

Contact: Brad Berg

FY 2023 OPERATING AND OTHER APPROPRIATIONS REQUESTS

Actions Requested: Consider:

- Approval of the identified operating and other appropriations requests for FY 2023 totaling \$638.6 million.
- Authorizing actions by designated Regent staff to seek collaboration and partnerships between Regent institutions and other sectors of state government. The Regent legislative efforts are an integral part in successfully receiving requested funding.

Executive Summary: Consistent with the Board’s strategic plan, determining and fulfilling appropriate resource needs are essential in providing high quality public education, cutting-edge research, and needed public services. Predictability, transparency and long-term planning strategies are woven throughout the plan. To maximize benefits to Iowans and other citizens, the Board of Regents advocates for adequate support for Regent institutions from all sources for high-quality educational opportunities accessible to Iowans, research and scholarship, service activities, and economic development efforts. The Board’s strategic plan also calls for adequate support of Regent institutions from all sources and promoting the effective use of resources to meet institutional missions. The two key resource components are state appropriations and tuition revenue.

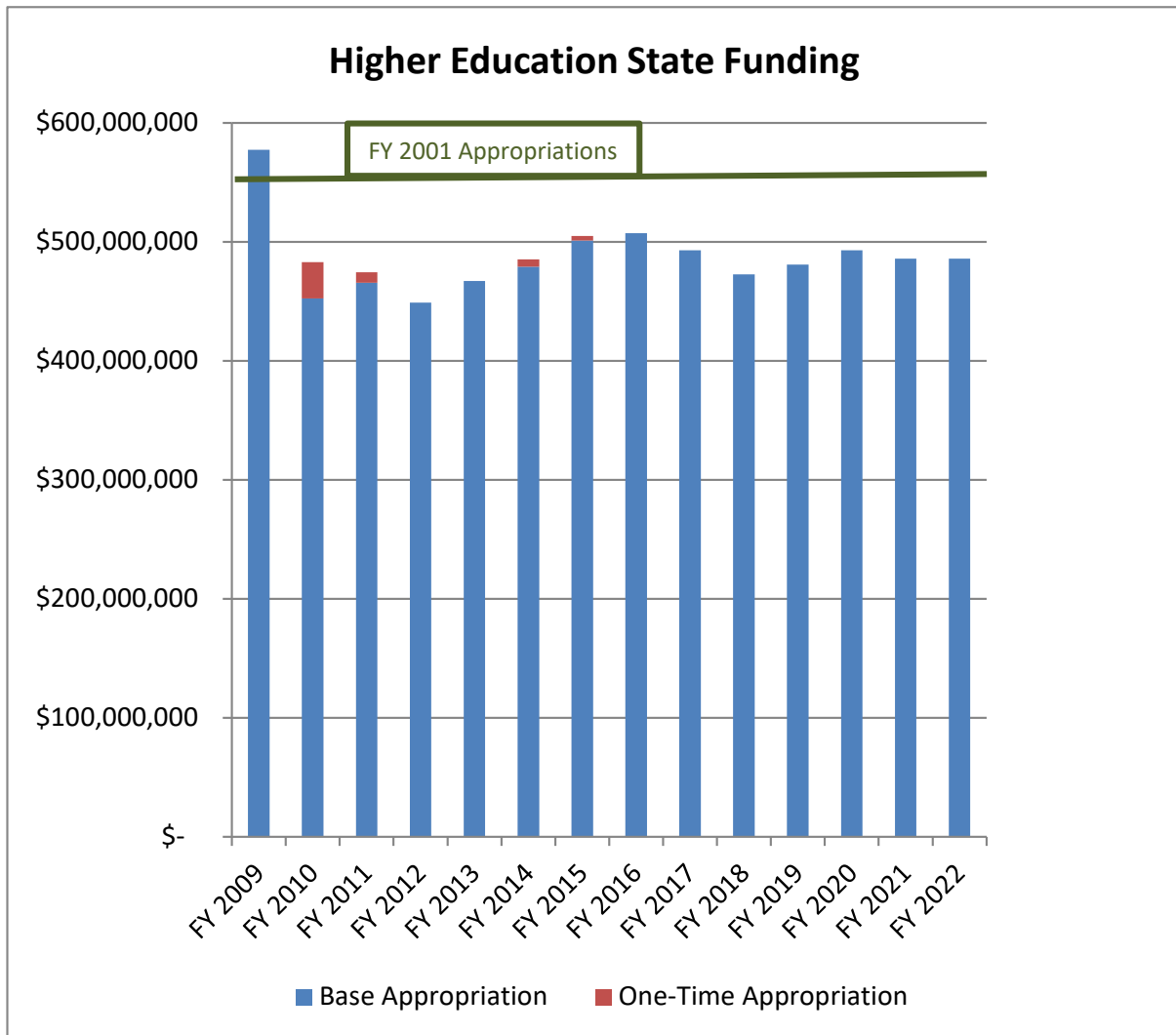
Iowa Code requires state entities to submit the appropriations requests for the ensuing fiscal year to the State on or before October 1. A summary of the proposed appropriations requests is provided below with the individual appropriated units listed on the following page.

