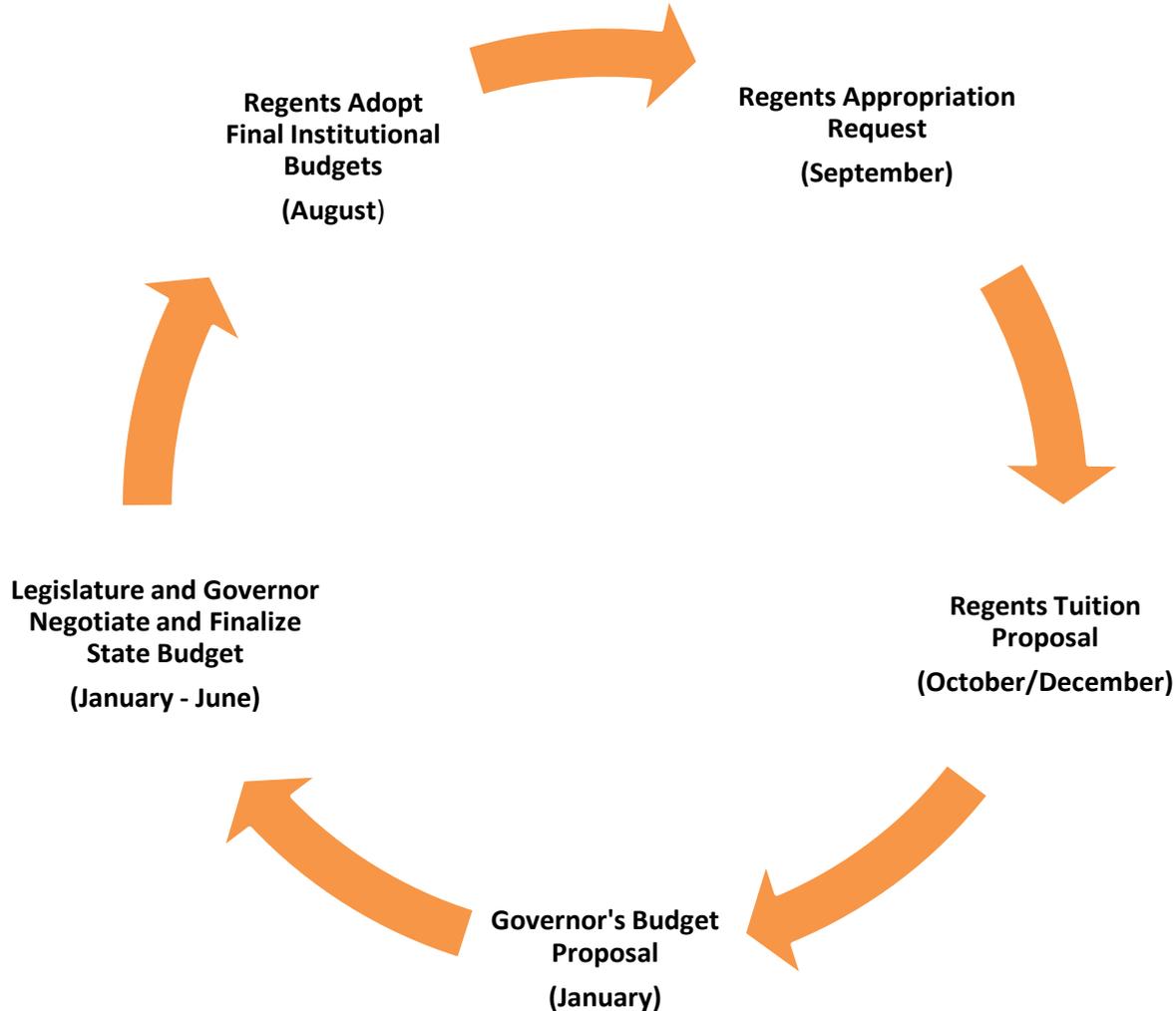


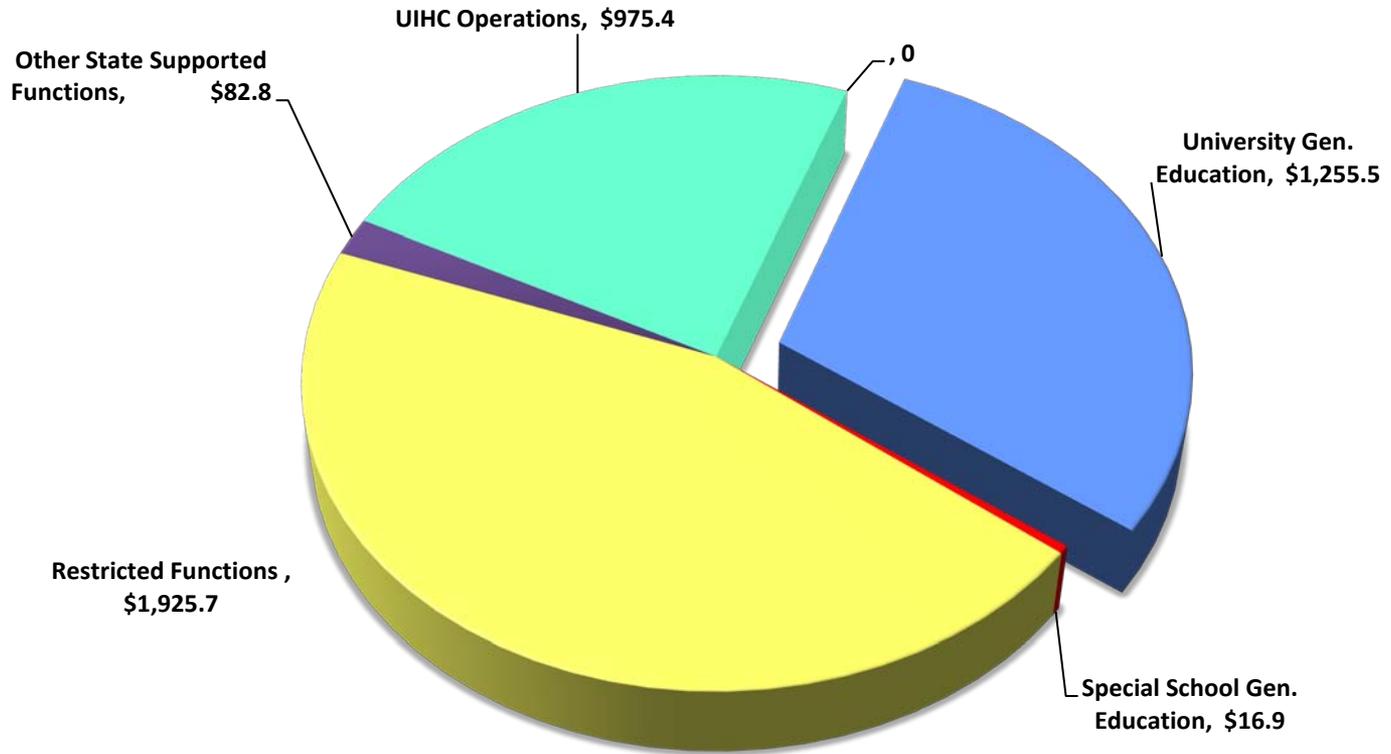
Board of Regents, State of Iowa

FY 2012 Budget Presentation

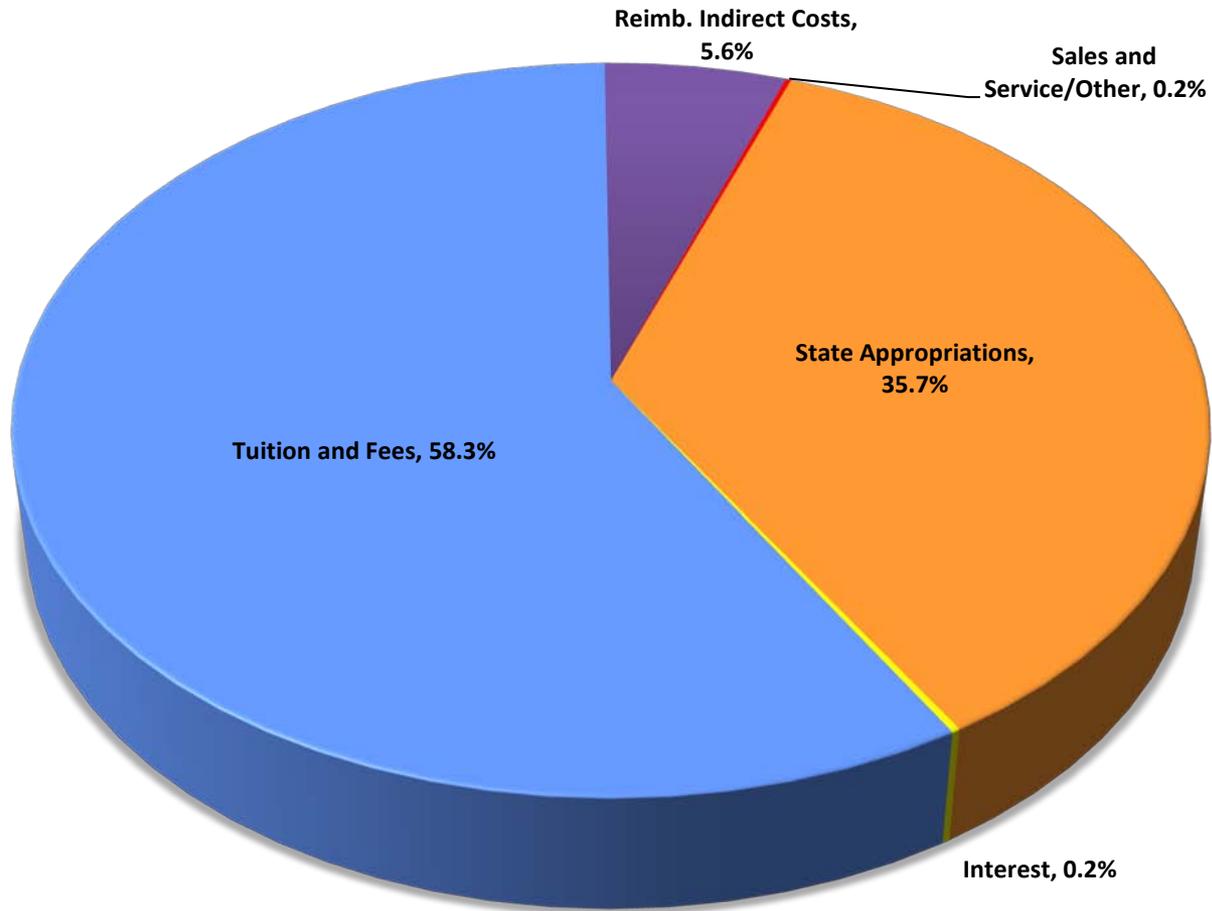
Regent Budget Process



