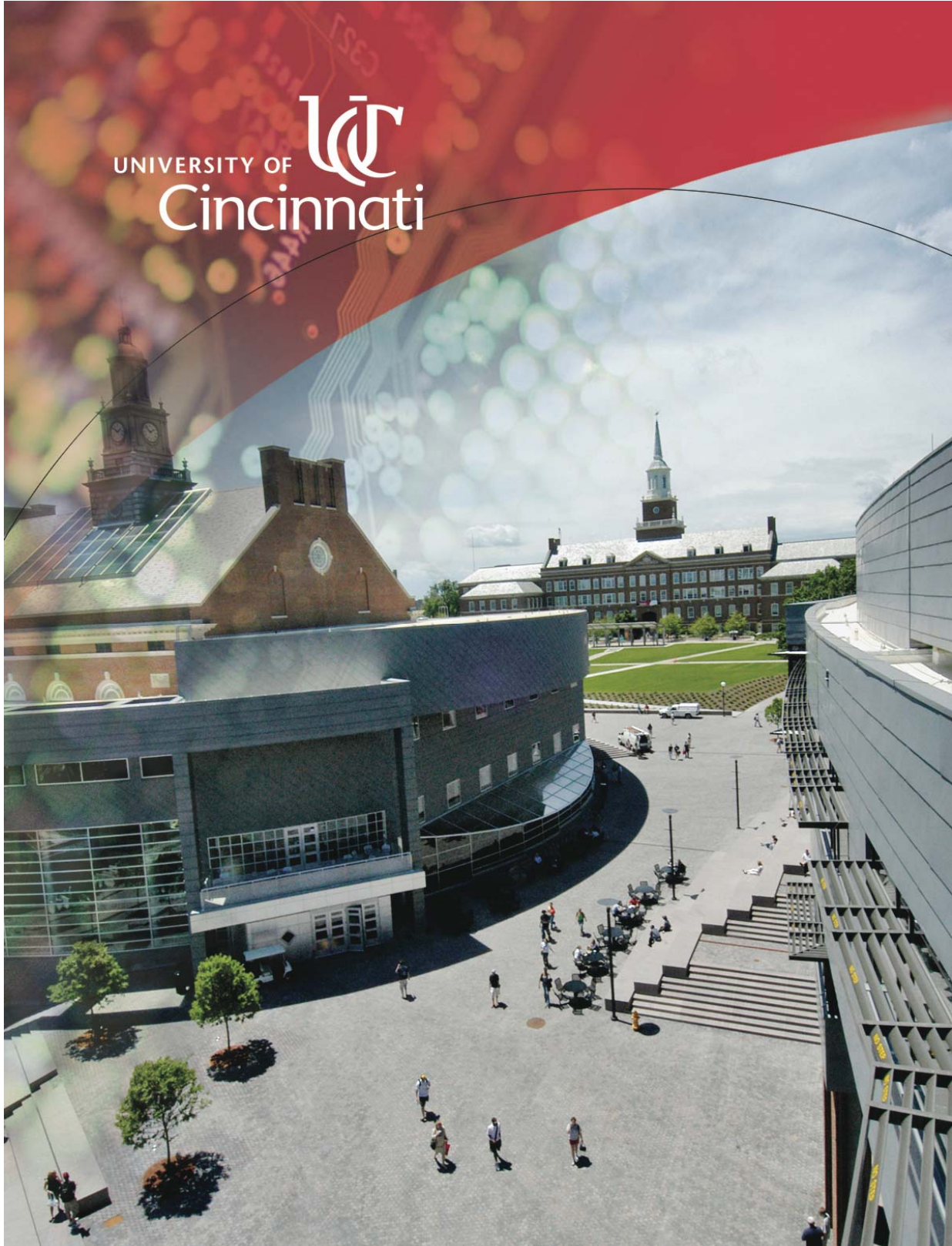


University Current Funds Budget Plan
FY 2005-2006





**CURRENT FUNDS
BUDGET PLAN
FY 2005-2006**

Prepared By
The Office of the Chief Financial Officer
As Approved By
The President's Budget Committee

June 28, 2005



BOARD OF TRUSTEES

Phillip R. Cox
Chairperson

Anant Ram Bhati

Sandra W. Heimann

Gary Heiman

Thomas H. Humes

Candace Kendle

H. C. Buck Niehoff

George A. Schaefer, Jr.

Jeffery L. Wyler

PROLOGUE

NEW BUDGET SYSTEM FOR FY 05-06

During Fiscal Year 2004-2005, the University of Cincinnati redefined its future through the design of its new Academic plan, UC|21: Defining the New Urban Research University. This strategic vision for UC's academic future promises to reshape the university academically as dramatically as the campus master plan has reshaped UC's physical landscape. The university's budget system will play a significant role in the success of this ambitious academic plan and, as a result, has undergone some substantial changes that are reflective of our UC|21 goals and aspirations.

The FY 2006 budget is empowered by some new approaches brought about as a result of the UC|21 plan. It includes a budgetary reorganization tied to the six goals of UC|21, performance-based budgeting and greater academic involvement in the budgetary process. UC|21 has brought together a better sense of strategic enrollment planning and entrepreneurial growth, as well as a commitment to assessment, accountability and data-driven decision making.

The preparation of the FY 05-06 Budget Plan has been driven by several very new approaches. They have changed the way budget recommendations to the Board of Trustees have been formed and will continue to do so in the future. The major changes are:

1. **President's Budget Committee** – The President's Budget Committee (PBC) has been in operation for the full budget cycle involving the formation of the FY 05-06 Budget Plan. The members include: the President, all Senior Vice Presidents, Chief Financial Officer, senior financial staff from both Provosts' offices, the Chair of the Faculty Senate, and the Chair of the Council of Deans. The PBC brings a wide set of perspectives to all budget issues and reviews all details of the undesignated general fund budget for the Uptown Campus. This ensures that we keep appropriate priorities in the budget and that we can communicate the reasoning for budget decisions to the leadership of the University.
2. **UC|21 Academic Strategic Plan** – Our strategic plan has provided the constant guidance we need to test the budget allocations and decisions recommended in the Budget Plan. This has provided a level of consistency and comparison for a wide variety of budget proposals that we very much need. All such proposals can be assessed as to their contribution to the goals of UC|21. We have also recognized that there are essential infrastructure investments that must be made in the budget in order to make the more specific goals of UC|21 possible.
3. **Performance Budgeting and the 50 In 5 Revenue Plan** – The dedication to defining a performance budgeting system that recognizes and rewards those units

that enhance our resources has guided the Budget Plan recommendations at many times in the planning process. Millions of dollars in recommended allocations are a direct response to support those units that have increased enrollment and/or net tuition income. This is exactly the kind of income growth that we need to continue and accelerate to fund the UC|21 goals we have set.

4. Resource Support Committee (RSC) – This committee, which is a part of the UC|21 implementation structure, has worked to review college proposals to increase enrollment and/or tuition income and recommend those that are ready for implementation to the President’s Budget Committee for final approval. Those recommendations are included in the FY 05-06 Budget Plan. The RSC is also working to complete an even more comprehensive version of performance budgeting with appropriate incentives built in.

These changes are designed to make the budget process as managed by the academic leadership open to the campus community and dedicated to achieving our UC|21 goals. Combined, they represent a significant improvement in the budgeting process at the University of Cincinnati.

TABLE OF CONTENTS

GENERAL

Current Funds Budget Summary	2
Summary of Budgeted Resources and Expenditures - Total University	3
Summary of Budgeted Resources and Expenditures - Total University Graphs	
Budgeted Resources by Source	4
Budgeted Expenditures by Function	4
Selected Definitions.....	5
Undesignated General Funds - Uptown Campus.....	8
Undesignated General Funds - Branches	19
Student Fees & Historical Data	25
Designated General Funds – Hoxworth Blood Center	31
Auxiliary Operations	34
Designated General Funds – Millennium Research Institute.....	46
Other Designated Funds.....	50
Restricted Funds	55

**FISCAL YEAR 2005-06
CURRENT FUNDS BUDGET SUMMARY
(IN THOUSANDS)**

	FULL BUDGET AUTHORITY				FUND CONTROLLED AUTHORITY				TOTAL CURRENT FUNDS
	UNDESIGNATED GENERAL FUNDS UPTOWN CAMPUS	UNDESIGNATED GENERAL FUNDS BRANCHES	DESIGNATED GENERAL FUNDS HOKWORTH BLOOD CENTER	AUXILIARY ENTERPRISES	DESIGNATED GENERAL FUNDS MILLENNIUM RESEARCH INST.	OTHER DESIGNATED GENERAL FUNDS	RESTRICTED FUNDS	SUBTOTAL	
	\$268,063	\$26,557		\$9,443		\$18,379		\$18,379	\$322,442
	(59,146)	(335)						0	(59,481)
	208,917	26,222		9,443		18,379		18,379	262,961
	141,146	14,366					\$12,843	12,843	168,355
	9,015	1,893						0	10,908
	13,878	46							14,924
	1,404			\$5,454					30,285
	10		35,030						55,829
	2,270		280						54,425
	2,187	93							54,898
				76,181				141	2,691
									4,153
									76,181
	378,827	42,620	35,310	91,078	8,701	65,472	300,103	374,276	922,111
	193,203	22,703							273,100
	3,117								162,856
	1,441	609	32,421						54,718
	46,281	5,065							73,110
	17,408	3,232							36,748
	44,406	6,000							57,342
	40,656	3,967							49,234
									42,032
	346,512	41,577	32,421	0	12,470	70,245	245,915	328,630	749,140
				77,956				(14)	77,942
	223								223
	12,339	700	949	23,779					50,393
	10,171	258		(10,849)					0
	690								0
	12,604								0
	2,511		1,100	1,506					5,117
	(6,223)	85		280					48,634
	378,827	42,620	34,471	92,672	17,528	65,302	300,030	382,860	931,450
	\$0	\$0	\$839	(\$1,594)	(\$8,827)	\$170	\$73	(\$8,584)	(\$9,339)

	FULL BUDGET AUTHORITY				FUND CONTROLLED AUTHORITY				TOTAL CURRENT FUNDS
	UNDESIGNATED GENERAL FUNDS UPTOWN CAMPUS	UNDESIGNATED GENERAL FUNDS BRANCHES	DESIGNATED GENERAL FUNDS HOKWORTH BLOOD CENTER	AUXILIARY ENTERPRISES	DESIGNATED GENERAL FUNDS MILLENNIUM RESEARCH INST.	OTHER DESIGNATED GENERAL FUNDS	RESTRICTED FUNDS	SUBTOTAL	
	\$268,063	\$26,557		\$9,443		\$18,379		\$18,379	\$322,442
	(59,146)	(335)						0	(59,481)
	208,917	26,222		9,443		18,379		18,379	262,961
	141,146	14,366					\$12,843	12,843	168,355
	9,015	1,893						0	10,908
	13,878	46							14,924
	1,404			\$5,454					30,285
	10		35,030						55,829
	2,270		280						54,425
	2,187	93							54,898
				76,181				141	2,691
									4,153
									76,181
	378,827	42,620	35,310	91,078	8,701	65,472	300,103	374,276	922,111
	193,203	22,703							273,100
	3,117								162,856
	1,441	609	32,421						54,718
	46,281	5,065							73,110
	17,408	3,232							36,748
	44,406	6,000							57,342
	40,656	3,967							49,234
									42,032
	346,512	41,577	32,421	0	12,470	70,245	245,915	328,630	749,140
				77,956				(14)	77,942
	223								223
	12,339	700	949	23,779					50,393
	10,171	258		(10,849)					0
	690								0
	12,604								0
	2,511		1,100	1,506					5,117
	(6,223)	85		280					48,634
	378,827	42,620	34,471	92,672	17,528	65,302	300,030	382,860	931,450
	\$0	\$0	\$839	(\$1,594)	(\$8,827)	\$170	\$73	(\$8,584)	(\$9,339)

RESOURCES

Gross Tuition, Fee & Other Student Charges
Less Scholarships & Fellowships
Net Tuition, Fee & Other Student Charges

State Appropriations (State Share of Instruction)
State Appropriations (Challenges)
Govt. & Private Grants & Contracts

Private Gifts
Endowment Income
Sales & Service
Temporary Investments
Other Sources
Auxiliary Enterprises

EXPENDITURES

Educational & General
Instructional & General
Separately Budgeted Research
Public Service
Academic Support
Student Services
Institutional Support
Operation & Maintenance of Plant
Scholarships & Fellowships
Total Educational & General

Auxiliary Enterprises
Mandatory Transfers
Loan Fund Matching
Debt Service
Nonmandatory Transfers
Subsidies to Non-Instructional Units
Reserve for Maint. & Improvements
Other Designated
Plant Funds
Other
Total Expenditures & Transfers

