

Contact: Brad Berg

FY 2023 BUDGETS – UNIVERSITIES, SPECIAL SCHOOLS, AND BOARD OFFICE

Actions Requested: Consider approval of Regent universities, special schools and Board Office FY 2023 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 and the Board Office. While the residence systems and athletics are included as a part of the restricted budgets, individual budgets for these auxiliary units are contained in this memorandum.

The proposed FY 2023 Regent enterprise consolidated \$6.9 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 2023 REGENT ENTERPRISE BUDGET (\$ in millions)

	<u>SUI</u>	<u>ISU</u>	<u>UNI</u>	<u>ISD</u>	<u>IESBVI</u>	<u>Total</u>
General Education - Operating	768.9	674.9	169.0	12.0	9.2	1,634.0
Special Purpose - Operating	17.7	73.3	8.1			99.1
UIHC Units - Operating*	2,178.8					2,178.8
Restricted	1,952.4	857.9	183.9	0.9	0.9	2,996.0
Total	4,917.8	1,606.1	361.0	12.9	10.1	6,907.9

*includes UIHC, Psych Hosp, CDD, SCHS

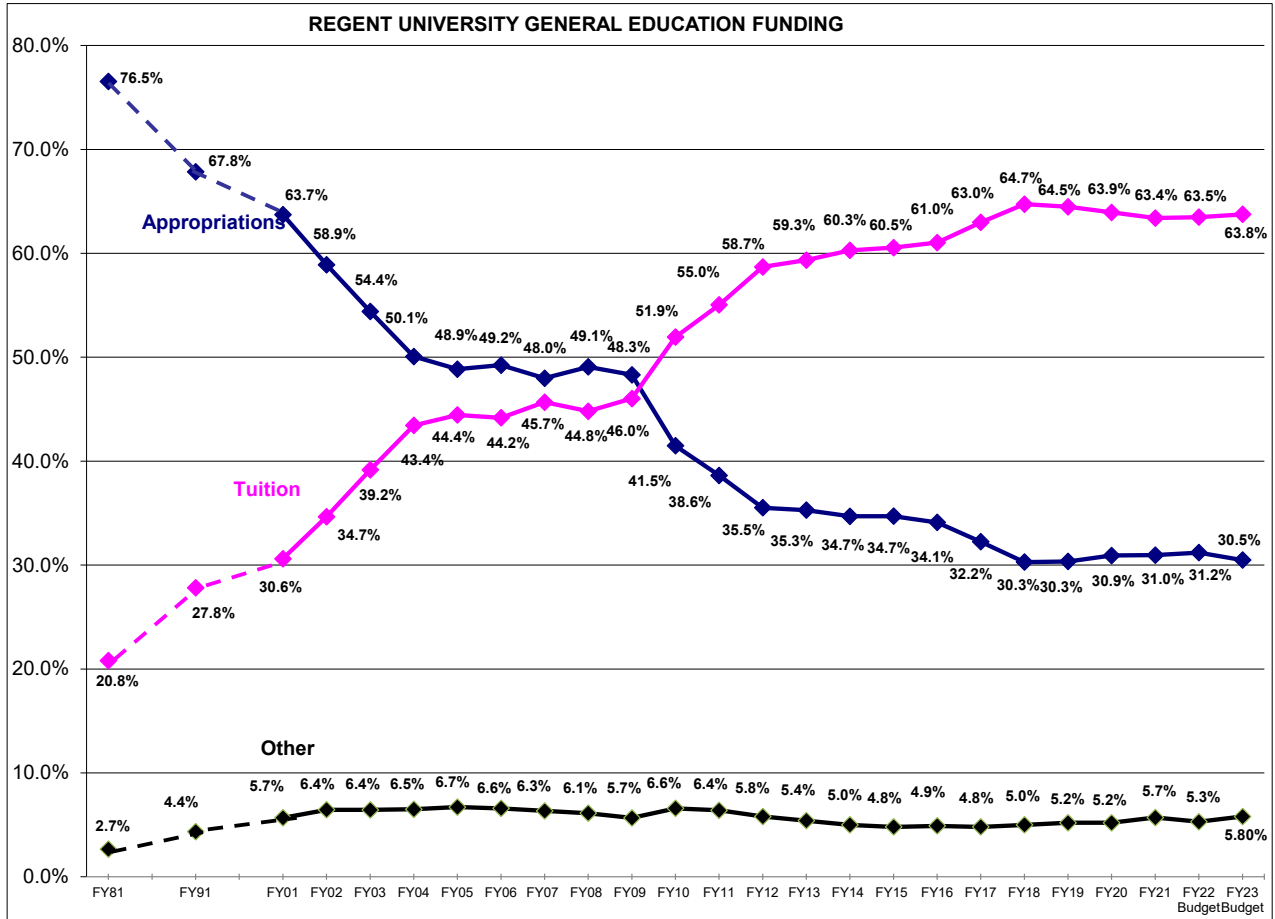
General University (Education) Operating Budgets

The primary revenue sources providing FY 2023 general operating funds for Iowa’s public universities are state appropriations and tuition revenue.

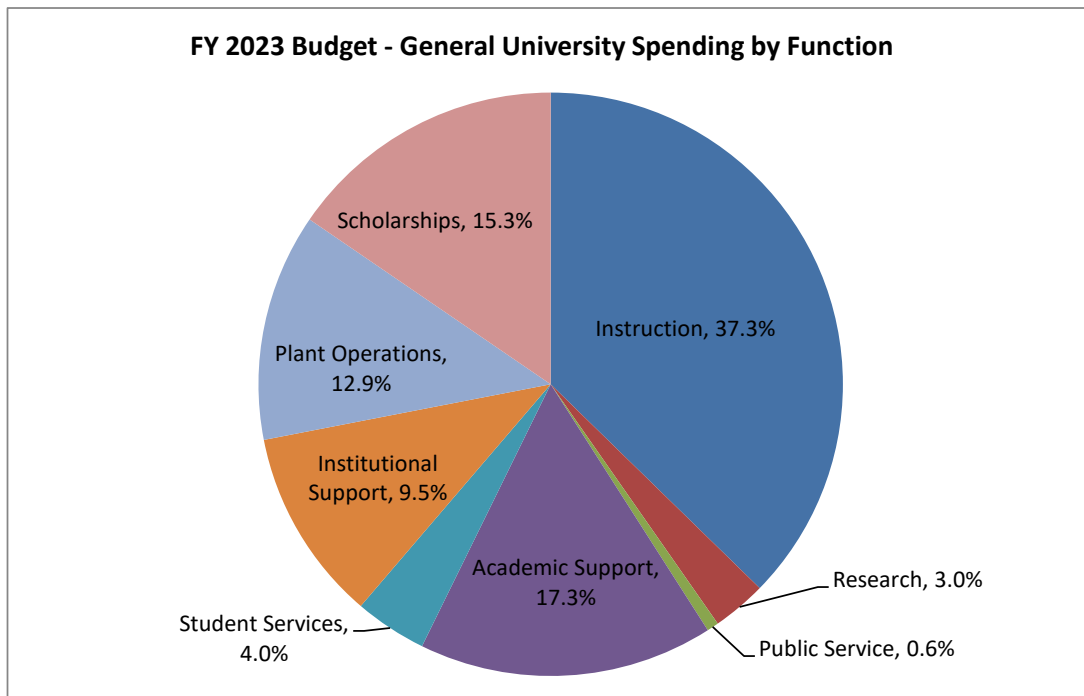
After a \$7 million state funding reduction in FY 2021 and then flat-funded for FY 2022, the Board requested an appropriations increase for FY 2023 (2022-2023 academic year) of \$15.0 million for the general university appropriations that support Regent higher education. The General Assembly approved an appropriation increase of \$5.5 million (1.1%) for FY 2023, which the Board allocated proportionally across the three general university lines.

The general university operating budgets were assembled based on the proposed tuition rates included in the Board’s July 2022 docket. The proposed tuition rates for the 2022-23 academic year include base undergraduate resident increases of 4.25% for each of the universities. The universities also proposed varying differential tuition rates for certain higher-cost programs.

State operating appropriations and tuition revenue have historically provided the core operating funds for the Regent universities. Dynamic changes in state funding patterns significantly altered the proportion of these revenue sources for higher education as seen in the chart below.



In addition to the General University budgets presented on pages 5-6 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 69% 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 2023 special purpose unit budgets is included in the attachments.

Restricted Budgets

The university FY 2023 restricted fund budgets include capital funding approved by the General Assembly for the following projects.

- ISU – Veterinary Diagnostic Laboratory \$28.6 million
- UNI – Industrial Tech Center \$26.5 million
- ISU – Student Innovation Center \$ 2.0 million

In addition, the university restricted fund budgets include an allocation of the \$27.9 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 2023 revenue budgets total approximately \$208 million for the three universities.

The Board received the FY 2023 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 19,000 students this fall.

University Residence Systems FY 2023 Budgets						
	SUI		ISU		UNI	
	Preliminary	Final	Preliminary	Final	Preliminary	Final
Revenues	\$ 80,017,018	\$ 84,325,349	\$ 94,410,718	\$ 93,958,590	\$ 29,952,059	\$ 29,952,059
Expenditures for Operations	56,717,186	56,868,820	69,490,036	70,153,114	22,720,414	22,720,414
Debt Service and Mandatory Transfers	13,142,713	13,142,713	15,217,043	15,217,043	5,319,131	5,319,131
Net Revenues after Debt Service and Mandatory Transfers	\$ 10,157,119	\$ 14,313,816	\$ 9,703,639	\$ 8,588,433	\$ 1,912,514	\$ 1,912,514

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 2023 athletic revenue budgets total \$250 million. Details for each university's athletic budget are included in the attachments.

Athletic Revenues	
FY 2023	
<u>Budget</u>	
SUI	128,982,201
ISU	106,158,750
UNI	<u>14,686,520</u>
Total	249,827,471

Special Schools

The FY 2023 budgets for the Iowa School for the Deaf (ISD), and the Iowa Educational Services for the Blind and Visually Impaired (IESBVI) total \$23.1M 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 2.7% (\$413,000) when compared to FY 2022. The schools share a common administration. While these positions are employed by ISD, IESBVI reimburses their share of the cost for these positions on a monthly basis.

FY 2023 Special School Budgets

	<u>Operating</u>	<u>Restricted</u>	<u>Total</u>
ISD	\$ 12,015,849	\$ 867,470	\$ 12,883,319
IESBVI	<u>\$ 9,218,605</u>	<u>\$ 949,816</u>	<u>\$ 10,168,421</u>
TOTAL	\$ 21,234,454	\$ 1,817,286	\$ 23,051,740

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, 2022 (also applicable for non-represented supervisory and confidential merit staff).

