

FY10 Budget Status

FY09 Budget

\$8.5M Non-General Funds Required to Maintain Existing Programs!
(Only \$1.6M Additional NGF Earned in FY09)

Compensation Increase \$4.6M General Fund \$3.7M Non-General Fund	Maintenance & Repair \$506K General Fund \$670K Non-General Fund
Other Fixed Costs \$1.0M General Fund \$4.1M Non-General Fund	Programs \$2.6M General Fund \$2.8M Non-General Fund

FY10 Budget

\$8.2M Non-General Funds Required to Maintain Existing Programs!
(\$7.4M projected additional in FY10)

Compensation Increase \$4.2M General Fund \$3.3M Non-General Fund	Maintenance & Repair \$434K General Fund \$657K Non-General Fund
Other Fixed Costs \$150K General Fund \$4.2M Non-General Fund	Programs \$1.1M General Fund \$2.7M Non-General Fund

Reasonable Carry Forward

- Based upon Carry Forward Guidelines:
 - Minimum of 1% or \$3,574,249
 - Maximum of 2% to 4% or \$10,296,954
- Projected Carry Forward Based Upon YTD Revenue and Expense Activity
 - Between \$5M and \$9M

F1 Carry Forward Projections

as of November 2009

Unit	Projected Carry Forward
Chancellor	\$17,539
VC For Rural, Community & Native Education	\$326,571
Provost	\$758,500
Vice Chancellor for Students	\$83,792
VC Advancement & Community Engagement	<\$460,130>
Vice Chancellor for Administrative Services	\$155,764
Central Obligations (Scholarships, debt service, utilities etc.)	<\$1,577,045>
Vice Chancellor for Research	\$1,639,551
Total	\$944,542

Suspend Maximum Carry Forward Guideline

- For FY10 there will be no sweep of carry forward in excess of levels specified in the guidelines
- The accuracy guideline will remain in effect

Institutional Needs

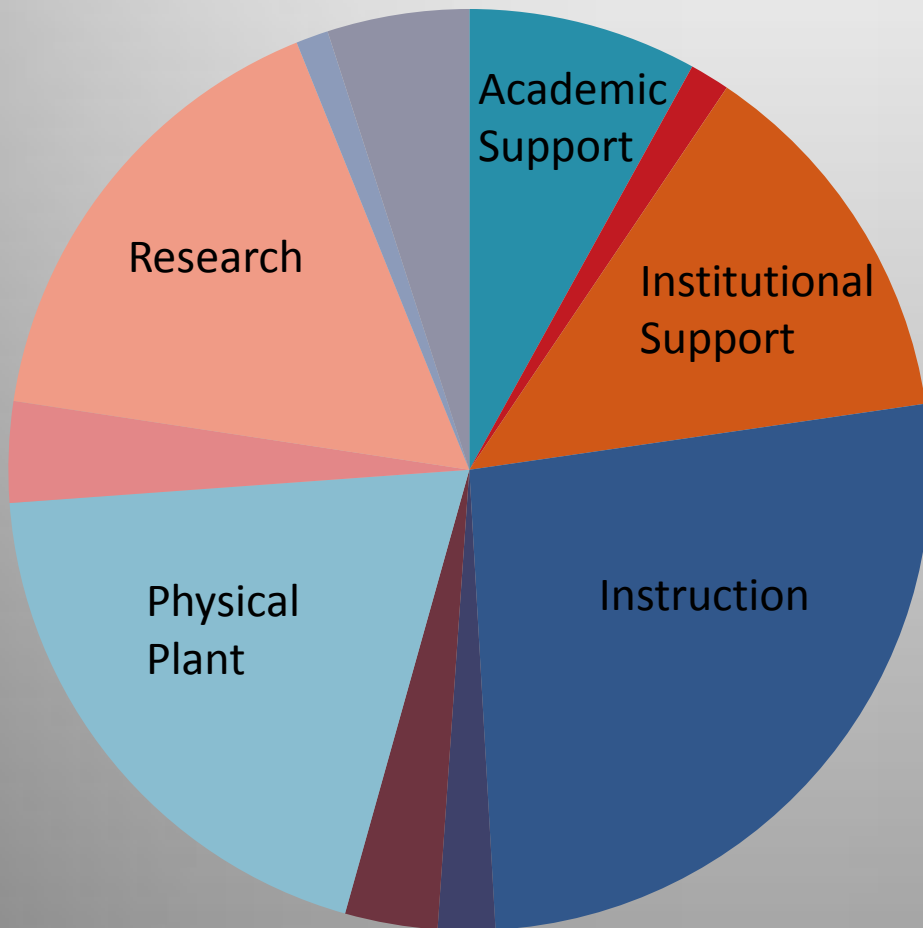
- Institutional Shortfall - \$2.6M
 - Un-Budgeted Scholarships
 - Critical Needs
 - Fuel – Non General Fund Portion
 - Departmental Needs
 - International Programs
 - Development Office
 - Arctic Policy
 - School of Management
 - Infrastructure
 - One Stop
 - Initial Capital Project Development
 - Structural Deficit Funding
 - KUAC
 - Bookstore/Tech Center
 - Athletics
 - OIT

