

INDIANA UNIVERSITY SOUTH BEND

Budget Presentation for Academic Senate Meeting November 2011

By Bill O'Donnell

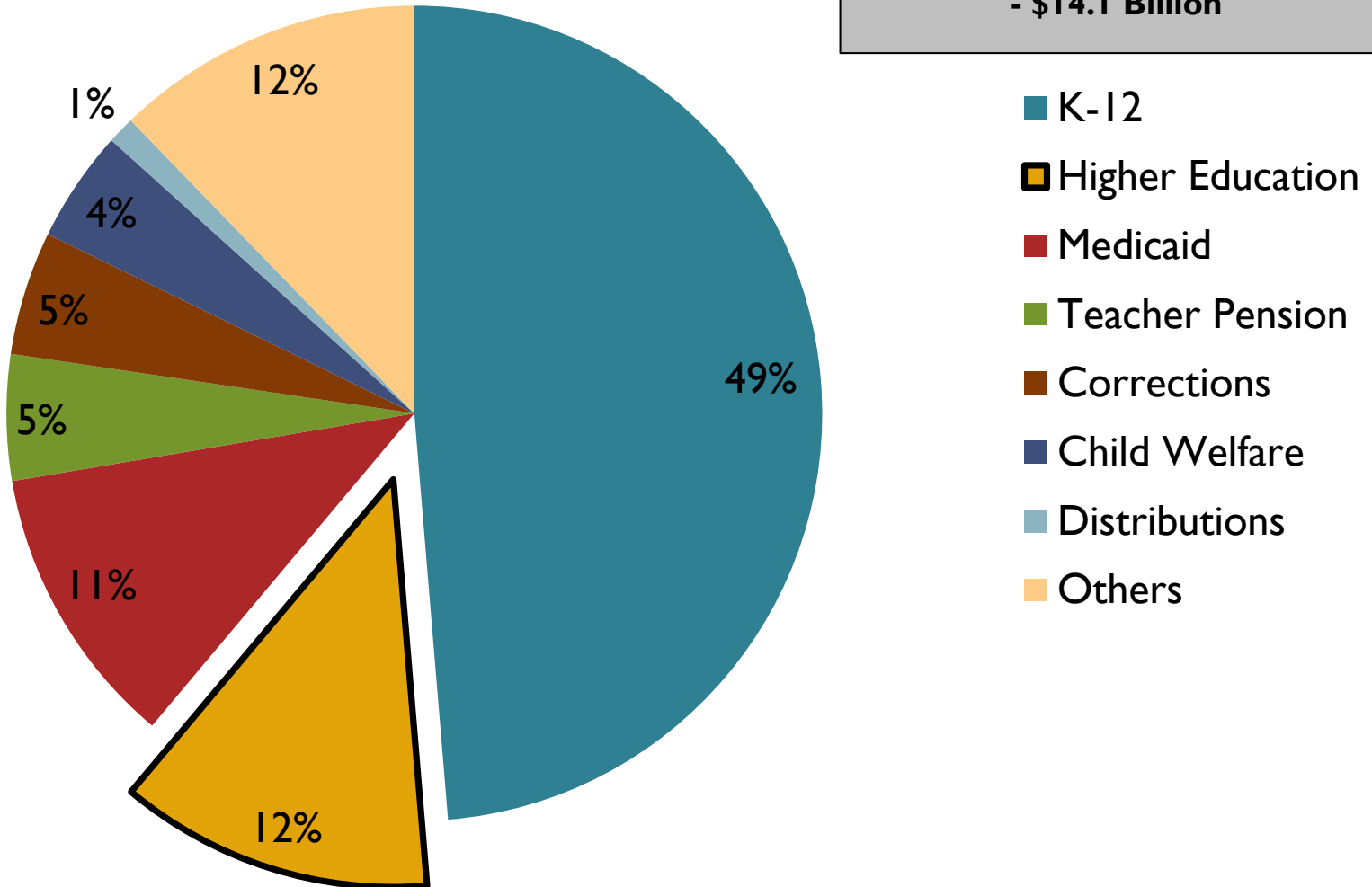


State Appropriation Reductions - Base

	<u>State Appropriation</u>	<u>Budget Change</u>	<u>% Change</u>
• FY 2008-09	\$ 23,236,007		
• FY 2009-10	\$ 22,157,280	\$ (1,078,727)	- 4.6%
• FY 2010-11	\$ 21,772,918	\$ (384,362)	- 1.7%
• FY 2011-12	\$ 21,756,890	\$ (16,028)	-0.07%
• FY 2012-13	\$ 21,756,890	\$ - 0 -	0.0%

