

Arkansas Higher Education Comprehensive Annual Report



Financial Condition Report 2009

Arkansas Department of Higher Education
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ARKANSAS HIGHER EDUCATION ANNUAL FINANCIAL CONDITION REPORT



A report to
The Arkansas Higher Education Coordinating Board

October 30, 2009

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The Financial Condition of Arkansas Institutions of Higher Education

October 2009

Introduction

The purpose of this report is to describe the financial condition as well as the difficulties and dilemmas experienced by Arkansas's Public Institutions of Higher Education. These difficulties and dilemmas have been brought on by a number of competing, and often conflicting demands: increasing enrollments; lagging, and even declining, state support; increasing public and political pressure to hold tuition down; and students who come to college with the expectations of new amenities and programs from the institutions. Other factors also contribute to higher education's financial difficulties some of which are brought on by the institutions themselves and others are legislatively mandated. Some, but certainly not all, of the contributing factors are:

1. The dilution of higher education funding by the addition of non-student driven entities to higher education funding;
2. Institutions' acceptance of property that requires expensive and continual maintenance expenditures with the expectation that state funding will pick up the cost;
3. Tuition discounting which includes virtually eliminating the collection of out-of-state tuition charges; and
4. With the recent cuts in the revenue forecast, funding for 2009-10 represents less funding for most institutions than they received in 2008-09 at a time when they have experienced unprecedented enrollment increases.

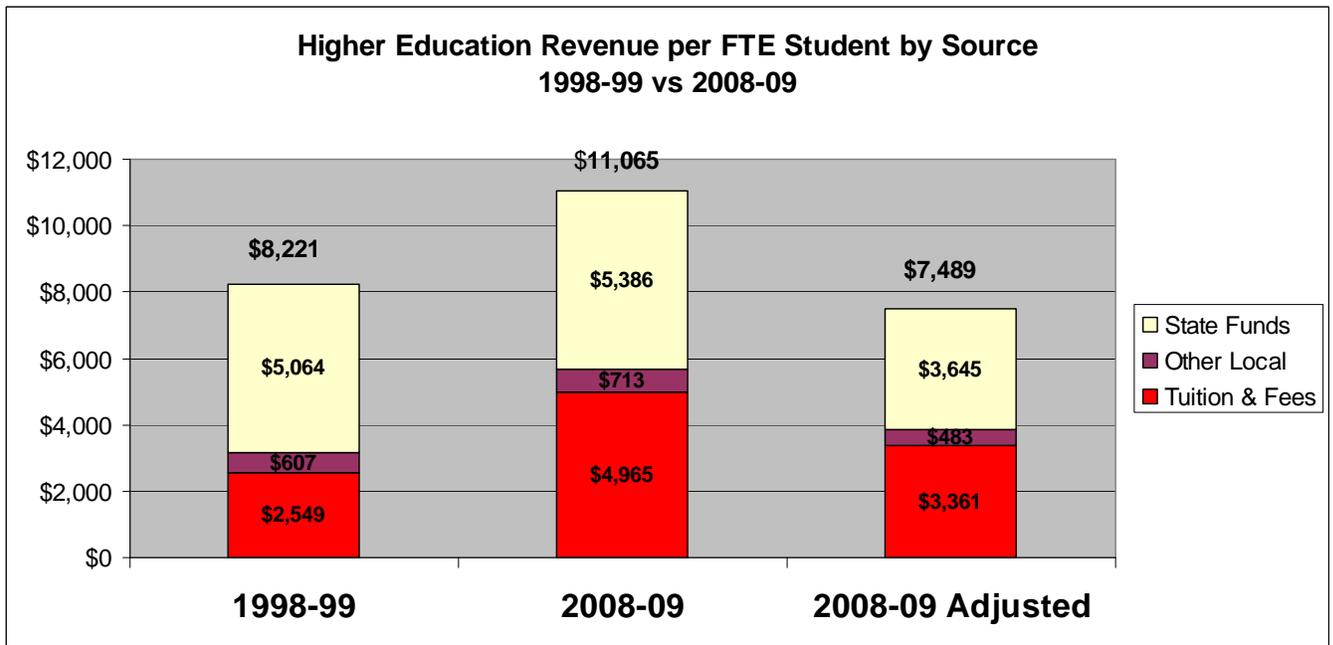
As Arkansas enters the fall of the 2009, some institutions were unable to fund or pay classified employees the salaries required by the new state uniform classification and pay plan because there was no offsetting increase in state funding. Some institutions were not only able to fully fund the pay plan, they were also able to pay the full cost of employees' health insurance programs. At the same time, many institutions struggled to pay even a portion of their employees' health insurance costs. These conditions are an indication of the significant inequities in the funding of institutions of higher education in Arkansas, inequities which the funding formulas are designed to address. That is, if the formulas were allowed to function and if they were used to allocate all funding available for higher education the inequities would disappear over time.

This financial conditions report will review Arkansas Higher Education's state appropriations, tuition and fees, expenditures by function, fund balances, operating margins for educational and general as well as auxiliaries, athletic income and expenditures, scholarship expenditures and measures of performance. It will also include some recommendations for future financial polices of the Arkansas Higher Education Coordinating Board.

State Support

Although from both an institutional and a student perspective, Arkansas's state support has declined significantly in the past decade, Arkansas Higher Education has actually fared better than its counterparts in many states. Recent reports are that California's higher education faculty salaries will be cut an average of 10% for the 2009-10 fiscal year. At least Arkansas higher education faculty members are not receiving salary reductions. Many faculty and staff in Arkansas are receiving no pay increase for fiscal 2010 which is in fact a reduction in purchasing power even though the federal government calculations indicate no inflation. Indeed many faculty members in Arkansas institutions have received only one pay increase in the past four or five years. The inability to provide cost of living salary increases does not bode well for an institutions ability to retain their best and brightest faculty.

The graph below depicts the change in revenue by source over the 10 year period from 1998-99 to 2008-09. A number of important observations are possible from the graph. The first bar graph shows the funding per FTE student in 1998-99 by source. The second shows the funding for 2008-09 by those same sources. The third bar depicts the funding for 2008-09 in terms of 1998-99 dollars.

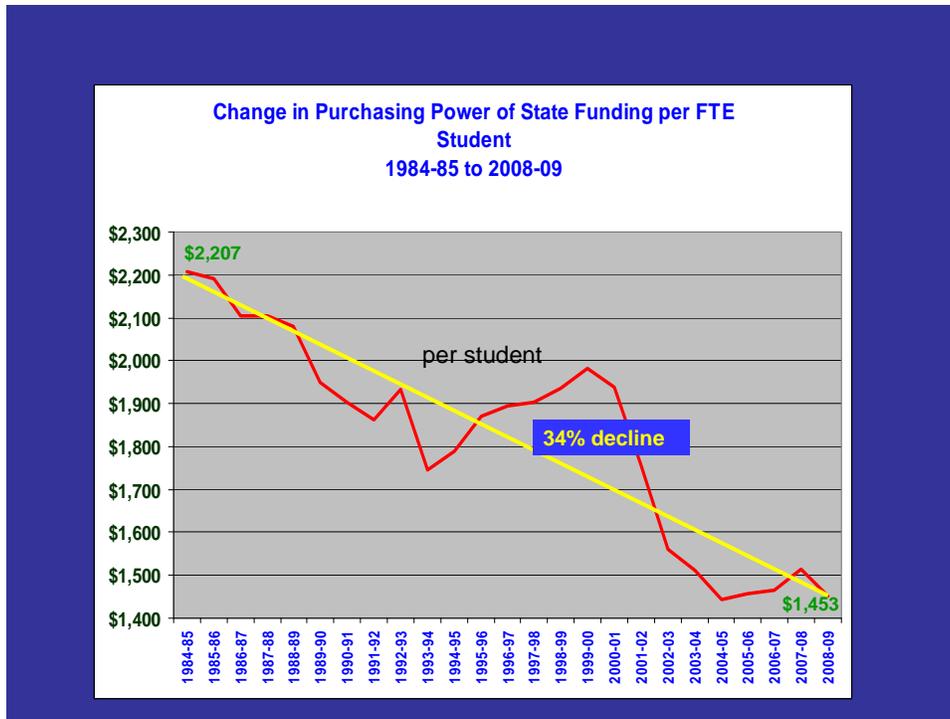


It quickly becomes obvious that in spite of the much publicized tuition inflation of the last decade, higher education institutions in Arkansas had less purchasing power per student in 2008-09 than they had in 1998-99. The total funds available per FTE student in 1998-99 were \$8,221. Although the 2008-09 total revenue available per FTE student was \$11,065, its comparable purchasing power was only \$7,489. In fact, the purchasing power of the revenues from all sources in 2008-09 was approximately 9% less than it was in 1998-99.

The graph also illustrates the ten-year decline in state support for Arkansas Higher Education Institutions that produce student credit hours. In 1998-99 the state of Arkansas provided \$5,064 of the total revenue per FTE student or 61.6% of the revenue available per student. In 2008-09 the state provided \$5,386 per FTE student which was only 48.7% of the \$11,065 in revenue available to the institution from all sources – state funding, tuition & fee income and other local income (both student generated and private funds). This chart leads to a number of findings:

1. Students are paying more in terms of the share of the cost of attending higher education but are getting less in terms of what the institution's funding is able to purchase.
2. The state's contribution to the student's education has declined from 61.6% to 48.7% of the total revenue available.
3. In terms of purchasing power, the state's funding per FTE student, in 1998-99 dollars has declined from \$5,064 to \$3,645, a decline in state support of 28% in ten years.
4. Conversely, the student's contribution, in 1998-99 dollars, has increased from \$2,549 to \$3,361, or 32%.
5. Furthermore, although the institutions have resorted to increasing development staff as a means of offsetting declining state support. The new funds being raised by development personnel that contribute to the educational and general operations have not increased in terms of constant dollars. This does not mean that development staffs are not effective. It means that donors are reluctant to give to the normal operations of an institution or to fund the maintenance and or renovation of facilities. Donor giving is usually restricted to a specific purpose and therefore, is not a part of the unrestricted E&G operations which are under review here.

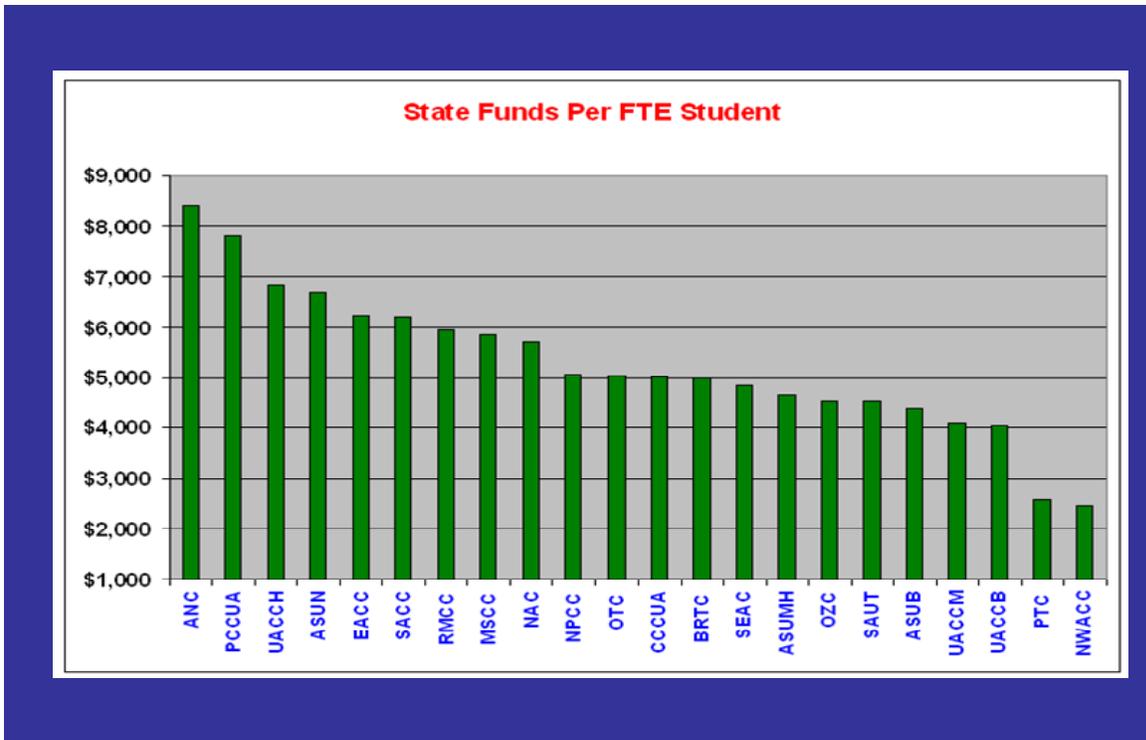
Chart 2 provides another look at the trend in funding per FTE student for the previous 24 years and depicts a 34% decline in the purchasing power of state funding per FTE student over the period from 1985 to 2009. Yet, another reason for tuition increases. **Note that the steepest decline took place after 2000.**



Given the state funding for 2009-10 and the unprecedented enrollment growth in the fall of 2009, the purchasing power per student will continue to decline. Furthermore, when coupled with the institutions efforts to control tuition, institutions total revenue per student will experience even greater declines.

A Funding Inequity

Another funding condition of concern is the great disparity that exists in the state funding per FTE student that cannot be explained by academic complexity, student level, institution type, or programmatic cost differences. It is a problem that needs attention since the law requires the Higher Education Coordinating Board and ADHE to fund students and not institutions. The problem is most evident in the funding of two-year colleges. Consider the graph below:



Obviously, there is a difference of almost \$6,000 between the best funded and lowest funded two-year college in terms of dollars per FTE student. Obviously, the two lowest funded colleges are the largest two-year colleges in the state and because of the economy of scale they would be expected to be funded less than the smaller institutions. However, no valid economy-of-scale would result in a \$6,000 per student difference.

This problem is more complex than it might appear at first. A frequent reaction of the general public is to take funds away from the higher funded institution and give them to the lower funded institutions. How this situation developed must be examined before a solution can be proposed. The situation depicted in the graph is the outcome of state support failing to keep pace with enrollment and inflation; and the impact of two separate and different enrollment scenarios.

The best funded institutions, in general have experienced several years of enrollment declines or little growth which, had funding remained flat would have had their funding per student increased, mathematically, although no new money was appropriated to the institution. For the sake of illustration, assume that the highest funded institution had lost 20% of its enrollment. (In this scenario, had its enrollment remained constant its funding would have been about \$6,800 per FTE student). When an institution loses 20% of its enrollment can it cut its cost proportionately? Despite the general public opinion, it cannot. Why? Suppose that the institution's average class size was 20 before the enrollment decline. After the enrollment decline, the average class size would be 16. Can they reduce the number of classes or the need for faculty? Not likely without harming the students. Can they do with fewer financial aid officers, or

custodian, or maintenance staff? No. Should the state try to bring everyone else toe \$8,600 per FTE? No!

The opposite end of the continuum is represented by NWACC and PTC. Both institutions' enrollments have outpaced enrollment increases at other institutions. The inequities have developed because state funding has not kept pace with their enrollment increases. The failure to apply the funding formula to distribute the actual new funds available from the state is a major reason that state funding has not at least lessened the gap between their need and their actual funding. The primary reason this has not occurred is that the decisions regarding that distribution of available funds lies with the presidents and chancellors of the institutions who have been reluctant to allow all the new funding to flow by the funding formula.

Although the staff would like to recommend a board policy that a minimum funding per FTE student be established, the funding formula is in the Arkansas code. That, in effect, makes any AHECB policy of no effect. The law must be amended to achieve a minimum funding level per FTE student. There is a minimum funding level of \$3 million in the law to protect small institutions. It seems logical that there should also be a minimum funding level per FTE student. The solution will require an amendment to the funding formula for two-year colleges and it is my understanding that cannot be introduced until the 2011 legislative session because the 2010 session is only a fiscal session to deal with appropriation bills.

Recommendation: that the AHECB direct the ADHE staff to pursue a funding formula law amendment that will state:

The minimum funding per FTE student for a two-year college shall be \$3,000/FTE which shall be increased by the annual rate of inflation as measured by the Consumer Price Index (CPI) (when funds are available) until an institution's funding level per FTE determined by the two-year funding model is reached.

For the 2010 fiscal year this revision of the law would have cost approximately \$4.8 million but the improvement of the financial conditions for both campuses would have been measureable.

A Disturbing Recommendation for Funding Reform

A recent report entitled, *Promoting Economic Mobility by Increasing Post Secondary Education* which was funded by the Pew Charitable Trust was quite disturbing for institutions of higher education and indicated to those who understand higher education finance the authors' nescience of higher education finance. That recommendation was:

Reform state financing of postsecondary education by providing 25 percent of the basic support to colleges and universities in the form of

vouchers for low-income students; create a \$500 million federal pot to match state voucher programs.

The adoption of such a reform proposal would be disastrous to the finances of colleges and universities and is a clear indication of a lack of understanding of higher education finance. Institutions of higher education have two primary sources of income, state funding and tuition and fee income. If a student attends an institution, that institution is going to receive tuition and fee income without regard for who pays it. State funding subsidizes an institution allowing it to charge less in tuition and fees. This principle is most obvious when comparing the tuition of public institutions with private institutions.

The proposed reform would take away 25 percent of that state funding and give the funds to students in the form of vouchers that they could use to pay their tuition anywhere they decide to attend. The real result is to take away 25 percent of the institutions state funding, but it must be realized that from the institution's perspective those funds are not replaced. Mathematically the immediate result, which is unavoidable, will be a minimum of a 33 percent increase in tuition simply to replace the lost state funding because the cost to educate the student is not reduced. South Carolina is a perfect example of what happens when a state cuts support to higher education because of the scholarships becoming available to help students pay their tuition. The University of South Carolina's tuition before the reduction in state funding was equivalent to that of the University of Arkansas. Today, the University of South Carolina and other universities in South Carolina are significantly higher than in comparable Arkansas institutions.

The use of public funds for scholarships or vouchers does not replace the need for state support to help public institutions of higher education keep tuition as low as possible.

Tuition and Fees

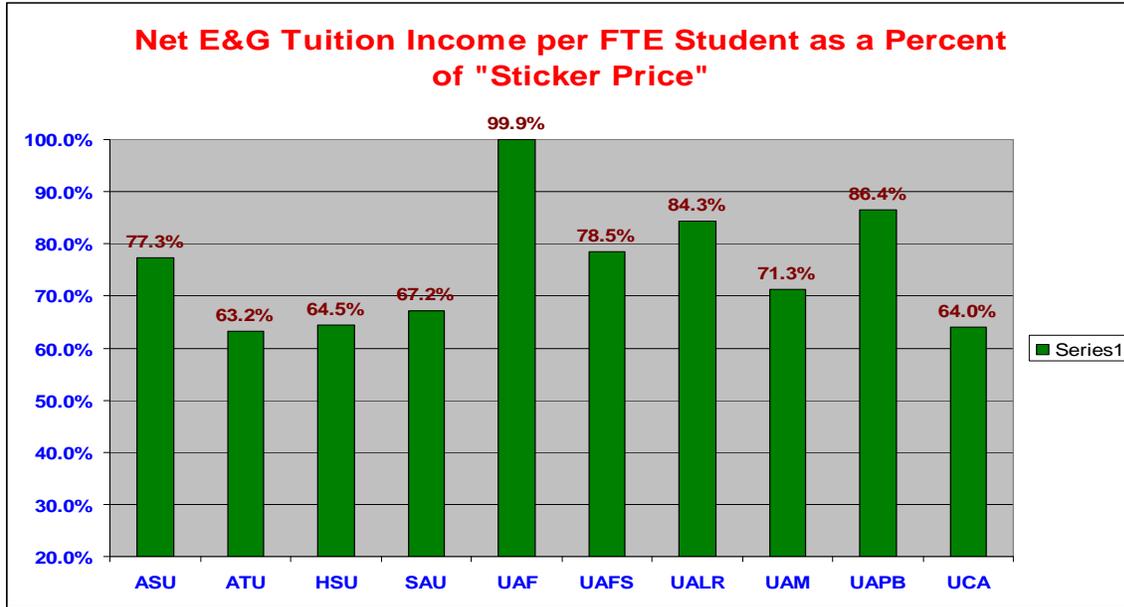
Certainly, tuition and fee increases at colleges and universities, both public and private, have been under scrutiny in Arkansas and the nation. As pointed out, in our previous financial condition report and in the Delta Cost Project findings, nationally tuition increases have outpaced inflation in all other sectors of the economy. It was also reported that the two major factors in that tuition inflation were **declining state support** and **tuition discounting in the form of institutional scholarships**.

The difference in the "sticker price" (advertised tuition and mandatory fees) and the net tuition per student have increased significantly in both Arkansas and the nation since 1990. In Arkansas, the legislation requiring an institution to designate a part of its tuition as an athletic fee in effect was the beginning of charging a fee for an auxiliary as a part of the tuition. The result was that the relationship between the stated tuition and fees ("sticker price") and the educational and general (E&G) bottom line from which tuition revenue began to deteriorate because the auxiliary fee was not E&G

income. Until 1997, there was a cap on the percent of undergraduate tuition and fee income that could be expended for academic and performance scholarships. After 1997, the competition for students merely increased the reliance on institutional scholarships to attract the best students and thereby manipulate the funding methodology whatever it might be. The incentives to offer large numbers of institutional scholarships were many: if funding was based upon student semester credit hours (SSCH); or upon improvement in graduation rates or retention rates, the institution's funding would benefit. The incentives were on the side of competing for the brightest students which meant increasing scholarship offerings. The increase in institutional scholarship offerings meant that the net income from tuition and fees receded further. And this resulted in institutions having to increase tuition. Fortunately, AHECB directed the staff to seek amendments to the law which placed a cap on scholarship spending by institutions and in the 2009 legislative session that amendment became law.

Part of the impact of the auxiliary fees and scholarships on the educational and general bottom-line for tuition and fee income has been obscured by a change in the method by which a student is charged for tuition and fees. In the past, everyone charged students a fixed rate per credit hour for up to 12 credit hours per semester. When a student enrolled in 12 or more credit hours, there was a cost break. At twelve hours (traditionally defined as a full-time student) there was a slight break in the total charge to the student and there were no additional charges for credit hours above the 12-hour load (full-time student rate). (The hours above a 12 hour load were basically free). That situation has changed. Today the institutions charge the fixed hourly rate for **every credit hour taken** by a student during a semester which includes both tuition and mandatory fees. Yet, the net tuition income compared to the "sticker price" continued to decline. Hopefully, in time the recent legislation will result in impeding the decline.

It is noteworthy that two universities did not increase tuition for 2010 and one did not increase fees either. Also ten two-year colleges held tuition and fees at the 2009 level. These institutions made that tuition decision at a sacrifice to their institutions and the leadership of these institutions should be recognized for their efforts on behalf of their constituents.



The net tuition income realized in unrestricted educational and general has been reduced by the expenditures for scholarships as reported in the 17-series. However, the influence of the auxiliary fees such as athletic fees, and/or student activity fees, are reflected in the net income per FTE student because they are included in the "sticker price" but are not in the educational and general income.

A factor that should be noted in any interpretation of this data is that institutions with large graduate programs and differentiated tuition for undergraduate programs will appear to have a higher percentage of the sticker price because much of their tuition is greater than the in-state undergraduate "sticker price".

It is important to remember that today's students are more affluent, have had more at home and as a result come to college expecting and demanding more amenities from the institutions. Providing those amenities and ambiances are expensive and drive up the cost, even though they do not necessarily produce any measurable academic benefit.

The tables containing the net tuition historical information are included in Appendix B.

Three Imperatives for Arkansas Higher Education

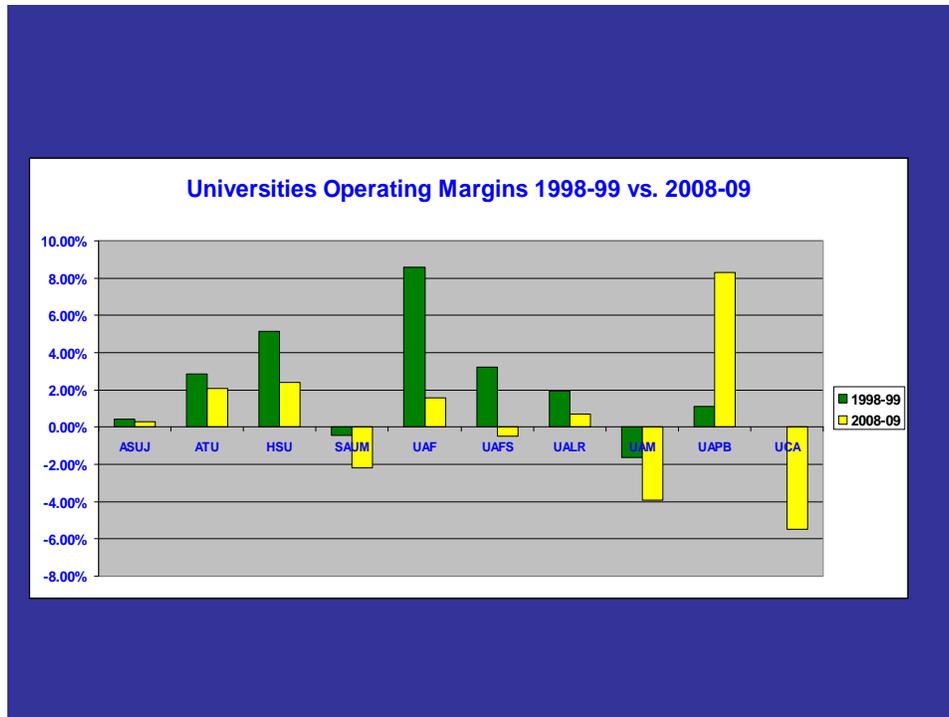
The Interim Study Committee on Affordability of Higher Education issued three "MUSTS" for Arkansas and its institutions of higher education. They are related to tuition increases and are presented in the following chart.

