

Contact: Brad Berg

FY 2026 OPERATING AND OTHER APPROPRIATIONS REQUESTS

Actions Requested: Consider:

- Approval of the identified operating and other appropriations requests for FY 2026 as provided on page 5.
- 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 service to lowans and other citizens, the Board of Regents advocates for adequate support for Regent institutions from all sources for high-quality educational opportunities accessible to lowans, research and scholarship, service activities, and economic development efforts. The Board’s strategic plan also calls for promoting the effective use of resources to meet institutional missions. One essential resource for Iowa’s Regent institutions is state appropriations.

Iowa Code requires state entities to submit the appropriations requests for the ensuing fiscal year to the State on or before October 1. The chart on page 5 provides a summary of the proposed FY 2026 appropriations requests.

State appropriations for the Regent universities are typically included the following budget bills. Additional information regarding the appropriations requests is included in the following attachments.

- Education Appropriations Attachment A – page 6
- Economic Development Appropriations Attachment B – page 9
- Ag & Natural Resources Appropriations Attachment C – page 11

State funding for Regent higher education is a vital resource to attract students by keeping tuition affordable and allows the Regent universities to offer an extensive array of undergraduate, graduate and professional programs in support of Iowa workforce needs.

- Residents from all 50 states, several U.S. territories, and 135 countries from around the world come to Iowa and enroll in Iowa’s Regent universities. Enrollment for the fall 2023 semester totaled 69,240 students with 55,204 undergraduates, 11,568 graduate students, and 2,468 professional students. Over 40% of students attending Iowa’s Regent universities originated from outside the state. Many of these students will become residents of Iowa because of their experiences at Iowa’s Regent universities.
- Iowa’s Regent universities provide clear pathways for students to enter and complete their educational and career goals. Students attending a four-year public university in Iowa continue to outperform, on average, students attending four-year public universities in most states. The National Student Clearinghouse (NSC) found that for the 2017 entry cohort, Iowa has the highest four-year public total degree attainment rate (82%) of any state in the country.
- Iowa’s Regent universities are the state’s top three producers of bachelor’s degrees with approximately 13,900 awarded each year. In addition, roughly 4,400 graduate and professional degrees are awarded annually by Iowa’s Regent universities. Many of these students join Iowa’s workforce upon graduation, further serving lowans and supporting the state’s economy.

- The universities incorporate strategies that ensure the accessibility and affordability of higher education. Financial aid comes from four primary sources: federal government, institutional aid awarded by the universities, the State of Iowa, and other sources (private organizations, foundations and companies). In 2022-23, the total amount of financial aid awarded to students (both undergraduate and graduate students) was \$1.12 billion.

In addition to the universities primary mission of educating students, Iowa's Regent universities collaborate with business, industry and each other to foster success for economic development and entrepreneurship efforts in Iowa. They significantly impact Iowa and demonstrate to the public the value of research-based expertise and business assistance directly to Iowa's people, industry and communities in all 99 counties.

Conducting academic research also results in intellectual property discoveries and innovations available to business, industry and the marketplace; it provides Iowa with an educated workforce. Research and scholarship from faculty and staff at the Regent universities often lead to the discovery of innovations that can improve the quality of life for people in the state, the nation and worldwide.

The Regent enterprise includes University of Iowa Health Care (UIHC), one of the nation's largest university-owned teaching hospitals. UIHC is a state-wide health care resource and is committed to world-class medical care, medical research, and educating and training future health care professionals. UIHC is consistently ranked by U.S. News & World Report as one of "America's Best Hospitals" and has over one million clinic visits each year.

Regent universities also receive state support that support Iowa's #1 industry; agriculture. A highly capable Veterinary Diagnostic Laboratory (VDL) at ISU is critical to documenting disease status to qualify animals and animal products for export and to keep diseases from entering the United States. In addition to the VDL, the State supports SUI's Geographical and Water Survey, Water Resource Management, the Iowa Center for Agricultural Safety and Health at SUI and Livestock Disease Research at ISU.

