoing on a revolving basis. Over the ten years, there are three cycles of bond issues to support all the borrowing that is needed. Because the marketing of the bonds is structured to offer bond purchasers a premium, the face value of the three bond issues is only \$375M. The bond issues generate the total of \$395M required to cover defined project costs, through the generation of the premium and use of short-term income. This bonding structure also generates and supports all of the costs of issuing the bonds.

Other Factors

There are several elements of University operations in which no changes have been included in the models but where a positive impact on the University financial operations over this period could be anticipated. They include:

- Federal and state grant support (other than research related growth) is embedded in the baseline and is forecast to grow with inflation. Improvement in this area of support represents an important opportunity for new revenues.
- There has been a significant acceleration in patent and technology transfer activity in recent years (disclosures, patents, licenses etc.). None of the expected growth in this area linked to institutional revenue for the research enterprise is reflected in the forecast. This can impact both research activity and the related support of graduate students.
- Continuing education is also forecast to stay at its current level of impact as reflected in the baseline. There is ongoing work to improve and enhance the impact of this area of service within the University.
- There is no reflection in the forecast of programs to increase summer enrollment.
- Implementation of the Enterprise Resource Planning system is the major activity in the forecast representing defined efforts to effect cost reductions across the operations of the institution. It will be critical during this period to define and implement additional, significant programs that have the opportunity to restructure operations in a positive way while reducing costs. The availability of improved data through the use of the ERP system will facilitate this effort.
- Over this time period there is the possibility of a major sports and events arena being developed in which University Athletics teams would be a major tenant. This might significantly raise visibility, revenue, and funding possibilities for the University.

University Summary

Context and Major Assumptions:

The University Summary combines all of the other Income and Expense statements to represent the total forecast of the University's financial picture for the period from FY 2004 through FY 2013.

As with all of the Income and Expense statements, the format for the presentation uses the financial statement of the University as it has been cast within the GASB (Governmental Accounting Standards Board) format for the past two years. FY 2003 is the actual information reflected in the University's audited financial statements for that year. Effectively the University Summary represents a forecast of the University's complete Income and Expense statement over the ten year period.

