

**BOARD OF REGENTS
STATE OF IOWA**

**AGENDA ITEM 2b
SEPTEMBER 17 - 18, 2008**

Contact: Andrea Anania

**BOARD OF REGENTS, STATE OF IOWA
MAUCKER UNION, OLD CENTRAL BALLROOM, ROOMS A AND B
UNIVERSITY OF NORTHERN IOWA
CEDAR FALLS, IOWA**

AUGUST 6-7, 2008

Board Members

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

August 6, 2008

Absent
Present
Present
Present
Present
Present
Present
Present

August 7, 2008

Via Phone
Present
Present
Present
Present
Present
Present
Present

Staff Members

Andrea Anania, Andy Baumert, Brad Berg, Mark Braun, Marcia Brunson, Bob Donley, Sheila Doyle, Tom Evans, Diana Gonzalez, Joe Murphy, Joan Racki, Keith Saunders, Patrice Sayre, Todd Stewart, Ilene Tuttle

Regents Institutions

SUI Sally Mason, Ellen Barron, Eric Dickson, Ken Fisher, Terry Johnson, Wallace Loh, Steve Pradarelli, Jean Robillard, Tom Rocklin, Cheryl Reardon, Paul Rothman, Doug True, Gordon Williams, Ann Williamson

ISU Gregory Geoffroy, Elizabeth Hoffman, David Holger, Ted Okiishi, Warren Madden

UNI Benjamin Allen, Maureen Collins-Williams, John Hogan, Beverly Kopper, Jim Lubker, Gene Lutz, Randy Pilkington, Tom Schellhardt, Jeff Weld

ISD Jeanne Prickett, James Heuer

IBSSS Patrick Clancy, Don Boddicker

Others

Steve Carignan, Iowa Public Radio Acting Executive Director

The corresponding docket memorandum for each agenda item, an integral component of the minutes, is available on the Board of Regents website: www2.state.ia.us/regents.

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

President Miles called the meeting to order at 1:05 p.m. on August 6, 2008.

Executive Session

- MOVED by LANG, SECONDED by DOWNER, to enter into closed session pursuant to Iowa Code section 21.5(1)(i) upon request of individuals whose performance is being considered.

<u>Regent</u>	<u>Campbell</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>	<u>Vacant</u>
Aye	x	x	x	x	x	x	x	x	
Nay									

MOTION APPROVED by ROLL CALL.

The Board convened in closed session at 1:05 p.m.

The Board reconvened in open session at 5:40 p.m.

President Miles adjourned the meeting at 5:40 p.m.

President Miles called the meeting to order at 8:35 a.m. on August 7, 2008.

Executive Session

- MOVED by EVANS, SECONDED by LANG, to enter into closed session pursuant to Iowa Code section 21.5(1)(i) upon request of individuals whose performance is being considered.

<u>Regent</u>	<u>Campbell</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>	<u>Vacant</u>
Aye	x	x	x	x	x	x	x	x	
Nay									

MOTION APPROVED by ROLL CALL.

The Board convened in closed session at 8:35 a.m.

The Board reconvened in open session at 9:10 a.m.

Consent Agenda

- ◆ Minutes of June 12, 2008, Board Meeting
- ◆ Minutes of June 18, 2008, Board Meeting
- ◆ Minutes of July 2, 2008, Board Meeting
- ◆ Institutional Personnel Transactions
- ◆ Semi-Annual Claims Activity Reports: January 1, 2008 – June 30, 2008
- ◆ Conflict of Interest Vendors
- ◆ Revision to 2009 Board Meeting Schedule
- ◆ Adoption of Amendment to the Iowa Administrative Code
- ◆ FY 2008 Budget Ceiling Adjustment – Center for Disabilities and Development at University of Iowa
- ◆ REACH Fees
- ◆ Use of Funds in University of Iowa Hancher Auditorium Escrow Account
- ◆ University of Iowa Equipment Purchase
- ◆ Iowa State University Equipment Purchase
- ◆ Naming of Bargaining Teams
- ◆ Proposed Course Changes at the University of Iowa
 President Miles asked about the net increase of 103 courses. Vice Provost Tom Rocklin responded that a large number of new courses resulted from the new REACH program; others resulted from new faculty in the Anthropology program. Regent Gartner asked about the enrollment in the REACH program and about the number of courses that the students will take the first semester. Dr. Rocklin responded that there are 18 students currently enrolled. He also indicated that not all REACH courses will be taught during the first year. President Miles requested five-year trend data for next year’s report to be able to gauge long-term impact of course changes.
- ◆ Request to Terminate Bachelor of Arts Program in Performing Arts Entrepreneurship at the University of Iowa
- ◆ Request for a Program Name Change at the University of Iowa – Master of Arts and Ph.D. Programs in French to Master of Arts and Ph.D. Programs in French and Francophone World Studies
- ◆ Appointments
- ◆ Annual Governance Report on Academic Program Reviews at the University of Northern Iowa
 President Miles indicated that academic program reviews not only meet a Board of Regents policy requirement but also are a very powerful tool to demonstrate program improvements and student learning outcomes. He indicated that the report needs to demonstrate the rigor of the review. Interim Provost Jim Lubker indicated that the Council of Provosts discussed this requirement at its last meeting and that Diana Gonzalez will be working with the Council to ensure that the universities’ annual reports demonstrate the rigor of the reviews and the changes that result.
- ◆ MOVED by LANG, SECONDED by EVANS, to approve the Consent Agenda with the exception of the following two items, which were removed and considered separately: REACH Fees and Use of Funds in University of Iowa Hancher Auditorium Escrow Account.

