

MEMORANDUM

To: Board of Regents

From: Board Office

Subject: Comprehensive Fiscal Report for FY 2001

Date: October 8, 2001

Recommended Action:

Receive the FY 2001 Report.

Executive Summary:

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.

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.

This comprehensive fiscal report for FY 2001 compares actual revenues and expenditures with the Board-approved budgets, identifies significant variances, highlights strategic planning initiatives, summarizes the actual uses of the funding increases, and discusses institutional accomplishments regarding measures taken to improve efficiency and effectiveness.

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, as well as other auxiliary or independent functions such as parking and utility systems.

FY 2001 Data	<u>General Operating</u>	<u>Restricted</u>	<u>Total</u>
	\$1.5 billion	\$1.1 billion	\$2.6 billion

The combined general operating fund revenues of all Regent institutions represented 99.9% of the total combined revised budgets. Salary expenditures were 100.3% of the approved budget.

The combined restricted fund revenues of all Regent institutions were 102.6% of the total budgeted amount.

The institutional information indicates that:

- Strategic planning initiatives of \$33.8 million were met as budgeted;
- New tuition revenues of \$16.4 million were spent as intended; and
- Reallocations of \$25.0 million were accomplished as budgeted.

A four-year comparison of capital expenditures for projects with costs exceeding \$250,000 is provided at the end of the Analysis section on page 10. The FY 2001 projects total \$171.6 million.

Institutional detail for FY 2001 is included in Attachments A through E.

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 budget process for FY 2001 by reporting variances in Board-approved budgets as required in the Board's strategic plan, Action Step 4.1.2.2.

**Budget
Process**

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

The Board's budget process for the institutions incorporates several key elements including strategic planning, reallocations, state appropriations, tuition and fees, and enrollments.

Strategic Planning

The Board views strategic planning as essential to effective governance of the institutions. Through 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 based on the strategic planning goals of the Board and the institutions.

Appropriations Requests

Preliminary operating appropriations requests (excluding salaries) are presented to the Board in July, of the prior fiscal year, for consideration. Then, in September, the final appropriations requests are presented to the Board for approval.

Revenue Sources

There are two main revenue sources for the Regent institutions – state appropriations and tuition. Once state appropriations for the Regent institutions are finalized, the institutions incorporate the appropriated amounts into the budgets. The state provides funding for the state salary policy in an appropriations bill separate from the base operating appropriations. The Governor and the Department of Management then make allocations of the salary appropriations to all state agencies. The two types of appropriations are merged when preparing budgets.

Tuition and fee revenues are a significant part of each university's budget. During the Board's annual consideration of rates for tuition and mandatory fees, the universities identify areas for use of increased tuition proceeds.

During the budget development of the last two years, the Regent universities have reevaluated the proposed use of tuition during the budget process due to shortfalls in state appropriations.

Budget Ceiling Adjustments

Board policy and Strategic Planning Goal Action Step 4.1.1.5 require the Board to approve all budget ceiling adjustments. Budget ceiling adjustments are implemented to recognize any new revenue or expenses incurred in the current fiscal year.

By Iowa Code, additional fiscal year revenues are not allowed to be carried forward to the following fiscal year for expenditure. If an institution anticipates revenues in excess of the Board-approved budget, the institution must present a request for a budget ceiling adjustment to the Board in May or June, pursuant to the Board's Procedural Guide, to be allowed the opportunity to expend the unanticipated funds in the current fiscal year.

Reallocations

In 1996, the Board approved a five-year program requiring institutional reallocations of at least 2% per year in order to promote strategic planning goals to increase effectiveness and efficiency.

In 2001, the Board approved the continuation of the current reallocation process. The organizational review will include a review of that process.

Reallocations are based on changing needs identified by the institutions in accordance with objectives set out in the strategic plans. 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.

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 table below identifies revenues by source in the original budget, all Board-approved budget adjustments, and the revised final budget for all Regent institutions combined.

The budget ceiling adjustments include increased revenues from:

- Increased enrollments – which provide more revenues from tuition and fees.
- Strong grant and contract activity – which contributes to an increase in indirect cost recovery funds.

Increase in patient revenues (sales and services) at the University of Iowa Hospitals and Clinics – which resulted from increased costs of pharmaceuticals and medical/surgical supplies.

**FY 2001
General Operating Fund
Revenue Budgets
Regent Institutions**

	Original Budget	Budget Ceiling Adjustment	Revised Budget
REVENUES			
APPROPRIATIONS			
General	\$693,060,885		\$693,060,885
Other	744,600		744,600
RESOURCES			
Federal Support	15,340,102	(26,390)	15,313,712
Interest	2,802,000	(3,000)	2,799,000
Tuition and Fees	264,728,687	225,000	264,953,687
Reimbursed Indirect Costs	45,272,949	279,651	45,552,600
Sales and Services ¹	425,716,693	20,102,333	445,819,026
Other Income	3,204,556	0	3,204,556
TOTAL REVENUES	\$1,450,870,472	\$20,577,594	\$1,471,448,066
¹ University of Iowa Hospitals and Clinics			

**FY 2001
General Operating Fund
Regent Institutions
Comparison – Budget to Actual**

	Revised Budget	Actual	Variance Over/(Under)	%
REVENUES				
APPROPRIATIONS				
General	\$693,060,885	\$693,060,885	\$0	100.0%
Other	744,600	594,600	(150,000)	79.9%
RESOURCES				
Federal Support	15,313,712	14,488,015	(825,697)	94.6%
Interest	2,799,000	3,506,101	707,101	125.3%
Tuition and Fees	264,953,687	263,682,655	(1,271,032)	99.5%
Reimbursed Indirect	45,552,600	46,104,721	552,121	101.2%
Costs				
Sales and Services	445,819,026	444,743,022	(1,076,004)	99.8%
Other Income	3,204,556	3,332,252	127,696	104.0%
TOTAL REVENUES	\$1,471,448,066	\$1,469,512,251	(\$1,935,815)	99.9%
EXPENDITURES				
Salaries	\$1,018,336,778	\$1,021,479,503	\$3,142,725	100.3%
Prof. /Scientific Supplies	275,778,259	278,019,400	2,241,141	100.8%
Library Acquisitions	18,514,313	18,921,073	406,760	102.2%
Rentals	6,909,367	7,197,393	288,026	104.2%
Utilities	52,922,613	55,008,706	2,086,093	103.9%
Building Repairs	26,633,604	20,680,733	(5,952,871)	77.6%
Auditor of State	1,136,656	1,047,987	(\$88,669)	92.2%
Equipment	26,047,811	19,047,649	(7,000,162)	73.1%
Aid to Individuals	45,168,665	48,722,973	3,554,308	107.9%
TOTAL EXPENDITURES	\$1,471,448,066	\$1,470,125,417	(\$1,322,649)	99.9%

Variance Explanations

General fund revenues and expenditures were consistent (99.9%) with the budget. The institutions expended 100.3% of their total general fund budgeted salaries. Building repairs and equipment expenses were curtailed to provide additional funding for salaries, library acquisitions, utilities, and student financial aid.

**Strategic
Planning
Initiatives**

The Regent institutions utilized \$33.8 million of new revenues and reallocation for strategic planning initiatives as planned.

University of Iowa (page 13)	\$15,067,529
Iowa State University (page 21)	14,055,591
University of Northern Iowa (page 29)	4,083,803
Iowa School for the Deaf (page 36)	206,862
Iowa Braille and Sight Saving School (page 41)	<u>417,559</u>
	\$33,831,360

**New State
Appropriations**

Minimal new state funding was provided to the Regent institutions in FY 2001.

