

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Report on Legislative Session
Date: April 10, 2000

Recommended Action:

Receive report on the 2000 Legislative Session and, by general consent, the recommendations of Board positions on proposed legislation.

Executive Summary:

The final date for Senate bills to be reported out of House committees and House bills to be reported out of Senate committees was March 17. Bills referred to the Appropriations and the Ways and Means Committees are exempt. A number of bills of concern to the Regents were eliminated as a result of the "funnel" date. Some language from the eliminated bills might be revived as amendments to other bills. The Board Office and legislative liaisons will continue to monitor all bills carefully. The status of the high priority bills are described in this memorandum. Per diem expenses for the General Assembly end on the 100th day of the session (April 18), and the General Assembly is expected to adjourn by this time or soon after this date.

The House education appropriations bill (HF 2549), which includes the majority of the Regent appropriations, has passed the House and is in the Senate Appropriations Subcommittee. The House recommendation for FY 2001 Regent appropriations is \$15.5 million below the Governor's recommendations, not including funding of FY 2001 salary increases. Details are shown on Table A.

Table B compares the Regent education appropriations in HF 2549 with the original FY 2000 Regent appropriations. The bill outlines operating appropriations for the Regents that are \$10 million less than the FY 2000 appropriations. The House also incorporated into the education bill line item dollar amounts to the Regents totaling \$18.2 million for funding salary increases. The net increase in this bill of new state appropriated dollars, both operating and salaries, for the Regent institutions is \$8.1 million. To fully fund the state salary policy increase of 4% at the Regent institutions, exclusive of health insurance increases, funding from state appropriations would have to total \$27.4 million.

SF 2428 includes appropriations to the Regent institutions for economic development units which proposes reductions of \$113,259 from FY 2000 appropriation levels for Advance Drug Development (11,324), Oakdale Research Park/Innovation Center (14,028), Institute for Physical Research and Technology (183,625), Research Park/ISIS (15,713), Metal Casting (7,181), Institute for Decision Making (30,893) and a net increase to Small Business Development Center of 149,505.

It is anticipated that capital appropriations for the Regent institutions will be included in the infrastructure bill, which is expected to be drafted this week.

An update of legislative actions concerning Regent appropriations will be provided at the Board meeting.

The Board Office and the legislative liaisons track all bills which may have an impact on the Regent institutions. The status of the high priority bills are described in this memorandum. Several bills of particular interest for the Board include:

REGENT APPROPRIATIONS BILLS

HF 2549 – Appropriations for Regents

This bill makes appropriations to state education agencies, which include the Board of Regents, Department of Education, College Student Aid Commission, and Department of Cultural Affairs. The bill includes Regent appropriations of \$687.8 million, which is \$15.5 million less than the Governor's recommendations.

Sponsor: Committee on Appropriations

Current Status: Passed House 3/28/00, Referred to Senate Appropriations Subcommittee, Rehberg, Horn, and McLaren.

Regent Position: **Recommend Monitor**

HF 2533 – Federal Appropriations for Regents

This bill appropriates money from federal block grants and other grants to the State Board of Regents and other state agencies. It includes amounts of \$3.8 million to the Agriculture Experiment Station and \$8.2 million to the Cooperative Extension Service at Iowa State University, \$241.0 million for general research and six other grants totaling \$0.5 million.

Sponsor: Committee on Appropriations

Current Status: Passed by House 3/21/00, Passed Senate 4/3/00. House Concurred H.8714, Passed House 4/5/00.

Regent Position: **Recommend Monitor**

SF 2429 – Appropriations to Department of Public Health

This bill appropriates funds to the Department of Public Health and includes appropriations to the University of Iowa Hospitals and Clinics of \$61,693 for the statewide perinatal program, \$392,931 for Mobile and Regional Child Health Specialty Clinics, \$279,402 for birth defects, and \$115,613 for muscular dystrophy and related genetic disease programs.

Sponsor: Committee on Appropriations

Current Status: Passed Senate 3/23/00, House Committee
Report Recommended Passage 3/28/00.

Regent Position: **Recommend Monitor**

SF 2428 – Appropriations to the Department of Economic Development

This bill includes appropriations of \$336,669 for the Research Park and \$271,770 Advanced Drug Development at the University of Iowa, \$1,211,869 for the Small Business Development Center, \$377,109 for the Research Park, and \$4,406,995 for the Institute for Physical Research at Iowa State University, and \$172,356 for the Metal Casting Institute and \$741,439 for the Institute of Decision Making at the University of Northern Iowa.

Sponsor: Committee on Appropriations

Current Status: Passed Senate 3/21/00, House Committee
Report Recommended Amendment, Passage,
3/29/00.

