

**The University of Iowa
General Education Fund
FY 2009 Final Budget**

The FY 2009 General Education Fund (GEF) budget is being developed based on the most current information available to inform revenue projections and an expenditure plan guided by The Iowa Promise: A Strategic Plan for the University of Iowa 2005-2010 (the Strategic Plan). All other University of Iowa budgets have been developed simultaneous with the General Education Fund budget and were developed under similar and in most instances identical policies and budget guidelines.

Flooding in June and its consequences will have a definite impact on University budgets in FY 2009. However, the details will not be known for several weeks or months. What follows has not been adjusted based upon the flood and its implications.

GENERAL EDUCATION FUND

A. REVENUE

Revenue Sources

\$553.0 million	FY 2008 GEF Base Budget
\$ 18.2 million	State Appropriation
\$ 16.0 million	Tuition
\$ 1.8 million	Facilities and Administrative Cost Reimbursement
<u>\$.2 million</u>	Interest Income
\$ 36.2 million	Total New Revenue
<u>\$589.2 million</u>	FY 2009 GEF Budget

Appropriations

The University's base General Education Fund support from appropriations in FY 2008 is \$258 million or 46.7% of the University of Iowa's General Education Fund. Among the Regent institutions the University of Iowa's appropriation base is 46.4% of the total appropriations provided to all three Regent institutions' general university budgets.

Based on the appropriation legislation recently passed by the General Assembly, the Regents will receive a salary allocation of \$40.6 million of which the University of Iowa's General Education Fund is being allocated \$18.2 million by the Board Office. All of the budgeting that follows is predicated on this appropriation allotment.

Tuition

Information through May 2008 indicates FY 2008 tuition revenue will be slightly above the original budget (\$252.3 million). Estimated FY 2008 year-end tuition revenue is the base upon which the FY 2009 tuition increases are being applied.

In December 2007, the Board of Regents approved tuition increases for FY 2009 of 3.2% for resident undergraduate and graduate students, and professional student groups and 6.0% for all non-resident undergraduate and graduate students. With level enrollments and a stable resident/non-resident mix, these increases would yield approximately \$11.2 million in new tuition revenue prior to offsets for student financial aid. The interdependence of the University's tuition revenue, enrollment increases and enrollment demands for academic and student support services is fundamental to the budgeting process.

In addition to the base tuition increases, the Board also approved professional school and upper division undergraduate tuition supplements. These supplements will yield approximately \$4.4 million in FY 2009 for corresponding programmatic improvements, prior to offsets funding student financial aid. The funds will be used in accord with the plans given to the Board at the time the tuition supplements were approved.

Facilities and Administrative Cost Reimbursement (Indirect Cost Recoveries)

Information through May 2008 indicates FY 2008 indirect cost recoveries in the General Education Fund may be as much as \$1.3 million higher than the original budget (\$41.4 million). This increase is due to continued success of faculty securing sponsored research support and the new indirect cost rate.

In March 2007, the University negotiated with its cognizant federal agency, The Department of Health and Human Services (HHS), an on-campus indirect cost rate of 50.0%. This new rate, which replaced the 47.5% rate in effect during FY 2007, became effective on July 1, 2007 for all new awards and competitive renewals subsequent to that date. Because the new rate applies only to new awards and competitive renewals, it will take approximately three to four years to realize its full revenue impact.

Beginning in FY 2009, the component of indirect cost recoveries attributable to collegiate and departmental administration within the General Education Fund will be assigned to each individual college. Collegiate and departmental administration within the General Education Fund is currently 17.72% of indirect cost recoveries. This relationship is defined within the approved Facilities and Administrative rate agreement between the University and the HHS Department. In subsequent fiscal years, this component of the collegiate allocation will be adjusted up or down based upon the indirect cost recovery growth derived from each college during the average of the prior three fiscal years.

Interest Income

Information through May 2008 indicates FY 2008 interest income will be slightly higher than the original budget (\$1.2 million). This increase is due to higher than expected interest rates thus far in FY 2008.

B. REALLOCATIONS

In accordance with the Board of Regents guidelines the University must reallocate for strategic initiatives at least 1% (\$5.5 million) of the FY 2008 General Fund budget. However, in order to fully fund faculty and staff salary and fringe benefit increases and to help cover other unavoidable cost increases, the University of Iowa is committing an additional \$1 million in reallocated dollars bringing the total in FY 2009 to \$6.5 million.

Sources of Reallocation

Collegiate and Administrative Units	\$5,530,000
Collegiate Units (Provost Targeted Reallocation)	<u>1,000,000</u>
Total Reallocations	\$6,530,000

The uses of these reallocations are described in Form 1B which is attached for review. Additional reallocation by individual collegiate units and administrative departments may likely occur as well in the course of the budget development.

C. EXPENDITURES

SALARY POLICIES AND FRINGE BENEFITS

The salary policies for faculty and non-bargaining professional and scientific staff are based on the revenue and reallocation assumptions above. Even with the expected salary appropriations, continued reallocations are required to attain average salary increases that are competitive and in accord with the University's strategic goals and meet the higher cost of fringe benefits.

Faculty

Maintaining competitive faculty salaries and paying the concomitant cost of fringe benefits remains the University of Iowa's top academic budget priority in FY 2009. The FY 2009 budget is the fourth year of a recovery plan supported by reallocations, tuition revenue and state appropriations.

The FY 2009 faculty salary increment targets range between 3.75% and 4.40%, varying across colleges, with an overall average target increase of 4.0%. The increments and the cost of fringe benefit increases will be awarded on July 1, 2008. FY 2009 marks the third year for differential collegiate faculty salary targets. This effort has allowed several colleges that generate higher than average net revenue contributions toward the General Education Fund to address serious faculty salary issues.

The University's aspiration is that the FY 2009 salary policy for faculty will at least maintain the average salary ranking for full-time tenured and tenure-track faculty. For all departments except clinical medicine, the average faculty salary ranks 8th in the peer

group (11 institutions) and 6th among Big Ten public institutions (10 institutions), compared to 11th in the peer group and 9th in the Big Ten when the vitality effort began. Actual progress will depend on both University of Iowa salary increases and on increases for peer institution faculty salaries.

The Carver College of Medicine will continue to pursue the strategic goal of moving clinical faculty salaries to the median of the American Association of Medical Colleges. In FY 2005, FY 2006 and FY 2007 clinical faculty salary averages were at the 38th, 40th and 41st percentile respectively.

Non-Bargaining Professional and Scientific (P&S) Staff

The University of Iowa has 7,100 (FTE) professional and scientific staff of which 2,400 are covered under the SEIU bargaining agreement.

Funds equal to 4% of non-bargaining P&S staff salaries plus increased fringe benefit costs will be allocated to General Education Fund supported budgetary units. The average salary increase policy for non-bargaining P&S staff salaries for each college, vice presidential unit, and other major administrative units is between 4.0% and 5.5%, regardless of source of funds. This flexibility is essential for resolving comparable worth/pay equity concerns, compression problems, market adjustments or other special needs.

Salary increments to individuals will be distributed differentially on the basis of performance.

Collective Bargaining Units

The University will fully implement the terms and attendant costs of all collective bargaining agreements which are specified in the “Unavoidable or Essential Cost Increases” section of this report.

Salary and wage costs in percentage increase terms for each of the relevant agreements are as follows:

	<u>FTE</u>	<u>General Fund</u>	<u>FTE</u>	<u>Total UI</u>
AFSCME/Merit staff	1,300	4.37%	5,100	5.03%
COGS (graduate assistants) (1)	1,700	3.80%	2,700	3.80%
SEIU (health care workers)	-	-	2,400	5.03%

(1) Combined increase for stipend and scholarship. FTE for graduate assistants is defined as 50% time (HTE).

Fringe Benefit Rates

In March 2008, the University completed negotiations with the Federal Department of Health and Human Services which established FY 2009 fringe benefit rates for each employee category. This includes a specific, predetermined rate for each of the eleven classes of faculty and staff. The rates have changed from year to year based upon increasing costs and the projection model required by the federal government. FY 2009 fringe benefit rates are as follows:

Clinical Faculty	24.00%
Non-Clinical Faculty	29.30%
Professional & Scientific (incl. SEIU)	38.00%
Merit Staff	53.00%
House Staff	9.25%
Graduate Assistants	19.00%
Post Docs	19.00%
Fellowships	10.70%
Temporary	9.40%
Bi-Weekly Students	3.00%
Miscellaneous & Extra Compensation	4.60%

These rates are applied to salaries as they are paid to fund the employer’s share of fringe benefit costs. The rates for the University’s 4,400 Merit System Staff who bargain collectively are based upon benefits determined by the state through its bargaining process with AFSCME.

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Beginning January 1, 2009 the University’s flex benefit plans for faculty and non-bargaining staff will be amended. Details of these changes will be presented concurrent with the University’s budget information and requests to the Board for approval of the FY 2009 General Education Fund budget. For the May meeting the University provided the Board Office the overall principles and identified areas where faculty and professional staff benefit plans may change. Life and disability benefits for AFSCME covered employees and all benefits for SEIU covered health care employees are provided through the University’s benefit plans and are identical to benefits provided to faculty and non-bargaining professional staff.

Development of benefit plan details is now underway through the Human Resources and Finance Offices and the internal governance processes at the University. A flexible benefits structure created by the University twenty years ago will remain, but design and allocation of credits is being reconsidered. The two basic choices for health plans (CHIP II and UI CHOICE) will not change.

The principles used in development and management of the University's fringe benefit system are listed below.

Benefit System Guiding Principles

Institution Perspective

1. Overall system results in stabilization of fringe benefit rates charged to departments.
2. Value driven in organizational health benefit design (e.g.: generic drug program design).
3. Supports UI as a healthcare provider.
4. Reflects health as an investment in productivity and excellence and not solely as a cost.
5. Fringe benefit charges meet health insurance reserve obligation and maintain operating accounts without deficits.
6. Distribution of benefit credits to individual employees should be fair and reflective of other competitive employers.

Employee Perspective

1. Perceived by a majority of employees as equitable and fair.
2. Promotes flexibility and choice for employees in responding to their health care and insurance needs as an individual.
3. Perceived by a majority of potential and current employees as competitive, relative to both big 10 peers and large area employers.
4. Perceived by potential and current employees as family friendly.
5. Incentivizes positive behavior and self responsibility by employees relative to their own health and well being (e.g. wellness and disease management programs).
6. Supports UI as a healthcare provider.

The University wants to maintain a benefit program that reflects its core principles and especially meets reasonable tests of fairness and cost effectiveness for the recruitment and retention of faculty and staff. The University has approximately 10,500 faculty and staff within this group.