General operating fund appropriations were reduced \$2.7 million from the original FY 2000 base operating appropriations.

Salary appropriations of \$17.7 million were less than the \$28.9 million of salary funding needed to fully fund that state salary policy. Health insurance needs of \$7.4 million were unfunded.

**New Tuition
Revenues**

The total tuition increases for FY 2001 were expended as outlined in the approved budgets.

University of Iowa (page 14)	\$7,481,165
Iowa State University (page 22)	7,063,388
University of Northern Iowa (page 29)	<u>1,895,000</u>
	\$16,441,554

Reallocations

In accordance with the Board's five-year program of reallocations averaging two percent per year, the institutions accomplished their reallocations as budgeted.

University of Iowa (page 14-15)	\$10,860,900
Iowa State University (page 22-23)	8,606,746
University of Northern Iowa (page 30)	4,913,200
Iowa School for the Deaf (page 36)	178,862
Iowa Braille and Sight Saving School (page 42)	<u>488,166</u>
	\$25,047,874

**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.

**FY 2001
Restricted Funds
Regent Institutions
Comparison – Budget to Actual**

	Budget	Actual	Variance Over/(Under)	%
REVENUES				
APPROPRIATIONS				
Capital	\$28,947,546	\$17,779,375	(\$11,168,171)	61.4%
Tuition Replacement	28,174,854	28,201,492	26,638	100.1%
Technology	1,000,000	1,000,000		100.0%
RESOURCES				
Federal Support	252,755,376	255,194,779	2,439,403	101.0%
Interest	7,608,410	8,833,517	1,225,107	116.1%
Tuition and Fees	32,084,729	31,832,320	(252,409)	99.2%
Reimbursed Indirect	16,419,064	18,624,934	2,205,870	113.4%
Costs				
Sales and Services	234,493,827	254,557,690	20,063,863	108.6%
Other Income	462,629,634	475,941,624	13,311,990	102.9%
TOTAL REVENUES	\$1,064,113,440	\$1,091,965,731	\$27,852,291	102.6%
EXPENDITURES				
Salaries	\$362,202,666	\$383,793,958	\$21,591,292	106.0%
Prof./Scientific Supplies	304,808,760	322,764,874	17,956,114	105.9%
Library Acquisitions	8,000	1,606	(6,394)	20.1%
Rentals	7,665,600	11,134,827	3,469,227	145.3%
Utilities	14,606,162	15,840,774	1,234,612	108.5%
Building Repairs	19,468,124	27,585,691	8,117,567	141.7%
Auditor of State	5,000	0	(5,000)	0.0%
Equipment	26,601,128	29,839,956	3,238,828	112.2%
Aid to Individuals	68,586,000	66,784,519	(1,801,481)	97.4%
Debt Service	63,956,000	66,624,141	2,668,141	104.2%
Plant Capital	196,206,000	179,562,398	(16,643,602)	91.5%
TOTAL EXPENDITURES	\$1,064,113,440	\$1,103,932,744	\$39,819,304	103.7%

**Variance
Explanations**

The FY 2001 restricted fund budgets include amounts appropriated to the Board for capital improvements. The variance between revenues and expenditures is the result of actual capitals reflecting draw-downs of appropriations from current and prior fiscal years, while budgeted capitals record the amount appropriated by the state.

**Residence
System and
Athletic
Budgets**

The residence system and athletic budgets are part of the restricted budget, however, each are presented to the Board individually for approval. Tables comparing residence system and athletic budgeted revenues and expenditures with actual revenues and expenditures as well as the variances are identified in each University attachment (A – C).

**Capital
Expenditures**

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.

The following table compares institutional expenditures for FY 1998 – FY 2001 for capital projects with project costs exceeding \$250,000. The data are from status reports filed by the institutions per Iowa Code.


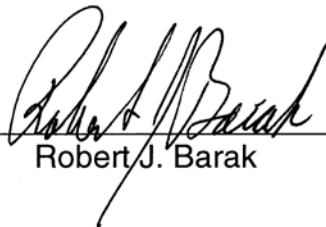
The reports include expenditures from all sources of funds including capital appropriations; building renewal (repair) funds; institutional road funds; gifts and grants; income from treasurer's temporary investments; proceeds of academic building, dormitory, telecommunications, and other revenue bond issues; and university hospitals building usage funds. During FY 2001, revenue bonds totaling \$31.7 million were issued for new capital projects at the Regent institutions.

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

	FY 1998		FY 1999		FY 2000		FY 2001	
	# Projects	Expense	# Projects	Expense	# Projects	Expense	# Projects	Expense
SUI	162	\$64.1	181	\$85.8	214	\$95.4	238	\$90.3
ISU	67	41.0	72	58.9	77	59.3	84	61.5
UNI	24	16.3	30	21.2	45	20.7	45	19.8
Total	253	\$121.4	283	\$165.9	336	\$175.4	367	\$171.6

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

**Approval
Requested**

 Deb A. Hendrickson id: Robert J. Barak

Attachment A
UNIVERSITY OF IOWA

**General
Operating
Fund**

The following tables show adjustments to original budgets and compare the revised budget to actual revenues and expenditures.

**FY 2001
General Operating Fund
Revenue Budget
University of Iowa**

	Original Budget	Budget Ceiling Adjustment	Revised Budget
REVENUES			
APPROPRIATIONS			
General	\$318,587,761		\$318,587,761
RESOURCES			
Federal Support	2,710,039	0	2,710,039
Interest	938,000	0	938,000
Tuition and Fees	125,729,260	0	125,729,260
Reimbursed Indirect Costs	34,369,600	50,000	34,419,600
Sales and Services	424,419,833	20,000,000	444,419,833
Other Income	1,941,556	0	1,941,556
TOTAL REVENUES	\$908,696,049	\$20,050,000	\$928,746,049

The largest portion of SUI's budget ceiling adjustment represented increased sales and services revenues from pharmaceuticals and medical / surgical supplies at the University of Iowa Hospitals and Clinics.

