



Board of Regents

June 11, 2009

Sally K. Mason
President



Guiding Principles

- 1: Protect **QUALITY**
- 2: Protect **PEOPLE**
- 3: Protect **AFFORDABILITY**
- 4: Increase cost-savings and increase revenue with multi-year timetable
- 5: Identify selected opportunities for innovation and excellence
- 6: Articulate the University's strategic vision and priorities that inform hard budget choices
- 7: Consultation



Budget Processes Include

- Judicious applications of ARRA funding
- Immediate GEF reductions on July 1 followed by subsequent changes that total \$34M in reductions by **July 1, 2010.**
- Six Strategic Task forces
- ARRA competitive grant process
- Loh and True are leading these efforts

Activities Include:

- Planning scenarios for FY2011. Budget opportunities developed this year will be guided by realistic expectations for future years.
- Special focus on the Oakdale campus and its budget as we transition from Oakdale Hall to the new Hygienic Lab.



FY 2010 Budget Reductions

Budgets Cuts by Organizational Category

		1st Quarter **	2nd Quarter	3rd Quarter	4th Quarter	TOTAL	FY 2011*
Academic	\$ (23,248,806)	\$ (8,765,200)	\$ (11,457,606)	\$ (1,479,000)	\$ (1,547,000)	\$ (23,248,806)	\$ 2,040,000
Research/Outreach	(1,259,078)	(515,600)	(565,478)	(87,000)	(91,000)	(1,259,078)	120,000
Student Services	(312,941)	(128,900)	(139,541)	(21,750)	(22,750)	(312,941)	30,000
Administrative/Operations/Facilities	(9,179,175)	(5,240,300)	(2,737,375)	(587,250)	(614,250)	(9,179,175)	810,000
Non-Labor Utilities	- 0 -	-	-	-	-	-	-
Library Acquisitions	- 0 -	-	-	-	-	-	-
Student Financial Aid	- 0 -	-	-	-	-	-	-
Total	\$ (34,000,000)	\$ (14,650,000)	\$ (14,900,000)	\$ (2,175,000)	\$ (2,275,000)	\$ (34,000,000)	\$ 3,000,000

* Anticipated recurring efficiencies or revenue production in FY11 budget from ARRA investments in FY10

** Commitment within initial FY10 GEF budget

	FY 2009 Rev. Budget	FY 2010 Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	TOTAL	FY 2011 Budget
General Education Fund	\$ 588,584,000	\$ 577,017,000	\$ 163,295,811	\$ 122,616,113	\$ 146,562,318	\$ 144,542,758	\$ 577,017,000	\$ 577,017,000
Estimated Spending of Stimulus Funding								
Academic								
Temporary continuation of services		6,583,531	3,291,765	3,291,766	-	-	6,583,531	
Transition dollars for layoffs/retirements		6,583,531	-	-	3,291,765	3,291,766	6,583,531	
Prospective competitive awards		10,578,000	1,322,250	3,085,250	3,085,250	3,085,250	10,578,000	
Research/Outreach								
Temporary continuation of services		360,966	180,483	180,483	-	-	360,966	
Transition dollars for layoffs/retirements		360,966	-	-	180,483	180,483	360,966	
Prospective competitive awards		580,000	72,500	169,167	169,167	169,166	580,000	
Student Services								
Temporary continuation of services		84,706	42,353	42,353	-	-	84,706	
Transition dollars for layoffs/retirements		84,706	-	-	42,353	42,353	84,706	
Prospective competitive awards		155,000	19,375	45,208	45,208	45,209	155,000	
Administrative/Operations/Facilities								
Temporary continuation of services		2,645,798	1,322,899	1,322,899	-	-	2,645,798	
Transition dollars for layoffs/retirements		2,645,798	-	-	1,322,899	1,322,899	2,645,798	
Temporary financial aid		TBD	-	-	-	-	-	
Compliance requirements for ARRA funds		TBD	-	-	-	-	-	
Prospective competitive awards		4,231,643	528,955	1,234,229	1,234,229	1,234,230	4,231,643	
Subtotal Stimulus Funding		34,894,645	6,780,580	9,371,355	9,371,354	9,371,356	34,894,645	
TOTALS	\$ 588,584,000	\$ 611,911,645	\$ 170,076,391	\$ 131,987,468	\$ 155,933,672	\$ 153,914,114	\$ 611,911,645	\$ 577,017,000



