

MEMORANDUM

To: Board of Regents
 From: Board Office
 Subject: Comprehensive Fiscal Report for FY 2002
 Date: October 7, 2002

Recommended Action:

Receive the FY 2002 Comprehensive Fiscal Report.

Executive Summary:

Report Purpose Each year, the Board conducts a series of reviews and approvals for all budgetary and financial matters. The purpose of the comprehensive fiscal report is to inform the Board of each institution's performance in relation to the Board-approved budgets. Normally, this report would highlight strategic planning initiatives, summarize uses of funding increases, and discuss institutional accomplishments regarding measures taken to improve efficiency and effectiveness.

FY 2002 was a unique year with three separate reductions in state appropriations totaling \$81.9 million. As a result of the significant reductions in state appropriations, the Regent institutions had no new state appropriations for strategic initiatives and were unable to spend tuition revenue or reallocate as planned.

This comprehensive fiscal report for FY 2002 compares actual revenues and expenditures with the Board-approved final revised budgets, after three separate appropriation reductions, and identifies significant variances.

Funds This report focuses on the major funds at each of the institutions – the general operating funds and restricted funds.

General operating funds include operating appropriations, some federal funds, interest income, tuition and fee revenues, reimbursed indirect costs, and sales and services.

Restricted funds are specifically designated or restricted for a particular purpose or enterprise and include capital appropriations, tuition replacement, gifts, sponsored funding from federal and private sources, residence system revenues, athletics, as well as other auxiliary or independent functions such as parking and utility systems.

Each University's Residence System Annual Report is presented as part of the restricted funds in attachments A through C rather than in March, when room and board is considered.

FY 2002 Data	<u>General Operating</u>	<u>Restricted</u>	<u>Total</u>
	\$1.5 billion	\$1.0 billion	\$2.5 billion

The combined general operating fund revenues of all Regent institutions represented 99.9% of the total combined revised budgets. Salary expenditures were 100.7% of the approved budget.

The combined restricted fund revenues of all Regent institutions were 99.5% of the total budgeted amount.

A three-year comparison of capital expenditures for projects with costs exceeding \$250,000 is provided at the end of the Analysis section on page 6. The FY 2002 projects total \$160.2 million.

Institutional detail for FY 2002 and is included in Attachments A through E.

Strategic Plan The Board's strategic plan, Key Result Area 4, requires the Board to exercise effective stewardship of institutional resources to maintain the confidence and support of the public in the utilization of existing financial resources.

The Board of Regents Strategic Plan, Action Step 4.3.3.2, requires the development of a matrix of capital expenditures from all funds and a comparison of year-to-year trends.

Background:

Fiscal Accountability The Board's system of governance is intended to maintain confidence in the financial management of the Regent institutions while allowing the institutions relatively wide latitude in the administration of their internal fiscal affairs.

In accordance with the Board's strategic plan regarding its accountability and stewardship responsibilities, the Board, as a governing body, established financial management guidelines for its institutions that help to ensure competent performance.

These mechanisms were designed to help the Board proactively and systematically set goals and develop strategies for maximizing achievement within the framework of available funding.

The Comprehensive Fiscal Report brings closure to the process for FY 2002 by summarizing major budgetary events and reporting variances in Board-approved budgets.

Analysis:

General Operating Fund

General operating funds include operating appropriations, some federal support, interest income, tuition and fee revenues, reimbursed indirect costs, and sales and services. Interest income earned on general operating funds is retained within these funds.

The following table compares the final revised combined institutional budgets to actual revenues and expenditures.

**FY 2002
General Operating Fund
Regent Institutions
Comparison – Budget to Actual**

	Final Revised Budget	Actual	Variance Over/(Under)	Actual as % of Budget
REVENUES				
APPROPRIATIONS				
General	\$640,047,904	\$640,057,236	\$9,332	100.0%
Other	\$271,266	\$267,933	(\$3,333)	98.8%
RESOURCES				
Federal Support	\$15,351,872	\$15,716,908	\$365,036	102.4%
Interest	\$3,384,000	\$3,224,820	(\$159,180)	95.3%
Tuition and Fees	\$300,396,300	\$298,810,494	(\$1,585,806)	99.5%
Reimbursed Indirect Costs	\$52,718,321	\$53,488,875	\$770,554	101.5%
Sales and Services	\$489,198,279	\$488,497,725	(\$700,554)	99.9%
Other Income	\$3,120,899	\$3,137,655	\$16,756	100.5%
TOTAL REVENUES	\$1,504,488,841	\$1,503,201,646	(\$1,287,195)	99.9%
EXPENDITURES				
Salaries	\$1,051,991,022	\$1,059,615,706	\$7,624,684	100.7%
Prof. /Scientific Supplies	\$279,072,626	\$271,373,651	(\$7,698,975)	97.2%
Library Acquisitions	\$19,453,946	\$19,905,142	\$451,196	102.3%
Rentals	\$7,493,047	\$7,878,641	\$385,594	105.1%
Utilities	\$53,631,985	\$53,905,432	\$273,447	100.5%
Building Repairs	\$16,525,021	\$12,285,907	(\$4,239,114)	74.3%
Auditor of State	\$1,200,738	\$1,068,582	(\$132,156)	89.0%
Equipment	\$22,612,394	\$22,262,816	(\$349,578)	98.5%
Aid to Individuals	\$52,508,062	\$54,433,728	\$1,925,666	103.7%
TOTAL EXPENDITURES	\$1,504,488,841	\$1,502,729,605	(\$1,759,236)	99.9%

Variance Explanations

General fund revenues and expenditures were consistent with the budget. The institutions expended 100.7% of their total general fund budgeted salaries. Professional and scientific supplies, building repairs, and equipment expenses were curtailed to fund salaries, library acquisitions, utilities, and student financial aid, given the substantial appropriation reductions during the year. Interest income was less than expected due to lower interest rates.

Revenues are greater than expenditures because of the hospital appropriation units and IPRT which both have carryover authority.

Appropriations Reductions The Regent institutions have had significant reductions in FY 2002 state appropriations as illustrated in the following table.

FY 2002 State Appropriation Reductions

July 2001	\$ 40.6 million
November 2001	28.7 million
March 2002	12.6 million
Total	<u>\$81.9 million</u>

The FY 2002 reductions are equivalent to the entire annual appropriation for the University of Northern Iowa. These FY 2002 reductions occurred in three phases:

- A 6% reduction in base budget appropriations compared to FY 2001;
- A 4.3% across-the-board budget reduction (excluding the special schools and the Hygienic Laboratory) mandated November 1, 2001; and
- A 1% across-the-board reduction and furlough allocation reduction effective March 1, 2002.

Salary appropriations for FY 2002 of \$28.8 million were less than the \$34.7 million of salary funding needed to fully fund that state salary policy.

Impact of Reductions The impact of the budget reductions is identified by Regent institution in attachments A through E.