Regent Position: **Recommend Monitor**

SF 2430 – Appropriations to Department of Agriculture and Land Stewardship

Appropriations to the Department of Agriculture and Land Stewardship includes \$200,000 to Iowa State University for training commercial pesticide applicators, \$100,000 for research on Johne's disease, and \$150,000 for a rural hotline.

Sponsor: Committee on Appropriations

Current Status: Passed Senate 3/22/00, House Committee
Report Recommended Amendment, Passage
3/28/00.

Regent Position: **Recommend Monitor**

SF 2435 – Appropriations to Human Services

Of the funds appropriated in this bill, \$129,971 is allocated to the University of Iowa for the university-affiliated program to support the Iowa creative employment options.

Sponsor: Committee on Appropriations

Current Status: Passed Senate 3/28/00, House Committee Report Recommended Passage 4/3/00.

Regent Position: **Recommend Monitor**

HF 2555 – Tobacco Settlement Fund

Of the funds appropriated in this bill, \$437,000 is allocated for a Poison Control Center.

Sponsor: Committee on Appropriations

Current Status: Placed on Appropriations Calendar 3/30/00

Regent Position: **Recommend Monitor**

OTHER APPROPRIATIONS BILLS

SF 2433 – Oversight (ICN/Information Technology Department)

This bill provides appropriations to the Iowa Communications Network (ICN) and lowAccess. It also creates an operations revolving fund for an Information Technology Department if the department is created during the 2000 session.

Sponsor: Committee on Appropriations

Current Status: Passed Senate 3/22/00, House Committee Report Recommended Amendment, Passage 3/28/00.

Regent Position: **Recommend Monitor**

SF 2447 – Millennium Fund

This bill creates the vision Iowa fund and provides bonding authority to the Treasurer of State to finance the community attraction and tourism development programs from this fund. The bill also establishes a school infrastructure program and fund to provide financial assistance in the form of grants to certain school districts with infrastructure needs.

Sponsor: Iverson and Gronstal

Current Status: Committee Report Recommended Amendment, Passage 4/6/00. Deferred 4/6/00.

Regent Position: **Recommend Monitor**

HF 2545 – Administration and Regulations

This bill provides appropriations to various state agencies including the Auditor of State, Department of General Services, the Office of Governor, the Department of Management, the Department of Personnel, and the Department of Revenue and Finance. The bill continues the Iowa Educational Savings Plan Trust and decentralizes funding of workers' compensation.

Sponsor: Committee on Appropriations

Current Status: Passed House 3/28/00, Referred to Senate Appropriations Subcommittee, Rehberg, Horn, and McLaren.

Regent Position: **Recommend Monitor**

HF 2552 – Justice System

This bill includes appropriations to the Departments of Justice, Corrections, Public Defense, and Public Safety.

Sponsor: Committee on Appropriations

Current Status: Passed House 3/29/00, Referred to Senate Appropriations Subcommittee, Maddox, Dvorsky, and McLaren.

Regent Position: **Recommend Monitor**

NON-APPROPRIATION BILLS

SF 2230 – Exempt School Infrastructure Bonds from State Income Tax

Under this bill, bonds or notes issued by a school district for school infrastructure purposes would be exempt from state taxes.

Sponsor: Rehberg, King, and McKibben

Current Status: Referred to Subcommittee, McKibben, Flynn, and Johnson.

Regent Position: **Recommend Monitor**

SF 2249 – State Agency Purchasing Preference for Bio-based Hydraulic Fluids

This bill requires state agencies to give purchasing preference to soy-bean based hydraulic fluids, greases and other industrial lubricants.

Sponsor: Committee on Natural Resources and Environment

Current Status: Passed Senate 2/28/00, Passed House 4/3/00.

Regent Position: **Recommend Monitor**

SF 2274 – Declare Executive Order Related to Equal Opportunity Null and Void

This bill declares null and void gubernatorial executive orders relating to equal opportunity and affirmative action in state employment and uniform procedures for the waiver of administrative rules.

Sponsor: Iverson

Current Status: Passed Senate 3/1/00, Passed House 4/4/00.
Governor expected to veto.

Regent Position: **Recommend Monitor**

SF 2302 – Public Health Issues

This bill relates to programs and public health issues under the purview of the Iowa Department of Public Health. It eliminates the requirement of the Department to develop and establish area health education centers.

Sponsor: Committee on Human Resources.

Current Status: Passed Senate 3/6/00, Passed House 4/5/00 with S.5353.

Regent Position: **Recommend Monitor**

HF 2530 – Restructuring of Electric Utility Industry

This bill provides for de-regulation of electric utilities which will allow new pricing structures within a competitive market.

