

Contact: Brad Berg

**FY 2013 BUDGETS – UNIVERSITIES, IOWA PUBLIC RADIO, BOARD OFFICE**

**Actions Requested:** Consider approval of the:

1. Regent university FY 2013 budgets as presented on pages 5-8 and in the attachments.
2. Iowa Public Radio FY 2013 budget as presented in Attachment D on page 26.
3. Board Office FY 2013 budget as shown in Attachment E on page 27.
4. FY 2012 amended budget for Specialized Children’s Health Services at the University of Iowa as provided on page 15.

**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 and fee revenues, reimbursed indirect costs, and sales and services revenues. Some appropriations are designated for specific operating uses and cannot be used for other purposes.
- 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, 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 which include budget details specific to each university, Iowa Public Radio, 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 2013 Regent Enterprise consolidated budget exceeds \$4.7 billion. The table on page 8 includes the detailed budgeted revenues and expenditures from all funds for Iowa’s public universities and special schools.

FY 2013 REGENT ENTERPRISE BUDGET  
(in millions)

	SUI*	ISU	UNI	ISD	IBSSS	Total
General Operating	1,698.9	574.5	171.1	9.3	8.0	2,461.8
Restricted	1,434.1	639.3	162.4	1.9	3.9	2,241.6
Total	3,133.0	1,213.8	333.5	11.2	11.9	4,703.4

\*includes UIHC

**University Operating Budgets**

The primary revenue sources providing FY 2013 general operating funds for Iowa’s public universities are state appropriations and tuition revenues.

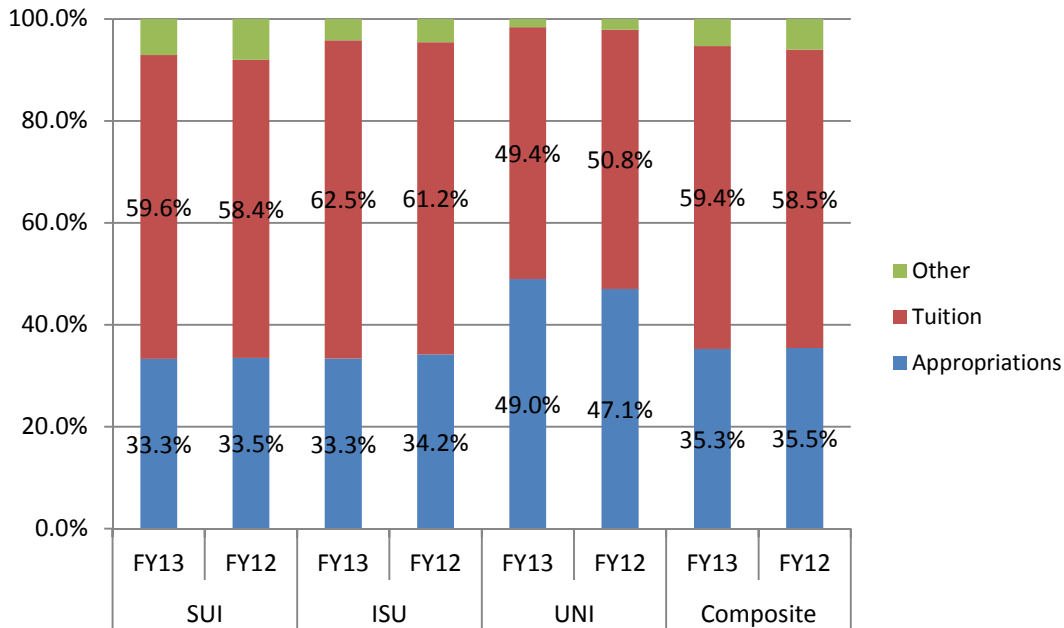
Due to actions taken by the General Assembly and Governor, the general university base operating appropriations for FY 2013 are \$18.3 million more than FY 2012 and total \$467.1 million. Each general university appropriation was increased 3.2% with UNI receiving an additional \$4 million base budget adjustment. FY 2013 is the first time these appropriations have increased since the beginning of FY 2009 when the funding totaled \$592.5 million.

General University Operating Appropriations

	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY13 Less FY12</u>	<u>% Change</u>
SUI	209,737,311	216,414,572	6,677,261	3.2%
ISU	164,345,198	169,577,342	5,232,144	3.2%
UNI	74,734,586	81,113,859	6,379,273	8.5%
Total	448,817,095	467,105,773	18,288,678	4.1%

The following chart compares estimated FY 2012 funding sources with the FY 2013 budget for each university. UNI is equally reliant on state appropriations and tuition revenue for operations while SUI and ISU state funding levels are approximately one-third of total operating revenues.

**General University Funding Sources**



The Board approved a resident undergraduate tuition increase of 3.75% for the 2012-13 academic year at its December 2011 meeting; non-resident tuition increases of 4.75% at SUI, 2.63% at ISU, and 3.75% at UNI were also approved last December. The tuition rate increases, coupled with current enrollment projections, are anticipated to generate \$45.8 million in incremental gross tuition revenue for FY 2013 compared to FY 2012.

In general, each university's special purpose units receiving state general fund appropriations were flat-funded when compared to FY 2012. Exceptions include an approximate \$3 million increase in FY 2013 for the Iowa Math and Science Education Partnership and a \$1.5 million general fund appropriation for the Iowa Flood Center (funded from Rebuild Iowa Infrastructure Fund in previous years). Generally, the FY 2013 special purpose appropriations are 21.7% less than original FY 2009 funding amounts.

Reflective of the service nature of the universities, salaries and related benefit costs comprise 68% of the composite university operating budgets. The universities must adhere to the terms of the AFSCME collective bargaining agreement for merit staff. The terms of the agreement provide for a 2% increase on July 1, 2012, and a 1% increase on January 1, 2013. In addition, eligible employees (those not at the maximums of their pay grades) will continue to receive 4.5% increases on their anniversary dates. Generally, non-organized faculty and professional and scientific salary increases averaged 2.5% for FY 2013 and were based upon performance, competitive market conditions, and equity issues.

Restricted Budgets

The restricted fund budgets include the FY 2013 capital appropriations approved by the General Assembly for ISU's Biorenewables Complex-Agricultural and Biosystems Engineering Building, SUI's Dental Science Building Renovation, and UNI's Bartlett Hall Renovation.

In addition, the restricted fund budgets include the \$25.1 million tuition replacement appropriation allocated to the three Regent universities to fund the debt service on academic building revenue bonds.

The restricted budgets also include \$3.0 million (allocated 35/35/30 among SUI, ISU, and UNI) for the Regent Innovation Fund to support economic development projects. The universities will provide a one-to-one match of these funds for capacity-building infrastructure in areas related to technology commercialization, entrepreneurship, and business growth. Proposals for allocation and use of the Regent Innovation Fund appropriation are contained in Agenda Item 6g.

Athletic Budgets

Each of the Regent universities host 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 2013 athletic revenue budgets total \$149.6 million. Details pertaining to each university's proposed FY 2013 athletic budget are included in the attachments.

Athletic Revenues			
	FY 2012	FY 2013	
	Estimates	Budget	Difference
SUI	75,279,121	80,620,771	5,341,650
ISU	50,278,893	56,647,839	6,368,946
UNI	12,054,478	12,325,269	270,791
<b>Total</b>	<b>137,612,492</b>	<b>149,593,879</b>	<b>11,981,387</b>

Residence System Budgets

Residence systems, which include dining services, are self-supporting operations and do not receive state-appropriated funds for operations or capital improvements. Residence system budgets total approximately \$185 million for the three universities.

Residence systems are independent entities within each university and are included in the restricted fund budgets. The Board received the FY 2013 residence system preliminary budgets as part of the residence system governance report presented in March.

The final proposed FY 2013 residence system budgets for SUI and UNI have been updated and ISU's system budget remains unchanged from the preliminary budget previously received by the Board. FY 2013 rate increases for the traditional double room with full board were 3.74% at SUI, 1.33% at ISU, and 2.30% at SUI as approved by the Board in April 2012. The proposed detailed budgets for each university residence system are provided in the attachments.

University Residence Systems FY 2013 Budgets					
	SUI		ISU	UNI	
	Preliminary	Final	Preliminary & Final	Preliminary	Final
Revenues	\$ 64,777,160	\$ 64,587,971	\$ 84,341,329	\$ 38,995,051	\$ 36,519,545
Expenditures for Operations	50,519,729	49,957,404	61,553,559	28,029,498	27,004,497
Debt Service and Mandatory Transfers	7,134,453	7,054,382	11,002,919	5,317,986	5,289,380
Net Revenues after Debt Service and Mandatory Transfers	\$ 7,122,978	\$ 7,576,185	\$ 11,784,851	\$ 5,647,567	\$ 4,225,668

Special Schools

The Board approved the following FY 2013 budgets for the Iowa School for the Deaf, and the Iowa Braille and Sight Saving School at the June 2012 meeting. Each of the special schools received a 2% increase in state operating funding for FY 2013, consistent with the allowable growth received by Iowa's K-12 community school districts.

FY 2013 Special School Budgets

	<u>Operating</u>	<u>Restricted</u>	<u>Total</u>
ISD	9,339,802	1,859,301	11,199,103
IBSSS	7,992,679	3,949,386	11,942,065

Iowa Public Radio

In December 2004, the Board approved the creation of Iowa Public Radio, which includes WSUI-AM and KSUI-FM at the University of Iowa (KSUI Radio Group); WOI AM and FM, KTPR-FM, KOWI-FM, and KWOI-FM at Iowa State University (WOI Radio Group); and KUNI-FM and KHKE-FM at the University of Northern Iowa (KUNI Radio Group).

