

Contact: Brock Ascher

MINUTES OF APRIL 11-12, 2018, BOARD MEETING

**LIED MULTIPURPOSE COMPLEX – COMMUNITY ROOM
IOWA SCHOOL FOR THE DEAF
COUNCIL BLUFFS, IOWA**

Board Members	April 11, 2018	April 12, 2018
Michael Richards, President	Present	Present
Patty Cownie, President Pro Tem	Present	Present
Sherry Bates	Present	Present
Nancy Boettger	Present	Present
Milt Dakovich	Present	Absent
Nancy Dunkel	Present	Present
Rachael Johnson	Present	Present
Larry McKibben	Present	Present
Subhash Sahai	Absent	Absent

Board Office

Andrea Anania, Brock Ascher, Brad Berg, Rachel Boon, Mark Braun, Aimee Claeys, Laura Dickson, Jennifer Enzian, Josh Lehman, John Nash, Jason Pontius, Patrice Sayre

SUI	ISU	UNI	ISD
Bruce Harreld	Wendy Wintersteen	Mark Nook	Steve Gettel
Sue Curry	Jonathan Wickert	Jim Wohlpart	John Cool
Rod Lehnertz	Pam Cain	Michael Hager	
Brooks Jackson	Martino Harmon		
Doug True			
Ken Kates			
Melissa Shivers			

The corresponding memorandum for each agenda item, an integral component of the minutes, is available on the Board of Regents website: <http://www.iowaregents.edu>. Copies of these memoranda can also be obtained from the Board Office by calling 515-281-3934. Audio of the meeting is also available on the website.

April 11, 2018

The Property and Facilities Committee met at 11:30 a.m.

The Campus Safety and Security Committee met at 12:30 p.m.

The Academic and Student Affairs Committee met at 1:30 p.m.

Call to Order for April 11, 2018

President Richards called the meeting to order at 2:49 p.m.

Roll Call:

	Bates	Boettger	Cownie	Dakovich	Dunkel	Johnson	McKibben	Richards	Sahai
Present	x	x	x	x	x	x	x	x	
Absent									x

Sale and Award of \$32,905,000 Athletic Facilities Revenue Bonds, Series S.U.I. 2018

Policy and Operations Officer Brad Berg introduced Dr. Sheryl Bailey from Springstead, Inc., the Board's municipal advisor.

Dr. Bailey reported that (1) Eight bids were received; (2) the winning bid was submitted by Mesriow Financial, Inc.; and (3) the true interest cost was 3.156%.

- ✓ MOVED by JOHNSON, SECONDED by BOETTGER, to approve a resolution providing for the sale and authorizing the issuance of Athletic Facilities Revenue Bonds, Series S.U.I. 2018, in the amount of \$32,905,000 for the purpose of improving, remodeling, repairing, furnishing, equipping, and building additions to Kinnick Stadium, funding a debt service reserve fund, and paying costs of issuance.

	Bates	Boettger	Cownie	Dakovich	Dunkel	Johnson	McKibben	Richards	Sahai
Aye	x	x	x	x	x	x	x	x	
Absent									x

MOTION APPROVED by ROLL CALL.

The University of Iowa Hospitals and Clinics Committee met at 2:58 p.m.

The Audit and Compliance Committee met at 3:55 p.m.

Adjourn

President Richards adjourned the meeting at 4:13 p.m.

Call to Order for April 12, 2018

President Richards called the meeting to order at 9:17 a.m.

Roll Call:

	Bates	Boettger	Cownie	Dakovich	Dunkel	Johnson	McKibben	Richards	Sahai
Present	x	x	x		x	x	x	x	
Absent				x					x

Public Comment

President Richards noted that public comment on issues that come before the Board is an important part of the Board's deliberations and welcomed the following presenters:

- Dave Caris, CEO of Community Bankers of Iowa, spoke to the Board on trademark issues

The Board received the comments by GENERAL CONSENT.

Election of President and President Pro Tem

President Richards recognized President Pro Tem Cownie, who opened nominations for Board President.

