

**The University of Iowa
General Education Fund
FY 2019 Budget**

Throughout the last year, University of Iowa academic, administrative and shared governance leaders continued efforts to develop a new, value-based budgeting process. With the goal of establishing a process that empowers unit leaders to prioritize funding in order to support their respective missions and to improve financial transparency, additional components to the model were confirmed and enhanced to assist in developing the FY 2019 budget:

- **New Budget Model – Characteristics**

- Value-based, transparent, and shaped by guiding principles (Student Success, Quality Indicators, Our Values, Our Future)
- Flexible design to support and finance the 2016-21 University of Iowa Strategic Plan
- Based on annual increases/decreases to the GEF “Collegiate Economic Analysis” report

- **New Budget Model – Goals**

- Maximize annual net tuition revenue
- Improve predictability and stability in the face of a generational decline in state support
- Incentivize new revenue generation
- Provide recurring/non-recurring funding for strategic initiatives
- Ensure collegiate/non-collegiate unit financial accountability
- Improve salary competitiveness
- Reward collaboration within and among colleges
- Fund salary and benefit adjustment and/or other inflationary increments through new revenues, efficiencies or reprioritization
- Provide guidelines for equitably sharing centralized costs
- Develop multi-year revenue/expense projections

This collaborative process and budget model allows the University to develop a General Education Fund budget reinforcing its principles and mission of education, research and discovery, while also addressing downward adjustments in state appropriations.

All other University of Iowa FY 2019 budgets were developed simultaneously with the General Education Fund budget and under similar and, in most instances, identical policies and budget guidelines.

A. REVENUE PROJECTIONS

\$ 739.7 million	FY 2018 Original GEF Budget
\$ (5.2) million	FY 2018 State Appropriations (mid-year)
\$ 3.2 million	FY 2019 State Appropriations
\$ 5.5 million	Tuition
<u>\$ 1.8 million</u>	Indirect Cost Recoveries
\$ 5.3 million	Total Revenue Increase
\$ 745.0 million	FY 2019 GEF Budget

1) State Appropriations

The University's General Education Fund (GEF) support from state appropriations at the beginning of FY 2018 was \$216.8 million or 29% of the University's GEF budget.

During FY 2018, state appropriations to the University were permanently reduced by \$5.2 million (-2.4%).

For FY 2019, the Board of Regents requested an additional \$5.0 million for resident undergraduate student aid at the University of Iowa.

Based on appropriation legislation passed by the Iowa General Assembly and approved by the Governor, the Board of Regents received a lump-sum increase of \$8.3 million in FY 2019 to be allocated by the Board to SUI, ISU and UNI. In June 2018, the Board approved an allocation of \$3.2 million to the University of Iowa to be used for financial aid for undergraduate students from Iowa.

2) Tuition

In June 2018, the Board of Regents approved the following base tuition increases for FY 2019:

- 3.8% Increase for resident undergraduate students
- 2.1% Increase for nonresident undergraduates and most graduate and professional students

In addition to base tuition increases, the Board approved tuition supplement increases for the Tippie College of Business for the recently approved Master of Science in Finance (MSF) degree program and an on-campus Masters of Science in Business Analytics program. These adjustments are estimated to yield an additional \$0.2 million in FY 2019.

For the fall of 2018, the University is anticipating a smaller incoming freshman class. Focused enrollment management efforts plan to yield a diverse yet more prepared freshman class allowing for improved retention and time to graduation. Graduate and professional student enrollments are anticipated to remain the same.

In total, the University is projecting an additional \$5.5 million in tuition revenue. This increase includes projected enrollment changes, tuition rate increases, and tuition supplement increases.

The FY 2019 estimated total gross tuition budget is as follows:

	<u>Resident</u>	<u>NonResident</u>	<u>Total</u>
Undergraduate	\$117,490,000	\$250,221,000	\$367,711,000
Graduate	35,651,000	8,906,000	44,557,000
Professional	45,223,000	23,148,000	68,371,000
Other	<u>908,000</u>	<u>1,292,000</u>	<u>2,200,000</u>
Total	\$199,272,000	\$283,567,000	\$482,839,000

3) Other Income

The University is estimating a \$1.8 million (4.2%) increase in indirect cost recoveries due to the on-campus F&A rate increase to 52.5% that occurred July 1, 2016 and an anticipated increase in federal research activities.

Interest and other income within the General Education Fund are estimated at similar levels for FY 2019. All earnings of General Education Fund balances remain within the General Education Fund for budgeting and expenditure purposes.

4) Reallocations/Reprioritization and Cost Saving Measures

While reallocating resources toward institutional priorities is a fundamental part of the new budget development process, mid-year reductions in state funding continue to negatively affect the University.

As such during FY 2019, the University will be using the new budget model to identify, evaluate and possibly discontinue or close activities including University centers and institutes in which state resources are no longer sufficient to support these functions. The University must ensure available resources align with the University's strategic plan and sustain financial viability. Scarce resources will continue to be directed to student success, research, and economic development programs.

