

UNIVERSITY OF
Cincinnati



University of Cincinnati



**University Current Funds
Budget Plan
FY 2006-2007**



**CURRENT FUNDS
BUDGET PLAN
FY 2006-2007**

Prepared By
The Office of the Executive Chief Financial Officer

June 27, 2006



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**FISCAL YEAR 2006-2007
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 Hoxworth Blood Center	Auxiliary Enterprises	Subtotal	Designated General Funds Millennium Research Inst.	Other Designated General Funds	Restricted Funds	Subtotal	
RESOURCES										
Gross Tuition, Fee and Other Student Charges	286,573	28,922		9,863	325,357		19,103		19,103	344,460
Less Scholarships and Fellowships	(65,802)	(363)			(66,165)				-	(66,165)
Net Tuition, Fee and Other Student Charges	220,770	28,559		9,863	259,192		19,103		19,103	278,295
State Appropriations (State Share of Instruction)	141,646	15,054			156,699			12,530	12,530	169,229
State Appropriations (Challenges)	8,690	2,234			10,924				-	10,924
Govt and Private Grants and Contracts	13,001	43			13,045	7,358	18,323	274,507	300,188	313,233
Private Gifts	1,177			5,292	6,469		138	41,242	41,380	47,849
Endowment Income	1,449				1,449		1,064	63,637	64,701	66,150
Sales and Service	10	9	34,780		34,799		19,693		19,693	54,492
Temporary Investments	2,270		280		2,550			78	78	2,628
Other Sources	2,487	66			2,553	(312)	1,183	912	1,783	4,336
Auxiliary Enterprises				66,092	66,092					66,092
Total Resources	391,501	45,964	35,060	81,247	553,772	7,046	59,505	392,905	459,456	1,013,228
EXPENDITURES										
Educational and General										
Instructional and General	207,024	26,656			233,681		15,457	62,296	77,753	311,434
Separately Budgeted Research	2,035				2,035	8,960	11,516	198,295	218,770	220,805
Public Service	1,444	262	32,238		33,944		11,147	11,036	22,182	56,126
Academic Support	42,491	4,782			47,272		11,286	13,890	25,176	72,448
Student Services	17,712	3,849			21,561		11,398	3,468	14,866	36,427
Institutional Support	45,087	5,779			50,867		5,063	5,643	10,705	61,572
Operation and Maintenance of Plant	50,701	4,338			55,039	4,571	-	-	4,571	59,610
Scholarships and Fellowships					-		500	45,426	45,926	45,926
Budget Cut Reserve*	(15,600)				(15,600)				-	(15,600)
Total Educational and General	350,894	45,666	32,238	-	428,798	13,531	66,366	340,054	419,951	848,749
Auxiliary Enterprises				70,890	70,890		21		21	70,911
Mandatory Transfers										
Loan Fund Matching	223				223					223
Debt Service	15,619	125	905	36,837	53,487	6,185	6,991	283	13,459	66,945
Nonmandatory Transfers										
Subsidies to Non-Instructional Units	14,322	259		(14,581)	-					-
Plant Funds	342	11	1,100	519	1,972	31			31	2,003
Designated**	13,944				13,944		(13,944)		(13,944)	-
Other	(3,844)	(97)		1,651	(2,289)		-	52,492	52,492	50,202
Total Expenditures and Transfers	391,501	45,964	34,243	95,317	567,025	19,747	59,434	392,828	472,009	1,039,034
Net Increase (Decrease) In Fund Balance	-	-	817	(14,070)	(13,253)	(12,701)	71	77	(12,553)	(25,806)

* Result to FY 2006-07 budget process.

** This amount includes an annual payment of \$2.1M toward internal debt on claims on operations.

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

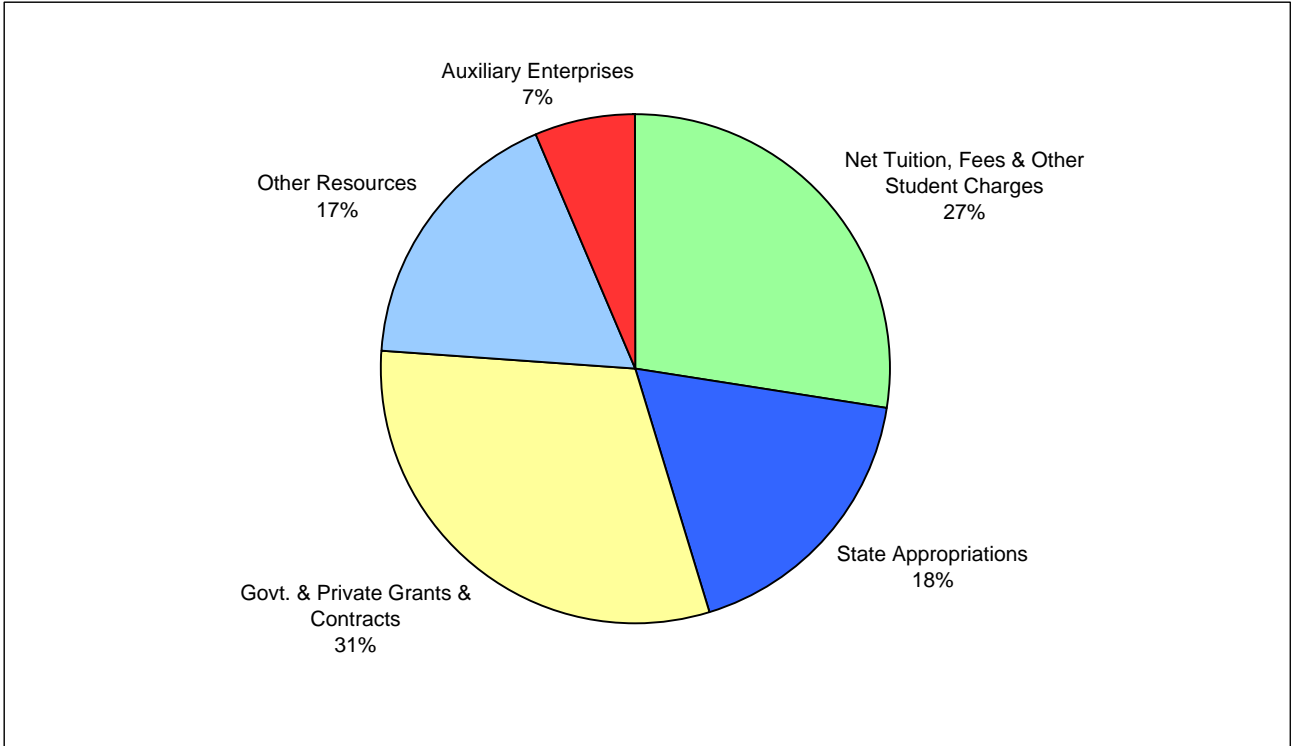
	2006 Budget Revised	2007 Budget	Variance	Percent Change
RESOURCES				
Gross Tuition, Fee and Other Student Charges	324,390	344,460	20,070	6.19%
Less Scholarships and Fellowships	(59,602)	(66,165)	(6,563)	11.01%
Net Tuition, Fee and Other Student Charges	264,788	278,295	13,507	5.10%
State Appropriations (State Share of Instruction)	168,039	169,229	1,190	0.71%
State Appropriations (Challenges)	11,102	10,924	(177)	-1.60%
Govt and Private Grants and Contracts	346,016	313,233	(32,783)	-9.47%
Private Gifts	38,699	47,849	9,150	23.64%
Endowment Income	49,927	66,150	16,223	32.49%
Sales and Service	54,538	54,492	(47)	-0.09%
Temporary Investments	2,578	2,628	49	1.91%
Other Sources	10,988	4,336	(6,652)	-60.54%
Auxiliary Enterprises	75,262	66,092	(9,170)	-12.18%
Total Resources	1,021,937	1,013,228	(8,709)	-0.85%
EXPENDITURES				
Educational and General				
Instructional and General	298,348	311,434	13,086	4.39%
Separately Budgeted Research	242,032	220,805	(21,227)	-8.77%
Public Service	57,124	56,126	(998)	-1.75%
Academic Support	72,095	72,448	354	0.49%
Student Services	35,820	36,427	607	1.69%
Institutional Support	63,779	61,572	(2,207)	-3.46%
Operation and Maintenance of Plant	46,247	59,610	13,363	28.89%
Scholarships and Fellowships	46,267	45,926	(341)	-0.74%
Budget Cut Reserve*	-	(15,600)	(15,600)	100.00%
Total Educational and General	861,713	848,749	(12,964)	-1.50%
Auxiliary Enterprises	81,379	70,911	(10,468)	-12.86%
Mandatory Transfers				
Loan Fund Matching	223	223	-	0.00%
Debt Service	53,447	66,945	13,498	25.25%
Nonmandatory Transfers				
Subsidies to Non-Instructional Units	-	-	-	0.00%
Plant Funds	2,985	2,003	(983)	-32.91%
Designated**	-	-	-	0.00%
Other	45,534	50,202	4,668	10.25%
Total Expenditures and Transfers	1,045,281	1,039,034	(6,247)	-0.60%
Net Increase (Decrease) In Fund Balance	(23,344)	(25,806)		

