

**Contact: Brad Berg**

**FY 2018 OPERATING AND OTHER FUND APPROPRIATIONS REQUESTS**

**Actions Requested:** Consider:

- Approval of the identified operating appropriations requests for FY 2018 totaling \$656.3 million; UIHC requests of \$7.0 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.
- Authorizing 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:** Consistent with the Board’s strategic plan adopted in July, determining and fulfilling appropriate resource needs are essential in providing high quality public education, cutting-edge research, and needed public services. Predictability, transparency, and long-term planning strategies are woven throughout the plan.

The Board’s strategic plan also calls for adequate support of Regent institutions from all sources and promoting the effective use of resources to meet institutional missions. The two key resource components are state appropriations and tuition revenue. As an initial step to fulfill those strategies, the Board is proposing a two-year appropriations and tuition plan to demonstrate resource needs while giving consideration to costs that may be absorbed through efficiencies and reallocations. This multi-year plan is dynamic, since first-year outcomes may impact the second year of the plan. The budget plan includes a 2% increase (and an additional \$2.5 million for UNI in the first year) in state appropriations as well as a 2% increase in resident undergraduate tuition rates for each year.

This docket item contains the specific FY 2018 operating appropriations request with the first reading of all proposed tuition rates for the 2017-18 academic years currently scheduled for the October 19-20, 2016 meeting. While this docket provides appropriation request and tuition rate projections for FY 2019 for transparency and predictability, the Board will formally consider only the FY 2018 appropriations requests at its September meeting.

Iowa Code requires state entities to submit the appropriations requests for the ensuing fiscal year to the State on or before October 1. A summary of the proposed appropriations requests is provided below and the individual appropriations are listed on the following page.

<b>APPROPRIATION REQUEST SUMMARY</b>				
	<u>FY17 Continuing</u>	<u>Incremental</u>	<u>FY18 Total</u>	<u>% Change</u>
HIGHER EDUCATION	513,680,589	12,773,612	526,454,201	2.5%
SPECIAL PURPOSE UNITS	67,021,225	1,986,425	69,007,650	3.0%
SPECIAL SCHOOLS & OTHER EDUCATION	15,341,050	1,131,487	16,472,537	7.4%
ECONOMIC DEVELOPMENT	8,801,000	676,020	9,477,020	7.7%
AGRICULTURE	5,325,000	106,500	5,431,500	2.0%
OTHER	33,647,187	(4,174,264)	29,472,923	-12.4%
<b>TOTAL</b>	<b>643,816,051</b>	<b>12,499,779</b>	<b>656,315,830</b>	<b>1.9%</b>

