

Spring 2009 Faculty / Staff Meeting



UNC
GILLINGS SCHOOL OF
GLOBAL PUBLIC HEALTH

Overall School Financial Summary

FY2007-2008

In millions

Sources of Funds

State Appropriation	\$ 31.2
Receipts	\$ 2.0
Indirect Cost Recovery- Allocated to the School	\$ 11.8
Contracts & Grants- Direct Support <u>Administered</u> by School	\$ 48.7
Trusts	\$ 8.6
Services & Other	\$ 4.7
<hr/> Total	<hr/> \$107.0

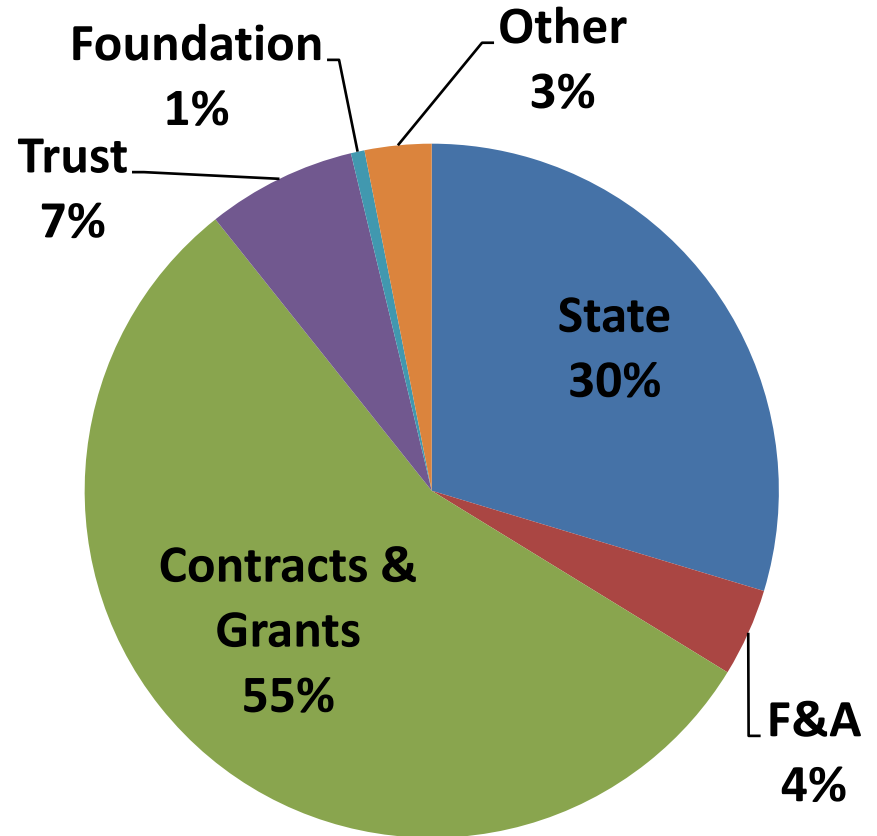
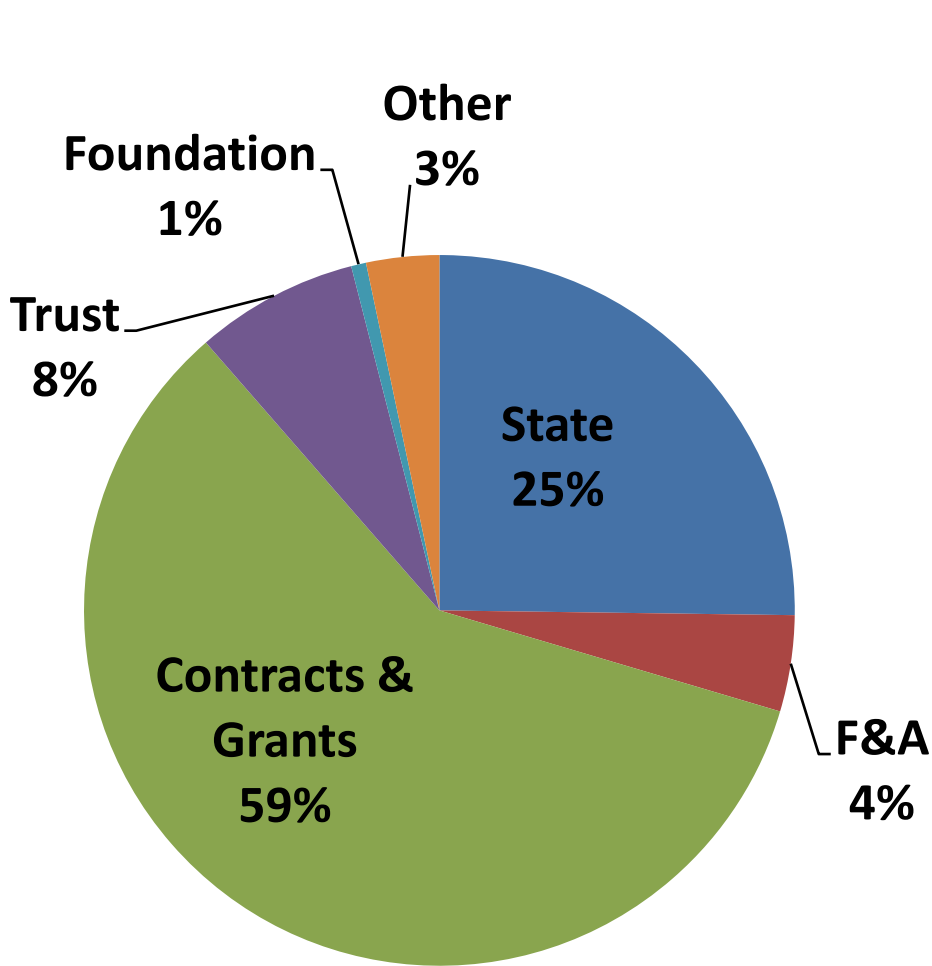
Uses of Funds

