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Executive Summary

Introduction

This document presents Clemson University's proposed FY 2016-17 Operating Budget and the Academic Fee Schedule for Fall 2016. The proposed balanced budget is an estimate of the anticipated sources and uses of funds in FY 2016-17. It reflects the University's financial plan for the coming year and serves as a management tool to drive accountability by providing a reference point for measuring actual financial performance. Multiple views of the proposed operating budget are presented in the Budget Section to promote a consistent, transparent basis for reporting financial performance to the Board throughout FY 2016-17. The Supplemental Section offers an alternative view of the budget that is comparable to the Statement of Revenues, Expenses and Changes in Net Position (SRECNP) in the University's Comprehensive Annual Financial Report (CAFR), which is based on Generally Accepted Accounting Principles (GAAP). This section describes the differences between an operating budget perspective and the financial statement or CAFR perspective, and provides a view reconciling the two perspectives.

Unrestricted and Restricted Operating revenues are projected to increase by \$96.0M or 10.7%. Correspondingly, operating uses (expenditures, transfers, and other designations) are projected to increase by \$96.0M or 10.7%. The University is projecting a \$1.3M increase in noncash "resources" and "expenditures", an increase of 2.5%. Finally, the University is projecting to utilize \$44.3M of prior years' fund balance resources to support strategic one-time investments.

In total, the increase in the University's projected resources and expenditures is \$101.5M, or 10.3%. This is inclusive of unrestricted and restricted operating activities, State Appropriations, noncash entries, as well as recurring activities supported by prior years' fund balances. When excluding noncash items and fund balance resources, the University's operating sources and costs are projected to increase by \$96.0M or 10.7%.

Operating Resources Budget

Revenue Source	FY 2016-17 Proposed Budget	FY 2015-16 Revised Initial Budget	Budget Change	Percentage Change
Unrestricted Revenues				
State Appropriations	\$118,702	\$109,266	\$9,436	8.6%
Federal Appropriations	13,000	12,627	373	3.0%
Student Fees	392,581	354,899	37,682	10.6%
Facilities and Administrative Cost Recoveries	15,068	11,877	3,191	26.9%
Sales and Services	203,008	190,128	12,880	6.8%
Other University Generated	59,382	46,723	12,659	27.1%
Total Unrestricted Revenues	\$801,741	\$725,520	\$76,221	10.5%
Restricted Revenues				
State Higher Education Grants	\$56,622	\$51,270	\$5,352	10.4%
Financial Aid-Grants and Contracts and Other Revenues	31,278	29,007	2,271	7.8%
Grants and Contracts	102,315	90,255	12,060	13.4%
Other Restricted Revenues	1,465	1,364	101	7.4%
Total Restricted Revenues	\$191,680	\$171,896	\$19,784	11.5%
Total Annual Operating Revenues	\$993,421	\$897,416	\$96,005	10.7%
Unrestricted Use of Fund Balance Resources	44,323	40,131	4,192	10.4%
Total Unrestricted Resources (includes Fund Balance)	\$846,064	\$765,651	\$80,413	10.5%
Total Restricted Resources	191,680	171,896	19,784	11.5%
Total Revenue and Fund Balance	\$1,037,744	\$937,547	\$100,197	10.7%
Noncash Waivers	53,008	51,702	1,306	2.5%
Total Operating Revenues and Resources	\$1,090,752	\$989,249	101,503	10.3%

Total Operating Resources Summary

Unrestricted and Restricted Operating revenues are projected to increase by \$96.0M or 10.7%. Additionally, the University is projecting a \$1.3M increase in noncash resources, an increase of 2.5%. The University anticipates an increase of \$4.2M in the use of fund balance resources, which are utilized for appropriate one-time costs. In summary, the growth in the operating resources budget is \$101.5M, an increase of 10.3%.

Components of the \$101.5M increase in operating resources include:

- Student fee revenues - \$37.7M increase
 - Primary factors include enrollment growth in addition to a modest tuition and fee increase for undergraduate and graduate students and significant growth in professional and graduate, online and distance education programs. The budget also accounts for actual revenues that exceeded projections in the prior year.
- Sales and Services revenues - \$12.9M increase
 - Auxiliary enterprises are responsible for the majority of this growth as a result of increased revenues from Athletic ticket sales, corporate sponsorships, and conference distribution; Clemson Computing and Information Technology (CCIT) external contracts; and a modest increase in housing and dining fees.
- Other University Generated revenues - \$12.7M increase
 - Athletics revenue from IPTAY gifts and donations comprise the majority of the growth in this category.
- Restricted Grants and Contracts revenues - \$12.1M increase
 - Primary factors include significant actual growth in federally sponsored programs expenditures and awards, as well as growth in other restricted funds for Risk Engineering and System Analytics Program (RESA), Manufacturing Integration programs, and endowed chairs. The budget also accounts for actual revenues that exceeded projections in the prior year.
- State and Federal Appropriation revenues - \$9.8M increase
 - Growth includes investments from the State of South Carolina in Clemson E&G general operations (\$5.0M recurring), PSA Agricultural and Natural Resource Programs (\$1.2M recurring, \$500K non-recurring), PSA Animal Industry Infectious Disease Prevention (\$750K recurring), and partial funding for state-mandated cost increases.
- Restricted state-funded scholarships (Palmetto Fellows and LIFE) and other scholarships - \$7.6M increase
- Facilities and Administrative Cost Recoveries - \$3.2M increase
- Use of Fund Balance resources - \$4.2M increase
- Noncash Waivers - \$1.3M increase

Total Operating Uses Summary

The University's spending plan is aligned with available and anticipated resources. The budget demonstrates the University's strategic management of costs and commitment to fund the University's priorities through new revenue generation and modest increases in fees.

Investment priorities were guided by the following principles:

- Further enhance safety and security in the learning and living environment by upgrading building security, Police, Fire, EMS infrastructure and staffing.
- Ensure compliance with all applicable laws, regulations, and mandates, including a mandatory pay raise of 3.25%, changes with the federal Fair Labor Standards Act, and environmental compliance.
- Protect the quality education that the University has provided as a top tier public university.
- Protect "The Clemson Experience" with focus on small class sizes, student to faculty ratios, and engagement outside the classroom.
- Place a high value on accessibility by enrolling and educating the largest number of South Carolina students in the history of Clemson.
- Focus on retention and graduation by adding sections and teachers in high enrollment, high pressure areas.
- Continue to ensure affordability by keeping out-of-pocket costs low.
- Protect University facilities and infrastructure through renovation, preventative & annual maintenance, and replacement.
- Ensure that Clemson makes prudent financial decisions to ensure stability for students, faculty, and staff.

Key components of the FY 2016-17 budget include the following:

- Manage increased mandatory and inflationary costs - \$19.5M
 - State and federal mandated cost increases, such as cost-of-living pay increase, health and dental insurance, retirement, potential financial impact from changes to the federal Fair Labor and Standards Act (FLSA) for overtime pay – \$15.7M (80.5% of total \$19.5M)
 - Academic and administrative systems and support costs \$2.4M
 - Regulatory, compliance, and legal costs \$871K
 - Rising utility and insurance costs \$547K
- Core academic and living investments to ensure quality teaching, engagement, and leadership - \$12.9M
- Enhance safety and security with investments in Police, Fire, EMS infrastructure and staffing and building control and monitoring systems to ensure a safe learning campus environment - \$3.3M
- Protect Clemson’s physical assets with a strategic capital plan, maintenance and stewardship of facilities, preventative maintenance enhancements, and IT infrastructure (fiber and cabling) - \$2.6M
- Provide for Auxiliary Enterprises’ growth - \$26.8M
 - Athletics growth in capital investment, scholarships, salaries and bonuses, and general operations
 - CCIT contractual obligations
 - Housing and Dining capital investments and utility costs
- Provide Restricted Funds authorization for projected expenditure growth primarily in federally sponsored programs, as well as growth in other restricted funds for Risk Engineering and System Analytics Program (RESA), Manufacturing Integration programs, and endowed chairs, accounting for actual expenditures that exceeded projections in the prior year - \$12.1M
- Secure state, federal, and private scholarship opportunities for students - \$7.6M
- Miscellaneous expenditures from entrepreneurial growth - \$4.7M
- Strategically utilize fund balances resources for one-time costs - \$4.2M
- CCIT E&G investment in life cycle replacement and software/hardware licenses - \$4.0M
- PSA - Agriculture and Natural Resources and Animal Industry Infectious Disease Prevention Programs - \$2.5M
- Noncash waivers - \$1.3M

Program	FY 2016-17 Proposed Budget	FY 2015-16 Revised Initial Budget	Budget Change	Percent Change
Instruction	229,394	212,706	16,688	7.8%
Research	168,815	152,219	16,596	10.9%
Public Service	72,707	70,908	1,799	2.5%
Academic Support	53,834	44,976	8,858	19.7%
Institutional Support	38,551	35,186	3,365	9.6%
Student Services	41,554	36,343	5,211	14.3%
Auxiliary Enterprises	169,793	154,255	15,538	10.1%
Scholarships and Fellowships	113,139	105,305	7,834	7.4%
Operations and Maintenance	38,780	35,505	3,275	9.2%
Net Transfers	66,854	50,013	16,841	33.7%
Total Current Expense	993,421	897,416	96,005	10.7%
Fund Balance Resources	44,323	40,131	4,192	10.4%
Total Restricted & Unrestricted Expenses	1,037,744	937,547	100,197	10.7%
Noncash Waivers	53,008	51,702	1,306	2.5%
Total Operating Uses by Program	1,090,752	989,249	101,503	10.3%

The following “Overview” section of this document includes details regarding the revenues, uses by program, and uses by account in the FY 2016-17 budget.

Proposed FY 2017 Operating Budget (In 000's)

The total proposed operating budget for FY 2016-17 is \$1.1B, 10.3% above the FY 2015-16 revised initial budget. It is comprised of three major components – Unrestricted Operating Funds, Restricted Operating Funds and Noncash Items. The total budgets for these components are summarized in **Figure 1**.

Figure 1. Operating Budget by Resource Category

Operating Resources	FY 2016-17 Proposed Budget	FY 2015-16 Revised Initial Budget	Percent of Total FY 2016-17 Budget	Budget Change	Percent Change
Unrestricted	\$846,064	\$765,651	77.6%	\$80,413	10.5%
Restricted	191,680	171,896	17.5%	19,784	11.5%
Noncash Items	53,008	51,702	4.9%	1,306	2.5%
Total Sources	\$1,090,752	\$989,249	100.0%	\$101,503	10.3%

*Unrestricted operating resources include fund balance resources from prior years.

Unrestricted Funds Resource Summary

Annual unrestricted operating revenues are projected to increase 10.5%. Including prior years' fund balances required to support the anticipated return of generated funds, contractual start-up commitments and research initiatives, total unrestricted operating resources are projected to increase 10.5% above FY 2015-16 levels to \$846.1M. Unrestricted resources represent 77.6% of the University's resources, which are available to further the mission activities of the University. Primary drivers of this increase are Other University Generated Revenue, Sales and Services, and Student Fee revenues.

Unrestricted Operating Resources include four major categories of funding:

- **Educational and General (E&G)** budget includes an increase of 8.1% to E&G State Appropriations. The State Appropriations budget provides new recurring funding of \$5.0M for E&G general operating funds and an allocation of \$2.4M for cost-of-living pay and fringe benefits increase for state employees. There is also a projection for an increase in Facilities and Administrative Cost Recoveries as a result of an increase in funding for sponsored program activities. The E&G budget also includes growth in tuition and fee revenues to support mandatory cost-of-living increases and investments in strategic priorities of the University.

- **Public Service Activities (PSA)** operating revenues are approximately 6.3% of the total resources budget and 8.6% of the unrestricted operating revenue budget. The PSA budget includes \$1.2M in recurring funding and \$500K in non-recurring funding in PSA State Appropriations for Agriculture and Natural Resources Programming. The budget also includes \$750K in recurring funding for Animal Industry Infectious Disease Prevention. Additionally, the budget includes an allocation of \$1.0M for cost-of-living and health insurance increases for state employees. The increasing Facilities and Administrative Cost Recoveries budget reflects a growth in PSA sponsored programs activities, such as a US Department of Energy Advanced Plant Technology grant.
- **Auxiliary Enterprises** operating revenues represent 20.4% of the total resource budget and 27.8% of the unrestricted operating revenue budget. Auxiliary enterprises operating revenues are expected to grow 13.7% to \$222.9M as a result of growth in Athletic revenues from corporate sponsorships, conference distribution and ticket sales, CCIT increased revenues from external contracts, and increased revenues from housing and dining.
- **Fund Balance Resources** projected at \$44.3M, complete the remainder of the unrestricted operating resource budget. Fund balance resources are used for one-time expenses such as faculty startups, vehicles for Police, Fire, and EMS, implementation of new building control and monitoring systems, equipment and software purchases, and other one-time investments. The use of fund balance is projected to be \$4.2M over the FY 2015-16 amount.

