The purpose of this memo is to provide you and your staff with guidelines for preparing your FY 2011 operating budget request. The overall budget environment is discussed, followed by a specific request for information and a budget timetable. Additional budget guidance and templates will be forwarded to your office by Ruth Burns, Office of Resource Planning, via a separate e-mail to the Senior Fiscal Officers.

**Budget Environment**

The passage in December of a budget package that balances the state budget was welcome news; however, we are still facing an unusual amount of uncertainty regarding state funding over the next 18 months. This is a result of continued uncertainty over the state and national economy, as well as the amount of one-time money, including federal stimulus dollars, necessary to balance the state budget for FY 2010 and FY 2011.

While being sensitive to these issues, it is still important for the university to continue to move forward. For FY 2011, the budget priorities will still be driven by the Academic Plan and President Gee’s strategic objectives. This means we will continue to focus on the following areas:
• One University
• Academic Excellence and Access
• Resources
• Talent and Culture
• Outreach and Collaboration

Support units need to continue to meet expectations to improve operations while resources remain limited. This includes a PBA reallocation of 1% a year for three years to support Presidential initiatives. This means that each unit should continue ongoing assessments of operations to improve efficiency and effectiveness and to maintain good stewardship over the resources currently allocated to their operations.

Budget Process

The Senate Fiscal Committee, The Office of the Provost and the Office of Business and Finance reviewed the budget request process over the last several months and approved changes to this process to enable better decision making on funding issues and to alleviate some of the work required from the support units. Specifically, these changes include:

• Requesting an initial bulleted list of potential FY 2011 funding requests from each support offices;
• Continuing the practice of issuing invitations for budget request submissions;
• Reducing the amount of information requested from support office to that information specifically related to budget issues, including information on cash balance use plans, status of prior year budget submissions and requests for new funding for FY 2011.

Copies of these new templates are attached to this memo for your reference. An explanation for each section is included below:

• **Budget Timeline Request** – This outlines the general budget timeline that will be followed each year. Specific timelines and deadlines for FY 2011 are included later in this memo.

• **Two Page Summary** – The intent of this section is to provide a concise explanation of your requests and how they align with the goals of the university.

• **Unit Funding History** – This is a 3 year history of PBA and cash. For those units with cash balances that exceed 20% of the FY 10 PBA, a short explanation of the planned use of those funds is required.

• **Status Reports of New Funding or Continuation Funding for Multiple Year Requests for FY 09 and FY 10** – This section is used to provide follow up information on prior years’ funding awards and the progress toward meeting the associated goals. This should only be completed by offices that received new or continuing funding through the FY09 or FY10 budget process.

• **Fees and Charges** – This is to be used to request new fees or increases in existing fees.
• **Requests for Next Fiscal Year** – This section is to be filled out only by those units that received an invitation from the Senior Vice President for Business and Finance and the Provost to submit a funding request.

• **Long-Term Needs** – Continuing Multi-Year Request – this section is for funding requests included in the prior section that require multi-year funding. This information will assist the decision makers in understanding the impact of approving a longer term funding request.

• **Long-Term Needs** – New Funding Needed for FY 12 – 15 – this section is to be used for anticipated funding needs in future years for items that are not requested as part of the FY 2011 budget process.

**Budget Parameters**

The process for developing the parameters for budget variables is underway. Compensation continues to be a high priority, but because of the uncertainty of state funding in the next biennium, we are not in a position at this time to establish targets yet for FY 2011. The timeline for the other variables is as follows:

- Composite Benefit Rates – Late February
- Earnings Overhead Rates – Late February
- POM Rates – Early March
- Assessment Calculations – May or June

**Budget Timelines**

Our goal is to present final recommendations to the Board of Trustees on spending and reallocation recommendations for FY 2011 at the July meeting. In order to meet this timeframe, the following timetable has been developed:

**February 12, 2010**

Support offices that wish to be considered for an invitation to submit a budget request for FY 2010 must submit a bulleted list of items that are priorities for their offices. This list in its entirety is to be no longer than one page. Please include the estimated total cost in the bullet point.

**February 22, 2010**

List of budget request invitations is released by the Senior Vice President for Business and Finance and the Provost.

**March 26, 2010**

Budget templates submitted to Resource Planning and to Institutional Research and Planning. The submission should include one hard copy each delivered to the Bill Shkurti (Bricker Hall, Room 108) and Joseph Alutto (Bricker Hall, Room 203), as well as an electronic copy each to Julie Carpenter-Hubin at Carpenter-Hubin.16@osu.edu and to Suzi Ballinger at Ballinger.56@busfin.osu.edu.

Offices should submit the templates based on the parameters outlined below:
• Those with cash balances greater than 20% of the FY 2010 PBA should fill out the appropriate section of the template;
• Those offices with prior year funding requests from FY 09 and FY 10 should fill out the appropriate section of the template;
• Those offices receiving an invitation to submit a budget request should fill out the appropriate section of the template.

Some offices may meet all three criteria, others only parts and some offices may not meet any of the criteria. If your office doesn’t meet any of the criteria, you do not need to submit any information. Please contact Suzi Ballinger at 7-8205 if you have questions about which sections of the template are appropriate for your office.

April 2010

Central Services Subcommittee (CSS) of the Senate Fiscal Committee reviews requests and holds budget consultations. Additional information may be requested by CSS. Senate Fiscal will review CSS’s recommendations and forward its recommendations to the Provost and the Senior Vice President for Business and Finance at the end of April.

May 2010

Funding decisions discussed and initial funding decisions forwarded to Senior Management Council and Integrated Financial Planning group.

June 2010

Approved Budget requests finalized.

July/August 2010

Budget letters detailing approved requests released to Support Offices.

We appreciate your cooperation, as it will move the budget decision process forward in a timely manner. If you have any questions, please feel free to contact Suzi Ballinger at 7-8205.

Attachment

c: Gordon Gee
   Suzi Ballinger
   Ruth Burns
   Julie Carpenter-Hubin
   Steve Gabbe
   Jeff Kaplan
   Larry Lewellen
   Chip Soubia
   Senate Fiscal Committee
   Senior Fiscal Officers