State of Indiana General Fund – FY 2011

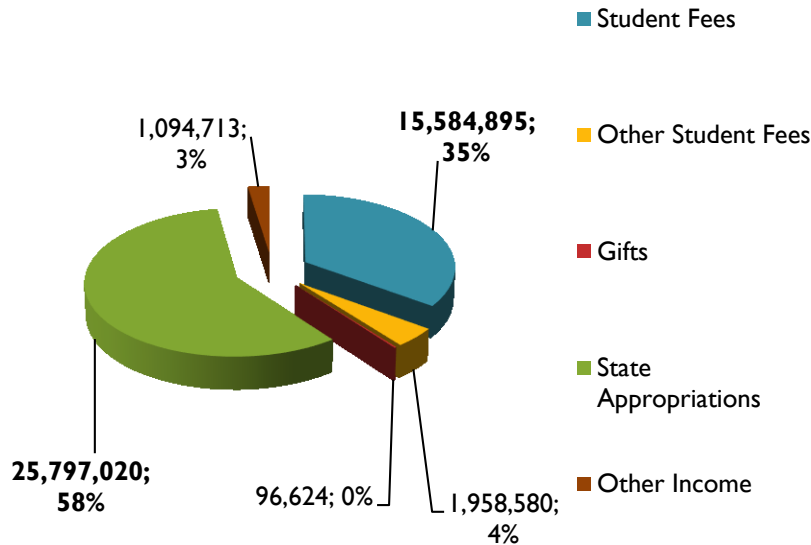
**Total General Fund Budget 2011
- \$14.1 Billion**



Source: State Budget Agency (note: includes all Higher Educ. Expenditures)

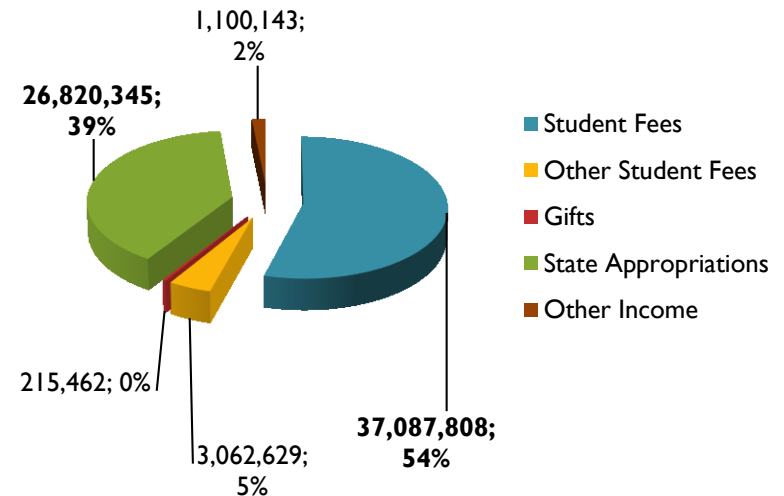
Funding Sources – 10 year change

Fiscal Year 2000-01



\$ 44.5 million

Fiscal Year 2010-11



\$ 68.2 million

FY 2011-12 Revenue Sources

• Tuition/Fees Increase	\$ 889,931
• Enrollment Projections	3,154,052
• State Appropriations	<u>(16,028)</u>
 Total New Revenue Sources	 \$ 4,027,955

