

**MEMORANDUM**

**To:** Board of Regents  
**From:** Board Office  
**Subject:** Revised FY 2002 Budgets  
**Date:** November 5, 2001

**Recommended Action:**

Approve the revised FY 2002 General Fund Operating Budgets for the Regent institutions and the Board Office.

**Executive Summary:**

**Deappropriation** In October, the Governor announced an across-the-board 4.3% reduction in FY 2002 appropriations. On November 1, the Governor implemented, by executive order, the appropriations reductions that are expected to save approximately \$200 million. The across-the-board reductions for the Regents total \$30.5 million and represent a mid-year budget reduction.

The Governor has called a special session of the Iowa General Assembly to convene on Thursday, November 8, 2001, to restore funding to key priorities of public safety, public defense, and K-12 education. Pursuant to action of the Board at its October meeting, the Board will seek restoration of the reductions to the Iowa School for the Deaf and Iowa Braille and Sight Saving School.

	FY 2002	
	General Fund	
	<u>Appropriations</u>	<u>Reductions</u>
University of Iowa	\$313,251,779	13,469,828
Iowa State University	265,106,057	11,399,562
University of Northern Iowa	90,448,115	3,889,269
Iowa School for the Deaf	7,950,522	341,872
Iowa Braille & Sight Saving School	<u>4,455,932</u>	<u>191,605</u>
Subtotal: Institutions	681,212,405	29,292,136
Other	1,677,993	72,153
Tuition Replacement	<u>26,021,384</u>	<u>1,118,920</u>
Total	\$708,911,782	30,483,209

**Revised Budgets** All affected Regent operating budgets have been revised and are presented to the Board for approval.

The details and impacts of the reductions to the institutions are identified in Attachments A – F. The reductions were guided by the strategic planning goals of the Board and the institutions.

The Regent institutions have adjusted budgets, in addition to the appropriations reductions, using the most current information available, including revenue adjustments for enrollment, grant activities, and workers' compensation.

The University of Iowa Hospitals and Clinics may have other adjustments in the spring that are difficult to predict at this time.

	Original FY 2002 <u>Budgets</u>	Revised FY 2002 <u>Budgets</u>
University of Iowa	\$972,669,082	961,699,254
Iowa State University	407,048,456	397,648,894
University of Northern Iowa	133,803,370	129,914,101
Iowa School for the Deaf	8,569,353	8,223,904
Iowa Braille & Sight Saving School	<u>4,798,556</u>	<u>4,604,070</u>
Subtotal: Institutions	1,526,888,817	1,502,090,223
Regional Study Centers	684,508	668,640
Board Office	2,008,027	1,952,427
Clothing and Transportation	<u>15,930</u>	<u>15,245</u>
<b>Total General Fund Operating</b>	<b>\$1,529,597,282</b>	<b>\$1,504,726,535</b>
Tuition Replacement	<u>26,681,714</u>	<u>25,534,400</u>
<b>Total</b>	<b>\$1,556,278,996</b>	<b>\$1,530,260,935</b>

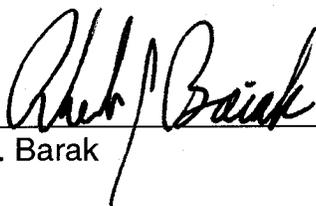
Tuition  
Replacement

The state funding for tuition replacement is from two types of appropriations, \$26.9 million from the state general fund and \$0.6 million from tobacco securitization bond proceeds. The appropriation from the state general fund was reduced by the across-the-board reduction, resulting in a shortfall for tuition replacement of \$1.1 million. Restoration of the tuition replacement appropriation may be discussed during the special session.

An update of the budgetary implications from the special session will be provided at the Board meeting.