**FY 2001
General Operating Fund
University of Iowa
Comparison – Budget to Actual**

University Approp. Units *	Revised Budget	Actual	Over/(Under)	Percent
REVENUES				
General Appropriations	\$268,958,231	\$268,958,231	\$ -	100.0%
Interest	938,000	1,257,440	319,440	134.1%
Tuition and Fees	125,729,260	125,772,900	43,640	100.0%
Reimbursed Indirect Costs	32,170,600	31,690,183	(480,417)	98.5%
Sales and Services	1,963,473	1,928,958	(34,515)	98.2%
Other Income	220,000	137,955	(82,045)	62.7%
TOTAL REVENUES	\$429,979,564	\$429,745,667	(\$233,897)	99.9%
EXPENDITURES				
Salaries	\$325,739,742	\$325,498,666	(241,076)	99.9%
Prof. /Scientific Supplies	39,941,512	40,328,893	387,381	101.0%
Library Acquisitions	9,411,574	9,443,266	31,692	100.3%
Rentals	1,010,000	1,572,003	562,003	155.6%
Utilities	19,032,547	18,588,278	(444,269)	97.7%
Building Repairs	7,134,073	6,663,587	(470,486)	93.4%
Auditor of State	428,913	443,184	14,271	103.3%
Equipment	7,164,261	6,355,123	(809,138)	88.7%
Aid to Individuals	20,116,942	20,852,667	735,725	103.7%
TOTAL EXPENDITURES	\$429,979,564	\$429,745,667	(\$233,897)	99.9%
Hospital Approp. Units**	Revised Budget	Actual	Over/(Under)	Percent
REVENUES				
General Appropriations	\$49,629,530	\$49,629,530	-	100.0%
Federal Support	2,710,039	1,895,774	(814,265)	70.0%
Reimbursed Indirect Costs	2,249,000	2,755,818	506,818	122.5%
Sales and Services	442,456,360	441,502,192	(954,168)	99.8%
Other Income	1,721,556	1,590,788	(130,768)	92.4%
TOTAL REVENUES	\$498,766,485	\$497,374,102	(\$1,392,383)	99.7%
EXPENDITURES				
Salaries	\$288,815,481	\$288,395,853	(419,628)	99.9%
Prof. /Scientific Supplies	176,015,604	190,033,187	14,017,583	108.0%
Rentals	3,983,300	3,595,119	(388,181)	90.3%
Utilities	12,303,700	13,461,901	1,158,201	109.4%
Building Repairs	8,140,500	676,415	(7,464,085)	8.3%
Equipment	9,507,900	1,757,545	(7,750,355)	18.5%
TOTAL EXPENDITURES	\$498,766,485	\$497,920,020	(\$846,465)	99.8%
Total General Fund	Revised Budget	Actual	Over/(Under)	Percent
REVENUES				
General Appropriations	\$318,587,761	\$318,587,761	0	100.0%
RESOURCES				
Interest	938,000	1,257,440	319,440	134.1%
Tuition and Fees	125,729,260	125,772,900	43,640	100.0%
Reimbursed Indirect Costs	34,419,600	34,446,001	26,401	100.1%
Sales and Services	444,419,833	443,431,150	(988,683)	99.8%
Other Income	1,941,556	1,728,743	(212,813)	89.0%
TOTAL REVENUES	\$928,746,049	\$927,119,769	(\$1,626,280)	99.9%
EXPENDITURES				
Salaries	\$614,555,223	\$613,894,519	(660,704)	99.9%
Prof. /Scientific Supplies	215,957,116	230,362,080	14,404,964	106.7%
Library Acquisitions	9,411,574	9,443,266	31,692	100.3%
Rentals	4,993,300	5,167,122	173,822	103.5%
Utilities	31,336,247	32,050,179	713,932	102.3%
Building Repairs	15,274,573	7,340,002	(7,934,571)	48.1%
Auditor of State	428,913	443,184	14,271	103.3%
Equipment	16,672,161	8,112,668	(8,559,493)	48.7%
Aid to Individuals	20,116,942	20,852,667	735,725	103.7%
TOTAL EXPENDITURES	\$928,746,049	\$927,665,687	(\$1,080,362)	99.9%

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

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

**Variance
Explanations**

General fund revenues and expenditures were consistent with budget.

Federal Support was below budget due to the timing of receipt of SCHS federal block grant funds.

Interest Income was higher than budget due primarily to spending patterns and the resulting cash balances available for investment.

Other Income was below budget due to timing of receipts from the Department of Health.

Salary expenditures were 99.9% of budget.

Professional/Scientific Supplies were over budget due to increases in patient volumes.

Rentals were over budget due to additional space requirements.

Building Repairs were less than budget due to the need to manage expenses within budget.

Equipment was less than budget due to the need to manage expenses within budget.

**Strategic
Planning
Initiatives**

The University utilized \$15.1 million of new revenues and reallocation for strategic planning initiatives as planned.

**State
Appropriations**

General operating fund appropriations were reduced \$2.2 million from the original FY 2000 base operating appropriations.

Salary funding - the allocation of \$8.0 million for the state's salary policy was less than the \$13.1 million needed to fully fund salary increases, excluding health insurance.

The Public Health appropriation was combined with the appropriation for the General University. The total FY 2001 budget for the Public Health initiative was \$2.0 million.

New Tuition Revenues

The University utilized the revenue as planned:
Tuition Aid Set-Aside - \$1.2 million
Salary Shortfall - \$3.1 million
Surcharges to Appropriate Colleges - \$1.2 million
Redirection of Designated Tuition – \$1.9 million
Student Financial Aid - \$304,000
Library Acquisitions - \$150,000
Library Improvements - \$450,000
Instructional Equipment - \$868,000
Writing Initiative - \$128,000

Reallocations

Reallocations of \$10.9 million were implemented as budgeted. Some examples include:

- The Tippie College of Business reallocated \$1.1 million of its faculty salary budget from resignations and retirements to add faculty in key high demand areas such as marketing, finance, management information systems, and entrepreneurship and to support Professional and Scientific staff who support technology enhanced instruction.
- The College of Dentistry reallocated \$450,000 from faculty retirements and resignations to support faculty start-up costs, the clinical operation of the pre-doctoral clinics, the development and implementation of the new Oral Health Information System, and the new first and second year dentistry curriculum.
- The College of Education reallocated \$539,000, from faculty salary and fringe benefit funds created through vacancies and retirements, to nine newly hired assistant professors.
- The College of Liberal Arts reallocated the following: \$130,000 from the College's visiting faculty budget to increase the faculty travel and departmental general expense budgets; \$300,000 from faculty lines to instructional equipment; \$105,500 from the staff budget to create three new positions in the Dean's office; \$273,500 within the College's teaching assistant budget to support new interdisciplinary and international initiatives including the Crossing Borders project, the FLARE Ph.D. program, and the Center for New Music; \$900,000 from faculty lines distributed for new faculty in African American World Studies, Anthropology, Art and Art History, Biological Sciences, Communication Studies, Comparative Literature, and Computer Science.

- The College of Law reallocated \$230,000 from collegiate salary funds to pay for the costs of the Law Library/ITS data ports project.
- The College of Medicine reallocated \$650,000 created through faculty retirements and resignations for the development of interdisciplinary graduate programs, to provide bridge support to faculty between grants and contracts, and to address the cost of recruiting new department heads.
- The College of Public Health reallocated \$200,000 from vacancies to upgrade technology for teaching and research.

**Efficiencies
and
Effectiveness**

The University identified several examples of initiatives that increased efficiency and effectiveness. Some examples are provided below.

- The College of Liberal Arts has created two new divisions, the Division of Performing Arts and the Division of Interdisciplinary Programs. This has enabled the College to provide needed services without redundancy.
- The Tippie College of Business developed a decentralized strategic planning-budgeting process to improve its operational efficiency. Each unit develops an approved strategic plan and a tactical plan, which are linked to the budget of that unit. The budgets provide an annual projection for all revenues and direct costs.
- The College of Medicine began the implementation of CELLS (Communities for Excellence in Learning and Leadership for Society). These communities are a conceptual and physical means of connecting administration, faculty and students to enhance learning and leadership.
- The College of Pharmacy faculty and administration are focusing on developing a stronger and more transparent linkage with the UIHC Pharmaceutical Care Department to enhance its ability to deliver its full mission. This will include more liberal use of Clinical Track appointments where appropriate to enhance the teaching, patient care and research agenda of both institutions.