B. EXPENDITURE PROJECTIONS

1) Collegiate and Central Core Unit Allocations

The University's new budgeting process provides a framework for accelerating advancement in strategically targeted areas while maintaining and contributing to the high quality in core missions and central programs.

Distribution of new revenues to collegiate and central units are calculated utilizing predetermined methodologies to improve transparency and predictability for units. For example, new revenue generated by a college that is subject to share, such as tuition and fees, allows for seventy percent of new revenue to remain with the college. Thirty percent is distributed to central service units responsible for providing core administrative services to collegiate and/or auxiliary units.

Increases or decreases in state appropriations are also distributed by apportionment to collegiate and central shared services units.

Once revenue distributions are calculated, collegiate and non-collegiate units set priorities and create spending plans guided by the four budgeting principles (Student Success, Quality Indicators, UI Values, and UI Future).

a. Salary and Fringe Benefits (see attachment "SUI Salary Guidelines" for details)

In recent years, the University has not set a campus-wide salary policy and has instead empowered Deans, Vice Presidents and other unit leaders to make decisions based on their unique needs, priorities, and market conditions.

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

For FY 2019, University leadership determined that potential performance and/or cost-of-living increases for Faculty and Non-Bargaining P&S staff will be moved to January.

This was not done as a cost savings measure but as a prudent reaction to multiple midyear rescissions from state government. Waiting until January will give the University a clearer picture of tuition revenue following September enrollment counts and of any potential state budget changes following the state of Iowa's December meeting of the Revenue Estimating Conference.

Average salary increases awarded to Faculty and Non-Bargaining P&S staff will be calculated in January as individual colleges and units continue to set their own salary policy decisions.

This delay in salary increases does not affect UI Health Care or promotional raises.

Collective Bargaining Units

The University will fully implement the terms and associated costs of all collective bargaining agreements.

General Education Fund salary costs of the agreements are estimated to increase by \$0.6 million for AFSCME staff and \$0.4 million for COGS represented staff (graduate assistants) in FY 2019.

Fringe Benefits

In February 2018, the University completed negotiations with the federal government establishing the FY 2019 fringe benefit rates for each employee category. Annual changes in the approved rates are attributable to cumulative historic costs of covered benefits, salary changes, and employee utilization of benefits.

For FY 2019, changes in fringe benefit rates on the existing General Education Fund compensation base will decrease total benefit costs. Costs related to AFSCME bargained merit staff will decrease \$2.1 million and P&S and faculty costs will increase \$1.1 million. The net change results in an estimated decrease of \$1.0 million.

b. Student Aid

Due to several decisions over the last year, the University is estimating to decrease its overall student aid budget in FY 2019 by \$0.5 million.

In November 2017, following state appropriation cuts and resulting financial concerns, the University decided to discontinue its Summer Hawk Tuition Grant program upon completion of the 2018 academic summer session.

In June 2018, the Board approved an allocation of \$3.2 million to be used for resident undergraduate students.

The University of Iowa is committed to identifying new ways of meeting the needs of its students and will focus efforts on sustainable means of helping students graduate on time and receive the highest value education it can provide.

c. Opening New Buildings: Costs to occupy new or improved space

The estimated change in utilities, custodial services, information technology, and general maintenance and renewal costs for new or improved General Education Fund-supported buildings in FY 2019 is \$0.7 million.

This net increase includes new costs associated with the Engineering Bldg. offset by reductions associated with the partial demolition of Seashore Hall.

d. Utility Inflation (non-salary)

The University continues to explore opportunities for reducing purchased fuel costs, decreasing its reliance on coal and reducing the University's carbon footprint by burning renewable fuels. Because of these efforts and building energy conservation improvements, the General Fund non-salary utility expenses are expected to remain the same for FY 2019.

The University's General Fund support of utility expenses for the Oakdale Campus will continue in FY 2019 as other revenue sources, including state appropriations, for the campus remain flat or continue to decline. The campus houses the State Hygienic Laboratory, a major consumer of utility services on the Oakdale campus.

2) Strategic Investments/Operational Service Needs

In the spring of 2018, previous Central Service Unit review committees were reformulated as advisory committees to provide ongoing reviews of each business unit and forward proposals for either operational cost savings or increases for consideration to a newly formed administrative Budget Review Board.

For FY 2019, the Budget Review Board approved \$0.9 million to ensure the University's highest operational priorities receive adequate funding. The proposed initiatives support the University's mission and will provide innovative opportunities for students, faculty, and staff.

The University will continue to use the seven advisory committees to evaluate and implement additional initiatives throughout the fiscal year.

**UNIVERSITY OF IOWA HOSPITALS AND CLINICS
FINAL FY 2019 OPERATING BUDGETS OF THE
UNIVERSITY OF IOWA'S STATEWIDE HEALTH SERVICE UNITS**

STRATEGY

In FY 2019, the strategic focus for the University of Iowa Hospitals and Clinics (UIHC) will continue to center on the offering of a broad spectrum of clinical services to all patients, serving as the primary teaching hospital for the University, and providing a base for innovative research to improve health care.

