

Contact: Patrice Sayre

FY 2014 OPERATING AND OTHER FUND APPROPRIATIONS REQUESTS

Actions Requested:

- Based on proposed spending and funding plans, approve the identified operating appropriations requests for FY 2014 totaling **\$644** million.
- Authorize actions by designated Regent staff to seek collaboration and partnerships between Regent institutions and other sectors of state government. The Regent legislative efforts are an integral part in successfully receiving requested funding.

Executive Summary: Iowa Code requires state entities to submit appropriations requests for the ensuing fiscal year to the State on or before October 1.

Regent appropriation requests are consolidated into seven major functional areas:

- Higher Education
- Special School Education
- UIHC IowaCare Program
- Iowa Public Radio
- Higher Education Legislative Special Purpose
- Economic Development
- Tuition Replacement

Total requested incremental Operating Appropriations are **\$40.1** million; 40% for General Education.

Background: The Board of Regents institutions impact people across the state and across the nation. In the everyday lives of Iowans – in the areas of the economy, medicine, agriculture, technology and the arts – the institutions are more than educators of students. Regent institutions provide knowledge and resources for all and are more than the sum of its parts.

State appropriations are crucial investments in the future of Regent institutions that together with the research funding and philanthropy garnered by the public universities; the tuition and fees paid by students and parents; and the Regent institutions' commitment to efficient and effective use of those resources, reflect a partnership that serves the needs of Iowa, its citizens, and the world.

Despite the current economic hardships faced by people of all levels of education, the value of a college education remains strong. A report from the Center on Education and the Workforce at Georgetown University¹ says that the unemployment rate for recent four-year college graduates is 6.8% - much better than the 24% rate for recent high school graduates. More than half the jobs created since the recent recession have gone to college graduates, who make up only a third of the labor force.

During what is being termed the Great Recession, the State reduced support to the Regent institutions by \$173 million since FY 2009. The Governor and Legislature were able to restore \$20.8 million this year and provide new recurring funding of \$2.2 million.

The Regent institutions incorporated the ongoing loss of \$150 million in State support into their respective budgets and did not offset it by raising tuition rates reciprocally. During this period, undergraduate resident tuition rates increased an average of \$260 (4.4%) per year; nationally, tuition rose an annual average of 6.8% from FY 2009 to FY 2013.

University budget expenditures rose an average of only 1.6% annually, evidence that costs were held down rather than shifted to students; inflation was not factored in. The Higher Education Price Index (HEPI), used to measure a basket of goods unique to colleges and universities, shows an inflation increase of 2.1% for the same time period.

¹ Center on Education and the Workforce at Georgetown University, [*The College Advantage: Weathering the Economic Storm*](#)

As analyzed by the University of Iowa Economic Research Institute, HEPI inflation for FY 2014 is projected to range from 1.8% - 3.4%, with a median of 2.6%. The median rate of inflation was used as the basis for incremental funding requests, except where noted otherwise.

Coupled with unavoidable cost increases in utilities and building repairs, as well as unknown salaries and benefits for bargaining agreements that expire at the end of FY 2013, the Board of Regents cannot operate major state institutions with a static budget; the universities cannot successfully compete for the millions of dollars of federal and private support which they now leverage if they lack the funding to retain quality faculty and equip their classrooms and laboratories.

To maximize benefits to Iowans and other citizens, the Board of Regents advocates for adequate support for Regent institutions from all sources for high-quality educational opportunities accessible to Iowans, research and scholarship, service activities, and economic development efforts.

To maintain a stable base for operations, the appropriations request incorporates:

- Continuation of recurring state appropriation levels
- Funding for initiatives to support the FY 2010-2016 strategic plan from state appropriations
- Replacement of one-time resources with recurring state appropriations – RIIF support for the Innovation Fund for economic development
- Continuation of the UIHC IowaCare program
- Tuition Replacement needs
- Support for Iowa Public Radio

APPROPRIATIONS REQUEST

Board of Regents Proposed Operating Appropriation Request									
STATE APPROPRIATIONS	Regent Operations by Major Function				Total	UIHC IowaCare Program	Tuition Replacement	Iowa Public Radio	Grand Total
	Higher Education	Higher Education Legislative Special Purpose	Special School Education	Economic Development					
FY 2013 Recurring Appropriations	467,105,773	\$ 68,136,816	\$ 12,638,685	\$ 3,208,297	\$ 551,089,571	\$ 27,284,584	\$ 25,130,412	\$ 391,568	\$ 603,896,135
Incremental Funds ^(a)	12,144,750	1,473,224	379,161	83,416	14,080,551	-	2,737,363	15,663	16,833,577
Strategic Initiatives for Progress	4,000,000	16,127,563		150,000	20,277,563	-	-		20,277,563
Replacement of One-time funding	-			3,000,000	3,000,000	-	-		3,000,000
Proposed Total Appropriations	\$ 483,250,523	\$ 85,737,603	\$ 13,017,846	\$ 6,441,713	\$ 588,447,685	\$ 27,284,584	\$ 27,867,775	\$ 407,231	\$ 644,007,275
Total Requested Appropriation Increases	\$ 16,144,750	\$ 17,600,787	\$ 379,161	\$ 3,233,416	\$ 37,358,114	\$ -	\$ 2,737,363	\$ 15,663	\$ 40,111,140

(a) - cost increases due to HEPI projection

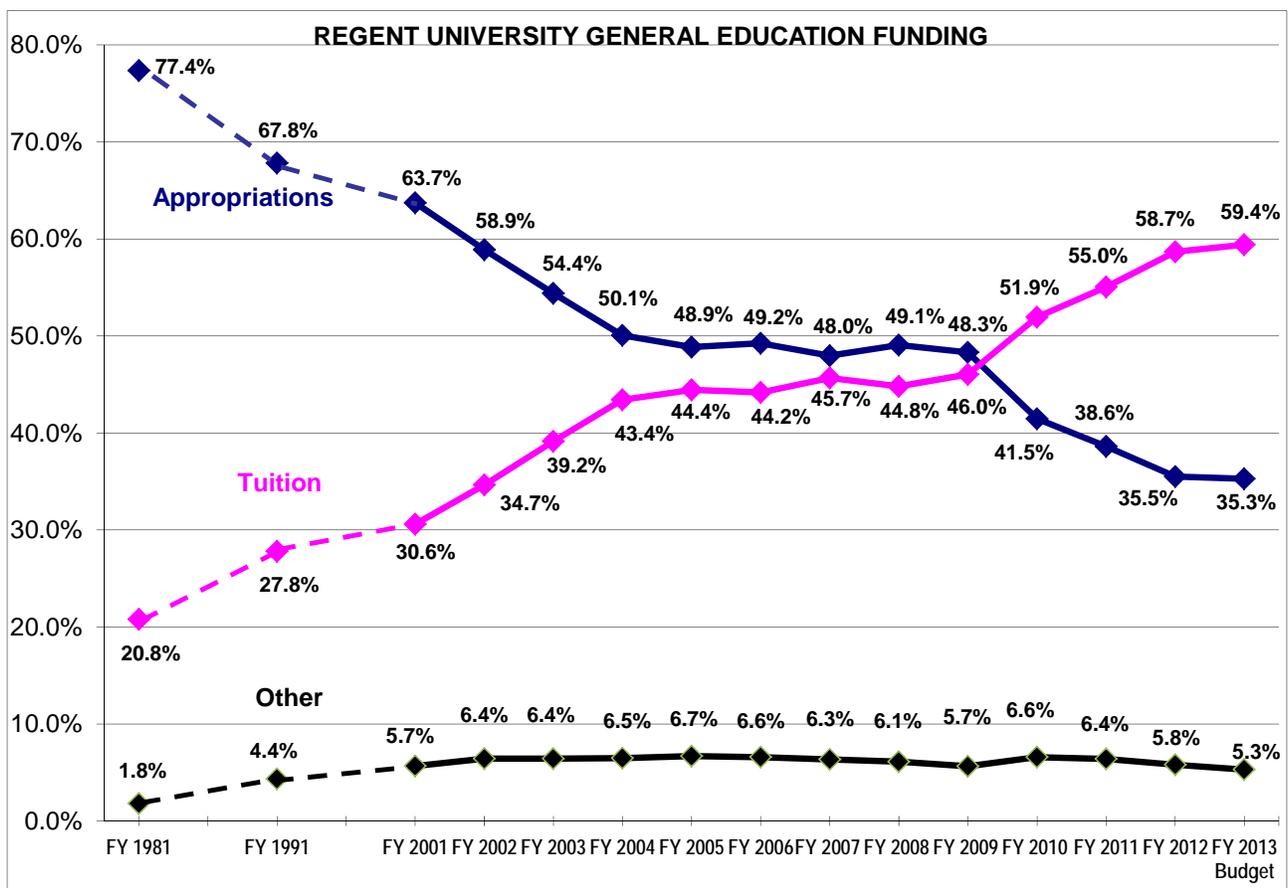
HIGHER EDUCATION OPERATING APPROPRIATIONS REQUEST \$483.2 M

The higher education request includes:

- Continuation of FY 2013 recurring appropriations of \$467.1 million
- Incremental funding increase of 2.6%, \$12.1 million, to support investment in the quality of education
- Strategic initiative for UNI - \$4,000,000/year through FY 2015

Restoration of \$12.1million in General Education funding returns Iowa's public universities to a level slightly below that of FY 2011, and still represents a cut of 21% from FY 2009 appropriation levels. It would result in a less than 1% increase in General Education revenues over the current budget.

State operating appropriations have historically provided the core operating funds for the Regent institutions. However, dynamic changes in state funding patterns significantly altered the proportion of revenue sources for higher education as seen in the chart below.



As Iowa's public universities strive to maintain quality and affordability, the Board of Regents set priorities through adoption of the Strategic Plan for 2010-2016, identifying goals, accountability measures, and targets to accomplish these priorities.

The higher education appropriations request incorporates the Regents commitment to affordability; student success; timely degree attainment, student outcomes assessment; diversity; and the quality of interdisciplinary education experiences for undergraduate and graduate education.

University of Iowa..... \$5,626,779

The University of Iowa is a comprehensive research institution that provides a broad range of high quality educational opportunities for citizens of the state of Iowa. The University offers more than 100 areas of study, as diverse as undergraduate programs in the humanities and graduate and professional programs in science and medicine.

