

Contact: Andrea Anania

MINUTES OF FEBRUARY 2-3, 2011, BOARD MEETING

FEBRUARY 2, 2011

**TELEPHONIC MEETING
HOST SITE: BOARD OFFICE
11260 AURORA AVENUE
URBANDALE, IOWA**

FEBRUARY 3, 2011

**IOWA CITY SHERATON HOTEL
210 SOUTH DUBUQUE STREET
IOWA CITY, IOWA**

Board Members

Bonnie Campbell
Robert Downer
Jack Evans
Michael Gartner
Ruth Harkin
Greta Johnson
Craig Lang
David Miles
Rose Vasquez

February 2, 2011

Connected
Connected
Connected
Present at Host Site
Present at Host Site
Connected
Connected
Present at Host Site
Absent

February 3, 2011

Present
Present
Present
Present
Present
Present
Absent
Present
Via phone

Staff Members

Andrea Anania, Brad Berg, Marcia Brunson, Aimee Clayton, Tim Cook, Bob Donley, Sheila Doyle Koppin, Tom Evans, Diana Gonzalez, Joe Murphy, Joan Racki, Keith Saunders, Patrice Sayre, Todd Stewart, Ilene Tuttle

Regent Institutions

SUI Sally Mason, P. Barry Butler, Ken Fisher, Lyndsay Harshman, Ken Kates, Carroll Reasonor, John Rigby, Jean Robillard, Paul Rothman, Chet Rzonka, Chad Sharp, Doug True

ISU Gregory Geoffroy, Elizabeth Hoffman, Warren Madden, Peter Orazem, Dawn Bratsch-Prince, Luke Roling

UNI Ben Allen, Joel Anderson, Virginia Arthur, Gloria Gibson, Michael Hager, Kent Johnson, Mary Losch, Tom Schellhardt, Kevin Shannon

ISD via phone: Jeanne Prickett, Jim Heuer

IBSSS Patrick Clancy, Don Boddicker

The corresponding docket memorandum for each agenda item, an integral component of the minutes, is available on the Board of Regents website: <http://www.regents.iowa.gov/>.

Copies of these memoranda can also be obtained from the Board Office by calling 515-281-3934.

Call to Order

President Miles called the Board of Regents telephonic meeting to order at 1:05 p.m. on February 2, 2011.

Roll Call:

<u>Regent</u>	<u>Campbell</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Johnson</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>
Present	x	x	x	x*	x*	x	x	x*	
Absent									x

*Present at the host site.

President Miles noted that evaluations of the institutional heads and the executive director have been deferred until the March Board meeting.

University of Iowa Hospitals and Clinics Committee

The University of Iowa Hospitals and Clinics Committee met at this time.

President Miles adjourned the meeting at 2:30 p.m.

Call to Order

President Miles called the Board of Regents meeting to order at 8:35 a.m. on February 3, 2011.

Roll Call:

<u>Regent</u>	<u>Campbell</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Johnson</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>
Present	x	x	x	x	x	x		x	
Absent							x		x

CLOSED SESSION

- MOVED by EVANS, SECONDED by HARKIN, to enter into closed session pursuant to:
 - ◆ Iowa Code §21.5(1)(c) to discuss strategy with counsel in a matter that is presently in litigation and in matters where litigation is imminent and its disclosure would likely prejudice or disadvantage the Board's position in that litigation; and
 - ◆ Iowa Code §20.17(3) to conduct a strategy meeting of a public employer for collective bargaining.

<u>Regent</u>	<u>Campbell</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Johnson</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>
Aye	x	x	x	x	x	x		x	
Absent							x		x

MOTION APPROVED by ROLL CALL.

President Miles reconvened the Board in open session at 9:30 a.m.

Audit/Compliance and Investment Committee

The Audit/Compliance and Investment Committee met at this time.

Board Receipt of Audit/Compliance and Investment Committee Report

- MOVED by EVANS, SECONDED by HARKIN, to:
 - ◆ Approve a diversified intermediate investment pool as an alternative to the 100% fixed-income quasi-endowment pool at the University of Iowa;
 - ◆ Use of State Street Index Funds as well as Vanguard Funds for diversified investment options; and
 - ◆ Receive the Audit/Compliance and Investment Committee report.

<u>Regent</u>	<u>Campbell</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Johnson</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>
Aye	x	x	x	x	x	x		x	
Absent							x		x

MOTION APPROVED by ROLL CALL.