At the Board's June 2022 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 2023 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	\$218,045,224				\$2,103,819	\$4,822,610	\$2,220,598	\$634,502	\$6,540,917	\$234,367,670
RESOURCES										
Federal Support										-
Interest	1,484,000	13,875,938	-50,000	350,000		2,000	7,500			15,669,438
Tuition and Fees	484,762,077									484,762,077
Reimb. Indirect Costs	64,633,932	3,424,428	1,639,110	175,944	286,181	76,200				70,235,795
Sales and Service		2,118,340,299	31,231,054	7,992,196		1,680,888		107,628		2,159,352,065
Other Income	6,000	824,103	255,408							1,085,511
Subtotal - Inst. Income	550,886,009	2,136,464,768	33,075,572	8,518,140	286,181	1,759,088	7,500	107,628	-	2,731,104,886
TOTAL REVENUES	\$768,931,233	\$2,136,464,768	\$33,075,572	\$8,518,140	\$2,390,000	\$6,581,698	\$2,228,098	\$742,130	\$6,540,917	\$2,965,472,556
EXPENDITURES										
Fac. & Inst. Off. Salaries	\$288,793,123	\$101,470,850	\$41,056	\$510,903		\$158,722		\$101,100	\$1,315,948	\$392,391,702
Prof. & Sci. Staff Salaries	171,415,109	776,394,356	17,752,674	4,876,111	171,000	3,387,642	376,944	638,846	2,457,212	977,469,894
General Service Staff Sal.	39,413,316	200,962,171	8,197,764	1,128,035	1,125,000	1,442,317	2,592		79,473	252,350,668
Hourly Wages	5,700,000	10,298,684	129,056	103,944		52,388			80,006	16,364,078
Subtotal - Salaries	505,321,548	1,089,126,061	26,120,550	6,618,993	1,296,000	5,041,069	379,536	739,946	3,932,639	1,638,576,342
Supplies and Services	52,966,251	993,669,624	5,041,957	1,396,876	199,000	1,389,542	1,848,562	2,184	2,212,711	1,058,726,707
Library Acquisitions	18,333,747									18,333,747
Rentals	6,283,298	7,003,726	6,472	558		138,987			78,700	13,511,741
Utilities	46,040,398	38,603,479	1,899,592	263,168	751,000	12,100				87,569,737
Bldg. Repairs	25,378,733	7,461,878	7,001	238,545	144,000					33,230,157
Auditor of State Reimb.	765,000									765,000
Equipment	4,672,836								3,000	4,675,836
Aid to Individuals	109,169,422	600,000							313,867	110,083,289
Subtotal - Other Expenses	263,609,685	1,047,338,707	6,955,022	1,899,147	1,094,000	1,540,629	1,848,562	2,184	2,608,278	1,326,896,214
TOTAL EXPENDITURES	\$768,931,233	\$2,136,464,768	\$33,075,572	\$8,518,140	\$2,390,000	\$6,581,698	\$2,228,098	\$742,130	\$6,540,917	\$2,965,472,556

BOARD OF REGENTS, STATE OF IOWA
FY 2023 GENERAL FUND OPERATING BUDGETS (continued)

	Iowa State University					University of Northern Iowa			ISD	IESBVI	Operating Total
	Gen. Univ.	Exp. Station	Coop. Ext.	Special Purpose	Subtotal	Gen. Univ.	Special Purpose	Subtotal			
APPROPRIATIONS	\$174,092,719	\$29,462,535	\$18,307,366	\$9,618,173	\$231,480,793	\$99,408,923	\$8,111,879	\$107,520,802	\$11,089,039	\$4,654,408	\$589,112,712
RESOURCES											
General											
Federal Support		5,653,728	10,250,000		15,903,728				56,970		15,960,698
Interest	1,000,000				1,000,000	706,900		706,900	1,000		17,377,338
Tuition and Fees	476,487,000				476,487,000	66,895,039		66,895,039			1,028,144,116
Reimb. Indirect Costs	22,671,000				22,671,000	1,529,649		1,529,649	15,000	58,332	94,509,776
Sales and Service						434,393		434,393	667,000	4,505,865	2,164,959,323
Other Income	600,000				600,000			-	186,840		1,872,351
Subtotal - Inst. Income	500,758,000	5,653,728	10,250,000	-	516,661,728	69,565,981	-	69,565,981	926,810	4,564,197	3,322,823,602
TOTAL REVENUES	\$674,850,719	\$35,116,263	\$28,557,366	\$9,618,173	\$748,142,521	\$168,974,904	\$8,111,879	\$177,086,783	\$12,015,849	\$9,218,605	\$3,911,936,314
EXPENDITURES											
Fac. & Inst. Off. Salaries	\$237,598,073	\$18,220,854	\$5,571,788	\$3,286,695	\$264,677,410	\$63,709,242	\$377,885	\$64,087,127	\$4,206,236	\$6,963,290	732,325,765
Prof. & Sci. Staff Salaries	152,244,103	6,015,738	20,326,128	4,012,362	182,598,331	39,646,725	1,637,606	41,284,331	2,903,348	568,937	1,204,824,841
General Service Staff Sal.	27,857,037	461,992	216,309	54,934	28,590,272	22,367,552	135,869	22,503,421	3,033,751	480,990	306,959,102
Hourly Wages	6,657,954			10,060	6,668,014	1,949,232	66,622	2,015,854			25,047,946
Subtotal - Salaries	424,357,167	24,698,584	26,114,225	7,364,051	482,534,027	127,672,751	2,217,982	129,890,733	10,143,335	8,013,217	2,269,157,654
Supplies and Services	61,555,505	6,320,769	2,443,141	2,180,422	72,499,837	12,425,354	5,823,909	18,249,263	1,294,308	1,123,888	1,151,894,003
Library Acquisitions	10,891,760				10,891,760	1,918,249		1,918,249	2,000	15,000	31,160,756
Rentals	4,500,000			0	4,500,000	872,421		872,421		35,000	18,919,162
Utilities	29,463,308	4,000,000		0	33,463,308	8,085,523		8,085,523	286,766		129,405,334
Bldg. Repairs	17,130,623	8,575		4,700	17,143,898	1,500,000		1,500,000	225,000		52,099,055
Auditor of State Reimb.	800,000				800,000	403,100		403,100	44,440	31,500	2,044,040
Equipment	992,762	3,335		69,000	1,065,097	455,035	69,988	525,023	20,000		6,285,956
Aid to Individuals	125,159,594	85,000		0	125,244,594	15,642,471		15,642,471			250,970,354
Subtotal - Other Expenses	250,493,552	10,417,679	2,443,141	2,254,122	265,608,494	41,302,153	5,893,897	47,196,050	1,872,514	1,205,388	1,642,778,660
TOTAL EXPENDITURES	\$674,850,719	\$35,116,263	\$28,557,366	\$9,618,173	\$748,142,521	\$168,974,904	\$8,111,879	\$177,086,783	\$12,015,849	\$9,218,605	\$3,911,936,314

BOARD OF REGENTS
STATE OF IOWA
FY 2023 RESTRICTED FUNDS BUDGETS

	SUI	ISU	UNI	ISD	IESBVI	Restricted Total
APPROPRIATIONS						
Innovation Fund	\$1,050,000	\$1,050,000	\$900,000			\$3,000,000
Tuition Replacement	15,009,882	9,693,095	3,197,023			27,900,000
Capital		30,600,000	26,500,000			57,100,000
Other	963,297	325,000				1,288,297
RESOURCES						
Federal Support	309,567,615	230,000,000	20,522,000	314,832	759,816	561,164,263
Interest	37,791,433	500,000	5,433,131	525		43,725,089
Tuition and Fees	77,865,220	21,100,000	18,337,000			117,302,220
Reimbursed Indirect Costs	28,333,536	13,500,000				41,833,536
Sales and Service	1,035,748,994	85,000,000	90,000,000	552,113		1,211,301,107
Other Income	446,095,965	466,134,171	19,000,000		190,000	931,420,136
Subtotal - Inst. Income	1,935,402,763	816,234,171	153,292,131	867,470	949,816	2,906,746,351
TOTAL REVENUES	\$1,952,425,942	\$857,902,266	\$183,889,154	\$867,470	\$949,816	\$2,996,034,648
EXPENDITURES						
Fac. & Inst. Off. Salaries	\$428,777,383	\$80,170,000	\$4,844,600	\$206,589	\$437,519	\$514,436,091
Prof. & Sci. Staff Salaries	404,165,103	157,500,000	21,146,200		20,689	582,831,992
General Service Staff Salaries	51,951,567	45,204,000	10,426,900	120,683		107,703,150
Hourly Wages	28,739,031	23,000,000	4,654,700			56,393,731
Subtotal - Salaries	913,633,084	305,874,000	41,072,400	327,272	458,208	1,261,364,964
Prof. and Scientific Supplies	600,551,020	285,250,266	56,567,654	390,198	441,608	943,200,746
Library Acquisitions	118,000					118,000
Rentals	7,582,384	3,000,000	775,000			11,357,384
Utilities	13,173,953	15,778,000	7,200,446			36,152,399
Building Repairs	10,557,973	15,000,000	3,084,000	150,000	50,000	28,841,973
Auditor of State						-
Equipment	80,363,379	13,000,000	2,000,000			95,363,379
Student Aid	99,949,743	75,000,000	23,166,643			198,116,386
Debt Service	102,888,316	45,000,000	12,053,825			159,942,141
Plant Capital	123,608,090	100,000,000	37,969,186			261,577,276
Subtotal - Other Expenses	1,038,792,858	552,028,266	142,816,754	540,198	491,608	1,734,669,684
TOTAL EXPENDITURES	\$1,952,425,942	\$857,902,266	\$183,889,154	\$867,470	\$949,816	\$2,996,034,648

