

Contact: Andrea Anania

**BOARD OF REGENTS, STATE OF IOWA
TELEPHONIC MEETING
BOARD OF REGENTS CONFERENCE ROOM
URBANDALE, IOWA**

MINUTES OF MARCH 24, 2010

Board Members

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

March 24, 2010

Connected
Connected
Connected
Connected
Connected
Connected
Connected
Present at Host Site
Connected

Staff Members

Present at Host Site: Andrea Anania, Brad Berg, Marcia Brunson, Bob Donley, Sheila Doyle, Tom Evans, Diana Gonzalez, Joan Racki, Keith Saunders, Patrice Sayre, Ilene Tuttle

Connected: Todd Stewart

Regent Institutions Connected

University of Iowa
Iowa State University
University of Northern Iowa
Iowa School for the Deaf
Iowa Braille and Sight Saving School

Others

Mike Dudkowski, Wilshire Consulting (connected)
Barry Fick, Springsted Incorporated (present at host site)

The corresponding docket 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

President Miles called the Board of Regents meeting to order at 1:00 p.m. on March 24, 2010.

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	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 Committee Report

➤ MOVED by DOWNER, SECONDED by CAMPBELL, to receive the UIHC Committee 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	x	x	x	x
Nay									

MOTION APPROVED by ROLL CALL.

Audit/Compliance and Investment Committee

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

Board Receipt of Committee Report

➤ MOVED by EVANS, SECONDED by GARTNER, to:

- ◆ Receive the Audit/Compliance and Investment Committee report; and
- ◆ Approve the addition of Adams Street Partners-2010 Global Offering and Landmark Equity Partners XIV, L.P. as managers for Private Equity investments.

<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	x
Nay									

MOTION APPROVED by ROLL CALL.

Proposed University of Iowa 2010 Early Retirement Incentive Program II and Proposed Iowa State University 2010 Retirement Incentive Option 2 Program Extension

➤ MOVED by EVANS, SECONDED by JOHNSON, to:

- ◆ Approve the proposed 2010 Early Retirement Incentive Program II (ERIP II) for the University of Iowa;
- ◆ Approve an extension of the application date for Iowa State University's Retirement Incentive Option 2 Program (RIO2) from March 31, 2010, to June 1, 2010; and
- ◆ Direct the University of Iowa and Iowa State University to submit a report regarding their respective Early Retirement Incentive Programs at the August 2010 Board meeting.

Regent Harkin stated her preference is for parallel retirement programs among the institutions. While pleased with SUI's addition of the 10-year eligibility requirement, she thought the program was too rich in terms of retirement incentives on the TIAA-CREF payment and, therefore, could not support SUI's proposal.

Regent Gartner agreed with Regent Harkin.

President Miles recognized the programs were not identical, but thought they needed to fit the particular needs of each campus. He said he was pleased with the addition of SUI's 10-year eligibility requirement and, with that change, supported the program.

Acknowledging Regent Harkin's and Regent Gartner's support for the ISU program, President Miles asked to take two separate votes so that they had the opportunity to vote affirmatively on that program. No objections were expressed.

- **MOVED** by EVANS, **SECONDED** by DOWNER, to approve the proposed 2010 Early Retirement Incentive Program II (ERIP II) for the University of Iowa.

<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
Nay				x	x				

MOTION APPROVED by ROLL CALL.

- **MOVED** by GARTNER, **SECONDED** by DOWNER, to:
 - ◆ Approve an extension of the application date for Iowa State University's Retirement Incentive Option 2 Program (RIO2) from March 31, 2010, to June 1, 2010; and
 - ◆ Direct the University of Iowa and Iowa State University to submit a report regarding their respective Early Retirement Incentive Programs at the August 2010 Board meeting.

<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	x
Nay									

MOTION APPROVED by ROLL CALL.

