

Contact: Andrea Anania

MINUTES OF SEPTEMBER 9-10, 2014, BOARD MEETING

**SUN ROOM, MEMORIAL UNION
IOWA STATE UNIVERSITY
AMES, IOWA**

Board Members	September 9, 2014	September 10, 2014
Nicole Carroll	Present	Present
Milt Dakovich	Present	Present
Robert Downer	Present	Present
Ruth Harkin	Via phone	Present
Larry McKibben	Present	Present
Katie Mulholland	Present	Present
Bruce Rastetter	Present	Present
Subhash Sahai	Present	Present
Hannah Walsh	Present	Present

Board Office

Andrea Anania, Jeneane Beck, Brad Berg, Mark Braun, Aimee Claeys, Tim Cook, Laura Dickson, Bob Donley, Tom Evans, Diana Gonzalez, Sheila Doyle Koppin, Ann McCarthy, Joe Murphy, Joan Racki, Keith Saunders, Patrice Sayre, Todd Stewart, Ilene Tuttle

Regent Institutions

SUI Sally Mason, Barry Butler, Doug True
Jean Robillard, Ken Fisher, Ken Kates, Steven Mickelsen, Debra Schwinn

ISU Steven Leath, Warren Madden, Jonathan Wickert
Michael Crum, Connor Jennings, Janis Terpenney

UNI Bill Ruud, Michael Hager, Michael Licari

ISD/IBSSS Steven Gettel

Others

Rick Ferraro, Deloitte Consulting LLP
Virginia Fraser, Deloitte Consulting LLP
Mary Mosiman, Auditor of State
Andrew Nielsen, Deputy Auditor of State
David Noone, Deloitte Consulting LLP
Emily Todd, Deloitte Consulting LLP

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.

September 9, 2014

The Property and Facilities Committee met at 2:30 p.m.

Call to Order for September 9, 2014

President Rastetter called the Board of Regents meeting to order at 3:50 p.m.

Roll Call:

<u>Regent</u>	<u>Carroll</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>
Present	x	x	x	x*	x	x	x	x	x
Absent									

*via phone

CLOSED SESSION

- MOVED by CARROLL, SECONDED by DOWNER, to enter into closed session pursuant to Iowa Code §21.5(1)(c), to discuss strategy with counsel in matters that are presently in litigation or where litigation is imminent and disclosure would likely prejudice or disadvantage the position of the Board.

<u>Regent</u>	<u>Carroll</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>
Aye	x	x	x	x	x	x	x	x	x
Absent									

MOTION APPROVED by ROLL CALL.

The Board convened in closed session at 3:55 p.m.

The Board reconvened in open session at 5:00 p.m.

Adjourn

President Rastetter adjourned the meeting at 5:02 p.m.

Call to Order for September 10, 2014

President Rastetter called the Board of Regents meeting to order at 9:03 a.m.

Roll Call:

<u>Regent</u>	<u>Carroll</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>
Present	x	x	x	x	x	x	x	x	x
Absent									

Audit/Compliance and Investment Committee

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

Board Receipt of Committee Report

➤ MOVED by CARROLL, SECONDED by SAHAI, to:

- ▶ Receive the report of Auditor of State Mary Mosiman which includes the FY 2014 State Audit Plan;
- ▶ Receive the Auditor of State reports on the Regent institutions, Board Office, and Special Investigation of the University of Iowa Athletic Ticket Office Hawkeye Express;
- ▶ Receive the State Auditor Review of University Financial Statements with respect to cash and cash equivalents;
- ▶ Receive the Progress Reports for the universities' FY 2014 Audit Plans and approve the Internal Audit Plans for FY 2015;
- ▶ Receive the original and follow-up Internal Audit Reports Issued;
- ▶ Renew the Board of Regents Internal Audit Charter;
- ▶ Receive the Investment and Cash Management report for the quarter ended June 30, 2014;
- ▶ Receive the Annual Review of Peer Group Comparisons;
- ▶ Approve, as the first and final reading, the revision to the Board's Investment Policy as outlined in the agenda item;
- ▶ Approve the following fund manager strategies as outlined in the agenda item: AllianceBernstein, Global-Plus Fixed Income, Brandywine Global Opportunistic Fixed Income, and Dodge & Cox Global Bond Fund; and
- ▶ Receive the report of the Audit/Compliance and Investment Committee.