University of Vermont
P&L: UNIVERSITY SUMMARY

FY	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues											
State appropriation	\$36,383	\$37,110	\$37,851	\$38,983	\$40,149	\$41,351	\$42,588	\$43,862	\$45,175	\$46,526	\$47,919
Tuition	\$149,559	\$162,533	\$173,630	\$186,149	\$200,831	\$217,824	\$235,214	\$252,145	\$267,784	\$280,291	\$291,280
Fees	\$3,139	\$4,050	\$5,521	\$7,274	\$8,295	\$9,384	\$10,026	\$10,620	\$11,137	\$11,502	\$11,756
Less scholarship allowances	(\$26,392)	(\$27,697)	(\$30,365)	(\$32,709)	(\$34,660)	(\$38,756)	(\$43,787)	(\$47,796)	(\$50,887)	(\$53,391)	(\$55,663)
Grants and contracts - Direct	\$105,455	\$107,472	\$110,597	\$116,931	\$124,134	\$131,838	\$136,767	\$143,480	\$149,689	\$154,236	\$158,593
Grants and contracts - Indirect	\$22,782	\$23,390	\$24,087	\$25,860	\$27,991	\$30,726	\$32,443	\$34,785	\$36,793	\$38,206	\$39,588
Private gifts	\$18,020	\$17,323	\$13,963	\$16,653	\$17,542	\$18,483	\$19,314	\$20,013	\$20,739	\$21,495	\$22,280
Sales & services of educ activities	\$5,883	\$6,000	\$6,120	\$6,243	\$6,367	\$6,495	\$6,625	\$6,757	\$6,892	\$7,030	\$7,171
Residential Life	\$25,054	\$27,177	\$29,227	\$34,683	\$38,776	\$41,128	\$41,922	\$44,873	\$47,472	\$49,550	\$51,730
Res life scholarship allowances	(\$4,330)	(\$4,544)	(\$4,982)	(\$5,367)	(\$5,687)	(\$6,359)	(\$7,184)	(\$7,842)	(\$8,349)	(\$8,760)	(\$9,133)
Other auxiliary enterprises	\$21,647	\$22,295	\$23,067	\$24,021	\$24,950	\$26,441	\$27,386	\$28,095	\$28,804	\$29,428	\$30,005
Net investment income:											
Short term investment income	\$6,303	\$5,799	\$5,799	\$5,799	\$5,799	\$5,915	\$6,033	\$6,154	\$6,277	\$6,403	\$6,531
Endowment payout	\$8,542	\$9,626	\$9,440	\$9,523	\$9,895	\$10,622	\$11,399	\$12,276	\$13,264	\$14,384	\$15,613
Other operating revenues	\$7,110	\$7,256	\$7,778	\$7,560	\$7,718	\$7,883	\$8,049	\$8,218	\$8,387	\$8,555	\$8,724
Total revenues	\$379,157	\$397,791	\$411,732	\$441,603	\$472,100	\$502,974	\$526,795	\$555,641	\$583,177	\$605,455	\$626,393
Expenses											
Salaries	\$159,974	\$163,884	\$172,469	\$182,651	\$193,547	\$206,713	\$219,812	\$234,003	\$248,862	\$263,157	\$278,082
Benefits	\$62,803	\$69,942	\$74,046	\$80,928	\$87,750	\$95,960	\$104,301	\$112,906	\$121,311	\$129,420	\$137,634
Graduate Assistants	\$6,630	\$6,733	\$8,473	\$9,751	\$11,799	\$14,143	\$15,642	\$16,717	\$17,053	\$17,867	\$18,719
Supplies & Services	\$117,917	\$119,603	\$118,378	\$122,250	\$122,495	\$122,373	\$120,581	\$118,398	\$114,697	\$109,809	\$103,241
Scholarships and fellowships	\$11,563	\$13,078	\$14,511	\$15,485	\$16,202	\$18,216	\$21,664	\$24,419	\$27,072	\$28,179	\$28,891
Depreciation	\$11,458	\$11,458	\$11,947	\$14,261	\$18,777	\$21,358	\$22,493	\$23,654	\$24,762	\$25,364	\$25,468
Interest on indebtedness	\$7,753	\$8,473	\$9,896	\$12,021	\$14,509	\$18,146	\$19,664	\$21,058	\$23,390	\$24,247	\$24,736
Net other non-operating expense	\$1,406	\$1,570	\$833	\$967	\$1,064	\$935	\$657	\$553	\$591	\$647	\$718
Total expenses	\$379,505	\$394,742	\$410,553	\$438,315	\$466,143	\$497,844	\$524,814	\$551,708	\$577,738	\$598,690	\$617,489
Net revenue over expenses	(\$349)	\$3,049	\$1,179	\$3,288	\$5,957	\$5,131	\$1,982	\$3,933	\$5,439	\$6,765	\$8,904
Capital, endowment, and other revenues											
Interest received on student loan notes	\$1,035	\$1,035	\$1,035	\$1,035	\$1,035	\$1,035	\$1,035	\$1,035	\$1,035	\$1,035	\$1,035
State capital appropriations	\$7,279	\$1,000	\$4,000	\$2,688	\$1,000	\$3,000	\$1,000	\$3,000	\$1,000	\$3,000	\$1,000
Capital gifts and grants	\$1,420	\$2,995	\$2,775	\$6,931	\$6,739	\$3,647	\$3,754	\$3,862	\$2,670	\$2,678	\$2,686
Gifts for endowment purposes	\$2,776	\$6,274	\$5,512	\$6,601	\$7,781	\$8,851	\$10,081	\$13,517	\$12,393	\$12,088	\$12,659
Investment income net of endowment payout	(\$602)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total other revenues	\$11,908	\$11,304	\$13,322	\$17,255	\$16,555	\$16,532	\$15,870	\$21,413	\$17,097	\$18,800	\$17,380
Increase in net assets	\$11,560	\$14,353	\$14,501	\$20,543	\$22,512	\$21,663	\$17,852	\$25,347	\$22,537	\$25,565	\$26,284

University Baseline

Context and Major Assumptions:

The Baseline summarizes a forecast of the University's current level of operations using the core assumptions about the major elements of income (state appropriation, tuition increases, etc.) and expense (compensation, benefits, operating expense etc.). Student populations, faculty, and staffing levels are kept constant using FY 2003 levels. Changes in these populations are defined specifically in the various components of the growth models.