The University's current year total cost for these benefit plans (life, disability, health and dental) is approximately \$98 million. The changes proposed will have as the central focus cost control and improved benefit design. The University wants benefits to be highly functional for faculty and staff while not constraining the future ability to remain competitive in salaries.

UNAVOIDABLE OR ESSENTIAL COST INCREASES

Impact of Fringe Benefit Rate Changes on Salary Base

As cited above, fringe benefit rates for FY 2009 have been negotiated and finalized with the federal government. The effect of changes in fringe benefit rates on the existing General Education Fund compensation base is an additional cost of \$4.2 million. These increases are attributable to cumulative historic costs of covered benefits, changes in the average salary for employees in each fringe benefit pool, and the University's internal charge back system (federally mandated) to recover its payments of fringe benefit costs.

The University's fringe benefit plans are divided into three basic groups. AFSCME covered employee's health plans and other benefit plans are governed by the State of Iowa. Organized Graduate Assistants plans are negotiated by the Regents/University with COG's and are distinct from other staff. Health plans and other benefits for Faculty and P&S staff (both SEIU bargained and non-bargained staff) are managed by the University as a single group plan.

Student Success Initiatives

To promote the retention of first-year students and improve four-year graduation rates, incremental tuition revenue will be earmarked for initiatives based on proven retention practices including:

- Expansion and improvement of the learning communities programs;
- Expansion of peer-led supplemental instruction for the most challenging courses;
- Development of a program for early identification of and intervention with students at risk of failing to persist.

It is projected these initiatives would result in an increase of 1.5 percentage points in first to second-year retention rates. This was a commitment made during the Board's consideration last fall of FY 2009 tuition rates.

Non-Salary Utility Inflation

General Fund utility expenses (excluding salary and benefit changes) are expected to increase by \$3.9 million. This increase includes amounts necessary to accommodate the continued and substantial rising cost of purchased fuels (coal and natural gas) used in heating and cooling academic facilities. The expected utility cost increase also includes the General Fund's share of additional debt service payments for expanded chilled water production capacity serving the campus.

The University continues to investigate opportunities for reducing purchased fuel costs, decreasing its reliance on coal and reducing the University's carbon footprint by burning renewable fuels. It is the University's goal that oat hulls will represent approximately 30% of the University's campus fuel input at less than one-third the price per million

BTU of coal. Successful completion of Boiler 10's conversion to co-firing of oat hulls will be required to meet this goal.

Opening Buildings: Costs to occupy new, improved or reassigned space

The projected cost of utilities, custodial services, information technology and general maintenance for new, improved, or reassigned General Education Fund-supported buildings in FY 2009 are expected to be \$2.4 million. Included in this total are:

The Iowa Memorial Union -common student and academic department use space	\$810,000
University Capitol Centre - theatre space component	105,000
Chemistry	767,000
Lindquist Center - IT space	118,000
2501 Crosspark Road – research space	165,000
2660 Crosspark Road – research space	100,000
P. Sue Beckwith, M.D. Boathouse – recreation space	4,000
Plaza Centre One	<u>293,000</u>
	\$2,362,000

Building Renewal

The University of Iowa's 2006 Campus Master Plan recognizes that a strong plan for the future builds on the University's commitment to responsible and effective stewardship of today's campus environment. This commitment includes taking a long- term institutional view towards total cost of ownership of its facilities. Achieving this financial model requires a disciplined investment strategy addressing funding for facility renewal. Overall the University has 16,885,000 square feet of space of which 7,610,000 is supported by the General Education Fund.

The University's strategic objective continues to be attaining annual financial support for facilities renewal equal to 1% of the replacement cost of all General Education Fund-supported buildings. Contributing to this goal is the General Education Fund Building Renewal budget, operations and maintenance budget directed to renewal, State capital appropriations for facilities, State Academic Building Revenue Bonding authorizations and any other central sources of support such as designated gifts and grants. The replacement cost of the University's General Education Fund-supported buildings is now \$2.8 billion.

As facilities replacement cost continues to rise due to inflation and new buildings/major additions, it is imperative that the financial model include a future capital renewal set aside equal to 1.5% of original cost for each new major addition or building project approved. The University is programming these amounts for new facilities like the College of Public Health building and Iowa Institute for Biomedical Discovery building. The consequence of not doing this is long-term degradation of University facilities. This is an ambitious, yet essential undertaking.

Significant progress toward the 1% goal has been possible over the last couple of fiscal years allowing the University to increase its General Education Fund Building Renewal support to \$9,414,000 annually. In FY 2009, the University will increase this funding by an additional \$750,000, after reallocations.

Campus Safety and Security

The commitment to protect students, faculty, staff and visitors remains paramount. To achieve the goal of maintaining a safe campus, the University of Iowa has developed a comprehensive set of policies, processes, protocols, and technologies to address campus security. This follows the Board's adoption last year of its safety and security policy.

During FY 2008, the University strategically invested in several safety and security initiatives. For example, the University improved its campus emergency communications and response by installing an immediate telephone and text message delivery system ("Hawk Alert"), erecting voice-capable outdoor warning sirens, and installing indoor/outdoor surveillance cameras. It also increased its early intervention systems by further developing and formalizing its Behavioral Risk Management group.

In FY 2009, the University plans to allocate \$500,000 to enhance and improve campus security. Additional staff are needed to expand police officer coverage, to provide more and better remote monitoring and dispatch coverage, to identify, assess and resolve potentially threatening situations, and to train the campus community on what steps can and should be taken to avert violent behavior. Capital funds are needed to connect outdoor warning systems with indoor warning devices and to install additional surveillance capabilities.

Sustainability

The University of Iowa acknowledges and is responding to the growing importance of environmental stewardship and sustainability. Over the past few years the University has taken many steps toward advancing its position on sustainability, including:

- Joining the Chicago Climate Exchange
- Burning renewable energy (such as oat hulls) to reduce fuel costs, fossil fuel CO₂ emissions and reliance on coal
- Crafting and adopting minimum energy standards for new construction and major renovations
- Responding to the Governor's Executive Order #6 with new energy policies and conservation goals
- Becoming an institutional member of the U.S. Green Building Council (USGBC)
- Establishing a Sustainability Steering Group, a faculty/staff/student advisory committee, and creating focused task forces of volunteers as has been done successfully in the past (e.g. Green Power Task Force)
- Collaborating with the College of Engineering on renewable fuel options and related education and research opportunities
- Beginning the Oakdale Renewable Energy Plant project

The University is committed to investing in the future of its campus while adapting to an ever-changing environment. In FY 2009, the University will allocate an additional \$250,000 for sustainability efforts. Investments will be in a variety of forms including the reduction of the University's carbon footprint by maximizing renewable energy sources. The University wants to encourage and facilitate the collaborative efforts of faculty, students, and staff. The Governor's Executive Order #6 has outlined a direction for energy sustainability in Iowa and the University of Iowa will pursue that direction in collaboration with ISU and UNI.

Other

Other unavoidable or essential General Education Fund projected cost increases include the following:

Annualization of FY 2008 Merit Employee Step Increases	\$ 626,000
FY 2009 Merit Employee Contract Cost-Bargained	5,219,000
Graduate Assistant Salary Cost-Bargained	467,000
Graduate Assistant Scholarship Cost-Bargained	858,000
Annualization of Faculty Salary Increase December 1, 2007	1,792,000
Professional School and Upper Division Undergraduate Tuition Supplement Commitments	3,736,000
Student Financial Aid Set-Aside	4,154,000
Provost Targeted Reallocation	1,000,000
IRB program – research support	338,000
AGEP program – graduate education	120,000
Equipment	81,000
Library Acquisitions	661,000
State Auditor	109,000
Various Administrative/Collegiate Support Commitments	668,000

GENERAL EDUCATION FUND SUPPORT FOR ATHLETICS

In FY 2004, General Education Fund support for Athletics operations was approximately \$2.2 million. As a major aspect of the University's reallocation strategy, a decision was made to reduce substantially or eliminate the General Education Fund support for Athletics. Through a series of reductions, the University has eliminated all General Education Fund support for Athletics.

The budget for Athletics continues to reflect a full assessment to Athletics for central services costs such as utilities, maintenance, and administration overhead for operations.

D. INITIATIVES

The Iowa Promise: A Strategic Plan for the University of Iowa 2005-2010

Below are the strategies and indicators of progress supported by the FY 2009 budget. Additional details regarding the initiatives, including funding by revenue source, are reported in the attached Form 1B.

Core Salary/Benefit Increases	\$13,337,000	P&S Salary and Benefits (\$6,167,000) Grad Asst Salary and Scholarships (\$1,325,000) Merit Staff Salary and Benefits (\$5,845,000)
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Strategies:

- Recruiting and retaining excellent faculty and research staff;
- Identifying, through a University-wide reallocation process, financial resources to support excellence and emerging distinction;
- Providing competitive financial support for graduate scholars and professional students;
- Maintaining competitive compensation for staff;
- Working closely with the Board of Regents, State of Iowa, and the other Regent institutions to increase legislative and gubernatorial support for higher education in the state.

Indicators of Progress: (Five Year Plan Targets)

- #16 - Increase graduate assistant salary and scholarship levels to the top third of peer group;
- #29 – Monitor competitiveness of P&S staff salaries.

Additional Investment in Faculty	\$10,979,000	Faculty Salary and Benefits: July 1, 2008 (\$8,687,000) Faculty Salary and Benefits: December 1, 2007 (\$1,792,000) Provost Targeted Reallocation (\$500,000)
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Strategies:

- Providing nationally competitive faculty salaries;
- Recruiting and retaining excellent faculty and research staff;
- Increasing the diversity of faculty, especially in tenured and tenure track positions;
- Developing methods for identifying programs of emerging distinction that are central to improving the University's stature;
- Identifying, through a University-wide reallocation process, financial resources to support excellence and emerging distinction;
- Identifying opportunities for investment in existing University strengths and extramural funding opportunities;
- Using the Regents' reallocation process to direct resources to existing and emerging programs based on their centrality to the University's mission and potential for sustained excellence;
- Enhancing support for junior faculty and junior research staff in their efforts to secure external funding.

Indicators of Progress: (Five Year Plan Targets)

- #13 - Increase external funding 2.5% per year;
- #14 - Increase the number of annual external grant applications from 3,041 to 3,200;
- #15 - Increase to 10 the average number of national faculty fellowships and scholarships awarded per year;
- #21 – Increase racial/ethnic minority tenured/track faculty as a percentage of total tenured/track faculty from 13.6% to 16.0%.
- #27 – Increase central support of diversity hires (FDOP) from \$0.8M to \$1.3M;
- #28 – Increase non-clinical tenured/track faculty salaries to the top third of peer group; increase clinical medicine salaries to the 50th percentile in the AAMC;
- #43 – Increase the number of options and licenses of UI intellectual property from 30 to 75.