  
Deb A. Hendrickson

Approved:

  
Robert J. Barak

BOARD OF REGENTS, STATE OF IOWA  
REVISED FY 2002 GENERAL FUND OPERATING BUDGETS

University of Iowa											
RESOURCES	Center for										
	Univ.	Univ. Hosp.	Psych. Hosp.	Disabilities Development	Oakdale Campus	Hyg. Lab	Family Prac.	SCHS Cancer/Mobile	Special Purpose	SUI Subtotal	
APPROPRIATIONS	\$ 241,831,144	\$ 30,466,492	\$ 7,809,505	\$ 7,016,917	\$ 2,948,667	\$ 3,979,812	\$ 2,305,212	\$ 691,332	\$ 2,732,870	\$ 299,781,951	
General	-	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	-	
Subtotal - Appropriations	241,831,144	30,466,492	7,809,505	7,016,917	2,948,667	3,979,812	2,305,212	691,332	2,732,870	299,781,951	
RESOURCES											
Federal Support	-	-	-	-	-	-	-	-	-	2,712,632	
Interest	900,000	-	-	-	6,000	-	32,000	-	-	938,000	
Tuition and Fees	140,687,710	-	-	-	-	-	-	-	-	140,687,710	
Reimb. Indirect Costs	35,024,300	1,808,000	871,000	65,000	350,000	86,287	-	-	-	38,204,587	
Sales and Service	-	463,750,485	9,728,798	1,616,198	-	2,292,494	-	235,000	-	477,622,975	
Other Income	125,000	420,000	-	-	75,000	-	-	1,131,399	-	1,751,399	
Subtotal - Inst. Income	176,737,010	465,978,485	10,599,798	1,681,198	431,000	2,378,781	32,000	4,079,031	-	661,917,303	
TOTAL RESOURCE BUDGET	\$ 418,568,154	\$ 496,444,977	\$ 18,409,303	\$ 8,698,115	\$ 3,379,667	\$ 6,358,593	\$ 2,337,212	\$ 4,770,363	\$ 2,732,870	\$ 961,699,254	
EXPENDITURES											
Fac. & Inst. Off. Salaries	194,243,119	22,343,200	2,840,500	623,800	-	-	1,844,170	536,733	516,221	222,947,743	
Prof. & Sci. Staff Salaries	62,424,280	168,912,300	7,482,600	4,195,000	130,050	3,504,369	316,161	2,142,687	905,310	250,012,757	
General Service Staff Salaries	63,556,707	87,495,900	3,902,000	2,259,915	1,366,258	1,799,466	85,405	962,783	225,360	161,653,794	
Hourly Wages	2,513,525	5,684,000	189,500	214,600	-	14,964	32,000	24,500	17,852	8,690,941	
Subtotal - Salaries	\$ 322,737,631	\$ 284,435,400	\$ 14,414,600	\$ 7,293,315	\$ 1,496,308	\$ 5,318,799	\$ 2,277,736	\$ 3,666,703	\$ 1,664,743	\$ 643,305,235	
Prof. and Scientific Supplies	32,655,638	179,336,277	3,227,703	1,095,700	496,087	1,030,794	59,476	1,069,760	956,293	219,927,778	
Library Acquisitions	9,861,574	-	-	-	-	-	-	-	-	9,861,574	
Rentals	1,500,000	3,843,300	10,200	64,500	-	9,000	-	-	-	5,427,000	
Utilities	17,742,116	12,635,600	756,800	194,600	1,237,767	-	-	-	-	32,566,883	
Bldg. Repairs	4,833,946	7,376,500	-	50,000	125,305	-	-	-	-	12,385,751	
Auditor of State Reimb.	471,016	-	-	-	-	-	-	-	-	471,016	
Equipment	6,656,149	8,817,900	-	-	24,200	-	-	33,900	111,834	15,643,983	
Aid to Individuals	22,110,034	-	-	-	-	-	-	-	-	22,110,034	
Subtotal - Other Expenditures	\$ 95,830,523	\$ 212,009,577	\$ 3,994,703	\$ 1,404,800	\$ 1,883,359	\$ 1,039,794	\$ 59,476	\$ 1,103,660	\$ 1,068,127	\$ 318,394,019	
TOTAL EXPENDITURES	\$ 418,568,154	\$ 496,444,977	\$ 18,409,303	\$ 8,698,115	\$ 3,379,667	\$ 6,358,593	\$ 2,337,212	\$ 4,770,363	\$ 2,732,870	\$ 961,699,254	