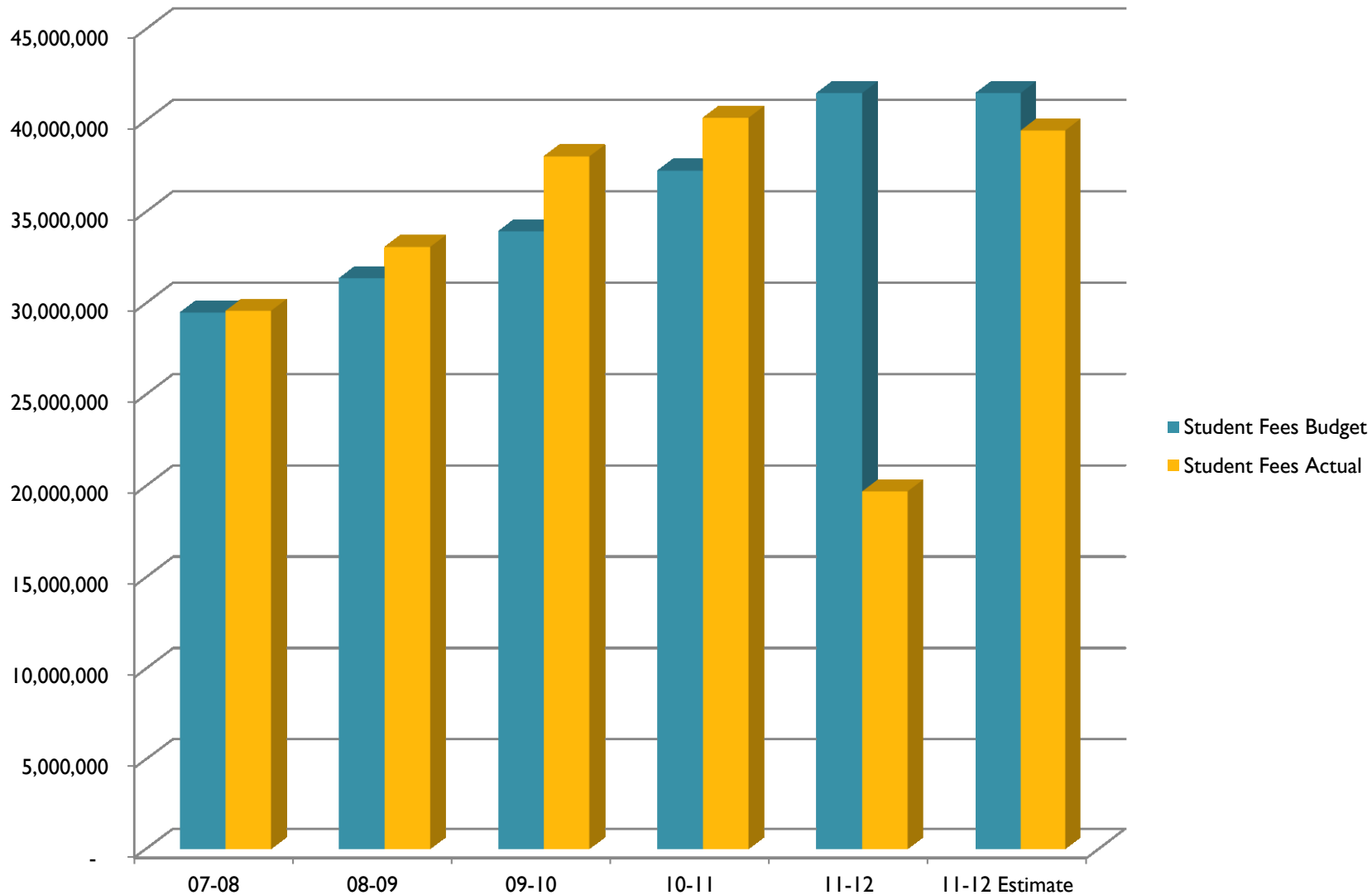
Enrollment Projections

- Represented a 9.58% increase from previous fiscal year budget projections.
- Equal to FY 2010-11 actual, record enrollment.

