IEAC Steering Committee
CFO Presentation
9/27/2016

Request for a Finance Subcommittee

2018 Budget Process

2017 vs. 2018 Budget Estimates
Finance Subcommittee

• Role: Support the IEAC Steering Committee with financial information/analysis concerning the Budget process and Operations

• Assist Steering Committee in development of targets

• Support Steering & Subcommittees in development of proposals and fiscal impact

• Quantify proposed actions & validate budget assumptions by the Subcommittees
Finance Subcommittee

• Coordinate & Review Revenue Fee Proposals
  – Tuition, Professional Fees, Class Fees, Activity Fees
• Membership: CFO, AVP Budget Officer, Controller, Assist Controller Financial Reporting, University Business Officers, Human Resource Director, AVP for Finance & Admin, Faculty reps (2), ASISU Finance VP
Finance Subcommittee

- Today’s Action: Requesting approval of the creation of a Finance committee as a support team to the committees of the IEAC
2018 Budget Process

• Subcommittee Role

• Steering Committee Role

• Budget Overview
Subcommittee Role

• Focus on the content area of their individual Core Theme or responsibility
  – Core Theme 1: Learning & Discovery
  – Core Theme 2: Access & Opportunity
  – Core Theme 3: Leadership in the Health Sciences
  – Core Theme 4: Community Engagement & Impact
  – Technology
  – Facilities
Subcommittee Role

• Assure that the initiatives of each subcommittee are aligned with the ISU Strategic Plan

• Prioritization

• Key Responsibility: Develop budget recommendations for consideration to be incorporated in the budget. Provide these to the respective Vice President
IEAC Steering Committee Role

• Review recommendations of Subcommittees
• Prioritize recommendations
• Allocation of resources
• Set targets for budget reallocations, reductions, new initiatives or programmatic changes
• Consolidate and make final budget recommendations to the President
Budget Overview

• Historical Review by Finance Subcommittee
  – Enrollment 10th Day
  – Revenue & Expense Projections
  – Prior Year Financial Performance Analysis by Area

• All Subcommittees Summary of Work
  – Assure Alignment to the Strategic Plan/Direction
  – Prioritization of projects/initiatives
  – Recommendations to incorporate into the budget given to respective VP’s
Budget Overview

• Steering Committee
  – Review recommendations of subcommittees
  – Determines basic assumptions for the budget
  – Makes university wide prioritizations
  – Sets directional targets for the Vice Presidents

• Vice Presidents communicate to units on budget direction with targets

• Units work to accomplish targets through respective Vice Presidents
Budget Overview

• Vice Presidents provide recommendations to the Finance subcommittee who validate the fiscal impact.
• Vice Presidents report target accomplishments to Steering Committee
• Steering Committee makes final recommendations to the President
• Budget Submitted to the SBOE
2017 vs. 2018 Budget Estimates

• FY16 Actual Financial Performance
  – Increase in Net Position $4.1 Million
  – Operating Revenue declining
  – Operating Expenses increasing

• FY17 Appropriated Budget
  – Revenue  $145,109,600
  – Expenses  $150,143,549
  – Loss        -$5,033,949 (Covered from Reserves)
2017 vs. 2018 Budget Estimates

• FY17 Projections after 10th Day Enrollment
  – Revenue decrease of $11.7 million
  – Expense projections still in process
  – Cover anticipated losses of $17 million from Reserves
2017 vs. 2018 Budget Estimates

- FY18 Budget
  - Revenue shortfall estimate $20 million due to reduction in Tuition & Fees
  - Execute program prioritization initiatives and other expense reductions
  - Implement new revenue opportunities
2017 vs. 2018 Budget Estimates

• FY18 Budget Initiatives
  – Incorporating Class Fees into tuition to eliminate hidden costs to students
  – Reallocations to provide operating budgets for Colleges
  – Centralized Funds for specialized accreditation
  – Align Budget with Strategic Plan
  – Implementation of Program prioritization initiatives
  – Realignment of EISU fees
Questions?