

Contact: Patrice Sayre

**FY 2013 OPERATING AND OTHER FUND APPROPRIATIONS REQUESTS**

**Actions Requested:**

- Based on proposed spending and funding plans, approve the identified operating appropriations requests for FY 2013 totaling \$621.2 million.
- Authorize actions by designated Regent staff to seek collaboration and partnerships between Regent institutions and other sectors of state government. The Regent legislative efforts are an integral part in successfully receiving requested funding.

**Executive Summary:** Iowa Code requires state entities to submit appropriations requests for the ensuing fiscal year to the state on or before October 1.

Regent appropriation requests are consolidated into six major functional areas:

- Higher Education
- Special School Education
- UIHC IowaCare Program
- Higher Education Legislative Special Purpose
- Economic Development
- Iowa Public Radio

Total requested incremental Operating Appropriations are \$41.1 million; 53% for General Education.

**Background:** The Board of Regents institutions impact people across the state and across the nation. In the everyday lives of Iowans – in the areas of the economy, medicine, agriculture, technology and the arts – the institutions are more than educators of students. Regent institutions provide knowledge and resources for all and are more than the sum of its parts.

State appropriations are crucial investments in the future of Regent institutions that, together with the research funding and philanthropy garnered by the public universities; the tuition and fees paid by students and parents; and the Regent institutions’ commitment to efficient and effective use of those resources, reflect a partnership that serves the needs of Iowa, its citizens, and the world.

The *State Higher Education Finance FY 2010*<sup>1</sup> study provides an overview and highlights of national trends and the status of state funding for higher education. Between FY 2009 and FY 2010, Iowa public higher education results show:

	<b><u>Iowa</u></b>	<b><u>National</u></b>
Full-time Equivalent Enrollment (FTE)	Increased 8.4%	Increased 6.3%
Net Tuition Revenue/FTE	Increased 0.2%	Increased 3.4%
Education Appropriations/FTE	Decreased (11.8%)	Decreased (7.2%)

Due to economic circumstances, the State has reduced support to the Regent institutions by 25% since FY 2009. And while tuition rates have increased an average of 4.6% per year during that time, the budget only increased 2.4% (FY 2012 is only 0.5% over the previous year). Further, none of these calculations have factored in inflation, which rose 5.6% over the same four years. Tuition revenues have only partially replaced revenues lost from state appropriations.

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<sup>1</sup> Produced by SHEEO.



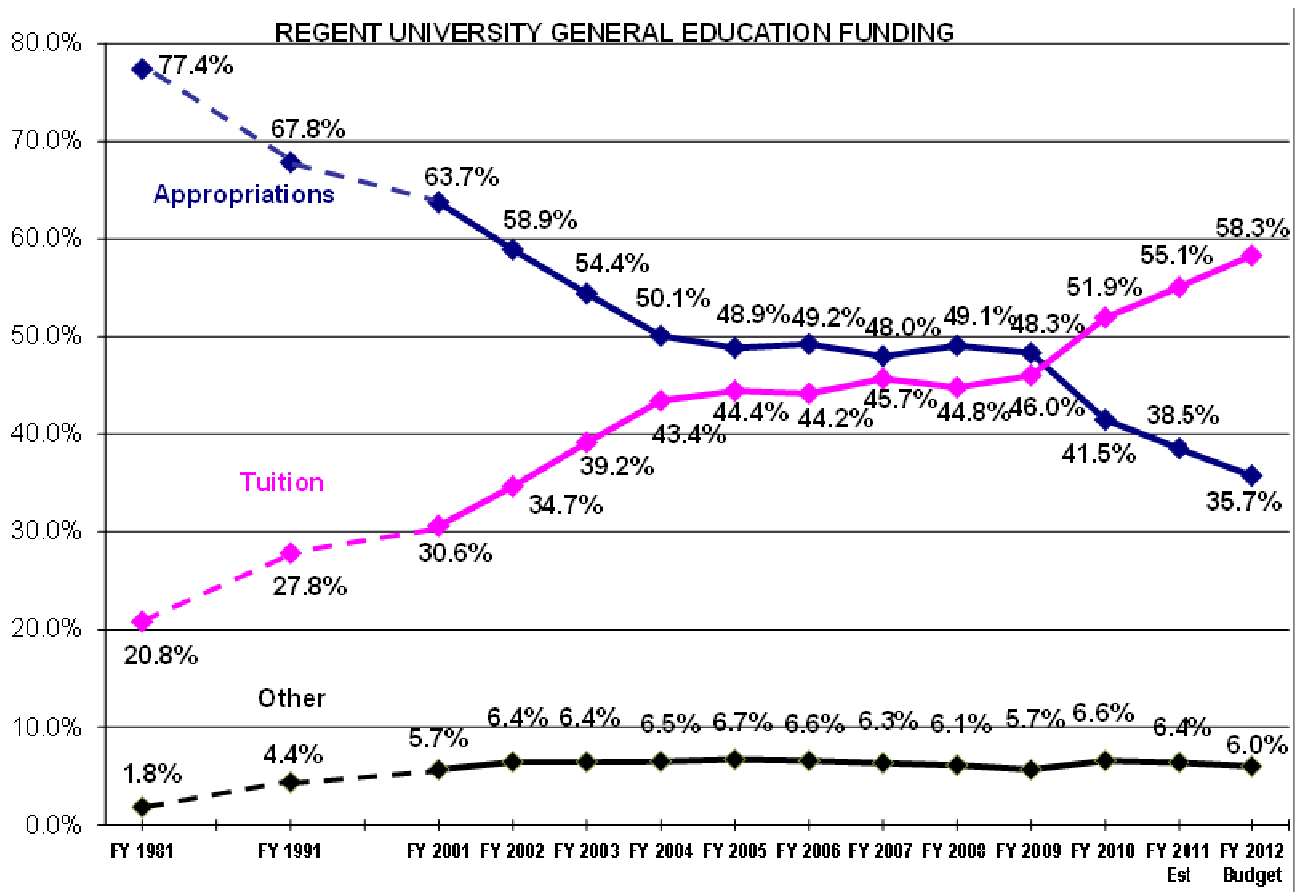
**HIGHER EDUCATION OPERATING APPROPRIATIONS REQUEST ..... \$470.8 M**

The higher education request includes:

- Continuation of FY 2012 recurring appropriations of \$448.8 million
- Incremental funding increase of 4% -\$18 million- to support investment in the quality of education
- Strategic initiative for UNI - \$4,000,000/year through FY 2015

Restoration of \$18 million in General Education funding would put Iowa’s public universities back to the funding level of FY 2011 and still represents a cut of 21% from FY 2009 appropriation levels. It would result in a 2.4% increase in General Education revenues over the current budget.

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.



As Iowa’s public universities strive to maintain quality and affordability, the Board of Regents set priorities through adoption of the Strategic Plan for 2010-2016, identifying goals, accountability measures, and targets to accomplish these priorities.

The higher education appropriations request incorporates the Regents commitment to affordability; student success; timely degree attainment, student outcomes assessment; diversity; and the quality of interdisciplinary education experiences for undergraduate and graduate education.

**University of Iowa**..... \$8,389,492

The University of Iowa contributes \$6 billion to Iowa’s economy annually, and every \$1 in state appropriations to the University results in a greater than 1,500 percent return for Iowans. According to the recent Tripp Umbach study, the university is also one of the state’s top employers and is responsible for the creation of one of every 30 jobs in the state, or a total 51,818 jobs last year.

Providing the skills necessary for our youth to compete in today’s global race for employment is of utmost importance. According to the Bureau of Labor Statistics the unemployment rate in 2010 of an individual with a bachelor’s degree was 5.4%. While obtaining a bachelor’s degree has been shown to increase the long term earning power of an individual we now know that it will also help keep them employed. This global race for new labor and the new businesses that come with it require the support of policy makers and their constituents.

