

Contact: Andrea Anania

MINUTES OF DECEMBER 3, 2014, TELEPHONIC BOARD MEETING

**(host location)
ALUMNI CENTER, UELNER EXECUTIVE BOARD ROOM
IOWA STATE UNIVERSITY
AMES, IOWA**

Board Members

Milt Dakovich	Present
Robert Downer	Present
Ruth Harkin	Via phone
Larry McKibben	Present
Katie Mulholland	Present
Bruce Rastetter	Present
Subhash Sahai	Present
Hannah Walsh	Present
Vacant	

Board Office

Andrea Anania, Mark Braun, Aimee Claeys, Bob Donley, Tom Evans, Diana Gonzalez, Sheila Doyle Koppin, Joe Murphy, Joan Racki, Keith Saunders (via phone), Patrice Sayre, Todd Stewart (via phone), Ilene Tuttle

Regent Institutions

SUI Sally Mason (via phone), Barry Butler (present), Doug True (via phone)
Jean Robillard, Ken Fisher, Ken Kates, Debra Schwinn (all via phone)

ISU Steven Leath, Warren Madden, Jonathan Wickert (all present)

UNI Bill Ruud (via phone), Michael Hager (via phone), Michael Licari (present)

ISD/IBSSS Steven Gettel (via phone)

Others

Brad Baker, Wilshire Consulting (via phone)
Mike Dudkowski, Wilshire Consulting (via phone)
Barry Fick, Springsted Incorporated (via phone)

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. Audio of the meeting is also available on the web site.

December 3, 2014

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

The Education and Student Affairs Committee met at 10:30 a.m.

Call to Order for December 3, 2014

President Rastetter called the Board of Regents meeting to order at 1:00 p.m.

Roll Call:

<u>Regent</u>	<u>Dakovich</u>	<u>Downer</u>	<u>Harkin</u>	<u>McKibben</u>	<u>Mulholland</u>	<u>Rastetter</u>	<u>Sahai</u>	<u>Walsh</u>	<u>Vacant</u>
Present	x	x	x*	x	x	x	x	x	
Absent									

*via phone

CONSENT AGENDA

➤ MOVED by DOWNER, SECONDED by MULHOLLAND, to approve the following CONSENT AGENDA items:

- ▶ Minutes of October 22-23, 2014, Board Meeting
- ▶ Revision to the Board of Regents Policy Manual – Chapter 9
- ▶ Interim Appointments
- ▶ Iowa State University Equipment Purchase
- ▶ Revision to the Board of Regents Policy Manual – Chapter 8

<u>Regent</u>	<u>Dakovich</u>	<u>Downer</u>	<u>Harkin</u>	<u>McKibben</u>	<u>Mulholland</u>	<u>Rastetter</u>	<u>Sahai</u>	<u>Walsh</u>	<u>Vacant</u>
Aye	x	x	x	x	x	x	x	x	
Nay									

MOTION APPROVED by ROLL CALL.

University of Iowa Hospitals and Clinics Committee

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

Board Receipt of Committee Report

➤ MOVED by SAHAI, SECONDED by WALSH, to:

- ▶ Approve the October 22, 2014, UIHC Committee Minutes;
- ▶ Receive the report of Operational and Financial Performance; and
- ▶ Receive the report of the University of Iowa Hospitals and Clinics Committee.

<u>Regent</u>	<u>Dakovich</u>	<u>Downer</u>	<u>Harkin</u>	<u>McKibben</u>	<u>Mulholland</u>	<u>Rastetter</u>	<u>Sahai</u>	<u>Walsh</u>	<u>Vacant</u>
Aye	x	x	x	x	x	x	x	x	
Nay									

MOTION APPROVED by ROLL CALL.

Audit/Compliance and Investment Committee

The Audit/Compliance and Investment Committee met at this time.

Board Receipt of Committee Report

- MOVED by DOWNER, SECONDED by MCKIBBEN, to:
 - ▶ Receive the Investment and Cash Management Report for the Quarter Ended September 30, 2014;
 - ▶ Approve Ardian Secondary Fund VI Infrastructure for the Long Term Endowment Pools, subject to any final due diligence which would include, but not necessarily be limited to, legal review of investment documents, for the recommended commitment amounts of \$7.8 million for Iowa State University and \$17.9 million for the University of Iowa;
 - ▶ Approve, for Iowa State University, an increase in the maximum deposit amount in the Great Western Bank from \$100,000,000 to \$150,000,000;
 - ▶ Approve the addition of Federated Money Market Management Fund to the list of Money Market Mutual Funds;
 - ▶ Receive the Audit/Compliance and Investment Committee calendar for 2015; and
 - ▶ Receive the report of the Audit/Compliance and Investment Committee.