APPROPRIATIONS REQUESTS SUMMARY			
	<u>FY22 Continuing</u>	<u>Incremental</u>	<u>FY23 Total</u>
HIGHER EDUCATION	486,046,866	15,000,000	501,046,866
SPECIAL PURPOSE UNITS	66,881,559	4,600,000	71,481,559
SPECIAL SCHOOLS & OTHER EDUCATION	16,708,533	705,000	17,413,533
ECONOMIC DEVELOPMENT	12,592,296	1,752,025	14,344,321
AGRICULTURE & NATURAL RESOURCES	5,393,544	-	5,393,544
OTHER	28,950,000	-	28,950,000
TOTAL	616,572,798	22,057,025	638,629,823

EDUCATION APPROPRIATIONS REQUESTS FY 2023			
HIGHER EDUCATION			
	<u>FY22 Continuing</u>	<u>Incremental</u>	<u>FY23 Total</u>
SUI - GENERAL UNIVERSITY	215,605,480	4,000,000	219,605,480
ISU - GENERAL UNIVERSITY	172,144,766	7,000,000	179,144,766
UNI - GENERAL UNIVERSITY	98,296,620	4,000,000	102,296,620
SUBTOTAL - HIGHER EDUCATION	486,046,866	15,000,000	501,046,866
SPECIAL PURPOSE UNITS			
<u>UNIVERSITY OF IOWA</u>			
	<u>FY22 Continuing</u>	<u>Incremental</u>	<u>FY23 Total</u>
OAKDALE CAMPUS	2,103,819	1,000,000	3,103,819
HYGIENIC LABORATORY	4,822,610	1,000,000	5,822,610
FAMILY PRACTICE	1,720,598	500,000	2,220,598
SPECIALIZED CHILDREN'S HEALTH	634,502	-	634,502
PRIMARY HEALTH CARE	624,374	-	624,374
STATE OF IOWA CANCER REGISTRY	143,410	-	143,410
SUBSTANCE ABUSE CONSORTIUM	53,427	-	53,427
BIOCATALYSIS	696,342	-	696,342
BIRTH DEFECTS REGISTRY	36,839	-	36,839
ONLINE PLACEMENT ACADEMY	463,616	-	463,616
FLOOD CENTER	1,154,593	500,000	1,654,593
WATERMAN NONROFIT RES CENTER	156,389	-	156,389
<u>IOWA STATE UNIVERSITY</u>			
AG. EXPERIMENT. STATION	29,462,535	-	29,462,535
COOP. EXTENSION SERVICE	18,157,366	-	18,157,366
<u>UNIVERSITY OF NORTHERN IOWA</u>			
RECYCLING & REUSE	172,768	-	172,768
MATH & SCIENCE (STEM)	6,354,848	-	6,354,848
REAL ESTATE EDUCATION	123,523	-	123,523
NEW: CC DEGREE ATTAINMENT	-	1,600,000	1,600,000
SUBTOTAL	6,651,139	1,600,000	8,251,139
SUBTOTAL - SPECIAL PURPOSE	66,881,559	4,600,000	71,481,559
SPECIAL SCHOOLS			
	<u>FY22 Continuing</u>	<u>Incremental</u>	<u>FY23 Total</u>
IA SCHOOL FOR THE DEAF	10,789,039	355,000	11,144,039
IA ED SERVICES FOR THE BLIND	4,540,886	125,000	4,665,886
SUBTOTAL - SPECIAL SCHOOLS	15,329,925	480,000	15,809,925
OTHER			
	<u>FY22 Continuing</u>	<u>Incremental</u>	<u>FY23 Total</u>
REGIONAL STUDY CENTER	268,297	-	268,297
BOARD OF REGENTS OFFICE	764,642	-	764,642
IOWA PUBLIC RADIO	345,669	225,000	570,669
SUBTOTAL - OTHER	1,378,608	225,000	1,603,608
TOTAL EDUCATION APPROPRIATIONS	569,636,958	20,305,000	589,941,958
ECONOMIC DEVELOPMENT APPROPRIATIONS			
	<u>FY22 Continuing</u>	<u>Incremental</u>	<u>FY23 Total</u>
SUI - ECONOMIC DEVELOPMENT	209,279	-	209,279
