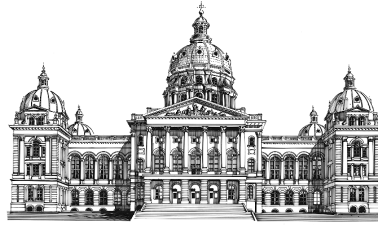


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# Iowa Legislative Fiscal Bureau

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September 29, 1993

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## Regents' 4th Quarter Report

### ISSUE

A review of the 4th Quarter Financial Report submitted by the Board of Regents for FY 1993.

### AFFECTED AGENCIES

State University of Iowa (SUI)  
Iowa State University (ISU)  
University of Northern Iowa (UNI)

### CODE AUTHORITY

Senate File 233, Section 9

### BACKGROUND

The Board of Regents is required to submit a financial report on a monthly basis, with a summary of the information on a quarterly basis. The information indicates the actual revenues and expenditures compared to the revenues and expenditures originally budgeted. The comparison indicates the accuracy of the budgeted amounts and shows the amount of funds shifted from one category to another.

### CURRENT SITUATION

This analysis will review major categories of revenues and expenditures for FY 1993 at each institution (Attachment A).

Each institution earns interest by investing certain moneys and each received more revenue from this source than budgeted.

- 20.6% more at the SUI.
- 64.0% more at ISU.
- 3.5% more at the UNI.

Tuition revenue is received from students enrolled at each institution. Each institution received less than the budgeted revenue.

- 99.8% of the budgeted tuition revenue was received by the SUI.
- 98.7% of the budgeted tuition revenue was received by ISU.
- 97.6% of the budgeted tuition revenue was received by the UNI.

Indirect cost reimbursement (ICR) is funds generated by a university for costs related to performing tasks of grant recipients, such as building maintenance and payroll. Each institution received more revenue than budgeted from this category.

- 1.5% more at the SUI.
- 18.7% more at ISU.
- 72.4% more at UNI.

The greatest expenditure for each institution was salaries and related benefits. Each institution expended less than the amount budgeted for personnel.

- 97.9% at the SUI.
- 98.3% at ISU.
- 96.2% at the UNI.

Each institution expended amounts greater than budgeted for library acquisitions.

- 2.8% more at SUI.
- 5.5% more at ISU.
- 24.2% more at the UNI.

Each institution expended more than budgeted for building repairs.

- 55.8% more at the SUI.
- 285.9% more at ISU.
- 163.0% more at the UNI.

One institution expended an amount greater than budgeted for student financial aid, another expended less than budgeted, and the third expended the approximate budget.

- The SUI expended 96.8% of the amount budgeted.
- Iowa State University expended 4.0% more than budgeted.
- The UNI expended approximately 100.0% of the amount budgeted.

## ALTERNATIVES

Limit salary adjustment dollars provided to each institution to an amount based on actual expenditures rather than amounts budgeted by the Regents. The Regents estimate salary

adjustment needs based on the previous year's budgeted salaries rather than actual expenditures. This causes the salary adjustment request to be inflated.

Require the institutions to expend funds from categories overbudgeted on certain items, whether it be student aid, fire safety, or deferred maintenance projects, rather than permitting each institution to determine what the extra funds should be expended upon.

#### **BUDGET IMPACT**

Using actual salary expenditures, as a base for computing salary adjustment dollars would reduce the appropriation needed for salary adjustment. Designating uses for overbudgeted expenditure categories could also result in reduced appropriations to the Regent institutions.

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