

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Approval of FY 2002 Detailed Budgets — University of Iowa
Date: July 6, 2001

Recommended Action:

1. Approve the University of Iowa final FY 2002 general fund operating budget of \$972,669,082 and the restricted fund budget of \$599,630,000 for a total of \$1,572,299,082, including the proposed changes in the allocation of tuition revenues.
2. Approve rate increases, effective August 1, 2001, for the University of Iowa Hospitals and Clinics, Psychiatric Hospital, and the Center for Disabilities and Development, which will provide an annualized increase of 6%.

Executive Summary:

In accordance with the Board's strategic plan, the University of Iowa is presenting its detailed FY 2002 budgets to the Board for approval. The FY 2002 budgets consist of the general fund operating budget and the restricted fund budget. The general fund operating budget is consistent with the conceptual budget previously presented to the Board.

General Fund Operating Budget - \$972,669,082

The University's general fund operating budget of \$972.7 million is organized into 15 budgetary units, which reflect separate and distinct state appropriations to the University. Direct state appropriations to SUI for FY 2002 total \$313.3 million. All state operating appropriations to the University were reduced by approximately 6% for a total reduction of \$18.8 million. The University received a state salary allocation of \$13.4 million for compensation increases.

The **General University** appropriation unit represents the central educational operating budget of the University. This budget of \$426.9 million includes state appropriations of \$252.7 million, tuition and fee revenues of \$138.2 million, and reimbursed indirect costs from federal programs of \$35.0 million.

The state appropriations reflect a \$14.7 million base appropriation reduction in the General University budget unit. The University reduced base operating expenditures by \$11.1 million by allocating cuts throughout various units. Student financial aid and library acquisitions were not reduced but administrative and support units were required to absorb a higher percentage share of the reduction than collegiate units. The budget reductions will impair the University's ability to make progress in its strategic plan.

The state salary allocation for the General University unit is \$11.6 million. The University estimates compensation increases of \$17.4 million, including increased health insurance and other benefit costs.

Tuition and fee revenues include an increase of \$12.5 million as a result of the Board-approved 7.2% tuition rate increase, surcharge increases, and an enrollment increase of approximately 200 students. The University proposes to use \$3.6 million of new tuition revenues to cover a portion of the state appropriations reduction and funding needed for compensation increases not covered by the state salary allocation.

The University has identified total reallocations of \$8.9 million or 2.1% of its FY 2001 General University budget, which is less than the percentage of reallocations made by the University in recent years.

The University has allocated its general educational operating budget by its strategic goals as follows: strengthening undergraduate education (\$133.2 million), achieving premier graduate and professional programs (\$162.9 million), fostering distinguished research, scholarship, and artistic creation (\$64.9 million), facilitating interdisciplinary interaction in teaching, research, and service (\$12.4 million), and developing a highly productive organization (\$53.5 million).

Four of the 15 appropriation units comprise the University **Health Care** units. Three of the units — Hospitals and Clinics (UIHC), Psychiatric Hospital, and the Center for Disabilities and Development (formerly Hospital School) — derive the majority of their revenue from patient services charges. The University is proposing annualized rate increases of 6% for patient services. This increase is comparable to inflationary expectations in the health care industry.

With the proposed rate increase and anticipated increases in patient volume, revenues are projected to be \$497.8 million (6.8% increase) for UIHC, \$18.8 million (2.0% increase) for Psychiatric Hospital, and \$9.0 million (-2.5% increase) for the Center for Disabilities and Development. The fourth appropriation unit of the Hospital is the Specialized Child Health Services (SCHS). Its FY 2002 budget is \$4.8 million, which represents a 2.7% decrease over FY 2001.

Restricted Fund Budget - \$599,630,000

The restricted fund budget includes resources and expenditures related to sponsored programs, auxiliary enterprise functions, independent operations, bonding activities, and capital projects. State appropriations for capitals are included in the restricted fund budget.

The Residence System and Athletic Department budgets are part of the restricted fund budget and, as such, are presented this month for approval. The preliminary Residence System FY 2002 budget was previously presented to the Board in March. Revenue projections have increased from the preliminary budget due to higher occupancy estimates than previously projected (page 12). The Athletic Department budget is detailed in G.D. 12h.

Background:

The University of Iowa presented its FY 2002 conceptual budget to the Board in May and its revised conceptual budget in June. The detailed general fund operating budget is presented to the Board this month for approval. This detailed budget is consistent with the previous submissions and the strategic plans of the Board and University.