<u>Regent</u>	<u>Campbell</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>	<u>Vacant</u>
Aye	x	x	x	x	x	x	x	x	
Nay									

MOTION APPROVED by ROLL CALL.

- MOVED by VASQUEZ, SECONDED by DOWNER, to approve the REACH Fees. Motion FAILED.

Regent Gartner said that the REACH Program's proposed \$100 processing fee and \$450 acceptance fee is more than other students pay and thought that the fees should be the same as for other students. Vice Provost Tom Rocklin acknowledged that the \$100 processing fee is more than the \$40 undergraduate fee and said that it could be changed. He stated that applicants to the REACH submit extensive materials, including psychological evaluations and test results, which require a great deal of expertise to interpret. He added that \$300 would be applied to tuition and \$150 would be applied to orientation, which is less than the \$185 fee (FY 2008) for undergraduate students.

Regent Gartner asked if there are acceptance fees for undergraduate students. Vice Provost Rocklin responded affirmatively and noted that the non-refundable status is not common in undergraduate programs and that it is used in smaller programs where a student that does not enroll/arrive can deprive another student of the seat.

Regent Gartner clarified with Vice Provost Rocklin that the University of Iowa would be willing to reduce the \$100 processing fee to \$40.

- MOVED by GARTNER, SECONDED by LANG, to amend the motion to approve the REACH Fees so that the processing fee be changed to \$40, which is the same as undergraduate students, and that the acceptance fee remain at \$450, with the clear understanding that \$300 of that amount is credited toward tuition.

<u>Regent</u>	<u>Campbell</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>	<u>Vacant</u>
Aye	x	x	x	x	x	x	x	x	
Nay									

MOTION APPROVED by ROLL CALL.

- MOVED by EVANS, SECONDED by GARTNER, to approve the Use of Funds in University of Iowa Hancher Auditorium Escrow Account.

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

MOTION APPROVED by ROLL CALL.

Board President Report

President Miles announced that a press briefing would occur at the conclusion of the meeting.

President Miles reported that the universities were asked to report on the seven recommendations in the Board counsel's June report on the initial inquiry into the SUI sexual assault at the September Board meeting. He said that those responses will be deferred and not be expected at the September meeting since the inquiry has been reopened.

President Miles announced that Joan Racki is the 2008 Society for College and University Planning (SCUP) distinguished service award recipient. He reported that she has been involved with SCUP for over 20 years and congratulated her on this well-deserved honor.

- The Board received the report by GENERAL CONSENT.

Executive Director Report

Executive Director Bob Donley provided the Board with a progress report on the four key initiatives that the Board assigned to him: Board Strategic Plan, Communications and Marketing Plan, Financial Aid and Student Debt, and Sustainability Plan Development and Implementation.

- The Board received the report by GENERAL CONSENT.

Institution Update – University of Northern Iowa

President Allen reported on UNI's:

- ◆ Student Benjamin Frein, 1 of 25 finalists selected to compete for \$100,000 in cash, prizes, and services at the Global Student Entrepreneur Awards (GSEA) in November. The GSEA recognizes the world's top undergraduate student entrepreneurs; he is the only Iowa student selected to compete at this level;
- ◆ Department of Biology Professor Jean Gerrath, who received a National Science Foundation grant to investigate family-tree relationships and the geographic history of the grape family;
- ◆ Search for the next Executive Vice President and Provost; the goal is to have one named before the end of the fall semester;
- ◆ Successful testing of UNI's mass outdoor warning system. Regent Lang commented that he heard it went very well and commented that parents are notified as well;
- ◆ New Track and Field/Cross Country Coach Travis Geopfert, a 2002 UNI graduate and Panther Assistant Coach for the past five seasons;
- ◆ Women's basketball team finishing with the sixth highest team GPA of 3.5 among NCAA Division I teams and earning a place on the Women's Basketball Coaches Association Academic Top 25 Honor Roll; this was the fourth year that UNI finished in the top 10.

In response to a question from Regent Gartner on GPA disclosure and the Buckley Amendment/Family Education Rights and Privacy Act (FERPA), Provost Hogan said that in cases of athletic-related awards, information is submitted to the NCAA without any personally identifiable information. Regent Gartner asked if there is an automatic waiver that is required by the NCAA. Provost Hogan said he would investigate but thought it was allowable under FERPA.

