

Contact: Brad Berg

**FY 2016 BUDGETS – UNIVERSITIES, SPECIAL SCHOOLS,
IOWA PUBLIC RADIO, BOARD OFFICE**

Actions Requested: Consider approval of the:

1. Regent university FY 2016 budgets as presented on pages 5-8 and in the attachments.
2. Iowa Public Radio FY 2016 budget as presented in Attachment F on page 39.
3. Board Office FY 2016 budget as shown in Attachment G on page 40.

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, 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 which include budget details specific to each university, special school, 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 2016 Regent Enterprise consolidated budget exceeds \$5.47 billion as 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 2016 REGENT ENTERPRISE BUDGET
(in millions)

	SUI*	ISU	UNI	ISD	IBSSS	Total
General Operating	1,997.1	673.2	177.8	10.7	8.4	2,867.2
Restricted	1,713.0	726.4	168.3	1.4	0.6	2,609.7
Total	3,710.1	1,399.6	346.1	12.1	9.0	5,476.9

*includes UIHC

University Operating Budgets

The primary revenue sources providing FY 2016 general operating funds for Iowa's public universities are state appropriations and tuition revenues.

The 2015 General Assembly approved a small increase to the base funding (recurring) to ISU for FY 2016 while SUI's base remained flat (0% increase). UNI's FY 2015 appropriation amount included \$4 million of one-time funds that are not available for FY 2016. In total, incremental state funding for general university operations was less than one-half percent (0.5%) more than FY 2015.

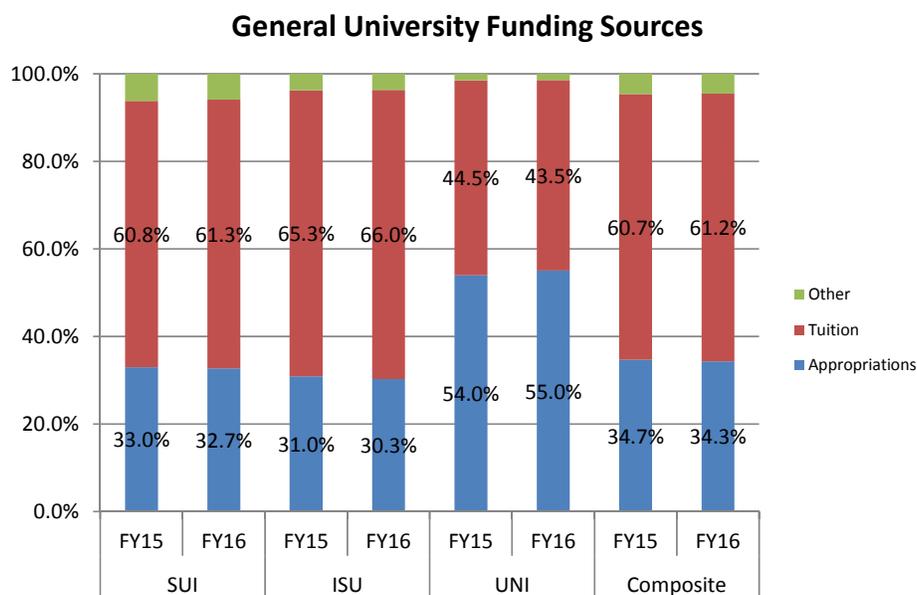
General University Operating Appropriations

	FY 2015	FY 2016	Difference	FY15 to FY16 % Change
SUI	230,923,005	230,923,005	-	0.00%
ISU	180,945,807	182,181,852	1,236,045	0.68%
UNI*	93,176,732	94,276,732	1,100,000	1.18%
Total	505,045,544	507,381,589	2,336,045	0.46%

*UNI FY15 amount includes one-time funds of \$4 million

Last December, the Board approved the third consecutive freeze on resident undergraduate tuition (0% increase) for the 2015-16 academic year. However, an undergraduate resident tuition increase for the Spring 2016 semester as described in Agenda Item 5 is presently under consideration. Non-resident undergraduate tuition increases of 1.75% at SUI and UNI, and 1.2% at ISU, were also approved at the December 2014 meeting. In addition to the tuition rates, enrollment fluctuations also impact tuition revenue and the subsequent demands for academic and student support services, which also directly impact the budget.

The following chart compares FY 2015 funding sources with the FY 2016 budget for each university. UNI is more reliant on state appropriations than tuition revenue for its general fund operations while SUI and ISU state funding levels are less than one-third of total general fund operating revenues. In total, the universities continue to be more reliant on tuition revenues and less on state appropriations and the variance continues to widen.



In addition to the General University budgets presented on pages 5 and 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 (NACUBO). General fund expenses related to instruction, academic support, scholarships and fellowships, and plant operations and maintenance comprise approximately 83% of the combined general university expenses.

- Instruction
- Public Service
- Student Services
- Scholarships & Fellowships
- Research
- Academic Support
- Institutional Support
- Operation and Maintenance of Plant

Each university 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 2016 special purpose unit budgets is provided in the attachments and all were flat-funded when compared to FY 2015.

Restricted Budgets

The university FY 2016 restricted fund budgets include capital funding approved by the General Assembly for the following projects.

- SUI – Pharmacy Building \$13.0 million
- ISU - Biosciences Facilities \$11.0 million
- UNI – Schindler Education Center \$15.0 million

In addition, the university restricted fund budgets include an allocation of the \$30.2 million tuition replacement appropriation to replace the tuition revenue pledged on Academic Building Revenue Bonds.

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

Athletic Budgets

Each of the Regent universities hosts a multitude of intercollegiate athletic events that attract many alumni and friends to the campus each year. The athletic departments are independent entities included in the restricted fund budgets. The proposed FY 2016 athletic revenue budgets total \$176.6 million. Details pertaining to each university’s proposed FY 2016 athletic budget are included in the attachments.

Athletic Revenues	
FY 2016	
<u>Budget</u>	
SUI	\$ 93,569,138
ISU	70,003,351
UNI	13,068,121
Total	\$ 176,640,610

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 2016 revenue budgets total approximately \$223 million for the three universities.

The Board received the FY 2016 residence system preliminary budgets as part of the residence system governance report presented in March. The proposed FY 2016 revenue and expense residence system budgets for UNI remain identical to the preliminary budget previously received by the Board. The final proposed residence system budgets for SUI and ISU have been updated and reflect slight adjustments when compared to their preliminary budgets. The proposed detailed budgets for each university residence system are provided in the attachments.

University Residence Systems FY 2016 Budgets					
	SUI		ISU		UNI
	<u>Preliminary</u>	<u>Final</u>	<u>Preliminary</u>	<u>Final</u>	<u>Preliminary & Final</u>
Revenues	\$ 78,852,272	\$ 78,680,179	\$ 103,392,431	\$ 103,392,431	\$ 40,826,596
Expenditures for Operations	57,591,141	56,868,222	77,012,969	76,947,946	27,805,986
Debt Service and Mandatory Transfers	10,267,910	10,267,910	16,947,519	16,947,519	7,078,065
Net Revenues after Debt Service and Mandatory Transfers	\$ 10,993,221	\$ 11,544,047	\$ 9,431,943	\$ 9,496,966	\$ 5,942,545

Special Schools

The Board is asked to consider approval of the FY 2016 budgets for the Iowa School for the Deaf (ISD), and the Iowa Braille and Sight Saving School (IBSSS) as provided in Attachments D and E. The Iowa School for the Deaf and the Iowa Braille and Sight Saving School rely heavily on state funding for their operations. Each school's base operating appropriation was increased 1.25% when compared to FY 2015 amounts.

FY 2016 Special School Budgets

	<u>Operating</u>	<u>Restricted</u>	<u>Total</u>
ISD	\$ 10,707,227	\$ 1,403,327	\$ 12,110,554
IBSSS	8,395,204	585,197	8,980,401

In April 2015, the Board approved an agreement for the management and operation of the Northeast Regional Academy located in Charles City. The agreement established the first regional academy for the provision of special education and related services to K-12 students who are deaf and/or visually impaired. Charles City Community School District will act as the host district for the program, with the power to operate, supervise and direct the educational programs. ISD shall act as administrative fiscal agent for the Northeast Regional Academy, and shall be responsible for annual billings, management and accounting of funds. IBSSS/ISD shall be responsible for providing qualified staff for the delivery of student instruction and related services. Staff assigned to serve students at the Northeast Regional Academy shall continue to be employees of IBSSS/ISD.

Iowa Public Radio

In December 2004, the Board approved the creation of Iowa Public Radio, which includes a total of 23 radio stations at the University of Iowa (KSUI Radio Group), Iowa State University (WOI Radio Group), and the University of Northern Iowa (KUNI Radio Group).

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

For FY 2016, the General Assembly appropriated \$391,568 (0% increase) for IPR operations. At the June 2014 meeting, the Board approved IPR's request to restore university support for FY 2015 to the FY 2013 funding level (\$944,800). University support for IPR in FY 2016 remains flat when compared to FY 2015. The proposed FY 2016 budget for Iowa Public Radio is contained in Attachment F on page 39.

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 an across-the-board increase of 2.5% on July 1, 2015. Eligible merit staff members (those not at the maximum of their pay grade) will continue to receive step increases of 4.5% at their next scheduled merit increase dates, until they reach the maximum of their pay scales.

At the Board's June meeting, the Regents approved by consent that salary policies for the institutions and Board Office, and the requisite pay matrices for nonorganized professional and scientific staff and for faculty at the special schools, would be approved by the Executive Director upon consultation with Board of Regents leadership. The approved policies and matrices are included in the attachments for each institution and the Board Office.

BOARD OF REGENTS, STATE OF IOWA
FY 2016 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	\$230,923,005				\$2,186,558	\$4,402,615	\$1,788,265	\$659,456	\$5,969,192	\$245,929,091
RESOURCES										
Federal Support		12,402,134	-26,131	337,573	5,000		7,500			14,594,071
Interest	1,867,995									432,583,000
Tuition and Fees	432,583,000									45,505,017
Reimb. Indirect Costs	39,648,000	3,812,520	1,313,136	140,000	440,000	151,361				1,255,135,536
Sales and Service		1,219,707,078	23,828,754	8,788,192	90,000	2,624,944		96,568		3,366,188
Other Income	125,000	2,985,786	255,402							
Subtotal - Inst. Income	474,223,995	1,238,907,518	25,371,161	9,265,765	535,000	2,776,305	7,500	96,568	-	1,751,183,812
TOTAL REVENUES	\$705,147,000	\$1,238,907,518	\$25,371,161	\$9,265,765	\$2,721,558	\$7,178,920	\$1,795,765	\$756,024	\$5,969,192	\$1,997,112,903
EXPENDITURES										
Fac. & Inst. Off. Salaries	\$266,700,000	\$84,807,645	\$12,844	\$644,932		\$238,361		\$221,927	\$1,234,643	\$353,860,352
Prof. & Sci. Staff Salaries	146,900,000	490,335,969	14,148,295	5,723,305	105,130	4,303,465	223,673	532,188	2,157,911	664,429,936
General Service Staff Sal.	56,600,000	165,523,952	6,317,884	1,499,596	2,010,272	1,630,395	9,188		225,830	233,817,117
Hourly Wages	5,300,000	7,948,551	288,326	74,466			14,000		296,029	13,921,372
Subtotal - Salaries	475,500,000	748,616,117	20,767,349	7,942,299	2,115,402	6,172,221	246,861	754,115	3,914,413	1,266,028,777
Supplies and Services	44,627,168	448,682,200	3,028,067	943,869	127,331	869,009	1,548,904	1,909	1,778,541	501,606,998
Library Acquisitions	19,336,920									19,336,920
Rentals	4,900,000	10,102,201	22,681	530		37,690			146,628	15,209,730
Utilities	33,875,000	29,625,170	1,546,280	292,258	478,825					65,817,533
Bldg. Repairs	20,917,912	1,881,830	6,784	86,809						22,893,335
Auditor of State Reimb.	680,000									680,000
Equipment	2,400,000								60,442	2,560,442
Aid to Individuals	102,910,000								69,168	102,979,168
Subtotal - Other Expenses	229,647,000	490,291,401	4,603,812	1,323,466	606,156	1,006,699	1,548,904	1,909	2,054,779	731,084,126
TOTAL EXPENDITURES	\$705,147,000	\$1,238,907,518	\$25,371,161	\$9,265,765	\$2,721,558	\$7,178,920	\$1,795,765	\$756,024	\$5,969,192	\$1,997,112,903

