

Budget Reduction Update

May 30, 2017

Agenda

- » FY18 \$19 million permanent reduction
- » FY17 payback
- » Next steps

PLANNING FOR FY18: PERMANENT REDUCTIONS

- » \$19 million permanent reduction
- » Based on governor's proposed funding for higher education
- » Assumes a state budget and appropriation
- » Accounts for enrollment decline
- » State accounts only
- » Not across-the-board
- » Vice chancellors/ chancellor have flexibility in how they apply some reductions
- » Plans were due mid-May
- » Mostly complete

THE PLAN: FY18 PERMANENT REDUCTIONS

» Vacant positions	\$10,000,000
» Equipment, supplies, contractual services	\$ 1,500,000
» Campus work opportunities for students	\$ 1,000,000
» State-funded travel	\$ 535,000
» Plant and service operations	\$ 1,500,000
» Partially self-supporting units	\$ 1,200,000
» Academic administration	\$ 1,000,000
» Non-academic administration	\$ 750,000
» Information technology	\$ 500,000
» School of Law	\$ 465,000
» Library	\$ 400,000
» Development and alumni relations	\$ 166,000

THE PLAN: FY18 PERMANENT REDUCTIONS

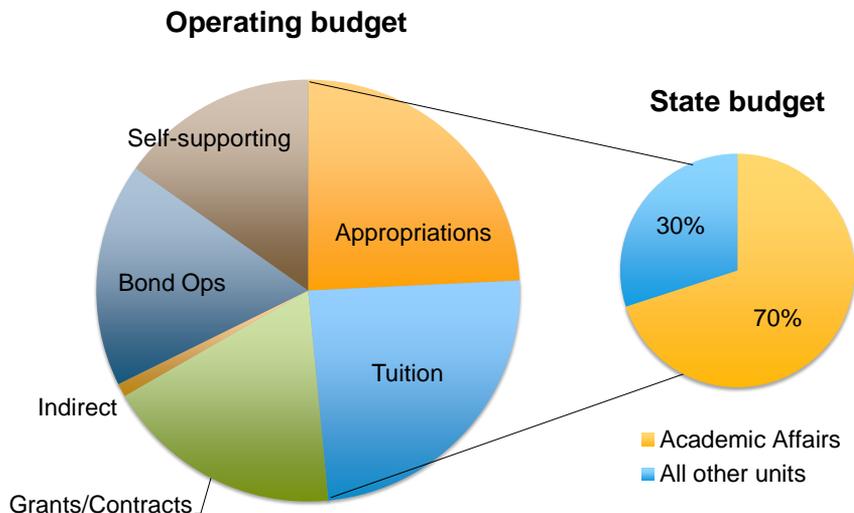
- » Vacant positions/salary sweep
 - Effective July 1 and going forward
 - Units will be able to request positions from the salary pool created by sweep
 - Limited approvals based on critical need to ensure \$10 million in savings (captured \$12.5 million)
 - Pool will cover future vacation/sick leave payouts and salary increases associated with promotion and tenure
 - In addition to any other assigned cuts

THE PLAN: FY18 PERMANENT REDUCTIONS

- » Ban on travel using state funds
 - Effective immediately
 - In addition to any other assigned cuts
- » Units assigned specific cuts (PSO, partially self-supporting units, IT, law and library services)
 - Not assigned cuts in student work opportunities or equipment, supplies and contractual services
 - Vice chancellors had some flexibility and in some cases assign additional cuts to meet goals
 - Units targeted separately because of the opportunity to generate funds, relationship to mission or different funding model

THE PLAN: FY18 PERMANENT REDUCTIONS

- » Reductions in academic and non-academic administration, campus work opportunities for students, and equipment, supplies and contractual services
 - Assigned at the chancellor or vice chancellor level for units reporting to them
 - Chancellor and vice chancellors had some flexibility to change amounts per category as long as total is met
- » Local (non-state or restricted) budgets
 - In most cases, may be used to cover reductions in state budgets as long as sufficient resources are available and they do not contribute to a new or existing deficit



FY18 PERMANENT REDUCTIONS BY UNIT

% of state budget excluding vacant positions

Unit	Total State Budget	Permanent Reductions	% of Unit State Budget
Academic affairs	\$116,718,962	\$4,254,907	4%
School of law	\$9,137,878	\$465,000	5%
Dev./Alumni	\$2,666,315	\$166,000	6%
Student Affairs	\$2,274,099	\$256,101	11%
Admin./Finance	\$17,618,980	\$1,990,951	11%
Research	\$4,711,579	\$679,234	14%
Chancellor	\$5,759,624	\$798,762	14%
Athletics	\$1,551,833	\$300,000	19%
Economic Dev.	\$500,511	\$100,102	20%

IMPACT: EMPLOYEES AND POSITIONS

- » 51 Civil Service layoffs affecting approximately 100 employees
- » 2 NTT layoffs
- » 2 non-renewals of term AP contracts to date, others to term
- » 24 non-renewals of term NTT contracts to date
- » Approx. 158 vacant positions due to salary sweep
- » Additional positions may go unfilled due to anticipated retirements and resignations
- » 200 or fewer student positions
- » Minimal impact to GAs due to earlier reductions

IMPACT: OTHER

- » Goal: Ensure class coverage, minimize impact on student services
- » Specific impacts to be shared with units by vice chancellors
- » General impacts
 - Reduced library, IT help desk hours
 - Reduced workday for some physical plant employees
 - Leaner operational budgets
 - Some consolidated classes

FY17 “PAYBACK”

- » \$8.3 million to \$11 million
- » “One-time”: paid back over 10 years
- » Based on total spending of state budgets in FY17 by unit
- » First-year based on March 31; future years on actual spend
- » Final number depends on April-June savings and FY17 stopgap
- » State or local funds can be used; approach can vary by year

THE PLAN: FY17 PAYBACK

- » Campus units: \$4.3 million to \$7 million total, assigned by unit to vice chancellor
- » Unrestricted plant funds: \$2 million
- » Central allocation of Distance Education tuition: \$1 million
- » Central allocation of summer semester tuition: \$1 million

THE PLAN: FY17 PAYBACK

- » Academic Affairs: \$1,895,380
- » Administration and Finance: \$266,810
- » Athletics: \$17,233
- » Campus-wide services: \$249,385
- » Chancellor's office: \$76,666
- » Development and Alumni Relations: \$33,765
- » Economic development: \$6,834
- » School of Law: \$162,780
- » Research: \$61,950
- » Student affairs: \$29,194

NEXT STEPS

- » Program prioritization
- » Organizational structure review and changes
- » Other long-term strategies

TIMELINE

- » May 30: Meet with constituency heads
- » May 31: Share general overview with campus
- » May 31: Notify civil service employees affected by layoffs
- » June: Explore next steps
- » July: Review steps with Board of Trustees, campus community
- » Fall: Continue campus discussion

SIU Southern Illinois University
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**QUESTIONS?
THANK YOU!**