SUI - ENTREPRENEURSHIP	2,000,000	-	2,000,000
SUI - BIOSCIENCES INNOVATION	874,494	125,506	1,000,000
ISU - ECONOMIC DEVELOPMENT	2,424,302	-	2,424,302
ISU - BIOSCIENCES INNOVATION	2,623,481	376,519	3,000,000
NEW: ISU & SUI - BIOSCIENCES MATCHING	-	1,250,000	1,250,000
UNI - ECONOMIC DEVELOPMENT	1,066,419	-	1,066,419
UNI - ADDITIVE MANUFACTURING	394,321	-	394,321
ALL - INNOVATION FUND	3,000,000	-	3,000,000
TOTAL ECON DEV APPROPRIATIONS	12,592,296	1,752,025	14,344,321
AGRICULTURAL & NATURAL RESOURCE APPROPRIATIONS			
	<u>FY22 Continuing</u>	<u>Incremental</u>	<u>FY23 Total</u>
ISU - VET DIAGNOSTIC LAB	4,400,000	-	4,400,000
SUI - AG SAFETY & HEALTH (I-CASH)	128,154	-	128,154
ISU - LIVESTOCK DISEASE RESEARCH	170,390	-	170,390
SUI - GEOGRAPHICAL & WATER SURVEY	200,000	-	200,000
SUI - WATER RESOURCE MGMT	495,000	-	495,000
TOTAL AG APPROPRIATIONS	5,393,544	-	5,393,544
OTHER APPROPRIATIONS			
	<u>FY22 Continuing</u>	<u>Incremental</u>	<u>FY23 Total</u>
ALL - TUITION REPLACEMENT	28,100,000	(200,000)	27,900,000
SUI - UIHC PYSCH RESIDENCIES (w/ DPH)	600,000	200,000	800,000
ISU -MIDWEST GRAPE & WINE-STANDING	250,000	-	250,000
TOTAL OTHER APPROPRIATIONS	28,950,000	-	28,950,000

HIGHER EDUCATION GENERAL UNIVERSITY APPROPRIATIONS REQUEST.....\$501.05M

Consistent with the Board’s strategic plan, determining and fulfilling appropriate resource needs are essential in providing high quality public education, cutting-edge research, and needed public services. State appropriations are one of two primary sources of core operating funds supporting higher education. Regent higher education operating appropriations for FY 2022 remained flat when compared to the previous year and are significantly less than FY 2009 amounts.



The FY 2023 Regent higher education requests provided on page 2 totals \$501.05 million and includes:

- Continuation of FY 2022 recurring appropriations totaling \$486.05 million.
- Incremental funding totaling \$15.0 million for the three universities.

SUI Higher Education - The success of students has been front and center of the strategic plans deployed by SUI since 2000. Because of this focus, first-year retention has increased by 4.3% and the four-year graduation rate has increased by 17.1%. The consequence of this strategic investment is that thousands of additional lowans have stayed in school, graduated in four years, saved thousands of dollars in tuition, and returned to become leaders within their communities. Clearly, state investment in the university's student success strategies pays dividends for decades to come.

