

Contact: Andrea Anania

**MINUTES OF FEBRUARY 7, 2008
BOARD OF REGENTS, STATE OF IOWA
MEMORIAL UNION SUN ROOM
IOWA STATE UNIVERSITY
AMES, IOWA**

Board Members

	February 7
Bonnie Campbell	Present
Jenny Connolly	Present
Robert Downer	Present
Jack Evans	Present
Michael Gartner	Absent
Ruth Harkin	Present
Craig Lang	Present
David Miles	Present
Rose Vasquez	Present

Staff Members

Andrea Anania, Andy Baumert, Brad Berg, Marcia Brunson, Tim Cook, Sheila Doyle, Tom Evans, Diana Gonzalez, Joan Racki, Patrice Sayre, Todd Stewart, Ilene Tuttle

Regent Institutions

SUI	Sally Mason, Ken Fisher, Meredith Hay, Lola Lopes, Deb Miller, Jean Robillard, Tom Rocklin, Doug True, Gordon Williams, Ann Williamson
ISU	Gregory Geoffroy, Lucas Carlson, Laura Doering, Laurie Fiegel, Elizabeth Hoffman, Anumantha Kanthasamy, Warren Madden, Brian Phillips, Gene Takle, Lisa Willman
UNI	Benjamin Allen, Terry Hogan, Jim Lubker, Andrew Morse, Robin Sandberg, Tom Schellhardt, Jeff Weld, David Zarifis
ISD	Jeanne Prickett, James Heuer
IBSSS	Jeananne Schild, Don Boddicker

Others

Robert Anderson, former Iowa Lieutenant Governor, and Executive Director, Institute for Tomorrow's Workforce
David Fredrick, Associate Director for International Admissions, Wartburg College, Waverly, Iowa
Mark LeMay, Springsted Incorporated
Mike Meinders, Carney, Alexander, Marold & Co., L.L.P.
Andy Nielsen, Office of Auditor of State
Patricia Parker, Assistant Director of International and Graduate Admissions, Iowa State University
Allen Patch, Director of U.S. Export Assistance Center of the U.S. Department of Commerce, Des Moines
David Vaudt, Office of Auditor of State
Laurie Wolf, Des Moines Area Community College

The corresponding docket memorandum for each agenda item, an integral component of the minutes, is available on the Board of Regents web site: 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 8:30 a.m. on February 7, 2008.

Personnel Appeal

- MOVED by EVANS, SECONDED by HARKIN, to enter into closed session pursuant to Iowa Code section 21.5(1)(c) to discuss strategy with counsel in a matter where litigation is imminent and its disclosure would likely prejudice or disadvantage the Board's position in that litigation.

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

MOTION APPROVED by ROLL CALL.

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

The Board reconvened in open session at 9:45 a.m.

- MOVED by MILES, SECONDED by CAMPBELL, to affirm Iowa State University's final decision to deny promotion and tenure to Dr. Guillermo Gonzalez.

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

MOTION APPROVED by ROLL CALL.

Election of President Pro Tem

President Miles nominated Regent Evans as President Pro Tem. He stated that Regent Evans has done a terrific job as a Regent and is willing to serve the Board in this capacity. President Miles noted that the term for both the President and the President Pro Tem concludes on April 30th and that the Board would be asked to vote for both positions at the March meeting for the two-year term beginning May 1, 2008.

- MOVED by CAMPBELL, SECONDED by LANG, to elect Jack Evans as President Pro Tem of the Board of Regents.

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

MOTION APPROVED by ROLL CALL.

Report on the Search for the Executive Director

President Miles, Chair of the Executive Director Search Committee, said that the Committee has met several times and is making progress.

Regent Harkin asked if it is possible to determine how long the process is likely to take. Chair Miles said that the Committee is on schedule for what it wanted to accomplish and that it continues to accept names of possible candidates.

➤ MOVED by LANG, SECONDED by HARKIN, to:

- ◆ Receive the update from President Miles, Chair of the Executive Director Search Committee;
- ◆ Ratify the agreement with Francis & Associates, the executive search firm assisting the Committee and the Board in the search; and
- ◆ Approve the revised position description for the Executive Director.

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

MOTION APPROVED by ROLL CALL.

Fund Manager Issues

Patrice Sayre reported that inter-institutional meetings were held with the Board’s investment advisor in December and January and briefed the Board on the proposed motion.

➤ MOVED by EVANS, SECONDED by DOWNER, to:

- ◆ Receive the report; and
- ◆ Approve the transition from Goldman Sachs as manager of large cap core domestic equities to an institutional index fund managed by Vanguard.

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

MOTION APPROVED by ROLL CALL.

Revenue Bond Fund Audits

Representatives from the State Auditor’s Office (ISU), and Carney, Alexander, Marold & Co., L.L.P. (UNI) presented the revenue bond fund audits for the fiscal year ended June 30, 2007. (Weather conditions prevented McGladrey & Pullen LLP (SUI) representatives from participating.)

State Auditor David Vaudt stated that there were no findings on ISU’s eleven bond audits. In response to a question from Regent Downer about there being no bond fund audit conducted on Hilton Coliseum, State Auditor Vaudt said that there is no access to defeased bonds.

➤ The Board received the 26 revenue bond fund audits by GENERAL CONSENT.

Audit of Iowa State Center Business Office

State Auditor Vaudt stated that there were no significant findings that needed to come to the attention of the Board.

➤ The Board received the audit by GENERAL CONSENT.

Audit of Selected Programs

State Auditor Vaudt said that the University has responded to the audit findings and that follow up will be performed.

In response to Regent Lang’s question, Auditor Vaudt reported that UIHC is audited by an outside CPA firm.

➤ The Board received the audit by GENERAL CONSENT.

Audit of Quad-Cities Graduate Study Center

Patrice Sayre reported that no significant findings were reported.

President Pro Tem Evans asked how the audit firm was selected. Ms. Sayre said that she would find out and provide that information to him.

Regent Downer noted that television ads were placed with a local station in which a Board member is President and General Manager and asked if all stations in the market were treated equally. Ms. Sayre said that she would find out and provide that information to him.

- The Board received the audit by GENERAL CONSENT.

Audit of UIHC

Dan Koraleski of KPMG LLP discussed the UIHC audit presented this month for the fiscal years ended June 30, 2007, and June 30, 2006. He stated that an unqualified opinion was issued and reported on two internal control findings.

