

INDIANA UNIVERSITY SOUTH BEND

**INDIANA UNIVERSITY
SOUTH BEND**

**Budget Presentation for
Academic Senate Meeting
November 2006**

By Bill O'Donnell and Robert Pope

- **Bill O'Donnell, Vice Chancellor
for Administrative and Fiscal
Affairs**

Components of 2005-07 \$4.7 Million Reduction in Operating Appropriation

» Indiana University – includes all campuses

• Inflation funding	\$ 25.7M
• Enrollment change	6.8M
• Research support	8.0M
• Equity	1.3M
• Across-the-board reductions	<u>(46.5M)</u>
	\$ (4.7M)

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Impact of Appropriation Change by Campus

(\$ thousands)

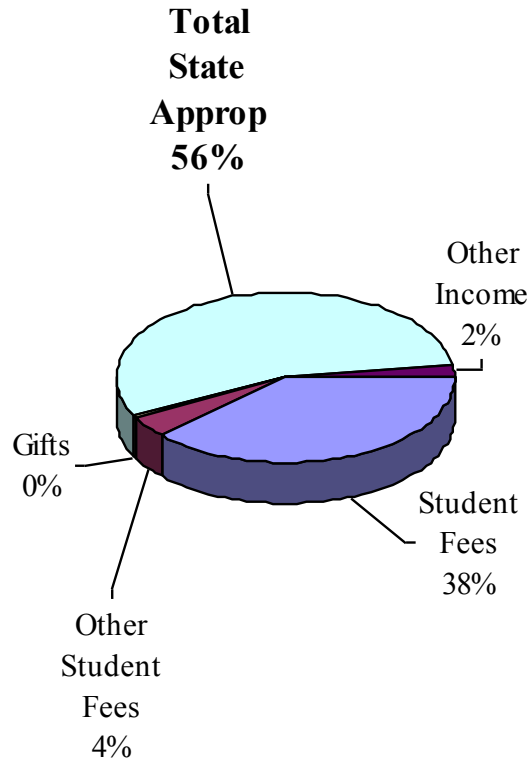
	2005-07 Operating Appropriation Change	2004-05 Operating Approp	Change as Pct of Approp	2004-05 General Fund Budget	Change as Pct of Budget
Bloomington	\$ (3,396.0)	\$ 195,251.2	-1.7%	\$ 616,413.9	-0.6%
IUPUI	(1,308.2)	190,657.3	-0.7%	439,942.0	-0.3%
East	126.8	7,598.6	1.7%	17,289.1	0.7%
Kokomo	24.4	10,099.8	0.2%	21,348.0	0.1%
Northwest	390.5	17,173.4	2.3%	38,002.9	1.0%
South Bend	(618.7)	23,014.4	-2.7%	53,020.3	-1.2%
Southeast	65.3	19,186.7	0.3%	43,717.4	0.1%
TOTAL	\$ (4,715.9)	\$ 462,981.4	-1.0%	\$ 1,229,733.6	-0.4%

IU South Bend – (2005-07) Total Reduction \$618,705

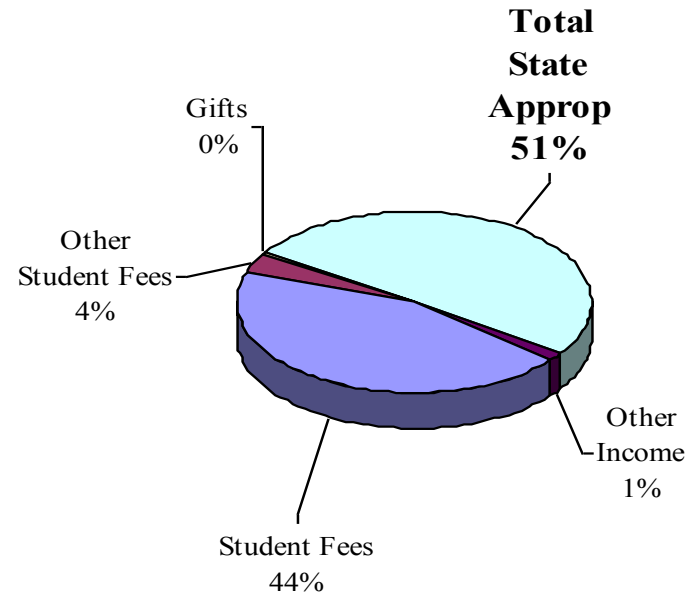
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Source of Income Comparison