Restricted Funds Resource Summary

Restricted resources comprise 17.5% of the total budget and are projected to increase by 11.5% to \$191.7M. Restricted funds, limited by legal requirements, are available for designated purposes. Restricted funds include three major categories of funding:

- **Sponsored Program Activities** revenues are projected to increase based on actual growth exceeding prior year budget and anticipated additional growth from current and new research grants and awards, resulting in an increase of 15.5% to \$79.2M. Overall, the FY 2016-17 sponsored programs budget is an increase of 3.6% over the highest year of actuals to date, FY 2010-11.

- **Scholarships and Student Aid** revenues are expected to grow by 9.5% to \$87.9M, which includes increases in State and Federal student aid programs, such as Palmetto Fellows (\$3.3M) and LIFE Scholarships (\$2.0M). The growth also includes increases in Clemson Scholars Program, Clemson National Scholars and private scholarships such as the Kenneth & Caroline Caughman Memorial Scholarship and President James and Marcia Barker Scholarship.
- **Other Restricted** revenues are forecasted to increase by 6.7% to \$24.6M, as a result of growth in the Risk Engineering and System Analytics Program (RESA), President's Work Study Program, as well as general growth in endowments and PSA programs.

🌸 **Noncash Items** represent 4.9% of the total budget and include Noncash Waivers, which are a valuable tool supporting the University's recruitment and retention of quality students.

Proposed FY 2017 Operating Resources Budget (In 000's)

The operating resources budget consists of the major funding sources shown in **Figure 2**.

Figure 2. - Operating Resources Budget

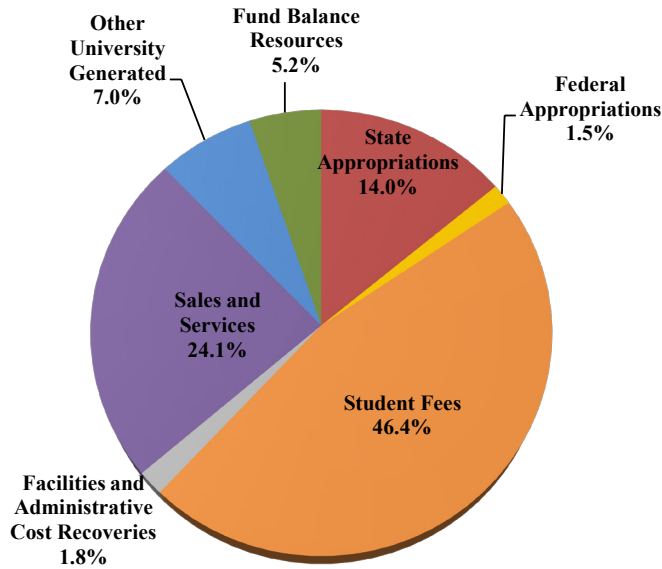
Revenue Source	FY 2016-17 Proposed Budget	Percent of Total FY 2016-17 Budget	FY 2015-16 Revised Initial Budget	Percent of Total FY 2015-16 Budget
Unrestricted Operating Revenue Budget				
State Appropriation	\$118,702	10.9%	\$109,266	11.0%
Federal Appropriation	13,000	1.2%	12,627	1.3%
Student Fees	392,581	36.0%	354,899	35.9%
Facilities and Administrative Cost Recoveries	15,068	1.4%	11,877	1.2%
Sales and Services	203,008	18.6%	190,128	19.2%
Other University Generated	59,382	5.4%	46,723	4.7%
Fund Balance Resources	44,323	4.1%	40,131	4.1%
Total Unrestricted Operating Revenue Budget	\$846,064	77.6%	\$765,651	77.4%
Restricted Operating Revenue Budget				
State Higher Education Grants	\$56,622	5.1%	\$51,270	5.3%
Financial Aid-Grants and Contracts and Other Revenues	31,278	2.9%	29,007	2.9%
Grants and Contracts	102,315	9.4%	90,255	9.1%
Other Restricted Revenue	1,465	0.1%	1,364	0.1%
Total Restricted Operating Revenue Budget	\$191,680	17.5%	\$171,896	17.4%
Graduate and Undergraduate Waivers	\$53,008	4.9%	\$51,702	5.2%
Total Clemson FY 2016-17 Operating Budget	\$1,090,752	100.0%	\$989,249	100.0%

Figure 2 details the distribution of the University’s revenue by funding sources and provides a comparison between FY 2015-16 revised and FY 2016-17.

Unrestricted Operating Resources Budget (In 000’s)

The Unrestricted Resources budget represents 77.6% of the overall operating resources. The distribution of resources is shown in Graph 1.

Graph 1. - Unrestricted Operating Budget



The following sections provide a summary analysis of the FY 2016-17 budget for each of the University’s unrestricted funding sources.

State Appropriations ↑

FY 2016-17 Proposed Budget	FY 2015-16 Revised Initial Budget	Change Amount	Percent Change
\$118,702	\$109,266	\$9,436	8.6%

As a result of increased investment by the State of South Carolina in Clemson’s academic and agriculture programs, the State Appropriations budget is growing by \$9.4M, or 8.6%, to \$118.7M. Even with this growth, State Appropriations as a percentage of the budget remains flat at 14.0% of the unrestricted operating revenue budget and 10.9% of the total budget. Clemson’s FY 2016-17 State Appropriations budget is at FY 1989-90 nominal levels.

The FY 2016-17 budget for State Appropriations includes a recurring E&G allocation of \$5.0M for E&G general operating funds and an estimate of \$2.4M to support the mandatory cost-of-living and fringe benefit increases.

The growth in this category also includes the following for PSA: \$1.2M in recurring funding and \$500K in non-recurring funding in PSA State Appropriations for Agriculture and Natural Resources Programming; \$750K in recurring funding for Animal Industry Infectious Disease Prevention; \$1.0M for cost-of-living and health insurance increases for state employees.

 **Federal Appropriations** ↑

FY 2016-17 Proposed Budget	FY 2015-16 Revised Initial Budget	Change Amount	Percent Change
\$13,000	\$12,627	\$373	3.0%

Federal Appropriations are a small percentage of the University's total revenue sources (1.5%), and are projected to increase \$373K in FY 2016-17. Public Service and Agriculture is the only division in the University projected to receive unrestricted Federal Appropriations in FY 2016-17. This federal funding is used to support research and extension programs. The increase in FY 2016-17 is primarily due to the increased Capacity Funding Awards from US Department of Agriculture's National Institute of Food and Agriculture. Federal Appropriations represent 17.9% of PSA's total unrestricted resources.

 **Student Fees (includes Cash Waivers)** ↑

FY 2016-17 Proposed Budget	FY 2015-16 Revised Initial Budget	Change Amount	Percent Change
\$392,581	\$354,899	\$37,682	10.6%

Student Fees represent the largest single source of revenue for the University. The FY 2016-17 projected Student Fees budget accounts for 46.4% of the unrestricted budget and 36.0% of the total budget. In total, student tuition and fees are projected to increase approximately \$37.7M or 10.6%, primarily as a result of enrollment growth, a modest tuition and fee increase, and actual revenues that exceeded prior year budget projections. The University also projects growth in this category for online, distance education, and special/premier academic programs.

 **Facilities and Administrative Cost Recoveries** ↑

FY 2016-17 Proposed Budget	FY 2015-16 Revised Initial Budget	Change Amount	Percent Change
\$15,068	\$11,877	\$3,191	26.9%

The University recovers Facilities and Administrative Costs (F&A) from extramural sources to cover overhead costs generated by sponsored program activities. F&A cost recoveries represent 1.4% of total resources. As a result of actual growth exceeding prior year budget projections and anticipated additional growth in research grant expenditures, F&A recoveries are projected to increase 26.9% in FY 2016-17.

 **Sales and Services** ↑

FY 2016-17 Proposed Budget	FY 2015-16 Revised Initial Budget	Change Amount	Percent Change
\$203,008	\$190,128	\$12,880	6.8%

Sales and Services are the result of mission-oriented revenue generating activities in the Educational and General and Public Service and Agricultural areas, as well as in Auxiliary Enterprises. Sales and services revenues are expected to increase 6.8% in FY 2016-17. Auxiliary enterprises expect a 14.6% growth in revenue of which 9.1% is in sales and services. This growth results from an increase in Athletic revenue from corporate sponsorships, conference distribution and ticket sales, an increase in revenues from CCIT from external contracts, and growth in housing and dining revenues.

Other University Generated Revenue ↑

FY 2016-17 Proposed Budget	FY 2015-16 Revised Initial Budget	Change Amount	Percent Change
\$59,382	\$46,723	\$12,659	27.1%

Other University Generated Revenue is projected to increase 27.1%, a reflection of the University’s commitment to generate more diverse sources of revenue. This revenue source represents 5.4% of the total resources budget and 7.0% of the unrestricted revenue budget, essentially doubling its share of the budget since FY 2010-11. Other University generated revenue will increase in FY 2016-17 primarily due to the increased support through IPTAY and entrepreneurial activities across the University.

Graduate and Undergraduate Waivers (Noncash) ↑

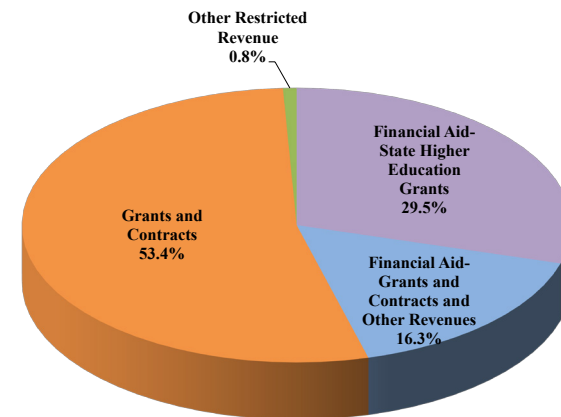
FY 2016-17 Proposed Budget	FY 2015-16 Revised Initial Budget	Change Amount	Percent Change
\$53,008	\$51,702	\$1,306	2.5%

Noncash Waivers do not have a cash flow impact and should not be viewed as a monetary operating resource. However, these waivers are important to the University’s financial aid strategy and allow Clemson to recruit and retain quality students. Noncash waivers are expected to increase 2.5% in FY 2016-17 due to continued aggressive recruiting and enrollment of a top-15 student body.

Restricted Operating Resources Budget (In 000’s)

The restricted operating revenue budget at \$191.7M accounts for 17.5% of the University’s overall resources. The distribution of restricted revenue budget is shown in **Graph 3**.

Graph 3. - Distribution of Restricted Resources



The following sections provide an analysis of the FY 2016-17 budget for each of the University’s restricted funding sources as shown in **Graph 3**.

Financial Aid - State Higher Education Grants ↑

FY 2016-17 Proposed Budget	FY 2015-16 Revised Initial Budget	Change Amount	Percent Change
\$56,622	\$51,270	\$5,352	10.4%

State Higher Education Grants comprise 5.1% of the projected total revenue budget and 29.5% of the restricted revenue budget. State Higher Education Grants are projected to increase by \$5.4M with growth in Palmetto Fellows and LIFE Scholarships. This budget has almost doubled since FY 2005-06, demonstrating the growth in enrollment and retention of top quality students from South Carolina.

 **Financial Aid - Non-State Higher Education Grants** ↑

FY 2016-17 Proposed Budget	FY 2015-16 Revised Initial Budget	Change Amount	Percent Change
\$31,278	\$29,007	\$2,271	7.8%

Financial Aid - Non-State Higher Education Grants are expected to increase by 7.8% with additional funding for the Clemson Scholars Program and the Clemson Community National Scholars Program, as well as private scholarships such as the Clemson Community Endowed Scholars Program and the President James and Marcia Barker Scholarship.

 **Other Restricted Revenue** ↑

FY 2016-17 Proposed Budget	FY 2015-16 Revised Initial Budget	Change Amount	Percent Change
\$1,465	\$1,364	\$101	7.4%

Other Restricted Revenue is another small revenue resource representing 0.1% of projected total revenue and 0.8% of restricted revenue. Other restricted revenues are projected to increase slightly due to various 4-H Leadership Programs.