* Result of FY 2006-07 budget process.

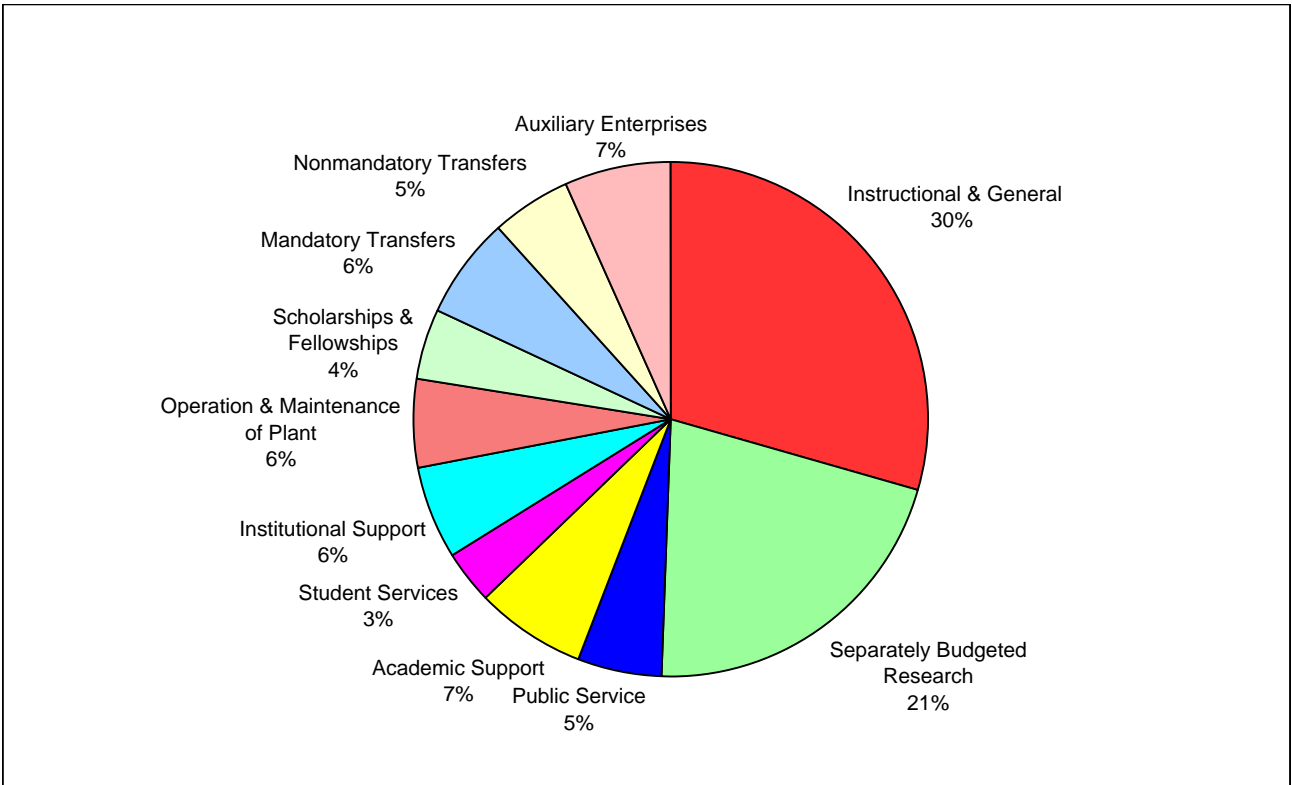
** This amount includes an annual payment of \$2.1M toward internal debt on claims on operations.

**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, the Campus Recreation Center, Faculty Club, 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**

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**UNIVERSITY OF CINCINNATI
UNDESIGNATED GENERAL FUNDS
UPTOWN CAMPUS
OVERVIEW**

The Uptown Campus budget is the “core” University budget and comprises about 38% 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 2007, the UC|21 Academic Plan becomes the key driver to decision and allocation making in the university-wide budget process. Through the President’s Budget Advisory Committee (PBAC), the Executive Committee and 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 stable model for all other university-wide budgets in an all-inclusive, all-budgets process.

The following Uptown Campus budget reflects the need to fund \$25.5M of projected expenditures that outstrip projected revenues. At the conclusion of campus-wide briefings at all levels, it has been realized that to correct a problem of this magnitude is a two to three year process. Consultations with university-wide involvement produced many cost reduction strategies that will be implemented to produce the funding to fill this gap over the next two to three years. Thus, the FY 2007 budget as presented covers \$10M of the recurring problem with the additional \$15.6M to be covered on a one-time basis and further remedied in FY 2008. The above process addresses several issues that have been crippling the Uptown Campus for several years. In FY 2007, conservative tuition estimates are being used which will correct a decade long issue of tuition shortfalls that have existed. For example, overly optimistic tuition projections of the past have been replaced by realistic projections of flat enrollment in FY 2007, based in part on the raising of academic standards for newly enrolling students. A tuition increase of 5.4% for undergraduates and 7.8% for graduate students was passed at the March meeting of the Board of Trustees and has been incorporated into this final submission. In addition, an increase to the ITIE fee is being requested at the June Board of Trustees meeting and, subject to approval, will result in a total tuition increase of 5.6% for undergraduates and 8% for graduate students. Other revenue items as well are being conservatively increased including the major item of State Share of Instruction increasing \$500,000 due to previous years’ enrollment increases. There is current thought that the Return on Economic Investment funding included in last year’s legislative budget bill will be allocated through the SSI, but no amount is currently budgeted.

On the expenditure side of the increased budget are issues with Utilities that have drastically increased over the last two years; added debt service of new and renovated buildings coming on line, as well as, new core system installations. Salary increases for

contract employees must be honored, but unrepresented employees will receive no increase in FY 2007.

With the FY 2007 budget comes a new commitment to change the business culture at UC. The University community is engaged in creating cost saving strategies that change the manner in which UC pursues its mission. The current budget process has created a greater sense of transparency that will lead UC into the future with a greater sense of conservation and cost controlling efforts from the entire University community.

Despite the difficulties presented by UC's budget situation, faculty, staff and students have come together and faced this challenge as one University, keeping our collective vision at the fore of every decision we have made to date. The PBAC has been tremendously impressed with the breadth and substance of advice it has received from all the various campus constituencies, and as a result, that advice truly has driven the recommendations contained in this budget.

