

Legislative Fiscal Bureau

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Education Appropriation Subcommittee Handouts For 1/23/01

NOTE: Meeting handouts are presented in original form as received from various sources, without additional verification or editing.

FISCAL UPDATE

December 28, 2000

Legislative Fiscal Bureau

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*** * * *Expenditure Oversight - Special Edition * * * ***

EDUCATION APPROPRIATIONS SUBCOMMITTEE



This document contains information on expenditure oversight for the following departments:

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- College Student Aid Commission - p. 10
- Board of Regents - p. 15
- Education Standing Appropriations - p. 22
- Iowa Telecommunications and Technology Commission - p. 24

DEPARTMENT OF EDUCATION

FY 2000 General Fund



The following table shows the FY 2000 General Fund appropriations activity for the Department of Education, which includes the State Library, regional libraries, Iowa Public Television, the Division of Vocational Rehabilitation, and the community colleges. The Department received a total of \$201.1 million from 25 General Fund appropriations (Attachment 1). The FY 2000 appropriations to the Department were adjusted for several factors during the fiscal year as detailed in the following table. The total FY 2000 General Fund appropriation expended by the Department was \$200.6 million.

Department of Education
FY 2000 General Fund Appropriations Summary

<u>Appropriations Activity</u>	<u>Amount</u>
FY 2000 Appropriations	\$ 201,061,860
FY 2000 Changes and revisions	5 1,000
FY 1999 Balance forward to FY 2000	1,300,283
FY 1999 Tech. carry-forward to FY 2000	37,425
FY 2000 Salary adjustment	530,778
FY 2000 Appropriation transfers out	-47,000
FY 2000 Deappropriations	-680,099
FY 2000 Balance forward to FY 2001	-1,511,667
FY 2000 Tech. carry-forward to FY 2001	-7,859
FY 2000 Transfer to Pooled Tech. Account	-47,684
FY 2000 Reversions	-69,645
<u>FY 2000 General Fund expenditures</u>	<u>\$ 200,617,392</u>

FY 2000 CHANGES AND REVISIONS

The Department of Education FY 2000 General Fund appropriations were revised by the addition of \$51,000 to correct an error in the Department's deappropriations.

The Department carried forward a balance of \$1.3 million from a two-year FY 1999 appropriation for the Extended School Year Grants Program. The Program was discontinued in FY 2000, and Senate File 464 (FY 2000 Education Appropriations Act) redirected \$735,000 of the carry-forward to six other projects within the Department.

House File 2039 (FY 2000 Deappropriations Act) reduced the FY 2000 General Fund appropriations to the Department of Education by \$680,000, including \$470,000 from the remaining Extended School Year Grants Program appropriation.

FY 1999 AND FY 2000 BALANCES FORWARD

Several FY 1999 and FY 2000 General Fund appropriations to the Department of Education contained language notwithstanding Section 8.33, Code of Iowa, which requires reversion of unexpended funds at the end of a fiscal year. The Department of Education had a balance forward total of \$1.3 million into FY 2000 and \$1.5 million into FY 2001. Most of the amount carried forward to FY 2000 resulted from a two-year appropriation for the Extended School Year Grants Program begun in FY 1999.

Of the amount carried forward to FY 2001, \$1.3 million came from the Iowa Empowerment Fund as a result of pro rating awards to Community Empowerment Boards that applied for designation on or after September 1, 1999.

Appropriation	FY 1999 Balance Forward	FY 2000 Balance Forward
Family Resource Centers	\$ 4,340	0
Extended School Year Grants	1,253,943	0
National Board Certification	42,000	105,000
Empowerment	0	1,297,308
Practitioner	0	29,972
Board of Ed. Examiners	0	79,387
Total	\$ 1,300,283	\$ 1,511,667

FY 1999 AND FY 2000 TECHNOLOGY CARRY-FORWARD

The Department of Education encumbered \$37,000 from FY 1999 for FY 2000 to be used for training and technology enhancements as provided by Section 8.62, Code of Iowa. The money was used as follows:



- \$36,000 for Board of Educational Examiners, data file conversion of paper records into the Department of Education's imaging system.
- \$1,400 for Vocational Education Administration, for computer hardware.

The Department also encumbered \$7,900 from FY 2000 to be carried forward and expended in FY 2001 for technology and training. The Department plans to use the funds for computer hardware.

SALARY ADJUSTMENT

Eight Department of Education appropriations received salary adjustment funds totaling \$531,000 during FY 2000 as provided by Section 6 of HF 781 (FY 2000 Salary Act). The FY 2000 salary adjustments reflect the deappropriation of salary adjustment dollars contained in Section 55 of HF 2039 (FY 2000 Deappropriations Act).

APPROPRIATION TRANSFERS

One Department of Education appropriation transferred \$47,000 to the Department of Human Services Medical Assistance Program. The amount was remaining in the Extended School Year Grants Program appropriation, after the projects funded in Senate File 464 (FY 2000 Education Appropriations Act) were completed.

APPROPRIATION REDUCTIONS - DEAPPROPRIATIONS

House File 2039 (FY 2000 Deappropriations Act) reduced the FY 2000 General Fund appropriations to the Department of Education by **\$680,000**.

The majority of the deappropriation came from the two-year FY 1999 Extended School Year Grants Program appropriation. The Program was discontinued in FY 2000 and a portion of the remaining appropriation was redirected to other projects in the Department, leaving \$470,000 available for deappropriation. The Department of Management mistakenly deappropriated \$521,000 and later corrected the situation by returning \$51,000 to the Department (see FY 2000 Changes and Revisions for further details).

The remaining \$159,000 of the deappropriation resulted from reductions in nine other appropriations.

POOLED TECHNOLOGY ACCOUNT TRANSFERS

Section 5 of SF 2433 (FY 2001 Oversight and Communications Appropriations Act) notwithstanding provisions in Sections 8.33 and 8.62, Code of Iowa, relating to reversions of unexpended FY 2000 General Fund appropriations and redirects 75.0% of reversions from operations appropriations and 100.0% of reversions from non-operations appropriations to the Pooled Technology Account. Department of Education appropriations contributed a total of



\$48,000 in FY 2000 to the Technology Initiative projects. This action did not reduce the amount of General Fund money available to the Department in a fiscal year, but instead transferred money that would have reverted.

REVERSIONS

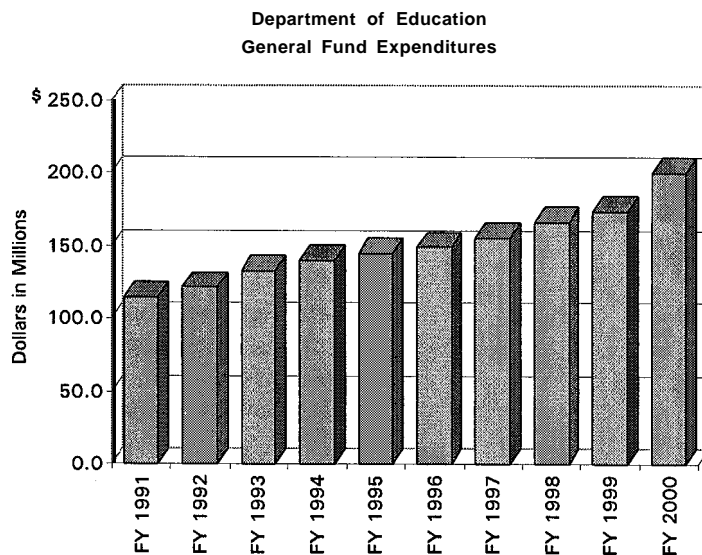
One Department of Education appropriation reverted \$70,000 to the General Fund at the conclusion of FY 2000. The amount was remaining in the Extended School Year Grants Program appropriation, after the projects funded in Senate File 464 (FY 2000 Education Appropriations Act) were completed.

General Fund History



During FY 2000, the Department of Education and related agencies expended \$200.6 million from the General Fund, \$26.9 million (15.5%) more than the FY 1999 level and \$86.2 million (75.4%) more than FY 1991. The major portion of the FY 2000 increase was due to the new Early Intervention Block Grant Program (\$10.0 million), increased funding for the Iowa Empowerment Fund (\$5.2 million), and new on-time funding for school districts experiencing an increase in enrollment (\$4.0 million). Much of the increase since FY 1991 can be attributed to the transfer of Iowa Public Television and the State Library from the Department of Cultural Affairs to the Department of Education in FY 1993. Iowa Public Television, ICN funding of Regional Telecommunications Councils, the State Library, and regional libraries accounted for \$15.0 million (7.5%) of the total funds expended by the Department of Education for FY 2000. Another large portion of the funds expended under the Department of Education is general aid for community colleges (also know as merged area schools). Community college funding accounted for \$141.6 million (70.6%) of the funds expended by the Department in FY 2000.

