

Contact: Andrea Anania

MINUTES OF FEBRUARY 6-7, 2013, BOARD MEETING

**SHERATON HOTEL
1800 50TH STREET
WEST DES MOINES, IOWA**

Board Members

Nicole Carroll
Robert Downer
Jack Evans
Ruth Harkin
Craig Lang
David Miles
Katie Mulholland
Bruce Rastetter
Hannah Walsh

February 6, 2013

Present
Present
Present
Present
Absent
Present
Present
Present
Present

February 7, 2013

Present
Present
Present
Present
Absent
Present
Present
Present
Present

Staff Members

Andrea Anania, Brad Berg, Aimee Clayton, Bob Donley, Sheila Doyle Koppin, Tom Evans, Diana Gonzalez, Ann McCarthy, Jason Pontius, Joan Racki, Patrice Sayre, Todd Stewart, Ilene Tuttle

Regent Institutions

SUI Sally Mason, Doug True
ISU Miles Lackey, Warren Madden
UNI Michael Hager, Michael Licari
ISD/IBSSS Patrick Clancy, Don Boddicker

Others

Barry Fick, Springsted Incorporated
Michael A. Wartell, Indiana University-Purdue University Fort Wayne
Mrs. Ruth Wartell
William Ruud, Shippensburg University, Pennsylvania
John Walsh, Father of Regent Walsh

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.

Call to Order for February 6, 2013

President Pro Tem Rastetter called the Board of Regents meeting to order at 10:05 a.m.

Roll Call:

<u>Regent</u>	<u>Carroll</u>	<u>Downer</u>	<u>Evans</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Mulholland</u>	<u>Rastetter</u>	<u>Walsh</u>
Present	x	x	x	x		x	x	x	x
Absent					x				

University of Iowa Hospitals and Clinics Committee

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

Board Receipt of UIHC Committee Report

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

- ▶ Report of the Carver College of Medicine;
- ▶ Reports on compliance overview and operational and financial performance; and
- ▶ Report of the University of Iowa Hospitals and Clinics Committee.

<u>Regent</u>	<u>Carroll</u>	<u>Downer</u>	<u>Evans</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Mulholland</u>	<u>Rastetter</u>	<u>Walsh</u>
Aye	x	x	x	x		x	x	x	x
Absent					x				

MOTION APPROVED by ROLL CALL.

Audit/Compliance and Investment Committee

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

Board Receipt of Audit/Compliance and Investment Committee Report

➤ MOVED by EVANS, SECONDED by MILES, to:

- ▶ Receive the quality assurance review of the Regents internal audit function;
- ▶ Receive the internal audit reports issued;
- ▶ Receive the external audit reports on UIHC and UIHSs;
- ▶ Approve the money market mutual fund recommendation; and
- ▶ Receive the report of the Audit/Compliance and Investment Committee.

<u>Regent</u>	<u>Carroll</u>	<u>Downer</u>	<u>Evans</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Mulholland</u>	<u>Rastetter</u>	<u>Walsh</u>
Aye	x	x	x			x	x	x	x
Absent				x	x				

MOTION APPROVED by ROLL CALL.

Board President Report

President Pro Tem Rastetter:

- ▶ Reported that: (1) President Lang is in India leading an education and trade delegation for the state of Iowa; (2) the delegation includes higher education representatives from Iowa's three public universities, Kirkwood Community College, and Des Moines University; (3) the goal of the mission is to grow Iowa's education outreach and improve Iowa's trade relations with India; and (4) President Lang will report on the mission at the March Board meeting;
- ▶ Recognized and welcomed Regent Walsh. Regent Walsh: (1) thanked Governor Branstad, Lt. Governor Reynolds, friends, family, and fellow Regents; (2) introduced her father, John Walsh; (3) recognized students for the many excellent things they do on campus, including Dance Marathon; and (4) said she is excited and honored to be on the Board;

- ▶ Recognized Regent Evans for a presentation and resolution honoring the Gerdin family;

- MOVED by EVANS, SECONDED by MILES, to approve the following motion:

WHEREAS, members of the Gerdin Family are Iowans in the truest sense of the word, exemplifying values of honesty, integrity, compassion, and hard work; and

WHEREAS, the Gerdin Family's support of Iowa's state universities over three decades is testimony to their philanthropic leadership and has demonstrated their enduring commitment to higher education and healthcare in the state; and

