

Contact: Andrea Anania

MINUTES OF SEPTEMBER 12, 2012, BOARD MEETING

**SUN ROOM, MEMORIAL UNION
IOWA STATE UNIVERSITY
AMES, IOWA**

Board Members September 12, 2012

Nicole Carroll	Present
Robert Downer	Present
Jack Evans	Present
Ruth Harkin	Present
Greta Johnson	Via phone
Craig Lang	Present
David Miles	Present
Katie Mulholland	Present
Bruce Rastetter	Present

Staff Members

Andrea Anania, Jeneane Beck, Brad Berg, Aimee Clayton, Tim Cook, Bob Donley, Sheila Doyle Koppin, Tom Evans, Diana Gonzalez, Joan Racki, Keith Saunders, Patrice Sayre, Ilene Tuttle

Regent Institutions

SUI Sally Mason, P. Barry Butler, Ken Fisher, Don Guckert, Rod Lehnertz Jean Robillard, Doug True

ISU Steven Leath, Chad Hart, Warren Madden, Elwynn Taylor, Jonathan Wickert

UNI Ben Allen, Gloria Gibson, Michael Hager

ISD/IBSSS Patrick Clancy
ISD: Jim Heuer

Others

Mike Dudkowski, Wilshire Consulting
Sarah Eastman, UNIfy for Education Alliance
Barry Fick, Springsted Incorporated
Mary Grace Herrington, Iowa Public Radio

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 September 12, 2012

President Lang called the Board of Regents meeting to order at 10:30 a.m.

Roll Call:

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

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 DOWNER, to:

- ▶ Receive the Investment and Cash Management Report for the Quarter Ended June 30, 2012;
- ▶ Receive the Annual Review of Peer Group Comparisons;
- ▶ Approve Capital Commitments to Private Equity Investments;
- ▶ Approve the Annual Review of Brokerage Firms and Financial Institutions; 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>Johnson</u>	<u>Lang</u>	<u>Miles</u>	<u>Mulholland</u>	<u>Rastetter</u>
Aye	x	x	x	x		x	x	x	x
Absent					x				

MOTION APPROVED by ROLL CALL.

University of Iowa Hospitals and Clinics Committee

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

Board Receipt of UIHC Committee Report

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

- ◆ Report on FY 2012 Year-End and July 2013 Operating and Financial Performance;
- ◆ Report of the University of Iowa Health Alliance; 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>Johnson</u>	<u>Lang</u>	<u>Miles</u>	<u>Mulholland</u>	<u>Rastetter</u>
Aye	x	x	x	x		x	x	x	x
Absent					x				

MOTION APPROVED by ROLL CALL.

Sale and Award of \$190,000,000 Hospital Revenue Bonds, Series S.U.I. 2012

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

Barry Fick reported that: (1) seven bids were received; (2) the winning bid was submitted by J.P. Morgan Securities LLC; and (3) the true interest cost was 3.479%.

He said bids for the investment of the proceeds would be received later in the day to obtain the maximum interest rate possible.

- MOVED by EVANS, SECONDED by DOWNER, to approve A Resolution providing for the sale and authorizing and providing for the issuance and securing the payment of \$190,000,000 Hospital Revenue Bonds, Series S.U.I. 2012, for the purpose of constructing, improving, remodeling, repairing, furnishing, and equipping a new children's hospital at The State University of Iowa, funding a debt service reserve fund, and paying the costs of issuing said Bonds.

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

MOTION APPROVED by ROLL CALL.

Regent Johnson joined the meeting via phone.

Board President Report

President Lang:

- ▶ Announced a study on efficiency and productivity at Iowa's public universities and directed Executive Director Bob Donley to set the scope and create a request for proposal to hire an outside consultant; and
- ▶ Asked the University Presidents to consider a tuition freeze for undergraduate resident students for the 2013-2014 academic year.

*The full text of President Lang's comments for the two topics above may be found at:
<http://www.regents.iowa.gov/Meetings/DocketMemos/12Memos/September2012/agendaitem02remarksasread.pdf>*

- ▶ Recognized UNIFY for Education Alliance (UEA) representative Sarah Eastman, who gave a brief overview of UEA and its initiatives and concerns.

- The Board received the report by GENERAL CONSENT.

CONSENT AGENDA

- ▶ Minutes of August 2-3, 2012, Board Meeting
- ▶ Minutes of August 27, 2012, Telephonic Board Meeting
- ▶ Naming of Bargaining Teams
- ▶ Personnel Action
- ▶ University of Iowa Equipment Purchases
- ▶ Report of Crime Statistics at the Universities for the Quarter Ending June 30, 2012
- ▶ University of Iowa Update of Flood Recovery Status

- MOVED by CARROLL, SECONDED by DOWNER, to approve the CONSENT AGENDA.