<u>Regent</u>	<u>Dakovich</u>	<u>Downer</u>	<u>Harkin</u>	<u>McKibben</u>	<u>Mulholland</u>	<u>Rastetter</u>	<u>Sahai</u>	<u>Walsh</u>	<u>Vacant</u>
Aye	x	x	x	x	x	x	x	x	
Nay									

MOTION APPROVED by ROLL CALL.

Sale and Issuance of \$16,500,000 Utility System Revenue Bonds, Series I.S.U. 2015

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 Piper Jaffray & Co.; and (3) the true interest cost was 2.908%.

- MOVED by DAKOVICH, SECONDED by WALSH, to approve A Resolution providing for the sale and authorizing and providing for the issuance of \$16,500,000 Utility System Revenue Bonds, Series I.S.U. 2015, for the purpose of equipping and improving the utility system, funding a debt service reserve fund, and paying costs of issuance, and authorizing and approving the execution and delivery of the Eighth Supplemental Indenture.

<u>Regent</u>	<u>Dakovich</u>	<u>Downer</u>	<u>Harkin</u>	<u>McKibben</u>	<u>Mulholland</u>	<u>Rastetter</u>	<u>Sahai</u>	<u>Walsh</u>	<u>Vacant</u>
Aye	x	x	x	x	x	x	x	x	
Nay									

MOTION APPROVED by ROLL CALL.

Approval of Tuition and Fees for 2015-2016

Chief Business Officer Patrice Sayre explained the tuition and fees proposal for 2015-2016.

Regent Downer expressed concern about: (1) the effect of a resident undergraduate tuition freeze for the third consecutive year; and (2) savings from TIER being used as a source to cover a freeze as opposed to being reallocated within the institutions. He also commented on UNI's financial situation, the effect of tuition freezes in other states, and his preference for gradual increases reflecting inflation.

- MOVED by MCKIBBEN, SECONDED by WALSH, to approve the proposed conditional tuition and fees for the next academic year, 2015-2016, effective with the summer session of 2015 as presented in the agenda item.

Regent Walsh commented on engaging each university in a comprehensive affordability review for the benefit of all students: in-state, out-of-state, undergraduate, graduate, and professional. She emphasized that it is the Board's highest obligation to maintain both a high-quality and affordable education, while ensuring that each university preserves its unique and distinct attributes.

Regent McKibben commented on historical tuition increases; education costs and student debt; the TIER process and how it will result in improvements to the universities at a more effective cost level by allowing them to maintain high quality, accessibility, and affordability; and how keeping undergraduate rates flat for a third year will help many Iowa students and their families.

President Rastetter commented on historical tuition increases; accessibility and affordability; performance-based funding; equitable financing; and the Regents 2015 legislative request.

Regent Harkin expressed her support for a resident undergraduate tuition freeze.

Roll call for the motion made above.

<u>Regent</u>	<u>Dakovich</u>	<u>Downer</u>	<u>Harkin</u>	<u>McKibben</u>	<u>Mulholland</u>	<u>Rastetter</u>	<u>Sahai</u>	<u>Walsh</u>	<u>Vacant</u>
Aye	x	x	x	x	x	x	x	x	
Nay									

MOTION APPROVED by ROLL CALL.

Board President Report

President Rastetter recognized President Pro Tem Mulholland who read the following three resolutions:

➤ MOVED by DAKOVICH, SECONDED by SAHAI, to approve the following Resolution:

WHEREAS, Chuck Green began his career with the University of Iowa in 1986 when he was appointed as Manager of Security and Fire Safety at the University of Iowa Hospitals and Clinics;

WHEREAS, Chuck left UIHC in January 1995 to take the position of Assistant Vice President and Director of Public Safety for the University of Iowa. During this time he:

