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To: Council of Deans
Budget Unit Directors

From: P. Barry Butler, Executive Vice President and Provost
Rod Lehnertz, Senior Vice President for Finance and Operations
Terry Johnson, Chief Financial Officer and Treasurer

CC: Bruce Harreld
Susan Klatt
Don Szeszycki

Date: 13 February, 2017

Re: Summary of GEF Budget Meetings

This memo serves to summarize major outcomes, and communicate a common message to all participants, of the recent budget prioritization sessions held with individual collegiate and unit leaders. The following are key points derived from the meeting discussions and follow-up feedback:

- **Reinvest unit-level cuts within your business unit** - Proposed unit-level cuts for FY17 and beyond should be strategically redirected toward areas of greater need/potential within your college or unit.
- **Budgeting principles remain unchanged** - These budgeting principles developed at our first budget retreat (UI Strategic Plan, Student Success, Quality Indicators, Our Values, Our Future) should guide each of our efforts to consider the notions of utilizing “cut-able” line items for reinvestment into higher-priority initiatives within one’s unit.
- **UI’s new budget model will incentivize revenue growth and expense reduction** - As a college, if you innovate, grow new programs, deliver more semester hours, increase efficiencies and lower expenses, your college will have more resources.
- **Strategic initiative funding** – Funding of strategic initiatives remains a high priority for FY18 and beyond and will be included in the shared expense category of the full-cost analysis used in the new budget model. The amount available to dedicate to strategic initiatives will vary depending on the year, and our challenges, but those dollars will be an important factor in continually advancing key and strategic opportunities/needs, that align with the Strategic Plan.

- **Reducing common expenses** - All institutional services within the “middle section” of the full-cost analysis are to continually drive toward the highest level of effectiveness/value/efficiency. We will create related groups of central services, and each will include a new advisory council. On an annual basis, the advisory councils will learn about and test the services, their value and their costs, with the objective of “right-sizing” anything related to the middle.
- **Changes to Operations Manual** – Sections of the UI Operations Manual hamper a unit’s ability to strategically allocate their resources. Examples include: i) a requirement to pay faculty 1/9 of academic year salary for teaching a summer course, and ii) the UI’s faculty effort allocation policy. Collegiate leaders and central administration will work with the Faculty Senate to modify the Operations Manual.
- **Elimination of unfunded mandates** - Some colleges have unfunded mandates. All budget unit directors should submit ideas for changes to Iowa Code regulations or policy changes.