



MESSAGE FROM THE PRESIDENT

Thank you again for your support of the University of Iowa. As you may have heard, due to decreased revenue for this fiscal year, the Governor has cut all state agency budgets 2.5%. For the University of Iowa, this will mean a loss of nearly \$7 million for the fiscal year which began 1 July. We are still evaluating exactly how we will manage. However, I have indicated that we will strive to protect academic functions, particularly undergraduate education. We will protect our commitment to use 17 cents for every tuition dollar to student financial aid as well as our library's acquisition budget. We will continue to strive to develop diverse faculty, staff, and student groups. I will update you in the coming months on the long-term consequences of this reduction. Included on page 2 is an overview of priorities and plans to meet this cut.

At the same time, we are planning for FY 2005— our next academic year beginning July 1, 2004. The Board of Regents approved the University's request to the Governor and Legislature for the upcoming legislative session. The next step in the process will be when the State's Revenue Estimating Conference meets and determines the amount of the state budget for next year. Following that, the Governor will make his recommendations to the Legislature. The Legislature will consider appropriations bills for the Regents institutions and send them to the Governor for his signature or veto. During this entire process, public input is very influential in determining what priorities are funded, what is not or what is considered for cuts.

President

Did you know...

... that the *U.S. News & World Report* recently ranked the University of Iowa No. 19 among public national universities, higher than last year, and placed the university among the top 12 percent of some 162 public national universities?

...that Kaplan Publishing's *"The Unofficial, Unbiased Guide to the 328 Most Interesting Colleges, 2004"* included the UI among "Schools that offer the best value for your tuition dollar?"

... that *Outside Magazine's* September 2003 issue ranked the UI 10th on its list of the Top 40 "Schools where you can hit the books AND the backcountry?"

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- ◆ What are those University line-items in the state budget?
- ◆ Latest Selected National Rankings for the University

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THE FY 2004 2.5 % Across the Board Cut: Its Impact on the University

Over the past four years, the University has cumulatively experienced over a \$100 million loss in state appropriations through cuts and underfunding of faculty and staff salaries. The most recent cut, mandated by Governor Vilsack due to state revenue shortfalls, was for 2.5% for this fiscal year. President Skorton has outlined how the University will begin to deal with these mid-year reductions. They reflect his and the University community's dedication to the core missions: education, research and service.

The University may need to remove up to 90 jobs, including 34 faculty positions, mostly through attrition and reassignment. This loss is in addition to the 312 positions that have been eliminated over the last two years at a time when enrollment has increased.

The University will protect student financial aid, the library acquisitions budget, and its equal opportunity and diversity efforts. To mitigate the effects on the quality of undergraduate education, the University will reduce the budgets of administrative units more than academic ones and reallocate funds toward undergraduate education, particularly the College of Liberal Arts and Sciences.



Below is the outline of budget reductions in the General Education Fund budget. The General Education budget provides the core funding for the majority of the University's academic activities.



Academic units, which include the 11 colleges, continuing education, the summer session, and the general library budget, will be cut by a total of \$5.6 million (2.01 percent).

Administrative units will be cut by 2.5 percent for a total of \$3.6 million. This includes units such as: President's Office, Provost's Office, Vice President for Research, Vice President for Finance and Operations, Vice President and Dean for Student Services, University Relations, Information Technology Office, utilities enterprise, and equipment and building renewal.

University Health Care units will be cut by 2.5 percent of the state appropriation component of each budget.

The other units that receive state appropriations will also receive 2.5 percent cuts. These units have a wide variety of missions ranging from statewide health outreach and testing, such as the University Hygienic Laboratory, to economic development, to tracking the incidence and frequency of cancer and birth defects in Iowa.

FY 05 OPERATING BUDGET REQUEST

Salaries – The University enhances the quality of life for Iowans through a strong, dedicated, and professional workforce. The best faculty and staff are essential to providing exceptional learning opportunities, delivering valued public services that Iowans expect from the University, and widely disseminating and creating new knowledge, which in turn stimulates economic growth in Iowa. The Board of Regents approved the request for full funding of salaries from state appropriations, including those from state collective bargaining agreements.



Operating – The University is requesting funding to hire tenured and tenure-track faculty to bring the ratio of faculty to students to the level maintained in FY 2001. Recent budget reductions and required reallocations challenge instructional quality. The loss of faculty positions comes at a time when more students are enrolling at the University. The combination



of these have resulted in understaffing, restrictions to program access, increased class size, and a reduction in the number of course offerings. The Board of Regents approved requesting \$5,460,000 in additional state funding to help restore the number of faculty.

FY 05 CAPITAL BUDGET REQUEST

Capital – The University is requesting \$20.4 million for Phase I of the Chemistry Building, part of a multi-phased \$33 million overall project. Phase I would include the renovation of the northeast and central portions of the building.

Chemistry is often referred to as the central science because of its role as the gateway discipline for the biomedical sciences. Therefore, the Department of Chemistry plays a central role in the University's teaching mission.



In 1921, the Chemistry building was constructed with the aid of a horse-drawn excavator. Now, 80 years later the building houses technological advances that could not have been imagined by its first occupants. This renovation will provide modern labs and

classrooms that have the proper HVAC and safety requirements needed for today's science.