

Contact: Brad Berg

FY 2027 OPERATING AND OTHER APPROPRIATIONS REQUESTS**Actions Requested:** Consider:

1. Approval of the identified operating and other appropriations requests for FY 2027 as provided on page 4.
2. 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 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 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 4 provides a line-item summary of the proposed FY 2027 appropriations requests.

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

- Education Appropriations Attachment A – page 5
- Economic Development Appropriations Attachment B – page 8
- Ag & Natural Resources Appropriations Attachment C – page 9

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 2024 semester totaled 70,494 students with 56,084 undergraduates, 11,901 graduate students, and 2,511 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 2018 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 13,000 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 Iowans 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 2023-24, the total amount of financial aid awarded to students (both undergraduate and graduate students) was \$1.18 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, and each one draws on individual strengths for the betterment of Iowans, but they can do more. A summary of the initiatives is provided below with additional information contained in the attachments. The incremental requests represent a 1.5% increase in appropriations from the state general fund for each university.

- SUI – Increasing Physicians in Rural Iowa (\$3.6M) - With nearly 50% of Iowa's physicians training at the University of Iowa, the University of Iowa's Carver College of Medicine has the expertise and statewide relationships to help address Iowa's rural physician shortage. Working closely with the state, the university can build a sustainable partnership that will increase the number of physicians trained in rural medicine.

- ISU – Iowa Ag Tech Innovation Initiative (\$3.0M) - Iowa has the workforce, infrastructure and academic leadership to transform agricultural technology in Iowa through innovation. The Iowa Ag Tech Innovation Initiative is a strategic commitment to the future of Iowa farms, rural communities and statewide economy. Iowa State University proposes a two-part, service-driven initiative, focused on additional legislative investment in applied research and extension to maximize impact for Iowa agriculture and rural communities.

Veterinary Diagnostic Laboratory (\$0.6M) - Baseline operational funding of the VDL is critical to sustain a level of preparedness to respond to introduction of foreign animal diseases. It also is critical to recruit and retain staffing for appropriate response and to keep tests affordable, thereby encouraging more testing to help reduce potential spillover of disease to neighboring farms.

- UNI – Nursing Program Expansion (\$0.6M) – UNI’s Bachelor of Science in Nursing launched in the fall of 2024 and aims to increase the nursing workforce in Iowa. The need for nurses in the state remains critical. The program enrolled an initial cohort of 24 students and UNI anticipates admitting 96-144 new students per academic year beginning fall 2026. UNI is requesting \$600,000 for FY 2027 to support the growth and expansion of the program.

Neighboring State Tuition (\$1.0M) - Over 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. UNI is requesting \$1 million for FY 2027 to support their initiative of offering new undergraduate students from states contiguous to Iowa the same rate of tuition and fees assessed to resident students.

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.

Iowa Workforce Grant and Incentive Program

For FY 2026, 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.

ISU Appropriation Consolidation

Iowa State University proposes to combine the Agriculture Experiment Station (AES), the Cooperative Extension Service, and the STEM Workforce appropriations with the General University line item. These programs are well-suited for the General University fund as they are major contributors to the overall mission of the university: providing high-quality education, cutting-edge research and public services for Iowans.

Faculty supported by the Ag Experiment Station also teach in the classroom, mentor students and provide multiple means of outreach for research results. Faculty and staff supported by Cooperative Extension provide continuing education programs, training and demonstration projects statewide. This is consistent with the overall General University mission of a high-quality education for students, as it focuses on preparing students for careers and leadership in the state's science, technology, engineering and math (STEM) economy and meeting the demand for educated workers.

These education appropriations are designated with an asterisk in the chart on the following page.