Board Receipt of UIHC Committee Report

➤ MOVED by GARTNER, SECONDED by LANG, to:

- ◆ Approve the schematic design, project description and budget (\$270,750,417) with the understanding that approval will constitute final Board approval and authorization to proceed with construction; and
- ◆ Receive the February 2, 2011, University of Iowa Hospitals and Clinics Committee report.

<u>Regent</u>	<u>Campbell</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Johnson</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>
Aye	x	x	x	x	x	x		x	
Absent							x		x

MOTION APPROVED by ROLL CALL.

At Regent Downer’s request, Vice President Jean Robillard reported that UIHC presented its planned capital projects for the next 10 years to the Board at its February 2nd Committee meeting, saying that the focus was mainly on the Children’s Hospital.

At Regent Harkin’s request, Vice President Robillard discussed the comparison of UIHC with other similar hospitals around the country.

Regent Downer reminded everyone about the Dance Marathon, the student-led program that supports the Children’s Hospital and noted that all-time fundraising records were set last year.

President Miles congratulated University of Iowa Hospital and Clinics leaders for receiving the Iowa Business Council’s second annual Iowa Partners In Efficiencies Award. On behalf of the Board, he thanked them for all of their efforts and leadership.

Board President Report

➤ MOVED by MILES, SECONDED by DOWNER, to approve the following Resolution of the Board of Regents, State of Iowa:

WHEREAS, Sheila Doyle Koppin joined the staff of the Board of Regents on February 5, 1986; and
 WHEREAS, in the past twenty-five years Ms. Koppin served the Board of Regents in a variety of roles particularly in the areas of capital projects and facilities and gained the respect of the Board of Regents, institutional staff, colleagues in the Board Office for her expertise, diligence, persistence, and calm demeanor; and

WHEREAS, Ms. Koppin currently in her role as Communications Director has provided the Board of Regents with advice and guidance in areas of communication, media relations and the Board’s first Annual Report. Through her efforts she has developed sound working relationships with representatives of the media by providing thoughtful responses to countless inquiries; and

Now Therefore, Be It Resolved in recognition of her 25th anniversary on the Board Staff, the Board of Regents, State of Iowa, expresses its deep gratitude to Ms. Koppin for her commitment to the mission of the Board and its stewardship responsibilities; and

Be It Further Resolved that the Board commends Ms. Koppin for her service and contributions to the Board of Regents, its institutions, students and families, and Iowans statewide.

Presented this 3rd day of February 2011 in Iowa City, Iowa.

<u>Regent</u>	<u>Campbell</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Johnson</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>
Aye	x	x	x	x	x	x		x	
Absent							x		x

MOTION APPROVED by ROLL CALL.

CONSENT AGENDA

- ◆ Minutes of December 9, 2010, Board Meeting
 - ◆ Minutes of January 13, 2011, Telephonic Board Meeting
 - ◆ Conflict of Interest Vendors
 - ◆ Semi-Annual Claims Activity Reports: July 1, 2010 – December 31, 2010
 - ◆ Revisions to Board of Regents Policy Manual Chapter 7
 - ◆ Appointment to Iowa School for the Deaf Foundations Board of Directors
 - ◆ Appointments to Iowa Public Radio Board of Directors
 - ◆ Adoption of Amendment to Iowa Administrative Code
 - ◆ Revision to Board Meeting Schedule
 - ◆ Request for a Department Name Change at the University of Northern Iowa: Department of Educational Leadership, Counseling, and Postsecondary Education to Department of Educational Leadership and Postsecondary Education
 - ◆ Request to Terminate Master of Arts Program in Comparative Literature at the University of Iowa
 - ◆ Request to Suspend Admissions to the Ph.D. Program in Health and Sport Studies at the University of Iowa
 - ◆ Request to Terminate the Ph.D. Program in Women’s Studies at the University of Iowa
 - ◆ Appointment – Iowa Braille and Sight Saving School
 - ◆ Annual Diversity Report
 - ◆ Comprehensive Human Resources Report
 - ◆ Facilities Governance Report
- MOVED by GARTNER, SECONDED by JOHNSON, to approve the CONSENT AGENDA.

<u>Regent</u>	<u>Campbell</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Johnson</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>
Aye	x	x	x	x	x	x		x	
Absent							x		x

MOTION APPROVED by ROLL CALL.

2009-2010 Distance Education Report

Chief Academic Officer Dr. Diana Gonzalez introduced SUI Associate Provost and Dean of Continuing Education Chet Rzonka, ISU Associate Provost for Academic Personnel Dawn Bratsch-Prince, and UNI Interim Dean of Continuing Education and Special Programs Kent Johnson.

