

UNIVERSITY OF THE DISTRICT OF COLUMBIA
UDC Resolution No. 2013- 16

Approval of Proposed University Budget Request, FY 2014

WHEREAS, pursuant to D.C. Official Code § 38-1202.06(4), the Trustees are required to “prepare and submit to the Mayor . . . an annual budget for each fiscal year”; and

WHEREAS, the Executive Committee of the Board has reviewed the proposed FY2014 Budget Request prepared by the University Administration in consultation with the University’s Managing Director of Finance and recommends its approval for submission to the Mayor by the Board of Trustees; and

WHEREAS, the proposed budget is reflective of projected revenues, consistent with prudent fiscal and accounting practices, and in line with the President’s and Board’s vision for the University;

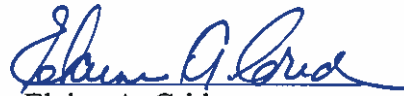
NOW, THEREFORE, BE IT RESOLVED that the attached proposed budget request for Fiscal Year 2014 is approved by the Board of Trustees for submission to the Mayor by the Board of Trustees.

Submitted by the Executive Committee

April 9, 2013

Approved by the Board of Trustees

April 17, 2013


Elaine A. Crider
Chair of the Board



FY2014 OPERATING BUDGET REQUEST

Summary Analysis

February 2013

Table of Contents

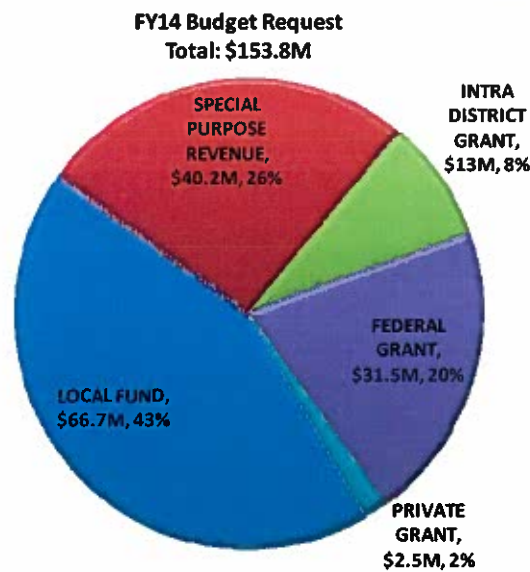
1. Executive Summary.....	3
1.1 Projected Revenue.....	3
1.2 Proposed Budget	4
1.3 Proposed Full Time Equivalent Positions	5
2. FY2014 Budget Request.....	6
2.1 Budget Request Summary	6
2.2 Unrestricted Budget Request.....	6
2.3 Restricted Budget Request.....	7
3. Revenue Analysis	8
3.1 Revenue Summary	8
3.2 Unrestricted Revenue	8
3.2.1 Local Fund	8
3.2.2 Special Purposed Revenue	8
3.3 Restricted Revenue.....	11
3.3.1 Federal Grants	11
3.3.2 Private Grants	11
3.3.3 Intra-District Grants.....	11
4. Expenditure Analysis (Unrestricted)	12
4.1 Agency Management	13
4.2 Agency Financial Operations (OCFO)	15
4.3 Student Affairs	16
4.4 Communications and Relations	18
4.5 Academic Affairs.....	19
4.6 Executive Direction	21
4.7 Community College.....	22
4.8 Shared Services Analysis	23
APPENDIX A: Definitions.....	25
APPENDIX B: Budget Hierarchy.....	27
Appendix C: Tuition and Fee Schedule.....	29

1. Executive Summary

The University of the District of Columbia is pleased to present its fiscal year 2014 budget request. This budget reflects the University's continuous transformation to become an academically strong, public offering baccalaureate, graduate, professional, associate, and certificate programs. As in the previous years, this proposal furthers the University's right-sizing efforts to ensure District residents will continue to have access to affordable, effective postsecondary opportunities right here in the nation's capital.

1.1 Projected Revenue

For fiscal year 2014, the University projects a total available budget of \$153.8 million based on the following revenue sources:

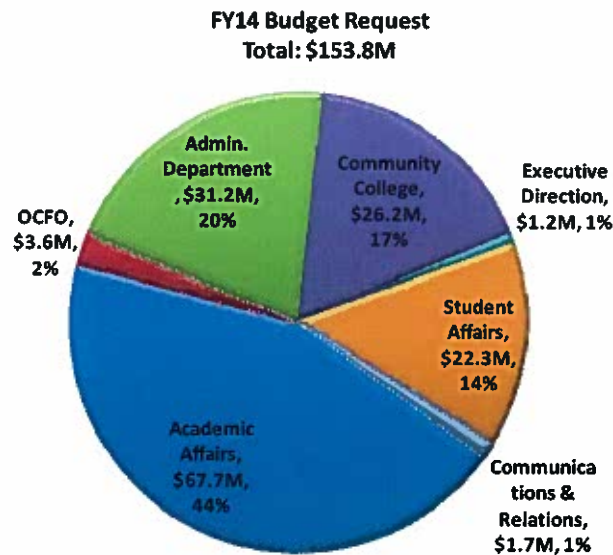


Total Budget (in Millions)	FY12 Actual Expenditure	FY13 Approved Budget	FY14 Requested Budget
Unrestricted			
Local DC Appropriation	67.4	65.0	66.7
Special Purpose Revenue	40.0	36.5	40.2
Subtotal	107.4	101.4	106.9
Restricted			
Intra-District Grants	9.1	13.8	13.0
Federal Grants	45.3	51.0	31.5
Private Grants	2.4	3.0	2.5
Subtotal	56.8	67.8	47.0
Total	164.2	169.3	153.8

As compared to fiscal year 2013, the University projects \$15.5 million less revenue. The decrease is primarily because of the new accounting procedure for federal student loan.¹ The University anticipates that this is a onetime factor that will not impact revenues in future fiscal years.

1.2 Proposed Budget

Based on the revenue projection, the University proposes the following spending plan, by program area:



The table below shows the budget details of the unrestricted funds² by program area.

Unrestricted Budget (in Millions)	FY13 Approved Budget	FY14 Budget Request	Δ (FY14-FY13) \$M	% of Change
ACADEMIC AFFAIRS	39.8	40.3	0.5	1%
OCFO	4.8	3.7	-1.1	-23%
ADMINISTRATIVE DEPARTMENTS	23.9	31.1	7.2	30%
COMMUNITY COLLEGE	21.5	21.3	-0.2	-1%
EXECUTIVE DIRECTION	1.3	1.2	-0.1	-8%
STUDENT AFFAIRS	7.9	7.6	-0.3	-4%
COMMUNICATIONS AND RELATIONS	2.2	1.7	-0.5	-23%
TOTAL OPERATING BUDGET	101.4	106.9	5.5	5%

As compared with fiscal year 2013, the University proposes increasing unrestricted spending by \$5.4 million, mainly due to the increasing of the financial reserve funds³.

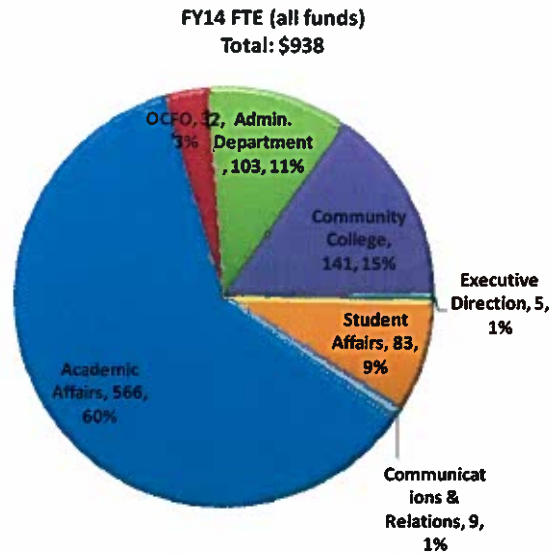
¹ Details of the federal grants change can be found in page 7.