New Tuition Revenues The total FY 2002 tuition increases, net of student financial aid, are as follows:

University of Iowa	\$14,188,329
Iowa State University	12,196,309
University of Northern Iowa	<u>3,150,437</u>
	<u>\$29,535,075</u>

Restricted Funds Restricted fund revenues are specifically designated or restricted for a particular purpose or enterprise. These revenues include capital appropriations, tuition replacement appropriations, gifts, sponsored funding from federal and private sources, residence system revenues, as well as other auxiliary or independent functions such as parking systems.

With respect to capital appropriations, the revenues reflect the drawdowns of funds from current and prior fiscal years, while the budgets reflect the total amounts appropriated by the state. Interest earnings within bonded enterprises (e.g. residence systems, utility systems, UIHC) are retained within the individual bonded enterprise.

The following table compares the revised budget to actual revenues and expenditures.

**FY 2002
Restricted Funds
Regent Institutions
Comparison – Budget to Actual**

	Budget	Actual	Variance Over/(Under)	Actual as % of Budget
REVENUES				
Capital Appropriations	\$29,078,000	\$29,980,495	\$902,495	103.1%
Tuition Replacement	26,681,714	26,682,244	530	100.0%
Federal Support	267,544,617	279,767,766	12,223,149	104.6%
Interest	7,823,268	6,059,433	(1,763,835)	77.5%
Tuition and Fees	32,093,630	39,760,338	7,666,708	123.9%
Reimbursed Indirect Costs	18,144,957	19,985,210	1,840,253	110.1%
Sales and Services	257,643,814	249,323,722	(8,320,092)	96.8%
Other Income	527,882,733	510,376,695	(17,506,038)	96.7%
TOTAL RESOURCES	\$1,167,892,733	\$1,161,935,903	(\$4,956,830)	99.5%
EXPENDITURES				
Salaries	\$399,238,698	\$428,064,445	\$28,825,747	107.2%
Prof. /Scientific Supplies	324,175,871	327,055,546	2,879,675	100.9%
Library Acquisitions	8,000	3,490	(4,510)	43.6%
Rentals	11,760,400	10,657,812	(1,102,588)	90.6%
Utilities	16,699,404	15,248,800	(1,450,604)	91.3%
Building Repairs	54,619,214	23,363,071	(31,256,143)	42.8%
Auditor of State	5,000	-	(5,000)	0.0%
Equipment	29,001,340	23,954,435	(5,046,905)	82.6%
Aid to Individuals	70,078,023	77,992,815	7,914,792	111.3%
Debt Service	68,273,030	77,667,053	9,394,023	113.8%
Plant Capital	193,033,753	175,149,417	(17,884,336)	90.7%
TOTAL EXPENDITURES	\$1,166,892,733	\$1,159,156,884	(\$7,735,849)	99.3%

**Athletic Budgets
and Residence
System**

The athletic and residence system budgets are part of the restricted budget, however, each are presented to the Board individually for approval. Tables comparing athletic and residence system budgeted revenues and expenditures with actual revenues and expenditures as well as the variances are identified in each University attachment (A through C). In addition, the Residence System Annual Report is now presented with the Comprehensive Fiscal Report rather than in March to provide more timely financial information to the Board.

Capital
Expenditures

The following table compares institutional expenditures for FY 2000 – FY 2002 for capital projects with project costs exceeding \$250,000. The data are from status reports filed by the institutions.

**Projects with Costs Exceeding \$250,000 - All Funds
(In Millions)**

	FY 2000		FY 2001		FY 2002	
	# Projects	Expense	# Projects	Expense	# Projects	Expense
SUI	214	\$95.4	238	\$90.3	230	\$95.1
ISU	77	59.3	84	61.5	69	54.8
UNI	45	20.7	45	19.8	29	10.3
Total	336	\$175.4	367	\$171.6	328	\$160.2

* As submitted by the institutions on capital project status reports.

The projects include expenditures from all sources of funds including capital appropriations; building renewal (repair) funds; institutional road funds; gifts and grants; income from treasurer's temporary investments; proceeds of academic building, dormitory, telecommunications, and other revenue bond issues; and university hospitals building usage funds. During FY 2002, revenue bonds totaling \$68.2 million (excluding refunding bonds) were issued for new capital projects at the Regent institutions.


Deb A. Hendrickson

Approved: 
Gregory S. Nichols

Attachment A
UNIVERSITY OF IOWA

General Fund The following table compares the University's combined general fund final revised budgets to actual revenues and expenditures.

FY 2002
General Operating Funds
University of Iowa
Comparison – Budget to Actual

University Approp. Units *	Revised Budget	Actual	Variance Over/(Under)	Actual as % of Budget
REVENUES				
General Appropriations	\$ 248,867,597	\$ 248,867,597	\$ -	100.0%
Interest	938,000	883,977	(54,023)	94.2%
Tuition and Fees	142,487,711	142,360,121	(127,590)	99.9%
Reimbursed Indirect Costs	35,760,587	35,390,304	(370,283)	99.0%
Sales and Services	2,292,494	2,339,564	47,070	102.1%
Other Income	200,000	166,087	(33,913)	83.0%
TOTAL REVENUES	\$ 430,546,389	\$ 430,007,650	\$ (538,739)	99.9%
EXPENDITURES				
Salaries	\$ 330,183,220	\$ 327,849,293	\$ (2,333,927)	99.3%
Prof. /Scientific Supplies	35,900,165	39,407,700	3,507,535	109.8%
Library Acquisitions	9,861,574	9,927,781	66,207	100.7%
Rentals	1,509,000	1,271,618	(237,382)	84.3%
Utilities	18,936,326	17,821,292	(1,115,034)	94.1%
Building Repairs	4,860,617	5,283,335	422,718	108.7%
Auditor of State	471,016	448,864	(22,152)	95.3%
Equipment	6,714,437	4,746,208	(1,968,229)	70.7%
Aid to Individuals	22,110,034	23,251,559	1,141,525	105.2%
TOTAL EXPENDITURES	\$ 430,546,389	\$ 430,007,650	-\$ 538,739	99.9%

Hospital Approp. Units**	Revised Budget	Actual	Over/(Under)	Percent
REVENUES				
General Appropriations	\$ 45,225,220	\$ 45,225,220	\$ -	100.0%
Federal Support	2,712,632	3,127,491	414,859	115.3%
Reimbursed Indirect Costs	2,744,000	3,434,503	690,503	125.2%
Sales and Services	485,330,481	484,823,839	(506,642)	99.9%
Other Income	1,551,399	1,259,864	(291,535)	81.2%
TOTAL REVENUES	\$ 537,563,732	\$ 537,870,917	\$ 307,185	100.1%
EXPENDITURES				
Salaries	\$ 312,652,054	\$ 317,367,440	\$ 4,715,386	101.5%
Prof. /Scientific Supplies	191,128,378	190,359,200	(769,178)	99.6%
Rentals	3,918,000	4,320,063	402,063	110.3%
Utilities	13,587,000	13,957,497	370,497	102.7%
Building Repairs	7,426,500	339,044	(7,087,456)	4.6%
Equipment	8,851,800	11,091,710	2,239,910	125.3%
TOTAL EXPENDITURES	\$ 537,563,732	\$ 537,434,954	\$ (128,778)	100.0%