Building upon this success, SUI is focused on continuing to move the metrics, improving the first-year retention rate to 93% from 88.1% and four-year graduation rate to 63% from 54.9%. These increases would place the SUI well above the national average, which is 71% for first-year retention and 41% for four-year graduation.

The following proposals, funded by an increase of \$4 million in recurring state support, will improve the retention and graduation of students at SUI:

- Support the hiring and retention of mental health professionals on the SUI campus. Academic success is directly related to the physical and mental well-being of students.
- Provide financial and support services for qualified residents of Iowa attending SUI who are working towards a degree in a high-demand fields (Iowa Hot Jobs list from Iowa Workforce Development) within the state including computer science, teachers, financial advisors, engineers and more.
- Expand academic advising and metric-driven instructional practices by utilizing a variety of data sources. The university will focus on departments and courses that have larger enrollments and/or where there is opportunity to increase retention and graduation rates. New resources will allow the university to hire new advisors to support students and scale proven learning methods across campus.

ISU Higher Education – ISU is a proven leader in preparing the state's high-demand STEM (science, technology, engineering, and math) workforce. ISU's emphasis on hands-on, practical learning and developing critical thinking and creativity skills makes its graduates highly sought after by employers. 95% of ISU graduates have a job in their field or continue their education within six months of earning their degree, affording graduates long-term career satisfaction and earnings growth. New state resources of \$7 million will maintain and build this momentum. Reinvesting in the university will result in:

- Greater Student Success: ISU already outperforms the national graduation rate average, based on standards set by the U.S. Department of Education, by 20%. Nevertheless, gaps exist in retention and graduation rates among different student groups. New state resources will enable the university to strategically address those gaps and help more students complete their degrees, including improvements to curriculum in gateway high-enrollment courses, academic advising and tutoring, support for first-generation students, and programs that help transfer students succeed at ISU.
- Affordable Education: Resources targeted for student financial aid positively impact enrollment and support access and affordability for lowans. New funding will enable ISU to maintain a peer-competitive financial aid program providing higher education opportunities to more students.

- Culture of Innovation and Entrepreneurship: ISU leverages state support to promote economic opportunity across Iowa by hardwiring entrepreneurial thinking and skills into classrooms, labs, and fields. New appropriations will expand ISU's innovation and entrepreneurship programs.
- Retention of Faculty and Staff Talent: The quality of ISU's academic programs depends on excellent faculty and their cutting-edge research, and on exceptional staff who support the university's missions in education, research, and extension and outreach. Average faculty salaries lag and are equivalent to only 88% of peer institutions, as compared to 98% a decade ago. The university's competitive position has eroded over time, and re-investment is needed to successfully recruit and retain high-performing faculty and staff.
- Online Learning: While ISU is a residential campus with a focus on in-person, hands-on learning, opportunities to reach more students, including place-bound and adult learners, have expanded rapidly. Even for on-campus students, online learning options provide additional flexibility with demonstrated positive impacts on retention and graduation success. New funding will support one-time start-up costs and recurring personnel costs, enabling the university to modernize and expand the online portfolio.

UNI Higher Education - As the State's only public comprehensive university, UNI focuses on educating Iowans for Iowa. Providing access to a transformative educational experience is at the center of UNI's work. Serving a predominantly low- to moderate-income student profile, nearly 30 percent of UNI undergraduates receive the federal Pell Grant. UNI will ensure its continuing commitment to quality, affordability and access for Iowans.

To continue serving Iowans and accomplish their mission, UNI requests incremental funding of \$4 million to support the following strategic initiatives.

