

A Citizen's Report - FY 2011



UNIVERSITY OF GUAM UNIBETSEDÁT GUAHAN



About Us

The University. The Higher Education Act of 1976 established the University of Guam (UOG) as a non-membership, non-profit, public corporation under the control of a Board of Regents appointed by the Governor of Guam with the advice and consent of the Guam Legislature. It is a U.S. land-grant institution accredited by the Western Association of Schools and Colleges (WASC) offering associate, baccalaureate and master's degrees. The University is reported as a component unit of the government of Guam.

The Leadership: The University is governed by a nine-member Board of Regents, namely, Peter "Sonny" Ada-Chair; W. Chris Perez-Vice Chair; John Arroyo-Treasurer and Audit Committee Chair. Robert A. Underwood Ed.D., is the University's 10th President. Helen Whippy, Ph.D., is Senior Vice President of Academic and Student Affairs. David M. O'Brien is Vice President of Administration and Finance. John Peterson, Ph.D is Assistant Vice President for Sponsored Programs. Zeny Asuncion-Nace is the Comptroller.

As the island undergoes its most dramatic transformation since World War II due to the U.S. military buildup and Guam's economic growth, the University has identified three overarching themes: UOG Green, Natural Choice and Leading Change (Center for Island Sustainability).

The University at a Glance

The University of Guam is located in the Western Pacific on the island of Guam, an unincorporated U.S. Territory in the Marianas Islands. The campus is located in the village of Mangilao on 110 acres overlooking scenic Pago Bay, east of the island. It is home to 3,721 students (Fall'11 headcount) who are multicultural, multilingual and 91% Asian-Pacific Islanders. The University employs 198 full-time and 88 part-time faculty, 29 administrators and about 504 full- and part-time staff, with 15 master's degree programs, 34 undergraduate programs, and one associate degree program.

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Mission Statement

Ina, Diskubre, Setbe
To Enlighten, to Discover, to Serve



Core Commitments

- Student success, enrollment growth
- Academic quality
- Retention & institutional visibility
- Community engagement
- Institutional effectiveness & efficiency

How We Performed - FY 2011



Number of Degrees Granted, by School and Year

| | 2008-2009 | 2009-2010 | 2010-2011 |
|---|------------|------------|------------|
| College of Liberal Arts & Social Sciences | 64 | 65 | 58 |
| CNAS | 27 | 40 | 40 |
| SBPA | 100 | 129 | 136 |
| School of Education | 70 | 67 | 95 |
| School of Nursing | 30 | 40 | 33 |
| Graduate Studies | 90 | 121 | 126 |
| TOTAL | 381 | 462 | 488 |



The University continues its growth and excellence

Important financial trends include:

- Financial surplus in eight of the last ten years
- Revenue growth and diversity
- \$11M (29%) increase in Federal grants and contracts

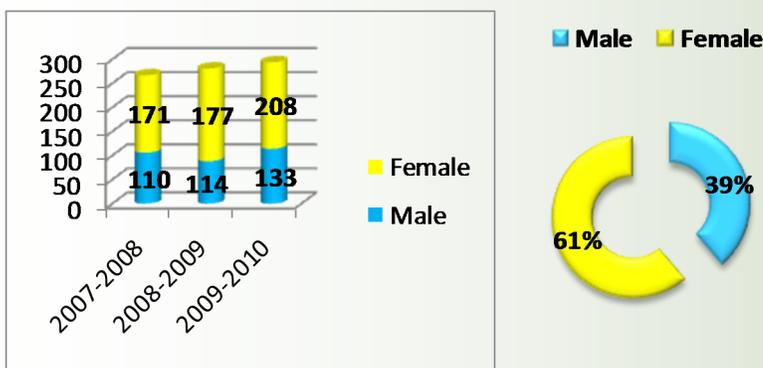
Significant institutional outcomes include:

- Increase in enrollment to 3,721, the highest since Fall 1999
- Increase in graduates to 488, the highest since 2000
- Primary and secondary accreditation
 - Western Association of Schools and Colleges (WASC), eight years
 - National League for Nursing Accrediting Commission, Inc. (NLNAC), eight years maximum
 - International Assembly for Collegiate Business Education (IACBE), eight years maximum
 - National Council for Accreditation of Teacher Education (NCATE)
 - Council on Social Work Education (CSWE)

Enrollment Data, by Type, by Year: Fall Semester

| Type of student | 2008-2009 | 2009-2010 | 2010-2011 |
|--------------------|-------------|-------------|-------------|
| degree | 3210 | 3267 | 3317 |
| graduate | 272 | 328 | 348 |
| Nondegree/postgrad | 68 | 44 | 56 |
| TOTAL | 3550 | 3639 | 3721 |

Undergraduate Degrees, Year and Gender



During FY 2011, grants and contracts grew \$11 million or 29%, the majority from Federal grants. The University was awarded \$16.6 million in ARRA stimulus grants:



\$12.9 million for infrastructure; \$2.2 million for technology; and \$1.5 million for temporary faculty and staff. Other major Federal support included increased PELL grants and student loans, cancer research grants, alternative energy and green projects.

