

MEMORANDUM

To: Board of Regents

From: Board Office

Subject: Report on Legislative Session

Date: May 8, 2000

Recommended Action:

Receive the final report on the 2000 Legislative Session.

Executive Summary:

The General Assembly completed its 2000 session on April 26, 2000. The deadline for the Governor to sign the bills passed by the General Assembly is May 26, 2000.

State general fund FY 2001 direct appropriations to the Regents for operations, tuition replacement, and salary increases total at least \$721.0 million as follows: Education Appropriations of \$695.4 million, Economic Development Appropriations of \$7.5 million, and Salary Appropriations ranging from \$18.2 million to \$19.7 million. These appropriations represent a 2.2% increase from the original FY 2000 base appropriations. As indicated in G.D. 13, state salary policy requires approximately a 4% average increase.

Capital appropriations for the Regent institutions are contained in the Infrastructure bill (SF 2453), which includes \$16.2 million in FY 2001, \$15.6 million in FY 2002, and \$11.4 million in FY 2003, for capital projects as detailed in the following table:

<u>Item</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>Total</u>
SUI Biology Building	\$4,400,000	\$7,300,000	\$3,000,000	\$14,700,000
ISU Gilman Hall - Chemistry	8,500,000	2,500,000	-	11,000,000
ISU Planning – College of Business	300,000	-	-	300,000
UNI McCollum Science Hall	2,700,000	5,800,000	8,400,000	16,900,000
ISD Replacement of water system	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>250,000</u>
Total	\$16,150,000	\$15,600,000	\$11,400,000	\$43,150,000

The Technology Appropriations bill (SF 2433) includes a \$1,000,000 allocation to the University of Northern Iowa for developing a 21st century learning initiative, which is identified as the second priority project to be funded from a pooled technology account created in this bill consisting of all reversions from state departments for FY 2000. This initiative was part of the Governor's recommendation for the proposed Information Technology Department. The bill language requires that UNI consult with the Division of Information Technology Services of the Department of General Services, and the Department of Education in developing this initiative.

Other appropriations bills allocate funds to Regent institutions for FY 2001 to be distributed through various state agencies. The Agriculture Appropriations bill provides \$450,000 for FY 2001 to Iowa State University for training commercial pesticide applicators, support for research of Johnes disease, and support for a rural concern hotline for farm families facing financial crisis. The Department of Public Health Appropriations bill provides \$734,026 to the University of Iowa for health-related support, and the Human Services Appropriations bill provides \$129,971 to the University of Iowa for Iowa Creative Employment Options.

Summaries detailing appropriations are included in Attachments A and B.

Attachment A compares the Regent education appropriations in HF 2549 with the original FY 2000 Regent appropriations. The bill outlines appropriations for the Regent institutions that are \$2.7 million less than the FY 2000 appropriations, exclusive of salary increases. Attachment B details the appropriations from the Economic Development Appropriations bill to the Regent institutions, which are \$313,259 less than FY 2000 appropriations.

The salary bill (SF 2450) appropriates \$42.2 million to state agencies with the Regents allocation estimated to be between \$18.2 million ad \$19.7 million for funding salary increases. To fully fund the state salary policy increase of 4% at the Regent institutions, exclusive of health insurance increases, funding from state appropriations would have to total \$27.4 million.

Attachment B (SF 2428) includes appropriations to the Regent institutions for economic development units which reduces appropriation levels by \$313,259 from FY 2000 appropriation levels.

The Regents legislative liaisons – Gary Steinke, Andrew Baumert, Mark Braun, and Keith Saunders – should be congratulated for their hard work.

REGENT APPROPRIATIONS BILLS

The following appropriations bills passed both houses and await the Governor's action:

HF 2549 – Appropriations for Regents

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 \$695.4 million, which are \$7.9 million less than the Governor's recommendations.

SF 2428 – Appropriations to the Department of Economic Development

This bill includes appropriations of \$336,669 for the Research Park and \$271,770 Advanced Drug Development at the University of Iowa, \$1,211,869 for the Small Business Development Center, \$377,109 for the Research Park, and \$4,406,995 for the Institute for Physical Research at Iowa State University, and \$172,356 for the Metal Casting Institute and \$741,439 for the Institute of Decision Making at the University of Northern Iowa.