BOARD OF REGENTS
STATE OF IOWA
FY 2016 RESTRICTED FUNDS BUDGETS

	SUI	ISU	UNI	ISD	IBSSS	FY 2016 Restricted Total
APPROPRIATIONS						
Innovation Fund	\$1,050,000	\$1,050,000	\$900,000			\$3,000,000
Tuition Replacement	13,399,270	13,196,090	3,642,189			30,237,549
Capital	13,000,000	11,000,000	15,000,000			39,000,000
Other	278,848	1,848,000				2,126,848
RESOURCES						
Federal Support	315,418,000	151,650,000	23,029,279	\$590,535	\$365,197	491,053,011
Interest	25,780,000	4,200,000	1,285,000	525		31,265,525
Tuition and Fees	63,546,000	20,000,000	20,505,900			104,051,900
Reimbursed Indirect Costs	24,003,000	9,500,000				33,503,000
Sales and Service	717,033,000	65,000,000	88,249,269	812,267		871,094,536
Other Income	539,483,882	449,000,000	15,633,728		220,000	1,004,337,610
Subtotal - Inst. Income	1,685,263,882	699,350,000	148,703,176	1,403,327	585,197	2,535,305,582
TOTAL REVENUES	\$1,712,992,000	\$726,444,090	\$168,245,365	\$1,403,327	\$585,197	\$2,609,669,979
EXPENDITURES						
Fac. & Inst. Off. Salaries	\$320,788,742	\$73,000,000	\$6,707,211	\$468,217	\$263,532	\$401,227,702
Prof. & Sci. Staff Salaries	264,263,000	105,000,000	21,851,810	150,651		391,265,461
General Service Staff Salaries	53,719,000	41,000,000	11,406,719	243,096	48,500	106,417,315
Hourly Wages	27,073,000	24,000,000	6,659,510			57,732,510
Subtotal - Salaries	665,843,742	243,000,000	46,625,250	861,964	312,032	956,642,988
Prof. and Scientific Supplies	383,968,117	262,944,090	48,824,696	331,730	272,152	696,340,785
Library Acquisitions	139,000		22,000		1,013	162,013
Rentals	10,883,141		1,026,469			11,909,610
Utilities	13,465,000	15,500,000	3,199,021			32,164,021
Building Repairs	8,755,000	6,000,000	4,026,911	159,633		18,941,544
Auditor of State						-
Equipment	59,805,000	11,000,000	2,316,001	50,000		73,171,001
Student Aid	66,733,000	63,000,000	22,125,123			151,858,123
Debt Service	103,400,000	45,000,000	16,119,960			164,519,960
Plant Capital	400,000,000	80,000,000	23,959,934			503,959,934
Subtotal - Other Expenses	1,047,148,258	483,444,090	121,620,115	541,363	273,165	1,653,026,991
TOTAL EXPENDITURES	\$1,712,992,000	\$726,444,090	\$168,245,365	\$1,403,327	\$585,197	\$2,609,669,979

BOARD OF REGENTS
STATE OF IOWA
FY 2016 ALL FUNDS BUDGETS

	SUI	ISU	UNI	ISD	IBSSS	FY 2016 All Funds Total
APPROPRIATIONS						
General	\$245,929,091	\$238,756,014	\$100,843,709	\$9,591,306	\$3,964,688	\$599,084,808
Innovation	1,050,000	1,050,000	900,000			3,000,000
Tuition Replacement	13,399,270	13,196,090	3,642,189			30,237,549
Capital	13,000,000	11,000,000	15,000,000			39,000,000
Other	278,848	1,848,000				2,126,848
RESOURCES						
Federal Support	315,418,000	167,055,000	23,029,279	647,505	756,222	506,906,006
Interest	40,374,071	6,950,000	1,985,000	1,525		49,310,596
Tuition and Fees	496,129,000	416,727,000	95,004,417			1,007,860,417
Reimb. Indirect Costs	69,508,017	27,700,000	1,316,649	23,927	42,094	98,590,687
Sales and Service	1,972,168,536	65,000,000	88,732,662	1,691,091	3,997,397	2,131,589,686
Other Income	542,850,070	450,375,850	15,633,728	155,200	220,000	1,009,234,848
Subtotal - Inst. Income	3,436,447,694	1,133,807,850	225,701,735	2,519,248	5,015,713	4,803,492,240
TOTAL REVENUES	\$3,710,104,903	1,399,657,954	346,087,633	\$12,110,554	\$8,980,401	\$5,476,941,445
EXPENDITURES						
Fac. & Inst. Off. Salaries	\$674,649,094	\$327,185,200	\$82,376,892	\$3,885,283	\$5,398,587	\$1,093,495,056
Prof. & Sci. Staff Salaries	928,692,936	241,881,500	56,721,968	2,532,015	335,971	1,230,164,390
General Service Staff Sal.	287,536,117	83,984,200	38,084,813	3,311,836	1,323,996	414,240,962
Hourly Wages	40,994,372	28,965,000	8,553,121			78,512,493
Subtotal - Salaries	1,931,872,519	682,015,900	185,736,794	9,729,134	7,058,554	2,816,412,901
Prof. and Scientific Supp.	885,575,115	328,583,979	62,068,581	1,636,815	1,439,293	1,279,303,783
Library Acquisitions	19,475,920	11,500,000	2,014,009	5,000	9,747	33,004,676
Rentals	26,092,871	3,615,775	1,851,063			31,559,709
Utilities	79,282,533	46,526,100	9,420,551	291,250	270,000	135,790,434
Bldg. Repairs	31,648,335	27,950,000	5,426,911	363,155	128,307	65,516,708
Auditor of State Reimb.	680,000	572,200	295,100	35,200	31,500	1,614,000
Equipment	62,365,442	19,630,000	2,812,468	50,000	43,000	84,900,910
Aid to Individuals	169,712,168	154,264,000	36,382,262			360,358,430
Debt Service	103,400,000	45,000,000	16,119,960			164,519,960
Plant Capital	400,000,000	80,000,000	23,959,934			503,959,934
Subtotal - Other Expenses	1,778,232,384	717,642,054	160,350,839	2,381,420	1,921,847	2,660,528,544
TOTAL EXPENDITURES	\$3,710,104,903	\$1,399,657,954	\$346,087,633	\$12,110,554	\$8,980,401	\$5,476,941,445

FY 2016 BUDGETS – UNIVERSITY OF IOWA

The FY 2016 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. The FY 2016 budget supports four complementary, mutually supporting areas identified in the strategic plan. All other SUI budgets were developed under similar or identical policies and budget guidelines.

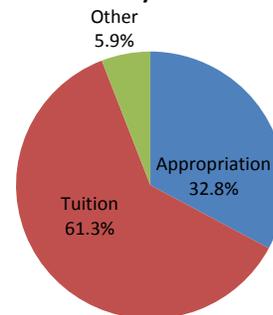
1. Student Success – The University plans to grow enrollment and increase its financial aid budget to help students with the cost of attendance and enable more students to graduate in four years or less. The University recently adopted a new enrollment budget model used to determine the allocation of incremental resources for each college (allocated after fall semester enrollment levels are known) to cover the costs of educating more students.
2. Knowledge and Practice – SUI is committed to advancing knowledge and education through discovery, application and creative work. New tenure track faculty will be hired in areas of demand to bring unique educational experiences to the classroom.
3. New Frontiers in the Arts – As the University nears the opening of the new Hancher Auditorium, operating budgets for groups using the facility will be restored to pre-flood levels and enhanced to account for the programming opportunities that can be offered in the new facility.
4. Better Futures for Iowans – The University will expand its public engagement to contribute to economic and cultural vitality and to the quality of life of Iowans. The University has aligned resources with important state needs including economic development initiatives, providing more Iowa resident graduates and outreach.

SUI FY 2016 General University Operating Budget

Tuition revenues comprise approximately 61.3% of the \$705.1 million General University revenue budget with 32.8% coming from state appropriations. Projected changes in these revenue sources, as well as indirect cost recoveries and interest income, result in \$5.5 million in incremental revenue; less than 1% growth when compared to the FY 2015 budget.

FY 2015 Budget	\$ 699.6 million
Revenue Changes:	
Appropriation	0.0 million
Tuition	7.3 million
Indirect Cost Recoveries/Interest	(1.8) million
Revenue Increase	5.5 million
 FY 2016 Budget	 \$ 705.1 million

SUI General University FY16 Revenue Budget



The General University’s FY 2016 operating appropriation of \$230.9 million remains unchanged (0.0% increase) from that of FY 2015.

In December 2014, the Board froze tuition (0% increase) for FY 2016 for undergraduate resident students (Agenda Item 5 contains a proposed tuition increase for the Spring 2016 semester) and approved a 1.75% increase for nonresident undergraduates and for most graduate and professional students. The University anticipates its largest freshman class ever in FY 2016 and also expects improved retention and a higher number of Iowa resident students. Graduate student enrollment is anticipated to remain lower than previous years. The projected enrollment and tuition rates are expected to generate an incremental \$7.3 million in gross tuition revenue when compared to FY 2015.

Current projections indicate FY 2016 indirect cost recoveries will decrease 4.3% (\$1.8 million) from the FY 2015 budget due to less federal funding available for research activities. Interest income is expected to remain consistent with the FY 2015 budget.

In addition to the \$5.5 million in incremental revenues previously described, the University plans to internally reallocate \$14.2 million from collegiate and administrative units to support strategic initiatives. The University's FY 2016 reallocation policy was guided by the overall operational plan coupled with final determination of available resources and the need to fund mission critical strategic initiatives and other unavoidable cost increases. The majority of the new or reallocated funds are budgeted to support access and enrollment growth. The University has increased its financial aid budget \$10.5 million allowing for enrollment growth, additional scholarship award programs, graduate assistants and summer scholarships. Additional resources are also being dedicated to support the cost of educating more students and for library acquisitions. The following summarizes the uses of the incremental and reallocated revenues.

Access and Enrollment Growth	\$ 14.3 million
Student Success	1.9 million
Scholarly Inquiry/Creative Work	1.9 million
Outreach/Civic Engagement	0.3 million
Strategic Priorities	1.3 million
Total	<u>\$ 19.7 million</u>

The University implemented the terms of all collective bargaining agreements, the salary policies approved by the Executive Director (included in this attachment), and charges fringe benefits consistent with federally approved rate structures. The General Education Fund portion of the bargained salary cost increases is estimated at \$2.5 million. The cost increase includes annualization from the previous year and current year contract costs.