Total General Fund	Revised Budget	Actual	Over/(Under)	Percent
REVENUES				
General Appropriations	\$ 294,092,817	\$ 294,092,817	\$ -	100.0%
Federal Support	2,712,632	3,127,491	414,859	115.3%
Interest	938,000	883,977	(54,023)	94.2%
Tuition and Fees	142,487,711	142,360,121	(127,590)	99.9%
Reimbursed Indirect Costs	38,504,587	38,824,807	320,220	100.8%
Sales and Services	487,622,975	487,163,403	(459,572)	99.9%
Other Income	1,751,399	1,425,951	(325,448)	81.4%
TOTAL REVENUES	\$ 968,110,121	\$ 967,878,567	\$ (231,554)	99.9%
EXPENDITURES				
Salaries	\$ 642,835,274	\$ 645,216,733	\$ 2,381,459	100.4%
Prof. /Scientific Supplies	227,028,543	229,766,900	2,738,357	101.2%
Library Acquisitions	9,861,574	9,927,781	66,207	100.7%
Rentals	5,427,000	5,591,681	164,681	103.0%
Utilities	32,523,326	31,778,789	(744,537)	97.7%
Building Repairs	12,287,117	5,622,379	(6,664,738)	45.8%
Auditor of State	471,016	448,864	(22,152)	95.3%
Equipment	15,566,237	15,837,918	271,681	101.7%
Aid to Individuals	22,110,034	23,251,559	1,141,525	105.2%
TOTAL EXPENDITURES	\$ 968,110,121	\$ 967,442,604	\$ (667,517)	99.9%

* Includes all university appropriation units except for the hospital appropriation units.

** Includes University Hospitals, Psychiatric Hospital, SCHS, and Center for Development and Disabilities.

Variance
Explanations

General fund revenues and expenditures were consistent with budget.

Federal Support for the hospital was higher than budget due to the timing of receipt of SCHS federal block grant funds.

Reimbursed Indirect Costs were, overall, higher than budget due to the timing of grant and contract awards.

Salary expenditures were 100.4% of budget. This was primarily attributed to the hospital's use of overtime and temporary agency staff to address the shortage of healthcare staff.

Professional/Scientific Supplies were over budget due to timing of purchases and inflationary costs.

Utilities were under budget due to mild weather, favorable energy prices, and increasing efficient systems.

Building Repairs were less than budget. The hospital units increase in salaries and equipment required significantly reduced spending for building repairs.

Student Aid exceeded the budget. The additional amount is the result of reallocating funds within the colleges.

State
Appropriations

General operating fund appropriations were reduced \$37.9 million from the original FY 2001 base operating appropriations to final FY 2002.

Salary funding - the allocation to the general university appropriation unit of \$11.6 million for the state's salary policy was less than the \$17.4 million needed to fully fund salary increases, including increased health insurance and other benefit costs.

Impact of
Reductions

The following information represents action taken and/or the results of the FY 2002 Budget Reductions:

- Reduced 247 General Education Fund FTE positions – Faculty 107, Graduate Assistants 63, P&S 50 and Merit 27.
 - Loss of faculty equates to fewer classes and greater average class size and increases reliance on the use of temporary faculty to provide instruction. There will be 160 fewer course sections offered in the summer of 2002.
- Suspended admission into the Graduate MIS program at Tippie College of Business (62 students) (still offering undergraduate program).
- Within the College of Education, closed Journalism Education, Communications Studies Education, Health Occupation Education and a minor in Human Relations.

- Reduced faculty start-up support, which severely limits the University's ability to make competitive offers to newly recruited faculty, particularly in the sciences.
- Reduced the value of faculty technology training commitments from \$3,000 to \$2,000. This will negatively impact the transfer of technology into the classrooms.
- Slowed or halted searches for major academic leadership positions (e.g.; Internal Medicine, Cardiothoracic Surgery, Physiology, Biophysics).
- Increased reliance on clinical earnings to support academic activities. (Reduces attention given students because faculty are pushed to earn clinical income.)
- Reduced student employment opportunities (e.g. Libraries).
- Reduced equipment budget by \$1.1 million or 15%, which will slow the University's efforts to modernize undergraduate classrooms and laboratories.
- Reduced travel and outreach, including travel related to economic development.
- Cut the building renewal budget by \$2 million or 30%.
- Reduced support for Library improvement and the new student Writing Initiative.
- Shifted costs of financial management and oversight of capital projects from operating budgets to individual capital project budgets (increases cost of capital and reduces flexibility).
- Permanently eliminated VP for External Relations position.
- Decreased the number of undergraduate student advisors.

New Tuition
Revenues

The FY 2002 tuition increase, net of student financial aid, is \$14.2 million. The University was unable to use all of the new tuition revenues as planned due to the significant reductions in state appropriations.

Restricted Funds

The following table compares the restricted fund budget to actual revenues and expenditures.

**FY 2002
Restricted Funds
University of Iowa
Comparison – Budget to Actual**

	Variance			
	Budget	Actual	Over/(Under)	Percent
REVENUES				
APPROPRIATIONS				
Capital	11,753,000	8,784,336	(\$2,968,664)	74.7%
Tuition Replacement	11,021,169	11,034,944	13,775	100.1%
RESOURCES				
Federal Support	151,370,000	158,080,846	6,710,846	104.4%
Tuition and Fees	20,003,000	24,459,900	4,456,900	122.3%
Reimbursed Indirect Costs	14,030,000	15,653,429	1,623,429	111.6%
Sales and Services	183,000,000	160,566,975	(22,433,025)	87.7%
Other Income	208,452,831	203,784,950	(4,667,881)	97.8%
TOTAL REVENUES	\$599,630,000	\$582,365,380	(\$17,264,620)	97.1%
EXPENDITURES				
Salaries	\$219,930,000	\$244,087,821	\$24,157,821	111.0%
Prof. /Scientific Supplies	148,700,000	146,534,515	(\$2,165,485)	98.5%
Rentals	11,000,000	9,847,332	(\$1,152,668)	89.5%
Utilities	6,200,000	5,969,938	(\$230,062)	96.3%
Building Repairs	3,800,000	3,847,150	\$47,150	101.2%
Equipment	13,500,000	12,337,554	(\$1,162,446)	91.4%
Aid to Individuals	34,900,000	37,882,723	\$2,982,723	108.5%
Debt Service	33,600,000	42,954,393	\$9,354,393	127.8%
Plant Capital	128,000,000	109,917,603	(\$18,082,397)	85.9%
TOTAL EXPENDITURES	\$599,630,000	\$613,379,029	\$13,749,029	102.3%

Restricted funds at the University of Iowa include such revenue sources as capital and tuition replacement appropriations, federal and non-federal support from sponsored programs, sales and services, reimbursed indirect cost recoveries, tuition and fees, bond proceeds, transfers from current unrestricted funds for debt service and depreciation.

