



**Idaho State
University**

Budget Overview

FISCAL YEARS 2021 AND 2022

ROAR

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Guiding Principles

Idaho State University is a public research-based institution that advances scholarly and creative endeavors through academic instruction, and the creation of new knowledge, research, and artistic works. Idaho State provides leadership in the health professions, biomedical, and pharmaceutical sciences, as well as serving the region and the nation through its environmental science and energy programs. The University provides access to its regional and rural communities through delivery of preeminent technical, undergraduate, graduate, professional, and interdisciplinary education. The University fosters a culture of diversity, and engages and impacts its communities through partnerships and services.

Four Pillars of Idaho State University

All budget and planning efforts align with Idaho State University’s current strategic plan. The current strategic plan touches on the four strategies listed below for advancing and enhancing the University. All budget reduction efforts and areas for new investment need to be guided by, and be designed to further, these four strategies.

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|--|--|
| <p>Recruitment and Retention Promote Idaho State University and create an environment that attracts students, while identifying and addressing barriers to retention.</p> | <p>Identity and Culture Develop and define an institutional identity and vision for all campus locations that improves workplace culture and promotes a student and mission-centric approach.</p> |
| <p>Focus on Relationships Build strong relationships with faculty, staff, students, community and industry.</p> | <p>Efficiencies and Effectiveness Address problematic systems, processes, policies, and physical infrastructure.</p> |

Staying True to Our Mission

- Resources have been prioritized to support and enhance student success, including recruitment and access, retention, persistence, transfer ease, and timely completion of degree.
- Idaho State will continue to place the quality of academic programs, both at the graduate and undergraduate level as the highest priority. Idaho State's most enduring legacy is its graduates who use their education to better their lives, our state, and the world.
- The University will maintain or enhance excellence in research, scholarship, and creative activity which contributes to the state's economy and enriches society.
- The University will preserve its statewide presence, reaching communities across Idaho through educational and cultural opportunities, and clinical services.

Essential to Our Core

- Idaho State will strive to attract and retain high-quality employees who contribute to a diverse campus community.
- The safety, health, and well-being of students, faculty, staff, and visitors will not be compromised.
- The University will continue to comply with all applicable state and federal laws.
- The ability of the University to perform essential operations and maintenance of the physical plant will continue.

Cost Savings and Revenue Enhancing Opportunities

- The University implemented a strategic hiring and personnel action freeze in March 2020. As positions become available, searches will not immediately be launched. Open positions will require approval from the Administrative Council (and potentially the State of Idaho) to initiate the hiring process.
- As the University works to address reductions in state funding, Idaho State will support revenue growth through enrollment in high-demand programs.
- The University will also increase private support and explore entrepreneurial opportunities to diversify and grow other revenue streams.
- Idaho State will emphasize cost savings by making the University's operations more efficient and mission-focused.

Scope of the Budget Situation

- Idaho State University came into the current fiscal year with a \$6 million structural deficit, driven by multi-year enrollment declines. As shared with the State Board of Education, the University's plan was to use reserves in FY2020 and the ensuing years as it strategically developed a sustainable budget model.
- During the course of FY2020, the University's deficit worsened through a combination of additional enrollment declines, a 2% rescission of state funding, and the unprecedented COVID-19 pandemic.
- Idaho State's structural deficit going into FY2021 is \$11.7 million, as illustrated below.

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|---------------------------|------------------|
| FY2020 Structural Deficit | \$ 6.7 M |
| Revenue Shortfall | \$ 3 M |
| State Rescission | \$ 2 M |
| Total | \$ 11.7 M |

- In addition to the structural deficit, the University is facing additional budget challenges going into FY2021, including an additional \$5M rescission from the State of Idaho and yet to be determined enrollment and event revenue impacts from COVID-19.

| | |
|-------------------------------|--------------------|
| Structural Deficit | \$ 11.7 M |
| Additional State Rescission | \$ 5 M |
| Enrollment/Revenue Losses | TBD |
| COVID-19 Related Expenses | TBD |
| FY 2021 Budget Deficit | ~ \$ 16.7 M |

- Although the University can continue to use reserves as part of a comprehensive multi-year budget strategy, it is compelled to demonstrate substantive progress towards achieving a balanced budget. In other words, the FY2021 budget needs to be balanced with significantly less than \$6 M of one-time reserve use.

Process

- The University is committed to transparency in dealing in all aspects of budget planning and development, and has provided ongoing communications and engagement with the University community. All budget-related information, including unit reductions and proposals, is available at isu.edu/budget.
- In December 2019, President Satterlee asked the entire University community to share ideas for increased revenue, efficiencies, and expenditure reductions. More than 300 ideas were submitted and evaluated by Leadership Council and incorporated into the FY2021 budget development process.
- In March 2020, all units of the University were tasked with developing budget balancing scenarios to achieve 4%, 5%, and 6% savings from their expenditure base. Units were asked to explore all options, with a strategic focus on minimizing and mitigating impacts to student success, enrollment, retention, and academic quality.
- Units were also asked to provide recommendations for investments deemed essential for supporting the University's strategic goals and priorities.
- Leadership Council discussed and reviewed reduction proposals and strategic investment options in April 2020, and forwarded a set of recommendations to Admin Council for analysis and final allocation.
- In June 2020, Idaho State University's budget will be submitted to the State Board of Education for approval.

