

Contact: Brad Berg

**FY 2022 BUDGETS – UNIVERSITIES, SPECIAL SCHOOLS,
IOWA PUBLIC RADIO AND BOARD OFFICE**

Actions Requested: Consider approval of Regent universities, special schools, Iowa Public Radio, and Board Office FY 2022 budgets as presented in this docket item.

Executive Summary:

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 2022 Regent enterprise consolidated \$6.38 billion budget is summarized below. The table on page 8 includes the detailed budgeted revenues and expenditures from all funds for Iowa’s public universities and special schools.

FY 2022 REGENT ENTERPRISE BUDGET
(in millions)

	SUI*	ISU	UNI	ISD	IBSSS	Total
General Operating	2,718.4	722.7	178.8	11.5	9.0	3,640.4
Restricted	1,728.5	844.8	168.5	0.8	0.9	2,743.5
Total	4,446.9	1,567.5	347.3	12.3	9.9	6,383.9

*includes UIHC

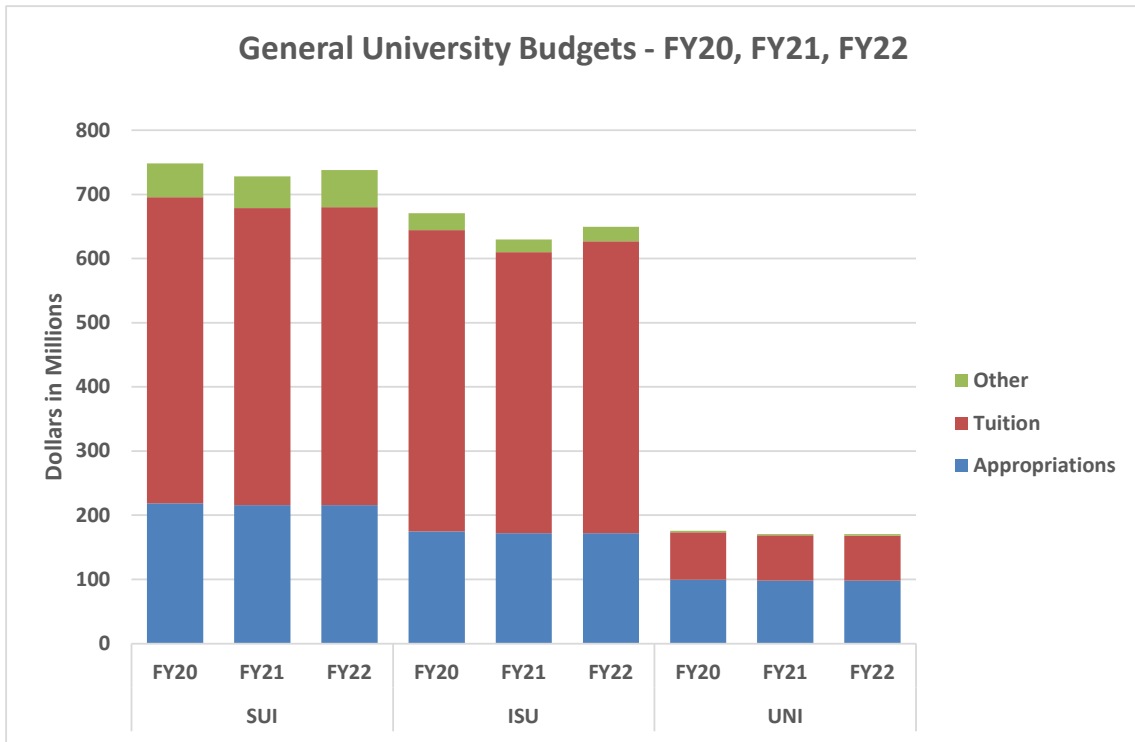
General University Operating Budgets

The primary revenue sources providing FY 2022 general operating funds for Iowa’s public universities are state appropriations and tuition revenues.

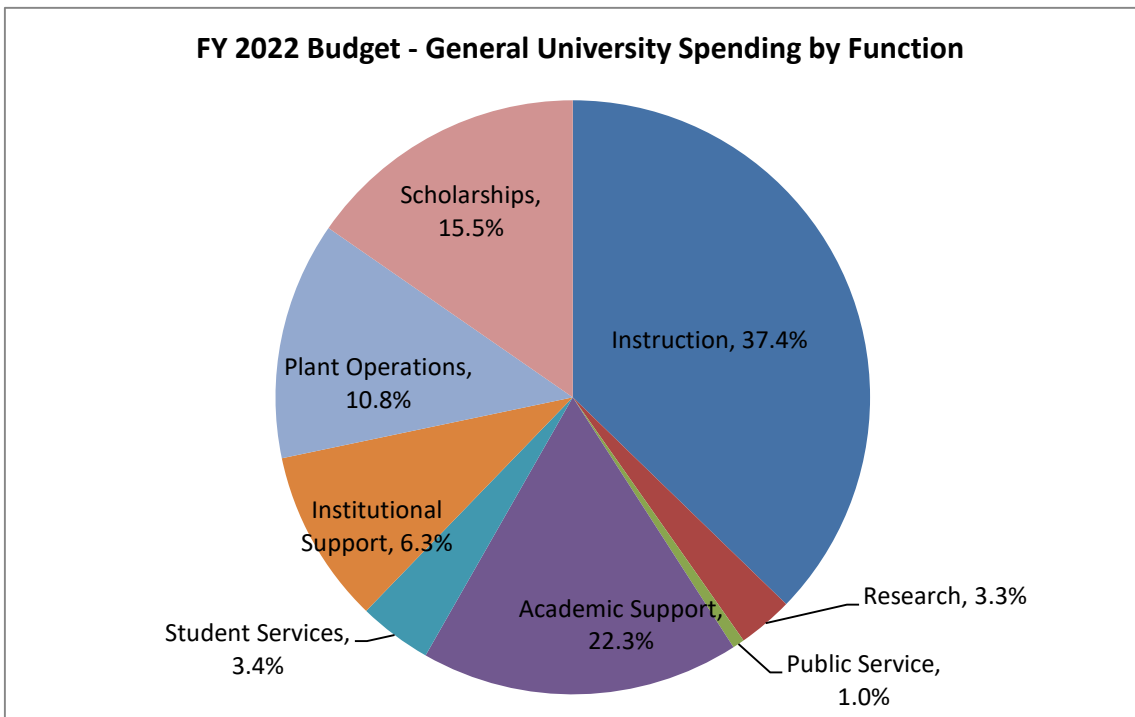
For FY 2022 (2021-2022 academic year), the Board requested an appropriation increase for FY 2022 of \$18.0 million (SUI - \$7M; ISU - \$7M; UNI - \$4M) and restoration of the \$8M cut realized for FY 2021. For FY 2022, the General Assembly froze state funding (no change from FY 2021) for the general university appropriations that support Regent higher education.

The general university operating budgets were assembled based on the proposed tuition rates included in the Board’s July 2021 docket. The proposed tuition rates for the 2021-22 academic year include base undergraduate resident increases of \$283 at SUI, \$282 at ISU, and \$115 at UNI. The universities also proposed varying differential tuition rates for certain higher-cost programs.

The chart on the following page compares the FY 2020, FY 2021, and FY 2022 funding source budget for each university. While each university budgeted revenue growth for FY 2022 when compared to the pandemic-suppressed FY 2021 budget, the three university budgets for FY 2022 remain smaller than FY 2020 actuals.



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 70% 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 2022 special purpose unit budgets is included in the attachments.

Restricted Budgets

The university FY 2022 restricted fund budgets include capital funding approved by the General Assembly for the following projects.

- ISU – Veterinary Diagnostic Laboratory \$12.500 million
- ISU – Student Innovation Center \$11.375 million
- UNI – Industrial Tech Center \$13.000 million

In addition, the university restricted fund budgets include an allocation of the \$28.1 million tuition replacement appropriation to replace the tuition revenue pledged for 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.

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 2022 revenue budgets total approximately \$190 million for the three universities.

The Board received the FY 2022 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. The residence systems are expected to house approximately 17,250 students this fall.

University Residence Systems FY 2022 Budgets						
	SUI		ISU		UNI	
	Preliminary	Final	Preliminary	Final	Preliminary	Final
Revenues	\$ 74,028,069	\$ 72,898,965	\$ 88,404,816	\$ 87,109,220	\$ 29,735,060	\$ 29,632,489
Expenditures for Operations	56,105,171	55,042,866	65,331,521	64,695,289	22,875,610	22,582,096
Debt Service and Mandatory Transfers	13,587,007	13,189,120	14,368,293	14,248,793	5,381,075	5,381,075
Net Revenues after Debt Service and Mandatory Transfers	\$ 4,335,891	\$ 4,666,979	\$ 8,705,002	\$ 8,165,138	\$ 1,478,375	\$ 1,669,318

Athletic Budgets

Each of the Regent universities hosts a multitude of intercollegiate athletic events that attract many alumni and friends to the campuses each year. The athletic departments are independent entities included in the restricted fund budgets. The proposed FY 2022 athletic revenue budgets total \$230 million. Details for each university's athletic budget are included in the attachments.

Athletic Revenues	
FY 2022	
<u>Budget</u>	
SUI	117,041,199
ISU	98,638,144
UNI	<u>14,506,965</u>
Total	230,186,308

Special Schools

The FY 2022 budgets for the Iowa School for the Deaf (ISD), and the Iowa Educational Services for the Blind and Visually Impaired (IESBVI) total \$22.2M and are provided in Attachments D and E. ISD and IESBVI rely heavily on state funding for their operations. In aggregate, the schools' operating appropriations were increased 2.4% (\$359,000) when compared to FY 2021. The schools share a common Superintendent and other administrators. While these positions are employed by ISD, IESBVI reimburses their share of the cost for these positions on a monthly basis.