BOARD OF REGENTS, STATE OF IOWA  
REVISED FY 2002 GENERAL FUND OPERATING BUDGETS

	Iowa State University						University of Northern Iowa			FY 2002	
	Gen. Univ.	Exp. Station	Coop. - Ext.	IPRT	Special Purpose	ISU Subtotal	Northern Iowa	ISD	IBSS	General Fund Total	
<b>RESOURCES</b>											
<b>APPROPRIATIONS</b>											
General	\$ 190,866,120	\$ 34,601,714	\$ 21,866,928	\$ 4,123,835	\$ 2,247,898	\$ 253,706,495	\$ 86,558,847	\$ 7,608,649	\$ 4,264,327	\$ 651,920,269	
Other	-	-	-	-	-	-	-	175,562	87,231	262,793	
Subtotal - Appropriations	190,866,120	34,601,714	21,866,928	4,123,835	2,247,898	253,706,495	86,558,847	7,784,211	4,351,558	652,183,062	
<b>RESOURCES</b>											
Federal Support	-	4,125,373	8,300,000	-	-	12,425,373	-	64,000	149,867	15,351,872	
Interest	1,352,000	-	-	-	-	1,352,000	600,000	53,000	23,000	2,966,000	
Tuition and Fees	116,007,826	-	-	-	-	116,007,826	40,555,254	-	-	297,250,790	
Reimb. Indirect Costs	12,500,000	-	-	-	-	12,500,000	1,575,000	-	38,734	52,318,321	
Sales and Service	288,700	5,000	-	-	-	293,700	625,000	322,693	40,911	478,905,279	
Other Income	1,358,500	-	5,000	-	-	1,363,500	-	-	-	3,114,899	
Subtotal - Inst. Income	131,507,026	4,130,373	8,305,000	-	-	143,942,399	43,355,254	439,693	252,512	849,907,161	
<b>TOTAL RESOURCE BUDGET</b>	\$ 322,373,146	\$ 38,732,087	\$ 30,171,928	\$ 4,123,835	\$ 2,247,898	\$ 397,648,894	\$ 129,914,101	\$ 8,223,904	\$ 4,604,070	\$ 1,502,090,223	
<b>EXPENDITURES</b>											
Fac. & Inst. Off. Salaries	132,567,617	19,513,852	6,889,859	1,111,237	333,941	160,416,506	59,836,193	3,431,621	1,495,010	448,127,073	
Prof. & Sci. Staff Salaries	53,593,043	8,893,120	16,137,188	1,584,844	614,255	80,822,450	22,391,359	1,416,679	421,468	355,064,713	
General Service Staff Salaries	39,510,413	4,487,844	2,683,265	401,776	205,330	47,288,628	20,276,598	1,722,585	1,783,017	232,724,622	
Hourly Wages	4,701,501	500,426	531,222	166,324	134,818	6,034,291	2,121,304	-	-	16,846,536	
Subtotal - Salaries	\$ 230,372,574	\$ 33,395,242	\$ 26,241,534	\$ 3,264,181	\$ 1,288,344	\$ 294,561,875	\$ 104,625,454	\$ 6,570,885	\$ 3,699,495	\$ 1,052,762,944	
Prof. and Scientific Supplies	33,535,840	4,516,845	3,420,394	659,654	873,674	43,006,407	10,717,773	964,355	561,030	275,177,343	
Library Acquisitions	7,732,344	-	-	-	-	7,732,344	1,844,590	8,226	7,212	19,453,946	
Rentals	977,311	-	150,000	-	71,705	1,199,016	873,125	-	-	7,499,141	
Utilities	17,515,743	450,000	10,000	-	186	17,975,929	2,659,545	343,020	163,822	53,709,199	
Bldg. Repairs	3,357,647	170,000	-	-	-	3,527,647	350,000	202,838	110,257	16,576,493	
Auditor of State Reimb.	510,968	-	-	-	-	510,968	135,000	57,000	26,754	1,200,738	
Equipment	5,250,000	200,000	350,000	200,000	13,989	6,013,989	1,418,855	77,580	35,500	23,189,907	
Aid to Individuals	23,120,719	-	-	-	-	23,120,719	7,289,759	-	-	52,520,512	
Subtotal - Other Expenditures	\$ 92,000,572	\$ 5,336,845	\$ 3,930,394	\$ 859,654	\$ 959,554	\$ 103,087,019	\$ 25,288,647	\$ 1,653,019	\$ 904,575	\$ 449,327,279	
<b>TOTAL EXPENDITURES</b>	\$ 322,373,146	\$ 38,732,087	\$ 30,171,928	\$ 4,123,835	\$ 2,247,898	\$ 397,648,894	\$ 129,914,101	\$ 8,223,904	\$ 4,604,070	\$ 1,502,090,223	