- The Division of Sponsored Programs has refined and advanced the capabilities of the University of Iowa Research Information System (UIRIS) database which has greatly improved the potential for summarizing and tracking grants activities for academic units, particularly those units engaged in interdisciplinary research.
 - The Libraries added substantial numbers of full-text electronic resources to its collections, including Lexis-Nexis Academic Universe (over 6,000 full-text titles) and hundreds of electronic journals, many in science, engineering and health science. Availability of these resources campus-wide, twenty-four hours a day, should significantly enhance the effectiveness and efficiency of information seeking for research and teaching.
 - Summer Session developed a pilot project to add a Winter Term to the academic schedule. Six courses with over 100 students participated in the pilot project. Effort will be expanded in FY 2002 with enrollments expected to increase by a factor of three.
 - The Provost sponsored the development of a new academic revenue information system (MARS). The new system will enable the University's information systems to address the number of changes that are taking place in the tuition and fee schedules. It also includes an accounts receivable component.
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**Restricted
Funds**

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

**FY 2001
Restricted Funds
University of Iowa
Comparison – Budget to Actual**

	Budget	Actual	Variance Over/(Under)	Percent
REVENUES				
APPROPRIATIONS				
Capital	\$7,022,000	\$7,022,000	\$0	100.0%
Tuition Replacement	12,060,970	11,931,688	(129,282)	98.9%
RESOURCES				
Federal Support	149,138,000	150,028,989	890,989	100.6%
Tuition and Fees	19,000,000	20,052,725	1,052,725	105.5%
Reimbursed Indirect	13,335,000	13,866,173	531,173	104.0%
Costs				
Sales and Services	172,490,000	181,142,301	8,652,301	105.0%
Other Income	192,155,530	198,787,242	6,631,712	103.5%
TOTAL REVENUES	\$565,201,500	\$582,831,118	\$17,629,618	103.1%
EXPENDITURES				
Salaries	\$204,800,000	\$211,220,302	\$6,420,302	103.1%
Prof./Scientific Supplies	143,494,000	154,243,625	10,749,625	107.5%
Rentals	7,100,000	10,226,085	3,126,085	144.0%
Utilities	5,139,000	6,046,782	907,782	117.7%
Building Repairs	3,666,500	3,811,589	145,089	104.0%
Equipment	13,203,000	14,200,681	997,681	107.6%
Aid to Individuals	32,546,000	32,913,089	367,089	101.1%
Debt Service	31,253,000	33,309,077	2,056,077	106.6%
Plant Capital	124,000,000	117,938,900	(6,061,100)	95.1%
TOTAL EXPENDITURES	\$565,201,500	\$583,910,130	\$18,708,630	103.3%

Restricted funds at the University of Iowa include such revenue sources as capital and tuition replacement appropriations, federal support, and sales and services. 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.

Virtually every department on campus is involved in revenue and expenditure planning of restricted funds. This process is intended to allow the University to meet its most critical needs and provide essential services within the limits of available resources, guided by the strategic plan.

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>
Receipts	\$28,858,892	\$30,151,057	\$1,292,165	104.5%
Disbursements	20,132,566	22,075,770	1,943,204	109.7%

Variance Explanations

Contract revenues were higher than budget due to an increased number of contracts sold and the selection of contracts with more meals-per-week which the University attributes to the popularity of the new Hillcrest Marketplace facility.

Food service guest meal revenue was higher than budget due to faculty, staff, visitors, and off-campus students using the Hillcrest Marketplace facilities.

Cost of food or goods sold was higher than projected due to the increased volume at the Hillcrest Marketplace.

Utilities were higher than budget due to higher rates of gas purchased.

Ethernet connectivity costs were higher than budgeted.

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>
Receipts	\$30,974,880	\$32,202,744	\$1,227,864	104.0%
Disbursements	30,844,736	32,598,142	1,753,406	105.7%

Variance Explanations

Alumni/Foundation support was the primary increase in revenue due to additional support from private resources.

Administrative expenses were higher due to the mid-year hire of the Senior Associate Athletic Director and mid-year salary adjustments for Women's Associate Athletic Directors.

Buildings and Grounds expenses were higher due to increased utility costs.

Attachment B
IOWA STATE UNIVERSITY

**General
Operating
Fund**

The following table compares the original budget to actual revenues and expenditures. ISU did not have a budget ceiling adjustment.

**FY 2001
General Operating Fund
Iowa State University
Comparison – Budget to Actual**

	Revised Budget	Actual	Variance Over/(Under)	Percent
REVENUES				
APPROPRIATIONS				
General	269,897,593	\$269,897,593	\$0	100.0%
Other	450,000	300,000	(150,000)	66.7%
RESOURCES				
Federal Support	12,425,373	12,425,373	0	100.0%
Interest	1,185,000	1,748,369	563,369	147.5%
Tuition and Fees	102,791,490	101,403,362	(1,388,128)	98.6%
Reimbursed	9,530,000	10,096,672	566,672	105.9%
Indirect Costs				
Sales and Services	373,000	262,954	(110,046)	70.5%
Other Income	1,263,000	1,603,509	340,509	127.0%
TOTAL REVENUES	\$397,915,456	\$397,737,832	(\$177,624)	100.0%
EXPENDITURES				
Salaries	\$291,728,102	\$295,206,466	\$3,478,364	101.2%
Prof. /Scientific	45,339,545	34,650,770	(10,688,775)	76.5%
Supplies				
Library Acquisitions	7,212,594	7,409,967	197,373	102.7%
Rentals	1,128,067	1,255,378	127,311	111.3%
Utilities	18,516,263	19,367,574	851,311	104.6%
Building Repairs	8,678,996	9,945,195	1,266,199	114.0%
Auditor of State	488,989	395,970	(93,019)	81.0%
Equipment	7,044,064	9,259,853	2,215,789	131.5%
Aid to Individuals	17,778,836	20,313,908	2,535,072	114.3%
TOTAL EXPENDITURES	\$397,915,456	\$397,805,081	(\$110,375)	100.0%

**Variance
Explanations**

General fund revenues and expenditures were consistent with budget.

Other Appropriations were less than budget because the Iowa Concern Hotline was budgeted and the Legislature did not fund it this past session.

Interest Income was higher than budget due primarily to implementation of an earlier fee payment schedule which accelerated cash receipts.

Reimbursed indirect costs were higher than budget due to an increase in sponsored funding.

Salaries were slightly over budget.

Professional and scientific supplies were below budget. These funds were used to cover the dramatic increases in health care benefits for Professional and Scientific employees.

Equipment purchases were over budget. Historical trends were used for budgeting. FY 2001 purchases exceeded those trends.

Aid to Individuals was over budget due to a misclassification between the general fund and the restricted fund.

**Strategic
Planning
Initiatives**

The University utilized \$14.1 million of new revenues and reallocations for strategic planning initiatives as planned:

- Goal 1 – Learning (\$7.2 million)
 - Goal 2 – Discovery (\$4.8 million)
 - Goal 3 – Engagement (\$2.1 million)
-

**State
Appropriations**

General operating fund appropriations were reduced \$0.6 million from the original FY 2000 base operating appropriations.

Salary funding - the allocation of \$7.0 million for the state's salary policy was less than the \$10.6 million needed to fully fund salary increases, excluding health insurance.

The Plant Sciences appropriation was combined with the appropriation for the General University. The total FY 2001 budget for the Plant Sciences Institute was \$4.7 million.