In May 2007, the Board approved the Public Service Operating Agreement between Iowa Public Radio and the Board of Regents. Under the operating agreement, Iowa Public Radio manages the operations of the Radio Groups.

For FY 2013, the General Assembly appropriated \$391,568 for IPR operations resulting in flat-funding (0% increase) when compared to FY 2012. The proposed FY 2013 budget for Iowa Public Radio is contained in Attachment D on page 26.

BOARD OF REGENTS, STATE OF IOWA  
FY 2013 GENERAL FUND OPERATING BUDGETS

University of Iowa										
	Gen. Univ.	Univ. Hosp.	Psych. Hosp.	CDD	Oakdale Campus	Hyg. Lab	Family Prac.	SCHS	Special Purpose	Subtotal
<b>APPROPRIATIONS</b>										
General	\$216,414,572	\$27,284,584			\$2,186,558	\$3,536,716	\$1,788,265	\$659,456	\$3,969,192	\$255,839,343
Other		45,654,133								45,654,133
<b>RESOURCES</b>										
Federal Support	1,667,428	10,951,815	-15,000	17,000	11,000		5,000			12,637,243
Interest	387,373,000									387,373,000
Tuition and Fees	44,448,000	3,176,100	1,711,448	132,467	1,150,000	151,361				50,769,376
Reimb. Indirect Costs		901,640,348	27,575,346	8,373,612	120,000	2,624,944				940,334,250
Sales and Service	125,000	5,851,632	257,982							6,234,614
Other Income	433,613,428	921,619,895	29,529,776	8,523,079	1,281,000	2,776,305	5,000	0	0	1,397,348,483
Subtotal - Inst. Income	\$650,028,000	\$994,558,612	\$29,529,776	\$8,523,079	\$3,467,558	\$6,313,021	\$1,793,265	\$659,456	\$3,969,192	\$1,698,841,959
<b>TOTAL REVENUES</b>										
<b>EXPENDITURES</b>										
Fac. & Inst. Of. Salaries	\$235,260,000	\$69,416,636	\$3,576,618	\$438,058		\$83,332		\$225,866	\$919,879	\$309,920,389
Prof. & Sci. Staff Salaries	128,419,000	394,727,064	13,808,367	4,523,312	100,253	3,976,572	244,921	415,958	1,368,839	547,584,286
General Service Staff Sal.	73,019,000	163,981,832	7,168,941	2,148,384	2,103,241	1,763,858	57,048	10,401	313,788	250,566,493
Hourly Wages	4,148,000	7,397,547	172,516	207,363			26,000		43,709	11,995,135
Subtotal - Salaries	440,846,000	635,523,079	24,726,442	7,317,117	2,203,494	5,823,762	327,969	652,225	2,646,215	1,120,066,303
Supplies and Services	56,546,000	325,980,802	3,227,330	830,893	176,229	486,734	1,465,296	7,231	1,050,635	389,771,150
Library Acquisitions	16,865,000									16,865,000
Rentals	4,200,000	4,200,441	18,839	3,015	30,000	2,525			165,000	8,619,820
Utilities	34,524,000	27,536,188	1,545,930	290,252	1,045,335					64,941,705
Bldg. Repairs	12,758,000	1,318,102	11,235	81,802						14,169,139
Auditor of State Reimb.	605,000									605,000
Equipment	2,900,000				12,500				20,442	2,932,942
Aid to Individuals	80,784,000								86,900	80,870,900
Subtotal - Other Expenses	209,182,000	359,035,533	4,803,334	1,205,962	1,264,064	489,259	1,465,296	7,231	1,322,977	578,775,656
<b>TOTAL EXPENDITURES</b>	\$650,028,000	\$994,558,612	\$29,529,776	\$8,523,079	\$3,467,558	\$6,313,021	\$1,793,265	\$659,456	\$3,969,192	\$1,698,841,959

BOARD OF REGENTS, STATE OF IOWA  
FY 2013 GENERAL FUND OPERATING BUDGETS (continued)

	Iowa State University						University of Northern Iowa				FY 2013 Operating Total	
	Gen. Univ.	Exp. Station	Coop. Ext.	Special Purpose	Subtotal	Gen. Univ.	Special Purpose	Subtotal	ISD	IBSSS		
<b>APPROPRIATIONS</b>												
General	\$169,577,342	\$28,111,877	\$17,936,722	\$6,232,200	\$221,858,141	\$81,113,859	\$5,575,274	\$86,689,133	\$8,853,563	\$3,691,310	\$576,931,490	
Other									82,049		45,736,182	
<b>RESOURCES</b>												
Federal Support					13,700,000			821,000	54,000	332,000	14,086,000	
Interest	140,000		8,800,000		140,000	821,000		821,000	5,000		13,603,243	
Tuition and Fees	317,617,930				317,617,930	81,737,099		81,737,099			786,728,029	
Reimb. Indirect Costs	19,890,000				19,890,000	1,416,649		1,416,649		41,269	72,117,294	
Sales and Service						458,393		458,393	333,274	3,928,100	945,054,017	
Other Income	1,328,000				1,328,000			0	11,916		7,574,530	
Subtotal - Inst. Income	338,975,930	4,900,000	8,800,000	0	352,675,930	84,433,141	0	84,433,141	404,190	4,301,369	1,839,163,113	
<b>TOTAL REVENUES</b>	\$508,553,272	\$33,011,877	\$26,736,722	\$6,232,200	\$574,534,071	\$165,547,000	\$5,575,274	\$171,122,274	\$9,339,802	\$7,992,679	\$2,461,830,785	
<b>EXPENDITURES</b>												
Fac. & Inst. Off. Salaries	\$197,000,000	\$19,400,000	\$6,300,000	\$2,240,000	\$224,940,000	\$72,594,536	\$305,750	\$72,900,286	\$3,335,518	\$4,980,100	616,076,293	
Prof. & Sci. Staff Salaries	87,000,000	7,800,000	15,500,000	2,604,610	112,904,610	29,447,112	578,755	30,025,867	2,093,163	325,835	692,933,761	
General Service Staff Sal.	41,300,000	2,600,000	1,500,000	614,500	46,014,500	25,095,891	93,998	25,189,889	2,204,248	1,323,445	325,298,575	
Hourly Wages	3,300,000	200,000	105,000	48,000	3,653,000	1,703,786	37,500	1,741,286			17,389,421	
Subtotal - Salaries	328,600,000	30,000,000	23,405,000	5,507,110	387,512,110	128,841,325	1,016,003	129,857,328	7,632,929	6,629,380	1,651,698,050	
Supplies and Services	52,088,122	2,149,877	3,193,722	725,090	58,156,811	11,374,039	4,559,271	15,933,310	1,098,989	906,375	465,866,635	
Library Acquisitions	10,820,000				10,820,000	1,992,009		1,992,009	8,226	2,000	29,687,235	
Rentals	1,600,000	17,000	82,000		1,699,000	822,421		822,421			11,141,241	
Utilities	28,900,000	75,000	6,000		28,981,000	5,764,000		5,764,000	315,520	315,000	100,317,225	
Bldg. Repairs	7,000,000	200,000			7,200,000	1,400,000		1,400,000	181,442	58,824	23,009,405	
Auditor of State Reimb.	545,150				545,150	262,150		262,150	35,000	31,100	1,478,400	
Equipment	4,000,000	300,000	25,000	0	4,325,000	450,142		450,142	67,696	50,000	7,825,780	
Aid to Individuals	75,000,000	270,000	25,000	0	75,295,000	14,640,914		14,640,914			170,806,814	
Subtotal - Other Expenses	179,953,272	3,011,877	3,331,722	725,090	187,021,961	36,705,675	4,559,271	41,264,946	1,706,873	1,363,299	810,132,735	
<b>TOTAL EXPENDITURES</b>	\$508,553,272	\$33,011,877	\$26,736,722	\$6,232,200	\$574,534,071	\$165,547,000	\$5,575,274	\$171,122,274	\$9,339,802	\$7,992,679	\$2,461,830,785	

BOARD OF REGENTS  
STATE OF IOWA  
FY 2013 RESTRICTED FUNDS BUDGETS

	SUI	ISU	UNI	ISD	IBSSS	FY 2013 Restricted Total
<b>APPROPRIATIONS</b>						
Innovation Fund	\$1,050,000	\$1,050,000	\$900,000			\$3,000,000
Tuition Replacement	9,607,432	9,243,942	6,279,038			25,130,412
Capital	10,250,000	20,050,000	7,786,000	1,000,000	1,000,000	40,086,000
Grape & Wine		238,000				238,000
IowaCare Receipts-Practice Plan	16,277,753					16,277,753
<b>RESOURCES</b>						
Federal Support	283,521,000	170,000,000	26,000,000	162,299	328,378	480,011,677
Interest	18,844,000		1,900,000	1,500		20,745,500
Tuition and Fees	77,508,000	16,000,000	18,500,000			112,008,000
Reimbursed Indirect Costs	24,862,000	10,700,000				35,562,000
Sales and Service	550,182,000	50,000,000	84,068,006	692,502		684,942,508
Other Income	442,021,815	362,000,000	17,000,000	3,000	2,621,008	823,645,823
Subtotal - Inst. Income	1,396,938,815	608,700,000	147,468,006	859,301	2,949,386	2,156,915,508
<b>TOTAL REVENUES</b>	\$1,434,124,000	\$639,281,942	\$162,433,044	\$1,859,301	\$3,949,386	\$2,241,647,673
<b>EXPENDITURES</b>						
Fac. & Inst. Off. Salaries	\$282,948,000	\$65,000,000	\$7,694,405	\$569,524	\$24,200	\$356,236,129
Prof. & Sci. Staff Salaries	221,798,000	100,000,000	20,173,601	58,696		342,030,297
General Service Staff Salaries	63,378,000	45,000,000	11,300,000	176,131		119,854,131
Hourly Wages	29,456,000	21,000,000	7,500,000			57,956,000
Subtotal - Salaries	597,580,000	231,000,000	46,668,006	804,351	24,200	876,076,557
Prof. and Scientific Supplies	341,341,000	221,281,942	50,335,038	38,650	311,678	613,308,308
Library Acquisitions	209,000		30,000	1,300		240,300
Rentals	12,575,000		1,200,000			13,775,000
Utilities	11,592,000	13,000,000	3,000,000	3,000	55,500	27,650,500
Building Repairs	6,755,000	4,000,000	3,200,000	1,010,000	3,531,608	18,496,608
Auditor of State				1,000		1,000
Equipment	47,998,000	15,000,000	3,000,000	1,000	26,400	66,025,400
Student Aid	62,099,000	57,000,000	20,000,000			139,099,000
Debt Service	119,317,000	38,000,000	14,000,000			171,317,000
Plant Capital	234,658,000	60,000,000	21,000,000			315,658,000
Subtotal - Other Expenses	836,544,000	408,281,942	115,765,038	1,054,950	3,925,186	1,365,571,116
<b>TOTAL EXPENDITURES</b>	\$1,434,124,000	\$639,281,942	\$162,433,044	\$1,859,301	\$3,949,386	\$2,241,647,673