BOARD OF REGENTS
STATE OF IOWA
FY 2023 ALL FUNDS BUDGETS

	SUI	ISU	UNI	ISD	IESBVI	All Funds Total
APPROPRIATIONS						
General	\$234,367,670	\$231,480,793	\$107,520,802	\$11,089,039	\$4,654,408	\$589,112,712
Innovation	1,050,000	1,050,000	900,000			3,000,000
Tuition Replacement	15,009,882	9,693,095	3,197,023			27,900,000
Capital	-	30,600,000	26,500,000	-	-	57,100,000
Other	963,297	325,000				1,288,297
RESOURCES						
Federal Support	309,567,615	245,903,728	20,522,000	371,802	759,816	577,124,961
Interest	53,460,871	1,500,000	6,140,031	1,525	-	61,102,427
Tuition and Fees	562,627,297	497,587,000	85,232,039			1,145,446,336
Reimb. Indirect Costs	98,569,331	36,171,000	1,529,649	15,000	58,332	136,343,312
Sales and Service	3,195,101,059	85,000,000	90,434,393	1,219,113	4,505,865	3,376,260,430
Other Income	447,181,476	466,734,171	19,000,000	186,840	190,000	933,292,487
Subtotal - Inst. Income	4,666,507,649	1,332,895,899	222,858,112	1,794,280	5,514,013	6,229,569,953
TOTAL REVENUES	\$4,917,898,498	\$1,606,044,787	\$360,975,937	\$12,883,319	\$10,168,421	\$6,907,970,962
EXPENDITURES						
Fac. & Inst. Off. Salaries	\$821,169,085	\$344,847,410	\$68,931,727	\$4,412,825	\$7,400,809	\$1,246,761,856
Prof. & Sci. Staff Salaries	1,381,634,997	340,098,331	62,430,531	2,903,348	589,626	1,787,656,833
General Service Staff Sal.	304,302,235	73,794,272	32,930,321	3,154,434	480,990	414,662,252
Hourly Wages	45,103,109	29,668,014	6,670,554			81,441,677
Subtotal - Salaries	2,552,209,426	788,408,027	170,963,133	10,470,607	8,471,425	3,530,522,618
Prof. and Scientific Supp.	1,659,277,727	357,750,103	74,816,917	1,684,506	1,565,496	2,095,094,749
Library Acquisitions	18,451,747	10,891,760	1,918,249	2,000	15,000	31,278,756
Rentals	21,094,125	7,500,000	1,647,421	-	35,000	30,276,546
Utilities	100,743,690	49,241,308	15,285,969	286,766	-	165,557,733
Bldg. Repairs	43,788,130	32,143,898	4,584,000	375,000	50,000	80,941,028
Auditor of State Reimb.	765,000	800,000	403,100	44,440	31,500	2,044,040
Equipment	85,039,215	14,065,097	2,525,023	20,000	-	101,649,335
Aid to Individuals	210,033,032	200,244,594	38,809,114			449,086,740
Debt Service	102,888,316	45,000,000	12,053,825			159,942,141
Plant Capital	123,608,090	100,000,000	37,969,186	-		261,577,276
Subtotal - Other Expenses	2,365,689,072	817,636,760	190,012,804	2,412,712	1,696,996	3,377,448,344
TOTAL EXPENDITURES	\$4,917,898,498	\$1,606,044,787	\$360,975,937	\$12,883,319	\$10,168,421	\$6,907,970,962

FY 2023 BUDGETS – UNIVERSITY OF IOWA

The University of Iowa’s academic, administrative and shared governance leaders continue to refine the institution’s value-based budgeting process. The current General Education Fund (GEF) budget model empowers unit leaders to prioritize funding to support their respective missions and to improve financial transparency. The model also supports annual increases/decreases to units to incentivize new revenue generation and maximize net tuition revenue.

The model’s principles and goals helped to guide decisions in forming the FY 2023 budget:

- Budget Model – Principles
 - Transparent
 - Predictable
 - Supports the Strategic Plan and rewards growth
- Budget Model – Goals
 - Support collective/shared initiatives
 - Encourage collaboration
 - Be consistent and comprehensible

This collaborative process and budget model allowed the University to develop a General Education Fund budget that will support the 2022-2027 Strategic Plan priorities of excellence in teaching and learning, innovative research and creative discovery, welcoming and inclusive environment, holistic well-being and success, and transformative societal impact.

While the University continues to recover from the financial impacts of COVID 19, recruiting and retaining faculty and staff and unprecedented inflationary cost increases will add new financial challenges to FY 2023. However, intentional and dedicated efforts in attracting talented students and faculty will benefit the institution with increased tuition and external research funding.

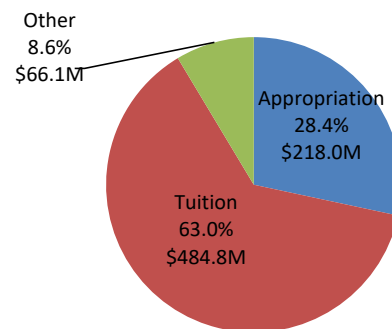
All other University of Iowa FY 2023 budgets were developed simultaneously with the General Education Fund budget and utilized similar policies and budget guidelines.

SUI FY 2023 General University Operating Budget

Tuition revenues comprise 63.0% of the \$768 million General University revenue budget with 28.4% coming from state appropriations. Projected changes in these revenue sources, as well as indirect cost recoveries and interest income, result in a \$31.0 million increase in revenue, or 4.2% more than the FY 2022 budget.

FY 2022 Budget	\$ 737.9 million
Revenue Changes:	
Base Appropriation	2.4 million
Tuition	20.1 million
Indirect Cost Recoveries/Interest	8.5 million
Revenue Change	31.0 million
FY 2023 Budget	\$ 768.9 million

SUI General University FY23 Revenue Budget



After realizing a \$3.1 million cut for FY 2021 and then being flat-funded for FY 2022, the Iowa General Assembly appropriated a 1.1% increase (\$2.4 million) to the General University for FY 2023.

The Board will consider proposed tuition rate increases for 2022-23 academic year as provided in the docket for this meeting. For the fall of 2022, the University is anticipating a larger incoming freshman class with a larger percentage of non-resident students. Smaller freshman classes in the previous years will continue to impact the overall undergraduate enrollment, but anticipate an increase in transfer students that will partially offset this. 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 \$20.1 million (4.3%) in tuition revenue.

The University is estimating an increase of \$8.5 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 2022.

During FY 2023, academic and administrative units will use the budget allocation model to identify, evaluate and consider whether to reprioritize or modify activities in which state resources are no longer sufficient to support these functions. The University will continue to ensure that available resources align with the University's strategic plan and support financial viability. Scarce resources will 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. For AFSCME covered staff, there is a contractual increase of 1.1% on July 1, 2022. Additional discretionary adjustments may be available up to 2%. For COGS represented staff (graduate assistants), there is a 1.3% contractual increase on July 1, 2022. Additional discretionary adjustments maybe be available up to 0.7%.

For FY 2023, the campus returned to a July 1st salary cycle (previously January 1st in recent years) for all organizations. The salary policy provided collegiate and other major units latitude in establishing unit-specific salary policies, regardless of the source of funds. It also enabled units to reward high-achieving faculty and staff contributing significantly and in a measurable way to the success of the University. For P&S staff, units were advised to provide merit increases that, on average, will fall within a range of 2% to 4%.

Due to expected changes in enrollment, the student aid budget will increase by \$6.3 million. 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. Overall, General Fund utility expenses are expected to increase by approximately 2%.

The budget allocation model provides an opportunity for colleges and administrative units to request additional funding beyond incremental revenue changes. For FY 2023, proposals submitted and reviewed by the President and the Budget Review Board. Approved proposals included IT initiatives to bolster the University's ability to withstand cyber-attacks; Cyber liability insurance to cover financial losses from data breaches, ransomware and other cyber events; and HVAC filtration systems to capture higher levels of bacteria and virus carriers

The \$769 million General University budget allocated by function is shown below. Expenses related to instruction, academic support and scholarships and fellowships comprise 70% of all general university expenses.

General University Spending By Function
(\$ in thousands)

	<u>FY 2023</u>	<u>% Total</u>
Instruction	290,252	37.7%
Research	36,642	4.8%
Public Service	3,389	0.4%
Academic Support	133,900	17.4%
Student Services	25,280	3.3%
Institutional Support	53,147	6.9%
Operations & Maintenance of Plant	117,152	15.2%
Scholarships & Fellowships	109,169	14.2%
Total	768,931	100.0%

University of Iowa Hospitals and Clinics (UIHC)

The proposed FY 2023 UIHC operating budget of \$2.13 billion is provided on page 5.

In FY 2023, 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 2023 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 heightened with the COVID-19 pandemic, staffing shortages and inflationary challenges. Coupled with those challenges, UI Health Care faces continued pressure on reimbursement rates from all payors. Impacts that the COVID-19 pandemic had on volumes, staffing and patient populations will continue to present risks into FY23. These, and other external challenges, will have an impact in all areas of UIHC's mission, ranging from near flat reimbursement for patient care services to continued constraint and competition for research funding. The necessity to continue to maximize revenue opportunities, grow market share, ensure ease of access to services, ensure the safety of faculty, staff and patients, improve throughput, further enhance service excellence and be even more cost efficient in their 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 4% is projected for next year due to base salary increases. With staffing shortages, UI Health Care has had to overcome vacancy challenges by investing in higher cost premium pay for staff as well as temporary agency labor. Agency costs have continued to rise in conjunction with nationwide healthcare staffing shortages. While UIHC continues to standardize product utilization and implement supply chain savings initiatives, medical and surgical supply costs are estimated to rise almost 8% due to supply chain shortages and inflationary increases. Anticipated pharmaceutical cost increases are in the 4% range.

UIHC predicts continued high demand for its services. Inpatient acute admissions are expected to increase approximately 2.7% from FY22 levels while outpatient activity is anticipated to increase approximately 5%. The case mix index, reflective of the acuity of care required by inpatients, is expected to remain high but decline slightly from the high acuity seen in FY22 from periodic COVID-19 surges in volume.

Additional net revenues will be required in FY 2023 to meet a 4.0% operating margin budgeted. These additional net revenues will be achieved through new volumes and a rate increase of 6.0% approved by the Board in May to be effective July 1, 2022. 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 2023 budget for these units is \$42.3 million and are provided on page 5.

SUI FY 2023 Special Purpose Appropriations

The following table lists SUI’s special purpose units that received state operating funding for FY 2023. With the exception of Family Practice, all SUI special purpose units were flat-funded when compared to FY 2022. The following pages contain unit descriptions and the budgets.

