

*FACULTY SENATE
UPDATE: BGSU BUDGET AND FINANCES*

March 3, 2015

Sheri Stoll, C.P.A.
Vice President for Finance and Administration

Agenda

1. Context – Six-Year Overview of BGSU E&G Budgets
 - a. Governor’s FY 2016 & FY 2017 Budget as Introduced
 - b. Faculty Salary Comparison
2. BGSU Financial Status Compared to Other Ohio Peers
 - a. SB6 Ratios – Point in Time as Measured by Ohio Board of Regents
3. BGSU Financial Status Comparisons to Peers as Measured by Moody’s Investor Services (rating agency)

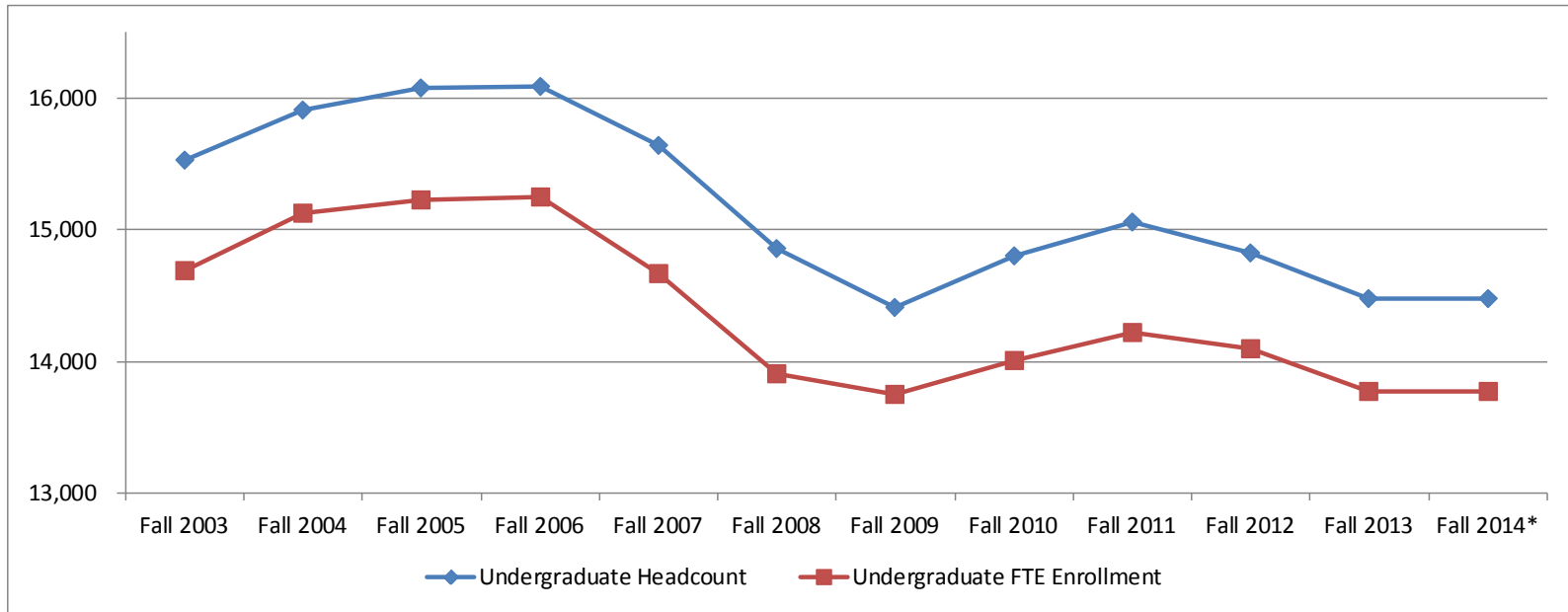
Enrollment Trends - Bowling Green Campus

Undergraduate Headcount and FTE Enrollment

Fall 2003 - Fall 2014

(Used for FY 2015 budgeting purposes)

	Fall 2003	Fall 2004	Fall 2005	Fall 2006	Fall 2007	Fall 2008	Fall 2009	Fall 2010	Fall 2011	Fall 2012	Fall 2013	Fall 2014*
Undergraduate Headcount	15,531	15,909	16,079	16,085	15,638	14,862	14,410	14,806	15,063	14,826	14,482	14,482
Undergraduate FTE Enrollment	14,689	15,130	15,228	15,248	14,669	13,911	13,755	14,006	14,217	14,098	13,769	13,769



1 FTE = 15 SCH – all values are Fall 15th day

*Projected Undergraduate/Graduate Headcount and FTE Enrollment – used for budget purposes

Source: Institutional Research

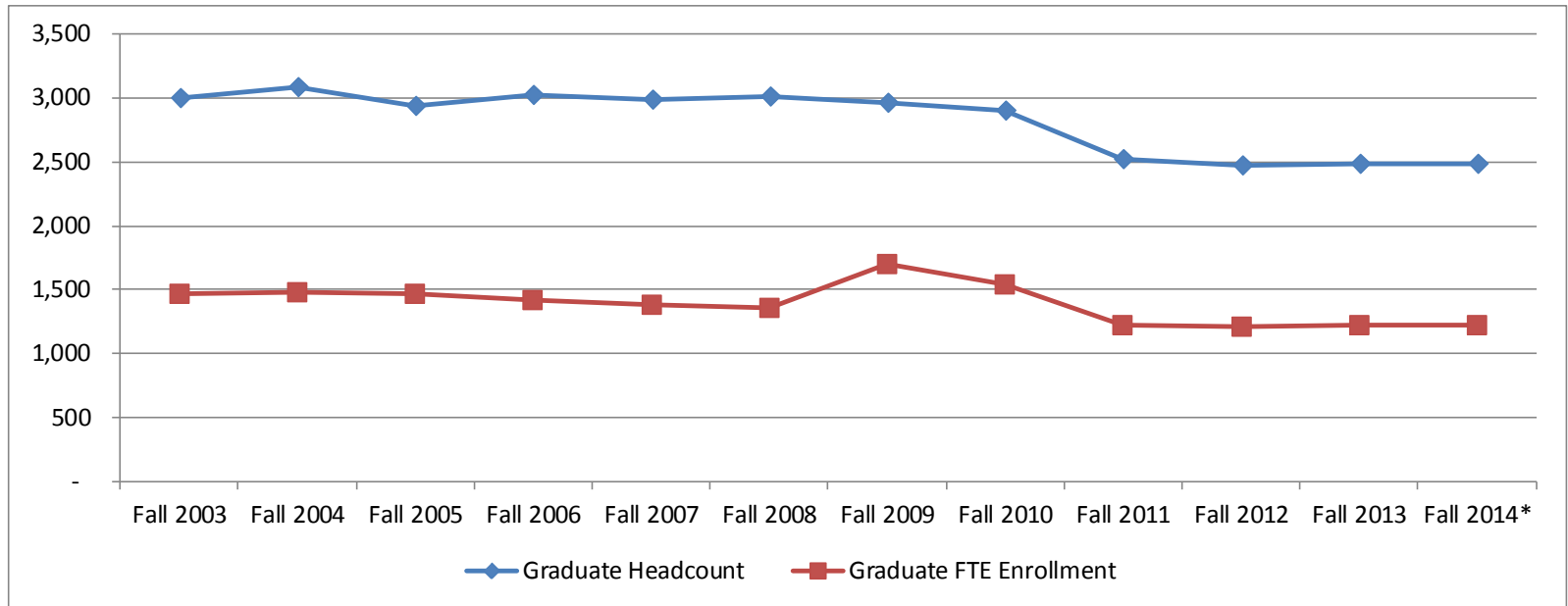
Enrollment Trends - Bowling Green Campus

Graduate Headcount and FTE Enrollment

Fall 2003 – Fall 2014

(Used for FY 2015 budgeting purposes)

