

**The University of Iowa  
FY 2007 Final Budget  
General Education Fund**

The FY 2007 General Education Fund (GEF) budget is being developed based on the most current information available to inform revenue projections and an expenditure plan which is guided by The Iowa Promise: A Strategic Plan for the University of Iowa 2005-2010 (the Strategic Plan) and by the Regents' Partnership for Transformation and Excellence plan (Transformation Plan).

**1. REVENUE SOURCES**

Sources Table

\$488.7 million	FY 2006 GEF Budget Base
\$ 4.5 million	State Appropriation
\$ 21.2 million	Tuition
\$ 4.7 million	Energy/Environment Surcharge
\$ <3.5> million	Other Income/Indirect Cost Recoveries
\$ 26.9 million	Total New Revenue
<b><u>\$515.6 million</u></b>	<b>FY 2007 GEF Budget</b>

**Appropriations**

The Board of Regents FY 2007 operating request was \$40 million in new appropriations Regent-wide and an additional \$9 million to offset the loss of non-recurring appropriations received in FY 2006. The University of Iowa's share of these appropriations would have been \$16.5 million in new appropriations and \$3.7 million to offset the loss of non-recurring FY 2006 appropriations. The Board's appropriation request carried with it a commitment to reallocate \$1 for every \$2 dollars in new operating appropriations.

Based on the appropriations legislation recently passed by the General Assembly, the Regents will receive an appropriation of \$20 million (\$11 million recurring and \$9 million non-recurring) of which the University of Iowa will receive \$8.25 million (\$4.5 million recurring and \$3.7 million non-recurring to replace, for one year, the \$3.7 million non-recurring appropriation received in FY2006). All the information that follows is predicated on this appropriation level.

**Tuition**

Due to a positive increase in the mix and retention of students, FY06 is projected to end with tuition revenues exceeding the budget by approximately \$2.4 million. This increase

is attributable to an improvement in the mix of resident to non-resident students and better retention of students from one academic term to the next. Expectations are for these positive trends to stabilize during the Fall 2006 term.

In December of 2005, the Board of Regents approved tuition increases for FY 2007 of 4.5% for residents and 6.5% for non-residents. With level enrollments and stable resident/non-resident mix, these increases would yield approximately \$11.6 million in new tuition revenue prior to offsets for student financial aid.

In addition, current information provided by the Office of Admissions indicates that enrollment in the Fall 2006 first year class will likely exceed the Fall 2005 class of 3,849 by as many as 400 additional students, with a high percentage of this cohort being non-residents. This projected increase in the first year class will yield up to \$6 million in gross tuition revenues before adjustments for student financial aid. It will also produce significant concomitant costs that will need to be met to assure a quality undergraduate experience for all University of Iowa students.

Professional School tuition supplements previously approved by the Board will yield approximately \$1.1 million for professional school improvements, prior to offsets to fund student financial aid.

### **Energy/Environment Surcharge**

At its June 20 meeting, the Board of Regents approved a one year \$100 per semester energy/environment surcharge. The University expects this surcharge to generate approximately \$4.7 million in additional revenue in FY2007. This additional revenue will be applied as follows:

- |  |                      |
|--|----------------------|
| • Utility inflation and opening academic buildings | \$2.7 million        |
| • Building Repairs                                 | \$1.4 million        |
| • Library Acquisitions                             | <u>\$0.6 million</u> |
| Total  | \$4.7 million        |

### **Indirect Cost Recoveries**

Actual data through May 2006 indicates that FY 2006 indirect cost recoveries might be below budget by as much as \$3.5 million. This is primarily due to funding reductions and delays imposed by NIH, the agency providing a significant percentage of sponsored funding to the University. The University now proposes to budget Indirect Cost Recoveries in FY 2007 at the same level as expected in FY 2006.

## **Reallocations**

In accordance with the Transformation Plan the University must commit a minimum of \$2.25 million in reallocation for FY07. However, due to the need to improve the competitiveness of faculty salaries relative to peer institutions and to help cover other unavoidable cost increases, the University of Iowa is committing an additional \$6.4 million in reallocated dollars bringing the total in FY2007 to \$8.6 million.

### **Sources of Reallocation**

Administrative Reallocations	\$3,123,000
Collegiate Reallocations	<u>\$5,503,000</u>
Total Reallocations	\$8,626,000

The uses of these reallocations are described in Form 1B which is attached for your review.

## **SALARY POLICIES**

### **Faculty**

Achieving more competitive faculty salaries is The University of Iowa's top academic budget priority in FY07. The competitiveness of The University of Iowa's faculty salaries has fallen precipitously since the early 1990s. The Board of Regents, recognizing the impact that recruiting and retaining excellent faculty has on an institution's quality and reputation, made the improvement of faculty salaries one of the top priorities of the Regents Partnership Plan for Transformation and Excellence. In FY06, through the application of two faculty salary increments heavily supported by reallocations, the University was able to move average faculty salaries in non-clinical departments from 9th among Big 10 public institutions to 7th.

In FY07, the University hopes to make further competitive gains by adopting a faculty salary policy that will average a minimum of 4.25% in certain units but will average 5% for all colleges combined. To achieve this goal, the University will again need a two-part faculty salary increment. The first installment will occur on July 1, 2006, and the second on January 1, 2007. Although this is a less than ideal method of pursuing this goal, it is the only financially responsible way to proceed. Splitting the salary increment into two pieces will provide the University with the flexibility it needs to address unexpected changes that might occur in the coming months.

### **Non-Union Professional & Scientific (P&S) Staff:**

Funds equal to 3.5% of non-union P&S staff salaries plus fringe benefit costs will be allocated to General Education Fund supported budgetary units. The average salary

increase policy for non-union P&S staff salaries for each college, vice president unit, and other major administrative units is between 3.5% and 5%, regardless of source of funds.

The salary policy for non-bargaining P & S staff is based on the revenue assumptions above with an overall average budget allocation increase of 3.5% for this employee group to be distributed on the basis of performance. However, there is additional flexibility based upon other funding sources and reallocation. This flexibility could well be essential for particularly competitive classes and to provide equity vis-a-vis those governed by collective bargaining agreements.

### **Fringe Benefit Rates:**

Fringe benefit rates for FY 2007 have been negotiated and finalized with the federal government. This includes a specific, predetermined rate for each of eleven classes of faculty and staff. All except two of the rate categories increased from FY2006 to FY2007. The rates have been fluctuating from year to year based upon the projection model required by the federal government. FY 2007 fringe benefit rates are as follows:

Clinical Faculty	<b>22.70%</b>
Non-Clinical Faculty	<b>27.00%</b>
Prof & Scientific (incl. SEIU)	<b>34.30%</b>
Merit	<b>46.00%</b>
House Staff	<b>8.25%</b>
Grad Assistants	<b>16.70%</b>
Post Docs	<b>16.70%</b>
Fellowships	<b>10.00%</b>
Temporary	<b>10.00%</b>
Bi-weekly students	<b>7.30%</b>
Misc & Extra Comp	<b>4.70%</b>

These rates are applied to salaries as they are paid to fund the employer's share of fringe benefit costs.

### **UNAVOIDABLE OR ESSENTIAL COST INCREASES**

#### **Impact of Fringe Benefit Rate Changes on Salary Base**

As cited above, in January 2006, the University completed negotiations with NIH which established FY 2007 fringe benefit rates for each employee category. The effect of changes in fringe benefit rates on the existing GEF salary base is an additional cost of \$3.5 million. These increases are attributable to cumulative increases in health insurance premiums and the University's internal charge back system to recover its premium payments. Because of the required federal methodology, these adjustments have ranged

from an annual increase in cost of \$3.5 million to an annual decrease of \$3.7 million over the last five years.