<u>SUI SPECIAL PURPOSE UNITS</u>	STATE APPROPRIATIONS		<u>Difference</u>
	<u>FY 2022</u>	<u>FY 2023</u>	
OAKDALE CAMPUS	2,103,819	2,103,819	-
HYGIENIC LABORATORY	4,822,610	4,822,610	-
FAMILY PRACTICE	1,720,598	2,220,598	500,000
SCHS - CANCER, HEMOPHILIA, HIGH RISK INFANT	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	874,494	874,494	-
AG HEALTH AND SAFTEY	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 2023 Budget</u>
Appropriations	2,103,819
Reimb. Indirect Costs	286,181
TOTAL RESOURCES	<u>2,390,000</u>
EXPENDITURES	
Salaries/Benefits	1,296,000
Supplies and Services	199,000
Utilities	751,000
Bldg. Repairs	144,000
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 we move to a high throughput laboratory is critical. The job market for qualified laboratory staff is exceptionally competitive, thus it is imperative for SHL to be able to offer salaries that are comparable to other employers in the same job market. Retention is crucial to avoid the substantial cost of training new staff and avoiding the knowledge drain in the loss of highly qualified subject matter experts. Furthermore, a key strategy is for SHL to move to an updated LIMS system and obtain new instrumentations to increase testing capacity. 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 2023 Budget</u>
Appropriations	4,822,610
Interest	2,000
Reimb. Indirect Costs	76,200
Sales and Service	<u>1,680,888</u>
TOTAL RESOURCES	6,581,698
EXPENDITURES	
Salaries/Benefits	5,041,069
Supplies and Services	1,389,542
Rentals	138,987
Utilities	<u>12,100</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 the majority of the financial support provided by the local hospitals and their clinical operations. The state funding supports each UI Affiliated Family Medicine Residency Program across Iowa. Eighty percent of the appropriated funds will fund grants to the UI-affiliated community based family medicine residency training centers consistent with statutory requirements, and the remainder is budgeted for University-sponsored activities in support of the community-based training programs.

The UI Affiliated Statewide Family Practice Network is now in Davenport, Waterloo, Mason City, Sioux City and two in Des Moines (Iowa Lutheran and Broadlawn). There are currently 47 positions for new family practice residents each year, replacing 47 graduates each year (including UIHC in Iowa City, which does not receive this funding) for a three year total of 141 residents in training.

RESOURCES	<u>FY 2023 Budget</u>
Appropriations	2,220,598
Interest	<u>7,500</u>
TOTAL RESOURCES	2,228,098
EXPENDITURES	
Salaries/Benefits	379,536
Supplies and Services	<u>1,848,562</u>
TOTAL EXPENDITURES	2,228,098

➤ 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 2023 Budget</u>
Appropriations	634,502
Sales and Service	<u>107,628</u>
TOTAL RESOURCES	742,130
EXPENDITURES	
Salaries/Benefits	739,946
Supplies and Services	<u>2,184</u>
TOTAL EXPENDITURES	742,130

➤ 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 \$196,600
- Iowa Health Professions Inventory \$120,772
- Rural Physician Support Program \$ 61,759

RESOURCES	<u>FY 2023 Budget</u>
Appropriations	624,374
EXPENDITURES	
Salaries/Benefits	422,702
Supplies and Services	<u>201,672</u>
TOTAL EXPENDITURES	624,374

➤ SUI State of Iowa Cancer Registry

In 2022, it is expected that 20,000 new cancers will be diagnosed among Iowa residents, and an estimated 6,300 Iowans will die from cancer, 17 times the annual number caused by auto fatalities. Cancer accounts for about a quarter of all causes of death. Because of the critical need for data, cancer is a reportable disease in all 50 states.

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, \$31.82 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 2023 Budget</u>
Appropriations	143,410
EXPENDITURES	
Salaries/Benefits	137,911
Supplies and Services	2,499
Equipment	<u>3,000</u>
TOTAL EXPENDITURES	143,410

➤ SUI Substance Abuse Consortium

The Iowa Consortium for Substance Abuse Research and Evaluation (Consortium) is an alliance committed to strengthening substance abuse prevention and intervention activities through collaborative research. The Consortium conducts program evaluation and research, and disseminates findings to professionals in the field, public policy makers and others interested in evaluation and research. Located within the National Resource Center for Family Centered Practice at SUI’s School of Social Work, the Consortium collaborates with representatives from SUI, UNI, ISU; state departments of Public Health, Human Services, and Corrections, the Governor’s Office of Drug Control Policy, the Iowa Judicial Branch; and representatives from local substance use disorder 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 2023 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 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. The ability to manufacture bio-based chemicals is central to 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 2023 Budget</u>
Appropriations	696,342
EXPENDITURES	
Salaries/Benefits	441,421
Supplies and Services	49,245
Rentals	70,400
Aid to Individuals	135,276
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 2023 Budget</u>
Appropriations	36,839
EXPENDITURES	
Salaries/Benefits	36,342
Supplies and Services	<u>497</u>
TOTAL EXPENDITURES	36,839

➤ 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 SUI College of Pharmacy and a component of SUI 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 capability enables start-up biotech and researchers a path to accelerate novel vaccines and drug from discovery to 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 2023 Budget</u>
Appropriations	209,279
EXPENDITURES	
Salaries/Benefits	201,312
Supplies and Services	<u>7,967</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 2023 Budget</u>
Appropriations	463,616
EXPENDITURES	
Salaries/Benefits	158,345
Supplies and Services	<u>305,271</u>
TOTAL EXPENDITURES	463,616

➤ SUI Iowa Flood Center

SUI’s Iowa Flood Center (IFC) 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 IFC. The IFC will use the FY 2023 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 their instrumentation network following an extension from their provider (Verizon) to upgrade the technology by 12/31/2022;
- Continuing development of high-resolution, web-based community flood inundation maps;
- Providing engineering services and developing preliminary flood assessments for small, under-resourced communities in Iowa to help them better understand local flood challenges and provide recommendations to mitigate flood impacts;
- Continuing watershed-scale research to understand how small-scale mitigation projects can reduce flood damage in a watershed;
- Educating graduate students;
- 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 and key stakeholders).
- Developing K-12 Curriculum with a PhD student in the UI College of Education to work with us on curriculum development for K-12 that lines up with Iowa science education standards. Once finished and vetted, the new curriculum will be made available statewide via the IFC website. (New activity this year!); and
- Maintaining and building new relationships with federal, state, and local partners to ensure effective communication and coordination; We will continue to grow and expand new partnerships fostered during the pandemic with surrounding states and organizations such as the American Flood Coalition.

RESOURCES	<u>FY 2023 Budget</u>
Appropriations	1,154,593
EXPENDITURES	
Salaries/Benefits	1,031,626
Supplies and Services	52,516
Rentals	8,300
Aid to Individuals	<u>62,151</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 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, provide direct support to Iowa startups and small-to-medium enterprises, and accelerate new venture formation.

RESOURCES	<u>FY 2023 Budget</u>
Appropriations	2,000,000
EXPENDITURES	
Salaries/Benefits	955,849
Supplies and Services	927,711
Aid to Individuals	<u>116,440</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 2022, 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. Along with several partners—including the Iowa Commission on Volunteer Service, United Ways of Iowa, and the Iowa Council of Foundations—the INRC produced the state’s largest nonprofit conference in the fall of 2021 that attracted hundreds of nonprofit leaders and included Governor Reynolds as part of the awards recognition ceremony.

RESOURCES	<u>FY 2023 Budget</u>
Appropriations	156,389
EXPENDITURES	
Salaries/Benefits	156,389

➤ SUI Biosciences Innovation

Med-tech development is core to the SUI 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 2023 are the following:

UI Ventures & Protostudios - UI Ventures supports innovative, research-driven startups on the University of Iowa campus through initiatives including GAP Funding for early-stage products and services, high end 3-D printing and prototyping services via Protostudios and business support for early-stage University startups. It also supports 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 often with matching funds from the colleges.

MADE & Protostudios - 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. Protostudios continues to expand and grow as they service MADE clients and others across the state in need of prototypes for medical devices and beyond..

Integration Services - In an exhaustive needs-based discovery exercise across campus, the number one unmet need for entrepreneurs and innovators was the need for coordination and connection of the right resources at the right moment in development. A Kaufmann Foundation grant allowing us to study best practices at similar universities in the Midwest. SUI is executing new ways to attract faculty to entrepreneurial behavior. 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 2023, resources will be concentrated to build a more robust mechanism to communicate internally and externally with various stakeholders.

RESOURCES	<u>FY 2023 Budget</u>
Appropriations	874,494
EXPENDITURES	
Salaries/Benefits	289,764
Supplies and Services	<u>584,730</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 SUI, it brings together the expertise of ISU, 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. Farmers make up only 5% of Iowa’s workforce, but they suffer more than 30% of the state’s occupational injuries and fatalities. 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. I-CASH fills a critical gap by disseminating best practices for safe and healthy farms.

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 2023 Budget</u>
Appropriations	128,154
EXPENDITURES	
Salaries/Benefits	47,551
Supplies and Services	<u>80,603</u>
TOTAL EXPENDITURES	128,154

SUI FY 2023 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 2023 Restricted Fund Budget includes the following state appropriations:

- Tuition Replacement \$15.01 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 University has awarded the following eight interdisciplinary projects for FY 2023 funding:

Pathways to Success: Ensuring High Quality Career Development for Every Hawkeye: This project, will enable the development of a technological solution for engaging students in ongoing and personalized career development, including career advice and career planning assistance. Approved funding: \$407,040 over three years.

External Job Placement Services for Partners of Recruited Faculty and Select Senior-Level Staff: This project will contribute to recruitment and retention of faculty and staff who support the university's strategic initiatives. Approved funding: \$315,000 over three years.

Midwest FLASH Lab: Developing Next-Generation Radiotherapy Delivery and Expertise at the UI: This interdisciplinary project will establish the Midwest FLASH Lab, which will make SUI a destination for ultra-high dose-rate radiation therapy (FLASH) science and training in the U.S. Approved funding: \$3 million over three years

High Impact Hiring Initiative: A program to Strategically Recruit and Retain Talented Faculty: This project, will continue a program launched in March 2021 that provided funds toward the strategic hiring and retention of high-performing faculty across several colleges. To date, the success of the program has had measurable impact across all strategic priority areas of the university. Approved funding: \$7.5 million over two years

Higher Education Mental Health: This project will develop a comprehensive program to address mental health issues for students, faculty, and staff in order to decrease levels of distress and facilitate success. Approved funding: \$700,000 over three years

Support for Mid-Career Faculty: This project will provide select tenured associate professors with tailored career development support to propel them toward promotion to full professor. Approved funding: \$2 million over three years

Excellence in Teaching and Learning: Development of a Set of Effective Strategies for Course Curriculum Innovation: This project will build on the success of the Hawkeye Introductory Course project, which was initially funded to help students across all undergraduate colleges complete the courses they need to persist in their education and graduate. Approved funding: \$477,960 over two years

Redox Regulation of Immunological Responses During Cancer Therapy Using Novel Redox Active Molecule Approaches that Both Enhance Anti-Tumor Immune Responses and Limit Normal Tissue Injury: This project will enable the development of a new National Cancer Institute grant in early-stage lung cancer treatment and a clinical trial to examine the impact of pharmacological ascorbate combined with immunotherapy for the first time. Approved funding: \$600,000 over two years

Athletics

The SUI Athletic Department is a self-sustaining auxiliary enterprise and receives no general university support. The University of Iowa's \$129 million FY 2023 athletic budget is provided on the following page. The FY2023 proposed budget total of almost \$129 million represents a 10% increase over FY2022 and places the budget at a pre-COVID operating level.