**General Fund Actual Income
06/30/97**



**General Fund Actual Income
06/30/06**



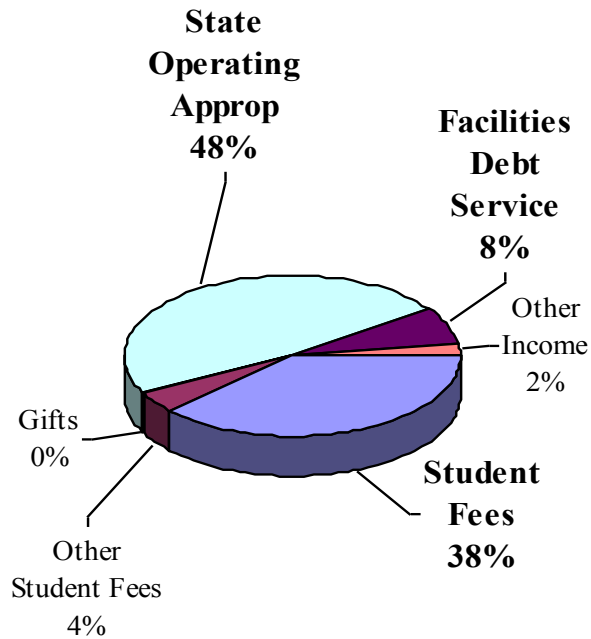
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- **General Fund Total Appropriations**
 - Decreased from 56% of campus revenues to 51% of campus revenues over a 9 year period.
- **Student Fees**
 - Increased from 38% of campus revenues to 44% of campus general fund revenues.

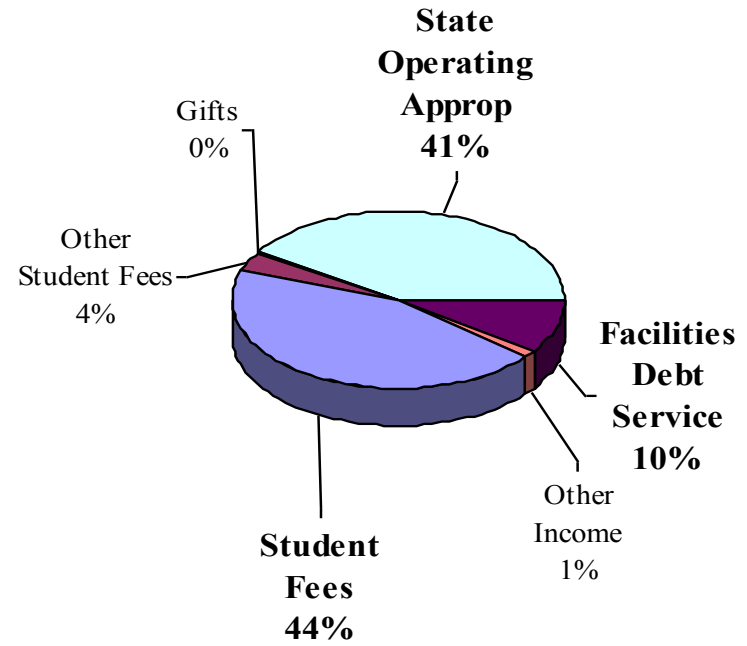
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Source of Income Comparison - Debt Service Broken Out

**General Fund Actual Income
06/30/97**



**General Fund Actual Income
06/30/06**



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- General Fund **Operating** Appropriations
 - Decreased from 48% of campus revenues to 41% of campus revenues over a 9 year period.
- Student Fees
 - Increased from 38% of campus revenues to 44% of campus general fund revenues.