Opening New Buildings: Costs to occupy new or improved space

The projected cost of utilities, custodial services, information technology and general maintenance for new GEF-supported buildings in FY 2007 are as follows:

Art and Art History Building (4 months)	\$ 186,000
Dey House- Schaeffer Library and Iowa Writers Workshop (6 months)	\$ 29,000
Hawkeye Campus Tennis Center (non-Athletics component)	\$ 125,000
Law School Admissions-320 Melrose	\$ 18,000
University Old Capitol Centre Academic and Academic Support Space	\$ 850,000 (1)
<b>Total</b>	<b><u>\$1,208,000</u></b>

(1) This represents the cost of space to be occupied by academic and academic support activities including International Programs, College of Public Health research units, English as a Second Language, Public Safety and Information Technology. Cost for non-academic space including UIHC and the Iowa Centers for Enterprise have not been included. Much of this cost is recovered by GEF through indirect cost reimbursements for research and payments for central services such as Public Safety.

Other

Other unavoidable or essential General Education Fund cost increases that must be addressed include the following examples:

Annualization of FY 2006 Merit Employee Step Increases (bargained)	\$1.6 million
Cost of FY 2007 Merit Employee Contract (bargained)	\$1.9 million
Graduate Assistant Salary Cost (bargained)	\$0.5 million
Graduate Assistant Scholarship Cost (bargained)	\$0.9 million
Annualization of 2% Faculty Salary Increase January 1, 2006	\$1.3 million
Professional School Tuition Supplements Commitments	\$1.0 million
Student Financial Aid Set-aside	\$2.8 million
Non-salary Utility Inflation 9%	\$2.1 million
Library Acquisitions Inflation	\$0.6 million

**GEF SUPPORT FOR ATHLETICS**

In FY 2004 GEF support for Athletics operations was approximately \$2.2 million. In its report to the President, the GEF Task Force recommended this support be reduced. In FY 2005, GEF support for Athletics was reduced by \$300,000 to \$1.9 million. In FY 2006 this support was reduced by an additional \$250,000, and \$800,000 (the student aid set-aside derived from Athletics Department's tuition scholarship payments) was transferred to Student Financial Aid and designated by the Office of Student Financial Aid as support for Athletic scholarships. With these actions the direct FY 2006 GEF support for Athletics was reduced to approximately \$900,000. Effective with the FY

2007 budget, the University President authorized a reduction of an additional \$100,000 so that Athletics will now receive approximately \$800,000 in total GEF support.

## **BUILDING RENEWAL**

The strategic objective continues to be attaining annual financial support of building renewal projects equal to 1% of the replacement value of GEF-supported buildings. Contributing to this goal is the GEF building renewal operating budget as well as State capital appropriations, State academic building revenue bonding authorizations and any other central sources of support such as gifts and grants.

Progress toward this goal is possible in FY 2007 due to the energy/environment surcharge. Of the revenues collected from the surcharge, the University plans to increase building renewal operating support by \$1,430,000 on a one-time basis. Progress toward full funding will continue in FY2008 by a projected commitment of an additional \$750,000 in recurring annual support.

## 2b. INITIATIVES

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### Core Salary/Benefit Increases

**\$9,522,000**

The University seeks to maintain competitive staff salaries. Funds equal to 3.5% of non-union P&S staff salaries plus fringe benefit costs will be allocated to General Education Fund supported budgetary units. The average salary increase policy for non-union P&S staff salaries for each college, vice president unit, and other major administrative units is targeted to be between 3.5% and 5%, regardless of source of funds. The University administration encouraged all units to reallocate to meet P&S staff salary requirements whenever feasible.

Colleges and divisions were encouraged to use salary benchmarking survey results and other peer benchmarks as points of reference in determining salary increases.

This initiative also funds the cost of salary and benefits for those staff covered by collective bargaining agreements. In addition to contractually mandated salary increases, the graduate assistant tuition scholarship levels will increase from 37.7% of full-time resident tuition to 48.2% of full-time resident tuition (including the energy/environment surcharge).

### Measures

This initiative supports the following Strategies and Indicators of Progress included in the Strategic Plan:

#### **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;
- #30 – Monitor competitiveness of P&S staff salaries.

Funding Source	\$3,933,000	Appropriation
	\$5,589,000	Tuition
	(\$2,000,000)	Other Income/Indirect Cost Recoveries
	\$2,000,000	Reallocation
Reallocation Detail	\$2,000,000	The University will require collegiate and administrative units to reallocate a portion of their base budget to support salary and fringe benefit increases for faculty and non-organized staff, salary and fringe benefit increases mandated by collective bargaining contracts, and other unavoidable or essential cost increases.
New Use	\$9,522,000	P&S Salary and Benefits (\$3,739,000) Grad Asst Salary and Scholarships (\$1,320,000) Merit Staff Salary and Benefits (\$4,463,000)

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**Additional  
Investment in  
Faculty**

**\$11,391,000**

Achieving more competitive faculty salaries is The University of Iowa's top academic budget priority in FY07. The competitiveness of The University of Iowa's faculty salaries has fallen precipitously since the early 1990s. The Board of Regents, recognizing the impact that recruiting and retaining excellent faculty has on an institution's quality and reputation, made the improvement of faculty salaries one of the top priorities of the Regents Partnership Plan for Transformation and Excellence. In FY06, through the application of two faculty salary increments and substantial reallocation, the University was able to move average faculty salaries in non-clinical departments from 9<sup>th</sup> among Big 10 public institutions to 7<sup>th</sup>.

In FY07, we hope to make further competitive gains with our faculty salary policy. Similar to FY06, we will implement the faculty salary policy in two installments. The first installment will occur on July 1, 2006, and the second on January 1, 2007. Several parts of the FY07 budget are unknown at this time, and the University cannot commit funds on July 1 that may not materialize later in the fiscal year. Splitting the salary increment into two pieces will provide the University with the flexibility it needs to address unexpected changes that might occur in the coming months. Collegiate deans are being instructed to factor the two installments into their thinking about how best to award faculty salary increments in FY07. Specifically, they are being asked to make one salary decision in July, with some portion of the amount allocated contingent on sufficient funds being available for distribution in January.

The FY07 budget will recognize this increasing dependence on earned revenues and will support those units that work hard to generate these revenues. What is more, some collegiate salaries are less competitive than others, and this difference must also be taken into account. Accordingly, the Office of the Provost is making salary allocations in a fashion that acknowledges both the collegiate revenue contributions to the General Education Fund and the relative competitiveness of collegiate salaries.

For the July 1, 2006, faculty salary distribution, the Office of the Provost will allocate a 1.75% increase to all colleges. In addition, the Office of the Provost will spread another 1.75% across colleges taking into consideration General Fund

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revenue contributions and faculty salary competitiveness. If funding is available, the Office of the Provost will allocate another 0.75% salary increment to all colleges on January 1, 2007, and will spread another 0.75% across colleges based on General Education Fund revenue contributions and faculty salary competitiveness.

For units targeted to receive the minimum faculty salary allocation, the Office of the Provost will provide reallocated funds on a non-recurring basis to bridge their FY07 faculty salary needs. These units have been instructed to review enrollment levels, tuition rates, and other revenue sources to determine how to fund these needs in future years.

Reallocated funds will also be used to support increased minority faculty hiring. The budget for the Faculty Diversity Opportunity Program will support 19 new diversity hires and 18 continuing diversity appointments in FY07.

#### Measures

This initiative supports the following Strategies and Indicators of Progress included in the Strategic Plan:

#### **Strategies:**

- Providing nationally competitive faculty salaries;
- Recruiting and retaining excellent faculty and staff;
- 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;
- Increasing the diversity of the faculty, especially in tenured and tenure track positions;
- 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 minority tenured/tenure track representation from 13.6% to 16.0%;
- #27 – Increase Faculty Diversity Opportunities Program budget pool from \$800,000 to \$1,300,000;
- #28 – Increase non-clinical tenured/track faculty salaries to the top third of peer group;
- #29 – Increase clinical medicine salaries to the 50<sup>th</sup> percentile in the AAMC;
- #44 – Increase the number of options and licenses of UI intellectual property from 30 to 75.

