

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: FY 2002 Operating Budgets -- Regional Study Centers
Date: July 6, 2001

Recommended Actions:

1. Increase the distribution of the FY 2002 appropriation to the Quad Cities Graduate Study Center to \$170,734 including salary increase funds.
2. Increase the distribution of the FY 2002 appropriation to the Tri -State Graduate Center to \$83,619 including salary increase funds.
3. Increase the distribution of the FY 2002 appropriation to the Southwest Iowa Regents Resource Center to \$114,672 including salary increase funds.
4. Receive the report on the FY 2002 operating budgets of the Regional Study Centers.

Executive Summary:

Each year, funds are appropriated to the Board of Regents for distribution to the Quad-Cities Graduate Study Center, the Tri-State Graduate Center, and the Southwest Iowa Regents Resource Center. The annual reports and budgets of the Regional Study Centers provide one method for addressing Action Step 2.1.1.1, Annually Assess Access to Regent Institutions, of the Board of Regents Strategic Plan. The annual reports for the study centers were presented to the Board in May.

At its June 2001 meeting, the Board approved the distribution of the FY 2002 educational appropriations to the Regional Study Centers and received information on the FY 2002 conceptual operating budgets.

The Board is now asked to approve a revised distribution of funds to the study centers. The distribution includes the individual appropriation amounts included in

the education appropriations bill (SF 535), which were allocated in June, and the allocation of funds for salary increases. Total Iowa appropriations for the study centers represent a 2.7% reduction from state of Iowa FY 2001 funding for the centers.

	FY 2001 <u>Approp.</u>	FY 2002 <u>Approp.</u>	FY 2002 <u>Salary</u>	Total <u>FY 2002</u>
Quad-Cities Graduate Study Center	\$175,686	\$165,145	\$ 5,589	\$170,734
Tri-State Graduate Study Center	85,936	80,780	2,839	83,619
Southwest Iowa Regents Resource Center	<u>117,546</u>	<u>110,493</u>	<u>4,179</u>	<u>114,672</u>
TOTAL	\$379,168	\$356,418	\$12,607	\$369,025

This memorandum also includes information on each of the center's proposed FY 2002 budgets. These budgets are detailed on Tables 1 –3 (pages 7 - 9).

Background and Analysis:

Three regional study centers serve residents of Iowa who are geographically distant from the Regent campuses.

The Quad-Cities Graduate Study Center (Rock Island, Illinois), the Tri-State Graduate Center (Sioux City, Iowa), and the Southwest Iowa Regents Resource Center (Council Bluffs, Iowa) make requests for State of Iowa operating appropriations through the Board of Regents and each year funds are appropriated to the Board for distribution to the centers.

A State of Iowa appropriation is one of the sources of funds for each center's budget. The following table summarizes each center's proposed FY 2002 budget by revenue source.

FY 2002 Proposed Budgets
(by source of funds)

	<u>Quad-Cities</u>	<u>Tri-State</u>	<u>Southwest</u>
State of Iowa	\$170,734	\$83,619	\$114,672
State of Illinois	220,135	--	--
State of Nebraska	--	46,370	--
State of South Dakota	--	9,478	--
State of Iowa Extension & Continuing Educational Council	--	--	31,054
Local ¹	<u>1,446</u>	<u>7,000</u>	<u>--</u>
Total	\$392,315	\$146,467	\$145,726

¹ Includes \$5,000 from reserves.

QUAD-CITIES GRADUATE STUDY CENTER

The budget reduction has a significant impact on the Center's strategic planning goals that include:

- Develop and implement a marketing / action plan, based on the findings of the graduate education community needs survey;
- Update its current quality measures to supplement and complement those of member institutions;
- Promote access to graduate programming and the services necessary for successful off-campus study;
- Develop outreach approaches to locate, recruit, and enroll a diverse student body;
- Establish three partnerships with firms or agencies in the Quad-Cities community for the purpose of supporting the mission of the Center; and
- Identify current tasks, goals and objectives that inhibit the Center's efficiency and productivity.