Interim Legislative Study of Higher Education

- **Three “Musts”:**
 1. *We must make sure state government continues to do its part in funding higher education*
 2. *We must limit the start up of new programs*
 3. *We must ensure a net reduction in costs for students*

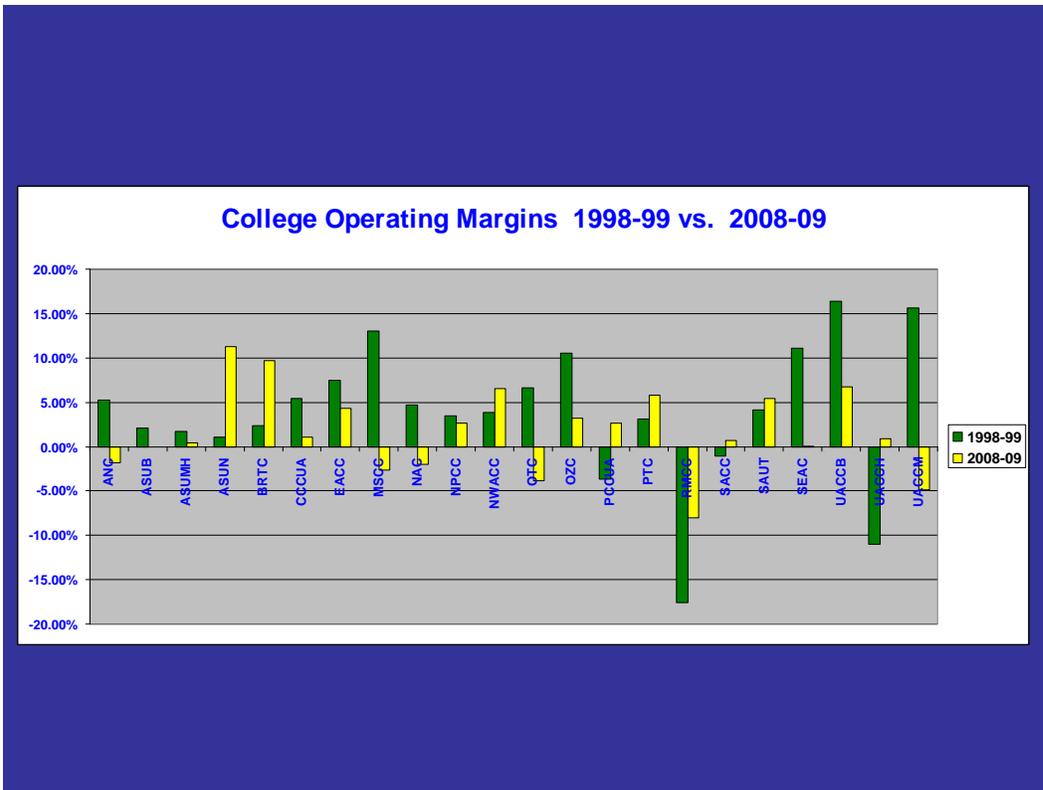
Operating Margins

The operating margins of the institutions for 2008-09 are among the lowest observed. They are in general much lower than they were a decade earlier in 1998-09. Two graphs comparing 1998-99 operating margins to the 2008-09 margins are presented below. The more detailed historical operating margins by institution are in Appendix A.



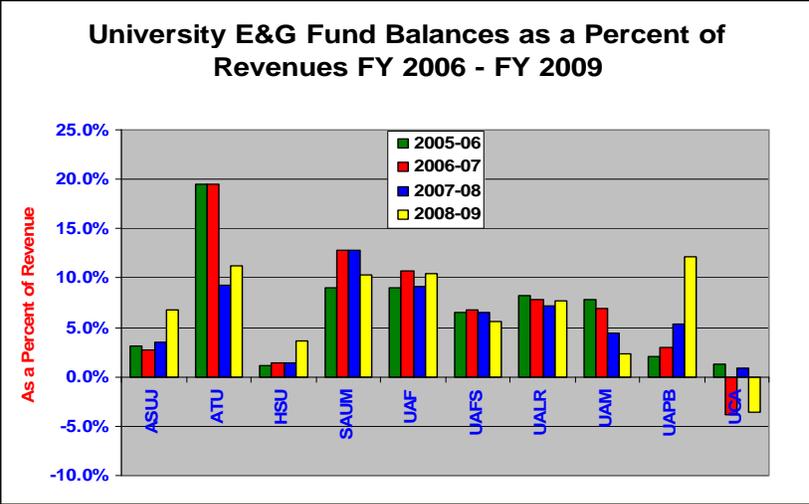
UAPB is the lone exception to the lower operating margins found in 2008-09. UAPB's operating margin actually increased in 2008-09. UAPB has made a great effort in the last 5 years to improve their fund balances to offset large accumulated critical maintenance problems. Often negative operating margins are the result of expending prior year fund balances to complete a serious deferred maintenance problem which is likely the case in most of the negative operating margins. However, UCA's case is actually an accounting correction necessary to cover a number of prior years' **unfunded** construction projects.

The graph below contains the comparison of 1998-99 and 2008-09 operating margins of the two-year colleges. RMCC's negative margin can be explained by necessity of using the prior year's fund balance to offset plant expenditures necessitated by the tornado during the year. RMCC has typically carried one of the larger fund balances in terms of its operating budget so the negative operating margin is not a matter of concern. Other institutions with negative operating margins have typically used prior years' fund balances to correct critical maintenance or space needs problems.

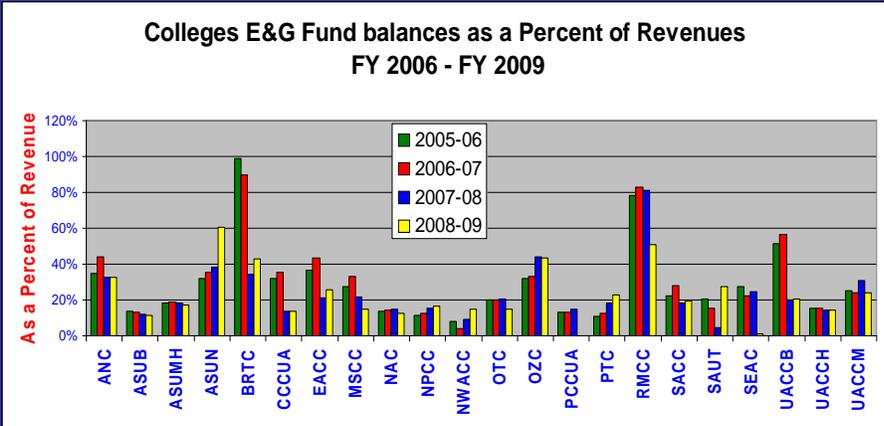


Fund Balances

Educational and General Fund balances are the perennial measure of the financial condition of institutions for higher education. For universities that minimum recommended level is 5 percent of the E&G operating budget with an ideal level of at least 14 percent. In 2008-09 none of the universities were able to achieve that level and three institutions fund balances were less than 5 percent. However, ASUJ, ATU HSU, UAF, UALR, and UAPB were showing improvement over the previous year. However, that can be misleading unless other fund balances are perused along with these findings. UCA reported the only negative fund balance in E&G and is a result of the accounting correction necessitated by *unfunded* construction projects over a period of years prior to 2008-09. The actions taken by UCA were necessary and appropriate to accurately report the operations of the university

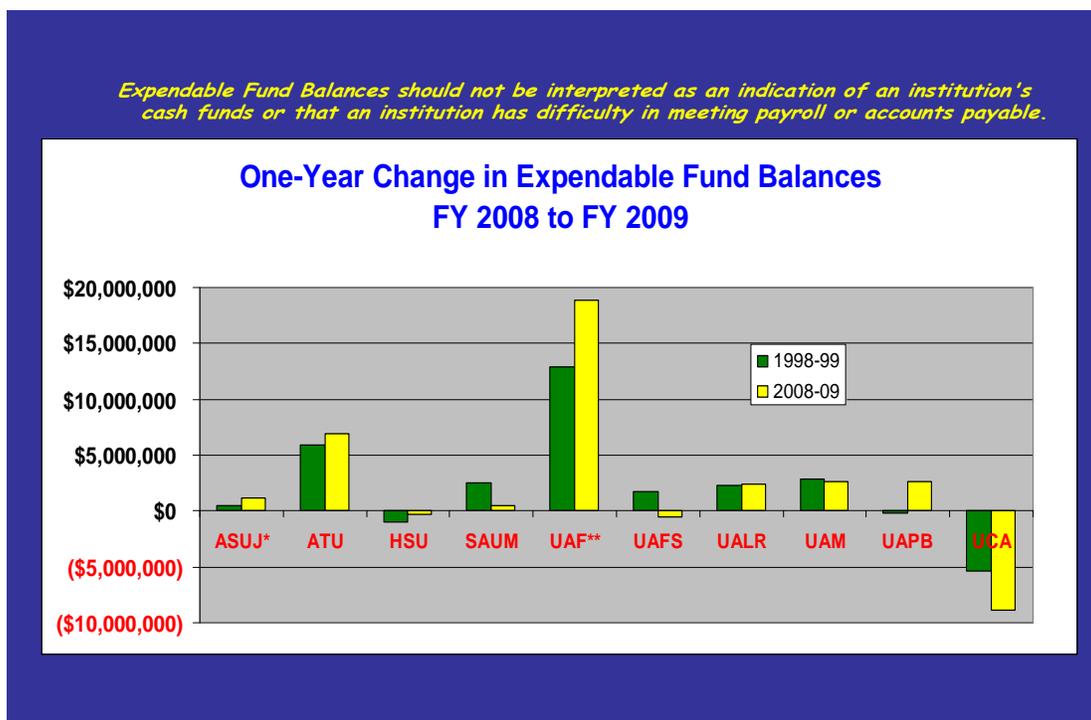


The two-year college fund balances were all positive with only one institution with less than a 5 percent E&G fund balance. However, many of the two-year institutions fund balances were above 14 percent, which is not always adequate for the very small institutions. For those institutions with smaller budgets and enrollment a better benchmark might be \$2.5 million in fund balance. The complete report of historical fund balances as a percent of revenue are in Appendix A



Expendable Fund Balances

Expendable fund balances are net of accounts receivable, inventories, and encumbrances. They are primarily presented for a better understanding of the actual spendable portion of the reported fund balances. The graph below contains the expendable fund balance changes for universities from FY 2008 to FY 2009. No other historical data is available because this information was not collected prior to 2008.

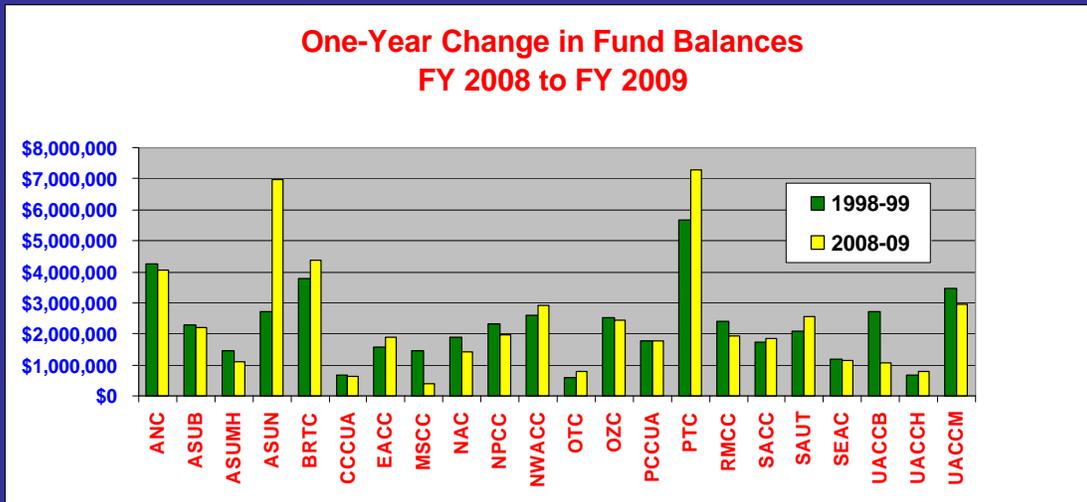


The changes present a mixed picture with many institutions improving their spendable Educational and General Fund balances while four institutions' fund balance situations worsened. Institutions with negative fund balances are walking a very fine line which is due in part to the economic recession that the country is experiencing.

The following graph contains the one year change in Educational and General Fund balances for the two-year colleges. Fourteen of the twenty-two two-year colleges experienced a decline in their expendable fund balances from FY 2008 to FY 2009. All the two-year college had positive balances. However, some of those balances are getting precariously low - another sign of the economic down turn the nation has experienced.

Arkansas institutions have fared better than institutions in many other states and have continued to admit students as evidenced by the unprecedented enrollment surge in the fall of 2009. More students and less funding are a recipe for declining fund balances which, given the current state of the fund balances, cannot be long endured.

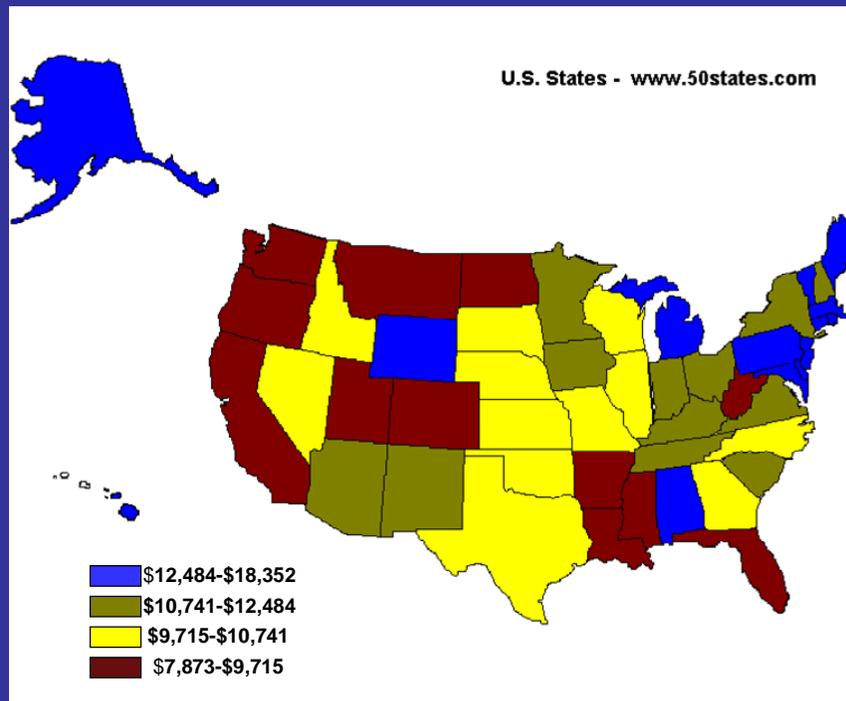
Expendable Fund Balances should not be interpreted as an indication of an institution's cash funds or that an institution has difficulty in meeting payroll or accounts payable.



Delta Cost Project

The **Delta Cost Project's 2009** report entitled, *"The dreaded "P" word"* provided an interesting comparison of the support per FTE student by state from the combined revenues sources of state funding and tuition and fees. The map from their report is shown below. Not surprisingly Arkansas is in the lowest funding category. The report also allows a benchmark comparison of the plight of Arkansas institutions in 2006-07. Additional information from this very intriguing report will be presented in a later section of this report. The dreaded "P" word is - **Performance**. They propose new concepts in measuring the performance of institutions in terms of the resources available. Some of which are intriguing and others are of very questionable validity as a measure of performance. Those measures and their validity will be discussed later in this report.

Total Funding per FTE Student



Source: Delta Cost Project: "The dreaded "P" word" July 2009

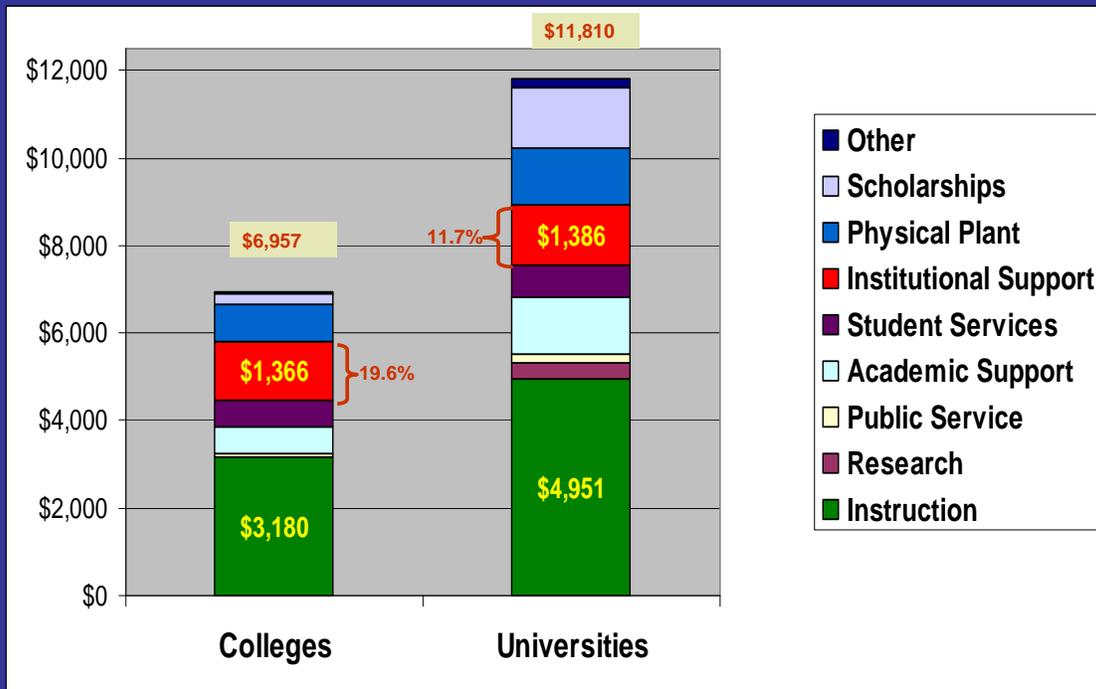
Educational and General Expenditures (Where the Money Went)

A number of the tables which contain updated information presented in the 2008 financial conditions report can be found in Appendix A. The following information will look at the aggregate expenditures per FTE by expenditure function. The individual institutions' expenditure patterns are also in Appendix C.

The following three charts/graphs depict where the money went in terms of expenditures per FTE student by NACUBO expenditure functions. The first compares colleges with universities. Universities spend about 42 percent of their funding for Instruction while two-year colleges spend approximately 46 percent for Instruction. Ideally both would be spending at least 50 percent for Instruction.

Two-year colleges are spending 19.6 percent for Institutional Support (Administration) while universities are spending only 11.7 percent on Institutional Support. Both are spending a larger percentage of their funds for administration than the ideal. However that is to some extent a function of the small size of Arkansas's colleges and universities. Arkansas's institutions on the average are smaller than those of other SREB states.

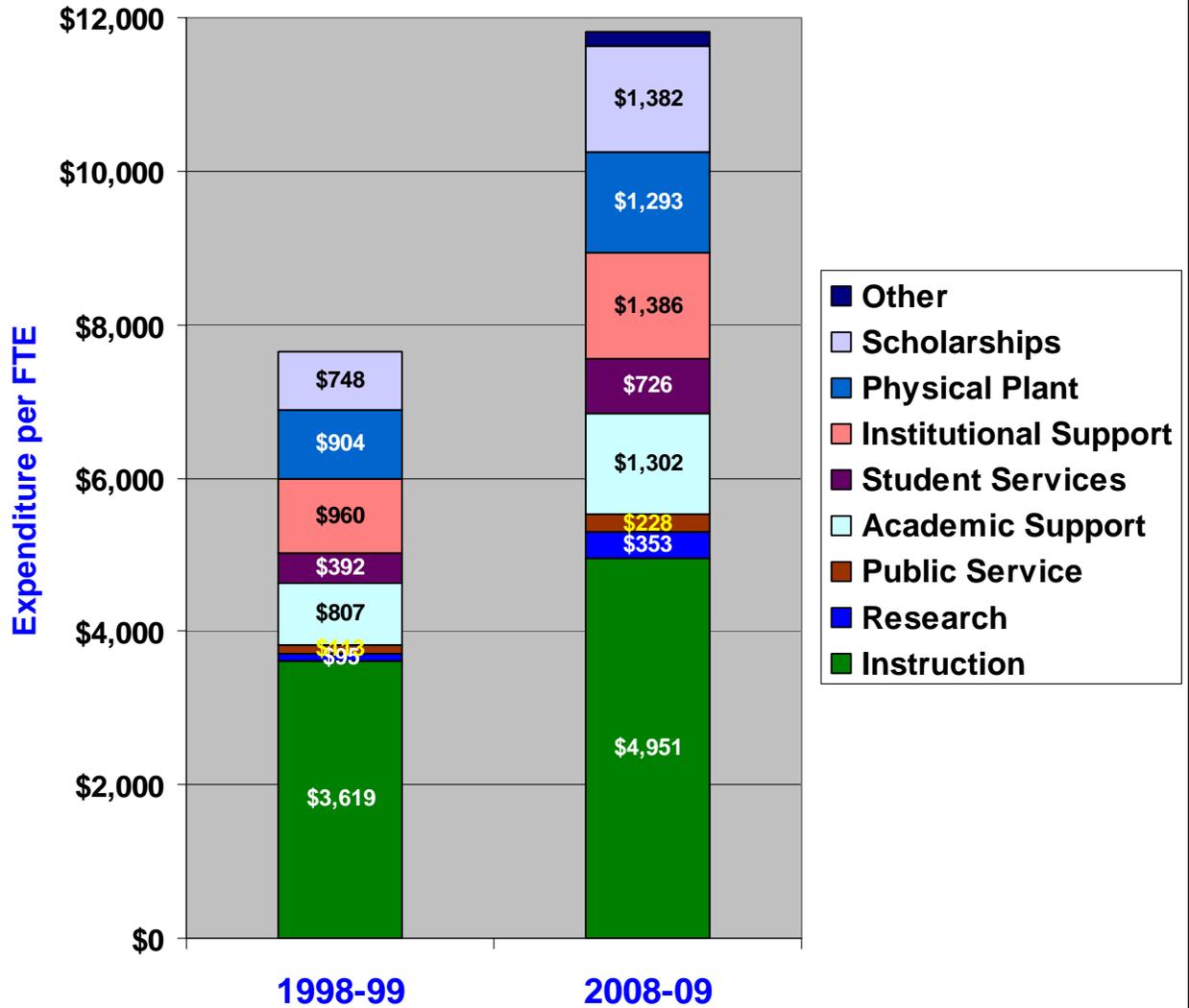
Where the money went in FY 2009

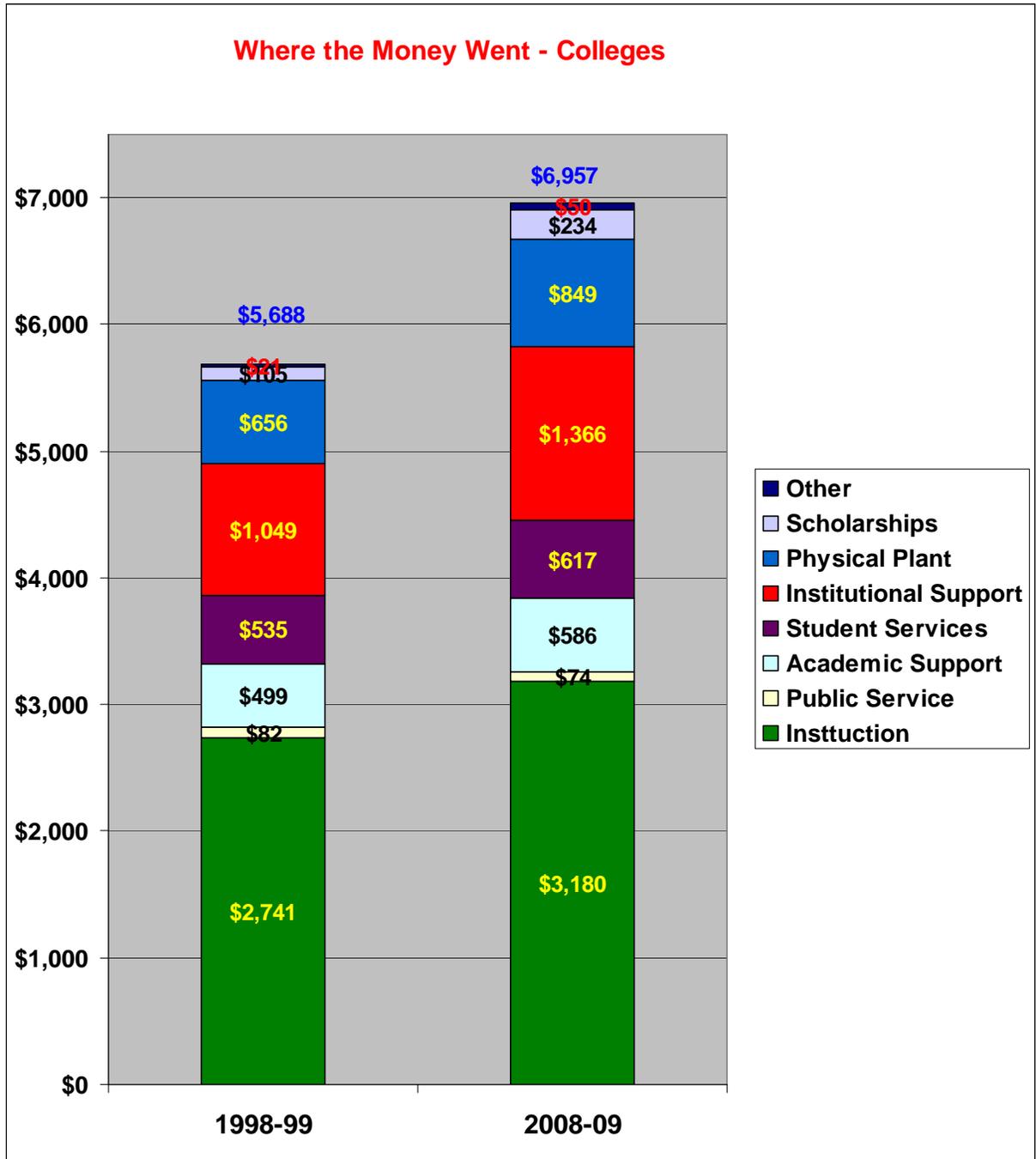


Universities spent 47.4 percent of their funds for Instruction in 1998-99. By 2008-09 that had dropped to only 41.9 percent. In 1998-99 the universities were spending an average of 12.6 percent for Institutional Support (Administration) but in 2008-09 that had dropped to 11.7 percent. The reduction in expenditures for administration as a percent of the total expenditures is true in spite of declining state support which has caused institutions to become more reliant on private sources of funding. Increasing private support requires additional administrative staff in the form of development officers.

