

**The University of Iowa
General Education Fund
Final Budget
FY 2016**

The FY 2016 General Education Fund (GEF) budget has been developed based on the most current information available regarding revenue projections and an expenditure plan guided by the Board of Regent's strategic plan and the University's strategic plan - Renewing the Iowa Promise: "Great Opportunities - Bold Expectations".

All other University of Iowa budgets have been developed simultaneous with the General Education Fund budget and under similar and in most instances identical policies and budget guidelines.

A. REVENUE PROJECTIONS

\$ 699.6 million	FY 2015 GEF Budget
\$ 0.0 million	State Appropriation
\$ 7.3 million	Tuition
<u>\$ (1.8) million</u>	Indirect Cost Recoveries
\$ 5.5 million	Total Revenue Increase
<u>\$ 705.1 million</u>	FY 2016 GEF Budget

Appropriations

The University's base General Education Fund support from appropriations in FY 2015 was \$230.9 million or 33.0% of the University of Iowa's General Education Fund.

Based on appropriation legislation recently passed by the General Assembly, the University of Iowa's General Education Fund recurring appropriation for FY 2016 will remain the same as FY 2015.

The state's appropriation action did not include additional funding for the Oakdale Campus or State Hygienic Lab, both of which receive General Education Fund support to sustain operations.

Tuition

The University is anticipating its largest freshman class ever in FY 2016. Other expected enrollment changes include improved retention of undergraduate students and a higher number of Iowa resident students. Graduate student enrollment is anticipated to remain somewhat lower than previous years.

In December 2014, the Board of Regents approved the following base tuition increases for FY 2016:

- 0.00% Increase for resident undergraduate students
- 1.75% Increase for nonresident undergraduates and all graduate and professional students

In addition to base tuition increases, tuition supplement proceeds will yield an additional \$0.4 million in FY 2016 for specific programmatic improvements. This includes the application of a Board-approved supplement for a third entering cohort of DDS students.

In total, the University is projecting an additional \$7.3 million in tuition revenue above the FY 2015 tuition budget. This increase includes projected enrollment changes, tuition rate increases, and tuition supplement increases.

The interdependence of the University's tuition revenue from enrollment increases and proportional enrollment expenses for academic and student support services is fundamental to the budgeting process.

Indirect Cost Recoveries

Information through May 2015 indicates FY 2015 indirect cost recoveries in the General Education Fund may be slightly under budget. Indirect cost recoveries serve as a principal means of supporting the overhead costs of sponsored research absorbed by the University.

The University's current approved on-campus F&A rate is 51.0% and will be effective until June 30, 2016. This negotiated rate will increase to 52.5% starting in FY 2017. The rate is applied to "modified total direct costs", and thus as a percentage of the total grant is substantially less than 51.0%.

For FY 2016, the University is estimating a 4.3% decrease (\$1.8 million) in indirect cost recoveries from the FY 2015 budget due to less federal funding available for research activities.

Interest Income

Information through May 2015 indicates FY 2015 interest income will be under budget by \$0.3 million. This change is due to lower GEF balances during FY 2015.

The University is expecting FY 2016 interest income within the General Education Fund to remain at the same level as the FY 2015 budget of \$1.9 million. All earnings of General Education Fund balances remain within the General Education Fund for budgeting and expenditure purposes.

B. REALLOCATION AND COST SAVING MEASURES

The University's FY 2016 reallocation decisions were guided by the overall operational plan generally described in this document coupled with the final determination of available resources and the need to fund mission critical strategic initiatives and other essential or unavoidable cost increases.

For FY 2016, the following select reallocations will occur:

The College of Law will have its operating budget reduced by \$1.0 million in FY 2016. This follows a \$2.0 million reduction in FY 2015. These decreases reflect recent enrollment declines in the College and declining interest in Law around the country. Several encouraging signs are present for the College of Law. First, the University's competitive ranking improved in 2015. The decision to maintain the quality of the incoming class was an important factor in the improved ranking. Second, the College of Law's incoming class numbers continue to improve. It is likely that the fall 2015 class will be 50% larger than the fall 2013 class with similar academic records as past classes. This rapid return to prior enrollment levels has been accomplished by the college's expanded recruiting effort and the Board of Regent's approval of a tuition rate reduction.

The University will also temporarily reallocate \$13.2 million of central funds currently supporting energy conservation, building renewal, capitalized equipment purchases, and building operation and maintenance expense to support the academic mission in other ways. Although these funds will be reallocated during FY 2016 and potentially longer, the University's commitment to responsible and effective environmental stewardship, sustainability, campus safety and facility renewal remains a top priority. The University will continue to support these initiatives with other University resources and through the identification of other opportunities and efforts resulting from TIER efficiencies, savings from the Board approved early retirement incentive program and other resourcefulness.

C. EXPENDITURE PROJECTIONS

Salary Policies and Fringe Benefits

The salary policy for faculty and non-bargaining professional and scientific (P&S) staff is based on the revenue assumptions above and in accordance with the policies approved by the Board of Regents Executive Director.

In FY 2016, no new funds will be allocated to General Education Fund supported budgetary units for salary funding. Salary funding will come from internally reallocated sources within each college or vice presidential unit.

Salary increments for faculty and non-bargaining P&S staff will be distributed differentially to individuals based upon performance and market competitiveness demands. The policy provides collegiate and other major units latitude in establishing salary policies within a defined range, regardless of source of funds. It also enables these units to reward high achieving faculty and staff accomplishing the strategic plan of the University in a measurable way.

The University estimates the average salary increase for all faculty and non-bargaining P&S staff will be approximately 2.0%. There is expected to be more variance in the average salary increase awarded by each college or vice presidential unit this year than in prior years.

All collective bargaining agreements will be honored and fringe benefit costs will be charged to University organizations based upon the pooled methodology authorized by the federal government.

The University also executed a BOR-approved early retirement program in the spring of 2015. The program offered pre-described incentives to interested and approved employee participants, while providing colleges and divisions an effective cost-saving tool to assist in funding FY 2016 salary increases.

Faculty

The overall average salary increase for all faculty within each college, vice presidential unit, or other major administrative unit will be between 1.0% and 3.0%, regardless of source of funds. Units will have latitude with individual faculty pay adjustments based upon individual circumstances and performance.

Salary increases for individual faculty will reward performance and address any equity issues. Any individual salary increases proposed to exceed 5.0% must be reviewed and approved by the Office of Provost.

Major units be allowed within their budget limitations and reallocations to provide on a case-by-case basis promotion increases, counter offers to retain highly valued faculty, and similar critical adjustments.

In addition, units which have plans allowing variable, non-recurring compensation to faculty and staff based on productivity will continue to be authorized to do so in FY 2016. Three colleges and UI Health Care currently have such compensation plans, and they include:

UI Health Care: The UI Health Care will apply the variable compensation plans approved by the Board of Regents. There are three types of variable compensation plans applicable to its faculty and staff:

- University of Iowa Physicians Practice Plan (UIP)
- College of Medicine Basic Science Incentive Plan
- UI Health Care Leadership Incentive Programs (1)

(1) This includes overall organization senior leadership, key nursing leadership, and select administrative leadership identified by the Vice President for Medical Affairs.

College of Dentistry: The College of Dentistry will apply the policy previously approved by the Board of Regents for salary supported through the College of Dentistry Contingency Compensation Plan. The College of Dentistry has three types of variable compensation plans applicable to its faculty:

- Department of Oral & Maxillofacial Surgery Clinic
- College of Dentistry Basic Science Incentive Plan
- Other Clinic Departments

College of Pharmacy: The College of Pharmacy will apply the policy previously approved by the Board of Regents for salary supported through the College of Pharmacy Incentive Pay Plan.