The following chart shows the General Fund expenditure history of the Department of Education. The amounts represent General Fund dollars actually expended in the indicated year, as opposed to dollars appropriated. The difference can be explained by the types of appropriations adjustments and changes discussed above.



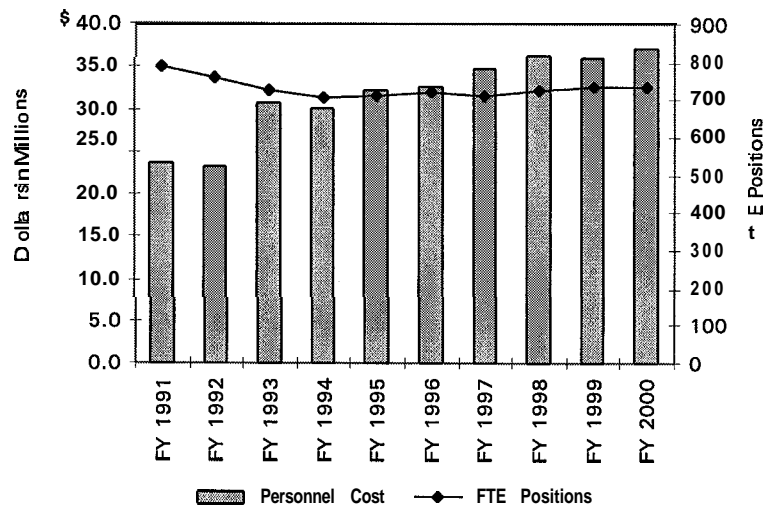
Personnel Cost & FTEs



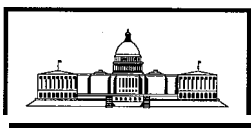
The Department of Education and related agencies expended \$37.3 million for personnel costs (salaries and benefits) from all funding sources during FY 2000, an increase of \$1.2 million (3.4%) compared to FY 1999. Since FY 1991, Department of Education personnel costs have increased \$13.7 million (58.1 %), for an average annual increase of 6.5%.

The Department utilized 735.2 FTE positions in FY 2000, an increase of 0.5 (0.1 %) FTE positions compared to FY 1999 and a decrease of 53.1 FTE positions (6.7%) compared to FY 1991. Most of the fluctuation in the number of FTE positions utilized is due to federally funded positions.

Department of Education
Personnel Costs



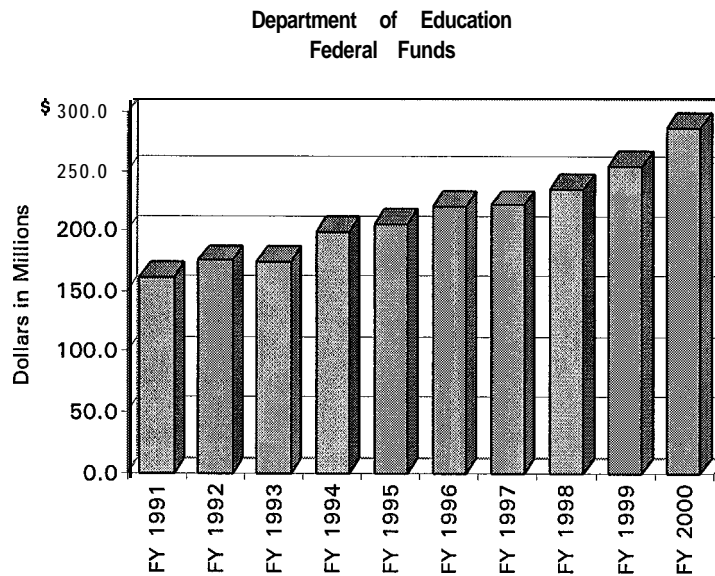
Federal Funds



The Department of Education received \$287.0 million in federal funds during FY 2000, an increase of \$31.7 million (12.4%) compared to FY 1999. Since FY 1991, federal receipts have increased \$125.7 million (77.9%). Most of the increase since FY 1991 is attributable to the following:

- Food and nutrition programs - \$23.5 million
- Education of disabled - \$29.2 million
- At Risk Funding - \$14.5 million
- Vocational Rehabilitation - \$10.2 million
- Class Size Reduction - \$9.4 million
- Star Schools (technology) - \$6.1 million
- Goals 2000 - \$6.0 million
- Technology Literacy Challenge Fund - \$5.5 million

- . School Infrastructure - \$5.0 million
- . Reading Excellence - \$2.8 million
- . Vocational Education - \$2.1 million



OTHER DEPARTMENT OF EDUCATION FISCAL ISSUES

New Program Funding



The Department of Education received an FY 2000 General Fund appropriation of \$10.0 million for the Early Intervention Block Grant Program. Funding for the Program increases to \$20.0 million in FY 2001 and \$30.0 million in FY 2002 and FY 2003. House File 743 (FY 2000 Early Intervention Block Grant Act) established criteria for allocation of the appropriations to school districts. As a result, 50.0% of the FY 2000 appropriation (\$5.0 million) was allocated to school districts based on each district's percentage of the statewide total enrollment in kindergarten through grade three. The remaining 50.0% (\$5.0 million) was allocated based on each district's percentage of the statewide total enrollment in kindergarten through grade three that qualify for the federal free and reduced-price lunch program.

House File 147 (FY 2000 School Aid On-Time Funding and Budget Guarantee Act) established a procedure for school districts experiencing an increase in enrollment to apply to the School Budget Review Committee (SBRC) for on-time funding for the 1999-2000 school year. The legislation appropriated up to \$4.0 million for on-time funding for FY 2000. The SBRC distributed the full appropriation. This was a new appropriation. Previously, such costs were covered by additional property taxes. FY 2001 State foundation aid to school districts that received on-time funding in FY 2000 will be reduced by the amount of the on-time funding that

would have been provided by property tax under the school aid foundation formula. The district's FY 2001 property tax levy will be increased to compensate for the reduction in State aid.

DEPARTMENT OF CULTURAL AFFAIRS

FY 2000 General Fund



The following table shows FY 2000 General Fund appropriations activity for the Department of Cultural Affairs. The Department received a total of \$6.2 million from six General Fund appropriations (Attachment 1). Those appropriations were adjusted for several factors during the fiscal year as detailed in the following table. The total FY 2000 General Fund appropriation expended by the Department was \$6.2 million.

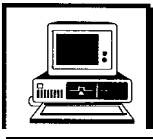
Cultural Affairs FY 2000 General Fund Appropriations Activity

Appropriations Activity	Amount
FY 2000 Appropriations	\$ 6,204,222
FY 1999 Balance forward to FY 2000	278,528
FY 1999 Tech. carry-forward to FY 2000	911
FY 2000 Salary adjustment	132,416
FY 2000 Deappropriations	-14,219
FY 2000 Balance forward to FY 2001	-350,397
FY 2000 Transfer to Pooled Tech. Account	-3,778
FY 1999 Tech. carry-forward reversion	-911
FY 2000 General Fund expenditures	\$ 6,246,772

FY 1999 AND FY 2000 BALANCES FORWARD

The Community Cultural Grants Program FY 1999 and FY 2000 General Fund appropriations to the Department of Cultural Affairs contained language notwithstanding Section 8.33, Code of Iowa, which requires reversion of unexpended funds at the end of a fiscal year. The Department of Cultural Affairs had balance forward totals of \$279,000 into FY 2000 and \$350,000 into FY 2001.

FY 1999 TECHNOLOGY CARRY-FORWARD



The Department of Cultural Affairs encumbered \$900 from FY 1999 for FY 2000 to be used for training and technology enhancements as provided by Section 8.62, Code of Iowa. The entire amount reverted at the end of FY 2000.

SALARY ADJUSTMENT

Five Department of Cultural Affairs appropriations received salary adjustment funds totaling \$132,000 during FY 2000 as provided by Section 6 of HF 781 (FY 2000 Salary Act). The FY 2000 salary adjustments reflect the deappropriation of salary adjustment dollars contained in Section 55 of HF 2039 (FY 2000 Deappropriations Act).

