FY2010 Budget Plan

Benjamin Allen
President
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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-Temporary (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
<table>
<thead>
<tr>
<th>BUDGET STRATEGIES</th>
<th>IMPACT</th>
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<tbody>
<tr>
<td>Use unbudgeted tuition revenue</td>
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<td>Reallocations/permanent reductions</td>
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<td>Redirect a portion of the ARRA funds</td>
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<td>Tuition surcharge</td>
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<tr>
<td><strong>TOTAL</strong></td>
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