

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Comprehensive Fiscal Report for FY 2000
Date: October 9, 2000

Recommended Actions:

Receive the Comprehensive Fiscal Report for FY 2000.

Executive Summary:

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.

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 2000 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.

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 (e.g. SCHS, Agriculture Experiment Station, Cooperative Extension Service), 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.

In FY 2000, the combined revenues for both operating and restricted funds of all Regent institutions totaled \$2.4 billion of which \$1.4 billion represents the general fund and \$1.0 billion represents the restricted fund. The primary sources of these revenues include operating appropriations (27.9%), capital appropriations (0.8%), tuition replacement appropriations (1.2%), federal support (10.7%), tuition and fees (11.4%), reimbursed indirect costs (2.4%), and sales and services (26.5%).

The combined general fund revenues of all Regent institutions totaled \$1.4 billion, which represented 99.9% of the total combined revised budgets. Salary expenditures were 100.0% of these amounts budgeted for this purpose.

The combined restricted fund revenues of all Regent institutions totaled \$1.0 billion, which was 104.7% of the total budgeted amount. This variance can be attributed primarily to timing of the sale of bonds, which increased bond proceeds for the year more than had been budgeted.

The institutional information indicates that strategic planning initiatives of \$45.3 million were met as budgeted; new appropriations of \$5.4 million, net of salary funding, and new tuition revenues of \$14.2 million were spent as intended; and reallocations of \$28.1 million were accomplished as budgeted. These efforts were accomplished even though the institutions faced a mid-year deappropriation of \$3.4 million.

In July, the Board approved the original FY 2000 general fund operating budgets. During the fiscal year, the Board approved two budget adjustments. In February, the Board approved revised budgets as a result of HF 2039, the FY 2000 deappropriation bill, which reduced state appropriations by approximately \$30 million. The Regent share of that deappropriation was \$3.4 million. In May and June, the Board approved budget ceiling adjustments to allow the Regent institutions the opportunity to expend the additional resources realized from successes in enrolling more students and in obtaining more awards of competitive grants and contracts than had been originally projected.

A comparative matrix of capital expenditures from all funds is provided at the end of the Analysis section on page 9. The table lists institutional expenditures of \$175.4 million in FY 2000 for capital projects with costs exceeding \$250,000. During FY 2000, revenue bonds totaling \$72.8 million were issued for capital projects at the Regent institutions.

Each institution's FY 2000 comprehensive fiscal report is detailed in Attachments A through E.

TABLE OF CONTENTS

Attachment A:	University of Iowa (page 10)
Attachment B:	Iowa State University (page 20)
Attachment C:	University of Northern Iowa (page 28)
Attachment D:	Iowa School for the Deaf (page 35)
Attachment E:	Iowa Braille and Sight Saving School (page 39)

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 2000 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.

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. 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.

Revenue Sources

Once the Legislature and the Governor have finalized state appropriations for the Regent institutions, the institutions incorporate the appropriated amounts into the budget. Each year, the state provides funding for implementation of the state salary policy in a separate appropriations bill – by law, the Governor and the Department of Management then make allocations of the salary appropriations to all state agencies, which then merge the new appropriations for salary increases into their operating funds.

Tuition and fee revenues are an integral component of each university's budget. During the Board's annual consideration of rates for tuition and mandatory fees, the universities identify areas that tuition increases would be directed as approved by the Board.

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.

Analysis:

I. GENERAL OPERATING FUNDS

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.

During FY 2000, there were two Board-approved adjustments made to the original budgets: 1) the mid-year deappropriation presented to the Board in February 2000; and 2) the budget ceiling adjustments presented to the Board in both May and June 2000.

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.

**General Fund - All Institutions
FY 2000**

	Original Budget	Mid-Year Deapprop.	Budget Ceiling Adjustment	Supplemental/ Other Approp.	Revised Budget
REVENUES					
APPROPRIATIONS					
General	\$676,105,562	(\$3,393,541)	0	\$150,000	\$672,912,021
Other	394,600	0	5,545	50,000	400,145
RESOURCES					
Federal Support	14,850,915	0	353,245	0	15,204,160
Interest	2,269,862	0	398,000	0	2,667,862
Tuition and Fees	245,389,209	0	1,267,000	0	246,656,209
Reimb. Indirect Costs	40,255,466	0	2,750,000	0	43,005,466
Sales and Services	395,982,417	244,405	11,296,240 *	0	407,523,062
Other Income	2,818,936	0	2,885	0	2,821,821
TOTAL REVENUES	\$1,378,066,967	(\$3,149,136)	\$16,072,915	\$200,000	\$1,391,190,746
*Hospital patient revenues					

HF 2039, the FY 2000 deappropriation bill, reduced state appropriations by \$30 million and was passed by the Legislature and signed by the Governor on January 18, 2000. The Regent share of the appropriations reduction was \$3.4 million. The difference of \$6,459, not shown here, was the appropriation reduction in the Board Office budget. The University of Iowa Hospitals and Clinics used an additional \$244,405 in paying patient revenues to replace some of the associated UIHC appropriation reductions.

The budget ceiling adjustments (1.2% of original budget) reflect the successes of the Regent institutions to increase various revenue sources. Some of these successes include:

- 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 results from increased costs of pharmaceuticals and medical/surgical supplies.

State appropriations reflect actions taken during the 2000 legislative session to provide more funding to Iowa State University for the Iowa Concern Hotline (\$150,000) and Johnes Disease research (\$50,000).

The following table presents the combination of revenues, expenditures, and variance for the combined general fund for all Regent institutions.

**General Fund - All Institutions
FY 2000**

	Revised Budget	Actual	Variance Over/(Under)	Actual as % of Budget
REVENUES				
APPROPRIATIONS				
General	\$672,912,021	\$672,912,022	\$1	100.0%
Other	400,145	394,600	(5,545)	98.6%
RESOURCES				
Federal Support	15,204,160	14,698,057	(506,103)	96.7%
Interest	2,667,862	2,593,355	(74,507)	97.2%
Tuition and Fees	246,656,209	246,129,703	(526,506)	99.8%
Reimbursed Indirect Costs	43,005,466	43,124,095	118,629	100.3%
Sales and Services	407,523,062	407,274,272	(248,790)	99.9%
Other Income	2,821,821	2,698,533	(123,288)	95.6%
TOTAL REVENUES	\$1,391,190,746	\$1,389,824,637	(\$1,366,109)	99.9%
EXPENDITURES				
Salaries	\$981,812,776	\$981,846,817	\$34,041	100.0%
Prof. /Scientific Supplies	235,656,087	246,952,178	11,296,091	104.8%
Library Acquisitions	17,681,280	17,917,559	236,279	101.3%
Rentals	6,677,267	6,852,961	175,694	102.6%
Utilities	51,042,487	50,068,305	(974,182)	98.1%
Building Repairs	26,969,597	23,649,160	(3,320,437)	87.7%
Auditor of State	1,107,981	799,144	(308,837)	72.1%
Equipment	27,106,205	19,772,636	(7,333,569)	72.9%
Aid to Individuals	43,137,066	42,507,978	(629,088)	98.5%
TOTAL EXPENDITURES	\$1,391,190,746	\$1,390,366,738	(\$824,008)	99.9%

COMPARISON OF REVISED BUDGET TO ACTUAL – REVENUES AND EXPENDITURES

Increased appropriations, tuition revenues, and reallocations were all directed toward implementing initiatives linked to the institutional strategic planning goals. The combined general fund revenues of all Regent institutions totaled \$1.4 billion, which represented 99.9% of the total combined revised budgets. The institutions expended 100.0% of their total general fund budgeted salaries.

STRATEGIC PLANNING INITIATIVES

University of Iowa (page 13)	\$19,536,000
Iowa State University (page 22)	16,040,393
University of Northern Iowa (page 29)	9,052,127
Iowa School for the Deaf (page 36)	402,743
Iowa Braille and Sight Saving School (page 40)	<u>313,731</u>
	\$45,344,994

Funding from new initiatives and reallocated funds were consistent with Board and institutional strategic planning goals.

INSTITUTIONAL INITIATIVES FUNDED BY NEW APPROPRIATIONS

University of Iowa (page 14)	\$1,560,000
Iowa State University (page 23)	2,500,000
University of Northern Iowa (page 30)	867,500
Iowa School for the Deaf (page 37)	269,209
Iowa Braille and Sight Saving School (page 42)	<u>162,827</u>
	\$5,359,536

New FY 2000 appropriated funds for institutional initiatives, net of salary funding, were expended in accordance with the approved budgets. The FY 2000 salary adjustment funding of \$27.9 million was expended to fund compensation increases in line with the state salary policy.

FY 2000 DEAPPROPRIATIONS

University of Iowa (page 10)	\$1,563,634
Iowa State University (page 20)	1,320,567
University of Northern Iowa (page 28)	446,351
Iowa School for the Deaf (page 35)	40,631
Iowa Braille and Sight Saving School (page 39)	<u>22,358</u>
	\$3,393,541

Each institution was guided by its strategic plan in implementing the overall reduction.

NEW TUITION REVENUES

University of Iowa (page 15)	\$6,455,000
Iowa State University (page 24)	5,069,120
University of Northern Iowa (page 31)	<u>2,690,000</u>
	\$14,214,120

The total tuition increases for FY 2000 were expended as outlined in the approved budgets.

REALLOCATIONS

University of Iowa (page 15)	\$14,726,000
Iowa State University (page 24)	9,473,082
University of Northern Iowa (page 32)	3,583,644
Iowa School for the Deaf (page 37)	169,800
Iowa Braille and Sight Saving School (page 42)	<u>183,731</u>
	\$28,136,257

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

In July, the Board requested the institutions to begin compiling detailed reallocation data for the five-year period, FY 1997 through FY 2001, for review and evaluation of the Regent reallocation program. The evaluation is expected to be presented to the Board after the end of FY 2001.