The University of Iowa takes particular pride in preparing undergraduate students for careers within professional health care fields and in law. In Iowa, 50% of physicians and 79% of dentists were educated at the University of Iowa. It is also important to note that pharmacists in 94 of 99 counties and teachers and administrators in 80% of Iowa’s K12 school districts are University of Iowa graduates.

Additional funds to the University of Iowa will allow the university to accomplish strategic goals serving Iowa and its students who depend upon the University to prepare them for business and the service sector employment of the Iowa economy.

❖ **Better Employment Opportunities Through Student Success** – as demonstrated by better retention, graduation, and placement rates, student success here and during their subsequent work lives is the University’s top strategic planning priority. The University’s goal of becoming the most student-centered institution in the Big Ten will require the ramping up of academic and instructional support efforts. Success will be measured through effectiveness in entering the professional workforce or advanced/professional education.

Two years ago, the University began an expansion of several initiatives that had proven track records with respect to student retention and academic success:

- living learning centers
- job experience with Iowa businesses
- first-year seminars
- entrepreneurial education and certifications
- learning environments that actively engage students in preparedness for work-life and public service

To date, the programs have been performing as expected, and SUI continues to assess, expand and improve them. The first-year retention rate moved from a historical level of 83% to a new level of 86% (an increase of approximately 135 students). To sustain this positive change, as well as further retention and graduation rate improvements, funds are needed to expand programming for:

- larger incoming classes (from initiation of these programs, the freshmen class size has grown from 4,100 to close to 4,600)
  - upper division students
  - academic advising at the academic major level (i.e. for upper division students)
  - career advising connecting Iowa businesses and students
  - internship opportunities with Iowa businesses and not-for-profits
  - research experiences for undergraduates within SUI and within Iowa businesses
- ❖ **Collaborative Learning** – a substantial effort is underway to use technology to transform classroom and study areas that will enhance faculty instruction and student learning. By the end of FY2012, the University will have created **five** new active-learning classrooms (also referred to as TILE classrooms – student centered spaces that support a variety of models for teaching and learning, including self-paced learning; active learning; increased student engagement; collaborative teamwork; and increased interaction with faculty) and adjacent student gathering and study spaces. In FY2011, the University also began planning for the conversion of a significant portion of the 1<sup>st</sup> floor of the University Library into a new Learning Commons space. These investments develop skills needed with the workplace and for preparing undergraduates for advanced or professional education

A large body of research about how students learn in a technologically-connected and global world led to this initiative. Significant resources have been invested in faculty development so that instructors use the new learning spaces optimally. The University needs funding to create additional TILE classrooms and study spaces that foster collaborative learning, to continue to engage faculty in the use of new pedagogies, and for the technological upkeep and support services required of the newly renovated facilities.

- ❖ **Enhanced Graduate Programs to Meet Market Needs** – In FY2010, a University study of graduate programs concluded that a number of programs were no longer effective in meeting the needs of students or the marketplace. As a result, the University suspended entrance into several graduate programs and revamped the curriculum of other programs. Resources have been reallocated from closed programs to strengthen continuing programs, but are not enough to make these programs distinctive within their fields.

In many employment fields the graduate and/or professional degree is the entry-level requirement. Funding is being requested to send more graduate and professional students to present their scholarly research at professional meetings, enhance career advising, improve placement in academic and non-academic jobs, and create a better teaching/training program for graduate students. Demand for graduates of SUI's graduate and professional programs is projected to be high for the foreseeable future and the proposed investments will enhance their attractiveness in the job market.

The University's focus is preparing Iowan's future professionals in K-12 educational leadership and in fields dependent upon higher levels of technology where advanced education is critical for success.

**Iowa State University** ..... \$6,573,808

Iowa State has a long history of providing a superb experience for its students. Overall enrollments have been strong, and the science-based curricula in engineering, agriculture and life sciences, and human sciences have been especially appealing to incoming students and their families.

❖ **Working with Businesses and Non-profits** – ISU’s “brand” for the undergraduate experience includes strong relationships between faculty and students, and significant experiential, hands-on learning opportunities. Businesses and nonprofits throughout Iowa often benefit from the students active participation in their coursework. For example:

- Engaging Iowa business leaders, College of Business faculty have developed case studies about challenges these businesses face for students to provide consultation back to the companies.
- Students in the College of Design promote economic development by working with businesses to enhance the quality of life and services in Iowa. For example, students from a graphic design class created a new logo and branding images for Common Thread, a consortium of 11 central Iowa towns, to help market their region.
- During the 2011 spring break, engineering students completed 2,700 hours of service work in eastern Iowa helping those still rebuilding and repairing their communities from the 2008 flooding.

❖ **Creating Jobs** – Iowa State University prepares students to create jobs – and those students deliver. A recent ISU economic study shows that at least one out of four Iowa State University undergraduates will found a business at some point in their lives – and 72% of those start-ups will locate in Iowa or a nearby state.

The engineering college is a source of talent for hundreds of companies that recruit ISU students. The fall 2011 Engineering Career Fair is sold-out with over 225 companies appearing and nearly 4,000 students participating in a single day.

Placement rates for ISU graduates indicate that more than 90% are employed or continue their education within six months of graduation. More than 50% of those employed are employed in Iowa. For agriculture and life sciences graduates, the placement rate is more than 98 percent with 75% starting their careers in Iowa. The Greenlee School of Journalism and Communication places 95% of graduates in journalism and advertising in media-related positions.

❖ **Unique Programs** – The College of Veterinary Medicine has had a particularly unique impact on the State of Iowa. Over 700 of ISU-educated veterinarians are serving Iowa's \$10 billion animal industry addressing animal health issues. The college's professional program exemplifies the "beyond-the-classroom" approach to teaching. Students are given training that allows them to enter the profession ready to contribute. The veterinary business entrepreneurship program has taught students the business and management skills that every successful small business owner needs – skills that in these economic times are just as important as medical skills.

To continue this strong history of educating the future of Iowa, ISU must maintain and enhance appropriate faculty/student ratios, strengthen academic support services through its learning communities and additional advisors, provide classroom spaces and technology that support the creativity and innovation of world class faculty, and offer tutoring and other specialized learning supports, as well as opportunities to study abroad.

**University of Northern Iowa ..... \$2,989,383**

The University of Northern Iowa’s mission is to provide transformative learning experiences that inspire students to embrace challenge, engage in critical inquiry and creative thought, and contribute to society. At UNI, the focus is educating Iowans who subsequently tend to stay in Iowa to work and live. New funding will be used to improve the university’s ability to educate students to meet Iowa’s workforce and economic development needs.

❖ **Lead the nation in pre K-12 education** - As outlined at Iowa’s 2011 Education Summit, the need for transformative educational change provides challenges and opportunities UNI is poised to address. With additional funding, UNI’s teacher education program will better prepare future teachers, provide professional development and track effectiveness of current teachers. The initiatives listed below add tremendous value to statewide education reform and help position Iowa as a leader in Pre-K -12 education. Funding is sought in the following areas to:

- Recruit ten faculty for their nationally distinguished and innovative approaches to teacher education to provide campus-wide and state-wide leadership in development of highly effective teachers. Specifically, these faculty will contribute to multicultural education, bilingual education, early childhood education, elementary science education, education policy and ethics in higher education, social and political foundations of education and literacy education.
- Strengthen UNI’s role as a professional development resource for educators across the state in the areas of technology-rich learning environments, developmental (physical, social, ability) competency, early childhood education, education policy and ethics, elementary science, cultural competency and early literacy acquisition.
- Provide support to improve the relationship between cooperating and student teachers through enhanced clinical practices, professional development school partnerships, site-based clinical faculty, and exploration of residency models.
- Prepare pre-service teachers to use assessment to inform instruction and to monitor students’ progress through the use of multiple measures; and enhance their abilities to create individual learning plans and competency-based continuums to assess and evaluate learners’ academic growth and achievement.
- Develop a system for novice teachers to monitor and guide UNI graduates in their first years of teaching using InTASC (Interstate Teacher Assessment and Support Consortium) as standards for developmental and continuous progress.
- Recruit a distinguished research director for the Research and Development School to provide leadership for a research agenda to measure effective reform practices in collaboration with university, local school, and state department personnel, as well as to translate results to the public.