FY 2011-12 New Budget Uses

• Salary/promotions Increase	\$	1,400,000
• University Tax		330,000
• Financial Aid		750,000
• Faculty Travel		110,000
• Adjunct Budgets		575,000
• Student Affairs		200,000
• Admin/Fiscal		189,000
• PAUA and Info Tech		156,000
• Other		<u>290,000</u>
• Total Uses	\$	4,000,000

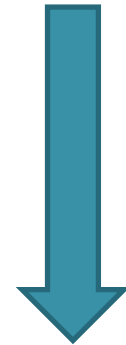
Student Fees – Budget v. Actual



Student Fee Revenue – Shortfall

- Fall Semester Budget \$ 18,072,989
- Fall Semester Actual 17,095,950

Fall Semester Shortfall \$ 977,039



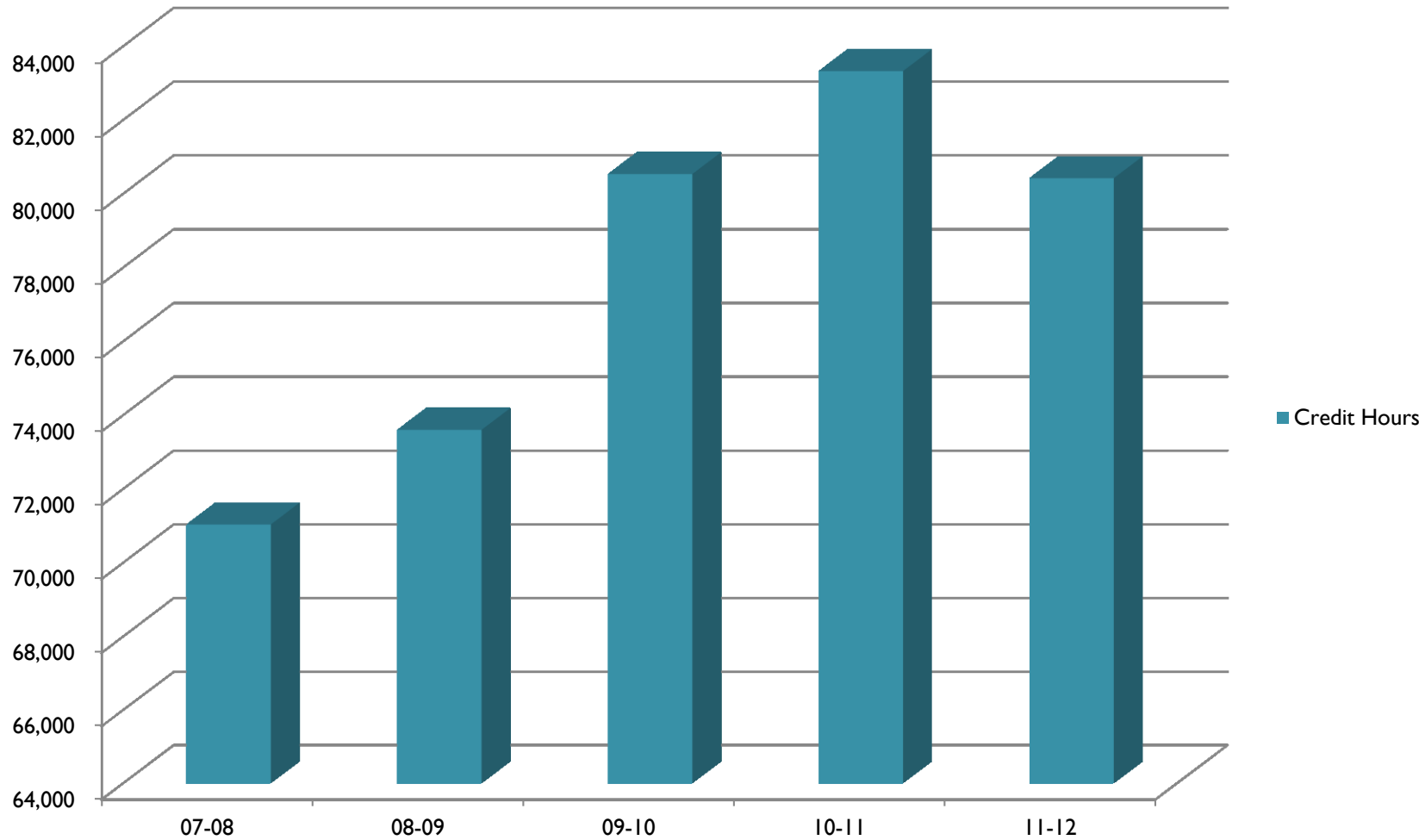
Estimated Shortfall - FY \$ 2,048,524

Budget Planning Timeline

- Due in February – Credit Hour Enrollment estimates.
- Early March – salary policy and budget guidelines sent to campuses.
- Mid-March – campuses load the budget.
- April 13 – IU Trustees approve the budget.
- May – IU develops state funding request.
- June 22 – IU Trustees approve request.
- July 13 – IU submits state budget request for next biennium to ICHE.

