

Smith, Dianne [BOARD]

From: Lehman, Josh M [BOARD]
Sent: Tuesday, July 28, 2015 10:59 AM
To: Andringa, Mary [BOARD]; Bates, Sherry [BOARD]; Cownie, Patricia [BOARD]; Dakovich, Milt [BOARD]; Johnson, Rachael [BOARD]; McKibben, Larry [BOARD]; Mulholland, Katie [BOARD]; Rastetter, Bruce [BOARD]; Sahai, Subhash [BOARD]; Donley, Robert [BOARD]; linda.fandel@iowa.gov; Margaret Hough; matt.hinch@iowa.gov; Smith, Dianne [BOARD]; Keith Saunders; Murphy, Joseph D [GOV R]; Mary Braun
Cc: Anderson, Terry; England, Danelle; Hobson, Sara; Johnson, Stephanie; McComb, Carla; Pruisman, Linda
Subject: Board of Regents Meeting Letter - August 5, 2015
Attachments: August 2015 letter.pdf
Importance: High

Josh Lehman
Senior Communications Director
Board of Regents, State of Iowa
515-281-3934
regents.iowa.gov
Twitter: @IowaRegents

**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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July 28, 2015

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 August 5, 2015. The meeting will be telephonic and will originate from the Board of Regents office in Urbandale.

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

www.regents.iowa.gov/Meetings/DocketMemos/agendaitems.html

I am available at any time to answer questions about the meeting materials or any other matter.

Audio streaming of the meeting may be accessed through the Board of Regents website.

The Property and Facilities Committee, chaired by Regent Dakovich, will meet at 11 a.m. The committee will consider the capital register for the University of Iowa (P&F Item 2). The first is a project at Kinnick Stadium. This project would renovate the north stands and the related concourse area of the stadium. It has anticipated costs of between \$35-\$45 million and funding would be provided by athletics department gifts and earnings. The second is a project to construct a new residence hall on the west side of campus. It would create approximately 500-600 suite-style beds and the estimated cost would be \$85 million. Funding would be provided using dormitory revenue bonds and athletic department gifts and earnings.

The third project is the construction of a new indoor track and field facility on the far west side of campus. This project would provide space for track/running related sports, as well as provide training and weather-protected space for all sports. The proposed relocation of the indoor track, currently housed in the Recreation Building, would provide the university options for future use of the recreation building site. The estimated cost is \$15-\$20 million and would be funded using athletics department gifts and earnings. The fourth project is a fit out of 12,000 square feet of space on the fifth floor of the College of Public Health building. This space would provide facilities needed to support the University's Informatics Initiative (UI³) and also a suite for the newly established Iowa Institute of Public Health Research and Policy. The project budget of \$4.6 million would be funded by Treasurer's Temporary Investment Income and sponsored research indirect cost recoveries.

The fifth project is installation of an air handling unit fan array in the UIHC main operating room, replacing the 20+ year old current air handlers. The project budget is \$2 million and will be funded by University Hospitals budget usage funds. The sixth and final project is the installation of a new air handling unit for a portion of the John Colloton Pavilion, as the current one has outlived its useful life. This project is budgeted at \$2.4 million and would be funded through University Hospitals building usage funds. More detail on all these projects can be found in P&F Item 2.

The Iowa State University capital register (P&F Item 3) contains a request for permission to proceed with project planning for the Student Innovation Center. This would be a new facility to support a student-driven culture of innovation, providing flexible, dynamic, multi-disciplinary workspace as well as state-of-the-art classrooms. The proposed location is south of Sweeney Hall on Bissell Road, and the university will also request permission to demolish two facilities currently in this location, the Nuclear Engineering Laboratory and the south portion of the original Sweeney Hall. The estimated cost of the project is \$80 million and funded by state appropriations and private giving. More details on this project may be found in P&F Item 3.

Iowa State University is also proposing to the committee the formation of the Iowa State Facilities Corporation (P&F Item 4). In cooperation with the Iowa State University Foundation, this new corporation would facilitate the development of capital projects, specifically the Biosciences Facilities at Iowa State University partially funded by the General Assembly over the next three years. The ISU Facilities Corporation would issue debt on behalf of the Board (and for the benefit of the University) on specific capital projects as authorized by the Board of Regents.

Another capital project proposed to the committee by Iowa State University (P&F Item 5) is the construction of a cremation garden cemetery within the Iowa State University Cemetery. Iowa State proposes contracting with a private company, Fans4Ever LLC, for the creation, marketing and management of this cremation garden.

The University of Northern Iowa is proposing to the committee the sale of 50 acres of land on the southwest corner of campus to Sartori Memorial Hospital, Inc. at a price of \$4.3 million (P&F Item 6), with funds going to the Treasurer's Temporary Investment account. The hospital plans to build a new hospital on the site.

Other Board agenda items include the following:

- Consideration of personnel action for institutional heads and executive director compensation.
- Consideration of the FY 2016 budgets for the universities, special schools, Iowa Public Radio and the Board Office. The proposed FY 2016 Regent Enterprise consolidated budget exceeds \$5.47 billion. The primary revenue sources providing FY 2016 general operating funds for Iowa's public universities are state appropriations and tuition revenues. The 2015 General Assembly approved an increase to base funding for Iowa State University and the University of Northern Iowa while the University of Iowa remained flat. In total, the general operating appropriations for the three universities are \$507 million. The Board will also consider restricted budgets which include budgets for athletics, capital funding previously approved by the General Assembly and residence system budgets. Additional details of the budgets may be found in Agenda Item 4.

- Consideration of a tuition increase of 3 percent for undergraduate resident students for the Spring 2016 semester. This increase would add \$100 to a full-time undergraduate resident student and be prorated on credit hour for part-time undergraduate residents. These additional revenues, expected to generate \$3.5 million if applied to all three universities, would be committed to sustaining a quality teaching and learning environment. Additional details can be found in Agenda Item 5.
- University of Iowa Presidential Search – Dr. Jean Robillard, chair of the committee, will provide an update on the search.
- TIER Study – The Board will receive the final reports from Huron Consulting and Chazey Partners.
- Bond Sales – the Board will sell \$34.6 million in dormitory revenue bonds. The proceeds of the sale will be used to fund the Madison Street Residence Hall capital project. Also, \$12.2 million in athletic facilities revenue refunding bonds at the University of Iowa will be sold. The Board's advisor, Springsted, Inc., projects the refunding will result in a present value savings of approximately \$0.94 million.

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