BOARD OF REGENTS  
STATE OF IOWA  
FY 2013 ALL FUNDS BUDGETS

	SUI	ISU	UNI	ISD	IBSSS	FY 2013 All Funds Total
<b>APPROPRIATIONS</b>						
General	\$255,839,343	\$221,858,141	\$86,689,133	\$8,853,563	\$3,691,310	\$576,931,490
IowaCare Receipts-Practice Plan	16,277,753	-	-			16,277,753
Innovation Fund	1,050,000	1,050,000	900,000			3,000,000
Tuition Replacement	9,607,432	9,243,942	6,279,038			25,130,412
Capital	10,250,000	20,050,000	7,786,000	1,000,000	1,000,000	40,086,000
Other	45,654,133			82,049	-	45,736,182
Grape & Wine		238,000				238,000
<b>RESOURCES</b>						
Federal Support	283,521,000	183,700,000	26,000,000	216,299	660,378	494,097,677
Interest	31,481,243	140,000	2,721,000	6,500	-	34,348,743
Tuition and Fees	464,881,000	333,617,930	100,237,099			898,736,029
Reimb. Indirect Costs	75,631,376	30,590,000	1,416,649		41,269	107,679,294
Sales and Service	1,490,516,250	50,000,000	84,526,399	1,025,776	3,928,100	1,629,996,525
Other Income	448,256,429	363,328,000	17,000,000	14,916	2,621,008	831,220,353
Subtotal - Inst. Income	2,794,287,298	961,375,930	231,901,147	1,263,491	7,250,755	3,996,078,621
<b>TOTAL REVENUES</b>	\$3,132,965,959	1,213,816,013	333,555,318	\$11,199,103	\$11,942,065	\$4,703,478,458
<b>EXPENDITURES</b>						
Fac. & Inst. Off. Salaries	\$592,868,389	\$289,940,000	\$80,594,691	\$3,905,042	\$5,004,300	\$972,312,422
Prof. & Sci. Staff Salaries	769,382,286	212,904,610	50,199,468	2,151,859	325,835	1,034,964,058
General Service Staff Sal.	313,944,493	91,014,500	36,489,889	2,380,379	1,323,445	445,152,706
Hourly Wages	41,451,135	24,653,000	9,241,286			75,345,421
Subtotal - Salaries	1,717,646,303	618,512,110	176,525,334	8,437,280	6,653,580	2,527,774,607
Prof. and Scientific Supp.	731,112,150	279,438,753	66,268,348	1,137,639	1,218,053	1,079,174,943
Library Acquisitions	17,074,000	10,820,000	2,022,009	9,526	2,000	29,927,535
Rentals	21,194,820	1,699,000	2,022,421			24,916,241
Utilities	76,533,705	41,981,000	8,764,000	318,520	370,500	127,967,725
Bldg. Repairs	20,924,139	11,200,000	4,600,000	1,191,442	3,590,432	41,506,013
Auditor of State Reimb.	605,000	545,150	262,150	36,000	31,100	1,479,400
Equipment	50,930,942	19,325,000	3,450,142	68,696	76,400	73,851,180
Aid to Individuals	142,969,900	132,295,000	34,640,914			309,905,814
Debt Service	119,317,000	38,000,000	14,000,000			171,317,000
Plant Capital	234,658,000	60,000,000	21,000,000			315,658,000
Subtotal - Other Expenses	1,415,319,656	595,303,903	157,029,984	2,761,823	5,288,485	2,175,703,851
<b>TOTAL EXPENDITURES</b>	\$3,132,965,959	\$1,213,816,013	\$333,555,318	\$11,199,103	\$11,942,065	\$4,703,478,458



**FY 2013 BUDGETS – UNIVERSITY OF IOWA**

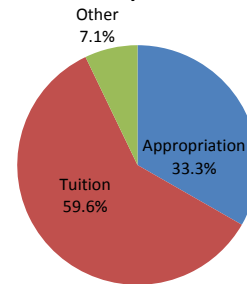
The FY 2013 General University budget has been developed based on the most current information available regarding revenue projections and an expenditure plan guided by the University’s strategic plan – Renewing the Iowa Promise: Great Opportunities – Bold Expectations. All other SUI budgets were developed under similar or identical policies and budget guidelines.

**SUI FY 2013 General University Operating Budget**

State appropriations and tuition revenue comprise roughly 93% of SUI’s proposed FY 2013 General University operating budget of \$650 million. Projected changes in these revenue sources as well as indirect cost recoveries and interest income result in \$24.2 million in incremental revenue when compared to FY 2012.

FY 2012 Budget	\$ 625.8 million
Revenue Changes:	
Appropriation	6.7 million
Tuition	21.6 million
Indirect Cost Recoveries	(4.1) million
Revenue Increase	<u>24.2 million</u>
FY 2013 Budget	\$ 650.0 million

**SUI General University FY13 Revenue Budget**



The General University’s FY 2013 operating appropriation of \$216.4 million is 3.2% greater (\$6.7 million) than FY 2012.

In total, the University is projecting gross tuition revenue of \$21.6 million above the FY 2012 budget. The University is anticipating an incoming freshman class at or slightly below the record number from a year ago and also expects larger returning class sizes. For FY 2013, the Board approved a 3.75% tuition increase for all resident students and for nonresident professional students and a 4.75% increase for nonresident undergraduate and graduate students in December 2011. In addition to base tuition increases, the Board also approved tuition supplements in selected areas that will yield approximately \$1.1 million for corresponding programmatic improvements and for student aid.

Current projections indicate FY 2012 indirect cost recoveries will be \$2.4 million less than the FY 2012 budget. For FY 2013, the University expects recoveries to decline an additional \$1.7 million from the FY 2012 estimates primarily due to the expected reduction of non-recurring federal ARRA grant awards.

The University’s FY 2013 reallocation policy was guided by the overall operational plan coupled with final determination of available resources and the need to fund unavoidable and other essential cost increases. The University is requiring colleges and support units reallocate approximately 0.5% of the FY 2012 base to support university strategic needs. Approximately \$2.7 million will be reallocated from within the General University to support undergraduate, graduate, and professional student success initiatives and other strategic priorities.

The University implemented the terms of all collective bargaining agreements, the salary policy approved by the Board, and charges fringe benefits in accord with federally approved rate structures.

- The average budget cost for merit increases in FY 2013 is 4.12%.
- The voluntary agreement with the organized graduate students (COGS) provided for a 2.5% increase on July 1, 2012.
- Funds equal to 2.5% of the recurring faculty and P&S staff salaries plus projected fringe benefit costs will be allocated to General University supported budgetary units. The average faculty and P&S staff salary increases averaged a maximum of 2.5% within each college or administrative unit and ranged between 0% and 4%.

In February 2012, the University completed negotiations with the federal government establishing the FY 2013 fringe benefit rates for each employee category. These negotiated rates are applied to salaries as they are paid to fund the employer's share of fringe benefit costs. On January 1, 2011, the University implemented the final phase of several recommended changes to its flexible health/dental/life benefit system (excludes AFSCME staff covered under collective bargaining) to better control cost increases and to distribute benefits equitably to individual faculty and staff. For FY 2013, benefit costs related to merit staff will increase by \$0.9 million while P&S and faculty costs will decrease by \$1.9 million. The net effect of changes in fringe benefit rates on the existing General University compensation base is a decrease of \$1.0 million.

The FY 2013 budget supports several strategic priorities related to student success, utility and energy conservation, and building renewal.

SUI plans to increase student financial aid by \$5.3 million for cost of attendance inflation, enrollment growth, graduate assistant scholarships, and eligibility growth in several scholarship award programs. The University will also designate an additional \$1.35 million in operating support and \$14 million in capital support for the Library Commons Project, and provide a \$1 million allocation to be matched by participating colleges for additional tenure track faculty.

Utility expenses are expected to increase \$1.8 million and include the General University's share of renewal and improvement costs for expanded plant and distribution systems serving the campus, energy conservation investments, and general inflationary increases for supplies, services, fuel and purchased electricity. The University's strategic plan identifies sustainability as a foundational commitment and as a key strategic initiative to achieve improvements in energy conservation, renewable energy reliance, and waste reduction.

