The provost has extended an invitation for input on several matters:

THE FACTORS TO CONSIDER:

a) anticipated 5-10 % **FY10 budget reversion** (FY10 directed and general appropriation is $244M -- which is $32.5M less than FY09; 5% would be a $12M cut; between unspent stimulus funds and carry-over funds, we could cover this)

b) anticipated **legislative budget cut of up to $50M for FY11** -- which would be relative to FY10 (the net result would be combined directed and general allocation of $194M -- or a drop of $82M over two years -- more than can be made up by tuition, indirects, etc)

c) salaries -- Merit contract calls for 4.74% increase for FY11; universities may face an **unfunded mandate to provide raises** -- approx. $3.5M per percentage point. Research units, Ames lab and Housing and Dinning have growing budgets; general fund declining -- how to address?

d) **tuition** -- good news for FY10: we have tuition income from about 500 more students than the budget was based upon; future news: about 2% increase over FY10 expected for FY11 -- about $4.5M based upon FY10 of $226M. Bad news: tuition increase + research indirects increase do not equal the state reduction -- thus we are facing a real cut

e) this year the stimulus funds + tuition increase erased most of the decline in state funding. Next year -- we are **not anticipating a second round of stimulus** money

f) We are **not expecting a financial exigency** declaration -- thus faculty will remain; need to consider how to conserve $ elsewhere: staffing, administrative leadership, cost effective measures such as enforcing minimum class sizes, reconfiguring support areas such as centers, FP&M, IT, 

THE QUESTION:

What ideas do we have?