How was the mandatory compensation target calculated?
The staff salary reduction target was calculated based on FY2014-15 actual staff salary costs on all current funds, excluding contracts & grants. This figure was then multiplied by a percentage cut amount (between 2-3%) increased by the campus average CBR for staff of 38% to arrive at a total amount that will be withdrawn from the divisions. (Please note that 38% CBR is less than the staff CBR of 44% as it represents the average amount of CBR assessed for staff which includes some who are assessed at an amount less than the full CBR).

What were the cut range amounts?
The cut percentages ranged from 2% to 3%. We strived to protect the academic units where possible and gave them a lower percentage cut. As a result administrative units took a greater share of staffing cuts than academic units.

What year should we subtract our cut range amount from to determine our staff compensation total for FY 2016-17?
The simple description is that we applied a standard escalation factor (3% a year) to your FY 2014-15 actual Staff Salary Compensation line item to arrive at an expected amount for FY 2016-17. Your target reduction amount (minus the estimated 38% benefits) is subtracted from the escalated FY 2016-17 staff Salary line to arrive at the FY 2016-17 Staff Salary target. The formula below is a quick way to calculate this number.

\[
\text{FY15 Staff Salaries (excl C&G)} \times (1.03)^z - \frac{\text{Target}}{1.38} = \text{FY17 Staff Salary (excl C&G) Target}
\]

Can you confirm that the compensation reduction target includes benefits?
Yes it includes benefits. It’s based on FY15 actual expenses in staff salaries and wages excluding C&G, apply a 38% rate modified across the campus since not all staff pay the full CBR.
How was the gift target calculated?
The 2% redirection target was calculated by taking the sum of Regents Endowments/FFE Payout (account 72210) and Private Gifts for current use (actuals) for FY 2014-15 and applying the 2% redirection amount to arrive at your target.

The intention was to use the end balance approach (described below) as we are trying to emphasize the importance that donor dollars are working as hard as possible. The appendices erroneously were calculated using the method described above. This was an advantage for most divisions. For some divisions where this was a worse impact, we are sending a revised appendix using the method described below.

The other way, is to calculate the 2% redirection amount based on the accumulated end balances (the stock) of restricted funds excluding C&G and then subtracting out the identified start-up balances.

Is there a travel ban?
We are asking leadership to use their best judgement in implementing this action. This is about us collectively reducing expenses in order to preserve funding for our academic mission. We are not asking people to cancel non-refundable travel, but would hope that divisions consider opportunities to fulfill professional development locally or in a more economical manner.