 **Grants and Contracts** ↑

FY 2016-17 Proposed Budget	FY 2015-16 Revised Initial Budget	Change Amount	Percent Change
\$102,315	\$90,255	\$12,060	13.4%

Grants and Contracts, excluding Financial Aid, are comprised of sponsored program activities and other earmarked funds from external sources. The budget for sponsored programs grants and contracts activity is projected to increase 15.5% to \$79.1M based upon actual growth exceeding prior year budget projections as well as anticipated additional growth in research grant expenditures during FY 2016-17. Grants and Contracts in other restricted funds reflects an \$1.5M increase, primarily due to growth in Engineering programs (RESA), CUF System and Manufacturing Integration Programs, as well as endowed chairs.

Proposed Operating Uses Budget by Program (In 000's)

Clemson's proposed operating uses budget for FY 2016-17 is \$1.1B, a 10.3% increase over the FY 2015-16 revised initial budget. The operating uses budget is presented by program and by account category. The expense budget by program is presented first, as it reflects the University's plan and programmatic priorities. It is summarized in **Figure 3, Figure 4 and Graph 4.**

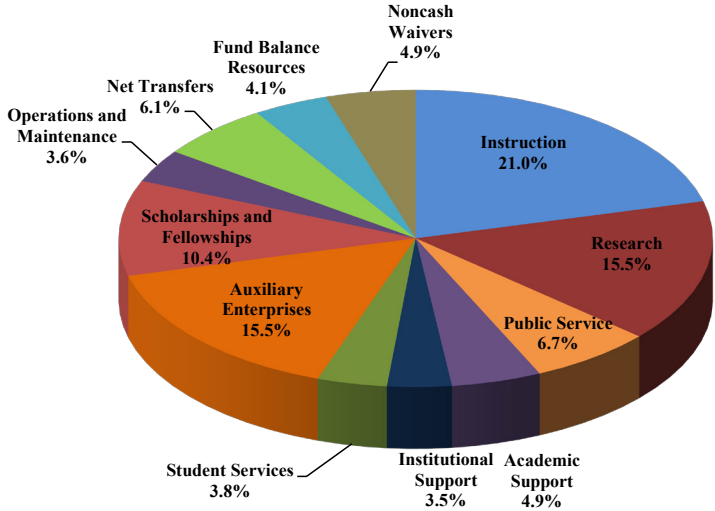
Figure 3. - Total University Operating Expense by Program

Program	FY 2016-17 Proposed Budget	FY 2015-16 Revised Initial Budget	Percent Change
Instruction	\$229,394	\$212,706	7.8%
Research	168,815	152,219	10.9%
Public Service	72,707	70,908	2.5%
Academic Support	53,834	44,976	19.7%
Institutional Support	38,551	35,186	9.6%
Student Services	41,554	36,343	14.3%
Auxiliary Enterprises	169,793	154,255	10.1%
Scholarships and Fellowships	113,139	105,305	7.4%
Operations and Maintenance	38,780	35,505	9.2%
Net Transfers	66,854	50,013	33.7%
Total Current Expense	\$993,421	\$897,416	10.7%
Fund Balance Resources	44,323	40,131	10.4%
Total Restricted & Unrestricted Expenses	\$1,037,744	\$937,547	10.7%
Noncash Waivers	53,008	51,702	2.5%
Total Operating Uses by Program	\$1,090,752	\$989,249	10.3%

Figure 4. - Operating Expense Budget by Program

Program	Unrestricted	Restricted	Total
Instruction	\$225,137	\$4,257	\$229,394
Research	89,874	78,941	168,815
Public Service	58,518	14,189	72,707
Academic Support	53,012	822	53,834
Institutional Support	36,379	2,172	38,551
Student Services	41,248	306	41,554
Auxiliary Enterprises	169,793	-	169,793
Scholarships and Fellowships	23,748	89,391	113,139
Operations and Maintenance	38,762	18	38,780
Net Transfers	65,270	1,584	66,854
Fund Balance Resources	44,323	-	44,323
Total Operating Expense Budget by Program (Cash)	\$846,064	\$191,680	\$1,037,744
Noncash Waivers	53,008	-	53,008
Total Operating Expense Budget by Program	\$899,072	\$191,680	\$1,090,752

Graph 4. - Distribution of Expenses by Program



 **Instruction** ↑

Resource Category	FY 2016-17 Proposed Budget	FY 2015-16 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$225,137	\$207,980	\$17,157	8.2%
Restricted	\$4,257	\$4,726	\$(469)	(9.9%)

Instruction is projected as the largest expenditure category on the program basis and reflects the University's commitment to "The Clemson Experience." Expenses for instructional activities are expected to increase by \$16.7M to \$229.4M, reflecting approximately 65.3% growth in the last ten years. The unrestricted instruction budget includes an increase for state-mandated cost-of-living and health insurance costs. Increased investments in instruction will allow the University to remain focused on providing quality education with attention to student/faculty ratios, class size, retention, and graduate rates. The instruction budget also includes an increase for the lease at the new Charleston Design Center where academic programs will be taught, as well as growth in academic programs' online, distance education, and other special/premier program revenues.

 **Research** ↑

Resource Category	FY 2016-17 Proposed Budget	FY 2015-16 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$89,874	\$83,714	\$6,160	7.4%
Restricted	\$78,941	\$68,505	\$10,436	15.2%

Total Research expenditures are projected to increase by 10.9% or \$16.6M, with almost half of the growth, \$8.0M, in sponsored programs. The growth in research also includes PSA recurring State Appropriations, strategic investments, and a gifts for Engineering.

Recurring and nonrecurring State Appropriations for Agricultural and Natural Resources (\$1.2M recurring, \$500K nonrecurring), Animal Industry Infectious Disease Prevention (\$750K), and increases for cost-of-living and health insurance are responsible for a significant growth in the unrestricted research budget. AIG's gift for the Risk Engineering and Systems Analytics Program will create a partnership that

will draw on Clemson's vast engineering and research capabilities as well as AIG's data and risk expertise.

The research program has experienced substantial growth in both federal and non-federal awards recently. Faculty have been extremely successful with new awards in this highly competitive environment, following years of negative impact from the Federal sequestration. The overall sponsored programs budget is projected to increase \$10.6M over the prior year.

 **Public Service** ↑

Resource Category	FY 2016-17 Proposed Budget	FY 2015-16 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$58,518	\$59,118	\$(600)	(1.0%)
Restricted	\$14,189	\$11,790	\$2,399	20.3%

Total Public Service expenses are projected to increase by 2.5% or \$1.8M in FY 2016-17. The decrease in unrestricted budgets reflects a minor budget reclassification, offset by an increase in public service restricted budgets for \$1.7M in sponsored program expenditures for public service grants and \$700K in community outreach, National Dropout Prevention Center, and PSA/4-H programs.

 **Academic Support** ↑

Resource Category	FY 2016-17 Proposed Budget	FY 2015-16 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$53,012	\$43,936	\$9,076	20.7%
Restricted	\$822	\$1,040	\$(218)	(21.0%)

The Academic Support budget is growing by \$8.9M to \$53.8M, which represents 4.9% of the total proposed uses budget. Almost half of this growth is in the Clemson Computing and Information Technology division, with an increase of \$3.0M for life cycle replacement and \$1.0M for hardware and software licenses. The academic support budget includes \$2.2M in strategic investments for the Library’s annual cost increases for serials and increased demand for new journals and books, global studies and various student support functions, and academic leadership and administrative support costs necessary to support the development and implementation of the ClemsonForward plan. The academic support budget also reflects an increase for mandatory cost increases for cost-of-living, health insurance, and retirement contributions.

 **Institutional Support** ↑

Resource Category	FY 2016-17 Proposed Budget	FY 2015-16 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$36,379	\$32,096	\$4,283	13.3%
Restricted	\$2,172	\$3,090	\$(918)	(29.7%)

Institutional Support is a measure of general University administration and support, and includes activities, such as fiscal operations, legal services, and human resources. Institutional support expenses are expected to grow by \$4.3M in unrestricted funds, with mandatory cost increases for cost-of-living, changes to the federal Fair Labor and Standards Act (FLSA) for overtime pay, health insurance, retirement, and for administrative systems and support. Even with this increase, the institutional

support budget of \$38.6M still remains a small component of the University budget at 3.5%, lower than the previous year at 3.6%. In the FY 2008-09 budget, institutional support was 6.5% of the total budget, or \$45.3M. In total, Clemson’s institutional support budget is \$6.7M lower, or 14.9% less than the FY 2008-09 budget.

 **Student Services** ↑

Resource Category	FY 2016-17 Proposed Budget	FY 2015-16 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$41,248	\$35,950	\$5,298	14.7%
Restricted	\$306	\$393	\$(87)	(22.1%)

Student Services represent 3.8% of the total projected FY 2016-17 expense budget. Student services include expenditures contributing to the emotional and physical well-being of Clemson students, including counseling, career guidance, student organizations, and student engagement opportunities. Quality student services are a critical element of the University’s ability to attract and retain its students. The total student services budget is projected to increase by 14.3%, or approximately \$5.2M, with the majority of the growth from strategic investments for enhanced building security and monitoring systems, funding for campus activities and events, primarily at the new Barnes Center, and a minor funding increase for the student data and financial records system.

 **Auxiliary Enterprises** ↑

Resource Category	FY 2016-17 Proposed Budget	FY 2015-16 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$169,793	\$154,255	\$15,538	10.1%
Restricted	\$-	\$-	\$-	0.0%

Auxiliary Enterprises are expected to be self-supporting, with the revenues supporting the operating and capital needs of the enterprise. The Auxiliary Enterprises expense budget is expected to increase 10.1%, or \$15.5M, in FY 2016-17. The majority of this growth is attributable to Athletics' growth in operations. The budget also includes increases for housing and dining operations. The Auxiliary enterprises budget comprises approximately 15.5 % of the University's total resources.

 **Operations and Maintenance** ↑

Resource Category	FY 2016-17 Proposed Budget	FY 2015-16 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$38,762	\$35,490	\$3,272	9.2%
Restricted	\$18	\$15	\$3	20.0%

Projected Operations and Maintenance expenses account for 3.6% of the total budget and are anticipated to increase in FY 2016-17 by 9.2%, or \$3.3M. This budget reflects the University's commitment to enhance safety and security, funding of the capital plan, and maintenance and renovation of the University's facilities and infrastructure.

 **Scholarships and Fellowships** ↑

Resource Category	FY 2016-17 Proposed Budget	FY 2015-16 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$23,748	\$23,410	\$338	1.4%
Restricted	\$89,391	\$81,895	\$7,496	9.2%

Scholarships and Fellowships, the fourth largest expenditure category, are expected to increase \$7.8M in FY 2016-17, bringing the total to \$113.1M, which is slightly less than the combined budgets for Institutional Support, Student Services, and Operations and Maintenance. This program budget has almost doubled in the last ten years, and is equivalent to almost half of the instruction budget. The recent growth in scholarships is attributed to SC Palmetto Fellows and LIFE Scholarships, Clemson Community National and Endowed Scholars Programs and various private scholarships. Scholarships and fellowships have grown 52.5% since FY 2009-10.

 **Net Transfers, Noncash Waivers and Projected Fund Balance Expenditures**

Net Transfers, Noncash Waivers and Projected Fund Balance Expenditures are applied in the same manner to the expense budget by program and by account. These activities will be discussed in detail in a later section.

Proposed Operating Uses Budget by Account Category

The proposed operating uses by account category for FY 2016-17 are summarized below in **Figure 5, Figure 6, and Graph 5**. The following section presents an alternative view of expenditures. Instead of focusing on program based expenditures, this section will look at a few summary observations from an “account” perspective. In particular, this section will highlight Compensation and Benefits, which accounts for approximately 47.6% of the University’s total operating budget. The remainder of the operating uses budget is distributed between Other Costs (43.5%), Noncash Waivers (4.9%), and Fund Balance Resources (4.1%). Other costs include basic operating costs such as travel, supplies, equipment, services, utility costs, and other nonpersonnel operating items. As noted in the “Expense by Program” section, total expenditures are projected to increase by 10.3%.

