

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Report on Legislative Session
Date: June 1, 2001

Recommended Action:

Receive the final report on the 2001 regular legislative session.

Executive Summary:

The General Assembly completed its 2001 regular session on May 8, 2001. The Iowa Constitution provides that the Governor has 30 days to sign any bill, passed by the General Assembly, presented to him during the last three days of a session. Most of the appropriations bills were passed during the last three days of the session.

On May 24, the Governor signed, with certain line item vetoes, the Education Appropriations Bill (SF 535), which provides the general operating funds for the Regent institutions. This bill reduces the FY 2001 Regent institutional base operating appropriations by approximately 6%, or \$41.7 million. The Governor vetoed language requiring Executive Council authorization prior to the sale of a radio broadcast license or station owned by a Regent institution.

The Governor also signed other appropriations bills that directly impact funding to Regent institutions. On May 29, the Governor signed the Capitals Bill (HF 742) that provides multi-year appropriations for capital projects at the Regent institutions totaling \$40.5 million. The Salary Bill (HF 746) and the Economic Development Bill (HF 718) were signed on May 30.

The Governor has scheduled June 19 as the date for the General Assembly to reconvene for an extraordinary session to consider a second plan for the redrawing of Iowa's congressional and legislative district boundaries and to address other issues identified by the governor and legislative leaders before the convening of the extraordinary session.

Further updates of gubernatorial actions concerning Regent appropriations will be provided at the Board meeting.

SF 535 – Education Appropriations

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 \$673.6 million, which is \$2.0 million less than the Governor’s revised FY 2002 recommendations and \$41.7 million less than the amounts received by the Regent institutions for FY 2001.

The bill eliminated funding (\$2.75 million) for the state’s work-study program. For the 1999-2000 academic year, the Regent universities reported that \$2.4 million from this program were utilized for over 1,800 student financial aid awards.

The Governor signed this bill with several line item vetoes.

HF 746 – Salary Appropriations

This bill makes appropriations for salary and health insurance increases for state employees and provides salary rates and ranges. The Governor and Department of Management, by statute, will determine the actual allocation to the Board of Regents and other state agencies.

This bill provides \$61.3 million from the state general fund and \$9 million from the underground storage tanks fund for new salary and health insurance funding, including the Board of Regents. It also has an appropriation of \$9 million to fund the terminal liability health insurance account. The amounts total \$79.3 million.

The Governor signed this bill with several line item vetoes.

HF 742 – Capitals Appropriations

Capital appropriations for the Regent institutions are contained in this bill, which includes \$13.5 million in FY 2002, \$18.9 million in FY 2003, and \$8.0 million in FY 2004, for capital projects for Regent institutions. Although some of the funding is provided through the state’s infrastructure fund, the bill provides for alternative funding sources – the tobacco settlement fund.

	FY 2002	FY 2003	FY 2004	Total
ISU College of Business	\$4,200,000	\$6,700,000	\$-	\$10,900,000
SUI Phase I of Art Building	4,453,000	7,910,000	3,653,000	16,016,000
UNI Steam Distribution Upgrade	3,990,000	4,320,000	4,390,000	12,700,000
ISD Utility System Replacement	250,000	-	-	250,000
ISD Tuckpointing	185,000	-	-	185,000
IBSSS HVAC System	<u>400,000</u>	<u>-</u>	<u>-</u>	<u>400,000</u>
	\$13,478,000	18,930,000	8,043,000	\$40,451,000

The bill also includes additional reporting requirements within the five-year capital budget requests.

The Governor signed this bill with several line item vetoes.

HF 718 – Economic Development Appropriations

This bill appropriates economic development funding, including \$7.1 million to the three Regent universities. Appropriations are provided for the Research Park (\$320,560) and Advanced Drug Development (\$259,262) at the University of Iowa; the Small Business Development Center (\$1.1 million), the Research Park (\$362,155), and the Institute for Physical Research (\$4.2 million) at Iowa State University; and the Metal Casting Institute (\$166,249) and the Institute of Decision Making (\$711,672) at the University of Northern Iowa. These appropriations are approximately \$0.5 million or 6% less than the FY 2001 amounts.