The projected net incremental cost to occupy new, improved, or reassigned buildings in FY 2013 is expected to be \$0.2 million. These costs include utilities, custodial services, information technology and general maintenance for the College of Public Health Building, Women's Resource and Action Center, and new research space. Incremental costs of \$0.7 million are partially offset by a \$0.5 million reduction primarily from the College of Public Health moving out of rented UIHC space.

The University's building renewal strategic objective includes two components. The first continues to be attaining financial support for renewal equal to 1% of the replacement cost of all General University supported buildings. The second is designated funding for future capital renewal equal to 1.5% of replacement value for each new major addition or building project. These goals are funded from the building renewal budget, operations and maintenance budget, capital appropriations, bonding authorizations, and designated gifts and grants. The University plans to increase its General University building renewal budget by \$2.5 million and includes amounts deferred from earlier budget reductions and also accounts for capital renewal for square footage increases in General University supported buildings.

Other General University projected cost increases total \$2.9 million and primarily include the commitment of undergraduate tuition supplements, library acquisitions, and flood recovery.

#### FY 2013 Special Purpose Appropriations

The proposed budgets for UIHC, Psychiatric Hospital, Center for Disabilities and Development, Oakdale Campus, Hygienic Laboratory, Family Practice, and Specialized Children's Health Services are provided on page 5.

SUI's consolidated special purpose budget (\$4.0 million) on page 5 includes Primary Health Care, State Cancer Registry, Substance Abuse, Biocatalysis, Iowa Registry for Congenital and Inherited Disorders, Non-Profit Resource Center, Advance Drug Development, Oakdale Research Park, Technology Innovation Center, and the Iowa Flood Center. The 2012 General Assembly appropriated new recurring operating funding of \$1.5 million to the Iowa Flood Center which had previously been funded with one-time sources. The Iowa Flood Center's overarching objective is to improve flood monitoring, prediction capabilities, and to develop strategies to reduce and manage floods.

SUI's special purpose units were flat-funded (0% increase) for FY 2013 when compared to FY 2012.

University of Iowa Hospitals and Clinics (UIHC)

The proposed FY 2013 UIHC budget of \$994.6 million (page 5) represents a 6.55% increase when compared to the FY 2012 budget.

In FY 2013, the strategic focus for UIHC will continue to center on offering a broad spectrum of clinical services to all patients, serving as the primary teaching hospital for the state, 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 2013 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.

Revenue challenges include the potential impacts of healthcare reform and cost control measures on Medicare/Medicaid payment rates, the continuing challenge related to Iowa Medicaid rates, the changing landscape of healthcare reimbursements, and a significant change made to outpatient payment methodology by the dominant managed care payor in Iowa.

State appropriations from the IowaCare Account include \$27.3 million with an additional \$45.7 million available as needed for the care of Iowa's indigent population during FY 2013. The IowaCare appropriations do not provide funding for dental services, pharmaceuticals, and durable medical equipment, even though UIHC provides these services.

Additional net revenues are required in FY 2013 to achieve the budgeted 3% operating margin. The Board approved a 6.0% rate increase in April effective July 1, 2012. Market data indicate that UIHC continues to have lower rate adjustments when compared to academic medical center peers and other Midwest healthcare institutions. UIHC projects increased demand for its services in FY 2013. Inpatient acute admissions are forecasted to increase 2% with outpatient activity anticipated to grow 4.5%. Average length of stay for acute admissions is expected to decrease by 0.225 days.

UIHC reports there are ever-increasing challenges on the healthcare industry to maintain funding sources while keeping operating expenses manageable. Supply and labor inflation continue to grow at a higher rate than the change in payor rates. An average "all-in" salary and benefit increase of 3.7% is projected for FY 2013. Wage increases are affected by collective bargaining agreements, market competitive salaries and the associated benefit costs. Medical and surgical supply costs are estimated to rise at least 2%, and pharmaceutical costs are anticipated to increase 6%. Utilities and administrative services purchased from the University are expected to increase 1.3% and 5.6% respectively.

Other UIHC units include the Psychiatric Hospital, the Center for Disabilities and Development, and Specialized Child Health Services. The proposed combined FY 2013 budget of these units is \$38.7 million as provided on page 5.

SUI FY 2013 Restricted Fund Budget

The Restricted Fund includes the Organized Activities Fund, the Auxiliary Enterprise Fund, the Current Restricted Fund and the Plant Fund and involves virtually every department in budget planning.

- Organized Activities Fund – includes continuing education, medicine and dentistry practice plan funds, sports camps, conferences and institutes, and various publications and workshops
- Auxiliary Enterprise Fund – includes athletics, residence halls, 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 proposed FY 2013 Restricted Fund Budget includes the following state appropriations:

- Tuition Replacement \$ 9.61 million
- Dental Science Building Renovation \$ 10.25 million
- Regent Innovation Fund \$ 1.05 million

Beginning in FY 2013, gross revenues and expenses related to the Medical and Dentistry Practice Plans are included in the restricted budget. Since their creation, the practice plans were considered to be agency funds and non-university controlled resources. After an internal review, the University concluded the plans should not be treated as agency funds and in April 2012, consulted with the State Auditor's Office which concurred with the recommendation. A small portion of the Medical Practice Plan funding comes from the IowaCare Account (\$16.3 million) to partially compensate physicians for care provided to IowaCare patients.

Athletics

The SUI Athletic Department is a self-sustaining auxiliary enterprise and receives no general university support. The University of Iowa's \$80.6 million FY 2013 athletic budget is provided on the following page.

Men's sports income is expected to increase \$2.3 million in FY 2013 primarily due to the guarantee from the football game at Soldier Field (Chicago) and also from ticket price increases for football and basketball.

Athletic conference revenue is also expected to increase \$2.3 million primarily from additional television distribution funds.

Student fees reported in the athletic budget fund the debt service on Student Recreation Services facilities financed through Athletics.

Football expenses are expected to increase \$1.6 million from the FY 2012 budget resulting from contractual compensation and a reclassification of approximately \$1 million in "football support" salary costs from administrative to football to parallel reports required by the NCAA and the Equity in Athletics Disclosure Act. The increase in Men's and Women's "Other Sports" expenses is the result of increased scholarship costs and travel expenses.

The Athletic Department is responsible for paying tuition resulting from awarding scholarships. SUI Athletics awards the equivalent of approximately 300 scholarships at a cost of approximately \$9.2 million which are included in the applicable sports expense lines.

The facility debt service budget increase is the result of the projected debt payments related to the Football Training Facility.

The Athletic Department purchases services that benefit numerous entities within the University including, Public Safety, UIHC, parking, scholarships, utilities, and residence services. The projected total FY 2013 cost to Athletics for these services is \$18.4 million.

**The University of Iowa  
Athletics Operating Budget**

	<b>FY 2012 Budget</b>	<b>FY 2012 Estimate</b>	<b>FY 2013 Budget</b>
<b><u>INCOME</u></b>			
<b>Men's Sports</b>			
Football	\$ 20,879,309	\$ 21,790,457	\$ 22,863,371
Basketball	\$ 2,602,243	\$ 2,549,447	\$ 2,870,421
Wrestling	\$ 425,000	\$ 479,278	\$ 475,000
All Other	\$ 12,000	\$ 14,328	\$ 12,000
<b>Total Men's Sports</b>	<b>\$ 23,918,552</b>	<b>\$ 24,833,510</b>	<b>\$ 26,220,792</b>
<b>Women's Sports</b>			
Basketball	\$ 185,000	\$ 169,789	\$ 185,000
Volleyball	\$ 13,000	\$ 13,958	\$ 13,000
All Other	\$ 13,000	\$ 12,646	\$ 13,000
<b>Total Women's Sports</b>	<b>\$ 211,000</b>	<b>\$ 196,393</b>	<b>\$ 211,000</b>
<b>Other Income</b>			
Facility Debt Service/Student Fees	\$ 500,000	\$ 529,225	\$ 650,000
Learfield Multi Media Contract Income	\$ 5,407,000	\$ 5,407,000	\$ 5,557,000
Athletic Conference	\$ 22,844,000	\$ 23,719,791	\$ 25,107,000
Interest	\$ 500,000	\$ 536,731	\$ 500,000
Foundation Support	\$ 8,614,664	\$ 5,773,101	\$ 8,838,779
Foundation Premium Seat Revenue	\$ 7,700,000	\$ 7,926,439	\$ 7,850,000
Novelties--Bookstore	\$ 3,000,000	\$ 3,731,932	\$ 3,000,000
General Income	\$ 2,247,500	\$ 2,625,000	\$ 2,686,200
<b>Total Other Income</b>	<b>\$ 50,813,164</b>	<b>\$ 50,249,217</b>	<b>\$ 54,188,979</b>
<b>TOTAL INCOME</b>	<b>\$ 74,942,716</b>	<b>\$ 75,279,121</b>	<b>\$ 80,620,771</b>
<b><u>EXPENSES</u></b>			
<b>Men's Sports</b>			
Football	\$ 16,437,772	\$ 15,816,396	\$ 18,095,891
Basketball	\$ 5,123,290	\$ 5,105,278	\$ 5,114,506
Wrestling	\$ 1,126,937	\$ 1,108,367	\$ 1,292,938
All Other	\$ 4,039,707	\$ 4,010,135	\$ 4,324,011
<b>Total Men's Sports</b>	<b>\$ 26,727,706</b>	<b>\$ 26,040,177</b>	<b>\$ 28,827,346</b>
<b>Women's Sports</b>			
Basketball	\$ 3,205,034	\$ 3,134,985	\$ 3,319,629
Volleyball	\$ 1,151,326	\$ 1,173,459	\$ 1,187,516
All Other	\$ 7,801,245	\$ 7,795,144	\$ 8,324,227
<b>Total Women's Sports</b>	<b>\$ 12,157,605</b>	<b>\$ 12,103,588</b>	<b>\$ 12,831,372</b>
<b>Other Expenses</b>			
Training Services	\$ 1,563,072	\$ 1,558,982	\$ 1,655,047
Sports Information	\$ 691,951	\$ 726,919	\$ 670,086
Admin. & General Expenses	\$ 10,839,656	\$ 11,159,964	\$ 9,983,579
Facility Debt Service	\$ 11,736,734	\$ 11,736,733	\$ 14,593,071
Transfer-New Facility Costs/Reserves	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Academic & Counseling	\$ 1,730,688	\$ 1,661,912	\$ 1,695,600
Buildings & Grounds	\$ 8,495,304	\$ 9,290,846	\$ 9,364,670
<b>Total Other Expenses</b>	<b>\$ 36,057,405</b>	<b>\$ 37,135,356</b>	<b>\$ 38,962,053</b>
<b>TOTAL OPERATING EXPENSE</b>	<b>\$ 74,942,716</b>	<b>\$ 75,279,121</b>	<b>\$ 80,620,771</b>

