

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Report on Legislative Session
Date: May 7, 2001

Recommended Action:

Receive the report on the 2001 Legislative Session.

Executive Summary:

The General Assembly may complete its 2001 session during the week of May 7. If so, the anticipated deadline for the Governor to take action on the appropriations bills would be sometime in early June.

The Education Appropriations Bill, SF 535, which provides the majority of the state funding for the Regent institutions, has been passed both by the Senate and the House. This bill, as passed, reduces the FY 2001 institutional base operating appropriations by approximately 6% or \$41.7 million, including tuition replacement. Other appropriations bills, such as the Economic Development Bill (HF 718), also reduce institutional base operating appropriations by about 6%.

The Capitals Bill, HF 742, as passed by the House, contains \$40.5 million for the Regent top priority projects at each of the institutions to be cash flowed over three years. (Details on page 2.)

The House has passed the Salary Bill, HF 746, which contains total funding of approximately \$ 71.3 million for salary increases and health insurance premium increases across state government, and the terminal liability health insurance account. The Governor had originally recommended \$91 million for new salary and health insurance funding. This bill is before the full Senate for debate.

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

Background and Analysis:

The Board Office and the legislative liaisons track all bills which may have an impact on the Regent institutions. The status of the appropriations bills and other high priority bills are described in this memorandum.

REGENT APPROPRIATIONS BILLS

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 recommendations and \$41.7 million less than FY 2001. Attachment A is a spreadsheet concerning Regent appropriations.

This bill has passed the House and the Senate.

HF 742 – Capitals Appropriations

Capital appropriations for the Regent institutions are contained in this infrastructure 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.

	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	400,000	-	-	400,000
	<u>\$13,478,000</u>	<u>18,930,000</u>	<u>8,043,000</u>	<u>\$40,451,000</u>

This bill has passed the House and is awaiting Senate debate.

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, as passed by the House, contains \$46.8 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 but excluding the judicial branch of state government. It also contains \$6.5 million from the state general fund for the judicial branch salary increases and has an appropriation of \$9 million to fund the terminal liability health insurance account.

It is now before the full Senate for debate.

HF 718 – Economic Development Appropriations

This bill appropriates economic development funding including \$7.1 million to the three Regent universities for the Research Park and Advanced Drug Development at the University of Iowa; the Small Business Development Center, the Research Park, and the Institute for Physical Research at Iowa State University; and the Metal Casting Institute and the Institute of Decision Making at the University of Northern Iowa. These appropriations are approximately \$0.5 million or 6% less than the FY 2001 amounts.

This bill has passed the House and the Senate.

HF 719 – Oversight and ICN Appropriations

This bill provides appropriations to the Iowa Communications Network (ICN) and lowAccess. Moneys appropriated from the pooled technology account are allocated in descending priority order for use during the FY 2002. The University of Northern Iowa is second on the list with \$1,500,000 allocated to the university for developing a 21st century learning initiative.

This bill has passed the House and the Senate.

HF 755 – Standings Appropriations

This bill adjusts the tuition replacement appropriations to the Board of Regents contained in the Education 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. The remaining appropriation for tuition replacement, \$26.1 million, would be paid from the state general fund.

This bill has passed the House and is before the full Senate for debate.

NON-APPROPRIATION BILLS

SF 114 – Medical Advisory Councils

This bill makes several Code changes involving the University of Iowa. The bill also updates references to members on the Medical Assistance Advisory Council due to name changes or termination of the existence of any member organizations.

The Governor has signed this bill.

HF 270 – Deletion of State Criminal Statistics Reporting Requirements

HF 270 deletes the state laws that currently require accredited postsecondary institutions in Iowa to file federal reports about criminal statistics with the state Department of Human Rights.

The Governor has signed this bill.

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.

This bill has passed the House and the Senate.

HF 670 - Nontraditional Practitioner Preparation

This bill relates to nontraditional teacher instruction programs, including the licensure of individuals who are participating in or have successfully completed a program.

This bill has passed the House and the Senate.

HF 687 - Accountable Government

This bill establishes a new Code chapter 8E, "Accountable Government Act." The Act directs the Department of Management to develop a state plan to provide for the review of state government agency performance and operations with a system of strategic planning, performance measurement, investment, and oversight. Agencies are expected to carry out plans and achieve goals by using performance targets and performance measures.

This bill has passed the House and is before the full Senate for debate.

SF 476 - Teacher Compensation Policy/Teacher Testing

This bill raises the salaries for first-year teachers, ties compensation to teacher performance, and specifies that each teacher must develop a career development plan. The bill requires a Regent Study of Practitioner Preparation Credit Transfer.

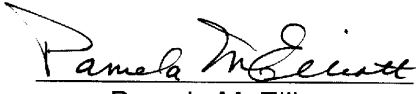
This bill has passed the Senate and is before the full House for debate.

HF 697 – New Economy Council

This bill directs the council to work with the Board of Regents and Regent institutions to review, evaluate, and monitor business outreach and assistance programs, including university technology transfer programs. The focus is to strengthen collaboration among business and industry and Iowa's research institutions to facilitate economic growth.

This bill provides for a Regent representative as one of the eleven senior-level decision makers, who are voting members of the council. There are another five ex-officio, nonvoting members.

The bill has passed the House and has been placed on the Senate calendar under unfinished business.