University unrestricted educational and general expenditures as a percent of university expenditures has declined and they have declined in terms of real dollars. In part this can be explained by the fact that universities have turned to private sources of funding for research which classifies the revenue and expenditures as restricted educational and general. This means that in most universities research activities have not declined but rather are being funded from different sources.

Where the Money Went Universities





Two-year colleges' expenditures for Instruction in 1998-99 averaged 48.2 percent of the total expenditures. In 2008-09 that had declined to 45.7 percent. The decline was not as significant as that in the universities but it is still a decline of concern. Expenditures for Institutional Support (Administration) represented 18.4 percent of the total expenditures at two-year colleges but by 2008-09 it had increased to 19.6 percent despite significant enrollment growth in the two-year colleges. Disappointingly, some of the larger institutions have a larger portion of their expenditures going for Administration than do some of the smaller institutions, a contradiction to economies-of-scale.

Institutional Scholarship Expenditures

The report for Institutional Scholarship Expenditures for 2008-09 indicates that the average university's expenditure for scholarships represented 16.1 percent of their total educational and general tuition and mandatory fee revenue. For 2008-09 the legislatively mandated cap on Academic and Performance Scholarships was 30 percent of tuition and fee revenue. The only university exceeding the cap was Arkansas Tech University.

Interestingly when the average awards are examined with respect to the 2008-09 undergraduate resident tuition rates there is a wide range in the average award as a percent of tuition and fee income. The University of Arkansas at Pine Bluff's average award was 144 percent of the tuition rate. On the opposite end of the range was Arkansas State University Jonesboro with the average award representing only 40.7 percent of the tuition rate.

Table D-1. Undergraduate Academic and Performance Scholarship Expenditures for Fiscal 2008-09*

Institution	Academic		Performance		Total Scholarships		Total Tuition & Fee Income	Scholarships as a Percent of Tuition & Fees	Average 2008-09		Award as a % of Tuition & Fees
	Awards	Amount	Awards	Amount	Awards	Amount			Award	Tuition & Fees	
ASUJ	3,518	\$9,113,542	393	\$867,589	3,911	\$9,981,131	\$67,011,792	14.9%	\$2,591	6,370	40.7%
ATU	2,020	\$10,221,448	316	\$677,717	2,336	\$10,899,165	\$32,778,675	33.3%	\$5,060	5,430	93.2%
HSU	821	\$4,028,326	279	\$494,284	1,100	\$4,522,610	\$20,555,496	22.0%	\$4,907	6,024	81.5%
SAUM	922	\$3,452,391	299	\$690,588	1,221	\$4,142,979	\$16,014,018	25.9%	\$3,744	5,646	66.3%
UAF	1,871	\$9,250,766	354	\$776,100	2,225	\$10,026,866	\$125,688,331	8.0%	\$4,944	6,399	77.3%
UAFS	1,079	\$2,445,872	151	\$245,939	1,230	\$2,691,811	\$22,433,345	12.0%	\$2,267	4,410	51.4%
UALR	1,640	\$6,363,290	210	\$238,006	1,850	\$6,601,296	\$58,958,964	11.2%	\$3,880	6,121	63.4%
UAM	436	\$1,298,037	316	\$502,493	752	\$1,800,530	\$10,727,073	16.8%	\$2,977	4,600	64.7%
UAPB	269	\$1,812,837	356	\$1,376,200	625	\$3,189,037	\$17,416,266	18.3%	\$6,739	4,676	144.1%
UCA	3,595	\$16,422,393	443	\$1,003,734	4,038	\$17,426,127	\$71,514,073	24.4%	\$4,568	6,505	70.2%
University Total	16,171	\$64,408,902	3,117	\$6,872,650	19,288	\$71,281,552	\$443,098,033	16.1%	\$3,983		

*Act 1795 of 2005 set a limit of 30% of tuition and fee income that could be used for scholarships.

The chart below provides a five year history of the universities' scholarship expenditures for the purpose of observing trends in expenditures in light of the 2005 legislation placing a cap on such expenditures. Although there is a general downward trend from 17.2 percent of tuition and fees to 16.1 percent, some universities have actually increased their level of expenditures. Most noticeably, one has exceeded the cap for the last three years. In 2008-09, it appears that university exceeded the cap by approximately \$1.1 million.

With the new legislation passed in the 2009 legislative session going into effect for the 2009-10 fiscal year, there will be a reduction in the funding recommendation when an institution exceeds the cap for the next fiscal year. There is a stipulation for students who receive the maximum Pell grant. It provides that scholarships which are awarded for the purpose of completing funding needed by these students will not count toward the cap. However, it appears from the legislation that waivers for non-resident student from areas other than the contiguous counties will be included in the computation concerning the mandated cap.

Institution		2005	2006	2007	2008	2009
ASUJ	Academic & Performance Scholarship	\$5,951,741	\$6,551,320	\$7,296,330	\$8,254,302	\$9,981,131
	Tuition & Fees	\$44,958,817	\$49,217,084	\$54,482,499	\$58,671,724	\$67,011,792
	Scholarship %	13.2%	13.3%	13.4%	14.1%	14.9%
ATU	Academic & Performance Scholarship	\$6,967,406	\$7,752,251	\$8,883,532	\$9,581,536	\$10,899,165
	Tuition & Fees	\$24,933,840	\$27,317,864	\$29,371,373	\$30,816,813	\$32,778,675
	Scholarship %	27.9%	28.4%	30.2%	31.1%	33.3%
HSU	Academic & Performance Scholarship	\$3,292,262	\$3,417,039	\$3,558,719	\$4,173,619	\$4,522,610
	Tuition & Fees	\$13,769,175	\$15,277,108	\$17,158,137	\$18,923,291	\$20,555,496
	Scholarship %	23.9%	22.4%	20.7%	22.1%	22.0%
SAUM	Academic & Performance Scholarship	\$2,937,390	\$3,537,332	\$3,694,759	\$3,860,579	\$4,142,979
	Tuition & Fees	\$10,798,441	\$12,216,070	\$13,968,037	\$15,106,815	\$16,014,018
	Scholarship %	27.2%	29.0%	26.5%	25.6%	25.9%
UAF	Academic & Performance Scholarship	\$10,430,503	\$9,712,645	\$9,530,780	\$10,631,822	\$10,026,866
	Tuition & Fees	\$94,219,696	\$105,985,174	\$99,493,399	\$109,491,153	\$125,688,331
	Scholarship %	11.1%	9.2%	9.6%	9.7%	8.0%
UAFS	Academic & Performance Scholarship	\$520,587	\$1,758,943	\$2,030,213	\$2,407,343	\$2,691,811
	Tuition & Fees	\$11,483,753	\$13,605,820	\$16,313,165	\$19,563,259	\$22,433,345
	Scholarship %	4.5%	12.9%	12.4%	12.3%	12.0%
UALR	Academic & Performance Scholarship	\$3,487,506	\$4,027,924	\$4,122,730	\$6,121,887	\$6,601,296
	Tuition & Fees	\$45,211,985	\$48,550,292	\$50,613,362	\$54,039,441	\$58,958,964
	Scholarship %	7.7%	8.3%	8.1%	11.3%	11.2%
UAM	Academic & Performance Scholarship	\$1,327,170	\$1,423,582	\$1,553,793	\$1,562,476	\$1,800,530
	Tuition & Fees	\$9,023,287	\$9,030,873	\$9,286,882	\$9,831,663	\$10,727,073
	Scholarship %	14.7%	15.8%	16.7%	15.9%	16.8%
UAPB	Academic & Performance Scholarship	\$2,769,816	\$2,789,331	\$2,956,584	\$2,816,202	\$3,189,037
	Tuition & Fees	\$12,662,479	\$12,683,108	\$13,188,493	\$14,370,664	\$17,416,266
	Scholarship %	21.9%	22.0%	22.4%	19.6%	18.3%
UCA	Academic & Performance Scholarship	\$14,635,794	\$18,265,877	\$19,036,855	\$16,363,271	\$17,426,127
	Tuition & Fees	\$44,045,026	\$53,118,346	\$60,094,035	\$62,130,784	\$71,514,073
	Scholarship %	33.2%	34.4%	31.7%	26.3%	24.4%
University Totals	Academic & Performance Scholarship	\$52,320,175	\$59,236,244	\$62,664,295	\$65,773,037	\$71,281,552
	Tuition & Fees	\$311,106,500	\$347,001,739	\$363,969,382	\$392,945,607	\$443,098,033
	Scholarship %	16.8%	17.1%	17.2%	16.7%	16.1%

Educational and General Facilities

Since the Facilities Audit Program is only conducted in even numbered years, no update to the conditions of the facilities or needs of the institutions is available. The 2008 Facilities Audit Program reported the replacement values of just the E&G facilities as \$4.25 billion. The auxiliary facilities would likely double that total.

The latest **deferred maintenance** need figure available shows that the institutions have **\$1.9 billion** in deferred maintenance with **\$190 million of that classified as critical**. In July of 2008 AHECB was shown photographs of the conditions of many of the laboratories at the colleges and universities. The conditions are deplorable, especially in light of the fact that many students are coming from high schools with more modern and better equipped laboratories than they will find when they enter many of our colleges and universities.

If Arkansas's colleges and universities are to prepare students for the economy of the future, they must have *cutting-edge* laboratories and classroom equipment. Yet, students enter college and find that their high school offered better equipped labs and facilities than the college or university they selected. The contrast is even more dramatic for the new freshman with universities because their facilities are generally older than those of many two-year colleges. This is a matter of concern for institutions that are expected to be leading the way with the latest technology for the disciplines they offer.

A university in Arkansas is still teaching chemistry in the same laboratory that they were teaching chemistry in 54 years ago with only the addition of a few newer fume hoods, not the latest technology, just newer than the 1950s edition. The equipment is reminiscent what the new freshman's parents were exposed to in high school. In the area of health professions, areas where advances in technology are rapid, students are often taught on cast-off equipment from hospitals rather than *cutting-edge* equipment.

The quality of the graduates has not been compromised simply because of the ingenuity of faculty and staff who find ways to compensate for the problems of inadequate labs and equipment. The administration and faculty of the institutions deserve to be recognized for their efforts. If the desire is to produce more graduates in math, science and health professions, Arkansas must find funding for the equipment and facilities to support these disciplines. If not, Arkansas will find it difficult to compete in the economy of the twenty-first century.

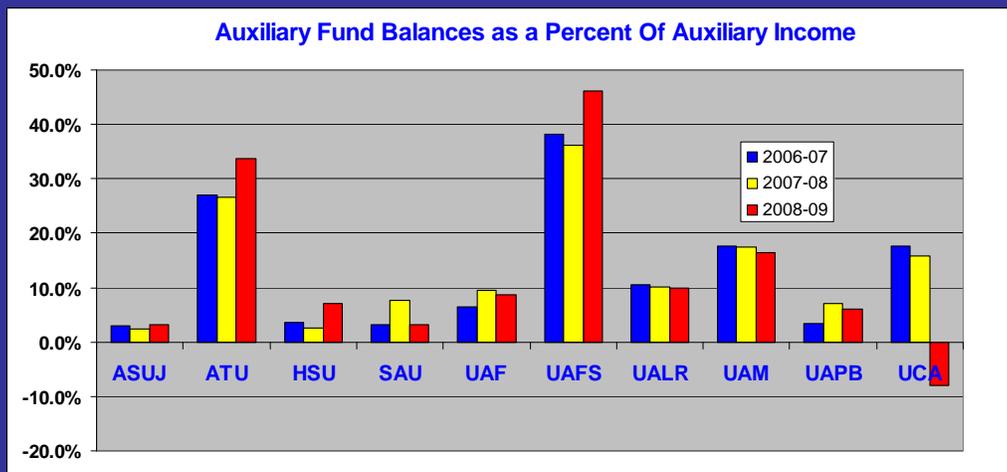
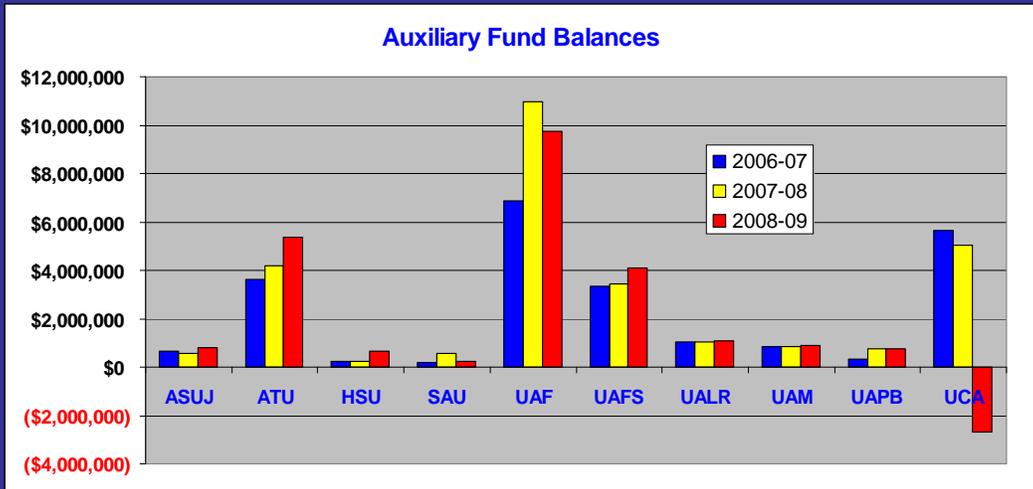
Observation: Given the first quarter of fiscal year '10 revenue collections and the commitment of existing reserve funds to 2009-10 operating appropriations; it is unlikely that any General Improvement Funds (GIF) will be available to address the facilities maintenance needs of the institutions.

Auxiliaries

Auxiliaries are primarily a matter of university concern since most two-year colleges have minimal auxiliary operations. Therefore, the only analyses of auxiliaries in this report deal with the auxiliary operations of universities. The following two graphs deal with the auxiliary fund balances. The first depicts the auxiliary changing fund balances over a three year period. The second represents the fund balances as a percent of auxiliary income. With few exceptions the auxiliary fund balances are quite low and need to be greater than they currently are.

Following the graphs are a series of spreadsheets that give the income and expenditures for institution by each type of auxiliary enterprise. The spreadsheets group the same category of institutions together for a better comparison of the profits and losses of each type of auxiliary enterprise.

From these spreadsheets it is obvious that Bookstores are not the "cash cows" that is commonly believed. The difference you will notice in bookstores and food service are generally due to whether or not an institution has out-sourced/privatized its bookstore or food service operation. Modest income and very low expenditures usually indicate an institution that has out-sourced that operation. Losses in bookstore operations and food service are usually an indicator that the institution is operating its own bookstore and/or food service.



Auxiliary Enterprises at Doctoral I Institutions

Auxiliary Enterprise		UAF			
		Income	Expenses	Debt Service	Net Income
Intercollegiate Athletics *	1	\$54,527,050	\$45,933,620	\$6,781,496	\$1,811,934
Residence Hall	2	\$26,676,678	\$15,417,266	\$7,092,410	\$4,167,002
Married Student Housing	3				\$0
Faculty Housing	4				\$0
Food Service	5				\$0
College Union	6	\$3,075,202	\$2,705,248	\$926,142	(\$556,188)
Bookstore	7	\$14,147,207	\$14,335,449		(\$188,242)
Student Organizations And Publications	8	\$1,319,805	\$1,269,302	\$218,435	(\$167,932)
Student Health Services	9	\$5,560,979	\$4,804,006	\$284,663	\$472,310
Other (Specify On Attached Sheet)	10	\$7,433,604	\$4,006,356	\$2,101,590	\$1,325,658
Sub-Total	11	\$112,740,525	\$88,471,247	\$17,404,736	\$6,864,542
Transfers In	Auxiliary (Athletic and Activity)				\$0
	Other	\$1,147,685			\$1,147,685
Transfers Out			\$9,215,308		(\$9,215,308)
GRAND TOTALS	15	\$113,888,210	\$97,686,555	\$17,404,736	(\$1,203,081)

Auxiliary Enterprises at Doctoral III Institutions

Auxiliary Enterprise		ASU				UALR				UCA			
		Income	Expenses	Debt Service	Net Income	Income	Expenses	Debt Service	Net Income	Income	Expenses	Debt Service	Net Income
Intercollegiate Athletics *	1	\$7,693,284	\$10,759,959		(\$3,066,675)	\$5,050,411	\$6,020,951	\$0	(\$970,540)	\$6,514,992	\$7,225,105	\$414,287	(\$1,124,400)
Residence Hall	2	\$7,115,442	\$3,351,972	\$2,653,845	\$1,109,625	\$2,577,033	\$1,032,271		\$1,544,762	\$14,302,812	\$9,628,874	\$2,547,303	\$2,126,635
Married Student Housing	3	\$1,511,649	\$401,916	\$947,995	\$161,738				\$0				\$0
Faculty Housing	4	\$134,642	\$39,808		\$94,834				\$0				\$0
Food Service	5	\$538,012	\$207,921		\$330,091		\$11,151		(\$11,151)	\$7,073,753	\$5,950,362	\$0	\$1,123,391
College Union	6	\$2,354,573	\$1,080,726	\$1,200,476	\$73,371	\$733,514	\$1,825,322		(\$1,091,808)	\$1,476,216	\$768,644	\$574,086	\$133,486
Bookstore	7	\$222,144	\$61,124		\$161,020	\$455,015			\$455,015	\$369,532	\$135,306		\$234,226
Student Organizations And Publications	8	\$156,214	\$156,214		\$0	\$639,382	\$610,988		\$28,374				\$0
Student Health Services	9	\$0	\$0		\$0				\$0	\$1,659,954	\$1,039,732	\$375,023	\$245,199
Other (Specify On Attached Sheet)	10	\$4,480,872	\$3,642,979	\$531,913	\$305,980	\$1,528,511	\$1,023,860	\$172,191	\$332,460	\$2,070,331	\$1,829,436	\$469,916	(\$229,021)
Sub-Total	11	\$24,206,832	\$19,702,619	\$5,334,229	(\$830,016)	\$10,983,846	\$10,524,543	\$172,191	\$287,112	\$33,467,590	\$26,577,459	\$4,380,615	\$2,509,516
Transfers In	Auxiliary (Athletic and Activity)	\$1,124,400			\$1,124,400	\$1,871,465			\$1,871,465	\$1,124,400			\$1,124,400
	Other				\$0	\$407,952			\$407,952	\$252,526			\$252,526
Transfers Out			\$78,455		(\$78,455)		\$836,580	\$1,681,810	(\$2,518,390)		\$11,636,763		(\$11,636,763)
GRAND TOTALS	15	\$25,331,232	\$19,781,074	\$5,334,229	\$215,929	\$13,263,263	\$11,361,123	\$1,854,001	\$48,139	\$34,844,516	\$38,214,222	\$4,380,615	(\$7,750,321)

Auxiliary Enterprises at Masters IV Institutions

Auxiliary Enterprise		ATU				HSU			
		Income	Expenses	Debt Service	Net Income	Income	Expenses	Debt Service	Net Income
Intercollegiate Athletics *	1	\$2,284,202	\$3,218,863	\$268,896	(\$1,203,557)	\$1,187,800	\$2,921,085		(\$1,733,285)
Residence Hall	2	\$5,864,047	\$3,182,284	\$1,729,043	\$952,720	\$3,377,261	\$1,582,182	\$1,236,673	\$558,406
Married Student Housing	3	\$0	\$0	\$0	\$0				\$0
Faculty Housing	4	\$0	\$0	\$0	\$0				\$0
Food Service	5	\$4,174,156	\$3,472,514	\$104,235	\$597,407	\$2,516,922	\$2,160,435		\$356,487
College Union	6	\$0	\$0	\$0	\$0	\$227,351	\$308,284		(\$80,933)
Bookstore	7	\$2,874,089	\$2,685,691	\$0	\$188,398	\$84,378			\$84,378
Student Organizations And Publications	8	\$341,928	\$334,177	\$0	\$7,751	\$114,834	\$136,615		(\$21,781)
Student Health Services	9	\$7,764	\$158,561	\$0	(\$150,797)	\$373,124	\$265,808		\$107,316
Other (Specify On Attached Sheet)	10	\$390,569	\$385,483	\$0	\$5,086	\$1,663,661	\$910,102	\$551,557	\$202,002
Sub-Total	11	\$15,936,755	\$13,437,573	\$2,102,174	\$397,008	\$9,545,331	\$8,284,511	\$1,788,230	(\$527,410)
Transfers In	Auxiliary (Athletic and Activity)	\$1,356,107			\$1,356,107	\$840,654			\$840,654
	Other	\$26,299			\$26,299	\$569,550			\$569,550
Transfers Out			\$599,538	\$0	(\$599,538)		\$458,110		(\$458,110)
GRAND TOTALS	15	\$17,319,161	\$14,037,111	\$2,102,174	\$1,179,876	\$10,955,535	\$8,742,621	\$1,788,230	\$424,684

Auxiliary Enterprises at Masters V Institutions

Aulliliary Enterprise		SAUM				UAM				UAPB			
		Income	Expenses	Debt Service	Net Income	Income	Expenses	Debt Service	Net Income	Income	Expenses	Debt Service	Net Income
Intercollegiate Athletics *	1	\$898,803	\$2,646,808	\$88,591	(\$1,836,596)	\$679,949	\$2,454,433	\$126,783	(\$1,901,267)	\$3,503,228	\$5,158,870		(\$1,655,642)
Residence Hall	2	\$3,603,078	\$2,884,582	\$579,204	\$139,292	\$1,167,129	\$447,986	\$413,885	\$305,258	\$4,781,038	\$3,135,821		\$1,645,217
Married Student Housing	3				\$0	\$40,936	\$4,840		\$36,096				\$0
Faculty Housing	4	\$24,103	\$7,696		\$16,407	\$11,645	\$4,689		\$6,956				\$0
Food Service	5	\$2,146,267	\$1,686,674		\$459,593	\$1,194,314	\$998,831		\$195,483	\$3,919,589	\$2,525,365		\$1,394,224
College Union	6	\$24,369	\$245,991	\$29,503	(\$251,125)				\$0	\$105	\$351,108		(\$351,003)
Bookstore	7	\$123,983	\$8,229		\$115,754	\$1,626,067	\$1,413,290		\$212,777	\$178,907	\$1,969		\$176,938
Student Organizations And Publications	8	\$358,515	\$304,261		\$54,254				\$0				\$0
Student Health Services	9	\$164,175	\$178,993		(\$14,818)				\$0				\$0
Other (Specify On Attached Sheet)	10	\$99,396	\$162,986		(\$63,590)	\$664,218	\$142,299		\$521,919	\$327,581	\$997,171		(\$669,590)
Sub-Total	11	\$7,442,689	\$8,126,220	\$697,298	(\$1,380,829)	\$5,384,258	\$5,466,368	\$540,668	(\$622,778)	\$12,710,448	\$12,170,304	\$0	\$540,144
Transfers In	Auxiliary (Athletic and Activity)	12	\$1,124,400		\$1,124,400	\$650,000			\$650,000	\$1,078,234			\$1,078,234
	Other	13			\$0				\$0	\$184,212			\$184,212
Transfers Out		14		\$59,409	(\$59,409)				\$0		\$300,000	\$1,507,831	(\$1,807,831)
GRAND TOTALS	15	\$8,567,089	\$8,185,629	\$697,298	(\$315,838)	\$6,034,258	\$5,466,368	\$540,668	\$27,222	\$13,972,894	\$12,470,304	\$1,507,831	(\$5,241)

Auxiliary Enterprises at Bachelor's Institutions

Aulliliary Enterprise		UAFS			
		Income	Expenses	Debt Service	Net Income
Intercollegiate Athletics *	1	\$1,837,973	\$2,550,412		(\$712,439)
Residence Hall	2	\$2,380,256	\$1,165,470	\$1,273,739	(\$58,953)
Married Student Housing	3				\$0
Faculty Housing	4				\$0
Food Service	5				\$0
College Union	6		\$44,421		(\$44,421)
Bookstore	7	\$2,123,861	\$1,686,179		\$437,682
Student Organizations And Publications	8	\$2,360,874	\$1,380,049		\$980,824
Student Health Services	9				\$0
Other (Specify On Attached Sheet)	10	\$153,342	\$81,865		\$71,477
Sub-Total	11	\$8,856,306	\$6,908,397	\$1,273,739	\$674,170
Transfers In	Auxiliary (Athletic and Activity)	12			\$0
	Other	13			\$0
Transfers Out		14		\$10,000	(\$10,000)
GRAND TOTALS	15	\$8,856,306	\$6,918,397	\$1,273,739	\$664,170

Athletics

Athletics are a major component of the auxiliary operations at universities. Athletic expenditures at Arkansas's Universities continue to cause a great deal of public consternation. The first question in the debate over athletics that must be addressed, ***“Is whether or not athletics is a legitimate part of the collegiate experience for students in higher education?”*** If it is, the next question that must be addressed is, ***what is it worth?*** Is it worth 1%, 2%, or 5%..... of the institution's budget? The fact is that an institution that is not participating in the Bowl Championship Series level of athletics will struggle to support athletics. Those institutions will exhibit a number of characteristics such as: tuition and fees will be higher because of the athletic fee, and room and board charges will be higher in order to produce additional auxiliary profits to offset the deficits of the athletic program. The administrative staff will struggle to find ingenious ways of paying for athletics or for hiding athletic costs. A few states have funded athletics from state revenues just as they do the educational and general operations of the universities

Needless to say, athletic expenditures since the 1990's have often grown faster than many institutions' overall budget. However, when athletics' expenditures and their interaction with educational and general income are examined together, a different perspective emerges. The importance of athletics to the educational and general budget becomes evident. Institutions would be much smaller without the student athletes and their friends from their high schools that come with them which would mean the loss of a rather significant portion of tuition and fee income. Regrettably, such an analysis is beyond the scope and time constraints of this report.

