

2009-10
Financial/Budget
Update

Fall Faculty/Staff
Meeting

2009-09-08 6:03pm



UNC
GILLINGS SCHOOL OF
GLOBAL PUBLIC HEALTH

Overall School Financial Summary

FY2008-2009

In millions

Sources

State Appropriation	\$37.6
Receipts	\$2.4
Indirect Cost Recovery- Allocated to the School	\$11.3
Contracts & Grants- Direct Support Administered by School	\$58.7
Trusts - Restricted	\$14.8
Trusts - Unrestricted	\$5.7
Services & Other	\$4.0
Total	\$134.6

Uses

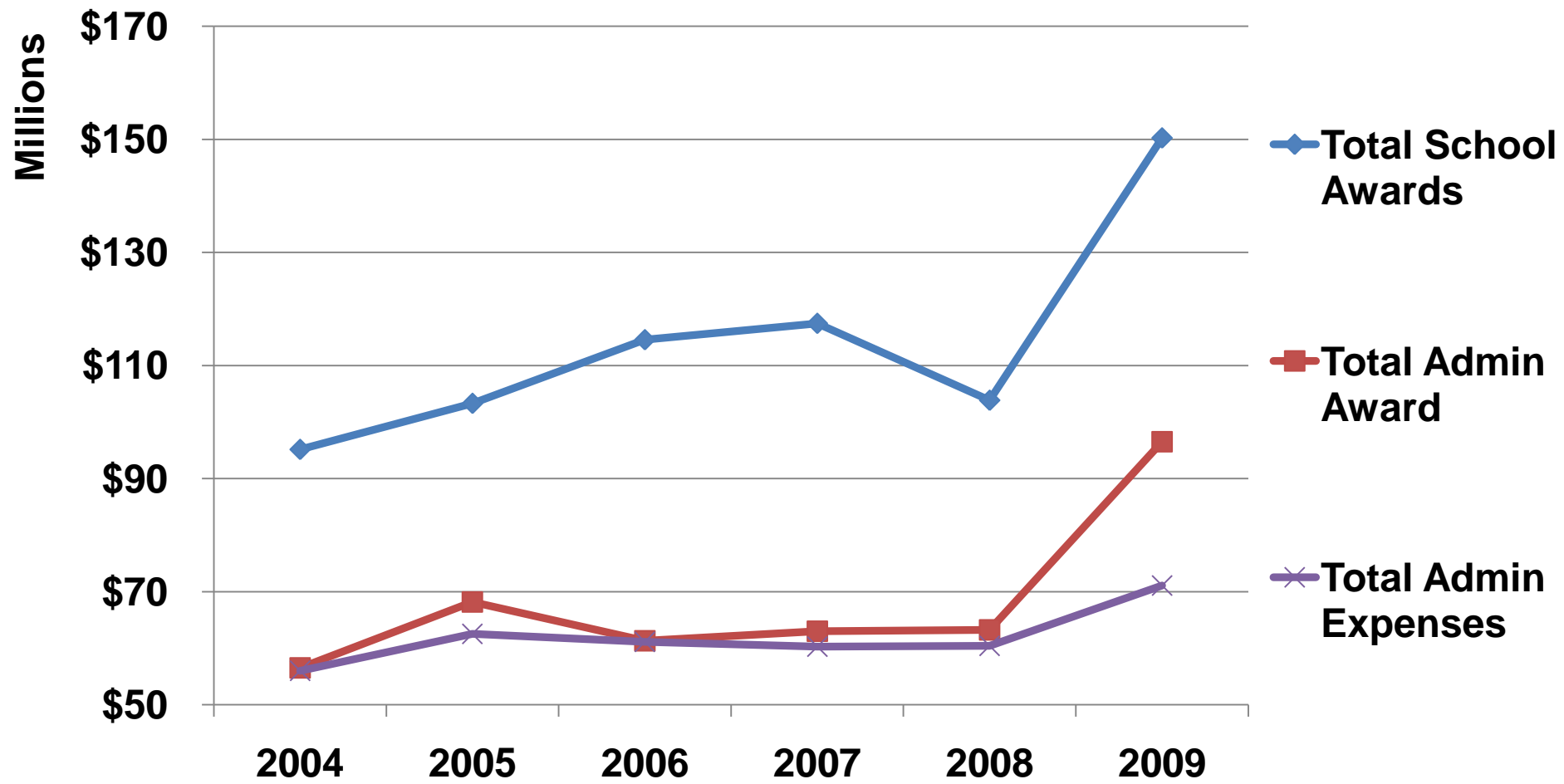
Compensation	\$69.9
Student Aid and Grants	\$4.8
Other Grants	\$14.1
Operations	\$23.4
Capital	\$2.2
State Appropriation Reverted	\$1.9
Transfers out of SPH	\$0.2
Total	\$116.5