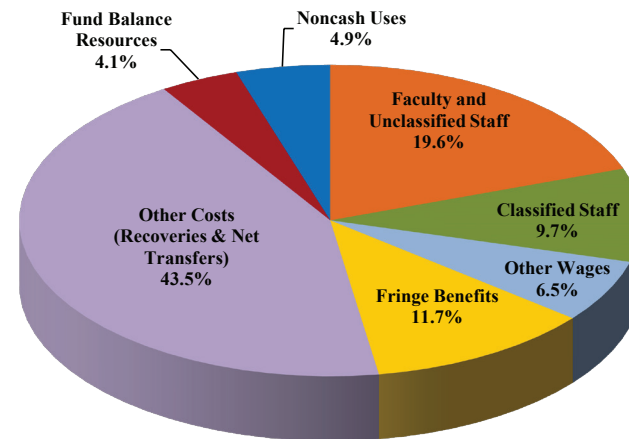
Figure 5. - Total University Operating Expense by Account

Account Category	FY 2016-17 Proposed Budget	FY 2015-16 Revised Initial Budget	Percent Change
Compensation and Benefits:			
Faculty and Unclassified Staff	\$214,317	\$198,076	8.2%
Classified Staff	\$105,561	101,351	4.2%
Other Wages	\$71,436	67,881	5.2%
Fringe Benefits	\$127,515	112,543	13.3%
Total Compensation and Benefits	\$518,829	\$479,851	8.1%
Other Costs (Recoveries & Net Transfers)	\$474,592	417,565	13.7%
Fund Balance Resources	\$44,323	40,131	10.4%
Total Restricted & Unrestricted Expenses	\$1,037,744	\$937,547	10.7%
Noncash Uses	\$53,008	51,702	2.5%
Total Operating Uses by Account	\$1,090,752	\$989,249	10.3%

Figure 6. - Operating Expense Budget by Account Category

Account Category	Unrestricted	Restricted	Total
Compensation and Benefits:			
Faculty and Unclassified Staff	\$202,647	\$11,670	\$214,317
Classified Staff	102,898	2,663	105,561
Other Wages	48,943	22,493	71,436
Fringe Benefits	115,036	12,479	127,515
Total Compensation & Benefits	\$469,524	\$49,305	\$518,829
Other Costs (Recoveries & Net Transfers)	332,217	142,375	474,592
Fund Balance Resources	44,323	-	44,323
Total Operating Expense Budget (Cash)	\$846,064	\$191,680	\$1,037,744
Noncash Waivers	53,008	-	53,008
Total Operating Expense Budget	\$899,072	\$191,680	\$1,090,752

Graph 5. - Distribution of Expenses by Account Category



 **Compensation and Benefits** ↑

Unrestricted Uses

Account Category	FY 2016-17 Proposed Budget	FY 2015-16 Revised Initial Budget	Change Amount	Percent Change
Faculty and Unclassified Staff	\$202,647	\$186,464	\$16,183	8.7%
Classified Staff	102,898	98,612	4,286	4.3%
Other Wages	48,943	49,647	(704)	(1.4%)
Fringe Benefits	115,036	105,203	9,833	9.3%
Total Compensation & Benefits	\$469,524	\$439,926	\$29,598	6.7%

Restricted Uses

Account Category	FY 2016-17 Proposed Budget	FY 2015-16 Revised Initial Budget	Change Amount	Percent Change
Faculty and Unclassified Staff	\$11,670	\$11,612	\$58	0.5%
Classified Staff	2,663	2,739	(76)	(2.8%)
Other Wages	22,493	18,234	4,259	23.4%
Fringe Benefits	12,479	7,340	5,139	70.0%
Total Compensation & Benefits	\$49,305	\$39,925	\$9,380	23.5%

	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13*	FY 2013-14	FY 2014-15	FY 2015-16 Revised Initial Budget	FY 2016-17 Proposed Budget
Compensation and Employee Benefits	385,519	382,789	384,703	419,665	444,913	478,991	479,851	518,829
Percentage Growth	-2.3%	-0.7%	0.5%	9.1%	6.0%	7.7%	0.2%	8.1%

Source: Comprehensive Annual Financial Report, Schedule of Expenses by Use

*Faculty salaries were increased to market levels in FY 2012-13.

Given the magnitude of the salary expenditures in higher education, this analysis will primarily address important trends and observations related to Compensation and Benefits. Total compensation and benefits costs are projected to increase 8.1% or \$39.0M in FY 2016-17. The FY 2016-17 budget includes the impact of state-mandated cost increases for cost-of-living pay (3.25%), health and dental insurance, and retirement, which effectively creates a mandated but unfunded cost increase of nearly \$10.9M for the University. The FY2016-17 budget also includes an increase of \$1.4M for upcoming changes related to overtime exemptions under the federal Fair Labor Standards Act (FLSA).

The compensation and benefits budget includes a recurring investment of \$7.0M, primarily in academic areas that will ensure the University sustains its academic reputation by protecting quality education and the “Clemson Experience” with focus on small class sizes, student to faculty ratios, retention and graduation rates, and engagement outside the classroom. The budget supports accessibility by enrolling and educating the largest number of South Carolina students in the history of Clemson.

The compensation and benefits budget includes \$3.6M for additional strategic investments in developing inclusive out-of-classroom experiences for students with campus activities, enhancements to safety and security with additional staff for Police, Fire, EMS and building control and monitoring, and regulatory, compliance, and other essential positions.

Athletic salary and bonus increases of nearly \$6.0M significantly contribute to the 8.2% budget growth in the faculty and unclassified staff category. The compensation and benefits budget also includes an increase of \$8.9M for increased awards in sponsored research.

 **Other Costs** ↑

Account Category	FY 2016-17 Proposed Budget	FY 2015-16 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$346,866	\$308,425	\$38,441	12.5%
Restricted	\$140,791	\$131,529	\$9,262	7.0%

Other costs (excluding recoveries and net transfers) represent approximately 43.5% of total operating uses. This large cost category includes anticipated expenditures ranging from utilities and travel to minor equipment. Budgets for this large group of operation spending categories are established at a high level in “Other Costs.” However, actual spending is accounted for in detail as expenditures occur throughout the year. These details are presented in **Graph 6** on page 14.

Representing 31.8% of total operating uses at \$346.9M, unrestricted other costs are projected to increase by \$38.4M, or 12.5%. These costs include investments in life safety and security, the new Charleston lease for the Clemson Design Center, and support for University administrative systems. Additional E&G other cost increases are due to increasing costs for study abroad program and student service areas’ activities. The Clemson Computing Information & Technology (CCIT) budget includes significant expenditure growth for operational support of external contracts, such as the Medicaid system for SC Department of Health and Human Services (DHHS). The remainder of the increase in E&G funds is for inflationary costs such as utilities and property insurance.

An increase of 16.4% is anticipated for PSA other costs due to increased state recurring funding (\$1.2M) and one-time funding (\$500K) for Agricultural and Natural Resources programs, recurring state funding for Animal Industry Infectious Disease Prevention (\$750K), as well as increased operations from pesticide education programs.

Auxiliary Enterprise other costs are expected to increase 8.2% as a result of additional expenses for Athletics, CCIT, and housing and dining. The increase to housing and dining will support rising utility costs and safety and security expenses.

Restricted other costs are expected to increase to \$140.8M and represent 12.9% of total operating uses. The \$9.3M increase is due to growth in scholarship programs such as SC Palmetto Fellows and LIFE Scholarships, Clemson Community Endowed and National Scholars Programs and various private scholarships.

 **Recoveries (Presented on a Revenue Basis)** ↑

Account Category	FY 2016-17 Proposed Budget	FY 2015-16 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$(79,919)	\$(72,402)	\$(7,517)	10.4%
Restricted	\$-	\$-	\$-	0.0%

Recoveries are revenues generated from sales and services or the allocation of costs to internal customers of the University. Recoveries include revenues generated from the internal sale and distribution of telecommunications, information technology, fuel, facilities services, and departmental services. The majority of the 10.4% increase for FY 2016-17 is due to CCIT’s recoveries for various services totaling \$4.2M. General and Administrative recoveries attribute \$1.2M to the increase in recoveries and University utility and facility recoveries account for \$813K of the growth in FY 2016-2017.

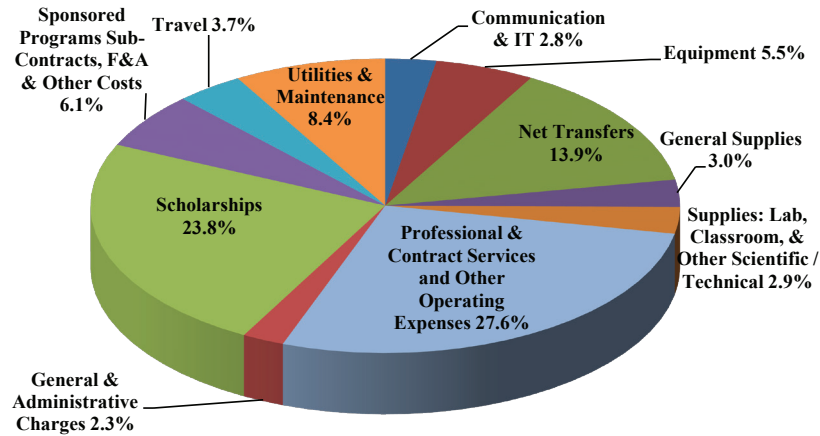
 **Net Transfers** ↑

Account Category	FY 2016-17 Proposed Budget	FY 2015-16 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$65,270	\$49,571	\$15,699	31.7%
Restricted	\$1,584	\$442	\$1,142	258.4%

Net Transfers include internal transfers of resources between operating unrestricted and restricted funds and funding for debt service and capital projects. Internal transfers routinely include the funding of student activities. Capital projects and debt service are funded by transfers of student fees and auxiliary funds.

The unrestricted net transfers budget is increasing by 31.7% due to increased investment in capital assets, enrollment growth, and an increase of 5.0% in room and board fees. These net transfers will be utilized to protect the University’s facilities and infrastructure through renovations, preventative maintenance, and selective replacement. Restricted net transfers are increasing by \$1.1M primarily for IPTAY Scholarship transfers.

Graph 6. - Projected Noncompensation Expenditures



Estimated Other Costs, Recoveries and Net Transfers sections provide an analysis of the FY 2016-17 budget for University's expenditures as shown in **Graph 6**.

Account	FY 2016-17 Proposed Budget	Percent of Total
Scholarships	113,139	23.8%
Net Transfers	66,042	13.9%
Sponsored Programs Sub-Contracts, F&A & Other Costs	29,150	6.1%
Equipment	25,905	5.5%
Travel	17,648	3.7%
General Supplies	14,169	3.0%
Supplies: Lab, Classroom, & Other Scientific / Technical	13,850	2.9%
Communication & IT	13,234	2.8%
General & Administrative Charges	10,923	2.3%
Utilities & Maintenance:		
Heat, Light, Power, Water, Wastewater & Garbage	25,380	5.3%
Repairs: External & University Facilities	8,328	1.8%
Maintenance & Janitorial Supplies/ Contracts	5,948	1.3%
Professional & Contract Services and Other Operating Expenses		
Contract Temporary Labor	26,510	5.6%
Food & Travel	24,738	5.2%
Rent/ Construction/ Safety	15,051	3.2%
Purchases for Resale	12,640	2.7%
Educational & Research Services	11,466	2.4%
Professional Fees/ Dues	10,104	2.1%
Payment to Related Organizations	9,603	2.0%
Insurance/ Medical & Moving Expenses	6,998	1.5%
Miscellaneous	6,949	1.5%
Printing/ Postage/ Advertising	6,817	1.4%
Total	474,592	100.0%

 **Noncash Waivers** ↑

Account Category	FY 2016-17 Proposed Budget	FY 2015-16 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$53,008	\$51,702	\$1,306	2.5%
Restricted	\$-	\$-	\$-	0.0%

Noncash waivers have no impact on cash flow; however, they are an important part of Clemson’s financial aid and recruitment strategy. Waivers are used to attract and retain high quality students. Noncash waivers are expected to increase 2.5% in FY 2016-17 due to aggressive recruiting and enrollment of a top-15 student body.

 **Fund Balance Resources** ↑

Account Category	FY 2016-17 Proposed Budget	FY 2015-16 Revised Initial Budget	Change Amount	Percent Change
Unrestricted	\$44,323	\$40,131	\$4,192	10.4%
Restricted	\$-	\$-	\$-	0.0%

Fund balances are utilized to make investments in mission critical systems, labs, classrooms, graduate student support, and other capital investments funded by individual budgetary units. Projected at \$44.3M, fund balance resources complete the remainder of the unrestricted operating resource budget. Fund balances resources are used for one-time expenses such as faculty startups, vehicles for Police, Fire, and EMS, implementation of new building control and monitoring systems, equipment and software purchases, and other one-time payments. The use of fund balance is projected to be \$4.2M over the FY 2015-16 amount.

Delegation of Authority to the Administration

In approving budgets, the Board of Trustees recognizes that (1) amounts budgeted as income are estimates and subject to change, (2) amounts budgeted for expenditures are a reflection of plans and workload estimates as of the time the budget is prepared, (3) the dynamic environment of a research university results in changes as a normal course of business and thus requiring adjustments in plans, programs, estimates and budget items. To provide for continuity and essential flexibility in operations, the Board of Trustees reaffirms the delegation of necessary authority to the President to act in all matters and to the Vice President for Finance & Operations to act in fiscal, contractual and other business matters, including specifically, authority to negotiate and make timely changes in contracts, to approve transfers and expenditures of funds permitted in the General Appropriations Act, including those funds commonly referred to as “contribution or gift funds” to be retained at the University, to adjust operating, permanent improvement and other income and expenditure items, and to take such other actions considered necessary in fiscal, contractual or other business matters in response to changing conditions and estimates.

