FY10 Budget Status
## FY09 Budget

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

<table>
<thead>
<tr>
<th>Category</th>
<th>General Fund</th>
<th>Non-General Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation Increase</td>
<td>$4.6M</td>
<td>$3.7M</td>
</tr>
<tr>
<td>Maintenance &amp; Repair</td>
<td>$506K</td>
<td>$670K</td>
</tr>
<tr>
<td>Other Fixed Costs</td>
<td>$1.0M</td>
<td>$4.1M</td>
</tr>
<tr>
<td>Programs</td>
<td>$2.6M</td>
<td>$2.8M</td>
</tr>
</tbody>
</table>
## FY10 Budget

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

<table>
<thead>
<tr>
<th>Category</th>
<th>General Fund</th>
<th>Non-General Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation Increase</td>
<td>$4.2M</td>
<td>$3.3M</td>
</tr>
<tr>
<td>Maintenance &amp; Repair</td>
<td>$434K</td>
<td>$657K</td>
</tr>
<tr>
<td>Other Fixed Costs</td>
<td>$150K</td>
<td>$4.2M</td>
</tr>
<tr>
<td>Programs</td>
<td>$1.1M</td>
<td>$2.7M</td>
</tr>
</tbody>
</table>
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**

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

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

<table>
<thead>
<tr>
<th>Category</th>
<th>General Fund</th>
<th>Non-General Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation Increase</td>
<td>$3,674</td>
<td>$3,550</td>
</tr>
<tr>
<td>Maintenance &amp; Repair</td>
<td>$795</td>
<td>$790</td>
</tr>
<tr>
<td>Other Fixed Costs</td>
<td>$1,282</td>
<td>$3,655</td>
</tr>
<tr>
<td>Programs</td>
<td>$950</td>
<td>$2,668</td>
</tr>
</tbody>
</table>
FY12
How Do We Meet The Challenge?
Unrestricted Revenue Gap
Based Upon FY05 to FY09 Annualized Data

Projected Expense
Projected Unrestricted Revenue

Annualized Expense Increasing at 8.42%
Annualized Revenue Increasing at 6.86%
How Are We Going To Address Priorities

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