

Contact: Patrice Sayre

FY 2015 OPERATING AND OTHER FUND APPROPRIATIONS REQUESTS

Actions Requested:

- Based on proposed spending and funding plans, approve the identified operating appropriations requests for FY 2015 totaling **\$652.7** 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 **\$44.2** million; 67% for General Education.

Background: The Board of Regents institutions are more than educators of students – they touch the lives of Iowans and the world in the areas of the economy, medicine, agriculture, pre-K12 education, technology and the arts. Regent institutions provide knowledge and resources for all and are more than the sum of its parts.

The first priority of the Regent institutions is to ensure affordable access for Iowans to quality education. State appropriations are crucial investments in that goal. State funds, 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, ensure that the needs of Iowa, its citizens, and the world are served.

Even during what is being termed the Great Recession, college graduates maintained higher rates of employment and higher earnings compared to less educated adults¹. The Pew Charitable Trusts² studied the effect of the recession on *recent* college graduates and found:

- Although all 21-24 year olds experienced declines in employment and wages, the decline was considerably more severe for those with less education.
- The comparatively high employment rate of recent college graduates was not driven by a sharp increase in those settling for lesser jobs or lower wages.
- The share of non-working graduates seeking further education did not change markedly during the recession.
- Out-of-work college graduates were able to find jobs during the downturn with more success than their less-educated counterparts.

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

² The Pew Charitable Trusts Economic Mobility Project, [How Much Protection Does a College Degree Afford?](#)

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. We pledge to operate our public institutions in a way that is efficient as well as effective, transparent and accountable. Iowans make a great investment in this endeavor, and we must spend those funds wisely.

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
- Tuition Replacement needs
- Support for Iowa Public Radio

APPROPRIATIONS REQUEST

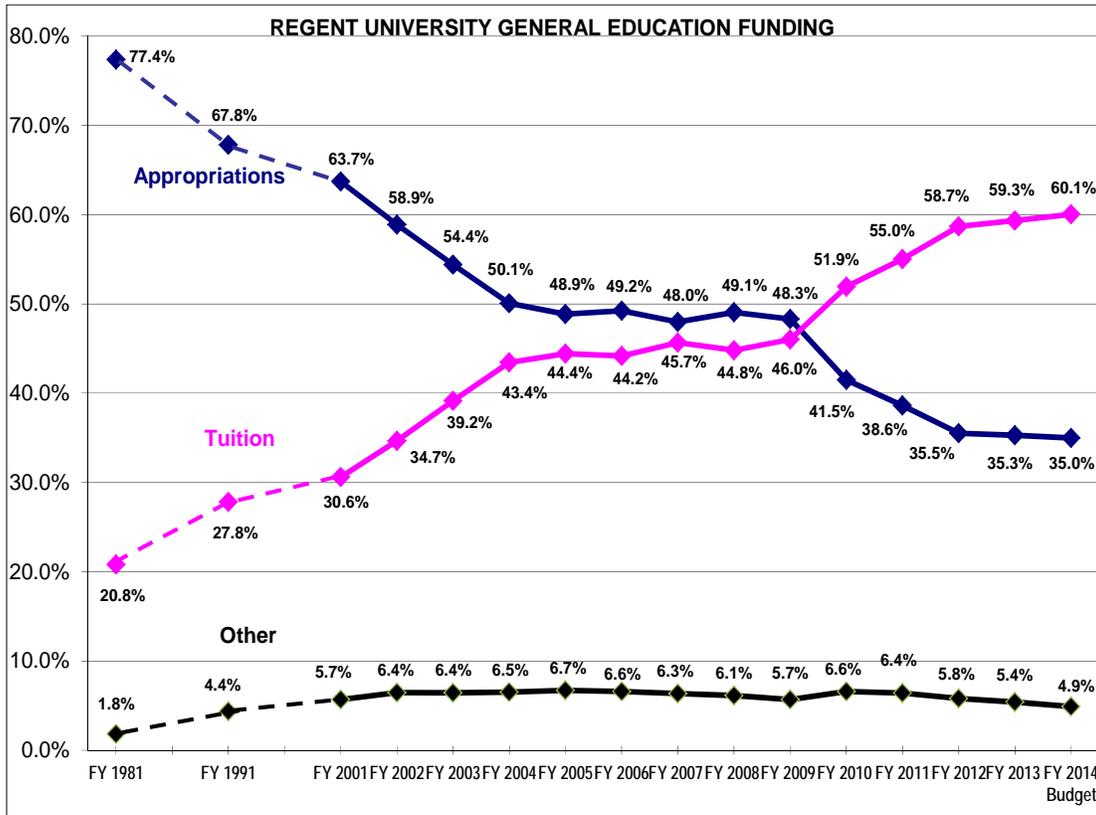
| Board of Regents Proposed Operating Appropriation Request | | | | | | | | |
|---|-------------------------------------|--|--------------------------|----------------------|-----------------------|----------------------|-------------------|-----------------------|
| STATE APPROPRIATIONS | Regent Operations by Major Function | | | | Total | Tuition Replacement | Iowa Public Radio | Grand Total |
| | Higher Education | Higher Education Legislative Special Purpose | Special School Education | Economic Development | | | | |
| FY 2014 Recurring Appropriations | 479,250,523 | \$ 79,387,423 | \$ 12,889,582 | \$ 8,700,000 | \$ 580,227,528 | \$ 27,867,775 | \$ 391,568 | \$ 608,486,871 |
| Incremental Funds | 19,570,021 | 2,450,957 | 515,583 | 278,400 | 22,814,961 | 1,867,648 | 12,530 | \$ 24,695,139 |
| Strategic Initiatives for Progress | 10,000,000 | 9,518,000 | | | 19,518,000 | - | | \$ 19,518,000 |
| Proposed Total Appropriations | \$ 508,820,544 | \$ 91,356,380 | \$ 13,405,165 | \$ 8,978,400 | \$ 622,560,489 | \$ 29,735,423 | \$ 404,098 | \$ 652,700,010 |
| Total Requested Appropriation Increases | \$ 29,570,021 | \$ 11,968,957 | \$ 515,583 | \$ 278,400 | \$ 42,332,961 | \$ 1,867,648 | \$ 12,530 | \$ 44,213,139 |

As analyzed by the University of Iowa Economic Research Institute, HEPI inflation for FY 2015 is projected to range from 1.8% - 3.2%. The latter rate of inflation was used as the basis for incremental funding requests, except where noted otherwise.

HIGHER EDUCATION OPERATING APPROPRIATIONS REQUEST \$508.8M

This functional area combines the general education units of the three public universities.

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.



The higher education request includes:

- Continuation of FY 2014 recurring appropriations of \$479.2 million
- Special funding for fiscal stabilization of \$10 million for UNI
- Incremental funding increase of 4%, \$19.6 million, to support investment in Student Affordability efforts

Building on the success of last year’s collaboration with the Governor and the legislature, it is proposed that a Partnership for Student Affordability continue with a funding request that allows the public universities to meet inflationary pressures and freeze tuition for Iowa undergraduates for a second year. Regents have asked the universities to seek further efficiencies in operation to cover costs that would normally be funded from new tuition revenues

New funding will allow the Regent universities to:

- Preserve and strengthen educational quality and the student experience
- Continue improvement of retention and graduation rates
- Continue strong financial aid policies
- Improve administrative efficiency
- Reduce student debt

Proving to be good stewards of public funds, University budget expenditures rose an average of only 2% annually since FY 2009 - evidence that costs were held down rather than balanced with high tuition increases. Sensitive to the recession's effect on Iowa families, the Board of Regents did not increase tuition for undergraduate resident students this year for the first time since 1981. From FY 2009 to FY 2014, undergraduate resident tuition rates increased an average of \$216 (3.7%) per year. Adding mandatory fees, tuition and fees rose 3.9% over the period compared to a national increase of 5.9%.

Incremental funds would allow the Board to freeze tuition for resident undergraduate students again in FY 2015; marking the first time since 1975 that tuition was held steady for two years in a row. The funding request would allow a little more than 1% in growth over the current budget.

Additionally, UNI requests \$10 million in appropriation funds to address the disparate effect of state appropriations. This would make permanent the one-time \$10M provided in FY 2014 and add stability and ensure future success. A proposed tuition freeze for resident undergraduates will have a greater effect on UNI because over 90% of the student population is from Iowa.

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/professional education.

University of Iowa..... \$8,881,654

The University of Iowa is a comprehensive research institution that provides a broad range of high quality educational opportunities. Many of the University's academic programs receive national recognition as leading programs in their fields such as speech pathology/audiology, physical therapy, and social psychology. Thanks to State support, 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).

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 95 counties; engineers in 91; dentists in 92; and nurses, lawyers, and educators in every one of Iowa's 99 counties. There are 2,798 SUI-trained physicians, 1,385 pharmacists, 1,200 dentists, and 3,826 lawyers who live and work in Iowa.

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. Specifically, the Student Success pillar addresses access, affordability, retention and on-time graduation.

Student Success and Affordability – 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.

To forward the goal of student success and affordability, the University has:

- ❖ **Provided debt counseling and financial literacy services.** Every student has access to a one-credit hour financial literacy course that covers such topics as applying for financial aid, budgeting, borrowing wisely, and understanding financial responsibilities. Over 2,000 students enrolled in this course in 2012-2013. All first-year students who intend to take out private or unsubsidized loans are required to meet with a debt counselor to discuss borrowing needs and expected payment rates. Debt counseling is available to other students on a space-available basis.
- ❖ **Placed all eligible first-year students into the Four Year Plan graduation plan.** Nearly all students who enter the University as first-year students are automatically eligible for the University's Four-Year Graduation Plan. Students who fulfill the Student Responsibilities have a commitment from The University of Iowa that they will be able to enroll in the courses they need to graduate in their primary major in four years. Students are now automatically placed into the four-year graduation plan if they are in a major that qualifies for the plan.
- ❖ **Created the Summer Hawk Tuition Grant:** A new scholarship available to first-year University of Iowa students aims to help students complete their undergraduate degrees in four years. The Summer Hawk Tuition Grant will award Iowa residents a full-tuition scholarship for up to 12 semester hours of summer study. First-year, first-time students entering the university in summer or fall 2013 will automatically receive the awards. Nonresident students will receive the difference between resident and nonresident tuition for up to 12 hours of summer courses. The new program enhances the University's standing as a top college value. Kiplinger's Personal Finance magazine recently ranked SUI the state's overall best public university value for Iowa residents. Fiske Guide to Colleges has named SUI a "best buy" eight years running—the only Big Ten school to make the list.
- ❖ **Expanded academic support services.**
 - a. Peer Tutoring and Supplemental Instruction in gateway courses: This effort provides free peer-assisted tutoring to students taking selected critical "gateway courses." Courses are selected based on student survey data, analysis of grades in those courses, and importance of course to success in field of study. In addition to helping student succeed in some of the University's most rigorous courses, the program provides upper division student with valuable tutoring experience.
 - b. Tutor Iowa: The enhanced Tutor Iowa website connects students with tutors for subjects in which they need extra help. Tutor Iowa offers tutoring and supplemental courses for 342 different courses on campus. Tutors must complete an orientation session and are screened by the faculty member teaching the relevant course. From Aug. 1, 2012 to May 18, more than 7,000 people logged on to the Tutor Iowa website. Since the beginning of the fall semester, there have been 913 new users of the website, as well as 1,500 visits total.
 - c. Advising Services: The Academic Advising Center serves over 8,000 students who are open majors, first-year students with declared majors, pre-majors, pre-professional majors and non-degree, special status students. The College of Liberal Arts and Sciences has invested in professional advising for its most popular majors; other undergraduate colleges have professional advising offices for their students.
 - d. Learning Commons: In fall 2013, SUI will open the Learning Commons in the General Library. The Learning Commons will be a tech-infused study space and one-stop academic help center that fosters student success by providing more and better study space, and expert level staff support to answer academic and research questions.
 - e. Transforming the University's model for general education and large lecture courses: To develop students' critical-thinking skills, SUI's focus is on the active learning

paradigm as supported by TILE (Transform, Interact, Learn, Engage) classrooms. More than 120 faculty employ this pedagogy in their classrooms. In addition, SUI has supported a pilot “constellation” course that offers a multidisciplinary perspective on a big question. The course, "Origins of Life in the Universe" will be led by faculty members from astronomy, biology, chemistry, geosciences and anthropology collaborating to provide with a meaningful multi-disciplinary learning experience. The goal is to offer as many as 10 such courses in coming years.