Net Increase (Decrease) in Fund Balance

**SUMMARY OF BUDGETED RESOURCES AND EXPENDITURES
TOTAL UNIVERSITY
(IN THOUSANDS)**

	2004-05 Revised Budget	2005-06 Budget	Dollar Change	Percent Change
RESOURCES				
Gross Tuition, Fee & Other Student Charges	\$299,614	\$322,442	\$22,828	7.62%
Less Scholarships & Fellowships	(56,457)	(59,481)	(3,024)	5.36%
Net Tuition, Fee & Other Student Charges	243,157	262,961	19,804	8.14%
State Appropriations (Subsidy)	167,399	168,355	956	0.57%
State Appropriations (Challenges)	11,562	10,908	(654)	-5.65%
Govt. & Private Grants & Contracts	246,242	255,850	9,608	3.90%
Private Gifts	28,339	30,285	1,946	6.87%
Endowment Income	54,235	55,829	1,594	2.94%
Sales & Service	52,283	54,898	2,615	5.00%
Temporary Investments	2,718	2,691	(27)	-0.99%
Other Sources	4,023	4,153	130	3.22%
Auxiliary Enterprises	67,374	76,181	8,807	13.07%
Total Resources	877,333	922,111	44,778	5.10%

EXPENDITURES

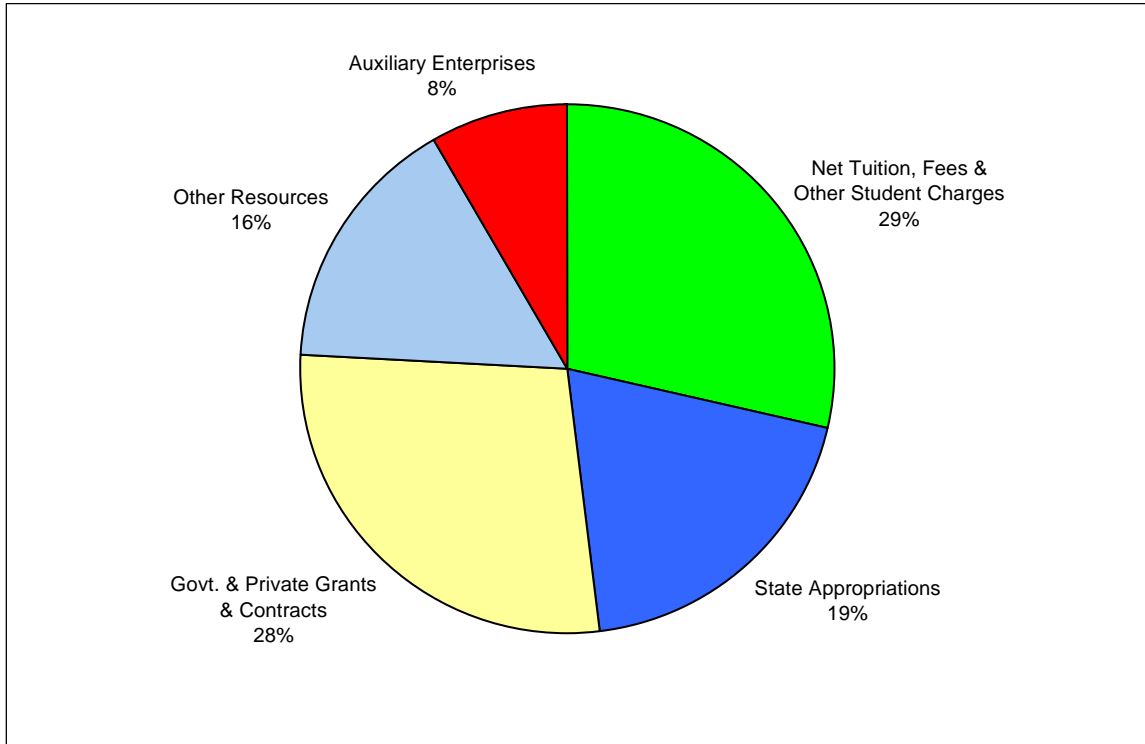
Educational & General				
Instructional & General	257,343	273,100	15,757	6.12%
Separately Budgeted Research	161,171	162,856	1,685	1.05%
Public Service	52,377	54,718	2,341	4.47%
Academic Support	69,669	73,110	3,441	4.94%
Student Services	35,096	36,748	1,652	4.71%
Institutional Support	52,310	57,342	5,032	9.62%
Operation & Maintenance of Plant	45,765	49,234	3,469	7.58%
Scholarships & Fellowships	39,015	42,032	3,017	7.73%
Total Educational & General	712,745	749,140	36,395	5.11%
Auxiliary Enterprises	72,935	77,942	5,007	6.86%
Mandatory Transfers				
Loan Fund Matching	223	223	0	0.00%
Debt Service	41,588	50,393	8,805	21.17%
Nonmandatory Transfers				
Plant Funds	3,146	5,117	1,971	62.65%
Other	53,019	48,634	(4,385)	-8.27%
Total Expenditures & Transfers	883,656	931,450	47,794	5.41%

Net Increase (Decrease) in Fund Balance

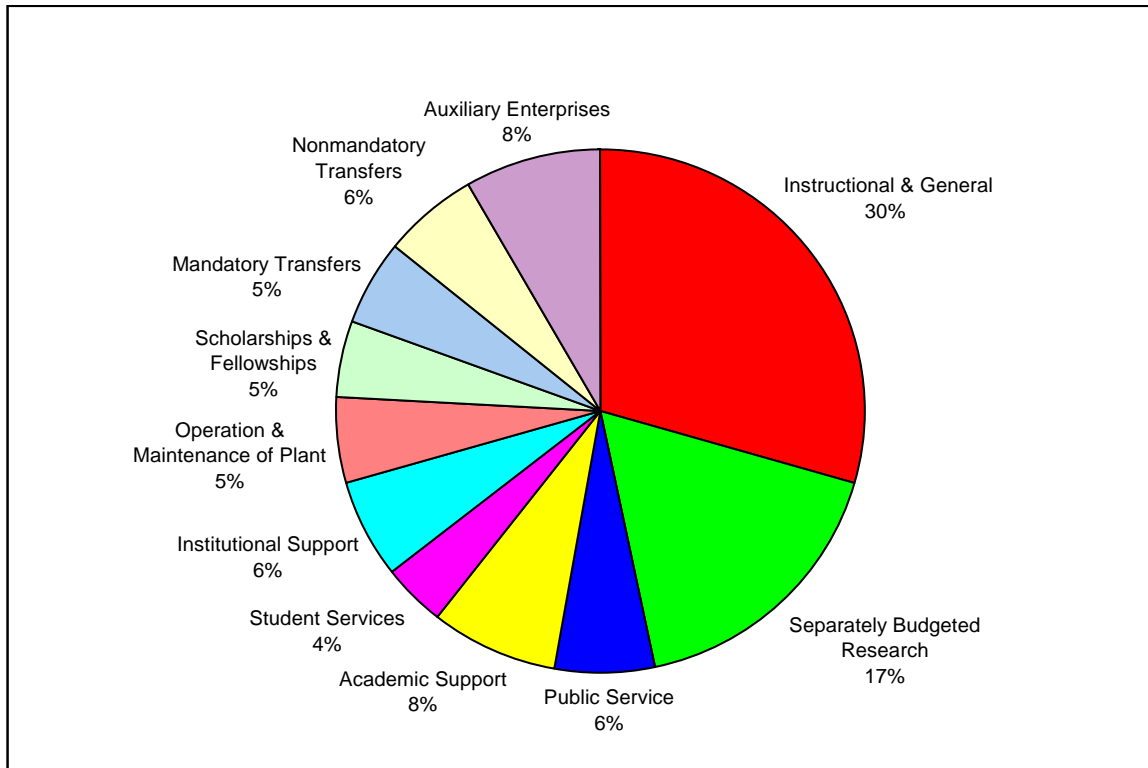
(\$6,323)	(\$9,339)
-----------	-----------

**SUMMARY OF BUDGETED RESOURCES AND EXPENDITURES
TOTAL UNIVERSITY**

RESOURCES BY SOURCE



EXPENDITURES BY FUNCTION



SELECTED DEFINITIONS

- ◆ ***Current Funds*** are those funds that are earned and expended in the current fiscal year. They include the General Funds and Restricted Funds. Excluded entirely from this report are Non-Current Funds such as Plant Funds, Loan Funds and Endowment Principal.
- ◆ ***Undesignated General Funds*** are unrestricted resources available for allocation in support of core instruction, instructional support and related general administrative and physical plant expenditures. The university maintains a separate undesignated general fund for the Uptown campus and one for each of the branches.
- ◆ ***Designated General Funds*** are those funds which are internally restricted by Board of Trustee approval for specific activities.
- ◆ ***Restricted Funds*** are funds for which the use has been designated by an external agency or individual and limited to support a specific purpose and/or unit.
- ◆ ***Instructional and Departmental Research*** includes all direct and applicable allocated expenditures for all activities that are part of the University's instructional program. It includes expenditures for departmental research and public service that are not separately budgeted.
- ◆ ***Academic Support*** includes all funds expended for activities carried out primarily to provide support services that are an integral part of the operations of one of the three primary missions -- instruction, research and public service. Included in this category are Academic Affairs Administration, Libraries, Museums & Galleries and the Deans' offices.
- ◆ ***Student Services*** includes funds expended for those activities for which the primary purpose is to contribute to the student's emotional and physical well being, as well as his/her cultural and social development outside the context of the formal instructional program. Included in this category are Admissions and Registration, Counseling, and Student Financial Aid.
- ◆ ***Institutional Support*** contains expenditures for operations that provide support services to the total University. Included in this category are Executive Management, Finance, Human Resources, Administrative Services, Public Affairs and Development.
- ◆ ***Plant Operations and Maintenance*** includes all expenditures of current funds for the operation and maintenance of the physical plant, net of amounts charged to auxiliary operations and the hospital. Included in this category are utilities, repair and renovations, custodial services, grounds maintenance, space rental and property insurance.
- ◆ ***Separately Budgeted Research*** includes all expenditures for activities specifically organized to produce research outcomes, whether commissioned by an external

agency to the University (restricted) or the University (unrestricted) and includes matching funds applicable to the conditions set forth by the grant or contract.

- ◆ **Public Service** includes all funds expended for activities that are established primarily to provide noncredit designated course offerings and services beneficial to individuals and groups external to the University. Included in this category are Continuing Education and Cooperative Extension Services.
- ◆ **Scholarships and Fellowships** include expenditures in the form of outright grants and trainee stipends to individuals enrolled in formal course work.
- ◆ **Auxiliaries** are specifically identified by the State as the following earnings operations: Residence & Dining Halls, Intercollegiate Athletics, Student Unions, Bookstores, Parking Lots & Garages, Kingsgate Conference Center and the Fifth Third Arena at the Myrl H. Shoemaker Center.
- ◆ **IT&IE Fee** is the Information Technology and Instructional Equipment fee charged to all undergraduate, graduate and professional students (except Medicine programs) for the purpose of improving access to and assistance with information technology and to fund other types of instructional equipment.
- ◆ **Nonresident Surcharge** equates to the full cost of instruction for non-Ohio residents. The Ohio Board of Regents subsidy policy does not provide support for out-of-state undergraduate students.
- ◆ **Campus Life Fee** is the fee charged to all undergraduate, graduate and professional students (except Raymond Walters College and Clermont College) for the purpose of developing a new Student Union and state-of-the-art recreation facility.
- ◆ **SSI** – State Share of Instruction is the formula driven state funding as recommended and approved by the Governor and the State Legislature.
- ◆ **Access Challenge** – These funds are meant to reduce or freeze the tuition levels for students obtaining a two-year degree at public institutions in Ohio. While most of these funds go to two-year campuses, including our branches, the Uptown campus receives funds for the students at the Center for Access and Transition. These funds have been used as previously mentioned.
- ◆ **Jobs Challenge** – This program allocates funds in proportion to the amount of income generated by worker training programs at each campus. It is a small amount (under \$100,000) on the Uptown campus, as well as for the two branch campuses. These funds are currently viewed as restricted in nature.
- ◆ **Success Challenge** – This program is aimed at increasing the success of four-year students and shortening the length of time to degree completion. As a major source of funding, it is providing the opportunity to target new services and programs at students having difficulty making normal academic progress. Part of these funds assist in keeping our past fee increases **below** the past State fee cap and the State

average. The funds are allocated in proportion to the number of “at risk or under-prepared” students enrolled and how they perform.

- ◆ ***Research Challenge*** – This program, which matches State funding for research to the level of research grant holdings, has been around for many years. This funding is being included with the other Challenge programs in our unrestricted income. Thus, it can apply to new allocations or help support existing allocations.
- ◆ ***Priorities in Graduate Education*** – This is a focused program to improve key graduate programs that will drive Ohio’s economy in the next century.
- ◆ ***FTE*** – Full Time Equivalent student, based on a 15 credit hour load per quarter.

**I. UNDESIGNATED GENERAL FUNDS
UPTOWN CAMPUS**

Undesignated General Funds - Overview9

Undesignated General Funds Budget - Uptown Campus15

Summary of Budgeted Expenditures (Schedule A)16

New Budget Allocations (Schedule B)17

Noncompensation Inflation Increases (Schedule C)18

UNIVERSITY OF CINCINNATI UNDESIGNATED GENERAL FUNDS UPTOWN CAMPUS OVERVIEW

The Uptown Campus budget is the “core” University budget, and comprises about 41% of its total. The events and trends in this budget set the basic direction for the entire, all-funds budget, as it depends on primary sources of income – tuition and State Share of Instruction (also called the SSI). Thus, tuition policy for the vast majority of students is determined in this budget, and compensation policy for the entire institution is driven by this budget.