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INDIANA UNIVERSITY SOUTH BEND FISCAL YEAR 2006-07

- **New Sources:**

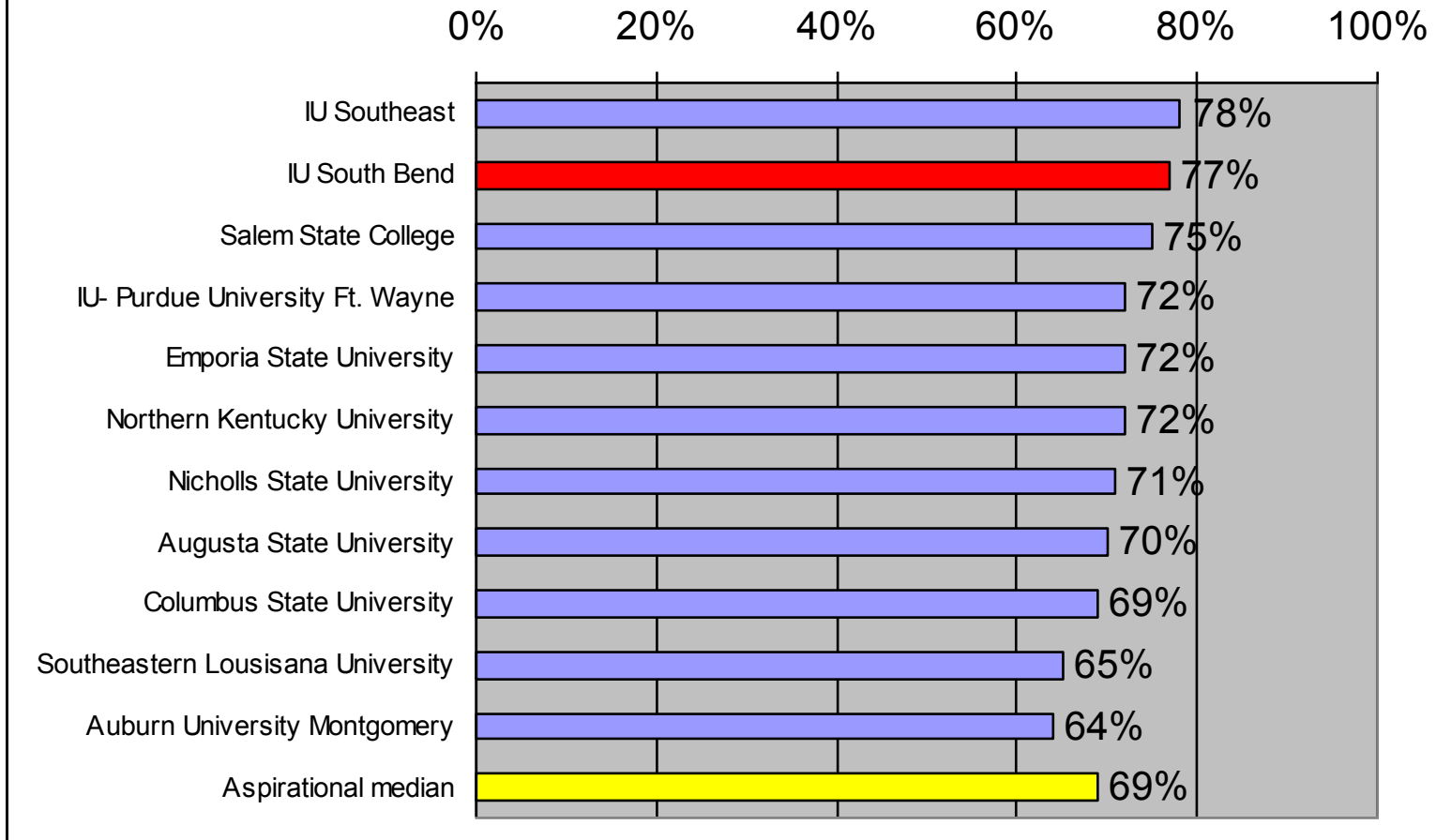
– Fee Rate Increase	1,021,584
– State Appropriation	(265,030)
– State Appropriation – Debt Service	417,174
– Other Income	<u>(12,382)</u>
Total New Sources	\$ 1,161,346

- **New Uses:**

– Salary & Benefit Increases	1,149,144
– General Exp Increases	962,794
– Debt Service Payments	417,174
– Campus Budget Reallocations	(702,324)
– Campus Deficit (Negative Plugs)	<u>(665,442)</u>
Total New Uses	\$ 1,161,346