Lay of the Land

How We Evolved Financially From
FY05 to FY09

FY09 Unrestricted Expenditures by NCHEMS

FY09 Actual - % of Total – FY05-FY09 Direction of Change



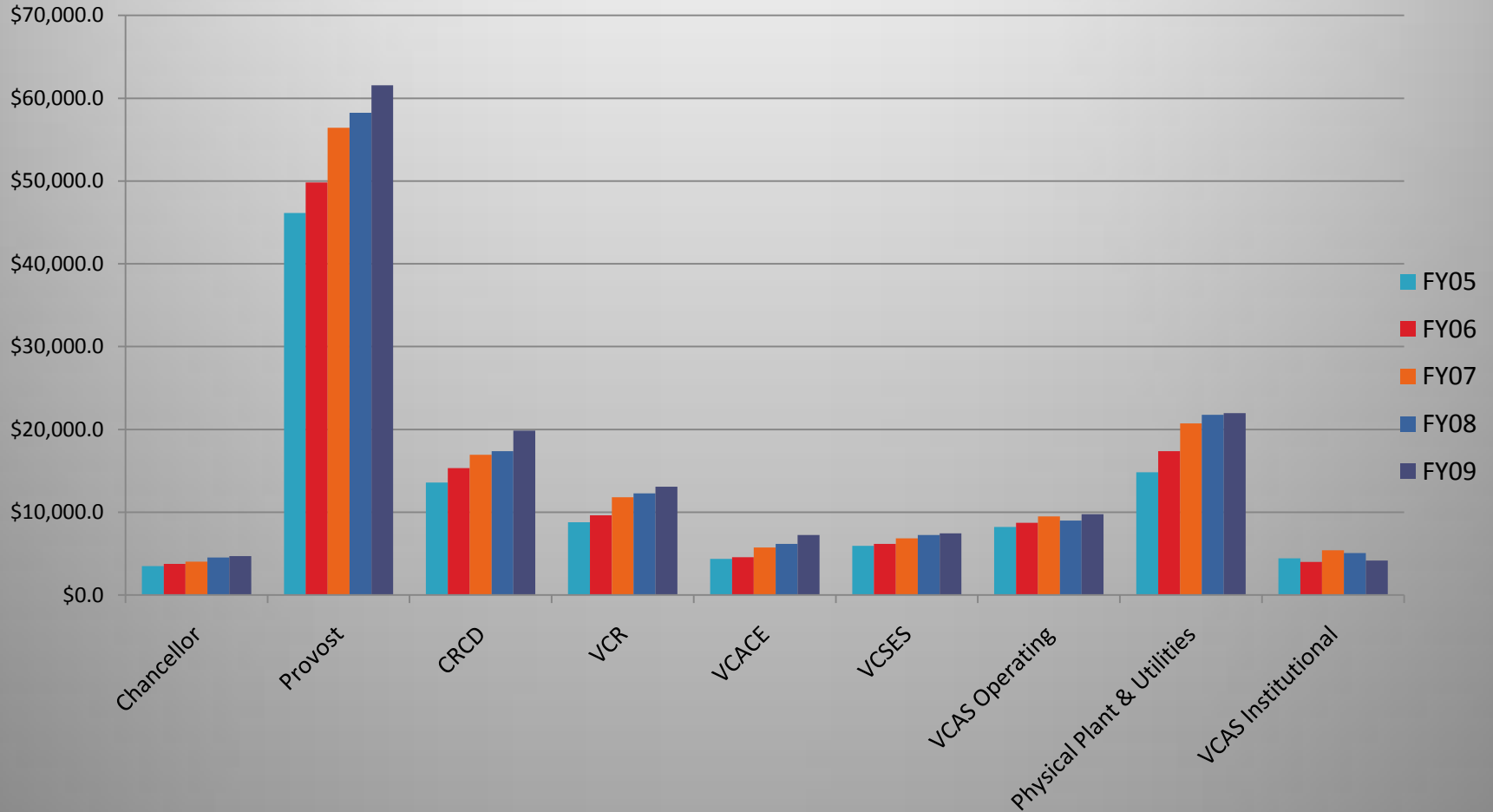
- Academic Support - \$21.2M/5.2% - ↑
- Debt Service - 3.7M/.9% - ↔
- Institutional Support - \$34.9M/8.6% - ↑
- Instruction - \$69.5M/17.2% - ↔
- Intercollegiate Athletics - \$5.3M/1.3% - ↑
- Library Services - \$8.6M/2.1% - →
- Physical Plant - 51.4M/12.7% - ↔
- Public Service - \$9.3M/2.3% - ↑
- Research - \$43.4M/10.7% - ↔
- Scholarships - \$3.0M/.7% - →
- Student Services - \$13.1M/3.2% - →