Other University activities within this fund include continuing education programs, medicine and dentistry practice plan funds, sport camp activities, conferences and institutes, various publications and workshops related to academic departments, intercollegiate athletics, residence halls, Memorial Union operations, student health, recreational services, Hancher Auditorium, parking and transportation, and sponsored activities (primarily research and student aid).

Other income includes: non-federal gifts, grants and contracts; interest, dividends and capital gains and losses; workshops and seminars; commissions; royalties; non-credit course fees; rental of equipment; parking and other fines; sales salvage and recycling; and other miscellaneous revenue.

Capital appropriations were less than budget due to the timing of the drawdown of funds.

Sales and Services were less than budget due to fewer funds from the revenue sharing agreement with the hospital.

Salaries were over budget due to increased success in attaining grants and shifting of some positions from the general fund rather than implementing more layoffs.

Debt Service was greater than budget due to increased bonding activities.

Intercollegiate Athletics

The following table compares athletic budgeted revenues and expenditures with actual revenues and expenditures and identifies the variances.

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>	<u>Percent</u>
Revenues	\$34,230,173	\$34,647,486	\$417,313	101.2%
Expenditures	34,213,018	35,989,224	1,776,206	105.2%

Variance Explanations

Revenues were higher than budget primarily due to an increases in football ticket sales. University General Support was decreased by \$186,000.

Expenditures were greater than budget due to: transition costs for football and basketball programs (\$400,000); increased Big 10 Conference costs due to sell-out games for both Michigan and Penn State (\$250,000); increased Building Maintenance expenses due to maintenance and repairs in Kinnick Stadium and Carver Hawkeye Arena (\$200,000); increased sports medical costs due to injuries (\$150,000); increased security expenses due to increased security since September 11th (\$150,000); and increased student aid due to additional costs associated with 5th year aid and additional out-of-state grants (\$100,000).

The Athletic Department has a shortfall of \$1.3 million and will begin to address this shortfall in FY 2003. A portion will be made up by the projected amount that FY 2003 revenues exceed expenses. Non-recurring revenue (estimated at \$600,000) from the fall 2002 seventh home football game will also be applied against the shortfall. The University reports that other expenditure reduction measures will be employed as necessary to eliminate any remaining shortfall and to provide a margin for reallocations and capital improvements.

Residence System

The following table compares residence system revenues and expenditures with actual revenues and expenditures and identifies the variances.

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>	<u>Percent</u>
Revenues	\$32,654,875	\$32,863,822	\$208,947	100.6%
Expenditures	24,585,630	22,915,671	(1,669,959)	93.2%
Debt Service	4,435,745	4,933,973	498,228	111.2%
Mandatory Transfers	<u>600,000</u>	<u>600,000</u>	-	100.0%
Net Revenues	\$3,033,500	\$4,414,178	\$1,380,678	145.5%
Net Revenue as % of Gross Revenue	9.3%	13.4%		

Variance Explanations

Revenues were higher than budget due to faculty, staff, visitors, and off-campus students using the Hillcrest Marketplace facilities and the introduction of flex dollars to board contract holders.

Expenditures were less than budget due to reduced salaries from unfilled positions in the residence life-hall coordinator, food service, and custodial areas; lower than expected inflationary increases in food costs; and lower utility rates for both gas and electric.

FY 2002 Annual Report

The residence system annual report provides information on various aspects of the University of Iowa residence system for FY 2002 including enrollment data; residence hall and apartment utilization; and financial operations.

The annual report presents data for FY 2002 (Fall 2001) and current FY 2003 data (Fall 2002).

Enrollment / Occupancy

	<u>Fall 2001</u>	<u>Fall 2002</u>	<u>Change</u>	<u>% Change</u>
Enrollment				
Total University	28,768	29,697	929	3.2%
Lower Division	10,134	10,836	702	6.9%
% of Total	35.2%	36.5%		
Total Occupancy	5,663	5,609	(54)	(1.0)%
Occupancy as a % of Enrollment	19.7%	18.9%		

Fall 2002 residence system occupancy decreased by 54 students. The percentage of student enrollment living in university housing (residence halls plus apartments) decreased from Fall 2001 to Fall 2002.

The outstanding revenue bond obligations for the University of Iowa residence system as of June 30, 2002, were as follows:

<u>Year of Issue</u>	<u>Initial Principal</u>	<u>Principal Outstanding</u>	<u>Payout Year</u>
1963	16,500,000	820,000	2003
1965	2,425,000	0	2000
1966	7,785,000	4,200,000	2007
1992	6,325,000	770,000	2003
1999	10,000,000	9,380,000	2020
2000	16,000,000	15,565,000	2021
2001	<u>13,735,000</u>	<u>13,295,000</u>	2021
	\$72,770,000	\$44,030,000	

No new residence system bonds were issued during 2002.

Voluntary Reserves for University of Iowa residence system, which totaled \$11.3 million as of June 30, 2002, include the balances of funds including the Operation and Maintenance Fund and the Improvement Fund.

Mandatory Reserves include the balances of the Sinking Fund, Bond Reserve Fund, and Bond Construction Fund. The balance as of June 30, 2002, totaled \$13.3 million.

Attachment B
IOWA STATE UNIVERSITY

General Fund The following table compares the combined general operating fund final revised budget to actual revenues and expenditures.

FY 2002
General Operating Funds
Iowa State University
Comparison – Budget to Actual

	Revised Budget	Actual	Variance Over/(Under)	Percent
REVENUES				
General	\$ 248,811,942	\$ 248,811,942	\$ -	100.0%
Federal Support	12,425,373	12,425,373	-	100.0%
Interest	1,770,000	1,823,873	53,873	103.0%
Tuition and Fees	117,353,335	116,665,645	(687,690)	99.4%
Reimbursed Indirect Costs	12,600,000	12,795,622	195,622	101.6%
Sales and Services	586,700	305,268	(281,432)	52.0%
Other Income	1,369,500	1,711,704	342,204	125.0%
TOTAL REVENUES	\$ 394,916,850	\$ 394,539,427	\$ (377,423)	99.9%
EXPENDITURES				
Salaries	\$ 294,561,875	\$ 300,934,648	\$ 6,372,773	102.2%
Prof. /Scientific Supplies	40,280,457	30,513,439	(9,767,018)	75.8%
Library Acquisitions	7,732,344	8,013,978	281,634	103.6%
Rentals	1,192,922	1,353,782	160,860	113.5%
Utilities	17,975,929	18,875,964	900,035	105.0%
Building Repairs	3,527,647	5,391,027	1,863,380	152.8%
Auditor of State	510,968	393,686	(117,282)	77.0%
Equipment	6,013,989	5,646,943	(367,046)	93.9%
Aid to Individuals	23,120,719	23,379,882	259,163	101.1%
TOTAL EXPENDITURES	\$ 394,916,850	\$ 394,503,349	\$ (413,501)	99.9%

Variance Explanations General fund revenues and expenditures were consistent with budget.

