

**MEMORANDUM**

**To:** Board of Regents  
**From:** Board Office  
**Subject:** FY 2001 Budget Ceiling Adjustments and FY 2002 Revised  
 Conceptual General Fund Operating Budgets  
**Date:** June 1, 2001

**Recommended Actions:**

1. Approve the following FY 2001 revised budgets:

	<u>Revised FY 2001 Budget</u>
University of Iowa	
Oakdale Campus	\$ 3,658,848
University of Iowa Hospitals and Clinics	466,197,800
University of Northern Iowa	131,062,081
Iowa School for the Deaf	8,810,589
Iowa Braille and Sight Saving School	4,913,891

2. Receive the revised FY 2002 conceptual general fund operating budgets.

**Executive Summary:****FY 2001 - Budget Ceiling Adjustments**

Board policy and Strategic Planning Goal Action Step 4.1.1.5 require the Board to approve all budget ceiling adjustments. Budget ceiling adjustments are implemented to recognize any new revenue or expenses incurred in the current fiscal year. By Iowa Code, additional fiscal year revenues cannot normally be carried forward to the following fiscal year for expenditure. If an institution anticipates revenues in excess of the Board-approved budget, the institution must present a request for a budget ceiling adjustment to the Board, pursuant to the Regent Procedural Guide, to be allowed the opportunity to expend the unanticipated funds in the current fiscal year.

This month, four of the five Regent institutions are requesting FY 2001 budget ceiling adjustments for revenues not previously anticipated. The University of Iowa has revised budgets for the Oakdale Campus of \$3.7 million (1.4% increase) and the University of Iowa Hospitals and Clinics of \$466.2 million (4.5% increase). The University of Northern Iowa has a revised budget of \$131.1 million (0.3% increase). The Iowa School for the Deaf has a revised budget of \$8.8 million (0.9% increase) and the Iowa Braille and Sight Saving School of \$4.9 million (0.1%). The increases in the budgets are modest in comparison to the budgets they represent.

### **FY 2002 - Budget Presentations**

Strategic Planning Goal 4.1.1.0 requires the Board to annually review and approve institutional resource allocations and reallocations consistent with the Board and institutional strategic plans. The Board's budget process is consistent with this goal. Institutional budgets are presented to the Board at various times before final approval is requested.

At the May Board meeting, the institutions presented conceptual operating budgets that demonstrated the likely impacts that the 6% reductions in state appropriations would have on the strategic plans of the institutions. This month, modified conceptual budgets are presented to the Board for review before final budgets are presented to the Board in July for approval. The only modifications to the conceptual budgets are at the University of Iowa and Iowa State University.

- The University of Iowa, as a result of guidance by the Board at the May Board meeting, is not planning to propose changes to entry requirements and enrollment.
- Iowa State University is planning to limit University operations for 12 days at semester break utilizing voluntary leave provisions rather than close the University during this period.

The University of Northern Iowa, Iowa School for the Deaf and Iowa Braille and Sight Saving School have made no changes to the conceptual budgets that were presented to the Board. The Regent institutions' conceptual plans are detailed in Attachments A through E.

Normally in June, the Board would review preliminary general fund operating budgets with salary allocations. This year, however, there was not sufficient information available regarding state appropriations and salary allocations to permit the presentation of preliminary budgets in June.

**Background/Analysis:**

**FY 2001 Budget Ceiling Adjustments**

During the 1970's, the Board assumed responsibility for budget ceilings through its statutory authority to direct institutional expenditures. In May 1979, the Board established its current procedure for approving the institutional budget ceiling adjustments. Regent Procedural Guide §7.04 requires that Regent institutions docket proposed changes in budget ceilings of general fund operations for Board approval prior to institutional action modifying their obligations.

Iowa Code §8.33 requires that no obligation shall be incurred or created subsequent to the last day of the fiscal year for which an appropriation is made. Certain exceptions to these provisions include repair projects, purchase of specialized equipment and furnishings, and other contracts for services and capital expenditures, which were committed and in progress prior to the end of the fiscal year.

The institutional requests for budget ceiling adjustments are normally presented to the Board for approval in May or June to allow the institutions the opportunity to expend these unanticipated funds. The following table represents the revised FY 2001 budgets and the percent increase from the original FY 2001 budgets.

	Revised FY 2001 <u>Budgets</u>	<u>% Increase</u>
University of Iowa: Oakdale Campus	\$3,658,848	1.4%
University of Iowa Hospitals & Clinics	466,197,800	4.5%
University of Northern Iowa	131,062,081	0.3%
Iowa School for the Deaf	8,810,589	0.9%
Iowa Braille & Sight Saving School	4,913,891	0.1%

**UNIVERSITY OF IOWA: OAKDALE CAMPUS**

The University receives indirect cost recoveries as a reimbursement for costs associated with sponsored grant and contract activity. The indirect cost recoveries vary due to the timing of the various contracts and awards and the addition of new awards. The University's current assessment indicates that grants and contracts will generate approximately \$50,000 of indirect cost recoveries for the Oakdale Campus above the original budget.