In February 2015, the University completed negotiations with the federal government establishing the FY 2016 fringe benefit rates for each employee category. Annual changes in the approved rates are attributable to cumulative historic costs of covered benefits, salary changes, University driven cost saving measures, and employee utilization of benefits. For FY 2016, the impact to benefit costs on the existing General Education Fund is expected to be small.

The University expects utility costs to increase by \$0.8 million for FY 2016. These expenses 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 projected cost of custodial services, information technology, utilities and general maintenance for new or improved General University supported buildings for FY 2016 is expected to be \$0.6 million to support the Biomedical Research Support Facility.

The \$705.1 million General University budget allocated by function is shown below. Expenses related to instruction, academic support, scholarships and fellowships, and plant operations and maintenance comprise approximately 85% of all general university expenses.

General University Spending By Function
(\$ in thousands)

	<u>FY 2016</u>	<u>% Total</u>
Instruction	290,590	41.2%
Research	21,923	3.1%
Public Service	4,033	0.6%
Academic Support	106,779	15.1%
Student Services	23,893	3.4%
Institutional Support	57,752	8.2%
Operations & Maintenance of Plan	97,268	13.8%
Scholarships & Fellowships	102,910	14.6%
Total	<u>705,147</u>	<u>100.0%</u>

SUI FY 2016 Special Purpose Appropriations

The proposed operating budgets for SUI's special purpose units are provided on page 5. The consolidated special purpose budget (\$6.0 million) includes Primary Health Care, State Cancer Registry, Online Advanced Placement Academy, Substance Abuse Consortium, Biocatalysis, Iowa Registry for Congenital and Inherited Disorders, Non-Profit Resource Center, Iowa Flood Center, Entrepreneurship Initiative, and Economic Development.

The following chart lists SUI's special purpose units that received state operating funding for FY 2016. All special purpose units were flat-funded (0% increase) when compared to FY 2015 and most of these appropriations continue to be approximately 20% less than FY 2009 amounts .

<u>SUI SPECIAL PURPOSE UNITS</u>	<u>FY 2016 APPROPRIATIONS</u>
OAKDALE CAMPUS	2,186,558
HYGIENIC LABORATORY	4,402,615
FAMILY PRACTICE	1,788,265
SCHS - CANCER, HEMOPHILIA, HIGH RISK INFANT	659,456
PRIMARY HEALTH CARE	648,930
STATE OF IOWA CANCER REGISTRY	149,051
SUBSTANCE ABUSE CONSORTIUM	55,529
BIOCATALYSIS	723,727
BIRTH DEFECTS REGISTRY	38,288
ECONOMIC DEVELOPMENT	209,279
ONLINE PLACEMENT ACADEMY	481,849
IOWA FLOOD CENTER	1,500,000
ENTREPRENEURSHIP	2,000,000
WATERMAN NONROFIT RESOURCE CTR	162,539

University of Iowa Hospitals and Clinics (UIHC)

The proposed FY 2016 UIHC budget of \$1.24 billion is provided on page 5.

In FY 2016, 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 2016 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 faced in FY 2015 include the potential impacts of healthcare reform and cost control measures on Medicare/Medicaid payment rates and the continuing challenge related to Iowa Medicaid rates. The healthcare exchanges and the Healthy Iowa (Medicaid Expansion) programs still have many unknowns and expect significant changes in determining which populations are eligible for coverage, enrollment timeframes, and identifying where covered services may be obtained.

UIHC reports that the healthcare industry is experiencing ever-increasing challenges to maintain funding sources while keeping operating expenses manageable. Wage increases are impacted by collective bargaining agreements, market competitive salaries and the associated benefit costs. An average "all-in" salary increase of around 2.7% is projected for next year due to base salary increases consistent with contract negotiations and minimal changes in the fringe benefit pool rates. Medical and surgical supply costs are estimated to rise 2.25% or more due to price increases and changes in technology. Pharmaceutical cost increases are anticipated at approximately 6%.

Additional net revenues are required in FY 2016 to achieve the budgeted 3.5% operating margin. These additional net revenues will be achieved through new volumes and a rate increase of 6.0 percent approved by the Board in April 2015. 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 increasing demand for its services for FY 2016. Inpatient acute admissions are forecast to increase 5.1% with outpatient activity anticipated to grow 5.9%.

Other UIHC units include the Psychiatric Hospital, the Center for Disabilities and Development (CDD) and Specialized Child Health Services (SCHS). The proposed combined FY 2016 budget for these units is \$35.4 million and they are provided on page 5.

SUI FY 2016 Restricted Fund Budget

The Restricted Fund includes the Organized Activities Fund, the Auxiliary Enterprise Fund, the Current Restricted Fund and the Plant Fund.

- 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 proposed FY 2016 Restricted Fund Budget includes the following state appropriations:

- | | |
|------------------------|-----------------|
| • Pharmacy Building | \$13.00 million |
| • Tuition Replacement | \$13.40 million |
| • Innovation Fund | \$ 1.05 million |
| • Regent Study Centers | \$ 0.28 million |

Athletics

The SUI Athletic Department is a self-sustaining auxiliary enterprise and receives no general university support. The University of Iowa's \$93.6 million FY 2016 athletic budget is provided on the following page. The overall revenue and expense budgets are 1.8% higher (\$1.6 million) than FY 2015 estimates.

The budgeted decrease in men's sports income is due to an expected decline in football season ticket sales. Conversely, support from the UI Foundation is budgeted to increase to offset the expected reduction in ticket sales and for student-athlete initiatives including food and scholarship costs.

Athletic conference revenue is expected to increase from additional television distribution funds and a greater distribution from the football bowls and playoff format.

Student fees reported in the athletic budget fund the debt service on Student Recreation Services facilities financed through Athletics and remain flat when compared to FY 2015.

The Athletic Department is responsible for paying the full cost of attendance for the scholarships it awards. SUI Athletics awards the equivalent of approximately 300 scholarships at a cost of approximately \$12.2 million, which are included in the applicable sports expense lines. Beginning in FY 2016, 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 \$2,051 to \$3,305 and are budgeted at a total annual cost to Athletics of approximately \$880,000.

Football expenses are expected to increase in FY 2016 primarily from higher coaching staff salaries, food costs and scholarship expenses. Expenses for women's sports are also budgeted to rise from additional scholarship expenses. The facility annual debt service decrease is due to the refunding of two Athletic Facilities Revenue Bond issues during FY 2015.

The Athletic Department purchases services from numerous entities within the University including, Public Safety, UIHC, parking, scholarships, utilities and residence services. The projected total FY 2016 cost to Athletics for these services is \$21.4 million.

**The University of Iowa
Athletics Operating Budget**

	FY 2015 Budget	FY 2015 Estimate	FY 2016 Budget
<u>INCOME</u>			
Men's Sports			
Football	\$ 22,136,467	\$ 22,403,994	\$ 19,551,915
Basketball	3,887,264	3,835,886	3,932,192
Wrestling	500,000	532,718	550,000
All Other	12,000	34,606	12,300
Total Men's Sports	\$ 26,535,731	\$ 26,807,204	\$ 24,046,407
Women's Sports			
Basketball	\$ 210,000	\$ 290,374	\$ 215,000
Volleyball	13,000	22,846	27,500
All Other	13,000	19,105	15,500
Total Women's Sports	\$ 236,000	\$ 332,325	\$ 258,000
Other Income			
Facility Debt Service/Student Fees	\$ 650,000	\$ 650,000	\$ 650,000
Learfield Multi Media Contract Income	6,007,000	6,007,000	6,248,963
Athletic Conference	30,742,000	31,096,774	33,547,000
Interest	500,000	500,000	500,000
Foundation Support	10,706,100	11,717,429	14,464,696
Foundation Premium Seat Revenue	8,206,905	8,724,241	7,630,362
Novelties--Bookstore	3,200,000	3,200,000	3,300,000
General Income	2,868,710	2,893,344	2,923,710
Total Other Income	\$ 62,880,715	\$ 64,788,788	\$ 69,264,731
TOTAL INCOME	\$ 89,652,446	\$ 91,928,317	\$ 93,569,138
<u>EXPENSES</u>			
Men's Sports			
Football	\$ 19,750,855	\$ 20,683,226	\$ 21,585,344
Basketball	5,699,088	5,903,954	5,798,269
Wrestling	1,385,309	1,475,693	1,536,107
All Other	4,901,536	4,968,972	5,263,790
Total Men's Sports	\$ 31,736,788	\$ 33,031,845	\$ 34,183,510
Women's Sports			
Basketball	\$ 3,876,643	\$ 3,964,225	\$ 4,147,568
Volleyball	1,525,805	1,464,284	1,624,922
All Other	9,245,240	9,465,846	10,320,486
Total Women's Sports	\$ 14,647,688	\$ 14,894,355	\$ 16,092,976
Other Expenses			
Training Services	\$ 1,817,001	\$ 1,697,071	\$ 1,862,763
Sports Information	663,088	650,751	635,088
Admin. & General Expenses	11,927,241	12,244,138	12,070,311
Facility Debt Service	15,796,163	15,796,163	15,579,732
Transfer-New Facility Costs/Reserves	1,000,000	1,000,000	1,000,000
Academic & Counseling	1,999,164	1,965,037	1,929,923
Buildings & Grounds	10,065,313	10,648,957	10,214,835
Total Other Expenses	\$ 43,267,970	\$ 44,002,117	\$ 43,292,652
TOTAL OPERATING EXPENSE	\$ 89,652,446	\$ 91,928,317	\$ 93,569,138

University Housing & Dining

The proposed FY 2016 residence system budget reflects a slight increase in net revenues compared to the preliminary budget received by the Board in March 2015 as part of the Residence System Governance Report. The increase is due primarily to lower than projected increases in salaries, fringe benefits and utility rates. In addition, contract revenue is slightly higher from additional capacity in some residence halls. Revenue projections are based on the rates approved at the April meeting and full occupancy in the residence halls and 98% of capacity in Hawkeye Drive apartments.

Voluntary reserve balances at June 30, 2016 are projected to be \$1.1 million higher than projected in March due to the increase in projected net revenues from operations for FY 2015 and FY 2016.

