



MEMORANDUM

TO: Daniel Craig, Fiscal Analyst

FROM: Jina Platts, Assistant Vice President for Finance and Administration and
Assistant Treasurer

SUBJECT: FY 2026 Strategic Spending Reduction Plan

DATE: 7/10/2025

The table below shows the University of Southern Indiana's FY 2025 versus FY 2026 operating and line item appropriations.

	FY 2024-2025	FY 2025-2026	Change
General Operating	53,831,609	51,140,028	(2,691,581)
Dual Credit	510,900	485,355	(25,545)
Historic New Harmony	486,878	462,534	(24,344)
Early College Bridge Program	600,000	570,000	(30,000)
Total	55,429,387	52,657,917	(2,771,470)

We have identified three strategies to bridge this funding gap and balance the University's FY 2026 operating budget.

- \$1.5 million from USI Housing revenues – USI currently has no auxiliary debt. The final maturity of the last auxiliary bonds was paid in FY 2025. Housing revenues that historically funded auxiliary debt service will be used to supplement the University operating budget for FY 2026.
- \$1.2 million net decrease in labor expense budget – Faculty and staff compensation is a priority for USI; however, a reduction in our salary and wage budget was necessary in order to offset the State funding cut. The expected budget savings will be achieved through attrition and temporary staffing vacancies.
- \$54,360 increase in operating support from USI Foundation – USI Foundation was able to identify additional funding available to support the University's operating needs.

The FY 2026 funding reserve for USI is an additional \$2,557,001 over and above the \$2,771,470 reduction outlined above. If necessary, this further reduction would be funded by a combination of additional USI Housing revenues and judiciously utilizing a portion of the University's unrestricted operating reserves.

Please contact me if you have any questions or if you need anything further.

cc: Steve Bridges, President
Amy Fisher, Director of University Budgeting
Melissa Hensley, Assistant Director of University Accounting