

**Contact: Jean Friedrich**

**ESTABLISHMENT OF ISU GLOBAL CORPORATION**

**Action Requested:** Consider recommending to the Board authorization for Iowa State University, in cooperation with the ISU Foundation, to establish the ISU Global Corporation to provide an entity to lease, develop or own real estate and facilities and operate them in foreign countries for the benefit of Iowa State University.

**Executive Summary:** Iowa State University requests Board approval to create ISU Global which would be a 501(c) (3) nonprofit corporation with the primary purpose of supporting the University's international programs. Its Board would be composed of senior ISU administrators and representatives of the ISU Foundation. It would serve as a legal entity to manage the University's major international programs when a significant presence warrants having a local entity to manage overseas programs, facilities and assets. ISU Global would create limited liability entities to operate in specific countries; these entities would meet local legal requirements and address potential liability and exposure issues where ISU has significant operations. The immediate need is supporting the University's ongoing program in Uganda which has been operating for more than 10 years and now has a commitment from private donors to create a safer and more permanent presence in the country. (The primary donor is an ISU retired alum from the Chicago area.)

In addition to numerous study abroad programs, ISU has programs in foreign countries with an established presence for research, outreach and education. Currently, the College of Design has significant programs in Rome, Italy. The College of Agriculture and Life Sciences has developed the Center for Sustainable Rural Livelihood (CSRL) with programs in Uganda. As the University's international programs continue to develop, it is anticipated that additional locations in other parts of the world would be established in the future. These programs have field offices facilities, vehicles and employ University staff and local hires. Many of these projects involve students from the ISU campus and students from the host country.

The University's programs are recognized and authorized by the foreign jurisdictions in which they are located to do business. The primary goals are to operate safely and in compliance with the foreign jurisdiction's laws. Applying standards set up for activities in Iowa is not always consistent with those goals. Both the foreign governments and business partners in the applicable jurisdiction often request evidence of authorization by the registered program's board. Bringing every such transaction to the Board of Regents is not practical. At the same time, operating through a separate entity is a recognized means of risk management, and the creation of ISU Global would establish an oversight and governance structure to address these issues.

**Proposed ISU Facility in Kamuli, Uganda**

ISU has significant activity in the Kamuli District of Uganda (see Attachment A for map of location). It has been working with local partners to improve the lives of the people of the Kamuli District since 2004. The day-to-day management and oversight of this project is the responsibility of the College of Agriculture and Life Sciences working closely with central university administrators. David Acker, Associate Dean of Academic and Global Agricultural Programs, has the primary oversight responsibility. Representatives from the offices of the

Provost, Business and Finance, University Counsel, College of Agriculture and Life Sciences dean and the ISU Foundation are closely involved. Dr. Acker is regularly in Uganda as well as a number of staff and periodically senior administrators. One partner with Iowa State University is Makerere University Kampala, Uganda's largest and third-oldest institution of higher learning, which was established as a technical school in 1922 and is now part of Uganda Christian University. ISU's programs in the Kamuli District, administered with its partners, include:

- educational outreach to approximately 1200 farm families to improve crops and livestock;
- eight nutrition education centers to assist mothers and infants to learn about healthy diets, to assist women to develop income generating enterprises, and to access micro-credit;
- siting, installation, training and maintenance of shallow wells equipped with hand pumps;
- improvements at five schools in the areas of crop production, small scale livestock keeping, sanitation and hygiene, agroforestry, water catchment and irrigation, school lunch programs, teacher training, grain storage, youth entrepreneurship and school facilities (kitchens, latrines, dormitories and classrooms); and
- opportunities for ISU and Makerere University students to conduct internships, service learning and research.