\*table does not include \$7 million requested by UIHC as described on pages 8-9

<b>EDUCATION APPROPRIATIONS</b>				
<b>HIGHER EDUCATION</b>	<u>FY17 Continuing</u>	<u>Incremental</u>	<u>FY18 Total</u>	<u>% Change</u>
SUI - GENERAL UNIVERSITY	232,223,005	4,644,460	236,867,465	2.0%
ISU - GENERAL UNIVERSITY	184,399,852	3,687,997	188,087,849	2.0%
UNI - GENERAL UNIVERSITY	97,057,732	4,441,155	101,498,887	4.6%
<b>SUBTOTAL - HIGHER ED</b>	513,680,589	12,773,612	526,454,201	2.5%
<b>SPECIAL PURPOSE UNITS</b>				
<u>UNIVERSITY OF IOWA</u>	<u>FY17 Continuing</u>	<u>Incremental</u>	<u>FY18 Total</u>	<u>% Change</u>
OAKDALE CAMPUS	2,186,558	43,731	2,230,289	2.0%
HYGIENIC LABORATORY	4,402,615	88,052	4,490,667	2.0%
FAMILY PRACTICE	1,788,265	35,765	1,824,030	2.0%
SCHS	659,456	13,189	672,645	2.0%
PRIMARY HEALTH CARE	648,930	12,979	661,909	2.0%
STATE OF IOWA CANCER REGISTRY	149,051	2,981	152,032	2.0%
SUB ABUSE CONSORTIUM	55,529	1,111	56,640	2.0%
BIOCATALYSIS	723,727	14,475	738,202	2.0%
BIRTH DEFECTS REGISTRY	38,288	766	39,054	2.0%
ONLINE PLACEMENT ACADEMY	481,849	9,637	491,486	2.0%
FLOOD CENTER	1,500,000	30,000	1,530,000	2.0%
WATERMAN NONROFIT RES CENTER	162,539	3,251	165,790	2.0%
<u>IOWA STATE UNIVERSITY</u>				
AG. EXP. STATION	29,886,877	597,738	30,484,615	2.0%
COOP. EXT SERVICE	18,266,722	365,334	18,632,056	2.0%
LEOPOLD CENTER	397,417	7,948	405,365	2.0%
LIVESTOCK DISEASE RESEARCH	172,844	3,457	176,301	2.0%
<u>UNIVERSITY OF NORTHERN IOWA</u>				
RECYCLING & REUSE	175,256	3,505	178,761	2.0%
MATH & SCIENCE (STEM)	5,200,000	500,000	5,700,000	9.6%
REAL ESTATE EDUCATION	125,302	2,506	127,808	2.0%
NEW: CTR FOR VIOLENCE PREVENTION	-	250,000	250,000	
<b>SUBTOTAL - SPEC PURP</b>	67,021,225	1,986,425	69,007,650	3.0%
<b>SPECIAL SCHOOLS</b>				
<u>ISD</u>	<u>FY17 Continuing</u>	<u>Incremental</u>	<u>FY18 Total</u>	<u>% Change</u>
ISD	9,723,215	388,929	10,112,144	4.0%
IBSSS	4,053,893	162,156	4,216,049	4.0%
CLASSROOM TEACHERS	82,049	-	82,049	0.0%
CLOTHING/TRNS	11,763	-	11,763	0.0%
NEW: REGIONAL ACADEMY	-	245,000	245,000	
<b>SUBTOTAL - SPECIAL SCHOOLS</b>	13,870,920	796,084	14,667,004	5.7%
<b>OTHER</b>				
<u>REGIONAL STUDY CENTERS</u>	<u>FY17 Continuing</u>	<u>Incremental</u>	<u>FY18 Total</u>	<u>% Change</u>
REGIONAL STUDY CENTERS	283,848	5,677	289,525	2.0%
BOARD OF REGENTS OFFICE	794,714	321,894	1,116,608	40.5%
IOWA PUBLIC RADIO	391,568	7,831	399,399	2.0%
<b>SUBTOTAL</b>	1,470,130	335,402	1,805,532	22.8%
<b>TOTAL EDUCATION APPROPRIATIONS</b>	<b>596,042,864</b>	<b>15,891,523</b>	<b>611,934,387</b>	<b>2.7%</b>

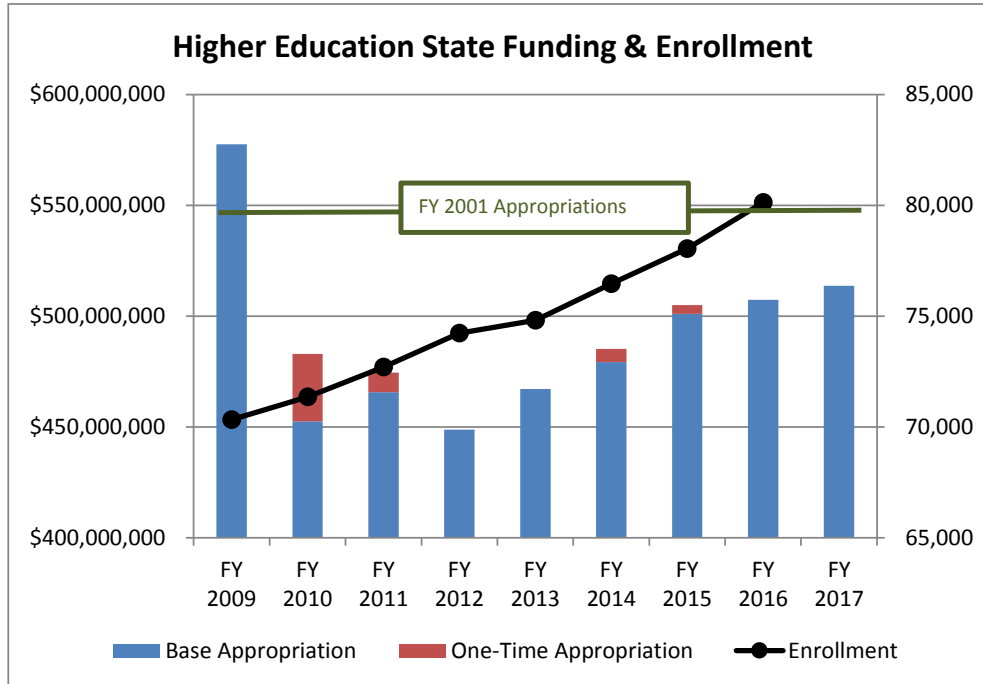
<b>ECONOMIC DEVELOPMENT APPROPRIATIONS</b>				
	<u>FY17 Continuing</u>	<u>Incremental</u>	<u>FY18 Total</u>	<u>% Change</u>
SUI - ECON DEVELOPMENT	209,279	4,186	213,465	2.0%
SUI - ENTREPRENEURSHIP	2,000,000	40,000	2,040,000	2.0%
ISU -ECON DEVELOPMENT	2,424,302	48,486	2,472,788	2.0%
ISU - SBDC's	101,000	2,020	103,020	2.0%
UNI - ECON DEVELOPMENT	1,066,419	21,328	1,087,747	2.0%
ALL - INNOVATION FUND	3,000,000	60,000	3,060,000	2.0%
NEW - UNI ENTREPRENEURSHIP	-	500,000	500,000	
<b>TOTAL ECON DEV APPROPRIATIONS</b>	<b>8,801,000</b>	<b>676,020</b>	<b>9,477,020</b>	<b>7.7%</b>