<u>Regent</u>	<u>Carroll</u>	<u>Downer</u>	<u>Evans</u>	<u>Harkin</u>	<u>Johnson</u>	<u>Lang</u>	<u>Miles</u>	<u>Mulholland</u>	<u>Rastetter</u>
Aye	x	x	x	x	x	x	x	x	x
Nay									

MOTION APPROVED by ROLL CALL.

FY 2014 Operating and Other Fund Appropriations Requests

Chief Business Officer Patrice Sayre provided highlights of the report.

- MOVED by RASTETTER, SECONDED by EVANS, to:
 - ▶ Based on proposed spending and funding plans, approve the identified operating appropriations requests for FY 2014 totaling \$644 million; 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>Carroll</u>	<u>Downer</u>	<u>Evans</u>	<u>Harkin</u>	<u>Johnson</u>	<u>Lang</u>	<u>Miles</u>	<u>Mulholland</u>	<u>Rastetter</u>
Aye	x	x	x	x	x	x	x	x	x
Nay									

MOTION APPROVED by ROLL CALL.

Five-Year Capital Plans, Including FY 2014 Capital Request

Policy and Operations Officer Joan Racki provided highlights of the report.

- MOVED by HARKIN, SECONDED by MULHOLLAND, to:
 - ▶ Approve the Five-Year State-Funded Capital Plan for FY 2014 – FY 2018 of \$658.9 million, including a capital request of \$89.0 million for FY 2014, to be funded by capital appropriations or Academic Building Revenue Bonds (Table 1, page 5 in the memorandum);
 - ▶ Receive the Five-Year Capital Plan (FY 2014 – FY 2018) of \$198.0 million for the University of Iowa Hospitals and Clinics to be funded by Hospital Building Usage Funds, Hospital Revenue Bonds, and Gifts and Grants (Table 2, pages 6-7 in the memorandum); and
 - ▶ Receive the report on FY 2014 – FY 2018 capital plans of \$496.5 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 in the memorandum).

<u>Regent</u>	<u>Carroll</u>	<u>Downer</u>	<u>Evans</u>	<u>Harkin</u>	<u>Johnson</u>	<u>Lang</u>	<u>Miles</u>	<u>Mulholland</u>	<u>Rastetter</u>
Aye	x	x	x	x	x	x	x	x	x
Nay									

MOTION APPROVED by ROLL CALL.

Register of University of Iowa Capital Improvement Business Transactions

Vice President Doug True; Director of Planning, Design and Construction in Facilities Management Rod Lehnertz; and Associate Vice President and Director of Facilities Management Don Guckert explained the transactions.

- MOVED by RASTETTER, SECONDED by MULHOLLAND, to approve the actions outlined in the agenda item:
 - ▶ Medical Laboratories – Renovate 2nd Floor South and Bowen Science Building – Renovate 2-400 Core;
 - ▶ Utilities Distribution System – Replace Steam and Condensate Lines to UIHC Carver Pavilion;
 - ▶ Hawkeye Tennis and Recreation Complex – Marching Band, Athletics and Recreational Services Indoor Turf Addition;
 - ▶ Oakdale Campus / UI Research Park – Construct Vivarium Facility; and
 - ▶ Power Plant – Install Back-Up Power and Auxiliaries project.

- MOVED by DOWNER, SECONDED by EVANS, to amend two pieces of the proposed requested actions outlined in the agenda item as follows:

- ▶ **Hawkeye Tennis and Recreation Complex – Marching Band, Athletics and Recreational Services Indoor Turf Addition**
 - ◆ Authorize permission to proceed with project planning, including the use of the design-build-bridging process, with the understanding that appropriate criteria for selection of the design-build firm would be ~~reviewed with the Board Office~~ submitted to the Board for approval.
 - ▶ Revise the Board's previously granted permission to proceed with project planning for the **Oakdale Campus / UI Research Park – Construct Vivarium Facility** to include the use of the design-build-bridging process, with the understanding that appropriate criteria for the selection of the design-build firm would be ~~reviewed with the Board Office~~ submitted to the Board for approval.

MOTION APPROVED by VOICE; RASTETTER VOTED NAY.

