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President

8-17-1988

FY 1989 Operating Budget Memo

Leo Goodman-Malamuth II
Governors State University

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GOVERNORS STATE UNIVERSITY
Interoffice Memorandum

GSU ARCHIVES

Originating Office: PRESIDENT'S OFFICE

To: All Staff Members

From: Leo Goodman-Malamuth

Date: August 17, 1988

Subject: FISCAL YEAR FY1989 OPERATING BUDGET

On July 14, 1988, the Governor signed the Board of Governors FY1989 Appropriation Bill into law. This appropriation provides Governors State University with a 4.7 percent increase over the FY1988 appropriated budget. The FY1989 budget, which totals \$20,655,300, is approximately \$800,000 higher than the budget originally recommended by the Governor in March 1988. The addition provides some funding for anticipated salary increases, but does not include support for price increases or program expansion.

For the second year in a row adequate funding for higher education has not been provided. When I spoke with campus and community constituencies during the fall and spring, the outlook for a tax increase seemed optimistic, but it failed again. Higher education, and Governors State University, must continue to struggle with basically the same program support as in FY1988.

In order to accommodate this funding level and a potential income fund shortfall, several vacant positions will not be filled for FY1989, and reductions have been applied to balance nonpersonal line-items. Commodities and contractual services have been reduced by five percent at the cost center level. Collegial travel budgets have been adjusted to meet instructional travel needs and to maintain faculty professional travel. The GSU Alumni Association again will provide additional funds totaling \$19,000 to support faculty travel in FY1989. Equipment funds have been maintained at the same level as FY1988. The library materials allocation has been increased by \$50,000 to offset last year's reduction and inflationary increases.

The University reserves have been established at a higher-than-normal level for FY1989 due to concerns about declining enrollment and a resultant income fund shortfall as well as overbudgeting of personal services due to inadequate funding of salary increases. Approximately two percent of the total budget resides in the reserves or on-hold in other accounts. This amount will allow the University to adjust to a three percent decline in enrollment without requesting a turnback of funds from Units. Thus, the outlook for the year is more than ever

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before dependent upon enrollment levels. If fall trimester enrollment increases or is stable, it is probable that a mid-year review will result in release of the reserves.

The vice presidents and I have thoroughly reviewed recommendations for initial allocations of the FY1989 State-appropriated budget. I believe that the unit allocations support the University's priorities and the need to increase enrollment. These circumstances continue to test the determination and skill of all parts of the University to maintain quality programs and services. The University currently enjoys a high level of recognition, support, and respect in the region and we must strive to retain our long-term viability and stability in the region.

I want to thank those who contributed to the budget-planning process for FY1989. Despite the fact that many requests cannot be funded, working together through the ambiguous budget situation has enabled the University to reallocate funds to priorities. The budget process is never easy and may seem unrewarding in recent years, but my commitment to seeking the funds required by our institution will not waiver.