Bond Sales

Policy and Operations Officer Joan Racki introduced Barry Fick from Springsted Incorporated, the Board's financial advisor. Mr. Fick provided an overview of the proposed sales and noted that the rating agencies, Standard & Poor's and Moody's, had reaffirmed the universities' rating. He also noted that Standard & Poor's had placed the UNI Dormitory System on positive credit watch.

Resolution for the Sale and Award of:

- ◆ **\$9,945,000 Academic Building Revenue Bonds, Series S.U.I. 2010**
Barry Fick reported that: (1) four bids were received; (2) the winning bid was submitted by a group led by Wells Fargo Advisors; and (3) the true interest cost was 3.957%.
- ◆ **\$4,255,000 Dormitory Revenue Refunding Bonds, Series U.N.I. 2010**
Barry Fick reported that: (1) three bids were received; (2) the winning bid was submitted by a group led by Wells Fargo Advisors; and (3) the true interest cost was 2.776%.
- ◆ **\$13,065,000 Dormitory Revenue Refunding Bonds, Series I.S.U. 2010**
Barry Fick reported that: (1) two bids were received; (2) the winning bid was submitted by a group led by Wells Fargo Advisors; and (3) the true interest cost was 3.44%.

➤ MOVED by GARTNER, SECONDED by HARKIN, to approve:

- ◆ A Resolution providing for the sale and authorizing and providing for the issuance and securing the payment of \$9,945,000 Academic Building Revenue Bonds, Series S.U.I. 2010, for the purpose of paying a portion of the costs of fire and environmental safety, deferred maintenance, and campus security improvements on the campus of the University of Iowa, funding a reserve fund, funding capitalized interest and paying the costs of issuance.
- ◆ A Resolution providing for the sale and authorizing and providing for the issuance and securing the payment of \$4,255,000 Dormitory Revenue Refunding Bonds, Series U.N.I. 2010, for the purpose of currently refunding the Dormitory Revenue bonds, Series U.N.I. 1999, and paying the costs of issuance.
- ◆ A Resolution providing for the sale and authorizing and providing for the issuance and securing the payment of \$13,065,000 Dormitory Revenue Refunding Bonds, Series I.S.U. 2010, for the purpose of currently refunding the Dormitory Revenue Bonds, Series I.S.U. 1999A, 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	x	x	x
Nay									

MOTION APPROVED by ROLL CALL.

Executive Director Bob Donley reported that a thank you was received from the ACT for the partnership the Board of Regents has had with the organization over the last 50 years. He thanked the ACT for its support.

CONSENT AGENDA

- a. Minutes of February 3-4, 2010, Board Meeting
- b. Equipment Purchases
- c. Conflict of Interest Vendors
- d. Request for New Programs at the University of Northern Iowa
 - ◆ Bachelor of Arts Program in Global Studies
 - ◆ Bachelor of Science Program in Geographic Information Science
- e. Request for Program Name Changes at the University of Northern Iowa
 - ◆ Bachelor of Arts Program in Russian to Bachelor of Arts Program in World Languages and Cultures – Russian
 - ◆ Bachelor of Arts Program in German to Bachelor of Arts Program in World Languages and Cultures – German
 - ◆ Bachelor of Arts Program in French to Bachelor of Arts Program in World Languages and Cultures – French
 - ◆ Bachelor of Arts Program in German - Teaching to Bachelor of Arts Program in World Languages and Cultures – German Teaching
 - ◆ Bachelor of Arts Program in French Studies – Teaching to Bachelor of Arts Program in World Languages and Cultures – French Teaching
 - ◆ Bachelor of Arts Program in Modern Languages Dual – Teaching to Bachelor of Arts Program in World Languages and Cultures – Dual Teaching
 - ◆ Bachelor of Arts Program in Modern Languages Dual to Bachelor of Arts Program in World Languages and Cultures – Dual

