

MEMORANDUM

TO: Board of Regents
FROM: Board Office
SUBJECT: Approval of FY 2002 Detailed Budgets - Iowa State University
DATE: July 6, 2001

Recommended Action:

Approve the Iowa State University FY 2002 general fund operating budget of \$407,048,456 and the restricted fund budget of \$423,041,358 for a total of \$830,089,814, including the proposed changes in the allocation of tuition revenues.

Executive Summary:

In accordance with the Board's strategic plan, Iowa State University 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 - \$407,048,456

The University's general fund operating budget of \$407.0 million is organized into eight budgetary units, which reflect separate and distinct state appropriations to the University. Direct state appropriations to ISU for FY 2002 total \$265.1 million. All state operating appropriations to the University were reduced by approximately 6% for a total reduction of \$15.8 million.

The University reduced base operating expenditures by \$15.5 million by allocating cuts throughout various units, implementing an energy savings plan, and reducing building repair budgets. Certain areas were exempted from the budget reductions including library acquisitions, student scholarships, utilities, and the Plant Sciences Institute. The budget reductions will impair the University's ability to make progress in its strategic plan.

The state salary allocation for compensation increases is \$11.0 million. The University estimates compensation increases of \$14.2 million, including increased health insurance and other benefit costs.

The **General University** appropriation unit represents the central educational operating budget of the University. This budget of \$328.9 million includes state appropriations of \$199.4 million, tuition and fee revenues of \$115.0 million, and reimbursed indirect costs from federal programs of \$11.5 million. The state appropriations for this budget unit reflect a \$11.8 million base appropriation reduction.

Tuition and fee revenues include an increase of \$12.2 million as a result of the Board-approved 7.2% tuition rate increase and projected enrollment increases. The University proposes to use \$4.0 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 programmatic reallocations of \$2.6 million. When combined with the \$12.9 million in reductions to meet the budget shortfall, the reallocations are consistent with the Board's policy on reallocations.

The University has allocated its general fund operating budget by its strategic planning goals of learning (\$209.1 million), discovery (\$141.5 million), and engagement (\$56.4 million).

Restricted Fund Budget - \$423,041,358

The restricted fund budget includes resources and expenditures related to its sponsored programs, auxiliary enterprise functions, independent operations, bonding activities, and capital projects. State appropriations for capitals and tuition replacement 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 budget was previously presented to the Board in March. Expenditures for operations have been adjusted to reflect decreased debt service due to a better interest rate received on the bond issue 2001A and increased health care costs. The Athletic Department budget is detailed in G.D. 12h.

Background:

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

The restricted fund budget is also presented this month for Board approval. The restricted fund budget includes sponsored programs such as competitively awarded federal grants and contracts; auxiliary enterprise functions such as the Residence System and Athletic Department; and independent operations such as its parking, telecommunications, and utility enterprises. The restricted fund also incorporates the activities related to bonding and capital projects, including tuition replacement and capital appropriations.

Institutional officials have conducted university-wide efforts to plan for the budget reductions and have engaged various campus constituencies.

- Six months ago, campus units were alerted to a possible budget reduction. Units were asked to submit three budget reduction scenarios (high, medium, and low) to the President.
- A President's Council meeting was held in April to update campus administrators on the FY 2002 budget situation.
- Once the precise reduction was known, units were requested to revise and resubmit the budget reduction plans.
- College and departmental meetings were held to inform all faculty and staff.
- Articles were prepared for "Inside Iowa State," and appeared in local and campus newspapers describing ISU's approach to dealing with the base reductions.

Analysis:

General Fund Operating Budget

The FY 2002 general fund operating budget for Iowa State University is \$407.0 million. The University's budget is distributed among the following units:

	<u>Total Budget</u>	<u>Direct State Appropriations</u>
General University	\$328,949,158	\$199,442,132
Experiment Station	40,286,814	36,156,441
Cooperative Extension	31,154,455	22,849,455
IPRT	4,309,128	4,309,128
Special Purpose (page 7)	<u>2,348,901</u>	<u>2,348,901</u>
Total	\$407,048,456	\$265,106,057

The summary sheet on page 9 of this docket memorandum details the budget by strategic planning goal, revenue source, new revenues and reallocations, and the related expenditure allocations.