SUMMARY REVENUE AND EXPENSE BY PROGRAM BUDGET

(dollars in thousands)

	FY 2015-16				FY 2015-16		
	FY 2016-17 Proposed Budget	Revised Initial Budget	Percent Change		FY 2016-17 Proposed Budget	Revised Initial Budget	Percent Change
Operating Resources				Operating Uses			
Unrestricted Revenue:				Unrestricted Expense:			
State Appropriations	\$ 118,702	\$ 109,266	8.6%	Instruction	\$ 225,137	\$ 207,980	8.2%
Federal Appropriations	13,000	12,627	3.0%	Research	89,874	83,714	7.4%
Student Fees	392,581	354,899	10.6%	Public Service	58,518	59,118	(1.0)%
Facilities and Administrative Cost Recoveries	15,068	11,877	26.9%	Academic Support	53,012	43,936	20.7%
Sales and Services	203,008	190,128	6.8%	Institutional Support	36,379	32,096	13.3%
Other University Generated	59,382	46,723	27.1%	Student Services	41,248	35,950	14.7%
				Auxiliary Enterprises	169,793	154,255	10.1%
Total Unrestricted Revenue	801,741	725,520	10.5%	Scholarships and Fellowships	23,748	23,410	1.4%
Fund Balance Resources	44,323	40,131		Operations and Maintenance	38,762	35,490	9.2%
Total Unrestricted Revenue and Fund Balance Resources	846,064	765,651	10.5%	Net Transfers	65,270	49,571	31.7%
				Current Unrestricted Expense	801,741	725,520	10.5%
				Projected Fund Balance Expenditures	44,323	40,131	
				Total Unrestricted Expense	846,064	765,651	10.5%
Restricted Revenue:				Restricted Expense:			
State Higher Education Grants	56,622	51,270	10.4%	Instruction	4,257	4,726	(9.9)%
Financial Aid - Non-State Higher Education Grants	31,278	29,007	7.8%	Research	78,941	68,505	15.2%
Grants and Contracts	102,315	90,255	13.4%	Public Service	14,189	11,790	20.3%
Other Restricted Revenue	1,465	1,364	7.4%	Academic Support	822	1,040	(21.0)%
				Institutional Support	2,172	3,090	(29.7)%
Total Restricted Revenue	191,680	171,896	11.5%	Student Services	306	393	(22.1)%
				Auxiliary Enterprises	-	-	0.0%
				Scholarships and Fellowships	89,391	81,895	9.2%
				Operations and Maintenance	18	15	20.0%
				Net Transfers	1,584	442	258.4%
				Total Restricted Expense	191,680	171,896	11.5%
Total Revenue and Fund Balance Resources	1,037,744	937,547	10.7%	Total Expense	1,037,744	937,547	10.7%
Noncash Resources:				Noncash Uses:			
Graduate and Undergraduate Waivers	53,008	51,702	2.5%	Graduate and Undergraduate Waivers	28,008	27,202	3.0%
				Fringe Benefits - Graduate Assistant Differential	25,000	24,500	2.0%
Total Noncash Resources	53,008	51,702	2.5%	Total Noncash Uses	53,008	51,702	2.5%
Total Operating Resources	\$1,090,752	\$ 989,249	10.3%	Total Operating Uses	\$1,090,752	\$ 989,249	10.3%

SUMMARY REVENUE AND EXPENSE BY ACCOUNT BUDGET

(dollars in thousands)

	FY 2016-17 Proposed Budget	FY 2015-16 Revised Initial Budget	Percent Change
Operating Resources			
Unrestricted Revenue:			
State Appropriations	\$ 118,702	\$ 109,266	8.6%
Federal Appropriations	13,000	12,627	3.0%
Student Fees	392,581	354,899	10.6%
Facilities and Administrative Cost Recoveries	15,068	11,877	26.9%
Sales and Services	203,008	190,128	6.8%
Other University Generated	59,382	46,723	27.1%
Total Unrestricted Revenue	<u>801,741</u>	<u>725,520</u>	10.5%
Fund Balance Resources	44,323	40,131	
Total Unrestricted Revenue and Fund Balance Resources	<u>846,064</u>	<u>765,651</u>	10.5%
Restricted Revenue:			
State Higher Education Grants	56,622	51,270	10.4%
Financial Aid - Non-State Higher Education Grants	31,278	29,007	7.8%
Grants and Contracts	102,315	90,255	13.4%
Other Restricted Revenue	1,465	1,364	7.4%
Total Restricted Revenue	<u>191,680</u>	<u>171,896</u>	11.5%
Total Revenue and Fund Balance Resources	<u>1,037,744</u>	<u>937,547</u>	10.7%
Noncash Resources:			
Graduate and Undergraduate Waivers	53,008	51,702	2.5%
Total Noncash Resources	<u>53,008</u>	<u>51,702</u>	2.5%
Total Operating Resources	<u>\$1,090,752</u>	<u>\$ 989,249</u>	10.3%

	FY 2016-17 Proposed Budget	FY 2015-16 Revised Initial Budget	Percent Change
Operating Uses			
Unrestricted Expense:			
Compensation and Benefits:			
Faculty and Unclassified Staff	\$ 202,647	\$ 186,464	8.7%
Classified Staff	102,898	98,612	4.3%
Other Wages	48,943	49,647	(1.4%)
Fringe Benefits	115,036	105,203	9.3%
Total Compensation and Benefits	469,524	439,926	6.7%
Operating Costs	346,866	308,425	12.5%
Net Transfers	65,270	49,571	31.7%
Recoveries	(79,919)	(72,402)	10.4%
Current Unrestricted Expense	<u>801,741</u>	<u>725,520</u>	10.5%
Projected Fund Balance Expenditures	44,323	40,131	
Total Unrestricted Expense	<u>846,064</u>	<u>765,651</u>	10.5%
Restricted Expense:			
Compensation and Benefits:			
Faculty and Unclassified Staff	11,670	11,612	0.5%
Classified Staff	2,663	2,739	(2.8%)
Other Wages	22,493	18,234	23.4%
Fringe Benefits	12,479	7,340	70.0%
Total Compensation and Benefits	49,305	39,925	23.5%
Operating Costs	140,791	131,529	7.0%
Net Transfers	1,584	442	258.4%
Recoveries	-	-	0.0%
Total Restricted Expense	<u>191,680</u>	<u>171,896</u>	11.5%
Total Expense	<u>1,037,744</u>	<u>937,547</u>	10.7%
Noncash Uses:			
Graduate and Undergraduate Waivers	28,008	27,202	3.0%
Fringe Benefits - Graduate Assistant Differential	25,000	24,500	2.0%
Total Noncash Uses	<u>53,008</u>	<u>51,702</u>	2.5%
Total Operating Uses	<u>\$1,090,752</u>	<u>\$ 989,249</u>	10.3%

Operating Resources by Source
(dollars in thousands)

	Educational and General			Public Service Activities			Auxiliary Enterprises			Total Unrestricted		
	FY 2016-17 Proposed Budget	FY 2015-16 Revised Initial Budget	Percent Change	FY 2016-17 Proposed Budget	FY 2015-16 Revised Initial Budget	Percent Change	FY 2016-17 Proposed Budget	FY 2015-16 Revised Initial Budget	Percent Change	FY 2016-17 Proposed Budget	FY 2015-16 Revised Initial Budget	Percent Change
Unrestricted Revenue:												
State Appropriations	\$ 79,702	\$ 73,705	8.1%	\$ 39,000	\$ 35,561	9.7%	\$ -	\$ -	0.0%	\$ 118,702	\$ 109,266	8.6%
Federal Appropriations	-	-	0.0%	13,000	12,627	3.0%	-	-	0.0%	13,000	12,627	3.0%
Student Fees	385,319	348,594	10.5%	-	-	0.0%	7,262	6,305	15.2%	392,581	354,899	10.6%
Facilities and Administrative Cost Recoveries	11,829	10,151	16.5%	3,239	1,726	87.7%	-	-	0.0%	15,068	11,877	26.9%
Sales and Services	9,833	9,359	5.1%	13,044	15,726	(17.1%)	180,131	165,043	9.1%	203,008	190,128	6.8%
Other University Generated	23,298	21,627	7.7%	552	411	34.3%	35,532	24,685	43.9%	59,382	46,723	27.1%
Total Unrestricted Revenue	509,981	463,436	10.0%	68,835	66,051	4.2%	222,925	196,033	13.7%	801,741	725,520	10.5%
Fund Balance Resources	38,458	36,560		3,881	3,344		1,984	227		44,323	40,131	
Total Unrestricted Revenue and Fund Balance Resources	548,439	499,996	9.7%	72,716	69,395	4.8%	224,909	196,260	14.6%	846,064	765,651	10.5%
Noncash Resources:												
Graduate and Undergraduate Waivers	53,008	51,702	2.5%	-	-	0.0%	-	-	0.0%	53,008	51,702	2.5%
Total Noncash Resources	53,008	51,702	2.5%	-	-	0.0%	-	-	0.0%	53,008	51,702	2.5%
Total Operating Resources	\$ 601,447	\$ 551,698	9.0%	\$ 72,716	\$ 69,395	4.8%	\$ 224,909	\$ 196,260	14.6%	\$ 899,072	\$ 817,353	10.0%

* FY2015-16 Initial Budget has been revised to reflect the accounting changes resulting from IPTAY becoming a related organization.

Operating Uses by Program ⁽¹⁾
(dollars in thousands)

	Educational and General			Public Service Activities			Auxiliary Enterprises			Total Unrestricted		
	FY 2016-17 Proposed Budget	FY 2015-16 Revised Initial Budget	Percent Change	FY 2016-17 Proposed Budget	FY 2015-16 Revised Initial Budget	Percent Change	FY 2016-17 Proposed Budget	FY 2015-16 Revised Initial Budget	Percent Change	FY 2016-17 Proposed Budget	FY 2015-16 Revised Initial Budget	Percent Change
Unrestricted Expense:												
Instruction	\$ 222,656	\$ 205,762	8.2%	\$ -	\$ -	0.0%	\$ 2,481	\$ 2,218	11.9%	\$ 225,137	\$ 207,980	8.2%
Research	62,060	58,814	5.5%	27,814	24,900	11.7%	-	-	0.0%	89,874	83,714	7.4%
Public Service	17,698	18,140	(2.4%)	40,772	40,930	(0.4%)	48	48	0.0%	58,518	59,118	(1.0%)
Academic Support	52,866	43,715	20.9%	146	221	(33.9%)	-	-	0.0%	53,012	43,936	20.7%
Institutional Support	36,379	31,914	14.0%	-	-	0.0%	-	182	(100.0%)	36,379	32,096	13.3%
Student Services	30,945	27,445	12.8%	-	-	0.0%	10,303	8,505	21.1%	41,248	35,950	14.7%
Auxiliary Enterprises	317	(9)	(n/a)	-	-	0.0%	169,476	154,264	9.9%	169,793	154,255	10.1%
Scholarships and Fellowships	12,658	12,658	0.0%	-	-	0.0%	11,090	10,752	3.1%	23,748	23,410	1.4%
Operations and Maintenance	38,762	35,490	9.2%	-	-	0.0%	-	-	0.0%	38,762	35,490	9.2%
Net Transfers	35,640	29,507	20.8%	103	-	0.0%	29,527	20,064	47.2%	65,270	49,571	31.7%
Current Unrestricted Expense	509,981	463,436	10.0%	68,835	66,051	4.2%	222,925	196,033	13.7%	801,741	725,520	10.5%
Projected Fund Balance Expenditures	38,458	36,560		3,881	3,344		1,984	227		44,323	40,131	
Total Unrestricted Expense	548,439	499,996	9.7%	72,716	69,395	4.8%	224,909	196,260	14.6%	846,064	765,651	10.5%
Noncash Uses:												
Graduate and Undergraduate Waivers	28,008	27,202	3.0%	-	-	0.0%	-	-	0.0%	28,008	27,202	3.0%
Fringe Benefits - Graduate Assistant Differential	25,000	24,500	2.0%	-	-	0.0%	-	-	0.0%	25,000	24,500	2.0%
Total Noncash Uses	53,008	51,702	2.5%	-	-	0.0%	-	-	0.0%	53,008	51,702	2.5%
Total Operating Uses	\$ 601,447	\$ 551,698	9.0%	\$ 72,716	\$ 69,395	4.8%	\$ 224,909	\$ 196,260	14.6%	\$ 899,072	\$ 817,353	10.0%

* FY2015-16 Initial Budget has been revised to reflect the accounting changes resulting from IPTAY becoming a related organization.