Many of the University's academic programs receive national recognition as leading programs in their fields; examples are speech pathology/audiology, physical therapy, and social psychology. Thanks to the support provided to the University by the State, Iowans have access to expert faculty, state-of-the-art facilities, and world class educational programs at reasonable tuition rates (second lowest in the Big Ten).

The University of Iowa is proud of its role in preparing Iowa's students to succeed, and it is enormously grateful for the State's enabling support. Graduates of Iowa's programs make up a significant percentage of professionals working in Iowa's business and not-for-profit communities. There are, for example, SUI-trained physicians working in 88 Iowa counties; pharmacists in 94 counties; engineers in 91; dentists in 92; and nurses, lawyers, and educators in every one of Iowa's 99 counties.

SUI graduates bring to those communities an appreciation of the arts and sciences, an understanding of the global economy, a willingness to volunteer to support social and civic causes, an interest in the sustainability of natural resources, and a life-long commitment to learning.

Renewing The Iowa Promise, the University's strategic plan for 2010-16, provides a framework for accelerating advancement in strategically targeted areas while maintaining and contributing to the high quality in core missions and central programs, thereby strengthening the University's position as one of the leading public research universities in the country.

The plan identifies four complementary, mutually supporting areas in which to invest for accelerated advancement: Student Success, Knowledge and Practice, New Frontiers in the Arts, and Better Futures for Iowans. Incremental funds for FY 2014 will further advance these strategic priorities, while maintaining continued distinction in the core missions of teaching, research, and service.

- ❖ **Student Success** – Over the past decade, the University has invested in a series of support programs to help more students complete their academic programs in a timely manner and successfully find employment or continue on to advanced studies. As a result of these investments, the one-year retention rate increased from 82% to 86%, the four year graduation rate from 36% to 47%, and the six-year graduation rate from 64% to 71%. The percentage of undergraduates who either have a full-time job, will continue with their post-baccalaureate education, or are not seeking employment has increased from a low of 84% at the beginning of the current recession to 90% for the 2010-11 graduating class.

Adding to ongoing efforts to strengthen and scale up existing successful programs, the Office of the Provost will invest in several new initiatives to enhance undergraduate, graduate, and professional student success during FY 2013. These include:

- Increasing support for transfer students: This diverse and growing population receives modest institutional resources compared to new, first-time entering students, returning students, and graduate/professional students.
- Transforming the University's model for general education and large lecture courses: The new focus is on the active learning paradigm as supported by TILE (Transform, Interact, Learn, Engage) classrooms. One project will create a "TILE constellation course," a new model for a multidisciplinary, inquiry-based introductory course that will serve as a template for additional such courses in the future. Another project will work to convert one or more large, traditional lecture courses to a student-centered, hybrid delivery model supported by technology.
- Incorporating TILE modules in all rhetoric course sections to ensure a TILE experience for every undergraduate student early in his or her university career. The program incorporates instruction in TILE pedagogy for rhetoric instructors. A secondary objective is to produce a collection of collaborative, TILE-appropriate assignments for adaptation by future instructors in rhetoric and other departments, and to build a web-based archive of student projects resulting from these assignments.
- Expanding peer-assisted tutoring in "gateway courses" (to include more courses). This very successful supplemental instruction effort provides free peer-assisted tutoring to students taking selected critical "gateway courses." In addition to helping students succeed in some of the University's most rigorous courses, the program provides upper division students with valuable tutoring experience.
- Hiring graduate assistants to assist in debt counseling and budgeting. Graduate students with the right background will provide personalized, in-depth debt counseling and budgeting assistance for undergraduate students. While helping undergraduates make more informed and deliberate financial decisions, graduate students pursuing degrees in higher education will gain valuable experience working in financial aid.
- Helping students build future employability by creating a non-academic certificate student employees can earn through participation in a variety of campus workshops and activities focused on the transition from college to career.
- Helping undergraduate students better engage in the life of the University by creating a one-credit hour class that provides a structured environment in which to experience multidisciplinary events (lectures, performances, readings, etc.) across campus, and to explore the connections between those experiences and students' coursework.
- Creating centralized capabilities to help the University and its departments assess the outcomes of student success programs.
- Significantly expanding programming in the John Pappajohn Entrepreneurial Center, which offers nationally-ranked, comprehensive entrepreneurial education programs for Iowans and seeks to support the next generation of entrepreneurs and business leaders. This has the complementary function of extending business education to many non-business majors.

- ❖ **Knowledge and Practice** – Many of today’s most exciting and important research frontiers transcend traditional disciplinary boundaries. To maintain and strengthen research and creative excellence, we must facilitate multidisciplinary scholarship, instruction, and public service through the cluster hire initiative. A centerpiece of *Renewing the Iowa Promise*, the cluster hire initiative will bring 100 new tenured and tenure track faculty to campus to collaborate with existing faculty in multidisciplinary cluster areas focused on many of the “grand challenges” of the 21st century.

These pragmatic new hires are centered on internal reallocation. Half of the lines will be supported by incremental general education funding, and the rest matched by reallocated funds from the participating colleges. These efforts will enhance and promote existing or complementary areas of strength or promise in multidisciplinary research and creative work, instruction, and public service; address important scientific and/or societal challenges; and develop economic and cultural benefits for the people of Iowa and beyond. To date, the University has announced five clusters and allocated just over half of the 100 lines:

- Water Sustainability (10 lines dedicated, 8 hired)
- The Aging Mind and Brain (14 lines dedicated, 7 hired)
- Digital Public Humanities (7 lines dedicated, 6 hires)
- Obesity (10 lines dedicated, 4 hired)
- Genetics (10 lines dedicated, 1 hired)

The Office of the Provost is reviewing the next round of proposals and will soon announce the newest cluster area(s).

- ❖ **New Frontiers in the Arts** –The rebuilding of the arts facilities in the wake of the flood presents a singular opportunity to strengthen the connections among outstanding arts programs, to enhance learning and to inspire creative work. Experiences in the performing and visual arts are among the University’s major attractions for undergraduates, even if their majors are elsewhere. There are almost 6,500 annual course enrollments in the School of Music and more than 5,500 in the School of Art and Art History.
- ❖ **Better Futures for Iowans** – The University is committed to creating better futures for Iowans by extending the reach of its missions throughout the state. Investments in expanding public engagement allow the university to contribute more fully to economic and cultural vitality and to the health and quality of life of the people of Iowa.

An important focus of engagement efforts is helping place-bound Iowans achieve their educational aspirations. To this end the University is working to establish degree completion programs with all 15 Iowa community colleges (13 agreements to date), and launching a new online BBA program that brings the resources of the Tippie College of Business to place-bound students (online students can earn a BBA in management with a concentration in the entrepreneurial management track).

This year alone the University is investing in 13 new outreach and engagement initiatives, with more to be done. Some of this year's investments are:

- The College of Dentistry will expand Continuing Dental Education offerings throughout the state, including both distance and in-person opportunities.
- The Carver College of Medicine will expand the FUTURE (Fostering Undergraduate Talent - Uniting Research and Education) in Biomedicine Program. By making SUI human and physical resources available to faculty fellows and talented undergraduates from colleges across Iowa that do not offer doctoral programs, FUTURE is helping to build a statewide network of highly motivated scientist-educators in biomedical fields.
- The School of Library and Information Science will implement on permanent and self-sustaining program offering MA degrees to Iowa teachers who wish to become school librarians. The program, offered via distance education, addresses a severe shortage of qualified school librarians in Iowa, especially in rural areas.
- The School of Urban and Regional Planning, which administers the highly successful Iowa Initiative for Sustainable Communities (IISC), will work with its current partner city of Dubuque; the Colleges of Education, Public Health, and Law; the School of Art and Art History; and others to create a model that will allow the IISC to serve additional Iowa communities in 2013 and beyond. The IISC pairs graduate students with community partners to identify, design, and implement sustainability-focused planning projects.
- The College of Liberal Arts and Sciences' Frank N. Magid Undergraduate Writing Center will conduct a two-year collaborative community outreach pilot program, in partnership with the Iowa Youth Writing Project (IYWP), to bring literacy and language arts programs to youth across the state (including some of the state's most at-risk students).
- The Iowa Center for Assistive Technology Education and Research (ICATER) will create, coordinate, and disseminate via distance education development opportunities for professionals who work with people with disabilities.
- The Departments of Spanish and Portuguese and Communication Sciences and Disorders, College of Liberal Arts and Science (CLAS) will incorporate the latest research on bilingual language acquisition into active educational community outreach to serve Spanish-speaking Iowans.
- The Pentacrest Museums will partner with the Office of the State Archaeologist, the UI Paleontology Repository, and others to create three inter-related on- and off-campus "Doorways to Discovery" engagement programs.
- The SUI Belin-Blank Center for Gifted Education, along with the Department of Teaching and Learning in the College of Education and the Division of World Languages in CLAS, will create new online and on-site outreach initiatives to increase Iowa high school students' access to (and success with) language and culture skills that prepare them to be competitive in an international, 21st century economy.
- Arts Share, UI's outstanding arts outreach organization, brings creative resources from the Division of Performing Arts, the School of Art and Art History, and the Writer's Workshop to K-12 schools, colleges, and a wide variety of community organizations. It will continue to work toward providing access to life-enriching arts experiences for all demographic groups in each of the state's 99 counties.

The University of Iowa expects to serve more Iowans at all levels during FY 2014, while also improving the quality of the educational experience and career prospects. This will require sustaining state support as well as reallocations between programs, and continued savings through technology and innovation.

Iowa State University \$4,409,011

Iowa State has a long history of providing a superb experience for its students and graduating students who are creative, technologically adept, and culturally informed for success in the future. Overall enrollments have been strong, and the science-based curricula in engineering, agriculture and life sciences, and human sciences have been especially appealing to incoming students and their families.

Incremental funds will be used to strengthen undergraduate, graduate, and professional programs with emphasis on student success, research discoveries that can be translated to the marketplace, and outreach across the state to strengthen communities.

- ❖ **Nationally Recognized for Value** – More Iowans are educated at Iowa State University than at any other college or university in the country. Last year, Iowa State University was ranked among 50 public colleges nationwide, and as the only public school in Iowa in Princeton Review's *Best Value Colleges*. ISU was named in the 2012 Fiske Guide to Colleges as one of the top-20 public universities in the nation for highly-rated academic programs, affordability, and a high-quality of student life on campus.
- ❖ **More Students and Families Served** – Total enrollment increased nearly 16% from 2007 to 2011, half of that growth occurring in the past two years. Enrollment this year is expected to set another record and exceed 31,000 students.
 - Engineering undergraduate enrollment increased by 18% in the last two years, with the largest growth occurring in biological systems engineering, software engineering, and electrical engineering. ISU offers one of the largest engineering programs in the United States.
 - Undergraduate enrollment in agriculture and life sciences increased by more than 16% in the last two years, primarily in global resource systems, nutritional science, and biology—areas key to Iowa's future as a leader in biosciences.
 - ISU's hospitality management program, ranked 10th nationally, serves Iowa's \$6.4B hospitality industry. Enrollment has more than doubled in the last two years.

