

Contact: Andrea Anania

**MINUTES OF SEPTEMBER 18, 2007
BOARD OF REGENTS, STATE OF IOWA
LIED MULTIPURPOSE COMPLEX, COMMUNITY ROOM
IOWA SCHOOL FOR THE DEAF
COUNCIL BLUFFS, IOWA**

Board Members

September 18

Bonnie Campbell	Absent
Jenny Connolly	Present
Robert Downer	Present
Jack Evans	Present
Michael Gartner	Present
Ruth Harkin	Present
Craig Lang	Present
David Miles	Present
Rose Vasquez	Present

Staff Members

Andrea Anania, Andy Baumert, Brad Berg, Marcia Brunson, Tim Cook, Sheila Doyle, Tom Evans, Diana Gonzalez, Joe Murphy, Joan Racki, Keith Saunders, Patrice Sayre, Gary Steinke, Todd Stewart, Ilene Tuttle

Regent Institutions

SUI Sally Mason, Barrett Anderson, Chuck Green, Meredith Hay, Carolyn Jones, Lola Lopes, Linda McGuire, Jean Robillard, Doug True

ISU Gregory Geoffroy, Elizabeth Hoffman, Warren Madden, Brian Phillips, Jerry Stewart

UNI Benjamin Allen, Bill Calhoun, Jim Lubker, Andrew Morse, Tom Schellhardt, Jeff Weld, David Zarifis

ISD Jeanne Prickett, Curtis Dobias, Elizabeth Gates, James Heuer, Rhonda Matthew, Robby Peterson, Susan Trucano

IBSSS Jeananne Schild, Don Boddicker

Others

John Bunz, Ahlers & Cooney, P.C.
Barry Fick, Springsted Incorporated

The corresponding docket memorandum for each agenda item, an integral component of the minutes, is available on the Board of Regents web site: www2.state.ia.us/regents.

Copies of these memoranda can also be obtained from the Board Office by calling 515-281-3934.

President Gartner called the meeting to order at 8:45 a.m. on September 18, 2007.

President Allen introduced Dr. Terry Hogan, the new Vice President for Educational and Student Services; President Mason introduced Dr. Lola Lopes, Interim Provost; Superintendent Schild introduced Don Boddicker, the new Director of Business Services; and Executive Director Steinke introduced Patrice Sayre, the new Chief Business Officer in the Board Office.

Executive Director Steinke reported that Pam Elliott Cain is the new Associate Vice President for Business and Finance at Iowa State University. President Gartner congratulated Pam and thanked her for the enormous amount of work she did at the Board Office.

President Gartner welcomed everyone.

Review of Board's Naming Policy

Executive Director Gary Steinke thanked Dr. Diana Gonzalez and Joan Racki for the comprehensive summary they prepared on naming policies on colleges and buildings from major universities across the country. He introduced John Bunz, bond counsel from Ahlers & Cooney P.C., and stated that Mr. Bunz was available to answer legal questions on naming issues with regard to bonding.

President Gartner said that the overall goal is to have Board guidelines with flexibility for each university. Executive Director Steinke agreed and added that the universities have their own procedures they have followed for a number of years prior to making recommendations to the Board on naming opportunities. He added that the Regents policy is intended to provide guidelines, not establish specific criteria.

President Gartner asked Mr. Bunz to discuss potential tax hazards. Mr. Bunz discussed tax-exempt financing, private use, and naming rights as it relates to private business use. He also discussed IRS guidance, and naming for individuals when companies have the same or similar name.

President Pro Tem Miles asked for clarification on naming rights. Mr. Bunz stated that it is fact and circumstance-based approach. He said that a true unrestricted gift does not present a problem and that naming rights with respect to individual donors, under current IRS guidance, do not present any problems, but naming rights with respect to corporate donors can generate tax problems if there are quid pro quo agreements since these generate an enforceable legal right. He explained quid pro quo agreements, discussed financing structures, taxable financing, and described the need for due diligence and the role of bond counsel.

In response to Regent Evans' question, Mr. Bunz discussed the ramifications of foundation and business names which may be similar.