The Baseline also includes the following:

- principle growth and impact of Development activities (with the exception of specific efforts targeted to the Commons and Life Sciences buildings)
- addition of the costs and benefits associated with initiation of the Enterprise Resource Planning project to update financial and human resource systems for the University (\$26M)
- cross departmental research program growth by current faculty within current space
- \$90M in capital expenditures to support ongoing facility renovation and deferred maintenance
- ongoing operations of the residence halls and capital costs associated with completing existing projects and maintaining existing residence halls, representing \$127M of capital investment

Effectively this means that the Baseline is a forecast of the implications of extending operations into the future, without the benefit of the impact associated with the planned growth.

University of Vermont												
P&L: UNIVERISTY BASELINE												
in thousands												
FY	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	
Revenues												
State appropriation	36,383	37,110	37,851	38,983	40,149	41,351	42,588	43,862	45,175	46,526	47,919	
Tuition	149,559	156,491	163,533	170,075	176,878	183,953	191,311	198,963	206,922	215,199	223,807	
Fees	2,930	2,988	3,048	3,109	3,171	3,235	3,299	3,365	3,433	3,501	3,571	
Less scholarship allowances	(26,392)	(26,927)	(28,949)	(30,355)	(31,194)	(33,652)	(36,748)	(39,017)	(40,700)	(42,458)	(44,294)	
Grants and contracts - Direct	105,455	107,472	110,087	115,036	119,194	123,561	126,554	129,621	132,766	135,989	139,293	
Grants and contracts - Indirect	22,782	23,390	23,901	25,172	26,208	27,729	28,762	29,830	30,808	31,818	32,859	
Private gifts	18,020	17,323	13,963	16,653	17,542	18,483	19,314	20,013	20,739	21,495	22,280	
Sales and services of educational activities	5,883	6,000	6,120	6,243	6,367	6,495	6,625	6,757	6,892	7,030	7,171	
Residential Life	25,054	27,177	29,227	30,755	33,071	35,178	35,722	38,413	40,740	42,531	44,416	
Res life scholarship allowances	(4,330)	(4,418)	(4,750)	(4,980)	(5,118)	(5,521)	(6,029)	(6,402)	(6,678)	(6,966)	(7,267)	
Other auxiliary enterprises	21,647	20,789	21,225	21,677	22,110	22,552	23,003	23,463	23,933	24,411	24,900	
Net investment income:												
Short term investment income	6,303	5,799	5,799	5,799	5,799	5,915	6,033	6,154	6,277	6,403	6,531	
Endowment payout	8,542	9,626	9,440	9,523	9,895	10,622	11,399	12,276	13,264	14,384	15,613	
Other operating revenues	7,110	7,248	7,393	7,541	7,692	7,846	8,003	8,163	8,326	8,493	8,662	
Total revenues	\$378,947	\$390,069	\$397,888	\$415,230	\$431,765	\$447,744	\$459,836	\$475,463	\$491,897	\$508,355	\$525,459	
Expenses												
Salaries	\$159,974	\$163,121	\$170,649	\$178,776	\$186,582	\$194,550	\$204,099	\$214,645	\$226,235	\$239,013	\$252,946	
Benefits	\$62,803	\$69,129	\$72,305	\$77,539	\$81,891	\$86,406	\$91,660	\$97,526	\$103,790	\$110,697	\$118,222	
Graduate Assistants	\$6,630	\$6,733	\$7,892	\$8,312	\$8,715	\$9,150	\$9,576	\$10,054	\$10,585	\$11,172	\$11,822	
Supplies & Services	\$117,717	\$116,534	\$115,502	\$117,112	\$115,190	\$112,704	\$109,503	\$106,322	\$101,932	\$96,609	\$90,073	
Scholarships and fellowships	\$11,563	\$11,798	\$12,684	\$13,300	\$13,667	\$14,744	\$16,100	\$17,095	\$17,832	\$18,602	\$19,407	
Depreciation	\$11,458	\$11,458	\$11,458	\$11,826	\$15,739	\$16,497	\$16,912	\$17,720	\$18,777	\$19,380	\$19,484	
Interest on indebtedness	\$7,753	\$8,073	\$7,628	\$7,052	\$8,268	\$9,977	\$10,937	\$11,724	\$14,077	\$14,978	\$15,300	
Net other non-operating expense	\$1,406	\$1,570	\$833	\$967	\$1,064	\$935	\$657	\$553	\$591	\$647	\$718	
Total expenses	\$379,305	\$388,415	\$398,949	\$414,883	\$431,115	\$444,964	\$459,445	\$475,637	\$493,820	\$511,098	\$527,970	
Net revenue over expenses	(\$358)	\$1,654	(\$1,060)	\$347	\$649	\$2,781	\$391	(\$174)	(\$1,923)	(\$2,743)	(\$2,511)	
Capital, endowment, and other revenues												
Interest received on student loan notes	\$1,035	\$1,035	\$1,035	\$1,035	\$1,035	\$1,035	\$1,035	\$1,035	\$1,035	\$1,035	\$1,035	
State capital appropriations	\$7,279	\$0	\$0	\$0	\$1,000	\$3,000	\$1,000	\$3,000	\$1,000	\$3,000	\$1,000	
Capital gifts and grants	\$1,420	\$1,995	\$1,865	\$1,821	\$1,829	\$1,837	\$1,844	\$1,852	\$1,860	\$1,868	\$1,876	
Gifts for endowment purposes	\$2,776	\$6,274	\$5,512	\$6,601	\$7,781	\$8,851	\$10,081	\$13,517	\$12,393	\$12,088	\$12,659	
Investment income net of endowment payout	(\$602)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total other revenues	\$11,908	\$9,304	\$8,412	\$9,458	\$11,645	\$14,722	\$13,960	\$19,403	\$16,287	\$17,990	\$16,570	
Increase in net assets	\$11,550	\$10,958	\$7,352	\$9,805	\$12,294	\$17,503	\$14,351	\$19,229	\$14,364	\$15,247	\$14,059	

