



# **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 -	-	-	-	-	-	-
<b>Total</b>	<b>\$ (34,000,000)</b>	<b>\$ (14,650,000)</b>	<b>\$ (14,900,000)</b>	<b>\$ (2,175,000)</b>	<b>\$ (2,275,000)</b>	<b>\$ (34,000,000)</b>	<b>\$ 3,000,000</b>

\* 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
<b>General Education Fund</b>	\$ 588,584,000	\$ 577,017,000	\$163,295,811	\$122,616,113	\$146,562,318	\$144,542,758	\$ 577,017,000	\$ 577,017,000
<b>Estimated Spending of Stimulus Funding</b>								
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	
<b>TOTALS</b>	\$ 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
<b>Academic</b>	\$ (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 -	-	-	-	-	-	-
<b>Total</b>	<b>\$ (34,000,000)</b>	<b>\$ (14,650,000)</b>	<b>\$ (14,900,000)</b>	<b>\$ (2,175,000)</b>	<b>\$ (2,275,000)</b>	<b>\$ (34,000,000)</b>	<b>\$3,000,000</b>



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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								
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<b>Projected Reduction Commitments per Quarter</b>	<b>1st Quarter **</b>	<b>2nd Quarter</b>	<b>3rd Quarter</b>	<b>4th Quarter</b>	<b>TOTAL</b>	<b>FY 2011</b>
Salaries & Benefits Layoff plans developed (effective 7/1/10)	-	(10,870,000)	-	-	(10,870,000)	<b>3,000,000</b>
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)	-
<b>Total</b>	<b>\$ (14,650,000)</b>	<b>\$ (14,900,000)</b>	<b>\$ (2,175,000)</b>	<b>\$ (2,275,000)</b>	<b>\$ (34,000,000)</b>	<b>\$ 3,000,000</b>



## **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



## **CONCLUSIONS**