SUI requests approval to use the \$50,000 to offset price increases in utilities. The revised FY 2001 general fund operating budget for the Oakdale Campus would be \$3,658,848.

#### UNIVERSITY OF IOWA HOSPITALS AND CLINICS (UIHC)

The UIHC's revenues are directly linked to the patient services they provide. The additional FY 2001 revenue reflects the charges associated with the provision of medical services, specifically pharmaceuticals and surgical supplies.

During FY 2001, the UIHC has experienced a higher than expected usage of certain expensive pharmaceuticals and medical/surgical supplies due to volume increases and new technology. The University of Iowa faculty physicians are generally early adopters of new technology and treat more acutely ill patients.

Significant volume of expensive pharmaceutical treatment programs occurred in the Adult and Pediatric Bone Marrow units, Digestive Diseases Center, the Clinical Cancer Center, and the Organ Transplant program. The inpatient Hemophilia program is incurring an increase in the use of expensive anti-inhibitor clotting factors since many patients of life-long therapy become unresponsive to the usual lower-cost products.

Patient volumes have exceeded budgeted levels resulting in greater usage of medical and surgical supplies. The increase in surgical activity has generated substantial growth in the utilization of implant devices and supplies used in cardiology, orthopaedic, neurosurgery, otolaryngology and organ transplant services. These procedures have a high per-case supply cost.

The budget ceiling adjustment will increase the Sales and Services revenue line by \$20.0 million. The offsetting expenditures are \$7.7 million for pharmaceuticals and \$12.3 million for surgical and related supplies. The revised UIHC operating budget for FY 2001 would be \$466,197,800.

#### UNIVERSITY OF NORTHERN IOWA

The University is projecting increases in two revenue categories: (1) tuition and fees and (2) indirect cost recoveries. Due to increased enrollment, tuition and fees are expected to exceed original projections by \$225,000. With the substantial increase in grants, indirect costs recoveries are expected to increase by \$225,000.

UNI requests approval to use the \$450,000 toward implementation of the Oracle Modern Executive Management Financial Information System (MEMFIS) project, the new comprehensive financial information system. The revised total general fund operating budget for FY 2001 is \$131,062,081.

#### IOWA SCHOOL FOR THE DEAF

ISD is anticipating an increase of \$75,000 from several revenue sources: (1) phase III educational excellence funds of \$932; (2) interpreter fees from the Mainstreaming Program of \$40,000; (3) a one-time receipt for the sale of two vehicles of \$20,000; and (4) lease/rental income increase of \$14,068.

The School proposes to use the additional funds to offset increased utility costs. The revised total general fund operating budget for FY 2001 is \$8,810,589.

IOWA BRAILLE AND SIGHT SAVING SCHOOL

IBSSS is anticipating a net increase of \$2,594. This net increase is a result of (1) an increase in sales and services for billable itinerant services with the Area Education Agencies and (2) a decrease in federal revenues.

The School proposes to use the additional funds for building repairs. The revised total general fund operating budget for FY 2001 is \$4,913,891.

**FY 2002 - Budget Presentations**

In most years, the Board would receive preliminary budget details in June and approve final institutional budgets in July. This process has, however, been changed this year as a result of later actions on appropriations bills.

- The Governor signed the Education Appropriations Bill, SF 535, which provides the general operating funds for the Regent institutions. This bill reduces the FY 2001 institutional base operating appropriations by approximately 6% or more than \$41.7 million.
- Other appropriations bills, such as the Economic Development Bill (HF 718), reduce institutional base operating appropriations by similar percentages.
- Allocations for the Board's highest funding priority for FY 2002 — full funding of salaries from state appropriations — have not been made at the time of this docket memorandum.

In July, the final FY 2002 operating budgets and restricted fund budgets will be presented to the Board for approval.