New Tuition Revenues

The University utilized the revenue as planned:

Tuition Aid Set-Aside - \$844,589
Mandatory Cost Increases - \$990,929
Opening New Buildings - \$1,242,175
Salary/Benefits Shortfall - \$1,820,153
Student Aid/Scholarships - \$1,440,827
Enrollment Services Strategic Initiatives - \$224,715
LAS Initiatives for Over-enrolled Courses - \$500,000

Reallocations

Reallocations of \$8.6 million were implemented as budgeted. Some examples include:

- The Academic Administration restructured units reallocating funds to Instructional Development, Honors, Instructional Technology, Center for Teaching Excellence, Career Services, and International Education Services.
- Academic Information Technology reallocated funds from operating salaries through program restructuring to ACROPOLIS authentication and Virtual Web Hosting.
- The Library reallocated funds from faculty salaries and print materials to information technology staff support and electronic materials.
- The College of Agriculture reallocated funds from retirements across departments to faculty and staff positions in Plant Pathology, Forestry, Sociology, Food Science/Human Nutrition, and Animal Science.
- The College of Business reallocated funds from Finance to Logistics, Operations, and Management Information Systems for faculty.
- The College of Design reallocated funds from administration and graduate education to systems support specialists, distance education, and undergraduate education.
- The College of Education reallocated funds from joint appointments to faculty, staff, and administrative positions; restructuring in curriculum and instruction; Health and Human Performance; and Teacher Education.

- The College of Engineering reallocated funds from Administration, Civil and Construction Engineering, Chemical Engineering, Biomedical Engineering, Alumni Relations, and Special Events to faculty chair positions in Aerospace Engineering and Mechanical Engineering; faculty position in Transportation; faculty start-up packages; Communications / Marketing Services; and research initiatives.
- The College of Family and Consumer Sciences reallocated funds from career services programs and reassigned positions to Human Development and Family Studies; Hotel, Restaurant, and Institutional Management; Family and Consumer Education Studies; and Student Services.
- The College of Liberal Arts and Sciences reallocated funds from vacant positions and implemented adjustments in programs to establish new chaired positions in Biochemistry / Biophysics / Molecular Biology and Chemistry; new faculty position in Computer Science, Math, Bioinformatics; and provided funding for equipment, supplies, and services.
- The College of Veterinary Medicine reallocated funds from faculty retirements to faculty positions in Biostatistics and Internal Medicine; and a system support specialist position.

**Efficiencies
and
Effectiveness**

The University identified several examples of initiatives that increased efficiency and effectiveness as described below.

- ISU set a new record in sponsored funding – in excess of \$217 million. This represents an increase of \$6.5 million (3.1%) over FY 2000, establishing a new benchmark and entrepreneurial sponsored funding initiatives.
 - Significant progress has been made distributing information to units electronically, especially in areas of admissions and enrollment, thus reducing copying expenses.
 - The Graduate Bulletin of Courses and Programs has been merged with the General University Bulletin eliminating printing and distribution of one major publication. Additionally, paper copies of the University's General Bulletin will be provided only to new students. Continuing students will use the electronic version available on the Internet site.
-

**Restricted
Funds**

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

**FY 2001
Restricted Funds
Iowa State University
Comparison – Budget to Actual**

	Budget	Actual	Variance Over/(Under)	Percent
REVENUES				
APPROPRIATIONS				
Capital	\$15,587,000	\$3,445,000	(\$12,142,000)	22.1%
Tuition Replacement	11,235,230	11,261,324	26,094	100.2%
RESOURCES				
Federal Support	87,199,149	86,976,005	(223,144)	99.7%
Interest	4,633,410	4,814,845	181,435	103.9%
Tuition and Fees	5,584,729	3,496,929	(2,087,800)	62.6%
Reimbursed Indirect	3,084,064	4,758,761	1,674,697	154.3%
Costs				
Sales and Services	18,270,511	19,340,491	1,069,980	105.9%
Other Income	256,544,174	260,033,054	3,488,880	101.4%
TOTAL REVENUES	\$402,138,267	\$394,126,409	(\$8,011,858)	98.0%
EXPENDITURES				
Salaries	\$128,880,008	\$138,009,252	\$9,129,244	107.1%
Prof./Scientific Supplies	126,967,998	127,937,865	969,867	100.8%
Utilities	6,957,162	7,497,019	539,857	107.8%
Building Repairs	12,024,237	15,980,032	3,955,795	132.9%
Equipment	9,863,862	10,971,148	1,107,286	111.2%
Aid to Individuals	27,040,000	24,499,898	(2,540,102)	90.6%
Debt Service	23,405,000	24,074,929	669,929	102.9%
Plant Capital	67,000,000	46,632,350	(20,367,650)	69.6%
TOTAL EXPENDITURES	\$402,138,267	\$395,602,493	(\$6,535,774)	98.4%

Variance Explanations

Capital appropriations were less than budget due to the construction of Phase II of the Engineering Teaching and Research Center and renovation of Gillman Hall being delayed.

Reimbursed Indirect Costs exceeded the budget due to increased sponsored funding as well as improved recoveries.

Building repairs were over budget due to the timing of projects such as roof repairs.

Aid to individuals was under budget due to a misclassification between the general fund and the restricted fund.

Plant Capital is under budget due to construction projects being delayed.

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>
Receipts	\$42,498,704	\$45,351,608	\$2,852,904	106.7%
Disbursements	31,693,080	33,547,053	1,853,973	105.8%

Variance Explanations

Interest Income was the primary reason for receipts exceeding the budget. This is due to conservative budget practices.

Catering and Convenience Store Sales also exceeded expectations.

Cost of Food was over budget due to increased sales.

Telecommunications were over budget due to an error in budgeting one data port per room instead of two as well as a mid-year decision to provide Digital Subscriber Line (DSL).

Service/Contract Fees were over budget due to the use of contract staffing pending permanent hiring and increased use of Iowa Prison Industries.

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>
Receipts	\$19,917,249	\$22,321,609	\$2,404,360	112.1%
Disbursements	19,917,249	22,321,609	2,404,360	112.1%

Variance Explanations

Football Ticket Revenue was higher than budget due to a winning season.

Big 12 Conference Revenue increased due to additional football television revenue, football championship game, and men's basketball NCAA tournament.

Other Revenue increased due to an allocation of 1993-97 Cable TV royalty fee, additional revenue from the Physical Therapy Department, and increased revenue from per order service charge due to increased football ticket sales.

Attachment C
UNIVERSITY OF NORTHERN IOWA

**General
 Operating
 Fund**

The following tables show adjustments to original budgets and compare the revised budget to actual revenues and expenditures.

FY 2001
General Operating Fund
Revenue Budget
University of Northern Iowa

	Original Budget	Budget Ceiling Adjustment	Revised Budget
REVENUES			
APPROPRIATIONS			
General	\$91,829,144	0	\$91,829,144
RESOURCES			
Interest	600,000	0	600,000
Tuition and Fees	36,207,937	225,000	36,432,937
Reimbursed Indirect Costs	1,350,000	225,000	1,575,000
Sales and Services	625,000	0	625,000
TOTAL REVENUES	\$130,612,081	\$450,000	\$131,062,081

UNI had a budget ceiling adjustment of \$450,000. The University experienced increased enrollments and increased indirect cost recoveries.