- ◆ Meetings and plans for developing a statewide research, development, dissemination, and demonstration school; and
 - ◆ Progress, accomplishments, and activities with the Math and Science Initiative. Regent Lang asked about services for older adults. President Allen said that the Regents Mathematics and Science Education Institute is designed to be creative in solving those issues and Professor and Initiative Leader Jeff Weld elaborated on general public science literacy events.
- The Board received the update by GENERAL CONSENT.

Institution Update – Iowa School for the Deaf

Superintendent Prickett reported on ISD's summer programs, including the Southwest Iowa Leadership Camp, where students learn how to exercise leadership skills; pilot program for preschool students to learn language skills; week-long sessions for elementary and high-school students; and the wheelchair user day camp;

- The Board received the update by GENERAL CONSENT.

Institution Update – Iowa Braille and Sight Saving School

President Miles welcomed Superintendent Clancy. Superintendent Clancy thanked the Board for the opportunity to lead the IBSSS.

Superintendent Clancy reported on IBSSS's agreement and implementation of AmeriCorps; visit from Governor Culver; summer professional development opportunity for staff; and summer activities for blind and visually impaired individuals. He acknowledged and thanked Jeananne Schild for her service and for her support to him.

- The Board received the update by GENERAL CONSENT.

Institution Update – Iowa State University

President Geoffroy reported on ISU's:

- ◆ Preparations for the fall 2008 semester. He projected a 6% increase in new freshman, 2% increase in transfer students, and an overall enrollment growth of about 3%;
- ◆ Summer activities including hosting the Iowa Special Olympics Games, Iowa Games, and Shrine Bowl;
- ◆ Leadership changes including: Cheryl Achterberg's resignation as Dean of the College of Human Sciences – Dr. Pam White will serve as Interim Dean; Mark Kushner's resignation as Dean of the College of Engineering – Jim Bernard will serve as Interim Dean. National searches will be conducted for both positions. He also reported that searches for the next Dean of the College of Design and Vice President for Research and Economic Development are progressing.
- ◆ FY 2008 private fundraising results; ISU raised \$135.4 million exceeding the \$110 million goal;
- ◆ Agricultural Business Club, which was named the National Outstanding Chapter for the third consecutive year;
- ◆ Student athlete Lisa Koll, who won the NCAA 10,000 meter championship and was named the 2008 Women's Division 1 Outdoor Track Scholar-Athlete of the Year by the U.S. Track & Field Cross Country Coaches Association; and
- ◆ Annual Growing the Bioeconomy Conference scheduled in September.

Regent Vasquez commented that ISU's promotional efforts are more visible and wondered if the increased enrollment could be attributed to these efforts. President Geoffroy said that ISU has been very aggressive in its marketing campaign and that he is certain that it has played a part in the increased enrollment.

➤ The Board received the update by GENERAL CONSENT.

Iowa State University – Proposed New Basketball Practice Facility

President Geoffroy provided an overview of the proposed practice facility for men's and women's basketball, explaining that it results from an opportunity presented to the University from a local Ames developer. Under the proposal, the developer would construct the facility on land located in southwest Ames, donate the land (approximately two acres) to the University, and sell the facility to the University upon completion of the building at the cost of construction. The University reported that this proposal would meet the needs, requirements and expectations of the Athletic Department, and allow development of the facility in a very economical manner and in a short time period.

President Geoffroy explained that the availability of a dedicated practice facility for the basketball programs has the potential to enhance the athletes' academic success. He reported that there is limited availability in the University's basketball practice facilities (Hilton Coliseum, State Gym, and the Forker Building) due to other campus activities. This forces the University's basketball teams to practice from 6:00 p.m. to 9:00 p.m., rather than from 3:00 p.m. to 5:00 p.m. which is a more typical practice schedule. Since the basketball athletes are practicing in the evenings, they are not able to participate in evening studies with other student athletes in the Academic Success Center, and it is more difficult for them to take advantage of the Center's tutoring and other services. A dedicated basketball practice facility would provide the flexibility to schedule afternoon practice sessions, which would encourage the student athletes' evening use of the Academic Success Center and its resources, and free up the State Gym and Forker Building for use for evening intramural activities. Regent Downer expressed his appreciation for the University's emphasis on academics with respect to the practice facility, and for addressing the conflict between athletic schedules and academic activities.

Athletic Director Pollard explained that practice schedules and facilities are important factors in the recruitment of student athletes and are often the primary reason for the non-recruitment of student athletes to the University. He indicated that the ISU coaching staffs and student athletics are very excited about the opportunity for development of the practice facility since it symbolizes the importance of the basketball programs to the University.