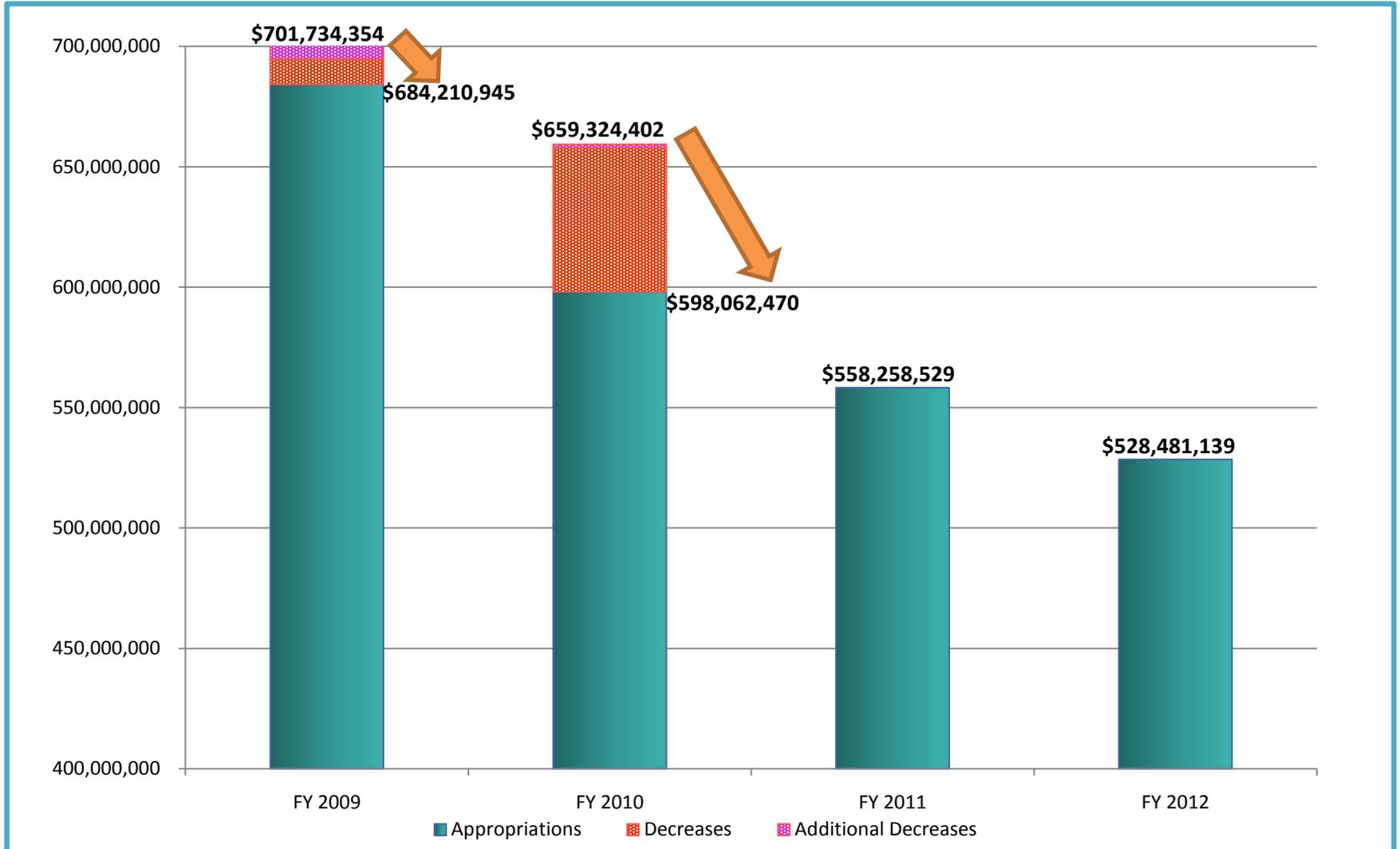
REGENT FY 2012 ENTERPRISE PROPOSED BUDGET - \$4.26 billion



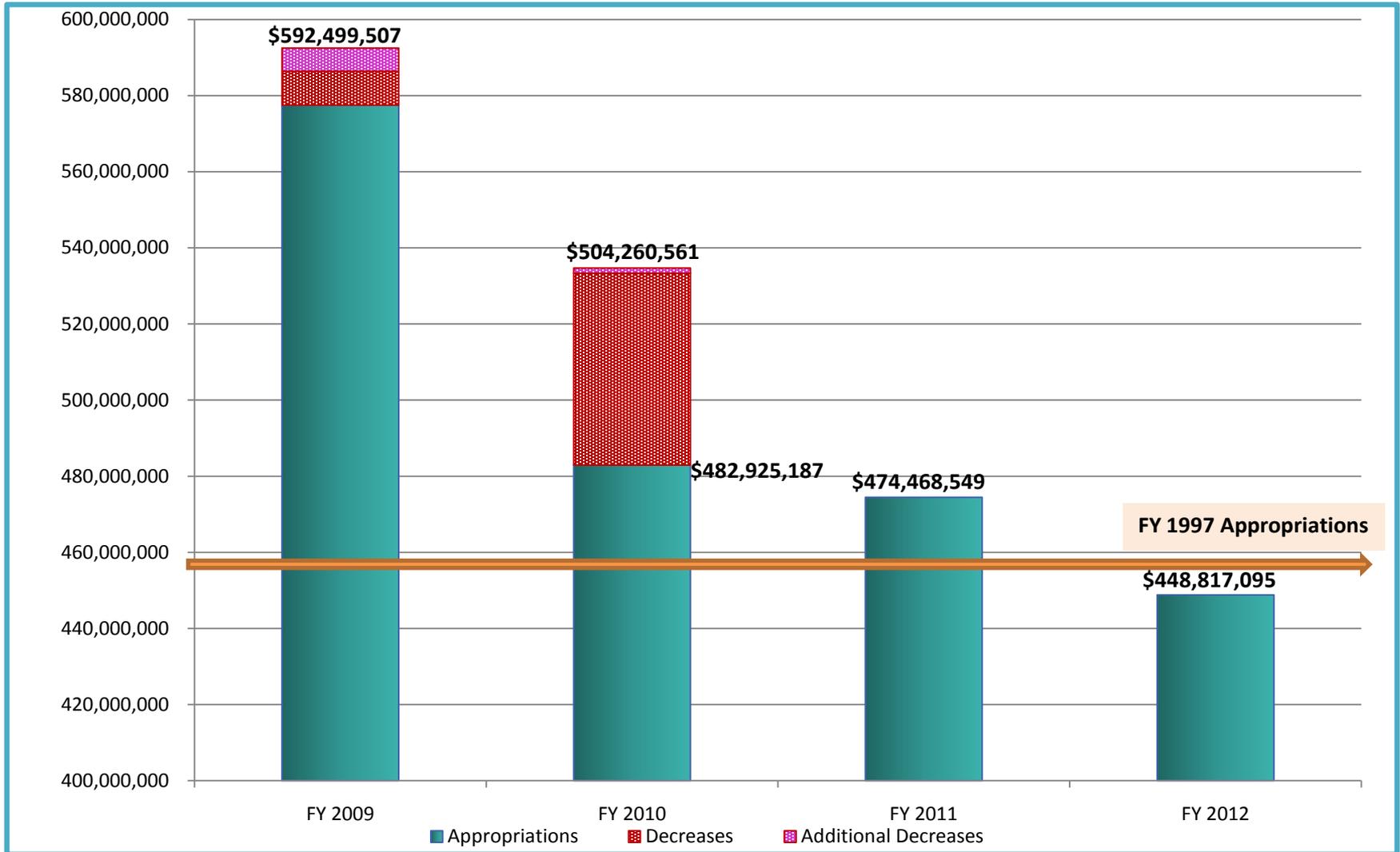
GENERAL UNIVERSITY RESOURCES - \$1,255 MILLION