SF 2429 – Appropriations to Department of Public Health

This bill appropriates funds to the Department of Public Health and includes appropriations to the University of Iowa Hospitals and Clinics of \$61,693 for the statewide perinatal program, \$392,931 for Mobile and Regional Child Health Specialty Clinics, \$279,402 for birth defects, and \$115,613 for muscular dystrophy and related genetic disease programs.

SF 2430 – Appropriations to Department of Agriculture and Land Stewardship

Appropriations to the Department of Agriculture and Land Stewardship includes \$200,000 to Iowa State University for training commercial pesticide applicators, \$100,000 for research on Johne's disease, and \$150,000 for a rural hotline.

SF 2433 – Oversight (ICN/Information Technology Department)

This bill provides appropriations to the Iowa Communications Network (ICN) and lowAccess. It also creates an operations revolving fund for an Information Technology Department if the department is created during the 2000 session. This bill provides \$1,000,000 to the University of Northern Iowa for developing a 21st century learning initiative.

This initiative was part of the Governor's recommendation for the proposed Information Technology Department. The bill language requires that UNI consult with the Division of Information Technology Services of the Department of General Services, and the Department of Education in developing this initiative.

SF 2435 – Appropriations to Human Services

Of the funds appropriated in this bill, \$129,971 is allocated to the University of Iowa for the university-affiliated program to support the Iowa Creative Employment Options program.

SF 2447 – Millennium Fund

This bill creates the vision Iowa fund and provides bonding authority to the Treasurer of State to finance the community attraction and tourism development programs from this fund. The bill also establishes a school infrastructure program and funds to provide financial assistance in the form of grants to certain school districts with infrastructure needs.

HF 2545 – Administration and Regulations

This bill provides appropriations to various state agencies including the Auditor of State, Department of General Services, the Office of Governor, the Department of Management, the Department of Personnel, and the Department of Revenue and Finance. The bill continues the Iowa Educational Savings Plan Trust and decentralizes funding of workers' compensation. It provides \$1.9 to Regent institutions for this purpose.

HF 2552 – Justice System

This bill includes appropriations to the Departments of Justice, Corrections, Public Defense , and Public Safety.

The following appropriations bills have been signed by the Governor:

SF 2450 – Salary Bill

This bill appropriates \$42.2 million, or so much as may be necessary, to fund pay increases for state employees.

The Regents portion of salary adjustment appropriations is expected to be between \$18.2 million and \$19.7 million; this amount will not fully fund the state salary policy for the Regents.

HF 2533 – Federal Appropriations for Regents

This bill appropriates money from federal block grants and other grants to the Board of Regents and other state agencies. It includes amounts of \$3.8 million to the Agriculture Experiment Station and \$8.2 million to the Cooperative Extension Service at Iowa State University, \$241.0 million for general research and six other grants totaling \$0.5 million.

NON-APPROPRIATION BILLS

The following bills passed both houses and await the Governor's action:

SF 2439– Accelerated Career Education Program

This bill creates an Accelerated Career Education Program and funds to provide grants to Iowa students enrolled in a community college or students who are participants in the accelerated career education program.

HF 2205 – Electronic Commerce

This bill makes Iowa Code changes related to electronic transactions by establishing requirements for electronic transactions, including digital signatures, and electronic records and providing penalties.

HF 2206 – Waiver of Administrative Rules by State Agencies

This bill provides for the waiver of administrative rules by state agencies.

HF 2433 – Community College Governance

This bill requires a five-year statewide strategic plan at least once every five years for Iowa's community colleges and establishes a K-16 sharing incentives task force to recommend incentives to encourage institutional partnerships in order to share costs of career and technical programs. The bill directs the Board of Regents and the Department of Education to jointly support the task force.

HF 2437 – Parental Notification

The Board of Regents is directed to conduct a study and recommend methods for opening or expanding communications with parents or guardians of students under 21 years of age who are enrolled in postsecondary institutions.