- Tuition Differentiation - UNI must continue its effort to realign tuition and mandatory fees with their regional comprehensive peers. UNI's designated peers average \$2,820 less in tuition and mandatory fees compared to the Research-1 institutions in their states. UNI is now \$735 less expensive than the average undergraduate resident tuition and mandatory fees at Iowa's Research-1 universities. UNI's efforts to help students plan for an affordable education is a key component to remaining accessible; the state's investment is critical to helping UNI remain accessible for Iowans.
- Student Accessibility – The additional state investment will help UNI hold tuition flat for the 2022-23 academic year, enabling the university to grow enrollment and honor the second year of the negotiated contract for employee salary increases.
- Student Graduation and Retention - UNI continues to increase the proportion of graduates who earn their degrees in four years. UNI has increased its four-year graduation rate by 14 percentage points—from 29% to 43% since 1997 and the vast majority of UNI students graduate within five years.

HIGHER EDUCATION LEGISLATIVE SPECIAL PURPOSE APPROPRIATIONS
REQUEST.....\$71.48M

These appropriations support specific units/programs at each institution that provide services statewide. The appropriation requests for each individual special purpose unit is provided on page 2. State funding for most of these units continues to be 14%-20% less than FY 2009 amounts. These units have a far-reaching impact and additional funding is needed to maintain the quality work they do for lowans. While many special purpose units requests are flat with the current year, details for those units requesting incremental state support as are as follows:

SUI Oakdale Campus - The Oakdale Campus is designed to provide a working environment to stimulate research, economic development, outreach, and start-up companies on the Oakdale Campus. The operations budget supports significant building, utility and maintenance costs associated with this space. Most of the 210,000 square foot of space is occupied by the State Hygienic Lab and other specialized research facilities. The current annual operating budget totals \$4.5 million to maintain this space. With additional reoccurring state support of \$1 million, the university will have capacity to support the growth of economic development activities on campus. The university, over the past two fiscal years, has created a pipeline of start-up companies that have spent time on the Oakdale Campus. These companies have utilized the campus as a vehicle to build their ideas into operations that employ hundreds of lowans.

SUI State Hygienic Laboratory (SHL) - The SHL is requesting \$1,000,000 in incremental state support for staff compensation, staff retention and recruitment, updated lab instruments, and insurance maintenance contracts for critical equipment.

The onset of the pandemic and the need to retain staff and recruit additional talented analysts was never more apparent than throughout this pandemic when over one million COVID-19 specimens were tested by multiple methods. Salary increases are critical as the statistics show that the public health lab work force is aging and retiring with fewer new professionals seeking public health labs as a place of employment. SHL also faces strong competition for staff who often find better paying positions within other state or local agencies or industries.

Also, the SHL must be prepared to rapidly respond to a variety of threats against both human and environmental health, using the latest technology and competent staff. Laboratory technology consistently advances and necessitates investment in instruments and staff to improve the way blood, urine, water, air and food samples are evaluated for the presence of contaminants to ensure the health of lowans.

SUI Iowa Flood Center (IFC) - The Iowa Flood Center (IFC) at the University of Iowa provides lowans with accurate, state-of-the-art, science-based information to help individuals and communities better understand and reduce their flood risks.

Floods have a tremendous adverse social and economic impact on the state, and in the last 30 years, Iowa has received nearly 1,000 flood-related presidential disaster declarations, costing nearly \$20 billion in property and crop losses. IFC's current budget allocation is \$1,154,593, and SUI requests additional funding of \$500,000. This increase will allow for the IFC to procure and develop state-of-the-art diagnostic tools, engage undergraduate and graduate students in flood research, support innovations such as the expansion of flood inundation maps and hydro-meteorologic stations, and continue outreach to communities across the state which have been or may be impacted by floods.

SUI Family Practice Program (FPP) - The FPP is a legislative initiative to provide continuing support to the community-based family medicine residency programs across Iowa. The Program has been instrumental for the state of Iowa to promote primary health care for all lowans, particularly in rural Iowa. Without these programs, Iowa would not have this level of high-quality primary care delivery across the state. In order to maintain these programs, SUI requests

additional funding of \$500,000. An increase in financial support is now more important than ever as the future sustainability of these programs is in jeopardy due to rising costs. Over the past 20 years, the state funding has been reduced by \$740K (30%). This decline in financial support has consequences as the programs have been unable to keep up with the rising costs, primarily related to malpractice costs, salaries, and benefits.