**FY 2001
General Operating Fund
University of Northern Iowa
Comparison – Budget to Actual**

	Revised Budget	Actual	Variance Over/(Under)	Percent
REVENUES				
APPROPRIATIONS				
General	\$91,829,144	\$91,829,144	\$0	100.0%
RESOURCES				
Interest	600,000	426,180	(173,820)	71.0%
Tuition and Fees	36,432,937	36,506,393	73,456	100.2%
Reimbursed	1,575,000	1,536,354	(38,646)	97.5%
Indirect Costs				
Sales and Services	625,000	656,244	31,244	105.0%
TOTAL REVENUES	\$131,062,081	\$130,954,315	(\$107,766)	99.9%
EXPENDITURES				
Salaries	\$101,249,202	\$101,987,529	\$738,327	100.7%
Prof. /Scientific	12,909,431	11,539,315	(1,370,116)	89.4%
Supplies				
Library Acquisitions	1,873,350	2,051,090	177,740	109.5%
Rentals	788,000	774,893	(13,107)	98.3%
Utilities	2,659,545	3,141,386	481,841	118.1%
Building Repairs	2,050,000	2,236,707	186,707	109.1%
Auditor of State	135,000	130,334	(4,666)	96.5%
Equipment	2,124,666	1,536,662	(588,004)	72.3%
Aid to Individuals	7,272,887	7,556,398	283,511	103.9%
TOTAL EXPENDITURES	\$131,062,081	\$130,954,314	(\$107,767)	99.9%

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

Salary expenditures were slightly over budget due primarily to early retirement incentives.

Professional/Scientific Supplies and Equipment expenditures were less than budget. Reduction of expenditures in these categories was planned to redirect operating funds to salaries, library materials, utilities, and student aid.

Utilities were over budget due to increases in both costs and consumption.

**Strategic
Planning
Initiatives**

The University utilized \$4.1 million of new revenues and reallocations for strategic planning initiatives as planned:

Goal 1 – Intellectual Vitality (\$1,897,314)

Goal 2 – Community (307,400)

Goal 3 – Resources (\$1,607,289)

Goal 4 – External Relations (271,800)

**State
Appropriations**

General operating fund appropriations were increased slightly by \$68,000 from the original FY 2000 base operating appropriations.

Salary funding - the allocation of \$2.4 million for the state's salary policy was less than the \$4.8 million needed to fully fund salary increases, excluding health insurance.

The Masters in Social Work appropriation was combined with the appropriation for the General University. The University reallocated an additional \$173,137 to this initiative. The total FY 2001 expenditures were \$473,137.

**New Tuition
Revenues**

The University used the majority of the new tuition revenues to meet the shortfall in state appropriations. Most of the University's faculty and staff are covered by collective bargaining agreements. The tuition revenues were used as follows:

Tuition Aid Set-Aside - \$277,000

Salary/Benefits Shortfall - \$1,618,000

Reallocations Reallocations of \$4.9 million were accomplished substantially as budgeted. Rather than reallocating funds to make progress on the University's strategic plan, reallocations were required to meet mandatory cost increases. Examples of reallocations include:

- Academic Affairs, the Provost's area, has the largest amount of the reallocations (\$4.2 million).
 - Identified sources (from): open lines of colleges; office equipment and supplies; provost office salaries and wages; electronic technicians; College of Natural Sciences student wages; and College of Business faculty (1 resignation and 5 phased retirements).
 - Identified uses (to): Performing Arts Center operations and programs; budget shortfall areas; library inflation; PC support coordinators, trainer, instructional designer, and systems administrator; College of Natural Science undergraduate research stipends; and College of Business academic advisor and two faculty in high demand areas.
 - Academic Affairs reallocated funds to provide new positions for essential areas including Communication Studies, Art Department, and Social and Behavioral Sciences.
 - Reallocations were made from equipment line items to backfill positions for the implementation of the Modern Executive Management and Financial Information Systems (MEMFIS), the University's new administrative systems.
 - Campus-wide, internal reallocations were made to fund inflation for supplies and services, library materials, and equipment.
 - Reallocations of student wages were used to protect as many permanent positions and critical overtime budgets that are essential for operating the campus environment services (i.e. electric and steam support, facility heating ventilation and air conditioning, information technology).
 - The Graduate College reallocated funds from within the College to increase thesis and dissertation assistance and for management of the University's intellectual property.
-

**Efficiencies
and
Effectiveness**

The University identified several examples of initiatives that increased efficiency and effectiveness. Some examples are provided below.

- UNI re-engineered its summer school calendar adding a four-week May term. This became UNI's most popular session. Undergraduate enrollments in summer increased 8.9% and overall enrollments increased 6.9% with only marginal cost increases in library, health center and other facilities. The new schedule improved service to students and increased tuition revenue with only marginal cost increases.
- UNI has implemented its student online portal project. The portal allows students to access online a personal and customizable window that facilitates access to diverse university services and information. Messages can be posted to selected student groups (e.g., junior business majors) efficiently enabling and enhancing communication. In addition to those services already online, during FY 2001 the following new administrative services were created: students can view their current University bill, graduate students can apply online, prospective students can pay their application fees online, and for the first time housing contracting and re-contracting is done on the Web. In addition, the portal provides online employment opportunities, numerous surveys, balloting, and an advertising board.
- The University Diversity Initiative was begun in FY 2001 to coordinate efforts in the recruitment and retention of minority students across the campus.
- Campbell Dining Center was permanently closed in FY 2001 to make more efficient use of three dining halls on campus instead of four.
- Referred to as the MEMFIS (Modern Executive Management and Information Systems) project, this campus-wide initiative will provide decision-makers better access to information, less duplication of effort, less paper shuffling, and more timely information. As part of the implementation process the university engaged in business process reviews that will streamline business practices and improve operating efficiencies.
- The Office of Marketing and Public Relations now uses e-mail/fax for all standard news releases, eliminating daily postage costs of up to \$51 per day (\$12,000 per year). The Campus News Network publication has been changed from primarily print to electronic in its layout and distribution; estimated savings of \$6,700 last year.

Restricted Funds

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

**FY 2001
Restricted Funds
University of Northern Iowa
Comparison – Budget to Actual**

	Budget	Actual	Variance Over/(Under)	Percent
REVENUES				
APPROPRIATIONS				
Capital	\$5,598,546	\$5,349,555	(\$248,991)	95.6%
Tuition Replacement	4,878,654	5,008,480	129,826	102.7%
Technology	1,000,000	1,000,000	0	100.0%
RESOURCES				
Federal Support	16,000,000	17,798,703	1,798,703	111.2%
Interest	2,945,000	3,961,274	1,016,274	134.5%
Tuition and Fees	7,500,000	8,282,666	782,666	110.4%
Sales and Services	42,000,000	52,296,157	10,296,157	124.5%
Other Income	13,500,000	16,951,813	4,451,813	133.0%
TOTAL REVENUES	\$93,422,200	\$110,648,648	\$17,226,448	118.4%
EXPENDITURES				
Salaries	\$27,157,000	\$33,219,911	6,062,911	122.3%
Prof. /Scientific Supplies	33,792,600	40,229,132	6,436,532	119.0%
Library Acquisitions	3,000	1,606	(1,394)	53.5%
Rentals	565,600	908,742	343,142	160.7%
Utilities	2,500,000	2,296,973	(203,027)	91.9%
Building Repairs	2,500,000	5,800,065	3,300,065	232.0%
Equipment	3,400,000	4,541,131	1,141,131	133.6%
Aid to Individuals	9,000,000	9,371,532	371,532	104.1%
Plant Capital	5,206,000	14,991,148	9,785,148	288.0%
Debt Service	9,298,000	9,240,135	(57,865)	99.4%
TOTAL EXPENDITURES	\$93,422,200	\$120,600,375	\$ 27,178,175	129.1%

Variance Explanations

Sales and Services Revenue was greater than budget due to Residence System revenues and a full year of activities at the new Gallagher-Bluedorn Performing Arts Center.