The ISU "brand" encompasses not only learning in the classroom, laboratory and studio – but also hands-on projects, extra-curricular activities, industrial internships, and study abroad. Maintaining and building that brand at a time of rapidly increasing enrollment is a top institutional priority.

- ❖ **Students succeed with an ISU education** – Over 90,000 ISU alumni live and work in Iowa. More than 93% of FY 2011 graduates are currently employed or are seeking higher levels of education. Of those recently graduated students who are now employed, nearly 60% remained in Iowa. 68% of Iowa resident students remained in Iowa after graduation, and more than 25% of non-residents choose to live in Iowa.
 - 70% of the FY 2011 graduates from the College of Human Sciences accepted jobs in Iowa. ISU alumni work as teachers in 98% of the Iowa's school districts, and in nearly 80% of the state's public and non-public K-12 schools. Two-thirds of the top tier administrators at Iowa community colleges completed their leadership program or earned a degree from Iowa State, including 15 presidents, 78 vice-presidents/provosts, and 74 deans.
 - Graduates of ISU's College of Veterinary Medicine comprise nearly 80% of the state's practicing veterinarians.
 - 98% of ISU's agriculture and life sciences students are employed soon after graduation, and 75% start their careers in Iowa.
 - Six out of 10 licensed architects in the State of Iowa are ISU graduates.
 - Over 12,000 ISU-educated engineers live in Iowa. 95% of engineering graduates have found employment, gone on to further their education or entered military service within six months of graduation.

- ❖ **Entrepreneurship** – Iowa State University prepares students to create their own job and jobs for others – and those students deliver. One out of four ISU undergraduates founded a business at some point in their careers, and 72% have located their business in Iowa or a nearby state. One example is WebFilings, a fast-growing and successful tech startup founded by ISU alumni and located in Ames. ISU's minor in entrepreneurial studies is a formal academic program that prepares students to be leaders and innovators.
 - ISU's Agricultural Entrepreneurship Initiative provides opportunities for students to learn how to start a new business and advance science and technology. A group of students won first place in the National Agri-Marketing Association's Student Marketing Team competition last spring.
 - The entrepreneurship course offered through the College of Human Sciences educates students and provides experiences in new business start-ups, consulting/make-over for an existing business, and sustainable business practices.
 - The new Biobased Foundry, a joint venture of ISU's Bioeconomy Institute and the Center for Biorenewable Chemicals, will nurture and establish local biobased startup companies and stimulate the next wave of Iowa's biobased economy.
- ❖ **Working with Businesses and Non-profits** – Iowa companies and non-profits are engaged on ISU's campus in public-private partnership, benefiting their operations and providing students with practical learning experiences.
 - In the College of Business, all MBA students complete a project that assists a company or non-profit with a business problem. Engaging Iowa business leaders, students have worked with: Con-Agra and Ruan to reduce costs in plants and individual assembly lines, and improved farm operations and product delivery; Heartland Senior Services to improve the efficiency of home-delivered meal service program; and Mosaic in North Central Iowa to help provide employment opportunities for clients.
 - In the College of Design, students from multiple disciplines come together to solve community problems such as developing modular prototype single-family homes for rapid construction in Cedar Rapids after the 2008 flood. Student teams also provided designs for the Cultivate Hope urban farm in Cedar Rapids which increased access to fresh fruits and vegetables for the Northwest Neighborhood and local foods in the public schools.
 - Students serving internships in Human Development and Family Studies provided nearly 42,000 hours of service at 67 non-profit organizations and state agencies in FY 2012.
 - Engineering students working in partnership with the Center for Industrial Research and Service completed 33 projects for 22 Iowa companies last year generating a reported economic impact of \$10M for those companies.
 - Co-curricular learning programs benefit the State and prepare students for their futures in Iowa. The ISU student chapter of Associated General Contractors was chosen an outstanding Story County Youth Volunteer group; that group provided 5,000 hours of community service. A dietetics student created a cookbook specifically designed for children undergoing cancer treatment. Cy-Serve, a service day organized by ISU student organizations, had 200 volunteers participating last year in service projects at State Forest Nursery, Habitat for Humanity, ACCESS, the Iowa Arboretum, Raising Readers, Heartland Family Services and Campustown Action Association

To continue serving the State of Iowa as a destination of choice for education, ISU must maintain faculty/student ratios, strengthen student success services such as learning communities and academic advisors, improve classrooms through instructional technology that support the increasing use of online instruction and hybrid learning, and enhance tutoring and specialized learning support. Examples of areas that will be strengthened through additional appropriations include:

- Faculty hiring to provide instruction in majors and courses of high student demand, and to conduct research in such signature areas as biosciences, value added agriculture, advanced manufacturing, and information technology.
- Enhanced instructional spaces to support team-based and collaborative learning across disciplines.
- Improved student financial literacy, so that students can succeed in making sound financial decisions during their education and in the future beyond graduation
- Expanded utilization of learning analytics to enable faculty and academic advisors to efficiently monitor student progress in coursework and labs – allowing for early intervention when difficulties arise.

University of Northern Iowa \$2,108,960

The University of Northern Iowa’s mission is to provide transformative learning experiences that inspire students to embrace challenge, engage in critical inquiry and creative thought, and contribute to society. At UNI, the focus is on educating Iowans who tend to stay in Iowa to work and live. New funding will be used to improve the university’s ability to educate students to meet Iowa’s workforce and economic development needs.

❖ **Lead the nation in pre K-12 education** – UNI is leading transformational education changes for pre K-12 education. With additional funding, the institution will continue to direct support to the teacher education program to prepare future teachers. Approximately 11,200 of the teachers in Iowa are UNI alumni and over 500 teachers graduate annually. Also, over 25% of the school administrators in Iowa are UNI graduates.

Significant changes in teacher education program will go into effect fall of 2012. Field experiences for teacher education students and partnerships with mentor teachers will be greatly enhanced by placing experienced university faculty in area schools to work directly with the students in their field experiences classroom setting. Investment in this nationally known program will be enhanced.

The College of Education will also expand the highly successful Professional Development School (PDS) model. In this model, university faculty provide course instruction to university students within an area school classroom. This embedded model of instruction provides direct application to a specific class of students, working in conjunction with the classroom teacher. This model provides a continuum of instruction throughout induction and offers professional development for classroom teachers throughout their careers.

Investment in the College of Education will strengthen the experiences provided to pre-service teachers, strengthen UNI’s role as a professional development resource for educators across the state in the areas of technology-rich learning environments, developmental (physical, social, ability) competency, assessment processes and use of data in instruction, early childhood education, education policy and ethics, elementary science, cultural competency and early literacy acquisition.

Distinguished faculty will be recruited to launch the Iowa Research & Development Center for Education Innovation. This new model will capitalize on the breadth of university disciplinary expertise from across campus, the state, the U.S. and internationally. The model will have a clearinghouse for education innovation, conduct transformational research, and be an asset to Iowa in providing leadership in educational practices.

The new Research & Development model will address a broad range of issues with more robust results by having flexibility in terms of resources applied to a project. It is envisioned that faculty from several universities and education experts would be engaged as needed based on a research project. This new model will also support statewide outreach to teachers, faculty and teacher professional development, and enable UNI education experts to showcase best practices and transformative research.

Implementation of the education reform package approved in Spring 2012 requires the establishment of new testing standards for teacher preparation programs, additional weeks of students teaching, and work on a number of several statewide task forces. Implementation of mandatory changes will require additional financial resources.

- ❖ **Enhance undergraduate education and student success** – Goal One in UNI’s strategic plan is to be a leading undergraduate public university that provides a strong liberal arts foundation. Goal Five speaks to the need to enhance the economic, social, cultural and sustainable development of the state. These goals are important because 74% of UNI graduates within the past decade remain in the state and contribute to Iowa’s workforce.

To strengthen UNI graduates, funding is needed to hire additional faculty in selected areas and provide support for professional development. UNI will intensify efforts for student success including improving time to graduation. The primary goal is to hire faculty in strategically-selected programs to support STEM initiatives and programs that address the workforce needs of Iowa. Emphasis in recruiting a diverse faculty will be a priority.

The report "Iowa's Career and Education Outlook 2008-2018" (Iowa Work Force Development, December 2011) identifies Iowa's Fastest Growing Occupations with a bachelor's degree or higher, as well as Iowa's Occupations with the Most Openings. UNI's academic offerings fit very well into both categories of job areas. UNI offers degrees in two of the top four fastest growing occupations: Network Systems and Data Communications Analysis and in Personal Financial Advisors. The top four occupations with the most openings similarly reflect UNI's strengths: Elementary School Teachers, Secondary School Teachers, Accountants and Auditors, and Middle School Teachers. UNI also has a significant role to play in meeting the Iowa Department of Education's list of Iowa Teacher Shortage Areas: Special Education, Science, Mathematics, Music, and Guidance Counselors among others.

UNI also seeks to provide professional development support to enhance teaching excellence. Faculty will:

- Pursue curricular change to ensure rigor and relevance;
- Increase the delivery of on-line and distance education courses;
- Use technology to increase effectiveness of face-to-face classroom learning and connect students with global information resources, and
- Develop strategies to address diverse learners and learning styles

UNI strives to improve retention rates and reduce time to degree for all students by making investments in academic support staff and other student services including tutoring, peer mentoring and technologically-based systems that improve student placement and tracking of progress. These efforts are crucial to continued success. One exciting initiative is *Cornerstone*, a year-long course for first year students. Although the program is new, the data indicate an increase in first-year retention for students who enrolled last year. This year, UNI will double the number of sections offered. The success of UNI's students translates into success for the state of Iowa by providing a well-educated citizenry and work force.

Strategic Initiatives Request - University of Northern Iowa \$12,000,000
(\$4,000,000 per year/3 years; second year request)

As provided with last year's request and to the Board of Regents, an analysis of FY 2011 appropriations compared appropriations and enrollment data per Regent institution. The report highlighted the impact of appropriation funding at the University of Northern Iowa in serving a student population comprised primarily of Iowa residents. Based on UNI Fall 2011 enrollment, 90% were resident students, which is the highest proportion of the Regent universities.