SERVICE TO IOWANS

The University of Iowa, Iowa State University and the University of Northern Iowa are tremendous assets for the State of Iowa. The public universities serve the state in a variety of ways, but they can do more. Under the guidance of the Board of Regents, the three public universities are coordinating their FY 26 appropriation request under the title of Service to Iowans. Each university draws on their strengths to serve Iowans more. Major components of the Service to Iowans appropriations requests include new funding for Iowa's Rural Health Care Partnership, Enhancing Iowa's Rural Economy Initiative, and the UNI@IACC (Iowa Area Community Colleges) Partnership.

NEW: SUI – Iowa's Rural Health Care Partnership – Rural health care in Iowa is at a critical juncture with low reimbursement rates, workforce challenges, and a rapidly aging population making it increasingly difficult to deliver high-quality, accessible health care in Iowa's rural communities more challenging than ever.

Collaborating closely with the State, SUI aims to establish a dynamic and sustainable partnership to enhance access and improved health outcomes for Iowans. This initiative will broadly focus on expanding Iowa's healthcare workforce, including physicians, ARNPs, and mental health counselors, among others. Additionally, it will enhance healthcare delivery and improve health outcomes of Iowa's rural areas, particularly in the crucial areas of mental health, maternal health, and primary care.

To sustain this effort, an investment of \$10 million is requested, with additional funding sought each subsequent year, culminating in a total recurring appropriation of \$50 million that will be dedicated to enhancing rural health. The funding will be used to recruit and retain high-quality faculty and staff and ensure they have the technology and space needed to educate the next generation of providers.

SUI will concentrate on developing the healthcare workforce pipeline and enhancing access to screening and training throughout Iowa.

NEW: ISU – Enhancing Iowa’s Rural Economy - From generation to generation, Iowa State University has been a constant, integral partner in progress that has made Iowa agriculture the world’s premier provider of food, feed and fuel. Iowa State experts work with stakeholders statewide to ensure that agricultural research and extension is relevant, practical and science tested. These partnerships are critical to maintaining Iowa’s agricultural competitiveness and exploring promising opportunities for future growth.

While the demand for science and technology in service to Iowa agriculture continues to rise, the capacity of Iowa State to keep pace has diminished. At risk is the university’s ability to continue to adequately address perennial and emerging concerns for farmers and agribusinesses, and to innovate to ensure resilient, thriving rural communities. Increased funding for Iowa State University’s Agricultural Experiment Station — the state’s only public agricultural research program — and for the 99-county reach of ISU Extension and Outreach will strengthen multidisciplinary efforts in the following and related areas:

Agricultural Workforce, Processing and Entrepreneurship: Expand business opportunities, add value to processing and other existing enterprises, and advance workforce upskilling and certification programs. Broaden agricultural entrepreneurship opportunities for students, faculty, extension and outreach staff, and citizens across the state. Examples include: continuing education programs and short courses; expanded uses of university teaching and research farms; and research, development and extension and outreach in agricultural processing.

Production-Focused Digital and Precision Livestock and Crops: Support technological advances and new applications resulting in higher efficiency and productivity, better facility design, improved on-farm practices and supply chain functions, and enhanced soil management and environmental performance. Examples include: digital agriculture; soil health and nutrient management; and data management for livestock and crop systems.

Agricultural Economics and Policy: Develop new decision-support tools for farmers and agribusinesses. Provide timely information and training to agricultural lenders, attorneys, tax professionals and policy interests. Develop new strategies for beginning and retiring farmers to assist generational transfer of farming operations. Expand research on trade and public policy critical to agriculture in Iowa and beyond. Examples include: agricultural and rural economic development; policy and trade; agricultural law and taxation; beginning farmer programs; and farm and agribusiness management.