WHEREAS, generous gifts from the Gerdin Family have benefited the University of Iowa, Iowa State University and the University of Northern Iowa as well as the University of Iowa Hospitals and Clinics; and

WHEREAS, the Gerdin Family's support for the University of Iowa Children's Hospital building will help create an atmosphere of comfort and healing for Iowa's children and their families; and

WHEREAS, the Gerdin Family established the University of Iowa Gerdin Athletic Learning Center along with generous scholarships to help student-athletes reach their full academic potential; and

WHEREAS, the Gerdin Family's support of the Iowa State University College of Business transformed business education through a leadership commitment in the Gerdin Business Building and through investments in academic and leadership programs to help students become productive citizens in the world; and

WHEREAS, the Gerdin Family provided a leadership gift to the Jacobson Human Performance Complex at the University of Northern Iowa; and

NOW THEREFORE, BE IT RESOLVED that the Board of Regents presents a plaque to the Gerdin Family in recognition of its longstanding and significant contributions to the Regent universities and the University of Iowa Hospitals and Clinics.

MOTION APPROVED UNANIMOUSLY.

- ▶ Congratulated the Iowa School for the Deaf on its 2011-2012 Yearbook and its designation of "The National Yearbook Program of Excellence Award" from Jostens;
- ▶ Reported that the Board completed evaluations of the university presidents and Executive Director Donley at its January 29, 2013, meeting;
- MOVED by MULHOLLAND, SECONDED by CARROLL, to increase ISU President Dr. Steven Leath's annual deferred compensation by \$25,000, from \$75,000 to \$100,000, effective on his anniversary date.

<u>Regent</u>	<u>Carroll</u>	<u>Downer</u>	<u>Evans</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Mulholland</u>	<u>Rastetter</u>	<u>Walsh</u>
Aye	x	x	x	x		x	x	x	x
Absent					x				

MOTION APPROVED by ROLL CALL.

- ▶ Proposed forming a task force to develop recommendations on ways to create and maintain maximum transparency at the Regent institutions;

In response to Regent Downer, President Pro Tem Rastetter confirmed that the transparency recommendations would encompass the entire Regent Enterprise.

President Pro Tem Rastetter asked for a report at the March Board Meeting and Task Force initial recommendations at the June Board meeting.

- **MOVED** by MULHOLLAND, **SECONDED** by DOWNER, to appoint a nine-member Transparency Task Force, which shall consist of the following:
 - ◆ One member of the Governor's Iowa Public Information Board;
 - ◆ Two members of the Iowa Legislature – one member to be appointed by the Speaker of the House and one from the Senate Majority Leader;
 - ◆ One Regent to be appointed by the Board President who will serve as the chairperson of the Task Force;
 - ◆ Three members from Iowa's public universities, one from each university to be appointed by the university president;
 - ◆ The Executive Director of the Board of Regents or designee;
 - ◆ One member of the public;
 - ◆ Board's General Counsel or designee who will act as an ex-officio member of the task force; and
 - ◆ Additional members to be considered by the Board President as appropriate.

<u>Regent</u>	<u>Carroll</u>	<u>Downer</u>	<u>Evans</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Mulholland</u>	<u>Rastetter</u>	<u>Walsh</u>
Aye	x	x	x	x		x	x	x	x
Absent					x				

MOTION APPROVED by ROLL CALL.

- ▶ Requested authorization to register support/opposition with respect to legislation with an impact on the Regent Enterprise being proposed by the 2013 General Assembly; and
 - **MOVED** by MILES, **SECONDED** by WALSH, to authorize Board Leadership to register support or opposition on legislative bills on behalf of the Board.

MOTION PASSED UNANIMOUSLY.

- ▶ Recognized Regent Carroll who provided an update on the search for the next President at the University of Northern Iowa.
- The Board received the report by GENERAL CONSENT.