Regent Downer asked if the analysis of bond counsel is confined to tax issues or if other potential legal issues are considered. Mr. Bunz said that, while the focus is mainly on tax analysis, they do look at other contractual issues and work closely with counsel at the universities and at the foundations. Regent Downer noted the potential for other areas to be evaluated. Mr. Bunz reported that university finance people do a great job of finding potential issues and recommended that, while tax-exempt financing is attractive, it should be one factor of many to consider in a broad naming policy.

President Pro Tem Miles noted that the previous discussion had been centered on financing building projects and asked for insight on the naming/financing of a college. Mr. Bunz said that a tax-exempt bond opinion had not been given in this context, and, if that situation were to arise, strong consideration should be given to requesting a private letter ruling from the Internal Revenue Service. He added that there are a lot of complicated issues because there is no useful life of a college.

President Pro Tem Miles asked about the risk to the tax-exempt status on bonds, specifically if risk is applied to individual bonds or all outstanding bonds. Mr. Bunz said that the risk is to the particular bonds in question. Discussion followed on naming colleges and subsequent financing.

In response to President Pro Tem Miles' question on naming expectations, Mr. Bunz highly recommended the use of written naming rights agreements.

President Gartner asked if naming rights is an issue elsewhere in America. Mr. Bunz replied that it is a huge issue that bond counsels struggle with on a daily basis. He added that there was no guidance until three years ago when a private letter ruling was issued and hoped for more guidance. Further discussion was held on potential action by Congress, current Internal Revenue Service actions, and possible future issues surrounding gifts, foundations, naming, and financing structures.

President Pro Tem Miles suggested revisions to the Board's policy which would: (1) eliminate the ability to name anything at a Regent institution after a product; (2) require additional analysis for corporate gifts to avoid the appearance of commercial influence and/or conflicts of interest; (3) and establish clear policies which allow the Board unequivocal rights to remove any name that has been granted.

President Gartner requested that the Board Office work with bond counsel to develop a comprehensive policy that establishes guidelines and retains flexibility for the universities. Regent Lang requested additional information on foundations be included.

Discussion was held on the timeframe for completion of the policy and the appropriate amount of guidance in the policy.

Regent Evans requested that the policy indicates that the institutions can communicate with the leadership of the Board.

President Geoffroy stated that due diligence, effective communication, and as few rules as possible are important as it is hard to know what circumstances may arise such as a possible request for naming for a product. President Mason appreciated the Board's interest in flexibility. President Allen emphasized that effective communication is a challenge, but protects the donor and the institution.

President Gartner thanked Ahlers & Cooney for their help, particularly Mr. John Bunz.

- MOVED by MILES, SECONDED by HARKIN, to direct the Board Office staff to provide, with due speed but no deadline, suggested changes to the Board's Naming Policy which reflect the items discussed.

<u>Regent</u>	<u>Campbell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>
Aye		x	x	x	x	x	x	x	x
Nay									
Absent	x								

MOTION APPROVED by ROLL CALL.

University Security Protocols

Report of the Study of Campus Security Protocols: In response to SF 588, the Board directed the institutions to review campus security protocols. Executive Director Steinke stated that the institutions, in consultation with the Board Office and through careful and thoughtful analysis, developed the report on campus security protocols, procedures, and technologies. He said that the full report is presented to the Board for review prior to it being forwarded to the Iowa General Assembly and to the Governor. He reported that, as a part of the security review, the institutions identified various needs which were placed into three categories – (1) emergency communications; (2) early warning systems – threat assessment; and (3) public safety response.

Executive Director Steinke stated that the University of Iowa has implemented an emergency communications system and that a similar system will soon be implemented at Iowa State University. He added that all three universities are looking at improving and expanding prevention and counseling techniques, and that feedback on the reports has been received from the Iowa Department of Homeland Security (IDHS) and from the Iowa Department of Public Safety (IDPS).

Regent Harkin stated that, currently, campus police may be authorized to carry weapons in certain circumstances. Executive Director Steinke responded that current Board policy allows the President of each university to authorize the arming of police-certified officers in emergency situations.

