

2018-2019 Budget Questions & Answers:

Q1: Why do we not just borrow?

- A. Borrowing funds to compensate for the Structural Deficit does not solve the problem of over spending and would result in financing costs. The Structural Deficit results from spending being greater than the tuition and State support received to cover the expenditures. Borrowing funds results in interest costs and the payment of principle.

Q2: DIFR. We are using \$1.25M in DIFR to achieve the \$4.9M in cuts by July 1, 2018. When and how will we make up for these offsets? Will that mean that our July 1, 2019 cut will be larger than \$3M? Members of Planning and Budget are under the impression that we will continue to rely on DIFR to offset our budget deficit for the near future. Is that accurate?

A: The Cabinet decision of how much DIFR will subsidize the State Structural Deficit is made annually. Cabinet has only identified the DIFR assessment for the 2018/2019 Budget.

Q3: The PEPRE Process. If we are collecting data in the summer, how will IRPA know what data to collect? The data sets in the PEPRE process are very specific but may no longer be relevant. There may be other data that we need. How and when will IRPA go about collecting data? Will each division follow their own process or will this be an institutional process?

A: IRPA will collect the data as specified in the PEPRE data as soon as feasible. Additional data sets may be added by division if necessary. Finance and Administration provided much data to each Vice President during the budget process and can provide additional information and analysis as needed. Academic Affairs' EAB Tool "Academic Performance Solutions" could provide many useful metrics as well.

Q4: Hiring freeze. How can we avoid layoffs if we continue to hire? Should we freeze hiring until we have a plan for making the July 1, 2019 budget cuts?

A: Hiring Freeze is not practical as essential positions that must be filled may become available. Every opening will be reviewed by Cabinet and vetted to insure that the responsibilities cannot be addressed without hiring.

Q5: 2018-2019 enrollment. Preliminary numbers from IRPA suggest that we are off our target for returning students in fall 2018. Does this mean that we will have to cut even more from our budget by July 1, 2019? If so, how much more?

A: We will begin our budget process for 2019/2020 starting July 1, 2018. Many results and factors will change over the 2018/2019 year that will affect our future planning.

Q6: Communication. How and when will the final decisions about the July 1, 2018 cuts be communicated to the campus?

A: The final decisions will be made in mid-June and communicated to the Campus prior to July 1, 2018.