Academic Growth

Context and Major Assumptions:

The Academic Growth model captures student growth at both the graduate and undergraduate levels.

- The vision includes a 27% growth in undergraduate enrollment (1,990 students) and 60% growth in graduate enrollment (711 students) over 10 years.
- Vermont undergraduate enrollments increase by 220 students while out of state students increase by 1770. This is a reflection essentially of the Vermont high school demographics which do not show substantial growth in graduates over this period.
- Graduate enrollment growth is aligned with research growth, university strategic initiatives, and faculty recruitments. The feasibility study recognizes a substantial commitment of general funds to support graduate education. While an important portion of graduate growth (tuition offset and stipends) can be funded through sponsored support, the model recognizes current practices which limits the level of activity that can be covered through grants. Refinement in this area offers an opportunity to improve the net cost to University resources required to achieve the growth in graduate programs outlined in the current plan.
- Faculty growth during this period will increase by 80 associated with enrollment growth.
- The faculty growth model incorporates financial allowances for office and research space, start up costs and some senior hires.
- Related departmental and central support staff will increase by 40, but will be offset by an organization wide savings of a similar amount, based on the ERP implementation.
- This enrollment increase will entail significant investments and activities to develop new markets and in strengthening existing markets. Resources are included to support this “enrollment planning.”