President Gartner asked how often arming of officers had been authorized. Vice Presidents True and Madden responded that authorization is granted, on average, about once a month. Examples of incidents where arming might be requested would be: participation of university officers in a community drug task force or bomb squad; off-campus investigation of felonies, such as the Gilchrist fire at UNI; security for visiting dignitaries; and, in rare instances, employee terminations or grievances where staff feels the situation may escalate.

President Gartner asked about the process in place for the authorization of arming. Vice Presidents True and Madden responded that the Presidents had delegated approval to them. Vice President True noted that General Counsel is also involved in the approval process at the University of Iowa.

President Gartner asked whether University police are armed during the ISU VEISHA weekend. Vice President Madden responded that there has never been a request for arming during VEISHA. He noted that it would not be the kind of circumstance where arms would be appropriate.

Regent Lang asked the public safety directors to describe the change in climate on the campuses in the last decade as far as integration of a population from outside the campus and how often a population that is not students or faculty has a presence on campus.

Director Green stated that the statistics indicate that arrests lean toward people who visit campus more than faculty, staff, or students. He said that officers have stopped automobiles where guns have been found under the seats and that they have had to back away for their own safety.

Director Stewart stated that there are approximately 1,000,000 visitors to ISU each year. He said that there have been three robberies since June, each involving non-students. He added that ISU officers have encountered people with extensive criminal histories and who are wanted and armed. He noted that ISU is a relatively safe campus, but it is clear that more and more people who are armed and who are not associated with the institution are coming to campus for a variety of reasons.

President Gartner stated that the crime statistics for the three universities indicate that the vast majority of crimes are alcohol- and drug-related along with some robberies; sexual assaults were the most serious crime reported. He noted that, in the past three years at ISU, there were three arrests for illegal weapons possession, about 600 for liquor violations, and 400 for drug law violations on campus.

Director Stewart reported that one recent robbery involved a gun displayed outside a residence hall. He noted that bank robberies and armed invasions have occurred in close proximity to campus.

In response to a question from President Gartner, the directors of public safety explained that their jurisdictions are all university property, including the outlying ISU farms.

Regent Downer asked how often university police are called upon to render mutual aid to cities and counties. Director Zarifis stated that the UNI force assists the Cedar Falls police with traffic control and accidents on an ongoing basis. In addition, there have been 200 requests for specific events and circumstances.

President Gartner asked if officers were automatically armed for off-campus situations. Director Zarifis indicated that the previously-discussed approval process is followed.

President Gartner asked if it would help or be an unacceptable half-way measure if the Board's policy allowed automatic arming of officers in off-campus situations. Director Green said that it would be unacceptable simply for the reason that some of those situations cannot be foreseen.

Regent Evans asked if there is a hiring and retention issue with officers. Director Stewart stated that his staff is extremely professional, well-trained, educated, and that the average educational level is 16 years. He added that officers work at ISU because they want to work with students in a vibrant environment. He said that there is an extensive selection process including background checks, psychological testing, fitness and written examinations, and oral interviews. He reported that the universities exceed state requirements regarding background checks and psychological testing.

Director Green stated that recruitment and retention is becoming an issue for all three universities. He noted that, in the last four weeks, the University of Iowa has lost three officers – two to other police agencies. He reported that other officers are on waiting lists for other agencies and explained that there is a concern that the universities will become a feeder system for other law enforcement agencies because the universities have raised their standards and qualifications

President Gartner asked if the officers were leaving because they were not armed. Director Green said that a variety of reasons are given, but that arming is always one of the reasons. President Gartner asked about the turnover rate. Director Stewart indicated that ISU loses one officer each year out of a force of 33. Director Zarifis stated that the average educational level for the UNI force was 15.5 years with 13 years of experience and that reasons for leaving are varied. He noted that it is important to hire people who fit into the campus environment and embrace the community-based policing philosophy.