- The Board voted on the following motion as amended:

- ▶ The following actions for the **Medical Laboratories – Renovate 2nd Floor South and Bowen Science Building – Renovate 2-400 Core** projects:
 - ◆ Acknowledge receipt of the University's initial submission of information to address the Board's capital project evaluation criteria (In the memorandum, see Attachment A for the Medical Laboratories and Attachment B for Bowen Science);
 - ◆ Accept the Board Office recommendation that the projects meet the necessary criteria for Board consideration; and
 - ◆ Authorize permission to proceed with project planning, including the selection of Carlson Design Team for the Medical Laboratories project and Rohrbach Associates for the Bowen Science project.
- ▶ Permission to proceed with project planning and the selection of Shive-Hattery, Inc. as the design professional for the **Utilities Distribution System – Replace Steam and Condensate Lines to UIHC Carver Pavilion** project.
- ▶ The following actions for the **Hawkeye Tennis and Recreation Complex – Marching Band, Athletics and Recreational Services Indoor Turf Addition.**
 - ◆ Acknowledge receipt of the University's initial submission of information to address the Board's capital project evaluation criteria (see Attachment C in 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 the use of the design build- bridging process, with the understanding that appropriate criteria for selection of the design-build firm would be submitted to the Board for approval.
- ▶ Revise the Board's previously granted permission to proceed with project planning for the **Oakdale Campus / UI Research Park – Construct Vivarium Facility** to include the use of the design-build-bridging process, with the understanding that appropriate criteria for the selection of the design-build firm would be submitted to the Board for approval.
- ▶ Project description and budget (\$16,667,545) for the **Power Plant – Install Back-Up Power and Auxiliaries** project.

MOTION APPROVED UNANIMOUSLY.

Register of Iowa State University Capital Improvement Business Transactions

Vice President Warren Madden explained the proposed actions.

- MOVED by EVANS, SECONDED by HARKIN, to approve the actions outlined in the agenda item for the **Wilson Hall – Install Fire Sprinkler and Improvements** project.

MOTION APPROVED UNANIMOUSLY.

Register of University of Northern Iowa Capital Improvement Business Transactions

Vice President Michael Hager highlighted the proposed actions.

- MOVED by DOWNER, SECONDED by HARKIN, to approve the actions outlined in the agenda item for the **President’s House Modifications** project.

MOTION APPROVED UNANIMOUSLY.

Institutional Agreements, Leases, and Easements

Policy and Operations Officer Joan Racki explained the proposed leases and easement.

- MOVED by EVANS, SECONDED by CARROLL, to approve the following items as outlined in the agenda item, subject to approval of the final documents by the Board Office and Attorney General’s Office:
 - ▶ A lease agreement with Streb Investment Partnership LC for the benefit of the University of Iowa;
 - ▶ A utility easement agreement with Interstate Power and Light Company for the benefit of Iowa State University; and
 - ▶ A revised lease agreement with Dickson and Luann Jensen for the benefit of Iowa State University.

<u>Regent</u>	<u>Carroll</u>	<u>Downer</u>	<u>Evans</u>	<u>Harkin</u>	<u>Johnson</u>	<u>Lang</u>	<u>Miles</u>	<u>Mulholland</u>	<u>Rastetter</u>
Aye	X	X (item 2 & 3)	X	X	X	X	X	X	X
Abstain		X (item 1)							

MOTION APPROVED by ROLL CALL.

Report of Education and Student Affairs Committee

- MOVED by MULHOLLAND, SECONDED by CARROLL, to recommend that the Board:
 - ▶ Approve the minutes of the Education and Student Affairs Committee from August 2, 2012;
 - ▶ Receive the 2011-2012 annual report of the Iowa Lakeside Laboratory Regents Resource Center;
 - ▶ Approve the 2012-2013 budget for the Iowa Lakeside Laboratory Regents Resource Center;
 - ▶ Approve the request by the University of Iowa to suspend admissions for 3 years to the Ph.D. Program in Comparative Literature in the Department of Cinema and Comparative Literature in the College of Liberal Arts and Sciences. The necessary coursework will continue to be provided to the current students so that they can complete their program in a timely manner;
 - ▶ Approve the request by the University of Iowa to terminate the Master of Arts Program in Health and Sport Studies. The proposed termination will not become effective until the current students complete their program or transfer to another program;
 - ▶ Approve a name change at the University of Iowa: Master of Science Program in Exercise Science to Master of Science Program in Health and Human Physiology;
 - ▶ Approve a name change at the University of Iowa: Ph.D. Program in Integrative Physiology to Ph.D. Program in Health and Human Physiology;
 - ▶ Receive an update report of the Feasibility Study and Planning Committee;
 - ▶ Receive the update on restructuring teacher education field experiences at the University of Northern Iowa;
 - ▶ Receive the update on the Biennial Faculty Activities Report Collaborative Project; and
 - ▶ Receive the update of the 2012 Education and Student Affairs Committee Work Plan.

<u>Regent</u>	<u>Carroll</u>	<u>Downer</u>	<u>Evans</u>	<u>Harkin</u>	<u>Johnson</u>	<u>Lang</u>	<u>Miles</u>	<u>Mulholland</u>	<u>Rastetter</u>
Aye	x	x	x	x	x	x	x	x	x
Nay									

MOTION APPROVED by ROLL CALL.