UNI remained committed to making decisions strategically. Using both internal reallocations along with the first of three requests for a special appropriation, UNI made strategic investments which continue to serve the State of Iowa. Academic programs were enhanced including development of research and development initiative in education, strengthen teaching and learning, boost veteran services, and enhance safety and security for students. In addition, information technology infrastructure was bolstered to ensure UNI students are able to access the best practices in learning opportunities.

It is also important to note that the University's focus on serving Iowa's students benefits the state as the vast majority remain in Iowa and serve Iowa's needs (See Attachment A). This is true of all alumni, but is most notable in the last 10 years when nearly three-quarters of those who graduated in that time frame reside in and contribute to the state of Iowa.

The cumulative effect of recent successive budget reductions resulted in a widening shortfall of funds. UNI's high dependence on state appropriations for its general fund budget (49% vs 33.5% at SUI and ISU) has a disproportionate impact when reductions occur. Therefore this request seeks to continue the special appropriation of \$12 million to be added to the University's base budget; increased incrementally by \$4,000,000 per year for FY 2013, 2014, and 2015.

For this coming year (FY 2014), the special appropriation will be used to invest in programs that are focused on serving emerging needs for the State of Iowa and programs in demand by UNI students.

INSTITUTIONAL FINANCIAL AID **TBD**

The Board of Regents will consider changes to institutional financial aid that will include requesting state funds for this purpose. Upon Board approval, this amount will be included in the State appropriations request.

HIGHER EDUCATION LEGISLATIVE SPECIAL PURPOSE APPROPRIATIONS REQUEST **\$85.7M**

Education is only one "product" of the Regent public universities. These universities are a complex bundle of enterprises, each with a unique mission and funding sources. The Special Purpose appropriations request includes:

- Continuation of FY 2013 recurring appropriations of \$68.1 million
- Incremental funding of 2.6% (\$1.47 million) to support units outlined below
- \$865,199 for the State Hygienic Laboratory
- \$762,364 to achieve legislative intent to fund \$4M for ISU's Veterinary Diagnostic Laboratory
- STEM funding
- New Strategic Initiatives of \$14.5M for Bioeconomy and Entrepreneurship

These appropriations are for specific programs at each institution which provide statewide services.

- ❖ **SUI – OAKDALE RESEARCH CAMPUS** \$218,249
For FY 2013, the University of Iowa received \$8.4M of state funding to support eleven unique programs. Due to prior years' appropriations reductions and strategic realignment of support, the University is requesting for FY 2014 an incremental increase of \$218,249 for the Oakdale Campus only.

The Oakdale Campus of the University of Iowa supports a variety of academic, research and service functions. For example, the buildings on this campus support laboratory research functions, painting studios for the School of Art and Art History, the Technology Innovation Center, the State Hygienic Laboratory and a variety of other activities.

The appropriation for this unit partially funds the operations and maintenance costs of the campus space. The appropriation has declined from \$2.9M to \$2.2M over the last ten years despite a 20% increase in Operating and Maintenance costs(O&M). The University cannot continue to absorb these costs without additional state support for Oakdale. The University has invested capital in innovative and energy saving utilities for the Oakdale Campus to reduce O&M costs, but this is insufficient support without state investments to maintain this vital campus.

- ❖ **ISU – AGRICULTURE EXPERIMENT STATION** \$730,909
Incremental funds are requested. Agricultural sciences are poised to drive economic growth and job creation to new heights in Iowa and surrounding north-central states. Agricultural sciences represent fields that generate widespread innovations, technologies and solutions to real-world needs in food security, human health, economic development and environmental sustainability. The north-central region's world-leading agricultural productivity coupled with world-class university-based agricultural experiment stations and extension services are the essential assets to drive progress. Recent progress includes the following:

- ISU scientists made a genetic breakthrough in deciphering how a certain parasite attacks plants, opening up new solutions to mitigate the \$1B impact on Iowa's number-one-in-the-nation soybean crop and an estimated \$125B problem for food crops worldwide.
- In collaboration with DuPont, ISU scientists are making significant technological advances in bringing the cellulosic ethanol industry closer to commercialization, with potential for reducing the nation's reliance on fossil fuels. ISU is providing key knowledge on the sustainable harvest, transport and storage of corn stover for conversion to biofuel, with the biomass produced to be used for DuPont's cellulosic biorefinery being built near Nevada, Iowa.
- ISU scientists also developed a new test to identify swine that shed the least amount of salmonella into the environment, a step toward genetic selection of healthier animals to improve safety of food products—not only with pork, but with vegetables and other crops for which swine manure is used as fertilizer.

Additional funding will support areas of research and development important to Iowa's agriculture production and processing industries, including:

- Processing raw materials in Iowa to produce high-value consumer and biobased products, as well as food, feed and fuel
- Food product quality and farm-to-table food safety
- Feed efficiency, availability and utilization
- Genetics and functional genomics
- Nutrient management (manure, commercial fertilizer)
- Water quality, availability and usage, and soil conservation and management
- Animal behavior and well-being

Experiment Station scientists also mentor students in cutting-edge research, helping prepare a pipeline vital to Iowa's future - prepared and entrepreneurial graduates ready to take advantage of expanding opportunities for employers in agriculture and life sciences.

❖ **ISU – COOPERATIVE EXTENSION SERVICES..... \$466,355**

Incremental funds are requested. Working with colleges and other campus partners in research and economic development, extension addresses challenges associated with Iowa’s ability to form new businesses, grow existing industry, expand communities, and transplant companies to the state. The following vignettes show ways that Extension and Outreach advances Iowa as place to live, learn, and work:

- Six years ago, West Liberty Economic Area Development created a partnership with ISU Extension and Outreach to create economic development in rural communities to keep downtown storefronts filled and makes sure they are appealing to business owners who want to locate in town. Working with extension, the community created a downtown park, retained at least one business, developed retail outlets for a major community employer, and started a local business.
- A community economic development specialist working with the City of Fairfield on sustainability issues involved many community stakeholders - from high school students to citizen leaders. High school students weatherized older homes, while community leaders worked on policy issues to expand their energy portfolio and meet local energy needs.
- Surveys by ISU Extension and Outreach of businesses and economic developers over the past five years have shown that each dollar of state funding often generates nearly \$100 of economic impact in Iowa. Extension and Outreach economic development work has also generated over a dollar of additional federal funds and fees for each dollar of state investment. This new investment of state funds may leverage an additional \$500,000 of federal funds and fees to support additional economic development programming. The potential exists to create an additional \$40 million of economic impact in the state of Iowa.

New funds will be used to add staff and support existing staff to work with businesses and communities in Iowa. Efforts will focus on workforce creation (STEM education, internships, etc.), workforce development, technical assistance, and public-space activities. Emphasis will be placed on the three state focus industries of biosciences, advanced manufacturing, and information technology.

❖ **ISU - LEOPOLD CENTER..... \$10,333**

Incremental funds are requested for the Leopold Center, established to conduct research to identify and reduce environmental problems in agriculture. The Leopold Center will use additional funds for research and extension to enhance the sustainability of Iowa’s agriculture and the agricultural economy. Specifically, additional funds would be targeted to research related to nutrient management, water conservation, water quality, soil conservation and in marketing and food systems that meet Iowa-grown food aims in the Iowa Local Food and Farm Initiative.

❖ **ISU – LIVESTOCK DISEASE RESEARCH..... \$4,494**

Incremental funds are requested for the Iowa Livestock Health Advisory Council (ILHAC) which was created to strengthen Iowa’s animal agriculture by strengthening the livestock disease research program in the state. Funds from this special appropriation provide seed money for research projects, with priority given to those projects with significant potential for economic benefit for the livestock industry. Recently funded projects include: studying methicillin-resistant staphylococcus aureus (MRSA) in pigs, e-coli in poultry, lameness in cattle and mastitis in dairy cattle and viruses in lambs. Other projects include a dual-purpose challenge model study of infectious bovine Keratoconjunctivis and a novel vaccine for the prevention of laying hen peritonitis. Additional funding will allow more animal disease research projects to be funded in areas of highest importance to livestock producers.

- ❖ **ISU – VETERINARY DIAGNOSTIC LABORATORY**..... \$762,364
Strategic initiative funds are requested to complete the legislative intent of establishing a \$4M appropriation to support the state-wide mission and services of the Veterinary Diagnostic Laboratory, Iowa’s only public veterinary diagnostic laboratory. Accredited by the American Association of Veterinary Laboratory Diagnosticians, the Lab processes 40,000-50,000 cases from livestock producers across the country and conducts about 1 million tests each year. The timely, comprehensive, high-quality diagnosis for diseases and toxicoses are critical to serving the state’s livestock industry.

- ❖ **UNI – REAL ESTATE EDUCATION**..... \$3,258
Incremental funds are requested. This program is the only real estate program in the state leading to a bachelor’s degree. Program graduates have a strong impact in the real estate industry in Iowa, supporting not only their individual organizations, but their communities as well. The real estate industry is a key component of economic development in both rural and urban communities in Iowa, and graduates play a significant role as lenders, brokers, developers, appraisers, property managers and attorneys.

- ❖ **UNI – RECYCLING AND REUSE TECHNOLOGY TRANSFER CENTER**..... \$4,557
Incremental funds are requested. The RRTTC supports applied sustainability research that has resulted in community outreach, patent applications and support for green business enterprises. Through the RRTTC’s project reports, articles and outreach to business, industry, communities and citizens, the Center reaches several thousand individuals each year. Support is also provided for approximately 10 student interns each year on projects concerning sustainability, recycling, solid waste management and its influence on health and water quality, and other related issues. These hands-on experiences allow students to explore environmental challenges and issues important to the future of Iowa. As a result of targeted budget reductions in recent years, the current funding level allows the center to respond to only about 20% of its annual to bi-annual calls for research proposals, and outreach activities have been limited.

- ❖ **BOARD OF REGENTS OFFICE**..... \$27,690
Incremental funds are requested. Under the guidance of the Board’s Executive Director, the Office provides staff support to the Board by reviewing, analyzing, and initiating policy recommendations on all matters brought before the Board. Staff represents the interests of the Board and Regent institutions to the Governor, Legislature, governmental agencies, other organizations, and the general public.

