



Understanding the Pitt Budget



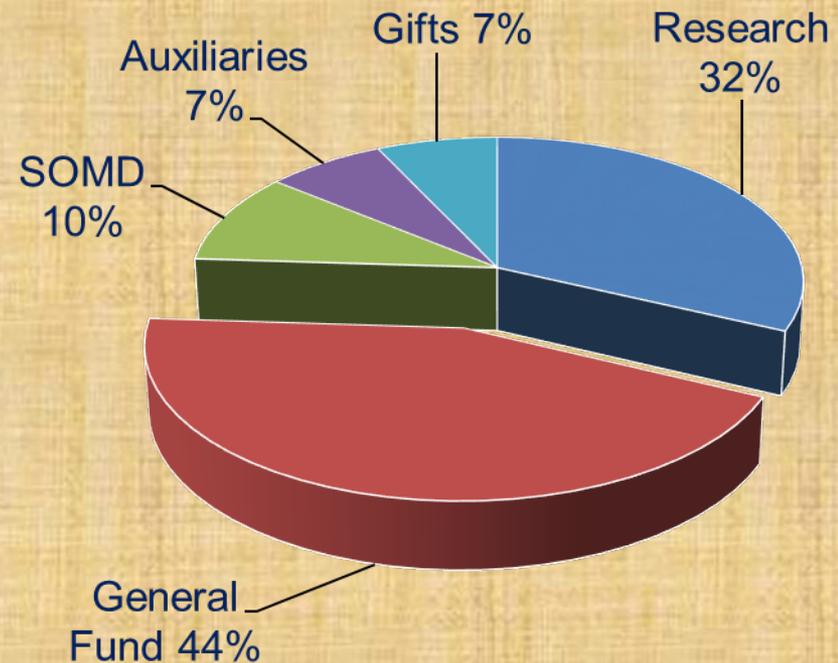
A Budget Primer

Where the Money Comes From Where it Goes

Why Research, Endowment, and Gift Dollars Can't be Used to Reduce Tuition

| Source | \$ Comes From | \$ Pays For |
|---|---|---|
| General Fund | <ul style="list-style-type: none"> Tuition State appropriation Investment income Sales, services, other | <ul style="list-style-type: none"> Instruction Institutional financial aid Student services Maintenance & facilities Administrative support |
| Gifts & Research Funds (Restricted) | <ul style="list-style-type: none"> Grant funding for specific sponsored projects Gift and endowment distributions with restricted use by donors | <ul style="list-style-type: none"> Compensation for research faculty and other direct research costs Instruction, financial aid, student service, and other costs as directed by donors |
| School of Medicine Division (SOMD, Unrestricted) | <ul style="list-style-type: none"> Tuition from medical students SOMD state funding UPMC support | <ul style="list-style-type: none"> Medical instruction SOMD facilities and operating costs |
| Auxiliaries | <p>Self-supporting auxiliary units pay the full cost of operations, including capital investments and maintenance, and receive no taxpayer or tuition monies. Services include: Student housing, food services, bookstores, parking, etc.</p> | |

Sources of Revenue



How Pitt Spends its General Fund

66 cents of each dollar goes to academic activities

- Instruction
- Academic Support
- Libraries
- Student Services

15 cents of each dollar goes to financial aid

- Additional aid is awarded through individual schools, not through the general fund.

10 cents of each dollar goes to facilities operation and maintenance

- Facility upkeep and maintenance
- Utilities

7 cents of each dollar goes toward institutional support

- Administration, budget, accounting, and finance
- Public safety
- Central human resource services
- Central information technology
- Legal services and compliance