APPROPRIATION REDUCTIONS – DEAPPROPRIATIONS

House File 2039 (FY 2000 Deappropriations Act) reduced the FY 2000 General Fund appropriations to the Department of Cultural Affairs by \$14,000. The majority of the deappropriation came from out-of-state travel funds.

POOLED TECHNOLOGY ACCOUNT TRANSFERS

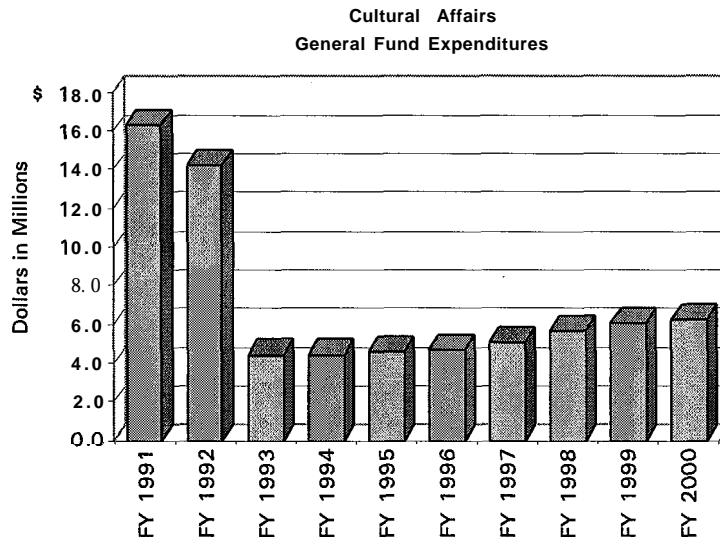
Section 5 of SF 2433 (FY 2001 Oversight and Communications Appropriations Act) notwithstanding provisions in Sections 8.33 and 8.62, Code of Iowa, relating to reversions of unexpended FY 2000 General Fund appropriations and redirects 75.0% of reversions from operations appropriations and 100.0% of reversions from non-operations appropriations to the Pooled Technology Account. Department of Cultural Affairs appropriations contributed a total of \$3,800 in FY 2000 to the Pooled Technology Account. This action did not reduce the amount of General Fund money available to the Department in a fiscal year, but instead transferred money that would have reverted.

General Fund History



During FY 2000, the Department of Cultural Affairs expended \$6.2 million from the General Fund, \$211,000 (3.5%) more than the FY 1999 level. Since FY 1991, Department of Cultural Affairs General Fund expenditures have increased \$1.2 million (2.5%) when adjusted for the transfer of the State Library, regional libraries and Iowa Public Television from the Department of Cultural Affairs to the Department of Education.

The following chart shows the General Fund expenditure history of the Department of Cultural Affairs. The large decrease from FY 1992 to FY 1993 is attributable to the transfer of agencies to the Department of Education. The amounts represent General Fund dollars actually expended in the indicated year, as opposed to dollars appropriated. The difference can be explained by the types of appropriations changes and adjustments discussed above.

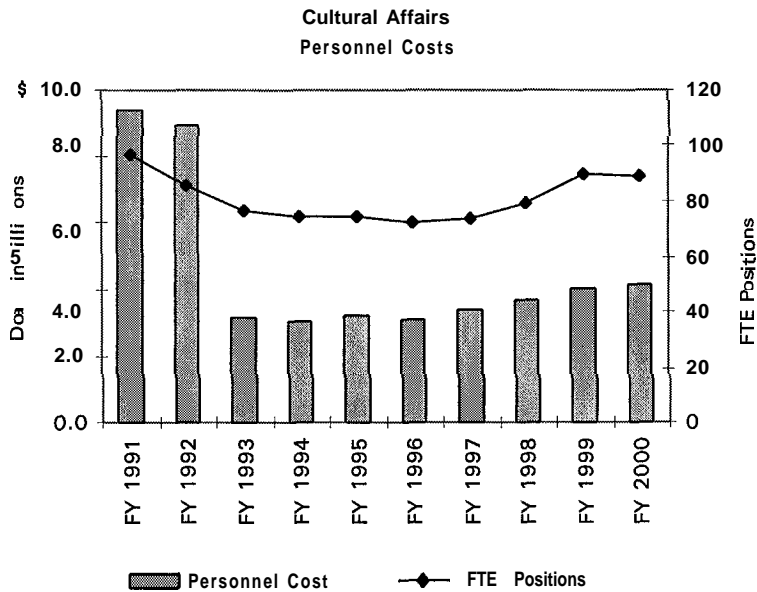


Personnel Cost & FTEs



The Department of Cultural Affairs expended \$4.2 million for personnel costs (salaries and benefits) from all funding sources during FY 2000, an increase of \$137,000 (3.4%) compared to FY 1999. Since FY 1991, Department of Cultural Affairs personnel costs have increased \$696,300 (20.0%) when adjusted for the transfer of the State Library and Iowa Public Television.

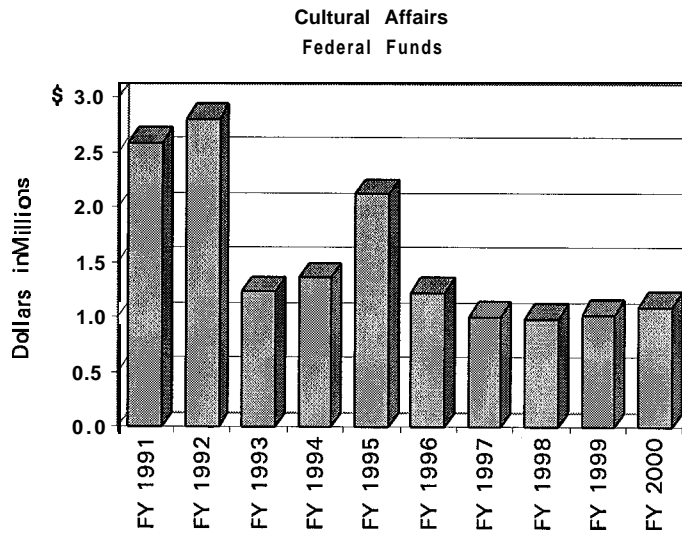
The Department utilized 88.8 FTE positions in FY 2000, a decrease of 0.7 (0.8%) FTE positions compared to FY 1999. Since FY 1991, FTE position usage by the Department of Cultural Affairs has decreased by 7.6 FTE positions (7.9%). Much of this decrease is due to the transfer of Iowa Public Television and the State Library to the Department of Education.



Federal Funds



The Department of Cultural Affairs received \$1.1 million in federal funds during FY 2000, an increase of \$75,000 (7.3%) compared to FY 1999. Since FY 1991, federal receipts have decreased by \$59,000 (5.1%), when adjusted for the transfer of Iowa Public Television and the State Library to the Department of Education.



OTHER DEPARTMENT OF CULTURAL AFFAIRS FISCAL ISSUES

Operational Support Grants

During FY 1996, the Department of Cultural Affairs reduced the amount of funds going to local arts agencies for operational support grants. The Department made this change due to a decrease in federal funds for the arts and as a part of the reorganization of many grant programs into one (Access Iowa Arts Program). Operational support grants were reduced from \$780,000 in FY 1996 to \$418,000 for FY 2000.

In FY 2000, the Department received an increase of \$50,000 for operational support grants and was required to spend a minimum of \$418,000 on operational support grants. The Department complied with this requirement.

COLLEGE STUDENT AID COMMISSION

FY 2000 General Fund



The following table shows the FY 2000 General Fund appropriation activity for the College Student Aid Commission. The Commission received an initial appropriation of \$57.0 million from 11 General Fund appropriations (Attachment 1). These appropriations were adjusted for several factors during the fiscal year as detailed in the following table. The total FY 2000 General Fund appropriation expended by the Commission was \$57.1 million.

