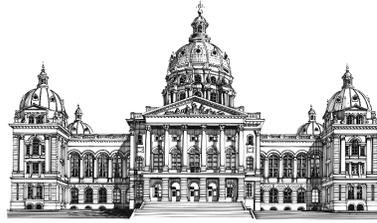


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# Iowa Legislative Fiscal Bureau

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State Capitol  
Des Moines, IA 50319  
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## Iowa State University 3x5 Program

### ISSUE

A review of the use of the appropriation for the Iowa State University (ISU) 3x5 Program, the comprehensive agricultural research program that funding was initiated for in FY 1990 and completed in FY 1995.

### AFFECTED AGENCY

Iowa State University (ISU), of the State Board of Regents

### CODE AUTHORITY

Section 262.9, Code of Iowa

### BACKGROUND

Beginning in FY 1990, the Iowa General Assembly initiated the funding for a comprehensive agricultural research program at ISU, often referred to as the 3x5 Program. The "3x5" name was developed due to the original financial goal of \$3.0 million new funding over a five-year period for a grand total of \$15.0 million. Due to State budget limitations and budget reductions during this period, \$13.4 million of new funding was appropriated over a six-year period.

The original mission of the 3x5 Program was progress towards certain economic, environmental, and social goals. Each year when new funding was added to the Agricultural Experiment Station, a budget was developed for the 3x5 Program, exclusive of the year before. Five years of budget documentation was provided upon request, representing FY 1990 through FY 1995. Since the Program did not receive additional money in FY 1992, this **Review** does not include references to that year. University representatives indicate that the use of funding categories delineated in **Table 1** for FY 1990 - FY 1995 represent approximately the use of funding in FY 1996 and future years. **Attachment I** provides a year-by-year review of expenditures by the various departments which were provided new funding from the 3x5 Program.

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**CURRENT SITUATION**

Representatives of ISU indicate the original mission of the 3x5 Program continues at the current time. **Table 1** reviews by year the funds assigned to the four general areas within the Program, and an overall total.

**Table 1****Use of 3x5 Program Funding**

| <b>General Area</b>                    | <b>1990</b> | <b>1991</b> | <b>1993</b> | <b>1994</b> | <b>1995</b> | <b>Total</b> |
|--|-------------|-------------|-------------|-------------|-------------|--------------|
| Basic Biotechnology and Molec. Biology | 33.67%      | 55.99%      | 30.80%      | 22.86%      | 15.18%      | 33.35%       |
| Public Policy and Rural Develop.       | 30.86       | 14.19       | 14.39       | 27.36       | 21.36       | 20.24        |
| Utilization and Agric. Commod.         | 14.57       | 12.93       | 23.05       | 14.92       | 23.72       | 17.69        |
| Sustainable Ag and Environment         | 20.90       | 16.88       | 31.76       | 34.86       | 39.74       | 28.72        |

The four areas include:

- Basic Biotechnology and Molecular Biology: Investments in plant and animal research and laboratories.
- Public Policy and Rural Development: Assisting private citizens and public officials to interpret public policies and private actions.
- Utilization and Agricultural Commodities: Lowering the percentage of raw commodity exports and increase the percentage of higher-value exports.
- Sustainable Agriculture and Environment: Building a more broad, integrated approach to helping farmers assess the effects of management alternatives.

**POSSIBLE AREAS OF INTEREST**

**Table 2** provides a few items of interest by fiscal year which are not included in **Attachment I**. The amounts specified within **Table 2** are not included within **Attachment I**. The two added together equal the amount representatives of ISU concluded were appropriated for the 3x5 Program. Although the figures do not totally agree with Legislative Fiscal Bureau tracking by year, the grand total differs by less than \$100,000, and for purposes of this **Review**, the numbers provided by ISU are used. Due to across-the-board reductions as well as targeted deappropriations and internal reallocations, it was not possible to derive an agreed upon total appropriation for the 3x5 Program since it was merged with the Agricultural Experiment Station appropriation by ISU.