❖ **Improve educational outreach across the state by:**

- Developing programs in the Urban Eight school districts to encourage students of color to enter education fields. One such national program is Today’s Students, Tomorrow’s Teachers which provides leadership development, child development content knowledge, and apprenticeship experiences for 9th through 12th grade students of color interested in the teaching profession.
- Researching and implementing strategies to improve the relationships between parents and schools to enhance learning. Programs such as Mother Read and Father Read demonstrate to parents the value of home literacy development. Program personnel show parents how to select conceptually-appropriate materials to read to their children and how to select books that their children can read independently.

❖ **Enhance undergraduate education and student success** - Goal One in UNI's strategic plan is to be a leading undergraduate public university that provides a strong liberal arts foundation. To achieve this goal, funding is needed to hire additional faculty in selected areas and to provide support for professional development. In addition, student success efforts will be intensified, including improving time to graduation. UNI seeks funding to:

- Hire five faculty in strategically-selected programs to support STEM initiatives and programs that address the workforce needs of Iowa. Emphasis in recruiting a diverse faculty will be a priority.
- Provide professional development support to enhance teaching excellence. Faculty will:
  - Pursue curricular change to ensure its rigor and relevance
  - Increase the delivery of on-line and distance education courses
  - Use technology to increase effectiveness of face-to-face classroom learning and connect students with global information resources
  - Develop strategies to address diverse learners and learning styles.
- Improve retention rates and reduce time to degree for all students, with a focus on reducing gaps for underrepresented students by making investments in academic support staff and other student services including tutoring, peer mentoring, MAP-Works and ALEKS (technologically-based systems that improve student placement and tracking of progress)

❖ **Ensure Accountability and Safety** - by improving:

- Emergency communication to students, faculty and staff by augmenting the UNI Alert Notification system to tie in with interior fire alarm speakers in campus buildings
- Emergency management preparedness by increasing resources in training for response to man-made and natural disasters, facility security, access and monitoring
- Technology security to meet the growing challenges related to information technology and protection of electronic materials
- Resources to support identified technology upgrades to increase efficiency and accountability.

**Strategic Initiatives Request - University of Northern Iowa** ..... \$12,000,000  
(\$4,000,000 per year/3 years)

The cumulative effect of successive budget reductions has resulted in a widening shortfall of funds. Because of UNI's high dependence on state appropriations for its general fund budget (46.7% vs. 33.5% at SUI and 35% at ISU), reductions carry a disproportionate impact. Therefore, UNI is requesting a special appropriation of \$12 million, to be added to the University's base budget \$4,000,000 per year for FY 2013, FY 2014, and FY 2015.

The two major revenue sources for Regent universities are state appropriations and tuition. The latter can be enhanced by attracting out of state students who are charged higher tuition rates. Enrollment at UNI has historically been Iowa students. UNI's Fall 2010 enrollment of 13,201 students is comprised of approximately 91% resident students, the highest proportion of the Regent universities. Therefore, modest increases in resident tuition rates combined with state appropriation reductions have a greater impact on UNI.



**HIGHER EDUCATION LEGISLATIVE SPECIAL PURPOSE APPROPRIATIONS REQUEST ..... \$79M**

Education is only one “product” of the Regent public universities. These universities are a complex bundle of enterprises, each with a unique mission and funding sources. The Special Purpose appropriations request includes the continuation of FY 2012 recurring appropriations of \$63.7 million, and incremental funding of \$15.3 million to support new initiatives of the units.

These appropriations are for specific programs at each institution which provide statewide services. Examples of these appropriations are the Hygienic Laboratory at the University of Iowa, the Cooperative Extension Service and Agriculture Experiment Station at Iowa State University, and the Recycling and Reuse Program at the University of Northern Iowa.

Due to prior years’ appropriations reductions, several of these programs are requesting specific increases in addition to the current level:

❖ **SUI – OAKDALE RESEARCH CAMPUS ..... \$374,085**

Incremental funds are requested for the Oakdale Campus of the University of Iowa which supports a variety of academic, research and service functions. The buildings on this campus support laboratory research functions, painting studios for the School of Art and Art History, the Technology Innovation Center, the State Hygienic Laboratory and a variety of other activities. The appropriation for this unit partially funds the operations and maintenance costs of the space. The appropriation has declined from \$2.9M to \$2.2M over the last ten years despite a rise 20% increase in O&M costs. The General Education Fund of the University of Iowa cannot continue to absorb these costs without some additional state support, thus this special request for FY 2013. The University has invested capital in innovative and energy savings utilities for the Oakdale campus to reduce O&M costs, but this is insufficient support without state investment to maintain this vital campus.

❖ **SUI – IOWA ONLINE ADVANCED PLACEMENT ACADEMY ..... \$43,151**

Incremental funds are requested for the Iowa Online Advanced Placement Academy (IOAPA) which was established in 2001 and is administered by the University of Iowa’s Belin-Blank Center. The program provides AP courses to all high schools in Iowa with an emphasis on small/rural schools. IOAPA also provides training for Iowa teachers to deliver AP courses in their home schools and is critical in helping Iowa meet the requirements of the Senior Year Plus statute.

The Online AP program received state support in FY 2012, and requests additional funds in FY 2013 to enhance, expand and strengthen the program. Funding would support 80 additional students, 24 additional teachers and a new AP course – *AP U.S. Government and Politics*.

❖ **SUI - STATE HYGIENIC LABORATORY ..... \$856,000**

Strategic initiative funds are requested. For more than 107 years the State Hygienic Laboratory (SHL) has provided Iowans with the scientific support necessary to protect their health and their environment. Today, as the state focuses on student achievement, expanding job opportunities and increased income for individuals and families, the need for minimizing the impact of infectious disease is even more critical.

The Hygienic Laboratory has developed a national reputation for excellence and occupies an outstanding new facility in which to carry out its testing, however the SHL’s capacity to continue this testing is threatened by three years of significant funding reductions at both the state and federal level, affecting both the lab directly and the University in its role as host for the lab’s operation. Direct effects on the SHL have included the elimination of 20 FTE’s and the depletion of reserves for lab equipment replacements. Additionally, the University of Iowa, which provides the SHL with critical organizational and infrastructure support such as legal and personnel support, as well as building and grounds maintenance, is similarly challenged to maintain the level of support necessary to deliver SHL services.

The restoration of state support is critically needed to ensure the continued timeliness of testing and results from the Hygienic Lab and end the diversion of funding from the University's academic mission. Restored funding would be directed to the statewide courier system which assures less-than-one-day transport of newborn screening samples, other patient samples, unknown powders and other samples of public health significance from anywhere in Iowa to the Hygienic Lab.

- ❖ **SUI - IOWA FLOOD CENTER**..... \$1,500,000  
The Iowa Flood Center (IFC) was established and funded by the State of Iowa in the spring of 2009. One-time funding (RIIF) of \$1,300,000 was provided by the state in FY 2010, in FY 2011, and again in FY 2012. The University requests this unit be funded with recurring dollars of \$1.3 million and include an incremental amount of \$200,000 as strategic initiative funds.

The IFC's overarching objective is to dramatically improve the flood monitoring and prediction capabilities in Iowa. Recent flooding in the state confirms the great need for this intelligence and the services of Iowa's flood professionals. Additional funding is needed in FY 2013 to support the following critical activities:

- Statewide soil moisture and rainfall monitoring network for at least one-third of the state
- Operational deployment of a real-time flood forecasting system for 900 Iowa communities
- Implementation of modeling capabilities to evaluate different flood mitigation strategies.