- ❖ **Provided 21st Century Career Services** through the University’s Pomerantz Career Center (PCC). In recent years, PCC staff have visited 291 Iowa companies and non-profit organizations and 212 organizations outside the state. Over 400 employers travel to campus to meet with SUI students each year seeking employees with leadership experience, critical-thinking skills, strong written and verbal communication skills, the ability to work in a team, and a strong work ethic (NACE Job Outlook 2013). The Career Leadership Academy (CLA) program, available to all undergraduate students, strives to help students develop the skills that employers need. The UI-Step program helps students who hold on-campus jobs to use that employment experience as a springboard to permanent employment by connecting the skills they are developing on campus to the skills they will need in their first jobs.

The most recent placement data for the undergraduate colleges is:

| | |
|--------------------------------------|--|
| College of Business | 90% placed/37% of employed stay in Iowa |
| College of Liberal Arts and Sciences | 89% placed/54% of employed stay in Iowa |
| College of Education | 95% placed/63% of employed stay in Iowa |
| College of Engineering | 98% placed/58% of employed stay in Iowa |
| College of Nursing | 100% placed/78% of employed stay in Iowa |

- ❖ **The John Pappajohn Entrepreneurial Center (JPEC)** leads the university’s campus-wide entrepreneurship academic program. At the undergraduate level, JPEC offers three unique certificate programs. In FY 2013, total undergraduate course enrollments exceeded 3,500 with an estimated 59 different majors represented in the program. The undergraduate certificate is available on campus and online through the distance education program. In FY 2014, curriculum enhancements are planned to develop additional electives in the various certificate programs to enhance the application of entrepreneurial education to specific disciplines of study.

Experiential learning is an important component to the undergraduate entrepreneurship program. Presently, students in the business consulting course work directly with Iowa small-to-medium size companies to address their business challenges. Iowa companies benefit by receiving high quality strategic business consulting services from SUI faculty and students and getting connected with students for future internships and/or employment; in FY 2013, JPEC students worked with 58 Iowa organizations. Students may also participate in the Iowa Medical Innovation Group (IMIG), where they work in interdisciplinary teams to develop solutions for clinical medical problems.

SUI students interested in starting a company while in school have access to several programs designed to assist them from ideation through company launch. The Bedell Entrepreneurship Learning Laboratory (BELL) is a student incubator and learning center located on the central campus. In FY 2013, 48 student businesses participated in BELL-related programs. In FY 2014, JPEC will be opening an additional collaborative workspace on campus as well as expanding programs and services to aspiring student entrepreneurs.

- ❖ **Off-Campus Learning Opportunities** continue to grow by now offering five bachelor degrees, four graduate degrees, and three certificate programs completely on-line. These programs, created to serve place-bound Iowans, have shown steadily growing enrollment as more Iowans take advantage of the convenience and economies offered through on-line instructional technology.
- ❖ **On-going support for graduates** is an important part of the University's commitment to provide career development resources. The SUI Alumni Association helps graduates through a menu of career enhancement services including networking events and coordinated efforts with the Pomerantz Career Center to deliver virtual programming, resume reviews, and one-on-one guidance.

Iowa State University \$6,959,454

Iowa State University has a long history of educating and graduating students who are creative, technologically adept, and culturally informed. Student demand from Iowa, nationally, and internationally continues to be strong with the university experiencing its fifth consecutive year of record enrollment. The science-based curricula in engineering, agriculture and life sciences, and human sciences have been especially appealing to incoming students and their families. Funding from additional state appropriations will be used to strengthen programs with emphasis on student success and affordability.

On-Time Graduation

Iowa State has a reputation for offering its undergraduates a rich educational experience -- inside the classroom and out. The Student Experience Enhancement Council was established by President Steven Leath in Fall 2012 to holistically address all elements of a successful and high quality undergraduate experience at ISU. This council is charged with ensuring that the quality of the student experience endures as enrollment surges. An increase in state appropriations will help fund the following priorities to ensure students graduate on time.

- ❖ **Hiring additional faculty.** Over the past 15 years, the university's student-to-faculty ratio has increased from 14.3 to 17.9, and investing in additional faculty will ensure that the university provides students with a high quality education. Sixty new faculty members started at the university this fall and when combined with the eighty new faculty hired last year, the university is making steady progress toward President Leath's goal of recruiting 200 outstanding faculty members. Additional funding is needed to hire faculty in programs with high student demand, particularly for the university's signature areas in biosciences, value added agriculture, engineering, health, and information technology.
- ❖ **Increasing personalized learning.** The university has invested in learning analytics to enable faculty and academic advisors to efficiently monitor the progress made by students in coursework, and enabling faculty and staff to intervene early when a student is having difficulty in a course, particularly gateway courses like organic chemistry, physics, calculus, and computer programming. The university is also examining courses with the highest DFW rates, and needs additional funding to invest in strengthening tutoring, designing new-style help rooms, offering more face-to-face course sections, and redesigning courses when necessary.

Iowa State is nationally known for its learning communities. From Fall 2007 to Fall 2012, the total number of students participating in learning communities grew from 3,123 to 4,909 (a 57% growth). During Fall 2012, 69% of the new first-year students participated in a learning community. The one-year retention rate for students involved in a learning community is 8% higher than the rate for those students who do not participate in a learning community. Additional funding is needed to support the growth in these successful learning communities, particularly for second year students.

ISU started offering a one-credit academic learning skills seminar designed to help first-year students with time management, goal setting, and learning strategies. Participating in programs like this, particularly for academically at-risk students, helps boost both retention and graduation rates. In addition, Iowa State has students that struggle in courses that have substantial writing or communication components, and the university is looking to invest more resources in its Writing and Media Center to help students with oral, written, visual, and electronic communications.

❖ **Hiring support staff, particularly in the areas of advising and student support.** Academic advisors play a key role in the equation of student success. Advisors help students to get the right classes, to stay on-track in completing requirements, to seek out tutors for supplemental instruction, and to pursue internships and study abroad opportunities. To provide personalized and responsive advice to students at a time of record enrollment, the university is in need of funding to hire more academic advisers and to provide them with resources and educational opportunities to better meet the needs of our increasingly diverse student population. The university's Academic Success Center improved access to tutoring services by implementing on-line application process resulting in a 37% increase in tutoring applications. Given this demand, this center is in need of additional funding to increase its supplemental instruction program

❖ **Upgrading classrooms and learning space.** Classrooms are a key factor in smartly managing growth, maintaining practical hands-on learning, and facilitating more team-based and collaborative learning across disciplines. The university has recently opened Troxel Hall, which is a large, technology-rich lecture hall that will accommodate enrollment growth in STEM disciplines – particularly chemistry, biology, ecology, and environmental science. The university is also completing the Harl Commons in Curtiss Hall, home to the College of Agriculture and Life Sciences, that provides student meeting space, a computer cluster, study areas, and staff offices for the Ag Entrepreneurship Initiative to support student success.

The university recently completed three renovations to create “flipped” classroom environments that support integrated online and team-based learning. An additional 10 classrooms were extensively upgraded in seating, lighting and technology, and space was renovated in the University Library for collaborative and individual learning. All of these improvements will enhance the student experience, but additional funding is needed to continue the progress the university has made in upgrading its inventory of learning space.

❖ **Enhancing information technology infrastructure to support online course offerings.** The university's growth in online instruction is coming both from “traditional” distance education students who take all or most of their classes online, and from students who are enrolled in a combination of on-campus and online courses. Iowa State saw a 28% increase in enrollment of traditional distance education students, and a 38% increase in students taking a combination of on-campus and online courses in FY 2012. The university has increased the number of undergraduate courses offered online by 29% to a total of 379; the number of graduate courses offered online to 523; and the university now offers 19 professional master's degrees entirely online. The university is currently reviewing its online learning portfolio and prioritizing needs, so that it continues infusing instruction with different kinds of technology in ways tailored to each discipline, as well as augment individual courses and entire degree programs.

Enhancements to the university's information technology infrastructure is needed to handle increased use of online instruction technology and flipped-classroom pedagogy, and additional funding will help assist faculty and staff in the infusion of instructional technology across the curriculum.

Outcomes

Record-breaking enrollments, on-time graduation, and high job placement rates, are evidence that the university's strategies are working. Over the past four years, total student enrollment has increased over 11%, while first-year retention rates of students admitted to the university as freshman improved nearly 2%, and second-year retention rates improved by 5%. Over the same time period, six-year graduation rates have improved from 69.3% to 70.4%. During 2012, graduates

enjoyed a 94% placement rate within six months of graduation. Of those graduates, 67% of Iowa students and 23% of nonresident students remained in Iowa to begin their careers. Incremental funds from state appropriations will be used to continue building on all these accomplishments.

Debt Reduction

Iowa State has a four-pronged approach for ensuring that students are provided with an affordable college education, and are provided with resources to help minimize their level of debt.

- ❖ **Holding down costs.** Iowa State is recognized widely for the quality of its academic programs and keeping administrative costs low. The university continues to improve efficiency and stretch the most value from tuition and state appropriated dollars. Merging major administrative computing systems and finding more cost-effective ways of providing services is one strategy for gaining operational efficiencies. For example, new software to manage financial services and research administration was recently implemented and will save the university \$8.5 million in licensing and consulting fees over the next 10 years. The university recently installed a new cloud-based telephone system that will save the university \$600,000 each year.

The university continues to explore opportunities to consolidating and reorganize administrative offices. For example, administrative initiatives in the College of Human Sciences will save \$330,000 in personnel costs, annually. The university has initiated a lean initiative to streamline the process by which graduate students develop their programs of study, and is expected to save \$325,000 per year when fully implemented.

- ❖ **Enhancing students' financial literacy.** Greater understanding of personal finance, including student loans, is absolutely essential in order to reduce the level of student debt. Iowa State is one of only a few major universities that provide full-service financial counseling clinics. The Iowa State Financial Counseling Clinic helps students better understand budgeting, debt and responsible use of credit. The demand for the services offered through the clinic has more than doubled over the past few years and additional resources are needed to address this demand. In addition, the university's financial award notice letters to students include – very prominently – their current indebtedness and how much their payments will be after graduation based upon their borrowing trends. The notice also emphasizes that the loans are optional and encourages the use of other methods to pay for their education.

The university's Academic Success Center supports a one-credit, online "Personal Finance in Early Adulthood" course to give students knowledge about basic issues such as budgeting, credit, credit cards, student loans and insurance -- and campus resources that can help them like the New Student Programs created to help all new students that participate in Destination Iowa State on managing money. The university also offers to Iowa teachers and counselors an intensive three-day financial literacy workshop, including a semester-long financial literacy curriculum guide and hands-on experience on how to teach the interactive lessons. CyGold, a student organization focused on financial literacy peer education, is now operating and will make peer-to-peer presentations across campus.

ISU's Office of Student Financial Aid provides families with an online calculator to help understand what the student will owe and enable them to calculate realistic earnings for their intended majors to see how their loan payments will impact their budgets after college. Recently, ISU received a grant from the Council of Graduate Schools to develop a financial education program for undergraduate and graduate students; one of only 15 universities selected nationally.