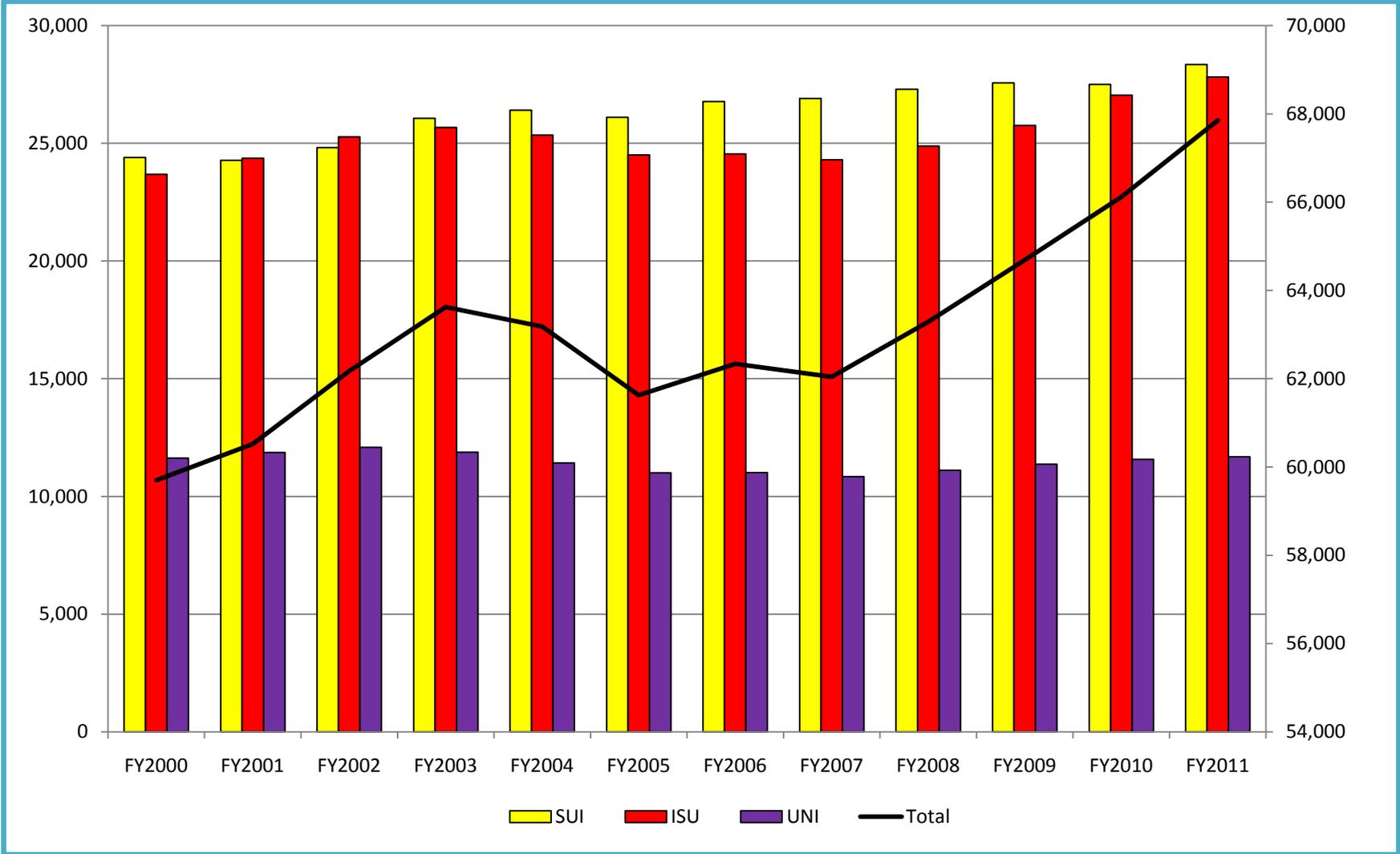
State Appropriation Changes since FY 2009



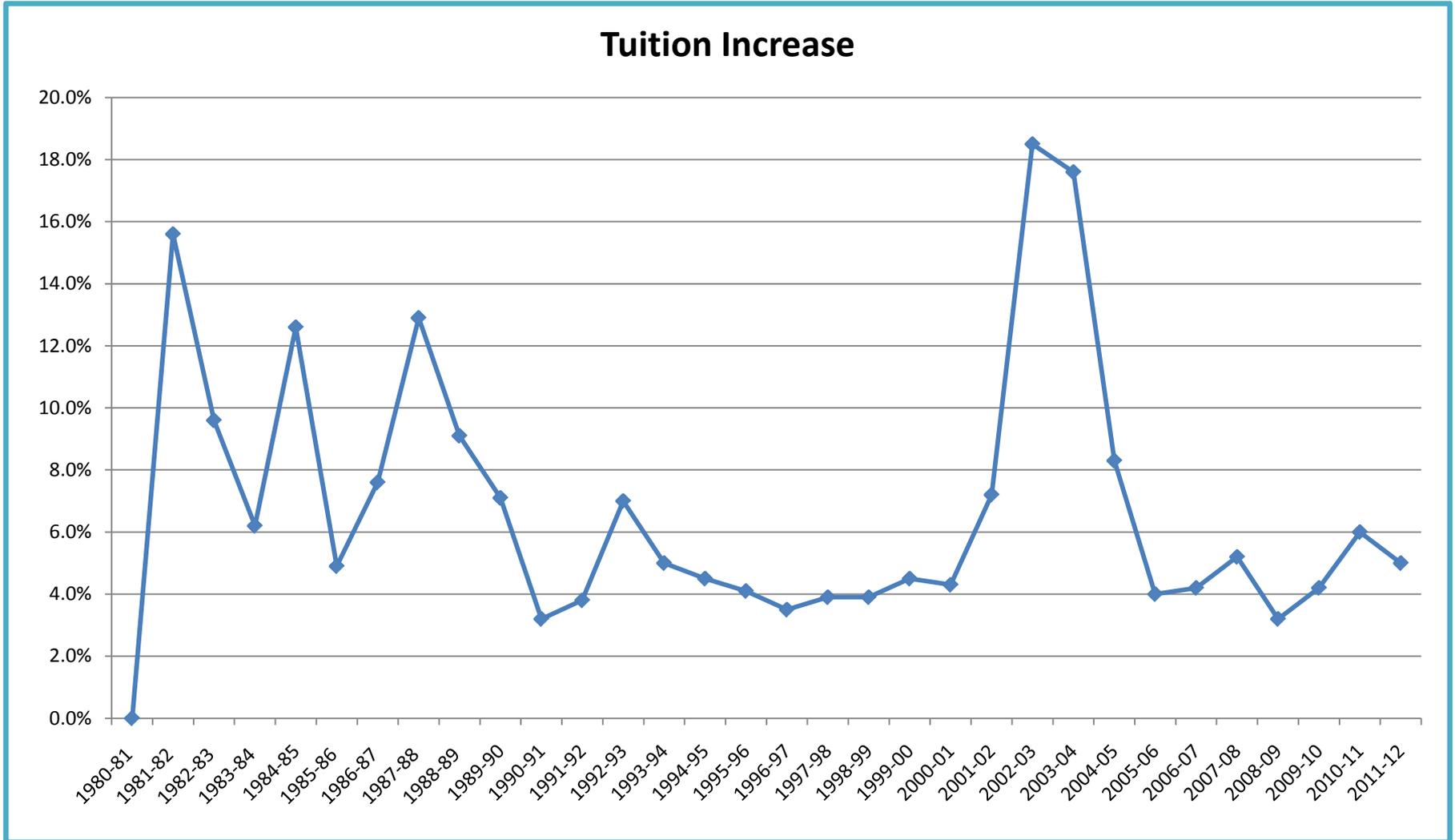
State Appropriation Changes to General University Funds

