

Contact: Patrice Sayre

FY 2017 OPERATING AND OTHER FUND APPROPRIATIONS REQUESTS

Actions Requested:

- Based on proposed spending and funding plans, approve the identified operating appropriations requests for FY 2017 totaling \$661.3 million; UIHC requests of \$20.8 million; and the transfer of \$1.2 million for the operation of the State Geological Survey from the Iowa Department of Natural Resources to the University of Iowa.
- 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. Details are shown in the tables below.

EDUCATION APPROPRIATIONS				
<u>UNIVERSITY OF IOWA</u>	<u>FY16 Continuing</u>	<u>Incremental</u>	<u>FY17 Total</u>	<u>% Change</u>
GENERAL UNIVERSITY	230,923,005	4,500,000	235,423,005	1.9%
OAKDALE CAMPUS	2,186,558	345,514	2,532,072	15.8%
HYGIENIC LABORATORY	4,402,615	-	4,402,615	0.0%
FAMILY PRACTICE	1,788,265	-	1,788,265	0.0%
SCHS	659,456	-	659,456	0.0%
PRIMARY HEALTH CARE	648,930	-	648,930	0.0%
STATE OF IOWA CANCER REGISTRY	149,051	-	149,051	0.0%
SUB ABUSE CONSORTIUM	55,529	-	55,529	0.0%
BIOCATALYSIS	723,727	-	723,727	0.0%
BIRTH DEFECTS REGISTRY	38,288	-	38,288	0.0%
ONLINE PLACEMENT ACADEMY	481,849	-	481,849	0.0%
FLOOD CENTER	1,500,000	-	1,500,000	0.0%
WATERMAN NONROFIT RES CENTER	162,539	-	162,539	0.0%
SUBTOTAL	243,719,812	4,845,514	248,565,326	2.0%
<u>IOWA STATE UNIVERSITY</u>	<u>FY16 Continuing</u>	<u>Incremental</u>	<u>FY17 Total</u>	
GENERAL UNIVERSITY	182,181,852	8,190,000	190,371,852	4.5%
AG. EXP. STATION	29,886,877	806,946	30,693,823	2.7%
COOP. EXT SERVICE	18,266,722	493,201	18,759,923	2.7%
LEOPOLD CENTER	397,417	10,730	408,147	2.7%
LIVESTOCK DISEASE RESEARCH	172,844	4,667	177,511	2.7%
SUBTOTAL	230,905,712	9,505,544	240,411,256	4.1%
<u>UNIVERSITY OF NORTHERN IOWA</u>	<u>FY16 Continuing</u>	<u>Incremental</u>	<u>FY17 Total</u>	
GENERAL UNIVERSITY	94,276,732	7,650,000	101,926,732	8.1%
RECYCLING & REUSE	175,256	4,732	179,988	2.7%
MATH & SCIENCE (STEM)	5,200,000	-	5,200,000	0.0%
REAL ESTATE EDUCATION	125,302	3,383	128,685	2.7%
SUBTOTAL	99,777,290	7,658,115	107,435,405	7.7%

EDUCATION APPROPRIATIONS (cont'd)				
<u>SPECIAL SCHOOLS</u>	<u>FY16 Continuing</u>	<u>Incremental</u>	<u>FY17 Total</u>	
ISD	9,509,257	625,370	10,134,627	6.6%
IBSSS	3,964,688	158,588	4,123,276	4.0%
CLASSROOM TEACHERS	82,049	-	82,049	0.0%
CLOTHING/TRNS	11,763	470	12,233	4.0%
SUBTOTAL	13,567,757	784,428	14,352,185	5.8%
<u>OTHER</u>	<u>FY16 Continuing</u>	<u>Incremental</u>	<u>FY17 Total</u>	
REGIONAL STUDY CENTERS	283,848	7,664	291,512	2.7%
BOARD of REGENTS OFFICE	1,094,714	29,557	1,124,271	2.7%
IOWA PUBLIC RADIO	391,568	10,572	402,140	2.7%
SUI- 21ST CENTURY IT WORKFORCE	-	1,000,000	1,000,000	
UNI - INNOV/TRANS TEACHER ED	-	500,000	500,000	
UNI - TRAINING AND VIOLENCE PREV	-	250,000	250,000	
SUBTOTAL	1,770,130	1,797,793	3,567,923	101.6%
TOTAL EDUCATION APPROPRIATIONS	589,740,701	24,591,394	614,332,095	4.2%

ECONOMIC DEVELOPMENT APPROPRIATIONS				
	<u>FY16 Continuing</u>	<u>Incremental</u>	<u>FY17 Total</u>	<u>% Change</u>
SUI - ECON DEVELOPMENT	209,279	5,651	214,930	2.7%
SUI - ENTREPRENEURSHIP	2,000,000	54,000	2,054,000	2.7%
ISU -ECON DEVELOPMENT	2,424,302	65,456	2,489,758	2.7%
ISU - SBDC's	101,000	2,727	103,727	2.7%
UNI - ECON DEVELOPMENT	1,066,419	28,793	1,095,212	2.7%
ALL - INNOVATION FUND	3,000,000	81,000	3,081,000	2.7%
TOTAL ECON DEV APPROPRIATIONS	8,801,000	237,627	9,038,627	2.7%

AGRICULTURAL APPROPRIATIONS				
	<u>FY16 Continuing</u>	<u>Incremental</u>	<u>FY17 Total</u>	<u>% Change</u>
ISU - VET DIAGNOSTIC LAB	4,000,000	108,000	4,108,000	2.7%
ISU - NUTRIENT RESEARCH CENTER	1,325,000	35,775	1,360,775	2.7%
TOTAL AG APPROPRIATIONS	5,325,000	143,775	5,468,775	2.7%

OTHER APPROPRIATIONS				
	<u>FY16 Continuing</u>	<u>Incremental</u>	<u>FY17 Total</u>	<u>% Change</u>
ALL - TUITION REPLACEMENT	30,237,549	2,209,638	32,447,187	7.3%
UIHC APPROPRIATIONS		20,800,000	20,800,000	
STATE GEOLOGICAL SURVEY		1,200,000	1,200,000	Transfer
TOTAL OTHER APPROPRIATIONS	30,237,549	24,209,638	54,447,187	80.1%

SUMMARY BY INSTITUTION				
	<u>FY16 Continuing</u>	<u>Incremental</u>	<u>FY17 Total</u>	<u>% Change</u>
UNIVERSITY OF IOWA	245,929,091	5,905,165	251,834,256	2.4%
IOWA STATE UNIVERSITY	238,756,014	9,717,502	248,473,516	4.1%
UNIVERSITY OF NORTHERN IOWA	100,843,709	8,436,908	109,280,617	8.4%
SPECIAL SCHOOLS	13,567,757	784,428	14,352,185	5.8%
ALL OTHERS	35,007,679	24,338,431	59,346,110	69.5%
TOTAL	634,104,250	49,182,434	683,286,684	7.8%

Background: The State of Iowa's investment in Iowa's three public universities and two Special Schools transforms lives, promotes upward economic mobility, and provides the state with citizens who have the knowledge and skills to drive economic growth and innovation.

For more than a year, the Board of Regents has been focused on broadening and deepening a culture of effectiveness and efficiency in institutional operations. With the help of consultants, the public universities have looked at Sourcing and Procurement, Delivery of Services, Academic Space Utilization and Course Scheduling, Distance Education, and Time to Graduation/Enrollment Management. During FY 2016, the consultants' work will conclude and the universities will make institutional investments of time and money to implement the consultants' findings. The outcome will be a model of effectiveness and efficiency for future generations, and strategically align and allocate financial resources so that Iowa's public universities are stronger and more successful as higher education continues to change.