- ❖ **Identifying alternative and lower-cost paths to a degree.** Iowa State continues to work on enhancing the articulation agreements with all Iowa community colleges. Iowa State developed "TRANSIT", an online system that provides prospective or current students with a transfer credit evaluation showing how their courses and degrees will transfer from a community college or university to Iowa State University. ISU also created the Admissions Partnership Program in which community college students who plan to continue their education at Iowa State can enroll simultaneously at Iowa State, given them access to all of the benefits that Iowa State has to offer, such library materials, student services and advising. Destination Iowa State added a program

designed for new transfer students that addresses their specific needs of getting connected to Iowa State

The university is also enhancing its support for pre-collegiate students enrolled in college courses through the state of Iowa's Senior Year Plus program. Over the past three years, university policies, procedures, and support programs have been developed or redesigned to better serve and advise these students. The university has also increased the awareness among parents, students, and high school counselors on issues related to pursuing early college credits.

- ❖ **Identifying alternative sources of funding for financial aid and increase opportunities for work study.** Student scholarships are a priority when designing fundraising campaigns and initiatives. Iowa State's recent \$867 million fundraising campaign, With Pride and Purpose, raised \$236 million for student scholarships – creating 832 new scholarship programs and expanding many others. In September 2012, President Leath set a goal to raise \$150 million in private gifts over five years for student scholarships and is well on its way in meeting this goal.

The university is committed ensure that students have an opportunity participate in work study programs. Institutional work study programs supplement Federal program dollars, allowing employment for more students on campus, creating connections to the university, providing work experience, and facilitating affordability.

Outcomes

Iowa State was one of only a handful of universities that was listed as a top affordable public school by the Wall Street Journal, with administrative costs at only five percent of the total cost of educating students. Operational efficiencies have allowed the university to maintain tuition and fees that are the lowest among its peer group, and one of the lowest in the Midwest. Operational efficiencies also allowed the university to keep student housing, dining other student activity fees rates flat for FY 2014. Over the past few years, enrollment in the one-credit online "Personal Finance in Early Adulthood" course has tripled, and the related three-credit course has more than doubled. One-fifth of Iowa State's new students transfer from community colleges and students who take this route typically lower their costs and debt load. The percentage of first-year undergraduate students enrolled at Iowa State with early college credits has doubled over the past decade. Student debt for graduating undergraduate students has declined by 5.5% over the past seven years. Loans borrowed in the student's name have dropped by 5.8% over the past four years.

University of Northern Iowa \$13,728,913

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. As the state's comprehensive university, UNI focuses on educating Iowans who tend to stay in Iowa to work and live. Of alumni who graduated in the last ten years, about 75% have stayed in Iowa.

While committed to its history in teacher preparation, the impact of the University of Northern Iowa extends well beyond these roots. Excellent programs continue to prepare students for success in life and to contribute meaningfully to the future of Iowa. Built on a common core of undergraduate courses, programs in business, social and behavioral sciences, humanities, arts and natural sciences prepare students to work and contribute in every employment sector, as well as to pursue graduate study. In 2012, 92% of UNI graduates were employed or in graduate school within six months of graduation and 85% of them were in the state of Iowa.

Many UNI programs achieve state, national and international acclaim such as communication disorders and speech pathology; outstanding business programs, including a nationally renowned accounting program; excellent music programs, including jazz studies; biology and biochemistry, which have high placement rates in graduate programs and medical school; and leadership in STEM education.

Breaking away from national trends in student borrowing, the University of Northern Iowa has seen the average indebtedness of UNI graduates decrease over the past two years. This 8.4% decline is

attributable to several primary factors: 1) the number of teaching majors taking advantage of the Federal TEACH Grant Program; 2) Additional loan counseling, and; 3) financial literacy initiatives.

Strategic uses of State funds include:

❖ **Student Affordability and Accessibility:**

- **No tuition increase for Iowa undergraduates.** If appropriations are funded at the requested level, the University of Northern Iowa will seek the Board's permission for a second year of no tuition increase for resident undergraduate students. With such a large percentage of the student body coming from the State of Iowa, this is a direct positive impact on the affordability of higher education for Iowa students and their families.
- **Increase student retention and improve graduation rates** by adding sections of the Cornerstone Course. This course fosters a personalized and supportive academic environment that inspires first year students to actively engage in learning, develop a broader world view, practice responsible decision-making, be engaged citizens and be prepared to be members of pluralistic communities.
- **Additional loan counseling** for students who consider private lending options. In 2007-08, the Office of Student Financial Aid started one-on-one counseling for students seeking private loans. Private loan borrowing has decreased from a total of \$15.3 million in 2007-08 to \$3.4 million to 2012-13 (a 78% decrease). Private loan counseling is one of the primary contributing factors for the university's 8.4% reduction in student loan debt upon graduation.
- **Increase participation in UNI's Jump Start Orientation Program.** Now in its 15th year, the program provides new freshmen and transfer students from ethnically, culturally, and socioeconomically diverse backgrounds with a "jump start" on their first year at the university. The extended orientation program provides early move in to the residence halls for on-campus students, mentoring from a Pathfinder, a current UNI student leader, with in a small group of other new students, connection with a supplemental academic advisor from the UNI Academic Learning Center, course registration in learning communities (for first year students), cluster housing in the residence halls, and social activities to meet other students, faculty, and staff.
- **Expand Financial Literacy initiatives**, including the 'Live Like A Student' courses. 'Live Like a Student' along with other money management outreach, has sparked an interest among students related to their personal finances. All students in the course are required to review their loan indebtedness and project where their past borrowing may lead them. 'Live Like A Student' also emphasizes the importance of budgeting and having financial goals, living within your means, and understanding how actions today will affect one's financial future.
- **Enhance academic support for veterans** including academic counseling and support services. As more US military are returning from conflicts and seeking education, we must continue to ensure their academic success.
- **Expand the Center for Excellence in Teaching & Learning** by supporting research on best practices for assessment of learning outcomes, expanding professional development for faculty and offering opportunities for pedagogical research.
- **Invest in academic programs with growing demand** that meet Iowa's existing and emerging workforce needs (examples include: Communicative Disorders, Music, Special Education, all STEM areas, Health, Physical Education & Leisure Services, Accounting, Social Work, Mental Health Counseling, and Industrial Technology), some of which are already operating at capacity.

❖ **Enrollment Management**

- Enhance enrollment management functions, including student recruitment.
- Expand Academic Support and Advising to ensure student success.
- Invest in information technology applications to enhance the effectiveness and efficiency of university academic and business processes, with emphasis on student recruitment.

❖ **Enhance Undergraduate Education and Student Success**

- Continue to upgrade outdated clinical and science labs to allow additional observation spaces for clinical labs and updated science labs.
- Integrate active learning through TILE (Transform, Interact, Learn, Engage) classrooms to improve student learning by transforming teaching practices and increases faculty/staff engagement.
- Strengthen community college partnerships to improve program alignment and seamless transfer.
- Fully implement a Learning Commons and a Digital Media Commons in the library to assist with active learning assignments and to promote faculty and student research and creative activity.
- Enhance community engagement infrastructure that will provide coordinated and expanded opportunities for members of government, nonprofit and business sectors in the Cedar Valley, the state of Iowa and beyond to connect with the services and expertise that can be offered by UNI faculty, staff and students.
- Expand the scope of faculty and student research, scholarship and creative activity to support interdisciplinary collaborations and better connections to external grant agencies.

❖ **Lead the Nation in Pre-K-12 Education**

- Continued investment in the Center for Educational Transformation as the state mandated university to lead educational research and development efforts in Pre-K-12 education.
- Expand the Field Experience and Professional Development School (PDS) model to continuously introduce students to current pedagogical models and interactions with teachers and administrators throughout Iowa (both urban and rural communities).
- Provide professional development opportunities for faculty to seek external funding.
- Increase the number of faculty in STEM education. UNI leads the state in producing STEM teachers; research shows more science and math teachers will be needed in the future.
- Expand the research of an interdisciplinary team of faculty working with the Iowa Department of Education to provide intensive professional development in the area of literacy to educators of students with moderate to severe disabilities and study the outcomes of that professional development in terms of teacher practice and student learning for scale-up.

❖ **Enhance Information Technology**

- Continue to improve the campus data network reliability and bandwidth to support the learning needs of on-campus and distance-education students.
- Strengthen the capability to deploy imaging and mobility applications.
- Provide technology-related professional development opportunities and support personnel for faculty and staff.

HIGHER EDUCATION LEGISLATIVE SPECIAL PURPOSE APPROPRIATIONS REQUEST \$91.3M

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 2014 recurring appropriations of \$79.4 million
- Incremental funding of 3.2% (\$2.2 million) to support units outlined below
- New Strategic Initiatives of \$9.7 million

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

❖ **SUI – STATE HYGIENIC LABORATORY (SHL)..... \$140,884**

The State Hygienic Laboratory statutorily provides analyses and investigations in the areas of disease detection, newborn and maternal screening, environmental quality and disaster/terrorism response, as well as other services that provide state of the art scientific and medical determination, education and discovery to maintain quality of life for Iowans. It is one of only two state public health laboratories in the nation housed by law within the state’s university system.

The State Hygienic Laboratory is committed to achieving and enhancing the tripartite mission of the University.

- Service: The Laboratory performs over 570,000 tests per year which have a direct impact on the health of the citizens of Iowa and its environment. In the past year, the Laboratory responded to major disaster and outbreak events in the Johnson County landfill fire, and the Cyclospora outbreak.
- Education: SHL designs and provides training and educational programs throughout the state of Iowa and nationally for the public health, clinical and environmental laboratory systems. Programs include hands-on training to several on-line courses, as well as involvement with Iowa’s STEM initiatives. SHL educational programs affect more than 10,000 individuals each year, including K-12, undergraduate, graduate students and professional teachers and scientists.
- Research: Restricted grants are currently 25% of SHL’s budget. Much of this funding is centered on translational and applied research, focused on enhancing the practice of public and environmental health laboratory sciences and solving practical issues in the field.

Public health laboratories are expected to deliver state-of-the-art disease surveillance. Incremental funding will address significant discoveries and growth in new detection technologies, particularly in the areas of bacteriology and virology.

❖ **SUI – SUBSTANCE ABUSE CONSORTIUM \$1,777**

The Iowa Consortium for Substance Abuse Research and Evaluation (Consortium) is an alliance committed to strengthening substance abuse prevention and intervention activities through collaborative research, evaluation, and epidemiological surveillance. The Consortium coordinates research and knowledge transfer among researchers, assists professionals in the field, and informs public policy makers in the area of substance abuse. The Consortium regularly interacts with representatives from the University of Iowa, the University of Northern Iowa, Iowa State University; state departments of Public Health, Corrections, and Education; and representatives from local substance abuse service agencies.

Funds are used to support the infrastructure of the Consortium, provide seed monies for additional services to state departments and other stakeholders, help support education in substance use disorders, and the application of evidence based practices.

- ❖ **SUI – OAKDALE RESEARCH CAMPUS** \$69,970
The Oakdale Campus of the University of Iowa supports a variety of academic, research, service and outreach 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, the University Data Center, and a variety of other activities.