Dr. Gonzalez provided a brief overview on the report and institutional representatives provided highlights on their respective institutional distance education efforts, including challenges and opportunities for growth. They also elaborated on how the institutions compare with their peers in response to a question from President Pro Tem Evans, and their relationships with community colleges in response to a question from Regent Harkin.

- The Board received the report by GENERAL CONSENT.

Distance Education Presentation: “Transforming Learning, Employability, and Entrepreneurship

This item was deferred to a future meeting.

Proposed 2011-2012 Tuition and Fees

Chief Business Officer Patrice Sayre provided a brief overview on the docket memorandum.

Regent Gartner commented that a 5.0% increase is not universal for all tuition categories and pointed to examples of higher increases, one as high as 40.0%.

President Miles said that the headline number for resident undergraduates is the number that is often discussed. He said some increases are less than 5.0% and the Board should focus on all of them, noting that resident undergraduate tuition and fees at SUI and UNI, on a combined basis, will go up 4.7%, which is less than the 5.0%.

Regent Gartner clarified that the 4.7% is included within the average total increase in tuition and fees for resident undergraduates of 5.5%, saying that the numbers he cited are above the 5.5% average. He also clarified that he is speaking to resident undergraduate fees only and not nonresident or graduate fees.

Presidents Mason, Geoffroy, and Allen highlighted tuition and fees requests for their respective universities.

Responding to Regent Gartner, President Allen explained the relationship between UNI's non-resident students and tuition and the impact of state appropriations on UNI's resident undergraduate students. President Geoffroy explained how much tuition is received from resident and non-resident students and ISU's assumptions on the salary bill.

In response to Regent Harkin, the Presidents described what would happen if appropriations continue to decrease.

In response to President Pro Tem Evans, the Presidents talked about anticipated enrollment for next fall and the attractiveness of the institutions in terms of reputation, academic programs, and affordability.

In response to Regent Johnson, the Presidents discussed how increased enrollment will affect class size.

SUI Graduate and Professional Students President Lyndsay Harshman, Northern Iowa Student Government President Joel Anderson, ISU Government of the Student Body President Luke Roling, and SUI Student Government President John Rigby commented on the proposed 2011-2012 tuition and fees.

President Miles thanked the student leaders for their hard work, said the Board is proud of them, and that they represented their student bodies well.

President Miles said the Board must do its best to strike an appropriate balance in generating income and in disciplined expense management to provide access to a quality education. He said: (1) the future of Iowa is inextricably linked to quality higher education; (2) Iowa is blessed with a higher education system that is the envy of other states around the country; and (3) despite Iowa's historic commitment to education in recent years, the fiscal pressures on our universities have mounted significantly.

President Miles said input will continue to be gathered and the Board will consider approval of tuition and fees at its March meeting.

➤ The Board received the report by GENERAL CONSENT.

Proposed Academic and Administrative Fees for 2011-2012

Policy and Operations Analyst Andrea Anania provided an overview on the proposed Academic and Administrative Fees for the 2011-2012 academic year.

Regent Downer encouraged more simplification and asked for continued cooperation to reduce these fees to a more manageable number of categories.

➤ The Board received the report by GENERAL CONSENT.

Register of University of Iowa Capital Improvement Business Transactions

Vice President Doug True provided an overview on the proposed transactions and noted that the University withdrew the Family Medicine Center – Hawkeye Campus project from the Capital Register.

➤ MOVED by DOWNER, SECONDED by GARTNER, to approve:

- ◆ The following actions for the Community-Based Primare Care Clinic and Master Site Planning – North Liberty project:
 - ◆ Acknowledge receipt of the University’s initial submission of information to address the Board’s capital project evaluation criteria for the Community-Based Primary Care Clinic project (see Attachment B in the docket memorandum);
 - ◆ Accept the Board Office recommendation that the projects meet the necessary criteria for Board consideration; and
 - ◆ Authorize permission to proceed with project planning, including the master planning and design professional selection processes for the project.
- ◆ The following actions for the University of Iowa Children’s Hospital project, a major capital project as defined by Board policy:
 - ◆ Acknowledge receipt of the University’s final submission of information to address the Board’s capital project evaluation criteria (see Attachment C in the docket memorandum);
 - ◆ Accept the Board Office recommendation that the project meets the necessary criteria for Board consideration;
 - ◆ Approve the schematic design, project description and budget (\$270,750,417) with the understanding that approval will constitute final Board approval and authorization to proceed with construction; and
 - ◆ Approve a Resolution authorizing the Executive Director to fix the date or dates for the sale of up to \$190,000,000 Hospital Revenue Bonds.
- ◆ The project description and budget for the Hardin Library for the Health Sciences – Upgrade HVAC and Lighting (\$2,515,000) project.