  
Deb A. Hendrickson

Approved:   
Frank J. Stork

**UNIVERSITY OF IOWA  
FY 2002 CONCEPTUAL OPERATING BUDGET**

An appropriation reduction of 6% is approximately \$16.0 million less than appropriations for the FY 2001 operating budget of \$268.3 million (excluding the University of Iowa Hospitals and Clinics budget units.) In addition, the University must permanently fund the unexpected health insurance cost increases that occurred in FY 2001. The University established the following principles for developing the FY 2002 general education fund budgets:

1. The 2000-2005 strategic plan and core values will provide the framework with the focus on preserving strength and supporting the most vital missions of the University;
2. The President and University administrators will seek input from faculty, staff, and student leaders;
3. Budget reduction strategies must protect the University's ability to recruit and retain students;
4. The University will maintain a robust research and scholarly enterprise;
5. The University's response to the reductions will focus on those units and programs supported by state appropriations;
6. The allocation to resource pools such as building repairs, equipment, classroom improvements and library acquisitions will be scrutinized to determine where deferrals can occur and where investments must be continued.
7. Prior commitments made for utilizing new tuition revenues will be subject to reassessment within the context of the current budget situation and in consultation with student leaders.
8. Vice presidents, deans and unit directors will be given flexibility in achieving savings with a framework of guiding principles including:
  - Budget reductions must achieve net savings to the general education fund;
  - Decisions regarding reductions must consider the impact on revenue generation;
  - Budget reductions must produce required savings that are sustainable;
  - Units should review existing programs and selected programs should be subject to increased reductions or elimination;
  - Units should consider enhanced efficiencies, including consolidation of programs and services;
  - Units should maximize savings from current and upcoming position vacancies;
  - Layoffs/furloughs will only be implemented to the degree necessary.
9. The University's funding of salary and benefit increases will be determined by the amount that is received from state appropriations for that purpose.

The University of Iowa has identified the impact of a proposed 6% budget reduction by strategic planning goal as follows:

**Goal 1: Create an undergraduate experience that enables students to fulfill their intellectual, social and career objectives.**

<b>Planned Budget Reductions</b>	<b>Impact on Strategic Planning Goal</b>
Reduce faculty positions by not filling open positions and implementing layoffs only to the degree necessary.	<ul style="list-style-type: none"> <li>• Class sizes would increase.</li> <li>• Waiting time for counseling services would increase.</li> <li>• Fewer classes would be offered.</li> <li>• The University’s ability to continue improving the four-year graduation rate would be impaired.</li> </ul>
Reduce the number of course sections offered.	<ul style="list-style-type: none"> <li>• Average class size in remaining course sections would be increased.</li> </ul>
Reduce or eliminate freshmen seminar and other special courses.	<ul style="list-style-type: none"> <li>• Opportunities for students to interact with leading researchers and scholars would be reduced.</li> <li>• The University’s ability to recruit high quality undergraduate students would be reduced.</li> </ul>
Delay critical improvements to general assignment classrooms and laboratories.	<ul style="list-style-type: none"> <li>• Deferred maintenance would be increased and there would be fewer opportunities to replace obsolete classrooms and teaching labs.</li> </ul>
Delay implementation of new certificate and joint degree programs.	<ul style="list-style-type: none"> <li>• Fewer opportunities to pursue innovative programs of study would be available.</li> </ul>
Reduce the use of student hourly workers.	<ul style="list-style-type: none"> <li>• There would be fewer student work opportunities.</li> </ul>

**Goal 2: Achieve premier graduate and professional programs in a significant number of areas.**

<b>Planned Budget Reductions</b>	<b>Impact on Strategic Planning Goal</b>
Reduce number of graduate assistantships and fellowships.	<ul style="list-style-type: none"> <li>• The University's ability to recruit the best and brightest post baccalaureate student body would be impaired.</li> </ul>
Reduce support for faculty start-up expenditures, including equipment and laboratory renovation.	<ul style="list-style-type: none"> <li>• The University's ability to replace retiring senior faculty, attract external support, and advance scholarly productivity would all be affected.</li> </ul>
Reduce travel and research support for graduate and professional students.	<ul style="list-style-type: none"> <li>• Student's ability to present research to peers at professional meetings would be diminished.</li> </ul>
Reduce graduate student seminars and courses.	<ul style="list-style-type: none"> <li>• These courses enable faculty to share latest scholarly and research efforts.</li> </ul>

**Goal 3: Foster distinguished research, scholarship and artistic creation.**

<b>Planned Budget Reductions</b>	<b>Impact on Strategic Planning Goal</b>
Reduce funding for laboratories.	<ul style="list-style-type: none"> <li>• Students would have fewer opportunities to experience an advanced laboratory facility.</li> <li>• Graduate student grants to pay for the use of research instruments would be decreased.</li> <li>• Researchers ability to use matching funds to enhance grant proposals would be reduced.</li> </ul>
Reduce funding for the Arts and Humanities Initiative.	<ul style="list-style-type: none"> <li>• Postdoctoral support, seed grants and faculty recruitment packages would be reduced.</li> </ul>
Reduce funding for the Biosciences Initiative.	<ul style="list-style-type: none"> <li>• The capacity and efficiency in development of biocatalysis and bioprocessing technologies would be reduced which would impact economic development and technology transfer.</li> </ul>
Reduce funding for research marketing.	<ul style="list-style-type: none"> <li>• There would be less capacity to conduct research marketing and support technology transfer.</li> </ul>