Regent Downer stated he was impressed with the information submitted. He noted that there was one thing that was not addressed, which is the specialized nature of training relevant to the particular assignment that these officers have – especially in two areas in particular: (1) dealing with persons 18-25; and (2) persons who may be suffering from mental health issues brought on by the stress of college.

Director Green stated that university jurisdictions are unique challenges and that applicants must be geared to interacting in such an environment. He said that officers are provided with training on how to deal with young people as well as with individuals who may be mentally distressed. He noted that there are a lot of different groups on campus and part of their training is through those groups and that campus officers are probably better trained than most small departments in the state due to the availability of training resources.

Director Stewart stated that university officers receive basic Iowa Law Enforcement Academy training plus additional training specific to a university setting. He said that the universities want officers to think globally and work on problem solving by using proper resources.

Director Zarifis stated the officers operate and police in a unique environment. He noted that the three universities are working on a grant for violence against women, which will allow the development of those unique skills, resources, and processes even further.

Regent Vasquez asked when the Board last considered arming. Vice President Madden reported that it was considered more than a decade ago, initiated more by the officers, and had a collective bargaining component to it. The Board made the decision not to arm at that time.

Regent Lang stated that the information provided was comprehensive and extremely valuable. He said that President Allen mentioned something that was very important – on the campus there are police who know the environment, who have a special knowledge about how important students are within the college community, and that, in some cases, it would seem to make sense that individual officers would have guns. He said that there should not be any question that they also should be held to a higher standard. He asked how thorough training provided by the university was and how often it was done. He stated that any decision about guns would need to be part of a total comprehensive security protocol in the campus community.

Director Green reported that the state requires that certified officers qualify annually on the use of firearms, while the University of Iowa requires semi-annual qualification. He stated that the University employs five certified firearms instructors. He also noted that the department employs a number of security guards who are not sworn and who do not carry weapons.

Director Stewart said that, as important as marksmanship with a firearm is, it is more important to know when the use of force is necessary and to what level to use it. He said that officers are trained in the use of force in general, including constitutional requirements and restrictions, Supreme Court decisions, and review of policy and state statutes. He added that classroom instruction occurs annually.

President Geoffroy stated that an issue not yet discussed relates to the perception that families and prospective students have about the safety of our campuses. He said that families of prospective students have long been concerned about campus safety and that sensitivity has been greatly heightened by the Virginia Tech incidents. He added that parents continually voice these concerns to the admissions staff and said that he was worried about the competitiveness of the Regent universities for future students if the institutions stand out in the minority of not having armed campus police, whether it increases the safety of the campus or not.

President Geoffroy stated a lot of issues have been raised since Virginia Tech and that campus communication is a very important factor. He noted that ISU is moving very quickly to improve rapid communication on campus, but that still does not address the issue of what prospective students and their families perceive about campus safety. He said that it is the general perception that having an armed police force makes the campus safer.

Regent Connolly stated that, through her work in the admissions area, she meets with students and families on a daily basis and that safety comes up in every meeting. She reported that they refer to Virginia Tech and sexual assaults and that they do not want statistics; they just want to know that the campus is safe.

President Gartner stated that he does not necessarily disagree with anything that has been said, but noted that there has been no statistical analysis of crime presented to the Board. He indicated that many letters in support of arming have been received. He said that there were six examples given where it would have been better to have had armed officers and noted that all six incidents were resolved without harm to either the officer or the individuals involved. He reported that he was able to pull some statistics from the Internet, which indicated the huge issue of drinking and drugs on campus.

President Mason stated that she supported President Geoffroy's comments. She recently met with the University of Iowa Parents Association and said that, during the meeting, she received questions about campus safety and the issue of arming officers. She reported that the president of the association wrote a letter in support of arming police officers.

President Allen agreed with the comments made by Presidents Geoffroy and Mason. He noted that UNI did request input from the parents of students and, at a ratio of about 4 to 5 / 1, they felt campuses would be safer with armed police officers. He said there are other things that need to be done such as improve communication systems and enhance counseling resources.