UI Hospitals and Clinics is committed to providing patient-focused care 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 creating the FY 2019 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:

- Assure patient quality and safety remain a top priority
- Explore combining of/streamlining administrative structures and entities
- Aggressive management of labor productivity and effectively flexing to match resources to volumes
- Review staffing skill mix assuring staff work at the top of their license
- Optimize utilization of existing facilities, continue renovations to expand acute and ICU bed capacity as well as conversion to single patient rooms
- Continue to improve off campus access to outpatient services at the Iowa River Landing (IRL) offsite clinic location and new facilities at the North Dodge and Scott Boulevard medical buildings. These clinics will alleviate the outpatient capacity issues at the current facility on the main campus and allow for more convenient access to services in the community
- Continue to improve patient access through centralized clinic appointment scheduling and allowing patients/families to schedule directly through UIHC MyChart
- Continue the focus to improve the patient experience with emphasis on improved access to services, enhanced communication, reduced wait times and patient satisfaction
- Continued focus on several key product lines, including Pediatrics, Cancer, Heart & Vascular, Neurosciences, and Orthopaedic
- Continued emphasis on population health initiatives, including continued Care Coordination focus, Physician Quality and Cost Dashboards, and Payor ACO arrangements
- 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)
- On-going policy of contracting with third-party payors at fair and reasonable rates
- Work with consultant to improve the revenue cycle through efficiencies in the billing and collection processes
- Maximize the use of the EPIC information technology infrastructure to provide comprehensive patient information under one common platform
- Further enhance philanthropy

CHALLENGES

There are ever-increasing financial pressures on the healthcare industry. Both governmental and non-governmental payors are looking to reduce health care spend. In FY 2019 UIHC will face year-over-year reductions in the payment rates from Medicare and Medicaid. The state of Iowa is facing financial challenges that will affect both academic and clinical funding for University of Iowa Health Care. Managed Medicaid programs will continue to look for ways to limit claims spend. Lastly, with the effects of healthcare reform, we will continue to see a push toward providers taking more risk for quality and efficiency results. These and other external challenges will have an impact in all areas of our mission, ranging from near flat reimbursement for patient care services to continued constraint and competition for research funding. The necessity to continue to maximize revenue opportunities, grow market share, ensure ease of access to our services, improve throughput, further enhance service excellence and be even more cost efficient in UIHC operations continues to be essential.

Expense inflation (salary and non-salary) continues to outpace the level of payor rate increases. An average "all-in" salary increase of around 1.6 percent is projected for next year due to base salary increases and 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 3.0 percent or more due to price increases and changes in technology. Pharmaceutical cost increases are anticipated in the 7.5 percent range.

VOLUMES

The University of Iowa Hospitals and Clinics predicts continued high demand for its services. Inpatient acute admissions are expected to increase approximately 3.0 percent while outpatient activity is anticipated to grow more than 5 percent over FY18 projections. The case mix index, reflective of the acuity of care required by inpatients, is anticipated to remain high at a level of 2.1.

RATES

Additional net revenues will be required in FY 2019 to meet the 3.2% operating margin budgeted. These additional net revenues will be achieved through new volumes and a rate increase of 6.0 percent approved by the Board in April to be effective July 1, 2018. 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 percent of UIHC charges, have limited exposure due to UIHC's discount policy for the medically indigent. The following table summarizes 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 FY 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:

**2018 Annual Income Guidelines
for Financial Assistance Eligibility Determination**

Effective January 22, 2018

Family Size	Poverty Guidelines	Income Level			
		200%	250%	300%	350%
1	\$ 12,140	\$ 24,280	\$ 30,350	\$ 36,420	\$ 42,490
2	\$ 16,460	\$ 32,920	\$ 41,150	\$ 49,380	\$ 57,610
3	\$ 20,780	\$ 41,560	\$ 51,950	\$ 62,340	\$ 72,730
4	\$ 25,100	\$ 50,200	\$ 62,750	\$ 75,300	\$ 87,850
5	\$ 29,420	\$ 58,840	\$ 73,550	\$ 88,260	\$ 102,970
6	\$ 33,740	\$ 67,480	\$ 84,350	\$ 101,220	\$ 118,090
7	\$ 38,060	\$ 76,120	\$ 95,150	\$ 114,180	\$ 133,210
8	\$ 42,380	\$ 84,760	\$ 105,950	\$ 127,140	\$ 148,330
*	\$ 4,320	\$ 8,640	\$ 10,800	\$ 12,960	\$ 15,120

(*) 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 2019**

\$2,514,000

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. 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

Total projected revenue is \$2,514,000
State Appropriations – 85%
Reimbursed Indirect Costs – 12%
Other (Rent & Interest) – 3%

State appropriations for FY 2019 (\$2,134,120) represents a 2.4% reduction from last year.