- ❖ **ISU – AGRICULTURE EXPERIMENT STATION** ..... \$1,202,569  
Incremental funds are requested. A report released in August 2011 makes the case that agricultural sciences are poised to drive economic growth and job creation to new heights in Iowa and surrounding north-central states. Agricultural sciences represent fields that generate widespread innovations, technologies and solutions to real-world needs in food security, human health, economic development and environmental sustainability. The north-central region's world-leading agricultural productivity coupled with world-class university-based agricultural experiment stations and extension services are the essential assets to drive progress. Iowa State's Agricultural Experiment Station works to improve food, agriculture and the environment in Iowa, with impacts felt around the world. Additional funding will emphasize key elements of the ISU strategic plan, including sustainable agricultural systems, sustainable bioenergy, and health, food, and nutrition. New investment would target programs in:

- Water quality and nutrient management
- Biofuels and biorenewable products, including the work at the BioCentury Research Farm and Center for Crops Utilization Research.
- Food security and food safety
- Research and development supporting Iowa's agriculture production industries led by ISU's Egg Industry Center, Iowa Beef Center, Iowa Pork Industry Center and crop research and extension

Focused investments will enable ISU to successfully address national and global needs in agricultural productivity, food security, human health and environmental quality. Through strategic public-private partnerships, agricultural science and technology is translated into commercialization and strengthens the economic viability of businesses and communities. Experiment Station scientists also mentor students in cutting-edge research, helping prepare a pipeline vital to Iowa's future - prepared and entrepreneurial graduates ready to take advantage of expanding opportunities for employers in agriculture and life sciences.

❖ **ISU – COOPERATIVE EXTENSION SERVICES..... \$767,296**

Incremental funds are requested. Iowa State University Extension supports economic growth and works to improve quality of life through encouraging economic development, helping create new jobs, building partnerships, and expanding entrepreneurial activities. The requested funding will support faculty, economic development program specialists, and a data analysis center, which will lead to:

- Increased entrepreneurial activity with greater potential for successful business development
- Fostering and development of local innovation networks
- Rapid response for entrepreneurs and business start ups

For example, more than 60 business projects focusing on value added agriculture have been assisted by ISU Extension through feasibility study work in the last 5 years. These projects range from renewable energy, feed and food processing, specialty crop processing, biomass, aquaculture and meat processing to novel technology development. Last year, \$30 million in additional loans were secured with at least 90 jobs retained through the partnership of ISU Extension and Outreach.

The Community Visioning Program has helped rural communities plan transportation enhancements. To-date, 180 Iowa towns have completed the process and collaborated with design teams to create conceptual transportation enhancement plans. Documented impacts of the program include:

- Ninety-four percent of participating communities complete at least one project.
- Internet research of state funding shows 124 visioning communities received funding to complete 285 projects. Seventy-seven percent of the projects were directly related to visioning concept plans.
- More than \$16.9 million in funds were awarded to visioning projects and \$12.4 million to non-visioning projects for a total of nearly \$30 million.
- Estimated cash matches from awardees exceed \$12.6 million for an estimated \$42 million generated.

Programs will be developed and expanded that allow geographic communities, as well as by communities defined by a common issue, to integrate emerging science, ideas, policies, and practices to create knowledge and think tank hubs that will focus on key issues economically relevant to Iowa. Targeted interdisciplinary efforts will focus on rural and urban audiences, Iowa's indigenous entrepreneurs, local community and regional trade centers, and economic assessment and solution support. Building upon a strong foundation, the new funding will focus initially on Iowa's Main Streets, value added agriculture and the experience hubs. This will be accomplished using Extension's core strengths and capabilities which are:

- Creating awareness and support
- Establishing networks.
- Developing workshops and events
- Offering quick response teams

- ❖ **ISU - LEOPOLD CENTER**..... \$17,001  
Incremental funds are requested for the Leopold Center, established to conduct research to identify and reduce environmental problems in agriculture. The Leopold Center will use additional funds for research and extension to enhance the sustainability of Iowa agriculture and help return profit to Iowa farmers. Specifically, additional funds would be targeted to research in ecology (water quality, soil conservation) and in marketing and food systems that meet Iowa-grown food aims in the Iowa Local Food and Farm Initiative.
  
- ❖ **ISU – LIVESTOCK DISEASE RESEARCH**..... \$7,394  
Incremental funds are requested for the Iowa Livestock Health Advisory Council (ILHAC) which was created to strengthen Iowa's animal agriculture by strengthening the livestock disease research program in the State. Funds from this special appropriation currently provide seed money for research projects, with priority given to those projects with significant potential for economic benefit for the livestock industry. Additional funding will allow more projects to be started.
  
- ❖ **ISU – VETERINARY DIAGNOSTIC LABORATORY**..... \$762,364  
Strategic initiative funds are requested. The legislative intent of establishing a \$4M appropriation to support the state-wide mission and services of the Veterinary Diagnostic Laboratory will be achieved with this additional funding. These incremental funds will allow the VDL to provide additional testing and maintain fees at levels that producers can afford.
  
- ❖ **UNI – REAL ESTATE EDUCATION**..... \$5,012  
Incremental funds are requested. This program is the only real estate program in the state leading to a bachelor's degree. Program graduates have a strong impact in the real estate industry in Iowa, supporting not only their individual organizations, but their communities as well. The real estate industry is a key component of economic development in both rural and urban communities in Iowa, and graduates play a significant role as lenders, brokers, developers, appraisers, property managers or attorneys.
  
- ❖ **UNI – RECYCLING AND REUSE TECHNOLOGY TRANSFER CENTER**..... \$7,010  
Incremental funds are requested. The RRTTC supports applied sustainability research for community outreach, patent applications and support for green business enterprises. Through the RRTTC's project reports, articles and outreach to business, industry, communities and citizens, the Center reaches several thousand individuals each year. Approximately 10 student interns work each year on projects concerning sustainability, recycling, solid waste management and its influence on health and water quality, and other related issues. These hands-on experiences raise student awareness of environmental challenges and issues important to the future of Iowa. As a result of funding reductions, the Center is only able to respond to about 20% of its annual to bi-annual calls for research proposals, and outreach activities have been limited.
  
- ❖ **BOARD OF REGENTS OFFICE**..... \$42,600  
Incremental funds are requested. Under the guidance of the Board's Executive Director, the Office provides staff support to the Board by reviewing, analyzing, and initiating policy recommendations on all matters brought before the Board. Staff represents the interests of the Board and Regent institutions to the Governor, Legislature, governmental agencies, other organizations, and the general public.
  
- ❖ **REGIONAL STUDY CENTERS**..... \$11,354  
Incremental funds are requested. The regional study centers serve residents of Iowa who are geographically distant from the Regent campuses. The study centers include the Quad-Cities Graduate Study Center in the southeastern part of the state, the Tri-State Graduate Studies Center in the northwest part of the state, and the Southwest Iowa Regents Resource Center in the southwest part of the state.

**COLLABORATIVE STRATEGIC INITIATIVES**

**STEM INITIATIVE ..... \$4,000,000**

Since FY 2009, the universities have worked as a team to implement the STEM initiative. Building on the strengths of Iowa’s public universities in this collaborative effort, a request is made to continue the funding of the STEM initiative and invest strategic initiative funds of \$2,265,344 to return it to the FY 2009 level of \$4,000,000.

**Iowa Mathematics and Science Education Partnership (IMSEP)** - a collaboration of the University of Iowa, Iowa State University, and the University of Northern Iowa where the administrative institute is housed, continues to develop as the lead agency for STEM education in Iowa. Now, in addition to sustaining and scaling successful IMSEP programs, the organization will administer the new Governor’s STEM Advisory Council. The new Council brings with it additional goals, some of which overlap with the IMSEP charge, others of which are new and require additional resources.

