Briefing
Meeting Our FY14 Budget Target
Preliminary FY15 Budget Issues

Finance & Administration Committee
November 8, 2013
Target for Expense Reduction for FY14

- Reductions in revenue: -$2,488,852
  (net impact from state funding and enrollment reductions and internal transfer from other funds)
- Multi-year Plan to reduce reliance on Reserves: -$1,490,856

TARGET REDUCTION: -$3,979,708
# FY14 Budget Expenditure Target Cuts

<table>
<thead>
<tr>
<th></th>
<th>FY13</th>
<th>FY14</th>
<th>$ Amount to Cut</th>
<th>% to cut</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation</td>
<td>$37,323,953</td>
<td>$35,445,602</td>
<td>-$1,942,904</td>
<td>-5.2%</td>
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<tr>
<td>Non-Comp</td>
<td>$11,234,404</td>
<td>$10,919,558</td>
<td>-$1,651,344</td>
<td>-14.7%</td>
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<tr>
<td>Transfers</td>
<td>$ 4,275,241</td>
<td>$ 3,962,007</td>
<td>-$ 385,460</td>
<td>-9.0%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$52,833,598</td>
<td>$50,317,167</td>
<td>-$3,979,708</td>
<td>-7.5%</td>
</tr>
</tbody>
</table>
Actions Taken to Realize Reductions to Non-compensation

• All units made additional cuts to non-compensation budgets (on top of nearly $1 million cut in FY13)

• Reduced scholarships budget ($400,000)

• Deferred or halted local renovations/projects ($500,000)

• Reduced University and adjunct travel budgets by ($60,000 and $20,000)

• Zeroed discretionary accounts ($335,000)

• Where appropriate, shifted expenditures from general fund to auxiliary ($250,000)

• Adjusting limited term contract (temporary employment) expenditures (in progress)
Actions Taken to Realize Reductions in Compensation

- Reduced adjunct and overload budgets, reduced costs for one-year faculty appointments, and lower 1st year faculty salaries ($1,140,000)

- Eliminated open administrative positions and instituted temporary freezes ($196,000)

- Eliminated, transferred, and reduced from full-time to part-time status of 13 administrative and staff positions (3.4% of all full-time employees - $434,000 – partial year)

- Executed planned organizational changes that transferred functional units from general fund to auxiliary fund ($189,000)
Current Status

• Short about $365,000 to meet general fund reduction target
  • Requires continued reduction efforts in FY14
  • Monitoring budgets to use every opportunity to reduce expenditures
  • Open positions are and will continue to be frozen
  • Once we know spring 15 enrollment, adjustments will be made to meet FY14 targets

• FY14 is relying upon temporary (one-year) compensation savings of about $1.5million

• $0 in division discretionary accounts and in the University’s contingency account

• Auxiliary/Agency budget realized more revenue than anticipated by about $294,000

• Mid-year adjustments may be necessary – (spring enrollment and state funding adjustment). If revenue or expenditure assumptions are not realized, appropriate additional adjustments will be required
Preliminary Expenditure Issues
FY15 Budget Planning

• Capture any remaining shortfall in FY14 expenditure reductions
  (current estimate) $ 365,000
• Realize full year of personnel reductions $ 800,000
• Make FY14 temporary cuts permanent in FY15 $ 1,104,840
• Achieve balanced budget (no use of reserves) $ 1,500,000

Preliminary Target $ 3,769,840
Unknowns that will Impact FY15 Planning Assumptions

- Final FY14 balance
- FY15 State Funding including mid-year adjustments
- AY14 enrollment
FY15 Budget Planning

• Already begun “dungeon” meetings

• Setting budget planning priorities for FY15 will:
  • Occur in January 2014
  • Reflect spring ‘14 enrollment
  • Consider and reflect mid-year funding adjustments
  • Utilize projected enrollments and funding