In FY 2006, the UC|21 Academic Plan became the key driver to decision and allocation making in the University-wide budget process. Through the President’s Budget Committee (PBC), the budget has become more of an academic tool that has created greater transparency. Thus, the Uptown portion of the budget becomes a stabilization model for all other university-wide budgets. Within this budget are stabilizing factors that correct a budget shortfall; begin proper inflation of the utilities budget; support performance budgeting; and fund UC|21 goals. This budget plan reflects revenue estimates and priorities for the continuation and expansion of existing programs as well as new UC|21 incentive goals. As in the past, it is necessary to direct formula-allocated state support and increases in student fees toward funding inflation while financing new and expanded areas of emphasis primarily through budget reallocations from other academic and administrative areas, as well as from new entrepreneurial programs and policies.

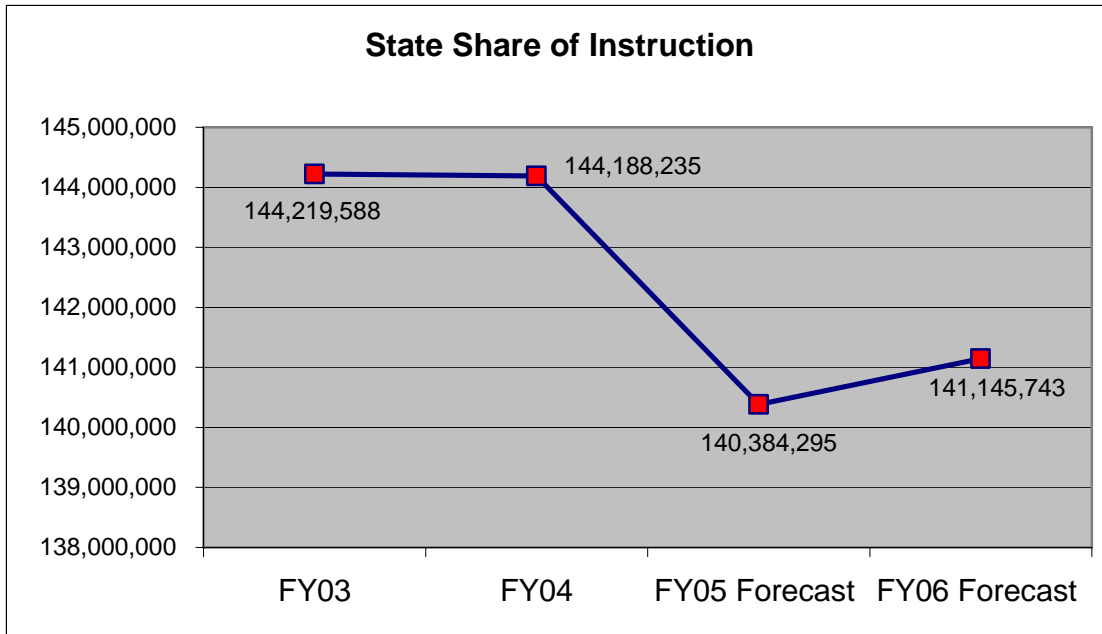
Fiscal year 2005 will close with a balanced actual budget due to multiple one-time revenue options. Therefore, charts and graphs within this budget will vary based on the presentation of permanent budget or actual collected revenue. Since this funding was one-time, generated permanent revenue increases in FY 2006 will be used to create a stabilized permanent budget. Stabilized funding will come from increased tuition above the stated increase that is built into the budget to cover FY 2005 shortfalls. It is projected that increased enrollment from first-time freshman, new revenue-driven programs and greater retention will support not only the budgeted UC|21 program increase, but create a stabilized budget for the future as well.

I. State Share of Instruction (SSI) and Tuition Inflation

At the state level, the failure to place a priority on higher education funding continues to create economic pressures for the University. Our State Share of the cost of Instruction (SSI) has dropped from just over 34 percent of our budget in 1985 to just over 18 percent in fall 2005. Ohio now stands at No. 43 among all states in support for higher education.

Since fiscal year 2001, actual SSI support to UC has dropped from \$160 million to \$141 million for the Uptown campus alone. Ohio’s apparent policy strategy is that tuition (that is, the cost of college for our students and their families) must make up for gaps in state support. That may be a short-term solution to the state budgetary conundrum, but it is short-sighted from an economic development perspective. Higher education is an investment in the future that brings big returns. We are already living in a state that is

undereducated and turning that around is key to turning our state budget problems around.

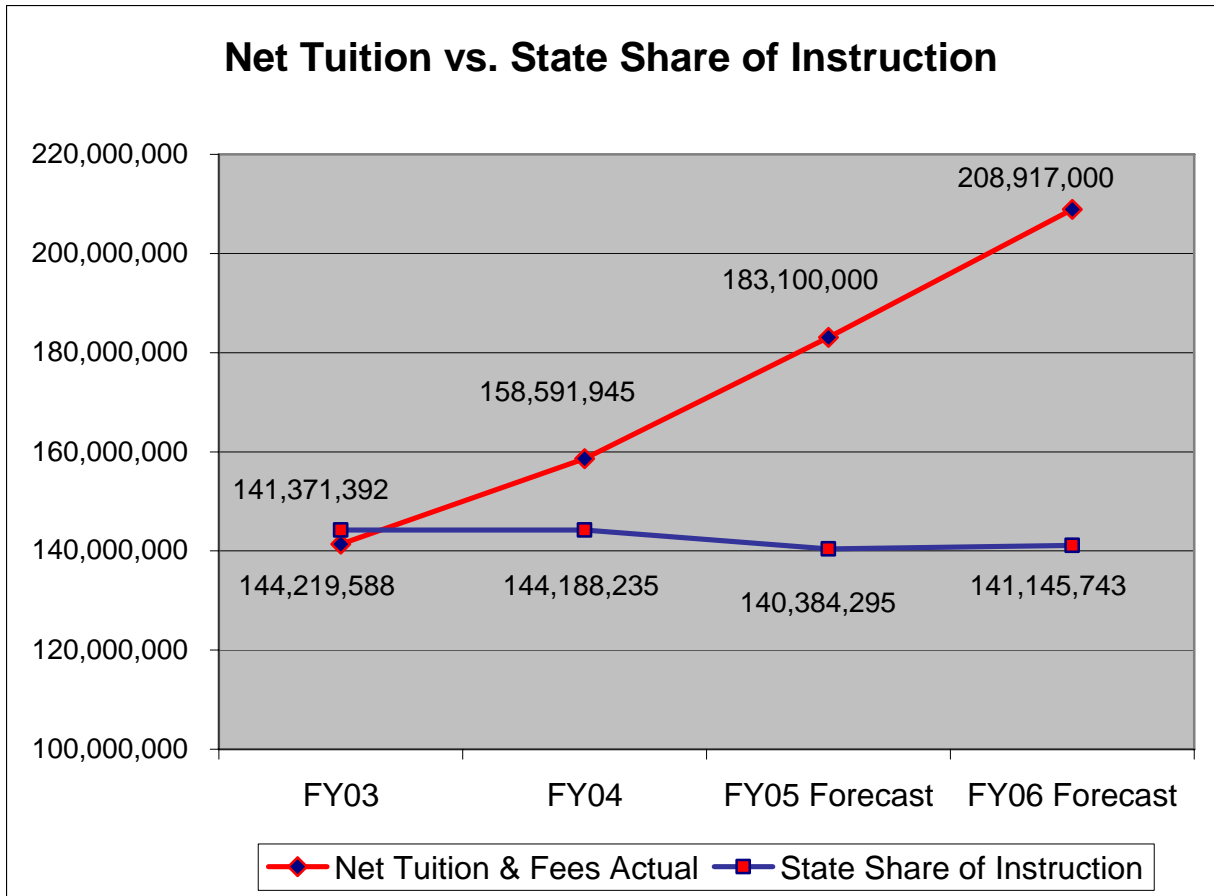


With continued decreased funding or at best flat funding in State appropriations, it becomes necessary to take long looks and make hard decisions about other major revenue streams to fund the ongoing operations of the University. Therefore, in FY 2006, the burden of funding the University's fixed and unavoidable expenses, as well as new initiatives, will be made through the UC|21 Academic Plan, which relies on increasing academic excellence, recruitment and retention of new and existing students. Through the creation of the 50 in 5 plan, the University's new resources will be allocated based on the UC|21 strategic goal.

**UPTOWN CAMPUS
UNDESIGNATED GENERAL FUNDS
UC|21 FUNDING GOALS**

	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>
Place Students at the Center	\$2,857,020	\$5,394,630	\$300,000
Grow Our Research Excellence		657,964	
Achieve Academic Excellence	3,384,449	9,616,016	9,500,000
Forge Key Relationships and Partnerships	261,000	191,000	700,000
Establish a Sense of Place	309,317	245,582	
Create Opportunity			200,000
Academic Total	\$6,811,786	\$16,105,192	\$10,700,000
Infrastructure	3,364,298	3,610,870	4,200,000
Total	\$10,176,084	\$19,716,062	\$14,900,000

Based on these UC|21 established goals, the preceding chart emphasizes the dollars allocated in FY 2004 and FY 2005 before the new Academic Plan was completed and put into motion. This prior year information emphasizes the importance of the new Academic Plan coordination for the future of UC. Going forward, the University's budget will be based on the UC|21 philosophy and goals as is expressed by the FY 2006 column.

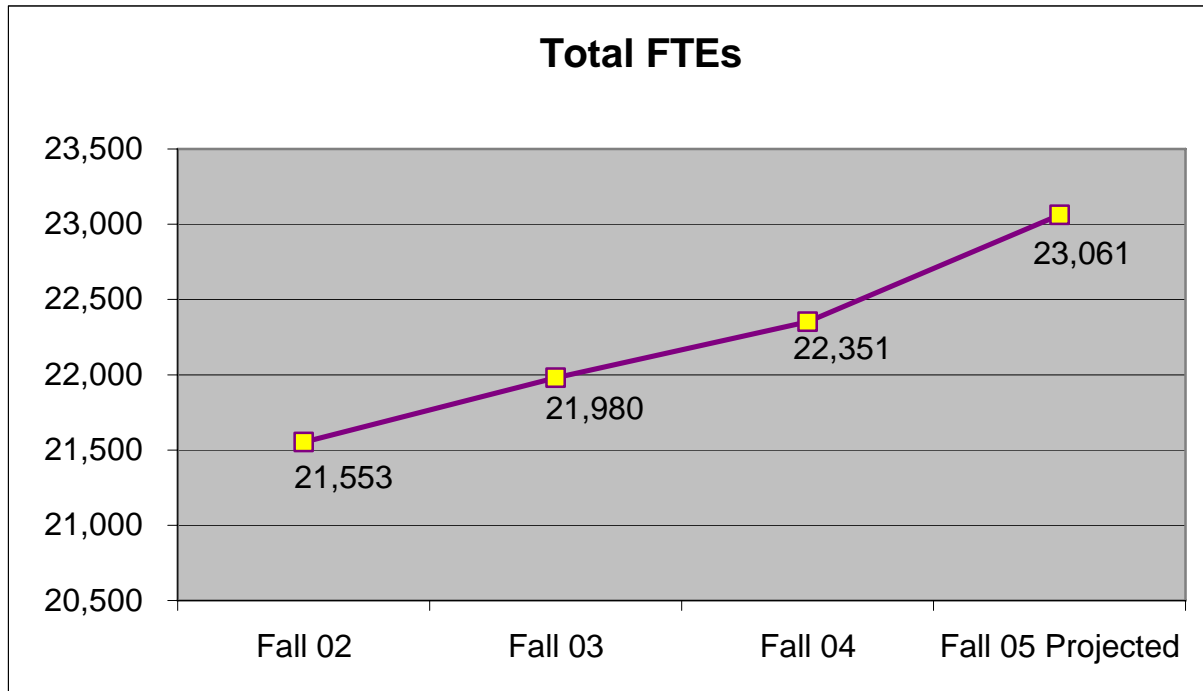


Tuition in FY 2006 will increase by 6% for all undergraduates, and by 8% for all graduate and professional students. As was the case in FY 2005, the tuition increase will be effective starting with the 2005 summer session. In connection with the GASB 34-35 financial statement format, Undesignated General Funds tuition and fees have been restated in the budget process net of scholarships. This results in scholarships no longer being an expense item, but rather a discounting offset to tuition and fees in the revenue section, resulting in net tuition and fees.