The appropriation for this unit partially funds the operations and maintenance costs of the campus space. The University supports the remaining operating costs.
- ❖ **SUI – IOWA FLOOD CENTER**..... \$48,000
The Iowa Flood Center works cooperatively with the Department of Natural Resources, the Department of Agriculture and Land Stewardship, the Water Resources Coordinating Council, and other state and federal agencies and has the following purposes:
 - To develop hydrologic models for physically-based flood frequency estimation and real-time forecasting of floods, including hydraulic models of flood plain inundation mapping
 - To establish community-based programs to improve flood monitoring and prediction along Iowa’s major waterways and to support ongoing flood research
 - To share resources and expertise of the Iowa flood center
 - To assist in the development of a workforce in the state knowledgeable regarding flood research, prediction, and mitigation strategies
 - To conduct the activities required by this chapter in cooperation with various state and federal agencies
- ❖ **SUI – IOWA ONLINE AP ACADEMY (IOAPA)**..... \$15,419
The Iowa Online AP Academy (IOAPA) brings Advanced Placement and learning opportunities to all accredited schools in Iowa, especially to rural and small schools, so that geography will not determine educational opportunity. IOAPA is best known for offering online, College Board-audited AP courses to Iowa’s high school students giving students an opportunity to take college-level courses. IOAPA also provides professional development grants for teachers to participate in the College Board-approved Advanced Placement Teacher Training Institute at the University of Iowa.
- ❖ **SUI – IOWA REGISTRY FOR CONGENITAL AND INHERITED DISORDERS**..... \$1,225
To monitor birth defects in the state, the Iowa Registry for Congenital and Inherited Disorders (Registry) was established in 1983 through the joint efforts of the University of Iowa, the Iowa Department of Public Health and the Iowa Department of Human Services, and is located within the College of Public Health at SUI. Conducting active surveillance to identify information about congenital and inherited disorders that occur to Iowa residents, monitoring annual trends and mortality, and providing data for research studies and educational activities to prevent and treat these disorders, the Registry uses field staff to collect information by reviewing medical records in hospitals and clinics in Iowa and in neighboring states that serve Iowa residents.
- ❖ **SUI – CENTER FOR BIOCATALYSIS AND BIOPROCESSING (CBB)**..... \$23,159
The Center for Biocatalysis & Bioprocessing (CBB) is a microbial pilot plant facility for scaling up technology for production of molecules ranging from ethanol to proteins. CBB is considered a state of the art facility and unique in terms of breadth and depth of scale up fermentation technology in a university setting and is the only protein production facility in the State of Iowa. CBB is a *Good Manufacturing Practice* facility for production of protein pharmaceuticals for Phase I human clinical trials.

CBB is committed to achieving and enhancing the mission of the University.

- **Economic Development:** CBB works with several well established Iowa companies such as ADM, Tate & Lyle, Cargill and IDT, as well as working closely with startup companies to provide scale-up solutions for production bio-molecules. ASL, an Iowa startup company, has worked closely with CBB in the development of sensors for measuring on-line, fermentation parameters.
- **Academic:** A strong partner for NIH training grant, CBB nets 7-8 graduate student fellowships per year. CBB hosted lectures on Biocatalysis and Introduction to Biochemical Engineering to support academic courses and plans an annual conference on cutting edge biotechnology topics with world class professionals from academia and industry.

Production of fuels and chemicals from cellulosic feedstock is an emerging area for research; Iowa is becoming a leader in this area with several cellulosic ethanol facilities scheduled to open this year. CBB plans to enhance offerings in the areas of biomass to chemicals and fuels. CBB will build both fermentation and separation capability to offer scale up technology as well as partner with established and startup companies venturing in this area.

❖ **SUI – STATE HEALTH REGISTRY OF IOWA (SHRI) \$4,770**

The State Health Registry of Iowa (SHRI) is a population-based cancer registry that has served the State of Iowa since 1973. The SHRI has been a member of the National Cancer Institute's Surveillance, Epidemiology, and End Results (SEER) Program since its inception in 1973.

The goals of the State Health Registry of Iowa are to:

- Assemble and report measurements of cancer incidence, survival and mortality among Iowans
- Provide information on changes over time in the extent of disease at diagnosis, therapy, and patient survival
- Promote and conduct studies designed to identify factors relating to cancer etiology, prevention and control
- Respond to requests from individuals and organizations in the state of Iowa for cancer data and analyses
- Provide data and expertise for cancer research activities and educational opportunities

❖ **SUI – IOWA NONPROFIT RESOURCE CENTER (INRC)..... \$5,201**

The Larned A. Waterman Iowa Nonprofit Resource Center is a University of Iowa interdisciplinary collaboration created to make more accessible educational and service programs focused on strengthening the operational capacity of Iowa nonprofit organizations. The INRC works collaboratively with government agencies, nonprofit organizations, and educational institutions to impart new knowledge through activities and provides information and training resources to help nonprofit organizations and interested persons throughout Iowa. The center seeks to build the capacity and develop the effectiveness of community-based organizations and enhance the overall effectiveness of local organizations in building communities. The INRC also introduces students to the nonprofit sector and develops their sense of public and community service.

❖ **SUI – SPECIALIZED CHILD HEALTH CARE SERVICES..... \$21,103**

State funding for Specialized Child Health Care Services provides the core support for three programs of crucial importance: the Iowa High Risk Infant Follow-up Program, a community-based Comprehensive Cancer Program, and a Rural Hemophilia Program. Each of these programs provides essential services to support family-centered community-based care to children with special needs. The University of Iowa Hospitals and Clinics' staff provides individualized medical evaluation and subsequent consultation to community providers to support medical care of the child within the local community. These unique relationships with the community providers are in concert with the University's strategic plan and support the

public health initiatives to provide care and support to these children in their local medical homes.

The funding for these three programs creates access for especially vulnerable populations in Iowa to highly specialized pediatric services in a cost-effective manner. In addition to receiving the benefits of coordinated, comprehensive care in their local communities, patients and their families are able to benefit from improved quality of life in less time lost from work and school, and minimized travel that is necessary for long-term treatment.

❖ **SUI FAMILY PRACTICE PROGRAM** \$57,224

The Statewide Family Practice Training Program provides financial, educational, and technical support to a network of seven community-based residencies that train physicians in the specialty of family practice. The residencies are dispersed into regions of the state to help improve the geographic distribution of family practice graduates and physicians in general. The training programs are located in Cedar Rapids, Davenport, Des Moines, Iowa City, Mason City, Sioux City, and Waterloo.

The program has an enrollment of 140 residents over the three-year residency, with approximately one-third of the trainees graduating each year. More than 30 medical colleges are represented in the trainee complement.

This program is a crucial asset to the health status of Iowans and has achieved continuous recognition for the past 25 years. It is Iowa's principal source of new family physicians. During the past 10 years, 68% of the family practice graduates entered Iowa practices, nearly half going to communities with populations under 10,000. The program has now attracted approximately 750 graduates into Iowa communities. This highly successful program is one of the reasons the University of Iowa's College of Medicine continues to rank among the nation's top five medical schools in producing graduates who enter family practice careers.

The training sites also provide valuable educational experiences for University medical residents, and experiences for pharmacy, dental and physician assistant students. These regional training centers serve as the backbone of the University's Statewide Medical Education System.

❖ **SUI PRIMARY HEALTH CARE INITIATIVE** \$20,766

There are five programs funded by the Primary Care Initiative: the Rural Physician Support Program; the Iowa Health Professions Inventory; the Integrated Health Professions Education Program; the Department of Family Medicine Predoctoral Teaching Program; and the Regional Medical Education Center Grant Program. These programs form an essential foundation for the primary care workforce efforts of the UI Health Sciences Center. They directly support or complement other operational programs that are educating and training future members of the health professions workforce. The programs also provide immediate benefit by helping recruit, place, retain and track today's workforce.

The Rural Physician Support Program provides temporary practice coverage for rural doctors who need leave for vacation, continuing education, or health reasons, and is also Iowa's principal source of rural physician recruitment, placement and retention services.

The Iowa Health Professions Inventory gives Iowa the only computerized health professions tracking system in the nation. The system enables the University to track the changing characteristics, supply, and distribution of Iowa's health care workforce. This capability is even more valuable at a time when Iowa and the nation as a whole are experiencing shortages in nearly all health disciplines.

The Integrated Health Professions Education Program (IHPEP) is a key source of interdisciplinary training experiences for other University health profession students, who otherwise would have less exposure to other members of the health care team during formal education. The students come from dentistry, medicine, nursing, pharmacy, and public health programs to participate in innovative educational and clinical experiences. Under the guidance

of University faculty, students offer basic health care screening and provide health care information to various underserved and minority populations.

The Department of Family Medicine has used the Primary Care Initiative to expand the number of faculty positions devoted to the Department's Predoctoral Teaching Program. The strong and sustained effort in this program has led to an increase in student instruction in family practice settings and to national awards recognizing the number and percent of University of Iowa medical graduates choosing careers in Family Practice. This enhancement of student teaching resources in the Department of Family Medicine ultimately affects the supply of family doctors in Iowa.

The Regional Medical Education Center Grant Program helps the University cover the administrative and logistical costs of having University learners in community-based clinical settings. Medical, pharmacy, physician assistant, and other students are continuously rotating to community locations for part of their required clinical experience. These professionals have access to libraries, computers, interactive television classrooms, didactic teaching, and all-important clinical experience through University-affiliated regional educational centers in Cedar Rapids, Davenport, Des Moines, Mason City, Sioux City, and Waterloo. This program is vital to state interests if Iowa's health professional students are to have learning experiences in Iowa communities.

❖ **ISU – AGRICULTURE EXPERIMENT STATION \$899,580**

Incremental funds are requested to support the on-going efforts of the Agriculture Experiment Station. Research supported by the Agricultural Experiment Station works to improve food, agriculture and the environment in Iowa. Agricultural sciences generate innovations, technologies and solutions to real-world needs in food security, human health, economic development and environmental sustainability. As world population growth continues, there is greater strain on resources to provide food sustainably, efficiently and in a manner that is socially acceptable. Previous investments in agricultural research have kept Iowa agriculture competitive through increased efficiency and sustainability; additional state investment will help Iowa lead the nation and the world in developing new science and technology necessary to meet global demands.

State funds for the Experiment Station will leverage successful competition for external fund by ISU agricultural scientists. Over the past three years, scientists supported by the Experiment Station have received more than \$137M in contracts and grants from business and industry, agricultural organizations and federal and state agencies. In the same period, ISU agricultural scientists received nearly \$20M in federal grants for targeted, innovative research projects addressing climate and corn cropping systems, bioplastics technology for the horticulture industry, corn genetics, biomass yield traits, natural variation and drought responses in corn genetics, Midwest precipitation changes, heat stress impact on pig performance, nutrient utilization and feed efficiency of pigs, and agricultural policy and analysis. Iowa's agricultural organizations also provide significant research support to address challenges and opportunities faced by farmers and communities that depend on Iowa agriculture, including more than \$13M over the past three years. State resources also are significantly leveraged by investments in research made by private industry and foundations.

❖ **ISU – COOPERATIVE EXTENSION SERVICES..... \$584,535**

Incremental funds are requested to support the on-going efforts of ISU Extension and Outreach activities. Extension and Outreach works across ISU colleges, throughout the 99 counties, and with external partners to improve quality of life in the state. Extension and Outreach is seeing an increasing demand for its programs, particularly programs that serve small business owners, grow existing industry, and enhance rural communities.

In addition, Iowans want clean water, a healthy environment, and a safe, sustainable, and affordable food supply. Extension and Outreach programs align with Governor Branstad's *Healthiest State Initiative* to help Iowa become the healthiest state in the nation. K-12 youth outreach develops Iowa's future workforce and helps fight the "brain drain" by connecting youth with opportunities here in Iowa. New funds will be used to work with businesses and communities across the state.

Food and Environment. Iowa's food system is broad in scope and scale. All segments of the food supply chain have an interest in protecting the environment, increasing food safety, and reducing food insecurity for Iowans.

- To implement the Iowa Nutrient Reduction Strategy, Extension and Outreach will develop user-friendly software to evaluate water quality and economic effects of adopting nutrient reduction practices at the farm level. Trained agriculture and natural resource field specialists will educate farmers and technical service providers to use the tool for evaluating expected reductions in nitrogen and phosphorous losses and adoption costs.
- Extension and Outreach will develop a network of local food coordinators and build their capacity to lead local initiatives. Extension and Outreach will work with counties and regions to identify current and emerging interest in local food systems and evaluate resources available to address the interest and determine the gaps.

Health and Well-being. Nearly 90% of Iowa's 99 counties in 2030 will have more than 20% of the population age 65 and older.