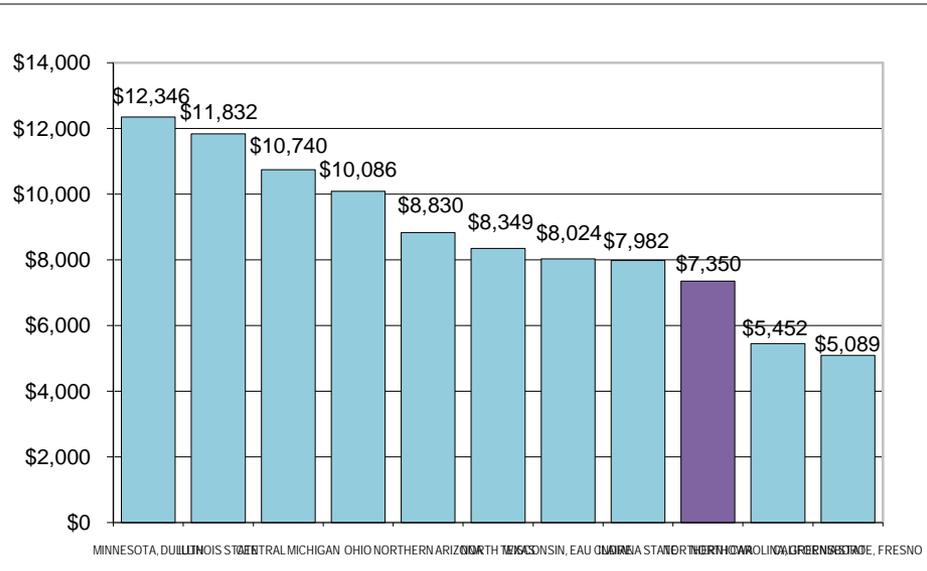
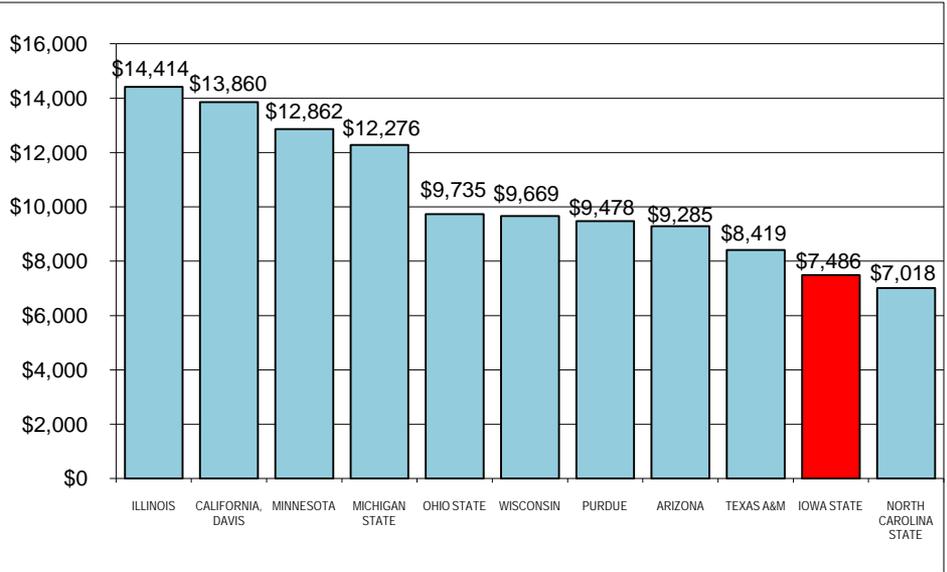
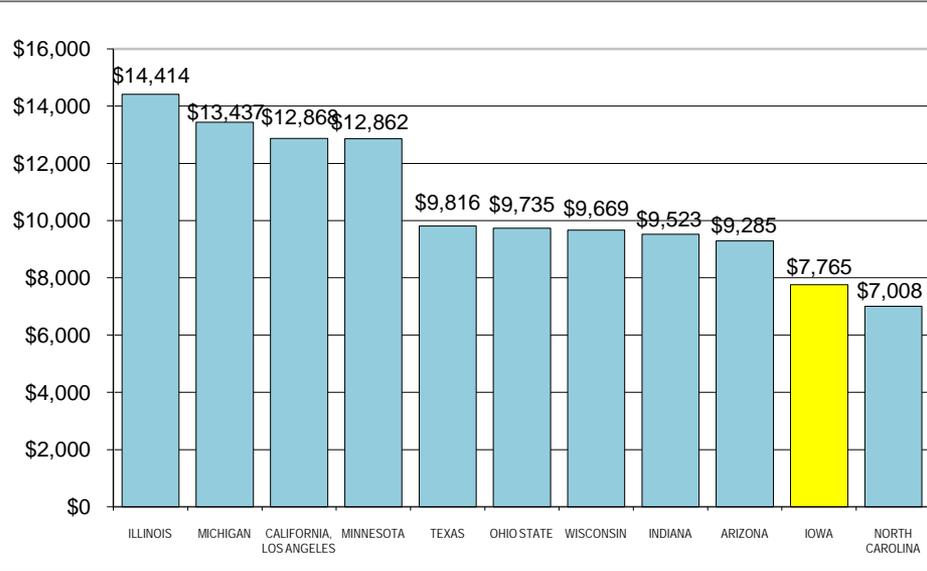


FTE Enrollment



Tuition Increases FY 1981 to FY 2012





FY 2012 Tuition and Fees Regent Universities and Peer Institutions

Regent Budget Goals

Continue to stabilize and strengthen the Regent institutions financial model to address future needs.

- ✓ Improve productivity and service
- ✓ Reduce cost
- ✓ Restructure for efficiency and effectiveness
- ✓ Defer investments
- ✓ Generate reliable sources of recurring revenue
- ✓ Discount the cost of education through financial aid

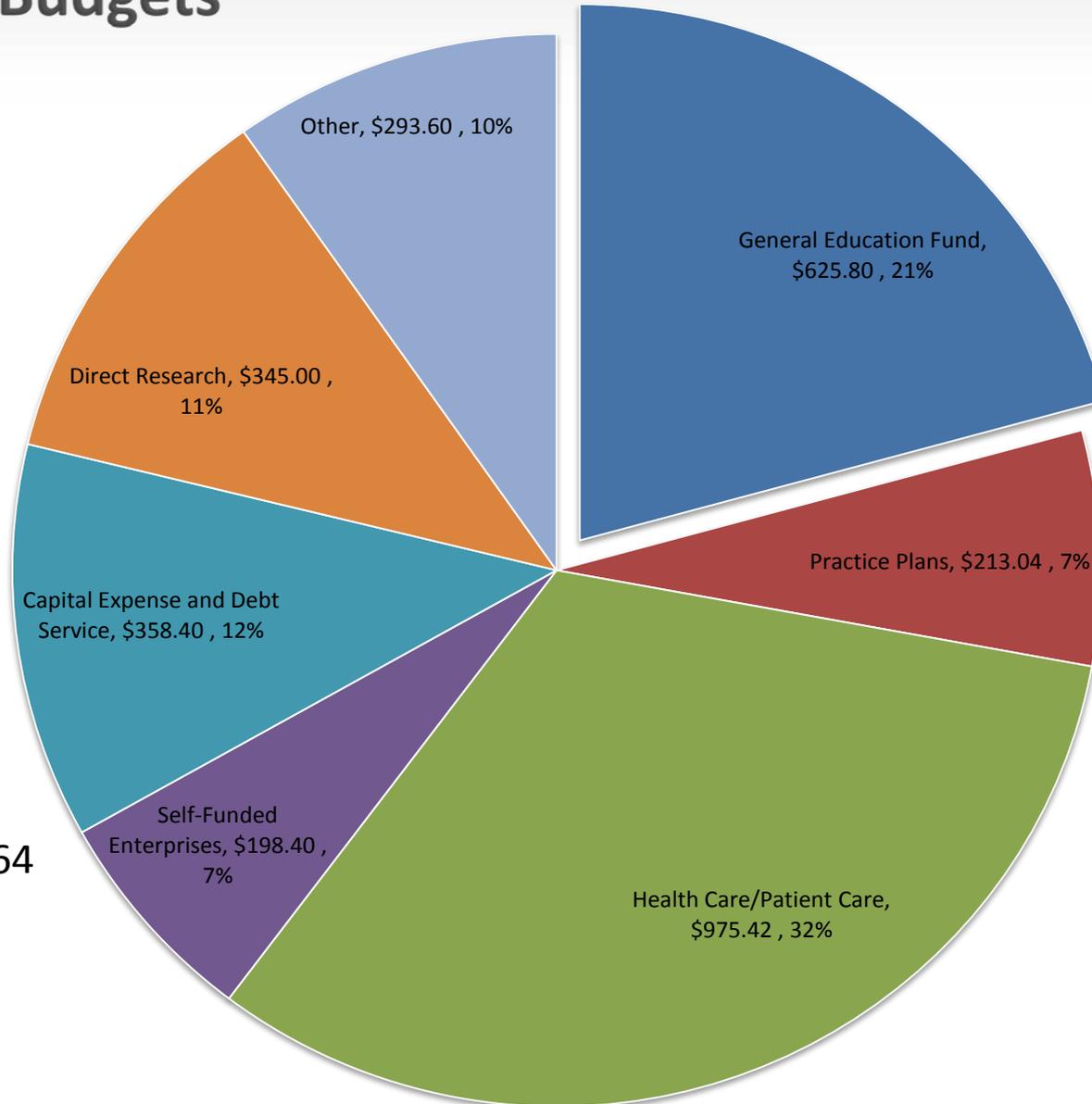
President's Budget Presentation

FY2012





University Budgets FY 2012

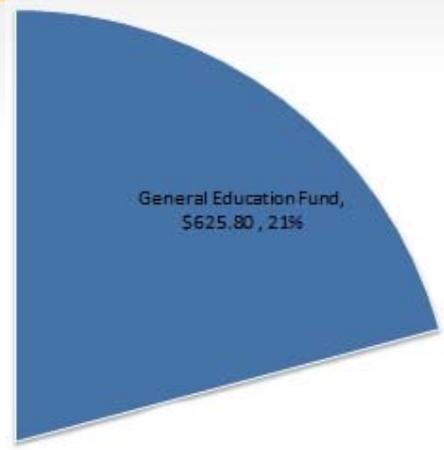


TOTAL:\$3,009.64
(in millions)



FY 2012 GEF Revenue/Source Summary

\$ 612.4 million	FY 2011 Revised GEF Budget
Changes from FY 2011 to FY 2012	
\$(12.0) million	State Appropriation Reduction
\$ 28.5 million	Tuition
\$ (3.1) million	Reimbursed Indirect Costs
\$ 13.4 million	Net Revenue Increase
\$ 625.8 million	FY 2012 GEF Budget



\$20.0 million	Tuition rate revenue
\$ 8.5 million	Enrollment increase revenue
\$28.5 million	Total tuition revenue



Students and Workforce

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	<u>Incremental Revenue Applied</u>	
Access and Enrollment Growth	\$11,615,000	
Undergraduate Student Success	\$4,646,585	
Graduate Student Success	\$3,549,429	
		<u>Benefits</u>
Bar		\$3.0M
Non-P		\$(2.1)M