HF 2463 – Duties of Department of Personnel

This bill makes several changes concerning the Department of Personnel and state employees. It modifies the responsibilities of the Department and adds that the Department will coordinate and manage the state's human resource information system and that it will establish and maintain a list of all employees of the executive branch of state government. The original bill was amended based on Regent proposed amendments to clarify the coordination of data collection from the Regent institutions.

The following bills have been signed by the Governor:

SF 2249 – State Agency Purchasing Preference for Bio-based Hydraulic Fluids

This bill requires state agencies to give purchasing preference to soy-bean based hydraulic fluids, greases and other industrial lubricants.

SF 2302 – Public Health Issues

This bill relates to programs and public health issues under the purview of the Iowa Department of Public Health. It eliminates the requirement of the Department to develop and establish area health education centers.

SF 2395 – Information Technology Department

This bill establishes the Information Technology Department with an information technology council and sets forth definitions, powers, duties, and specific divisions of the department. It also stipulates that the Iowa Communications Network shall not be subject to the jurisdiction or control of any other state agency.

HF 2492 – Fire Service Institute

This bill relates to certain state and municipal agencies by making changes relating to the provision of and training for fire protection service and emergency medical service. This bill moves the Fire Service Institute from Iowa State University to the Department of Public Safety and allows current employees to transfer at a pay range commensurate with their duties.

All equipment owned by Iowa State University and used exclusively to conduct fire service training, classes, or business shall transfer to the Department of Public safety. The bill also requires the building and grounds known as the Fire Service Institute at Iowa State University be leased by Iowa State University to the Department of Public Safety, until July 1, 2003, at a cost not to exceed the actual cost of heating, lighting, and maintaining the building and grounds.

The bill provides that the state Department of Public Safety and the Board of Regents are to enter into a 28E agreement (Iowa Code authorization allowing joint exercise of governmental powers) regarding payment of the outstanding lease obligation for the live-fire simulation trailer, which totals \$179,651 as of March 31, 2000.

HF 2513 – Uniform Commercial Code

This bill adopts revisions to Article 9 of the Uniform Commercial Code as proposed by the national conference of commissioners on uniform state laws. Article 9 governs the creation, priority, and enforcement of creditors' consensual liens. The proposed bill would make Regent bonds subject to the act and thus create new rights for bond holders and new responsibilities for the bond issuers. Regent bond counsel, Ahlers Law Firm, recommended that the Regents seek modification of the bill to provide for an exemption of its bonds. The General Assembly has adopted an amendment accomplishing this exemption.