**UNIVERSITY OF IOWA  
FY 2002**

	<u>Original Appropriations</u>	<u>Reduction</u>	<u>Revised Appropriations</u>
General University	\$252,697,120	\$10,865,976	\$241,831,144
University Hospital	31,835,415	1,368,923	30,466,492
Psychiatric Hospital	8,160,402	350,897	7,809,505
Center for Disabilities and Development	7,332,202	315,285	7,016,917
Oakdale Campus	3,081,157	132,490	2,948,667
Hygienic Laboratory	4,158,633	178,821	3,979,812
Family Practice	2,408,790	103,578	2,305,212
SCHS - Cancer, Hemophilia, High Risk Infant	722,395	31,063	691,332
Primary Health Care	887,221	38,151	849,070
State of Iowa Cancer Registry	208,738	8,976	199,762
Substance Abuse Consortium	75,348	3,240	72,108
Biocatalysis	1,036,208	44,557	991,651
Birth Defects Registry	51,935	2,233	49,702
Advanced Drug Development	266,272	11,450	254,822
Oakdale Research Park/Innovation Center	<u>329,943</u>	<u>14,188</u>	<u>15,755</u>
<b>Total</b>	<b>\$313,251,779</b>	<b>\$13,469,828</b>	<b>\$299,781,951</b>

**Budget  
Adjustments**

The University's appropriations for FY 2002 were reduced by \$13.5 million as identified in the table. The University has increased its tuition revenue by \$2.5 million due to higher than anticipated enrollments.

In the July 2001 final budget submission for the General Education Fund, the University reported a \$1.8 million shortfall that would be funded by either revenue in excess of budget or additional expenditure reductions. A portion of the increased tuition revenues will be used to cover this shortfall. The balance will be directed toward increased costs incurred by the colleges in serving a larger number of students.

The University of Iowa Hospitals and Clinics has not adjusted its budget at this time for the possible fluctuations in patient volumes for the fiscal year. Volumes may remain high or the mix of services rendered may involve more complex, resource-intensive patient care, causing a need for a future adjustment.

**Exemptions**

The University will exempt the four-year graduation plan, student financial aid, and library acquisitions from any budget reductions.

## Guidelines

The University is currently working to identify measures that will be necessary to implement the budget reductions and is guided by the strategic plan and principles that have been established for addressing FY 2002 budget reductions. The principles are as follows:

1. The 2000-2005 University of Iowa strategic plan and core values will provide the framework for developing the University's response to the proposed deappropriations from the state. The focus should be on preserving academic 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 on budget reductions and the allocation of reductions across units, as well as in identifying potential cost savings.
  - Communication with internal and external constituencies by the President, UI administrators and collegiate administrators will be timely and on-going.
3. Vice presidents and deans must assure that all faculty and staff contribute to meeting the objectives of these principles.
4. Budget reduction strategies must protect the university's ability to recruit and retain students and to meet four-year graduation plan obligations.
5. Budgeted financial aid will not be diminished.
6. Essential support to research programs and research support units will be maintained at a level that does not unduly jeopardize critical scholarly programs and the continuation or growth of external funding.
7. The allocation to resource pools such as building repair, equipment and classroom improvements will be scrutinized to determine where deferrals can occur or where investments must be continued, consistent with the University's stewardship responsibilities.
8. Vice presidents, deans and unit directors will be given flexibility in achieving savings within a framework that includes the following principles:
  - Budget reductions must achieve net savings to the General Education Fund.
  - Decisions about cost reductions must always consider the impact on revenue generation.