University Housing & Dining

The proposed FY 2013 residence system budget reflects a slight increase in net revenues when compared to the preliminary budget received by the Board in March 2012 primarily due to lower utility rates than originally projected. Occupancy projections have not changed significantly since the preliminary budget was completed. The residence halls are again expected to be at or slightly above capacity and apartments are budgeted at a 97% occupancy rate.

**University of Iowa  
University Housing Proposed Budget 2012-13**

	Estimates 2011-12	Preliminary Budget 2012-13	Proposed Budget 2012-13
<b>OPERATIONS</b>			
Revenues	\$ 63,212,496	\$ 64,777,160	\$ 64,587,971
Expenditures for Operations	47,966,807	50,519,729	49,957,404
Net Revenues	15,245,689	14,257,431	14,630,567
% of Revenues	24.1%	22.0%	22.7%
Debt Service (due July 1)	4,703,627	6,534,453	6,454,382
Mandatory Transfers	600,000	600,000	600,000
Net After Debt Service & Mandatory Transfers	\$ 9,942,062	\$ 7,122,978	\$ 7,576,185
% of Revenues	15.7%	11.0%	11.7%
Debt Service Coverage Ratio	324%	218%	227%
University Overhead Payment	\$ 575,676	\$ 598,934	\$ 599,760
<b>FUND BALANCES (June 30)</b>			
Operation & Maintenance Fund	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Improvement Fund	8,625,000	8,455,000	8,455,000
System Fund	3,076,035	3,587,422	4,039,803
Subtotal--Voluntary Reserves	12,701,035	13,042,422	13,494,803
Bond Reserve Fund	4,583,971	6,376,306	6,376,306
Bond Construction Fund	-	14,000,000	14,000,000
Subtotal--Mandatory Reserves	4,583,971	20,376,306	20,376,306
<b>Total Fund Balances (June 30)</b>	<b>\$ 17,285,006</b>	<b>\$ 33,418,728</b>	<b>\$ 33,871,109</b>
<b>REVENUES AND EXPENDITURES DETAIL</b>			
<b>Revenues</b>			
Contracts	\$ 51,603,998	\$ 53,097,262	\$ 53,058,324
Interest	614,727	594,012	576,758
Other Income	10,993,771	11,085,886	10,952,889
Total Revenues	\$ 63,212,496	\$ 64,777,160	\$ 64,587,971
<b>Expenditures for Operations</b>			
Salaries, Wages & Benefits	\$ 20,827,515	\$ 22,318,802	\$ 22,318,076
Cost of Food or Goods Sold	7,978,364	8,324,082	8,201,738
Other Operating Expense	10,232,928	10,332,818	10,330,159
Utilities	5,577,096	6,126,574	5,665,805
Repairs & Maintenance	3,350,904	3,417,453	3,441,626
Total Expenditures	\$ 47,966,807	\$ 50,519,729	\$ 49,957,404

FY 2012 Amended Operating Budget – Specialized Children’s Health Services (SCHS)

Board policy requires approval of increases in general operating budgets. The University of Iowa is requests an FY 2012 budget ceiling adjustment of \$350,000 for SCHS.

The programs within the SCHS budget unit provide medical evaluation and care coordination in collaboration with community based providers for oncology and hemophilia children, high risk infants and other special needs children. UI physicians provide consultations with the physicians, pharmacists, and therapy staff for these special clinical populations within the child’s medical home across the State of Iowa. Staff navigators assist families and local providers in the management of complex treatment plans. This care coordination has been demonstrated to improve clinical outcomes and reduce the cost of chronic care. A significant portion of the funding for these programs is received through a Federal Title V Block Grant. This funding follows a federal fiscal year and allows for a one year carryover period to expend these funds. The utilization of these carryover funds often results in variances between budget projections and actual revenue and expense activity. The proposed budget amendment is provided below.

	<b>SCHS</b>		
	<u>Current Budget</u>	<u>Adjustments</u>	<u>Amended Budget</u>
<b>REVENUES</b>			
General Appropriations	659,456		659,456
Federal Support	2,724,743	350,000	3,074,743
Sales & Service	475,000		475,000
Other Income	1,129,710		1,129,710
<b>TOTAL REVENUES</b>	<b>4,988,909</b>	<b>350,000</b>	<b>5,338,909</b>
<b>EXPENDITURES</b>			
Fac. & Inst. Off. Salaries	510,510		510,510
Prof. & Sci. Staff Salaries	2,734,859		2,734,859
General Service Staff Sal.	758,603	175,000	933,603
Hourly Wages	253,946		253,946
Subtotal - Salaries	4,257,918	175,000	4,432,918
Supplies and Services	730,991	175,000	905,991
<b>TOTAL EXPENDITURES</b>	<b>4,988,909</b>	<b>350,000</b>	<b>5,338,909</b>

**FY 2013 BUDGETS – IOWA STATE UNIVERSITY**

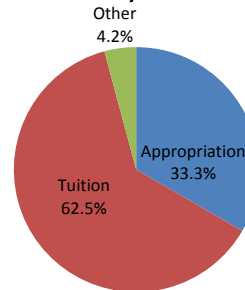
Iowa State University’s strategic plan, Meeting the Challenges of the 21st Century is closely aligned with the land grant mission and reinforces the University’s responsibility to the State of Iowa. ISU plans and budgets using the Resource Management Model, a responsibility-centered and incentive-driven approach to budget development. The basic tenets of the model are to attribute revenues and fully allocate administrative costs to colleges and other major administrative units. The model provides revenue and growth incentives to units; rewards efficiency and collaboration, and differentially impacts units based upon performance.

**ISU FY 2013 General University Operating Budget**

State appropriations and tuition revenue comprise roughly 96% of ISU’s proposed FY 2013 General University \$509 million operating budget. Projected changes in these revenue sources as well as indirect cost recoveries and interest income result in \$27.8 million in incremental revenue when compared to FY 2012.

FY 2012 Budget	\$	480.8	million
Revenue Changes:			
Appropriation		5.2	million
Tuition		23.2	million
Indirect Cost Recoveries/Int		(0.6)	million
Revenue Increase		<u>27.8</u>	million
FY 2013 Budget	\$	508.6	million

**ISU General University FY13 Revenue Budget**



The General University’s FY 2013 operating appropriation of \$169.6 million is 3.2% greater (\$5.2 million) than FY 2012.

The Board approved tuition increases of 3.75% for resident undergraduate and graduate students, 2.63% for nonresident undergraduate and graduate students, 6.0% for resident professional students, and 3.5% for nonresident professional students at its December 2011 meeting. ISU expects enrollment to be strong and record-setting in the upcoming academic year. The tuition rates coupled with enrollment projections are expected to generate \$23.2 million in incremental gross tuition revenue in FY 2013.

Indirect cost recoveries, interest, and other income for FY 2013 are expected to decrease by approximately \$0.6 million when compared to FY 2012. While contract and grant awards remain strong, the budget reflects the challenge of predicting these revenues which are realized only when grant and contract expenditures occur.

Redirecting resources to high priority activities is an on-going part of the planning process for budget development. The University has redirected resources of \$14.6 million to support salary and health insurance cost increases, enhance teaching capacity resulting from the enrollment increase, augment central services such as classroom technology maintenance and classroom scheduling, new research initiatives, and support start-up costs for newly hired research faculty.

ISU’s expense planning focused on assessing capacity and maintaining quality as enrollment continues to grow, supporting growth in research grants, attracting top talent, and improving efficiency across an administrative infrastructure that has been adversely impacted by budget reductions in recent years.

The growth in enrollment and research activity has driven the need for building faculty ranks across a full range of disciplines resulting in faculty hires in the sciences, engineering, design, and other key areas. The University has committed \$8.2 million to these faculty start-up costs and an additional \$2.5 million to seed new ideas in economic development, technology transfer, and research innovation.



Salary and related benefit costs for faculty and P&S staff are projected to increase a total of \$8.4 million for FY 2013 resulting from the Board-approved salary policy. Overall, expenditures for faculty and staff salaries will increase by an average of 2.44%. Fringe benefit costs for faculty and P&S staff are stable except for medical and dental insurance costs, which assume a 5% increase in health care and dental insurance premiums.

Approximately \$1.8 million is committed to implement the AFSCME contract for merit personnel, including supervisory and confidential employees. This includes annual increases, mid-year steps, medical and dental insurance benefits, and the annualization cost of step increases received during FY 2012.