Student Financial Aid Set-Aside and Tuition 10-year growth

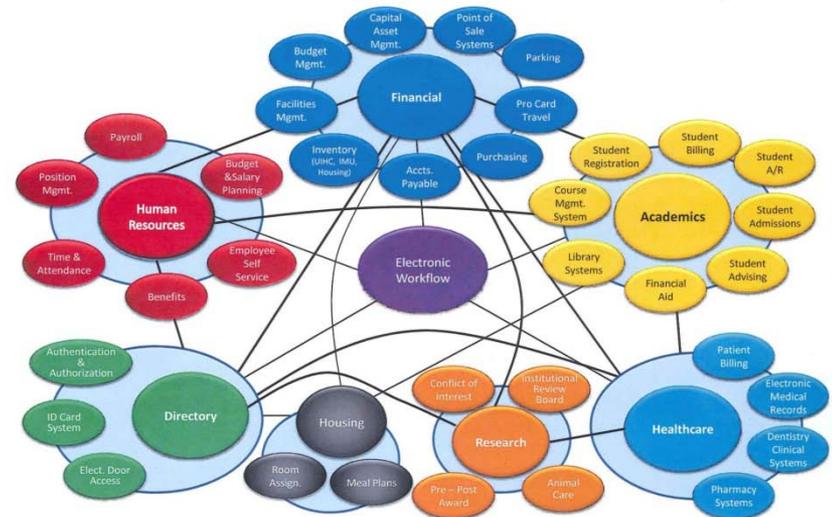
	<u>FY 2001</u>	<u>FY 2011</u>	<u>% Increase</u>
Tuition	\$125,729,000	\$321,150,000	155%
Student Financial Aid Set-Aside	\$ 20,117,000	\$ 67,749,000	237%



Cost Saving Measures

Efficiencies and Productivity

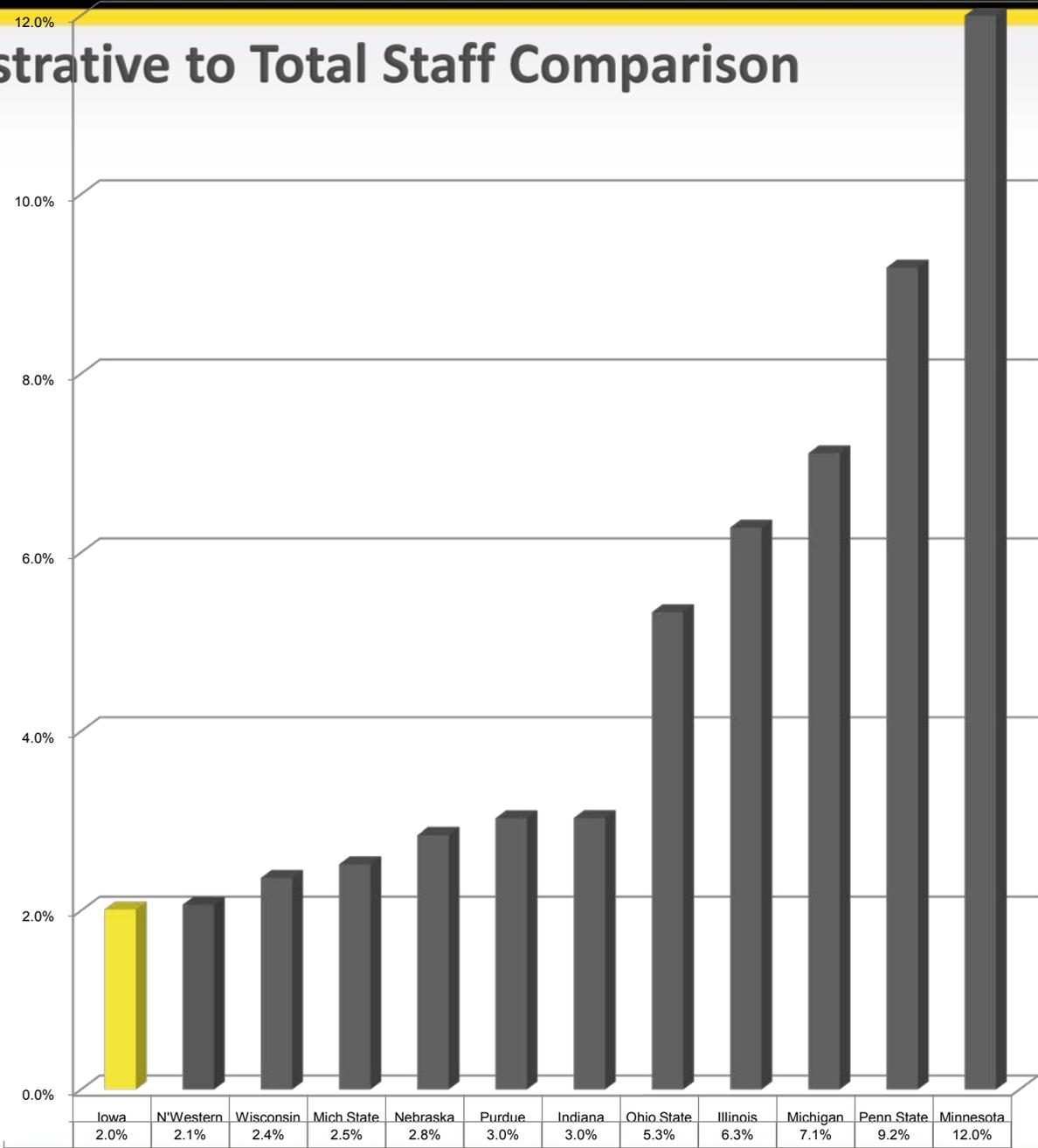
- Faculty instructional productivity (SCH/FTE) up 10.5% since FY 2005
- Faculty personnel files migrated into ePersonnel Record system
- E-transactions (Workflow) growing toward 1,000,000 per year
- Inter-institutional initiatives
 - Joint Purchasing Contracts
 - ProTrav Procurement Card/Travel Software
 - Jobs@UNI
- Energy Control Center: \$500,000 annual savings
- Energy Hawks: \$1.5M annual savings
- Oakdale Hall Razing: \$792,000 annual savings



Electronic Administrative Systems

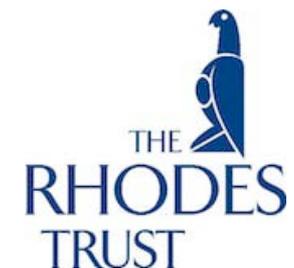
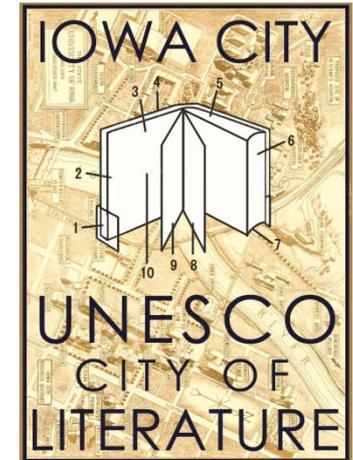
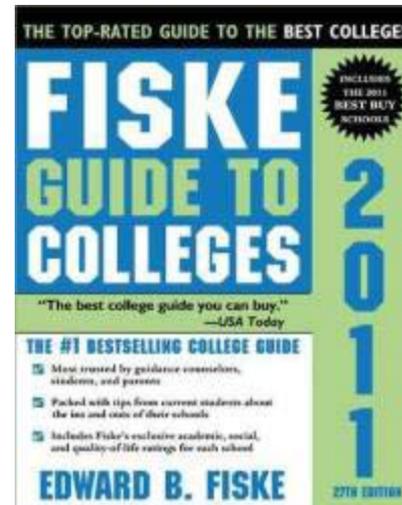
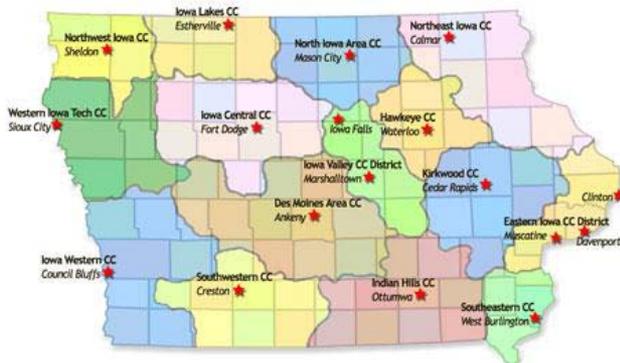


Executive/Administrative to Total Staff Comparison 2010-2011



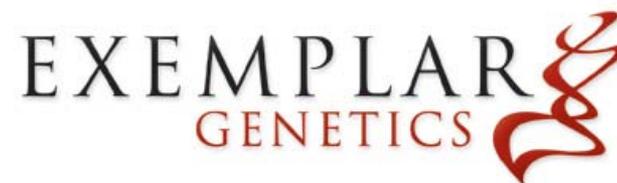
University of Iowa Distinctions

- Students, Faculty and Alumni of Distinction
- Programs of Distinction
- University of Distinction
- Engaging Iowans with Distinction