**GOVERNOR’S STEM ADVISORY COUNCIL GOALS:**

- a) collaborate with participants and parties from the public and private sectors to promote STEM education, innovation and careers statewide;
- b) work to dramatically increase students’ interest and achievement in STEM subjects so they will have a greater opportunity to pursue STEM careers;
- c) recommend how to better recruit and prepare teachers to teach STEM;
- d) map STEM education to economic development with an emphasis on fostering innovation in research and entrepreneurship; and
- e) build on the outstanding work of the Iowa Mathematics and Science Education Partnership and the Iowa STEM Education Roadmap to advise on development and implementation of a statewide STEM plan with clear goals.

The following request details both on-going impactful programs of IMSEP as well as examples of scale-able programming that may be considered for enactment by the Governor’s STEM Advisory Council.

1. In support of Goals a, b, d, and e: Continuation and development of IMSEP Institute functions. Critical to the maintenance of STEM momentum in Iowa will be to continue the IMSEP leadership role in drawing together stakeholders, and in driving public awareness of the importance of STEM.
  - One measure of the success of the IMSEP in this function is the engagement of key leaders in Summit and Forum series. Statewide stakeholder communication, foundational to reform, drives the annual Mathematics & Science Teacher-Educators Summit, the business/schools forum on externships, the preK-12 Engineering Education forum, and work group meetings such as Biology Transition Guide project
  - Engagement of thousands of youth and families in STEM activities is another key metric of the success of the IMSEP Institute. The John Deere-funded “Moms Night Out for STEM”, now an annual event ripe for expansion, drew hundreds of families across Iowa. And after some 9,000 youth visited the IMSEP booth at the USA Science & Engineering Festival, an Iowa-based and private sector-supported state STEM festival, iExploreSTEM, is now an annual event ready for expansion. Engagement is also the force in identifying Iowa professionals in the sciences, engineering, mathematics, and technology to transform into “STEM Gems” – inspiring wall posters distributed to every secondary school in Iowa. The series needs to continue.

2. In support of goals b, c, and e: The IMSEP's Mathematics and science teacher recruitment through Iowa-Teach Math & Science and the Iowa Intern Licensure Pathway needs to be sustained and expanded. A key metric of success in this area is the number, and the qualifications, of candidates drawn in to the teaching pipeline. Two thirds of the teachers-to-be drawn into the university teacher education pipeline by Iowa-Teach graduated from the top third of their high school classes. Their numbers have swelled the pipeline by 22% in science and 63% in mathematics over the last three years.
3. In support of goals a, b, d, and e: Expansion of IMSEP's Real World Externships to involve additional companies and community schools modernizes the curriculum while connecting the private and public sectors. A key metric of the success of this program is teacher shifts to an emphasis on career-related teaching, and student awareness and interest in STEM careers.
4. In support of goals a, b, c, d, and e: Successful pilot programs of the IMSEP need to be scaled up (expanded and replicated). The Corridor STEM Initiative (CSI) of the I-380 Corridor has reached over 400 elementary and middle school students to date, improving their performance in school STEM and their interest in STEM careers. Project Lead The Way now affects thousands of Iowa learners in 111 Iowa high schools and middle schools. Many other STEM in-school and out-of-school initiatives show promise for scale up.
5. In support of goals b, c, and e: The recommendations of the IMSEP 2010 Women/Minorities in STEM report need to be enacted to diversify the STEM pipeline. Teacher/faculty professional development in equity, and active recruitment of members of underrepresented groups to STEM study are needed.

To capitalize on unique programs already existing at the University of Iowa and Iowa State University, the following is proposed:

6. **SUI STEM Request** - Iowa needs a research-based institute dedicated to promoting STEM instruction and education for all of Iowa's students, but with a particular emphasis on students with demonstrated aptitude in STEM disciplines. SUI, with its long history of excellence in identifying and enhancing math and science talent in pre-college settings (Belin-Blank Center for Gifted Education) and educational testing (e.g., formation of ACT and Iowa Testing Program), proposes the establishment of the Iowa Institute for STEM Innovators at Iowa's Belin-Blank Center for Gifted Education, but with access to research and development products available at UNI and ISU. The initiative will recruit diverse middle school and high school students who demonstrate interest, motivation, and ability in STEM activities. Special emphasis will be given to students from Iowa's rural areas; rural students represent 50.4% of the K-12 student population but only 10.2% of identified gifted students. This can change. The Iowa Institute for STEM Innovators will establish the Iowa Academy of Math and Science, a residential math and science high school to develop the talents of the state's most gifted STEM students while serving as a demonstration lab. In the process, the Institute will strengthen Iowa's STEM educational system by fostering collaborations among researchers at the regents institutions and with K-12 educators throughout the state while developing human capital, and bolstering the economy.
7. **ISU STEM Request** - Research shows engaging youth and sustaining their interest in STEM increases successful career paths in STEM fields. Project YES-STEM expands the resources of ISU Extension and Outreach by engaging ISU students for a year-long voluntary service supporting STEM work. Collegiate youth are trained in relevant curriculum and deployed across the state to provide programming for youth in Iowa. The YES trained students work with ISU County Extension Youth coordinators, 4-H volunteers, and STEM practitioners in the field to create a pool of sustaining community members to support and mentor the youth. Project YES-STEM offers educational programming (curriculum and/or activities) that is relevant, engaging, and hands-on. The program's focus is on growing youth to pursue careers in STEM along with resources including hands-on events, connections to partners, and training. The ultimate goal of YES-STEM through these activities is to slow the brain drain.

**RENEWABLE ENERGY AND VALUE-ADDED AGRICULTURE INITIATIVE ..... \$7,500,000**

The Regent institutions will build on a foundation of science and technology guided by a strategic plan aimed at delivering on 21st century challenges in energy, products and materials, and food safety and security. Many of these pressing world problems have solutions rooted in modern agriculture.

Agriculture is one of Iowa's greatest strengths, with national and global leadership in many areas of plant and animal production. Iowa's leadership in agriculture can play a pivotal role in addressing challenges such as replacing petroleum products with renewable products, creating new materials, and addressing food scarcity and security issues.

A concerted effort to invest in and expand Iowa's leadership role in renewable energy and value-added agriculture will result in economic development and job creation in this state.

Research and development at **Iowa State University** is unlocking new economic potential in plant and animal products and their utilization, including stimulating new kinds of value-added products and processes. The groundwork has been laid for significant gains to:

- Improve production of animal protein through increased feed efficiency and improved use of feedstuffs that benefit consumers, the environment, and global food sustainability.
- Develop new tools for plant genome engineering that lead to precise technologies that improve crop traits and tailor products of importance for food, agriculture, the environment and human health.
- Develop new product and process technologies to increase demand for crops, expand end uses and attract economic development.

The next generation energy, fuels, chemicals, polymers, proteins, and other materials from renewable sources require improved products and technologies from research. Iowa State is developing a campus-wide multidisciplinary, collaborative research effort that is connected to agriculture and includes exploring next-generation sources for converting agricultural feedstocks into renewable energy and chemicals and moving beyond our current dependence on petroleum. The ability to attract external funding uniquely positions ISU to continue the development of next generation materials from renewable sources.

Specific objectives include:

- Develop advanced science and engineering mechanisms to convert biomass to fuels and biobased products.
- Develop sustainable cropping systems for biofuel feedstock production and for maintaining high-quality natural resources. Examples include advancing the understanding of biochar, a byproduct of renewable bio-oil, as an agent for carbon sequestration and raising soil quality.
- Integrate biological and chemical catalysts to produce biorenewable chemicals to begin moving toward sustainable, Iowa agriculture-based feedstocks and technologies.
- Increase efficiency and productivity of biorefineries through the development of research and education tools that educate students and train workers.

ISU's research strengths are reflected in the Bioeconomy Institute, the NSF Engineering Research Center for Biorenewable Chemicals, the Plant Sciences Institute, the Biobased Industry Center, and the BioCentury Research Farm. Iowa State's track record includes assisting with the successful development of jobs through startup companies such as Avello Bioenergy and Glucan Biorenewables. In large part because of ISU's leadership in renewable energy, companies like DuPont Danisco are making commitments to build a cellulosic ethanol production facility in Nevada, Iowa.