University of Vermont												
P&L: ACADEMIC GROWTH												
in thousands												
FY	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	
Revenues												
State appropriation												
Tuition		\$6,042	\$10,096	\$16,074	\$23,953	\$33,871	\$43,903	\$53,181	\$60,862	\$65,092	\$67,473	
Fees		\$188	\$293	\$437	\$615	\$836	\$1,050	\$1,228	\$1,357	\$1,403	\$1,375	
Less scholarship allowances		(\$769)	(\$1,415)	(\$2,354)	(\$3,466)	(\$5,103)	(\$7,039)	(\$8,779)	(\$10,186)	(\$10,933)	(\$11,369)	
Grants and contracts - Direct		\$0	\$0	\$0	\$0	\$130	\$479	\$1,165	\$1,985	\$2,696	\$3,225	
Grants and contracts - Indirect		\$0	\$0	\$0	\$0	\$23	\$87	\$214	\$367	\$501	\$602	
Private gifts		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Sales and services of educational activities		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Residential Life		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Res life scholarship allowances		(\$126)	(\$232)	(\$386)	(\$569)	(\$837)	(\$1,155)	(\$1,440)	(\$1,671)	(\$1,794)	(\$1,865)	
Other auxiliary enterprises		\$104	\$172	\$267	\$387	\$532	\$683	\$820	\$936	\$991	\$973	
Net investment income:		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Short term investment income		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Endowment payout (4.5% to 5%)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Other operating revenues		\$8	\$12	\$19	\$26	\$37	\$46	\$55	\$61	\$62	\$62	
Total revenues		\$0	\$5,447	\$8,926	\$14,057	\$20,947	\$29,489	\$38,055	\$46,445	\$53,710	\$58,019	\$60,474
Expenses												
Salaries		\$0	\$116	\$202	\$1,355	\$3,329	\$5,275	\$7,204	\$8,914	\$9,762	\$10,343	
Benefits		\$524	\$1,086	\$1,938	\$3,599	\$6,185	\$8,621	\$10,642	\$12,128	\$13,041	\$13,549	
Graduate Assistants		\$0	\$530	\$1,219	\$2,559	\$4,083	\$4,995	\$5,295	\$4,872	\$5,037	\$5,185	
Supplies & Services		\$600	\$652	\$695	\$940	\$1,356	\$1,777	\$2,103	\$2,314	\$2,362	\$2,359	
Scholarships and fellowships		\$1,281	\$1,827	\$2,186	\$2,534	\$3,472	\$5,563	\$7,324	\$9,240	\$9,576	\$9,484	
Depreciation		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Interest on indebtedness		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Net other non-operating expense		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total expenses		\$0	\$2,405	\$4,211	\$6,239	\$10,989	\$18,425	\$26,231	\$32,567	\$37,468	\$39,777	\$40,920
Net revenue over expenses		\$0	\$3,042	\$4,715	\$7,818	\$9,958	\$11,064	\$11,824	\$13,878	\$16,242	\$18,242	\$19,554
Capital, endowment, and other revenues												
Interest received on student loan notes												
State capital appropriations												
Capital gifts and grants												
Gifts for endowment purposes												
Investment income net of endowment payout												
Total other revenues		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Increase in net assets		\$0	\$3,042	\$4,715	\$7,818	\$9,958	\$11,064	\$11,824	\$13,878	\$16,242	\$18,242	\$19,554

Residential Life Growth

Context and Major Assumptions:

The Residential Life Growth model defines the costs and revenues associated with the construction and operation of the Catamount Apartments and the University Heights dormitory complex. Both of these projects have received considerable review, both have been approved by Trustees, and both are under active implementation. As defined in the model, the Catamount Apartments are scheduled for operation in the fall of 2005. Catamount Apartments will add 330 student beds. (Given the current storm water permit problem, meeting this operation date is questionable.) University Heights will add a total of 880 new student beds. The permit process is almost complete and construction is scheduled to begin immediately after Commencement. The first phase of the complex (440 beds) is scheduled for occupancy in the fall of 2005 and the second phase (440 beds) for the spring of 2006.

The model defines revenue within the framework of the overall projection of room and board increases. Operating expenses are based on current experience and operations trended forward. A total of \$66M is required, \$49M of which is already available through the 2002 bond issue. The costs of financing are defined within the context of the overall assumptions about short term financing and long term borrowing.

University of Vermont												
P&L: RESIDENTIAL LIFE GROWTH												
in thousands												
	FY	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues												
State appropriation		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Tuition		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fees		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less scholarship allowances		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grants and contracts - Direct		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grants and contracts - Indirect		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Private gifts		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales and services of educational activities		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Residential Life		\$0	\$0	\$0	\$3,927	\$5,705	\$5,950	\$6,200	\$6,460	\$6,732	\$7,019	\$7,314
Res life scholarship allowances		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other auxiliary enterprises		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net investment income:		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Short term investment income		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Endowment payout (4.5% to 5%)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other operating revenues		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total revenues		\$0	\$0	\$0	\$3,927	\$5,705	\$5,950	\$6,200	\$6,460	\$6,732	\$7,019	\$7,314
Expenses												
Salaries		\$0	\$0	\$0	\$405	\$533	\$567	\$598	\$622	\$647	\$673	\$700
Benefits		\$0	\$0	\$0	\$158	\$210	\$227	\$242	\$255	\$268	\$282	\$297
Graduate Assistants		\$0	\$0	\$0	\$31	\$31	\$32	\$32	\$33	\$34	\$34	\$35
Supplies & Services		\$0	\$0	\$0	\$1,072	\$1,451	\$1,493	\$1,537	\$1,582	\$1,629	\$1,677	\$1,727
Scholarships and fellowships		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation		\$0	\$0	\$0	\$1,650	\$1,650	\$1,650	\$1,650	\$1,650	\$1,650	\$1,650	\$1,650
Interest on indebtedness		\$0	\$400	\$1,751	\$3,237	\$3,434	\$3,405	\$3,372	\$3,337	\$3,295	\$3,245	\$3,193
Net other non-operating expense		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total expenses		\$0	\$400	\$1,751	\$6,553	\$7,309	\$7,374	\$7,432	\$7,479	\$7,523	\$7,562	\$7,602
Net revenue over expenses		\$0	(\$400)	(\$1,751)	(\$2,626)	(\$1,604)	(\$1,424)	(\$1,233)	(\$1,019)	(\$791)	(\$543)	(\$288)
Capital, endowment, and other revenues												
Interest received on student loan notes		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
State capital appropriations		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital gifts and grants		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gifts for endowment purposes		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Investment income net of endowment payout		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total other revenues		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Increase in net assets		\$0	(\$400)	(\$1,751)	(\$2,626)	(\$1,604)	(\$1,424)	(\$1,233)	(\$1,019)	(\$791)	(\$543)	(\$288)

