

Contact: Brad Berg

**FY 2021 BUDGETS – UNIVERSITIES, SPECIAL SCHOOLS,
IOWA PUBLIC RADIO AND BOARD OFFICE**

Actions Requested: Consider approval of:

1. Regent university, special school, Iowa Public Radio, and Board Office FY 2021 budgets as presented in this docket item.
2. Amended FY 2020 budget for SUI’s State Hygienic Laboratory presented on page 26.
3. For Iowa State University, authorize a temporary reduction in employer contributions by two percent (2%) for its defined contribution retirement plans effective during the period beginning September 1, 2020 and ending June 30, 2021.

Executive Summary: The COVID-19 pandemic has placed us in unprecedented times. As with all of society, Iowa’s Regent Universities have undergone massive disruptions, and been forced to adapt their educational environments based on current conditions.

The presence of COVID-19 has had a large impact on the institutional budgets and finances. Iowa’s Regent Universities are among the best in the nation, and despite challenges, must continue to deliver the first-class education that our students deserve.

As the health and safety of our university communities is the top priority, many campus policies and procedures have been implemented so the universities can continue delivering on their institutional missions, even if in a different way. Going forward, the institutions will continue to need to be flexible, reacting and adapting to current conditions on their campuses.

Consistent with the Board’s strategic plan to demonstrate public accountability and effective stewardship of resources, all institutional budgets are approved annually by the Board.

The Regent institutional budgets include two basic types of funds:

- General operating funds include operational appropriations, interest income, tuition revenue, reimbursed indirect costs, and income generated from sales and services.
- Restricted funds are specifically designated or restricted for a particular purpose or enterprise and include capital and tuition replacement appropriations, gifts, sponsored funding from federal and private sources and athletics as well as other auxiliary or independent functions such as residence, parking and utility systems.

This memorandum incorporates numerous aspects of budgets for the Regent Enterprise. There are separate attachments that include budget details specific to each university, Iowa Public Radio and the Board Office. While the residence systems are included as a part of the restricted budgets, individual budgets for these auxiliary units are contained in this memorandum.

The proposed FY 2020 Regent enterprise consolidated \$6.0 billion budget is summarized below. The table on page 9 includes the detailed budgeted revenues and expenditures from all funds for Iowa’s public universities and special schools.

FY 2021 REGENT ENTERPRISE BUDGET
(in millions)

| | SUI* | ISU | UNI | ISD | IBSSS | Total |
|-------------------|---------|---------|-------|------|-------|---------|
| General Operating | 2,576.5 | 700.8 | 178.5 | 11.5 | 9.4 | 3,476.7 |
| Restricted | 1,693.7 | 700.2 | 153.2 | 1.8 | 0.9 | 2,549.8 |
| Total | 4,270.2 | 1,401.0 | 331.7 | 13.3 | 10.3 | 6,026.5 |

*includes UIHC

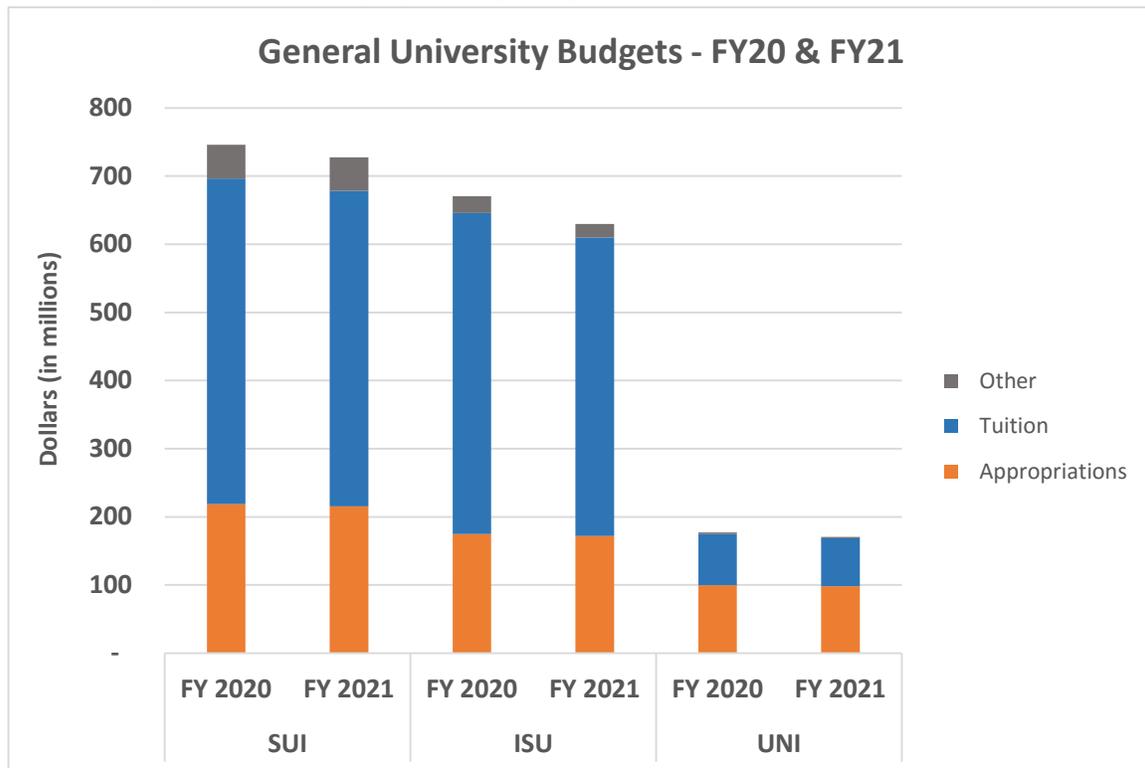
General University Operating Budgets

The primary revenue sources providing FY 2021 general operating funds for Iowa’s public universities are state appropriations and tuition revenues.

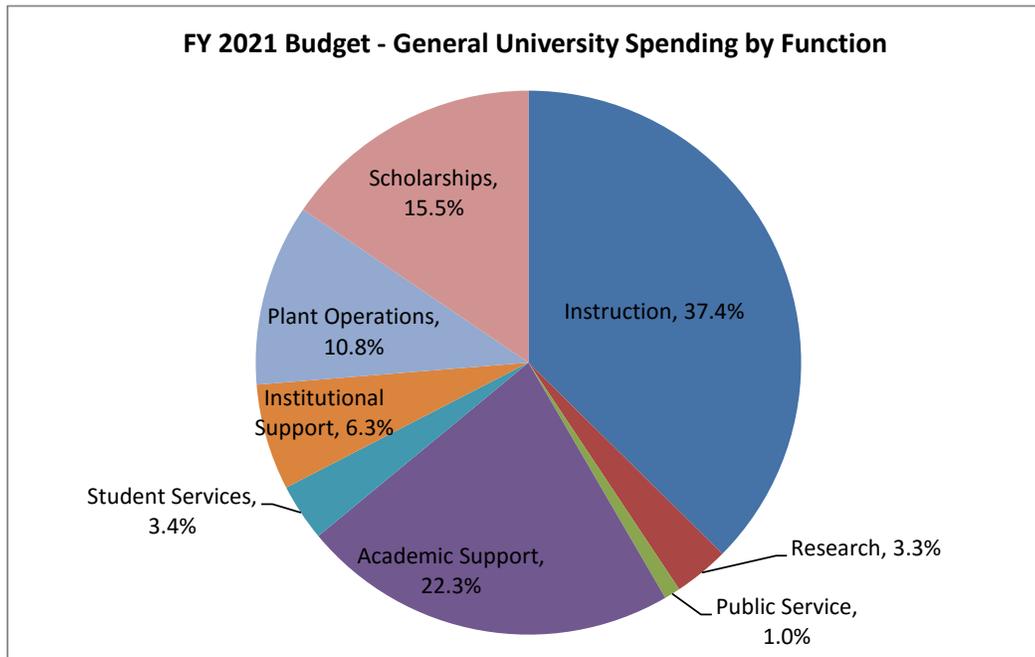
The 2020 General Assembly cut state appropriations by \$8 million and authorized the Board to determine the allocation of the reduction to the University of Iowa, Iowa State University, and the University of Northern Iowa. The consent agenda for this meeting contains the proposed allocation of the state funding reduction.

In June 2020, the Board froze (0.0% increase) to all tuition rates for the 2020-21 academic year after massive disruptions created by the COVID-19 pandemic affected all students, faculty, and staff. As a result, tuition revenue is also budgeted to decline at each university in FY 2021.

The following chart compares the FY 2020 funding source budget with FY 2021 for each university. In total, the FY 2021 general university operating budgets are \$65.4 million less than the FY 2020 budgets.



In addition to the General University budgets presented on pages 6-7 by expenditure type, the attachments contain an expense summary by the following functional classifications as defined by the National Association of College and University Business Officers. General fund expenses related to instruction, academic support, and scholarships and fellowships comprise 75% of the combined general university expenses.



Each university also has several special purpose units that receive state funding for operations. Examples include the Hygienic Laboratory and the Iowa Flood Center at SUI, the Agriculture Experiment Station and Cooperative Extension at ISU, and Math and Science Collaborative and the Recycling and Reuse Center at UNI. Additional information regarding the FY 2021 special purpose unit budgets is provided in the attachments.

Restricted Budgets

The university FY 2021 restricted fund budgets include capital funding approved by the General Assembly for the following projects.

- ISU – Veterinary Diagnostic Laboratory \$ 8.900 million
- ISU – Student Innovation Center \$ 6.625 million
- UNI – Industrial Tech Center \$ 1.000 million
- ISD – Long Hall Renovation \$ 1.325 million

In addition, the university restricted fund budgets include an allocation of the \$28.3 million tuition replacement appropriation to replace the tuition revenue pledged on Academic Building Revenue Bonds.

The restricted budgets also include \$3.0 million (allocated 35/35/30 among SUI, ISU and UNI) for the Regent Innovation Fund to support economic development projects. The universities will provide a one-to-one match of these funds for capacity-building infrastructure in areas related to technology commercialization, entrepreneurship and business growth.

Athletic Budgets

Due to the volatility of the fall sports schedules resulting from the COVID-19 pandemic, the detailed athletic budgets will be considered for Board approval at its September meeting.

Residence System Budgets

Residence systems, which include dining services, are self-supporting operations that do not receive state-appropriated funds for operations or capital improvements; they are included in the restricted fund budgets. Residence system FY 2021 revenue budgets total approximately \$194 million for the three universities.

The Board received the FY 2021 residence system preliminary budgets as part of the residence system governance report presented in February. Each university has since updated their respective residence system budgets to reflect revenue and expense estimates based on the most recent occupancy projections and the impact of the COVID-19 pandemic. The residence systems are expected to house approximately 18,250 students this fall. The proposed detailed budgets for each university residence system are provided in the attachments.

| University Residence Systems FY 2021 Budgets | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| | SUI | | ISU | | UNI | |
| | Preliminary | Final | Preliminary | Final | Preliminary | Final |
| Revenues | \$ 80,488,727 | \$ 72,572,881 | \$ 96,143,671 | \$ 88,424,927 | \$ 35,171,845 | \$ 33,015,195 |
| Expenditures for Operations | 57,121,081 | 55,223,142 | 69,857,669 | 68,454,864 | 26,409,779 | 24,566,058 |
| Debt Service and Mandatory Transfers | 12,197,669 | 12,197,669 | 15,167,915 | 12,615,601 | 6,588,619 | 6,588,619 |
| Net Revenues after Debt Service and Mandatory Transfers | \$ 11,169,977 | \$ 5,152,070 | \$ 11,118,087 | \$ 7,354,462 | \$ 2,173,447 | \$ 1,860,518 |

Federal CARES Act – Higher Education Emergency Relief Fund

Funding from the Higher Education Emergency Relief Fund of the Federal Coronavirus Aid, Relief and Economic Security (CARES) Act was awarded to each of the universities. A minimum of 50% of these funds must be used to provide emergency financial aid grants to students. The remainder is utilized to prevent, prepare for, and respond to COVID-19, and cover costs associated with changes to the delivery of instruction due to COVID-19 and may include refunds previously made to students for room and board and other fees. Provided below is the budgeted allocation of these funds by fiscal year for each university.

| | <u>SUI</u> | <u>ISU</u> | <u>UNI</u> |
|-------------|------------------|-------------------|---------------|
| FY 2020 | 14,961,799 | 9,236,569 | 7,595,996 |
| FY 2021 | <u>1,209,555</u> | <u>12,462,288</u> | <u>22,741</u> |
| Total Award | 16,171,354 | 21,698,857 | 7,618,737 |

Special Schools

The FY 2021 budgets for the Iowa School for the Deaf (ISD), and the Iowa Braille and Sight Saving School (IBSSS) total \$23.6M and are provided in Attachments D and E. ISD and IBSSS rely heavily on state funding for their operations. In aggregate, the schools’ operating appropriations were increased 2.3% (\$336,584) when compared to FY 2020. The schools share a common Superintendent and other administrators. While these positions are employed by ISD, IBSSS reimburses their share of the cost for these positions on a monthly basis.

FY 2021 Special School Budgets

| | <u>Operating</u> | <u>Restricted</u> | <u>Total</u> |
|-------|---------------------|-------------------|----------------------|
| ISD | \$ 11,495,366 | \$ 1,760,682 | \$ 13,256,048 |
| IBSSS | <u>\$ 9,429,421</u> | <u>\$ 925,366</u> | <u>\$ 10,354,787</u> |
| TOTAL | \$ 20,924,787 | \$ 2,686,048 | \$ 23,610,835 |

Iowa Public Radio (IPR)

In December 2004, the Board approved the creation of IPR, which includes a total of 26 radio stations at the University of Iowa (KSUI Radio Group), Iowa State University (WOI Radio Group), and the University of Northern Iowa (KUNI Radio Group).

In June 2013, the Board renewed the Public Service Operating Agreement between Iowa Public Radio and the Board of Regents. Under the operating agreement, Iowa Public Radio manages the operations of the Radio Groups on behalf of the Board of Regents and Universities consistent with FCC requirements for license control and serves as the primary fundraising entity.

IPR's FY 2021 operating appropriation of \$345,669 is \$4,979 less (-1.4%) than the FY 2020 amount. Beginning in FY 2021, university support for IPR has been eliminated. The proposed FY 2021 budget is contained in Attachment F.

Salary Policies

The Board of Regents employs about 6,400 AFSCME-covered staff in blue collar, security, technical, clerical and education units at the five institutions. The statewide collective bargaining agreement with AFSCME provides a 2.1% on July 1, 2020 (also applicable for non-represented supervisory and confidential merit staff).

At the Board's June meeting, the Regents authorized the Executive Director to approve, in consultation with Board leadership, the salary policies for the non-organized faculty and staff for each institution. A summary of each institution's policy is provided in the attachments.