The restricted fund budget is also presented this month for Board approval. Revenues are derived from federal and non-federal support for sponsored programs (primarily research and student aid), sales and services, reimbursed indirect costs, tuition and fees from sources such as continuing education, bond proceeds, tuition replacement appropriations, and capital appropriations.

University-wide efforts have taken place to plan for the budget reductions. Institutional officials have engaged various campus constituencies.

- Six months ago, a Budget Planning Committee, consisting of faculty and staff, was appointed to develop recommendations for consideration.
- The President's Council on Strategic Implementation (PCSI) initiated an accelerated program review process designed to achieve savings in the next two fiscal years. Programs will be reviewed for potential savings or program elimination.
- Vice Presidents and members of the labor relations staff have met with representatives of AFSCME and COGS to communicate proposed actions of the University and to request assistance in developing budget reduction strategies and new initiatives.
- The University started the UI SMART program, an employee suggestion system designed to elicit ideas for saving money, reducing rework, streamlining processes, and coordinating or combining programs. An employee having a suggestion adopted or implemented will receive \$100 award.

Analysis:

GENERAL FUND OPERATING BUDGET

The final FY 2002 general fund operating budget for the University of Iowa is \$972.7 million. The University's budget is distributed among the following units:

	Total <u>Budget</u>	State <u>Appropriations</u>
General University	\$426,934,130	\$252,697,120
University Hospital	497,813,900	31,835,415
Psychiatric Hospital	18,760,200	8,160,402
Center for Disabilities and Development	9,013,400	7,332,202
Oakdale Campus	3,512,157	3,081,157
Hygienic Laboratory	6,537,414	4,158,633
Family Practice	2,440,790	2,408,790
SCHS	4,801,426	722,395
Special Purpose (page 11)	<u>2,855,665</u>	<u>2,855,665</u>
Total	<u>\$972,669,082</u>	<u>\$313,251,779</u>

General University

The final FY 2002 general fund operating budget for the General University unit is \$426.9 million, including state appropriations of \$252.7 million.

The summary sheet on page 13 of this docket memorandum details the General University budget by strategic planning goal, revenue source, and allocation of new revenues and reallocations.

Appropriation Reduction:

The base operating appropriations were reduced, from the original FY 2001 appropriations, by \$14.7 million. SUI proposes to reduce expenditures by \$11.1 million and utilize new tuition revenues as follows:

REDUCTIONS:

- Reducing academic budgets by \$5.7 million;
- Reducing administrative and support budgets by \$4.8 million, and
- Reducing the building renewal and equipment budgets by \$0.6 million.

TUITION REVENUE:

- Redeploying tuition revenue increases of \$3.6 million previously planned for quality improvements.

The University reports that the appropriation reductions will result in the following consequences:

- Eliminate 107 general fund positions;
- Impair the University's ability to continue to improve the four-year graduation rate, which is currently over 35%, with a target of 40%;
- Reduce or eliminate freshmen seminars and other special courses due to 70 fewer faculty positions;
- Impair the University's ability to recruit high quality undergraduate students due to increased class sizes and reduced class offerings;
- Delay many improvements to general assignment classrooms and laboratories as a result of the reductions in building improvement funds of \$0.6 million and \$1.6 million in previous year;
- Delay implementation of new certificate and joint degree programs, since existing faculty will be busy with required courses;
- Increase waiting time for counseling services;
- Reduce number of graduate assistantships and fellowships by 7.25;
- Reduce support for faculty start-up, including equipment and laboratory renovation as a result of the reductions in building improvement funds of \$0.6 million and \$1.6 million in previous year;
- Reduce travel and research support for graduate and professional students as a result of general expense budgets being reduced by \$400,000;
- Reduce graduate student seminars and courses due to 70 fewer faculty positions;
- Reduce student opportunities to experience an advanced laboratory facility due to 70 fewer faculty;
- Reduce postdoctoral support, seed grants, or faculty recruitment packages;
- Reduce service to state relative to archaeological matters;
- Reduce opportunities for students to work as a result of general expense budgets being reduced by \$400,000;
- Reduce support for interdisciplinary research activities;
- Reduce services to citizens of Iowa in areas related to agricultural safety and health;
- Implement energy conservation measures.