The **University of Iowa** will work closely with ISU and UNI to extend its national leadership in "green power" innovation by leveraging its experience over the past several years in the utilization of biomass for generation of steam and electric power. For example, in recent years SUI has converted one large on-campus, coal-fired boiler to burn a mixture of agricultural biomass (oat hulls) and is planning a second conversion. At its Oakdale Campus, SUI has installed reciprocal engines designed to burn landfill gas and is installing a dedicated boiler (using 100% biomass) and a biomass gasifier unit that converts biomass fuel into combustible gas for heating and cooling. Specific objectives are:

- Showcase and disseminate unique "best practices" on systemic management of biomass power generation programs for other entities of similar size and transfer technologies of current pilot scale successes into the more complex operational scales needed to power universities, communities, and industries. The project has considerable state economic development impact based on the scale of this initiative.
- Integrate undergraduate and graduate level teaching – through classroom studies and experiential learning – and applied research into a biomass-based, university-scale, functioning power plant.
- Develop guidelines for other universities, cities, and industries worldwide to follow in retrofitting existing utilities to burn biofuels in conjunction with coal and/or natural gas.
- Demonstrate, through testing and sustained operation, the application of industry and community waste-streams in renewable energy production, and cost-effective ways to meet energy demands while reducing carbon dioxide emissions.

Using its Tall Grass Prairie Center, the **University of Northern Iowa** will initiate two inter-related projects that can advance current practices in biomass production. The first will determine the optimal mixture of prairie species for maximum sustainable biomass production and the second will develop a pilot project to use prairie biomass to co-fire with coal for energy production. Specific objectives include:

- Determine management plans and the best mixture of prairie species for maximum production of biomass for electrical generation while retaining the conservation benefits of prairie such as wildlife habitat.
- Determine the feasibility of prairie biomass production as an alternative agricultural crop and the best means of implementing this form of alternative agriculture.
- Develop a system of prairie biomass production sites proximal to the UNI Power Plant and enable implementation of a model project of co-firing prairie vegetation with coal for energy generation. This model has potential for utilization in Iowa, much of the Midwest and in areas with grassland ecosystems.

In addition, UNI can further important work in biorenewables through its two existing centers.



The National Ag-Based Lubricant (NABL) Center has spent over the past twenty years creating viable biobased lubricants. More than 30 commercially-viable products have been developed and most have been further developed and marketed by companies in Iowa and around the country. In addition, NABL continues to develop national standards for biobased lubricant products and provide testing for many of the products being developed. New research is underway to develop the next generation of biobased products to meet the demands of industry while creating more economical and competitive products. Two projects with high probability of success in commercialization are the CORS biobased engine oil and microwave biobased grease processing projects.

UNI's Metal Casting Center (MCC) will collaborate with ISU on further development and refinement of biobased polymers for the foundry industry. The MCC has a nationally prominent pilot plant facility and strong relationships with Iowa foundries and can benefit from ISU's technical support. New areas of research will include the development of thermally setting polymers and adhesives utilizing agricultural based products.

**SPECIAL SCHOOL EDUCATION OPERATING APPROPRIATIONS REQUEST ..... \$12.7 million**

The funding request for the two special schools, Iowa School for the Deaf (ISD) and Iowa Braille and Sight Saving School (IBSSS) allows the Board of Regents to continue to provide high quality, individualized instructional opportunities to children and youth who are deaf or hard-of-hearing and to those who are blind or visually impaired. The 2011 General Assembly set the FY 2013 Allowable Growth rate for K-12 at 2%, which is reflected in the request for the Special Schools. IBSSS is requesting additional funding due to the nearly 30% loss in State funds for the current year.

The Special Schools' request includes the continuation of FY 2012 recurring appropriations totaling \$12.4 million for general operations, and incremental funding of \$356,187.

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

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

Special School faculty members must have highly specialized teaching licensure with multiple endorsements for special education and grade level or content area licensure. The Schools must recruit and compete for teachers on a national level.

For the Iowa Braille and Sight Saving School, the requested increase will support the core programming for students who are blind and visually impaired in Iowa through the newly defined service delivery model by ensuring:

- Full implementation of students Individual Education Program (IEP) in cooperation with the local school districts and Area Education Agencies
- Implementation of programs and activities to support the Expanded Core Curriculum for students who are blind and visually impaired in Iowa. The Expanded Core Curriculum is the nationally recognized curriculum for students who are blind to ensure preparation for productive adult lives.

IBSSS received a 30% cut in funding for the current year; the request for FY 2013 includes the 2% allowable growth, and adds an incremental 3% in order to implement the programs and activities of the school's core responsibilities to the over five hundred (500) children and youth who are blind or severely visually impaired, from birth through age twenty-one that are served each year by Iowa's Educational Services for the Blind and Visually Impaired in partnership with Iowa's local school districts, Area Education Agency and Department for the Blind.

**ECONOMIC DEVELOPMENT OPERATING APPROPRIATIONS REQUEST ..... \$5,800,000**

Iowa's public universities seek an incremental 4% (\$128,332) for existing economic development units to meet projected inflation and new strategic initiative funding of \$2.5 million for expansion.

Private businesses are touted as the drivers of economic activity and prized for the jobs they provide. Often overlooked are the contributions of Iowa's public universities in fostering new technologies, incubating new businesses and educating entrepreneurs so they can make economic contributions.

Iowa's public universities are committed to playing a leading role in catalyzing the economic transformation of the state and the nation. The universities have developed a rich variety of programs and partnerships aimed specifically at building working relationships among academia, industry, and government and fostering an environment of creative innovation. Economic development is a high priority within the universities' public mission, and sustaining these efforts is one of the important outcomes of maintaining a high quality academic enterprise.

This functional area includes operating funds for SUI - Advanced Drug Development, Oakdale Research Park, and Technology Innovation Center; ISU - Institute for Physical Research and Technology, Small Business Development Centers, and ISU Research Park; UNI - Institute for Decision Making and Metal Casting Center. The economic development request includes the continuation of FY 2012 recurring appropriations of \$3.2 million and incremental funding of \$128,322 million (4%) for those units.

❖ **SUI ECONOMIC DEVELOPMENT** .....\$8,371 (4%)

The economic development appropriation at The University of Iowa currently supports the Technology Innovation Center (TIC) and Business Incubator, the Oakdale Research Park (ORP) and the Center for Advanced Drug Development (CADD).

A four percent adjustment is needed to partially restore funds cut over the last ten years. These additional funds will help ensure UI’s continued support to new start-up companies with the critical services provided to them during the early stages of company formation.

❖ **ISU ECONOMIC DEVELOPMENT** .....\$96,972 (4%)

The next generation of entrepreneurs is needed to enhance efforts related to research and technology transfer and to provide opportunities for startup companies that will create jobs. A critical part of producing next generation products and technologies is educating the next generation of researchers and entrepreneurs that will bring the research and technologies to fruition.

ISU’s Bioeconomy Institute and NSF Center for Biorenewable Chemicals, in collaboration with the Innovate Iowa Proof of Concept Center, will establish a “Bio-based Foundry” to nurture the next generation of entrepreneurs that will establish local companies and stimulate the foundation of a renewable economy in Iowa. This will be accomplished by accelerating the development and commercialization of next generation renewable materials research; identifying and assessing technology that can be readily developed into products to support the needs of the renewable materials constituency; establishing strongly fortified local companies that successfully commercialize and market renewable products; and providing ongoing technical and business assistance to these companies to help ensure their success.

Through these activities, the Bio-based Foundry will accelerate the education of the next generation of entrepreneurs and the commercial development of renewable materials and technology.

❖ **UNI ECONOMIC DEVELOPMENT** .....\$22,989 (4%)

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.

Due to challenging economic conditions, businesses and communities are expressing the need for additional technical assistance from UNI. At the same time, the current economy has led the state to make substantial appropriation reductions in this area.

In order to serve these articulated needs and increase the economic impact of the businesses and communities, partially restoring funding for UNI’s economic development programs is essential.

