



President's Council

Budget Planning
for 2010-2011
February 9, 2010



**Indiana State
University**

More. From day one.

Budget Planning for 2010-2011

ICHE Recommendations for Higher Education Budget Reductions

Factors Considered for Each Institution

- State Funding per Student
- Student Progress Toward Degree Completion
- Availability of Federal Stimulus Funds

Budget Planning for 2010-2011

Recommended Budget Reductions for Indiana State

FY10

■ \$3,802,444

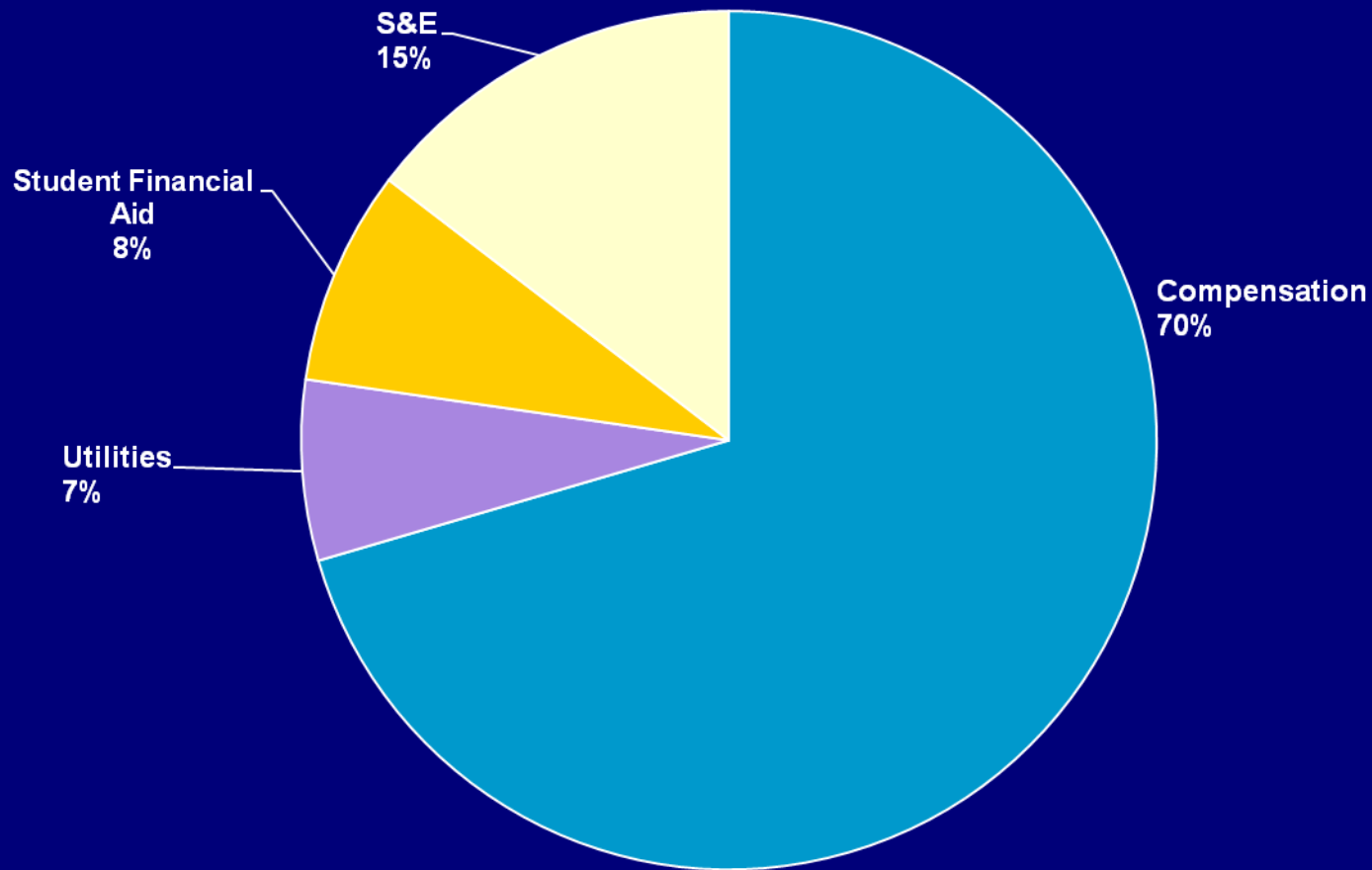
FY11

■ \$6,676,029

Total Reductions for 2009-11

■ \$10,478,474

2009-10 Current Operating Budget by Expenditure Classification



Staffing Levels 2009-10

(Current Operating Budget)