The 2008-09 actual reported athletic income and expenditures report are shown below. The 2008-09 total amount of reported athletic expenditures reported by state-supported universities is \$104,800,442 and two-year colleges is \$285,158. The statewide total is \$105,085,600, an increase of \$4,506,803 (4%) from \$100,578,797 in 2007-08.

A comparison of 2008-09 reported actual expenditures to 2008-09 budgeted revenues certified to the Coordinating Board in July 2008 is also illustrated at the bottom of the summary chart. Certified budgeted revenues for 2008-09 totaled \$95,370,564 for all institutions. Total actual expenditures for 2008-09 for all institutions exceeded this certified amount by 10 percent. Actual expenditures varied from the Board of Trustees-certified budgeted revenue by a range from 16 percent over the budgeted amount to 5 percent under the budgeted.

Summary of Intercollegiate Athletic Revenues and Expenditures, 2008-09

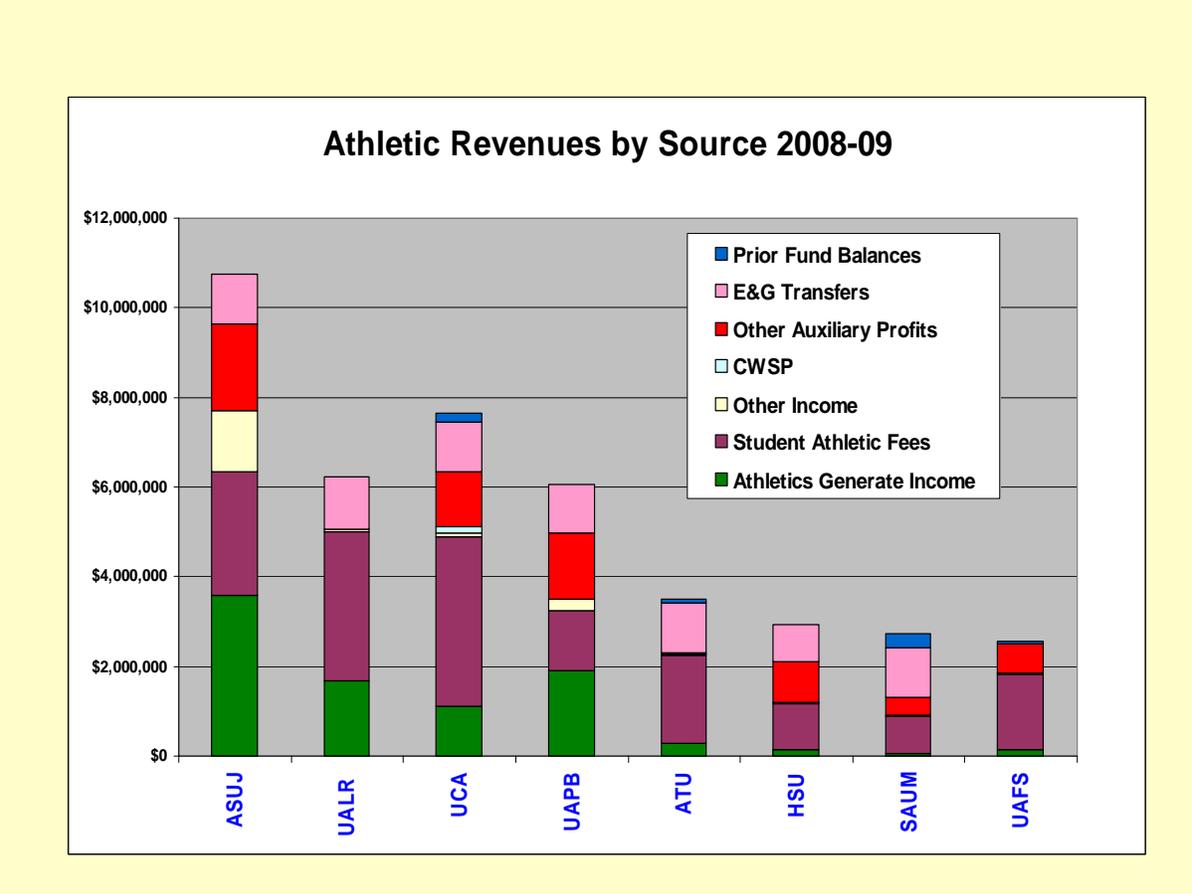
INSTITUTIONS		UAF	ASUJ	UALR	UCA	UAPB	ATU	H8U	SAUM	UAFS	UAM	4-yr TOTAL	NAC
R E V E N U E S	Ticket Sales	\$27,423,382	\$995,035	\$493,709	\$432,114	\$735,389	\$172,522	\$38,518	\$22,020	\$54,207	\$34,567	\$30,401,461	\$7,914
	Media/Tournament/Bowl	\$14,755,044	\$25,985	\$338,085	\$0	\$0	\$0	\$0	\$0	\$5,600	\$0	\$15,124,714	\$0
	Concessions/Program Sales	\$3,405,576	\$110,168	\$4,402	\$21,373	\$130,718	\$0	\$33,306	\$20,478	\$52,738	\$0	\$3,778,757	\$0
	Game Guarantees	\$453,000	\$1,881,000	\$21,500	\$397,300	\$980,543	\$21,900	\$60,500	\$16,000	\$0	\$52,200	\$3,883,943	\$0
	Foundations/Clubs & Other Private Gifts	\$5,270,567	\$557,718	\$827,157	\$255,964	\$48,591	\$82,945	\$11,517	\$0	\$26,808	\$0	\$7,081,266	\$0
	Student Athletic Fees	\$0	\$2,784,556	\$3,314,841	\$3,796,589	\$1,350,346	\$1,964,355	\$1,011,717	\$823,680	\$1,687,907	\$585,784	\$17,319,775	\$0
	Other Income	\$8,831,107	\$1,338,824	\$50,717	\$72,728	\$257,643	\$38,415	\$27,332	\$16,625	\$10,713	\$7,398	\$10,651,501	\$4,270
	CWSP Federally Funded Portion	\$34,839	\$0	\$0	\$133,309	\$0	\$18,790	\$4,912	\$0	\$0	\$39,226	\$231,076	\$0
	CWSP Fed. Portion as % Total CWSP	80%	0%	0%	100%	0%	75%	21%	0%	0%	100%	87%	0%
	Other Auxiliary Profits	\$0	\$1,942,275	\$0	\$1,218,461	\$1,467,265	\$0	\$904,927	\$386,358	\$664,170	\$1,251,267	\$7,844,723	\$127,175
Transfers from Unrestricted E&G	\$0	\$1,124,400	\$1,124,359	\$1,124,400	\$1,078,234	\$1,124,720	\$840,854	\$1,124,400	\$0	\$650,000	\$8,191,167	\$145,678	
Prior Year Fund Balance	\$0	\$0	\$0	\$187,154	\$0	\$78,848	\$0	\$315,838	\$48,269	\$0	\$630,109	\$121	
Total Revenues for Athletics	\$60,173,515	\$10,759,959	\$6,174,770	\$7,639,392	\$6,048,729	\$3,502,495	\$2,933,381	\$2,735,399	\$2,550,411	\$2,620,442	\$105,138,404	\$285,158	
E X P E N D I T U R E S	Salaries	\$15,143,275	\$2,742,229	\$2,027,529	\$1,446,312	\$1,302,796	\$741,337	\$661,507	\$567,055	\$709,591	\$502,599	\$25,844,220	\$80,822
	Budgeted FTE Positions	243	67	41	29	30	21	0	14	11	11	456	2
	Fringe Benefits	\$3,790,148	\$744,467	\$490,441	\$438,523	\$358,063	\$228,071	\$178,269	\$192,269	\$217,889	\$149,275	\$6,787,435	\$25,121
	Fringe Benefits as a % of Salaries	25.0%	27.1%	24.2%	30.3%	27.5%	30.8%	27.0%	33.9%	30.7%	29.7%	26.3%	31.1%
	Extra Help	\$1,657,916	\$164,788	\$293,083	\$243,602	\$151,970	\$133,361	\$0	\$108,833	\$42,520	\$123,188	\$2,919,257	\$1,190
	CWSP	\$43,548	\$0	\$0	\$133,309	\$0	\$25,054	\$23,954	\$0	\$0	\$39,220	\$265,091	\$0
	Game Guarantees	\$2,765,660	\$595,231	\$0	\$64,200	\$0	\$12,050	\$4,700	\$0	\$2,000	\$17,229	\$3,461,070	\$0
	Athletic Scholarships	\$4,735,911	\$3,008,922	\$1,642,499	\$2,392,357	\$1,502,787	\$999,130	\$1,336,580	\$893,806	\$927,066	\$658,786	\$18,097,843	\$49,390
	Medical Insurance/Injury Claims	\$400,068	\$22,736	\$27,356	\$126,944	\$93,297	\$261,504	\$135,895	\$116,695	\$58,673	\$173,168	\$1,416,335	\$11,641
	Travel	\$6,172,246	\$1,605,412	\$937,209	\$1,203,579	\$722,837	\$386,873	\$184,592	\$375,369	\$225,029	\$184,470	\$11,997,616	\$53,210
	Equipment	\$314,434	\$19,194	\$10,405	\$2,780	\$16,467	\$8,320	\$12,812	\$11,800	\$0	\$12,109	\$408,321	\$0
	Concessions/Programs	\$425,200	\$0	\$20,159	\$0	\$0	\$0	\$0	\$15,171	\$45,252	\$0	\$505,782	\$0
	M & O	\$9,303,339	\$1,492,264	\$436,830	\$684,007	\$962,715	\$137,370	\$209,479	\$253,191	\$131,102	\$350,561	\$13,960,850	\$14,467
	Facilities	\$6,737,773	\$364,718	\$135,440	\$437,512	\$47,950	\$285,795	\$185,573	\$112,619	\$85,244	\$240,013	\$8,632,637	\$23,317
	Debt Service	\$7,032,571	\$0	\$0	\$414,287	\$889,857	\$268,896	\$0	\$88,591	\$0	\$126,783	\$8,820,984	\$0
Other Expenses	\$0	\$0	\$153,819	\$51,980	\$0	\$14,736	\$0	\$0	\$106,045	\$43,037	\$369,617	\$0	
OTHER FINANCING USES	Transfers to Other Funds/Accounts	\$1,270,875	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,270,875	\$26,000
Total Expenditures for Athletics	\$59,792,964	\$10,759,959	\$6,174,770	\$7,639,392	\$6,048,729	\$3,502,495	\$2,933,381	\$2,735,399	\$2,550,411	\$2,620,442	\$104,757,942	\$285,158	
Fund Balance	\$380,551	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$380,551	\$0	
2008-09 Budgeted Revenue Certified August 2008	\$51,757,305	\$11,115,211	\$6,158,952	\$7,046,713	\$5,857,766	\$3,196,617	\$2,879,411	\$2,386,674	\$2,443,530	\$2,341,603	\$95,183,782	\$300,908	
% Dif. Between Expenditures & Bud. Revenue	16%	-3%	0%	8%	3%	10%	2%	15%	4%	12%	10%	-5%	

Although these have been submitted as required by law, it is a matter of concern that it appears that a few institutions have not fully disclosed all their athletic expenditures. Regrettably, there are indications that some institutions have a questionable practice of concealing a portion of their athletic costs in the educational and general budget by pay a portion of coaches, assistant coaches, athletic directors, and assistant athletic directors in departments such as development, admissions, registrar, and tutoring centers for athletes. Certainly, many institutions have historically paid coaches and other athletic staff to teach classes, usually in physical education. Although, there is a certain sense in which coaches and athletic directors are involved in the activities of these departments in their recruiting of athletes and in establishing their eligibility, but hardly to the extent of including them in the E&G budget. In lower divisions of the NCAA coaches teaching is an accepted practice, but it is seldom found in NCAA division I schools.

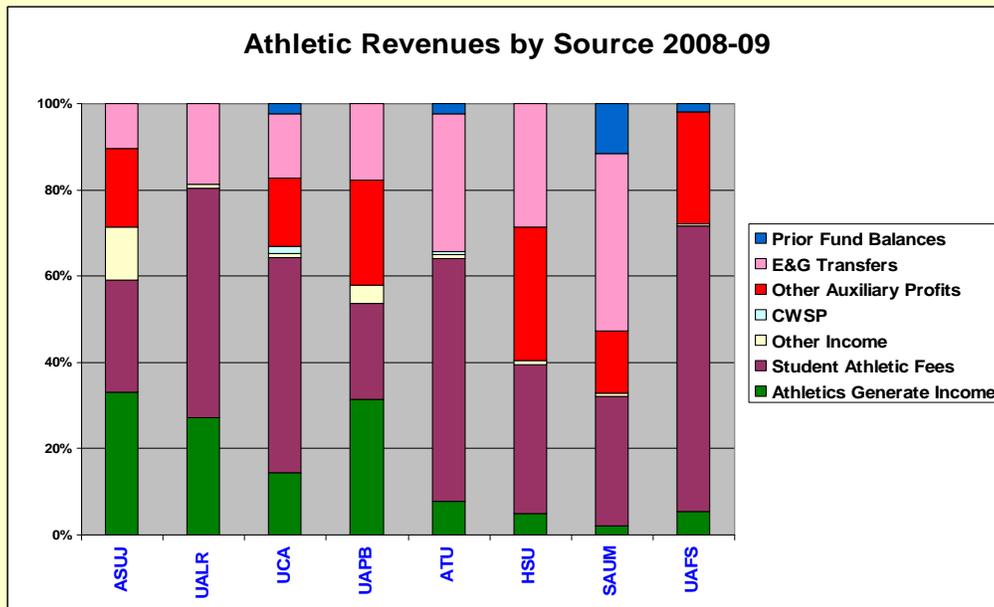
To monitor these kinds of practices, it is necessary to examine an institution's budget by hand to locate the anomalies. It is a time consuming task and with the limited staffing in institutional finance virtually impossible.

The following graphs examine reported athletic income and expenditures for all universities except the University of Arkansas at Fayetteville. The University of

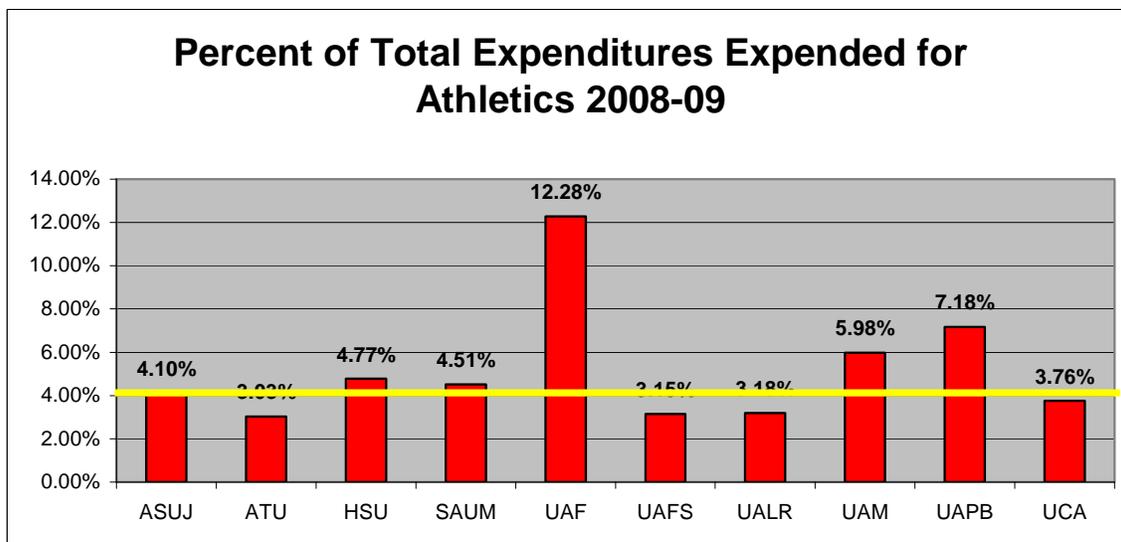
Arkansas data would distort the data so significantly that comparing and contrasting the other institutions would be impossible. The first two graphs look at athletic income by major sources. The first is by each source of reported income. It is obvious that athletics generate a relatively small part of the institutions athletic revenue. The institutions in general rely heavily on student athletic fees, other auxiliary profits and transfers from educational and general revenue to pay for athletics. There is some use of prior year fund balances by four of the institutions which raise a caution flag.



The next graph looks at the revenue sources as a percent of total revenue which gives another perspective of how dependent some institutions are on athletic fees, other auxiliary profits and E&G transfers to support their athletic program. The allowable athletic transfer from E&G revenue should be noted in this graph. The 2008-09 allowable transfer from E&G was about \$1.1 million regardless of the size of the institution or level of the athletic competition. For some institutions it is less than 10 percent of the revenue but for others it represents 30 to 40 percent of the revenue.

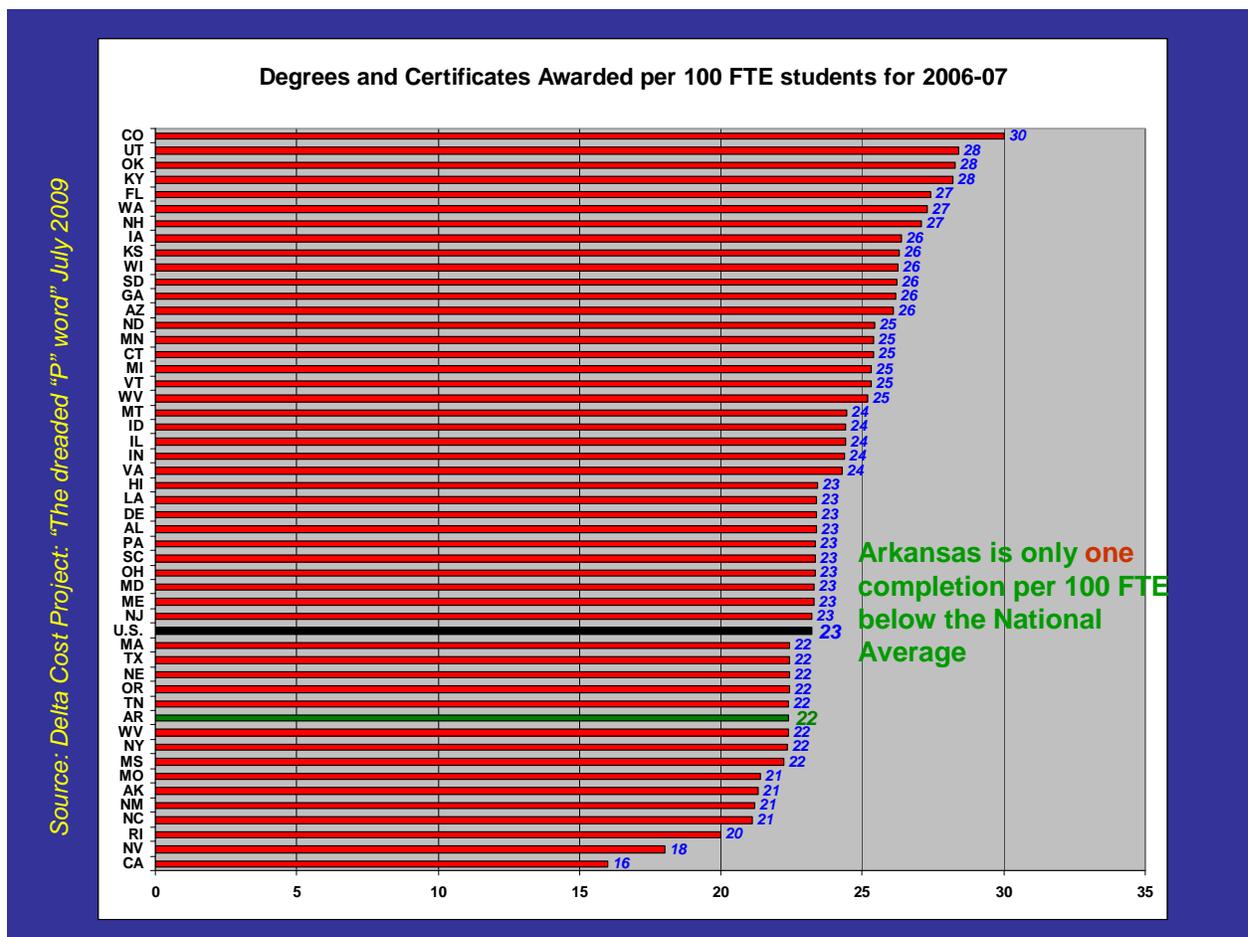


The following graph presents athletic expenditures as a percent of the total university expenditures. The heavy yellow horizontal line represents the average for the universities. The average athletic expenditure for 2008-09 represented only 4.06 percent of the total of the universities expenditures. If athletics is an important part of the university experience, how much is it worth?



A Proposed New Approach to Measuring Performance

In the report released in July of 2009, the Delta Cost Project proposed some new ways of looking at measuring college and university performance. The report entitled, ***The dreaded "P" word***, the first suggestion was to look at institutional performance in terms of the number of completions (certificates, associate degrees, bachelors degree, and graduate degrees) in terms of the number completions per 100 FTE students in a given year. This produces a number that they have used to compare higher education productivity in each state. In that comparison Arkansas institutions produced an average of 22 completions per 100 FTE students in 2006-07. This was only one completion below the national average of 23 completions/100FTE. See chart below for comparison with other states.



Despite the fact that Arkansas does relatively well in this comparison, the use of such ratios are highly questionable in terms of what they measure. A ratio must reliably represent the concept that it is purports to measure. In this case, it is actually measuring another phenomenon more than it is measuring completions by students. This ratio is highly influenced by whether or not an institution is growing in enrollment or declining in enrollment, and therefore, is influenced more by the institution's enrollment change than changes in student completions. For the purposes of

illustrations, an institution that has a declining enrollment will see the completions, per 100 FTE students, rise even though they had no change in the number of completions at all. This is mathematically true simply because the divisor has become smaller. The converse is true for growing institutions. Therefore, this ratio is ill advised as a method of measuring and comparing performance, and should not be considered.