Compensation	\$ 66.6
Student Aid and Grants	\$ 4.2
Other Grants	\$ 8.0
Operations	\$ 17.4
Capital	\$ 1.5
Reserves -Restricted & Unrestricted for Future Commitments (within Departments and Dean's Office)	\$ 9.3
<hr/> Total	<hr/> \$107.0



Funding Source Mix

FY09 YTD through 3rd Qtr

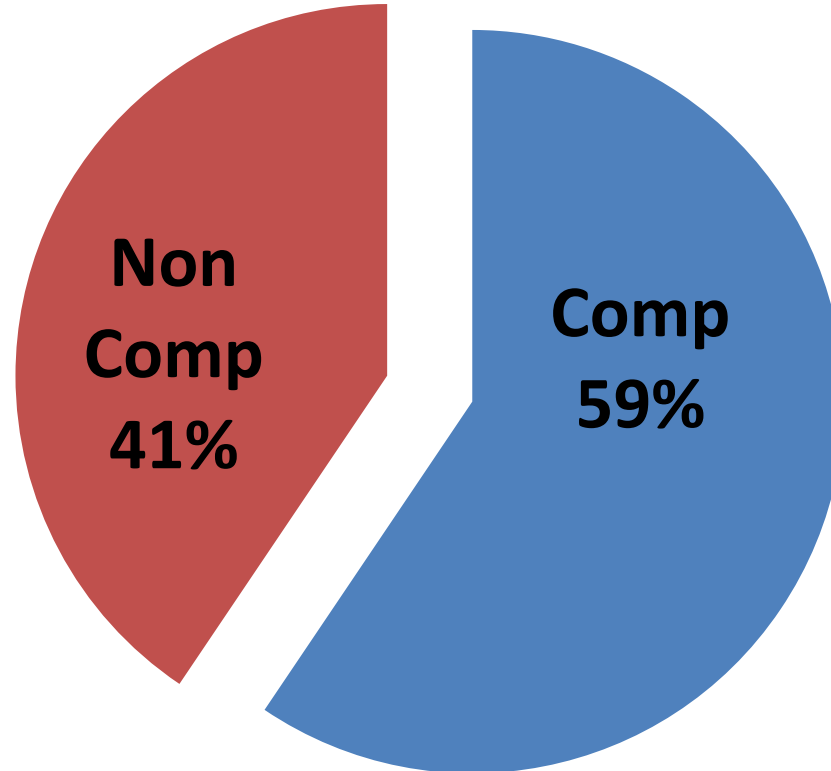


Includes NRI

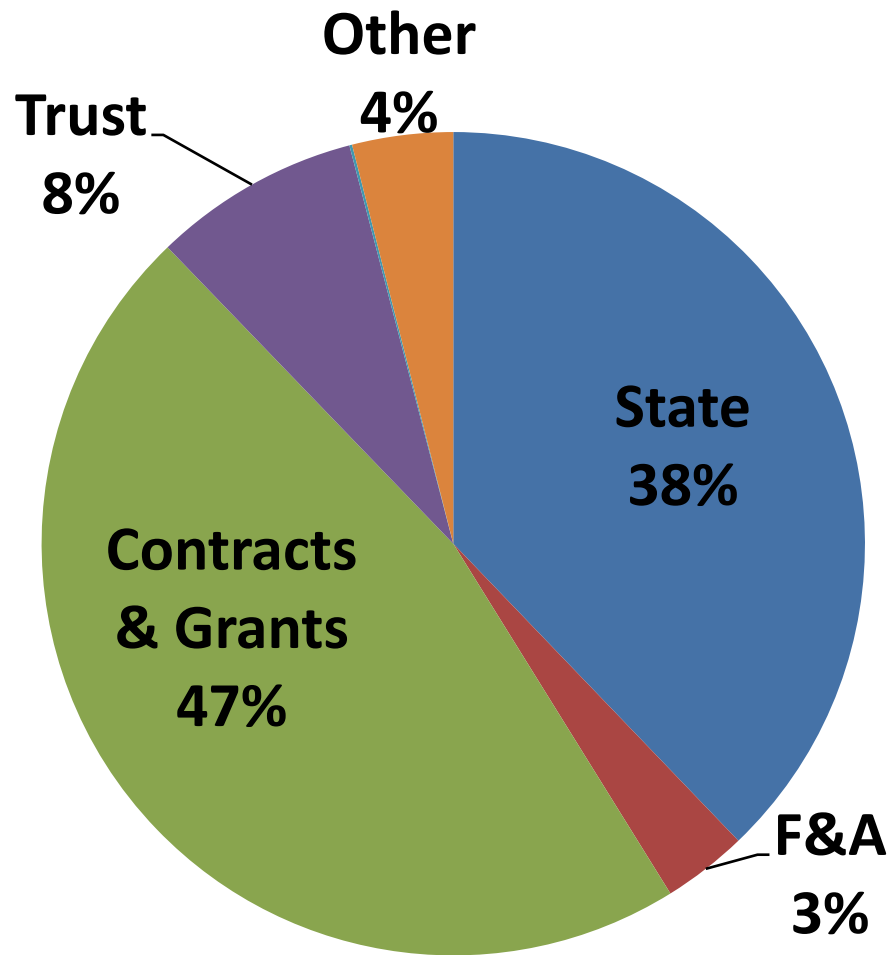
Excludes NRI



Compensation Expenditures FY09 YTD through 3rd Qtr



Sources for Compensation Expenditures FY09 YTD through 3rd Qtr





Review of FY09- State Budget

- **Total School State Budget Reduction to Date=\$1.7 M**
 - **1% or \$263K permanent cut in August**
 - **2% or \$471K non-permanent cut in October**
 - **2% or \$471K non-permanent cut in November**
 - **1% or \$267K non-permanent cut in January**
 - **University covered an additional 1% centrally**
 - **1% or \$267K non-permanent cut in March**
- **Freeze on expenditures on state funds effective in April**
- **Furloughs of state employees to close out the year**





Governor's Flexible Furlough Program

- **Pay reduction of 0.5% of salary**
 - To be taken over remainder of FY09
- **10 hours of unpaid flexible time off**
 - To be taken between June 1st and Dec 31st
 - Coordinated with supervisor
- **Waiting on policy and program specifics from Office of State Personnel, General Administration and the University**





