

## Background

In December 2019, President Satterlee asked members of Leadership Council to identify initial ideas for realizing expenditure reductions through a review of position vacancies, salary savings, deferred purchases, and other means that create the least detrimental impact to students, enrollment, programs, and services. This generated approximately \$3 million in one-time savings opportunities for the current fiscal year, which will help offset enrollment-related revenue losses and a 1% rescission in our state appropriation.

President Satterlee then expanded this exercise to the campus community by creating an online form to gather ideas for expense reductions, efficiencies, and increased revenue in support of long-term budget balancing. More than 320 ideas were submitted from across the university.

This collaborative budgetary endeavor became even more valuable in early spring 2020, when the financial impacts of the COVID-19 pandemic came to light and the state signaled an additional 5% rescission.

## Review and Implementation

In January 2020, Leadership Council developed a process for reviewing and prioritizing balancing ideas in alignment with ISU strategic priorities and the FY2021 budget development process. Ideas were organized into broad themes of **expense reductions, efficiencies, increased revenue, and university-wide policy and procedure**. Unit-specific ideas were referred to Deans and Directors, while larger, university-wide ideas were assigned an Administrative Council lead to coordinate analysis and review.

## FY2021 Impact

More than \$10 million in recurring budget savings and an additional \$4.75 million in one-time savings were reflected in the FY2021 budget recommended by Leadership Council, then approved by Administrative Council and the State Board of Education. The following table shows the ideas from the campus community that were implemented as part of the FY2021 budget. An overview of the comprehensive budget balancing plan is published online in the [FY2021-2022 Budget Overview Report](#).

Expense Reductions & Efficiencies	\$9.8 million
Restructuring	Academic Affairs Kasiska Division of Health Sciences Finance and Business Affairs University Advancement President’s Office
Operating and Travel	Reductions across all units Energy and utility savings Decommission underutilized buildings
Staffing	Reductions across all units, including vacancies, non-renewals, and irregular
Efficiencies	Many of the restructuring and staffing reductions will be achieved through process efficiencies and increased coordination and collaboration between departments

**FY2021 Impact (continued)**

<b>Increased Revenue</b>	<b>\$.5 million+ (over two years)</b>
Program Expansion	Health Sciences programs and certificates College of Education programs

<b>Strategic Investment</b>	<b>\$.5 million+ (over two years)</b>
Marketing and Recruitment	Continued strategic investment in marketing campaign Continued investment in student outreach and engagement

<b>University-Wide Policy and Procedure</b>	<b>\$4.75 million (one-time FY2021 only)</b>
Furloughs	One-time, staggered furlough program implemented for FY2021
Salary Savings	One-time centralization of salary savings in FY2021

Early retirement programs for faculty and staff were discussed by Leadership and Admin Councils in Spring 2020. Based upon analysis and feedback from peer institutions, it was determined that these will not move forward at this time as a budget balancing measure for ISU.

**Future Impact**

While many of the ideas submitted through the budget savings exercise were implemented in the FY2021 budget development process, others require additional time for collaborative analysis and review. The following ideas are in various stages of feasibility review, analysis, and/or planning for future implementation.

- Program Health & Sustainability framework
- New ISU Financial/Budget Model
- Tuition, fees, and discounts review
- Faculty workload review
- Cell phone policy review
- Motor fleet review
- Contracts and purchasing review
- Expanded internal and external partnerships

In closing, budget savings ideas collected through this collaborative process generated robust dialogue and resulted in substantive progress toward eliminating ISU’s budget deficit. The Office of Budget, Planning and Analysis continues to welcome feedback, suggestions, and ideas from the campus community through an [online Google form](#).