Funding Source	\$0 \$7,355,875 (\$1,500,000) \$5,535,125	Appropriation Tuition Other Income/Indirect Cost Recoveries Reallocation
Reallocation Detail	\$4,805,125	The University will require collegiate and administrative units to reallocate a portion of their base budgets (2%) to support salary and fringe benefit increases for faculty and non-organized staff, salary and fringe benefit increases mandated by collective bargaining contracts, and other unavoidable or essential cost increases.
	\$730,000	In FY07, the Provost will require colleges to reallocate 0.4% of their recurring General Education Fund budgets to a central pool. From this central pool the Provost will fund strategic academic initiatives.
New Use	\$11,391,000	Faculty Salary and Benefits: July 1, 2006 (\$9,411,000) Faculty Salary and Benefits: January 1, 2007 (\$1,250,000) Provost Targeted Reallocation: Faculty Diversity Opportunity Program (\$130,000) Provost Targeted Reallocation: Faculty Salary Bridging Funds (\$600,000)

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**Additional  
Investment in  
Students**

**\$8,565,000**

Attracting students has become increasingly important to the University given its growing dependence on tuition revenue. Current budget projections reflect an increase of 405 entering first-year students in the fall 2006 semester. This initiative includes funding to accommodate the instructional costs associated with this larger cohort and ensure that undergraduate students have opportunities to interact with faculty in a smaller class setting.

Undergraduate students generate approximately 70% of the University's General Education Fund tuition revenue. It is important to recognize this when planning the use of student financial aid set-aside funds. In recognition of this, the University's student financial aid set-aside program has been modified to allocate a larger share of incremental tuition revenue to undergraduate financial aid programs.

Funding – generated by market-based tuition differentials – is included to improve undergraduate, graduate and professional programs. New in FY07 is a tuition supplement for upper class undergraduates within the College of Engineering. Proceeds will support distinctive educational programs for engineers in the areas of writing, health sciences, globalization and international studies, integrated design experiences, and personalized research opportunities.

As directed by State legislation, \$250,000 of the University's General Education Fund appropriation increase will be allocated to the Consider Iowa pilot program. This program is intended to build relationships around the state, directly addressing the needs of smaller Iowa companies and providing intervention to reduce the trend of graduates leaving the state of Iowa in search of employment.

**Measures**

This initiative supports the following Strategies and Indicators of Progress included in the Strategic Plan:

**Strategies:**

- Providing access through an appropriate blend of merit- and need-based financial aid and by increasing the amount of aid available;
- 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;
- 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;
- #9 – Increase First-Year Seminars from 13 to 50 sections per academic year;
- #17 – Redeploy the Graduate fellowships and scholarships block allocation to support the recruitment of higher quality graduate students.

Funding Source	\$0 \$8,045,000 \$0 \$270,000	Appropriation Tuition Other Income/Indirect Cost Recoveries Reallocation
Reallocation Detail	\$270,000	In FY07, the Provost will require colleges to reallocate 0.4% of their recurring General Education Fund budgets to a central pool. From this central pool the Provost will fund strategic academic initiatives.
New Use	\$8,565,000	Student Financial Aid (\$2,847,000) Student Information System (\$550,000) Graduate/Professional School Programs (\$948,000)

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Consider Iowa (\$250,000)  
 Student Services/Student Disability Services/Memorial  
 Union Operations/Women’s Center (\$600,000)  
 Cost of New Freshman Cohort (\$3,100,000)  
 Provost Targeted Reallocation: Undergraduate Program  
 Improvements (\$270,000)

**Renewing  
 Environments  
 for Learning  
 & Research**

**\$6,010,000**

Each year the University faces unavoidable cost increases, such as, inflationary costs for utilities and library acquisitions. Some years these can be extraordinary. Funding of these increases is an important component of maintaining a productive environment for faculty, staff, and students. Building maintenance and repair of campus facilities also requires additional support.

Funding is budgeted for the projected cost of utilities, custodial services, information technology and general maintenance for new GEF-supported buildings including Art & Art History, Dey House, and the University Old Capitol Centre.

Measures

This initiative supports the following Strategies and Indicators of Progress included in the Strategic Plan:

**Strategies:**

- Augmenting support for our research collections, libraries, museums, and information technologies - broadly defined - that are critical to teaching and learning;
- 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)**

- #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;

- #31 – Maintain top 15 Association of Research Libraries (ARL) ranking among public research libraries.

Funding Source    \$333,875  
                           \$4,855,125  
                           \$0  
                           \$821,000

Appropriation  
 Tuition  
 Other Income/Indirect Cost Recoveries  
 Reallocation

Reallocation        \$821,000  
 Detail

The University will require collegiate and administrative units to reallocate a portion of their base budgets (2%) to support salary and fringe benefit increases for faculty and non-organized staff, salary and fringe benefit increases mandated by collective bargaining contracts, and other unavoidable or essential cost increases.

New Use             \$6,010,000

Utility Inflation (\$2,076,000)  
 Research Match/Commitments (\$601,000)  
 Opening Academic Buildings (\$1,208,000)  
 Internal Audit (\$95,000)  
 Library Acquisitions (\$600,000)  
 Building Renewal (\$1,430,000)

**UNIVERSITY OF IOWA HOSPITALS AND CLINICS  
FINAL FY 2007 OPERATING BUDGETS OF THE  
UNIVERSITY OF IOWA'S STATEWIDE HEALTH SERVICE UNITS**

**STRATEGY**

In FY 2007, 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.

There are three commitments identified in the strategic plan that were key drivers in drafting the FY 2007 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 under implementation to achieve UIHC's goals:

- Development and optimization of several key product lines:
  - Cardiovascular - Heart Clinic / EP Lab / Recovery Renovation
  - Oncology – Cancer Center Relocation
  - Neuroscience - Neurosurgery Clinic Renovation
  - Children's Hospital - Pediatric Inpatient Unit Renovation / Additional Pediatric Catheterization Lab
- Initiatives to reduce length of stay by a minimum of 0.28 days
- 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
- Opening of 6 new Ambulatory Surgery Rooms by end of fiscal year
- Emergency Treatment Center Renovation
- Patient and Visitor Service Center Construction
- Expansion of surgical ICU, intermediate pulmonary care, and telemetry beds

- Investment in radiology to increase throughput and provide state-of-the-art technology
- Continued emphasis on revenue cycle and supply chain initiatives
- Significant investment in information technology infrastructure, with special attention to clinical information, operating room, ICU, and electronic medication systems
- Outside consultation initiated to improve access and efficiency in the provision of outpatient services, in collaboration with Carver College of Medicine

## **CHALLENGES**

There are ever-increasing pressures on the healthcare industry to maintain funding sources while keeping operating expenses in check. FY 2007 will offer no exception to this trend for the University of Iowa Hospitals and Clinics. IowaCare funding is expected to remain flat, while inflationary forces continue to drive costs upward. An average “all-in” salary increase of 4.6 percent is projected for next year, medical and surgical supply costs are estimated to rise 4 percent or more, and increases in drug costs are anticipated in the 7 percent range. Utilities and other administrative services purchased from the University of Iowa will increase 9 percent and 4.5 percent, respectively.