² Unrestricted funds includes local appropriation and University self generated O-type revenue fund. Restricted funds include grants from Federal, Private, and DC Agency.

³ Details of the financial reserve can be found in page 12.

1.3 Proposed Full Time Equivalent Positions

The University's fiscal year 2014 proposed budget would fund 938 full time equivalent (FTE) positions, listed as follows:



Among the 938 budgeted FTE, 253 is funded by restricted grants and 685 is funded by unrestricted funds. The table below shows the details of the unrestricted budget funded positions by program area.

Unrestricted Budget	FY13 FTE	FY14 FTE	Δ (FY14-FY13)	% of Change
ACADEMIC AFFAIRS	432	354	-78	-18%
OCFO	36	32	-4	-11%
ADMINISTRATIVE DEPARTMENTS	142	103	-39	-27%
COMMUNITY COLLEGE	122	123	0	0%
EXECUTIVE DIRECTION	9	5	-4	-44%
STUDENT AFFAIRS	76	60	-17	-22%
COMMUNICATIONS AND RELATIONS	22	9	-13	-59%
TOTAL OPERATING BUDGET	838	686	-153	-18%

The change in FTEs detailed above reflects the efforts the University leadership has taken to reduce its personnel costs. Since fiscal year 2012, the University has eliminated approximately 100 positions, reducing personnel costs by \$5.0 million compared to FY13 approved budget, while maintaining an effective level of service.

2. FY2014 Budget Request

2.1 Budget Request Summary

In FY2014, UDC's total requested budget is \$153.8M. This includes: \$66.7 local appropriation, \$40.2M special purpose revenue funds, \$13.0M Intra-District Grants, \$31.5M Federal Grants, and \$2.5M of Private Grants.

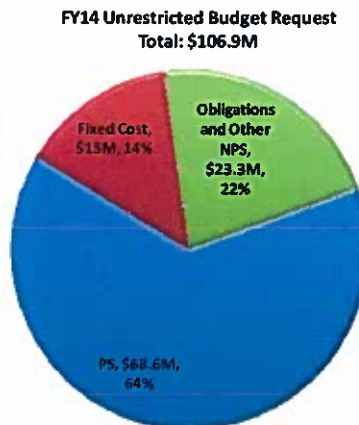
2.2 Unrestricted Budget Request

The UDC total unrestricted budget (excluding federal, Intra-District, and private grants and contracts) request is \$106.9M. This includes \$40.2M of Special Purpose Revenue and \$66.7M local subsidy.

As part of the budget process, the CFO of the University is required to submit a budget based on the following priorities to the City's BFA process:

1. **PS.** All salary and benefits for positions on the payroll have to be funded first.
2. **Fixed Cost.** This includes energy costs, janitorial services cost, rental cost, and any other facility management related costs. These have to be funded to ensure the smooth operation of the University facilities.
3. **Operational NPS**
 - **Obligations.** The University needs to allocate funds to ensure that the University fulfill its legal and other obligations including items like student activity fees, indirect cost return to PI, etc.
 - **Other operational NPS.** This category includes all other purchases the University has to make including Instructional supplies, memberships, conferences costs, office supplies, medical supplies to health center, library books and subscriptions, etc.

The following chart shows the budget required for each spending category in the FY2014 unrestricted operations budget request of \$106.9M.



The University PS budget has been declining from FY12 to FY14 with the implementation of the PS restructuring initiatives. The approved FY13 NPS budget is not adequate to support University normal operations. To solve the problem, the University will be submitting reprogramming request to allocate some potential PS savings in FY13 to support NPS spending.

2.3 Restricted Budget Request

UDC's FY2014 restricted budget request is \$47.0M, a decrease of \$20.8M in comparison to FY2013's approved budget of \$67.8M. Federal grants revenue is projected to decrease from \$51.0M in FY2013 to \$31.5M in FY2014 mainly due to the accounting rule changes of excluding federal financial aid loan from the University financial statements and not considered as revenue and expenditures of the University. Private grants revenue is projected to decrease from \$3.0M in FY2013 to \$2.5M in FY2014. Intra District grants is projected to be \$13.0M in FY14, which is slightly less than \$13.8M budgeted in FY13.

Federal grants are budgeted under Student Affairs for financial aid and Academic Affairs for sponsored research programs. Private grants are mainly budgeted under Academic Affairs and the Community College. Intra District grants are budgeted in both flagship academic programs and Community College workforce development programs. Further details are provided in the grants section.

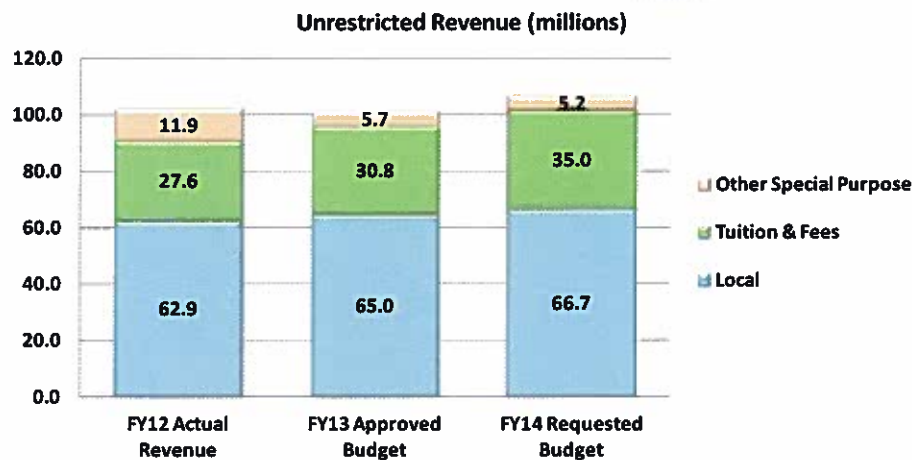
3. Revenue Analysis

3.1 Revenue Summary

In FY2014, the requested overall budget is \$153.8M including \$106.9M unrestricted funds and \$47.0M restricted grants of all type.

3.2 Unrestricted Revenue

The following chart shows the change in unrestricted revenue from FY2012 to FY2014.



3.2.1 Local Fund

The Local Fund is the subsidy from the DC Government. The total Local Fund request in FY2014 is \$66.7M, an increase of \$1.7M compared to FY2013 approved amount of \$65.0M. This 2.6% of increase reflect the inflation adjustment the District proposed for the University.

3.2.2 Special Purposed Revenue

Special Purpose Revenue consists of the University's self-generated revenue from a number of sources (excluding the local subsidy and grant funds). This includes: Endowment Income, Indirect Costs, Post Secondary Education, Tuition Revenue, and Intra-District (DC Agencies Advance).

FY2014 Special Purpose Revenue is projected to be \$40.2M, an increase of \$3.8M, in comparison to the FY2013 approved budget of \$36.4M. The increase is mainly caused by the newly adopted accounting procedure of using gross tuition revenue instead of net tuition revenue in budget.

The table below shows the special purpose revenue details from FY13 to FY14.