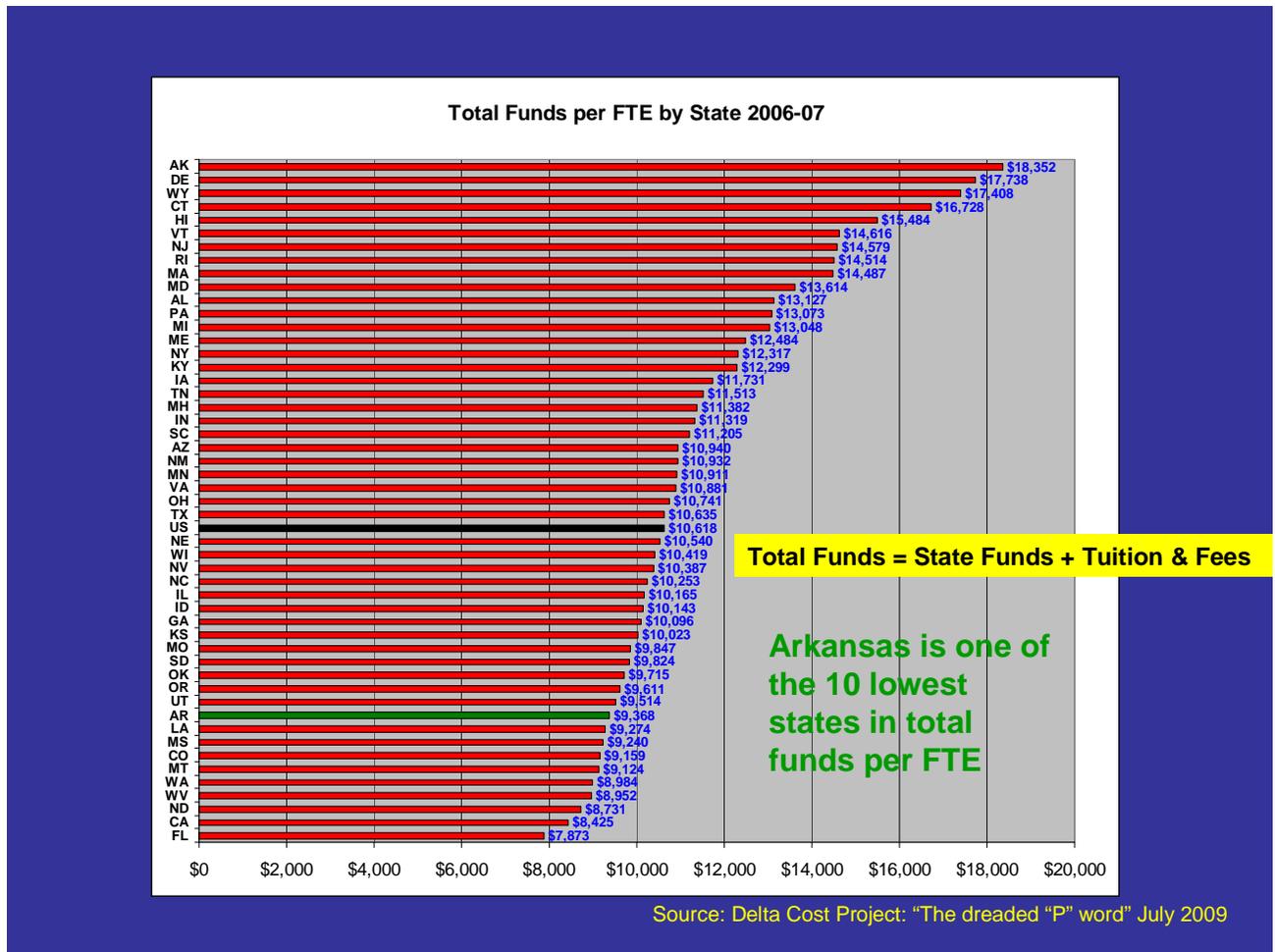
Recommendation: The concept of using the ratio of the number of graduates in a given year divided by the number of FTE students enrolled in the same year is not a well thought out concept and is an invalid measure of performance in terms of comparing completions of institutions and should be avoided.

A second proposal in the report seems to present an interesting and seemingly viable concept for comparing the performance of institutions. It proposes a weighting of degrees by the ratio of the average income level associated with each degree. They propose giving a bachelor's degree a weighting of 1.0 and then weighting all other degrees by dividing the average income level for that degree by the average income level for the bachelor's degree. See the table below for an example of the 2007-08 degree produced in Arkansas.

Calculation of Cost per Completion/Degree				
Median Earnings in the Employment Market				
Certificate/Degree Level	Median Earnings	Indexed to Bachelor's Degree	Awards	Weighted Awards
Certificates	\$27,423	0.68	6,016	4,091
Certificates STEM	\$44,690	1.10	466	513
Associate's	\$32,502	0.80	5,098	4,078
Associate's STEM	\$47,737	1.18	247	291
Bachelor's	\$40,627	1.00	8,150	8,150
Bachelor's STEM	\$67,035	1.65	1,189	1,962
Master's	\$44,896	1.11	2,684	2,979
Master's STEM	\$76,176	1.88	286	538
Doctoral	\$66,019	1.63	153	249
Doctoral STEM	\$71,097	1.75	81	142
First Professional	\$87,348	2.15	507	1,090
			24,877	24,083
2007-08 Funding (Tuition & Fee + State Appropriations)				\$1,207,323,886
Cost per Degree/Completion		With UAMS	\$48,532	\$50,131

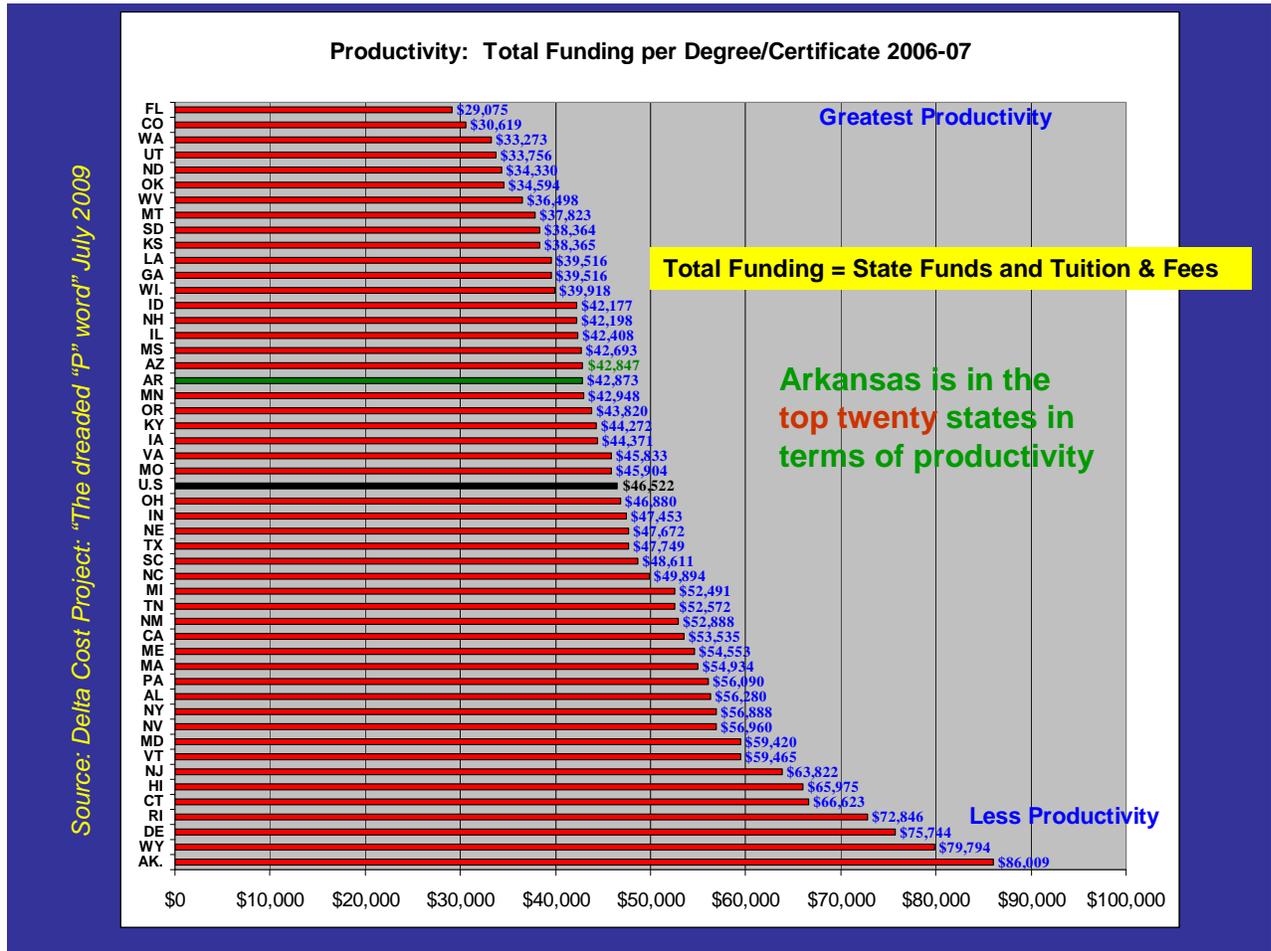
Arkansas was one of only a few states in which the weighted number of degrees was less than the actual number of degrees. This is a result of the large number of associate degrees being awarded in Arkansas as compared to other states.

They next compared states with the resources available to the institutions within the state per FTE student from state funds and tuition and fee revenue. The graph below shows that Arkansas's support per FTE student is among the 10 lowest states in terms of funds available per FTE.



Their next graph compares the effectiveness of higher education in each state in terms of the resources available per FTE student and the mean salary associated with the degrees produced. In this comparison Arkansas's is among the top twenty most effective institutions. This analysis seems to support the conclusion that Arkansas institutions are doing a lot with the limited resources they have, something that many in Arkansas higher education have believed for many years.

Conclusion: It would seem that the proposed measure of productivity by the Delta Cost Project in the dreaded “P” word has some merit in measuring institutional productivity and provides a relatively simple and consistent means for comparison



Funding Formulas in Perspective

The funding need produced by the funding formula is often questioned even though it relatively accurately portrays the cost of educating students. The spreadsheet below attempts to put that need in perspective.

Why the Funding Formula Need Increased!

	1998-99	2008-09	1998-99 Funds/FTE in 2008-09 Dollars
State Funds per FTE Student	\$5,064	\$5,386	\$7,482
FTE Students	79,544	110,467	
State Funding	\$402,810,816	\$594,979,909	
2008-09 Funding to be Equivalent to 1998-99 Funding			\$826,514,094
New Funding Required to be Equivalent per FTE student			\$231,534,185
Funding Formula Determined Need for New Funds for 2008-09 Enrollment		(Economy-of-Scale)	\$154,482,194
Funding Model need per FTE Student			\$6.784

Recommendations and Observations

 Pursue an amendment to the two-year funding formula that would read as follows:

The minimum funding per FTE student for a two-year college shall be \$3,000/FTE which shall be increased by the annual rate of inflation as measured by the Consumer Price Index (CPI) (when funds are available) until an institution's funding level per FTE determined by the two-year funding model is reached.

 The further dilution of funding for students by the addition of new Non-Formula entities seeking funding outside the formula must be curbed. ADHE staff recommendation is to place a moratorium on the addition of any Non-Formula entities until such time as the funding formula needs are fully funded.

 The public policy question of whether or not the citizens of Arkansas, specifically the students and their parents, should subsidize the education of non-Arkansas residents who enroll in distance delivered education outside the state of Arkansas should be addressed. Although the numbers are currently relatively small, these enrollments represent a rapidly increasing portion of enrollment in some institutions which is likely to accelerate. (*Many other states have addressed this public policy question over a decade ago.*)

Distance Education Funding Policy Recommendation: Distance education whether delivered by online instruction or other multimedia methodologies **shall be fundable** when delivered to Arkansas residents within or outside Arkansas or to non-Arkansas residents within Arkansas. Distance education delivered to non-Arkansas resident students outside the state of Arkansas shall **not be fundable** and the credit hours produced **shall not be** included in the funding formulas used to determine the funding needs of institutions.

 Other funding issues arise from the enrollment of non-resident students when institutions fail to collect out-of-state tuition from the students. Certainly, the boards of the institutions have the authority to set the tuition for non-resident students. However, it is the responsibility of this board and ADHE to determine whether or not those students should be included in the funding formula.

 At the end of each fiscal year Boards of Trustees of the institutions should require their institution's finance staff to report a side-by-side comparison of the budgeted and actual revenue by source and expenditures by NACUBO function. Budgets tend to reflect hypothetical priorities while actual expenditures represent real priorities

 In order to better understand the financial situation of the institutions, it is recommended that essential statistics be reported each fall. A partial list of

- I. Student credit hours generated per full-time equivalent faculty member
- II. Student/faculty ratios
- III. Teaching loads per faculty member by course level (Lower and upper level undergraduate, masters, specialist, first professional, and doctoral)
- IV. Average class size
- V. Student/staff ratios for non-instructional staff
- VI. Percent of As and Bs awarded by each institution

The data should include the average and the extremes for student semester credit hours generated, student-faculty ratios, teaching loads, and class size.

Appendices

Appendix A

Operating Margins and Fund Balances

Table A-1. Universities Operating Margins 1998-99 and 2004-05 to 2008-09

	1998-99	2004-05	2005-06	2006-07	2007-08	2008-09	
ASUJ	Total Expenditures	76,976,277	\$99,519,771	\$105,417,435	\$114,773,311	\$121,812,532	\$130,385,209
	FTE Enrollment	9,089	9,002	9,044	9,431	9,382	10,037
	Revenues:						
	Tuition & Fees	26,701,701	\$44,958,817	\$49,217,084	\$54,482,499	\$58,671,724	\$67,011,792
	Other	7,860,265	\$4,989,940	\$4,712,369	\$4,657,191	\$4,488,787	\$4,464,649
	State Funds	42,745,543	\$50,363,587	\$52,550,390	\$55,468,570	\$59,753,311	\$59,288,062
	Total Revenue	77,307,509	\$100,312,344	\$106,479,843	\$114,608,260	\$122,913,822	\$130,764,503
	Operating Margin	331,232	\$792,573	\$1,062,408	(\$165,051)	\$1,101,290	\$379,294
	Percent of Expenditures	0.43%	0.80%	1.01%	-0.14%	0.90%	0.29%
ATU	Total Expenditures	28,316,927	\$54,642,071	\$52,324,231	\$59,765,898	\$72,599,813	\$65,941,871
	FTE Enrollment	4,092	6,203	6,387	6,563	6,281	6,322
	Revenues:						
	Tuition & Fees	9,467,910	\$24,933,840	\$27,317,864	\$29,371,373	\$30,816,813	\$32,778,675
	Other	1,592,443	\$1,437,792	\$1,804,457	\$3,077,463	\$5,350,350	\$3,714,321
	State Funds	18,060,903	\$22,251,350	\$26,580,785	\$26,317,976	\$30,762,139	\$30,804,206
	Total Revenue	29,121,256	\$48,622,982	\$55,703,106	\$60,766,812	\$66,929,302	\$67,297,202
	Operating Margin	804,329	(\$6,019,089)	\$3,378,875	\$1,000,914	(\$5,670,511)	\$1,355,331
	Percent of Expenditures	2.84%	-11.02%	6.46%	1.67%	-7.81%	2.06%
HSU	Total Expenditures	22,994,731	\$32,937,891	\$35,280,888	\$37,401,580	\$40,392,167	\$40,955,528
	FTE Enrollment	3,386	3,326	3,293	3,291	3,407	3,435
	Revenues:						
	Tuition & Fees	7,926,107	\$13,769,175	\$15,277,108	\$17,158,137	\$18,923,291	\$20,555,496
	Other	874,285	\$1,109,599	\$1,018,933	\$801,718	\$823,211	\$808,892
	State Funds	15,381,304	\$17,637,289	\$18,310,472	\$19,570,541	\$20,695,056	\$20,579,379
	Total Revenue	24,181,696	\$32,516,063	\$34,606,513	\$37,530,396	\$40,441,558	\$41,943,767
	Operating Margin	1,186,965	(\$421,828)	(\$674,375)	\$128,816	\$49,391	\$888,239
	Percent of Expenditures	5.16%	-1.28%	-1.91%	0.34%	0.12%	2.14%
SAUM	Total Expenditures	18,563,027	\$26,550,121	\$26,048,343	\$29,442,238	\$32,897,298	\$34,775,747
	FTE Enrollment	2,512	2,824	2,839	2,807	2,840	2,814
	Revenues:						
	Tuition & Fees	5,637,843	\$10,798,441	\$12,216,070	\$13,968,037	\$15,106,815	\$16,014,018
	Other	1,169,384	\$1,305,468	\$1,270,816	\$1,408,388	\$1,558,959	\$1,390,355
	State Funds	11,673,007	\$14,188,571	\$14,738,101	\$15,473,956	\$16,546,673	\$16,618,110
	Total Revenue	18,480,234	\$26,292,480	\$28,224,987	\$30,850,381	\$33,212,447	\$34,022,483
	Operating Margin	(82,793)	(\$257,641)	\$176,644	\$1,408,143	\$315,151	(\$753,264)
	Percent of Expenditures	-0.45%	-0.97%	0.63%	4.78%	0.96%	-2.17%
UAF	Total Expenditures	148,296,095	\$227,277,895	\$253,813,841	\$241,293,295	\$260,162,624	\$268,665,465
	FTE Enrollment	13,637	15,390	15,950	16,162	16,855	17,608
	Revenues:						
	Tuition & Fees	57,121,138	\$94,219,696	\$105,985,174	\$99,493,399	\$109,491,153	\$125,688,331
	Other	17,270,059	\$26,486,185	\$32,072,285	\$33,233,811	\$28,979,981	\$25,747,998
	State Funds	86,602,631	\$99,597,427	\$104,824,098	\$109,444,555	\$121,439,049	\$121,417,117
	Total Revenue	160,993,828	\$220,303,308	\$242,881,557	\$242,171,765	\$259,910,183	\$272,853,446
	Operating Margin	12,697,733	(\$6,974,587)	(\$10,932,284)	\$878,470	(\$252,441)	\$4,187,981
	Percent of Expenditures	8.56%	-3.07%	-4.31%	0.36%	-0.10%	1.56%
UAFS	Total Expenditures	21,317,726	\$35,626,965	\$39,237,570	\$43,758,867	\$49,665,435	\$52,779,409
	FTE Enrollment	3,566	4,975	5,049	5,135	5,264	5,545
	Revenues:						
	Tuition & Fees	5,445,920	\$11,483,753	\$13,605,820	\$16,313,165	\$19,563,259	\$22,433,345
	Other	800,991	\$5,775,324	\$6,050,006	\$6,518,136	\$7,071,403	\$6,832,841
	State Funds	15,760,318	\$18,420,872	\$19,892,600	\$21,344,351	\$23,298,842	\$23,246,124
	Total Revenue	22,007,229	\$35,679,949	\$39,548,426	\$44,175,652	\$49,933,504	\$52,512,310
	Operating Margin	689,503	\$52,984	\$310,856	\$416,785	\$268,069	(\$267,099)
	Percent of Expenditures	3.23%	0.15%	0.79%	0.95%	0.54%	-0.51%
UALR	Total Expenditures	74,550,304	\$103,875,076	\$111,520,910	\$117,375,526	\$126,196,710	\$129,661,715
	FTE Enrollment	7,870	9,043	9,127	9,088	9,117	9,328
	Revenues:						
	Tuition & Fees	26,868,735	\$45,211,985	\$48,550,292	\$50,613,362	\$54,039,441	\$58,958,964
	Other	5,517,474	\$5,147,640	\$6,173,395	\$6,674,775	\$6,950,112	\$6,415,014
	State Funds	43,600,246	\$53,325,220	\$56,406,039	\$60,139,894	\$65,200,353	\$65,209,486
	Total Revenue	75,986,455	\$103,684,845	\$111,129,726	\$117,428,031	\$126,209,906	\$130,583,464
	Operating Margin	1,436,151	-\$190,231	-\$391,183	\$52,505	-\$166,804	\$921,749
	Percent of Expenditures	1.93%	-0.18%	-0.35%	0.04%	-0.13%	0.71%
UAM	Total Expenditures	15,569,600	\$21,111,870	\$22,726,310	\$23,373,092	\$24,790,194	\$25,855,253
	FTE Enrollment	2,000	2,640	2,605	2,644	2,243	2,298
	Revenues:						
	Tuition & Fees	4,687,691	\$9,023,287	\$9,030,873	\$9,286,882	\$9,831,663	\$10,727,073
	Other	662,846	\$617,743	\$660,869	\$811,215	\$548,669	\$126,527
	State Funds	9,965,825	\$11,797,355	\$12,578,792	\$13,087,700	\$13,887,867	\$13,982,164
	Total Revenue	15,316,362	\$21,438,385	\$22,270,534	\$23,185,797	\$24,268,199	\$24,835,764
	Operating Margin	(253,238)	\$326,515	(\$455,776)	(\$187,295)	(\$521,995)	(\$1,019,489)
	Percent of Expenditures	-1.63%	1.55%	-2.01%	-0.80%	-2.11%	-3.94%
UAPB	Total Expenditures	25,010,463	\$37,233,713	\$34,902,134	\$39,388,729	\$37,616,129	\$38,528,663
	FTE Enrollment	2,921	3,172	2,993	2,799	2,916	3,247
	Revenues:						
	Tuition & Fees	6,832,165	\$12,662,479	\$12,683,108	\$13,188,493	\$14,370,664	\$17,416,266
	Other	906,468	\$839,338	\$887,847	\$871,447	\$1,006,951	\$889,609
	State Funds	17,549,142	\$24,120,897	\$21,386,012	\$25,778,987	\$23,130,292	\$23,421,122
	Total Revenue	25,287,775	\$37,622,714	\$34,956,967	\$39,838,927	\$38,507,907	\$41,726,997
	Operating Margin	277,312	\$389,001	\$54,833	\$450,198	\$891,778	\$3,198,334
	Percent of Expenditures	1.11%	1.04%	0.16%	1.14%	2.37%	8.30%
UCA	Total Expenditures	61,571,391	\$90,237,605	\$106,442,972	\$119,228,913	\$119,425,150	\$138,565,514
	FTE Enrollment	8,108	9,768	10,802	11,401	11,203	11,478
	Revenues:						
	Tuition & Fees	22,579,652	\$44,045,026	\$53,118,346	\$60,094,035	\$62,130,784	\$71,514,073
	Other	2,155,924	\$2,787,167	\$2,988,177	\$4,410,796	\$3,929,072	\$3,772,883
	State Funds	36,845,808	\$43,060,085	\$45,215,930	\$48,922,509	\$57,838,973	\$55,670,633
	Total Revenue	61,581,384	\$89,892,278	\$101,322,453	\$113,427,340	\$123,898,829	\$130,957,589
	Operating Margin	9,993	(\$345,327)	(\$5,120,519)	(\$5,801,573)	\$4,473,679	(\$7,607,925)
	Percent of Expenditures	0.02%	-0.38%	-4.81%	-4.87%	3.75%	-5.49%