- ❖ **REGIONAL STUDY CENTERS**..... \$7,380
Incremental funds are requested. The regional study centers serve residents of Iowa who are geographically distant from the Regent campuses. The study centers include the Quad-Cities Graduate Study Center in the southeastern part of the state, the Tri-State Graduate Studies Center in the northwest part of the state, and the Southwest Iowa Regents Resource Center in the southwest part of the state.

- Strategic Initiatives Request – State Hygienic Laboratory**..... \$865,199
Newly constructed in 2010, Iowa’s State Hygienic Laboratory (SHL) remains an important asset to all Iowans. However, due to the serious reductions in state appropriations over the past 5 years (14.8% total), the laboratory is now seriously challenged in its ability to sustain statutorily required laboratory testing programs in support of the public health and environmental work done by state and local agencies. Additionally, the SHL’s ability to maintain its capacity has been further eroded by reductions in federal, state and local funding for associated environmental and health testing. The cumulative effect of these reductions has reached a crisis point from an operations perspective.

To meet current state and federally recognized responsibilities, SHL must maintain a broad base of core capacities including sufficient and proficient staff, technologically advanced instruments and advanced testing capabilities. There is an increasingly real concern about the SHL's ability to serve Iowans as part of the national Laboratory Response System for the detection of and response to any disease outbreak, foodborne emergency, radiation exposure, or any episode of human and environmental biological and chemical terrorism or contamination. Without additional state funding the SHL will be forced to make exceptionally difficult strategic reductions in many critical laboratory testing services as well as other programs to continue to assure that Iowans in all parts of the state have access to essential laboratory services.

In addition to concerns about new threats to health and welfare, demands placed on the laboratory to provide 24/7 courier response services to all clinical laboratories in the state, unrecoverable costs associated with performing an agreed upon select new group of infectious disease tests having "public health significance" and increased costs associated with the move of water quality testing to the Board of Regents Lakeside campus have added major budgetary pressures over and above inflation and random changes in testing.

Programs specifically at risk include:

Courier System: Implemented in 2009 in response to the CDC Emergency Response Agreement's requirement to implement a statewide system to provide 24/7/365 access to laboratory testing, the courier system is essential to assuring timely sample delivery to the Coralville and Ankeny laboratories from any location in the state. Clinical laboratories throughout the state have cited this as the #1 service improvement provided by the laboratory. The cost of the courier (\$1.2M) is currently paid from Newborn Screening fees and the CDC Public Health Emergency Preparedness grant. As has been recognized in prior requests, continuing federal reductions threaten the scope and possibly the sustainability of this service.

Lakeside Laboratory: In 2009, SHL was requested by University leaders and constituents in Northwest Iowa to improve support for water testing in that region and provided staff to operate the Bovbjerg Water Chemistry Lab at the Board of Regents Lakeside facility. Since its establishment, this SHL satellite laboratory has obtained certification by the State of Iowa and the EPA to perform tests on drinking water, waste water, and surface water for public and private clients. Although the laboratory provides an essential and valued service to northwest Iowa, its operation is currently underwritten by the SHL's general state appropriation.

Underwriting of IDNR programs: As a state agency partner, the SHL has traditionally provided pricing discounts to the Iowa Department of Natural Resources (IDNR). In FY 2011, this discount equaled \$915,000 of unbilled charges to IDNR. Without an appropriation increase, IDNR will be notified that support for their testing programs will be reduced.

Underwriting of tests of public health significance: With the approval of the State Board of Health and the Board of Regents, a select group of infectious disease tests have been identified as tests of "public health significance". This agreement covers tests that have been determined essential for population health surveillance and outbreak detection and management; the client is not billed ensure there are no financial barriers to individuals being tested for infectious diseases. These are considered to be a portion of state appropriation costs. In FY 2012, these tests added up to \$557,600 of unbilled charges.

Support for Research and Education: Over the last five years, efforts have been made to better align the lab with the academic missions in teaching and research. This includes engagement in STEM development, as well as partnerships between new and senior researchers. Additionally, external fundraising efforts to complete the unfinished space in the new Coralville facility may be sacrificed due to an inability to provide matching funds.

The University of Iowa, on behalf of the State Hygienic Laboratory, is requesting a state appropriation of \$4,401,916 which represents an \$865,199 (24.5%) increase over the current year appropriation of \$3,536,717. This increase would give a core funding level for the lab and continue to ensure that Iowans are provided early alerts to disease outbreaks of any kind, a critical component of assuring a healthy state.

The current state appropriation of \$3.5M represents a real reduction in state support for the lab's statutory responsibilities to its lowest level since 1997. Failure to restore these funds will inevitably result in reduction of services and personnel as SHL continues to cope with expanded demands and diminished revenue streams.

STRATEGIC INITIATIVES

GOVERNOR'S STEM ADVISORY COUNCIL INITIATIVE..... \$4,700,000

Since FY 2009, the universities have worked as a team to implement the STEM initiative. This effort has grown to become the Governor's STEM Advisory Council as managed by the Iowa Mathematics and Science Education Partnership (IMSEP). The request is for continued funding at the current level.

- ❖ **The Importance of STEM to Iowa** – STEM workers drive our nation's innovation and competitiveness by generating new ideas, new companies and new industries. Over the past 10 years, STEM jobs grew three times as fast as growth in non-STEM jobs.

The STEM workforce will remain central to our economic vitality well into the future, contributing to innovation, technological growth, and economic development. Maintaining U.S. scientific and technological leadership is essential to the future of our country. However, the United States is facing a critical talent gap in science, technology, engineering and math, and is not keeping pace with foreign competition. Iowa's economy is anchored to STEM-based industry sectors including advanced manufacturing, information technology, and bioscience which depend on a steady supply of talent. Growth in Iowa's STEM workforce is projected to be 16 % by 2018.

- ❖ **Iowa's STEM Challenge** – STEM jobs require post-secondary training, but Iowa ranks below the national average in percent of community college and university enrollees majoring in STEM (12% vs a national average of 15%).

According to ACT[®], 52% of Iowa's 2011 graduating seniors tested college ready in mathematics; 40% in science. Just 11% of all ACT-takers were ready for and interested in STEM. Among Iowa's 8th graders, 34% scored proficient on the math test of the 2009 National Assessment of Educational Progress; 35% on the science component.

During the period 1992 to 2011, Iowa showed the least growth in student achievement scores in math, reading and science of 41 states participating in the National Assessment of Educational Progress (NAEP). Almost half of all Iowa 8th graders report that they "never or hardly ever" write reports on science projects. More than one-third report they "never or hardly ever" design a science experiment. Iowa's rapidly diversifying student population has profound implications for the STEM career pipeline. Ethnic and racial minorities account for 93% of the state's population growth since 2000, but minorities are statistically about half as interested in STEM post-secondary study.

- ❖ **Governor's STEM Advisory Council** – Governor Branstad's Executive Order 74 created the Governor's STEM Advisory Council. The council's overarching goal is to boost student interest and achievement in science, technology, engineering and math (STEM), so our young people have more career opportunities and our state's economy is more robust. Co-chaired by Lieutenant Governor Kim Reynolds and University of Northern Iowa President Ben Allen, the Board includes 38 dedicated leaders from across the state representing Iowa's education, business and non-profit sectors, as well as legislators, state agency directors and national STEM experts. Operations of the Council are managed by the *Iowa Math & Science Education Partnership*. Action planning on eight strategic interests drive the Council:
 - Student interest and achievement in STEM;
 - STEM policy;
 - STEM teacher recruitment and preparation;
 - Technology-enhanced instruction for global learning;
 - STEM for all – the highly-abled, under-represented, nontraditional;
 - STEM learner readiness for post-secondary education and career;
 - Public/private partnerships and mapping STEM to economic development; and
 - Public awareness of the importance of STEM for the economy and society.
- ❖ **Iowa's STEM Network** – Created by the Council to deliver quality, coordinated STEM solutions to all Iowans, a statewide regional network has been established. Built to meet local needs, each region is overseen by a competitively awarded hub institution cost-sharing the support of a regional manager. Managers are advised by six separate Advisory Boards consisting of representatives of K-12 schools, AEAs, county extension, community colleges, public and private universities, informal science centers, nonprofits, youth agencies, regional companies, workforce and economic development, and local government. All activities of regional managers and their boards are overseen by the Council. An early focus for the Regional Networks is to roll out the Council's *Scale-Up initiative*. Applications were solicited from across Iowa of programs proven to increase student interest and achievement in STEM. Twelve were selected by an expert review panel for expanding throughout all regions of the state. Each year, the array of eligible programs may change based on performance and other monitored indicators.
- ❖ **Simultaneous Long-term SYSTEMIC SYSTEM REFORM** – Accompanying Iowa's rapid roll-out of exemplary programming through scale-up are the recommendations of action plan working groups of the Council. Sustainable success involves supportive policies, school cultures of innovation, modernized teacher preparatory pathways, stronger public-private partnerships, a more inclusive talent pipeline, strong public buy-in, and more. Specific recommendations for the next 3 to 5 years have emerged from the Governor's STEM Council which constitute a strategic agenda. These actions are part of the role and responsibility of each regional manager.

Measures of Success – An evaluative partnership of Iowa's three public universities – the Center for Social and Behavioral Research at UNI, the Research Institute for Studies in Education at ISU, and Iowa Testing at SUI – collaboratively monitor Iowa's STEM condition on behalf of the Governor's STEM Advisory Council. A system of more than 20 STEM Indicators in concert with annual attitudinal assessments by Iowa Testing provide the Council with robust feedback.

ISU - LEADING THE BIOECONOMY \$7,500,000

We live in a petroleum economy, which derives most of its energy and a substantial portion of its manufactured products from petroleum and other fossil fuels. The agricultural sector and the food processing industry, so important to Iowa's economy, are highly sensitive to the price of petroleum. The United States and many other nations of the world are struggling to find alternative bases for their economies in the hope of reducing chronic imbalances of trade and improving national security. Iowa's natural resources deployed for advancing agriculture and manufacturing offers a bioeconomy as an alternative to the petroleum economy.

A bioeconomy provides sustainable sources of food, fuel, and manufactured products to society through agriculture. Advances in the biosciences and engineering facilitate higher yielding crops; reduce inputs for production of beef, dairy, poultry, eggs, and pork; enables the sustainable manufacturing of biorenewable chemicals; develops materials and finished products; develops advanced drop-in biofuels; and develops more efficient uses of energy.

