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National Defense University

Board of Visitors Resource Management Update

20-21 May 13

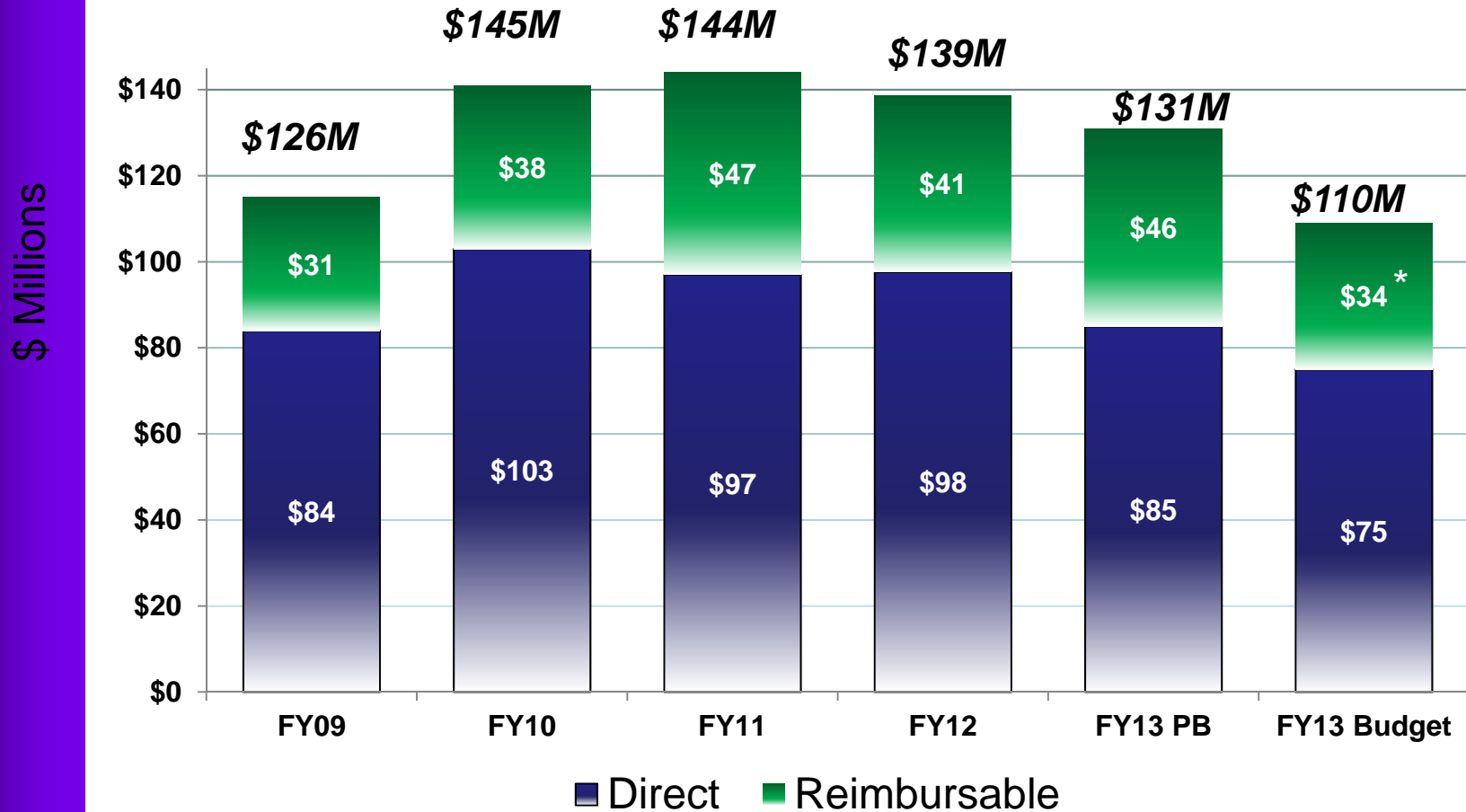
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NDU Funding Profile

As of: 1 Apr 2013



*\$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

Let's Focus on Direct Funding



Fiscal Year 13 NDU Sequestration Plan

NDU FY13 Sequestration Budget

NDU FY13 Pres Budget Target	\$85.0M
FY13 Cong Mark	-\$3.0M
OSD Comp Sequestration Additional Cut	<u>-\$6.9M</u>
New FY13 Budget Target (A/O 1 Mar 13)	\$75.1M
Sequestration Reduction to Achieve:	\$9.9M

NDU Plan to Achieve Savings:

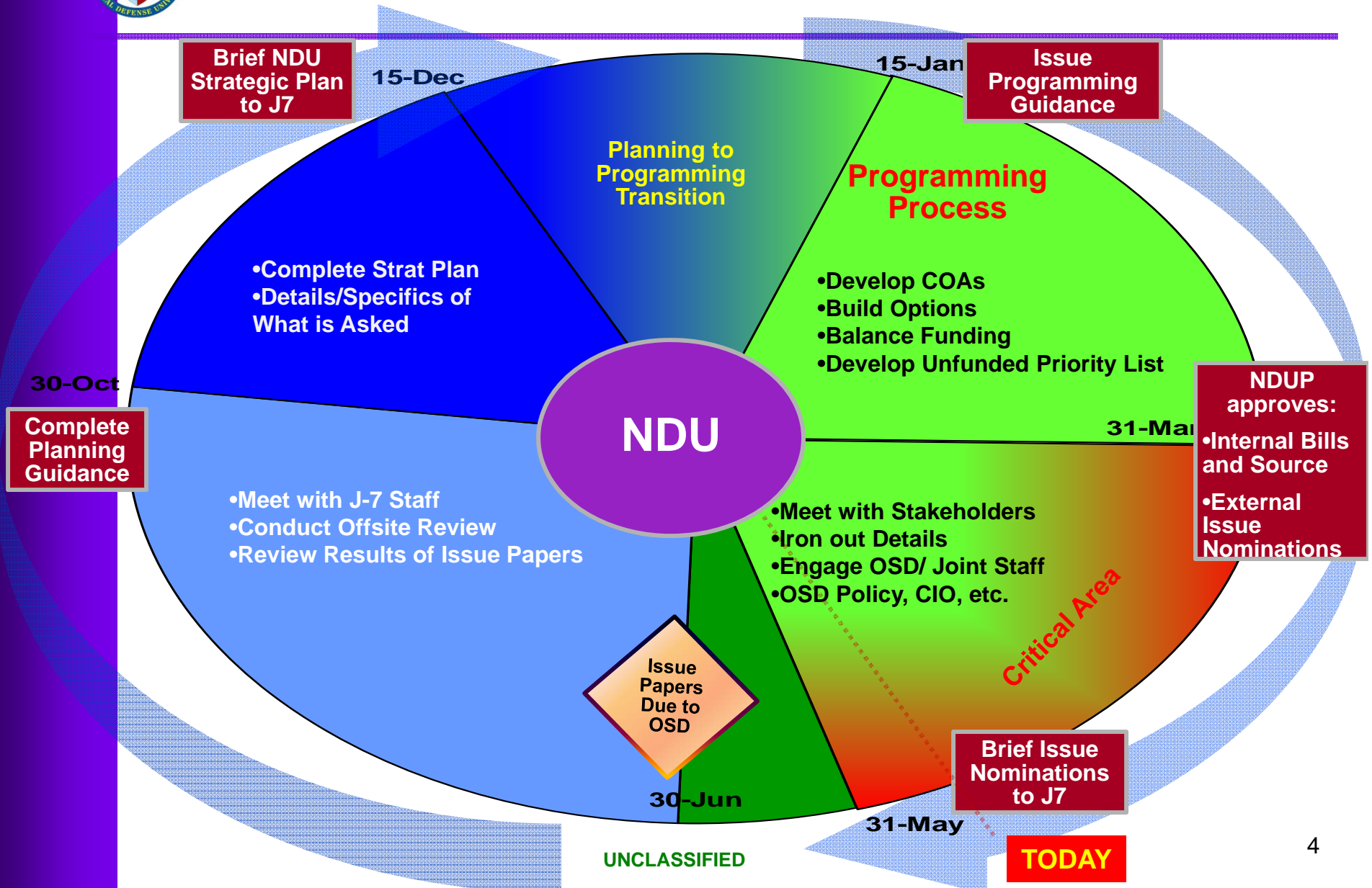
	1 Mar 13 22 Days	29 Mar 13 14 Days
Civilian Furlough based on OSD Direction/Guidance (FY13 Only)	↘\$4.5M	↘\$2.9M
Civilian Hiring Freeze Driven 15% Manpower Reduction	\$2.7M	\$2.7M
Overseas Field Studies for ES and NWC Curtailed	\$2.2M	\$2.2M
CAPSTONE Class Adjusted	\$0.3M	\$0.3M
Faculty Prof. Development Travel Curtailed (Short- Term Savings)	\$0.0M	\$0.4M
NDU Contracts/Travel/Purchases* (Short-Term Savings)	<u>\$0.2M</u>	<u>\$1.4M</u>
Total Savings	\$9.9M	\$9.9M

* 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





FY14/15 Look Ahead

Today Faculty/Researchers – Building a More Flexible Structure

30 Sep 14

- 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

Today Faculty/Research Scholarship

30 Sep 14

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

Today IT Spending Investment:

30 Sep 14

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

Today University Operations:

30 Sep 14

- 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