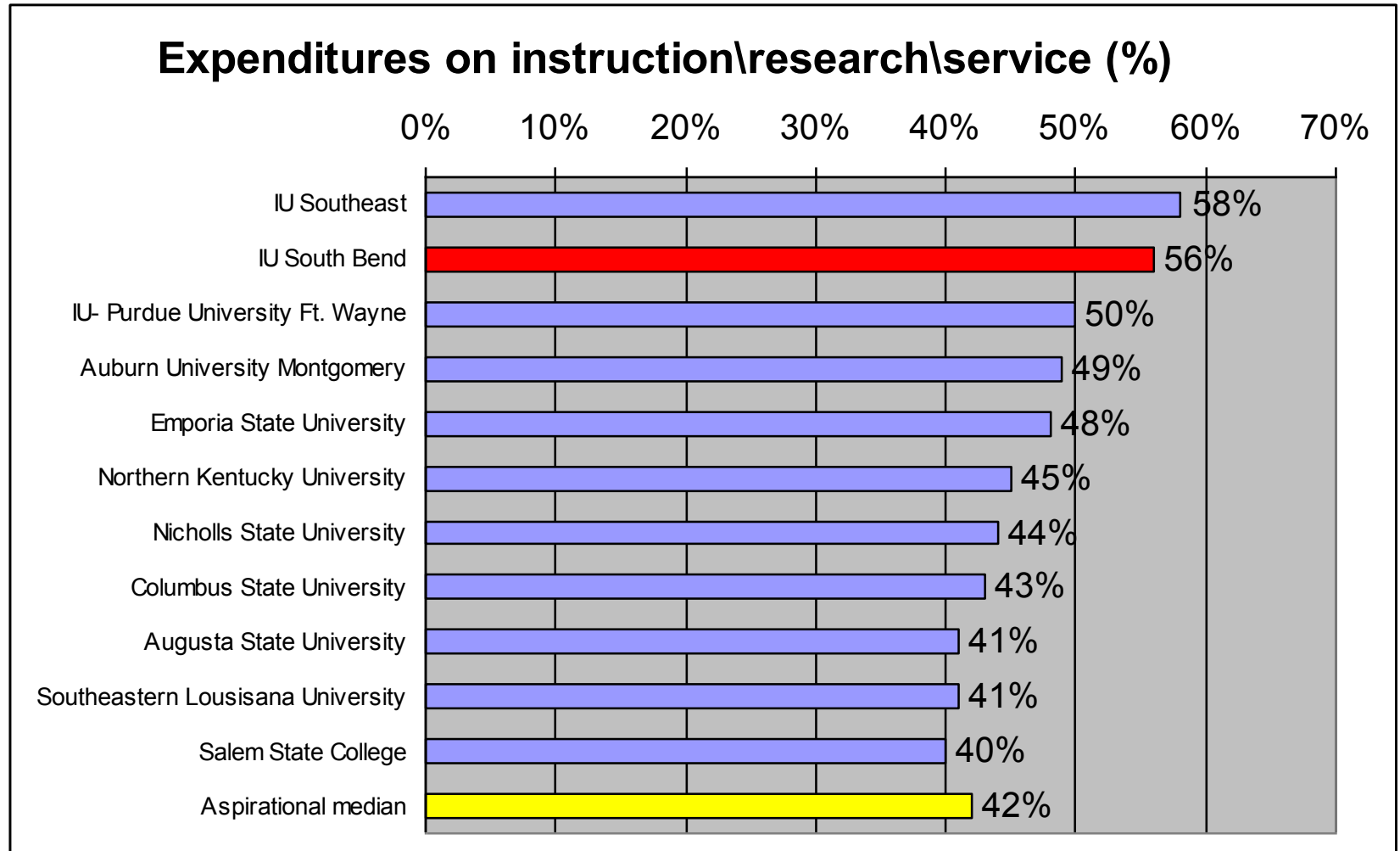
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Expenditures on Wages and Benefits (%)



Source: Indiana University IPEDS data and the IU South Bend Institutional Research Office