Sponsor: Committee on Commerce

Current Status: Placed on Calendar under Unfinished Business 3/16/00.

Regent Position: **Recommend Monitor**

SF 2367 – Information on Termination of Pregnancy Reporting

This bill amends the Iowa Code to provide more detailed information on the reporting of pregnancy termination.

Sponsor: Committee on Human Resources

Current Status: Passed Senate 3/14/00, Placed on House Calendar under Unfinished Business 3/23/00.

Regent Position: **Recommend Monitor**

SF 2395 – Information Technology Department

This bill establishes the Information Technology Department with an information technology council and sets forth definitions, powers, duties, and specific divisions of the department. It also stipulates that the Iowa Communications Network shall not be subject to the jurisdiction or control of any other state agency.

- Sponsor:** Committee on State Government
- Current Status:** Passed Senate 3/14/00, Passed House 4/6/00 with amendments.
- Regent Position:** **Recommend Monitor**

SF 2399- National Guard Education Assistance

This bill provides funding for the National Guard Tuition Aid Program.

- Sponsor:** Fraise and 17 Others
- Current Status:** Referred to Subcommittee, McLaren, Connolly, and Hedge.
- Regent Position:** **Recommend Monitor**

SF 2437 – State and Local Land Management Planning

This bill makes changes to the law relating to state and local land management planning and development. It establishes the state strategic development council, which is to oversee planning by state agencies involved in major public projects and prepare a state strategic development plan to be implemented by state agencies involved with major public projects.

Membership on the council is composed of representatives of the governor's office, the Department of Economic Development, the Department of Natural Resources, the Department of Transportation, the Department of Corrections, the Department of General Services, and the Office of the Secretary of Agriculture. Also, members on the council are to include the state historic preservation officer, a representative of the Board of Regents, and four members of the General Assembly.

- Sponsor:** Committee on Ways and Means
- Current Status:** Committee Report Approved 3/28/00, Fiscal Note 3/29/00
- Regent Position:** **Recommend Monitor**

SF 2439– Accelerated Career Education Program

This bill creates an Accelerated Career Education Program and fund to provide grants to Iowa students enrolled in a Community College or who are participants in the accelerated career education program.

Sponsor: Committee on Ways and Means

Current Status: Passed Senate 4/6/00.

Regent Position: **Recommend Monitor**

HCR 117 – Commission to Study State Replacement Funds

The concurrent resolution requests the Legislative Council to establish a commission to study and make recommendations concerning the impact of state replacement funds paid to local governments to offset the loss of property tax revenue due to the elimination of industrial machinery, equipment, and computers from the local property tax base.

Sponsor: Brauns and Bradley

Current Status: Laid Over Under Rule 25, 4/4/00.

Regent Position: **Recommend Monitor**

HF 2205 – Electronic Commerce

This bill makes Iowa Code changes related to electronic transactions by establishing requirements for electronic transactions, including digital signatures, and electronic records and providing penalties.

Sponsor: Jacobs

Current Status: Passed House 3/8/00, Placed on Senate Calendar under Unfinished Business 3/23/00.
Fiscal Note 4/4/00.

Regent Position: **Recommend Monitor**

HF 2206 – Waiver of Administrative Rules by State Agencies

This bill provide for the waiver of administrative rules by state agencies.

Sponsor: Administrative Rules Review Committee
Current Status: Passed House 3/16/00, Placed on Senate
Calendar under Unfinished Business 3/23/00.
Regent Position: **Recommend Monitor**

HF 2433 – Community College Governance

This bill requires a five-year statewide strategic plan at least once every five years for Iowa's community colleges and establishes a K-16 sharing incentives task force to recommend incentives to encourage institutional partnerships in order to share costs of career and technical programs. The bill directs the Board of Regents and the Department of Education to jointly support the task force.

Sponsor: Committee on Education
Current Status: Passed House 3/13/00, Placed on Senate
Calendar under Unfinished Business 3/23/00.
Regent Position: **Recommend Monitor**

HF 2437 – Parental Notification

The Board of Regents is directed to conduct a study and recommend methods for opening or expanding communications with parents or guardians of students under 21 years of age who are enrolled in postsecondary institutions.

Sponsor: Committee on Education
Current Status: Passed House 3/8/00, Passed Senate 4/6/00.
Regent Position: **Recommend Monitor**

HF 2463 – Duties of Department of Personnel

This bill makes several changes concerning the Department of Personnel and state employees. It modifies the responsibilities of the Department and adds that the Department will coordinate and manage the state's human resource information system and that it will establish and maintain a list of all employees of the executive branch of state government. The original bill was amended based on Regent proposed amendments to clarify the coordination of data collection from the Regent institutions.