**University of Iowa
University Housing & Dining Proposed Budget 2015-16**

	Estimates 2014-15	Preliminary Budget 2015-16	Proposed Budget 2015-16
OPERATIONS			
Revenues	\$ 70,151,291	\$ 78,852,272	\$ 78,680,179
Expenditures for Operations	51,700,799	57,591,141	56,868,222
Net Revenues	18,450,492	21,261,131	21,811,957
% of Revenues	26.3%	27.0%	27.7%
Debt Service (due July 1)	8,580,555	9,667,910	9,667,910
Mandatory Transfers	600,000	600,000	600,000
Net After Debt Service & Mandatory Transfers	\$ 9,269,937	\$ 10,993,221	\$ 11,544,047
% of Revenues	13.2%	13.9%	14.7%
Debt Service Coverage Ratio	215%	220%	226%
University Overhead Payment	\$ 623,700	\$ 691,758	\$ 537,552
FUND BALANCES (June 30)			
Operation & Maintenance Fund	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Improvement Fund	10,245,600	9,335,094	9,335,094
System Fund	4,572,385	5,728,681	6,843,786
Subtotal--Voluntary Reserves	15,817,985	16,063,775	17,178,880
Bond Reserve Fund	8,075,047	10,588,057	10,588,057
Bond Construction Fund	8,388,638	15,000,000	15,000,000
Subtotal--Mandatory Reserves	16,463,685	25,588,057	25,588,057
Total Fund Balances (June 30)	\$ 32,281,670	\$ 41,651,832	\$ 42,766,937
REVENUES AND EXPENDITURES DETAIL			
Revenues			
Contracts	\$ 57,363,321	\$ 64,715,651	\$ 65,024,576
Interest	730,292	713,371	700,699
Other Income	12,057,678	13,423,250	12,954,904
Total Revenues	\$ 70,151,291	\$ 78,852,272	\$ 78,680,179
Expenditures for Operations			
Salaries, Wages & Benefits	\$ 22,478,745	\$ 25,087,044	\$ 24,662,755
Cost of Food or Goods Sold	10,107,128	11,187,967	11,210,864
Other Operating Expense	9,960,083	10,517,614	10,763,770
Utilities	5,639,749	7,050,220	6,542,717
Repairs & Maintenance	3,515,094	3,748,296	3,688,116
Total Expenditures	\$ 51,700,799	\$ 57,591,141	\$ 56,868,222

Salary Policies

The University implemented the terms of all collective bargaining agreements. A voluntary agreement for a two-year contract beginning July 1, 2015, was reached with the union representing the University of Iowa graduate assistants (COGS). The agreement provides for continuation of the minimum tuition scholarship in an amount equal to 100% of the cost of resident graduate tuition for the College of Liberal Arts and Sciences and the College of Education. The agreement also provides for contribution of 25% of mandatory fees and a 1% increase in the average graduate assistant stipend on July 1, 2015. In addition, an agreement on wages for a two-year contract beginning July 1, 2015, was also reached with the Service Employees International Union (SEIU – tertiary care employees at UIHC). This agreement provides for an across-the-board increase on July 1, 2015 of 2.75%.

As approved by the Executive Director, the overall average salary increase for all faculty and non-bargaining P&S staff within each college, vice presidential unit, or other major administrative unit will be between 1.0% and 3.0%, regardless of source of funds. No new funds will be allocated to the General Education Fund supported budgetary units. Salary funding will come from internally reallocated sources.

Individual salary increases that exceed 5.0% must be reviewed and approved by the Office of Provost (faculty) or the Vice President for University Human Resources (P&S staff). The University will allow major units to provided promotion increases, counter offers and similar critical adjustments to retain highly valued faculty and staff but must be within their budget limitations.

The university will continue to utilize the exceptional performance pay policy approved by the Board in 2006 for nonbargaining P&S staff. The use of the exceptional performance policy will be both selective and reflective of the university’s economic circumstances. Achievements recognized by the awards include activities such as completion of a major project, sustained exceptional performance, outstanding productivity and revenue generation. Payments under the exceptional performance policy are entirely non-recurring compensation.

The P&S salary matrices for FY 2016 provided below reflect the most recent calibration of market ranges and median zones using salary survey data. Based on this year’s analysis of competitive market data, the proposed ranges were increased 1% to 4% depending on relative market data for each structure and level. The two separate structures – A and B – recognize the differences in market data.

Structure A				
Pay Level	Market Range Minimum	Median Zone Low	Median Zone High	Market Range Maximum
2A	\$34,093	\$36,503	\$46,458	\$58,072
3A	\$36,719	\$42,613	\$54,234	\$67,793
4A	\$40,125	\$51,003	\$64,913	\$81,142
5A	\$47,121	\$62,828	\$79,963	\$99,954
6A	\$57,713	\$76,590	\$97,937	\$122,421
7A	\$74,262	\$99,016	\$126,021	\$157,526
8A	\$96,513	\$128,684	\$163,780	\$204,725
9	Open			
10	Open			

Structure B				
Pay Level	Market Range Minimum	Median Zone Low	Median Zone High	Market Range Maximum
2B	\$35,047	\$46,729	\$52,336	\$62,804
3B	\$40,289	\$53,718	\$60,165	\$72,198
4B	\$50,132	\$66,842	\$74,863	\$89,836
5B	\$58,797	\$78,396	\$94,076	\$112,891
6B	\$71,971	\$95,962	\$115,154	\$138,185
7B	\$89,082	\$118,776	\$142,531	\$171,037
8B	\$115,851	\$154,468	\$185,361	\$222,434
9	Open			
10	Open			

FY 2016 BUDGETS – IOWA STATE UNIVERSITY

Iowa State University’s strategic plan, Meeting the Challenges of the 21st Century, reinforces the University’s commitment to student success, creating jobs and improving life for Iowans. Using the strategic plan as a foundation, the following priorities were established to guide the University’s investment of its resources during FY 2016.

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

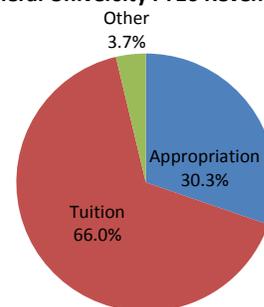
ISU utilizes a responsibility-centered approach to financial management to support its financial planning and budget development. The Resource Management Model provides revenue and growth incentives to units and rewards efficiency by attributing revenues and allocating costs to the major administrative units.

ISU FY 2016 General University Operating Budget

Tuition revenues comprise 66% of the \$601.2 million General University revenue budget with 30.3% coming from state appropriations. Projected changes in these revenue sources as well as indirect cost recoveries and interest income result in \$16.6 million in incremental revenue when compared to FY 2015.

FY 2015 Budget	\$ 584.6 million
Revenue Changes:	
Appropriation	1.2 million
Tuition	15.0 million
Indirect Cost Recoveries/Other	0.4 million
Revenue Increase	<u>16.6 million</u>
FY 2016 Budget	\$ 601.2 million

ISU General University FY16 Revenue Budget



The General University’s FY 2016 operating appropriation of \$182.2 million is 0.7% more (\$1.2 million) than the FY 2015 state funding amount.

In December 2014, the Board froze tuition (0% increase) for FY 2016 for undergraduate resident students (Agenda Item 5 contains a proposed tuition increase for the Spring 2016 semester) and approved a 1.20% increase for nonresident undergraduates. Increases of 1.75% for graduate resident student tuition and 1.20% for graduate nonresidents were also approved. The University expects another record year with Fall 2015 enrollment expected to exceed 35,000 students. The approved tuition rates and the most recent enrollment projections are expected to generate an additional \$15.0 million in gross tuition revenue when compared to FY 2015.

Reallocating resources toward institutional priorities is a continuing part of the financial planning and budget development process. In addition to the incremental revenues, the University budget includes redirected resources of \$19.4 million to support the University priorities and initiatives. The majority of these funding commitments will expand class offerings and advising support, improve classrooms, expand the wireless network, provide additional scholarships and financial aid, support student enhancement initiatives that improve graduation rates, and meet student needs related to campus life. The following summarizes the uses of the incremental and reallocated revenues.

Enhance Student Experience/Success	\$ 22.9	million
Expand Research & Scholarly Promotion	4.7	million
Promote Economic Development	0.3	million
Ensure Welcoming and Safe Campus	0.5	million
Other Cost Increases	7.6	million
Total	<u>\$ 36.0</u>	million

Expense budget preparation included the salary policies (included in this Attachment) as approved by the Executive Director. No employees received a performance-based salary increase above 1% on July 1, 2015. Approximately \$2.4 million was committed to the General University's salary base for the performance-based salary increases. Market, retention and promotional adjustments accounted for an additional \$1.8 million allocation to the salary base. Employer costs associated with the insurance plans offered to faculty and P&S staff are performing well and are projected to remain flat in FY 2016.

Approximately \$1.2 million was committed to implement the AFSCME contract for merit personnel, including supervisory and confidential employees. This includes the across-the-board and annual step increases for eligible employees, the annualization cost of step increases received during FY 2015, and the cost of insurance benefits.

Other FY 2016 cost increases include the commitment of \$2.2 million for incremental costs for property and liability insurance, city and utility services, software licenses, regulatory compliance, and to fund the operational costs of newly occupied administrative offices.

The \$601 million General University budget allocated by function is shown below. Expenses related to instruction, academic support, scholarships and fellowships, and plant operations and maintenance comprise approximately 83% of all general university expenses.

General University Spending By Function
(\$ in thousands)

	<u>FY 2016</u>	<u>% Total</u>
Instruction	246,246	41.0%
Research	14,991	2.5%
Public Service	5,467	0.9%
Academic Support	107,173	17.8%
Student Services	30,034	5.0%
Institutional Support	50,759	8.4%
Operations & Maintenance of Plant	48,405	8.1%
Scholarships & Fellowships	98,160	16.3%
Total	<u>601,235</u>	100.0%

ISU FY 2016 Special Purpose Operating Budgets

The proposed budgets for the Agricultural Experiment Station and Cooperative Extension Services are provided on page 6. ISU's consolidated special purpose budget (\$8.4 million) on page 6 includes the Leopold Center, Livestock Disease Research, the Veterinary Diagnostic Lab, the Iowa Nutrient Research Center, and Economic Development.

The chart below lists ISU's special purpose units that received state operating funding for FY 2016. All special purpose units were flat-funded (0% increase) when compared to FY 2015 and with the exception of the Veterinary Diagnostic Laboratory and the Nutrient Research Center (established in FY 2014), funding for the remaining special purpose units range from 14%-20% less than FY 2009 amounts.

<u>ISU SPECIAL PURPOSE UNITS</u>	<u>FY 2016 APPROPRIATIONS</u>
AG. EXP. STATION	29,886,877
COOP. EXT SERVICE	18,266,722
LEOPOLD CENTER	397,417
LIVESTOCK DISEASE RESEARCH	172,844
VET DIAGNOSTIC LAB	4,000,000
NUTRIENT RESEARCH CENTER	1,325,000
ECONOMIC DEVELOPMENT	2,525,302

ISU FY 2016 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
- Mandatory Student Fees – includes health, technology, student services, student activity, etc.
- Sales and Services – includes academic department service centers (Veterinary Teaching Hospital, Research Farms) and residual funds from workshops and conferences.
- Endowment Income – earnings distributed from the University's endowment funds
- Auxiliary Enterprises – comprised primarily of Intercollegiate Athletics, University Bookstore, Department of Residence, Memorial Union, Parking Systems, Recreational Services, Student Health Center, Reiman Gardens, and the Iowa State Center
- Private Gifts, Grants and Contracts – includes nongovernmental sponsored programs from private industry, non-profit organizations, and individuals
- Plant Funds – includes bond proceeds and capital project funds

The proposed FY 2016 Restricted Fund Budget also includes the following state appropriations;

- Tuition Replacement \$13.20 million
- Biosciences Facilities \$11.00 million
- Innovation Fund \$ 1.05 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 2016 athletic budget totals \$70 million and is provided on the following page.

FY 2016 ticket revenue projections are budgeted to exceed FY 2015 largely from the home football game with the University of Iowa.

Transfers from the foundation are expected to increase in FY 2016 and are used to support operations including scholarships, facilities projects and debt service expense. The increase in foundation support is primarily from the Cyclone Club and the new South End Zone Club.

Conference revenues are budgeted to increase for FY 2016 and are reflective of additional television and football bowl and playoff distributions.

FY 2016 multi-media fee income is budgeted to increase primarily from renegotiated rights fees for new inventory including the new south end zone video board, fan zones and ribbon boards in Jack Trice Stadium.

Salary costs for FY 2016 are approximately \$1.0 million higher than FY 2015 due to staff salary increases in accordance with salary policies approved by the Board and contractual coaching obligations.

Team travel costs (reported in Sports Program Operations) continue to increase due to rising fuel costs. In addition, all football away games for Fall 2015 are charter flights and last years away schedule included two bus trips.