Table A-2. Two-Year College Operating Margins 1998-99 and 2004-05 to 2008-09

		1998-99	2004-05	2005-06	2006-07	2007-08	2008-09
ANC	Total Expenditures	7,266,993	\$11,302,857	\$11,722,646	\$11,730,708	\$15,669,624	\$15,013,458
	Revenues:						
	Tuition & Fees	1,438,328	\$2,758,524	\$2,615,341	\$2,426,016	\$2,323,058	\$2,712,248
	Other	562,269	\$739,398	\$983,072	\$1,060,041	\$1,486,811	\$2,002,240
	State Funds	5,646,589	\$8,554,989	\$9,110,027	\$9,512,590	\$11,278,859	\$10,030,746
	Total Revenue	7,647,186	\$12,052,911	\$12,708,440	\$12,998,647	\$15,088,728	\$14,745,234
	Operating Margin	380,193	\$750,054	\$985,794	\$1,267,939	(\$580,896)	(\$268,224)
	Percent of Expenditures	5.23%	6.64%	8.41%	10.81%	-3.71%	-1.79%
ASUB	Total Expenditures	10,955,929	\$18,366,348	\$20,957,926	\$22,666,733	\$24,777,338	\$26,336,594
	Revenues:						
	Tuition & Fees	2,725,846	\$5,694,334	\$6,333,314	\$7,351,786	\$8,537,213	\$9,147,973
	Other	402,915	\$1,633,111	\$1,797,519	\$1,976,127	\$2,375,935	\$3,066,020
	State Funds	8,060,750	\$11,212,983	\$12,782,169	\$13,405,859	\$13,889,307	\$14,120,217
	Total Revenue	11,189,511	\$18,540,428	\$20,913,002	\$22,733,772	\$24,802,455	\$26,334,210
	Operating Margin	233,582	\$174,080	(\$44,924)	\$67,039	\$25,117	(\$2,384)
	Percent of Expenditures	2.13%	0.95%	-0.21%	0.30%	0.10%	-0.01%
ASUMH	Total Expenditures	4,081,886	\$6,248,666	\$6,655,740	\$7,224,986	\$7,986,100	\$8,768,090
	Revenues:						
	Tuition & Fees	863,962	\$2,083,313	\$2,182,657	\$2,151,519	\$2,257,818	\$3,011,699
	Other	686,730	\$1,173,920	\$1,279,733	\$1,300,919	\$1,335,387	\$1,338,067
	State Funds	2,602,261	\$3,036,087	\$3,415,513	\$3,905,913	\$4,455,397	\$4,453,472
	Total Revenue	4,152,953	\$6,293,320	\$6,877,903	\$7,358,351	\$8,048,602	\$8,803,238
	Operating Margin	71,067	\$44,654	\$222,163	\$133,365	\$62,502	\$35,148
	Percent of Expenditures	1.74%	0.71%	3.34%	1.85%	0.78%	0.40%
ASUN	Total Expenditures	3,294,028	\$5,531,378	\$6,073,008	\$6,743,701	\$7,386,857	\$10,717,575
	Revenues:						
	Tuition & Fees	898,303	\$1,991,495	\$2,477,823	\$2,533,341	\$2,763,956	\$3,571,382
	Other	87,190	\$953,046	\$895,642	\$914,956	\$999,263	\$1,270,934
	State Funds	2,342,473	\$2,586,837	\$3,142,104	\$3,531,445	\$4,244,026	\$7,083,406
	Total Revenue	3,327,966	\$5,531,378	\$6,515,569	\$6,979,742	\$8,007,245	\$11,925,722
	Operating Margin	33,938	\$0	\$442,561	\$236,041	\$620,388	\$1,208,147
	Percent of Expenditures	1.03%	0.00%	7.29%	3.50%	8.40%	11.27%
BRTC	Total Expenditures	6,802,784	\$8,775,746	\$8,991,872	\$11,186,602	\$11,856,969	\$11,270,211
	Revenues:						
	Tuition & Fees	1,160,082	\$3,148,719	\$3,030,620	\$3,374,643	\$3,807,737	\$3,889,136
	Other	125,569	\$297,341	\$401,054	\$471,466	\$867,154	\$638,787
	State Funds	5,677,502	\$5,976,749	\$6,706,157	\$7,520,664	\$7,826,267	\$7,833,000
	Total Revenue	6,963,153	\$9,422,809	\$10,137,831	\$11,366,773	\$12,501,158	\$12,360,923
	Operating Margin	160,369	\$647,063	\$1,145,959	\$180,171	\$644,189	\$1,090,712
	Percent of Expenditures	2.36%	7.37%	12.74%	1.61%	5.43%	9.68%
CCCUA	Total Expenditures	3,910,946	\$5,310,145	\$5,438,904	\$6,179,110	\$7,312,492	\$8,105,875
	Revenues:						
	Tuition & Fees	1,038,398	\$1,388,513	\$1,551,754	\$1,762,440	\$1,894,234	\$2,149,073
	Other	32,359	\$1,050,310	\$997,932	\$907,296	\$1,431,759	\$1,628,545
	State Funds	3,051,962	\$3,126,561	\$3,627,113	\$4,145,207	\$4,432,711	\$4,412,633
	Total Revenue	4,122,719	\$5,565,384	\$6,176,799	\$6,814,943	\$7,758,704	\$8,190,251
	Operating Margin	211,773	\$255,239	\$737,895	\$635,833	\$446,212	\$84,376
	Percent of Expenditures	5.41%	4.81%	13.57%	10.29%	6.10%	1.04%
EACC	Total Expenditures	5,990,626	\$7,575,998	\$7,619,787	\$7,949,757	\$8,115,964	\$8,813,816
	Revenues:						
	Tuition & Fees	939,326	\$2,140,844	\$2,091,638	\$2,274,368	\$2,430,986	\$2,428,258
	Other	92,635	\$110,356	\$143,258	\$277,756	\$335,493	\$217,577
	State Funds	5,404,660	\$5,830,091	\$6,002,123	\$6,177,162	\$6,553,009	\$6,546,563
	Total Revenue	6,436,621	\$8,081,291	\$8,237,019	\$8,729,286	\$9,319,488	\$9,192,398
	Operating Margin	445,995	\$505,293	\$617,232	\$779,529	\$1,203,524	\$378,582
	Percent of Expenditures	7.44%	6.67%	8.10%	9.81%	14.83%	4.30%
MSCC	Total Expenditures	4,139,804	\$5,917,117	\$7,516,175	\$7,127,304	\$9,898,666	\$9,267,948
	Revenues:						
	Tuition & Fees	800,662	\$1,467,658	\$1,628,774	\$2,121,171	\$2,241,353	\$2,715,398
	Other	200,267	\$676,559	\$756,932	\$410,206	\$334,053	\$675,218
	State Funds	3,680,019	\$3,965,289	\$4,734,055	\$5,470,574	\$5,997,669	\$5,632,370
	Total Revenue	4,680,948	\$6,109,506	\$7,119,761	\$8,001,951	\$8,573,075	\$9,022,986
	Operating Margin	541,144	\$192,389	(\$396,414)	\$874,647	(\$1,325,591)	(\$244,962)
	Percent of Expenditures	13.07%	3.25%	-5.27%	12.27%	-13.39%	-2.64%
NAC	Total Expenditures	9,205,194	\$10,572,924	\$11,656,303	\$11,667,037	\$12,115,034	\$13,199,870
	Revenues:						
	Tuition & Fees	1,915,102	\$2,819,872	\$3,329,087	\$3,182,754	\$3,443,144	\$3,767,090
	Other	484,396	\$179,840	\$313,886	\$247,993	\$225,774	\$298,465
	State Funds	7,237,562	\$7,649,921	\$8,018,893	\$8,391,339	\$8,779,078	\$8,871,130
	Total Revenue	9,637,060	\$10,649,633	\$11,661,866	\$11,822,086	\$12,447,996	\$12,936,685
	Operating Margin	431,866	\$76,709	\$5,563	\$155,049	\$332,962	(\$263,185)
	Percent of Expenditures	4.69%	0.73%	0.05%	1.33%	2.75%	-1.99%

Table A-2. Two-Year College Operating Margins 1998-99 and 2004-05 to 2008-09

		1998-99	2004-05	2005-06	2006-07	2007-08	2008-09
NPCC	Total Expenditures	7,553,632	\$11,880,034	\$12,952,745	\$13,781,386	\$15,227,603	\$16,181,936
	Revenues:						
	Tuition & Fees	1,634,534	\$3,127,326	\$3,047,343	\$3,621,889	\$4,046,324	\$5,289,367
	Other	156,793	\$479,765	\$219,393	\$262,056	\$264,298	\$291,837
	State Funds	6,028,170	\$8,658,048	\$9,758,481	\$10,075,784	\$11,209,523	\$11,031,881
	Total Revenue	7,819,497	\$12,265,139	\$13,025,217	\$13,959,729	\$15,520,145	\$16,613,085
	Operating Margin	265,865	\$385,105	\$72,472	\$178,343	\$292,542	\$431,149
Percent of Expenditures	3.52%	3.24%	0.56%	1.29%	1.92%	2.66%	
NWACC	Total Expenditures	10,408,413	\$20,747,922	\$24,675,168	\$27,216,295	\$28,062,941	\$30,945,519
	Revenues:						
	Tuition & Fees	3,807,015	\$7,391,802	\$10,701,722	\$11,869,468	\$13,504,797	\$16,898,934
	Other	2,223,271	\$3,898,984	\$5,128,336	\$5,687,369	\$5,469,539	\$5,523,288
	State Funds	4,777,596	\$7,259,879	\$7,828,347	\$8,885,893	\$10,751,074	\$10,558,069
	Total Revenue	10,807,882	\$18,550,665	\$23,658,405	\$26,442,730	\$29,725,410	\$32,980,292
	Operating Margin	399,469	(\$2,197,256)	(\$1,016,763)	(\$773,565)	\$1,662,469	\$2,034,773
Percent of Expenditures	3.84%	-10.59%	-4.12%	-2.84%	5.92%	6.58%	
OTC	Total Expenditures	3,656,816	\$5,023,497	\$5,343,448	\$6,270,741	\$6,295,352	\$7,087,533
	Revenues:						
	Tuition & Fees	769,785	\$1,593,217	\$2,000,040	\$2,004,617	\$2,316,165	\$2,319,138
	Other	81,832	\$108,581	\$193,291	\$179,237	\$198,110	\$66,239
	State Funds	3,047,946	\$3,214,003	\$3,741,662	\$4,157,076	\$4,579,855	\$4,427,951
	Total Revenue	3,899,563	\$4,915,801	\$5,934,993	\$6,340,930	\$7,094,130	\$6,813,328
	Operating Margin	242,747	(\$107,696)	\$591,545	\$70,189	\$798,778	(\$274,205)
Percent of Expenditures	6.64%	-2.14%	11.07%	1.12%	12.69%	-3.87%	
OZC	Total Expenditures	3,075,674	\$4,802,936	\$5,234,501	\$5,452,896	\$6,746,440	\$6,912,150
	Revenues:						
	Tuition & Fees	544,412	\$1,264,691	\$1,645,100	\$1,551,023	\$2,215,144	\$2,593,269
	Other	40,896	\$60,943	\$293,375	\$332,127	\$362,545	\$557,494
	State Funds	2,813,450	\$2,931,292	\$3,323,654	\$3,760,174	\$4,185,373	\$3,981,955
	Total Revenue	3,398,758	\$4,256,926	\$5,262,129	\$5,643,324	\$6,763,061	\$7,132,718
	Operating Margin	323,084	(\$546,010)	\$27,628	\$190,428	\$16,622	\$220,568
Percent of Expenditures	10.50%	-11.37%	0.53%	3.49%	0.25%	3.19%	
PCCUA	Total Expenditures	11,802,287	\$14,213,301	\$14,442,389	\$14,704,771	\$15,752,703	\$15,828,648
	Revenues:						
	Tuition & Fees	1,447,822	\$2,956,152	\$3,355,372	\$3,452,738	\$3,776,623	\$4,078,313
	Other	1,657,052	\$1,697,419	\$1,792,507	\$1,785,911	\$2,143,833	\$2,330,094
	State Funds	8,264,807	\$8,880,738	\$9,337,419	\$9,609,985	\$10,244,587	\$10,202,309
	Total Revenue	11,369,681	\$13,534,309	\$14,485,297	\$14,848,634	\$16,165,043	\$16,610,716
	Operating Margin	(432,606)	(\$678,992)	\$42,908	\$143,863	\$412,340	\$782,068
Percent of Expenditures	-3.67%	-4.78%	0.30%	0.98%	2.62%	4.94%	
PTC	Total Expenditures	9,527,166	\$22,432,805	\$26,066,460	\$28,120,076	\$31,931,849	\$33,886,246
	Revenues:						
	Tuition & Fees	3,326,781	\$12,917,838	\$14,479,977	\$16,035,182	\$17,377,259	\$19,612,808
	Other	396,341	\$390,397	\$462,090	\$649,166	\$597,418	\$620,989
	State Funds	6,104,297	\$8,564,750	\$9,882,899	\$12,207,890	\$16,622,008	\$15,632,763
	Total Revenue	9,827,419	\$21,872,985	\$24,824,966	\$28,892,238	\$34,596,685	\$35,866,560
	Operating Margin	300,253	(\$559,820)	(\$1,241,494)	\$772,162	\$2,664,836	\$1,980,314
Percent of Expenditures	3.15%	-2.50%	-4.76%	2.75%	8.35%	5.84%	
RMCC	Total Expenditures	4,407,649	\$4,452,321	\$4,171,249	\$4,428,602	\$6,115,757	\$5,273,561
	Revenues:						
	Tuition & Fees	512,040	\$920,131	\$916,902	\$1,131,239	\$1,170,731	\$1,231,175
	Other	345,409	\$457,923	\$566,081	\$675,402	\$349,617	\$239,232
	State Funds	2,776,682	\$2,898,272	\$3,076,817	\$3,210,198	\$3,403,996	\$3,379,458
	Total Revenue	3,634,131	\$4,276,326	\$4,559,800	\$5,016,839	\$4,924,344	\$4,849,865
	Operating Margin	(773,518)	(\$175,995)	\$388,551	\$588,237	(\$1,191,413)	(\$423,696)
Percent of Expenditures	-17.55%	-3.95%	9.31%	13.28%	-19.48%	-8.03%	
SACC	Total Expenditures	6,999,947	\$8,251,207	\$10,335,829	\$9,259,286	\$10,758,957	\$10,357,999
	Revenues:						
	Tuition & Fees	1,079,023	\$2,468,392	\$2,447,896	\$2,658,477	\$2,802,721	\$3,286,201
	Other	212,878	\$245,997	\$357,086	\$452,515	\$389,568	\$258,462
	State Funds	5,632,464	\$6,035,520	\$6,238,669	\$6,501,875	\$6,864,780	\$6,881,099
	Total Revenue	6,924,365	\$8,749,909	\$9,043,651	\$9,612,867	\$10,057,069	\$10,425,762
	Operating Margin	(75,582)	\$498,702	(\$1,292,178)	\$353,581	(\$701,888)	\$67,763
Percent of Expenditures	-1.08%	6.04%	-12.50%	3.82%	-6.52%	0.65%	
SAUT	Total Expenditures	5,340,377	\$7,138,170	\$8,313,664	\$8,539,849	\$8,974,237	\$9,740,418
	Revenues:						
	Tuition & Fees	759,722	\$2,050,437	\$2,415,630	\$2,798,256	\$2,876,525	\$3,634,760
	Other	171,442	\$450,727	\$832,438	\$703,197	\$765,659	\$815,018
	State Funds	4,630,357	\$4,815,939	\$5,004,119	\$5,300,867	\$5,660,828	\$5,823,108
	Total Revenue	5,561,521	\$7,317,103	\$8,252,187	\$8,802,320	\$9,303,012	\$10,272,886
	Operating Margin	221,144	\$178,933	(\$61,477)	\$262,471	\$328,775	\$532,468
Percent of Expenditures	4.14%	2.51%	-0.74%	3.07%	3.66%	5.47%	

Table A-2. Two-Year College Operating Margins 1998-99 and 2004-05 to 2008-09

		1998-99		2004-05	2005-06	2006-07	2007-08	2008-09
SEAC	Total Expenditures	5,514,318		\$8,142,835	\$8,230,620	\$14,827,647	\$11,366,968	\$11,166,328
	Revenues:							
	Tuition & Fees	1,139,054		\$2,895,890	\$2,969,440	\$2,996,640	\$3,011,464	\$3,830,608
	Other	41,726		\$252,065	\$159,167	\$75,598	\$121,153	\$101,204
	State Funds	4,946,803		\$5,321,812	\$6,025,894	\$6,899,792	\$7,225,061	\$7,239,149
	Total Revenue	6,127,583		\$8,469,767	\$9,154,501	\$9,972,030	\$10,357,678	\$11,170,961
	Operating Margin	613,265		\$326,932	\$923,881	(\$4,855,617)	(\$1,009,290)	\$4,633
Percent of Expenditures	11.12%		4.01%	11.22%	-32.75%	-8.88%	0.04%	
UACCB	Total Expenditures	4,413,434		\$6,007,446	\$6,555,247	\$7,282,668	\$7,667,125	\$8,480,277
	Revenues:							
	Tuition & Fees	667,324		\$2,093,124	\$2,306,054	\$2,195,349	\$2,606,272	2,987,048
	Other	1,073,151		\$1,155,587	\$1,322,814	\$1,341,716	\$1,344,699	\$1,358,845
	State Funds	3,394,230		\$3,461,809	\$3,848,716	\$4,386,949	\$4,813,625	\$4,702,727
	Total Revenue	5,134,705		\$6,710,520	\$7,477,584	\$7,924,014	\$8,764,596	\$9,048,620
	Operating Margin	721,271		\$703,074	\$922,337	\$641,346	\$1,097,471	\$568,343
Percent of Expenditures	16.34%		11.70%	14.07%	8.81%	14.31%	6.70%	
UACCH	Total Expenditures	6,610,607		\$6,517,724	\$7,263,346	\$7,858,767	\$8,674,450	\$8,695,105
	Revenues:							
	Tuition & Fees	1,042,431		\$1,769,998	\$1,697,411	\$1,685,423	\$1,909,987	\$2,078,832
	Other	284,515		\$133,448	\$367,071	\$321,807	\$546,296	\$596,266
	State Funds	4,557,511		\$4,788,435	\$5,349,090	\$5,895,639	\$6,199,311	\$6,093,993
	Total Revenue	5,884,457		\$6,691,881	\$7,413,572	\$7,902,869	\$8,655,594	\$8,769,091
	Operating Margin	(726,150)		\$174,157	\$150,226	\$44,102	(\$18,856)	\$73,986
Percent of Expenditures	-10.98%		2.67%	2.07%	0.56%	-0.22%	0.85%	
UACCM	Total Expenditures	4,407,300		\$7,343,729	\$8,185,514	\$9,184,516	\$10,080,625	\$11,748,617
	Revenues:							
	Tuition & Fees	989,392		\$2,756,777	\$3,288,888	\$3,542,093	\$3,791,736	\$4,472,838
	Other	126,465		\$686,772	\$765,144	\$953,543	\$1,056,712	\$944,707
	State Funds	3,981,288		\$4,224,658	\$4,737,151	\$5,394,909	\$5,700,883	\$5,763,229
	Total Revenue	5,097,145		\$7,668,207	\$8,791,183	\$9,890,545	\$10,549,331	\$11,180,774
	Operating Margin	689,845		\$324,478	\$605,669	\$706,029	\$1,097,471	(\$567,843)
Percent of Expenditures	15.65%		4.42%	7.40%	7.69%	14.31%	-4.83%	

Table A-3. Arkansas Higher Education Educational and General Current Fund Revenue and Fund Balances for 2005-06 to 2008-09

Institutions	2006-07			2007-08			2008-09		
	Current Fund Revenues	Fund Balance as a Percent of Revenues	Fund Balance	Current Fund Revenues	Fund Balance as a Percent of Revenues	Fund Balance	Current Fund Revenues	Fund Balance as a Percent of Revenues	Fund Balance
Arkansas State University - Jonesboro	\$114,608,260	2.7%	\$3,150,623	\$122,913,822	3.5%	\$4,251,913	\$130,764,503	6.8%	\$8,939,501
Arkansas Tech University	\$60,766,812	19.5%	\$11,837,615	\$66,929,302	9.2%	\$6,167,104	\$67,297,202	11.2%	\$7,522,435
Henderson State University	\$37,530,396	1.4%	\$508,679	\$40,441,558	1.4%	\$558,070	\$41,943,767	3.7%	\$1,546,309
Southern Arkansas University	\$30,850,381	12.8%	\$3,940,117	\$33,212,447	12.8%	\$4,255,268	\$34,022,483	10.3%	\$3,502,004
University of Arkansas at Fayetteville	242,171,765		\$36,304,395	\$259,910,183	12.7%	\$33,105,790	\$272,853,446	14.7%	\$40,140,947
UA - Archaeological Survey	\$2,078,121			\$2,584,874			\$2,465,065		
UA - Division of Agriculture	\$79,258,345			\$82,320,150			\$94,680,945		
UA - System	\$5,363,845			\$5,996,689			\$6,023,861		
UA - Clinton School	\$2,457,764			\$2,806,457			\$2,664,341		
UA - Arkansas School for Math, Sciences and the Arts	\$9,735,209		\$430,025	\$9,748,177		\$472,144	\$9,833,717		\$512,086
UA - Criminal Justice Institute	\$2,083,379			\$2,115,891			\$1,820,608		
Total Consolidated University of Arkansas	\$343,148,428	10.7%	\$36,734,420	\$365,482,421	9.2%	\$33,577,934	\$390,141,981	10.4%	\$40,653,033
University of Arkansas at Ft. Smith	\$44,175,652	6.7%	\$2,969,415	\$49,933,504	6.5%	\$3,237,485	\$52,512,310	5.7%	\$2,970,386
University of Arkansas at Little Rock	\$117,428,031	7.9%	\$9,254,461	\$126,029,906	7.1%	\$9,007,657	\$130,583,464	7.7%	\$10,009,406
University of Arkansas at Monticello	\$23,373,092	6.9%	\$1,622,921	\$24,268,199	4.5%	\$1,082,437	\$24,835,764	2.3%	\$576,865
University of Arkansas at Pine Bluff	\$39,838,927	2.9%	\$1,173,331	\$38,507,907	5.4%	\$2,065,109	\$41,726,997	12.2%	\$5,078,613
University of Central Arkansas	\$113,568,743	-3.9%	(\$4,388,088)	\$123,898,829	0.8%	\$1,052,015	\$130,957,589	-3.6%	(\$4,683,412)
Four-Year Total	\$925,288,722	7.2%	\$66,805,494	\$991,617,896	6.6%	\$65,254,991	\$1,044,786,060	7.3%	\$76,135,140
Arkansas Northeastern College	\$12,998,647	43.7%	\$5,686,140	\$15,669,624	32.6%	\$5,105,244	\$14,745,234	32.8%	\$4,837,020
Arkansas State University - Beebe	\$22,733,772	13.0%	\$2,961,754	\$24,802,455	12.0%	\$2,986,871	\$26,334,210	11.3%	\$2,984,487
Arkansas State University - Mountain Home	\$7,358,351	19.0%	\$1,400,000	\$8,048,602	18.2%	\$1,462,502	\$8,803,238	17.0%	\$1,497,649
Arkansas State University - Newport	\$6,979,742	35.7%	\$2,489,247	\$6,007,245	38.5%	\$3,082,504	\$11,925,722	60.8%	\$7,250,614
Black River Technical College	\$11,368,773	89.9%	\$10,214,881	\$12,501,158	34.2%	\$4,269,694	\$12,360,923	43.0%	\$5,319,794
Cossatot Community College of the University of Arkansas	\$6,814,943	35.5%	\$2,418,095	\$7,758,704	13.7%	\$1,060,152	\$8,190,251	14.0%	\$1,144,528
East Arkansas Community College	\$8,729,286	43.5%	\$3,799,647	\$9,319,488	21.1%	\$1,965,332	\$9,192,398	25.5%	\$2,343,915
Mid-South Community College	\$9,001,951	33.2%	\$2,858,595	\$6,779,078	21.8%	\$1,915,848	\$9,022,968	15.1%	\$1,358,748
National Park Community College	\$13,959,729	14.3%	\$1,993,848	\$15,520,145	15.1%	\$2,344,085	\$12,936,685	12.8%	\$1,652,663
North Arkansas College	\$11,822,086	12.6%	\$1,484,432	\$12,447,996	15.4%	\$1,915,848	\$16,613,085	16.7%	\$2,775,234
Northwest Arkansas Community College	\$26,442,730	4.2%	\$1,100,303	\$29,725,410	9.3%	\$2,754,568	\$32,980,292	15.1%	4,972,185
Ouachita Technical College	\$6,340,930	20.0%	\$1,265,967	\$7,094,130	20.6%	\$1,462,880	\$6,813,328	14.9%	\$1,017,162
Ozarka College	\$5,643,324	33.1%	\$1,870,242	\$6,763,061	43.8%	\$2,962,990	\$7,132,718	43.5%	\$3,100,077
Phillips Community College of the University of Arkansas	\$14,848,634	13.1%	\$1,949,152	\$16,165,043	14.8%	\$2,361,492		#DIV/0!	
Pulaski Technical College	\$28,892,238	12.5%	\$3,599,395	\$34,596,685	18.2%	\$8,302,414	\$35,866,560	23.1%	\$8,282,728
Rich Mountain Community College	\$5,016,839	83.1%	\$4,168,150	\$3,403,996	81.3%	\$2,768,708	\$4,849,885	51.0%	\$2,471,798
South Arkansas Community College	\$9,612,867	27.8%	\$2,669,132	\$10,758,957	18.3%	\$1,967,244	\$10,425,762	19.5%	\$2,035,007
Southeast Arkansas College	\$9,972,030	15.8%	\$1,552,241	\$11,876,910	4.3%	\$509,942	\$10,272,888	27.6%	\$2,833,759
Southern Arkansas University Tech	\$8,802,320	22.4%	\$1,972,029	\$9,303,012	24.7%	\$2,301,148	\$11,170,961	0.9%	\$102,525
University of Arkansas Community College at Batesville	\$7,924,014	56.6%	\$4,483,202	\$8,764,596	20.2%	\$1,769,432	\$9,048,620	20.9%	\$1,886,819
University of Arkansas Community College at Hope	\$7,902,869	15.1%	\$1,197,126	\$8,655,594	14.0%	\$1,215,587	\$8,769,091	14.2%	\$1,247,232
University of Arkansas Community College at Morrilton	\$12,127,732	24.3%	\$2,943,217	\$10,549,331	31.1%	\$3,280,987	\$11,180,774	24.3%	\$2,713,144
Two-Year Total	\$254,291,807	25.1%	\$63,874,785	\$280,511,220	19.9%	\$55,763,470	\$278,635,589	22.2%	\$61,827,088
UAMS	\$872,497,242	14.4%	\$125,453,529	\$913,162,224	16.4%	\$150,064,198	\$913,162,224	16.4%	\$150,064,198
Total Teaching Campuses	\$2,052,077,770	12.5%	\$256,133,808	\$2,185,291,339	12.4%	\$271,082,659	\$2,236,583,873	12.9%	\$288,026,426

Table A-4. FY 2009 Fund Balances and Expendable Fund Balances***

Expendable Fund Balances should not be interpreted as an indication of an institution's cash funds or that an institution has difficulty in meeting payroll or accounts payable.