Additional Investment in Students

\$9,010,000

Student Financial Aid (\$4,154,000)
Undergraduate/Graduate/Professional School Programs
Tuition Supplements (\$3,736,000)
Student Success Initiatives (\$500,000)
Graduate Education-AGEP (\$120,000)
Provost Targeted Reallocation (\$500,000)

Strategies:

- Providing access through an appropriate blend of merit and need-based financial aid and by increasing the amount of aid available;
- Improving access and opportunity for underrepresented students and students of disadvantaged socioeconomic status by increasing scholarships while decreasing reliance on loans;
- Easing the transition for new students, guiding all students through their majors, and providing excellent academic advising;
- Introducing students to the process by which research, scholarship, and creative work are produced and enabling their participation in that process, which is the key “value added” of a comprehensive research university;
- Developing more freshman seminars, honors courses, and other small class venues where students can interact with tenured faculty;
- Strengthening the honors program and other opportunities for high-achieving students;
- Promoting their facility for critical thinking, writing, and other communication skills, creative endeavor, and the use of information technology;
- Providing them with opportunities to develop leadership and teamwork skills and an understanding of business and other organizations;
- Continuing efforts to internationalize the educational experience;
- Providing curricular and co-curricular opportunities that will enable them to understand and succeed in a multicultural and global community;
- Ensuring the availability and robustness of information technology services and support required for extraordinary and day-to-day research, scholarship, and creative activity;
- Providing competitive financial support for graduate scholars and professional students;
- Using the Regents’ reallocation process to direct resources to existing and emerging programs based on their centrality to the University’s mission and potential for sustained excellence;
- Educating highly competent and committed health professionals and research scientists for

Iowa and beyond.

Indicators of Progress: (Five Year Plan Targets)

- #2 – Increase the one-year retention rate from 83.2% to 86.0%;
- #3 – Increase the six-year graduation rate from 66.2% to 70.0%;
- #8 - Create additional opportunities for students to engage in research, scholarship, and creative work;
- #16 - Increase graduate assistant salary and scholarship levels to the top third of peer group;
- #19 – Increase the racial/ethnic minority student enrollment as a percentage of total enrollment from 8.7% to 10.9%;
- #26 – Increase the undergraduate racial/ethnic minority student first-year retention rate from 79.6% to 85.2%.

**Renewing
Environments
for Learning
& Research**

\$9,449,000

Utility Energy Increase, Inflation, & Conservation Investment (\$3,868,000)
Opening Facilities (\$2,362,000)
Library Acquisitions Inflation (\$661,000)
Building Renewal and Equipment (\$943,000)
Campus Safety & Security (\$500,000)
Research Support-IRB (\$338,000)
State Auditor (\$109,000)
Various Administrative/Collegiate Support Commitments (\$668,000)

Strategies:

- Augmenting support for our research collections, libraries, museums, and information technologies - broadly defined - that are critical to teaching and learning;
- Creating with them a safe environment in which to live, learn, and work.
- Providing faculty and research staff with the research support appropriate at a comprehensive research university;
- Using the Regents' reallocation process to direct resources to existing and emerging programs based on their centrality to the University's mission and potential for sustained excellence;
- Advancing health care and the public's health through excellence in biomedical and population-based research.

Indicators of Progress: (Five Year Plan Targets)

- #13 – Increase external funding 2.5% per years;
- #14 – Increase the number of annual external grant applications from 3,041 to 3,200;
- #15 – Increase to 10 the average number of national faculty fellowships and scholarships awarded per year;
- #30 – Maintain top 15 Association of Research Libraries (ARL) ranking among public research libraries;
- #37 – Reallocate \$1 for every \$2 in new capital appropriations received to address critical deferred maintenance and safety improvement needs;
- #43 – Increase number of options and licenses of UI intellectual property from 30 to 75.

**UNIVERSITY OF IOWA HOSPITALS AND CLINICS
FINAL FY 2009 OPERATING BUDGETS OF THE
UNIVERSITY OF IOWA'S STATEWIDE HEALTH SERVICE UNITS**

STRATEGY

In FY 2009, the strategic focus for the University of Iowa Hospitals and Clinics (UIHC) will continue to center on the offering of a broad spectrum of clinical services to all patients, serving as the primary teaching hospital for the University, and providing a base for innovative research to improve health care.

UI Hospitals and Clinics is committed to providing patient-focused care—available to every person, around the clock—in an environment devoted to innovative care, excellent service, and exceptional outcomes. These three commitments identified in the strategic plan are the key drivers in drafting the FY 2009 operating budgets. Achievement of each commitment will occur by following defined goals, strategies, and tactics.

- 1) Innovative Care
 - Care Delivery - UIHC will be recognized as a state and national leader in developing and implementing new and more efficient health care delivery models that emphasize quality-driven patient experience.
 - Clinical Programs – Select UIHC clinical services will be leaders in the state and national market by offering cutting edge clinical services, robust clinical research, and strong training opportunities.
- 2) Excellent Service
 - Patient Satisfaction – Patients and families will be highly satisfied with their entire UIHC experience in all settings.
 - Referring Physician Satisfaction – UIHC will be recognized by referring physicians for its efficient and effective support to their patients.
 - Staff, Faculty, and Volunteer Engagement – Staff, faculty, and volunteers are valued and engaged in the pursuit of UIHC's vision.
- 3) Exceptional Outcomes
 - Safety – UIHC will provide a continuously improving, safe environment for all patients and staff at all times.
 - Clinical Outcomes – UIHC will use a continuous improvement process to achieve exceptional clinical outcomes.

The following are key strategies implemented to achieve UIHC's goals:

- Development and optimization of several key product lines:
 - Cardiovascular - Cath Lab replacement / CT Scanner replacement
 - Addition of surgical capacity, by opening two additional operating rooms
 - Children's Hospital - New Pediatric Intensive Care beds
- Initiatives to reduce length of stay by a minimum of 0.14 days
- Begin renovations to expand acute and ICU bed capacity as well as conversion to single patient rooms
- Implementation of process improvement teams in two key areas, surgical throughput and discharge process
- Labor productivity improvement of 2 percent or more on a volume adjusted basis
- On-going policy of contracting with third-party payors at fair and reasonable rates
- Complete expansion of the Emergency Treatment Center
- Complete Interventional Angiography rooms in the main OR
- Begin construction on the Institute for Sports Medicine & Rehabilitation center

- Investment in radiology to increase throughput and provide state-of-the-art technology
- Continued emphasis on revenue cycle and supply chain initiatives
- Implement critical modules of the EPIC information technology infrastructure which provide significant enhancements to clinical information, operating room, ICU, and electronic medication systems
- Continued ambulatory service initiatives to increase patient access and physician productivity

CHALLENGES

There are ever-increasing pressures on the healthcare industry to maintain funding sources while keeping operating expenses in check. FY 2009 will offer no exception to this trend for the University of Iowa Hospitals and Clinics. An average “all-in” salary increase of 5.5 percent is projected for next year. Wage increases continue to be impacted by collective bargaining agreements, market competitive salaries and the associated benefit costs. While we continue to standardize product utilization and implement supply chain savings initiatives, medical and surgical supply costs are estimated to rise 3 percent or more due to price increases and changes in technology. There is a significant uncertainty around the price of supplies as many products contain petroleum or petroleum by-products, thus some items may increase more than expected. Pharmaceutical cost increases are anticipated in the 7 percent range. Utilities and other administrative services purchased from the University of Iowa will increase 7 percent and 5 percent, respectively.

The State of Iowa has appropriated \$27.3 million with an additional \$36 million available if the \$27.3 million is exhausted for the care of the state’s indigent population at the UIHC in FY 2009. The IowaCare appropriation does not provide funding of physician, dental services, pharmaceuticals or durable medical equipment, but UIHC and UI physicians provide these services. While the Iowa Department of Human Services can terminate IowaCare enrollment if funding is exhausted, stopping such a program during the year would prove difficult. Also, the impact of the Flood of 2008 on the impact to the State of Iowa economy is an additional unknown.

VOLUMES

The University of Iowa Hospitals and Clinics predicts increasing demand for its services as shown in the following chart. Inpatient acute admissions are expected to increase by 3.0 percent and outpatient activity is also anticipated to grow at a 2.5 percent rate in FY 2009. Length of stay is expected to decrease by 0.14 days. In FY 2009, the case mix index, a measure of inpatient severity, is expected to remain at a high level. To meet this increase in demand, the University of Iowa Hospitals and Clinics is increasing cardiovascular services, expanding operating room and intensive care services, completing Lean Sigma projects to enhance patient access, and continuing to expand initiatives to lower length of stay to allow for more admissions.

<u>Combined Health Service Units</u>	<u>Actual 2005</u>	<u>Actual 2006</u>	<u>Actual 2007</u>	<u>Projected 2008</u>	<u>Budget 2009</u>
Acute Admissions (excl. newborns)	25,063	26,030	27,829	29,412	30,294
Surgical Cases	20,820	21,008	21,952	22,671	24,031
Clinic Visits	668,456	673,947	688,078	710,996	729,845
Average Length of Stay for Acute	6.99	6.64	6.55	6.40	6.40
Case Mix - All Patients	1.6384	1.6920	1.7567	1.7353	1.7353

RATES

Additional net revenues will be required in FY 2009 to support staffing levels appropriate for safe and high quality patient care, while maintaining a satisfactory operating margin. These additional net revenues will be achieved through new volumes and a rate increase of 6.0 percent approved by the Board in April to be effective July 1, 2008. Market data indicates that UIHC continues to have lower rate adjustments when compared to academic medical center peers and other Midwest healthcare institutions.