Board of Regents Student Financial Aid Committee Report

Chief Academic Officer Dr. Diana Gonzalez provided highlights of the report.

- MOVED by MILES, SECONDED by HARKIN, to:
 - ▶ Receive the Board of Regents Student Financial Aid Committee recommendations to replace the use of tuition set-aside funds for student financial aid for Iowa undergraduate students who attend Iowa public universities and who demonstrate need; and
 - ▶ Approve a new legislative request of \$39.5 million for a new state-funded need-based student financial aid program for Iowa undergraduate students who attend Iowa public universities and who demonstrate need.

<u>Regent</u>	<u>Carroll</u>	<u>Downer</u>	<u>Evans</u>	<u>Harkin</u>	<u>Johnson</u>	<u>Lang</u>	<u>Miles</u>	<u>Mulholland</u>	<u>Rastetter</u>
Aye	x	x	x	x	x	x	x	x	x
Nay									

MOTION APPROVED by ROLL CALL.

Iowa Public Radio (IPR) Annual Report and Appointment of New Board of Directors Members

IPR Chief Executive Officer Mary Grace Herrington provided highlights of the annual report and appointment of the two new IPR Board of Directors members.

- MOVED by MILES, SECONDED by RASTETTER, to:
 - ▶ Receive the Iowa Public Radio annual report; and
 - ▶ Approve the two new community directors for the Iowa Public Radio Board of Directors as outlined in the agenda item.

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

MOTION APPROVED by ROLL CALL.

University of Iowa Child Care Center Request for Proposal

Vice President Doug True provided an oral report on a request for proposal to identify a third party vendor which would build, own, and operate a child care facility on the land leased to the vendor on the University of Iowa Hawkeye Campus.

- The Board received the oral report by GENERAL CONSENT.

University of Northern Iowa Presidential Search

Regent Carroll provided an update on the search.

- **MOVED** by CARROLL, **SECONDED** by MILES, to appoint the following 20 members to the Presidential Search Committee:

- ▶ Ken Brown UNI College of Business Administration
- ▶ Sue Etscheidt UNI College of Education
- ▶ Jeff Funderburk UNI College of Humanities, Arts & Sciences
- ▶ Anne Woodrick UNI College of Social & Behavioral Sciences
- ▶ David Mason UNI Foundation
- ▶ Justin Bierman UNI Alumni Association
- ▶ Cliff Chancey UNI Academic Affairs Council
- ▶ Dan Power UNI – United Faculty
- ▶ Bettina Fabos UNI – United Faculty
- ▶ C. Scott Peters UNI Faculty Senate
- ▶ Jordan Bancroft-Smithe Northern Iowa Student Government
- ▶ Mark Rowe-Barth UNI Professional & Scientific Council
- ▶ Julee Jacobson UNI Supervisory & Confidential Council
- ▶ Susan Baker AFSCME Council 61
- ▶ Mark Oman Public
- ▶ Diane Bridgewater Public
- ▶ Stan Askren Public
- ▶ Nicole Carroll Board of Regents
- ▶ Katie Mulholland Board of Regents
- ▶ Jack Evans Board of Regents

EX-OFFICIO/NON-VOTING MEMBERS:

- ▶ Bob Donley Board of Regents – Board Office
- ▶ Diana Gonzalez Board of Regents – Board Office

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

MOTION APPROVED by ROLL CALL.

- **MOVED** by MULHOLLAND, **SECONDED** by EVANS, to amend the composition of the Presidential Search Committee to add one additional member to the Presidential Search Committee - University of Northern Iowa College of Business Dean Farzad Moussavi.

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

MOTION APPROVED by ROLL CALL.

- **MOVED** by HARKIN, **SECONDED** by RASTETTER, to approve the motion as amended.

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

MOTION APPROVED by ROLL CALL.

Faculty Presentation at Iowa State University: “Environmental and Economic Impacts of the 2012 Drought”

Department of Agronomy Professor Elwynn Taylor and Department of Economics Associate Professor Chad Hart discussed the impacts of the 2012 drought and how Iowa State University helps Iowa farmers and businesses.

- The Board received the presentation by GENERAL CONSENT.

Closed Session

- MOVED by CARROLL, SECONDED by EVANS, to enter into closed session pursuant to Iowa Code §21.5(1)(c) to discuss strategy with counsel in matters that are presently in litigation and its disclosure would likely prejudice or disadvantage the Board’s position in that litigation.

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

MOTION APPROVED by ROLL CALL.

The Board convened in closed session at 3:40 p.m.

The Board reconvened in open session at 4:20 p.m.

Adjourn

President Lang adjourned the meeting at 4:20 p.m.