Budget (in millions)	FY13	FY14
	Approved	Requested
Tuition*	26.5	30.9
Indirect Cost Recovery	1.5	1.5
Endowment and Investment income	0.8	0.8
Post Secondary		
Academic Other (Con. Ed, WFD, etc.)	1.4	1.2
Student Fees	4.3	4.1
Auxiliary Services	1.9	1.7
Total	36.4	40.2

* FY13 numbers shown are net tuition revenue.

FY14 is gross tuition revenue.

Tuition. FY2014 gross tuition revenue is projected to be \$30.9M, an increase of \$4.4M compared to the approved FY2013 revenue projection of \$26.5M. The increase is mainly caused by a new accounting procedure to be adopted from FY2014.

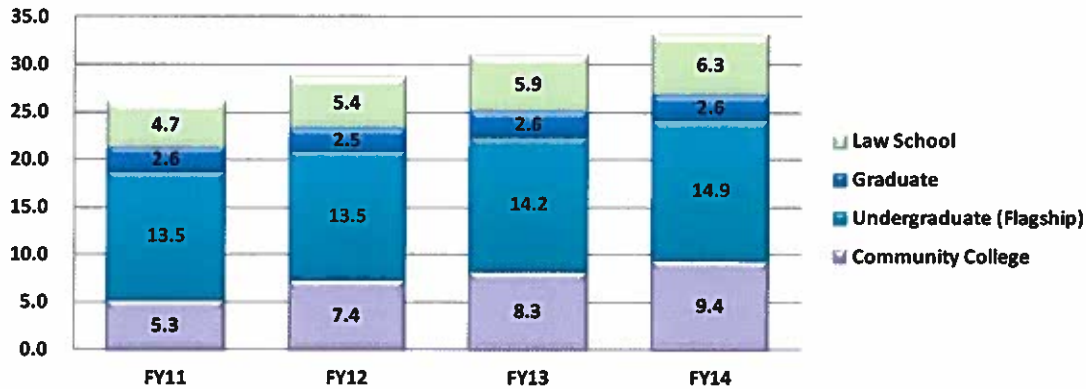
- Gross vs. net tuition revenue. Starting FY14, the University will include the gross tuition revenue in the budget and charge all tuition discounts as expenditures against tuition revenue. These include all institutional aid/scholarships, tuition remission, and other tuition discount. Previously, the University report net revenue after deducting tuition adjustments. Showing these items as revenue adjustments instead of a budgeted expenditure with a certain amount makes it difficult to manage the overall tuition discount awarded by departments across the University. This new procedure will improve the management of university tuition revenue budget and impose control over tuition discount spending.
- Tuition revenue reserve. Considering the uncertainty of the tuition revenue caused by enrollment fluctuation and tuition rate change, the University included tuition revenue reserve in FY2014 financial reserve fund to minimize the impact from the tuition revenue gap.

The University had several policy changes in the past few years that negatively impact enrollment and tuition revenue and caused revenue gap in operational budget. In Spring 2012, the University was mandated by the City council to conduct a tuition analysis for the Metropolitan area students and eventually eliminate this tuition class. If implement this policy in FY14, the University may lose significant amount of students in this group and negatively impact the tuition revenue. As of end of 2012, the University Board of Trustees have not made decision on the new policy yet. The tuition revenue reserve included in FY14 will be used to cover the revenue lose should the new policy is approved by the Board.

If the University meets the tuition revenue goal, the tuition revenue reserve will either be used to fund one time expenditures for some strategic initiatives or unexpected expenditures. The unused revenue reserve can also be used to build up the University fund balance reserve.

The chart below shows the detailed gross tuition revenue before tuition discount by degree level. A schedule of tuition and fees can be found in Appendix C.

**UDC Gross Tuition Revenue Estimate
(As of February 2013)**



The table below shows both historic and projected FY14 UDC enrollment (fall semester).

Headcount	FY10	FY11	FY12	FY13	FY14
Community College	1,779	2,672	2,529	2,838	3,090
Undergraduate (Flagship)	2,991	2,639	2,129	2,019	2,039
Graduate	190	207	263	253	253
Law School	291	337	365	380	399
Total	5,251	5,855	5,286	5,490	5,781

FTE	FY10	FY11	FY12	FY13	FY14
Community College	1,129	1,683	1,634	1,691	1,838
Undergraduate (Flagship)	2,059	1,831	1,516	1,473	1,488
Graduate	122	149	188	187	187
Law School	273	310	321	316	332
Total	3,584	3,973	3,659	3,667	3,845

Endowment Income. FY2014 Endowment Income is projected to be \$750K, consistent with the FY2013 approved budget.

Indirect Cost Recovery. FY2014 Indirect Costs revenue is projected to be \$1.5M, consistent with the FY2013 approved budget. Indirect Costs revenues are a percentage of grant revenues that are used to support the infrastructure of the University.

Post Secondary Education. FY2014 Post-Secondary Education revenue is projected to be \$7.1M, a decrease of \$1.9M in comparison to the FY2013 approved budget of \$10.9M.

The following items are included in the Post Secondary Education revenue.

- **Student Fees.** FY2014 student fee revenue is projected to be about \$4.1M, a slight decrease of \$182K, in comparison to the FY2013 approved budget of \$4.3M.
- **Auxiliary Services.** FY2014 auxiliary services revenue is currently projected at \$1.7M, a decrease of \$213K in comparison to the FY2013 approved budget primarily due to the revenue decline from the Book Store, the Child Development Center, and miscellaneous rentals.

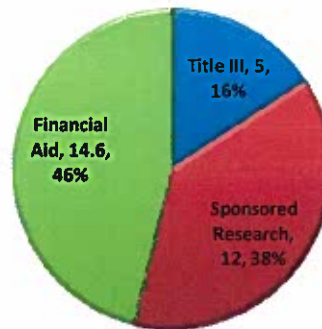
- Other Academic. In FY2014, other academic revenue is currently projected at \$1.2M, a decrease of \$239K in comparison to the FY2013 approved budget of \$1.4M. The projection was made based on actual FY12 revenue of \$1.0 million. This category includes programs such as continuing education and other fee based programs.

3.3 Restricted Revenue

3.3.1 Federal Grants

The FY2014 proposed federal grants budget is \$31.5M, a decrease of \$19.5M in comparison to the FY2013 budget of \$51.0M. The decrease reflects the accounting rule changes of excluding federal financial aid loan from the University financial statements and not considered as revenue and expenditures of the University. The following chart shows a breakdown of the FY2014 budget for Federal Grants (*as of February 2013*).

FY14 UDC Federal Grants Budget
Total: \$31.5M



3.3.2 Private Grants

Private Grants has a FY2014 proposed budget of \$2.5M, a decrease of \$571KM in comparison to the FY2013 budget of \$3.0M.

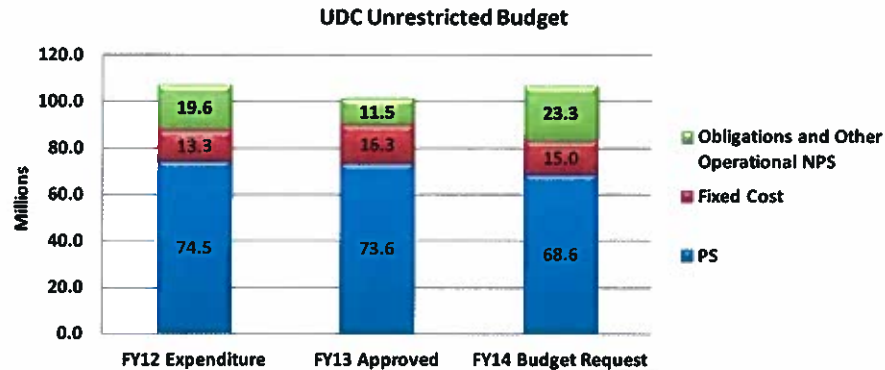
3.3.3 Intra-District Grants

Intra-District Grants are revenue from programs in which UDC provides services to other DC Government agencies. The FY2014 proposed budget for Intra-District Grants is \$12.9M, a decrease of \$772K, in comparison to the FY2013 budget of \$13.8M.