Appropriations Reduction:

The base operating appropriations were reduced from the original FY 2001 appropriations by \$15.8 million. An additional \$450,000 of indirect appropriations were eliminated with the state's discontinuance of funding for Pesticide Application Training, Johnes Disease Research, and the Educational Assistance Hotline. In addition to the appropriations shortfall, ISU has mandatory cost increases of \$2.4 million, health care cost increases of \$2.6 million, and additional salary funding (above the amount provided by state appropriations) of \$0.6 million for a total budget shortfall of \$21.8 million.

ISU proposes to reduce expenditures through its reallocation process and utilize new tuition revenues. The University has identified reductions of \$10.3 million, utilities savings of \$1.5 million, and the deployment of \$4.0 million of new tuition revenues previously planned for quality improvements.

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

- Eliminate 214 full time equivalent positions including 32 employee layoffs and reduce appointment for 12 positions.
- Diminish competitiveness of faculty salaries, which are currently at an eleven-year low compared to peer institutions.
- Increase number of faculty resignations that are currently at a ten-year high.
- Diminish competitiveness of professional and scientific salaries.
- Decrease budgets for support of new faculty, instructional technology, and professional development.
- Increase difficulty to recruit top faculty and staff.
- Increase class sizes thus reducing faculty to student interaction.
- Reduce the number of course offerings available, which may increase time to graduation for many students.
- Reduce building repair budget by \$1.7 million.
- Reduce outreach to citizens of Iowa, businesses, and industry.
 - The engagement activities of the academic units, Agricultural Experiment Station, and the Cooperative Extension Service will be diminished. One example of this is the closing of two extension offices: the North Central office in Mason City and the East Central office in Cedar Rapids.
- Compromise advances made at ISU over the last several years, placing the national standing of many programs at risk.

The specific details of these reductions are illustrated in Attachment A on pages 10-12.

Tuition Revenues

The University has projected increases in FY 2002 tuition and fee revenues of \$12.2 million for a total of \$115.0 million. Projected tuition revenue is based on enrollment estimates, mix of resident and nonresident students, and the Board's approved rate increases.

The University proposes to use \$4.0 million of the new tuition and fee revenue to partially offset the appropriation reduction. The University's remaining tuition revenue increase has been budgeted for some of the purposes approved by the Board in October.

ISU will not be able to address, in full, the plan for tuition proceeds approved by the Board in October. The University will be able to set aside approximately \$1.1 million to continue its level of support for student financial aid at 11% of expected tuition revenues, increase funding for student recruitment and retention initiatives, respond to increasing enrollments, and cover mandatory cost increases as planned. ISU may not be able to begin implementation of *Acropolis* (an information technology initiative), enhance electronic library resources, or increase library acquisitions as planned.

Reallocations

The FY 2002 budget reflects internal programmatic reallocations totaling \$2.6 million (Attachment A on page 12), which recognize both permanent and temporary shifts in the use of general education fund resources. When combined with the \$12.9 million in reductions to meet the budget appropriations reductions and the annualization of health insurance increase, the reallocations represent 3.9% of the FY 2001 budget and are consistent with the Board's policy on reallocations. ISU's annual reallocations for the previous five years averaged 2.9%.

General University

The General University appropriation unit represents the central educational operating budget of the University. The final FY 2002 general fund operating budget for General University is \$328.9 million, including state appropriations of \$199.4 million.

Iowa Agriculture and Home Economics Experiment Station

The Experiment Station administers faculty research programs that support Iowa's agriculture, natural resources, and family and consumer programs. The Experiment Station also supports the teaching and extension functions of Iowa State University.

About 30 departments carry out programs and activities of the Iowa Agriculture and Home Economics Experiment Station across the campus. At any given time, around 340 Station projects are active. These projects are funded by federally administered funds and state appropriations, as well as grant moneys and product sales.

The final FY 2002 general fund operating budget for the Experiment Station is \$40.3 million, including state appropriations of \$36.2 million.

Cooperative Extension

Iowa State University Extension provides research-based information and education primarily to Iowa citizens, and also to other university clients, nationally and internationally. Extension helps diverse entities in Iowa, including agriculture, natural resources, business and industry, local communities, families and youth, and many other Iowans through extended and continuing education.

Extension connects Iowa citizens through its network of offices and staff in every Iowa county, field specialists located throughout the state, and staff and faculty at the ISU campus that help facilitate education opportunities and improve efficiency. ISU Extension is part of a unique county, state, and federal partnership. Funding comes from county extension districts through local taxes, appropriations by the Iowa Legislature, the U.S. Department of Agriculture, and grants and user fees.

