

**BOARD OF REGENTS  
STATE OF IOWA**

**AGENDA ITEM 2a  
APRIL 29-30, 2009**

**Contact: Andrea Anania**

**BOARD OF REGENTS, STATE OF IOWA  
MAIN LOUNGE, IOWA MEMORIAL UNION  
UNIVERSITY OF IOWA  
IOWA CITY, IOWA**

**MINUTES OF MARCH 19, 2009**

**Board Members**

Bonnie Campbell	Absent
Robert Downer	Present
Jack Evans	Present
Michael Gartner	Present
Ruth Harkin	Present
Greta Johnson	Present
Craig Lang	Present
David Miles	Present
Rose Vasquez	Via Phone

**Staff Members**

Andrea Anania, Brad Berg, Marcia Brunson, Aimee Clayton, Bob Donley, Sheila Doyle, Tom Evans, Diana Gonzalez, Joe Murphy, Joan Racki, Patrice Sayre, Todd Stewart, Ilene Tuttle

**Regents Institutions**

SUI Sally Mason, Mark Braun, Lee Carmen, Jordan Cohen, Ken Fisher, Kate Gfeller, Bill Hesson, Raymond Hohl, Ken Kates, Wallace Loh, Steve McGuire, Alan MacVey, Jean Robillard, Paul Rothman, Von Stange, Chuck Swanson, Doug True, Mark Warner

ISU Gregory Geoffroy, Pete Englin, Elizabeth Hoffman, Roberta Johnson, Warren Madden

UNI Benjamin Allen, Michael Hager, Terrence Hogan, Jim Lubker, Joyce Morrow

ISD Jeanne Prickett, Jim Heuer

IBSSS Patrick Clancy, Don Boddicker

**Others**

Mark Brubaker, Wilshire Consulting  
Mike Dudkowski, Wilshire Consulting  
Barry Fick, Springsted Incorporated

The corresponding docket memorandum for each agenda item, an integral component of the minutes, is available on the Board of Regents website: [www2.state.ia.us/regents](http://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 9:00 a.m. on March 19, 2009.**

**Roll Call:**

<u>Regent</u>	<u>Campbell</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Johnson</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>
Present		x	x	x	x	x		x	
Absent	x						x		x

President Miles: (1) congratulated Regents Johnson, Harkin, and Downer on their reappointments to the Board and thanked them for their willingness to serve; (2) thanked outgoing student leaders for their service and wished them well in their future endeavors; and (3) announced the 100<sup>th</sup> anniversary of the founding of the Iowa Board of Regents, which will be recognized at a ceremony on the UNI campus on April 24, 2009. United States Secretary of Education Arne Duncan will give a speech on education and participate in a discussion on the future of higher education.

*Regent Vasquez joined the meeting via phone.*

**Consent Agenda**

- ◆ Minutes of February 3, 2009, Board Meeting
- ◆ Revisions to Board Meeting Calendar
- ◆ Institutional Personnel Transactions
- ◆ Conflict of Interest Vendors
- ◆ University of Iowa Equipment Purchases
- ◆ Request to Create and Name Departments at the University of Iowa College of Pharmacy
- ◆ Request to Offer Off-Campus Undergraduate Programs  
President Miles praised the work that the University of Iowa is doing with the Eastern Iowa Community College and the Des Moines Area Community College to deliver undergraduate programs on those campuses.
- ◆ Request to Establish a New Center at Iowa State University – Center for Advanced Host Defenses, Immunobiotics, and Translational Comparative Medicine
- ◆ Annual Report on Campus Safety and Security

Regent Gartner requested that the Proposed University Parking agenda item be included in the Consent Agenda. Regent Johnson said that she had some questions. After brief comments, that request was withdrawn.

Regent Downer stated that he had questions on the Annual Report on Campus Safety and Security.

At Regent Harkin's request, discussion was held on the progress of streamlining the meeting schedule.

- **MOVED** by GARTNER, **SECONDED** by HARKIN, to approve the Consent Agenda with the exception of the Annual Report on Campus Safety and Security, which was removed.

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

**MOTION APPROVED** by ROLL CALL.

**Annual Report on Campus Safety and Security**

Discussion was held on goals, priorities, and statistics. The Annual Report on Campus Safety and Security will be presented to the Board with additional information at the April meeting.