College of Nursing: The College of Nursing will apply the policy previously approved by the Board of Regents for salary supported through the College of Nursing Faculty Practice Plan.

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

The University of Iowa has 9,247 (FTE) professional and scientific (P&S) staff of which 2,684 are covered under the SEIU bargaining agreement.

The overall average salary increase for all non-bargaining P&S staff within each college, vice presidential unit, or other major administrative unit will be between 1.0% and 3.0%, regardless of source of funds. Units will have latitude with individual P&S staff pay adjustments based upon individual circumstances and performance.

The University's Board-approved P&S compensation plan provides a framework for making salary decisions that include personal performance and competitive market place conditions. Any individual salary increases proposed to exceed 5.0% must be reviewed and approved by the Vice President for University Human Resources.

The P&S salary matrices for FY 2016 reflect the most recent calibration of market ranges and median zones using salary survey data. Based on this year's analysis of competitive market data, the proposed ranges will be increased 1.0% to 4.0% depending on relative market data for each structure and level.

Major units be allowed within their budget limitations and reallocations to provide on a case-by-case basis promotion increases, counter offers to retain highly valued staff, and similar critical adjustments.

In addition, the University will continue to utilize the Board-approved non-recurring exceptional performance pay policy for non-bargaining P&S staff; and, it will be both selective and reflective of the University's economic circumstances. Achievements recognized by the awards include activities such as completion of a major project, sustained exceptional performance, outstanding productivity and revenue generation. This is entirely non-recurring compensation.

Collective Bargaining Units

The University will fully implement the terms and attendant costs of all collective bargaining agreements. Costs include current year contract costs and previous year annualization of mid-year changes. General Education Fund salary costs of the agreements are estimated to increase by \$2.2 million for AFSCME staff and \$0.3 million for COGS represented staff (graduate assistants) in FY 2016.

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

	<u>FTE</u>	<u>General Fund</u>	<u>FTE</u>	<u>Total UI</u>
AFSCME/Merit	1,020	3.45%	4,473	4.13%
COGS (graduate assistants) (1)	1,612	1.00%	2,405	1.00%
SEIU (health care workers)	-	-	2,684	2.69%

(1) Does not include scholarship increases designed to fund 100% of tuition costs. FTE for graduate assistants is defined as 50% time (HTE).

Fringe Benefits and Rates

In February 2015, the University completed negotiations with the its cognizant agency the Federal Department of Health and Human Services establishing the FY 2016 fringe benefit rates for each employee category. This includes a specific, predetermined fringe benefit rate for each of the twelve classes of faculty and staff. FY 2016 approved fringe benefit rates are as follows:

Clinical Faculty	22.30%
Non-Clinical Faculty	28.50%
Professional & Scientific/Merit Exempt	35.70%
SEIU	36.90%
Merit	46.40%
House Staff	35.00%
Graduate Assistants	16.20%
Post Docs	16.20%

Fellowships	10.00%
Temporary	11.70%
Bi-Weekly Students	9.20%
Miscellaneous & Extra Compensation	4.20%

Benefit costs are fully loaded into these rates and include FICA, Medicare, Retirement, Healthcare and Dental coverages, workers compensation, disability insurance, etc. These rates are applied to salaries as they are paid and fund the employer's share of fringe benefit costs. The University's fringe benefit plans are divided into three basic groups. AFSCME covered employee's health plans and other benefit plans are governed by the State of Iowa. Organized Graduate Assistants plans are negotiated by the Regents/University with COGS and are distinct from other staff. Health plans and other benefits for Faculty and P&S staff (both SEIU-bargained and non-bargained staff) are managed by the University as a single group plan.

Annual changes in approved fringe benefit rates are attributable to cumulative historic costs of covered benefits, changes in the average salary for employees in each fringe benefit pool, University-driven cost saving measures, employee utilization of benefits, and the fringe benefit rate projection model required by the federal government.

For FY 2016, with fringe benefit rates incurring only minor adjustments the impact to fringe benefit costs on the existing General Education Fund compensation base will be relatively small.

Strategic Investments

Renewing The Iowa Promise, the University's strategic plan for 2010-16, provides a framework for accelerating advancement in strategically targeted areas while maintaining and contributing to the high quality in core missions and central programs.

The plan identifies four complementary, mutually supporting areas of investment: Student Success, Knowledge and Practice, New Frontiers in the Arts, and Better Futures for Iowans.

The FY 2016 General Fund budget allocates incremental dollars to advance the following parts of the strategic plan.

1. Strategic Plan Pillar 1 – Student Success

- Student Financial Aid \$10.5 million
- Enrollment Growth \$4.5 million
- Library Acquisitions \$0.9 million

In FY 2016, the University will increase its student financial aid budget by \$10.5 million. This increase includes inflation adjustments for the cost of attendance, graduate assistants scholarships, enrollment growth, growth in eligibility for individual scholarship award programs, and support for summer scholarships. The increase in student financial aid will help students with the cost of attending the University and help more students graduate in four or fewer years.

The University recently adopted a new enrollment budget model that colleges use to determine the amount of incremental resources that will be provided to help cover the costs of educating more students in the classroom and on-line. In FY 2016, the University has allocated \$4.5 million to cover the costs associated with budgeted enrollment growth. Incremental budget changes occur after the fall semester enrollment levels are known.

The University Libraries are a vital resource to students and faculty at the University. Despite funded annual budgetary increases, the Libraries have undergone a series of material cancellations due to the rising cost of acquiring information resources. The market price for academic journals, the cornerstone for the most recent faculty research and scholarship, is controlled by a handful of powerful publishing firms. The FY 2016 incremental allocation of \$0.9 million (5%), will help to offset some off the increases passed along by the publishing houses however the Libraries will again have to determine which materials remain most relevant to student and faculty success.

2. Strategic Plan Pillar 2 – Knowledge and Practice

- New Faculty Cluster Hires \$1.5 million

The University is committed to advancing knowledge and education through discovery, application, and creative work. Tenure track faculty with first-hand experience in the

creation of knowledge and creative work also bring unique educational experiences to the classroom. To advance undergraduate teaching and learning, the University will hire additional tenure track faculty in areas of demand and within the cluster hiring program at the University of Iowa. Since many of today's most exciting and important research frontiers transcend traditional disciplinary boundaries, the University will hire faculty who facilitate multidisciplinary scholarship, instruction, and public service. This is precisely the aim of the cluster hire initiative. As a center piece of the University's strategic plan, the cluster initiative will bring new tenured and tenure-track faculty to campus to collaborate with existing faculty in multidisciplinary cluster areas focused on many of the "Grand Challenges" of the 21st century. In addition to address important societal and economic challenges, the new hires will advance teaching and learning, and enhance community engagement and service to benefit the people of Iowa.

In FY 2016, the University will provide a \$1.5M increment to the cluster hiring initiative. This investment will enable the University to finalize the development of existing research clusters and complete the remodeling of space for the latest cluster initiative, Informatics. Through the use of new and reallocated collegiate funds the cluster hiring effort has committed 74 faculty positions dedicated to prescribed areas of opportunity (52 of those are currently filled).

3. Strategic Plan Pillar 3 – New Frontiers in the Arts

- Hancher Operations / Division of Performing Arts \$0.4 million

As the University nears the opening of the new Hancher Auditorium, operating budgets for groups using the facility will have to be restored to pre-flood levels and enhanced to account for the programming opportunities that can be offered in the new facility.

Support for Strategic Priorities

Utility Inflation (non-salary)

General Fund non-salary utility expenses are expected to increase by \$0.8 million for FY 2016. These expenses include the General Fund's share of renewal and improvement costs for expanded plant and distribution systems serving the campus, and general inflationary increases for supplies, services, fuel and purchased electricity. These expenses also include additional General Fund support covering utility expenses for the Oakdale Campus which houses the State Hygienic Laboratory, the major recipient of utility services on the Oakdale campus.

