

Contact: Mary Braun

### 2019 LEGISLATIVE SESSION SUMMARY

**Action Requested:** Receive the report.

**Executive Summary:** The Board of Regents and its institutions receives state appropriations from four state funds: State General Fund, Iowa Skilled Worker and Job Creation Fund, Environment First Fund, and the Rebuild Iowa Infrastructure Fund. At the end of this report are also several major policy bills directly affecting the Board of Regents institutions.

State's General Fund. Overall, the Regents received a 2.7% increase from the state's general fund. For fiscal year (FY) 2020, the Regents received a lump-sum increase of \$12.0 million for the three universities operating budgets. Under another agenda item, the Board will distribute this appropriation at \$4.0 million each to SUI, ISU and UNI. The funds are to specifically support new strategic initiatives, meet needs caused by enrollment increases, meet the demand for new courses and services, fund new but unavoidable or mandated cost increases, and support any other initiatives important to the core functions of the universities. The Board had requested an appropriation increase of \$18.0 million (SUI - \$7M; ISU - \$7M; UNI - \$4M) to be used for financial aid to resident undergraduate students.

Combined, the Iowa School for the Deaf and Iowa Educational Services for the Blind & Visually Impaired received a 3.3% increase to continue to provide high quality, individualized instructional opportunities to children and youth who are deaf or hard-of-hearing and blind or visually impaired. The two special schools primarily rely on state funding for their operations and do not receive any property tax dollars. For FY 2020, the Legislature recognized this difference and increased the special schools appropriation at a percentage higher than appropriated to other K-12 school districts (which received a 2.06% increase). The Board had requested a 4.0% increase for both of the special schools.

Additional new funding from the 2019 General Assembly includes:

- A new \$1.1 million appropriation to SUI and ISU for a biosciences innovation program. The Board had requested \$4.0 million. The funding is divided \$825,000 to ISU and \$275,000 to SUI. The funding will start the four bioscience platforms identified in the TEconomy report where Iowa has the greatest likelihood of achieving a differentiated leadership position to grow and diversify the state's economy: biobased chemicals, precision and digital agriculture, vaccines and immunotherapeutics, and medical devices. The funding will facilitate technology transfer, incubate start-ups and accelerate technology transfer, attract external funding and provide innovation ecosystem services, and develop a skilled workforce.
- A new \$400,000 appropriation to UNI for the expansion of the Metal Casting Center's additive manufacturing capabilities related to investment castings technology and industry support, which fully funds the Board's request.
- An increase of \$300,000 to the ISU Veterinary Diagnostic Laboratory (VDL) for their operations. The Board had requested a \$410,000 increase. The VDL processes over 80,000 cases from livestock and poultry producers and pet owners 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.

- An increase of \$1 million for the Governor's STEM Advisory Council located at UNI.
- A new \$130,000 appropriation for the Iowa Center for Agricultural Safety and Health (I-CASH) located at SU1 to anticipate, recognize and prevent occupational illness and injury among members of the agricultural community.
- The Board requested mental health funding for the University of Iowa Hospitals and Clinics at \$400,000 for rural psychiatry residences and \$150,000 for psychiatric training. Although this funding was not directly appropriated to UIHC, \$400,000 was appropriated to the Department of Public Health (DPH) for rural psychiatric residencies, to support the creation and training of four psychiatric residents to provide mental health services in underserved areas of the State; and an additional \$150,000 was appropriated to DPH for psychiatric training for physician assistants and nurse practitioners. It is anticipated that UIHC will submit a request for proposal to secure this funding.

Rebuild Iowa Infrastructure Fund. The Regents received full funding for tuition replacement to pay off debt service for the legislatively-approved academic revenue bonds. Final year funding was also received for the SU1 pharmacy building and the ISU biosciences building. The VDL also received the second of six years of previously enacted appropriations.

Changes include:

- Funding for the ISU student innovation center was adjusted by reducing the previously enacted funding for FY 2020 by \$3 million and adding the \$3 million to their final year of funding, FY 2022.
- Appropriates the Board's request to renovate and modernize Long Hall at the Iowa School for the Deaf. The school will receive \$3 million in FY 2020 and the remaining \$1.3 million in FY 2021. This 88-year-old building has had an inefficient building envelope, mechanical and electrical systems for a number of years. The project would provide an efficient, safe and contemporary setting to support appropriate educational services.
- UNI is appropriated \$1 million in FY 2021 to start the renovation and expansion of the Industrial Technology Center. The proposed project would expand the facility by 45,000 square feet and renovate an additional 64,438 square feet.
- Requires the Regents provide a report to the General Assembly by December 13, 2019, on construction costs for previous year projects going back to January 1, 2004, in which the state provided at least a part of the financing for the project from RIIF appropriations. The report must include information regarding how the Board defines new construction and renovations, a list of capital projects initiated due to extraordinary circumstances, and the current method used by the Board and institutions to develop financing plans for capital projects. The report must also include recommendations to the General Assembly regarding the type of capital projects that should be eligible for state funding, the share of state-funded capital projects that should be funded with non-state dollars, and how the fundraising plan will be developed for state-funded projects.