**Executive Director Report**

Executive Director Bob Donley briefed the Board on the: (1) quarterly meeting with the Regents Purchasing Directors, the Iowa Department of Administrative Services, the Iowa Department of Transportation, and the Iowa Communications Network; (2) federal stimulus package; (3) upcoming report on recent changes to the Family Educational Rights Privacy Act (FERPA) regulations; and (4) efforts to cut Board meeting costs.

Regent Harkin asked if the Regents are likely to save money by working with the state. Executive Director Donley responded saying the Regents are already involved in a number of collaborative efforts. He reported that there are a number of things that the state can participate in with the Regents to save money. He also reported that the Regents institutions have done a tremendous job in cost efficiencies and collaborations, are already saving millions of dollars for taxpayers, and will continue their efforts to increase savings.

- The Board received the report by GENERAL CONSENT.

**Legislative Update**

State Relations Officer Joe Murphy provided an update on legislative issues.

Chief Business Officer Patrice Sayre elaborated on the quarterly purchasing meeting with other state agencies. She noted the high turnout and reported that the Regents Purchasing Directors discussed contracts available to state agencies, their standard practice of inquiring about state participation during contract negotiations, and the excellent collaborations already taking place. She reported that the Regents will initiate working groups with state procurement personnel on areas identified during the meeting. Ms. Sayre reported that Regents Purchasing Directors also met with legislators to discuss Regents support of local furniture manufacturers and Iowa Prison Industries.

Chief Business Officer Sayre discussed the American Recovery and Reinvestment Act of 2009. She reported that: (1) the Regents are involved in the committees on Education, Workforce, and Energy; (2) the Governor and the state are moving very quickly so that action plans can be developed; and (3) Iowa will receive roughly \$386 million for education, but decisions are not yet known on how that money will be distributed.

In response to President Miles, Regent Gartner said that the legislature’s goal is to adjourn by April 9<sup>th</sup>.

- The Board received the update by GENERAL CONSENT.

**Institutional Budget Strategies**

The University Presidents and Special School Superintendents gave oral reports regarding institutional strategic budget planning in response to the FY 2009 budget reductions and the FY 2010 revenue projections.

- MOVED by GARTNER, SECONDED by DOWNER, to approve Iowa State University’s early retirement incentive plan as presented to the Board.

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

MOTION APPROVED by ROLL CALL.

**Ratification of Collective Bargaining Agreements**

- MOVED by DOWNER, SECONDED by EVANS, to ratify the collective bargaining agreement with:
  - ◆ United Electrical, Radio and Machine Workers of America, Local 896 Campaign to Organize Graduate Students (COGS) for the graduate teaching and research assistants at the University of Iowa;
  - ◆ UNI-United Faculty for faculty at the University of Northern Iowa; and
  - ◆ Service Employees International Union Local 199 (SEIU) for the tertiary health care employees at the University of Iowa Hospitals and Clinics.

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

MOTION APPROVED by ROLL CALL.

*Regent Vasquez disconnected from the meeting.*

**Report on the Updated FERPA Regulations and Clarification on the Application of FERPA and HIPAA to Student Health Records**

Aimee Clayton reported on recent changes to the Family Educational Rights Privacy Act (FERPA) regulations and clarifications on the application of FERPA and the Health Insurance Portability and Accountability Act (HIPAA) to student health records.

President Pro Tem Evans asked about the Regents institutions' compliance to the regulations. Ms. Clayton said that there have been no issues with respect to compliance and elaborated on consent.

- The Board received the update by GENERAL CONSENT.

**Residence System Governance Report**

Brad Berg introduced residence systems directors, Von Stange (SUI), Pete Englin (ISU), and Michael Hager (UNI), and provided an overview of the residence system governance report.

In response to Regent Miles' questions on reduced reserve levels, UNI and ISU residence systems directors elaborated on their current capital needs and appropriate level of reserves.

President Miles asked all three universities to provide additional input at the April meeting on how the Board should view reserve levels and whether there is an industry standard representing adequate reserves.

Mr. Englin elaborated on ISU occupancy estimates in response to Regent Downer's question.

Regent Downer encouraged: (1) ISU to look at its residence systems employment as it appeared to be high in comparison with SUI and UNI; and (2) SUI to consider a new residence hall on the west side of campus.

