National Defense University

Board of Visitors
Resource Management Update

20-21 May 13
NDU Funding Profile
As of: 1 Apr 2013

Let’s Focus on Direct Funding

*$34M: Reimbursable Program Verified Identified to Date, May Increase as Year Progresses
Reimbursable Civilian Pay Requirements are Funded, No Impact to Direct Civ Pay Budget
# Fiscal Year 13 NDU Sequestration Plan

## NDU FY13 Sequestration Budget

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>NDU FY13 Pres Budget Target</td>
<td>$85.0M</td>
</tr>
<tr>
<td>FY13 Cong Mark</td>
<td>-$3.0M</td>
</tr>
<tr>
<td>OSD Comp Sequestration Additional Cut</td>
<td>-$6.9M</td>
</tr>
<tr>
<td>New FY13 Budget Target (A/O 1 Mar 13)</td>
<td>$75.1M</td>
</tr>
</tbody>
</table>

Sequestration Reduction to Achieve: $9.9M

## NDU Plan to Achieve Savings:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>1 Mar 13</th>
<th>29 Mar 13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Civilian Furlough based on OSD Direction/Guidance (FY13 Only)</td>
<td>$4.5M</td>
<td>$2.9M</td>
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<tr>
<td>Civilian Hiring Freeze Driven 15% Manpower Reduction</td>
<td>$2.7M</td>
<td>$2.7M</td>
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</tr>
<tr>
<td>Overseas Field Studies for ES and NWC Curtailed</td>
<td>$2.2M</td>
<td>$2.2M</td>
<td></td>
</tr>
<tr>
<td>CAPSTONE Class Adjusted</td>
<td>$0.3M</td>
<td>$0.3M</td>
<td></td>
</tr>
<tr>
<td>Faculty Prof. Development Travel Curtailed (Short- Term Savings)</td>
<td>$0.0M</td>
<td>$0.4M</td>
<td></td>
</tr>
<tr>
<td>NDU Contracts/Travel/Purchases* (Short-Term Savings)</td>
<td>$0.2M</td>
<td>$1.4M</td>
<td></td>
</tr>
<tr>
<td><strong>Total Savings</strong></td>
<td><strong>$9.9M</strong></td>
<td><strong>$9.9M</strong></td>
<td></td>
</tr>
</tbody>
</table>

* Required Annual Lifecycle Purchases on-hold Pending Furlough Day Decision

Short Term Savings Allow Us to Survive FY13, FY14/15 Are the Challenge
Annual Planning, Programming Cycle

- **NDU** approves:
  - Internal Bills and Source
  - External Issue Nominations

**Brief Issue Nominations to J7**

**Issue Papers Due to OSD**

**NDUP**

- Develop COAs
- Build Options
- Balance Funding
- Develop Unfunded Priority List

**Critical Area**

**Planning to Programming Transition**

- Complete Strat Plan
- Details/Specifics of What is Asked

**Programming Process**

- Meet with Stakeholders
- Iron out Details
- Engage OSD/ Joint Staff
- OSD Policy, CIO, etc.

**Brief NDU Strategic Plan to J7**

- Complete Planning Guidance

**Meet with J-7 Staff**
- Conduct Offsite Review
- Review Results of Issue Papers

**15-Dec**

**15-Jan**

**30-Oct**

**30-Jun**

**31-May**

**31-May**

**TODAY**
FY14/15 Look Ahead

Faculty/Researchers – Building a More Flexible Structure
- Long Time in Hiring Freeze Leaves Unbalanced Skill Sets Driven by Attrition
- Tough Resource Decisions Ahead to Balance Teaching/Research
  - Looking to new Compensation Strategies To Get the Most from Scarce Resources

Faculty/Research Scholarship
- Lack of Professional Development Travel Impact Becomes Mission Critical
- By Oct 13, NDU Facility Will Have 12 Months of Limited Scholarship Opportunities
  - Seeking Ways of Improving Faculty Scholarship With Limited Resources

IT Spending Investment:
- Funds Sourced to Improve Info Assurance by Replacing Legacy Systems
  - Must Find Innovative Ways to Invest to meet the IT Strategic Plan Vision

University Operations:
- New Contracting Process to Increase Competition, Save Resources
- Creating “One University” Enterprise Services (RM, Facilities, Logistics, Registrar)
  - New Accounting System in FY14 to Improve Visibility and Tracking

NDU is Adapting to Shrinking Resources, Seeking BOV Insights