The Athletic Department is responsible for paying tuition on the scholarships it awards. ISU Athletics awards the equivalent of approximately 236 scholarships at a cost of \$7.0 million as reflected in the budget. Beginning in FY 2016, the scholarship amount also includes a cost of attendance stipend to scholarship athletes for academic supplies, transportation, and some personal costs as calculated by the financial aid office. The annual stipend amounts range from \$2,430 to \$2,903 and are budgeted at a total annual cost to Athletics of approximately \$750,000.

The budgeted debt service increase is from the Athletic Facilities Revenue Bond issue sold in 2015 to finance a portion of the South End Zone Project.

Capital projects and deferred maintenance expenses are budgeted to increase in FY 2016 and include an expansion of Johnny's in Hilton Coliseum, the Hall of Fame in the Jacobson Building and stadium suites/pressbox improvements.

The Athletic Department purchases services from 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 \$20.9 million.

IOWA STATE UNIVERSITY ATHLETICS

	FY 2015 Budget	FY 2015 Estimates	FY 2016 Proposed
REVENUES			
Ticket Sales:			
Football	\$ 9,392,279	\$ 9,321,529	\$ 9,786,683
Men's Basketball	3,600,000	3,904,590	3,800,000
Women's Basketball	470,000	475,051	465,000
Wrestling	115,000	86,929	120,000
Other Sports	340,000	370,294	335,000
Ticket Sales:	13,917,279	14,158,393	14,506,683
Foundation Support	11,868,915	10,760,642	13,510,678
Conference & NCAA Revenue	25,831,108	26,014,993	29,135,990
Multi-Media Rights	3,553,000	4,131,167	5,275,000
Post Season Revenue	1,300,000	262,284	1,300,000
Student Fees	1,950,000	2,035,000	2,035,000
Licensing	900,000	918,959	900,000
Game guarantees	120,000	154,442	225,000
Auxillary Revenue	1,361,667	1,503,777	1,390,000
Other Revenue	1,870,000	2,153,464	1,725,000
TOTAL REVENUES	\$ 62,671,969	\$ 62,093,121	\$ 70,003,351
EXPENSES			
Sports Programs - Operations:			
Football	\$ 3,074,678	\$ 3,326,328	\$ 3,677,500
Men's Basketball	1,585,210	1,659,103	1,636,150
Women's Basketball	983,774	899,942	1,004,000
Wrestling	300,000	299,399	300,000
Other Sports	2,617,241	2,649,886	2,850,233
Sports Programs - Operations:	8,560,903	8,834,658	9,467,883
Sports Program Support Units:			
Medical	400,000	364,960	400,000
Video Operations	169,060	279,969	180,500
Athletic Training	348,450	458,142	491,950
Academic Services	310,050	314,096	317,850
Other	505,505	481,733	532,000
Sports Program Support Units:	1,733,065	1,898,900	1,922,300
Internal Operations:			
Admin Operations	650,000	961,543	727,000
Big 12 Expenses	1,725,000	1,790,000	1,750,000
Airplane Support	175,000	147,452	175,000
IT Operations	535,000	568,270	573,000
Other	245,615	250,998	320,215
Internal Operations:	3,330,615	3,718,263	3,545,215
Salaries & Benefits	21,992,090	21,694,864	22,737,124
Scholarships	6,435,771	5,981,218	7,020,884
External Operations	2,564,677	2,567,682	2,635,727
Facilities & Events	6,481,492	6,626,748	6,777,000
Postseason	2,725,000	1,328,854	2,900,000
Debt Service	6,836,812	6,798,886	8,383,376
Capital Projects/Def Maint	1,942,001	2,568,580	4,534,420
TOTAL EXPENSES	\$ 62,602,426	\$ 62,018,653	\$ 69,923,929

ISU Residence System

The proposed Residence System budget remains very similar to that presented to the Board at the March 2015 meeting and is provided below. Slight adjustments have been made to operational expenditures to reflect updated projections. FY 2016 budgeted revenues and expenses exceed FY 2015 largely due to the leasing of additional spaces to meet the increased occupancy demand. The projected debt service increase in FY 2016 is from two bond issues scheduled to be sold for the new Buchanan Residence Hall –Building 2 project previously approved by the Board. This results in net revenues after debt service and mandatory transfers being less than FY 2015.

**Iowa State University
Residence System Proposed Budget 2015-16**

	Estimates 2014-15	Preliminary Budget 2015-16	Proposed Budget 2015-16
OPERATIONS			
Revenues	\$ 98,334,352	\$ 103,392,431	\$ 103,392,431
Expenditures for Operations	73,420,665	77,012,969	76,947,946
Net Revenues	24,913,687	26,379,462	26,444,485
% of Revenues	25.3%	25.5%	25.6%
Debt Service (due July 1)	13,777,308	16,447,519	16,447,519
Mandatory Transfers	500,000	500,000	500,000
Net After Debt Service & Mandatory Transfers	\$ 10,636,379	\$ 9,431,943	\$ 9,496,966
% of Revenues	10.8%	9.1%	9.2%
Debt Service Coverage Ratio	181%	160%	161%
University Overhead Payment	\$ 2,179,571	\$ 2,411,685	\$ 2,411,685
FUND BALANCES (June 30)			
Improvement Fund	18,809,374	14,085,812	14,085,812
System Fund	11,004,184	10,440,495	9,236,358
Subtotal--Voluntary Reserves	29,813,558	24,526,307	23,322,170
Bond Reserve Fund	16,551,186	16,551,186	16,551,186
Bond Construction Fund	21,050,000	10,300,000	10,300,000
Subtotal--Mandatory Reserves	37,601,186	26,851,186	26,851,186
Total Fund Balances (June 30)	\$ 67,414,744	\$ 51,377,493	\$ 50,173,356
REVENUES AND EXPENDITURES DETAIL			
Revenues			
Contracts	\$ 79,243,219	\$ 85,052,767	\$ 85,052,767
Interest	176,000	306,000	306,000
Other Income	18,915,133	18,033,664	18,033,664
Total Revenues	\$ 98,334,352	\$ 103,392,431	\$ 103,392,431
Expenditures for Operations			
Salaries, Wages & Benefits	\$ 33,418,457	\$ 33,773,520	\$ 33,777,265
Cost of Food or Goods Sold	12,766,341	12,598,627	12,598,627
Other Operating Expense	16,594,185	19,001,319	18,932,551
Utilities	7,487,024	8,240,675	8,240,675
Repairs & Maintenance	3,154,658	3,398,828	3,398,828
Total Expenditures	\$ 73,420,665	\$ 77,012,969	\$ 76,947,946

Salary Policies

As approved by the Executive Director, faculty, post docs, P&S staff and contract employees with satisfactory performance will receive a performance-based salary increase of 1% on July 1, 2015. No employees will receive a performance-based July 1st salary increase above 1%. Units wanting to recognize employees who demonstrate above satisfactory performance with a salary increase of more than 1% will postpone the additional increase until the University's funding situation is fully determined later this fall.

Less than satisfactory performing employees will not receive a salary increase on July 1, 2015. In these cases, the supervisor will file a performance improvement plan for P&S staff and contract employees, or an action plan for faculty and post docs. These plans will include a required performance review in December 2015 and the employee will be eligible for a performance based increase of up to 1% beginning on January 1, 2016.

When necessary and appropriate, July 1, 2015 salary increases not related to performance, but intended to correct market or equity disparities, or address retention issues, may be proposed for faculty, post docs, P&S staff and contract employees. Market, equity, and/or retention increases require further administrative approval from the respective Senior Vice President or the President.

The P&S staff pay matrix provided below has not been increased for FY 2016 and remains identical to last year.

Iowa State University
FY 2016 Professional and Scientific Salary Matrix

Grade	Minimum	1st Third	Midpoint	Maximum
41	\$95,852	\$121,397	\$134,296	N/A
40	\$83,858	\$106,206	\$117,380	N/A
39	\$73,607	\$96,915	\$108,569	\$143,532
38	\$65,768	\$84,402	\$93,720	\$121,672
37	\$57,609	\$73,933	\$82,095	\$106,580
36	\$52,374	\$67,213	\$74,631	\$96,889
35	\$45,927	\$58,940	\$65,446	\$84,965
34	\$40,467	\$51,932	\$57,665	\$74,863
33	\$38,047	\$47,558	\$52,314	\$66,581
32	\$34,523	\$43,154	\$47,470	\$60,417
31	\$31,393	\$38,717	\$42,380	\$53,368
30	\$28,968	\$35,244	\$38,382	\$47,796

FY 2016 BUDGETS – UNIVERSITY OF NORTHERN IOWA

During the FY 2016 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 lowans. 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.

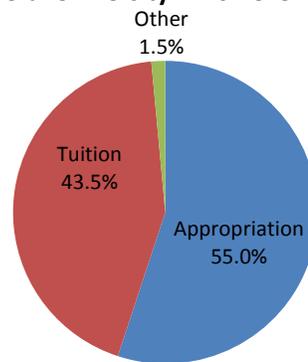
The University of Northern Iowa plans to maintain a strong focus on University goals and priorities while maximizing the efficient use of resources, reducing costs, and actively pursuing enrollment strategies.

UNI FY 2016 General University Operating Budget

State appropriations comprise more than half (55%) of UNI’s proposed FY 2016 General University operating revenue budget with tuition revenue being 43.5% of budgeted revenues. Projected changes in these and other revenue sources results in total operating revenue that is \$1.4 million less (0.8% decrease) than the FY 2015 budget.

UNI General University FY16 Revenue Budget

FY 2015 Budget	\$ 172.7 million
Revenue Changes:	
Base Appropriation	5.1 million
One-Time Appropriation*	(4.0) million
Tuition	(2.4) million
Other Revenues	(0.1) million
Revenue Increase	(1.4) million
FY 2016 Budget	\$ 171.3 million



*see one-time appropriation explanation below

As shown in the table on the following page, the General University’s FY 2016 base operating appropriation of approximately \$94.3 million is \$5.1 million more (5.7%) than the base appropriation received for FY 2015. Also, the 2013 General Assembly appropriated a total of \$10 million in one-time funds that were available in FY 2014 and FY 2015. The FY 2015 budget included the remaining \$4 million (\$6 million budgeted for FY 2014) of the one-time funds. No one-time funds are available for FY 2016. As reflected on the table on the following page, UNI’s general university appropriations (base and one-time) for FY 2016 exceed FY 2015 by \$1.1 million.

<u>UNI - General University</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>Difference</u>
Appropriation-Base	\$ 89,176,732	\$ 94,276,732	\$ 5,100,000
Appropriation-One Time	4,000,000	-	(4,000,000)
Total	\$ 93,176,732	\$ 94,276,732	\$ 1,100,000

In December 2014, the Board froze tuition (0% increase) for FY 2016 for undergraduate resident students (Agenda Item 5 contains a proposed tuition increase for the Spring 2016 semester) and approved a 1.75% increase for resident graduate students. All nonresident tuition rates were also increased 1.75%. Even though the University expects a modest increase in enrollment for Fall 2015, projected FY 2016 tuition revenue is \$2.4 million less than the FY 2015 budget since actual enrollment in FY 2015 was less than the budget.

Interest income is projected to decrease \$0.1 million while the remaining revenue sources are budgeted to remain flat with FY 2015.

Mandatory salary and related benefit increases from faculty and merit employee bargaining are included in the proposed FY 2016 budget. Salary expense budget preparation also included the salary policies (included in this Attachment) for P&S staff as approved by the Executive Director. The FY 2016 General University budget includes a total salary and fringe cost increase of \$3.8 million when compared to last year.