**ECONOMIC DEVELOPMENT INTERINSTITUTIONAL INITIATIVE..... \$2,500,000**

In addition to an incremental increase to cover projected inflation, Iowa's public universities seek \$2.5 million, to expand economic development efforts. The economic development funding provided by the state of Iowa for the Regent institutions over the past 6 years has been critical to efforts in supporting the formation and growth of entrepreneurship educational activities, assistance to startup and existing Iowa companies, and faculty and student awareness of entrepreneurship and economic development. The translation of university innovations and technologies has proven to be critical and a driving force for innovation and job creation. More importantly, it is essential for the long-term growth of a sustainable, innovation economy that will position Iowa to be competitive in a global market.

**❖ UNIVERSITY OF IOWA ..... \$1 million**

Over the past 6 years, The University of Iowa has been able to effectively use GIVF funding to augment University support and create a robust infrastructure to commercialize/license University faculty discoveries, expand entrepreneurial education programs and increase faculty and student focus on entrepreneurship and economic development. Past years appropriations have allowed SUI to fund 16 proof of concept faculty projects, mainly focused on human health care and novel therapeutics, resulting in 11 companies while 2 other companies leveraged GIVF funds to obtain venture financing. Annually, these funds support the student incubator that nurtures approximately 25 student led companies and support JPEC programs which reach 4000 participants annually. Finally, GIVF provided funding for infrastructure and services to support new companies through new laboratory based incubator space at UI Research Park (currently at 63% occupancy). At the UI Research Park, a total of approximately 1,600 employees work in companies with an average salary of \$63,000.

The University of Iowa Research Enterprise is an important driving force for innovation and job creation that will position Iowa to be competitive in the global economy. The University along with the other Regents institutions has been instrumental to the evolution of Iowa's economic development programs into an innovation-driven model, consistent with the Iowa Innovation Council, and with focused state and private investment can continue to capitalize on these earlier investments and realize significant growth in jobs related to Iowa's strongest industry clusters, as well as continuing to develop a sustainable educated workforce.

The areas of focus for the request include the following categories:

- Proof-of-concept funding of highly promising, but very early stage, technology from faculty inventors that has commercialization and licensing potential, following a careful vetting process.
- Comprehensive student and faculty entrepreneurial education and business support programs to help create and sustain University start-up companies
- Incremental infrastructure investment to provide needed support to growing numbers of University startup and technology-based companies, including space and technical assistance
- Additional investment in the Center for Biocatalysis and Bioprocessing to increase licensing and R and D linkages with Iowa's strong AgBio industry cluster

Outcomes: These recurring funds will allow the University of Iowa to continue its investments and enhance faculty disclosures, streamline technology transfer and commercialization, and increase numbers of University of Iowa start-up companies based upon research and intellectual property. Additionally, this will enable effective linkage to state and regional economic development assets to facilitate university/private sector partnerships, support R&D needs of existing industry and facilitate recruitment of new companies in Iowa's targeted industry sectors.

❖ **IOWA STATE UNIVERSITY** ..... \$1 million

Past years appropriations has allowed ISU to fund 77 projects in more than 50 companies, including 28 startups, of which 13 startup companies were formed with ISU technologies. ISU's Economic Development Network (e.g., Research Park, ISU Research Foundation [ISURF], IPRT, Pappajohn Center for Entrepreneurship, CIRAS, and SBDC) typically yields the following outcomes (on average) each year: programs in nearly all counties; new and retained jobs of over 7,500 individuals; a financial impact to the state of approximately \$375 million; workshops and client assistance to over 4,000 individuals; and entrepreneurial education to over 5,000 students from 2008-2010.

The Regent institutions have been instrumental in the evolution of Iowa's economic development programs into an innovation driven model, consistent with the Iowa Innovation Council (IIC). With focused state and private investment, Iowa can continue to capitalize on these earlier investments and can realize significant growth in jobs related to Iowa's strongest industry clusters, develop a sustainable educated workforce, provide a statewide online community for entrepreneurs, and launch an entrepreneurial communities initiative that will enhance communities and regions within the state to support entrepreneurs. Additional financial support will provide:

- Proof-of-concept funding to develop commercialization and licensing of promising research and technology. The Innovate Iowa Proof of Concept Center (IIPOCC) at ISU will work in concert with the other Regent institutions and the State for delivery of commercialization programming and services to enhance the development of early stage research and technology with potential for commercialization.

The IIPOCC is tied to the Governor's plan for economic development through the IIC and Iowa Integrated Innovation Commercialization Network (IIICN). The Regent institutions will proactively work to provide comprehensive entrepreneurial education and business support programs using and expanding online delivery, seminars, personal contacts, and educational programs to build a culture that encourages and supports commercial application and transfer of research and technology. These activities will be in collaboration with the efforts of the state IIICN.

- Staged funding for infrastructure to advance research through proof of concept and towards prototype/testing stage, including incubation space, equipment, and technical assistance.
- Opportunities to partner with the State and others to support existing industry expansion and regional development in Iowa.

Outcomes: These recurring economic development funds provide an opportunity to enhance collaboration and partnership across the Regent institutions and build on existing strengths. The creation of the IIPOCC coupled with the newly formed IIICN within the IIC and IPEP will strengthen the ability of the universities and the state to provide the support structure necessary to enhance the transfer of technology and build entrepreneurship that leads to startup companies and the creation of jobs and sales of products and services.

❖ **UNIVERSITY OF NORTHERN IOWA** ..... \$500,000

Past years' appropriations have allowed UNI to develop and support MyEntre.Net whose enrollment has increased to more than 10,000 users and serves entrepreneurs and service providers in all 99 counties.

During the past 3 years, 239 businesses have been expanded or started, creating 540 FTE positions. A database of economic development and financial resources for Iowa entrepreneurs from MyEntre.Net was included in the IIC's *Guide to the Iowa Innovation Network*. UNI's three business incubators resulted in 45 graduates from 4th Street Incubator in Waterloo, 17 graduates from the UNI Innovation Incubator, and more than 20 graduating from the Student Business Incubator.

The University of Northern Iowa's economic development and technology transfer programs assist thousands of Iowa companies, entrepreneurs and communities in all 99 counties. Grow Iowa Values Fund support, leveraged with private and federal funds, has resulted in expanded economic development initiatives and enhanced programming for technology transfer, business incubation, and entrepreneurship. Based on the recovery needs of the state, UNI proposes new and expanded initiatives to help Iowa businesses and entrepreneurs accelerate investment and job growth. The initiatives fall within four broad categories: 1) entrepreneurship, 2) innovation and incubation, 3) regional development, and 4) ag-based lubricants.

**Entrepreneurship:**

- Expand MyEntre.Net's capacity to integrate the needs of the Iowa Innovation Council
- Build community capacity and support through an entrepreneurial communities project
- Create a program for women-owned businesses to increase startups and support growth
- Provide subsidized market research services for Iowa companies of all sizes
- Assist IDED's Demonstration Fund with feasibility assessments and competitive intelligence
- Provide secondary research (economic gardening) for small companies through MyEntre.Net
- Provide direction and support to expand Iowa's green economy entrepreneurial efforts

Outcomes: MyEntre.Net will add 2,000 new members (for a total of 12,000) and 75 businesses will be started or expanded, at least two communities will launch an entrepreneurial communities project, 300 individual businesses will be provided economic gardening services, market research services will be provided to 10 Iowa firms, and an Iowa women's business initiative will be started.