The Governor signed this bill with several line item vetoes.

HF 719 – Oversight and ICN Appropriations

This bill provides appropriations to the Iowa Communications Network (ICN) and IowaAccess. Moneys appropriated from the pooled technology account are allocated in descending priority order for use during FY 2002. The University of Northern Iowa is second on the list with \$1.5 million allocated to the University for developing a 21st century learning initiative. The University of Northern Iowa is required to consult with the Information Technology Department and the Department of Education in continuing this initiative.

The Governor signed this bill with several line item vetoes.

HF 755 – Standings Appropriations

This bill adjusts the tuition replacement appropriations to the Board of Regents contained in the Education Appropriations Bill (SF 535). Current legislation enables the Tobacco Settlement Authority, created last year, to sell tax-exempt bonds and deposit the proceeds into a restricted capital funds account of the newly established tobacco settlement trust fund. This bill appropriates \$600,330 for part of tuition replacement from future tax-exempt bond proceeds that will be deposited in the tobacco settlement trust fund. The remaining appropriation for tuition replacement, \$26.1 million, would continue to be paid from the state general fund.

The Governor signed this bill with certain line item vetoes.

NON-APPROPRIATION BILLS

HF 579 – Department of Personnel/Diversity

This bill provides a number of changes to the department of personnel's administrative responsibilities and, as modified by the Senate, adds language to the Iowa Code that requires the Board of Regents and the Department of Personnel to report on diversity and multicultural accomplishments in addition to affirmative action. It also identifies that the reports are to include funding sources, itemized costs, and administrative costs for these programs.

The Governor signed this bill.

HF 670 - Nontraditional Practitioner and Administrator Preparation Programs

This bill relates to nontraditional teacher instruction programs, including the licensure of individuals who are participating in or have successfully completed a program. It prescribed minimum guidelines for the nontraditional preparation programs including length of academic coursework, internship experience, supervision/evaluation of interns, and written agreements.

The Governor vetoed this bill.

HF 687 - Accountable Government

This bill establishes the Accountable Government Act, which provides statutory mechanisms for state government to “most effectively and efficiently respond to the needs of lowans and continuously improve state government performance.” It outlines responsibilities for strategic planning and performance measurement, which requires the adoption of strategic plans and establishment of performance measures, performance targets, and performance data. The bill also requires periodic performance audits, performance data validation, and annual performance reports that state the agency’s progress in meeting performance targets and achieving its goals. Language in the bill ties the state budgetary process and agency budget estimates to the strategic plans outlined, and states that the estimates are to be accompanied by a description of the measurable results to be achieved as well as an explanation of how the budget estimates meet the goals in the strategic plan.

Another aspect of the Act provides that methodologies, based on return on investment and cost-benefit analysis, are to be utilized for making major investment decisions. This would include independent verification and validation of investment results as well as reporting to the Governor and Legislative Fiscal Bureau.

The bill allows the Board of Regents to oversee and implement the provisions of the Act for the Regent institutions.

Gubernatorial action is pending as of this memorandum date.

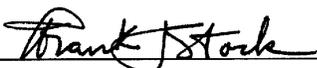
SF 476 – Student Achievement and Teacher Quality Program

This bill creates a student achievement and teacher quality program that acknowledges that outstanding teachers are a key component in student success. The program's goals are to enhance student achievement and to redesign compensation strategies and teachers' professional development. Such compensation strategies are designed to attract and retain high performing teachers, to reward teachers for improving their skills and knowledge in a manner that translates into better student learning, and to reward the staff of school attendance centers for improvement in student achievement. Funding for this program is provided through a \$40 million appropriation from the Tobacco Settlement Trust Fund contained in HF 413.

The bill requires a Regent Study of Practitioner Preparation Credit Transfer, but does not provide funding for it.

The Governor signed this bill.


Pamela M. Elliott

Approved: 
Frank J. Stork