Tuition Revenues

The University has projected increases in FY 2002 tuition and fee revenues of \$12.5 million, for a total of \$138.2 million. Projected tuition revenue is based on enrollment estimates, mix of resident and nonresident students, and the Board's approved rate increases, including surcharges.

SUI indicates it will not be able to fully address the plan for tuition proceeds approved by the Board in October. The University proposes to set aside approximately \$2.0 million to continue its level of support for student financial aid at 16% of expected tuition revenues, use surcharges as planned, allocate minimal funding to recruitment, retention, and promotional services, and provide some funding in support of women athletes. SUI also proposes that it may not be able to provide new course sections, increase academic counseling services, and modernize classrooms (including improved electronic connectivity).

The University proposes to use \$3.6 million of the new tuition and fee revenue to partially offset the appropriation reduction. Another \$2.7 million will be used for compensation increases not covered by the state salary allocation. The University's remaining tuition revenue increase has been budgeted for some of the purposes approved by the Board in October. Approximately \$2.0 million will be set aside to continue SUI's level of support for student financial aid at 16% of expected tuition revenues. The surcharge revenues are earmarked as specified (MBA, Masters of Information Systems and Accountancy, Dentistry, Law, Medicine, Pharmacy, and Physical Therapy). Other budgeted expenditures include programs for retention of students, career development services, and women's athletic opportunities.

The University proposes to use additional tuition revenue, from the redirection of designated tuition to mandatory fees of \$1.9 million, as it had committed to students in October 2001, and as approved by the Board.

Reallocations

The FY 2002 budget reflects internal programmatic reallocations totaling \$8.9 million (Attachment A, page 14), which recognize both permanent and temporary shifts in the use of general education fund resources. The General University internal reallocations for FY 2002 represent 2.1% of the revised FY 2001 General University budget and are consistent with the Board's program of reallocations averaging 2% per year. SUI's annual reallocations for the previous 5 years averaged 3.4%.

Some examples of reallocations for FY 2002 include:

- The Legislature eliminated the appropriation for Iowa's Center for Agricultural Safety and Health (ICASH). After receiving input from the statewide agricultural community and the College of Public Health, the University is proposing to reallocate \$256,000 for the critical core functions of ICASH.

- The Vice President for Research will reallocate \$535,000 through the Central Investment Fund for Research Enhancement. These funds are used for (1) bridging support to keep professional scientific teams intact between grants; and (2) awarding, through a competitive, peer review process, grants for new projects.
- The Vice President for Research will reallocate \$1,305,000 for the Biosciences Initiative to the College of Business, Engineering, Liberal Arts, Medicine, Pharmacy, Public Health, and the Graduate College.
- Reallocations of \$306,000 for the University of Iowa Arts and Humanities Initiative will provide competitively awarded grants for a series of new individual and collaborative projects in the humanities and creative, visual, and performing arts.
- Central Research Support Facilities plans to reallocate \$640,000 to provide subsidies for the use of research equipment and state-of-the-art facilities.
- The Tippie College of Business plans to reallocate up to \$500,000 of its faculty salary budget that has become available due to resignations and retirements. This reallocation will be reassigned to College departments on the basis of strategic initiatives, program needs, and targeted areas of research.
- The College of Education plans to reallocate \$529,000 from resignations and retirements to invest in new programs and special initiatives. These funds will support a new tenure-track faculty position, graduate assistants, summer research support, and personnel for an assistive technology initiative.
- The College of Liberal Arts plans to reallocate \$2,200,000 from resignations and retirements. In addition, the College annually reallocates the teaching assistant budget to respond to changes in student demographics, choices of majors, and changes in entrance or general education requirements. The College plans to reallocate approximately \$475,000 in support of various lecturers.
- The College of Medicine plans to reallocate up to \$1,000,000 from resignations and retirements to assist in the recruitment of new chairs of Internal Medicine, Radiology, Radiation Oncology, Physiology, and Neurosurgery.
- The College of Pharmacy plans to reallocate \$38,500 from resignations and retirements to address salary equity and competitive offer adjustments for clinical faculty.
- The Office of the Provost plans to reallocate \$250,000 to address the highest priority needs and initiatives identified by academic units.

The hospital budget consists of four different appropriation units: University of Iowa Hospitals and Clinics (UIHC), Psychiatric Hospital, Specialized Child Health Services (SCHS), and the Center for Disabilities and Development (formerly Hospital School). All proposed budgets are based upon the proposed rate increase.