College Student Aid Commission
FY 2000 General Fund Appropriations Summary

<u>Appropriations Activity</u>	<u>Amount</u>
FY 2000 Appropriations	\$ 57,047,427
FY 1999 Balance forward to FY 2000	81,541
FY 1999 Tech. carry-forward to FY 2000	116
FY 2000 Salary adjustment	11,944
FY 2000 Deappropriations	-17,870
FY 2000 Tech. carry-forward to FY 2001	-54
FY 2000 Transfer to Pooled Tech. Account	-3,350
FY 1999 Tech. carry-forward reversion	-1 16
FY 2000 Reversions	
FY 2000 General Fund expenditures	\$ 57,119,638

FY 1999 AND FY 2000 BALANCES FORWARD

The National Guard Education Assistance Program and the Industrial Technology Forgivable Loan Program FY 1999 and FY 2000 General Fund appropriations to the Commission contained language notwithstanding Section 8.33, Code of Iowa, which requires reversion of unexpended funds at the end of a fiscal year. These two Programs had the following carryover balances from FY 1999 to FY 2000:

- \$59,000 - National Guard Education Assistance Program.
- \$23,000 - Industrial Technology Forgivable Loan Program.

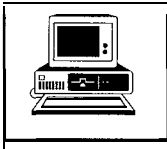
FY 1999 AND FY 2000 TECHNOLOGY CARRY-FORWARD

The Commission encumbered \$116 from FY 1999 for FY 2000 to be used for training and technology enhancements as provided by Section 8.62, Code of Iowa. These funds were not expended and reverted at the close of FY 2000.

The training and technology encumbered amount from FY 2000 for FY 2001 was \$54.

SALARY ADJUSTMENT

One Commission appropriation received salary adjustment funds of \$11,900 during FY 2000 as provided by Section 6 of HF 781 (FY 2001 Salary Act). The FY 2000 salary adjustment reflects the deappropriation of salary adjustment dollars contained in Section 55 of HF 2039 (FY 2000 Deappropriations Act).



APPROPRIATION REDUCTIONS - DEAPPROPRIATIONS

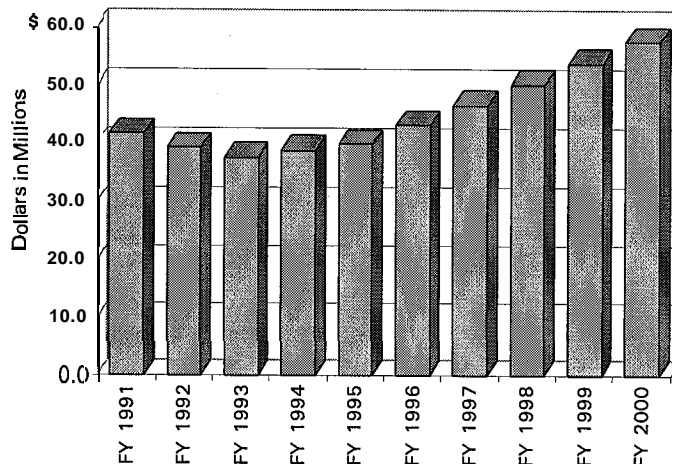
House File 2039 (FY 2000 Deappropriations Act) reduced the FY 2000 General Fund appropriations to the Commission by \$18,000. This reduction was absorbed by maintaining a vacant position.

General Fund History



The Commission expended \$57.1 million from the General Fund during FY 2000, an increase of \$3.6 million (6.8%) compared to FY 1999. Compared to FY 1991, the increase is **37.8%**, for an average annual rate of increase of 4.2%. The following chart shows the General Fund expenditure history of the Commission. The amounts represent General Fund dollars actually expended in the indicated year, as opposed to dollars appropriated. The difference can be explained by the types of appropriations changes and adjustments discussed above.

College Student Aid Commission
General Fund Expenditures



Personnel Cost & FTEs

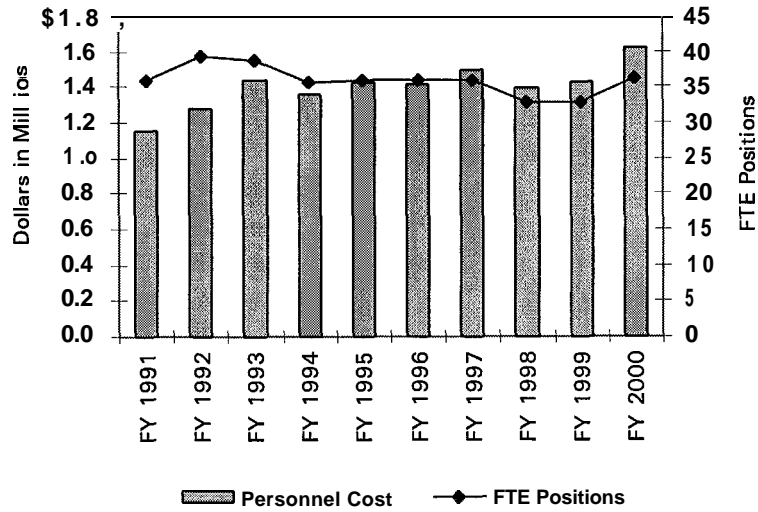


The Commission expended \$1.6 million for personnel costs (salaries and benefits) during FY 2000, an increase of \$188,000 (13.2%) compared to FY 1999. Since FY 1991, Commission personnel costs have increased \$457,000 (**39.5%**), for an average annual increase of 4.4%.

The amounts include personnel paid with State General Funds, as well as those paid with funds from the Stafford Loan Program. Of the \$1.6 million, \$246,000 was funded by the State General Fund, a decrease of \$7,000 (2.8%) compared to FY 1999.

The Commission utilized 36.2 FTE positions in FY 2000, which is an increase of 3.5 FTE positions (10.8%) compared to the FTE positions utilized for FY 1999. Compared to FY 1991, FTE position usage by the Commission increased by 0.3 FTE positions (0.9%).

College Student Aid Commission
Personnel Costs

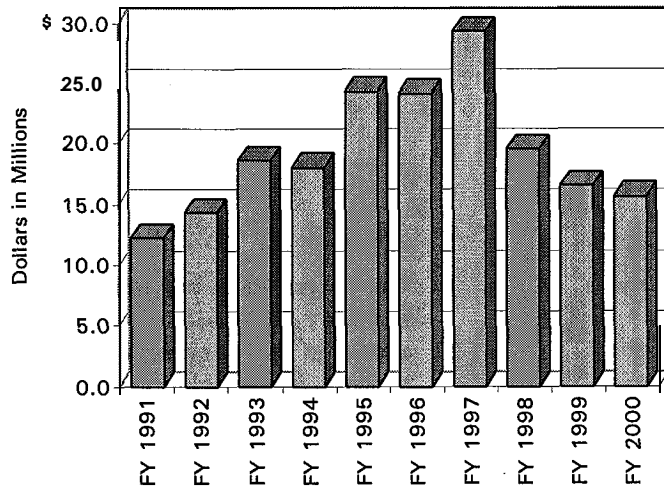


Federal Funds



The **Commission** received \$15.6 million in federal funds during FY 2000, a decrease of \$929,000 (5.6%) compared to FY 1999. This decrease is due to increased use of the Direct Loan Program (students receive guaranteed loans directly from the college/university rather than a local bank). Since FY 1991, federal receipts have increased \$3.5 million (28.4%) due to the Stafford Loan Program. Federal receipts will continue to decline as the use of the Direct Loan Program increases.

College Student Aid Commission
Federal Funds



OTHER COLLEGE STUDENT AID COMMISSION FISCAL ISSUES

DUOMC Primary Care

The Des Moines University Osteopathic Medical Center (DUOMC) received an FY 2000 State appropriation of \$395,000 to provide scholarships for students and physician loan buydowns in exchange for a number of years of service in a rural area in Iowa. The University used the FY 2000 appropriation for the following:

<u>Expenditure Category</u>	<u>Amount</u>
Ten debt reductions	\$ 300,000
Four tuition Scholarships for FY 2000	54,000
Seven tuition scholarships for FY 2001	144,000
Administration	36,000
Two physician repayments (for not completing the four-year contract).	-139,000
Total	\$ 395,000

Forgivable Loans

The Des Moines University Osteopathic Medical Center (DUOMC) received an FY 2000 State appropriation of \$379,000 to provide forgivable loans to osteopathic medical students in exchange for a number of years of service in a rural area in Iowa. During FY 2000, approximately \$125,000 of repayments were made by students failing to fulfill their Iowa service requirement. The repayments are equal to 33.0% of the total appropriation. As a result, the FY 2001 appropriation for this Program was reduced by \$125,000 to \$254,000.