Regent Downer asked if the findings were expressed previously, if UIHC's process deteriorated causing these comments to be made, and if corrective actions are being implemented. Mr. Koraleski said that they are repeat recommendations, UIHC's process did not deteriorate during the year, there was evidence of improved controls, and UIHC reassured the auditors that these issues would not be there next year.

President Pro Tem Evans asked Mr. Koraleski to explain the audit comment regarding possible material changes to recorded estimates for Medicare and Medicaid revenues. Mr. Koraleski explained that hospital reimbursements are subject to audit by a Medicare intermediary after the fact which may disagree with the stance that the hospital took.

In response to a question from President Miles, Mr. Koraleski reported that UIHC and KPMG are working together to complete the annual fiscal year-end audits sooner than the following January. Vice President Doug True added that UIHC and KPMG share information and discuss issues on an ongoing basis.

- The Board received the audit by GENERAL CONSENT.

Internal Audit Reports

Internal Audit Director Todd Stewart discussed the reports presented this month.

President Miles asked if there were any responsiveness or cooperation concerns with any of the departments. Internal Audit Director Stewart replied no.

President Miles noted that the original report date on the Post Season Athletic Participation (Outback Bowl) was September, 13, 2006, and that follow up has not occurred. Internal Director Stewart replied that follow up is conducted after the next bowl game so that auditors can determine if corrective actions have been implemented.

In response to President Miles' question on the dashboard, Internal Audit Director Stewart elaborated on current practices.

- The Board received the reports by GENERAL CONSENT.

Comprehensive Human Resources Report

Marcia Brunson explained that the Comprehensive Human Resources Report includes the following annual governance reports: Fringe Benefits, Sick and Annual Leave Usage, Regent Merit System, Retirement, Faculty Resignations, Salary Report, Faculty Salary Comparisons and Employee Award Programs.

President Miles asked how the peer groups were established. Ms. Brunson stated that the peer groups were established by the Board in the early 1980's. Each institution is compared with ten other institutions. For the purpose of broader comparison, the faculty salary data for the other AAU institutions is also provided. She stated the same 11-member peer groups are used for other comparisons such as tuition and residence system rates.

President Miles asked about the validity of the peer groups. President Mason stated she felt they were a good representation for comparison purposes. President Geoffroy said ISU had, from time to time, thought about other possible comparison groups but felt the current grouping which includes both land grant and AAU institutions was a good comparison group. President Allen stated he would like an opportunity to revisit the UNI group in the context of their next planning process.

Regent Downer stated there were three areas at ISU where faculty salaries fell below the 90th percentile in average salaries as a percent of the peer average – Business, LAS – Social Sciences, and LAS – Humanities. He asked if that presented a problem and if there is something that should be done.

President Geoffroy stated it does indeed represent a problem, but the serious problem is the overall salary ranking. He stated ISU should at least be at the midpoint of the group instead of at the bottom. He indicated ISU does a very careful salary analysis every year using data from the AAU data exchange comparing salaries by department, discipline, and college. Last year, special salary distribution allocations were given to a couple of colleges including Business where salaries were significantly below the mean. Special allocations were also given to several departments where salaries were low and for strategic purposes.

Regent Harkin asked if the salary amounts were straight salary or total compensation. Ms. Brunson responded the charts included only salary.

Regent Harkin asked how the Iowa institutions compared with total compensation packages. President Geoffroy stated ISU had an excellent benefits package, but some of the comparison institutions also had excellent benefits.

President Miles asked if total compensation data was available for the peer institutions. Vice President Madden stated the data would be available. Regent Harkin stated the total compensation data would be useful in recruiting.

Provost Hoffman stated ISU has one of the best benefit packages in the country and Iowa has a cost of living considerably lower than other areas of the country. She stated ISU has a very aggressive partner accommodation program where both parts of a couple are brought to the campus. In addition, the University is working on many other family-friendly policies to make ISU a place where people want to come.

Vice President True stated we have to be sure the total compensation comparisons with the peer institutions are valid. He said the University of Iowa also has a robust benefit package. He noted Michigan State University and University of Michigan both have very rich post retirement benefit programs. He said when compensation packages include such programs, it is harder to make valid comparisons in benefit programs.

Regent Harkin asked how the faculty resignations reported compared to peer institutions. Both President Mason and President Geoffroy stated the resignations were at a level to be considered normal turnover. President Allen stated he did not have the peer group comparison, but he was not concerned with the current number of resignations.

➤ The Board received the report by GENERAL CONSENT.

Annual Diversity Report

Ms. Brunson explained that, in order to meet the statutory deadline of January 31, the Annual Diversity Report had been forwarded to the Iowa General Assembly prior to the Board of Regents meeting and it would be necessary for the Board to ratify the submission.

President Miles asked how the Regent universities were doing in the diversity area as compared to peers. President Mason stated the metrics used for the report are the same as those used at most institutions. She indicated the numbers are out there but making good comparisons might be difficult. She also noted the peer group for diversity might be different from the one for salaries. She stated the numbers and trends shown in the current report were very similar to what she saw when she was in Indiana.

President Miles asked how we decide if our programs are successful. President Geoffroy stated this is an area where we should always assume we are not doing well enough and have to continually work very hard on diversity issues.

Regent Downer stated all the employment categories are important, and he noted there has been great effort expended with regard to faculty. He voiced concerns with clerical and blue collar areas where there appears to have been some slippage over time.

- MOVED by EVANS, SECONDED by DOWNER, to receive the Annual Diversity Report and to ratify its submission to the Iowa General Assembly.

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

MOTION APPROVED by ROLL CALL.

Iowa Braille and Sight Saving School and Statewide System for Vision Services

Ms. Brunson explained the Board is asked to approve a number of items related to the creation of the Statewide System for Vision Services. These include an intergovernmental agreement for the development of the statewide system through collaboration of the Department for the Blind, the Department for Education and the Area Education Agencies. The second agreement allows the Department of Education to contract with the Board for 40% of the time of the Superintendent of IBSSS to serve as the administrator of the statewide system. Other items the Board is asked to approve include a Statement of Responsibilities for the Superintendent, creation of a search committee, and modifying the current faculty matrix for the school.