	Fall 2003	Fall 2004	Fall 2005	Fall 2006	Fall 2007	Fall 2008	Fall 2009	Fall 2010	Fall 2011	Fall 2012	Fall 2013	Fall 2014*
Graduate Headcount	3,003	3,080	2,937	3,023	2,981	3,012	2,956	2,899	2,519	2,472	2,483	2,483
Graduate FTE Enrollment	1,472	1,486	1,469	1,422	1,378	1,361	1,699	1,542	1,226	1,213	1,227	1,227



1 FTE = 15 SCH – all values are Fall 15th day

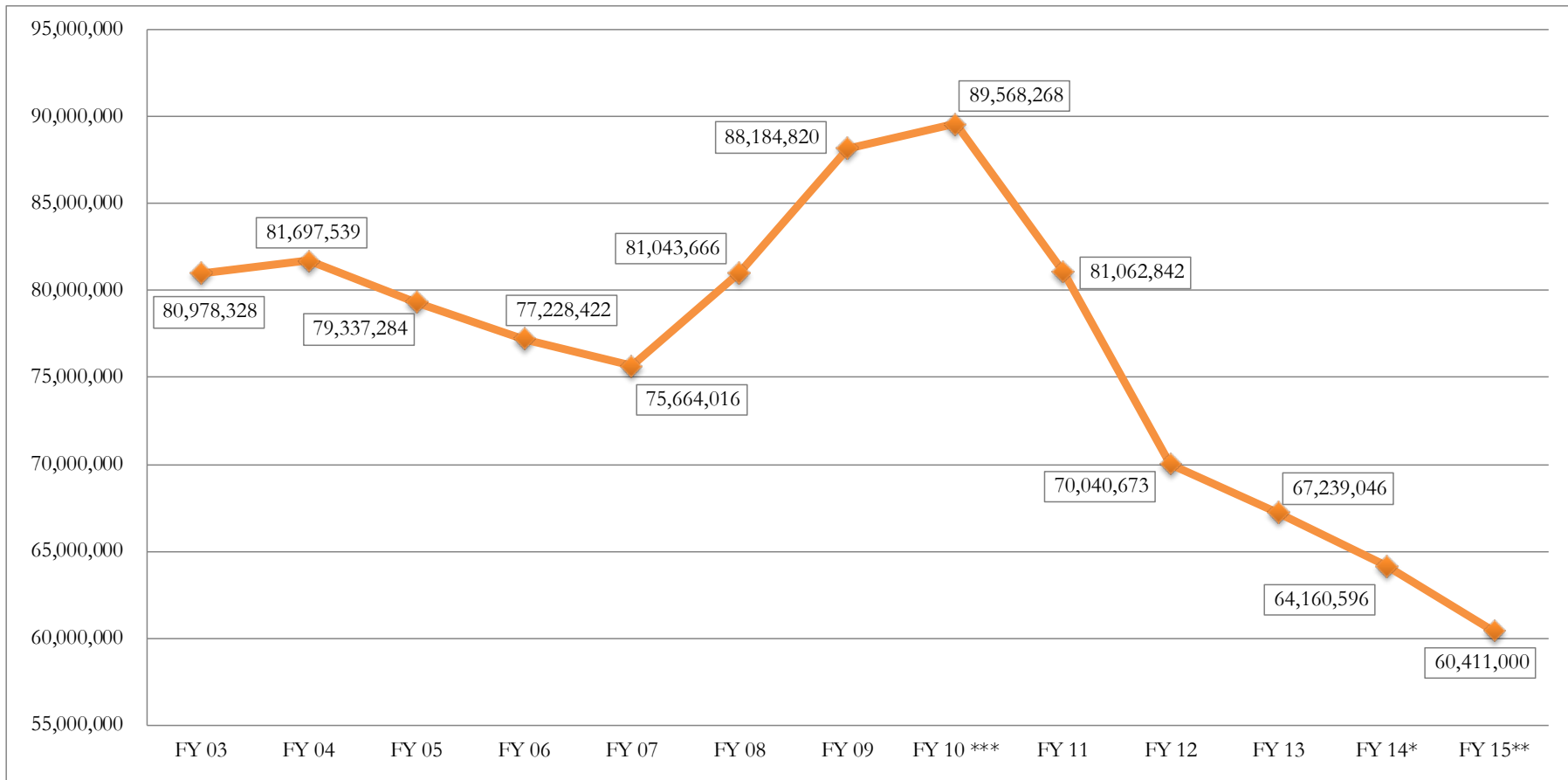
*Projected Undergraduate/Graduate Headcount and FTE Enrollment – used for budget purposes

Source: Institutional Research

SSI Summary - Bowling Green Campus Only

FY 2003 – FY 2015

(Used for FY 2015 budgeting purposes)



Notes:

*Includes \$3million in one-time bridge funding / **Projected per OBR May 2014 / ***Success Access Challenge funding combined into one line in FY 2010

Bowling Green State University - Bowling Green Campus

FY 2010 – FY 2015 Revenue Budgets

Description	FY 2010	%	FY 2011	%	FY 2012	%	FY 2013	%	FY 2014	%	FY 2015*	%
Student Fees	\$180,587,806	63.7%	\$189,498,299	66.8%	\$201,995,625	70.7%	\$200,819,877	70.8%	\$199,473,745	71.1%	\$196,603,810	71.7%
State Appropriations	89,568,268	31.6%	81,062,842	28.6%	70,040,673	24.5%	67,239,046	23.7%	64,391,394	23.0%	60,411,205	22.0%
Other Income	6,341,854	2.2%	7,351,503	2.6%	7,856,048	2.7%	8,145,000	2.9%	8,430,075	3.0%	10,224,006	3.7%
Transfer In - Other Funds	7,117,970	2.5%	5,739,970	2.0%	5,838,720	2.0%	7,271,875	2.6%	8,225,943	2.9%	7,025,180	2.6%
Total Funds Available	\$283,615,898	100.0%	\$283,652,614	100.0%	\$285,731,066	100.0%	\$283,475,800	100.0%	\$280,521,158	100.0%	\$274,264,201	100.0%
Total Increase/(Decrease Over Prior Year	(\$13,717,857)	(4.6%)	\$36,716	0.01%	\$2,078,452	0.7%	(\$2,255,266)	(0.8%)	(\$2,954,643)	(1.0%)	(\$6,256,957)	(2.2%)

*Source: FY 2015 as Proposed Budget

Bowling Green State University - Bowling Green Campus

FY 2010 – FY 2015 Expenditure Budgets

Description	FY 2010	%	FY 2011	%	FY 2012	%	FY 2013	%	FY 2014	%	FY 2015*	%
Salaries and Benefits	\$161,911,425	57.1%	\$159,475,512	56.2%	\$165,065,453	57.8%	\$166,044,237	58.6%	\$162,888,223	58.1%	\$160,861,345	58.7%
Student Aid and Scholarships	52,657,999	18.6%	52,657,999	18.6%	48,514,598	17.0%	42,514,598	15.0%	42,814,598	15.3%	41,145,833	15.0%
Transfers Out to Other Funds	23,098,094	8.1%	25,427,505	9.0%	29,348,314	10.3%	31,838,165	11.2%	31,456,536	11.2%	30,443,621	11.1%
Equipment/Library/Consulting/Misc.	21,195,359	7.5%	21,441,222	7.6%	16,322,058	5.7%	16,322,058	5.8%	16,322,058	5.8%	14,537,923	5.3%
Utilities	10,521,531	3.7%	10,521,531	3.7%	11,043,962	3.9%	11,320,061	4.0%	11,603,063	4.1%	11,603,063	4.2%
Supplies	4,885,460	1.7%	4,732,960	1.7%	5,228,246	1.8%	5,228,246	1.8%	5,228,246	1.9%	5,629,265	2.1%
Maintenance & Repairs/Rentals	2,336,187	0.8%	2,336,187	0.8%	3,345,900	1.2%	3,345,900	1.2%	3,345,900	1.2%	3,246,662	1.2%
Information and Communications	3,259,093	1.1%	3,236,231	1.1%	2,945,623	1.0%	2,945,623	1.0%	2,945,623	1.1%	2,903,276	1.1%
Operating Contingency	2,418,931	0.9%	2,491,648	0.9%	2,491,648	0.9%	2,491,648	0.9%	2,491,648	0.9%	2,491,648	0.9%
Travel, Meals & Catering	1,331,819	0.5%	1,331,819	0.5%	1,425,264	0.5%	1,425,264	0.5%	1,425,264	0.5%	1,401,566	0.5%
Total Funds Applied	\$283,615,898	100.0%	\$283,652,614	100.0%	\$285,731,066	100.0%	\$283,475,800	100.0%	\$280,521,158	100.0%	\$274,264,201	100.0%

