

Contact: Brock Ascher

MINUTES OF SEPTEMBER 18-19, 2019, BOARD MEETING

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

Board Members

Michael Richards, President
Patty Cownie, President Pro Tem
David Barker
Sherry Bates
Nancy Boettger
Milt Dakovich
Nancy Dunkel
Jim Lindenmayer
Zack Leist

September 18, 2019

Present
Absent
Present
Present
Present
Absent
Present
Present
Present

September 19, 2019

Present
Absent
Present
Present
Present
Absent
Present
Present
Present

Board Office

Kristin Bauer, Brad Berg, Rachel Boon, Mark Braun, Aimee Claeys, Laura Dickson, Carolann Jensen, Josh Lehman, John Nash, Jason Pontius, Keith Saunders, Patrice Sayre.

SUI

Bruce Harreld
Sue Curry
Rod Lehnertz
Brooks Jackson
Suresh Gunasekaran
Mark Henrichs
Brad Haws
David Kieft

ISU

Wendy Wintersteen
Jonathan Wickert
Pam Cain

UNI

Mark Nook
Jim Wohlpart
Michael Hager

ISD/IESBVI

Steve Gettel
John Cool
Mark Huss

Guests

Elizabeth Bergman, Baker Tilly Municipal Advisors
Dave Smith, Marquette Associates
Doug Oest, Marquette Associates

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.

September 18, 2019

The Academic Affairs Committee met at 11 a.m.

The Campus and Student Affairs Committee met at 1 p.m.

The Investment and Finance Committee met at 2 p.m.

Call to Order for September 18, 2019

President Richards called the meeting to order at 2:32 p.m.

Roll Call:

	Barker	Bates	Boettger	Cownie	Dakovich	Dunkel	Leist	Lindenmayer	Richards
Present	x	x	x			x	x	x	x
Absent				x	x				

Sale and Award of SUI Facilities Corporation Revenue Bonds, Series 2019

President Richards recognized Board of Regents Chief Budget Officer Brad Berg, who introduced Elizabeth Bergman from Baker Tilly Municipal Advisors, the Board's municipal advisor. Bergman reported that (1) eight bids were received; (2) the winning bid was submitted by Citigroup; and (3) the true interest cost was 2.84%.

- ✓ MOVED by BATES, SECONDED by DUNKEL, to approve a resolution authorizing and approving the issuance of University of Iowa Facilities Corporation (Museum of Art Project) \$30,150,000 Revenue Bonds, Series 2019, for the purpose of financing a portion of constructing and equipping the Museum of Art and paying for costs of issuance, providing for the payment thereof, and directing the issuer to issue said bonds.

Regent Barker noted that though he supports the Art Museum and will vote yes for the bond sale, he has reservations about future building projects located in potential flood plains. Regent Lindenmayer noted that the project will be built above the 500-year flood plain.

	Barker	Bates	Boettger	Cownie	Dakovich	Dunkel	Leist	Lindenmayer	Richards
Aye	x	x	x			x	x	x	x
Absent				x	x				

MOTION APPROVED BY ROLL CALL

The University of Iowa Hospitals and Clinics Committee met at 2:40 p.m.

The Audit and Compliance Committee met at 3:40 p.m.

Closed Session

- ✓ MOVED by DUNKEL, SECONDED by BATES, to enter into closed session pursuant to Iowa Code section 21.5.1.c to discuss strategy with counsel in matters that are presently in litigation or where litigation is imminent and premature disclosure would likely prejudice or disadvantage the position of the Board.

	Barker	Bates	Boettger	Cownie	Dakovich	Dunkel	Leist	Lindenmayer	Richards
Aye	x	x	x			x	x	x	x
Absent				x	x				

MOTION APPROVED BY ROLL CALL

*The Board convened in closed session at 4:15 p.m.
The Board reconvened in open session at 5:40 p.m*

Public Comment

President Richards noted that public comment on issues that come before the Board is an important part of the Board's deliberations. No presenters were present for the meeting.

Adjourn

President Richards adjourned the meeting at 5:42 p.m.

September 19, 2019

The Property and Facilities Committee met at 9:15 a.m.

Call to Order for September 19, 2019

President Richards called the meeting to order at 10:34 a.m.