Utility expenses are projected to increase \$0.4 million (3.2%) and the financial aid budget has increased \$0.5 million reflective of a new scholarship program. Limited resources were available to fully meet the needs of some initiatives including marketing, admissions counselors, academic advisors, and student aid.

To address the expected shortfall created by the expected decline in total revenues and certain cost increases, the University has reduced revenue allocations to the divisional/departmental budgets, redistributed building repair allocations, and used remaining available one-time funds.

The \$171.3 million General University budget allocated by function is shown below. Expenses related to instruction, academic support, scholarships and fellowships, and plant operations and maintenance comprise approximately 76% of all general university expenses.

General University Spending By Function
(\$ in thousands)

	<u>FY 2016</u>	<u>% Total</u>
Instruction	74,058	43.2%
Research	272	0.2%
Public Service	1,702	1.0%
Academic Support	21,478	12.5%
Student Services	8,384	4.9%
Institutional Support	30,095	17.6%
Operations & Maintenance of Plan	21,028	12.3%
Scholarships & Fellowships	14,257	8.3%
Total	171,275	100.0%

UNI FY 2016 Special Purpose Operating Budgets

UNI's consolidated special purpose budget (\$6.6 million) on page 6 includes the Iowa Mathematics and Science Education Partnership Program (IMSEP), Recycling and Reuse Center, Real Estate Education, and Economic Development. All special purpose units were flat-funded (0% increase) when compared to FY 2015.

<u>UNI SPECIAL PURPOSE UNITS</u>	<u>FY 2016 APPROPRIATIONS</u>
RECYCLING & REUSE	175,256
MATH & SCIENCE	5,200,000
REAL ESTATE EDUCATION	125,302
ECONOMIC DEVELOPMENT	1,066,419

UNI FY 2016 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 2016 Restricted Fund Budget includes the following state appropriations:

- Schindler Education Center \$15.00 million
- Tuition Replacement \$ 3.64 million
- Innovation Fund \$ 0.90 million

UNI Athletics

The University of Northern Iowa's FY 2016 athletic budget provided on the following page reflects revenue projections of \$13.1 million, similar to the FY 2015 budget.

Sports income is expected to grow in FY 2016 primarily from increased ticket sales/prices for men's basketball but are partially offset by fewer football game guarantee revenues.

Since UNI Athletics does not receive substantial revenues from conference distributions and other sources, the General University does provide athletic support for scholarships and operations. In September 2010, the University presented a plan to reduce and then limit university support for athletics to no more than 2.4% of the General University budget. The FY 2016 budget is in compliance with the plan approved by the Board.

Estimates for FY 2015 include a transfer from non-GEF sources to supplement the FY 2015 budget and cover a shortfall in FY 2014. Athletics will internally pay back approximately \$250,000 annually for four years to cover a portion of the transfer amount. Athletics and University staff has worked closely in preparing and implementing budget reduction plans for FY 2016. The budgeted decline in administrative costs is primarily due to the proration of some salary costs between Athletics and the UNI Dome in alignment with staff responsibilities. The Department has also eliminated several graduate assistant positions.

Scholarship costs of approximately \$3.8 million for the equivalent of 189 scholarships are included in the applicable sports expense lines. Beginning in FY 2016, the scholarship amount also includes a cost of attendance stipend for men'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 amounts range from \$2,200 to \$2,560 at a total annual cost to Athletics of approximately \$46,500.

Football and men's basketball expense projections for FY 2015 exceed the budget because of post-season participation. These expenses were partially offset by corresponding NCAA distributions due to the post-season participation.

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 is projected to provide \$4.25 million in FY 2016 to these University entities for the services.

University of Northern Iowa
FY 2016 Proposed Athletic Budgets

	<u>FY 2015 Budget</u>	<u>FY 2015 Estimates</u>	<u>FY 2016 Proposed Budget</u>
INCOME			
Football	1,380,500	1,344,026	1,154,000
Men's Basketball	871,200	952,338	1,373,000
Men - All Other Sports	103,000	86,576	86,000
Women - All Sports	169,100	92,502	160,500
Subtotal - Sports	<u>2,523,800</u>	<u>2,475,442</u>	<u>2,773,500</u>
Other Income			
Student Activity Fee	1,996,475	1,995,455	1,998,139
General University Support for:			
General Athletics Operations	2,707,860	2,733,533	2,826,801
Scholarships	1,283,481	1,283,481	1,283,481
Other - Non GEF Transfers	-	1,880,183	-
Alumni/Foundation Support	1,565,000	1,209,270	1,305,500
Athletic Marketing	1,171,000	1,172,043	1,201,500
Athletic Conf/NCAA Support	1,070,000	1,130,271	954,700
Novelties - Outings	300,000	251,093	259,500
General	452,000	420,073	465,000
Subtotal - Other	<u>10,545,816</u>	<u>12,075,402</u>	<u>10,294,621</u>
TOTAL INCOME	<u>13,069,616</u>	<u>14,550,844</u>	<u>13,068,121</u>
EXPENSES			
Men's Sports			
Football	2,989,562	3,315,088	3,025,725
Basketball	2,003,322	2,331,451	2,163,764
All Other Men's Sports	1,197,008	1,201,240	1,211,540
Subtotal - Men's Sports	<u>6,189,892</u>	<u>6,847,779</u>	<u>6,401,029</u>
Women's Sports			
Basketball	1,024,641	999,007	987,706
Volleyball	772,996	676,918	775,945
All Other Women's Sports	2,214,292	2,259,947	2,201,716
Subtotal - Women's Sports	<u>4,011,929</u>	<u>3,935,872</u>	<u>3,965,367</u>
Other Expenses			
Athletic Training	285,744	249,658	209,360
Administration & General	2,244,039	2,393,485	1,865,186
Athletic Marketing & Sports Info	233,012	505,250	457,573
Contingency	105,000	-	169,606
Subtotal - Other Expenses	<u>2,867,795</u>	<u>3,148,393</u>	<u>2,701,725</u>
TOTAL EXPENSES	<u>13,069,616</u>	<u>13,932,044</u>	<u>13,068,121</u>

UNI Residence System

The Board received a preliminary FY 2016 residence system budget as a part of the governance report at its March 2015 meeting. All revenue and expense categories in the proposed budget remain identical with the preliminary budget presented in March. The increase in the June 30, 2016 voluntary reserve fund balance is a direct result of the timeline (most project expenses expected to occur in FY 2017) for the Lawther Hall Renovation project approved by the Board in April 2015.

**University of Northern Iowa
Residence System Proposed Budget 2015-16**

	Estimates 2014-15	Preliminary Budget 2015-16	Proposed Budget 2015-16
OPERATIONS			
Revenues	\$ 39,172,538	\$ 40,826,596	\$ 40,826,596
Expenditures for Operations	26,849,223	27,805,986	27,805,986
Net Revenues	12,323,315	13,020,610	13,020,610
% of Revenues	31.5%	31.9%	31.9%
Debt Service (due July 1)	6,749,590	6,748,065	6,748,065
Mandatory Transfers	330,000	330,000	330,000
Net After Debt Service & Mandatory Transfers	\$ 5,243,725	\$ 5,942,545	\$ 5,942,545
% of Revenues	13.4%	14.6%	14.6%
Debt Service Coverage Ratio	183%	193%	193%
University Overhead Payment	\$ 721,231	\$ 745,150	\$ 745,150
FUND BALANCES (June 30)			
Improvement Fund	\$ 2,198,097	\$ 2,048,097	\$ 1,796,002
System Fund	11,421,420	8,502,504	11,848,816
Subtotal--Voluntary Reserves	13,619,517	10,550,601	13,644,818
Bond Reserve Fund	6,115,951	6,115,951	6,115,951
Subtotal--Mandatory Reserves	6,115,951	6,115,951	6,115,951
Total Fund Balances (June 30)	\$ 19,735,468	\$ 16,666,552	\$ 19,760,769
REVENUES AND EXPENDITURES DETAIL			
Revenues			
Contracts	\$ 33,283,964	\$ 35,245,769	\$ 35,245,769
Interest	398,000	350,000	350,000
Other Income	5,490,574	5,230,827	5,230,827
Total Revenues	\$ 39,172,538	\$ 40,826,596	\$ 40,826,596
Expenditures for Operations			
Salaries, Wages & Benefits	\$ 15,023,571	\$ 15,540,687	\$ 15,540,687
Cost of Food or Goods Sold	4,755,012	4,954,466	4,954,466
Other Operating Expense	2,783,635	2,583,690	2,583,690
Utilities	2,643,052	3,193,943	3,193,943
Repairs & Maintenance	1,643,953	1,533,200	1,533,200
Total Expenditures	\$ 26,849,223	\$ 27,805,986	\$ 27,805,986

Salary Policies

The University implemented the terms of a voluntary agreement for a two-year contract beginning July 1, 2015, that was reached with the organized faculty (UNI-United Faculty). The agreement provided for a wage increase of 2.5% on July 1, 2015.

As approved by the Executive Director, the FY 2016 salary increase for P&S staff is an amount equal to 1.25% of combined annual salaries. The funds will be distributed as 2.5% increase on January 1, 2016 with 1% for employees with satisfactory performance and the remaining 1.5% based on performance and equity.

The following P&S staff pay matrix for FY 2016 remains identical to last year's matrix.

University of Northern Iowa
FY 2016 Professional and Scientific Salary Matrix

Grade	Minimum	First Quartile	Midpoint	Third Quartile	Maximum
I	\$25,470	\$33,130	\$40,790	\$48,450	\$56,100
II	\$30,280	\$39,500	\$48,710	\$57,930	\$67,140
III	\$34,830	\$45,700	\$56,580	\$67,450	\$78,330
IV	\$40,390	\$53,790	\$67,190	\$80,590	\$93,990
V	\$47,270	\$63,350	\$79,430	\$95,500	\$111,580
VI	\$56,850	\$76,020	\$95,190	\$114,360	\$133,530
VII	\$67,400	\$90,940	\$114,480	\$138,020	\$161,560
VIII	\$80,560	\$108,370	\$136,190	\$164,000	open

IOWA SCHOOL FOR THE DEAF

The proposed FY 2016 operating and restricted fund budgets for the Iowa School for the Deaf total \$12.1 million and are provided at the bottom of the following page.

ISD FY 2016 General Operating Budget

The Iowa School for the Deaf offers 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 Individual Education Program (IEP) is designed to develop the student's educational potential. The primary mission is to provide quality programs for students, enabling them to leave ISD with optimal academic, vocational, interpersonal and independent living skills. Budget development ties directly to the strategic plan and more specifically to the following objectives:

- Meet or exceed state academic standards in reading and math
- Identify and adopt additional tools/strategies to motivate
- Demonstrate that student outcomes assessment enhances teaching
- Demonstrate efficient and productive use of resources

The following educational programs are included in the FY 2016 operating budget:

- On-Campus – The primary on-campus educational program provides academic and vocational programming for 109 deaf and hard of hearing children from early childhood through high school graduation. The educational programming options must be comprehensive enough to meet each child's educational requirements as specified in the IEP, which is written for each student in conjunction with the parents and the School.
- 4Plus Program - This School-to-Work Transition Program involves students in grades eleven to 4-PLUS (18-21 yrs old). Students are involved in a systematic and developmental program designed to introduce them to on-the-job training in an area of career interest within the community.
- Mainstream Program – The program permits ISD students to receive classroom instruction in the Lewis Central School District. The Mainstream Program will serve approximately 10 students and families during FY 2016.
- Parent/Infant Program– The Parent/Infant Program is a collaborative effort with the Green Hills AEA and offers year-round early childhood special education programming support to deaf and hard of hearing infants and toddlers, and their families. Each family's educational program is determined by their Individual Family Service Plan. The Program includes on-campus parent/infant instruction and home visits by professionals which gives parents an opportunity to see home-based instruction occurring with their child and gives staff an opportunity to review parent/infant educational interaction.