*Source: FY 2015 as Proposed Budget
 Note: UESP occurred in FY 2011

Governor's FY 2016 & FY 2017 Budget as Introduced:

- » Proposes 2% increase in SSI for both years
- » Permits 2% increase in undergraduate in-state tuition in FY 2016
- » No undergraduate in-state increase permitted in FY 2017
- » Proposes \$20 million in FY 2017 for Excellence/Success/Innovation Fund
- » Proposes \$1 million increase per year to OCOG
- » Proposes \$4 million increase per year to help universities develop online and competency-based bachelor's or master's degrees
- » Proposes \$30 million per year for student debt relief
- » Blue Ribbon Task Force on Affordability and Efficiency (initially introduced as an executive order)

Bowling Green State University – All Budgets

Bowling Green Campus	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015*
Educational & General	\$283,615,898	\$283,652,614	\$285,731,066	\$283,475,800	\$280,521,158	\$274,264,201
General Fee Funded Auxilliaries	30,895,850	36,146,225	36,306,400	37,001,072	33,729,882	34,746,875
Residence Halls	29,384,677	28,955,640	33,013,606	34,303,540	34,471,360	32,607,637
Dining Halls	18,941,200	20,338,910	23,946,990	24,754,197	25,628,074	24,472,314
Other Auxilliaries**	13,007,639	12,998,673	15,941,838	15,339,550	14,901,653	14,559,224
Total	\$375,845,264	\$382,092,062	\$394,939,900	\$394,874,159	\$389,252,127	\$380,650,251
Firelands Campus						
Educational & General	\$14,159,732	\$15,024,342	\$15,024,342	\$14,616,594	\$ 13,998,122	\$ 13,932,870
University Total	\$390,004,996	\$397,116,404	\$409,964,242	\$409,490,753	\$403,250,249	\$394,583,121
Total Increase/(Decrease) Over Prior Year		\$7,111,408 1.82%	\$12,847,838 2.58%	(\$473,489) (0.12%)	(\$6,240,505) (1.52%)	(\$8,667,128) (2.15%)

*Source: FY 2015 as Proposed Budget

**Other Auxiliaries: FY 2012 – FY 2015 budget restated to reflect the inclusion of the Stroh Center Budget

Bowling Green Campus Metrics

BG Campus	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
Tuition/Fees and SSI ¹	\$270,561,141	\$272,036,298	\$268,058,923	\$263,865,139	\$257,015,015
Total BG Campus Student FTE ²	15,548	15,443	15,311	14,996	14,644
Total Faculty Salaries ³	\$56,525,888	\$57,640,192	\$56,273,420	\$58,779,749	\$58,370,582
% of Total Faculty Salaries to Tuition/Fees and SSI	20.89%	21.19%	20.99%	22.28%	22.71%
Ave Full-time Faculty Salary	\$65,958	\$65,130	\$64,981	\$72,837	\$77,620
Number of Full-time Faculty ⁴	857	885	866	807	752
Student FTE to FT Faculty	18.14	17.45	17.68	18.58	19.47

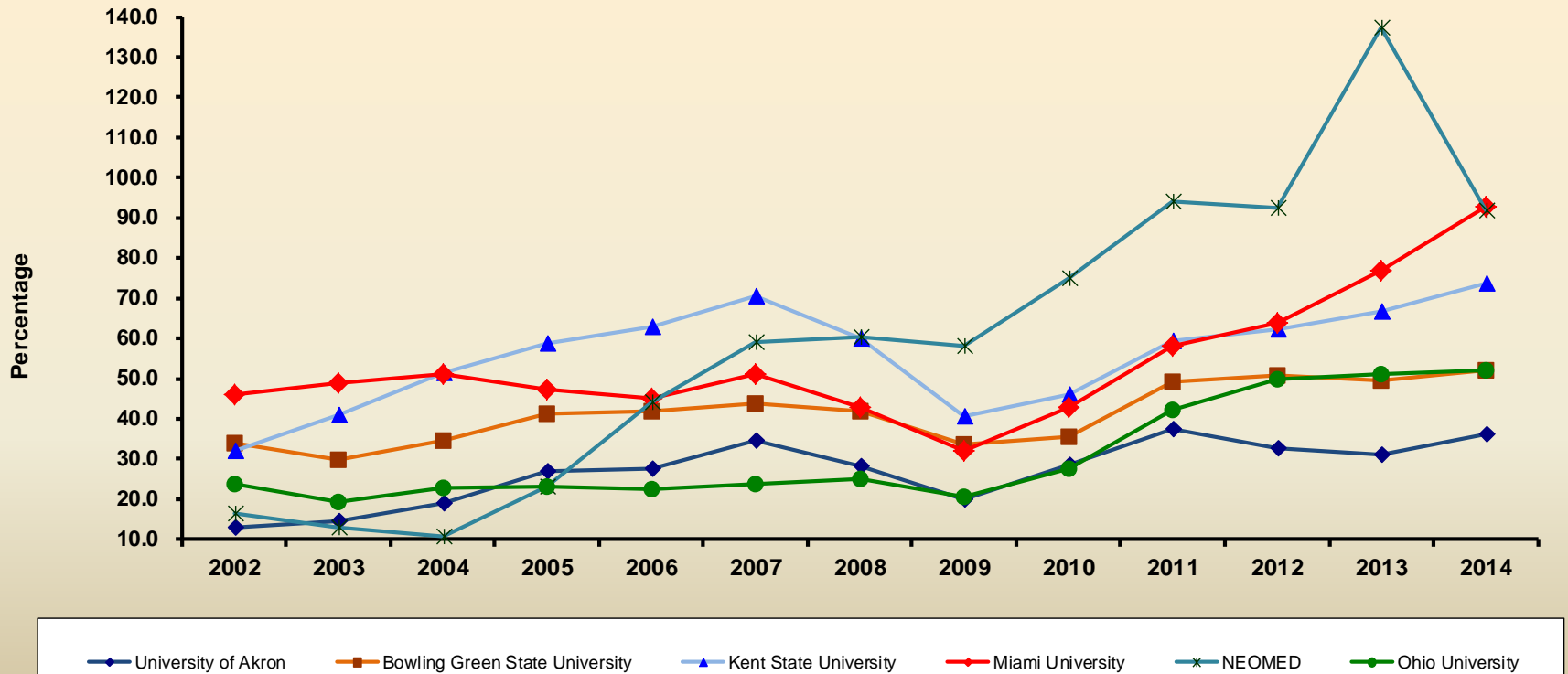
1. BG Campus Revenue Budgets (Student fees + State Appropriations)
2. BG Campus Fall Student Full Time Equivalent (FTE)
3. BG Campus Total Full-time Faculty Contract Salaries including Chairs/Directors
4. BG Campus Total Full-time Faculty as of Fall including Chairs/Directors