Vice President Madden added that the facility would be constructed in accordance with University standards and specifications; the developer anticipates the building can be completed by next fall. The purchase price would not exceed \$6.9 million, which the University believes is a reasonable cost for the 37,400 square foot building (\$185 per square foot). The University plans to retain an independent contractor, most likely The Weitz Company, to monitor the construction and verify costs for the University.

Vice President Madden referenced a letter from Convention, Sports and Leisure International (CSL), the independent financial consultant, which verifies that the University's proposal is financially sound and viable. He explained that the fund raising effort for the project is continuing, and that the University would use the Regents master lease program to finance whatever portion of the \$8 million project cost is not raised from private funds.

Vice President Madden explained that the University's original plan to develop a basketball practice facility at Hilton Coliseum (as outlined in the University's June 2006 Athletic Facilities Master Plan) is currently not possible because of the significant cost (\$35 million to \$40 million); however, the University would still consider this possibility if future funds become available for the project. He added that while the practice facility proposed at this time would not be built to last 100 years (which is consistent with its cost), it would be a sound structure that would meet the needs of the University's basketball programs.

In response to a question from Regent Gartner, Athletic Director Pollard explained that the practice facility would also benefit the University's volleyball program, since it is the third team that vies for practice time in the same three facilities currently used by the basketball programs. He and President Geoffroy also indicated that while the proposed facility would primarily serve as a practice facility, it would also house coaches' and staff offices, and workout rooms, in addition to the two basketball courts.

Regent Lang questioned the other details to be worked out before the project can proceed, as indicated in the last paragraph of the agenda item. Vice President Madden explained that the University's formal agreement with the developer is currently being drafted in consultation with the Board Office and Attorney General's office. The agreement will include University performance standards for the developer with respect to energy conservation, signage, etc., and the requirement for University approval of the design plans. The developer will also need to meet city zoning, inspection, and code requirements.

In response to questions from President Miles on the source of financing for the project, Vice President Madden confirmed that the Department of Athletics would assume responsibility for the facility's operating costs, as well as the debt service payments for the portion of the construction costs financed through the Board's master lease program.

In response to additional questions from the Regents, Vice President Madden estimated the value of the land at between \$800,000 and \$1 million. He also explained that the University is reviewing different security options for the facility, which have yet to be finalized.

- MOVED by LANG, SECONDED by GARTNER, to approve the University’s request to proceed with developing agreements for a proposed new basketball practice facility, and to delegate authority to the Executive Director to sign such agreements, subject to the following:
 - ◆ University’s written commitment to purchase the facility at a cost not to exceed \$6.9 million, which shall be completed prior to the beginning of construction, and all other legal documents related to the project, shall be reviewed and approved by the Board Office and Attorney General’s Office;
 - ◆ The University will ensure that the facility to be constructed meets its performance specifications and state building codes in addition to City of Ames codes, and that the price to be paid for the facility is fair and reasonable, as verified by an independent entity, in lieu of required appraisals;
 - ◆ Receipt from the City of Ames of all necessary approvals; and
 - ◆ Receipt of a report from Convention, Sports and Leisure International (CSL) verifying the reasonableness of the financial planning assumptions to ensure there are adequate funds to pay any debt service and operating costs.

<u>Regent</u>	<u>Campbell</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>	<u>Vacant</u>
Aye	x	x	x	x	x	x	x	x	
Nay									

MOTION APPROVED by ROLL CALL.

Institution Update – University of Iowa

President Mason stated that the University endured and survived the flood and, despite ongoing challenges, a near record freshman class is expected in the Fall. She said, rarely, if ever, had she experienced so many people come together to accomplish so much, and thanked everyone who helped. In lieu of comments, she introduced University Relations Director of News Services Steve Pradarelli, who showed a video of pictures taken in Iowa City of the 2008 floods.

Vice President True said that the biggest financial, logistical, and physical issues and decisions with respect to recovering fully lie ahead. He compared costs from the floods of 1993 with 2008 and discussed: property and casualty insurance; flood emergency response plan; precipitation and river elevations; flood response organization and plan; priorities; safety; UIHC patient care; emergency utility services and utilities restoration and improvements; facilities restoration and leases; intermediate- and long-term restoration and flood mitigation; summer/fall classes; housing; clean up and ventilation; re-occupying buildings and safety; insurance policies; national flood insurance program; FEMA; damage assessments; people recovery; recognitions; consultants; standards; and more.

In response to Regent Vasquez’s question, Vice President True said that examples of flood mitigation include efforts such as tearing down buildings, isolating buildings from tunnels, and building levy systems. He added that the most important thing is to resume operations and the next thing is to figure out what to do should it happen again.

Regent Gartner asked that the Board Office prepare a report on Jackson Pollock’s “Mural,” a painting owned by the University of Iowa. He reported that, a couple of years ago, it was estimated that sale of the painting would net the University \$150 million. He said that he is not proposing that the painting be sold, but that as the University deals with horrendous financial issues resulting from the 2008 floods, that it is known what that option would bring. He said that there is going to be enormous financial pressures since tens of millions of dollars in damage will not be covered by FEMA or insurance and that the Arts Campus was the campus most seriously affected.