II. New and Expanded Areas of Emphasis

1. In an attempt to increase student enrollments and create greater budget transparency, as well as secure increased future years SSI funding, the University is engaging in a robust academic plan known as UC|21 that involves greater academic involvement than in previous years. It is the intent of this plan to increase enrollment in the current fiscal year through more sophisticated marketing and greater entrepreneurial means. This effort is intended to increase enrollments by 600 undergraduate and graduate FTE's for the recommended fiscal budget year with the understanding that these numbers must be increased in future years to create future program growth funding.
2. As usual, in an institution of higher learning, there evolves a group of critical new budget allocations from one fiscal year to the next, including major issues left unfunded from the previous year. The largest of these issues are health care with rapid escalation in the last four years ranging from 10.6% to 14.6% annually and

utilities which have increased by over 18% since January 2005. A super inflation of \$1 million has been put in place for utilities for 2006. The budget will also include an increased contingency line and initial funding of \$500,000 to establish a proper Accounts Receivable Write-Off program.



3. Through the UC|21 Academic Plan, several colleges have identified new opportunities to provide credit and degree instruction to groups of students in programs that are driven solely by tuition income. The key to the success of these programs is the opportunity to increase UC's market for instructional services in the region and state. These programs cover the Biomedical Engineering Program, Business, DAAP, Engineering, Education, and Pharmacy.
4. Based on the UC|21 Academic Plan, \$3 million in seed funds has been allocated to fund start-up grants that are to be identified for funding through the UC|21 Strategic Council during the fiscal year. These start-up funds will be one-time in nature which will be used to create ongoing revenue generating activities to help fund the 50 in 5 philosophy in future years.

III. FY 2006 Budget Reallocation

FY 2006 brings budget cuts of a different nature than in past years. The President's Budget Committee has determined that it is healthy on an annual basis to reallocate a portion of the Uptown Campus General Fund budget measured on performance as detailed by the UC|21 Performance Budget Committee. During the fiscal year, policies and guidelines will be recommended and approved by the committee to put the reallocation process in motion.

Summary for FY 2006

With the FY 2006 budget comes an emphasis on growing enrollment, budget transparency and greater academic involvement through the UC|21 Academic Plan. The new budget process and structure is led by the President and three Senior Vice Presidents, who have made the decisions leading to the outcome of the FY 2006 budget. These decisions came through the guidance of the PBC, UC|21 goals, Performance Budgeting principles, 50 in 5, SEM enrollment activities and the work of the UC|21 Strategic Council. The FY 2006 budget is made up of aggressive tuition growth, a flat SSI allocation and a continued increase in new revenue-driven programs. The University must continue down the aggressive growth path if we are to achieve the targets set in the FY 2006 Budget and to support all of the academic goals the budget anticipates.

Our traditional "core" revenue growth in the future from enrollment driven SSI and tuition will only sustain inflation; therefore, budget reallocations and other "new" forms of revenue produced within the UC|21 Academic Plan are key to supporting critical strategic needs in our academic programs.

**UNDESIGNATED GENERAL FUNDS
UPTOWN CAMPUS
(IN THOUSANDS)**

2004-05 Revised Budget	2005-06 Budget	Dollar Change	Percent Change
---------------------------	-------------------	------------------	-------------------

RESOURCES

Gross Tuition, Fee & Other Student Charges	248,748	268,063	\$19,315	7.77%*
Less Scholarships & Fellowships	(56,205)	(59,146)	(2,941)	5.23%
Net Tuition, Fee & Other Student Charges	192,543	208,917	\$16,374	8.50%
State Appropriations (State Share of Instruction)	141,146	141,146	0	0.00%
State Appropriations (Challenges)	9,669	9,015	(654)	-6.76%
Govt. & Private Grants & Contracts	13,578	13,878	300	2.21%
Endowment Income	1,356	1,404	48	3.56%
Sales & Service	10	10	0	0.00%
Temporary Investments	2,270	2,270	0	0.00%
Other Sources	2,187	2,187	0	0.00%
Total Resources	362,759	378,827	16,068	4.43%

EXPENDITURES

Educational & General				
Instructional & General	180,248	193,203	12,955	7.19%
Separately Budgeted Research	2,600	3,117	517	19.90%
Public Service	890	1,441	551	61.95%
Academic Support	44,934	46,281	1,347	3.00%
Student Services	16,275	17,408	1,133	6.96%
Institutional Support	42,159	44,406	2,247	5.33%
Operation & Maintenance of Plant	38,280	40,656	2,376	6.21%
Total Educational & General	325,385	346,512	21,126	6.49%
Mandatory Transfers				
Debt Service	11,701	12,562	862	7.36%
Nonmandatory Transfers				
Subsidies to Non-Instructional Units	11,498	10,171	(1,327)	-11.54%
Other	14,175	9,582	(4,593)	-32.40%
Total Expenditures & Transfers	362,759	378,827	16,068	4.43%

Net Increase (Decrease) in Fund Balance

\$0	\$0
-----	-----

* The 7.77% increase in tuition dollars is a result of not only the 6% increase in resident and nonresident undergraduate rates and the 8% increase for graduate and professional students, but also a blend of new programs, increased enrollments, and increased retention of current students.

**UNDESIGNATED GENERAL FUNDS
UPTOWN CAMPUS**

**SUMMARY OF BUDGETED EXPENDITURES
(IN THOUSANDS)**

BUDGETED EXPENDITURES:

Prior Year Base Budget	\$362,758
UGS & Graduate Incentive Budget Reductions	(4,100)
UC 21 Budget Additions	3,000
Scholarships from Endowments	(2,000)
New Budget Allocations (Schedule B)	13,231
Budget Reallocations	(3,600)
Non-Compensation Inflation (Schedule C)	1,788
Salary & Fringe Benefits Increase	7,750
TOTAL BUDGETED EXPENDITURES	\$378,827

(1)

(1) Budget Reallocations --

Targeted Budget Reduction on Previously Exempted Items	300
Targeted Budget Reduction	3,300
Total FY 2006 Budget Reallocations	\$3,600

**UNDESIGNATED GENERAL FUNDS
UPTOWN CAMPUS**

**New Budget Allocations by UC|21 Funding Goals
(INCLUDES FRINGE BENEFITS WHERE APPLICABLE)
RECURRING
(IN THOUSANDS)**

PLACE STUDENTS AT THE CENTER

Every Student Counts	196
Student Organizations	203
TOTAL	\$399

ACHIEVE ACADEMIC EXCELLENCE

Leadership Changes	1,200
College Enrollment Growth	7,784
Director, International Affairs	169
Summer Session	315
TOTAL	\$9,467

FORGE KEY RELATIONSHIPS & PARTNERSHIPS

Uptown Consortium Membership	400
Downtown DAAP Gallery	178
TOTAL	\$578

CREATE OPPORTUNITY

CincyTech Support	150
TOTAL	\$150

INFRASTRUCTURE NEEDS

Academic Contingency	759
COM Space	232
New Facilities/Renovations	1,146
Accounts Receivable Write-off	500
TOTAL	\$2,637

TOTAL NEW BUDGET ALLOCATIONS	\$13,231
-------------------------------------	-----------------

**UNDESIGNATED GENERAL FUNDS
UPTOWN CAMPUS**

**NONCOMPENSATION INFLATION INCREASES
BY COMPONENT
(IN THOUSANDS)**

COMPONENT	RATE	AMOUNT
Library Collections	0.0%	\$0
Utilities	5.5%	1,000
All Other	1.0%	788
TOTAL		\$1,788

**II. UNDESIGNATED GENERAL FUNDS
BRANCH CAMPUSES**

Undesignated General Funds Branches - Overview20

Undesignated General Funds Budget - Branch Campuses22

Raymond Walters College.....23

Clermont College24

**UNIVERSITY OF CINCINNATI
UNDESIGNATED GENERAL FUNDS
BRANCH CAMPUSES
OVERVIEW**

The planning environment for the branch campuses continues to change. Much like the Uptown campus, volatile enrollments and changes in State funding, in the form of state budget cuts, have required careful budget planning for each campus. The most recent of these state cuts is to Access Challenge funding. In FY 2006, due to higher than average enrollment increases at the branch campuses in recent years, State Share of Instruction is projected to increase at the branches.

During FY 2006, it is projected that both branches will experience modest enrollment growth. Both Raymond Walters' and Clermont's enrollment growth is projected to be approximately 3%.

RAYMOND WALTERS COLLEGE

Raymond Walters' 7.7% increased revenue projection is based upon a combination of enrollment growth of 3% and tuition and fees rates that have been increased by 6% for FY 2006.

Raymond Walters College continues to emphasize its student and community-centered approach to education. This year, the college will expand the first-year student experience, student orientation, the Radiological Technical Baccalaureate Program and, in conjunction with the Colleges of Business and Arts & Sciences, bring the Business Completion Program to the campus. Additionally, we will be upgrading the student computer labs, campus network and electronic classrooms.

The community's need for trained EMTs, First Responders and Paramedics has allowed for the expansion of the Raymond Walters College Emergency Medical Technology Program. This program is now being offered in three locations: RWC, Clermont, and in Northern Kentucky. Upon successful completion of their chosen program, the student receives national certification as well as being certified in Ohio/Kentucky.

The campus has experienced tremendous growth over the last five years and, with that growth, several capital programs were undertaken. Our capital goals for this year include completing the Veterinary Technology building which will allow the program to expand and move the program to its home campus – Raymond Walters. Students will now be able to complete their studies on one campus.

As we continue to look for ways to better meet student and community needs, Raymond Walters College and the University Architects are planning for a new technology building (completion in the 2009-10 academic year). This building will allow for expansion of the Technical Baccalaureate Programs and joint completion programs with the Uptown campus.

CLERMONT COLLEGE

Revenues reflect a 6% increase in tuition and credit hour enrollment is projected to increase 3%. The College has also increased its Instructional Technology and Equipment Fee (ITIE) from \$75/quarter to \$80/quarter. State appropriations reflect the latest projections from the Ohio Board of Regents.

Expenditures reflect funding for approved new faculty positions, new academic initiatives, and support of existing academic programs. Also included is funding to complete the new West Woods Academic Center and debt financing for short-term borrowings.

**UNDESIGNATED GENERAL FUNDS
BRANCH CAMPUSES
(IN THOUSANDS)**

2004-05 Budget	2005-06 Budget	Dollar Change	Percent Change
-------------------	-------------------	------------------	-------------------

RESOURCES

Gross Tuition, Fee & Other Student Charges	\$24,414	\$26,557	\$2,143	8.78%
Less Scholarships & Fellowships	(252)	(335)	(83)	32.94%
Net Tuition, Fee & Other Student Charges	\$24,162	\$26,222	\$2,060	8.53%
State Appropriations (State Share of Instruction)	12,919	14,366	1,447	11.20%
State Appropriations (Challenges)	1,893	1,893	0	0.00%
Govt. & Private Grants & Contracts	41	46	5	12.20%
Other Sources	142	93	(49)	-34.90%
Total Resources	39,157	42,620	3,463	8.84%

EXPENDITURES

Educational & General				
Instructional & General	21,422	22,703	1,281	5.98%
Public Service	387	609	222	57.27%
Academic Support	4,643	5,065	422	9.10%
Student Services	3,004	3,232	228	7.58%
Institutional Support	5,543	6,000	458	8.25%
Operation & Maintenance of Plant	3,496	3,967	472	13.50%
Total Educational & General	38,494	41,577	3,083	8.01%
Mandatory Transfers				
Debt Service	120	700	580	483.33%
Nonmandatory Transfers				
Subsidies to Non-Instructional Units	258	258	0	0.00%
Other	285	85	(200)	-70.32%
Total Expenditures & Transfers	39,157	42,620	3,463	8.84%

Net Increase (Decrease) in Fund Balance

\$0	\$0
-----	-----

**UNDESIGNATED GENERAL FUNDS
BRANCH CAMPUSES
RAYMOND WALTERS COLLEGE
(IN THOUSANDS)**

2004-05 Budget	2005-06 Budget	Dollar Change	Percent Change
-------------------	-------------------	------------------	-------------------

RESOURCES

Gross Tuition, Fee & Other Student Charges	\$15,808	\$17,019	\$1,211	7.66%
Less Scholarships & Fellowships	(82)	(90)	(8)	9.76%
Net Tuition, Fee & Other Student Charges	\$15,726	\$16,929	\$1,203	7.65%
State Appropriations (State Share of Instruction)	8,594	9,344	750	8.73%
State Appropriations (Challenges)	1,147	1,147	0	0.00%
Govt. & Private Grants & Contracts	12	17	5	41.67%
Other Sources	89	74	(15)	-16.85%
Total Resources	25,568	27,511	1,943	7.60%

EXPENDITURES

Educational & General				
Instructional & General	14,383	14,970	587	4.08%
Public Service	310	466	156	50.22%
Academic Support	3,257	3,622	365	11.20%
Student Services	1,511	1,558	47	3.14%
Institutional Support	3,175	3,562	387	12.18%
Operation & Maintenance of Plant	2,277	2,680	403	17.70%
Total Educational & General	24,913	26,858	1,945	7.81%
Mandatory Transfers				
Debt Service	120	350	230	191.67%
Nonmandatory Transfers				
Subsidies to Non-Instructional Units	173	173	0	0.00%
Other	362	130	(232)	-64.08%
Total Expenditures & Transfers	25,568	27,511	1,943	7.60%