BGSU Financial Status Compared to other Ohio Peers – Senate Bill 6 Ratios

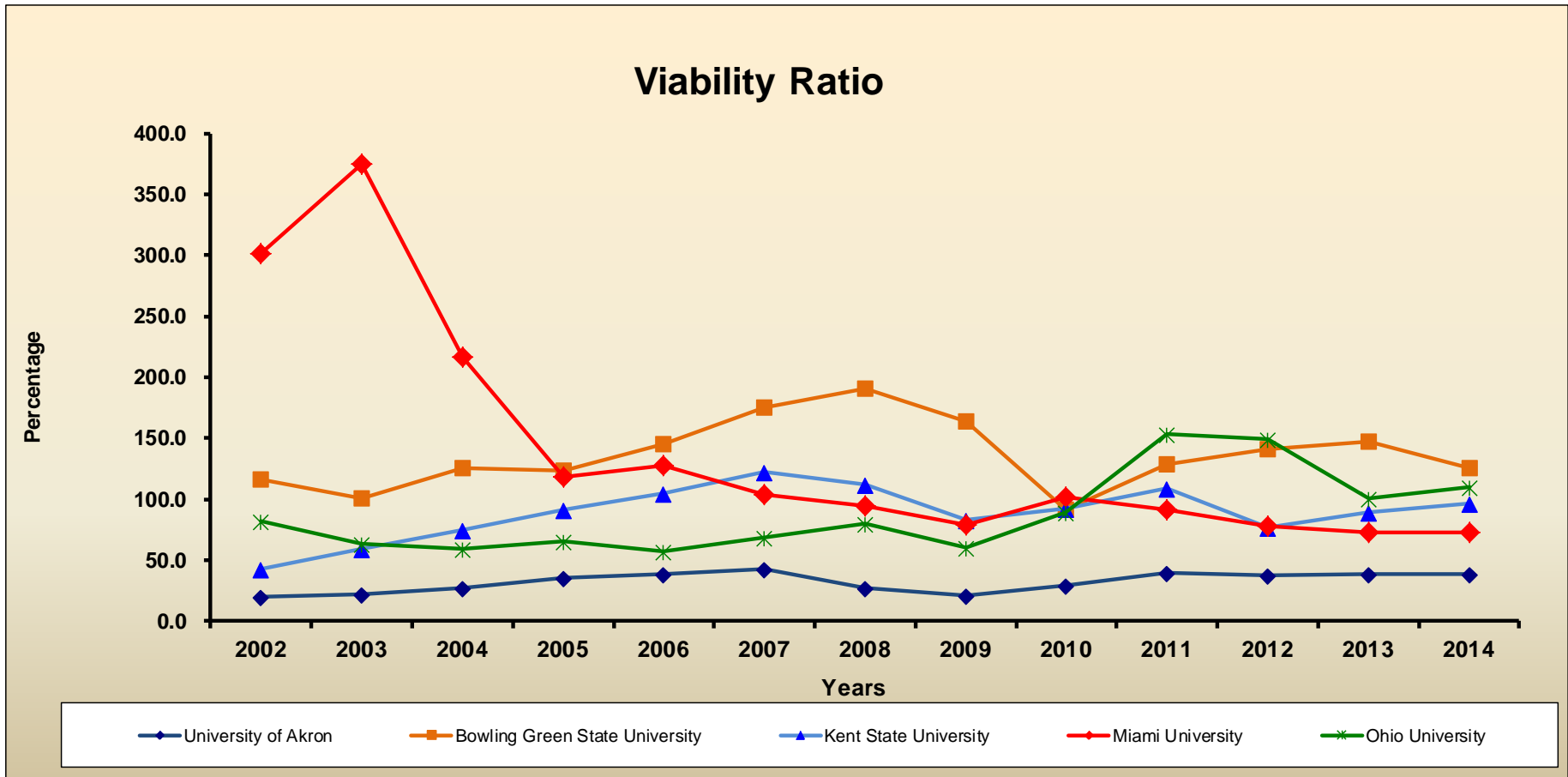
- » Created by General Assembly in 1997 to provide ratios to measure the relative financial health of universities to each other and to themselves over time
- » Three ratios:
 - » Primary Reserve – expendable net assets/ total operating expenses
 - » Viability – debt/equity
 - » Net Income – change total net assets/total revenues
- » Composite Ratio – calculated by scored, weighted ratios
- » Score from 1 – 5
- » ≤ 1.75 for two consecutive years = fiscal watch

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
University of Akron	13.1	14.7	18.9	26.9	27.7	34.5	28.1	20.1	28.6	37.6	32.6	31.2	36.1
Bowling Green State University	33.8	29.8	34.7	41.4	41.8	43.7	41.8	33.7	35.5	49.3	50.9	49.5	52.1
Kent State University	31.9	41.0	51.3	58.6	62.8	70.6	60.1	40.5	46.0	59.3	62.4	66.7	73.7
Miami University	46.0	48.8	51.1	47.2	45.0	51.0	42.8	32.0	42.8	58.2	63.7	76.9	92.9
NEOMED	16.3	13.1	10.8	23.2	44.2	59.0	60.2	58.2	75.0	94.2	92.6	137.2	91.9
Ohio University	23.9	19.2	22.7	23.0	22.6	23.9	25.0	20.6	27.7	42.3	50.0	51.0	52.0