Regent Gartner asked that the report contain the pros and cons of selling the painting; the value today if it were sold to a public museum --with an agreement that it be available to lowans on a regular basis-- and not a private collector; the annual cost for insurance, security, and other costs; and legal and policy issues.

Regent Downer said that: (1) he didn't mind looking it, but suspected that no case could be made that would be persuasive; (2) the painting is one of the great marks of distinction at the University of Iowa and one of the reasons why the University has been described as having one of the premier art collections of any university in the country; (3) this could dissipate one of the unique resources of the University of Iowa; and (4) in the absence of something very compelling, he would oppose any sale.

Regent Gartner clarified that he is not pro or con until he could see the study.

Regent Lang agreed, said it is important, and noted that the painting could have been destroyed and we would not have it to enjoy. He said that the study is a tremendous asset that could lend itself to rebuilding the University.

President Miles directed the Board Office to prepare the study.

President Miles congratulated the University for its response; thanked students, faculty, staff, and volunteers for a tremendous effort; and said that nothing tests an institution like the unexpected. He acknowledged that there is a lot of work to do to bring the University back to where it once was and something even better and said that the Board will be supportive in those efforts.

➤ The Board received the update by GENERAL CONSENT.

Register of University of Iowa Capital Improvement Business Transactions

Vice President True provided an overview of the projects on the University of Iowa capital register.

➤ MOVED by GARTNER, SECONDED by HARKIN, to approve the project description and budget for the **Power Plant – Combustion Turbine Generator** project (\$4,155,580), and to ratify Executive Director emergency approval of the project description and budget for the **Replace Boiler Make-up Water System** project (\$4,033,196).

<u>Regent</u>	<u>Campbell</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>	<u>Vacant</u>
Aye	x	x	x	x	x	x	x	x	
Nay									

MOTION APPROVED by ROLL CALL.

Audit/Compliance and Investment Committee Report

➤ MOVED by EVANS, SECONDED by DOWNER, to:

- ◆ Accept the FY 2008 Audit Progress from the Internal Audit Department and approve the FY 2009 audit plan;
- ◆ Approve contracts for bond counsel, bond financial advisor, and arbitrage services (effective September 1, 2008); and
- ◆ Approve the University of Iowa's Hygienic Laboratory pricing policy and process position statement.

<u>Regent</u>	<u>Campbell</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>	<u>Vacant</u>
Aye	x	x	x	x	x	x	x	x	
Nay									

MOTION APPROVED by ROLL CALL.

University of Iowa Hospitals and Clinics (UIHC) Trustees Report

The previous committee meeting minutes were approved with the clarification that the Board would do its own due diligence on making sure any property purchased would have clear title and not just rely on a lending institution to make the determination.

Vice President for Medical Affairs Jean Robillard provided a copy of the latest US News & World Report rankings. UIHC has 9 Specialties in the top 50.

Vice President Robillard also provided an update on the implementation of the Epic IT system.

Interim CEO Gordon Williams, Associate Vice President for Nursing Ann Williamson, Dean of the Carver College of Medicine Paul Rothman, and Vice President Jean Robillard provided a review of the actions taken during the flood and what can processes can be improved. During this presentation, the loss of utilities was the most significant concern to keeping UIHC open and running during the emergency.

Associate Vice President for Finance and UIHC CFO Ken Fisher reviewed the operating and financial figures. During this presentation Mr. Fisher noted that the impact of the flood on UIHC was in the range of \$5-7 million.

Interim CEO Williams provided an update on the Hospital Facilities Addition and Renovations. Heery International (Iowa City Office) was selected as the Architect of Record. HKS (Dallas, TX) was selected as the Design Architect. Stanley Beaman and Sears (Atlanta, GA) was selected as the Children’s Hospital Architect. UIHC is currently in the process of selecting a construction manager.

Interim Chief Operating Officer Eric Dickson provided an overview of improving patient safety at UIHC. A resolution was adopted unanimously which endorsed the initiatives taken on safety and requested the Board be given regular progress reports.

Also a resolution was unanimously adopted which thanked Gordon Williams for his time and efforts while interim CEO of UIHC.

- MOVED by DOWNER, SECONDED by EVANS, to approve the report of the August 6, 2008, UIHC Committee meeting.

<u>Regent</u>	<u>Campbell</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>	<u>Vacant</u>
Aye	x	x	x	x	x	x	x	x	
Nay									

MOTION APPROVED by ROLL CALL.

Evaluation of Institutional Heads and Executive Director

President Miles reported that the Board evaluated the institutional heads and the Executive Director with the exception of President Mason; he said that the Board plans to do that in September.