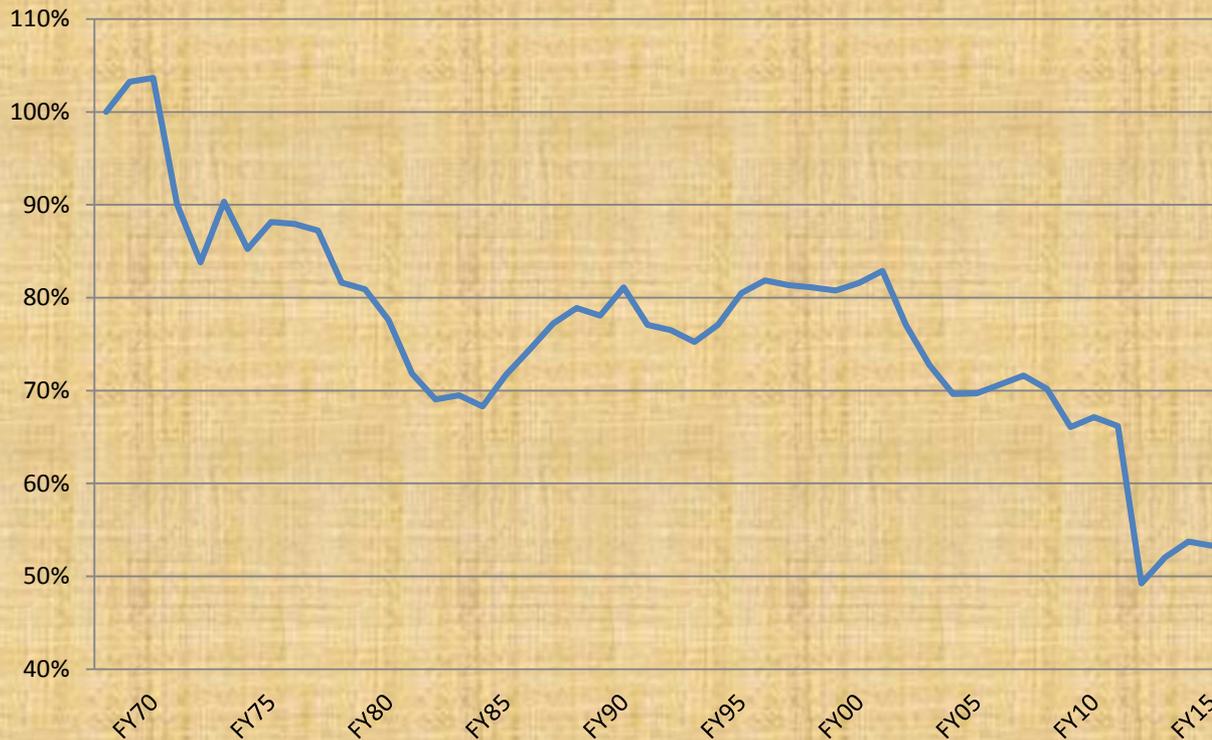
2 cents of each dollar goes to public service

- Community outreach programs



State Support is Declining

State Appropriation per PA student (Real, as a % of 1968)

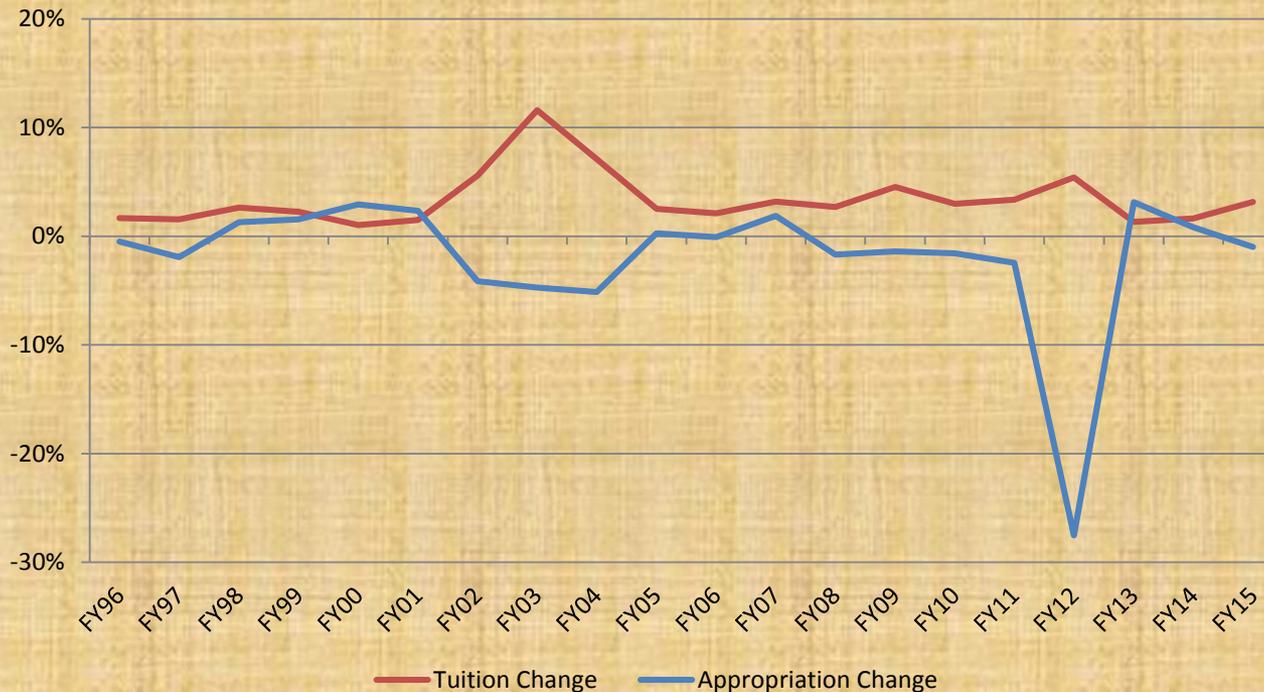


Pitt's state appropriation per PA student is 53% of what it was in 1968, considering inflation



Declining State Support Drives Up Tuition

Change in Tuition and State Appropriation (CPI adjusted)