The final FY 2002 general fund operating budget for the Cooperative Extension is \$31.2 million, including state appropriations of \$22.8 million.

Institute for Physical Research and Technology (IPRT)

Established in 1987, the Institute for Physical Research and Technology consists of 11 research and technology development centers at Iowa State University. IPRT supports the research, outreach, and educational goals of Iowa State University by fostering economic development through multidisciplinary research that permits goal-oriented investigation. This results in not only new technologies and processes that can be transferred to industry and start-up companies but important technical assistance and real-world educational opportunities.

The mission of IPRT is to promote interdisciplinary research in the physical sciences and engineering, and specifically to foster the development of new technologies. The primary purpose is to provide an environment in which research centers can grow, flourish, and adapt in response to rapidly changing societal needs and expectations in basic and applied interdisciplinary research.

The final FY 2002 general fund operating budget for the IPRT is \$4.3 million. The entire budget is supported by state appropriated funds. Funds appropriated to IPRT that remain unencumbered or unobligated at the close of the fiscal year do not revert, but are carried forward.

Special Purpose Appropriations

The final FY 2002 general fund operating budget for the Special Purposes is \$2.3 million. State appropriation funding was eliminated for Pesticide Application Training, Johne's Disease Research, and the Educational Assistance hotline as shown under "Livestock, Agriculture, and Environment". The Special Purpose Appropriations are as follows:

	<u>FY 2001</u>	<u>FY 2002</u>	% <u>Change</u>
Small Business Development Center	1,220,417	1,159,945	(5.0)
Leopold Center	579,843	552,694	(4.7)
Research Park (ISIS)	385,271	373,275	(3.1)
Livestock Disease Research	<u>279,773</u>	<u>262,987</u>	<u>(6.0)</u>
Subtotal	\$2,465,304	\$2,348,901	(4.7)
Livestock, Agriculture, and Environment*	<u>450,000</u>	<u>0</u>	<u>(100.0)</u>
Total	\$2,915,304	\$2,348,901	(19.4)

* Indirect state appropriations - Pesticide \$200,000; Farm Hotline \$150,000; Johne's Disease \$100,000.

Restricted Fund Budget

Restricted funds for FY 2002 total \$423.0 million. Capital appropriations for FY 2002 are \$6.7 million and tuition replacement is estimated at \$10.8 million.

Federal revenue from sponsored projects is projected to increase by 8% next year based on very strong FY 2001 grant award activity. Bond financing for the Union Drive projects in the Residence Department will result in higher debt service.

State appropriations for capitals include the final state funding for the Gilman Hall renovation project and the new funding for the College of Business Building. FY 2002 tuition replacement funding is reduced slightly from FY 2001 to reflect lower debt service payments on academic building revenue bonds.

Residence System Budget

The University proposed residence system revenues total \$48.9 million and proposed expenses for operations total \$35.3 million, leaving \$13.6 million net revenue available for debt service, mandatory transfers, and transfers to voluntary reserves. (See Attachment B, page 13, for details.)

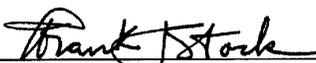
The preliminary budget was presented to the Board in March with Residence System rate increases. Expenditures for operations have been adjusted to reflect decreased debt service due to a better interest rate received on the bond issue 2001A and increased health care costs. These figures are based upon room and board rates the Board approved in April.

