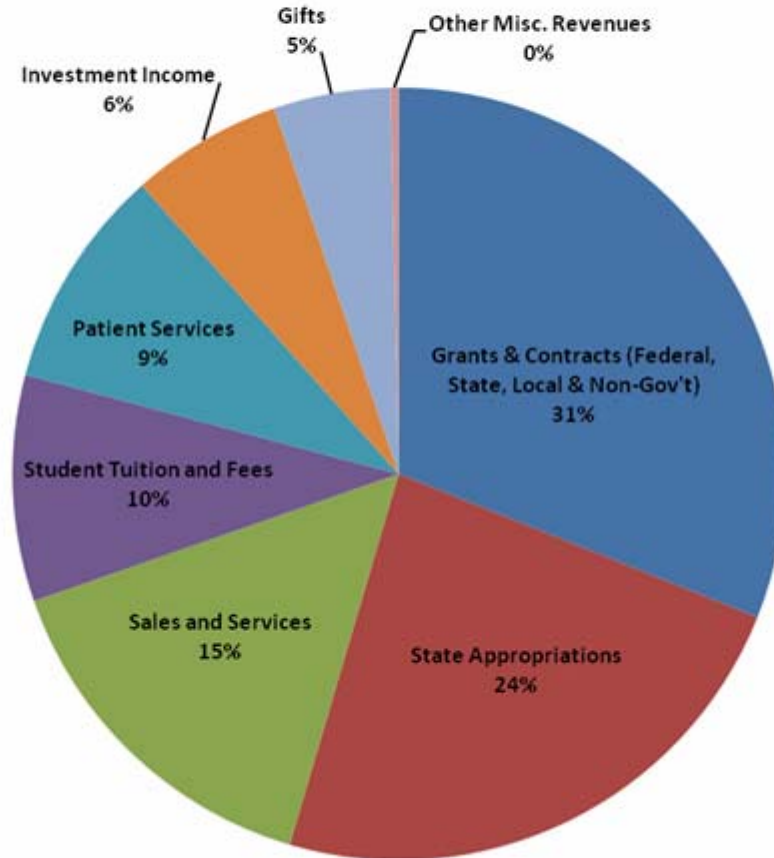




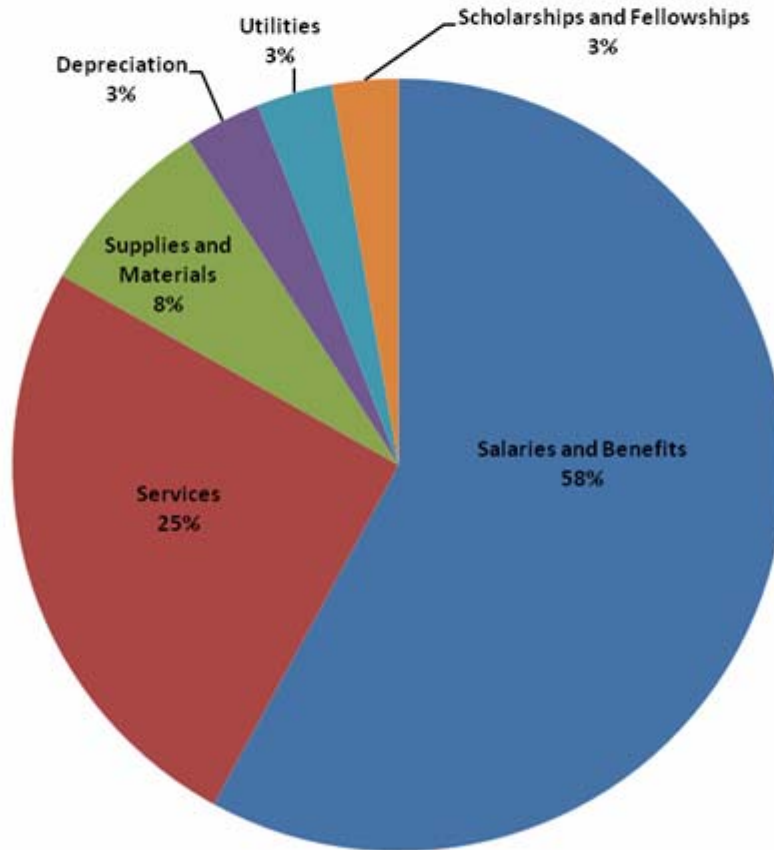
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Budget Reductions