Relative Size

FY09 General Fund and Non-General Fund Revenue

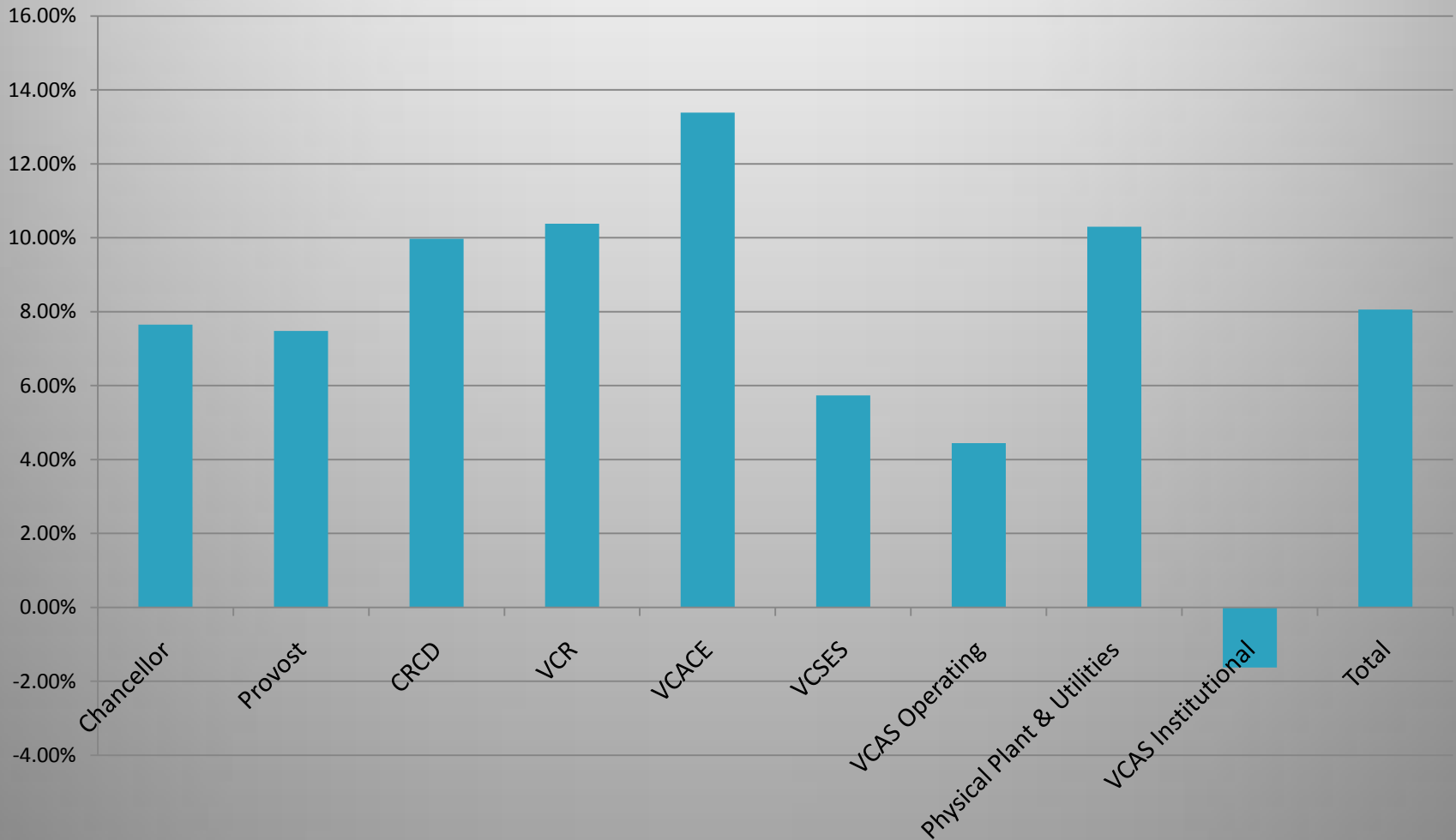
Unit	General Fund	Non-General Fund	Total	Percent Of Total
Chancellor	\$4,688.1	\$587.3	\$5,275.4	1.5%
Provost	\$61,574.7	\$61,635.3	\$123,210.0	34.0%
CRCO	\$19,849.9	\$23,604.0	\$43,453.9	12.0%
VCR	\$13,063.7	\$71,734.7	\$84,798.4	23.4%
VCACE	\$7,231.1	\$5,945.3	\$13,176.4	3.6%
VCSES	\$7,435.4	\$21,200.2	\$28,635.6	7.9%
VCAS Operating	\$9,760.7	\$10,416.3	\$20,177.0	7.0%
Physical Plant & Utilities	\$21,961.2	\$9,577.4	\$31,538.6	4.4%
VCAS Institutional	\$4,160.5	\$7,837.5	\$11,998.0	3.3%
Total	\$149,725.3	\$212,538.0	\$362,263.3	100.0%