- ♦ Bachelor of Arts Program in Geography with Environmental Emphasis to Bachelor of Arts Program in Geography with Environmental Systems Emphasis
 - ♦ Bachelor of Arts Program in Graphic Communications to Bachelor of Arts Program in Graphic Technologies
 - ♦ Master of Science Program in Environmental Science/Technology and Health to Master of Science Program in Environmental Science and Health
 - ♦ Bachelor of Arts Program in Mathematics – Statistics and Actuarial Science to Bachelor of Arts Program in Mathematics – Statistics/Actuarial Science
 - ♦ Master of Arts Program in Curriculum and Instruction: Middle Level Education to Master of Arts Program in Middle Level Education: Content Specialization
 - ♦ Bachelor of Arts Program in Technology Education and Training – Teaching to Bachelor of Arts Program in Technology Education – Teaching
- f. Request for Program Name Changes at Iowa State University
- ♦ Bachelor of Science Program in Apparel, Merchandising, Design, and Production to the Bachelor of Science Program in Apparel, Merchandising, and Design
 - ♦ Master of Science and Ph.D. Programs in Textiles and Clothing to the Master of Science and Ph.D. Programs in Apparel, Merchandising, and Design
- g. Request for Program Terminations at the University of Northern Iowa
- ♦ Master of Arts Program in Two Languages – French/German, Spanish/French, German/Spanish
 - ♦ Bachelor of Arts Program in European Studies
 - ♦ Combined Bachelor of Arts and Master of Science Program in Environmental Science/Technology and Health
 - ♦ Master of Arts Program in Art Education with Certification for Licensure Option
 - ♦ Combined Five-Year Bachelor of Arts and Master of Business Administration Program in Philosophy/Religion/Business
 - ♦ Bachelor of Science Program in Chemistry with Environmental Emphasis
 - ♦ Bachelor of Arts Program in Political Science – Teaching
 - ♦ Bachelor of Arts Program in Anthropology – Teaching
 - ♦ Bachelor of Arts Program in American Studies
 - ♦ Bachelor of Arts Program in Asian Studies
 - ♦ Bachelor of Science Program in Air Quality
 - ♦ Master of Arts Program in Art with Studio Emphasis
 - ♦ Bachelor of Arts Program in Geology with Environmental Science Emphasis
 - ♦ Bachelor of Arts Program in Mathematics with Computer Science Emphasis
 - ♦ Bachelor of Arts Program in Technology Education – Training
 - ♦ Bachelor of Arts Program in Computer Information Systems
- h. Proposed Curriculum Changes for the University of Northern Iowa
- i. Honorary Degrees at the University of Iowa
- ♦ Request to Award an Honorary Doctor of Humane Letters Degree to John Pappajohn
 - ♦ Request to Award an Honorary Doctor of Humane Letters Degree to Arthur New
- j. Honorary Degree at Iowa State University
- ♦ Request to Award an Honorary Doctor of Humane Letters Degree to the Honorable Charles Manatt

- k. Honorary Degrees at the University of Northern Iowa
 - ◆ Request to Award an Honorary Doctor of Humane Letters Degree to the Dalai Lama
 - ◆ Request to Award an Honorary Doctor of Humane Letters Degree to Mildred Kalish
 - ◆ Request to Award an Honorary Doctor of Literature Degree to Stephen J. Rapp
- l. Faculty Senate Constitution Revisions at the University of Iowa
- m. Request to Offer Off-Campus Graduate Program (Iowa State University)
- n. Annual Report on Campus Safety and Security
- MOVED by HARKIN, SECONDED by GARTNER, to approve the Consent Agenda.

<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.

University of Iowa Update of Flood Recovery Status

Vice President Doug True updated the Board on the University's preventative measures and readiness plans to address any future flooding.

Vice President True and Director of Planning, Design and Construction Rod Lehnertz elaborated on area development changes in response to Regent Evans' question on plans for Dubuque Street and the Park Road bridge.

- The Board received the update by GENERAL CONSENT.

Register of University of Iowa Capital Improvement Business Transactions

Vice President True provided a brief overview on the proposed transactions.