Student Commons

Context and Major Assumptions:

The University Commons model is a direct extension of the detailed work that has been undertaken over the past two years. The scope of the Commons model defines a facility of 179,000 square feet and encompasses student and public meeting space, the University bookstore and related retail space, large meeting room, and a theatre complex. Recent changes in planning have eliminated any underground parking as too costly.

The size, cost, and operating assumptions have evolved from the original financial feasibility analysis done by Brailsford and Dunleavey as part of the original planning. A total of \$70M is projected, with \$10M coming from student fees and reserves, \$5M from private giving, and the balance from borrowing. The overall plan shows that student fees and income from use of the facilities will generate sufficient revenue to sustain the operation of the Commons.

University of Vermont

P&L: STUDENT COMMONS

in thousands

	FY	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues												
State appropriation		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Tuition		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fees		\$210	\$874	\$2,180	\$3,728	\$4,509	\$5,313	\$5,677	\$6,027	\$6,347	\$6,598	\$6,810
Less scholarship allowances		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grants and contracts - Direct		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grants and contracts - Indirect		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Private gifts		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales and services of educational activities		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Residential Life		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Res life scholarship allowances		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other auxiliary enterprises		\$0	\$0	\$0	\$0	\$0	\$607	\$631	\$656	\$683	\$710	\$738
Net investment income:		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Short term investment income		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Endowment payout (4.5% to 5%)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other operating revenues		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total revenues		\$210	\$874	\$2,180	\$3,728	\$4,509	\$5,920	\$6,308	\$6,684	\$7,030	\$7,307	\$7,549
Expenses												
Salaries		\$0	\$52	\$60	\$170	\$185	\$1,379	\$1,434	\$1,492	\$1,552	\$1,614	\$1,679
Benefits		\$0	\$20	\$23	\$66	\$73	\$335	\$353	\$371	\$391	\$411	\$433
Graduate Assistants		\$0	\$0	\$0	\$0	\$0	\$64	\$65	\$66	\$68	\$69	\$70
Supplies & Services		\$200	\$578	\$567	\$414	\$392	\$1,194	\$1,242	\$1,292	\$1,344	\$1,398	\$1,454
Scholarships and fellowships		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation		\$0	\$0	\$0	\$0	\$0	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750
Interest on indebtedness		\$0	\$0	\$143	\$1,078	\$1,722	\$2,187	\$2,418	\$2,401	\$2,376	\$2,341	\$2,300
Net other non-operating expense		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total expenses		\$200	\$650	\$793	\$1,728	\$2,372	\$6,909	\$7,262	\$7,372	\$7,479	\$7,583	\$7,686
Net revenue over expenses		\$10	\$224	\$1,387	\$2,000	\$2,137	(\$989)	(\$954)	(\$688)	(\$450)	(\$276)	(\$137)
Capital, endowment, and other revenues												
Interest received on student loan notes		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
State capital appropriations		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital gifts and grants		\$0	\$1,000	\$910	\$1,110	\$1,810	\$1,610	\$1,610	\$1,610	\$310	\$310	\$310
Gifts for endowment purposes		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Investment income net of endowment payout		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total other revenues		\$0	\$1,000	\$910	\$1,110	\$1,810	\$1,610	\$1,610	\$1,610	\$310	\$310	\$310
Increase in net assets		\$10	\$1,224	\$2,297	\$3,110	\$3,947	\$621	\$656	\$922	(\$140)	\$34	\$173