4. Expenditure Analysis (Unrestricted)

The University FY2014 unrestricted budget request (excluding intra-district grants) of \$106.9M is \$5.4M higher than the FY2013 approved budget of \$101.4M.

UDC's PS/NPS split in FY2014 budget request is much different with FY2012 actual spending and FY2013 approved budget. The unrestricted budget PS/NPS is shown in the chart below.

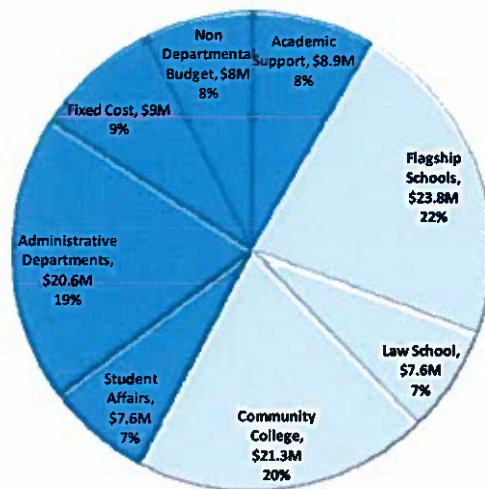


Comparing the FY2014 budget request and FY2013 approved budget,

- The PS decrease of \$5.0M reflects the savings from the University Rightsizing initiatives.
- The NPS increase of \$5.8M is a net effect from the following changes.
 - Replenishment from the underfunded FY2013 NPS budget.
 - The \$6.1M increase of University financial reserve funds. The financial reserve funds are unallocated non-departmental budget that includes revenue reserve and tuition discount discussed in the revenue section, P-account reserve, post closing cost, operational contingency, and the fund balance reserve.
- The fixed cost decrease of \$1.4M is based on actual FY2012 expenditure and current capital project plan.

The following chart shows the FY2014 unrestricted budget for each key program area. Details will be discussed in the following sections.

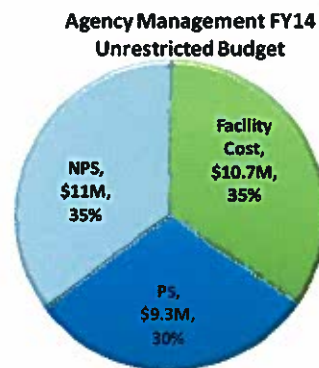
UDC FY2014 Unrestricted Budget by Department



4.1 Agency Management

Agency Management includes most of the University's administrative departments. The Agency Management budget is divided into eight activities: Personnel, Contracting and Procurement, Property Management, Information Technology, Financial Services, Government Affairs, Risk Management, and Legal Services.

The Agency Management FY2014 total unrestricted budget request is \$31.1M including \$23.1M allocated departmental budget and \$8.0M unallocated non-departmental budget as financial reserve. The Agency Management FY2014 budget increased \$7.2M compared to FY2013 approved budget mainly due to the increase of financial reserve funds. As shown in the chart below, the Agency Management spends 30% of its budget in PS, 36% in NPS (mainly financial reserves), and 34% in facility related fixed cost.



The table below lists the total Agency Management budget and FTE by program.

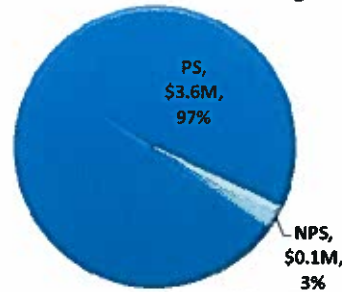
- Agency Management's total budgeted FY14 FTE decreased by 39 from 142 in FY2013 to 103 in FY2014 due to the elimination of both vacant and filled positions as part of the University Rightsizing initiative.
- Agency Management's FY2014 PS decrease of 8% reflects the FTE changes.
- Agency Management's FY2014 NPS budget increase of 59% is a result of the following factors:
 - Financial reserve increased by \$6.1M from \$1.9M in FY13 to \$8.0M in FY14.
 - Facility Management NPS budget decrease by \$1.7M from 10.7M in FY13 to \$9.0M in FY14. The FY13 budget included anticipated operational cost of the new student center and other facility improvement in all campus including PR Harris and Backus. The FY2014 budget was based on the actual FY2012 expenditure adjusted with the current capital construction plan. The NPS budget allocated under Facility Management covers Van Ness campus direct related maintenance cost as well as other fixed cost shared by all campuses. Community College direct related facility costs are budgeted under Community College operation budget.
 - Agency management didn't have any NPS budget in FY13 except the fixed cost in Facility Management, some contractual obligation in IT, and P-account reserve in Financial Services. Most of the departments' NPS budget is replenished to the level of FY2012 actual expenditure.

Agency Management Programs	FY13 Approved Budget	FY14 Requested Budget	Δ (FY14-FY13)	% of change
FTE				
Managing Dir. Finance	3.0	0.0	(3.0)	-100%
Contracting and Procurement Mgmt	8.0	6.0	(2.0)	-25%
Facilities Management	53.6	33.0	(20.6)	-38%
Financial Services	0.0	0.0	0.0	N/A
Governmental Affairs Services	3.0	2.0	(1.0)	-33%
Human Resources Management	14.0	13.0	(1.0)	-7%
Information Technology Management	22.0	16.0	(6.0)	-27%
Legal Services	5.0	4.0	(1.0)	-20%
Security	33.0	29.0	(4.0)	-12%
Subtotal	142	103	(39)	-27%
PS				
Managing Dir. Finance	432,790	0	(432,790)	-100%
Contracting and Procurement Mgmt	755,308	562,682	(192,627)	-26%
Facilities Management	3,183,138	3,105,300	(77,838)	-2%
Financial Services	0	0	0	N/A
Governmental Affairs Services	445,226	225,323	(219,903)	-49%
Human Resources Management	985,478	1,287,381	301,903	31%
Information Technology Management	1,552,913	1,607,356	54,443	4%
Legal Services	729,981	433,841	(296,140)	-41%
Security	2,115,795	2,127,584	11,789	1%
Subtotal	10,200,628	9,349,466	(851,162)	-8%
NPS				
Managing Dir. Finance	0	0	0	N/A
Contracting and Procurement Mgmt	0	11,550	11,550	N/A
Facilities Management	10,719,780	9,026,522	(1,693,258)	-16%
Financial Services	1,897,219	7,986,027	6,088,807	321%
Governmental Affairs Services	0	82,195	82,195	N/A
Human Resources Management	0	625,700	625,700	N/A
Information Technology Management	1,092,043	2,748,964	1,656,921	152%
Legal Services	0	836,581	836,581	N/A
Security	0	419,210	419,210	N/A
Subtotal	13,709,043	21,736,749	8,027,706	59%
Total				
Managing Dir. Finance	432,790	0	(432,790)	-100%
Contracting and Procurement Mgmt	755,308	574,232	(181,077)	-24%
Facilities Management	13,902,918	12,131,822	(1,771,096)	-13%
Financial Services	1,897,219	7,986,027	6,088,807	321%
Governmental Affairs Services	445,226	307,518	(137,708)	-31%
Human Resources Management	985,478	1,913,081	927,603	94%
Information Technology Management	2,644,956	4,356,320	1,711,364	65%
Legal Services	729,981	1,270,422	540,441	74%
Security	2,115,795	2,546,794	430,999	20%
Total	23,909,671	31,086,215	7,176,544	30%

4.2 Agency Financial Operations (OCFO)

The Agency Financial Operations (OCFO)'s FY2014 total unrestricted budget request is \$3.7M, a decrease of \$1.1M compared to FY2013 approved budget. The change is a result of both PS and NPS reduction. As shown in the chart below, the OCFO spend 97% of its budget in PS and 3% in NPS.