EXPENDITURES

Salaries: Salaries for Operations and Maintenance in the Oakdale Campus include Building Maintenance, Landscape Services, Custodial Services and Utilities. Salaries comprise 61% of the Oakdale Campus Budget.

Utilities: Utilities comprise 19% of the Oakdale Campus Budget. The GEF Oakdale subsidy budget is expected to be unchanged for FY 2019.

All Other Expenses: All other expenses are 20% of the Oakdale Campus Budget. This includes equipment, materials and services that are required to maintain an environment to conduct research, primarily used in the Building Maintenance, Landscape Services and Custodial Services operations.

**The University of Iowa
STATE HYGIENIC LABORATORY
Budget Summary
FY 2019**

\$6,531,783

State Hygienic Laboratory (SHL) is established in Iowa Administrative Code to provide public health and environmental testing and surveillance, food safety testing and surveillance, chemical and bioterrorism response, newborn screening and testing, education and training, and applied research. Key partners include the Iowa Department of Public Health, the Iowa Department of Natural Resources, hospitals and clinical labs throughout the state and region, and university researchers. Overall budget is \$23.9 million, with the state portion comprising approximately \$6.5 million, or 27% of the overall budget.

REVENUE

FY 2019 total projected revenue is \$6,531,783:

- State appropriation – 66%
- Fee for service – 33%
- Indirect cost recovery – less than 1%

The FY 2019 state appropriation (\$4,297,032) represents a 2.4% decrease from last year. SHL's appropriation had previously been unchanged since FY 2014. FY19 budget dollars will fund laboratory support and administrative functions, supplies, and services with no other funding sources, such as rabies testing on animals involved in human exposures.

EXPENDITURES

Salaries: Salaries comprise 85% of the laboratory expenses. P&S staff salaries will remain flat through at least January 2019, in line with the University of Iowa's policy to delay raises until that time. SHL did not give raises to P&S staff in FY18. Merit staff will receive the 1% contractual increase, which necessitates shifting existing P&S staff to other funding sources.

Supplies, Services, and Rentals: These expenses constitute 15% of SHL's budget. They include reagents and consumables, service contracts, laboratory software, the statewide courier, and DAS leased space for the Ankeny facility.

CHALLENGES AND STRATEGIES

Continuity of funding continues to be a primary concern for SHL. Federal agencies that oversee programs that generate significant testing activity for SHL have the potential for significant budget decreases. The future of the Affordable Care Act, which contains substantial funding for public health laboratories, continues to be questionable. The State of Iowa has significant budget challenges that have resulted in cuts for key partner agencies that order testing from SHL, as well as a direct reduction to SHL's appropriation.

SHL's fee-for-service revenue is trending downward due to reductions from partner agencies, technology changes that allow more point-of-use testing rather than laboratory-provided testing, and variability in requirements for the schedule of regulated water contaminant monitoring. Regulated monitoring is on a rotating schedule for many of SHL's tests. During FY19, SHL will see the lowest monitoring levels for a large water project, with volumes projected to start increasing for this project late in FY19 and into FY20.

These ongoing budget challenges resulted in the furlough of 11 SHL P&S staff members in May 2018. An additional 2.5 P&S positions have been reduced through attrition. SHL continues to work on other cost reductions, including reducing travel for staff and partnering with major vendors to reduce supply costs.

**THE UNIVERSITY OF IOWA
STATEWIDE FAMILY PRACTICE PROGRAM
Budget Summary
FY 2019**

\$1,750,879

REVENUE

The statewide program's appropriation for FY 2019 is \$1,745,379, 2.4% less than the FY 2018 initial appropriation. Non-appropriated interest income is estimated at \$5,500. Total revenues, therefore, are anticipated to be \$1,750,879. Eighty percent (80%) of the appropriated funds (\$1,396,303) are scheduled for grants to the UI-affiliated community based family medicine residency training centers consistent with statutory requirements, and 20% of the appropriation (\$349,076 plus \$5,500 in interest income = \$354,576) 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.

• Family Medicine Physician training grants	\$1,396,303
• OSCEP support for statewide residency programs	\$ 349,076
• Interest income	\$ 5,500

EXPENDITURES

\$1,396,303 – 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 residency programs receives \$199,472 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). There are currently 51 positions for new residents each year or a three year total of 153 residents.

\$279,806 – Total Salaries and Benefits

The University salaries and benefits total \$279,806. These positions provide support to the Statewide Family Practice Programs across the state.

\$74,770 – General Expenses

The balance of \$74,770 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 lecture/present as visiting professors at the community-based programs across Iowa. In addition, travel is paid for the Visiting Professors as well as staff travel to serve the entire statewide system. This also includes funding for publications, postage, printing services, office supplies, telecommunications and other administrative support associated with this program.

