

Contact: Andrea Anania

MINUTES OF OCTOBER 24, 2013, BOARD MEETING

**MAIN LOUNGE, IOWA MEMORIAN UNION
UNIVERSITY OF IOWA
IOWA CITY, IOWA**

Board Members

Nicole Carroll	Present
Milt Dakovich	Present
Robert Downer	Present
Ruth Harkin	Present
Larry McKibben	Absent
Katie Mulholland	Present
Bruce Rastetter	Present
Subhash Sahai	Present
Hannah Walsh	Present

Staff Members

Andrea Anania, Jeneane Beck, Brad Berg, Marcia Brunson, Bob Donley, Sheila Doyle Koppin, Tom Evans, Diana Gonzalez, Ann McCarthy, Joan Racki, Keith Saunders, Patrice Sayre, Todd Stewart, Ilene Tuttle

Regent Institutions

SUI Sally Mason, Gail Agrawal, John Buchanan, Joseph Buckwalter, Barry Butler, Tom Cook, Ken Fisher, Ben Gillig, Nicole Grosland, Ken Kates, Peter Matthes, Jose Morcuende, Dan Reed, Jean Robillard, Debra Schwinn, Doug True, Katherine Valde

ISU Steven Leath, Spencer Hughes, Lisa Lorenzen, Warren Madden, Sophia Magill, Jonathan Wickert

UNI Bill Ruud, Gloria Gibson, Michael Hager, Pat Geadelmann, Tom Madsen, Randy Pilkington

ISD/IBSSS Patrick Clancy, Don Boddicker

Others

Governor Terry Branstad
Lieutenant Governor Kim Reynolds
Barry Fick, Springsted Incorporated
Doug Hoelscher, Iowa Office of State-Federal Relations

The corresponding 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. Audio of the meeting is also available on the web site.

Call to Order for October 24, 2013

President Rastetter called the Board of Regents meeting to order at 9:06 a.m.

Roll Call:

<u>Regent</u>	<u>Carroll</u>	<u>Dakovich</u>	<u>Downer</u>	<u>Harkin</u>	<u>McKibben</u>	<u>Mulholland</u>	<u>Rastetter</u>	<u>Sahai</u>	<u>Walsh</u>
Present	x	x	x	x		x	x	x	
Absent					x				x

CONSENT AGENDA

- ▶ Minutes of September 11, 2013, Board Meeting
 - ▶ Calendar Year 2015 Board Meeting Schedule
 - ▶ Interagency Cooperation Plan Annual Report
 - ▶ Transfer of Administration of University of Northern Iowa Energy Bank Loan
 - ▶ Revision to Board of Regents Policy Manual – Chapter 7
 - ▶ Request to Change the Name of the Department of Pediatrics at the University of Iowa
 - ▶ Comprehensive Fiscal Report for FY 2013
- MOVED by CARROLL, SECONDED by DOWNER, to approve and receive items on the CONSENT AGENDA.

<u>Regent</u>	<u>Carroll</u>	<u>Dakovich</u>	<u>Downer</u>	<u>Harkin</u>	<u>McKibben</u>	<u>Mulholland</u>	<u>Rastetter</u>	<u>Sahai</u>	<u>Walsh</u>
Aye	x	x	x	x		x	x	x	
Absent					x				x

MOTION APPROVED by ROLL CALL.

Audit/Compliance and Investment Committee

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

Board Receipt of Committee Report

- MOVED by DOWNER, SECONDED by DAKOVICH, to:
- ▶ Receive the Internal Audit Reports Issued;
 - ▶ Approve the increase in the maximum deposit amount with Wells Fargo Bank, US Bank, and Bank of the West as indicated in the memorandum;
 - ▶ Approve the addition of Regions Bank and City State Bank with maximum deposits of \$25,000,000 and \$1,000,000 amounts, respectively;
 - ▶ Receive the Audit/Compliance and Investment Committee Calendar for calendar year 2014; and
 - ▶ Receive the report of the Audit/Compliance and Investment Committee.

<u>Regent</u>	<u>Carroll</u>	<u>Dakovich</u>	<u>Downer</u>	<u>Harkin</u>	<u>McKibben</u>	<u>Mulholland</u>	<u>Rastetter</u>	<u>Sahai</u>	<u>Walsh</u>
Aye	x	x	x*	x		x	x	x	
Abstain			x*						
Absent					x				x

**Regent Downer abstained from voting on the increase in the maximum deposit for US Bank and voted aye on all other items.*

MOTION APPROVED by ROLL CALL.