President Pro Tem Evans asked the residence system directors to provide industry best practices at the April meeting.

- The Board received the report by GENERAL CONSENT.

**Proposed University Parking**

Andrea Anania provided an overview of the proposed university parking memorandum.

Regent Johnson inquired about the parking violation increases at ISU. Vice President Warren Madden said that parking violations are not designed to create revenue, but rather to encourage compliance with parking regulations. He said the proposed rates are more consistent with parking violations elsewhere.

➤ MOVED by GARTNER, SECONDED by EVANS, to:

- ◆ Approve the revision of the Iowa Administrative Rules regarding parking offenses at Iowa State University (as illustrated in the memorandum) and authorize the Executive Director to file the rule revision in the required form; and
- ◆ Receive the report.

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

MOTION APPROVED by ROLL CALL.

**Presentation on Report on Investigation of Expanding Price Laboratory School as a Research, Development, Demonstration, and Dissemination School**

President Allen provided an overview on the report submitted to the General Assembly on January 15, 2009.

➤ The Board received the report by GENERAL CONSENT.

**Resolution for the Sale and Issuance of \$13,860,000 Academic Building Revenue Bonds, Series U.N.I. 2009**

Joan Racki introduced Barry Fick from Springsted, Incorporated, the Board’s financial advisor.

Mr. Fick reported that six bids were received; the winning bid, submitted by a group led by Robert W. Baird & Co. and included 5 co-managers, had a true interest rate of 4.96%.

Responding to Regent Gartner, Mr. Fick confirmed that the yields range from approximately 2.65% in 2014 to 5.15% in 2035 and are callable after 10 years at par.

➤ MOVED by EVANS, SECONDED by HARKIN, to adopt A Resolution providing for the sale and authorizing and providing for the issuance and securing the payment of \$13,860,000 Academic Building Revenue Bonds, Series U.N.I. 2009, for the purpose of paying a portion of the costs of improving, remodeling, repairing, and equipping the Electrical Distribution System, Sabin Hall, fire and environmental safety, deferred maintenance, and campus security improvements on the campus of the University of Northern Iowa, funding interest during construction and a reserve fund, and paying the costs of issuance.

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

MOTION APPROVED by ROLL CALL.

**University of Iowa Hospitals and Clinics Trustees**

Chair Downer provided an overview on the reports presented to the UIHC Committee meeting. The full Board took the following action:

- MOVED by DOWNER, SECONDED by EVANS, to:
  - ◆ Receive the reports presented to the Committee; and
  - ◆ Approve amendments to UIHC’s bylaws as presented.

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

MOTION APPROVED by ROLL CALL.

**Audit/Compliance and Investment Committee Report**

Chair Evans provided an overview on the reports presented to the Audit/Compliance and Investment Committee meeting. The full Board took the following action:

- MOVED by EVANS, SECONDED by HARKIN, to:
  - ◆ Receive the Investment and Cash Management Report for the Quarter Ended December 31, 2008; and
  - ◆ Approve the financial advisor’s recommendations on the Asset Allocation implementation and the Operating Assets review.

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

MOTION APPROVED by ROLL CALL.

*Regent Vasquez joined the meeting via phone.*

**University of Iowa Flood Recovery**

Vice President Doug True, Steve McGuire, Chuck Swanson, and Alan MacVey discussed flood recovery.

- MOVED by DOWNER, SECONDED by JOHNSON, to:
  - ◆ Receive the following reports:
    - ◆ Lessons Learned
    - ◆ Update of Flood Recovery Status
    - ◆ Facility Replacement Study
    - ◆ Updated Cost Estimates
    - ◆ Liquidity Financing
  - ◆ Adopt A Resolution providing for the sale and authorizing and providing for the issuance and securing the payment of a \$30,000,000 Flood Recovery and Mitigation Revenue Bond and Revenue Anticipation Project Note, Series S.U.I. 2009.

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

MOTION APPROVED by ROLL CALL.

**Campus Sustainability – Part II – A Board of Regents Initiative**

Patrice Sayre and Diana Gonzalez provided a brief overview on the inter-institutional visions and goals for the Regents long-term sustainability plan.

- MOVED by EVANS, SECONDED by JOHNSON, to approve the Sustainability Plan as presented.

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

MOTION APPROVED by ROLL CALL.

