

Finance and Operations Division-wide Meetings May 2009

Three one-hour meetings were held at which about 300 attended in total.

Doug True, Senior Vice President and Treasurer, welcomed all those in attendance and thanked them for attending. He and Sue Buckley, Vice President, Human Resources, were the presenters.

What follows is a synopsis of the presentations and questions that were asked.

UI Foundation Board

The Foundation Board meeting was held last week. They meet each year in the spring and fall. These are some of the finest people and supporters the University has. They meet to review the investments that the Foundation has made with funds donated to it, and to discuss future fundraising campaigns. The Foundation and UI raise about \$90 million a year. The money given by donors is highly designated; therefore, matching donor wishes to University needs is critical. The funds the Foundation raises for scholarships is enormously important. Those funds enable students to come here who might not have been able. Financial aid also is used to keep the best young Iowa high school graduates here in the state for their continuing education. The UI Facilities Corp. is an arm of the Foundation that helps UI finance capital projects.

Bob Verhille of Marion, Iowa, is the Chair of the Foundation Board. This year Nicholas Meyer was the keynote speaker at the Foundation's President's Club dinner. He is an alumnus of the UI and over the span of his career has been a writer, producer, and director of films. He spoke of his education here in the sixties and how it has served him well. You may read his speech on the [F & O website](#). Liz Christiansen, our Director of Sustainability, was also invited to speak this year at the Foundation Board meeting.

Board of Regents

At its April meeting the Board of Regents approved the University's recommendation to replace Hancher Auditorium, Voxman Music, and Clapp Recital Hall due to the damage caused in last year's flood as well as Art Building East. The Board also formed two task forces to examine more closely (1) benefits, and (2) budget/ consolidations/ efficiencies among the Regent institutions. An innovative side-walk system along the river was also approved by the Board. It will allow consistency in elevation of the sidewalks along both sides of the river and will raise the sidewalks to a minimum elevation of a 100-year flood plus one foot. The Board of Regents also discussed all budgets. In June they will receive preliminary budgets for action, and in August will consider final budgets for all the Regent institutions.

Campus Recreation and Wellness Center

This building on the corner of Burlington and Madison is moving along and is scheduled for completion July 2010. Student fees are paying predominantly for this building. Faculty, staff and the community will be charged a fee for its use, but those fees haven't been determined. There is a need to keep the fees at a reasonable level so that the health and wellness of faculty and staff can be encouraged.

FY10 Budget

University-wide the state appropriations reduction for FY10 is \$35.5 million. The tuition increase expected for next year is about \$20 million. Unavoidable costs in the general education fund are about \$16 million. Offsetting the \$35.5 million reduction in FY10 are the ARRA (American Recovery and Reinvestment Act) federal stimulus funds (\$35.4 million) that are available to us for FY10 only. These funds allow the University more time to plan for FY11. This is a completely unique opportunity.

What will be the impact of the appropriations reductions for Finance and Operations? For the general fund within our division, \$4.3 million needs to be cut – a 7% reduction. Another million in equipment and building renewal funds will be cut as well. There are certain areas that have been identified for protection from reductions – non-labor utilities (e.g. fuel), public safety and risk management.

Salaries

In FY10 the Board of Regents has determined that there will be no across the board salary increases. Collective bargaining agreements will be honored and in some cases that allows step increases. About half of merit staff will receive step increases. We may be able to allow some increases for reclassifications, promotions, equity adjustments, and counter offers.

Early and Alternative Phased Retirement Plans

The Board of Regents has recently agreed to allow new early and alternative phased retirement plans. These plans are for the sole purpose of saving the University money. There will be a narrow window of opportunity to apply (July 1, 2009 through September 30, 2009). Eligible employees will be notified of these programs by email and paper mail on or about June 1, 2009. For the early retirement plan, the employee must be 57 by July 1 and must retire before June 30, 2010. The alternative phased retirement plan is a two-year phasing period. The employee works 50% time and is paid 75%. Additional details for both programs may be found [here](#).

Flood Recovery

The Board of Regents at its April meeting approved replacement of Hancher Auditorium, Voxman Music Building, Clapp Recital Hall and Art Building East. FEMA will provide 90% of the funds for replacement in another location outside the area of flood vulnerability. The site for replacing these buildings has not yet been selected.

As of April, 2009, the University has spent or encumbered \$124 million on flood-related expenses. Projection for total flood costs is \$743 million which means the University has a long recovery process ahead. Most of the costs will be reimbursed by FEMA, insurance, University capital funds that have been diverted from other projects, and \$100 million is state bonding funds.

There have been three phases to the flood – (1) reacting to the rising flood waters and all that entailed; (2) preparing the campus for fall classes, including bringing the Power Plant back online and leasing spaces for fall classes; and now (3) restoring and/or replacement of buildings and spaces along with extensive flood protection.

Working at Iowa Survey

Sue Buckley, Vice President, Human Resources, thanked those who participated in the survey and explained its value to the University. When staff and faculty feel engaged, they contribute to the institution meeting its goals. A very concerted effort was made this year to entice more employees to complete the survey. The survey showed that our division participated at a much higher rate in the 2008 (57.3%) survey as compared to the 2006 (39.2%). The University as a whole had a 62.3% response rate in 2008, compared to 42.6% in 2006.

In our division the top three “most agreed with” statements have not changed from 2006 to 2008. Even the “most disagreed with” statements have seen positive changes. That tells us that some of the initiatives put in place since 2006 are having positive effects. Please see the PowerPoint screens posted on the [F & O website](#) or see the [Working at Iowa web page](#) for a full report.

Additional Comments

--True announced that the Provost had asked for faculty and administrator volunteers to teach first year seminars in a small group setting, The purpose is to create a better connection with first year students and encourage them to stay in school.

--True expressed his thanks for those who are civil and respectful to each other and to students, patients and visitors to campus. People come to the UI for a variety of reasons, and if they aren't treated well by our employees, they can take their business elsewhere. When that happens, University income suffers. Thus, UI is very much a self-supporting enterprise.

Questions Asked

- 1. Will you make public the number of early and alternative phased retirements approved?**

Yes. It will be reported to the Board of Regents.

2. What will happen to the Museum of Art?

A visioning task force will be appointed by the President to sort through the options and make recommendations. FEMA will not pay to replace the Museum of Art building.

3. Where are the sites being considered for the replacement for Hancher – Voxman – Clapp? How long would it take to replace these buildings?

There are various sites – some on property owned by the University and some not owned by the University. A recommendation regarding site will be made to the Board of Regents in August at the earliest. Once the process for replacement begins, it could take 5 years to complete.

4. How much will staff have to pay to use the Campus Recreation and Wellness Center?

We want staff to use the facilities so we may start with an introductory rate so that staff can become familiar with all that will be offered. Fees will probably be determined sometime in the spring of 2010.

5. How will Hancher debris be disposed of? Will it be recycled into levees or something else?

Good question. We're not sure yet, but it won't be used for levees. The building will need to be razed and all environmental laws met in the handling of salvage or waste materials.