The goal of this initiative is to secure national leadership in the emerging bioeconomy by anticipating, before others, the rapidly changing landscape of this field. Political pressure for science to show more commercial impact, along with contracting budgets at federal research agencies, will shift research towards projects that develop fundamental discoveries into practical technologies. Iowa State University, with strengths in agriculture, engineering and science, and its world-class laboratories and pilot-scale research facilities, is well positioned for this kind of translational research.

PROPOSED ANNUAL STATE INVESTMENTS AND HOW THEY ARE LEVERAGED

- Support of translational research facilities: The Biorenewables Laboratory provides world-class analytical laboratories to support bench-top research while the BioCentury Research Farm houses one-of-a-kind pilot plants for translational research. Funds for technical staff to provide specialized services to both faculty and company clients would enhance ISU's research capabilities, support commercialization of ISU research, and increase opportunities to work with companies. Funds are also needed to operate, maintain, and upgrade equipment to keep these unique facilities up to date.
- Support of signature programs in biorenewables and biosciences: Signature programs are strategically selected, creating new areas of interdisciplinary research at the Bioeconomy Institute. As an example, with modest staff support and seed funding, two young faculty members started a signature program in hybrid processing (that is, combining biological and thermal processes) that won three research contracts worth over one-half million dollars in less than one year. ISU would like to replicate the signature programs in the animal sciences, including application of animal genomics to improved efficiency, quality, and safety of animal products and enhanced feed utilization. Currently the signature programs are insufficiently funded to replicate this effort more widely.
- Establish and operate new laboratories for biosciences research: Investments are needed to support laboratories in the plant and animal sciences such as integrated animal genomics and high-throughput genotyping of plants and animals that strengthen genomic selection.
- Support of proposal preparation: The Bioeconomy Institute has established a highly respected proposal preparation office that assists faculty in preparing grant applications. Last year alone, faculty affiliated with the Bioeconomy Institute won \$50 million in new research awards. State funds to support this effort will increase the number and size of proposals to help develop the bioeconomy.

- Support of industrial liaison officers: In the face of declining state and federal support of research, it is imperative that ISU build relationships with companies to secure more industrial support for research. Both the Bioeconomy Institute and the Center for Biorenewable Chemicals have industrial liaison officers who identify opportunities to cultivate business relationships. This has resulted in over \$30 million in industry-supported research since 2006, but the positions are only temporarily funded.
- Support of the Biobased Foundry: Although start-up companies on both the east and west coasts recognize ISU as a place to do translational research in support of their business plans, we need to grow technology-based entrepreneurship. The Biobased Foundry was launched to encourage entrepreneurship among ISU graduate students. This program could grow significantly by addition of a dedicated director and additional funds for student support.
- Support interdisciplinary graduate education in biorenewables and biosciences: There is a strong demand by the private sector for students who have completed advanced degrees in these areas. ISU students would compete for the opportunity to hold one of these prestigious graduate assistantships.

Over the past decade, modest investments of ISU resources were leveraged with state, federal, and private support to invest \$50 million in new research infrastructure and over \$150 million in biorenewable and biosciences research programs. As a result, ISU is now widely recognized for its world-class research facilities, and ISU faculty are internationally recognized for their leadership in biorenewables.

Iowa State University's investment also changed how its faculty competes for external research dollars. Increasingly, faculty members organize into multi-disciplinary teams and seek out large grant applications with remarkable success including the NSF Engineering Research Center for Biorenewable Chemicals (\$36 million), the USDA-supported CenUSA project (\$25 million) to develop new biomass, and the NSF Experimental Program to Stimulate Competitive Research project (\$20 million) focused on advanced renewable energy and energy efficiency technologies. Our faculty has also learned how to work closely with industry as is exemplified by the six-year master contract with ConocoPhillips and the company consortium that supports the Biobased Industry Center. Also, startup companies based on ISU technology are starting to emerge.

SUI - ENTREPRENEURSHIP AND ECONOMIC GROWTH..... \$7,000,000

Four of the most significant economic challenges facing Iowa are (1) fostering new venture formation, (2) accelerating existing company expansion, (3) creating high quality jobs, and (4) retaining our young talent. The proposed initiative addresses these challenges by leveraging Regents universities' expertise in entrepreneurship and innovation and creating innovative partnerships across statewide educational institutions, state and local economic development organizations, and private industry partners. Entrepreneurship continues to be a driving force in global economic growth and wealth creation. For individuals to be successful in today's competitive world they must have interdisciplinary skills that prepare them for the many opportunities and challenges they will face throughout their professional lives; entrepreneurship is one such critical skill set. Regardless of a student's major field of study, learning the entrepreneurial mindset serves as the basis for the University of Iowa's entrepreneurship program—preparing students to innovate, lead and succeed in their chosen field of study. Growing the Regents' entrepreneurship activities coincides with Governor Branstad's priority to build Iowa's economy through high-wage job creation.

The SUI John Pappajohn Entrepreneurial Center (JPEC) provides a proven track record of collaboration and developing innovative programs on campus, as well as established partnerships with Iowa Community Colleges, K-12 schools, local communities and statewide economic development organizations. The goal is to expand public/private partnerships to facilitate improved interactions among SUI, UNI, ISU, and the community at large.

The University of Iowa will:

- Expand its interdisciplinary, student-based Medical Innovation Program that focuses on technology-based disciplines to enhance the development and commercialization of new discoveries, and to sharpen the students' entrepreneurial experience.
- Greatly expand its course offerings and initiate new certificate programs to expand the number of arts and humanities students engaged in entrepreneurship.
- Expand course offerings and certificate programs at the SUI's Des Moines campus to support the growing number of entrepreneurial-minded individuals in central Iowa.
- Launch a statewide Entrepreneurial Management Laboratory to provide undergraduate students with advanced experiential learning opportunities with Iowa companies. Assign teams through the Entrepreneurial Management Laboratory to assist in the economic evaluation of discoveries disclosed by Regents' faculty.
- Identify partner communities in Iowa to assist in the enhancement of their local entrepreneurial ecosystems. This will include community asset assessments, workshops/training programs (sharing existing and new programs developed by the UI), direct assistance to companies and entrepreneurs, and facilitating the development of investor networks, mentoring programs, etc.
- Engage directly in SUI's entrepreneurial education process more Iowa entrepreneurs and former SUI students who have achieved success through entrepreneurship.
- Funds will be directed towards:
 - Curriculum Development: Creating workshops and courses focused in non-business majors including the sciences, engineering, health sciences, math and arts.
 - Innovation Consulting/Laboratories: Launching business support programs to assist Iowa-based companies and provide advanced experiential learning for students. Expanding student and faculty innovation and commercialization programs to accelerate new company formation and job creation.
 - Training-the-trainer: Developing a cadre of leading entrepreneurship educators to expand access to entrepreneurship education across disciplines, institutions and educational systems.
- Success will be measured by:
 - Number of graduates of the university inclined to start a new and sustainable business venture,
 - Number of expansion initiatives at existing Iowa-based companies, and
 - Level of entrepreneurship, innovation, and creativity training for Iowa students and the business community.

SPECIAL SCHOOL EDUCATION OPERATING APPROPRIATIONS REQUEST \$13 million

The funding request for the two special schools, Iowa School for the Deaf (ISD) and Iowa Braille and Sight Saving School (IBSSS) allows the Board of Regents to continue to provide high quality, individualized instructional opportunities to children and youth who are blind, deaf, hard of hearing, visually impaired and deafblind.

The Special Schools' request includes the continuation of FY 2013 recurring appropriations totaling \$12.6 million for general operations, and incremental funding of \$379,161 (3%).

The Special Schools' request will support the implementation of strategic goals to:

- Increase the number of students meeting or exceeding the state academic standards in reading and mathematics
- Support student outcomes assessments programs advancing student achievements of identified learning goals

After receiving a 29% reduction for IBSSS and no increase in funding for ISD in FY 2012, the Special Schools budgets are under serious stress. The 2% increase for the current year was a welcome improvement. For 2013-2014, the requested increase of 3% in operating appropriations will fund current programming and improve student achievement, implement the Iowa Core and prepare Iowa's students who are deaf or blind for the 21st century.

Special School faculty members must have highly specialized teaching licensure with multiple endorsements for special education and grade level or content area licensure. The Schools must recruit and compete for teachers on a national level.

For the Special Schools, the requested increase will support the core programming for students through the defined service delivery model by ensuring:

- Full implementation of students Individual Education Program (IEP) in cooperation with the local school districts and Area Education Agencies
- Implementation of programs and activities to support the Expanded Core Curriculum for students who are blind or deaf in Iowa.
- Access to a language rich environment and early language development, essential for students who are deaf, at Iowa School for the Deaf.

ECONOMIC DEVELOPMENT OPERATING APPROPRIATIONS REQUEST \$6.4M

Iowa's public universities seek an incremental 2.6% (\$83,416) for existing economic development units to meet projected inflation, recurring appropriations of \$3.2 million, strategic funding for the UNI National Ag-based Lubricant Center, and to make permanent the \$3M in Innovation Funds received in FY 2013.

Private businesses are touted as the drivers of economic activity and prized for the jobs they provide. Often overlooked are the contributions of Iowa's public universities in fostering new technologies, incubating new businesses and educating entrepreneurs so they can make economic contributions.

Iowa's public universities are committed to playing a leading role in catalyzing the economic transformation of the state and the nation. The universities have developed a rich variety of programs and partnerships aimed specifically at building working relationships among academia, industry, and government and fostering an environment of creative innovation. Economic development is a high priority within the universities' public mission, and sustaining these efforts is one of the important outcomes of maintaining a high quality academic enterprise.

This functional area includes operating funds for SUI - Advanced Drug Development, Oakdale Research Park, and Technology Innovation Center; ISU - Institute for Physical Research and Technology, Small Business Development Centers, and ISU Research Park; UNI - Institute for Decision Making and Metal Casting Center.

❖ **SUI ECONOMIC DEVELOPMENT** \$5,441

The economic development operating appropriation at The University of Iowa supports activities of the Center for Advanced Drug Development (CADD), the University of Iowa Research Park (UIRP) and the Technology Innovation Center (TIC).