Credit Hour History

Credit Hours



FY 2012 – 13 Budget Issues

- State Appropriations \$ - 0 –
- Tuition Increase 850,000
- 4% Reduction in Enrollment
Projections (1,300,000)
Total Revenue Sources \$ (450,000)
- 2% Salary Increase 850,000
Base Budget Deficit \$ (1,300,000)

ICHE Performance Funding Model

- Established in 2003 with Research Incentive
- Grown to 6 metrics used to provide performance funding to institutions
 - Successful Completion of Regular Credit Hours
 - Successful Completion of Dual Credit Hours
 - Degrees Attained by Low Income Students
 - Change in overall degrees attained
 - Change in degrees produced on-time
 - Research Growth Incentive

Successful Completion of Regular Credit Hours

- Provides for funding to institutions based on students completing any credit hours with a D- or better at the end of the semester
- Funding provides for resident and reciprocity students, both undergraduate and graduate level
- The formula rewards the growth in successful completion by comparing two, 4 year averages over a 6 year period
 - 2007 to 2010 Actual Data
 - 2009 to 2012 Actual and Projected Data

Degrees Attained by Low Income Students

- Provides for funding to institutions based on students receiving degrees who were **recipients of the Pell Grant at the time of graduation.**
- Institutions can be rewarded in the formula for increasing the number of low income students graduating from their institution, no time restraints
- Applies to **resident, undergraduate students only**
- The formula rewards growth by comparing the average change over 2 years for a 4 year period:
 - Change in degrees from 2006 to 2007
 - Change in degrees from 2008 to 2009

Change in Overall Degrees

- Provides for funding to institutions based on students receiving bachelor or associate degrees, resident only
- Institutions can be rewarded in the formula for an overall increase in degrees attained, no time restraints
- The formula rewards growth by comparing the average change over 2 years for a 6 year period:
 - Change in degrees from 2004 to 2005
 - Change in degrees from 2008 to 2009

Change in Degrees On-Time

- Provides for funding to institutions based on students **graduating in 4 or 2 years** based on degree type
- Institutions can be rewarded in the formula for an overall increase in the 4 or 2 year graduation rate
- Applies to **resident, first-time, full time, degree seeking students only**
- The formula rewards growth by comparing the 4 or 2 year graduation rate for 2 periods of time:
 - 2004 Cohort graduation rate
 - 2006 Cohort graduation rate
- Between the 2004 and 2006 cohorts:
 - A decrease of 0.3% in the 4 year graduation rate
 - A decrease of 4.6% in the 2 year graduation rate



Research Growth Incentive

- Provides for funding to research institutions for growth in outside research funding.
- **Currently applies to only IU Bloomington, IUPUI and Purdue West Lafayette.**

Long Term Budget Planning

- Process for making budget cuts.
- Strategic Plan / Operational Plan that helps prioritize resource allocation.
- Possible implementation of RCM.
- Ongoing communication groups or networks for discussion of campus and budgetary issues.



- **Questions??**




Recommendations

- No new non-faculty positions.
- Review new budget items added this FY and consider reversing them as practical.
- Reduce administrative travel.
- Reduce non-faculty, vacant positions by 50%.

A balanced approach
is
the best approach.





“The rest of us use optimism as a coping mechanism. It makes us happier but it also clouds our judgement.”