- Budget reductions must produce required savings in FY2002, and savings must be sustainable or alternative reductions made in FY 2003.
- Units should review existing programs in light of University, collegiate and departmental missions and goals, including the University's diversity goals. Based upon centrality and quality, selected programs should be subject to increased reductions or elimination.
- Units should explore enhanced efficiencies, including consolidation of programs and services within and across units.
- Vice presidents and deans should maximize savings from current and upcoming position vacancies by scrutinizing the filling of every General Education Fund-supported position.
- Temporary and permanent layoffs will be utilized to the degree necessary with all unit layoff plans, temporary or permanent, reviewed in advance by university administration and authorized before proceeding.

Impact of  
Deappropriations

The majority of the deappropriation, \$10.9 million, is from the General University appropriation unit. The University's proposal for addressing the reductions is identified by appropriation unit as follows.

General  
University

The University plans to defer expenditures from centrally allocated pools and then allocate the remaining amounts to administrative and academic units in the same manner as the July 1, 2001 appropriations reduction. Administrative units will be required to reduce expenditures at a higher level than academic units.

Some areas that will be reduced are identified below with the strategic planning goal that would be affected. The goals include: Goal #1 – undergraduate experience; Goal #2 – premier graduate and professional programs; Goal #3 – distinguished research, scholarship, and artistic creation; Goal #4 – interdisciplinary interaction in teaching, research, and service; and Goal #5 – highly productive organization.

- The Office of the Vice President for Research suspended six of seven internal grant programs for a total savings of \$1.2 million. Strategic planning goals #1, 2, 3 and 4 are impacted by these reductions.

- The Office of the Vice President for Research will also reduce: staffing, leaving vacancies open; grants to graduate students to pay for use of research instruments; conferences and workshops that support interdisciplinary research activities; travel, publications, recruitment costs and events.
- The Office of the Provost will reduce by \$1.1 million the allocations for instructional equipment, faculty start-up, and the new writing initiative. These reductions will seriously impair the University's progress towards modernization of classrooms and laboratories, the renovation and equipping of research labs for newly hired faculty, and the recent initiative to improve student writing skills. These reductions will have the largest impact on strategic planning goals # 1 and 2.
- Approximately \$1.7 million in building renewal projects will be deferred in FY 2002.
- The Office of Affirmative Action will reduce general expense categories such as travel, office supplies, subscriptions, and publication costs. These reductions will have an impact on the ability of the office to address strategic planning Goal #5.
- The Office of the Provost/Colleges has identified temporary areas to reduce FY 2002 spending and is reviewing areas for permanent reductions. Some examples include:
  - Elimination of approximately 165 General Fund supported positions in the academic units. (Total result from base budget and mid-year reductions.)
  - The colleges will reduce the number of courses offered in the spring, increase minimum class size requirements, rearrange teaching schedules, and reexamine the mix of faculty the budget can support (tenured, tenure-track, visitors, adjunct, student assistants).
  - Academic units will closely examine each program that receives general fund support and identify programs for significant reduction.
  - A number of new strategic initiatives will be put on hold such as equipping classrooms and laboratories with modern technology, building the new Writing Program across campus, and improving service levels in the libraries through the addition of new professional staff.

- The division of Finance and University Services will: reduce expenses through attrition as staff members opt for retirement or the early retirement incentive program; consolidate activities as opportunities arise; reduce travel and staff tuition grants; and delay progress on the implementation of new and improved financial and administrative systems.
- The Vice President of University Relations will continue operating with the salary savings from the vacant Vice President position.

University of  
Iowa Hospitals  
and Clinics

The University of Iowa Hospitals and Clinics' deappropriation of 4.3% affects the University Hospital Indigent Patient Care Program, the Psychiatric Hospital, the Center for Disabilities and Development, and Specialized Child Health Services. The UIHC will focus on curtailing certain services while continuing to serve the same number of patients.

The following steps are being taken with the Indigent Patient Care Program:

- Availability of services will be limited to patients with verified state papers. Sometimes services are rendered to individuals who have applied, but are not yet verified by the county, to be eligible for the program with the expectation papers would be issued.
- A pharmacy formulary comparable to that used by the Medicaid program has been adopted and medical staff will be informed about the appropriate use.
- Certain items that are not covered by Medicaid, such as eyeglasses, hearing aids and replacement prosthetics, will only be available under this program on a very limited basis.
- Only medically necessary services will be provided.
- Van transportation schedules are being revised to minimize the number of overnight stays and meals required. The number of vans operated may be reduced.
- Discussions with the Department of Corrections have begun to triage that population earlier and coordinate appointments better to minimize visits to the University of Iowa Hospitals and Clinics.