- MOVED by MILES, SECONDED by EVANS, to approve, retroactive to July 1, 2008:
 - ◆ A pay increase of 5.0% for ISD Superintendent Jeanne Prickett;
 - ◆ A \$20,000 increase to the base salary of UNI President Allen plus an incentive plan with a target compensation of \$12,500 and a maximum compensation of \$25,000; and
 - ◆ A \$25,000 increase to the base salary of ISU President Geoffroy with a performance incentive plan with a target \$25,000 payout and a \$50,000 maximum.

<u>Regent</u>	<u>Campbell</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>	<u>Vacant</u>
Aye	x	x	x	x	x	x	x	x	
Nay									

MOTION APPROVED by ROLL CALL.

Regent Gartner clarified that the President of the Board will work out the incentive goals with the individuals and Regent Lang clarified that the goals would be reported to the Board. President Miles concurred.

Proposed Modified Duties Policy for Faculty at the University of Iowa

This item was removed from the docket.

FY 2009 Budgets - Universities, Iowa Public Radio, and Southwest Iowa Regents Resource Center

Brad Berg provided an overview of the FY 2009 budgets.

Regent Lang stressed the importance of providing a method for the public to visit with Iowa Public Radio programmers about their concerns. President Miles noted that there will be a report on Iowa Public Radio later in the afternoon.

Regent Downer expressed concern regarding the \$20,000 decrease in sports income reflected in UNI's athletic budget. He asked why and if there might be a plan to turn that around. Vice President Schellhardt said that UNI's new athletic director is looking into how to increase revenue, especially in women's sports.

President Pro Tem Evans asked Mr. Berg for an explanation of the tuition set-aside for student financial aid. Mr. Berg explained that, of the \$537 million in projected tuition revenue at the universities, they plan to set aside \$115 million for both merit- and need-based financial aid. He added that the \$115 million is roughly \$11 million more than what was budgeted for FY 2008. In response to a question from President Pro Tem Evans, Mr. Berg clarified that the \$115 million is 21.4% of the projected tuition revenue.

Regent Gartner noted that Board policy requires that tuition set-aside for financial aid has to be at least 15.0% of the tuition revenue and that the universities exceeded the requirement on their own.

➤ **MOVED** by EVANS, **SECONDED** by GARTNER, to:

- ◆ Approve the FY 2009 Regent institutional budgets as presented;
- ◆ Approval the FY 2009 Iowa Public Radio budgets as presented; and
- ◆ Receive the FY 2009 budget of the Southwest Iowa Regents Resource Center as presented.

<u>Regent</u>	<u>Campbell</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>	<u>Vacant</u>
Aye	x	x	x	x	x	x	x	x	
Nay									

MOTION APPROVED by ROLL CALL.

Resolution for the Sale and Issuance of \$26,000,000 Recreational Facilities Revenue Bonds, Series S.U.I. 2008

Joan Racki introduced Mark LeMay from Springsted Incorporated, the Board's financial advisor. Mr. LeMay reported that five bids were received; the winning bid was submitted by a syndicate headed by Wachovia Securities with a true interest cost of 4.595% and a Aa2 rating by Moody's Investors Services.

Regent Gartner asked for the coupon range. Mr. LeMay reported that the coupon ranged from 3.0% on the low end to 4.75% at the long end.

➤ **MOVED** by DOWNER, **SECONDED** by HARKIN, to approve A Resolution providing for the sale and authorizing and providing for the issuance and securing the payment of \$26,000,000 Recreational Facilities Revenue Bonds, Series S.U.I. 2008, funding the debt service reserve fund, and paying costs of issuance.

<u>Regent</u>	<u>Campbell</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>	<u>Vacant</u>
Aye	x	x	x	x	x	x	x	x	
Nay									

MOTION APPROVED by ROLL CALL.

Preliminary Resolution for the Sale of Hospital Revenue Bonds, Series S.U.I. 2008

Vice President Doug True reported that this sale would be to fund the continuing Emergency Trauma Center Renovation and Expansion, Ambulatory Surgery Center and Procedure Suite Development projects, and a variety of inpatient improvements and services. He added that the sale would complete the outstanding authorization from the 2002 General Assembly authorizing the Board to issue Hospital Revenue Bonds with \$100 million in project proceeds over a period of years.

- MOVED by EVANS, SECONDED by DOWNER, to approve A Resolution authorizing the Executive Director to fix the date or dates for the sale of up to \$36,000,000 Hospital Revenue Bonds, Series S.U.I. 2008.

<u>Regent</u>	<u>Campbell</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>	<u>Vacant</u>
Aye	x	x	x	x	x	x	x	x	
Nay									

MOTION APPROVED by ROLL CALL.

Five-Year Institutional Roads Program

Joan Racki provided an overview of Institutional Roads program and the Board Office recommendation outlined in the agenda item.