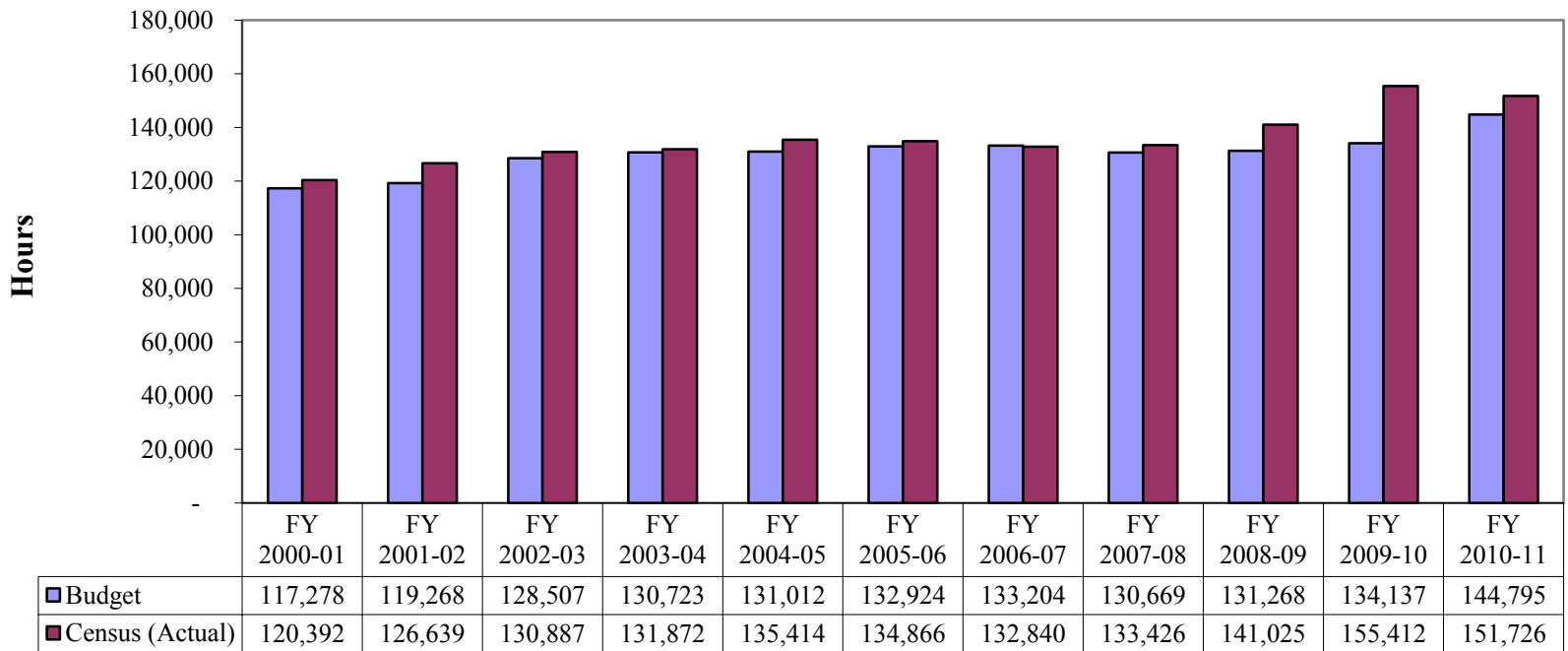
Massif Ghaemi

- Chancellor's Merit Awards 217,414
- Michiana Econ Dev Scholarship 250,000
- Campus Scholarships 132,636
- Misc. Financial Aid 150,000

Total New Fin.Aid \$ 750,050

Budgeted Enrollment vs. Actual

Credit hours by Fiscal Year
(FY 2001-2011 Fall & Spring Semesters)