NEW – UNI@IACC (Iowa Area Community Colleges) - With support of federal funds allocated through the Governor’s office, UNI launched a highly successful UNI@IACC partnership with Iowa community colleges in 2022. The partnership provides an opportunity for students completing their associate’s degrees to finish their bachelor’s degree at a distance through UNI, providing access for learners who may not otherwise pursue a four-year degree due to their location, job or life commitments. Over the last two years, the program has nearly doubled in size.

Initial federal funding was used to establish Future Ready Scholarships for eligible UNI@IACC students, covering the difference between community college tuition and UNI’s tuition. To qualify for the scholarship, students must be at 300% or less of the federal poverty level, enrolled in one of UNI’s 12 online/distance bachelor’s degree completion programs, reside in Iowa, and have attended an Iowa community college. Due to strong growth in the program and the number of students eligible for the scholarship (approximately half of all UNI@IACC students), these funds are projected to be exhausted by the end of 2025.

UNI is requesting \$1.63 million in FY 2026 state appropriations to continue providing access to a four-year education and support Iowa workforce through Future Ready Scholarships.

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

IOWA WORKFORCE GRANT AND INCENTIVE PROGRAM

For FY 2025, the Iowa legislature appropriated \$6.5 million to the Iowa College Student Aid Commission (ICSAC) for the Iowa workforce grant and incentive program. The program provides aid to Regent university students in certain high-demand programs or majors jointly identified by Iowa Workforce Development and the Board of Regents. The Board and the Regent universities support the program and its continued growth.