BOARD OF REGENTS, STATE OF IOWA
FY 2021 GENERAL FUND OPERATING BUDGETS

| | University of Iowa | | | | | | | | | |
|-----------------------------|--------------------|-----------------|--------------|-------------|----------------|-------------|--------------|-----------|-----------------|-----------------|
| | Gen. Univ. | Univ. Hosp. | Psych. Hosp. | CDD | Oakdale Campus | Hyg. Lab | Family Prac. | SCHS | Special Purpose | Subtotal |
| APPROPRIATIONS | | | | | | | | | | |
| General | \$215,605,480 | | | | \$2,103,819 | \$4,822,610 | \$1,720,598 | \$634,502 | \$5,937,518 | \$230,824,527 |
| RESOURCES | | | | | | | | | | |
| Federal Support | | | | | | | | | | - |
| Interest | 1,444,520 | 11,000,000 | -49,035 | 253,932 | | 5,000 | 5,500 | | | 12,659,917 |
| Tuition and Fees | 462,908,000 | | | | | | | | | 462,908,000 |
| Reimb. Indirect Costs | 47,877,000 | 3,406,351 | 1,399,620 | 175,945 | 286,181 | 57,854 | | | | 53,202,951 |
| Sales and Service | | 1,775,540,722 | 30,257,427 | 8,077,509 | | 1,799,365 | | 101,792 | | 1,815,776,815 |
| Other Income | 25,000 | 881,625 | 255,408 | | | | | | | 1,162,033 |
| Subtotal - Inst. Income | 512,254,520 | 1,790,828,698 | 31,863,420 | 8,507,386 | 286,181 | 1,862,219 | 5,500 | 101,792 | - | 2,345,709,716 |
| TOTAL REVENUES | \$727,860,000 | \$1,790,828,698 | \$31,863,420 | \$8,507,386 | \$2,390,000 | \$6,684,829 | \$1,726,098 | \$736,294 | \$5,937,518 | \$2,576,534,243 |
| EXPENDITURES | | | | | | | | | | |
| Fac. & Inst. Off. Salaries | \$267,115,000 | \$88,349,862 | \$110,635 | \$399,786 | | \$196,144 | | \$155,817 | \$1,191,269 | \$357,518,513 |
| Prof. & Sci. Staff Salaries | 161,201,000 | 632,802,799 | 17,882,488 | 4,838,728 | 165,772 | 3,388,619 | 296,066 | 578,477 | 2,060,967 | 823,214,916 |
| General Service Staff Sal. | 45,177,000 | 193,592,976 | 7,912,380 | 985,057 | 1,081,228 | 1,597,946 | | | 122,258 | 250,468,845 |
| Hourly Wages | 5,700,000 | 8,481,145 | 136,338 | 144,976 | | 78,346 | | | 48,709 | 14,589,514 |
| Subtotal - Salaries | 479,193,000 | 923,226,782 | 26,041,841 | 6,368,547 | 1,247,000 | 5,261,055 | 296,066 | 734,294 | 3,423,203 | 1,445,791,788 |
| Supplies and Services | 49,872,000 | 812,274,360 | 4,216,461 | 1,879,345 | 199,000 | 1,368,797 | 1,430,032 | 2,000 | 2,302,040 | 873,544,035 |
| Library Acquisitions | 18,188,000 | | | | | | | | | 18,188,000 |
| Rentals | 5,969,000 | 17,669,444 | 6,327 | 558 | | 53,150 | | | 73,000 | 23,771,479 |
| Utilities | 43,100,000 | 35,743,431 | 1,592,059 | 229,644 | 751,000 | 1,827 | | | | 81,417,961 |
| Bldg. Repairs | 22,630,000 | 1,914,681 | 6,732 | 29,292 | 193,000 | | | | | 24,773,705 |
| Auditor of State Reimb. | 765,000 | | | | | | | | | 765,000 |
| Equipment | 3,369,000 | | | | | | | | 3,000 | 3,372,000 |
| Aid to Individuals | 104,774,000 | | | | | | | | 136,275 | 104,910,275 |
| Subtotal - Other Expenses | 248,667,000 | 867,601,916 | 5,821,579 | 2,138,839 | 1,143,000 | 1,423,774 | 1,430,032 | 2,000 | 2,514,315 | 1,130,742,455 |
| TOTAL EXPENDITURES | \$727,860,000 | \$1,790,828,698 | \$31,863,420 | \$8,507,386 | \$2,390,000 | \$6,684,829 | \$1,726,098 | \$736,294 | \$5,937,518 | \$2,576,534,243 |

BOARD OF REGENTS, STATE OF IOWA
FY 2021 GENERAL FUND OPERATING BUDGETS (continued)

| | Iowa State University | | | | | University of Northern Iowa | | | ISD | IBSSS | Operating Total |
|-----------------------------|-----------------------|--------------|--------------|-----------------|---------------|-----------------------------|-----------------|---------------|--------------|-------------|-----------------|
| | Gen. Univ. | Exp. Station | Coop. Ext. | Special Purpose | Subtotal | Gen. Univ. | Special Purpose | Subtotal | | | |
| APPROPRIATIONS | | | | | | | | | | | |
| General | \$172,144,766 | \$29,462,535 | \$18,007,366 | \$7,745,506 | \$227,360,173 | \$98,296,620 | \$8,111,879 | \$106,408,499 | \$10,536,171 | \$4,434,459 | \$579,563,829 |
| RESOURCES | | | | | | | | | | | |
| Federal Support | | 5,405,000 | 10,250,000 | | 15,655,000 | | | | 56,970 | | 15,711,970 |
| Interest | | | | | 0 | 296,070 | | 296,070 | 1,000 | | 12,957,467 |
| Tuition and Fees | 437,922,000 | | | | 437,922,000 | 70,306,578 | | 70,306,578 | | | 971,136,578 |
| Reimb. Indirect Costs | 19,253,000 | | | | 19,253,000 | 979,649 | | 979,649 | 15,000 | 58,331 | 73,508,931 |
| Sales and Service | | | | | | 534,393 | | 534,393 | 556,000 | 3,985,526 | 1,820,852,734 |
| Other Income | 600,000 | | | | 600,000 | | | - | 330,225 | 951,105 | 3,043,363 |
| Subtotal - Inst. Income | 457,775,000 | 5,405,000 | 10,250,000 | - | 473,430,000 | 72,116,690 | - | 72,116,690 | 959,195 | 4,994,962 | 2,897,211,043 |
| TOTAL REVENUES | \$629,919,766 | \$34,867,535 | \$28,257,366 | \$7,745,506 | \$700,790,173 | \$170,413,310 | \$8,111,879 | \$178,525,189 | \$11,495,366 | \$9,429,421 | \$3,476,774,872 |
| EXPENDITURES | | | | | | | | | | | |
| Fac. & Inst. Off. Salaries | \$228,454,000 | \$18,776,000 | \$5,775,000 | \$2,731,000 | \$255,736,000 | \$66,785,609 | \$383,214 | \$67,168,823 | \$3,790,135 | \$6,472,586 | 690,686,057 |
| Prof. & Sci. Staff Salaries | 129,592,000 | 5,622,000 | 18,509,000 | 3,079,255 | 156,802,255 | 37,634,016 | 1,471,038 | 39,105,054 | 2,983,417 | 394,696 | 1,022,500,338 |
| General Service Staff Sal. | 35,518,000 | 861,000 | 253,000 | 26,000 | 36,658,000 | 22,799,021 | 101,287 | 22,900,308 | 2,882,563 | 820,629 | 313,730,345 |
| Hourly Wages | 6,162,000 | | | 23,000 | 6,185,000 | 1,871,309 | 121,981 | 1,993,290 | | | 22,767,804 |
| Subtotal - Salaries | 399,726,000 | 25,259,000 | 24,537,000 | 5,859,255 | 455,381,255 | 129,089,955 | 2,077,520 | 131,167,475 | 9,656,115 | 7,687,911 | 2,049,684,544 |
| Supplies and Services | 57,518,766 | 9,108,535 | 3,470,366 | 1,780,251 | 71,877,918 | 12,254,613 | 5,960,038 | 18,214,651 | 1,508,061 | 1,489,510 | 966,634,655 |
| Library Acquisitions | 10,792,000 | | | | 10,792,000 | 1,916,249 | | 1,916,249 | | 15,000 | 30,911,249 |
| Rentals | 2,200,000 | | 250,000 | | 2,450,000 | 877,578 | | 877,578 | | 35,000 | 27,134,057 |
| Utilities | 32,087,000 | | | | 32,087,000 | 7,784,218 | | 7,784,218 | 286,750 | 170,500 | 121,746,429 |
| Bldg. Repairs | 11,089,000 | | | 31,000 | 11,120,000 | 1,400,000 | | 1,400,000 | | | 37,293,705 |
| Auditor of State Reimb. | 750,000 | | | | 750,000 | 411,900 | | 411,900 | 44,440 | 31,500 | 2,002,840 |
| Equipment | 459,000 | 300,000 | | 75,000 | 834,000 | 478,797 | 74,321 | 553,118 | | | 4,759,118 |
| Aid to Individuals | 115,298,000 | 200,000 | | | 115,498,000 | 16,200,000 | | 16,200,000 | | | 236,608,275 |
| Subtotal - Other Expenses | 230,193,766 | 9,608,535 | 3,720,366 | 1,886,251 | 245,408,918 | 41,323,355 | 6,034,359 | 47,357,714 | 1,839,251 | 1,741,510 | 1,427,090,328 |
| TOTAL EXPENDITURES | \$629,919,766 | \$34,867,535 | \$28,257,366 | \$7,745,506 | \$700,790,173 | \$170,413,310 | \$8,111,879 | \$178,525,189 | \$11,495,366 | \$9,429,421 | \$3,476,774,872 |

BOARD OF REGENTS
STATE OF IOWA
FY 2021 RESTRICTED FUNDS BUDGETS

| | SUI | ISU | UNI | ISD | IBSSS | Restricted Total |
|--------------------------------|------------------------|----------------------|----------------------|--------------------|------------------|------------------------|
| APPROPRIATIONS | | | | | | |
| Innovation Fund | \$1,050,000 | \$1,050,000 | \$900,000 | | | \$3,000,000 |
| Tuition Replacement | 15,077,151 | 10,050,134 | 3,141,181 | | | 28,268,466 |
| Capital | | 15,525,000 | 1,000,000 | 1,325,000 | | 17,850,000 |
| Other | 963,297 | 288,000 | | | | 1,251,297 |
| RESOURCES | | | | | | |
| Federal Support | 248,648,000 | 174,500,000 | 17,021,677 | \$311,216 | \$735,366 | 441,216,259 |
| Interest | 35,175,000 | | 1,775,000 | 525 | | 36,950,525 |
| Tuition and Fees | 70,502,000 | 17,000,000 | 19,737,151 | | | 107,239,151 |
| Reimbursed Indirect Costs | 25,875,000 | 10,800,000 | | | | 36,675,000 |
| Sales and Service | 902,357,000 | 59,000,000 | 95,624,378 | 123,941 | | 1,057,105,319 |
| Other Income | 394,026,552 | 412,000,000 | 14,000,000 | | 190,000 | 820,216,552 |
| Subtotal - Inst. Income | 1,676,583,552 | 673,300,000 | 148,158,206 | 435,682 | 925,366 | 2,499,402,806 |
| TOTAL REVENUES | \$1,693,674,000 | \$700,213,134 | \$153,199,387 | \$1,760,682 | \$925,366 | \$2,549,772,569 |
| EXPENDITURES | | | | | | |
| Fac. & Inst. Off. Salaries | \$410,696,000 | \$70,200,000 | \$4,768,141 | \$118,538 | \$422,106 | \$486,204,785 |
| Prof. & Sci. Staff Salaries | 342,190,000 | 110,700,000 | 19,996,214 | | 16,806 | 472,903,020 |
| General Service Staff Salaries | 51,646,000 | 37,800,000 | 11,309,278 | 105,999 | | 100,861,277 |
| Hourly Wages | 29,061,000 | 22,500,000 | 5,228,327 | | | 56,789,327 |
| Subtotal - Salaries | 833,593,000 | 241,200,000 | 41,301,960 | 224,537 | 438,912 | 1,116,758,409 |
| Prof. and Scientific Supplies | 467,968,000 | 256,433,134 | 51,547,708 | 211,145 | 436,454 | 776,596,441 |
| Library Acquisitions | 107,000 | | 30,000 | | | 137,000 |
| Rentals | 10,182,000 | | 875,000 | | | 11,057,000 |
| Utilities | 12,996,000 | 12,780,000 | 6,792,572 | | | 32,568,572 |
| Building Repairs | 10,181,000 | 4,000,000 | 3,984,469 | | 50,000 | 18,215,469 |
| Auditor of State | | | | | | - |
| Equipment | 62,189,000 | 10,000,000 | 2,546,072 | | | 74,735,072 |
| Student Aid | 78,556,000 | 65,000,000 | 23,332,583 | | | 166,888,583 |
| Debt Service | 96,902,000 | 45,000,000 | 12,819,837 | | | 154,721,837 |
| Plant Capital | 121,000,000 | 65,800,000 | 9,969,186 | 1,325,000 | | 198,094,186 |
| Subtotal - Other Expenses | 860,081,000 | 459,013,134 | 111,897,427 | 1,536,145 | 486,454 | 1,433,014,160 |
| TOTAL EXPENDITURES | \$1,693,674,000 | \$700,213,134 | \$153,199,387 | \$1,760,682 | \$925,366 | \$2,549,772,569 |

BOARD OF REGENTS
STATE OF IOWA
FY 2021 ALL FUNDS BUDGETS

| | SUI | ISU | UNI | ISD | IBSSS | All Funds Total |
|-----------------------------|------------------------|------------------------|----------------------|---------------------|---------------------|------------------------|
| APPROPRIATIONS | | | | | | |
| General | \$230,824,527 | \$227,360,173 | \$106,408,499 | \$10,536,171 | \$4,434,459 | \$579,563,829 |
| Innovation | 1,050,000 | 1,050,000 | 900,000 | | | 3,000,000 |
| Tuition Replacement | 15,077,151 | 10,050,134 | 3,141,181 | | | 28,268,466 |
| Capital | - | 15,525,000 | 1,000,000 | 1,325,000 | - | 17,850,000 |
| Other | 963,297 | 288,000 | | | | 1,251,297 |
| RESOURCES | | | | | | |
| Federal Support | 248,648,000 | 190,155,000 | 17,021,677 | 368,186 | 735,366 | 456,928,229 |
| Interest | 47,834,917 | - | 2,071,070 | 1,525 | - | 49,907,512 |
| Tuition and Fees | 533,410,000 | 454,922,000 | 90,043,729 | | | 1,078,375,729 |
| Reimb. Indirect Costs | 79,077,951 | 30,053,000 | 979,649 | 15,000 | 58,331 | 110,183,931 |
| Sales and Service | 2,718,133,815 | 59,000,000 | 96,158,771 | 679,941 | 3,985,526 | 2,877,958,053 |
| Other Income | 395,188,585 | 412,600,000 | 14,000,000 | 330,225 | 1,141,105 | 823,259,915 |
| Subtotal - Inst. Income | 4,022,293,268 | 1,146,730,000 | 220,274,896 | 1,394,877 | 5,920,328 | 5,396,613,369 |
| TOTAL REVENUES | \$4,270,208,243 | \$1,401,003,307 | \$331,724,576 | \$13,256,048 | \$10,354,787 | \$6,026,546,961 |
| EXPENDITURES | | | | | | |
| Fac. & Inst. Off. Salaries | \$768,214,513 | \$325,936,000 | \$71,936,964 | \$3,908,673 | \$6,894,692 | \$1,176,890,842 |
| Prof. & Sci. Staff Salaries | 1,165,404,916 | 267,502,255 | 59,101,268 | 2,983,417 | 411,502 | 1,495,403,358 |
| General Service Staff Sal. | 302,114,845 | 74,458,000 | 34,209,586 | 2,988,562 | 820,629 | 414,591,622 |
| Hourly Wages | 43,650,514 | 28,685,000 | 7,221,617 | | | 79,557,131 |
| Subtotal - Salaries | 2,279,384,788 | 696,581,255 | 172,469,435 | 9,880,652 | 8,126,823 | 3,166,442,953 |
| Prof. and Scientific Supp. | 1,341,512,035 | 328,311,052 | 69,762,359 | 1,719,206 | 1,925,964 | 1,743,230,616 |
| Library Acquisitions | 18,295,000 | 10,792,000 | 1,946,249 | - | 15,000 | 31,048,249 |
| Rentals | 33,953,479 | 2,450,000 | 1,752,578 | - | 35,000 | 38,191,057 |
| Utilities | 94,413,961 | 44,867,000 | 14,576,790 | 286,750 | 170,500 | 154,315,001 |
| Bldg. Repairs | 34,954,705 | 15,120,000 | 5,384,469 | - | 50,000 | 55,509,174 |
| Auditor of State Reimb. | 765,000 | 750,000 | 411,900 | 44,440 | 31,500 | 2,002,840 |
| Equipment | 65,561,000 | 10,834,000 | 3,099,190 | - | - | 79,494,190 |
| Aid to Individuals | 183,466,275 | 180,498,000 | 39,532,583 | | | 403,496,858 |
| Debt Service | 96,902,000 | 45,000,000 | 12,819,837 | | | 154,721,837 |
| Plant Capital | 121,000,000 | 65,800,000 | 9,969,186 | 1,325,000 | | 198,094,186 |
| Subtotal - Other Expenses | 1,990,823,455 | 704,422,052 | 159,255,141 | 3,375,396 | 2,227,964 | 2,860,104,008 |
| TOTAL EXPENDITURES | \$4,270,208,243 | \$1,401,003,307 | \$331,724,576 | \$13,256,048 | \$10,354,787 | \$6,026,546,961 |

FY 2021 BUDGETS – UNIVERSITY OF IOWA

The University of Iowa’s academic, administrative and shared governance leaders continue their efforts to develop and refine the new, value-based budgeting process. With the goal of establishing a process that empowers unit leaders to prioritize funding in order to support their respective missions and to improve financial transparency, the following principles guided decisions in forming the FY 2021 budget:

- **New Budget Model – Characteristics**
 - Value-based, transparent and shaped by guiding principles (Student Success, Quality Indicators, Our Values, Our Future)
 - Flexible design to support and finance the 2016-21 University of Iowa Strategic Plan
 - Based on annual increases/decreases to the GEF “Collegiate Economic Analysis” report
- **New Budget Model – Goals**
 - Maximize annual net tuition revenue
 - Improve stability in the face of declining state support
 - Incentivize new revenue generation
 - Provide recurring/non-recurring funding for strategic initiatives
 - Ensure collegiate/non-collegiate unit financial accountability
 - Improve salary competitiveness
 - Reward collaboration within and among colleges
 - Fund salary and benefit adjustment and/or other inflationary increments through new revenues, efficiencies or reprioritization
 - Provide guidelines for equitably sharing centralized costs
 - Develop multi-year revenue/expense projections

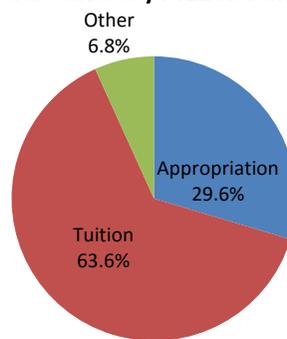
This collaborative process and budget model allowed the University to develop a General Education Fund budget reinforcing its principles and mission of education, research and discovery, while also addressing downward adjustments in state appropriations. All other FY 2021 budgets were developed simultaneously with the General Education Fund budget under similar and, in most instances, identical policies and guidelines.