**Goal 4: Facilitate interdisciplinary interaction in teaching, research and service.**

<b>Planned Budget Reductions</b>	<b>Impact on Strategic Planning Goal</b>
Reduce support for interdisciplinary research activities.	<ul style="list-style-type: none"> <li>• Fewer symposiums and workshops centered on interdisciplinary work would be offered.</li> <li>• Fewer interdisciplinary centers and programs would be supported.</li> </ul>
Reduce capacity to provide public health services.	<ul style="list-style-type: none"> <li>• Services such as testing, disease identification, and incidence trend analysis for cancer, birth defects, and infectious diseases would be reduced.</li> <li>• Service delivery in areas related to agricultural health and safety would be reduced.</li> </ul>

**Goal 5: Develop highly productive organization that supports the mission and values of the University.**

<b>Planned Budget Reductions</b>	<b>Impact on Strategic Planning Goal</b>
Implement energy conservation measures.	<ul style="list-style-type: none"> <li>• Campus constituents would experience disruption and inconvenience.</li> </ul>
Reduce building renewal and equipment budgets.	<ul style="list-style-type: none"> <li>• Reductions required as a result of the FY 2001 appropriation shortfalls would not be restored.</li> <li>• Deferred maintenance would be increased and there would be fewer opportunities to replace obsolete classrooms and teaching labs.</li> <li>• Computing technology would be replaced less frequently.</li> </ul>
Eliminate the development of enhancements to recently adopted student academic systems.	<ul style="list-style-type: none"> <li>• Efficiency improvements would be delayed.</li> <li>• Possible cost saving efforts would take longer to implement.</li> </ul>
Reduce staffing levels in University support units	<ul style="list-style-type: none"> <li>• Timeliness of services would be delayed.</li> </ul>

Full funding of salaries from state appropriations continues to be the University of Iowa's highest priority. However, if the University does not receive full funding of salaries through state appropriations, it is considering a salary policy that would allow units to reallocate funds to provide up to a 0.5% increase over the funding provided through state appropriations. The University will not know if this is sufficient to meet increasing competition for faculty and staff until the final decision regarding appropriations for salary increases is made.

**UNIVERSITY OF IOWA HOSPITALS AND CLINICS  
FY 2002 CONCEPTUAL OPERATING BUDGET**

The University of Iowa Hospitals and Clinics (UIHC) derives the vast majority of its revenue from paying patients whose charges are paid primarily through third party reimbursement mechanisms. For the FY 2001 budget, only 6.7% of UIHC's gross revenues were the result of state appropriations for the Indigent Patient Care Program (IPCP). An appropriation reduction of 6% is approximately \$3.0 million less than appropriations for the FY 2001 operating budget of \$49.6 million. The University established the following principles for developing the FY 2002 budget:

1. Budgetary decisions must consider the potential impact on patient care, service, and revenue generation.
2. Decisions regarding spending on certain programs and services must consider the overall contribution to the UIHC vision, as well as identify funding sources.
3. Departments must review existing programs for their viability, and consider reducing or eliminating unsuccessful ones.
4. Enhanced efficiencies, including consolidation of programs, and services within and across departments will be explored.
5. Departments should maximize savings from position vacancies.

The University of Iowa Hospitals and Clinics will continue to offer high-quality patient care services for indigent patients referred to the UIHC. The UIHC takes pride in its ability to offer one standard of care for all patients. The UIHC is able to leverage federal dollars in support of the Indigent Patient Care Program. The University of Iowa's educational programs benefit from this critical mass of patients at the UIHC.

The University of Iowa Hospitals and Clinics has identified the impact of a proposed 6% budget reduction to its state appropriations by strategic planning goal as follows:

**Goal 1: Assure the availability of a sufficient patient base and resources to sustain the UIHC’s educational mission as the prime clinical training base for the University of Iowa’s health science education programs by achieving incremental growth in service volume.**

Planned Budget Reductions	Impact on Strategic Planning Goal
Review level of services provided to the indigent care population and continue to search for operational efficiencies.	<ul style="list-style-type: none"> <li>• There would be more reliance on patient revenues to offset the shortfall in state appropriations.</li> </ul>

**Goal 2: Preserve the UIHC’s role as the only comprehensive referral teaching hospital in Iowa by staying on the frontiers of medicine and health care delivery through clinic differentiation.**

Planned Budget Reductions	Impact on Strategic Planning Goal
Timing of certain investment in facilities may be delayed.	<ul style="list-style-type: none"> <li>• The plan to provide state-of-the-art facilities with particular emphasis on patient comfort would be delayed in some areas.</li> </ul>

**Goal 3: Establish the University of Iowa Hospitals and Clinics as the employer of choice to attract and retain excellent people in a rewarding environment.**

Planned Budget Reductions	Impact on Strategic Planning Goal
Delay the development of a market sensitive compensation program for certain staff.	<ul style="list-style-type: none"> <li>• The ability to attract and retain employees would be limited.</li> </ul>

The University of Iowa Hospital and Clinics will make final decisions on salary policy when more information on salary appropriations is available.