As always, UIHC is concerned with the effect of higher charges on its patient population. A study completed by the University HealthSystem Consortium shows that the impact on insured patients is minimal, with little or no change to deductibles and co-payments. Self-pay patients, who account for fewer than 5 percent of UIHC charges, have limited exposure due to UIHC's discount policy for the medically indigent. The following chart illustrates how increases in rates affect various payor groups:

Rate Increase Impact by Payor:

- Medicare
 - Charges and cost affect DRG and APC rate setting
 - Charges affect new technology rate setting
 - Outlier thresholds and payments are based on charges and cost
 - Coinsurance up to policy maximum
- Medicaid
 - Charges and cost affect DRG and APC rate setting
 - Outlier thresholds and payments are based on charges and cost
- Managed Care
 - Payors with outpatient percent of charge payment provisions
 - Stop-loss thresholds and payments
 - Carve-out arrangements (i.e. high cost drugs, prosthesis, new technology, etc)
 - Coinsurance up to policy maximum
- Commercial Non-Contracted
 - Payment based on charges
 - Coinsurance up to policy maximum
- Self Pay
 - Individuals not otherwise eligible for uncompensated care discount policy

UIHC Policy Guidelines for Uncompensated Care Discount Percentages:

Income Percent of Federal Poverty Guidelines				
	<200%	201%-250%	251%-300%	301%-350%
Patient Balance	Discount Percentages			
> \$50,000	100%	80%	60%	40%
\$40,000 - 50,000	100%	80%	60%	40%
\$30,000 - 39,999	100%	80%	60%	40%
\$20,000 - 29,999	100%	80%	60%	40%
\$0 - \$19,999	100%	60%	40%	20%

**The University of Iowa
OAKDALE CAMPUS
Budget Summary
FY 2009**

\$3,902,052

The Oakdale Campus budget outlines the distribution of appropriations and other income components to the University of Iowa for the operation of the Oakdale Campus. Budget decisions were made in accordance with goals and objectives set forth in the University Strategic Plan. The Oakdale Campus budget is designed to provide a working environment to stimulate research and outreach activities on the Oakdale Campus. For example this budget supports significant energy and maintenance costs associated with space occupied by the University Hygienic Lab. Other activities on this campus include the Obermann Center for Advance Studies, the Technology Innovation Center and a number of academic and health care-related activities.

INCOME

Appropriations for FY 2009 increased \$65,567 (2.4%) to \$2,792,052. Other income is projected to increase 17.2% to \$1,110,000 due to continued success of faculty securing sponsored research on the Oakdale Campus and additional Technology Innovation Center rentals. The total Oakdale Campus budgeted revenue is \$3,902,052.

EXPENDITURES

- Salaries: Salary increases for professional and scientific staff reflect an average of 4.0%, which includes increments for promotions, equity increases and market adjustments. The salary increases for merit staff include negotiated increases per the AFSCME labor contract for FY 2009 and annualization of merit step increases given in FY 2008. Fringe benefit rate increases were included for both professional and scientific and merit staff.
- Utilities: The FY 2009 utility budget is \$1,471,353. This amount will continue to be supplemented by the General Education Fund by \$646,000 in order to accommodate the inflationary increases in gas prices and other expenses. The Oakdale Campus State appropriation decreased by 17% from FY 2001 to FY 2007, thus the need for the General Education Fund subsidy. Oakdale Campus utilities are not provided to the adjacent Oakdale Research Park.
- Supplies: The supplies budget includes services and materials that are required to maintain an environment to conduct research. The FY 2009 supply budget is \$405,981.
- Equipment: The equipment budget remains unchanged at \$16,200.
- Building: The building repairs budget remains the same at \$125,000.

The University of Iowa
STATE HYGIENIC LABORATORY
Budget Summary
FY 2009

\$7,961,366

FY 2009 REVENUE

Appropriations for FY 2009 are projected to be \$4,516,091 with “Other Revenues” of \$3,445,275. The FY 2009 appropriation increased \$333,940 (8.0%) based on the salary allocation by the Regents. “Other Revenues” have increased by \$109,915 based on the anticipated research activity and a slight increase in sales and service. Accordingly, the total budgeted revenue is \$7,961,366.

FY 2009 EXPENDITURES

SALARIES: Through revenue increases and internal reallocation, salary increases for professional and scientific staff reflect an average increase of 4.17 percent, which includes increments for promotions, equity increases and marketplace adjustments. In prior years, the lab staff had been restricted to increases below the average of other University professional and scientific staff. The salary increases for merit staff include negotiated increases as per the labor contract for FY 2009 and annualization of merit step increases given in FY 2008. Fringe benefit changes are also included for both professional and scientific staff and merit staff. Approximately \$340,671 was reallocated from merit staff salaries to professional and scientific staff positions to align staffing positions with anticipated revenue streams. The budget proposes professional and scientific staff salaries of \$5,188,003, merit staff salaries of \$2,160,123 and hourly wages of \$26,265.

SUPPLIES: The supplies budget includes laboratory supplies and rentals projected to conduct laboratory testing.

Other revenue and operating expenses are significantly driven by external factors beyond the State Hygienic Laboratory’s control and influences.

IMPACT STATEMENT

This appropriation enables the Hygienic Laboratory to carry out its statutory responsibility to support Iowa’s government agencies in the protection of health and environment. As FY 2008 ends the state is experiencing significant flooding which has required the use of UHL resources to meet pressing concerns with water and property contamination. This episode once again demonstrates the fact that:

1. Emergencies arise from a wide range of circumstances
2. Rapid detection and analysis is necessary to an appropriate public response

The equipment, reagents and experienced staff necessary to provide this response are in place due to this appropriation. In the future whether the cause is flooding, pandemic influenza, mumps, whooping cough, or a radiologic release the UHL must be ready to respond or Iowa will suffer needless loss of life, health and well being.

The University of Iowa
STATEWIDE FAMILY PRACTICE PROGRAM
Budget Summary
FY 2009

\$2,298,465

FY 2009 INCOME

The statewide program's FY 2009 appropriation increased \$104,422 (4.8%) to \$2,283,465. Non-appropriated income is estimated at \$15,000. Total revenues, therefore, will be \$2,298,465. Eighty percent (80%) of the appropriated funds are scheduled to be spent directly in the UI-affiliated physician training centers consistent with statutory requirements, and 20% of the appropriations (\$456,693) will be spent on University-sponsored activities in support of the community-based training programs. The College of Medicine provides educational, administrative and research support.

FY 2009 EXPENDITURES

Salary budgets proposed for faculty and professional and scientific staff have been increased by approximately 5%. Salary budgets proposed for merit staff are consistent with contractual obligations negotiated by the State.

The amount budgeted for hourly wage employees is \$10,000. Those funds will provide extra compensation to faculty who temporarily leave their regular duties at the University of Iowa to participate as visiting instructors at the community-based training sites through the College's Visiting Professor Program. Funds for that activity were reduced in recent years through the reallocation process in order to sustain faculty and professional positions.

Expenditures for supplies are proposed at \$17,543. The supply budget supports the central office operations, including travel, data processing, disposable supplies and other administrative support expenditures associated with the statewide program.

The University of Iowa
PRIMARY CARE INITIATIVE
Budget Summary
FY 2009

\$828,629

The FY 2009 appropriation (\$828,629) is \$34,709 (4.4%) greater than the FY 2008 base.

FY 2009 INCOME

The appropriation for the Primary Care Initiative (PCI) in FY 2009 is \$828,629. The University of Iowa Health Sciences Center operates five continuing programs with this appropriation. These initiatives fill important gaps in the state's efforts to educate, retain and track health professionals. Program allocations are: Department of Family Medicine Faculty Expansion \$330,000; Regional Medical Education Centers Grant Program \$233,185; Iowa Health Professions Inventory \$141,359; Rural Physician Support Program \$109,085; and Culturally Competent Care Initiative \$15,000.

FY 2009 EXPENDITURES

The faculty salaries are for specific Department of Family Medicine faculty and community-based teaching positions. The professional salary lines are University-based positions that provide administrative and technical support for the various programs within the PCI. The funds for hourly wage employees provide support for student research assistants. The supply budget supports travel, data processing, conferences, telecommunications, and educational resources.

The University of Iowa
STATE OF IOWA CANCER REGISTRY
Budget Summary
FY 2009

\$190,326

The FY 2009 appropriation (\$190,326) is \$5,748 (3.1%) greater than the FY 2008 base.

In 2008, cancer will strike five out of every 1,000 Iowans. An estimated 6,300 Iowans will die from cancer in 2008, 14 times the number caused by auto fatalities. Cancer is second to only heart disease as a cause of death in Iowans. For the years 1973-2005, over 476,357 cancers were newly diagnosed among Iowans, with more than 198,900 Iowans having died from cancer. In 2008 alone, we expect 16,000 new cancers will be diagnosed among Iowa residents. However, on the positive side, during the past 10 years there has been a measurable reduction in mortality resulting from cancer. Statewide cancer incidence and survival data are available due to the existence of the Iowa Cancer Registry.

Since 1973, the Iowa Cancer Registry has been a member of the NCI's Surveillance, Epidemiology and End Results (SEER) Program. There are only 18 state and regional cancer registries throughout the United States that participate in this prestigious program. Iowa represents rural agricultural and Midwestern populations and provides data included in many NCI publications. The objectives of the Registry include: 1) collecting data on each Iowan diagnosed with cancer and reporting these data to the NCI; 2) monitoring annual trends in the incidence of cancer among Iowans and the number of deaths related to cancer; 3) monitoring changes over time in prevalence of cancer, trends in therapy, and survival rates; and 4) promoting and conducting research studies designed to assist with cancer prevention and control.

Cancer is a reportable disease in Iowa, and the Iowa Department of Public Health has designated responsibility for cancer data collection to the Registry. Each year the Registry responds to a few hundred requests from Iowans for data, analyses, and cancer cluster investigations. Additionally, Registry staff members participate in educational outreach efforts designed to provide useful cancer-related education for citizens in Iowa. The Registry functions as a data resource for local, national and international research. The Registry also serves as the source of data for measuring progress with cancer and measuring the cancer burden for the Iowa Consortium for Comprehensive Cancer Control, a cancer prevention and control group that represents over 50 agencies in Iowa. Cancer Registry data are useful in guiding the planning and evaluation of cancer control programs in Iowa (e.g., determining whether prevention, screening and treatment efforts are making a difference). This knowledge helps in setting priorities for the allocation of health resources.

The existence of the Iowa Cancer Registry allows for the study of the cancer experience of Iowans and focuses national attention and research dollars on this issue. The Iowa Registry is funded primarily through a contract with the NCI, but the contract requires a portion of funding for the Registry be obtained from non-federal sources such as the state of Iowa. Currently, for every dollar the state of Iowa invests in the Iowa Cancer Registry, approximately \$21.85 of federal funds are returned to Iowa through the core SEER contract. This does not include funds that are received for related studies that are directly attributable to the existence of the Registry, which currently amount annually to several additional millions of dollars. The presence of the Registry and its database have helped attract numerous research projects and funds to Iowa from other federal agencies such as the Environmental Protection Agency, the Centers for Disease Control, and the National Institutes of Health.

The Iowa Cancer Registry employs more than 50 full-time staff members. Half of them, situated throughout the state, regularly visit hospitals, clinics and medical laboratories in Iowa and neighboring states to collect cancer data. These individuals help contribute to their local economies and to the economy of Iowa.