Reserve Fund



Section 261.20, Code of Iowa, specifies funds not used in a fiscal year for the State Scholarship Program, the Vocational-Technical Tuition Grant Program, and the Tuition Grant Program are to revert to the Scholarship and Grant Reserve Fund. For FY 2000, the following reversions took place:

<u>APPROPRIATION</u>	<u>AMOUNT</u>
State Scholarship	\$ 25,330
Vocational-Technical Tuition Grant	76,279
Tuition Grant	28,749
	<u>\$ 130,358</u>

The Commission has indicated these reversions are due to fewer students qualifying because their income exceeded the maximum expected family contribution cap set by the Commission. Potential alternatives include raising the income caps (so more students qualify) or increasing the maximum grants. Had the income levels been adjusted, these reversions would have provided the maximum Tuition Grant of \$3,900 to seven more students and the maximum Vocational-Technical Tuition Grant of \$650 to 117 more students.

BOARD OF REGENTS

FY 2000 General Fund



The following table shows the FY 2000 General Fund appropriation activity for the Board of Regents. The Board received an initial appropriation of \$677.8 million from 41 General Fund appropriations (Attachment 1). The appropriations were adjusted for several factors during the fiscal year as detailed in the following table. The total FY 2000 General Fund appropriation expended by the Board was \$702.7 million.

Board of Regents
FY 2000 General Fund Appropriations Summary

<u>Appropriations Activity</u>	<u>Amount</u>
FY 2000 Appropriations	\$ 677,797,143
FY 2000 Changes and revisions	-5,330
FY 1999 Balance forward to FY 2000	220,000
FY 2000 Salary adjustment	27,915,071
FY 2000 Supplemental appropriation	150,000
FY 2000 Deappropriations	-3,400,000
FY 2000 Tech. carry-forward to FY 2001	-1,451
FY 2000 Transfer to Pooled Tech. Account	-8,254
FY 2000 General Fund expenditures	<u>\$ 702,667,179</u>

SUPPLEMENTAL APPROPRIATION

The Board of Regents received an FY 2000 supplemental appropriation of \$150,000 for the Iowa Concern Hotline at Iowa State University. This appropriation was made in SF 2430 (FY 2001 Agricultural and Natural Resources Appropriations Act). The Hotline also received a supplemental appropriation of \$150,000 for FY 1999 in HF 746 (FY 2001 Agriculture and Natural Resources Appropriations Act). These supplemental appropriations were provided to increase promotion and awareness of the Hotline.

FY 1999 BALANCE FORWARD

The FY 1999 supplemental appropriation of \$220,000 to the Iowa Waste Reduction Center at the University of Northern Iowa contained language notwithstanding Section 8.33, Code of Iowa, which requires reversion of unexpended funds at the end of a fiscal year. This resulted in a carryover of \$220,000 from FY 1999 to FY 2000 for this item.

FY 2000 TECHNOLOGY CARRY-FORWARD

The Board Office encumbered \$1,500 from FY 2000 to be used for training and technology enhancements as provided by Section 8.62, Code of Iowa.

APPROPRIATION REDUCTIONS – DEAPPROPRIATIONS

House File 2039 (FY 2000 Deappropriations Act) reduced the FY 2000 General Fund appropriations to the Board of Regents by \$3.4 million. This reduction was absorbed by delaying hiring for vacant positions.

SALARY ADJUSTMENT

A total of 35 Board of Regents appropriations received salary adjustment funds totaling \$27.9 million as provided in HF 781 (FY 2001 Salary Act). The FY 2000 salary adjustment reflects the deappropriation of salary adjustment dollars contained in HF 2039 (FY 2000 Deappropriations Act).



POOLED TECHNOLOGY ACCOUNT TRANSFERS

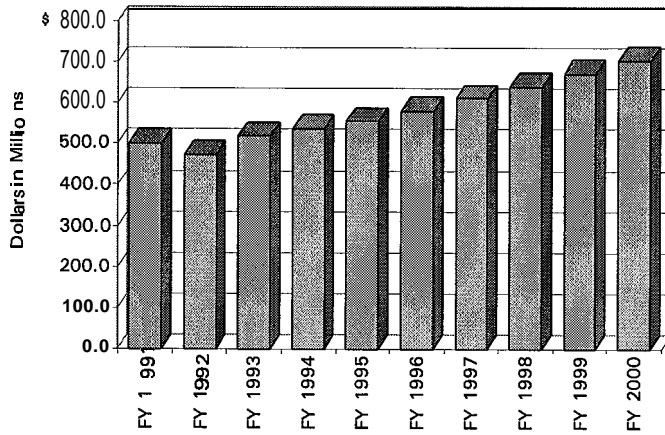
Section 5 of SF 2433 (FY 2001 Oversight and Communications Appropriations Act) notwithstanding provisions in Sections 8.33 and 8.62 Code of Iowa, relating to reversions of unexpended FY 2000 General Fund appropriations and redirects 75.0% of reversions from operating appropriations and 100.0% of reversions from non-operating appropriations to the Pooled Technology Account. The Board of Regents Board Office contributed a total of \$8,300 in FY 2000 to the Pooled Technology Account. This action did not reduce the amount of General Fund money available to the Board Office, but instead transferred money that would have reverted.

General Fund History



The Board expended \$702.7 million from the General Fund during FY 2000, an increase of \$30.9 million (4.6%) compared to FY 1999. Compared to FY 1991, the increase is 39.9%, for an average annual increase of 4.4%. The following chart shows the General Fund expenditure history for the Board. The amounts represent General Fund dollars expended in the indicated year, as opposed to dollars appropriated. The difference can be explained by the types of appropriations changes and adjustments discussed above. This illustration includes only those Regents budget units that receive appropriations from the State General Fund. The Regents have significant other sources of funds, such as federal support, tuition, and private contributions that contribute to the operating budgets of the institutions.

Regent General Fund Expenditures



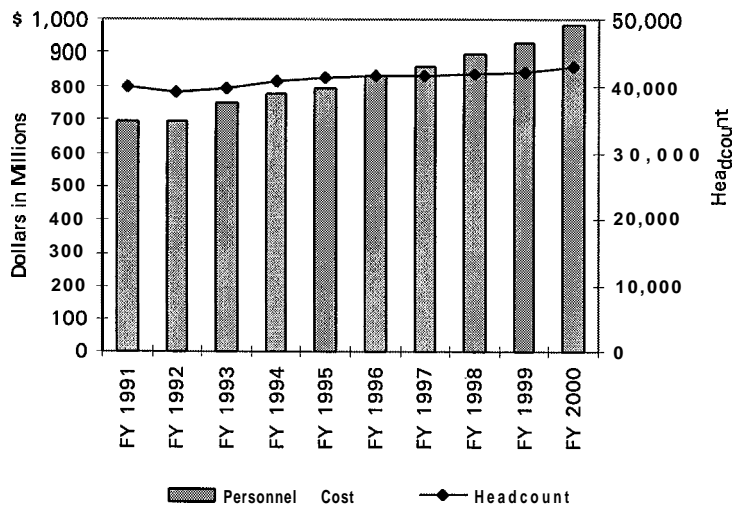
Personnel Cost & FTEs



The Board and institutions expended \$983.1 million for personnel costs (salaries and benefits) during FY 2000, an increase of \$56.2 million (6.1 %) compared to FY 1999. Since FY 1991, Board personnel costs have increased \$288.8 million (41.6%), for an average annual increase of 4.6%. This illustration includes all operating funds, not just appropriations from the State General Fund.

The Board and institutions utilized 42,852.8 positions in FY 2000, an increase of 702.6 (1.7%) positions compared to FY 1999. This represents headcount, or the number of checks issued in November of the respective fiscal years for each of the institutions and actual FTE usage for the Board Office. Compared to FY 1991, position usage by the Board and institutions increased by 3,005.1 positions (7.5%), for an average annual increase of 0.8%.