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

	2006 Budget Revised	2007 Budget	Variance	Percent Change
RESOURCES				
Gross Tuition, Fee and Other Student Charges	270,263	286,573	16,310	6.03 %
Less Scholarships and Fellowships	(59,240)	(65,802)	(6,562)	11.08 %
Net Tuition, Fee and Other Student Charges	211,023	220,770	9,748	4.62 %
State Appropriations (State Share of Instruction)	141,146	141,646	500	0.35 %
State Appropriations (Challenges)	9,113	8,690	(423)	(4.64) %
Govt and Private Grants and Contracts	12,701	13,001	300	2.36 %
Private Gifts	1,177	1,177	-	0.00 %
Endowment Income	1,457	1,449	(8)	(0.55) %
Sales and Service	10	10	-	0.00 %
Temporary Investments	2,270	2,270	-	0.00 %
Other Sources	2,487	2,487	-	0.00 %
Total Resources	381,384	391,501	10,117	2.65 %
EXPENDITURES				
Educational and General				
Instructional and General	195,453	207,024	11,572	5.92 %
Separately Budgeted Research	2,551	2,035	(516)	(20.23) %
Public Service	1,444	1,444	-	0.00 %
Academic Support	42,199	42,491	292	0.69 %
Student Services	16,924	17,712	788	4.66 %
Institutional Support	49,374	45,087	(4,287)	(8.68) %
Operation and Maintenance of Plant	39,445	50,701	11,256	28.54 %
Budget Cut Reserve*	-	(15,600)	(15,600)	100.00%
Total Educational and General	347,390	350,894	3,504	1.01 %
Mandatory Transfers				
Loan Fund Matching	223	223	-	0.00 %
Debt Service	12,169	15,619	3,450	28.35 %
Nonmandatory Transfers				
Subsidies to Non-Instructional Units	8,971	14,322	5,351	59.65 %
Plant Funds	891	342	(549.60)	(61.68) %
Designated**	18,384	13,944	(4,439)	(24.15) %
Other	(6,644)	(3,844)	2,800	(42.14) %
Total Expenditures and Transfers	381,384	391,501	10,117	2.65 %
Net Increase (Decrease) In Fund Balance	-	-		

* Result of FY 2006-07 budget process.

** This amount includes an annual payment of \$2.1M toward internal debt on claims on operations.

**I. UNDESIGNATED GENERAL FUNDS
BRANCH CAMPUSES**

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

In FY 2007, 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. It is also projected that both branches will continue to experience modest enrollment growth.

RAYMOND WALTERS COLLEGE

The College has experienced tremendous growth since the completion of the Science and Allied Health Building in 2000. We are expecting to continue the growth this year but at a much slower pace of about 1.5% FTE. Areas of growth are projected in Biology, Chemistry, Math (Developmental and College level), English (Developmental and College level), Medical Assistant, Radiation Technology and Behavioral Sciences.

Raymond Walters College opened the Veterinary Technology Building this year. The 3.4 million dollar project was funded from private donations, state appropriations and 1.2 million dollars from the College.

The building is equipped with the latest technologies in Animal Wellness Care. The program graduates approximately forty Veterinary Technicians each year. The majority of the graduates are hired by local Veterinarians and research centers.

Capital Projects for 2007 include renovation of the Flory Center. This renovation will allow the Professional Development Institute to relocate to the RWC campus.

CLERMONT COLLEGE

Revenues reflect a 5.65% increase in tuition, and credit hour enrollment is projected to increase 2.75%. The State Share of Instruction is based on the latest "known" funding for this source. The College has also increased its Instructional Technology and Equipment Fee (ITIE) from \$80/quarter to \$85/quarter.

Expenditures reflect funding for approved new faculty positions, new academic initiatives, and continuing support of existing academic programs. Also included is modest funding for the final close-out of construction costs related to the new West Woods Academic Center.

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

	2006 Budget Revised	2007 Budget	Variance	Percent Change
RESOURCES				
Gross Tuition, Fee and Other Student Charges	26,585	28,922	2,337	8.79%
Less Scholarships and Fellowships	(363)	(363)	-	0.00%
Net Tuition, Fee and Other Student Charges	26,222	28,559	2,336	8.91%
State Appropriations (State Share of Instruction)	14,391	15,054	663	4.61%
State Appropriations (Challenges)	1,989	2,234	246	12.34%
Govt and Private Grants and Contracts	43	43	-	0.00%
Private Gifts				
Endowment Income				
Sales and Service	9	9	-	0.00%
Temporary Investments				
Other Sources	75	66	(9)	-12.05%
Total Resources	42,729	45,964	3,236	7.57%
EXPENDITURES				
Educational and General				
Instructional and General	24,319	26,656	2,338	9.61%
Separately Budgeted Research				
Public Service	334	262	(73)	-21.71%
Academic Support	5,097	4,782	(316)	-6.19%
Student Services	3,540	3,849	309	8.73%
Institutional Support	5,062	5,779	717	14.17%
Operation and Maintenance of Plant	3,754	4,338	584	15.55%
Total Educational and General	42,107	45,666	3,560	8.45%
Mandatory Transfers				
Loan Fund Matching				
Debt Service	350	125	(225)	-64.29%
Nonmandatory Transfers				
Subsidies to Non-Instructional Units	259	259	-	0.00%
Plant Funds	27	11	(16)	-59.22%
Other	(13)	(97)	(84)	639.10%
Total Expenditures and Transfers	42,729	45,964	3,235	7.57%
Net Increase (Decrease) In Fund Balance	-	-		

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

	2006 Budget Revised	2007 Budget	Variance	Percent Change
RESOURCES				
Gross Tuition, Fee and Other Student Charges	17,046	18,074	1,027	6.03%
Less Scholarships and Fellowships	(118)	(63)	55	-46.38%
Net Tuition, Fee and Other Student Charges	16,929	18,011	1,082	6.39%
State Appropriations (State Share of Instruction)	9,344	9,626	282	3.01%
State Appropriations (Challenges)	1,267	1,391	123	9.72%
Govt and Private Grants and Contracts	14	14	-	0.00%
Private Gifts				
Endowment Income				
Sales and Service	9	9	-	0.00%
Temporary Investments				
Other Sources	56	48	(8)	-14.59%
Total Resources	27,620	29,098	1,478	5.35%
EXPENDITURES				
Educational and General				
Instructional and General	16,244	17,460	1,216	7.48%
Separately Budgeted Research				
Public Service	191	211	21	10.85%
Academic Support	3,656	3,271	(385)	-10.52%
Student Services	1,849	1,918	69	3.73%
Institutional Support	2,725	3,017	292	10.73%
Operation and Maintenance of Plant	2,566	2,857	291	11.35%
Total Educational and General	27,231	28,736	1,504	5.52%
Mandatory Transfers				
Loan Fund Matching				
Nonmandatory Transfers				
Subsidies to Non-Instructional Units	174	174	-	0.00%
Plant Funds	21	11	(10)	-47.49%
Debt Service				
Other	194	178	(16)	-8.42%
Total Expenditures and Transfers	27,620	29,098	1,478	5.35%
Net Increase (Decrease) In Fund Balance	-	-		

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

	2006 Budget Revised	2007 Budget	Variance	Percent Change
RESOURCES				
Gross Tuition, Fee and Other Student Charges	9,538	10,848	1,310	13.73%
Less Scholarships and Fellowships	(245)	(300)	(55)	22.45%
Net Tuition, Fee and Other Student Charges	9,293	10,548	1,255	13.50%
State Appropriations (State Share of Instruction)	5,046	5,428	381	7.55%
State Appropriations (Challenges)	721	844	122	16.95%
Govt and Private Grants and Contracts	29	29	-	0.00%
Private Gifts				
Endowment Income				
Sales and Service				
Temporary Investments				
Other Sources	19	18	(1)	-4.32%
Total Resources	15,109	16,866	1,758	11.63%
EXPENDITURES				
Educational and General				
Instructional and General	8,074	9,196	1,122	13.89%
Separately Budgeted Research				
Public Service	143	50	(93)	-64.97%
Academic Support	1,442	1,510	69	4.78%
Student Services	1,691	1,931	240	14.20%
Institutional Support	2,337	2,762	425	18.18%
Operation and Maintenance of Plant	1,188	1,481	293	24.63%
Total Educational and General	14,876	16,931	2,055	13.82%
Mandatory Transfers				
Loan Fund Matching				
Nonmandatory Transfers				
Subsidies to Non-Instructional Units	85	85	-	0.00%
Plant Funds	6		(6)	-100.00%
Debt Service	350	125	(225)	-64.29%
Other	(207)	(274)	(67)	32.48%
Total Expenditures and Transfers	15,109	16,866	1,757	11.63%
Net Increase (Decrease) In Fund Balance	-	-		