FY 2022 Special School Budgets

	<u>Operating</u>	<u>Restricted</u>	<u>Total</u>
ISD	\$ 11,499,985	\$ 781,964	\$ 12,281,949
IESBVI	<u>\$ 8,972,675</u>	<u>\$ 934,295</u>	<u>\$ 9,906,970</u>
TOTAL	\$ 20,472,660	\$ 1,716,259	\$ 22,188,919

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 2022 operating appropriation of \$345,669 remains flat (0% increase) with the FY 2021 amount. The proposed FY 2022 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 1.1% on July 1, 2021 (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 2022 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	\$6,540,917	\$231,427,926
RESOURCES										
Federal Support										-
Interest	1,474,520	24,924,531	-40,000	300,000		2,000	5,500			26,666,551
Tuition and Fees	464,627,000									464,627,000
Reimb. Indirect Costs	56,140,000	3,424,428	1,394,256	175,944	286,181	72,100				61,492,909
Sales and Service		1,893,138,554	30,520,804	7,576,259		1,684,988		104,184		1,933,024,789
Other Income	25,000	841,296	255,408							1,121,704
Subtotal - Inst. Income	522,266,520	1,922,328,809	32,130,468	8,052,203	286,181	1,759,088	5,500	104,184	-	2,486,932,953
TOTAL REVENUES	\$737,872,000	\$1,922,328,809	\$32,130,468	\$8,052,203	\$2,390,000	\$6,581,698	\$1,726,098	\$738,686	\$6,540,917	\$2,718,360,879
EXPENDITURES										
Fac. & Inst. Off. Salaries	\$276,695,000	\$92,286,721	\$40,557	\$497,624		\$177,066		\$158,349	\$1,252,322	\$371,107,639
Prof. & Sci. Staff Salaries	167,387,000	668,007,471	17,020,746	4,349,388	165,772	3,387,642	304,128	575,478	2,292,846	863,490,471
General Service Staff Sal.	41,420,000	192,844,476	12,119,677	1,076,989	1,081,228	1,402,351			114,676	250,059,397
Hourly Wages	5,700,000	9,397,394	112,663	137,547		74,010			36,334	15,457,948
Subtotal - Salaries	491,202,000	962,536,062	29,293,643	6,061,548	1,247,000	5,041,069	304,128	733,827	3,696,178	1,500,115,455
Supplies and Services	48,778,000	898,309,366	1,209,318	1,521,376	199,000	1,408,310	1,421,970	4,859	2,468,799	955,320,998
Library Acquisitions	18,334,000									18,334,000
Rentals	5,946,000	18,436,126	6,399	558		130,492			85,400	24,604,975
Utilities	44,260,000	36,092,333	1,614,241	234,851	751,000	1,827				82,954,252
Bldg. Repairs	22,379,000	6,954,922	6,867	233,870	193,000					29,767,659
Auditor of State Reimb.	765,000									765,000
Equipment	3,309,000								12,000	3,321,000
Aid to Individuals	102,899,000								278,540	103,177,540
Subtotal - Other Expenses	246,670,000	959,792,747	2,836,825	1,990,655	1,143,000	1,540,629	1,421,970	4,859	2,844,739	1,218,245,424
TOTAL EXPENDITURES	\$737,872,000	\$1,922,328,809	\$32,130,468	\$8,052,203	\$2,390,000	\$6,581,698	\$1,726,098	\$738,686	\$6,540,917	\$2,718,360,879

BOARD OF REGENTS, STATE OF IOWA
FY 2022 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	\$172,144,766	\$29,462,535	\$18,157,366	\$9,618,173	\$229,382,840	\$98,296,620	\$8,111,879	\$106,408,499	\$10,789,039	\$4,540,886	\$582,549,190
RESOURCES											
General											
Federal Support		5,671,710	10,250,000		15,921,710				56,970		15,978,680
Interest	1,000,000				1,000,000	706,900		706,900	1,000		28,374,451
Tuition and Fees	454,655,000				454,655,000	69,813,006		69,813,006			989,095,006
Reimb. Indirect Costs	21,137,000				21,137,000	1,329,649		1,329,649	15,000	58,332	84,032,890
Sales and Service						534,393		534,393	421,000	4,373,457	1,938,353,639
Other Income	600,000				600,000			-	216,976		1,938,680
Subtotal - Inst. Income	477,392,000	5,671,710	10,250,000	-	493,313,710	72,383,948	-	72,383,948	710,946	4,431,789	3,057,773,346
TOTAL REVENUES	\$649,536,766	\$35,134,245	\$28,407,366	\$9,618,173	\$722,696,550	\$170,680,568	\$8,111,879	\$178,792,447	\$11,499,985	\$8,972,675	\$3,640,322,536
EXPENDITURES											
Fac. & Inst. Off. Salaries	\$231,600,000	\$17,485,585	\$5,503,134	\$2,925,046	\$257,513,765	\$65,565,700	\$386,342	\$65,952,042	\$3,744,161	\$6,980,604	705,298,211
Prof. & Sci. Staff Salaries	133,800,000	5,340,721	19,701,760	3,982,462	162,824,943	38,963,229	1,489,745	40,452,974	3,045,069	461,583	1,070,275,040
General Service Staff Sal.	34,100,000	439,105	253,000	5,525	34,797,630	22,885,869	103,516	22,989,385	3,008,142	582,461	311,437,015
Hourly Wages	4,500,000		12,372	18,773	4,531,145	2,006,242	98,589	2,104,831			22,093,924
Subtotal - Salaries	404,000,000	23,265,411	25,470,266	6,931,806	459,667,483	129,421,040	2,078,192	131,499,232	9,797,372	8,024,648	2,109,104,190
Supplies and Services	63,604,766	11,368,834	2,687,100	2,589,089	80,249,789	11,924,656	5,959,366	17,884,022	1,356,423	866,527	1,055,677,759
Library Acquisitions	10,812,000				10,812,000	1,916,249		1,916,249		15,000	31,077,249
Rentals	2,450,000		250,000	0	2,700,000	877,578		877,578		35,000	28,217,553
Utilities	34,467,000			0	34,467,000	7,784,218		7,784,218	286,750		125,492,220
Bldg. Repairs	13,289,000			0	13,289,000	1,400,000		1,400,000			44,456,659
Auditor of State Reimb.	750,000				750,000	403,600		403,600	44,440	31,500	1,994,540
Equipment	847,000	300,000		85,000	1,232,000	478,797	74,321	553,118	15,000		5,121,118
Aid to Individuals	119,317,000	200,000		12,278	119,529,278	16,474,430		16,474,430			239,181,248
Subtotal - Other Expenses	245,536,766	11,868,834	2,937,100	2,686,367	263,029,067	41,259,528	6,033,687	47,293,215	1,702,613	948,027	1,531,218,346
TOTAL EXPENDITURES	\$649,536,766	\$35,134,245	\$28,407,366	\$9,618,173	\$722,696,550	\$170,680,568	\$8,111,879	\$178,792,447	\$11,499,985	\$8,972,675	\$3,640,322,536

BOARD OF REGENTS
STATE OF IOWA
FY 2022 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	15,132,740	9,751,780	3,215,480			28,100,000
Capital		23,875,000	13,000,000			36,875,000
Other	963,297	288,000				1,251,297
RESOURCES						
Federal Support	335,421,000	266,100,000	18,021,677	\$303,902	\$744,295	620,590,874
Interest	36,063,000	500,000	5,433,131	525		41,996,656
Tuition and Fees	70,769,000	16,885,000	20,637,151			108,291,151
Reimbursed Indirect Costs	23,695,000	11,880,000				35,575,000
Sales and Service	877,783,000	61,950,000	92,343,094	477,537		1,032,553,631
Other Income	367,683,143	452,540,000	15,000,000		190,000	835,413,143
Subtotal - Inst. Income	1,711,414,143	809,855,000	151,435,053	781,964	934,295	2,674,420,455
TOTAL REVENUES	\$1,728,560,180	\$844,819,780	\$168,550,533	\$781,964	\$934,295	\$2,743,646,752
EXPENDITURES						
Fac. & Inst. Off. Salaries	\$409,270,000	\$74,000,000	\$4,830,127	\$116,541	\$433,680	\$488,650,348
Prof. & Sci. Staff Salaries	363,552,000	130,000,000	20,496,119		14,257	514,062,376
General Service Staff Salaries	48,636,000	42,000,000	11,516,278	131,892		102,284,170
Hourly Wages	29,428,000	24,000,000	5,228,327			58,656,327
Subtotal - Salaries	850,886,000	270,000,000	42,070,851	248,433	447,937	1,163,653,221
Prof. and Scientific Supplies	441,707,000	296,496,244	54,057,681	383,531	436,358	793,080,814
Library Acquisitions	139,000		30,000			169,000
Rentals	10,323,000		875,000			11,198,000
Utilities	12,443,000	14,798,390	6,792,572			34,033,962
Building Repairs	14,395,000	4,000,000	3,984,469	150,000	50,000	22,579,469
Equipment	59,810,000	12,000,000	2,546,072			74,356,072
Student Aid	113,529,000	102,613,098	23,332,583			239,474,681
Debt Service	94,358,180	42,912,048	11,892,119			149,162,347
Plant Capital	130,970,000	102,000,000	22,969,186			255,939,186
Subtotal - Other Expenses	877,674,180	574,819,780	126,479,682	533,531	486,358	1,579,993,531
TOTAL EXPENDITURES	\$1,728,560,180	\$844,819,780	\$168,550,533	\$781,964	\$934,295	\$2,743,646,752

BOARD OF REGENTS
STATE OF IOWA
FY 2022 ALL FUNDS BUDGETS

	SUI	ISU	UNI	ISD	IBSSS	All Funds Total
APPROPRIATIONS						
General	\$231,427,926	\$229,382,840	\$106,408,499	\$10,789,039	\$4,540,886	\$582,549,190
Innovation	1,050,000	1,050,000	900,000			3,000,000
Tuition Replacement	15,132,740	9,751,780	3,215,480			28,100,000
Capital		23,875,000	13,000,000			36,875,000
Other	963,297	288,000				1,251,297
RESOURCES						
Federal Support	335,421,000	282,021,710	18,021,677	360,872	744,295	636,569,554
Interest	62,729,551	1,500,000	6,140,031	1,525		70,371,107
Tuition and Fees	535,396,000	471,540,000	90,450,157			1,097,386,157
Reimb. Indirect Costs	85,187,909	33,017,000	1,329,649	15,000	58,332	119,607,890
Sales and Service	2,810,807,789	61,950,000	92,877,487	898,537	4,373,457	2,970,907,270
Other Income	368,804,847	453,140,000	15,000,000	216,976	190,000	837,351,823
Subtotal - Inst. Income	4,198,347,096	1,303,168,710	223,819,001	1,492,910	5,366,084	5,732,193,801
TOTAL REVENUES	\$4,446,921,059	\$1,567,516,330	\$347,342,980	\$12,281,949	\$9,906,970	\$6,383,969,288
EXPENDITURES						
Fac. & Inst. Off. Salaries	\$780,377,639	\$331,513,765	\$70,782,169	\$3,860,702	\$7,414,284	\$1,193,948,559
Prof. & Sci. Staff Salaries	1,227,042,471	292,824,943	60,949,093	3,045,069	475,840	1,584,337,416
General Service Staff Sal.	298,695,397	76,797,630	34,505,663	3,140,034	582,461	413,721,185
Hourly Wages	44,885,948	28,531,145	7,333,158			80,750,251
Subtotal - Salaries	2,351,001,455	729,667,483	173,570,083	10,045,805	8,472,585	3,272,757,411
Prof. and Scientific Supp.	1,397,027,998	376,746,033	71,941,703	1,739,954	1,302,885	1,848,758,573
Library Acquisitions	18,473,000	10,812,000	1,946,249		15,000	31,246,249
Rentals	34,927,975	2,700,000	1,752,578		35,000	39,415,553
Utilities	95,397,252	49,265,390	14,576,790	286,750		159,526,182
Bldg. Repairs	44,162,659	17,289,000	5,384,469	150,000	50,000	67,036,128
Auditor of State Reimb.	765,000	750,000	403,600	44,440	31,500	1,994,540
Equipment	63,131,000	13,232,000	3,099,190	15,000		79,477,190
Aid to Individuals	216,706,540	222,142,376	39,807,013			478,655,929
Debt Service	94,358,180	42,912,048	11,892,119			149,162,347
Plant Capital	130,970,000	102,000,000	22,969,186			255,939,186
Subtotal - Other Expenses	2,095,919,604	837,848,847	173,772,897	2,236,144	1,434,385	3,111,211,877
TOTAL EXPENDITURES	\$4,446,921,059	\$1,567,516,330	\$347,342,980	\$12,281,949	\$9,906,970	\$6,383,969,288

FY 2022 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 2022 budget:

- **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 University of Iowa Strategic Plan
 - Based on annual increases/decreases to the GEF “Collegiate Economic Analysis” report
- **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

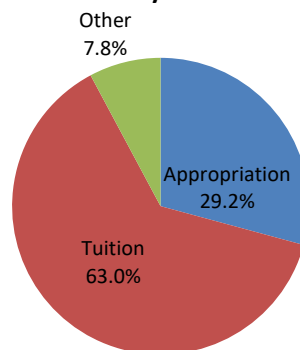
This collaborative process and budget model allowed the University to develop a General Education Fund budget reinforcing its principles and mission of education, research and discovery, while also addressing downward adjustments in state appropriations. All other FY 2022 budgets were developed simultaneously with the General Education Fund (General University) budget under similar and, in most instances, identical policies and guidelines.

