

Board of Regents Approves Cuts and Surcharges

The Iowa Board of Regents met on October 29th to hear from university presidents and others regarding the handling of proposed budget reductions. After hearing the presentations by the three universities and the two special schools governed by the Board, the Board voted to move forward with the proposed plans.

Each of the university presidents announced they would forgo the performance-based component of their annual pay. These range from 8% to 15% of their salary. They urged the Board to create a new way to appropriately measure performance.

Each university also announced plans for a \$100 per student surcharge to be implemented next semester. The most needy students, those students who receive Pell grants, for example, would not be charged the surcharge. An initial vote was taken by the Board approving the surcharge. Formal action to approve the surcharge will be taken by the Board at its December meeting.

Specific Plans Presented

Each of the institutions presented their specific plan to the Board. Highlights of each plan include:

Iowa State University. The 10% across the board cut represents a \$24.5 million reduction. President Geoffroy proposed that the students be charged a one-time surcharge of \$100. The surcharge will generate approximately \$2.4 million. Faculty and staff benefits will be reduced and temporary layoffs would be imposed. Additionally, the employer's share of TIAA-CREF (one of their defined retirement plans) would be reduced from 10% to 8%.

University of Northern Iowa. The across the board cut represents an \$8.8 million reduction. The cut will be accomplished by reallocating unplanned tuition revenue as a result of higher than expected enrollment; making permanent budget reductions through divisional cuts, which could result in permanent layoffs; redirecting a portion of the federal stimulus funds; and temporarily reducing the employer's share of retirement contributions from 10% to 8%.

University of Iowa. The across the board cut represents a \$24.7 million reduction. The following are some of the strategies that will be put in place to meet the reduction: reducing building repair; redirecting federal stimulus funding; asking students to bear a portion of the cut by paying a one-time \$100 surcharge; and reducing the employer's share of retirement contributions from 10% to 8%.

Iowa Braille and Sight Saving School. Approximately 63% of the \$547,000 across the board cut will be absorbed through personnel spending cuts. The remainder of the cut will be met through reductions in spending on equipment, repairs, maintenance, travel, and supplies. Cuts will result in a reduction in the quality of services for the blind and vision impaired.

Iowa School for the Deaf. The \$928,000 cut will be met by layoffs; and reduction in spending on supplies, equipment, maintenance and services. Summer school offerings will be eliminated and new textbooks will not be purchased. Further reductions could jeopardize the school's ability to meet legal requirements for educating the deaf and hearing impaired.

Specific presentations can be found on the Iowa Board of Regents website at <http://www.regents.iowa.gov/> and then clicking on "public universities" or "special schools."

The next scheduled Board of Regents meeting is a telephonic meeting in Ames on December 10, 2009.