

FINAL FY 2006 UNIVERSITY BUDGETS

Action Requested: Consider approval of the Regent university budgets as presented on pages 3-6.

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 Board's Partnership Plan for Transformation and Excellence invests in the universities through a combination of additional state operating appropriations (\$24 million), tuition revenues (\$17 million), and reallocations (\$25 million). Other additional state resources are included in the restricted fund budget.

The Regent institutions have two basic types of funds within the budgets:

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

The final composite FY 2006 institutional general operating and restricted fund budgets are illustrated in the following table.

**INSTITUTIONAL FY 2006 BUDGETS
(in thousands)**

	General Operating Fund	Restricted Fund	Total
SUI	\$1,191,786	\$ 794,920	\$1,986,706
ISU	439,708	509,614	949,322
UNI	145,323	163,750	309,073
ISD	9,396	1,315	10,711
IBSSS	<u>5,460</u>	<u>2,117</u>	<u>7,577</u>
Total	\$1,791,673	\$1,471,716	\$3,263,389

* Including UIHC

The universities have finalized the allocations to the budget units and planned salary expenditures. The hospital units have adjusted budgets to reflect the Board-approved 6.5% rate increase and the targeted operating margin of 3.2%.

Residence System Budgets: In March, the Board received a Governance Report on University Residence Systems that included preliminary budgets. The final FY 2006 residence system revenue budgets of the universities are based on the room and board rates approved at the April 2005 Board meeting. SUI has reduced the expected revenues as a result of occupancy projections being lowered by 121 due to a projected drop in entering first-year students.

FY 2006 Residence System Revenue Budgets

	<u>Preliminary</u>	<u>Final</u>
SUI	\$40,427,958	\$39,287,892
ISU	57,766,598	57,784,793
UNI	<u>25,179,395</u>	<u>25,179,395</u>
Total	\$123,373,951	\$122,252,080

ISU Dining Follow Up: In March, the Board learned that expenses had been exceeding revenues in ISU Dining operations. The Residence System has loaned ISU Dining \$1.45 million since FY 2003. The Board directed ISU to develop a plan to address the budget shortfall.

ISU Dining has been facing financial challenges since taking over the food service venues previously managed by the Memorial Union. These venues include the food court in Memorial Union, catering in the Memorial Union and Scheman Center, vending, and café venues located in various campus buildings.

ISU Dining has completed a comprehensive internal review of its operations and has consulted with the Regent's bond counsel and financial advisor. The following changes are proposed:

- ISU Dining's retail operations will be integrated with the Department of Residence (DOR) board plan dining operations and will function as a division within the residence system. The existing DOR housing operations and the merged dining operations will be treated as a single entity for financial reporting purposes. The net revenues of the combined dorm and dining system are pledged to meet the debt service on outstanding bonds.
- Cost reductions have been identified; commission structures for retail dining operations have been altered; and overhead charges have been reduced.

The University believes the retail dining operations will break even in 2006 and have increasing net revenue in subsequent fiscal years with these changes. The existing loan between DOR and ISU Dining will be eliminated by the merger.

Athletic Budgets: Intercollegiate athletics at the Regent universities are not self-supporting activities. Each University provides some general university support to its athletic department, and student fees support either debt service or operations of the athletic departments. Athletic revenues by institution are summarized below:

FY 2006 Budgeted Athletic Revenues						
	<u>SUI</u>	<u>% of Total</u>	<u>ISU</u>	<u>% of Total</u>	<u>UNI</u>	<u>% of Total</u>
Sports Income	\$20,322,171	43.9%	\$ 9,853,308	35.2%	\$1,396,400	15.5%
Alumni/Foundation/Corp. Support/Sponsorship	6,647,717	14.3%	4,583,500	16.3%	921,170	10.2%
Athletic Conference / NCAA Support	10,532,00	22.7%	6,404,500	22.9%	290,000	3.2%
Univ. Support General & Financial Aid	1,673,359	3.6%	2,852,610	10.2%	4,945,698	54.9%
Student Fees	1,513,683	3.3%	1,125,000	4.0%	1,117,839	12.4%
Other Income	<u>5,629,891</u>	<u>12.2%</u>	<u>3,195,000</u>	<u>11.4%</u>	<u>337,500</u>	<u>3.8%</u>
Total	\$46,318,821	100.0%	\$28,013,918	100.0%	\$9,008,607	100.0%