An example of the fragile nature of the family medicine residency programs is the closure of the Cedar Rapids Family Medicine Residency Program in July 2020. The programs in Waterloo and Sioux City are also in jeopardy and other programs are close behind. Further, it is anticipated that MercyOne Des Moines will be joining the University of Iowa Affiliated Programs and this will redistribute the existing funds over more programs, reducing the amount of support to each program.

NEW – UNI-CC Degree Attainment - In partnership with Iowa's community colleges, UNI proposes easing the process for place-bound learners to move from an associate's degree to a bachelor's degree. This funding will help solidify the pilot program at DMACC for about 100 students to move to a bachelor's degree at the same tuition rate as their associate degree at the DMACC urban campus in Des Moines. The new four-year Degree Attainment request of \$1.6M for FY 2023 will be used primarily for scholarships. The UNI Foundation has also raised \$230,000 from private donors to help match scholarship funding at DMACC. Additional work continues with the Des Moines business community to continue to raise matching funds.

This new program is designed to be ongoing with the goal of expanding to other Iowa community colleges. The program will help place-bound students earn a bachelor's degree within their community and have a UNI presence at the community college campus to provide the assistance students want and need to achieve their bachelor's degree.

SPECIAL SCHOOL EDUCATION OPERATING APPROPRIATIONS REQUEST\$15.81M

The funding request for the two special schools, Iowa School for the Deaf (ISD) and Iowa's Educational Services for the Blind and Visually Impaired (IESBVI) provides resources for them to provide high quality, individualized instructional opportunities to children and youth who are deaf or hard-of-hearing and to those who are blind or visually impaired. ISD and IESBVI rely heavily on state funding for their operations. The Special Schools' request to maintain parity with funding for K-12 public schools includes the continuation of the FY 2022 recurring appropriations totaling \$15.81 million for operations, and incremental funding of \$355,000 for ISD and \$125,000 for IESBVI. The incremental requests also include the first of two installments to bring P&S staff with 7-10 years' experience to the mid-point of the pay scale and those with 20 years to the maximum.

The requested increase will support the core programming for students who are blind or deaf in Iowa through the defined service delivery model currently being used, by ensuring:

- Implementation of students Individual Education Program in cooperation with the local school districts and Area Education Agencies.
- Achievement of benchmarks for reading in grades K through 3 for students served by IESBVI.
- Measurable growth toward grade level benchmarks in reading and mathematics for students in grades 3 through 11 at ISD.
- Programs and activities that support instruction of the Expanded Core Curriculum
- Access to appropriate transition programming that meets the unique needs of deaf and blind students.
- Operation of safe and efficient facilities for education and residential services on the ISD campus.

- Access to a language rich environment, including American Sign Language and instruction of Braille to meet the communication needs of students who are deaf or blind.

OTHER EDUCATION APPROPRIATIONS\$1.60M

Regional Study Center – Flat funding of \$268,297 is requested for the continued operation and outreach efforts to students across the state at the Western Iowa Regents Resource Center

Board of Regents Office –The FY 2023 appropriation request for the Board Office is \$764,642 and remains flat with FY 2022 funding levels.

Iowa Public Radio - IPR was created by the Board of Regents in 2004 to manage the public radio stations licensed to ISU, UNI and SUI. In addition to the base operating appropriation of \$345,669, IPR’s request of one-time incremental funding (non-recurring) totaling \$225,000 will fund cyber-security testing/updates and software (VmWare Glass) that improves the resiliency of IPR’s software systems and allows simultaneous management of virtual and physical server systems across their network.

ECONOMIC DEVELOPMENT APPROPRIATIONS REQUEST\$14.34M

The economic development funding provided by the State of Iowa for the Regent institutions over the years has been critical to efforts in supporting the formation and growth of entrepreneurship educational activities, assistance to startup and existing Iowa companies, and faculty and student awareness of entrepreneurship and economic development. The translation of university innovations and technologies has proven to be critical and a driving force for innovation and job creation. More importantly, it is essential for the long-term growth of a sustainable, innovative economy that will position Iowa to be competitive in a global market.

