

**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



Bruce Rastetter, President, *Alden*
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

October 11, 2016

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 October 19-20 in the Old Central Ballroom of Maucker Union on the campus of the University of Northern Iowa.

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 2:30 p.m. on October 19. The committee will review the register of capital improvement transactions for the University of Iowa (P&F item 2). The first project to consider is permission to proceed with project planning for remodeling a portion of Riverside Recital Hall. This would renovate 14,060 square feet of space on two floors into functional office space for the University of Iowa Foundation. The university will provide the capital funding for the estimated project cost of between \$4.5 and \$5.2 million from Treasurer's Temporary Investment Income, and would recoup its investment by leasing the facility to the Foundation.

The second project is a request to proceed with project planning to renovate part of the Roy J. Carver Pavilion. In this project, the north half of the Pavilion's seventh level would be renovated to create 12 to 15 adult psychiatry inpatient bedrooms. Upon completion of this renovation, adult inpatient psychiatry patients on levels one and two of the John Pappajohn Pavilion would move into the newly renovated level seven of Carver Pavilion. The estimated project cost of \$8 million would be funded by Hospital Building Usage Funds.

The third project is to request approval of schematic design, financing plan, project description and budget for the renovation of the north stands and Paul W. Brechler press box at Kinnick Stadium. In conjunction with the athletics department facilities master plan, the north stands of Kinnick Stadium have been identified as an area in need of renovation. The 30-year-old structure was not included in the 2006 Kinnick Stadium renovation project and has received no major renovations other than the video/scoreboard added in 2013. With recent advancements in stadium facilities, the north stands structure is becoming obsolete by modern-day standards. The University plans to finance the project through gifts and the issuance of approximately \$100 million

in athletics facilities revenue bonds (netting approximately \$89.9 million in project proceeds). This debt service would be paid with athletics facilities system revenue, including capital gifts, additional athletic conference distributions related to television contracts, and incremental revenues from the stadium renovation.

The fourth project is to request approval of the schematic design and project description and budget for installing a reverse osmosis system at the university's water plant. The new reverse osmosis system would ensure continued compliance with water quality regulations and would improve the overall quality of the water supply to campus. The project budget of \$5.8 million would be funded by utility system renewal and improvement funds.

The committee also will consider the request by the University of Iowa to raze the 47-year old Fleur Apartments on the Iowa Center for Higher Education campus (the old AIB College of Business) in Des Moines. The Fleur Apartments were built in 1969 and are located on the southeast corner of the campus. The decision to raze the structures was reached because they do not fit the current or future programming plans for the campus. Following demolition, the area will be graded, seeded and remain part of the campus green space until a future use is determined for the location. More information is available in P&F item 3.

The committee will then consider Iowa State University's request to name the new residence hall currently under construction on campus Gregory L. Geoffroy Hall in honor of ISU's 14th president, who served from 2001 until 2012. Dr. Geoffroy resigned as president of the University in 2012 but retained the role of Emeritus Professor in the Department of Chemistry until he retired in 2013. During his tenure he successfully completed the University's largest capital campaign up to that point, "Campaign Iowa State: With Pride and Purpose," which raised over \$800 million and doubled the number of endowed faculty positions to 150. More information is available in P&F item 4.

The Academic and Student Affairs Committee, chaired by President Pro Tem Mulholland, will meet at 3:30 p.m. The committee will hear a presentation on the libraries at the three Regents universities; consider the approval of one new program and name changes in four programs at the University of Iowa; receive a report from the Campus Safety and Security Subcommittee; and receive an update on collaboration with Iowa's community colleges.

The committee also will review the Fall 2016 enrollment report. Total headcount enrollment at all three universities is an all-time high of 81,899 students, an increase of 2.2 percent from the previous year. Approximately 60 percent of students are residents of Iowa. More information on the Fall 2016 enrollment report may be found in the ASAC item 3.

The committee will receive the 2015-2016 annual report of the Iowa Lakeside Laboratory Regents Resource Center (ILLRRC) and consider recommending approval of the 2016-2017 budget for the center. The ILLRRC annual report described the activities undertaken in 2015-2016 to address the center's strategic plan. More information is available in ASAC item 7.

On Thursday, October 20, the Board will have breakfast with student leaders from the public universities. At 9:00 a.m., the Board will convene in open session. The Audit/Compliance and Investment Committee, chaired by Regent McKibben, will hold its meeting at this time. Internal audits will be issued, and there will be a report on a policy compliance review. The committee also will receive recommendations on adjustments to investment relationships.

The University of Iowa Hospitals and Clinics Committee will then meet. The committee will receive the operating and financial performance report, a report on the UIHC strategic plan, and hear a faculty presentation on prevention of infection.

The Board will have its first reading of proposed conditional 2017-2018 tuition and mandatory fees. Consistent with the Board's strategic plan adopted in July, determining and fulfilling appropriate resource needs are essential in providing high quality public education, cutting-edge research, and needed public services. Predictability, transparency and long-term planning strategies are woven throughout the plan. In September, the Board proposed a two-year appropriations and tuition plan to demonstrate resource needs while giving consideration to costs that may be absorbed through efficiencies and reallocations. It is proposed that tuition for undergraduate resident students at all three universities be increased by 2 percent for FY 2018, with varying increases to nonresident and graduate rates. Board action is expected to be taken during the December 2016 Board meeting. Agenda item 8 has additional details.

The Board will receive the annual report on economic development. In FY 2016, Iowa's public universities received \$1.02 billion in total sponsored funding. For FY 2016, the Iowa General Assembly provided \$8.8 million in total funding for economic development activities. As a result, the universities increased new intellectual property disclosures from 290 disclosures in FY 2015 to 304 in FY 2016. In addition, a total of 3,460 individuals were employed by the 162 companies located at the SUI, ISU and UNI research parks and business incubators. More information is available in agenda item 16.

Other agenda items for the Board include:

- Receiving reports from the institutional heads at the public universities and special schools.
- Receiving bids for the sale and award of two sets of bonds totaling an estimated \$40 million. More detailed information on these bond sales is available in agenda items 13a and 13b.
- Receiving an update on the financial literacy project that has been underway for the past six months under the direction of the Council of Provosts.
- Receiving two UNI faculty presentations. The first is on understanding the Earth of the past by studying planets of today, and the second is a presentation by the School of Music.
- Consideration of approval of the University of Northern Iowa's 2017-2022 Strategic Plan, and receive updates on strategic plan progress from the universities and special schools.
- Receiving an update on the presidential search at the University of Northern Iowa.

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