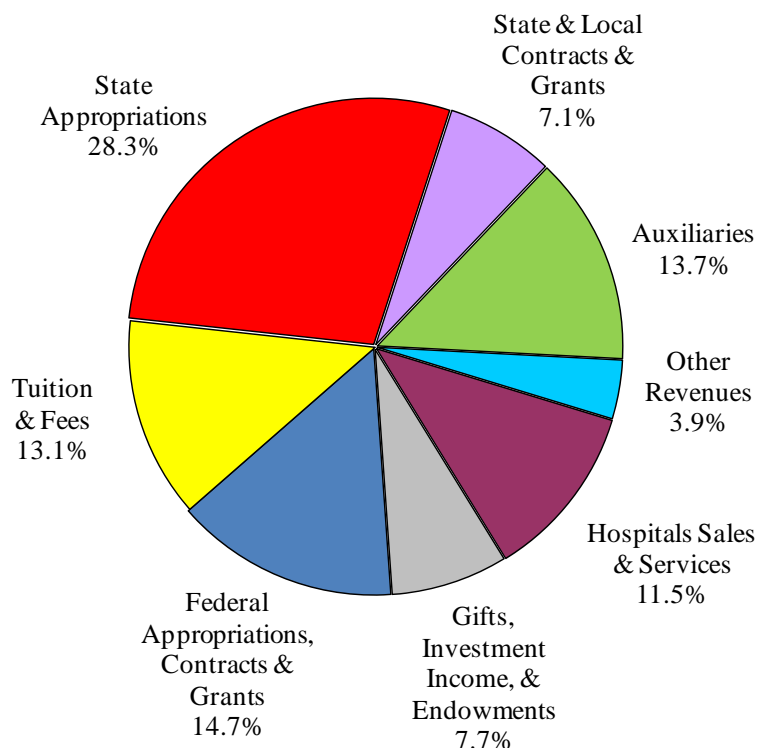


University System Operating Budget Overview

The University System is a complex organization, similar in many ways to a small to medium-sized city. Campuses operate year-round and require a myriad of buildings and infrastructure to be maintained. Services provided include classroom instruction, libraries, student support, public safety, dining, and health care. Auxiliary services are supported through user fees. The pie chart below shows the revenue required to operate these complex “cities.”

Sources of Funds – Total \$9.1 Billion (2010-11)



Note: Other Revenues category includes the State Fiscal Stabilization Fund portion of the Federal American Recovery and Reinvestment Act dollars that were passed through to the University from the state.

State Appropriations

- **General Uses:** State appropriations support core instructional, academic support and associated administrative services. This includes faculty and staff, library operations, academic advisors and counselors, campus safety, information technology, budget and human resources personnel.
- **Limitations:** Funds are not allowed to support health centers, student activities, dining facilities, parking decks, athletics, or residence halls.

Tuition and Fees

- **General Uses for Tuition:** Revenues support core instructional and academic support services.
- **General Uses for Fees:** Fees support specific services or activities for which students are paying.
- **Limitations:** Funds must be used to support the purpose for which it was established.

Federal Appropriations, Contracts and Grants

- **General Uses:** Funds are associated with research projects, including faculty and staff salaries, graduate student workers, research costs, undergraduate research, and debt service on research facilities; also includes Pell Grants and other forms of federal financial aid to students.
- **Limitations:** Funds are restricted by the federal government and are monitored for compliance. Funds cannot be legally diverted for purposes not central to the research mission.

State and Local Contracts and Grants

- **General Uses:** Funds are provided from state and local government agencies to be used for activities performed by the University under the terms of a contract or grant—for example, if DHHS or a city/county paid a campus to do research or to provide a service.
- **Limitations:** Funds cannot be legally diverted for purposes not central to the grants or awards.

Auxiliaries

- **General Uses:** Revenues generated by auxiliary enterprise operations exist to provide services to students, faculty, or staff. A fee is charged that is directly related to the cost to provide the service. Auxiliary enterprises are managed as self-supporting activities. Examples include residence halls, bookstores, food services, student health services, athletics, mail centers and student unions.
- **Limitations:** The fees must directly support the associated activities.

Hospital Sales and Services

- **General Uses:** These are revenues generated by a hospital, including patient charges, insurance reimbursements, gifts, grants, and appropriations.
- **Limitations:** Funds must support hospital operations.

Gifts, Investment Income, and Endowments

- **General Uses:** Gifts or contributions are non-exchange transactions. Examples include bequests, promises to give (pledges), gifts from an affiliated organization or a component unit not blended or consolidated, and income from funds held in irrevocable trusts or distributable at the direction of the trustees of the trusts.
- **Limitations:** Endowment dollars are typically restricted by the donor and non-transferable to other uses, unless expressly allowed.

Other Revenues (also includes Independent Operations)

- Other sources of revenues include funds not reported in the other categories. For fiscal years 2008-09, 2009-10, and 2010-11, it includes the State Fiscal Stabilization Funds portion of the American Recovery and Reinvestment Act that were passed through to the University.

Note: For IPEDS reporting, capital-related revenues are shown separately and are therefore not included in any of the other categories of appropriations, grants, gifts, etc. as shown above.