



Target \$141.5 Million -- NAU Amount \$21,288.3 Million
All numbers are rounded

FY 2009 Initial General Fund

\$161,560,900

Permanent or One-time?		Reductions	Detail or Comment	Amount	Cumulative Amount
Permanent	Divisional Reductions		See Appendix A for detail of reduction. General plan is approximately a 3.5 percent reduction for Provost; approximately 5 percent reductions to all other Vice Presidential divisions	\$5,985,000	
	•President (includes intercollegiate athletics, capital assets)	\$700,000			
	•Exec VP	\$10,000			
	•VP Research	\$100,000			
	•Provost	\$3,000,000			
	•VP Admin and Finance	\$275,000			
	•VP Enrollment Management	\$525,000			
	•VP Advancement	\$40,000			
	•CIO ITS	\$500,000			
	•VP Distance Learning	\$775,000			
	•VP Institutional Effectiveness	\$60,000			
Permanent	Employee Related Expenses (ERE) saved from vacancies/freeze positions			\$1,000,000	\$6,985,000
Permanent	Tuition Collections		Tuition revenue originally designed for investment in educational needs such as hiring permanent faculty and staff used for permanent base cut	\$3,000,000	\$9,985,000

Permanent or One-time?					
	Reductions		Detail or Comment	Amount	Cumulative Amount
One-Time	5 Percent Sweep of Local Balances. These accounts are typically auxiliary accounts such as Residence Hall, Dining, Elderhostel, plus accounts held in every division as operating dollars to purchase equipment, supplies etc.		One-Time Sweep, but will be made permanent by increase in administrative overhead fee to 8% in FY 2010. This is projected to net \$1 million	\$1,043,400	\$11,028,400
	President	\$80,400			
	Research	\$17,200			
	Provost	\$300,000			
	Administration & Finance	\$84,500			
	Enrollment Management	\$422,500			
	Extended Programs & Distance Learning	\$39,100			
	University Advancement	\$4,600			
	Information Technology Services	\$94,000			
	Institutional Effectiveness	\$1,100			
Permanent	Health Program Planning Base Budget		Unallocated \$2 of \$4 million from new health care program FY2008 appropriation	\$2,000,000	\$13,028,400
One-Time	Debt Service/Plant		FY 2009 Debt Service drop off allows one-time sweep. SPEED/other facility debt service will make this unavailable in the future	\$3,000,000	\$16,028,400
One-Time	FY2009 Tuition Collections (Enrollment Growth) Above Projections		Collections above projection are treated as one-time in the year earned; and converted to base the following year depending on next year enrollment, projections estimated in late Spring. Because of historical enrollment trends, NAU projects tuition collections conservatively.	\$2,000,000	\$18,028,400

Permanent or One-time?	Reductions	Detail or Comment	Amount	Cumulative Amount	
One-Time	Additional Local Balance Sweep		EMSA, Advancement	\$700,000	18,728,400
Permanent	Targeted Faculty Salary Raises for FY 2009		Eliminated.	\$1,300,000	\$20,028,400
One-Time	5. Budget Stabilization	<p>The university has traditionally used its budget stabilization account to fund furniture, fixtures, and equipment for projects, as a source for emergency issues and as the source for strategic decisions such as leasing FUSD school buses for better traffic flow. It is used to handle one-time unanticipated financial situations. It was also used as the cash-flow source for start-up costs that are expected to be repaid later through debt service. Since the SPEED projects are now approved and will serve the long-term interests of the university, this account be will needed for cash flow, to cover the costs associated with construction such as relocations, temporary space leases, etc. It is not recommended to use these one-time funds.</p>	\$1,259,900	\$21,288,300	

APPENDIX: Divisional Plans for \$6 Million Reduction in FY09

The state budget base is approximate, as divisional expenditure authorities are increased or decreased during the year. For example, additions to Academic Affairs after the budget book was published included additional funding to support the extra classes taught due to enrollment growth, funds associated with workforce planning, etc. The approximate percentage reduction for each vice presidential area is 5 percent, with Academic Affairs sustaining a 3.5-3.6 percent reduction. All figures are rounded; state budget totals to the nearest million. Plans for handling the reductions follow both in narrative and list form.

Senior Administrative Searches canceled/postponed indefinitely

- Vice President, Admin & Finance
- Chief Facilities Officer
- Dean, Franke College of Business
- Executive Director, Hotel and Restaurant management
- Marketing Associate Vice President

VP Admin/Exec VP (\$285,000). Total State Budget = \$6 Million

4 positions eliminated, operations and travel reductions, one-time salary savings, purchases delayed and use of vice presidential reserves

VP Advancement (\$40,000). Total State Budget = \$1 Million

2 shared positions eliminated; delay in hiring another position

VP Distance Learning (\$775,000) Total State Budget = \$16 Million

10 full-time faculty hires delayed; will fill with part-time faculty. 10 staff positions delayed or eliminated. Reductions in marketing and TV production. Reductions in operations, non-instructional travel and staff development.

VP Enrollment Management and Student Affairs (\$525,000). Total State Budget = \$11 Million

Three lines eliminated, 1.5 lines moved to local and one line delayed. Salary savings, reductions in supplementary instruction, travel and operations.

VP Institutional Effectiveness (\$60,000). Total State Budget = \$1 Million

1 position eliminated plus reductions in travel and operations

Information Technology Services (\$500,000). Total State Budget=\$11 Million

3 positions plus one-time salary savings. Modem pool shutdown, equipment purchases delayed, reductions in travel and operations

President (\$700,000). Total State Budget = \$14 Million (Includes Capital Assets and Intercollegiate Athletics)

1.5 administrative positions eliminated, 2.5 positions (including an attorney) eliminated. Large reduction in legal services, one-time salary savings plus reductions in operations and travel

VP Research (\$100,000). Total State Budget = \$2 Million

Some staff FTE reduced, some moved to local. Reduction in grant seed money, operations and travel/training

Provost (\$3,000,000). Total State Budget = \$84 Million

15 faculty lines eliminated , 16 tenure-track searches converted to non-tenure track, 8 searches delayed. Three administrative positions returned and two delayed. 12.5 staff lines eliminated and three moved to local. One center eliminated, one reorganized and one shifted director funding to local. 7 departments reorganizing into fewer units. Reduction in special assistantships and TA support of liberal studies courses. Various curricular and workload efficiencies plus one-time salary savings and reductions in operations, travel and student wage.