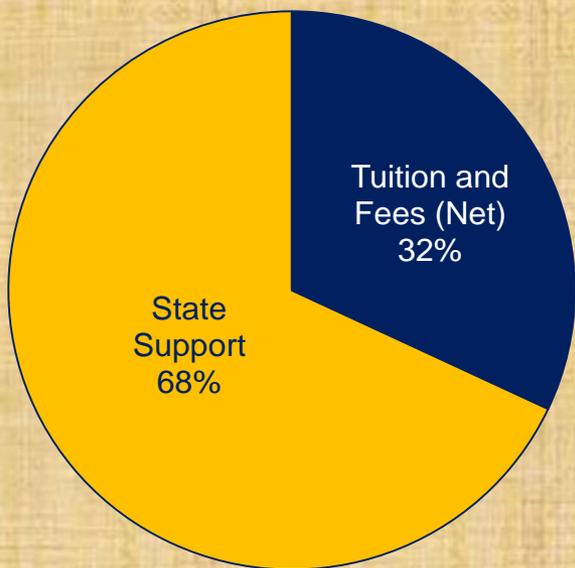
There is an inverse correlation between state appropriation levels and tuition levels

School of Arts and Sciences Tuition Rates

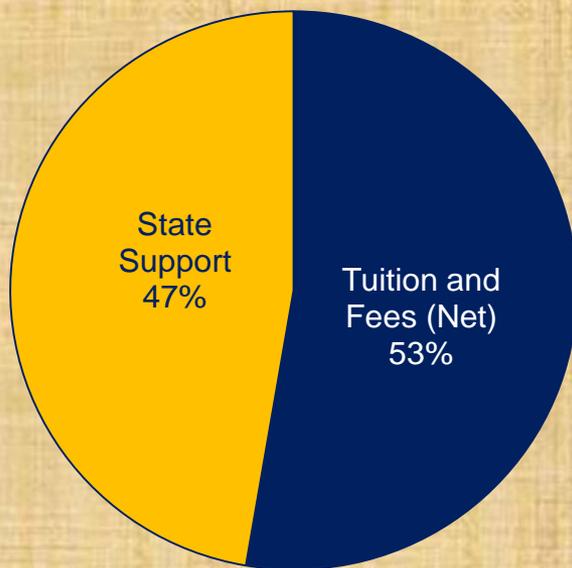


Tuition and Fees Fill the Revenue Gap Created by Declining State Support

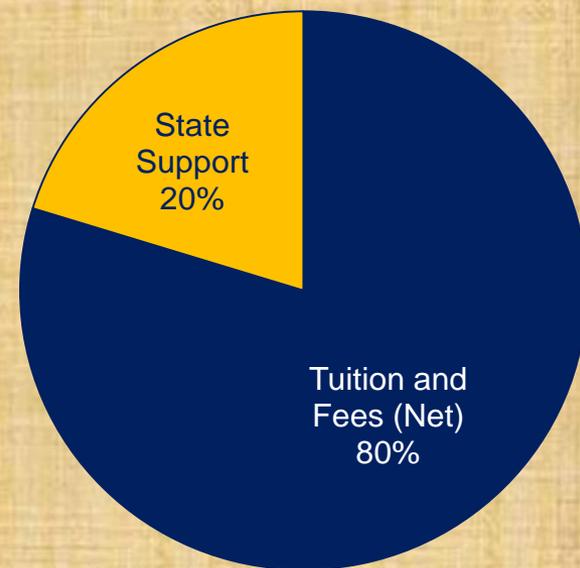
FY70



FY95



FY15



Keeping Pitt Affordable: Financial Aid

Financial Aid increases from Pitt have averaged 10% over the last 15 years.

- In 2014-2015, more than \$257 million in total financial aid was given to Pitt undergraduate students. This amount included state, federal, private aid and loans and Pitt institutional aid (not including scholarships awarded by the schools).
- Institutional undergraduate financial aid has grown much more quickly in percentage terms than tuition, and has well outpaced inflation.
- Since 2001, need-based aid awarded on the Pittsburgh campus has more than doubled and this increase is larger than the rate of tuition increases.
- Pitt serves a large number of low-income federal Pell Grant recipients. In 2013-14 the Pittsburgh campus enrolled a higher fraction of first-time freshmen Pell grant recipients than the other three top research universities in PA.

Increases in Pitt Institutional Financial Aid

| Academic Year | Financial Aid in Millions | % Increase |
|---------------|---------------------------|------------|
| 2000-2001 | \$13.4 | 9.8% |
| 2001-2002 | \$15.1 | 12.7% |
| 2002-2003 | \$18.0 | 19.2% |
| 2003-2004 | \$19.8 | 10.0% |
| 2004-2005 | \$21.1 | 6.6% |
| 2005-2006 | \$22.9 | 8.5% |
| 2006-2007 | \$23.3 | 1.7% |
| 2007-2008 | \$27.0 | 15.9% |
| 2008-2009 | \$33.1 | 22.6% |
| 2009-2010 | \$36.9 | 11.5% |
| 2010-2011 | \$39.9 | 8.1% |
| 2011-2012 | \$43.0 | 7.8% |
| 2012-2013 | \$40.2 | -6.5% |
| 2013-2014 | \$44.8 | 11.4% |
| 2014-2015 | \$48.1 | 7.3% |

Pittsburgh Campus Only