Interim Superintendent Schild stated the Coordinating Council for Vision Services headed by former Regent Mary Ellen Becker and Sister Jude Fitzpatrick established the blueprint for the statewide system. She added she was pleased AmeriCorps would be locating to the campus by July 1 with about 160 members. It is anticipated in the next two years the number will be increased to 250 with 17 administrative positions. She thanked the staff at Iowa State University for the assistance given in relocating the IBSSS services into the main building.

- MOVED by LANG, SECONDED by CONNOLLY, to approve the:
 - ◆ Intergovernmental Agreement between the Board of Regents and the State Board of Education;
 - ◆ Intergovernmental Agreement between the Board of Regents, State Board of Education, Department for the Blind and Association of Area Education Agencies;
 - ◆ Statement of Responsibilities for the Superintendent/Administrator of the Statewide System for Vision Services;
 - ◆ Establishment of a search and screen committee for the position of Superintendent/Administrator of the Statewide System for Vision Services; and
 - ◆ Revised 2007-08 faculty pay matrix.

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

MOTION APPROVED by ROLL CALL.

Consent Agenda

- ◆ Minutes of December 4, 2007, Board Meeting
- ◆ Minutes of December 5, 2007, Board Meeting
- ◆ Institutional Personnel Transactions
- ◆ Semi-Annual Claims Activity Reports: July 1 Through December 31, 2007
- ◆ Conflict of Interest Vendors
- ◆ Revisions to Policy Manual
- ◆ Proposed Department Name Change at the University of Iowa - Department of Biological Sciences
- ◆ Request to Award an Honorary Doctor of Humane Letters Degree
- ◆ IBSSS Monthly Report

President Pro Tem Evans asked for further explanation on the proposed policy manual revision concerning meal rate reimbursement. Patrice Sayre said that the intent of the changes is to be current with federal government rates and to remain flexible.

➤ **MOVED** by HARKIN, **SECONDED** by CONNOLLY, to approve the Consent Agenda.

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

MOTION APPROVED by ROLL CALL.

Campus Sustainability

Vice President Madden highlighted the national and global importance of sustainability and its importance on the Regent campuses. He indicated that the focus at ISU has been conservation and the importance of establishing baselines for energy conservation and sustainability. He also stressed the importance of educating students so they will have the background to seize opportunities in this field. He stated ISU has been involved in energy conservation for a very long time; the University has generated power for 100 years and the cogeneration plant is currently 55% efficient.

Vice President Madden also stated that significant progress has been made in building standards using LEED (Leadership in Energy and Environmental Design) certification measures. ISU also cooperates with municipal utilities and has back-up systems. The University is actively exploring the purchase of wind power. Vice President Madden indicated the universities will most likely be presenting policy modifications for Board consideration in the form of building and design standards, and expectations for architects.

Vice President Schellhardt noted that the UNI Energy Conservation Committee is comprised of faculty, staff, students, and community leaders. The Iowa Waste Reduction Center and the Recycling and Reuse Technology Transfer Center work with small business and the University on the reuse of materials. They work collaboratively with the City of Cedar Falls on recycling initiatives, and storm water runoff and erosion in the Dry Run Creek area.

Vice President True reported that the goal of the University's Green Power Task Force is to reduce the use of natural gas and coal and supply 40% of the University's fuel needs from biomass. SUI is currently burning 20% of its fuel needs from biomass. The University has joined the Chicago Climate Exchange and is working to achieve the goals outlined by the Exchange.

Regent Harkin asked if each university had its own committee on sustainability. Vice President Madden indicated yes, and they collaboratively share information where applicable at the vice presidential level.

President Miles inquired about the level of student engagement compared to five years ago. Vice President True responded that it has increased. More publicity from media outlets has resulted in increased student engagement, to extraordinary levels. Vice President Schellhardt indicated that students have been very active in residence hall sustainability programs.

Regent Lang asked if the universities were considering carbon trading. Vice President Madden responded that several questions would need to be answered before the University would consider purchasing someone else's sequestered carbon and if it was the right thing for ISU to pursue. Many of those decisions would be based on economics.

Regent Lang inquired if the Regent universities were receiving satisfactory flexibility from the Department of Natural Resources (DNR). Vice President Madden said that DNR is trying to streamline its permit processes that allow entities to burn alternative fuel sources.

Regent Connolly asked if faculty and staff were being trained and educated on ways to reduce energy consumption on campus. Vice President True said yes, but probably not enough. He said that engaging faculty and staff in committees and improving communication is very important in the sustainability education process.

President Geoffroy indicated ISU's faculty has been very enthusiastic and have contacted him with their ideas; they are glad it has become an institutional priority.

Regent Connolly asked if classes were being consolidated into one building whenever possible to reduce energy usage. Vice President Madden said it is very difficult to do so at a large research institution when buildings were designed in a period when conservation was not a priority. Vice Presidents Madden and True stated the importance of using technology, instead of people, to control lighting and HVAC systems.

➤ The Board received the report by GENERAL CONSENT.

Legislative Update

Interim Director Andy Baumert introduced Joan Racki and Dean McCormick, Director of Design and Construction Services at ISU. Mr. McCormick discussed the universities' request to pursue legislation which would provide for integrated project delivery options for Regent capital projects.

Regent Downer said that he would like to see specific language on what exactly is being proposed. He said that the only thing he would be willing to support at this time is an increase in the bid threshold and that he would not support authorization for fast-track projects.

President Miles asked if any specific language has been prepared. Interim Executive Director Baumert said that the broad concepts presented in the memorandum are what would be incorporated into any potential legislation.

In response to Regent Downer's comments, Mr. McCormick said that the universities are committed to an open and objective process. He added that it would be a value-based selection process and be based on legislation proven to be successful in other states.

Regent Downer stated that the Board needs to know a great deal more than what has been presented at this point given the magnitude of the decision and the large dollar amounts involved in the projects.

Ms. Racki stated that this is a proposal to amend the statute, it does not give the universities blanket authority to use either method, and each individual project would need specific Board approval for use of an integrated delivery method. She added that it would not change how the universities conduct most of their business; it would just be another option.

In response to Regent Harkin's questions, Interim Director Baumert reported that building construction and trade organizations are interested in this topic and that there are opinions on both sides. Mr. Baumert said that it has been a topic of discussion in several different sessions and that it is up to the Board to determine whether or not to be actively engaged this session. Regent Harkin added that, if the Board moves forward with this request, it would be important to spell out the benefit to taxpayers.