- ✓ MOVED by BOETTGER, to nominate Mike Richards as President of the Board of Regents for the term commencing May 1, 2018, and ending April 30, 2020.
- ✓ Nominations were closed by general consent.
- ✓ ROLL CALL on the MOTION to approve Mike Richards as President of the Board of Regents for the term commencing May 1, 2018, and ending April 20, 2020.

	Bates	Boettger	Cownie	Dakovich	Dunkel	Johnson	McKibben	Richards	Sahai
Aye	x	x	x		x	x	x	x	
Absent				x					x

MOTION APPROVED by ROLL CALL.

President Richards opened nominations for Board President Pro Tem.

- ✓ MOVED by BATES to nominate Patty Cownie as President Pro Tem of the Board of Regents for the term commencing May 1, 2018, and ending April 30, 2020.
- ✓ Nominations were closed by general consent.
- ✓ ROLL CALL on the MOTION to approve Patty Cownie as President Pro Tem of the Board of Regents for the term commencing May 1, 2018, and ending April 20, 2020.

	Bates	Boettger	Cownie	Dakovich	Dunkel	Johnson	McKibben	Richards	Sahai
Aye	x	x	x		x	x	x	x	
Absent				x					x

MOTION APPROVED by ROLL CALL.

Consent Agenda

✓ MOVED by MCKIBBEN, SECONDED by JOHNSON, to approve and receive the following CONSENT AGENDA items:

- a) Minutes of February 21-22, 2018 Board Meeting
- b) Meeting of February 21, 2018 Property and Facilities Committee
- c) Meeting of February 21, 2018 Investment and Finance Committee
- d) Meeting of February 21, 2018 Academic and Student Affairs Committee
- e) Meeting of February 21, 2018 Audit and Compliance Committee
- f) Meeting of February 21, 2018 University Hospital and Clinics Committee
- g) ISU Facilities Corporation Reimbursement Resolution
- h) Request for Honorary Degrees at the University of Northern Iowa
- i) Request for Honorary Degrees at Iowa State University
- j) 2018-2019 Proposed Promotion and Tenure Actions
- k) Approval of University Parking for FY 2019
- l) Personnel Appointments
- m) Meeting of April 11, 2018 Property and Facilities Committee
- n) Annual Report on Competition with Private Enterprise
- o) Proposed Board Policy - Trademarks
- p) Allocation of Mid-Year FY2018 State Funding Cut
- q) Termination of NERA Agreement
- r) Teacher Terminations

	Bates	Boettger	Cownie	Dakovich	Dunkel	Johnson	McKibben	Richards	Sahai
Aye	x	x	x		x	x	x	x	
Absent				x					x

MOTION APPROVED by ROLL CALL.

Presentations by Non-Represented Faculty and Staff on FY 2019 Salary Issues

President Richards recognized Board Counsel Aimee Claeys, who welcomed Peter Snyder, president of the SUI Faculty Senate; John Laverty, president of the SUI Staff Council; Tim Day, President of the ISU Faculty Senate; Jessica Bell president of the ISU P&S (Staff) Council; and Christina Geweke, president of the UNI P&S (Staff) Council. These representatives presented before the board regarding FY 2019 salary issues.

Regent Boettger thanked the representatives for their presentations on behalf of the Board. President Pro Tem Cownie commended the presenters on the quality of work performed at the three universities. Regent McKibben lamented the loss of quality faculty and staff due to salary issues and expressed concern for the future of state support for the Regents institutions.

The Board received the reports by GENERAL CONSENT.

Report on Access and Affordability of College

President Richards recognized Board of Regents Associate Chief Academic Officer Jason Pontius who introduced Roberta Johnson, director of the ISU financial aid office; Tim Bakula, interim director of the UNI financial aid office; and Dr. Kathy Bialk, SUI associate provost and director of student financial aid. These representatives presented reports on access and affordability of college to the Board.