III. STUDENT FEES AND HISTORICAL DATA

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**UNIVERSITY OF CINCINNATI
QUARTERLY STUDENT FEES
EFFECTIVE AUTUMN QUARTER 2006**

	CAMPUS LIFE FEE¹		GENERAL FEE		IT&IE FEE²	
<u>FULL TIME RATES</u>	FY06 Actual	FY07 Actual	FY06 Actual	FY07 Actual	FY06 Actual	FY07 Actual
Undergraduate Programs:						
Uptown Campus	139	147	245	249	99	105
Center for Access & Transition	139	147	245	249	99	105
Clermont College	0	0	142	142 ³	80	85
Raymond Walters College	0	0	142	142 ³	80	85
Professional Programs:						
Law ⁴	208	221	368	374	149	158
Medicine	139	147	245	249	0	0
Graduate Programs ⁵	139	147	245	249	99	105

	INSTRUCTIONAL FEE AND NONRESIDENT SURCHARGE			
<u>FULL TIME RATES</u>	Ohio		Out-of-State ⁶	
	FY06 Actual	FY07 Actual	FY06 Actual	FY07 Actual
Undergraduate Programs:				
Uptown Campus	2,484	2,632	7,068	7,473
Center for Access & Transition	1,850	1,963	7,068	7,473
Clermont College	1,211	1,287	3,373	3,571
Raymond Walters College	1,424	1,517	4,045	4,295
Professional Programs:				
Law ⁴	7,392	8,263	13,929	15,323
Medicine	7,484	8,259	13,292	14,648
Graduate Programs ⁵	3,116	3,386	6,151	6,664

	PART TIME PER CREDIT HOUR FEES (INSTRUCTIONAL, GENERAL, IT&IE, CAMPUS LIFE AND NONRESIDENT SURCHARGE)			
<u>PART-TIME RATES</u>	Ohio		Out-of-State	
	FY06 Actual Spring	FY07 Actual	FY06 Actual Spring	FY07 Actual
Undergraduate Programs:				
Uptown Campus	248	262	630	665
Center for Access & Transition	195	206	630	665
Clermont College	120	127	300	317
Raymond Walters College	138	146	356	377
Professional Programs:				
Law ⁴	677	752	1,222	1,340
Medicine	656	722	1,140	1,254
Graduate Programs ⁵	361	389	664	717

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

**SUMMARY OF QUARTERLY STUDENT FEES
ALL CAMPUSES EFFECTIVE AUTUMN QUARTER 2006**

FULL-TIME RESIDENT TUITION & FEES			FULL-TIME NON-RESIDENT TUITION & FEES		
Spring FY06 Tuition & Fees	FY07 Tuition & Fees	Percent Change	Spring FY06 Tuition & Fees	FY07 Tuition & Fees	Percent Change

Undergraduate

Uptown Campus

Center for Access and Transition

Clermont College¹

Raymond Walters College¹

2,967	3,133	5.6%	7,551	7,974	5.6%
2,333	2,464	5.6%	7,551	7,974	5.6%
1,433	1,514	5.6%	3,595	3,798	5.6%
1,646	1,744	5.9%	4,267	4,522	6.0%

Professional Programs

Law²

Medicine

Graduate Programs³

8,117	9,016	11.1%	14,653	16,076	9.7%
7,868	8,655	10.0%	13,676	15,044	10.0%
3,599	3,887	8.0%	6,634	7,165	8.0%

**PROPOSED SUMMARY OF ANNUAL STUDENT FEES
ALL CAMPUSES EFFECTIVE AUTUMN QUARTER 2006**

FULL-TIME RESIDENT TUITION & FEES			FULL-TIME NON-RESIDENT TUITION & FEES		
Spring FY06 Tuition & Fees	FY07 Tuition & Fees	Percent Change	Spring FY06 Tuition & Fees	FY07 Tuition & Fees	Percent Change

Undergraduate

Uptown Campus

Center for Access and Transition

Clermont College¹

Raymond Walters College¹

8,901	9,399	5.6%	22,653	23,922	5.6%
6,999	7,392	5.6%	22,653	23,922	5.6%
4,299	4,542	5.6%	10,785	11,394	5.6%
4,938	5,232	6.0%	12,801	13,566	6.0%

Professional Programs

Law²

Medicine

Graduate Programs³

16,234	18,032	11.1%	29,306	32,152	9.7%
23,604	25,965	10.0%	41,028	45,132	10.0%
10,797	11,661	8.0%	19,902	21,495	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 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 Actual	140,384	(3,804)	-2.6%	247,747	29,270	13.4%
FY 2006 Projected	140,076	(308)	-0.2%	272,317	24,570	9.9%
FY 2007 Budget	141,646	1,570	1.1%	299,316	26,999	9.9%
Ten Year Average Increase			-0.5%			8.9%
Five Year Average Increase			-1.1%			11.9%

- (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
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 Autumn	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 Autumn	8,877	6,975	10,773	16,210	23,580
2006-07	9,399	7,392	11,661	18,032	25,965
Ten Year Average Annual Increase	\$525	\$324	\$622	\$1,113	\$1,449
Five Year Average Annual Increase	\$715	\$541	\$968	\$1,737	\$2,175
Ten Year Average Annual Increase	8.6%	6.1%	8.0%	10.2%	8.6%
Five Year Average Annual Increase	10.2%	9.6%	11.4%	14.1%	11.5%

**Formerly University College

**FULL TIME EQUIVALENT (FTE) ENROLLMENTS
ALL-TERMS SUBSIDY ELIGIBLE REPORTING, FY 1998-2007**

Year	Uptown Campus			Raymond Walters Branch	Clermont Branch	Grand Total
	Undergrad	Graduate & Professional	Total			

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
2004-05	15,111	5,662	20,773	2,969	2,088	25,830
Est. 2005-06	15,318	5,579	20,897	3,044	2,165	26,106
Est. 2006-07	15,318	5,753	21,071	3,103	2,224	26,398

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

	UNDERGRADUATE FEES		
	Autumn FY 2005 Fees	Autumn FY 2006 Fees	Percent Change
	Miami University ¹	9,042	9,542
University of Cincinnati	8,379	8,877	5.9%
Bowling Green State University (B)	8,072	8,560	6.0%
Bowling Green State University (A)	7,784	8,248	6.0%
Ohio University (B)	7,770	8,235	6.0%
Ohio State University (C)	7,542	8,082	7.2%
Ohio State University (B)	7,446	7,980	7.2%
University of Akron (B)	7,510	7,958	6.0%
Kent State University	7,504	7,954	6.0%
Ohio University (A)	7,404	7,848	6.0%
University of Akron (A)	7,147	7,573	6.0%
University of Toledo	7,054	7,478	6.0%
Cleveland State University (B)	6,822	7,394	8.4%
Ohio State University (A)	6,828	7,323	7.2%
Cleveland State University (A)	6,474	7,022	8.5%
Wright State University (C)	6,477	6,864	6.0%
Wright State University (B)	6,246	6,621	6.0%
Wright State University (A)	6,012	6,372	6.0%
Youngstown State University	5,884	6,333	7.6%
Shawnee State University (B)	5,202	5,508	5.9%
Shawnee State University (A)	4,842	5,130	5.9%
Central State University	4,710	4,994	6.0%
Average	6,916	7,359	6.4%