SUI FY 2022 General University Operating Budget

Tuition revenues comprise 63.0% of the \$738 million General University revenue budget with 29.2% coming from state appropriations. Projected changes in these revenue sources, as well as indirect cost recoveries and interest income, result in a \$10.0 million increase in revenue, or 1.4% more than the FY 2021 budget. Of note, FY 2020 operating revenues totaled \$748.5 million.

FY 2021 Budget	\$ 727.9	million
Revenue Changes:		
Base Appropriation	-	million
Tuition	1.7	million
Indirect Cost Recoveries/Interest	8.3	million
Revenue Change	10.0	million
FY 2022 Budget	\$ 737.9	million

SUI General University FY22 Revenue Budget



For FY 2022, the Board of Regents requested a \$7.0 million increase for SUI and restoration of their portion of the \$8 million cut realized in FY 2021. The 2021 Iowa General Assembly flat-funded (0.0% increase) the General University for FY 2022.

The Board will consider proposed tuition rate increases for 2021-22 academic year as provided in the docket for this meeting. For the fall of 2021, the University is anticipating a smaller incoming freshman class with a smaller percentage of non-resident students. The smaller freshman class in the previous year will also have an impact on overall undergraduate enrollments. It is anticipated that graduate student enrollments will increase slightly and professional student enrollments will decrease slightly. The focus on enrollment management efforts continue to yield a more diverse and better prepared freshman class allowing for improved retention and time to graduation. In total, with the expected tuition increases and enrollment changes, the University is projecting an increase of \$1.7 million (0.4%) in tuition revenue.

The University is estimating an increase of \$8.3 million in indirect cost recoveries due to an anticipated increase in federal research activities. Interest and other income estimates are expected to remain the same as FY 2021.

During FY 2022, the University will 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.

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. The FY 2022 P&S salary scales will increase an average of 2% and faculty merit raises range from 1-4%. The terms of the collective bargaining agreements, salary policies, and changes in fringe benefit rates result in a budgeted \$12 million increase (2.5%) in personnel costs.

Due to expected changes in enrollment, the student aid budget will decrease by \$1.9 million. Supplies and services are also budgeted to decline by \$1.1 million in FY 2022. SUI is committed to identifying new ways of meeting the needs of its students focusing on sustainable means of helping students graduate on time and receive the highest value education.

In March 2020, the University of Iowa received approval from the Board of Regents to enter into a 50-year public-private partnership involving its utility system with ENGIE North America and Meridiam. Under the agreement with ENGIE and Meridiam, the University maintains ownership of its utility system and ENGIE performs all operations with respect to steam, cooling, water and electricity. In FY 2020, most utility system employees transitioned to become ENGIE employees, which resulted in lower University direct salary and fringe costs but increases utility general expenses at a comparable amount. In FY 2022, direct salary and fringe costs are expected to decline further, and there will be additional increases in utility costs. Overall, total General Fund utility non-salary expenses are expected to increase by approximately 1%.

The \$738 million General University budget allocated by function is shown below. Expenses related to instruction, academic support and scholarships and fellowships comprise 72% of all general university expenses.

General University Spending By Function
(\$ in thousands)

	<u>FY 2022</u>	<u>% Total</u>
Instruction	290,844	39.4%
Research	32,217	4.4%
Public Service	3,002	0.4%
Academic Support	125,996	17.1%
Student Services	24,655	3.3%
Institutional Support	43,698	5.9%
Operations & Maintenance of Plant	114,569	15.5%
Scholarships & Fellowships	102,891	13.9%
Total	<u>737,872</u>	<u>100.0%</u>

University of Iowa Hospitals and Clinics (UIHC)

The proposed FY 2022 UIHC operating budget of \$1.92 billion is provided on page 5.

In FY 2022, 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 2022 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. UI Health Care faces continued pressure on reimbursement rates from all payors. With the effects of healthcare reform, UIHC will continue to see a push toward providers taking more risk for quality and efficiency results. Impacts that the COVID-19 pandemic had on volumes and patient populations will continue to present risks into FY22. These and other external challenges will have an impact in all areas of their 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 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. Recruitment and retention remains a key focus to fill critical vacancies in staff. While UIHC continues 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 3.0% range.

The University of Iowa Hospitals and Clinics predicts continued high demand for its services. Inpatient acute admissions are expected to increase approximately 2% from FY21 levels while outpatient activity is anticipated to increase approximately 5%. The case mix index, reflective of the acuity of care required by inpatients, is anticipated to remain high but decline slightly from the high acuity seen in FY21.

Additional net revenues will be required in FY 2022 to meet a 4.0% budgeted operating margin. These additional net revenues will be achieved through new volumes and a rate increase of 6.0% approved by the Board in April which was effective July 1, 2021. 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 2022 budget for these units is \$40.1 million and are provided on page 5.

SUI FY 2022 Special Purpose Appropriations

The following table lists SUI’s special purpose units that received state operating funding for FY 2022. With the exception of Biosciences Innovation, all SUI special purpose units were flat-funded when compared to FY 2021. The following pages contain unit descriptions and the budgets.

<u>SUI SPECIAL PURPOSE UNITS</u>	STATE APPROPRIATIONS		<u>Difference</u>
	<u>FY 2021</u>	<u>FY 2022</u>	
OAKDALE CAMPUS	2,103,819	2,103,819	-
HYGIENIC LABORATORY	4,822,610	4,822,610	-
FAMILY PRACTICE	1,720,598	1,720,598	-
SCHS - CANCER, HEMOPHILIA, HIGH RISK INFAN	634,502	634,502	-
PRIMARY HEALTH CARE	624,374	624,374	-
STATE OF IOWA CANCER REGISTRY	143,410	143,410	-
SUB ABUSE CONSORTIUM	53,427	53,427	-
BIOCATALYSIS	696,342	696,342	-
BIRTH DEFECTS REGISTRY	36,839	36,839	-
ECONOMIC DEVELOPMENT	209,279	209,279	-
ONLINE PLACEMENT ACADEMY	463,616	463,616	-
IOWA FLOOD CENTER	1,154,593	1,154,593	-
ENTREPRENEURSHIP	2,000,000	2,000,000	-
WATERMAN NONROFIT RESOURCE CENTER	156,389	156,389	-
BIOSCIENCES INNOVATION	271,095	874,494	603,399
AG HEALTH AND SAFETY	128,154	128,154	-

➤ 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.

RESOURCES	<u>FY 2022 Budget</u>
Appropriations	2,103,819
Reimb. Indirect Costs	286,181
TOTAL RESOURCES	<u>2,390,000</u>
EXPENDITURES	
Salaries/Benefits	1,247,000
Supplies and Services	199,000
Utilities	751,000
Bldg. Repairs	193,000
TOTAL EXPENDITURES	<u>2,390,000</u>

➤ SUI Hygienic Laboratory

The 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 throughput 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 2022 Budget</u>
Appropriations	4,822,610
Interest	2,000
Reimb. Indirect Costs	72,100
Sales and Service	<u>1,684,988</u>
TOTAL RESOURCES	6,581,698
EXPENDITURES	
Salaries/Benefits	5,041,069
Supplies and Services	1,408,310
Rentals	130,492
Utilities	<u>1,827</u>
TOTAL EXPENDITURES	6,581,698

➤ 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 2022 Budget</u>
Appropriations	1,720,598
Interest	<u>5,500</u>
TOTAL RESOURCES	1,726,098
EXPENDITURES	
Salaries/Benefits	304,128
Supplies and Services	<u>1,421,970</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 2022 Budget</u>
Appropriations	634,502
Sales and Service	<u>104,184</u>
TOTAL RESOURCES	738,686
EXPENDITURES	
Salaries/Benefits	733,827
Supplies and Services	<u>4,859</u>
TOTAL EXPENDITURES	738,686

➤ 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 \$143,253
- Rural Physician Support Program \$ 79,054

RESOURCES	<u>FY 2022 Budget</u>
Appropriations	624,374
EXPENDITURES	
Salaries/Benefits	449,020
Supplies and Services	<u>175,354</u>
TOTAL EXPENDITURES	624,374

➤ SUI State of Iowa Cancer Registry

In 2021, it is expected that 18,900 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. Currently, for every dollar the state of Iowa invests in the ICR, approximately, \$31.21 of federal funds are returned to Iowa through the NCI SEER contract. 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 2022 Budget</u>
Appropriations	143,410
EXPENDITURES	
Salaries/Benefits	137,910
Supplies and Services	<u>5,500</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 consists 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 2022 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, c) improve workforce development in the biotechnology sector through unique educational programs, and d) 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 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 both 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. Our ability to manufacture bio-based chemicals is central to our support of investigative new drug (IND) applications for Iowa entrepreneurs. The Center also works to promote workforce development through novel educational programs, such as courses, curriculum development, and biotech oriented student internships.

RESOURCES	<u>FY 2022 Budget</u>
Appropriations	696,342
EXPENDITURES	
Salaries/Benefits	345,707
Supplies and Services	91,175
Rentals	71,100
Equipment	12,000
Aid to Individuals	176,360
TOTAL EXPENDITURES	<u>696,342</u>

➤ 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 2022 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 & Bioventures Center.

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.

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.

CADD addresses a crucial economic need to shorten the lead time between pharmaceutical discoveries in the laboratory and clinical trials. In turn accelerating drug development timelines to product registration and commercialization. Continued investment in the Center will increase economic resources in the strongly competitive pharmaceutical environment. In addition, as the state enhances its investment in 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 partner with the biotechnology industry. A thriving CADD as part of UIP will continue to attract outside investment of biotech into the state which result in creating and retaining high technology positions within 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 32 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 State’s Hygienic Laboratory

RESOURCES	<u>FY 2022 Budget</u>
Appropriations	209,279
EXPENDITURES	
Salaries/Benefits	197,664
Supplies and Services	<u>11,615</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 2022 Budget</u>
Appropriations	463,616
EXPENDITURES	
Salaries/Benefits	136,393
Supplies and Services	<u>327,223</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 mitigate flood impacts.

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 2022 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 finish replacing cell modems for our instrumentation network following an extension from our provider (Verizon) to upgrade the technology by 12/31/2022;
- Expanding the statewide hydrostation network to continue working towards IFC’s goal of 100 stations (one in each county) to improve flood monitoring and forecasting. In partnership with other IIHR projects (i.e. the Iowa Watershed Approach) and with support from external partners, 23 hydrostations have been deployed;
- 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 FY22, IFC will measure the effectiveness of flood mitigation projects constructed through the Iowa Watershed Approach to guide future watershed management activities);
- 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).
- Continuing development of a new project to build a real-time Missouri River Flood Information System for southwest Iowa to help the region become more flood resilient following the devastating 2019 spring floods.