**THE UNIVERSITY OF IOWA
Primary Care Initiative
Budget Summary
FY 2019**

\$633,367

REVENUE

The appropriation for the Primary Care Initiative (PCI) for FY 2019 is \$633,367, 2.4% less than the FY 2018 initial appropriation. 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 and Staff | \$248,776 |
| • Regional Medical Education Centers Grant Program | \$171,003 |
| • Iowa Health Professions Inventory | \$150,349 |
| • Rural Physician Support Program | <u>\$ 63,239</u> |

TOTAL \$633,367

EXPENDITURES

\$248,776– Faculty and Staff Salaries and Benefits for UI Department of Family Medicine

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

\$171,003 – Regional Medical Education Center (RMEC) Grants

The five Regional Medical Education Center (RMEC) Grants total \$171,003. Each of the five RMEC's across the state receives \$34,200. The RMECs are located at Cedar Rapids, Davenport, Mason City, Sioux City and Waterloo and this funding supports the sites efforts in UI Carver College of Medicine undergraduate medical education.

\$208,336 – Office of Statewide Clinical Education, Salaries and Benefits

Salary and benefits are to support the staff within the Iowa Health Professions Inventory and the Rural Physician Support Program. This includes the utilization of two part time graduate students for \$33,199 to economically achieve goals of the program.

\$5,252 – General Expenses/Travel

This funding supports the significant travel required for OSCEP staff along with minor office related expenses.

The University of Iowa
STATE OF IOWA CANCER REGISTRY
Budget Summary
FY 2019

\$145,476

In 2018, a projected 6,300 Iowans will die from cancer, 18 times the number caused by auto fatalities. Cancer is a leading cause of death in Iowa, accounting for about a quarter of all causes of death. For the years 1973-2016, over 690,187 cancers were diagnosed among Iowans, with more than 263,973 Iowans having died from cancer. In 2018 alone, we expect 17,800 new cancers will be diagnosed among Iowa residents. These statewide cancer incidence 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 20 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. The Iowa Cancer Registry is the best statewide resource for determining the burden of cancer on the Iowa population and assessing trends in the occurrence of cancer over time. 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 over 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 \$28.86 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 \$51,190, or approximately 1 FTE. Funds received through the state of Iowa appropriation are critical for maintaining NCI contract funding and for meeting the NCI contractual requirements of timeliness, completeness and quality of reportable data.

The University of Iowa
IOWA CONSORTIUM FOR SUBSTANCE ABUSE RESEARCH AND EVALUATION
Budget Summary
FY 2019

\$54,197

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 medication assisted treatment 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.
- 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 2019 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. State funding cuts reduce our ability for community outreach as well as reduce our ability to offer free assistance to state agencies.

The University of Iowa
CENTER FOR BIOCATALYSIS AND BIOPROCESSING
Budget Summary
FY 2019

\$706,371

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: a) enhance faculty and student development in the broad areas of biocatalytic science and bioprocess engineering, b) drive innovative industrial fermentation processes through efforts within a state-of-the-art bioprocessing pilot plant facility, and c) expand economic development through translational research and the advancement of university-led technology and intellectual property.

The Center's umbrella encompasses a strong cluster of scientists, laboratory personnel, graduate students and postdoctoral associates focused on creation and dissemination of knowledge in biocatalytic science and bioprocess engineering. This academic group is recognized for its scientific talent that has secured in excess of \$15 million annually in extramural research support. The Center is the central element for a long-standing NIH Training Grant in Biotechnology. A portion of the Center's operating budget supplements these NIH fellowships and, more importantly, supports additional fellowships for top caliber graduate students across the traditional academic disciplines. While the NIH-supported training grant exclusively supports graduate students, the Center also directs resources to undergraduate students in the form of employment (within the Center's Fermentation and Bioprocessing Facility) as well as a newly developed course. This course, initiated in FY 2016, is entitled Upstream Biotechnology Processes and is intended for upper level undergraduate students. A companion course on downstream bioprocessing is in the planning stages. The long-term goal is to parlay these courses into a workshop designed for beginning professionals within the field of commercial biotechnology.

The CBB Fermentation and Bioprocessing Facility is a world-class operation that is unmatched by any other university in the United States. This facility serves as both a contract manufacturing organization (CMO) and a contract research organization (CRO) with the objective of creating high value biotechnology materials. This facility serves as the primary scale-up pilot plant operation for biotechnology processes within the State of Iowa. The CBB also operates the only facility in the State of Iowa that manufactures vaccines and therapeutic proteins for Phase I clinical trials in people.

The Center continues to support workforce development and economic development. The Center helps startup companies in Research Park to create materials to enhance investment opportunities. As part of our efforts to support new business entities, we help to optimize and scale-up biotechnology manufacturing processes. Our ability to manufacture bio-based chemicals is used to create materials and protocols central to investigative new drug (IND) applications required to gain approval from the FDA for phase I clinical testing. In addition, the Center works with several well-established companies in Iowa to produce high value protein-based products. In this capacity, the CBB provides unsurpassed expertise from both its academic faculty and professional staff to enhance translational research and commercialization.