	GRADUATE FEES		
	Autumn FY 2005 Fees	Autumn FY 2006 Fees	Percent Change
Bowling Green State University	10,174	10,808	6.2%
University of Cincinnati	9,975	10,773	8.0%
Miami University	9,270	10,104	9.0%
Cleveland State University	9,325	10,073	8.0%
University of Toledo	9,396	9,880	5.2%
Wright State University (C)	8,652	9,171	6.0%
Ohio University	8,670	8,931	3.0%
Wright State University (B)	8,343	8,844	6.0%
Ohio State University	8,205	8,832	7.6%
Wright State University (A)	8,112	8,598	6.0%
Medical University of Ohio (Ph.D.)	8,264	8,574	3.8%
Kent State University	7,980	8,460	6.0%
Central State University	5,940	7,890	32.8%
Youngstown State University	7,237	7,765	7.3%
University of Akron	6,213	6,609	6.4%
Shawnee State University	--	--	N/A
Average	8,384	9,021	8.1%

Source: "FALL SURVEY OF STUDENT CHARGES - For Academic Year 2005 - 2006" by The Ohio Board of Regents

University of Cincinnati amounts shown include the Instructional, General/Facilities Fees, IT&IE Fee and Campus Life Fee

¹ Miami University is \$21,410 less scholarships for an average of \$9,542 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**

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Hoxworth Blood Center26

UNIVERSITY OF CINCINNATI DESIGNATED GENERAL FUNDS HOXWORTH BLOOD CENTER OVERVIEW

Under the leadership of Ronald A. Sacher, MD, Hoxworth continued to achieve its strategic goals as our community's only blood center, providing blood, blood components and blood related services for the patients in the 27 tri-state hospitals we serve.

Achievements for Hoxworth over the past year included the following:

- In fiscal year 2005, Hoxworth Blood Center collected 88,599 red cell units and 8,364 single-donor platelet products from community blood donors. This represents a 1.0% increase for red cells and a 3.2% increase in single-donor platelet products when compared to the previous fiscal year.
- Over 7,000 donors were recognized with gallon awards for red cell and platelet donations. These awards ranged from one-gallon recognitions to one outstanding 65-gallon recognition.
- Hoxworth Blood Center moved its Tri-County Neighborhood Donor Center to a new location with increased space and accessibility. We also purchased a new mobile vehicle for blood drives. This state-of-the-art vehicle for mobile collections was the focus of a successful capital campaign and we acknowledge the generosity of The Procter & Gamble Fund, National City Bank, The Luther Foundation, Brian Schierloh Bequest, Robert J. Williams, and Rendigs, Fry, Kiely & Dennis, LLP.
- Tibor Greenwalt, MD, Emeritus Professor, passed away in July 2005. A pioneer in transfusion medicine, the blood center is working with the American Association of Blood Banks (AABB) to permanently endow the annual Greenwalt Lectureship, given at each annual AABB meeting.
- The Hoxworth Blood Center Cellular Therapies Division continues to collaborate with the Experimental Hematology Division at CCHMC in clinical trials involving novel cell therapies. A second gene transfer clinical trial has been approved by the FDA and will protect hematopoietic stem cells to allow high-dose chemotherapy in the treatment of certain brain tumors.
- Hoxworth Blood Center has embarked on the implementation of Six Sigma as a process to facilitate continuous improvement and cost-savings across our organization. Patty Walton, Gregg Boothe, Dawn Lowe-Gooden and Kyle Rife are completing Black Belt training and are working on projects to reduce platelet outdates and wastage, increase donor frequency and increase double red cells collections on mobile drives.
- Hoxworth Blood Center began offering a new service to reduce LDL cholesterol via apheresis for patients who are non-responsive to standard cholesterol-lowering drugs.
- The Hoxworth Blood Center Transplantation Immunology Division performed testing in support of the new Ohio Live Donor Kidney Exchange Program. The

Transplantation Immunology Division also provided testing on a record number of cadaveric donors and potential recipients over the past year.

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

	2006 Budget Revised	2007 Budget	Variance	Percent Change
RESOURCES				
Services Provided	35,030	34,780	(250)	-0.71%
Interest Income	280	280	-	0.00%
Total Resources	35,310	35,060	(250)	-0.71%
EXPENDITURES				
Compensation	15,663	15,720	57	0.36%
Other	16,730	16,518	(212)	-1.27%
Total Educational and General	32,394	32,238	(155)	-0.48%
Mandatory Transfers				
Debt Service	949	905	(44)	-4.65%
Non-Mandatory Transfers				
Plant Funds	1,106	1,100	(6)	-0.56%
Total Expenditures and Transfers	34,449	34,243	(206)	-0.60%
Net Increase (Decrease) in Fund Balance	861	817		

VII. AUXILIARY OPERATIONS

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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 should be managed essentially as self-supporting activities whose services are provided primarily to individuals in the institutional community rather than to departments of the institution. Accordingly, any budget overruns or negative fund balances must be managed by the auxiliary functions.

The Campus Services auxiliary enterprise was created in Fiscal Year 2000 to support the new Campus Life and MainStreet planning initiatives. The following are the highlights of each unit's FY 2007 budget plan.

CAMPUS SERVICES AUXILIARY - Overview

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

- Retail Services
- Housing and Food Services
- MainStreet Operations
- Kingsgate Conference Center
- Campus Recreation Center
- Bearcat Campus Card

The completion of the MainStreet Projects (Tangeman University Center, Steger Student Life Center, and the Campus Recreation Center) has resulted in significant new facilities and services that should serve as great tools for attracting and retaining students.

Campus Services, in conjunction with Finance, University Architect and Construction Management, has developed a long-term financial plan that identifies income sources, operating expenses, and annual debt service obligations for all of its units. The new MainStreet construction, Sawyer Hall demolition, and Turner/Schneider residence halls have added significant debt service obligations for the auxiliaries. Campus Services departmental revenues will partially offset this debt. Campus Services units, as a whole, are projected to operate at a deficit for the next several years. MainStreet and Campus Recreation will continue to operate in a deficit mode. Increased square footage, building volume, and energy rates have resulted in substantial increases in utility costs across Campus Services as well.

To offset lost funding allocations, Campus Services has implemented additional cost controls to reduce operating expenses and will be pursuing new opportunities for revenue enhancement, including additional membership programs and fundraising.

Retail Services consists of seven UC Bookstores locations, Central Stores, and Vending Services. In FY06, the management of the bookstore operations was outsourced to the Follett Higher Education Group. This 10-year contract allows the University to recover the funds invested in bookstore inventory and provides a minimum guaranteed income to

Campus services of approximately \$1,650,000. Improvements to store layouts and on-line services will also occur in FY07 as part of this contract. Central Stores operates in coordination with a contract with Office Depot and Vending Services is operated partially in-house and partially by a contract with the Rehabilitation Services Commission of Ohio.

Housing & Food Services serves approximately 3400 students in both residence halls and apartments. The number of available beds had dropped by about 600 with the demolition of Sawyer hall. Debt service expenses reflect the full debt service for CRC housing, Turner/Schneider halls, and the Sawyer Hall demolition. Housing will operate in a deficit mode in FY07 as it addresses this and utility rate increases. As a partial response, and in alignment with tuition increases, both room and board rates were increased at 5%. Occupancy is projected to average 90% for the academic year.

Food Services operates two national-award-winning residential dining centers – including the gold medal award-winning CenterCourt dining center in the Campus Recreation Center. Traditional board plans have been changed to more flexible “block” plans – allowing students to use their meal plans as often as they wish rather than at prescribed times during the day. The dining centers are operated under a contract with Aramark.