RESOURCES	<u>FY 2022 Budget</u>
Appropriations	1,154,593
EXPENDITURES	
Salaries/Benefits	1,011,343
Supplies and Services	105,200
Rentals	9,300
Aid to Individuals	<u>28,750</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 2022 Budget</u>
Appropriations	2,000,000
EXPENDITURES	
Salaries/Benefits	818,211
Supplies and Services	1,108,359
Aid to Individuals	<u>73,430</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 2021, the INRC provided direct services to over 500 organizations on a host of issues including management, governance, leadership, fundraising, IRS filings, and beyond. The INRC engaged dozens of organizations across the state in several in-depth projects, including strategic planning, capacity building, board development, executive performance reviews, and executive succession planning. The website, social media, and listserv connected thousands of nonprofit leaders with important information and resources—including materials to help organizations successfully navigate issues related to the pandemic. Along with several partners, the INRC is currently preparing to host the state’s largest nonprofit conference this fall that will be attended by hundreds of nonprofit leaders.

RESOURCES	<u>FY 2022 Budget</u>
Appropriations	156,389
EXPENDITURES	
Salaries/Benefits	156,389

➤ SUI Biosciences Innovation

Med-tech development is core to the University of Iowa area economic development success. Per the TEconomy summary, “In Iowa, technology development and startup activity is occurring around the convergence of University of Iowa biomedical research specialties and the University Hospitals’ clinical practice.” TEconomy went on to state, “Building interest and momentum with faculty to advance innovations along a commercialization pathway” was a key barrier that had to be overcome to realize the economic potential resident in Iowa. The areas of investment during FY 2022 are the following:

UI Ventures - UI Ventures supports innovative, research-driven startups on the University of Iowa campus through initiatives including GAP Funding for promising, early-stage products; business support for early-stage University startups; on-going networking for faculty and staff with industry leaders and investors; and connection with University and state initiatives to promote economic development.

GAP Funding is college or department specific and has been established in College of Medicine, College of Engineering, Department of Nursing, and College of Education with plans to expand into College of Dentistry and Pharmacy in Fall 2021 with matching funds from each college.

MADE - The SUI has created 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 twin goals of solving problems and enhancing economic development as an extension of research and scholarship. The MADE program is almost entirely student run, allowing real world experience for the next generation of entrepreneurs while offering UI faculty and staff a unique outlet encouraging the development of simple solutions to everyday tasks in surgery or clinical practice. In FY 2022, they will add a post graduate manager to lead MADE. This role will help support growth and more efficient operations.

Concierge Service - In an exhaustive needs-based discovery exercise across campus, the number one 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. In an environment as diverse and multifaceted as the SUI, 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. In 2022, resources will be concentrated to build a more robust mechanism to communicate internally and externally with various stakeholders.

RESOURCES	<u>FY 2022 Budget</u>
Appropriations	874,494
EXPENDITURES	
Salaries/Benefits	353,275
Supplies and Services	516,219
Rentals	<u>5,000</u>
TOTAL EXPENDITURES	874,494

➤ 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 2022 Budget</u>
Appropriations	128,154
EXPENDITURES	
Supplies and Services	128,154

SUI FY 2022 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 2022 Restricted Fund Budget includes the following state appropriations:

- Tuition Replacement \$15.13 million
- Innovation Fund \$ 1.05 million
- Study Center & Geological Survey \$ 0.96 million

Strategic Initiatives Fund (UISIF) - The public-private partnership with ENGIE North America and Meridiam will allow the university to invest up to \$15 million per fiscal year via grants dedicated to supporting the UI's strategic plan and core missions of teaching, research, and scholarship. The UISIF Board approved total funding of \$12.13 million in strategic initiatives for the following projects that will be active over a two or three-year time-period.

Examining and Tailoring Academic Policies to Enhance Undergraduate Student Success and Equity - examines the impact of academic probation and course placement at SUI, with the ultimate goal of tailoring academic policies and practices to promote overall student success and to foster equity in student outcomes.

Equity in Health Science and Practice - collaborative, cross-campus, and community-engaged program initiated within the UI Carver College of Medicine and College of Public Health that will engage faculty, staff, students, and community partners in the conduct of rigorous health equity research and the translation of research findings into community-based interventions.

Extending Iowa's Success in Space-Based Research Across Campus - creates an interdisciplinary research enterprise that will enable departments across the University to successfully compete for NASA funding for space missions and instruments in a broad range of fields.

Seeding Excellence: Strengthening the University as a Destination for Research and Scholarship - provides competitive pilot funding in a number of different areas that will strategically advance the University's priorities to seed research and discovery excellence that contributes to the University being a destination University which recruits and retains the world's best faculty and students.

The Iowa Health Data Resource: Building the Future of Health Informatics at SUI - improve how the UI research community accesses and utilizes our health science data that include electronic health records (EHRs), payer claims, clinical trials, genomic analyses, and environmental sources.

Closing the Gap: Experiential Education for All Undergraduates at Iowa - assesses curricular gaps, participation, and barriers to Experiential Education. This baseline assessment will strategically direct course development, communications, and funding so all students receive preparation to explore careers and participate in Experiential Education.

A Campus-wide Learning@Iowa Framework to Increase Students' Academic Success - develop and implement the Learning@Iowa framework to transform the culture of learning at SUI by helping students learn how to learn. Learning@Iowa will weave throughout campus empirically proven learning methods from cognitive science.

Athletics

The approved FY2021 budget assumed not having fall seasons and resuming normal winter/spring competitions, with reduced attendance capacity, based on the COVID-19 scenario known at the time budgets were prepared. The FY2021 estimates represent the reality of the past year, which allowed for a partial football season, full basketball seasons and Big Ten-only seasons in other sports; outside attendance was not allowed at fall and winter competitions in 2020-21.

The SUI Athletic Department is a self-sustaining auxiliary enterprise and receives no general university support. The University of Iowa's \$117 million FY 2022 athletic budget provided on the following page. The budget represents a gradual return to normalcy, while anticipating unrestricted capacity levels at events. The Iowa Athletics Department is arranging \$50 million in financing with the University to bridge the financial shortfall in FY2021, as well as providing for some additional backup in FY 2022, during this transitional year.

Most revenue sources for FY 2022 are anticipated to return to pre-pandemic levels with the sports returning to full schedules without fan attendance restrictions. These include ticket sales, multi-media income, athletic conference distributions, foundation support, and premium seat revenue. For FY 2021, expenses related to Big Ten Conference COVID testing protocols were netted against the conference distributions to the University.

Salary reductions during FY 2021 are budgeted to return to pre-COVID levels in FY 2022 for P&S employees, as well as honoring increases for contracted staff and merit employees. Facility debt service for FY 2021 and FY 2022 include savings realized from a bond refunding at a lower interest rate.

The Athletic Department is responsible for paying the full cost of attendance for the scholarships it awards. SUI Athletics awards the equivalent of approximately 280 scholarships at a cost of approximately \$13.4 million, which are included in the applicable sports expense lines. The scholarship amount also includes a cost of attendance stipend to scholarship athletes for academic supplies, transportation and some personal costs as calculated by the financial aid office. The annual stipend amounts range from \$3,836 to \$4,292 and are budgeted at a total annual cost to Athletics of approximately \$1.0 million.

The Athletic Department purchases services from numerous entities within the University including Public Safety, UIHC, parking, scholarships, utilities, university business services and residence services. The projected total FY 2022 cost to Athletics for these services is \$22 million.

**The University of Iowa
Athletics Operating Budget - FY 2022**

	FY 2021 Budget	FY 2021 Estimate	FY 2022 Budget
<u>INCOME</u>			
Men's Sports			
Football	\$ -	\$ -	\$ 20,439,099
Basketball	900,000	-	3,230,000
Wrestling	200,000	-	600,000
All Other	19,500	35,000	58,000
Total Men's Sports	\$ 1,119,500	\$ 35,000	\$ 24,327,099
Women's Sports			
Basketball	\$ 150,000	\$ -	\$ 285,000
Volleyball	5,000	-	65,000
All Other	12,500	10,000	40,000
Total Women's Sports	\$ 167,500	\$ 10,000	\$ 390,000
Other Income			
Facility Debt Service/Student Fees	\$ 650,000	\$ 650,000	\$ 650,000
Learfield Multi Media Contract Income	1,500,000	5,000,000	6,000,000
Athletic Conference	10,000,000	42,377,000	55,294,100
Interest	-	-	650,000
Foundation Support	6,946,130	8,000,000	12,000,000
Foundation Premium Seat Revenue	635,000	-	11,300,000
Novelties	1,500,000	2,200,000	3,100,000
General Income	705,000	760,079	3,330,000
Total Other Income	\$ 21,936,130	\$ 58,987,079	\$ 92,324,100
TOTAL INCOME	\$ 23,223,130	\$ 59,032,079	\$ 117,041,199
<u>EXPENSES</u>			
Men's Sports			
Football	\$ 23,878,558	\$ 25,425,836	\$ 31,601,901
Basketball	7,362,497	6,630,717	8,315,204
Wrestling	2,104,127	1,969,134	2,322,666
All Other	5,890,085	6,098,574	4,773,851
Total Men's Sports	\$ 39,235,268	\$ 40,124,261	\$ 47,013,622
Women's Sports			
Basketball	\$ 4,851,070	\$ 4,012,242	\$ 5,502,182
Volleyball	1,315,225	1,632,565	1,911,307
All Other	10,902,821	11,119,401	13,092,957
Total Women's Sports	\$ 17,069,116	\$ 16,764,208	\$ 20,506,445
Other Expenses			
Training Services	\$ 2,391,226	\$ 2,401,650	\$ 2,621,479
Sports Information	495,701	545,745	728,186
Admin. & General Expenses	11,750,875	14,660,867	17,150,057
Facility Debt Service	17,105,063	16,230,044	16,409,466
Academic & Counseling	1,772,096	1,756,270	2,058,066
Buildings & Grounds	8,155,352	11,220,351	10,553,878
Total Other Expenses	\$ 41,670,313	\$ 46,814,927	\$ 49,521,132
TOTAL OPERATING EXPENSE	\$ 97,974,696	\$ 103,703,396	\$ 117,041,199

University Housing & Dining

The proposed Residence System budget reflects net revenues consistent with the preliminary budget received by the Board in February 2021. The decreased net revenue projection is due to a slight downward adjustment to projected room and board contract revenues, offset by a reduction in projected salary expense due to higher staff vacancies. Projected residence hall revenues are based on rates approved by the Board at its April 2021 meeting, fall residence hall occupancy of 5,733 and residence hall board contracts of 6,700.