SUI FY 2021 General University Operating Budget

Tuition revenues comprise 63.6% of the \$728 million General University revenue budget with 29.6% coming from state appropriations. Projected changes in these revenue sources, as well as indirect cost recoveries and interest income, result in an \$18.1 million decrease in revenue; 2.4% less than the FY 2020 budget.

| | |
|-----------------------------------|----------------------|
| FY 2020 Budget | \$ 746.0 million |
| Revenue Changes: | |
| Base Appropriation | (3.1) million |
| Tuition | (14.8) million |
| Indirect Cost Recoveries/Interest | (0.2) million |
| Revenue Change | (18.1) million |
| FY 2021 Budget | \$ 727.9 million |

SUI General University FY21 Revenue Budget



For FY 2021, the Board of Regents requested a \$7.0 million increase for the University of Iowa. The 2020 Iowa General Assembly, instead, reduced funding of \$8.0 million for FY 2021 to be allocated by the Board of Regents to the three Regent institutions. The general university's allocation of the reduction is \$3.1 million.

In June 2020, the Board approved tuition rates for the 2020-21 academic year. All rates remained flat (0% increase) from the prior year. For the fall of 2020, the University is anticipating a smaller incoming freshman class due to numerous uncertainties related to the unprecedented impacts of the COVID-19 epidemic across the country. However, focused enrollment management efforts plan to yield a diverse yet more prepared freshman class allowing for improved retention and time to graduation. Graduate and professional student enrollments are anticipated to decrease slightly. In total, the University is projecting a decrease of \$14.8 million (3.1%) in tuition revenue.

| UNIVERSITY OF IOWA | 2019-20 | Increase | 2020-21 | % Inc |
|---------------------------|----------------|-----------------|----------------|--------------|
| Undergrad-Resident | 8,073.00 | - | 8,073.00 | 0.0% |
| Undergrad-Nonresident | 30,036.00 | - | 30,036.00 | 0.0% |
| Grad-Resident | 10,079.00 | - | 10,079.00 | 0.0% |
| Grad-Nonresident | 29,026.00 | - | 29,026.00 | 0.0% |

The University is estimating a slight decrease of \$0.2 million in indirect cost recoveries due to an anticipated decrease in federal research activities. Interest and other income estimates within the General Education Fund are budgeted to remain the same as FY 2020.

During FY 2021, the University will continue to use the budget model to identify, evaluate and possibly discontinue or close activities in which state resources are no longer sufficient to support these functions. The University must ensure available resources align with the University's strategic plan and sustain financial viability. Scarce resources will continue to be directed to student success, research, and economic development programs.

Due to cuts in state funding, shifts in enrollment demographics, and losses related to COVID-19, the University announced the following measures to trim spending in FY 2021:

- President Bruce Harreld has requested a 50% reduction to his base salary for FY 2021 starting on August 1st. The one-time allocation of \$270,416 will be directed to the Student Emergency Fund which is available to students who experience an event or unforeseen circumstance, such as COVID-19, that negatively and severely impacts their academic success.
- For FY 2021, the University will reduce General Education Funding support for Hancher Auditorium, beginning a three-year process to transition Hancher to a self-sustaining unit on campus.
- Hiring freezes and salary freezes recommended by many collegiate and administrative units
- One collegiate unit elected to not renew contracts of some instructional-track faculty and assistants in instruction.

The University implemented the terms of the AFSCME and COGS (graduate assistants) collective bargaining agreements. Typically, potential performance and/or cost-of-living increases for Faculty and Non-Bargaining P&S staff are considered for January. Making these salary increase decisions effective in January allows for a clearer picture of tuition revenue following September enrollment counts and any potential changes in the state budget. For FY 2021, due to budgetary challenges, most collegiate and non-collegiate units will not approve salary increases for faculty and non-bargaining staff.

For FY 2021, changes in fringe benefit rates on the existing General Education Fund compensation base will decrease total benefit costs. Costs related to AFSCME bargained merit staff will remain flat while P&S and faculty costs will decrease by approximately \$2.3 million.

SUI is committed to identifying new ways of meeting the needs of its students and will focus efforts on sustainable means of helping students graduate on time and receive the highest value education it can provide. For FY 2021, the University is estimating that the student aid budget will not change significantly from FY 2020.

In December 2019, the University of Iowa received approval from the Board of Regents to enter into a 50-year public-private partnership (P3) involving its utility system with ENGIE North America and Meridiam. Under the agreement (effective in March 2020) with ENGIE and Meridiam, the University will maintain ownership of its utility system and ENGIE will perform all operations with respect to steam, cooling, water and electricity. As expected, most utility system employees have transitioned to become ENGIE employees. This transition results in lower University direct salary and fringe costs but increases utility general expenses at a comparable amount. Total General Fund utility non-salary expenses are expected to increase by approximately 2%.

The \$728 million General University budget allocated by function is shown below. Expenses related to instruction, academic support, and scholarships and fellowships comprise 71% of all general university expenses.

General University Spending By Function
(\$ in thousands)

| | <u>FY 2021</u> | <u>% Total</u> |
|-----------------------------------|----------------|----------------|
| Instruction | 287,894 | 39.6% |
| Research | 29,002 | 4.0% |
| Public Service | 3,156 | 0.4% |
| Academic Support | 126,352 | 17.4% |
| Student Services | 24,926 | 3.4% |
| Institutional Support | 40,026 | 5.5% |
| Operations & Maintenance of Plant | 111,809 | 15.4% |
| Scholarships & Fellowships | 104,695 | 14.4% |
| Total | <u>727,860</u> | <u>100.0%</u> |

University of Iowa Hospitals and Clinics (UIHC)

The proposed FY 2021 UIHC operating budget of \$1.79 billion is provided on page 6.

In FY 2021, the strategic focus for UIHC will continue to center on the offering of a broad spectrum of clinical services to all patients, serving as the primary teaching hospital for the University, and providing a base for innovative research to improve health care. The following three commitments are identified in the strategic plan and were key drivers in developing the FY 2021 operating budget.

1. Innovative Care

- Care Delivery - UIHC will be recognized as a state and national leader in efficient health care delivery models that emphasize quality-driven patient experience.
- Clinical Programs – Select UIHC clinical services will be leaders in the state and national market by offering cutting-edge clinical services, robust clinical research and strong training opportunities.

2. Excellent Service

- Patient Satisfaction – Patients and families will be highly satisfied with their entire UIHC experience in all settings.
- Referring Physician Satisfaction – UIHC will be recognized by referring physicians for its efficient and effective support to their patients.
- Staff, Faculty and Volunteer Engagement – Staff, faculty and volunteers are valued and engaged in the pursuit of UIHC’s vision.

3. Exceptional Outcomes

- Safety – UIHC will provide a continuously improving, safe environment for all patients and staff at all times.
- Clinical Outcomes – UIHC will use a continuous improvement process to achieve exceptional clinical outcomes.

There are ever-increasing financial pressures on the healthcare industry that have been heightened with the COVID-19 pandemic. Both governmental and non-governmental payors are looking to reduce health care costs. UI Health Care faces continued pressure on reimbursement rates from Medicare and Medicaid, as the U.S. Centers for Medicare & Medicaid Services (CMS) continues to place increasing importance on quality programs and cost reduction. The State of Iowa also continues to face financial challenges that may affect both academic and clinical funding for University of Iowa Health Care. Managed Medicaid programs will continue to look for ways to limit claims. The effects of healthcare reform will continue to push toward providers taking more risk for quality and efficiency results. Finally, the impacts that the pandemic will continue to have on volumes and payor mix present a risk moving into FY 2021. These and other external challenges will have an impact in all areas of UIHC's mission, ranging from near flat reimbursement for patient care services to continued constraint and competition for research funding. The necessity to continue to maximize revenue opportunities, grow market share, ensure ease of access to our services, ensure the safety of faculty, staff and patients, improve throughput, further enhance service excellence and be even more cost efficient in operations continues to be essential.

Expense inflation (salary and non-salary) continues to outpace the level of payor rate increases. An average salary increase of around 2.1% is projected for next year due to base salary increases. In efforts to conserve expenses to address challenges noted above, cost savings initiatives will be employed in FY 2021. While continuing to standardize product utilization and implement supply chain savings initiatives, medical and surgical supply costs are estimated to rise 3.0% or more due to price increases and changes in technology. Pharmaceutical cost increases are anticipated in the 2.0% range.

The University of Iowa Hospitals and Clinics predicts continued high demand for its services. Inpatient acute admissions are expected to increase approximately 1.3% from pre-COVID levels while outpatient activity is anticipated to remain nearly flat over FY 2020 pre-COVID levels. The case mix index, reflective of the acuity of care required by inpatients, is anticipated to remain high at a level of 2.1.

Additional net revenues will be required in FY 2021 to meet a 1.8% operating margin budgeted. These additional net revenues will be achieved through new volumes and a rate increase of 6.0% approved by the Board in April to be effective July 1, 2020. Market data indicates that UIHC continues to have lower rate adjustments when compared to academic medical center peers and other Midwest healthcare institutions.

Other UIHC units include the Psychiatric Hospital, the Center for Disabilities and Development (CDD) and Specialized Child Health Services (SCHS). The proposed combined FY 2021 budget for these units is \$41.1 million and are provided on page 6.

SUI FY 2021 Special Purpose Appropriations

The following table lists SUI's special purpose units that received state operating funding for FY 2021. With the exception of the Hygienic Laboratory and the two economic development appropriations (which are not funded from the State General Fund), the special purpose units incurred a prorated share of the \$8M state funding reduction.

| <u>SUI SPECIAL PURPOSE UNITS</u> | <u>FINAL FY 2020 APPROPRIATIONS</u> | <u>FY 2021 APPROPRIATIONS</u> | <u>Difference</u> |
|-------------------------------------|---|-----------------------------------|-------------------|
| OAKDALE CAMPUS | 2,134,120 | 2,103,819 | (30,301) |
| HYGIENIC LABORATORY | 4,822,610 | 4,822,610 | - |
| FAMILY PRACTICE | 1,745,379 | 1,720,598 | (24,781) |
| SCHS - CANCER, HEMOPHILIA, HIGH RIS | 643,641 | 634,502 | (9,139) |
| PRIMARY HEALTH CARE | 633,367 | 624,374 | (8,993) |
| STATE OF IOWA CANCER REGISTRY | 145,476 | 143,410 | (2,066) |
| SUBSTANCE ABUSE CONSORTIUM | 54,197 | 53,427 | (770) |
| BIOCATALYSIS | 706,371 | 696,342 | (10,029) |
| BIRTH DEFECTS REGISTRY | 37,370 | 36,839 | (531) |
| ECONOMIC DEVELOPMENT | 209,279 | 209,279 | - |
| ONLINE PLACEMENT ACADEMY | 470,293 | 463,616 | (6,677) |
| IOWA FLOOD CENTER | 1,171,222 | 1,154,593 | (16,629) |
| ENTREPRENEURSHIP | 2,000,000 | 2,000,000 | - |
| WATERMAN NONROFIT RESOURCE CTR | 158,641 | 156,389 | (2,252) |
| BIOSCIENCES INNOVATION | 275,000 | 271,095 | (3,905) |
| AG SAFETY AND HEALTH | 130,000 | 128,154 | (1,846) |

➤ SUI Oakdale Campus

The Oakdale Campus budget outlines the distribution of appropriations and other income components to the University of Iowa for the operation of the Oakdale Campus. Budget decisions were made in accordance with goals and objectives set forth in the University Strategic Plan. The Oakdale Campus budget is designed to provide a working environment to stimulate research, outreach and support activities on the Oakdale Campus. This budget supports significant building, utility and maintenance costs associated with space occupied by the State Hygienic Lab and other specialized research facilities.

Salaries for operations and maintenance in the Oakdale Campus include building maintenance, landscape services, custodial services and utilities. Other expenses include equipment, materials and services that are required to maintain an environment to conduct research, primarily used in the building maintenance, landscape services and custodial services operations.

| <u>RESOURCES</u> | <u>FY 2021 Budget</u> |
|---------------------------|-----------------------|
| Appropriations | 2,103,819 |
| Reimb. Indirect Costs | 286,181 |
| TOTAL RESOURCES | 2,390,000 |
| | |
| <u>EXPENDITURES</u> | |
| Salaries/Benefits | 1,247,000 |
| Supplies and Services | 199,000 |
| Utilities | 751,000 |
| Bldg. Repairs | 193,000 |
| TOTAL EXPENDITURES | 2,390,000 |

➤ SUI Hygienic Laboratory

State Hygienic Laboratory (SHL) is established in Iowa Administrative Code to provide public health and environmental testing and surveillance, food safety testing and surveillance, chemical and bioterrorism response, newborn screening and testing, education and training, and applied research. Key partners include the Iowa Department of Public Health, the Iowa Department of Natural Resources, hospitals and clinical labs throughout the state and region, and university researchers. SHL serves all 99 Iowa counties, in addition to providing services from clients throughout the nation.

Obtaining funding continues to be a primary concern for SHL. Funding from all sources has not kept pace with increasing costs for staff benefits, reagents and other supplies. Recruiting and retaining staff as SHL moves to a high through put laboratory is critical. Furthermore, a key strategy is for SHL to move to an updated LIMS system and obtain new instrumentations to increase testing capacity. SHL is making multiple efforts to improve its financial position despite the funding challenges. SHL continues to work on opportunities for supply cost reduction and revenue enhancement for both fee-for-service testing and increased collaborative grant funding support.

| RESOURCES | <u>FY 2021 Budget</u> |
|---------------------------|-----------------------|
| Appropriations | 4,822,610 |
| Interest | 5,000 |
| Reimb. Indirect Costs | 57,584 |
| Sales and Service | <u>1,799,365</u> |
| TOTAL RESOURCES | 6,684,559 |
| EXPENDITURES | |
| Salaries/Benefits | 5,261,055 |
| Supplies and Services | 1,368,797 |
| Rentals | 53,150 |
| Utilities | <u>1,827</u> |
| TOTAL EXPENDITURES | 6,684,829 |

➤ SUI Family Practice

The goal of this program is to improve access to primary health care services across the state of Iowa through recruiting and retaining these graduates to practice within dispersed areas of the state. This program serves as a great example of a successful public – private partnership with much of the financial support provided by the local hospitals. This funding goes directly to each UI Affiliated Family Medicine Residency Program across Iowa. Each of the seven residency programs receives approximately \$200,000 to support the ongoing operations at each site producing family medicine physicians.

The statewide family practice programs are in Davenport, Cedar Rapids, Waterloo, Mason City, Sioux City and two in Des Moines (Iowa Lutheran and Broadlawns). There are currently 44 positions for new family practice residents each year, replacing 44 graduates or a three-year total of 132 residents in training. The Carver College of Medicine Office of Statewide Clinical Education Programs provides educational, administrative and research support for the community sites.

| RESOURCES | <u>FY 2021 Budget</u> |
|---------------------------|-----------------------|
| Appropriations | 1,720,598 |
| Interest | <u>5,500</u> |
| TOTAL RESOURCES | 1,726,098 |
| EXPENDITURES | |
| Salaries/Benefits | 296,066 |
| Supplies and Services | <u>1,430,032</u> |
| TOTAL EXPENDITURES | 1,726,098 |

➤ SUI Specialized Children’s Health Services (SCHS)

State funding for SCHS provides the core support for three programs of crucial importance: the Iowa High Risk Infant Follow-up Program, a community-based Comprehensive Cancer Program, and a Rural Hemophilia Program. Each of these programs provides essential services to support family-centered community-based care to children with special needs. UIHC staff provides individualized medical evaluation and subsequent consultation to community providers to support medical care of the child within the local community. These unique relationships with the community providers are in concert with the University’s strategic plan and support the public health initiatives to provide care and support to these children in their local medical homes.

