

**BOARD OF REGENTS
STATE OF IOWA**

**AGENDA ITEM 7a
OCTOBER 29, 2009**

Contact: Andrea Anania

**BOARD OF REGENTS, STATE OF IOWA
LIED MULTIPURPOSE COMPLEX – MULTIPURPOSE ROOM
IOWA SCHOOL FOR THE DEAF
COUNCIL BLUFFS, IOWA**

MINUTES OF SEPTEMBER 16-17, 2009

| Board Members | September 16, 2009 | September 17, 2009 |
|----------------------|---------------------------|---------------------------|
| Bonnie Campbell | Present | Present |
| Robert Downer | Present | Present |
| Jack Evans | Present | Present |
| Michael Gartner | Absent | Present |
| Ruth Harkin | Absent | Absent |
| Greta Johnson | Present | Present |
| Craig Lang | Present | Present |
| David Miles | Present | Present |
| Rose Vasquez | Present | Present |

Staff Members

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

Regent Institutions

SUI Sally Mason, Peter Densen, David Johnson, Ken Kates, Wallace Loh, Jean Robillard, Paul Rothman, Doug True

ISU Gregory Geoffroy, Elizabeth Hoffman, Warren Madden

UNI Ben Allen, Gloria Gibson, Tom Schellhardt

ISD Jeanne Prickett, Diane LeDoux, Jim Heuer, Kristen Newton

IBSSS Patrick Clancy, Don Boddicker

Others

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: <http://www.regents.iowa.gov/>.

Copies of these memoranda can also be obtained from the Board Office by calling 515-281-3934.

President Miles called the Board of Regents meeting to order at 8:30 a.m. on September 16, 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 | x |
| Absent | | | | x | x | | | | |

Evaluation of Institutional Heads

- MOVED by EVANS, SECONDED by DOWNER, to enter into closed session pursuant to Iowa Code §21.5(1)(i) upon request of individuals whose performance is being considered. Each individual has requested that his or her 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 |
| Absent | | | | x | x | | | | |

MOTION APPROVED by ROLL CALL.

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

The Board reconvened in open session at 3:59 p.m.

President Miles adjourned the meeting at 4:00 p.m.

President Miles called the Board of Regents meeting to order at 8:35 a.m. on September 17, 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 | x | x |
| Absent | | | | | x | | | | |

Evaluation of Executive Director and Faculty Appeal

- MOVED by EVANS, SECONDED by LANG, to enter into closed session pursuant to:
 - ♦ Iowa Code §21.5(1)(i) upon the request of an individual whose performance is being considered. The individual has requested that his performance be discussed by the Board in closed session; and
 - ♦ Iowa Code sections 21.5(1)(a)&(c) and 22.7(11) to discuss a faculty appeal with counsel that is presently before the Board for consideration and involves personal information contained in confidential personnel records.

| <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 8:37 a.m.

The Board reconvened in open session at 9:00 a.m.

- MOVED by EVANS, SECONDED by DOWNER, to deny the faculty appeal and affirm Iowa State University's final decision in terms of the 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 Audit/Compliance and Investment Committee and the University of Iowa Hospitals and Clinics Committee met at this time.

The Board reconvened in full session at 10:58 a.m.

President Miles reported that the Board conducted performance evaluations of the institutional heads and Executive Director. He said the Board is very proud of the institutional heads; he praised them for their work and for their leadership. He said there would be no salary changes and all eligible individuals have foregone incentive-based compensation for the last year. He noted that their sacrifices need to be acknowledged and not misinterpreted as any lack of confidence or support for their work.

President Miles acknowledged the passing of former Board of Regents member S. J. Brownlee. Regent Brownlee was appointed by Governor Robert D. Ray in 1973 and served until 1985; he was President of the Board of Regents from 1981 to 1985.

➤ **MOVED by MILES, SECONDED by DOWNER:**

WHEREAS, Marcia Brunson joined the staff of the Board of Regents in September 1984; and

WHEREAS, Marcia gained the respect of the Board of Regents, the administrations and staffs of Iowa's public universities and special schools, and her colleagues in the Board Office, through her knowledge, preparation, and analysis of numerous complex reports on a variety of human resources topics; her research and reporting on campus safety and security issues; her responsiveness to inquiries from the Board's many constituents; her depth of knowledge relative to the Board's Policy Manual and the Iowa Administrative Code; and her ability to plan and coordinate major Board of Regents events, particularly on the occasion of a visit by the U.S. Secretary of Education; and

WHEREAS, it is important to also recognize Marcia Brunson for her many contributions resulting from her fine culinary skills; and

NOW, THEREFORE, BE IT RESOLVED, in celebration of her 25th anniversary on the Board staff, that the Board of Regents, State of Iowa, expresses its deep gratitude to Marcia Brunson for her commitment to the mission of the Board and its stewardship and responsibilities; and

BE IT FURTHER RESOLVED, that the Board commends Marcia for her service and contributions to the Board of Regents, its institutions, students, families, and Iowa citizens.

