

## How was the allocation of the \$11.9M reduction to carryforward calculated?

The chart below shows the results by division/area. As initial steps, faculty salary savings and seed accounts were held harmless. The hurricane reserve was also held harmless. The central and summer reserves contributed \$3.8M, an additional 10% above the President's initial commitment of \$3.5M. Additionally, the contribution from the utility reserve was contained so as to retain a reserve at 15% of budget.

After these initial determinations, the reduction allocation methodology was developed. The chart below shows the results. In the first column, the amount of carryforward after encumbrance that was held in each division at the end of the year is shown. In the second column, the chart shows the amount that would have been contributed to the reduction if the calculations were done across the board. It would have been 43.7% of the applicable carryforward balances in each division/area. In the third column, the chart shows the actual final amounts contributed by each division to the carryforward reduction. Finally, in the last two columns of the chart, the percentage of carryforward held at year end in each division and the percentage of the total carryforward reduction made by each division are presented.

The final contribution methodology was calculated in steps designed to incorporate the feedback obtained through the campus listening sessions and to fulfill the commitments made by the President to campus.

- Step 1 was designed to allow for operational need. In this step, last year's total expenditures (E&G and carryforward) were compared to the upcoming year's E&G budget. Where an area had expenditures greater than budget, carryforward was sheltered.
- Step 2 preserves added flexibility at the front lines in the units that created efficiencies to accumulate carryforward. This step allowed an additional amount of carryforward based on a percentage of recurring operating budgets. For areas with additional carryforward after step 1, additional carryforward was sheltered up to 5% of E&G budget.
- Step 3 provided added protection for our colleges and unique assets. In this step, colleges and unique assets with carryforward remaining after steps 1 and 2 were allowed to retain additional carryforward dollars to the extent possible (47% of remaining carryforward).
- As a final step, we performed a minimum contribution check. All areas were required to make a minimum contribution of at least 30% of their yearend carryforward. If an area with carryforward would have contributed less than 30% after steps 1, 2 and 3, the contribution amount for that area was adjusted back to the minimum contribution (30%).

For more specific information about how the carryforward contribution was calculated for a specific area, please contact your respective Vice President. They should be able to provide detailed information for individual reporting areas.

### Strategic vs. Across the Board Overview

	Carryforward at 7/1	Carryforward Contribution if done Across the Board	Contribution Using Strategic Methodology	% of Carryforward at 07/01/2012	% of Contribution
President's Divisions	1,546,890.87	676,006.14	900,222.43	5.4%	7.5%
Academic Affairs Division	9,872,779.88	4,314,499.44	3,906,402.97	34.3%	32.7%
University Advancement Division	786,335.49	343,636.15	251,211.68	2.7%	2.1%
Student Affairs Division	735,355.93	321,357.59	293,364.61	2.6%	2.5%
Administrative Services Division	3,269,256.66	1,428,696.50	1,493,595.99	11.4%	12.5%
Centers and Institutes	2,359,936.69	1,031,314.95	1,000,830.58	8.2%	8.4%
Central Departments	787,154.00	343,993.84	236,146.20	2.7%	2.0%
Central Reserves + Summer	7,975,150.94	3,485,217.40	3,810,742.88	27.7%	31.9%
Utilities & Insurance	745,781.00		52,204.67	2.6%	0.4%
Exempt Accounts	710,879.98		-	2.5%	0.0%
	28,789,521.44	\$11,944,722	11,944,722.00	100.0%	100.0%

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