November 20, 2009

TO: Becky Warner
   Vice Provost for Academic Affairs and International Programs

FROM: Rich Holdren
   Associate Vice President for Research

SUBJECT: Budget Reduction Implementation Plan

CC: John M. Cassady, Vice President for Research
   Shirley Chow, Fiscal Coordinator, UABC

Becky, please accept this memo report describing the process and timelines that OSU research, including both the Centers and Institutes and Research Administration, used to meet budget reduction guidelines. A spreadsheet providing unit-by-unit explanations as to how reductions were accomplished is attached to the email in which this note is appended.

There are several points that I would like to highlight. For Fiscal Year 2010, Research Administration was spared additional cuts from those sustained last year. Thus, I provide no detail on this issue. Similarly, the Centers and Institutes sustained a total cut of slightly less than $11,000. This relatively small reduction has been accommodated by a uniform percentage reduction in all unit base budgets for FY2010. Although this is still an evolving situation, we believe that most of the units will be able to find alternate resources on an ongoing basis to make up this difference. A summary of the budget reductions and strategies used to accommodate the reductions follow:

**For Research (CIPs):**

**Budget reductions implemented:**

- FY09, November 2008 reduction in base budget: $81,084
- FY09, March 2009 reduction in base budget: $69,779
- FY09, March 2009 reduction in fund balance: $187,460
- FY10, reduction in targeted budget: $10,840

Total cumulative reduction in budget: $349,163
Total cumulative reduction in base and targeted budget: $161,703

**Strategies employed to manage budget reductions:**

- Leaving/eliminating positions unfilled. This accounted for $69,060 in budget reductions.
- Services and supplies budgets were reduced by $20,620.
- Use of reserves to offset budget reductions temporarily. This accounted for $62,783.
- Discounted the pilot project grant programs which provided two grants to new faculty on campus.

**For Research Administration:**
Budget reductions implemented:

- FY09, November 2008 reduction in base budget: $35,514
- FY09, March 2009 reduction in base budget: $28,844
- FY09, March 2009 reduction in fund balance: $3,000

  Total cumulative reduction in budget: $67,358
  Total cumulative reduction in base and targeted budget: $64,358

Strategies employed to manage budget reductions:

- Reduce annual support to Technology Transfer Program by $34,231 which is causing the Tech Transfer to leave the Associate Licensing position unfilled.
- Use of the Reserves to offset the budget reductions temporarily by $30,127

We appreciate that the use of reserves is not a sustainable solution to resolving individual unit budget issues. While four of the units have had to resort to the use of reserves (Research Reserves is not a separate unit, and the Fish Disease Research Lab has now transitioned to Microbiology), we are working with the individual units to make sure their financial basis is sustainable. If you need additional information, or would like further explanation, please feel free to contact me.