**Innovation and Incubation:**

- Increase corporate R&D programs to support Iowa companies with faculty and staff expertise
- Create a UNI Innovation Fund to seed faculty and staff research projects in targeted industries
- Expand business incubator facilities to compensate for the soon to close Waterloo facility
- Leverage student business incubation growth through seed funding
- Determine the feasibility of a field test lab and certification at Price Lab (R&D school) for classroom testing of education innovations
- Increase intellectual property disclosures, patent applications, licensing and spin-offs
- Explore options for a joint university IP and tech transfer initiative among Regent institutions
- Determine workforce assets and skills needed for Iowa's success in the green economy through partnerships with Iowa Workforce Development (IWD) and local developers

Outcomes: At least 15 faculty and staff will be engaged in corporate-sponsored research, 5-6 commercially-viable research initiatives will receive seed funding, 10 businesses will graduate from incubators and a comprehensive skills assessment for Iowa's green economy will be complete.

**Regional Development:**

- Collaborate with the Professional Developers of Iowa and the Iowa Partnership for Economic Progress to restructure Iowa's regions and develop a more effective regional approach
- Increase collaboration, including business development efforts, among and across regions
- Incorporate existing industry programs and the work of the Business Expansion Strategic Trends (BEST) committee into regional networks
- Expand the use of the "Mass Layoff and Plant Closure" manual with IWD and IPEP to directly assist impacted communities
- Provide leadership for the statewide and regional asset mapping project
- Facilitate sustainability planning for communities and regions

Outcomes: Iowa's regions will be more efficient and effective, 10 communities will be directly assisted in responding to a layoff or plant closure, a statewide asset map will be created to support the State's targeted clusters, and at least one region will create a strategic plan for sustainability.

**Ag-Based Lubricants:**

- Evaluate processes that enhance the inherent characteristics of vegetable oils and derivatives to improve their viability for non-food uses, including industrial applications
- Actively contribute in industry organizations to ensure sub-par biobased products do not enter the marketplace
- Commercialize additional biobased lubricants and greases and manufacturing processes
- Serve as a key advocate for Iowa's biobased economic development

Outcomes: Expand the successful use of biobased lubricants in applications currently restricted to petroleum or synthetic oils, introduce new biobased lubricants and expanded uses for existing products, and expand testing services to support Iowa's biobased product development.

**UIHC APPROPRIATIONS REQUEST ..... UNKNOWN**

**IowaCare Program**

The IowaCare Program, initiated by the Iowa Department of Human Services on July 1, 2005, has benefited thousands of low-income Iowans without health insurance. The Iowa Department of Human Services (DHS) currently has authorization from the Centers for Medicare & Medicaid Services (CMS) to operate the IowaCare Program through December 31, 2013, at which time most of the IowaCare population is expected to transition into Medicaid.

For FY 2012, the General Assembly appropriated \$27.3 million for IowaCare and provided supplemental funds of \$44.2 million for expansion population. DHS is in the process of securing CMS approval to phase in additional sites to serve IowaCare beneficiaries and to implement a regional system whereby care may be provided in closer proximity to a beneficiary's home. These sites will serve as medical homes for beneficiaries assigned there and they will provide primary care to the assigned population.

Access to specialty services at either Broadlawns Medical Center or the University of Iowa Hospitals and Clinics (UIHC), depending on the residence of the beneficiary and his/her medical needs, will be available to these beneficiaries per a referral process involving the medical homes. DHS is also seeking approval from CMS to implement a Care Coordination Pool and a Laboratory Test and Radiology Pool.

With the implementation of significant changes to any program, and particularly one as complicated as IowaCare, there will likely be opportunities where adjustments become necessary to better achieve desired outcomes. UIHC requests the Board of Regents authorize its State Relations Officers to pursue adjustments as they become evident to enable the UIHC and its physicians to fulfill their role in the IowaCare program.

**Support for Residents of State Institutions**

UIHC requests the Board of Regents authorize its State Relations Officers to explore sources of support available for health care needs of residents of state institutions.



**TUITION REPLACEMENT ..... \$25,130,412**

The 1969 General Assembly passed legislation (Iowa Code 262A) permitting the issuance of Academic Building Revenue bonds to fund capital projects at the Regent universities. The issuance of these bonds, primarily for academic facilities, requires approval of the General Assembly and Governor. Revenue from tuition and fees is pledged to pay the debt service on the bonds.

Tuition replacement appropriations represent an ongoing commitment of the state to meet the debt service cost of Academic Building Revenue bonds. For a number of years the appropriation for tuition replacement has been \$24,305,412; new academic building bond issuances have been structured within this funding.

The 2009 General Assembly authorized and the Governor approved the issuance of Academic Building Revenue for flood recovery at the University of Iowa and for Veterinary Medicine, Phase 2 at Iowa State University. It was understood that this authorization would increase the tuition replacement request.

In December 2009, the Board sold Academic Building Revenue Flood Anticipation Project Notes Bonds to fund University of Iowa flood recovery efforts. Bonds will be issued in late calendar year 2012 since these notes mature on January 1, 2013. Bonds for Veterinary Medicine were sold in August 2010. The tuition replacement request for FY 2013 needs to be increased to \$25,130,412, an increase of \$825,000 to cover the interest payments due on both series of bonds.

**IOWA PUBLIC RADIO ..... \$407,231**

Incorporated in February of 2006, Iowa Public Radio was organized exclusively for charitable and educational purposes and has the primary purpose of supporting and promoting the welfare and growth of the network of public radio stations licensed to the Board of Regents and operated for the public benefit.

As defined in Iowa Public Radio's 5-year strategic plan, IPR's mission is to inform, enrich and engage Iowans through radio programming and other media. IPR enhances civic and cultural connections across the state, strengthening communities and reflecting Iowa's sense of place. Iowa Public Radio's strategic goals are as follows:

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

Approximately 14% of IPR's operating revenues for FY 2012 include contributions from each of the three state universities. The FY 2012 contributions are a 10% reduction over the previous year, consistent with IPR's 5-year strategic plan to reduce university funding to zero. Contributions will decline at a rate of 10% per year through FY 2015; see a 50% reduction in 2016; and in 2017, IPR will receive zero funding from the state universities. IPR and the Board have approved this plan. IPR will build capacity by increasing private support through fundraising as dependency on university funding continues to decrease.

Iowa Public Radio requests a 4% increase in operating support – from \$391,568 in FY 2012 to \$407,231 in FY 2013. The primary use of the funds is to continue to build capacity – in people, tools and resources – so that IPR is in the best position to compensate for the eventual loss in university funding. The investment will support the hiring of additional fundraisers to increase private support and news personnel to cover expanding territory in the state of Iowa.

**Non-Appropriations Request**

The Board of Regents strongly encourages Regent institutions to seek collaboration and partnerships between Regent institutions and other sectors of state government that result in improved productivity, more effective stewardship of state resources and enhanced economic development opportunities for Iowa's citizens. The Board also seeks relief from statutory and administrative state mandates that demonstrably impede the Regents' flexibility in governance, require unnecessary staff work or require significant reporting which no longer serves a critical state or Regent strategic purpose.

**Salary Funding**

As the State develops its plan for supporting salaries for all employees, it is crucial that the Regent institutions participate in the salary pool.

The dollar amounts for incremental salary funding are not included in the Regent appropriations. Historically, a separate appropriations bill provides funding for new salary increases to all state agencies. This legislation typically requires that Regent institutions provide comparable salary increases for non-contract employees as provided for contract-covered employees. The Regent institutions request to participate in the salary bill.

Salaries comprise 70% of the universities' general education expenditures. Full funding of salary needs for Regent institutions is key to keeping the Regent institutions the premier institutions of their type by:

- Allowing the universities to be competitive with their peers in recruiting and retaining top faculty in a global marketplace
- Implementing institutional strategic plans
- Providing exceptional learning opportunities for students
- Stimulating economic development by supporting new evolving technologies
- Disseminating knowledge
- Delivering valued public service that Iowans expect from the Regent universities

Projections based on bargaining agreements in place for FY 2013 will require an additional \$15 million for salaries and benefits (excluding UIHC). If non-bargaining employees are provided comparable pay increases, approximately \$43 million is needed in total.

If salary funding is not provided, it would represent another budget reduction ranging from 3.4% to 9.6% (the first figure costs out bargaining unit participants and the latter covers all operating fund staff).