Subject: FY 2010 Budget Guidance for Academic Support Units

Date: January 16, 2009

From: Joe Alutto
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The purpose of this memo is to provide you and your staff with guidelines for preparing your FY 2010 operating budget. The overall budget environment is discussed, followed by a listing of specific requests for information and a budget timetable. Additional budget guidance and templates will be sent by Ruth Burns, Office of Resource Planning, via a separate email to the Senior Fiscal Officers.

Budget Environment

The national and international economic environment is the most severe of the last 75 years. This has created an unprecedented level of budget uncertainty for state government and for the University. Although the University's finances are stable for the short run, the picture for the long run is much more challenging. As of this writing there is still a possibility of more mid-year state budget cuts and of additional cuts in future years.

Even in uncertain times, it is important for the university to continue to move forward. For FY 2010 the budget priorities will still be driven by the Academic Plan and President Gee's strategic objectives. This means the focus will continue to be placed in the following areas:

- One University
- Academic Excellence and Access
- Resources
- Talent and Culture
- Outreach and Collaboration
For support units, this means continued expectations to do better even though resources are limited. The Executive Deans and other customers of support services continue to be involved in reviewing budget priorities for support units through the Senate Fiscal Committee. Support units need to continue to exhibit a high degree of focus and discipline.

Compensation continues to be a high priority but because of uncertainty in the state and national economies we will not be in a position to establish targets until the spring. In the meantime, we will seek to meet the following schedule for providing information on these other variables for FY 2010:

- Earnings Overhead Rates – Early February
- Composite Benefit Rates – Early February
- POM Rates – Early March
- Student Services, Research and Development Assessment – May/June

Please keep in mind, the Student Information System surcharge will continue in FY 2010 (Phase IV of V).

**Information Requests**

This year we will continue to use the uniform format that incorporates information requested for both the review by Central Administration and the review by the Senate Fiscal Committee. Appropriate forms are provided electronically:

- **Overview and summary of your goals** – includes current goals, upcoming challenges, innovations and reallocation.

- **Funding information** – includes balances and status reports on previous funded requests for the current year (FY 2009 only). Explain the reasons for significant cash carry forward and provide a justification for proposed continued access to and use of the carry forward.

- **Performance indicators** – include indicators your office has provided to Institutional Research and Planning and reported on in prior years. If you have questions about your office’s indicators please contact Julie Carpenter-Hubin, Director of Institutional Research and Planning at the address provided below.

- **Program Reviews** – if your area includes a unit that has completed a Performance Review and begun implementation of the Program Review Recommendations a description of the progress to date should be included. This information is not required to be provided in a standard format, but should be responsive to the commitments resulting from the review. Provide performance measures, if applicable.

- **Budget Requests** – because of the difficult budget environment, units will not be asked to submit requests for mandates and service improvements, except by invitation only, and then, on a very limited basis. Instead, each unit is required to submit reduction plans for a 5% and 10% reduction in resources. This includes auxiliary and earnings units with annual FY 2009 revenues of $500,000 or more. These plans should be strategic at this point and should not identify specific individuals or positions. Plans should include activities that could be stopped...
entirely and potential for merger or consolidations. Units are also expected to continue to meet their obligations regarding support to academic units and compliance with internal controls. More efficient ways of conducting core processes, such as central service centers, are encouraged.

Although this may seem at first glance to require a great deal of information, not all forms are necessary for all requests and the response required is not substantially different from previous years. The use of a standard format has assisted in making the review process more streamlined. Your submission should include one hard copy each delivered to Bill Shkurti, 108 Bricker and Joe Alutto, 203 Bricker, as well as an electronic copy to Julie Carpenter-Hubin, Director of Institutional Research and Planning, at Carpenter-Hubin.16@osu.edu.

Timetable and Priorities

Our goal is to present final recommendations to the Board of Trustees on spending and reallocation recommendations at the July Board meeting. As mentioned previously, we will seek to involve the Executive Deans and the Senate Fiscal Committee in the process. To achieve this goal, we need your assistance in meeting the following timetable:

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<thead>
<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>April 15</td>
<td>Budget Requests Due</td>
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<tr>
<td>May</td>
<td>Budget Hearings (if necessary)</td>
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<tr>
<td>June</td>
<td>Final Approval of Individual Unit Requests</td>
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<tr>
<td>July 10</td>
<td>Budget Approval by Board of Trustees</td>
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We appreciate your cooperation in this process. The recommendations will be made efficiently and equitably as long as everyone responds in a timely and complete manner.

If you would like any additional information, please feel free to contact your budget analyst in the Office of Resource Planning. The results of decisions from previous years are located in the annual budget book for the University that can be found at the Resource Planning website http://www.rpia.ohio-state.edu.

Attachment

c:
Gordon Gee
Ruth Burns
Julie Carpenter-Hubin
Larry Lewellen
Mike Sherman
Lee Walker
Senate Fiscal Committee
Senior Fiscal Officers