- ▶ Expanded the police field-training program to 4 months, replacing a 3 to 4 week “mentoring” process;
- ▶ Established the position of a full-time Crime Prevention Officer to provide safety and crime prevention information for the campus community and parents;
- ▶ Established the position of a full-time University Fire Safety Coordinator to address campus fire safety and prevention issues and coordinate related compliance issues with local and state officials;
- ▶ Planned construction of a new Department of Public Safety facility;
- ▶ Developed a new Regents’ Comprehensive Campus Safety and Security Policy, establishing the composition and operation of the three Regent Public Safety departments; and
- ▶ Established the position of a full-time University Emergency Management Coordinator to lead responses to emergency incidents impacting the University; and

WHEREAS, the Board is especially grateful to Chuck for the leadership shown in his nearly 20 years as the Director of Public Safety for the University of Iowa, and the improvements he made to the University’s safety planning and disaster training.

NOW THEREFORE, BE IT RESOLVED that the Board of Regents, State of Iowa, expresses its deep gratitude to Chuck Green, for his expertise, integrity, and dedication to the State of Iowa, to the Board of Regents, and to the University of Iowa upon his retirement.

<u>Regent</u>	<u>Dakovich</u>	<u>Downer</u>	<u>Harkin</u>	<u>McKibben</u>	<u>Mulholland</u>	<u>Rastetter</u>	<u>Sahai</u>	<u>Walsh</u>	<u>Vacant</u>
Aye	x	x	x	x	x	x	x	x	
Nay									

MOTION APPROVED by ROLL CALL.

➤ MOVED by MCKIBBEN, SECONDED by WALSH, to approve the following Resolution:

WHEREAS, Senator Tom Harkin, a champion for accessible and affordable higher education in the United States, is retiring in 2015 after 40 years of service in the U.S. House and U.S. Senate;

WHEREAS, Senator Harkin has held several educational leadership roles during his tenure including Chair of the Health, Education, Labor and Pensions (HELP) Committee, and Chair of the Appropriations Subcommittee on Labor, Health and Human Services, and Education;

WHEREAS, Senator Harkin has realized stellar achievements for U.S. higher education as the Senate’s leader in the fight to keep a college education within reach for all Americans:

- ▶ Since 1989, Senator Harkin has worked to expand access to Pell Grants, the cornerstone of federal student financial aid programs and the gateway to college for many low-income students.
- ▶ Senator Harkin has succeeded in more than doubling the annual amount of available Pell Grant aid per student; the number of students qualifying for this aid has increased from 3.3 million to 8.7 million students.
- ▶ In 2009, Senator Harkin secured a \$17 billion investment in the Pell Grant Program through the American Recovery and Reinvestment Act.
- ▶ Under his chairmanship of the HELP committee, Senator Harkin led the passage of the 2010 Student Aid and Fiscal Responsibility Act, which resulted in significant investments in the Pell Grant Program, as well as new requirements to help guarantee student access to affordable federal college loans at low interest rates.
- ▶ In 2014, Senator Harkin put forward the Higher Education Affordability Act which set out a series of provisions to increase college affordability, provide relief to students with existing loan debt, hold schools more accountable to students and taxpayers, and increase transparency throughout the higher education system; and

WHEREAS, the Board of Regents is especially grateful for Senator Harkin’s significant work in ensuring access and affordability for all students at the University of Iowa, Iowa State University, the University of Northern Iowa, and at colleges and universities nationwide.

NOW THEREFORE, BE IT RESOLVED that the Board of Regents, State of Iowa, expresses its deep gratitude to Senator Tom Harkin, for his leadership, service and dedication to the State of Iowa and to Iowa’s public universities upon his retirement.

<u>Regent</u>	<u>Dakovich</u>	<u>Downer</u>	<u>Harkin</u>	<u>McKibben</u>	<u>Mulholland</u>	<u>Rastetter</u>	<u>Sahai</u>	<u>Walsh</u>	<u>Vacant</u>
Aye	x	x		x	x	x	x	x	
Abstain			x						

MOTION APPROVED by ROLL CALL.