After 10 years of work, the University has seen significant successes in multiple areas and has secured both donor and external funds to support the work. ISU has made a commitment to remain engaged on a long-term basis in Kamuli District. Due to significant growth in CSRL activities in Uganda, a large expansion in the number of ISU and Makerere University students engaged annually in Kamuli, and the legal registration of ISU-Uganda Programs as a Non-Governmental Organization (NGO), ISU has outgrown the facilities it currently leases in Kamuli. During 2015, the University's operations are scattered among 6 rental properties. ISU wishes to consolidate its operations in a facility that is designed and built with specifications to improve safety, efficiency and program effectiveness and to safely accommodate larger groups of students and staff. The facility is expected to be ready for occupancy in 2017.

Goal: Obtain a long-term lease on approximately 20-25 acres of land and build a facility with these features:

- dormitory for 48 students (12 rooms with individual bathrooms, bunk beds for 4 in each);
- six rooms each with 2 beds and private bath for visiting faculty, staff and guests;
- kitchen facility, dishwashing and food storage area;
- multipurpose room for dining and meetings, with shelving for books and other resources;
- laundry facilities (multiple sinks for washing and facilities for drying);
- rooftop water collection for storage plus a drinking water purification system;
- generator for periods when electricity is not functioning;
- office area for 10 desks for staff plus a conference room for 12;
- workshop and storage for equipment, research and teaching supplies, etc.;
- separate housing for a resident manager, 3-4 staff and their families;
- a security wall with lighting, guard shelter and 1 security gate;
- outdoor recreation areas (soccer and basketball) (outside of the security wall);
- a "green" environmental footprint and use of sustainable materials and practices (recycling materials, passive ventilation, water collection linked to storage tanks, bricks made locally (rammed earth or baked bricks), solar panels to power lights, and use of daylight in design); and
- facilities designed so that they can be scaled up in future years as the program grows.

Detailed information and reports of the program are located on the ISU web site under the Center for Sustainable Rural Livelihood. <http://www.csrl.cals.iastate.edu>

The funding to support the existing program and the proposed facilities is primarily raised by the ISU Foundation from private donors. The development of the above facilities is estimated to cost between \$2.5 and \$3 million. It is the desire of the donors that the facilities be completed by the summer of 2017. The government structures in Uganda have been stable for over 25 years and the Kamuli District is ideal for the type of program that ISU is operating. If circumstances change, the University and all of the donors and parties involved recognize that they must be prepared to close or terminate operations, temporarily or permanently, and abandon a significant investment.

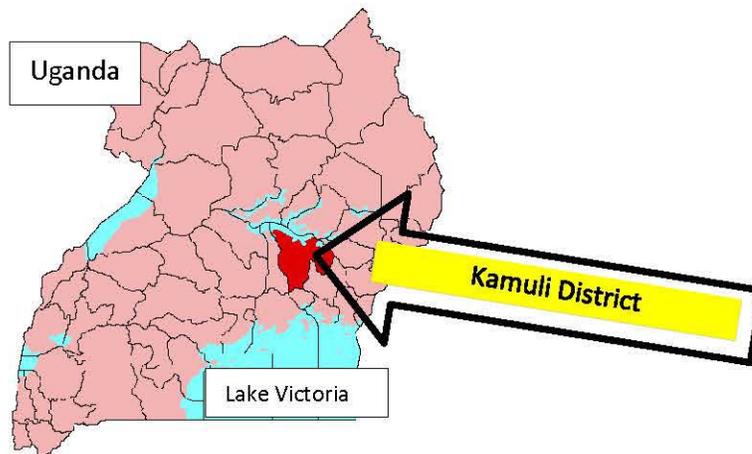
The University and ISU Foundation have been working closely with the Belin McCormick law firm to develop an appropriate legal structure to provide effective and timely management, address potential liability and be in compliance with local rules and government regulations. Although ISU has been working with NGO's, their long term stability, quality of staff and costs have presented challenges

Subject to the Board's approval to create the above organizational structure, the University would proceed to enter into a long term land lease of approximately 20-25 acres in the Kamuli District, work with local Uganda legal counsel, select an architect, construction contractor and utilize existing banking and financial accounting relationships to develop and manage the proposed facilities. Following Uganda business practices, the University anticipates seeking competitive bids on the design and construction of the facilities.

UGANDA PROJECT – ISU GLOBAL



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