Regent Lang asked about the authority the Regents would have if this is passed. Ms. Racki said that it would amend the Regents statute related to improvements (Chapter 262.34.)

Vice President Madden said that this is a useful tool in certain circumstances. Vice President True added that it could be useful in unusual circumstances.

In response to a question from Regent Vasquez, Mr. McCormick said that Iowa would rank 47 out of the 50 states to adopt language, lagging behind the rest of the country.

Regent Lang moved approval of the universities' request to pursue legislation which would provide for integrated project delivery options for Regents capital projects, as outlined in the memorandum. Motion failed due to lack of a second.

➤ **MOVED** by LANG, **SECONDED** by CONNOLLY, to table discussion until the March Board of Regents meeting. **MOTION PASSED UNANIMOUSLY.**

President Miles stated that the Board would like to review specific language prior to taking any action and thanked everyone for their hard work.

Interim Director Baumert discussed the Regents appropriations requests and the Governor's budget recommendations. He reported that the Presidents and Superintendents have been before the Education Appropriations Subcommittee and a variety of other programs have been before other subcommittees, and that the Vice Presidents will appear before the Infrastructure and Capitals Subcommittee.

Regent Lang asked what the status quo budget is on Economic Development. Interim Director Baumert said that those programs are collectively \$3.6 million and that \$4.4 million was requested this year to bring it back to the level of 2001.

President Miles thanked Interim Director Baumert and the Board Office for their hard work.

Interim Executive Director Baumert introduced student government representatives Brian Philips (ISU) and Andrew Morse (UNI). They reported on current student activities, including meetings with the Governor and legislators to discuss full funding for the Regent enterprise and other policy initiatives; resolutions in support of the Board of Regents and the Generation Iowa Commission Report; research on the brain drain issue; student lobbying efforts; and tracking legislation on tuition, tuition waivers, student debt, textbook costs, landlords and deposit retention, and other student-related issues.

President Miles thanked them for their hard work and said that he is looking forward to working with them.

➤ The Board received the update by **GENERAL CONSENT.**

Resolution for the Sale and Award of \$25,000,000 Academic Building Revenue Bonds, Series I.S.U. 2008

Mark LeMay from Springsted, Incorporated, reported that two bids were received. He said the winning bid was submitted by UBS Securities, had a true interest cost of 4.32%, and added that they were sold without insurance.

Regent Downer asked if having no insurance has any impact on the issuance of the Board of Regents Bonds. Mr. LeMay said that the Regents bonds have traditionally sold on their own recognizance and added that the appeal and strength of the bonds, and demand in the market for Regent bonds returned a favorable result, with or without the insurance.

- **MOVED** by EVANS, **SECONDED** by DOWNER, to approve A Resolution providing for the sale and authorizing and providing for the issuance and securing the payment of \$25,000,000 Academic Building Revenue Bonds, Series I.S.U. 2008, for the purpose of paying a portion of the costs of constructing additions and improving, remodeling, repairing, and equipping the veterinary teaching hospital and diagnostic lab, Coover Hall, Chemistry Building facilities, fire and environmental safety, deferred maintenance, and campus security improvements on the campus of Iowa State University of Science and Technology, funding a reserve fund, and paying the costs of issuance.

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

MOTION APPROVED by ROLL CALL.

Facilities Governance Report

Joan Racki stated the Regents are responsible for 35 million gross square feet (GSF) of space in the Regent Enterprise facilities with a replacement value of over \$12 billion, of which 17 million GSF are academic/research/administrative (general fund) facilities with a replacement value of \$6.3 billion. This includes responsibility for the large facility issues of deferred maintenance and fire safety. The universities report approximately \$460 million in deferred maintenance in the general fund facilities. The bonding authorization approved last year included many projects that will help reduce deferred maintenance and fire safety items.

President Miles asked how fire safety projects are prioritized relative to other deferred maintenance items after those that present an immediate danger are addressed.

Vice President True responded that if a space is determined to be unsafe, it is vacated immediately. A comprehensive review, which includes input from the Fire Marshal's Office and the University's Department of Public Safety, including qualitative and quantitative assessments, is used to determine the priority of remaining projects. Fire safety projects are embedded in larger projects, when possible. Many fire safety and deferred maintenance issues can be corrected by tearing down old buildings. One example is the possibility of tearing down Oakdale Hall after the new facility for the Hygienic Laboratory is complete.

Vice President Madden concurred with Vice President True's response and added that University personnel meet with the State Fire Marshal's staff to help prioritize projects. Life safety is the first priority and then property protection items are addressed.

President Miles noted that the Regent institutions are spending one quarter to one half of the minimum 1% that should be spent on building repair and inquired about the spending deficiency when compared to the 1% standard.

Vice President True stated that the amount spent on building repair is first determined on the availability of funds and the establishment of internal policies. Funds are set-aside for future repair/replacement of items in new buildings. The University makes it a priority to ensure that those set-aside funds are used for the intended purposes so deferred maintenance items do not accrue. The University would like this to be the model going forward.

President Miles inquired about capacity utilization and if there are benchmarks or averages on classroom utilization measures that the universities strive to attain and if the institutions are fully utilizing space in existing buildings before constructing a new building.

Vice President Madden responded that the University centrally manages classrooms, which includes upgrading existing classrooms. Classrooms comprise approximately five percent of the space on the ISU campus; the University continues to look at the hours classrooms are utilized. Benchmark utilization is used from peer institutions for capacity utilization.

- The Board received the report by GENERAL CONSENT.

Institutional Agreements, Leases and Easements

- MOVED by EVANS, SECONDED by CONNOLLY, to approve the lease and easement for the benefit of the University of Iowa, and the lease for the benefit of the University of Northern 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>Connolly</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>
Aye	x	x	x	x		x	x	x	x
Nay									
Absent					x				

MOTION APPROVED by ROLL CALL.