FY 2019: Funds for FY 2019 will provide administrative salary support (faculty and P&S), support for academic as well as economic development programs, and resources to enhance scale-up efforts for Iowa companies. Funding cuts will adversely impact a seed grant program designed to support new faculty research initiatives in areas that target bioscience solutions to long-term societal problems.

The University of Iowa
IOWA REGISTRY FOR CONGENITAL AND INHERITED DISORDERS
Budget Summary
FY 2019

\$37,370

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 to maintain statewide surveillance for birth defects and to monitor trends in birth defect occurrence and mortality. These objectives support The University of Iowa's Strategic Plan goals by allowing us to perform high-impact research and engage with Iowans and the world to improve health and broaden education.

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.

The IRCID has been an active member of the National Birth Defects Prevention Network (NBDPN) since the NBDPN was established in 1997. Dr. Paul Romitti, IRCID Director, served as the NBDPN President-Elect (2013), President (2014-15), and Immediate Past President (2016). The IRCID was accepted as a full member in the International Clearinghouse for Birth Defects Surveillance and Research (ICBDSR) in 2013. Dr. Romitti serves as Vice Chair of the ICBDSR Executive Committee and will serve as Chair in 2019-20.

Taking full advantage of our surveillance infrastructure, the IRCID successfully competed for grant and contract funding to expand its surveillance mission. Beginning in 2002, the IRCID expanded its mission to include surveillance of muscular dystrophies, and later stillbirths (not only those with a birth defect) and selected, confirmed newborn screening disorders. Through these activities, the IRCID serves families in all 99 Iowa counties and received the 2010 NBDPN State Leadership Award.

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

- conduct research to identify 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. 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 study children with Duchenne and Becker muscular dystrophies, and since 2011, to also study children and adults with one of seven additional muscular dystrophies. Annual renewal of each of these agreements requires identification of funds to support surveillance infrastructure.

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.

**The University of Iowa
CENTER FOR ADVANCED DRUG DEVELOPMENT (CADD)
Budget Summary
FY 2019**

\$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 (UIP). 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 2019 (\$93,645) is used to help support the salary and fringe of one Associate Chemist at \$35,935 and one Manager of Laboratory Quality at \$57,710 at CADD.

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 2019

\$78,515

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 1,600 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 Behavioral Diagnostics, LLC, Bergan KDV, Brighton Consulting Group, Build to Suit, Inc., ChildServe, ConnectFive, Exemplar Genetics, General Dynamics IT, IDx, Integrated DNA Technologies, Kirkwood Regional Center at the University of Iowa, Leepfrog Technologies, MediRevv, ProCircular, Siemens, Stanley Consultants, Inc., VIDA Diagnostics and Voxello. A total of 45 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 opened 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 employs approximately 390 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.

FY 2019 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, signage and support for University staff engaged in the operation of the Park office and maintenance of common areas within the Park.

The University of Iowa
TECHNOLOGY INNOVATION CENTER
Budget Summary
FY 2019

\$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 business support services and amenities to promising small businesses.

In 2008, the BioVentures Center incubator facility opened and provides first-class wet lab space and incubator services for biotech and recruited startup companies, most of which are spun-off of UI research. At 35,000 sq. ft., the BioVentures Center is the largest wet lab business incubator in the State of Iowa and has been at or near capacity for the last 3 years. Corporate tenants located here also have access to shared space including a multi-purpose room, boardroom, shared equipment room, break room and conference rooms, and access to an array of amenities and services. This State funding allows the University to employ a portion of a staff member to provide tenant support services and coordinate various roundtable programs and educational seminars. Along with the University of Iowa Research Park, the BioVentures Center has become an important part of the UI's strategic plan for engagement, building ties with those off campus and participating in the economic vitality of the state.

The Center's operating budget in FY 2019 includes \$37,119 in state support, with the balance of its support coming from tenant income and other University sources. This funding has been critical to sustain and enhance the current level of core services and amenities and achieve its goal of expanded services and support for tenant companies. Maintaining these services is important for future growth and supporting the University mission of promoting economic development.

**The University of Iowa
IOWA FLOOD CENTER
Budget Summary
FY 2019**

\$1,171,222

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 FY 2019 funds will be used to provide support for faculty, staff, researchers, and graduate students who dedicate their time to the mission and work of the Iowa Flood Center. The IFC will use the FY 2019 appropriation, along with additional grant funding from other sponsors, to support projects that include:

- Hosting and continuing 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 precipitation, soil temperature and moisture, and stream levels across Iowa. In FY 2019 we will continue working on the addition of artificial intelligence in association with IFIS so users can ask questions of IFIS at any time via smart devices.
- Continuing to maintain instrumentation and data plans for over 250 stream stage sensors across the state;
- Continuing to improve upon, add, and maintain rain gauge and soil moisture/temperature monitoring platforms deployed in 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 (The IFC will finish flood inundation maps started previously; no new maps will be started in FY 2019 due to funding cuts.);
- Continuing watershed-scale research to understand how small-scale mitigation projects can reduce flood damage in a watershed (in conjunction with the Iowa Watershed Approach);
- Educating graduate students; and
- Organizing public outreach programs (STEM festivals for K-12, public presentations, press releases, updated online information, social media, 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 2019

\$158,641

The Larned A. Waterman Iowa Nonprofit Resource Center (INRC) is a university-wide interdisciplinary center that strengthens Iowa's nonprofit sector through direct services, education, and research. Services range from developing board and executive leadership to strategic planning to clarifying state and federal rules that regulate nonprofit organizations. Education includes creating and delivering presentations and workshops to professionals from across the state, as well as teaching a series of courses at the University of Iowa. Research involves quantitative and qualitative analyses of data that inform on sector conditions and trends. The activities of the INRC are made possible by a strong network of public and private partners and supporters.