Institution	Fund Balance	Accounts Receivable	Inventory	Encumbered	Expendable Fund Balance
ASUJ	\$8,939,501	\$6,884,410	\$909,242		\$1,145,849
ATU	\$9,344,758	\$2,428,490	\$31,347		\$6,884,921
HSU	\$1,546,309	\$1,672,982	\$151,085	\$40,348	(\$318,106)
SAUM	\$3,502,003	\$1,816,422	\$175,091	\$1,042,908	\$467,582
UAF**	\$37,609,066	\$13,258,808	\$4,726,921	\$730,581	\$18,892,756
UAFS	\$2,970,386	\$2,708,827	\$67,251	\$730,581	(\$536,273)
UALR	\$10,009,406	\$7,496,859	\$157,101		\$2,355,446
UAM	\$3,985,638	\$1,022,967	\$204,081	\$78,336	\$2,680,254
UAPB	\$5,078,613	\$2,460,641	\$28,722		\$2,589,250
UCA	(\$4,663,412)	\$3,855,787	\$358,505	\$0	(\$8,877,704)
Totals	\$78,322,268	\$43,606,193	\$6,809,346	\$2,622,754	\$25,283,975
ANC	\$4,837,020	\$761,560	\$24,393		\$4,051,067
ASUB	\$2,984,487	\$703,193	\$89,826		\$2,191,468
ASUMH	\$1,497,649	\$395,176			\$1,102,473
ASUN	\$7,250,614	\$278,000			\$6,972,614
BRTC	\$5,319,795	\$738,257	\$221,218	\$0	\$4,360,320
CCCUA	\$1,144,528	\$432,502		\$74,255	\$637,771
EACC	\$2,321,974	\$125,000	\$295,000		\$1,901,974
MSCC	\$1,308,109	\$897,693	\$30,000		\$380,416
NAC	\$1,652,663	\$223,728	\$6,629	\$22,000	\$1,400,306
NPCC	\$2,775,234	\$556,400	\$265,555		\$1,953,279
NWACC	\$4,972,183	\$2,047,227	\$22,984	\$0	\$2,901,971
OTC	\$1,110,880	\$185,766	\$133,622		\$791,492
OZC	\$3,100,077	\$444,304	\$209,455		\$2,446,318
PCCUA	\$2,454,785	\$633,153	\$43,169		\$1,778,463
PTC	\$8,282,728	\$947,180	\$21,529	\$32,915	\$7,281,104
RMCC	\$2,471,798	\$395,000	\$135,000		\$1,941,798
SACC	\$2,035,007	\$177,679	\$24,367		\$1,832,961
SAUT	\$2,833,759	\$240,559	\$13,007	\$22,282	\$2,557,911
SEAC	\$1,467,563	\$305,170			\$1,162,393
UACCB	\$1,886,819	\$342,472	\$232,101	\$233,432	\$1,078,814
UACCH	\$1,247,232	\$459,166	\$7,051		\$781,015
UACCM	\$3,382,737	\$439,338			\$2,943,399
Totals	\$66,337,641	\$10,966,963	\$1,750,513	\$384,884	\$52,449,327

**Consolidated Fund Balance

***Source Series: 10-1

Appendix B

Net Tuition and Fee Income

(Where the Money Came From)

Table B-1. Net Tuition History - Universities

		1998-99	2004-05	2005-06	2006-07	2007-08	2008-09
ASUJ	Tuition and Fee Income	\$26,701,701	\$44,958,817	\$49,217,084	\$54,482,499	\$ 58,671,724	\$ 67,011,792
	Scholarships	6,767,968	10,464,604	10,813,503	13,942,353	\$ 15,322,050	\$ 17,597,147
	Net Tuition and Fee Income	\$19,933,733	\$34,494,213	\$38,403,581	\$40,540,146	\$43,349,674	\$49,414,645
	Annual FTE	9,089	9,002	9,044	9,431	9,382	10,037
	UG Resident Tuition	\$2,804	\$5,155	\$5,440	\$5,710	\$6,010	\$6,370
	Net Income/FTE	\$2,193	\$3,832	\$4,246	\$4,299	\$4,621	\$4,923
ATU	Tuition and Fee Income	\$9,467,910	\$24,933,840	\$27,317,864	\$29,371,373	\$30,816,813	\$32,778,675
	Scholarships	1,842,956	7,478,000	8,507,760	9,601,987	10,282,137	11,088,576
	Net Tuition and Fee Income	\$7,624,954	\$17,455,840	\$18,810,104	\$19,769,386	\$20,534,676	\$21,690,099
	Annual FTE	4,092	6,203	6,387	6,563	6,281	6,322
	UG Resident Tuition	\$2,288	\$4,468	\$4,700	\$4,880	\$5,120	\$5,430
	Net Income/FTE	\$1,863	\$2,814	\$2,945	\$3,012	\$3,269	\$3,431
HSU	Tuition and Fee Income	\$7,926,107	\$13,769,175	\$15,277,108	\$17,158,137	\$18,923,291	\$20,555,496
	Scholarships	1,675,775	3,902,532	4,604,780	5,080,528	6,396,616	7,217,911
	Net Tuition and Fee Income	\$6,250,332	\$9,866,643	\$10,672,328	\$12,077,609	\$12,526,675	\$13,337,585
	Annual FTE	3,386	3,326	3,293	3,291	3,407	3,435
	UG Resident Tuition	\$2,736	\$4,168	\$4,645	\$5,210	\$5,689	\$6,024
	Net Income/FTE	\$1,846	\$2,967	\$3,240	\$3,670	\$3,677	\$3,883
SAUM	Tuition and Fee Income	\$5,637,843	\$10,798,441	\$12,216,070	\$13,968,037	\$15,106,815	\$16,014,018
	Scholarships	1,395,707	3,861,666	4,513,130	4,452,544	4,747,353	5,336,859
	Net Tuition and Fee Income	\$4,242,136	\$6,936,775	\$7,702,940	\$9,515,493	\$10,359,462	\$10,677,159
	Annual FTE	2,512	2,824	2,839	2,807	2,840	2,814
	UG Resident Tuition	\$2,062	\$3,858	\$4,290	\$4,890	\$5,224	\$5,646
	Net Income/FTE	\$1,688	\$2,457	\$2,713	\$3,390	\$3,648	\$3,794
UAF	Tuition and Fee Income	\$57,121,138	\$94,219,696	\$105,985,174	\$99,493,399	\$109,491,153	\$125,688,331
	Scholarships	15,174,268	\$22,273,791	\$24,892,550	\$12,520,682	\$13,528,572	\$13,092,886
	Net Tuition and Fee Income	\$41,946,870	\$71,945,905	\$81,092,624	\$86,972,717	\$95,962,581	\$112,595,445
	Annual FTE	13,637	15,390	15,950	16,162	16,855	17,608
	UG Resident Tuition	\$3,181	\$5,135	\$5,495	\$5,808	\$6,038	\$6,399
	Net Income/FTE	\$3,076	\$4,675	\$5,084	\$5,381	\$5,693	\$6,395
UAFS	Tuition and Fee Income	\$5,445,920	\$11,483,753	\$13,605,820	\$16,313,165	\$19,563,259	\$22,433,345
	Scholarships	501,325	612,269	2,005,499	2,310,857	2,777,727	3,228,790
	Net Tuition and Fee Income	\$4,944,595	\$10,871,484	\$11,600,321	\$14,002,308	\$16,785,532	\$19,204,555
	Annual FTE	3,566	4,975	5,049	5,135	5,264	5,545
	UG Resident Tuition	\$932	\$2,430	\$2,830	\$3,340	\$4,060	\$4,410
	Net Income/FTE	\$1,387	\$2,185	\$2,297	\$2,727	\$3,189	\$3,463
UALR	Tuition and Fee Income	\$26,868,735	\$45,211,985	\$48,550,292	\$50,613,362	\$54,039,441	\$58,958,964
	Scholarships	3,348,889	\$5,968,633	\$6,452,873	\$6,837,245	\$9,564,189	\$10,833,357
	Net Tuition and Fee Income	\$23,519,846	\$39,243,352	\$42,097,419	\$43,776,117	\$44,475,252	\$48,125,607
	Annual FTE	7,870	9,043	9,127	9,088	9,117	9,328
	UG Resident Tuition	\$3,270	\$4,957	\$5,243	\$5,511	\$5,740	\$6,121
	Net Income/FTE	\$2,988	\$4,340	\$4,612	\$4,817	\$4,878	\$5,159
UAM	Tuition and Fee Income	\$4,687,691	\$9,023,287	\$9,030,873	\$9,286,882	\$9,831,663	\$10,727,073
	Scholarships	874,424	2,320,621	2,571,503	2,634,195	2,816,071	3,193,683
	Net Tuition and Fee Income	\$3,813,267	\$6,702,666	\$6,459,370	\$6,652,687	\$7,015,592	\$7,533,390
	Annual FTE	2,000	2,640	2,605	2,644	2,243	2,298
	UG Resident Tuition	\$2,330	\$3,625	\$3,910	\$4,150	\$4,300	\$4,600
	Net Income/FTE	\$1,906	\$2,539	\$2,480	\$2,516	\$3,128	\$3,278
UAPB	Tuition and Fee Income	\$6,832,166	\$12,662,479	\$12,683,108	\$13,188,493	\$14,370,664	\$17,416,266
	Scholarships	1,528,383	3,317,217	3,442,058	3,354,216	3,362,330	4,294,779
	Net Tuition and Fee Income	\$5,303,783	\$9,345,262	\$9,241,050	\$9,834,277	\$11,008,334	\$13,121,487
	Annual FTE	2,921	3,172	2,993	2,799	2,916	3,247
	UG Resident Tuition	\$2,418	\$4,043	\$4,254	\$4,454	\$4,499	\$4,676
	Net Income/FTE	\$1,816	\$2,947	\$3,088	\$3,513	\$3,775	\$4,041
UCA	Tuition and Fee Income	\$22,579,652	\$44,045,026	\$53,118,346	\$60,094,035	\$62,130,784	\$71,514,073
	Scholarships	7,230,830	16,887,977	21,787,676	23,246,015	19,740,031	23,739,129
	Net Tuition and Fee Income	\$15,348,822	\$27,157,049	\$31,330,670	\$36,848,020	\$42,390,753	\$47,774,944
	Annual FTE	8,108	9,768	10,802	11,401	11,203	11,478
	UG Resident Tuition	\$3,038	\$5,053	\$5,755	\$6,010	\$6,215	\$6,505
	Net Income/FTE	\$1,893	\$2,780	\$2,900	\$3,232	\$3,784	\$4,162
TOTAL	Tuition and Fee Income	\$173,268,863	\$311,106,499	\$347,001,739	\$363,969,382	\$392,945,607	\$443,098,033
	Scholarships	\$40,340,525	\$77,087,310	\$89,591,332	\$83,980,622	\$88,537,076	\$99,623,117
	Net Tuition and Fee Income	\$132,928,338	\$234,019,189	\$257,410,407	\$279,988,760	\$304,408,531	\$343,474,916

Table B-2. Net Tuition History - Two-Year College

		1998-99		2004-05	2005-06	2006-07	2007-08	2008-09
ANC	Tuition and Fee Income	\$1,438,328		\$2,758,524	\$2,615,341	\$2,426,016	\$2,323,058	\$2,712,248
	Scholarships	123,546		150,136	124,213	106,112	\$124,471	\$117,518
	Net Tuition and Fee Income	\$1,314,782		\$2,608,388	\$2,491,128	\$2,319,904	\$2,198,587	\$2,594,730
	Annual FTE	1,277		1,488	1,338	1,219	1,162	1,315
	UG Resident Tuition	\$1,162		\$1,870	\$1,930	\$1,960	\$1,990	\$2,020
	Net Tuition Income/FTE	\$1,030		\$1,753	\$1,862	\$1,903	\$1,892	\$1,973
ASUB	Tuition and Fee Income	\$2,725,846		\$5,694,334	\$6,333,314	\$7,351,786	\$8,537,213	\$9,147,973
	Scholarships	207,152		397,657	562,207	676,196	946,288	1,007,900
	Net Tuition and Fee Income	\$2,518,694		\$5,296,677	\$5,771,107	\$6,675,590	\$7,590,925	\$8,140,073
	Annual FTE	1,942		2,710	2,917	3,033	3,240	3,283
	UG Resident Tuition	\$1,170		\$2,160	\$2,280	\$2,460	\$2,550	\$2,670
	Net Tuition Income/FTE	\$1,297		\$1,955	\$1,979	\$2,201	\$2,343	\$2,479
ASUMH	Tuition and Fee Income	\$863,962		\$2,083,313	\$2,182,657	\$2,151,519	\$2,257,818	\$3,011,699
	Scholarships	52,324		79,079	78,355	90,060	\$107,036	\$139,586
	Net Tuition and Fee Income	\$811,638		\$2,004,234	\$2,104,302	\$2,061,459	\$2,150,782	\$2,872,113
	Annual FTE	613		897	866	811	864	963
	UG Resident Tuition	\$1,138		\$2,160	\$2,280	\$2,370	\$2,370	\$2,760
	Net Tuition Income/FTE	\$1,324		\$2,235	\$2,430	\$2,542	\$2,489	\$2,982
ASUN	Tuition and Fee Income	\$898,303		\$1,991,495	\$2,477,823	\$2,533,341	\$2,763,956	\$3,571,382
	Scholarships	25,975		78,325	22,256	50,874	\$94,403	\$73,330
	Net Tuition and Fee Income	\$872,328		\$1,913,170	\$2,455,567	\$2,482,467	\$2,669,553	\$3,498,052
	Annual FTE	471		835	906	892	916	1,284
	UG Resident Tuition			\$2,070	\$2,190	\$2,280	\$2,340	\$2,400
	Net Tuition Income/FTE	\$1,852		\$2,290	\$2,709	\$2,783	\$2,914	\$2,724
BRTC	Tuition and Fee Income	\$1,160,082		\$3,148,719	\$3,030,620	\$3,374,643	\$3,807,737	\$3,889,136
	Scholarships	60,816		480,274	374,922	502,588	\$485,267	\$416,645
	Net Tuition and Fee Income	\$1,099,266		\$2,668,445	\$2,655,698	\$2,872,055	\$3,322,470	\$3,472,491
	Annual FTE	889		1,578	1,473	1,438	1,621	1,593
	UG Resident Tuition	\$1,344		\$2,070	\$2,070	\$2,070	\$2,070	\$2,190
	Net Tuition Income/FTE	\$1,237		\$1,691	\$1,803	\$1,997	\$2,050	\$2,180
CCCUA	Tuition and Fee Income	\$1,038,398		\$1,388,513	\$1,551,754	\$1,762,440	\$1,894,234	\$2,149,073
	Scholarships	-		22,231	15,808	21,325	\$19,915	\$18,141
	Net Tuition and Fee Income	\$1,038,398		\$1,366,282	\$1,535,946	\$1,741,115	\$1,874,319	\$2,130,932
	Annual FTE	521		731	726	823	870	894
	UG Resident Tuition	\$1,274		\$1,636	\$1,846	\$1,920	\$1,920	\$1,920
	Net Tuition Income/FTE	\$1,993		\$1,869	\$2,115	\$2,116	\$2,154	\$2,384
EACC	Tuition and Fee Income	\$939,326		\$2,139,900	\$2,091,638	\$2,274,368	\$2,430,986	\$2,428,258
	Scholarships	132,547		235,723	216,920	248,066	\$278,663	\$297,659
	Net Tuition and Fee Income	\$806,779		\$1,904,177	\$1,874,718	\$2,026,302	\$2,152,323	\$2,130,599
	Annual FTE	1,062		1,078	1,031	1,102	1,111	1,033
	UG Resident Tuition	\$936		\$1,770	\$1,860	\$1,860	\$2,010	\$2,130
	Net Tuition Income/FTE	\$760		\$1,767	\$1,818	\$1,839	\$1,937	\$2,062
MSCC	Tuition and Fee Income	\$800,662		\$1,467,658	\$1,628,774	\$2,121,171	\$2,241,353	\$2,715,398
	Scholarships	41,670		55,047	77,567	92,035	116,728	153,089
	Net Tuition and Fee Income	\$758,992		\$1,412,611	\$1,551,207	\$2,029,136	\$2,124,625	\$2,562,309
	Annual FTE	646		785	860	894	925	1,064
	UG Resident Tuition	\$1,086		\$1,800	\$1,950	\$1,950	\$2,100	\$2,280
	Net Tuition Income/FTE	\$1,175		\$1,800	\$1,804	\$2,270	\$2,297	\$2,409
NAC	Tuition and Fee Income	\$1,915,102		\$2,819,872	\$3,329,087	\$3,182,754	\$3,443,144	\$3,767,090
	Scholarships	388,737		207,280	252,933	242,603	266,506	345,401
	Net Tuition and Fee Income	\$1,526,365		\$2,612,592	\$3,076,154	\$2,940,151	\$3,176,638	\$3,421,689
	Annual FTE	1,372		1,667	1,601	1,510	1,534	1,654
	UG Resident Tuition	\$1,248		\$1,800	\$2,130	\$2,280	\$2,340	\$2,460
	Net Tuition Income/FTE	\$1,113		\$1,568	\$1,922	\$1,947	\$2,071	\$2,069

Table B-2. Net Tuition History - Two-Year College

		1998-99	2004-05	2005-06	2006-07	2007-08	2008-09
NPCC	Tuition and Fee Income	\$1,634,534	\$3,127,326	\$3,047,343	\$3,621,889	\$4,046,324	\$5,289,367
	Scholarships	\$95,319	\$246,656	\$257,464	\$335,593	\$372,196	\$905,751
	Net Tuition and Fee Income	\$1,539,215	\$2,880,670	\$2,789,879	\$3,286,296	\$3,674,128	\$4,383,616
	Annual FTE	1,266	1,892	1,884	1,851	2,005	2,288
	UG Resident Tuition	\$1,124	\$1,470	\$1,470	\$2,030	\$2,130	\$2,350
	Net Tuition Income/FTE	\$1,216	\$1,522	\$1,480	\$1,775	\$1,832	\$1,916
NWACC	Tuition and Fee Income	\$3,807,015	\$7,391,802	\$10,701,722	\$11,869,468	\$13,504,797	\$16,898,934
	Scholarships	\$202,662	\$290,281	\$701,287	\$364,305	\$452,805	\$590,703
	Net Tuition and Fee Income	\$3,604,353	\$7,101,521	\$10,000,435	\$11,505,163	\$13,051,992	\$16,308,231
	Annual FTE	2,064	3,204	3,378	3,580	4,161	4,732
	UG Resident Tuition	\$2,250	\$2,865	\$2,925	\$3,085	\$3,085	\$3,460
	Net Tuition Income/FTE	\$1,746	\$2,216	\$2,960	\$3,214	\$3,137	\$3,446
OTC	Tuition and Fee Income	\$769,785	\$1,593,217	\$2,000,040	\$2,004,617	\$2,316,165	\$2,319,138
	Scholarships	\$27,450	\$0	\$158,537	\$0	\$356,295	\$388,013
	Net Tuition and Fee Income	\$742,335	\$1,593,217	\$1,841,503	\$2,004,617	\$1,959,870	\$1,931,125
	Annual FTE	512	780	881	853	904	923
	UG Resident Tuition	\$1,290	\$1,860	\$1,920	\$1,980	\$2,040	\$2,130
	Net Tuition Income/FTE	\$1,450	\$2,043	\$2,089	\$2,350	\$2,168	\$2,092
OZC	Tuition and Fee Income	\$544,412	\$1,264,691	\$1,645,100	\$1,551,023	\$2,215,144	\$2,593,269
	Scholarships	\$0	\$165,849	\$202,778	\$201,591	\$183,677	\$206,356
	Net Tuition and Fee Income	\$544,412	\$1,098,843	\$1,442,322	\$1,349,432	\$2,031,467	\$2,386,913
	Annual FTE	527	672	730	695	871	921
	UG Resident Tuition	\$1,032	\$1,860	\$1,920	\$1,980	\$2,040	\$2,570
	Net Tuition Income/FTE	\$1,033	\$1,635	\$1,977	\$1,942	\$2,332	\$2,591
PCCUA	Tuition and Fee Income	\$1,447,822	\$2,956,152	\$3,355,372	\$3,452,738	\$3,776,623	\$4,078,313
	Scholarships	\$386,001	\$313,227	\$436,813	\$326,906	\$369,442	\$373,935
	Net Tuition and Fee Income	\$1,061,821	\$2,642,925	\$2,918,559	\$3,125,832	\$3,407,181	\$3,704,378
	Annual FTE	1,259	1,467	1,458	1,266	1,345	1,338
	UG Resident Tuition	\$1,224	\$2,030	\$2,030	\$2,180	\$2,180	\$2,300
	Net Tuition Income/FTE	\$843	\$1,802	\$2,002	\$2,469	\$2,533	\$2,768
PTC	Tuition and Fee Income	\$3,326,781	\$12,917,838	\$14,479,977	\$16,035,182	\$17,377,259	\$19,612,808
	Scholarships	\$127,107	\$585,081	\$733,723	\$756,089	\$897,292	\$1,348,204
	Net Tuition and Fee Income	\$3,199,674	\$12,332,757	\$13,746,254	\$15,279,093	\$16,479,967	\$18,264,604
	Annual FTE	2,446	5,529	5,849	6,061	6,267	6,646
	UG Resident Tuition	\$1,196	\$2,170	\$2,270	\$2,430	\$2,520	\$2,660
	Net Tuition Income/FTE	\$1,308	\$2,231	\$2,350	\$2,521	\$2,630	\$2,748
RMCC	Tuition and Fee Income	\$512,040	\$920,131	\$916,902	\$1,131,239	\$1,170,731	\$1,231,175
	Scholarships	\$63,462	\$76,545	\$75,159	\$97,587	\$197,162	\$165,206
	Net Tuition and Fee Income	\$448,578	\$843,586	\$841,743	\$1,033,652	\$973,569	\$1,065,969
	Annual FTE	419	518	521	514	592	592
	UG Resident Tuition	\$1,104	\$1,890	\$1,890	\$2,160	\$1,800	\$2,160
	Net Tuition Income/FTE	\$1,071	\$1,627	\$1,616	\$2,011	\$1,644	\$1,801
SACC	Tuition and Fee Income	\$1,079,023	\$2,468,392	\$2,447,896	\$2,658,477	\$2,802,721	\$3,286,201
	Scholarships	\$83,400	\$140,131	\$33,108	\$146,050	\$44,852	\$65,418
	Net Tuition and Fee Income	\$995,623	\$2,328,261	\$2,414,788	\$2,512,427	\$2,757,869	\$3,220,783
	Annual FTE	824	1,023	1,030	984	1,085	1,195
	UG Resident Tuition	\$1,258	\$2,140	\$2,140	\$2,140	\$2,230	\$2,410
	Net Tuition Income/FTE	\$1,208	\$2,275	\$2,345	\$2,553	\$2,542	\$2,695
SAUT	Tuition and Fee Income	\$759,722	\$2,050,437	\$2,415,630	\$2,798,256	\$2,876,525	\$3,634,760
	Scholarships	\$95,008	\$309,743	\$631,842	\$553,348	\$506,196	\$659,982
	Net Tuition and Fee Income	\$664,714	\$1,740,694	\$1,783,788	\$2,244,908	\$2,370,329	\$2,974,778
	Annual FTE	622	1,047	1,071	1,278	1,397	1,341
	UG Resident Tuition	\$1,128	\$1,920	\$2,106	\$2,520	\$2,520	\$3,030
	Net Tuition Income/FTE	\$1,069	\$1,663	\$1,666	\$1,757	\$1,697	\$2,218
SEAC	Tuition and Fee Income	\$1,139,054	\$2,895,890	\$2,969,440	\$2,996,640	\$3,011,464	\$3,830,608
	Scholarships	\$28,336	\$36,356	\$46,254	\$33,671	\$78,377	\$153,306
	Net Tuition and Fee Income	\$1,110,718	\$2,859,534	\$2,923,186	\$2,962,969	\$2,933,087	\$3,677,302
	Annual FTE	1,209	1,688	1,566	1,557	1,563	1,534
	UG Resident Tuition	\$910	\$1,600	\$1,660	\$1,720	\$1,780	\$2,320
	Net Tuition Income/FTE	\$919	\$1,694	\$1,867	\$1,903	\$1,877	\$2,398