Table 2

## Particular Expenditures within the 3x5 Program

| Expenditure    | 1990        | 1991        | 1993        | 1994        | 1995        | Total        |
|----------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Admin. Charges | \$167,349   |             | \$20,000    | \$351,138   |             | \$538,487    |
| Utilities      | 85,000      |             |             |             |             | 85,000       |
| Salaries       |             | \$530,831   | 125,000     | 141,900     | \$75,000    | 872,731      |
| Min. Program   |             |             |             | 48,000      |             | 48,000       |
| Swine Center   |             |             |             | 175,000     | 125,000     | 300,000      |
| Admin. Expense |             |             |             |             | 195,356     | 195,356      |
| Total          | \$252,349   | \$530,831   | \$145,000   | \$716,038   | \$395,356   | \$2,039,574  |
| Attachment I   | 1,147,651   | 3,169,169   | 2,700,742   | 2,283,962   | 2,104,644   | 11,406,168   |
| Grand Total    | \$1,400,000 | \$3,700,000 | \$2,845,742 | \$3,000,000 | \$2,500,000 | \$13,445,742 |

**Administrative Charges:** The representatives of ISU indicate that all administrative charges relate to the Agricultural Experiment Station and not general administration. This annual \$538,487 is in addition to the annual allocation of \$5.5 million used for salaries of the \$13.4 million appropriation.

**Utilities:** The representatives of ISU indicate that this \$85,000 was used to open the remodeled portion and addition to the Dairy Industries Building.

**Underfunding of Salaries:** The Legislative Fiscal Bureau has reviewed the salary allocations received by Iowa State University and between FY 1991 and FY 1995, the general university operating budget received \$9.9 million in excess of actual salary expenditures. This was during the same time that ISU used \$872,731 off-the-top of the new funding for the 3x5 Program for a salary shortfall. Representatives of the University indicate that \$325,333 (in FY 1991) of the \$872,731 was for utility costs related to the Center for Crop Utilization Research (CCUR) and for the Agronomy Building Addition. Another \$100,000 was for equipment purchases, therefore using \$447,398 for a non-existent salary shortfall.

**Minority Program:** This Program is in conjunction with the 1890 Land Grant Universities located in the southern United States, to provide summer internships, faculty development, and tuition scholarships to attract minorities into agricultural programs at ISU. The year of 1890 reflects the timing of the establishment of the Universities.

**Swine Industry Center:** When this Center was approved by the Board of Regents in 1994, the information provided to the Board indicated that no new funding was necessary to operate the Center. The University indicated it would use the existing resources and outside grants. The 3x5 Program has contributed \$300,000 annually to the Center since that time as well as an FY 1997 appropriation by the General Assembly for an additional \$100,000 for an annual funding of \$400,000. Another \$20,000 is budgeted from the Healthy Livestock Program appropriation.

**Administrative Current Expense:** This is a pool of funds used in strategic areas as determined necessary.

## PERSONNEL COSTS

**Table 3** provides a personnel cost to the 3x5 Program which shows by year the percentage of the appropriation placed within the categories of research assistantships, faculty positions, and staff support positions. There are personnel costs also associated with a category of "Special Allocations" which are not easily identified and are not included within **Table 3**. The dollars represent all three categories of the funds appropriated and the percentages represent all three

categories of personnel compared to the total new appropriation for each year. The totals represent the same compared to the overall budget provided by ISU.

**Table 3**

**Personnel Costs Attributed to the 3x5 Program**

| <b>Category</b>             | <b>1990</b> | <b>1991</b> | <b>1993</b> | <b>1994</b> | <b>1995</b> | <b>Total</b> |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Personnel                   | \$593,999   | \$1,040,169 | \$883,542   | \$1,553,381 | \$1,477,644 | \$5,548,735  |
| % of Total<br>Appropriation | 42.43%      | 28.11%      | 31.05%      | 51.78%      | 59.11%      | 41.27%       |

**REALLOCATION DETERMINATION**

The representatives of ISU have provided a partial listing of employees paid for by the 3x5 Program appropriation. The list includes a number of FTE positions which were already employed by ISU in some capacity. A determination as to whether these shifted employees were replaced at the salary previously paid to the one holding the position, paid at a salary greater or lesser than previously paid, or not replaced is difficult. It is possible that some of the previous salary funds now used to employ staff of the 3x5 Program were internally reallocated for other purposes determined by the administration and approved by the Board of Regents, essentially supplanting funds rather than supplementing the budget with the new funds. For example, at the 1996 July Board of Regents meeting the Board approved the FY 1997 internal budget, which included \$6.6 million of internal reallocations. This reallocation process has taken place for several years.

