

**MEMORANDUM**

**To:** Board of Regents  
**From:** Board Office  
**Subject:** Preliminary FY 2004 Operating Budget – Iowa Lakeside Laboratory  
**Date:** June 9, 2003

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**Recommended Action:**

Consider the FY 2004 preliminary general fund operating budget of \$371,424 for the Iowa Lakeside Laboratory, as approved by the Lakeside Laboratory Coordinating Committee, with the distribution by institution as follows:

	<b><u>Amount</u></b>
University of Iowa	\$183,623
Iowa State University	112,938
University of Northern Iowa	<u>74,863</u>
<b>Total</b>	<b>\$371,424</b>

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**Executive Summary:**

The FY 2004 general fund budget was developed by Dr. Arnold van der Valk, Director of the Laboratory, and approved by the Lakeside Laboratory Coordinating Committee.

The general fund budget is 4.4% higher (\$15,781) than the FY 2003 budget. The increase will be used for utility services and library acquisitions. Any increases in faculty and staff salaries will be funded within the proposed budget, with adjustments made to other line items.

The FY 2004 general fund budget is based upon the following:

1. No state appropriations were provided for salary increases to implement the state's salary policy; and
  2. Non-salary expenditures were adjusted by the percentage increase in tuition according to a formula previously approved by the Lakeside Laboratory Coordinating Committee.
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**Strategic Plan:**

Review and approval of the Laboratory's budget is consistent with the Board's Strategic Plan (Action Step 4.1.1.2) and provides effective stewardship of resources.

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**Background:**

**Board of Regents  
Responsibility**

In 1947, the Board of Regents was made responsible, under the terms of a trust, for the operation and management of Lakeside Laboratory, which has served as a biological field station since 1909. The Laboratory's campus is 140 acres of land located on the west shore of West Okoboji Lake on Little Millers Bay.

**Organizational  
Structure**

In 1993, the Board approved a new organizational structure consisting of a "Coordinating Committee" and a three-year plan for the Laboratory. This action was taken as a result of the identification of a series of problems at the Laboratory including declining enrollments, deteriorating facilities, poor community relations and difficulties in interinstitutional coordination.

With Board approval, the new Coordinating Committee hired a new Director for Iowa Lakeside Laboratory and began implementation of the three-year strategic plan.

- Within three years, all of the major planning goals had been achieved and the major problems had been resolved.
- The Laboratory has since enjoyed strong enrollments due to new, innovative curricular offerings, improved community relations and better interinstitutional coordination.

At its February 2000 meeting, the Board approved changes in the structure of the Lakeside Laboratory Coordinating Committee. The provosts of each university are now the representatives of the universities on the Coordinating Committee and the specific duties of the Coordinating Committee have been detailed.

In February 2001, an external review of Iowa Lakeside Laboratory's programs and administration was conducted. The evaluation was positive about the Laboratory and the program, but raised concerns regarding inadequate staffing.

**Infrastructure  
Improvements**

The Friends of Iowa Lakeside Lab, Inc. raised over \$900,000 to build and endow the new Waitt Water Quality Laboratory and continue to actively raise additional funds for an endowment for the Water Quality Lab and other improvements at Lakeside Lab.

Other infrastructure improvements include:

- Donation of two houses and acquisition, relocation and setup of motel/hotel buildings from the Brooks Resort and the Grand Hotel to provide improved housing for faculty, staff and students;
- Appropriation of \$140,000 by the 1997 General Assembly for renovations at the Laboratory; these funds were used for improvements to the Mess Hall.
- Repair of the sewer system, purchase of new computers and installation of a new phone system.
- Appropriation of \$390,000 by the 2002 General Assembly to provide improvements to Mahan Hall and Macbride Lab.

Consortium Agreement

In October 2001, the Board approved a Lakeside Laboratory Consortium Membership Agreement for non-Regent institutions; the Agreement will hopefully extend the use of the Lakeside Laboratory to faculty and students of other colleges and universities, either within or outside the State of Iowa. Drake University has joined the consortium.

Tuition Revenues

Lakeside Laboratory currently does not receive any tuition revenues. The universities collect and retain the tuition dollars associated with the students that take courses at the Laboratory. Funding for the Laboratory is similar to other academic units in that the Laboratory is provided with an allocation of general fund resources.

At its September 2000 meeting, the Coordinating Committee approved a mechanism for increasing the non-salary portion of the Laboratory's operational budget (professional and scientific supplies; library acquisitions; utilities; building repairs; and equipment). That portion would be increased annually by the same percentage increase that the Board authorized for tuition.

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**Analysis:**

Non-Salary Funding

The mechanism identified above for increasing the non-salary portion of the Laboratory's operational budget would generate an additional \$15,781.

- This amount, which represents a 4.4% increase, would be used for utility costs (\$10,000) and Library Acquisitions (\$5,781).
- FY 2003 utility costs to date are \$6,500 higher than FY 2002 and are expected to increase again in FY 2004.

- The University of Iowa and, in the past 10 years, the Iowa State University libraries have acquired a small number of key journals for the Lakeside Library. The cost of the journals has been borne by these libraries. Due to budget cuts, the Iowa State University Library will no longer be able to provide the journals without cost to the Laboratory.

Faculty Salaries – Course Offerings Due to the budgetary pressures of mandatory cost increases during the recent past, the Laboratory has reduced the number of courses offered each summer, thereby reducing expenditures for faculty salaries.

Any FY 2004 salary increases, including those for merit employees, will be provided within the proposed budget.

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Joan Racki

Approved:   
Gregory S. Nichols

**IOWA LAKESIDE LABORATORY BUDGETS**

	FY 2003 <u>Budget</u>	FY 2004 Proposed <u>Budget</u>	% <u>Change</u>
<b><u>REVENUE</u></b>			
University of Iowa	\$ 175,821	\$ 183,623	4.4%
Iowa State University	108,140	112,938	4.4%
University of Northern Iowa	<u>71,682</u>	<u>74,863</u>	<u>4.4%</u>
<b>Total General Fund</b>	<b>\$ 355,643</b>	<b>\$ 371,424</b>	<b>4.4%</b>
<b><u>EXPENDITURES</u></b>			
Faculty Salaries	\$ 188,447	\$ 188,447	
Director's Salary	87,840	87,840	
Teaching Faculty Salaries	100,607	100,607	
Prof/Scientific Salaries	54,439	54,439	
General Services Salaries	<u>23,091</u>	<u>23,091</u>	
Subtotal	\$ 265,977	\$ 265,977	0.0%
Professional & Scientific Supplies	\$ 45,924	\$ 45,924	0.0%
Library Acquisitions	-	5,781	
Rentals	-	-	
Utilities	18,356	28,356	54.5%
Building Repairs	25,386	25,386	0.0%
Auditor of State Reimbursement	-	-	
Equipment	-	-	
Student Aid	-	-	
Subtotal	<u>\$ 89,666</u>	<u>\$ 105,447</u>	<u>17.6%</u>
<b>Total General Fund Expenditures</b>	<b>\$ 355,643</b>	<b>\$ 371,424</b>	<b>4.4%</b>