Sponsor: Committee on State Government

Current Status: Passed House 3/14/00. Passed Senate 4/3/00.

Regent Position: **Recommend Monitor**

HF 2492 – Fire Service Institute

This bill relates to certain state and municipal agencies by making changes relating to the provision of and training for fire protection service and emergency medical service. This bill moves the Fire Service Institute from Iowa State University to the Department of Public Safety and allows current employees to transfer at a pay range commensurate with their duties.

All equipment owned by Iowa State University and used exclusively to conduct fire service training, classes, or business shall transfer to the Department of Public safety. The bill also requires the building and grounds known as the Fire Service Institute at Iowa State University, until July 1, 2003, be leased by Iowa State University to the Department of Public Safety at a cost not to exceed the actual cost of heating, lighting, and maintaining the building and grounds.

The bill provides that the state Department of Public Safety and the Board of Regents are to enter into a 28E agreement regarding payment of the outstanding lease obligation for the live-fire simulation trailer, which totals \$179,651 as of March 31, 2000.

Sponsor: Local Government.

Current Status: Passed House 3/2/00. Passed Senate 3/28/00. House Concurred H.8578, Passed House 3/29/00.

Regent Position: **Recommend Monitor**

HF 2513 – Uniform Commercial Code

This bill adopts revisions to Article 9 of the Uniform Commercial Code as proposed by the national conference of commissioners on uniform state laws. Article 9 governs the creation, priority, and enforcement of creditors' consensual liens. The proposed bill would make Regent bonds subject to the act and thus create new rights for bond holders and new responsibilities for the bond issuers. Regent bond counsel, Ahlers Law Firm, recommended that the Regents seek modification of the bill to provide for an exemption of its bonds. The General Assembly has adopted an amendment accomplishing this exemption.

Sponsor: Committee on Judiciary

Current Status: Passed House 3/8/00, Passed Senate 4/5/00.
House Concurred H.8754, Passed House
4/6/00.

Regent Position: **Recommend Monitor**

HSB 756 – Iowa Higher Education Loan Authority

This study bill amends the Iowa Code to add a section on obligations issued by the authority for both education loans and the facilities program to be double tax-exempt.

Sponsor: Proposed Committee on Ways and Means Bill
by Chairperson Van Fossen

Current Status: Raecker, Boal, and Frevert.

Regent Position: **Recommend Monitor**

Pamela M. Elliott

Approved: _____
Frank J. Stork

**BOARD OF REGENTS, STATE OF IOWA
FY 2001 Proposed Education Operating Appropriations Only**

	(1)	(2)	(3)	(4)	(5)	(6)
	Original FY 2000	Governor's Rec	House Proposed Bill	Difference Original FY 2000 vs. Governor (2-1)	Difference Original FY 2000 vs. House (3-1)	Difference Governor vs. House (3-2)
University of Iowa	\$ 310,948,862	312,885,862	305,556,439	1,937,000	(5,392,423)	(7,329,423)
Iowa State University	256,901,246	259,786,246	253,694,159	2,885,000	(3,207,087)	(6,092,087)
University of Northern Iowa	87,991,708	88,339,708	86,571,919	348,000	(1,419,789)	(1,767,789)
Iowa School for the Deaf	7,976,998	7,976,998	7,964,367	-	(12,631)	(12,631)
Iowa Braille and Sight Saving School	4,455,283	4,455,283	4,447,925	-	(7,358)	(7,358)
Board Office	1,287,045	1,287,045	1,284,586	-	(2,459)	(2,459)
Other (Regional Study Centers/Trans)	386,425	387,884	386,425	1,459	-	(1,459)
Tuition Replacement*	27,927,851	28,174,854	27,927,851	247,003	-	(247,003)
Total	\$ 697,875,418	703,293,880	687,833,671	5,418,462	(10,041,747)	(15,460,209)

* Governor's recommendation from the Infrastructure fund.

BOARD OF REGENTS STATE OF IOWA
 Education Appropriations as Passed by the House (HF 2549)

Original FY 2000 appropriations		\$ 697,875,418
Proposed operating appropriations		<u>687,833,671</u>
NET decrease in operating appropriations		(10,041,747)
Salaries (line item by institution)		
University of Iowa	\$ 8,383,339	
Iowa State University	6,825,305	
University of Northern Iowa	2,653,632	
Iowa School for the Deaf	156,067	
Iowa Braille and Sight Saving School	98,936	
Board Office/Regional Study Centers	<u>39,757</u>	
		<u>18,157,036</u>
Actual dollars listed in bill including salaries		<u>\$ 705,990,707</u>
NET new dollars proposed by legislature		<u>\$ 8,115,289</u>