General Fund Over Time



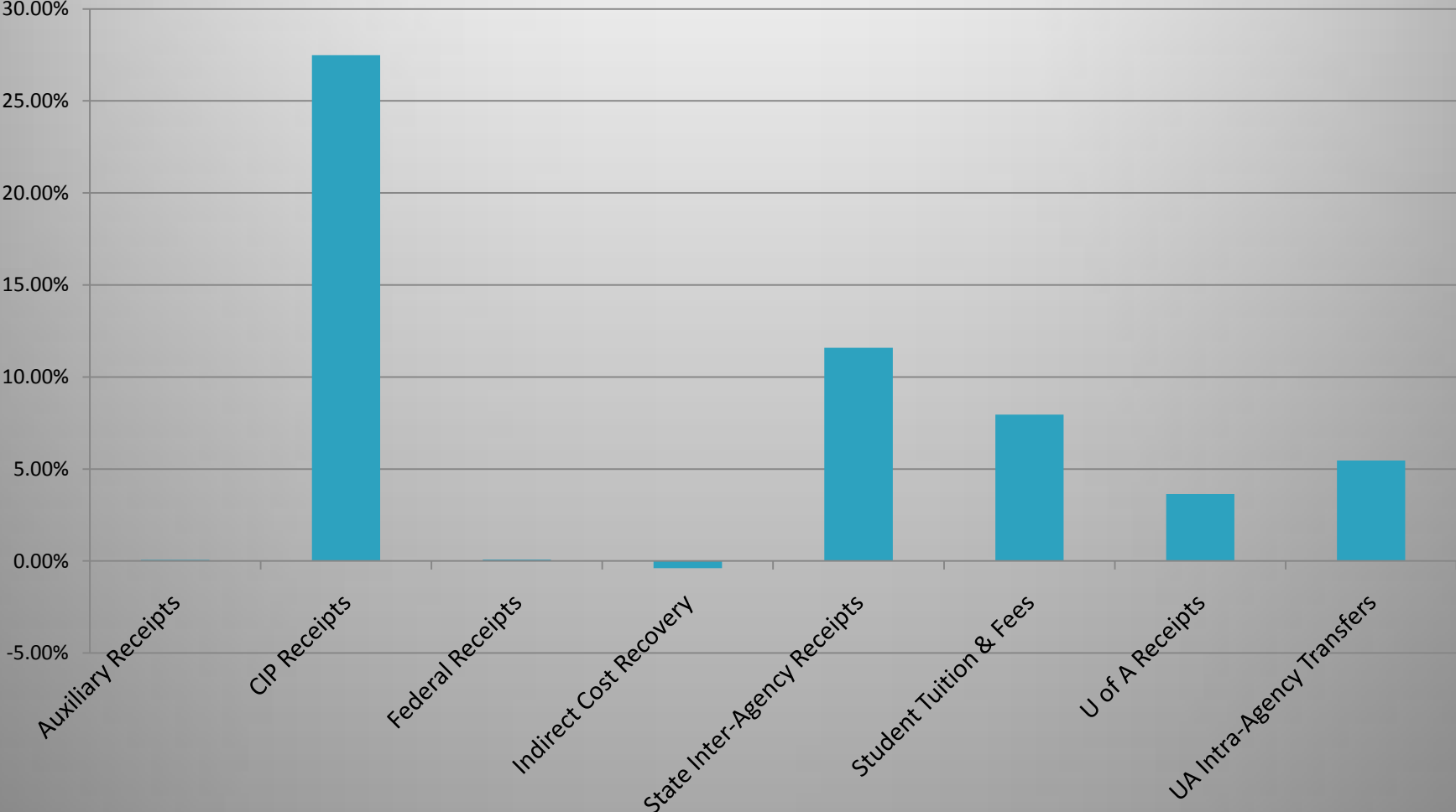
Annual Growth Rate in General Fund Revenue

FY05 – FY09 Annualized



Annual Growth Rate in Non-General Fund Revenue

FY05 – FY09 Annualized



Where Are We Going

FY11 and Beyond

Assumptions

- Annual 3% Salary Increase
- Annual 15% Benefit Increase
- Annual 5% Tuition Rate Increase / 7% in FY12
- Change in Enrollment – Unit Specific
- Indirect Cost Recovery – Unit Specific

Meeting Priorities While Costs Continue To Increase

- Salaries
- Staff Benefits (Health Care)
- Utilities/Fuel
- SW Assessments
 - Network
 - Data Tapes
 - Skillsoft
 - Roxen
- Board of Regents Maintenance and Repair Requirement
- Risk Management
- Debt Service (Life Sciences, Energy)
- Custodial Services Contract
- Scholarships
- Other Inflationary Items
- Structural Deficits

Main Revenue Drivers

- Enrollment
- Tuition Rates
- Restricted Activity and Corresponding ICR
- General Fund
- Fund Raising
- Auxiliaries
- Bake Sales



Potential Increased Revenue

- Tuition Rate Increase Only – \$1.6M
- ICR on Sponsored Activity
 - 1% – \$280K
 - 5% – \$1.4M
- Enrollment Increase (at FY11 Tuition Rates)
 - 1% - \$330K
 - 5% - \$1.6M
- Federal Revenue
 - 1% - \$880K
 - 5% - \$4.5M

FY11

FY11 Budget

Governor's Proposal

\$8M Non-General Fund Required to Maintain Existing Programs!