<u>Regent</u>	<u>Carroll</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>
Aye	x	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 HARKIN, to:

- ▶ Receive the report of Operational and Financial Performance;
- ▶ Receive the report on Reimagining Procedures to Treat Atrial Fibrillation; and
- ▶ Receive the report of the University of Iowa Hospitals and Clinics Committee.

<u>Regent</u>	<u>Carroll</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>
Aye	x	x	x	x	x	x	x	x	x
Nay									

MOTION APPROVED by ROLL CALL.

Board President Report

President Rastetter:

- ▶ Welcomed new and returning students to the campuses;
 - ▶ Said the new Performance-Based Funding Model recognizes the differences between the three universities and provides state resources accordingly; encourages the universities to recruit lowans, embrace diversity, and improve student retention; and honors each university’s strengths in research and professional training; and
 - ▶ Reported the savings identified by the Transparent, Inclusive Efficiency Review (TIER) will allow the universities to strengthen research enterprises, reinvest in laboratories, modernize agriculture, bolster teacher preparation, and reimagine Science, Technology, Engineering, and Math (STEM) education.
- The Board received the report by GENERAL CONSENT.

The Education and Student Affairs Committee met at this time.

Update on TIER Study

Regent McKibben updated the Board on Deloitte Consulting’s progress on the Regents’ TIER Study and introduced Transformation Project Manager Mark Braun who discussed the timeline with respect to the remaining business cases.

Deloitte Director Rick Ferraro introduced: (1) Senior Consultant Emily Todd, who presented Business Case HR-10 - Professional and Scientific Staff Search Committee Size and Structure; and (2) Manager David Noone, who presented Student Services Business Case SS-08 – Calculation of the Regent Admission Index and Business Case SS-05 – Creation of a Common Application Portal. Project Manager Virginia Fraser was also present.

Discussion was held on: (1) Deloitte’s recommendation to have fewer search committees; (2) how to assure the same individuals do not sit on a disproportionately large number of search committees; and (3) the Regents Admission Index as it relates to guaranteed admission with a score of 245 and above, how class rank affects the index score, and the process for admitting students whose scores are below 245.

- MOVED by MCKIBBEN, SECONDED by WALSH, to:
- ▶ Adopt the three business cases presented by Deloitte; and
 - ▶ Direct the Board Office to work with the institutions to: (1) establish a clear policy for the professional and scientific staff search committee size and structure; (2) create a common application portal; and (3) standardize alternative calculations of the Regents Admission Index.

<u>Regent</u>	<u>Carroll</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>
Aye	x	x	x	x	x	x	x	x	x
Nay									

MOTION APPROVED by ROLL CALL.

CONSENT AGENDA

- MOVED by DOWNER, SECONDED by MULHOLLAND, to approve and receive the following CONSENT AGENDA items:
- ▶ Minutes of August 6, 2014, Telephonic Board Meeting
 - ▶ Revision to the Board of Regents Policy Manual – Chapter 7
 - ▶ Naming of Bargaining Teams

<u>Regent</u>	<u>Carroll</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>
Aye	x	x	x	x	x	x	x	x	x
Nay									

MOTION APPROVED by ROLL CALL.

Reports from Institutional Heads

President Rastetter recognized President Ruud, President Leath, President Mason, and Superintendent Gettel for a report on recent activities at their respective institutions.

- The Board received the reports by GENERAL CONSENT.

FY 2016 Operating and Other Fund Appropriations Requests

Chief Business Officer Patrice Sayre provided an overview of the requests.