President Pro Tem Miles asked what action plans would be required if the Board were to approve the arming of officers. Director Zarifis stated that, initially, the use of force policies as well as the Public Safety Advisory Committee would be reviewed. Director Green stated that the same would be done at the University of Iowa, but it would also be important that the three individual departments collaborate and look at all of the policies. Director Stewart stated that the ISU policies are in accordance with national accreditation standards. He indicated that he would want a review from an outside entity of the department's policies and training.

Regent Downer stated that the materials indicate that the ISU department is accredited. He asked if that would be a reasonable process for the other departments to investigate. Director Green stated accreditation would be something that should be examined. He noted that only two public safety departments at Big Ten institutions were accredited and that an assessment had recently been done of the University of Iowa department by an outside entity. Director Zarifis said that there was nothing wrong in having an outside review of the department. He noted that it was important to remember that the primary focus of the department is to provide services and be responsive to the campus needs, while making sure those needs are met by well-trained, well-qualified personnel.

President Pro Tem Miles asked if the weapons available on the campuses were standardized. Director Green said they were at the University of Iowa. Director Stewart said it was important to keep abreast of acceptable industry standards for weapons and ammunition.

Brian Phillips, President of the Government of the Student Body at ISU, explained that a survey was distributed via e-mail to students on each campus. He said that the survey solicited basic demographics and asked about knowledge of public safety policies and procedures, and whether officers should be allowed to carry firearms.

Barrett Anderson, President of University of Iowa Student Government, reported that 61.9% of the students agreed that officers should be permitted to carry firearms; Brian Phillips, President of the Government of The Student Body at ISU reported that 61.3% of the students agreed with the arming of public safety officers; and Andrew Morse, President of the UNI Student Body, stated that 57.2% of the students agreed with the arming of public safety officers.

President Gartner thanked the students for the information. He said that the Board needed to approve submitting the security policy to the General Assembly.

After considerable discussion, the following motions were made:

- MOVED by HARKIN, SECONDED by LANG, that the Board Office, in consultation with the University Presidents, directors of public safety, students, and other appropriate experts, develop a comprehensive policy for campus safety and security for consideration by the Board at a subsequent meeting. MOTION APPROVED UNANIMOUSLY.
- MOVED by MILES, SECONDED by DOWNER, to instruct the Board Office that the proposed policy on campus safety and security include a provision to enable certified police officers to carry firearms in the normal course of their duties. MOTION APPROVED with REGENT VASQUEZ voting NO.
- MOVED by DOWNER, SECONDED by EVANS, to submit the reports to the General Assembly. MOTION APPROVED UNANIMOUSLY.

President Gartner stated that when the proposal is brought to the Board for consideration, the materials should include specific analyses of crime on the campuses.

University of Iowa Announcement

President Mason announced that the National Institutes of Health (NIH) awarded one of the largest amounts ever given to the University of Iowa, a \$33.8 million grant to fund the Institute for Clinical and Translational Science (ICTS), under the direction of Dr. Gary Hunninghake. She said that this highly competitive grant puts the University in elite company, as only 23 other institutions in the nation have received these awards.

President Mason reported that the award will dramatically change the focus of the University's world-renowned biomedical research enterprise and enable it to bring laboratory research to patients more rapidly. She said that the Institute will work with physicians, hospitals, and community health centers across the state to bring cutting-edge biomedical research and clinical trials to patients in their own communities, and added that it is the largest and most comprehensive interdisciplinary effort ever undertaken by the University, with 39 centers and institutes and all 11 colleges participating.

President Mason reported that the University has established collaborations with Iowa State University, The University of Arizona, Iowa Health Systems, Mercy Health System, and other health agencies around the nation. She also reported that the application for this award began more than two years ago and that the preparation involved 150 people.

President Gartner congratulated the University of Iowa and asked Vice President for Medical Affairs and Carver College of Medicine Dean, Dr. Jean Robillard, to elaborate on translational science. Dr. Robillard said that it brings discovery from the research laboratory to the patient and to the community. He added that it will allow the citizens of Iowa to have access to major discoveries as rapidly as possible.