**IOWA STATE UNIVERSITY  
FY 2002 CONCEPTUAL OPERATING BUDGET**

An appropriation reduction of 6% is approximately \$16.0 million less than appropriations for the FY 2001 operating budget of \$263.8 million. In addition, the University must permanently fund the unexpected health insurance cost increases that occurred in FY 2001.

The University plans to implement the reductions using the following criteria:

- Protect services to current students, especially undergraduates;
- Retain and recruit excellent faculty; and
- Avoid limiting access to the University by restricting or discouraging entering students.

The University believes that across-the-board reductions could effect serious damage to the institution on a long-term basis. Therefore, its budget planning incorporates temporary budget reduction strategies such as limited university operations during the semester break with associated voluntary leave positions, stringent energy saving measures, and reductions in building repair expenditures until selected permanent reductions, possibly through program elimination, are identified. Layoffs and strategic elimination of open positions may be needed.

Iowa State University has identified the impact of a proposed 6% budget reduction by strategic planning goal as follows:

**Goal 1: Enhance learning through exceptional learner-centered teaching, services, and enrichment opportunities.**

<b>Planned Budget Reductions</b>	<b>Impact on Strategic Planning Goal</b>
Reduce faculty and staff positions by not filling open positions and implementing layoffs where necessary.	<ul style="list-style-type: none"> <li>• Class sizes would increase.</li> <li>• Fewer classes would be offered.</li> <li>• Increasing student retention and graduation rates would be stalled.</li> <li>• Student support services would be reduced and more difficult to access.</li> </ul>
Request Board approval to use increased tuition revenue to offset a portion of the state appropriation reductions.	<ul style="list-style-type: none"> <li>• Promises to students for use of tuition to improve quality would be recanted.</li> </ul>
Institute stringent controls on energy consumption.	<ul style="list-style-type: none"> <li>• Students and staff would experience discomfort in classrooms/office space.</li> <li>• Restricted use of facilities after business hours would impact student activities and organizations that are an important component of the residential college experience.</li> </ul>

Planned Budget Reductions	Impact on Strategic Planning Goal
Limit University operations for 12 days at semester break with associated voluntary leave positions.	<ul style="list-style-type: none"> <li>Public access to University facilities and staff would be lost for an extended period.</li> </ul>

**Goal 2: Promote discovery and innovation characterized by preeminent scholarship, including increasingly interdisciplinary and collaborative activities.**

Planned Budget Reductions	Impact on Strategic Planning Goal
Reduce faculty and staff positions by not filling open positions and implementing layoffs where necessary.	<ul style="list-style-type: none"> <li>State appropriated funds provide the infrastructure that allows the University to seek sponsored funding for the majority of its research effort. The reduction of state appropriations would impact the capacity of the University to attract research funding.</li> <li>Major research entities such as the Institute for Physical Research and Technology and the Agricultural Experiment Station would be especially impacted by the reductions. Outlying farms, field research, and technology transfer initiatives would be significantly reduced.</li> </ul>
Institute stringent controls on energy consumption.	<ul style="list-style-type: none"> <li>Comfort levels in facilities would be reduced, especially after regular business hours. Research labs are frequently used after hours and productivity could be impacted. Temperatures would be maintained as required for plants and animals used in research.</li> </ul>
Reduce funds available for building repairs and deferred maintenance by more than half.	<ul style="list-style-type: none"> <li>Only life safety and emergency repairs would be undertaken.</li> <li>The deterioration in the University's physical facilities would accelerate and repair costs would be greater in the future.</li> </ul>

Planned Budget Reductions	Impact on Strategic Planning Goal
The Plant Sciences Institute will receive no new state support unless it is specifically appropriated.	<ul style="list-style-type: none"> <li>The strategic emphasis on developing a world-class research program in the plant sciences would be slowed.</li> </ul>
Limit University operations for 12 days at semester break with associated voluntary leave positions.	<ul style="list-style-type: none"> <li>Semester break closing would reduce progress on research projects including those funded by external sponsors.</li> <li>Recruitment of research faculty and staff would be more difficult because of the perceived limitation placed on research activities; inaccessibility of research facilities, library resources, etc.</li> </ul>