Economic Development units included in the funding request include the SUI’s Entrepreneurship and Economic Growth Initiative, the Center for Advanced Drug Development, the University of Iowa Research Park and the BioVentures Center; ISU’s Center for Industrial Research and Service Technology Assistance Program, the Research Park, and the Small Business Development Centers; UNI’s Institute for Decision Making, Metal Casting Center, MyEntreNet, and Advance Iowa.

Innovation Fund - In addition to the economic development units described above, the Regents Innovation Fund request includes recurring appropriations of \$3.0 million. The Fund leverages private and federal funds resulting in expanded economic development initiatives and enhanced programming for technology transfer, business incubation, and entrepreneurship at the public universities. State funds are matched by equal university financial commitments to maximize the impact of programs and services supported by this request.

Biosciences Innovation - Biosciences are critical to Iowa’s economy and are vital to the state’s future economic development and growth. In the TEconomy report released by the Governor, four bioscience platforms were identified where Iowa has the greatest likelihood of achieving a differentiated leadership position to grow and diversify the state’s economy:

- Biobased products (ISU)
- Digital and precision agriculture (ISU)
- Vaccines and immunotherapeutics (ISU)
- Medical devices (SUI)

The State of Iowa’s plan for growing the bioscience sector involved the Iowa Economic Development Authority (IEDA) establishing the Iowa Biosciences Development Center (IBDC) for coordinating activities, combined with a strategy to minimize ecosystem costs by leveraging existing assets for technology transfer at ISU and SUI.

In partnership for FY2021, ISU & SUI strategically invested the \$1.08 million appropriated by the Iowa Legislature along with a total one-time contribution of \$1 million from BioConnect Iowa to

establish the innovation ecosystem in the bioscience platforms, to contribute to long-term economic growth in Iowa. Current work includes:

- Chief Technology Officers are now identifying and prioritizing technologies with potential for commercial development, accelerating industry outreach, and engaging with startups and established companies to commercialize technologies.
- Expanding seed grant programs in the three ISU platforms to support public-private research partnerships and new industry collaborations with Iowa companies (building on the 13 companies impacted so far in the last two years). Leveraging state funds this past year, by over \$15M in new cooperative funding.
- For SUI's medical device platform, primary activities included three healthcare start-ups raising nearly \$50 million in external venture funding plus Boston Scientific exercised an option to acquire a UI faculty founded start-up working in the field of cardiology for \$300 million.

The BioSciences Platforms at ISU and SUI offer unique opportunities to complement the state's existing development of new ventures and commercialization of technology with a focused effort on the workforce needed to keep those ventures growing. Together, ISU and SUI, with designated partners including Future Ready Iowa and the Governor's STEM Council, will design a workforce training program that aligns with the specific needs of regional employers.

The incremental FY 2023 requests of \$376,519 for ISU's bioscience platforms and \$125,506 for SUI's platform will fully fund the biosciences innovation program first requested for FY 2020. The additional funding will enable maintenance of all programs and staff currently in place, enhance and expand industry-university collaborations, boost technology transfer and intellectual property capacities, and attract new expertise dedicated to the bioscience platforms.

NEW: Biosciences Matching Funds (One-Time) - ISU and SUI are also responding to the U.S. Economic Development Administration's (EDA) "Build Back Better Regional Challenge" program, to further leverage state investment. This program will provide transformational federal investment across the country to grow the regional economy by creating new or scaling existing industry growth clusters through investments in planning, infrastructure, innovation and entrepreneurship, workforce development, and access to unique facilities and capital. The BioSciences economic ecosystem is uniquely positioned to fulfill these needs for Iowa. To be successful in this competition, a regional growth cluster will need to demonstrate strong alignment with existing or prospective industry needs and strong leadership from the private sector aligned to the coalition's vision. The BioSciences Platforms provide an excellent opportunity to attract this external funding to Iowa.

In addition to the EDA Regional Challenge grant, ISU and SUI will respond to the EDA "STEM Talent Challenge" program. This program aims to build STEM Talent training programs to provide the workforce with necessary skills and experience to accelerate growth in high technology sectors by building coalitions of universities, community colleges, K-12 education, and affected industry to design and then implement curricula in the STEM fields consistent with the needs of the private sector in the designated region. The program provides grants of up to \$250,000, requiring a 1:1 match.

