

**Contact: Mark J. Braun**

**LEGISLATIVE UPDATE**

**Action Requested:** Receive the report on the 2006 Legislative Session

**Executive Summary:** The 2006 legislative session of the 81<sup>st</sup> General Assembly adjourned on May 4, 2006.

Brief highlights are presented on the major pieces of legislation from this session which impacts the Board of Regents. All of the bills have been signed by the Governor.

**EDUCATION APPROPRIATIONS BILL – HF 2527**

This bill appropriates \$604.3 million to the Board of Regents for 30 different operating appropriation line items and includes the following increases:

- \$11.0 million for distribution to the three universities as outlined in the Transformation Plan.
- \$352,000 for the Iowa School for the Deaf, comparable to other K-12 allowable growth.
- \$197,000 for the Iowa Braille and Sight Saving School, comparable to other K-12 allowable growth.

**ECONOMIC DEVELOPMENT APPROPRIATIONS BILL – HF 2459**

This bill appropriates \$3.1 million for FY 2007 from the State General Fund for economic development programs at Iowa State University (ISU), the University of Iowa (SUI), and the University of Northern Iowa (UNI).

Compared to estimated FY 2006 appropriations, this is an increase of \$100,000 to support the Small Business Development Centers. The Bill also requires an allocation of \$650,000 for Small Business Development Centers.

**AGRICULTURE AND NATURAL RESOURCES APPROPRIATIONS BILL – HF 2540**

This bill appropriates the following to Iowa State University:

- \$1.0 million from the State General Fund to support the operations of the Veterinary Diagnostic Laboratory. It adds intent language that additional funding will be appropriated in future years.
- \$50,000 from the Agrichemical Remediation Fund for continuance of the Open Cattle Feedlot Study.

**HEALTH AND HUMAN SERVICES APPROPRIATIONS BILL – HF 2734**

This bill appropriates:

- From the State's IowaCare Account:
  - To the Board of Regents for distribution to the University of Iowa Hospitals and Clinics (UIHC) the sum of \$27.3 million for FY 2007.
  - To the UIHC, an additional \$10.6 million for FY 2006 for a total of \$37.8 million.
- From the State General Fund to the State Department of Public Health, a new allocation of \$159,700 to the University of Iowa to expand and improve the mental health treatment workforce and a continuing allocation to the UIHC of \$100,000 for child vision screening.

INFRASTRUCTURE APPROPRIATIONS BILL – HF 2782

This bill appropriates from various state funds a total of \$86.0 million to the Board of Regents for specifically identified projects and includes:

- \$36.0 million for construction of a new Hygienic Laboratory at the University of Iowa. The funding includes: \$8.3 million for FY 2007, \$15.7 million for FY 2008, and \$12.0 million for FY 2009.
- \$20.0 million for the bioscience initiatives established in the bill, including \$5.0 million to establish endowed chair positions at the Regents universities.
- \$10.3 million for Tuition Replacement (debt service on academic building bonds)
- \$10.0 million for major renovation and repair needs at the Regents universities.
  - \$5 million for the ISU Chemistry building
  - \$3 million for the UNI electrical distribution system
  - \$2 million for the SUI Public Health building
- \$6.2 million for building repairs at the Regent institutions to supplant university operating funds similar to the one-time appropriation in FY 2006.
- \$2.0 million for construction and improvements to a veterinary laboratory at Iowa State University.
- \$1.0 million to provide a grant for the construction of a protein processing facility
- \$0.5 million for playground safety at UNI, similar to FY 2006

FY 2006 SUPPLEMENTAL APPROPRIATIONS – SF 2273

The bill appropriates \$2.0 million from the Rebuild Iowa Infrastructure Fund to the Board of Regents for repairs from the fire in Gilchrist Hall at the University of Northern Iowa.

CLARIFICATION OF HEALTH CARE TRANSFORMATION ACCOUNT ACT (HCTA) – HF 2347

This bill clarifies the revenue source of the HCTA, which was passed during the 2005 session, as follows:

- Specifies that a one-time payment adjustment of \$20.2 million is to be made to the University of Iowa Hospitals and Clinics to offset Medicaid reimbursements.
- Specifies that a one-time payment adjustment of \$34.4 million is to be made to the Carver College of Medicine at the University of Iowa to supplement physician services to Medicaid patients for FY 2004 and FY 2005.
- Requires the University of Iowa to transfer \$54.6 million to the General Fund upon receipt of the medical payment adjustments. This payment is equal to the FY 2004 and FY 2005 General Fund appropriations to the University for the Indigent Patient Program (State Papers).
- Appropriates \$2.0 million to the Department of Human Services (DHS) from the HCTA intended to draw down a federal Medicaid match and cover additional expenses incurred by the University of Iowa Hospitals and Clinics for the IowaCare Program.

The Act was amended in HF 2734 (FY 2007 Health and Human Services Appropriations Bill). The amendment struck the \$2.0 million appropriation to the DHS and specified that the funds be transferred to the IowaCare Account to be used for the same purpose.

STANDING APPROPRIATIONS BILL – HF 2797

This bill appropriates up to \$2.8 million of the State's General Fund ending balance for FY 2006 to the Board of Regents for FY 2007.

REGENT BILL – SF 2358

The provisions of this bill eliminate obsolete code language and statutory obstacles that impede the utilization of best practices within the Regent enterprise:

- Change the title of the Executive Secretary to Executive Director
- Provide a technical clarification that UIHC is governed by the Board of Regents.
- Allow the Board to delegate authority to sign leases to the universities.
- Authorize web links to the universities procurement web page instead of directly posting targeted small businesses bid notices on the targeted small business website.
- Change the quarterly reporting requirement of targeted small business purchases to an annual report
- Allow the Board of Regents to approve Board Office employees' expenses without going through the Department of Administrative Services.

ADMISSIONS STUDY - HF 2395

This bill requires the Board of Regents to conduct a study relating to the admission requirements common to the three state universities, including administrative rule 681 IAC 1.1(1), which provides that graduates of approved Iowa high schools who have the subject matter backgrounds as recommended by each university and who rank in the upper one-half of their graduating class will be admitted. The Board is required to submit a report to the Senate and House of Representatives Standing Committees on Education by January 8, 2007, regarding the findings and recommendations of the study.