- Younger adults introduce older adults to video-game-based exercise in the LIFE Program - *Living (well through) Intergenerational Fitness and Exercise*. This community-based approach promotes older adult health while connecting generations within society. Physical inactivity in older adults is a growing public health issue that if not addressed will lead to more chronic disease and disability in these Iowans — which translates into lower quality of life and increased health care costs.
- Middle-aged and older adults create a vision for their community and take action steps to achieve community change in *Midlife and Beyond: The Whole Picture*. As a result of study circles held across the state in the past year, local teams are addressing issues such as health and wellness, accessibility to older adult activities, transportation, education, volunteerism, and housing.

K-12 Youth Outreach. STEM jobs are expected to grow by 16% this decade in Iowa, however ACT scores show Iowa students are unprepared for college science and math.

- STEM education develops and prepares Iowa's future workforce—helping young people get excited about learning, build skills, and discover new career choices. Programs that are part of the STEM Initiative Scale-Up Grant often include site visits to science and engineering facilities, giving students the opportunities to witness science, engineering, and technology at work. STEM education builds public/private partnerships and increase youth's awareness and aspirations in these careers.
- In JUNTOS: Together for a Better Education, Latino parents and youth, school staff, and community partners come together in this workshop series to promote high school graduation among Latino youth, build their skills, and explore possible paths to higher education.

Economic Development. Entrepreneurism and innovation are essential components of a strong economy. Iowa has a growing Latino population, a burgeoning local foods industry, and many struggling rural downtowns. Businesses and manufacturers require education and technical assistance to increase productivity and improve their bottom line. Examples of Extension and Outreach programs for economic development:

- Latino immigrant entrepreneurs work with Extension and Outreach to help them open their own businesses. During the past year, Extension and Outreach specialists in the College of Design trained 32 Latino business leaders and entrepreneurs, assisted 18 minority entrepreneurs start or improve their businesses, and assisted with the creation and retention of more than 100 jobs for minority employees.
- Increased demand for local foods has attracted many new fruit and vegetables growers to Iowa. Extension and Outreach work with high tunnels (simple, plastic-covered, greenhouse-like structures to grow crops) demonstrates how to increase production and efficiency while

extending the growing season. Nearly 300 high tunnels have been constructed around the state in the past three years.

- In 2012, more than 1,600 Iowa businesses received assistance on projects or attended educational workshops from Extension and Outreach business and industry staff or partners. Surveyed companies reported \$389M total impact, including \$333M in sales gained or retained, \$35M in new investments, \$21M in costs saved or avoided, and 5,638 jobs added or retained. Over the past five years, impact from companies totaled more than \$1.8 billion with 25,675 jobs added or retained as a result of the assistance they received.
- Extension and Outreach staff in the College of Human Sciences partnered with the College of Engineering to improve the health and wellness of Iowa workers, which increases productivity and improves companies' bottom line. The Extension and Outreach worksite wellness program includes six months of intervention at companies, with follow-up after another six months. Studies show for every \$1 invested in worksite wellness, companies get a return of up to \$6 in increased productivity, as well as reduced absenteeism and turnover.
- ESAPCO, a manufacturer of fabric structures and greenhouses in Dyersville, Iowa, saw an immediate effect from changes made as a result of a productivity improvement project with Extension and Outreach staff in the College of Engineering. The company reported a \$26M increase in sales and \$3.9M in cost savings.
- Extension and Outreach staff in the College of Agriculture and Life Sciences provided Manure applicator certification training to 528 businesses and 2,180 farmers. Pesticide applicator certification training was delivered to 3,122 businesses and 15,747 private farmers.
- Iowa State University is leading a new initiative to support Iowa's independent retailers and revitalize rural downtowns. In fall 2013, approximately 75 students in the colleges of human sciences and design will help rural businesses with makeovers and consultations as part of the Iowa Retail Initiative. Retailers from Iowa's smallest, most underserved rural communities will now have better access to university expertise.
- Extension and Outreach leveraged \$614,000 of state funding with \$614,000 of federal funding to help several rural counties understand their economic sustainability and take steps to long-term prosperity. In Appanoose County, the Sustainable Economies Program brought together more than 100 stakeholders, uniting a variety of existing programs, to create a common set of goals and actions.

- ❖ **ISU - LEOPOLD CENTER**..... \$12,717
Incremental funds are requested for the Leopold Center, established to conduct research to identify and reduce environmental problems in agriculture and enhance productivity and sustainability. Additional funds would be targeted to research related to water and soil conservation, water quality, and in marketing and food systems that meet Iowa-grown food aims in the Iowa Local Food and Farm Initiative.
- ❖ **ISU – LIVESTOCK DISEASE RESEARCH**..... \$5,531
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 porcine reproductive and respiratory syndrome and influenza in pigs, *E. coli* and *Clostridium spp.* in poultry, lameness in beef and dairy cattle, mastitis in dairy cattle, pinkeye in cattle and viruses causing reproductive problems in sheep. State funds helped in the recent development of effective vaccines for porcine circovirus and laying hen peritonitis.
- ❖ **ISU – VETERINARY DIAGNOSTIC LABORATORY**..... \$237,364
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 by improving the health, welfare, and feed efficiency of livestock.

- ❖ **ISU – NUTRIENT RESEARCH CENTER** \$48,000
The Iowa Nutrient Research Center, established by the 2013 General Session, will respond to the need for continued research and innovation to address Iowa's water quality needs. The Center takes a science-based approach to nutrient management, with initial research to evaluate the performance of current or emerging nutrient management practices and to develop new practices for reducing nutrients in waterways. The center director at Iowa State, with input from the center advisory council, leads efforts to enhance research conducted by scientists across several disciplines and to support collaborative work to help the state meet its nutrient management goals.
- ❖ **UNI – REAL ESTATE EDUCATION**..... \$4,010
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 (RRTTC)** \$5,608
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 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. 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 calls for research proposals, and outreach activities have been limited. Increased support for this center is needed in order to respond to a greater portion of requests.
- ❖ **BOARD OF REGENTS OFFICE**..... \$35,031
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** \$209,083
Incremental funds are requested for the Quad-Cities Graduate Study Center and the Southwest Iowa Regents Resource Center; start-up funds are requested for the Northwest Iowa Regents Center created by the 2013 General Assembly. The regional study centers serve residents of Iowa who are geographically distant from the Regent campuses.

More than 60 undergraduate and graduate programs are offered each year using distance delivery modes. In its strategic plan, the Board of Regents made it a priority for the three universities to expand the availability of distance delivery programs. After extensive evaluation and consultation with community leaders, the State Extension, Continuing, and Distance Education Council (SECDEC) determined that the more effective use of the limited resources provided to the graduate centers was to increase the partnerships with community colleges and, in particular, in co-locating services on Iowa community college campuses to provide increased services to students who desire to access distance education, especially in the western parts of the state.

This model has already been implemented in Council Bluffs with the relocation of the Southwest Iowa Regents Resource Center to the campus of Iowa Western Community College. Working with both Iowa Western Community College and Southwest Iowa Community College, the partnership includes providing instruction in upper division mathematics courses for those community college students who intend to complete their undergraduate degree at one of the three universities. For those community college graduates who want to complete their degree without having to relocate to one of the university campuses, they are able to access two undergraduate programs that are offered entirely online – Bachelor of Liberal Studies (BLS) and Bachelor of Applied Studies (BAS). Students who want to pursue graduate degrees will have access to information provided at the Center.

During the past two years, meetings were held with community leaders in Sioux City about the need for a new educational model which would create a Regents Center on the campus of Western Iowa Technical Community College to serve the educational needs of students in the Siouxland Area. Universal support led the Board of Regents to request creation of the Northwest Iowa Regents Resource Center; authorizing legislation was signed into law by Governor Branstad in May 2013.

Additional funds of \$200,000 are requested for the Northwest Iowa Regents Center to implement a model similar to the one currently in operation in Council Bluffs; this request is supported by the State Extension, Continuing and Distance Education Council This increase will support the establishment of the Center on the campus of Iowa Western Technical Community College and will pursue partnership with Northwest Iowa Community College. The increase will be used for faculty/coordinator salary, office equipment, telecommunications support, rent, promotion, and other similar expenditures.

STRATEGIC INITIATIVES \$9.5M

The above funds represent the total of new initiative requests for FY 2015 and do not include the recurring funds for the Governor’s STEM Advisory Council Initiative, whose purpose and progress is noted below.

GOVERNOR’S STEM ADVISORY COUNCIL INITIATIVE..... Current Level \$5,200,000

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.

- ❖ **Iowa’s STEM Challenge** – STEM workers drive Iowa’s innovation and competitiveness by generating new ideas, new companies and new industries, but out state and nation are facing a critical talent gap in science, technology, engineering and mathematics. For example, Iowa is below the national average in the number of post-secondary majors studying STEM at our colleges and universities. Only 11% of 2012 ACT test takers were college ready and interested in studying STEM. Of 41 states participating in the National Assessment of Education Progress, Iowa youth showed least growth in math and science scores over the period 1992 to 2011. Iowa’s rapidly diversifying student population has profound implications for the STEM career pipeline. In addition, while Iowa’s under-represented ethnic and racial minorities account for 93% of the state’s population growth since 2000, our minority youth 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 in the summer of 2011. The council’s overarching goal is to boost student interest and achievement in science, technology, engineering and math (STEM). The council of leaders in education, business, non-profits, and government, is administered by the Iowa Math & Science Education Partnership, a department at the University of Northern Iowa. Eight strategic priorities drive the Council’s programming spanning STEM policy, teacher training, technology integration, special populations, post-secondary readiness, and public

awareness. A statewide STEM Network of regional hubs, regional managers, and regional advisory boards supports and disseminates programming to fulfill these priorities.

Measures of Success – In Year 1 (FY 2013) the council’s programming engaged 900 educators and 38,000 children within and outside of the school day. For FY 2014, there will be over 100,000 children engaged in 3,110 classrooms and clubs. Year 1 Evaluation by a triad consisting of the Center for Social and Behavioral Research at UNI, the Research Institute for Studies in Education at ISU, and Iowa Testing at SUI found:

- 25 percent of adult Iowans have heard of STEM.
- 37% of rural parents versus 62% of urban parents believe their child is being “very well-prepared” in STEM subjects.
- Participants in council programs were 10 percentage points higher in mathematics on the Iowa Tests.
- Participants in council programs were 8 percentage points higher in science on the Iowa Tests.
- 84% of participating educators reported increased student interest and awareness of STEM subjects. The full report is available at:
http://www.iowastem.gov/sites/default/files/stem_monitoring_report_final8-13-13.pdf

SUI – ACCELERATING IOWA’S KNOWLEDGE ECONOMY.....\$9,000,000 (over 3 years)

In today’s economy, large quantities of data (so-called “big data” or “informatics”) are present in most business operations. This includes businesses with a strong presence in Iowa such as financial services, advanced manufacturing, and health care. For example, with today’s computational power, a business can within a few seconds sort through large quantities of sales data to inform smart decisions on pricing and shipping. Understanding big data is also a key enabler of today’s research and discovery. For example, researchers at SUI biomedical laboratories recently sorted through large quantities of genetic data to identify common genetic traits of people suffering from blinding eye diseases. These are just two examples of how understanding and managing big data is becoming ever important in advancing Iowa’s competitive edge – both in growing business and in biomedical breakthroughs.

SUI asks for \$3M in appropriations for each of the next three years to launch a statewide center of excellence in data management, business analytics and computational research and development. The center will focus on addressing the unmet data needs of Iowa businesses as well as faculty researchers, while advancing the educational programs needed to fill Iowa’s IT workforce pipeline. State funds will be used to support the infrastructure (hardware, software, etc.) and staffing at regional engagement centers. An equal amount is planned for investment through reallocated funds by the SUI to make this possible; in FY 2014, FY 2015, and FY 2016, SUI will reallocate significant recurring resources into faculty and staff positions.