Major Federal Grants Received in FY 2011¹

By Funding Source

| | |
|--|-----------------|
| U.S. Department of Education (includes PELL and Federal Loans) | \$ 28.5 million |
| U.S. Department of Agriculture | \$ 4.6 million |
| U.S. Department of Energy | \$ 1.05 million |

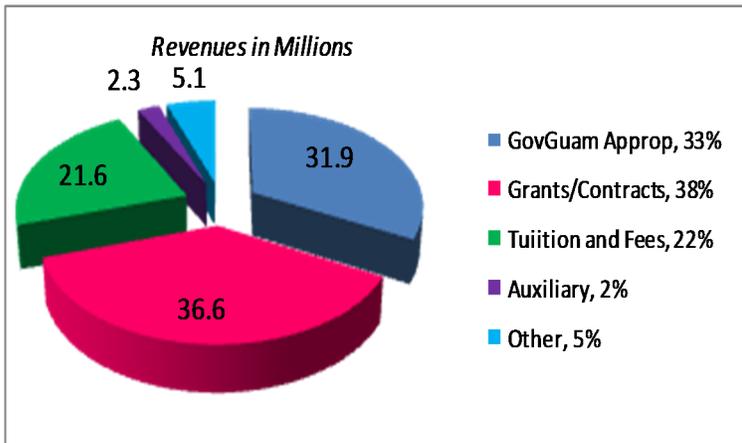
¹ Includes \$ 3.9 million funds received from the American Recovery and Reinvestment Act (ARRA)

Our Fiscal Performance - FY2011



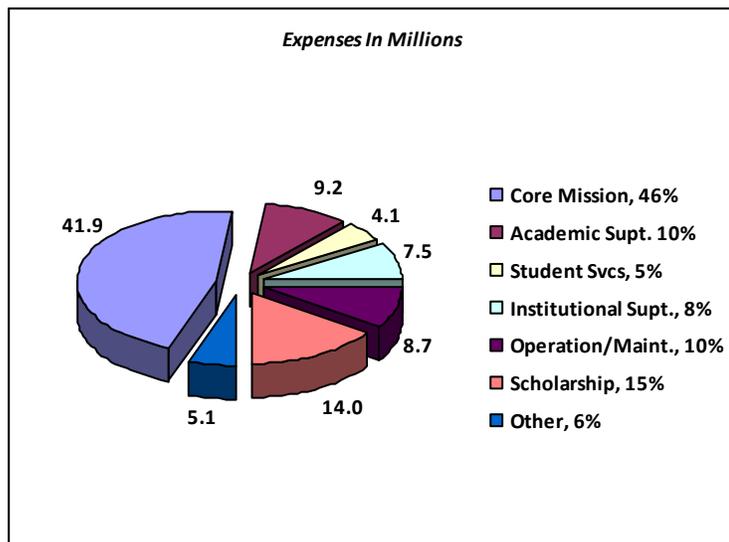
Major Revenue Sources

The University brought in \$65.6 million in revenues from operations. In addition Government of Guam appropriations are \$31.9 million. Total revenues grew 8% to \$97.6 million, mainly due to increases in federal grants and student enrollment.



Expenses

The University spent \$90.5 million of which \$41.9 million (or 46%) was spent directly on its core mission - instruction, research and public service.



Two-Year Revenue Comparison By Source:

| | FY 2011 | FY 2010 |
|--|------------------|------------------|
| University Generated Revenues: (in \$1,000's) | | |
| Tuition and Fees (Gross) | \$ 21,630 | \$ 20,740 |
| Grants and Contracts (net*) | 36,549 | 28,749 |
| Aux. Enterprises & Other Revenues | 7,467 | 7,727 |
| Total Generated Revenues | \$ 65,646 | \$ 57,216 |
| Gov't of Guam Appropriations | 31,936 | 33,072 |
| Total Revenues | \$ 97,582 | \$ 90,288 |

* Pell Grants for tuition are netted against Federal Grants

In FY 11, revenues (net of investment) grew to \$97.6 million, a \$7.3 million increase (8%). While government of Guam appropriations decreased \$1.1 million (3%), the University generated \$65.6 million from its operations, an increase of \$8.4 million (15%).