University of Iowa Hospitals and Clinics Committee

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

Board Receipt of Committee Report

➤ MOVED by CARROLL, SECONDED by DOWNER, to receive the:

- ▶ Report of Operational and Financial Performance;
- ▶ Strategic Plan Progress Report;
- ▶ Report on the Department of Orthopaedics and Rehabilitation and Ponseti International Association; and
- ▶ Report of the University of Iowa Hospitals and Clinics Committee.

<u>Regent</u>	<u>Carroll</u>	<u>Dakovich</u>	<u>Downer</u>	<u>Harkin</u>	<u>McKibben</u>	<u>Mulholland</u>	<u>Rastetter</u>	<u>Sahai</u>	<u>Walsh</u>
Aye	x	x	x	x		x	x	x	x
Absent					x				

MOTION APPROVED by ROLL CALL.

Economic Development Committee

The Economic Development Committee met at this time.

Board Receipt of Committee Report

➤ The Board accepted the reports presented in the Economic Development Committee by GENERAL CONSENT.

Sale and Issuance of \$27,475,000 Utility System Revenue Bonds, Series I.S.U. 2013A

Policy and Operations Officer Joan Racki introduced Barry Fick from Springsted, Incorporated, the Board's financial advisor.

Barry Fick reported that: (1) ten bids were received; (2) the winning bid was submitted by Piper Jaffray & Co.; and (3) the true interest cost was 3.422%.

➤ MOVED by HARKIN, SECONDED by DOWNER, to approve A Resolution providing for the sale and authorizing and providing for the issuance of \$27,475,000 Utility System Revenue Bonds, Series I.S.U. 2013A, for the purpose of equipping and improving the utility system, funding a debt service reserve fund, and paying costs of issuance, and authorizing and approving the execution and delivery of the Seventh Supplemental Indenture.

<u>Regent</u>	<u>Carroll</u>	<u>Dakovich</u>	<u>Downer</u>	<u>Harkin</u>	<u>McKibben</u>	<u>Mulholland</u>	<u>Rastetter</u>	<u>Sahai</u>	<u>Walsh</u>
Aye	x	x	x	x		x	x	x	x
Absent					x				

MOTION APPROVED by ROLL CALL.

Proposed Bond Issuance Schedule for Calendar Year 2014

Policy and Operations Officer Joan Racki provided a brief overview of the proposed bond issuance schedule.

- MOVED by HARKIN, SECONDED by CARROLL, to:
 - ▶ Establish a schedule for the issuance of bonds for calendar year 2014 as detailed in the memorandum; and
 - ▶ Adopt a resolution authorizing the Executive Director to fix the date or dates for the sale of Academic Building Revenue Bonds, refunding bonds, and other sales as may be authorized as a component of a Board approved financing plan for an identified capital project.

<u>Regent</u>	<u>Carroll</u>	<u>Dakovich</u>	<u>Downer</u>	<u>Harkin</u>	<u>McKibben</u>	<u>Mulholland</u>	<u>Rastetter</u>	<u>Sahai</u>	<u>Walsh</u>
Aye	x	x	x	x		x	x	x	x
Absent					x				

MOTION APPROVED by ROLL CALL.

Board President Report

President Rastetter:

- ▶ Recognized Regent Walsh for a report on Deaf Awareness Week;
 - ▶ Announced and welcomed everyone to the November 5, 2013, ribbon-cutting ceremony to celebrate the creation of the Southwest Iowa Educational Services Partnership between Iowa Western Community College in Council Bluffs, Southwestern Community College in Creston, and the Regent universities (*See the Board's web site or contact the Board Office for additional information*);
 - ▶ Thanked the citizens who participated in the first round of the Board's public hearings, said the hearings were videotaped, reviewed, and posted on the Board's web site; and noted the full schedule of public hearings through 2014 and additional details are available on the Board's web site;
 - ▶ (1) Thanked members of the Board's Performance-Based Revenue Model Task Force led by former Regent David Miles, and included President Pro Tem Katie Mulholland and citizen members Len Hadley (representing SUI), Cara Heiden (representing ISU), and Mark Oman (representing UNI); (2) reported that national and international consultant on governing and financing higher education Art Hauptman spoke to the Task Force on the current landscape and national trends in public higher education funding; and (3) said the Task Force will continue to meet over the next several months and reminded everyone that the meetings are open to the public;
 - ▶ Thanked Regents Larry McKibben and Milt Dakovich for their willingness to lead the current Board of Regents efficiency study; said the universities' efforts to ensure the most efficient of operations are ongoing and focus on being good stewards of university resources and accountable to the taxpayers of Iowa; and reported the study will be in the information-gathering stage prior to an official Request for Proposals. Chair McKibben will report to the Board at a later date;
 - ▶ Reported the Regents asked the legislature for a 4% increase in the upcoming legislative session that would allow the Regents to freeze in-state tuition for the second year in a row; and
 - ▶ Said the Board was pleased to have participated in the installation and celebration of Bill Ruud as the tenth president of UNI and thanked those who participated in the ceremony. He also thanked Presidents Mason and Leath, Superintendent Clancy, and Executive Director Donley for their attendance.
- The Board received the report by GENERAL CONSENT.

