

University of Montevallo
State Fiscal Stabilization Funds (SFSF) Plan

The University of Montevallo is scheduled to receive \$1,615,160 of State Fiscal Stabilization Funds in fiscal year 2010 and 2011 for a total of \$3,230,320. When the 2010 University budget was developed, these funds were utilized to offset rising costs, mitigating tuition increases for students. As a result of this funding, the 2009-2010 increase in tuition and fees was held to 5.4%, the lowest increase in the state.

The University will utilize the funds for each fiscal year to offset institutional scholarships and to support faculty salaries incurred during summer terms in the following amounts:

Scholarships	\$1,372,886
Faculty salaries/benefits	<u>\$242,274</u>
Total	\$1,615,160

The University's 2009-2010 budget included an increase in scholarships of approximately \$1,000,000. The increases were the results of (1) renewable scholarship programs in the first four years of implementation, (2) tuition-based scholarships rising with the approved tuition increase and (3) the addition of a new needs-based scholarship program to address financial needs of the population in today's economy.

The University's reimbursements will coincide with the percentages allowed per quarter as determined by the state of Alabama.

Utilizing the State Fiscal Stabilization Funds in this manner results in the following:

- A reduction of the impact of the decline in ETF funding on our students. The University prevented an excessive tuition increase to the student body.
- A reduction of the one-year depletion of the University's reserves from approximately 8% to 4%. Despite significant cuts to University operating budgets, the University still projects that during the 2010 fiscal year \$1.2M will be needed from the University's net assets in order to meet operating needs and maintain the level of quality provided by UM.
- The preservation of existing jobs. While only a small portion of funds are being devoted directly to salaries, the additional funds provided by SFSF support the University budget in general, preventing further budget cuts. At this time, the University does not have any plans for employee layoffs. Additionally, five new faculty lines are being added for the 2009-2010 academic year in order to meet the demands of our current student enrollment.