

IOWA STATE UNIVERSITY

Governor Culver announced a 1.5% across-the-board state spending reduction in December. This 1.5% (\$4.255 million) is on top of the earlier \$2.915 million reversion, bringing the total mid-year appropriations reduction for Iowa State University to \$7.17 million (2.5%).

Iowa State University will distribute the 1.5% reduction to the university units that receive state appropriations and let each unit leader decide how best to make the reductions within their units.

The 1.5% reduction will be directly applied to the appropriations lines of those ISU units that receive direct state appropriations, including ISU Extension, the Agriculture Experiment Station, the Veterinary Diagnostic Laboratory, and several others. The remaining \$3.265 million budget reduction will be distributed to units within the President's Office (\$86,689) and the Divisions of Academic Affairs (\$2.627 million), Business and Finance (\$415,327), and Student Affairs (\$136,254) on the basis of their General University budgets.

Options for managing reductions of this size midway through an academic year are limited. Students have enrolled, course offerings have been planned, and academic support activities are underway. Other commitments have been made for research projects, outreach programs, and economic development activities. To accommodate the total \$7.17 million mid-year reduction, unit leaders are delaying plans for classroom and laboratory renovations, the purchase of laboratory and other classroom equipment, and necessary repairs to important university facilities. A number of faculty and staff positions will also remain vacant. Some colleges are eliminating funding for research and other projects, for faculty start-ups, and for matches for external grants and contracts. Nearly every unit is reducing its planned expenditures for travel and general supplies, and the university library is reducing its plans to provide enhanced electronic access to journals.

ISU strongly considered the possibility of instituting a mandatory furlough (unpaid leave) of a few days for all university employees. But it was concluded that it would be too difficult to implement in the time available, so a mandatory furlough will not be applied. However, a set of 28 university leaders, including the president, all vice presidents, academic deans, associate and vice provosts, and associate and assistant vice presidents will take five days of furlough between now and June 30, and will be joined by the Athletic Director and several head coaches. Other university employees may volunteer for furloughs to assist with the reversion obligations of their units, and it appears that a number of university employees are likely to do so. In the next few days, guidelines will be distributed to the campus to assist employees in that decision process.

Mid-year budget reductions like the two experienced this year are challenging for universities to handle in a strategic way, because of the strong culture of shared governance, consultation, and deliberate strategic decision making. ISU believes that the across-the-board distribution of this latest 1.5% reduction is the best way to finish the current academic year with minimal disruption to the university's core academic mission, while allowing time to strategically and thoughtfully plan budget changes that can be put into place for next year. Executive Vice President and Provost Hoffman is leading the development of the university's FY10 budget, working with the University Budget Advisory Committee and other university leaders. The two combined \$7.17 million mid-year reversions will be incorporated along with any future budget reductions into strategic FY10 budget adjustments, keeping in mind the priority of protecting the core academic mission of the university, especially that of educating students.

Gregory Geoffroy
President, Iowa State University