The State of Iowa has appropriated \$27.3 million to UIHC for the care of the state’s indigent population in FY 2007. Based on Medicaid reimbursement rates, the projected FY 2006 IowaCare services utilized at UIHC are over \$36 million. Also, in FY07, UIHC will provide pharmacy and DME services to this population with no additional reimbursement for this provision. The combination of the shortfall in general IowaCare payments (\$27.3 million vs. activity of over \$36 million), the addition of pharmacy and DME benefits (estimated to cost over \$6M annually), and the potential for further expansion in IowaCare enrollees (as pharmacy and DME benefits are expanded) could create significant challenges in FY 2007. 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, particularly given that the other major IowaCare network provider, Broadlawns Medical Center, is unlikely to exhaust its funding prior to the end of FY 2007. Continued growth in IowaCare enrollment may also have implications for timely access to appointments for patients from all financial classes and could create the need for costly expansions in some areas to avoid loss of paying patients. Iowa’s compliance with the Deficit Reduction Act of 2005 (P.L. 109-171) may necessarily result in delays in authorization of IowaCare and Medicaid coverage status which could create hardships for patients and increase charity care at the UIHC.

## **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 anticipated to grow at a 2.0 percent rate in FY 2007. Length of stay is expected to decrease by 0.28 days. In FY 2007, the case mix index, a measure of inpatient severity, is expected to remain at a high level, as a result of the 3M coding project and continued demand for sub-specialty services. 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.

<b><u>Combined Health Service Units</u></b>	<b><u>Actual 2003</u></b>	<b><u>Actual 2004</u></b>	<b><u>Actual 2005</u></b>	<b><u>Projected 2006</u></b>	<b><i>Budget 2007</i></b>
Acute Admissions (excl. newborns)	24,104	25,384	25,063	25,253	26,011
Surgical Cases	20,269	20,644	20,820	20,880	21,402
Clinic Visits	631,443	669,045	668,456	658,015	671,697
Average Length of Stay for Acute	7.24	6.94	6.99	6.68	6.40
Case Mix - All Patients	1.6272	1.5950	1.6384	1.7011	1.7011

## RATES

Additional net revenues will be required in FY 2007 to support staffing levels appropriate for safe and high quality patient care, while maintaining a positive operating margin. These additional net revenues will be achieved through new volumes and a proposed rate increase of 8.0 percent to be effective July 1, 2006. Market data indicates that UIHC continues to lag significantly, with regard to rates, 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 Health System 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 affect DRG and APC rate setting
  - Charges affect new technology rate setting
  - Outlier thresholds and payments are based on charges
  - Coinsurance up to policy maximum
- Medicaid
  - Charges affect DRG and APC rate setting
  - Outlier thresholds and payments are based on charges
- 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				
	<150%	151%-200%	201%-250%	251%-300%
Patient Balance	Discount Percentages			
> \$50,000	100%	80%	60%	40%
\$40,000 - \$50,000	100%	80%	60%	35%
\$30,000 - \$39,999	100%	75%	55%	30%
\$20,000 - \$29,999	100%	70%	45%	25%
\$10,000 - \$10,999	100%	60%	40%	20%
\$5,000 - \$9,999	100%	55%	35%	15%
\$2,500 - \$4,999	100%	50%	30%	10%
\$0 - \$2,4999	100%	45%	25%	5%

## FINAL BUDGET SUBMISSIONS

### **University Hospital - FY 2007 Budget:**

#### *REVENUES:*

##### STATE APPROPRIATION

General Fund	27,284,584
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##### OTHER REVENUES

Reimbursed Indirect Costs	2,237,900
Sales & Services	666,635,516
Other Income	421,200

##### **TOTAL REVENUES**

**696,579,200**

#### *EXPENDITURES:*

Faculty Salaries	31,120,700
Professional & Scientific Salaries	251,426,100
General Services Salaries	123,472,100
Hourly Wages	6,416,800
Subtotal	<u>412,435,700</u>

Supplies and Services	246,243,100
Rentals	4,824,500
Utilities	16,881,500
Building Repairs	7,376,500
Equipment	8,817,900
Subtotal	<u>284,143,500</u>

##### **TOTAL EXPENDITURES**

**696,579,200**

**Psychiatric Hospital - FY 2007 Budget:**

*REVENUES:*

STATE APPROPRIATION

General Fund 7,043,056

OTHER REVENUES

Reimbursed Indirect Costs 1,203,800

Sales & Services 14,823,944

**TOTAL REVENUES**

**23,070,800**

*EXPENDITURES:*

Faculty Salaries 1,776,600

Professional & Scientific Salaries 11,155,600

General Services Salaries 5,199,800

Hourly Wages 197,100

Subtotal 18,329,100

Supplies and Services 3,353,600

Rentals 17,800

Utilities 1,370,300

Subtotal 4,741,700

**TOTAL EXPENDITURES**

**23,070,800**

**Center for Disabilities & Development - FY 2007 Budget:**

*REVENUES:*

STATE APPROPRIATION

General Fund 6,363,265

OTHER REVENUES

Reimbursed Indirect Costs 182,500

Sales & Services 2,369,035

**TOTAL REVENUES**

**8,914,800**

*EXPENDITURES:*

Faculty Salaries 593,700

Professional & Scientific Salaries 4,258,800

General Services Salaries 2,405,100

Hourly Wages 278,900

Subtotal 7,536,500

Supplies and Services 1,084,800

Rentals 66,400

Utilities 227,100

Subtotal 1,378,300

**TOTAL EXPENDITURES**

**8,914,800**

**Specialized Child Health Services - FY 2007 Budget:**

*REVENUES:*

STATE APPROPRIATION

General Fund 649,066

OTHER REVENUES

Federal Support 2,500,735

Sales & Services 400,000

Other Income 1,175,499

**TOTAL REVENUES**

**4,725,300**

*EXPENDITURES:*

Faculty Salaries 492,849

Professional & Scientific Salaries 2,390,920

General Services Salaries 932,819

Hourly Wages 227,218

Subtotal 4,043,806

Supplies and Services 569,494

Rentals 102,000

Equipment 10,000

Subtotal 681,494

**TOTAL EXPENDITURES**

**4,725,300**

**THE UNIVERSITY OF IOWA**  
**Budget Summaries**  
**Fiscal Year 2007**  
**Oakdale Campus**

**\$3,234,335**

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. The activities on this campus include the University Hygienic Lab, the Obermann Center for Advanced Studies, the Technology Innovation Center and a number of academic and health care-related activities.

**INCOME**

Appropriations for FY 2007 are projected to remain the same at \$2,657,335. "Other Income" is projected at \$577,000 due to increases in reimbursed indirect cost income. The total Oakdale Campus budgeted revenue is \$3,234,335.

**EXPENDITURES**

**SALARIES:** Salary increases for professional and scientific staff reflect an average 3.5 percent, which includes increments for promotions, equity increases and marketplace adjustments. The salary increases for merit staff include negotiated increases as per the labor contract for FY 2007 and annualization of merit step increases given in FY 2006. Fringe benefit increases were included for both professional and scientific staff and merit staff. Two staff positions were eliminated to meet the University's policy on salary increases.

**UTILITIES:** The FY 2007 utility budget was increased by \$311,557 to \$1,228,015. This amount will be supplemented by the General Fund by \$646,000 in order to accommodate the continued increase in gas prices. The Oakdale Campus State appropriation is 17% less than in FY 2001. As utility costs have risen without support, General Education Funds have been reallocated to support the Oakdale Campus utilities. Oakdale Campus utilities are not provided to the adjacent Oakdale Research Park.

**SUPPLIES:** The supplies budget includes services and material that are required to maintain an environment to conduct research. The budget remains unchanged at \$360,424.

**EQUIPMENT:** The equipment budget remains unchanged at \$16,200.

**The University of Iowa  
State Hygienic Laboratory  
FY 2007 Budget Summary**

**\$7,091,217**

**FY 2007 REVENUE**

Appropriations for FY 2007 are projected to be \$3,849,461 with “Other Revenues” of \$3,241,756. The FY 2007 appropriation is the same as the FY 2006 appropriation. “Other Revenues” have increased by 321,015 with the majority generated from fees to cover salary and fringe benefit costs needed to operate the neonatal screening program for the State of Iowa. Accordingly, the total budgeted revenue is \$7,091,217.