Other Income was greater than budget due to an increase in non-federal gift and grants. There were increased gifts from the UNI Foundation to Intercollegiate Athletics and additional work on roads that is funded by the Iowa Department of Transportation.

Salaries, Wages, and Fringe Benefits exceeded the budget due to increases in sponsored projects and the Gallagher-Bluedorn Performing Arts Center.

Building Repairs and Plant Capital exceeded the budget due to extensive building repairs and progress on capital projects.

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>
Receipts	\$21,709,359	\$24,850,460	\$3,141,101	114.5%
Disbursements	17,628,684	18,041,781	413,097	102.3%

Variance Explanations Dining Service Revenues and Expenditures exceeded the budget due to more students being on contract than budgeted.

Investment Income was more than budget since bond proceeds for the Redeker remodeling project were expended at a slower rate than anticipated.

The Residence System ran new venues in Maucker Union beginning in FY 2001 including Blimpies, Bent Fork, and Freshens. Budgeting for these entities will be refined as the Residence System gains experience in the sales and related costs.

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>
Receipts	\$6,196,985	\$6,850,063	\$653,078	110.5%
Disbursements	6,196,985	6,850,063	653,078	110.5%

Variance Explanations General University Support was greater than budget due to increased scholarship expense for Men's Track, Men's Baseball, Women's Softball, and Women's Swimming. This is part of the University diversity initiatives.

Alumni Foundation Support was increased to meet revenue shortfalls. Football revenue and student ticket revenue were both lower than prior years.

Men's Basketball Expenses exceeded budget due to staff changes that increased salary, wage, and benefits.

Men's Track and Men's Baseball had additional travel expenses due to successful seasons that resulted in additional tournaments.

Attachment D
IOWA SCHOOL FOR THE DEAF

**General
 Operating
 Fund**

The following tables show adjustments to original budgets and compare the revised budget to actual revenues and expenditures.

FY 2001
General Operating Fund
Revenue Budget
Iowa School for the Deaf

	Original Budget	Budget Ceiling Adjustment	Revised Budget
REVENUES			
APPROPRIATIONS			
General	\$8,178,008		\$8,178,008
Other (DOE Funds)	191,956	932	192,888
RESOURCES			
Federal Support	64,000		64,000
Interest	53,000		53,000
Sales and Services	248,625	74,068	322,693
TOTAL REVENUES	\$8,735,589	\$75,000	\$8,810,589

ISD had a budget ceiling adjustment of \$75,000. ISD experienced increased Phase III funding, interpreter receipts, lease/rental income and a one-time receipt for the sale of two vehicles.

**FY 2001
General Operating Fund
Iowa School for the Deaf
Comparison – Budget to Actual**

	Revised Budget	Actual	Variance Over/(Under)	Percent
REVENUES				
APPROPRIATIONS				
General	\$8,178,008	\$8,178,008	\$0	100.0%
Other (DOE Funds)	192,888	192,888	0	100.0%
RESOURCES				
Federal Support	64,000	58,709	(5,291)	91.7%
Interest	53,000	52,005	(995)	98.1%
Sales and Services	322,693	313,477	(9,216)	97.1%
TOTAL REVENUES	\$8,810,589	\$8,795,087	(\$15,502)	99.8%
EXPENDITURES				
Salaries	\$6,840,306	\$6,606,594	(\$233,712)	96.6%
Prof. /Scientific Supplies	1,021,799	951,597	(70,202)	93.1%
Library Acquisitions	8,226	7,876	(350)	95.7%
Utilities	257,684	297,882	40,198	115.6%
Building Repairs	449,994	741,221	291,227	164.7%
Auditor of State	57,000	56,847	(153)	99.7%
Equipment	175,580	133,070	(42,510)	75.8%
TOTAL EXPENDITURES	\$8,810,589	\$8,795,087	(\$15,502)	99.8%

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.

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

Utilities were higher than budget due to the increase in natural gas prices.

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

**Strategic
Planning
Initiatives**

The school utilized \$206,862 of new revenues and reallocations for strategic planning initiatives as follows:

- Staff positions that became vacant remained unfilled with the salary savings being reallocated toward increased utility costs.
 - Improvements of technology in the classroom continued. Computers and related equipment were purchased for the Elementary and High School classrooms as well as the Residential program.
 - Maintaining facilities continued with the removing and abating of facility health hazards and routine upgrading of residential and academic facilities.
-

**State
Appropriations**

General operating fund appropriations were reduced \$12,000 from the original FY 2000 base operating appropriations.

Salary funding - the allocation of \$169,835 for the state's salary policy was less than the \$236,835 needed to fully fund salary increases, excluding health insurance.

Phase III funding – \$67,000 was appropriated to the Department of Education and allocated to the school. This funding was used to fund supplemental pay for faculty for student activities.

Reallocations

Reallocations of \$178,862 were accomplished substantially as budgeted.

- The reallocation of resources from the Deaf Resource area has provided increased student instructional time in the area of sign language development as it relates to written English.
 - Savings from a retired faculty position being filled with staff at a lower salary and a Residential Support staff position not being filled were reallocated to purchase doors, which will meet the Fire Marshall requirements as sited in the most recent State Fire Marshall Report.
 - Additional reallocations occurred in order to cover greatly increased utility costs associated with higher natural gas prices and colder than anticipated winter months.
-

**Efficiencies
and
Effectiveness**

- The Iowa School for the Deaf increased efficiencies during FY 2001 by reallocating existing resources to more effectively utilize funds.
 - The School continues its cooperative relationship with Regent universities. ISU shares its resources and expertise regarding purchasing, facilities planning and management, asbestos management, campus security, transportation and environmental health and safety. The University of Iowa provides internal audit functions to the School.
 - ISD implemented an efficiency program to conserve the use of electricity by shutting off computers and related equipment at the end of the workday. In addition, all air conditioning equipment was shut off at the end of the workday.
 - ISD decreased utility consumption by bringing two new, high efficiency boilers on line during FY 2001.
 - ISD realized savings when staff paid at a higher salary retired and were replaced with staff at a lower salary. These funds were reallocated and utilized in the continuing upgrade of technology in the classroom as per the Schools Technology Plan. In addition, funds were also used to continue door replacements that adhere to code per the State Fire Marshall requirements. By utilizing reallocated funds, ISD has been able to reduce the backlog of deferred maintenance projects and therefore, reduce the number of State Fire Marshall deficiency notices. Thermal pipe insulation and energy efficient lighting continue to be incorporated in all new and upgrade installations.
-

Restricted Funds

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

**FY 2001
Restricted Funds
Iowa School for the Deaf
Comparison – Budget to Actual**

	Budget	Actual	Variance Over/(Under)	Percent
REVENUES				
APPROPRIATIONS				
Capital	\$250,000	\$1,942,835	\$1,692,835	777.1%
RESOURCES				
Federal Support	110,924	107,310	(3,614)	96.7%
Interest	30,000	57,398	27,398	191.3%
Sales and Services	1,004,144	1,062,680	58,536	105.8%
Other Income	5,000	45,440	40,440	908.8%
TOTAL REVENUES	\$1,400,068	\$3,215,663	(\$1,815,595)	229.7%
EXPENDITURES				
Salaries	\$479,257	\$484,505	5,248	101.1%
Prof./Scientific Supplies	207,861	121,223	(86,638)	58.3%
Library Acquisition	5,000	0	(5,000)	0.0%
Utilities	10,000	0	(10,000)	0.0%
Building Repairs	642,387	1,974,020	1,331,633	307.3%
Auditor of State	5,000	0	(5,000)	0.0%
Equipment	50,563	96,105	45,542	190.1%
TOTAL EXPENDITURES	\$1,400,068	\$2,675,853	1,275,785	191.1%

Variance Explanations

Capital appropriations were over budget due to the timing of the draw-down for the Recreation Complex.