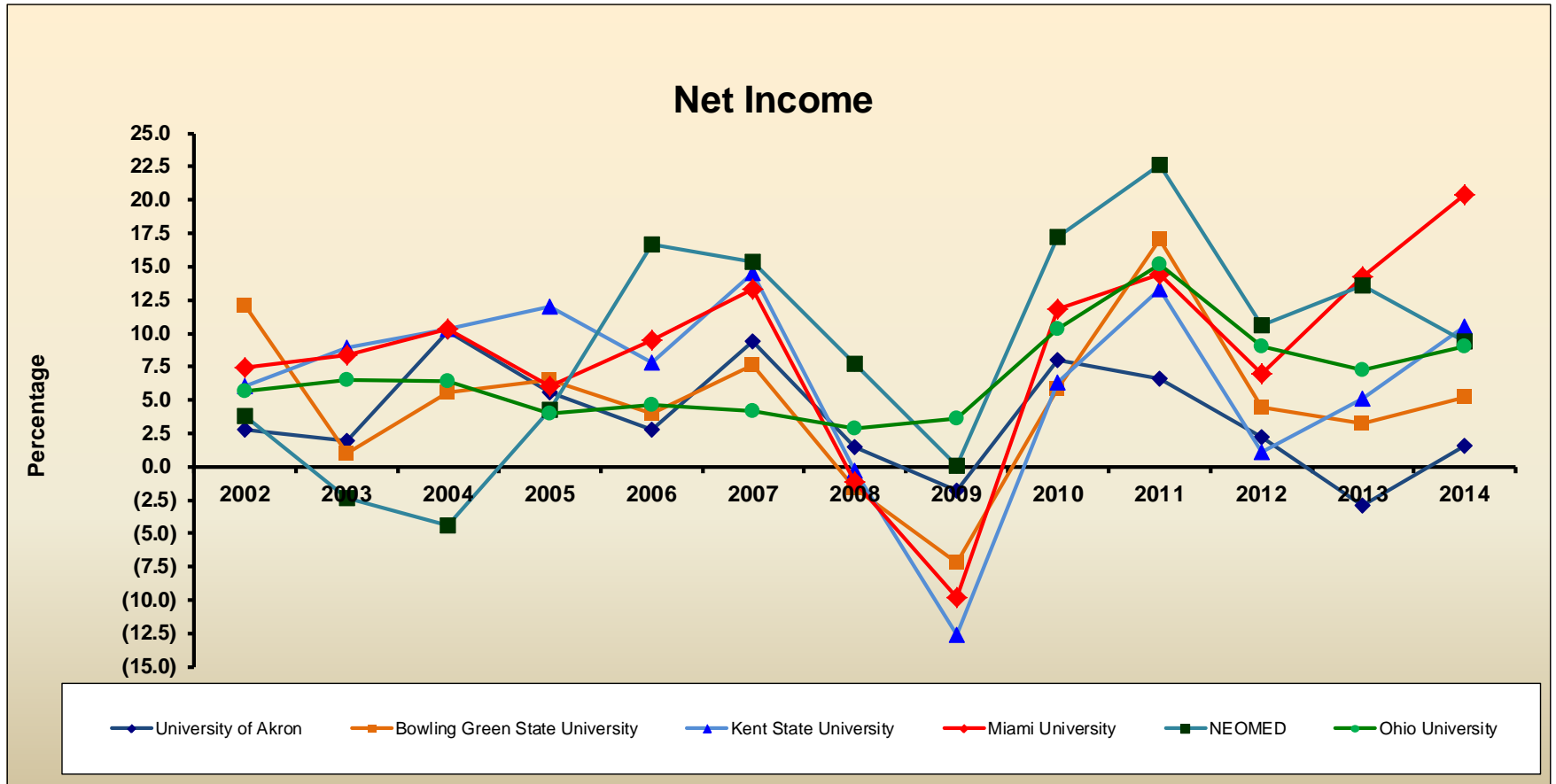
Primary Reserve



	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
University of Akron	20.3	22.1	26.8	35.5	38.9	42.7	27.3	21.3	29.4	40.0	38.0	38.8	38.8
Bowling Green State University	116.6	100.6	125.7	123.7	145.7	175.0	191.0	164.0	91.0	129.0	141.0	147.0	126.0
Kent State University	42.3	59.0	75.3	91.1	104.6	122.2	112.0	83.0	92.0	109.0	76.9	89.6	96.7
Miami University	301.5	375.2	216.5	117.9	127.3	104.2	94.6	79.1	102.2	91.2	77.8	72.9	72.5
Ohio University	81.8	63.5	59.7	66.0	57.7	69.1	79.5	60.3	89.8	153.4	149.5	101.0	110.0

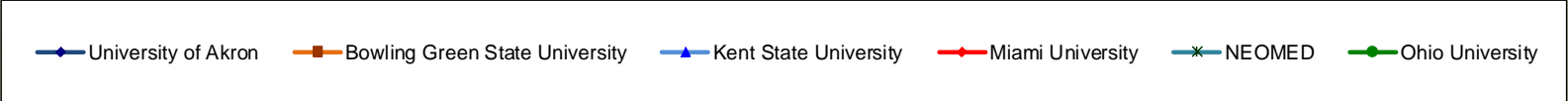
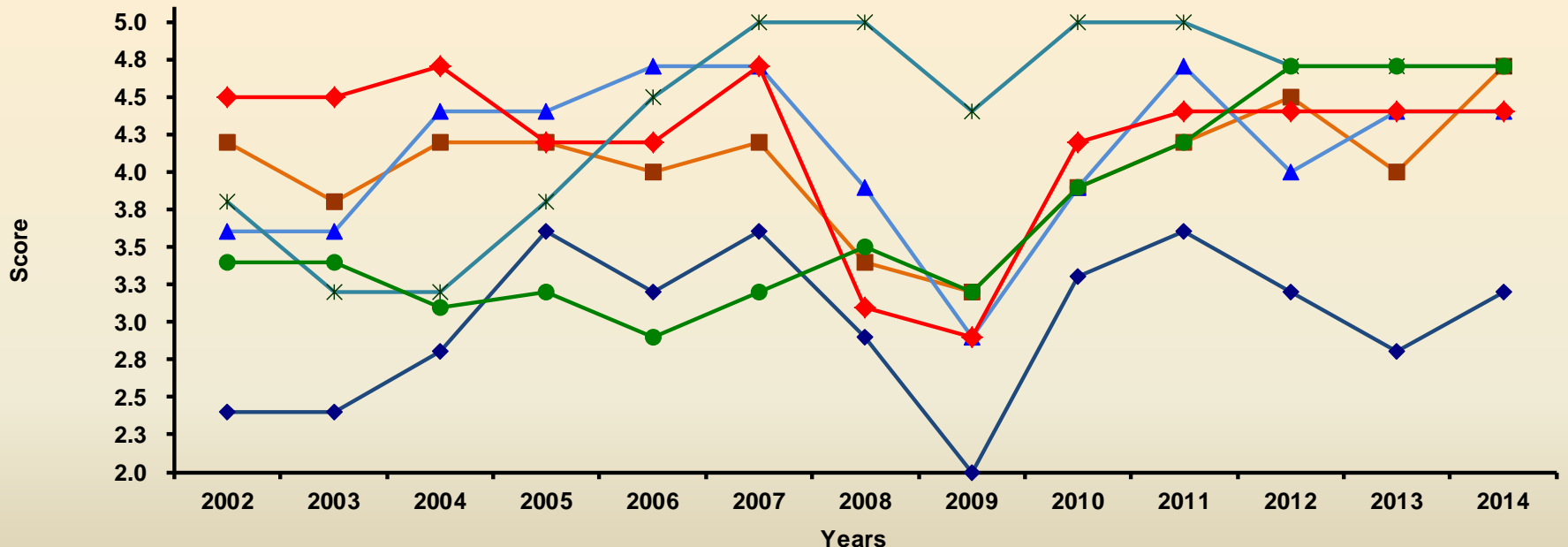


	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
University of Akron	2.8	1.9	10.1	5.6	2.8	9.4	1.5	(1.8)	8.0	6.6	2.2	-2.9	1.6
Bowling Green State University	12.1	1.0	5.6	6.5	4.0	7.6	(1.6)	(7.2)	5.9	17.0	4.5	3.2	5.2
Kent State University	6.0	8.9	10.3	12.0	7.8	14.5	(0.3)	(12.6)	6.3	13.3	1.1	5.1	10.5
Miami University	7.4	8.4	10.3	6.0	9.5	13.3	(1.1)	(9.8)	11.8	14.4	7.0	14.2	20.4
NEOMED	3.8	(2.3)	(4.4)	4.3	16.7	15.4	7.7	0.1	17.2	22.6	10.6	13.6	9.4
Ohio University	5.7	6.5	6.4	4.0	4.6	4.2	2.9	3.6	10.3	15.2	9.0	7.3	9.0