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

The projected cost of utilities, custodial services, information technology and general maintenance for new, improved, or reassigned General Education Fund-supported buildings in FY 2016 is expected to be \$0.6 million to support the Biomedical Research Support Facility.

Building Renewal

Overall, the University has 18.4 million square feet of space, of which 8.0 million is supported by the General Education Fund. The replacement cost of the University's General Education Fund-supported buildings is now \$3.8 billion.

The University's strategic objective supported by the Board includes two components. The first continues to be attaining annual financial support for facilities renewal equal to 1% of the replacement cost of all General Education Fund-supported buildings. The second is setting aside funding for future capital renewal as each new major addition or building project is approved. These steps were a result of concerns by the Board of Regents and have been incorporated into the budgeting process to avoid growth in deferred maintenance.

Funding these goals are the General Education Fund Building Renewal budget, operations and maintenance budget directed to renewal, State capital appropriations for facilities, State Academic Building Revenue Bonding authorizations and any other central sources of support such as designated gifts and grants.

While progress towards these goals has been possible over the last several fiscal years, continued reduction in deferred maintenance funding (including cuts this year to the building renewal and energy conservation funding) will temporarily slow progress and increase future care costs as a portion of these funds are reallocated to meet other University needs.

Indirect Cost Recoveries Return to Colleges

Supporting and growing the University's involvement in research and economic development activities remains a vital part of the University's mission and strategic goals for the future.

The University of Iowa has two programs which allow for GEF indirect cost recoveries to be returned to those colleges engaged in research activities. Distributions are based upon historical increases/decreases in research activities. Given recent reductions in federal sponsored research funding, the University will reduce the support it provides to colleges for these efforts by \$0.6 million in FY 2016.

Iowa Public Radio

The IPR has requested and been approved by Board of Regents leadership to keep funding levels constant for FY 2016 at \$347,226.

Other Expenses

Other General Education Fund projected cost increases include the following:

Tuition Supplement Commitments	\$0.4 million
Various Administrative/Collegiate Support Commitments	0.1 million

**UNIVERSITY OF IOWA HOSPITALS AND CLINICS
FINAL FY 2016 OPERATING BUDGETS OF THE
UNIVERSITY OF IOWA'S STATEWIDE HEALTH SERVICE UNITS**

STRATEGY

In FY 2016, 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 state of Iowa, and providing a base for innovative research to improve health care.

UI Hospitals and Clinics is committed to providing patient-focused care in an environment devoted to innovative care, excellent service, and exceptional outcomes. These three commitments identified in the strategic plan are the key drivers in drafting the FY 2016 operating budgets. Achievement of each commitment will occur by following defined goals, strategies, and tactics.

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

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

- Increase access to the Iowa River Landing (IRL) offsite clinic location through the expansion of outpatient clinic exam rooms and the addition of a new procedure suite. The IRL will alleviate the outpatient capacity issues at the current facility and allow for more convenient access to services in the community
- Improve patient access through a plan that centralizes clinic appointment scheduling
- Continue construction on the new Children's Hospital and begin implementing plans for expanded and enhanced services to children
- Continue the focus to improve the patient experience with emphasis on patient satisfaction.
- Continued focus on several key product lines, including Heart & Vascular, Solid Organ Transplant, Neurosciences, Orthopaedics, Pediatrics and Cancer.
- Assure patient quality and safety remain a top priority
- Continued emphasis on population health initiatives, including continued Care Coordination focus, Physician Quality and Cost Dashboards, and Payor ACO arrangements
- Continue renovations to expand acute and ICU bed capacity as well as conversion to single patient rooms
- Focus on appropriate utilization of drugs, patient supplies and ancillary tests
- Continued development of innovative initiatives to reduce the costs of care and expand patient's access to care (i.e. Telemedicine initiatives)

- Aggressive management of labor productivity and effectively flexing to match resources to volumes
- On-going policy of contracting with third-party payors at fair and reasonable rates
- Continued emphasis on revenue cycle and supply chain initiatives
- Maximize the use of the EPIC information technology infrastructure to provide comprehensive patient information under one common platform
- Use critical modules of the EPIC information technology infrastructure which provide significant enhancements to clinical information, operating room, ICU, and electronic medication systems
- Continued development of tools to effectively share appropriate medical information with patients (MyChart) and other providers (UI CareLink) to assure efficient and effective care between providers across the state.

CHALLENGES

There are ever-increasing pressures on the healthcare industry to maintain funding sources while keeping operating expenses in check. In FY15, UIHC faced a number of significant challenges. The most significant challenge is the fact that supply and labor inflation grows annually at a rate much higher than the change in our payors rates.

The challenges in FY 2016 will be even greater. Wage increases continue to be impacted by collective bargaining agreements, market competitive salaries and the associated benefit costs. An average “all-in” salary increase of around 2.7% is projected for next year due to base salary increases consistent with contract negotiations and minimal changes in the fringe benefit pool rates. While we continue to standardize product utilization and implement supply chain savings initiatives, medical and surgical supply costs are estimated to rise 2.25% or more due to price increases and changes in technology. Pharmaceutical cost increases are anticipated in the 6% range. Utilities and other administrative services purchased from the University of Iowa will increase by 2% and 6.5%, respectively. Revenue challenges faced will include the potential impacts of healthcare reform and cost control measures on Medicare and Medicaid payment rates and the continuing challenge related to Iowa Medicaid rates. New risks in FY16 include the potential impacts of all Medicaid programs being transition to Managed Medicaid by January 2016. The healthcare exchanges still have many unknowns and will represent significant changes in which populations are eligible for coverage, enrollment timeframes, and where covered services can be obtained.

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 approximately 5.1% over FY15 projections while outpatient activity is anticipated to grow by 5.9% over FY15 projections.

	Actual	Actual	Actual	Projected	Budget
Combined Health Service Units	2012	2013	2014	2015	2016
Acute Admissions (excl. newborns)	30,537	30,344	30,762	32,501	34,166
Surgical Cases	27,876	28,665	29,180	29,746	30,806
Clinic Visits	768,761	771,411	799,828	827,615	876,110
Average Length of Stay for Acute	6.39	6.36	6.37	6.36	6.09
Case Mix - All Patients	1.7813	1.8172	1.8523	1.9037	1.9080

RATES

Additional net revenues will be required in FY 2016 to meet the 3.5% operating margin budgeted. These additional net revenues will be achieved through new volumes and a rate increase of 6.0% approved by the Board in April to be effective July 1, 2015. Market data indicates that UIHC continues to have lower rate adjustments when compared to academic medical center peers and other Midwest healthcare institutions.