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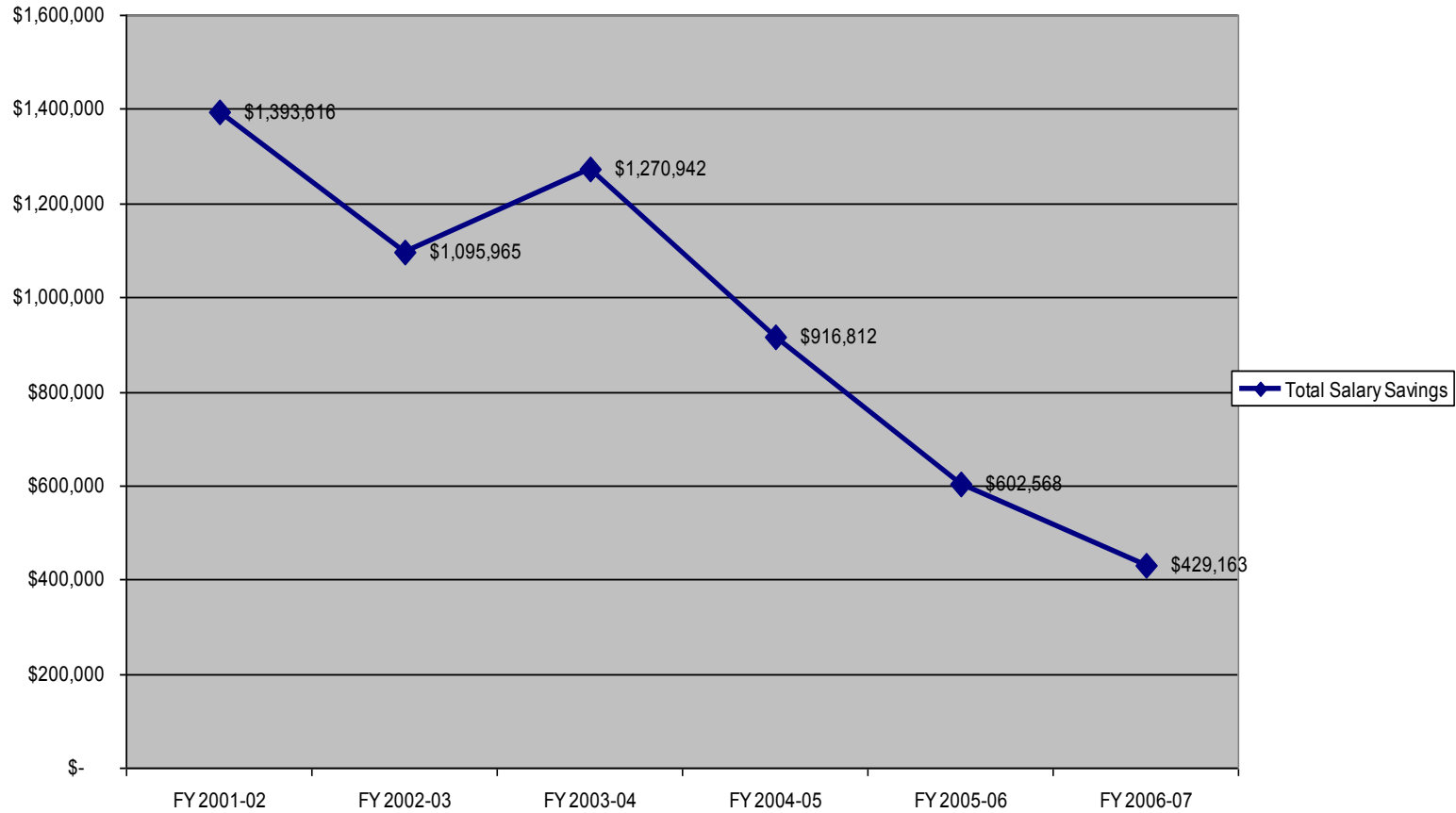
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Fund Balance / Reserves