OCFO FY14 Unrestricted Budget



The table below lists the total Agency Financial Operations budget and FTE by program.

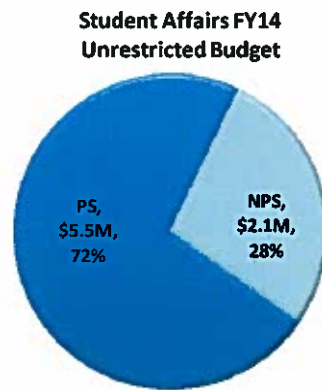
- OCFO's total budgeted FY14 FTE decreased by 4 from 36 in FY2013 to 32 in FY2014 due to the elimination of both vacant and filled positions as part of the University Rightsizing initiative.
- FY2014 PS decrease of 17% reflects the FTE changes.
- FY2014 NPS budget decrease of 80% reflects the changes of allocating P-account reserve to the University financial reserve funds as this is not a direct OCFO expenditure.

Agency Financial Operations	FY13 Approved Budget	FY14 Requested Budget	Δ (FY14-FY13)	% of change
FTE				
Accounting Operations	22	20	(2)	-9%
Agency Fiscal Operations	4	2	(2)	-50%
Budget Operations	10	10	0	0%
Subtotal	36	32	(4)	-11%
PS				
Accounting Operations	2,128,155	2,111,511	(16,645)	-1%
Agency Fiscal Operations	570,513	268,619	(301,895)	-53%
Budget Operations	1,560,150	1,173,848	(386,302)	-25%
Subtotal	4,258,818	3,553,977	(704,841)	-17%
NPS				
Accounting Operations	0	0	0	N/A
Agency Fiscal Operations	508,299	100,203	(408,096)	-80%
Budget Operations	0	0	0	N/A
Subtotal	508,299	100,203	(408,096)	-80%
Total				
Accounting Operations	2,128,155	2,111,511	(16,645)	-1%
Agency Fiscal Operations	1,078,812	368,822	(709,991)	-66%
Budget Operations	1,560,150	1,173,848	(386,302)	-25%
Total	4,767,117	3,654,180	(1,112,937)	-23%

4.3 Student Affairs

The Student Affairs budget is divided into eight activities: Athletics Department, Career Services, Community Outreach and Involvement, Financial Aid, Health Services, Records Management, Student life Services, and Admissions Student Services Administration.

The Student Affairs FY2014 total unrestricted budget request is \$7.6M, a decrease of \$357K compared to FY2013 approved budget. The change is a net effect of personnel reduction and replenish of underfunded NPS budget. As shown in the chart below, the Student Affairs spend 72% of its budget in PS and 28% in NPS mainly for athletics department, Financial Aid, and student activities.



The table below lists the total budget and FTE by program.

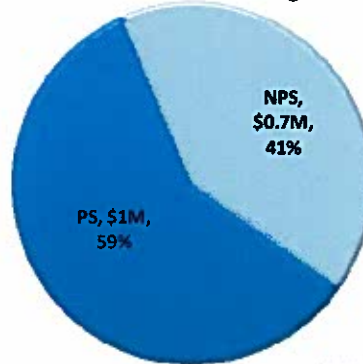
- Student Affairs' total budgeted FY14 FTE decreased by 16.5 from 76.0 in FY2013 to 59.5 in FY2014 mainly due to the elimination of both vacant and filled positions as part of the University Rightsizing initiative.
- FY2014 PS decrease of 18% reflects the FTE changes across all Student Affairs' departments.
- FY2014 NPS budget is based on FY12 actual expenditure. Student Affairs didn't have any NPS budget in FY13 except the student activities supported by student fee revenue and rental for housing program. The significant increase of this funding just reflects the severe underfunding of FY13 NPS budget.

Student Administrative Services	FY13 Approved Budget	FY14 Requested Budget	Δ (FY14-FY13)	% of change
FTE				
Athletic Department	27.0	22.0	(5.0)	-19%
Career Services	3.0	2.0	(1.0)	-33%
Community Outreach	1.0	1.0	0.0	0%
Financial Aid Services	17.0	14.0	(3.0)	-18%
Health Services	6.0	3.0	(3.0)	-50%
Records Management	1.0	1.0	0.0	0%
Student and Life Services	12.0	11.0	(1.0)	-8%
Student Services Administration	9.0	5.5	(3.5)	-39%
Subtotal	76	60	(17)	-22%
PS				
Athletic Department	2,227,991	1,843,609	(384,381)	-17%
Career Services	244,568	179,602	(64,966)	-27%
Community Outreach	80,325	80,306	(19)	0%
Financial Aid Services	1,787,953	1,515,126	(272,827)	-15%
Health Services	442,915	271,974	(170,941)	-39%
Records Management	57,290	57,277	(13)	0%
Student and Life Services	1,134,307	1,056,680	(77,627)	-7%
Student Services Administration	725,726	501,485	(224,241)	-31%
Subtotal	6,701,074	5,506,059	(1,195,015)	-18%
NPS				
Athletic Department	0	929,140	929,140	N/A
Career Services	0	5,000	5,000	N/A
Community Outreach	0	895	895	N/A
Financial Aid Services	0	362,188	362,188	N/A
Health Services	0	46,574	46,574	N/A
Records Management	0	8,000	8,000	N/A
Student and Life Services	320,000	657,211	337,211	105%
Student Services Administration	900,000	49,202	(850,798)	-95%
Subtotal	1,220,000	2,058,211	838,211	69%
Total				
Athletic Department	2,227,991	2,772,750	544,759	24%
Career Services	244,568	184,602	(59,966)	-25%
Community Outreach	80,325	81,201	876	1%
Financial Aid Services	1,787,953	1,877,314	89,360	5%
Health Services	442,915	318,548	(124,367)	-28%
Records Management	57,290	65,277	7,987	14%
Student and Life Services	1,454,307	1,713,891	259,584	18%
Student Services Administration	1,625,726	550,687	(1,075,039)	-66%
Total	7,921,074	7,564,270	(356,804)	-5%

4.4 Communications and Relations

The Communications and Relations budget includes all University PR and advancement departments. The Communications and Relations FY2014 unrestricted budget is \$1.7M, a decrease of \$495K compared to FY2013 approved budget. The change is a net effect of personnel reduction and replenish of underfunded FY2013 NPS budget. As shown in the chart below, the Communications and Relations spends 59% of its budget in PS and 41% in NPS mainly for fundraising events, cable TV station, and marketing materials.

**Communications and Relations FY14
Unrestricted Budget**



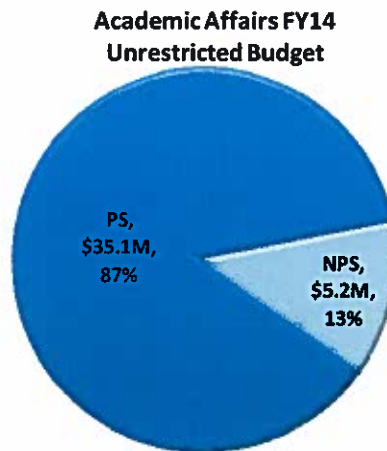
The table below lists the total budget and FTE by program.