Two-Year Expense Comparison by Category: (in \$1,000's)

| | FY 2011 | FY 2010 |
|--------------------------|------------------|------------------|
| Core Mission | \$ 41,868 | \$ 37,897 |
| Academic Support | 9,278 | 8,860 |
| Student Services | 4,092 | 3,602 |
| Institutional Support | 7,539 | 6,477 |
| Operations / Maintenance | 8,655 | 7,285 |
| Scholarship | 13,973 | 13,600 |
| Other | 5,141 | 6,627 |
| Total Expenses | \$ 90,546 | \$ 84,348 |

The independent audit was performed by Eide Bailly, LLP of Boise, Idaho. A clean opinion was issued on the Financial Statements and a non-compliance was received for one major program. There were no questioned costs.

To see the Annual Audit Report, visit: www.uog.edu/admin

What's Next for 2012 and Beyond?



Challenges and Opportunities

Economy— Slow to Modest Recovery ¹:

In 2011, the U.S. and developed economies recovered at a slow-to-modest pace from 2008's lingering financial crisis, defying stimulus efforts and laboring under high unemployment and weak housing markets. Financial markets experienced renewed volatility with many investors looking increasingly for safe haven. U.S. Treasury bonds performed strongly, while other U.S. bond sectors were stable to strong. Inflation is expected to gradually increase without reductions in debt levels.

Progress of Military Build-Up and Tourism.

In 2011, the Guam economy began the year strongly with positive signs in tourism and the military build-up. However, by year-end there were delays and uncertainties associated with the build-up, with recent news of scaling back in the relocation of military troops from Okinawa to Guam.

Tourism in the important Japan market fell after the March earthquake and tsunami. Favorably, Japanese tourism saw a rebound after the tsunami and other tourism from Asia is growing. Promising first steps include a Russian visa waiver program, anticipated to open a new major tourism market for the island.

Government of Guam Performance.

Reported FY2011 General Fund revenues fell below projections. The General Fund deficit is expected to increase by \$40 million (unaudited) from prior year's \$71 million deficit. The Federal defense appropriations bill cut back Guam-related projects. Job growth was down and unemployment was 13%, as compared to 9% in the U.S.

FY 2012 promises a rebound. A government of Guam revenue bond received an A rating, the highest achieved by Guam debt. With this bond, long overdue tax refunds were paid, injecting cash into the economy. The first quarter's revenues are up over last year's, but running below projections. The administration has established a tougher fiscal discipline by instituting a 15% allotment control, substantially higher than the prior year's 3%.

2012: The University's 60th Anniversary.

In celebrating the past and preparing for the future, President Underwood embarked on a \$30 million campaign to construct the campus of the future. Four new buildings are on the horizon:

- 1) Student Services Center;
- 2) Engineering Annex;
- 3) Fine Arts Building; and;
- 4) Triton Engagement Center.



¹Outlook was provided by VPAF David O'Brien with input from Gary Hiles, Chief Economist, Guam Dept. of Labor and Dr. Claret Ruane, UOG Professor of Economics & Finance.

The University: Leading Change



The University persists in its efforts to develop new capacity. The University sees itself as an economic driver and the Micronesian region's primary instrument for creating a professional class, which will become the middle class for island societies. To this end, the University has implemented the following programs in support of its strategic challenges:

- i) Increased recruitment and enrollment of local high school graduates with added emphasis on preparatory college degrees;
- ii) Institution-wide implementation of new technological capacity;
- iii) Development of online learning courses;
- iv) Creation of a School of Engineering;
- v) Additional infrastructure capacity in a Student Service Center;
- vi) Planning for a research corporation to grow and more flexibly support Federal grants and contracts; and
- vii) A Center for Island Sustainability.



The Center for Island Sustainability's mission is to create an island-based model of renewable, sustainable and appropriate technologies that focus on indigenous energy alternatives and replicable research to meet the needs of island communities. It is designed to collaborate with regional educational partners, organizations, and government agencies to include Micronesian Chief Executives, Pacific-Post secondary Education Council (PPEC), US Federal agencies (USDA, DOE, HUD, EPA, etc.), local community organizations, utilities, and Non-Governmental Organizations (NGOs).



We want to hear from you! Do you believe this report should include any other information?

Please contact: David O'Brien, Vice President for Administration and Finance at (671) 735-2900

For further up-to-date information concerning the University of Guam, please visit the website at www.uog.edu.