**FY 2007 EXPENDITURES**

**SALARIES:** Salary increases for professional and scientific staff reflect an average 3.5 percent, which includes increments for promotions, equity increases, marketplace adjustments and similar imperatives. The salary increases for merit staff include negotiated increases as per the labor contract for FY 2007 and annualization of merit step increases given in FY 2006. Fringe benefit changes are also included for both professional and scientific staff and merit staff. The budget proposes professional and scientific staff salaries of \$4,365,420, merit staff salaries of \$2,283,164 and hourly wages of \$26,265.

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

**IMPACT STATEMENT**

The 2006 mumps outbreak originating here in Iowa demonstrated three things:

1. Disease outbreaks can originate in the Midwest.
2. 24/7 rapid State Hygienic Laboratory response can prevent illness
3. An outbreak **one tenth** the magnitude of Pandemic influenza exceeded our response capacity

This will be the sixth year of reduced or level funding for the State Hygienic Laboratory. Other funding sources have either leveled off or decreased. The equipment, reagents and experienced staff need to be in place and working to detect and track the first cases of disease here in Iowa. Whether pandemic influenza, mumps, whooping cough, or monkey pox; waiting until the outbreak to prepare will cost Iowans. When SARS hit Toronto in 2003, a year after laying off senior microbiology laboratory staff, it cost many lives and hundreds of millions of dollars.

**THE UNIVERSITY OF IOWA**  
**Statewide Family Practice Program**  
**Budget Summary**  
**Fiscal Year 2007**

FY 2007 BASE

\$2,085,948

The FY 2007 appropriation (\$2,075,948) is identical to appropriation for FY 2005 and 2006.

FY 2007 INCOME

The statewide program's appropriation for FY 2007 is \$2,075,948. Nonappropriated income is estimated at \$10,000, which is a \$5,000 reduction from last year based on the University's experience with interest income in recent years. Total revenues, therefore, will be \$2,085,948. Eighty percent (80%) of the appropriated funds are scheduled to be spent directly in the UI-affiliated family physician training programs consistent with statutory requirements, and 20% of the appropriations 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 2007 EXPENDITURES

The faculty salaries are community-based teaching positions. Any increments on those salaries will have to be covered wholly by community resources. The professional and general service salary lines are University-based positions that provide administrative and technical support to the Statewide Family Practice Training Program. With the level funding that we have experienced, funds for salary increases for those positions must come from Carver College of Medicine general funds. See impact statement below. The amount budgeted for hourly wage employees is \$8,861.

Expenditures for supplies are proposed at \$21,764. The supply budget supports the central office operations, including travel, data processing, disposable supplies and other administrative support expenditures associated with the statewide program.

IMPACT STATEMENT

This will be the sixth year of either reduced or level funding for the Statewide Family Practice Program. For more than 30 years, the state's share of salary dollars in this program was increased through the salary appropriation process. The state is progressively passing a large portion of the financial responsibility for the statewide program to the Carver College of Medicine, and more importantly, to our community affiliates. This cannot continue as neither source has the funds available to persist in supporting larger and larger shares of program costs. At stake are the University's formal relationships with its affiliated Regional Medical Education Centers, which serve as the foundation of the UI statewide medical education system, including the family medicine training programs. The College of Medicine and other Health Science Colleges would experience serious difficulties if the valuable commitments of our community partners are lost.

**The University of Iowa  
Primary Care Initiative  
FY 2007 Budget Summary**

FY 2007 BASE

**\$759,875**

The FY 2007 base (\$759,875) is identical to the budgets for fiscal years 2005 and 2006.

FY 2007 INCOME

The appropriation for the Primary Care Initiative (PCI) in FY 2007 is \$759,875. 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 \$198,892; Iowa Health Professions Inventory \$116,124; Rural Physician Support Program \$94,859; and Culturally Competent Care Initiative \$20,000.

FY 2007 EXPENDITURES

The faculty salaries are for both Department of Family Medicine faculty and community-based teaching positions. FY 2007 increments on those salaries will fall to the Department of Family Medicine, Carver College of Medicine, and the UI's affiliated Regional Medical Education Centers. The professional and general service salary lines are University-based positions that provide administrative and technical support for the various programs within the PCI. Salary increments for these positions will depend on Carver College of Medicine general funds. (See impact statement below.)

The funds for hourly wage employees provide support for student research assistants. The supply budget supports travel, data processing, conferences, telecommunications, and educational resources.

IMPACT STATEMENT

Six years of either reduced or level funding for the PCI places these University programs in jeopardy and threatens the underlying relationships with UI-affiliated Regional Medical Education Centers. Serious implications include restrictions on the number of students and residents that our community-based affiliates will be able to accept from the University and the inability on the part of our affiliates to meet all of the needs of UI learners such as lodging, meals and information systems access. These resources are now provided to UI learners in exchange for the Regional Medical Education Center grants under the PCI. The shift of financial responsibility for the PCI programs from the state to collegiate and community sources cannot continue as neither has resources available for this purpose.

**The University of Iowa**  
**STATE OF IOWA CANCER REGISTRY**  
**Budget Summary**  
**FY 2007**

**\$178,739**

In 2006, cancer will strike five out of every 1,000 Iowans. An estimated 6,300 Iowans will die from cancer in 2006, 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 430,000 cancers were newly diagnosed among Iowans, with more than 192,500 Iowans having died from cancer. In 2006 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. The percent of improvement ranges from 4% - 19% depending on the cancer site. 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 300 requests from Iowans for data, analyses, and cancer cluster investigations. The Registry also serves as the source of data for measuring progress in cancer and the cancer burden for the Iowa Consortium for Comprehensive Cancer Control, a cancer prevention and control group that represents over 50 agencies in Iowa.

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. In addition, in 2006 the Iowa Cancer Registry will employ part-time approximately 35 undergraduate students. This employment introduces the students to the process by which research is produced and enables their participation in the process, one of the goals of the University's strategic plan.

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 \$22.32 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 million 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 University of Iowa**  
**Iowa Consortium for Substance Abuse Research and Evaluation**  
**Budget Summary**  
**FY 2007**

**\$64,871**

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:

- Evaluating community and jail-based substance abuse treatment programs in the state.
- Facilitating implementation of evidence-based practices in treatment agencies statewide.
- Transferring evidence-based practice technology to the agency level through coordination of a trainer network.
- Evaluating methamphetamine treatment programs in the state.
- Evaluating youth substance abuse prevention programming at the local and state level.
- Participating in the prioritizing of service and treatment delivery in Iowa's prisons in light of rapidly diminishing resources.
- Assessing substance abuse treatment needs and service delivery to older Iowans.
- Assisting the State in implementing quality improvement techniques at the state and agency levels.

Over the last 5 years, the Consortium has experienced a 36% budget reduction, which has limited its ability to provide statewide services at a time of increased need. Funds for FY 2007 will help provide for the continuation of the Consortium's unique capacity for interdisciplinary alcohol and drug research in Iowa.

In FY07, 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 2007**

**\$881,384**

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 chemical 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.

The University of Iowa has assembled its Biocatalysis Research Group -- an experienced and multidisciplinary cluster of more than fifty-five 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. With a Grow Iowa Values Fund grant of \$2.9 million, the CBB is developing an advanced current Good Manufacturing Processing (cGMP) facility for the development of clinical grade biopharmaceuticals.

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 50 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. To encourage continued industrial interaction with the CBB and to fully utilize the large-scale fermentation and bioprocessing laboratory, the 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.

**FY 2007**

The appropriation to the CBB for FY 2007 will be the same as the appropriation for FY 2006 which will require internal reallocations to address salary increases within the range of University policy.