Parking

Context and Major Assumptions:

The organization and financing of parking services assumes a continuation and growth of the existing model of on site parking. The model assumes a total of \$22.5M of capital investment. To finance this investment and to support the ongoing operation of parking services, parking fees for all users (students, faculty, and staff) are projected to increase three-fold over the coming years. Work is underway to assess significant alternatives to the current approach, with the goal of defining effective transportation for the campus, while managing total required costs.

University of Vermont												
P&L: PARKING												
in thousands												
FY	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	
Revenues												
State appropriation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Tuition	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less scholarship allowances	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grants and contracts - Direct	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grants and contracts - Indirect	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Private gifts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales and services of educational activities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Residential Life	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Res life scholarship allowances	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other auxiliary enterprises	\$0	\$1,402	\$1,670	\$2,077	\$2,453	\$2,751	\$3,068	\$3,156	\$3,253	\$3,316	\$3,395	
Net investment income:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Short term investment income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Endowment payout (4.5% to 5%)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Other operating revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total revenues	\$0	\$1,402	\$1,670	\$2,077	\$2,453	\$2,751	\$3,068	\$3,156	\$3,253	\$3,316	\$3,395	
Expenses												
Salaries	\$0	\$545	\$552	\$605	\$708	\$723	\$737	\$752	\$767	\$782	\$798	
Benefits	\$0	\$207	\$210	\$236	\$280	\$289	\$298	\$308	\$318	\$328	\$339	
Graduate Assistants	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Supplies & Services	\$0	\$486	\$512	\$578	\$661	\$671	\$681	\$690	\$700	\$710	\$721	
Scholarships and fellowships	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Depreciation	\$0	\$0	\$156	\$313	\$500	\$563	\$563	\$563	\$563	\$563	\$563	
Interest on indebtedness	\$0	\$0	\$188	\$536	\$868	\$979	\$1,045	\$1,038	\$1,027	\$1,016	\$999	
Net other non-operating expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total expenses	\$0	\$1,238	\$1,617	\$2,267	\$3,017	\$3,224	\$3,324	\$3,351	\$3,375	\$3,400	\$3,418	
Net revenue over expenses	\$0	\$164	\$53	(\$190)	(\$564)	(\$473)	(\$255)	(\$195)	(\$122)	(\$84)	(\$24)	
Capital, endowment, and other revenues												
Interest received on student loan notes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
State capital appropriations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Capital gifts and grants	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Gifts for endowment purposes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Investment income net of endowment payout	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total other revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Increase in net assets	\$0	\$164	\$53	(\$190)	(\$564)	(\$473)	(\$255)	(\$195)	(\$122)	(\$84)	(\$24)	

Life Sciences

Context and Major Assumptions:

During the review period needed to refine the overall financial feasibility plan, the model for the growth needed for Life Sciences has evolved to the current picture. Early thinking defined a large (300,000 square foot) complex to be built on the main campus that would house replacement and expansion capacity for the current outmoded facilities supporting the College of Agriculture and Life Sciences, together with growth capacity for the research activities of the College of Medicine. Further, there has been active discussion with the State Department of Health to locate a replacement facility for the State Forensic Laboratory as a part of the complex (accounting for approximately 80,000 sq. ft.). Throughout the discussions and forecast, the costs of the state portion of the project have been excluded from the University's financial projections as those costs would be borne totally by the State.

In assessing the evolution of the overall feasibility plan, there were two areas of concern that developed with the original vision of this complex:

1. The overall cost in relation to the level of recoveries that can be expected from F&A support, and
2. The impact of a facility this large on parking. The footprint of the building would reduce some existing surface parking, and the aggregation of people working in the building would combine to require construction of a parking garage.

With these concerns in mind, the current model was developed and is reflected in the Life Sciences financial forecast.

