

# FY23 Budget Overview

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# The “Bucket” List

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# The IUS Budget (and Drivers)

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- 54% of revenue comes from tuition and fees (credit hours)
- 45% of revenue comes from state appropriation (performance funding)
- 70% of the budget is allocated to compensation (salaries and benefits)
- Revenue must equal expenses; when revenue declines, expenses must be reduced.

# FY23 General Fund Budget Summary

<b><u>Revenue</u></b>	<b><u>FY22</u></b>	<b><u>FY23</u></b>	<b><u>\$ Inc/(Dec)</u></b>	<b><u>% Inc/-Dec</u></b>
Student Fees	\$30,816,063	\$27,695,473	\$(3,120,590)	-10.1%
State Appropriation	22,579,929	22,884,565	304,636	1.3%
Other Revenue	700,260	765,550	65,290	9.3%
<b>Total Revenue</b>	<b>\$54,096,252</b>	<b>\$51,345,588</b>	<b>\$(2,750,664)</b>	<b>-5.1%</b>
<b><u>Expenses</u></b>	<b><u>FY22</u></b>	<b><u>FY23</u></b>	<b><u>\$ Inc/(Dec)</u></b>	<b><u>% Inc/-Dec</u></b>
Compensation	\$37,405,395	\$35,660,029	\$(1,745,366)	-4.7%
Financial Aid	931,879	891,550	(40,329)	-4.3%
General Expenses	5,919,858	5,468,403	(451,455)	-7.6%
Utilities	1,163,502	1,068,502	(95,000)	-8.2%
Travel	179,094	108,183	(70,911)	-39.6%
Capital	422,908	37,480	(385,428)	-91.1%
Reserves	259,081	(100,000)	(359,081)	-138.6%
Transfers	7,814,535	8,211,441	396,906	5.1%
<b>Total Expenses</b>	<b>\$54,096,252</b>	<b>\$51,345,588</b>	<b>\$(2,750,664)</b>	<b>-5.1%</b>

# FY23 Budget – Main Points

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- Our enrollment has declined steadily since fall 2011.
- We've cut over \$7 million from the budget over the last 3 fiscal years.
- The FY24 budget will require further budget reductions.
- The Budget Dilemma: in an environment of long-term revenue decline, the only way to fund new initiatives is **reallocation of resources** or use of cash from designated funds, auxiliary funds, or Foundation funds.
- **Student persistence, retention, and completion** will have the greatest impact on revenue (and therefore expenditure funding).

# What factors affect the budget?

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- Recruitment
- Retention
- DFW rates
- Performance funding (metrics)
- External dual credit (+ and -)
- The growth of online competition (-)
- Online/collaborative offerings (+)
- College-going rate (declining)
- Alignment of academic programs to market demand
- Employer relationships
- The IU Southeast brand
- The overall student experience
- Central UA funding decisions

# Fall Update

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- Fall credit hours were budgeted to be 43,243.0.
- Actual credit hours came in at 41,134.0.
- The projected decline was 3.7%; the actual decline was 8.3%.
- The differential (~4.6%) equates to approximately \$600K.
  - ❑ All regional campuses experienced enrollment declines this fall
  - ❑ EA -3.3%, KO -6.7%, NW -9.3%, SB -1.6%, SE -8.3%
  - ❑ The decline for SE was ~15% in FY22.
  - ❑ If the SE trend continues, we will have lost over 20% of our credit hours in two fiscal years.

# Performance Funding Update

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# Overview

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- The pandemic caused a change to the performance funding program in 2021-23.
- State operating appropriation was cut 7% in June 2020 (\$1.5 million for IUS).
- The cut was restored in the FY22 budget. This had the effect of increasing state operating appropriation by \$1.5 million in FY22.
- Therefore, no performance funding was awarded in FY22.
- FY23 awards were pro rated downward to match the legislative approval.

# The Underlying Data

	BL	IUPUI	EA	KO	NW	SB	SE
Overall Degree Completion							
Bachelor's Degree	-15	329	76	44	31	1	5
Master's Degree	51	6	1	-2	-22	14	-5
Doctoral Degree	-12	-9	0	0	0	0	0
STEM Degree Completion							
Bachelor's Degree	8	206	6	-5	10	0	1
Master's Degree	4	4	3	0	0	-3	0
Doctoral Degree	-2	7	0	0	0	0	0
At Risk	-6	-39	6	-11	8	-33	-33
At-Risk, On-Time	5.9%	11.0%	9.0%	4.8%	8.2%	5.7%	5.9%
At-Risk Composite Value**	74	159	22	11	30	23	19
On-Time***	262	393	36	35	49	58	47
Student Persistence***	30		0	23	42	25	-15
	60		30	32	43	76	68
	90		31	39	53	65	61
** New Composite Value adds the overall, At-Risk degree completers with the Per Unit Value of At-Risk, On-Time recipients							
*** Per Unit Value - Change in 3 year rate x latest average 3 year cohort size							

## For Comparison

Overall degree completion (bachelors):

Ivy Tech (Associates)	-701
PUWL	-246
PNW	-111
BSU	-101
IUB	-15

At-risk degree completion (bachelors):

ISU	169
IUPUI	159
PUWL	95
BSU & USI	88
IUB	74

On-time completion:

IUPUI	393
PUWL	330
Ivy Tech (Associates)	276
IUB	262
BSU	177

# 2021-23 Performance Funding by Campus

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<b>Regional Campus</b>	<b>FY22 Increase*</b>	<b>FY23 Increase</b>
East	\$- 0 -	\$995,400
Kokomo	- 0 -	466,700
Northwest	- 0 -	737,600
South Bend	- 0 -	393,000
Southeast	- 0 -	291,100

\* Note: FY22 does not include the restoration of the 2020 cut.

# Conclusion

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- Please send questions to [dwavle@ius.edu](mailto:dwavle@ius.edu). I will follow-up with an e-mail, phone call, or a Zoom meeting invite.
- Thank you!