MOTION APPROVED UNANIMOUSLY.

Consent Agenda

- ◆ Minutes of August 5, 2009, Board Meeting
- ◆ Institutional Personnel Transactions
President Miles and Regent Gartner asked to see the transactions prior to Board approval. Marcia Brunson said they would all be posted to the Board's web site in the future.
- ◆ Conflict of Interest Vendors (*removed and considered separately*)
- ◆ ARRA Funding Proposals
- ◆ Iowa State University Equipment Purchase

Consent Agenda (continued)

- ◆ Proposed Program Termination at the University of Iowa – Bachelor of Science Program in Oral Health Sciences
 - ◆ Request for New Program at the University of Iowa – Bachelor of Arts Program in Ethics and Public Policy
 - ◆ Request for New Program at the University of Iowa – Bachelor of Arts Program in Environmental Sciences
 - ◆ Appointments to Boards and Commissions
 - ◆ Iowa Lakeside Laboratory Regents Resource Center Annual Report and Budget Request
 - ◆ Proposed New Center at Iowa State University – Community College Policy Center
 - ◆ Report of Crime Statistics at the Universities for the Quarter Ending June 30, 2009
- MOVED by EVANS, SECONDED by GARTNER, to approve the Consent Agenda, with the exception of Conflict of Interest Vendors, which was removed and voted on separately.

| <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.

- MOVED by GARTNER, SECONDED by LANG, to approve the Conflict of Interest Vendors.

| <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 | | | | |
| Abstain | | x* | | | | | | | |

*Regent Downer stated that his abstention was with respect to Pickett Consulting, L.L.C.

MOTION APPROVED by ROLL CALL.

Executive Director Report

Executive Director Bob Donley introduced Board Office Technology Specialist Dianne Smith, who explained and demonstrated the Board’s redesigned web site.

- The Board received the report by GENERAL CONSENT.

Presentation on Governor’s Performance Review

This item was deferred until the October meeting.

FY 2011 Operating Appropriations Requests

Chief Business Officer Patrice Sayre provided a brief overview on the requests.

President Miles clarified to Regent Lang that support of the motion does not mean support of the Higher Education Price Index (HEPI) recommended 2.7% inflationary increase.

Regent Lang said that: (1) he would not support a 2.7% inflationary increased based on HEPI; (2) students and parents should understand that education in Iowa is a good deal and for them to look for ways to help pay for it; and (3) priorities concerning education must be set.

FY 2011 Operating Appropriations Requests (continued)

President Miles said that: (1) the Board recognizes that these are difficult financial times for Iowans, the state of Iowa, and the Regent institutions; (2) the budget request is reasonable and preserves quality, access, and affordability; (3) Governor Culver and the legislature have difficult choices to make as revenues become more clear; (4) the Board of Regents will make the case for the importance of higher education in Iowa; and (5) he supported the recommendation and urged other Board members to support it as well.

Regent Gartner supported the recommendation and hoped that institutional leaders understand the requests are a wish because they ask for money that does not exist. He said the state and the Regents have an enormous problem ahead.

President Miles expressed confidence that the institutional leaders will continue to manage the institutions appropriately.

➤ MOVED by EVANS, SECONDED by VASQUEZ, to:

- ◆ Approve the operating appropriations requests for FY 2011 totaling \$767.6 million;
- ◆ Authorize actions by designated Regent staff to enhance IowaCare patient access, and support increasing services covered for reimbursement, including physician care; and
- ◆ Authorize actions by designated Regent staff to seek collaboration and partnerships between Regent institutions and other sectors of state government.

| <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.

Five-Year Capital Plans, Including FY 2011 Capital Request

Joan Racki provided an overview of the docket memorandum.

Regent Downer requested that serious consideration be given to an additional residence hall at the University of Iowa.

Regent Gartner said that the amount of deferred maintenance is staggering.

➤ MOVED by EVANS, SECONDED by CAMPBELL, to:

- ◆ Approve the Five-Year State-Funded Capital Plan for FY 2011 – FY 2015 of \$682.85 million, including a capital request of \$147.90 million for FY 2011, to be funded by capital appropriations or Academic Building Revenue Bonds (Table 1, page 5 of the memorandum);
- ◆ Receive the Five-Year Capital Plan (FY 2011 – FY 2015) of \$542.41 million for the University of Iowa Hospitals and Clinics to be funded by Hospital Building Usage Funds and Hospital Revenue Bonds (Table 2, pages 6-7 of the memorandum); and
- ◆ Receive the report on FY 2011 – FY 2015 capital plans of \$506.00 million for the universities and special schools to be funded by sources other than capital appropriations, Academic Building Revenue Bonds, or UIHC Funds (Table 3, pages 8-10 of 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 | x |
| Absent | | | | | x | | | | |

MOTION APPROVED by ROLL CALL.