The University of Iowa
IOWA CONSORTIUM FOR SUBSTANCE ABUSE RESEARCH AND EVALUATION
Budget Summary
FY 2009

\$70,906

The FY 2009 appropriation (\$70,906) is \$3,029 (4.5%) greater than the FY 2008 base.

The Iowa Consortium for Substance Abuse Research and Evaluation (Consortium) is an alliance committed to strengthening substance abuse prevention and intervention activities through collaborative research. The Consortium coordinates research and knowledge transfer among researchers, assists professionals in the field, and informs public policy makers in the area of substance abuse. The Consortium's Coordinating Board is made up of representatives from the University of Iowa, the University of Northern Iowa, Iowa State University; state departments of Public Health, Corrections, and Drug Control Policy; and representatives from local substance abuse service agencies.

The Consortium facilitates multidisciplinary research to evaluate substance abuse prevention and treatment efforts in the State of Iowa. Research and evaluation activities involve practitioners, treatment providers, state agency representatives, government policymakers, and researchers from institutions of higher education. The Consortium addresses its mission through the following activities:

- Supporting and conducting substance abuse research and evaluation within the State of Iowa;
- Strengthening substance abuse prevention and intervention strategies operating within the State of Iowa;
- Supporting the education of new researchers in substance abuse;
- Contributing to the education of students and professionals in fields such as health care, education, corrections, human services and counseling; and
- Contributing to the development of public policy related to substance abuse.

In the coming year, the Consortium will continue its unique capacity for interdisciplinary alcohol and drug research and evaluation in Iowa. Specific projects include:

- Development of a state epidemiological profile to assess the prevalence of substance use, abuse, and dependence and related problems in the State of Iowa.
- Evaluating community and jail-based substance abuse treatment programs in the state.
- Facilitating implementation of evidence-based practices in treatment agencies statewide.
- Evaluating a program to expand and enhance methamphetamine treatment in the state.
- Evaluating youth substance abuse prevention programming at the local and state level.
- Assisting the State in implementing quality improvement techniques at the state and agency levels.
- Evaluating culturally competency treatment to increase service options for diverse populations.
- Evaluating a project to reduce alcohol use by youth in Linn County.
- Analyzing data and reporting outcomes of the Iowa Youth Survey, a statewide survey of 6th, 8th, and 11th graders, about youth attitudes and experiences regarding substance abuse, violence, and their perceptions of peer, family, school, and community environments.

Over the last 9 years, the Consortium has experienced a significant reduction in funding, which has limited our ability to provide statewide services at a time of increased needs. Funds for FY09 will help provide for the continuation of the Consortium's unique capacity for interdisciplinary alcohol and drug research in Iowa. The Consortium's annual budget request process to external sponsors allows for staff salary increases. In FY09, increasing costs for salaries will be covered by externally funded grants and contracts.

The University of Iowa
CENTER FOR BIOCATALYSIS AND BIOPROCESSING
Budget Summary
FY 2009

\$924,139

The FY 2009 appropriation (\$924,139) is \$21,452 (2.4%) greater than the FY 2008 base.

The Center for Biocatalysis and Bioprocessing (CBB) Laboratory serves as the primary contract research facility for fermentation, fermentation-derived metabolites, protein expression and downstream processing, and biocatalytic process in the State of Iowa. Biocatalysis harnesses enzyme-catalyzed reactions occurring in living cells to produce valuable biofuels, chemicals and biochemical products. Bioprocessing, or downstream processing steps are required for the recovery and purification of biological (industrial) products for wide ranging therapeutic, health, nutritional and chemical uses. These technologies are necessary to implement modern "biotechnology" based approaches to solve problems in agricultural, chemical, nutritional and bio/pharmaceutical industries. Traditionally, CBB has operated under GLP conditions to provide pre-clinical materials. In 2008, CBB upgraded the facility to GMP status. Currently, CBB is capable of producing clinical grade materials for Phase I and Phase II trials, for biotherapeutic products. Four campaigns have been run and one IND has been filed by a client. CBB has now become a very unique facility in a University setting, the type of which, does not exist in any US universities. The funding for this came via Grow Iowa Values Fund grant.

The University of Iowa has assembled its Biocatalysis Research Group -- an experienced and multidisciplinary cluster of more than fifty faculty with broad expertise in biocatalysis/bioprocessing. Housed administratively within the CBB, the group is recognized for its individual and collective scientific talent that has secured in excess of \$15 million annually in extramural research support. Collectively, the Center represents one of the strongest clusters of scientists, laboratory personnel, graduate and postdoctoral students in the area of biocatalysis and bioprocessing in the United States and in the world.

Laboratories in the CBB are an essential link in the technology transfer mission of The University of Iowa. These laboratories provide unsurpassed fermentation, protein purification, biocatalysis and bioprocessing facilities and equipment for the conduct of multidisciplinary industry/academic research. The Good Laboratories Practice (GLP) pilot plant-scale bioprocessing laboratory brings research findings from the bench through the first stages of scale-up necessary for industrialization. These unsurpassed facilities attract significant funding and interactions from industries, universities, and foundations throughout the world. They enable the CBB to function competitively in fulfilling its goals and obligations to bring industrial interactions to the State of Iowa.

A variety of mechanisms help establish relationships between academic scientists and their industrial counterparts. The CBB works within the University of Iowa and assists the Iowa Department of Economic Development in developing industrial relationships. The CBB encourages ongoing contracts with corporations within Iowa, the United States and internationally. Last year more than 42 companies utilized the CBB's vast technical resources and funded a high percentage of the CBB's research and contract activities.

The CBB pursues an aggressive industrial outreach effort in order to help Iowa industry reduce the time to introduce new products and processes into the marketplace. Industries are also attracted to major biotechnology centers in other states such as Michigan, Georgia, Maryland, Minnesota, Nebraska, Utah and California. Today, CBB is one of its kind, state of the art microbial pilot plant facility, unmatched by any other University. In order to continue this and keep pace with both biotherapeutic and industrial biotechnology industrial interactions, CBB must maintain a competitive and viable funding base. CBB experience dedicated to industrial research and development projects supports initial contacts with industry (to identify the scope of a specific project), entices companies to consider the state of Iowa for their research and contract needs, and fosters projects that are of mutual interest and which promote long-term contractual relationships and industrial partnerships. A five-year, multimillion dollar National Science

Foundation-Engineering Research Center grant received in 2003 enables the CBB to leverage state of Iowa support with other federal and industrial funding sources.

FY09

Given the excellent progress we have made at CBB, in terms of elevating our technology platform (GMP) as well as in the area of biocatalysis (green chemistry for products), this has required adding resources and also salary increases. Over the last 9 years, CBB has experienced significant reduction in funding, which has impacted our ability to retain the best talent for continued growth. Given the competitive nature of this area and also considering the fact that we are constantly competing with industries in terms of talent retention, providing career opportunities and compensation for CBB-staff, increased funding is essential. Starting this fiscal year, CBB will also be paying additional rent for the laboratory facilities. In addition, CBB continues to fulfill the academic goals in terms of graduate student fellowships, conferences and related activities.

This new budget reflects an increased allocation of \$21,452 which has gone toward a rent increase of \$7,600 with the balance going for salary increases between 2% for CBB student stipends and up to 5% for staff salaries.

The University of Iowa
IOWA REGISTRY FOR CONGENITAL AND INHERITED DISORDERS
(FORMERLY THE IOWA BIRTH DEFECTS REGISTRY)
Budget Summary
FY 2009

\$48,891

The FY 2009 appropriation (\$48,891) is \$2,206 (4.7%) greater than the FY 2008 base.

The Iowa Registry for Congenital and Inherited Disorders (IRCID) was established by the Iowa General Assembly (Chapter 23 of the Iowa Code) in 1983. Since that time, the IRCID has received national attention for its role in birth defects surveillance and has served as a model for other states establishing surveillance programs. In recent years, the Registry has expanded its mission to include surveillance of developmental disabilities (Duchenne-Becker Muscular Dystrophy) and, most recently, for fetal deaths. The IRCID is the only active, statewide birth defects surveillance program in the Midwest, as well as one of only five programs nationally to conduct muscular dystrophy surveillance and one of only two programs nationally to conduct fetal death surveillance. Through these activities, the IRCID serves families in all 99 Iowa counties.

The objectives of the IRCID are integrated and fully consistent with those of the University of Iowa Colleges of Medicine and Public Health. These objectives are to:

- maintain statewide surveillance for birth defects; and
- monitor trends in birth defects occurrence and mortality.

Data collected permit comparison of birth defects rates in geographic areas of interest (e.g., cities or counties) with state and national rates. In addition, data are used to monitor trends in birth defect occurrence by population characteristics such as maternal age. Statewide surveillance is necessary to accurately evaluate such trends and to guide health promotion and disease prevention efforts in Iowa.

A number of investigators and public health professionals also utilize IRCID data to:

- conduct research studies to identify genetic and environmental risk factors for birth defects;
- promote education activities for the prevention of birth defects; and
- provide outreach to patients and families to appropriate clinical, educational and social services.

As examples, Drs. Paul Romitti (College of Public Health) and Jeffrey Murray (College of Medicine) were awarded a five-year renewal agreement with the Centers for Disease Control and Prevention. The agreement is targeted to establish a "Center for Excellence in the Research and Prevention of Birth Defects" in Iowa. Dr. Romitti is also collaborating with investigators at Emory University and the National Institutes of Health to study factors related to Down Syndrome. In addition, Dr. Romitti and Dr. Katherine Mathews (College of Medicine) were awarded a five-year renewal agreement to expand surveillance activities to include surveillance of children with Duchenne and Becker Muscular Dystrophy. Annual renewal of each of these agreements will require identification of state funds to support surveillance staff.

Education and health promotion efforts that utilize IRCID data include lectures, press releases, articles, public service announcements, and disseminating prenatal educational materials. Annually, the IRCID attempts to publish an annual report to disseminate information regarding birth defects surveillance, research and prevention efforts ongoing in Iowa. Also, through collaboration with the Iowa Department of Public Health, the Registry has implemented a program to provide parents of children diagnosed with birth defects resource materials and referrals to appropriate clinical, educational and social services. Overall, the IRCID is a public health registry in vigorous pursuit to promote the health and welfare of infants and children in Iowa.

BENEFIT TO THE STATE OF IOWA:

- Provide accurate, timely data that directs program planning, health policies, prevention efforts, and welfare of Iowa's infants and children.
- Act as an innovative research partner to disseminate information about the impact of genetics and environment in the development of these disorders and to evaluate the efficacy of treatments for these disorders.