Regent Dunkel asked for clarification on if certain campaign funds were endowed or pulled together to pay for tuition. Ms. Johnson explained that most funds were endowed and others were from other sources. She then noted that ISU and the other regent institutions have thousands of scholarships that are given out annually. Regent Johnson thanked the presenters for their work and asked if their recommendations from the 2008 task force are still valid or if restructuring is needed. Ms. Johnson replied that institutional and state aid is important, but may look different than what was predicted in 2008. Regent Bates commended the presenters for their work on financial literacy and asked if the presenters thought that freshmen students understood student loans well enough. Ms. Johnson replied that students are becoming more savvy with their understanding of debt. Regent Johnson asked about a common scholarship and institutional aid application location for each of the three institutions.

The Board received the reports by GENERAL CONSENT

Proposed Residence System Rates for 2018-2019 Academic Year – Second Reading

President Richards recognized Brad Berg, Board of Regents policy and operations officer, to present a second reading of the residence system rates for the 2018-19 academic year.

- ✓ MOVED by MCKIBBEN, SECONDED by DUNKEL, to approve the universities' academic year 2018-2019 proposed rates for all residence halls, apartments, and board options as detailed in attachments A, B and C in the memorandum.

	Bates	Boettger	Cownie	Dakovich	Dunkel	Johnson	McKibben	Richards	Sahai
Aye	x	x	x		x	x	x	x	
Absent				x					x

MOTION APPROVED by ROLL CALL.

Proposed 2018-2019 Common and University/Program Specific Fees – First Reading

President Richards recognized Andrea Anania, Board of Regents policy and operations analyst, to present a first reading of the 2018-19 common and university/program specific fees.

- ✓ MOVED by BOETTGER, SECONDED by DUNKEL, to receive the report and authorize the Executive Director to file the Notice of Intent to amend Iowa Administrative Code §681-1.7 for the University of Iowa to reduce the application fee for PharmD students from \$100 to \$50.

	Bates	Boettger	Cownie	Dakovich	Dunkel	Johnson	McKibben	Richards	Sahai
Aye	x	x	x		x	x	x	x	
Absent				x					x

MOTION APPROVED by ROLL CALL.

Closed Session – Student Appeal Records

- ✓ MOVED by COWNIE, SECONDED by JOHNSON, to enter into closed session in accordance with Iowa Code section 21.5.1.a, 22.7.1, and the Family Educational Rights and Privacy Act, 20 U.S.C. § 1232g, to review student records which are required or authorized by law to remain confidential.

	Bates	Boettger	Cownie	Dakovich	Dunkel	Johnson	McKibben	Richards	Sahai
Aye	x	x	x		x	x	x	x	
Absent				x					x

MOTION APPROVED by ROLL CALL.

The Board convened in closed session at 10:57 a.m.

The Board reconvened in open session at 11:53 a.m.

Closed Session – Student Appeal Records

- ✓ MOVED by JOHNSON, SECONDED by MCKIBBEN, to deny the acceptance of evidence into the record.

	Bates	Boettger	Cownie	Dakovich	Dunkel	Johnson	McKibben	Richards	Sahai
Aye	x	x	x		x	x	x	x	
Absent				x					x

MOTION APPROVED by ROLL CALL.

Proposed 2018-2019 Tuition and Fees – First Reading

President Richards recognized Brad Berg, Board of Regents policy and operations officer, to present a first reading of the proposed 2018-2019 tuition and fees. President Richards recognized Drew Stensland, incoming student body president at UNI, outgoing ISU student body president Cody West, outgoing student body president at SUI Jacob Simpson, and vice president of SUI GPSG Grant Jerkovich.

Regent Johnson thanked the students for their comments and their service to their fellow students. Regent McKibben also thanked the students for their comments and encouraged the students to request a visit with Governor Kim Reynolds to speak on budgetary issues.

Reports from Institutional Heads

Superintendent Gettel, President Nook, President Harreld and President Wintersteen gave reports on recent activities at their respective institutions.

Regent McKibben commended President Harreld for his efforts in recruiting first generation students.

The Board received the reports by GENERAL CONSENT.