**University of Iowa
University Housing & Dining Proposed Budget 2021-22**

	Revised Estimates 2020-21	Preliminary Budget 2021-22	Proposed Budget 2021-22
OPERATIONS			
Revenues	\$ 63,307,320	\$ 74,028,069	\$ 72,898,965
Expenditures for Operations	47,070,583	56,105,171	55,042,866
Net Revenues	16,236,737	17,922,898	17,856,099
% of Revenues	25.6%	24.2%	24.5%
Debt Service (due July 1)	11,597,669	12,987,007	12,589,120
Mandatory Transfers	600,000	600,000	600,000
Net After Debt Service & Mandatory Transfers	\$ 4,039,068	\$ 4,335,891	\$ 4,666,979
% of Revenues	6.4%	5.9%	6.4%
Debt Service Coverage Ratio	140%	138%	142%
University Overhead Payment	\$ 545,208	\$ 561,625	\$ 504,948
FUND BALANCES (June 30)			
Operation & Maintenance Fund	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Improvement Fund	5,365,799	4,871,750	2,916,250
System Fund	939,754	5,599,072	285,535
Subtotal--Voluntary Reserves	7,305,553	11,470,822	4,201,785
Bond Reserve Fund	13,442,890	13,877,984	13,442,890
Bond Construction Fund	18,682,318	4,750,000	10,982,318
Subtotal--Mandatory Reserves	32,125,208	18,627,984	24,425,208
Total Fund Balances (June 30)	\$ 39,430,761	\$ 30,098,806	\$ 28,626,993
REVENUES AND EXPENDITURES DETAIL			
Revenues			
Contracts	\$ 51,016,756	\$ 61,342,441	\$ 60,603,176
Interest	469,344	597,158	490,529
Other Income	11,821,220	12,088,470	11,805,260
Total Revenues	\$ 63,307,320	\$ 74,028,069	\$ 72,898,965
Expenditures for Operations			
Salaries, Wages & Benefits	\$ 23,274,629	\$ 27,274,233	\$ 25,911,770
Cost of Food or Goods Sold	7,934,175	11,747,688	11,755,514
Other Operating Expense	6,845,488	7,202,700	7,702,730
Utilities	5,689,276	6,453,050	6,216,352
Repairs & Maintenance	3,327,015	3,427,500	3,456,500
Total Expenditures	\$ 47,070,583	\$ 56,105,171	\$ 55,042,866

FY 2022 BUDGETS – IOWA STATE UNIVERSITY

The development of the FY 2022 budget has been challenging: COVID-19 related issues continue into fiscal year 2022 including the collection of federal stimulus and relief funding to address our unprecedented revenue losses and response costs. Large classes have been graduating leading to projected enrollment declines; state appropriations remain flat; research activity and indirect cost recovery are beginning to recover from pandemic limitations; and the increased costs of preparations necessary to enhance healthy outcomes for the fall semester are still emerging.

The revenue budgets of colleges 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. Similarly, increased costs and Retirement Incentive Option (RIO) savings are variable across units as well. Our revenue-generating units such as the Department of Residence, ISU Dining, and Athletics have been, and may continue to be, significantly impacted from COVID.

The planning process focused on taking a multi-year approach to budget planning, focusing on the university's strategic plan and reinforcing ISU's 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.

Iowa State University's strategic plan establishes the priorities that guided decision making during the FY 2022 budget development process:

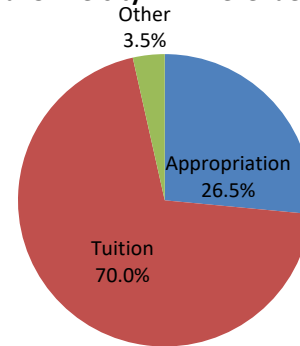
- Enhance Access to the ISU Experience – This priority includes program enhancements that improve retention and graduation rates; decrease time-to-degree; faculty recruitment and retention in high-demand disciplines; expansion of health, wellness, and safety programs; alignment of academic support services 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.

ISU FY 2022 General University Operating Budget

Tuition revenues comprise 70.0% of the \$649.5 million General University revenue budget with 26.5% coming from state appropriations. Projected changes in these revenue sources, as well as indirect cost recoveries and other income, result in a \$19.6 million increase in revenue, or 3.1% more than the FY 2021 budget. Of note, the FY 2020 operating revenues totaled \$670.6 million.

FY 2021 Budget	\$ 629.9 million
Revenue Changes:	
Base Appropriation	- million
Tuition	16.7 million
Indirect Cost Recoveries/Other	2.9 million
Revenue Change	<u>19.6 million</u>
FY 2022 Budget	\$ 649.5 million

ISU General University FY22 Revenue Budget



For FY 2022, the Board of Regents requested a \$7.0 million increase for ISU and restoration of their portion of the \$8 million cut realized in FY 2021. The 2021 Iowa General Assembly flat-funded (0.0% increase) the General University for FY 2022.

The Board will consider proposed tuition rate increases for 2021-22 academic year as provided in the docket for this meeting. Enrollment projections for budgeting purposes utilize the May enrollment projections and include consideration for returning to pre-COVID operations and instruction delivery. The combination of decreased enrollments and tuition rate increases calculate to an increase in gross tuition of \$16.7 million or 3.8 percent from FY 2021 budget.

ISU's indirect cost recovery revenue is projected to increase by \$1.9 million from resuming research on campus after COVID related slow-downs and stoppages reduced research activity. After the financial uncertainty and conservative planning around interest income for FY 2021, interest income will be restored to \$1.0 million for FY 2022.

ISU continues to demonstrate a longer-term commitment to innovate, develop new revenue streams, improve operating and other efficiencies, and right-size the institution to manage the new reality brought by a shrinking undergraduate pipeline and the impact of the COVID pandemic. Internal reallocations associated with the Retirement Incentive Option (RIO) implemented in FY 2021, will occur within each division to manage increased expenses and to support unavoidable costs to the institution. Those reallocated amounts will support pandemic response expenses and maintain critical services.

The University implemented the terms of the AFSCME collective bargaining agreements. To recruit and retain outstanding faculty and staff at ISU, budget planning for FY 2022 includes a 2.1% across the board July 1 increase for eligible faculty, staff and postdocs with satisfactory performance. Additional discretionary performance-based compensation increases will recognize individual performance within established limits.

During FY2021, the university implemented a voluntary retirement incentive program and a reduction in retirement contributions. 318 faculty and staff were approved for the RIO program and retired on or prior to June 30, 2021. These retirements will allow for internal reallocations within units, as mentioned above. The 2% retirement reductions for TIAA/Valic implemented in FY 2021, were restored beginning in July 2021. The terms of the collective bargaining agreements, salary policies, changes in fringe benefit rates, and the RIO program result in a budgeted \$4.3 million increase (1.1%) in personnel costs.

Student financial aid is an important element in the recruitment and ultimate success of undergraduate students. Iowa State has a strong commitment to ensuring access to students and one way is to reduce the financial costs of college attendance. Student aid is budgeted to increase \$4.0 million for FY 2022. Approximately \$2.3M is committed to fund numerous other cost increases. Costs for fire protection, insurance premiums, library subscriptions, and software licensing have been included.

The \$649.5 million General University budget allocated by function is shown below. Expenses related to instruction, academic support, and scholarships and fellowships comprise 72% of all general university expenses.

	<u>FY 2022</u>	<u>% Total</u>
Instruction	228,526	35.2%
Research	14,492	2.3%
Public Service	5,631	0.9%
Academic Support	119,184	18.3%
Student Services	27,891	4.3%
Institutional Support	71,495	11.0%
Operations & Maintenance of Plant	62,543	9.6%
Scholarships & Fellowships	119,774	18.4%
Total	649,537	100.0%

ISU FY 2022 Special Purpose Operating Budgets

The following table lists ISU’s special purpose units that received state operating funding for FY 2022. The following pages contain unit descriptions and the budgets.

<u>ISU SPECIAL PURPOSE UNITS</u>	STATE APPROPRIATIONS		<u>Difference</u>
	<u>FY 2021</u>	<u>FY 2022</u>	
AG. EXP. STATION	29,462,535	29,462,535	-
COOP. EXT SERVICE	18,007,366	18,157,366	150,000
LIVESTOCK DISEASE RESEARCH	170,390	170,390	-
VET DIAGNOSTIC LAB	4,337,528	4,400,000	62,472
ECONOMIC DEVELOPMENT	2,424,302	2,424,302	-
BIOSCIENCES INNOVATION	813,286	2,623,481	1,810,195

➤ 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, more than \$283 million in external grants and contracts have been received to conduct research. Economic studies show the annual rate of return to society from publicly funded agricultural research is 50 percent and higher. 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 2022 Budget</u>
Appropriations	29,462,535
Federal Support	<u>5,671,710</u>
TOTAL RESOURCES	35,134,245
EXPENDITURES	
Salaries/Benefits	23,265,411
Supplies and Services	11,368,834
Equipment	300,000
Aid to Individuals	<u>200,000</u>
TOTAL EXPENDITURES	35,134,245

➤ 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—and within the context of the global pandemic, Extension and Outreach is seeing demand for its expertise and educational offerings. The addition of \$150,000 for FY 2022 will be used to host the 2023 National Association of County Agricultural Agents (NACAA) conference.

An internal task force studied the needs of Iowans and their communities and identified the priority issues as the state works to reopen and recover: reviving the economy, including the farm economy; financial security; food supply, safety and access; educational opportunities for youth; mental health; and access to quality child care. Prior to the pandemic, workforce challenges, child care, mental health, housing, and the farm economy were identified as critical statewide issues impacting the ability of Iowa communities to thrive over the next five years. Extension and Outreach educational programs align with the Governor’s Empower Rural Iowa Initiative, as well as Iowa State University priorities.

Each year more than 1 million Iowans 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. A financial need exists to support Extension and Outreach initiatives, as well as nutrient reduction strategy, floods, drought, widespread plant and animal diseases, insects (emerald ash borer), and policy changes. Financial support ensures practical research, surveillance, and programs are available to help communities and individuals plan for a successful future.

RESOURCES	<u>FY 2022 Budget</u>
Appropriations	18,157,366
Federal Support	<u>10,250,000</u>
TOTAL RESOURCES	28,407,366
EXPENDITURES	
Salaries/Benefits	25,470,266
Supplies and Services	2,687,100
Rentals	<u>250,000</u>
TOTAL EXPENDITURES	28,407,366

➤ ISU Livestock Disease Research

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

The Iowa Livestock Health Advisory Council (ILHAC) has representatives from all major animal commodity groups in Iowa. ILHAC was created to oversee solicitation and selection of grant proposals that are currently relevant and highly impactful on Iowa’s \$32.5 billion animal agriculture industry. Funds from this special appropriation provide seed money for research projects that address the top disease priorities identified by the livestock and poultry industry in Iowa. Special emphasis is given to those projects with significant potential for economic benefit. Recently funded projects include: development of diagnostics and vaccines for swine diseases, control of bacterial infections in poultry, detection of emerging viruses in ruminants, and improvement of animal welfare and health in beef and dairy cattle. Additionally, ILHAC supports research training of veterinary students to ensure the next-generation veterinarians are fully competent and prepared to tackle disease challenges in food producing animals. The ILHAC seed money has resulted in development of effective vaccines for porcine circovirus and laying hen peritonitis, rapid diagnostic assays for various diseases, and detection of emerging threats in livestock and poultry.

RESOURCES	<u>FY 2022 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.

Baseline funding is critical to sustain a level of preparedness to respond to disease outbreaks. The disease status of the Iowa (and US) livestock herd and poultry flocks can change substantially over time and with that the amount of testing can vary tremendously. If the lab is too heavily dependent on fee income, staffing and laboratory support would need to continuously grow and shrink with disease/health status, which is not a sustainable model for preparedness. It also keeps testing affordable. The more affordable testing is the more heavily it is utilized. Increased utilization of the lab encourages early detection of disease and decreased “spillover” or spread to neighbors.

