

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: FY 2002 Operating Appropriations Requests - Iowa State University
Date: July 7, 2000

Recommended Action:

Consider the FY 2002 operating appropriations incremental requests for Iowa State University.

Executive Summary:

The Board's strategic plan outlines strategies for quality (KRA 1.0.0.0) and accountability (KRA 4.0.0.0) which include specific action steps related to appropriation requests. The proposed Iowa State University's FY 2002 appropriations requests reflect these strategic planning goals of the Board as well as those of the University, namely learning, discovery and engagement.

FY 2002 Incremental Requests

<u>Priority</u>		
1.	Full Funding of Salaries by State Appropriations for Nationally Competitive Faculty and Staff	To Be Determined
2.	Center of Excellence in Fundamental Plant Sciences - A World-Class Plant Sciences Institute	\$5,000,000
3.	Improving Iowans' Quality of Life: Healthy Life Start - Outreach in Childcare, Parenting, and Nutrition	\$1,000,000

Iowa State University's first priority for FY 2002 appropriations requests is to sustain excellence by achieving and maintaining **nationally competitive faculty and staff compensation** including salary and benefits. A request amount cannot be determined at this time because state salary policy will not be established until after negotiations for collective bargaining are concluded. Compensation for faculty and staff must be competitive among the University's peer institutions for ISU to successfully recruit, retain, and develop the quality of faculty and staff. Recently, ISU has been experiencing a twofold problem due to lack of competitiveness in salary: (1) loss of faculty and staff and (2) difficulty in recruiting faculty and staff of the highest quality.

Iowa State University's second priority is additional state funding of \$5.0 million for its **Center of Excellence in Fundamental Plant Sciences** – an important initiative if Iowa is to become the food capital of the world. The University is uniquely positioned to undertake this world-class initiative with predictable

success since ISU has considerable expertise in many areas of plant sciences and long-standing reputation and success in agronomy and seed sciences.

Iowa State University is proposing the **Healthy Life Start** initiative to improve Iowans' quality of life as its third priority. ISU's College of Family and Consumer Sciences would be able to supply research and educate parents about early childhood development. The three major components of this initiative focus on supporting infants and toddlers, parents, and communities.

These are ISU's top priority requests for state appropriations; however, they are not the only priorities of the University. ISU is committed to address various other institutional priorities in learning, discovery, and engagement particularly library acquisitions and information technology, by using non-appropriated revenues (primarily tuition).

The Board Office will continue to work with the University to refine these requests for Board action in September.

Background/Analysis:

	FY 2001 <u>Budget</u>	FY 2001 Direct State <u>Appropriations</u>	FY 2002 Incremental Appropriations <u>Request*</u>	% Increase for State <u>Approp.</u>
General University	\$317,674,798	\$202,542,308	\$6,000,000*	3.0
Experiment Station	41,159,969	37,029,596	*	
Cooperative Extension	31,691,276	23,386,276	*	
IPRT	4,474,108	4,474,108	*	
Special Purpose	<u>2,915,304</u>	<u>2,465,304</u>	<u>*</u>	
Total	\$397,915,455	\$269,897,592	\$6,000,000	2.2

*Does not include an amount for the salary funding request.

Request

**Full Funding of Salaries by State Appropriations for
Nationally Competitive Faculty and Staff**

To Be Determined

Iowa State University's first priority for sustaining excellence to meet the goals of its strategic plan is to achieve and maintain nationally competitive faculty and staff compensation including salary and benefits.

ISU's 2000-2005 strategic plan states that the University is committed to attracting and retaining world-class faculty and staff, along with competitive employee compensation and support for success, to achieve the aspiration of Becoming the Best Land-Grant University. Nationally competitive compensation packages are essential to achieving this objective.

Compensation for faculty and staff must be competitive among the University's peer institutions for ISU to successfully recruit, retain, and develop the quality of faculty and staff that is crucial in fulfilling the expectations ISU has set for itself in its strategic plan.

ISU's overall average of FY 2000 faculty salaries was 99% of the average of the peer universities, declining from 100% in FY 1998. While this average is slightly below the peer average, wide variances exist within disciplines and, in several critical areas, ISU is significantly below the mean of the peer institutions. If ISU is to "Become the Best Land-Grant University", compensation would need to be higher than the mean.

Recently, Iowa State University has been experiencing a twofold problem due to the lack of competitiveness in salary: (1) loss of faculty and staff and (2) difficulty in recruiting faculty and staff of the highest quality.

In the past year, individual faculty members have been lured away from the University with salary offers that are sometimes as much as twice their ISU salaries. Faculty members in Economics, Mathematics, Botany, Computer Science, and Foreign Languages and Literature have left Iowa State University because of higher offers of compensation. Significant retention packages had to be developed to keep faculty members at ISU in departments such as Chemistry, Agronomy, Horticulture, and Animal Science.

Without competitive salaries, the University loses ability to attract the best and the brightest faculty. In the last year, 30 departments trying to fill 52 faculty positions in 7 of the 8 colleges were unable to attract their first choice to Iowa State because the salary offered was not competitive. These positions were at all ranks and cover the range of disciplines from English to Mechanical Engineering, and Art and Design to Veterinary Pathology.