	<u>2004</u>	<u>2005</u>	<u>2006</u>
Ending Fund Balance - June 30	\$5,739,624	\$6,832,356	\$6,999,047
Less:			
Minimum Required Reserve	1,602,194	1,665,343	1,700,997
One - Month Appropriation Reserve (A/R not cash)	1,917,868	1,917,868	1,917,868
Fiscal Year - Planned Uses of Reserves	280,079	628,044	485,641
Strategic Directions Initiative	384,000	426,240	453,574
Student Persistence and Retention (07-555-08)	120,897	81,263	103,088
Making the Academic Connection - Min Enhan Init.	15,941	21,999	22,614
PeopleSoft (07-555-12)	50,427	-	-
CTE Fund Balance (07-540-01)	180,903	526,950	561,334
Informatics (07-562-05)	488,907	571,760	848,799
Information Technology - Instruction	181,366	82,575	13,525
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Net Fund Balance - June 30 (Unrestricted)	\$ 516,125	\$ 910,314	\$ 891,607

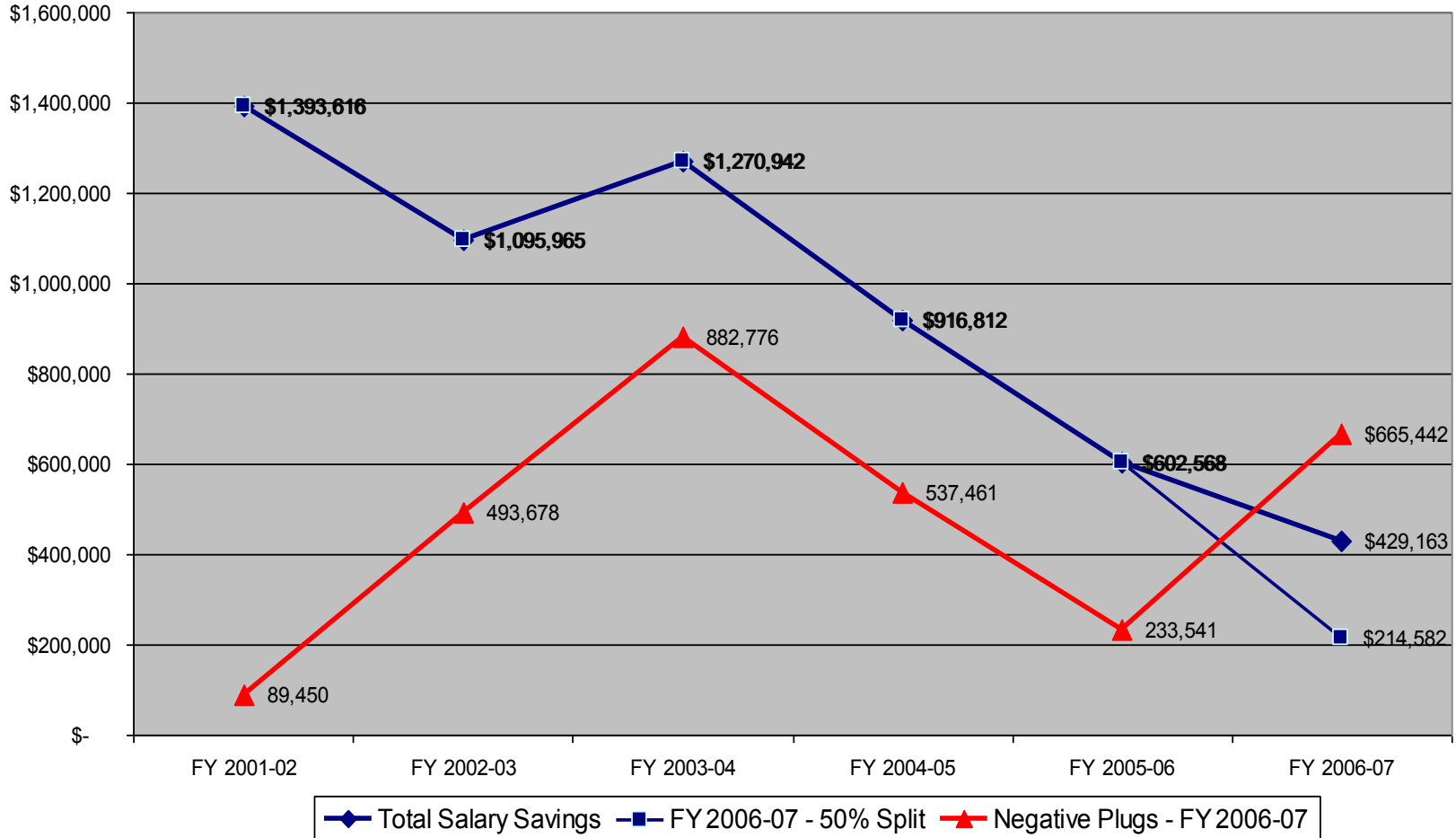
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IU SOUTH BEND - SALARY SAVINGS HISTORY