Net Increase (Decrease) in Fund Balance

\$0	\$0
------------	------------

**UNDESIGNATED GENERAL FUNDS
BRANCH CAMPUSES
CLERMONT COLLEGE
(IN THOUSANDS)**

2004-05 Budget	2005-06 Budget	Dollar Change	Percent Change
-------------------	-------------------	------------------	-------------------

RESOURCES

Gross Tuition, Fee & Other Student Charges	\$8,606	\$9,538	\$934	10.84%
Less Scholarships & Fellowships	(170)	(245)	(75)	44.12%
Net Tuition, Fee & Other Student Charges	\$8,436	\$9,293	\$859	10.17%
State Appropriations (State Share of Instruction)	4,325	5,022	696	16.10%
State Appropriations (Challenges)	746	746	0	0.00%
Govt. & Private Grants & Contracts	29	29	0	0.00%
Other Sources	53	19	(35)	-65.16%
Total Resources	13,589	15,109	1,520	11.18%

EXPENDITURES

Educational & General				
Instructional & General	7,039	7,733	695	9.87%
Public Service	77	143	66	85.56%
Academic Support	1,386	1,443	57	4.15%
Student Services	1,493	1,674	180	12.08%
Institutional Support	2,368	2,438	71	2.99%
Operation & Maintenance of Plant	1,218	1,287	69	5.64%
Total Educational & General	13,581	14,719	1,138	8.38%
Mandatory Transfers				
Debt Service	0	350	350	100.00%
Nonmandatory Transfers				
Subsidies to Non-Instructional Units	85	85	0	0.00%
Other	(77)	(45)	32	-40.98%
Total Expenditures & Transfers	13,589	15,109	1,520	11.18%

Net Increase (Decrease) in Fund Balance

\$0	\$0
------------	------------

III. STUDENT FEES AND HISTORICAL DATA

Approved Student Fees.....	26
Summary of All Quarterly Student Fees - All Campuses	27
Summary of All Annual Student Fees - All Campuses.....	27
Instructional Subsidy and Student Fees - Ten & Five Year Trends	28
Ten & Five Year Fee History - Uptown Campus Resident Fees	28
Full Time Equivalent (FTE) Enrollments, 1996-2006	29
Summary of Resident Student Fees – Fall FY 2004 & Fall FY 2005	
OBR Institutions	30

**UNIVERSITY OF CINCINNATI
APPROVED REVISED QUARTERLY STUDENT FEES
EFFECTIVE AUTUMN QUARTER 2005**

	CAMPUS LIFE FEE¹		GENERAL FEE		IT&IE FEE²	
	FY05 Actual	FY06 Approved	FY05 Actual	FY06 Approved	FY05 Actual	FY06 Approved
FULL TIME RATES						
Undergraduate Programs:						
Uptown Campus	131	139	234	237	93	99
Center for Access & Transition	131	139	234	237	93	99
Clermont College	0	0	139	142	75	80
Raymond Walters College	0	0	139	142	75	80
Professional Programs:						
Law ⁴	197	208	351	356	140	149
Medicine	131	139	234	237	0	0
Graduate Programs ⁵	131	139	234	237	93	99

	INSTRUCTIONAL FEE AND NONRESIDENT SURCHARGE			
	Ohio		Out-of-State⁶	
	FY05 Actual	FY06 Approved	FY05 Actual	FY06 Approved
FULL TIME RATES				
Undergraduate Programs:				
Uptown Campus	2,335	2,484	6,659	7,068
Center for Access & Transition	1,735	1,850	6,659	7,068
Clermont College	1,138	1,211	3,177	3,373
Raymond Walters College	1,339	1,424	3,811	4,045
Professional Programs:				
Law ⁴	6,354	7,392	12,407	13,929
Medicine	6,912	7,484	12,290	13,292
Graduate Programs ⁵	2,867	3,116	5,677	6,151

	PART TIME PER CREDIT HOUR FEES (INSTRUCTIONAL, GENERAL, IT&IE, CAMPUS LIFE AND NONRESIDENT SURCHARGE)			
	Ohio		Out-of-State	
	FY05 Actual	FY06 Approved	FY05 Actual	FY06 Approved
PART-TIME RATES				
Undergraduate Programs:				
Uptown Campus	233	247	594	629
Center for Access & Transition	183	194	594	629
Clermont College	113	120	283	300
Raymond Walters College	130	138	336	356
Professional Programs:				
Law ⁴	587	676	1,092	1,221
Medicine	607	655	1,055	1,139
Graduate Programs ⁵	333	360	614	663

- (1) Campus Life Fee approved at the May 23, 2000 Board of Trustees meeting.
- (2) The IT&IE Fee assists in funding information technology, instructional equipment and improved student access to computer resources and other instructional materials.
- (3) Includes parking fee of \$33.
- (4) College of Law tuition calculated on the semester basis. Supplemental fee increase approved at the May 21, 2003 Board of Trustees meeting.
- (5) Medicine Graduate Programs do not charge the IT&IE Fee.
- (6) Includes the Ohio instructional fee and the non-resident surcharge.

**REVISED SUMMARY OF QUARTERLY STUDENT FEES
ALL CAMPUSES**

FULL-TIME RESIDENT TUITION & FEES			FULL-TIME NON-RESIDENT TUITION & FEES		
FY05 Tuition & Fees	FY06 Tuition & Fees	Percent Change	FY05 Tuition & Fees	FY06 Tuition & Fees	Percent Change

Undergraduate

Uptown Campus
Center for Access and Transition
Clermont College ¹
Raymond Walters College ¹

2,793	2,959	5.9%	7,117	7,543	6.0%
2,193	2,325	6.0%	7,117	7,543	6.0%
1,352	1,433	6.0%	3,391	3,595	6.0%
1,553	1,646	6.0%	4,025	4,267	6.0%

Professional Programs

Law ²
Medicine
Graduate Programs³

7,042	8,105	15.1%	13,095	14,642	11.8%
7,277	7,860	8.0%	12,655	13,668	8.0%
3,325	3,591	8.0%	6,135	6,626	8.0%

**SUMMARY OF ANNUAL STUDENT FEES
ALL CAMPUSES**

FULL-TIME RESIDENT TUITION & FEES			FULL-TIME NON-RESIDENT TUITION & FEES		
FY05 Tuition & Fees	FY06 Tuition & Fees	Percent Change	FY05 Tuition & Fees	FY06 Tuition & Fees	Percent Change

Undergraduate

Uptown Campus
Center for Access and Transition
Clermont College ¹
Raymond Walters College ¹

8,379	8,877	5.9%	21,351	22,629	6.0%
6,579	6,975	6.0%	21,351	22,629	6.0%
4,056	4,299	6.0%	10,173	10,785	6.0%
4,659	4,938	6.0%	12,075	12,801	6.0%

Professional Programs

Law ²
Medicine
Graduate Programs³

14,084	16,210	15.1%	26,190	29,284	11.8%
21,831	23,580	8.0%	37,965	41,004	8.0%
9,975	10,773	8.0%	18,405	19,878	8.0%

- | |
|---|
| <p>(1) A parking fee of \$33 per quarter is assessed by the branch campuses (included in the above amounts).</p> <p>(2) College of Law tuition calculated on the semester basis. Supplemental fee increase approved at the May 21, 2003 Board of Trustees meeting.</p> <p>(3) Medicine Graduate Programs do not charge the IT&IE Fee.</p> |
|---|

**STATE SHARE OF INSTRUCTION AND STUDENT FEES
TEN YEAR & FIVE YEAR TRENDS
UPTOWN CAMPUS
(IN THOUSANDS)**

	State Share of Instruction (1)			Student Fees (2)		
	State Share of Instruction	Dollar Change	Percent Change	Fees	Dollar Change	Percent Change
FY 1997 Actual	149,083	4,699	3.3%	129,119	3,352	2.7%
FY 1998 Actual	154,691	5,608	3.8%	135,721	6,602	5.1%
FY 1999 Actual	155,198	507	0.3%	139,211	3,490	2.6%
FY 2000 Actual	159,351	4,153	2.7%	145,227	6,016	4.3%
FY 2001 Actual	(3) 159,282	(69)	0.0%	150,719	5,492	3.8%
FY 2002 Actual	(4) 149,894	(9,388)	-5.9%	170,582	19,863	13.2%
FY 2003 Actual	(5) 144,220	(5,674)	-3.8%	195,126	24,544	14.4%
FY 2004 Actual	144,188	(32)	0.0%	218,477	23,351	12.0%
FY 2005 Projected	140,384	(3,804)	-2.6%	248,978	30,501	14.0%
FY 2006 Budget	141,146	762	0.5%	283,943	34,965	14.0%
Ten Year Average Increase			-0.2%			8.6%
Five Year Average Increase			-2.4%			13.5%

(1) These figures represent the FTE driven State Share of Instruction. Other challenge items such as Access, Success, Jobs, Research and Priorities in Higher Education are not reflected in this table.
(2) Student Fees include Instructional, General, IT&IE, Campus Life and Non-Resident Fees.
(3) Reduced by a 1% Statewide Budget Cut.
(4) Reduced by a 6% Statewide Budget Cut.
(5) Reduced by a 2.5% Statewide Budget Cut.

**ANNUAL FEE HISTORY
OHIO RESIDENT FEES - UPTOWN CAMPUS**

Year	Under-graduate	Center for Access and Transition**	Graduate	Law	Medicine
1995-96	3,918	3,918	5,442	6,570	11,037
1996-97	4,152	4,152	5,445	6,900	11,478
1997-98	4,509	4,443	5,568	7,395	12,051
1998-99	4,746	4,590	5,586	7,706	12,537
1999-00	4,998	4,569	5,880	8,104	13,173
2000-01	5,337	4,401	6,264	8,600	13,902
2001-02 Fall	5,823	4,686	6,822	9,348	15,090
2002-03	6,936	5,448	8,094	11,020	17,709
2003-04	7,623	5,988	8,985	12,236	19,662
2004-05	8,379	6,579	9,975	14,084	21,831
2005-06	8,883	6,975	10,773	16,210	23,580
Ten Year Average Annual Increase	\$496	\$306	\$533	\$964	\$1,254
Five Year Average Annual Increase	\$709	\$515	\$902	\$1,522	\$1,936
Ten Year Average Annual Increase	8.6%	6.1%	7.2%	9.6%	8.0%
Five Year Average Annual Increase	10.8%	9.7%	11.5%	13.6%	11.2%

**Formerly University College

**FULL TIME EQUIVALENT (FTE) ENROLLMENTS
ANNUALIZED (Autumn and Summer), 1995-1998**

Year	Uptown Campus			Raymond Walters Branch	Clermont Branch	Grand Total
	Undergrad	Graduate & Professional	Total			
1995-96	17,175	5,798	22,973	2,299	1,325	26,597
1996-97	17,349	5,860	23,209	2,315	1,518	27,042
1997-98	17,358	5,333	22,691	2,378	1,580	26,649

ALL-TERMS SUBSIDY ELIGIBLE REPORTING, 1997-2006

1997-98	15,945	4,954	20,899	2,173	1,478	24,550
1998-99	15,739	4,899	20,638	2,096	1,355	24,089
1999-00	15,588	4,902	20,490	2,174	1,363	24,027
2000-01	15,103	5,031	20,134	2,244	1,469	23,847
2001-02	15,200	5,265	20,465	2,458	1,656	24,579
2002-03	14,867	5,406	20,273	2,650	1,778	24,701
2003-04	15,026	5,461	20,487	2,847	2,017	25,351
Est. 2004-05	15,068	5,704	20,772	2,932	2,092	25,796
Est. 2005-06	15,283	6,177	21,460	3,020	2,155	26,635

**SUMMARY OF RESIDENT STUDENT FEES
OHIO BOARD OF REGENTS' INSTITUTIONS**

	UNDERGRADUATE FEES		
	Fall FY 2004 Fees	Fall FY 2005 Fees	Percent Change
	Miami University ¹	8,353	9,042
University of Cincinnati	7,623	8,379	9.9%
Bowling Green State University (B)	7,408	8,072	9.0%
Bowling Green State University (A)	7,144	7,784	9.0%
Ohio University (B)	7,128	7,770	9.0%
Ohio State University (C)	6,651	7,542	13.4%
University of Akron (B)	6,809	7,510	10.3%
Kent State University	6,882	7,504	9.0%
Ohio State University (B)	6,567	7,446	13.4%
Ohio University (A)	6,792	7,404	9.0%
University of Akron (A)	6,479	7,147	10.3%
University of Toledo	6,426	7,054	9.8%
Ohio State University (A)	6,018	6,828	13.5%
Cleveland State University (B)	6,072	6,822	12.4%
Wright State University (C)	5,892	6,477	9.9%
Cleveland State University (A)	5,760	6,474	12.4%
Wright State University (B)	5,682	6,246	9.9%
Wright State University (A)	5,472	6,012	9.9%
Youngstown State University	5,448	5,884	8.0%
Shawnee State University (B)	4,734	5,202	9.9%
Shawnee State University (A)	4,410	4,842	9.8%
Central State University	4,287	4,710	9.9%
Average	6,274	6,916	10.3%

	GRADUATE FEES		
	Fall FY 2004 Fees	Fall FY 2005 Fees	Percent Change
Bowling Green State University	9,320	10,174	9.2%
University of Cincinnati	8,985	9,975	11.0%
University of Toledo	8,730	9,396	7.6%
Cleveland State University	8,320	9,325	12.1%
Miami University	8,544	9,270	8.5%
Ohio University	7,953	8,670	9.0%
Wright State University (C)	7,875	8,652	9.9%
Wright State University (B)	7,875	8,343	5.9%
Ohio State University	7,233	8,205	13.4%
Wright State University (A)	7,380	8,112	9.9%
Kent State University	7,320	7,980	9.0%
Youngstown State University	6,720	7,237	7.7%
University of Akron	5,646	6,213	10.0%
Central State University	3,624	5,940	63.9%
Shawnee State University	--	--	N/A
Average	7,538	8,392	13.4%

Source: "FALL SURVEY OF STUDENT CHARGES - For Academic Year 2004 - 2005" by The Ohio Board of Regents

Amounts shown include the Instructional, General/Facilities Fees, IT&IE Fee and Campus Life Fee.