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

**IOWA STATE UNIVERSITY
FY 2002 General Fund Budget Summary**

STRATEGIC PLANNING GOALS			ALLOCATIONS OF NEW REVENUES AND REALLOCATIONS	
Goal #1:	Learning	\$209,135,733	General Fund Base Reduction	\$(15,793,855)
Goal #2:	Discovery	141,488,236	Reallocation to Offset Base Reduction	10,293,855
Goal #3:	Engagement	<u>56,424,487</u>	Tuition Revenue to Offset Base Reduction	4,000,000
			Energy Savings to Offset Base Reduction	1,500,000
			Annualization of FY 2001 Health Care Cost Increases	2,586,943
			Compensation Increases*	11,600,683
			Mandatory Cost Increases	2,389,702
			Strategic Planning Initiatives	<u>11,184,103</u>
	TOTAL	\$407,048,456	TOTAL	\$27,761,431
			*Includes state appropriations and \$598,363 of new revenues	
SOURCES OF REVENUE			MANDATORY COST INCREASES	
	<u>FY 2001</u>	<u>FY 2002</u>	Library Inflation	\$435,000
State Approp*	\$270,347,592	265,106,057	Licenses Software Upgrades	34,835
Tuition and Fees	102,791,490	115,007,826	Graduate Tuition Scholarships	240,818
Reimb. Indirect Cost	9,530,000	11,500,000	P&S Staff Tuition Grants	25,000
Interest	1,185,000	1,352,000	Student Access + Services & Degree Audit System	187,451
Federal Support	12,425,373	12,425,373	Disability Student Accommodation	55,960
Sales and Services	368,000	417,500	Minority Student Programs	6,470
Other Income	<u>1,268,000</u>	<u>1,239,700</u>	Campus Wireless Data Communication Service	58,000
TOTAL	\$397,915,455	\$407,048,456	Student Internet Access & Services	34,000
			Utilities	959,666
			Opening New Buildings	20,347
			Space Rental	87,000
			State Auditor Charges	21,979
			Property Insurance	27,463
			Campus Access Control, Dispatch, & Crime Record	122,647
			Backflow Prevention Program	25,000
			Hazardous Materials Shipping Specialist	48,066
			TOTAL	\$2,389,702
NEW REVENUES AND REALLOCATIONS			STRATEGIC PLANNING INITIATIVES INCREASES (Excluding Mandatory Cost Increases)	
State Appropriations			GOAL 1: Learning	6,754,743
Base Reductions	(15,793,855)		Support for Over-Enrolled Courses	350,000
Salary Improvement*	11,002,320		Study Abroad and Distance Education	485,134
Total State Appropriations		(4,791,535)	Student Aid Set-Aside	1,091,365
Tuition and Fees**		12,216,336	Scholarships for Recruitment	2,009,700
Federal Support		0	Learning Communities	185,000
Reimbursed Indirect Cost		1,970,000	Campus Safety	90,000
Other Revenue		<u>188,200</u>	Strategic Initiatives - Pending Commitments*	1,734,072
Revenue Increase		9,583,001	Internal Programmatic Reallocations	809,472
Reallocations			GOAL 2: Discovery	2,604,895
Reallocation to Cover Base Reduction***	10,293,855		Research Incentive	985,000
Energy Savings to Cover Base Reduction	1,500,000		Plant Sciences Institute	300,000
Reallocation for Health Care Cost Increases	2,586,943		Strategic Initiatives - Pending Commitments*	693,145
Reallocation from Building Repair Fund	1,230,092		Internal Programmatic Reallocations	626,750
Programmatic Reallocations	<u>2,567,540</u>		GOAL 3 Engagement	1,824,465
Total Reallocations	<u>18,178,430</u>		Strategic Initiatives - Pending Commitments*	693,146
TOTAL		\$27,761,431	Internal Programmatic Reallocations	<u>1,131,319</u>
			TOTAL	\$11,184,103
* Includes ISU share of Lakeside Lab (\$4,010)			* Includes new revenues and reallocations.	
** Includes distance education and study abroad tuition (\$485,134)				
***Includes \$483,544 from a reduced building repair fund				

