

IOWA STATE UNIVERSITY

FY10 Budget Development

FY10 Key Budget Elements

\$38.3 million appropriations reduction, compared to initial FY09 appropriations

- Education: - \$38.82 million (-13.9%)
- Economic development: - \$268,354 (-8.9%)
- Agriculture (VDL): + \$750,268 (+34.7%)

\$9.3 million contractual and unavoidable cost increases

- Utilities, AFSCME compensation, other contractual obligations

\$22.5 million new tuition revenues

- 24.5% to student financial aid
- Remainder distributed to colleges based on enrollments

\$31.5 million American Recovery & Reinvestment Act funds

The FY10 General Funds Budget has been developed by:

1. Incorporating all of the appropriations changes, cost increases, and increases in tuition revenues into the FY10 base budgets of campus units
 - Nearly every campus unit experienced budget reductions, but in a highly differential manner
2. Backfilling some of those reductions with ARRA funds
 - Every unit leader fully understands that those are one-time funds that are not available after June 30, 2010

FY10 Education Appropriations

\$38.82 million reduction (13.94%)

	Allocated State Appropriations	% of Allocated Appropriations	Assigned Appropriations Reduction	% of Appropriations Reduction
Academic Colleges & Ag Experiment Station	\$200,714,854	72.08%	\$29,754,775	76.65%
ISU Extension	\$29,789,677	10.70%	\$4,150,000	10.70%
Research & Economic Development	\$17,245,209	6.19%	\$1,536,846	3.96%
President/Provost Areas	\$15,457,721	5.55%	\$2,458,819	6.33%
Business & Finance	\$10,457,059	3.76%	\$560,441	1.44%
Student Affairs	\$4,808,946	1.73%	\$354,691	0.91%
Total	\$278,473,466	100%	\$38,815,572	100%

Differential Budget Reductions

- **General:**
 - Emphasized maintenance of a high quality undergraduate experience
 - Maintained a strong focus on high-impact research directions
 - Applied larger reductions to administrative units with a focus on restructuring and reducing administration - e.g. Extension's restructuring plan
 - RMM budget model naturally directs resources to programs that attract and retain students and generate external funding
- **Colleges:**
 - Smaller reductions for Engineering, Agriculture & Life Sciences, Liberal Arts & Sciences, Veterinary Medicine
 - Larger reductions for Design, Business, and Human Sciences
- **Departments:**
 - Protected as much as possible our highest ranked departments
 - Highly differential reductions within colleges
 - Administrative departments and units sustained higher reductions than academic departments

Significant Changes

- **Restructuring of ISU Extension**
 - Will refocus services to Iowa citizens
- **Larger class sizes and reduced course offerings**
 - Could impact the educational experience
- **Increased faculty teaching assignments**
 - Less time for research ⇒ fewer discoveries & fewer problems solved
 - Less time for external engagement ⇒ reduced service to Iowans
 - Reduced need for graduate assistants ⇒ reduced graduate enrollment
- **Curricular changes**
 - Part-time Saturday MBA program will be eliminated
 - Remaining MBA programs will be restructured
 - three fewer specializations will be offered
 - Reduced elective course offerings

Significant Changes (cont.)

- **Fewer staff**
 - Less support for research, teaching, and administration
 - Increased faculty responsibilities
 - Reduced service to students, faculty, staff, and external constituents
- **Fewer faculty**
 - Reduced research coverage
 - Fewer grants and reduced external funding
 - Less interdisciplinary research
- **Fewer graduate assistants**
 - Will likely result in reduced graduate enrollment
 - Reduced training of the next generation of scholars
 - Impacts ISU's international reputation

Significant Changes (cont.)

- **More and higher fees will be charged for services**
 - International visitors, post docs, and scholars
 - Faculty use of research facilities
 - Departments for design and engineering work
- **Reduced external visibility**
 - Many publications are being eliminated or reduced in frequency
 - Reduced marketing and promotion
 - Less frequent updating of websites

Priorities for Using ARRA Funds

\$31.5 million for FY10

- Protect our educational programs
 - Ensure sufficient course offerings to keep students on the path to graduation
 - Key student support services
- Protect jobs as much as possible
 - Some positions will be lost because many changes must still occur
- Continue key program areas while we search for replacement funding
 - External funds – grants, contracts, private funds
 - Recovery in Iowa's economy
- Must ensure that investments do not result in unsustainable continuing commitments after the ARRA funding expires

Iowa State University

FY2010 Budget Projections

Allocated Budget Cuts	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	FY2010 Budget TOTAL
Academic	-\$29,754,775	-	-	-	-\$29,754,774
Extension	-4,150,000	-	-	-	-4,150,000
Research & Economic Development	-1,536,846	-	-	-	-1,536,846
President/Provost	-2,458,819	-	-	-	-2,458,819
Business & Finance	-560,441	-	-	-	-560,441
Student Affairs	-354,691	-	-	-	-354,692
Projected Reductions per Quarter	-\$38,815,572	-	-	-	-\$38,815,572

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	FY2010 TOTAL
General Fund (All general fund units)	\$149,253,704	\$91,379,819	\$137,577,394	\$129,454,743	\$507,665,660
Stimulus Funding	6,594,072	8,623,948	8,864,609	7,513,323	31,595,952
TOTALS	\$155,847,776	\$100,003,767	\$146,442,003	\$136,968,066	\$539,261,612

Iowa State University

Estimated Spending - ARRA Funding

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	ARRA TOTAL
<u>Instruction</u>					
Transition for layoffs, retirements	\$1,020,444	\$751,407	\$1,124,312	\$885,079	\$3,781,242
Transition to future revenue stream	907,345	997,184	1,278,029	853,650	4,036,208
Transition to modified course configurations	603,400	369,429	556,195	523,357	2,052,381
Transition to reduced funding levels	1,333,628	816,507	1,229,297	1,156,719	4,536,151
<u>Student Services</u>					
Financial aid/assistantships	478,793	293,138	441,336	415,279	1,628,546
Temporarily continue services	137,739	84,330	126,964	119,468	468,501
Transition to reduced service levels	19,110	55,700	61,615	16,575	153,000
<u>Extension</u>					
Transition for restructuring, layoffs, retirements	1,685,000	1,685,000	0	0	3,370,000
<u>Research/Outreach</u>					
Compliance with ARRA funds	32,928	20,160	30,352	28,560	112,000
Transition to reduced funding levels	44,100	27,000	40,650	38,250	150,000
<u>Administrative</u>					
Transition for layoffs, retirements	116,971	71,615	459,905	101,455	749,946
Transition to future revenue stream	130,028	152,160	196,002	66,810	545,000
Accounting for ARRA funds	25,196	22,926	30,725	21,854	100,701
Transition to reduced service levels	59,390	38,300	50,135	47,175	195,000
Projected Educational Infrastructure	0	3,239,092	3,239,092	3,239,092	9,717,276
Stimulus Funding	\$6,594,072	\$8,623,948	\$8,864,609	\$7,513,323	\$31,595,952