II. 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 restricted funds budgeted revenues and expenditures with actual revenues and expenditures and identifies the variances.

Restricted Fund - All Institutions FY 2000

	Revised Budget	Actual	Variance Over/(Under)	Actual as % of Budget
REVENUES				
APPROPRIATIONS				
Capital	\$23,924,500	\$20,379,997	(\$3,544,503)	85.2%
Tuition Replacement	27,927,851	27,927,851	-	100.0%
Technology	100,000	100,000	-	100.0%
RESOURCES				
Federal Support	232,399,553	243,004,165	10,604,612	104.6%
Interest	6,798,041	6,302,802	(495,239)	92.7%
Tuition and Fees	28,040,308	30,067,012	2,026,704	107.2%
Reimbursed Indirect Costs	12,701,250	15,061,251	2,360,001	118.6%
Sales and Services	213,667,646	231,849,080	18,181,434	108.5%
Other Income	433,000,764	449,392,826	16,392,062	103.8%
TOTAL RESOURCES	\$978,559,913	\$1,024,084,984	\$45,525,071	104.7%
EXPENDITURES				
Salaries	\$339,475,010	\$349,703,954	\$10,228,944	103.0%
Prof. /Scientific Supplies	293,427,192	298,294,838	4,867,646	101.7%
Library Acquisitions	8,000	3,438	(4,562)	43.0%
Rentals	7,101,600	7,499,892	398,292	105.6%
Utilities	14,734,641	13,349,565	(1,385,076)	90.6%
Building Repairs	17,215,819	24,652,019	7,436,200	143.2%
Auditor of State	5,000	0	(5,000)	0.0%
Equipment	26,557,161	26,740,637	183,476	100.7%
Aid to Individuals	64,656,001	66,203,512	1,547,511	102.4%
Debt Service	59,753,489	60,406,119	652,630	101.1%
Plant Capital	178,926,000	208,408,981	29,482,981	116.5%
TOTAL EXPENDITURES	\$1,001,859,913	\$1,055,262,955	\$53,403,042	105.3%

The FY 2000 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 drawdowns of appropriations from current and prior fiscal years, while budgeted capitals record the amount appropriated by the state.

The residence system and athletic budgets are part of the restricted budget, however, each come 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 - FY 1998 THROUGH FY 2000

	Projects with Costs Exceeding \$250,000 - All Funds					
	FY 1998		FY 1999		FY 2000	
	<u># Projects</u>	<u>Expenditures</u>	<u># Projects</u>	<u>Expenditures</u>	<u># Projects</u>	<u>Expenditures</u>
SUI	162	\$64,131,303	181	\$85,833,701	214	\$95,399,198
ISU	67	41,009,549	72	58,915,031	77	59,300,678
UNI	24	16,300,641	30	21,227,789	45	20,716,853
Total	253	\$121,441,493	283	\$165,976,521	336	\$175,416,729

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

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 above table compares institutional expenditures for FY 1998, FY 1999, and FY 2000 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.

- FY 2000 expenditures at the University of Iowa reflect increased construction activity resulting, in part, from capital projects authorized by the 1996 and 1997 General Assemblies.
- The FY 2000 expenditures also reflect construction activity financed by the sale of revenue bonds. In FY 2000, \$72.8 million in bonds were issued for projects including residence hall, parking facility, and telecommunications projects. Expenditures for these bond sales through June 30, 2000 are reflected in the above numbers.


Deb A. Hendrickson

Approved: 
Frank J. Stork

Attachment A
UNIVERSITY OF IOWA
FY 2000 General Fund

	Original Budget	Mid-Year Deapprop.	Budget Ceiling Adjustment	Revised Budget
REVENUES				
APPROPRIATIONS				
General	\$311,582,653	(\$1,563,634)		\$310,019,019
RESOURCES				
Federal Support	2,654,280	0	0	2,654,280
Interest	938,000	0	0	938,000
Tuition and Fees	118,291,735	0	400,000	118,691,735
Reimbursed Indirect Costs	30,704,370	0	1,300,000	32,004,370
Sales and Services	394,822,252	244,405	11,272,615	406,339,272
Other Income	1,550,936	0	2,885	1,553,821
TOTAL REVENUES	\$860,544,226	(\$1,319,229)	\$12,975,500	\$872,200,497

The University of Iowa's portion of the deappropriation was \$1.6 million. The University allocated the deappropriation across various departments and delayed some equipment purchases and personnel searches. The University of Iowa Hospitals and Clinics used an additional \$244,405 in paying patient revenues to replace the associated UHC appropriation reductions.

The University of Iowa had a budget ceiling adjustment of \$12.98 million. The largest portion of that was \$11.3 million for the University of Iowa Hospitals and Clinics due to increased sales and services revenues from pharmaceuticals and medical/surgical supplies. Tuition and fees and reimbursed indirect costs increased by \$1.7 million.

University Approp. Units *	Revised Budget	Actual	Over/(Under)	Percent
REVENUES				
General Appropriations	\$261,382,411	\$261,382,411	\$ -	100.0%
RESOURCES				
Interest	938,000	905,773	(32,227)	96.6%
Tuition and Fees	118,691,735	118,707,995	16,260	100.0%
Reimbursed Indirect Costs	30,283,370	29,799,461	(483,909)	98.4%
Sales and Services	1,937,123	1,927,605	(9,518)	99.5%
Other Income	225,000	214,837	(10,163)	95.5%
TOTAL REVENUES	\$413,457,639	\$412,938,082	(\$519,557)	99.9%
EXPENDITURES				
Salaries	\$310,177,396	\$309,742,199	(435,197)	99.9%
Prof. /Scientific Supplies	38,719,849	38,662,761	(57,088)	99.9%
Library Acquisitions	8,961,574	9,029,646	68,072	100.8%
Rentals	1,021,000	1,499,520	478,520	146.9%
Utilities	19,091,151	17,338,043	(1,753,108)	90.8%
Building Repairs	8,129,854	8,913,812	783,958	109.6%
Auditor of State	428,913	349,027	(79,886)	81.4%
Equipment	7,735,460	7,128,073	(607,387)	92.1%
Aid to Individuals	19,192,442	20,275,001	1,082,559	105.6%
TOTAL EXPENDITURES	\$413,457,639	\$412,938,082	(\$519,557)	99.9%
Hospital Approp. Units**	Revised Budget	Actual	Over/(Under)	Percent
REVENUES				
General Appropriations	\$48,636,608	\$48,636,608	-	100.0%
RESOURCES				
Federal Support	2,654,280	2,176,659	(477,621)	82.0%
Reimbursed Indirect Costs	1,721,000	2,145,337	424,337	124.7%
Sales and Services	404,402,149	404,160,737	(241,412)	99.9%
Other Income	1,328,821	1,149,431	(179,390)	86.5%
TOTAL REVENUES	\$458,742,858	\$458,268,772	(\$474,086)	99.9%
EXPENDITURES				
Salaries	\$280,964,048	\$280,022,547	(941,501)	99.7%
Prof. /Scientific Supplies	145,335,910	158,212,573	12,876,663	108.9%
Rentals	3,806,200	3,542,020	(264,180)	93.1%
Utilities	11,663,100	11,903,596	240,496	102.1%
Building Repairs	7,827,400	2,257,408	(5,569,992)	28.8%
Equipment	9,146,200	2,654,903	(6,491,297)	29.0%
TOTAL EXPENDITURES	\$458,742,858	\$458,593,047	(\$149,811)	100.0%
Total General Fund	Revised Budget	Actual	Over/(Under)	Percent
REVENUES				
General Appropriations	\$310,019,019	\$310,019,019	0	100.0%
RESOURCES				
Federal Support	\$2,654,280	\$2,176,659	(477,621)	82.0%
Interest	\$938,000	\$905,773	(32,227)	96.6%
Tuition and Fees	\$118,691,735	\$118,707,995	16,260	100.0%
Reimbursed Indirect Costs	\$32,004,370	\$31,944,798	(59,572)	99.8%
Sales and Services	\$406,339,272	\$406,088,342	(250,930)	99.9%
Other Income	\$1,553,821	\$1,364,268	(189,553)	87.8%
TOTAL REVENUES	\$872,200,497	\$871,206,854	(\$993,643)	99.9%
EXPENDITURES				
Salaries	\$591,141,444	\$589,764,746	(1,376,698)	99.8%
Prof. /Scientific Supplies	184,055,759	196,875,334	12,819,575	107.0%
Library Acquisitions	8,961,574	9,029,646	68,072	100.8%
Rentals	4,827,200	5,041,540	214,340	104.4%
Utilities	30,754,251	29,241,639	(1,512,612)	95.1%
Building Repairs	15,957,254	11,171,220	(4,786,034)	70.0%
Auditor of State	428,913	349,027	(79,886)	81.4%
Equipment	16,881,660	9,782,976	(7,098,684)	58.0%
Aid to Individuals	19,192,442	20,275,001	1,082,559	105.6%
TOTAL EXPENDITURES	\$872,200,497	\$871,531,129	(\$669,368)	99.9%

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

** Includes University Hospitals, Psychiatric Hospital, SCHS, and Hospital School.

COMPARISON OF REVISED BUDGET TO ACTUAL – GENERAL FUND

The University of Iowa has nine appropriation units that make up the general operating fund. They are: 1) General University; 2) University Hospital; 3) Psychiatric Hospital; 4) Hospital School; 5) Oakdale Campus; 6) Hygienic Laboratory; 7) Family Practice; 8) SCHS; and 9) Special Purpose.