- MOVED by EVANS, SECONDED by CAMPBELL, to:
 - ◆ Approve:
 - ◆ Permission to proceed with project planning, and the selection of OPN Architects, Cedar Rapids, Iowa, for the **Oakdale Hall – Raze Building** project.
 - ◆ Project descriptions and budgets for the **Art Building West – Flood Mitigation and Permanent Recovery** project (\$14,820,507), and **Oakdale Utility Power Plant – Install Biomass Gasifier & Steam Generator** project (\$6,717,524).
 - ◆ Revised project budget (\$5,158,763) for the **Oakdale Renewable Energy Plant – Install Central Chilled Water Production** project.
 - ◆ Receive the oral report from the University on the football facilities improvement 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	x	x
Nay									

MOTION APPROVED by ROLL CALL.

- MOVED by VASQUEZ, SECONDED by GARTNER, to approve the revised scope for the **College of Public Health – Academic Building** 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	x
Abstain		x							

MOTION APPROVED by ROLL CALL.

Athletics Director Gary Barta provided an update on progress in accomplishing the football facilities improvements and the expected timetables for subsequent Board actions.

Register of Iowa State University Capital Improvement Business Transactions

Vice President Warren Madden updated the Board on the proposed transaction.

- **MOVED** by LANG, **SECONDED** by EVANS, to approve the following actions for the **Horticulture Greenhouse Replacement – 2006** project, a major capital project as defined by Board policy:
 - ◆ Acknowledge receipt of the University’s final, revised submission of information to address the Board’s capital project evaluation criteria as included with the docket memorandum;
 - ◆ Accept the Board Office recommendation that the project meets the necessary criteria for Board consideration; and
 - ◆ Approve the revised schematic design and revised project description and budget (\$4.0 million), with the understanding that this approval will constitute final Board approval and authorization to proceed with construction.

<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	x
Nay									

MOTION APPROVED by ROLL CALL.

Institutional Agreements, Leases and Easements

Policy and Operations Officer Joan Racki provided a brief overview on the memorandum.

- **MOVED** by EVANS, **SECONDED** by LANG, to approve two leases for the benefit of the University of Iowa, subject to approval of the final documents by the Board Office and Attorney General’s Office.

<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.

Resolution to Conduct a One-Day Statewide Symposium

President Miles provided a brief summary on the resolution and said he looked forward to improving upon the solid foundation of the Iowa School for the Deaf.

Superintendent Prickett said that she is planning to hold the symposium in Des Moines and has contacted three presenters.

- **MOVED** by MILES, **SECONDED** by DOWNER, to approve a resolution directing the superintendent of the Iowa School for the Deaf to develop a proposal, in consultation with the Board Office, to organize and conduct a one-day statewide symposium for the purpose of educating the Board of Regents, interested constituencies, and the public on best practices in educating deaf and hard of hearing students.

<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.

Resolution on General Fund Support for Athletics

President Miles provided an overview on the resolution.

- **MOVED** by MILES, **SECONDED** by GARTNER, to approve a resolution directing Iowa’s public universities to assess the feasibility of and to formulate plans that would, over an appropriate time period, substantially reduce or eliminate general fund subsidies for intercollegiate athletics.

<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.

Legislative Update

State Relations Officer Keith Saunders updated the Board on the following bills: FY 2010 Supplemental Appropriations; FY 2011 Education Appropriations; Economic Development Appropriations; Infrastructure Appropriations; Ag and Natural Resources Budget; Health and Human Services; Iowa Care; and the Governor’s Reorganization bill.

- The Board received the report by GENERAL CONSENT.

Residence System Governance Report

Policy and Operations Officer Brad Berg provided an overview of the docket memorandum containing the five-year plans, FY 2011 preliminary budgets, and the proposed room and board rates for the 2010-2011 academic year.

President Pro Tem Evans credited management of the residence systems for the financial stability of the enterprises and UNI’s Residence System for the positive outlook upgrade issued by Standard & Poor’s. At President Pro Tem Evans’ request, SUI Residence System Director Von Stange elaborated on a study of the future of Hawkeye Court.