University of Iowa Hospitals and Clinics (UIHC)

The University of Iowa Hospitals and Clinics focus in FY 2002 will be on preserving high quality patient care, supporting the companion missions of teaching and research, and protecting the ability to recruit and retain highly skilled health care staff members.

The final FY 2002 general fund operating budget for the University Hospitals and Clinics is \$497,813,900, including state appropriations for the Indigent Patient Care Program of \$31,835,415. The state appropriation includes a 6% (\$1,982,409) reduction to the FY 2001 base. UIHC will use paying patient revenues to replace the appropriation reduction.

State appropriations represent 6.4% of the University Hospitals and Clinics FY 2002 projected revenue. UIHC predicts that state appropriations will cover approximately 40% of the costs associated with the program for FY 2002.

The University of Iowa Hospitals and Clinics is requesting Board approval of an annualized 6% rate increase, to be effective August 1, 2001. Normally, rate increases are approved by the Board in June and effective in July. The University is proposing a 6% annualized rate, which corresponds to a 6.5% rate increase for the remaining 11 months.

The rate increase is in line with inflation expectations in the hospital industry. The April 2001 issue of Rate Controls (a health provider publication) noted that, while the CPI across the general economy increased 3.5% for the 12 months ending February 28, 2001, the increase for all hospital services was 6.3%.

The Hospital has identified the following constraints on revenue sources:

- It is estimated that the Federal Balanced Budget Act of 1997 will reduce Medicare payment levels to UIHC in FY 2002 by approximately \$14.1 million.
- Iowa Medicaid payments will be cut by 3%, resulting in a projected loss of approximately \$2.0 million.
- The Health Care Financing Administration (HCFA) converted payment for Medicare outpatient services to a prospective payment basis effective August 1, 2000. UIHC anticipates that this will mean the loss of \$3.0 million in FY 2002 revenues.
- Wellmark (BCBSI) has shifted risks to providers by changing its payment methodology for inpatient services to a case rate, similar to the payment methodology used by Medicare.
- UIHC continues to provide increasing support for the Indigent Patient Care population. The value of services rendered in FY 2002 is expected to be \$75,762,000. The FY 2002 appropriation is \$31,057,743.

The combined effect of these payment restrictions will be to reduce the amount that UIHC receives for its patient care services, including state appropriations, to approximately 64.6% of gross charges.

In FY 2002, UIHC will continue to collaborate with the College of Medicine with both direct and indirect support. UIHC direct payments to the College of Medicine, included in the FY 2002 operating budget, are \$33,365,100 for purchase of certain professional services, such as supervision of laboratories and services and jointly sponsored programs.

UIHC provides direct payments for various University services, including administrative and related University support services, utility services, and laundry services. The estimate of these University services for FY 2002 totals \$29.0 million.

Psychiatric Hospital

The Psychiatric Hospital provides tertiary level specialized patient care services to Iowa citizens and serves as a primary clinical teaching unit for the University's health sciences colleges as well as a base for clinical research and instruction.

The final FY 2002 general fund operating budget for the Psychiatric Hospital is \$18,760,200, including state appropriations of \$8,160,402. The state appropriation includes a 6% (\$504,691) reduction to the FY 2001 base. General services salaries, building repairs and equipment budgets are being reduced as a result of the shortfall. The state appropriation represents 43.5% of the Psychiatric Hospital's FY 2002 projected revenue.

Center for Disabilities and Development (formerly Hospital School)

The Center for Disabilities and Development provides diagnostic, evaluative, planning and treatment services to children with cerebral palsy, mental retardation, myelodysplasia, chronic asthma, and other disorders. The interdisciplinary clinical teaching model is used to train professional students. Professionals also demonstrate and teach in the community setting and in learning laboratories. The staff undertakes investigative efforts relating to clinical treatment techniques and teaching methods.

The final FY 2002 general fund operating budget for the Center for Disabilities and Development is \$9,013,400, including state appropriations of \$7,332,202. The state appropriation includes a 6% (\$449,278) reduction to the FY 2001 base. The budget reduction is spread across several categories with the most significant reductions taken in professional and scientific supplies, building repairs, and equipment. The state appropriation represents 81.3% of the Center's projected FY 2002 revenues.

Specialized Child Health Services

The University of Iowa Hospitals and Clinics, through the Specialized Child Health Center (SCHS), provide statewide health services and resources to Iowa children and families with specialized health care needs. Funding allows for state-of-the-art cancer chemotherapy and diagnostic studies on all cancer patients in the state of Iowa, with the ability to receive such treatment locally; and allows for a home-based therapy program for the treatment of hemophilia and infant healthcare services, not otherwise consistently available throughout the state.

