

**INDIANA STATE UNIVERSITY  
UNIT BUDGET PLANNING MEMORANDUM  
FOR 2009-10**

This memorandum is intended to provide general guidance to Directors, Deans, Vice Presidents, and specified members of the Cabinet regarding the unit budget planning process for the 2009-10 fiscal year.

**BUDGET PLANNING PROCESS**

As previously communicated in a memo to all Deans and Vice Presidents dated January 21, 2009, the State budget for the 2009-11 biennia as recommended by Governor Daniels reflects an overall 4% reduction in funding for higher education. Each institution is impacted differently by these budget recommendations. Indiana State University would realize a loss of \$5.4 million in State operating appropriations under this plan. The Governor's proposed budget recommendations will be used as a starting point for our budget planning for the 2009-10 year and beyond.

Being mindful of the financial situation facing the state and nation, it is imperative all participants in the budget planning process understand that the funding of identified budget priorities with state appropriation and increased student tuition are not possible. The following preliminary planning assumptions result in a University-wide budget reallocation target for 2009-11 of approximately \$10 million.

- Tuition 5%
- Salary 3%
- Health Insurance 10%
- Other Benefits 2.5%
- Utilities 2.5%
- Library Acquisitions 2.5%
- Institutional Student Aid 5%

During the spring semester the Provost and Vice Presidents will be working with Deans and department heads to identify areas of the budget where strategic cuts can be made in order that a balanced budget may be presented to the Board of Trustees. The budget process is to be a participative one and it is expected the Provost and Vice Presidents will involve leadership within each respective unit to develop priorities for their area and to determine how budget cuts will be absorbed.

The Provost, Deans, Vice Presidents, and specified members of the Cabinet will be asked to participate in unit budget planning presentations. As a part of your overall presentation, please be prepared to discuss the impact of proposed budget reductions within your unit or division for the 2009-11 biennia and beyond. This discussion should include the impact of the proposed reductions not only on your division or area but the University as a whole.

Any **new** initiatives must have identified alternative potential funding sources (e.g. grants, gifts, one-time funds, internal reallocations, etc.) It is necessary that you also evaluate the prioritization of new initiatives within the context of (1) resources required to underwrite activities as well as resources generated by these activities, (2) mission critical activities necessary to maintain accrediting and program quality standards, and (3) program enhancement activities that will produce improved measurable outcomes consistent with the institutional mission.

### **Unit Budget Presentations**

Unit budget presentations for 2009-10 are planned for March 19-20, 2009. Each presentation will be approximately 30 minutes in length. You may anticipate approximately fifteen minutes for the actual presentation with the remaining amount of time devoted to discussion about your particular area. A tentative schedule is attached. You may include members of your staff in your presentation if you so desire. Academic units are asked to specifically address the following:

- Briefly provide a “State of the College/Unit” report. Highlight significant accomplishments of your area over the past year.
- Student enrollment is the number one priority of the University. Please describe your College or division’s efforts to improve admissions and retention.
- Please give an overview of grant activity for your unit including information about participation and results.
- External fundraising has been identified as a priority for the University. What initiatives has your department or college undertaken? What has been the success of these efforts?
- What are the one or two new or additional investments the University needs to make to assist your College or division in reaching its potential? Please indicate how this investment supports the strategic priorities identified as a part of the University Strategic Planning process.
- Our employees are our greatest resource. Please be prepared to discuss the impact of any proposed additional investments on the well being of the people who report through you.

Non-academic units should be prepared to discuss issues of organizational mission and efficiency, and performance comparisons with peer and/or industry standards. Functions or initiatives having cross-divisional implications (e.g. student orientation) should be identified and discussed in terms of opportunities for coordination to create a more holistic approach.

Requests for new initiatives must identify potential funding sources<sup>1</sup> and be made using the attached budget request form in ranked order of priority. Indicate whether the initiative will utilize funds for salary and fringe for additional positions, student wages,

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<sup>1</sup> Funding sources may include grants & contracts, indirect cost recovery, cost center operations, special federal appropriations, auxiliary operations, gifts, and internal reallocations.

operating supplies and expense, or capital equipment. Additional information on each priority (items 1 through 2 below) **must** include the following:

1. A brief description of the initiative.
2. Include an impact statement for each initiative describing the benefits the University will derive from the initiative and what start-up costs, if any, would be involved. Also, describe how any existing resources would be used to support the initiative.
3. How the initiative aligns with one of the six strategic areas identified for the University as a whole.

The following budget forms are attached with this memorandum and are also located on the Budget Office web site at <http://www.indstate.edu/budget/> :

- Budget Request Form – to request support for new programs.
- VP Area FY10 Budget Request Summary Form – to be completed **only** by the Provost and each Vice President to summarize requests for new initiatives within their respective areas.
- Information Technology Major Funding Request form – to request funding for major technology project/system expenditures (\$25,000 or greater). Completed form must be returned to Ed Kinley, CIO, with a copy to the Budget Office.

Deans are to submit completed forms for their respective Colleges to the Provost no later than March 6, 2009. The Provost will summarize any requests for new initiatives and submit completed forms to the Budget Office no later than March 13, 2009.

**Completed forms for Administrative units should be submitted electronically to the Budget Office at [plbudget@isugw.indstate.edu](mailto:plbudget@isugw.indstate.edu) no later than March 11, 2009 in advance of your scheduled presentation.** Should you need information concerning your 2008-09 operating budget, please contact the Budget Office.