The General University appropriation unit revenue sources provide the funding for the general education of students.

Actual FY 2000 total general fund revenues were \$871.2 million (99.9% of revised budget) and expenditures were \$871.5 million (99.9% of revised budget).

University Appropriation Units (Excluding UIHC)

Actual FY 2000 general operating fund revenues and expenditures were \$412.9 million (99.9% of revised budget). General University revenues were 99.9% of budget as revised by the \$1.7 million budget ceiling request approved in May 2000.

Salary expenditures were slightly under the revised budget. Aid to individuals was over the revised budget by approximately \$1.1 million. This resulted in student aid being 17.1% of tuition revenue, exceeding the University's 16% target.

The substantial savings from utilities of \$1.8 million resulted from the university's reduction of associated costs as well as savings from the Utility System bond refunding. In FY 2000, utility savings offset a number of other expenditure categories that exceeded budget such as supplies, rentals, and building repairs.

University of Iowa Hospitals and Clinics

Actual FY 2000 revenues for University Hospitals and Clinics, Psychiatric Hospital, Hospital School, and SCHS were \$458.3 million (99.9% of revised budget) while expenditures were \$458.6 million (99.9% of revised budget). The variance between revenues and expenditures is due to the delay in receipt of Federal Block grant revenues for the SCHS program.

University Hospitals and Clinics, Psychiatric Hospital, SCHS, and Hospital School salary expenditures were \$280.0 million (99.7% of budget). Supplies were over budget by \$12.9 million while building repairs and equipment were under budget by \$5.6 million and \$6.5 million, respectively. Timing of capital expenditure was delayed to offset significant increases beyond budget levels for patient care supplies and pharmaceuticals.

STRATEGIC PLANNING INITIATIVES

In FY 2000, new revenues and internal reallocations of \$19.5 million enabled the University of Iowa to advance toward its strategic planning goals.

University of Iowa
FY 2000
Strategic Planning Allocations

- Goal #1: Comprehensive strength in undergraduate programs
- Goal #2: Premier graduate and professional programs in a significant number of areas
- Goal #3: A faculty of national and international distinction
- Goal #4: Distinguished research and scholarship
- Goal #5: A culturally diverse and inclusive university community
- Goal #6: Strong ties between the university and external constituencies
- Goal #7: A high-quality academic and working environment

<u>Initiatives</u>	<u>Goals</u>	<u>Amount</u>
Arts and Humanities	1,2,3,4	325,000
Asset Management Design & Implementation	1,2,7	130,000
Biosciences	1,2,3,4	1,025,000
Central Investment Fund Research	2,3,4	500,000
Central Research Facilities	2,3,4	670,000
College of Pharmacy	1,2,3,4	232,000
Collegiate Reallocations	1,2,3,4,5,7	8,194,000
Dentistry Surcharge	2	57,000
Facilities Services Restructuring	7	377,000
HR Design & Implementation	1,2,7	350,000
Improve Undergraduate Education	1,5	600,000
Law Surcharge	2	168,000
Provost Intercollegiate Reallocations	1,2,3,4,5	1,762,000
Research Incentive Program Reallocations	2,3,4	1,000,000
Student Aid Increases	1,2	1,382,000
Student Services	1,2,7	426,000
Iowa Student Union Support	1,2,7	300,000
Womens Athletics	1,5,7	389,000
Next Generation Science	2,3,4	300,000
Applied Music Fees	1	45,000
Provost Liberal Arts	1,2,3,4	425,000
Private Gift and Grant Support Services	1,2,3,4,6	190,000
Phototonics and Quantum Electronics Lab	4	136,000
Human Resource Restructuring	7	238,000
Business Services Restructuring	7	315,000
Total		<u>\$19,536,000</u>

NEW APPROPRIATIONS

The University of Iowa used new state appropriations for the following:

Salary Funding		\$12,895,291
Institutional Initiative Funding		
Undergraduate Education	860,000	
Biosciences	100,000	
Arts and Humanities Research	100,000	
Opening New Buildings	200,000	
Next Generation Science	300,000	
		<u>1,560,000</u>
Total		\$14,455,291

FY 2000 salary adjustment funding of \$12.9 million was used to fund compensation increases in line with the state salary policy.

The Office of the Provost utilized the \$860,000 provided to improve undergraduate education in a number of areas including improving classroom equipment and technology, the College of Business Career Services program, a new undergraduate program in the College of Nursing, and curriculum improvements in the College of Engineering.

FY 2000 appropriated funds for Biosciences continued to target the majority of its funding toward faculty and staff start-up expenses. During this period, new faculty recruitment was supported in the Colleges of Dentistry, Engineering, Liberal Arts, and Medicine.

New appropriations for Arts and Humanities were used to maintain and advance the university's worldwide reputation for humanities scholarship and work in the creative and performing arts. There were 55 competitively awarded grants and 27 discretionary awards made to scholars and creative and performing artists.

The appropriation for Opening New Buildings was used for six months of operating expenses for the Biology East Addition.

The Next Generation Science funds were allocated to the Building Renewal budget to support the laboratory renewal needs of new faculty. This included support for completion of laboratory facilities on the third floor of Iowa Advanced Technology Laboratory.

NEW TUITION REVENUES \$6,455,000

The University allocation of new tuition revenues in relationship to the University's strategic plan is as follows:

Student Aid Set Aside	\$1,382,000
Law Surcharge	168,000
Dentistry Surcharge	57,000
Library Inflation	600,000
Building Renewal	300,000
Applied Music Fees	45,000
Womens Athletics	389,000
Student Services	286,000
Student Union Support	300,000
Provost	425,000
Cost of Enrollment	1,000,000
Opening New Buildings	180,000
College of Pharmacy	232,000
Partial Amortization of Systems and Year 2000 Costs	<u>1,091,000</u>
Total	\$6,455,000

REALLOCATIONS

Reallocations as outlined in the FY 2000 final budget document of \$14.7 million (3.9% of general university budget) were accomplished substantially as budgeted. There were approximately \$1.6 million additional reallocations that occurred.

The College of Medicine reallocated an additional \$1.0 million for faculty bridging, developing the college's Intranet, hiring a new counselor for students, and providing additional funding for faculty start-up commitments.

The College of Dentistry reallocated \$500,000 from delays in filling faculty positions to support the development and implementation of the Oral Health Information System and the implementation of a new curriculum for the first and second years of the DDS program.

The College of Liberal Arts reallocated \$100,000 of additional funds available due to retirements to support instructional equipment and faculty start-up commitments.

EFFICIENCY AND EFFECTIVENESS

The University identified several examples of initiatives during FY 2000 that were designed to increase efficiency and effectiveness and improve customer services as described below.

The University continued investing in administrative information system upgrades in FY 2000. Specifically, the first phase of ISIS on the Web, a web-based student registration system, was completed in FY 2000. This new web-based system provides students a portal to the University's course and academic-related systems as well as web-based e-mail. Student reaction to the new system has been overwhelmingly positive.

The first phase of the new electronic library card catalogue, Ex Libris, was completed in FY 2000. This web-based system provides a new, more advanced, set of data search and query tools for students, faculty, and staff. Also in FY 2000, the University Library started the process of adding over 750,000 titles to the electronic catalogue that had previously been available only via paper record. The completion of the Library's system improvements have opened the door for the University to become a more active participant in the Committee on Institutional Cooperation's (CIC) Virtual Electronic Library program. The University's participation in this project provides students, faculty, and staff electronic access to the library collections of all CIC institutions.

The University made changes in several faculty-related policies in FY 2000 that support process improvements or increased effectiveness in the future. Specific examples include the adoption of new faculty promotion and tenure guidelines. The new guidelines provide a clearer set of instructions to faculty and academic administrators about the procedures and documentation that will be required for considering future promotion and tenure decisions. The University also sought and received Regent approval for amendments to the clinical-track faculty policy. The new policy will enable colleges to determine if they want to increase the number or percentage of clinical-track faculty within their units. These changes will enable colleges to better address the specific needs they face.

A number of academic units were reorganized in FY 2000. The goal of these reorganizations was to provide more effective administrative oversight to these units. Specific examples of the FY 2000 reorganizations include the move of the School of Library and Information Sciences (SLIS) from the College of Liberal Arts to the Graduate College. The Graduate College is currently the administrative home for a number of graduate interdisciplinary programs and will provide effective oversight for this unit. Administrative oversight for the International Writer's Program (IWP) was moved from the College of Liberal Arts to the Vice President for Research. IWP is a creative center for scholarship and research. The Vice President for Research currently oversees a number of research and scholarly centers and will provide effective leadership for the IWP. Finally, the University's International Program (IP) unit reorganized in FY 2000

focusing on academic research areas to achieve the internationalization efforts outlined in the University's 2000-2005 strategic plan.

Members of the University of Iowa General Stores staff teamed with the University Hospital to find ways of reducing hospital costs. The team is showing an expense savings of 20% for supplies purchased through General Stores using on-line ordering, one day service, and desktop delivery.

Central Mailing Service reports several initiatives during FY 2000 aimed at greater efficiency and effectiveness including: 1) A new contract for presort desktop mail to eliminate handling charges; 2) New software on the web eliminating the need for printed two-part shipping forms, addressed packages, and key punched outgoing parcels; 3) New procedures to reduce costs associated with flat mail by 15%; 4) A new contract to reduce the cost of international mail by 69%; 5) New software to collect postage and shipping costs, reducing handling cost and improving tracking and auditing; and 6) New tabbing technology to reduce postage costs of self-mailers for customers.