Food Services also operates several retail locations, including the Faculty Club which is moving to the new Varsity Athletic Center in July 2007. The Faculty Club receives central funding in addition to the revenue it generates and is operated under a management fee contract with Aramark.

MainStreet Operations consists of business operations, facilities management, and program coordination for Tangeman University Center, Steger Student Life Center, and MainStreet open spaces. Specific operational venues include the Catskeller Game Room & Sports Lounge, MainStreet Cinema, and a variety of food service operations – including catering, Wendy’s, Starbucks, Pizza Hut, Subway, and Gold Star Chili. MainStreet Operations relies on the revenue it generates and central budget subsidy to meet its financial obligations. Due in part to a reduction in central budget subsidies of approximately \$1,000,000 the operating deficit is larger than originally planned.

The Bearcat Campus Card is a debit and charge card system that provides convenient payment options to students, faculty, and staff at various retail locations both on and off campus. The program provides nearly 500 locations where goods and services can be purchased with the card. This unit relies primarily on the fee it charges to “vendors” who accept the card. Sales on the card will exceed \$4,000,000.

Kingsgate Conference Center and University Conferencing continue to earn a high level of satisfaction from guests and attendees with respect to facilities, lodging, conference management services, and restaurant. Operated under a contract with Marriott, the Kingsgate Marriott continues to meet its debt service and other financial obligations and continues to rank at the top of its competitive group in numerous operational categories.

The Campus Recreation Center (CRC) opened in February 2006 to much local and national acclaim. The CRC met its opening target of 800 members by selling memberships at a discounted rate. To date, the CRC currently has over 1200 memberships and forecasts to double that number within the next year. The Campus Recreation Center facilities and services are expected to provide great added value to campus life, appealing to prospective students, staff, and faculty and helping to retain current students. Revenue sources include the campus life fee (charged to students in their quarterly fee assessment), membership fees to non-student members, and program and service fees. The CRC is projected to continue to operate in a deficit mode past this budget year. This budget also includes central budget subsidies that are planned to assist the department in meeting its debt service obligations. The subsidy for FY07 has been reduced by approximately \$1,000,000, creating a larger deficit than originally forecast. Cost control measures on utilities and plant maintenance have been put in place. New revenue from programs and increased membership are planned to impact this loss of funding.

II. OTHER AUXILIARY ENTERPRISES - Overview

Parking Services

Parking Services will continue to align itself with and work to fulfill the goals of UC|21 in FY07 by building strong working relationships with the university community. The installation of new elevators at University Avenue Garage was delayed due to construction in the area but should begin May 2006 and be completed by Fall 2006. Varsity Village Garage was opened March 2006 offering an additional 150 parking spaces to the university campus. In addition, cash parking was expanded in Lot 16 and 22. Three additional garage facilities were upgraded to proximity card systems-- Woodside Garage, Kingsgate Garage and Clifton Court Garage.

Parking strives to meet the needs of its customer base offering decal, hourly, and special event parking in all facilities simultaneously. We will continue to offer the safety zone after hours reduced rate parking in the Woodside Garage on the West campus as well as the Eden Avenue Garage on the East Campus. One of the most widely used service offered by Parking, the Motorist Assistance Program (MAP) for car unlocks and battery jumps continues to assist stranded motorists throughout the university community. Parking updated website enables the community to provide feedback, explore value-added services, purchase parking, pay citations, print a map, find driving directions to campus or even appeal a citation.

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 older facilities rising, and with the additional debt brought on by the Varsity Village and Calhoun Garages, Parking will need to increase rates for the FY07 year. Decal rates will increase by \$1-4 per month depending upon the facility location.

Intercollegiate Athletics

Similar to FY 2006 when UC Athletics began competing in the prestigious Big East Conference, FY 2007 will be marked by more significant changes -- the inaugural year in the new Richard E. Lindner Center and the emergence of a new administration.

While previous long-term forecasts had projected FY 2006 to be the beginning of a balanced budget cycle for Athletics, unfortunately, due to events and expenditures which were both unforeseen and outside of the department's control -- this was obviously not realized. It is now apparent that planned efforts to reduce the deficit fund balance will need to be realistically reviewed and revised during FY 2007. As part of this effort, the revenue-producing side of the department is in the process of being aggressively reorganized to advantage of emerging funding opportunities which will be generated by the excitement of Varsity Village and a new coaching staff in the men's basketball program.

Fifth Third Arena at the Myrl H. Shoemaker Center

The current income level is consistent with the previous year while a slight decrease is being projected in total expenditures. We believe that these projections are an accurate reflection of the steps we need to take in the current budget environment.

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

FISCAL YEAR 2006

	RESOURCES			EXPENDITURES and TRANSFERS				Net Income
	Auxilliary	Restricted	Total Budget	Expenses	Debt Service	Other Transfers	Total Budget	
Campus Services Auxilliary*	45,645		45,645	38,219	8,040	(577)	45,682	(37)
CSA - Mainstreet	11,175		11,175	6,465	8,638	(988)	14,116	(2,941)
Parking Lots and Garages	15,335		15,335	7,026	7,680	(23)	14,683	652
Intercollegiate Athletics	12,054	4,792	16,846	28,185	233	(5,694)	22,724	(5,878)
Fifth Third Arena	496		496	1,462	600	(1,566)	496	-
GRAND TOTAL	84,705	4,792	89,497	81,358	25,190	(8,847)	97,701	(8,204)

FISCAL YEAR 2007

	RESOURCES			EXPENDITURES and TRANSFERS				Net Income
	Auxilliary	Restricted	Total Budget	Expenses	Debt Service	Other Transfers	Total Budget	
Campus Services Auxilliary*	34,353		34,353	26,128	8,895	486	35,509	(1,156)
CSA - Mainstreet	11,792		11,792	8,105	13,670	(2,190)	19,585	(7,793)
Parking Lots and Garages	16,499		16,499	8,380	9,578	(101)	17,858	(1,359)
Intercollegiate Athletics	12,740	5,292	18,031	26,883	4,091	(9,180)	21,793	(3,762)
Fifth Third Arena	571		571	1,393	603	(1,426)	571	-
GRAND TOTAL	75,955	5,292	81,247	70,890	36,837	(12,410)	95,317	(14,070)

* Campus Services Auxilliary includes Retail, Food Services, Housing, Faculty Club, Kingsgate, and Conference Management.

CAMPUS SERVICES AUXILIARY SUMMARY (excludes MainStreet)
Comparison of FY 2006 to FY 2007 Budget
(IN THOUSANDS)

	2006 Budget Revised	2007 Budget	Variance	Percent Change
RESOURCES				
Sales	18,559	3,581	(14,978)	-80.70%
Student Meals	7,911	8,248	337	4.26%
Housing	16,060	17,772	1,712	10.66%
Rentals	-	-	-	
Contracts	1,270	3,359	2,089	164.49%
Other	1,845	1,393	(453)	-24.53%
Miscellaneous Student Fees	-	-	-	
Total Resources	45,645	34,353	(11,292)	-24.74%
EXPENDITURES				
Cost of Sales	19,712	9,260	(10,453)	-53.03%
Salaries	5,120	3,576	(1,545)	-30.17%
Benefits	1,933	1,481	(452)	-23.37%
DOE	8,415	9,023	608	7.22%
University Overhead	1,151	1,197	46	4.01%
Programming	1,888	1,592	(296)	-15.67%
Total Expenditures	38,219	26,128	(12,091)	-31.64%
Mandatory Transfers				
Debt Service	8,040	8,895	855	10.64%
Non-Mandatory Transfers				
Reserve for Repairs and Renovations	-	-	-	
Reserve - Other	-	-	-	
Subsidies to Non-Instructional Activities	(189)	(537)	(348)	183.91%
Internal Campus Services Overhead	912	1,023	111	12.16%
Other	(1,300)	-	1,300	-100.00%
Total Expenditures and Transfers	45,682	35,509	(10,173)	-22.27%
Net Increase (Decrease) in Fund Balance	(37)	(1,156)		