Increases to funding will maintain the diagnostic capacity and preparedness to respond to animal disease threats. This provides for security of animal and human health, food safety and security, and the economic viability of the livestock industry. 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 over 100,000 cases in 2020. 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 2022 Budget</u>
Appropriations	4,400,000
EXPENDITURES	
Salaries/Benefits	4,393,925
Supplies and Services	<u>6,075</u>
TOTAL EXPENDITURES	4,400,000

➤ 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 \$2.8 billion dollars with nearly 29,000 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 2020 (10/19 - 9/20), the Iowa SBDC aided more than 70,000 small businesses in Iowa and of those, 5,925 became longer term clients. During this time the Iowa SBDC also had the following impact to the Iowa economy: an additional 1,869 new jobs were created; helped companies attract more than \$161 million in new capital; helped companies grow sales by \$263.3 million; and helped to create 197 new businesses. This is more than \$13.4 million in capital created each month by the Iowa SBDC for Iowa 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 Iowa State University: 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. The statewide impact from companies with strong ties to ISURP cannot be overstated: Companies that have relocated from ISURP still employ more than 2500 Iowans; five companies that started at ISURP have gone public and multiple others have enjoyed successful liquidity events. The current tenant roster boasts world headquarters locations for two publicly traded companies and major research and development facilities for 10 others.

RESOURCES	<u>FY 2022 Budget</u>
Appropriations	2,424,302
EXPENDITURES	
Salaries/Benefits	1,727,881
Supplies and Services	599,143
Equipment	85,000
Aid to Individuals	<u>12,278</u>
TOTAL EXPENDITURES	2,424,302

➤ ISU Biosciences Innovation

Biosciences are a significant area of Iowa's economy. As indicated by the state-commissioned 2017 TEconomy Report, this sector is large, growing, and supports high-paying jobs.

Three priority Bioscience platforms – Biobased Products and Chemicals, Precision and Digital Agriculture, and Vaccines and Immunotherapeutics – are large markets with significant growth potential. ISU helps lead the state in growing and capturing the economic value these platforms offer.

Additional funding of \$1.8 million for FY 2022 will enable researchers to continue to support the new platform chief technology officers (CTOs) and the valuable work to further build on the momentum that has been established over the past two fiscal years. Iowa State's key areas of focus include continuing

to identify and accelerate development of commercial opportunities, attracting external funding and providing innovation ecosystem services, accelerating technology transfer and incubating startups, and building a highly skilled workforce.

Despite the very real challenges of the pandemic, the 2021 fiscal year has been one in which many milestones have been achieved and much progress has been made in advancing Bioscience-focused discovery and innovation at ISU. ISU now has Chief Technology Officers (CTO's) in place for all three Bioscience platforms. The CTOs work with platform leads and campus research teams to identify technologies with commercial potential and with the BioConnect Iowa CEO and staff to prioritize those opportunities for commercial development within the state.

Since the program's inception, grants have been awarded across all three platforms to support ISU research projects with: Kemin Industries, Kent Corporation, Siegwark USA, Archer Daniels Midland (ADM), Medgene Labs, Arko Labs, Nittobo America, Elanco Animal Health, Genvax Technologies, LEAH Labs, Boehringer Ingelheim, Iowa Select Farms and Corteva Agriscience. In addition, the Department of Defense (DOD) has provided \$87.5M of funding over six years to BioMADE, a university-industry consortium focused on advanced manufacturing of biobased products.

A partnership between ISU and SUI researchers and Iowa-based startups and companies attracted \$2M in CARES act funding to advance development and scale-up of SARS-CoV2 nanovaccines based on patented ISU and SUI innovations. Developing a single-dose, needle-free and room temperature-stable vaccine based on these technologies would go a long way in overcoming limitations of current vaccines.

RESOURCES	<u>FY 2022 Budget</u>
Appropriations	2,623,481
EXPENDITURES	
Salaries/Benefits	810,000
Supplies and Services	<u>1,813,481</u>
TOTAL EXPENDITURES	2,623,481

ISU FY 2022 Restricted Budget

The restricted funds budget represents activities that receive targeted appropriations for specific strategic initiatives including capital appropriations, and revenues and expenditures from university units and operations that do not receive direct state appropriations. Major restricted fund revenue categories include:

- Federal Support – receipts for sponsored programs, student financial aid, and remaining stimulus funds
- Mandatory Student Fees – includes health, technology, student services, student activity, etc.
- Sales and Services – includes academic department service centers (Veterinary Teaching Hospital, Research Farms) and residual funds from workshops and conferences.
- Endowment Income – earnings distributed from the University's endowment funds
- Auxiliary Enterprises – comprised primarily of Intercollegiate Athletics, University Bookstore, Department of Residence, Memorial Union, Parking Systems, Recreational Services, Student Health Center, Reiman Gardens and the Iowa State Center
- Private Gifts, Grants and Contracts – includes nongovernmental sponsored programs from private industry, non-profit organizations, and individuals
- Plant Funds – includes bond proceeds and capital project funds

The proposed FY 2022 Restricted Fund Budget also includes the following state appropriations:

- Tuition Replacement \$ 9.75 million
- Innovation Fund \$ 1.05 million
- Student Innovation Center \$11.37 million
- Veterinary Diagnostic Lab \$12.50 million
- Grape & Wine Institute \$ 0.29 million

ISU Athletics

The ISU Athletics Department submitted a projected operating deficit of approximately \$35 million in September, 2020 that was based upon key assumptions related to the COVID-19 pandemic. Although the effects of COVID-19 were significant, Athletics' actual FY 2021 deficit was \$20 million. The department was able to internally fund the shortfall to meet operating obligations and fund debt service.

Actual financial results exceeded projections in fall 2020 as the Big 12 Conference was able to play nearly full football and basketball schedules. These schedules allowed the conference to generate television revenues in excess of the budget. Additionally, donations to the annual Cyclone Club fund remained consistent as donors and fans have been loyal supporters of the program during these challenging times.

The FY 2021 deficit is largely due to attendance and capacity restrictions at home events. ISU did host six home football games, four with 25% capacity and two without fans. Events hosted at Hilton Coliseum were limited to approximately 10% capacity or less throughout the year. Fewer fans reduced revenues from ticket and parking sales, donations, concessions, merchandising and other revenue components.

ISU will continue to monitor state and federal recommendations related to the pandemic but is currently planning for a return to normal for FY 2022, including full fan attendance at all athletics, performing arts and other events.

The ISU Athletic Department is a self-sustaining auxiliary enterprise and receives no general university support. The proposed FY 2022 athletic budget on the following page totals \$98.6 million.

Multi-media rights for FY21 were higher than what was budgeted, as the media rights holder delayed an installment due at the end of FY20 due to COVID-19. The installment posted in early FY21. The FY 2022 budget includes a typical distribution schedule.

Sports programs, support units and external operations expenses were lower due to the limited recruiting allowed and shortened sports seasons from the pandemic.

Compensation and benefits were higher in FY 2021 due to the men's basketball coaching change and contract buyouts.

Conference/NCAA revenue fluctuate annually based on revenue surpluses generated by the Conference and the timing of the disbursements to the member schools.

Postseason revenue and expenses are budgeted lower since potential bowl game expenses and the offsetting revenues are not included in the base budget.

The Athletic Department is responsible for paying tuition on the scholarships it awards. ISU Athletics awards the equivalent of approximately 236 scholarships at a cost of \$8.9 million as reflected in the budget. The scholarship amount also includes a cost of attendance stipend to scholarship athletes for academic supplies, transportation, and some personal costs as calculated by the financial aid office. The annual stipend amounts range from \$2,430 to \$2,930 (except stipends for international student athletes which are \$4,530) and are budgeted at a total annual cost to Athletics of approximately \$780,000.

The Athletic Department purchases services from numerous entities within the University including tuition and room board from scholarship payments, facilities, University services, band, event support, utilities, etc.. Athletics has committed \$1 million of funding to the general university for scholarships to assist with student retention. The projected total cost to Athletics for these services is roughly \$25.0 million. The economic impact of hosting athletic events is not reflected in this amount but is significant to the University and the Ames community.

IOWA STATE UNIVERSITY ATHLETICS

	FY 2021 Budget	FY 2021 Estimates	FY 2022 Proposed
REVENUES			
Ticket Sales:			
Football	\$ -	\$ 2,252,957	\$ 16,150,000
Men's Basketball	-	284,972	3,750,000
Women's Basketball	-	57,710	350,000
Wrestling	-	35,790	225,000
Other Sports	-	-	295,000
Ticket Sales:	-	2,631,429	20,770,000
Foundation Support	2,386,000	15,919,316	22,808,000
Conference & NCAA Revenue	31,000,000	33,478,795	40,398,000
Multi-Media Rights	5,375,000	7,413,852	5,117,144
Post Season Revenue	350,000	1,789,693	350,000
Student Fees	1,900,000	1,787,627	1,800,000
Licensing	1,000,000	1,080,072	1,000,000
Ancillary Revenue	100,000	211,435	1,800,000
Other Revenue	1,325,500	2,949,100	4,595,000
TOTAL REVENUES	\$ 43,436,500	\$ 67,261,319	\$ 98,638,144
EXPENSES			
Sports Programs - Operations:			
Football	\$ 2,525,000	\$ 2,544,360	\$ 4,160,000
Men's Basketball	1,050,000	1,130,000	2,120,000
Women's Basketball	840,000	800,000	1,180,000
Wrestling	285,000	200,000	350,000
Other Sports	2,620,000	2,145,000	3,235,000
Sports Programs - Operations:	7,320,000	6,819,360	11,045,000
Sports Program Support Units:			
Sports Nutrition	2,300,000	2,000,000	3,000,000
Medical	1,900,000	1,900,000	900,000
Coaching Video	220,000	270,000	260,000
Sports Medicine	400,000	400,000	425,000
Academic Services	320,000	225,000	275,000
Other	475,000	450,000	575,000
Sports Program Support Units:	5,615,000	5,245,000	5,435,000
Internal Operations:			
Admin Operations	1,100,000	1,300,000	1,470,000
Flight Services	360,000	200,000	450,000
IT Operations	545,000	545,000	750,000
Other	350,000	337,728	355,000
Internal Operations:	2,355,000	2,382,728	3,025,000
Salaries & Benefits	29,940,614	39,938,476	36,295,692
Scholarships	8,636,000	8,636,000	8,890,000
External Operations	1,199,000	1,020,000	2,770,000
Facilities & Events	8,720,000	7,785,000	12,940,000
Postseason	1,250,000	2,084,760	1,250,000
Debt Service	10,457,649	10,457,648	9,811,694
Capital Projects/Def Maint	2,953,000	3,298,452	7,111,000
TOTAL EXPENSES	\$ 78,446,263	\$ 87,667,424	\$ 98,573,386

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 2021. Occupancy for FY 2022 has been reduced from 9,464 in February's preliminary budget to 8,600 students. The decreased net revenue projection is due to the downward adjustment of projected room and board contract revenues which is partially offset by expense reductions in salaries, food costs, utilities, and repairs resulting from the lower occupancy. Due to the occupancy reduction, Linden, Oak-Elm, and Wallace/Wilson residence halls will be unoccupied for FY 2022.