Most primary revenue sources are anticipated to increase in FY 2023. These include football ticket sales due to a favorable home schedule, multi-media income from having complete sport seasons and a rebound in sponsorship sales, athletic conference distributions from additional television revenue, and foundation support due to private support for both the men's and women's wrestling programs.

Sport expense lines include salaries, scholarships, and operating and event costs for the programs. FY 2023 scholarship budgets include tuition and room/board increases, as well as additional annual educational benefits awards.

Salary adjustments for non-contracted sport and administrative salaries results in a 4% average annual expense increase over the FY2022 budget, which are represented in the sport budgets and administration/general expense lines. Football expenses include contracted salary increases and additional travel costs, based on schedule rotation. Other women's sports expense includes \$762,000 for the addition of a women's wrestling program. Training services expense increase mostly relates to student-athlete mental health.

The Athletic Department is responsible for paying the full cost of attendance for the scholarships it awards. SUI Athletics awards the equivalent of approximately 286 scholarships at a cost of approximately \$14.9 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 \$4,254 to \$4,330 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 2023 cost to Athletics for these services is \$22.5 million.

The University of Iowa
Athletics Operating Budget - FY 2023

	FY 2022 Budget	FY 2023 Budget
<u>INCOME</u>		
Men's Sports		
Football	\$ 20,439,099	\$ 22,772,767
Basketball	3,230,000	3,200,000
Wrestling	600,000	750,000
All Other	58,000	58,000
Total Men's Sports	\$ 24,327,099	\$ 26,780,767
Women's Sports		
Basketball	\$ 285,000	\$ 350,000
Volleyball	65,000	40,000
All Other	40,000	40,000
Total Women's Sports	\$ 390,000	\$ 430,000
Other Income		
Facility Debt Service/Student Fees	\$ 650,000	\$ 650,000
Learfield Multi Media Contract Income	6,000,000	7,881,824
Athletic Conference	55,294,100	57,075,904
Interest	650,000	650,000
Foundation Support	12,000,000	16,695,000
Foundation Premium Seat Revenue	11,300,000	11,300,000
Novelties	3,100,000	3,600,000
General Income	3,330,000	3,918,706
Total Other Income	\$ 92,324,100	\$ 101,771,434
TOTAL INCOME	\$ 117,041,199	\$ 128,982,201
<u>EXPENSES</u>		
Men's Sports		
Football	\$ 31,601,901	\$ 36,251,293
Basketball	8,315,204	8,683,525
Wrestling	2,322,666	2,678,641
All Other	4,773,851	4,622,006
Total Men's Sports	\$ 47,013,622	\$ 52,235,465
Women's Sports		
Basketball	\$ 5,502,182	\$ 5,906,561
Volleyball	1,911,307	2,321,279
All Other	13,092,957	15,610,788
Total Women's Sports	\$ 20,506,445	\$ 23,838,628
Other Expenses		
Training Services	\$ 2,621,479	\$ 3,365,856
Sports Information	728,186	709,992
Admin. & General Expenses	17,150,057	18,252,657
Facility Debt Service	16,409,466	17,616,793
Academic & Counseling	2,058,066	2,068,855
Buildings & Grounds	10,553,878	10,893,955
Total Other Expenses	\$ 49,521,132	\$ 52,908,107
TOTAL OPERATING EXPENSE	\$ 117,041,199	\$ 128,982,201

University Housing & Dining

The proposed Residence System budget reflects higher net revenues than the preliminary budget received by the Board in February 2022 due to a significant expected increase in the projected first-year class size. Projected residence hall revenues are based on rates approved by the Board at its April 2022 meeting, fall residence hall occupancy of 6,325 and residence hall board contracts of 7,076.

**University of Iowa
University Housing & Dining Proposed Budget 2022-23**

	Budget 2021-22	Preliminary Budget 2022-23	Proposed Budget 2022-23
OPERATIONS			
Revenues	\$ 72,898,965	\$ 80,017,018	\$ 84,325,349
Expenditures for Operations	55,042,866	56,717,186	56,868,820
Net Revenues	17,856,099	23,299,832	27,456,529
% of Revenues	24.5%	29.1%	32.6%
Debt Service (due July 1)	12,589,120	12,542,713	12,542,713
Mandatory Transfers	600,000	600,000	600,000
Net After Debt Service & Mandatory Transfers	\$ 4,666,979	\$ 10,157,119	\$ 14,313,816
% of Revenues	6.4%	12.7%	17.0%
Debt Service Coverage Ratio	142%	186%	219%
University Overhead Payment	\$ 504,948	\$ 521,189	\$ 524,748
FUND BALANCES (June 30)			
Operation & Maintenance Fund	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Improvement Fund	2,916,250	7,424,500	7,794,500
System Fund	285,535	269,519	3,555,678
Subtotal--Voluntary Reserves	4,201,785	8,694,019	12,350,178
Bond Reserve Fund	13,442,890	13,406,719	13,406,719
Bond Construction Fund	10,982,318	4,336,318	1,336,318
Subtotal--Mandatory Reserves	24,425,208	17,743,037	14,743,037
Total Fund Balances (June 30)	\$ 28,626,993	\$ 26,437,056	\$ 27,093,215
REVENUES AND EXPENDITURES DETAIL			
Revenues			
Contracts	\$ 60,603,176	\$ 69,048,138	\$ 73,917,141
Interest	490,529	693,452	393,930
Other Income	11,805,260	10,275,428	10,014,278
Total Revenues	\$ 72,898,965	\$ 80,017,018	\$ 84,325,349
Expenditures for Operations			
Salaries, Wages & Benefits	\$ 25,911,770	\$ 26,806,905	\$ 26,740,832
Cost of Food or Goods Sold	11,755,514	12,710,856	12,907,844
Other Operating Expense	7,702,730	7,736,411	7,404,752
Utilities	6,216,352	6,250,014	6,561,107
Repairs & Maintenance	3,456,500	3,213,000	3,254,285
Total Expenditures	\$ 55,042,866	\$ 56,717,186	\$ 56,868,820

FY 2023 BUDGETS – IOWA STATE UNIVERSITY

The FY2023 budget aligns with Iowa State University of Science and Technology’s new 2022-2031 Strategic Plan. The plan and budget reinforce Iowa State University’s unique value as the state’s only land-grant institution, and as a student-centric leading research university. The FY2023 budget will enable Iowa State University to prepare Iowa’s future workforce, address urgent and complex problems through research and innovation, create economic opportunities, and improve the quality of life for Iowans in all 99 counties through Extension and Outreach.

The budget was developed in the context of known financial challenges including inflation, recruiting, and retaining talented faculty and staff with market-competitive salaries, and rising technology costs. The budget prioritizes attaining ISU’s mission of teaching, research and extension; expanding critical support services for students; modernizing business practices and technology infrastructure; and enabling effective and efficient operations.

ISU’s strategic plan establishes four thematic pillars, each meant to build on strengths of the university.

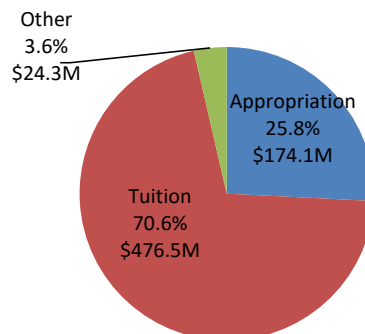
- Innovative Solutions – Innovation, creativity, and an entrepreneurial attitude will inspire the curriculum, decision making and outlook for ISU. The University will bring forth expertise, technologies, novel perspectives and ideas. By striving to bring a creative mindset and unique solutions to the grand challenges of local and global communities, ISU will be recognized for its distinctive approach to environmental, social, economic and cultural sustainability and meeting the needs of society with integrity.
- Education Experience - Promoting an excellent educational experience focused on student engagement, knowledge growth, transformative educational opportunities, and access to a diverse, inclusive, and welcoming educational environment will create a strong foundation for success and prosperity for a well-educated graduate with lifelong relationships to ISU.
- Knowledge and Discovery – ISU will enhance understanding of our universe and create and discover new methods, pedagogies, thought processes, and knowledge. Through deep analysis, research and collaboration, ISU will bring forth new technologies, science, perspectives and ideas to benefit a changing world.
- Community Engagement – Through active participation in and partnership with the local, state, and global communities, ISU advances its land-grant mission to serve society by engaging stakeholders to understand and address their needs and challenges.

ISU FY 2023 General University Operating Budget

Tuition revenues comprise 70.6% of the \$674.8 million General University revenue budget with 25.8% coming from state appropriations. Projected changes in these revenue sources, as well as indirect cost recoveries and other income, result in a \$25.3 million increase in revenue, or 3.9% more than the FY 2022 budget.

	ISU	
FY 2022 Budget	\$ 649.5	million
Revenue Changes:		
Base Appropriation	1.9	million
Tuition	21.8	million
Indirect Cost Recoveries/Other	1.5	million
Revenue Change	25.3	million
FY 2023 Budget	\$ 674.8	million

ISU General University FY23 Revenue Budget



After realizing a \$2.5 million cut for FY 2021 and then being flat-funded for FY 2022, the Iowa General Assembly appropriated a 1.1% increase (\$1.9 million) to the General University for FY 2023.

The Board will consider proposed tuition rate increases for 2022-23 academic year as provided in the docket for this meeting. The enrollment projections for FY 2023, combined with tuition rate increases and implementation of additional differential tuition as outlined in the Board of Regents July 2022 docket item, result in an estimated increase in tuition of \$21.8 million or 4.8% compared to FY2022 budget.

ISU's indirect cost recovery revenue is projected to increase by \$1.5 million (or 7.3%) when compared to FY 2022, as the result of continued success in growing external funding through faculty and staff research and innovation. Interest income is conservatively budgeted flat with the FY 2022 budget due to uncertainty in the financial markets

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. The university has internally reallocated more than \$6.6 million to align the budget with its strategic goals and critical institutional needs.

The University implemented the terms of the AFSCME collective bargaining agreements. ISU operates in a very competitive external environment for faculty and staff talent. The FY 2023 budget includes a 3.1% increase for faculty, staff and postdocs having satisfactory performance and additional discretionary performance-based increases for selected employees having outstanding performance.

The student financial aid budget increased by \$6.3 million (or 5.9%) as compared to the FY 2022 budget, to support students and families, and enable the university to meet its enrollment goals. Other investments include student physical and mental health resources, student assistance, counseling services, and disability accommodations, as well as efforts to create a supportive and welcoming environment on campus. Resources of \$2.6 million is committed to fund other cost increases including fire protection improvements, increased insurance premiums, state auditor expenses and software licensing.

