

# Budget Q&A

## **How Was each campus' cut amount determined?**

Each campus will take a reduction based on factors like their share of the total NU budget. Bottom line, there will be job losses and programmatic reductions on all campuses.

## **What rationale was used for the cuts announced today?**

Since Jan. 15, I have had more than 46 meetings with deans, directors and vice chancellors, as well as faculty, staff and students, to discuss the budget situation and gather information on potential cuts and revenue enhancements.

- Per President Bounds' request, the cuts must:
- Meet all budget targets for FY 2017-18 and FY 2018-19.
- Not deplete any cash reserves.
- Not duplicate the elements of the BRT process.
- Be recurring, base-budget reductions.
- In the case of tuition increases, sit on top of existing differential tuition and any overall tuition increase set by the Board of Regents moving forward.

## **If our funding is restored, do we have to move forward on the cuts announced today?**

We would do everything we can to avoid closing a program or letting people go.

Realistically, we know that once we talk about a program being in danger, it is difficult to walk that back. And realistically, we know we will have to make at least some cuts going forward.

## **Instead of making academic cuts, can we find additional savings from BRT?**

More operational cuts are possible, but we can't expect to keep going back to that well. We have said all along that academic programs would be impacted by our budget challenge, and that's proving to be the case.

## **Could we use other strategies like freezing salaries or continuing the hiring freeze?**

Delaying salary increases until January is an option for non-bargained employees, but salary freezes are not a good long-term strategy for recruitment and retention of top talent. We expect to continue limiting our hiring, but again, indefinitely leaving open positions that our vital to our mission is not effective in the long term for continuing our momentum

## **Could we tap other funding sources, like the Foundation?**

It's been stated recently that the University has greater funding flexibility than other agencies to manage a cut, but that's inaccurate. Our operations are funded by two main sources: state funding and tuition revenue. Foundation funds, for example, are enormously important to our success, but more than 99 percent of donations are earmarked to a specific purpose. And donors generally don't give to pay the utility bills. The same goes for other committed sources of funds, like research grants.