Fiscal Year

FY 2010 – II Summary

• Actual Revenue	\$ 68,286,353
• Budgeted Revenue	<u>64,845,694</u>

Surplus	\$ 3,440,659
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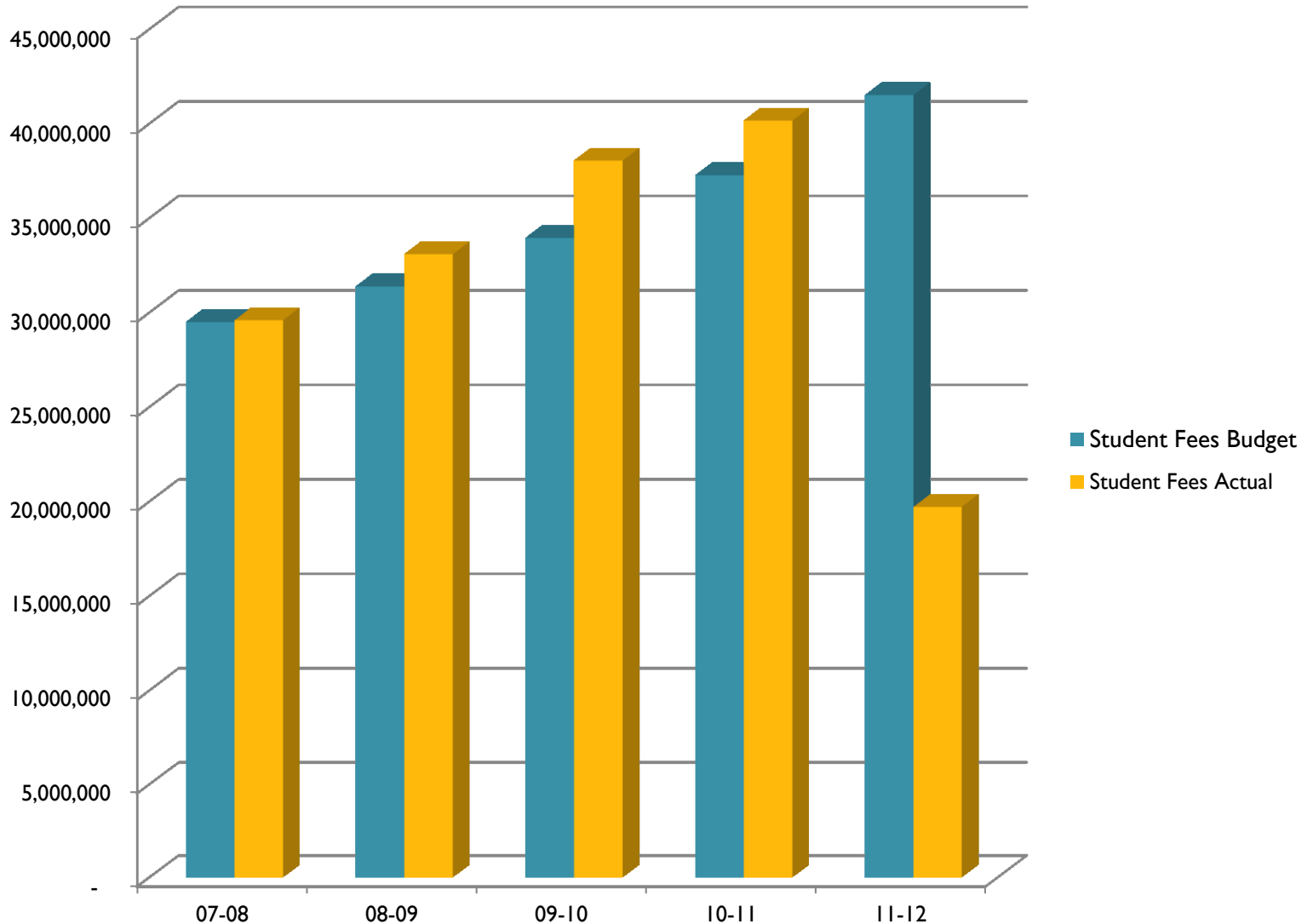
Note: Budgeted revenue reflects Nov 1, 2010 budget when 2% salary raise budget was authorized by President McRobbie.

