2011-12 OPERATING BUDGET
2011-12 Budget Environment

- Period of unprecedented economic challenges and uncertainties continues, particularly at Federal and State governmental levels
2011-12 Budget Priorities

- Respond to a $68 million reduction in funding from the Commonwealth
- Keeps tuition increases at lowest possible level
- Aggressively identify expense reductions and moderate other spending priorities
2011-12 Total Institutional Budget - Income

- Tuition & Fees: 34.9%
- Hospital/Clinic: 28.7%
- Rest. Funds: 16.5%
- Aux. Enter.: 8.6%
- Other: 4.7%
- Approp.: 6.6%

Total Budget: $4.1 billion
2011-12 Total Institutional Budget

2010-11 Total Budget: $4,012,363

University Changes: $32,715

Hershey Medical Center Changes: $76,549

2011-12 Total: $4,121,627
General Funds Budget Components

- Educational and General (E&G)
- Agricultural Research
- Cooperative Extension
- College of Medicine
- Penn College
2011-12 General Funds Budget - Income (Excluding Hershey and Penn College)

- Tuition & Fees: 78.4%
- Appropriations: 14.3%
- Other: 7.3%

General Funds: $1.7 billion
Penn State’s 2011-12 State Appropriation

- Finalized on June 30 at $279 million, 19.6 percent below prior year level (reduction of $68 million)

- Now equal to 1995 levels when University was serving 19,000 fewer students
E&G Expense Changes

- Suspension of normal salary increase program
- Moderation in cost increases for employee health insurances
- Scaled back funding for facilities and for strategic initiatives
- Nearly $30 million of budget reductions and other targeted expense cuts
Tuition Increase - Commitment to Our Students and Their Families

- Aggregate increase is 3.8%, or $515 per academic year

- Impact of appropriations reduction is a loss of $915 per resident student

- Modest tuition increase enabled by aggressive expense control, continued strong enrollments across the University
### Percentage Increases in Lower Division Tuition Rates

<table>
<thead>
<tr>
<th></th>
<th>University Park</th>
<th>Commonwealth Campuses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resident</td>
<td>4.9%</td>
<td>2.9%</td>
</tr>
<tr>
<td>Non-Resident</td>
<td>3.5%</td>
<td>2.9%</td>
</tr>
</tbody>
</table>

**Aggregate increase of 3.8%**
<table>
<thead>
<tr>
<th>University</th>
<th>2011-12 Tuition Increase Percentages</th>
<th>University</th>
<th>2011-12 Tuition Increase Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Washington</td>
<td>20.0%</td>
<td>Pittsburgh</td>
<td>8.5%</td>
</tr>
<tr>
<td>U. of Calif.</td>
<td>17.6%</td>
<td>PASSHE</td>
<td>7.5%</td>
</tr>
<tr>
<td>Florida</td>
<td>15.0%</td>
<td>I Illinois</td>
<td>6.9%</td>
</tr>
<tr>
<td>Tennessee</td>
<td>12.0%</td>
<td>Michigan St.</td>
<td>6.9%</td>
</tr>
<tr>
<td>Virginia</td>
<td>10.6%</td>
<td>Michigan</td>
<td>6.7%</td>
</tr>
<tr>
<td>Temple</td>
<td>9.9%</td>
<td>North Carolina</td>
<td>6.5%</td>
</tr>
<tr>
<td>Arizona</td>
<td>9.9%</td>
<td>Iowa</td>
<td>5.0%</td>
</tr>
<tr>
<td>Virginia Tech</td>
<td>9.9%</td>
<td>Nebraska</td>
<td>5.0%</td>
</tr>
<tr>
<td>Colorado</td>
<td>9.3%</td>
<td>Minnesota</td>
<td>5.0%</td>
</tr>
</tbody>
</table>

*Gathered from legislative, university, and news web sources as of July 8, 2011.*
Agricultural Research and Cooperative Extension ($000’s)

Appropriation Changes:

Agricultural Research

Cooperative Extension

Total

\[
\begin{align*}
\text{Agricultural Research} & \quad (\$4,798) \\
\text{Cooperative Extension} & \quad (\$5,696) \\
\text{Total} & \quad (\$10,494)
\end{align*}
\]
College of Agricultural Sciences - Action Plan

- Future of Ag. Research & Cooperative Extension important to Penn State
- Senior administration working closely with Dean on short and long-term strategies
- Voluntary retirement program completed
- Reduction of additional positions necessary
### 2011-12 Budget College of Medicine
#### The M.S. Hershey Medical Center ($000’s)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>General Funds</td>
<td>$108,192</td>
</tr>
<tr>
<td>Restricted/ Auxiliary Funds</td>
<td>93,990</td>
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<tr>
<td><strong>Total College</strong></td>
<td>202,182</td>
</tr>
<tr>
<td>M.S. Hershey Medical Center</td>
<td>1,181,958</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$1,384,140</td>
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</tbody>
</table>
Pennsylvania College of Technology ($000’s)

2010-11 Adjusted Budget

Total Changes

2011-12 Budget

$142,411

(1,478)

$140,933
Summary of Changes
General Funds Budget ($000’s)

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Educational &amp; General</td>
<td>$19,857</td>
</tr>
<tr>
<td>Agricultural Research</td>
<td>(4,798)</td>
</tr>
<tr>
<td>Cooperative Extension</td>
<td>(5,696)</td>
</tr>
<tr>
<td>College of Medicine</td>
<td>7,131</td>
</tr>
<tr>
<td>Penn College</td>
<td>(1,717)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$14,777</strong></td>
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</tbody>
</table>