Regent Sahai expressed concern on the proposed metric to determine the annual General Education Fund appropriations request, specifically the 60% calculation for resident enrollment. Discussion was held on the incremental request, lobbying efforts, and transition to the new funding model over a three-year period.

Regent Downer expressed concern on the funding model and urged the Board to revisit the metrics to prevent the unintended consequence of underfunding flagship programs at the University of Iowa and that adjustments to the model be made in the public's interest.

- MOVED by MCKIBBEN, SECONDED by DAKOVICH, to:
 - ▶ Approve the identified operating appropriations requests for FY 2016 totaling \$649.0 million; and
 - ▶ Authorize actions by designated Regent staff to seek collaboration and partnerships between Regent institutions and other sectors of state government as the Regent legislative efforts are an integral part in successfully receiving requested funding.

<u>Regent</u>	<u>Carroll</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>
Aye	x	x	x	x	x	x	x	x	x
Nay								

MOTION APPROVED by ROLL CALL.

- MOVED by WALSH, SECONDED by SAHAI, to approve the request for additional funding of \$12,971,898 to implement the performance-based funding model.

<u>Regent</u>	<u>Carroll</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>
Aye	x	x	x	x	x	x	x	x	x
Nay								

MOTION APPROVED by ROLL CALL.

Report of the Property and Facilities Committee

The Property and Facilities Committee met on September 9, 2014.

- MOVED by DAKOVICH, SECONDED by MCKIBBEN, to:
 - ▶ Approve the Five-Year Capital Plans, including the FY 2016 Capital Request, as modified by the Property and Facilities committee action;
 - ▶ Approve the Register of the University of Iowa Capital Improvement Business Transactions as detailed in the memorandum;
 - ▶ Approve the University of Iowa proposed property purchase at 707 – 1st Avenue, Coralville, Iowa, at a price of \$1,450,000 from Coral, Inc.;
 - ▶ Approve the proposed abandonment and demolition of the remaining section of Hawkeye Court Apartments at the University of Iowa as detailed in the memorandum;
 - ▶ Approve the Register of Iowa State University Capital Improvement Business Transactions;
 - ▶ Approve the University of Northern Iowa proposed property sale of fifty acres of land to the Cedar Falls Community School District at a price of \$1,240,000;
 - ▶ Receive the Update of Flood Recovery Status; and
 - ▶ Receive the report of the Property and Facilities Committee.

<u>Regent</u>	<u>Carroll</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>
Aye	x	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 11:05 a.m.

- MOVED by MULHOLLAND, SECONDED by HARKIN; to
 - ▶ Approve the minutes of the Education and Student Affairs Committee meeting on July 28, 2014, and July 29, 2014;
 - ▶ Receive the presentation from Iowa State University on Career Services;
 - ▶ Receive the update from the 2014 Education and Student Affairs Committee Work Plan; and
 - ▶ Receive the report of the Education and Student Affairs Committee.

<u>Regent</u>	<u>Carroll</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>
Aye	x		x	x	x	x	x	x	
Absent		x							x

MOTION APPROVED by ROLL CALL.

Economic Development Presentation at Iowa State University: “ISU Research Park Expansion”

President Rastetter recognized Vice President for Economic Development and Business Engagement Dr. Michael Crum. Dr. Crum gave a presentation on the ISU Research Park Expansion.

- The Board received the presentation by GENERAL CONSENT.

Faculty Presentation at Iowa State University: “Advancing Manufacturing in Iowa: The Center for e-Design and Digital Lab for Manufacturing”

President Rastetter recognized Provost Jonathan Wickert, who introduced Professor and Chair of the Department of Industrial and Manufacturing Systems Engineering Dr. Janis Terpenney.

Dr. Terpenney: (1) updated the Board on the Center for e-Design and the Digital Manufacturing and Design Innovation Institute; and (2) introduced ISU Industrial and Manufacturing Systems Engineering Graduate Student Connor Jennings, who talked about his experiences with the Center for e-Design.

- The Board received the presentation by GENERAL CONSENT.

Adjourn

President Rastetter adjourned the meeting at 3:26 p.m.