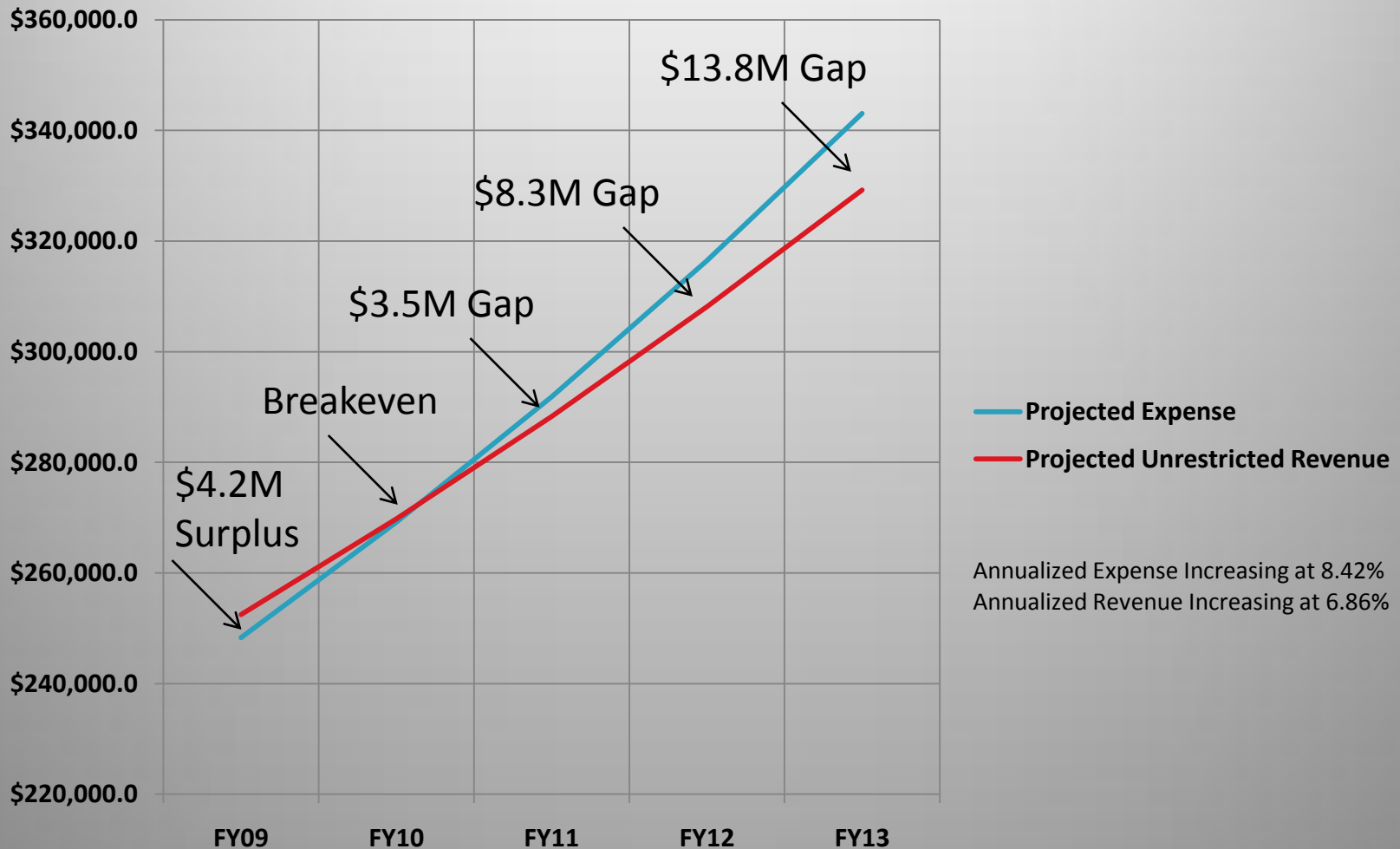
Compensation Increase \$3,674 General Fund \$3,550 Non-General Fund	Maintenance & Repair \$795 General Fund \$790 Non-General Fund
Other Fixed Costs \$1,282 General Fund \$ 3,655 Non-General Fund	Programs \$950 General Fund \$2,668 Non-General Fund

FY12

How Do We Meet The Challenge?

Unrestricted Revenue Gap

Based Upon FY05 to FY09 Annualized Data



How Are We Going To Address Priorities

- Raise Revenue
- Reduce Cost
- Reallocate
- Transform
- Stop Doing
- Incentives to Encourage What Practices/Behaviors
- Key Strategic Investments