



**INDIANA UNIVERSITY**  
SOUTH BEND



# Coffee with the Chancellor

December 16, 2021

# Campus Budget Update



# **Trends and Current State**

# Base Budget versus Cash

## **Base Budget:**

Permanent funding sources. For example, funds from tuition and state appropriations.

## **Cash:**

One-time funding. For example, Federal HEERF Funds.

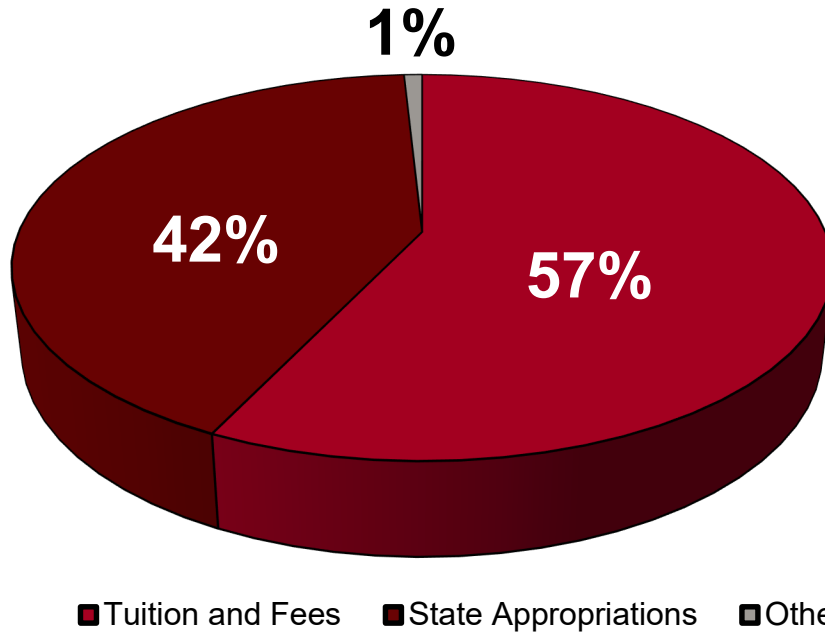
## **Fiscal Year:**

The time period between July 1 and June 30 of the following year. FY22 refers to the time period of July 1, 2021 to June 30, 2022.