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.

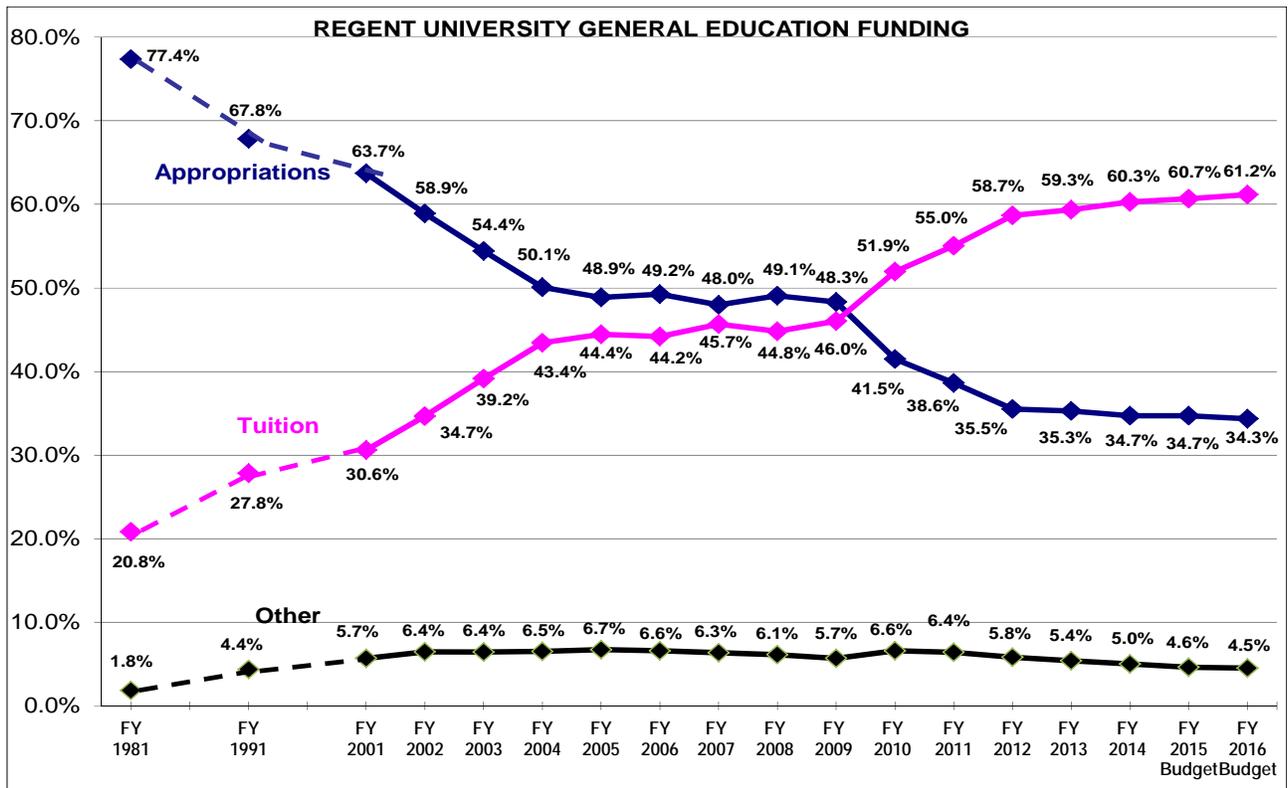
To maintain a stable base for operations, the appropriations request incorporates:

- Continuation of recurring state appropriation levels
- Funding for initiatives to support the FY 2010-2016 strategic plan from state appropriations, as well as the updated plan for FY 2017-2021, now in the initial planning stage
- Tuition Replacement needs
- Support for Iowa Public Radio
- Funding needs of the University of Iowa Hospitals and Clinics

EDUCATION APPROPRIATIONS.....\$614.3M

HIGHER EDUCATION GENERAL UNIVERSITY APPROPRIATIONS REQUEST\$527.7M

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.



Enrollment
60,388

Enrollment
78,047

As analyzed by the University of Iowa Economic Research Institute, the upper end of inflation in the Higher Education Price Index (HEPI) for FY 2017 is 2.7%.

The State's continued investment allows 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
- Improve student financial literacy

The higher education request includes:

- Continuation of FY 2016 recurring appropriations of \$507.4 million
- Differential funding increase of \$20.3 million to support the long-term reinvestment in the core mission of teaching and research for SUI and to meet the needs of ISU's unprecedented enrollment increase and UNI's need for financial stability.

❖ **University of Iowa**.....Base Funding of \$230,923,005 plus new funding of \$4,500,000

The University of Iowa has invested in programs and activities that create opportunities and support systems for students to complete their studies in a timely manner, and make the University an educational and research draw nationally and internationally.

As a comprehensive research institution that provides a broad range of high quality educational opportunities, the University promotes the Board of Regent's Strategic Plan priorities: Access, Affordability, Student Success, Educational Excellence and Impact, and Economic Development and Vitality.

Focusing on accessibility, SUI has budgeted an enrollment growth for Fall 2015 of 420 additional students; 50% of them Iowa residents. The University continues to rank among the top 10 Best Colleges for Veterans by *U.S. News and World Report* (two years in a row), and is named a military-friendly school for the sixth year in a row.

Affordability, as measured by tuition and mandatory fees, finds SUI with the lowest resident undergraduate tuition and fees in the Big Ten; \$4,000 (34%) below the average. Further, the University has been designated a "Best Buy" by *Fiske Guide to Colleges* for the 11th straight year. Creating and extending the Summer Hawk Tuition Grant allows students enrolled in three-year degree programs to be eligible for a grant for an additional summer session. In Summer 2015, SUI made 1,075 Summer Hawk grant awards totaling almost \$3.5M.

The University has improved retention and graduation rates – with the four-year graduation rate projected to increase to 53%. As of Fall 2015, six majors are now offered under the Iowa Degree in Three accelerated programs. Further, incorporating findings that show that living/learning centers improve student engagement, SUI opened its first new residence hall since 1968 in Fall 2015; an additional hall is under construction, and the Regents gave permission to proceed with project planning for a third new hall at the August 2015 Board meeting.

Increasing students' Academic Engagement, within the past five years the University:

- Developed two new TILE (Transform, Interact, Learn, Engage) classrooms; increasing the pool of TILE classrooms to 11;
- Created a \$1,000 study abroad scholarship for undergraduate Iowa residents;
- Launched Innovative Programs in Public Health and certificates in Large Data Analysis, Event Planning, Social Science Analytics;
- Improved Graduate/Professional Student Success by restructuring fellowships, adding a graduate program in Business Analytics, and creating expanded interdisciplinary opportunities; and
- Partnered with three additional Iowa colleges and universities for an early matriculation 3+3 program in Law (total partnership agreements = 12)

As the University grows, additional resources will be needed to expand support programs and foster additional innovation.

❖ **Iowa State University** Base Funding of \$182,181,852 plus **new funding of \$8,190,000**

Student demand nationally and internationally continues to be extremely strong with the university experiencing its seventh consecutive year of record enrollment. Science-based curricula in agriculture and life sciences, engineering, and kinesiology – as well as supply chain management, information technology, and STEM fields in general – are especially in demand.

Total enrollment has increased 25% over the last five years (based on Fall 2015 projections), including increases of 39% in agriculture and life sciences, 27% in business, 35% in human sciences, and 47% in engineering.