Other Income was over the budget due to receiving the Iowa Star School grant from Iowa Public Television.

Attachment E
IOWA BRAILLE AND SIGHT SAVING SCHOOL

**General
Operating
Fund**

The following tables show adjustments to original budgets and compare the revised budget to actual revenues and expenditures.

FY 2001
General Operating Fund
Revenue Budget
Iowa Braille and Sight Saving School

	Original Budget	Budget Ceiling Adjustment	Revised Budget
REVENUES			
APPROPRIATIONS			
General	\$4,568,379		\$4,568,379
Other (DOE Funds)	102,644	(932)	101,712
RESOURCES			
Federal Support	140,690	(26,390)	114,300
Interest	26,000	(3,000)	23,000
Reimbursed Indirect Costs	23,349	4,651	28,000
Sales and Services	50,235	28,265	78,500
TOTAL REVENUES	\$4,911,297	\$2,594	\$4,913,891

IBSSS had a budget ceiling adjustment of \$2,594. This net increase is a result of an increase in sales and services for billable itinerant services and a decrease in federal revenues.

**FY 2001
General Operating Fund
Iowa Braille and Sight Saving School
Comparison – Budget to Actual**

	Revised Budget	Actual	Variance Over/(Under)	Percent
REVENUES				
APPROPRIATIONS				
General	\$4,568,379	\$4,568,379	\$0	100.0%
Other (DOE Funds)	101,712	101,712	0	100.0%
RESOURCES				
Federal Support	114,300	108,159	(6,141)	94.6%
Interest	23,000	22,106	(893)	96.1%
Reimbursed Indirect	28,000	25,694	(2,306)	91.8%
Costs				
Sales and Services	78,500	79,197	697	100.9%
TOTAL REVENUES	\$4,913,891	\$4,905,247	(\$8,643)	99.8%
EXPENDITURES				
Salaries	\$3,963,945	\$3,784,395	(\$179,550)	95.5%
Prof. /Scientific Supplies	550,368	515,638	(34,730)	93.7%
Library Acquisitions	8,569	8,874	305	103.6%
Utilities	152,874	151,685	(1,189)	99.2%
Building Repairs	180,041	417,608	237,567	232.0%
Auditor of State	26,754	21,652	(5,102)	80.9%
Equipment	31,340	5,396	(25,944)	17.2%
TOTAL EXPENDITURES	\$4,913,891	\$4,905,248	(\$8,643)	99.8%

Variance Explanations

General fund revenues and expenditures were consistent with budget.

Salary expenditures were slightly less than budget as a result of no unemployment claims, difficulty in filling position vacancies, and elimination of a position.

Professional/Scientific Supplies and Equipment expenditures were less than budget. Reduction of expenditures in these categories was planned to redirect operating funds to critical building repair projects.

Building Repair expenditures were over budget due to repair and waterproofing of the tunnel system and increased costs associated with the Rice Hall HVAC project.

**Strategic
Planning
Initiatives**

The school utilized \$417,559 of new revenues and reallocations for strategic planning initiatives as follows:

- Implementing the reorganization plan as approved by the Board in March 2000;
 - Creating and implementing two statewide consultant positions for daily living skills and students with multiple disabilities;
 - Collaborating with the Department of Education to provide professional staff development to all personnel and families of children and youth with visual impairments;
 - Providing technical assistance to “Iowa’s Systems Change Project for Deafblindness” in the form of assessment and consultation to students with deafblindness;
 - Collaborating on a research project with Professors from Texas Tech University and the University of Iowa that resulted in the publication of a paper on the topic of literacy considerations for children with visual impairments;
 - Initiating an Early Childhood Study group, a collaborative effort with the Area Education Agencies and the University of Northern Iowa’s Behavioral Research Center;
 - Participating with AEA’s in meetings to inform parents about vision services available for student and families at the local, regional, and state level.
 - Creating a parent conference/family weekend with on-campus accommodations being offered to parents and family members;
 - Continuing technology initiatives;
 - Addressing deferred maintenance;
 - Creating a Human Resource Specialist position resulting in many HR improvements.
-

**State
Appropriations**

General operating fund appropriations were reduced \$7,000 from the original FY 2000 base operating appropriations.

Salary funding - the allocation of \$101,855 for the state's salary policy was less than the \$154,123 needed to fully fund salary increases, excluding health insurance.

Phase III funding – \$33,000 was appropriated to the Department of Education and allocated to the school. This funding was used to fund various supplemental pay and staff development activities previously funded with general fund monies.

Reallocations

Reallocations of \$488,166 were accomplished substantially as budgeted. The school recognized salary, equipment, supply, and service savings that were redirected to building repair projects.

**Efficiencies
and
Effectiveness**

- Reorganization – The new organizational structure allows the school to more comprehensively serve the total number of students throughout the state.
- The school automated its Individualized Education Program (IEP). The new process allows all staff electronic access to read/review, edit, or update information on all center-based student IEP's.
- The School enhanced communication by implementing an electronic, master calendar to track meetings, student and staff off-campus activities, etc.
- The addition of the Human Resource Specialist position resulted in improvements in Human Resources (HR) such as the creation of an electronic substitute database, creation of a monthly HR bulletin, enhanced recruitment services, new photo identification badges for all staff, and making a variety of information available electronically.
- The Iowa's Systems Change Project for Deafblindness went through a federal grant site review in May 2001. The Registry referral form and Technical Assistance request form have been streamlined and changed as a result of suggestions from the federal site reviewers. The creation of a Project web page has allowed for extended use of information and forms.

Restricted Funds

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

**FY 2001
Restricted Funds
Iowa Braille and Sight Saving School
Comparison – Budget to Actual**

	Budget	Actual	Variance Over/(Under)	Percent
REVENUES				
APPROPRIATIONS				
Capital	\$490,000	\$19,985	(\$470,015)	4.1%
RESOURCES				
Federal Support	307,303	283,772	(23,531)	92.3%
Sales and Services	729,172	716,061	(13,111)	98.2%
Other Income	424,930	124,075	(300,855)	29.2%
TOTAL REVENUES	\$1,951,405	\$1,143,893	(\$807,512)	58.6%
EXPENDITURES				
Salaries	\$886,401	\$859,988	(26,413)	97.0%
Prof./Scientific	346,301	233,029	(113,272)	67.3%
Supplies				
Building Repairs	635,000	19,985	(615,015)	3.1%
Equipment	83,703	30,891	(52,812)	36.9%
TOTAL EXPENDITURES	\$1,951,405	\$1,143,893	(807,512)	58.6%

Variance Explanations

Restricted fund revenues were under budget due to the timing of the draw-down of capital appropriations.

Other income and all expenditures were under the budget because IBSSS was able to pay for certain operating expenses out of the general operating fund rather than using 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.