➤ MOVED by DOWNER, SECONDED by WALSH, to approve the following Resolution:

WHEREAS, Nicole C. Carroll was appointed to the Board of Regents by Governor Branstad effective May 1, 2011;

WHEREAS, Ms. Carroll is a long-time supporter of the public education system in Iowa and served 12 years on the Carroll Community School Board. She earned her undergraduate degree from Iowa State University and her law degree from the University of Iowa and her four children earned undergraduate degrees from Iowa State University and professional degrees from the University of Iowa;

WHEREAS, during her tenure, the Board considered many significant public policy issues including:

- ▶ Initiation of an enterprise wide efficiency study;
- ▶ Approval of a performance based funding model; and
- ▶ Initiation of tuition freezes for three years; and

WHEREAS, Ms. Carroll served on search committees for the Iowa School for the Deaf/Iowa Braille and Sight Saving School Superintendent and for the President of the University of Northern Iowa with both searches culminating in the selection of exceptional leaders to lead these institutions; and

WHEREAS, Ms. Carroll served as the Chair of the University of Iowa Hospitals and Clinics Committee and served as Chair of the Transparency Task Force.

NOW THEREFORE, BE IT RESOLVED that the Board of Regents, State of Iowa, expresses its deep gratitude to Ms. Carroll for her expertise and dedication and presents to her this plaque in honor of her extraordinary service and contributions to the Board of Regents, its institutions, students, families, and all Iowans.

<u>Regent</u>	<u>Dakovich</u>	<u>Downer</u>	<u>Harkin</u>	<u>McKibben</u>	<u>Mulholland</u>	<u>Rastetter</u>	<u>Sahai</u>	<u>Walsh</u>	<u>Vacant</u>
Aye	x	x	x	x	x	x	x	x	
Nay									

MOTION APPROVED by ROLL CALL.

TIER Update

Regent McKibben welcomed TIER Transformation Project Manager Mark Braun who gave an oral update on progress being made on the business cases and the Request for Proposals (RFPs).

- ▶ Business cases approved by the Board in September:
 - ◆ SS-08 Standardize manual calculation of Regent Admission Index
On track to be completed by December 15, 2014;
 - ◆ SS-05 Create a common application portal
On track to be completed by the beginning of June, 2015; and
 - ◆ HR-10 Establish clear policy for Professional and Scientific Staff search committee size and structure
On track to be completed by March 1, 2015.

- ▶ Request for Proposals – Administrative Business Cases:

The following RFPs were released November 21, 2014; submissions are due by December 12, 2014.

Delivery of Services:

 - ◆ FN-01 Revise distributed Finance delivery model
 - ◆ HR-01 Revise distributed HR delivery model
 - ◆ IT-01 Transforming the distributed IT landscape

Procurement:

 - ◆ SP-01 Strategically source targeted spend categories

- ▶ Request for Proposals – Academic Business Cases:

The following RFPs were released November 21, 2014; submissions are due by December 19, 2014.

 - ◆ APOE-01 Time to Graduate
 - ◆ APSS-01 Student Access – Distance Education

- ▶ The Board received the update by GENERAL CONSENT

Approval of Common and University/Program-Specific Fees for 2015-2016

Policy and Operations Analyst Andrea Anania provided an overview of the requested approval.

- MOVED by MULHOLLAND, SECONDED by SAHAI, to approve the proposed changes to common and university/program specific fees for the 2015-2016 academic year as presented in the agenda item.

<u>Regent</u>	<u>Dakovich</u>	<u>Downer</u>	<u>Harkin</u>	<u>McKibben</u>	<u>Mulholland</u>	<u>Rastetter</u>	<u>Sahai</u>	<u>Walsh</u>	<u>Vacant</u>
Aye	x	x	x	x	x	x	x	x	
Nay									

MOTION APPROVED by ROLL CALL.

Report of the Education and Student Affairs Committee

The Education and Student Affairs Committee met at 9:15 a.m.

