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## ANNUAL INCOMES IN THE UNIVERSITIES CINCINNATI AND OSH TECHNOLOGICAL UNIVERSITY

*This article analyses the budget resources of the Cincinnati University, state Ohio and Osh Technological University. There was looked through the structure and volume of budget resources for 2010 fiscal year.*

*Keywords: Cincinnati University, OshTU, budget resources, higher education.*

## ГОДОВЫЕ ДОХОДЫ В УНИВЕРСИТЕТАХ CINCINNATI И ОШСКИЙ ТЕХНОЛОГИЧЕСКИЙ УНИВЕРСИТЕТ

*В статье анализируются бюджетные ресурсы университет Цинциннати в штате Огайо и Ошского технологического университета. Там просматривалось структуры и объема бюджетных средств на 2010 финансовый год.*

*Ключевые слова: университет Цинциннати, ОшТУ, бюджетные ресурсы, высшее образование.*

## REVENUE SUMMARY OF THE UNIVERSITY OF CINNCINATI

**State Support.** In keeping with the governor's commitment to higher education, the state is implementing a new state funding formula for higher education (SSI) in FY 2010. Funding allocations under the new system will be based on course completions rather than enrollments alone. In addition, for the Uptown campus, other measures are factored into the new formula, such as attracting, retaining and graduating at-risk students as well as degree attainment success factors and incentives for courses in STEMM fields (Science, Technology, Engineering, Mathematics and Medicine), measures for which UC has achieved increased success over the past several years.

Economic vicissitudes made the state's budget process protracted this year, resulting in several continuation budgets and uncertainties about state funding for higher education. In the end, the state budget bill, passed on July 17, allocated \$2 billion to higher education, of which 9 percent or \$187 million is UC's share. UC will receive \$ 179 million of its 2010 subsidy within the fiscal year with the remaining \$8 million scheduled deferred until FY 2011.

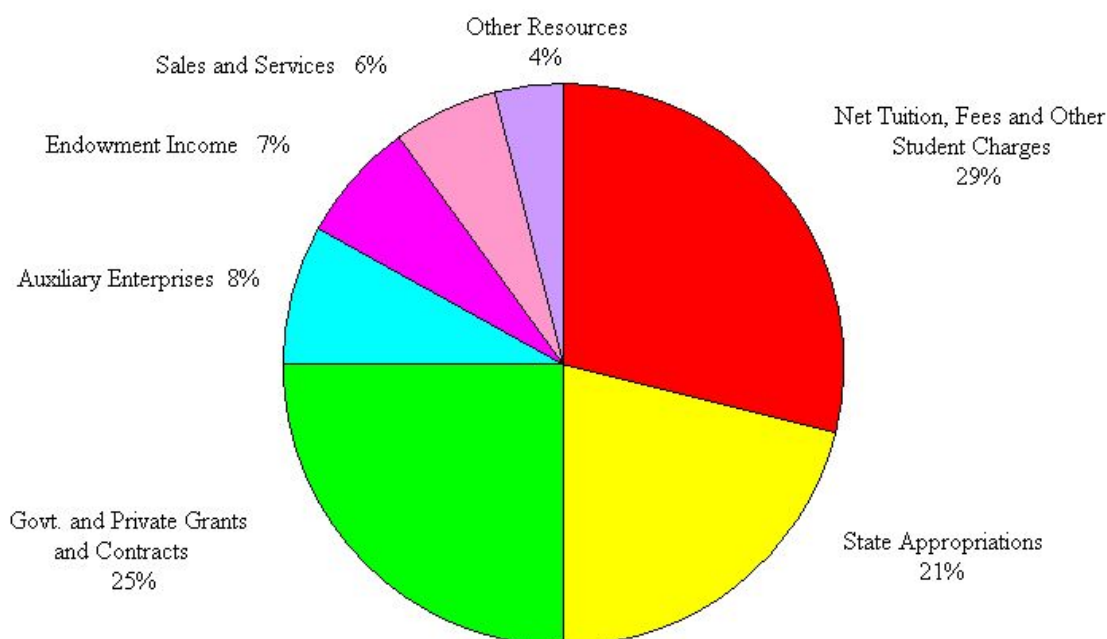
While recognizing the governor's and the legislature's efforts to protect higher education during these difficult times, we are also cognizant of the fragile nature of the state's budget. Given this and other factors, the university is planning for an 8% overall budget cut in FY 2010 and has set aside a reserve to replace FY 2012 stimulus funds and to better manage potential future reductions. [1]

**Tuition Revenue.** Although permitted by the state to increase undergraduate tuition up to 3.5%, the university will hold undergraduate tuition rates flat for the 2009-10 academic years. Graduate and professional schools rates will increase by 3%, with an additional 2% increase for the MD students in the College of Medicine.