Register of University of Iowa Capital Improvement Business Transactions

After Vice President True provided an overview of the items on the capital register, Regent Lang asked about the total cost of all components of the **Dental Science Building – Construct Addition – Phase 1** project. Vice President True indicated that the early cost estimate is \$17 million; however, there is a need to engage professional consultants at this early stage of the project to confirm that the University’s vision is consistent with the \$17 million budget estimate. He noted that the University has spent considerable time carefully developing the project budget since there is no state funding involved and limited opportunities for additional funding. He further explained that if the project cannot be completed with the identified funding, the University would likely cut back the project, or determine what other funding sources are available (without state money), or something in between, and return to the Board. Such changes would only occur after the University has engaged professional consultants to develop the best assessment of the project costs. Both Regent Lang and Vice President True noted that the bidding environment will be critical in determining the total cost of the project.

- MOVED by CONNOLLY, SECONDED by HARKIN, to authorize permission to proceed with project planning, including the architectural selection process for the **Dental Science Building – Construct Addition – Phase 1** project, and the selection of Stanley Consultants for the **Lindquist Center – Upgrade Utility Support Systems for Room 14** project; permission to proceed with project planning, and the selection of Stanley Consultants, Muscatine, Iowa, for the **Oakdale Renewable Energy Plant – Central Chilled Water Production** project; and permission to proceed with project planning, and the selection of Shive-Hattery, Cedar Rapids, Iowa, for the **Oakdale Renewable Energy Plant – Mechanical Distribution** project.

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

MOTION APPROVED by ROLL CALL.

University of Iowa Proposed Property Purchases

- MOVED by CAMPBELL, SECONDED by HARKIN, to approve the purchase of a fifty-foot wide strip of land approximately 914.24 feet long totaling approximately 45,712 square feet located adjacent to the south side of the University’s International Center at the purchase price of \$182,848, and the purchase of a two-story house located at 111 Church Street at the purchase price of approximately \$475,000 plus accrued interest.

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

MOTION APPROVED by ROLL CALL.

Register of Iowa State University Capital Improvement Business Transactions and Building Naming

Vice President Madden provided an overview of the **Biorenewables Complex** and introduced Provost Hoffman to outline the building program. Provost Hoffman expressed the University’s thanks to the Board of Regents and the State for funding the Biorenewables Research Laboratory, which is one of three wings of the **Biorenewables Complex**. She emphasized that biorenewables research is the future of Iowa State University; this will include research on climate change solutions, the creation of new biofuels and biologically-based chemicals, and development of methods to reduce atmospheric carbon. Given these research initiatives, she expressed the need to complete as quickly as possible the two additional wings of the **Biorenewables Complex** for use by the Department of Agricultural and Biosystems Engineering (ABE).

Provost Hoffman explained the importance of the **Biorenewables Complex** due to the strength of ABE (which is ranked second in the country by U.S. News and World Report), and the new and critical interest in the bioeconomy which has been consolidated and focused with the University’s Bioeconomy Institute. The Institute, which consists of 150 affiliate faculty members (including faculty of ABE), was recently identified for possible designation as the first Engineering Research Center at ISU, and has garnered \$43 million in sponsored research funding from industry and federal agencies.

Provost Hoffman explained that ABE offers some of the University’s most popular undergraduate programs; as a result, the University is considering development of an undergraduate degree in biorenewables. She reported that ISU has new graduate programs related to biorenewables, and students in these programs are obtaining employment immediately upon completion of their degrees. However, despite the success of ABE, Provost Hoffman reported that the Department is currently housed in some of the worst space on campus.

Vice President Madden explained that the Biorenewables Complex would be constructed on the west campus in one of the last available areas for campus development. He indicated that the University plans to bid construction of the Biorenewables Research Laboratory this fall for occupancy by the end of calendar year 2009.

Regent Downer expressed his concern that the net-to-gross ratios for the Biorenewables Research Laboratory were slightly low. Vice President Madden explained that since the Biorenewables Research Laboratory would be the first of the three building wings constructed at the site, it would have more space committed to the infrastructure needs for the entire Complex. He reported that the net-to-gross ratio for the Complex would improve when all three wings are constructed.

President Geoffroy expressed the University’s gratitude to alumnus Virgil Elings, who committed \$5 million for construction of the ABE office wing of the Complex; the University requested that this building wing be named “Elings Hall” in recognition of this gift.

President Miles questioned the third revised budget for the Memorial Union Renovation project. Vice President Madden explained that the University has recently identified funding for development of an admissions visitor center in previously uncommitted space in the Union's new south addition. He further explained that the admissions visitor center would provide a "front door" for the University's recruiting programs, and would be a great asset for the Admissions Office's work with prospective students and parents, including student orientation programs.

- **MOVED** by CONNOLLY, **SECONDED** by HARKIN, to approve the schematic design for the **Biorenewables Complex**, and project description and budget (\$32,000,000) for the **Biorenewables Research Laboratory** project, with the understanding that this approval will constitute final Board approval for the **Biorenewables Research Laboratory** and authorization to proceed with construction; the naming of the **Biorenewables Complex** Agricultural and Biosystems Engineering office wing as "Virgil B. Elings Hall;" and the revised project budget (\$22,123,000) for the **Memorial Union Renovation** project.

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

MOTION APPROVED by ROLL CALL.

Iowa State University Property Sale

Regent Lang indicated that he had previously abstained on a vote for the University's sale of 160 acres of Monona County farm land. However, he explained that he would now be voting in favor of the property sale since he approves of the use of the sale proceeds (for an endowed professorship for the Department of Food Science and Human Nutrition).

- **MOVED** by EVANS, **SECONDED** by HARKIN, to approve the sale of 160 acres of farm land located in Monona County, Iowa, to Beverly Alexander at the price of \$669,600.

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

MOTION APPROVED by ROLL CALL.

Iowa State University Building Demolitions

Vice President Madden provided an overview of the planned demolitions of the Ag Engineering Shed, Industrial Education 1 building, and Fisher-Nickell Hall. President Miles noted that the building demolitions were one method of reducing deferred maintenance.

Regent Harkin asked if the University filmed its building demolitions, particularly the Knapp and Storms demolition in 2005. Vice President Madden explained that it would not take long to bring down any of the buildings currently proposed for demolition. He indicated that he would provide Regent Harkin with the University's web site address with the film of the Knapp and Storms demolition.

- **MOVED** by LANG, **SECONDED** by DOWNER, to approve the demolition of the Ag Engineering Shed and Industrial Education 1 buildings to prepare for construction of the new Chemistry Facilities Building, and the demolition of Fisher-Nickell Hall to complete the Hixson-Lied Student Success Center project.

