

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Conceptual General Fund Operating Budgets for FY 2002
Date: May 7, 2001

Recommended Action:

Receive the FY 2002 conceptual general fund operating budget presentations.

Executive Summary:

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.

Although the 2001 legislative session has not ended as of the date of this memorandum, the Education Appropriations Bill, SF 535, which provides the majority of the state funding for the Regent institutions, has been passed both by the Senate and the House. This bill, as passed, 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), also reduced institutional base operating appropriations by similar percentages.

The Board's highest funding priority for FY 2002 — full funding of salaries from state appropriations — has not yet received final legislative action. Full funding of salaries from state appropriations is a critical state investment in the human resources necessary to assure quality of instruction and learning for Iowa's students, to continue extraordinary discovery of new knowledge through research, to enhance economic development through a myriad of research and service activities, and to improve Iowa's quality of life through educational, extension, cultural, clinical, athletic, and related outreach programs.

The information contained in this memorandum is only tentative and can change as the Regent budgetary process is influenced by various events.

- Final legislative and gubernatorial actions on the operating and salary appropriations bills significantly influence the Regent institutional budgets.
- The amount of funding provided by the Legislature in the salary bill affects the total sum available for allocation to fund Regent salary and health insurance increases.

- When the Board approved the increased tuition amounts in October 2000 for FY 2002, the Board also identified the anticipated uses of those new proceeds. If the universities propose changes to those uses of new tuition dollars during the budget process, the Board would need to approve those modifications.
- With the anticipated budget reductions, the institutional suggestions may include possible scenarios for reducing access and eliminating/reducing programs. The Regent Procedural Guide §6.20 requires Board approval before the institutions could implement these types of changes.

At its March 2001 meeting, the Board identified its expectations regarding the budget process relative to the anticipated reductions in state appropriations. This process is to include communication and input among the institutions, campus personnel, the Board Office, and the Board. The Board instructed the institutions to follow their individual missions, the Board's strategic plan, and their institutional strategic plans in determining FY 2002 budget reductions.

The conceptual budgets presented within this memorandum reflect the likely impacts that the 6% reductions in state appropriations will have on the strategic plans of the institutions. The Regent institutions' conceptual plans are detailed in Attachments A through E.

Each institution's conceptual budget identifies: (1) strategic planning goals, (2) planned budget reductions, and (3) impact these proposed reductions would have on the institution's strategic plan.

The Board now has the opportunity to review the institutional plans, raise questions, request additional information, indicate priorities, and provide direction to the institutions before detailed preliminary budgets are prepared and submitted for the June Board meeting.

In June, the preliminary general fund operating budgets for FY 2002 are to reflect the Governor's action on the appropriations bills affecting the Regents, the allocation of salary appropriations, actual dollar amounts including revenue estimates, budget details, and any revisions in institutional priorities based on Board comments and actions at the May meeting. In July, the final FY 2002 operating budgets and restricted fund budgets are to be presented to the Board for approval.

As outlined in the attachments, the proposed reductions in state appropriations are expected to impact every area at the Regent institutions: education, research, and service. Some examples of the proposed reductions include: reducing faculty, staff, and merit positions (open positions and layoffs); furloughing employees; increasing class sizes; reducing services; and reducing building repair budgets. All Regent institutions are planning to utilize reallocations to address the anticipated shortfall in state appropriations. The universities plan to use some revenues from tuition increases to lessen the negative impact.

Background:

General fund operating budgets encompass all basic operating funds of an institution. There are three primary revenue sources that make up university general fund operating budgets: state appropriations, federal reimbursements, and tuition and fees. The major source of funding for the University of Iowa Hospitals and Clinics is sales and services revenue; only approximately 7% is derived from state appropriations. The special schools' primary source of revenue is state appropriations.

The Regents view strategic planning as essential to effective governance of the institutions. Through the strategic plans, the Board strives to make Iowa public universities and special schools the premier institutions of their type. The budgets of the Regent institutions are to be based on the strategic planning goals of the Board and of the institutions. The Board's budget process for the institutions incorporates strategic planning, reallocations, state appropriations, tuition and fees, and enrollments.

Reallocations

In 1996, the Board approved a five-year program requiring institutional reallocations of at least 2% per year to promote strategic planning goals to increase effectiveness and efficiency. A review of the five-year reallocation policy will be conducted at the conclusion of FY 2001.

The Regent reallocation policy provides the flexibility for the institutions to address changing needs and to focus resources to achieve improvements in quality. The Regent institutions use the reallocation process to redirect expenditures from certain programs and services to other areas that support the strategic objectives of the Board and of the institutions. The institutions use the reallocation process to implement new systems, reflect outcomes of academic as well as non-academic programs, improve services, and fund program enhancements by redirecting resources to signify appropriate and efficient stewardship of resources.

State Appropriations

Once the Legislature and the Governor have finalized state appropriations for the Regent institutions, the appropriated amounts are incorporated into the budgets. Historically, the state has provided a stable revenue source from appropriations. However, the Regent institutional appropriations were reduced by \$3.4 million during the middle of FY 2000 and reduced again for FY 2001. For FY 2001, the base operating state appropriations were reduced by \$3.0 million, the state salary allocation underfunded the Regent salary need by \$9.2 million, and health insurance increases of \$7.4 million were unfunded.


Tuition

Iowa law requires the Board to have a policy for the establishment of tuition rates that provides some predictability for assessing and anticipating changes. Consistent with this requirement, the Board's tuition policy is as follows:

Resident undergraduate tuition at the Regent universities shall be set annually to keep pace with the Higher Education Price Index and to provide support to finance university programs at levels sufficient to implement the Board's aspirations for excellence as outlined in the Board's strategic plan.