As always, UIHC is concerned with the effect of higher charges on its patient population. A study completed by the University 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 approximately 1% of UIHC charges, have limited exposure due to UIHC's discount policy for the medically indigent. The following chart illustrates how increases in rates affect various payor groups:

Rate Increase Impact by Payor:

- Medicare
 - Charges and cost affect DRG and APC rate setting
 - Affordable Care Act scheduled reductions (through 2019)
 - Charges affect new technology rate setting
 - Outlier thresholds and payments are based on charges and cost
 - Coinsurance up to policy maximum
- Medicaid
 - Charges and cost affect DRG and APC rate setting
 - Outlier thresholds and payments are based on charges and cost
 - Unknown impacts of move to Managed Medicaid
- 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:

Percentage of Poverty Level	< 200%	201%-250%	251%-300%	301-350%
UCC Percentage	100%	80%	60%	40%

**2015 Annual Income Guidelines
for Uncompensated Care Eligibility Determination**
Effective January 23, 2015

Family Size	Poverty Guidelines	Income Level			
		200%	250%	300%	350%
1	\$ 11,770	\$23,350	\$ 29,475	\$ 35,310	\$ 41,195
2	\$ 15,930	\$31,860	\$ 39,825	\$ 47,790	\$ 55,755
3	\$ 20,090	\$40,180	\$ 50,225	\$ 60,270	\$ 70,315
4	\$ 24,250	\$48,500	\$ 60,625	\$ 72,750	\$ 84,875
5	\$ 28,410	\$56,820	\$ 71,025	\$ 85,230	\$ 99,435
6	\$ 32,570	\$65,140	\$ 81,425	\$ 97,710	\$ 113,995
7	\$ 36,730	\$73,460	\$ 91,825	\$110,190	\$ 128,555
8	\$ 40,890	\$81,780	\$102,225	\$122,670	\$ 143,115
*	\$ 4,160	\$ 8,320	\$ 10,400	\$ 12,480	\$ 14,560

(*) For family units over eight (8), add the amount shown for each addition:

Source: Department of Health and Human Services – Federal Poverty Guidelines

**The University of Iowa
OAKDALE CAMPUS
Budget Summary
FY 2016**

\$2,721,558

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, outreach, and support activities on the Oakdale Campus. For example this budget supports significant building, utility and maintenance costs associated with space occupied by the State Hygienic Lab, the Technology Innovation Center, and specialized research facilities.

REVENUE

State appropriations for FY 2016 were unchanged from FY 2015 levels. Other income is projected to decrease to \$535,000. Other income includes \$440,000 in reimbursed indirect costs, \$5,000 in revenue predicted from interest earnings, and \$90,000 in rental income based on prior year rental income averages. The total Oakdale Campus budgeted revenue for FY 2016 is \$2,721,558.

EXPENDITURES

Salaries: Salaries and benefits are estimated at \$2,115,402 for FY 2016. This amount is \$51,094 higher in FY 2016 than FY 2015. This increase is comprised of an addition \$49,032 in merit staff and an increase of \$2,062 in P&S salaries. This is a result of an increase of 2.5% merit wages and a 2.0% increase in P&S salaries for FY 2016. Merit and P&S benefits did not change from FY 2015 to FY 2016.

Utilities: The FY 2016 utility budget supported by the Oakdale Campus will decrease in FY 2016 from \$1,275,723 to \$725,723 due to the projected decrease in other revenue. As a result, the General Education Fund subsidy will increase to cover to the full cost of utilities at the Oakdale Campus. Oakdale Campus utilities are not provided to the adjacent U of I Research Park.

Supplies/Rentals: This budget includes services and materials that are required to maintain an environment to conduct research. In FY2015 the supply budget was \$168,500. In order to offset the decline in revenue, the budget has been reduced to \$127,331 for FY 2016.

Equipment: The equipment budget will be reduced from \$4,000 in FY 2015 to \$0 for FY 2016. This step is necessary to offset the decline in revenue projected in the budget.

Building: The building repairs budget was reduced to \$0 in FY 2010 and will remain unchanged for FY 2016.

**The University of Iowa
STATE HYGIENIC LABORATORY
Budget Summary
FY 2016**

\$7,178,920

REVENUE

The total budgeted revenue is \$7,178,920. The FY 2016 appropriation (\$4,402,615) represents no change since FY 2014. Other Sales and Services are anticipated to stay level. Due to anticipated reductions in other revenue sources, the state appropriation is now 19.2% (up from 18.7% in FY 2015) of the FY 2016 total laboratory projected revenue (\$23.0M). The total projected revenue of \$23.0M is comprised of the appropriation, fee for service revenue (59.5%), grants and contracts (19.4%), and F&A and Other revenue (1.9%). In FY 2014, SHL received an increase in the appropriation restoring it to FY 2009 funding levels, somewhat alleviating the need to use other non-state appropriated funding to support state and related public and environmental health mandates.

As a statutorily established service agency to other state agencies, such as the Iowa Department of Public Health and the Iowa Department of Natural Resources and local county agencies, laboratory revenues are directly impacted when federal, state and local budget cuts occur. Due to multiple factors adversely affecting federal funding and reimbursement rates, the Laboratory continues to experience reductions in external funding. In FY 2015, this included major grants: CDC Public Health Emergency Preparedness Cooperative Agreement (reduced 8%, \$119K), the CDC Epidemiology and Laboratory Capacity Grant (reduced 6.6%, \$57K) and the IDPH General Agreement (reduced 15%, \$26K). The IDNR contracts were reduced in FY 2015 by \$475K, and are anticipated to be reduced by \$800K in FY 2016. SHL has increased disease control and environmental test charges by 3% for FY 2016 and is anticipating programmatic reductions to attain a balanced budget in order to offset these reductions.

EXPENDITURES

SALARIES: The Laboratory continues to strive to establish a budget that will accommodate capital replacement, implementation of competitive salaries and strategic development. The average increase for FY 2016 SHL P&S salaries is budgeted at 1%. Anticipated total salary increases as of July 1 are calculated to be \$200,000 (P&S, merit and hourly). These increases in the overall salary expense must be covered by a blend of reallocated revenues and a continued decrease in expenses.

SUPPLIES: The supplies budget includes laboratory consumables, instrument service agreements, quality control and proficiency testing material, operations software including financial management, accounts receivable, document management and automated temperature monitoring systems, and laboratory instrumentation necessary to conduct state and federally mandated laboratory testing that is not supported by fee for service, grants or contracts. This testing is primarily performed in the disease control division and costs include the associated overhead divisions (data entry, information technology services, sample receiving, billing, accounting, supply chain management).

UNPLANNED EVENTS AND FACILITY RECTIFICATIONS: As the state's public health laboratory, SHL is mandated by federal and state regulations to respond 24/7/365 to natural and manmade disasters, outbreaks, and identification of suspect biological and/or chemical substances. It is difficult to budget for these events since their time, scope and nature are unpredictable. In FY 2015, SHL absorbed the cost of environmental testing for the Dubuque train derailment (ethanol and associated degradates) and validation of the CDC Ebola test method and associated emergency notifications,

trainings, and exercises. SHL, in partnership with UI Facilities Management, will need to continue funding design and engineering adjustments to the new facility to assure continuous operations.

IMPACT OF STATE APPROPRIATION

The State Hygienic Laboratory has and will continue to work on making significant strategic, financial and operational changes. The FY 2016 budget allows us to continue to sustain the statewide courier, support the facility rent for the Ankeny laboratory, allow replacement of mission critical, obsolete and outdated laboratory instruments and continue supporting the salary for the coordinator of the Center for the Advancement of Laboratory Sciences and several other positions hired to strengthen the SHL community engagement and increase the client base within the State of Iowa. New positions have been critical to enhance the economic development, outreach and partnerships of the Laboratory. The Center's coordinator has organized events and training, with over 3,000 guests and trainees using the Center since it's opening in September 2014. The new Outreach and Client Liaison has completed several informational tools customers have requested, coordinates a new business partnership with the Black Hawk Public Health Department, and has significantly increased SHL's visibility with current and new clients.

Of primary importance is the Laboratory's ability to protect the health of Iowans. Discussions are being held with the Iowa Department of Public Health to establish those clinical tests that are of public health significance and with the Iowa Department of Natural Resources to assure statewide compliance to EPA regulations while enhancing surveillance of Iowa's waterways and overall environment. Continued support from the state is essential in order to ensure that highly trained laboratorians and state of the art equipment are available to effectively manage emerging public health concerns.