Register of University of Iowa Capital Improvement Business Transactions

Vice President Doug True explained the items on the Register and responded to questions related to the footprint and financing of the proposed West Campus Power Plant and the sustainability of the University’s water plant should there be another flooding event. Vice President True introduced College of Dentistry Dean David Johnson who provided an overview of the importance of the Dental Science Building, Phase 1 project to the College.

➤ MOVED by DOWNER, SECONDED by VASQUEZ, to approve:

- ◆ The following actions for the **West Campus Power Plant** project, a major capital project as defined by Board policy:
 - ◆ Acknowledge receipt of the University’s initial submission of information to address the Board’s capital project evaluation criteria (see Attachment A of the memorandum);
 - ◆ Accept the Board Office recommendation that the project meets the necessary criteria for Board consideration; and
 - ◆ Authorize permission to proceed with project planning, including initiation of the consultant selection process for design services for the project.
- ◆ The following actions for the **Dental Science Building, Phase 1 - Construct Addition** project, a major capital project as defined by Board policy, 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 (see Attachment B of 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 (\$17,000,000) 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 | x |
| Absent | | | | | x | | | | |

MOTION APPROVED by ROLL CALL.

Faculty Presentation at the Iowa School for the Deaf

Superintendent Prickett, Science Teacher Kristen Newton, and Horticulture Teacher Diane LeDoux described ISD’s IOWATER Volunteer Monitoring Program.

➤ The Board received the presentation by GENERAL CONSENT.

Sale and Issuance of \$26,000,000 Academic Building Revenue Bonds, Series I.S.U. 2009A

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

Mr. Fick reported that six bids were received; the winning bid was submitted by Morgan Stanley & Co. Inc. with a true interest rate of 4.0896%; and maturities range from 2016 to 2035. The second low bid was received from J.P. Morgan Securities Inc. at a true interest rate of 4.0946%.

- **MOVED** by LANG, **SECONDED** by GARTNER, to approve A Resolution providing for the sale and authorizing and providing for the issuance and securing the payment of \$26,000,000 Academic Building Revenue Bonds, Series I.S.U. 2009A, for the purpose of paying a portion of the costs of constructing, improving, remodeling, repairing, and equipping the Chemistry Building (Hach Hall) facilities on the campus of Iowa State University of Science and Technology, 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 | x | x |
| Absent | | | | | x | | | | |

MOTION APPROVED by ROLL CALL.

Request to Suspend Admissions in the Graduate Programs in German at the University of Iowa

Provost Loh provided highlights on the University' request.

- **MOVED** by LANG, **SECONDED** by GARTNER, to approve the request by the University of Iowa to suspend admissions in the Master of Arts and Ph.D. Programs in German for a 24-month period (2009-2011). According to Board policy (§6.06D), suspension of admissions must be approved by the Board. However, the University has already taken action which effectively suspended admissions for the 2009-10 academic year. The Department of German received four applications for Fall 2009 for the graduate programs, but it communicated with the applicants and indicated on its web page that applications were not being considered for the current year.

| <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 Hospitals and Clinics Trustees

Chair Downer provided an overview on the reports presented to the University of Iowa Hospitals and Clinics Committee.

- **MOVED** by DOWNER, **SECONDED** by EVANS, to approve the change requested by UIHC to extend the end date on the early retirement incentive program from June 30, 2010, to July 16, 2010.

| <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.

Audit/Compliance and Investment Committee Report

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

- MOVED by EVANS, SECONDED by LANG, to approve the Committee’s recommendation to:
 - ◆ Add Metropolitan Real Estate Partners Global Fund III as a money manager; and
 - ◆ Modify the Banking Relationships.

| <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 | | | | |
| Abstain | | x | | | | | | | |

MOTION APPROVED by ROLL CALL.

Update on Sexual Misconduct Policies

Aimee Clayton provided a brief background. Presidents Mason, Geoffroy, and Allen described progress made on each university’s web-based resources and campus training.

At President Miles’ request, President Mason explained bystander training. Regent Campbell asked the length of the mandatory on-line training. President Mason responded and said about one hour.

President Miles thanked the Presidents, said this is tremendously important work, and reaffirmed the Board of Regents’ commitment to this issue.

- The Board received the update by GENERAL CONSENT.

University of Iowa Update of Flood Recovery Status

Vice President True provided a brief update on the flood recovery.

At Regent Downer’s request, Vice President True provided an update on the restoration of the lower level of the Iowa Memorial Union.

- The Board received the update and report by GENERAL CONSENT.

University of Iowa Pre-Disaster Mitigation Plan

Vice President True provided a brief update.

- The Board received the report by GENERAL CONSENT.

President Miles adjourned the meeting at 1:28 p.m.