

INDIANA UNIVERSITY SOUTH BEND

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**Budget Presentation for  
Academic Senate Meeting**

**January 2010**

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## 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	\$ <u>(384,362)</u>	<u>- 1.7%</u>
<b>Total Base Budget Reduction</b>		<b>\$ (1,463,089)</b>	<b>- 6.3%</b>

## Recent State Cuts

- No federal stimulus dollars for operations.
  - R&R Reduction of about 1/3.
  - FY 2009-10 shortfall of \$ 1,078,727.
  - FY 2010-11 shortfall of \$ 1,463,089.
- Total Cash Shortfall    \$ 2,541,816**

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## \$ 1,080,000 Budget Reduction Goal

- General Fund **Budget Reduction Plan**
  - 50% reduction in travel budgets
  - Collection of 50% of the compensation of all vacated professional, professional nonexempt, and other nonexempt appointed positions. (Faculty positions are **not** affected).
  - Campus determined budget cuts.

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## Budget Reductions To Date

• 50% Travel Reductions	\$ 200,716
• Tuition Increase base	282,503
• 50% of Vacant Positions	319,373
• Additional Reductions	<u>282,309</u>
<b>– Total Base Reductions</b>	<b>\$ 1,084,901</b>

## The Task Ahead - Part 1

- Need Additional Base Cuts      \$ 380,000
- This cut is mandatory.
- Must be reflected in our 2010-11 base budget.
- Base budget load is the end of March.

## The Task Ahead - Part 2

- As of today, next year's budget would continue the travel reductions and the 50% position reductions.
- Additional base funds needed to restore travel budgets, positions or any new spending. Achieve through reallocation.
- General Fund reserves cannot be used per IU mandate.

## The Strategy

- We will increase our enrollment projections for next fiscal year. More base funds will be available to help balance the budget.
- Additional reductions needed to restore travel budgets, positions or any new spending.
- Dollars from high enrollment will be used for cash shortfalls.

## Timeline

- Early February:
  - Enrollment projections will be finalized.
  - IU will determine a salary policy.
  - Discussions will continue about budget savings and reductions.
- March:
  - Final decisions on FY 2010-11 budget.
  - New budget is loaded and finalized.

## Budget Savings

- Must be driven to search for ways to save money and be more efficient.
- Review the utilization of all our staff resources.
- Be creative.
- Generate savings to re-allocate toward our strategic plan goals.
- Complacency is the enemy!!

# Long Term Budget Planning

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



- **This is not the end but the beginning.**