Discussion on Resource Management

President Richards read the following statement:

Over the past year the Board of Regents initiated an open and transparent discussion about the use of resources at our public institutions. Last summer we established a

tuition task force that met three times, once at each university campus, to talk about tuition and funding. The overriding goal of the task force and the discussions that followed was to come up with the right mix of funding and resource management that allows our universities to continually improve.

We've heard today there are currently three major components to funding our universities properly; tuition, state appropriations, and savings through reallocation of resources at our universities. Increasingly there is a fourth very important component, which is research funding combined with private and corporate philanthropic giving.

Our universities have become more efficient. We've saved or reallocated 55 million dollars since 2010, with an additional 90 million dollars in savings from refinancing bonds – 23 million dollars of which directly resulted in state savings on bonds authorized by the state. I believe our universities need to continue to be innovative with their financial and capital resources. This includes finding additional ways to leverage our university assets so that our institutions can be more self-sustaining financially.

Going forward, it will continue to be our priority to strive to have more predictability with the financial resources used by the Regents Enterprise. We have just been given a reduction to our fiscal year 2018 appropriations and that cut will hurt. Our presidents have spoken on how they will deal with those reductions. We do not know yet about fiscal year 2019 appropriations, but we are continuing to work with the Governor's office and legislators. We have discussed our proposed 2018-19 tuition rates and I believe these rates represent reasonable short-term balance to help fund our institutions for the coming year.

This year, we committed to raise tuition only one time. This fall, our goal will be to set 2019-20 rates prior to the end of the calendar year and to have a discussion about longer term planning regarding future tuition increases. We need to continue to evaluate the proper mix of financial resources at our universities. It is a collective decision that includes students, families, and the legislative and executive branches. The Board is committed to working collaboratively with all parties to continue to provide accessible, high-quality education to the students and families of Iowa.

Make no mistake, balancing funding sources for higher education is a complicated issue, but the reality of where we are today is twofold. First, we want to keep higher education affordable and accessible – it's part of our mission. Second, we want to strive to provide to a high-value education for those in our Regents institutions. It is my belief that the highest quality cannot be maintained by simply aiming for the status quo. We must adapt and continue to improve the use of all available resources.

The importance of our Regent universities in educating Iowans has never been greater. We know from the Future Ready Iowa Alliance that in Iowa 6-of-10 jobs with the greatest growth and the most openings over the next 10 years will require a bachelor's degree or higher. Approximately 54 percent of Iowa jobs that pay "good wages" will require at least a bachelor's degree, yet only about 36 percent of Iowans have achieved a bachelor's degree. To support another goal of Future Ready Iowa, our Regents institutions have

signed agreements with each of Iowa's community colleges in a process called reverse transfer. Many Iowa community college students transfer into one of our universities before earning a degree or certificate. Now those students will find it much easier to achieve a community college credential retroactively as they move forward at the Regents institutions.

If we are to meet the employment and economic needs of Iowa, we must see that our universities have the necessary resources to produce highly-trained Iowa resident graduates. We will continue to educate Iowans. In addition, a recent Wall Street Journal article pointed out that the state of Iowa has more jobs than good people to fill them. We must also continue to be a destination for highly-qualified non-residents, who are seeking both a high quality education and excellent post-graduate employment opportunities. Our Regents institutions are a primary driver for Iowa's economy.

I would like our Board and university leaders to continue to have an open discussion about maximizing the use of our current resources and attracting and retaining the people we need to move our institutions and the state of Iowa forward. I believe the question we need to answer is "How do we move from these aspirational goals to achieved goals?" At this time I welcome comments or questions from any board member.

Regent Johnson noted that tuition volatility makes college more difficult for students and that higher education must be a priority in the state of Iowa. Regent McKibben commented that funding shortages have hurt our Regents institutions and that he's heard this from students, faculty and staff. McKibben noted that the state of Iowa budget has increased by three billion dollars, yet state support for public higher education has decreased by seven million dollars over the last 20 years.

Adjourn

President Richards adjourned the meeting at 2:38 p.m.