

**Contact: Patrice Sayre**

**FY 2011 OPERATING APPROPRIATIONS REQUESTS**

**Action Requested:**

Begin discussions on the development of FY 2011 budgets, focusing on assumptions that lead to the state appropriations request to be brought to the Board for approval at the September 16-17, 2009 meeting. Based on proposed spending and funding plans, at the September meeting, the Board will consider approval of the operating appropriations requests for FY 2011, funds to support the UIHC IowaCare Program, and the Iowa Public Radio appropriation request.

**Executive Summary:**

To maximize benefits to Iowans and other citizens, the Board of Regents advocates for adequate support for Regent institutions from all sources for high-quality educational opportunities accessible to Iowans, research and scholarship, service activities, and economic development efforts.

State appropriations are crucial investments in the future of Regent institutions that, together with the research funding and philanthropy garnered by the public universities, and the tuition and fees paid by students and parents, reflect a partnership that serves the needs of Iowa, its citizens, and the world.

Iowa Code requires state entities to submit appropriations requests for the ensuing fiscal year to the state on or before October 1. The Regent requests for FY 2011 are due October 1, 2009.

To fulfill resource needs identified in budget development, the spending plan must consider:

- Adequate base budget funding
- Inflationary growth (1% = \$22.5M for General Fund budget)
- Salary funding
- Adjustments to the base to account for one-time expenditures or unavoidable costs
- Maintenance of financial aid for students (currently, minimum of 15% of gross tuition revenues)

The funding plan must consider:

- State revenues projection
- Tuition and fees income
  - Rates
  - Enrollment
  - Differential rates
- Federal support
  - Grants
  - Reimbursed indirect costs
- Interest from operating portfolios

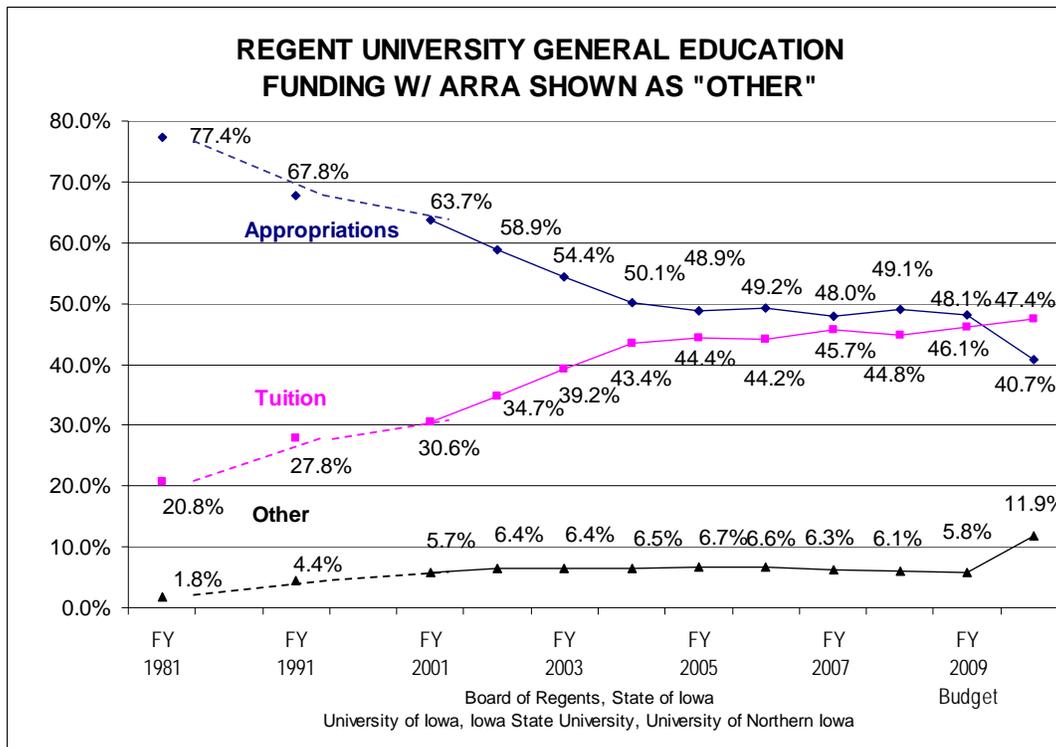
Regent appropriation requests are consolidated into six major functional areas:

- Higher Education Appropriations
- Higher Education Legislative Special Purpose Appropriations
- Special School Education Appropriations
- Economic Development Appropriations
- UIHC IowaCare Program Appropriations
- Iowa Public Radio

Higher Education Operating Appropriations Request

This functional area combines the general education units of the three universities.

State operating appropriations have historically provided the core operating funds for the Regent institutions. However, dynamic changes in state funding patterns significantly altered the proportion of revenue sources for higher education. FY 2009 funds were reduced \$15M due to the economic downturn; state operating funds received by the Regent universities for FY 2010 reflect that continued economic slide with additional cuts of \$73.3M.



President Obama's American Recovery and Reinvestment Act invests \$80.3 million in one-time funds from State Fiscal Stabilization Funds for education in FY 2010, the majority of which will be invested in this functional area.

Higher Education Legislative Special Purpose Appropriations Request

These appropriations are for specific programs at each institution which provide services to Iowa. Examples of these appropriations are the Hygienic Laboratory at the University of Iowa, the Cooperative Extension Service and Agriculture Experiment Station at Iowa State University, and the Recycling and Reuse Program at the University of Northern Iowa.

Special School Education Operating Appropriations Request

The funding request for the two special schools (ISD and IBSSS) allows the Board of Regents to continue to provide high quality, individualized instructional opportunities to children and youth who are deaf or hard-of-hearing and to those who are blind or visually impaired, including those with additional disabilities.

Economic Development Operating Appropriations Request

Economic development improves the quality of life in Iowa through educational outreach programs as well as exceptional and accessible valued public services in response to the needs of Iowans.

This functional area includes operating funds for SUI - Advanced Drug Development, Oakdale Research Park, and Technology Innovation Center; ISU - Institute for Physical Research and Technology, Small Business Development Centers, and ISU Research Park; UNI - Institute for Decision Making and Metal Casting Center.

UIHC IowaCare Program Appropriations Request

The Iowa Department of Human Services initiated the IowaCare Program on July 1, 2005, to provide certain health care benefits to qualified Iowans. The UIHC is one of a very limited number of providers within the state of Iowa that is eligible to provide IowaCare services.

Iowa Public Radio

In May 2007, The Board of Regents and Iowa Public Radio (IPR) signed an operating agreement to promote the welfare and growth of the network of public radio stations licensed to the Board of Regents and operated for the public benefit.

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