EDUCATION APPROPRIATIONS REQUESTS FY 2026			
HIGHER EDUCATION			
	<u>FY25 Continuing</u>	<u>Incremental</u>	<u>FY26 Total</u>
SUI - GENERAL UNIVERSITY	223,496,355	-	223,496,355
ISU - GENERAL UNIVERSITY	178,445,037	-	178,445,037
UNI - GENERAL UNIVERSITY	101,894,146	2,500,000	104,394,146
SUBTOTAL - HIGHER EDUCATION	503,835,538	2,500,000	506,335,538
SPECIAL PURPOSE UNITS			
	<u>FY25 Continuing</u>	<u>Incremental</u>	<u>FY26 Total</u>
UNIVERSITY OF IOWA			
OAKDALE CAMPUS	2,103,819	-	2,103,819
HYGIENIC LABORATORY	4,822,610	-	4,822,610
FAMILY PRACTICE	2,220,598	-	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	1,205,593	-	1,205,593
WATERMAN NONROFIT RES CENTER	156,389	-	156,389
COLLEGE OF NURSING	2,800,000	-	2,800,000
NEW: RURAL IOWA HEALTHCARE	-	10,000,000	10,000,000
SUBTOTAL	15,961,519	10,000,000	25,961,519
IOWA STATE UNIVERSITY			
AG. EXPERIMENT. STATION	29,462,535	3,750,000	33,212,535
COOP. EXTENSION SERVICE	18,157,366	1,000,000	19,157,366
NEW: ISU - VETERINARY EARLY ACCEPTANCE	-	1,000,000	1,000,000
NEW: ISU MANUFACTURING PIPELINE	-	4,000,000	4,000,000
STEM WORKFORCE	2,800,000	-	2,800,000
SUBTOTAL	50,419,901	9,750,000	60,169,901
UNIVERSITY OF NORTHERN IOWA			
REAL ESTATE EDUCATION	123,523	-	123,523
EDUCATORS FOR IOWA	1,500,000	-	1,500,000
NEW: CENTER FOR CIVIC EDUCATION	-	1,000,000	1,000,000
NEW: UNI @ IACC	-	1,630,000	1,630,000
SUBTOTAL	1,623,523	2,630,000	4,253,523
OTHER			
	<u>FY25 Continuing</u>	<u>Incremental</u>	<u>FY26 Total</u>
REGENTS RESOURCE CENTER	268,297	-	268,297
BOARD OF REGENTS OFFICE	764,642	-	764,642
JPEC - SUI/ISU/UNI	125,000	-	125,000
SUBTOTAL - OTHER	1,157,939	-	1,157,939
TOTAL EDUCATION APPROPRIATIONS	572,998,420	24,880,000	597,878,420
ECONOMIC DEVELOPMENT APPROPRIATIONS			
	<u>FY25 Continuing</u>	<u>Incremental</u>	<u>FY26 Total</u>
SUI - ECONOMIC DEVELOPMENT	209,279	-	209,279
SUI - ENTREPRENEURSHIP	2,000,000	-	2,000,000
SUI - BIOSCIENCES INNOVATION	1,000,000	-	1,000,000
NEW: SUI - JPEC	-	250,000	250,000
NEW: SUI - NURSE INNOVATORS PROGRAM	-	1,000,000	1,000,000
ISU - ECONOMIC DEVELOPMENT	2,424,302	-	2,424,302
ISU - BIOSCIENCES INNOVATION	2,963,995	36,005	3,000,000
NEW: ISU - SUPPORT ENTREPRENEURSHIP	-	250,000	250,000
UNI - ECONOMIC DEVELOPMENT	1,466,419	-	1,466,419
NEW: UNI - WORKFORCE DEVELOPMENT	-	3,000,000	3,000,000
UNI - FOUNDRY 4.0 CENTER	394,321	-	394,321
ALL - INNOVATION FUND	3,000,000	-	3,000,000
TOTAL ECON DEV APPROPRIATIONS	13,458,316	4,536,005	17,994,321
AGRICULTURAL & NATURAL RESOURCE APPROPRIATIONS			
	<u>FY25 Continuing</u>	<u>Incremental</u>	<u>FY26 Total</u>
ISU - VET DIAGNOSTIC LAB	4,620,000	1,500,000	6,120,000
SUI - AG SAFETY & HEALTH (I-CASH)	128,154	-	128,154
ISU - LIVESTOCK DISEASE RESEARCH	291,390	250,000	541,390
ISU - PRIVATE FOREST MANAGEMENT	150,000	-	150,000
SUI - GROUNDWATER PLANNING PROJECT	250,000	-	250,000
SUI - GEOGRAPHICAL & WATER SURVEY	200,000	-	200,000
SUI - WATER RESOURCE MGMT	495,000	-	495,000
TOTAL AG APPROPRIATIONS	6,134,544	1,750,000	7,884,544
OTHER APPROPRIATIONS			
	<u>FY25 Continuing</u>	<u>Incremental</u>	<u>FY26 Total</u>
ALL - TUITION REPLACEMENT	26,500,000	(900,000)	25,600,000
ISU - MIDWEST GRAPE & WINE-STANDING	250,000	-	250,000
TOTAL OTHER APPROPRIATIONS	26,750,000	(900,000)	25,850,000
GRAND TOTAL	619,341,280	30,266,005	649,607,285

EDUCATION APPROPRIATIONS

The education appropriations bill contains state appropriations for the general universities supporting higher education and for many university special purpose units.

GENERAL UNIVERSITY APPROPRIATIONS REQUESTS

<u>HIGHER EDUCATION</u>	<u>FY25 Continuing</u>	<u>Incremental</u>	<u>FY26 Total</u>
SUI - GENERAL UNIVERSITY	223,496,355	-	223,496,355
ISU - GENERAL UNIVERSITY	178,445,037	-	178,445,037
UNI - GENERAL UNIVERSITY	<u>101,894,146</u>	<u>2,500,000</u>	<u>104,394,146</u>
TOTAL - HIGHER EDUCATION	503,835,538	2,500,000	506,335,538

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.

The FY 2026 Regent higher education requests for the three universities totals \$506.3 million and includes incremental funding of \$2.5 million for the UNI General University appropriation.

UNI Higher Education - UNI is committed to access, quality and affordability for lowans, and requests incremental funding of \$2.5 million to support efforts to differentiate UNI tuition from that of research intensive universities. State’s investment is critical to keeping a four-year degree within reach for lowans.