**Iowa State University
Residence System Proposed Budget 2021-2022**

	Estimates 2020-21	Preliminary Budget 2021-22	Proposed Budget 2021-22
OPERATIONS			
Revenues	\$ 77,890,685	\$ 88,404,816	\$ 87,109,220
Expenditures for Operations	59,645,107	65,331,522	64,695,289
Net Revenues	18,245,578	23,073,294	22,413,931
% of Revenues	23.4%	26.1%	25.7%
Debt Service (due July 1)	12,765,351	15,167,915	14,248,793
Net After Debt Service & Mandatory Transfers	\$ 5,480,227	\$ 7,905,379	\$ 8,165,138
% of Revenues	7.0%	8.9%	9.4%
Debt Service Coverage Ratio	143%	152%	157%
University Overhead Payment	\$ 4,096,550	\$ 4,096,550	\$ 4,188,615
FUND BALANCES (June 30)			
Improvement Fund	8,110,414	7,660,414	8,110,414
System Fund	31,061,994	17,765,506	29,294,016
Subtotal--Voluntary Reserves	39,172,408	25,425,920	37,404,430
Bond Reserve Fund	15,149,384	15,149,384	15,149,384
Bond Construction Fund	-	-	-
Subtotal--Mandatory Reserves	15,149,384	15,149,384	15,149,384
Total Fund Balances (June 30)	\$ 54,321,792	\$ 40,575,304	\$ 52,553,814
REVENUES AND EXPENDITURES DETAIL			
Revenues			
Contracts	\$ 66,700,847	\$ 74,919,605	\$ 72,277,424
Interest	-	255,000	255,000
Other Income	11,189,838	13,230,211	14,576,796
Total Revenues	\$ 77,890,685	\$ 88,404,816	\$ 87,109,220
Expenditures for Operations			
Salaries, Wages & Benefits	\$ 29,477,998	\$ 31,755,639	\$ 31,279,018
Cost of Food or Goods Sold	10,448,024	10,876,822	10,384,458
Other Operating Expense	11,180,654	11,099,451	13,673,126
Utilities	6,362,469	7,153,763	6,118,959
Repairs & Maintenance	2,175,962	4,445,847	3,239,728
Total Expenditures	\$ 59,645,107	\$ 65,331,522	\$ 64,695,289

FY 2022 BUDGETS – UNIVERSITY OF NORTHERN IOWA

During the FY 2022 budget development process, the university remains committed to the university’s budget principles developed in partnership with our 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 the University as the FY 2022 budget was developed, while remaining focused on the success of students and protecting the personalized experience that defines a UNI education.

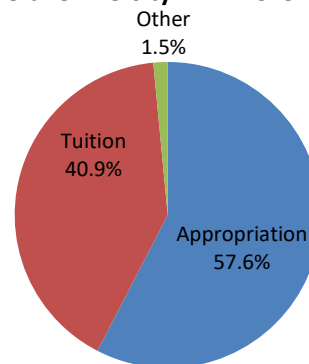
In preparing the budget for FY 2022, it is important to note that, like colleges and universities across the country, UNI continues to recover from the global pandemic while planning for a safe, in-person return to instruction and events in the fall.

With state appropriations remaining flat, an increase in tuition rates for FY 2022 is necessary to offset the budget reductions needed to honor bargaining agreements for salary and wage increases and the implementation of the merit step increase. With these funding changes, a significant reduction to the operating expense was required to balance the FY 2022 budget.

UNI FY 2022 General University Operating Budget

State appropriations comprise more than half (58%) of UNI’s proposed FY 2022 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 \$0.3 million more than the FY 2021 budget (0.2% increase). Of note, the FY 2020 operating revenues totaled \$175.7 million, significantly more than the FY 2021 and FY 2022 budgets.

UNI General University FY22 Revenue Budget



UNI	
FY 2021 Budget	\$ 170.4 million
Revenue Changes:	
Base Appropriation	- million
Tuition	(0.5) million
Other Revenues	0.8 million
Revenue Change	0.3 million
FY 2022 Budget	\$ 170.7 million

For FY 2022, the Board of Regents requested a \$4.0 million increase for UNI and restoration of UNI's portion of the \$8 million cut realized in FY 2021. The 2021 Iowa General Assembly flat-funded (0.0% increase) the General University for FY 2022.

The Board will consider proposed tuition rate increases for 2021-22 academic year as provided in the docket for this meeting. With actual tuition revenues for FY 2021 expected to be \$1.1M less than the budget, FY 2022's budgeted gross tuition revenue is \$0.5 million less than the FY 2021 budget. The reduction is due to an adaptation in planning because of the pandemic's unprecedented effects on predicting FY 2021 and FY 2022 enrollment for budget preparation.

Indirect cost recoveries and interest income are budgeted to increase by a total \$0.8 million due to an increase in sponsored program funding and higher projected investment balances.

In addition to the ASFCME agreement, the University implemented the terms of a voluntary agreement with the organized faculty (UNI-United Faculty) beginning July 1, 2021. The agreement provided for a wage increase of 1.3% on July 1, 2020. Professional & Scientific staff salaries are also budgeted to increase 1.3%. The Vice Presidents' salaries will increase 1.5% and per the President's request, his salary will remain flat. After budget reductions, salary increases and changes in fringe benefit rates, total salaries and benefits increased \$2.9 million or 2.3%.

The University continues to strive to remain competitive in aid awarded to students by increasing the financial aid budget \$0.27 million for FY 2022. It was necessary for divisions/departments to reduce their budgets in order to balance the FY 2022 budget. This included a reduction in supplies and services by \$0.3 million.

The \$170.7 million General University budget allocated by function is shown below. Expenses related to instruction, academic support, and scholarships and fellowships, comprise approximately 60% of all general university expenses.

General University Spending By Function
(\$ in thousands)

	<u>FY 2022</u>	<u>% Total</u>
Instruction	61,111	35.8%
Research	123	0.1%
Public Service	1,484	0.9%
Academic Support	24,888	14.6%
Student Services	9,529	5.6%
Institutional Support	32,547	19.1%
Operations & Maintenance of Plant	24,524	14.4%
Scholarships & Fellowships	16,474	9.7%
Total	170,681	100.0%

UNI FY 2022 Special Purpose Operating Budgets

The following table lists UNI's special purpose units that received state operating funding for FY 2022. All special purpose appropriations were flat-funded when compared to FY 2021.

<u>UNI SPECIAL PURPOSE UNITS</u>	<u>STATE APPROPRIATIONS</u>		<u>Difference</u>
	<u>FY 2021</u>	<u>FY 2022</u>	
RECYCLING & REUSE	172,768	172,768	-
MATH & SCIENCE	6,354,848	6,354,848	-
REAL ESTATE EDUCATION	123,523	123,523	-
ADDITIVE MANUFACTURING	394,321	394,321	-
ECONOMIC DEVELOPMENT	1,066,419	1,066,419	-

➤ 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 lowans, 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 2022 Budget</u>
Appropriations	172,768
EXPENDITURES	
Salaries/Benefits	119,406
Supplies and Services	<u>53,362</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 2022 Budget</u>
Appropriations	6,354,848
EXPENDITURES	
Salaries/Benefits	636,748
Supplies and Services	<u>5,718,100</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 2022 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 2022 Budget</u>
Appropriations	1,066,419
EXPENDITURES	
Salaries/Benefits	935,363
Supplies and Services	<u>131,056</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 2022 Budget</u>
Appropriations	394,321
EXPENDITURES	
Salaries/Benefits	263,152
Supplies and Services	56,848
Equipment	<u>74,321</u>
TOTAL EXPENDITURES	394,321

UNI FY 2022 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. Federal support includes a portion of federal stimulus funding to offset lost revenue resulting from the pandemic.

The proposed FY 2022 Restricted Fund Budget also includes the following state appropriations:

- Tuition Replacement \$ 3.21 million
- Industrial Tech Center \$13.00 million
- Innovation Fund \$ 0.90 million

UNI Athletics

The University of Northern Iowa's FY 2022 proposed athletic budget provided on the following page projects revenues of \$14.5 million. The proposed budget represents a return to normalcy without scheduling or fan capacity restrictions.

Last year's football season was moved from fall 2020 to spring 2021 with a conference-only schedule that consisted of four home games. Likewise, ticket sales for the other sports were less than budget due to attendance restrictions and truncated schedules.

Since UNI Athletics does not receive substantial revenues from conference distributions and other sources and similar to other similar universities, the General University provides athletic support for scholarships and operations. The FY 2022 athletic budget includes \$3.39 million in operational support and \$1.28 million in scholarship support from the University.

Additional revenue sources including foundation support, Learfield marketing sponsorship, NCAA/Conference distributions, and other sources are expected to return to pre-pandemic levels.

Scholarship costs of approximately \$4.46 million for the equivalent of 190 scholarships are included in the applicable sports expense lines. The scholarship amount also includes a cost of attendance stipend for men's and women's basketball, and women's volleyball scholarship athletes for academic supplies, transportation and some personal costs as calculated by the financial aid office. The annual stipend is \$2,396 at a total annual cost to Athletics of approximately \$96,000.

Athletics reinstated salary reductions implemented during FY 2021 due to COVID. Team operating budgets were also reinstated to their pre-cut levels.

The UNI athletic department purchases services that benefit numerous entities within the University. These include in part, tuition and room/board from scholarship payments, business services, public safety, marketing and utilities. Athletics projects to pay \$4.85 million in FY 2022 to these University entities for the services.

University of Northern Iowa
FY 2022 Proposed Athletic Budgets

	FY 2021 Original Budget	FY 2021 Projected Actuals	FY 2022 Proposed Budget
INCOME			
Football	317,725	201,099	1,148,825
Men's Basketball	470,860	387,478	829,800
Men - All Other Sports	70,590	52,809	107,105
Women - All Sports	109,105	63,347	136,900
Subtotal - Sports	968,280	704,733	2,222,630
Other Income			
Student Activity Fee	1,816,505	1,816,505	1,861,917
University Support for:			
General Athletics Operations	3,210,647	7,961,050	3,385,936
Scholarships	1,283,481	1,283,481	1,283,481
Alumni/Foundation Support	2,535,400	1,903,967	2,222,000
Athletic Marketing	1,407,950	773,539	1,470,000
Athletic Conf/NCAA Support	1,111,600	879,973	1,470,000
Novelties - Outings	281,200	180,272	277,501
General	152,500	64,800	313,500
Subtotal - Other	11,799,283	14,863,587	12,284,335
TOTAL INCOME	12,767,563	15,568,320	14,506,965
EXPENSES			
Men's Sports			
Football	3,308,914	3,147,864	3,667,653
Basketball	2,149,224	2,138,120	2,595,665
All Other Men's Sports	1,230,585	1,179,170	1,376,658
Subtotal - Men's Sports	6,688,723	6,465,154	7,639,976
Women's Sports			
Basketball	991,572	1,063,088	1,188,668
Volleyball	802,414	776,948	902,964
All Other Women's Sports	2,250,926	2,210,825	2,422,315
Subtotal - Women's Sports	4,044,912	4,050,861	4,513,947
Other Expenses			
Athletic Training	149,509	143,150	161,397
Administration & General	1,541,934	1,474,775	1,784,334
Athletic Marketing & Sports Info	342,485	327,679	407,311
Subtotal - Other Expenses	2,033,928	1,945,604	2,353,042
TOTAL EXPENSES	12,767,563	12,461,619	14,506,965

UNI Residence System

The proposed Residence System budget reflects a slight increase in net revenues compared to the preliminary budget received by the Board in February 2021. The FY 2022 budget is based on 2,915 students in residence, down 50 from the preliminary budget. A higher percentage of returning students have re-contracted to remain in on-campus housing mitigating the decline in occupancy. Other income is budgeted to increase resulting from the campus re-opening for in-person learning resulting in higher retail and catering revenues from earlier projections. Personnel costs decreased due to staff reductions through attrition, wage adjustments, and fringe benefit changes. Budgeted food costs are higher than earlier projections from the expected increase in retail sales.