**The University of Iowa**  
**IOWA REGISTRY FOR CONGENITAL AND INHERITED DISORDERS**  
**(FORMERLY THE IOWA BIRTH DEFECTS REGISTRY)**  
**Budget Summary**  
**FY 2007**

**\$44,636**

The Iowa Registry for Congenital and Inherited Disorders (IRCID) was established by the Iowa General Assembly (Chapter 23 of the Iowa Code) in 1983. Through the past 20 years, the Registry 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 Registry is the only active, 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 Registry serves families in all 99 Iowa counties.

The objectives of the Registry 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 Registry 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 three-year 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 Registry data include lectures, press releases, articles, public service announcements, and disseminating prenatal educational materials. Annually, the Registry 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 Registry 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 are used for partial salary support for Registry staff and for design, printing and distribution costs for the Registry's annual report. To fund salary increases for the current fiscal year, a reduction in support for the publication costs of the annual report will be necessary. 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 2007**

**\$110,343**

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.

The 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.

**Impact of the 2007 Budget**

The allocation from the economic development appropriations for the Center for Advanced Drug Development for FY 2007 will be the same as the appropriation for FY 2006, requiring internal reallocation to address salary increases for the staff within the range of university policy. This will limit the Centers ability to stimulate continued 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 2007**

**\$92,961**

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 \$130 million by the federal government, the City of Coralville, and a number of private building developers and owners. The ORP 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 project is building a nucleus of businesses in Iowa that are drawn by the strengths of the University. The labor shed for nearly 1,500 employees of laboratories and companies affiliated with ORP and the TIC business incubator covers 67 cities and towns in 22 Iowa counties – nearly one-fifth 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 CADSI, The Stanley Group, Breakthrough to Literacy, Inc., Pearson Government Solutions, Pearson Educational Measurement, Integrated DNA Technologies, Inc./Bioinformatics Division and Innovative Software Engineering. A total of 15 technology companies have established a presence on the Park since 1989. 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. A \$2.9 million award to the CBB from the State's Grow Iowa Values Fund is being invested in a new biotech laboratory facility on the Park that will meet U.S. Food and Drug Administration current Good Manufacturing Practices (cGMP) standards, enabling the CBB to manufacture new vaccines and medicines for use in human clinical trials.

FY 2007 funding is needed to partially support the essential operating expenses for the 189-acre Research Park. ORP received \$92,961 in State support in FY 2006, 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, maintenance of the Oakdale Research Park office, and preparation and maintenance of common areas within the park. For FY 2007 level funding will not support fully the delivery of essential services and Park amenities. The cost of providing essential services has increased. In the face of a 61 percent reduction in State support since FY 2001, the Park will strive to maintain the current level of services and amenities delivered to ORP affiliates.

In FY 2007, these increased expenses will be covered by (A) additional annual rent from new leases, (B) additional support from the VPR Office e.g. UIRF revenues or a Grow Iowa Values Fund allocation and C) Supplement from the University of Iowa Research Foundation patent and license earnings

**The University of Iowa  
Technology Innovation Center  
Budget Summary  
FY 2007**

**\$43,701**

The Technology Innovation Center (TIC) is a business incubator for start-up companies, growing fledging new ventures into freestanding businesses. TIC 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 TIC 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 TIC and, in turn, receives benefits from TIC. The University invested \$1 million from the Grow Iowa Values Fund to purchase a laboratory facility for biotech spin-off and recruited startup companies. A laboratory upgrade supported by GIVF and matching funds will enable the University to capture a major biotech spin-off opportunity in FY07. Expenditures by TIC allow continued delivery of shared services and amenities to tenants of the Center. About 90 technology start-ups have become TIC tenants since 1984. Fourteen tenants are now in the TIC and 34 tenants have met their business goals upon graduating successfully from TIC. Three companies successfully graduated from the TIC and three new tenant companies were accepted in FY 2006.

TIC's operating budget in FY06 was \$43,701 in State support, with the balance of its support coming from the University. Along with the Oakdale Research Park, the TIC has become an important part of the University's strategic plan for engagement, building ties with those off campus and participating in the economic vitality of the State. For FY 2007 the level funding will not support fully the incubator facility and delivery of essential professional services and amenities to tenant companies. In response to the 61 per cent State funding reduction since FY 2000, the TIC will continue to strive to maintain the current level of core services and amenities delivered to TIC affiliates. Additional resources must be identified if TIC is to offer an expanded program of services and support as recommended by a professional consultant.

In FY 2007, increased expenses will be covered by (A) additional support from GIVF Grow Funds and/or B) a supplement from the University of Iowa Research Foundation patent and license earnings



UIHC	\$75 Million
Chemistry/Art	\$25 Million

In addition to projected FY 2007 debt service on existing issues (\$42.9 million), an estimate of \$4 million has been included for the issues listed above.

**Tuition Replacement**

This budget contains \$10.6 million, which has been appropriated for Tuition Replacement to address FY 2007 debt service on academic building revenue bond issues.

**Capital**

A total of \$10.4 million of capital appropriations has been included in the Restricted budget for FY 2007. This includes \$8.4 million of a \$36 million three year capital appropriation for construction a new facility for the University Hygienic Laboratory and \$2 in capital appropriation for planning a new facility for the College of Public Health.

**Economic Development**

The FY 2007 Restricted budget also contains \$10.3 million in new economic development funding including \$1.9 million for the second year of economic development appropriation from the Grow Iowa Values Fund and \$8.4 million in a one-time appropriation to implement initiatives in three key economic development areas: biosciences, advanced manufacturing and information technology. Additional information regarding the FY 2007 programming for these two important appropriations follows:

Grow Iowa Values Fund

FY07 GIVF funds (\$1,925,000) will be used for continued support for I-START (\$1,400,000) and I-GROW (\$525,000), two distinct and interdependent phases. The FY07 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. 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.

Battelle Funding

The University of Iowa appropriation of \$8M from the Battelle Research and Commercialization Funding (BRCF) will be used for the following initiatives in FY 2007:

For creation of an endowed professor-and/or entrepreneur-in-residence program to attract world-class, entrepreneurial talent in the core Battelle platforms. These funds will be matched with non-State revenues. (\$2,000,000)

To create a joint venture partnership among the University of Iowa, regional economic development leaders and the private sector to expand and develop a new Technology Incubation Center and Research Park at the Oakdale Research Campus and Park. (\$2,720,000)

For continued investments in the development of core platforms and expansion of the “Gap/Seed Fund” program. (\$3,690,000)

**Intercollegiate Athletics  
Final Budget  
FY 2007**

**Mission**

The mission of the Department of 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 are 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.

**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, 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 heritage, race, belief, age, sexual orientation, gender, disability, or veteran status 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 Iowa Hawkeye Athletics, including leadership, individual and team achievement, and intense pride and loyalty.

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

**Leadership**—The University of Iowa will continue its long history of conference and national leadership through a commitment to leading edge involvement in athletics issues.

**Budget for Fiscal Year 2007**

The intercollegiate athletics program budget reflects increased revenue projections from an additional home football game, a new multi-media contract that bundles previous arrangements and new fund raising opportunities linked to the sales of suites and club seats in Kinnick Stadium. Men's basketball income has been lowered to reflect two fewer home games and lower attendance estimates.

Listed below are the significant adjustments to the budget from the previous fiscal year.

**Revenues:**

A 7<sup>th</sup> home football game along with increased ticket prices will result in an additional \$2.6 million in ticket revenue.

Men's Basketball Income is expected to decrease by approximately \$1.85 million because of two fewer home games and lower attendance estimates.

A new multi-media rights package has been bid resulting in a new contract with Learfield Communications for the FY 2007 fiscal year. An additional 2.2M in net revenue is expected to be realized.

There is no budgeted revenue in FY 2007 for the line labeled "Radio-Football & Basketball". The revenue for this line item is now included in the multi-media rights package. The same is true for the reduction in the General Income line.