In FY 2010, enrollment is expected to continue to grow. In early May 2009, reports of freshman confirming their admission to UC were up 14.9% at 5,044, compared with 2008's 4,390 confirmations over the same time period. These confirmations reflect more domestic out-of-state freshmen, compared with 2008, increasing numbers of freshmen from every region in Ohio and a 69.5% increase of freshmen expected from Northern Kentucky, resulting from expanding metro rates that make some UC programs

more accessible and affordable to students in neighboring states. Enrollment growth will help the university's financials since growth was not a factor in the budget planning assumptions. [1]

**Government and Private Grants and Contracts.** Governmental and private grants and contracts continued to grow. Despite a slight decline in funding from federal agencies, research grants increased overall due to an increase in grants from industry and other sources. The university has more than doubled its research funds received over a 10-year period and has plans to reach a goal of \$500 million in research funding for the university and its affiliates within the next five years. The university's researchers submitted nearly 300 grant applications in April 2009, compared with 105 in April 2008. Of these grant applications submitted, 90 were American Recovery and Reinvestment Act (ARRA)-supported "challenge grants." The National Science Foundation's (NSF) final plans for its \$3 billion in stimulus funds have still not been approved by the White House. However, the NSF has posted an online fact sheet confirming the outline of its spending plans. [1]



**Endowment Income.** Under its endowment spending policy, the university uses its endowment to support current operations in a way that generates a predictable stream of support, while at the same time maintaining the purchasing power of endowment funds adjusted for inflation. The spending policy provides for annual distributions of 5% (temporarily increased to 6% for FY 2007 through FY 2009) of the 12-quarter moving average market value of assets in the investment pool. The endowment market value decreased 25.7% between June 2008 and April 2009 due to the steep declines of global equity markets. Other than the decline of expendable endowment dollars available due to the spending policy reverting back to the normal 5% rate, the university does not anticipate a significant decline in funds available for spending in FY 2010 despite the decline in the endowment's market value. This is due largely to the endowment spending rate being based on a 12-quarter moving average market value of assets in the investment pool. [1]

**Auxiliary Enterprises.** The university's main auxiliary enterprises include Campus Services, Parking and Athletics. Campus Services has demonstrated outstanding financial management despite challenging circumstances. At the start of FY 2010, Parking Services becomes part of Campus Services under the institution's ongoing efficiencies efforts. Athletics will continue to explore and implement both revenue generation possibilities and cost-reduction initiatives.

## SUMMARY BUDGET OF OSH TECHNOLOGICAL UNIVERSITY

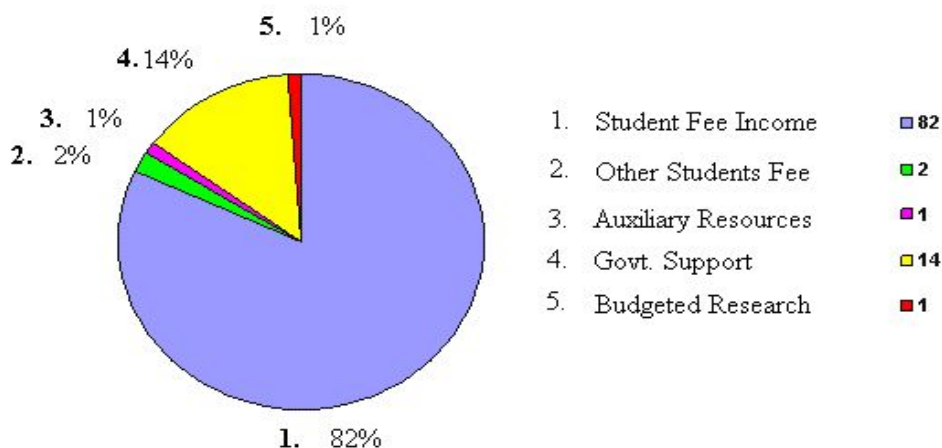
№	Resources	Thousand soms	Total share income
1	Students fee income	100750,0	82%
2	Other students fee	2550,0	2,06%
3	Auxiliary resources	1700,0	1,38%
4	State financing: a)for grant support b)for science researches	1300,0	1,05%
5	Summary income	123279,6	100%

Basically the total income of Osh Technological University (OshTU) consists of two resources. There are student's tuition and state financing for students education on the base of grants. These two resources together comprise almost 96 % of total income. [2]

**Tuition.** At the beginning of the 2010 academic year at the university have been studying 5891 day - time students and 6588 corresponding students. 480 of them are students from neighboring countries, most of them are citizens of Uzbekistan and Turkmenistan. Firstly, the low charges for studying attract foreign students. Secondly, for citizens of Uzbekistan this is the possibility of getting education in correspondent courses, so as there is no such form of studying at higher educational institutions of the country. In Turkmenistan it is observed undeveloped system of specialist training on charged basis.

In 2009-2010 academic year students tuition has been established from 8600 to 20000 soms for day-time studying and from 6400 to 18000 soms for correspondent studying. The tuition share of day-time students is about 52% correspondent students - 48%

**To other students' fees** were referred income from admission commission, for transfer students and re-establishment, from reexaminations and grades credits, handing and preparing diplomas and academic information. This sum of charge is counted about 2,5 mln. soms, which corresponds to about 2% of the total income.



**To auxiliary resources** have been referred dormitory fee and rent payments, for using canteens and

trading places. This gives about 1, 4% of total sum.

There are 997 university students studying on grant basis, so the government financing share contains 16979,6 thousand soms, for scientific researches have been planned 1300,0 thousand soms. In this way, the **government financing** gives 14.8%.

Comparing the structure and volume of financial resources of two universities we can conclude the following:

1. Income resources of two Universities are significantly differ both on structure and on facility volume.

2. At the Cincinnati University income is formed from students' tuition-31%, 21% from state financing, 25% from government and private contracts. Besides defined contribution comes from private gifts, from endowment income, from sales and services on account of enterprise activities.

3. In OshTU, the main income resources is the students' tuition which comprises 82% and 14% government share. At the same time we want to point out that the university pays 20% tax on special facilities, which greatly exceeds the volume of a state financing.

4. Scientific research financing in OshTU in the volume of 1% of total income and expenditure for scientific research more than 17% of income at the Cincinnati University shows incomparable difference in carrying out the scientific research at the universities.

5. The absence of OshTU graduates' support. Graduates Association at the American Universities plays the significant role in university financing.

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