The \$674.9 million General University budget allocated by function is shown below. Expenses related to instruction, academic support, and scholarships and fellowships comprise 71% of all general university expenses.

General University Spending By Function
(\$ in thousands)

	<u>FY 2023</u>	<u>% Total</u>
Instruction	252,166	37.4%
Research	11,612	1.8%
Public Service	5,597	0.8%
Academic Support	104,006	15.4%
Student Services	29,770	4.4%
Institutional Support	87,538	13.0%
Operations & Maintenance of Plant	59,913	8.9%
Scholarships & Fellowships	124,250	18.4%
Total	<u>674,851</u>	<u>100.0%</u>

ISU FY 2023 Special Purpose Operating Budgets

The following table lists ISU’s special purpose units that received state operating funding for FY 2023. With the exception of Cooperative Extension Services, all ISU special purpose units were flat-funded when compared to FY 2022. The following pages contain unit descriptions and the budgets.

<u>ISU SPECIAL PURPOSE UNITS</u>	<u>STATE APPROPRIATIONS</u>		<u>Difference</u>
	<u>FY 2022</u>	<u>FY 2023</u>	
AG. EXP. STATION	29,462,535	29,462,535	-
COOP. EXT SERVICE	18,157,366	18,307,366	150,000
LIVESTOCK DISEASE RESEARCH	170,390	170,390	-
VET DIAGNOSTIC LAB	4,400,000	4,400,000	-
ECONOMIC DEVELOPMENT	2,424,302	2,424,302	-
BIOSCIENCES INNOVATION	2,623,481	2,623,481	-

➤ 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 ISU researchers within and across multiple disciplines. It 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 Experiment Station helps maintain Iowa agriculture as 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, prepare for emerging crop and livestock health and welfare challenges, improve management decisions, and become more resilient in times of change. Experiment Station 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 Experiment Station’s research portfolio, including more than 400 active projects in the last fiscal year, enable innovations 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 Experiment Station support in multiple ways. Over the past five years, the College of Agriculture and Life Sciences has earned more than \$275 million in external funding, averaging more than \$55 million per year. Economic studies show the annual rate of return to society from publicly funding agricultural research is 50% or greater. Many faculty scientists supported by the Experiment Station play important roles in education and extension – training the next generation of agricultural leaders, innovators, and entrepreneurs; and widely sharing discoveries and decision aids through ISU Extension and Outreach.

RESOURCES	<u>FY 2023 Budget</u>
Appropriations	29,462,535
Federal Support	5,653,728
TOTAL RESOURCES	35,116,263
EXPENDITURES	
Salaries/Benefits	24,698,584
Supplies and Services	6,320,769
Utilities	4,000,000
Bldg. Repairs	8,575
Equipment	3,335
Aid to Individuals	85,000
TOTAL EXPENDITURES	35,116,263

➤ ISU Cooperative Extension Service

ISU Extension and Outreach works across Iowa State University’s academic colleges, through Iowa’s 99 counties, and with external partners to engage Iowans in research, education, and extension experiences to address current and emerging challenges, for example avian influenza, food supply and safety, quality childcare, mental health, and financial security. The addition of \$150,000 for FY2023 will be used to host the 2023 National Association of County Agricultural Agents (NACAA) conference. The funds will be used to pay for conference expenses such as venue rental, marketing materials, and travel for ISU Extension staff to attend and coordinate the 2023 conference.

Each year, one in three Iowans – more than one million in total – benefit from extension educational programs for economic growth, healthy families, thriving communities, and sustainable environments. K-12 youth outreach improves college and career readiness, provides opportunities for community service, and prepares them to contribute to Iowa’s workforce. Financial need exists to support extension and outreach initiatives generally, as well as specific challenges such as nutrient reduction, floods, drought, plant and animal diseases, insects (emerald ash borer, for example), and policy changes. Continued financial support ensures practical research, surveillance, and programs are available to help communities and individuals plan for a successful future.

RESOURCES	<u>FY 2023 Budget</u>
Appropriations	18,307,366
Federal Support	<u>10,250,000</u>
TOTAL RESOURCES	28,557,366
EXPENDITURES	
Salaries/Benefits	26,114,225
Supplies and Services	<u>2,443,141</u>
TOTAL EXPENDITURES	28,557,366

➤ 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 industries. This research helps to mitigate the high financial losses producers experience each year due to livestock diseases. Funds appropriated to the program serve as catalysts and are leveraged to earn additional research funds from public and private sources, including the USDA.

The Iowa Livestock Health Advisory Council (ILHAC) includes representatives from all major Iowa animal commodity groups. ILHAC was created to oversee the solicitation and selection of relevant grant proposals. Funds from the special appropriation provide seed money for research projects that address top priorities identified by the livestock and poultry industries; special emphasis is given to projects with significant economic benefit. Recently funded projects include: improving the safety of meat, poultry, and milk; diagnosis and control of emerging diseases in poultry; developing vaccines and diagnostics for porcine epidemic diarrhea, porcine reproductive and respiratory syndrome, and swine influenza, as well as new vaccine platforms for ruminants; advancing the understanding and control of bovine respiratory disease; developing tools to measure welfare and mitigate pain in food animals, and understanding the mechanisms of antimicrobial resistance, improving diagnosis, and developing new alternatives.

Additionally, ILHAC supports the training of veterinary students to ensure future generations of animal health professionals are fully competent and prepared to tackle diseases and other challenges in food-producing animals. ILHAC seed funding has resulted in the development of effective vaccines for porcine circovirus and laying hen peritonitis, rapid diagnostic assays for various diseases, and the detection of emerging threats in livestock and poultry.

RESOURCES	<u>FY 2023 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.

Iowa’s livestock and poultry producers use the VDL extensively to prevent and mitigate costly disease outbreaks. The VDL’s 110,000 caseload is the largest of any in the U.S., and has increased by 10,000 over last year, and by 250% since 2009.

Baseline funding for the VDL is critical to maintain preparedness. The disease status of Iowa (and U.S.) livestock herd and poultry flocks, and subsequently the volume of testing, can change substantially over time, as evidenced by recent outbreaks of avian influenza. Baseline funding also helps keep testing affordable for Iowa producers, which encourages greater utilization and subsequent early detection of disease, and helps to prevent the spread of disease to neighbors.

RESOURCES	<u>FY 2023 Budget</u>
Appropriations	4,400,000
EXPENDITURES	
Salaries/Benefits	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 Iowa businesses navigate workforce challenges, economic uncertainty, inflation, and unstable supply chains. Funding provides applied research with faculty, materials support, and Industry 4.0 implementation (which includes process automation, workforce efficiencies, robotics, and more). Over the past five years, CIRAS and partners have helped more than 4,400 businesses in every Iowa county, creating a client-reported economic impact of \$2.8 billion, with over 30,000 jobs added or retained. CIRAS leverages the state’s investment to generate nearly three times as much support through federal grants and private industry investments.

The SBDC provides research, counsel, and training in managing, financing, and operating small businesses, as well as access to comprehensive information services and experts in a variety of fields. Last year, the 15 SBDC regional centers, serving all 99 counties in Iowa, counseled more than 3,900 clients, helping to create 1,800 new jobs, while supporting another 16,000 jobs. SBDC services also assisted in attracting more than \$99 million in new capital, increasing sales by over \$343 million, and creating 208 new businesses.

ISURP is a fast-growing technology and innovation community for new and expanding businesses engaging with Iowa State University’s faculty, collaborating in research, or accessing specialized equipment. The ISURP spans 550 acres, serves 100 tenants, and supports 2,500 employees and 300 student interns.

RESOURCES	<u>FY 2023 Budget</u>
Appropriations	2,424,302
EXPENDITURES	
Salaries/Benefits	2,159,704
Supplies and Services	190,898
Bldg. Repairs	4,700
Equipment	<u>69,000</u>
TOTAL EXPENDITURES	2,424,302

➤ ISU Biosciences Innovation

Biosciences are a critical and growing area of Iowa’s economy, supporting thousands of high-paying jobs, and contributing significantly to the state’s overall economic development efforts. Three priority bioscience platforms – Biobased Products and Chemicals, Precision and Digital Agriculture, and Vaccines and Immunotherapeutics – represent areas with large markets and significant growth potential. Iowa State University helps lead the state in growing and capturing the economic value these programs offer.

State support has enabled the hiring of chief technology officers for the platforms, as well as seed grants for promising research, support for start-up companies, and market research to identify needs and priorities of Iowa industry stakeholders. To help the state better capitalize on opportunities in the sector, Iowa State University will expand this work to enable enhanced commercialization of new technologies, accelerated translation of scientific breakthroughs, improved collaboration between universities and industry to address the state’s challenges, and further developing the state’s biosciences workforce.

RESOURCES	<u>FY 2023 Budget</u>
Appropriations	2,623,481
EXPENDITURES	
Salaries/Benefits	804,347
Supplies and Services	<u>1,819,134</u>
TOTAL EXPENDITURES	2,623,481

ISU FY 2023 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
- Restricted Fees – includes mandatory student fees as well as miscellaneous conference, workshop, and other continuing education assessments.
- 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 2023 Restricted Fund Budget also includes the following state appropriations:

- Tuition Replacement \$ 9.69 million
- Innovation Fund \$ 1.05 million
- Student Innovation Center \$ 2.00 million
- Veterinary Diagnostic Lab \$28.60 million
- Grape & Wine Institute \$ 0.29 million

ISU Athletics

The ISU Athletic Department is a self-sustaining auxiliary enterprise and receives no general university support. The proposed FY 2023 athletic budget on the following page totals \$106.1 million.

Ticket sales are budgeted lower for FY 2023 since the home football schedule does not include in-state opponents. This projected decrease is partially offset by budgeted increases in men's and women's basketball ticket sales due to last season's success in these programs.

The donation levels for the annual Cyclone Club were increased for FY 2023. ISU Athletics transfers sufficient funds from its Foundation accounts to balance its annual budget. The amount can fluctuate based on availability of donor funds paid restricted to specific projects and the timing of those payments between fiscal years.

Other revenue was budgeted conservatively for FY2022 due to an increase in COVID-19 activity at that time. Other revenue includes rental and event service revenue which are budgeted in a more typical fashion for FY 2023.

Other major revenue sources for athletics include conference/NCAA distributions and multi-media rights are budgeted to slightly increase over the prior year.

Compensation and benefits are higher in FY 2023 primarily due to coaches' salaries and general staff increases.