The requested new state appropriations would be used to address critical capacity needs associated with increasing student growth while maintaining and advancing the quality of academic programs.

Hiring additional faculty: Over the past 15 years, the University's student-to-faculty ratio has increased from 13.7 to 19 students per faculty member. More than 120 new tenured or tenure-track faculty members will join the University in Fall 2015, and more than 365 have joined since Fall 2012. This hiring initiative has helped to partially address the student-to-faculty ratio, but has also enhanced the diversity of faculty to accommodate an increasing number of multicultural and international students (today, one in five Iowa State students comes from a multicultural or international background).

Enhancing student support services: Academic advisors play a vital role in student success by helping students select the right classes, stay on track in completing requirements, find tutors for supplemental instruction (up 22% last year), and find value-added internships and study abroad opportunities.

The increase in students requires the hiring of more teaching laboratory coordinators to ensure equipment and experiments are set-up and safe, as well as provide academic guidance to students during the laboratory sessions.

Increasing student success with learning analytics: Iowa State is investing in a variety of learning analytics to more efficiently and effectively monitor students' progress in coursework and advancement toward degrees. This effort leverages "big data" to improve student retention and graduation rates. Since the 2008 implementation of Map-Works, first semester GPA increased from 2.65 to 2.79. First-year retention rates increased from 83.9% in Fall 2009 to 86.5% in Fall 2014. With 85% of first-year students voluntarily participating in MAP-Works, the University plans to expand this program to all undergraduate students with special emphasis and interventions for three cohorts: new direct-from-high-school students, new transfer students, and continuing sophomores.

Iowa State continues to examine gateway STEM courses with the highest DFW (grades of D, F, or Withdrawal) rates and majors with high attrition from the University, to design curriculum and change pedagogy to increase student success. These efforts have increased retention within STEM disciplines from 74.5% to 78.8%.

Supporting personalized learning: Research shows that high levels of student engagement, or personalized learning, leads to better retention. Personalized learning occurs in and out of the classroom – through learning communities, study abroad, student organizations, internships, and undergraduate research – and is critical to the University's brand and the success of its graduates. New resources would enable the University to scale-up programs to meet demand.

Scaling-up online learning: Demand for online instruction comes from both "traditional" distance education students who take all or most of their classes online, and students who are enrolled in a combination of on-campus and online courses. During FY 2014, ISU saw a 6.5% increase in enrollment of traditional distance education students, and a 9.6% increase in students taking a

combination of on-campus and online courses. In response to that market, the University now offers 24 degrees entirely online. The Presidential Flipped and Hybrid Course Initiative is transforming more than 80 courses into a variety of innovative flipped, hybrid, or blended classroom approaches. Additional state appropriations would enable faculty and staff to develop technology-assisted learning approaches to more efficiently serve student needs.

Upgrading classrooms and laboratories: New appropriations will help ISU expand efforts to ensure classrooms are sized and configured appropriately, and contain the right technology to support student learning, consistent with the TIER recommendations.

Classrooms in several buildings (Physics, Design, Carver, Ross and Science II) have recently been renovated with reconfigurable seating, updated lighting, enhancements to computer and projection systems, lecture capture, and network technology for video streaming. Plans are underway to renovate 11 classrooms in Pearson Hall. Additional state funding would accelerate classroom utilization and improvement in key areas, including improvements to the online testing centers, and creation of an additional centralized testing center.

Building-out technology infrastructure: Today's students arrive on campus expecting any time, any place learning, and always-on access to information. That expectation, and the over 100,000 electronic devices that students, faculty, and staff use regularly, demands an extensive and robust technology infrastructure with security measures to adequately protect information. The requested state appropriations would ensure these challenges are met, expand campus wireless network capacity; upgrade data center infrastructure, support high performance computing needs, and consolidate multiple distributed data centers.

Improving affordability: The *Fiske Guide to Colleges* named ISU a 2015 "Best Buy" for its combination of high-quality academic programs and affordability. Efforts to hold down costs, improve financial literacy and reduce time to degree are paying off. Student debt for graduating undergraduate students has declined by 10.1% over the past nine years. The percent of students who graduate that borrowed while pursuing their undergraduate degree at Iowa State has decreased by 9.2% over the past six years. New appropriations would focus on:

- *Enhancing students' financial literacy.* The new Student Loan Education and Financial Planning Office offered one-on-one counseling to 1,100 students last. Staff conducted 77 presentations, reaching over 3,800 students on financial literacy. Enrollment in the one-credit online "Personal Finance in Early Adulthood" course continues to grow and a new face-to-face offering gives students another option to formally assess their personal finances.
- *Identifying lower-cost paths to a degree:* Iowa State is committed to offering alternative and lower-cost paths to a degree. One-fifth of new ISU students transfer from community colleges, and students who take this route typically lower both their total cost of education and their debt load. In addition, pre-collegiate students enrolled in college courses through the State of Iowa's Senior Year Plus program have benefitted from redesigned policies, procedures and support programs.

Maintaining a safe and welcoming campus: Record enrollments increase the need for campus safety and take a toll on campus physical infrastructure. Safety services, including prevention and outreach, safety escorts, motorist assistance, and standard campus policing require additional public safety officers to maintain adequate ratios of officers to students. In addition, there is a greater need for student safety training, particularly for those in laboratory environments. With increased pedestrian and vehicle traffic, classrooms, study and collaboration space, as well as exterior spaces, all require more frequent cleaning.

Finally, the University works to create a welcoming environment for students, faculty and staff with disabilities. The University is developing a comprehensive accessibility compliance plan to ensure that web sites, and student and employee resources, are accessible to all users. State

appropriations would support the pilot deployment, evaluation, and scale-up of accessibility projects.

❖ **University of Northern Iowa**....Base Funding of \$94,276,732 plus **new funding of \$7,650,000**

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

While the university remains committed to its history in teacher preparation, the impact of the University of Northern Iowa extends well beyond these roots. Excellent programs in business, social and behavioral sciences, humanities, arts and natural sciences prepare students to work and contribute in every employment sector across Iowa and provide a meaningful contribution to the state. While UNI's core focus remains undergraduate education, the university also provides strong graduate programs that continue to attract students in all stages of life. In 2014, 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. Examples include communication disorders and speech pathology which routinely have waiting lists for acceptance, outstanding business education including a national renown accounting program, biology and biochemistry which have high placement rates in graduate programs and medical school, statewide leadership in STEM education, and excellent music programs including jazz studies.

The funding increase is based on an analysis of how an equity adjustment would boost the university's goals. Strategic uses of these funds include:

- Financial Aid – The University of Northern Iowa has historically lagged behind other Regent institutions in available funding for financial aid. New funding would be particularly focused on Iowa need-based students since the university has a higher population of students from lower income families. This funding would also be directed to diversity initiatives and first generation Iowa students.
- Enrollment Management – Funds will be allocated to strategic enrollment management initiatives in the areas of recruitment, admissions, and student retention.
- Deferred Maintenance – Additional funding will allow for timely response to deferred maintenance issues in academic buildings. Building repairs have been cut over the past years due to budget constraints.
- Invest in Efficiency – The recommendations of consultants for the TIER project recognized that the various business cases will require some level of up-front investment before savings will be fully realized.

HIGHER EDUCATION LEGISLATIVE SPECIAL PURPOSE APPROPRIATIONS REQUEST \$68.7M

The Special Purpose appropriations request includes:

- Continuation of FY 2016 recurring appropriations of \$67 million; and
- Incremental funding of 2.7% (\$1.7 million) to support units outlined below.