CONSENT AGENDA

- ▶ Minutes of December 5, 2012, Board Telephonic Meeting
 - ▶ Semi-Annual Claims Activity Reports: July 1, 2012 – December 31, 2012
 - ▶ Revisions to the Board of Regents Policy Manual – Chapter 2
 - *This item was removed from the Consent Agenda and voted on separately*
 - ▶ Revisions to the Board of Regents Policy Manual – Chapter 8
 - ▶ Adoption of Amendments to Iowa Administrative Code 681 – Chapter 1
 - ▶ Annual Diversity Report
 - ▶ Annual Report on Span of Control
 - ▶ University of Iowa Equipment Purchase
 - ▶ Request for a Program Name Change at the University of Iowa: Bachelor of Business Administration Program in Management Information Systems to Bachelor of Business Administration Program in Business Analytics and Information Systems
 - ▶ Comprehensive Human Resources Report
 - ▶ University of Iowa Update of Flood Recovery Status
- MOVED by EVANS, SECONDED by MULHOLLAND, to approve the CONSENT AGENDA, excluding the following agenda item, Revisions to the Board of Regents Policy Manual – Chapter 2, which was removed and voted on separately.

<u>Regent</u>	<u>Carroll</u>	<u>Downer</u>	<u>Evans</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Mulholland</u>	<u>Rastetter</u>	<u>Walsh</u>
Aye	x	x	x	x		x	x	x	x
Absent					x				

MOTION APPROVED by ROLL CALL.

CONSENT AGENDA

- ▶ Revisions to the Board of Regents Policy Manual – Chapter 2
- MOVED by DOWNER, SECONDED by EVANS, to refer the following consent agenda item to the Transparency Task Force for consideration and presentation as a part of its report: Revisions to the Board of Regents Policy Manual – Chapter 2.

<u>Regent</u>	<u>Carroll</u>	<u>Downer</u>	<u>Evans</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Mulholland</u>	<u>Rastetter</u>	<u>Walsh</u>
Aye	x	x	x	x		x	x	x	x
Absent					x				

MOTION APPROVED by ROLL CALL.

Resolution for the Sale and Issuance of \$25,000,000 Parking System Revenue Bonds, Series S.U.I. 2013A

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

Barry Fick reported that: (1) seven qualified bids were received; (2) the winning bid was submitted by Edward D. Jones & Co., L.P. and (3) the true interest cost was 3.00%.

- MOVED by EVANS, SECONDED by HARKIN, to approve A Resolution providing for the sale and authorizing and providing for the issuance and securing the payment of \$25,000,000 Parking System Revenue Bonds, Series S.U.I. 2013A, for the purpose of financing a portion of the costs of constructing, extending, equipping and improving University parking facilities on the campus of The State University of Iowa, funding a debt service reserve, and paying costs of Issuance.

<u>Regent</u>	<u>Carroll</u>	<u>Downer</u>	<u>Evans</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Mulholland</u>	<u>Rastetter</u>	<u>Walsh</u>
Aye	x	x	x	x		x	x	x	x
Absent					x				

MOTION APPROVED by ROLL CALL.

Register of University of Iowa Capital Improvement Business Transactions

Vice President Doug True explained the proposed transactions.

- MOVED by EVANS, SECONDED by WALSH, to approve the actions outlined in the agenda item for the following projects:
 - ▶ Iowa River Landing Procedure Suite Development;
 - ▶ Utilities Distribution System projects; and
 - ▶ Family Medicine Center – Hawkeye Campus.

MOTION APPROVED UNANIMOUSLY.

Iowa State University Proposed Property Purchases

Vice President Warren Madden explained the proposed property purchases.

- MOVED by DOWNER, SECONDED by MULHOLLAND, to approve the following property purchases for Iowa State University, subject to approval of the final documents by the Board Office and Attorney General's Office:
 - ▶ A waiver of Board policy, which requires two appraisals, to purchase the property at 250 Hyland Avenue, Ames, Iowa, based on one appraisal from the estate of Virgil Clifford Dice at a price of \$148,000; and
 - ▶ 2121 State Avenue, Story County, Iowa, from John Wiley and Sons at a purchase price of \$950,000.

<u>Regent</u>	<u>Carroll</u>	<u>Downer</u>	<u>Evans</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Mulholland</u>	<u>Rastetter</u>	<u>Walsh</u>
Aye	x	x	x	x		x	x	x	x
Absent					x				

MOTION APPROVED by ROLL CALL.

Institutional Agreements, Leases, and Easements

Policy and Operations Officer Joan Racki provided brief comments on the proposed lease agreements.