The 2015 General Assembly appropriated a 1.25% increase (approximately \$117,000) in state operating funding for FY 2016. Other income sources are projected to increase approximately \$190,000 primarily from the addition of an educational interpreter and para-educator services to school districts resulting in additional sales/services revenue.

The incremental revenues and reallocated funds from building repairs will support costs associated with the added positions in statewide services for Extended Learning, Deaf Resource Center, a portion of the Northeast Regional Academy, and costs associated with the salary policy beginning on page 32.

ISD FY 2016 Restricted Budget

The FY 2016 restricted budget includes additional pass-thru federal grant funding from the Iowa Department of Education for start-up support for the Northeast Regional Academy and for federal statewide services for the Deaf. In addition, the federal funds support improving sign language skills of parents, interpreter and teacher training, family activities, ADA accessibility and post-graduation living skills.

Revenue generated from students attending ISD from Nebraska is included in the restricted funds and is segregated from ISD's general fund appropriation. The FY 2016 budget anticipates 9 students attending from Nebraska. A portion of the Nebraska revenue will continue to provide for staffing expenses.

FY 2016 IOWA SCHOOL FOR THE DEAF PROPOSED BUDGET			
	Operating Budget	Restricted Budget	Total Budget
REVENUES			
General Appropriation	\$ 9,509,257	\$ -	\$ 9,509,257
Appropriations - Other	82,049		82,049
Federal Support	56,970	590,535	647,505
Interest	1,000	525	1,525
Reimbursed Indirect Costs	23,927		23,927
Sales and Services	878,824	812,267	1,691,091
Other Income	155,200		155,200
TOTAL REVENUES	\$10,707,227	\$ 1,403,327	\$ 12,110,554
EXPENDITURES			
Salaries	\$ 8,867,170	\$ 861,964	\$ 9,729,134
Prof. & Scien. Supplies/Services	1,305,085	331,730	1,636,815
Library Acquisition	5,000		5,000
Utilities	291,250		291,250
Bldg. Repairs	203,522	159,633	363,155
Aud. of State Reimburse	35,200		35,200
Equipment		50,000	50,000
TOTAL EXPENDITURES	\$10,707,227	\$ 1,403,327	\$ 12,110,554

Salary Policies

The faculty salary and the non-bargaining P&S staff salary matrices approved by the Executive Director are provided below and on the following page. ISD and IBSSS share a single P&S salary matrix. The overall average salary increase for all faculty and non-bargaining P&S staff is approximately 1.5% and salary increases for institutional officials range from 0-1%.

Also, the supplemental pay schedule for various extracurricular activities remains unchanged from last year's schedule and is provided on page 34.

**Iowa School for the Deaf
Faculty Salary Matrix
2015 -2016**

Track Degree	I BA	II BA+15	III BA+30	IV MA	V MA+15	VI MA+30	VII ED SPEC
Beginning	43,795	45,698	47,601	51,408	53,311	55,215	57,118
Step 1	44,556	46,497	48,439	52,322	54,263	56,204	58,146
Step 2	45,333	47,313	49,293	53,253	55,234	57,213	59,194
Step 3	46,125	48,145	50,165	54,204	56,224	58,244	60,263
Step 4	46,933	48,993	51,053	55,173	57,234	59,293	61,353
Step 5	47,757	49,859	51,959	56,162	58,264	60,365	62,466
Step 6	48,597	50,740	52,884	57,171	59,314	61,457	63,601
Step 7	49,455	51,641	53,827	58,199	60,386	62,573	64,758
Step 8	50,329	52,559	54,789	59,249	61,479	63,709	65,939
Step 9		53,496	55,770	60,319	62,594	64,868	67,143
Step 10		54,451	56,771	61,411	63,731	66,051	68,371
Step 11		55,426	57,792	62,525	64,891	67,258	69,624
Step 12			58,834	63,660	66,074	68,488	70,902
Step 13			59,895	64,819	67,281	69,744	72,205
Step 14			60,979	66,001	68,512	71,023	73,535
Step 15				67,206	69,768	72,329	74,890
Step 16				68,436	71,048	73,661	76,274
Step 17					72,355	75,020	77,685
Step 18					73,688	76,405	79,124
Step 19						77,819	80,592
Step 20						79,261	82,089

CED	Provisional	\$ 750	Sign Language Certification:	Intermediate Plus	\$ 200
	Professional	\$ 1,500		Advanced	\$ 400
	(ASHA)	\$ 750	Advanced Plus	\$ 600	
			Superior	\$ 800	

For individuals with an appropriate PH. D., the Superintendent has the authority to pay 10% above the person's relative position on the Ed. Spec. track.

IOWA SCHOOL FOR THE DEAF
IOWA BRAILLE AND SIGHT SAVING SCHOOL
PROFESSIONAL AND SCIENTIFIC SALARY SCHEDULE
2015-2016

Salary Grade	Minimum	Midpoint	Maximum	Spread
1	\$36,182	\$44,003	\$51,823	43.23%
2	\$38,904	\$47,902	\$56,899	46.25%
3	\$43,927	\$54,120	\$64,313	46.41%
4	\$48,612	\$61,151	\$73,690	51.59%
5	\$53,624	\$67,947	\$82,269	53.42%
6	\$59,880	\$76,706	\$93,532	56.20%

SALARY GRADE ASSIGNMENTS

- 3 Accountant I (ISD)
Educational Interpreter (ISD)
Extended Learning Programmer (IBSSS)
Information Technology Associate (ISD)
Recreation Utilization Coordinator (ISD)
Residential Counselor (ISD)
- 4 Administrative Assistant (ISD)
Assistant to the Dean of Students (ISD)
Athletic Director (ISD)
Human Resources Specialist (IBSSS)
Student Life Advisor (ISD)
Sign Language Instructor (ISD)
Transportation Manager (ISD)
- 5 Accountant II (ISD)
Director of Development (ISD)
Director of Extended Learning (IBSSS)
Director of Human Resources (ISD)
Facilities Manager (ISD)
Family Services Specialist (IBSSS)
Information Technology Specialist (ISD/IBSSS)
Outreach Coordinator (ISD)
Registered Nurse, Head (ISD/IBSSS)
Residence Dean (ISD)
Sign Language Program Coordinator (ISD)
- 6 Dean of Students (ISD)

ISD SUPPLEMENTAL PAY SCHEDULE

HEAD COACH

FY 2016

100.00%

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
FOOTBALL	2651	2731	2813	2897	2984	3074	3165	3261	3359	3459	3563	3670	3780	3893	4010
BASKETBALL	2651	2731	2813	2897	2984	3074	3165	3261	3359	3459	3563	3670	3780	3893	4010
VOLLEYBALL	2651	2731	2813	2897	2984	3074	3165	3261	3359	3459	3563	3670	3780	3893	4010
TRACK	2651	2731	2813	2897	2984	3074	3165	3261	3359	3459	3563	3670	3780	3893	4010
WRESTLING	2651	2731	2813	2897	2984	3074	3165	3261	3359	3459	3563	3670	3780	3893	4010
CHEERLEADING	2651	2731	2813	2897	2984	3074	3165	3261	3359	3459	3563	3670	3780	3893	4010

ASSISTANT HIGH SCHOOL/JUNIOR HIGH SCHOOL

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
FOOTBALL	2068	2130	2194	2260	2328	2398	2470	2544	2620	2699	2780	2863	2949	3037	3129
BASKETBALL	2068	2130	2194	2260	2328	2398	2470	2544	2620	2699	2780	2863	2949	3037	3129
VOLLEYBALL	2068	2130	2194	2260	2328	2398	2470	2544	2620	2699	2780	2863	2949	3037	3129
TRACK	2068	2130	2194	2260	2328	2398	2470	2544	2620	2699	2780	2863	2949	3037	3129
WRESTLING	2068	2130	2194	2260	2328	2398	2470	2544	2620	2699	2780	2863	2949	3037	3129

EXTRACURRICULAR

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
SENIORS	931	931	931	931	931	931	931	931	931	931	931	931	931	931	931
JUNIORS	931	931	931	931	931	931	931	931	931	931	931	931	931	931	931
CONCESSIONS	931	959	988	1018	1049	1080	1112	1145	1179	1214	1250	1288	1327	1367	1408
YEARBOOK	931	959	988	1018	1049	1080	1112	1145	1179	1214	1250	1288	1327	1367	1408
OTHER	931	959	988	1018	1049	1080	1112	1145	1179	1214	1250	1288	1327	1367	1408

IOWA BRAILLE AND SIGHT SAVING SCHOOL

The proposed FY 2016 operating and restricted fund budgets for the Iowa Braille and Sight Saving School total \$9.0 million and are provided on the following page.

IBSSS FY 2016 General Fund Operating Budget

The mission of the Iowa Braille and Sight Saving School (Iowa Educational Services for the Blind and Visually Impaired) has two primary components: to provide direct educational services to visually impaired children and youth of the state of Iowa, and to serve a leadership and resource role in statewide efforts to meet the needs of the visually impaired. The School's purpose is to enable Iowa's students, who are blind or visually impaired, to function as independently as possible in all aspects of life, by providing appropriate education opportunities, resources and support services.

A cooperative agreement between the Board of Regents, Area Education Agencies, the Department of Education and the Department for the Blind committed to the goal to create a unified system for the delivery of vision services with the statewide system for vision services as the central agency to recruit, train, supervise and deploy all Teachers of Visual Impairments (TVIs) and Certified Orientation and Mobility instructors (COMs) in the state.

The strategic initiatives of the Iowa Educational Services for the Blind and Visually Impaired supported by the budget proposal include:

- Through collaboration with other service providers, IBSSS shall increase the availability and participation in intense services in regions of the state.
- The development and implementation of a process for determining and meeting the full continuum of service needs, including the long-term residential needs of students who are blind or visually impaired.
- Increase the percentage of students, who by age 16, have transition plans for improved post-secondary outcomes.
- Meet or exceed state academic standards for performance in reading and mathematics.
- Demonstrate, in conjunction with other partners, that the student outcome assessment programs help students achieve identified learning goals.

The goals of the Iowa Education Services for the Blind and Visually Impaired are:

- A. Provide equitable access to a continuum of high quality services for all students in Iowa who are blind and visually impaired, including those with multiple disabilities.
- B. Assure an adequate supply of highly trained TVIs and COMs.
- C. Assure adequate and professional supervision, ongoing professional development and equitable job assignments for professionals working with blind and visually impaired students.
- D. Eliminate duplication in service delivery by creating a seamless coordinated system of services to blind and visually impaired students across multiple funding sources and agencies responsible for this population.
- E. Maintain a center of excellence in Iowa for discipline specific expertise.

The 2015 General Assembly appropriated a 1.25% increase (approximately \$49,000) in state operating funding for FY 2016. Conversely, other revenues are projected to decline approximately \$280,000 from a reduction in budgeted service billing revenues to the AEAs reflective of a staff reduction (approximately 2 FTEs) of Teachers of Visual Impairments and Orientation and Mobility Specialists and also from a slight reduction in Americorps lease revenues.