The funding for these three programs creates access for especially vulnerable populations in Iowa to highly specialized pediatric services in a cost-effective manner. In addition to receiving the benefits of coordinated, comprehensive care in their local communities, patients and their families are able to benefit from improved quality of life in less time lost from work and school, and minimized travel that is necessary for long-term treatment.

| | |
|-----------------------|-----------------------|
| RESOURCES | <u>FY 2021 Budget</u> |
| Appropriations | 634,502 |
| Sales and Service | <u>101,792</u> |
| TOTAL RESOURCES | 736,294 |
| EXPENDITURES | |
| Salaries/Benefits | 734,294 |
| Supplies and Services | <u>2,000</u> |
| TOTAL EXPENDITURES | 736,294 |

➤ SUI Primary Health Care

The Carver College of Medicine Office of Statewide Clinical Education Program operates four continuing programs with this appropriation. These initiatives fill important gaps in the state’s efforts to educate, retain and track health professionals. They directly support or complement other operational programs that are educating and training future members of the health professions workforce.

Program allocations are as follows:

- Department of Family Medicine Faculty and Staff \$245,243
- Regional Medical Education Centers Grant Program \$156,824
- Iowa Health Professions Inventory \$146,068
- Rural Physician Support Program \$ 76,238

| | |
|-----------------------|-----------------------|
| RESOURCES | <u>FY 2021 Budget</u> |
| Appropriations | 624,374 |
| EXPENDITURES | |
| Salaries/Benefits | 462,738 |
| Supplies and Services | <u>161,636</u> |
| TOTAL EXPENDITURES | 624,374 |

➤ SUI State of Iowa Cancer Registry

In 2020, it is expected that 18,700 new cancers will be diagnosed among Iowa residents, and an estimated 6,400 Iowans will die from cancer, 17 times the annual number caused by auto fatalities. Cancer surpassed heart disease as the leading cause of death in Iowa in 2007, accounting for about a quarter of all causes of death. Cancer is a major burden in Iowa and throughout the US. Because of the critical need for data, cancer is a reportable disease in all 50 states, although Iowa is one of only a few states that do not currently provide penalties for facilities that do not report.

Statewide cancer incidence data are available due to the existence of the Iowa Cancer Registry (ICR). Since 1973, the ICR has been a member of the National Cancer Institute's prestigious Surveillance, Epidemiology and End Results (NCI SEER) Program. Iowa represents rural agricultural and Midwestern populations and provides data included in many national NCI publications. A follow-up program tracks more than 99% of the cancer survivors diagnosed since 1973.

The existence of the ICR allows for the study of the cancer experience of Iowans and focuses national attention and research dollars on this issue. The presence of the ICR and its database have helped attract numerous research projects and funds to Iowa from other federal agencies such as the Environmental Protection Agency, the Centers for Disease Control and Prevention, and the National Institutes of Health. Annually, several millions of dollars are received from these agencies that are directly attributable to the existence of the ICR.

| | |
|-----------------------|-----------------------|
| RESOURCES | <u>FY 2021 Budget</u> |
| Appropriations | 143,410 |
| EXPENDITURES | |
| Salaries/Benefits | 137,910 |
| Supplies and Services | 2,500 |
| Equipment | <u>3,000</u> |
| TOTAL EXPENDITURES | 143,410 |

➤ SUI Substance Abuse Consortium

The Iowa Consortium for Substance Abuse Research and Evaluation (Consortium) is an alliance committed to strengthening substance abuse prevention and intervention activities through collaborative research. The Consortium coordinates research and knowledge transfer among researchers, assists professionals in the field, and informs public policy makers in the area of substance abuse. The Consortium's Coordinating Board is made up of representatives from SUI, UNI and ISU; state departments of Public Health, Corrections and Drug Control Policy; and representatives from local substance abuse service agencies.

The Consortium facilitates multidisciplinary research to evaluate substance abuse prevention and treatment efforts in the State of Iowa. Research and evaluation activities involve practitioners, treatment providers, state agency representatives, government policymakers, and researchers from institutions of higher education.

In the coming year, the Consortium will continue its unique capacity for interdisciplinary alcohol and drug research and evaluation in Iowa.

| | |
|-------------------|-----------------------|
| RESOURCES | <u>FY 2021 Budget</u> |
| Appropriations | 53,427 |
| EXPENDITURES | |
| Salaries/Benefits | 53,427 |

➤ SUI Biocatalysis

The Center for Biocatalysis and Bioprocessing (CBB) is an interdisciplinary academic research center at the University of Iowa. Its mission is to: a) enhance faculty and student development in the broad areas of biocatalytic science and bioprocess engineering, b) drive innovative industrial fermentation processes through efforts within its state-of-the-art bioprocessing pilot plant facility, and c) accelerate economic development through translational research and academic derived intellectual property.

The Center's activities stem from a group of scientists, laboratory personnel, graduate students and postdoctoral associates focused on creation and dissemination of knowledge in biocatalytic science. The academic group is recognized for its scientific talent that has secured in excess of \$15 million annually in extramural research support. The Center operates a long-standing NIH-funded Training Grant in Biotechnology. A portion of the Center's operating budget supplements these NIH fellowships and, more importantly, supports additional fellowships for top caliber graduate students across academic disciplines. The Center also provides resources for undergraduate students in the form of employment within the Center as well as with a hands-on instruction. A new CBB Student Affiliates program is under development to better engage both graduate and undergraduate students to explore careers in biotechnology.

The CBB Fermentation and Bioprocessing Facility is a world-class pilot-scale operation that is unmatched by any other university in the United States. This facility serves as a contract development and manufacturing organization (CDMO) with the objective of creating high value biotechnology products.

The Center continues to support workforce development and economic development. The Center helps Iowa startup companies to produce novel biomaterials and to create commercially viable manufacturing processes, both of which enhance investment opportunities. The ability to manufacture bio-based chemicals is central to their support of investigative new drug (IND) applications required to gain approval from the FDA for Phase I clinical testing. In addition, the Center works with several well-established companies in Iowa, and from around the world, to produce high value protein-based products.

Due to the coronavirus, the Center's Fermentation and Bioprocessing Facility was forced to shut-down for several weeks and this lost revenue plus a reduction in our State appropriation resulted in a reduction in CBB supported post-doctoral fellowships and a one year hiatus of its biotechnology seed grant program. The objective of each seed grant is to stimulate fresh ideas and to create new collaborations for the purpose of solving long-standing societal problems, strengthening graduate programs, and stimulating the submission of grant applications to federal granting agencies. On a more positive note, commercial demand for the Fermentation and Bioprocessing Facility has grown substantially since the coronavirus shut-down and many of the facility's new projects center on manufacturing novel products associated with therapeutics, diagnostics, and vaccines for mitigating covid-19.

| RESOURCES | <u>FY 2021 Budget</u> |
|-----------------------|-----------------------|
| Appropriations | 696,342 |
| EXPENDITURES | |
| Salaries/Benefits | 446,686 |
| Supplies and Services | 82,881 |
| Rentals | 65,000 |
| Aid to Individuals | <u>101,775</u> |
| TOTAL EXPENDITURES | 696,342 |

➤ SUI Birth Defects Registry

In the United States, every 4½ minutes, a child is delivered with a major birth defect. Major birth defects are abnormalities of an organ structure or function that result in physical disability, mental disability or death. They also are a leading cause of infant mortality and contribute substantially to morbidity and long-term disability, as well as the expenditure of millions of dollars annually in health care costs.

The Iowa Registry for Congenital and Inherited Disorders, or IRCID (formerly the Iowa Birth Defects Registry), was established by the Iowa General Assembly (Chapter 23 of the Iowa Code) in 1983 to maintain statewide surveillance for birth defects and to monitor trends in birth defect occurrence and mortality. Data collected permit comparison of birth defect rates in geographic areas of interest (e.g. cities or counties) with state and national rates. In addition, data are used to monitor trends in birth defect occurrence by population characteristics such as maternal age. Statewide surveillance is necessary to accurately evaluate such trends and to guide health promotion and birth defect prevention efforts in Iowa.

Education and health promotion efforts that use IRCID data include lectures, press releases, articles, public service announcements, and disseminating educational materials. Annually, the IRCID provides a web-based report to disseminate information regarding congenital and inherited disorder surveillance, research, and prevention efforts ongoing in Iowa. Collaborating with the Iowa Department of Public Health, the IRCID implemented a program to engage the Iowa community by providing parents of live born children diagnosed with birth defects resource materials and referrals to appropriate clinical, educational and social services.

| | |
|-------------------|-----------------------|
| RESOURCES | <u>FY 2021 Budget</u> |
| Appropriations | 36,839 |
| EXPENDITURES | |
| Salaries/Benefits | 36,389 |

➤ SUI Economic Development

The Economic Development appropriation supports the Center for Advanced Drug Development (CADD) and the Research Park.

CADD is a division of the University of Iowa, College of Pharmacy and a component of University of Iowa Pharmaceuticals (UIP). The Center offers contract analytical services to the pharmaceutical and biotechnology industry and is part of UIP - the only comprehensive FDA registered facility in a College of Pharmacy in the United States. UIP offers the unique capability to produce under contract limited quantities of new medicines under FDA regulations. This capacity is particularly valuable to firms wishing to bring new products through clinical trials. The present budget seeks funds to continue support for the companion CADD.

This Center, which is an integral resource in the bioeconomy economic development agenda of the state, offers analytical services and contract services relevant to the clinical trials process which complement those of UIP.

The CADD addresses a crucial economic need to shorten the lead time between new pharmaceutical discoveries in the laboratory and their commercialization in the market place. Because pharmaceuticals occupy such a potentially important part of the state's high technology portfolio as well as a critical role in the University's economic development efforts, continued investment in the Center will increase economic resources in a strongly competitive environment. In addition, as the state looks ahead to an investment to enhance its biotechnology infrastructure for both animal and human health, the Center will play a major role (along with the Center for Biocatalysis and Bioprocessing and the College of Pharmacy) in the University's ability to interact with the biotechnology industry to shorten the time to market for new therapies. This new initiative will also attract interest from a completely new industry base, composed of mainly start-up companies, who may be recruited to Iowa.

Established by the University in 1989, the Research Park has built a nucleus of businesses in Iowa that are drawn by the strengths of the University. The labor shed for over 1,600 employees of laboratories and companies affiliated with the Research Park, and the BioVentures Center, the state’s largest wet lab incubator. A total of 35 companies are currently located on the Research Park.

Integrating researchers and entrepreneurs is the goal of the Research Park and the BioVentures Center and as such it is critical that the following assets are located and co-located at the Research Park:

- The State-funded laboratory of the Center for Biocatalysis and Bioprocessing (CBB)
- The National Advanced Driving Simulator, a major, fully operational co-venture with the U.S. Department of Transportation
- A state-of-the art, 16,000 sq. ft. Hydraulics Wave Basin facility
- The analytical method development and drug stability testing unit of the University of Iowa Pharmaceuticals facility, a unit of the College of Pharmacy, and the State’s Hygienic Laboratory

| | |
|-----------------------|-----------------------|
| RESOURCES | <u>FY 2021 Budget</u> |
| Appropriations | 209,279 |
| EXPENDITURES | |
| Salaries/Benefits | 199,568 |
| Supplies and Services | <u>9,711</u> |
| TOTAL EXPENDITURES | 209,279 |

➤ SUI Online Placement Academy

The Iowa Online Advanced Placement Academy (IOAPA) was established in 2001 and is administered by the University of Iowa’s Belin-Blank Center. The program provides advanced placement (AP) courses to all high schools in Iowa with an emphasis on small/rural schools. IOAPA also provides training for Iowa teachers to deliver AP courses in their home schools and is critical in helping Iowa meet the requirements of the Senior Year plus statute.

At the beginning of the 21st century, Iowa’s students were limited in opportunities for AP courses and exams because of the large numbers of rural and small schools. According to the National Center of Education Statistics, 70% percent of public school districts in Iowa are in rural communities. Approximately 42% of all public school districts in the state of Iowa have a K-12 enrollment of 599 or fewer. It is not cost effective to offer AP courses in rural and small schools because of too-small class sizes. As a result, a culture of knowledge about and appreciation for AP continues to be developed in these schools.

| | |
|-----------------------|-----------------------|
| RESOURCES | <u>FY 2021 Budget</u> |
| Appropriations | 463,616 |
| EXPENDITURES | |
| Salaries/Benefits | 133,736 |
| Supplies and Services | <u>329,880</u> |
| TOTAL EXPENDITURES | 463,616 |

➤ SUI Iowa Flood Center

The Iowa Flood Center (IFC) at the University of Iowa provides Iowans with accurate, state-of-the-art, science-based information to help individuals and communities better understand their flood risks. The IFC's overarching objective is to improve flood monitoring and prediction capabilities in Iowa, while studying and developing strategies to reduce and manage floods.

Funding is used to provide support for faculty, staff, researchers and graduate students who dedicate their time to the mission and work of the Iowa Flood Center. The IFC will use the FY 2021 appropriation, along with additional grant funding from other sponsors, to support projects that include:

- Hosting and continuing to refine and add new tools to the Iowa Flood Information System (IFIS)—an easy-to-use online application to provide real-time information on precipitation, soil temperature and moisture, and stream levels across Iowa;
- Continuing to maintain instrumentation and data plans for over 260 stream stage sensors across the state. This year IFC needs to visit all of the sensors to replace their modems, which will no longer be supported by the provider (Verizon) after 12/31/2021;
- Expanding the statewide network of rain gauge and soil moisture/temperature monitoring platforms to improve flood monitoring and forecasting in partnership with other IIHR projects (i.e. the Iowa Watershed Approach) and with other external partners;
- Continuing development of high-resolution, web-based flood inundation maps;
- Continuing watershed-scale research to understand how small-scale mitigation projects can reduce flood damage in a watershed (In FY21, they will start researching distributed storage with a new PhD students);
- Educating graduate students; and
- Organizing public outreach programs (STEM festivals for K-12, public presentations, press releases, updated online information, social media, and other activities to share IFC tools and information with the general public).

| RESOURCES | <u>FY 2021 Budget</u> |
|-----------------------|-----------------------|
| Appropriations | 1,154,593 |
| EXPENDITURES | |
| Salaries/Benefits | 1,031,070 |
| Supplies and Services | 81,023 |
| Rentals | 8,000 |
| Aid to Individuals | <u>34,500</u> |
| TOTAL EXPENDITURES | 1,154,593 |

➤ SUI Entrepreneurship

The entrepreneurship and economic development growth initiative is a collaborative partnership among the University of Iowa's John Pappajohn Entrepreneurial Center (Iowa JPEC), the Office of the Vice President for Research, the Office of the Executive Vice President & Provost, and the colleges of Business, Engineering, Liberal Arts and Sciences, and Health Sciences.

Iowa JPEC offers nationally recognized, comprehensive entrepreneurial education programs to all Iowans. A wide variety of programs are available on campus and online and to MBA students at several locations across the state of Iowa. Entrepreneurial training programs are available to all Iowans from numerous cities throughout the state. JPEC and its university partners also play an important role in the development of Iowa-based technology and high-growth start-up companies. Whether providing one-on-one consulting services and group training, working with startup companies on technology transition, directing SUI students on advanced field study projects, or providing training and seminars to business executives, the University seeks to support the next generation of entrepreneurs and business leaders.

The recurring allocation of \$2.0 million will develop entrepreneurship curriculum and programs, expand direct support to Iowa startups and small-to-medium enterprises, and accelerate new venture formation.

| | |
|-----------------------|-----------------------|
| RESOURCES | <u>FY 2021 Budget</u> |
| Appropriations | 2,000,000 |
| EXPENDITURES | |
| Salaries/Benefits | 764,840 |
| Supplies and Services | <u>1,235,160</u> |
| TOTAL EXPENDITURES | 2,000,000 |

➤ SUI Waterman Nonprofit Resource Center

The Larned A. Waterman Iowa Nonprofit Resource Center (INRC) is a university-wide interdisciplinary center that strengthens Iowa's nonprofit sector through direct services, education and research. Services range from the development of board and executive leadership to strategic planning to clarifying local, state, and federal rules that regulate nonprofit organizations. Education includes creating and delivering presentations and workshops to professionals from across the state, as well as teaching a series of nonprofit courses at the University of Iowa. Research involves quantitative and qualitative analyses of data that inform on sector conditions and trends. The activities of the INRC are made possible by a strong network of public and private partners and supporters.