EDUCATION APPROPRIATIONS REQUESTS FY 2027			
	FY 2026	FY 2027 REQUEST	INCREMENTAL
UNIVERSITY OF IOWA			
GENERAL UNIVERSITY	223,496,355	223,496,355	-
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	-
SUB 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	-
IOWA FLOOD CENTER	1,205,593	1,205,593	-
WATERMAN NONPROFIT RESOURCE CENTER	156,389	156,389	-
COLLEGE OF NURSING	2,800,000	2,800,000	-
CENTER FOR INTELLECTUAL FREEDOM	1,000,000	1,000,000	-
CANCER ASSESSMENT	1,000,000	1,000,000	-
NEW: INCREASE PHYSICIANS IN RURAL IA	-	3,600,000	3,600,000
SUI - TOTAL EDUCATION APPROPRIATIONS	241,457,874	245,057,874	3,600,000
IOWA STATE UNIVERSITY			
GENERAL UNIVERSITY	178,445,037	178,445,037	-
AG EXPERIMENT STATION*	30,462,535	32,262,535	1,800,000
COOPERATIVE EXTENSION SERVICE*	18,157,366	19,357,366	1,200,000
STEM WORKFORCE*	2,800,000	2,800,000	-
ISU - TOTAL EDUCATION APPROPRIATIONS	229,864,938	232,864,938	3,000,000
*Request to merge these units with the General University appropriation beginning in FY 27			
UNIVERSITY OF NORTHERN IOWA			
GENERAL UNIVERSITY	101,894,146	101,894,146	-
REAL ESTATE EDUCATION	123,523	123,523	-
EDUCATORS FOR IOWA	1,500,000	1,500,000	-
CIVIC EDUCATION CENTER	1,000,000	1,000,000	-
NEW: NEIGHBORING STATE TUITION	-	1,000,000	1,000,000
NEW: NURSING PROGRAM EXPANSION	-	600,000	600,000
UNI - TOTAL EDUCATION APPROPRIATIONS	104,517,669	106,117,669	1,600,000
OTHER ED APPROPRIATIONS			
REGENTS RESOURCE CENTER	268,297	268,297	-
BOARD OF REGENTS OFFICE	764,642	764,642	-
JPEC - SUI/ISU/UNI	125,000	125,000	-
OTHER - TOTAL ED APPROPRIATIONS	1,157,939	1,157,939	-
TOTAL EDUCATION APPROPRIATIONS	576,998,420	585,198,420	8,200,000
ECONOMIC DEVELOPMENT APPROPRIATIONS REQUESTS FY 2027			
	FY 2026	FY 2027 REQUEST	INCREMENTAL
SUI - ECONOMIC DEVELOPMENT	209,279	209,279	-
SUI - ENTREPRENEURSHIP	2,000,000	2,000,000	-
SUI - BIOSCIENCES INNOVATION	1,000,000	1,000,000	-
ISU - ECONOMIC DEVELOPMENT	2,424,302	2,424,302	-
ISU - BIOSCIENCES INNOVATION	2,963,995	2,963,995	-
UNI - ECONOMIC DEVELOPMENT	1,466,419	1,466,419	-
UNI - FOUNDRY 4.0 CENTER	394,321	394,321	-
ALL - REGENT INNOVATION FUND	3,000,000	3,000,000	-
TOTAL ECON DEV APPROPRIATIONS	13,458,316	13,458,316	-
AGRICULTURAL & NATURAL RESOURCE APPROPRIATIONS REQUESTS FY 2027			
	FY 2026	FY 2027 REQUEST	INCREMENTAL
ISU - VET DIAGNOSTIC LAB*	4,919,898	5,519,898	600,000
SUI - AG SAFETY & HEALTH (I-CASH)	128,154	128,154	-
ISU - LIVESTOCK DISEASE RESEARCH	291,390	291,390	-
ISU - PRIVATE FOREST MANAGEMENT	150,000	150,000	-
SUI - GROUNDWATER PLANNING PROJECT	200,000	200,000	-
SUI - GEOGRAPHICAL & WATER SURVEY	200,000	200,000	-
SUI - WATER RESOURCE MGMT	495,000	495,000	-
ISU - VDL EQUIPMENT INSTALL (one-time)	250,000	-	(250,000)
ISU - ANIMAL DISEASE RESEARCH	100,000	100,000	-
TOTAL AG & NAT RES APPROPRIATIONS	6,734,442	7,084,442	350,000
OTHER APPROPRIATIONS			
	FY 2026	FY 2027 REQUEST	INCREMENTAL
ALL - TUITION REPLACEMENT	25,600,000	25,000,000	(600,000)
ISU - MIDWEST GRAPE & WINE-STANDING	250,000	250,000	-
TOTAL OTHER APPROPRIATIONS	25,850,000	25,250,000	(600,000)
GRAND TOTAL	623,041,178	630,991,178	7,950,000

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

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 2027 Regent higher education requests for the three universities totals \$503.8 million and remains flat with FY 2026.