Additional funds will help ensure SUI's continued support to new start-up companies with the critical services needed during the early stages of company formation and analytical and contract services relevant to clinical pharmaceutical and biotechnology trials. Continued success impacting Iowa's economy include:

- Despite the current economic climate the occupancy at the BioVentures Center (a life sciences incubator on the Oakdale Campus) is now 60%, and 51% for the Technology Innovation Center (a business incubator). since TIC opened in 1989, 114 companies have been affiliated with TIC. Fifty three companies (46%) are still in operation with 40 of these businesses locating in the state of Iowa.
- Jobs for Iowan's is a focus of SUI Research Park companies. As of FY 2012, there are 1881 employees with an average salary of over \$58,000. These employees of companies and labs affiliated with the SUI Research Park and business incubator live in 169 communities in 50 Iowa counties, a regional labor shed covering almost one-half of the state.
- Recently, CADD participated on a development team that assisted a small pharmaceutical company in getting their new formulation of an old drug to the New Drug Application stage with the FDA. Once the client company's application is approved, CADD and the University of Iowa Pharmaceuticals will be part of their success in bringing this topical oncology drug to market to treat a rare form of lymphoma. If 2013 FDA approvals for new formulations are consistent with 2011 approvals in this same category, CADD/UIP will be part of only approximately 20 new applications of this type receiving FDA approval.

❖ **ISU ECONOMIC DEVELOPMENT** \$63,032

Appropriations specifically dedicated to economic development activity are committed to enhance the State of Iowa's ability to form new businesses, grow existing industry, grow communities, and transplant companies to the state. The appropriations support the activities of the Institute for Physical Research and Technology, the network of Small Business Development Centers across the state, and the ISU Research Park. Recent impacts and successes of those entities include:

- More than \$100 million in economic activity and 1,500 jobs are associated with the ISU Research Park, which currently has 53 tenants. Companies that started at the Research Park, and have since expanded and relocated to other Iowa locations, now employ over 3,000 people. In the last year a start-up company at the ISU Research Park, NewLink Genetics, completed the first IPO in Iowa in three years and raised over \$43M dollars.
- In FY11, Small Business Development Centers located throughout the state served 2,675 clients, offered 3,727 workshops and spent 11,259 hours counseling clients. This program has helped generate more than \$73M in sales increases, new investments, and cost savings, and created 2,000 new jobs.
- In the last five years, ISU's Institute for Physical Research and Technology's company assistance program helped more than 415 Iowa companies in 127 cities and towns, covering 72 Iowa counties. Those companies reported an annual economic impact of \$12.8M from that partnership.

Additional funding will be used to build a collaborative ISU Economic Development Framework to assist Iowa companies and communities. It will address elements associated with Iowa's ability to form new businesses, grow existing industry, grow communities, and transplant companies to the state. This framework will improve, connect, and leverage the strengths within the institution and allow better alignment of economic development efforts with the state government and Iowa industries. ISU will serve Iowans by making the state an easier and friendlier place for companies to do business.

❖ **UNI ECONOMIC DEVELOPMENT** \$14,943

Three UNI programs, the Institute for Decision Making, Metal Casting Center and MyEntre.Net, have provided long-term and valuable economic development support to communities, businesses and entrepreneurs across the state.

Due to challenging economic conditions, businesses and communities are expressing the need for additional technical assistance from UNI. At the same time, the current economy has led the state to make substantial appropriation reductions in this area.

In order to serve these articulated needs and increase the economic impact of the businesses and communities, partially restoring funding for UNI's economic development programs is essential.

Strategic Initiatives Request – UNI National Ag-Based Lubricant..... \$150,000

This request seeks to include the National Ag-Based Lubricant (NABL) Center as an ongoing economic development unit. It had been supported by GIVF funds, which were discontinued last year and is funded under RIIF for the current year. NABL was established in 1991 with a grant from the Iowa Soybean Promotion Board. Specializing in the research and development of vegetable-based lubricants, NABL has successfully developed and licensed to market more than 30 products ranging from multi-grade hydraulic fluids, to niche-market greases, to gear lubricants - proving that vegetable formulations are not only feasible, but offer specific performance advantages, and are environmentally preferable. NABL has successfully eliminated barriers that once kept soybean-based products from capturing a portion of the existing 2.4 billion gallon lubricants market. State funding would be used for conducting research for biobased lubricant companies, providing testing services, further commercialization of biobased lubricant and fuel products with Iowa companies, improving infrastructure for research and development, and leveraging private and public funding for center operations.

Expected Outcomes: Improved and expanded use of microwave technologies in biobased lubricant blending with Iowa companies, improved biobased esters that demonstrate viability as biobased lubricants, and standardized testing methods established to improve the quality of biobased products and prevent sub-par products from entering the marketplace.

ECONOMIC DEVELOPMENT INTERINSTITUTIONAL INITIATIVE..... **\$3,000,000**

Iowa's public universities request continuance of the \$3 million Innovation Fund, to expand economic development efforts. The economic development funding provided by the state of Iowa for the Regent institutions over the years has been critical to efforts in supporting the formation and growth of entrepreneurship educational activities, assistance to startup and existing Iowa companies, and faculty and student awareness of entrepreneurship and economic development. The translation of university innovations and technologies has proven to be critical and a driving force for innovation and job creation. More importantly, it is essential for the long-term growth of a sustainable, innovation economy that will position Iowa to be competitive in a global market.

❖ **UNIVERSITY OF IOWA** \$1.05 million

The University of Iowa is requesting \$1,050,000 to strengthen its capacity to enhance technology transfer, commercialization, job creation and economic development in the State of Iowa and will leverage these funds with a dollar-for-dollar match. SUI is committed to building on the success founded by prior state economic development funding and to sustaining its strong commitment to partnering with industry and the State to translate research into societal benefit, commercialization, start-up company formation, job creation and growth.

The Regent’s Innovation funds will allow SUI to continue to invest in high value intellectual property deriving from faculty research and enhancing technology transfer and commercialization through the concerted efforts of our integrated model involving the Iowa Center for Enterprises. The ultimate goal is to facilitate university-private sector partnerships in entrepreneurship and continue to support and grow existing companies and create new companies in Iowa based upon SUI technology. These funds will be used to support:

- Proof-of-concept funding fills a critically important gap between grant funded research and any ability an investigator or company has to raise state or private funds to move the technology/intellectual property into the marketplace. SUI proposes to continue a Proof of Concept fund focused on careful vetting of highly promising, but very early stage, technology from faculty inventors that has commercialization and licensing potential.
- Comprehensive student, staff and faculty entrepreneurial education and business support programs to help stimulate additional student interest in innovation and entrepreneurship post-graduation and connect students with faculty mentors to promote and sustain startup companies.
- Research and Economic Development infrastructure funds to invest in and support university startup and technology-based companies as they mature by assisting with space, equipment, business and technical assistance.

The University of Iowa has demonstrated effective use of state economic development funds to support and stimulate the transformation of research discoveries into new businesses and/or licensing opportunities, expand entrepreneurial education programs and increase faculty, staff and student focus on entrepreneurship. Below are examples of such success:

- Dr. Michael Abramoff, professor of Ophthalmology was able to use proof of concept funds to translate his research into a promising new company. IDx, LLC focuses on hardware and software for diabetic retinopathy diagnostics in clinical trials in 7 different sites. Involved in the company as a stakeholder is Distinguished Engineering Alumni Academy member Gary F. Seamans (BS 1971). To date, IDx has raised \$4.976M in private capital, with \$4.35M in FY12; IDx also has 7 non-SUI employees on staff.
- Student entrepreneurs, Thomas Hornbeck (MS Computer Science 2009 / longtime Iowa resident) and Hung Viet Tran (PhD in Computer Science 2013) were able to launch Tutor Universe through business competition support and connections with the Bedell Entrepreneurship Lab. Tutor Universe is a social networking-based, online marketplace for online tutoring services. To date, Tutor Universe has received \$20,000 in challenge grant funding, and \$150,000 from the Iowa Demonstration Fund.
- Professors Mark Arnold and Gary Small were able to use proof of concept funds to translate their research ideas in ASL Analytical. This company is housed within the BioVentures Center and has recently hired a CEO. The company has new products being tested by customers, is moving into a manufacturing phase and plans to use Iowa companies for supply chain materials. To date, ASL Analytical has garnered \$270K in Series A funding, \$2.8M in grants and \$766K in service contracts and has seven employees.
- VIDA Diagnostics, Inc., a SUI spin off and leading developer of quantitative pulmonary imaging software, housed in the BioVentures Center, has used proof of concept funds to

achieve International Organization for Standardization (ISO 13485) certification and CE certification for its flagship product, Apollo. The CE certification permits VIDA to sell Apollo for clinical use in the European Economic Area and Switzerland. Apollo currently has FDA 510(k) approval for clinical use in the U.S. VIDA recently hired a seasoned CTO to strengthen the technical leadership. VIDA's Iowa office currently employs 12 full-time employees and 10 interns.

Expected Outcomes: With continued state and private investment, SUI will leverage its substantial extramural research funding and prior year economic development funding to enhance technology transfer capacity, while helping create significant growth in jobs in Iowa's targeted industry sectors.

❖ **IOWA STATE UNIVERSITY** \$1.05 million

Past years appropriations has allowed ISU to fund 77 projects in more than 50 companies, including 28 startups, of which 13 startup companies were formed with ISU technologies. ISU's Economic Development Network (e.g., Research Park, ISU Research Foundation [ISURF], IPRT, Pappajohn Center for Entrepreneurship, CIRAS, and SBDC) typically yields the following outcomes (on average) each year: programs in nearly all counties; new and retained jobs of over 7,500 individuals; a financial impact to the state of approximately \$375 million; workshops and client assistance to over 4,000 individuals; and entrepreneurial education to over 5,000 students from 2008-2010.

The Regent institutions have been instrumental in the evolution of Iowa's economic development programs into an innovation driven model, consistent with the Iowa Innovation Council (IIC). With focused state and private investment, Iowa can continue to capitalize on these earlier investments and can realize significant growth in jobs related to Iowa's strongest industry clusters, develop a sustainable educated workforce, provide a statewide online community for entrepreneurs, and launch an entrepreneurial communities initiative that will enhance communities and regions within the state to support entrepreneurs. Additional financial support will provide:

- Proof-of-concept funding to develop commercialization and licensing of promising research and technology. The Innovate Iowa Proof of Concept Center (IIPOCC) at ISU will work in concert with the other Regent institutions and the State for delivery of commercialization programming and services to enhance the development of early stage research and technology with potential for commercialization.

The IIPOCC is tied to the Governor's plan for economic development through the IIC and Iowa Integrated Innovation Commercialization Network (IIICN). The Regent institutions will proactively work to provide comprehensive entrepreneurial education and business support programs using and expanding online delivery, seminars, personal contacts, and educational programs to build a culture that encourages and supports commercial application and transfer of research and technology. These activities will be in collaboration with the efforts of the state IIICN.