- MOVED by DOWNER, SECONDED by HARKIN, to approve the Five-Year Institutional Roads Program with capital projects totaling \$7.8 million for calendar years 2009 through 2013, including projects totaling \$1.56 million for 2009.

<u>Regent</u>	<u>Campbell</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>	<u>Vacant</u>
Aye	x	x	x	x	x	x	x	x	
Nay									

MOTION APPROVED by ROLL CALL.

Institutional Agreements, Leases and Easements

Vice President True provided an overview of the leases presented for Board ratification. The leases, which were approved by the Executive Director, will provide temporary facilities to house the programs of the University's Arts Campus which were displaced by flooding.

In response to questions from Regent Lang, Vice President True reported that the University will be investing \$1 million or more to prepare the interior of the former Menards building for use. He explained that the University anticipates the need to lease this space (and others) for multiple years, exercising the extension options in the lease agreements. He added that the University will be aggressively seeking reimbursement from the Federal Emergency Management Administration (FEMA) for 90 percent of the costs of leasing and improving the spaces for use by faculty and students.

- MOVED by EVANS, SECONDED by GARTNER, to ratify Executive Director approval of four leases for the benefit of the University of Iowa as summarized in the agenda item, 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>Lang</u>	<u>Miles</u>	<u>Vasquez</u>	<u>Vacant</u>
Aye	x	x	x	x	x	x	x	x	
Nay									

MOTION APPROVED by ROLL CALL.

Register of Iowa State University Capital Improvement Business Transactions

President Miles expressed concern with the number of revised budgets for the **Memorial Union Renovation** project and requested an explanation. Vice President Madden explained that the Union is in need of a great deal of modernization and upgrading for compliance with various building codes. The University has not had sufficient funding sources to undertake the renovation of the entire building at one time, and therefore the University has been proceeding with upgrades as funding has become available. He reported that while there is a Master Plan for renovation of the Union, the project has been driven by the availability of financial resources. He projected that renovations in the Union would continue over the next several years as funding resources become available. He offered to outline the Union Master Plan at a future meeting of the Board.

President Miles requested a full explanation of the Union Master Plan for any future budget revisions to the renovation project. He expressed his concern with the Board’s governance challenge once it approves a project budget and funding, and the difficulty of not approving future budget increases for risk of stopping the work on the project. He emphasized the importance of capturing the costs at the front end of the project, for all Regent construction projects.

Vice President Madden indicated his agreement, and explained that the University has been identifying each component of the project as a “phase,” when perhaps it would be better to identify each component as a separate, individual project within the Master Plan. He confirmed that the University would outline the Master Plan before requesting any future budget increases for the Union renovation.

Vice President Madden also explained that the University is in the process of accessing the future use of the three floors of hotel rooms in the Union to determine if the space could be used more effectively for other purposes. The hotel consists of approximately 60 guest rooms of 1950s vintage which have had little upgrading. With the central campus location, some University groups have expressed interest in using the space. However, there are people who like the convenience of the housing on campus, particularly international visitors. In response to questions from Regent Harkin on the occupancy and use of the hotel rooms, Vice President Madden reported that occupancy typically runs between 50 percent and 60 percent per year, and its use tends to be consistent with the academic calendar.

In response to a question from Regent Gartner, Vice President Madden explained that the Union became part of the University in 2002 by Board of Regents action. The prior corporate structure (Memorial Union Corporation) did not allow for fund raising or enough bonding ability to provide the extensive building renovations that were needed. He further indicated that the Union reports to the Vice President for Student Affairs, Tom Hill.

- **MOVED** by EVANS, **SECONDED** by HARKIN, to approve the revised project budget for the **Memorial Union Renovation** project (\$22,475,000), and the project description and budget (\$6,500,000) and the selection of Alvine Engineering, Omaha, Nebraska, for the **Telecommunications – Inside Plant System Upgrade – Phase 7** project.

<u>Regent</u>	<u>Campbell</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>	<u>Vacant</u>
Aye	x	x	x	x	x	x	x	x	
Nay									

MOTION APPROVED by ROLL CALL.

Register of University of Northern Iowa Capital Improvement Business Transactions

Vice President Schellhardt provided an overview of the University of Northern Iowa capital register. President Miles expressed his thanks to the University for the proposed installation of the fire sprinkler systems in Dancer Hall. He thanked the University for its priority on student safety, which he reiterated needs to be foremost in everyone's minds.

- MOVED by DOWNER, SECONDED by GARTNER, to approve the project descriptions and budgets for the **Dancer Hall Fire Sprinkler System** project (\$2,400,000) and the **President's House and Garage Window Replacement** project (\$69,636).

<u>Regent</u>	<u>Campbell</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>	<u>Vacant</u>
Aye	x	x	x	x	x	x	x	x	
Nay									

MOTION APPROVED by ROLL CALL.