The Center's FY 2002 budget will increase 0.9% (\$3,383) from the FY 2001 revised budget. Changes in income include a 3.9% increase (\$8,335) in funding from the state of Illinois and a 2.8% decrease (-\$4,952) in income from the State of Iowa.

The Center plans to reduce contractual services as well as other miscellaneous categories such as travel, printing, and promotion.

Details of the FY 2000 expenditures, the FY 2001 revised budget and the FY 2002 budget are included on Table 1, page 7.

TRI-STATE GRADUATE CENTER

The budget reduction has a significant impact on the Center's strategic planning goals that include:

- Expansion of the marketing program;
- Increasing visibility of the Center;
- Continuing to identify graduate education needs; and
- Building a base of support among students, member institutions, employers, and community groups.

Since most of the Center's budget consists of fixed expenses such as salaries, benefits, insurance, rent, and accounting services, it will be difficult for the Center to make progress on these strategic planning goals in FY 2002.

The Center's income will increase 2.9% (\$4,035). In addition to a 2.7% reduction (-\$2,317) in funding from the state of Iowa, the Center's income includes a 3.0% increase (\$1,351) in funding from the state of Nebraska, and a 180.7% increase (\$6,101) in income from the state of South Dakota.

The Center's projected expenditures will increase 0.3% from the revised FY 2001 budget. The Center plans to reduce travel and training and spend no funds for facilities improvements in FY 2002.

Since the Center's expenditures are anticipated to exceed income, reserve funds of \$5,000 will be needed to balance the budget. (See Table 2, page 8.)

Details of the FY 2000 expenditures, the FY 2001 revised budget and the FY 2002 budget are included on Table 2, page 8.

SOUTHWEST IOWA REGENTS RESOURCE CENTER

The Center's FY 2002 income will decline by 1.9% (\$-2,874) from FY 2001. This amount is attributable to the reduction in appropriated funding from the state of Iowa. Funding from the State Extension and Continuing Education Council will remain constant at \$31,054.

The Center has identified the impact of the reduction in funding by strategic planning goal as follows:

Goal 1. Continue implementation of the Center marketing plan for the purpose of increasing enrollments and awareness of Regents educational opportunities available in the region.

Planned Budget Reductions	Impact on Strategic Planning Goal
Reallocate some funds from telecommunications, equipment, and travel to cover some advertising/program promotion, printing and postage expenses.	Continue marketing activities as planned. Cost effective strategies are continually sought. Some advertising costs may be shifted to the continuing education unit of the university offering a particular program.

Goal 2. Assist Regent Universities with outreach and continuing education initiatives consistent with their strategic plans. Priority for FY 2002 will be to support the BLS Across Iowa initiative in the Iowa Western Community College and Western Iowa Tech regions.

Planned Budget Reductions	Impact on Strategic Planning Goal
Reallocate some funds from "Other Programs and Services" to focus on new initiatives.	Continue assistance for all new initiatives, with this year's focus on the <i>BLS Across Iowa</i> . Additional costs are incurred for this initiative (such as advertising, printing, and promotion), will be shared among the three universities offering the BLS.

Goal 3. Expand graduate program offerings in a wide range of curricular areas.

Planned Budget Reductions	Impact on Strategic Planning Goal
No planned reductions.	Any costs associated with developing and offering new graduate programs will be shared between Center and the university developing the new offering.

Goal 4. Expand opportunities for cultural arts programming, including non-credit educational programs such as workshops and conferences.

Planned Budget Reductions	Impact on Strategic Planning Goal
Reduce expenditures for "Other Programs/Services."	Temporarily maintain current level of offerings rather than expand the number of Center-sponsored cultural and non-credit opportunities provided to southwest Iowa.

Goal 5. Serve as an advocate for the educational needs of the citizens of western Iowa.

Planned Budget Reductions	Impact on Strategic Planning Goal
No reductions planned.	Minimal or no impact. Continue advocacy role for the citizens of western Iowa.

Details of the FY 2000 expenditures, the FY 2001 revised budget and the FY 2002 budget are included on Table 3, page 9.