The final FY 2002 general fund operating budget for SCHS including Cancer, Hemophilia, High Risk Infant, Mobile and Regional Clinics, and Muscular Dystrophy is \$4,801,426, including \$722,395 (15%) in direct state appropriations. The state appropriation includes a 6% (\$41,393) reduction to the FY 2001 base.

Oakdale Campus

The Oakdale campus provides the facilities and environment to accommodate University-related research, educational, and technologically innovative programs. In addition to many multi-disciplinary programs, resources are devoted to health service programs and provide flexibility to implement and develop new programs.

The final FY 2002 general fund operating budget for the Oakdale Campus is \$3,512,157, including state appropriations of \$3,081,157. The state appropriation includes a 6% (\$192,471) reduction to the FY 2001 base. The building repairs budget has been decreased by 50% to accommodate the appropriations shortfall and increased utilities. State appropriations represent 87.7% of the projected FY 2002 revenues.

University Hygienic Laboratory

The Hygienic Laboratory serves as Iowa's only state public health and environmental quality laboratory and is statutorily obligated to provide such laboratory scientific services. Specific scientific services include areas such as bacteriology, diagnostic immunology, parasitology, mycobacteriology, mycology, virology, radiochemistry health physics, industrial hygiene, air quality, water quality, limnology pesticide analysis, inorganic chemistry, and organic chemistry.

The final FY 2002 general fund operating budget for the University Hygienic Laboratory is \$6,537,414, including state appropriations of \$4,158,633. The state appropriation includes a 6% (\$252,187) reduction to the FY 2001 base. The state appropriation represents 63.6% of the projected FY 2002 revenues.

Family Practice Program

This training program is a statewide graduate medical education system that provides training for family physicians. The statewide system comprises nine approved community hospital residency programs. The residency programs are located in seven major cities, thus decentralizing the training program into several sub-regions of the state to gain training capacity and favorably affect the distribution of graduates. Training occurs in model medical clinics, hospitals, and private medical offices in Cedar Rapids, Davenport, Des Moines (three programs), Iowa City, Mason City, Sioux City, and Waterloo.

The final FY 2002 general fund operating budget for the Family Practice Program is \$2,440,790 including state appropriations of \$2,408,790. The state appropriation includes a 6% (\$147,624) reduction to the FY 2001 base. The state appropriation represents 98.7% of the projected FY 2002 revenues.

Eighty percent of the appropriated funds will be spent on community-based family physician training programs consistent with statutory requirements and twenty percent will be spent on university-sponsored activities in support of the community-based training programs.

Special Purpose Appropriations

The final FY 2002 general fund operating budget for Special Purpose Appropriations is \$2.9 million. The Special Purpose Appropriations for FY 2002 are as follows:

	<u>FY 2001</u>	<u>FY 2002</u>	<u>% Change</u>
Center for Agricultural Health and Safety	\$ 284,452	\$ -	(100.0)
Center for Biocatalysis and Bioprocessing	1,084,871	1,036,208	(4.5)
Center for Advanced Drug Development	275,811	266,272	(3.5)
Iowa Substance Abuse Consortium	77,286	75,348	(2.5)
State of Iowa Cancer Registry	217,012	208,738	(3.8)
Oakdale Research Park/Innovation Center	341,021	329,943	(3.2)
Primary Health Care	916,974	887,221	(3.2)
Iowa Birth Defects Registry	<u>53,266</u>	<u>51,935</u>	<u>(2.5)</u>
Total	\$3,250,693	\$2,855,665	(12.2)

The state did not provide an appropriation for the Center of Agricultural Health and Safety. The state appropriation for the remaining units includes a 6% reduction to the FY 2001 base. The percentage reflected above is the net reduction.

RESTRICTED FUND BUDGET

Restricted funds for FY 2002 total \$599.6 million. Capital appropriations for FY 2002 are \$11.8 million for the Biology building and tuition replacement is estimated at \$11.0 million.

The restricted fund includes the Organized Activities Fund, the Auxiliary Enterprise Fund, the Current Restricted Fund and the Plant Fund. Revenues are derived from federal and non-federal support for sponsored programs (primarily research and student aid), sales and services, reimbursed indirect costs, tuition and fees, bond proceeds, transfers from current unrestricted funds, tuition replacement appropriations, and capital appropriations.

