

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Report on Legislative Session
Date: March 3, 2003

Recommended Actions:

1. Receive the monthly report on the 2003 Legislative Session.
 2. Approve the recommended Board positions.
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Executive Summary:**Governor's Budget**

The Governor released his budget recommendations for FY 2004 on January 31st. His recommendations proposed an essentially status quo budget with some additional resources for education, health care, and the environment.

The Governor's recommendation included the creation of the Iowa Values Fund, a public/private partnership to begin the transformation of the state's economy, and to commit \$500 million to this fund to be invested in the next five years.

On January 27, the Governor announced a \$50 million component of the Iowa Values Fund involving the Regent universities.

In late February, a joint task force of the legislature and executive branch (to which Regent Executive Director was invited to participate) began working on creating a plan with similar goals, at a larger dollar amount.

Legislative Timetable

Appropriation targets are expected the week of March 3. Additional information on these budget targets and related issues regarding Regent appropriations and legislation will be provided at the Board meeting on March 12.

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

- March 14 is the final date for House bills to be reported out of House committees and Senate bills out of Senate committees;
- April 11 is the final date for Senate bills to be reported out of House committees and House bills out of Senate committees.

The session is expected to end early in May.

Monitoring
Numerous Bills

The Board Office and the institutions track all bills that may have an impact on the Regent institutions and are currently monitoring over 200 bills.

Economic
Development Activities

Several bills have been introduced related to economic development, with the intent to strengthen technology transfer. Legislative liaisons and Board Office will continue to monitor these. Two of the bills could particularly negatively impact the Board and the universities and are described in the following pages.

Regent leaders have made numerous formal and informal presentations to legislative groups this session. Formal presentations are listed below.

Subcommittee
Presentations

<u>Presentation Dates</u>	<u>Legislative Committee</u>	<u>Presenters</u>
January 29	Education Appropriations Subcommittee	Board & Special Schools Superintendents
January 30	Economic Development Appropriations Subcommittee	University economic development personnel
February 4	Senate Economic Growth Committee	University economic development personnel
February 13	Education Appropriations Subcommittee	Board & University Presidents
February 18	Senate Economic Growth Committee	University economic development personnel
February 19	Transportation, Infrastructure, and Capitals Appropriations Subcommittee	Board & Institutional Heads

Background/Analysis:

Governor's Budget

The Governor released his budget recommendations for FY 2004 on Friday, January 31st.

His Leadership Agenda is focused in four areas:

- Transforming the Iowa Economy — Double the number of workers with college experience and create 100,000 high-paid, high-skill jobs that require two years of higher education.
- Continuing to Improve Education — 90% of students will complete at least two years of higher education.
- Expanding Access to Health Care — All Iowans will have access to quality health care.
- Renewing the state's Commitment to the Environment — Eliminate impaired waters list by 2010.

The Governor's recommendations, related to the Regents, include:

- Status quo funding for university operating budgets, including FY 2003 incremental salary funding from continuing base appropriations.
- A funding increase for the special schools of 2% similar to the allowable growth for K-12 schools.
- Support for competitive salaries to attract and retain quality faculty and staff at the Regent institutions by recommending full funding of Regent salaries for FY 2004.
- Continuation of most previously appropriated capitals.
- No new capital projects.
- De-appropriation of the \$7 million authorized by the 2002 General Assembly for FY 2004 to repay Regent bonding for the ISU Engineering and Teaching and Research, Phase II project but provides tuition replacement funding to pay the debt service on the bonds.
- Reinstatement of the work-study program to help students earn money for college while learning job skills.
- Creation of the Iowa Values Fund, a public/private partnership to begin the transformation of the state's economy, and commit \$500 million to this fund to be invested in the next five years.

On Monday, January 27, the Governor announced a \$50 million component of this fund that involves life sciences initiatives at the Regent universities.

Certain Economic Development Bills

SF 50
Board of Regents
Coordinator

This bill creates Board of Regents Coordinator in the Department of Economic Development.

Many responsibilities cited in this bill overlap significantly with Board and university responsibilities resulting in significant duplication of effort.

Recommended Board Position: Oppose

SF 113
Office of Science and
Technology

This bill creates an Office of Science and Technology within the Department of Economic Development.

Many responsibilities cited in this bill overlap significantly with Board and university responsibilities resulting in significant duplication of effort.

Recommended Board Position: Oppose

Other Bills

SF 150/HF 211
Centralized State
Delivery System

These bills are the result of recommendations by the Program Elimination Committee and present a centralized statewide system for delivering a wide range of services, including Regent operations (e.g. printing, information technology, mail, human resource benefits/payroll, financial accounting, property management, fleet management and purchasing).

Recommended Board Position: Oppose

SF 158
Eliminates Sale of
Medical Services

This bill prohibits the Board of Regents from competing with private enterprise relating to the sale of medical services. The bill could be understood to prohibit operations of any student health service as well as the University of Iowa Hospitals and Clinics.

Recommended Board Position: Oppose

SSB 1107/HSB 192
Department of
Administrative
Services

These bills establish the Department of Administrative Services. An initial reading of the bills does not exclude the Regent institutions from control.

Recommended Board Position: Monitor Closely

SSB 1115/HSB 188
Raises Bid Threshold

This bill raises the bid threshold from \$25,000 to \$100,000 for construction projects. It would allow the universities to use a less costly process to obtain bids for construction projects under \$100,000.

Recommended Board Position: Support


Pamela M. Elliott

Approved: 
Gregory S. Nichols