Summary of All Funds Reallocations for Budget Reductions

Budget Reduction Area	Reductions						Comments
	Dollars	FTE Faculty	FTE P&S	FTE Merit	FTE GA	Suppl. Serv.	
PRESIDENT subtotal	742,397					742,397	Reduction in the Building Repair Fund and support for strategic initiatives.
PROVOST subtotal	6,043,640	53.23	17.65	15.29	26.23	2,221,547	
Provost - Academic Administration	126,733					x	Decrease assistance with faculty hires, fewer hourly students increasing staff workload, reduced professional development, decreased supplies.
Vice Provost - Undergraduate Programs	138,351		1.20	0.25		x	Reductions in Center for Teaching Excellence programming, learning community programming, instructional technology staff delaying equipment purchases, support for international studies, and professional development.
Vice Provost - Research Administration	224,383		0.50	0.50	1.00	x	Reductions in small research grants available to faculty decreasing seed money for larger grants. Reduced supplies accounts. Reduced personnel in stat lab and Graduate College.
Vice Provost - Extension	96,055		1.15	1.00			Reduce support personnel and support for innovative teaching.
Library	232,341		1.0			x	Reduced staff for financial management and public services. Reduced funding for software and hardware.
Academic Information Technology	149,768		0.47	0.30		x	Eliminate effort to utilize new Solomon software to enhance efficiency of AIT business systems. Reduce hours in Durham computer labs and in the Microcomputer Product Center. Reduce student hourly help and discontinue software licenses for low usage products.
College of Agriculture	533,265	6.43	1.77	1.16	2.10	x	Eliminate 9 courses. Reduce experiential learning, field study, and study abroad activities. Heavier teaching and advising loads reducing time for funded research. Reduced Iowa State Fair presence. Eliminate one ICN site. Reduced support for curricular development. Compromise program quality and the college's national standing.
College of Business	287,486	3.00				x	Larger class sizes and less interaction between tenured/tenure track faculty and students. Less funded research and less contact with external constituencies. Reduced support for curricular development.
College of Design	251,566	4.0			1.50	x	Eliminate 15 courses. Merge 3 multi-section courses into large lecture course reducing instructional quality. Reduce extension activities. Eliminate support for college gallery. Reduced support for new faculty and research institute compromising recruitment. Reduce hours in college shop. Reduced support for graduate students.
College of Education	395,602	8.00		1.75	1.63	x	Eliminate talented and gifted program and teacher cohort. Reduce faculty support and the number of graduate assistants. Increase class size reducing the number of offerings. Reduce client services. Reduce student and faculty research travel funds.
College of Engineering	867,757	3.64	1.99			x	Increased class sizes and reduction in elective offerings. Reduced operations budgets for curriculum development, research support, and faculty professional development. Eliminate recruitment program for underrepresented minority students.
College of Family and Consumer Sciences	274,264	2.98	1.00	1.30	2.40	x	Reduced course offerings, advising support, curricular development, improvements in learning, and scholarship support. Reduced support for research, faculty professional development, and program development. Reduced partnering with community colleges.
College of Liberal Arts and Sciences	1,667,851	23.45	1.70	4.95	17.60	x	Reduced courses offerings, larger class sizes with fewer recitations. Fewer graduate teaching assistants. Increased backlog of unmet requests for high demand courses. Higher teaching and advising loads reducing time for research/scholarship. Reduces support for new faculty compromising recruitment efforts. Reduced outreach efforts. Close physics machine shop.
College of Veterinary Medicine	584,160	1.73	6.26	4.08		x	Research programs decreased. Distance education and field services reduced. Physiology teaching reduced. Ophthalmology teaching and services reduced. Molecular virology research reduced. Pathology services to clinic reduced.
Summer Session Academic Programs	134,143	x				x	Reduced number of course offerings.
Institute for Physical Research and Technology	79,915		1.03				Fewer new initiatives.