**Register of University of Iowa Capital Improvement Business Transactions**

- MOVED by GARTNER, SECONDED by HARKIN, to approve the project description and budget (\$5,645,000) for the **Oakdale Renewable Energy Plant - Central Chilled Water Production** project.

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

MOTION APPROVED by ROLL CALL.

**Register of Iowa State University Capital Improvement Business Transactions**

- MOVED by JOHNSON, SECONDED by HARKIN, to approve the schematic design and project description and budget (\$52,800,000) for the **Recreation Facilities Expansion and Renovation** project, with the understanding that approval will constitute final Board approval and authorization to proceed with construction.

- ◆ Acknowledge receipt of the University’s final submission of information to address the Board’s capital project evaluation criteria for the project (Attachment A in the memorandum);
- ◆ Accept the Board Office recommendation that the project meets the necessary criteria for Board consideration; and
- ◆ Approve the schematic design and project description and budget (\$52,800,000) for the project.

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

MOTION APPROVED by ROLL CALL.

**ISU – Jack Trice Stadium East Concourse Financing**

- MOVED by EVANS, SECONDED by DOWNER, to authorize the issuance of a fixed rate unsecured subordinate tax exempt loan in the amount of \$4,000,000, and a variable rate unsecured subordinate tax exempt loan in the amount of \$4,000,000 to finance certain improvements (Jack Trice Stadium Improvements 2006 – Phase 2 East Concourse project) (collectively, the “Loan”) and authorize the Executive Director to finalize the terms of the loan agreement.

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

MOTION APPROVED by ROLL CALL.

**Institutional Agreements, Leases and Easements**

- MOVED by EVANS, SECONDED by DOWNER, to approve the easement for the benefit of Iowa State University as summarized in the memorandum.

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

MOTION APPROVED by ROLL CALL.

**New Business**

- MOVED by MILES, SECONDED by GARTNER, to direct the heads of each Regents institution to hold flat salaries for non-bargaining unit employees for FY 2010. Individual exceptions would be allowed if it is determined that such salary adjustment is of great importance to the institution. Exceptions are to be approved solely by University Presidents or Special School Superintendents upon consultation with the Board Office.

Regent Gartner requested equal prudence in the hiring of consultants.

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

MOTION APPROVED by ROLL CALL.

**Annual Student Financial Aid Report**

Diana Gonzalez provided comments about the report and introduced Financial Aid Directors Mark Warner (SUI); Roberta Johnson (ISU); and Joyce Morrow (UNI).

President Miles asked Dr. Gonzalez to include a breakdown of need-based and merit-based aid provided by the tuition set-aside funds in next year's report. President Miles thanked Dr. Gonzalez and the financial aid directors for a comprehensive report.

- The Board received the report by GENERAL CONSENT.

**Annual Regent Student Financial Aid Study**

Diana Gonzalez provided comments about the study.

There was discussion about the use of the federal formula to calculate a student's expected family contribution. President Miles thanked Dr. Gonzalez and the financial aid directors for a comprehensive report.

- The Board received the report by GENERAL CONSENT.

*Regent Lang joined the meeting.*

**Faculty Presentation at the University of Iowa – The Impact of Hearing Science on Education and Service to Iowans**

Provost Wallace Loh provided comments about the report and introduced Dr. Kate Gfeller, who described the multidisciplinary research regarding hearing loss; the role of research in the educational process, and how faculty, students, and alumni enhance the lives of Iowans.

President Miles thanked Dr. Kate Gfeller for her presentation and work in this important area.

- The Board received the report by GENERAL CONSENT.

**Highlighted Technology Transfer Presentation**

Interim Vice President for Research Jordan Cohen introduced Dr. Raymond Hohl, University of Iowa faculty member and founder of Terpenoid Pharmaceutical, who briefed the Board on the development of his startup company through commercialization of University technology.

- The Board received the presentation by GENERAL CONSENT.

**Evaluation of Executive Director**

- MOVED by EVANS, SECONDED by LANG, to enter into closed session pursuant to Iowa Code section 21.5(1)(i) upon request of an individual whose performance is being considered. The individual has requested that his performance be discussed by the Board in closed session.

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

MOTION APPROVED by ROLL CALL.

The Board convened in closed session at 2:45 p.m.

The Board reconvened in open session at 3:25 p.m.

**President Miles adjourned the meeting at 3:26 p.m.**