

Contact: Patrice Sayre

ARRA FUNDING PROPOSALS

Action Requested: Consider approval of the following proposals for spending American Recovery and Reinvestment Act of 2009 funds by the State University of Iowa.

Executive Summary

On February 17, 2009, President Obama signed into law the American Recovery and Reinvestment Act of 2009. Through the Governor and the 2009 Legislative Session, the Regent institutions received \$80,280,000 in State Fiscal Stabilization Funds for Education.

A public institution of higher education that receives funds under ARRA shall use the funds for education and general expenditures, and in such a way as to (1) mitigate the need to raise tuition and fees for in-state students, or for (2) modernization, renovation, or repair of institution of higher education facilities that are primarily used for instruction, research, or student housing, including modernization, renovation and repairs that are consistent with ARRA guidelines. The Governor has emphasized the first assurance as the preferred focus of spending.

Iowa has been selected as one of 16 states and localities for which the Government Accountability Office will detail the use of funds made available in the Act.

In accepting ARRA funds, the Board of Regents must comply with all the accountability, transparency, and reporting requirements that apply to the program. To provide accountability and transparency, Regent institutions are working with state agencies to develop guidelines and databases, as well as setting up internal processes. Among those internal processes, proposals for modernization, renovation, or repair at Regent public universities that spend \$1 million or more are submitted to the Board of Regents for approval.

The State University of Iowa is seeking approval to spend ARRA funds on:

1. Academic Computing - \$3 million
2. Medical Lab Faculty Start Up - \$1 million

Background

The University of Iowa was appropriated \$35.5 million in ARRA funding for use in FY 2010. The University used \$20 million of that amount to help its General Education Fund and other state-supported units transition to FY 2011 while minimizing disruptions for students and immediate layoffs. Another portion of the ARRA funding was set aside to fund proposals that emerged from a competitive process as the best ideas to promote both the longer term purposes of ARRA and the University of Iowa strategic plan. The results of the competitive process will help shape a leaner and stronger university.

Academic and administrative units submitted more than 200 proposals, totaling \$100M, for the \$15.5M in available ARRA funding. President Mason, informed by the recommendations of the provost and the senior vice president, who were in turn informed by the evaluations of a campus-

wide review committee and by deans' intra-collegiate ratings, approved 18 proposals. The successful proposals total \$14.0M (\$1.5M is set aside for later allocation). By creating efficiencies and new opportunities, the proposals will help the University aggregate budgets, avoid \$2.6M in recurring costs, and generate \$2.7M in net revenue beginning in FY 2011. The budget savings and net revenue generation will enable the University to avoid greater than inflationary tuition rate increases for resident undergraduate students in FY 2011. Proposals with an infrastructure component of \$1M or more are:

1. Academic Computing Requested ARRA funding - \$3,000,000
To preserve its competitive position in research and teaching, the University must continue to develop its capabilities in cyber-infrastructure:

 - Data center facilities for high-performance computing in the sciences, engineering, and humanities (e.g., Walt Whitman Archive) to process and analyze voluminous amounts of data;
 - electronic systems to store the data; and
 - faculty and student network access that will increase high speed connectivity tenfold (to 1000Mb/s from the current campus standard of 100Mb/s).

This will increase student learning and research opportunities and will also bolster the University's ability to attract external grants.

2. Med Labs Faculty Start-up Requested ARRA funding - \$1,000,000
3,500SF will be renovated to aid in the recruitment of a director for the new Diabetes Center and accompanying commitments for diabetes research that follow on the recent \$25 million gift commitment from the Fraternal Order of Eagles. Moreover, UI will hire faculty and staff in anticipation of the opening of the Iowa Institute for Biomedical Discovery. ARRA funding for these efforts will create 30 new positions that will occupy the created research space—three faculty and 27 accompanying staff.