In Printing Service, a new digital plate maker increased efficiencies in the PrePress area by eliminating one production step. Archival scanning for many of the departments on campus has increased efficiency by making files available at the work station instead of requiring hard copy retrieval by staff and considerably reducing the need for hard copy storage.

In the University Laundry, washing chemical expenses have been reduced through volume purchasing and improved consumption control using computer programs for monitoring use rates. A new Windows based garment bar code labeling and tracking system greatly improved the Laundry's charging system.

The Purchasing Department added several services on the web to enhance customer service. These include voucher reports, automated procurement card process, invoices, purchasing contracts and a user guide.

The Treasurer's Office reduced costs by increasing the number of transactions done by Automated Clearing House vs. wire transfer. Also, more favorable banking fees were negotiated and improved availability of funds was accomplished.

**University of Iowa - Restricted Fund
FY 2000**

	Revised Budget	Actual	Variance Over/(Under)	Percent
REVENUES				
APPROPRIATIONS				
Capital	\$7,083,500	\$7,245,000	\$161,500	102.3%
Tuition Replacement	11,939,084	11,939,510	426	100.0%
Technology	39,500	39,500	0	100.0%
RESOURCES				
Federal Support	135,413,000	137,392,794	1,979,794	101.5%
Tuition and Fees	16,326,000	17,205,149	879,149	105.4%
Reimbursed Indirect Costs	9,864,000	11,717,126	1,853,126	118.8%
Sales and Services	160,238,000	158,493,570	(1,744,430)	98.9%
Other Income	177,283,000	157,345,872	(19,937,128)	88.8%
TOTAL REVENUES	\$518,186,084	\$501,378,521	(\$16,807,563)	96.8%
EXPENDITURES				
Salaries	\$186,787,000	\$194,303,711	\$7,516,711	104.0%
Prof./Scientific Supplies	132,244,584	134,461,312	\$2,216,728	101.7%
Rentals	6,536,000	6,827,069	\$291,069	104.5%
Utilities	6,147,000	4,899,365	(\$1,247,635)	79.7%
Building Repairs	3,528,500	3,429,853	(\$98,647)	97.2%
Equipment	12,795,000	12,656,558	(\$138,442)	98.9%
Aid to Individuals	31,016,000	31,198,219	\$182,219	100.6%
Debt Service	31,720,000	32,530,336	\$810,336	102.6%
Plant Capital	130,712,000	141,317,270	\$10,605,270	108.1%
TOTAL EXPENDITURES	\$541,486,084	\$561,623,693	\$20,137,609	103.7%

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.

Actual capital appropriations represent the drawdowns of capital appropriations, based on the construction schedules for approved capital projects.

COMPARISON OF BUDGET TO ACTUAL – RESTRICTED FUND

Restricted Fund revenues were \$501.4 million (96.8% of budget.)

REGENT TECHNOLOGY INITIATIVES

The University of Iowa's portion of the supplemental technology appropriation was \$39,500. This provided partial funding of a project to purchase and install instructional sound and audiovisual systems to serve the newly remodeled MacBride Hall Auditorium and total funding of a project to purchase and install equipment in the newly remodeled virtual classroom in the English-Philosophy building.

RESIDENCE SYSTEM AND INTERCOLLEGIATE ATHLETICS

The following tables compare residence system and athletic budgeted revenues and expenditures with actual revenues and expenditures and identify the variances.

	Residence System		Variance	
	<u>Budget</u>	<u>Actual</u>	<u>Over/(Under)</u>	<u>Percent</u>
Receipts	\$27,643,438	\$28,245,101	\$601,663	102.2%
Disbursements	20,872,589	19,325,806	(1,546,783)	92.6%

Contract and interest income were higher than budget, while utilities were less than budget.

	Intercollegiate Athletics		Variance	
	<u>Budget*</u>	<u>Actual</u>	<u>Over/(Under)</u>	<u>Percent</u>
Receipts	\$26,080,500	\$27,194,624	\$1,114,124	104.3%
Disbursements	26,035,073	27,427,292	1,392,219	105.3%

*Budget was adjusted to include athletic scholarships as requested by the Board.

Athletic conference income and alumni/foundation support were higher than budget, while men's sports and general and administrative expenses were more than budget.

Attachment B
IOWA STATE UNIVERSITY
FY 2000 General Fund

	Original Budget	Mid-Year Deapprop.	Budget Ceiling Adjustment	Supplemental Approp.	Revised Budget
REVENUES					
APPROPRIATIONS					
General	\$263,147,051	(\$1,320,567)	0	\$200,000	\$262,026,484
Other	200,000	0	0	0	200,000
RESOURCES					
Federal Support	11,999,235	0	353,245	0	12,352,480
Interest	975,000	0	100,000	0	1,075,000
Tuition and Fees	94,051,537	0	(400,000)	0	93,651,537
Reimbursed Indirect Costs	8,630,000	0	1,000,000	0	9,630,000
Sales and Services	262,000	0	0	0	262,000
Other Income	1,268,000	0	0	0	1,268,000
TOTAL REVENUES	\$380,532,823	(\$1,320,567)	\$1,053,245	\$200,000	\$380,465,501

Iowa State University's portion of the deappropriation was \$1.3 million. The University decreased the number of teaching assistants available to support faculty and students and reduced the number of staff available to provide laboratory assistance and support to faculty in their teaching role. The development of web-based formats for on campus and distance education classes were delayed. Fewer improvements to teaching equipment were made during this fiscal year. In isolated areas, class sizes for the spring semester were increased to accomplish the teaching needed with fewer temporary faculty.

Iowa State University had a budget ceiling adjustment of \$1.1 million. General University revenues increased by \$700,000 and ISU used these additional funds to address high priority needs in the technology and building repair categories. Agriculture and Home Economic Experiment Station had increased federal revenues of \$269,671 and Cooperative Extension Service increase was \$83,574. ISU used these additional funds for supplies and services.

	Revised Budget	Actual	Variance Over/(Under)	Percent
REVENUES				
APPROPRIATIONS				
General	\$262,026,484	\$262,026,485	\$1	100.0%
Other	200,000	200,000	\$0	100.0%
RESOURCES				
Federal Support	12,352,480	12,352,480	\$0	100.0%
Interest	1,075,000	1,149,661	\$74,661	106.9%
Tuition and Fees	93,651,537	93,251,187	(\$400,350)	99.6%
Reimbursed Indirect Costs	9,630,000	9,873,618	\$243,618	102.5%
Sales and Services	262,000	263,290	\$1,290	100.5%
Other Income	1,268,000	1,334,265	\$66,265	105.2%
TOTAL REVENUES	\$380,465,501	\$380,450,986	(\$14,515)	100.0%
EXPENDITURES				
Salaries	\$283,646,708	\$285,186,051	\$1,539,343	100.5%
Prof. /Scientific Supplies	37,996,595	37,502,066	(494,529)	98.7%
Library Acquisitions	6,929,261	6,967,701	38,440	100.6%
Rentals	1,128,067	1,098,656	(29,411)	97.4%
Utilities	17,516,057	17,918,030	401,973	102.3%
Building Repairs	8,405,092	9,864,266	1,459,174	117.4%
Auditor of State	462,314	262,646	(199,668)	56.8%
Equipment	7,396,958	6,776,330	(620,628)	91.6%
Aid to Individuals	16,984,449	15,093,065	(1,891,384)	88.9%
TOTAL EXPENDITURES	\$380,465,501	\$380,668,811	\$203,310	100.1%

COMPARISON OF FY 2000 REVISED BUDGET TO ACTUAL – GENERAL FUND

Iowa State University has six appropriation units that make up the general operating fund. They are: 1) General University; 2) Plant Sciences; 3) IPRT; 4) Agriculture Experiment Station; 5) Cooperative Extension; and 6) Special Purpose.

The General University appropriation unit revenue sources provide the funding for the general education of students.

Actual FY 2000 total general operating fund revenues were \$380.5 million (100.0% of revised budget) and expenses were \$380.7 million (100.1% of revised budget). General University revenues and expenditures were 100% of the budget as revised by the \$1.1 million mid-year deappropriation and the \$700,000 budget ceiling adjustment approved in May 2000.

Salaries were slightly over budget at 100.9% due to hiring of over 100 new faculty to replace retiring faculty. Student financial aid was at 88.9% of budget due to an accounting anomaly, resulting in some of the expenditures being reported with the restricted fund scholarships.

Iowa State University's remaining appropriation units (not General University) are as follows:

- Special purpose revenues were 97.0% of budget.
- Plant Sciences and IPRT revenues were equal to budget.
- Agriculture Experiment Station revenues were 99.99% of budget;
- Cooperative Extension revenues were 99.98% of budget; and

STRATEGIC PLANNING INITIATIVES

In FY 2000, through new appropriations, non-appropriated revenue increases, and reallocated funds, Iowa State University was able to direct \$16.0 million toward its strategic planning goals as outlined below.

