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# Finance & Business Affairs FY2021 Budget Summary

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# Finance and Business Affairs Units

Unit	FY2021 Initial Proposed Budget*	4% Reduction Amount	5% Reduction Amount	6% Reduction Amount
CFO (Budget, Controller, HR EH&S, Public Safety, Transportation)*	13,609,618	544,000	680,000	817,000
Facilities	20,719,123	829,000	1,036,000	1,243,000
Information Technology	9,142,084	366,000	457,000	549,000
<b>Total</b>	<b>\$43,470,825</b>	<b>\$1,739,000</b>	<b>\$2,173,000</b>	<b>\$2,609,000</b>

\* Adjusted up to include \$2.0 Million UBO function



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# Overview

- **We approached this exercise from a holistic perspective. Rather than focusing on a 4%, 5% or 6% cut, we examined as many structures and processes as possible to identify opportunities for savings. This resulted in:**
  - Changes in management structure(s)
  - Speeding up process improvements to realize efficiencies
  - The identification of a group of budget adjustments that the leadership team felt were attainable without degrading service quality
  - Rebalancing of resources within the division
  - Some units were cut more than others
  - The entire amount of our recommended permanent budget adjustment of \$2.61 million slightly exceeds 6% and can all be realized in year one.

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# Budget Savings Goals

## FINANCE AND BUSINESS AFFAIRS

<b>Initial Proposed Budget</b>	<b>\$43,470,825</b>
4% Reduction	\$1,739,000
5% Reduction	\$2,173,000
6% Reduction	\$2,609,000
<b>Proposed Reduction</b>	<b>\$2,616,126</b>
Personnel	\$1,827,907
Operations	\$748,269
Revenue	\$39,950

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# FY2021 Budget Savings

## Proposed Personnel Savings

	Item/Activity	Amount	Notes
A	Reorganization - Leadership	\$ 448,235	Restructure Controller Pay Line  Eliminate: (1 vacancy) 1 AVP 2 Directors/Assistant Controllers
B	Reorganization - Mid-level	\$ 624,402	Eliminate: (5 vacancies) 1 HR Consultant 2 Senior Accountants 4 Managers
C	Efficiencies	\$ 644,445	Eliminate: (6 Vacancies) 13 Positions across the division 3 Non-classified 10 Classified
D	UBO Organization	\$ 50,644	Eliminate: (1 vacancy) 1 Financial Technician
E	Part-time	\$ 40,181	Reduce part time help by \$40,181 Across the division
	<b>FY21 Personnel Savings</b>	<b>\$ 1,827,907</b>	Eliminate 24 Positions (13 Vacancies)



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# FY2021 Budget Savings

## Proposed Operations Savings

	Item/Activity	Amount	Notes
F	Contracts, Contingencies, etc	\$ 296,269	Reduce Internet Redundancy \$160,000 Various Contingencies \$118,673 Cancel Ellucian not used \$17,596
G	Reduce Project Expenditures	\$ 265,000	Reclassify expense to capital
H	Reduce Utility Budget	\$ 90,000	Eliminate Contingency, assume same usage as past 3 years
I	Reduce Set Point By 1 Degree	\$ 48,000	In buildings controlled by facilities
J	Close Dowling Building	\$ 25,000	Take Dowling Off line
K	Terminate Hoff Building Lease	<u>\$ 24,000</u>	Terminated on 4/30/20
	<b>FY21 Operating Expense Savings</b>	<b>\$ 748,269</b>	
L	Energy Upgrade Rebates	<u>\$ 39,950</u>	Increased Revenue
	<b>FY 21 Total Net Savings</b>	<b>\$ 2,616,126</b>	Includes Increased Revenue

\$2,616,126 is \$ 7,126 over the 6% target

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# FY2022 Budget Savings

## Proposed Operations Savings

	Item/Activity	Amount	Notes
	All savings begin in FY 21		



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# Impacts to Students

- We do not anticipate a drop in service levels to students.
- Decreasing our part time workforce may provide fewer student jobs or hours. This is a hidden cost not captured in our discount rate.

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# Impacts to Programs & Faculty

- We anticipate positive impacts to faculty as we implement more processes using technology such as DocuSign to reduce amount of cycle time of many processes.
- Losing a mid-level manager/consultant in HR will add workload to the remainder of the team and may slow down investigations and response time.
- Decreasing custodial services personnel and adding more space at the Eames Complex may cause a decrease in service levels.

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# FY2021 Budget Requests

- ~~• An HR Specialist to lead searches and reduce the dependence on outside consultants.~~
- ~~• Increased custodial staff~~
- No requests

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# Summary

Initial Proposed Budget	\$ 43,470,825	
Proposed Reductions (recommended)	\$ 2,616,126	6.02%
Additional Possible Reductions (if required)	\$	
Requested Additions	\$ 0	

- 100% of the proposed permanent budget reduction will be realized in the first year
- Additional savings may occur through attrition in the UBO organization in FY 21, 22 or 23 ( \$200,000 +)
- The appropriate level of investment for the university IT may change upon completion of the “data” charter
- We have 17 vacant positions - 13 were eliminated, 4 are on hold
- We propose eliminating 11 currently filled positions
- One time savings associated vacant positions and normal turnover will add additional savings

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