“Closing the Gap”
Budget Planning for FY 15 – FY 17

First Tuesday Roundtable
January 21, 2015
What are we doing today?

• Provide update on the Governor’s Budget Recommendations
• Talk about how we live within our fiscal constraints
• Hear from you
Commitment to Funding: A Changing Model

- Private Funds Equal Tuition & Fees
- Continued Decrease
- Converge
- Private Funds Increase

(in millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Tuition &amp; Fees</th>
<th>State Appropriations - General</th>
<th>Special Project Appropriations</th>
<th>Private Funds Raised (in millions)</th>
<th>Research Awards (in millions)</th>
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<td>FY 2010</td>
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Governor's Rec. FY 15

• Governor’s December allotments had minimal impact to the University
  – Governor’s plan to cut the KPERS employer rate and sweep the savings resulted in a slight one-time reduction to our state accounts

• Other state agencies were required to cut 4% from their budgets
Governor's Rec. FY 16 & FY 17

• Flat State Funding (No Budget Cuts) for the University

• Did not recommend funding for the College of Architecture expansion

• Authorized $25 million in bonding authority for the Student Union renovation
Governor's Rec. FY 16 & FY 17

• Continued funding:
  — $5 million base for College of Vet Med
  — $5 million for Global Food Systems
  — $5 million for NBAF research initiatives
  — $3.5 million for Engineering Initiative Act
What happens now?

• The Governor’s Budget goes through the Legislative Process
  – House and Senate work separate appropriations bills: January – March
  – House & Senate Conference Committee work out differences: Late March – Early April
  – Budget bill passed: Early April-June
  – Bottom Line – the recommendations could still change
Flat Funding – What does that mean?

• Even with flat funding the University faces a budget gap between future commitments and finances available

• How will we close that gap?
  – Budget Office will develop a variety of system wide options for my review
  – Options will include ways to reduce commitments, ongoing expenditures, increase revenues, and reallocate monies
Budget Advisory Committee

• I will refer packages of viable options to the Committee for further analysis – mid-February

• Budget Advisory Committee will develop final recommendations for my consideration – mid-March

• If the funding mix changes due to Legislative or Board decisions during the spring, the Committee will adjust the recommendations accordingly
But First...

• The Budget Advisory Committee and I want to hear from you
  – What’s important for us to know as we begin planning
  – What should we consider as we move forward
  – How do you want us to communicate budget information