This build up in human expertise, along with the necessary technical infrastructure, will support the data needs of the university’s significant research enterprise while simultaneously providing a wide range of data management capabilities with relevance to Iowa businesses. To better engage and serve Iowa businesses, the center will include regional engagement centers across the state, with the initial two centers located in Des Moines and Council Bluffs. The centers will draw on faculty, student and staff skills from the center’s home base at SUI.

These two sites in central and western Iowa, along with University presence in eastern Iowa, will create statewide reach for economic partnerships. The University also believes it is important to begin with a small number of centers, allowing the University and its regional partners to gain experience and build insights into how best to manage and operate the centers to maximal advantage.

With this experience and additional funding, the University will then expand the program to include the following sites in years three and four, broadening coverage and creating a rich network for economic development and partnership:

- Sioux City
- Quad Cities
- Waterloo

Putting the Pieces Together

Advanced informatics research and education are the enablers of a 21st century knowledge economy, producing both the research breakthroughs that are the source of new, innovative companies and the educated workforce that will seek those job opportunities. In turn, the statewide economic engagement sites are the practical and engaged partners to work collaboratively with businesses and communities at their locations, as well as economic development organizations, Iowa industry associations and local educational institutions. Each supports the other, with real-world problems driving new research, and new research ideas spurring economic opportunities.

Targeted economic development and entrepreneurship activities will include the following:

- IT boot camps to deliver practical software development training, addressing a key need of the startup and business community for practical IT skills
- *e-commerce* site creation, data analytics and search engine optimization (SEO) and social network visibility for startups and small businesses
- Executive education in information technologies, including cloud services and computational and statistical business analytics
- Precision agriculture and environmental data correlation
- Health care data analytics and predictive outcomes for process and business efficiency
- Advanced, big data analytics partnerships to glean insights from line-of-business data, using techniques not yet available in the private sector
- Hands-on entrepreneurial and technical training partnerships for UI and regional community college students, working with communities
- Advanced Big Data and scientific expertise in applied R&D partnerships with companies

In each case, the state focus is on solving tangible and specific problems or addressing skills shortages via direct partnerships. This includes protecting the intellectual property and assets of the startup or company partners, the confidentiality and security of information, and creating competitive advantage for the participants.

Success Metrics

- Number of companies and communities assisted
- Impact on company operations
- Technology transfer and startups
- Number of lowans trained and Big Data-savvy students educated
- Number of private company/community/university research collaborations
- Number of new Iowa companies formed
- Number of students placed in internships and formal employment with Iowa companies

SUI – THE BELIN-BLANK ACADEMY\$1,500,000 (over 3 years)

The University of Iowa proposes to establish a STEM (Science, Technology, Engineering and Math) Academy housed at the university's nationally-recognized Belin-Blank Center. The Academy will provide accelerated, residential learning opportunities for Iowa youth who are advanced in their educational pursuits and demonstrate an interest in STEM subjects. The proposed academy expands upon the state-funded K-12 regional program managed by the University of Northern Iowa. The request is for \$1,500,000 to pay for creation and launching of a pilot academy and would cover student scholarships, faculty and staff salaries, and materials. The Academy will serve to retain Iowa's high-ability students.

The newly released STEM Advisory Council report (Iowa Governor's office) makes salient the benefits of specialized programs in math and science in terms of building both interest and competency in STEM areas. Currently, there is great momentum in Iowa (and across the nation) to enhance STEM learning for students and professional development for teachers of STEM subjects.

The University is proposing that it build upon current momentum with one of its greatest educational strengths – The Belin-Blank Center. This would impact the long-term future of the importance of STEM in the lives of individual Iowans and for the state as a whole. The proposal is to establish a specialized Academy on the campus allowing more Iowans to benefit from the full array of resources at SUI and the Belin-Blank Center.

The Academy will integrate several long-standing programs at SUI including: the National Academy of Arts, Sciences, and Engineering (NAASE) which is an early entrance program for high school juniors; the Iowa Online Advanced Placement Academy (IOAPA) which provides online AP courses for all Iowa high school students; and the Secondary Student Training Program (SSTP) which allows high school students summer intensive laboratory experiences, which earn them 3 hours of college credit in the sciences at SUI. All these programs have strong math and science components.

The proposed Academy will be an on-campus, academic year program that offers high ability, high school-aged students a residential experience that blends the final two years of their high school experience and the first two years of college. Furthermore, the design and infrastructure of the academy would lend itself perfectly to other Belin-Blank Center and SUI outreach opportunities. The Academy will be supported by faculty in Engineering, Education, Liberal Arts and Sciences, Medicine, and Public Health. Equally important is the fact that all of programming from the Belin-Blank Center makes this an opportunity where pre-and in-service teachers and school counselors can benefit from the on-site opportunities afforded by an academy.

Much of the infrastructure for the Academy is in place. However, there is considerable new planning needed to augment the new dimensions. A grant of \$500,000 for three years is requested to pay for creation and launching of a pilot academy and to cover student scholarships, faculty and staff salaries, and materials. Longer term continuation of this program for Iowa students will be considered during this pilot program.

ISU – AGRICULTURE EXPERIMENT STATION \$1,912,000

Additional funding for the Agriculture Experiment Station will support new faculty and staff hires and key operational expenses that allow Iowa State to deliver new levels of innovation and profitability to Iowa agriculture, including:

- Research on effective management practices that conserve soils and protect waters.
- Research and technology that strengthen Iowa animal agriculture by improving feed efficiency in livestock; developing cattle grazing systems to enhance the economic value of Iowa grasslands; providing trusted economic analysis to livestock and poultry industry; and developing livestock diets that make more efficient use of co-products from the biofuels industry.
- Research that results in increased crop yields and reduced use of pesticides, and a crop-livestock production system that enhances soil health and animal well-being.
- Nutritional insights that help combat chronic diseases such as obesity, cancer and diabetes.

New support for Iowa’s agricultural research portfolio will help to attract new industry, including agricultural, food, energy, pharmaceutical, and medical. It also will attract top students to be mentored at Iowa State as the next generation of agricultural scientists, entrepreneurs and innovators, and meet the ever-growing industry demand for agricultural graduates. Currently, 73% of ISU agriculture and life sciences graduates begin their careers in the state of Iowa.

Additional funding will allow focused investments that enable Experiment Station scientists to address innovation in four key areas:

Animal agriculture and crop production research. New investment in the Experiment Station will support research in ISU’s egg, beef and pork industry centers. It will support research to help Iowa farmers, the nation’s leading corn and soybean growers, make better management decisions in times of shifting weather patterns. It will help to establish a soybean research initiative to address critical challenges for Iowa soybean growers. New investment will strengthen animal agriculture in Iowa by increasing research capability to develop animal production systems that enhance animal well-being; develop methods to maximize nutrient utilization by animals from co-products through enhanced digestibility and bioavailability; develop technologies to minimize the carbon footprint of producing animal protein at an affordable price; develop methods to counter temperature extremes and their impact on animal production efficiencies (i.e., heat stress); ensure quality enhancement and food safety of animal-based food products from farm-to-table in Iowa; develop methods to improve animal health including enhanced vaccines; and develop innovative business models and support networks that help animal agriculture manage risk and attract new capital. New funding also will support research that ensures product quality and farm-to-table safety of food crops grown in Iowa.

Clean water and long-term soil productivity. Additional support will strengthen ISU’s efforts in helping Iowa achieve its statewide water quality goals and position agriculture as part of the solution for preserving the quality of Iowa’s natural resources. It will support research to ensure Iowa’s world-class high fertility soils remain an essential foundation for improving agricultural systems, new cropping systems, biomass energy production and quality of life for all Iowans.

Human nutrition and wellness. Research and development will explore new foods, processes and ingredients that influence prevention of chronic diseases through science-based nutrition, and support Iowa’s “Healthiest State” initiative. New support will enhance the science that examines the safety and consumption of biotechnology-derived crops.

Agricultural innovation. The Experiment Station must push the boundaries of innovation in agricultural sciences. Fundamental studies will yield new insights for determining how genes function and how advanced technology can target and enhance gene improvements for both plants and animals. Agricultural innovation is key to reducing hunger and poverty, domestically and worldwide, especially in key areas of seed and germplasm systems, climate-resilient, healthy crops and animals; and post-harvest grain storage and utilization.

ISU – SMALL BUSINESS DEVELOPMENT CENTERS \$377,000

Iowa SBDC have been operating on a very lean budget as a result of real declines in state and federal funding over the last 10 years. Federal funds are appropriated formulaically and are expected to decline or remain flat for the foreseeable future. Consequently, it is increasingly challenging to meet the needs of small businesses within Iowa.

Since 2007, the Iowa Small Business Development Centers have focused on increasing its efficiencies and generating more resources by:

- **Reducing administrative costs.** Through attrition, the SBDC has reduced the number of lead center personnel by two FTEs (from seven to five) while shifting and reorganizing duties to maintain or improve services. Only 23% of total program dollars are spent on administrative costs and SBA mandates, with the remainder being devoted to client services.
- **Increasing the efficiency of delivery of services.** Even with the reduction in personnel, the lead center at Iowa State University has been able to absorb some duties, such as marketing and market research, previously done by regional centers so that regional directors can devote more time to clients.
- **Requiring more local match funding to support regional center operations.** The local cash match requirement has been increased from 10% to 25%.

A recent SBA accreditation review found the Iowa SBDC program to be well run and poised for making substantial impacts on the state economy if additional funding is obtained. The reviewers also noted that with recent budget cuts at the state and federal levels, the program is running extremely lean and will likely have a difficult time maintaining current service levels across the state.

Studies by the SBA reveal that the greatest benefit of the SBDC program is realized by clients who receive five hours or more of one-on-one counseling time. In the past, the Iowa SBDC has used funds to retain specialty business counselors to leverage SBDC resources and provide clients with the time and expertise needed by them. Recent budget reductions have virtually eliminated the centers' ability to augment the specialty counselors' expertise and time.

Iowa State University is requesting an additional \$377,000 in state appropriations for the specific purposes of:

- Reversing the real decline in operating funds, including salaries and benefits, for the regional centers in order to sustain current operations. Funding will directly benefit the services provided by the regional centers in:

| | | |
|----------------------|------------|----------------------|
| Ames | Burlington | Cedar Rapids/Marion |
| Council Bluffs | Creston | Davenport |
| Des Moines | Dubuque | Fort Dodge |
| Iowa City/Coralville | Mason City | Ottumwa |
| Sioux City | Spencer | Waterloo/Cedar Falls |

- Replace third-party specialty business counselor positions that have been eliminated due to years of decline in funding. These specialty business counselors will enable the SBDC to offer the one-on-one counseling time that many business clients require.

ISU – UNIVERSITY RESEARCH PARK \$400,000

Iowa State University is a lead partner in the Capital Corridor initiative, which is an effort to support economic growth throughout Iowa by leveraging the region’s assets in the biosciences. As a leading partner, ISU intends to provide the region’s business community with access to a trained workforce, modern infrastructure, and the organizational assets needed to transfer intellectual property into marketable technologies and products – which is why the expansion of the ISU Research Park is critically important.

The ISU Research Park currently does not have vacant space available for company expansion and relocation. As a result, the ISU Research Park is embarking on a new phase of growth which promises to (1) enhance the potential of Iowa to recruit and retain highly innovative and growing companies, and (2) provide an environment where tenant employees will want to live and work – which will enhance productivity and reduce turnover.