- **Faculty**
 - 556.8 FTE
- **Executive, Administrative, Professional**
 - 333.5 FTE
- **Support Staff**
 - 502.5 FTE
- **Total Current Operating**
 - 1,392.8 FTE

Source: Oct. 1, 2009 Staffing Report as prepared by Human Resources.

Starting Point

Budget reductions will be primarily in personnel-related expenses.

– Rationale

- Personnel costs make up approximately 82% of our discretionary budget.
- S&E budgets have been reduced markedly over the course of previous reductions.
- Non instructional personnel numbers have grown to unsustainable levels given the forecasted revenue.

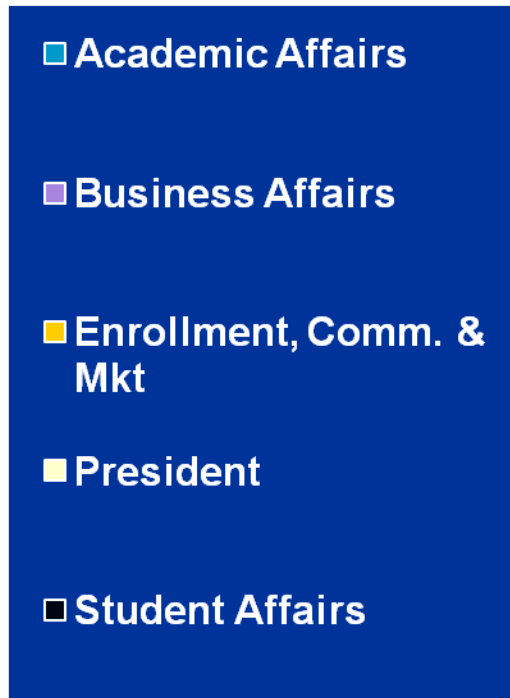
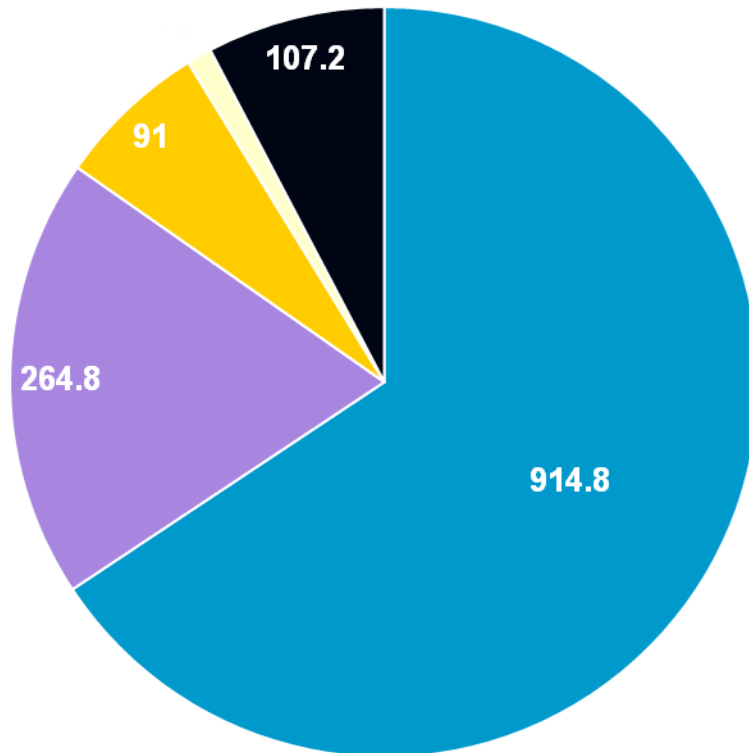
Approach to Decisions