In FY 2018, more than 1,000 nonprofit leaders participated in an INRC workshop or lecture. The INRC provided guidance to over 200 organizations on a host of issues including management, board governance, tax filing requirements, and more. Quarterly publications featured stories on topics ranging from improving board performance to succession planning and was circulated to over 1,500 subscribers and read by thousands more online. Along with several partners, the INRC delivered the state's largest nonprofit conference in the fall of 2017 that featured over forty workshops and was attended by hundreds of nonprofit leaders from across the state.

The appropriation received in FY 2009 of \$207,548 has since been reduced by \$45,009 to \$162,539 for FY 2018 and further reduced to \$158,641 for FY 2019. This funding supports 2.15 FTEs.

- This funding fully supports our creative media developer. The developer manages a website that had over 21,000 unique users in FY 2018 and is undergoing significant updates for FY 2019. The developer edits a quarterly publication, maintains the Iowa Register of Accountability, curates the Iowa Grants Guide, and assists with content and editing for publications. For FY 2019, the developer will help create a series of online tutorials focused on contemporary nonprofit issues.
- This funding partially supports a program assistant. The assistant maintains a client database, responds to client inquiries, and distributes important informational resources directly to Iowa nonprofits. The assistant also supports the director on projects—including the assembly of program materials and the compiling of survey data.
- A portion of this appropriation also supports a director. The director is responsible for leading all aspects of the INRC. The director delivers presentations and workshops, works one-on-one with individual organizations, teaches courses at the University of Iowa, researches and authors content for publication, forges mutually beneficial collaborations, and more. New in FY 2018 was the opening of the INRC's office in Des Moines at the Iowa Center for Higher Education to better serve Iowans.

The INRC's work improves nonprofit leadership, organization, and management in the state at a time when the demands on the charitable and philanthropic sector continue to grow. A budget reduction may negatively impact the valuable services the INRC provides. The INRC is currently working on several strategies to enable it to continue many of its services if such a reduction were to take place, as well as making efforts to further strengthen the sector through additional public and private partnerships.

The University of Iowa
IOWA ONLINE ADVANCED PLACEMENT ACADEMY
Budget Summary
FY 2019

\$470,293

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 13,000 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 2015 Iowa students ranked 17th 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 \$133,736 for FY 2019. This includes costs for 1.3 FTE in addition to graduate assistants who provide support to the program.

Supplies and Services: In FY 2019 the budget is estimated at \$336,557. 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 and Edhesive, leading providers 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 2019

\$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 (OVR&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.

Iowa JPEC offers nationally recognized, comprehensive entrepreneurial education programs to all Iowans. At the undergraduate level, Iowa 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. Iowa JPEC and the College of Liberal Arts and Sciences offer a BA in Enterprise Leadership, available on campus, online and at the Iowa Center for Higher Education in Des Moines. In addition, Iowa JPEC offers the Technological Entrepreneurship Certificate for engineering students, the Certificate in Entrepreneurial Management for all undergraduate students, the Certificate in Arts Entrepreneurship for arts students, and the Certificate in Media Entrepreneurialism for journalism and mass communication students. Advanced entrepreneurship courses are also offered to MBA students on campus and at several locations across the state of Iowa.

JPEC and its university partners 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. In FY 2016, training in this area was supplemented through the new National Science Foundation I-Corps program designed to support 90 faculty startups over 4 years.

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:
 - Identify new campus-wide graduate student programs in entrepreneurship, innovation and technology management

- Continue to build 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 startups
- Connect students with startups and early-stage companies participating in Iowa 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 Iowa JPEC's faculty/student business consulting program

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:

- Continue offering the National Science Foundation I-Corps technology commercialization training program to faculty and graduate students to support the advancement of their research and innovations
- Expand statewide delivery of Iowa 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
- Expand Iowa Startup Games weekend-long program to several partner locations across Iowa to increase entrepreneurial activity among college students in the state

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

The FY 2019 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, 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, reflects the University's best efforts at planning to meet its most critical needs, and provides essential services within the limits of available resources.

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

The Auxiliary Enterprise Fund includes Intercollegiate Athletics, University Residence System, 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.

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 funding schedule was modified during the 2017 session to the following:

FY 2016	\$13.0 million
FY 2017	\$23.0 million
FY 2018	\$22.8 million
FY 2019	\$ 5.5 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.