# FY22 Base Budget Sources

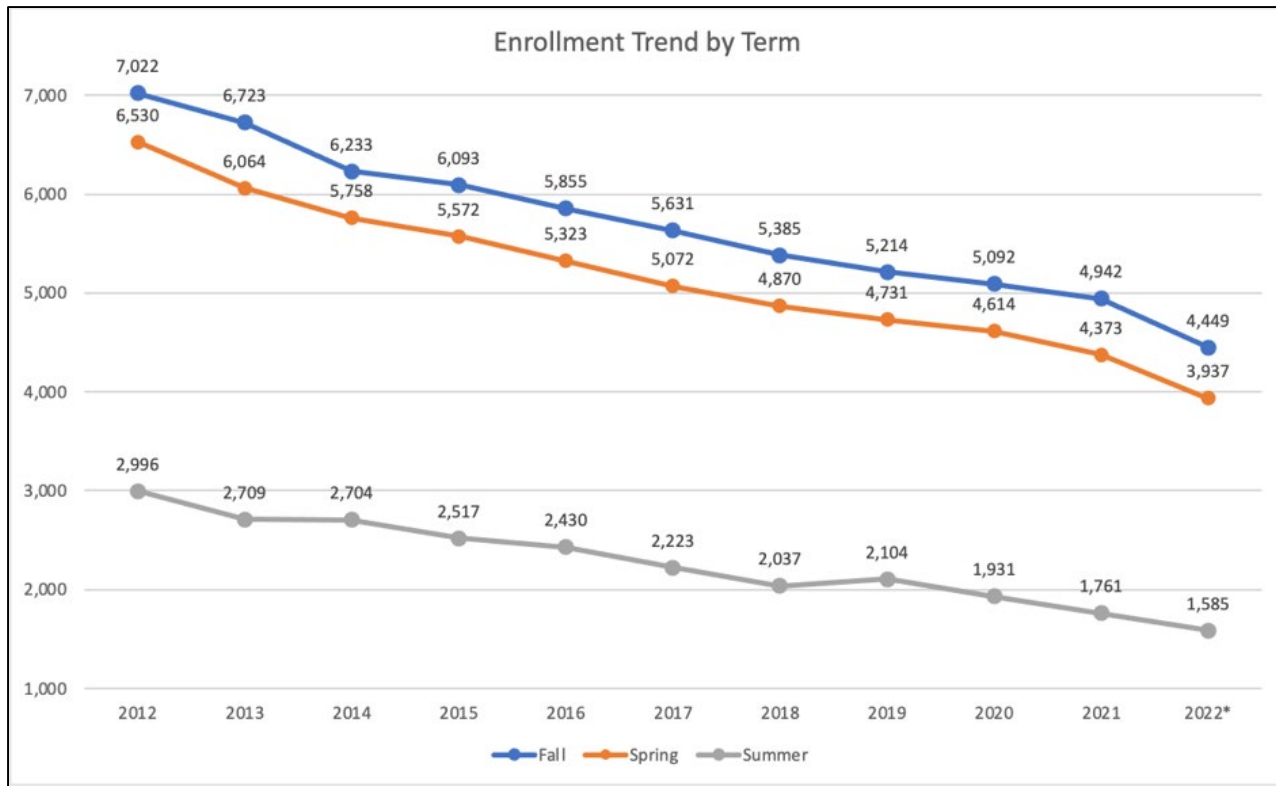
## FY22 Base Budget Sources



**Total Base  
Budget for FY22  
is \$62.6 Million**



# Enrollment Trends



\*FY2022 contains 10% decline projections for Spring and Summer that mirror the Fall decline



# Enrollment and Employment Trends

	FY12 (Fall 2011)	FY22 (Fall 2021)	Change
Enrollment	7,022	4,449	-36.6%
Credit Hours	74,806	51,795.5	-30.7%
Employee	847	669	-21%



# Fall Enrollment Projections

	FY23	FY24	FY25	FY26	FY27
Headcount	4,205	4,108	4,076	4,113	4,118
Credits	49,144	47,920	47,586	48,040	48,106





# Estimated Revenue Shortfall

## Estimated revenue shortfall due to enrollment decline:

- **FY22** \$1,200,000
- **FY23** \$2,300,000\*

<b>Total</b> over next 18 months	<b>\$3,500,000</b>
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\*Includes estimate of uncontrollable & policy-mandated increases

**Range of Additional Unbudgeted\* Expenses:** \$2,925,000 - \$3,425,000

\*Unbudgeted – cash funded, not included in base budget allocations



# Budget Management Tools

# Revenue Generation

## Short & Long Term Tools

- Enrollment and Retention
- Fundraising
- Continuing Education
- Summer Programming

## Longer Term Tools

- Academic Portfolio Optimization
- Differential Tuition Rates
- Utilizing Real Estate Assets
- External Partnerships



# Expense Reduction

## Short & Long Term Tools

- Reduction of Faculty and Staff FTE
  - Workload Reduction
  - Retirements
- Outsourcing of Services
- Efficiencies (e.g., LEAN)
- New Fiscal Controls
- Spend down accumulated savings in selected 23 accounts

## Longer Term Tools

- Reduction of Faculty and Staff FTE
  - Shared Services
  - Increased Teaching Productivity
  - Academic Portfolio Optimization
- Organizational Structure Redesign
- Process Redesign
- Review of Existing Contracts



# **Additional Considerations**

# 1% Compensation Pool

## Available Options for 1% Compensation Pool

- Put it towards balancing the budget
- Reserve for possible compensation increase in FY23
- Apply to extraordinary equity needs
- Apply to retention needs



# \$1M Unallocated\* Base Funding

**\$1M base funding from returned state appropriation (last year)**

- Utilize some portion to address revenue shortfall
- Maintain as contingency\* funding

\*Unallocated – unassigned to particular expenses, RCs or units

\*Contingency – may be used for unanticipated base funding expenses



# Next Steps



# FY22 Budget Adjustment Process

- Vice Chancellors will work with the deans, directors, other campus leaders to identify areas of revenue growth and reductions to meet overall campus target of \$53,980,000.
- Collaboration and communication will need to occur across budgetary units to reach campus target.
- CBAC will continue to hear updates on FY22 budget adjustments.
- Chancellor approval - March 1.



# FY23 Budget Construction Process

- Vice Chancellors will work with the deans, directors, other campus leaders to create FY23 budgets that meet overall campus target, also beginning to address unbudgeted expenses.
- CBAC will receive updates on budget construction process and will need to communicate to constituents during this process.
- Chancellor approval - April 1.



# Unbudgeted Expenses Process

- This is going to be a more challenging imperative and likely will require a multi-year plan to address.
- The magnitude of this will depend on how well we manage the projected revenue shortfalls, leverage revenue growth opportunities and successfully stabilize our financial position.
- Chancellor approval of a plan - June 1.



**Questions?**