**THE UNIVERSITY OF IOWA
STATEWIDE FAMILY PRACTICE PROGRAM
Budget Summary
FY 2016**

\$1,795,765

REVENUE

The statewide program's appropriation for FY 2016 is \$1,788,265. Non-appropriated income is estimated at \$7,500. Total revenues, therefore, will be \$1,795,765. Eighty percent (80%) of the appropriated funds (\$1,430,611) are scheduled for grants to the UI-affiliated community based family medicine physician training centers consistent with statutory requirements, and 20% of the appropriation (\$357,653) plus \$7,500 in interest income will be spent on University-sponsored activities in support of the community-based training programs. The Carver College of Medicine provides educational, administrative and research support for the community sites.

EXPENDITURES

\$246,861 – Total Salaries and Benefits

University salaries and benefits total \$246,861, all to provide support to the many needs of serving the Statewide Family Practice Programs across the state.

\$1,430,611 – Statewide UI Affiliated Family Medicine Residency Support

This funding goes directly to each UI Affiliated Family Medicine Residency Program across Iowa. Each of the seven programs receives \$204,373 to support the ongoing operations at each site producing family medicine physicians. The programs are located in Davenport, Cedar Rapids, Waterloo, Mason City, Sioux City and two in Des Moines (Iowa Lutheran and Broadlawns)

\$118,293 – Supplies and Services

The balance of \$118,293 is for a range of services including the Visiting Professor Program. This funding allows the statewide program to provide minimal compensation to faculty who temporarily leave their regular duties at the University of Iowa to serve as visiting professors at the community-based programs across Iowa. In addition, travel is paid for the Visiting Professors as well as staff to serve the entire statewide system. This also includes funding for event operations, publications, software, postage, printing services, small equipment, office supplies telecommunications and other administrative support associated with this program.

**THE UNIVERSITY OF IOWA
Primary Care Initiative
Budget Summary
FY 2016**

\$648,930

REVENUE

The appropriation for the Primary Care Initiative (PCI) for FY 2016 is \$648,930. The Carver College of Medicine operates four 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 as follows:

• Department of Family Medicine Faculty	\$254,889
• Regional Medical Education Centers Grant Program	\$175,205
• Iowa Health Professions Inventory	\$123,978
• Rural Physician Support Program	\$ 94,859

EXPENDITURES

\$254,889 – Faculty Salaries and Benefits for UI Department of Family Medicine

Salary support is provided to the Department of Family Medicine for faculty physicians. This money is appropriated and designated by the legislature to provide ongoing support to the UI Family Medicine Department.

\$147,359 – Professional and Scientific Salaries

Salary and benefits are to support the staff within the Iowa Health Professions Inventory and the Rural Physician Support Program

\$27,566 – General Services Staff Salaries & Benefits

Funding for the merit employee within the Iowa Health Professions Inventory

\$27,045 – Hourly Wages

These funds are for student research assistants to economically support these programs.

\$192,071 – Supplies and Services

This includes the Regional Medical Education Grants for \$175,205 and supports the purchase of supplies, information technology, telecommunications, memberships and travel totaling \$16,866.

The University of Iowa
STATE OF IOWA CANCER REGISTRY
Budget Summary
FY 2016

\$149,051

In 2015, a projected 6,400 Iowans will die from cancer, 18 times the number caused by auto fatalities. Cancer and heart disease are the leading causes of death in Iowa. For the years 1973-2013, over 626,715 cancers were diagnosed among Iowans, with more than 244,307 Iowans having died from cancer. In 2015 alone, we expect 16,910 new cancers will be diagnosed among Iowa residents. These 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 National Cancer Institute's Surveillance, Epidemiology and End Results (NCI 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 goals 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. A follow-up program tracks more than 99% of the cancer survivors diagnosed since 1973.

Cancer is a reportable disease as stated in the Iowa Administrative Code, and responsibility for cancer data collection has been entrusted to the Registry. Each year the Registry responds to many requests from Iowans for data, analyses, and cancer cluster investigations. Additionally, Registry staff members participate in community outreach efforts designed to provide useful cancer-related education for citizens in Iowa. The Registry functions as a data resource for local, national and international research. The Registry also serves as the source of data for measuring progress with cancer and measuring the cancer burden for the Iowa Cancer Consortium, a cancer prevention and control group that consists of around 150 individuals and partner organizations representing Iowa's communities. Cancer Registry data are useful in guiding the planning and evaluation of cancer control programs in Iowa (e.g., determining whether prevention, screening and treatment efforts are making a difference). This knowledge helps in setting priorities for the allocation of health resources.

The existence of the Iowa Cancer Registry allows for the study of the cancer experience of Iowans and focuses national attention and research dollars on this issue. The Iowa Registry is funded primarily through a contract with the NCI, but the contract requires a portion of the 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 \$28.17 of federal funds are returned to Iowa through the NCI SEER contract. Additionally, 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; annually several millions of dollars are received from these agencies that are directly attributable to the existence of the Registry.

The state of Iowa appropriation is used to help meet the NCI's cost-sharing requirement by supplementing core support for the Registry, including salaries, computer services, equipment and general expenses. Additionally, funds are used to support the preparation and dissemination of an annual report on the status of cancer in Iowa, and development and dissemination of information regarding the Registry via the internet, SEER*Stat, and other reporting mechanisms. Since 2003, annual funding from the state has been reduced by approximately \$47,615, or more than 1 FTE. Funds received through the state of Iowa appropriation are critical for maintaining NCI contract funding; as such, it is essential that the need to reduce costs be balanced with the continuing need to meet the NCI contractual requirements of timeliness, completeness, and quality.

The University of Iowa
IOWA CONSORTIUM FOR SUBSTANCE ABUSE RESEARCH AND EVALUATION
Budget Summary
FY 2016

\$55,529

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 prevention, treatment and cultural competency effectiveness in substance abuse services offered at the community and state level in Iowa.
- Assisting the State in implementing quality improvement techniques at the state and agency levels.
- Updating the Iowa Youth Survey, a statewide survey of 6th, 8th, and 11th graders, about youth attitudes and experiences regarding substance abuse, violence, and their perceptions of peer, family, school, and community environments. A version of this survey will be developed to assist the Iowa Department of Education in assessing parent/ student perceptions of local school environments.
- Assist state agencies with epidemiological surveys and monitoring of substance abuse issues. This will also provide a resource for academic researchers, local, and state agencies in establishing priorities for programs, research, and prevention.

Funds for FY 2016 will provide administrative salary support and other operating expenses for the continuation of the Consortium's unique capacity for interdisciplinary alcohol and drug research and evaluation in Iowa.

The University of Iowa
CENTER FOR BIOCATALYSIS AND BIOPROCESSING
Budget Summary
FY 2016

\$723,727

The Center for Biocatalysis and Bioprocessing (CBB) is a one of a kind interdisciplinary academic research center at the University of Iowa. Its mission is to enhance a) faculty and student development in the broad areas of biocatalytic science and bioprocess engineering, b) industrial fermentation processes through efforts within a state of the art fermentation pilot plant facility, and c) economic development through advancement of university-led technology and intellectual property.

The Center represents one of the strongest clusters of scientists, laboratory personnel, graduate students and postdoctoral associates in the area of biocatalysis and bioprocessing. Housed administratively within the CBB, this group is recognized for its scientific talent that has secured in excess of \$15 million annually in extramural research support. The Center is a central element in a long-standing NIH Training Grant in Biotechnology and a portion of the Centers operating budget is dedicated to supplementing fellowships provided by this training grant as well as supporting a second set of fellowships for top caliber graduate students in the field of biocatalytic science.

The CBB Fermentation Facility is a world-class facility that is unmatched by any other University in the United States. This facility serves as the primary scale-up pilot plant operation for fermentation processes within the State of Iowa. Operations within this facility provide expertise in: a) production of fermentation-derived metabolites, b) optimization of protein expression, c) development of novel and effective downstream processing systems, and d) discovery of novel biocatalytic processes of scientific and economic value. CBB is the only facility in Iowa that supports the production of therapeutic proteins for human Phase I trials in the State of Iowa.