¹ Miami University is \$19,642 less scholarships for an average of \$9,042 per year.

(A): Denotes fees charged to continuing students who enrolled before the 2002 summer term.

(B): Denotes fees charged to continuing students who enrolled after the 2002 summer term.

(C): Denotes fees assessed to new students entering autumn term 2003, if different than fees charged to continuing students.

**IV. DESIGNATED GENERAL FUNDS
HOXWORTH BLOOD CENTER**

Overview32

Hoxworth Blood Center.....33

UNIVERSITY OF CINCINNATI DESIGNATED GENERAL FUNDS HOXWORTH BLOOD CENTER OVERVIEW

Under the leadership of Ronald A. Sacher, MD, Hoxworth Blood Center continues to achieve its goals as our community's only blood center and as an integral part of the University of Cincinnati. Hoxworth's mission is to enhance the well being of patients in our service area by assuring a reliable and economical supply of the safest possible blood, by providing innovative hemotherapy services and by promoting research and education programs in transfusion medicine. While the provision of blood, blood components, and blood-related services for the patients in the 27 tri-state hospitals and medical centers served by Hoxworth continues to drive the organization, the organization continued to focus on its major strategic planning initiative to assure its continued growth and success. This strategic planning initiative focuses on five critical success factors that include donors, fund raising, niche marketing, community outreach and continuous improvement.

- In fiscal year 2004, Hoxworth Blood Center served as the steward for 87,910 blood donations and 8,104 platelet donations. Hoxworth is currently on track to collect 91,000 blood donations and 9,300 platelet donations in fiscal year 2005. The target for FY 2006 is 95,000 blood donations and 9,900 platelet donations.
- Hoxworth Blood Center was one of six blood centers awarded the REDS II (Retrovirus Epidemiology Donor Study) contract. This is a five year contract totaling \$1.89 million dollars.
- Hoxworth Blood Center made major changes to several of our neighborhood donor centers. We moved the Western Hills donor center and appointment center to new facilities, expanded our Ft. Mitchell donor center, and located a new facility for our Tri-County donor center.
- Hoxworth Blood Center joined BCA/hemera, a cooperative organization focused on group purchasing, resource sharing, benchmarking and recovered plasma sales.
- Hoxworth Blood Center implemented the totally self-administered health history form. Donors like the change in the process.
- Hoxworth Blood Center and Cincinnati Children's Hospital Medical Center Experimental Hematology received FDA approval for its Fanconi Anemia gene therapy protocol.

**DESIGNATED GENERAL FUNDS
HOXWORTH BLOOD CENTER
(IN THOUSANDS)**

	2004-05 Budget	2005-06 Budget	Dollar Change	Percent Change
RESOURCES				
Services Provided	\$32,997	\$35,030	\$2,033	6.16%
Interest Income	280	280	0	0.00%
Total Resources	33,277	35,310	2,033	6.11%
EXPENDITURES				
Compensation	15,465	15,780	315	2.04%
Other	15,135	16,642	1,507	9.95%
Total Educational & General	30,600	32,422	1,822	5.96%
Mandatory Transfers				
Debt Service	950	949	(1)	-0.13%
Nonmandatory Transfers				
Plant Funds	1,100	1,100	0	0.00%
Total Expenditures & Transfers	32,650	34,471	1,821	5.58%
 Net Increase (Decrease) in Fund Balance	 \$627	 \$839		

VII. AUXILIARY OPERATIONS

Overview	35
Summary of Auxiliary Operations FY 2005 & FY 2006.....	39
Campus Services Auxiliary Budget Summary FY 2005 & FY 2006	40
Campus Services Auxiliary – MainStreet Budget Summary	
FY 2005 & FY 2006.....	41
Room, Board, and Apartment Rates.....	42
Parking Services.....	43
Intercollegiate Athletics.....	44
Fifth Third Arena at the Myrl H. Shoemaker Center.....	45

UNIVERSITY OF CINCINNATI AUXILIARY ENTERPRISES OVERVIEW

An auxiliary enterprise provides a service to students, faculty or staff and charges fees related to, but not necessarily equal to, the cost of the services. The distinguishing characteristic of most auxiliary enterprises is that they are managed essentially as self-supporting activities whose services are provided primarily to individuals in the institutional community rather than to departments of the institution.

The Campus Services auxiliary enterprise was created in Fiscal Year 2000 to support the new Campus Life and MainStreet planning initiatives. Within FY 2006 there will be several key happenings that will make it necessary for a more comprehensive collaboration with Campus Services and the Division of Finance. There will be the need to construct a detailed matrix to describe and fund the following auxiliary happenings in housing, CRC and parking. The following are the highlights of each unit's FY 2006 budget plan.

CAMPUS SERVICES AUXILIARY - Overview

Campus Services is a single umbrella organization that consists of six auxiliary departments that will provide a coordinated effort to meet the needs of the campus community:

- Retail Services (Bookstores, Vending, Convenience Stores, Central Stores)
- Housing and Food Services
- MainStreet Operations
- Kingsgate Conference Center and University Conferencing
- Campus Recreation Center
- Bearcat Campus Card

Retail Services consists primarily of the eight retail locations serving all campuses of the University, including 5 bookstores, an art supply store at DAAP, Business on Main (computer and copy shop) and the MainStreet ExpressMart. FY 2005 marked the first full year of operations for the TUC Bookstore, the MainStreet ExpressMart (TUC), and Business on Main (SSLC). Market on Main, a large convenience store scheduled to open in the new Campus Recreation Center in Fall 2005, is also a part of Retail Services. The FY 2006 budget reflects an increase in revenues due to the opening of Market on Main and increased textbook and technology sales. Sales projections are also based on a flat enrollment projection for the year on the Uptown campus. Electronic commerce continues to grow at a moderate pace for sales of textbooks, medical books, commencement, and insignia products.

Housing & Food Services serves approximately 3,476 students residing in on-campus residence halls and apartments. Quarterly room and board rates provide the basis for revenue for both housing and food services. There will be a rate increase for room in FY 2006 of 5% for residence hall rooms, 5% for apartments, and 8% for board plans. Greatly increased retention of existing residents combined with strong marketing will place the occupancy of the undergraduate facilities at capacity for Fall 2005. The new housing

component in the Campus Recreation Center complex is scheduled to be completed for opening in Fall 2005 and will house 224 residents.

Housing & Food Services is also responsible for food operations in the two residential dining centers on campus, MarketPointe and Center Court, the new dining facility in the Campus Recreation Center. Patronage by board students and the larger University community is expected to be strong at the new dining facility. The University contracts with ARAMARK to provide food service at the residential dining centers and the Faculty Club and to operate various cafés on campus.

Food Service Operations consists of residential, catering, and retail food operations on all campuses. The primary University food service contractor ARAMARK provides residential food service, catering, and select retail food venues at various campus locations including Raymond Walters and Clermont Colleges.

MainStreet Operations, established in FY 2005, consists of facility management, business operations, and programming coordination functions for the Tangeman University Center, Steger Student Life Center, and MainStreet open spaces and meeting rooms. This department operates several TUC venues, including the new Catskeller Game Room & Sports Lounge and the MainStreet Cinema. MainStreet Operations manages non-academic space scheduling as well handling over 18,000 requests for special functions, events, and programs. MainStreet Operations coordinates over 850 programs and events that include renowned national acts, movies, and special athletic showings.

MainStreet Operations has responsibility for catering operations (contracted to ARAMARK) and the nine eateries located in TUC and SSLC. The food court in Tangeman University Center includes Pizza Hut Express, Freshens (dessert concept), Tortilla Fresca (Mexican), Gold Star Chili, and Wendy's. TUC also operates Mick & Mack's Contemporary Cafe and its "grab and go" component, "Quick Mick's. Subway and Starbucks operate in the Steger Student Life Center.

The Bearcat Campus Card is an access control, debit and charge card system that provides students, faculty, and staff convenient payment options for various services on and off campus. The card system also serves as a control point for determining access to select facilities, enrollment status, and related eligibility for campus functions. The program provides over 400 locations where goods and services can be purchased. The sales growth is projected to be up over 40% from last year, reaching total sales of \$4.6M.

Kingsgate Conference Center and University Conferencing continues to experience a high level of satisfaction with conferencing management services, conference facilities, the Caminetto bistro, and lodging. This budget assumes an increase in the occupancy rate to 73% and an average room rate of \$109.

The **Campus Recreation Center** is scheduled to open in Fall 2005. Campus Recreation Center operations and recreational programming (formerly administered through the Division of Student Affairs) will become part of the new Campus Services auxiliary department. Revenue sources will include a portion of the Student Life fee, membership fees paid by employees and community members. Other revenue includes fees for value-added programs and services.

II. OTHER AUXILIARY ENTERPRISES - Overview

Parking Services

Parking Services will continue to fulfill the principles of UC|21 in FY06. Calhoun Garage will open completely in the fall of 2005, offering an additional 1,080 parking spaces to our students, staff, and visitors. Parking looks forward to developing a strong working relationship with the corporation operating the Garage overbuild. In addition to Calhoun, a new elevator will be installed in University Avenue Garage along with the completion of the top deck membrane project. Parking will upgrade the Library Garage to a proximity card reader system in the summer of 2005. To meet the needs of our East campus visitors, hourly parking will be introduced in Lots 22 and 16 during the 2006 fiscal year.

Parking seeks to meet the needs of its customer base offering decal, hourly, and special event parking in our facilities. We will continue to offer the safety zone after hours reduced rate parking in the Library (Woodside) Garage on the West campus as well as the Eden Avenue Garage complex on the East Campus. Our services include the Motorist Assistance Program for car unlocks and battery jumps. Parking looks forward to continuous customer feedback through the use of the University of Cincinnati's Planet feedback. We strive to be a premier operation that takes the needs of our customers as well as employees into account.

Parking Services is a self sustaining operation which means that we rely solely on income derived from decals and cash parking to fund our operations. With maintenance costs for our older facilities rising, and with the additional debt brought on by the Calhoun Garage facility, Parking will need to increase the rates for FY06. Decal rates will increase by 5%.

Intercollegiate Athletics

This upcoming year will be a historic year for University of Cincinnati Athletics as it begins membership in the Big East Conference. Besides aligning Cincinnati with prestigious academic Universities in the geographical proximity, it elevates the athletic program into one of the power conferences in the country. In FY 2006, the University's first year in the Big East Conference, the FY budget will be balanced due to the Conference's lucrative revenue sharing. Likewise, it is anticipated that the FY 2007 budget will also be balanced. In subsequent years, the deficit fund balance will be repaid, thus eliminating the deficit by FY 2012.

In near perfect concert with the move to the Big East Conference, construction work is moving forward as planned for the dramatic new athletics facilities project called Varsity Village. While construction continues, the Varsity Village gift campaign is also right on

track, perhaps even a little ahead of schedule. It is expected that the total goal for the campaign will be reached on schedule by the completion of fiscal year 2006. Recognizing that facilities and operating funding must be improved, the Athletics department agreed to forgo all increased funding for Olympic sports scholarships through FY 2007 in order to build the debt service payments necessary to help build a world-class facility. This funding, along with the aggressive fundraising that has taken place, will complete that effort. As the Varsity Village gift campaign is nearing completion, plans are to generate additional funds above capital costs to support an endowed scholarship fund to help with scholarships and operating costs as well.

Fifth Third Arena at the Myrl H. Shoemaker Center

This budget reflects a modest increase in the current income levels and total expenditures. While the Varsity Village construction project is being completed, there will be limited use in this facility for other than intercollegiate athletic events and recreation sports.