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IU South Bend - Salary Savings History



- **Fiscal Year 2006-07 So Far....**
 - 2006 Summer Session 2 credit hours down **17.2%** from Summer 2005.
 - 2006 Summer Session 2 credit hours down over **28%** from Summer 2004 resulting in actual revenue down \$714,396.
 - Summer Session 1 credit hours down **11.4%** from FY 2003-04 resulting in actual revenue down \$207,334.

- **Fiscal Year 2006-07 So Far....**
 - Negative Plugs of \$665,442.
 - Current year salary savings of \$ 214,582 to date.
 - Projected revenue shortfall.
 - Fall semester credit hours down 1.9%.
 - Uncertainty about Spring & Summer I enrollment.

- **Fiscal Year 2007-08 Planning**
 - Negative Plugs of \$665,442.
 - Salary increases – each 1% in raise = \$400,000 needed in base budget.
 - PeopleSoft Assessment
 - Uncertainty about future enrollments.
 - Uncertainty about next biennium's state appropriations makes planning difficult. (End of legislative session is late notice).

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FY 07-08 Big Budget Items

• Negative Plugs	665,442
• PeopleSoft (Version 8.9 & 9.0)	224,165
• Natatorium	15,000
• Chancellor's Merit Award	<u>200,000</u>
• TOTAL	\$ 1,104,607
• 2% Raise	<u>800,000</u>
• Total	\$1,904,607

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- Budget Policy Document
 - Documents unwritten budget practices.
 - Provides transparency and communicates the policy.
 - The document provides a basis for faculty and staff input into budget policies.
 - For the first time, allows divisions to keep a portion (50%) of current year salary savings.
 - Reviewed annually for changes.

- Budget Policy – To Do List
 - Need to discuss and outline expectations – division expectations and central administration expectations.
 - Evaluate current budget policy and determine necessary changes or additions.

Student Housing Finances

- No general fund money.
- \$18.6 million bond issue to be repaid from rental revenue.
- INDOT Project - \$980,000.
- Campus funds from Bookstore reserve and parking.

NYMEX - Natural Gas Rates



- **Robert Pope, Chairman of the Academic Senate Budget Committee**

Original CTE Plan Goals

- Reducing dependence on part-time faculty.
- Supporting student success to retain students through graduation.
- Ensuring library access to an appropriate electronic collection of materials.
- Making the academic connection for under-represented students.
- Promoting diversity through scholarships and faculty salary enhancement.
- Enhancing retention and academic planning through institutional research.
- Supporting technology to enhance instruction.

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- **IU South Bend – CTE Plan FY 2006-07**

– New Faculty Positions – CTE Funds	261,433
• Arts (\$55,624 with benefits)	
• Sociology and Anthropology (\$59,101 w/benefits)	
• English (\$59,100 with benefits)	
• Computer and Informational Science (\$87,608 w/benefits)	
– Other New Position – Academic Affairs	
• Graduate program recruitment professional	55,462
– Institutional Research Position	
• Information Management Analyst	<u>52,410</u>
Total CTE Plan Increases	\$ 369,305

- **Other CTE Fund Uses:**

Chancellor Reck approved a one-time Academic Equipment Fund of \$350,000 during FY 2005-06 from accumulated unspent CTE funds. Any academic equipment purchases not completed during FY 2005-06 need to be re-approved by Exec. VP Charles Bantz.

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- **IU South Bend Budget Objectives:**
 - Start the budget process earlier.
 - Chancellor adopt a Strategic Plan objective as a campus priority for the year's budget process.
 - Identify non-budgeted activities / positions and budget for them.
 - Budget for unavoidable costs such as utilities and university assessments.
 - Eliminate or reduce negative plugs.
 - Budget for new commitments the campus deems to be a high priority.

- **Questions?**