The Center continues to support economic development activities with the goal of bringing biotechnology companies into the University of Iowa Research Park. During FY15, the Center provided scale-up facilities and related capabilities to seven companies having major operations within the State of Iowa. This year, the CBB has also worked with two start-up companies founded by University of Iowa Faculty. In this capacity, the CBB Fermentation Facility provides unsurpassed fermentation, protein purification, biocatalysis and bioprocessing facilities and equipment to enhance multidisciplinary industry/academic research. Our pilot plant-scale bioprocessing laboratory translates research findings from the bench through the first stages of scale-up necessary for manufacturing. These facilities attract significant funding and interactions from industries, universities, and foundations throughout the world. The facility has ongoing contracts with corporations within Iowa, the United States and internationally. In FY15, more than 40 companies, Universities, and other non-profit institutions utilized the facility's vast technical resources.

FY 2016: Funds for FY 2016 will provide administrative salary support (faculty and P&S), academic as well as economic development programs, and scale-up efforts for Iowa companies.

The University of Iowa
IOWA REGISTRY FOR CONGENITAL AND INHERITED DISORDERS
Budget Summary
FY 2016

\$38,288

The Iowa Registry for Congenital and Inherited Disorders or IRCID (formerly the Iowa Birth Defects Registry) was established by the Iowa General Assembly (Chapter 23 of the Iowa Code) in 1983 and operations chartered to The University of Iowa. Since that time, the IRCID has received national attention for its role in birth defect surveillance and has served as a model for other states establishing birth defect surveillance programs.

The objectives of the IRCID are integrated and fully consistent with those of The University of Iowa. 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 defect 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.

In recent years, the IRCID has expanded its mission to include surveillance of muscular dystrophies, stillbirths (not only those with a birth defect), and selected, confirmed newborn screening disorders. The IRCID is the only active, statewide surveillance program nationally to conduct surveillance for birth defects, stillbirths, muscular dystrophy, and newborn screening disorders. Through these activities, the IRCID serves families in all 99 Iowa counties and was the 2010 recipient of the National Birth Defects Prevention Network State Leadership Award.

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

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

As examples, since 1996, Dr. Paul Romitti (College of Public Health) and faculty in the Colleges of Public Health and Medicine have been funded as a 'Center for Excellence in the Research and Prevention of Birth Defects' in Iowa. Since 2002, Drs. Romitti and Katherine Mathews (Carver College of Medicine) have been funded to expand surveillance activities to include children with Duchenne and Becker muscular dystrophies, and since 2011, to also include children and adults with one of seven additional muscular dystrophies. Annual renewal of each of these agreements requires identification of state funds to support surveillance staff.

Education and health promotion efforts that use IRCID data include lectures, press releases, articles, public service announcements, and disseminating educational materials. Annually, the IRCID provides a web-based report to disseminate information regarding congenital and inherited disorder 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 engage the Iowa community by providing parents of live born children diagnosed with birth defects resource materials

and referrals to appropriate clinical, educational, and social services. Overall, the IRCID is a public health registry in vigorous pursuit of promoting the health and welfare of infants and children in Iowa.

STRATEGIC CHANGES:

Funds provided are used for partial salary support for surveillance activities. The amount of staff support provided continues to decline annually, as the appropriation has been reduced 28% since 2001 and has remained level for the past several years. Ideally, the IRCID allocation would be \$100,000.

The University of Iowa
CENTER FOR ADVANCED DRUG DEVELOPMENT (CADD)
Budget Summary
FY 2016

\$93,645

The Center for Advanced Drug Development (CADD) is a division of the University of Iowa, College of Pharmacy and a component of University of Iowa Pharmaceuticals. The Center offers contract analytical services to the pharmaceutical and biotechnology industry and is part of the UIP - the only comprehensive FDA registered facility in a College of Pharmacy in the U.S. UIP offers the unique capability to produce under contract limited quantities of new medicines under FDA regulations. 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 analytical services and contract services relevant to the clinical trials process which complement those of UIP, and explicitly include:

- Management of FDA requirements for clients, especially in the processing of 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,
- 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 College of Pharmacy) 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.

Use of State Budget Revenues

The allocation from the economic development appropriations for the Center for Advanced Drug Development for FY 2016 (\$93,645) is used to help support the salary and fringe of 0.5 P&S FTE at CADD. The 0.5 FTE's consist of one Associate Chemist at \$40,943 and one Manager of Laboratory Quality at \$52,702.

The Associate Chemists provide analytical expertise to perform qualitative and quantitative chemical analyses of pharmaceutical products, conducted following cGMP and ICH guidelines, internal SOPs, United States Pharmacopeia (USP) monographs, and client-supplied methods. The Manager of Laboratory Quality assures testing is conducted in full compliance with FDA cGLP/cGMP regulations.

The University of Iowa
UNIVERSITY OF IOWA RESEARCH PARK
Budget Summary
FY 2016

\$78,515

The University of Iowa Research Park represents a substantial commitment by the State and the University to further sustained interaction with business. The Research Park represents a significant investment by the federal government, the State, the City of Coralville, and a number of private building developers and owners.

Established by the University in 1989, the Park is building a nucleus of businesses in Iowa that are drawn by the strengths of the University. The labor shed for over 1,800 employees of laboratories and companies affiliated with the Park, the BioVentures Center and the Technology Innovation Center. This is in keeping with the UI's strategic plan for engagement with external constituencies and participation in Iowa's economic growth. Current corporate tenants on the park include LMS North, a Siemens Business, The Stanley Group, General Dynamics, Integrated DNA Technologies, Inc. Bioinformatics and Research Divisions, Noel-Levitz, Cargill, The Brighton Group, Leapfrog Technologies, KemPharm, ConnectFive and MediRevv. A total of 38 companies are currently located on the Park.

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. Also a state-of-the art, 16,000 sq. ft. Hydraulics Wave Basin facility is located on the Park. The College of Public Health also maintains a research presence on the Park. The analytical method development and drug stability testing unit of the University of Iowa Pharmaceuticals facility, a unit of the College of Pharmacy, is also at the Research Park, as well as the State's Hygienic Laboratory. The Regional STEM Education Center is a joint collaboration between the University of Iowa, Kirkwood community college and School Districts from around the region. The new center will link the STEM assets of K-12, Community College and UI to strengthen K-12 science and math education is scheduled to open in the fall 2015.

MediRevv is a healthcare revenue cycle management (RCM) company specializing in helping hospitals, health systems, academic medical centers and physician groups improve their cash flow and grow their revenue. Renowned for its highly educated workforce, MediRevv currently employees approximately 300 employees. MediRevv originally built their first building (18,000 sf) on the UI Research Park in the fall of 2012, they expanded to a 2nd building (26,000 sf) in 2014, and are currently working to open a 3rd building to accommodate their growth.

FY 2016 funding will partially support the essential operating expenses for the Research Park. The balance of the Research Park's support comes from Park income. Expenses include a variety of professional services (e.g., engineering, landscape architecture and legal), marketing, and support for University staff engaged in the project, operation of the Park office, and preparation and maintenance of common areas within the park. For FY 2016, the current level of funding will not support fully the delivery of essential services and Park amenities. Additional funding must be identified for the Park to maintain and enhance the services and amenities delivered to affiliates and enable future growth.

**The University of Iowa
TECHNOLOGY INNOVATION CENTER
Budget Summary
FY 2016**

\$37,119

Established by the University in 1984, The Technology Innovation Center (TIC) and the UI BioVentures Center are business incubators for start-up companies, growing new ventures into freestanding businesses. The TIC provides office space and a nurturing business environment and critical services to new technology-based ventures. The Center is part of UI Economic Development.