GOAL 1: Undergraduate Education		\$6,188,188
Student Aid Set-Aside	942,641	
Instructional Support	1,654,264	
Learning Communities	500,000	
Building and Utility Systems Repair/Heating Modernization	342,436	
Enrollment Services Strategic Initiatives	390,840	
Refocused/Redirected Faculty/Staff Disciplinary Effort	781,021	
Recruitment, Retention, Advising, Scholarship Support	663,271	
Strategic Initiatives (Pending Commitments)	518,827	
Other	394,888	
GOAL 2: Graduate Education and Research		5,114,226
Center of Excellence in Fundamental Plant Sciences	2,200,000	
Faculty/Staff Support	1,526,829	
Graduate Assistant Tuition Scholarships	350,000	
Building and Utility Systems Repair/Heating Modernization	340,000	
Other	697,397	
GOAL 3: Outreach and Extension		1,818,180
"Extension 21"	300,000	
Pesticide Applicator Training Program	200,000	
Refocused/Redirected Faculty/Staff Disciplinary Effort	239,523	
Faculty and P&S Staff Support for Outreach Effort	572,093	
Building and Utility Systems Repair/Heating Modernization	110,000	
Other	396,564	
GOAL 4: Stimulating and Supportive Environment		767,330
Building and Utility Systems Repair/Heating Modernization	240,220	
Flexibility/Responsiveness in Student Services	143,361	
Other	383,749	
GOAL 5: Information Technology		1,719,968
Computational Science and Engineering	200,000	
Academic Information Technology	500,000	
Refocused/Redirected Faculty/Staff Disciplinary Effort	115,255	
Support for Technology Initiatives	485,916	
Centralized Accounts Payable Services	295,000	
Other	123,797	
GOAL 6: Economic Development/Env. Stewardship		432,501
Faculty/Staff Support for Economic Development	410,285	
Other	<u>22,216</u>	
TOTAL		\$16,040,393

NEW APPROPRIATIONS

Iowa State University used new state appropriations for the following:

Salary Funding		\$10,488,821
Institutional Initiative Funding		
Center of Excellence for Fundamental Plant Sciences	2,200,000	
Extension 21	300,000	
		<u>2,500,000</u>
Total		\$12,988,821

FY 2000 salary adjustment funding of \$10.5 million was expended to fund compensation increases in line with the state salary policy.

The funding for the Plant Sciences Institute provided critical infrastructure that positioned it to become one of the major global centers of excellence in fundamental and applied plant sciences. It has been able to retain two critical plant science faculty members who have attracted over \$3.0 million in federal competitive grants. The Plant Sciences Institute sponsored several scientific forums in FY 2000, including a Genetically Modified Organisms conference, a Plant Science Institute symposium, and several plant sciences-related seminars on campus.

The university funded three projects of \$100,000 each within the "Extension 21" appropriation:

1. North East Iowa Dairy Program;
2. College of Design economic development project; and
3. Value-added Agriculture technical support via campus and field staff.

The information technology funding was used to support a joint effort between Iowa State University and the University of Iowa to connect the vBNS (very high speed Backbone Network Service), also known as Internet II.

NEW TUITION REVENUES \$5,069,120

The University allocated new tuition revenues in relationship to the University's strategic plans as follows:

Mandatory Costs

Utility Increases	\$48,402
Facility and Equipment Maintenance	70,280
Space Rental and Property Insurance Premiums	119,800
Taxpayer Relief Act	30,700
Purchasing, Treasurer Functions, State Offset/Collections	12,160
Opening New Buildings	187,526
Federal Regulations and Disadvantaged Student Billing	2,000
Library Materials Inflation	320,000
Accommodation of Students with Disabilities	50,000
Student Transcripts and International Admissions	132,954
Perkins Loan Program	2,013
Touch-tone Registration	23,500
Miscellaneous	271,694
#1 Undergraduate Education	
Student Aid/Scholarships	1,082,481
Enrollment-Based Allocation/Instructional Support	359,000
Learning Communities	100,000
Library Acquisitions	187,500
Building Repair	120,000
Minority Student Recruitment and Retention	343,049
#2 Graduate Education and Research	
Computational Science and Engineering	200,000
Library Acquisitions	187,500
Graduate Assistant Tuition Scholarships	300,000
Building Repair	120,000
#4 Stimulating and Supportive Environment	
Building Repair	240,000
#5 Information Technology	
Computational Science and Engineering	200,000
Academic Information Technology	<u>358,561</u>
Total	<u>\$5,069,120</u>

To keep pace with rising tuition and to maintain the goal of 11% set aside as a percentage of tuition income, ISU increased student financial aid by \$1.1 million. The University achieved a 16% ratio in FY 2000.

REALLOCATIONS

Actual FY 2000 programmatic and salary improvement reallocations for Iowa State University of approximately \$9.5 million were consistent with those reported in the final budget. The reallocations were instrumental in implementing strategic planning initiatives that improved effectiveness and provided greater efficiencies.

EFFICIENCY AND EFFECTIVENESS

In FY 2000, Iowa State University identified many examples of how it utilized existing financial resources efficiently and effectively including re-engineering processes to improve efficiency and effectiveness in accordance with the Board's strategic plan. Below are selected highlights:

ISU completed its new strategic plan for 2000-2005. The plan: "Becoming the Best Land-Grant University – Strategic Plan for 2000-2005: Pursuing Excellence as Iowa's Engaged Land-Grant University" received Regents' approval.

The entire University aggressively pursued Y2K compliance initiatives within existing resources and conducted a seamless transition for the date rollover. The University did not experience any interruptions.

With a major infusion of new state appropriations, Iowa State University proceeded forward and created the Plant Sciences Institute with various constituent research centers.

ISU undertook the phased implementation of its Residence Hall master plan. With the opening and full occupancy of the renovated Maple Hall, the construction of the first phase of Hawthorne Court apartments was completed.

ISU was highly successful in its recruitment and retention efforts using existing resources during FY 2000 that led to a record enrollment of 26,845 students in fall 2000 representing an increase of 735 students or 2.8% over last year.

The first phase of the new Engineering Teaching and Research Complex - Howe Hall, was completed and occupied. It provided students access to and use of new technologically equipped learning facilities as well as research facilities for the faculty. In addition, Kocinski Auditorium in the College of Design, a well-equipped auditorium facility, was completed and put in operation.

With major leadership from Iowa State University, a collaborative initiative involving the Regent universities and other institutions in the region led to the creation of the Des Moines Higher Education Center.

ISU set a new record in sponsored funding—in excess of \$211 million (exceeding the annual goal of \$200 million), which represents a 6% increase over FY 1999, and establishes a new benchmark for aggressive and entrepreneurial sponsored funding initiatives.

The Iowa State University Foundation set a new record in fund raising for FY 2000—nearly \$192 million in receipts and commitments—toward the completion of the major capital campaign initiative, Campaign Destiny. A total of \$458.6 million was raised, exceeding the campaign goal of \$425 million.

**Iowa State University - Restricted Fund
FY 2000**

	Budget	Actual	Variance Over/(Under)	Percent
REVENUES				
APPROPRIATIONS				
Capital	\$9,163,000	\$5,900,259	(\$3,262,741)	64.4%
Tuition Replacement	11,359,817	11,361,395	1,578	100.0%
Technology	39,500	39,500	0	100.0%
RESOURCES				
Federal Support	81,756,887	89,686,630	7,929,743	109.7%
Interest	4,298,041	3,970,952	(327,089)	92.4%
Tuition and Fees	4,814,308	5,360,384	546,076	111.3%
Reimbursed Indirect Costs	2,837,250	3,344,125	506,875	117.9%
Sales and Services	17,496,382	18,788,105	1,291,723	107.4%
Other Income	236,536,554	257,011,730	20,475,176	108.7%
TOTAL REVENUES	\$368,301,739	\$395,463,080	\$27,161,341	107.4%
EXPENDITURES				
Salaries	\$125,294,082	\$126,891,281	\$1,597,199	101.3%
Prof./Scientific Supplies	129,869,112	127,395,522	(2,473,590)	98.1%
Utilities	6,330,483	6,387,216	56,733	100.9%
Building Repairs	6,500,000	12,091,294	5,591,294	186.0%
Equipment	10,255,447	10,732,933	477,486	104.7%
Aid to Individuals	25,174,001	26,171,637	997,636	104.0%
Debt Service	19,878,614	19,798,538	(80,076)	99.6%
Plant Capital	45,000,000	52,831,813	7,831,813	117.4%
TOTAL EXPENDITURES	\$368,301,739	\$382,300,234	\$13,998,495	103.8%

COMPARISON OF BUDGET TO ACTUAL - RESTRICTED FUND

Restricted funds at Iowa State University include such revenue sources and expenditures related to its sponsored programs, auxiliary enterprise functions, independent operations, bonding activities, and capital projects.

Drawdowns of capital appropriations were less than the budgeted appropriation because construction on Phase II of the Engineering Teaching and Research Center was delayed.

Federally-sponsored contracts and grants increased 20% over the previous year. While some of these awards will be received as cash in future periods, a significant amount of funding was realized in FY 2000.

The sales and services revenue variance is primarily in the Academic Information and Technology Center, which sells computer products and services to faculty and students.

The increase in Other Income is primarily due to Plant Fund related activities that are difficult to estimate in the budget development process.

REGENT TECHNOLOGY INITIATIVES

Iowa State University's portion of the supplemental technology appropriation was \$39,500. The funding was used to support a joint effort between Iowa State University and the University of Iowa to connect to the vBNS (very high speed Backbone Network Service); also known as Internet II.

The connection to the vBNS was enabled by a competitive process of the National Science Foundation that allowed such connections. The purpose of the vBNS is to facilitate and enable the development and deployment of advanced applications for research and education. The funds were used to cover the monthly communication lines, network connection fees, and support equipment.

RESIDENCE SYSTEM AND INTERCOLLEGIATE ATHLETICS

The following tables compare residence system and athletic budgeted revenues and expenditures with actual revenues and expenditures and identify the variances.

	Residence System		Variance	
	<u>Budget</u>	<u>Actual</u>	<u>Over/(Under)</u>	<u>Percent</u>
Receipts	\$38,922,477	\$41,596,554	\$2,674,077	106.9%
Disbursements	31,428,127	29,808,355	(1,619,772)	94.8%

Interest and other income were higher than budget, while salaries were less than budget.