Thus far the expansion has been planned and supported by a relatively small administrative staff, but is now reaching a point where additional resources are needed to reach the park’s full potential. As a result, additional funding is being requested for the following activities:

- \$100,000 to enhance marketing/promotion, prospect development, and efforts to attract commercial services for the use of building tenants
- \$300,000 for staff and contract services needed to support the increase in building tenants

ISU – COOPERATIVE EXTENSION SERVICES \$329,000

Extension and Outreach works across ISU colleges and with external partners to provide technical assistance, research-based education, and access to the resources of ISU to improve the quality of life in the state. Funding cuts in recent years forced a reduction in Extension and Outreach staffing, further amplifying an ever-increasing demand for Extension and Outreach programs for economic development, food and the environment, health and well-being, and K-12 youth outreach, including 4-H. Iowans want an economy that can form new businesses, grow existing industry, enhance communities, and recruit companies to the state. Iowans also want clean water, a healthy environment, and a safe, sustainable, and affordable food supply. They are concerned about the state’s aging population, since by 2030 nearly 90% of Iowa’s 99 counties will have more than 20% of their population age 65 and older. With Iowa STEM jobs expected to grow by 16% this decade, Iowans see the need to stop the “brain drain” and take steps to develop the state’s future workforce, connecting youth with opportunities here in Iowa. These are only a few of the basic needs and urgent trends facing this state. Extension and Outreach has the capability to address these concerns with education for Iowa’s people, but needs additional resources to operate at the full capacity required to meet these challenges.

Based on past investments, Extension and Outreach expects to leverage every \$100,000 in new state funds with \$180,000 in new federal matching funds, grants, fees and gifts to generate a projected \$ 2.8 million of impact and 28 new jobs throughout Iowa. For every \$100,000 of new funds, an estimated three additional staff will be hired to address growing demands and increase the depth and reach of work with families, businesses, and communities in all 99 counties across the state.

UNI – BACHELOR OF APPLIED SCIENCES \$3,000,000 (over two years)

Establish Bachelor of Applied Sciences degree for an initial cohort of 160 community college graduates. This degree program will serve the needs of working Iowans, address educational needs for place-bound Iowans in both rural and urban communities, enhance community college partnerships, provide for a better workforce (including advanced manufacturing), and strengthens skills available to business and industry within Iowa. In addition, the university will pursue programming and funding partnerships with business and industry in Iowa.

More than 540,000 Iowans (nearly 35% of the state's population ages 25 – 64) have some college credit, but no Bachelor's degree (Lumina Foundation). In cooperation with Iowa's community colleges, the University of Northern Iowa will address gaps in Iowa's educational attainment rates by providing a clear set of pathways to degree completion for individuals with some college, but less than a four-year degree. Options will include both campus-based and distance delivery. Emphasis will be placed on the creation of a Bachelor of Applied Sciences (BAS) program designed for students who hold an Associate of Applied Sciences (AAS) or an Associate of Science (AS) degree from a community college. The program will build upon the knowledge gained in these degrees while providing knowledge and skills in applied leadership, communication and critical thinking skills. Outcomes include greater earning power and opportunities of advancement for citizens throughout the state*, enhanced community college and business and industry partnerships, a better prepared workforce (including the advanced manufacturing sector), and economic growth for the state.

* On the average, an individual with a bachelor's degree earns 35% more than a person with an associate's degree, and 46% more than a person with some college, no degree (U.S. Bureau of Labor Statistics, 2012).

UNI – ENTREPRENEUR OUTREACH PROGRAM \$1,500,000

UNI proposes a combination of new and expanded services to better meet the needs of Iowa's entrepreneurs and small businesses. Services will be provided to entrepreneurs in all regions of Iowa and will also expand the culture of entrepreneurship on the UNI campus by serving students and faculty.

- **Business Concierge (BC)** – Small business owners are provided free access to business intelligence and personal referrals to an Iowa service provider partner or source of capital by the BC team. The BC supports entrepreneurs statewide, many of whom seek assistance via IA SourceLink. As the BC team is expanded, more entrepreneurs will be served. UNI also propose adding a Small Business Ombudsman to the BC services. Regulatory issues, access problems and poor communication skills are some of the immediate needs we have identified for this service. The BC team will serve as an objective entity to solve issues and get Iowa's small business owners through red tape and connected to the right people at the right time.
- **Network Iowa** – a statewide liaison to assist small businesses is needed. For example, if a business owner receives a Targeted Small Business (TSB) loan, the Network Iowa liaison will follow up to see if their needs were met and/or what is needed next. Whether it is TSB, Micro-loans, SBDC, SBA, or some other service being delivered, the BC would be the follow-up voice to insure the small business is getting what they need and then insure they know where to go next.
- **AppsLab** – The growing interest in mobile applications (Apps) is very similar to the demand for web-based technologies in the late 90s. Numerous organizations on campus see Apps as a way to contact and support their constituents. The UNI John Pappajohn Entrepreneurial Center has launched a pilot phase of an AppsLab where students and faculty from a wide range of disciplines will work together with trained staff to explore the commercial potential of this technology and expand UNI's technology transfer initiatives.
- **Local Foods Entrepreneurship Support** – numerous student and non-student entrepreneurs are interested in pursuing food-based businesses. Local food initiatives are supported by UNI outreach programs for growing and marketing fresh foods. The next step is adding value to fresh produce, which includes small-scale and large-scale food manufacturing, restaurants, catering, and other food businesses. Food businesses also need an expert who can help them turn a personal recipe into a commercial or larger-scale producible recipe. Finally, the demand is high for a commercial kitchen which can be used for food preparation or packaging.
- **UNI MarketPlace** – UNI has several inventions, learning tools and products that have been developed, with many focused on K-12 education and learning. In order to provide easy

access to these resources, UNI will develop a MarketPlace website to market the products throughout Iowa and beyond. Funding also will support additional development of faculty and staff tools and resources.

SPECIAL SCHOOL EDUCATION OPERATING APPROPRIATIONS REQUEST \$13.4 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 2014 recurring appropriations totaling \$12.9 million for general operations, and incremental funding of \$515,583 (4%).

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

Additionally, the Board of Regents has approved the development and implementation of a pilot Regional Program for students who are deaf or blind to begin in the Fall 2014. A portion of this incremental funding request will support the initial pilot program along with local district special education resources

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 Iowa Braille and Sight Saving School, the requested increase will support the core programming for students who are blind and visually impaired in Iowa through the defined service delivery model currently being used, 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 and visually impaired in Iowa. The Expanded Core Curriculum is the nationally recognized curriculum for students who are blind to ensure preparation for productive adult lives.

ECONOMIC DEVELOPMENT OPERATING APPROPRIATIONS REQUEST \$9.0M

Iowa's public universities seek an incremental 3.2% (\$182,400) to meet projected inflation, and recurring appropriations of \$5.7 million for existing economic development units. For the Regents Innovation Fund, we request a 3.2% increment (\$96,000) and recurring appropriations of \$3 million. This is an investment in critical research that will enhance the state's economy and improve the health and well-being of Iowans;

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.

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 – Entrepreneurship and Economic Growth Center, 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** \$2,279,976

The economic development operating appropriation at The University of Iowa supports activities of the Entrepreneurship and Economic Growth Initiative, the Center for Advanced Drug Development (CADD), the University of Iowa Research Park (UIRP) and the Technology Innovation Center (TIC). Incremental funds requested are:

- **Entrepreneurship and Economic Growth** \$64,000

The John Pappajohn Entrepreneurial Center (JPEC) is responsible for implementing the entrepreneurship and economic development growth initiative. JPEC is a unique partnership within the University of Iowa among the Henry B. Tippie College of Business, College of Engineering, College of Liberal Arts and Sciences, and University of Iowa health science colleges. JPEC offers nationally ranked, comprehensive entrepreneurial education programs to all Iowans. All undergraduate students at the University of Iowa may earn a Certificate in Entrepreneurial Management in addition to their undergraduate degree. In addition to the certificate, JPEC and the Department of Management and Organizations have teamed up to offer a BBA in Management with an Entrepreneurial Management Track to Tippie College of Business students. Advanced entrepreneurship courses are also offered to MBA students on campus and at several locations across the state of Iowa. JPEC plays an important role in the development of Iowa-based technology and high-growth start-up companies. Whether providing one-on-one consulting services, directing UI students on advanced field study projects, or providing training and seminars to business executives, JPEC seeks to support the next generation of entrepreneurs and business leaders.

- **Center for Advanced Drug Development (CADD)** \$2,997

The Center for Advanced Drug Development (CADD) is a division of the University of Iowa, College of Pharmacy and a component of University of Iowa Pharmaceuticals (UIP). The Center offers contract analytical services to the pharmaceutical and biotechnology industry and is part of the UIP - the only comprehensive FDA registered facility in a College of Pharmacy in the U.S. UIP offers the unique capability to produce under contract limited quantities of new medicines under FDA regulations. The capacity is particularly valuable to firms wishing to bring new products through clinical trials.

- **University of Iowa Research Park (UIRP)** \$2,512

The University of Iowa Research Park (UIRP) is home to start-up and technology-based businesses, typically with strong ties to the University of Iowa. The BioVentures Center (BVC), a wet lab business incubator, is located in UIRP and currently home to 13 start-up companies. An additional 9 companies are located on research park land. As of FY 2013, there were approximately 1200 employees that worked at the research park. MediRevv, a healthcare accounts receivable management firm, opened a new facility at the park in the fall of 2012. They employ over 120 employees and are currently making plans to expand their presence at the park.

The UIRP is closely tied to economic development, technology transfer and the entrepreneurship mission of the University. The UIRP and affiliated economic development programs are a critical component to the University and the region’s entrepreneurial ecosystem. Faculty-based startups, graduating student entrepreneurs, and community entrepreneurs and businesses benefit greatly from locating their ventures at the research park.

UIRP is poised for future growth and should continue to have a significant impact on the region’s economy. The University’s technology commercialization efforts are resulting in a more robust pipeline for start-up companies—many of which will launch their businesses in one of the business incubators. The planned Kirkwood Community College/University of Iowa STEM education facility will provide unique opportunities for technical education and collaboration with UIRP companies and University of Iowa research facilities.

- **Technology Innovation Center (TIC) \$1,188**

The Technology Innovation Center (TIC) provides office space and a nurturing business environment and critical services to new technology-based ventures. The center is part of the IOWA Centers for Enterprise, which integrates University economic development activities. Since 1984, more than 100 technology start-ups have become center tenants. Ten tenants are currently in the center and over 50 tenants have met their business goals upon graduating from the center.

Along with the UIRP, this incubator has become an important part of the University’s strategic plan for engagement, building ties with those off campus and participating in the economic vitality of the state.

Joint programming efforts between all University incubation programs and economic development and entrepreneurial organizations in the region should result in an acceleration of new company formation and existing company expansion.

- ❖ **ISU ECONOMIC DEVELOPMENT \$2,501,880**

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.

Iowa State University’s Economic Development Network (e.g., Iowa State University Research Park, Iowa State University Research Foundation, Institute for Physical Research and Technology, Pappajohn Center for Entrepreneurship, Center for Industrial Research and Service, and Small Business Development Centers) typically yields the following outcomes (on average) each year: 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. Working together these units are able to connect faculty, staff, and student resources with industry, educational institutions, business associations, and state and regional economic development agencies to help the Iowa economy prosper and grow.

The incremental funding will be used to support the university’s efforts to improve, connect, and leverage the strengths within the institution and allow better alignment of its economic development efforts with the state government and Iowa industries.

- **Institute for Physical Research and Technology \$43,699**

In the last five years, the Institute for Physical Research and Technology’s company assistance program helped more than 210 Iowa companies in 94 cities and towns, covering 55 Iowa counties. Those companies reported an annual economic impact of \$9.9M from that partnership.

- **Small Business Development Centers** \$29,963

The Iowa Small Business Development Centers (SBDC), a program of the U.S. Small Business Administration (SBA), provides services through a network of fifteen regional centers hosted by Regents institutions and community colleges, along with a specialized center dedicated specifically to international trade and exporting. The program's purpose is to assist existing businesses and new entrepreneurs to grow their businesses and improve their internal operations to ensure their continued success. It achieves its purpose by providing educational opportunities through workshops, but primarily and most effectively, through one-on-one counseling. Such counseling is, by Congressional mandate, provided free of charge to the client.