**SUMMARY OF AUXILIARY OPERATIONS
UPTOWN CAMPUS
(IN THOUSANDS)**

FISCAL YEAR 2005

	Resources		Expenditures & Transfers				Net Income	
	Auxiliary	Restricted	Total Budget	Expenses	Debt Service	Other Transfers		Total Budget
Campus Services Auxiliary*	\$44,546	\$0	\$44,546	\$38,249	\$5,420	(\$60)	\$43,609	\$937
CSA - MainStreet	9,544	0	9,544	3,653	4,576	2,915	11,143	(1,599)
Parking Lots and Garages	13,861	0	13,861	6,196	6,502	402	13,100	761
Intercollegiate Athletics	7,753	4,692	12,445	21,516	356	(5,676)	16,196	(3,751)
Fifth Third Arena	498	0	498	1,523	602	(1,627)	498	0
GRAND TOTAL	\$76,202	\$4,692	\$80,894	\$71,137	\$17,456	(\$4,047)	\$84,546	(\$3,652)

FISCAL YEAR 2006

	Resources		Expenditures & Transfers				Net Income	
	Auxiliary	Restricted	Total Budget	Expenses	Debt Service	Other Transfers		Total Budget
Campus Services Auxiliary*	\$45,868	\$0	\$45,868	\$39,166	\$8,039	(\$1,300)	\$45,905	(\$37)
CSA - MainStreet	11,176	0	11,176	7,075	8,638	(1,599)	14,114	(2,938)
Parking Lots and Garages	15,184	0	15,184	6,632	6,269	902	13,803	1,381
Intercollegiate Athletics	12,910	5,454	18,364	23,625	233	(5,494)	18,364	0
Fifth Third Arena	486	0	486	1,458	600	(1,572)	486	0
GRAND TOTAL	\$85,624	\$5,454	\$91,078	\$77,956	\$23,779	(\$9,063)	\$92,672	(\$1,594)

* Campus Services Auxiliary includes Retail, Food Services, Housing, Kingsgate, and Conference Management.

CAMPUS SERVICES AUXILIARY SUMMARY (excludes MainStreet)
Comparison of FY 2005 to FY 2006 Budget
(IN THOUSANDS)

2004-05 Budget	2005-06 Budget	Dollar Change	Percent Change
-------------------	-------------------	------------------	-------------------

RESOURCES

Sales	\$17,029	\$18,559	\$1,530	8.98%
Student Meals	7,360	7,847	487	6.62%
Housing	16,727	16,176	(551)	-3.29%
Rentals	-	-	-	N/A
Contracts	1,360	1,399	39	2.87%
Other	2,070	1,887	(183)	-8.84%
Miscellaneous Student Fees	-	-	-	N/A
Total Resources	44,546	45,868	1,322	2.97%

EXPENDITURES & TRANSFERS

Cost of Sales	18,150	19,498	1,348	7.43%
Salaries	5,278	5,228	(50)	-0.95%
Benefits	1,638	1,820	182	11.11%
DOE	7,898	8,669	771	9.76%
Campus Services Overhead	1,000	912	(88)	-8.80%
University Overhead	1,495	1,521	26	1.74%
Programming	2,790	1,518	(1,272)	-45.59%
Operation & Maintenance of Plant	-	-	-	N/A
Total Expenditures	38,249	39,166	917	2.40%
Mandatory Transfers				
Debt Service	5,420	8,039	2,619	48.32%
Nonmandatory Transfers				
Reserve for Repairs and Renovations	300	-	(300)	-100.00%
Reserve - Other	-	-	-	N/A
Subsidies To Non-Instructional Activities	(360)	-	360	-100.00%
Other	-	(1,300)	(1,300)	100.00%
Total Expenditures and Transfers	43,609	45,905	2,296	5.26%

Net increase (decrease) in fund balance	\$937	(\$37)
--	--------------	---------------

* Campus Services Auxiliary includes Retail, Food Services, Housing, Kingsgate, and Conference Management.

CAMPUS SERVICES AUXILIARY SUMMARY - MainStreet
Comparison of FY 2005 to FY 2006 Budget
(IN THOUSANDS)

2004-05 Budget	2005-06 Budget	Dollar Change	Percent Change
-------------------	-------------------	------------------	-------------------

RESOURCES

Sales	\$286	\$702	416	145.45%
Student Meals	-	-	-	N/A
Housing	-	-	-	N/A
Rentals	101	45	(56)	-55.45%
Contracts	294	654	360	122.45%
Other	35	332	297	848.57%
Miscellaneous Student Fees	8,828	9,443	615	6.97%
Total Resources	9,544	11,176	1,632	17.10%

EXPENDITURES & TRANSFERS

Cost of Sales	7	15	8	114.29%
Salaries	435	2,775	2,340	537.93%
Benefits	162	909	747	461.11%
DOE	2,189	2,248	59	2.70%
Campus Services Overhead	340	608	268	78.82%
University Overhead	-	-	-	N/A
Programming	520	520	-	0.00%
Operation & Maintenance of Plant	-	-	-	N/A
Total Expenditures	3,653	7,075	3,422	93.68%
Mandatory Transfers				
Debt Service	4,576	8,638	4,062	88.78%
Nonmandatory Transfers				
Reserve for Repairs and Renovations	390	506	116	29.74%
Reserve - Other	-	-	-	N/A
Subsidies To Non-Instructional Activities	(2,744)	(1,605)	1,139	-41.51%
Other	5,269	(500)	(5,769)	-109.49%
Total Expenditures and Transfers	11,143	14,114	2,971	26.66%

Net increase (decrease) in fund balance

(\$1,599)	(\$2,938)
------------------	------------------

* Campus Services Auxiliary - MainStreet includes Tangeman University Center/Student Life Center and Campus Recreation Center.

**ROOM, BOARD, AND APARTMENT RATES
FISCAL YEAR 2005-06**

2004-05 Actual	
QUARTER	ANNUAL

2005-06 Actual	
QUARTER	ANNUAL

I. SCHEDULE OF BASIC ROOM RATES¹

A. Calhoun, Daniels, Siddall, Dabney (Multiple Occupancy)	\$1,485	\$4,455	\$1,560	\$4,680
B. Calhoun, Daniels, Siddall, Dabney (Designed Singles if available)	1,731	5,193	1,818	5,454
C. Calhoun, Daniels, Siddall, Dabney (Super Single if Available)	1,847	5,541	1,939	5,817
D. Turner Hall ² (Double Suites)	1,776	5,328	1,865	5,595
E. Schneider Hall ² (Single Suites)	1,900	5,700	1,995	5,985
F. Sawyer Hall (Multiple Occupancy)	1,542	4,626	N/A	0
G. Recreation Center	0	0	2,150	6,450

II. SCHEDULE OF BASIC BOARD RATES

19 Meals/Week Plan	990	2,970	1,070	3,210
14 Meals/Week Plan	943	2,829	1,018	3,054
12 Plus Meals/Week Plan	990	2,970	1,070	3,210
78 Plus Meals/Quarter Plan	950	2,850	1,026	3,078
78 Meals/Quarter Plan	896	2,688	968	2,904

III. SCHEDULE OF ROOM AND BOARD RATES

19 Meals/Week Plan	2,475	7,425	2,630	7,890
14 Meals/Week Plan	2,428	7,284	2,578	7,734
12 Plus Meals/Week Plan	2,475	7,425	2,630	7,890
78 Plus Meals/Quarter Plan	2,435	7,305	2,586	7,758
78 Meals/Quarter Plan	2,381	7,143	2,528	7,584

IV. OFF CAMPUS MEAL TICKET RATES

45 Meals/Quarter Plan	350	1,050	360	1,080
33 Meals/Quarter Plan	240	720	245	735
25 Meals/Quarter Plan	175	525	185	555
15 Meals/Quarter Plan	120	360	125	375

V. SCHEDULE OF APARTMENT RATES - PER MONTH

Efficiency without balcony	\$478	\$502
Efficiency with balcony	503	528
One Bedroom	583	612
Two Bedroom	695	730
Penthouse	982	1,031

- 1) The option of a quarterly residence hall contract is available to upperclassmen as part of a pilot program for an additional surcharge of \$200.
- 2) The option of signing a twelve month lease is available to Turner Hall and Schneider Hall residents. This option adds \$803 to the annual rate.

PARKING LOTS AND GARAGES
(IN THOUSANDS)

2004-05 Budget	2005-06 Budget	Dollar Change	Percent Change
-------------------	-------------------	------------------	-------------------

RESOURCES

Central Campus Sales and Fines
Branch Campus Sales and Fines
Total Resources

\$13,476	\$14,761	\$1,285	9.54%
385	423	38	9.87%
13,861	15,184	1,323	9.54%

EXPENDITURES & TRANSFERS

Administrative and General
Operation and Maintenance of Plant
University Overhead
University Hall Lease
Total Expenditures
Mandatory Transfers
Debt Service
Nonmandatory Transfers
Subsidies to Non-Instructional Activities
Reserve for Repairs and Renovations
Total Expenditures & Transfers

2,219	2,305	86	3.88%
3,587	3,902	315	8.78%
390	425	35	8.97%
0	0	0	0.00%
6,196	6,632	436	7.04%
6,502	6,269	(233)	-3.58%
(98)	(98)	0	0.00%
500	1,000	500	100.00%
13,100	13,803	703	5.37%

Net Increase (Decrease) in Fund Balance

\$761	\$1,381
--------------	----------------

INTERCOLLEGIATE ATHLETICS
(IN THOUSANDS)

2004-05 Budget	2005-06 Budget	Dollar Change	Percent Change
-------------------	-------------------	------------------	-------------------

RESOURCES

Sports

Basketball
Football

Gifts
Other

Total Resources

\$2,716	\$4,734	\$2,018	74.30%
2,858	5,097	2,239	78.34%
4,692	5,454	762	16.24%
2,179	3,079	900	41.30%
12,445	18,364	5,919	47.56%

EXPENDITURES & TRANSFERS

Sports

Basketball
Football
Women's Sports
Other Men's Sports

Total Sports

Administrative and General
Operation and Maintenance of Plant

Total Expenditures

Mandatory Transfers

Debt Service

Nonmandatory Transfers

Subsidies to Non-Instructional Activities
Other

Total Expenditures & Transfers

3,064	3,330	266	8.68%
6,803	7,201	398	5.85%
4,328	4,751	423	9.77%
1,570	1,976	406	25.86%
15,765	17,258	1,493	9.47%
5,475	6,135	660	12.05%
276	232	(44)	-15.94%
21,516	23,625	2,109	9.80%
356	233	(123)	-34.55%
(5,806)	(5,774)	32	-0.55%
130	280	150	115.38%
16,196	18,364	2,168	13.39%

Net Increase (Decrease) in Fund Balance

(\$3,751)	\$0
-----------	-----

**FIFTH THIRD ARENA
MYRL H. SHOEMAKER CENTER
(IN THOUSANDS)**

2004-05 Budget	2005-06 Budget	Dollar Change	Percent Change
-------------------	-------------------	------------------	-------------------

RESOURCES

Special Event Revenue	\$50	\$40	(\$10)	-20.00%
Operation and Maintenance Reimbursement	97	101	4	4.12%
Concessions	236	275	39	16.53%
Other	115	70	(45)	-39.13%
Total Resources	498	486	(12)	-2.41%

EXPENDITURES & TRANSFERS

Administrative and General	426	283	(143)	-33.57%
Operation and Maintenance of Plant	1,097	1,175	78	7.11%
University Overhead	0	0	0	N/A
Total Expenditures	1,523	1,458	(65)	-4.27%
Mandatory Transfers				
Debt Service	602	600	(2)	-0.33%
Nonmandatory Transfers				
Subsidies to Non-Instructional Activities	(1,627)	(1,572)	55	-3.38%
Total Expenditures & Transfers	498	486	(12)	-2.41%

Net Increase (Decrease) in Fund Balance

\$0	\$0
------------	------------

**IV. DESIGNATED GENERAL FUNDS
MILLENNIUM RESEARCH INSTITUTE**

Overview47

Millennium Research Institute.....49

**UNIVERSITY OF CINCINNATI
DESIGNATED GENERAL FUNDS
MILLENNIUM RESEARCH INSTITUTE
OVERVIEW**

It is the goal of the University of Cincinnati to establish a separately identifiable and self-funded research institute. It is the goal of this plan through the UC Medical Center Research Enterprise via the Millennium Research Institute to double the sponsored research activity of the University of Cincinnati's College of Medicine to \$300M. The center will require the hiring of 200 new research faculty members and will encompass, at the outset, the Genome Research Institute (GRI) and Medical Sciences Building facilities, with the addition of the CARE facility in the future. This center will be a major player in the University's participation in the Third Frontier program introduced and fully supported by the Governor of Ohio.

The allocation methodology for Facilities and Administrative Cost (F&A) income resulting from this increased sponsored research revenue for the Center is different from that of the normal University policy distribution. The methodology change is to be used on those funds received in excess of the established base for FY 2000 related to East Campus Sponsored Programs only. The revised allocations will be as follows:

8%	Off-the-Top (Research Infrastructure)
20%	Departmental Allocation
21%	Facilities Expenses
19%	GRI Renovations-Debt Service
<u>32%</u>	Research Recruitment Fund
100%	Total F&A Income

These distributions have been set with the knowledge that certain items such as Off-the-Top may need to be increased if support services for these programs increase in cost or scope. It is recognized that the Departmental Allocation of 20% is subject, at all times, to the support of this program's infrastructure, facility replacement, recruiting expense and a portion of unrecoverable faculty salary and benefits involved in the Millennium program.