These appropriations are for specific programs at each institution which provide statewide services. Requests for incremental funding below \$25,000 appear at the end of this section.

❖ **SUI – OAKDALE CAMPUS..... \$345,514**

For FY 2016, the University of Iowa received \$12.8M of state funding to support 12 unique programs. Ten of these programs have not received an increase in state appropriations for five years; the Hygienic Laboratory received additional funds in FY 2014 and the Online Placement Academy, begun in FY 2013 has received no additional funds since inception. While the financial stress exists for all statically-funded programs, the University only seeks funds for the Oakdale Campus due to prior years' appropriations reductions and strategic realignment of support. SUI will forego seeking an inflationary increase for other Special Purpose programs.

The Oakdale Campus budget is designed to provide a working environment to stimulate University research, economic development, outreach activities and engage with small start-up companies on the Oakdale Campus. Activities located on the campus include the State Hygienic Laboratory, the Technology Innovation Center, specialized laboratory research functions, and other public service activities. The FY 2016 budget of \$2.7M is intended to support campus stewardship activities such as building operations, maintenance, landscape and custodial services.

The Oakdale Campus budget has been significantly challenged over the last several years for two reasons: declining financial support and increasing stewardship needs for both new and severely-aged facilities.

In FY 2009, the Oakdale Campus budget's primary sources of funding were state appropriations and indirect cost recoveries from research activities. Since then, appropriations have declined by \$530,000 (\$2.7M to \$2.2M) and indirect cost recoveries are projected to decrease in FY 2016 by \$700,000 (\$1.1M to \$400K).

The second challenge is the rising operating costs of the campus facilities. In 2010, the University completed the construction of a critically important asset to the Oakdale Campus – the new facility housing the State Hygienic Laboratory. In order for the lab to provide its essential state services, this highly sophisticated facility requires very timely operational responses along with a constant commitment to maintenance to avoid long-term degradation issues.

The University requests additional state support to address the recent and dramatic reduction in funding support and enable the University to provide better facilities and infrastructure services to those on the campus. The Oakdale Campus plays a vital role in the University's efforts to support entrepreneurship, economic development, outreach and critical services to citizens and businesses across Iowa.

❖ **ISU – AGRICULTURE EXPERIMENT STATION \$806,946**

Incremental funds are requested to support the on-going efforts of the Agriculture Experiment Station. Agricultural science and technology help prepare Iowa's animal and crop systems for the future and ensure progress in environmental stewardship. Science-based knowledge is essential to continue agriculture's significant contributions to the state economy and job creation. Science is also the key to: more sustainably produce food, energy and everyday materials; protect plant, animal and human health; and care for the environment.

State funding for the Agriculture Experiment Station leverages success in competitive funding; over the past six years, ISU agricultural researchers have brought in more than \$300 million in external funding. Additional state funding for the Agriculture Experiment Station would help address critical needs in Iowa agriculture such as improved soil and water conservation technologies; adding economic value to meats and grains; alleviating seasonal environmental impacts on livestock; and enhancing animal health and disease resistance.

❖ **ISU – COOPERATIVE EXTENSION SERVICES..... \$493,201**

Incremental funds are requested to support a variety of Extension and Outreach initiatives, especially those critical issues such as Avian Influenza outbreaks, nutrient reduction strategy, drought, floods, widespread plant and animal diseases, insects (emerald ash borer), and policy changes. Additional resources would ensure that ISU can provide immediate response and education to address these challenges, and support practical research, surveillance, and programs to help communities and individuals plan for the future.

A high priority focus on farm operation and land transitions, involving unique audiences, includes implementing plans for the successful continuation of the farm business beyond the current operators; dealing with farm financial stress as grain, livestock, and milk prices have decreased faster than production expenses; strengthening programming in retirement planning for the older generation; providing financial and production management for the younger generation; and training professionals to serve both audiences.

4-H is currently working with the Iowa Department of Education to align 4-H base programming to the Iowa Core and to use school data to help evaluate its program. In FY 2016, 4-H will be redeveloping and launching its K-3 Clover Kids program with a strong emphasis on STEM and Literacy. The ISU 4U Promise program is a partnership among several university units and the Polk County Extension office. The long-term goal is to maintain a college-going pathway for youth attending the King Elementary School and the Moulton Extended Learning Center in Des Moines. Additional funds are needed to encourage ongoing and long-term participation and involvement of faculty, staff, and students in these programs.

SPECIAL PURPOSE APPROPRIATIONS REQUESTS < \$25,000

EDUCATION SPECIAL PURPOSE APPROPRIATIONS				
	<u>FY16 Continuing</u>	<u>Incremental</u>	<u>FY17 Total</u>	<u>% Change</u>
<u>IOWA STATE UNIVERSITY</u>				
LEOPOLD CENTER	397,417	10,730	408,147	2.7%
LIVESTOCK DISEASE RESEARCH	172,844	4,667	177,511	2.7%
<u>UNIVERSITY OF NORTHERN IOWA</u>				
RECYCLING & REUSE	175,256	4,732	179,988	2.7%
REAL ESTATE EDUCATION	125,302	3,383	128,685	2.7%

SPECIAL SCHOOL EDUCATION OPERATING APPROPRIATIONS REQUEST \$14.3M

The funding request for the two special schools, Iowa School for the Deaf (ISD) and Iowa Educational Services for the Blind and Visually Impaired (IESBVI) allows the Board of Regents to continue to provide high quality, individualized instructional opportunities to children and youth who are deaf or hard-of-hearing and to those who are blind or visually impaired. The Special Schools' request includes the continuation of the FY 2016 recurring appropriations totaling \$13.5 million for general operations, and incremental funding of 4% that would provide \$380,370 for Iowa School for the Deaf and \$158,588 for the Iowa Educational Services for the Blind and Visually Impaired, as well as a slight increase of \$470 for the Clothing and Transportation funds. The amount requested would help to maintain parity with the level of funding appropriated to K-12 public schools, promote improved faculty recruitment/retention, and support expanded extended-learning services.

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

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

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 School for the Deaf and Iowa's Educational Services for the Blind and Visually Impaired, the requested increase would support the core programming for students who are blind or deaf 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 or deaf in Iowa.
- Access to a language rich environment and early language development, essential for students who are deaf, at Iowa School for the Deaf.

Additional funds are requested for ISD to operate Northeast Regional Academy for Deaf and Blind in the amount of \$245,000.

After a feasibility and planning study was conducted to examine the administrative and programmatic functions of the Special Schools, as well as student outcomes, the Board of Regents approved the concept of a regional academy model in February 2013.

The regional academy model was developed from a national review of service delivery options and recognition that educational services to children and youth who are deaf or blind are not provided consistently across the state. The Individuals with Disabilities Education Act (IDEA) requires a continuum of services. Currently there are gaps in that continuum, particularly in the more rural areas of Iowa.

Working in partnership with the Department of Education, Area Education Agencies, Vocational Rehabilitation and Department of the Blind, the Board of Regents has begun to operate the first of five Regional Academies in Charles City. Additional State support will be required to meet the total fiscal needs of the Academy. For the operation of the first Regional Academy, \$245,000 is sought - representing less than one-third the total costs (\$750,000) to operate.

The Academy in Charles City will provide:

- Access to specialized teachers for intensive educational programming and services;
- Provides more direct service time with students in a more efficient delivery model;
- Opportunity for development of transition skills;
- Extended learning activities for all students in the AEA served by the academy; and
- Professional development focused on the curriculum and instructional needs of deaf and blind students.