	Intercollegiate Athletics		Variance	
	<u>Budget</u>	<u>Actual</u>	<u>Over/(Under)</u>	<u>Percent</u>
Receipts	\$17,613,693	\$19,569,218	\$1,955,525	111.1%
Disbursements	17,613,693	19,569,218	1,955,525	111.1%

Big 12 conference, advance ticket, and corporate sponsorship revenues were higher than budget. These were offset with necessary accounting entries of the advanced ticket sales.

Attachment C
UNIVERSITY OF NORTHERN IOWA
FY 2000 General Fund

	Original Budget	Mid-Year Deapprop.	Budget Ceiling Adjustment	Revised Budget
REVENUES				
APPROPRIATIONS				
General	\$88,943,577	(\$446,351)	0	\$88,497,226
RESOURCES				
Interest	300,000	0	283,000	583,000
Tuition and Fees	33,045,937	0	1,267,000	34,312,937
Reimbursed Indirect Costs	900,000	0	450,000	1,350,000
Sales and Services	625,000	0	0	625,000
TOTAL REVENUES	\$123,814,514	(\$446,351)	\$2,000,000	\$125,368,163

The University of Northern Iowa's portion of the deappropriation was \$446,351. The University delayed searches and used savings from vacancies created by academic retirements to meet this budget reduction.

UNI had a budget ceiling adjustment of \$2.0 million. The University experienced record enrollments, which account for much of the budget ceiling increase.

	Revised Budget	Actual	Variance Over/(Under)	Percent
REVENUES				
APPROPRIATIONS				
General	\$88,497,226	\$88,497,226	\$0	100.0%
RESOURCES				
Interest	583,000	474,956	(108,044)	81.5%
Tuition and Fees	34,312,937	34,170,521	(142,416)	99.6%
Reimbursed Indirect Costs	1,350,000	1,279,631	(70,369)	94.8%
Sales and Services	625,000	612,684	(12,316)	98.0%
TOTAL REVENUES	\$125,368,163	\$125,035,018	(\$333,145)	99.7%
EXPENDITURES				
Salaries	\$96,623,453	\$96,917,749	\$294,296	100.3%
Prof. /Scientific Supplies	12,114,923	10,997,555	(1,117,368)	90.8%
Library Acquisitions	1,773,650	1,904,775	131,125	107.4%
Rentals	722,000	712,765	(9,235)	98.7%
Utilities	2,444,545	2,605,033	160,488	106.6%
Building Repairs	2,050,000	1,819,021	(230,979)	88.7%
Auditor of State	135,000	113,864	(21,136)	84.3%
Equipment	2,544,417	2,824,344	279,927	111.0%
Aid to Individuals	6,960,175	7,139,912	179,737	102.6%
TOTAL EXPENDITURES	\$125,368,163	\$125,035,018	(\$333,145)	99.7%

COMPARISON OF FY 2000 REVISED BUDGET TO ACTUAL – GENERAL OPERATING FUND

The University of Northern Iowa has four appropriation units that make up the general operating fund. They are: 1) General University; 2) Institute for Decision Making; 3) Recycling and Reuse Technology Transfer Center; and 4) Industrial Technology Metal Casting.

The General University appropriation unit revenue sources provide the funding for the general education of students.

Actual FY 2000 total general operating fund revenues and expenditures were \$125.0 million (99.7% of revised budget). General University revenues were 99.7% of the budget as revised by the \$2.0 million budget ceiling request approved in May 2000.

Salary expenditures were slightly over the revised budget. Building repair funds were not fully expended to offset the over commitment in utilities.

Library materials, equipment, and student aid were over budget. To offset these expenditures, professional and scientific supplies were under budget.

UNI's remaining appropriation units were equal to budget.

STRATEGIC PLANNING INITIATIVES

In FY 2000, new revenues and internal reallocations of \$9.1 million enabled the University of Northern Iowa to advance toward its strategic planning goals.

Goal #1: Promote and Maintain Intellectual Vitality - \$2,696,151

The University of Northern Iowa's intellectual vitality efforts provide curricula and related learning activities, programming, and recreational activities for all members of the university community, and faculty recruitment and development. Examples of major initiatives undertaken this year included:

- \$987,775 for creating curricular learning activity;
- \$390,000 for improving undergraduate education; and
- \$300,000 for developing the Masters in Social Work program.

Goal #2: Community - Caring, Diverse, and Ethical - \$977,786

This University goal strives to: promote collegiality, professionalism, and mutual respect; create and nurture a diverse community; improve governance and decision-making; and promote personal well-being. Examples of the community goal include:

- \$381,386 for improving university governance; and
- \$270,000 for student financial aid.

Goal #3: Optimize Resources - Internal and External - \$6,128,536

This goal seeks to develop faculty and staff, optimize acquisition and use of resources, provide a supportive physical environment, and ensure information accessibility. Funding examples were directed as follows:

- \$4,077,983 for salaries and fringe benefit increases;
- \$668,089 for optimizing acquisition and utilization of resources; and
- \$573,873 for enhancing quality and productivity of staff.

Goal #4: External Relations - \$149,654

The University used \$99,654 to create a coordinated, comprehensive communication plan and \$50,000 for institutional promotion.

NEW APPROPRIATIONS

The University of Northern Iowa used new state appropriations as follows:

Salary Funding		\$4,077,983
Institutional Initiatives		
Opening Performing Arts Center	140,000	
Masters in Social Work	300,000	
Improving Undergraduate Education	390,000	
Institute for Decision Making	37,500	
		<u>867,500</u>
Total		\$4,945,483

FY 2000 salary adjustment funding from the state of \$4.1 million provided for implementation of the state salary policy.

The funding for the Performing Arts Center provided three additional custodial positions and an area maintenance mechanic. Funds were also allocated for utilities, supplies and services, and equipment for the first one-half year of operations of the Center.

The funding for the Masters in Social Work (MSW) was used to hire three new faculty members, graduate assistants, and a clerical person. In addition, funds were used for supplies and equipment. This represents one-half of the total appropriation requested to successfully graduate students with the MSW degree from UNI.

The Improving Undergraduate Education funds contributed to an enhanced learning environment by providing support for increased faculty/staff/student interaction, the First Year Experience initiative, honors program development, and improved laboratories, studios, and equipment.

NEW TUITION REVENUES \$2,690,000

The University engaged in an extensive campus-wide budget process to allocate new tuition revenues in relationship to the University's strategic plans as follows:

Life-cycle Academic Equipment Fund	\$150,000
Supplies and Services Inflation	139,800
Instructional Support for HPELS	60,000
Coaching Support for Athletics	20,000
Performing Arts Center Staff Support	200,000
Student Financial Aid	790,000
Diversity Initiatives	35,000
Professional and Scientific Council	1,200
Staffing Support for the Wellness Recreation Center	90,000
Employee Assistance Program	32,000
Life-cycle Administration and Finance Equipment Fund	42,000
Architectural Planner, Facilities Planning	50,000
Administrative System Software	145,000
ESS Technology Coordinator	60,000
Information Technology Services Infrastructure	78,000
Institutional Promotion	50,000
Equipment	700,000
Supplies and Services	47,000
Total	\$2,690,000

To keep pace with rising tuition rates and the University's commitment to fund scholarships and fellowships, \$790,000 of new revenue was earmarked for student financial aid to maintain the goal of 19% set aside as a percentage of tuition income. The University achieved a 20.9% ratio in FY 2000.

REALLOCATIONS

Actual FY 2000 programmatic and salary improvement reallocations for the University of Northern Iowa of approximately \$3.6 million were consistent with those reported in the final budget. The reallocations were instrumental in implementing strategic planning initiatives that improved effectiveness and provided greater efficiencies.

EFFICIENCY AND EFFECTIVENESS

The university identified examples of initiatives during FY 2000 that were designed to increase efficiency and effectiveness and improve customer services; four have been described below.

The University purchased Oracle web-based applications software to replace the core mainframe systems that included general ledger, purchasing, accounts payable, cash management, non-student accounts receivable, fixed assets, stores inventory, grants and contracts administration, projects, budget development, human resources and payroll. The first phase of application implementation is scheduled for completion July 1, 2001. This campus-wide initiative will provide decision-makers better access to information, less duplication of effort, and more timely information. As part of the implementation process, the university is engaged in business process reviews that should streamline business practices and improve operating efficiencies.

University Human Resource Services (HRS) improved its effectiveness and efficiency through the establishment of an Employee Assistance Program (EAP). The program assists in identifying and responding to personal issues that may affect employee performance and workplace issues. The EAP provides employees easy user-friendly access to confidential, professional consultation and referral for problems affecting job performance.

The University re-engineered the relationship between the College of Education's School of Health, Physical Education and Leisure Services (HPELS) and Intercollegiate Athletics. This new relationship provides the opportunity for HPELS to offer more required activity and/or personal wellness laboratory sections for students and Athletics provides the sports theory and fundamentals of coaching courses.

The Office of Admissions is making a concerted effort to increase the number of minority and international students on campus. During FY 2000 funds were directed to an international recruiter, travel to recruit both populations of students, and scholarship money to enhance recruitment. As a result of this effort, for fall 2000, the number of minority students rose 13.5% to a total of 4.84% of the student population, an increase of .5%. The number of international students rose 9.7% to a total of 2.46% of the student population.

