

Contact: Gary Steinke

PRELIMINARY LEGISLATIVE DISCUSSION TOPICS FOR 2007

Action Requested: Consider the identified Regent discussion topics for the 2007 legislative session and provide direction.

Executive Summary: Further development of legislative FY 2008 funding requests will be based on Board guidance and will be presented for approval at the September 2006 meeting. The Board will have numerous opportunities to expand non-funding-related topics for its legislative agenda. It is recommended that the Board consider evaluating the economic impact of the Regent enterprise for the state of Iowa.

The proposed Regent discussion topics for the 2007 legislative session include:

1. Increase State Investment in Regent Enterprise

a. Improve and Stabilize State Funding for Universities

General education

- State appropriations for FY 2007 general university education expenditures of \$502.7 million are \$46 million less than FY 2001 levels, without considering inflation.
- Of the FY 2007 state appropriations, \$9 million for recurring costs is paid for with nonrecurring dollars, which is causing serious budget concerns.
- The objectives for new, recurring incremental state funding for general education would include:
 - Assisting in reaching nationally competitive salary levels to recruit and retain top faculty members in areas that are important to Iowa's future
 - Focusing the hiring of new faculty in key strategic disciplines with a high impact in Iowa and in growth areas for the state
 - Providing more student access to faculty who produce research and scholarship
 - Increasing class offerings in areas of high student demand and of great importance to the state of Iowa
 - Strengthening academic areas negatively impacted by appropriation cuts in the first half of the decade
 - Providing new academic programs vital to Iowa's economic needs and growth potential
 - Further enriching the educational experience for students
 - Improving student progress toward graduation
 - Effectively managing appropriate class sizes
 - Continuing statewide public service to Iowans inherent in the missions of the three Regent universities

Other state appropriated units

The legislature appropriates more than \$111 million in 21 various operating funds to the universities. Examples of these operating units include SUI Hygienic Laboratory, SUI Family Practice, ISU Cooperative Extension, UNI Recycling and Reuse Center, and Economic Development at all three universities. In most of these units, the appropriations are less than those for FY 1996. Adjustments in state funding are necessary to continue delivering these services to the state.

b. Enhance State Funding for Special Schools

State funding for the special schools since FY 2005 has been consistent with state funding provided to other public K-12 schools. The FY 2008 allowable growth percentage has been statutorily set at 4%. The proposal for FY 2008 would:

- Continue state funding increases for the special schools similar to other public K-12 schools.
- Urge state support for ISD initiatives that ensure high-quality educational opportunities for students, develop transition services, and allow more systematic and consistent outreach services.

c. Obtain State Funding for Second Year of Economic Development (Batelle) Initiative

For the 2006 legislative session, Governor Vilsack proposed a three-year initiative that Iowa invest up to \$50 million to secure and invest funding for research infrastructure and commercialization outlined in the Battelle report. \$20 million was provided to the Regent enterprise as proposed for the first year. This legislative item would request funding for the remaining two years.

d. Establish a Separate and Distinct Funding Stream for Iowa Public Radio

In December 2004, the Board created Iowa Public Radio, which incorporates the radio stations of all three Regent universities into one statewide network. This proposal would seek specific state support for Iowa Public Radio for a period of time.

e. Evaluate IowaCare Provisions

During the 2005 legislative session, state health care programs were reformed, including the elimination of the Indigent Patient Care Program at the University of Iowa/UIHC. FY 2006 represents the first full year's implementation of this new health care program at SUI/UIHC. A comprehensive evaluation of the program's impacts on SUI/UIHC may prove beneficial.

2. Maintain and Improve Building and Facilities

Consistent with the Regent moratorium on state funding requests for new buildings adopted in June 2006, the proposal includes seeking state dollars to complete projects started with FY 2007 capital funding and may include other requests such as those related to deferred maintenance and fire and environmental safety.

3. Create Opportunities for Best Practices

The Board has strengthened its resolve to ensure public accountability and continues to evaluate the overall effectiveness of the Regent enterprise and encourages each institution to be great examples of efficiently managed governmental entities in the state of Iowa. During the previous two years, the Board was successful in getting legislative flexibility for its institutions by working to eliminate statutory obstacles that impede the utilization of best practices and hinder continual improvement. The proposal for the 2007 legislative session includes efforts to promote legislative changes that support forward progress for the Regent enterprise.