In 2008, the BioVentures Center incubator facility opened and provides wet lab space and incubator services for biotech spin-out and recruited startup companies. Both of these facilities provide shared services and amenities to tenant companies.

Twelve tenant companies are currently in the Technology Innovation Center. The BioVentures Center is home to fifteen biotech companies, most of which are spun-off of UI research.

The Center's operating budget in FY 2016 includes \$37,119 in state support, with the balance of its support coming from other University sources. Along with the University of Iowa Research Park, the BioVentures Center and Technology Innovation Center have become an important part of the UI's strategic plan for engagement, building ties with those off campus and participating in the economic vitality of the state. For FY 2016 the funding will not support fully the incubator facilities and delivery of essential professional services and amenities to tenant companies. Additional funding must be identified for the incubators to sustain and enhance the current level of core services and amenities and achieve its goal of expanded services and support for tenant companies.

**The University of Iowa
IOWA FLOOD CENTER
Budget Summary
FY 2016**

\$1,500,000

The Iowa Flood Center (IFC) at the University of Iowa provides Iowans with accurate, state-of-the-art science-based information to help individuals and communities better understand their flood risks. The IFC's overarching objective is to improve flood monitoring and prediction capabilities in Iowa, while studying and developing strategies to reduce and manage floods.

The FY16 funds will be used to provide support for faculty, staff, researchers, graduate students, and undergraduate students who dedicate their time to the mission and work of the Iowa Flood Center. The IFC will use the FY16 appropriation, along with additional grant funding from agencies, to support projects that include:

- Host and continue to refine and add new tools to The Iowa Flood Information System (IFIS)—an easy-to-use online application to provide real-time information on watersheds, precipitation, and stream levels across the state;
- Continue to monitor and share data from stream stage sensors across the state;
- Continue improving upon and adding rain gauge and soil moisture/temperature monitoring platforms to watersheds across the state in partnership with other IIHR projects (i.e. the Iowa Watersheds Project) and with other external partners.
- Continued development of high-resolution, web-based flood inundation maps (example communities in progress for FY16 include Rock Rapids and Rock Valley);
- Development of floodplain maps for most of Iowa (in conjunction with the Iowa Floodplain Mapping Project funded by the IDNR);
- Continue watershed-scale research to understand how small-scale mitigation projects can reduce flood damage in a watershed (in conjunction with the Iowa Watersheds Project);
- Education of graduate and undergraduate students
- Continued organization of public outreach programs, press releases, and other activities to share IFC tools and information with the general public.

The University of Iowa
LARNED A. WATERMAN IOWA NONPROFIT RESOURCE CENTER
Budget Summary
FY 2016

\$162,539

The Larned A. Waterman Iowa Nonprofit Resource Center (INRC) is a University-wide interdisciplinary center which provides education and research about charitable nonprofit organizations on campus and throughout Iowa. The appropriation received in FY 2009 of \$207,548 has since been reduced by \$45,009 to \$162,539 through FY 2012 where it remains for FY 2016.

The funding will be applied to these basic staff needs: an administrative program assistant who responds to questions and maintains the information resources needed for Iowa nonprofit organizations, and a program person to maintain the Iowa Register of Accountability, the website, the quarterly newsletter and special news notices to a listserv of over 2,000 organizations and individuals across Iowa, and the administration of the Governor's nonprofit volunteer award process. In addition the appropriation provides a portion of the Director's salary.

The University of Iowa
IOWA ONLINE ADVANCED PLACEMENT ACADEMY
Budget Summary
FY 2016

\$481,849

The Iowa Online Advanced Placement Academy (IOAPA) was established in 2001 and is administered by the University of Iowa's Belin-Blank Center. The program provides advanced placement (AP) courses to all high schools in Iowa with an emphasis on small/rural schools. IOAPA also provides training for Iowa teachers to deliver AP courses in their home schools and is critical in helping Iowa meet the requirements of the Senior Year plus statute.

Since the establishment of IOAPA, over 10,600 Iowa students have taken AP courses online with impressive completion/pass rates ranging between 89-96%. Largely due to the success of IOAPA, Iowa's rank went from 45th to 27th nationally in terms of percentage of schools offering AP. The U.S. Department of Education selected IOAPA as one of the nation's top six programs to feature in a special report regarding online courses for advanced learners.

Iowa students have performed above the national average on AP exams every year since 2001. In 2010 Iowa students ranked 16th nationally on AP exam performance. Students in all Iowa schools now have access to AP and thus geography no longer dictates opportunity.

EXPENSE

Salaries and Benefits: Salaries and benefits are estimated at \$132,289 for FY 2016. This includes costs for 1.1 FTE in addition to graduate assistants who provide support to the program.

Supplies and Services: In FY 2016 the budget is estimated at \$349,560. Included in this total is travel, curriculum guides for teachers, pre-AP and post-AP curriculum materials, online course contracts, and expenses for mentors and teacher training institutes.

Travel is required for the continuation of local school partnership development, program improvement, pursuit of external funding opportunities, and updates on the cutting edge resources/technology and requirements for the Advanced Placement Program.

Key to IOAPA activities is the purchase of four online products from Apex Learning, a leading provider of digital curriculum for secondary education. The company's comprehensive, standards-based online courses help schools successfully engage all students in rigorous coursework and prepare them for high school graduation and beyond.

The University of Iowa
ENTREPRENEURSHIP AND ECONOMIC DEVELOPMENT GROWTH INITIATIVE
Budget Summary
FY 2016

\$2,000,000

The entrepreneurship and economic development growth initiative is a collaborative partnership among the University of Iowa's John Pappajohn Entrepreneurial Center (JPEC), the Office of the Vice President for Research and Economic Development (OVPR&ED), the Henry B. Tippie College of Business, the Office of the Executive Vice President & Provost, and other key university colleges, including the College of Engineering, College of Liberal Arts and Sciences, and University of Iowa health science colleges.

JPEC offers nationally recognized, comprehensive entrepreneurial education programs to all Iowans. All undergraduate students at the University of Iowa may earn a Certificate in Entrepreneurial Management in addition to their undergraduate degree; engineering students may earn the Technological Entrepreneurship Certificate along with their degree. In addition to the certificates, JPEC and the Department of Management and Organizations offer a BBA in Management with an Entrepreneurial Management Track (on-campus and online) to Tippie College of Business students. This past year, JPEC partnered with the College of Liberal Arts and Sciences to offer a BA in Enterprise Leadership. Advanced entrepreneurship courses are also offered to MBA students on campus and at several locations across the state of Iowa.

JPEC and the OVPR&ED also play an important role in the development of Iowa-based technology and high-growth start-up companies. Whether providing one-on-one consulting services and group training, working with startup companies on technology transition, directing UI students on advanced field study projects, or providing training and seminars to business executives, the University seeks to support the next generation of entrepreneurs and business leaders.

The recurring allocation of \$2.0 million will develop entrepreneurship curriculum and programs, expand direct support to Iowa startups and small-to-medium enterprises, and accelerate new venture formation. Key initiatives include:

- I. Entrepreneurship Curriculum and Education Programs: To strengthen Iowa's entrepreneurial ecosystem and better prepare students and citizens to cultivate innovative solutions for complex problems and develop and execute sustainable business strategies.