The Academy will lead to:

- Increased academic proficiency in math and reading;
- Increased functional and independent skills;
- Improved opportunity to successfully be employed or enter post-secondary training after high school;
- Consistent and high quality instruction of deaf and blind students across the state; and
- A full continuum of equitable education services for deaf and blind children in Iowa.

OTHER GENERAL FUND APPROPRIATIONS.....\$3.6M

STRATEGIC INITIATIVES\$1.75M

The following are new initiative requests for FY 2017.

❖ **SUI TRAINING A 21ST CENTURY INFORMATION TECHNOLOGY WORKFORCE ... \$3,000,000** (over 3 years)

The 2014 Battelle economic development report noted¹, "... Iowa's current economic potential is being held back by shortages of qualified workforce. Employers in the Synchronist surveys² commonly identify the following middle- and high-skilled occupations in high demand with talent shortages in the state: information technology professionals, particularly in software engineering, web development, and programming..." To address this widespread need for skilled IT workers, SUI will create the Iowa Industry Information Technology Partnership (I³TP), a collaborative partnership to train IT workers and expand the IT pipeline.

The University of Iowa requests initial state support (\$1 million/year for three years, \$3M in total) to address the state shortfall of trained IT and computing professionals through a phased, hands-on approach involving the University of Iowa, Iowa companies, community colleges and K-12 institutions. This partnership would connect applied industry problems with university and community college education and training, as well as secondary school STEM education. The goals of the I³TP are to:

- Engage [Dev/Iowa | UI Partners](#) to deliver statewide intensive IT training programs (boot camps);
- Connect community colleges across the state to deliver training and skills in software programming that address current industry problems;
- Host teacher training in computer science via summer code camps at the Kirkwood Regional Center at the University of Iowa to bring teachers, students and computing professionals together, raise teacher awareness and enhance their knowledge of IT; and
- Create programs that teach computing to K-12 students through national computer science and coding resources (e.g., [CoderDojo](#), [Codeacademy](#), [HyperStream](#) and [CSUnplugged](#)), and deliver an online AP[®] Computer Science class for rural students lacking access to in-school test preparation.

¹ <http://www.iowaeconomicdevelopment.com/Resources/battelle>

² <http://iowascreativecorridor.com/files/Synchronist%20Supplemental%20Workforce%20Survey%20FINAL%20Nov%202013.pdf>

The I³TP would operate as a partnership among the Technology Association of Iowa (TAI), the Iowa Economic Development Authority (IEDA), the University of Iowa (Office of the Vice President for Research and Economic Development, the Departments of Computer Science and Electrical and Computer Engineering), the Kirkwood Regional Center at the University of Iowa, Iowa Western Community College, Western Iowa Tech Community College, the Governor's STEM Advisory Council, the Iowa City Area Development (ICAD) Group, the Cedar Rapids Metro Economic Alliance (CRMEA), and other economic development groups across the state.

Background

Information technology underlies the innovation that drives Iowa's top industry clusters, and the ability to recruit and retain employees with computing or IT skills is crucial to the state's knowledge economy and economic success. From financial services and insurance through advanced manufacturing and precision agriculture to healthcare, there are more than 4,300 computer science-related jobs unfilled in Iowa³. Demand for workers with computing or IT skills is expected to remain strong; during the next decade; about 70 percent of new jobs in STEM fields will be for computing professionals⁴. At a time when millions of workers are seeking retraining to remain employable and employers need workers with a broad range of IT skills to stay globally competitive, Iowa must ensure that every student, job seeker, and underemployed worker has access to education and training in IT and programming.

Statewide IT Training Institutes (IT Boot Camps)

The University would extend its nine-week summer Dev/Iowa web development boot camp to a statewide program. These boot camps provide immersive web development training for students, employees looking to strengthen or refresh their technical skills, and those who are unemployed or seeking a career change into the IT field. In years two and three, SUI would add offerings across the state, working in collaboration with TAI and industry partners. These camps would provide hands-on, intensive IT skills development and refresh to meet the workforce needs of existing businesses in Iowa.

Connecting Students with Industry

The I³TP partnership would foster and create meaningful collaborations that result in connecting the need to solve industry problems with student training. Leveraging existing TAI internship programs, the partnership will address industry workforce shortages and help place students from TAI's Iowa Student Internship Program in small and medium-sized companies throughout the state. Importantly, through this process industry would have the opportunity to better evaluate students with relevant IT experience as potential hires.

Expanding the Pipeline (Student Programs and Teacher Support)

Boot camps and industry partnerships can help address short-term needs, but they cannot address the root cause of Iowa's IT workforce shortage, namely the lack of exposure to IT and computer science in K-12 schools and awareness of the exciting and rewarding IT employment opportunities. Many middle school students lose interest in STEM fields like computing because of socialization and a lack exposure and access, due in large part to the lack of K-12 teachers qualified to teach computing. Only by exposing more students to the excitement of computing and educating more K-12 teachers to deliver IT education can the pipeline of IT workers be expanded.

³ <https://code.org/promote/ia>

⁴ http://www.washingtonpost.com/local/education/high-school-students-are-all-about-computers-but-get-little-instruction-in-computer-science/2014/04/23/13979eda-c185-11e3-bcec-b71ee10e9bc3_story.html

SUI would extend the IT Training Institutes to provide teacher training in computing via summer and weekend code camps – supportive camps that include educational pedagogy and integration with existing curricula at teachers’ home schools. Working with TAI and Iowa companies, the University would organize statewide programs for students who want to learn about IT, and develop and leverage existing online courses to prepare students to take the AP® Computer Science Exam and connect them to computer science/computer engineering at Iowa’s three Regent universities.

Next Steps

- Instructors with deep industry experience in IT will be hired to teach Dev/Iowa IT boot camps across the state. Based on industry feedback, SUI will customize the IT training to meet the requirements of individual companies. SUI will also tailor teacher IT education camps that include educational pedagogy and integration with existing curricula at teachers’ home schools.
- To accommodate the IT and programming needs of startups, SUI will work with the Kirkwood Regional Center at the University of Iowa. I³TP will place talented and energetic high school students in STEM-IT/computer science in internships at local nascent companies in the University of Iowa Research Park.
- To build connections between industry and community colleges through the I³TP partnership, the University will actively solicit industry projects. Student teams will be formed, industry will pitch projects and solutions will be developed within the framework of the student training. Furthermore, SUI will encourage TAI members to serve as instructors in the community college programs such as Business and Information Technology.
- SUI will work with TAI, the IT startup community and Iowa companies to organize statewide programs for students who want to learn about IT through existing national coding organizations. SUI will also develop and leverage existing online courses to prepare students to take the AP® Computer Science Exam and connect them to computer science/computer engineering at Iowa’s three Regent universities.

Outcomes

Creating a talented and experienced IT workforce that meets industry’s need at many different levels is challenging yet essential, not only to build, but also to advance the Iowa knowledge-based economy. The I³TP embodies necessary and quantifiable changes in how we deliver content and, most importantly, how we link the needs of industry to the educational process. The approach is focused, integrated across higher education and delivers a well-qualified 21st century workforce for the State of Iowa. Its success will be assessed by the number of computer science and computer engineering graduates employed by Iowa companies as a result of the I³TP program.