As Iowa’s only public comprehensive university, UNI focuses on providing accessible and affordable high-quality educational experiences. Ninety-one percent of UNI undergraduates come from Iowa, representing all 99 counties. Nearly 30 percent of UNI undergraduates receive the federal Pell Grant. 86% of UNI’s graduates from Iowa and 40% of the graduates from the states contiguous to Iowa stay in the state after graduation, supporting Iowa’s workforce. UNI is 20 percentage points above the average four-year graduation rate of similar universities. Breaking away from national trends in student borrowing, the University of Northern Iowa has seen student indebtedness remain well below state and national averages.

HIGHER EDUCATION LEGISLATIVE SPECIAL PURPOSE APPROPRIATIONS REQUESTS

With the complete list of special purpose funding provided on page 4, the following units include incremental funding requests.

<u>SPECIAL PURPOSE UNITS</u>			
<u>UNIVERSITY OF IOWA</u>	<u>FY25 Continuing</u>	<u>Incremental</u>	<u>FY26 Total</u>
NEW: RURAL IOWA HEALTHCARE	-	10,000,000	10,000,000
<u>IOWA STATE UNIVERSITY</u>			
AG. EXPERIMENT. STATION	29,462,535	3,750,000	33,212,535
COOP. EXTENSION SERVICE	18,157,366	1,000,000	19,157,366
NEW: ISU - VETERINARY EARLY ACCEPTANCE	-	1,000,000	1,000,000
NEW: ISU MANUFACTURING PIPELINE	-	4,000,000	4,000,000
<u>UNIVERSITY OF NORTHERN IOWA</u>			
NEW: CENTER FOR CIVIC EDUCATION	-	1,000,000	1,000,000
NEW: UNI @ IACC	-	1,630,000	1,630,000

Information for the following major components of the Service to lowans requests were provided in the Executive Summary beginning on page 3 included:

- SUI - Iowa’s Rural Healthcare Partnership - SUI aims to establish a dynamic and sustainable partnership to enhance access and improved health outcomes for lowans. This initiative will broadly focus on expanding Iowa’s healthcare workforce, including physicians, ARNPs, and mental health counselors, among others. Additionally, it will enhance healthcare delivery and improve health outcomes of Iowa’s rural areas, particularly in the crucial areas of mental health, maternal health, and primary care.
- ISU - Enhancing Iowa’s Rural Economy – ISU has been a constant, integral partner in progress that has made Iowa agriculture the world’s premier provider of food, feed and fuel. Iowa State experts work with stakeholders statewide to ensure that the agricultural experiment station’s research and cooperative extension is relevant, practical and science tested. These partnerships are critical to maintaining Iowa’s agricultural competitiveness and exploring promising opportunities for future growth.
- UNI@IACC (Iowa Area Community Colleges)– To serve more lowans, UNI desires to expand the UNI@IACC partnership which provides an opportunity for students completing their associate’s degrees to finish their bachelor’s degree at a distance through UNI, providing access for learners who may not otherwise pursue a four-year degree due to their location, job or life commitments.

Additional special purpose appropriation requests include the following:

NEW: ISU – Veterinary Early Acceptance Program - The declining number of veterinarians supporting the food animal industry poses a significant threat to animal health, human health, food security and economic viability in Iowa’s rural communities.

The College of Veterinary Medicine (CVM) in conjunction with the College of Agriculture and Life Sciences (CALs) launched the ISU Production Animal – Veterinary Early Acceptance Program (PA-VEAP) in 2023. Up to 10 talented undergraduates are selected annually after their first year as undergraduates to participate in a specialized program for pre-veterinary students interested in practicing food animal medicine in rural communities. The primary goal of the PA-VEAP is to recruit these future veterinarians and keep them focused on preparing for success in veterinary college and make them “practice ready” to thrive in a food animal focused practice in Iowa upon graduation.