**ALTERNATIVES**

The General Assembly may wish to review the:

- Four categories of expenditures within the 3x5 Program, and alter if desired to change the priorities previously established.
- Limit the amount of the administrative costs and salary funding used from the \$13.4 million appropriation for the 3x5 Program.
- Require an annual report to review the outcomes produced by the 3x5 Program and review the previously established priorities periodically.

**BUDGET IMPACT**

None of the alternatives would have a budget impact if the General Assembly changed the priorities and permitted ISU to retain all of the funds while using them for different purposes.

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Iowa State University 3x5 Program

## IOWA STATE UNIVERSITY 3x5 PROGRAM USE OF STATE APPROPRIATION

| Department                                   | 1990     | 1991      | 1993     | 1994     | 1995      | Total     |
|--|----------|-----------|----------|----------|-----------|-----------|
| Economics                                    | \$77,624 | \$167,400 | \$45,175 | \$26,000 | \$160,000 | \$476,199 |
| Animal Ecology                               | 55,000   | 30,000    | 30,000   | 30,000   | 84,000    | 229,000   |
| Botony                                       | 25,000   | 3,000     |          |          |           | 28,000    |
| Biochemistry                                 | 123,447  | 18,000    | 16,000   | 47,591   | 113,000   | 318,038   |
| Genetics/Zoology                             | 193,466  | 28,000    | 29,000   | 115,105  | 79,000    | 444,571   |
| Sociology                                    | 118,459  | 17,000    | 23,500   | 52,085   | 89,240    | 300,284   |
| Statistics                                   | 1,000    | 9,000     | 3,000    | 17,000   | 35,000    | 65,000    |
| Engineering                                  | 2,800    | 44,000    | 40,000   |          |           | 86,800    |
| Agronomy                                     | 78,799   | 134,000   | 88,000   | 135,000  | 25,000    | 460,799   |
| Animal Science                               | 40,886   | 44,000    | 65,000   | 66,000   | 150,000   | 365,886   |
| Microbiology                                 | 4,606    | 42,000    |          |          | 189,000   | 235,606   |
| Food Technology                              | 42,019   |           |          |          |           | 42,019    |
| Entomology                                   | 3,050    | 25,000    | 65,000   | 240,500  | 115,000   | 448,550   |
| Forestry                                     | 1,150    | 23,000    | 12,000   | 14,000   | 60,000    | 110,150   |
| Family and Consumer Science                  | 1,600    | 5,000     |          | 30,000   | 22,100    | 58,700    |
| Horticulture                                 | 12,500   | 14,000    | 159,996  | 142,000  | 30,000    | 358,496   |
| Information Services                         | 78,000   | 15,000    | 40,000   | 39,340   |           | 172,340   |
| Plant Pathology                              | 3,700    | 133,000   | 115,000  |          | 81,567    | 333,267   |
| Meat Export Research Center                  | 9,501    | 34,000    |          |          |           | 43,501    |
| Center for Crop Utilization Research         | 7,360    | 15,000    |          |          |           | 22,360    |
| Center for Agriculture Rural Development     | 5,559    | 27,000    | 26,000   |          | 75,000    | 133,559   |
| Agriculture Education                        | 23,585   | 14,000    | 20,369   | 40,000   | 22,000    | 119,954   |
| Environment Task Force                       | 9,000    |           |          |          |           | 9,000     |
| CholeCystoKinin Studies                      | 2,500    |           |          |          |           | 2,500     |
| Iowa Beef Industry                           | 18,000   |           |          |          |           | 18,000    |
| Adams County                                 | 2,000    |           |          |          |           | 2,000     |
| USSR Exchange                                | 40,000   |           |          |          |           | 40,000    |
| Rural Health Center                          | 58,040   | 79,000    |          | 30,000   | 54,300    | 221,340   |
| Renovation, Repair, and Alteration           | 100,000  |           | 200,000  | 468,569  | 150,000   | 918,569   |
| Biotechnology Council                        |          | 1,600,000 | 100,000  |          |           | 1,700,000 |
| Food Science and Human Nutrition             |          | 54,769    | 90,000   | 44,500   | 25,000    | 214,269   |
| Seed Science Center                          |          | 41,000    | 10,000   | 30,000   | 54,737    | 135,737   |
| Research Support Service                     |          | 8,000     |          | 21,722   |           | 29,722    |
| Outlying Research Center                     |          | 25,000    |          | 60,000   | 215,200   | 300,200   |
| Utilization Center for Agricultural Products |          | 50,000    | 150,000  | 70,000   |           | 270,000   |
| Agricultural Engineering                     |          | 176,000   |          | 64,550   | 50,000    | 290,550   |
| Computer Support                             |          | 135,000   |          |          | 23,000    | 158,000   |
| Innovative Grants                            |          | 150,000   |          |          |           | 150,000   |
| Ankeny Dairy Farm                            |          |           | 40,000   |          |           | 40,000    |
| Chinese Pig Project                          |          |           | 50,000   |          |           | 50,000    |
| Faculty Start-ups                            |          |           | 239,000  |          |           | 239,000   |
| Biotechnology                                |          |           | 100,000  |          |           | 100,000   |
| Lab Animal Resources                         |          |           | 10,000   |          |           | 10,000    |
| Agricultural Development                     |          |           | 15,000   |          |           | 15,000    |
| Farm Services                                |          |           | 105,000  |          |           | 105,000   |
| Agricultural Administration                  |          |           | 20,000   |          |           | 20,000    |
| Independent Crop Science Congress            |          |           | 5,000    |          |           | 5,000     |
| Molecular Cell Development Biology           |          |           | 3,500    |          |           | 3,500     |