❖ **UNI STRATEGIC INITIATIVES FOR INNOVATIVE AND TRANSFORMATIVE TEACHER EDUCATION \$500,000**

UNI participated in an Iowa Department of Education grant to evaluate yearlong student teaching as part of the preparation and education for future PK-12 teachers. The outcomes of this grant indicated there is merit for some students to have an enhanced experience.

This funding will provide for implementation of strategic initiatives in the College of Education, including the Year-long Student Teaching Program that would align the college with emerging best practices and move towards elevating the college to national distinction.

The plan will include such things as:

- revising curriculum;
- considering organizational structure;
- enhancing relationships with PK-12 partners across the State of Iowa;
- enhancing student teaching practices; and
- evaluating student assessment.

These initiatives will prepare the College of Education for accreditation and reassert its status as a national leader in teacher preparation. This funding would also leverage previous appropriations and millions of dollars in gifts which are renovating the Schindler Education Center on campus, home to the College of Education.

❖ **UNI STATEWIDE BYSTANDER EDUCATION TRAINING AND VIOLENCE PREVENTION \$250,000**

In response to Governor Branstad and Lt. Governor Reynolds anti-bullying initiatives and the Board of Regents comprehensive efforts on campus safety and security, the University of Northern Iowa requests sustainable funding of \$250,000 a year to provide statewide, collaborative services to Iowa's PreK-12 school system and to its colleges and universities with regard to bullying and gender violence prevention and education, training and assessment. This would firmly position UNI's current Center for Violence Prevention as a state and regional bystander education training and violence prevention center.

The mission of the UNI Center for Violence Prevention is to build the capacity of school districts, colleges and universities, and agencies serving youth and families to systemically implement, practice and evaluate effective bullying and violence prevention strategies. Currently, the Center provides outreach and prevention education training in secondary schools, colleges, and universities across the state of Iowa.

The UNI Center for Violence Prevention was established in 2011 as a culmination of approximately 10 years of work in gender violence prevention as a result of Department of Justice funding. From 2000-2004, UNI received two Department of Justice *Campus Grants to Combat Violence Crimes Against Women on Campuses* in the amount of approximately \$850,000. These grants focused on establishing prevention programming, victim services, policy revisions and law enforcement/campus security to be responsive to sexual and domestic violence and stalking that college women may experience. As a result of these efforts, in 2007 UNI was able to pursue and secure funding through the Department of Justice Office of Violence Against Women's Flagship Initiative. UNI was one of 4 institutions in the country to receive this 3-year funding (approximately \$1 million). As a result of the flagship grant, UNI was able to work with the Regent Campuses to: (1) implement mandatory new student education programs, (2) enhance training of judicial affairs officers, (3) enhance training of campus police and other points of first victim contact, (4) disseminate best practices in working with men in gender violence prevention efforts, (5) develop university courses and curricula in educating students in victim services and gender violence prevention, and (6) assess and revise sexual misconduct policies. In 2010, the Flagship grant and associated initiatives received continuation of funding through the Department of Justice. Through this funding, in partnership with foundation support from Verizon and the Waitt Institute of Violence Prevention, the UNI Center for Violence Prevention was established.

In order to continue the good work of this Center, the University is requesting a permanent funding source to maintain and enhance the current program, which has been funded by the aforementioned grants.

To accomplish its mission, the UNI Center for Violence Prevention has established the following goals:

- Utilize strong partnerships with state and national leaders to bring best practice and research-based programming and expertise in bullying and violence prevention to Iowa PreK-12 schools, communities and colleges.
- Infuse bystander-based prevention education and strategies into pre-service and professional education leadership programming at the University of Northern Iowa
- Model a collaborative community-based approach to violence prevention involving a wide range of partners including education professionals, victim service agencies, law enforcement and civic leadership.
- Function as a regional training center for *Mentors in Violence Prevention (MVP) Model*, and *Coaching Boys into Men*.
- Undertake continuous formative and summative program evaluation of the MVP Model. Partner and/or dialogue with state and national research colleagues and institutions in this endeavor.
- Provide opportunities to engage and challenge men to be allies with women in preventing all forms of violence and abuse.
- Attract and maintain strong funding relationships and partnerships with government, private and corporate foundations with missions focused on violence prevention and victim services.
- Disseminate educational content associated with gender violence prevention and best practices, and the work of the CVP, to community stakeholders and professional audiences.

❖ **BOARD OF REGENTS OFFICE..... \$29,557**

Incremental funds are requested for the operation of the Board of Regents Office at a projected inflation rate of 2.7%. The Board Office provides support to the Board of Regents and formulates policy recommendations for operations, administration, and legislative relations related to academic affairs, legal affairs, and business and finance operations.

Since FY 2009, State appropriations for the Board Office have been cut \$230,000. Currently, the Office is undergoing a reorganization recommended by the TIER project and has redefined job functions to better serve the needs of the Regents, institutions, state and public. Additional funding is needed to attract and retain qualified staff and to provide technology support.

❖ **REGIONAL STUDY CENTERS \$7,667**

Incremental funds are requested to meet inflationary needs for the continued operation and outreach efforts to students across the state at the three centers; Southwest Iowa Regents' Resource Center, Northwest Iowa Regent's Resource Center and Quad-Cities Graduate Center.

❖ IOWA PUBLIC RADIO \$10,572

Incremental funds to cover inflationary expenses are requested. Iowa Public Radio, Inc. (“IPR”) was created by the Board of Regents in 2004 to manage the public radio stations licensed to Iowa State University, the University of Northern Iowa and the University of Iowa. Today, the network includes 24 stations, serving 225,000 Iowans every week. IPR’s 24 stations cover most of Iowa and beyond, delivering News, Classical and Studio One music programming 24-hours a day.

Iowa Public Radio’s mission is to inform, enrich and engage Iowans through high quality news and cultural programming. IPR delivers three streams of programming statewide, bringing Iowans award-winning national programming and producing local programs that reflect Iowa’s sense of place. IPR’s three distinct programming streams include:

- *Iowa Public Radio News* provides Iowans the best in national and local news programming. It’s not just headlines, but probing stories and talk programming that promotes a dialogue about the issues and culture of Iowa; and
- *Iowa Public Radio Classical* provides Iowans with 24 hours a day of classical music, including live and recorded performances from concert halls in Iowa.
- *Iowa Public Radio Studio One* provides an eclectic variety of music that stirs passions and showcases Iowa’s vibrant music scene.

Iowa Public Radio receives support from a mix of sources that includes listeners, businesses, foundations, the universities who own the stations (SUI, ISU, UNI), and the State of Iowa. IPR’s FY 2016 budget is \$7.4 million, with 43% coming from listener-members, 24% from business sponsorships, and 13% from Iowa State University, the University of Northern Iowa and the University of Iowa.

The total operating appropriations request for FY 2017 is \$402,140, a 2.7% increase over the FY 2016 appropriation. Public radio saw no increase in FY 2012, 2013, 2014, 2015 or 2016. IPR will use the additional funds to invest in its fundraising capacity, helping IPR realize its goal of increasing private support for IPR by 10% each year for the next 5 years. This will help IPR create a stable and sustainable funding model for decades to come.

ECONOMIC DEVELOPMENT APPROPRIATIONS REQUEST \$9.0M

Iowa’s public universities seek an incremental 2.7% for the three segments of economic development:

- Economic Development - \$102,627 to meet projected inflation, and recurring appropriations of \$3.8 million for existing economic development units (includes new funds appropriated in FY 2015 for ISU’s Small Business Development Centers).
- Regents Innovation Fund - \$81,000 to meet projected inflation 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.
- SUI Entrepreneurship and Economic Growth - \$54,000 to meet projected inflation and \$2,000,000 in recurring appropriations.