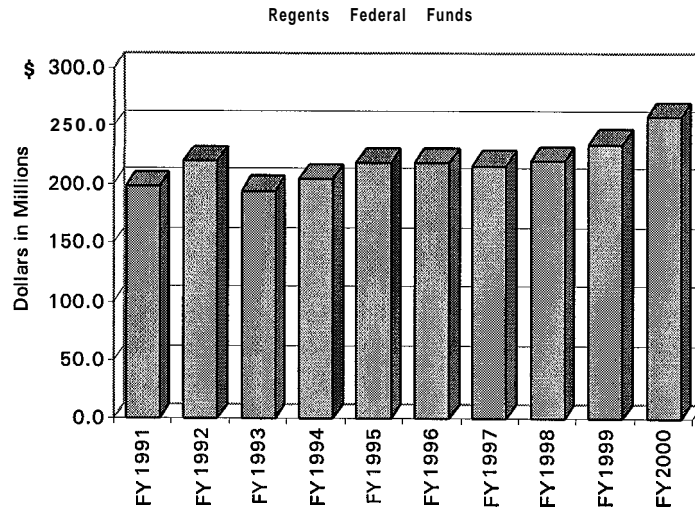
Regent Personnel Costs



Federal Funds



The Board and institutions received \$257.7 million in federal funds during FY 2000, an increase of \$23.6 million (10.1%) compared to FY 1999. Compared to FY 1991, there has been an increase of \$59.5 million (30.0%), for an average annual increase of 3.3%. This illustration includes all Regents operating funds, not just State General Fund appropriations. Both restricted and unrestricted amounts are reflected in the totals.



OTHER REGENTS ISSUES

Gifts, Grants, & Contracts

Each of the Regents institutions receives funding from federal and non-federal sources and report how these funds are utilized. The funding indicated typically represents the awards and not the actual moneys received by an institution during the year. Table 1 indicates by institution the amounts awarded in FY 2000.

Table 1
FY 2000 Gifts, Grants, and Contracts Award Amounts
Dollars in millions

Institution	Federal Funds	Non-Federal Funds	Total Funds	Percent Change from FY 1999
SUI	\$ 160.3	\$ 92.3	\$ 252.6	-2.7%
ISU	128.3	82.9	211.2	6.0%
UNI	19.6	5.8	25.4	4.9%
Total	\$ 308.2	\$ 181.0	\$ 489.2	2.8%

Table 2 indicates by institution the expenditures of the awards in Table 1.

Table 2
Utilization of Gifts, Grants, and Contracts Awards - FY 2000
Dollars in millions

Purpose	SUI	ISU	UNI	Totals
Research	\$ 209.5	\$ 120.2	\$ 1.8	\$ 331.5
Educ. Opp.	15.7	15.4	0.0	31.1
Equipment	2.8	0.6	0.0	3.4
Buildings	0.0	27.3	0.1	27.4
Public Service	5.8	23.8	12.3	41.9
Academic/Misc.	10.9	10.5	4.0	25.4
Student Aid	7.9	13.4	7.2	28.5
Totals	\$ 252.6	\$ 211.2	\$ 25.4	\$ 489.2



In most instances the institutions receive indirect cost reimbursements from each award. The institution may use these funds for the cost of performing the work of the award, such as building costs, maintenance, and administration. Table 3 provides the revenues each institution received from indirect cost reimbursements. Although indirect cost reimbursements relate to the amounts received in Table 1, often the indirect cost reimbursements are not received until after the awards have been received by the institution, which may be in a different fiscal year. Some awards do not include indirect cost reimbursement revenues, and the awards themselves may be for a period greater than one year.

Table 3
FY 2000 Indirect Cost Reimbursement Revenues
Dollars in millions

Institution	Unrestricted Indirect Cost Reimbursement	Restricted Indirect Cost Reimbursement	Totals	Percent Change from FY 1999
SUI	\$ 31.9	\$ 11.7	\$ 43.6	14.4%
ISU	9.9	3.3	13.2	12.8%
UNI	1.3	0.0	1.3	18.2%
Total	\$ 43.1	\$ 15.0	\$ 58.1	13.9%

Detail regarding topics of the awards, contract recipients, period of time covered by the awards, and individual award amounts is contained on computer disk and is available upon request from the LFB.

Temporary Treasurer's Investments

Treasurer's Temporary Investments (TTI) consists of interest earned from the funds available for investment from the general operating funds at the institutions. Tables 4A, 4B, and 4C indicate the estimated and actual interest earnings and expenditures for FY 2000 and estimated interest earnings and expenditures for FY 2001.

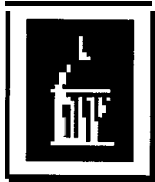


Table 4A
University of Iowa - Treasurers Temporary Investments

Project	FY 2000 Estimate	Actual FY 2000 Amount	FY 2001 Estimate
<i>Revenues:</i>			
Interest earned	\$ 8,800,000	\$ 6,122,529	\$ 7,000,000
Carryover	7,807,218	7,807,218	3,402,414
Total Available	\$ 16,607,218	\$ 13,929,747	\$ 10,402,414
<i>Expenditures:</i>			
Building modifications	\$ 870,000	\$ 269,524	\$ 500,000
Building renewal/renovation/imp.	3,917,000	3,215,799	2,000,000
Bldg. repairs/def. maintenance	679,000	798,675	500,000
Campus planning/imp./repairs	857,000	273,515	734,000
College of Medicine facilities - def. maint.	1,500,000	1,657,018	2,500,000
Support services	150,000	340,984	350,000
Campus fiber optic network	2,445,000	1,552,802	0
Property acquisition	704,000	600,112	1,500,000
Equipment/furnishings/other	437,000	212,898	500,000
Total Expenditures	\$ 11,559,000	\$ 8,921,327	\$ 8,584,000

Table 4B
Iowa State University - Treasurers Temporary Investments

Project	FY 2000 Estimate	Actual FY 2000 Amount	FY 2001 Estimate
<i>Revenues:</i>			
interest earned	\$ 4,298,041	\$ 3,970,952	\$ 4,633,410
Carryover	6,265,011	6,265,011	2,699,557
Total Available	\$ 10,563,052	\$ 10,235,963	\$ 7,332,967
<i>Expenditures:</i>			
Academic info. tech. for Computation Cntr.	\$ 500,000	\$ 1,500,000	\$ 0
Library support	125,000	375,000	0
Administrative charges	191,400	191,400	191,400
Research support	1,000,000	1,000,000	0
Distance education	1,000,000	1,000,000	0
Extension/4-H Building	2,000,000	2,000,000	0
Honors building	1,000,000	0	1,000,000
Carver Co-laboratory	0	610,000	300,000
Knoll - misc. maintenance/utilities	0	33,721	300,000
Special projects	0	1,000,000	0
Budget revisions (Student Services Bldg.)	0	-173,715	0
North campus child care facility	0	0	1,800,000
Residence halls learning communities	0	0	2,000,000
Total Expenditures	\$ 5,816,400	\$ 7,536,406	\$ 5,591,400





Table 4C
University of Northern Iowa - Treasurers Temporary Investments

Project	FY 2000 Estimate	Actual FY 2000 Amount	FY 2001 Estimate
Revenues:			
Interest earned	\$ 500,000	\$ 454,199	\$ 450,000
Carryover	2,212,204	2,212,204	2,274,229
Total Available	\$ 2,712,204	\$ 2,666,403	\$ 2,724,229
Expenditures:			
Property purchase - 1809 W 27 th Street	\$ 164,773	\$ 0	\$ 164,773
Property purchase - 400 Tech. Parkway	0	0	300,000
Property purchase - 2416 College Street	0	0	265,000
CAC roof repair	0	84,135	35,865
Maucker Union roof	31,508	3,473	3,265
Music classroom building/PAC	600,000	0	600,000
Rocky Rococo property purchase	406,875	405,078	14,924
Steam vault repairs	0	0	350,000
Tennis court demolition	0	0	50,000
UNI-Dome roof corrections	0	0	600,000
Warehouse#1 renovation	0	0	125,000
Wellness Recreation Center	75,875	-100,512	176,386
Totals	\$ 1,279,031	\$ 392,174	\$ 2,685,214

Board Office Charges

The Board Office of the Regents charges certain expenses to the institutions for the normal office operations of the Office. The \$615,000 charged during FY 2000 represents 48.0% beyond the total Board Office budget authorized by the General Assembly. Board Office charges increased from the FY 1999 total of \$ 369,000 and decreased from the FY 1998 total of \$726,000. Table 5 provides the FY 2000 charges to the institutions.

Table 5
FY 2000 Board Office Regents Charges

Purpose	SUI	ISU	UNI	ISD	IBSSS	Total
Positions on SUI Payroll	\$ 144,506	\$ 138,754	\$ 60,135	\$ 5,906	\$ 3,528	\$ 352,829
Computer Equipment	506	506	246	26	13	1,297
Cost Assessment	101,375	101,865	49,627	5,225	2,611	260,703
Minutes/Press Packets	4	24	0	0	0	28
Total	\$ 246,391	\$ 241,149	\$110,008	\$11,157	\$ 6,152	\$ 614,857

Positions on the SUI payroll that are located in the Board Office include the Facilities Officer, the Assistant Business/Finance position, the Human Resources Administrative Assistant, and the Information Systems position. These positions are used as staff of the Board Office, but are paid with SUI payroll checks. The cost for these positions is charged to all five Regents institutions.