In the last six years, the Iowa SBDC has counseled 15,172 clients which created or saved 9,372 jobs; helped companies attract over \$330,000,000 in new capital; helped companies grow sales by approximately \$180,000,000; and helped to create 908 new businesses. In 2012, Small Business Development Centers served 2,659 clients, spent 10,831 hours counseling clients, offered 220 training sessions with 3,471 attendees, and helped launch 187 new businesses. This program helped generate more than \$84M in sales increases, new investments, and cost savings, and created or saved 1,837 jobs.

- **Iowa State University Research Park** \$3,915

More than \$100 million in economic activity and 1,200 jobs are associated with the Iowa State University 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 nearly 2,000 people. In the last year, WebFilings a start-up company founded in 2008, and today employs over 350 Iowans, has built its new Ames facility at the Research Park.

- ❖ **UNI ECONOMIC DEVELOPMENT** \$1,100,544

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 and have been partially supported by direct economic development appropriations. In FY 2014, Advance Iowa (Economic Gardening) was added and funded at \$491,703. Substantial progress is being made with Advance Iowa through economic gardening projects to help grow 2nd stage companies (10-99 employees) in all areas of Iowa. Incremental funding for these programs is requested at:

- Institute for Decision Making.....\$7,805
- Metal Casting Center.....\$1,838
- MyEntre.Net.....\$8,748
- Advance Iowa (Economic Gardening).....\$15,735

- ❖ **REGENTS INNOVATION FUND** \$3,096,000

The Regents Innovation Fund has helped leverage private and federal funds resulting in expanded economic development initiatives and enhanced programming for technology transfer, business incubation, and entrepreneurship at the public universities. Incremental funds will be matched by equal university financial commitments to maximize the impact of programs and services supported by this request. The Universities are committed to building upon existing capabilities to foster the translation of university research, strengthen partnerships with business and industry, support start-up company formation, job creation and economic growth. Incremental funding of \$96,000 is requested.

University of Iowa

SWJC Funds allow the University to continue to invest in high value intellectual property that derives from faculty research and enhances technology transfer and commercialization through the concerted efforts of our integrated economic development model involving the Iowa Centers for Enterprise. The ultimate goal is to facilitate university-private sector partnerships in technology commercialization, cultivate student and faculty entrepreneurship, and continue to

support and grow existing companies and create new companies in Iowa based upon UI technology. Additional funds will be used to support:

- Proof-of-concept funding to further the development of highly promising SUI intellectual property/technologies. Additional funds are critical in order to advance discoveries to the marketplace, to increase opportunities for raising additional capital from the private sector, and to support licensing of technologies to existing companies or launching new businesses.
- Campus-wide student, staff and faculty innovation, entrepreneurship and business support programs to stimulate innovation and new venture creation and to provide essential services during the initial business formation stages.
- Vice President for Research and Economic Development infrastructure funds to invest in and support University start-up and technology-based companies as they mature by assisting with space, equipment, business and technical assistance.

The University of Iowa has demonstrated effective utilization of state economic development funds to support and stimulate technology commercialization, new venture creation and existing business expansion. Below are examples of such success:

- Dr. Ibrahim Ozbolat and Dr. Timothy Marler launched Virtual Systems Engineering (VSE) in FY2013. VSE's software system, PREVIEW, can significantly reduce PCB design-test cycles and production errors for devices from cell phones to military electronics. PREVIEW includes interactive 3D visualization of single and multi-board systems. Dr. Ozbolat and Dr. Marler received RIF funding from UIRF under the GAP Commercialization RFP. VSE is in negotiations with four major firms to beta test and partner on initial installations of PREVIEW.
- Dr. Gail Bishop and Dr. Tony VandenBush launched Memcine Pharmaceuticals to enhance vaccine efficacy and improve human and animal health. Memcine is located in the UIRP BioVenture Center, received RIF funding from UIRF under the GAP Commercialization RFP. This allowed Memcine to hire an experienced CEO and to secure additional external funding. These funds are allowing Memcine to continue development of the technology in collaboration with researchers at the UI in the areas of influenza and cancer.
- Several SUI students launched Higher Learning Technologies, a company that creates customized digital test prep programs to assist students in preparing for technical entrance and proficiency exams. The two initial products target dental and nursing students, and the company plans expanding to other markets in the coming year. The company is located at the Technology Innovation Center located in the University of Iowa Research Park. Higher Learning Technologies received funding support through SUI innovation competitions and secured a Demonstration Fund award from the Iowa Economic Development Authority to support future growth.
- Student entrepreneur Ryan Ries launched TranslaCare, a company that is developing software to assist stroke victims and others with speech disabilities to communicate more effectively. The start-up company is located in the Bedell Entrepreneurship Learning Laboratory, acquired seed funding through campus-wide business competitions and received mentoring from John Pappajohn Entrepreneurial Center faculty and staff. These efforts helped the company secure additional funding from the Iowa Economic Development Authority.

With continued state and private investment, the University will leverage its substantial extramural research funding, economic development funding, and expertise in technology transfer and entrepreneurship to advance technology commercialization, new venture formation, business expansion and job growth across Iowa.

Iowa State University

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 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 entrepreneurial initiatives that will enhance communities and regions within the state to support entrepreneurs.

Iowa State University strives to improve the standard of living of Iowans by helping form new businesses and grow existing industry. Past years appropriations has allowed Iowa State University to fund 95 projects in more than 55 companies, including 30 startups, of which 18 startup companies were formed using these funds as their first source of research funding and 13 have a license to Iowa State University intellectual property.

Additional financial support will provide:

- The Proof of Concept Initiative (POCI) at Iowa State University works together with the other Regent institutions and the State of Iowa for delivery of commercialization programming and services to enhance the development of early stage research and technology with potential for commercialization. The POCI is tied to the Governor's plan for economic development through the IIC and Iowa Integrated Innovation Commercialization Network (IIICN). The Regent institutions 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 of Iowa and others to support existing industry expansion and regional development in Iowa.

The combined efforts of the POCI, IIICN within the IIC, and IPEP 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

Continued SWJC support is needed to provide outcomes in four key areas: 1) technology transfer and additive manufacturing, 2) MyEntre.Net and business incubation, 3) regional development and entrepreneurial communities, and 4) competitive and market intelligence.

- Project 1 - Technology Transfer and Additive Manufacturing
UNI continues to advance intellectual property evaluation and protection, commercialization of campus innovations through licensing/strategic partnerships, and new business development. Two rounds of faculty research grant competitions will be conducted to support intellectual property with the greatest potential for commercialization. Other technology transfer priorities will be increasing corporate sponsored research and supporting the efforts of the Iowa Innovation Council. UNI's Metal Casting Center will provide expanded support for advanced manufacturing and the casting industry through a new industrial-sized 3D printer.

- Project 2 – MyEntre.Net and Business Incubation

MyEntre.Net will launch a replacement website for www.myentre.net with the introduction of www.SpeakOutSmallBusiness.com. Speak Out Small Business is an incentivized blog site, promoting online networking and innovation for small business owners to post good ideas, solve problems and collaborate online. However, the MyEntreNet modules will continue to evolve and fill gaps in the entrepreneurship ecosystem, and provide continued support for the growing demand for online MyEntre.Net resources found at IA SourceLink.com. Three primary resources that will be emphasized in FY 2015 are 1) Dream Big Grow Here – a statewide contest that attracts and networks Iowa entrepreneurs with resources and service providers, 2) E-Learning – webinars at IASourceLink for entrepreneurs and service providers, and 3) EntreFest! – a consortium of 15-20 service providers to deliver Iowa's conference for entrepreneurs.

UNI will expand business incubation services through programming toward the Innovation Incubator on the UNI campus, including repurposed co-work space and innovative programming to accelerate tenant growth and student entrepreneurship.

- Project 3 - Regional Development and Entrepreneurial Communities

Regional development has become an essential strategy in bolstering Iowa's economic well-being. The Institute for Decision Making (IDM) has been leading a special committee of Professional Developers of Iowa to assess and recommend options for restructuring appropriate economic regions for the state of Iowa. The next step in the process is to expand the conversation to include economic developers and policy makers throughout the state. IDM will actively pursue entrepreneurial communities projects (ECP) with the UNI Regional Business Center. The goal of the ECP is to build the capacity of community and regional stakeholders towards fostering entrepreneurial development.

- Project 4 - Project – Competitive and Market Intelligence

Strategic Marketing Services (SMS) will develop and manage a competitive intelligence and market research program for mid-sized Iowa companies called MarketSolve. Accurate information is needed to make sound market entry or expansion decisions. Gathering and using data to make decisions is what SMS provides. SMS expects to assist at least five Iowa companies with advanced competitive and market intelligence projects. Priority will be given to businesses in the state's target industry clusters.

UIHC APPROPRIATIONS REQUESTTBD

Payment For Care Provided to Prisoners

The Eighth Amendment of the U.S. Constitution requires states to provide inmates with adequate medical treatment. Much of that state-required adequate medical treatment is delivered at the UIHC, but is unreimbursed. The UIHC and its physicians provide unreimbursed services associated with the adequate medical treatment of inmates and other residents of state institutions valued at approximately \$5M - \$7M annually, using Iowa Medicaid rates. Expecting UI Health Care to assume financial responsibility associated with the state's obligation to provide inmates and other residents of state institutions with adequate medical treatment represents a growing challenge to Iowa's only comprehensive academic medical center. A legislatively-mandated workgroup pursuant to CH. 1187, §128, Laws of the Eighty-second General Assembly, 2008 Session, recommended that, "Funding equal to the costs associated with the provision of care to state institution patients, drawing from sources not currently available to the Board of Regents, Carver College of Medicine, Department of Corrections, Department of Human Services, or the University of Iowa Hospitals and Clinics, must be found."

Graduate Medical Education Payments

Nationally, as well as within Iowa, concerns exist about the adequacy of the number of physicians being trained to serve future generations. Training more medical students is of limited value, however, given constraints on available residency positions new and existing residency programs face significant financial challenges.

UI Health Care is directly involved in 82 of the 83 Iowa ACGME residency programs, spanning the training of physicians in both primary and specialty care for Iowa. Studies show that physicians are more likely to practice in the area where they train. In recognition of this, UI Health Care offers more residency positions than it is authorized to operate under the Medicare cap. This means that UI Health Care must attempt to find other sources of support or self-fund residency positions above the cap in the amount of approximately \$21M annually. In today's environment funding these vital residency positions for Iowa without state support represents a major financial challenge.

TUITION REPLACEMENT \$29,735,423

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 \$29,735,423 for FY 2015 and \$31,181,075 for FY 2016 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 \$404,098

Iowa Public Radio, Inc. ("IPR") was organized exclusively for charitable and educational purposes. IPR's primary purpose is to support and promote the welfare and growth of the network of public radio stations in the State of Iowa licensed to Iowa State University, the University of Northern Iowa and the University of Iowa.

Iowa Public Radio'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. As defined in its strategic plan, IPR's goals are to:

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

Approximately 11% of IPR's operating revenues for FY 2014 include contributions from each of the three state universities. The FY 2014 contributions are a 10% reduction over the previous year,

consistent with IPR's strategic plan to reduce university funding to zero. Contributions will decline at a rate of 10% per year through FY 2015; 50% in year FY 2016 and in FY 2017, IPR will receive zero funding from the state universities. IPR and the Board have approved this plan. IPR will need to increase private support through fundraising as university funding continues to decrease.

Iowa Public Radio requests a 3.2% increase in operating support from the State of Iowa – from \$391,568 in FY 2014 to \$404,098 in FY 2015. The primary use of the funds is to continue to build capacity – in people, tools and resources – so that IPR can better position itself to compensate for the eventual loss in university funding

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

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 2016 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. We will use the projected HEPI point of 3.2% for FY 2015 as a base for FY 2016. It is projected that the Tuition Replacement fund will need to be increased to \$31,181,075 to cover debt service.