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, innovative economy that will position Iowa to be competitive in a global market.

Incremental funds are requested below:

❖ **SUI ECONOMIC DEVELOPMENT** \$59,651

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). The University requests that funds for CADD and UIRP remain at recurring levels and that incremental funds be granted to the Entrepreneurship and Economic Growth program and the Technology and Innovation Center.

• **Entrepreneurship and Economic Growth** \$54,000

The John Pappajohn Entrepreneurial Center (JPEC) is responsible for implementing the entrepreneurship and economic development growth initiative. JPEC works closely with the Office of the Vice President for Research and Economic Development (OVPR&ED), the Henry B. Tippie College of Business (Tippie), the Office of the Executive Vice President and Provost and other key university colleges including the College of Engineering, College of Liberal Arts and Sciences (CLAS), and University of Iowa health science colleges.

JPEC offers comprehensive entrepreneurial education programs to all Iowans. All SUI undergraduate students (both on campus and online) may earn a Certificate in Entrepreneurial Management; Tippie students may earn a BBA in Management – Entrepreneurship Track either on campus or online. In Fall 2014, JPEC and CLAS launched the BA in Enterprise Leadership major for on-campus CLAS students; in Fall 2015, this major will be delivered online as well. Advanced entrepreneurship courses are offered to MBA students on campus and at several locations across the state of Iowa. JPEC and the Jacobson Institute for Youth Entrepreneurship work closely with the Iowa K-12 system to advance youth entrepreneurship and STEM education. JPEC collaborates with the OVPR&ED to foster the creation of technology-based businesses and support the expansion of existing Iowa companies through advanced training, one-on-one consulting services, and directing SUI students on advanced field study projects and internships.

Beginning Fall 2015, JPEC will partner with Iowa Western Community College, Western Iowa Tech Community College and Des Moines Area Community College to expand entrepreneurial educational opportunities for their students, connect student entrepreneurs and technology-trained students across the state, and provide additional services to entrepreneurs and small businesses located in the community colleges' service territories. Through these comprehensive set of programs, JPEC and the University seek to support the next generation of Iowa entrepreneurs and business leaders.

• **Technology Innovation Center (TIC)** \$5,651

The University is requesting an incremental increase of \$5,651 for the Technology Innovation Center in support of campus-wide innovation and support programs to stimulate commercialization through a comprehensive lab-to-market incubation strategy for faculty startups, and the establishment of two early-stage incubators.

❖ **ISU ECONOMIC DEVELOPMENT** \$68,183

Iowa State University's Economic Development Network typically yields the following outcomes each year: more than 7,500 new and retained jobs; 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

Incremental funding would 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.

- **Small Business Development Centers** \$28,008

The Iowa Small Business Development Centers' (SBDC) purpose is to assist existing businesses and new entrepreneurs to grow their businesses and improve their internal operations to ensure their continued success. SBDC provides educational opportunities through workshops, but primarily and most effectively, offers 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 16,114 clients, which created or saved 10,631 jobs; helped companies attract over \$305 million in new capital; helped companies grow sales by approximately \$269 million; and helped to create 1,127 new businesses. This translates into a new job every seven hours and a new business every 35 hours. Clients of SBDC increased their sales at a rate of over \$4.1 million per month.

The request includes an inflationary increase on \$101,000 appropriated additionally from FY 2016 General Funds.

- **Center for Industrial Research and Service Technology Assistance Program (formerly Institute for Physical Research and Technology)** \$36,871

This past year, as part of Iowa State University's ongoing effort to improve administrative efficiency and streamline research and economic development units, the management of the Institute for Physical Research and Technology (IPRT) company assistance program shifted to the Center for Industrial Research and Service (CIRAS). This administrative change was made to better promote ISU technology services across Iowa, to improve coordination with other CIRAS business outreach programs, and to build more industry/university partnerships. The CIRAS Technology Assistance program provides one-on-one applied research and technical assistance services to Iowa companies to help them prosper and grow.

The program also conducts research of interest to industry sectors specifically targeted for growth by the State of Iowa. In the past five years, the CIRAS Technology Assistance program has worked with more than 175 distinct businesses from 66 Iowa counties. In FY15 alone, companies responding to surveys reported \$18.5 million of total economic impact from the technology services they received. This was over double the impact reported in the previous year. CIRAS has leveraged the Technology Assistance funds to increase the federal funding and fees it receives through its existing Department of Defense and Department of Commerce grants. New funds would be used to expand applied research, technical assistance, and education services provided to Iowa businesses.

- **Iowa State University Research Park** \$3,304

The Iowa State University Research Park (ISU RP) currently has more than 60 tenants with 1,300 employees and occupies roughly 500,000 square feet. Current tenants account for more than \$100 million annually in economic activity. In addition, companies that started at the Research Park have since expanded or relocated elsewhere in Iowa, and employ an additional 2,500 employees.

The ISU Research Park is in the midst of a significant expansion, which will double the developable acreage, include commercial amenities to serve the needs of tenants, provide parks, walking and biking paths, and pave the way for the next generation of thought leaders/employees. Within the next 12 months, a newly constructed research and development facility for Boehringer Ingelheim, the Vermeer Applied Technology hub, and the ISU Economic Development Core Facility will open. In addition, several commercial projects are in development

❖ **UNI ECONOMIC DEVELOPMENT** \$28,793

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. In FY 2014 and FY 2015, Advance Iowa, Iowa's Economic Gardening program was added to UNI's base funding. 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 increases for these four programs is requested at:

- Institute for Decision Making \$ 6,585
- Metal Casting Center \$ 1,551
- MyEntre.Net \$ 7,381
- Advance Iowa (Economic Gardening \$13,276

❖ **REGENTS INNOVATION FUND** \$81,000

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 \$81,000 is requested.

University of Iowa

The University of Iowa is requesting additional funds to accelerate technology transfer, advance research commercialization, promote job creation and support economic development in Iowa. These funds will be matched one-to-one by the University of Iowa to maximize the impact of programs and services supported by this request.

The Regent's Innovation Funds support and leverage intellectual property with commercial potential derived from faculty research and enhances technology transfer and commercialization through the concerted efforts of our integrated economic development model. The goal is to facilitate industry-academia partnerships through technology commercialization, foster entrepreneurship, grow and support existing companies and create new ventures in Iowa based on UI technology.

Additional funds would be used to support:

- Campus-wide innovation, entrepreneurship and business support programs to stimulate commercialization through a comprehensive lab-to-market incubation strategy for faculty startups, and the establishment of two early-stage technology incubators;

- Economic development centers providing on-site technical and business services to Iowa businesses and startups, IT and entrepreneurial workforce training and student internships;
- Infrastructure funds to support University startups and technology-based companies as they mature by assisting with space, equipment, business and technical assistance; and
- Gap funding to further the development of highly promising UI intellectual property/technologies. Additional funds are critical to move discoveries into the marketplace, to increase opportunities for raising additional capital and to support licensing to existing companies or to launch new ventures.

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 realize significant growth in jobs related to Iowa's strongest industry clusters, develop a sustainable educated workforce, provide a statewide innovation community for both start-ups and established companies, and launch entrepreneurial initiatives that will enhance communities and regions within the state.

Past years' appropriations have allowed ISU to fund 100 projects in more than 60 companies, including 40 startups, of which 13 have a license to ISU intellectual property. These funds have been leveraged to bring in more than \$15,000,000 in external funding.

