



Idaho State
University

Office of Advancement FY 2021 Budget Summary

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Overview

- Office of Advancement budget is \$2.2M covering:
 - \$1.95M in salaries, or 78% of total university expense for advancement personnel
 - \$250K in operating expense covering a minority fraction of overall university advancement expense including homecoming, I love ISU and other outreach
- Total university spend on Advancement activity is significantly higher
 - Includes \$550K in salaries embedded in units
 - Unknown dollar amount embedded in units in operating expense covering a majority fraction of overall university advancement expense including awards, events, travel, communications, and other outreach
- Total university spend on advancement activity in the \$4M+ range with final figures tbd

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Budget and Planning Strategy

Step 1: Follow budget guidelines and reduce \$2.2M base in 4%-6% range plus one-time savings equal to 7% for a total reduction in 12% range

Step 2: Complete cost assessment process for overall university spend on Advancement activity (April 2020)

Step 3: Use aggregate, university-wide number to build new, stronger and centralized advancement function for launch in FY21

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Value Proposition

- Create functionality that either does not exist or currently under-performs: Donor pipeline development, planned giving, corporation and foundation engagement and more
- Design and implement best in class standards for a range of advancement functions: Case-building and prioritization, prospect management, CRM, donor stewardship and more
- Redirect Development Officers toward more pure development and donor engagement and less event management and special projects
- Establish foundation to create substantial case for private support for ISU, i.e. \$200M range over 10-year timeframe

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FY 2021 Budget Reduction

- Eliminate AVP for Advancement and distribute any remaining salary from this line back into Advancement function
- On an \$2.2M base:
 - 4% = \$88K
 - 5% = \$110K
 - 6% = \$132K
- Any of these amounts can be funded by existing line for AVP
- An additional \$150K will be realized by phasing in hiring for six open advancement positions

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Impact

- Reduced investment in the Advancement function means **increased reliance** on state funding and **reduced opportunity** to advance key initiatives across the board
- ISU running rate for money raised is in \$8M - \$10M range, or in the 3% - 4% of overall university operating budget
- Benchmark for fundraising is the 6% - 10% range of overall university operating budget
- In other words, ISU is leaving millions of dollars on the table.

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Opportunity Costs

Student recruitment and retention

- Enhanced student acceptance, yield, and retention rates. Current endowment generates just \$2.5M in spendable scholarship money

Identity and culture

- Shared understanding of institutional vision, strengthened university brand, and stronger community of support

Relationships

- Significant buy-in and support from individual and institutional partners and benefactors

Efficiencies and effectiveness

- High-performing advancement organization
- New investment in capital and technology for high demand academic programs
- Endowed chairs

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Summary

FY2020 Budget	\$ 2.22M	
FY2020 Year End Estimate	\$ 1.35M	
Initial Proposed Budget	\$ 2.2M	Even
Proposed Reductions	\$ 110K perm + \$150K 1-time	- 5% - 7%
Requested Additions	\$ 0	

Personnel and Direct Expenditures, excluding research/grant funds, CapX and transfers.

In FY 2020:

- Advancement will contribute 23% of its budget to institutional savings
- Finalize university wide cost assessment and design new organization based on aggregate number

In FY 2021:

- Realize \$260K in savings, or 12% of overall budget
- Reframe advancement budget to reflect overall ISU spend
- Deliver a stronger advancement organization for less overall university expenditure

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Questions?

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