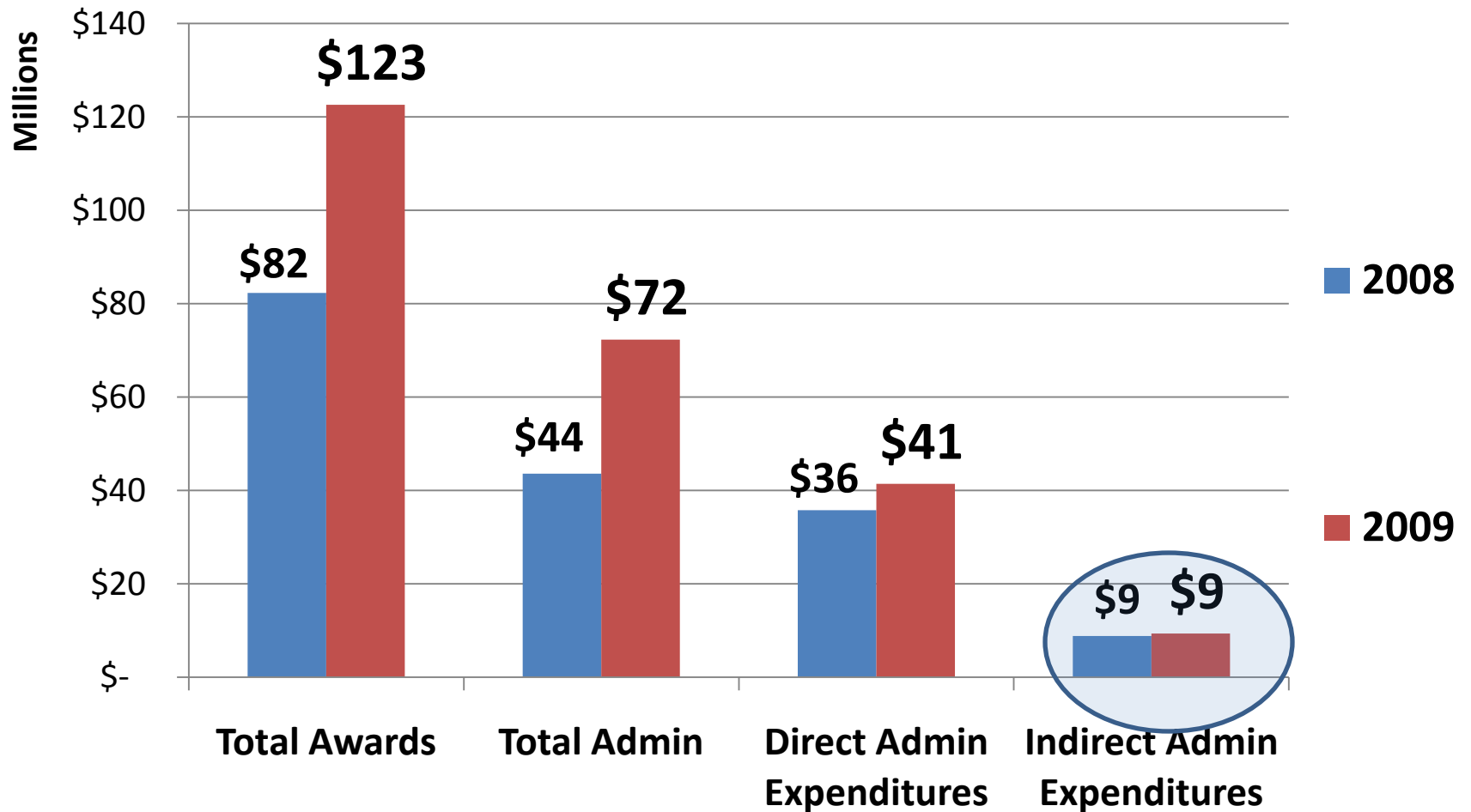
Any good news?

Research activity is up, nearly doubled in the first half of the year

- **Stimulus funding could provide additional research support for the next two years.**
- **Most SPH depts' annual budgets are more than 50% reliant on sponsored research.**
- **At the macro level, it appears that the increase in grants and contracts has offset the reduction in state funds but the devil is always in the details...**