Providing scholarships for the PA-VEAP students will better assure the interest in and success of the PA-VEAP. It will directly address student debt thus making working in rural communities more economically realistic. The scholarship would provide in-state tuition once the students enter the CVM. Upon graduation from the CVM, students would be required to work in rural Iowa for five years to have the scholarship forgiven. Estimated cost would be 10 students/year x \$29,000 x 4 years = ~\$1,000,000.

NEW: ISU – Manufacturing Pipeline - Iowa manufacturing is at a crossroads. Thriving demand for American-made products has grown Iowa manufacturing employment, wages and GDP. Yet, manufacturers struggle to find the talent they need to succeed. Iowa is making progress in building an infrastructure and pipeline for skilled hourly manufacturing talent. Part of this progress includes adopting emerging technologies that allow manufacturers to expand output with their current workforce. This global shift in how products are made creates a new gap: 60% of rural Iowa manufacturers state that the lack of salaried technical workforce will inhibit their ability to grow over the next five years.

Iowa will revitalize the manufacturing technology pipeline by creating new ways for ISU students to learn and work in communities across the state while also providing new pathways for manufacturing students and employees across Iowa to gain more advanced credentials. ISU will launch four manufacturing hubs, co-located and in partnership with regional educational institutions to leverage existing infrastructure and capability. These hubs will upgrade existing manufacturing training centers to incorporate advanced technologies including sensors, vision systems, and AI tools to meet emerging needs of manufacturers. ISU faculty will partner with regional educational institutions to refresh and align curriculum to create new pathways to four-year and advanced degrees. ISU will create new ways for students to use this space for internships at local manufacturers. The ISU Center for Industrial Research and Service (CIRAS) will lead the initiative and ISU Extension and Colleges of Engineering and Agriculture and Life Sciences will be members of the partnership.

NEW UNI – Center for Civic Education - The Center for Civic Education would serve as a nationally recognized leader in research, teaching, and public outreach in free speech and civic education. It is established in response to a directive by the Board of Regents “to explore a proposal, including cost, to establish a widespread initiative that includes opportunities for education and research on free speech and civic education.”

The Center would enhance civic education among university students, pre-K-12 students and teachers, and the broader public by developing and implementing effective civic learning strategies, encouraging respectful dialogue across differences, and offering educational resources on free speech and civic knowledge. It will serve the state of Iowa by centering civic education and free speech in its activities, and will promote the values of free speech, civic leadership, public service and citizenship.

UNI is requesting \$1 million in FY 2026 state appropriations to launch the Center.

ECONOMIC DEVELOPMENT APPROPRIATIONS REQUEST

ECONOMIC DEVELOPMENT APPROPRIATIONS			
	<u>FY25 Continuing</u>	<u>Incremental</u>	<u>FY26 Total</u>
SUI - ECONOMIC DEVELOPMENT	209,279	-	209,279
SUI - ENTREPRENEURSHIP	2,000,000	-	2,000,000
SUI - BIOSCIENCES INNOVATION	1,000,000	-	1,000,000
NEW: SUI - JPEC	-	250,000	250,000
NEW: SUI - NURSE INNOVATORS PROGRAM	-	1,000,000	1,000,000
ISU - ECONOMIC DEVELOPMENT	2,424,302	-	2,424,302
ISU - BIOSCIENCES INNOVATION	2,963,995	36,005	3,000,000
NEW: ISU - SUPPORT ENTREPRENEURSHIP	-	250,000	250,000
UNI - ECONOMIC DEVELOPMENT	1,466,419	-	1,466,419
NEW: UNI - WORKFORCE DEVELOPMENT	-	3,000,000	3,000,000
UNI - FOUNDRY 4.0 CENTER	394,321	-	394,321
ALL - INNOVATION FUND	3,000,000	-	3,000,000
TOTAL ECON DEV APPROPRIATIONS	13,458,316	4,536,005	17,994,321

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. Incremental economic development funding requests are detailed below.