Request to Name a Wing of Russell Hall at the University of Northern Iowa

President Allen reported that the proposed name, Barrett Wing, will honor Pauline R. Barrett, whose leadership gift made possible the completion of an addition to Russell Hall. He said that, among other things, the wing will accommodate space for the School of Music's nationally competitive jazz band program.

- MOVED by LANG, SECONDED by GARTNER, to approve the request by the University of Northern Iowa to name a wing of Russell Hall as Barrett Wing.

<u>Regent</u>	<u>Campbell</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>	<u>Vacant</u>
Aye	x	x	x	x	x	x	x	x	
Nay									

MOTION APPROVED by ROLL CALL.

Grow Iowa Values Fund Proposals

Andy Baumert reviewed the background of the Grow Iowa Values Fund (GIVF) program. He indicated that SUI and ISU would be allocated \$1.925 million each and the UNI would be allocated \$950,000 in FY 2009 funding. Mr. Baumert reported that an additional \$200,000 would be made available for grants to private colleges and universities in Iowa which would be brought to the Board for consideration at the December 2009 meeting.

Mr. Baumert introduced SUI Assistant Vice President for Research Cheryl Reardon, ISU Interim Vice Provost for Research and Economic Development Ted Okiishi, and UNI Director of Business and Community Services Randy Pilkington for brief presentations on the specific projects the universities proposed for consideration by the Board.

- MOVED by DOWNER, SECONDED by LANG, to approve the universities' proposals for use of the FY 2009 Grow Iowa Values Fund appropriation.

<u>Regent</u>	<u>Campbell</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>	<u>Vacant</u>
Aye	x	x	x	x	x	x	x	x	
Nay									

MOTION APPROVED by ROLL CALL.

Highlighted Technology Transfer Presentation

The Board received a report from UNI Director of Business and Community Services Randy Pilkington and MyEntreNet Program Coordinator Maureen Collins-Williams who highlighted a broad range of services being provided by the University of Northern Iowa to businesses and communities which sustained damage from storms and flooding this summer.

- The Board received the presentation by GENERAL CONSENT.

Faculty Presentation at the University of Northern Iowa: “Center for Social and Behavioral Research”

Professor Gene Lutz provided a Power Point presentation and informed the Board that the Center has been in existence for 41 years. Regent Lang asked about the Center’s studies related to health risks. Professor Lutz responded that the studies include information related to asthma. Regent Lang indicated that this information would be of importance to Blue Cross/Blue Shield and Farm Bureau. Professor Lutz indicated that the information is available on the Centers for Disease Control and the Iowa Department of Public Health websites. President Pro Tem Evans asked how the services are priced. Professor Lutz responded that the cost is based on the number of hours to complete the project. Regent Downer asked about the Border Purchasing Project. Professor Lutz indicated that the data have not been released yet. Regent Gartner asked if the Center had been approved by the Board relative to the anti-competition clause. Regent Vasquez indicated that the Code is not clear. President Miles replied that the Board Office would look into it.

- The Board received the presentation by GENERAL CONSENT.

Voluntary System of Accountability at the Regent Universities

There was a team presentation by Dr. Diana Gonzalez, SUI Vice Provost Tom Rocklin; ISU Associate Provost David Holger; and UNI Associate Provost Beverly Kopper. All three of the Regent universities are participating in the program. Their information is available on their respective website. President Miles asked if the same student outcomes assessment will be used by the three universities. Vice Provost Rocklin responded that the University of Iowa and Iowa State University plan to use Collegiate Assessment of Academic Proficiency (CAPP); the University of Northern Iowa plans to use Measure of Academic Proficiency and Progress (MAPP). President Miles congratulated the universities for providing their College Portraits before the deadline. Regent Gartner asked if all College Portraits are available in one place. Vice Provost Rocklin responded affirmatively. (All of the College Portraits are available at the following website: www.voluntarysystem.org/index.cfm?pages=templates.)

- The Board received the report by GENERAL CONSENT.

Iowa Public Radio Annual Report

Iowa Public Radio (IPR) Acting Executive Director Steve Carignan presented the report. Regent Lang suggested that there is a need for an avenue that allows people to air concerns and receive responses. Mr. Carignan responded that the IPR website allows listeners to share complaints. He indicated that here is a team to respond to the complaints. Regent Lang indicated that it would be helpful to have a list of public radio stations that can be accessed in different areas. Mr. Carignan responded that he would send a printout to Regent Lang. Regent Downer asked about service to western Iowa. Mr. Carignan responded that there are some FM and AM stations and that border states also provide signals. Regent Downer suggested that there is a need to publicize IPR and to demonstrate to Iowans that IPR is one of many ways that the universities serve the state. Regent Gartner indicated that the creation of IPR ensures that public radio will be financially strong and journalistically vigorous. He would like Iowa Public Television (IPTV) to be aligned with IPR, at least philosophically. Mr. Carignan thanked the Board and the presidents for their support.

- The Board received the report by GENERAL CONSENT.

President Miles adjourned the meeting at 3:00 p.m.