The established business plan leads to a self-funded end. The Center will accumulate deficit amounts that will be subject to TIP interest charges, which will hold harmless the Uptown campus General funds budget from lost interest revenues. At the time the program reaches self-liquidity, the University will revisit the restated F&A distribution policy for the Center and determine necessary realignment with the University-wide F&A distribution policy that exists at that time.

During the first five years of the program, the activities of the Institute have primarily focused on identifying the appropriate programmatic areas for

recruitment and the establishment of task forces to identify key research recruits. The programmatic areas have been aligned with the NIH Roadmap and key recruitments have taken place within the identified areas. Areas of focus include Cancer Biology, Cardiovascular Biology, Neuroscience, Metabolic Disorders and Obesity. To date, thirty Millennium Scholars have been recruited bringing with them \$1.2M in research awards and securing approximately \$2.5M in new awards since arriving on campus. The Scholars have also submitted approximately \$19M in research applications. In addition to recruitment, significant progress has been made in relation to the physical infrastructure of the Genome Research Institute and the facility is now operational and generating great interest from both the private and public sectors.

As discussed earlier and projected in the original business plan, the fund will end the current fiscal year in a deficit position and is projected to continue to accumulate additional expenses during FY 2006. The negative fund balance is the result of debt service payments for the Genome Research Institute facility and the direct expenses of recruitment and faculty start-up packages as outlined in the Millennium plan.

**DESIGNATED GENERAL FUNDS
MILLENNIUM RESEARCH INSTITUTE
(IN THOUSANDS)**

2004-05 Projected	2005-06 Budget	Dollar Change	Percent Change
----------------------	-------------------	------------------	-------------------

RESOURCES

Govt. & Private Grants & Contracts	\$5,430	\$8,261	\$2,831	52.14%
Rental Income	440	440	0	0.00%
Other Sources	4	0	(4)	-100.00%
Total Resources	5,874	8,701	2,827	48.13%

EXPENDITURES

Educational & General				
Separately Budgeted Research	6,351	8,587	2,236	35.21%
Operation & Maintenance of Plant	3,626	3,883	257	7.09%
Total Educational & General	9,977	12,470	2,493	24.99%
Mandatory Transfers				
Debt Service	3,820	5,058	1,238	32.41%
Nonmandatory Transfers				
Plant Funds	0	0	0	N/A
Total Expenditures & Transfers	13,797	17,528	3,731	27.04%

Net Increase (Decrease) in Fund Balance

(\$7,923)	(\$8,827) ¹
-----------	------------------------

(1) Millennium Plan is required to be self-funded by the end of the program. Interest costs on deficit to be paid to the General Fund included in Separately Budgeted Research expenditures.

V. OTHER DESIGNATED FUNDS

Overview	51
Other Designated General Funds - Excluding Hoxworth Blood Center and The Millennium Research Institute.....	52
Designated General Funds - University Service Centers:	
UCit	53
Consolidated Utilities.....	54

UNIVERSITY OF CINCINNATI OTHER DESIGNATED GENERAL FUNDS OVERVIEW

Other Designated General Funds excluding Hoxworth Blood Center and the Millennium Research Institute are those funds that are internally restricted by Board of Trustee approval for specific activities. Other designated funds are locally managed with little control exercised centrally. They are managed by not allowing departments to budget above their expected level of revenue plus accumulated fund balance. They represent an important opportunity for leveraging undesignated general funds in supporting the overall mission of the institution and providing enhancements. Incentive programs for sponsored projects and continuing education activities give departments discretionary funds that are used for instructional programs.

The student fee revenue herein is the result of fees designated for self-supported instructional program expenditures. Also included in this revenue projection is the Information Technology and Instructional Equipment (IT&IE) fee income of \$6.4M. This fee is used to fund improved access to and assistance with information technology and to fund other types of instructional equipment. Virtually all students on the Uptown campus are assessed this \$99 per quarter fee.

The projected grant and contract revenue primarily represents the incentive monies retained by departments for their share of the Sponsored Project Incentive Award Program. Instruction, as well as departmental research, is supported through the use of these funds. They are an important source of flexibility for the departments, especially as additional research generates more funds. This income rises in relation to the increase in grants and contracts awarded to the university.

The sales and services revenue is generated primarily by the outpatient clinical activities of the College of Medicine. Much of the net revenue, above the level of support needed to operate the clinical labs, is used to supplement the instructional expenditures of individual departments.

FY 2006 is the seventh year in which OBR Challenge program income is being incorporated into the Undesignated General Fund with transfers being made to designated funds to support both existing programs and policies that contribute toward the goals of each Challenge program. The Undesignated General Funds category within designated reflects \$5.6M of transfers to meet these program goals.

The final two tables in this section represent the budgets for the two largest University Service Centers. These are centers that provide products or services to the entire University community, and charge rates to the various funds to recover their costs. *These schedules cannot be summed with the other Designated Fund schedules to determine a total for the fund, because their income is accounted for as an offset to expenditures.* While they function as self-supporting entities over time, they are presented here due to their relative size when compared to other funds and departments.

DESIGNATED GENERAL FUNDS
EXCLUDING HOXWORTH BLOOD CENTER AND MILLENNIUM RESEARCH INSTITUTE
(IN THOUSANDS)

	2004-05 Budget	2005-06 Budget	Dollar Change	Percent Change
RESOURCES				
Gross Tuition, Fee & Other Student Charges	\$17,625	\$18,379	\$754	4.28%
Less Scholarships & Fellowships	0	0	0	0.00%
Net Tuition, Fee & Other Student Charges	\$17,625	\$18,379	754	4.28%
Govt. & Private Grants & Contracts	22,442	23,366	924	4.12%
Private Gifts	852	882	30	3.52%
Endowment Income	1,137	1,554	417	36.68%
Sales & Service	19,276	19,858	582	3.02%
Other Sources	1,254	1,433	179	14.27%
Total Resources	62,586	65,472	2,886	4.61%
EXPENDITURES				
Educational & General				
Instruction and Departmental Research	15,603	15,993	390	2.50%
Separately Budgeted Research	11,898	11,923	25	0.21%
Public Service	11,916	12,161	245	2.06%
Academic Support	10,485	10,640	155	1.48%
Student Services	11,373	12,229	856	7.53%
Institutional Support	3,900	6,231	2,331	59.77%
Scholarships & Fellowships	979	1,068	89	9.09%
Total Educational & General	66,154	70,245	4,091	6.18%
Auxiliary Enterprises	1,798	(14)	(1,812)	-100.80%
Mandatory Transfers				
Debt Service	7,072	6,810	(262)	-3.70%
Nonmandatory Transfers				
Subsidies to Non-Instructional Units	(1,379)	420	1,799	-130.48%
Undesignated General Funds	(17,667)	(13,294)	4,373	-24.75%
Other	1,339	1,135	(204)	-15.24%
Total Expenditures & Transfers	57,317	65,302	7,985	13.93%
Net Increase (Decrease) in Fund Balance	\$5,269	\$170		

DESIGNATED GENERAL FUNDS

UCit

(IN THOUSANDS)

	2004-05 Projected	2005-06 Budget	Dollar Change	Percent Change
RESOURCES				
Recovery - General Fund	\$10,600	\$10,900	\$300	2.83%
Recovery - Hospital	30	30	0	0.00%
Recovery - Other	15,299	15,448	149	0.97%
Outside Sales	325	325	0	0.00%
Total Resources	26,254	26,703	450	1.71%

EXPENDITURES				
Compensation	12,586	13,313	727	5.78%
All Other	11,494	11,328	(165)	-1.44%
Total Expenditures	24,079	24,641	563	2.33%
Mandatory Transfers				
Debt Service	87	70	(17)	-19.08%
Nonmandatory Transfers				
Plant Fund	1,375	1,250	(125)	-9.09%
Total Expenditures & Transfers	25,541	25,961	421	1.64%

Net Increase (Decrease) in Fund Balance	\$713	\$742
--	--------------	--------------

This budget reflects resources and expenditures for a University Service Center. A University Service Center is an entity which provides a service or product on a continuing basis to the University Community (sometimes including the public) and charges the user a predetermined rate which is calculated to recover the total cost of operation over a specified period of time.

**DESIGNATED GENERAL FUNDS
CONSOLIDATED UTILITIES
(IN THOUSANDS)**

	2004-05 Projected	2005-06 Budget	Dollar Change	Percent Change
RESOURCES				
Recovery - Steam	\$14,387	\$17,884	\$3,497	24.31%
Recovery - Chilled Water	8,765	11,397	2,632	30.03%
Recovery - Electric	17,230	21,683	4,453	25.84%
Recovery - Water/Sewage	3,420	3,587	167	4.88%
Total Resources	43,802	54,551	10,749	24.54%
EXPENDITURES				
Compensation	4,365	4,574	209	4.79%
All Other	35,493	42,477	6,984	19.68%
Total Expenditures	39,858	47,051	7,193	18.05%
Mandatory Transfers				
Debt Service	6,078	6,044	(34)	-0.56%
Nonmandatory Transfers				
Designated Central	(5,300)	(4,800)	500	-9.43%
Plant Fund	988	1,190	202	20.45%
Undesignated Central	11	10	(1)	-9.09%
Other	3,329	3,731	402	12.08%
Total Expenditures & Transfers	44,964	53,226	8,262	18.37%
Net Increase (Decrease) in Fund Balance	(\$1,162)	\$1,325		

This budget reflects resources and expenditures for a University Service Center. A University Service Center is an entity which provides a service or product on a continuing basis to the University Community (sometimes including the public) and charges the user a predetermined rate which is calculated to recover the total cost of operation over a specified period of time.

VI. RESTRICTED FUNDS

Overview56

Restricted Funds57

UNIVERSITY OF CINCINNATI RESTRICTED FUNDS OVERVIEW

Restricted Funds are those funds that the University receives that have been designated by an external agency or individual and are limited to the support of a specific purpose and/or unit. Included in this group are gift funds, the earnings on endowments, and both private and governmental grants and contracts. Restricted funds are under the local control of colleges and departments, within the external restrictions imposed. Actual income must have been received, or guaranteed, from these sources before expenditure budgets are approved. These funds are an important addition to the University budget, in terms of their leveraging effects to the undesignated general fund.

Restricted fund revenue sources have been aggressively pursued, and the results of those efforts are being realized in the current fiscal year. We are anticipating revenues in excess of budget for the current fiscal year of approximately \$73K.

State appropriations are primarily funds retained by the College of Medicine for Clinical Teaching Subsidy. A variety of programs are supported at the College with this important source of funds.

Grants and contract income is received from both private and governmental research. Federal government grant support had declined during the mid-90's, after a period of extraordinary growth. Projections for this income category for FY 2005 and again in FY 2006 are moving in the positive direction. This has been further confirmed at the national level with increases to the NIH budget. This progress is due mainly to the implementation of the COM Millennium Plan, which is further detailed in the fund entitled Millennium Research Institute. We therefore anticipate that this upward trend will continue, and we have budgeted FY 2006 at \$9M above this year's anticipated level.

Endowment income continues to rise, and we anticipate continued growth in this category for FY 2006.

Included in the "Other" nonmandatory transfers, almost \$53.4M represents the total overhead transferred back to unrestricted funds. Over 40% of the overhead earned on the grants and contracts is channeled back to departments through the Sponsored Project Incentive Program in designated funds. These monies are used by the departments for discretionary purposes. The remaining overhead transfer is reported as unrestricted revenue to the undesignated general fund.

RESTRICTED FUNDS
(IN THOUSANDS)

2004-05 Budget	2005-06 Budget	Dollar Change	Percent Change
-------------------	-------------------	------------------	-------------------

RESOURCES

State Appropriations	\$13,334	\$12,843	(\$491)	-3.68%
Govt. & Private Grants & Contracts	201,042	210,299	9,257	4.60%
Private Gifts	22,795	23,949	1,154	5.06%
Endowment Income	51,742	52,871	1,129	2.18%
Temporary Investments	168	141	(27)	-16.07%
Total Resources	289,081	300,103	11,022	3.81%

EXPENDITURES

Educational & General

Instruction and Departmental Research	40,070	41,201	1,131	2.82%
Separately Budgeted Research	135,403	139,229	3,826	2.83%
Public Service	8,584	8,085	(499)	-5.81%
Academic Support	9,607	11,124	1,517	15.79%
Student Services	4,444	3,879	(565)	-12.71%
Institutional Support	708	705	(3)	-0.42%
Operation & Maintenance of Plant	728	728	0	0.00%
Scholarships & Fellowships	38,036	40,964	2,928	7.70%
Total Educational & General	237,580	245,915	8,335	3.51%

Mandatory Transfers

Debt Service	800	758	(42)	-5.25%
--------------	-----	-----	------	--------

Nonmandatory Transfers

Other	50,604	53,357	2,753	5.44%
-------	--------	--------	-------	-------

Total Expenditures & Transfers	288,984	300,030	11,046	3.82%
---	----------------	----------------	---------------	--------------

Net Increase (Decrease) in Fund Balance

\$97	\$73
------	------