Pamela M. Elliott

Approved: 
Frank J. Stork

BOARD OF REGENTS
Details of Appropriations

	FY 2001	FY 2002		
	ACTUAL 2001 APPROP	GOVERNOR'S ORIG RECOMM.	GOVERNOR'S REVISED FY 2002 RECOMM.	LEGISLATIVE FY 2002 RECOMM.
	Totals	Totals	Totals	SF 535 As Passed by House 5/2
EDUCATION APPROPRIATION				
UNIVERSITY OF IOWA				
GENERAL UNIVERSITY (includes Public Health)	255,836,163	255,836,163	237,029,085	241,123,493
UNIVERSITY HOSPITAL	33,040,152	33,040,152	33,040,152	31,057,743
PSYCHIATRIC HOSPITAL	8,411,522	8,411,522	8,411,522	7,906,831
HOSPITAL SCHOOL	7,487,966	7,487,966	7,487,966	7,038,688
OAKDALE CAMPUS	3,207,848	3,207,848	3,207,848	3,015,377
HYGIENIC LABORATORY	4,203,122	4,203,122	4,203,122	3,950,935
FAMILY PRACTICE	2,460,405	2,460,405	2,460,405	2,312,781
SCHS - CANCER, HEMOPHILIA, HIGH RISK INFANT	689,890	689,890	689,890	648,497
PRIMARY HEALTH CARE	916,974	916,974	916,974	861,956
AG HEALTH AND SAFETY	284,452	284,452	284,452	-
STATE OF IOWA CANCER REGISTRY	217,012	217,012	217,012	203,991
SUB ABUSE CONSORTIUM	77,286	77,286	77,286	72,649
BIOCATALYSIS	1,084,871	1,084,871	1,084,871	1,019,779
BIRTH DEFECTS REGISTRY	53,266	53,266	53,266	50,070
	317,970,929	317,970,929	299,163,851	299,262,790
UNIVERSITY OF IOWA				
IOWA STATE UNIVERSITY				
GENERAL UNIVERSITY (includes Plant Sciences)	202,542,308	205,542,308	189,432,441	190,789,770
AG. EXP. STATION	37,029,596	37,029,596	37,029,596	34,807,820
COOP. EXT SERVICE	23,386,276	23,386,276	23,386,276	21,983,099
LEOPOLD CENTER	579,843	579,843	579,843	545,052
LIVESTOCK DISEASE RESEARCH	279,773	279,773	279,773	262,987
	263,817,796	266,817,796	250,707,929	248,388,728
UNIVERSITY OF NORTHERN IOWA				
GENERAL UNIVERSITY	90,643,431	90,643,431	85,222,513	85,454,825
RECYCLING & REUSE	251,754	251,754	251,754	236,649
	90,895,185	90,895,185	85,474,267	85,691,474
UNIVERSITY OF NORTHERN IOWA				
IOWA SCHOOL FOR THE DEAF	8,178,008	8,178,008	7,695,239	7,695,239
IOWA BRAILLE & SIGHT SAVING SCHOOL	4,568,379	4,568,379	4,298,696	4,298,696
Subtotal: INSTITUTIONS	685,430,297	688,430,297	647,339,982	645,336,927
REGIONAL STUDY CENTERS	379,168	379,168	356,785	356,418
BOARD OF REGENTS OFFICE	1,321,335	1,321,335	1,243,333	1,242,055
CLOTHING AND TRANSPORTATION	16,941	16,941	15,941	15,941
REGENT OPERATING TOTALS	687,147,741	690,147,741	648,956,041	646,951,341
TUITION REPLACEMENT	28,174,854	27,356,714	26,681,714	26,681,714
TOTAL EDUCATION	715,322,595	717,504,455	675,637,755	673,633,055

BOARD OF REGENTS
Details of Appropriations

	FY 2001	FY 2002		
	ACTUAL 2001 APPROP	GOVERNOR'S ORIG	GOVERNOR'S REVISED	LEGISLATIVE FY 2002 RECOMM. HF 718 As Passed by House 5/1
ECONOMIC DEVELOPMENT APPROPRIATIONS				
	Totals		Totals	
UNIVERSITY OF IOWA				
ADV DRUG DEVELOPMENT	275,811	275,811	275,811	259,262
OAKDALE RESEARCH PARK/INNOVATION CENTER	341,021	341,021	341,021	320,560
	616,832	616,832	616,832	579,822
IOWA STATE UNIVERSITY				
INSTITUTE FOR PHYSICAL RESEARCH AND TECH	4,474,108	4,474,108	4,474,108	4,205,662
SBDC	1,220,417	1,220,417	1,220,417	1,147,192
RESEARCH PARK/ISIS	385,271	385,271	385,271	362,155
	6,079,796	6,079,796	6,079,796	5,715,009
UNIVERSITY OF NORTHERN IOWA				
METAL CASTING	176,861	176,861	176,861	166,249
INSTITUTE OF DECISION MAKING	757,098	757,098	757,098	711,672
	933,959	933,959	933,959	877,921
TOTAL ECONOMIC DEVELOPMENT	7,630,587	7,630,587	7,630,587	7,172,752
EDUCATION AND ECONOMIC DEVELOPMENT	722,953,182	725,135,042	683,268,342	680,805,807