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

MOTION APPROVED by ROLL CALL.

University of Northern Iowa Building Demolitions

Vice President Schellhardt provided an overview of the proposed demolitions, which would be done to accommodate construction of the Parking Deck and Transit Facility on the UNI campus. In response to a question from Regent Downer, Vice President Schellhardt verified that the demolition plan has not changed since Board approval of the project site and schematic design for the parking facility (May 2007). Regent Lang expressed his appreciation for the inclusion of the campus map indicating the location of the two buildings proposed for demolition.

- **MOVED** by DOWNER, **SECONDED** by EVANS, to approve the demolition of the house and garage located at 1203 West 23rd Street, and the house located at 1221 West 23rd Street, Cedar Falls, Iowa.

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

MOTION APPROVED by ROLL CALL.

Update Presentation on Development of Articulation Website

The presentation was provided by Diana Gonzalez; Laura Doering, ISU Senior Associate Registrar and Director of Transfer Relations; Deb Miller, SUI Associate Director of Admissions; Robin Sandberg, UNI Communication Coordinator, Admissions; and Laurie Wolf, DMACC Executive Dean, Student Services. The team reported that the Board of Regents and Iowa community colleges have been engaged in articulation efforts since the community colleges were begun in the mid 1960s. The team provided highlights of the legislative requirement; brief history of articulation; guiding principles used by the Team to develop the website; feedback from constituencies which has guided the features and characteristics of the website; unveiling of the new single source website – TransferinIowa.org; and the next steps in the process of completing and implementing the website and providing ongoing maintenance and support. The Team provided an example of how to access the Transfer Plan-It website.

President Miles asked if the choice of major affected how the credits would transfer. Robin responded that it would affect how the credits would apply. However, Diana pointed out that the system will allow the student to choose multiple majors. Regent Connolly said that it was a great tool which will also be useful for high school students taking college credits; she commended the Team for its efforts. President Miles thanked the Team for the approach to developing the website which shows exactly what the outcome is and for working together to develop this important tool.

- The Board received the presentation by GENERAL CONSENT.

Faculty Presentation at Iowa State University “Role of Research in the Undergraduate Experience”

Provost Elizabeth Hoffman introduced Professor Gene Takle who was one of the scientists mentioned by Former Vice President Al Gore when he received the Nobel Peace Prize. Professor Takle provided an overview of undergraduate research. He pointed out that undergraduates come to the University to learn new things and undergraduate research contributes to that objective. ISU’s Strategic Plan seeks to strengthen opportunities for undergraduates to participate in research projects. The National Survey of Student Engagement, which is a benchmark by which ISU is measured and compared to peers, shows that working with a faculty member on a research project contributes to four things – academic challenge; active and collaborative learning; student-faculty interaction; and an enriching educational experience. Professor Takle indicated that undergraduates are an underutilized research resource. There is an institutional initiative to broaden opportunities for undergraduate research, such as including request for funding for undergraduates in research projects; an annual undergraduate symposium to allow undergraduates to discuss their research involvement; and mentoring workshops which stress mentoring of undergraduates.

Laurie Fiegel, Administrative Director of the University Honors Program, introduced two students who have been heavily involved in undergraduate research. Lucas Carlson is majoring in Animal Science with a minor in Microbiology. Some of his research experiences include a research assistantship in animal genomics; Science with Practice, two independent projects, and a summer fellowship at Mayo Medical School (Mayo). He recently has been asked to present his research findings at a conference in France this summer. He also learned that he had been accepted to the M.D./Ph.D. program at Mayo. Lisa Willman is a triple major in architecture, Spanish, and psychology with a minor in multi-media design. Her Honors project, titled "Urban - Gentrification of a Prominent Denver Neighborhood" allowed her to incorporate her work in all three majors. Lisa plans to attend a doctoral program in the fall.

President Miles thanked Lucas and Lisa for their presentations and congratulated them on their many accomplishments. Regent Vasquez asked Lucas how he had learned about undergraduate research opportunities. Lucas responded that he had learned early in his freshman year from upper class students and from faculty about research opportunities. Lisa indicated that her freshman mentor was also her Honors project director.

➤ The Board received the presentation by GENERAL CONSENT.

2006-07 Distance Education Report

Diana Gonzalez presented highlights from the 2006-07 Distance Education Report. Dr. Gonzalez indicated that the report focuses on the goals contained in the Distance Education Strategic Plan approved by the Board in 2005: (1) contributing to the state's economic development; (2) selecting and using appropriate strategies for instructional delivery; and (3) collaborating among the Regent universities in distance education delivery.

➤ The Board received the report by GENERAL CONSENT.

Annual Report on Student Retention and Graduation Rates

Diana Gonzalez presented highlights from the annual report on student retention and graduation rates. President Miles noted that, when looking at the six-year graduation rates of peers, it is obvious that the University of Iowa and Iowa State University are not keeping pace with their peers.

He asked Presidents Mason and Geoffroy to comment. Prior to their comments, Diana mentioned that the selectivity characteristics of institutions play a major role in their retention and graduation rates. She indicated that schools are classified on a selectivity scale of 1 to 5 where 1 represents schools with open enrollment and typically include community colleges and 5 represents schools which are highly selective, such as Harvard and Stanford. The Regent universities are characterized as traditionally selective institutions. President Geoffroy responded to President Miles' question by indicating that there are national data which show strong correlation between six-year graduation rates and average ACT scores of entering freshmen. He cited the University of Illinois as being highly selective and having high graduation rates. President Geoffroy indicated that ISU monitors the data very carefully. President Mason agreed that selectivity plays a critical role in the persistence rates of students.

President Miles noted that the six-year graduation rates of minority students are not keeping pace with those of non-minority students. He asked President Ben Allen to comment on whether we are doing everything we need to be doing. President Allen mentioned that UNI's policies and strategies need to be revisited and that there is much more that needs to be done. President Allen introduced Vice President Terry Hogan who was recently hired from Ohio University which typically has had high six-year graduation rates. Vice President Hogan indicated that the focus needs to be on the gap between the rates of minority students and non-minority students. He noted that Provost Jim Lubker has implemented an initiative to conduct a self-assessment of students regarding their experiences at the University. It is expected that the information gleaned from minority students will assist in developing strategies aimed at improved persistence. President Miles thanked Diana for the report.