Restricted Trusts Ending Year End Balance	\$8.4
Reserves -Restricted & Unrestricted for Future Commitments	\$9.7

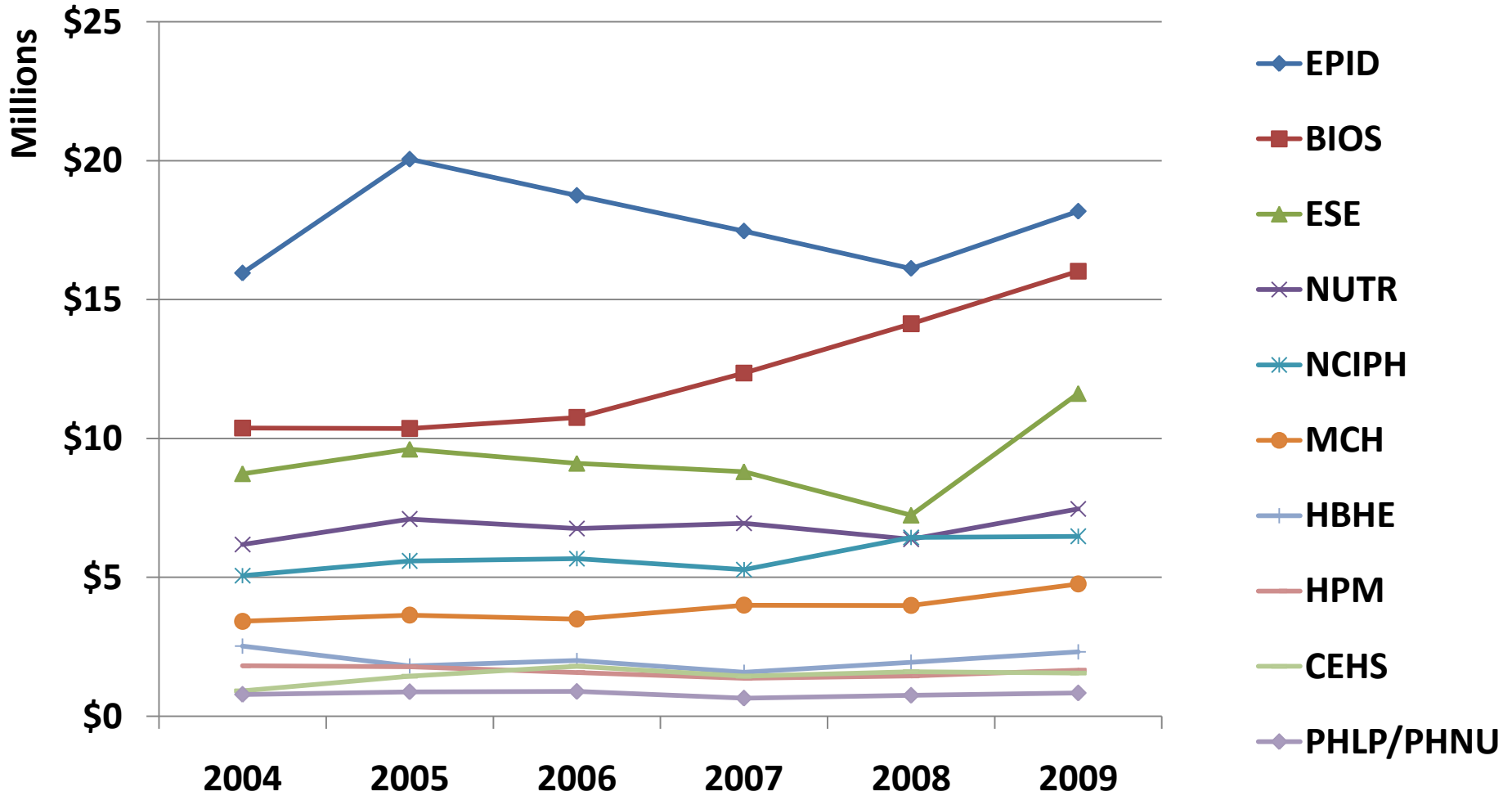
Notes

Public Health Foundation assets are only included if transferred to the University for use. An additional \$722K of operational expenditures paid directly from the Public Health Foundation are not included.