- Translate surveillance and research findings into efforts that families can understand and implement.
- Increase public awareness of prevention programs and maintain public education.
- Foster communication between agencies involved in surveillance and referral services.
- Answer public concerns regarding these disorders using data available from all 99 counties and disseminate findings locally, statewide and nationally.

STRATEGIC CHANGES:

Funds provided typically are used for partial salary support for IRCID staff and for partial support for design, printing and distribution costs for the IRCID annual report. To fund salary increases for the current fiscal year, funds appropriated for partial support for publication costs of the IRCID annual report were reduced. Additional funding will need to be identified to continue with publication of the report.

The University of Iowa
CENTER FOR ADVANCED DRUG DEVELOPMENT (CADD)
Budget Summary
FY 2009

\$121,347

The FY 2009 appropriation (\$121,347) is \$5,598 (4.8%) greater than the FY 2008 base.

The Center for Advanced Drug Development (CADD) is a division of the University of Iowa, College of Pharmacy. The Center offers contract services to the pharmaceutical and biotechnology industry which complement those of the College's Division of Pharmaceutical Service. The Division of Pharmaceutical Service, the only comprehensive FDA registered facility in a College of Pharmacy in the U.S., offers the unique capability to produce under contract limited quantities of new medicines under FDA approval. The capacity is particularly valuable to firms wishing to bring new products through clinical trials. The present budget seeks funds to continue support for the companion CADD.

This Center which is an integral resource in the states bioeconomy economic development agenda offers non-production services and contract services relevant to the clinical trials process which complement those of the Division of Pharmaceutical Service, and explicitly include:

- Management of FDA relationships for clients, especially in the processing of new drug applications,
- Development and execution for new chemical assays for new dosage forms and chemical entities,
- Development and execution of stability studies of candidate medicine dosage forms and
- Testing of active pharmaceutical ingredient/excipients for compliance.

This Center addresses a crucial economic need to shorten the lead time between new pharmaceutical discoveries in the laboratory and their commercialization in the market place. Because pharmaceuticals occupy such a potentially important part of the state's high technology portfolio as well as a critical role in the University's economic development efforts, continued investment in the Center will increase economic resources in a strongly competitive environment. In addition, as the state looks ahead to an investment to enhance its biotechnology infrastructure for both animal and human health, the Center will play a major role (along with the Center for Biocatalysis and Bioprocessing and the Division of Pharmaceutical Service) in the University's ability to interact with the biotechnology industry to shorten the time to market for new therapies. This new initiative will also attract interest from a completely new industry base, composed of mainly start-up companies, who may be recruited to Iowa.

Initially, clients were drawn from the existing client base of the Division of Pharmaceutical Services. New clients are being drawn from biotechnology companies, manufactures of pharmaceutical excipients, and a growing pool of U.S. and foreign pharmaceutical firms.

Impact of the 2009 Budget

The allocation from the economic development appropriations for the Center for Advanced Drug Development for FY 09 will increase by \$5,598 from FY 08, requiring continued internal reallocation to address salary increases for the staff. Staff salary adjustments will be within the overall University of Iowa staff salary policy. This will continue to limit the Center's ability to stimulate ongoing interest on the part of the pharmaceutical and biopharmaceutical companies that seek CADD's services.

**The University of Iowa
OAKDALE RESEARCH PARK
Budget Summary
FY 2009**

\$101,739

The FY 2009 appropriation (\$101,739) is \$4,161 (4.3%) greater than the FY 2008 base.

The University's Oakdale Research Park (ORP) represents a substantial commitment by the State and the University to further sustained interaction with business. In addition, the Oakdale Research Park represents an investment of more than \$135 million by the federal government, the State, the City of Coralville, and a number of private building developers and owners. Four other projects valued at \$60 million are under construction or planned. The Park is part of the IOWA Centers for Enterprise which integrates UI economic development activities.

Established by the University in 1989 at the urging of the State, the Park is building a nucleus of businesses in Iowa that are drawn by the strengths of the University. The labor shed for nearly 1,800 employees of laboratories and companies affiliated with the Park and the Technology Innovation Center business incubator covers 80 cities and towns in 29 Iowa counties - approximately one-third of the State. This is in keeping with the UI's strategic plan for engagement with external constituencies and participation in Iowa's economic growth. Current corporate tenants on the park include LMS North America, The Stanley Group, Vangent, Inc., Pearson Educational Measurement, Integrated DNA Technologies, Inc. Bioinformatics Division, Innovative Software Engineering, Vivakor, Inc., Noel-Levitz, Opherion and Cargill International. A total of 21 technology companies have established a presence on the Park since 1993.

The State-funded laboratory of the Center for Biocatalysis and Bioprocessing (CBB) is located on the Park as are human health and medicine laboratories and the National Advanced Driving Simulator, a major, fully operational co-venture with the U.S. Department of Transportation. UI infectious disease research programs, including the Emerging Pathogens Laboratory, are undergoing further expansion. The College of Public Health also maintains a research presence on the Park. The University's Center for Advanced Drug Development (CADD) facility, a unit of the College of Pharmacy, is also at Oakdale. The new University of Iowa Hygienic Laboratory will open on the Campus in 2010.

FY 2009 funding is needed to partially support the essential operating expenses for the 189-acre Research Park. ORP will receive \$101,739 in State support in FY 2009, while the balance of ORP's support comes from Park income and from the University. Expenses include a variety of professional services (e.g., engineering, landscape architecture and legal), marketing, and support for University staff engaged in the project, operation of the Park office, and preparation and maintenance of common areas within the park. For FY 2009, the current level of funding will not support fully the delivery of essential services and Park amenities. The cost of providing essential services has increased. A new marketing plan and ground lease policies will result in management efficiencies and greater revenue. Additional funding must be identified for the Park to maintain and enhance the services and amenities delivered to affiliates and enable future growth.

The University of Iowa
TECHNOLOGY INNOVATION CENTER
Budget Summary
FY 2009

\$48,095

The FY 2009 appropriation (\$48,095) is \$2,216 (4.8%) greater than the FY 2008 base.

The Technology Innovation Center is a business incubator for start-up companies, growing fledging new ventures into freestanding businesses. The Center is also an interim site for research units of major corporations and a point of contact for those off campus seeking access to the research resources of the University of Iowa. The Center is part of the IOWA Centers for Enterprise, which integrates UI economic development activities.

Established by the University in 1984 at the urging of the State, the University's Oakdale Research Park benefits the Center and receives benefits in return. In a major advancement, the University will invest \$5 million from the Grow Iowa Values Fund and Battelle Infrastructure Fund to construct the BioVentures Center incubator facility in FY 2008 - 2009 for biotech spin-out and recruited startup companies.

Expenditures by the Center allow continued delivery of shared services and amenities to tenant companies. More than 90 technology start-ups have become Center tenants since 1984. Nineteen tenants are now in the Center and 39 tenants have met their business goals upon graduating from the Center. Four companies successfully graduated and five new tenant companies were accepted in FY 2008.

The Center's operating budget in FY 2009 includes \$48,095 in State support, with the balance of its support coming from the University. Along with the Oakdale Research Park, the Center has become an important part of the UI's strategic plan for engagement, building ties with those off campus and participating in the economic vitality of the State. For FY 2009 the funding will not support fully the incubator facility and delivery of essential professional services and amenities to tenant companies. A new business plan and rent policies will result in management efficiencies and greater revenue. Additional funding must be identified for the Center to sustain and enhance the current level of core services and amenities and achieve its goal of expanded services and support for tenant companies.

The University of Iowa
LARNED A. WATERMAN IOWA NONPROFIT RESOURCE CENTER
Budget Summary
FY 2009

\$207,548

The FY 2009 appropriation (\$207,548) is \$7,548 (3.8%) greater than the FY 2008 base.

The Larned A. Waterman Iowa Nonprofit Resource Center is a University-wide interdisciplinary center which provides education and research about charitable nonprofit organizations on campus and throughout Iowa. It functions on contributed services, grants, earned income and the Larned A. Waterman endowment. The new appropriation provides much needed recurring support of the Nonprofit Center to provide for basic operational infrastructure for which funds are not available at all or on a continuing basis.

The funding will be applied to these basic infrastructure needs: a program assistant, a half-time secretary at the INRC, and partial payment of salary for the INRC Director. The funding will provide for a half-time graduate assistant as a teaching assistant for a year-long University-wide course that teaches 150 students. The funding will help support the work of the University's 50-year-old Institute of Public Affairs, by paying salary for a half-time secretary. Funds will be used to support travel across Iowa to provide training for nonprofit and local government agencies. Also, funds will be available for creation and publication of research for Iowa nonprofit and local government agencies.

The request for this appropriation was initiated by Governor Culver in his 2007 Regent budget message with strong endorsement in the General Assembly. The Governor and Members of the General Assembly are helping to assure the future of this vital University of Iowa outreach service to Iowans in their home communities through their local charitable nonprofit organizations and local governments.

The University of Iowa
AGRICULTURAL HEALTH AND SAFETY PROGRAM
Budget Summary
FY 2009

\$130,000

These funds will be transferred to the Iowa Vocational Rehabilitation Services (IVRS) for the Rural Solutions Program for farmers with disabilities.

The appropriation replaces expired federal funding for a nationally recognized program that has been replicated in at least thirty other states, but which is not available through any other entity in this state.

The program provides assistance to farmers with disabilities in all 99 counties to allow the farmers to remain in their own homes and be gainfully engaged in farming through provisions of agricultural worksite and home modification consultations, peer support services, services to families, information and referral, and equipment loan services.

**The University of Iowa
RESTRICTED FUNDS
Budget Summary
FY 2009**

The FY 2009 Restricted Fund budget is based upon the most current information available to inform revenue and expenditure projections for each of the funds contained therein. The Restricted Fund includes the Organized Activities Fund, the Auxiliary Enterprise Fund, the Current Restricted Fund and the Plant Fund and involves virtually every department on campus in revenue and expenditure planning. Revenues are derived from federal and non-federal support for sponsored programs (primarily research and student aid), sales and services, reimbursed indirect costs, tuition and fees, bond proceeds, transfers from current unrestricted funds, tuition replacement appropriations and capital appropriations. The expenditure plan provides for salary adjustments, meets certain non-discretionary cost increases, and reflects the University's best efforts at planning to meet its most critical needs and to provide essential services within the limits of available resources, guided by the strategic plan.

