2012-13 OPERATING BUDGET
2012-13 Budget Environment

- Fragile economic recovery
- Unavoidable increases in cost drivers
- Aggressive cost cutting and internal reallocation leaves few choices
2012-13 Budget Priorities

- Keep tuition increases at lowest possible level
- Adjust to level funding from the Commonwealth following 19.6% cut in 2011-12
- Aggressively identify expense reductions and moderate other spending priorities
2012-13 Total Institutional Budget - Income

Total Budget: $4.265 billion

- Tuition & Fees: 34.7%
- Hospital/Clinic: 29.7%
- Rest. Funds: 16.0%
- Aux. Enter.: 8.5%
- Approp.: 6.4%
- Other: 4.7%
2012-13 Total Institutional Budget

2011-12 Total Budget: $4,133,743

Budget Changes: $473,833

Hershey Medical Center Changes: $836,383

2012-13 Total: $4,264,764
General Funds Budget Components

- Educational and General (E&G)
- Agricultural Research
- Cooperative Extension
- College of Medicine
- Penn College
2012-13 General Funds Budget - Income (Excluding Hershey and Penn College)

General Funds: $1.742 billion

- Tuition & Fees: 78.6%
- Appropriation: 14.0%
- Other: 7.4%
E&G Budget: $1.693 billion
Penn State’s 2012-13 State Appropriation

- Finalized at $279 million - no change from initial 2011-12
- Equal to 1995 levels when University educated 20,000 fewer students
Summary of 2012-13 State Appropriation ($000’s)

General Support $214,110
Penn College 13,584
Ag Research 20,454
Cooperative Extension 24,283
Medical Assistance Funding 6,536
Total $278,967
E&G Expense Changes

- $28 million of budget reductions and other targeted expense cuts
- Modest salary adjustments for faculty and staff
- Rising costs for employee health care and retirement
- Limited funding for facilities
Tuition Increase - Commitment to Our Students and Their Families

- Aggregate increase is 2.4%, or $393 per academic year

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

<table>
<thead>
<tr>
<th>Residence</th>
<th>University Park</th>
<th>Commonwealth Campuses</th>
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</thead>
<tbody>
<tr>
<td>Resident</td>
<td>2.9%</td>
<td>1.9%</td>
</tr>
<tr>
<td>Non-Resident</td>
<td>2.4%</td>
<td>1.9%</td>
</tr>
</tbody>
</table>

**Aggregate increase of 2.4%**
# 2012-13 Tuition Increase Percentages for Select Public Universities

<table>
<thead>
<tr>
<th>State</th>
<th>Increase</th>
<th>State</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Washington</td>
<td>16.0%</td>
<td>Illinois</td>
<td>4.8%</td>
</tr>
<tr>
<td>North Carolina*</td>
<td>9.9%</td>
<td>Iowa</td>
<td>3.8%</td>
</tr>
<tr>
<td>Florida</td>
<td>9.0%</td>
<td>Nebraska</td>
<td>3.8%</td>
</tr>
<tr>
<td>Tennessee</td>
<td>8.0%</td>
<td>Virginia*</td>
<td>3.7%</td>
</tr>
<tr>
<td>Connecticut*</td>
<td>6.5%</td>
<td>Michigan St.</td>
<td>3.5%</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>5.5%</td>
<td>Minnesota</td>
<td>3.5%</td>
</tr>
<tr>
<td>Indiana*</td>
<td>5.4%</td>
<td>PASSHE</td>
<td>3.0%</td>
</tr>
<tr>
<td>Colorado</td>
<td>5.0%</td>
<td>Michigan</td>
<td>2.8%</td>
</tr>
<tr>
<td>West Virginia*</td>
<td>5.0%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Tuition and Fees

Note: Gathered from legislative, university, and news web sources.
Agricultural Research and Cooperative Extension

- Flat appropriations of $44.7 million
- Activities not supported by tuition
- Inflationary costs will require additional program reductions
### College of Medicine:

- **General Funds**: $112,739
- **Restricted/ Auxiliary Funds**: $93,780

**Total College**: $206,519

### M.S. Hershey Medical Center

**Total**: $1,265,596

**Total ($000’s)**: $1,472,115
Pennsylvania College of Technology

2011-12 Adjusted Budget
Total Changes
2012-13 Budget

$140,933
(2,861)
$138,072
Summary of Changes
General Funds Budget

<table>
<thead>
<tr>
<th>Department</th>
<th>Change (in $000's)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Educational &amp; General</td>
<td>$37,449</td>
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<tr>
<td>Agricultural Research</td>
<td>$0</td>
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<tr>
<td>Cooperative Extension</td>
<td>$0</td>
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<tr>
<td>College of Medicine</td>
<td>$4,546</td>
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<tr>
<td>Penn College</td>
<td>$(213)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$41,782</strong></td>
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