Additional state funding would help support:

- Proof of Concept Initiative (POCI) which allows Iowa State University to enhance the development of early stage research and technology with potential for commercialization work together with the other Regent institutions and the State of Iowa for delivery of commercialization
- Continued development of an infrastructure to advance research through proof of concept and towards prototype/testing stage, including incubation space, equipment, and technical assistance.

University of Northern Iowa

UNI's economic development and technology transfer programs assist thousands of Iowa companies, entrepreneurs and communities in all 99 counties. The Regents Innovation Fund (RIF) has helped Regent universities leverage private and federal funds resulting in expanded economic development initiatives and enhanced programming for technology transfer, business incubation, and entrepreneurship. Continued RIF support is needed by UNI to provide outcomes in four key areas: 1) technology transfer, business incubation and additive manufacturing, 2) MyEntre.Net and entrepreneurship outreach, 3) regional development and entrepreneurial communities, and 4) competitive and market intelligence.

AGRICULTURAL APPROPRIATIONS REQUEST\$5.5M

❖ Veterinary Diagnostic Laboratory\$108,000

Incremental funds of \$108,000 are requested. Iowa State’s Veterinary Diagnostic Laboratory (VDL) processes over 70,000 cases from livestock and poultry producers in Iowa and from across the country, and conducts about 1.5 million tests each year. The timely, comprehensive, high-quality diagnosis of diseases and toxicoses is critical to serving the state’s \$14 billion animal agriculture industry. The laboratory is essential in providing the diagnostic testing and information to continue current exports and develop new export markets for Iowa livestock and animal protein products.

As one of the 12 core labs for the National Animal Health Laboratory Network, the VDL continues to be at the forefront in the nation’s response to emerging diseases such as High-Path Avian Influenza Virus, Canine Influenza Virus, and Porcine Epidemic Diarrhea virus. VDL faculty and staff were the first to diagnose cases of Porcine Epidemic Diarrhea in 2013 and led national efforts to develop and deploy diagnostic testing, and develop and test new vaccines to control the condition. The VDL was also at the forefront during the recent High-Path Avian Influenza Virus outbreak in Iowa which demanded that the laboratory run in multiple shifts 7 days per week to assure timely testing.

Additional funding is needed to purchase equipment and technologies to advance diagnostic testing capabilities for Iowa livestock producers, add staff to conduct testing in the laboratory, upgrade information technology to report results to clients, and improve the defensive response to disease introduction.

❖ Iowa Nutrient Research Center\$35,775

Incremental funds of \$35,775 are requested. The Iowa Nutrient Research Center, established by the Board of Regents from legislation passed in 2013, responds to the need for continued research and innovation to address Iowa’s water quality needs. Addressing identified needs or gaps in nitrogen and phosphorus research to reduce the loss of nutrients to the environment, the Center evaluates the performance of current and emerging in-field and edge-of-field practices, provides recommendations on implementing new or tested practices and develops tools to help decision-making in adopting effective management practices. The Center has funded nearly two dozen projects led by scientists at Iowa State University, the University of Iowa and the University of Northern Iowa.

OTHER APPROPRIATIONS REQUEST \$54.4M

UIHC APPROPRIATIONS REQUEST \$20.8M

❖ DISPROPORTIONATE SHARE HOSPITALS (DSH) \$4,500,000

The Health and Human Services Appropriations Act reduced funds for UI Health Care’s appropriation for DSH by \$4.5 million in FY 2016 and FY 2017. UI Health Care requests restoration of the \$4.5 million in FY 2017.

These funds are the only state appropriations for the Center for Disabilities and Development (CDD) and are a primary funding stream for the program that serves Iowans with disabilities. CDD provides over 8,800 outpatient visits per year and serves Iowans from all parts of the state.

DSH funds are also dedicated to the University of Iowa’s inpatient psychiatric services. The psychiatric program has 173 full time positions and costs of \$13.8 million. With the closure of two of the state’s Mental Health Institutes, support for remaining inpatient services is all the more important going forward.

These reductions are unsustainable after FY 2016. The cuts will require reductions to these programs if not restored. Operating margins at UIHC are all re-invested in health programs and services that benefit the state, including the training of physicians, academic programs, additional residency slots, and health sciences research. The DSH reductions are compounded by the state’s new Medicaid Modernization initiative, that assumes in its’ savings a 30% decrease in usage of hospital services under managed care. In addition, UIHC has continued pressure from Medicare and commercial reimbursement rates.

❖ **PILOT PROGRAM LINKING PSYCHIATRY AND PRIMARY CARE PRACTICES \$300,000**

This new pilot program was funded in FY 2016 at \$156,619 with one-time funds. The purpose is to improve outcomes for mental health treatment in primary care settings. The program will provide additional training to medical residency students about mental health and psychiatric prescriptions and will track data and outcomes.

The program will:

- Analyze the existing regional plans for adult and child psychiatric care in Iowa and address models of care delivery as well as workforce enhancements.
- Use population health-based strategies to improve targeting of mental health care resources to Iowans who need these services.
- Use evidence-based models of care to increase access to mental health care services, such as collaborative care which uses care managers to support mental health care delivery via primary care.
- Use technology including telemedicine, telephone contact, and handheld applications to enhance patient engagement in mental health improvement.
- Will track quality and satisfaction outcomes.

❖ **PAYMENT FOR CARE PROVIDED TO PRISONERS \$6,000,000**

Per current Iowa Code, UIHC continues to provide unreimbursed health care services to inmates of the Department of Corrections (DOC) and those who reside in Department of Human Services (DHS) facilities.

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.” While many prisoners may be eligible for coverage of inpatient care once in a twelve-month period (presumptive eligibility can only be used once every twelve months), there is currently no coverage for any outpatient care.

❖ **GRADUATE MEDICAL EDUCATION PAYMENTS..... \$10,000,000**

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 Accreditation Council for Graduate Medical Education 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 \$32,447,187

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 bonding program has enabled the Regents to finance critical academic constructions needs at Iowa's public universities through the public sale of long-term bonds. The issuance of these bonds requires approval of the General Assembly and the Governor. 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 the Board to issue \$100 million in project proceeds of Academic Building Revenue Bonds to finance the repair, restoration, replacement, and mitigation of flood damaged buildings and facilities at the University of Iowa. The remaining and final "flood" series is expected to be issued in October 2015.

The tuition replacement request for FY 2017 is \$32,447,187, and incorporates the savings from lower than projected interest rates for the prior bond issues. Tuition replacement projections will be updated after the October 2015 bond issuance. Currently, the expected request for FY 2018 is \$33,323,334 and includes debt service projections from the anticipated October bond issuance.

STATE GEOLOGICAL SURVEY \$1,200,000

The Iowa Department of Natural Resources (IDNR) and the University of Iowa (UI) request the Iowa Geological Survey (IGS) and the position of State Geologist be transferred from IDNR to IIHR—Hydroscience and Engineering (IIHR), a unit of the UI College of Engineering. Both IGS and IIHR have a long, productive history of research and service to the state. Similarities in program missions, as well as synergies between IGS activities and IIHR research centers, such as the Iowa Flood Center and the Iowa Nutrient Research Center, enhance effectiveness, create growth opportunities for both organizations and will broaden their positive impacts on Iowa's economy.

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

Should the State develop a 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.

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; and
- Delivering valued public service that Iowans expect from the Regent universities

FY 2018 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 FY 2017 HEPI midpoint of 1.9% as a base for FY 2018. It is projected that the Tuition Replacement fund will need to be increased to \$32,323,334 to cover debt service.