In FY 2020, over 1,000 nonprofit leaders participated in an INRC workshop or lecture. The INRC provided guidance to over 600 organizations on a host of issues including management, board governance, fundraising, tax filing and more. Its publications were circulated to over 1,500 subscribers and read by thousands more online. Along with several partners, the INRC will deliver two conferences in FY 2020, including the state's largest nonprofit conference that will offer over 40 workshops.

| | |
|-------------------|-----------------------|
| RESOURCES | <u>FY 2021 Budget</u> |
| Appropriations | 156,389 |
| EXPENDITURES | |
| Salaries/Benefits | 156,389 |

➤ SUI Biosciences Innovation

Biosciences are critical to Iowa's economy and are vital to the state's future economic development and growth. In the TEconomy report released by the Governor, four bioscience platforms were identified where Iowa has the greatest likelihood of achieving a differentiated leadership position to grow and diversify the state's economy: biobased chemicals, precision and digital agriculture, vaccines and immunotherapeutics, and medical devices.

Biosciences are critical to Iowa's economy and are vital to the state's future economic development and growth. In the TEconomy report released by the Governor, four bioscience platforms were identified where Iowa has the greatest likelihood of achieving a differentiated leadership position to grow and diversify the state's economy: biobased chemicals, precision and digital agriculture, vaccines and immunotherapeutics, and medical devices.

In order to execute the recommendations identified in the report the SUI is investing in a variety of initiatives that will support and nurture faculty discoveries in an attempt to address unmet needs in healthcare. The SUI has focused four key areas of development in fiscal 2020:

- Protostudios is a state-of-the-art rapid-prototyping facility currently located in the MERGE co-working labs in Iowa City. Protostudios develop fully functional prototypes, including medical devices as well as printing of human organs and anatomical models to support complex surgical prep and training
- The presence of Protostudios has allowed SUI to create a one of a kind program – MADE, a student managed manufacturing and e-commerce initiative whose mission is to encourage and facilitate innovative, needs based products reaching the market with the goals of solving problems and enhancing economic development.
- An unmet need for entrepreneurs and innovators was the need for a one-stop shop capable of coordinating and connecting the right resources at the right moment in development. A concierge service capable of connecting innovators to technical expertise, regulatory and legal support, industry talent and capital, and like-minded individuals on campus in order to assemble collaborative teams is essential.
- SUI is assembling a world-class group of medical device executive advisors and venture capitalists to vet, mentor, support and in some cases invest in our entrepreneurs.

| RESOURCES | <u>FY 2021 Budget</u> |
|-----------------------|-----------------------|
| Appropriations | 271,095 |
| EXPENDITURES | |
| Supplies and Services | 271,095 |

➤ SUI Agricultural Health and Safety

High rates of illnesses, injuries and fatalities among farmers, farmworkers and their families have long been recognized as a challenge to Iowa's agricultural sustainability. To address this problem, Iowa's Center for Agricultural Safety and Health (I-CASH) was established in 1990 (Iowa Code, 262.78). Although the center was established at the University of Iowa, it brings together the expertise of Iowa State University, the Iowa Department of Public Health, and the Department of Agriculture and Land Stewardship to reduce the rates of injuries and illnesses associated with agriculture.

Although the numbers of agricultural fatalities and injuries have gone down over time, so have the number of farmers. This means that rates of injuries and fatalities have remained steady over time and they are consistently six to seven times higher than other industries. Most years, agriculture is responsible for the highest proportion of occupational fatalities of any industry in Iowa.

I-CASH's mission is to lead statewide partnerships that promote agricultural safety and health. Because most farms in Iowa employ 10 or fewer non-related employees each year, farms are not subject to the oversight of the Occupational Safety and Health Administration, nor do they have easy access to the resources and training that OSHA provides other industries.

The appropriation is used to support the development of safety and health materials and resources that are made available to workers in the agriculture industry, including items distributed through ISUEO and FSA offices, tailored safety policy guides for individual farms, and the annual Agricultural Youth Injury Prevention grant program. In addition, state funds support the annual Midwest Rural Agricultural Safety & Health conference and enhance I-CASH's ability to be responsive to the needs of Iowa's farmers.

| RESOURCES | <u>FY 2021 Budget</u> |
|-----------------------|-----------------------|
| Appropriations | 128,154 |
| EXPENDITURES | |
| Supplies and Services | 128,154 |

SUI FY 2021 Restricted Fund Budget

The Restricted Fund includes the Organized Activities Fund, the Auxiliary Enterprise Fund, the Current Restricted Fund and the Plant Fund. The expenditure plan provides for salary adjustments, meets certain non-discretionary cost increases, reflects the University's best efforts at planning to meet its most critical needs, and provides essential services within the limits of available resources.

- Organized Activities Fund – includes medicine and dentistry practice plan funds, sports camps, conferences and institutes, mandatory fees (partial) and various publications and workshops
- Auxiliary Enterprise Fund – includes Athletics, University Housing & Dining, the Iowa Memorial Union, Student Health, Recreational Services, Hancher Auditorium, Parking and Transportation, Cambus and various smaller enterprises
- Current Restricted Fund – includes sponsored activities, predominately research and student financial aid funded from federal and non-federal sources
- Plant Fund – includes bond proceeds and capital project receipts

Revenues are derived from federal and non-federal support for sponsored programs, sales and services, reimbursed indirect costs, fees, bond proceeds, transfers from current unrestricted funds, tuition replacement and capital appropriations. The expenditure plan provides for salary adjustments, meets certain non-discretionary cost increases, reflects the University's best efforts at planning to meet its most critical needs, and provides essential services within the limits of available resources.

The proposed FY 2021 Restricted Fund Budget includes the following state appropriations:

- Tuition Replacement \$15.08 million
- Innovation Fund \$ 1.05 million
- Study Center & Geological Survey \$ 0.96 million

University Housing & Dining

The proposed Residence System budget reflects a decrease in net revenues compared to the preliminary budget received by the Board in February 2020. The FY 2020 budget and estimates are also included to reflect the pandemic's impact on the system. The smaller net revenue projection is due to a decrease in projected occupancy numbers, leading to less projected room and board contract revenues, no summer 2020 revenues, and significant reductions in non-contract dining revenues. Occupancy for FY 2021 has been reduced from 6,225 in February's preliminary budget to 5,700 students. Most revenue and expense reductions are attributable to changes in operations resulting from the COVID epidemic

Voluntary reserve balances at June 30, 2021 project to be \$6.5 million, significantly less than earlier projections reflecting the impact of the spring 2020 room and board refunds due to the pandemic and the decrease in net revenues.

**University of Iowa
University Housing & Dining Proposed Budget 2020-21**

| | Budget 2019-20 | Revised Estimates 2019-20 | Preliminary Budget 2020-21 | Proposed Budget 2020-21 |
|--|---------------------------|--|---|--|
| OPERATIONS | | | | |
| Revenues | \$ 80,015,380 | \$ 77,295,856 | \$ 80,488,727 | \$ 72,572,881 |
| Expenditures for Operations | 56,449,164 | 51,954,985 | 57,121,081 | 55,223,142 |
| Net Revenues | 23,566,216 | 25,340,871 | 23,367,646 | 17,349,739 |
| % of Revenues | 29.5% | 32.8% | 29.0% | 23.9% |
| Debt Service (due July 1) | 11,993,219 | 11,993,219 | 11,597,669 | 11,597,669 |
| Mandatory Transfers | 600,000 | 600,000 | 600,000 | 600,000 |
| Net After Debt Service & Mandatory Transfers | <u>\$ 10,972,997</u> | <u>\$ 12,747,652</u> | <u>\$ 11,169,977</u> | <u>\$ 5,152,070</u> |
| % of Revenues | 13.7% | 16.5% | 13.9% | 7.1% |
| Debt Service Coverage Ratio | 196% | 211% | 201% | 150% |
| University Overhead Payment | \$ 624,684 | \$ 624,684 | \$ 634,498 | \$ 545,208 |
| FUND BALANCES (June 30) | | | | |
| Operation & Maintenance Fund | \$ 1,000,000 | \$ 1,000,000 | \$ 1,000,000 | \$ 1,000,000 |
| Improvement Fund | 8,785,000 | 7,692,050 | 9,941,750 | 4,801,750 |
| System Fund | 7,667,522 | 798,034 | 5,794,516 | 704,646 |
| Subtotal--Voluntary Reserves | 17,452,522 | 9,490,084 | 16,736,266 | 6,506,396 |
| Bond Reserve Fund | 14,600,376 | 14,333,006 | 14,807,056 | 12,331,506 |
| Bond Construction Fund | - | - | - | - |
| Subtotal--Mandatory Reserves | 14,600,376 | 14,333,006 | 14,807,056 | 12,331,506 |
| Total Fund Balances (June 30) | <u>\$ 32,052,898</u> | <u>\$ 23,823,090</u> | <u>\$ 31,543,322</u> | <u>\$ 18,837,902</u> |
| REVENUES AND EXPENDITURES DETAIL | | | | |
| Revenues | | | | |
| Contracts | \$ 67,501,280 | \$ 68,562,660 | \$ 68,230,574 | \$ 62,854,951 |
| Interest | 825,000 | 882,924 | 916,142 | 880,000 |
| Other Income | 11,689,100 | 7,850,272 | 11,342,011 | 8,837,930 |
| Total Revenues | <u>\$ 80,015,380</u> | <u>\$ 77,295,856</u> | <u>\$ 80,488,727</u> | <u>\$ 72,572,881</u> |
| Expenditures for Operations | | | | |
| Salaries, Wages & Benefits | \$ 27,413,852 | \$ 26,128,493 | \$ 27,928,958 | \$ 26,855,493 |
| Cost of Food or Goods Sold | 11,308,940 | 9,003,119 | 11,360,740 | 11,014,000 |
| Other Operating Expense | 7,836,010 | 7,502,245 | 7,658,428 | 7,638,183 |
| Utilities | 6,390,487 | 5,884,123 | 6,514,878 | 6,202,966 |
| Repairs & Maintenance | 3,499,875 | 3,437,005 | 3,658,077 | 3,512,500 |
| Total Expenditures | <u>\$ 56,449,164</u> | <u>\$ 51,954,985</u> | <u>\$ 57,121,081</u> | <u>\$ 55,223,142</u> |

FY 2020 Amended Budget – State Hygienic Lab

The 2020 General Assembly approved a supplemental appropriation of \$525,578 for FY 2020 resulting from additional testing activities due to the COVID-19 pandemic. The amended budget provided below includes the additional state funding.

SUI STATE HYGIENIC LAB - FY 2020 AMENDED BUDGET

| | Original Budget | | Revised Budget |
|-------------------------|-----------------|----------------|----------------|
| | <u>FY 2020</u> | <u>Changes</u> | <u>FY 2020</u> |
| REVENUES | | | |
| Appropriation | 4,297,032 | 525,578 | 4,822,610 |
| Interest | 5,700 | | 5,700 |
| Reimb. Indirect Costs | 54,235 | | 54,235 |
| Sales and Service | 2,174,816 | | 2,174,816 |
| | <hr/> | | <hr/> |
| Total Revenues | 6,531,783 | 525,578 | 7,057,361 |
| EXPENDITURES | | | |
| Salaries | 5,160,652 | | 5,160,652 |
| Supplies and Services | 1,305,331 | 425,578 | 1,730,909 |
| Rentals | 64,000 | | 64,000 |
| Utilities | 1,800 | | 1,800 |
| Equipment | - | 100,000 | 100,000 |
| | <hr/> | | <hr/> |
| Total Expenditures | 6,531,783 | 525,578 | 7,057,361 |

FY 2021 BUDGETS – IOWA STATE UNIVERSITY

The development of the FY 2021 budget was extremely complex as ISU is addressing unprecedented revenue losses due to COVID-19, projected enrollment declines, reduced state appropriations, reduced indirect cost recovery, and the increased costs of preparations necessary to enhance healthy outcomes for the fall semester. The revenue loss for FY 2021 for Iowa State University's general university fund is approximately \$41 million. Since the start of COVID-19 through August 23, 2020, additional revenue losses and costs are estimated to be an additional \$73 million.

The budgets of individual units are differentially impacted based on their own changes in enrollment, student credit hours delivered, and research indirect costs, as determined by the University's formula-driven revenue allocation model. Other revenue-generating units such as Athletics, the Department of Residence and ISU Dining have been, and will continue to be, significantly impacted due to substantial revenue losses.

The planning process focused on taking a multi-year approach to reducing budgets, focusing on the university's strategic plan and reinforcing our commitment to student success, innovation and discovery and improving the lives of Iowans. Leadership focused on finding a balance among activities, while adjusting the size of units and continuing to seek efficiencies.

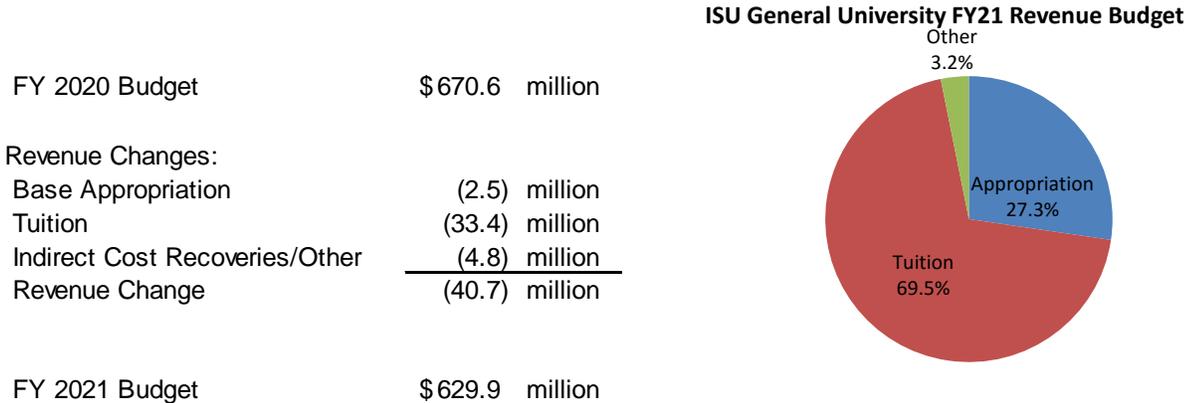
Using the strategic plan as a foundation, the following priorities were established to guide the University's investment of its resources during FY 2020.

- Enhance Access to the ISU Experience – This priority includes program enhancements that improve retention and graduation rates; decrease time-to-degree; faculty recruitment and retention in high-demand disciplines; expansion of health, wellness, and safety programs; alignment of academic support services with student needs; and solution development to meet student needs for housing, dining, recreation, health services, transportation and activities.
- Enhance Research Profile – The University is committing new internal funding to expand the research enterprise and promote scholarly work by recruiting faculty in strategic research areas, building research programs through major federal grants, expanding programs that foster graduate student and post-doc recruitment and retention, and increased recruitment of prestigious faculty.
- Promote Economic Development – ISU is dedicated to promoting entrepreneurship and facilitating the formation of new businesses using ISU intellectual property; connecting faculty, staff and student resources with stakeholders to complement the State's economic development efforts; and investing in the expansion of the ISU Research Park.
- Ensure a Welcoming, Inclusive and Safe Campus – This priority includes investment in initiatives that emphasize inclusion and diversity, enhanced collaboration with the City of Ames, student health and wellness, and support services that ensure a clean, safe and secure campus environment.

A critical endeavor for the campus during the past year has been the implementation of state-of-the-art financial and human resource administrative systems along with a new organizational structure to provide those services to the campus. The implementation of these new systems has been invaluable in responding to the pandemic, providing crucial information quickly regarding our students and staff as well as identifying and tracking COVID-related expenses. The implementation of these initiatives - Workday enterprise systems and an improved service delivery model - on July 1 represented a multi-year investment in staff time, energy and resources that will provide best-in-class processes and significant gains in efficiency for the institution for years to come.

