

## FY 2013 Budget Development Instructions

We know we have to deal with the \$11 million in State Share of Instruction reduction. We made a conscious decision to address the loss of ARRA funding over a two year period rather than all in FY12. For FY13 we are faced with the following:

- The reduction in State Share of Instruction of approximately \$11 million (\$7.9M carried over one-time from FY11 into FY12 and an additional reduction of \$3M from the state for FY13).
- Potential FY12 tuition shortfall carryover to FY13 of \$5 million
- Increases in inflation on all other expenses of \$4 million

Thus, we are likely looking at a \$15 to \$20 million shortfall that requires either increased revenue or lower expenses. We know these will change and we will be constantly monitoring them. It is our desire to focus on revenue enhancement.

The Provost and Chancellor have asked the Budget Office to begin a discovery process by asking every area to review all of their university funds (general, designated, auxiliary, and capital) with the intent of providing the following information:

- What are the contributions to revenue provided by the index and what has been their trend over the past 3 years? Are there revenue enhancement opportunities?
- What is the primary purpose of the index?
- Who is paid from the index? (brief job description for each position type)
- How does this activity tie to the strategic plan of the university?
- Describe what other expenses are spent from this index, i.e., travel – types of trips, why required versus teleconference; other operating – do you use one of the Ricoh copiers (MFD) or do you have your own fax machine, copier, or printer; etc.

Discovery sessions will be held with each area to review this information. The purpose of this exercise is to ensure that senior leadership understands every area: its purpose as well as its size and scope.

You will be contacted to schedule the discovery session. The information noted above will be provided to the Budget Office a week before the scheduled meeting.

The sessions will include department chairs or directors/managers (as appropriate). Vice Presidents and Deans will be invited to these sessions but the discussions will be at a detail level that will require the people involved in the day-to-day activities.

Attached to this document is a template to be used for this exercise. We have tried to keep the templates as simple as possible and have included examples of how they should be filled out.

The timeline for the development of the 2013 operating budget is as follows:

	<b>Date</b>
University issues first budget development guidelines	October 24
Discussion sessions held with Department Chair/Director/Manager	Nov 1 - Dec 15
Additional budget development guidelines issued	December 16
Departments/Central committee work on budget development	Dec 17 - Jan 27
Presentation for budget hearings due to Budget Office	January 30
Budget hearings occur	Mar. 1 – Mar. 15
Budget Office puts President's decisions into Budget Development Tool	March 15 - 22
Budgetary units reallocate dollars in the Budget Development Tool	March 22-April 24
Proposed budget referred to the Finance & Strategy Committee for input	April 27
President recommends operating budget to BOT Finance Committee	May 7*
Board of Trustees approves the operating budget	May 17
Approved budget loaded into the Banner system by the Budget Office	June 30

\* Or other time convenient to the BOT Finance Committee

**EXAMPLE DISCOVERY SESSION INFORMATION TEMPLATE**

<b>Employees</b>	<b>Purpose of Area</b>	<b>Tie in with Strategic Plan</b>
McBride, Joyce, Director	Preparation of University's academic operating budget (Includes general, designated, and auxiliary funds)	Assist the University in achieving its overarching strategic goals by helping
4 budget analysts	Provide analytical support for planning and decision making	to ensure the financial viability of the
1/2 time student worker	Maintain Position Control function for the University Monitor budget versus actuals for major categories Enforce budgetary policies for the University Process budget amendments as well as budget transfers	organization

**Revenue**

No revenue is generated through this office

**Operating Budget**

**Planned Usage**

Supplies	purchases used in support of normal office activities (paper, pens, etc.)
Travel	No travel planned. Will be used if necessary for trips to IUC meetings
Info/Communication	Printing costs mostly associated with budget preparation

**Helpful Statistics**

Indexes used in FY11: 428 general fund  
599 designated fund  
104 auxiliaries

In FY11 budget office staff processed:  
Over 2500 position forms in the past year  
208 budget amendments  
approx. 1600 budget transfers