NEW: SUI – John Pappajohn Entrepreneurial Center – As described below, a new funding request of \$250,000 to JPEC would provide direct support to entrepreneurs, support venture acceleration, and support financial analysis of student economic development concepts.

Direct Support to Entrepreneurs - \$200,000

- Provide direct seed funding to promising early-stage Iowa-based startups.
- Fund student interns for Iowa-based startups and growing businesses. This will have the additional benefit of demonstrating to students that exciting career opportunities exist within the state of Iowa.
- Expand strategic business consulting and venture mentoring programs to small-to-medium size companies throughout Iowa including rural communities.

Programs to Support Venture Acceleration - \$25,000

- Expand Venture School Training program in two new locations such as Burlington or Ottumwa; Current locations include Cedar Rapids, Des Moines, Dubuque, Iowa City, Davenport, Mason City and Sioux City.

Hawkeye Ventures Fund - \$25,000

- Support for a financial analyst to perform due diligence for new seed funding program.
- Support student interns to assist the financial analyst while also providing an educational experience to the students to learn about venture capital as well as gain exposure to Iowa-based startup businesses and the entrepreneurial ecosystem.
- Marketing support to promote this seed funding opportunity across Iowa.

NEW: SUI – Nurse Innovator Program - Nurses have a unique perspective on patient care, providing direct patient support, often relying on their own ingenuity to deliver high quality care when challenges arise. The SUI Office of Innovation's statewide Nurse Innovators Program Initiative is a first of its kind endeavor to support innovative nurses across Iowa by providing tools and expertise to address clinical challenges.

Launched in 2022 with a three-year grant from the Kauffman Foundation, the program has reached over 1,000 nurses and developed 29 new products. The Nurse Innovators program utilizes a team of nurse liaisons to develop their ideas by providing customized prototyping kits and hands-on support. Once an initial prototype is created, the nurse seeks feedback from peers, other clinicians, and commercial experts the SUI Office of Innovation helps provide to refine the concept into a usable product. The SUI Office of Innovation supports the nurse at each step of the entrepreneurial journey including intellectual property development, manufacturing, and packaging support, as well as targeting outlets and strategies to protect and sell their solution.

With state support of \$1 million, the SUI's Nurse Innovator Program will target Iowa's 83 rural critical access hospitals that are essential support systems within Iowa's rural counties.

ISU – Biosciences Innovation - The state of Iowa formally asserted its commitment to being a leader in biosciences when the Iowa Economic Development Authority released its November 2017 analysis from TEconomy Partners, LLC. The goal was to provide \$1 million annually for each Biosciences Platform. Iowa State University of Science and Technology is home to three Platforms: Biobased Products, Vaccines and Immunotherapeutics, and Digital and Precision Agriculture. The increased appropriation request of \$36,005 would provide a total of \$3 million annually for the three platforms, getting the unit to the goal established in 2017.

NEW: ISU – Support Entrepreneurship - ISU's entrepreneurship efforts support students in three primary areas: 1) collaborating with the cross-disciplinary Start Something academic programs, 2) offering a wide menu of experiential learning opportunities for students, faculty/staff, and the community, and 3) providing immersive incubation and acceleration programs that support new ventures, including the commercialization of ISU technologies. Legislative funding of \$250,000 would support staff and operations that fulfill the university's focus on entrepreneurship and innovation. Support for students includes competition prizes, events and hospitality, travel to conferences and national competitions, and learning experiences. Support for faculty founders includes professional mentoring and services, student internships and student consulting, and seed funding for startups.

NEW: UNI – Workforce Development - Iowa has more job openings than people to fill them, and the state's slow population growth is not keeping pace with retirements. Our state's main economic growth challenge is our population; we must attract people from other states. As an access institution of higher education with a proven track record of keeping graduates in the state, UNI is uniquely positioned to play a critical role in attracting talent from other states and boosting Iowa's economic growth.