Tuition and Fees were slightly below the budget primarily due to lower off-campus enrollments.

The variance in the Sales and Services and Other Income categories is due to a reclassification of fees between the categories.

Salaries were over budget due to the difficulty in reducing personnel expenses on short notice.

Professional and scientific supplies were below budget to allow the University to cover most of the other short-term reductions.

Building Repairs were higher than the revised budget however, they were only 55% of the FY 2001 actual expenditures.

State
Appropriations

General operating fund appropriations were reduced \$32.1 million from the original FY 2001 base operating appropriations to the final FY 2002.

The salary funding allocation of \$11.0 million for the state's salary policy was less than the \$14.2 million needed to fully fund compensation increases, including increased health insurance and other benefit costs.

Impact of
Reductions

The following information represents action taken and/or the results of the FY 2002 Budget Reductions:

- Eliminated 200 FTE positions:
 - 70 faculty positions;
 - 63 P&S positions;
 - 37 Merit staff positions; and
 - 30 Graduate assistant positions
- Increased faculty-to-student ratio by 22% in the last five years. Each professor now has more students to teach and advise, and more student work to evaluate resulting in less time devoted to each student.
- Increased class size. Between Fall 1996 and Fall 2001, the number of student credit hours taught in classes of 50 to 99 has increased by 43% and the number of student credit hours taught in classes of 100 or more students has increased by 37%, resulting in less personal attention for students.
- Reduced ability to attract and retain faculty.
- Negatively affected responsiveness to student needs by staff reductions in student affairs, administrative offices, and non-academic areas.
- Closed the office of Vice President for External Affairs.
- Eliminated Associate Deans in Education and Veterinary Medicine.
- Combined the positions of Associate Dean of Students with Director of Minority Student Affairs.

- Reorganized the biological sciences and, as a result, restructured curricula and the administration of several departments.
 - Plans to eliminate 4 degree programs:
 - Organizational learning and human resource development (MS, PhD)
 - Community health education (BS)
 - Engineering science (BS)
 - Engineering applications (BS)
 - Merged departments for administrative savings:
 - Landscape architecture with community and regional planning
 - Animal ecology with forestry
 - Reduced funds for building repairs and maintenance even further despite over \$60 million in deferred maintenance.
 - Cut funds for professional development for faculty and staff.
-
- Reduced research and other activities that foster economic development in Iowa.
 - Reduced funds for faculty travel to professional conferences for presenting research findings.
 - Increased University Extension fees.

New Tuition
Revenues

The FY 2002 tuition increase, net of student financial aid, is \$12.2 million. The University was unable to use all of the new tuition revenues as planned due to the significant reductions in state appropriations.

Restricted Funds

The following table compares the budget to actual revenues and expenditures.

**FY 2002
Restricted Funds
Iowa State University
Comparison – Budget to Actual**

			Variance	
	Budget	Actual	Over/(Under)	Percent
REVENUES				
Capital Appropriations	\$ 6,700,000	\$ 13,667,741	\$ 6,967,741	204.0%
Tuition Replacement	10,777,213	10,836,267	59,054	100.5%
Federal Support	97,278,973	99,512,603	2,233,630	102.3%
Interest	4,403,268	3,762,952	(640,316)	85.5%
Tuition and Fees	4,190,630	4,475,944	285,314	106.8%
Reimbursed Indirect Costs	4,114,957	4,331,781	216,824	105.3%
Sales and Services	20,144,227	21,828,035	1,683,808	108.4%
Other Income	275,432,090	264,548,605	(10,883,485)	96.0%
TOTAL REVENUES	\$ 423,041,358	\$ 422,963,928	\$ (77,430)	100.0%
EXPENDITURES				
Salaries	\$ 145,286,590	\$ 145,588,520	\$ 301,930	100.2%
Prof. /Scientific Supplies	134,732,653	136,172,630	1,439,977	101.1%
Utilities	7,609,404	6,828,633	(780,771)	89.7%
Building Repairs	16,805,482	7,800,285	(9,005,197)	46.4%
Equipment	11,947,123	9,229,926	(2,717,197)	77.3%
Aid to Individuals	25,778,023	28,454,724	2,676,701	110.4%
Debt Service	25,638,330	26,007,334	369,004	101.4%
Plant Capital	55,243,753	57,315,379	2,071,626	103.7%
TOTAL EXPENDITURES	\$ 423,041,358	\$ 417,397,431	\$ (5,643,927)	98.7%

Variance Explanations

Capital appropriations were more than budget due to the timing of the drawdown of funds for construction of Phase II of the Engineering, Teaching, and Research Center and the renovation of Gilman Hall.

Other Income was less than budget due to the timing of receipts for capital projects in the Plant Fund.

Building repairs were under budget due to optimistic projections of the budget.

Equipment expenditures were less than budget due to reduced purchases of expensive scientific equipment.

Plant Capital was over budget due to construction projects proceeding more rapidly with the mild winter conditions.

Intercollegiate Athletics The following table compares athletic budgeted revenues and expenditures with actual revenues and expenditures and identifies the variances.

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>	<u>Percent</u>
Revenues	\$23,262,565	\$25,208,150	\$1,945,585	108.4%
Expenditures	23,262,565	25,208,150	1,945,585	108.4%

Variance Explanations Revenues were over budget due primarily to increased football ticket revenue from a winning program; increased Big 12 Conference revenue from additional television coverage and a second football championship game; and increased licensing, interest, and service charge revenues.

Residence System The following table compares residence system revenues and expenditures with actual revenues and expenditures and identifies the variances.

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>	<u>Percent</u>
Revenues	\$48,888,336	\$49,521,303	\$632,967	101.3%
Expenditures	35,300,598	34,965,896	(334,703)	99.1%
Debt Service	8,285,384	7,773,015	(512,368)	93.8%
Mandatory Transfers	500,000	500,000	0	100.0%
Net Revenues	4,802,354	6,282,392	1,480,038	130.8%
Net Revenue as % of Gross Revenue	9.8%	12.7%		

Variance Explanations Revenues were over budget primarily due to increased catering income. Expenditures were less than budget due to the implementation of a new plan to identify cost savings within the Residence System; lower utilities as a result of mild weather and reasonable rate increases; and reduced debt service due to timing of the sale of Residence System bonds.

FY 2002 Annual Report The residence system annual report provides information on various aspects of Iowa State University's residence system for FY 2002 including enrollment data; residence hall and apartment utilization; and financial operations.

The annual report presents data for FY 2002 (Fall 2001) and current FY 2003 data (Fall 2002).

Enrollment / Occupancy		<u>Fall 2001</u>	<u>Fall 2002</u>	<u>Change</u>	<u>% Change</u>
	Enrollment				
	Total University	27,823	27,898	75	0.3%
	Lower Division	11,040	10,755	(285)	(2.6)%
	% of Total	39.7%	38.6%		
	Total Occupancy	8,959	8,634	(325)	(3.6)%
	Occupancy as a % of Enrollment	32.2%	30.9%		

Fall 2002 residence system occupancy decreased by 325 students. The percentage of student enrollment living in university housing (residence halls plus apartments) decreased from Fall 2001 to Fall 2002.