		1998-99		2004-05	2005-06	2006-07	2007-08	2008-09
UACCB	Tuition and Fee Income	\$667,324		\$2,093,124	\$2,306,054	\$2,195,349	\$2,606,272	\$2,987,048
	Scholarships	\$0		\$163,935	\$142,386	\$128,575	\$157,328	\$189,403
	Net Tuition and Fee Income	\$667,324		\$1,929,189	\$2,163,668	\$2,066,774	\$2,448,944	\$2,797,645
	Annual FTE	522		1,043	1,028	998	1,136	1,233
	UG Resident Tuition	\$1,066		\$2,110	\$2,200	\$2,200	\$2,290	\$2,455
	Net Tuition Income/FTE	\$1,278		\$1,849	\$2,104	\$2,071	\$2,156	\$2,269
UACCH	Tuition and Fee Income	\$1,042,431		\$1,769,998	\$1,697,411	\$1,685,423	\$1,909,987	\$2,078,832
	Scholarships	\$110,735		\$151,017	\$155,456	\$191,669	\$359,306	\$304,889
	Net Tuition and Fee Income	\$931,696		\$1,618,981	\$1,541,955	\$1,493,754	\$1,550,681	\$1,773,943
	Annual FTE	1,003		877	827	806	921	967
	UG Resident Tuition	\$932		\$1,888	\$1,888	\$1,948	\$2,016	\$2,016
	Net Tuition Income/FTE	\$929		\$1,846	\$1,863	\$1,853	\$1,684	\$1,835
UACCM	Tuition and Fee Income	\$989,392		\$2,756,777	\$3,288,888	\$3,542,093	\$3,791,736	\$4,472,838
	Scholarships	\$61,534		\$175,196	\$229,344	\$272,512	\$336,152	\$424,839
	Net Tuition and Fee Income	\$927,858		\$2,581,581	\$3,059,544	\$3,269,581	\$3,455,584	\$4,047,999
	Annual FTE	795		1,211	1,312	1,299	1,381	1,562
	UG Resident Tuition	\$1,182		\$2,230	\$2,440	\$2,610	\$2,610	\$2,730
	Net Tuition Income/FTE	\$1,167		\$2,133	\$2,333	\$2,517	\$2,502	\$2,592
TOTAL	Tuition and Fee Income	\$29,499,344		\$67,698,103	\$76,512,784	\$82,720,432	\$91,105,246	\$105,705,548
	Scholarships	\$2,313,781		\$4,359,768	\$5,529,332	\$5,437,755	\$6,750,357	\$8,345,274
	Net Tuition and Fee Income	\$27,185,563		\$63,338,334	\$70,983,451	\$77,282,677	\$84,354,890	\$97,360,274

Appendix C

Expenditures per FTE by Function

(Where did the Money Went)

Table C-1. Expenditures per FTE Student for 2008-09 by Expenditure Function

	2008-09										
	UAF	ASUJ	UALR	UCA	ATU	HSU	SAU	UAM	UAPB	UAFS	Average
Instruction	\$5,910	\$4,499	\$5,608	\$5,004	\$3,886	\$5,149	\$4,750	\$4,728	\$3,630	\$3,564	\$4,951
Research	\$924	\$240	\$487	\$71	\$101	\$75	\$91	\$12	\$79	\$0	\$353
Public Service	\$488	\$258	\$336	\$91	\$1	\$28	\$80	\$65	\$84	\$62	\$228
Academic Support	\$1,671	\$1,500	\$2,005	\$792	\$874	\$355	\$1,037	\$724	\$1,181	\$1,167	\$1,302
Student Services	\$966	\$773	\$694	\$451	\$554	\$612	\$841	\$605	\$1,016	\$583	\$726
Institutional Support	\$1,758	\$1,298	\$1,144	\$948	\$1,504	\$1,684	\$1,245	\$1,494	\$1,433	\$1,358	\$1,386
Operation and Maintenance of Plant	\$1,792	\$1,235	\$1,137	\$976	\$847	\$1,120	\$1,273	\$1,440	\$1,775	\$1,017	\$1,293
Scholarships & Fellowships	\$744	\$1,753	\$1,161	\$2,068	\$1,754	\$2,101	\$1,896	\$1,390	\$1,323	\$582	\$1,382
Other	\$297	\$119	\$318	\$361	\$20	\$0	\$0	\$0	\$0	\$0	\$189
Total	\$14,550	\$11,675	\$12,890	\$10,763	\$9,541	\$11,125	\$11,213	\$10,458	\$10,521	\$8,333	\$11,810

Table C-2. Expenditures per FTE by Expenditure Function for 2008-09

College	Instruction	Research	Public Service	Academic Support	Student Services	Institutional Support	Operation and Maintenance of Plant	Scholarships & Fellowships	Other	Total
ANC	\$5,793	\$0	\$98	\$288	\$731	\$2,244	\$1,755	\$135	\$0	\$11,045
ASUB	\$3,155	\$0	\$0	\$406	\$561	\$1,236	\$875	\$307	\$105	\$6,646
ASUMH	\$3,218	\$0	\$0	\$427	\$704	\$1,823	\$1,263	\$145	\$0	\$7,578
ASUN	\$4,554	\$0	\$0	\$379	\$583	\$1,499	\$910	\$57	\$0	\$7,981
BRTC	\$3,274	\$0	\$182	\$314	\$613	\$959	\$972	\$262	\$0	\$6,577
CCCUA	\$3,300	\$0	\$0	\$1,649	\$872	\$1,211	\$1,063	\$20	\$311	\$8,425
EACC	\$3,635	\$0	\$55	\$702	\$1,103	\$1,349	\$692	\$288	\$1	\$7,825
MSCC	\$2,756	\$0	\$62	\$882	\$718	\$2,661	\$1,535	\$144	\$46	\$8,802
NAC	\$3,722	\$0	\$0	\$1,193	\$412	\$1,460	\$866	\$209	\$0	\$7,862
NPCC	\$3,217	\$0	\$29	\$358	\$821	\$1,406	\$692	\$451	\$0	\$6,974
NWACC	\$3,180	\$0	\$0	\$522	\$668	\$1,286	\$758	\$125	\$0	\$6,539
OTC	\$3,383	\$0	\$0	\$423	\$761	\$1,556	\$1,136	\$420	\$0	\$7,680
OZC	\$2,772	\$0	\$80	\$193	\$571	\$2,103	\$1,402	\$224	\$0	\$7,344
PCCUA	\$4,333	\$0	\$0	\$1,133	\$752	\$2,568	\$1,239	\$279	\$0	\$10,305
PTC	\$2,266	\$0	\$0	\$615	\$401	\$730	\$407	\$203	\$0	\$4,622
RMCC	\$3,073	\$0	\$39	\$904	\$767	\$1,932	\$869	\$1,160	\$0	\$8,743
SACC	\$4,071	\$0	\$58	\$684	\$507	\$1,612	\$1,041	\$55	\$0	\$8,028
SAUT	\$2,391	\$0	\$128	\$621	\$640	\$1,752	\$986	\$492	\$0	\$7,011
SEAC	\$3,004	\$0	\$0	\$517	\$568	\$2,063	\$666	\$100	\$0	\$6,918
UACCB	\$2,921	\$0	\$0	\$891	\$642	\$1,149	\$712	\$154	\$0	\$6,468
UACCH	\$3,623	\$0	\$57	\$531	\$775	\$1,740	\$1,092	\$315	\$706	\$8,839
UACCM	\$3,228	\$0	\$4	\$599	\$649	\$911	\$863	\$272	\$327	\$6,853

Table C-3. Expenditure Shifts 1998-99 to 2008-09 by Type of Institution

	Doctoral I		Bachelor's			
	UAF		UAFS			
Expenditure Function	1998-99	2008-09	1998-99	2008-09		
Instruction	\$4,607	\$5,910	\$2,785	\$3,564		
Research	\$511	\$924	\$0	\$0		
Public Service	\$382	\$488	\$127	\$62		
Academic Support	\$1,173	\$1,671	\$736	\$1,167		
Student Services	\$567	\$966	\$649	\$583		
Institutional Support	\$1,108	\$1,758	\$991	\$1,358		
Operation and Maintenance of Plant	\$1,159	\$1,792	\$584	\$1,017		
Scholarships & Fellowships	\$1,113	\$744	\$144	\$582		
Other	\$253	\$297	\$0	\$0		
Total	\$10,875	\$14,550	\$6,016	\$8,333		
	Doctoral III					
	ASUJ		UALR		UCA	
Expenditure Function	1998-99	2008-09	1998-99	2008-09	1998-99	2008-09
Instruction	\$3,619	\$4,499	\$3,833	\$5,608	\$3,762	\$5,004
Research	\$95	\$240	\$119	\$487	\$107	\$71
Public Service	\$113	\$258	\$28	\$336	\$42	\$91
Academic Support	\$807	\$1,500	\$1,123	\$2,005	\$681	\$792
Student Services	\$392	\$773	\$393	\$694	\$334	\$451
Institutional Support	\$960	\$1,298	\$1,227	\$1,144	\$695	\$948
Operation and Maintenance of Plant	\$904	\$1,235	\$682	\$1,137	\$657	\$976
Scholarships & Fellowships	\$748	\$1,753	\$428	\$1,161	\$892	\$2,068
Other	(\$11)	\$119	\$1,179	\$318	\$34	\$361
Total	\$7,628	\$11,675	\$9,009	\$12,890	\$7,204	\$10,763
	Master's IV					
	ATU		HSU			
Expenditure Function	1998-99	2008-09	1998-99	2008-09		
Instruction	\$3,135	\$3,886	\$3,567	\$5,149		
Research	\$64	\$101	\$81	\$75		
Public Service	\$3	\$1	\$12	\$28		
Academic Support	\$691	\$874	\$498	\$355		
Student Services	\$438	\$554	\$380	\$612		
Institutional Support	\$837	\$1,504	\$993	\$1,684		
Operation and Maintenance of Plant	\$652	\$847	\$766	\$1,120		
Scholarships & Fellowships	\$450	\$1,754	\$495	\$2,101		
Other	\$145	\$20	\$0	\$0		
Total	\$6,415	\$9,541	\$6,791	\$11,125		
	Master's V					
	SAUM		UAM		UAPB	
Expenditure Function	1998-99	2008-09	1998-99	2008-09	1998-99	2008-09
Instruction	\$3,346	\$4,750	\$3,536	\$4,728	\$3,282	\$3,630
Research	\$16	\$91	\$2	\$12	\$61	\$79
Public Service	\$50	\$80	\$55	\$65	\$61	\$84
Academic Support	\$738	\$1,037	\$515	\$724	\$974	\$1,181
Student Services	\$492	\$841	\$555	\$605	\$758	\$1,016
Institutional Support	\$869	\$1,245	\$1,122	\$1,494	\$1,592	\$1,433
Operation and Maintenance of Plant	\$895	\$1,273	\$892	\$1,440	\$884	\$1,775
Scholarships & Fellowships	\$556	\$1,896	\$437	\$1,390	\$523	\$1,323
Other	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$6,962	\$11,213	\$7,114	\$10,458	\$8,135	\$10,521

Table C-4. A decade of Change in Two Year College Expenditures by Function

Expenditure Function	ANC		ASUB		ASUMH		ASUN		BRTC	
	1998-99	2008-09	1998-99	2008-09	1998-99	2008-09	1998-99	2008-09	1998-99	2008-09
Instruction	\$3,061	\$5,793	\$2,256	\$3,155	\$3,554	\$3,218	\$3,962	\$4,554	\$3,222	\$3,274
Research	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Public Service	\$354	\$98	\$0	\$0	\$0	\$0	\$0	\$0	\$92	\$182
Academic Support	\$298	\$288	\$690	\$406	\$566	\$427	\$795	\$379	\$428	\$314
Student Services	\$425	\$731	\$470	\$561	\$374	\$704	\$839	\$583	\$668	\$613
Institutional Support	\$868	\$2,244	\$934	\$1,236	\$1,560	\$1,823	\$951	\$1,499	\$820	\$959
Operation and Maintenance of Plant	\$888	\$1,755	\$655	\$875	\$742	\$1,263	\$684	\$910	\$834	\$972
Scholarships & Fellowships	\$102	\$135	\$112	\$307	\$104	\$145	\$73	\$57	\$78	\$262
Other	\$0	\$0	\$152	\$105	\$156	\$0	\$24	\$0	\$0	\$0
Total	\$5,996	\$11,045	\$5,270	\$6,646	\$7,055	\$7,578	\$7,328	\$7,981	\$6,142	\$6,577
Expenditure Function	CCCUA		EACC		MSCC		NAC		NPCC	
	1998-99	2008-09	1998-99	2008-09	1998-99	2008-09	1998-99	2008-09	1998-99	2008-09
Instruction	\$4,606	\$3,300	\$2,649	\$3,635	\$1,969	\$2,756	\$3,390	\$3,722	\$3,418	\$3,217
Research	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Public Service	\$40	\$0	\$160	\$55	\$231	\$62	\$0	\$0	\$149	\$29
Academic Support	\$525	\$1,649	\$511	\$702	\$232	\$882	\$933	\$1,193	\$288	\$358
Student Services	\$510	\$872	\$939	\$1,103	\$656	\$718	\$443	\$412	\$704	\$821
Institutional Support	\$1,357	\$1,211	\$956	\$1,349	\$661	\$2,661	\$1,009	\$1,460	\$897	\$1,406
Operation and Maintenance of Plant	\$1,204	\$1,063	\$330	\$692	\$1,695	\$1,535	\$629	\$866	\$575	\$692
Scholarships & Fellowships	\$0	\$20	\$125	\$288	\$583	\$144	\$291	\$209	\$81	\$451
Other	\$0	\$311	\$0	\$1	\$61	\$46	\$0	\$0	\$0	\$0
Total	\$8,243	\$8,425	\$5,670	\$7,825	\$6,088	\$8,802	\$6,695	\$7,862	\$6,112	\$6,974
Expenditure Function	NWACC		OTC		OZC		PCCUA		PTC	
	1998-99	2008-09	1998-99	2008-09	1998-99	2008-09	1998-99	2008-09	1998-99	2008-09
Instruction	\$2,772	\$3,180	\$3,657	\$3,383	\$3,058	\$2,772	\$3,686	\$4,333	\$2,281	\$2,266
Research	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Public Service	\$0	\$0	\$0	\$0	\$0	\$80	\$156	\$0	\$0	\$0
Academic Support	\$419	\$522	\$378	\$423	\$608	\$193	\$650	\$1,133	\$478	\$615
Student Services	\$643	\$668	\$678	\$761	\$622	\$571	\$524	\$752	\$468	\$401
Institutional Support	\$1,128	\$1,286	\$1,846	\$1,556	\$1,492	\$2,103	\$1,436	\$2,568	\$762	\$730
Operation and Maintenance of Plant	\$522	\$758	\$1,330	\$1,136	\$935	\$1,402	\$937	\$1,239	\$403	\$407
Scholarships & Fellowships	\$109	\$125	\$60	\$420	\$0	\$224	\$299	\$279	\$70	\$203
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$5,593	\$6,539	\$7,950	\$7,680	\$6,715	\$7,344	\$7,688	\$10,305	\$4,461	\$4,622
Expenditure Function	RMCC		SACC		SAUT		SEAC		UACCB	
	1998-99	2008-09	1998-99	2008-09	1998-99	2008-09	1998-99	2008-09	1998-99	2008-09
Instruction	\$2,858	\$3,073	\$3,995	\$4,071	\$3,499	\$2,391	\$2,308	\$3,004	\$4,346	\$2,921
Research	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Public Service	\$223	\$39	\$208	\$58	\$50	\$128	\$50	\$0	\$0	\$0
Academic Support	\$982	\$904	\$552	\$684	\$577	\$621	\$318	\$517	\$1,692	\$891
Student Services	\$683	\$767	\$476	\$507	\$934	\$640	\$464	\$568	\$744	\$642
Institutional Support	\$1,004	\$1,932	\$1,551	\$1,612	\$2,716	\$1,752	\$676	\$2,063	\$2,454	\$1,149
Operation and Maintenance of Plant	\$717	\$869	\$784	\$1,041	\$1,448	\$986	\$483	\$666	\$1,177	\$712
Scholarships & Fellowships	\$192	\$1,160	\$104	\$55	\$173	\$492	\$27	\$100	\$0	\$154
Other	\$0	\$0	\$3	\$0	\$0	\$0	\$2	\$0	\$223	\$0
Total	\$6,660	\$8,743	\$7,673	\$8,028	\$9,398	\$7,011	\$4,327	\$6,918	\$10,635	\$6,468
Expenditure Function	UACCH		UACCM							
	1998-99	2008-09	1998-99	2008-09						
Instruction	\$3,037	\$3,623	\$2,982	\$3,228						
Research	\$0	\$0	\$0	\$0						
Public Service	\$146	\$57	\$0	\$4						
Academic Support	\$361	\$531	\$330	\$599						
Student Services	\$599	\$775	\$819	\$649						
Institutional Support	\$1,302	\$1,740	\$1,102	\$911						
Operation and Maintenance of Plant	\$807	\$1,092	\$1,039	\$863						
Scholarships & Fellowships	\$123	\$315	\$91	\$272						
Other	\$0	\$706	\$11	\$327						
Total	\$6,375	\$8,839	\$6,374	\$6,853						

Appendix D

Scholarships

Table D-1. Undergraduate Academic and Performance Scholarship Expenditures for Fiscal 2008-09*

Institution	Academic		Performance		Total Scholarships		Total Tuition & Fee Income	Scholarships as a Percent of Tuition & Fees	Average Academic Award	2008-09 Tuition & Fees	Award as a % of Tuition & Fees
	Awards	Amount	Awards	Amount	Awards	Amount					
ASUJ	3,518	\$9,113,542	393	\$867,589	3,911	\$9,981,131	\$67,011,792	14.9%	\$2,591	6,370	40.7%
ATU	2,020	\$10,221,448	316	\$677,717	2,336	\$10,899,165	\$32,778,675	33.3%	\$5,060	5,430	93.2%
HSU	821	\$4,028,326	279	\$494,284	1,100	\$4,522,610	\$20,555,496	22.0%	\$4,907	6,024	81.5%
SAUM	922	\$3,452,391	299	\$690,588	1,221	\$4,142,979	\$16,014,018	25.9%	\$3,744	5,646	66.3%
UAF	1,871	\$9,250,766	354	\$776,100	2,225	\$10,026,866	\$125,688,331	8.0%	\$4,944	6,399	77.3%
UAFS	1,079	\$2,445,872	151	\$245,939	1,230	\$2,691,811	\$22,433,345	12.0%	\$2,267	4,410	51.4%
UALR	1,640	\$6,363,290	210	\$238,006	1,850	\$6,601,296	\$58,958,964	11.2%	\$3,880	6,121	63.4%
UAM	436	\$1,298,037	316	\$502,493	752	\$1,800,530	\$10,727,073	16.8%	\$2,977	4,600	64.7%
UAPB	269	\$1,812,837	356	\$1,376,200	625	\$3,189,037	\$17,416,266	18.3%	\$6,739	4,676	144.1%
UCA	3,595	\$16,422,393	443	\$1,003,734	4,038	\$17,426,127	\$71,514,073	24.4%	\$4,568	6,505	70.2%
University Total	16,171	\$64,408,902	3,117	\$6,872,650	19,288	\$71,281,552	\$443,098,033	16.1%	\$3,983		

Table D-2 Scholarship Increases FY 2008 to FY 2009

		2007-08				2008-09				Percent Change in:			
		Annual Tuition	2007-08 E&G Tuition and Fee Income	Academic	Performance	Total Scholarships	Annual Tuition	2008-09 E&G Tuition and Fee Income	Academic	Performance	Total Scholarships	Scholarship Expenditures	Annual Tuition
ASUJ	% of Income	\$6,010	\$58,671,724	\$7,314,978	\$939,324	\$8,254,302	\$6,370	\$67,011,792	\$9,113,542	\$667,589	\$9,981,131	20.9%	6.0%
						14.1%					14.9%		
ATU	% of Income	\$5,120	\$30,816,813	\$8,950,849	\$630,687	\$9,581,536	\$5,430	\$32,778,675	\$10,221,448	\$677,717	\$10,899,165	13.8%	6.1%
						31.1%					33.3%		
HSU	% of Income	\$5,889	\$18,923,291	\$3,898,933	\$474,888	\$4,373,821	\$6,024	\$20,555,496	\$4,028,326	\$494,284	\$4,522,610	8.4%	5.9%
						22.1%					22.0%		
SAUM	% of Income	\$5,224	\$15,106,815	\$3,159,745	\$700,834	\$3,860,579	\$5,646	\$16,014,018	\$3,452,391	\$690,588	\$4,142,979	7.3%	8.1%
						25.6%					25.9%		
UAF	% of Income	\$6,038	\$109,491,153	\$9,864,715	\$767,107	\$10,631,822	\$6,399	\$125,688,331	\$9,250,766	\$776,100	\$10,026,866	-5.7%	6.0%
						9.7%					8.0%		
UAFS	% of Income	\$4,060	\$19,563,259	\$1,882,308	\$525,035	\$2,407,343	\$4,410	\$22,433,345	\$2,445,872	\$245,939	\$2,691,811	11.8%	8.6%
						12.3%					12.0%		
UALR	% of Income	\$5,740	\$54,039,441	\$5,895,402	\$226,485	\$6,121,887	\$6,121	\$58,958,964	\$6,363,290	\$238,006	\$6,601,296	7.8%	6.8%
						11.3%					11.2%		
UAM	% of Income	\$4,300	\$9,831,663	\$1,140,220	\$422,256	\$1,562,476	\$4,600	\$10,727,073	\$1,298,037	\$502,493	\$1,800,530	15.2%	7.0%
						15.9%					16.8%		
UAPB	% of Income	\$4,499	\$14,370,664	\$1,571,628	\$1,244,574	\$2,816,202	\$4,676	\$17,416,266	\$1,812,837	\$1,376,200	\$3,189,037	13.2%	3.9%
						19.6%					18.3%		
UCA	% of Income	\$6,205	\$62,130,784	\$15,527,604	\$835,667	\$16,363,271	\$6,505	\$71,514,073	\$16,422,393	\$1,003,734	\$17,426,127	6.5%	4.8%
						26.3%					24.4%		
Total	% of Income		\$392,945,607	\$59,006,382	\$6,766,655	\$65,773,037		\$443,098,033	\$64,408,902	\$6,872,650	\$71,281,552	8.4%	16.1%

Table D-3. Academic & Performance Scholarship Expenditures as a Percent of Tuition & Fee Income

Institution		2005	2006	2007	2008	2009
ASUJ	Academic & Performance Scholarship	\$5,951,741	\$6,551,320	\$7,296,330	\$8,254,302	\$9,981,131
	Tuition & Fees	\$44,958,817	\$49,217,084	\$54,482,499	\$58,671,724	\$67,011,792
	Scholarship %	13.2%	13.3%	13.4%	14.1%	14.9%
ATU	Academic & Performance Scholarship	\$6,967,406	\$7,752,251	\$8,883,532	\$9,581,536	\$10,899,165
	Tuition & Fees	\$24,933,840	\$27,317,864	\$29,371,373	\$30,816,813	\$32,778,675
	Scholarship %	27.9%	28.4%	30.2%	31.1%	33.3%
HSU	Academic & Performance Scholarship	\$3,292,262	\$3,417,039	\$3,558,719	\$4,173,619	\$4,522,610
	Tuition & Fees	\$13,769,175	\$15,277,108	\$17,158,137	\$18,923,291	\$20,555,496
	Scholarship %	23.9%	22.4%	20.7%	22.1%	22.0%
SAUM	Academic & Performance Scholarship	\$2,937,390	\$3,537,332	\$3,694,759	\$3,860,579	\$4,142,979
	Tuition & Fees	\$10,798,441	\$12,216,070	\$13,968,037	\$15,106,815	\$16,014,018
	Scholarship %	27.2%	29.0%	26.5%	25.6%	25.9%
UAF	Academic & Performance Scholarship	\$10,430,503	\$9,712,645	\$9,530,780	\$10,631,822	\$10,026,866
	Tuition & Fees	\$94,219,696	\$105,985,174	\$99,493,399	\$109,491,153	\$125,688,331
	Scholarship %	11.1%	9.2%	9.6%	9.7%	8.0%
UAFS	Academic & Performance Scholarship	\$520,587	\$1,758,943	\$2,030,213	\$2,407,343	\$2,691,811
	Tuition & Fees	\$11,483,753	\$13,605,820	\$16,313,165	\$19,563,259	\$22,433,345
	Scholarship %	4.5%	12.9%	12.4%	12.3%	12.0%
UALR	Academic & Performance Scholarship	\$3,487,506	\$4,027,924	\$4,122,730	\$6,121,887	\$6,601,296
	Tuition & Fees	\$45,211,985	\$48,550,292	\$50,613,362	\$54,039,441	\$58,958,964
	Scholarship %	7.7%	8.3%	8.1%	11.3%	11.2%
UAM	Academic & Performance Scholarship	\$1,327,170	\$1,423,582	\$1,553,793	\$1,562,476	\$1,800,530
	Tuition & Fees	\$9,023,287	\$9,030,873	\$9,286,882	\$9,831,663	\$10,727,073
	Scholarship %	14.7%	15.8%	16.7%	15.9%	16.8%
UAPB	Academic & Performance Scholarship	\$2,769,816	\$2,789,331	\$2,956,584	\$2,816,202	\$3,189,037
	Tuition & Fees	\$12,662,479	\$12,683,108	\$13,188,493	\$14,370,664	\$17,416,266
	Scholarship %	21.9%	22.0%	22.4%	19.6%	18.3%
UCA	Academic & Performance Scholarship	\$14,635,794	\$18,265,877	\$19,036,855	\$16,363,271	\$17,426,127
	Tuition & Fees	\$44,045,026	\$53,118,346	\$60,094,035	\$62,130,784	\$71,514,073
	Scholarship %	33.2%	34.4%	31.7%	26.3%	24.4%
University Totals	Academic & Performance Scholarship	\$52,320,175	\$59,236,244	\$62,664,295	\$65,773,037	\$71,281,552
	Tuition & Fees	\$311,106,500	\$347,001,739	\$363,969,382	\$392,945,607	\$443,098,033
	Scholarship %	16.8%	17.1%	17.2%	16.7%	16.1%