

Summary of Budget Information

January 11, 2009

I. Legislative Session Budget Reductions

2009-10 Base Budget Reduction

The Indiana General Assembly lowered IU's base state appropriation from \$491.2 million in 2008-09 to \$469.0 million in 2009-10. The IU South Bend share of this \$22.3 million base budget reduction is **\$1,078,727**.

2010-11 Base Budget Reduction

The Indiana General Assembly further lowered IU's base state appropriation by \$7.1 million-- from \$469.0 million in 2009-10 to \$461.9 million in 2010-11. This base cut is distributed as follows:

Unit	2010-11 Base Budget Cut
Bloomington	\$4,238,506
IUPUI	\$1,875,403
South Bend	\$384,362
Northwest	\$294,264
Southeast	\$155,518
East	\$82,679
Kokomo	\$63,568
IU TOTAL	\$7,094,300

These two base budget reductions total **\$ 1,463,089**.

II. December 2009 / January 2010 Announced State Budget Reductions

In late December, the state announced that it will provide IU with \$58.9 million less revenue this biennium than previously planned due to shortfalls in state revenue collections. This action means that the IU campuses will need to cover this cash shortfall in the current biennium per the following allocations:

2009-11 cash cuts

The cash cut is distributed as follows:

Unit	2009-11 Cash Reduction
Bloomington	\$24,507,790
IUPUI	\$19,075,403
R&R	\$6,035,925
South Bend	\$2,544,362
Northwest	\$1,934,264
Southeast	\$1,855,518
Kokomo	\$883,568
East	\$762,679
Special Appropriations	\$539,070
University Administration	\$334,150
IU TOTAL	\$58,472,729

Other Actions:

1. Campus general fund reserves cannot be used – “each campus’ operating reserves on June 30, 2011 must be greater than or equal to the campus’ operating reserves on June 30, 2009.” (January 7, 2010 memo from VP Neil Theobald).
2. Implementation of a 5 - year vesting requirement for new employees to retain employer share of TIAA/CREF contributions. Affects employees with a starting date on or after April 1, 2010.
3. Change the formula for calculating overtime pay for non-exempt staff to exclude non-work time.
4. Establish university-wide purchasing contracts, increase cooperative purchasing with Clarian and consolidate the university purchasing function.
5. Established policies for the creation of or transition to 10 – month staff positions.