In October 2000, the Board established tuition rates for the academic year 2001-2002 with a base tuition increase of 7.2%. At that time, the Board identified the anticipated uses of the FY 2002 tuition revenue increases.

Because of the reduced FY 2001 operating appropriations, the underfunded salary needs, and the unfunded health insurance increases, the Board authorized the universities to utilize tuition revenues in a manner different than originally planned during the tuition discussion. The universities are again planning to reassess the use of the new tuition proceeds for FY 2002 to lessen the impact of the state appropriation reductions and will present any changes to the Board for approval as a part of the budget process.



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.

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

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

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

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

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

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

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

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

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

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"> • There would be more reliance on patient revenues to offset the shortfall in state appropriations.

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"> • The plan to provide state-of-the-art facilities with particular emphasis on patient comfort would be delayed in some areas.

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"> • The ability to attract and retain employees would be limited.

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 a Winter Break closing with salary and benefit reductions, stringent energy saving measures, and 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.

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"> • Class sizes would increase. • Fewer classes would be offered. • Increasing student retention and graduation rates would be stalled. • Student support services would be reduced and more difficult to access.
Request Board approval to use increased tuition revenue to offset a portion of the state appropriation reductions.	<ul style="list-style-type: none"> • Promises to students for use of tuition to improve quality would be recanted.
Institute stringent controls on energy consumption.	<ul style="list-style-type: none"> • Students and staff would experience discomfort in classrooms/office space. • Restricted use of facilities after business hours would impact student activities and organizations that are an important component of the residential college experience.

Planned Budget Reductions	Impact on Strategic Planning Goal
Close the University for 12 days at semester break with a corresponding reduction of salaries and benefits.	<ul style="list-style-type: none"> • Ability to recruit faculty and staff would be reduced. • Public access to University facilities and staff would be lost for an extended period. • Short-term strategy would eventually need to be replaced by permanent budget reductions.

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"> • 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. • 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.
Institute stringent controls on energy consumption.	<ul style="list-style-type: none"> • 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.
Reduce funds available for building repairs and deferred maintenance by more than half.	<ul style="list-style-type: none"> • Only life safety and emergency repairs would be undertaken. • The deterioration in the University's physical facilities would accelerate and repair costs would be greater in the future.

Planned Budget Reductions	Impact on Strategic Planning Goal
The Plant Sciences Institute will receive no new state support unless it is specifically appropriated. A proportional share of budget reductions could be allocated to the Institute.	<ul style="list-style-type: none"> • The strategic emphasis on developing a world-class research program in the plant sciences would be stalled. • Current research efforts may need to be modified due to the magnitude of the appropriation reductions.
Close the University for 12 days at semester break with a corresponding reduction of salaries and benefits.	<ul style="list-style-type: none"> • Semester break closing would reduce progress on research projects including those funded by external sponsors. • 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.

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"> • Some Extension area offices would be closed. • Extension programs involving training and sharing of information with Iowa citizens would be reduced. • Advice and assistance to businesses across the state would be reduced.
Close the University for 12 days at semester break with a corresponding reduction of salaries and benefits.	<ul style="list-style-type: none"> • University facilities and staff, including Extension staff, would not be available to Iowans for an extended period.
Increase reliance on alternative revenue sources such as grants, contracts, and user fees.	<ul style="list-style-type: none"> • Iowans would pay more for services provided by Iowa State University and its Extension Service.

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.

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

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

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

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.

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

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

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

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

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

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

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

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

Planned Budget Reductions	Impact on Strategic Planning Goal
Reduce staff positions in Facilities Planning, Operations and Maintenance, Custodial Services, and Public Safety.	<ul style="list-style-type: none"> • 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.
Reduce funding for Building Repairs.	<ul style="list-style-type: none"> • Deferred maintenance would increase.
Reduce funding for the Modern Executive Management Financial Information System project (MEMFIS).	<ul style="list-style-type: none"> • 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. • Access to accurate and timely information for decision-making would be reduced.

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

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

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"> • Fewer faculty and professional and scientific staff would strain student/teacher ratios in the classroom and staff/resident ratios in the dormitories. • Fewer faculty and professional and scientific staff would diminish improvement in classroom education. • Retaining and recruiting top faculty and professionals qualified in deaf and hard of hearing education would become increasingly difficult. • Fewer administrative services employees would lessen the School's ability to enhance information technology services and provide training. • Fewer employees would make implementing the priorities in the School Improvement Plan difficult.

Goal 2: Strengthen and Expand Creative and Innovative Programming

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

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

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

Goal 4: Flexibility, Efficiency, Cooperation, and Accountability

Planned Budget Reductions	Impact on Strategic Planning Goal
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

Planned Budget Reductions	Impact on Strategic Planning Goal
Reduce staff in the Focused Residential Program.	<ul style="list-style-type: none"> Fewer staff would limit the amounts and kinds of services offered.
Shorten summer programs by at least 25%.	<ul style="list-style-type: none"> Students that only attend summer programs would receive less instruction with mobility, independent living, and technology skills.
Limit Parent and Professional Development activities and reduce faculty and outreach staff.	<ul style="list-style-type: none"> Limited activities and reduced staff would impede the learning of new skills that help to bridge the communication gap between students and families.
Reduce year-round consulting services to students, schools, and families throughout Iowa by 50%.	<ul style="list-style-type: none"> 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.
Difficult to pursue a new cycle of the accreditation process through the North Central Association.	<ul style="list-style-type: none"> The School would not be able to focus as clearly on outcomes for each student due to a serious loss of staff.
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"> Students will receive less educational exposure to independent living skills and technologies designed for particular disabilities.

Goal 2: Diversity

Planned Budget Reductions	Impact on Strategic Planning Goal
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.	

Goal 3: Finances

Planned Budget Reductions	Impact on Strategic Planning Goal
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.	

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.