Program highlights include:

- Online launch of the BA in Enterprise Leadership undergraduate degree program
- Initiate educational partnerships with select Iowa community colleges to expand entrepreneurial education on their campuses and better connect community college faculty and students to UI entrepreneurship faculty, programs and resources
- Develop a cadre of interdisciplinary faculty to increase dissemination of innovation and entrepreneurship curricula across colleges and programs

- Expand development and dissemination of the UI's STEM innovation program for Iowa high school teachers and students through the UI's Jacobson Institute for Youth Entrepreneurship

II. Direct Support to Iowa Startups and Small-to-medium Enterprises: To improve students' experiential learning opportunities, increase employment opportunities for students and citizens with Iowa-based companies and encourage business expansion across the state and support early stage businesses by enhancing connectivity between educators and the business community.

Program highlights include:

- Support technology-based student internships and engagement with Iowa small businesses through the OVPR&ED's UI Partners initiative
- Connect students with startups and early-stage companies participating in JPEC's statewide Venture School program to assist entrepreneurs with market assessment and strategic business planning
- Provide strategic business consulting services to existing Iowa small-to-medium size companies through JPEC's Entrepreneurial Management Institute and academic programs
- Expand international business educational outreach and business consulting services to Iowa companies through the UI's Institute for International Business

III. Acceleration of New Venture Formation: To foster new venture creation across the state of Iowa, accelerate the development of technology-based ventures based on UI faculty research, and increase the number of student-based startups.

Program highlights include:

- Launch the UI's National Science Foundation I-Corps program to provide advanced entrepreneurial training to faculty and support the commercialization of applied research
- Expand statewide delivery of JPEC's Venture School business acceleration training program, in part through partnerships with community colleges and other economic development and business accelerator organizations
- Strengthen technical support for faculty and student entrepreneurs through campus-wide collaborations for advanced product design, prototype creation and software application development

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

The FY 2016 Restricted Fund budget is based upon revenue and expenditure projections for each of the funds. The Restricted Fund includes the Organized Activities Fund, the Auxiliary Enterprise Fund, the Current Restricted Fund and the Plant Fund and involves virtually every department on campus in revenue and expenditure planning. Revenues are derived from federal and non-federal support for sponsored programs (primarily research and student aid), sales and services, reimbursed indirect costs, tuition and fees, bond proceeds, transfers from current unrestricted funds, and appropriations. The expenditure plan provides for salary adjustments, meets certain non-discretionary cost increases, and reflects the University's best efforts at planning to meet its most critical needs and to provide essential services within the limits of available resources, guided by the strategic plan.

The Organized Activities Fund includes Medicine and Dentistry Practice Plan funds, sports camp activities, Conferences and Institutes, mandatory fees (partial), and various tuition and program specific fees, publications, and workshops related to academic departments.

The Auxiliary Enterprise Fund includes Intercollegiate Athletics, University Residence System, the Iowa Memorial Union operations, Student Health, Recreational Services, Hancher Auditorium, Parking and Transportation, Cambus, and various smaller enterprises serving faculty, staff, students and the public.

The Current Restricted Fund includes sponsored activities, predominately research and student financial aid funded from federal and non-federal sources. Also included are funds allocated from the Board Office for the Iowa Regents Resource Centers. These Centers serve the educational needs of students in northwest and southwest Iowa. The Centers are part of the Regent Enterprise and includes the University of Iowa, Iowa State University, and the University of Northern Iowa. Each center partners with local community colleges.

Breakdown of Other Income

Other income includes non-federal gifts, grants and contracts of \$142.9 million, commissions and royalties of \$6.4 million, parking fines of \$1.2 million, and Other Miscellaneous Revenue of \$19.5 million.

Bond Sales/Debt Service

The Bonds and Loans line includes the following potential bond sales for FY 2016 subject to the refinement of schedules and final approval by the Board:

Madison Street Residence Hall (1 st of 3 bond sales totaling \$105m)	\$ 35.0 million
Madison Street Residence Hall (2 nd of 3 bond sales totaling \$105m)	\$ 35.0 million
ABRB Flood Recovery	\$ 15.0 million
Fleet Services (Master Lease)	\$ 2.4 million

In addition to FY 2016 projected debt service on existing issues (\$101.2 million), an estimate of \$2.2 million has been included for the issues listed above.

Tuition Replacement

This budget contains \$13.4 million, which has been appropriated for Tuition Replacement to address the FY 2016 debt service on Academic Building Revenue Bond issues.

Capital

A total of \$64.3 million in new capital was appropriated by the General Assembly during the 2014 legislative session for a new Pharmacy Building. The following schedule of funding was approved:

FY 2016	\$13.0 million
FY 2017	\$29.0 million
FY 2018	\$22.3 million

The overall cost of the project is estimated to be \$96.3 million with the remaining amount to come from private gifts and College and University earnings.

Innovation Fund

The University of Iowa has received a recurring allocation of \$1.05 million from the Skilled Worker and Job Creation Fund for the development of technology commercialization, marketing and business development efforts in areas related to technology commercialization, entrepreneurship, and business growth.

The University will leverage these funds from the Innovation Fund with matching funds dollar for dollar to:

1. To support the development of innovations with commercial potential, with the result that more University of Iowa technology reaches the marketplace. The funding is intended to support a range of stages in technology development, from initial concept, through proof of concept, to licensing and commercialization.
2. Build effective partnerships for economic development between the private sector and the University of Iowa.
3. To increase the effectiveness of University of Iowa resources in aiding existing state and regional economic development initiatives, including expanding projects with Iowa companies.

**The University of Iowa
INTERCOLLEGIATE ATHLETICS
Budget Summary
FY 2016**

The Iowa Athletic Department is a self-sustaining auxiliary enterprise and receives no General Education Fund support. Overall the revenue and expense budget for FY 2016 is increasing by approximately \$3.9 million in comparison to the FY 2015 budget. Line item highlights are noted below:

Revenues:

- Football Income is expected to decrease by \$2.58 million because of an anticipated decrease in public season ticket sales.
- Athletic Conference revenue is expected to increase by nearly \$2.8 million. The increase is a result of additional television distribution monies and an increased distribution from the football bowls and playoff.
- Support from the UI Foundation is anticipated to increase to offset an anticipated reduction in football ticket sales and for student-athlete initiatives related to increased food costs and cost of attendance.

Expenses:

- Football expense increased by about \$1.83 million. This is the result of increased coaching staff salaries, food costs and cost of attendance initiatives.
- Facility Debt Service decreased due to refinancing of two bond issues in FY 2015.
- Women's Sports expenses increased approximately \$1.4 million due to cost of attendance initiatives.

**The University of Iowa
RESIDENCE SYSTEM
Budget Summary
FY 2016**

The University of Iowa is proposing the attached annual budget for the residence system for FY 2016. Estimated revenues total \$78,680,179 and proposed expenses for operations total \$56,868,222, leaving \$21,811,957 net revenue available for debt service, mandatory transfers, and transfers to voluntary reserves. These projected net revenues are \$550,826 higher than the preliminary budget submitted to the Board in March.

The increased net revenue projection is due primarily to lower than originally projected increases in salaries, fringe benefits, and utility rates. Projected contract room income has been increased slightly as a result of increasing the operating capacity of several residence hall floors though increased density. The projected non-contract dining revenues have been reduced slightly due to the expected outsourcing of service at one retail operation.

Projections of enrollment and occupancy for fall 2015 have not changed significantly from the time of the preliminary budget. Based on the latest projections, residence hall occupancy at the start of the fall 2015 semester will again be at or above capacity.

Projected residence hall revenues are based on rates approved by the Board at its April 23, 2015 meeting, fall residence hall occupancy of 6,545 (100% of capacity), residence hall board contracts numbering 7,133, and 164 (98% of capacity) occupied Hawkeye Drive apartments.

Voluntary reserve balances at June 30, 2016 are projected to be \$17,178,880. This amount is \$1,115,105 higher than projected in March, reflecting the increase in projected net revenues from operations for both FY 2015 and FY 2016.