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

CAMPUS SERVICES AUXILIARY SUMMARY - MainStreet
Comparison of FY 2006 to FY 2007 Budget
(IN THOUSANDS)

	2006 Budget Revised	2007 Budget	Variance	Percent Change
RESOURCES				
Sales	649	696	47	7.25%
Student Meals	-	-	-	
Housing	-	-	-	
Rentals	-	-	-	
Contracts	437	508	71	16.27%
Other	647	725	79	12.20%
Miscellaneous Student Fees	9,443	9,863	420	4.45%
Total Resources	11,175	11,792	617	5.52%
EXPENDITURES				
Cost of Sales	15	31	16	103.33%
Salaries	2,755	3,428	674	24.46%
Benefits	940	949	9	0.98%
DOE	2,256	3,177	921	40.83%
University Overhead	-	-	-	
Programming	500	520	20	4.00%
Total Expenditures	6,465	8,105	1,640	25.36%
Mandatory Transfers				
Debt Service	8,638	13,670	5,032	58.25%
Non-Mandatory Transfers				
Reserve for Repairs and Renovations	507	518	11	2.26%
Reserve - Other	2	-	(2)	-100.00%
Subsidies to Non-Instructional Activities	(1,604)	(3,260)	(1,656)	103.24%
Internal Campus Services Overhead	608	552	(56)	-9.21%
Other	(500)	-	500	-100.00%
Total Expenditures and Transfers	14,116	19,585	5,469	38.75%
Net Increase (Decrease) in Fund Balance	(2,941)	(7,793)		

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

**ROOM, BOARD, AND APARTMENT RATES
FISCAL YEAR 2006-07**

2005-06 Actual	
QUARTER	ANNUAL

2006-07 Actual	
QUARTER	ANNUAL

I. SCHEDULE OF BASIC ROOM RATES¹

A. Calhoun, Daniels, Siddall, Dabney (Multiple Occupancy)	\$1,560	\$4,680	\$1,638	\$4,914
B. Calhoun, Daniels, Siddall, Dabney (Designed Singles if available)	1,818	5,454	1,909	5,727
C. Calhoun, Daniels, Siddall, Dabney (Super Single if Available)	1,939	5,817	2,620	7,860
D. Turner Hall ² (Double Suites)	1,865	5,595	1,958	5,874
E. Turner, Schneider Halls ² (Single Suites)	1,995	5,985	2,095	6,285
F. Campus Recreation Center (CRC)	2,150	6,450	2,258	6,774

II. SCHEDULE OF BASIC BOARD RATES³

209 Vallue Plan/Quarter Plan (formerly 19 Meals/Week Plan)	1,070	3,210	1,124	3,372
154 Plan/Quarter Plan (formerly 14 Meals/Week Plan)	1,018	3,054	1,069	3,207
132 Plus Plan/Quarter Plan (formerly 12 Plus Meals/Week Plan)	1,070	3,210	1,124	3,372
78 Plus Meals/Quarter Plan	1,026	3,078	N/A	N/A
78 Meals/Quarter Plan	968	2,904	N/A	N/A

III. SCHEDULE OF ROOM AND BOARD RATES³

209 Vallue Plan/Quarter Plan (formerly 19 Meals/Week Plan)	2,630	7,890	2,762	8,286
154 Plan/Quarter Plan (formerly 14 Meals/Week Plan)	2,578	7,734	2,707	8,121
132 Plus Plan/Quarter Plan (formerly 12 Plus Meals/Week Plan)	2,630	7,890	2,762	8,286
78 Plus Meals/Quarter Plan	2,586	7,758	N/A	N/A
78 Meals/Quarter Plan	2,528	7,584	N/A	N/A

IV. OFF CAMPUS MEAL TICKET RATES

45 Meals/Quarter Plan	360	1,080	375	1,125
33 Meals/Quarter Plan	245	735	255	765
25 Meals/Quarter Plan	185	555	195	585
15 Meals/Quarter Plan	125	375	130	390
15 Lunch only/Quarter Plan	N/A	N/A	120	360

V. SCHEDULE OF APARTMENT RATES - PER MONTH⁴

Efficiency without balcony	\$502	\$527
Efficiency with balcony	528	554
One Bedroom	612	643
Two Bedroom	730	767
Penthouse	1,031	1,083

- 1) The option of a quarterly residence hall contract is available to upperclassmen as part of a pilot program for an additional surcharge of \$300.
- 2) The option of signing a twelve month lease is available to Turner Hall, Schneider Hall, and Campus Recreation Center residents. This option adds \$843 to the annual rate.
- 3) Weekly meal plans have been converted to quarter plans and the 78 meals plans have been cancelled.
- 4) Graduate and Family housing published rates include base phone service.

**PARKING LOTS AND GARAGES
(IN THOUSANDS)**

	2006 Budget Revised	2007 Budget	Variance	Percent Change
RESOURCES				
Sales and Fines	15,335	16,499	1,164	7.59%
Total Resources	15,335	16,499	1,164	7.59%
EXPENDITURES and TRANSFERS				
Administrative and General	2,230	2,467	237	10.64%
Operation and Maintenance of Plant	4,796	5,413	618	12.88%
University Overhead		500	500	100.00%
University Hall Lease	1		(1)	-100.00%
Total Expenditures	7,026	8,380	1,354	19.27%
Mandatory Transfers				
Debt Service	7,680	9,578	1,899	24.72%
Non-Mandatory Transfers				
Subsidies to Non-Instructional Activities	(96)	(98)	(2)	1.75%
Other	(87)	(4)	83	-95.98%
Reserve for Repairs and Renovations	161	1	(160)	-99.38%
Total Expenditures and Transfers	14,683	17,858	3,175	21.62%
Net Increase (Decrease) In Fund Balance	652	(1,359)		

**INTERCOLLEGIATE ATHLETICS
(IN THOUSANDS)**

	2006 Budget Revised	2007 Budget	Variance	Percent Change
RESOURCES				
Sports				
Men's Basketball	4,942	5,013	71	1.43%
Football	4,645	4,935	290	6.24%
Gifts	4,792	5,292	500	10.43%
Other	2,467	2,792	325	13.17%
Total Resources	16,846	18,031	1,185	7.04%
EXPENDITURES and TRANSFERS				
Sports				
Basketball	6,403	3,344	(3,059)	-47.77%
Football	7,270	7,395	125	1.72%
Women's Sports	4,853	5,043	190	3.91%
Other Men's Sports	2,017	2,146	129	6.38%
Total Sports	20,543	17,928	(2,615)	-12.73%
Administrative and General	7,219	8,168	949	13.15%
Operation and Maintenance of Plant	423	787	364	85.95%
Total Expenditures	28,185	26,883	(1,302)	-4.62%
Mandatory Transfers				
Debt Service	233	4,091	3,858	1655.58%
Non-Mandatory Transfers				
Subsidies to Non-Instructional Activities	(5,774)	(9,260)	(3,486)	60.38%
Other	80	80	0	0.00%
Total Expenditures and Transfers	22,724	21,793	(931)	-4.10%
Net Increase (Decrease) in Fund Balance	(5,878)	(3,762)		

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

	2006 Budget Revised	2007 Budget	Variance	Percent Change
RESOURCES				
Special Event Revenue	40	147	107	267.50%
Operation and Maintenance Reimbursement	10	107	97	970.00%
Concessions	285	226	(59)	-20.70%
Other	161	91	(69)	-43.16%
Total Resources	496	571	76	15.28%
EXPENDITURES and TRANSFERS				
Administrative and General	287	312	25	8.57%
Operation and Maintenance of Plant	1,175	1,081	(93)	-7.94%
University Overhead				
Total Expenditures	1,462	1,393	(69)	-4.69%
Mandatory Transfers				
Debt Service	600	603	4	0.64%
Non-Mandatory Transfers				
Subsidies to Non-Instructional Activities	(1,566)	(1,426)	141	-8.98%
Total Expenditures and Transfers	496	571	75	15.19%
Net Increase (Decrease) in Fund Balance	-	-		

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

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

Attachment A is background detailing what has been reported to and approved by the Board of Trustees in the past. The University is reevaluating the entire Millennium Plan process at this time to determine whether it continues to perform in the best interests of the University. The University will report back to the Board of Trustees when the reevaluation process is completed.

