Highlights

As Alabama’s flagship university, The University of Alabama continues to embody the confidence, energy, hard work and indomitable spirit that result in a higher quality of life for all.

Our energy and commitment are guided by our success agenda, which emphasizes increased student retention and graduation rates, service and research that make a difference, providing opportunities that benefit individually and collectively, and solidifying campus unity by celebrating our many achievements together as the UA family. We are making sure that our momentum never slows down, by continuing to improve our facilities and campus life to foster a climate of excellence. We continue to experience and celebrate outstanding success in research, service, academics and athletics. Our faculty, staff, students, alumni, and community leaders are united in our commitment to be a community of scholars where students are our first priority, and our faculty and staff are empowered to be their highest and best selves. However, as the capstone of Higher Education, our journey is not yet completed.

To achieve our goals, we continue to focus on a multi-year balanced investment in excellence, with budget priorities that ensure that we can continue to invest in our faculty, staff and students; in our academic programs, especially our research initiatives; and in our facilities.

Despite ongoing legislative budget cuts, UA has been able to continue operating proactively to avoid many of the consequences impacting universities nationally. This has been accomplished through a long term strategy of cost containment and positioning to achieve our success agenda.

Since financial aid plays a critical role in our ability to attract the best and brightest, funding for need-based and merit-based financial aid continue to be a priority. We will continue to make investments in our students as their families face the reality of this difficult economic downturn.

We continue to focus on upgrading and expanding our facilities to meet the needs of the growing student population. And most importantly, the University continues to invest in its most important asset, faculty and staff, through a merit salary program and funding for new positions in the critical areas that serve our growing student population.

As we work together with a united commitment and vision, we will continue the progress that we have been experiencing the past decade.
Revenue Related

- The tuition budget for 2013/2014 represents an increase in tuition rates of 2.72% for in-state students and 4.36% for out-of-state students in addition to available growth reserves that resulted from a higher enrollment increase than anticipated.
- The 2013/2014 state appropriations for operations and maintenance is $143 million which is an overall increase of 1.8% from the 2012/2013 appropriations. This represents an increase from the 2012/2013 appropriations of 2.5 million offset slightly by new appropriations designated for the IT Innovation and Aging Infrastructure ($300,000) and the Center for Ethics and Social Responsibility ($250,000).
- The nearly 5% overall budget decrease anticipated for restricted revenues related to competitive grants is due to the effects of sequestration of federal funds.
- Sales and services of educational activities are budgeted to remain at approximately the same level as the FY2012/2013 approved budget.
- The 1.7% increase in auxiliary enterprises revenue is due predominantly to projected increases in revenue generated by:
  - Housing rental income ($487,000 due primarily through increased occupancy rates and reconfiguration of bed spaces),
  - Bookstore sales ($2 million expected from the continued popularity of the Apple Store),
  - Licensing ($500,000),
  - Food Service ($1.1 million from increase in guaranteed commission income from Aramark contract),
  - Parking Services ($470,000 from increased enrollment and parking fees),
  - Slightly offset by an increase in scholarship allowances ($2.5 million) and a decrease in expected revenue in Telecommunications ($350,000).
- Residential housing occupancy for fiscal year 2013/2014 is projected at 92.3%. Rates were not increased from fiscal year 2012/2013.
Expenditure Related

- $10.4 million was allocated centrally for faculty and staff merit based salary increases and associated fringe benefits. Funding was also made available through internal reallocations.
- In addition, salary and associated fringe benefit allocations were provided for faculty promotions ($582,000), for faculty new hires ($2 million), and for new graduate assistants ($500,000), new graduate assistant tuition waivers ($797,000), new graduate assistant health insurance ($49,000), and stipend increases ($444,000).
- Other benefit related increases include $4,615,000 for the University’s matching of State Teachers Retirement contributions and $163,000 for retiree health insurance.
- Net scholarship expense is projected to decrease by $2.6 million. Total scholarships are budgeted to increase by $24 million, up to $157,857,000. The increase is to support scholarship allowances for tuition, housing, and food service. Total scholarships projected for this fiscal year are $155,682,817, of which $137,797,154 is for scholarship allowances.
- Supplies and other expenses are expected to increase by 2.37%. This increase of operating funds is attributed to needs for Library support ($352,000), Admissions support ($500,000), and Veterans and Military Affairs ($75,000). Also, increased expenditures are expected in operating costs in auxiliaries as reflected by Intercollegiate Athletics ($808,000), the Bookstore ($1.3 million), Housing ($1 million), and Crimson Tide Foundation ($262,000).
- The 10% decrease in 2013/2014 interest expense is due to the partial refunding of prior year debt issuances from 2001 and 2004.