**Goal 3: Engage with key constituents through synergistic sharing and partnership of knowledge and expertise to address needs of communities and society.**

Planned Budget Reductions	Impact on Strategic Planning Goal
Reduce faculty and staff positions by not filling open positions and implementing layoffs where necessary.	<ul style="list-style-type: none"> <li>Some Extension area offices would be closed.</li> <li>Extension programs involving training and sharing of information with Iowa citizens would be reduced.</li> <li>Advice and assistance to businesses across the state would be reduced.</li> </ul>
Limit University operations for 12 days at semester break with associated voluntary leave positions.	<ul style="list-style-type: none"> <li>Public access to University facilities and staff would be lost for an extended period.</li> </ul>
Increase reliance on alternative revenue sources such as grants, contracts, and user fees.	<ul style="list-style-type: none"> <li>Iowans would pay more for services provided by Iowa State University and its Extension Service.</li> </ul>

Iowa State University continues to place full funding of salaries from state appropriations as its highest priority. The University believes that all employee groups should receive comparable increases to those that have been collectively bargained. Given the magnitude of the budget reduction, the University reserves judgment at this time on its salary policy until a final decision on salary appropriations has been made.

**UNIVERSITY OF NORTHERN IOWA  
FY 2002 CONCEPTUAL OPERATING BUDGET**

An appropriation reduction of 6% is approximately \$5.5 million less than appropriations for the FY 2001 operating budget of \$90.9 million. The University of Northern Iowa has identified the impact of a proposed 6% budget reduction by strategic planning goal as follows:

**Goal 1: Provide intellectually stimulating and challenging experiences for students that broaden and deepen their perspective and awareness.**

<b>Planned Budget Reductions</b>	<b>Impact on Strategic Planning Goal</b>
Reduce faculty and staff positions in academic affairs by not filling open positions and implementing layoffs where necessary.	<ul style="list-style-type: none"> <li>• Ability to provide instruction to students from tenured or tenure-track faculty would significantly be reduced.</li> <li>• Professional support for academic activity would be decreased.</li> </ul>
Decrease funding for undergraduate research, assistantships/scholarships, experiential learning, and technology.	<ul style="list-style-type: none"> <li>• Students would suffer from increasingly limited access to technology, field and research experiences.</li> <li>• Placement of students in community organizations would be reduced.</li> </ul>
Decrease funding for the Gallagher - Bluedorn Performing Arts Center.	<ul style="list-style-type: none"> <li>• The ability to expand the number of programs that distinguish the University and attract students would be hindered.</li> </ul>
Reduce allocations for student wages.	<ul style="list-style-type: none"> <li>• Students working on campus would suffer from low wages.</li> <li>• UNI would suffer by not being wage competitive.</li> <li>• Fewer students would be hired on campus, further decreasing financial aid for students.</li> <li>• Tasks would be shifted to permanent staff or remain incomplete.</li> </ul>
Reduce student aid set-a-side as a percent of tuition for merit and need-based scholarships.	<ul style="list-style-type: none"> <li>• Fewer students would be financially able to achieve a high-quality university education in Iowa.</li> </ul>
Reduce supplies and services and equipment budgets.	<ul style="list-style-type: none"> <li>• Purchasing power would be reduced due to inflationary increases.</li> <li>• Up-to-date equipment would not be available for teaching.</li> </ul>

**Goal 2: Support creative and intellectually rigorous teaching and scholarship.**

<b>Planned Budget Reductions</b>	<b>Impact on Strategic Planning Goal</b>
Reduce faculty development opportunities.	<ul style="list-style-type: none"> <li>• Opportunities for faculty to enhance quality of teaching would be limited.</li> </ul>

**Goal 3: Expand the involvement of the University in addressing critical local, state, national, and global needs that also enrich the educational experiences offered by the University.**

<b>Planned Budget Reductions</b>	<b>Impact on Strategic Planning Goal</b>
Reduce funding for faculty outreach activities (i.e., roadside vegetation, national board certification for teachers, and applied technology).	<ul style="list-style-type: none"> <li>• Service to lowans would be reduced.</li> </ul>

**Goal 4: Strengthen a University culture characterized by diversity, collegiality, and mutual respect.**

<b>Planned Budget Reductions</b>	<b>Impact on Strategic Planning Goal</b>
Reduce funds available for diversity initiatives.	<ul style="list-style-type: none"> <li>• UNI would be unable to capitalize on recent momentum to achieve an important diversity plan goal.</li> <li>• Students, faculty, and staff would lose the benefits of a diverse campus-learning environment.</li> </ul>

**Goal 5: Foster a supportive living, learning and working environment with services and programs that promote individual well-being and organizational effectiveness.**