➤ The Board received the report by GENERAL CONSENT.

Realizing Educational and Career Hopes (Reach) Program Status Report

Vice Provost Tom Rocklin presented a status report on the development and implementation of the REACH Program at the University of Iowa. The program has achieved a number of milestones, including filling key positions, developing admissions procedures, developing a curriculum map, and raising \$2 million. There have been 24 applications with a goal of admitting 18-20 students. Students are pre-screened with their families to determine their readiness for the program.

Regent Campbell asked if there were a similar program elsewhere. Vice Provost Rocklin indicated that there is no such program in a research institution such as the University of Iowa. Regent Campbell said that she would be eager to hear about the program's success which would truly make the Regent enterprise proud. Vice Provost Rocklin responded in a couple of years it would be possible to bring students from the program to a Board meeting.

- The Board received the report by GENERAL CONSENT.

Proposed New Center at Iowa State University – Center for Carbon Capturing Crops

Provost Hoffman noted that the proposed center will focus on genetic engineering of crops to put carbon back into the soil. It will be one more effort by ISU's emphasis on climate changes. President Miles if such a center were available at other institutions. Provost Hoffman responded that she was not aware of other centers but noted that the next round of Department of Energy proposals may well include such projects.

Regent Harkin noted that work in this area is already being done and asked why there is a need for a center. Provost Hoffman indicated that it provides special recognition and integrates it with other centers to work together. President Geoffroy indicated that it pulls together a group of faculty members in new ways and helps leverage funds. Provost Hoffman also indicated that under ISU's new resource management model a center that administers its own grants is eligible for 10% indirect cost recovery. This will help the center to build its own infrastructure to support faculty in search of research grants.

- MOVED by CAMPBELL, SECONDED by CONNOLLY, to approve the Center for Carbon Capturing Crops at Iowa State University.

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

MOTION APPROVED by ROLL CALL.

Presentation on Study Iowa

The Board received a presentation by representatives of Study Iowa, a non-profit consortium whose mission is to stimulate and sustain cooperative efforts by Iowa colleges, universities, and other partners to promote Iowa as a premier destination for education and training for students from all nations. The following Study Iowa representatives were in attendance for the presentation:

- ◆ Robert Anderson, former Iowa Lieutenant Governor, and Executive Director, Institute for Tomorrow's Workforce;
- ◆ Patricia Parker, Assistant Director of International and Graduate Admissions, Iowa State University;
- ◆ Allen Patch, Director of U.S. Export Assistance Center of the U.S. Department of Commerce, Des Moines; and
- ◆ David Fredrick, Associate Director for International Admissions, Wartburg College, Waverly, Iowa.

The group explained the background and goals of the Study Iowa initiative and described a variety of benefits and challenges associated with the recruitment of international students to Iowa, as follows:

- ◆ Study Iowa was organized in 2000 to attract international students to address Iowa's future worker shortage and the impact on the future economic prosperity of the state.
- ◆ The initiative began as a joint effort with the U.S. Department of Commerce, Iowa Export Council, and several Iowa colleges and universities to collaboratively recruit more international students to Iowa by developing cooperative relationships between Iowa higher education, government and industry.
- ◆ The specific goals of Study Iowa include: 1) to increase the number of international students in Iowa; 2) to increase the visibility of the state of Iowa as a location for students to study; 3) to increase Iowa's leverage with partner organizations (i.e., Study USA); and 4) to attract students with realistic expectations of Iowa's educational offerings.
- ◆ As identified by Study Iowa, the three essential elements to making Iowa a great success story in global education include: 1) cooperation and strategy among Iowa colleges and universities; 2) strong support from government and the public sector; and 3) private sector involvement with the Iowa business community.
- ◆ Iowa's higher education service industry requires a yearly intake of thousands of qualified students; Study Iowa promotes the marketing of Iowa as a place offering a strong higher education system.
- ◆ In its recruitment efforts, Study Iowa has developed relationships and promotional programs with schools and U.S. Embassies around the world. It also participates in several Iowa international outreach programs.
- ◆ Iowa's population growth has slowed considerably; without a stable or growing number of students, Iowa's excellent higher education faculties, staff and facilities will be underutilized.
- ◆ The U.S. Department of Commerce supports higher education as a major service industry, as education and training has become a significant service export; the recruitment and retention of international students is good business for the U.S. and for Iowa.
- ◆ Competition for international students among individual states is increasing as additional states are taking up similar initiatives to recruit these students.
- ◆ However, the United States is losing its overall competitiveness for international students; one primary reason is the lack of a proactive national strategy for attracting these students. Study Iowa believes it can provide a model of a successful statewide initiative that could be used in the development of a national program for the recruitment of international students.
- ◆ When international students stay in the U.S., they become an invaluable resource to Iowa companies expanding globally. When they return to their home countries, they provide a number of benefits to Iowa and the U.S.: they become champions and promoters of the state, they favor the purchase of U.S. and Iowa products, they are sympathetic to U.S. interests, and they influence friends and family members to travel to Iowa to study.
- ◆ Greater support from government, Iowa colleges and universities, and Iowa businesses, will be needed to sustain a competitive position and to move Iowa forward as a leading destination for students worldwide.
- ◆ Study Iowa is seeking leadership, support, and suggestions from the Board of Regents to take this initiative to next level in the world marketplace for higher education. This includes Board of Regents policy determination on the importance of international markets for the higher education services industry, budget support for an Executive Director, and Regents representation on a Study Iowa task force.

Regent Harkin asked about the number of students that potentially could travel to Iowa. Mr. Fredrick stated that there are approximately 7,675 international students in Iowa, and the international applications are increasing. Mr. Anderson indicated that it's possible to increase this number by 50 percent over time. He explained that graduate students who are here now learned about Iowa without being recruited; however, this has not been the case with undergraduate students. He further reported that Iowa ranks sixth in the nation for international students per capita; however, there is room for growth when compared to other universities (i.e., Illinois, Purdue, Indiana).

Regent Harkin asked about the students funding their own tuition and living expenses. The group reported that most of the students fund themselves without scholarships or grants.

Regent Vasquez asked about the negatives associated with the Study Iowa initiative, specifically with respect to cooperation by employers in hiring international students and the limitations of immigration laws. Mr. Anderson acknowledged that there are issues with immigration laws, but the resolution of these issues is beyond the scope of Study Iowa.