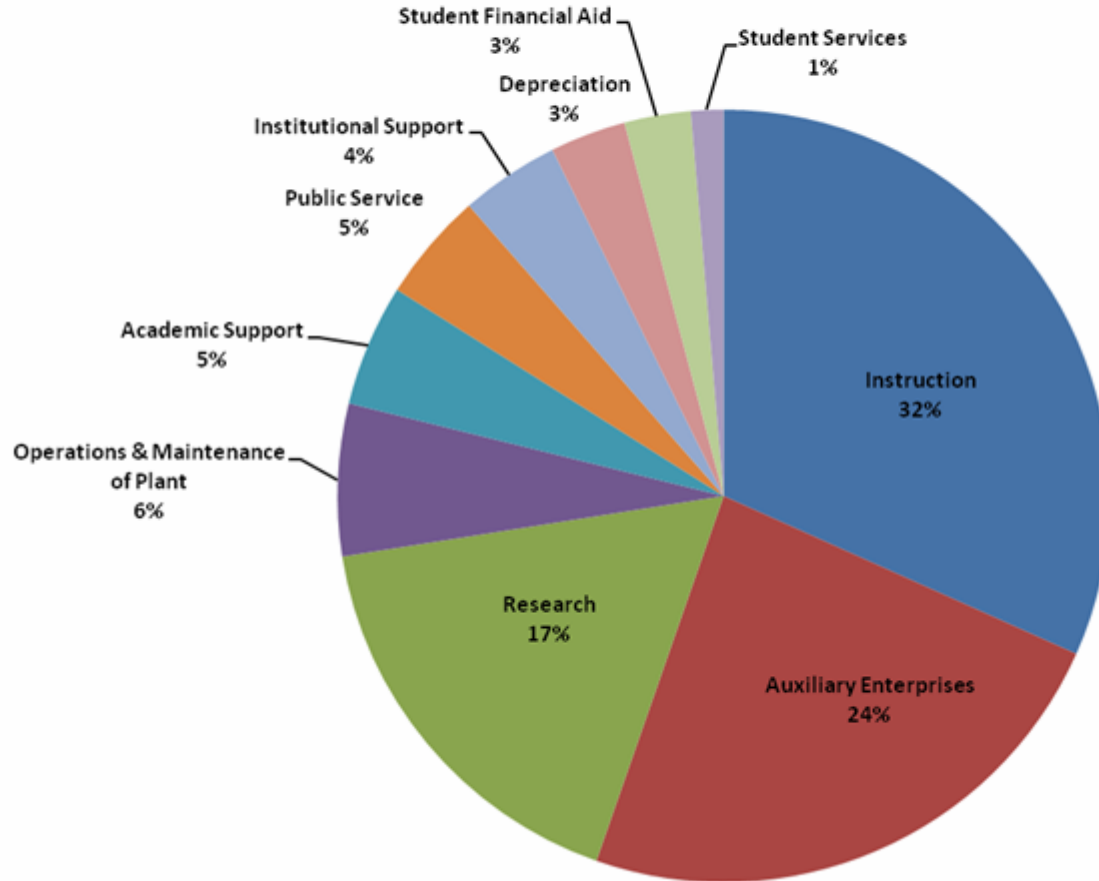
FY 07-08 Revenue Sources



FY 07-08 Expenses - By Nature



FY 07-08 Expenses - By Function



Challenges to Cutting Budgets

- Funds Restrictions
- Loss of Endowment Value
- Sanctity of Tenure/Tenure Track Faculty
- Maintain Core (Instruction, Research, Service, Undergraduate/Graduate Balance)
- Compliance (Research, HR, Purchasing, Finance)
- State Budget – Mostly Salaries
- Decentralized Management on Campus
- Old Business Systems Contribute to Higher Costs
 - Shadow Systems
 - Additional Staff
 - New ERP Systems



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Approach to Cuts

- Senior Administrators Determine Amount of Reductions Needed
- Recommendations Sought from Unit Heads
- Review by Senior Administration
- Modifications and Action by Campus Administrators



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Actions: Proposed Program Cuts/Consolidations

- Chancellor's Announcement of 5% Recurring Reductions for 09-10
- 5% = \$28M (7% Non-Recurring in 08-09 = \$36M)
- Program Reductions, Consolidations, Elimination
- Cancel Searches
- Reduce Service Levels
- Leverage Other Sources of Funds
- Consolidate Administrative Functions



Concerns

- Permanent Cuts Require Many Budget Actions to be Taken Prior to FY 09-10
- Cost of Layoffs High
- Enrollment Funding
- Class Size
- Maintain Quality and Academic/Research Standards
- Elimination of More Filled Positions for each Additional Percentage Cut
- Life Safety and Renovation and Repair Problems