The chart on the next page provides all the state appropriations to the Board of Regents.

<u>STATE GENERAL FUND</u>						
	<b>FY 2019</b>	<b>FY 2020</b>	<b>Diff from FY19</b>	<b>% Change</b>		
<b>UNIVERSITY OF IOWA</b>						
GENERAL UNIVERSITY	214,710,793	218,710,793	4,000,000	1.9%		
OAKDALE CAMPUS	2,134,120	2,134,120	-	0.0%		
HYGIENIC LABORATORY	4,297,032	4,297,032	-	0.0%		
FAMILY PRACTICE	1,745,379	1,745,379	-	0.0%		
SCHS - CANCER, HEMOPHILIA, HIGH RISK INFANT	643,641	643,641	-	0.0%		
PRIMARY HEALTH CARE	633,367	633,367	-	0.0%		
STATE OF IOWA CANCER REGISTRY	145,476	145,476	-	0.0%		
SUB ABUSE CONSORTIUM	54,197	54,197	-	0.0%		
BIOCATALYSIS	706,371	706,371	-	0.0%		
BIRTH DEFECTS REGISTRY	37,370	37,370	-	0.0%		
ONLINE PLACEMENT ACADEMY	470,293	470,293	-	0.0%		
IOWA FLOOD CENTER	1,171,222	1,171,222	-	0.0%		
WATERMAN NONROFIT RESOURCE CENTER	158,641	158,641	-	0.0%		
NEW: BIOSCIENCES INNOVATION	-	275,000	275,000	100.0%		
NEW: CENTER AG SAFTEY AND HEALTH (I-CASH)	-	130,000	130,000	100.0%		
<b>UNIVERSITY OF IOWA TOTAL</b>	<b>226,907,902</b>	<b>231,312,902</b>	<b>4,405,000</b>	<b>1.9%</b>		
<b>IOWA STATE UNIVERSITY</b>						
GENERAL UNIVERSITY	170,624,125	174,624,125	4,000,000	2.3%		
AG. EXP. STATION	29,886,877	29,886,877	-	0.0%		
COOP. EXT SERVICE	18,266,722	18,266,722	-	0.0%		
LIVESTOCK DISEASE RESEARCH	172,844	172,844	-	0.0%		
VET DIAGNOSTIC LAB	4,100,000	4,400,000	300,000	7.3%		
NEW: BIOSCIENCES INNOVATION	-	825,000	825,000	100.0%		
<b>IOWA STATE UNIVERSITY TOTAL</b>	<b>223,050,568</b>	<b>228,175,568</b>	<b>5,125,000</b>	<b>2.3%</b>		
<b>UNIVERSITY OF NORTHERN IOWA</b>						
GENERAL UNIVERSITY	95,712,362	99,712,362	4,000,000	4.2%		
RECYCLING & REUSE	175,256	175,256	-	0.0%		
MATH & SCIENCE	5,446,375	6,446,375	1,000,000	18.4%		
REAL ESTATE EDUCATION	125,302	125,302	-	0.0%		
NEW: ADDITIVE MANUFACTURING	-	400,000	400,000	100.0%		
<b>UNIVERSITY OF NORTHERN IOWA TOTAL</b>	<b>101,459,295</b>	<b>106,859,295</b>	<b>5,400,000</b>	<b>5.3%</b>		
<b>UNIVERSITIES TOTALS</b>						
	<b>551,417,765</b>	<b>566,347,765</b>	<b>14,930,000</b>	<b>2.7%</b>		
<b>SPECIAL SCHOOLS</b>						
IOWA SCHOOL FOR THE DEAF	9,996,325	10,299,287	302,962	3.0%		
EDUC SERVICES FOR BLIND & VISUALLY IMPAIRED	4,167,759	4,334,759	167,000	4.0%		
<b>SPECIAL SCHOOLS TOTAL</b>	<b>14,164,084</b>	<b>14,634,046</b>	<b>469,962</b>	<b>3.3%</b>		
<b>OTHER</b>						
BOARD OF REGENTS OFFICE	775,655	775,655	-	0.0%		
WESTERN IOWA REGENTS CENTER	272,161	272,161	-	0.0%		
IOWA PUBLIC RADIO	350,648	350,648	-	0.0%		
<b>TOTAL REGENTS STATE GENERAL FUND</b>	<b>566,980,313</b>	<b>582,380,275</b>	<b>15,399,962</b>	<b>2.7%</b>		
<b>SKILLED WORKER JOB CREATION FUND</b>						
SUI - ECONOMIC DEVELOPMENT	209,279	209,279	-	0.0%		
SUI - ENTREPRENEURSHIP	2,000,000	2,000,000	-	0.0%		
ISU - ECONOMIC DEVELOPMENT	2,424,302	2,424,302	-	0.0%		
UNI - ECONOMIC DEVELOPMENT	1,066,419	1,066,419	-	0.0%		
REGENTS INNOVATION FUND	3,000,000	3,000,000	-	0.0%		
<b>TOTAL REGENTS SWJCF</b>	<b>8,700,000</b>	<b>8,700,000</b>	<b>-</b>	<b>0.0%</b>		
<b>ENVIRONMENT FIRST FUND</b>						
SUI - GEOLOGICAL SURVEY	200,000	200,000	-	0.0%		
SUI - WATER RESOURCE MANAGEMENT	495,000	495,000	-	0.0%		
<b>TOTAL REGENTS EFF</b>	<b>695,000</b>	<b>695,000</b>	<b>-</b>	<b>0.0%</b>		
<b>REBUILD IOWA INFRASTRUCTURE FUND</b>						
REGENTS TUITION REPLACEMENT	31,471,292	28,098,870				
SUI - PHARMACY BUILDING	5,500,000	-				
ISU - STUDENT INNOVATION CENTER	6,000,000	7,000,000	10,000,000	10,000,000		
ISU - VETERINARY LABORATORY	1,000,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000
ISU - BIOSCIENCES BUILDING	4,000,000	-				
UNI - INDUSTRIAL TECHNOLOGY BUILDING	-	-	1,000,000			
ISD - LONG HALL RENOVATION	-	3,000,000	1,325,000			
<b>TOTAL REGENTS RIIF</b>	<b>47,971,292</b>	<b>50,598,870</b>	<b>24,825,000</b>	<b>22,500,000</b>	<b>12,500,000</b>	<b>12,500,000</b>