Vice President Hay added that the University of Iowa joins a world-class consortium of universities and medical centers to advance cures and diseases for the state, nation, and the world. She said that this is a huge honor and reported that the University plans to leverage the award with its plans to create a new Iowa Institute for Biomedical Discovery (IIBD). She thanked Governor Culver and the legislature for their support for the IIBD. She reported that the IIBD will be where new discoveries, treatments, and cures are made and where training the next generation of clinicians and scientists will occur. She said that it is very exciting and unprecedented for the University of Iowa to be at this level of research in the world.

In response to President Gartner's question on staffing, Dr. Robillard said that this grant will allow the University to attract outstanding quality faculty and researchers.

- The Board received the announcement by GENERAL CONSENT.

University of Iowa College of Law Presentation

President Mason stated that she is enthusiastic about the College of Law's faculty and student involvement in civic engagement and that it is one of the best learning opportunities available to students. She said that the College of Law is a shining example of how this best practice is put into the curriculum in a meaningful way.

Dean Carolyn Jones and Associate Dean for Public Service Linda McGuire indicated that the University of Iowa's College of Law ranks 24th in the nation and 7th among public universities. The first year curriculum was modified to include 56 hours in legal writing and research. Dean Jones explained that students are encouraged to participate in non-profit/community outreach activities. She also explained that the College determined that it was necessary to reduce the semester hour requirements for the J.D. program from 90 to 84 credits, based on 60-minute teaching hours in a 14-week semester. This change will also reduce the number of minutes of instruction from 75,600 to 70,560. This lower number is within the American Bar Association accreditation requirements of 58,000 minutes of instruction. The College also intends to suspend admission to the summer entrant program because demand for summer entrance has decreased significantly while demand for fall entrance has increased. The fall 2008 entering class will be increased to 220 to accommodate the 40 summer entrants so that the overall student body enrollment will remain the same.

In response to Regent Harkin's question about how the University of Iowa's law school tuition compares to its peers, Dean Jones responded that it was lower for in-state tuition and comparable for out-of-state tuition. She also responded that approximately 30% of the graduating class remains in Iowa after graduation. She said that higher salaries frequently lure graduates elsewhere; however, there is an opportunity for debt forgiveness for those graduates who remain in Iowa and engage in public service law.

President Gartner asked about the proportion of applicants and enrollees that are female. Dean Jones responded that approximately 44% of the student body is female, compared to 47% nationally. She also indicated that the University of Michigan and the University of Minnesota have higher proportions of female students. President Gartner asked Dean Jones if the faculty teaching loads were also going to be reduced by 6%. Dean Jones responded that they will not. She said that the typical faculty teaching load was two courses per semester.

Regent Downer commented that the Iowa Law School Foundation has established a debt forgiveness program to encourage graduates of the J.D. program at the University of Iowa College of Law to pursue their law careers in the state of Iowa and to provide *pro bono* legal services.

Regent Evans asked if the College provided certificates in public service. Dean Jones responded that it did not. Associate Dean McGuire reported that students are eligible for the Boyd Service Award, recognition at graduation, and a notation on their diplomas.

President Gartner thanked them for the presentation.

➤ The Board received the presentation by GENERAL CONSENT.

FY 2009 Operating Appropriations Requests

Chief Business Officer Patrice Sayre provided brief comments on the FY 2009 Operating Appropriations Requests.

Executive Director Gary Steinke reported that the math and science initiative is generating a tremendous amount of interest with the Iowa Department of Education and with Iowa students. He explained that the initiative, led by the University of Northern Iowa, is a collaborative effort among the universities to improve the teaching of math and science to high school students.

President Allen thanked the Presidents, Provosts, and faculty at the University of Iowa and Iowa State University for their efforts with the math and science initiative. He explained its rationale; discussed the goals of improved supply and quality of teachers, student performance, and statewide collaboration; and reported on the steering committee and introduced its facilitator, Jeff Weld, Associate Professor of Biology.

Regent Lang asked to what extent the teachers association and local school boards had been notified. President Allen reported that the teachers association and members from the Iowa Association of School Boards participated in an education summit held this past summer.