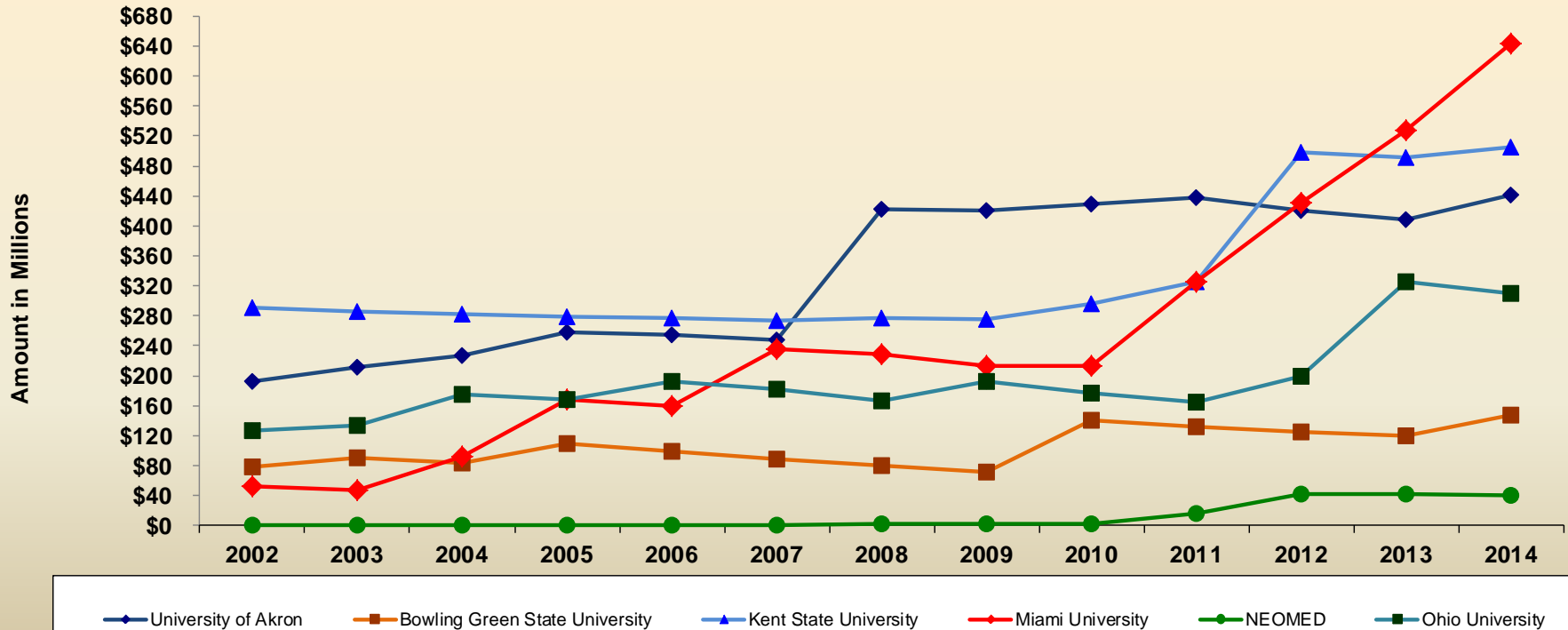
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
University of Akron	2.4	2.4	2.8	3.6	3.2	3.6	2.9	2.0	3.3	3.6	3.2	2.8	3.2
Bowling Green State University	4.2	3.8	4.2	4.2	4.0	4.2	3.4	3.2	3.9	4.2	4.5	4.0	4.7
Kent State University	3.6	3.6	4.4	4.4	4.7	4.7	3.9	2.9	3.9	4.7	4.0	4.4	4.4
Miami University	4.5	4.5	4.7	4.2	4.2	4.7	3.1	2.9	4.2	4.4	4.4	4.4	4.4
NEOMED	3.8	3.2	3.2	3.8	4.5	5.0	5.0	4.4	5.0	5.0	4.7	4.7	4.7
Ohio University	3.4	3.4	3.1	3.2	2.9	3.2	3.5	3.2	3.9	4.2	4.7	4.7	4.7

Composite Ratios



	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
University of Akron	\$191.9	\$211.2	\$226.7	\$258.5	\$255.3	\$247.4	\$421.9	\$420.0	\$429.9	\$437.6	\$420.4	\$407.9	441.4
Bowling Green State University	\$79.3	\$91.2	\$84.4	\$109.0	\$99.3	\$89.3	\$80.3	\$72.3	\$141.3	\$132.5	\$124.4	\$119.7	147.1
Kent State University	\$290.7	\$285.8	\$282.8	\$279.7	\$276.4	\$273.1	\$277.5	\$276.0	\$296.6	\$326.0	\$499.0	\$492.0	504.3
Miami University	\$53.2	\$48.0	\$92.8	\$168.6	\$159.7	\$235.3	\$228.4	\$213.3	\$213.6	\$325.6	\$431.3	\$528.2	643.7
NEOMED	\$1.6	\$1.4	\$1.2	\$1.0	\$0.9	\$0.7	\$2.3	\$2.0	\$1.7	\$16.5	\$41.8	\$41.5	40.6
Ohio University	\$126.7	\$133.0	\$175.6	\$167.5	\$192.9	\$182.9	\$167.4	\$192.7	\$177.0	\$164.7	\$199.3	\$324.9	310.2

Debt Amount



*BGSU Financial Status Comparisons to Peers
as Measured by Moody's Investor Services (rating agency)*

- » BGSU vs. National Public University Medians
- » BGSU vs. Ohio's 'Four Corners'
- » BGSU vs. Ohio's A1 Rated Public Universities

BGSU vs. National Public University Medians

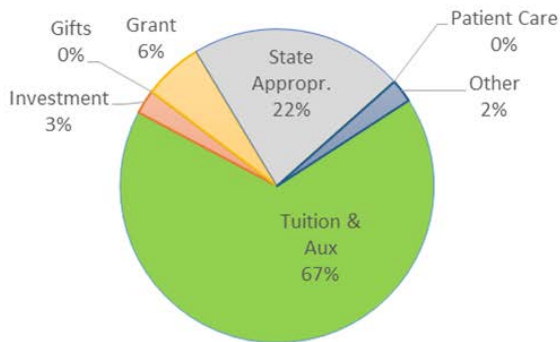
Select Financial Measures

	Bowling Green State Univ (A1)	Aa3 Medians	A1 Medians	A2 Medians
Most Recent Available				
Total Direct Debt (\$, in millions)	222.9	230.3	110.9	46.9
Total Revenues (\$, in millions)	338.9	448.8	182.1	57.8
Total Expenses (\$, in millions)	326.0	413.3	181.3	55.9
Total Enrollment FTE (#, may be estimated)	16,898	19,095	11,022	4,610
Unrestricted financial resources-to-direct debt (x)	0.7	0.5	0.4	0.3
Total financial resources -to-direct debt (x)	1.2	1.3	1	0.7
Total cash & investments-to-direct debt (x)	0.9	1.0	0.7	0.5
Direct Debt-per-Student (\$)	13,188	14,261	12,315	10,436
Debt service to operations (%)	4.6	4.0	5.0	5.8
Debt Service Coverage (x)	2.7	3.0	2.3	2.0

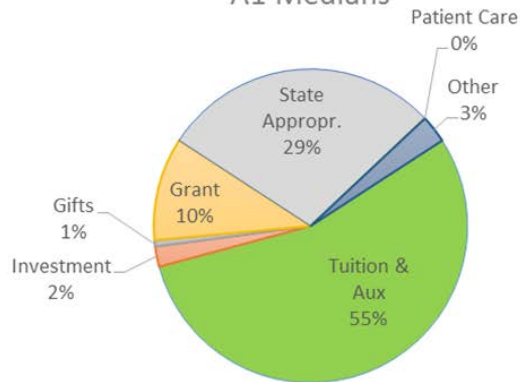
Source: Moody's Investor Services MFRA Database, July 2013

BGSU vs. National Public University Medians Revenue Contribution Ratios

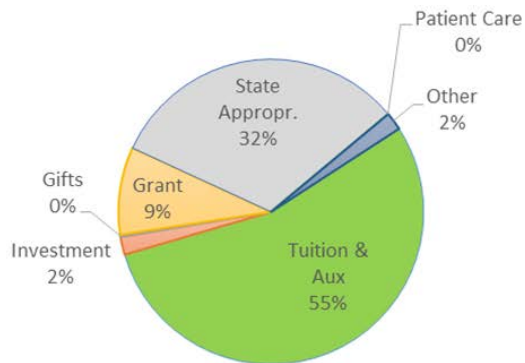
Bowling Green State University



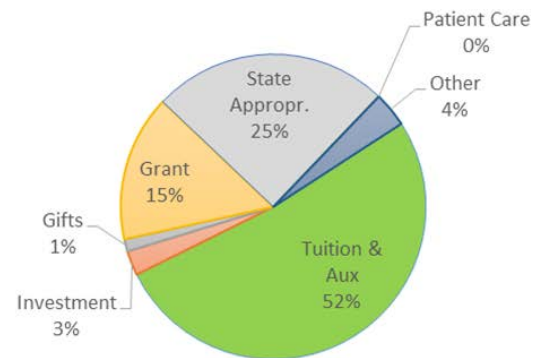
A1 Medians



A2 Medians



Aa3 Medians



BGSU vs. Ohio's 'Four Corners'