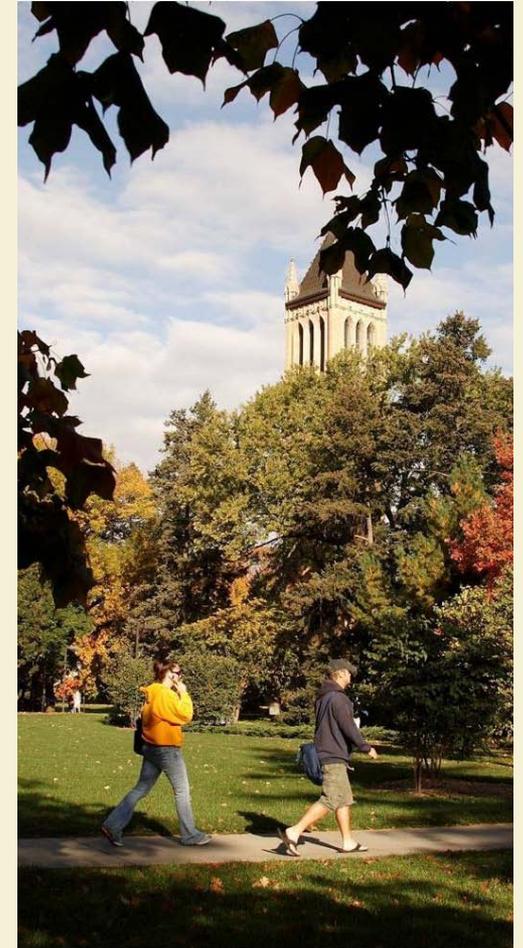
University of Iowa Economic Impact

- **Tripp-Umbach Report:**
 - \$6 billion/year for Iowa's economy
 - ROI: \$16 for every \$1 in state investment
 - 1 out of every 30 jobs in the Iowa economy supported by UI
 - Non-resident students contribute \$380M/year to the Iowa economy
- **Construction Impact**
 - 3.5-fold increase in construction activity in next 5 years
- **\$456.5 million in grants and contracts awarded, FY 2011**
 - 1,900 FTE engaged in research, grant/contract activity
- **Start-ups/Job Creation**
 - Exemplar Genetics
 - Terpenoid Therapeutics, Inc.



Iowa State University of Science & Technology

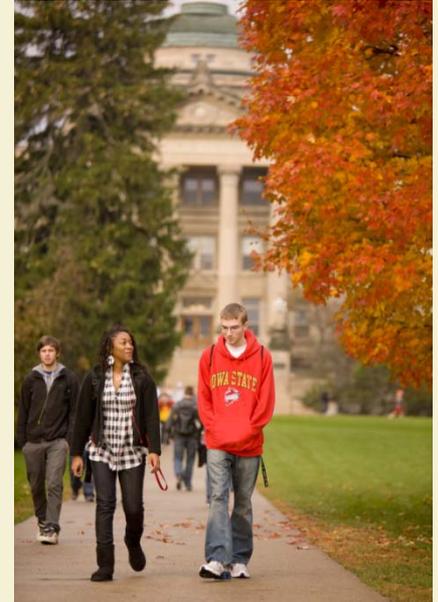
- Iowa's Land-Grant university
 - Unwavering commitment to serving Iowans
- Iowa's university focused on science & technology
- Member of Association of American Universities (AAU)
 - Top 61 North American universities
- *USA Today/Princeton Review* 2011 "Top 50 Best Value"
 - Low tuition
 - High-quality educational programs



Our Land-Grant Mission

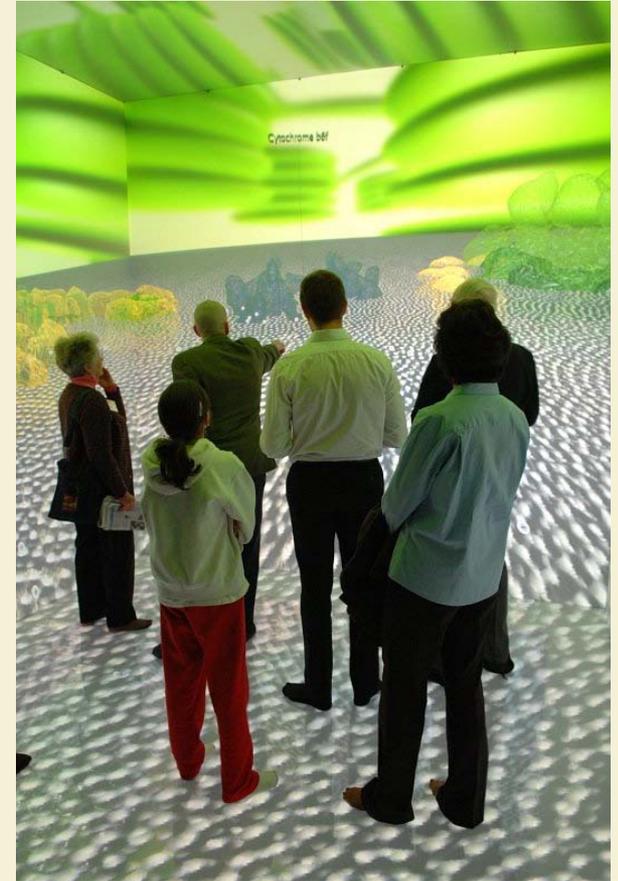
Dedicated to:

- **Providing a superior education to students**
 - Record 28,682 students in fall 2010; 64% lowans
- **Making a better Iowa through research**
 - \$342.3M in external grants & contracts—strong focus on practical research applied to meeting the needs of Iowa
 - An engine for economic development
- **Serving Iowa through extension & outreach**
 - Nearly 1 million lowans served in FY2010
 - >1,100 Iowa companies assisted in FY2010
 - >5,000 jobs added or retained in FY2010



Iowa State University of *Science & Technology*

- Ames Laboratory of U.S. Department of Energy
 - \$30.5M funding (FY2010)
- USDA centers
 - Plant Introduction Laboratory
 - Corn Insects & Crop Genetics
- Bioeconomy Institute
- Plant & animal genomics
- Plant, animal & human health
- Virtual Reality Applications Center
- Strong culture of technology transfer throughout the university



FY2012 Budget Development

Revenue factors

- **\$11.5M reduction in revenues from state appropriations (-5%)**
 - \$228.1M → \$216.6M (same level as FY1996)
 - Since FY2009, appropriations reduced by \$67M (-23.6%)
- **\$20.3M increase in revenues from student tuition**
 - \$306 increase per Iowa resident undergraduate; \$612 increase per non-resident undergraduate
 - Enrollment projected to increase from 28,682 to 29,200 in fall 2011
- **\$570,000 decrease in indirect costs from external grants & contracts**
 - Timing, source of funds, end of ARRA funding

FY2012 Budget Development

Expense factors

- **\$2.4M for funding AFSCME contracts**
 - 5% increase to salary & benefit base
- **\$6M for salary increases to faculty & staff**
 - 2.7% increase to salary & benefit base
- **\$5.1M increase in student financial aid**
 - 23.5% set aside
- **\$2.6M for strategic faculty hires**
- **\$2M for core facility & safety priorities**
- **\$500K for library acquisitions**

ISU's Incentive Driven Budgeting

- **Led by EVPP Hoffman, with campus input & oversight by President's Budget Cabinet**
- **Budget reductions were sustained by all budget units as a result of the cuts to our FY2012 appropriations**
- **Revenues distributed to units that generate revenue, including tuition, with highly differential impact**
- **Deans & budget leaders develop FY2012 budget plans for their units**
- **EVPP Hoffman reviews & approves**

Budget Priorities

Developed with ISU & Regents Strategic Plans

- **Make sure every student has access to the classes & laboratories needed to stay on track to graduation**
 - Majority of new students are in laboratory-intensive, science-based disciplines
 - 4- & 6-year graduation rates improving
 - >95% of graduates are employed or in graduate school 6 months after graduation
- **Strengthen faculty with strategic hires in engineering, in biosciences with NIH funding potential, and in areas of high student demand**
- **Consolidate academic & support services**
 - School of Education
 - Entomology to combine with natural resources & environmental management
 - Evaluating the combination of political science & anthropology
 - Creating shared business centers for academic & research support

Strengthening Iowa's Economy

DuPont Danisco

- Cellulosic ethanol production facility to be built in Nevada, Iowa
- Chose Iowa because of ISU's investments & many strengths in biorenewables, and ISU's strong partnership with DuPont subsidiary Pioneer Hi-Bred
- \$275.5M investment
- Open in 2013 & employ 60 people
- Process 300,000 tons of cellulosic material annually
- Annual economic impact for Iowa of >\$30M

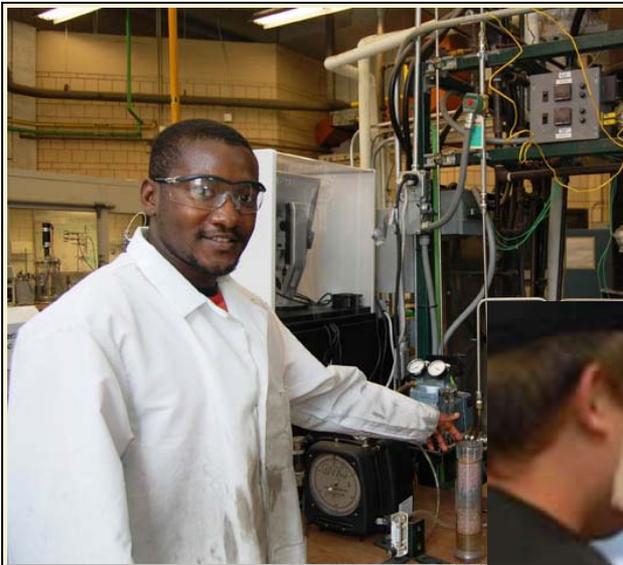


Strengthening Iowa's Economy

Laboratoria Hipra

- Multinational animal health company based in Spain
- North American HQ, R&D, production facility to be in ISU Research Park
- Chose Iowa because of ISU's strengths in animal health & biologics, infrastructure support, proximity to NADL
- \$68M capital investment
- Phase I to have 60 employees; grow to 85 in 3 years
- >\$10M annual economic impact for Iowa





