

FY 2020 Budget Narrative

I want to take a few minutes to go over the FY 2020 General Fund Budget. The numbers were provided by Ellen Rasmussen and I thank her for her assistance.

A few things to keep in mind. One, a budget is just a planning document, a financial road map for what we think will happen in the coming year. They are not set in stone and can and do change over the course of a year for a variety of reasons. Most of us have experienced budget reversions in prior years for instance. Two, this is the General Fund Budget. ISU is composed of two budget worlds; the General Fund and the Restricted Funds. Last year I presented both sides, this year I'm only doing the General Fund for reasons I'll get to later in the presentation. Three, the General Fund is fiscal year based. It begins July 1, it ends June 30, and there is very little carry over from one year to the next.

I apologize for the wall of numbers in this presentation, but budgets are numbers and there's only so much you can do to consolidate. The format is FY 2020 is in black, last year, FY 2019 is in blue, and the changes between the two are in red. I listed enrollment at the top because it's a major impact on the budget.

Components of the General Fund Revenue side are Tuition, Indirect Cost Recovery, Administrative Overhead Charges, Direct Federal Appropriations, Investment and Misc, and Directed and General State Appropriations. (Explain). Long story short, the FY 20 budget is about the same as the FY 19 budget. Overall increase is 1.65%, which given the decline in enrollment isn't bad. The split between the various components didn't change dramatically; we are still a predominately tuition funded enterprise.

On the expense side, again relatively little change from last year. The bulk of our spending is on people, which shows a modest increase. The supplies and service budgets show a slight decrease. Scholarships virtually unchanged. The various expense categories are largely self-explanatory.

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