The outstanding revenue bond obligations for Iowa State University residence system as of June 30, 2002, were as follows:

<u>Year of Issue</u>	<u>Initial Principal</u>	<u>Principal Outstanding</u>	<u>Payout Year</u>
1964	\$15,000,000	\$1,465,000	2004
1965	1,600,000	500,000	2005
1966	2,200,000	320,000	2005
1967	8,190,000	3,515,000	2007
1967	3,000,000	625,000	2008
1976	3,000,000	0	1989
1998	15,750,000	14,240,000	2019
1998	14,000,000	13,425,000	2025
1999	16,900,000	16,545,000	2026
1999	17,400,000	17,400,000	2027
2000	9,525,000	9,525,000	2027
2001	21,665,000	21,665,000	2028
2002	<u>14,980,000</u>	<u>14,980,000</u>	2028
	\$143,210,000	\$114,205,000	

All new bond issues for the Residence System have been included.

Voluntary Fund Balances for Iowa State University residence system, which totaled \$14.6 million as of June 30, 2002, include the balances of funds including the Operation and Maintenance Fund and the Improvement Fund.

Mandatory Funds include the balances of the Sinking Fund, Bond Reserve Fund, and Bond Construction Fund. The balance as of June 30, 2002, totaled \$29.0 million.

Attachment C
UNIVERSITY OF NORTHERN IOWA

General Fund The following table compares the combined final revised general operating fund budget to actual revenues and expenditures.

FY 2002
General Operating Funds
University of Northern Iowa
Comparison – Budget to Actual

	Revised Budget	Actual	Variance Over/(Under)	Percent
REVENUES				
General Appropriations	\$ 84,828,890	\$ 84,834,889	\$ 5,999	100.0%
Interest	600,000	461,048	(138,952)	76.8%
Tuition and Fees	40,555,254	39,784,728	(770,526)	98.1%
Reimbursed Indirect Costs	1,575,000	1,829,627	254,627	116.2%
Sales and Services	625,000	645,630	20,630	103.3%
TOTAL REVENUES	\$ 128,184,144	\$ 127,555,922	\$ (628,222)	99.5%
EXPENDITURES				
Salaries	\$ 103,977,404	\$ 103,149,526	\$ (827,878)	99.2%
Prof. /Scientific Supplies	10,206,416	9,527,111	(679,305)	93.3%
Library Acquisitions	1,844,590	1,950,490	105,900	105.7%
Rentals	873,125	933,178	60,053	106.9%
Utilities	2,659,545	2,933,820	274,275	110.3%
Building Repairs	350,000	529,790	179,790	151.4%
Auditor of State	135,000	148,759	13,759	110.2%
Equipment	860,755	580,961	(279,794)	67.5%
Aid to Individuals	7,277,309	7,802,287	524,978	107.2%
TOTAL EXPENDITURES	\$ 128,184,144	\$ 127,555,922	\$ (628,222)	99.5%

Variance
Explanations

General fund revenues and expenditures were consistent with budget.

Tuition and Fees were less than budget due to the cancellation of 217 classes originally planned for spring that resulted in lower enrollment.

Reimbursed Indirect Costs were greater than budget due to an increase in sponsored projects.

Salary expenditures were under budget due to delays in filling open positions caused by budget uncertainty.

Professional/Scientific Supplies and Equipment expenditures were halted due to shortfalls in revenues.

Utilities were over budget due to additional square footage of facilities.

Building Repairs were over the final revised budget since funds were reallocated to fund critical small repair projects, however this line item was significantly reduced due to reductions in state appropriations.

Student Aid was greater than budget as a direct result of a successful program to recruit and retain students of diverse backgrounds.

State
Appropriations

General operating fund appropriations were reduced \$10.9 million from the original FY 2001 base operating appropriations to the final FY 2002.

Salary funding - the allocation of \$3.9 million for the state's salary policy was less than the \$5.3 million needed to fully fund compensation increases, including increased health insurance and other benefit costs.

Impact of
Reductions

To address reductions in State appropriations, the following specific actions were implemented:

- University community building activities designed to promote and strengthen the campus culture were highly scrutinized and several Presidential events were cancelled
- 217 fewer classes were offered spring semester which meant eliminating many electives for students, larger class sizes, and fewer opportunities for mentoring, advisement, supervised research, and experiential learning
- Professional development assignments and requests for early retirement incentives were denied
- Academic supplies and services and equipment budgets were reduced adversely affecting the learning environment and information technology infrastructure
- Student wages, another form of student aid, were reduced campus-wide
- Staff reductions meant services for students were reduced or slowed in the Career Center, Academic Advising, Registrar, and wellness and recreation activities.
- Programming was reduced in Maucker Union and in the Center for Multicultural Education
- Implementation of the Modern Executive Management and Financial Information Systems (MEMFIS) project was slowed which required a revised scope and time-line for completion
- Reduced Building repairs funding from \$2,000,000 to \$350,000 (-83%); this reduction increases deferred maintenance and only provides funds for emergency repairs
- Custodial and grounds services to campus were reduced with the elimination of five positions and reductions in student wages, supplies and services, and equipment

- Positions lost in the Power Plant and Public Safety puts the campus at risk
- Thermostats were adjusted campus-wide and other energy conservation measures were implemented
- Intercollegiate Athletics eliminated four sports programs and reduced sports information and media activities
- The loss of three positions in University Advancement significantly reduces the University's marketing and fund raising activities
- Staff participation in continuing education, career development and training was curtailed
- Equipment maintenance or replacement was postponed and computer and software upgrades were delayed

New Tuition
Revenues

The FY 2002 tuition increase, net of student financial aid, is \$3.2 million. The University was unable to use all of the new tuition revenues as planned due to the significant reductions in state appropriations.

Restricted Funds

The following table compares the budget to actual revenues and expenditures.

**FY 2002
Restricted Funds
University of Northern Iowa
Comparison – Budget to Actual**

			Variance	
	Budget	Actual	Over/(Under)	Percent
REVENUES				
APPROPRIATIONS				
Capital	\$ 9,790,000	\$ 5,357,415	\$ (4,432,585)	54.7%
Tuition Replacement	4,883,332	4,811,033	(72,299)	98.5%
RESOURCES				
Federal Support	18,400,000	21,660,900	3,260,900	117.7%
Interest	3,390,000	2,244,968	(1,145,032)	66.2%
Tuition and Fees	7,900,000	10,824,494	2,924,494	137.0%
Sales and Services	52,590,000	65,245,479	12,655,479	124.1%
Other Income	43,710,000	41,875,024	(1,834,976)	95.8%
TOTAL REVENUES	\$ 141,663,332	\$ 152,019,313	\$ 11,355,981	107.3%
EXPENDITURES				
Salaries	\$ 32,413,500	\$ 37,007,816	\$ 4,594,316	114.2%
Prof. /Scientific Supplies	40,200,000	43,720,053	3,520,053	108.8%
Library Acquisitions	3,000	3,490	490	116.3%
Rentals	760,400	810,480	50,080	106.6%
Utilities	2,850,000	2,450,229	(399,771)	86.0%
Building Repairs	32,761,732	9,547,611	(23,214,121)	29.1%
Equipment	3,450,000	2,266,541	(1,183,459)	65.7%
Aid to Individuals	9,400,000	11,655,368	2,255,368	124.0%
Debt Service	9,034,700	8,705,326	(329,374)	96.4%
Plant Capital	9,790,000	7,916,435	(1,873,565)	80.9%
TOTAL EXPENDITURES	\$ 140,663,332	\$ 124,083,349	\$ (16,579,983)	88.2%

Variance Explanations

Capital appropriations were under budget due to timing of the draw-down of these funds.