General Education Fund

Budgets Cuts by Organizational Category	FY 2010 Budget Reductions	1st Quarter **	2nd Quarter	3rd Quarter	4th Quarter	TOTAL	FY 2011
Academic	\$ (23,248,806)	\$ (8,765,200)	\$ (11,457,606)	\$ (1,479,000)	\$ (1,547,000)	\$ (23,248,806)	\$ 2,040,000
Research/Outreach	(1,259,078)	(515,600)	(565,478)	(87,000)	(91,000)	(1,259,078)	120,000
Student Services	(312,941)	(128,900)	(139,541)	(21,750)	(22,750)	(312,941)	30,000
Administrative/ Operations/Facilities	(9,179,175)	(5,240,300)	(2,737,375)	(587,250)	(614,250)	(9,179,175)	810,000
Non-Labor Utilities	- 0 -	-	-	-	-	-	-
Library Acquisitions	- 0 -	-	-	-	-	-	-
Student Financial Aid	- 0 -	-	-	-	-	-	-
Total	\$ (34,000,000)	\$ (14,650,000)	\$ (14,900,000)	\$ (2,175,000)	\$ (2,275,000)	\$ (34,000,000)	\$3,000,000



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Estimated Spending of <u>Stimulus Funding</u>								
Academic								
Temporary continuation of services		6,583,531	3,291,765	3,291,766	-	-	6,583,531	
Transition dollars for layoffs/retirements		6,583,531	-	-	3,291,765	3,291,766	6,583,531	
Prospective competitive awards		10,578,000	1,322,250	3,085,250	3,085,250	3,085,250	10,578,000	
Research/Outreach								
Temporary continuation of services		360,966	180,483	180,483	-	-	360,966	
Transition dollars for layoffs/retirements		360,966	-	-	180,483	180,483	360,966	
Prospective competitive awards		580,000	72,500	169,167	169,167	169,166	580,000	
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Temporary continuation of services		84,706	42,353	42,353	-	-	84,706	
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Compliance requirements for ARRA funds		TBD	-	-	-	-	-	
Prospective competitive awards		4,231,643	528,955	1,234,229	1,234,229	1,234,230	4,231,643	
Subtotal Stimulus Funding		34,894,645	6,780,580	9,371,355	9,371,354	9,371,356	34,894,645	
TOTALS	\$ 588,584,000	\$ 611,911,645	\$170,076,391	\$131,987,468	\$155,933,672	\$153,914,114	\$ 611,911,645	\$ 577,017,000



Projected Reduction Commitments per Quarter	1st Quarter **	2nd Quarter	3rd Quarter	4th Quarter	TOTAL	FY 2011
Salaries & Benefits Layoff plans developed (effective 7/1/10)	-	(10,870,000)	-	-	(10,870,000)	3,000,000
Phased Retirements	-	(255,000)	-	-	(255,000)	-
Early Retirements	-	(1,600,000)	-	-	(1,600,000)	-
Hiring Freeze/Attrition	(9,940,000)	(2,175,000)	(2,175,000)	(2,175,000)	(16,465,000)	-
Benefit Cost Reductions	(1,050,000)	-	-	-	(1,050,000)	-
Other						
Supplies & Services	(1,900,000)	-	-	(100,000)	(2,000,000)	-
Building Renewal	(1,760,000)	-	-	-	(1,760,000)	-
Total	\$ (14,650,000)	\$ (14,900,000)	\$ (2,175,000)	\$ (2,275,000)	\$ (34,000,000)	\$ 3,000,000



WHERE WE ARE FOCUSING OUR RESOURCES

- Strategic uses of financial aid
- Transform undergraduate education- new delivery methods
- Sustainability in teaching, research, and University's operations
- Safety/security/insurance protection
- Library acquisitions (coupled with consolidation of 4 branches)
- Flood recovery management
- Student success: Increasing retention, freshman seminars
- Economizing while improving the way education is delivered (task forces)
- Translational Research- connecting research discoveries to applications for better health care, economic development, and quality of life
- Cooperative degree programs with Iowa's community colleges
- Regulatory compliance
- Information technology solutions for efficiency in research
- Expanding the electronic workflow system



IMPACTS DURING FY 2010

- Increased teaching loads; significant reduction of class sections
- Reduction of graduate offerings that are not strategic
- Consolidations
 - Academic functions
 - Oakdale Campus (removal of Oakdale Hall and resulting expense reductions)
- Strategic task force recommendations
- Innovations developed by competitive use of ARRA fund
- Future expectations



QUESTIONS