- Oakdale Campus In the short term, the Oakdale Campus will curtail operating expenses to meet the shortfall. In the long term, reductions in workforce through attrition will be necessary. These measures will diminish support and maintenance for the Oakdale Campus including the University Hygienic Laboratory.
- Hygienic Laboratory Given recent events, the demands being placed on the Hygienic Laboratory due to its role in the war against infectious disease and bioterrorism have increased. The University is optimistic that the appropriations will be restored.
- Statewide Family Practice Training Program Faculty salary support will be decreased proportionately across the seven community-based family practice residency programs. The loss of salary support must be made up from additional support from sponsoring hospitals at each site, or reallocated from other areas. Some sites may have to suspend faculty and staff recruitment efforts.
- Primary Health Care This appropriation reduction will present challenges to the promotion, training, and provision of Primary Care. The majority of the cuts will be made in the Department of Family Medicine and the Regional Medical Education Center Grants. The Department of Family Medicine will have to use patient care revenues to subsidize the educational mission. As downward pressure on these reimbursements continues, it will be increasingly more difficult to continue cross-subsidization. The Regional Medical Education Center Grants will be decreased at each site, which will result in reduced support of faculty and professional salaries, and reduced training opportunities statewide.
- Special Purpose A reduction in the budgets to these units will reduce funds available for operation, outreach, and training, or entrepreneurial activities aimed at external leveraging of the state support.

**IOWA STATE UNIVERSITY  
 FY 2002**

	<u>Original Appropriations</u>	<u>Reduction</u>	<u>Revised Appropriations</u>
General University	\$199,442,132	\$8,576,012	\$190,866,120
Agriculture Experiment Station	36,156,441	1,554,727	34,601,714
Cooperative Extension Service	22,849,455	982,527	21,866,928
Leopold Center	552,694	23,766	528,928
Livestock Disease Research	262,987	11,308	251,679
Institute For Physical Research and Technology	4,309,128	185,293	4,123,835
Small Business Development Center (SBDC)	1,159,945	49,878	1,110,067
Research Park/ISIS	<u>373,275</u>	<u>16,051</u>	<u>357,224</u>
<b>Total</b>	<b>\$265,106,057</b>	<b>\$11,399,562</b>	<b>\$253,706,495</b>

**Budget  
 Adjustments**

The University's appropriations were reduced by \$11.4 million as identified in the table. The University has increased its tuition due to higher enrollments and its reimbursed indirect cost revenues due to grant activity by \$1.0 million each to reflect the most current information available.

The University is planning to accomplish the 4.3% de-appropriation through one-time adjustments. This approach will allow time for thoughtful decisions of the best approach for making the reductions permanent in FY 2003 while continuing to strive for quality. The FY 2002 one-time adjustments include:

- Using \$2.8 million of new tuition revenue — this new tuition revenue was originally planned for new faculty positions, graduate tuition scholarships, and resources for over-enrolled courses.
- Delaying construction and remodeling projects to allow the use of \$7.3 million in funds planned for these projects — the University has significantly reduced the building repair budget for FY 2002.
- Capturing savings of \$1.3 million in health insurance costs — the University expects lower rate increases in health insurance plans beginning in calendar year 2002 than originally budgeted.

Impact of  
Reductions

The impact of these one-time reductions includes:

- Offering 50 fewer courses;
- Providing assistantships to 26 fewer graduate assistants;
- Hiring 18 less faculty; and
- Delaying construction and remodeling projects.

The impact of the reductions for FY 2003 is expected to require elimination of certain programs, activities, and positions. These types of reductions will be required to accommodate the deappropriation and allow new investments in areas important for the future of Iowa State University.

Guidelines for  
Strategic  
Reductions

The Provosts and Vice Presidents are developing plans for reducing budgets. The ISU Task Force for Strategic Effectiveness and Budget Priorities will review these plans and recommend a strategy for permanently reducing the University's base budget, while at the same time allowing for strategic reinvestments / reallocations to continue progress toward building the University's quality.