Continued		Reductions					Comments
Budget Reduction Area	Dollars	FTE Faculty	FTE P&S	FTE Merit	FTE GA	- Suppl. Serv.	
VP STUDENT AFFAIRS	subtotal	350,203	4.50		4.00	94,550	
Vice President's Office	15,493				4.00	x	Decreased graduate assistantships thus increased staff load and decreased educational opportunities. Decreased programs for undergraduate and minority student programs. Decreased supplies budget.
Enrollment Services	105,592		1.50			x	Reduced financial aid services to students and fewer employment opportunities for students. Reduced advertising to prospective services. Reduction of recruiting staff.
Registrar's Office	39,140		0.50			x	Reduced copy costs and greater reliance on web based information systems. Decreased response time to requests for information.
Dean of Students	34,922		0.30				Eliminate services to off-campus and adult students. Reduced student hourly wages affecting recreation services hours. Reduced supplies budget.
Student Counseling Center	24,543		1.00				Reduce student-counseling staff despite 13.4% annual growth in demand for services. Decline in ability to treat seriously disturbed students in a timely manner. Increased violence, suicide, attrition.
International Education Services	14,682		0.40				Cancel 3 exchange programs in Asia and one service-learning program in Chile.
Minority Student Affairs	3,559					x	Reduce outreach programs that prepare minority students for college.
Student Health Center	112,272		0.80				Reduction of Health Center staff.
VP EXTERNAL AFFAIRS	subtotal	211,830	1.70			176,088	
Vice President's Office	12,346					x	Reduced promotion of ISU.
Alumni Association	5,230		0.10				Reduced alumni club events.
Athletics	66,046		1.00			x	Eliminate head coach position. Reduced supplies budgets.
Iowa State Center	36,746					x	Reduce utility costs.
Conference Services	769					x	Reduced services.
University Marketing	16,522					x	Reduced media exposure to prospective students.
University Museums	12,249					x	Reduction in exhibition and educational programs for internal and external audiences.
Reiman Garden	2,532					x	Reduced marketing.
University Relations	31,289					x	Replace The Iowa Stater with an web based version.
University Events	3,299					x	Reduced number of events.
WOI Radio	24,802		0.60				Reduction in locally produced programming.
VP BUSINESS AND FINANCE	subtotal	938,472	2.70	2.75		617,953	
Vice President's Office	99,159					x	Reduced support to upgrade computer technology, reduced staff training.
Controller	113,826			0.75		x	Reduced personnel – work absorbed by others and through efficiencies. Reduces ADP support to Campus Organizations, new services charges for student groups.
Business Affairs	42,795					x	Reduces printing required to meet state law. Reduced staff development. Reduced customer services.
Treasurer	15,927					x	Reduce student help increasing time in cashier lines for students and quality of service.
Facilities Planning and Management	429,324		2.20	2.00		x	Reduced customer services personnel. Reduced campus grounds and equipment maintenance. Reduced mail services support, longer mail delivery times. Personnel shift to self-supporting funds. Reduced support for flight services.
Human Resource Services	54,034					x	Reduce national advertising of positions. Elimination of IT upgrades necessary to respond to inquiries.
Environmental Health and Safety	56,551					x	Reduced publications, communications, and services to inform campus of new governmental regulations.
Administrative Data Processing	60,507			x		x	Position elimination resulting in delay in the development of several financial and human resource applications. Reduce professional development.
Risk Management	10,702					x	Reduced communication and training initiatives inhibiting efforts to reduce risk.
Telecommunications	6,724					x	Reduce central support for network backbone reducing its ability to expand services to new areas.
Public Safety	48,923		0.50			x	Reduce drug enforcement staff, potentially higher drug usage. Eliminate one patrol vehicle, decreasing ability to respond to calls and compromise campus safety.

Continued Budget Reduction Area	Reductions						Comments
	Dollars	FTE Faculty	FTE P&S	FTE Merit	FTE GA	Suppl. Serv.	
AGRICULTURE EXPERIMENT STATION subtotal	2,511,716	10.73	19.05	11.90	16.62	239,303	Reduced research activities, support for research, and services to public. Eliminate research on behavior and stress physiology, biomass for energy and forest pests, consumer credit issues, diseases of field crops with an emphasis on corn disease management. Eliminate Plant Nutrition Lab and Zoology and Genetics support for interdepartmental Genetics. Reduce fundamental agricultural research including research on the structure of agriculture, legal issues, and information technology in agricultural markets. Reduce research in agriculture and biosystems engineering, bioseparation of proteins from genetically modified crops, Iowa grain quality, companion animals/equine, food and food products for NASA and the public, and soybean IPM. Reduce activities of Team Pork and beginning farmer programs. Lose associate dean for research and national programs.
COOPERATIVE EXTENSION SERVICES subtotal	1,634,985	2.63	14.99	7.36	1.75	89,223	Reduced services to public, reduced travel to constituencies, more automated phone systems, slower response time. Reduced support for research. Fewer contacts (~20,000) with producers and agribusiness personnel. Fewer contacts (~13,000) with Iowa families and 4,000 fewer family newsletters. Reduced enrollment (~7,000) in 4-H and other youth groups. Fewer contacts (~7,000) with youth through school enrichment. No Food Science Extension for the state of Iowa. Reductions in Pesticide Applicator Training and in animal agriculture and agriculture safety programs.
INSTITUTE FOR PHYSICAL RESEARCH AND TECHNOLOGY subtotal	288,555	0.32	0.48			227,545	Reduced funded research and cross-disciplinary initiatives. Reduction in productivity and temporary shifting of personnel to sponsored programs reducing funding for research activities.
SPECIAL PURPOSES Research Park Leopold Center Small Business Development Center (SBDC) Livestock Disease Research (ILHAC) subtotal	159,000		1.00			110,557	Reduced funded research and support for new initiatives including grant writing. Reduced services to Iowa small businesses.
GRAND TOTAL	12,880,798	66.91	62.07	37.3	48.24	4,519,163	