ATTACHMENT A

**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-seven Millennium Scholars have been recruited bringing with them \$3.6M in research awards and securing approximately \$9.9M in new awards since arriving on campus. The Scholars have also submitted approximately \$76M 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 2007. The negative fund balance is the result of debt service payments for the Genome Research Institute facility, facility maintenance and operation costs including escalating utility costs for GRI paid from the fund, 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)**

	2006 Budget Revised	2007 Budget	Variance	Percent Change
RESOURCES				
Government, Private Grants and Contracts	8,127	7,358	(769)	-9.46%
Rental Income	656	75	(581)	-88.56%
Other Sources		(387)	(387)	100.00%
Total Resources	8,783	7,046	(1,737)	-19.77%
EXPENDITURES				
Educational and General				
Separately Budgeted Research	16,547	8,960	(7,587)	-45.85%
Operation and Maintenance of Plant	3,048	4,571	1,523	49.98%
Total Educational and General	19,594	13,531	(6,063)	-30.94%
Mandatory Transfers				
Debt Service	5,038	6,185	1,148	22.78%
Non-Mandatory Transfers				
Plant Funds	292	31	(261)	-89.38%
Total Expenditures and Transfers	24,923	19,747	(5,176)	-20.77%
Net Increase (Decrease) in Fund Balance	(16,141)	(12,701) ¹		

(1) Millennium Plan is required to be self-funded by the end of the program.

V. OTHER DESIGNATED FUNDS

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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 \$7.2M. 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 \$105 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. These funds are showing a drop in revenue based on a projected decline in Federal and State funding. They remain an important source of flexibility for the departments, especially as additional research generates more funds. This income rises or declines in relation to the increase or decrease 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 2007 is the eighth 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 \$5.9M 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)**

	2006 Budget Revised	2007 Budget	Variance	Percent Change
RESOURCES				
Gross Tuition, Fee and Other Student Charges	18,100	19,103	1,003	5.54%
Less Scholarships and Fellowships				
Net Tuition, Fee and Other Student Charges	18,100	19,103	1,003	5.54%
Govt and Private Grants and Contracts	20,137	18,323	(1,814)	-9.01%
Private Gifts	110	138	28	25.77%
Endowment Income	1,052	1,064	12	1.17%
Sales and Service	19,489	19,693	203	1.04%
Other Sources	1,370	1,183	(187)	-13.62%
Total Resources	60,257	59,505	(753)	-1.25%
EXPENDITURES				
Educational and General				
Instructional and General	15,916	15,457	(459)	-2.88%
Separately Budgeted Research	12,010	11,516	(494)	-4.11%
Public Service	11,409	11,147	(263)	-2.30%
Academic Support	11,359	11,286	(73)	-0.64%
Student Services	11,950	11,398	(552)	-4.62%
Institutional Support	5,540	5,063	(478)	-8.62%
Operation and Maintenance of Plant	-	-	-	0.00%
Scholarships and Fellowships	629	500	(129)	-20.51%
Total Educational and General	68,814	66,366	(2,448)	-3.56%
Auxiliary Enterprises	21	21	-	0.00%
Mandatory Transfers				
Debt Service	9,750	6,991	(2,759)	-28.30%
Nonmandatory Transfers				
Subsidies to Non-Instructional Units				
Undesignated General Funds	(18,384)	(13,944)	4,439	-24.15%
Other				0.00%
Total Expenditures and Transfers	60,201	59,434	(767)	-1.27%
Net Increase (Decrease) In Fund Balance	56	71		

DESIGNATED GENERAL FUNDS
UCit
(IN THOUSANDS)

	2006 Budget Revised	2007 Budget	Variance	Percent Change
RESOURCES				
Recovery - General Fund	12,670	9,500	(3,170)	-25.02%
Recovery - Other	14,783	16,997	2,214	14.98%
Total Resources	27,453	26,497	(956)	-3.48%
EXPENDITURES				
Compensation	13,443	13,139	(304)	-2.26%
All Other	10,671	10,814	143	1.34%
Total Expenditures	24,114	23,953	(161)	-0.67%
Mandatory Transfers				
Debt Service	70	285	215	307.14%
Non-Mandatory Transfers				
Plant Fund	1,250	725	(525)	-42.00%
Other Transfers	1,217	1,275	58	4.81%
Total Expenditures and Transfers	26,651	26,238	(413)	-1.55%
Net Increase (Decrease) in Fund Balance	802	259		

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)**

	2006 Budget Revised	2007 Budget	Variance	Percent Change
RESOURCES				
Recovery - Steam	17,938	21,573	3,635	20.27%
Recovery - Chilled Water	11,397	14,384	2,987	26.21%
Recovery - Electric	21,725	25,818	4,093	18.84%
Recovery - Water and Sewage	3,587	2,305	(1,282)	-35.74%
Total Resources	54,647	64,080	9,433	17.26%
EXPENDITURES				
Compensation	4,547	4,914	368	8.08%
All Other	42,813	49,059	6,246	14.59%
Total Expenditures	47,360	53,973	6,613	13.96%
Mandatory Transfers				
Debt Service	6,044	6,405	361	5.97%
Non-Mandatory Transfers				
Plant Fund	1,190	1,190	-	0.00%
Undesignated Central	(16)	(5)	10	-65.68%
Designated Central	(4,800)	(2,462)	2,338	-48.71%
Other	3,835	5,210	1,375	35.85%
Total Expenditures and Transfers	53,614	64,312	10,698	19.95%
Net Increase (Decrease) in Fund Balance	1,033	(232)		

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

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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 \$77K.

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. Projections for this income category for FY 2005 and again in FY 2006 moved in a positive direction while it is projected that there will be a 10% decrease in FY 2007. We therefore anticipate that this downward trend will result in a \$30M down-swing.

Endowment income continues to rise, and we anticipate continued growth in this category for FY 2007 based on a 2 year change in the endowment spending policy which increased from 5% to 6%.

Included in the "Other" nonmandatory transfers, about \$37M 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)**

	2006 Budget Revised	2007 Budget	Variance	Percent Change
RESOURCES				
State Appropriations	12,503	12,530	27	0.22%
Government, Private Grants and Contracts	305,007	274,507	(30,501)	-10.00%
Private Gifts	32,620	41,242	8,622	26.43%
Endowment Income	47,418	63,637	16,219	34.20%
Temporary Investments	28	78	49	174.39%
Other	6,400	912	(5,488)	-85.75%
Total Resources	403,977	392,905	(11,072)	-2.74%
EXPENDITURES				
Educational and General				
Instruction and Department Research	62,661	62,296	(364)	-0.58%
Separately Budgeted Research	210,925	198,295	(12,631)	-5.99%
Public Service	11,543	11,036	(507)	-4.39%
Academic Support	13,439	13,890	451	3.35%
Student Services	3,407	3,468	61	1.80%
Institutional Support	3,803	5,643	1,840	48.40%
Operation and Maintenance of Plant	-	-	-	
Scholarships and Fellowships	45,638	45,426	(212)	-0.46%
Total Educational and General	351,415	340,054	(11,362)	-3.23%
Mandatory Transfers				
Debt Service	-	283	283	100.00%
Non-Mandatory Transfers				
Other	52,478	52,492	14	0.03%
Total Expenditures and Transfers	403,893	392,828	(11,065)	-2.74%
Net Increase (Decrease) in Fund Balance	84	77		