Federal Support exceeded the budget due to an increase in grants and contract activity.

Tuition and Fees were greater than budget due to an error in budgeting.

Sales and Services Revenue was greater than budget due to the receipt of the Principal proceeds.

Salaries exceeded the budget due to increases in sponsored projects, other funds unrestricted and residence system. In addition, the average salary increase was between 5% and 6%.

Building Repairs were below budget due to overstating the budget to make revenues equal to expenditures.

Intercollegiate Athletics The following table compares athletic budgeted revenues and expenditures with actual revenues and expenditures and identifies the variances.

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>	<u>Percent</u>
Revenues	\$6,609,899	\$7,106,376	\$496,477	7.5%
Expenditures	6,609,899	7,106,376	496,477	7.5%

Variance Explanations Revenue increased due to the addition of an unscheduled Division I game and increased general university support for scholarship expense for Men's Track, Women's Softball, and Women's Swimming, which was part of the University's diversity initiatives. Alumni Foundation support was increased to meet revenue shortfalls and deficits. NCAA support increased due to a larger allocation for Men's basketball.

Residence System The following table compares residence system budgeted revenues and expenditures with actual revenues and expenditures and identifies the variances.

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>	<u>Percent</u>
Revenues	\$24,360,695	\$24,837,311	\$476,616	102.0%
Expenditures	20,251,622	19,249,376	(1,002,246)	95.1%
Debt Service	2,811,508	2,811,508	0	100.0%
Mandatory Transfers	<u>330,000</u>	<u>330,000</u>	<u>0</u>	100.0%
Net Revenues	967,565	\$2,446,427	\$1,478,862	252.8%
Net Revenue as % of Gross Revenue	4.0%	9.8%		

Variance Explanations Revenues exceeded the budget due to the dining venues (Blimpies, Bent Fork, and Freshens) in the Maucker Union that the residence system is now operating.

Expenditures were under budget primarily due to efforts to keep costs down with the new venues. Personnel costs had the greatest savings.

FY 2002 Annual Report The residence system annual report provides information on various aspects of the University of Northern Iowa residence system for FY 2002 including enrollment data; residence hall and apartment utilization; and financial operations.

The annual report presents data for FY 2002 (Fall 2001) and current FY 2003 data (Fall 2002).

Enrollment / Occupancy		<u>Fall 2001</u>	<u>Fall 2002</u>	<u>Change</u>	<u>% Change</u>
	Enrollment				
	Total University	14,070	13,926	(144)	(1.0)%
	Lower Division	5,294	4,815	(479)	(9.0)%
	% of Total	37.6%	34.6%		
	 Total Occupancy	 4,613	 4,121	 (492)	 (10.7)%
	Occupancy as a % of Enrollment	32.8%	29.6%		

Fall 2002 residence system occupancy decreased by 492 students. The percentage of student enrollment living in university housing (residence halls plus apartments) decreased from Fall 2001 to Fall 2002.

The outstanding revenue bond obligations for the University of Northern Iowa residence system as of June 30, 2002, were as follows:

Year of <u>Issue</u>	<u>Initial Principal</u>	Principal <u>Outstanding</u>	<u>Payout Year</u>
1964	6,250,000	600,000	2004
1965	3,050,000	0	1998
1967	6,200,000	1,250,000	2005
1992	9,145,000	7,560,000	2018
1999	7,000,000	6,565,000	2020
2000	<u>14,040,000</u>	<u>14,015,000</u>	2021
	\$45,685,000	\$29,990,000	

No new residence hall bonds were issued during 2002.

Voluntary Reserves for University of Northern Iowa residence system, which totaled \$7.9 million as of June 30, 2002, include the balances of funds including the Operation and Maintenance Fund and the Improvement Fund.

Mandatory Reserves include the balances of the Sinking Fund, Bond Reserve Fund, and Bond Construction Fund. The balance as of June 30, 2002, totaled \$3.0 million.

Attachment D
IOWA SCHOOL FOR THE DEAF

General Fund The following table compares the revised budget to actual revenues and expenditures.

FY 2002
General Operating Funds
Iowa School for the Deaf
Comparison – Budget to Actual

	Revised Budget	Actual	Variance Over/(Under)	Percent
REVENUES				
General Appropriations	\$ 7,891,351	\$ 7,891,351	\$ -	100.0%
Other (DOE Funds)	181,783	181,783	-	100.0%
Federal Support	64,000	53,926	(10,074)	84.3%
Interest	53,000	47,128	(5,872)	88.9%
Sales and Services	322,693	304,628	(18,065)	94.4%
Other Income				
TOTAL REVENUES	\$ 8,512,827	\$ 8,478,816	\$ (34,011)	99.6%
EXPENDITURES				
Salaries	\$ 6,745,119	\$ 6,533,571	\$ (211,548)	96.9%
Prof. /Scientific Supplies	988,549	985,739	(2,810)	99.7%
Library Acquisitions	8,226	5,362	(2,864)	65.2%
Utilities	343,020	220,663	(122,357)	64.3%
Building Repairs	250,000	572,136	322,136	228.9%
Auditor of State	57,000	46,029	(10,971)	80.8%
Equipment	120,913	115,316	(5,597)	95.4%
TOTAL EXPENDITURES	\$ 8,512,827	\$ 8,478,816	\$ (34,011)	99.6%

Variance
Explanations

General Fund Revenues and Expenditures were consistent with budget.

Federal Support from the Federal School Milk Program was below budget due to a decrease in student enrollment.

Sales and Services revenues were below budget due to fewer students in the mainstreaming program, which reduces interpreter dollars.

Salaries were less than budget as a result of not filling several positions that became vacant during the year.

Utilities were below budget as a result of a mild winter and lower gas prices.

Building Repairs were higher than budget. Salary and utility savings were used for projects such as deferred maintenance, fire-safety issues (door replacements), asbestos abatement, painting, and electrical work.

State
Appropriations

General Operating Fund Appropriations were reduced \$541,940 from the original FY 2001 base operating appropriations to the final FY 2002.

The salary allocation of \$251,533 for the state's salary policy was less than the \$410,682 needed to fully fund compensation increases.