- The Communications and Relations' total budgeted FY14 FTE decreased by 13 from 22 in FY2013 to 9 in FY2014 mainly due to the elimination of both vacant and filled positions as part of the University Rightsizing initiative.
- The Communications and Relations' FY2014 PS decrease of 56% reflects the FTE changes.
- The Communications and Relations' FY2014 NPS budget is based on FY12 actual expenditure. Communications and Relations didn't have any NPS budget in FY13.

Communications & Relations	FY13 Approved Budget	FY14 Requested Budget	Δ (FY14-FY13)	% of change
FTE				
Alumni Relations	3.0	0.0	(3.0)	-100%
Communication and Branding Cable TV	4.5	3.0	(1.5)	-33%
Communications and Public Affairs	8.5	3.0	(5.5)	-65%
Major Gifts and Development	6.0	3.0	(3.0)	-50%
Subtotal	22.0	9.0	(13.0)	-59%
PS				
Alumni Relations	266,971	0	(266,971)	-100%
Communication and Branding Cable TV	406,549	313,818	(92,730)	-23%
Communications and Public Affairs	853,116	298,260	(554,856)	-65%
Major Gifts and Development	679,772	351,639	(328,132)	-48%
Subtotal	2,206,406.5	963,717.2	(1,242,689.3)	-56%
NPS				
Alumni Relations	0	0	0	N/A
Communication and Branding Cable TV	0	35,743	35,743	N/A
Communications and Public Affairs	0	711,456	711,456	N/A
Major Gifts and Development	0	0	0	N/A
Subtotal	0.0	747,199.0	747,199.0	N/A
Total				
Alumni Relations	266,971	0	(266,971)	-100%
Communication and Branding Cable TV	406,549	349,561	(56,987)	-14%
Communications and Public Affairs	853,116	1,009,716	156,600	18%
Major Gifts and Development	679,772	351,639	(328,132)	-48%
Total	2,206,406	1,710,916	(495,490)	-22%

4.5 Academic Affairs

Academic Affairs budget includes all academic support departments, flagship schools, and the Law school. Academic Affairs FY2014 total unrestricted budget request is \$40.3M, an increase of \$478K compared to FY2013 approved budget. The change is a net effect of personnel reduction and replenish of underfunded FY2013 NPS budget. As shown in the chart below, the Academic Affairs spends 87% of its budget in PS and 13% in NPS.



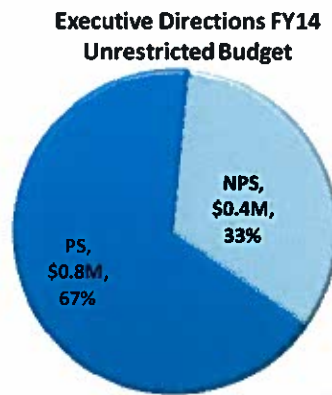
The table below lists the total budget and FTE by program.

- Academic Affairs' total budgeted FY14 FTE decreased by 77.5 from 431.5 in FY2013 to 354.0 in FY2014 mainly due to the elimination of both vacant and filled positions as part of the University Rightsizing initiative.
- FY2014 PS decrease of 10% reflects the FTE changes across all Academic Affairs' departments.
- FY2014 NPS budget is based on FY12 actual expenditure. Academic Affairs didn't have any NPS budget in FY13 except the \$850K DC Early Childhood Initiative Grant and the \$150K student activity fee for the Law School. The significant increase of the NPS budget just reflects the severe underfunding of FY13 NPS budget.

Academic Affairs	FY13 Approved Budget	FY14 Requested Budget	Δ (FY14-FY13)	% of change
FTE				
Academic Support (VPAA/Provost)	16.0	10.0	(6.0)	-38%
Arts and Sciences	167.5	122.0	(45.5)	-27%
CAUSES	35.5	42.0	6.5	18%
Business and Public Administration	47.0	39.0	(8.0)	-17%
David Clarke School of Law	64.5	57.0	(7.5)	-12%
Engineering	37.0	33.0	(4.0)	-11%
Graduate Studies and Research	1.0	0.0	(1.0)	-100%
Institutional Research	4.0	2.0	(2.0)	-50%
Learning Resources	35.0	29.0	(6.0)	-17%
Registrar	24.0	20.0	(4.0)	-17%
Subtotal	431.5	354.0	(77.5)	-18%
PS				
Academic Support (VPAA/Provost)	2,589,273	1,961,651	(627,622)	-24%
Arts and Sciences	14,371,431	11,482,975	(2,888,456)	-20%
CAUSES	3,141,857	3,753,777	611,920	19%
Business and Public Administration	4,857,465	4,027,016	(830,450)	-17%
David Clarke School of Law	5,756,643	6,596,973	840,330	15%
Engineering	3,223,258	3,320,252	96,994	3%
Graduate Studies and Research	73,773	0	(73,773)	-100%
Institutional Research	419,068	194,875	(224,193)	-53%
Learning Resources	2,418,097	2,201,693	(216,404)	-9%
Registrar	1,984,965	1,564,930	(420,035)	-21%
Subtotal	38,835,830.2	35,104,142.5	(3,731,687.7)	-10%
NPS				
Academic Support (VPAA/Provost)	850,000	1,658,275	808,275	95%
Arts and Sciences	0	170,718	170,718	N/A
CAUSES	0	355,813	355,813	N/A
Business and Public Administration	0	167,248	167,248	N/A
David Clarke School of Law	150,000	1,053,007	903,007	602%
Engineering	0	83,966	83,966	N/A
Graduate Studies and Research	0	421,110	421,110	N/A
Institutional Research	0	4,145	4,145	N/A
Learning Resources	0	1,176,696	1,176,696	N/A
Registrar	0	119,019	119,019	N/A
Subtotal	1,000,000.0	5,209,997.0	4,209,997.0	421%
Total				
Academic Support (VPAA/Provost)	3,439,273	3,619,926	180,653	5%
Arts and Sciences	14,371,431	11,653,693	(2,717,738)	-19%
CAUSES	3,141,857	4,109,590	967,733	31%
Business and Public Administration	4,857,465	4,194,264	(663,202)	-14%
David Clarke School of Law	5,906,643	7,649,980	1,743,337	30%
Engineering	3,223,258	3,404,218	180,960	6%
Graduate Studies and Research	73,773	421,110	347,337	471%
Institutional Research	419,068	199,020	(220,048)	-53%
Learning Resources	2,418,097	3,378,389	960,292	40%
Registrar	1,984,965	1,683,949	(301,016)	-15%
Total	39,835,830	40,314,139	478,309	1%

4.6 Executive Direction

The Executive Direction budget covers both the Office of the President and the Office of the Board of Trustees. The Executive Direction FY2014 total budget request is \$1.2M, a decrease of \$106K compared to the FY2013 approved budget due to personnel reduction and replenish of underfunded NPS budget. As shown in the chart below, the Executive Direction spends 67% of its budget in PS and 33% in NPS.



The table below lists the total Executive Direction budget and FTE.

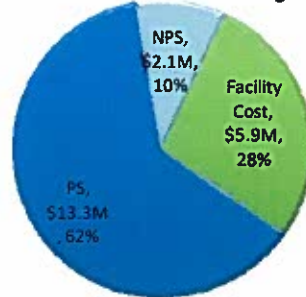
- The Executive Direction's total budgeted FY14 FTE decreased by 4 from 9 in FY2013 to 5 in FY2014 as part of the University Rightsizing initiative.
- The Executive Direction's PS budget decrease of 28% reflects the FTE change.
- The Executive Direction's NPS budget is used to support executive and University membership fees, University business travel, executive insurance payments, printing, and other University events sponsored by the office. The NPS increase of 148% is simply because of the shortage of funding in FY13. FY14 budget level is based on the FY12 actual spending.