- MOVED by MULHOLLAND, SECONDED by DAKOVICH, to:
 - ▶ Approve the October 22, 2014, minutes of the Education and Student Affairs Committee meeting;
 - ▶ Receive the presentation from ISU regarding the University’s efforts to preserve and enhance academic quality in the face of record enrollment;
 - ▶ Approve the request from the Regent universities for the professional development assignments for FY 2016;
 - ▶ Receive the professional development assignment reports for FY 2014;
 - ▶ Approve the Annual Report on Articulation Efforts and Activities implemented by the Iowa Community Colleges and Institutions of Higher Education governed by the Board of Regents, and direct the Board Office to submit the report to the General Assembly by January 15, 2015;
 - ▶ Approve the Annual Report on the Iowa Research and Development Center for Educational Transformation at UNI and direct the Board Office to submit the report to the General Assembly by January 10, 2015;
 - ▶ Approve the request from the University of Iowa to establish a new Master of Studies in Law Program in the College of Law;
 - ▶ Approve the request from the University of Northern Iowa to award an honorary Doctor of Humane Letters degree to The Honorable Tom Harkin at the Spring 2015 or Fall 2015 Commencement for his outstanding leadership and dedicated public service as a member of Congress in the United States Senate representing the state of Iowa;
 - ▶ Approve the request from the University of Northern Iowa to award an honorary Doctor of Humane Letters degree to UNI alumna Gayle S. Rose at the Spring 2015 or Fall 2015 Commencement for her leadership and contributions to business and economic development, as well as her philanthropic work with charitable organizations;
 - ▶ Approve the request from the University of Northern Iowa to award an honorary Doctor of Humane Letters degree at the Spring 2015 or Fall 2015 Commencement to Dr. Simon Estes for his artistic achievements as an internationally renowned opera singer and for his advocacy for the health and education of children around the world;
 - ▶ Approve the request from the University of Iowa to award an honorary Doctor of Humane Letters degree at the Spring 2015 Commencement to William M. Bryson for his contributions to literary non-fiction and to science education and communication and for his outstanding record of leadership in higher education;
 - ▶ Approve the request from Iowa State University to establish the Center for Bioplastics and Biocomposites in the Center for Crops Utilization Research;
 - ▶ Receive the update of the 2014 Committee work plan and the 2015 Committee work plan; and
 - ▶ Receive the report of the Education and Student Affairs Committee.

<u>Regent</u>	<u>Dakovich</u>	<u>Downer</u>	<u>Harkin</u>	<u>McKibben</u>	<u>Mulholland</u>	<u>Rastetter</u>	<u>Sahai</u>	<u>Walsh</u>	<u>Vacant</u>
Aye	x	x	x*	x	x	x	x	x	
Abstain			x*						

MOTION APPROVED by ROLL CALL.

** Regent Harkin abstained from approving the honorary Doctor of Humane Letters degree to The Honorable Tom Harkin; she voted aye on all other items.*

Report of the Property and Facilities Committee

The Property and Facilities Committee met at 10:30 a.m.

- MOVED by DAKOVICH, SECONDED by MCKIBBEN, to:
 - ▶ Approve the Register of the University of Iowa Capital Improvement Business Transactions;
 - ▶ Approve the Register of Iowa State University Capital Improvement Business Transactions;
 - ▶ For the University of Northern Iowa, approve demolition of the building at 2619 Hudson Road, Cedar Falls, Iowa;
 - ▶ Approve lease agreements with 120 East Davenport Street, Inc., and 527 North Dubuque Street, Inc., for the benefit of the University of Iowa;
 - ▶ Approve the lease agreement with Harrisvaccines for its use of space in the Iowa State University Surplus and Storage Facility;
 - ▶ Receive the University of Iowa update of flood recovery status; and
 - ▶ Receive the report of the Property and Facilities Committee.

<u>Regent</u>	<u>Dakovich</u>	<u>Downer</u>	<u>Harkin</u>	<u>McKibben</u>	<u>Mulholland</u>	<u>Rastetter</u>	<u>Sahai</u>	<u>Walsh</u>	<u>Vacant</u>
Aye	x	x	x	x	x	x	x	x	
Nay									

MOTION APPROVED by ROLL CALL.

Closed Session for Bargaining Update

- MOVED by DOWNER, SECONDED by WALSH, to enter into closed session pursuant to Iowa Code §20.17(3) to discuss collective bargaining strategy.

<u>Regent</u>	<u>Dakovich</u>	<u>Downer</u>	<u>Harkin</u>	<u>McKibben</u>	<u>Mulholland</u>	<u>Rastetter</u>	<u>Sahai</u>	<u>Walsh</u>	<u>Vacant</u>
Aye	x	x	x	x	x	x	x	x	
Nay									

MOTION APPROVED by ROLL CALL.

The Board convened in closed session at 2:37 p.m.

The Board reconvened in open session at 3:17 p.m.

President Rastetter announced that, after the Board meeting, President Leath would be traveling to Des Moines to announce one of the largest gifts ever made to Iowa State University – \$22.25 million.

Adjourn

President Rastetter adjourned the meeting at 3:20 p.m.