In FY 2001, the implementation of the state salary policy was significantly underfunded by the state. The University diverted nearly \$2.5 million in tuition revenue and internal reallocations to meet compensation requirements, which will require employees to absorb a very large share of health insurance cost increase. The University could not fulfill the commitments to students for using tuition increases for initiatives to increase educational quality, as approved by the Board.

ISU is currently below the mean on faculty salary increases. Preliminary salary information for FY 2001 shows that peer institutions will be providing comparable salary increases. ISU believes that it is imperative that the overall competitiveness of ISU's faculty and staff salaries be enhanced and that the salary increases be fully funded. The minimal salary objective would be to enhance salaries to reach the mean of peer institution salaries. If ISU is to aspire to its strategic plan, compensation should be enhanced enough to raise the University above the mean of its peer institutions.

**Excellence in Fundamental Plant Sciences -
A World-Class Plant Sciences Institute**

**Request
\$5,000,000**

Building a Center of Excellence in Fundamental Plant Sciences is an important initiative if Iowa is to become the food capital of the world. As the world enters the 21st century with an ever-growing population, there will be an increasing and urgent need to develop and expand food sources. Because carbohydrates from plants provide the basic resources for food, continuing research and development in the plant sciences is essential to meet the expanding demand.

In addition to food, plants also produce fiber for clothing as well as oil and other products that can provide energy in a sustainable manner while protecting the environment. Thus, whether they are interested in food, clothing, or energy resources, the potential and challenge of a carbohydrate-based economy captures the imagination of many of today's brightest young people. To realize their dream of such an economy, much more must be learned about the ways in which plants function.

Iowa State University's considerable expertise in many areas of plant sciences and long-standing reputation and success in agronomy and seed sciences, make it clear that the University is well positioned to undertake this world-class initiative with predictable success.

Much of Iowa's economy is based on plants and animals that consume those plants. Expanded research at ISU, focused on fundamental biochemical, physiological and molecular aspects of plant functions, will provide information to maintain and strengthen Iowa's plant-based agriculture into the future. The research will form the basis for development of new uses for crops and for improved genetics, improved pest resistance, improved performance during weather-related stresses, and ultimately improved crop production.

The DNA base sequence of the genome of the model plant, Arabidopsis, is becoming known completely. The challenge will be to use this rapidly developing information to understand how the expression of genes is controlled within plants. The development of plant artificial chromosomes could lead to new species of crop plants with novel and valuable characteristics.

The ISU Plant Sciences Institute will contribute to economic development in Iowa by:

- Developing a cluster of plant life science companies in Iowa with high paying jobs that keep Iowans in the state, particularly young people who presently leave the state in large numbers after completing their education.
- Promoting, through research, the vitality of rural communities by enhancing the profitability of agricultural producers/farmers with crops designed to meet specific needs for food, animal feed, and industrial uses.

Industrial uses for crops, such as bio-based products and bio-energy, will promote rural economic development with local processing of designer crops, as well as support energy security for the United States.

- Contributing \$10-20 million to Iowa's economy through grant and gift-supported faculty and staff positions in the Plant Sciences Institute.

In addition to this direct economic impact to the state, the Plant Sciences Institute will contribute to the state by:

- Enhancing the retention of existing companies by providing strong educational support and by strengthening the science focus and reputation of the State of Iowa and Iowa State University.
- Providing a tangible mechanism to achieve the Governor's vision for the State of Iowa to be the World Food Capital.
- Facilitating, due to the excitement created by the Plant Sciences Institute, the retention of the best minds -- both faculty and students -- in the State of Iowa and Iowa State University. ISU has successfully stopped efforts by other institutions to "raid" some of its best faculty. Also, almost 50 of the National Merit Scholars at ISU are in majors related to the Plant Sciences Institute.
- Creating synergy in the development of multi-institutional cooperation and partnerships nationally and internationally.
- Cooperating with the Iowa Department of Economic Development to attract new companies to Iowa.

ISU has established a goal to increase the annual support from the State of Iowa to the Plant Sciences Institute to \$10.0 million per year. The annual state funding for the Plants Sciences is \$4.67 million for FY 2001.

The goal for private gifts and endowments is \$100 million, to match the state appropriation over a ten-year period. ISU has made significant progress toward that goal including the anonymous gift of \$80 million to the Agronomy Department, a gift of \$10 million for the Center for Bioinformatics and Biological Statistics, a gift for an endowed chair position in biological statistics, an anonymous gift of \$5 million to the Seed Science Center, and \$3 million from the Roy J. Carver Trust for the Co-Laboratory.

The Plant Sciences Institute meets all of ISU's strategic planning goals of learning, discovery, and engagement.