IOWA STATE UNIVERSITY

Benjamin J. Allen

President

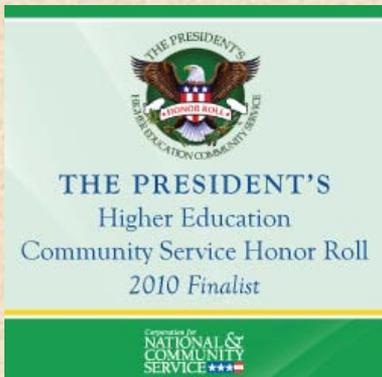
August 4, 2011



Dr. Angeleita
Floyd giving an
applied flute
lesson to a
student

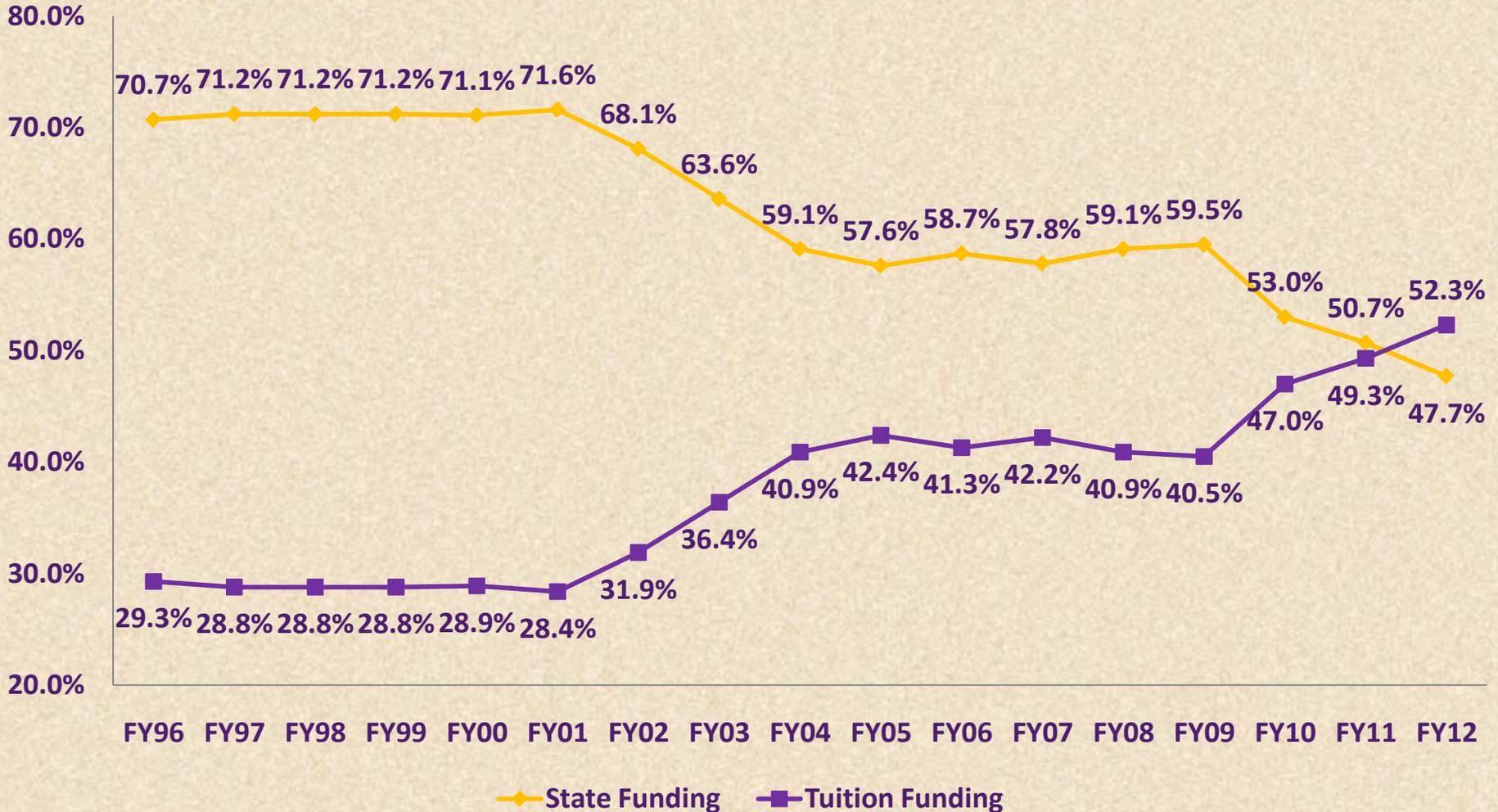


- U.S. News & World Report Ranking
- Princeton Review Ranking – Business
- Nationally Recognized Jazz Program
- STARS Award
- President’s Higher Education Community Service Honor Roll
- Military Friendly School

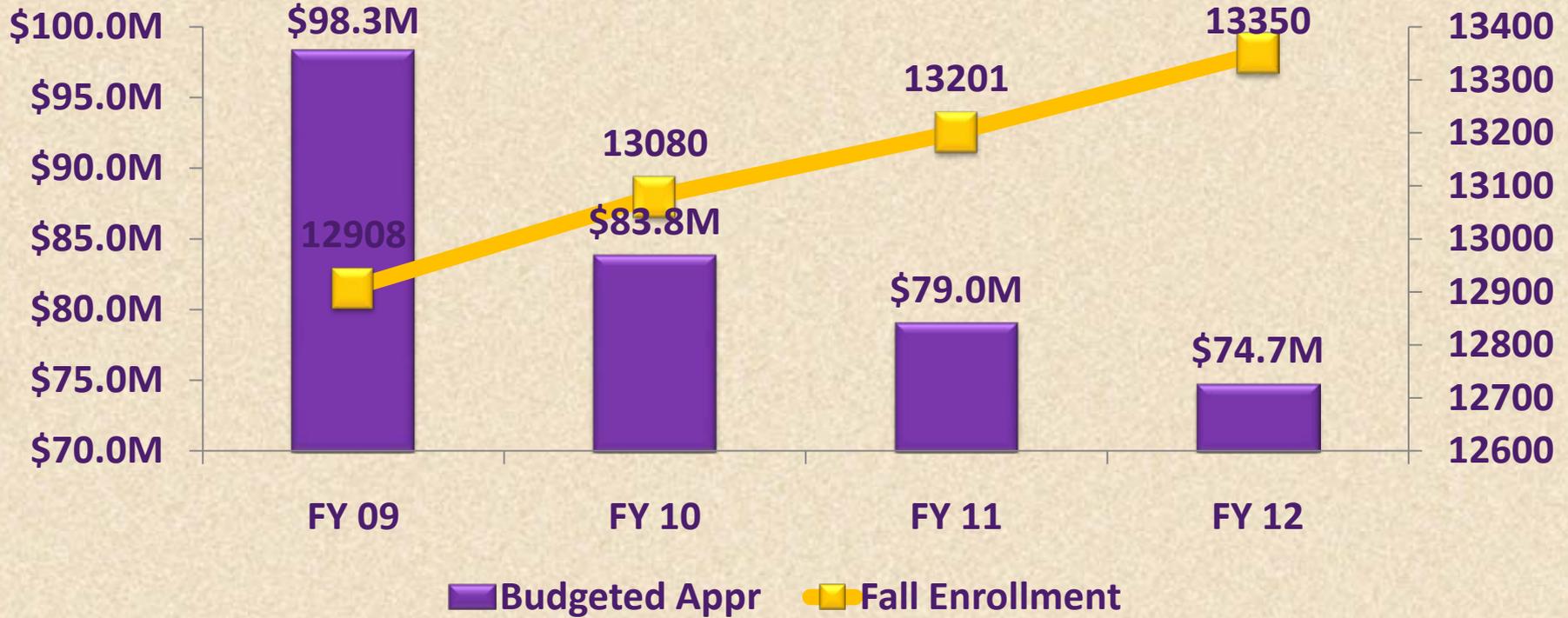


- We serve Iowa's students who then serve Iowa
 - 92% of our students are from Iowa
 - 74% of our alumni who graduated in the last decade live in Iowa
- We educate Iowa's students
 - More than 12,000 alumni educators teach in Iowa
 - About 1/3 of Iowa's school leaders are UNI alumni
- We support Iowa's economic development
 - Our efforts reach 100% of Iowa's counties

Budget Development Context



Budgeted Appropriations and Fall Enrollment



State \$ Per Student	\$7,615	\$6,407	\$5,984	\$5,596
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- Reorganized academic and non-academic units
- Reduced workforce
- Increased class sizes and teaching loads
- Refinanced bonds to achieve future savings
- Reduced employer paid benefit programs
- Collaborated with Regents institutions in academic affairs, student affairs and financial services
- Partnered with Cedar Falls and Waterloo, and local non-profit organizations