Undergraduate enrollment has increased nearly 20% during the past five years, resulting in greater demand for student support and services and research activity. The University has allocated an additional \$5.5 million for undergraduate financial aid and dedicated \$1.3 million in additional support for student organizations, improved wireless network access, additional financial aid advisors, and support for international students. The budget also commits \$2.6 million for renovations and reconfigurations of existing space, and to hire key student advisors in needed areas. Additional commitments of \$2.8 million will support successful research programs, including library resources, databases, research support staff, and graduate assistants.

Institutional support for core services such as fire protection, campus safety, refuse collection, utilities, property insurance premiums, and correcting of deferred maintenance is increased by \$4.5 million.

Other FY 2013 cost increases include the commitment of \$3 million in permanent funding previously supported from nonrecurring resources for marketing, systems development, and the offices of the ombudsman and sustainability, and an additional \$1.3 million for administrative functions.

#### ISU FY 2013 Special Purpose Operating Budgets

The proposed budgets for the Agricultural Experiment Station and Cooperative Extension Services are provided on page 6. The estimates for direct federal appropriations that support the core elements of Iowa State's land grant mission in the Agriculture and Home Economics Experiment Station and the Cooperative Extension Service are being held constant given the high levels of uncertainty in the federal budget process. As the outcomes from that process become clear, mid-year adjustments to programs will be made, and operating budgets will be adjusted as necessary.

ISU's consolidated special purpose budget (\$6.2 million) on page 6 includes the Institute for Physical Research and Technology (IPRT), Small Business Development Centers (SBDC), Leopold Center, Livestock Disease Research, Research Park/ISIS, and the Veterinary Diagnostic Lab.

State appropriations for ISU's special purpose units remained flat (0% increase) for FY 2013 when compared to FY 2012.

#### ISU FY 2013 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 and student financial aid
- Student Fees and Continuing Education Tuition
- 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 2013 Restricted Fund Budget also includes the following state appropriations;

- |  |                  |
|--|------------------|
| • Tuition Replacement  | \$ 9.24 million  |
| • Biorenewables Complex - Ag and Biosystems Engineering Building | \$ 19.05 million |
| • Science and Technology Research Park                           | \$ 1.00 million  |
| • Regent Innovation Fund   | \$ 1.05 million  |
| • Grape & Wine Institute   | \$ 0.20 million  |

### ISU Athletics

In September 2010, the University presented a plan to the Board to eliminate general university support for athletics beginning in FY 2012. The proposed \$56.7 million FY 2013 athletic budget on the following page contains no general university support.

The cost of full-priced season tickets remains unchanged for football and men's basketball for FY 2013. FY 2013 ticket revenue is conservatively budgeted at approximately FY 2012 budgeted amounts.

Due to increased conference and other generated revenues in FY 2012, fundraising resources were retained as reserves and not needed to support operations. A portion of these resources and capital project funds will be used in FY 2013 for repurposing the Jacobsen/Olsen facilities, a new golf facility lease, replacing the Lied Recreation track damaged in the flood, and several projects to correct deferred maintenance.

FY 2013 salary projections are approximately \$2 million higher than FY 2012 due to staff salary increases in accordance with the Regent salary policy, contractual obligations, and additional staffing needs for the information technology, compliance, and facilities/maintenance areas.

Conference expenses are expected to return to base following higher than projected costs in FY 2012 due to various transition costs related to the hiring of a new Big 12 Commissioner.

External Operations costs are expected to increase in FY 2013 as Athletics assumes costs associated with athletic fundraising for major capital projects previously expensed by the Foundation.

FY 2012 debt service estimates exceed the budget due to the early retirement of debt from the Jack Trice - East Concourse Project and the Hilton Scoreboard. In addition, FY 2012 estimates and the FY 2013 budget include the debt service funded by major gifts from donors previously part of the ISU Foundation and now reflected in athletics (aligns with reflecting Foundation fundraising expenses for athletics in athletic operations). Examples include the Bergstrom Football Practice Facility, Jacobson's Football Concourse/Plaza Renovations, and the Sukup Basketball Complex.

The Athletic Department is responsible for paying tuition resulting from awarding scholarships. ISU Athletics awards the equivalent of approximately 236 scholarships at a cost of approximately \$5.8 million as reflected in the budget.

The Athletic Department purchases services that benefit numerous entities within the University including, tuition and room board from scholarship payments, facilities, University services, and utilities. The projected total cost to Athletics for these services is \$18.3 million.

IOWA STATE UNIVERSITY ATHLETICS

	FY 2012 Budget	FY 2012 Estimates	FY 2013 Proposed
<b>REVENUES</b>			
<b>Ticket Sales:</b>			
Football	\$ 8,557,074	\$ 9,556,952	\$ 8,260,943
Men's Basketball	2,325,000	2,656,664	2,325,000
Women's Basketball	550,000	526,443	530,000
Wrestling	140,000	133,806	100,000
Other Sports	205,000	283,679	250,000
<b>Ticket Sales:</b>	<b>11,777,074</b>	<b>13,157,544</b>	<b>11,465,943</b>
<b>Fundraising:</b>			
Cyclone Club	5,842,150	1,650,000	5,980,000
Football Suites	1,603,915	1,565,629	1,600,000
Jack Trice Club	600,000	585,005	600,000
Special Events	-	-	100,000
Court Cy'd & Mat Cy'd Club	25,000	7,286	125,000
Capital Project Transfers	85,000	1,163,581	5,434,794
<b>Fundraising:</b>	<b>8,156,065</b>	<b>4,971,501</b>	<b>13,839,794</b>
<b>Conference &amp; NCAA Revenue</b>	<b>16,038,435</b>	<b>21,036,169</b>	<b>21,030,949</b>
<b>Multi-Media Rights</b>	<b>3,344,725</b>	<b>3,332,725</b>	<b>3,364,725</b>
<b>Post Season Revenue</b>	<b>1,400,000</b>	<b>1,781,904</b>	<b>1,300,000</b>
<b>Investment Income</b>	<b>107,606</b>	<b>120,623</b>	<b>-</b>
<b>Student Fees</b>	<b>1,640,000</b>	<b>1,708,049</b>	<b>1,776,600</b>
<b>Licensing</b>	<b>514,206</b>	<b>616,319</b>	<b>696,172</b>
<b>Game guarantees</b>	<b>275,000</b>	<b>361,000</b>	<b>550,000</b>
<b>Auxillary Revenue</b>	<b>1,195,000</b>	<b>1,442,642</b>	<b>1,100,227</b>
<b>Other Revenue</b>	<b>1,696,200</b>	<b>1,908,485</b>	<b>1,584,000</b>
<b>TOTAL REVENUES</b>	<b>\$ 46,144,310</b>	<b>\$ 50,436,961</b>	<b>\$ 56,708,410</b>
<b>EXPENSES</b>			
<b>Sports Programs - Operations:</b>			
Football	\$ 2,912,327	\$ 3,160,761	\$ 2,795,670
Men's Basketball	1,389,000	1,428,669	1,415,000
Women's Basketball	706,750	735,130	864,400
Wrestling	215,480	209,856	215,480
Other Sports	1,717,439	1,857,573	2,082,780
<b>Sports Programs - Operations:</b>	<b>6,940,996</b>	<b>7,391,989</b>	<b>7,373,330</b>
<b>Sports Program Support Units:</b>			
Medical	550,000	495,213	600,000
Video Operations	223,400	244,356	169,332
Athletic Training	213,220	219,842	251,850
Academic Services	184,990	263,317	218,600
Other	227,265	227,686	257,560
<b>Sports Program Support Units:</b>	<b>1,398,875</b>	<b>1,450,414</b>	<b>1,497,342</b>
<b>Internal Operations:</b>			
Admin Operations	464,530	630,331	584,000
Big 12 Expenses	1,433,654	1,678,000	1,451,000
Airplane Support	150,000	134,644	138,083
IT Operations	276,000	272,606	338,000
Other	197,196	134,437	233,800
<b>Internal Operations:</b>	<b>2,521,380</b>	<b>2,850,018</b>	<b>2,744,883</b>
<b>Salaries &amp; Benefits</b>	<b>16,910,625</b>	<b>16,828,044</b>	<b>18,920,847</b>
<b>Scholarships</b>	<b>5,843,039</b>	<b>5,420,667</b>	<b>5,841,942</b>
<b>External Operations</b>	<b>1,374,063</b>	<b>1,494,526</b>	<b>1,999,360</b>
<b>Facilities &amp; Events</b>	<b>4,100,000</b>	<b>4,290,965</b>	<b>5,239,946</b>
<b>Postseason</b>	<b>1,890,000</b>	<b>2,417,831</b>	<b>2,000,000</b>
<b>Debt Service</b>	<b>3,435,723</b>	<b>7,047,907</b>	<b>6,286,189</b>
<b>Capital Projects</b>	<b>1,827,550</b>	<b>1,086,532</b>	<b>4,744,000</b>
<b>Coaching Change</b>	<b>(200,000)</b>	<b>-</b>	<b>-</b>
<b>TOTAL EXPENSES</b>	<b>\$ 46,042,251</b>	<b>\$ 50,278,893</b>	<b>\$ 56,647,839</b>

ISU Residence System

The proposed Residence System budget remains unchanged from that presented to the Board at the March 2012 meeting and is provided below. The budget is based on a slight increase in occupancy when compared to FY 2012 with an overall occupancy-to-capacity ratio of 98.4%.