Expense increases budgeted for FY 2023 include sports nutrition and development gameday cost increases which are tied to increased food costs and capital renewal tied renovations in the Scheman building, CSC soccer field, Jacobson Hunziker room, RV parking lot and Hilton locker rooms.

Debt service savings are realized in FY 2023 from the debt refinancing of the Bergstrom Football Complex.

The Athletic Department is responsible for paying tuition on the scholarships it awards. ISU Athletics awards up to 236 scholarships at a cost of \$9.1 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 \$2,890 to \$3,390 (except stipends for international student athletes which are \$5,430) and are budgeted at a total annual cost to Athletics of approximately \$920,000.

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.. The total cost to Athletics for these services typically ranges between \$20 million to \$25 million. The economic impact of hosting athletic events is not reflected in this amount but is significant to the University and the Ames community. Athletics has committed \$1 million of funding to the general university for scholarships to assist with student retention.

IOWA STATE UNIVERSITY ATHLETICS

	FY 2022 Budget	FY 2023 Proposed
<u>REVENUES</u>		
Ticket Sales:		
Football	\$ 16,150,000	\$ 14,975,000
Men's Basketball	3,750,000	4,300,000
Women's Basketball	350,000	400,000
Wrestling	225,000	185,000
Other Sports	295,000	325,000
Ticket Sales:	20,770,000	20,185,000
Foundation Support	22,808,000	30,052,750
Conference & NCAA Revenue	40,398,000	40,572,000
Multi-Media Rights	5,117,144	5,384,000
Post Season Revenue	350,000	300,000
Student Fees	1,800,000	1,800,000
Licensing	1,000,000	1,000,000
Ancillary Revenue	1,800,000	1,750,000
Other Revenue	4,595,000	5,115,000
TOTAL REVENUES	\$ 98,638,144	\$ 106,158,750
<u>EXPENSES</u>		
Sports Programs - Operations:		
Football	\$ 4,160,000	\$ 4,242,500
Men's Basketball	2,120,000	2,226,500
Women's Basketball	1,180,000	1,218,000
Wrestling	350,000	369,500
Other Sports	3,235,000	3,722,000
Sports Programs - Operations:	11,045,000	11,778,500
Sports Program Support Units:		
Sports Nutrition	3,000,000	3,385,000
Medical	900,000	945,000
Coaching Video	260,000	275,000
Sports Medicine	425,000	445,000
Academic Services	275,000	285,000
Other	575,000	605,000
Sports Program Support Units:	5,435,000	5,940,000
Internal Operations:		
Admin Operations	1,470,000	1,620,000
Flight Services	450,000	450,000
IT Operations	750,000	772,500
Other	355,000	430,000
Internal Operations:	3,025,000	3,272,500
Salaries & Benefits	36,295,692	38,870,153
Scholarships	8,890,000	9,070,820
External Operations	2,770,000	3,054,000
Facilities & Events	12,940,000	13,040,000
Postseason	1,250,000	1,000,000
Debt Service	9,811,694	8,835,744
Capital Projects/Def Maint	7,111,000	11,243,000
TOTAL EXPENSES	\$ 98,573,386	\$ 106,104,717

ISU Residence System

The proposed Residence System budget reflects a slight decrease in net revenues compared to the preliminary budget received by the Board in February 2022. With an expected occupancy increase resulting in additional contract revenue when compared to the preliminary budget, the contract revenue is offset by an expected decrease in catering and retail sales. In addition, inflationary cost increases for utilities also contribute to the slight drop in net revenues.

**Iowa State University
Residence System Proposed Budget 2022-2023**

	Budget 2021-22	Preliminary Budget 2022-23	Proposed Budget 2022-23
OPERATIONS			
Revenues	\$ 87,109,220	\$ 94,410,718	\$ 93,958,590
Expenditures for Operations	64,695,289	69,490,036	70,153,114
Net Revenues	22,413,931	24,920,682	23,805,476
% of Revenues	25.7%	26.4%	25.3%
Debt Service (due July 1)	14,248,793	15,217,043	15,217,043
Net After Debt Service & Mandatory Transfers	\$ 8,165,138	\$ 9,703,639	\$ 8,588,433
% of Revenues	9.4%	10.3%	9.1%
Debt Service Coverage Ratio	157%	164%	156%
University Overhead Payment	\$ 4,188,615	\$ 4,472,086	\$ 4,188,615
FUND BALANCES (June 30)			
Improvement Fund	8,110,414	4,622,996	8,126,516
System Fund	29,294,016	13,535,271	12,434,384
Subtotal--Voluntary Reserves	37,404,430	18,158,267	20,560,900
Bond Reserve Fund	15,149,384	15,413,274	15,413,274
Bond Construction Fund	-	-	-
Subtotal--Mandatory Reserves	15,149,384	15,413,274	15,413,274
Total Fund Balances (June 30)	\$ 52,553,814	\$ 33,571,541	\$ 35,974,174
REVENUES AND EXPENDITURES DETAIL			
Revenues			
Contracts	\$ 72,277,424	\$ 78,949,849	\$ 79,984,525
Interest	255,000	205,000	180,000
Other Income	14,576,796	15,255,869	13,794,065
Total Revenues	\$ 87,109,220	\$ 94,410,718	\$ 93,958,590
Expenditures for Operations			
Salaries, Wages & Benefits	\$ 31,279,018	\$ 35,448,474	\$ 35,415,227
Cost of Food or Goods Sold	10,384,458	11,932,497	11,798,502
Other Operating Expense	13,673,126	11,177,260	11,321,030
Utilities	6,118,959	7,096,952	7,809,084
Repairs & Maintenance	3,239,728	3,834,853	3,809,271
Total Expenditures	\$ 64,695,289	\$ 69,490,036	\$ 70,153,114

FY 2023 BUDGETS – UNIVERSITY OF NORTHERN IOWA

During the FY 2023 budget development process, the university remains committed to the university’s budget principles developed in partnership with the 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 UNI’s 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 throughout FY 2023 budget development, while remaining focused on the success of students and protecting the personalized experience that defines a UNI education.

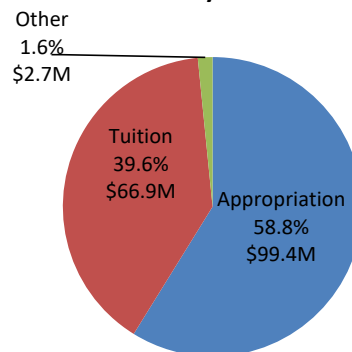
With budget challenges expected for FY 2023 including increases in salaries, utilities and supply costs, the university again had to find solutions to balance the budget. The state appropriation and tuition rate increases, along with budget reductions in operating expenses, resulted in a balanced budget.

UNI FY 2023 General University Operating Budget

State appropriations comprise more than half (59%) of UNI’s proposed FY 2023 General University operating revenue budget with tuition revenue being 40% of budgeted revenues. Projected changes in these and other revenue sources results in total operating revenue that is \$1.7 million less than the FY 2022 budget (1.0% decrease). Of note, the FY 2020 operating revenues totaled \$175.7 million, significantly more than subsequent years’ budgets.

FY 2022 Budget	\$ 170.7 million
Revenue Changes:	
Base Appropriation	1.1 million
Tuition	(2.9) million
Other Revenues	0.1 million
Revenue Change	<u>(1.7) million</u>
FY 2023 Budget	\$ 169.0 million

UNI General University FY23 Revenue Budget



After realizing a \$1.4 million cut for FY 2021 and then being flat-funded for FY 2022, the Iowa General Assembly appropriated a 1.1% increase (\$1.1 million) to the General University for FY 2023.

The Board will consider proposed tuition rate increases for 2022-23 academic year as provided in the docket for this meeting. With the projected enrollment and the proposed tuition rates, FY 2023 tuition revenues are \$2.9 million less than the previous year's budget.

A budgeted increase in indirect cost recoveries from additional sponsored program funding is partially offset by reduced sales and service revenue resulting in a net \$0.1 million increase in these revenue categories.

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, 2022. The agreement provided for a wage increase of 1.3% on July 1, 2022. Professional & Scientific staff salaries are budgeted to increase 3.2%. The Vice Presidents' salaries will increase 2.5% and per the President's request, his salary will remain flat. These increases are offset by budget reductions due to attrition and a slight reduction in fringe benefit rates. After budget reductions, salary increases and changes in fringe benefit rates, total salaries and benefits decreased \$1.7 million or 1.4%.

While the University strives to remain competitive in aid awarded to students, the financial aid budget has declined by \$0.8M due to the declining enrollment.

The \$169 million General University budget allocated by function is shown below. Expenses related to instruction, academic support, and scholarships and fellowships, comprise approximately 59% of all general university expenses.

General University Spending By Function
(\$ in thousands)

	<u>FY 2023</u>	<u>% Total</u>
Instruction	59,369	35.1%
Research	123	0.1%
Public Service	1,515	0.9%
Academic Support	24,858	14.7%
Student Services	9,455	5.6%
Institutional Support	31,670	18.7%
Operations & Maintenance of Plant	26,342	15.6%
Scholarships & Fellowships	15,642	9.3%
Total	<u>168,975</u>	<u>100.0%</u>

UNI FY 2023 Special Purpose Operating Budgets

The following table lists UNI’s special purpose units that received state operating funding for FY 2023. All special purpose appropriations were flat-funded when compared to FY 2022.

<u>UNI SPECIAL PURPOSE UNITS</u>	STATE APPROPRIATIONS		
	<u>FY 2022</u>	<u>FY 2023</u>	<u>Difference</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 Iowans, individuals of different socioeconomic status, and different races and cultures that encourages engaged populations to consider positive changes.

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

RESOURCES	<u>FY 2023 Budget</u>
Appropriations	172,768
EXPENDITURES	
Salaries/Benefits	121,611
Supplies and Services	<u>51,157</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 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 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 Iowa’s economy is more robust.

RESOURCES	<u>FY 2023 Budget</u>
Appropriations	6,354,848
EXPENDITURES	
Salaries/Benefits	705,363
Supplies and Services	<u>5,649,485</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 2023 Budget</u>
Appropriations	123,523
EXPENDITURES	
Salaries/Benefits	123,523

➤ UNI – Economic Development

Four UNI centers or outreach programs have received direct economic development appropriations - the Institute for Decision Making, Metal Casting Center, Center for Business Growth and Innovation/Advance Iowa and Family Business Program. These programs provide valuable, ongoing economic development support to communities, small-and-medium-sized businesses, entrepreneurs, and manufacturers across the state. UNI’s economic development programs served approximately 3,200 unique business clients in the past year and provided economic development services in all 99 Iowa counties for the 21st consecutive year. UNI outreach programs leverage each dollar of direct state appropriations with five dollars of support from federal sources, grants, and fees for service.