Summary of Internal Reallocations

Unit	Source of Funds	Goal 1. Learning	Goal 2. Discovery	Goal 3. Engagement	Total Internal Reallocation
Provostial Units	Personnel, supplies and services	369,952	155,997	155,996	681,945
University Extension	Personnel, current expenses for grants, user fees	65,674	7,931	55,902	129,507
Cooperative Extension Services	Personnel, current expenses for grants, user fees, supplies and services	335,664	180,031	870,133	1,385,828
Agriculture Experiment Station	Personnel, supplies and services	38,181	282,791	49,288	370,260
Total		809,471	626,750	1,131,319	2,567,540

**IOWA STATE UNIVERSITY
Department of Residence
Revisions to FY2002 Budget**

	Proposed Budget 2001-2002	Notes	Revisions	Revised Budget 2001-2002
<u>OPERATIONS (Modified Accrual Basis)</u>				
Revenue	\$ 48,888,336		\$ -	\$ 48,888,336
Expenditures for Operations	\$ 35,120,730		\$ 179,868	\$ 35,300,598
Net Operating Revenue	\$ 13,767,606		\$ (179,868)	\$ 13,587,738
% of Revenues	28.2%			27.8%
Debt Service (due July 1)	\$ 8,441,950	1	\$ (156,566)	\$ 8,285,384
Mandatory Transfers	\$ 500,000		\$ -	\$ 500,000
Net after Debt Service and Mandatory Transfers	\$ 4,825,656		\$ (23,302)	\$ 4,802,354
% of Revenues	9.9%			9.8%
University Overhead Payment from Surplus	\$ 749,478		\$ -	\$ 749,478
% of Expenditures	2.1%			2.1%
University Scholarship Fund	\$ 360,000		\$ -	\$ 360,000
% of Revenues	0.7%			0.7%
REVENUE AND EXPENDITURE DETAIL				
Revenues				
Contracts	\$ 44,934,908		\$ -	\$ 44,934,908
Interest	\$ 1,010,195		\$ -	\$ 1,010,195
Other Income	\$ 2,943,233		\$ -	\$ 2,943,233
Total	\$ 48,888,336		\$ -	\$ 48,888,336
Expenditures				
Salaries	\$ 18,942,844	2	\$ 179,868	\$ 19,122,712
Cost of Food	\$ 4,038,334			\$ 4,038,334
Other Operating	\$ 5,599,074			\$ 5,599,074
Utilities	\$ 4,806,544			\$ 4,806,544
Repairs	\$ 1,733,935			\$ 1,733,935
Total	\$ 35,120,730		\$ 179,868	\$ 35,300,598
Total Staff FTE- October	668			668
CASH AND INVESTMENT BALANCES (JUNE 30)				
Revenue Fund	-			\$ -
Operation and Maint Fund	-			\$ -
Improvement Fund	\$ -			\$ -
Surplus fund	\$ 9,399,493			\$ 9,376,191
Subtotal--Voluntary reserve Balances	\$ 9,399,493			\$ 9,376,191
Sinking fund	\$ 8,441,950	1	\$ (156,566)	\$ 8,285,384
Bond Reserve Fund	\$ 9,612,503			\$ 9,612,503
Construction Fund	\$ 5,228,555			\$ 5,228,555
Subtotal--Mandatory Reserve Balances	\$ 23,283,007			\$ 23,126,441
Total--All Reserve Balances June 30	\$ 32,682,500			\$ 32,502,632

NOTES:

1 To correct for original overstatement of Debt Service Due in FY2002
Better Interest Rate received on Bond Issue 2001A than expected.

2 Health Care Cost Increases - beyond Expectation (previously placed in Budget Submission)

Total Approximated DoR Health Care Cost increase for FY2002 ¹ \$ 389,868

OFFSETS

Increase previously recognized in FY2002 Submission \$ 160,000
Effect of reduced Salary increase:

Payroll subject to Benefits	\$ 10,000,000	
Estimated Salary Increase	4.00%	\$ 400,000
Actual Salary Increase	3.50%	\$ (350,000)

TOTAL OFFSETS \$ 210,000

FY2002 BUDGETARY IMPACT \$ 179,868

¹Based upon analysis conducted by ISU Controller