HIGHER EDUCATION	<u>FY 2026</u>	<u>FY 2027 REQUEST</u>	<u>INCREMENTAL</u>
SUI - GENERAL UNIVERISTY	223,496,355	223,496,355	-
ISU - GENERAL UNIVERSITY	178,445,037	178,445,037	-
UNI - GENERAL UNIVERSITY	101,894,146	101,894,146	-
TOTAL HIGHER EDUCATION	503,835,538	503,835,538	-

Higher Education Legislative Special Purpose Appropriations Requests

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

SPECIAL PURPOSE UNITS	<u>FY 2026</u>	<u>FY 2027 REQUEST</u>	<u>INCREMENTAL</u>
<u>UNIVERSITY OF IOWA</u>			
NEW: INCREASE PHYSICIANS IN RURAL IA	-	3,600,000	3,600,000
<u>IOWA STATE UNIVERSITY</u>			
AG EXPERIMENT STATION*	30,462,535	32,262,535	1,800,000
COOPERATIVE EXTENSION SERVICE*	18,157,366	19,357,366	1,200,000
<u>UNIVERSITY OF NORTHERN IOWA</u>			
NEW: NEIGHBORING STATE TUITION	-	1,000,000	1,000,000
NEW: NURSING PROGRAM EXPANSION	-	600,000	600,000

*ISU requests to merge these units and STEM Workforce with the general university appropriation

SUI – Increasing Physicians in Rural Iowa

By 2036, the U.S. will be short by 86,000 physicians, setting up an intense nationwide competition for these highly trained clinicians. Iowa is already facing a deepening physician shortage that is impacting the quality of life across rural communities. With 65 counties designated as Health Professional Shortage Areas and ranking in the bottom six nationally of physicians per resident, something must change – and change quickly. Furthermore, rural regions in Iowa have about 17% fewer doctors per capita than urban areas do, and critical services like OB-GYN care are becoming non-existent in many counties.

The University of Iowa is committed to expanding the number of physicians serving rural Iowa. With a recurring \$3.6 million state investment, we will:

1. Recruit and support rural students through academic preparation and medical school pathways.
2. Launch a dedicated rural medicine track with specialized curriculum and training.
3. Build a statewide preceptor network to expand clinical training opportunities in rural communities.
4. Expand the number of medical students studying and graduating with advanced training in rural medicine from five (current number) to 10 each year. Over four years the UI will increase the total number of medical students in the rural medicine track from 20 to 40.

5. Provide scholarships to support medical students dedicated to rural medicine.

A \$3.6 million investment in SUI's College of Medicine is a fiscally responsible and targeted solution to Iowa's growing rural physician shortage. The university's rural physician program is proven to place physicians where they're needed most, ensuring better health outcomes for underserved communities while reducing long-term healthcare costs.

ISU - Agricultural Experiment Station (request to merge with General University appropriation)

ISU requests additional Agricultural Experiment Station (AES) funding of \$1.8 million for ag tech-focused faculty, staff and programmatic support. Rapid advances in ag technology including drones, automation, advanced sensing, artificial intelligence and more are transforming how food is grown, distributed and marketed. These advances require research and innovation to ensure they are well-adapted to suit Iowa's environment and crops and livestock production systems. Through this investment, ISU's ag tech experts will develop innovations to enable farmers with cutting-edge solutions and prepare the rural workforce needed to support this digital transformation. Ag tech innovations and new technologies enable producers to boost productivity, improve efficiency and improve on-farm practices. AI-driven early diagnosis of animal health, plant model recommendations for fertilizer management in row crops and real-time connectivity to unique consumer markets are among the many high-impact economic outcomes that data insights can unlock in agriculture. This will ultimately strengthen the resilience and profitability of Iowa agriculture and ensure that Iowa farmers and rural communities continue to thrive. Outcomes from this initiative include:

- New livestock production programs that improve production efficiency and animal health and well-being through innovative livestock systems, data management and precision technology. The programs will directly support Iowa's \$20 billion livestock industry and its more than 170,000 jobs.
- New corn and soybean programs that emphasize system efficiency, integrated decision-making and linkages between agronomic machinery, inputs and harvest in key areas of crop productivity, nutrient-use efficiency, genetics, plant health and soil health. The programs will jointly support Iowa's family farms striving to navigate technology options in their businesses as well as the 174,000 jobs connected to agricultural retail throughout the state.
- New grain handling, storage and processing programs that focus on safety, quality management, value-added processing and processed grain uses in the energy and livestock industries. The programs will help to create additional market value for Iowa-grown commodities, raising the economic profile of agriculture and rural communities.