ISU FY 2021 General University Operating Budget

Tuition revenues comprise 69.5% of the \$629.9 million General University revenue budget with 27.3% coming from state appropriations. Projected changes in these revenue sources, as well as decreases in indirect cost recoveries and other income, result in an \$40.7 million decrease in revenue, or 6.1% less than the FY 2020 budget.



For FY 2021, the Board of Regents requested a \$7.0 million increase for ISU. The 2020 Iowa General Assembly, instead, reduced funding of \$8.0 million for FY 2021 to be allocated by the Board of Regents to the three Regent institutions. The general university’s allocation of the reduction is \$2.5 million.

In June 2020, the Board approved tuition rates for the 2020-21 academic year. All rates remained flat (0% increase) from the prior year. Enrollment projections for budgeting purposes were finalized in mid-June and included consideration of potential negative impacts of COVID-19. The combination of decreased enrollments and flat tuition rates results in a budgeted decrease in gross tuition revenue of \$33.4 million from the FY 2020 budget.

| IOWA STATE UNIV | 2019-20 | Increase | 2020-21 | % Inc |
|-----------------------|-----------|----------|-----------|-------|
| Undergrad-Resident | 8,042.00 | - | 8,042.00 | 0.0% |
| Undergrad-Nonresident | 23,230.00 | - | 23,230.00 | 0.0% |
| Grad-Resident | 9,758.00 | - | 9,758.00 | 0.0% |
| Grad-Nonresident | 24,720.00 | - | 24,720.00 | 0.0% |

The University’s indirect cost recovery revenue is projected to decrease by \$2.2 million from reduced research activity from shutting down and restarting research on campus. Interest and other income are also expected to decline by \$2.6 million.

In response to the revenue decline, institutional leadership announced a 5% budget reduction for administrative cost pools in April. Division leaders had the discretion to implement reductions to individual budget units. The administrators may consider whether layoffs and other actions are necessary to meet specific budget-reduction targets. The leaders were encouraged to take an all-funds budgeting approach to maintain ISU’s mission of excellence in teaching, research and extension and outreach.

Compensation for merit employees covered by the AFSCME contract will follow the terms of the 2020-2021 contract (2.1% increase). The financial circumstances resulted in leadership’s decision to forego implementing a performance-based compensation increase for faculty, P&S staff, post docs and contract associates in FY 2021.

To address the shortfall, the following actions are being implemented:

- The TIAA/VALIC retirement match will be reduced by 2% for 10 months (9/1/2020 – 6/30/2021). The reduction is expected to save the University \$4.8 million.
- The President is taking a 10% salary reduction in FY 2021.
- All faculty and staff position vacancies will require approval at the Senior Vice President or President level through 12/31/2020.
- A temporary freeze on renovation and capital projects, except in cases of safety or donor funding. Exceptions may be granted on a case-by-case basis.
- The Employee Tuition Reimbursement program was modified to support only courses taught at ISU.
- The University is planning for additional actions to occur during FY 2021 regarding a voluntary retirement incentive program and a review of benefit costs.

More actions may be necessary if additional revenue reductions or unforeseen expenses occur during the fiscal year.

The student experience and their success is influenced by many factors. Commitments will be made to student financial aid, supportive programming to enhance learning, and an environment conducive to success. The Student Innovation Center recently opened as the campus's newest academic building and enhances learning in a technology-rich environment that supports collaboration across disciplines.

The \$630 million General University budget allocated by function is shown below. Expenses related to instruction, academic support, and scholarships and fellowships comprise 83% of all general university expenses.

General University Spending By Function
(\$ in thousands)

| | <u>FY 2021</u> | <u>% Total</u> |
|-----------------------------------|----------------|----------------|
| Instruction | 220,800 | 35.1% |
| Research | 20,918 | 3.4% |
| Public Service | 9,998 | 1.6% |
| Academic Support | 191,164 | 30.3% |
| Student Services | 17,871 | 2.8% |
| Institutional Support | 24,378 | 3.9% |
| Operations & Maintenance of Plant | 29,036 | 4.6% |
| Scholarships & Fellowships | 115,755 | 18.4% |
| Total | 629,920 | 100.0% |

ISU FY 2021 Special Purpose Operating Budgets

The following table lists ISU’s special purpose units that received state operating funding for FY 2021. With the exception of the economic development appropriation (which is not funded from the State General Fund), the special purpose units incurred a prorated share of the \$8M state funding reduction.

| <u>ISU SPECIAL PURPOSE UNITS</u> | <u>FINAL FY 2020 APPROPRIATIONS</u> | <u>FY 2021 APPROPRIATIONS</u> | <u>Difference</u> |
|---|--|--|--------------------------|
| AG. EXP. STATION | 29,886,877 | 29,462,535 | (424,342) |
| COOP. EXT SERVICE | 18,266,722 | 18,007,366 | (259,356) |
| LIVESTOCK DISEASE RESEARCH | 172,844 | 170,390 | (2,454) |
| VET DIAGNOSTIC LAB | 4,400,000 | 4,337,528 | (62,472) |
| ECONOMIC DEVELOPMENT | 2,424,302 | 2,424,302 | - |
| BIOSCIENCES INNOVATION | 825,000 | 813,286 | (11,714) |

➤ **ISU Agricultural Experiment Station**

The Agriculture Experiment Station is Iowa’s only public agricultural research program, conducting research in biological, physical and social sciences that contributes to the advancement of Iowa agriculture and improvement of the economic and social condition of Iowa’s families and communities. The Agriculture Experiment Station has served the state for more than 130 years. It supports the work of Iowa State researchers within and across multiple disciplines. The Experiment Station collaborates and cooperates with the national network of experiment station programs at state land-grant universities, ensuring attention is given to common problems, sharing research results and avoiding duplication.

Research through the Agriculture Experiment Station helps keep Iowa agriculture the world’s leader in productivity, efficiency and sustainability. Iowa farmers and businesses especially depend on research results to continually improve operations, incorporate more sustainable practices, be prepared to face emerging crop and livestock health and welfare challenges, make better management decisions and become more resilient in times of change. The research allows ISU to address the state’s high priority challenges such as improved water quality and environmental stewardship that conserves Iowa’s world-class natural resources.

The breadth and depth of the research portfolio, including more than 750 active projects, make possible innovation in plant sciences and plant systems; animal sciences; natural resources; food safety and security; human health and nutrition; economics, markets and policy; emerging genetics and genomics frontiers; biorenewable opportunities; digital agriculture; and more.

ISU researchers leverage Agriculture Experiment Station support in multiple ways. Over the past five years, they have brought in more than \$283 million in external grants and contracts to conduct research. Also, many faculty scientists supported by the Experiment Station play important roles in education and extension — by training the next generation of agricultural leaders and entrepreneurs and by widely sharing science-based insights and decision aids through ISU Extension and Outreach.

| RESOURCES | <u>FY 2021 Budget</u> |
|---------------------------|------------------------------|
| Appropriations | 29,462,535 |
| Federal Support | <u>5,405,000</u> |
| TOTAL RESOURCES | 34,867,535 |
| EXPENDITURES | |
| Salaries/Benefits | 25,259,000 |
| Supplies and Services | 9,108,535 |
| Equipment | 300,000 |
| Aid to Individuals | <u>200,000</u> |
| TOTAL EXPENDITURES | 34,867,535 |

➤ ISU Cooperative Extension Service

ISU Extension and Outreach works across Iowa State University colleges, throughout the 99 counties, and with external partners to engage Iowans in research, education and extension experiences to address current and emerging real-life challenges. Extension and Outreach is seeing an increasing demand for its programs. Each year more than 1 million Iowans directly benefit from extension educational programs for economic growth, healthy families, thriving communities, and sustainable environments. K-12 youth outreach improves young people’s college and career readiness, provides them with community service opportunities, and prepares them to become Iowa’s future workforce. Extension and Outreach programs align with the Governor’s Empower Rural Iowa Initiative, as well as Iowa State University priorities.

Workforce challenges, child care, mental health, housing, and the farm economy are critical statewide issues impacting the ability of Iowa communities to thrive over the next five years. A financial need exists to support Extension and Outreach initiatives targeting these issues, as well as nutrient reduction strategy, floods, drought, widespread plant and animal diseases, insects (emerald ash borer), and policy changes. Additional resources would ensure that ISU can provide immediate response and education to address these challenges, in-person and locally, but also within the virtual and remote world created as a result of COVID-19. Financial support ensures practical research, surveillance, and programs are available to help communities and individuals plan for a successful future.

| | |
|-----------------------|-----------------------|
| RESOURCES | <u>FY 2021 Budget</u> |
| Appropriations | 18,007,366 |
| Federal Support | 10,250,000 |
| TOTAL RESOURCES | <u>28,257,366</u> |
| EXPENDITURES | |
| Salaries/Benefits | 24,537,000 |
| Supplies and Services | 3,470,366 |
| Rentals | 250,000 |
| TOTAL EXPENDITURES | <u>28,257,366</u> |

➤ ISU Livestock Disease Research

Livestock Disease Research is conducted through the College of Veterinary Medicine on important health issues that impact Iowa’s livestock industry. This research helps to mitigate the high financial losses to Iowa livestock producers that occur each year due to livestock diseases. These funds are leveraged to receive additional funds from external sources for livestock disease research.

The Iowa Livestock Health Advisory Council (ILHAC) was created to strengthen Iowa’s animal agriculture by strengthening the livestock disease research program in the state. Funds from this special appropriation provide seed money for research projects, with priority given to those projects with significant potential for economic benefit for the livestock industry. Recently funded projects include: studying porcine reproductive and respiratory syndrome and influenza in pigs, *E. coli* and *Clostridium spp.* in poultry, lameness in beef and dairy cattle, mastitis in dairy cattle, pinkeye in cattle and viruses causing reproductive problems in sheep. This seed money has recently resulted in development of effective vaccines for porcine circovirus and laying hen peritonitis. Additional funding would allow more animal disease research projects to be funded in areas of highest importance to livestock producers.

| | |
|-----------------------|-----------------------|
| RESOURCES | <u>FY 2021 Budget</u> |
| Appropriations | 170,390 |
| EXPENDITURES | |
| Supplies and Services | 170,390 |

➤ ISU Veterinary Diagnostic Lab (VDL)

The ISU VDL serves to protect animal and human health and advance Iowa's \$32.5 billion animal agriculture economy. It serves as the State of Iowa's official veterinary diagnostic lab and is Iowa's only fully accredited and full service veterinary diagnostic laboratory.

The appropriation cuts are coming at a time when the demand for veterinary diagnostic medicine services to support Iowa's animal agriculture have never been more important nor in higher demand. This also comes at a time when the ISU VDL is asked to commit substantial resources to support to the State Hygienic Laboratory for COVID-19 testing. Cuts to the ISU VDL line will substantially weaken the ability to prevent and respond to disease outbreaks in the Iowa livestock and poultry industry and it will weaken the State's ability to respond to COVID-19.

The caseload submitted to the VDL is the largest of any VDL in the U.S., has doubled in the last seven years, and reached an all-time high of nearly 100,000 cases in 2019. Services provided by the ISU VDL have never been in greater demand. During these challenging economic times, livestock and poultry producers are utilizing the ISU VDL extensively to prevent introduction of costly diseases and assure access to international markets.

| | |
|-----------------------|-----------------------|
| RESOURCES | <u>FY 2021 Budget</u> |
| Appropriations | 4,337,528 |
| EXPENDITURES | |
| Salaries/Benefits | 4,385,900 |
| Supplies and Services | <u>(48,372)</u> |
| TOTAL EXPENDITURES | 4,337,528 |

➤ ISU Economic Development

The Economic Development appropriation supports the Center for Industrial Research and Service (CIRAS), Small Business Development Centers (SBDC), and the ISU Research Park (ISURP).

CIRAS helps reduce the risk of deploying technologies to Iowa businesses so they can remain globally competitive. The CIRAS work with Iowa companies is particularly relevant today with the economic and business distress caused by the COVID-19 pandemic. The economic development funds are used to provide a broad range of services, including 3D printing, robotics, materials, technology adoption, and Industry 4.0. Over the past five years, CIRAS and partners have helped more than 4,100 businesses in every Iowa county, creating a client-reported economic impact of \$2.5 billion dollars with nearly 26,000 jobs added or retained. CIRAS leverages the state appropriation investment to bring in nearly three times as much through federal grants and private company investments.

SBDC's provide research, counsel and training for business people in managing, financing, and operating small businesses. It also provides comprehensive information services and access to experts in a variety of fields. In fiscal 2019 (10/18 - 9/19), the Iowa SBDC counseled more than 4,200 clients, which created 2,236 new jobs; helped companies attract more than \$68 million in new capital; helped companies grow sales by \$170 million; and helped to create 215 new businesses.

The ISURP is a growing technology community and incubator for new and expanding businesses, providing access to the vast array of resources available at ISU: from talent pipeline management, to specialized equipment, to access to the research infrastructure. ISURP is a 400+ acre development serving upwards of 90 tenant companies that employ more than 2,250 people and 300 student interns, with more than 800,000 square feet of developed building space.

| | |
|-----------------------|-----------------------|
| RESOURCES | <u>FY 2021 Budget</u> |
| Appropriations | 2,424,302 |
| EXPENDITURES | |
| Salaries/Benefits | 1,423,355 |
| Supplies and Services | 894,947 |
| Bldg. Repairs | 31,000 |
| Equipment | <u>75,000</u> |
| TOTAL EXPENDITURES | 2,424,302 |

ISU Residence System

The proposed Residence System budget reflects a decrease in net revenues compared to the preliminary budget received by the Board in February 2020. The FY 2020 budget and estimates are also included to reflect the pandemic's impact on the system. Occupancy for FY 2021 has been reduced from 10,238 in February's preliminary budget to 9,464 students. No operating income is included for Linden and Oak Elm residence halls as these facilities will be reserved for in-system students needing COVID isolation and quarantine housing. Expense projections have also reduced from the preliminary budget from the lower occupancy and changes in staffing structures.

Voluntary reserve balances at June 30, 2021 are projected to be \$25.9 million, which is greater than earlier projections largely due to the cancellation of previously planned improvement projects.

**Iowa State University
Residence System Proposed Budget 2020-2021**

| | Budget 2019-20 | Estimates 2019-20 | Preliminary Budget 2020-21 | Proposed Budget 2020-21 |
|--|---------------------------|------------------------------|---|--|
| OPERATIONS | | | | |
| Revenues | \$ 103,443,122 | \$ 95,728,411 | \$ 96,143,671 | \$ 88,424,927 |
| Expenditures for Operations | 74,374,308 | 67,140,753 | 69,857,669 | 68,454,864 |
| Net Revenues | 29,068,814 | 28,587,658 | 26,286,002 | 19,970,063 |
| % of Revenues | 28.1% | 29.9% | 27.3% | 22.6% |
| Debt Service (due July 1) | 15,081,590 | 15,081,590 | 15,167,915 | 12,615,601 |
| Net After Debt Service & Mandatory Transfers | \$ 13,987,224 | \$ 13,506,068 | \$ 11,118,087 | \$ 7,354,462 |
| % of Revenues | 13.5% | 14.1% | 11.6% | 8.3% |
| Debt Service Coverage Ratio | 193% | 190% | 173% | 158% |
| University Overhead Payment | \$ 3,938,991 | \$ 3,938,991 | \$ 4,096,550 | \$ 4,096,550 |
| FUND BALANCES (June 30) | | | | |
| Improvement Fund | 9,177,352 | 8,947,780 | 11,425,780 | 8,947,780 |
| System Fund | 12,526,635 | 15,628,417 | 11,564,861 | 16,986,330 |
| Subtotal--Voluntary Reserves | 21,703,987 | 24,576,197 | 22,990,641 | 25,934,110 |
| Bond Reserve Fund | 15,223,996 | 15,149,384 | 15,149,384 | 15,217,092 |
| Bond Construction Fund | - | - | - | - |
| Subtotal--Mandatory Reserves | 15,223,996 | 15,149,384 | 15,149,384 | 15,217,092 |
| Total Fund Balances (June 30) | \$ 36,927,983 | \$ 39,725,581 | \$ 38,140,025 | \$ 41,151,202 |
| REVENUES AND EXPENDITURES DETAIL | | | | |
| Revenues | | | | |
| Contracts | \$ 85,247,475 | \$ 84,973,945 | \$ 80,904,491 | \$ 75,647,649 |
| Interest | 455,000 | 455,000 | 455,000 | 55,000 |
| Other Income | 17,740,647 | 10,299,466 | 14,784,180 | 12,722,278 |
| Total Revenues | \$ 103,443,122 | \$ 95,728,411 | \$ 96,143,671 | \$ 88,424,927 |
| Expenditures for Operations | | | | |
| Salaries, Wages & Benefits | \$ 36,931,283 | \$ 33,299,552 | \$ 35,139,356 | \$ 34,282,124 |
| Cost of Food or Goods Sold | 12,327,514 | 10,278,274 | 11,298,868 | 10,361,220 |
| Other Operating Expense | 13,694,848 | 12,420,022 | 11,978,020 | 12,398,090 |
| Utilities | 7,333,122 | 7,298,796 | 7,449,543 | 7,426,861 |
| Repairs & Maintenance | 4,087,541 | 3,844,109 | 3,991,882 | 3,986,569 |
| Total Expenditures | \$ 74,374,308 | \$ 67,140,753 | \$ 69,857,669 | \$ 68,454,864 |

FY 2021 BUDGETS – UNIVERSITY OF NORTHERN IOWA

The disruption from the coronavirus created another challenging budget year for the university. The pandemic caused courses to be held online, residence halls to essentially close, numerous events cancelled, study abroad programs ended, and staff to work remotely. The net financial impact of the coronavirus was \$15.5 million through the end of the summer 2020. The uncertainty of the impact to FY 2021 created challenges in projecting enrollment and state appropriations. State appropriations decreased and enrollment is projected to decrease as well. With these funding changes, a significant reduction to the operating expense budget was required to balance the FY 2021 budget and honor bargaining agreements with salary and wage increases.

