

**Governing Iowa's public
universities and special schools**

University of Iowa
Iowa State University
University of Northern Iowa
Iowa School for the Deaf
Iowa Braille and Sight Saving School
Lakeside Laboratory Regents Resource Center
Northwest Iowa Regents Resource Center
Quad-Cities Graduate Center
Southwest Iowa Regents Resource Center



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Katie Mulholland, President Pro Tem, *Marion*
Sherry Bates, *Scranton*
Patricia Cownie, *Des Moines*
Milt Dakovich, *Waterloo*
Rachael Johnson, *Sioux City*
Larry McKibben, *Marshalltown*
Michael Richards, *West Des Moines*
Subhash Sahai, *Webster City*

Robert Donley, Executive Director

February 14, 2017

The Honorable Terry E. Branstad, Governor
State of Iowa
State Capitol Building
Des Moines, IA 50319

Dear Governor Branstad:

This letter provides information about the meeting of the Board of Regents on February 22-23 in the Reiman Ballroom of the Alumni Center on the campus of Iowa State University.

The meeting materials are available on the Regents website at the following address:

<http://www.iowaregents.edu/meetings/upcoming-meetings-and-agendas/>

Audio streaming of the meeting may be accessed through the Board of Regents website. I am available at any time to answer questions about the meeting materials or any other matter.

The Property and Facilities committee, chaired by Regent Dakovich, will meet at 11:30 a.m. on February 22. The committee will review the annual Facilities and Governance Report which provides the Board with a broad overview of the facilities at the institutions and the condition of those facilities. Academic/research/administrative (general fund) facilities at the Regent institutions total approximately 18.5 million gross square feet of the total 39.8 million gross square feet of Regent enterprise facilities. Categories of other facilities include University Hospitals and Clinics; agricultural experiment station; and self-supporting operations, including student unions, residence systems and parking systems. The FY 2017 replacement value of all Regent facilities is estimated at \$19.7 billion, of which \$9.8 billion is the replacement value for academic/research/administrative facilities. The Regent institutions have a total of 4,448 on-campus acres and 774 off-campus acres, excluding farm acreage. It is estimated that to correct fire safety deficiencies would cost \$9.8 million. For Fall 2016, Regent institutions reported a total of \$779.2 million in deferred maintenance in general fund facilities and utilities. More information can be found in P&F item 2.

The committee will review the register of capital improvement transactions for the University of Iowa (P&F item 3). The first project to consider is approval of the schematic design and project description and budget for remodeling of Riverside Recital Hall. This would renovate all 14,637 square feet of the facility into office space for the University of Iowa Foundation. The \$5.4 million project would be funded by Treasurer's Temporary Investment Income. Those funds would be recaptured through a lease with the Foundation.

The second project is a consideration of replacing the Hancher footbridge. The university will request ratification to use the design-build-bridging project delivery method. The project budget

of \$3.2 million would be funded by building renewal and Treasurer's Temporary Investment Income Funds.

The third project to consider is the request to use a construction manager at risk delivery method in lieu of the construction manager-agent method for the Iowa River Landing medical office building extension project. This project would be located directly south of the existing Iowa River Landing facility. It is anticipated the project will cost \$100 million and would be funded by hospital revenue bonds, gifts, and university hospital building usage funds.

The committee will review the register of capital improvement transactions for Iowa State University (P&F item 4). The project to consider is approval of the schematic design and project description and budget for improvements to the southwest corner of Reiman Gardens. This project would create an attractive landscape improvement south of the south entrance to Iowa State University including a series of water pools, rock walls and native plantings. The project budget of \$3.4 million would be funded by private giving.

The committee will consider the request of Iowa State University to purchase the tennis performance center located two miles west of campus at a price of \$2.7 million (P&F item 6). At its April 2016 meeting, the Board approved the lease of a 16,000 square foot, two-court tennis performance center. The lease required the facility to be built and leased to the university for \$540,000 per year for five years. Included in the lease was the option to buy. The university has received a lead naming-rights gift of \$500,000 for the facility.

The committee will review the register of capital improvement transactions for the University of Northern Iowa. The project to consider is permission to proceed with project planning for phase two of the steam distribution system replacement. This project would install 4,100 feet of new utility tunnels including two large steam pipes and replace 4,700 feet existing direct-buried piping and 300 feet of existing tunnels which have outlived their useful lives. The university would fund the estimated project cost of \$30 million with utility funds, utility bonds and grants.

The Academic and Student Affairs Committee, chaired by President Pro Tem Mulholland, will meet at 1:00 p.m. on Feb. 22. The committee will receive a presentation on Iowa State's ROTC contributing to excellence in the U.S. armed forces.

The committee will receive the annual distance education report (ASAC item 4). The report indicates an enrollment increase of 10.2 percent from the prior year. Enrollment came from all 99 Iowa counties in 743 communities. The committee will also receive the annual report of student graduation and retention (ASAC item 6). The report indicates that over the past 10 entering classes, an average of 84.6 percent of students returned for their second year of studies. Additionally, the most recent 10-year average for six-year graduation rates at Regent institutions is 68.2 percent, which exceeds the national average of 49 percent at similar public four-year colleges. The committee will also receive a report on faculty resignations (ASAC item 8). Compared to the previous year, SUI resignations increased from 90 to 94, ISU saw a decrease from 33 to 24, and UNI saw an increase from 7 to 15.

The Audit/Compliance Committee, chaired by Regent McKibben, will meet at 2:00 p.m. on Feb. 22. The committee will review numerous internal audit reports, as well as receive the University of Iowa Hospitals and Clinics independent auditor's report. The University of Iowa Hospitals and Clinics Committee, led by vice chair McKibben, will meet at 3:15 p.m. It will receive the operating and financial report, as well as a faculty presentation on discovery and development of a neuroprotective drug.

On Thursday, Feb. 23 at 8:00 a.m., the Board will have breakfast with student leaders from the Regent institutions. The full Board will convene in open session at 9:00 a.m.

The Board will receive the annual residence system governance report (agenda item 7), which provides university residence system five-year plans (FY2018-FY2022), preliminary residence system budgets for FY2018, and proposed residence system rates for AY 2017-2018.

Other agenda items for the Board include:

- Receiving a faculty presentation on Iowa State faculty being elected to the National Academy of Medicine.
- Each of the institution heads will provide an update on campus activities.
- Receiving bids for the sale and award of three series of bonds (two refundings and one new money issue) totaling an estimated \$51.4 million. Present value savings are estimated to total \$1.4 million. More detailed information on these bond sales is available in agenda items 8a, 8b and 8c.

If we can provide additional information, please contact us.

Sincerely,



Bruce L. Rastetter

cc: Lt. Governor Kimberly Reynolds
Members of the Board of Regents, State of Iowa