<u>Regent</u>	<u>Campbell</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Johnson</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>
Aye		X	X	X	X	X		X	
Absent	X						X		X

MOTION APPROVED by ROLL CALL.

University of Iowa Proposed Property Purchase

Vice President True introduced Vice President for Legal Affairs and General Counsel Carroll Reasoner who provided an overview of the proposed property purchase.

In response to President Pro Tem Evans, General Counsel Reasoner discussed how the University compiles actual business interruption costs.

- MOVED by EVANS, SECONDED by HARKIN, to approve:
 - ◆ The purchase, for the benefit of the University of Iowa, of a property located at 325 South Clinton Street in Iowa City, Iowa, from MidwestOne Bank at the purchase price of \$4,600,000, plus actual relocation costs and actual business interruption costs, subject to approval of the final documents by the Board Office and Attorney General’s Office;
 - ◆ A real estate option contract with Midwest Bank for property at 509 South Dubuque Street, Iowa City, Iowa for \$80 per square foot (University’s cost), subject to approval of the final documents by the Board Office and Attorney General’s Office; and
 - ◆ The demolition of buildings at 301 South Clinton Street and 325 South Clinton Street subsequent to the completion of the University’s acquisition of the properties.

<u>Regent</u>	<u>Campbell</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Johnson</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>
Aye	x		x	x	x	x		x	
Absent							x		x
Abstain		x							

MOTION APPROVED by ROLL CALL.

Register of Iowa State University Capital Improvement Business Transactions

Vice President Madden provided an overview of the proposed transactions.

- MOVED by GARTNER, SECONDED by JOHNSON, to approve the project description and budget for the **College of Veterinary Medicine – Laboratory Animal Resources HVAC Improvements** project (\$4,405,000) and approval of a revised project budget (\$3,630,000) for the **Willow Hall-Fire Suppression System Installation and Exterior Improvements** project.

<u>Regent</u>	<u>Campbell</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Johnson</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>
Aye	x	x	x	x	x	x		x	
Absent							x		x

MOTION APPROVED by ROLL CALL.

Register of University of Northern Iowa Capital Improvement Business Transactions

Vice President Tom Schellhardt introduced Assistant Vice President for Student Affairs and Executive Director of Residence Michael Hager and provided an overview of the proposed transactions.

- **MOVED** by JOHNSON, **SECONDED** by GARTNER, to approve the following for the **Apartment Housing – Phase 2a** project, a major capital project as defined by Board policy:
 - ◆ Acknowledge receipt of the University’s final submission of information to address the Board’s capital project evaluation criteria (see Attachment A in docket memorandum);
 - ◆ Accept the Board Office recommendation that the project meets the necessary criteria for Board consideration;
 - ◆ Approve the schematic design, project description and budget (\$26,294,065), financing plan for the project, and adoption of a Resolution authorizing the Executive Director to fix the date(s) for the sale of up to \$26,000,000 Dormitory Revenue Bonds, Series U.N.I., and Declaring an Official Intent under Treasury Regulation 1.150-2 to Issue Debt to Reimburse the University of Northern Iowa for Certain Expenditures Paid; and
 - ◆ Approve a Resolution Directing the Abandonment of College Courts at the University of Northern Iowa.

<u>Regent</u>	<u>Campbell</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Johnson</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>
Aye	x	x	x	x	x	x		x	
Absent							x		x

MOTION APPROVED by ROLL CALL.

Institutional Agreements, Leases and Easements

Policy and Operations Officer for Facilities Joan Racki provided an overview of the proposed leases. In response to Regents Gartner and Downer, Vice President Madden explained federal transit requirements, which provide for the on-site shower for people that ride and store bicycles while at work.

- **MOVED** by EVANS, **SECONDED** by CAMPBELL, to approve one lease for the benefit of Iowa State University and one lease for the benefit of the University of Northern Iowa, subject to approval of the final documents by the Board Office and Attorney General’s Office.

<u>Regent</u>	<u>Campbell</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Johnson</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>
Aye	x	x	x	x	x	x		x	x
Absent							x		

MOTION APPROVED by ROLL CALL.

Private College Grow Iowa Values Fund (GIVF) Projects

State Relations Officer Keith Saunders provided an overview on the GIVF projects.

Regent Gartner asked if this is the last year for GIVF funding. State Relations Officer Saunders said that issue is currently being debated in the legislature, adding that the Governor put \$25 million in his budget for GIVF, but has not yet indicated how it would be allocated.

In response to Regent Downer’s statement on Drake’s amount being 75% of what had been requested, State Relations Officer Saunders said the Association of Private Colleges and Universities reported that Drake is appreciative of that amount.