	Sponsored Program Activities			Scholarships and Student Aid			Other Restricted			Total Restricted		
	FY 2016-17	FY 2015-16		FY 2016-17	FY 2015-16		FY 2016-17	FY 2015-16		FY 2016-17	FY 2015-16	
	Proposed Budget	Revised Initial Budget	Percent Change	Proposed Budget	Revised Initial Budget	Percent Change	Proposed Budget	Revised Initial Budget	Percent Change	Proposed Budget	Revised Initial Budget	Percent Change
Restricted Expense:												
Instruction	\$ 2,302	\$ 2,375	(3.1%)	\$ 5	\$ 60	(91.7%)	\$ 1,950	\$ 2,291	(14.9%)	\$ 4,257	\$ 4,726	(9.9%)
Research	64,475	56,490	14.1%	10	14	(28.6%)	14,456	12,001	20.5%	78,941	68,505	15.2%
Public Service	10,998	9,303	18.2%	-	-	0.0%	3,191	2,487	28.3%	14,189	11,790	20.3%
Academic Support	-	-	0.0%	-	-	0.0%	822	1,040	(21.0%)	822	1,040	(21.0%)
Institutional Support	-	-	0.0%	-	-	0.0%	2,172	3,090	(29.7%)	2,172	3,090	(29.7%)
Student Services	-	-	0.0%	-	-	0.0%	306	393	(22.1%)	306	393	(22.1%)
Auxiliary Enterprises	-	-	0.0%	-	-	0.0%	-	-	0.0%	-	-	0.0%
Scholarships and Fellowships	-	-	0.0%	87,740	80,203	9.4%	1,651	1,692	(2.4%)	89,391	81,895	9.2%
Operations and Maintenance	-	-	0.0%	-	-	0.0%	18	15	20.0%	18	15	20.0%
Net Transfers	1,439	437	229.3%	145	-	0.0%	-	5	(100.0%)	1,584	442	258.4%
Total Restricted Expense	79,214	68,605	15.5%	87,900	80,277	9.5%	24,566	23,014	6.7%	191,680	171,896	11.5%
Noncash Uses:												
Graduate and Undergraduate Waivers	-	-	0.0%	-	-	0.0%	-	-	0.0%	-	-	0.0%
Fringe Benefits - Graduate Assistant Differential	-	-	0.0%	-	-	0.0%	-	-	0.0%	-	-	0.0%
Total Noncash Uses	-	-	0.0%	-	-	0.0%	-	-	0.0%	-	-	0.0%
Total Operating Uses	\$ 79,214	\$ 68,605	15.5%	\$ 87,900	\$ 80,277	9.5%	\$ 24,566	\$ 23,014	6.7%	\$ 191,680	\$ 171,896	11.5%
				Total Unrestricted			Total Restricted			Total University		
				FY 2015-16			FY 2015-16			FY 2015-16		
				FY 2016-17	Revised	Percent	FY 2016-17	Revised	Percent	FY 2016-17	Revised	Percent
				Proposed Budget	Initial Budget	Change	Proposed Budget	Initial Budget	Change	Proposed Budget	Initial Budget	Change
Total Restricted and Unrestricted Expense:												
Total Expense				\$ 846,064	\$ 765,651	10.5%	\$ 191,680	\$ 171,896	11.5%	\$ 1,037,744	\$ 937,547	10.7%
Total Noncash Uses				53,008	51,702	2.5%	-	-	0.0%	53,008	51,702	2.5%
Total Operating Uses by Program				\$ 899,072	\$ 817,353	10.0%	\$ 191,680	\$ 171,896	11.5%	\$ 1,090,752	\$ 989,249	10.3%

* FY2015-16 Initial Budget has been revised to reflect the accounting changes resulting from IPTAY becoming a related organization.

Operating Uses by Account
(dollars in thousands)

	Educational and General			Public Service Activities			Auxiliary Enterprises			Total Unrestricted		
	FY 2016-17 Proposed Budget	FY 2015-16 Revised Initial Budget	Percent Change	FY 2016-17 Proposed Budget	FY 2015-16 Revised Initial Budget	Percent Change	FY 2016-17 Proposed Budget	FY 2015-16 Revised Initial Budget	Percent Change	FY 2016-17 Proposed Budget	FY 2015-16 Revised Initial Budget	Percent Change
Unrestricted Expense:												
Compensation and Benefits:												
Faculty and Unclassified Staff	\$ 153,803	\$ 143,094	7.5%	\$ 18,557	\$ 19,283	(3.8%)	\$ 30,287	\$ 24,087	25.7%	\$ 202,647	\$ 186,464	8.7%
Classified Staff	79,046	75,191	5.1%	10,611	11,042	(3.9%)	13,241	12,379	7.0%	102,898	98,612	4.3%
Other Wages	34,744	35,560	(2.3%)	4,205	3,988	5.4%	9,994	10,099	(1.0%)	48,943	49,647	(1.4%)
Fringe Benefits	87,393	79,452	10.0%	13,019	12,131	7.3%	14,624	13,620	7.4%	115,036	105,203	9.3%
Total Compensation and Benefits	354,986	333,297	6.5%	46,392	46,444	(0.1%)	68,146	60,185	13.2%	469,524	439,926	6.7%
Other Costs	196,805	171,312	14.9%	23,511	20,190	16.4%	126,550	116,923	8.2%	346,866	308,425	12.5%
Net Transfers	35,640	29,507	20.8%	103	-	0.0%	29,527	20,064	47.2%	65,270	49,571	31.7%
Recoveries	(77,450)	(70,680)	9.6%	(1,171)	(583)	100.9%	(1,298)	(1,139)	14.0%	(79,919)	(72,402)	10.4%
Current Unrestricted Expense	509,981	463,436	10.0%	68,835	66,051	4.2%	222,925	196,033	13.7%	801,741	725,520	10.5%
Projected Fund Balance Expenditures	38,458	36,560		3,881	3,344		1,984	227		44,323	40,131	
Total Unrestricted Expense	548,439	499,996	9.7%	72,716	69,395	4.8%	224,909	196,260	14.6%	846,064	765,651	10.5%
Noncash Uses:												
Graduate and Undergraduate Waivers	28,008	27,202	3.0%	-	-	0.0%	-	-	0.0%	28,008	27,202	3.0%
Fringe Benefits - Graduate Assistant Differential	25,000	24,500	2.0%	-	-	0.0%	-	-	0.0%	25,000	24,500	2.0%
Total Noncash Uses	53,008	51,702	2.5%	-	-	0.0%	-	-	0.0%	53,008	51,702	2.5%
Total Operating Uses	\$ 601,447	\$ 551,698	9.0%	\$ 72,716	\$ 69,395	4.8%	\$ 224,909	\$ 196,260	14.6%	\$ 899,072	\$ 817,353	10.0%

* FY2015-16 Initial Budget has been revised to reflect the accounting changes resulting from IPTAY becoming a related organization.

Academic Fee Schedule
Undergraduate Student Academic Fee Schedule
Effective Fall 2016

Full-Time Undergraduate Fees per Semester (twelve hours or more):

- Base Academic Fee
- Tuition
- Other Debt Retirement and Plant Fund Transfers
- Matriculation
- Activity Fee
- Software License Fee
- Fike Fee (*on-campus*)
- Medical Fee (*on-campus*)
- Career Services Fee
- Transit Fee (*on-campus*)
- Information Technology Fee

Total Full-Time Undergraduate Fees per Semester

	Resident	Non-Resident
	\$ 5,891	\$ 14,666
	702	1,703
	116	281
	5	5
	40	40
	12	12
	63	63
	175	175
	4	4
	33	33
	118	118
	\$ 7,159	\$ 17,100

Additional Full-Time Undergraduate Fees per Semester:

- Library Fee (*30+ cumulative credit hours*)

	\$ 85	\$ 85
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Part-Time Undergraduate Fees per Credit Hour (less than twelve hours):

- Base Academic Fee
- Tuition
- Other Debt Retirement and Plant Fund Transfers
- Activity Fee
- Information Technology Fee

Total Part-Time Undergraduate Fees per Credit Hour

	\$ 526	\$ 1,289
	63	150
	10	24
	4	4
	10	10
	\$ 613	\$ 1,477

Additional Part-Time Undergraduate Fees per Credit Hour:

- Library Fee (*30+ cumulative credit hours*)

	\$ 8	\$ 8
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Additional Part-Time Undergraduate Fees per Semester:

- Matriculation
- Software License Fee
- Fike Fee (*6+ on-campus credit hours*)
- Medical Fee (*6+ on-campus credit hours*)
- Career Services Fee (*6+ credit hours*)
- Transit Fee (*6+ on-campus credit hours*)

	\$ 5	\$ 5
	12	12
	63	63
	175	175
	4	4
	33	33

Academic Fee Schedule
Undergraduate Student Academic Fee Schedule
 Effective Fall 2016 *(continued)*

Summer Session Fees per Credit Hour:	Resident	Non-Resident
Base Academic Fee	\$ 526	\$ 1,289
Tuition	63	150
Other Debt Retirement and Plant Fund Transfers	10	24
Activity Fee	4	4
Information Technology Fee	10	10
Total Summer Session Fees per Credit Hour	\$ 613	\$ 1,477
Additional Fees per Summer Session:		
Fike Fee <i>(3+ on-campus credit hours, maximum of \$36)</i>	\$ 18	\$ 18
Summer Session Fee <i>(maximum of \$35)</i>	5	5
Medical Fee <i>(3+ on-campus credit hours, maximum of \$128)</i>	64	64
Software License Fee <i>(maximum of \$12)</i>	6	6
Other Undergraduate Fees <i>(Debt Service and Other Mandatory Fees Apply):</i>		
Per Semester:		
Behavioral Science Junior/Senior Differential Tuition	\$ 1,000	\$ 1,000
Business Junior/Senior Differential Tuition	1,031	1,043
Student Sustainability Initiative (i.e. Green Fee) - opt in fee	10	10
Recreational Therapy Program (average of three term fees)	252	252
Per Credit Hour:		
Behavioral Science - Non-Majors Surcharge/Credit Hour 300/400	\$ 100	\$ 100
Business - Non-Majors Surcharge/Credit Hour 300/400	103	104
Cardiovascular Technology Concentration for Health Science Majors	200	200
Electrical and Computer Engineering - Online Courses Academic Fee	674	674
Summer Study Abroad Academic Fee	674	674
Youth Development Program - Online Academic Fee	550	550

Academic Fee Schedule
Undergraduate Student Academic Fee Schedule
 Effective Fall 2016 *(continued)*

Other Undergraduate Fees (<i>Debt Service and Other Mandatory Fees Apply</i>):	Resident	Non-Resident
<i>Certificate Programs:</i>		
Automotive Engineering Undergraduate certificate program <i>(one time)</i>	\$ 3,000	\$ 3,000
Translational Genomics <i>(one time)</i>	\$ 2,000	\$ 2,000
<i>Per Seat:</i>		
Variable Laboratory Fee Based on Specific Course Labs	\$ 75-200	\$ 75-200
Animal & Veterinary Sciences Laboratory Fee	450	450
<i>Contract Courses:</i>		
Level 1 - Graduate Tier 1 and 2 Programs	\$ 700-1,000	\$ 750-1,050
Level 2 - Graduate Tier 1 and 2 Programs	550-699	600-749
Level 3 - Graduate Tier 2 and 3 Programs	400-549	450-599
Level 4 - Undergraduate, Graduate Tier 3 and 4 Programs	250-399	300-449
Level 5 - Professional Development, High School Programs	100-249	150-299

Academic Fee Schedule
Graduate Student Academic Fee Schedule
Effective Fall 2016

Full-Time Graduate Fees per Semester (*nine hours or more*):

	Resident	Non-Resident
Tier 1 Program - Base Academic Fee	\$ 4,371	\$ 8,782
Tier 2 Program - Base Academic Fee	3,595	7,228
Tier 3 Program - Base Academic Fee	3,018	6,073
Tier 4 Program - Base Academic Fee	2,781	5,601
Tier 5 Program - Base Academic Fee	2,185	4,463

Additional Full-Time Graduate Fees per Semester:

Tuition	\$ 702	\$ 1,703
Other Debt Retirement and Plant Fund Transfers	116	281
Matriculation	5	5
Activity Fee	20	20
Software License Fee	12	12
Fike Fee (<i>on-campus</i>)	63	63
Medical Fee (<i>on-campus</i>)	175	175
Transit Fee (<i>on-campus</i>)	33	33
Information Technology Fee	118	118
Career Services Fee	2	2
Total Additional Full-Time Graduate Fees per Semester	\$ 1,246	\$ 2,412