**University of Northern Iowa – Restricted Fund
FY 2000**

	Budget	Actual	Variance Over/(Under)	Percent
REVENUES				
APPROPRIATIONS				
Capital	\$3,214,000	\$6,360,612	\$3,146,612	197.9%
Tuition Replacement	4,628,950	4,626,946	(2,004)	100.0%
Technology	19,800	19,800	0	100.0%
RESOURCES				
Federal Support	14,841,750	15,411,603	569,853	103.8%
Interest	2,500,000	2,331,850	(168,150)	93.3%
Tuition and Fees	6,900,000	7,501,479	601,479	108.7%
Sales and Services	34,212,773	52,890,051	18,677,278	154.6%
Other Income	18,735,000	34,853,161	16,118,161	186.0%
TOTAL REVENUES	\$85,052,273	\$123,995,502	\$38,943,229	145.8%
EXPENDITURES				
Salaries	\$26,110,000	\$27,343,069	1,233,069	104.7%
Prof. /Scientific Supplies	30,719,150	36,146,333	5,427,183	117.7%
Library Acquisitions	3,000	3,438	438	114.6%
Rentals	565,600	672,823	107,223	119.0%
Utilities	2,247,158	2,062,984	(184,174)	91.8%
Building Repairs	2,247,235	7,629,400	5,382,165	339.5%
Equipment	3,305,455	3,172,603	(132,852)	96.0%
Aid to Individuals	8,466,000	8,833,656	367,656	104.3%
Plant Capital	8,154,875	8,077,245	(77,630)	99.0%
Debt Service	3,214,000	14,259,898	11,045,898	443.7%
TOTAL EXPENDITURES	\$85,032,473	\$108,201,449	\$ 23,168,976	127.2%

COMPARISON OF BUDGET TO ACTUAL - RESTRICTED FUND

Restricted funds at the University of Northern Iowa include such revenue sources as capital and tuition replacement appropriations, federal support, and sales and services. Other university activities within this fund include the residence system, intercollegiate athletics, and plant funds.

Drawdowns of capital appropriations were greater than the budgeted appropriation because of construction progress on Lang Hall, for which appropriations were budgeted in prior years.

The greatest variances resulted from extensive building repairs and progress on capital projects.

Sponsored project activity remained relatively stable. The largest share of Federal sponsored activity came from the following grants: Camp Adventure, ORAVA Project, U.S. Grown Ag-Based Lubricant Research, Playground Safety Program, Small Business Pollution Prevention Center, Paint Coating Compliance Enhancement, DODD's Project, Educational Talent Search, Upward Bound, Math/Science Upward Bound, Educational Opportunity Center, and Technology and Quality Education.

Sales and services revenue was more than budget partially due to the casualty reimbursement for the UNI Dome roof.

Bond proceeds were greater than originally expected resulting in Other Income being higher than budget.

Auxiliaries functions including Residence System, Intercollegiate Athletics, Maucker Union, UNI-Dome Operations, and the Gallagher-Bluedorn Performing Arts Center operated in line with Board-approved budgets.

The following tables compare residence system and athletic budgeted revenues and expenditures with actual revenues and expenditures and identify the variances.

Residence System				
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>	<u>Percent</u>
Receipts	\$19,942,457	\$20,851,136	\$908,679	104.6%
Disbursements	16,953,961	16,460,825	(493,136)	97.1%

Dining service receipts and investment income were higher than budget, while dining service expenses and resident scholarships were less than budget.

Intercollegiate Athletics				
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>	<u>Percent</u>
Receipts	\$5,607,534	\$5,698,009	\$90,475	101.6%
Disbursements	5,607,534	5,927,043	319,509	105.7%

General fund support increased by \$489,525. The majority of this increase (\$315,000) was for diversity scholarships and the remaining increase was for salary adjustments.

Attachment D
IOWA SCHOOL FOR THE DEAF
FY 2000 General Fund

	Original Budget	Mid-Year Deapprop.	Budget Ceiling Adjustment	Revised Budget
REVENUES				
APPROPRIATIONS				
General	\$7,976,998	(\$40,631)		\$7,936,367
Other (DOE Funds)	119,411		5,545	124,956
RESOURCES				
Federal Support	64,000			64,000
Interest	38,000		15,000	53,000
Sales and Services	225,000		23,625	248,625
TOTAL REVENUES	\$8,423,409	(\$40,631)	\$44,170	\$8,426,948

The Iowa School for the Deaf's portion of the deappropriation was \$40,631. The deappropriation was offset by increased revenues.

ISD had a budget ceiling adjustment of \$44,170. ISD experienced increased Phase III funding, interest income, interpreter receipts, and a one-time payment for the sale of real estate.

	Revised Budget	Actual	Variance Over/(Under)	Percent
REVENUES				
APPROPRIATIONS				
General	\$7,936,367	\$7,936,367	\$0	100.0%
Other (DOE Funds)	124,956	124,956	0	100.0%
RESOURCES				
Federal Support	64,000	67,627	3,627	105.7%
Interest	53,000	36,845	(16,155)	69.5%
Sales and Services	248,625	242,557	(6,068)	97.6%
TOTAL REVENUES	\$8,426,948	\$8,408,352	(\$18,596)	99.8%
EXPENDITURES				
Salaries	\$6,603,471	\$6,420,187	(\$183,284)	97.2%
Prof. /Scientific Supplies	938,667	965,913	\$27,246	102.9%
Library Acquisitions	8,226	6,998	(\$1,228)	85.1%
Utilities	174,760	195,532	\$20,772	111.9%
Building Repairs	446,994	639,727	\$192,733	143.1%
Auditor of State	55,000	50,629	(\$4,371)	92.1%
Equipment	199,830	129,367	(\$70,463)	64.7%
TOTAL EXPENDITURES	\$8,426,948	\$8,408,353	(\$18,596)	99.8%

COMPARISON OF FY 2000 REVISED BUDGET TO ACTUAL – GENERAL FUND

Actual general fund revenues and overall general fund expenditures were consistent with the budget (99.8%) as revised by the \$44,170 budget ceiling request approved by the Board in May 2000.

- Salary costs were 97.2% of the budgeted amount.
 - ISD's Assistant to the Superintendent position was vacant most of the fiscal year and recently has been filled.
 - ISD anticipates that all of the FY 2001 salary budget will be utilized in meeting its salary expenditures.
 - FY 2000 salary savings were primarily used for increased utility costs and building repairs such as fire safety (door replacements), asbestos abatement, painting, and electrical work.
- Utilities increased 12% over the original FY 2000 budget due to higher than anticipated natural gas prices.
- Equipment expenditures were 35% lower than the budgeted amount because much of the equipment purchased was less than \$500 and therefore classified as supplies.

STRATEGIC PLANNING INITIATIVES

In FY 2000, through new appropriations and reallocation of existing funds, the Iowa School for the Deaf directed \$402,743 of these resources toward its strategic planning goals.

The initiatives in FY 2000 included improving facilities, expanding technology, and providing appropriate staff development.

Improving Facilities

- Removing and abating all facility health hazards;
- Upgrading residential and academic facilities; and
- Beginning construction of the Recreation Center.

Expanding Technology

- Improving vocational instructional labs; and
- Enhancing Vocational Technology with the purchase of a computer-enhanced paint booth for the auto-body area.

Providing Appropriate Staff Development

- Providing considerable resources for faculty in-service including technology support and training.

NEW APPROPRIATIONS

FY 2000 salary adjustment funding from the state of \$239,837 provided for implementation of the state salary policy. In addition, ISD received funding of \$109,606 for three additional faculty. These additional staff members have helped ISD meet its strategic goal regarding quality education during a period of increasing enrollment.

ISD received an appropriation of \$159,603 for inflation, building repairs, and vocational equipment/supplies. Equipment and related software were purchased for the Vocational Education area. This included the computer-assisted paint booth and related equipment and supplies.

REALLOCATIONS

In FY 2000, the Iowa School for the Deaf reallocated \$169,800.

- ISD recognized salary savings due to unfilled vacancies in faculty and staff. One position created by a retirement was filled with staff at lower salary costs.
- Savings were reallocated to purchase doors which meet State Fire Marshal requirements as cited in the most recent State Fire Marshall Report. In addition, savings were reallocated to the Recreation Complex building project.

EFFICIENCY AND EFFECTIVENESS

The Iowa School for the Deaf increased efficiencies during FY 2000 by reallocating existing resources to more effectively utilize funds.

ISD continues its cooperative relationship with Iowa State University and the University of Iowa.

- ISU provides resources and expertise for purchasing, facilities planning and management, asbestos management, campus security, transportation and environmental health and safety.
- SUI provides internal audit functions to the School.

ISD implemented a new computerized, student record system resulting in better records that are more efficient to use.

ISD expanded to campus-wide electronic mail capability with the Year 2000 computer upgrades allowing staff to use time more effectively.

ISD utilized salary savings to upgrade technology in the classrooms per the School's Technology Plan and to replace doors. By utilizing these reallocated funds, ISD has reduced the backlog of deferred maintenance and reduced deficiency notices from the State Fire Marshal.

**Iowa School for the Deaf - Restricted Fund
FY 2000**

	Budget	Actual	Variance Over/(Under)	Percent
REVENUES				
APPROPRIATIONS				
Capital	\$3,849,200	\$650,000	(\$3,200,000)	16.9%
Technology	800	31,958	31,958	
RESOURCES				
Federal Support	104,058	110,009	5,951	105.7%
Sales and Services	1,192,421	1,128,233	(64,188)	94.6%
Other Income	5,000	380	(4,620)	7.6%
TOTAL REVENUES	\$5,151,479	\$1,920,580	(\$3,230,899)	37.3%
EXPENDITURES				
Salaries	\$518,923	\$465,372	(53,551)	89.7%
Prof./Scientific Supplies	241,909	49,926	(191,983)	20.6%
Library Acquisition	5,000	0	(5,000)	0.0%
Utilities	10,000	0	(10,000)	0.0%
Building Repairs	4,230,084	1,241,194	(2,988,890)	29.3%
Auditor of State	5,000	0	(5,000)	0.0%
Equipment	140,563	33,607	(106,956)	23.9%
TOTAL EXPENDITURES	\$5,151,479	\$1,790,099	(3,361,380)	34.7%

COMPARISON OF BUDGET TO ACTUAL – RESTRICTED FUND

Restricted fund revenues were \$1.9 million (37.3% of budget). This variance is attributed to the timing of the drawdown of capital appropriations for the Recreation Complex. The \$3.2 million appropriated in FY 2000 will not be utilized until FY 2001.

