
FISCAL UPDATE Article

Fiscal Services Division

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BOARD OF REGENTS FY 2019 BUDGET REQUEST

Special Meeting. The Board of Regents held a special meeting on Monday, September 25, 2017, to consider the proposed FY 2019 budget requests.

Efficiencies and Reallocations. The three university presidents reviewed their institutions' efforts to achieve efficiencies and reallocate savings since 2014, when the TIER (Transparent Inclusive Efficiency Review) study was launched.

Iowa State University (ISU). Iowa State University Interim President Ben Allen cited 115 projects since 2014 that have reduced costs or avoided future costs, noting that not all were the result of TIER. He outlined those savings as follows, noting that it was not a comprehensive listing:

- \$6.2 million in salaries and fringe benefits, 99.7% of which will be recurring savings.
- \$15.6 million in operational costs, 82.3% of which will be recurring savings.
- \$984,600 of recurring savings for facilities.

President Allen noted that in FY 2017, ISU is spending only 10 cents on administration for every \$1 spent on instruction; this compares to 17 cents for peer institutions in other states. He explained that as part of its five-year tuition plan, the University has an FY 2019 target of identifying efficiencies and reallocating 2.25%, or \$16.2 million, within the General Fund budget.

University of Iowa (UI). University of Iowa President Bruce Harreld opened his remarks by saying he believes that without a significant increase in State support or a large increase in tuition, the UI will no longer be able to remain competitive with peer institutions that are significantly better funded. He noted that the University's strategic plan has identified a need for \$155.0 to \$165.0 million over the next five years to be invested in faculty hiring and retention, increasing research and scholarship, and improving student programs, including undergraduate research, internships, leadership development, and a capstone project.

President Harreld noted that the UI spends more than \$100.0 million per year on financial aid to students, most of that based on merit and need. He discussed an ongoing focus on enrolling first-generation college students, who generally have a greater need for financial aid. He noted that the average first-generation student this semester paid \$1,117 out-of-pocket for tuition, due to federal, State, and university financial aid.

University of Northern Iowa (UNI). University of Northern Iowa President Mark Nook said that the University has achieved a total of \$16.4 million savings and efficiencies since the inception of TIER in 2014. He cited examples of those savings in operations, facilities, and personnel.

Regent Larry McKibben noted that most of the efficiencies and savings cited are ongoing and that TIER created a long-term change in culture at the State universities. Staff confirmed that the estimated total savings from TIER across the three universities is \$56.0 to \$57.0 million.

FY 2019 Budget Request. The Board approved the proposed FY 2019 budget request, which included no increase in general university funding. The total General Fund request is \$578.2 million, an increase of \$12.8 million (2.3%) compared to FY 2018.

The only General Fund increases proposed are as follows:

- \$12.0 million in new appropriations for student financial aid, including \$5.0 million each for the UI and ISU and \$2.0 million for the UNI.
- \$806,000 for the special schools, including \$396,000 for the School for the Deaf, \$165,000 for the Braille and Sight Saving School, and a new appropriation of \$245,000 for the Northeast Regional Academy for Blind and Deaf Students in Charles City, Iowa.

More Information. The proposal for the FY 2019 budget request can be found [here](#). The next regular meeting of the Board of Regents is scheduled for October 18 and 19 at the University of Northern Iowa.

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