Salary expenses include implementation of the salary policy provided on the following page and one-half of administrative salaries for the Special Schools and the Northeast Regional Director. Building repair costs from operating funds have been reduced from FY 2015 due to the completion of planned building repair projects and now reflect expected recurring repairs on campus facilities.

IBSSS FY 2016 Restricted Budget

IBSSS's FY 2016 restricted budget totals approximately \$0.6 million and is provided below. The restricted funding comes from federal pass-thru 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 evaluation and equipment, assistive devices, and a TVI for the Northeast Regional Academy. The endowment funds support activities/programs in conjunction with the strategic plan including post-secondary scholarships.

FY 2016 IOWA BRAILLE & SIGHT SAVING SCHOOL PROPOSED BUDGET			
	Operating Budget	Restricted Budget	Total Budget
REVENUES			
General Appropriation	\$ 3,964,688	\$ -	\$3,964,688
Federal Support	391,025	365,197	756,222
Reimb. Indirect Costs	42,094		42,094
Sales and Services	3,997,397		3,997,397
Other Income	-	220,000	220,000
TOTAL REVENUES	\$ 8,395,204	\$ 585,197	\$ 8,980,401
EXPENDITURES			
Salaries	\$ 6,746,522	\$ 312,032	\$7,058,554
Prof. & Scien. Supplies/Services	1,167,141	272,152	1,439,293
Library Acquisition	8,734	1,013	9,747
Utilities	270,000		270,000
Bldg. Repairs	128,307		128,307
Aud. of State Reimburse	31,500		31,500
Equipment	43,000		43,000
TOTAL EXPENDITURES	\$ 8,395,204	\$ 585,197	\$ 8,980,401

Salary Policies

The faculty salary matrix approved by the Executive Director is provided below. ISD and IBSSS share a single P&S salary matrix (provided on page 33 in Attachment D). The overall average salary increase for all faculty and non-bargaining P&S staff is approximately 1.0%. In addition, salary increases for institutional officials is 1% and is based on performance and market competitiveness demands.

Also, the supplemental pay schedule for various extracurricular activities remains unchanged from last year's schedule and is provided on the following page.

**Iowa Braille and Sight Saving School
Faculty Salary Matrix
2015 -2016**

Track Degree	I BA	II BA+15	III BA+30	IV MA	V MA+15	VI MA+30	VII ED SPEC
Beginning	43,795	45,698	47,601	51,408	53,311	55,215	57,118
Step 1	44,556	46,497	48,439	52,322	54,263	56,204	58,146
Step 2	45,333	47,313	49,293	53,253	55,234	57,213	59,194
Step 3	46,125	48,145	50,165	54,204	56,224	58,244	60,263
Step 4	46,933	48,993	51,053	55,173	57,234	59,293	61,353
Step 5	47,757	49,859	51,959	56,162	58,264	60,365	62,466
Step 6	48,597	50,740	52,884	57,171	59,314	61,457	63,601
Step 7	49,455	51,641	53,827	58,199	60,386	62,573	64,758
Step 8	50,329	52,559	54,789	59,249	61,479	63,709	65,939
Step 9	51,221	53,496	55,770	60,319	62,594	64,868	67,143
Step 10	52,131	54,451	56,771	61,411	63,731	66,051	68,371
Step 11	53,059	55,426	57,792	62,525	64,891	67,258	69,624
Step 12	54,006	56,420	58,834	63,660	66,074	68,488	70,902
Step 13	54,971	57,433	59,895	64,819	67,281	69,744	72,205
Step 14	55,956	58,467	60,979	66,001	68,512	71,023	73,535
Step 15	56,960	59,522	62,084	67,206	69,768	72,329	74,890
Step 16	57,985	60,598	63,211	68,436	71,048	73,661	76,274
Step 17	59,030	61,695	64,360	69,690	72,355	75,020	77,685
Step 18	60,096	62,814	65,533	70,970	73,688	76,405	79,124
Step 19	61,184	63,956	66,729	72,274	75,047	77,819	80,592
Step 20	62,293	65,121	67,949	73,605	76,433	79,261	82,089

ACVREP \$900 (available to Orientation and Mobility Specialists hired on or before 12/31/2010)

For individuals with an appropriate PH. D., the Superintendent has the authority to pay 10% above the person's relative position on the Ed. Spec. track.

Iowa Braille School
Faculty Extracurricular Pay Schedule
FY 2016

<u>Faculty ECA Positions</u>	<u>Stipend</u>
Track Coach	\$3,000.00
Cheerleading Coach	\$3,000.00
Swimming Coach	\$3,000.00
Forensics Coach	\$3,000.00
Goalball Coach	\$3,000.00
Chaperone	\$200.00/night

FY 2016 BUDGET – IOWA PUBLIC RADIO

The FY 2016 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 2016 budget was approved by IPR's Board of Directors on July 7, 2015.

- University support for FY 2016 remains flat when compared to FY 2015. In April 2014, the Board of Regents approved IPR's request to increase university support for FY 2015 by \$118,100 from FY 2014 levels.
- Budgeted increases in fundraising revenue from memberships and major gifts are partially offset by expected smaller decreases in underwriting and event revenue.
- Salary expenses are estimated to decrease primarily due from two phased retirements with the positions not being backfilled, hiring delays, and an unfilled position that was downgraded. The FY 2016 budget does include an average salary increase of approximately 2.0% for staff.
- Professional service costs are expected to decrease from fewer legal fees, insurance and advertising.
- Generally, the remaining operating expenses are estimated to increase primarily from additional repairs and maintenance in order to delay purchases, professional development for staff and postage from direct mail campaigns.
- The budget includes a \$100,000 capital state appropriation for the purchase of a radio transmitter.

	<u>FY15 BUDGET</u>	<u>FY16 BUDGET</u>	<u>DIFFERENCE</u>
OPERATING INCOME			
University Support	\$ 944,800	\$ 944,800	\$ -
State of Iowa Appropriation	391,568	391,568	-
Federal Support - CPB	631,845	624,806	(7,039)
Fundraising	5,166,427	5,477,500	311,073
Transfer from reserves	336,276		(336,276)
TOTAL OPERATING INCOME	\$ 7,470,916	\$ 7,438,674	\$ (32,242)
OPERATING EXPENSES			
Compensation	\$ 3,992,969	\$ 3,915,069	\$ (77,900)
Programming Fees	1,098,602	1,115,544	16,942
Facilities	553,042	558,189	5,147
Professional/Other Services	673,640	638,316	(35,325)
Telecommunications	222,442	227,234	4,792
Depreciation Expense	501,130	463,303	(37,827)
Printing	77,800	91,000	13,200
Supplies	118,204	128,547	10,343
Travel	86,730	97,080	10,350
Other	137,374	200,243	62,869
TOTAL OPERATING EXPENSES	\$ 7,461,932	\$ 7,434,525	\$ (27,408)
NET OPERATING INCOME (LOSS)	\$ 8,984	\$ 4,149	\$ (4,834)
NON-OPERATING INCOME (EXPENSE):			
Rental Revenue	\$ 118,566	\$ 118,566	\$ 0
Investment Earnings	25,150	25,150	-
State of Iowa Capital Appropriation		100,000	100,000
Equipment Grant Revenue		50,000	50,000
Equipment, Capitalized	(120,600)	(267,820)	(147,220)
Equipment, Non-Capitalized	(24,000)	(25,400)	(1,400)
Debt Service	(8,100)	(4,578)	3,522
TOTAL NON-OPERATING INCOME (EXPENSE)	\$ (8,984)	\$ (4,082)	\$ 4,902
NET ALL ACTIVITY	\$ -	\$ 67	\$ 67

FY 2016 BUDGET – BOARD OFFICE

The Board Office operating budget is supported mainly by state appropriations and institutional support. The proposed FY 2016 operating budget of the Board Office shows a 1.8% increase over the FY 2015 adopted budget. State appropriations were held to the FY 2015 level.

Reflecting the service nature of the Board Office, personnel costs are approximately 77% of the proposed budget. Salary increases approved by the Executive Director averaged 2.5%. Personnel costs for FY 2016 include a deferred compensation payout and bonus for the Executive Director.

Grant funds include Federal support for a student longitudinal data study and administration of Title II, as well as a MHEC/Lumina grant for a collaborative multi-state project on assisting military personnel in college success and progression. The MHEC/Lumina grant will be used mainly for travel undertaken for collaboration efforts.

FY 2016 Board Office Budget			
	Budget FY 2015	Proposed Budget FY 2016	% Change from FY 2015
Revenues			
State Appropriations	1,094,714	1,094,714	0.0%
Institutional Reimbursements	2,679,460	2,811,585	4.9%
Grant Funds	240,712	181,045	-24.8%
Non-institutional	1,500	1,500	0.0%
Principal Demutualization	3,000	3,000	0.0%
TOTAL REVENUE	4,019,386	4,091,844	1.8%
Expenditures			
Personnel and Board per diem	3,044,387	3,148,620	3.4%
Travel	74,200	88,500	19.3%
Office Supplies & Printing	35,000	35,000	0.0%
Dues	60,000	50,000	-16.7%
Advertising	2,000	2,000	0.0%
Communications	52,500	52,500	0.0%
Outside Services & Repairs	45,000	45,000	0.0%
State Audit	14,500	14,500	0.0%
IT Services	43,500	44,000	1.1%
Office Equipment & Furnishings	28,000	33,000	17.9%
Office Space	106,667	107,024	0.3%
Educational/Training Expense	20,500	33,000	61.0%
Special Services	493,132	438,700	-11.0%
TOTAL EXPENDITURES	4,019,386	4,091,844	1.8%

Salary Policies

Salary increases for Board Office employees, excluding the Executive Director, were based on performance and average 2.5%. The minimums and maximums for salary grades 1-9 in the Board Office staff pay matrix below remain identical to last year. The Executive Director's position is in grade 9, and the base salary range for that grade is set by the legislature and has been frozen for several years.

**BOARD OF REGENTS, STATE OF IOWA
BOARD OFFICE PROFESSIONAL AND SCIENTIFIC SCHEDULE
FY 2016**

Salary Grade	Minimum	Maximum
1	\$32,959	\$58,406
2	\$38,892	\$68,919
3	\$45,890	\$81,325
4	\$54,152	\$95,963
5	\$63,899	\$113,236
6	\$75,401	\$133,619
7	\$88,973	\$157,671
8	\$104,988	\$186,051
9	*	\$154,300

Assignment of Active Classifications to Pay Grades

2	Senior Administrative Assistant
3	Executive Assistant Technical Specialist**
4	Policy and Operations Analyst**
5	Regents Associate Counsel Regents Communications Officer
6	Policy and Operations Officer**
7	Senior Communications Director State Relations Officer
8	Chief Academic Officer Chief Business Officer Regents General Counsel
9	Executive Director

*(Salary range provided in 2008 Iowa Acts, Chapter 1191, Section 14)

University of Iowa P&S Positions Detailed to Board Office

Position	SUI Pay Grade	Salary Range
Policy and Operations Officer**	7A	\$74,262 - \$157,526
Policy and Operations Analyst**	4A	\$40,125 - \$81,142
Technical Specialist**	4A	\$40,125 - \$81,142
Chief Audit Executive	8A	\$96,513 - \$204,725

**in both SUI and Board Office P&S classification systems

Other Positions

State Relations Officer	ISU Pay Grade 39	\$73,607 - \$143,532
State Relations Officer	UNI Pay Grade 6	\$56,850 - \$133,530