The Organized Activities Fund includes Continuing Education Programs, Medicine and Dentistry Practice Plan funds, Sports Camp activities, Conferences and Institutes, and various publications and workshops related to academic departments. The Auxiliary Enterprise Fund includes Intercollegiate Athletics, Residence Halls, the Iowa Memorial Union operations, Student Health, Recreational Services, Hancher Auditorium, Parking and Transportation, Cambus, and various smaller enterprises serving faculty, staff, students and the public. The Current Restricted Fund includes sponsored activities, predominately research and student financial aid funded from federal and non-federal sources.

Continuing Education

Continuing education courses are required to be self-supporting and therefore, the tuition receipts must be linked with expenses. To accomplish this, continuing education funds are accounted for, along with other self-supporting operations, in the restricted fund category.

Restricted Fund Student Aid

Based on information received from the University of Iowa, Office of Student Financial Aid, the Restricted Student Financial Aid budget is being increased over the FY 2008 budget by 15%. This is based, in part, on higher than budgeted expenditures in FY 2008. In addition, it is anticipated that there will be additional funding in FY 2009 for the Federal Pell Grant Program, Federal scholarships for Disadvantaged Students in the Health Professions, the All Iowa Opportunity Scholarship Program and the Iowa Work Study Program. This increase is also partially driven by increases in tuition and room/board.

Breakdown of Other Income

Other income includes non-federal gifts, grants and contracts of \$104.8M, Medicine and Dentistry Practice Plans of \$6.6M, interest, dividends and capital gains and losses of \$30.6M, workshops and seminars of \$6.8M, royalties of \$14.6M, rental of equipment and facilities of \$5.1M, parking fines of \$1M, and Other Miscellaneous Revenue of \$5.7M.

FY 2009 Bond Sales/Debt Service

The Bonds and Loans line includes the following potential bond sales for FY 2009 subject to the refinement of schedules and final approval by the Board:

UIHC	\$33 million
Campus Recreation & Wellness Center	\$26 million
Utility System	\$50 million
Athletics – Carver Hawkeye Arena	\$25 million

In addition to FY 2009 projected debt service on existing issues (\$52.5 million), an estimate of \$1.6 million has been included for the issues listed above.

The General Assembly and Governor also approved issuing academic building revenue bonds to finance the following construction or renovation projects:

Pentacrest Renewal	\$13,000,000
Deferred Maintenance projects	\$ 9,800,000

The timing of these bond sales has not been determined and will be coordinated by the Board Office. As a result, the bonds/loans revenue and debt service expense on these sales are not included in this budget.

Tuition Replacement

This budget contains \$9.88 million, which has been appropriated for Tuition Replacement to address FY 2009 debt service on academic building revenue bond issues.

Capital

A total of \$30 million in new capital was appropriated by the General Assembly during the 2007 legislative session for the Biomedical Discovery Institute. This includes \$10 million for each of FY 2008, FY 2009, and FY 2010. In addition, the 2006 legislative session appropriated \$36 million for the new University Hygienic Laboratory facility to be distributed as follows: FY 2007 \$8.35 million, FY 2008 \$15.65 million, and FY 2009 \$12 million.

New capital from the State in FY 2009 is therefore \$22,000,000 which includes the following components:

University Hygienic Laboratory	\$ 12,000,000
Biomedical Discovery Institute	\$ 10,000,000

The University will keep the Board Office apprised of actual needs throughout the year as construction of the two facilities proceeds.

Economic Development

FY 2009 GIVF funds (\$1,925,000) will be used for continued support for I-START and I-GROW, two distinct and interdependent phases. The FY 2009 GIVF funds will be matched dollar for dollar by The University of Iowa.

The first phase of investment (I-START) is targeted toward immediate or short-term needs designed to facilitate direct university-private sector partnerships in entrepreneurship and the creation of new companies and jobs in Iowa. An important aspect of I-START will be funding support for commercialization opportunities based on University of Iowa intellectual property, with priority given to private sector partnerships that promise job and business initiation and expansion in Iowa.

The second phase (I-GROW) is designed to address the middle to long-term commitments needed to promote and sustain high tech entrepreneurship in the region and build new networks of technical-financial-business capabilities that will stimulate and sustain the growth of new companies and industries that provide high paying jobs for the citizens of Iowa.

**The University of Iowa
INTERCOLLEGIATE ATHLETICS
Budget Summary
FY 2009**

MISSION STATEMENT

The mission of the Department of Intercollegiate Athletics is to provide the administrative and coaching support, facilities, resources, and equipment necessary for student-athletes to graduate from The University of Iowa while participating in broad-based championship caliber athletic competition. The overall well-being of the participant and the integrity of the program will be paramount in all that we do.

VALUES AND COMMITMENTS

Education and enrichment of the student-athlete

The department values competitive athletic and academic experiences that foster self-esteem, a sense of responsibility, effective communication skills and an appreciation for life-long learning. We are dedicated to providing our student-athletes with meaningful skill and character development that prepares Today's Hawkeyes to be Tomorrow's Leaders.

Integrity in all aspects of behavior

The highest level of excellence and integrity shall characterize every aspect of policy, performance and programs in the department. All participants in the department shall be expected to exemplify impeccable integrity - be they student athletes, coaching staff, and administrative professionals or support staff.

Fiscal responsibility

It is a fundamental tenet that the department shall at all times maintain a fiscally responsible and economically sound structure that provides the optimal environment for student-athlete success within budgetary parameters.

Innovation in approach and spirit

In order to meet its goals and develop a problem-solving orientation, the department is dedicated to encouraging innovation and creativity as core values.

Respect for the individual

The department values diversity in its people, whether that diversity is expressed by race, creed, color, national origin, age, sex, disability, sexual orientation and/or gender identity, and recognizes the need to work as a team while valuing each individual's self-worth.

Valuing our heritage

The department is committed to championship caliber athletic achievement and the on-going enhancement of the traditions of intercollegiate athletics at The University of Iowa, including leadership, individual and team achievement, and intense pride and loyalty.

Outreach

The department must strive to enhance the overall mission of the University of Iowa through competitive excellence, academic achievement, and an on-going commitment to service.

Leadership

The department will continue its long history of conference and national leadership through a commitment to leading-edge involvement in issues of relevance to intercollegiate athletics.

University of Iowa Athletics Operating Budget

	FY 08 Budget	FY 08 Estimate	FY 09 Budget
<u>INCOME:</u>			
Men's Sports			
Football	16,513,500	17,536,087	18,350,000
Basketball	3,250,000	2,869,557	3,474,800
Wrestling	276,000	287,877	401,000
All Other	7,000	9,043	10,000
Total Men's Sports	\$ 20,046,500	\$ 20,702,564	\$ 22,235,800
Women's Sports			
Basketball	175,000	126,427	175,000
Volleyball	10,000	10,459	10,000
All Other	13,000	13,732	13,000
Total Women's Sports	\$ 198,000	\$ 150,618	\$ 198,000
Other Income			
Rec Facilities Debt Service/Student Fees	1,500,000	1,500,000	1,500,000
Learfield Multi Media Contract Income	4,821,700	4,752,444	4,988,475
Athletic Conference	18,448,000	18,720,000	19,088,000
University General Fund Support	-	-	-
Financial Aid Set Aside from Athlete Tuition	800,000	800,000	840,000
Interest	350,000	1,000,000	1,270,000
Foundation Support	7,192,026	7,043,641	7,033,952
Foundation Premium Seat Revenue	5,100,000	5,083,100	5,083,100
Novelties--			
Bookstore	1,500,000	1,500,000	1,700,000
General Income	1,598,000	1,653,000	2,225,000
Total Other Income	\$ 41,309,723	\$ 42,052,185	\$ 43,728,527
TOTAL INCOME	\$ 61,554,226	\$ 62,905,367	\$ 66,162,327
<u>EXPENSES:</u>			
Men's Sports			
Football	13,475,363	13,925,473	15,147,532
Basketball	4,036,213	4,224,650	4,145,228
Wrestling	955,138	978,119	1,055,268
Other Sports	3,374,776	3,413,164	3,634,449
Total Men's Sports	\$ 21,841,489	\$ 22,541,406	\$ 23,982,476

Women's Sports

Basketball	2,479,774	2,577,942	2,714,932
Volleyball	1,039,529	994,737	1,023,360
Other Sports	6,488,158	6,462,521	6,925,545
Total Women's Sports	\$ 10,007,461	\$ 10,035,200	\$ 10,663,837

Other Expenses

Training Room	1,234,763	1,232,569	1,388,255
Sports Information	619,787	626,861	651,220
Admin. & General Expenses	8,596,685	8,725,977	9,251,468
Facility Debt Service	8,083,894	8,083,894	8,734,564
Transfer - Enterprise Reserve/Contingency	2,000,000	2,000,000	1,600,000
Contribution for Joint Recreation Projects	1,000,000	1,000,000	1,000,000
Academic & Counseling	1,569,371	1,544,584	1,629,376
Buildings & Grounds	6,600,779	7,014,876	7,261,131
Total Other Expenses	\$ 29,705,277	\$ 30,228,761	\$ 31,516,014

TOTAL OPERATING EXPENSE

\$ 61,554,226	\$ 62,805,367	\$ 66,162,327
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Total Operating Balance

\$ -	\$ 100,000	\$ -
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INTERCOLLEGIATE ATHLETICS

Fiscal Year 2009 Budget

INCOME:

Football

Increase related to one additional home game in FY 09.

Men's Basketball

Increase on season ticket price of \$2 per game and a \$2 increase in individual game ticket prices.

Wrestling

Increase of \$2 per meet on season ticket with two meets (Iowa State & Minnesota) priced at premium ticket price. Individual meet ticket price will also increase by \$2.

Women's Basketball

Increase attributed to a ticket price increase and an anticipated increase in attendance due to success of team in FY08.

Learfield Multi Media Contract

Increase due to contract escalation.

Athletic Conference

Increase in revenue attributable to Big Ten Conference scheduled television revenues.

Interest Income

Intentionally understated interest income in the original budget because of uncertainty regarding the department's average daily cash position. Actual average daily cash balances are higher than anticipated due to the receipt of premium seating revenues at the beginning of the fiscal year and timing of Athletics conference distributions including the Big Ten Conference television revenues.

Novelties – Bookstore

Increase attributable to an increase in anticipated sales.

General Income

Increase is related to higher anticipated concession income due to an additional home game and additional rental income from our Kinnick Club operation.

Fiscal Year 2009 Budget – cont.

EXPENSES:

Football

Increase related to the guarantees paid to other teams – primarily the Iowa State game and the Florida International game.

Wrestling

Increase related to salary increases as well as additional security expenses for home meets.

Other Men's Sports

Increase related to salary increases, team travel and scholarships costs.

Women's Basketball

Increase related to salary increase for assistant coaches, longevity bonus per contract for head coach as well as team travel expenses.