Review of FY09- Contracts & Grants



Review of FY09- Contracts & Grants-SPH Administered Expenditures



Note:
Includes directs and indirect expenditures. Excludes NRI.



Review of FY09- A Rough Year

- **Total School state budget reduction=\$1.7 M**
 - **1% or \$263K was permanent and 6% or \$1.48M was non-permanent.**
- **Multiple state contracts were terminated unexpectedly or not renewed.**
- **Freeze on expenditures on state funds was made effective in April through end of fiscal year.**
- **Some layoffs and FTE reductions began.**
- **Furloughs of state employees occurred.**
- **About 30 endowments went “underwater,” (i.e. the market value dropped below book value).**
- **We planned for severe cuts in FY10 and future.**



FY10 State Permanent Budget

- **UNC-Chapel Hill cut 10% from its permanent budget for FY10 at the University level.**
- **If UNC-Chapel Hill's overall cut is less than 10%, a portion of this will be held by the University and used to buffer non-recurring cuts that are anticipated during the year.**
- **SPH received its permanent state budget cut from the Provost's Office.**
 - **The cut allocated to SPH was 5.4% or \$1.2 million from a \$22.2 million budget, (excluding NRI which is no longer in SPH as of FY10).**



FY10 Budget-State Cut Allocated to SPH

- **SPH's permanent budget cut was allocated to us differentially rather than across the board for all areas.**
- **NCIPH was among centers and institutes that were singled out by legislature for targeted cuts.**
- **SPH must continue planned enrollment growth (~5% over the next two years) and protect degree granting programs.**



Allocation of the FY2010 State Budget Cut Within the School of Public Health

We balanced the need to protect enrollment growth areas with the need to avoid irreparable damage to academic departments. Data used to inform our decision are below.

Dept/Prog	UG FTE	MS FTE	Doc FTE	Total FTE	% of Total
BIOS	14	27.75	75.75	117.5	10%
EPID	0	24.75	111.5	136.25	11%
ESE	19	62.25	56.75	138	11%
HBHE	0	81.25	27.25	108.5	9%
HPM	73	239	59	371	30%
MCH	0	58	19.5	77.5	6%
NUTR	34.25	50	46	130.25	11%
PHLP/PHN	0	148.5	0	148.5	12%
TOTAL	140.25	691.5	395.75	1227.5	100%

Allocation of the FY2010 State Budget Cut Within the School of Public Health

- **The NCIPH permanent state budget cut was dictated to us by the University and exceeded 30%.**
- **Academic departments' permanent state budget cuts varied.**
 - **From a low of 2% to a high of 4.5%**
- **The central School's state permanent budget cut was larger than any academic department and was 5%.**



Central School Administrative Units Total All Funds Budget Cut

- **Due to the impact of various constrained resources, the central School administrative units' total budget has been cut more than 10%.**
- **Individual central administrative offices are managing a total budget cut ranging from a low of 8% to a high of more than 50%.**
- **Our goal was to absorb this necessary cut without reducing our direct support for students, departments and their faculty.**



Major Items in Central FY10 Budget that Directly Affect Students, Departments & their Faculty

- **Dept Research Project Support** **\$3.2 M**
 - CPHS projects, IRB, TRACS
- **IT Basic Infrastructure** **\$900K**
 - Data Ctr, AV Serv, Basic Course Supt, MIS
- **Facilities** **\$683K**
 - Building debt, maintenance of plant
- **Faculty Support** **\$818K**
 - Retentions, assoc/asst deans, other faculty
- **Student Financial Aid** **\$590K**
 - Centrally funded awards, PH Traineeship



Summary Impact of Budget Changes in FY10

- **Cuts will be felt differentially across the School.**
- **Not all reductions are due to the permanent state budget cut.**
 - **Numerous state contracts have not been renewed.**
 - **F&A allocation is expected to be flat at best.**
 - **Endowment payout will be reduced for at least the next couple of years.**
- **Many positions throughout parts of SPH have or are being affected negatively by the cuts.**
- **All HR transactions involving additional positions, additional salary must receive special scrutiny prior to approval.**

SPH Finances are Facing a Very Difficult Time BUT.....

- **Our research is growing.**
- **Our enrollment is growing.**
- **Our state continues to place a priority on supporting higher education, even in terrible fiscal times.**
- **Our public health mission is in the forefront with all the focus on health care reform and healthy lifestyles and should remain attractive to donors.**

The current time is tough but our future will be brighter.



Thank You/Questions



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