BOARD OF REGENTS
STATE OF IOWA
FY 2006 GENERAL FUND OPERATING BUDGETS

University of Iowa										
RESOURCES	Univ.	Univ. Hosp.	Psych. Hosp.	CDD	Oakdale Campus	Hyg. Lab	Family Prac.	SCHS	Special Purpose	Subtotal
APPROPRIATIONS										
General	\$226,306,403	\$27,284,584	\$7,043,056	\$6,363,265	\$2,657,335	\$3,849,461	\$2,075,948	\$649,066	\$2,176,510	\$278,405,628
Nonrecurring	\$3,733,125									\$3,733,125
Other	-	-	-	-	-	-	-	-	-	-
RESOURCES										
Federal Support	-	-	-	-	-	-	-	2,582,801	-	2,582,801
Interest	1,180,472	-	-	-	6,000	-	15,000	-	-	1,201,472
Tuition and Fees	214,471,000	-	-	-	-	-	-	-	-	214,471,000
Reimb. Indirect Costs	42,922,000	2,631,800	886,700	240,000	325,000	32,510	-	-	-	47,038,010
Sales and Service	-	622,839,916	13,845,644	2,571,035	-	2,888,231	-	200,000	-	642,344,826
Other Income	125,000	477,600	-	-	75,000	-	-	1,331,563	-	2,009,163
Subtotal - Inst. Income	258,698,472	625,949,316	14,732,344	2,811,035	406,000	2,920,741	15,000	4,114,364	-	909,647,272
TOTAL RESOURCE BUDGET	\$488,738,000	\$653,233,900	\$21,775,400	\$9,174,300	\$3,063,335	\$6,770,202	\$2,090,948	\$4,763,430	\$2,176,510	\$1,191,786,025
EXPENDITURES										
Fac. & Inst. Off. Salaries	212,856,000	30,240,500	1,934,700	840,600	-	-	1,660,758	484,281	636,280	248,653,119
Prof. & Sci. Staff Salaries	75,385,000	232,270,700	10,362,900	4,302,000	82,210	4,167,549	303,698	2,526,983	765,751	330,166,791
General Service Staff Sal.	75,238,000	118,258,700	4,794,700	2,467,500	1,563,043	2,160,020	90,131	890,941	175,504	205,638,539
Hourly Wages	3,048,000	6,226,800	220,700	353,400	-	16,752	9,000	247,035	31,200	10,152,887
Subtotal - Salaries	366,527,000	386,996,700	17,313,000	7,963,500	1,645,253	6,344,321	2,063,587	4,149,240	1,608,735	794,611,336
Supplies and Services	35,940,000	232,926,100	3,135,900	1,011,900	360,424	425,881	27,361	604,190	544,533	274,976,289
Library Acquisitions	11,984,000	-	-	-	-	-	-	-	-	11,984,000
Rentals	-	-	-	-	-	-	-	-	-	0
Utilities	22,938,000	17,116,700	1,326,500	198,900	916,458	-	-	-	-	42,496,558
Bldg. Repairs	6,734,000	7,376,500	-	-	125,000	-	-	-	-	14,235,500
Auditor of State Reimb.	-	-	-	-	-	-	-	-	-	0
Equipment	6,503,000	8,817,900	-	-	16,200	-	-	10,000	23,242	15,370,342
Aid to Individuals	38,112,000	-	-	-	-	-	-	-	-	38,112,000
Subtotal - Other Expenses	122,211,000	266,237,200	4,462,400	1,210,800	1,418,082	425,881	27,361	614,190	567,775	397,174,689
TOTAL EXPENDITURES	\$488,738,000	\$653,233,900	\$21,775,400	\$9,174,300	\$3,063,335	\$6,770,202	\$2,090,948	\$4,763,430	\$2,176,510	\$1,191,786,025