**Iowa State University  
Residence System Proposed Budget 2012-13**

	<b>Estimates 2011-12</b>	<b>Proposed Budget 2012-13</b>
<b>OPERATIONS</b>		
Revenues	\$ 83,173,143	\$ 84,341,329
Expenditures for Operations	58,491,231	61,553,559
Net Revenues	24,681,912	22,787,770
% of Revenues	29.7%	27.0%
Debt Service (due July 1)	10,572,527	10,502,919
Mandatory Transfers	605,000	500,000
Net After Debt Service & Mandatory Transfers	\$ 13,504,385	\$ 11,784,851
% of Revenues	16.2%	14.0%
Debt Service Coverage Ratio	233%	217%
University Overhead Payment	\$ 1,738,618	\$ 1,649,618
<b>FUND BALANCES (June 30)</b>		
Improvement Fund	\$ 15,444,411	\$ 13,104,324
System Fund	14,795,895	15,611,855
Subtotal--Voluntary Reserves	30,240,306	28,716,179
Sinking Fund		
Bond Reserve Fund	10,545,176	10,545,176
Bond Construction Fund		
Subtotal--Mandatory Reserves	10,545,176	10,545,176
<b>Total Fund Balances (June 30)</b>	<b>\$ 40,785,482</b>	<b>\$ 39,261,355</b>
<b>REVENUES AND EXPENDITURES DETAIL</b>		
<b>Revenues</b>		
Contracts	\$ 64,927,560	\$ 66,669,704
Interest	161,000	170,000
Other Income	18,084,583	17,501,625
Total Revenues	\$ 83,173,143	\$ 84,341,329
<b>Expenditures for Operations</b>		
Salaries, Wages & Benefits	\$ 28,480,063	\$ 30,847,805
Cost of Food or Goods Sold	10,632,833	10,786,040
Other Operating Expense	10,420,059	10,699,558
Utilities	6,770,470	6,957,458
Repairs & Maintenance	2,187,806	2,262,698
Total Expenditures	\$ 58,491,231	\$ 61,553,559

**FY 2013 BUDGETS – UNIVERSITY OF NORTHERN IOWA**

During the FY 2013 budget development process, operational decisions were made with a strong focus on University goals and priorities as identified in the strategic plan; Leadership and Innovation for the Future: Transforming Opportunities into Reality. UNI’s primary goals are to provide a premier undergraduate educational experience, provide a premier teacher-education program, and increase services to the citizens of the State of Iowa. In addition, the following guiding principles were applied to the process:

- Maintain affordability and accessibility
- Maintain the academic mission to ensure program quality and timely graduation
- Provide a safe campus for students and staff
- Make strategic operational changes rather than across-the-board cuts

The University operating budget will support the following goals as identified in the strategic plan;

- Be a leading undergraduate public university that provides a strong liberal arts foundation,
- Provide rigorous and relevant graduate education that meets the needs of graduate students, the university, and the community,
- Be a state and national leader in pre K-12 education,
- Create and maintain an inclusive educational environment that prepares students to thrive in a diverse global environment,
- Enhance the economic, social, cultural, and sustainable development of the state, and
- Ensure accountability, affordability, and access.

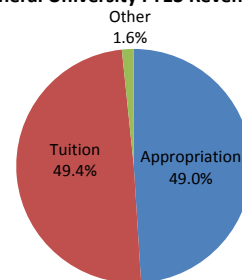
The University of Northern Iowa plans to continue several key strategies to mitigate or reduce costs and improve efficiencies including investment in strategic initiatives, reduction of general fund support for auxiliaries, functional outsourcing, mergers and/or reorganizations, and strategic academic and nonacademic program elimination.

**UNI FY 2013 General University Operating Budget**

State appropriations and tuition revenue comprise approximately 98% of UNI’s proposed FY 2013 General University operating budget. Projected changes in these revenue sources as well as indirect cost recoveries and interest income result in \$6.7 million in incremental revenue when compared to FY 2012.

FY 2012 Budget	\$ 158.8 million
Revenue Changes:	
Appropriation	6.4 million
Tuition	1.0 million
Other	(0.7) million
Revenue Increase	<u>6.7 million</u>
FY 2013 Budget	\$ 165.5 million

**UNI General University FY13 Revenue Budget**



The General University’s FY 2013 operating appropriation of \$81.1 million is 8.5% more than state funding received for FY 2012. This amount includes a 3.2% increase plus an additional \$4 million added to the base.

The Board approved a tuition increase of 3.75% for resident and non-resident students at its December 2011 meeting. The rate increases coupled with a projected enrollment decrease of 318 students are expected to generate incremental tuition revenue of approximately \$1.05 million over FY 2012 amounts.

Indirect cost recoveries and the other revenue lines are budgeted at a net decrease of approximately \$0.7 million when compared to FY 2012 estimates, primarily from less indirect cost recoveries due to reductions in federal grant funding.

Mandatory salary and related benefit increases from faculty and merit employee bargaining are included in the proposed FY 2013 budget. A voluntary agreement through collective bargaining was not reached with United Faculty and required arbitration. The arbitrator awarded pay increases of 2.25% on July 1, 2012 and an additional 1.25% on January 1, 2013. AFSCME-covered employees will receive increases based on the statewide negotiated agreement. Professional and Scientific employees have historically received increases commensurate with the faculty bargaining contract. Health insurance rates for AFSCME employees participating in state plans are projected to increase by 8% and the increase to the self-funded health and dental plans for faculty and staff is projected at 2%.

The majority of the projected \$4 million salary and fringe cost increase is mandated by bargaining agreements with United Faculty and AFSCME.

Other essential cost increases included in the FY 2013 budget are \$350,000 for utilities, \$200,000 for building repairs, and approximately \$50,000 in student financial aid.

#### UNI FY 2013 Special Purpose Operating Budgets

UNI's consolidated special purpose budget (\$5.6 million) on page 6 includes the Institute for Decision Making, Recycling and Reuse Center, Metal Casting, Real Estate Education, MyEntreNet, and the Iowa Mathematics and Science Education Partnership program (IMSEP).

With the exception of IMSEP, UNI's special purpose units were flat funded in FY 2013 when compared to FY 2012.

IMSEP received a total of \$4.7 million for FY 2013, an approximate \$3.0 million increase over FY 2012. IMSEP is a collaboration of the University of Iowa, Iowa State University, and the University of Northern Iowa. UNI administers the program which promotes Science, Technology, Engineering, and Math (STEM) education in Iowa. In addition to implementing and sustaining successful STEM programs, the Partnership is also aligned with the goals and priorities of the Governor's STEM Advisory Council.

#### UNI FY 2013 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), Gallagher-Bluedorn Performing Arts Center, Wellness Recreation Center, and the Student Health System.

The proposed FY 2013 Restricted Fund Budget includes the following state appropriations:

- Tuition Replacement \$ 6.28 million
- Bartlett Hall Renovation \$ 7.79 million
- Regent Innovation Fund \$ 0.90 million

UNI Athletics

The University of Northern Iowa's FY 2013 athletic budget provided on the following page reflects revenue projections of \$12.3 million; slightly greater than the FY 2012 estimates. The Intercollegiate Athletics budget may need to be restated in the future pending the outcome of an external matter that may affect foundation support.

General university funds for athletics provide support for scholarships, operations, and the graduate assistant program. The University presented a plan to the Board in September 2010 to reduce university support for athletics. In accordance with the university support reduction plan, the proposed athletic budget reflects a decrease from 2.7% of the FY 2012 general university budget to 2.5% of the proposed FY 2013 university budget, a \$125,000 decrease in university support for athletics.

Football income is budgeted to increase from additional guarantee revenue from adding a second Football Bowl Subdivision opponent to the schedule.

Missouri Valley Conference (basketball conference) distributions were reclassified as Athletic Conference/NCAA Support during FY 2012 and were originally budgeted as men's basketball revenue. FY 2013 men's basketball revenue is expected to exceed FY 2012 estimates due to additional game guarantee revenue.

FY 2012 revenue estimates for women's sports are projected to exceed the budget from higher basketball and volleyball ticket sales and is budgeted at \$142K for FY 2013.

Foundation support in excess of the amount budgeted was needed to support operations in FY 2012 and is budgeted at approximately \$1.3 million in FY 2013.

The athletic department is responsible for paying tuition for awarded scholarships. Scholarship costs of approximately \$3.65 million for the equivalent of 189 scholarships are included in the applicable sports expense lines. Football expenses for FY 2013 are expected to increase due to the reallocation of in-state/out-of-state mix of scholarship athletes.

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. The projected total cost to Athletics for these services in FY 2013 is \$3.9 million.