Volleyball

Increase related to salary costs associated with new coaching staff, medical increases, competition equipment and scholarships costs.

**The University of Iowa
Intercollegiate Athletics**

Number of Participants for 2007-08

Men:

Football	125
Basketball	11
Wrestling	41
Swimming	31
Gymnastics	14
Baseball	40
Tennis	11
Track & Cross Country	66
Golf	<u>11</u>

Total Men Participants **350**

Women:

Basketball	13
Field Hockey	18
Golf	9
Gymnastics	15
Rowing	76
Soccer	29
Softball	18
Swimming	26
Tennis	9
Track & Cross Country	39
Volleyball	<u>14</u>

Total Women Participants **266**

Total Participants **616**

**The University of Iowa
Intercollegiate Athletics
Scholarship Expenses**

Sport	Number Allowed By NCAA	2007-08 Budget	2007-08 Projected	2008-09 Budget
Head Count Sports				
Football	85	2,100,700	2,010,772	2,205,800
Men's Basketball	13	322,400	310,884	338,600
Women's Basketball	15	339,800	295,444	323,800
Women's Gymnastics	12	375,100	343,358	393,900
Women's Tennis	8	183,300	243,412	192,500
Volleyball	12	333,500	308,482	350,200
Equivalency Sports				
Baseball	11.7	257,300	281,581	270,200
Men's Track	12.6	322,400	307,875	338,600
Women's Track	18	436,100	503,320	458,000
Men's Swimming	9.9	258,200	217,014	271,200
Women's Swimming	14	336,500	305,702	353,400
Wrestling	9.9	192,200	224,237	201,900
Men's Golf	4.5	73,300	77,533	77,000
Women's Golf	6	143,600	133,152	150,800
Men's Tennis	4.5	104,000	96,904	109,200
Men's Gymnastics	6.3	204,400	173,245	214,700
Field Hockey	12	304,700	361,918	320,000
Softball	12	244,800	269,646	257,100
Rowing	20	500,700	433,643	525,800
Soccer	14	309,300	384,510	324,800
TOTAL	300.4	7,342,300	7,282,632	7,677,500

University of Iowa Athletic Scholarships

Scholarships Included in Operating Budget

Description	FY 2005	FY 2006	FY 2007	FY 2008	FY 2008 Projection 06/30 Balance	FY 2009
	Budget	Budget	Budget	Budget		Budget
Total # Women's Scholarships	141.00	141.00	143.00	143.00	143.00	143.00
Recipients	199.00	199.00	201.00	182.00	200.00	181.00
Total Dollar Value	3,335,700	3,536,300	3,735,100	3,507,400	3,582,587	3,650,300
Total # Men's Scholarships	157.40	157.40	157.40	157.40	157.40	157.40
Recipients	213.00	213.00	213.00	219.00	228.00	231.00
Total Dollar Value	3,664,111	3,884,411	4,079,300	3,834,900	3,700,045	4,027,200
Total # Scholarships	298.40	298.40	300.40	300.40	300.40	300.40
Recipients	412.00	412.00	414.00	401.00	428.00	412.00
Total Dollar Value	6,999,811	7,420,711	7,814,400	7,342,300	7,282,632	7,677,500
Band, Trainers, Managers	232,315	245,615	258,000	257,700	277,200	270,400
Summer School Estimate	0	0	0	0	0	0
	232,315	245,615	258,000	257,700	277,200	270,400
Total	7,232,126	7,666,326	8,072,400	7,600,000	7,559,832	7,947,900

The University of Iowa

Intercollegiate Athletics

FY 2009 Ticket Pricing

FOOTBALL	2007 Season 6 Games	2008 Season 7 Games
Season Ticket Prices (incl.'s premium game)		
Price Per Game / premium game		
Public	47.00	47/57*
F/S	38.00	38/47*
Student	22.00	22.00
Total Cost		
Public	\$282.00	\$339.00
F/S	\$228.00	\$275.00
Students	\$132.00	\$154.00

* Premium Game – Iowa State

Individual Ticket Price / Premium Game Ticket Price	\$50	\$50/\$65**
**2008 season--Iowa State & Wisconsin		

MEN'S BASKETBALL	2007-08 Season 19 Games	2008-09 Season 18 Games
Season Ticket Prices		
Price Per Game (Weekend/Weekday)		
Public	21/16	23/19
F/S	17/13	19/15
Student	5.00	5.00
Total Cost		
Public	\$336.00	\$364.00
F/S	\$272.00	\$294.00
Students	\$95.00	\$90.00
Individual Ticket Price (Weekend/Weekday)	25/20	27/22

WOMEN'S BASKETBALL	2007-08 Season 18 Games	2008-09 Season 16 Games
Season Ticket Prices		
Total Cost		
Public	\$70.00	\$90.00
F/S	\$56.00	\$76.00
Senior Citizens	\$56.00	\$66.00
UI Student	Free	Free
Individual Ticket Price-Adult	7.00	9.00
Individual Ticket Price-Youth	5.00	5.00

**UNIVERSITY OF IOWA
INTERCOLLEGIATE ATHLETICS**

Revenue from FY09 Budget that Athletics provides to other university entities:

--Scholarships (Tuition, Room & Board and Fees)	\$7,950,000
--Public Safety (Game Management Expenses)	\$1,133,900
--Cambus Charters (Football & Men's Basketball)	\$50,000
--University Hospitals (Medical Costs)	\$850,000
--Utility Consumption	\$1,608,400
--Custodial Services (University Facilities Management)	\$533,600
--Insurance (Risk Management Office)	\$192,500
--University Business Service Charges	\$779,400
--Telecommunication Services (Voice & Data)	\$315,200
--Parking Services (Game Management Expenses)	\$275,000
--University Marching Band	\$150,000
--Residence Services (Training Table for Football—includes pre-season)	\$510,000
--Summer Camps (Room & Board, Parking dept. reimbursement)	\$325,000
Total	\$14,673,000

**The University of Iowa
RESIDENCE SYSTEM
Budget Summary
FY 2009**

The University of Iowa is proposing the attached annual budget for the Residence System for fiscal 2008-09. Estimated revenues total \$46,497,647 and proposed expenses for operations total \$33,918,326, leaving \$12,579,321 net revenue available for debt service, mandatory transfers, and transfers to voluntary reserves. These projected net revenues are \$653,874 lower than the preliminary budget submitted to the Board in March.

The decreased net revenue projection is due primarily to a decrease in projected contract revenues and estimated interest income for the 2008-09 fiscal year. Contract revenue projections have been reduced by \$754,205, based on fewer applications from returning students and a potentially smaller entering first-year class seeking housing. Although still expecting to have all beds filled at the start of the fall semester, the lower number of applicants will limit the ability to fill beds lost to attrition throughout the year. Lower interest rates are responsible for a significant reduction in the estimated investment income for 2008-09. Helping to partially offset the reduced income projections are lower inflationary cost increases, particularly utility costs.

Projected revenues are based on rates approved by the Board at its meeting of April 30, 2008, fall residence hall occupancy of 5,582, residence hall board contracts numbering 5,820, and 682 apartments occupied.

Voluntary reserve balances at June 30, 2009 are projected to be \$7,483,321. This amount is \$708,344 lower than projected in March, consistent with the lower projected net revenues from operations.

**The University of Iowa
Residence System Final Budget 2008-09**

	Actual 2006-07	Revised Estimate 2007-08	Preliminary Budget 2008-09	Final Budget 2008-09
OPERATIONS (Modified Cash Basis)				
Revenues	\$ 43,939,882	\$ 45,517,727	\$ 47,528,950	\$ 46,497,647
Expenditures for Operations	30,438,174	31,414,328	34,295,755	33,918,326
Net Revenues	13,501,708	14,103,399	13,233,195	12,579,321
% of Revenues	30.7%	31.0%	27.8%	27.1%
Debt Service (due July 1)	5,998,195	4,968,395	4,977,426	4,977,426
Mandatory Transfers	600,000	600,000	600,000	600,000
Net After Debt Service & Mandatory Transfers	<u>\$ 6,903,513</u>	<u>\$ 8,535,004</u>	<u>\$ 7,655,769</u>	<u>\$ 7,001,895</u>
% of Revenues	15.7%	18.8%	16.1%	15.1%
Debt Service Coverage Ratio	225%	284%	266%	253%
University Overhead Payment From Surplus	\$ 430,572	\$ 438,552	\$ 443,576	\$ 475,188
FUND BALANCES (June 30)				
Revenue Fund	\$ 0	\$ 0	\$ 0	\$ 0
Operation & Maintenance Fund	1,000,000	1,000,000	1,000,000	1,000,000
Improvement Fund	8,262,097	10,729,493	6,745,222	6,229,173
Surplus Fund	3,841,621	626,441	446,443	254,148
Subtotal--Voluntary Reserves	<u>13,103,718</u>	<u>12,355,934</u>	<u>8,191,665</u>	<u>7,483,321</u>
Sinking Fund	0	0	0	0
Bond Reserve Fund	5,180,855	5,180,855	5,180,855	5,180,855
Bond Construction Fund	0	0	0	0
Subtotal--Mandatory Reserves	<u>5,180,855</u>	<u>5,180,855</u>	<u>5,180,855</u>	<u>5,180,855</u>
Total Fund Balances (June 30)	<u><u>\$ 18,284,573</u></u>	<u><u>\$ 17,536,789</u></u>	<u><u>\$ 13,372,520</u></u>	<u><u>\$ 12,664,176</u></u>
REVENUES AND EXPENDITURES				
Revenues				
Contracts	\$ 39,493,143	\$ 40,715,319	\$ 42,769,112	\$ 42,014,907
Interest	1,121,853	985,966	1,013,395	675,796
Other Income	3,324,886	3,816,442	3,746,443	3,806,944
Total Revenues	<u>\$ 43,939,882</u>	<u>\$ 45,517,727</u>	<u>\$ 47,528,950</u>	<u>\$ 46,497,647</u>
Expenditures for Operations				
Salaries, Wages & Benefits	11,563,721	12,137,444	13,695,339	13,672,631
Cost of Food or Goods Sold	3,886,650	4,236,098	4,542,254	4,490,263
Other Operating Expense	6,244,660	6,002,596	6,189,300	6,195,022
Utilities	4,862,595	5,048,974	5,466,702	5,291,015
Repairs & Maintenance	3,880,548	3,989,216	4,402,160	4,269,395
Total Expenditures	<u>\$ 30,438,174</u>	<u>\$ 31,414,328</u>	<u>\$ 34,295,755</u>	<u>\$ 33,918,326</u>