Reports from Institutional Heads

President Rastetter recognized Presidents Mason, Leath, and Ruud, and Superintendent Clancy for a report on recent activities at their respective institutions.

- The Board received the reports by GENERAL CONSENT.

Report of the Education and Student Affairs Committee

President Pro Tem Mulholland gave a short synopsis of the Education and Student Affairs Committee meeting which was held on October 23rd.

- MOVED by MULHOLLAND, SECONDED by DAKOVICH, to:
 - ▶ Receive the minutes of the Education and Student Affairs Committee meeting of September 10, 2013;
 - ▶ Receive the Fall 2013 Enrollment Report;
 - ▶ Approve the creation of a new center at the University of Northern Iowa: Center for Educational Transformation;
 - ▶ Receive the status report for the planning of a pilot regional program to serve students with sensory impairments;
 - ▶ Approve the name change at the University of Iowa from “REACH Program” to “UI REACH Program”;
 - ▶ Approve the proposed revisions for the Iowa State University 2013-2014 General Catalog;
 - ▶ Approve the award of an Honorary Doctor of Science Degree to Peggy A. Whitson at Iowa State University;
 - ▶ Receive the University of Iowa presentation “Changes in the Higher Learning Commission Accreditation Process”;
 - ▶ Receive the University of Iowa presentation “Early College Entrance of High School Students”;
 - ▶ Receive the update on collaboration with the Iowa community colleges; and
 - ▶ Receive the 2013 Education and Student Affairs Committee Work Plan.

<u>Regent</u>	<u>Carroll</u>	<u>Dakovich</u>	<u>Downer</u>	<u>Harkin</u>	<u>McKibben</u>	<u>Mulholland</u>	<u>Rastetter</u>	<u>Sahai</u>	<u>Walsh</u>
Aye	x	x	x	x		x	x	x	x
Absent					x				

MOTION APPROVED by ROLL CALL.

Proposed 2014-2015 Tuition and Fees (continued on page 6)

Chief Business Officer Patrice Sayre provided an overview of the proposed tuition and mandatory fees for the 2014-2015 academic year.

President Rastetter recognized University of Iowa Student Government President Katherine Valde, Iowa State University Government of the Student Body President Spencer Hughes, Northern Iowa Student Government President Tom Madsen, and University of Iowa Executive Council of Graduate and Professional Students Ben Gillig. The group provided comments on the proposed tuition and fees from the students’ perspective.

President Rastetter thanked the student leaders for their presentations and for meeting with the Regents at each Board meeting. He encouraged them to keep lobbying on behalf of the universities and the students.

Governor Terry Branstad and Lt. Governor Kim Reynolds

President Rastetter welcomed Governor Terry Branstad and Lieutenant Governor Kim Reynolds.

Governor Branstad:

- ▶ Thanked the Board for the opportunity to speak and student leaders for their invitation as well as their active participation and leadership on campus;
- ▶ Shared his thoughts on the University of Iowa's recovery from the 2008 floods, quality education at the three universities, and the importance of the universities to Iowa's economic opportunity and growth;
- ▶ Thanked Regents, University Presidents, and faculty and staff for their good work;
- ▶ Discussed the importance of a good education;
- ▶ Talked about good stewardship to continue to prepare graduates for the fast-changing world and assure affordability;
- ▶ Discussed the in-state tuition freeze;
- ▶ Commended the Regents on the upcoming efficiency review; and
- ▶ Emphasized the importance of keeping graduates in the state.

Lieutenant Governor Reynolds provided an update on the Governor's Science, Technology, Engineering, and Math (STEM) Advisory Council and highlighted:

- ▶ STEM-related job projected statistics;
- ▶ The Council's goal to increase student interest and achievement in STEM and access to its programs;
- ▶ Iowa Mathematics and Science Education Partnership's role in STEM;
- ▶ Legislative appropriations and a National Science Foundation grant;
- ▶ The evaluation component of STEM;
- ▶ The effort to put STEM classrooms in place; and
- ▶ The pivotal role that the universities have played to make STEM successful.