Although the university took significant precautions to protect the health and safety of students, employees, patrons and visitors the financial impact the global health emergency caused by COVID-19 will continue into FY 2021. The cost to return to campus and maintain this health and safety will be a significant cost to the University. The University will provide personal protective equipment (PPE), minimize large class sizes, increase dining options and reduce event attendance.

During the FY 2021 budget development process, the university remained committed to the university's budget principles developed in partnership with shared governance groups and the President's Budget Advisory Committee.

These principles are:

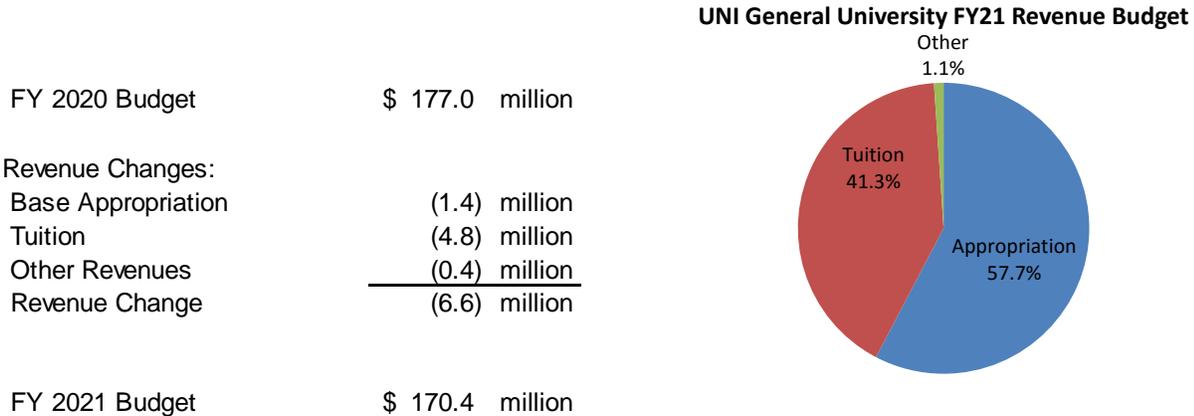
- Focus on student success and invest in the long-term health of the university;
- Honor our processes with shared governance and with bargaining units;
- Ensure transparency and inclusion of ideas; and
- Ensure investments, reductions, and reallocations are strategic.

These principles guided leaders at all levels of our university as the university's FY 2021 budget was developed, while remaining focused on the success of students and protecting the personalized experience that defines a UNI education. Specifically, the university:

- Reduced compensation of the university president, vice presidents and athletics personnel for one year;
- Held salaries for P&S staff and annual appointees flat for the start of FY21; however, the university's revenue will continue to be monitored to determine whether an adjustment may be feasible during the year;
- Honored its commitment to the collective bargaining processes;
- Identified efficiencies to re-prioritize operational expenses in the long-term health of the university and the success of students; and
- Placed a temporary hold on certain operating expenditures, including supplies and services, that enabled recouping some of the losses due to COVID-19.

UNI FY 2021 General University Operating Budget

State appropriations comprise more than half (58%) of UNI's proposed FY 2021 General University operating revenue budget with tuition revenue being 41% of budgeted revenues. Projected changes in these and other revenue sources results in total operating revenue that is \$6.6 million less than the FY 2020 budget (3.7% decrease).



For FY 2021, the Board of Regents requested a \$4.0 million increase for UNI. The 2020 Iowa General Assembly, instead, reduced funding of \$8.0 million for FY 2021 to be allocated by the Board of Regents to the three Regent institutions. The general university's allocation of the reduction is \$1.4 million.

In June 2020, the Board approved tuition rates for the 2020-21 academic year. All rates remained flat (0% increase) from the prior year. With the flat tuition rates coupled with the expected enrollment decline, tuition revenue is budgeted at \$4.8 million less than last year's budget.

| UNIV OF NORTHERN IA | 2019-20 | Increase | 2020-21 | % Inc |
|-----------------------|-----------|----------|-----------|-------|
| Undergrad-Resident | 7,665.00 | - | 7,665.00 | 0.0% |
| Undergrad-Nonresident | 18,207.00 | - | 18,207.00 | 0.0% |
| Grad-Resident | 9,159.00 | - | 9,159.00 | 0.0% |
| Grad-Nonresident | 19,633.00 | - | 19,633.00 | 0.0% |

Indirect cost recoveries and interest income are budgeted to decline by a total \$0.4 million due to ending a sponsored program and a decrease in the investment pool.

In addition to the ASFCME agreement, the University implemented the terms of a voluntary agreement for a two-year contract with the organized faculty (UNI-United Faculty) that began July 1, 2020. The agreement provided for a wage increase of 2.1% on July 1, 2020. Professional & Scientific staff salaries will remain flat. The Vice Presidents' salaries will decrease 5% and the President's salary will decrease 11.8% with a 50% reduction in deferred compensation. After budget reductions and changes in fringe benefit rates, total salaries and benefits decreased \$7.1 million, or 5.2%.

The University continues to strive to remain competitive in aid awarded to students by increasing the financial aid budget \$1.1 million for FY 2021. With a projected decrease in enrollment for FY 2021, supplies and services budget decreased \$0.8 million as part of the division's reductions.

The \$170 million General University budget allocated by function is shown below. Expenses related to instruction, academic support, and scholarships and fellowships, comprise approximately 61% of all general university expenses.

General University Spending By Function
(\$ in thousands)

| | <u>FY 2021</u> | <u>% Total</u> |
|-----------------------------------|----------------|----------------|
| Instruction | 62,900 | 36.9% |
| Research | 122 | 0.1% |
| Public Service | 1,436 | 0.8% |
| Academic Support | 24,292 | 14.3% |
| Student Services | 9,200 | 5.4% |
| Institutional Support | 31,955 | 18.8% |
| Operations & Maintenance of Plant | 24,308 | 14.3% |
| Scholarships & Fellowships | 16,200 | 9.5% |
| Total | 170,413 | 100.0% |

UNI FY 2021 Special Purpose Operating Budgets

The following table lists UNI’s special purpose units that received state operating funding for FY 2021. With the exception of the economic development appropriation (which is not funded from the State General Fund), the special purpose units incurred a prorated share of the \$8M state funding reduction.

| <u>UNI SPECIAL PURPOSE UNITS</u> | <u>FINAL FY 2020 APPROPRIATIONS</u> | <u>FY 2021 APPROPRIATIONS</u> | <u>Difference</u> |
|----------------------------------|---|-----------------------------------|-------------------|
| RECYCLING & REUSE | 175,256 | 172,768 | (2,488) |
| MATH & SCIENCE | 6,446,375 | 6,354,848 | (91,527) |
| REAL ESTATE EDUCATION | 125,302 | 123,523 | (1,779) |
| ECONOMIC DEVELOPMENT | 1,066,419 | 1,066,419 | - |
| ADDITIVE MANUFACTURING | 400,000 | 394,321 | (5,679) |

➤ UNI Recycling and Reuse Center

The Recycling and Reuse Technology Transfer Center (RRTTC) is an interdisciplinary research, education and outreach center serving Regent university researchers and students, Iowa citizens, business and industry focusing on solid and hazardous waste issues and environmental resilience strategies.

The RRTTC offers solid waste and recycling internships and programs, green business activities and operates a teaching and demonstration garden, Creekside Harmony Garden. The teaching garden provides several educational activities and welcomes all students of the university, local schools and the Cedar Valley Community. The Garden’s design provides an interactive space for people to connect with nature and food and discuss biogeochemical cycling as the fundamental “recycling” activity. Education is provided on gardening methods, food systems, teaching tools and methods through workshops, camps and classes.

Another effort of the RRTTC is the Panther Initiative for Environmental Equity and Resilience (PIEER). PIEER creates a partnership between UNI students, sustainability faculty, and the RRTTC to deliver educational and engagement projects in the areas of environmental equity issues and resiliency. PIEER works with schools, UNI centers, and community organizations to provide educational awareness activities that bring new insights of environmental equity and resilience issues. PIEER increases awareness about issues between rural and urban Iowans, individuals of different socioeconomic status, and different races and cultures that encourages engaged populations to consider positive changes.

The RRTTC helps Iowa businesses reach their green potential through Materials Innovation Service (MIS), which is a joint program between the RRTTC, and the UNI Metal Casting Center. Through MIS, Iowa companies replacing mainstream materials with recycled material receive affordable materials testing and consultation. MIS provides technical assistance to manufacturers wishing to re-engineer or re-tool their operations to include recycled content, and in the development of innovative recycling/reuse process technologies that turn waste into resources.

| | |
|-----------------------|-----------------------|
| RESOURCES | <u>FY 2021 Budget</u> |
| Appropriations | 172,768 |
| EXPENDITURES | |
| Salaries/Benefits | 143,831 |
| Supplies and Services | <u>28,937</u> |
| TOTAL EXPENDITURES | 172,768 |

➤ UNI Math and Science Collaborative (STEM)

The Iowa Math & Science Education Partnership (IMSEP) leads a broad coalition of educational, nonprofit, policy and private sector stakeholders in improving science and mathematics as well as technology and engineering (STEM) learning pre-K through college principally focused on school-business partnerships, community engagement, and broad scaling of exemplary curriculum.

Since FY 2009, the universities have worked as a team to implement the STEM initiative. This effort has grown to become the Governor’s STEM Advisory Council as managed by the Iowa Mathematics and Science Education Partnership (IMSEP).

STEM workers drive our nation’s innovation and competitiveness by generating new ideas, new companies and new industries. Over the past 10 years, STEM jobs grew three times as fast as growth in non-STEM jobs. The STEM workforce will remain central to our economic vitality well into the future, contributing to innovation, technological growth, and economic development. Maintaining U.S. scientific and technological leadership is essential to the future of our country. However, the United States is facing a critical talent gap in science, technology, engineering and math, and is not keeping pace with foreign competition.

STEM jobs require post-secondary training, but Iowa ranks below the national average in percent of post-secondary majors studying STEM at our colleges and universities.

The Governor’s STEM Advisory Council’s overarching goal is to boost student interest and achievement in science, technology, engineering and math (STEM), so Iowa’s young people have more career opportunities and our state’s economy is more robust.

| | |
|-----------------------|-----------------------|
| RESOURCES | <u>FY 2021 Budget</u> |
| Appropriations | 6,354,848 |
| EXPENDITURES | |
| Salaries/Benefits | 626,717 |
| Supplies and Services | <u>5,728,131</u> |
| TOTAL EXPENDITURES | 6,354,848 |

➤ UNI – Real Estate Education

UNI’s Real Estate Education program prepares students for careers in commercial and residential real estate, including land development, asset management and finance.

As the only program of its kind in Iowa, UNI real estate graduates develop a strong connection to the state economy, with over 70% employed in Iowa. In careers as lenders, brokers, developers, appraisers, property managers and attorneys, they are a key component of economic development in both rural and urban communities.

| | |
|-------------------|-----------------------|
| RESOURCES | <u>FY 2021 Budget</u> |
| Appropriations | 123,523 |
| EXPENDITURES | |
| Salaries/Benefits | 123,523 |

➤ UNI – Economic Development

Three programs, the Institute for Decision Making (IDM), Metal Casting Center and the Center for Business Growth and Innovation, have provided long-term and valuable economic development support to communities, businesses and entrepreneurs across the state.

The IDM is the economic development arm of UNI Business and Community Services. For 32 years IDM has proudly served well over 800 communities, economic development groups, chambers of commerce, convention and visitor bureaus, community planning groups, state agencies/associations and other organizations in all 99 Iowa counties. IDM’s services include tailored and innovative community-wide and regional workforce development planning. IDM’s services include technical assistance, applied research, and training to Iowans to enhance their community’s economic vitality. IDM continues to utilize its state funding to leverage other funding sources. For example, IDM is the lead organization for UNI’s US Economic Development Administration’s University Center (UNI UC). The UNI UC partners with local development organizations and service providers to implement an economic development approach designed to foster innovation/technology utilization and research and development within targeted Iowa businesses.

Since its creation in 1989, the Metal Casting Center has expanded to include two facilities (Additive Manufacturing Center is the other). The materials research and foundry focused sight is located in the Industrial Technology Center on the UNI campus and works with industry to develop materials and processes through testing and characterization of industrial materials.

UNI’s Center for Business Growth and Innovation (UNI CBGI) has an established network of resources and services designed to attract, connect, and accelerate small business and start-up growth through business assistance, partner resources, and valuable connections to their peers. UNI CBGI initiatives are nationally recognized in both rural and urban settings on how universities can best utilize their unique assets to impact regional economies. UNI’s Advance Iowa program focuses on small- and medium-sized Iowa-owned enterprises to help ensure Iowa firms continue to remain profitable, sustainable and to the extent possible, locally owned.

| | |
|-----------------------|-----------------------|
| RESOURCES | <u>FY 2021 Budget</u> |
| Appropriations | 1,066,419 |
| EXPENDITURES | |
| Salaries/Benefits | 917,914 |
| Supplies and Services | <u>148,505</u> |
| TOTAL EXPENDITURES | 1,066,419 |

➤ UNI – Additive Manufacturing Center

The Additive Manufacturing Center (AMC), featuring North America’s largest commercially available 3D sand printer, is located at Cedar Valley TechWorks in Waterloo. Through AMC’s applied research, many of the barriers to technology adoption have been removed, resulting in industry adoption of these emerging technologies. Success is proven by the growth of 3D sand printers located in North America increasing over 700% in the last four years, with Iowa realizing the highest growth. The new technology of additive manufacturing for investment castings represents a similar challenge of changing the way parts are manufactured. Investment casting technology supports the foundry supply chain and meets the needs of original equipment manufacturers in aerospace, defense, agricultural manufacturing, and bioscience and medical technologies.

| RESOURCES | <u>FY 2021 Budget</u> |
|-----------------------|-----------------------|
| Appropriations | 394,321 |
| EXPENDITURES | |
| Salaries/Benefits | 265,535 |
| Supplies and Services | 54,465 |
| Equipment | <u>74,321</u> |
| TOTAL EXPENDITURES | 394,321 |

UNI FY 2021 Restricted Budget

UNI’s restricted budget includes auxiliary enterprises, capital appropriations and revenues, and expenditures from university units and operations that do not receive direct state appropriations. Major auxiliary enterprise operations include the residence system, athletics, Maucker Union, Fieldhouse Operations (UNI-Dome/McLeod Center), Gallagher-Bluedorn Performing Arts Center, Wellness Recreation Center and the Student Health System.

The proposed FY 2021 Restricted Fund Budget also includes the following state appropriations:

- Tuition Replacement \$ 3.14 million
- Industrial Tech Center \$ 1.00 million
- Innovation Fund \$ 0.90 million

UNI Residence System

The proposed Residence System budget reflects a decrease in net revenues compared to the preliminary budget received by the Board in February 2020. The FY 2020 budget and estimates are also included to reflect the pandemic's impact on the system. Occupancy for FY 2021 has been reduced from 3,268 in February's preliminary budget to 3,080 students. The occupancy decline was partially mitigated from a higher percentage of returning students that have re-contracted to remain in on-campus housing. In addition, retail operations, catering and summer conference revenues were significantly reduced and also impact the FY 2021 budget. Most revenue and expense reductions are attributable to changes in operations resulting from the COVID epidemic.