ISU - Cooperative Extension Services (request to merge with General University appropriation)

ISU requests additional state investment of \$1.2M to scale up successful Agricultural Extension outreach programs, launch new programs and expand outreach opportunities to empower producers, ag retailers and technical professionals. Iowa remains a national leader in agricultural output, but continued long-term success depends on constantly improving the ability to innovate and adapt in the competitive global environment. Iowa's rural economy depends on agricultural research and innovation to maintain global competitiveness, but the full potential of innovation cannot be attained without education and adoption. Iowa State University's Agricultural Extension, in partnership with the Agricultural Experiment Station, is well-positioned to take ag-tech innovations to Iowans via hands-on training, research-backed insights, cutting-edge AI-driven agricultural tools, and farm-ready technologies. Key program elements include:

- Nutrient and pest management- This initiative focuses on the continued success and growth of Iowa's 25 million acres of row crop production by expanding delivery of hands-on training in equipment optimization, yield data collection and machine calibration from planting through harvest. This effort will build on the success of Agricultural Extension's Planter University

program that has been creating an annual \$15 million economic impact in Iowa. Programming will integrate pest and nutrient management tools, drone-based scouting, fertilizer and sprayer technology, and seeding and harvesting equipment for enhanced crop production.

- Livestock management- This initiative will expand training in livestock data utilization, including genetic analytics, weight-of-gain optimization and sensor-based health monitoring. It will strengthen livestock precision agriculture through innovation partnerships and technical training modules that accelerate the adoption of smart sensors and data analysis for real-time decision-making on farms.
- AI Workforce Development for Agriculture by expanding training programs through 4-H, FFA, and adult education that build data interpretation skills and prepare learners for careers in digital agronomy and precision livestock management. Support the creation of micro-credentials in agricultural artificial intelligence and precision technologies to upskill current workers and equip the next generation with tools to manage data for more profitable farm-level decisions. This initiative will grow and accelerate digital competencies associated with Iowa's 385k+ jobs in agriculture and ag-related industries.

UNI - Neighboring State Tuition

Iowa has more job openings than employees to fill them, and the state's slow population growth is not keeping pace with retirements. 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 \$1 million in FY 2027 state appropriations to support its initiative offering new undergraduate students from states contiguous to Iowa the same rate of tuition and mandatory fees that are charged to resident students. Effective for the 2025-26 academic year, UNI is offering to new non-resident students from six states bordering Iowa (IL, MN, MO, NE, SD, WI) tuition rates equivalent to those for Iowa residents. Over 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, but it will also increase enrollment of undergraduates ready to join the Iowa workforce upon graduation.

UNI - Nursing Program Expansion

UNI's Bachelor of Science in Nursing (BSN) program prepares nurses who are clinically focused and practice-ready. Students become proficient through situational awareness and develop clinical judgment, allowing them to excel in a variety of settings.

Launched in the fall of 2024, the BSN program aims to increase the nursing workforce in Iowa. The need for nurses in the state remains critical. As of August 2025, there were over 3,500 job postings on iowaworks.gov for registered nurses, the highest number by far than for any other profession. Licensed practical and licensed vocational nurses were seventh on the list, with over 480 job postings.

The first year the program was offered, it enrolled an initial cohort of 24 students. UNI anticipates growing the major and admitting 96-144 new students per academic year beginning fall 2026. UNI is requesting \$600,000 in FY 2027 state appropriations to support the growth and expansion of the program. This funding will allow the hiring of more faculty and staff, as well as ensure the nursing students have access to state-of-the-art medical equipment and can continue to learn in an environment that models real clinical settings.

Economic Development Appropriations Request

All economic development funding requests remain flat (0% increase) with FY 2026.