Pamela M. Elliott

Approved: 
Frank J. Stork

Attachment A
Board of Regents, State of Iowa
FY 2001 Education Appropriations

	REGENT	GOVERNOR		LEGISLATIVE ACTION	
	FY 2000 Base	FY 2001 Gov Rec	FY 2001 Increment	Final Version HF 2549 4/26/00	Final Version vs. FY 2000
<u>UNIVERSITY OF IOWA</u>					
GENERAL UNIVERSITY	248,481,025	248,718,025	237,000	247,817,103	(663,922)
UNIVERSITY HOSPITAL	32,679,312	32,679,312	-	32,515,915	(163,397)
PSYCHIATRIC HOSPITAL	8,241,465	8,241,465	-	8,241,465	-
HOSPITAL SCHOOL	7,305,037	7,305,037	-	7,305,037	-
OAKDALE CAMPUS	3,169,417	3,169,417	-	3,169,417	-
HYGIENIC LABORATORY	4,074,514	4,074,514	-	4,074,514	-
FAMILY PRACTICE	2,398,895	2,398,895	-	2,398,895	-
SCHS	655,199	655,199	-	655,199	-
PRIMARY HEALTH CARE	901,405	901,405	-	901,405	-
AG HEALTH AND SAFETY	279,690	279,690	-	279,690	-
STATE OF IOWA CANCER REGISTRY	214,020	214,020	-	214,020	-
SUB ABUSE CONSORTIUM	75,536	75,536	-	75,536	-
BIOCATALYSIS	1,074,259	1,074,259	-	1,074,259	-
DRIVING SIMULATOR	297,104	297,104	-		(297,104)
PUBLIC HEALTH INITIATIVE	1,050,000	2,750,000	1,700,000		(1,050,000)
BIRTH DEFECTS REGISTRY	51,984	51,984	-	51,984	-
UNIVERSITY OF IOWA	310,948,862	312,885,862	1,937,000	308,774,439	(2,174,423)
<u>IOWA STATE UNIVERSITY</u>					
GENERAL UNIVERSITY	194,030,960	194,445,960	415,000	196,418,464	2,387,504
AG. EXP. STATION	36,252,371	36,252,371	-	36,184,371	(68,000)
COOP. EXT SERVICE	23,561,869	23,561,869	-	22,821,278	(740,591)
LEOPOLD CENTER	576,969	576,969	-	576,969	-
LIVESTOCK DISEASE RESEARCH	279,077	279,077	-	279,077	-
PLANT SCIENCES	2,200,000	4,670,000	2,470,000	-	(2,200,000)
IOWA STATE UNIVERSITY	256,901,246	259,786,246	2,885,000	256,280,159	(621,087)
<u>UNIVERSITY OF NORTHERN IOWA</u>					
GENERAL UNIVERSITY	87,742,830	88,090,830	348,000	87,811,041	68,211
RECYCLING & REUSE	248,878	248,878	-	248,878	-
UNIVERSITY OF NORTHERN IOWA	87,991,708	88,339,708	348,000	88,059,919	68,211
IOWA SCHOOL FOR THE DEAF	7,976,998	7,976,998	-	7,964,367	(12,631)
IOWA BRAILLE & SIGHT SAVING SCHOOL	4,455,283	4,455,283	-	4,447,925	(7,358)
Subtotal: INSTITUTIONS	668,274,097	673,444,097	5,170,000	665,526,809	(2,747,288)
REGIONAL STUDY CENTERS	369,484	369,484	-	369,484	-
BOARD OF REGENTS OFFICE	1,287,045	1,287,045	-	1,284,586	(2,459)
CLOTHING AND TRANSPORTATION	16,941	18,400	1,459	16,941	-
TUITION REPLACEMENT	27,927,851	28,174,854	-	28,174,854	247,003
REGENTS EDUCATION APPROPRIATIONS	697,875,418	703,293,880	5,171,459	695,372,674	(2,502,744)

Attachment B
Board of Regents, State of Iowa
FY 2001 Economic Development Appropriations

UNIVERSITY OF IOWA

ADVANCED DRUG DEVELOPMENT
OAKDALE RESEARCH PARK/INNOVATION CENTER
Subtotal UNIVERSITY OF IOWA

IOWA STATE UNIVERSITY

INSTITUTE FOR PHYSICAL RESEARCH AND TECH
SMALL BUSINESS DEVELOPMENT CENTER
RESEARCH PARK/ISIS
Subtotal IOWA STATE UNIVERSITY

UNIVERSITY OF NORTHERN IOWA

METAL CASTING
INSTITUTE OF DECISION MAKING
Subtotal UNIVERSITY OF NORTHERN IOWA

TOTAL REGENT ECONOMIC DEVELOPMENT

REGENT	GOVERNOR	LEGISLATIVE ACTION	
<u>FY 2000</u>	<u>FY 2001 Gov's Rec.</u>	<u>SF 2428 As passed</u>	<u>Final Version vs. FY 2000</u>
283,094	283,094	271,770	(11,324)
<u>350,697</u>	<u>350,697</u>	<u>336,669</u>	<u>(14,028)</u>
633,791	633,791	608,439	(25,352)
4,590,620	4,590,620	4,406,995	(183,625)
1,262,364	1,262,364	1,211,869	(50,495)
<u>392,822</u>	<u>392,822</u>	<u>377,109</u>	<u>(15,713)</u>
6,245,806	6,245,806	5,995,973	(249,833)
179,537	179,537	172,356	(7,181)
<u>772,332</u>	<u>772,332</u>	<u>741,439</u>	<u>(30,893)</u>
951,869	951,869	913,795	(38,074)
7,831,466	7,831,466	7,518,207	(313,259)