Roll Call:

	Barker	Bates	Boettger	Cownie	Dakovich	Dunkel	Leist	Lindenmayer	Richards
Present	x	x	x			x	x	x	x
Absent				x	x				

Consent Agenda

- ✓ MOVED by BOETTGER, SECONDED by LEIST, to approve and receive the following CONSENT AGENDA items:
- a) Minutes of August 1, 2019 Meeting
 - b) Personnel Appointments
 - c) Semi-Annual Claims Activity Reports: January 1 to June 30, 2019
 - d) Annual Facilities Report for 2019 including Capital Request for FY 2021
 - e) Meeting of September 19, 2019 Property and Facilities Committee
 - f) Meeting of September 18, 2019 Investment and Finance Committee
 - g) Meeting of September 18, 2019 Academic Affairs Committee
 - h) Meeting of September 18, 2019 Audit and Compliance Committee
 - i) Meeting of September 18, 2019 University of Iowa Hospitals and Clinics Committee
 - j) Reimbursement Resolution - University of Northern Iowa Utility System
 - k) Iowa Public Radio Annual Report and Board Appointments
 - l) Proposed Revisions to BOR Policy Manual Chapter 2.1 - Human Resources
 - m) Proposed Revisions to BOR Policy Manual Chapter 2.3 - Property and Facilities
 - n) Personnel Action - President Wintersteen

	Barker	Bates	Boettger	Cownie	Dakovich	Dunkel	Leist	Lindenmayer	Richards
Aye	x	x	x			x	x	x	x
Absent				x	x				

MOTION APPROVED BY ROLL CALL

Board President Report

President Richards read a statement:

In a few minutes, we will have the formal reading of our FY 2021 appropriations request, but I wanted to give some comments now.

I have spoken on numerous occasions about the total resources needed to fund our public universities. The three primary revenue sources are tuition, state appropriations, and savings/reallocations at the universities.

Each of these funding areas is dependent on the other. We talk about them collectively, looking at the total funding required. With the in-depth study that the Board has done over

the past few years on funding, this is how we must look at things. It is a combined effort to ensure that our outstanding public universities have the resources they need.

Our universities have documented that they have saved or reallocated millions of dollars through numerous efforts and initiatives. These efforts are ongoing, to continue what we have done, and do even more. I acknowledge and appreciate our universities' work in this area, and now will address tuition and appropriations.

Last year, the Board unveiled a 5-year tuition model. We are now in year two of that model, and our process will be the same as last year. We will make the appropriations request for our universities, and tuition rates will be set next June based on what we receive in appropriations.

The plan for how we will set resident undergraduate tuition rates remains the same, which will allow students and their families time to make a financial plan. As we did last year, for the University of Iowa and Iowa State University, we will set guardrails around their base resident undergraduate tuition increase.

- If the state fully funds our appropriations request, the base resident undergraduate rate increase will be 3 percent.

- If the state provides no additional funding, the base resident undergraduate rate increase will be 3 percent plus the projected Higher Education Price Index or HEPI. For the next fiscal year, HEPI is projected to be 2.3 percent.

- If the state partially funds our appropriations request, the base resident undergraduate rate will be somewhere within the defined range.

For UNI, if the state fully funds their request we will continue to take steps to make them more competitively priced with other Midwest comprehensive universities. The degree and the amount will be determined by their appropriation, but last year due to fully funding UNI's appropriation request, we were able to hold resident undergraduate tuition rates flat at UNI.

I thank Governor Reynolds and the General Assembly for the funding we received last year. Our public universities continue to be among the finest in the nation, and we have a shared responsibility to keep them great. The Board's mission is to maintain the quality of education at our public universities, while making them as accessible and affordable as possible for every Iowa student.

Because of the need to properly fund our universities, the Board and the universities have been active in trying to find additional sources of revenue, to complement tuition and state appropriations. As the Governor asked us to do, we have been researching and exploring possible alternative, additional funding methods.

As an example, the University of Iowa has been making very good progress on a potential public-private partnership with its utility system. If this initial effort is successful, this could provide a blueprint for future opportunities for our other institutions, and even possibly other branches of state government.

We must continue to move our universities forward. This requires resources, and we must be creative in leveraging our assets to find ways to provide predictable, sustainable funding.

Bottom line: The Board is committed to providing quality education that is accessible and affordable. We must continue to have support from all three main funding sources: state appropriations, tuition, and reallocations. We must also explore alternative, complementary revenue sources. Together, the proper level funding will allow our universities to keep providing the top-quality education that our students demand.

Again, we are very appreciative of the additional appropriations we received last year, and look forward to working with our partners in the legislature and Governor Reynolds' office on our FY 2021 request. We all want the absolute best for our students.

Reports from Institutional Heads

Special Schools Superintendent Steve Gettel, ISU President Wendy Wintersteen, SUI President Bruce Harreld and UNI President Mark Nook gave reports on recent activities at their respective institutions.

FY 2021 Operating and Other Appropriations Requests

Chief Business Officer Brad Berg presented the FY 2021 Operating and Other Appropriations Requests.

- ✓ MOVED by DUNKEL, SECONDED by LEIST, to approve the identified operating and other appropriations requests for FY 2021 totaling \$642.37 million and; Authorize actions by designated Regent staff to seek collaboration and partnerships between Regent institutions and other sectors of state government.

	Barker	Bates	Boettger	Cownie	Dakovich	Dunkel	Leist	Lindenmayer	Richards
Aye	x	x	x			x	x	x	x
Absent				x	x				

MOTION APPROVED BY ROLL CALL

Adjourn

President Richards adjourned the meeting at 11:53 a.m.