The University guidelines for this planning process include:

- Budget reduction plans should maintain consistency with the University's mission and strategic plan;
- Budget reductions should be accomplished through differential reductions across all units and levels of the University, not through across-the-board cuts;
- Budget reductions should be accomplished by identifying activities, programs, and services to eliminate or significantly reduce in scope, recognizing that these changes could result in the loss of faculty and staff positions.
- Plans should have a strong focus on academic excellence. Programs, activities, and services that are currently of very high quality should be preserved along with those that have high potential to achieve that quality level in a relatively short period of time. Conversely, programs, activities, and services of lower quality should be eliminated or significantly reduced in scope.
- Programs, activities, and services that are central to the academic mission of the University should be identified and appropriately supported to continue improving the quality of undergraduate and graduate education, student access to courses and services, and faculty and staff development.

- Plans should reflect the university's commitment to building a diverse faculty, staff, and student body.
- Wherever possible, plans should reduce non-academic services, eliminate units that provide services that can be readily obtained external to the University at a reduced cost, and incorporate the charging of fees for the provision of the University services as a substitute for state support.

**UNIVERSITY OF NORTHERN IOWA  
 FY 2002**

	<b>Original Appropriations</b>	<b>Net Reduction</b>	<b>Revised Appropriations</b>
General University	\$89,297,856	3,839,808	\$85,458,048
Recycling & Reuse	240,963	10,361	230,602
Metal Casting	173,222	7,449	165,773
Institute For Decision Making	<u>736,075</u>	<u>31,651</u>	<u>704,424</u>
<b>Total</b>	<b>\$90,448,116</b>	<b>\$3,889,269</b>	<b>\$86,558,847</b>

**Budget  
 Adjustments**

The University will see a reduction of \$3.9 million in the appropriations units as identified in the table.

**Exemptions**

The University will exempt student financial aid and library acquisitions from any budget reductions.

**Impact of  
 Reductions**

The University will have to take significant actions to address this level of deappropriation including:

- The University will have approximately 150 fewer adjunct faculty for the spring semester — there will be 217 fewer classes during the spring semester; postponed professional development leaves; larger class sizes; and overload appointments for permanent faculty.
- Four and a half professional and scientific positions, six secretarial/clerical positions, five custodians, and a boiler operator will be eliminated — many services will not be provided.
- Reducing the number of hours available to students to work will reduce student wages — fewer experiential learning opportunities will be provided to students.
- Academic supplies and services and equipment budgets will be reduced. — this will further affect the campus culture and learning environment, faculty development, experiential learning opportunities, and the technology infrastructure, impacting strategic planning goals 1,2 3 and 4.
- The President's area will curtail the University's community building activities.
- Future phases of the Modern Executive Management and Financial Information System (MEMFIS) will be slowed and initial time lines altered — access to timely and accurate information for decision makers and off campus reporting will be diminished affecting strategic plan goal 7.

- The University's building repairs budget will be reduced 83%.
  - Critical University projects ranked as high priority projects will be postponed. This will increase deferred maintenance and affect strategic planning goal 7.

The University's has three additional appropriation units that are reduced by the 4.3% deappropriation. The proposal for addressing these reductions is identified by appropriation unit as follows:

Institute for Decision Making

Supplies and services, equipment, and student wage budgets will be reduced. Travel and conference attendance will be curtailed and opportunities for student work experiences will be lost.

Recycling and Reuse Technology Transfer Center

Professional and scientific supplies will be reduced, adversely affecting strategic planning goal 8.

Metal Casting Center

Professional salaries and supplies and services budgets will be reduced, adversely affecting strategic planning goal 8.

**IOWA SCHOOL FOR THE DEAF  
 FY 2002**

	<u>Original Appropriation</u>	<u>Reduction</u>	<u>Revised Appropriation</u>
General Fund	\$7,950,522	\$341,872	\$7,608,650
DOE Technology Fund	5,000	215	4,785
DOE Phase I, II, III	<u>178,450</u>	<u>7,673</u>	<u>170,777</u>
Total	\$8,133,972	\$349,760	\$7,784,212

**Budget  
 Adjustments**

The School will see a reduction of \$341,872 in direct state appropriations and an additional \$7,888 in indirect state appropriations from the Department of Education. The School has increased its general fund revenues by \$3,750 to reflect an additional workers compensation allocation and increased Phase III revenues by \$562 to reflect the most current information available.