- *Learning* - All faculty recruited and hired with Plant Sciences Institute funds are full members of academic departments with all of the normal expectations including teaching at both the undergraduate and graduate level.
- *Discovery* - The Plant Science Institute is significantly augmenting the research capability of ISU by bringing together new faculty in new areas and faculty across the University, including engineers, mathematicians, statisticians, computer scientists, to address problems relevant to the state of Iowa.
- *Engagement* - The Plant Science Institute has taken a leadership role in the Genetically Modified Organism (GMO) debate including organizing conferences, providing testimony at the Food and Drug Administration (FDA), and providing presentations in Iowa, nationally, and internationally.

The creation of an internationally renowned center of excellence in the fundamental plant sciences will vigorously advance understanding of the ways in which plants function and will support applied research in horticulture, agronomy, forestry, and plant pathology for the next century. The strategic investments will place the University in a position consistent with a high-profile image that will attract the best researchers to Iowa and will make it the center of choice for the best students who have an interest in developing the carbohydrate based economy.

**Improving Iowans' Quality of Life: Healthy Life Start -
Outreach in Childcare, Parenting, and Nutrition**

Request
\$1,000,000

According to the U.S. Census Bureau, Iowa is first in the nation in the percentage of working parents with young children. At the same time, our state's investment in the care and education of infants and toddlers is inadequate. As research continues to show that the years from birth to age three are critical for optimum development of intelligence and social skills, our state needs to undertake a bold initiative to improve parenting skills and care for the 30,000 Iowans born each year.

Iowa State University's College of Family and Consumer Sciences is uniquely positioned to supply research and educate parents about early childhood development. The College is proposing a major new statewide effort, the Healthy Life Start Initiative. The three major components focus on supporting infants and toddlers, parents, and communities.

This initiative works in conjunction with the service delivery components of the Department of Human Services, Department of Education, and Department of Public Health and does not duplicate work of any of those departments.

Iowa State University proposed this initiative for FY 2001; however, it was not funded.

Improve Infant and Toddler Care (\$382,000)

The component will expand ISU's nationally-accredited Child Development Laboratory School on campus to include infants and toddlers. Programs will be developed for parents, undergraduate students, childcare providers, and visitors to observe and replicate. Three faculty positions are requested (1) for undergraduate teaching; (2) to support programming throughout the state; and (3) to help parents understand health and nutrition needs of their children. One P&S position, one post-doctoral position, and two graduate assistants are also requested to support the expansion of the laboratory school and the outreach services provided by the faculty.

Expand Nutrition Home Visitor Programs (\$150,000)

A federally-funded food and nutrition education program currently operates in 33 Iowa counties to help 3,800 low-resource families with children under age 5. A cost-benefit analysis completed at Virginia State University recently showed that for every \$1 spent on this program, \$10.64 is saved in future health care costs. ISU proposes expanding this successful program by adding a parenting component to provide information on growth, development, discipline and guidance for young children.

Expanded Food and Nutrition Education Program (EFNEP) is a trusted program with participants and agencies, where questions about parenting are routinely asked of the paraprofessionals. Currently, the funding source targets nutrition

education. Additional state resources will allow ISU to include parenting modules within the curriculum for its high-risk audience.

Create a Parenting the First Year Newsletter (\$50,000)

Each year, more than 1,900 Iowa babies are victims of suspected child abuse or neglect before their first birthdays. At-risk parents are often first-time parents, teenage parents, those with low family income, single parents, or socially-isolated parents. A monthly 8-page newsletter originally developed at the University of Wisconsin, Parenting the First Year, has been shown to effectively educate hard to reach parents about proper physical, mental, and emotional development of infants. The newsletter covers information on social skills, nutritional needs, and includes guidance on breastfeeding and proper introduction of solid foods and health and safety. This component would begin a similar newsletter in Spanish to reach the 2,000 Hispanic families across the state.

Continue the National Network for Child Care Website (\$50,000)

This website (www.nncc.org) is housed on the ISU campus and serves as a clearinghouse for Extension information related to childcare nationwide. It contains more than 1,000 full text publications, with links to 400 related sites. Currently averaging more than 450,000 hits a month, it allows parents and child care givers to quickly research topics such as health and safety, children with special needs, school age care, child development, guiding and discipline, etc. The grant creating the site ended in January 1999, and funds are sought to continue and expand this vital service. ISU is currently minimally maintaining the site at the present time. Depending on the level of funding provided, ISU would like to make an interactive training site for child care providers and put the Child Care That Works video lessons on line.

Expand Research on Indicators for Developmental Problems of Preschoolers
(\$368,000)

There is a need for research on indicators for developmental problems. Most previous research has focused narrowly on family violence, substance abuse, and the role of early Head Start programs. ISU is proposing to research language and literacy skills for youth under the age of five, brain development, disabilities and infant health problems and provision of services in communities in order to make policy recommendations for improved birth to five programs in Iowa. The State of Iowa currently has a substantial investment in empowerment boards, youth services, and family resources centers; all of which would be key partners in the success of these efforts. ISU is requesting funding for two faculty members to work with the Family Policy Center on empowerment and other devolution initiatives; two post-doctoral positions to support the work of the faculty members, and a part-time assistant.

Deb A. Hendrickson

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Approved: _____

Frank J. Stork