Impact of
Reductions

The following information represents action taken and/or the results of the FY 2002 appropriations reductions:

- Four faculty, four professional and scientific and one merit staff were terminated;
 - One vacant position was not filled;
 - Summer school was reduced by one week;
 - Student/teacher ratios in the classroom were strained; and
 - Resident/staff ratios in the dormitories were strained.
-

Restricted Funds

The following table compares the budget to actual revenues and expenditures.

**FY 2002
Restricted Funds
Iowa School for the Deaf
Comparison – Budget to Actual**

			Variance	
	Budget	Actual	Over/(Under)	Percent
REVENUES				
Capital Appropriations	\$435,000	\$1,549,761	\$1,114,761	356.3%
Federal Support	123,920	146,218	22,298	118.0%
Interest	30,000	51,513	21,513	171.7%
Sales and Services	917,878	832,514	(85,364)	90.7%
Other Income	5,000	35,061	30,061	701.2%
TOTAL REVENUES	\$1,511,798	\$2,615,067	\$1,103,269	173.0%
EXPENDITURES				
Salaries	\$426,598	\$393,761	(32,837)	92.3%
Prof. /Scientific Supplies	157,637	380,497	222,860	241.4%
Library Acquisition	5,000	0	(5,000)	0.0%
Utilities	40,000	0	(40,000)	0.0%
Building Repairs	827,000	1,508,468	681,468	182.4%
Auditor of State	5,000	0	(5,000)	0.0%
Equipment	50,563	42,134	(8,429)	83.3%
TOTAL EXPENDITURES	\$1,511,798	\$2,324,860	813,062	153.8%

Variance Explanations

Capital Appropriations were over budget due to the timing of the drawdown for the Recreation Complex.

Federal Support was greater than budget due to additional funding from I.D.E.A. for equipment and special programming for the state-wide hearing consultant.

Interest Income was greater than budget due to conservative budgeting.

Sales and Services revenue was below budget due to one less Nebraska student attending ISD.

Other Income was over budget due to receiving the Iowa West Early Childhood Technology grant and the Iowa Star School grant from Iowa Public Television.

Salaries were under budget due to timing of the Recreation Center completion.

Professional and Scientific Supplies were over budget due to additional purchases for the Recreation Center such as furniture.

Utilities were under budget due to timing of the Recreation Center completion.

Building Repairs were greater than budget due to the additional capital spent on construction of the Recreation Complex.

Attachment E
IOWA BRAILLE AND SIGHT SAVING SCHOOL

General Fund The following table compares the revised general fund operating budget to actual revenues and expenditures.

FY 2002
General Operating Funds
Iowa Braille and Sight Saving School
Comparison – Budget to Actual

			Variance	
	Budget	Actual	Over/(Under)	Percent
REVENUES				
General Appropriations	\$ 4,422,904	\$ 4,422,904	\$ -	100.0%
Other (DOE Funds)	89,483	89,483	-	100.0%
Federal Support	149,867	110,118	(39,749)	73.5%
Interest	23,000	8,794	(14,206)	38.2%
Reimbursed Indirect Costs	38,734	38,819	85	100.2%
Sales and Services	40,911	78,796	37,885	192.6%
TOTAL REVENUES	\$ 4,764,899	\$ 4,748,914	\$ (15,985)	99.7%
EXPENDITURES				
Salaries	\$ 3,871,350	\$ 3,781,228	\$ (90,122)	97.7%
Prof. /Scientific Supplies	568,661	580,462	11,801	102.1%
Library Acquisitions	7,212	7,531	319	104.4%
Utilities	130,165	96,196	(33,969)	73.9%
Building Repairs	110,257	170,575	60,318	154.7%
Auditor of State	26,754	31,244	4,490	116.8%
Equipment	50,500	81,678	31,178	161.7%
TOTAL EXPENDITURES	\$ 4,764,899	\$ 4,748,914	\$ (15,985)	99.7%

Variance
Explanations

General Fund Revenues and Expenditures were consistent with budget.

Federal Support was less than budget due to the Orientation to the World of Work, which is funded with federal grant dollars, not being held during the summer of 2002.

Sales and Services were higher than planned primarily as a result of unanticipated service billings, reimbursable lunches, and terminal liability surcharge reimbursements.

Salary Expenditures were less than budget as a result of fewer unemployment claims and savings associated with the elimination of summer school and the Orientation to the World of Work program.

Utilities were below budget as a result of a mild winter and energy conservation efforts.

The salary savings (net of the revenue shortfall) was used for building repair expenditures. The funds were used for upgrades to the Main Building sprinkler system and tuckpointing of the Old Main Auditorium. Building repairs had been reduced from original budget during budget reductions.

State
Appropriations

General Operating Fund Appropriations were reduced \$302,711 from the original FY 2001 base operating appropriations to final FY 2002.

The salary allocation of \$155,636 for the state's salary policy was less than the \$248,358 needed to fully fund salary increases, excluding health insurance.

Impact of
Reductions

The following information represents action taken and/or the results of the FY 2002 appropriations reductions:

- Reversed previous years' programmatic reallocations to cover the FY 2002 appropriations reductions and non-discretionary cost increases;
 - Reduced summer school programming from two four-week sessions to two three-week sessions and a mini camp;
 - Eliminated four outreach consulting positions that would have provided statewide services; and
 - Reduced positions on campus, which hindered the efficiency and effectiveness of both the center-based and statewide components of the School's programs.
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Restricted Funds

The following table compares the budget to actual revenues and expenditures.

**FY 2002
Restricted Funds
Iowa Braille and Sight Saving School
Comparison – Budget to Actual**

			Variance	
	Budget	Actual	Over/(Under)	Percent
REVENUES				
Capital Technology	\$ 400,000	\$ 621,242	\$ 221,242	155.3%
Federal Support	371,724	367,199	(4,525)	98.8%
Sales and Services	991,709	850,719	(140,990)	85.8%
Other Income	282,812	133,055	(149,757)	47.0%
TOTAL REVENUES	\$ 2,046,245	\$ 1,972,215	\$ (74,030)	96.4%
EXPENDITURES				
Salaries	\$ 1,182,010	\$ 986,527	\$ (195,483)	83.5%
Prof. /Scientific Supplies	385,581	247,851	(137,730)	64.3%
Building Repairs	425,000	659,557	234,557	155.2%
Equipment	53,654	78,280	24,626	145.9%
TOTAL EXPENDITURES	\$ 2,046,245	\$ 1,972,215	\$ (74,030)	96.4%

Variance Explanations

Capital Appropriations were over budget due to the timing of the draw-down of these funds.

Sales and Services revenue was below budget due to decreased Outreach Services billings as a result of not being able to fill four budgeted Orientation and Mobility positions.

Other Income and Salaries and Supply Expenditures were under the budget because IBSSS was able to reduce operating expenses rather than use the endowment funds as budgeted. Endowment resources are used only to the extent that general fund resources are not available to support educational and related expenditures according to the School's strategic plan. In addition, the School received less funding from the Universal Service Fund than budgeted.