Executive Direction	FY13 Approved Budget	FY14 Requested Budget	Δ (FY14-FY13)	% of change
FTE				
Office of the President	8.0	4.0	(4.0)	-50%
BOT	1.0	1.0	0.0	0%
Subtotal	9	5	(4)	-44%
PS				
Office of the President	1,055,671	727,882	(327,789)	-31%
BOT	97,818	97,795	(23)	0%
Subtotal	1,153,489	825,677	(327,812)	-28%
NPS				
Office of the President	0	271,979	271,979	N/A
BOT	150,000	100,000	(50,000)	-33%
Subtotal	150,000	371,979	221,979	148%
Total				
Office of the President	1,055,671	999,861	(55,810)	-5%
BOT	247,818	197,795	(50,023)	-20%
Total	1,303,489	1,197,656	(105,833)	-8%

4.7 Community College

The Community College FY2014 total unrestricted budget is \$21.3M, which is consistent with FY13 approved budget. The Community College is the only University department that the budget was not cut in FY2014. As shown in the chart below, the Community College spends 62% of its budget in PS, 28% in fixed cost, and 10% in other operational NPS.

CC FY14 Unrestricted Budget



Details of the Community College FY14 budget can be found from the table below.

- At the end of the FY13 budget process, UDC moved \$6.7M from flagship programs to CC. The fund was temporarily loaded in NPS and will be reprogrammed as needed during the year to meet the CC operational needs.
- PS increase from FY13 to FY14 is mainly because the shortage of the adjunct funding in the FY13 approved budget. As mentioned above, FY2013 NPS funds will be reprogrammed to PS to fund the adjunct pool.
- Facility related cost budget is based on the actual FY12 expenditure with consideration of increasing rental for the 801 North Capitol facilities.
- NPS budget includes both the operational needs and the funding for student activities.

Community College	FY13 Approved Budget	FY14 Requested Budget	Δ (FY14-FY13)	% of change
FTE				
Academic Affairs (UDC-CC)	56	54	(2)	-4%
Administration (UDC-CC)	20	20	(0)	-1%
CC Facility Cost Budget	0	0	0	N/A
Workforce Dev. and Life Long Learning	46	49	3	6%
Subtotal	122	123	0	0%
PS				
Academic Affairs (UDC-CC)	5,057,940	7,351,266	2,293,326	45%
Administration (UDC-CC)	1,498,216	2,402,943	904,728	60%
CC Facility Cost Budget	0	0	0	N/A
Workforce Dev. and Life Long Learning	3,706,823	3,534,070	(172,753)	-5%
Subtotal	10,262,979	13,288,279	3,025,300	29%
NPS				
Academic Affairs (UDC-CC)	3,670,000	82,782	(3,587,218)	-98%
Administration (UDC-CC)	1,942,007	1,442,784	(499,223)	-26%
CC Facility Cost Budget	5,605,217	5,924,224	319,007	6%
Workforce Dev. and Life Long Learning	0	602,002	602,002	N/A
Subtotal	11,217,224	8,051,792	(3,165,432)	-28%
Total				
Academic Affairs (UDC-CC)	8,727,940	7,434,048	(1,293,892)	-15%
Administration (UDC-CC)	3,440,223	3,845,727	405,505	12%
CC Facility Cost Budget	5,605,217	5,924,224	319,007	6%
Workforce Dev. and Life Long Learning	3,706,823	4,136,072	429,249	12%
Total	21,480,203	21,340,071	(140,132)	-1%

4.8 Shared Services Analysis

The University has a range of supporting services that are shared by academic programs at all levels including the flagship undergraduate programs, the graduate programs, the Community College, and the Law School. The shared services include the following categories:

Academic Support:

- Provost/Accreditation
- Learning Resources/Library
- Academic Advisory Center
- Registrar & Admissions
- Institutional Research

Student Affairs:

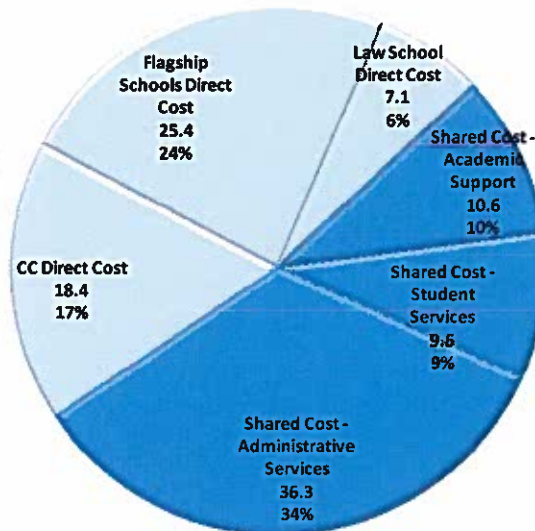
- Health Center
- Career Services
- Financial Aid
- Housing
- Records Management
- Student Life
- Counseling
- Disability Services
- Judicial Affairs
- Student Outreach
- Veterans Affairs
- Student Government
- Athletics

Administrative Services:

- Executive Direction: President's Office and the Office of the Board of Trustees
- OCFO: Accounting, Student Accounts, Budget, Grants Management
- Contracting and Procurement
- Facility Management
- Administrative Management/Office of the Managing Director of Finance
- Government Affairs
- HR and Payroll Services
- IT
- Legal
- Security/Risk Management
- University Communications and Publications: Alumni Relations, Cable TV, Public Affairs, Advancement

In FY2012, it is estimated that the University spent 47% of its unrestricted operations budget on direct academic programs and 53% on shared services. The chart below shows the details of the split based on FY12 actual expenditures from unrestricted operations budget.

FY2012 Expenditures from Unrestricted Budget (millions)



FY12 Unrestricted Expenditure	\$	%
Direct Cost		
CC	18,438,669	17%
Flagship Schools	25,430,538	24%
Law School	7,127,406	7%
Direct Cost Subtotal	50,996,612	47%
Shared Cost		
Academic Support	10,625,710	10%
Student Services	9,482,921	9%
Administrative Services	36,263,363	34%
Shared Cost Subtotal	56,371,994	53%
Total	107,368,607	100%

In evaluating the cost of education, shared costs are allocated to each degree level based on the schedule below. The percentage allocations are an estimate.

- Community College: 33% (this assumption has been confirmed by the Navigant study)
- University (Undergraduate and Graduate): 60%
- Law School: 7%

Based on the above assumption and FY2012 actual enrollment and expenditure, the estimated University cost per student from unrestricted funds for the Community College, the Flagship Schools, and the Law School are \$22.7K, \$34.8K, and \$34.5K. Details can be found in the table below.

Enrollment	FTE	Headcount	% of Shared Services
CC	1,634	2,529	33%
Flagship (Undergraduate+Graduate)	1,704	2,392	60%
Law School	321	365	7%
Total	3,659	5,286	100%

Unrestricted Cost	Direct Cost	Shared Cost	Total
CC	18,438,669	18,602,758	37,041,427
Flagship (Undergraduate+Graduate)	25,430,538	33,823,197	59,253,734
Law School	7,127,406	3,946,040	11,073,445
Total	50,996,612	56,371,994	107,368,607

Unrestricted Cost / FTE	Direct Cost / FTE	Shared Cost / FTE	Total Cost / FTE
CC	11,283	11,383	22,666
Flagship (Undergraduate+Graduate)	14,926	19,852	34,778
Law School	22,204	12,293	34,497
Total	13,937	15,407	29,344

APPENDIX A: Definitions

Approved Budget. The University's approved budget is the budget developed by the University, submitted to the executive branch, and incorporated into the City's budget. The budget goes through several stages of executive reviews before submission to the legislative branch as part of the citywide executive budget.