Select Financial Measures

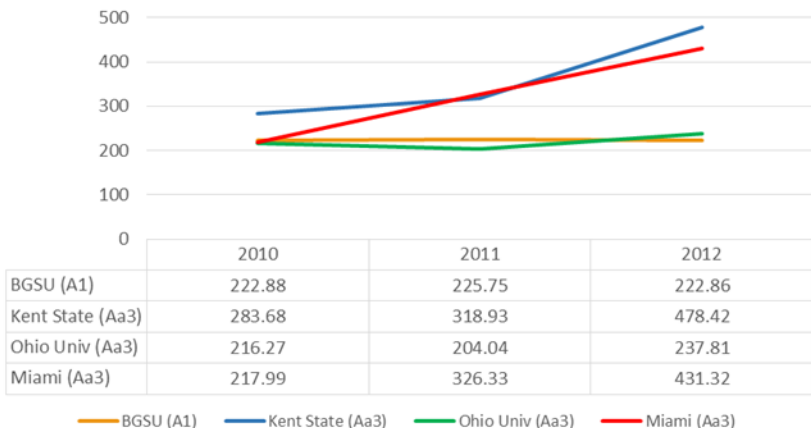
	Bowling Green State Univ (A1)	Kent State Univ (Aa3)	Miami University (Aa3)	Ohio Univ (Aa3)
	Most Recent Available			
Total Direct Debt (\$, in millions)	222.9	469.8	431.3	229.2
Unrestricted Financial Resources (\$, in millions)	152.3	351.3	270.2	260.2
Expendable Financial Resources (\$, in millions)	198.0	470.4	450.0	537.2
Total Financial Resources (\$, in millions)	275.4	508.0	695.0	719.7
Total cash & Investments (\$, in millions)	201.1	430.9	433.2	316.5
Total Revenues (\$, in millions)	338.9	604.6	541.8	638.6
Total Expenses (\$, in millions)	326.0	564.2	503.3	589.5
Total Enrollment FTE (#, may be estimated)	16,898	34,482	20,966	29,531
Unrestricted financial resources-to-direct debt (x)	0.7	0.7	0.6	1.1
Expendable financial resources -to-direct debt (x)	0.9	1.0	1.0	2.3
Total financial resources -to-direct debt (x)	1.2	1.1	1.6	3.1
Total cash & investments-to-direct debt (x)	0.9	0.9	1	1.4
Direct Debt-per-Student (\$)	13,188	13,624	20,572	7,760
Debt service to operations (%)	4.6	4.3	6.6	3.6
Debt Service Coverage (x)	2.7	2.3	3.6	2.8

Source: Moody's Investor Services MFRA Database, July 2013

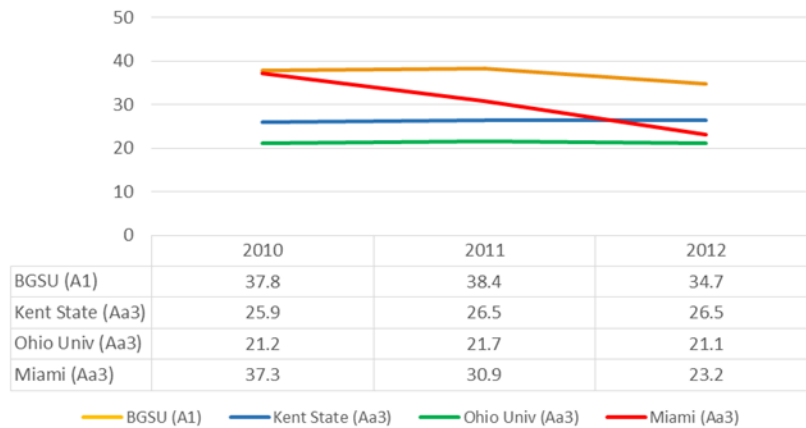
BGSU vs. Ohio's 'Four Corners'

A Visual Perspective of Select Financial Measures

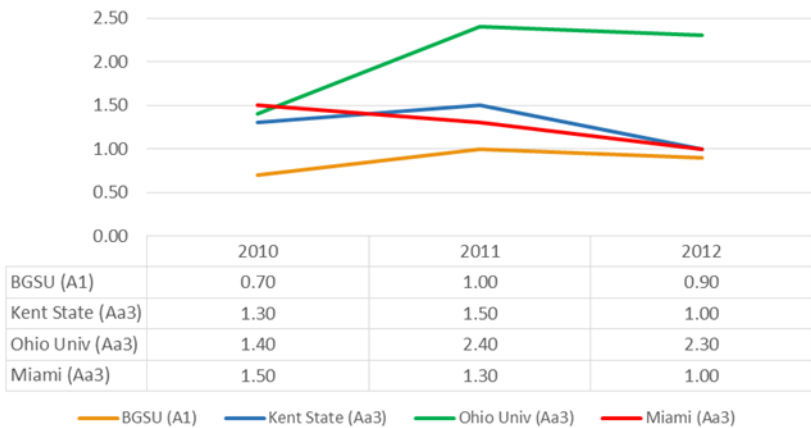
Total Comprehensive Debt (in millions)



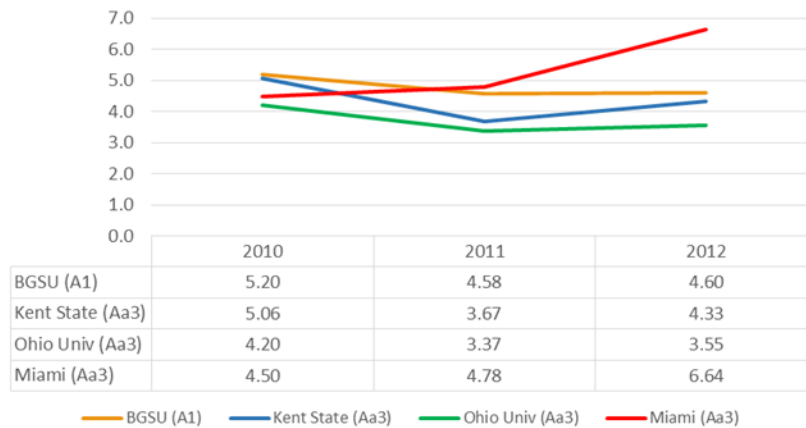
Total Tuition Discount (percent)



Expendable Financial Resource to Direct Debt (x)

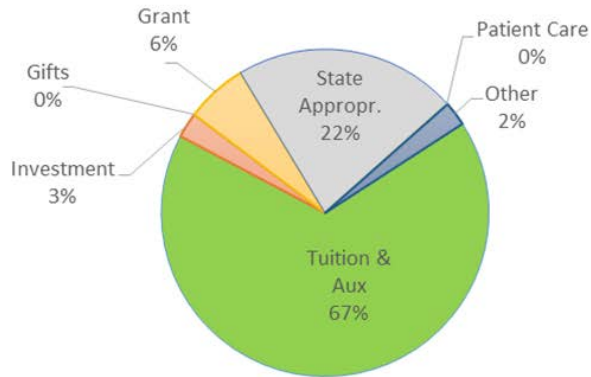


Debt Service to Operations (%)