President Rastetter thanked Governor Branstad and Lieutenant Governor Reynolds for their presentations and thanked them for their support.

- The Board received Governor Branstad and Lieutenant Governor Reynolds' comments by GENERAL CONSENT.

Proposed 2014-2015 Tuition and Fees *(continued from page 5)*

University of Iowa College of Law Dean Gail Agrawal gave an overview of the proposed tuition changes for the College of Law and current national trends in law school tuition.

President Rastetter stated that the Board is committed to working with the legislature to secure funding of the universities' operating appropriations request for next fiscal year, adding that, based on the final action of the legislature next spring, tuition rates for 2014-2015 may be adjusted subsequent to the 2014 legislative session.

- The Board received the report by GENERAL CONSENT.

Proposed Common and University/Program-Specific Fees for 2014-2015

Policy and Operations Analyst Andrea Anania provided an overview of the proposed changes to common and university/program specific fees for the 2014-2015 academic year.

Regent Harkin expressed concern about the price of the University of Iowa’s REACH Program Fees and asked the University of Iowa to review these amounts.

- The Board received the report by GENERAL CONSENT.

Report of the Property and Facilities Committee

The Property and Facilities Committee meeting was held on October 23rd.

- MOVED by DAKOVICH, SECONDED by CARROLL, to:
 - ▶ Approve the Register of University of Iowa Capital Improvement Business Transactions;
 - ▶ Approve the Register of Iowa State University Capital Improvement Business Transactions;
 - ▶ Approve the Emergency Steam Line Repair between UIHC and the Medical Research Facility at the University of Iowa;
 - ▶ Approve the Institutional Agreements, Leases and Easements;
 - ▶ Receive the Campus Master Plans; and
 - ▶ Receive the report of the University of Iowa Update of Flood Recovery Status

Regent	<u>Carroll</u>	<u>Dakovich</u>	<u>Downer</u>	<u>Harkin</u>	<u>McKibben</u>	<u>Mulholland</u>	<u>Rastetter</u>	<u>Sahai</u>	<u>Walsh</u>
Aye	x	x	x	x		x	x	x	x
Absent					x				

MOTION APPROVED by ROLL CALL.

Federal Relations Report

President Rastetter recognized SUI Director of Federal Relations Peter Matthes, ISU Assistant Director of Federal Relations Sophia Magill, and Director of the Iowa Office of State-Federal Relations Doug Hoelscher. The group provided an oral report on federal relations activities.

On behalf of the Board, President Rastetter thanked: (1) the Federal Relations Officers for their efforts (2) Vice President Doug True for all of his efforts resulting in the successful outcome at the University with respect to the floods, including his work with FEMA and coordination with Iowa’s congressional delegation; and (3) UNI Special Assistant to the (UNI) President for Board and Governmental Relations Pat Gadelmann for her efforts.

- The Board received the report by GENERAL CONSENT.

Closed Session – Faculty Appeal

- MOVED by DAKOVICH, SECONDED by DOWNER, to enter into closed session pursuant to Iowa Code §21.5(1)(c) to discuss strategy with counsel in a matter that is currently in litigation and its disclosure would be likely to prejudice or disadvantage the position of the Board in that litigation.

<u>Regent</u>	<u>Carroll</u>	<u>Dakovich</u>	<u>Downer</u>	<u>Harkin</u>	<u>McKibben</u>	<u>Mulholland</u>	<u>Rastetter</u>	<u>Sahai</u>	<u>Walsh</u>
Aye	x	x	x	x		x	x	x	x
Absent					x				

MOTION APPROVED by ROLL CALL.

The Board convened in closed session at 3:30 p.m.

The Board reconvened in open session at 3:50 p.m.

- MOVED by MULHOLLAND, SECONDED by DOWNER, to deny the faculty member's appeal and affirm the final institutional action.

<u>Regent</u>	<u>Carroll</u>	<u>Dakovich</u>	<u>Downer</u>	<u>Harkin</u>	<u>McKibben</u>	<u>Mulholland</u>	<u>Rastetter</u>	<u>Sahai</u>	<u>Walsh</u>
Aye	x	x	x	x		x	x	x	x
Absent					x				

MOTION APPROVED by ROLL CALL.

Other

Regent Sahai requested that presentations at the state universities by out-of-state dignitaries and scholars be available on YouTube.

Adjourn

President Rastetter adjourned the meeting at 3:55 p.m.