- **MOVED** by HARKIN, **SECONDED** by GARTNER, to approve the GIVF funding for projects submitted by Luther College (\$40,000) and Drake University (\$112,000).

<u>Regent</u>	<u>Campbell</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Johnson</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>
Aye	x	x	x	x	x	x		x	
Absent							x		x

MOTION APPROVED by ROLL CALL.

Legislative Update

State Relations Officer Keith Saunders provided an overview on the current legislative session.

He reported that the Governor's budget recommendations: (1) includes a 6% across-the-Board cut for all Regents line items, including the special schools, and did not include the continuation of last year's one-time \$9 million from the Underground Storage Tank Program, for a total operational loss of just over \$42 million dollars; (2) excludes funding for salary agreements; and (3) includes \$4 million for Fire, Safety, and Deferred Maintenance from the Rebuild Iowa's Infrastructure Funds. He anticipated budget targets within the next few weeks from each chamber.

He said that the state relations officers are coordinating Regents presentations with the Education Appropriations Committee and the Transportation, Infrastructure, and Capitals Appropriations Subcommittee.

In response to Regent Gartner's question, State Relations Officer Saunders confirmed that unfunded salary agreements will cost the Regents institutions roughly \$90 million and Chief Business Officer Patrice Sayre reported that all categories of salaries are included in that number.

- The Board received the update by GENERAL CONSENT.

Presentation by Iowa State University – “Entrepreneurship and Job Creation: Iowa State University Alumni 1982-2006 – A Progress Report”

Executive Vice President and Provost Elizabeth Hoffman introduced Dr. Peter Orazem, Liberal Arts and Sciences Professor. Dr. Orazem discussed results of Iowa State University's Alumni Survey.

- The Board received the update by GENERAL CONSENT.

Iowa State University Flood/Storm Recovery

Vice President Madden provided an update on the recovery.

- The Board received the update by GENERAL CONSENT.

University of Iowa Update of Flood Recovery Status

Vice President True provided a brief update of flood recovery and introduced General Counsel Carroll Reasoner who updated the Board on the University's relocation appeal with the Federal Emergency Management Agency.

At Regent Gartner's request, Vice President True discussed the timeline of when a Museum of Art would open.

- The Board received the update by GENERAL CONSENT.

Annual Report of Student Retention and Graduation Rates

Chief Academic Officer Dr. Diana Gonzalez provided an overview of the report on student retention and graduation rates.

President Miles congratulated SUI and ISU on record levels of one-year retention and six-year graduation rates. At his request, President Mason and Dr. Gonzalez discussed reasons on the volatility of retention rates from 1988 to 2009.

- The Board received the report by GENERAL CONSENT.

Faculty Presentation at the University of Iowa:

“Highlights of the Initiative Research Program at the University of Northern Iowa”

Dr. Mary Losch, UNI Department of Psychology Professor, provided an overview of a five-year program aimed at reducing unintended pregnancies in the state of Iowa.

- The Board received the presentation by GENERAL CONSENT.

Inter-Institutional Cooperation Task Force Progress Report

Chief Academic Officer Dr. Diana Gonzalez introduced SUI Associate Provost and Dean of Continuing Education Chet Rzonka, ISU Associate Provost for Academic Personnel Dawn Bratsch-Prince, and UNI Associate Provost for Faculty Affairs Virginia Arthur, who highlighted distance education, study abroad, and recruitment and retention of Iowa minority students.

President Miles said he is pleased to see progress in all three areas.

At Regent Harkin’s request, Associate Provost for Academic Personnel Dawn Bratsch-Prince explained financing of the international centers.

At President Pro Tem Evans’ request, Chet Rzonka discussed financial aid, accreditation, and graduation.

Regent Downer felt that this is the type of efficient and effective endeavor that the Regents need to look at as resources are stretched.

- The Board received the progress report by GENERAL CONSENT.

Other

President Miles announced that President Mason will lead a group to conduct a root cause analysis regarding the football players hospitalization at the University of Iowa. President Mason said that she will share information as it comes along.

Compensation for Interim President – University of Northern Iowa

- MOVED by DOWNER, SECONDED by EVANS, to approve the recommendation for additional compensation for the Interim President of the University of Northern Iowa – an additional \$1,981 per week while she serves as Interim President.

<u>Regent</u>	<u>Campbell</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Johnson</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>
Aye	x	x	x	x	x	x		x	x
Absent							x		

MOTION APPROVED by ROLL CALL.

President Miles adjourned the meeting at 2:25 p.m.