

Contact: Joan Racki

**NAMING POLICY FOR FACILITIES AND FUNDING OF
OPERATING COSTS**

Action Requested: Review and consider making recommendations to the Board regarding adoption of a Facilities Stewardship Proposal and changes to the Board's naming policy.

Executive Summary: At its August 2005 meeting, the Property and Facilities Committee asked that a committee be assembled to examine funding mechanisms to finance the O&M (operations and maintenance) costs of new facilities regardless of the source of construction funds. The Property and Facilities Committee deferred consideration of the proposed changes to the Board's naming policy until further review of the funding mechanisms at its November 2005 meeting.

A committee, comprised of the Regent Arbisser, the institutional financial vice presidents and Board Office staff have had conference call working sessions since the August Property and Facilities Committee meeting to examine funding mechanisms.

These discussions led to the development of the Facility Stewardship Proposal (Attachment 1) and proposed changes to the Board's naming policy as highlighted in Attachment 2. Regent Arbisser and the institutional financial vice presidents will be prepared to discuss these proposals at the November 2005 meeting of the Property and Facilities Committee.

Facility Stewardship Proposal

1. Naming Policy to incorporate contributions for programs, annual operating or future capital renewal costs in addition to the costs of construction and renovation for named facilities.
2. Institutional capital campaigns for private contributions to include donor options for supporting annual operating costs and future capital renewal, as well program initiatives that, when funded with private support, enable the University more readily to meet its educational mission by protecting the general fund and the core costs of facility stewardship, including operating costs and capital renewal.
3. Annual operating costs of all major additions and new buildings
 - a. Definitions and cost benchmarks established.
 - b. Preliminary cost and source of funds identified with the Permission to Proceed with Project Planning stage of Board consideration.
 - c. Revenue sources for annual operating cost support linked directly to uses of the facility and identified in the Board's budgeting process.
4. Future capital renewal amount determined for each new major addition or building project for which the project budget has not yet been approved by the Board.
 - a. Annual investment to be approximately 1.5% of replacement value to meet future capital renewal needs.
 - b. Amount and intended sources of future capital renewal funding to be included in submittals when the project budget is presented for Board action. For example:
 - i.) For a bonded enterprise, future funding for renewal could be obtained through either incremental increases in the "improvement funds" for the enterprise or through planned additional debt capital to be issued as the need arises.
 - ii.) For General Fund supported facilities, increments to the overall General Education Fund "building renewal (repair)" budget may be necessary to reflect the additional square footage (net of any facilities being taken off line or razed) within this category.
 - iii.) For historic or iconic facilities, private resources may be a source of future capital renewal, either through a current or a future capital campaign.

BOARD OF REGENTS, STATE OF IOWA
NAMING POLICY

§6.31 Policy Manual

(suggested modifications underlined and in italics)

- A. All proposed names for facilities, properties, or university units (except minor facilities as defined below) owned or operated by the five Regent institutions or the Board of Regents, State of Iowa, must have specific Board of Regents approval **prior** to naming. "Major units" include entire buildings, wings of buildings, colleges, programs and large sections of campus. "Minor units" include campus areas or sections of facilities (e.g., rooms, labs, open spaces, streets, structures, physical features, etc.) Naming of minor units or functional names of major units (e.g. Physics Building, Chemistry Building) may be approved by the institutional head and does not require Board of Regents approval.
- B. The Board will normally approve names of persons (living or deceased) or entities such as a business or commercial product. Examples of the categories of persons and entities eligible include:
1. Alumni with close ties to the institution.
 2. Distinguished Iowans.
 3. Persons who have made an outstanding contribution to a field of study, discipline, university, the State of Iowa, the nation or world.
 4. Donors who have made significant contributions to the institution generally, to a college or major unit, or to a related program.
 5. Donors who have made significant contributions toward construction, renovation and/or the critical programmatic, annual operating, or future capital renewal costs of new, renovated, or other existing facilities.
 6. Employees (presidents, superintendents, faculty staff) – no earlier than two years following the end of employment/appointment or upon death. No unit may be named for a current Regent employee.
 7. Combinations of the above.
- C. The institutional head shall keep members of the Board of Regents and the Executive Director informed of developments relating to possible naming of major units throughout the entire process.