Attachment E
IOWA BRAILLE AND SIGHT SAVING SCHOOL
FY 2000 General Fund

	Original Budget	Mid-Year Deapprop.	Budget Ceiling Adjustment	Revised Budget
REVENUES				
APPROPRIATIONS				
General	\$4,455,283	(\$22,358)		\$4,432,925
Other (DOE Funds)	75,189			75,189
RESOURCES				
Federal Support	133,400			133,400
Interest	18,862			18,862
Reimbursed Indirect Costs	21,096			21,096
Sales and Services	48,165			48,165
TOTAL REVENUES	\$4,751,995	(\$22,358)	\$--	\$4,729,637

Iowa Braille and Sight Saving School's portion of the deappropriation was \$22,358. The School eliminated the vacated Music/Spanish teaching position and contracted for music therapy services through the use of the School's endowment fund.

	Budget	Actual	Variance Over/(Under)	Percent
REVENUES				
APPROPRIATIONS				
General	\$4,432,925	\$4,432,925	\$0	100.0%
Other (DOE Funds)	75,189	69,644	(5,545)	92.6%
RESOURCES				
Federal Support	133,400	101,291	(32,109)	75.9%
Interest	18,862	26,120	7,258	138.5%
Reimbursed Indirect Costs	21,096	26,048	4,952	123.5%
Sales and Services	48,165	67,399	19,234	139.9%
TOTAL REVENUES	\$4,729,637	\$4,723,427	(\$6,210)	99.9%
EXPENDITURES				
Salaries	\$3,797,700	\$3,558,084	(\$239,616)	93.7%
Prof. /Scientific Supplies	550,143	611,310	61,167	111.1%
Library Acquisitions	8,569	8,439	(130)	98.5%
Utilities	152,874	108,071	(44,803)	70.7%
Building Repairs	110,257	154,926	44,669	140.5%
Auditor of State	26,754	22,978	(3,776)	85.9%
Equipment	83,340	259,619	176,279	311.5%
TOTAL EXPENDITURES	\$4,729,637	\$4,723,427	(\$6,210)	99.9%

COMPARISON OF BUDGET TO ACTUAL – GENERAL FUND

Actual general fund revenues and expenditures of \$4.7 million were consistent with the budget (99.9%). Salary expenditures represented 93.7% of the budgeted amount. Savings were attributed to no unemployment claims, difficulty in filling a position vacancy, and elimination of various positions as part of the School's reorganization plan approved by the Board in Spring 2000.

- Department of Education appropriations were less due to declining on-campus enrollment over the past few years.
- Federal support was lower primarily because of two unfilled consultant positions, partially funded with federal grant dollars.
- Interest income experienced better than expected returns.
- Reimbursed indirect costs were higher as a result of increased federal grant funding awards.
- Sales and services were higher, primarily resulting from increased AEA itinerant service billings.

IBSSS realized over \$44,803 in utility savings attributable to the mild winter, as well as increased energy management and housekeeping measures.

The salary and utility savings were used to fund the following:

- University of Alabama vision courses, therapeutic horseback riding and art programs, and the Learning Child Conference;
- Building repair expenditures including tuckpointing and enhancements to the School's cable distribution system; and
- Necessary equipment purchases.

STRATEGIC PLANNING INITIATIVES

The Iowa Braille and Sight Saving School continues to make extensive efforts toward maximizing the use of its limited resources to accomplish its vision. The School utilized \$313,731 of new appropriations and reallocation for strategic planning initiatives. Examples of the many strategic initiatives undertaken in FY 2000 are outlined on the following page.

Goal #1: Quality and Access in Education

Through new appropriations and reallocations, the School was able to focus on:

- Offering a smaller, more focused nine-month residential program;
- Creating alternative placement options including an expanded on-campus summer school and short-term placements;
- Providing parent and professional development programs serving visually impaired students state-wide; and
- Offering and/or enhancing consultative services to students, parents, and professionals state-wide.

The School also continued the following strategic initiatives:

- Programmatic reorganization of constructing units around student needs;
- Outcomes Endorsement (OA) process, targeting student progress as its highest priority;
- Enhanced technology, guided by the School's technology plan;
- Vinton-Shellsburg Community Schools cooperative program allowing students to participate in regular schools part time; and
- Grantwood AEA relationship which provides speech pathology and school psychology services as well as art instruction and therapeutic horseback riding.

Goal #3: Finances

In FY 2000, the School continued to address deferred maintenance such as roof replacements and tuckpointing. Additionally, the School reallocated salary and utility savings toward tuckpointing and enhancements to the school's cable distribution system.

The School received Schools & Libraries Corporation funding (e-rate funding) to purchase a server that enables the school to be at the forefront of the latest networking technology.

Human resource operations were reorganized to improve efficiency and effectiveness.

NEW APPROPRIATIONS

Salary Funding		\$152,041
Institutional Initiative Funding		
Focusing Services	110,000	
Inflation	17,827	
Building Repairs	20,000	
School Technology Funding (Dept. of Education)	<u>15,000</u>	
		<u>162,827</u>
Total		\$314,868

FY 2000 salary adjustment funding from the state of \$152,041 provided for implementation of the state salary policy.

The Focusing Services funding supported the expanded eight-week summer school program, as well as supporting statewide parent and professional development activities.

Inflationary funds were used for library acquisitions of \$918, increased utility funding of \$2,999, and overall inflationary increases of \$13,910.

Building repair funding of \$20,000 was used for general building repair and deferred maintenance.

School technology funding was used to purchase a color network printer for the PC lab, acquisition of 20 Citrix user licenses, 100 antivirus user licenses, and Power Braille 80.

The mid-year deappropriation of \$22,358 resulted in the elimination of the vacated music/Spanish faculty position.

REALLOCATIONS

Actual FY 2000 programmatic reallocations of \$183,731 were consistent with those reported in the final budget. Specifically, salary and utility savings were reallocated toward building repairs, equipment purchases, and contracted services.

EFFICIENCY AND EFFECTIVENESS

The School identified several areas during FY 2000 designed to increase efficiency and effectiveness. Selected examples are listed below:

In March of 2000, the Board approved the reorganization of the Iowa Braille School. The new organizational structure allows the school to more comprehensively serve all students throughout the state.

The internal audit findings from the FY 1999 payroll processing audit prompted the Superintendent to add a HR specialist position to enhance the efficiencies & effectiveness of the School's payroll, personnel, and benefit functions, as well as enhance internal controls in these areas.

IBSSS's strategic plan requires review of the annual alignment of staff to meet the needs of the students and to carry out the initiatives of the school. During FY 2000, the bus routes were reviewed and consolidated. Also, upon the departure of a night-time houseparent, the hours of the remaining five houseparents were increased to enhance overall efficiency and effectiveness of the dormitory during the night-time hours. These staff realignments were in addition to those made as part of the school reorganization.

The purchase of Power Braille 80, a current and unique refreshable Braille device has proven to be very effective. Students attending IBSSS are able to experience and learn about the computer through tactual feedback with the Power Braille 80. The Power Braille 80 has provided students with limited vision, an excellent opportunity to gain access to e-mail, the Internet, and other computer activities through the sense of touch.

Another new technology that the school is taking advantage of is the industry-wide move toward thin-client computing. IBSSS purchased and installed a Citrix Metaframe computing system in FY 2000. This system is at the forefront of the new network-computing model. There are many advantages of this system that play well into the current and future needs of the School.

The Instructional Materials Center (IMC) at the School serves students across the state of Iowa for their instructional and leisure reading materials. The IMC loans resources to students, parents, and/or educators in order to improve the educational programs and activities for students. The circulation of library materials increased 16% over FY 1999. Also, the "Books For Kids" program (which loans Braille & print/Braille picture books to students who are potential or emerging Braille readers) increased its student listing by 45% over FY 1999. This program is a major support for literacy instruction for students who read or who will learn to read Braille.

**Iowa Braille and Sight Saving School - Restricted Fund
FY 2000**

	Budget	Actual	Variance Over/(Under)	Percent
REVENUES				
APPROPRIATIONS				
Capital	\$634,600	\$212,773	(\$421,827)	33.5%
Technology	400	395	(5)	98.8%
RESOURCES				
Federal Support	283,858	403,507	119,649	142.2%
Sales and Services	528,070	549,121	21,051	104.0%
Other Income	441,210	181,683	(259,527)	41.2%
TOTAL REVENUES	\$1,888,138	\$1,347,479	(\$541,037)	71.3%
EXPENDITURES				
Salaries	\$765,005	\$700,521	(64,484)	91.6%
Prof./Scientific Supplies	352,437	241,745	(110,692)	68.6%
Building Repairs	710,000	260,278	(449,722)	36.7%
Equipment	60,696	144,936	84,240	238.8%
TOTAL EXPENDITURES	\$1,888,138	\$1,347,480	(540,658)	71.4%

COMPARISON OF BUDGET TO ACTUAL – RESTRICTED FUND

Restricted fund revenues were \$1.3 million (71.3% of budget). This variance is attributed to the timing of the drawdown of capital appropriations. Other income was under the budget because IBSSS was able to pay for certain operating expenses out of the general fund rather than using the endowment funds as budgeted.