- MOVED by EVANS, SECONDED by HARKIN, to approve the following item as outlined in the agenda item, subject to approval of the final documents by the Board Office and Attorney General’s Office:
 - ▶ University of Iowa lease agreement with Ryan Companies for its use of space in the BioVentures building at the University of Iowa Research Park; and
 - ▶ University of Iowa lease agreement for the addition of 5.4 acres at the University of Iowa Research Park.

<u>Regent</u>	<u>Carroll</u>	<u>Downer</u>	<u>Evans</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Mulholland</u>	<u>Rastetter</u>	<u>Walsh</u>
Aye	x	x	x	x		x	x	x	x
Absent					x				

MOTION APPROVED by ROLL CALL.

Feasibility Study and Planning Committee Recommendations

Superintendent Patrick Clancy explained the process used by the Committee to arrive at its recommendations.

Discussion was held on the use of the facilities in Council Bluffs and Vinton; regional service areas; Nebraska enrollment; access, quality, and quantity of services.

- MOVED by MILES, SECONDED by MULHOLLAND, to:
 - ▶ Approve, in concept, the recommendations submitted by the Feasibility Study and Planning Committee regarding its examination of the administrative and programmatic functions of the Iowa Education Services for the Blind and Visually Impaired and for the Iowa School for the Deaf as required by Iowa Code §270.10;
 - ▶ Direct Superintendent Clancy to combine the Management Team for Vision Services and the Executive Team for Hearing Services to create a Leadership Team for Sensory Impairments. This team will lead the planning and implementation of recommended proposals with the Superintendent;
 - ▶ Direct Superintendent Clancy to centralize administrative services to students who are deaf, blind, visually impaired, hard of hearing, or deaf-blind. Program-specific administrative functions, including the principal, program directors, and regional directors will remain separate by area focus, but under the direction of the central administration;
 - ▶ ISD will continue to include a residential option for state-wide students who may require this service. However, no other regional program will include a residential component;
 - ▶ In order to more fully understand the implications of the regional-center concept, the Board directs the Superintendent to develop a proposal for a pilot program which will include one regional center at a location to be determined;
 - ▶ The proposal must describe the operation of the regional center, including the value of the site selected, financial implications, and the different funding sources available for the center. The proposal must be presented to the Board no later than September 2013 for potential implementation in FY 2015;
 - ▶ Direct Executive Director Donley to communicate the actions of the Board of Regents regarding the Feasibility Study and Planning Committee to the Iowa Department of Management and inform the department that no legislative action is required at this time.

<u>Regent</u>	<u>Carroll</u>	<u>Downer</u>	<u>Evans</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Mulholland</u>	<u>Rastetter</u>	<u>Walsh</u>
Aye	x	x	x	x		x	x	x	x
Absent					x				

MOTION APPROVED by ROLL CALL.

Facilities Governance Report

Policy and Operations Officer Joan Racki provided brief comments on the report.

- By GENERAL CONSENT, the Board received the report and affirmed its support for:
 - ▶ Continued inter-institutional collaboration and coordination on facility issues; and
 - ▶ Continued institutional correction of identified fire safety and deferred maintenance deficiencies within the limits of available resources.

University of Iowa Economic Development Presentation

Policy and Operations Officer Ann McCarthy introduced SUI Vice President for Economic Development Dr. Dan Reed, who gave a presentation describing the outlook for University of Iowa’s economic development programs and efforts.

Regent Harkin asked Dr. Reed to provide the Board with an update in a year.

- The Board received the presentation by GENERAL CONSENT.

Legislative Update

President Pro Tem Rastetter said the Governor’s proposal includes: (1) a 2.6% increase to the universities’ general funds which will allow the Board to freeze tuition; (2) \$5 million towards ending the practice of tuition set aside for resident undergraduate students; (3) the second of a three-year request for \$4 million dollars per year to help support UNI’s budget; (4) \$3 million dollars for the Regent Innovation Fund; (5) \$3.75 million for the bio-economy initiative for FY 2014 and \$7.5 million for FY 2015; and (6) \$2 million per year for SUI’s entrepreneurship initiatives.

President Pro Tem Rastetter said the Regents will ask the General Assembly to allocate additional funds to secure: (1) inflationary funds for the special schools, especially in light of the restructure and new plan moving forward; (2) the Regents \$40 million request to establish a need-based grant program to end the practice of tuition set aside for in-state students; and (3) capital funding for the Pharmacy Building (SUI), Bioscience Building (ISU), and Schindler Education Building (UNI);

He also updated the Board on the upcoming meetings between Board leadership, university presidents, and the legislature.