<b>AGRICULTURAL APPROPRIATIONS</b>				
	<u>FY17 Continuing</u>	<u>Incremental</u>	<u>FY18 Total</u>	<u>% Change</u>
ISU - VET DIAGNOSTIC LAB	4,000,000	80,000	4,080,000	2.0%
ISU - NUTRIENT RESEARCH CENTER	1,325,000	26,500	1,351,500	2.0%
<b>TOTAL AG APPROPRIATIONS</b>	<b>5,325,000</b>	<b>106,500</b>	<b>5,431,500</b>	<b>2.0%</b>

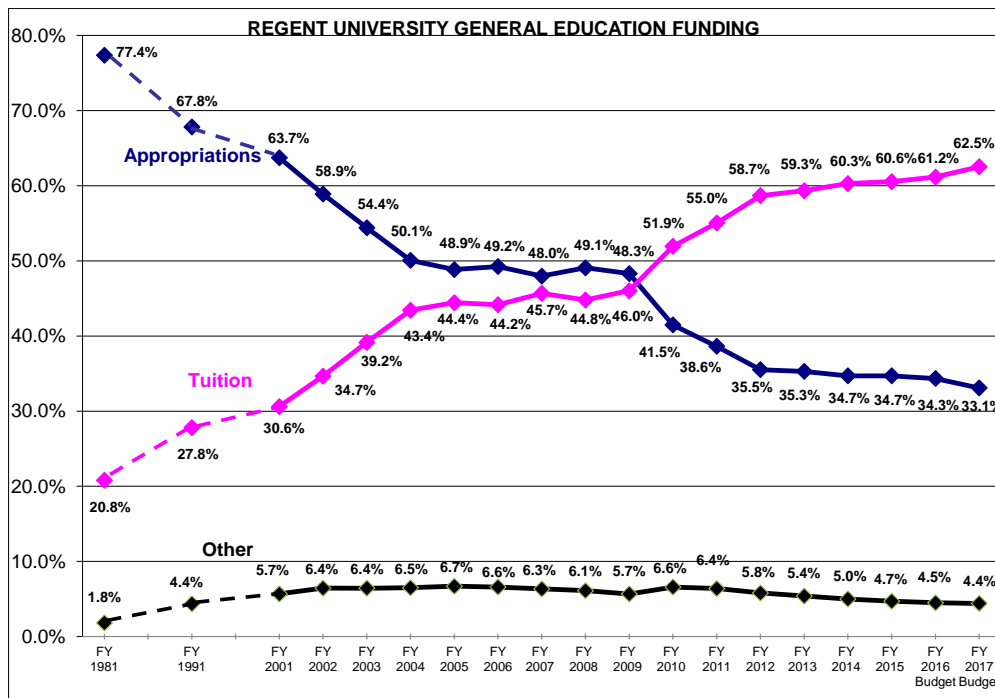
<b>OTHER APPROPRIATIONS</b>				
	<u>FY17 Continuing</u>	<u>Incremental</u>	<u>FY18 Total</u>	<u>% Change</u>
ALL - TUITION REPLACEMENT	32,447,187	(4,174,264)	28,272,923	-12.9%
STATE GEOLOGICAL SURVEY TRANSFER	1,200,000	-	1,200,000	0.0%
<b>TOTAL OTHER APPROPRIATIONS</b>	<b>33,647,187</b>	<b>(4,174,264)</b>	<b>29,472,923</b>	<b>-12.4%</b>