University of Northern Iowa  
FY 2013 Proposed Athletic Budget

	<u>FY 2012 Final</u>	<u>FY 2012 Estimates</u>	<u>FY 2013 Proposed</u>
<b>INCOME</b>			
Football	990,500	949,306	1,750,000
Men's Basketball	992,950	606,010	813,450
Men - All Other Sports	45,200	55,360	53,600
Women - All Sports	105,200	161,939	142,100
<b>Subtotal - Sports</b>	<u>2,133,850</u>	<u>1,772,615</u>	<u>2,759,150</u>
<b>Other Income</b>			
Student Activity Fee	1,468,393	1,468,392	1,491,593
University Support for:			
General Athletics Operations	3,055,200	3,039,545	2,914,545
Scholarships	1,283,481	1,283,481	1,283,481
Alumni/Foundation Support	1,300,000	1,945,756	1,273,000
Athletic Marketing	1,081,000	1,081,000	1,136,000
Athletic Conf/NCAA Support	650,000	900,000	922,000
Novelties - Outings	175,000	230,000	240,000
General	342,200	333,689	305,500
<b>Subtotal - Other</b>	<u>9,355,274</u>	<u>10,281,863</u>	<u>9,566,119</u>
<b>TOTAL INCOME</b>	<u>11,489,124</u>	<u>12,054,478</u>	<u>12,325,269</u>
<b>EXPENSES</b>			
<b>Men's Sports</b>			
Football	2,700,511	2,790,373	2,932,696
Basketball	1,721,617	1,941,874	1,892,151
All Other Men's Sports	1,021,134	1,083,866	1,112,155
<b>Subtotal - Men's Sports</b>	<u>5,443,262</u>	<u>5,816,113</u>	<u>5,937,002</u>
<b>Women's Sports</b>			
Basketball	864,762	981,984	948,111
Volleyball	667,028	735,703	729,377
All Other Women's Sports	2,025,334	2,092,435	2,175,016
<b>Subtotal - Women's Sports</b>	<u>3,557,124</u>	<u>3,810,122</u>	<u>3,852,504</u>
<b>Other Expenses</b>			
Athletic Training	226,414	138,164	206,050
Administration & General	1,972,913	1,977,748	2,037,586
Athletic Marketing	214,411	247,420	214,127
Contingency	75,000	64,911	78,000
<b>Subtotal - Other Expenses</b>	<u>2,488,738</u>	<u>2,428,243</u>	<u>2,535,763</u>
<b>TOTAL EXPENSES</b>	<u>11,489,124</u>	<u>12,054,478</u>	<u>12,325,269</u>



UNI Residence System

The Board received a preliminary FY 2013 residence system budget as a part of the governance report at the March 2012 meeting. Using updated enrollment and occupancy projections, the proposed budget reflects a decline in contract revenues, labor costs, and food costs when compared to the preliminary budget. The budgeted debt service coverage ratio of 192% exceeds the required 135% established by bond covenants.

**University of Northern Iowa  
Residence System Proposed Budget 2012-13**

	Estimates 2011-12	Preliminary Budget 2012-13	Proposed Budget 2012-13
<b>OPERATIONS</b>			
Revenues	\$ 37,111,733	\$ 38,995,051	\$ 36,519,545
Expenditures for Operations	26,565,129	28,029,498	27,004,497
Net Revenues	10,546,604	10,965,553	9,515,048
% of Revenues	28.4%	28.1%	26.1%
Debt Service (due July 1)	4,872,938	4,987,986	4,959,380
Mandatory Transfers	330,000	330,000	330,000
Net After Debt Service & Mandatory Transfers	\$ 5,343,666	\$ 5,647,567	\$ 4,225,668
% of Revenues	14.4%	14.5%	11.6%
Debt Service Coverage Ratio	216%	220%	192%
University Overhead Payment	\$ 714,128	\$ 750,737	\$ 725,112
<b>FUND BALANCES (June 30)</b>			
Improvement Fund	\$ 3,886,222	\$ 3,603,222	\$ 3,603,222
System Fund	8,372,039	2,562,718	1,166,444
Subtotal--Voluntary Reserves	12,258,261	6,165,940	4,769,666
Bond Reserve Fund	4,850,711	6,979,924	6,979,924
Bond Construction Fund	5,945,849		
Subtotal--Mandatory Reserves	10,796,560	6,979,924	6,979,924
<b>Total Fund Balances (June 30)</b>	<b>\$ 23,054,821</b>	<b>\$ 13,145,864</b>	<b>\$ 11,749,590</b>
<b>REVENUES AND EXPENDITURES DETAIL</b>			
<b>Revenues</b>			
Contracts	\$ 31,007,361	\$ 32,939,679	\$ 30,464,173
Interest	200,000	200,000	200,000
Other Income	5,904,372	5,855,372	5,855,372
Total Revenues	\$ 37,111,733	\$ 38,995,051	\$ 36,519,545
<b>Expenditures for Operations</b>			
Salaries, Wages & Benefits	\$ 14,562,060	\$ 15,582,088	\$ 14,997,087
Cost of Food or Goods Sold	5,012,170	5,053,355	4,813,355
Other Operating Expense	3,019,084	3,090,370	2,990,370
Utilities	2,145,180	2,338,743	2,338,743
Repairs & Maintenance	1,826,635	1,964,942	1,864,942
Total Expenditures	\$ 26,565,129	\$ 28,029,498	\$ 27,004,497

**FY 2013 BUDGET – IOWA PUBLIC RADIO**

The FY 2013 budget supports the realignment of IPR based on the merger of the three stations in an effort to improve and expand service and outreach to lowans. The proposed FY 2013 IPR budget was approved by the IPR Board of Directors on June 20, 2012.

- University support is decreased in accordance with IPR’s strategic plan to eliminate direct university support beginning in FY 2017.
- Fundraising revenue is projected to increase primarily due to the addition of two sales executives late in FY 2012 and more opportunities in the Des Moines market.
- The compensation increase is primarily from new positions expected to be filled during FY 2013 and a 2.5% average salary increase for staff.
- Depreciation expense will increase in FY 2013 due to the completion of two major projects in FY 2012.
- Capitalized equipment expenses are budgeted to increase in FY 2013 as part of the continued statewide expansion utilizing equipment grants from private sources and the Corporation of Public Broadcasting.

**FY 2013 BUDGET - IOWA PUBLIC RADIO**

	FY12 BUDGET	FY13 BUDGET	Difference
<b>OPERATING INCOME</b>			
University Support	1,062,872	944,800	(118,072)
State of Iowa Appropriation	391,568	391,568	-
Federal Support - CPB	683,224	683,225	1
Fundraising	5,771,154	5,950,647	179,493
<b>TOTAL OPERATING INCOME</b>	<b>\$ 7,908,818</b>	<b>\$ 7,970,240</b>	<b>\$ 61,422</b>
<b>OPERATING EXPENSES</b>			
Compensation	\$ 4,266,997	\$ 4,529,504	\$ 262,507
Programming Fees	1,058,018	1,033,943	(24,075)
Facilities	595,190	499,264	(95,926)
Professional/Other Services	310,705	354,687	43,982
Telecommunications	191,049	242,056	51,007
Depreciation Expense	396,698	563,354	166,656
Printing	111,027	98,500	(12,527)
Supplies	158,762	85,847	(72,915)
Travel	98,366	103,090	4,724
Debt Service	89,889	14,899	(74,990)
Other	265,442	319,763	54,321
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 7,542,143</b>	<b>\$ 7,844,907</b>	<b>\$ 302,764</b>
<b>NET OPERATING INCOME (LOSS)</b>	<b>\$ 366,675</b>	<b>\$ 125,333</b>	<b>\$ (241,342)</b>
<b>NON-OPERATING INCOME (EXPENSE):</b>			
State Capital Funding	\$ 804,641	\$ 300,360	\$ (504,281)
Equipment Grants	18,794	1,100,000	1,081,206
Rental Revenue	105,227	106,658	1,431
Investment Earnings	176,482	100,000	(76,482)
Equipment, Capitalized	(1,027,574)	(1,377,115)	(349,541)
Equipment, Non-Capitalized	(77,067)	(47,582)	29,485
<b>TOTAL NON-OPERATING INCOME (EXPENSE)</b>	<b>\$ 503</b>	<b>\$ 182,321</b>	<b>\$ 181,818</b>
<b>NET ALL ACTIVITY</b>	<b>\$ 367,178</b>	<b>\$ 307,654</b>	<b>\$ (59,524)</b>

**FY 2013 BUDGET – BOARD OFFICE**

FY 2013 Operating Budget

The Board Office operating budget is supported by state appropriations and institutional support. The budget contains federal grant funds for the first time. Excluding the new federal grant, the proposed FY 2013 budget is 2.9% greater than FY 2012. State appropriations were held to the FY 2012 level.

The State Department of Education secured a federal grant to foster education reform. As a sub-grantee, the Board Office will hire an Academic Research Associate, whose job will be to gather and analyze information for student longitudinal data studies. Funds will also reimburse the Regent universities for a portion of their data analysis costs.

Reflecting the service nature of the Board Office, personnel costs are approximately 78% of the FY 2013 budget. Salary increases were held to an average 2.5% in accordance with the Board-approved salary policy.

The Board’s need for information gathered with the help of outside consultants and resources this year results in a proposed increase in the expense line item, Outside Services & Repairs. Special Services is primarily comprised of Attorney General fees. The Board Office lease extends through FY 2013 at the same rate as FY 2012.

<b>FY 2013 Board Office Budget</b>			
	Final Budget FY 2012	Proposed Budget FY 2013	% Change from FY 2012
<b>Revenues</b>			
State Appropriations	1,065,005	1,065,005	0.0%
Institutional Reimbursements	2,128,981	2,220,652	4.3%
Federal Support	-	146,737	
Non-institutional	1,000	1,500	50.0%
Principal Demutualization	2,500	2,500	0.0%
<b>TOTAL REVENUE</b>	<b>3,197,486</b>	<b>3,436,394</b>	<b>7.5%</b>
<b>Expenditures</b>			
Personnel and Board per diem	2,516,336	2,673,544	6.2%
Travel	73,550	70,000	-4.8%
Office Supplies & Printing	30,000	30,250	0.8%
Dues	25,000	35,000	40.0%
Advertising	2,000	2,000	0.0%
Communications	50,500	50,500	0.0%
Outside Services & Repairs	35,000	65,000	85.7%
State Audit	13,500	13,500	0.0%
Workers Comp	6,000	6,000	0.0%
IT Services	40,000	40,000	0.0%
Office Equipment & Furnishings	10,000	12,500	25.0%
Office Space	110,600	110,600	0.0%
Educational/Training Expense	10,000	15,000	50.0%
Special Services	275,000	312,500	13.6%
<b>TOTAL EXPENDITURES</b>	<b>3,197,486</b>	<b>3,436,394</b>	<b>7.5%</b>