Budget Ceiling Adjustments

In May of each year, the Board of Regents receives requests from the institutions to increase the budget ceilings. This is typically the result of unanticipated income that each institution wishes to expend. Common areas of increased revenues include tuition and interest

earnings. Table 6 below illustrates the amount of budget ceiling increases for each of the institutions for the last five fiscal years.

Table 6
Board of Regents Budget Ceiling Adjustments

Dollars in Millions					
	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
SUI	\$ 0.1	\$ 0	\$ 0	\$ 3.9	\$ 1.7
ISU	2.1	3.2	1.1	1.2	0.7
UNI	1.5	0.3	0.8	0.9	2.0
Totals	\$ 3.7	\$ 3.5	\$ 1.9	\$ 6.0	\$ 4.4

EDUCATION STANDING APPROPRIATIONS

FY 2000 General Fund



The following table shows the FY 2000 General Fund appropriations activity for Education Standings. The total appropriated for the six education standing appropriations was \$1.871 billion. The largest expenditure of the education standing appropriations is aid to local school districts that amounted to \$1.697 billion (91.9%) of the total expended for FY 2000. The appropriations were adjusted for several factors during the fiscal year as detailed in the following table. The total FY 2000 General Fund education standing appropriations expended was \$1.847 billion.

Education Standing
FY 2000 General Fund Appropriations Summary

Appropriations Activity	Amount
FY 2000 Appropriations	\$ 1,871,223,563
FY 2000 Changes & revisions	-23,658,263
FY 2000 Appropriation transfers out	-203,000
FY 2000 Deappropriations	-426,781
FY 2000 Transfer to Pooled Tech. Account	-59,131
FY 2000 Reversions	0
FY 2000 General Fund expenditures	\$ 1,846,876,388

CHANGES AND REVISIONS

The following appropriations were decreased by a net total of \$23.7 million during FY 2000 because of adjusted calculations:

- School Aid - \$24.2 million decrease. The decrease was due to increased property tax values that reduced State appropriation need.
- Transportation for Nonpublic students - \$0.5 million increase. The increase was due to increased claims for-payment.

APPROPRIATION TRANSFER

The standing appropriation for the Educational Excellence Program transferred \$203,000 to the Department of Human Services (DHS)

Medical Assistance Program for FY 2000. The Department of Education responded that these funds were available because of a decrease in the payments to school districts qualifying for per teacher payments under Phase I, the minimum teacher salary. Excess funds in Phase I, per the Code of Iowa, should have been transferred to Phase III and distributed on a per pupil basis to all school districts. However, since the excess funds were not identified until late in the fiscal year, the Department did not recalculate the Phase III payments and instead transferred the funds to DHS rather than reverting the funds to the General Fund.

APPROPRIATION REDUCTIONS - DEAPPROPRIATIONS

House File 2039 (FY 2000 Deappropriations Act) reduced the FY 2000 Education Standing appropriation for the Educational Excellence Program by \$425,000. This reduction was achieved through a reduced need for payments to school districts for the minimum teacher salary (Phase I).

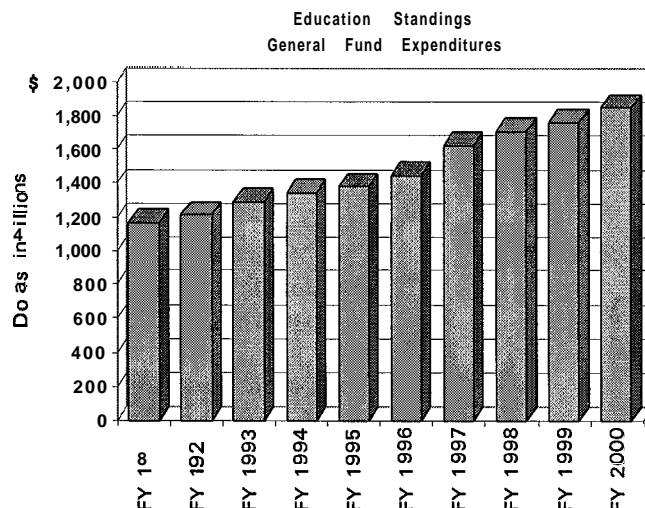
POOLED TECHNOLOGY ACCOUNT TRANSFERS

Section 5 of SF 2433 (FY 2001 Oversight and Communications Appropriations Act) notwithstanding provisions in Sections 8.33 and 8.62 Code of Iowa, relating to reversions of unexpended FY 2000 General Fund appropriations and redirects 75.0% of reversions from operating appropriations and 100.0% of reversions from non-operating appropriations to the Pooled Technology Account. The Department of Education standing appropriations contributed a total of \$59,000 in FY 2000 to the Pooled Technology Account. This action did not reduce the amount of General Fund money available to the Department for the fiscal year, but instead transferred money that would have reverted.

General Fund History



A total of \$1.847 billion from the General Fund was expended on education standings during FY 2000, an increase of \$84.7 million (4.8%) compared to FY 1999. Since FY 1991, the total expended on education standings has increased by \$684.2 million (58.8%) for an annual average increase of 6.5%.



IOWA TELECOMMUNICATIONS AND TECHNOLOGY COMMISSION

FY 2000 General Fund

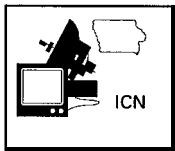


The Iowa Telecommunications and Technology Commission expended \$3.4 million in General Fund dollars in FY 2000, a decrease of \$396,000 (10.3%) compared to FY 1999, for operational expenses related to the subsidization of educational video usage of the Iowa Communications Network. In FY 1998, no General Fund dollars were directly appropriated to the ICN. Additional funds for FY 2000 were appropriated to other Departments for support of ICN related activities. These include:

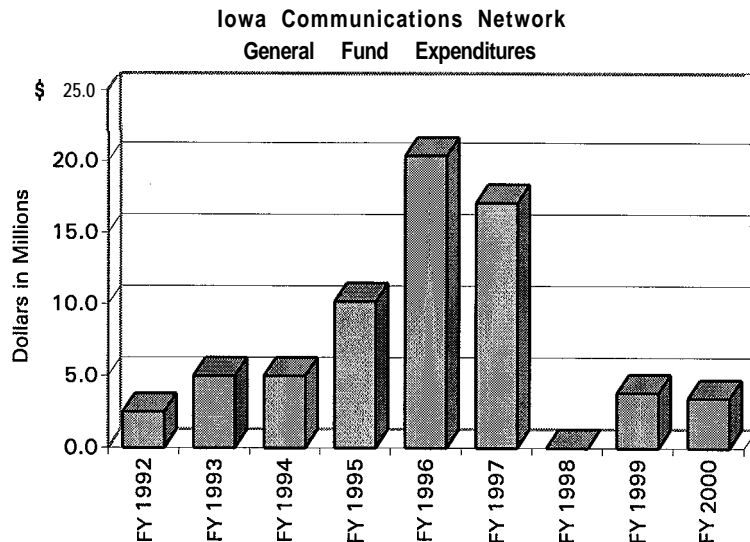
- \$2.3 million for support of the Regional Telecommunications Councils (\$1.9 million) and for support functions related to the ICN of the Public Broadcasting Division (IPTV) of the Department of Education (\$424,000).
- \$12.9 million for Network debt service appropriated to the Treasurer.

Funds appropriated for Network debt service payments were transferred to the Commission when payment was due.

General Fund History



The following chart shows General Fund dollars expended for ICN development and operations during FY 1992 through FY 2000. The General Fund dollars for FY 1992 through FY 1994 were appropriated to and expended through the Department of Education and Education Standings portions of this document.