HIGHER EDUCATION GENERAL UNIVERSITY APPROPRIATIONS REQUEST ..... \$526.45M

State funding levels for higher education remain significantly less than FY 2009 amounts while enrollment has grown significantly during this same period. Looking farther back, higher education appropriations in FY 2001 were approximately \$35 million greater than those of FY 2017.



The State operating appropriations and tuition revenue provide the core operating funds for the Regent institutions. The dynamic changes in state funding patterns have significantly altered the proportion of revenue sources for higher education as seen in the chart below.



As analyzed by the University of Iowa Economic Research Institute, the Higher Education Price Index (HEPI) for FY 2018 is projected to be between 1.3% and 3.0% with a median value of 2.2%.

The higher education requests provided on page 2 totals \$526.45 million and includes:

- Continuation of FY 2017 recurring appropriations of \$513.68 million
- Incremental funding of 2% and an additional \$2.5 million for UNI (total of \$12.77 million)

In addition to the incremental state funding request, the universities plan to propose a 2% increase in undergraduate resident tuition rates in October with varying rate increases for nonresident, graduate and professional, and international students.

The University of Iowa has identified the following recent successes and areas in need of additional support related to student success.

- Student Academic Engagement – Resources will be directed for increased academic support for undergraduate courses with high failure and withdrawal rates, new academic programs, an intensive entrepreneurial program for students, and student involvement in areas such as economic development, arts and culture development, and public health initiatives.
- Improved Retention and Graduation – Includes the hiring of additional academic advisors, creating interactive tools allowing students to develop academic plans, and enhancing analytics to increase retention and better position students for success in graduate and professional programs.
- Access and Affordability – SUI has the lowest resident undergraduate tuition in peer group and second lowest in the Big Ten. Students enrolled in the three-year degree programs are eligible for an additional summer session.
- Graduate and Professional Student Success – Conducted a review of all PhD programs with a focus on student outcomes and increased graduate student service offerings including teacher training and expanded career preparation.
- Faculty Salary Competitiveness – SUI's faculty salary competitiveness has declined in recent years. The goal is to achieve, at a minimum, average faculty salary levels that are no lower than the 95<sup>th</sup> percentile of the peer group.

Iowa State University's undergraduate student enrollment has increased 26% over last five years. The appropriated funds will be used to address critical capacity needs associated with the growth and to advance the quality of academic programs and student services. A portion of these student success needs include the following:

- Faculty and Student Support Services – Additional faculty are needed to serve the growing population and to accommodate the increasing number of multicultural and international students. Additionally, the demand for student support services in the classroom and advising have also grown. This requires additional counselors, financial aid professionals, custodial staff, academic advisors, etc. to help students stay on-track for timely graduation.
- Classroom, Laboratory, and Technology Improvements – Additional funding will help ISU ensure classrooms contain the appropriate technology to support student learning and expand efforts to modernize classrooms and laboratories. Additionally, technology infrastructure needs are increasing to protect information and to meet student expectations for information access.
- Support Personalized and Online Learning – Demands for academic support services and online learning have also grown with enrollment. Additional funding is needed for tutors, supplemental instruction, writing assistance, and to enhance online education programs.

- Access and Affordability – Past efforts to keep costs down, improve financial literacy, and reduce time to degree are paying off as average student has declined by 14% over the past ten years. These efforts will continue and additional funding allows for growth in face-to-face personal finance assessments and identifying lower-cost paths to degree.
- Maintaining a Safe and Welcoming Campus – ISU's new strategic plan focuses on the importance of a safe, welcoming and inclusive campus. A greater need exists for student safety in laboratories, maintenance of study and collaboration space, and exterior improvements on campus.