- **The sum of the reductions must meet the approximate \$5 million in state funding reductions.**
- **Reductions in instructional staffing levels will be short term and designed to strengthen the overall academic programs.**

Approach to Decisions

The initial effort was to distribute the reductions proportionately. In the final analysis, however, decisions were based on alignment with mission and importance to the success of the strategic plan. It is not necessarily desirable that the reductions be proportional by division or by employee group.

Staffing By Division FY10



Main Components of the Plan

- **Having a third-party provide student health services**
- **Eliminating retail operations provided by the contract postal unit as of July 1, 2010.**
- **Flattening of the administrative organizational structure in several units.**

Main Components of the Plan

- **Reduction in our capability to provide communications and marketing services in-house.**
- **Reduction in the level of custodial services provided across campus.**
- **Reduction in clerical support within academic programs and administrative units.**
- **Limited reduction in S&E expenditures in Information Technology, Cunningham Memorial Library, and Facilities Management.**

Long-Term Considerations

- **Return of Erickson Hall to housing with anticipated savings to the University operating budget of approximately \$260,000 per year**
- **Investigation of energy savings through targeted capital projects.**

What the plan does NOT impact:

- **Does not permanently reduce tenure and tenure-track faculty lines.**
- **Does not impact students' ability to enroll in courses they need and graduate on time.**
- **Does not respond to budget cuts by increasing tuition costs to students.**

Elimination of Positions

	Hourly	Salaried
Office of the President and Provost	8	5
Other units in Academic Affairs	26	13
Business Affairs and Finance	29	3
Student Affairs	11	5
Enroll. Management, Comm. & Marketing	4	4
TOTAL	78	30

Annual Base Budget Reduction

Reduction in Staff

Salary

\$3,131,317

Fringe benefits

939,395

Total

\$4,070,712

Supplies and Expenses

Library

\$ 200,000

Information Technology

353,000

ECEC

35,000

Criminology Institute

25,203

Facilities Management

85,000

Total

\$ 698,203

Other

Increased Housing Utility Transfer

\$ 150,000

Health Insurance Administrative Costs

350,000

Total

\$ 500,000

Grand Total

\$5,268,915

Severance Package

- **Continuation of health benefits for 6 months, fully paid by the University**
- **Minimum of one-month notice and eight weeks severance pay + additional week of severance pay for each year of service up to maximum of 16 weeks total**
- **Continuation of staff/spouse/partner fee waiver to take courses at ISU for up to four semesters**
- **Continuation of fee waiver for dependents of impacted employees who are currently enrolled or accepted for admission**
- **Employees whose jobs have been eliminated will remain in hiring pool for six months and will be given consideration for vacant positions for which they qualify**

Transitional Retirement Incentive Plan

Full-time, benefits-eligible employees with at least 9 years of consecutive service and who are 55 or older may receive:

- **125% of base salary if they retire by June 30, 2010**
- **115% of base salary if they retire by Dec. 31, 2010**
- **100 % of base salary if they retire by June 30, 2011**

Must notify the University by April 2, 2010

Also created a health benefits “bridge” for employees 62 or older with at least 15 years of service

Feedback on Budget Plan

- **Three open forums scheduled for campus, first one was conducted last week**
- **Email or snail mail input also being taken**
- **Employees can also provide input through University governance units**
- **The proposed transitional retirement incentive plan will go to the Board of Trustees for consideration at the Feb. 18th meeting.**