- Staged funding for infrastructure to advance research through proof of concept and towards prototype/testing stage, including incubation space, equipment, and technical assistance.
- Opportunities to partner with the State and others to support existing industry expansion and regional development in Iowa.

Expected Outcomes: These recurring economic development funds provide an opportunity to enhance collaboration and partnership across the Regent institutions and build on existing strengths. The creation of the IIPOCC coupled with the newly formed IIICN within the IIC and IPEP will strengthen the ability of the universities and the state to provide the support structure necessary to enhance the transfer of technology and build entrepreneurship that leads to startup companies and the creation of jobs and sales of products and services.

❖ **UNIVERSITY OF NORTHERN IOWA** \$900,000

UNI's economic development and technology transfer programs assist thousands of Iowa companies, entrepreneurs and communities in all 99 counties. The Regents Innovation Fund (RIF) and its predecessor, the Grow Iowa Values Fund, have helped Regent universities leverage private and federal funds resulting in expanded economic development initiatives and enhanced programming for technology transfer, business incubation, and entrepreneurship. Continued RIF support is needed to provide outcomes in four key areas: 1) economic gardening and entrepreneurship outreach, 2) business incubation and tech transfer, 3) regional development, and 4) ag-based lubricants

Entrepreneurship:

- Launch the Iowa Economic Gardening Network
- Reconfigure multiple MyEntre.Net resources into stand-alone programs, including Dream Big Grow Here, Business Concierge, and E-Learning
- Build community capacity and support through an entrepreneurial communities project
- Partner with the IEDA to co-brand the MyEntre.Net program and IA Sourcelink into a robust online support system for entrepreneurs.
- Provide market research services for Iowa companies of all sizes
- Lead a collaboration of 15 organizations to conduct EntreFest, Iowa's conference for small businesses

Expected Outcomes: Economic Gardening will serve 50 stage II Iowa companies (9-99 employees) with customized services for growth, MyEntre.Net and IA Sourcelink will be merged and co-branded to create the most robust online service in the country for entrepreneurs, business concierge services will be provided to 200 small Iowa companies, and 9 regional Dream Big Grow Here competitions will be held statewide.

Business Incubation and Technology Transfer:

- Increase technology transfer and intellectual property licensing with Iowa companies
- Expand business incubator facilities with co-work space
- Leverage student business incubation growth through seed funding
- Increase intellectual property disclosures, patent applications, licensing and spin-offs
- Explore options for a joint university IP and tech transfer initiative among Regent institutions
- Develop new technologies and efficiencies for Iowa's metal casting/foundry industry

Expected Outcomes: At least 15 faculty and staff will be engaged in corporate-sponsored research, 5-6 commercially-viable research initiatives will receive seed funding, incubator business will increase with 12 businesses graduating from incubators, and a joint intellectual property approach will be formalized.

Regional Development:

- Lead an effort with the Professional Developers of Iowa and investor-owned utilities to restructure Iowa's regions and develop a more effective regional approach
- Increase collaboration, including business development efforts, among and across regions
- Incorporate existing industry programs and the work of the Business Expansion Strategic Trends (BEST) committee into regional networks
- Provide leadership for the statewide and regional asset mapping project
- Facilitate sustainability planning for communities and regions

Expected Outcomes: Iowa's regions will be more efficient and effective and structured based on economic assets, existing industry programs will be supported with statewide data related to workforce needs, and at least one region will create a strategic plan for sustainability.

UIHC APPROPRIATIONS REQUEST UNKNOWN

IowaCare Program

The IowaCare Program, initiated by the Iowa Department of Human Services on July 1, 2005, has benefited thousands of low-income Iowans without health insurance. It is currently operating under a Section 1115 Medicaid demonstration waiver through December 31, 2013.

The IowaCare program has grown steadily from an enrollment of 5,700 the first month of the program to over 62,000 Iowans today. The number of network providers has also expanded such that there are now eight entities serving as medical homes for the IowaCare population, including the University of Iowa Hospitals and Clinics (UIHC), although six of the eight only provide basic primary care. Access to specialty services continues to be available to all IowaCare beneficiaries at the UIHC upon appropriate referral. Even with the addition of network providers, the percentage of IowaCare patient encounters to total patient encounters at the UIHC has increased each year. Consistent with this experience, larger and larger appropriation amounts have been required to meet the growing care demands. The UIHC requests the Board of Regents authorize its State Relations Officers to pursue advantageous appropriation adjustments for both the UIHC and University of Iowa physicians, as necessary.

Over the course of the IowaCare program the UIHC has assisted with the provision of state matching dollars. This has been a significant benefit to the state, although not without consequence for the UIHC. The health care environment is changing such that the feasibility of some opportunities to leverage dollars is diminishing. The UIHC requests the Board of Regents authorize its State Relations Officers to pursue modifications in these leveraging opportunities to protect the UIHC and hold it harmless.

The transition from the Indigent Patient Care Program (State Papers) to IowaCare diminished the UIHC's ability to be compensated for the provision of care to residents of state institutions. The UIHC requests the Board of Regents authorize its State Relations Officers to explore sources of support available for health care needs of residents of state institutions.

TUITION REPLACEMENT \$27,867,775

The 1969 General Assembly passed legislation (Iowa Code 262A) permitting the issuance of Academic Building Revenue bonds to fund capital projects at the Regent universities. The issuance of these bonds, primarily for academic facilities, requires approval of the General Assembly and Governor. Revenue from tuition and fees is pledged to pay the debt service on the bonds.

Tuition replacement appropriations represent an ongoing commitment of the state to meet the debt service cost of Academic Building Revenue bonds. The 2009 General Assembly authorized and the Governor approved the issuance of Academic Building Revenue for flood recovery at the University of Iowa and for Veterinary Medicine, Phase 2 at Iowa State University. It was understood that this authorization would increase the tuition replacement request.

In December 2009, the Board sold Academic Building Revenue Flood Anticipation Project Notes Bonds to fund University of Iowa flood recovery efforts. These notes, which mature on January 1, 2013, will be taken out by bonds scheduled to be issued in October 2012. Bonds for Veterinary Medicine were sold in August 2010.

The requests of \$27,867,775 for FY 2014 and \$29,735,423 for FY 2015 include principal and interest payments on these bonds. In addition, the amounts include projections for additional sales for University of Iowa flood recovery; the timing of these sales and the incremental amounts associated with them are based upon the anticipated issuance of construction contracts. The amounts may need to be adjusted should interest rates or construction schedules significantly change.

IOWA PUBLIC RADIO \$407,231

Incorporated in February of 2006, Iowa Public Radio (IPR) was organized exclusively for charitable and educational purposes and has the primary purpose of supporting and promoting the welfare and growth of the statewide network of public radio stations licensed to the Board of Regents and operated for the public benefit.

As defined in Iowa Public Radio’s 5-year strategic plan, IPR’s mission is to inform, enrich and engage Iowans through radio programming and other media. IPR enhances civic and cultural connections across the state, strengthening communities and reflecting Iowa’s sense of place. Iowa Public Radio’s strategic goals are as follows:

- Strengthen the impact, reach and performance of the organization in order to better serve Iowans.
- Grow and engage audiences using the most effective forms of content delivery.
- Become financially independent from university funding by increasing private support.

Approximately 12% of IPR’s operating revenues for FY 2013 include contributions from each of the three state universities. The FY 2013 contributions are a 10% reduction over the previous year, consistent with IPR’s 5-year strategic plan to reduce university funding to zero. Contributions will decline at a rate of 10% per year through FY 2015; see a 50% reduction in 2016; and in 2017, IPR will receive zero funding from the state universities. IPR and the Board have approved this plan. IPR will build capacity by increasing private support through fundraising as dependency on university funding continues to decrease.

Iowa Public Radio requests a 2.6% incremental increase of \$15,663 in operating support – from a total of \$391,568 in FY 2013 to \$407,231 in FY 2014. The primary use of the funds is to continue to build capacity – in people, tools and resources – so that IPR is in the best position to compensate for the eventual loss in university funding. The investment will support the hiring of additional fundraisers to increase private support and news personnel to cover expanding territory in the state of Iowa.

Non-Appropriations Request

The Board of Regents strongly encourages Regent institutions to seek collaboration and partnerships between Regent institutions and other sectors of state government that result in improved productivity, more effective stewardship of state resources and enhanced economic development opportunities for Iowa’s citizens. The Board also seeks relief from statutory and administrative state mandates that demonstrably impede the Regents’ flexibility in governance, require unnecessary staff work or require significant reporting which no longer serves a critical state or Regent strategic purpose.

Salary Funding

As the State develops its plan for supporting salaries for all employees, it is crucial that the Regent institutions participate in the salary pool.

The dollar amounts for incremental salary funding are not included in the Regent appropriations. Historically, a separate appropriations bill provides funding for new salary increases to all state agencies. This legislation typically requires that Regent institutions provide comparable salary increases for non-contract employees as provided for contract-covered employees. The Regent institutions request to participate in the salary bill.

Salaries comprise 70% of the universities' general education expenditures. Full funding of salary needs for Regent institutions is key to keeping the Regent institutions the premier institutions of their type by:

- Allowing the universities to be competitive with their peers in recruiting and retaining top faculty in a global marketplace
- Implementing institutional strategic plans
- Providing exceptional learning opportunities for students
- Stimulating economic development by supporting new evolving technologies
- Disseminating knowledge
- Delivering valued public service that Iowans expect from the Regent universities

The impact of bargaining agreements, which will be under negotiation this winter/spring are unknown. Typically, non-bargaining employees are provided comparable pay increases.

If salary funding is not provided, resources dedicated to student success and outcomes will have to be redirected to supporting and retaining quality faculty, professional and general employees.

FY 2015 Appropriations Request – The Governor has requested all state-funded programs to make a two-year appropriations request. At this time, it is proposed that all funding lines be increased by an inflation factor, except for the Strategic Initiative for UNI which requests \$4M for the third and final fiscal year and new initiatives as outlined above. We will use the projected HEPI median of 2.6% for FY 2014 as a base for FY 2015. It is projected that the Tuition Replacement fund will need to be increased to \$29,735,423 to cover debt service.

Attachment A – Supplemental Information from University of Northern Iowa

UNI Alumni by Residence, Age and in the Last Decade