Uses of Surplus Revenue / Reserves

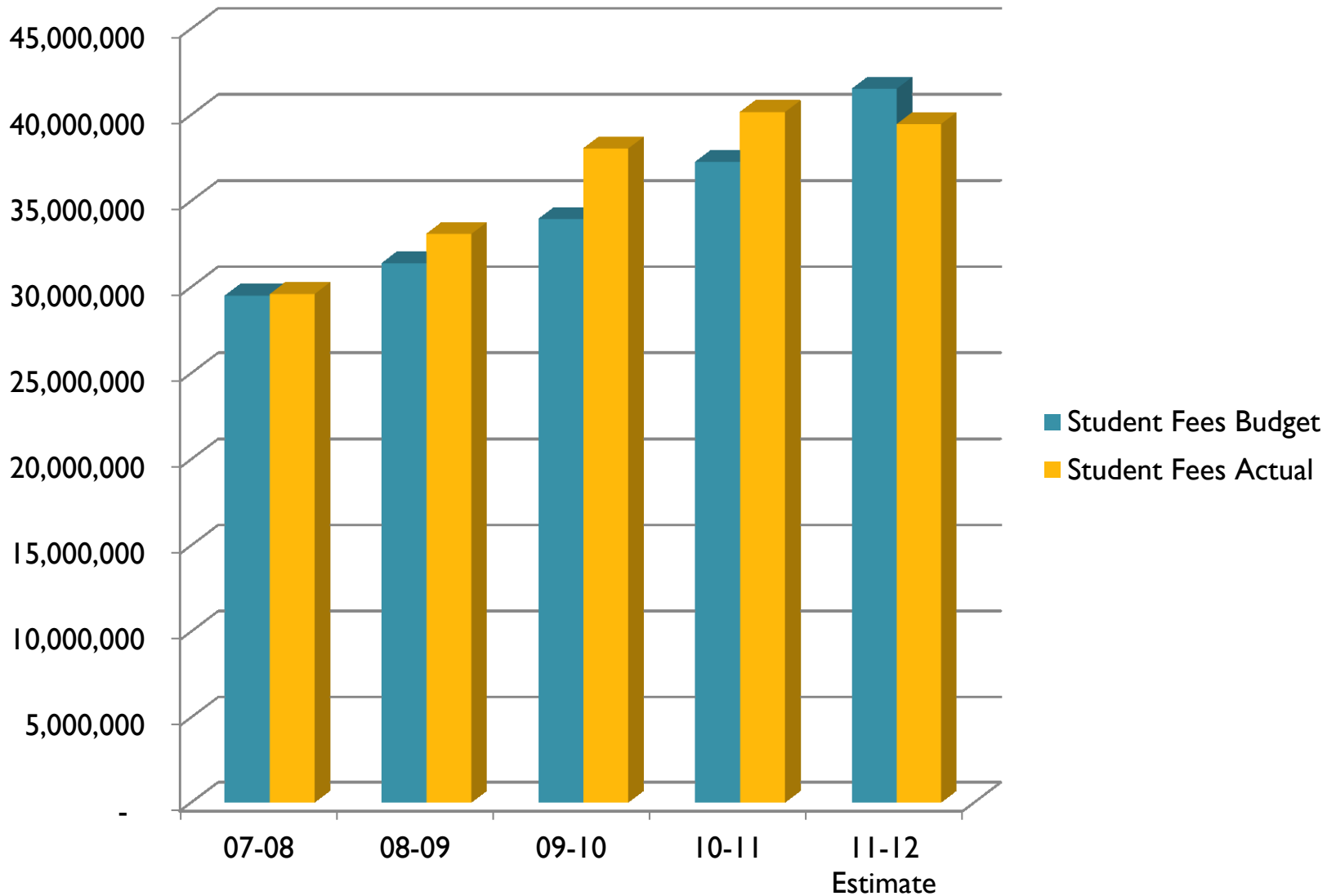
• Early Retirement Incentive	\$ 1,353,447
• R&R Projects per IU	1,331,142
• Distance Learning Reserve	501,461
• Admin Bldg 1 st Floor Project	1,287,984
• Noel Levitz Contract	300,000
• IT – Lifecycle Replacement	223,108
• ACP Program Carryforward	157,973
• Student Housing Funding	<u>131,302</u>

Total Uses \$ 5,286,417

Tuition & Fees – Budget v. Actual



Student Fees – Budget v. Actual



Operational Plan Budget Goals

- 1.5 Increase Financial Aid
- 2.1 Faculty Salary & Compression Issues
- 2.1.3 & 8.3.2 Increase faculty travel budgets
- 2.2.1 Graduate Student Research funding
- 2.2.2 Graduate Student Assistantships
- 2.2.3 Marketing Funds – Grad Programs

Budget Challenges – FY 2011-12

- FY 2011-12 & FY 2012-13 possible state funding reduction from 2011 Legislature.
- Meeting needs of increased student enrollment with state funding reductions.
- Gauge how much of enrollment increase is temporary outcome of unemployment rate and prepare for the re-adjustment.
 - ie – the budget needs to expand and contract as necessary to meet the enrollment level.