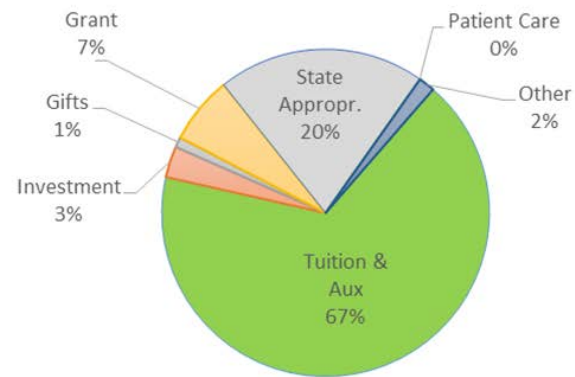


BGSU vs. Ohio's 'Four Corners' Revenue Contribution Ratios

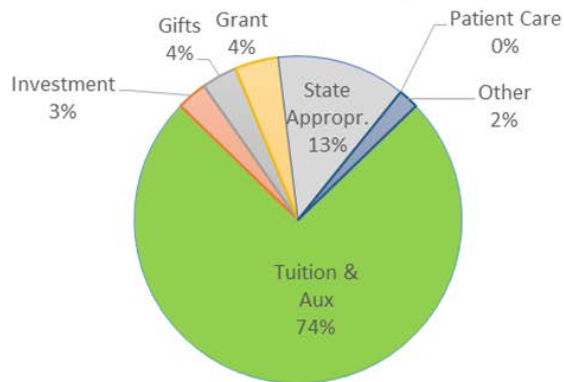
Bowling Green State University



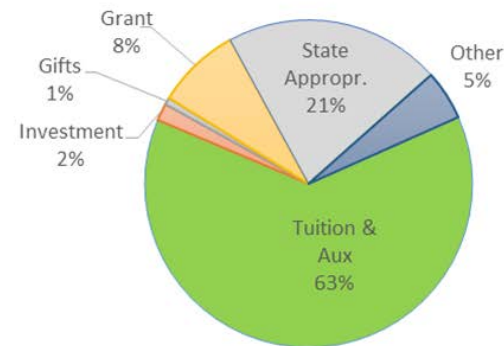
Kent State University



Miami University



Ohio University



BGSU vs. Ohio's A1 Rated Public Universities

Select Financial Measures

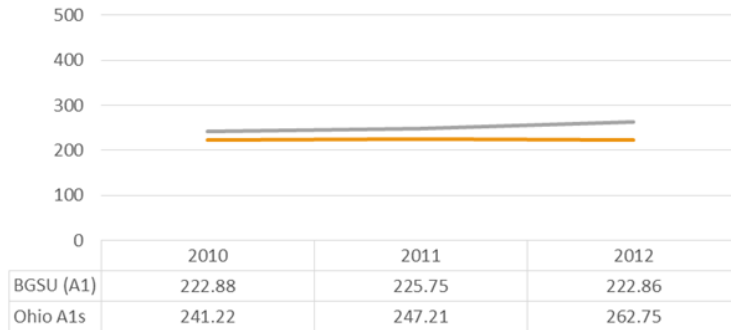
	Bowling Green State Univ (A1)	Cleveland State Univ (A1)	University of Akron (A1)	University of Toledo (A1)	Wright State Univ (A1)	Youngstown State Univ (A1)
	Most Recent Available					
Total Direct Debt (\$, in millions)	222.9	319.7	440.6	335.2	97.2	76.2
Unrestricted Financial Resources (\$, in millions)	152.3	86.3	109.0	177.0	112.1	29.1
Expendable Financial Resources (\$, in millions)	198.0	129.0	199.8	412.9	200.8	190.3
Total Financial Resources (\$, in millions)	275.4	173.2	321.2	505.6	237.0	243.7
Total Cash & Investments (\$, in millions)	201.1	99.0	255.0	285.3	206.9	65.0
Total Revenues (\$, in millions)	338.9	283.3	474.5	842.2	375.2	183.2
Total Expenses (\$, in millions)	326.0	271.1	463.6	827.5	383.3	184.0
Total Enrollment FTE (#, may be estimated)	16,898	12,814	22,430	18,109	15,800	11,171
Unrestricted financial resources-to-direct debt (x)	0.7	0.3	0.2	0.5	1.2	0.4
Expendable financial resources-to-direct debt (x)	0.9	0.4	0.5	1.2	2.1	2.5
Total financial resources-to-direct debt (x)	1.2	0.5	0.7	1.5	2.4	3.2
Total cash & investments-to-direct debt (x)	0.9	0.3	0.6	0.9	2.1	0.9
Direct Debt-per-Student (\$)	13,188	24,946	19,642	18,510	6,149	6,823
Debt service to operations (%)	4.6	7.4	10.6	2.5	2.9	2.7
Total financial resources-per-student (\$)	16,295	13,516	14,732	27,886	15,000	17,008
Debt Service Coverage (x)	2.7	2.3	3.6	2.8	6.9	3.4

Source: Moody's Investor Services MFRA Database, July 2013.

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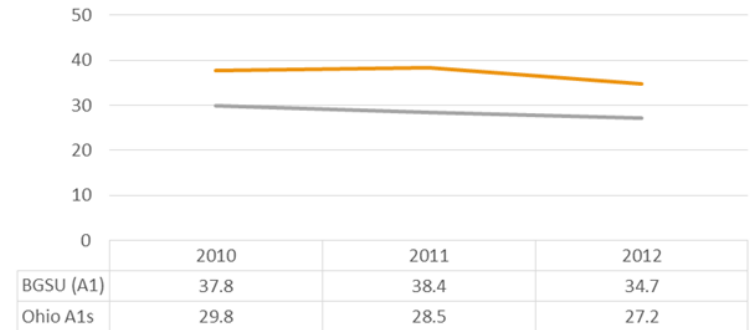
A Visual Perspective of Select Financial Measures

Total Comprehensive Debt (in millions)



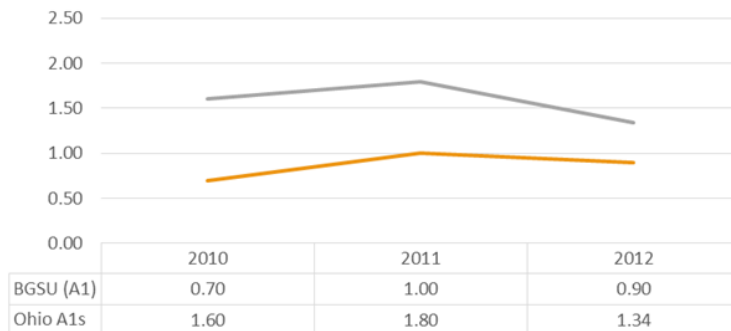
— BGSU (A1) — Ohio A1s

Total Tuition Discount (percent)



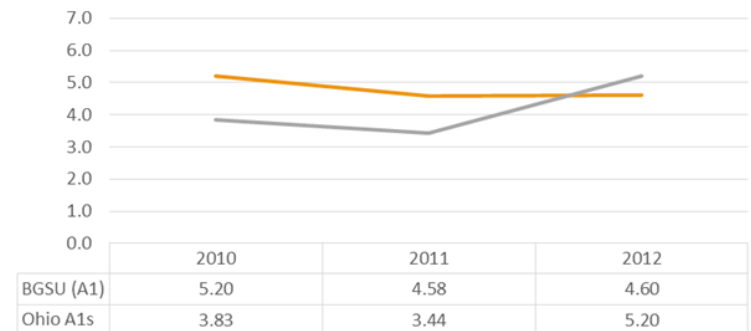
— BGSU (A1) — Ohio A1s

Expendable Financial Resource to Direct Debt (x)



— BGSU (A1) — Ohio A1s

Debt Service to Operations (%)



— BGSU (A1) — Ohio A1s

Several Conclusions Can Be Drawn:

- » SB6 Ratios – BGSU measures up well vs. peers over time
 - » Does not consider relative size of university
 - » Developed by State of Ohio in response to schools in financial plight
- » Moody's Rating
 - » Considers relative size of university
 - » Developed to measure credit worthiness/provides credit rating (stable, negative outlook)
- » BGSU's E&G budget has steadily decreased since 2009, with exception of FY 2012, reflecting enrollment declines (tuition, general fees and SSI)
- » We have retained our SB6 ratios and Moody's rating by prudent financial management even as our annual operating resources have declined

Questions?