UNI is requesting \$3 million in FY 2026 state appropriations that would allow UNI to offer students from states contiguous to Iowa the same rate of tuition and mandatory fees that are charged to resident students. 40% of UNI graduates from the states contiguous to Iowa stay in the state after graduation, joining Iowa's workforce and adding value to Iowa's economic development. Not only will this funding open access to programs for students from the states contiguous to Iowa, it will also increase enrollment of undergraduates ready to join the Iowa workforce upon graduation.

AGRICULTURAL & NATURAL RESOURCES APPROPRIATIONS REQUEST

AGRICULTURAL & NATURAL RESOURCE APPROPRIATIONS			
	<u>FY25 Continuing</u>	<u>Incremental</u>	<u>FY26 Total</u>
ISU - VET DIAGNOSTIC LAB	4,620,000	1,500,000	6,120,000
SUI - AG SAFETY & HEALTH (I-CASH)	128,154	-	128,154
ISU - LIVESTOCK DISEASE RESEARCH	291,390	250,000	541,390
ISU - PRIVATE FOREST MANAGEMENT	150,000	-	150,000
SUI - GROUNDWATER PLANNING PROJECT	250,000	-	250,000
SUI - GEOGRAPHICAL & WATER SURVEY	200,000	-	200,000
SUI - WATER RESOURCE MGMT	495,000	-	495,000
TOTAL AG APPROPRIATIONS	6,134,544	1,750,000	7,884,544

Iowa agriculture is highly dependent on trade. A highly capable veterinary diagnostic laboratory (VDL) is critical to documenting disease status to qualify animals and animal products for export and to keep diseases from entering the United States. In addition to the VDL, the State supports SUI's Geographical and Water Survey, Water Resource Management, the Iowa Center for Agricultural. Incremental agricultural and natural resource funding requests are detailed below.

ISU – Veterinary Diagnostic Laboratory (VDL) - The VDL serves a critical role in protecting animal and human health in Iowa and the US. The ISU VDL utilizes the latest technologies in veterinary diagnostic medicine to keep diseases from entering and responding to disease outbreaks when they occur. The ISU VDL is the largest food animal focused VDL in the US, receiving over 120,000 cases and conducting over 1.5 million tests in FY 2024.

Operations of the ISU VDL are currently largely supported through fee income from those who submit cases. The ISU VDL receives approximately 16% of its operational budget from state appropriations whereas our peers receive an average of 48%. Ninety percent of all state VDLs receive more than 20% and 12 labs receive more than 60%. The ISU VDL is more highly dependent on fee income than its peers.

There is an anticipated increase in costs associated with occupying, maintaining and operating this new stand-alone Biosafety Level 2 facility. Specifically for Phase 1, these recurring operational costs are anticipated to be \$1.5 million per year. Covering this cost from current appropriations or fee income is not feasible.

ISU – Livestock Disease Research – Livestock Health Advisory Council - The vulnerability of the livestock industry to adverse health events has never been more evident than with the recent outbreak of highly pathogenic avian influenza in the Iowa and U.S. poultry industry, and now the discovery that this virus has crossed over into the U.S. dairy industry. Funding allocated to the Iowa Livestock Health Advisory Council (ILHAC) supports research projects aimed at mitigating the impact of livestock diseases and protecting Iowa's \$32.6 billion-dollar livestock production industry. ILHAC consists of representatives of Iowa-based animal agriculture organizations. This provides Iowa producers with the ability to help direct research into real-time concerns that are occurring in Iowa's livestock industry. The research also provides unique training opportunities to the next generation of food-animal focused veterinary scientists.

For every \$1 invested by ILHAC in research, Iowa State University researchers can leverage an additional \$10 from other funding sources. A \$250,000 increase in the livestock disease research appropriation can lead to significant outcomes in animal health, productivity, food safety and security, economic viability and workforce development.