



# 2008-09 Budget Update

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## Ohio Northern University

Kendall Baker, President  
February 4-5, 2009





# Budget Shortfall Expected

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- Problem identified in January
- Extent of problem was uncertain
- January 19-21: BKD accountants helped ONU accountants quantify the problem





# How Big is the Problem?

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- Estimated \$550,000
- Based on data through December
- Figure will be updated to reflect January data and every month thereafter





# What Caused the Problem?

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- Tuition income lower than expected
- Interest income lower than expected
- Misc. income lower than expected (theater, day care, building rental, athletic tickets, etc.)





# What Caused the Problem?

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- Financial aid higher than expected
- Outside fees higher than expected (Vorys, BKD, Hartland, etc.)
- Hospitality/Reception higher than expected
- Insurance higher than expected





# What Caused the Problem?

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- Personnel procurement expenses higher than expected
- All utilities (electricity, gas, water) higher than expected





# Some Good News

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- Fortunately, 9 budget categories are projected to end the year under-budget.
- Absent this good news, the \$550,000 budget shortfall would be double that amount.
- Will revise budgets downward to reflect these savings.





# What are we Going to Do?

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1. Freeze administrative/staff hiring, effective February 2, 2009, to save \$101,000. No freeze on faculty positions.
2. Reduce personnel procurement expenditures by \$100,000.





# What are we Going to Do?

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3. Limit travel expenditures to the amount budgeted, saving \$191,000.
4. VPs and Deans will identify an additional \$200,000 of savings.





# What can You Do? Be Frugal!

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- Delay discretionary purchases until after June 1
- Use more email, less postage, and fewer long-distance phone calls.
- Turn off lights and dial-down thermostats
- Minimize faculty search expenses (meals, travel, etc.)





## How about Next Year?

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- Next year may be even more challenging than this year
- Salary increases are unlikely
- Tuition restraint is necessary to meet enrollment challenges – probably only 3.5% (4.8% Law School)





# Our Future is Bright

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- ONU is not an island. We are feeling the effects of the national economic crisis.
- This is a temporary situation – we will adjust and recover and do so with grace. No layoffs anticipated.
- We will continue our journey to “Become ONU.”