In FY 2004, General Education Fund support for Athletics operations was approximately \$2.2 million. In its report to the President, the GEF Task Force recommended this support be reduced. In FY 2005, General Education support for Athletics was reduced by \$300,000 to \$1.9 million. In FY 2006, support was reduced by an additional \$250,000 and \$800,000 was reclassified as Student Financial Aid (Athletics contributes through its tuition payments toward student financial aid set-aside). In FY 2007, General Education Fund support will be reduced by another \$100,000. With these actions the direct FY 2007 General Education Fund support for Athletics operations will be reduced to approximately \$773,000 which is approximately 1.4% of the Athletics Department overall operating budget.

Additional fund raising opportunities continue to be initiated or expanded to augment the operating budget.

**Expenses:**

All scholarship expenses are reflected in the appropriate sport accounts.

Staff salaries have been increased by 4.5%.

Scholarship costs are expected to increase by approximately \$406,000 due to increases in tuition, fees, and room and board.

Football expenses are increased in both FY 2006 and FY 2007 because of additional salary obligations (per contract), additional charter flight costs, additional game management expenses linked to the 7<sup>th</sup> home game and an additional guarantee to be paid to a non-conference visiting team.

Men's basketball expenses will decrease because there is not a longevity incentive (per contract) that is scheduled to be paid during FY 2007.

Women's Basketball expenses will increase by approximately 11% because of additional charter airfare costs linked to team travel and a longevity bonus (per contract) that is scheduled.

Facility Debt service will increase by approximately \$5,116,000. This additional payment is to service debt for the renovation of Kinnick Stadium.

Facility expenses have increased because of additional maintenance expenses from the new tennis center, higher utility costs with the Indoor Practice Facility and the Jacobson Building, additional maintenance expenses for the renovated Kinnick Stadium Press Box/Skybox, and higher fees due to increasing on-line ticket processing.

There has been a significant decrease (\$1.27 M) in FY 2006 debt service from the original budget to the current projection. This is due to application of additional capitalized interest related to Kinnick Stadium bond issues.

**The University of Iowa  
Intercollegiate Athletics**

**Number of Participants for 2005-06**

**Men:**

Football	139	
Basketball	16	
Wrestling	36	
Swimming	19	
Gymnastics	19	
Baseball	50	
Tennis	15	
Track & Cross Country	52	
Golf	13	
	<hr/>	
Total Men Participants		359

**Women:**

Basketball	17	
Field Hockey	17	
Golf	9	
Gymnastics	16	
Rowing	66	
Soccer	26	
Softball	21	
Swimming	27	
Tennis	7	
Track & Cross Country	37	
Volleyball	15	
	<hr/>	
Total Women Participants		<u>258</u>
Total Participants		617

## University of Iowa Athletic Budget

	FY06 Original Budget	FY 06 Year End Projection	FY 07 Proposed Budget
	<b>Less: FB/MBB Settlements</b>		
<b><u>INCOME:</u></b>			
<b>Men's Sports</b>			
Football	15,528,671	16,125,913	18,128,300
Basketball	4,340,000	3,650,600	2,489,200
Wrestling	226,000	261,000	226,000
All Other	5,500	11,900	5,500
<b>Total Men's Sports</b>	<b>20,100,171</b>	<b>20,049,413</b>	<b>20,849,000</b>
<b>Women's Sports</b>			
Basketball	200,000	170,100	175,000
Volleyball	10,000	10,776	10,000
All Other	12,000	14,500	12,000
<b>Total Women's Sports</b>	<b>222,000</b>	<b>195,376</b>	<b>197,000</b>
<b>Other Income</b>			
Student Fees-Debt Service/Transfer to Rec Project	1,513,683	1,513,683	1,513,683
Learfield Multi Media Contract Income			4,850,000
Athletic Conference	10,532,000	10,658,000	10,715,000
University General Fund Support	873,359	873,359	773,359
Athletics Student Aid Set-aside	800,000	800,000	800,000
Interest	350,000	350,000	350,000
Foundation Support - Gifts	6,647,717	5,785,901	7,217,426
Foundation Premium Seat Revenue			5,700,000
Novelties--Bookstore	1,350,000	1,350,000	1,350,000
Radio, Football & Basketball General	1,350,000	1,350,000	-

	2,579,891	2,814,300	1,758,000
<b>Total Other Income</b>	<b>25,996,650</b>	<b>25,495,243</b>	<b>35,027,468</b>
<b>TOTAL INCOME</b>	<b><u>46,318,821</u></b>	<b><u>45,740,032</u></b>	<b><u>56,073,468</u></b>
<b><u>EXPENSES:</u></b>			
<b>Men's Sports</b>			
Football	11,536,473	12,413,905	14,044,729
Basketball	3,685,019	3,571,369	3,448,528
Wrestling	874,749	875,468	943,017
Other Sports	3,043,259	2,848,303	3,252,024
<b>Total Men's Sports</b>	<b>19,139,500</b>	<b>19,709,045</b>	<b>21,688,298</b>
<b>Women's Sports</b>			
Basketball	2,210,102	2,211,818	2,453,799
Volleyball	974,228	914,619	1,034,789
Other Sports	5,955,166	5,457,701	6,354,443
<b>Total Women's Sports</b>	<b>9,139,496</b>	<b>8,584,138</b>	<b>9,843,031</b>
<b>Other Expenses</b>			
Training Room	1,087,050	1,015,050	1,145,680
Sports Information	548,719	568,619	573,524
Admin. & General Expenses	7,407,117	7,771,107	7,839,026
Facility Debt Service	1,792,717	524,901	6,909,550
Transfer to Recreation Projects	1,000,000	1,000,000	1,000,000
Academic & Counseling	1,292,958	1,292,958	1,362,444
Buildings & Grounds	4,911,264	5,174,214	5,711,916
<b>Total Other Expenses</b>	<b>18,039,825</b>	<b>17,346,849</b>	<b>24,542,140</b>
<b>TOTAL OPER. EXPENSE</b>	<b><u>46,318,821</u></b>	<b><u>45,640,032</u></b>	<b><u>56,073,468</u></b>
<b>Total Operating Balance</b>	<b>(0)</b>	<b>100,000</b>	<b>(0)</b>

**UNIVERSITY OF IOWA  
ATHLETIC DEPARTMENT  
SCHOLARSHIP EXPENSES**

Sport	Number Allowed By NCAA	2005-06 Budget	2005-06 Projected	2006-07 Budget
<b><i>Head Count Sports</i></b>				
<b>Football</b>	<b>85</b>	2,122,702	1,778,308	2,228,900
<b>Men's Basketball</b>	<b>13</b>	328,192	252,042	344,700
<b>Women's Basketball</b>	<b>15</b>	345,940	337,386	363,300
<b>Women's Gymnastics</b>	<b>12</b>	381,959	392,324	401,100
<b>Women's Tennis</b>	<b>8</b>	186,501	162,183	195,900
<b>Volleyball</b>	<b>12</b>	334,504	271,837	351,300
<b><i>Equivalency Sports</i></b>				
Baseball	<b>11.7</b>	256,668	228,702	269,600
Men's Track	<b>12.6</b>	328,228	294,263	344,700
Women's Track	<b>18</b>	440,813	361,316	462,900
Men's Swimming	<b>9.9</b>	259,849	143,389	272,900
Women's Swimming	<b>14</b>	342,619	213,986	359,800
Wrestling	<b>9.9</b>	195,452	190,708	205,300
Men's Golf	<b>4.5</b>	74,532	56,176	78,300
Women's Golf	<b>6</b>	145,853	103,279	153,200
Men's Tennis	<b>4.5</b>	110,778	123,789	116,400
Men's Gymnastics	<b>6.3</b>	208,010	212,277	218,500
Field Hockey	<b>12</b>	305,051	309,062	320,400
Softball	<b>12</b>	248,979	247,148	261,500

Rowing	<b>20</b>	509,701	390,874	535,200
Soccer	<b>14</b>	294,380	219,822	330,500