The BioSciences Platforms at ISU and SUI offer unique opportunities to complement the state's existing development of new ventures and commercialization of technology with a focused effort on the workforce needed to keep those ventures growing. Together, ISU and SUI, with designated partners including Future Ready Iowa and the Governor's STEM Council, will design a workforce training program that aligns with the specific needs of regional employers.

ISU and SUI request \$1.25 million (\$1.00M for ISU, \$0.25M for SUI) in non-recurring funds to serve as future matches to the EDA Regional and STEM Talent Challenge programs, enabling them to compete for an additional \$20 million per year in federal funds.

AGRICULTURAL & NATURAL RESOURCES APPROPRIATIONS REQUEST
\$5.39M

Iowa agriculture is highly dependent on trade. A highly capable veterinary diagnostic laboratory is critical to documenting disease status to qualify animals and animal products for export and to keep diseases from entering the United States. All agricultural and natural resource appropriations for FY 2023 remain flat with the current year.

Demand for ISU's Veterinary Diagnostic Laboratory (VDL) has never been more important or in higher demand. The VDL processes a record 109,516 cases from livestock and poultry producers and pet owners in Iowa and from across the country. Due to COVID-related supply chain disruptions, substantial cost increases in supply and reagents for assays are expected to continue. The VDL is Iowa's go-to resource for detecting and responding to foreign animal diseases (FADs). The threat of introduction of FADs, particularly African Swine Fever (ASF), is at an all-time high. ASF was recently detected in the Dominican Republic, as close as it has ever been to U.S. borders. The VDL is essential in providing the diagnostic testing and information to continue current exports and develop new export markets for Iowa livestock and animal protein products.

The Iowa Legislature currently provides \$4.3 million in funding to supplement, sustain, and advance the capabilities and services that the ISU VDL provides.

In addition, the State currently appropriates \$0.8M to SUI for the Geographical and Water Survey, Water Resource Management, and to support the Iowa Center for Agricultural Safety and Health. Flat-funding for these programs is included in the FY 2022 request.

OTHER APPROPRIATIONS
REQUESTS.....\$28.95M

Tuition Replacement - The 1969 General Assembly passed legislation (Iowa Code 262A) permitting the issuance of Academic Building Revenue bonds to fund capital projects at the Regent universities. The bonding program has enabled the Regents to finance critical academic construction needs at Iowa's public universities through the public sale of long-term bonds. The issuance of these bonds requires approval of the General Assembly and the Governor. Tuition revenue is pledged to pay the principal and interest on the bonds and the tuition replacement appropriation replaces that revenue. Tuition replacement appropriations represent an ongoing commitment of the state to meet the debt service cost of Academic Building Revenue bonds.

The tuition replacement request is \$27.9 million for FY 2023 and is typically funded from the Rebuild Iowa Infrastructure Fund.

SUI Psychiatric Residencies: The state of Iowa is currently working to address the mental health crisis. Key to the effort is increasing access to mental health professionals. However, practicing psychiatrists in Iowa are down 3.5% since 2007. In recent years, several Iowa hospitals have closed their mental health units due to a lack of qualified staff, including psychiatrists. Nationally, Iowa consistently ranks near the bottom in the numbers of psychiatrists per capita with 40% fewer psychiatrists than the national average. There is a need to increase the number of psychiatry residency program positions.

Beginning in FY 2020, UI Health Care received \$200,000 via a new Rural Psychiatry Residency Program established by the General Assembly in the Iowa Department of Public Health (IDPH). With this funding award, UI Health Care has expanded its psychiatry residency program by two new rural positions, and received an additional \$200,000 in funding in subsequent state fiscal years. The request for FY 2023 includes an additional \$200,000 to expand the program by an additional two rural psychiatric residency slots, also to be funded through IDPH.

COLLABORATION & REGULATORY RELIEF

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

SALARY FUNDING

Should the State develop a plan for supporting salaries for all employees, it is important the Regent institutions participate in the salary pool.

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

Full funding of salary needs for Regent institutions is key to keeping the Regent institutions the premier institutions of their type by:

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