Tuition Replacement

The budget contains \$15.5 million for Tuition Replacement which has been appropriated to address the FY 2019 debt service on Academic Building Revenue Bond issues.

Innovation Fund

The University of Iowa 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.
2. Build effective partnerships for economic development between the private sector and the University of Iowa.
3. To provide dry-lab and wet-lab space for researchers, and biomedical and electronics prototyping facilities for medical device and startup development.
4. To increase the effectiveness of University of Iowa resources in aiding existing state and regional economic development initiatives.

Iowa Regents Resource Centers

The FY 2019 budget also includes approximately \$0.3 million for the Iowa Regents Resource Centers. These Centers serve the educational needs of students in western Iowa and the Quad-Cities. The Centers are part of the Regent Enterprise and include the University of Iowa, Iowa State University, and the University of Northern Iowa.

Iowa Geological Survey

New for FY 2019 is a recurring allocation for the Iowa Geological Survey of \$0.7 million. Funding from the Environment First Fund will be used for operations and water resource management and will help provide Iowans with the knowledge to manage effectively natural resources for long-term sustainability and economic development. The FY 2019 appropriation, along with additional grant funding from other sponsors, will provide support for staff, researchers, and students who dedicate their time to the mission and work of the Iowa Geological Survey. In the past, this allocation was awarded to the DNR.

Bond Sales/Master Lease/Debt Service

The Bonds and Loans line includes the following potential bond sales and master lease financings for FY 2019 subject to the refinement of schedules and final approval by the Board:

Bond Financings:	
UIHC IRL-2	\$ 35.0 million
Athletics Kinnick North End Zone	\$ 25.0 million
Utility System	\$ 25.0 million
Master Lease Financings:	
UIHC Central Sterilization	\$ 34.3 million
Psychology & Brain Sciences	\$ 25.0 million

In addition to FY 2019 projected debt service on existing issues (\$120.7 million), an estimate of \$6.2 million has been included for the issues listed above.

Breakdown of Other Income

Other income includes non-federal gifts, grants and contracts of \$174.2 million, commissions and royalties of \$5.8 million, parking and other fines of \$1.1 million, and Other Miscellaneous Revenue of \$22.2 million.

**The University of Iowa
INTERCOLLEGIATE ATHLETICS
Budget Summary
FY 2019**

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 2019 is increasing by approximately \$4.8 million in comparison to the FY 2018 budget. Line item highlights are below:

Revenues:

- Football income was down \$1.8 million dollars in FY 2018 due to lower season and individual ticket sales. The FY 2019 budget will be slightly less than the FY 2018 budget.
- Men's Basketball income was down approximately \$600,000 in FY 2018 due to lower season and individual ticket sales. Athletics anticipates an increase in ticket income during FY 2019, given the non-conference opponents, and the Big Ten has increased the number of home conference games in 2018-19. Season ticket prices reflect this increase.
- Women's sports income realized a modest increase during FY 2018 mainly due to additional sales in volleyball and women's basketball. That trend is expected to continue during FY2019.
- Learfield multi-media income is decreasing due to the fulfillment of their payments supporting the CHA scoreboard project.
- Athletic conference income was up in FY 2018 due to larger bowl income distributions.
- Interest income payouts were down in FY 2018; a slight increase is anticipated in FY 2019.
- Foundation support is anticipated to increase in FY2019, with additional funding being received in support the Kinnick North End Zone project.
- General income increased in FY 2018 due to additional net income from special events and insurance claims. Some insurance income will be realized in FY 2019, as well as some additional income from event sales.

Expenses:

- Administrative and general expense increased in FY 2018 due to student-athlete food costs being above budget. Additional increases are expected in this category during FY2019, due to payment of a new federal excise tax.
- Debt service payments for all phases of the Kinnick Stadium North End Zone project are anticipated to be realized in FY 2019.
- Lower project cost and some utility savings were realized in the buildings and grounds category during FY2018; budgets have been adjusted for FY 2019 to reflect this.

**The University of Iowa
RESIDENCE SYSTEM
Budget Summary
FY 2019**

The University of Iowa is proposing the attached annual budget for the residence system for FY 2019. Estimated revenues total \$76,354,678 and proposed expenses for operations total \$58,870,214, leaving \$17,484,464 net revenue available for debt service, mandatory transfers, and transfers to voluntary reserves. These projected net revenues are \$790,909 lower than the preliminary budget submitted to the Board in March.

The decreased net revenue projection is due primarily to a lower projected non-contract revenues, and slightly higher operating expenses. Projected residence hall revenues are based on rates approved by the Board at its April 2018 meeting, fall residence hall occupancy of 5,914 (88.8% of capacity), and residence hall board contracts numbering 6,698.

Voluntary reserve balances at June 30, 2019 are projected to be \$12,594,698. This amount is \$3,892,979 lower than projected in March, reflecting the decrease in projected net revenues from the preliminary budget, as well as an increase in spending from reserves.