<b><i>TOTAL</i></b>	<b>300.4</b>	<b>7,420,711</b>	<b>6,288,871</b>	<b>7,814,400</b>
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The University of Iowa  
 Intercollegiate Athletics  
**FY2007 TICKET PRICING**

	<b>2006-07</b>	<b>2005-06</b>
	<b>7 Home Games</b>	<b>6 Home Games</b>
<b>Football</b>		
Public Season Ticket Price	\$325	\$280
F/S Season Ticket Price	\$262	\$225
Student Season Ticket Price	\$140	\$120
Single Game Premium Ticket Price	\$60	\$60
Single Game Regular Ticket Price	\$48	\$48
	<b>17 Home Games</b>	<b>19 Home Games</b>
<b>Men's Basketball</b>		
Public Season Ticket Price	\$300	\$387
F/S Season Ticket Price	\$243	\$313
Student Season Ticket Price	\$85	\$95

### Athletic Scholarships - University of Iowa

#### Scholarships Included in Operating Budget

	FY 2003 Budget	FY 2004 Budget	FY 2005 Budget	FY 2006 Budget	FY2006 Proj. 6/30 Bal.	FY2007 Budget
Total # Women's Scholarships	141.00	141.00	141.00	141.00	125.73	143.00
Recipients	220.00	199.00	199.00	199.00	172.00	201.00
Total Dollar Value	2,606,425	3,080,039	3,335,700	3,536,300	3,009,217	3,735,100
 Total # Men's Scholarships	 157.40	 157.40	 157.40	 157.40	 153.06	 157.40
Recipients	220.00	213.00	213.00	213.00	228.00	213.00
Total Dollar Value	2,832,425	3,275,365	3,664,111	3,884,411	3,279,654	4,079,300
 Total Dollar Value						
Total # Scholarships	298.40	298.40	298.40	298.40	278.79	300.40
Recipients	440.00	412.00	412.00	412.00	400.00	414.00
Total Dollar Value	5,438,850	6,355,404	6,999,811	7,420,711	6,288,871	7,814,400
  Band, Trainers, Managers			232,315	245,615	256,374	258,000
			<hr style="width: 100%; border: 0.5px solid black;"/>	<hr style="width: 100%; border: 0.5px solid black;"/>	<hr style="width: 100%; border: 0.5px solid black;"/>	<hr style="width: 100%; border: 0.5px solid black;"/>
			232,315	245,615	256,374	258,000
 Total			7,232,126	7,666,326	6,545,245	8,072,400

**UNIVERSITY OF IOWA  
INTERCOLLEGIATE ATHLETICS**

**Internal purchased services from FY07 budget:**

- Scholarships (Tuition, Room & Board and Fees)--\$8,072,400
- Public Safety--\$1,000,000 (Game Management Expense)
- Cambus Charters (Football & Men's Basketball) -- \$45,000
- University Hospitals (medical costs)--\$775,280
- Utility Consumption--\$1,150,000
- Custodial Services--\$500,000 (University Facilities Services Groups)
- Insurance--\$100,000 (Risk Management Office)
- University Business Service Charges--\$663,722
- Telecommunication Services--\$320,000 (Voice & Data)
- Parking Services--\$254,000 (Game Management Expenses)
- University Marching Band--\$200,000
- Residence Services (Training Table for Football—includes pre-season)--\$500,000
- Summer Camps (Room & Board, Parking dept. reimbursement)--\$300,900
- Tuition, Room and Board – Non-Scholarship Athletes -- \$215,200

Total \$14,096,502

**The University of Iowa  
Residence System  
Final Budget  
FY 2007**

The University is proposing the attached annual budget for the residence system for fiscal 2006-07. Estimated revenues total \$42,264,527 and proposed expenses for operations total \$30,819,340, leaving \$11,445,187 net revenue available for debt service, mandatory transfers, and transfers to voluntary reserves. These projected net revenues are \$399,477 higher than the preliminary budget submitted to the Board in March.

The increased net revenue projection is due primarily to an expected increase in the number of entering first-year students to the University. Occupancy projections for fall 2006 have been increased to 5,604 permanent beds from 5,508 at the time of the preliminary budget, due to the projected increase in entering first-year students.

Voluntary reserve balances at June 30, 2007 are projected to be \$10,056,456. This amount is \$827,048 higher than projected in March, due primarily to higher than projected net revenues for both the fiscal 2006 and fiscal 2007 years.

Projected revenues are based on rates approved by the Board at its meeting of May 4, 2006, fall residence hall occupancy of 5,604, residence hall board contracts numbering 5,527, and 625 apartments occupied.

Salary assumptions for FY 2007 are consistent with the overall salary policy range for Professional and Scientific staff. Merit salary increases are based on collective bargaining outcomes.

**The University of Iowa**  
**Residence System Final Budget 2006-07**

	<b>Actual 2004-05</b>	<b>Revised Estimate 2005-06</b>	<b>Preliminary Budget 2006-07</b>	<b>Final Budget 2006-07</b>
<b>OPERATIONS (Modified Cash Basis)</b>				
Revenues	\$ 39,260,980	\$ 40,733,051	\$ 42,037,365	\$ 42,264,527
Expenditures for Operations	28,097,366	29,329,478	30,991,655	30,819,340
Net Revenues	11,163,614	11,403,573	11,045,710	11,445,187
% of Revenues	28.4%	28.0%	26.3%	27.1%
Debt Service (due July 1)	6,024,733	6,029,008	5,998,195	5,998,195
Mandatory Transfers	600,000	600,000	600,000	600,000
Net After Debt Service & Mandatory Transfers	\$ 4,538,881	\$ 4,774,565	\$ 4,447,515	\$ 4,846,992
% of Revenues	11.6%	11.7%	10.6%	11.5%
Debt Service Coverage Ratio	185%	189%	184%	191%
University Overhead Payment From Surplus	\$ 372,456	\$ 399,108	\$ 402,778	\$ 430,572
<b>FUND BALANCES (June 30)</b>				
Revenue Fund	\$	\$	\$	\$
Operation & Maintenance Fund	1,000,000	1,000,000	1,000,000	1,000,000
Improvement Fund	8,160,403	5,797,800	6,068,760	6,923,000
Surplus Fund	4,869,858	4,040,036	2,160,648	2,133,456
Subtotal--Voluntary Reserves	14,030,261	10,837,836	9,229,408	10,056,456
Sinking Fund	0	0	0	0
Bond Reserve Fund	6,348,855	6,348,855	6,348,855	6,348,855
Bond Construction Fund	0	0	0	0
Subtotal--Mandatory Reserves	6,348,855	6,348,855	6,348,855	6,348,855
<b>Total Fund Balances (June 30)</b>	<b>\$ 20,379,116</b>	<b>\$ 17,186,691</b>	<b>\$ 15,578,263</b>	<b>\$ 16,405,311</b>
<b>REVENUES AND EXPENDITURES DETAIL</b>				
<b>Revenues</b>				
Contracts	\$ 34,857,270	\$ 36,710,615	\$ 38,376,081	\$ 38,863,900
Interest	787,201	818,203	619,132	710,513
Other Income	3,616,509	3,204,233	3,042,152	2,690,114
Total Revenues	\$ 39,260,980	\$ 40,733,051	\$ 42,037,365	\$ 42,264,527
<b>Expenditures for Operations</b>				
Salaries, Wages & Benefits	10,730,616	10,958,545	11,664,428	11,893,503
Cost of Food or Goods Sold	3,634,801	3,874,502	4,386,965	3,945,089
Other Operating Expense	5,807,192	6,085,776	6,144,616	6,145,952
Utilities	4,457,770	4,829,688	5,140,388	5,113,951
Repairs & Maintenance	3,466,987	3,580,967	3,655,258	3,720,845
Total Expenditures	\$ 28,097,366	\$ 29,329,478	\$ 30,991,655	\$ 30,819,340