Residence System Budget

The University proposed a FY 2002 residence system budget with expected revenues of \$32.7 million and proposed expenses for operations of \$24.6 million, with a \$8.1 million net revenue available for debt service, mandatory transfers, and transfers to voluntary reserves. (See Attachment B, page 15 for details.)

Revenue projections have increased from the preliminary budget submitted to the Board in March due to higher occupancy estimates than previously projected. Those projections are based upon the room and board rates approved by the Board in April. Operating expense estimates have been increased from the preliminary budget by approximately \$700,000. The largest portion of the increase is due to revised utility cost estimates. Other increases are a result of additional food costs in the newly renovated Hillcrest Marketplace, as well as maintenance and custodial support required for several newly remodeled facilities.

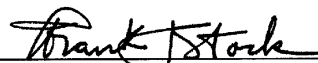
Athletic Department Budget

The athletic department budget, which is part of the restricted fund, is addressed separately in General Docket 12h.



Deb A. Hendrickson

Approved:



Frank J. Stork

**UNIVERSITY OF IOWA
FY 2002 General University Budget Summary**

STRATEGIC PLANNING GOALS			ALLOCATIONS OF NEW REVENUES AND REALLOCATIONS		
Goal #1: Create an undergraduate experience that enables students to fulfill their intellectual, social, and career objectives.		\$133,260,893	Mandatory Cost Increases		\$6,313,600
Goal #2: Achieve premier graduate and professional programs in a significant number of areas.		162,874,426	Strategic Planning Initiatives Increases		<u>15,119,107</u>
Goal #3: Foster distinguished research, scholarship, and artistic creation.		64,866,718	TOTAL		\$21,432,707
Goal #4: Facilitate interdisciplinary interaction in teaching, research, and service.		12,461,885	MANDATORY COST ADJUSTMENTS		
Goal #5: Develop a highly productive organization that supports the mission and values of the University.		<u>53,470,208</u>	Des Moines Higher Education Center	\$	37,500
TOTAL		\$426,934,130	State Auditor		56,781
			Compensation Increases		17,370,039
			Undetermined Salary Savings or Revenue		(1,840,153)
			Library Acquisitions		450,000
			Opening New Buildings		783,000
			Base Reductions-Academic & Admin. Units		(11,073,567)
			Utilities		<u>530,000</u>
			TOTAL		\$6,313,600
SOURCE OF REVENUES General University Only			STRATEGIC PLANNING INITIATIVES ADJUSTMENTS (Excluding Mandatory Cost Adjustments)		
	FY 2001	FY 2002	Initiatives	Goal	Allocation
State Approp	\$255,836,163	\$252,697,120	Recruitment, Retention and Promo	1,2	\$315,774
Tuition and Fees	125,729,260	138,187,710	Career Development Services	1,2	150,000
Reimb Indirect Costs	31,767,300	35,024,300	Business Services Restructuring	5	133,000
Interest Income	900,000	900,000	Central Investment Research Fund	2,3,4	535,000
Other Income	<u>125,000</u>	<u>125,000</u>	Central Research Facilities	2,3,4	710,000
TOTAL	\$414,357,723	\$426,934,130	ICASH	3,4	256,000
			College of Public Health	1,2,3,4	1,100,000
			Collegiate Reallocations	1,2,3,4,5	5,134,300
			Tuition Surcharges	1,2,3	1,156,221
			IWP	2,3	277,040
			Research Incentives	3,4	171,800
			Redirection of Tuition	1,2,3,4	1,446,000
			NADS	3,4	320,000
			Biosciences	1,2,3,4	1,335,000
			Arts and Humanities	1,2,3,4	316,000
			Strategic Intercollegiate Realloc.	1,2,3,4,5	250,000
			Student Aid Increases	1,2	1,993,092
			Human Resources Restructuring	5	187,000
			Student Union Operating	1,2,5	250,000
			Student Union Displacement	1,2,5	(1,400,000)
			Women's Athletics	1	<u>482,880</u>
			TOTAL		\$15,119,107
NEW REVENUES AND REALLOCATIONS From FY 2001 Budget					
State Appropriations:					
Base Reduction	\$(14,712,670)				
Salary & Benefits Increases	<u>11,573,627</u>				
Subtotal State Appropriations		\$(3,139,043)			
Other Revenues:					
Tuition and Fees	12,458,450				
Reimb. Indirect Costs	<u>3,257,000</u>				
Subtotal Other Revenues		<u>15,715,450</u>			
Total New Revenues		12,576,407			
Reallocations		<u>8,856,300</u>			
TOTAL		\$21,432,707			