- The legislative branch (Council) reviews the budget with budget hearings, a mark-up period, and a final vote to pass the budget.
- If the executive branch (Mayor) accepts the legislature's changes, he or she will sign the budget and forward it to the US congress for review and approval.
- The budget is included in one of the US Congress appropriation package for the President's approval. Once the President signs the budget, this becomes the **Approved Budget**.
- The approved budget is fixed in time, typically in the spring preceding the year of the actual budget. For example, the FY2010 approved budget is fixed as of April or May 2010, even though the budget year begins in October 2010.

Requested Budget. The University's requested budget is the Board approved budget the President of the University submits to the Mayor's office for consideration. The requested budget reflect the resources the University needs to provide services in the coming fiscal years and fulfill its vision and strategic goals for the future years. The requested amount may or may not be the same as the budget OCFO office submits to the City's financial system based on Mayor's MARC target. The difference is considered as enhancement request to the District government.

Revised Budget. The revised budget is a continually updated budget throughout the course of the year. This allows for authority to meet changes in additional revenue and changes in spending needs. The revised budget reflects adjustments made to the approved budget resulting from:

- **Revenue Changes.** The receipt of additional resources that were either not included in the approved budget or marked in the budget as a projected amount. This includes the following:
 - Grants (Private and Federal)
 - DC Governmental Services (formerly known as Intra-District transactions)
- **Reallocations.** Changes in strategic priorities and budgetary pressures that occur after the date of the approved budget. These changes are done through reprogrammings (see definition below). A revised budget is required in order to increase expenditures from new revenues.

The revised budget is continually updated since reprogrammings, especially in grant and government services, are ongoing. The revised budget may include reprogrammings that have been made and are not yet processed in the system or intended reprogrammings that have not yet been made.

Capital Budget. The Capital Budget supports a six-year improvement plan to accomplish the following:

- Replacement of worn-out or outdated facilities
- Replacement of obsolete equipment
- Modernization to extend the life of the asset

The capital and operating budget processes are reviewed separately by the administration. The capital budget is funded by General Obligation Bonds (GO Bonds) and the revenue stream is extremely restrictive; this makes it very difficult to change the six-year plan already allocated to a capital project.

FY2010 is the first year that the University is managing its own capital projects, which were initially managed by the Office of Property Management (now called the Department of Real Estate Services).

Reprogramming. Reprogramming is the utilization of funds for purposes other than those contemplated at the time of appropriation. It is the reallocation of budget authority from one budget line to another without increasing the sum total of the budget. Reprogrammings are done to reallocate resources to meet changing operational needs or revised strategic priorities that were not reflected at the time of the original budget submission and approval.

Budget Modification. Budget modification is similar to reprogramming, but can result in an increase of the budget. This is mostly executed for Federal Grants, Private Grants, and O-Type budgets. The steps in the budget modification are:

- The University receives notification of a non-budgeted grant award or need to increase or decrease a grant's approved fiscal year budget authority
- The Principal Investigator submits a request for a budget revision, termed "grant budget modification."
- When this request is approved, the grant's total spending limit will increase or decrease, and consequently the total budget will also increase or decrease.

Fund Accounting. A fund is a distinct fiscal and accounting entity that accounts for its resources and activities as an independent entity; it has its own assets and liabilities. The University uses funds to separate resources to adhere to restrictions from both the Board of Trustees and the City. The University uses the following funds to account for its operations:

- **Local Funds.** This fund is used to account for the annual subsidy that the University receives from the city to help run the University. It is the largest portion of the University's budget.
- **Federal Funds.** This fund is used to account for all federal grants the University receives to pursue either research or other services
- **Private Funds.** This fund is used to account for privately awarded grants received from other institutions and organizations other than the federal government.
- **O-Type Funds.** (Also known as Special Purpose Funds) This fund is used to account for all the University's revenues generated from University services. O-type funds include tuition, student fees, auxiliary services (parking, book store, and cafeteria revenues), and intra-district grants from other DC agencies (this was separate in the past).

Fund Balance. Fund balance is the residual amount left from University operating funds at the close of the fiscal year. In the University's financial statements, fund balance is most common in O-type funds (Special Purpose Funds), as this reflects revenues collected and earned by the University. This balance can be carried over from one year to the next. However, in order to use the University's fund balance or include it in the University's budget, budgetary authority is required.

APPENDIX B: Budget Hierarchy

The University's budget is built using a three level hierarchy. At the top, the **Organization** level. Second, the **Program** level sub-divides the organization into seven functional categories. Third, the **Activity** level sub-divides the each program. Within these levels, spending is divided between **Personnel Services**, which includes all payroll-related expenses, and **Non-Personnel Services**, which includes all other expenses.

The University budget hierarchy is arranged as follows:

- a. Academic Affairs
 - i. Provost Office
 - ii. Learning Resources
 - iii. Office of the Registrar
 - iv. Institutional Research
 - v. College of Arts and Science
 - vi. Engineering
 - vii. Business and Public Administration
 - viii. College of Agriculture Urban Sustainability and Environmental Science
 - ix. Graduate Studies and Research
 - x. David A. Clarke School of Law
- b. Community College
 - i. Academic Affairs
 - ii. Administration
 - iii. Workforce Development and Lifelong Learning (WDLL)
- c. Agency Management
 - i. Personnel/HR
 - ii. Contracting and Procurement
 - iii. Facilities Management
 - iv. Information Technology
 - v. Financial Services
 - vi. Government Affairs
 - vii. Security
 - viii. Legal Services
 - ix. Office of the Managing Director of Finance
- d. Agency Financial Operations
 - i. Agency Fiscal Officer Operations
 - ii. Budget Operations
 - iii. Accounting Operations
- e. Student Affairs
 - i. Athletics
 - ii. Community Outreach and Development
 - iii. Career Services
 - iv. Student Services Administration

- v. Office of Admissions
 - vi. Student Government Associations
 - vii. Residence Life/Housing
 - viii. Records Management
 - ix. Financial Aid
 - x. Health Services
 - xi. Student Life Services
- f. Communications and Relations
 - i. Alumni Relations
 - ii. Major Gifts and Development
 - iii. Communications and Branding
 - iv. Public Affairs
- g. Executive Direction
 - i. Office of the President
 - ii. Office of the Board of Trustees

Appendix C: Tuition and Fee Schedule.

	\$ / Credit	\$ / Year
	FY14	FY14
Community College		
D.C. Residents	\$ 100	\$ 2,400
Metropolitan Area Residents	\$ 168	\$ 4,032
All Others	\$ 283	\$ 6,792
Undergraduate (Flagship)		
D.C. Residents	\$ 276	\$ 6,635
Metropolitan Area Residents	\$ 320	\$ 7,675
All Others	\$ 580	\$ 13,915
Graduate (Flagship institution)		
D.C. Residents	\$ 438	\$ 7,883
Metropolitan Area Residents	\$ 496	\$ 8,923
All Others	\$ 842	\$ 15,163
Law School		
D.C. Residents	\$ 360	\$ 10,620
Non D.C. Residents	\$ 720	\$ 21,240