Joan Racki

Approved: 
Frank J. Stork

Table 1
QUAD-CITIES GRADUATE STUDY CENTER

	<u>FY 2000 Actuals</u>	<u>FY 2001 Revised Budget</u>	<u>FY 2002 Budget</u>
INCOME			
State of Illinois	\$ 211,845	\$ 211,800	\$ 220,135
State of Iowa	171,595	175,686	170,734
Center Revenue	7,449	1,446	1,446
Total	\$ 390,889	\$ 388,932	\$ 392,315
EXPENSES			
Personnel	\$ 233,122	\$ 245,569	\$256,264
Contractual	88,601	82,439	76,791
Travel	4,813	5,120	5,048
Commodities	8,874	8,094	6,659
Equipment	13,871	5,416	5,445
Printing/Promotion	21,406	19,520	18,655
Telephone/Telecommunications	17,102	19,524	19,807
Audit	3,100	3,250	3,646
Total	\$ 390,889	\$ 388,932	\$ 392,315

Table 2
TRI-STATE GRADUATE CENTER

	<u>FY 2000 Actuals</u>	<u>FY 2001 Revised Budget</u>	<u>FY 2002 Budget</u>
INCOME			
State of Iowa	\$ 83,778	\$ 85,936	\$ 83,619
State of Nebraska	43,708	45,019	46,370
State of South Dakota	3,278	3,377	9,478
Interest & Miscellaneous	7,064	3,100	2,000
Total	\$ 137,828	\$ 137,432	\$ 141,467
EXPENSES			
Shortfall - FY 1994			
Salaries and Benefits	\$ 88,301	\$ 101,112	\$ 104,846
Insurance (Property)	401	500	500
Rent	3,600	3,600	3,600
Dues & Subscriptions	345	650	600
Advertising & Promotion	12,186	4,500	5,000
Postage	4,620	5,000	5,000
Telephone	3,997	4,000	4,000
Printing	10,928	11,000	11,000
Office Supplies	2,547	2,000	2,000
Board Meetings	441	600	300
Travel & Training	2,302	3,000	2,821
Administration (SIMP CO)	6,000	6,000	6,000
Facilities Improvement	4,000	3,130	-
Executive Director Search	1,883	1,000	-
Furniture, Equipment and Maintenance	2,440	-	800
Total	\$ 143,991	\$ 146,092	\$ 146,467
Revenues over Expenditures	\$ (6,163)	\$ (8,660)	\$ (5,000)
Fund Balance - Beginning of Year	\$ 37,410 ¹	\$ 31,247 ²	\$ 22,587
Fund Balance - End of Year	\$ 31,247 ¹	\$ 22,587 ²	\$ 17,587 ²

¹ Includes \$1,000 in Restricted Facilities Development Fund created by the Board of Directors Executive Committee in January 2000, and reaffirmed by the Center's Board in February 2000.

² Includes \$10,000 in Restricted Facilities Development Fund.

Table 3
SOUTHWEST IOWA REGENTS RESOURCE CENTER

	FY 2000 Actuals	FY 2001 Revised Budget	FY 2002 Budget
INCOME			
State of Iowa	\$ 114,324	\$ 117,546	\$ 114,672
State Extension & Continuing Education Council	30,024	31,054	31,054
Total	\$ 144,348	\$ 148,600	\$ 145,726
EXPENSES			
Salary, Benefits: Coordinator	\$ 70,506	\$ 72,554	\$ 76,041
Salary, Benefits: Secretary	25,669	32,388	36,855
Travel, Meals, Lodging	4,338	3,858	2,000
Telephone, Fax	1,742	2,540	1,800
Postage	3,687	2,280	2,280
Printing	4,390	4,380	2,242
Advertising, Program Promotion	5,907	4,994	2,744
Rent, Custodial Services	18,000	18,000	18,750
Course Delivery, Telecommunications	2,155	2,040	750
Other Programs, Services	1,998	2,040	600
Equipment	4,247	2,040	500
Advisory Committee Expenses	251	150	150
Office Supplies	1,458	1,336	1,014
Total	\$ 144,348	\$ 148,600	\$ 145,726