Full-Time Graduate Assistant Fees per Semester:

Base Academic Fee	\$ 650	\$ 650
Tuition	10	10
Other Debt Retirement and Plant Fund Transfers	4	4
Matriculation	5	5
Activity Fee	20	20
Software License Fee	12	12
Fike Fee (<i>6+ on-campus credit hours</i>)	63	63
Medical Fee (<i>6+ on-campus credit hours</i>)	175	175
Transit Fee (<i>6+ on-campus credit hours</i>)	33	33
Career Services Fee	2	2
Total Full-Time Graduate Assistant Fees per Semester	\$ 974	\$ 974

Academic Fee Schedule
Graduate Student Academic Fee Schedule
 Effective Fall 2016 *(continued)*

Part-Time Graduate Fees per Credit Hour *(less than nine hours)*:

Tier 1 Program - Base Academic Fee
 Tier 2 Program - Base Academic Fee
 Tier 3 Program - Base Academic Fee
 Tier 4 Program - Base Academic Fee
 Tier 5 Program - Base Academic Fee

Resident **Non-Resident**

\$ 624	\$ 1,218
539	1,049
398	768
364	700
314	596

Additional Part-Time Graduate Mandatory Fees per Credit Hour:

Tuition
 Other Debt Retirement and Plant Fund Transfers

\$ 63	\$ 150
10	24

Total Additional Part-Time Graduate Mandatory Fees per Credit Hour

<u>\$ 73</u>	<u>\$ 174</u>
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Other Part-Time Graduate Fees:

Per Credit Hour:

Information Technology Fee

\$ 10	\$ 10
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Per Session:

Matriculation
 Activity Fee *(6+ credit hours)*
 Software License Fee
 Fike Fee *(6+ on-campus credit hours)*
 Medical Fee *(6+ on-campus credit hours)*
 Career Services Fee
 Transit Fee *(6+ on-campus credit hours)*

\$ 5	\$ 5
20	20
12	12
63	63
175	175
2	2
33	33

Summer Session Graduate Fees per Credit Hour (less than nine hours):

Tier 1 Program - Base Academic Fee
Tier 2 Program - Base Academic Fee
Tier 3 Program - Base Academic Fee
Tier 4 Program - Base Academic Fee
Tier 5 Program - Base Academic Fee

Resident	Non-Resident
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\$ 624	\$ 1,218
539	1,049
398	768
364	700
314	596

Additional Summer Session Graduate Mandatory Fees per Credit Hour:

Tuition
Other Debt Retirement and Plant Fund Transfers

\$ 63	\$ 150
10	24

Total Additional Summer Session Graduate Mandatory Fees per Credit Hour

\$ 73	\$ 174
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Other Summer Session Graduate Fees:

Per Credit Hour:

Information Technology Fee

\$ 10	\$ 10
-------	-------

Per Session:

Summer Session Fee (maximum of \$35)

\$ 5	\$ 5
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Software License Fee (maximum of \$12)

6	6
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Fike Fee (3+ on-campus credit hours, maximum \$36)

18	18
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Medical Fee (3+ on-campus credit hours, maximum \$128)

64	64
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Academic Fee Schedule
Graduate Student Academic Fee Schedule
 Effective Fall 2016 *(continued)*

Online Programs Graduate Fees per Credit Hour:

Tier 1 Program - Base Academic Fee
 Tier 2 Program - Base Academic Fee
 Tier 3 Program - Base Academic Fee
 Tier 4 Program - Base Academic Fee
 Tier 5 Program - Base Academic Fee

Resident **Non-Resident**

\$ 1,072	\$ 1,072
791	791
622	622
497	497
355	355

Additional Mandatory Graduate Fees per Credit Hour:

Tuition
 Other Debt Retirement and Plant Fund Transfers

\$ 63	\$ 63
10	10

Total Additional Mandatory Graduate Fees per Credit Hour

<u>\$ 73</u>	<u>\$ 73</u>
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Other Online Graduate Fees:

Per Credit Hour:

Information Technology Fee

\$ 10	\$ 10
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Per Session:

Matriculation

\$ 5	\$ 5
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Software License Fee

12	12
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Career Services Fee *(6+ credit hours)*

2	2
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Other Graduate Fees (Other Mandatory Fees Apply):	Resident	Non-Resident
Premier Program Academic Fees per Semester:		
Masters in Historic Preservation	\$ 14,700	\$ 14,700
Master of Science, Major in Nursing	8,500	15,000
Masters in Business Administration (MBA)	9,333	15,336
Masters & PhD in Automotive Engineering	5,500	12,700
Master of Fine Arts in Digital Production Arts	17,600	17,600
Premier Program Academic Fees per Credit Hour:		
Masters in Historic Preservation	\$ 980	\$ 980
Masters in Real Estate Development	1,222	1,222
Masters & PhD in Automotive Engineering	786	1,814
Master of Fine Arts in Digital Production Arts	1,956	1,956
Master of Engineering in Civil Engineering with Concentration in Risk Engineering & System Analytics	1,073	1,073
Master of Science, Major in Nursing	945	1,667
Special Masters in Business Administration (MBA) Programs:		
MBA with a Concentration in Entrepreneurship and Innovation Annual Fee	\$ 28,500	\$ 28,500
MBA with a Concentration in Entrepreneurship and Innovation Part-Time Fee per Credit Hour	972	1,210
MBA with a Concentration in Business Analytics	34,900	43,560
MBA with a Concentration in Business Analytics Part-Time fee per credit hour	972	1,210
Premier Program Academic Total Program Fee:		
Masters in Real Estate Development	\$ 55,000	\$ 55,000

Academic Fee Schedule
Graduate Student Academic Fee Schedule
 Effective Fall 2016 *(continued)*

Other Graduate Fees (Other Mandatory Fees apply):	Resident	Non-Resident
Graduate International Exchange Programs Academic Fees per Semester:		
Full-Time Non-Assistantship	\$ 4,008	\$ 4,008
Full-Time Assistantship	664	664
Graduate International Exchange Programs Academic Fees per Credit Hour:		
Part-Time Non-Assistantship	\$ 584	\$ 584
Summer Session Non-Assistantship	584	584
Summer Session Graduate Fees:		
Graduate Assistantship Academic Fee per Mini Session	\$ 300	\$ 300
Graduate Assistantship Academic Fee per Long Session	600	600
Graduate International Exchange Program Academic Fee per Session	300	300
Summer Study Aboard Academic Fee per Credit Hour	584	584
Deer Quality Management	1,500	1,500
Other Fees per Semester:		
Student Sustainability Initiative (i.e. Green Fee) - opt in fee	\$ 10	\$ 10
Certificate Programs:		
Automotive Engineering Industry certificate program <i>(per credit hour)</i>	\$ 948	\$ 948
Risk Engineering <i>(per credit hour)</i>	1,073	1,073
Translational Genomics <i>(one time)</i>	2,000	2,000
International Family and Community Studies Professional Certificate Program Academic Fee per Credit Hour		
International Program Sites	N/A	300
Albania Program	N/A	300
Contract Courses:		
Level 1 - Graduate Tier 1 and 2 Programs	\$ 700-1,000	\$ 750-1,050
Level 2 - Graduate Tier 1 and 2 Programs	550-699	600-749
Level 3 - Graduate Tier 2 and 3 Programs	400-549	450-599
Level 4 - Undergraduate, Graduate Tier 3 and 4 Programs	250-399	300-449
Level 5 - Professional Development, High School Programs	100-249	150-299
Other Graduate Fees:		
Variable Laboratory Fees Based on Specific Course Labs per Seat	\$ 75-200	\$ 75-200
Animal & Veterinary Sciences Laboratory Fee	450	450

Comparison of the Operating Budget with Audited Financial Statements

Operating Budget with a Financial Reporting Perspective

The University's Operating Budget and audited financial statements, as reflected in the University's Comprehensive Annual Financial Report (CAFR), serve equally important and distinct purposes. The operating budget reflects the University's strategic initiatives and serves to drive accountability by providing a reference point for measuring actual financial performance. As such, the budget establishes responsible spending levels (required for regulatory and contractual compliance) for operating purposes. Audited financial statements are historical snapshots of the University's overall financial position prepared in accordance with Generally Accepted Accounting Principles (GAAP), allowing for comparability among public higher education institutions.

A summary supplemental schedule reconciling the Operating Budget and CAFR has been provided to aid in understanding the differences in methodology between the two perspectives. The first column, labeled "FY 2016-17 Proposed Budget," displays the proposed operating resources and uses. The second columnar section, titled "CAFR Adjustments," summarizes the key adjustments that must be taken into account when comparing the "Operating Budget" to the "CAFR." Finally, in the third column, titled "FY 2016-17 CAFR Perspective," the net results are presented to demonstrate a CAFR perspective of the proposed Operating Budget figures in accordance with GAAP.

Comprehensive Annual Financial Report (CAFR) Adjustments

Adjustments made to translate the Operating Budget, controlled at unrestricted and restricted fund levels, to a university-wide perspective as prescribed by GAAP are as follows:

Internal Eliminations

Resources and uses are budgeted and managed by funding types. As a result, budgets must account and authorize spending at an unrestricted and restricted funding level. In many instances, the same funds must be budgeted and "used" or "spent" in more than one funding source. To eliminate a double counting of resources and uses at a university-wide perspective, GAAP mandates the elimination of activities that may be accounted for in multiple funds. Failure to recognize internal eliminations may result in overestimates or double counting of resources and uses when projecting the overall financial position of the University. The examples below provide practical illustrations highlighting the differences between a "Budget" and a "CAFR" perspective.

- **Internal Charges** — When departments provide goods or services to another area of the University, a revenue or expense budget is established to facilitate the budget process for each area. The internally generated revenue and expense are required to be eliminated for financial reporting purposes.
- **Scholarship Allowances** — Scholarships awarded to students are budgeted by restricted sources, gifts and grants. These scholarships are used to pay student fees, which are also budgeted as an unrestricted revenue source. Budgeting these resources both in restricted and unrestricted fund sources is required to obtain the necessary "spending authority" to ensure accountability and discipline within each discrete fund source. The practice of budgeting by fund sources requires an elimination adjustment to avoid double counting of revenues.
- **Facility and Administrative Recoveries** — Grants and contracts are budgeted as a restricted source. When grants and contracts incur facilities and administrative charges, a corresponding unrestricted revenue or source is budgeted for the recoveries. The practice of budgeting by the unrestricted and restricted source requires an elimination adjustment to avoid a double counting of revenues for financial reporting purposes.

Capital, Debt and Endowment Activities

As previously noted, operating sources (“revenues”) and uses (“expenditures”) must be budgeted and carefully tracked on an annual basis. Capital and debt activities occurring in the Plant Fund and endowment activities occurring in the Endowment Fund are not budgeted as annual operating items, but are required to be included in the annual financial report per GAAP. Below are some helpful examples:

- Transfers for Capital and Debt Activity — Tuition and fees are operating sources designated for construction projects or restricted for debt service payments. These funds are budgeted as an operating source that are transferred to the Plant Fund as an operating use. Transfers from the operating sources are applied as a source in the Plant Fund for construction projects and restricted to meet debt covenant requirements. These transfers are required to be eliminated for financial reporting purposes. Construction projects, when completed, result in a capital asset which is depreciated over the useful life of the asset.
- Equipment — Equipment purchases are budgeted uses (annual expenses) of annual resources in the operating budget. For financial reporting purposes, all equipment is required to be capitalized and depreciated over the multiple-year useful life of the asset. Therefore, equipment “expenditures” that are “expensed” in a single fiscal year from an Operating Budget perspective must be restated and amortized over multiple fiscal years in the CAFR perspective.
- Depreciation — Financial reporting requires capital asset costs (buildings and equipment) to be allocated or expensed (depreciated) over the useful life of the asset.
- Interest Expense — Financial reporting requires interest payments for the long-term debt activity in restricted debt service plant funds to be recorded as interest expense.
- Plant Fund Activities — Funds designated for construction projects may result in activities that are not required to be capitalized. Expenses in the Plant Fund that do not meet the capitalization criteria are not budgeted as an operating use but are classified as an expense for financial reporting purposes.
- Endowment Contributions — Contributions or additions to endowments are required to be classified as revenues for financial reporting purposes. Even though these contributions are classified as revenues, they are not available to spend for operating purposes. They are required to be used as the restricted base for future investment earnings.

Year End Reporting Adjustment

Reporting and State adjustments are adjustments required for financial reporting purposes. Typically, these are activities that occur after accounting records are closed for the fiscal year but are related to the financial reporting period.