Voluntary reserve balances at June 30, 2021 project to be \$9.1 million.

**University of Northern Iowa
Residence System Proposed Budget 2020-21**

| | Budget | Estimates | Preliminary | Proposed |
|--|----------------------|----------------------|----------------------|----------------------|
| | 2019-20 | 2019-20 | Budget | Budget |
| | 2019-20 | 2019-20 | 2020-21 | 2020-21 |
| OPERATIONS | | | | |
| Revenues | \$ 35,509,961 | \$ 31,498,218 | \$ 35,171,845 | \$ 33,015,195 |
| Expenditures for Operations | 24,225,026 | 21,214,919 | 26,409,779 | 24,566,058 |
| Net Revenues | 11,284,935 | 10,283,299 | 8,762,066 | 8,449,137 |
| % of Revenues | 31.8% | 32.6% | 24.9% | 25.6% |
| Debt Service (due July 1) | 8,009,544 | 6,347,356 | 6,258,619 | 6,258,619 |
| Mandatory Transfers | 330,000 | 330,000 | 330,000 | 330,000 |
| Net After Debt Service & Mandatory Transfers | \$ 2,945,391 | \$ 3,605,943 | \$ 2,173,447 | \$ 1,860,518 |
| % of Revenues | 8.3% | 11.4% | 6.2% | 5.6% |
| Debt Service Coverage Ratio | 141% | 162% | 140% | 135% |
| University Overhead Payment | \$ 623,986 | \$ 549,879 | \$ 650,869 | \$ 603,512 |
| FUND BALANCES (June 30) | | | | |
| Improvement Fund | \$ 7,341,410 | \$ 8,408,018 | \$ 330,000 | \$ 2,418,343 |
| System Fund | 10,040,248 | 8,140,760 | 6,396,693 | 6,726,340 |
| Subtotal--Voluntary Reserves | 17,381,658 | 16,548,778 | 6,726,693 | 9,144,683 |
| Bond Reserve Fund | 7,512,949 | 6,003,459 | 6,039,159 | 6,003,459 |
| Bond Construction Fund | | - | | |
| Subtotal--Mandatory Reserves | 7,512,949 | 6,003,459 | 6,039,159 | 6,003,459 |
| Total Fund Balances (June 30) | \$ 24,894,607 | \$ 22,552,237 | \$ 12,765,852 | \$ 15,148,142 |
| REVENUES AND EXPENDITURES DETAIL | | | | |
| Revenues | | | | |
| Contracts | \$ 29,863,520 | \$ 22,642,808 | \$ 28,913,182 | \$ 26,924,428 |
| Interest | 406,178 | 315,141 | 600,000 | 200,000 |
| Other Income | 5,240,263 | 8,540,269 | 5,658,663 | 5,890,767 |
| Total Revenues | \$ 35,509,961 | \$ 31,498,218 | \$ 35,171,845 | \$ 33,015,195 |
| Expenditures for Operations | | | | |
| Salaries, Wages & Benefits | \$ 13,922,609 | \$ 12,885,299 | \$ 14,666,116 | \$ 13,588,499 |
| Cost of Food or Goods Sold | 3,464,439 | 2,664,732 | 3,762,223 | 3,080,133 |
| Other Operating Expense | 2,306,679 | 1,872,813 | 3,412,691 | 3,357,015 |
| Utilities | 3,363,299 | 2,790,396 | 3,371,997 | 3,347,610 |
| Repairs & Maintenance | 1,168,000 | 1,001,679 | 1,196,752 | 1,192,801 |
| Total Expenditures | \$ 24,225,026 | \$ 21,214,919 | \$ 26,409,779 | \$ 24,566,058 |

FY 2021 BUDGETS - IOWA SCHOOL FOR THE DEAF

The proposed FY 2021 operating and restricted fund budgets for the Iowa School for the Deaf total \$13.3 million and are provided on the following page.

ISD FY 2021 General Operating Budget

The Iowa School for the Deaf provides educational programs in compliance with federal and state laws to provide free and appropriate public education for deaf and hard of hearing children and youths. Each child's Individualized Education Program (IEP) is designed to develop the student's educational potential. The primary mission is to provide quality programs for students, enabling them to leave ISD with optimal academic, vocational, interpersonal and independent living skills.

The budget was developed to support the strategic plan, goals for school improvement and student achievement in the following key areas:

1. Pre-K through 12th grade education services that provides academic and vocational programming for deaf and hard of hearing children with services to meet specially designed instruction and the individual learning needs of each student.
2. Student Life program to support campus-based education services by providing dormitory, food, health and transportation services for students who live too far from ISD to attend as day students.
3. Deaf Resources Center that provides training and assessment for K-12 educational interpreters and sign language instruction for parents and professionals across the state of Iowa.
4. Extended Learning Program that provides learning activities, statewide, in the expanded core curriculum to support achievement in the core curriculum, and development of communication, self-determination, social and emotional skills, as well as the unique learning needs of deaf and hard of hearing students.
5. 4Plus program for students ages 18 to 21 for the development of prevocational, work readiness, and-self-help and independent skills to promote the successful transition of high school students to the employment and/or post-secondary education setting.

State appropriations are the primary revenue source for ISD operations. The 2020 General Assembly appropriated a 2.3% increase (approximately \$237,000) in state operating funding for FY 2021. A net decrease (\$80,000) is projected in the other revenue sources primarily from fewer interpreters and teacher's aids needed which results in less sales/service revenue from the AEA's.

The budget incorporates the terms of collective bargaining agreement for merit staff and the approved salary policies of an average 1.5% increase in faculty, P&S staff and institutional officers' salaries.

ISD FY 2021 Restricted Budget

The FY 2021 restricted budget includes a \$1.325 million capital appropriation to fund the Long Hall renovation project. Other restricted revenues include federal grant pass-through funding from the Iowa Department of Education for sign language and parent training, teacher training, ADA accessibility and post-graduation independent living skills.

Revenue generated from students attending ISD from Nebraska is included in the restricted funds. The FY 2021 budget anticipates 2-3 students attending from Nebraska. A portion of the Nebraska revenue will continue to provide for staffing expenses and curriculum development.

| FY 2021 BUDGETS - IOWA SCHOOL FOR THE DEAF | | | |
|---|---------------------|---------------------|----------------------|
| | Operating Budget | Restricted Budget | Total Budget |
| REVENUES | | | |
| General Appropriation | \$10,536,171 | \$ - | \$ 10,536,171 |
| Capital Appropriation | | 1,325,000 | \$ 1,325,000 |
| Federal Support | 56,970 | 311,216 | 368,186 |
| Interest | 1,000 | 525 | 1,525 |
| Reimbursed Indirect Costs | 15,000 | | 15,000 |
| Sales and Services | 556,000 | 123,941 | 679,941 |
| Other Income | 330,225 | | 330,225 |
| TOTAL REVENUES | \$11,495,366 | \$ 1,760,682 | \$ 13,256,048 |
| EXPENDITURES | | | |
| Salaries | \$ 9,656,115 | \$ 224,537 | \$ 9,880,652 |
| Prof. & Scien. Supplies/Services | 1,508,061 | 211,145 | 1,719,206 |
| Utilities | 286,750 | | 286,750 |
| Bldg. Repairs | - | | - |
| Aud. of State Reimburse | 44,440 | | 44,440 |
| Plant Capital | | 1,325,000 | 1,325,000 |
| TOTAL EXPENDITURES | \$11,495,366 | \$ 1,760,682 | \$ 13,256,048 |

FY 2021 BUDGETS - IOWA BRAILLE AND SIGHT SAVING SCHOOL

The proposed FY 2021 operating and restricted fund budgets for the Iowa Braille and Sight Saving School (IBSSS) total approximately \$10.3 million and are provided on the following page.

IBSSS FY 2021 General Fund Operating Budget

Under the direction of the Iowa Braille and Sight Saving School, the programs and services of the Iowa Educational Services for the Blind and Visually Impaired (IESBVI) provides equitable access to high quality education services to children who are blind or visually impaired including those with additional disabilities throughout the state. The purpose is to provide accessible and appropriate education opportunities, resources and support which enable students who are blind or visually impaired to function as independently as possible in all aspects of life. A cooperative agreement between the Board of Regents, Area Education Agencies, Department of Education and the Department for the Blind established the unified system for the delivery of vision services to recruit, train, supervise and deploy all Teachers of Visual Impairments (TVIs) and Certified Orientation and Mobility instructors (COMs) in the state.

The budget was developed to support the strategic plan, goals and student achievement in the following key areas:

1. Statewide system of classroom-based instruction, orientation and consultative services which support the Individual Education Plans of students attending school in their local school districts.
2. Low vision clinics that emphasis early identification of vision impairments so that students can receive accommodations and appropriate educational services at the earliest possible age.
3. Evaluations, consultation, training and program planning with assistive technology that allows students with vision impairments to access the same curriculum as their sighted peers.
4. 4Plus program emphasizing the development of prevocational, work readiness and independent skills to promote the successful transition of high school students to the employment and/or post-secondary education setting.
5. Regional and statewide professional development for TVIs, as well as general and special education teachers to assist them with the skills necessary to provide specially designed instruction and support in the classroom.
6. Extended Learning Program to provide statewide learning activities, in areas of the expanded core curriculum to support the unique learning needs of blind and visually impaired students.

The 2020 General Assembly appropriated a 2.3% increase (\$99,700) in state operating funding for FY 2021. The budget also includes other incremental revenues of approximately \$308,000 from the Americorp rental agreement and from additional contract revenue with the AEA's for services provided by the TVIs and COMs. While the full annual impact of the Americorp lease is included in the budget, negotiations continue to transfer the campus and the lease to the City of Vinton.

The budget incorporates the terms of collective bargaining agreement for merit staff and the approved salary policies of an average 1.5% increase for faculty and P&S staff.

IBSSS FY 2021 Restricted Budget

IBSSS's FY 2021 restricted budget totals approximately \$0.9 million and is provided on the following page. The restricted funding comes from federal pass-through grants from the Iowa Department of Education and gifts/endowment funds. In addition to blind-deaf services, the federal grants also support training programs for the teachers, low vision clinics and equipment, assistive devices, parent/professional activities and training, and STEM and early childhood consultants. The endowment funds (other income) provide post-secondary scholarships and support activities/programs in conjunction with the strategic plan to the extent other resources are not available.

| FY 2021 BUDGETS - IOWA BRAILLE & SIGHT SAVING SCHOOL | | | |
|---|-----------------------------|------------------------------|-------------------------|
| | Operating Budget | Restricted Budget | Total Budget |
| REVENUES | | | |
| General Appropriation | \$ 4,434,459 | | \$ 4,434,459 |
| Federal Support | - | 735,366 | 735,366 |
| Reimb. Indirect Costs | 58,331 | | 58,331 |
| Sales and Services | 3,985,526 | | 3,985,526 |
| Other Income | 951,105 | 190,000 | 1,141,105 |
| TOTAL REVENUES | \$ 9,429,421 | \$ 925,366 | \$ 10,354,787 |
| EXPENDITURES | | | |
| Salaries | \$ 7,687,911 | \$ 438,912 | \$ 8,126,823 |
| Prof. & Scien. Supplies/Services | 1,489,510 | 436,454 | 1,925,964 |
| Library Acquisition | 15,000 | | 15,000 |
| Rentals | 35,000 | | 35,000 |
| Utilities | 170,500 | | 170,500 |
| Bldg. Repairs | | 50,000 | 50,000 |
| Aud. of State Reimburse | 31,500 | | 31,500 |
| TOTAL EXPENDITURES | \$ 9,429,421 | \$ 925,366 | \$ 10,354,787 |

FY 2021 BUDGET – IOWA PUBLIC RADIO

The FY 2021 budget supports the realignment of IPR based on the merger of the three stations in an effort to improve and expand service and outreach to Iowans. IPR's Board of Directors approved the FY 2021 budget on June 25, 2020.

- University support for FY 2021 has been eliminated (100% decrease). State support has decreased 1.4% from the previous year.
- A distribution from the Corporation for Public Broadcasting's CARES Act funding will be applied to radio programming fees in FY 2021.
- Budgeted decreases in fundraising revenue from memberships, underwriting and events due to anticipated economic issues related to the pandemic and no scheduled, revenue-generating events.
- Salary expenses are budgeted to decrease in FY 2021 from the reduction of three positions and no salary increases for staff.
- Professional/Other Services expenses are estimated to decline in FY 2021 from decreases in professional services for one-time projects completed in FY 2020 and a reduction in services related to capital campaign needs.
- Transfers from reserves includes a balancing adjustment to offset non-cash depreciation expense, utilizing Innovation Fund revenue and an estimated cash transfer to balance the FY 2021 budget..

| | FY20 BUDGET | FY21 BUDGET | DIFFERENCE |
|--|---------------------|---------------------|-----------------------|
| OPERATING INCOME | | | |
| University Support | \$ 873,940 | \$ - | \$ (873,940) |
| State of Iowa Appropriation | 350,648 | 345,669 | (4,979) |
| Federal Support - CPB | 652,631 | 656,338 | 3,707 |
| Transfer from Reserves - FY21 CPB CARES Distribution | - | 262,136 | 262,136 |
| Fundraising | 6,903,028 | 6,318,319 | (584,709) |
| TOTAL OPERATING INCOME | \$ 8,780,247 | \$ 7,582,462 | \$ (1,197,785) |
| OPERATING EXPENSES | | | |
| Compensation | \$ 4,778,899 | \$ 4,582,556 | \$ (196,343) |
| Programming Fees | 1,213,112 | 1,115,239 | (97,873) |
| Facilities | 642,072 | 640,377 | (1,695) |
| Professional/Other Services | 897,043 | 724,616 | (172,427) |
| Telecommunications | 200,337 | 193,009 | (7,329) |
| Depreciation Expense | 420,500 | 409,600 | (10,900) |
| Printing | 98,250 | 87,645 | (10,605) |
| Supplies | 164,250 | 129,630 | (34,620) |
| Travel | 103,725 | 42,656 | (61,069) |
| Other | 204,125 | 162,407 | (41,718) |
| TOTAL OPERATING EXPENSES | \$ 8,722,314 | \$ 8,087,735 | \$ (634,578) |
| NET OPERATING INCOME (LOSS) | \$ 57,933 | \$ (505,273) | \$ (563,207) |
| NON-OPERATING INCOME (EXPENSE): | | | |
| Rental Revenue | \$ 90,277 | \$ 89,916 | \$ (361) |
| Investment Earnings | - | - | - |
| Transfer From Reserves | 350,000 | 150,000 | (200,000) |
| Transfer From Reserves - FY21 Depreciation | - | 409,600 | 409,600 |
| Transfer From Reserves - FY20 Innovation Fund | - | 16,640 | 16,640 |
| FY20 - DM Remodel | (36,500) | - | 36,500 |
| Equipment, Capitalized | (406,525) | (127,000) | 279,525 |
| Equipment, Non-Capitalized | (44,300) | (32,650) | 11,650 |
| TOTAL NON-OPERATING INCOME (EXPENSE) | \$ (47,048) | \$ 506,506 | \$ 553,554 |
| NET ALL ACTIVITY | \$ 10,884 | \$ 1,233 | \$ (9,653) |

FY 2021 BUDGET – BOARD OFFICE

The Board Office operating budget is supported mainly by state appropriations and institutional support. The FY 2021 state appropriation was cut \$11,013 when compared to FY 2020 and institutional reimbursements are consistent with last year's budget. Reflecting the service nature of the Board Office, personnel costs are approximately 72% of the proposed budget.

Board Office Budget - FY 2021

Revenues

| | |
|------------------------------|--------------------|
| State Appropriations | \$764,642 |
| Institutional Reimbursements | 3,579,618 |
| Principal Demutualization | 2,386 |
| Total Revenues | \$4,346,646 |

Expenses

| | |
|--|------------------|
| Personnel & Board per diem | 3,118,882 |
| Travel | \$81,000 |
| Office Supplies and Printing | 60,000 |
| Dues | 40,000 |
| Advertising | 500 |
| Communications | 55,000 |
| Outside Services & Repairs | 110,000 |
| State Audit | 16,000 |
| IT Services | 65,000 |
| Office Equipment & Furnishings | 30,000 |
| Office Space | 125,000 |
| Educational/Training Expense | 45,264 |
| Special Services (AG, Off Fed Rel, eDAS) | 600,000 |
| Total Expenses | 4,346,646 |