The University of Northern Iowa will utilize these funds to support the following strategic uses:

- Enrollment Management – Includes re-structuring of the University Enrollment Master Plan and associated committees to more efficiently determine both enrollment targets and strategic investments in the recruiting process. There will be a focus on increasing enrollment and a higher portion of non-resident students.
- Student Engagement and Success – New funding will be directed to Student Success Coaching, Peer Mentors, and First Year Only courses to increase retention. The Engaged Learning Project will connect curriculum and co- and extra-curricular activities to provide applied learning experiences that are both intentional and developmental.
- Faculty and Staff Vitality – A strong faculty and staff increase the vitality of the campus and thus is the cornerstone to our success. The goal is to invest in our campus in ways that recognize and reward excellence and offer opportunities for continued professional development.

#### HIGHER EDUCATION LEGISLATIVE SPECIAL PURPOSE APPROPRIATIONS REQUEST.....\$69.01M

These appropriations support specific units/programs at each institution that provide services statewide. The appropriation requests for each individual special purpose unit is provided on page 2. State funding for most of these units continues to be 14%-20% less than FY 2009 amounts. These units have a far reaching impact and additional funding is needed to maintain the quality work they do for Iowans. Most of the special purpose appropriations requests includes continuation of the FY 2017 appropriations plus incremental funding of 2.0%.

UNI's STEM Program – The requested incremental funding of \$500,000 for STEM will be dedicated to support the Governor's initiative to ramp-up the STEM BEST program across Iowa. The program allows teachers and industry to work side-by-side to craft curriculum and projects to prepare students for careers in the STEM fields.

UNI is also requesting new funding to support the Center for Violence Prevention. Its mission 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. The Governor's Office on Bullying Prevention, along with the Board of Regents' comprehensive efforts on campus safety and security, UNI requests sustainable funding of \$250,000 a year to support and 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.

SPECIAL SCHOOL EDUCATION OPERATING APPROPRIATIONS REQUEST .....\$14.67M

The funding request for the two special schools, Iowa School for the Deaf (ISD) and the 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 deaf or hard-of-hearing and to those who are blind or visually impaired.

ISD and IBSSS primary rely heavily on state funding for their operations. The Special Schools' request includes the continuation of the FY 2017 recurring appropriations totaling \$13.87 million for operations, and incremental funding of 4% that would provide \$388,929 for ISD and \$162,156 for IBSSS. These funds will support expanded learning services and improve faculty recruitment/retention. Faculty members at the Special Schools have highly specialized teaching licensure with multiple endorsements for special education and grade level or content area. The Schools must recruit and compete for teachers on a national level.

The Schools also request \$245,000 to support education at the regional academy in Charles City. The academy will provide more direct service time with students, opportunity for development of transitional skills, extended learning activities, and access to specialized teachers for intensive educational programming.

OTHER EDUCATION APPROPRIATIONS ..... \$1.81M

Regional Study Centers - Incremental funds of \$5,677 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.

Board of Regents Office – The 2016 General Assembly reduced the Board Office appropriation for FY 2017 by over 27% (\$0.3 million). Restoration of these funds plus an additional 2% are requested for FY 2018.

Iowa Public Radio - 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. IPR's 24 stations serve 225,000 Iowans every week, delivering News, Classical and Studio One music programming 24-hours a day. The total operating appropriations request for FY 2018 is \$399,399 and includes a 2% increase. State support for IPR is approximately \$0.1 million less than FY 2009 and has remained flat since FY 2012. IPR will use the additional funds to invest in its fundraising capacity, helping IPR realize its goal of increasing private support for IPR.

ECONOMIC DEVELOPMENT APPROPRIATIONS REQUEST .....\$9.48M

Iowa's public universities seek an incremental 2.0% for the following economic development segments:

- Economic Development – Incremental funding of \$116,020 to meet projected inflation, and recurring appropriations of \$5.8 million are requested for the existing economic development units. Units included in this request include the SUI's 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); ISU's Center for Industrial Research and Service Technology Assistance Program (formerly Institute for Physical Research and Technology), the Research Park, and the Small Business Development Centers; UNI's Institute for Decision Making, Metal Casting Center, MyEntreNet, and Advance Iowa (Economic Gardening).

- Regents Innovation Fund – The Innovation Fund request includes recurring appropriations \$3.0 million and incremental funding of \$60,000. The 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 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.