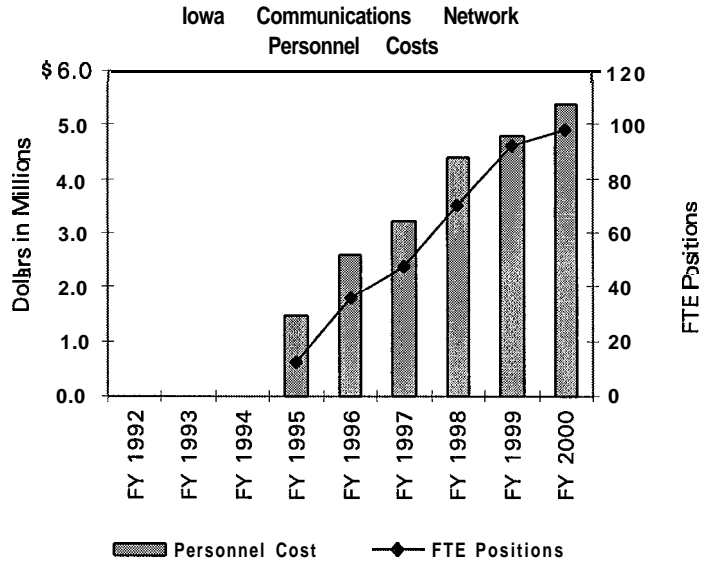
Personnel Cost & FTEs



The Commission expended \$5.4 million for personnel costs (salaries and benefits) during FY 2000, an increase of \$605,000 (12.6%) compared to FY 1999.

The Commission utilized 98.2 FTE positions in FY 2000, an increase of 6.4 (6.9%) FTE positions compared to FY 1999. These positions

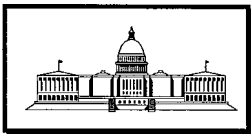
were added due to the increased workload associated with the continued build-out of Part III of the ICN. The Commission's growth in staff will be substantially complete by the end of FY 2001. The targeted completion of the Part III connection was the end of FY 2000, however approximately 39 schools and libraries carried over to FY 2001 due to facilities not being ready during FY 2000.



Contract Personnel

The Commission utilized the part time services of 12 individuals through the State contracted Professional Employer Organization during FY 2000. The contracted personnel filled unmet short term resource requirements. These temporary personnel provided engineering services, information services, administrative services, and customer services for the ICN. Three of those individuals were selected to fill vacant FTE positions within the ICN. None of the other nine individuals were used to fulfill the duties of approved FTE positions.

Federal Funds



The following chart shows General Fund dollars expended for federal participation in the development and uses of the ICN during FY 1995 through FY 2000. The federal government provided a total of \$19.0 million during that period to connect all Iowa National Guard Armories and to participate in the development of the ICN and test features of the ICN and applications that could be utilized over it for federal purposes. The \$88,000 shown above for FY 2000 was the remainder of the funds originally appropriated in federal FY 1997.

FY 2000 GENERAL FUND APPROPRIATIONS

Appropriation Name	Agency	Original Appropriation	Salary Adj. & Annualization	Changes & Revisions	Supplementals & Deappropriations	Net 8.39 Transfers	Previous Bal. to FY 00	Ending Bal. to FY 01	Tech Carry Forward to FY 00	Tech Carry Forward to FY 01	Balance Forward to Pooled Tech. Act.	Tech Carry Fwd Reversion	Regular Reversion	Final General Fund Expenditure
SUI GEN UNIV	REGENTS	\$ 237,554,141	\$ 10,926,884		\$ -1,153,376									\$ 247,327,649
OAK PK/TECH	REGENTS	340,118	10,579		-1,754									348,943
PUBLIC HEALTH	REGENTS	1,050,000			-100,000									950,000
CANCER REG.	REGENTS	209,730	4,290			-1,070								212,950
DEFECTS REG.	REGENTS	50,000	1,964		-260									51,724
UNIV HOSPITA	REGENTS	31,912,569	966,744		-163,397									32,515,915
PSYCHHOSP	REGENTS	7,968,070	273,395		41,207									8,200,258
HOSPSCHOOL	REGENTS	6,991,199	313,836		-36,525									7,265,122
OAKDALECAMP	REGENTS	3,100,866	66,551		-15,847									3,153,570
HYGIENIC LAB	REGENTS	3,870,920	203,594			-20,373								4,054,141
FAMILY PRACT	REGENTS	2,312,290	66,605		-11,994									2,366,901
SCHS - SPEC.	REGENTS	601,434	537,655		-3,276									651,923
UI AG HEALTH	REGENTS	272,634	7,056		-1,396									276,292
SUBSABUSE	REGENTS	72,028	3,506		-378									75,156
DR SIMULATOR	REGENTS	284,951	12,153		-1,486									295,616
ADV RX DEVL	REGENTS	272,731	103,633		-1,415									281,679
PRIM. HEALTH	REGENTS	665,623	35,762		4,507									896,698
IOWASTATE	REGENTS	195,608,896	9,222,064		-1,057,409									192,973,551
CNTREXCELL	REGENTS	2,200,000			-8,539									2,191,461
RESEARCHPK	REGENTS	381,360	11,442											392,622
EXPT STATION	REGENTS	34,982,675	1,269,696		-140,736									36,111,635
COOPEXTENS	REGENTS	22,706,446	955,423		58,902									23,620,771
I SULEOPOLO	REGENTS	574,983	1,966		-2,240									574,729
JOHNNE SOIS	REGENTS	5,330		-5,330										0
UNI GENERAL	REGENTS	83,402,982	4,039,848		446,351									86,996,479
MASTERSINS	REGENTS	300,000												300,000
DECISION MAK	REGENTS	746,591	25,741											772,332
RECYCLING	REGENTS	244,025	4,653											246,678
WASTECENTER	REGENTS						220,000							220,000
ISD	REGENTS	7,737,161	239,837			-40,631								7,936,367
METAL CASTIN	REGENTS	171,996	7,541											179,537
IBSSS	REGENTS	4,393,242	152,041		-22,358									4,432,925
REGENTBO OF	REGENTS	1,235,518	51,527		-6,459					-1,451	-4,354			1,274,780
TUIT REPLACE	REGENTS	27,927,851												27,927,851
TRI STATEGR	REGENTS	81,716	2,062											83,778
TUITION AND	REGENTS	16,941									-3,900			13,041
SWI ACTR	REGENTS	111,113	3,211											114,324
QUAD CITIES	REGENTS	167,086	4,296											171,382
SBDC	REGENTS	1,248,329	14,035		-2,726									1,259,638
BIOCATALYSIS	REGENTS	1,058,058	16,201		-5,371									1,068,888
DISEASE RES.	REGENTS	277,573	1,504											279,077
IPRT	REGENTS	4,477,948	112,672		-17,819									4,572,801
REGENTSTOTAL		\$ 677,797,143	\$ 27,915,071	\$ -5,330	\$ -3,250,000	\$ 0	\$ 220,000	\$ 0	\$ 0	\$ -1,451	\$ -8,254	\$ 0	\$ 0	\$ 702,667,179
CHILD DEVEL	EDUCATION	\$ 15,360,000			\$ -1,531						\$ -53,317			\$ 15,305,152
INSTR. SUPP.	EDUCATION	14,798,227									4		0	14,798,223
SCHOOLAI D	EDUCATION	1,720,674,000		-24,168,906										1,696,505,094
TRANSPNONPU	EDUCATION	7,500,000		510,644										801,0644
TEACHEREXCE	EDUCATION	82,891,336			425,250	-203,000					-5,609			82,257,277
TECHNOLOGYIS	EDUCATION	30,000,000												30,000,000
STANDI NGSTOTAL		\$1,871,223,563	\$ 0	\$ -23,658,263	\$ -426,781	\$ -203,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ -59,131	\$ 0	\$ 0	\$1,846,876,388
SUBCOMMI TTEETOTAL		\$2,816,769,215	\$ 28,590,209	\$ -23,612,593	\$ -4,388,969	\$ -250,000	\$ 1,880,351	\$ -1,862,064	\$ 36,452	\$ -9,364	\$ -122,197	\$ -1,027	\$ -69,645	\$2,816,962,368

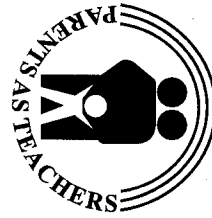
“I learned how to read to my child at a very early age, how to play games she can do, and how to make her feel important. ”

“Understanding how my child develops takes a lot of the stress out of parenting and helps me enjoy my child even more. ”

“My parent educator is great. She helps me understand my baby so I don't panic every time he cries. ”

“We've never taken care of a baby before. My wife and I are glad PAT can help us give our baby a good start. And we've become friends with other parents we meet at the group meetings, too. ”

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