

- The legislature has reduced K-State's FY 2010 State General Fund (SGF) allocation by \$18.3 million (about 10%) from the beginning FY 2009 level. In addition to these unprecedented cuts, K-State had to fund about \$6 million in increased costs for utilities, employee fringe benefits, and a number of other additional commitments. So, we have been working to identify about \$24 million to absorb the cuts and fund other costs.
- How will the \$24 million in cuts and other costs be funded?
 - **K-State units have reduced their FY 2010 General Use Budgets by \$13.5 million** (7% of the SGF budget for academic units and higher levels to most non-academic units). Many units are operating in a non-sustainable fashion. For example, not all vacant positions can remain unfilled.
 - **We expect to generate about \$5.4 million in additional rate-related tuition revenue from the 3.9 percent tuition increase that has been approved by the Kansas Board of Regents.**
 - **The Kansas Board of Regents approved \$3.8 million in Federal Stimulus Funding to be used for tuition mitigation purposes.** It's important to note that this is non-recurring revenue. It will be available for FY 2010 and may be available for FY 2011. It will definitely not be available past FY 2011.
 - **The remaining \$1.3 million would come from non-recurring sources.** We will use \$1.3 million in targeted fund balances in FY 2010. Permanent funding for FY 2011 and beyond would be identified later.
- On July 2, Governor Parkinson announced an additional 2 percent FY 2010 SGF reduction. The Board of Regents has not yet allocated the reduction among the colleges and universities, but **we expect K-State's share of the 2 percent cut to be about \$3.4 million.** We propose using non-recurring targeted fund balances to meet this additional cut.
- Obviously, more budgetary decisions remain for K-State. For example, we must identify permanent sources to replace the non-recurring federal stimulus funds and targeted fund balances that are being used to fund the FY 2010 budget (\$8.5 million at this time). Additionally, we must have sufficient resources for contingent needs such as possible further budget cuts or enrollment loss and to ensure that we are able to fulfill K-State's core mission. In mid August, we will engage the campus community in the planning process by working with campus leaders including deans, department heads, and representatives of the Faculty Senate, Classified Senate and Student Senate. We look forward to hearing the thoughts and ideas from our campus community about how to move K-State through these challenging times. Though difficult decisions must be made, we know that by working together we will identify ways to address these issues.