BOARD OF REGENTS
STATE OF IOWA
FY 2006 GENERAL FUND OPERATING BUDGETS

RESOURCES	Iowa State University								FY 2006 General Fund Total
	Gen. Univ.	Exp. Station	Coop. Ext.	Special Purpose	Subtotal	Univ. of Northern Iowa	ISD	IBSSS	
APPROPRIATIONS									
General	\$177,328,345	\$32,117,925	\$20,569,125	\$3,048,584	\$233,063,979	\$81,211,712	\$8,810,471	\$4,930,295	\$606,422,085
Nonrecurring	\$3,620,000	-	-	-	\$3,620,000	\$1,696,875	-	-	\$9,050,000
Other	-	-	-	-	-	-	169,342	88,643	257,985
RESOURCES									
Federal Support	-	4,125,373	8,800,000	-	12,925,373	-	54,000	269,868	15,832,042
Interest	970,000	-	-	-	970,000	550,000	25,000	5,000	2,751,472
Tuition and Fees	169,368,184	-	-	-	169,368,184	59,150,000	-	-	442,989,184
Reimb. Indirect Costs	18,288,180	-	-	-	18,288,180	2,150,000	-	106,279	67,582,469
Sales and Service	-	5,000	5,000	-	10,000	565,000	322,693	41,109	643,283,628
Other Income	1,461,881	-	-	-	1,461,881	-	14,138	18,677	3,503,859
Subtotal - Inst. Income	190,088,245	4,130,373	8,805,000	-	203,023,618	62,415,000	415,831	440,933	1,175,942,654
TOTAL RESOURCE BUDGET	\$371,036,590	\$36,248,298	\$29,374,125	\$3,048,584	\$439,707,597	\$145,323,587	\$9,395,644	\$5,459,871	\$1,791,672,724
EXPENDITURES									
Fac. & Inst. Off. Salaries	152,221,875	19,611,569	6,373,469	688,419	178,895,332	65,011,069	3,420,339	1,742,826	497,722,685
Prof. & Sci. Staff Salaries	63,506,156	7,690,179	16,746,997	1,425,383	89,368,715	25,744,331	1,959,818	518,596	447,758,251
General Service Staff Sal.	42,823,144	3,481,369	2,154,073	268,553	48,727,139	21,985,893	2,161,312	2,216,212	280,729,095
Hourly Wages	5,161,535	509,522	416,991	96,152	6,184,200	1,894,351	-	-	18,231,438
Subtotal - Salaries	263,712,710	31,292,639	25,691,530	2,478,507	323,175,386	114,635,644	7,541,469	4,477,634	1,244,441,469
Supplies and Services	26,440,442	3,763,335	3,452,595	478,777	34,135,149	10,792,102	1,051,291	631,103	321,585,934
Library Acquisitions	8,597,981	-	-	-	8,597,981	1,891,520	8,226	7,212	22,488,939
Rentals	1,137,927	9,089	125,000	-	1,272,016	890,000	-	-	2,162,016
Utilities	20,636,478	146,502	15,000	-	20,797,980	4,311,470	357,997	185,165	68,149,170
Bldg. Repairs	6,589,018	221,842	-	-	6,810,860	1,171,875	298,415	87,257	22,603,907
Auditor of State Reimb.	-	-	-	-	0	235,000	57,000	26,000	318,000
Equipment	5,133,331	555,933	90,000	91,300	5,870,564	610,410	81,246	45,500	21,978,062
Aid to Individuals	38,788,703	258,958	-	-	39,047,661	10,785,566	-	-	87,945,227
Subtotal - Other Expenses	107,323,880	4,955,659	3,682,595	570,077	116,532,211	30,687,943	1,854,175	982,237	547,231,255
TOTAL EXPENDITURES	\$371,036,590	\$36,248,298	\$29,374,125	\$3,048,584	\$439,707,597	\$145,323,587	\$9,395,644	\$5,459,871	\$1,791,672,724

BOARD OF REGENTS
STATE OF IOWA
FY 2006 RESTRICTED FUNDS BUDGETS

REVENUES	SUI	ISU	UNI	ISD	IBSSS	FY 2006 Restricted Total
APPROPRIATIONS						
Iowa Values Fund	\$2,000,000	\$2,000,000	\$1,100,000	-	-	\$5,100,000
Tuition Replacement	10,916,385	8,885,026	4,238,092	-	-	24,039,503
Capital	1,300,000	6,250,000	10,500,000	\$327,000	\$173,000	18,550,000
RESOURCES						
Federal Support	222,550,000	144,949,930	27,000,000	137,512	269,672	394,907,114
Interest	-	2,237,610	2,400,000	30,000	-	4,667,610
Tuition and Fees	39,700,000	14,097,289	11,700,000	-	-	65,497,289
Reimbursed Indirect Costs	21,390,000	8,601,721	-	-	-	29,991,721
Sales and Service	205,920,000	45,369,062	59,700,000	815,867	1,438,735	313,243,664
Other Income	<u>291,143,615</u>	<u>277,223,734</u>	<u>47,111,693</u>	<u>5,000</u>	<u>235,500</u>	<u>615,719,542</u>
Subtotal - Inst. Income	780,703,615	492,479,346	147,911,693	988,379	1,943,907	1,424,026,940
TOTAL REVENUES	\$794,920,000	\$509,614,372	163,749,785	\$1,315,379	\$2,116,907	\$1,471,716,443
EXPENDITURES						
Fac. & Inst. Off. Salaries	\$101,580,000	\$55,581,279	\$4,731,435	\$357,306	\$1,472,752	\$163,722,772
Prof. & Sci. Staff Salaries	134,970,000	75,451,154	13,962,185	158,302	5,000	224,546,641
General Service Staff Salaries	33,850,000	38,595,148	10,584,995	-	57,354	83,087,497
Hourly Wages	<u>21,270,000</u>	<u>19,486,376</u>	<u>6,390,625</u>	<u>-</u>	<u>-</u>	<u>47,147,001</u>
Subtotal - Salaries	291,670,000	189,113,957	35,669,240	515,608	1,535,106	518,503,911
Prof. and Scientific Supplies	212,870,000	176,098,159	42,600,000	262,570	322,561	432,153,290
Library Acquisitions	-	-	8,500	2,600	500	11,600
Rentals	0	-	1,050,000	-	-	1,050,000
Utilities	8,310,000	8,451,018	1,891,500	50,000	-	18,702,518
Building Repairs	3,460,000	11,706,592	3,950,000	460,000	231,740	19,808,332
Auditor of State	-	-	-	1,000	-	1,000
Equipment	19,380,000	6,022,786	3,400,000	23,601	27,000	28,853,387
Student Aid	41,980,000	34,105,807	14,345,000	-	-	90,430,807
Debt Service	39,400,000	37,116,053	37,350,000	-	-	113,866,053
Plant Capital	<u>177,850,000</u>	<u>47,000,000</u>	<u>23,485,545</u>	<u>-</u>	<u>-</u>	<u>248,335,545</u>
Subtotal - Other Expenses	503,250,000	320,500,415	128,080,545	799,771	581,801	953,212,532
TOTAL EXPENDITURES	\$794,920,000	\$509,614,372	\$163,749,785	\$1,315,379	\$2,116,907	\$1,471,716,443