**MAJOR POLICY BILLS ADOPTED WHICH AFFECT THE BOARD OF REGENTS**

**SF 188** – STUN GUNS ON CAMPUSES – Effective July 1, 2019

Allows nonprojectile stun guns on Regents universities and community colleges campuses. The universities are allowed to prohibit them from inside the buildings or physical structures of any stadium or hospital. Persons convicted of a felony can also be prohibited.

**SF 228** – BIOSCIENCE-BASED ECONOMIC DEVELOPMENT – Effective July 1, 2019

A Bioscience Development Corporation is to be established for expanding bioscience-based economic development opportunities in the state of Iowa. The corporation is also to further the overall development and economic well-being of the state. It replaces the current Iowa Innovation Corporation. The bill then changes the make-up of the Iowa Innovation Council (there will still be 29 voting members; the bill changes who will be on the council). The duties of the Iowa Innovation Council do not change; they will continue to do what they have done in the past as it relates to all targeted industries.

**SF 274** – FREE SPEECH ON CAMPUSES – Effective March 27, 2019

Directs the Board of Regents to adopt a policy addressing speech and expression at the universities under its jurisdiction. At their April 2019 Board meeting, the Board adopted the new policy: The Board of Regents is committed to the principles of free expression embodied in the First Amendment to the United States Constitution and Article 1, Section 7 of the Constitution of the State of Iowa. The Board recognizes that the primary mission of the institutions of higher education under its jurisdiction is the promotion of teaching, research, and scholarship. In support of this mission, the institutions of higher education under the jurisdiction of the Board of Regents must provide ample opportunity for members of the campus community to engage in the free exchange of ideas.

**SF 617** – SPORTS WAGERING/FANTASY SPORTS BETTING – Effective May 13, 2019

Allows legal sports wagering and fantasy sports betting in Iowa, regulated by the Iowa Racing and Gaming Commission. The bill specifically prohibits sports betting on the performance or non-performance of any individual athlete participating in a single game or match where a collegiate team from the state of Iowa is a participant. This means bets could not be placed on an in-state college player or on the opposing team's players for that specific game, no matter if the game is played in Iowa or in another state.

**HF 643** – DEAF DESIGNATION ON DRIVERS' LICENSES – Effective July 1, 2019

Designation of hearing impairment is noted on the vehicle registration so law enforcement will know if the driver is hearing impaired. This designation will come up in their electronic system when they enter the license plate number before they approach the car. The Iowa Department of Transportation is required to develop educational media to raise awareness of an applicant's ability to request their drivers' license or non-operator card be marked to reflect the applicant's deaf or hard-of-hearing status.