Regent Vasquez inquired about Study Iowa's other efforts to solicit funding for the program. Mr. Anderson indicated that they are speaking about funding with the business community, which first wants to see support from the education community. Study Iowa has not approached the legislature directly; however, it has had communications with the leadership of the three universities, since these institutions admit the core of the state's international students. As a result, Study Iowa believes leadership should first come from the Regent institutions.

President Miles thanked the Study Iowa representatives for their presentation and their hard work on this initiative. He expressed the Board's interest in having further dialogue on the subject.

➤ The Board received the presentation by GENERAL CONSENT.

**Grow Iowa Values Fund and Battelle Project Update
Highlighted Technology Transfer Presentation**

SUI Vice President for Research Meredith Hay, ISU Vice Provost for Research and Economic Development John Brighton, and UNI Executive Director of Business and Community Services Randy Pilkington provided updates on the universities' economic development and technology transfer projects which receive funding through the Grow Iowa Values Fund or Battelle programs.

ISU Vice Provost Brighton introduced Dr. Anumantha Kanthasamy, ISU Professor and Eugene and Linda Lloyd Chair, Dept of Biomedical Sciences, College of Veterinary Medicine; Director of the Iowa Center for Advanced Neurotoxicology; and President and CEO of PK Biosciences Corporation. Dr. Kanthasamy discussed his research on Parkinson's disease.

➤ The Board received the update and the presentation by GENERAL CONSENT.

University of Iowa Hospitals and Clinics Trustees

SUI Vice President for Medical Affairs and Carver College of Medicine Dean Jean Robillard introduced Associate Vice President for Finance and Chief Financial Officer Ken Fisher, Associate Vice President for Nursing and Chief Nursing Officer Ann Williamson, and Interim CEO Gordon Williams.

Dr. Robillard presented a video illustrating how research, education, and patient care are all part of an integrated health care system. He followed up by saying that these are the types of resources Iowa needs to keep in order to respond to challenges and that UIHC is there to make discoveries and deliver outstanding services.

He reported on patient data, medical student education, research funding, gross square footage, and net revenue; challenges of the rapidly increasing patient volume; tremendously more complex patient cases; and the need for private rooms.

Dr. Robillard said that there is an urgent need to proceed with main campus planning, including a new critical care tower, new children's hospital, and renewal of the existing hospital and parking facilities.

Mr. Fisher reviewed the combined financial statement of UIHC and CCOM and discussed current indicators and occupancy. He said that UIHC was experiencing difficulty getting patients through surgery due to capacity and that some patients have had to wait. Regent Harkin asked if the patients that have had to wait have surgeries of any particular kind. Mr. Fisher replied that they are across the board. He discussed length of stay, case mix index, overall admissions, and said that the hospital anticipates the opening of the brand new major addition to the emergency department in next few months.

Dr. Robillard provided additional comments on admissions, length of stay, new programs, recruitments, occupation rate, case mix index, critical care and NICU, emergency treatment center, and transfer patients.

President Pro Tem Evans asked where the growth is coming from. Dr. Robillard said that the hospital is seeing more patients from community hospitals, the population is getting older, and patients are getting sicker. He said that patients also seek the complete range of specialty services that UIHC offers.

Regent Lang asked how health coaches and wellness programs enter into the plan to expand beds and treatment. Dr. Robillard said that health coaches and wellness programs will prevent some illnesses, but that eventually people become sick anyway.

Dr. Robillard discussed comparisons between UIHC and other large tertiary care facilities and the need for larger operating rooms to accommodate technology, privacy in waiting rooms and reception areas, and private patient rooms. Associate Vice President Williamson talked about the numerous benefits of private rooms, including privacy, confidentiality, patient satisfaction, and reduced risk of the spread of infection. She added that the current facilities are not what they should be for an academic medical facility.

Dr. Robillard talked about when the current facilities were built, issues surrounding modifying them to meet current needs, and where to put patients during reconstruction. He reiterated concerns about the aging patient facility; private patient rooms and the addition of rooms; size and specifications of operating rooms; and the absolute need for a dedicated children's hospital, adding that children need a culture of care that is difficult to achieve when care is currently in different buildings and on different floors.

Regent Harkin asked what part of the current facilities is usable. Dr. Robillard replied that all of it will be usable, explained the different areas of care that will need space, and elaborated on growth projections in terms of beds over the next ten years.

Regent Vasquez asked if the planned UIHC improvements are to stay competitive with other hospitals, including the two new hospitals with state of the art facilities planned for West Des Moines. She added that the new hospitals may offer the kind of care that doctors learned at UIHC, lessening a little bit of the burden for UIHC. Dr. Robillard noted that the greatest majority of patients come from within a 60-mile radius of UIHC and elaborated on the locations of other large medical centers. He said that Iowans that had previously gone to these other medical centers now seek care at UIHC. Mr. Fisher added that the majority of UIHC patients are ones that can not reasonably be cared for at community hospitals and that there is a demand for high-end care and that it is going to continue.

Regent Downer said that more than 50% of physicians listed as the best doctors in Iowa are at UIHC and added that is a good indicator of why seriously ill people gravitate towards this expertise.

Dr. Robillard said that the short-term strategy is to relieve congestion on the main campus and the long-term strategy is to create the ambulatory care campus with multi-specialty services. He stated that they will come back to the Board in March asking to proceed with planning on the new critical care tower, new children's hospital, reuse of the existing facility, parking, and the ambulatory care campus.

Regent Lang said that there is a real need for a good marketing plan to the public.

Regent Harkin asked about cost. Mr. Fisher said that they have a working number between \$700-850 million over the next 10 years.

In response to a question from Regent Vasquez, Dr. Robillard and Mr. Fisher explained the breakdown of bed classifications.

Regent Downer asked that the UIHC agenda item be scheduled at a time other than at the end of the Board meeting. President Miles agreed.

➤ The Board received the report by GENERAL CONSENT.

Other

President Miles said that the standing committees of the Board will begin again and that he would be talking with the Regents.

President Miles reminded everyone that the March meeting is one day, March 11th.

President Miles thanked ISU for hosting the meeting and everyone for attending.

President Miles adjourned the meeting at 5:30 p.m.