ECONOMIC DEVELOPMENT APPROPRIATIONS REQUESTS FY 2027			
	<u>FY 2026</u>	<u>FY 2027 REQUEST</u>	<u>INCREMENTAL</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	-
ISU - ECONOMIC DEVELOPMENT	2,424,302	2,424,302	-
ISU - BIOSCIENCES INNOVATION	2,963,995	2,963,995	-
UNI - ECONOMIC DEVELOPMENT	1,466,419	1,466,419	-
UNI - FOUNDRY 4.0 CENTER	394,321	394,321	-
ALL - REGENT INNOVATION FUND	3,000,000	3,000,000	-
TOTAL ECON DEV APPROPRIATIONS	13,458,316	13,458,316	-

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.

Agricultural & Natural Resources Appropriations Request

AGRICULTURAL & NATURAL RESOURCE APPROPRIATIONS REQUESTS FY 2027			
	<u>FY 2026</u>	<u>FY 2027 REQUEST</u>	<u>INCREMENTAL</u>
ISU - VET DIAGNOSTIC LAB*	4,919,898	5,519,898	600,000
SUI - AG SAFETY & HEALTH (I-CASH)	128,154	128,154	-
ISU - LIVESTOCK DISEASE RESEARCH	291,390	291,390	-
ISU - PRIVATE FOREST MANAGEMENT	150,000	150,000	-
SUI - GROUNDWATER PLANNING PROJEC	200,000	200,000	-
SUI - GEOGRAPHICAL & WATER SURVEY	200,000	200,000	-
SUI - WATER RESOURCE MGMT	495,000	495,000	-
ISU - VDL EQUIPMENT INSTALL (one-time)	250,000	-	(250,000)
ISU - ANIMAL DISEASE RESEARCH	100,000	100,000	-
TOTAL AG & NAT RES APPROPRIATIONS	6,734,442	7,084,442	350,000

*VDL appropriations for FY26 include \$4,799,898 from the state general fund and \$120,000 from the Nutrient Research Fund

With the exception of ISU’s Veterinary Diagnostic Lab (VDL) request and the elimination of one-time funding received in FY 2026 for equipment installation at the VDL, all Regent ag & natural resource appropriations requests for FY 2027 remain flat.

ISU – Veterinary Diagnostic Laboratory

The VDL serves a critical role in protecting animal and human health in Iowa and the United States. 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 U.S., receiving over 130,000 cases and conducting over 1.7 million tests in FY 2025. The VDL utilizes the latest technologies in veterinary diagnostic medicine to keep diseases from entering the food animal system and provides immediate response to disease outbreaks when they occur. A recently published study estimated that \$31.79 million in state taxes are generated from the lab in normal years and \$124.15 million in state taxes are generated in times of an animal health emergency. This equates to an 8:1 return on the state’s investment in the VDL during normal years and a 31:1 return on investment during times of an animal health emergency.

Baseline operational funding of the VDL is critical to sustain a level of preparedness to respond to introduction of foreign animal diseases, such as highly pathogenic avian influenza (HPAI), foot-and-mouth disease virus (FMDV) and African swine fever virus (ASFV). It also is critical to recruit and retain staffing for appropriate response and to keep tests affordable, thereby encouraging more testing to help reduce potential spillover of disease to neighboring farms.

As of June 2025, a portion of the testing has transitioned to the newly completed Phase I VDL Building on campus. Upon completion of Phase II in 2026, all testing operations will move to the fully equipped, state-of-the art VDL facility. This expansion marks a significant advancement in VDL capabilities. However, with the opening of this new facility, the VDL anticipates an overall increase of approximately \$3 million in annual operational expenses — costs essential to occupying, maintaining and running an advanced Biosafety Level 2 facility.

Strategic investment is essential to ensure the Veterinary Diagnostic Laboratory continues to provide timely, high-quality diagnostic services that protect animal and public health across Iowa and beyond. The VDL anticipates covering approximately two-thirds of the increase in operating costs by continuing to innovate, expanding services provided and increasing testing fees. A \$600,000 increase to the VDL line item for FY2027 would complement the \$300,000 increase received in FY2026 and bring the VDL line-item to a total of \$5,519,898.