

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Report on Legislative Session
Date: March 4, 2002

Recommended Action:

Receive the monthly report on the 2002 Legislative Session.

Executive Summary:

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| State Budget Issues | <p>The state is experiencing a sharp downturn in its projected revenue growth, the lowest revenue growth in 50 years. The financial impact of such slow state revenue growth affects state funding for FY 2002, including the Regent institutions.</p> <p>The Revenue Estimating Conference (REC) met on February 21 to review FY 2002 and FY 2003 estimated General Fund revenues. The REC revised downward the net revenues for the two fiscal years by a total of \$253.2 million.</p> |
| Additional FY 2002 Cuts | <p>SF 2304 - the deappropriation bill passed by the General Assembly and signed by the Governor addresses the FY 2002 shortfall. This bill:</p> <ul style="list-style-type: none"> • Reduces the Regent universities and Board Office state appropriations by \$6.4 million through a 1% across-the-board reduction. The Special Schools were exempt from that reduction. • Reduces expenditures by an additional amount that would have been generated by furloughs. The law identifies that the Department of Management is to calculate the allocations for this reduction. While the original version of the legislation mandated furloughs, the enactment makes furloughs permissive, not required. This change was strongly supported by the Regents. The Regent institution heads do not plan to implement furloughs. • Deletes Iowa State University's unencumbered infrastructure funds of \$2.8 million for the construction of the livestock infectious disease isolation facility. |
| FY 2002 Budgets Already Cut | <p>Prior to this enactment in FY 2002, the Regent institutions operating budgets have suffered reductions in state appropriations of \$69 million. Passage of this bill raises that total to over \$80 million, approximately a 12% reduction. During this year alone, the universities have already eliminated 682 faculty and staff positions and cut numerous other expenditures, while educating 1,731 more students than the previous year.</p> |

Implementation of Recent Reductions Institution heads and the Executive Director will present comments to the Board regarding likely strategies to enact the most recent reductions.

FY 2003 Actions The Governor and possibly legislative majority party leaders are expected to announce plans for their FY 2003 budgets before the Board's March meeting. Updated information will be presented orally at the Board meeting.

Legislative Timetable The legislature has established two dates for completion of most committee work, known as funnel dates:

- February 22 is the final date for House bills to be reported out of House committees and Senate bills out of Senate committees;
- March 15 is the final date for Senate bills to be reported out of House committees and House bills out of Senate committees.

The Board Office and the institutions track all bills that may have an impact on the Regent institutions.

SF 2118 – Human Cloning The bill makes the destruction of an embryo for research purposes illegal and imposes criminal penalties. It also makes it illegal for a person to "Transfer or receive, in whole or in part, any oocyte, human embryo, fetus, or human somatic cell, for the purpose of human cloning." The proposed legislative language in this bill would be more prohibitive than federal policy. This bill is still under consideration by the General Assembly.

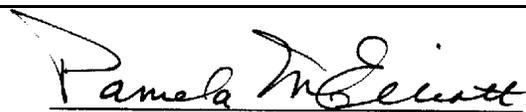
Board Position: Oppose

HF 2328 – Free 4-H Extension Services The bill mandates that all services for 4-H programs through Iowa State University must be provided free of charge. This bill did not make it through the funnel, and is not eligible for further debate.

Board Position: Oppose

SF 2168 – UIHC Bonding This bill seeks legislative authorization, pursuant to Chapter 263A, for the Board to issue \$100 million of Hospital Revenue Bonds over a period of years. This bill is still under consideration by the General Assembly.

Board Position: Support


Pamela M. Elliott

Approved: 
Gregory S. Nichols