- Reporting Adjustments — Adjustments are made after the close of the accounting records but are required for financial reporting purposes. Examples of reporting adjustments include grant subcontracts and construction activities that are billed after the fiscal year end but relate to activities in the reporting period. Some of these additional costs may be offset with a related billing or revenue receivable for the same reporting period.
- State Adjustments — A State reporting adjustment is required to reflect the market change in the value for funds held by the State Treasurer. While this adjustment is required for reporting, it is not available to be budgeted as an operating source.

These adjustments highlight differences in perspectives which are normally and generally accepted in the fiscal management of public colleges and universities.

Operating Budget with a Financial Reporting Perspective

Operating Resources by Source

(dollars in thousands)

	FY 2016-17 Proposed Budget	Description	CAFR Adjustments			FY 2016-17 CAFR Perspective
			Internal Eliminations	Capital, Debt and Endowment Activities	Year End Reporting Adjustments	
Unrestricted Revenue:						
State Appropriation	\$ 118,702		\$ -	\$ -	\$ -	\$ 118,702
Federal Appropriation	13,000		-	-	-	13,000
Student Fees	392,581	Scholarship Allowances	(75,291)	-	-	314,290
		GAD Elimination	(3,000)	-	-	-
Facilities and Administrative Cost Recoveries	15,068	Facilities and Administrative Recoveries	(15,068)	-	-	0
Sales and Services	203,008	Internal Charges	(4,500)	-	-	182,768
		Reporting Adjustments	-	-	200	-
		Scholarship Allowances	(15,940)	-	-	-
Other University Generated	<u>59,382</u>		-	-	-	<u>59,382</u>
Total Unrestricted Revenue	801,741		(113,799)	-	200	688,142
Fund Balance Resources	<u>44,323</u>		-	-	-	<u>44,323</u>
Total Unrestricted Revenue & Fund Balance Resources	846,064		(113,799)	-	200	732,465
Restricted Revenue:						
State Higher Education Grants	56,622		-	-	-	56,622
Financial Aid-Non-State Higher Education Grants	31,278		-	-	-	31,278
Grants and Contracts	102,315	Reporting Adjustments	-	-	1,000	103,315
Other Restricted Revenue	1,465	Capital Additions	-	16,107	6,300	23,872
		Reporting Adjustments	-	-	-	-
Total Restricted Revenue	191,680		-	16,107	7,300	215,087
Noncash Resources:						
Graduate and Undergraduate Waivers	<u>53,008</u>	Scholarship Allowances	<u>(28,008)</u>	-	-	<u>25,000</u>
Total Noncash Resources	53,008		(28,008)	-	-	25,000
Total Operating Resources	<u>\$1,090,752</u>		<u>\$ (141,807)</u>	<u>\$ 16,107</u>	<u>\$ 7,500</u>	<u>\$ 972,552</u>

Operating Budget with a Financial Reporting Perspective
Operating Uses by Program
(dollars in thousands)

	FY 2016-17 Proposed Budget	Description	CAFR Adjustments			FY 2016-17 CAFR Perspective
			Internal Eliminations	Capital, Debt and Endowment Activities	Year End Reporting Adjustments	
Total University Expense:						
Instruction	\$ 229,394	Facilities and Administrative Recoveries Reporting Adjustments	\$ (325)	\$	\$	\$ 229,069
Research	168,815	Noncapital Repairs and Renovations				153,052
		Facilities and Administrative Recoveries	(13,763)			-
		GAD Elimination	(3,000)			-
		Reporting Adjustments	-	-	1,000	-
Public Service	72,707	Facilities and Administrative Recoveries	(980)			71,727
Academic Support	53,834	Reporting Adjustments				53,834
Institutional Support	38,551	Reporting Adjustments				38,551
Student Services	41,554	Reporting Adjustments				41,554
Auxiliary Enterprises	169,793	Internal Aux Elimination	(4,500)			149,353
		Scholarship Allowances	(15,940)			-
Scholarships and Fellowships	113,139	Scholarship Allowances	(75,291)			37,848
Operations and Maintenance	38,780	Noncapital Repairs and Renovations		20,000		59,805
		Reporting Adjustments			1,025	-
Net Transfers	66,854	Transfers for Capital and Debt		(66,854)		-
Depreciation	-	Depreciation		50,000		50,000
Interest Expense	-	Interest Expense		22,024		22,024
Current University Expense	993,421		(113,799)	25,170	2,025	906,817
Projected Fund Balance Expenditures	44,323					44,323
Total University Expense	1,037,744		(113,799)	25,170	2,025	951,140
Noncash Uses:						
Graduate and Undergraduate Waivers	28,008	Scholarship Allowance	(28,008)			-
Fringe Benefits - Graduate Assistant Differential	25,000					25,000
Total Noncash Uses	53,008		(28,008)	-	-	25,000
Total Operating Uses	\$ 1,090,752		\$ (141,807)	\$ 25,170	\$ 2,025	\$ 976,140

Operating Budget with a Financial Reporting Perspective
Operating Uses by Account
(dollars in thousands)

	FY 2016-17 Proposed Budget	Description	CAFR Adjustments			FY 2016-17 CAFR Perspective
			Internal Eliminations	Capital, Debt and Endowment Activities	Year End Reporting Adjustments	
Total University Expense:						
Compensation and Benefits:						
Faculty and Unclassified Staff	\$ 214,317	Noncapital Repairs and Renovations	\$ (55)	\$ -	\$ -	\$ 214,262
Classified Staff	105,561	Noncapital Repairs and Renovations	(350)	-	-	105,211
Other Wages	71,436	Noncapital Repairs and Renovations	(85)	-	-	71,351
Fringe Benefits	127,515	Internal Charges	(3,150)	-	-	124,365
Total Compensation and Benefits	518,829		(3,640)	-	-	515,189
Other Costs	487,657	Noncapital Repairs and Renovations		20,000		471,547
		Scholarship Allowances	(91,231)			-
		Depreciation		50,000		-
		Interest Expense		22,024		-
		Reporting Adjustments	(3,860)	-	2,025	-
		Facilities and Administrative Recoveries	(15,068)			-
Net Transfers	66,854	Transfers for Capital and Debt		(66,854)		-
Recoveries	(79,919)					(79,919)
Current University Expense	993,421		(113,799)	25,170	2,025	906,817
Projected Fund Balance Expenditures	44,323					44,323
Total University Expense	1,037,744		(113,799)	25,170	2,025	951,140
Noncash Uses:						
Graduate and Undergraduate Waivers	28,008	Scholarship Allowance	(28,008)			-
Fringe Benefits - Graduate Assistant	25,000					25,000
Differential						
Total Noncash Uses	53,008		(28,008)	-	-	25,000
Total Operating Uses	\$ 1,090,752		\$ (141,807)	\$ 25,170	\$ 2,025	\$ 976,140

Definition of Terms

Academic Support

Program expenses for libraries, computing support and academic administration.

Account

Classification of expense by type (i.e., travel, compensation, benefits and equipment, etc.).

Auxiliary Enterprises

An Auxiliary Enterprise furnishes goods or services to students, faculty and staff, other institutional departments and incidentally to the general public for a fee related to the cost of the service. Auxiliary Enterprises are expected to be self-supporting, with revenues supporting the operating and capital needs of the enterprise. Examples include residence halls, dining, athletics and bookstores. Program expenses related to auxiliary enterprise activities are defined as auxiliary enterprises expenses.

Capital Activity

Construction and equipment expenditures.

Capital, Debt and Endowment Activities

Activities not included in the University operating budget. Plant fund activities include construction, equipment and debt expenditures. Endowment fund activities include gifts and grants and contracts restricted for endowments.

Capital Projects

Approved projects that construct, renovate, improve or significantly extend the life of capital assets such as buildings, infrastructure or land acquisition.

Comprehensive Annual Financial Report (CAFR)

The annual University financial report prepared under Generally Accepted Accounting Principles with an independent audit report.

Current Funds

Resources of the institution expendable for the operating purposes of the University.

Debt Service

Principal and interest payments on debt.

Depreciation

Allocation of the costs of capital assets, buildings and equipment across the useful life of the assets.

Educational and General (E&G)

Educational and General are the operations related to the educational mission of the University including instruction, research, public service, academic support, student services, institutional support and operation and maintenance of the physical plant. Educational and General revenues consist primarily of State general fund appropriations and tuition and fees generated by the University.

Facilities and Administrative Costs Recoveries (F&A)

Payments associated with sponsored programs activities for institutional overhead costs. Program sponsors typically are required to pay a predetermined facilities and administrative rate approved by the Federal Government.

Definition of Terms (*continued*)**Federal Appropriations**

Appropriations received from the Federal Government used primarily by Agricultural Experiment Stations and Cooperative Extension Service.

Fringe Benefits

The employer contribution for benefits offered to employees such as medical, dental, disability and life insurance, social security tax, retirement and unemployment contribution. The graduate assistant differential is also budgeted as a fringe benefit.

Fund Balances

Fund Balance is the result of an annual accumulation of revenues offset by expenses within a fund. Fund balances may be designated for the continuation of programs, strategic initiatives and to meet capital requirements in future years. Fund balances are budgeted as a source, Fund Balance Resources. Fund balance resources are budgeted as a use, Projected Fund Balance Expenditures. Referred to as Net Position for external reporting purposes.

GAAP (Generally Accepted Accounting Principles)

Financial reporting and accounting standards required by Governmental Accounting Standards Board for all public higher education institutions.

Grants and Contracts

Activity related to external or internal sponsored activities associated with a specific project, program or strategic initiative.

Institutional Support

Program expenses for institutional and executive-level activities that manage and provide long-range planning of the University. Examples include the governing board, executive management, planning and programming operations, legal services, fiscal operations, fundraising, space management, human resources, procurement and other support services for faculty and staff not operated as an auxiliary enterprise.

Instruction

Program expenses for the teaching faculty, support staff, instructional equipment and operating costs directly related to instruction. Departmental research which is not separately budgeted is also included in this category.

Internal Eliminations

Financial reporting adjustments to remove corresponding revenue and expenses managed as multiple funds for accounting and budget purposes.

Mandatory Transfers

Legally or contractually required transfer of funds, generally related to debt covenants, requiring the payment of principal and interest on bonds and other indebtedness.

Net Position

An accounting term which defines the remaining balance of assets and deferred outflows offset by liabilities and deferred inflows. In public higher education net position may be classified as unrestricted net position, restricted net position or invested in capital assets net of related debt. Referred to as Fund Balances for internal reporting purposes.

Noncash Resources and Uses

Budgeted resources and uses that have no cash flow impact to the University. External accounting requires tracking of noncash items such as waivers and graduate assistant differentials.

Nonmandatory Transfers

Discretionary transfer between funds and programs.

Operating Budget

Provides for an annual plan of operating sources and uses. It is also used as an authorization for spending.

Definition of Terms (*continued*)

Operation and Maintenance of Plant

Program expenses for buildings and grounds maintenance, safety and security, utilities and general services.

Program

Major classification of expense by function within the University regardless of organizational placement (i.e., Instruction, Research, etc.).

Public Service

Program expenses associated with noninstructional services beneficial to individuals and groups external to the institution.

Public Service Activities (PSA)

State and Federally funded activities for the Clemson Cooperative Extension Service, Agricultural Research, Regulatory Services and Livestock and Poultry Health.

Recoveries

Revenues generated for sales and services of activities from within the University. External financial reporting requires internally generated revenue be offset from the related expense.

Related Organizations

Separately chartered legal entities whose activities primarily provide financial assistance and other support to the University and its educational programs.

Research

Program expenses for research sponsored by parties outside the University as well as separately budgeted University funded research.

Restricted Funds

Current operating funds received primarily from gifts and grants and contracts that are restricted by donors or other outside parties.

Sales and Services

Revenues from auxiliary or other revenue generating activities of the University.

Scholarships and Fellowships

Program expenses for undergraduate and graduate student assistance primarily funded from gifts, endowment income, and Federal and State sources.

State Appropriations

Legislative appropriations from the State of South Carolina for the operation of the University.

State Higher Education Grants

Grants received for state scholarship programs such as Palmetto Fellows and LIFE Scholarships or pass-through appropriations from other state agencies.

Student Fees

Revenues collected from students for registration in educational programs.

Student Services

Program expenses contributing to the students' emotional and physical well-being as well as intellectual, cultural and social development outside the context of the formal classroom. The Admissions Office, the Registrar, expenses for student organizations, counseling and career guidance, and student financial aid administration are some examples of student service areas.

University Generated Revenue

Revenue from sales and services to external parties.

Unrestricted Funds

Current funds derived from State appropriations, student fees, institutional revenue and auxiliary operations.

Definition of Terms (*continued*)**Waivers**

An accounting term that establishes the value of institutional student aid as the difference between the established student fee and the amount paid by the student.