Context of Budget Reduction Plan

• Reduction in state funds since November 2008
  ▪ $23 million or 25% of state funds
  ▪ Appropriations at 1995-96 levels

• Impact on overall UNI budget
  ▪ More dependent on state appropriations, larger impact on total budget

• Timing of budget reversion
  ▪ One-third of year passed
Strategies Considered

• Board of Regents Directive
  ▪ Temporary Salary Reductions
  ▪ Temporary Layoffs
  ▪ Benefit revisions—temporary and permanent
  ▪ Tuition surcharge for spring semester 2010
  ▪ Postponing non-essential deferred maintenance/repairs
  ▪ Refocusing efforts, including program eliminations
  ▪ Permanent layoffs
  ▪ Selling non-essential assets

• Others (ARRA funds; redirection of higher than budgeted tuition revenue; program reductions)
Campus Involvement

- Invited and received input from individuals on/off campus
- Met with Campus Advisory Group
- Discussed budget reduction issue at two town hall meetings
- Held separate meetings with:
  - Northern Iowa Student Government leaders
  - Faculty Senate and United Faculty leaders
  - Professional and Scientific Council
  - Supervisory and Confidential Council leaders
  - State and local AFSCME leaders
  - Academic department heads
  - Deans
  - UNI Foundation and Alumni Association Boards
General Strategy for $8.8 million Reduction

- Special line-item units (e.g., IMSEP) will handle own 10% reductions ($0.4 million)
- Focus on both FY10 budget reduction and FY11 budget
- Focus on fairness of impact on employee groups
- Protect financial aid and increase need-based assistance
- Mix of Board of Regents’ suggested actions, centrally administered actions and unit-based management of permanent reductions
Strategies Proposed FY10-Permanent

- Use unbudgeted tuition revenue
  - FY10 budget based on enrollment of 12,700 (13,080)
  - Generates $2.7 million

- Reallocations
  - Permanent budget reductions across university
  - Generates $1 million
  - Could lead to layoffs

- Impact of both actions
  - $3.7 million or 44% of budget reduction
  - Helps address FY11 budget challenge
Strategies Proposed FY10-Temporary

• Redirect a portion of the ARRA funds
  ▪ Generates $1 million

• Temporary reduction in TIAA-CREF contributions
  ▪ From 10% of salary to 8%
  ▪ Generates about $1 million for FY10
Strategies Proposed FY10 (Continued)

- Temporary layoffs
  - FY10 application only
  - Graduated plan based on salary
  - Generates $1.8 million
  - All employee groups participate

- Tuition surcharge
  - $100 per full-time student for spring semester
  - Financial aid set-aside to be earmarked for resident, need-based awards
  - Generates $1 million
Strategies Proposed FY11

• Continuation of temporary reduction in TIAA-CREF contributions until June 30, 2011

• Parallel, on-going actions and plans
  ▪ Possibility of offering a revised ERIP
  ▪ Implementation of academic program review recommendations – termination and suspension of programs
  ▪ Implementation of cost-reduction and revenue-enhancement recommendations
## Summary for FY10

<table>
<thead>
<tr>
<th>BUDGET STRATEGIES</th>
<th>IMPACT</th>
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<tbody>
<tr>
<td>Use unbudgeted tuition revenue</td>
<td>$2.7M</td>
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<tr>
<td>Reallocations/permanent reductions</td>
<td>$1M</td>
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<td>Special line-item reductions</td>
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<tr>
<td><strong>TOTAL</strong></td>
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