RESOURCES	<u>FY 2023 Budget</u>
Appropriations	1,066,419
EXPENDITURES	
Salaries/Benefits	1,000,000
Supplies and Services	<u>66,419</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 2023 Budget</u>
Appropriations	394,321
EXPENDITURES	
Salaries/Benefits	267,485
Supplies and Services	56,848
Equipment	<u>69,988</u>
TOTAL EXPENDITURES	394,321

UNI FY 2023 Restricted Budget

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

The proposed FY 2023 Restricted Fund Budget also includes the following state appropriations:

- Tuition Replacement \$ 3.20 million
- Industrial Tech Center \$26.50 million
- Innovation Fund \$ 0.90 million

UNI Athletics

The University of Northern Iowa's FY 2023 proposed athletic budget provided on the following page projects revenues of \$14.7 million.

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 2023 athletic budget includes \$3.34 million in operational support and \$1.28 million in scholarship support from the University.

New suite offerings in the UNI-Dome and anticipated new sponsorship categories are anticipated to increase athletic marketing revenues. Additional revenue from an anticipated partnership related to the Athletic Training area results in a budget increase in general revenues. These incremental revenues offset the budgeted decline in foundation support.

Scholarship costs of approximately \$4.48 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 \$2,434 at a total annual cost to Athletics of approximately \$92,000.

The budgeted expenses for athletics remain relatively consistent with the FY 2022 budget. Across team and administrative accounts, Athletics provided salary increases consistent with the campus across-the-board P&S percentage. Team and administrative operating budgets were held flat.

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 \$4.74 million in FY 2023 to these University entities for the services.

University of Northern Iowa
FY 2023 Proposed Athletic Budgets

	FY 2022 Original Budget	FY 2023 Proposed Budget
INCOME		
Football	1,148,825	1,100,332
Men's Basketball	829,800	765,175
Men - All Other Sports	107,105	191,000
Women - All Sports	136,900	127,000
Subtotal - Sports	<u>2,222,630</u>	<u>2,183,507</u>
Other Income		
Student Activity Fee	1,861,917	1,814,348
University Support for:		
General Athletics Operations	3,385,936	3,343,490
Scholarships	1,283,481	1,283,481
Alumni/Foundation Support	2,222,000	1,703,000
Athletic Marketing	1,470,000	2,140,500
Athletic Conf/NCAA Support	1,470,000	1,369,600
Novelties - Outings	277,501	297,494
General	313,500	551,100
Subtotal - Other	<u>12,284,335</u>	<u>12,503,013</u>
TOTAL INCOME	<u>14,506,965</u>	<u>14,686,520</u>
EXPENSES		
Men's Sports		
Football	3,667,653	3,719,803
Basketball	2,595,665	2,602,094
All Other Men's Sports	1,376,658	1,352,505
Subtotal - Men's Sports	<u>7,639,976</u>	<u>7,674,402</u>
Women's Sports		
Basketball	1,188,668	1,270,766
Volleyball	902,964	880,719
All Other Women's Sports	2,422,315	2,439,310
Subtotal - Women's Sports	<u>4,513,947</u>	<u>4,590,795</u>
Other Expenses		
Athletic Training	161,397	173,464
Administration & General	1,784,334	1,853,981
Athletic Marketing & Sports Info	407,311	393,878
Subtotal - Other Expenses	<u>2,353,042</u>	<u>2,421,323</u>
TOTAL EXPENSES	<u>14,506,965</u>	<u>14,686,520</u>

UNI Residence System

The proposed Residence System budget remains unchanged from the preliminary budget received by the Board in February 2022. The FY 2023 budget is based on 2,997 students in residence, consistent with the preliminary budget. Housing & Dining has initiated a number of strategies to maintain and increase student occupancy in residence (e.g. ensuring affordability, investing in capital improvements, advancing policy change, creating new programmatic initiatives, ongoing assessment and planning).

**University of Northern Iowa
Residence System Proposed Budget 2022-23**

	Budget 2021-22	Preliminary Budget 2022-23	Proposed Budget 2022-23
OPERATIONS			
Revenues	\$ 29,632,489	\$ 29,952,059	\$ 29,952,059
Expenditures for Operations	22,582,096	22,720,414	22,720,414
Net Revenues	7,050,393	7,231,645	7,231,645
% of Revenues	23.8%	24.1%	24.1%
Debt Service (due July 1)	5,081,075	5,019,131	5,019,131
Mandatory Transfers	300,000	300,000	300,000
Net After Debt Service & Mandatory Transfers	\$ 1,669,318	\$ 1,912,514	\$ 1,912,514
% of Revenues	5.6%	6.4%	6.4%
Debt Service Coverage Ratio	139%	144%	144%
University Overhead Payment	\$ 581,647	\$ 585,844	\$ 585,844
FUND BALANCES (June 30)			
Improvement Fund	\$ 4,324,818	\$ 300,000	\$ 300,000
System Fund	17,562,722	15,359,703	15,359,703
Subtotal--Voluntary Reserves	21,887,540	15,659,703	15,659,703
Bond Reserve Fund	5,943,801	4,562,801	4,562,801
Bond Construction Fund			
Subtotal--Mandatory Reserves	5,943,801	4,562,801	4,562,801
Total Fund Balances (June 30)	\$ 27,831,341	\$ 20,222,504	\$ 20,222,504
REVENUES AND EXPENDITURES DETAIL			
Revenues			
Contracts	\$ 24,841,575	\$ 26,516,375	\$ 26,516,375
Interest	380,000	380,000	380,000
Other Income	4,410,914	3,055,684	3,055,684
Total Revenues	\$ 29,632,489	\$ 29,952,059	\$ 29,952,059
Expenditures for Operations			
Salaries, Wages & Benefits	\$ 12,678,290	\$ 13,112,258	\$ 13,112,258
Cost of Food or Goods Sold	2,867,264	2,897,573	2,897,573
Other Operating Expense	2,563,766	2,204,667	2,204,667
Utilities	3,261,507	3,271,647	3,271,647
Repairs & Maintenance	1,211,269	1,234,269	1,234,269
Total Expenditures	\$ 22,582,096	\$ 22,720,414	\$ 22,720,414

FY 2023 BUDGETS - IOWA SCHOOL FOR THE DEAF

The proposed FY 2023 operating and restricted fund budgets on the following page for the Iowa School for the Deaf total \$12.8 million.

ISD FY 2023 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, addressing 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 2022 General Assembly appropriated a 2.78% increase (approximately \$300,000) in state operating funding for FY 2023. A net increase (\$246,000) is projected in the other revenue sources largely from more interpreters and teacher's aids needed which results in higher sales/service revenue from the AEs.

The budget incorporates the terms of the collective bargaining agreement for merit staff and the approved salary policies of an average 2.0% increase in faculty, P&S staff, and institutional officers' salaries.

ISD FY 2023 Restricted Budget

The FY 2023 restricted budget of \$0.9 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 2023 budget anticipates 12 students attending from Nebraska. A portion of the Nebraska revenue will continue to provide for staffing expenses and curriculum development.

FY 2023 BUDGETS - IOWA SCHOOL FOR THE DEAF			
	Operating Budget	Restricted Budget	Total Budget
REVENUES			
General Appropriation	\$11,089,039	\$ -	\$ 11,089,039
Federal Support	56,970	314,832	371,802
Interest	1,000	525	1,525
Reimbursed Indirect Costs	15,000		15,000
Sales and Services	667,000	552,113	1,219,113
Other Income	186,840		186,840
TOTAL REVENUES	\$12,015,849	\$ 867,470	\$ 12,883,319
EXPENDITURES			
Salaries	\$10,143,335	\$ 327,272	\$ 10,470,607
Prof. & Scien. Supplies/Services	1,294,308	390,198	1,684,506
Library Acquisition	2,000		2,000
Utilities	286,766		286,766
Bldg. Repairs	225,000	150,000	375,000
Aud. of State Reimburse	44,440		44,440
Equipment	20,000		20,000
TOTAL EXPENDITURES	\$12,015,849	\$ 867,470	\$ 12,883,319

**FY 2023 BUDGETS - IOWA EDUCATIONAL SERVICES FOR THE BLIND
AND VISUALLY IMPAIRED**

The proposed FY 2023 operating and restricted fund budgets for the Iowa Educational Services for the Blind and Visually Impaired (IESBVI) on the following page total approximately 10.2 million.

IBSSS FY 2023 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 emphasize 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 2022 General Assembly appropriated a 2.5% increase (\$113,522) in state operating funding for FY 2023. The budget also includes other incremental revenues of approximately (\$132,000) from contracts with the AEA's and DMPS for services provided by the TVIs and COMs.

The budget incorporates the terms of the collective bargaining agreement for merit staff and the approved salary policies of an average 2.0% increase for faculty and P&S staff.

IESBVI FY 2023 Restricted Budget

IESBVI's FY 2023 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 2023 BUDGETS - IESBVI			
	Operating Budget	Restricted Budget	Total Budget
REVENUES			
General Appropriation	\$ 4,654,408		\$ 4,654,408
Federal Support		759,816	759,816
Reimb. Indirect Costs	58,332		58,332
Sales and Services	4,505,865		4,505,865
Other Income		190,000	190,000
TOTAL REVENUES	\$ 9,218,605	\$ 949,816	\$ 10,168,421
EXPENDITURES			
Salaries	\$ 8,013,217	\$ 458,208	\$ 8,471,425
Prof. & Scien. Supplies/Services	1,123,888	441,608	1,565,496
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	\$ 9,218,605	\$ 949,816	\$ 10,168,421

FY 2023 BUDGET – BOARD OFFICE

The Board Office operating budget is supported mainly by state appropriations and institutional support. The FY 2023 state appropriation of \$764,642 remained flat with FY 2022 and institutional reimbursements are consistent with last year’s budget.

BOARD OFFICE BUDGET

	<u>FY 2022</u>	<u>FY 2023</u>
Revenues		
State Appropriations	764,642	764,642
Institutional Reimbursements	3,637,522	3,637,150
Principal Demutualization	<u>2,440</u>	<u>2,440</u>
Total Revenue	4,404,604	4,404,232
Expenses		
Personnel & Board per diem	3,178,855	3,302,241
Travel	80,000	60,000
Office Supplies and Printing	60,000	50,000
Dues	40,000	40,305
Advertising	500	500
Communications	55,000	40,440
Outside Services & Repairs	110,000	118,400
State Audit	20,000	16,500
IT Services	60,000	55,000
Office Equipment & Furnishings	30,000	7,000
Office Space	130,000	131,400
Educational/Training Expense	40,249	30,000
Special Services	<u>600,000</u>	<u>552,446</u>
Total Expenses	4,404,604	4,404,232