<b>Planned Budget Reductions</b>	<b>Impact on Strategic Planning Goal</b>
Discontinue equipment funds needed for the proposed Integrated Student Services Center.	<ul style="list-style-type: none"> <li>• The University would be less effective and efficient in meeting student needs.</li> </ul>
Freeze positions or reduce funding for leadership (deans, directors) positions in all divisions of the University.	<ul style="list-style-type: none"> <li>• Organization would stall because key leadership positions would not be filled resulting in diminished academic, student, administration, financial and development services and activities.</li> </ul>
Reduce funding for the University's integrated marketing plans, public relations projects, publications, and video productions.	<ul style="list-style-type: none"> <li>• Communication efforts would be less effective.</li> <li>• The campus community and general public would be less informed about the University.</li> </ul>

**Goal 6: Enhance the quality, diversity and number of human resources available to meet the needs of the University.**

<b>Planned Budget Reductions</b>	<b>Impact on Strategic Planning Goal</b>
Freeze or eliminate faculty and staff positions.	<ul style="list-style-type: none"> <li>• University would be unable to continue to meet the goals for a diverse faculty and staff.</li> <li>• Students, faculty, and staff would lose the benefits of a diverse campus-learning environment.</li> </ul>
Reduce positions in Purchasing and the Controller's Office.	<ul style="list-style-type: none"> <li>• Timeliness of services may be delayed.</li> </ul>

**Goal 7: Continue to improve capital, physical, and information resources at the University.**

<b>Planned Budget Reductions</b>	<b>Impact on Strategic Planning Goal</b>
Reduce staff positions in Facilities Planning, Operations and Maintenance, Custodial Services, and Public Safety.	<ul style="list-style-type: none"> <li>• The University's ability to provide students, faculty, staff, and the general public with a well maintained, clean, and safe working environment would be hindered.</li> </ul>
Reduce funding for Building Repairs.	<ul style="list-style-type: none"> <li>• Deferred maintenance would increase.</li> </ul>
Reduce funding for the Modern Executive Management Financial Information System project (MEMFIS).	<ul style="list-style-type: none"> <li>• University efforts to transition its financial and human resources/payroll systems to Oracle web-based applications would be slowed and initial proposed time lines would not be met.</li> <li>• Access to accurate and timely information for decision-making would be reduced.</li> </ul>

**Goal 8: Establish strong, mutually beneficial relationships with external constituencies.**

<b>Planned Budget Reductions</b>	<b>Impact on Strategic Planning Goal</b>
Reduce funding for staff positions to support integrated marketing efforts.	<ul style="list-style-type: none"><li>• The University's ability to build relationships with internal and external constituencies would be limited.</li></ul>
Reduce hours of operation for the Visitor Information Center.	<ul style="list-style-type: none"><li>• This could create strained relationships with external constituencies and the community since this is considered a vital resource.</li></ul>
Reduce funding for external and internal publications.	<ul style="list-style-type: none"><li>• The University's ability to communicate with alumni, parents, and friends would be reduced.</li></ul>

The University of Northern Iowa intends to award salary increases for all employees consistent with the negotiated collective bargaining agreements. The University also intends to award similar increases to the professional staff and a few faculty not covered by an agreement.

If full funding for salary increases for negotiated collective bargaining agreements is not received, the University will be forced to make additional base budget reductions of 8.0%, 10.0%, or more. At these higher levels, the impact will be substantial.

**IOWA SCHOOL FOR THE DEAF  
FY 2002 CONCEPTUAL OPERATING BUDGET**

An appropriation reduction of 6% is approximately \$483,000 less than appropriations for the FY 2001 operating budget of \$8.2 million. In addition to the reduced base operating appropriations, the School must fund the unexpected health insurance cost increases that occurred in FY 2001.

ISD anticipates that the reductions will have serious implications to achieving its strategic plan goals. The School has identified the impact of this budget reduction by strategic planning goal as follows:

**Goal 1: Quality Teaching, Pupil Personnel and Administrative Services**

Planned Budget Reductions	Impact on Strategic Planning Goal
<p>Reduce faculty, staff, and administrative positions by not filling open positions and layoffs where necessary.</p>	<ul style="list-style-type: none"> <li>• Fewer faculty and professional and scientific staff would strain student/teacher ratios in the classroom and staff/resident ratios in the dormitories.</li> <li>• Fewer faculty and professional and scientific staff would diminish improvement in classroom education.</li> <li>• Retaining and recruiting top faculty and professionals qualified in deaf and hard of hearing education would become increasingly difficult.</li> <li>• Fewer administrative services employees would lessen the School's ability to enhance information technology services and provide training.</li> <li>• Fewer employees would make implementing the priorities in the School Improvement Plan difficult.</li> </ul>