The Life Sciences growth is broken into two pieces:

1. The CALS facility replacement and upgrade requirements are met with a 90,000 sq. ft. facility on the main campus. Reducing the size of the complex on the main campus eliminates the need for the third parking garage that was included in the earlier plans. The combination of a smaller building and the avoidance of the third parking structure saved about \$20M in required capital.
2. The College of Medicine research growth needs will be met through acquisition and expansion of the current research space in Colchester. The model as presented assumes exercising the purchase option that the University has had for some time for the building that houses the Colchester research activity. The University leases 37,500 of the total of 72,500 sq. ft. in the building. Further, the University would purchase an adjoining property to allow for appropriate expansion of the existing building. (The University already has negotiated an option to buy the added property in conjunction with purchase of the building.)

The research growth plan for current and projected College of Medicine research defines a need for a total of 135,000 sq. ft., including the existing Colchester rented space. Accordingly, the model defines a stepped plan to buy the building and add to it in phases over a seven-year period to meet the growth need. As in earlier modeling, the space and cost requirements for the State of Vermont are completely excluded.

The growth plan assumes the addition of 50 faculty to achieve the research activity. As appropriate, startup costs, salary support, space requirements, and productivity expectations are defined for each level of faculty and phased in over time. Where possible, these assumptions have been extrapolated against current experience.

University of Vermont											
P&L: LIFE SCIENCES											
in thousands											
FY	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues											
State appropriation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Tuition	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less scholarship allowances	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grants and contracts - Direct	\$0	\$0	\$510	\$1,896	\$4,940	\$8,147	\$9,734	\$12,693	\$14,939	\$15,551	\$16,075
Grants and contracts - Indirect	\$0	\$0	\$186	\$687	\$1,782	\$2,974	\$3,594	\$4,741	\$5,618	\$5,888	\$6,127
Private gifts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales and services of educational activities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Residential Life	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Res life scholarship allowances	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other auxiliary enterprises	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net investment income:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Short term investment income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Endowment payout (4.5% to 5%)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other operating revenues	\$0	\$0	\$372	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total revenues	\$0	\$0	\$1,068	\$2,583	\$6,722	\$11,120	\$13,329	\$17,434	\$20,556	\$21,439	#####
Expenses											
Salaries	\$0	\$167	\$1,093	\$2,493	\$4,183	\$6,165	\$7,669	\$9,289	\$10,747	\$11,313	\$11,616
Benefits	\$0	\$62	\$423	\$991	\$1,696	\$2,518	\$3,127	\$3,804	\$4,416	\$4,660	\$4,795
Graduate Assistants	\$0	\$0	\$51	\$190	\$494	\$815	\$973	\$1,269	\$1,494	\$1,555	\$1,608
Supplies & Services	\$0	\$1,406	\$1,145	\$2,380	\$3,861	\$4,955	\$5,841	\$6,409	\$6,778	\$7,053	\$6,907
Scholarships and fellowships	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation	\$0	\$0	\$333	\$472	\$889	\$898	\$1,618	\$1,972	\$2,022	\$2,022	\$2,022
Interest on indebtedness	\$0	\$0	\$187	\$118	\$218	\$1,598	\$1,892	\$2,558	\$2,615	\$2,666	\$2,945
Net other non-operating expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total expenses	\$0	\$1,635	\$3,232	\$6,644	\$11,341	\$16,949	\$21,120	\$25,301	#####	#####	#####
Net revenue over expenses	\$0	(\$1,635)	(\$2,164)	(\$4,061)	(\$4,619)	(\$5,829)	(\$7,791)	(\$7,868)	(\$7,517)	(\$7,831)	(\$7,691)
Capital, endowment, and other revenues											
Interest received on student loan notes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
State capital appropriations	\$0	\$1,000	\$4,000	\$2,688	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital gifts and grants	\$0	\$0	\$0	\$4,000	\$3,100	\$200	\$300	\$400	\$500	\$500	\$500
Gifts for endowment purposes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Investment income net of endowment payout	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total other revenues	\$0	\$1,000	\$4,000	\$6,688	\$3,100	\$200	\$300	\$400	\$500	\$500	\$500
Increase in net assets	\$0	(\$635)	\$1,836	\$2,626	(\$1,519)	(\$5,629)	(\$7,491)	(\$7,468)	(\$7,017)	(\$7,331)	(\$7,191)

The President is the University official responsible for the interpretation and administration of the strategic financial plan.

Presented to the Board: May 22, 2004