THE LIS DEPARTMENT

Assume you are responsible for setting up and managing a new Latino Information Services (LIS) department that the newly elected mayor's office in your medium sized city is sponsoring. One of the campaign promises that this new mayor was elected upon was the provision of better services to the city's burgeoning Latino population. LIS has been established to provide a centralized location for useful information of all types ranging from immigration regulations to apartments for rent. To staff LIS, you will have two employees, one a clerical employee earning $22,000 a year and the other an entry-level information professional earning $35,000 per year. You are a fairly senior information specialist with a salary of $50,000 per year. Both of your employees will require computers at a cost of $2500 each. You will also need a computer. You may need other equipment also. You and your employees will be provided with office furniture and space in the city hall. For the use of these and your use of utilities, you will be charged 20% of your operational budget. Supplies are estimated at $300 per year per employee (don't forget to include yourself). Estimated telephone charges are $60 per month. Other operational expenses will include $3000 for training and development, $1000 for travel, $1500 for online charges and licensing agreements, $1000 for community liaison expenses, $2,000 for books and journals, $300 for miscellaneous expenses. You may have additional expenses as you think through what you will need to run your organization. Luckily, the mayor is a strong proponent of LIS and the city has a prosperous tax base to support its services.

Calculate the budget and present it in a standard columnar format. In a second column, show how you would reduce your expenses if tax revenues were to decrease and you were asked to take a 10% cut in the budget. Add a few comments to explain how you decided what and where to cut.

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