**Goal 2: Strengthen and Expand Creative and Innovative Programming**

<b>Planned Budget Reductions</b>	<b>Impact on Strategic Planning Goal</b>
Reduce staff development.	<ul style="list-style-type: none"> <li>• Staff training and education enhance knowledge and experience. Less opportunity for professional development means less knowledge and experience in the classroom.</li> </ul>
Reduce summer school from four weeks to two weeks.	<ul style="list-style-type: none"> <li>• Students in the summer program would receive less education and enrichment.</li> </ul>
Reduce equipment purchases.	<ul style="list-style-type: none"> <li>• Staff and students would fall behind in keeping up with technology.</li> </ul>

**Goal 3: Maintain Facilities & Equipment to Provide a Safe, Healthy, Learning Environment**

<b>Planned Budget Reductions</b>	<b>Impact on Strategic Planning Goal</b>
Reduce repairs and maintenance.	<ul style="list-style-type: none"> <li>• Only necessary and/or emergency repairs would be performed.</li> <li>• Deferred maintenance projects would be curtailed and may lead to safety concerns.</li> </ul>

**Goal 4: Flexibility, Efficiency, Cooperation, and Accountability**

<b>Planned Budget Reductions</b>	<b>Impact on Strategic Planning Goal</b>
The School reports that there would not be a budgetary impact on this goal.	

The Iowa School for the Deaf continues to identify full funding of salaries as a top priority. Full funding from state appropriations is essential to accomplish this objective. The School reports that anything short of full funding would require reallocations from other areas such as staff reductions and repair and maintenance cuts.

The School also reports that it is essential for compensation to remain competitive if it is to retain qualified faculty and staff.

**IOWA BRAILLE AND SIGHT SAVING SCHOOL  
FY 2002 CONCEPTUAL OPERATING BUDGET**

An appropriation reduction of 6% is approximately \$270,000 less than appropriations for the FY 2001 operating budget of \$4.6 million. In addition to the reduced base operating appropriations, the School must fund the unexpected health insurance cost increases that occurred in FY 2001.

IBSSS anticipates that the reductions will have serious implications to achieving its strategic plan goals. The School has identified the impact of this budget reduction by strategic planning goal as follows:

**Goal 1: Quality and Access in Education**

<b>Planned Budget Reductions</b>	<b>Impact on Strategic Planning Goal</b>
Reduce staff in the Focused Residential Program.	<ul style="list-style-type: none"> <li>Fewer staff would limit the amounts and kinds of services offered.</li> </ul>
Shorten summer programs by at least 25%.	<ul style="list-style-type: none"> <li>Students that only attend summer programs would receive less instruction with mobility, independent living, and technology skills.</li> </ul>
Limit Parent and Professional Development activities and reduce faculty and outreach staff.	<ul style="list-style-type: none"> <li>Limited activities and reduced staff would impede the learning of new skills that help to bridge the communication gap between students and families.</li> </ul>
Reduce year-round consulting services to students, schools, and families throughout Iowa by 50%.	<ul style="list-style-type: none"> <li>Over 200 students throughout Iowa would receive less instructional time, which is important in learning specific independent living skills and alternative living styles for multi-impaired children.</li> </ul>
Difficult to pursue a new cycle of the accreditation process through the North Central Association.	<ul style="list-style-type: none"> <li>The School would not be able to focus as clearly on outcomes for each student due to a serious loss of staff.</li> </ul>
Reduce staff, funds, hardware, software, and direct technology (actual learning time with a computer or other adaptive devices such as audio programs, Braille transcription programs, etc.) opportunities for students in the Center-Based and Outreach Services programs.	<ul style="list-style-type: none"> <li>Students will receive less educational exposure to independent living skills and technologies designed for particular disabilities.</li> </ul>

**Goal 2: Diversity**

Planned Budget Reductions	Impact on Strategic Planning Goal
<p>The School will continue to emphasize diversity in all of its programmatic and personnel decisions. The budget shortfall is not expected to cause major concern in this area. However, it is anticipated that there will be fewer vacancies over the next several years with some expected limitation in recruiting individuals.</p>	

**Goal 3: Finances**

Planned Budget Reductions	Impact on Strategic Planning Goal
<p>The School will continue to emphasize strong stewardship of all resources as a result of the budget difficulties. The management of these resources has always been a top priority. The budget crisis simply increases the responsibility to watch over all functions and assets.</p>	

The Iowa Braille and Sight Saving School's top priority is full funding of salaries from state appropriations. The School reports that it plans to raise salaries commensurate with those obtained through collective bargaining. If full funding of salaries does not occur, the School has indicated that it will undergo additional cutbacks and reallocations.