**BOARD OF REGENTS
STATE OF IOWA
FY 2006 ALL FUNDS BUDGETS**

RESOURCES	SUI	ISU	UNI	ISD	IBSSS	FY 2006 All Funds Total
APPROPRIATIONS						
General	\$278,405,628	\$233,063,979	\$81,211,712	\$8,810,471	\$4,930,295	\$606,422,085
Nonrecurring	\$3,733,125	\$3,620,000	\$1,696,875	-	-	\$9,050,000
Iowa Values Fund	2,000,000	2,000,000	1,100,000	169,342	88,643	5,357,985
Tuition Replacement	10,916,385	8,885,026	4,238,092	-	-	24,039,503
Capital	1,300,000	6,250,000	10,500,000	327,000	173,000	18,550,000
RESOURCES						
Federal Support	225,132,801	157,875,303	27,000,000	191,512	539,540	410,739,156
Interest	1,201,472	3,207,610	2,950,000	55,000	5,000	7,419,082
Tuition and Fees	254,171,000	183,465,473	70,850,000	-	-	508,486,473
Reimb. Indirect Costs	68,428,010	26,889,901	2,150,000	-	106,279	97,574,190
Sales and Service	848,264,826	45,379,062	60,265,000	1,138,560	1,479,844	956,527,292
Other Income	293,152,778	278,685,615	47,111,693	19,138	254,177	619,223,401
Subtotal - Inst. Income	1,690,350,887	695,502,964	210,326,693	1,404,210	2,384,840	2,599,969,594
TOTAL RESOURCE BUDGET	\$1,986,706,025	949,321,969	\$309,073,372	\$10,711,023	\$7,576,778	\$3,263,389,167
EXPENDITURES						
Fac. & Inst. Off. Salaries	\$350,233,119	\$234,476,611	69,742,504	3,777,645	3,215,578	661,445,457
Prof. & Sci. Staff Salaries	465,136,791	164,819,869	39,706,516	2,118,120	523,596	672,304,892
General Service Staff Sal.	239,488,539	87,322,287	32,570,888	2,161,312	2,273,566	363,816,592
Hourly Wages	31,422,887	25,670,576	8,284,976	-	-	65,378,439
Subtotal - Salaries	1,086,281,336	512,289,343	150,304,884	8,057,077	6,012,740	1,762,945,380
Prof. and Scientific Supp.	487,846,289	210,233,308	53,392,102	1,313,861	953,664	753,739,224
Library Acquisitions	11,984,000	8,597,981	1,900,020	10,826	7,712	22,500,539
Rentals	0	1,272,016	1,940,000	-	-	3,212,016
Utilities	50,806,558	29,248,998	6,202,970	407,997	185,165	86,851,688
Bldg. Repairs	17,695,500	18,517,452	5,121,875	758,415	318,997	42,412,239
Auditor of State Reimb.	0	-	235,000	58,000	26,000	319,000
Equipment	34,750,342	11,893,350	4,010,410	104,847	72,500	50,831,449
Aid to Individuals	80,092,000	73,153,468	25,130,566	-	-	178,376,034
Debt Service	39,400,000	37,116,053	37,350,000	-	-	113,866,053
Plant Capital	177,850,000	47,000,000	23,485,545	-	-	248,335,545
Subtotal - Other Expenses	900,424,689	437,032,626	158,768,488	2,653,946	1,564,038	1,500,443,787
TOTAL EXPENDITURES	\$1,986,706,025	\$949,321,969	\$309,073,372	\$10,711,023	\$7,576,778	\$3,263,389,167