The purpose of this memo is to provide you and your staff with guidelines for preparing your FY 2013 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 Kristany Berger, Office of Financial Planning and Analysis, via a separate e-mail to the Senior Fiscal Officers.

**Budget Environment**

With the passage of the FY 2012/FY 2013 Biennial Budget, the universities in Ohio sustained a reduction of approximately 15% in FY 2012. Funding is expected to remain at approximately this same level for FY 2013. This means that the financial picture for The Ohio State University will remain stable. However, given the uncertainty in the state, national and global economies and the implementation of semester conversion in Summer 2012, it is important for the administration to continue to reduce costs, become more efficient and streamline operations.
While being sensitive to these issues, it is still important for the university to continue to move forward. For FY 2013, 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:

- Teaching and Learning
- Research and Innovation
- Outreach and Engagement
- Resource Stewardship

In addition, the University will continue to emphasize
- Access for Students,
- Successful Semester Conversion
- Financial Stability
- Strategic Enrollment Plan
- Advancement Goals
- The Discovery Themes
  - Health and Wellness
  - Food Production and Security
  - Energy and Environment

Given these parameters, support units will need to continue support the academic mission of the University by meeting expectations to improve operations with limited resources. This means the 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 has reviewed the processes used in FY 2010, FY 2011 and FY 2012. As a result, it was decided that the process utilized in FY 2011 will be adopted for the coming year. Therefore the Provost and Senior Vice President for Business and Finance will request a bulleted list of potential FY 2013 funding requests from each support offices. After reviewing this list, and in conjunction with Senate Fiscal Committee, a list of approved items will be released for further development of actual budget requests.

Copies of the 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 2013 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 12 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 11 and FY 12** – 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 FY11 or FY12 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 14 – FY 17 – this section is to be used for anticipated funding needs in future years for items that are not requested as part of the FY 13 budget process.

**Budget Parameters**

The process for developing the parameters for budget variables is underway. Compensation continues to be a high priority, but we are not in a position at this time to establish merit pool targets yet for FY 2013. The timeline for the other variables is as follows:

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

**Budget Timelines**

Our goal is to present preliminary funding targets at the June Board of Trustees Meeting and final recommendations to the Board of Trustees on spending and reallocation recommendations for FY 2013 at the August meeting. In order to meet this timeframe, the following timetable has been developed:

**February 15, 2012**

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 29, 2012**

List of budget request invitations is released by the Senior Vice President for Business and Finance and the Provost.
March 28, 2012

Budget templates submitted to Financial Planning and Analysis and to Institutional Research and Planning. The submission should include one hard copy each delivered to the Geoff Chatas (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 appropriate templates based on the parameters outlined below:

- Those with cash balances greater than 20% of the FY 2012 PBA should fill out the appropriate section of the template;
- Those offices with prior year funding requests from FY 11 and FY 12 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 2012

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 2012

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

June 2012

Approved Budget requests finalized.

Late July/Early August 2012

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
      Javaune Adams-Gaston
      Suzi Ballinger
      Kate Bartter
      Kristany Berger
      Julie Carpenter-Hubin
      Dolan Evanovich
      Steve Gabbe
      Kevin King
      John Kuhar
      John Lahey
      Katherine McCutcheon
      Kathy Starkoff
      Carol Whitacre
      Senate Fiscal Committee
      Senior Fiscal Officers