**Impact of  
 Deappropriation**

The School will have to take significant actions to address this level of deappropriation including:

- Seven positions would be eliminated or temporarily not filled (two faculty positions; assistant to the Superintendent; houseparent; part-time nursing position; housekeeping position; and food service worker position.)

This will affect the Strategic Plan, Key Result Area 1.0.0.0 – to provide a quality education. This will leave multiple handicapped students without a teacher and elementary students will have no mainstream support. The number of students supervised will increase.

- The School will end the Summer School program — this will eliminate the remedial and enrichment learning opportunities for students. This directly impacts the Strategic Plan, Key Result Area 2.0.0.0 – to strengthen and expand creative and innovative programs.
- Pay for curriculum work will be eliminated — the quality of education will be reduced.
- Repair, maintenance, and equipment budgets will be reduced — deferred maintenance will continue to grow and fire/safety issues will be delayed.

**Budget  
 Restoration**

There are discussions that the funding may be restored to the School in the special session. If the entire 4.3% reduction were restored, the budget would revert to the original FY 2002 budget.

**IOWA BRAILLE AND SIGHT SAVING SCHOOL  
FY 2002**

	<u>Original Appropriation</u>	<u>Reduction</u>	<u>Revised Appropriation</u>
General Fund	\$4,455,932	\$191,605	\$4,264,327
DOE Technology Fund	5,000	215	4,785
DOE Phase I, II, III	<u>86,150</u>	<u>3,704</u>	<u>82,446</u>
Total	\$4,547,082	\$195,524	\$4,351,558

**Budget  
Adjustments**

The School will see a reduction of \$191,605 in direct state appropriations and an additional \$3,919 in indirect state appropriations from the Department of Education. The School has increased its general fund revenues by \$1,600 to reflect an additional workers compensation allocation and decreased Phase I and II revenues by \$562 to reflect the most current information available.

**Proposal for  
Addressing  
Deappropriation  
and Implications**

The School will have to take significant actions to address this level of deappropriation including:

- Eliminating the June 2002 summer program:
  - The elimination of the summer program will deny approximately 45 students, ages 12 – 21, the opportunity to participate in learning activities supporting the development of skills in orientation and mobility, Braille literacy and technology, and independent living skills. Most of the students who attend the summer programs are from public schools where they have limited exposure to the expanded curriculum.
- Furloughing institutional officials and two non-contract merit staff and implementing a permanent reduction in schedules for administrative and clerical positions;
- While the demands on the school have not decreased, the time to meet those demands would be reduced. This directly affects the strategic plan and key result area initiatives including focusing services; environmental assessment; organizational audit; safety and risk management; summer programs and activities; parent and professional activities; and the development of services throughout the state.

- Deferring educational and administrative equipment purchases:
  - This directly affects the strategic plan. The School cannot provide quality and access in education without the support of proper educational and administrative equipment.
- Reducing the support for staff development:
  - There will be fewer resources available to ensure quality programs for professionals which will effect the quality of programs for students.
- Reducing supplies that support school technology.
  - This will affect the Strategic Plan initiative Targeting Technology. It will be difficult for the School to provide leading technology exposure to students.

Budget  
Restoration

There are discussions that the funding may be restored to the School in the special session. If the entire 4.3% reduction were restored, the budget would revert to the original FY 2002 budget.

**BOARD OFFICE  
FY 2002**

	<u>Original Appropriation</u>	<u>Reduction</u>	<u>Revised Appropriation</u>
General Operations	\$1,293,027	\$55,600	\$1,237,427

**Proposal for  
Addressing  
Deappropriation**

The Board Office plans to use salary savings associated with two positions that were vacant at some point during FY 2002 to address the deappropriation. Several options being considered for carrying this reduction forward in FY 2003 include reducing expenses such as travel, professional dues, office supplies, and equipment.