Grant Funding FY09 YTD through 3rd Qtr

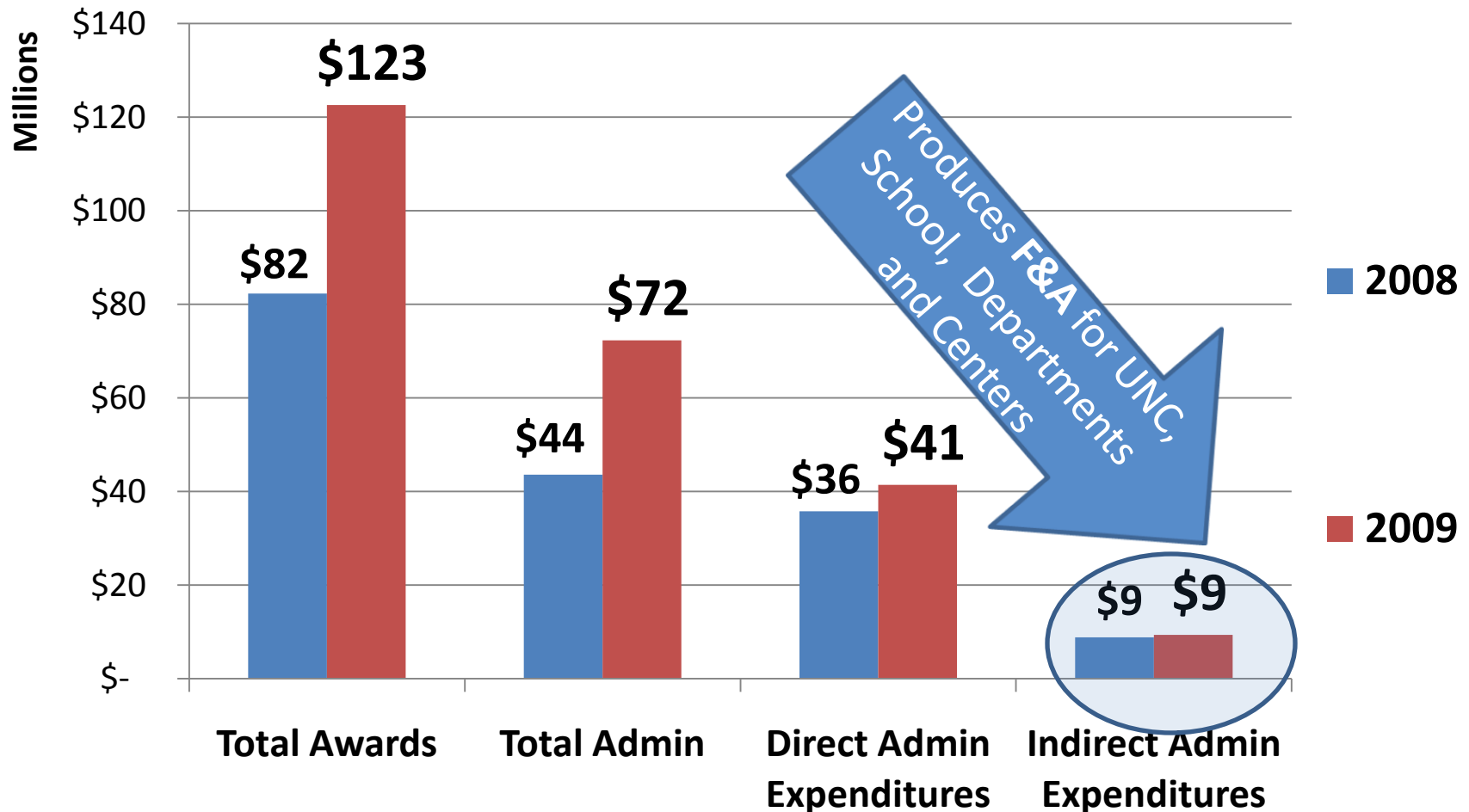


What Isn't Funded Directly by Grants

- **Most administrative costs**
 - **Accounting support**
 - **Administrative infrastructure**
 - **Student services**
- **Building Support/Debt Service**
- **Indirects or F&A on grants is supposed to be used to pay for much of these as they relate to research infrastructure.**



Grant Funding FY09 YTD through 3rd Qtr



Indirects or F & A Production

- **Difficult to predict and count on because dependent on:**
 - **Sponsor Type**
 - **Where in the University the grant/contract is administered**
 - **Rate of expenditures on grants**
 - **F&A is produced only as expenditures occur**
- **There is a lag in seeing effects of changes**
 - **Allocated by the University after the fiscal year in which it is produced**





Planning for Next Year

- A permanent state budget cut of at least 5%
- Exploring impacts of various budget scenarios
 - 5% or \$1.177M reduction
 - 7 % or \$1.648M reduction
 - 10% or \$2.354M reduction
- Waiting to learn more about exact amount of state funding cut for next fiscal year



Summary

- These are extraordinary financial times in SPH as in the University and economy at large.
 - There are no easy ways to resolve the contraction of infrastructure support that comes from our state budget.
 - Cut discretionary costs where we can
 - Be flexible with changes and consider cross departmental work strategies
 - Please share your concerns and savings ideas!
- <http://www.sph.unc.edu/savingmoney/>





Questions



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