

UNIVERSITY OF NORTHERN IOWA

In November, the University of Northern Iowa was required to return \$1.02 million of its fiscal 2009 state appropriation. We had planned to invest those funds in information technology systems and security, library materials and building maintenance projects. Those areas didn't have to revert funds already allocated, but they did lose planned additional investments in their programs.

Since my November 24 message, several key developments have occurred that affect our budget for both the rest of this fiscal year (2009) and next fiscal year (2010).

First, in December, the Board of Regents, State of Iowa, approved our proposed tuition increases for the 2009-10 academic year -- a 4.2-percent increase for resident students and a 2-percent increase for non-resident students.

Second, the Governor issued an executive order in December calling for a 1.5-percent across-the-board state spending reduction. That translates into an additional \$1.55 million in general operating funds UNI must give back this academic year.

Fifty percent of that \$1.55 million (minus some special line-item appropriations) will be covered centrally, using one-time funds. The other half (\$737,148) of the reversion will be distributed across the divisions in an across-the-board manner -- proportionate to their respective share of the general-fund budget. Each vice president will determine how his division will handle the fiscal 2009 reversion.

Because of our focus on students, we made a commitment not to reduce student financial aid support or campus security and safety measures. Based upon the divisions' general-fund budgets, as adjusted for student financial aid and campus security being held harmless, the distribution of the \$737,148 budget reduction for fiscal 2009 resulted in the following:

Division of Academic Affairs (\$491,357)

Division of Administration and Finance (\$166,997)

Division of Student Affairs (\$40,755)

President's Office (\$23,326)

Division of Marketing and Advancement (\$14,713)

Units receiving special line-item state appropriations will be asked to handle the reversion on their own. The reversion from those programs will be nearly \$75,000. Affected programs include the Iowa Mathematics and Science Education Partnership, the Institute for Decision Making, MyEntreNet and several others.

Given the immediate nature of this budget reversion, we decided to make the fiscal 2009 reversions in an across-the-board manner, and take additional time to make more strategic budget decisions for fiscal 2010.

These two mid-year budget reductions, which total a 2.5-percent reduction, create significant challenges to UNI because of the timing of the announced reversions and the significance of state funds in our overall budget. We're making these decisions with a commitment to protect our academic course offerings, student progress toward graduation, and campus health and safety.

As we move forward with the development of the fiscal 2010 budget, our continued focus will be on maintaining the quality of our academic programs and the education of our students.

We will continue to meet with key stakeholders throughout the year regarding the budget situation. As always, we will work to continually operate with sustainable, efficient and cost effective processes on-campus and we welcome entrepreneurial ideas to help meet these budget challenges.

Benjamin J. Allen
President, University of Northern Iowa