In addition to the requests described above, UNI is requesting \$0.5 million for an initiative to support entrepreneurs and small businesses (Helping Iowa Grow Its Own). The focus is to enhance existing programs that have proven to be effective in building vitality for Iowa's economy. Direct assistance will be provided to entrepreneurs and small businesses in all regions of Iowa and will build on the momentum of Iowa being recognized as a supportive place to start and grow a business.

AGRICULTURAL APPROPRIATIONS REQUEST ..... \$5.43M

These appropriations support the Veterinary Diagnostic Lab and the Nutrient Research Center at ISU.

The agricultural appropriations request includes:

- Continuation of FY 2017 recurring appropriations of \$5.33 million; and
- Incremental funding of 2.0% (\$0.1 million)

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 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.

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.

OTHER APPROPRIATIONS REQUESTS.....\$29.47M

Tuition Replacement - 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 construction 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 revenue is pledged to pay the principal and interest on the bonds and the tuition replacement appropriation replaces that revenue. Tuition replacement appropriations represent an ongoing commitment of the state to meet the debt service cost of Academic Building Revenue bonds.

The tuition replacement request of \$28,272,923 for FY 2018 incorporates carryforward amounts from savings realized from refunding issues in past years. Applying these savings reduces the FY 2018 request to amounts lower than recent history. The request for FY 2019 will return to typical levels and is projected to be \$32,624,618.

State Geological Survey - The Iowa Department of Natural Resources (IDNR) and the University of Iowa (UI) request the Iowa Geological Survey (IGS), the position of State Geologist, and the \$1.2 million appropriation 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.

UIHC APPROPRIATIONS REQUEST .....\$7.00M

- DISPROPORTIONATE SHARE HOSPITALS (DSH) ..... \$6,000,000

Over the past three state fiscal years, funding for the DSH line item in the Health and Human Services Appropriations Act has been annually reduced. The funding is used to fund two UI Health Care programs, the State Psychiatric Hospital at UIHC and the Center for Disabilities and Development. The appropriation is utilized as state matching funds to draw down federal funds via the state Medicaid program. UI Health Care requests restoration of the \$6 million reduction to the program that once totaled approximately \$9 million and is funded at \$3 million today.

These funds are the only state appropriation 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 dedicated to the State Psychiatric Hospital UIHC are used to fund inpatient psychiatric services. UIHC's psychiatric program has 173 full time positions and annual costs of \$13.8 million. With recent program changes and reductions in services provided by the state’s Mental Health Institutes, support for UIHC's inpatient psychiatric services is crucial.

- PSYCHIATRY & PRIMARY CARE PILOT PROGRAM EXPANSION..... \$1,000,000

UI Health Care proposes expanding the existing primary care mental health pilot program Linking Psychiatry and Primary Care Practices that is funded at \$156,000. Collaborative Care is a specific type of integrated care that operationalizes the principles of the chronic care model to improve access to evidence-based mental health treatments for primary care patients. The increased appropriation would allow the program to expand from one pilot physician office location to scale across the four health systems that are members of the University of Iowa Health Alliance and includes more than 2,000 physicians, and would expand the care management function capabilities of each pilot.



Each pilot location will:

- Use population health-based strategies to improve access health care resources to lowans 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 such as telemedicine to enhance access to care and patient engagement in mental health improvement.
- Track quality and satisfaction outcomes.

UI Health Care will compile an annual report to the legislature with a due date of December 15.

- **PAYMENT FOR CARE PROVIDED TO PRISONERS**

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. A significant portion of that medical treatment is delivered at UIHC at no cost. UIHC and University of Iowa Physicians (UIP) provide unreimbursed services associated with treatment of inmates and other residents of state institutions valued at approximately \$6.5M to \$7 million in annual care using Iowa Medicaid rates. The cost and time spent providing health care to prisoners by UIHC and UIP have increased. UIHC requests the ability to seek additional funding as reimbursement for the treatment of inmates and other residents of state institutions.

- **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.

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. UI Health Care requests the ability to seek funds to support these additional residency positions. In today's environment funding these vital residency positions for Iowa without state support represents a major financial challenge.

### **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 2019 Appropriations Request** – The Governor has also requested all state-funded programs make a two-year appropriations request. As previously stated on the first page, it is proposed that all funding lines (except as otherwise noted) be increased by a 2% inflation factor for FY 2019.