Budget Balancing Plan: Fiscal Years 2021 and 2022

Some budgetary actions require a one-year lead time to realize the impact. Some employee classifications require a one-year notice of non-renewal. Other savings strategies and generation of new revenues may also require a two-year period of implementation.

Budget Reductions Needed to Balance the Budget: Fiscal Year 2021

- 1. Elimination of 61 vacant positions (26 non-classified, 19 faculty, and 16 classified)**
 - Savings of \$3,832,500 in FY 21
 - Savings of an additional \$714,834 in FY 22

- 2. Elimination of 33 positions (17 non-classified, 8 faculty, and 8 classified)**
 - Savings of \$1,723,929 in FY 21
 - Savings of an additional \$492,567 in FY 22

- 3. Decrease in part-time employees, including adjunct faculty**
 - Savings of \$852,613 in FY 21
 - Savings of an additional \$54,537 in FY 22

- 4. Salary savings through vacant positions and employee turnover**
 - Savings of \$2,750,000 in FY 21

- 5. Decrease operating expense budgets**
 - Savings of \$3,439,621 in FY 21
 - Savings of an additional \$185,774 in FY 22

- 6. Increased revenues associated with new or expanded health sciences programs**
 - New revenue of \$374,489 in FY 21
 - New additional revenue of \$108,137 in FY 22

- 7. Strategic investments of \$1,759,067**
 - Permanent investment of \$604,267 yielding an expected revenue increase of \$1,270,130 (FY22)
 - Permanent investment of \$435,300 in student success initiatives
 - One time investment in student recruitment and retention initiatives of \$719,500 in FY21

- 8. One-time sources of funding**
 - Employee furloughs resulting in one-time savings of \$2,066,104 in FY 21
 - Planned use of reserves in FY21 of \$283,896
 - Planned use of reserves in FY22 is \$0

- **Unknown COVID-19 Impacts**
 - Loss of revenue/increased costs are estimated at \$3 million
 - Loss of tuition revenue is unknown
 - CARES Act funding is \$3.5 million

Budget Balancing Summary: Fiscal Years 2021 and 2022

Permanent Budget Savings

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|---------------------------------------|----------------------|
| Vacant Positions | \$ 4,547,334 |
| Filled Positions | \$ 2,216,496 |
| Irregular/Temporary Expenditures | \$ 907,150 |
| Operating Expenditures | \$ 3,625,395 |
| New Revenues | \$ 482,626 |
| Total Permanent Budget Savings | \$ 11,779,001 |

One-Time Budget Savings: FY 2021

| | |
|--------------------------------------|---------------------|
| Salary Savings | \$ 2,750,000 |
| Employee Furlough Program | \$ 2,000,000 |
| Total One-Time Budget Savings | \$ 4,750,000 |

Savings by Division

| | | |
|---|----------------------|---------------------|
| Academic Affairs | \$ 3,833,896 | 4.8% reduction |
| Kasiska Division of Health Sciences | \$ 2,119,252 | 4.8% reduction |
| Office for Research | \$ 376,336 | 5.8% reduction |
| Athletics | \$ 326,065 | 4.1% reduction |
| Student Affairs and Enrollment Management | \$ 1,259,215 | 4.0% reduction |
| University Advancement | \$ 128,420 | 6.0% reduction |
| Finance and Business Affairs | \$ 2,876,126 | 6.6% reduction |
| Office of the President | \$ 859,690 | 13.4% reduction |
| Total Budget Savings | \$ 11,779,001 | 6.2% average |

Savings by Employee Group

| | | |
|----------------------|--------------|----------------|
| Classified Staff | \$ 1,131,972 | 3.8% reduction |
| Non-Classified Staff | \$ 3,345,245 | 6.7% reduction |
| Faculty | \$ 2,286,613 | 3.3% reduction |

Strategic Investments

| | | |
|----------------------------|---|---------------------|
| Ongoing Investments | Graduate Assistantships (10) – beginning FY2022 | \$ 244,000 |
| | Occupational Therapy Faculty (2) | \$ 117,686 |
| | Accelerated Nursing Faculty (2) | \$ 172,944 |
| | Clinical Nursing Faculty – Twin Falls BSN | \$ 60,750 |
| | Anatomist – Meridian | \$ 24,000 |
| | Counselor | \$ 91,170 |
| | Disability Services Adaptive Coordinator | \$ 76,967 |
| | Academic Advising Data Analyst | \$ 60,750 |
| | Purchase of Student Communications System | \$ 152,300 |
| | Athletics Drug Testing Protocol | \$ 4,000 |
| | Library Subscriptions | \$ 135,000 |
| | Total | \$ 1,039,567 |

| | | |
|-----------------------------|--------------------------------------|------------|
| One-Time Investments | Statewide Marketing Campaign | \$ 650,000 |
| | Student Communications System Set Up | \$ 69,500 |
| Total | \$ 719,500 | |

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|-------------------------------------|---------------------|
| New Revenue from Investments | \$ 1,270,130 |
|-------------------------------------|---------------------|

Looking Ahead

Idaho State is well positioned to grow enrollment, increase retention, and continue its 120-year legacy of bettering lives. In the coming year, the University will continue efforts to develop and finalize a 10-year strategic plan. The process to develop Idaho State's strategic plan will be inclusive and transparent, seeking input from the campus community, relying on faculty and staff to guide the outcomes, and requesting stakeholder feedback at every step. Also, over the next two years, the University will continue to review programs for increased efficiencies and strategically invest in opportunities that will support students, who are at the center of Idaho State's mission.