**University of Northern Iowa
Residence System Proposed Budget 2021-22**

	Estimates 2020-21	Preliminary Budget 2021-22	Proposed Budget 2021-22
OPERATIONS			
Revenues	\$ 36,008,483	\$ 29,735,060	\$ 29,632,489
Expenditures for Operations	22,000,891	22,875,610	22,582,096
Net Revenues	14,007,592	6,859,450	7,050,393
% of Revenues	38.9%	23.1%	23.8%
Debt Service (due July 1)	5,102,088	5,081,075	5,081,075
Mandatory Transfers	300,000	300,000	300,000
Net After Debt Service & Mandatory Transfers	\$ 8,605,504	\$ 1,478,375	\$ 1,669,318
% of Revenues	23.9%	5.0%	5.6%
Debt Service Coverage Ratio	275%	135%	139%
University Overhead Payment	\$ 542,855	\$ 588,984	\$ 581,647
FUND BALANCES (June 30)			
Improvement Fund	\$ 4,439,818	\$ 4,381,153	\$ 4,324,818
System Fund	16,475,051	17,792,588	17,562,722
Subtotal--Voluntary Reserves	20,914,869	22,173,741	21,887,540
Bond Reserve Fund	5,943,801	5,943,801	5,943,801
Bond Construction Fund	-		
Subtotal--Mandatory Reserves	5,943,801	5,943,801	5,943,801
Total Fund Balances (June 30)	\$ 26,858,670	\$ 28,117,542	\$ 27,831,341
REVENUES AND EXPENDITURES DETAIL			
Revenues			
Contracts	\$ 24,757,714	\$ 25,694,163	\$ 24,841,575
Interest	430,000	380,000	380,000
Other Income	10,820,769	3,660,897	4,410,914
Total Revenues	\$ 36,008,483	\$ 29,735,060	\$ 29,632,489
Expenditures for Operations			
Salaries, Wages & Benefits	\$ 12,227,663	\$ 13,135,734	\$ 12,678,290
Cost of Food or Goods Sold	2,470,014	2,675,099	2,867,264
Other Operating Expense	3,041,285	2,556,788	2,563,766
Utilities	2,989,828	3,294,920	3,261,507
Repairs & Maintenance	1,272,101	1,213,069	1,211,269
Total Expenditures	\$ 22,000,891	\$ 22,875,610	\$ 22,582,096

FY 2022 BUDGETS - IOWA SCHOOL FOR THE DEAF

The proposed FY 2022 operating and restricted fund budgets on the following page for the Iowa School for the Deaf total \$12.3 million.

ISD FY 2022 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 communication, academic, vocational, and interpersonal skills to be independent and contributing members of their community.

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 2021 General Assembly appropriated a 2.4% increase (approximately \$252,000) in state operating funding for FY 2022. A net decrease (\$248,000) is projected in the other revenue sources largely 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 the collective bargaining agreement for merit staff and the approved salary policies of an average 1.7% increase in faculty, P&S staff, and institutional officers' salaries.

ISD FY 2022 Restricted Budget

The FY 2022 restricted budget of \$0.8 million 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 2022 budget anticipates six students attending from Nebraska. A portion of the Nebraska revenue will continue to provide for staffing expenses and curriculum development.

FY 2022 BUDGETS - IOWA SCHOOL FOR THE DEAF			
	Operating Budget	Restricted Budget	Total Budget
REVENUES			
General Appropriation	\$10,789,039	\$ -	\$ 10,789,039
Federal Support	56,970	303,902	360,872
Interest	1,000	525	1,525
Reimbursed Indirect Costs	15,000		15,000
Sales and Services	421,000	477,537	898,537
Other Income	216,976		216,976
TOTAL REVENUES	\$11,499,985	\$ 781,964	\$ 12,281,949
EXPENDITURES			
Salaries	\$ 9,797,372	\$ 248,433	\$ 10,045,805
Prof. & Scien. Supplies/Services	1,356,423	383,531	1,739,954
Utilities	286,750		286,750
Bldg. Repairs	-	150,000	150,000
Aud. of State Reimburse	44,440		44,440
Equipment	15,000		15,000
TOTAL EXPENDITURES	\$11,499,985	\$ 781,964	\$ 12,281,949

**FY 2022 BUDGETS - IOWA EDUCATIONAL SERVICES FOR THE BLIND
AND VISUALLY IMPAIRED**

The proposed FY 2022 operating and restricted fund budgets for the Iowa Educational Services for the Blind and Visually Impaired (IESBVI) on the following page total approximately \$9.9 million.

IBSSS FY 2022 General Fund Operating Budget

The programs and services of IESBVI provides children who are blind or visually impaired, including those with additional disabilities, equitable access to high-quality education services throughout the state. The purpose is to provide appropriate educational opportunities, resources, and support that comply with the Individuals with Disabilities Education Act enabling students to function as independently as possible in all aspects of life. A cooperative agreement between the Board of Regents, Area Education Agencies, the Department of Education, and the Department for the Blind established a unified system for delivering vision services across Iowa. Under this agreement, IESBVI is responsible for recruiting, training, supervising, and deploying Teachers of Visual Impairments (TVIs) and Certified Orientation and Mobility instructors (COMs) through service contracts with the AEAs and Des Moines Public Schools (DMPS).

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 2021 General Assembly appropriated a 2.4% increase (\$106,000) in state operating funding for FY 2022. The budget also includes other incremental revenues of approximately (\$397,000) from contracts with the AEA's and DMPS for services provided by the TVIs and COMs. Americorp lease revenue is no longer budgeted due to the transfer of the property to the City of Vinton.

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

IESBVI FY 2022 Restricted Budget

IESBVI'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 2022 BUDGETS - IESBVI			
	Operating Budget	Restricted Budget	Total Budget
REVENUES			
General Appropriation	\$ 4,540,886		\$ 4,540,886
Federal Support	-	744,295	744,295
Reimb. Indirect Costs	58,332		58,332
Sales and Services	4,373,457		4,373,457
Other Income	-	190,000	190,000
TOTAL REVENUES	\$ 8,972,675	\$ 934,295	\$ 9,906,970
EXPENDITURES			
Salaries	\$ 8,024,648	\$ 447,937	\$ 8,472,585
Prof. & Scien. Supplies/Services	866,527	436,358	1,302,885
Library Acquisition	15,000		15,000
Rentals	35,000		35,000
Bldg. Repairs		50,000	50,000
Aud. of State Reimburse	31,500		31,500
TOTAL EXPENDITURES	\$ 8,972,675	\$ 934,295	\$ 9,906,970

FY 2022 BUDGET – IOWA PUBLIC RADIO

The FY 2022 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. The budget includes expenses related to the transition of the FCC licenses from the Board of Regents. IPR's Board of Directors approved the FY 2021 budget on June 24, 2021.

- Corporation for Public Broadcasting (CPB) distributions available for FY 2022 exceed the FY 2021 distributions.
- Budgeted increases in fundraising revenue from memberships and major gifts is consistent with FY 2021's results discounted slightly due to industry speculation that FY 2022 will not be as strong a fundraising year (i.e. no election, pandemic). Budgeted increase in underwriting revenue due to economic recovery with pandemic ending and events starting to occur.
- Salary expenses are budgeted to increase in FY 2022 largely from three additional positions (HR/Facilities position; Digital Producer-News; Senior Content Editor).
- Professional/Other Services will increase in FY 2022 primarily from additional professional services for FCC license transfer projects, CRM implementation, FCC filings, DEI initiatives and strategic planning. Additional legal fees are also budgeted due to the FCC license transfer, trademark activity and FCC filings.
- Transfers from reserves are budgeted to fund the WOI transmitter project and the Iowa City studios project (included as capitalized equipment).

	FY21 BUDGET	FY22 BUDGET	DIFFERENCE
OPERATING INCOME			
State of Iowa Appropriation	\$ 345,669	\$ 345,669	\$ -
Federal Support - CPB	656,338	667,828	11,490
CPB CARES Distribution for FY 2021	262,136	-	(262,136)
CPB RESCUE Distribution for FY 2022	-	602,882	602,882
Fundraising	6,318,319	7,324,114	1,005,795
TOTAL OPERATING INCOME	\$ 7,582,462	\$ 8,940,493	\$ 1,358,031
OPERATING EXPENSES			
Compensation	\$ 4,582,556	\$ 4,761,404	\$ 178,848
Programming Fees	1,115,239	1,194,276	79,037
Facilities	640,377	643,781	3,404
Professional/Other Services	724,616	896,025	171,409
Telecommunications	193,009	203,202	10,194
Depreciation Expense	409,600	390,700	(18,900)
Printing	87,645	98,850	11,205
Supplies	129,630	201,331	71,701
Travel	42,656	45,406	2,750
Other	162,407	217,873	55,466
TOTAL OPERATING EXPENSES	\$ 8,087,735	\$ 8,652,848	\$ 565,114
NET OPERATING INCOME (LOSS)	\$ (505,273)	\$ 287,645	\$ 792,917
NON-OPERATING INCOME (EXPENSE):			
Rental Revenue	\$ 89,916	\$ 88,313	\$ (1,603)
Investment Earnings	-	-	-
Transfer From Reserves	150,000	448,000	298,000
Transfer From Reserves - Depreciation	409,600	-	(409,600)
Transfer From Reserves - Innovation Fund	16,640	-	(16,640)
Equipment, Capitalized	(127,000)	(793,000)	(666,000)
Equipment, Non-Capitalized	(32,650)	(28,700)	3,950
TOTAL NON-OPERATING INCOME (EXPENSE)	\$ 506,506	\$ (285,387)	\$ (791,893)
NET ALL ACTIVITY	\$ 1,233	\$ 2,257	\$ 1,024

FY 2022 BUDGET – BOARD OFFICE

The Board Office operating budget is supported mainly by state appropriations and institutional support. The FY 2022 state appropriation of \$764,642 remained flat with FY 2021 and institutional reimbursements are consistent with last year’s budget. Management of Internal Audit functions are being integrated into the Board Office in accord with the Advisory Group recommendations approved by the Board and will be reflected in the next year’s proposed FY 2023 budget.

BOARD OFFICE BUDGET

	<u>Estimates FY 2021</u>	<u>Proposed FY 2022</u>
Revenues		
State Appropriations	764,642	764,642
Institutional Reimbursements	3,724,618	3,637,522
Principal Demutualization	<u>2,386</u>	<u>2,440</u>
Total Revenue	4,491,646	4,404,604
Expenses		
Personnel & Board per diem	3,263,882	3,178,855
Travel	81,000	80,000
Office Supplies and Printing	60,000	60,000
Dues	40,000	40,000
Advertising	500	500
Communications	55,000	55,000
Outside Services & Repairs	110,000	110,000
State Audit	16,000	20,000
IT Services	65,000	60,000
Office Equipment & Furnishings	30,000	30,000
Office Space	125,000	130,000
Educational/Training Expense	45,264	40,249
Special Services	<u>600,000</u>	<u>600,000</u>
Total Expenses	4,491,646	4,404,604