



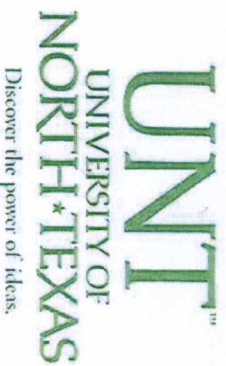
FY2012

OPERATING BUDGET

The UNT operating budget totals \$862,010,536, this reflects an increase of \$3,393,932 (0.4%) when compared to the FY 2011 Board Approved Budget.

Significant variances include:

- Benefits costs increased approximately \$40M as State paid benefits are now included in the operating budget – These benefits were excluded in previous years.
- Transfer out increased \$9.7M reflecting the transfer to System Administration for operations and the Business Service Center. (These were not reflected as transfers in previous years)
- Operating costs increased approximately \$40.0M reflecting costs associated with new campus initiatives.
- Capital expenditures are decreasing approximately \$80M as a result of current year completion of several construction projects.



V. Lane Rawlins, President

August 3, 2011

MEMORANDUM

To: Board of Regents

From: V. Lane Rawlins, President

RE: 2011-12 (FY 2012) Budget Process

I am pleased to report that as a result of careful budgeting over the past year and some enrollment-based revenue increases, the University of North Texas has prepared a budget that will allow us to make significant progress in the coming biennium. Our plans call for clear and measurable improvement in instruction and research, more careful and cost-effective management of resources, and a stronger presence in the region.

When we started the budget process, the economic situation for the biennium was dire and we were anticipating state general revenue reductions of 10 to 20 percent. We had prepared our budget for a worst-case scenario, asking the vice presidents, deans and athletic director to identify a total 5 percent reduction for their unit from the base budget that would be considered a permanent reduction.

With the regular 82nd Texas Legislative session now over and HB 1 finalized, we know how much state general revenue to expect and can finalize our FY 2012 budget allocations. The outcome is better than anticipated and we can look to the future with renewed optimism.

In setting the budget, we have asked each unit to give thoughtful consideration to:

- UNT's mission as a student-focused, major public research university
- UNT's goal of offering the best undergraduate education in Texas
- The values and goals defined in *UNT's Strategic Plan*

Our priorities for budget allocations are to:

- Protect the quality of instruction and the integrity of UNT degrees. We are among the best at giving students of all backgrounds a high-quality education and at supporting the state by educating so many young Texans.
- Protect our excellence, especially in areas where we might not be able to recover ground lost to budget cuts. We have made significant progress in new areas while retaining our core strengths.
- Take care of and protect our staff and faculty.

Any decisions we make about programs and initiatives to cut, add or enhance are centered on these guiding principles. The budget requests are tied to specific strategic goals and include benchmarks so that we can measure our progress and remain accountable and transparent. Enclosed you will find more detail about UNT's budget by major funding sources.

I am proud of how the UNT community has come together during this budget process. Each unit has made sacrifices and tough decisions, but we've made sure to preserve our essence and to continue supporting our journey to excellence. Our collective prudence and strategic planning helped us build a budget that not only helps us maintain our ground, but to continue our momentum to grow as a major research university offering the best undergraduate education in Texas.

Significant Budget Variances of the FY2012 Budget

| Appropriated and designated tuition-funded budget (allocable budget) | | | Total |
|---|--|------------------|------------------|
| Original budget: | | | |
| Base budget (net of 5% general revenue reductions) | | | \$287.1 million |
| | | | |
| Revenues: | | | \$54.8 million |
| General revenue reduction (based on final HB 1, includes (TRB reduction from refinance) | | (\$5.7 million) | |
| FY 2011 unbudgeted revenues | | | \$3.3 million |
| FY 2012 additional funds from tuition increases, growth (assumes 3% growth) (unadjusted for set-asides) | | \$17.5 million | |
| Faculty/staff benefit funds appropriated on behalf of UNT to other state agencies (change from monthly adjustment to annual budget) | | \$40.2 million | |
| UNT Dallas overhead and contracts | | (\$1.3 million) | |
| Universities Center at Dallas (UCD) appropriations and revenues | | \$801K | |
| | | | |
| Expenditures: | | | (\$10.5 million) |
| FY 2012 budget cuts | | (\$10.5 million) | |
| | | | |
| Commitments from 2.8% tuition increase (approved March 2011): | | | \$5.0 million |
| Additional faculty and lecturers | | \$2.5 million | |
| Classroom and building needs (first project underway, Auditorium Building remodel) | | \$1.5 million | |
| Maintenance and Operations for Academics | | \$1.0 million | |
| | | | |

| Rebuilding the budget and investing in strategic initiatives: | | | |
|---|---|-----------------|-----------------------|
| Academic units (reallocation from cuts + additional allocations and additions): | | | \$7.0 million |
| | Reallocation from cuts | \$5.0 million | |
| | College-level research support (pending input from deans) | \$370K | |
| | Sr. vice provost and staff support | \$263K | |
| | Honors College | \$250K | |
| | Summer Incentive (beginning summer 2011) | \$250K | |
| | UCD & Other | \$873K | |
| Student Financial Support: | | | \$4.7 million |
| | Financial aid set-asides from board designated tuition (growth and tuition increases) | \$4.3 million | |
| | Merit Scholarships | \$200K | |
| | Emerald Eagle Scholarships | \$200K | |
| Non-Academic units: | | | \$2.3 million |
| | VP Finance and Administration | \$1.1 million | |
| | VP Advancement | \$170K | |
| | VP Research | \$35K | |
| | VP URCM | \$141K | |
| | Athletics (central allocation only) | \$255K | |
| | Equity and Diversity | \$87K | |
| | Custodial, utilities & maintenance support for BLB | \$537K | |
| Other: | | | \$254K |
| | Debt service assumed for remaining bond funds from second Dallas building | \$400K | |
| | TRB debt service (equal reduction in appropriations due to refinancing) | (\$1.5 million) | |
| | University operating reserve | \$550K | |
| | Unallocated budget | \$354K | |
| | Staff classification reserve | \$450K | |
| Faculty/Staff benefits: | | | \$41.5 million |
| | Higher Ed group insurance (local share) | \$1.3 million | |
| | Faculty/staff benefits appropriated to other agencies (previously budgeted as received) | \$40.2 million | |