## IOWA STATE UNIVERSITY 3x5 PROGRAM USE OF STATE APPROPRIATION

| Department                               | 1990               | 1991               | 1993               | 1994               | 1995               | Total               |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| T. Tipton                                |                    |                    | 1,000              |                    |                    | 1,000               |
| Women in Science Program                 |                    |                    | 10,000             |                    |                    | 10,000              |
| Farm Land Ownership Study                |                    |                    | 40,000             |                    | 6,500              | 46,500              |
| I.M. Sande                               |                    |                    | 55,000             |                    |                    | 55,000              |
| Unassigned Equipment                     |                    |                    | 679,202            |                    |                    | 679,202             |
| Microbiology, Immunology, and Prev. Med. |                    |                    |                    | 76,000             |                    | 76,000              |
| Instrumentation Center                   |                    |                    |                    | 5,000              |                    | 5,000               |
| Rural Development                        |                    |                    |                    | 304,000            |                    | 304,000             |
| Toxicology                               |                    |                    |                    | 3,000              |                    | 3,000               |
| Agriculture & Biosystems Engineering     |                    |                    |                    | 112,000            |                    | 112,000             |
| Economic Farm Management                 |                    |                    |                    |                    | 48,000             | 48,000              |
| Kellogg Farm Equipment                   |                    |                    |                    |                    | 50,000             | 50,000              |
| Agriculture Experiment Station           |                    |                    |                    |                    | 80,000             | 80,000              |
| Other Miscellaneous                      | 9,000              | 9,000              | 0                  | 0                  | 18,000             | 36,000              |
| <b>Grand Total</b>                       | <b>\$1,147,651</b> | <b>\$3,169,169</b> | <b>\$2,700,742</b> | <b>\$2,283,962</b> | <b>\$2,104,644</b> | <b>\$11,406,168</b> |