- By GENERAL CONSENT, the Board:
 - ◆ Received the university residence systems five-year plans for FY 2011 through FY 2015;
 - ◆ Considered the universities’ preliminary FY 2011 residence system budgets, which are subject to further review and action when the Board approves the final FY 2011 institutional budgets; and
 - ◆ Considered the universities’ academic year 2010-2011 proposed rates for all residence halls, board options, and apartments as detailed in the tables in each university attachment.

Proposed University Parking

Policy and Operations Analyst Andrea Anania provided a brief overview on the memorandum.

- MOVED by GARTNER, SECONDED by VASQUEZ, to:
 - ◆ Consider the proposed:
 - ◆ Parking rate increases at Iowa State University, Memorial Union (ISU), and the University of Northern Iowa (the University of Iowa proposed no rate increases);
 - ◆ New fee for contractor parking at the University of Northern Iowa; and
 - ◆ Changes to Iowa State University’s Parking Manual and University of Northern Iowa’s Parking Manual as shown in the memorandum; and
 - ◆ Approve the amendment of the Iowa Administrative Code regarding the modification of two definitions at Iowa State University as illustrated in the docket memorandum and authorize the Executive Director to file the amendment in the required form.

<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.

Board President Report

Statement from President Miles:

I want to underscore that all of our Regent institutions have a long history of increased efficiency, enhanced productivity, and they have also internally reallocated resources to ensure the success of our core mission of benefitting Iowans through education, research, and service.

In response to the current state economic downturn as everyone here knows, Regent institutions have seen an unprecedented reduction in state support. In fact, I think we're down just under \$144 million or 20% in our state appropriations since 2009. And that has required even greater scrutiny of all functions.

Each institution has met the necessary cuts in budget by careful review of academic and business functions. Many people have participated in task forces to find new ways to deliver the education and other services at our campuses. And we have made changes in our structures and functions. I want to congratulate the leadership of the universities and the special schools, and everyone throughout the organizations for their hard work.

While we continue to work with other state agencies on recommendations outlined in the Iowa Efficiency Review Report, the recommendations adopted by the State Government Reorganization Interim Commission, and the provisions of Governor Culver's Executive Order 20, the challenges are great and we need to do even more.

So to maintain the momentum, I would like to ask the Board to join me in directing our Regent institutions to find efficiencies and cost savings inter-institutionally; to explore collaborative initiatives that yield efficiencies within and between the Regent institutions. The Regent institutions will engage in effective collaborations and consolidations that have the potential to substantially reduce university costs in the areas of Information Technology, Purchasing, Human Resources, and Facilities.

➤ **MOVED by MILES, SECONDED by LANG, to direct the:**

- ◆ Regent institutions, using the guiding principles below, to: (1) find efficiencies and cost savings inter-institutionally; and (2) explore and engage in collaborative initiatives that yield efficiencies with and between the Regent institutions and have the potential to substantially reduce university costs in the following areas: Information Technology, Purchasing, Human Resources, and Facilities.

Guiding Principles:

- ◆ Consolidation efforts must maintain or improve the quality of the institution;
- ◆ Consolidations should substantially reduce aggregate reoccurring costs or improve services for participants. If costs increase for one entity then a mechanism will be enacted to make that entity whole;
- ◆ Consolidations should not introduce complexities or risk to infrastructure, business processes, or end user experiences;
- ◆ No entity should pay more for a service or good than they could otherwise obtain on their own;
- ◆ Consolidations should occur where they makes sense. Some projects may only involve two institutions.
- ◆ Board Office staff to assemble candidate projects and present them to the Board at its April meeting. Projects are to include a detailed description, estimated implementation costs and staff resources needed, target dates for full assessment, and projected savings.

<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.

President Miles noted that the institutions have already demonstrated a great deal of initiative, hard work, and success. He said the motion demonstrates the Board's good faith to the citizens of Iowa and to elected leaders that the Regents are serious about government efficiency and effectiveness.

President Miles adjourned the meeting at 2:15 p.m.

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