- The Board received the update by GENERAL CONSENT.

Closed Session

- MOVED by CARROLL, SECONDED by DOWNER, to enter into closed session pursuant to Iowa Code sections 21.5(1)(c) & (i) and 20.17(3). The Board will meet in closed session to discuss three items:

- ▶ Strategy with counsel in matters presently in litigation and where litigation is imminent and its disclosure would likely prejudice or disadvantage the Board’s position in that litigation;
- ▶ Mid-year evaluation of the Superintendent of the Iowa Braille Sight Saving School/ Iowa School for the Deaf; and
- ▶ Collective bargaining strategy.

<u>Regent</u>	<u>Carroll</u>	<u>Downer</u>	<u>Evans</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Mulholland</u>	<u>Rastetter</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 3:05 p.m.

The Board reconvened in open session at 4:15 p.m.

- MOVED by MILES, SECONDED by DOWNER, to affirm the final institutional action to terminate Dr. Malik Juweid's employment at the University of Iowa.

<u>Regent</u>	<u>Carroll</u>	<u>Downer</u>	<u>Evans</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Mulholland</u>	<u>Rastetter</u>	<u>Walsh</u>
Aye	x	x	x	x		x	x	x	x
Absent					x				

MOTION APPROVED by ROLL CALL.

Adjourn

President Pro Tem Rastetter adjourned the meeting at 4:17 p.m.

Call to Order for February 7, 2013

President Pro Tem Rastetter called the Board of Regents meeting to order at 9:12 a.m.

Roll Call:

<u>Regent</u>	<u>Carroll</u>	<u>Downer</u>	<u>Evans</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Mulholland</u>	<u>Rastetter</u>	<u>Walsh</u>
Present	x	x	x	x		x	x	x	x
Absent					x				

Introduction of First Candidate and Opening Statement in Open Session

President Pro Tem Rastetter welcomed Michael A. Wartell, Chancellor Emeritus and Professor of Chemistry at Indiana University-Purdue University Fort Wayne. Dr. Wartell addressed the Board with an opening statement. Ruth Wartell also addressed the Board.

Closed Session

- MOVED by DOWNER, SECONDED by MULHOLLAND, to enter into closed session pursuant to Iowa Code §21.5(1)(i) to evaluate the professional competency of individuals whose appointment/hiring is being considered. The individuals have requested that their competency be discussed by the Board in closed session.

<u>Regent</u>	<u>Carroll</u>	<u>Downer</u>	<u>Evans</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Mulholland</u>	<u>Rastetter</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 9:31 a.m.

The Board reconvened in open session at 10:35 a.m.

Introduction of Second Candidate and Opening Statement in Open Session

President Pro Tem Rastetter welcomed William N. Ruud, President of Shippensburg University. President Ruud addressed the Board with an opening statement.

Closed Session

- MOVED by WALSH, SECONDED by MULHOLLAND, to enter into closed session pursuant to Iowa Code §21.5(1)(i) to evaluate the professional competency of individuals whose appointment/hiring is being considered. The individuals have requested that their competency be discussed by the Board in closed session.

<u>Regent</u>	<u>Carroll</u>	<u>Downer</u>	<u>Evans</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Mulholland</u>	<u>Rastetter</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 11:12 a.m.

The Board reconvened in open session at 2:30 p.m.

- MOVED by CARROLL, SECONDED by MULHOLLAND approve the selection of Dr. William Ruud to serve as the President of the University of Northern Iowa at a salary of \$340,000, effective June 1, 2013.

<u>Regent</u>	<u>Carroll</u>	<u>Downer</u>	<u>Evans</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Mulholland</u>	<u>Rastetter</u>	<u>Walsh</u>
Aye	x	x	x	x		x	x	x	x
Absent					x				

MOTION APPROVED by ROLL CALL.

- MOVED by EVANS, SECONDED by MULHOLLAND, to dissolve the UNI Presidential Search Committee, established by the Board of Regents at its meeting on September 12, 2012, whose designated duties were approved by the Board at its meeting on August 27, 2012.

MOTION APPROVED UNANIMOUSLY.

President Pro Tem Rastetter clarified that President Ruud's contract is for three years.

The meeting adjourned at 2:35 p.m.