THE UNIVERSITY OF IOWA
FY 02 FINAL BUDGET
General Fund
Summary of Reallocations*

From

Business Administration	\$500,000
Education	529,000
Pharmacy	38,500
Liberal Arts	2,836,800
Graduate College	230,000
Medicine	1,000,000
Provost	250,000
VP Research	2,896,000
VP Finance and University Services	<u>576,000</u>
Total Reallocations	\$8,856,300

To

Collegiate Reallocations	\$5,134,300
Central Investment Research Fund	535,000
Biosciences Initiative	1,335,000
Central Research Facilities	710,000
Arts and Humanities Initiatives	316,000
Strategic Intercollegiate Reallocations-Provost	250,000
Human Resources – Restructuring	187,000
Business Services Restructuring	133,000
Iowa's Center for Agricultural Safety and Health	<u>256,000</u>
Total Reallocations	\$8,856,300

* Excludes year-to-year funding of central building repair and equipment budgets which are reallocated each year to different projects - total \$13.8 million

The University of Iowa
Residence System Proposed Final Budget 2001-02

	Actual 1999-2000	Revised Estimate 2000-2001	Preliminary Budget 2001-2002	Proposed Final Budget 2001-2002
OPERATIONS (Modified Cash Basis)				
Revenues	\$ 28,245,101	\$ 30,158,150	\$ 32,385,543	\$ 32,654,875
Expenditures for Operations	19,325,806	22,081,637	23,896,210	24,585,630
Net Revenues	8,919,295	8,076,513	8,489,333	8,069,245
% of Revenues	31.6%	26.8%	26.2%	24.7%
Debt Service (due July 1)	2,529,602	3,740,776	4,435,745	4,435,745
Mandatory Transfers	600,000	600,000	600,000	600,000
Net After Debt Service & Mandatory Transfers	\$ 5,789,693	\$ 3,735,737	\$ 3,453,588	\$ 3,033,500
% of Revenues	20.5%	12.4%	10.7%	9.3%
University Overhead Payment From Surplus	\$ 340,092	\$ 333,372	\$ 342,621	\$ 272,028
CASH AND INVESTMENT BALANCES (June 30)				
Revenue Fund	\$	\$	\$	\$
Operation & Maintenance Fund	1,000,000	1,000,000	1,000,000	1,000,000
Improvement Fund	5,066,415	4,244,739	4,178,735	4,982,050
Surplus Fund	9,027,856	8,412,002	8,307,793	5,825,029
Subtotal--Voluntary Reserves	15,094,271	13,656,741	13,486,528	11,807,079
Bond Sinking Fund	2,110,676	2,784,008	3,627,730	3,627,730
Bond Reserve Fund	4,203,015	4,203,015	5,429,495	5,429,495
Bond Construction Fund	7,535,273	0	10,343,520	10,343,520
Subtotal--Mandatory Reserves	13,848,964	6,987,023	19,400,745	19,400,745
Total Reserve Balances (June 30)	\$ 28,943,235	\$ 20,643,764	\$ 32,887,273	\$ 31,207,824
REVENUES AND EXPENDITURES DETAIL				
Revenues				
Contracts	\$ 24,768,833	\$ 26,123,450	\$ 28,690,708	\$ 28,905,624
Interest	1,087,534	1,404,803	1,175,550	1,149,370
Other Income	2,388,734	2,629,897	2,519,285	2,599,881
Total Revenues	\$ 28,245,101	\$ 30,158,150	\$ 32,385,543	\$ 32,654,875
Expenditures for Operations				
Salaries, Wages & Benefits	8,074,602	8,582,175	9,721,321	9,755,949
Cost of Food or Goods Sold	1,880,734	2,485,133	2,761,752	2,865,177
Other Operating Expense	3,872,581	4,636,319	4,846,346	4,941,382
Utilities	3,146,103	3,778,550	3,667,136	4,111,846
Repairs & Maintenance	2,351,786	2,599,460	2,899,655	2,911,276
Total Expenditures	\$ 19,325,806	\$ 22,081,637	\$ 23,896,210	\$ 24,585,630