Budget Shortfall for FY 2012

Major budget changes from FY 2011	\$ Millions
State appropriations decrease	(4.3)
Salary/fringe increase (collective bargaining)	(3.3)
Indirect cost recovery/interest/sales & services decrease	(0.1)
Estimated net tuition (after additional \$1.2 million set aside for student aid)	4.1
Net projected shortfall	(3.6)

1. Maintain affordability and accessibility
(increase aid to students with financial need)
2. Ensure program quality and timely graduation
3. Maintain a safe campus
4. Make strategic changes rather than across-the-board cuts

1. Reduction of workforce
2. Reduction in services
3. Reduction of general fund support for auxiliaries
4. Selective outsourcing
5. Mergers or reorganizations of units/functions
6. Consideration of temporary, one-time reductions
7. Expand enrollment
8. Increase revenue

- Challenges moving forward
- We are committed to
 - Being a leading undergraduate public institution
 - Serving the needs of Iowa





IOWA'S EDUCATIONAL
SERVICES FOR THE
BLIND AND VISUALLY
IMPAIRED

Budget Proposal 2011-2012

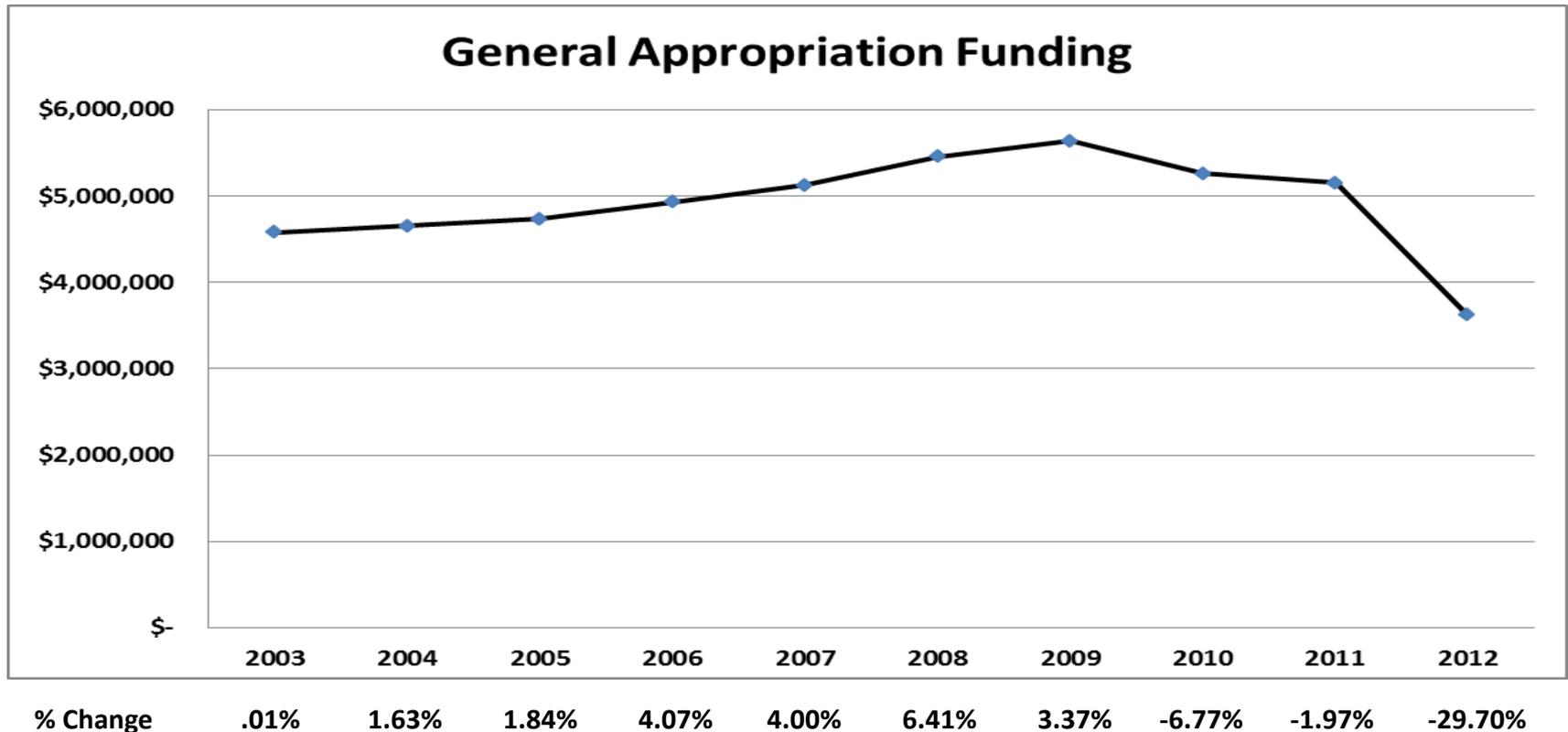


CORE SERVICES TO STUDENTS WHO ARE BLIND OR VISUALLY IMPAIRED IN IOWA

525 STUDENTS SERVED STATEWIDE

- INDIVIDUALIZED EDUCATION
PROGRAMS
- EXPANDED CORE CURRICULUM

State of Iowa General Appropriations for Services to Students who are Blind and Visually Impaired 2003-2012



- **Recommendation 1** – The Iowa Legislature shall continue to appropriate fiscal resources at or above the current level.

- **Recommendation 2** –The Statewide System for Vision Services shall provide educational services as near to each student’s home as possible.

- **Recommendation 3**- The Statewide System for Vision Services shall strengthen the availability of intense services in each region of the state through the reallocation of residential costs using three mechanisms:
 - **Employment of additional Teachers of the Visually Impaired, Orientation and Mobility Specialists, Special Education Consultants and others as appropriate;**
 - Development and implementation of “Magnet” opportunities in partnership with other providers for the provision of regional intensive expanded core curriculum short term programs;
 - Build capacity, expand visibility, and increase understanding of the Statewide System for Vision Services.

- **Recommendation 4** The Statewide System for Vision Services shall develop and implement a process for determining and meeting the long term residential needs of students who are blind or visually impaired.

- **Recommendation 5** – The Statewide System for Vision Services shall partner with other providers for the provision of long term residential services for students with additional needs.

- **Recommendation 6** –The Board of Regents shall continue to operate the Vinton campus for the following operations:
 - Direct Services. A facility will be needed for short term programs for students, e.g., weekend, weeklong, summer in this region of the state and some statewide student short term services. The site will serve as the center for services such as consultation, assistive technology and low vision. (Appendix 6c Service Fact Sheet)
 - Administrative Services. The Vinton site will be used as the center for administrative services with the Statewide System for Vision Services. The site will continue to operate in partnership with AmeriCorps NCCC programs with lease revenue to be used to offset a substantial portion of the costs to operate the facility.

- **Recommendation 7** –The Board of Regents shall recommend to the legislature the change the of the name of the Statewide System for Vision Services and Iowa Braille and Sight Saving School to Iowa Educational Services for the Blind and Visually Impaired.



Strategies to Manage Proposed Budget

- Program
 - Residential services
 - Regional Expanded Core Curriculum services
 - Summer services
- Personnel
 - Reduction in force
 - Early retirements and retirements (17)
 - Lay offs (13+)
 - Not filling open positions
 - Increases to pay – 1.5%
 - Furlough 5 days – I.O.s, Merit and P&S



HIGH QUALITY SERVICES TO STUDENTS WHO ARE BLIND AND VISUALLY IMPAIRED IN IOWA

CORE SERVICES

- INDIVIDUALIZED EDUCATION PROGRAMS
- EXPANDED CORE CURRICULUM

FY 2012

BUDGET HIGHLIGHTS

AUGUST 2011



IOWA SCHOOL
FOR THE DEAF

BOARD OF REGENTS, STATE OF IOWA

■ ISD Budget Status

★ **FY12 budget 1.3% higher than FY05**

★ **15.83% reduction total since FY09**

★ **Fixed costs continued to rise, including:**

- **Health insurance**

- **Employer contribution to retirement**

- **Negotiated salary increases**

■ **Effects on ISD Programs FY08-FY11**

- ★ **Six faculty positions reduced total**
 - ★ **High school core classes affected**
- ★ **Reduced careers/vocational program**
 - ★ **Most through unfilled retirements**
- ★ **Reduced services to AEA (itinerant teachers)**

■ **FY08-FY11 effects continued**

- ★ **Reduced repairs and maintenance**
 - ✦ **Only critical R&M can be completed**
 - ✦ **Health and safety issues addressed first**
- ★ **School activities reduced, e.g., field trips**
- ★ **Delayed vehicle replacement longer**

- **FY12 level appropriation supports:**
 - ★ **Faculty positions to meet Core Curriculum**
 - ★ **Restoration of five faculty positions**
 - ★ **Staff to meet ISD core mission**
 - ★ **Transition program continuation**
 - ★ **Ages 18-21**

■ **Collective bargaining agreement**

- ★ **Negotiated costs can be met**

■ **Board-approved salary policies**

- ★ **Faculty Average increase - 0.9 can be met**
- ★ **Professional and Scientific personnel – flat**

- **Other fixed cost increases can be met**
 - ★ **Health insurance, retirement contribution**
- **Some additional program cuts will occur**
 - ★ **E.g., fewer weekly visits home for students**
- **Referrals to ISD are steady**
- **We thank the Board and the Iowa Legislature for their support**