Regent Connolly asked President Allen to elaborate on the award received by Associate Professor Weld. President Allen reported that, among other awards, Associate Professor Weld recently received a national award for teaching. Regent Connolly thanked Associate Professor Weld for all of his hard work.

Executive Director Steinke reported that the Executive Branch wants state agencies to submit status quo budgets. He said that the Regents have historically requested its real need and will do so again for FY 2009.

Regent Lang stated that he did not see a specific request for Biorenewables. Executive Director Steinke said that the Regents request includes restoration of \$4.4 million in Economic Development funding and that it was felt strongly that the Regents have one major initiative. He added that the legislature may choose to fund Biorenewables anyway. President Gartner added that Biorenewables continue to receive federal and private funding.

- MOVED by EVANS, SECONDED by DOWNER, to approve the FY 2009 Operating Appropriations Requests totaling \$770.6 million.

<u>Regent</u>	<u>Campbell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>
Aye		x	x	x	x	x	x	x	x
Nay									
Absent	x								

MOTION APPROVED by ROLL CALL.

Resolution for the Sale and Issuance of \$25,000,000 Hospital Revenue Bonds, Series S.U.I. 2007A

Barry Fick from Springsted, Incorporated, reported that one bid was received from Piper Jaffray & Co. with D.A. Davidson & Co. as a participating underwriter and that the bid had an interest rate of 4.4251%. Regent Evans asked for confirmation that just one bid was received. Mr. Fick responded affirmatively and added that four bidders signed up, but three elected not to bid. Mr. Fick said that, with the current interest rates, the bonds are trading at or through a ratings level of Aa2 by Moody's Investor Service and a rating of AA by Standard & Poor's. He stated that the bid reflects the strong performance of UIHC and of the University.

- MOVED by MILES, SECONDED by DOWNER, to approve:

A Resolution providing for the sale and authorizing and providing for the issuance and securing the payment of \$25,000,000 Hospital Revenue Bonds, Series S.U.I. 2007A, to pay the costs of constructing, improving, remodeling, repairing, furnishing, and equipping inpatient and outpatient facilities and patient care facilities, including mechanical and other supporting facilities at the University of Iowa Hospitals and Clinics on the campus of The State University of Iowa, funding a reserve fund and paying the costs of issuance.

<u>Regent</u>	<u>Campbell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>
Aye		x	x	x	x	x	x	x	x
Nay									
Absent	x								

MOTION APPROVED by ROLL CALL.

Resolution for the Sale and Issuance of \$12,175,000 Athletic Facilities Revenue Bonds, Series I.S.U. 2007 (Taxable)

Barry Fick from Springsted, Incorporated, reported that two bids were received; the winning bid was submitted by BB&T Capital Markets with a true interest rate of 6.0845%.

➤ MOVED by EVANS, SECONDED by HARKIN, to approve:

A Resolution establishing an Athletics Facilities System and providing for the sale and authorizing and providing for the issuance and securing the payment of \$12,175,000 Athletic Facilities Revenue Bonds, Series I.S.U. 2007 (Taxable), funding the debt service reserve fund, and paying costs of issuance.

<u>Regent</u>	<u>Campbell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>
Aye		x	x	x	x	x	x	x	x
Nay									
Absent	x								

MOTION APPROVED by ROLL CALL.

CONSENT AGENDA

- ◆ Minutes of August 1-2, 2007
- ◆ Institutional Personnel Transactions
- ◆ Board of Regents Policy Manual Revisions to Chapters 1 and 4 – Final Reading
- ◆ Summary of Fringe Benefits
- ◆ Master Lease Agreement Update
- ◆ Iowa State University College of Design Computer Lease Program
- ◆ Request for Program name Changes at Iowa State University in the Department of Kinesiology
- ◆ Lakeside Laboratory Regents Resource Center Budget
- ◆ Appointment to Quad Cities Graduate Study Center Governing Board

➤ MOVED by CONNOLLY, SECONDED by HARKIN, to:

- ◆ Amend the Minutes of August 2, 2007, to reflect that Regent Connolly was present and voted Aye for the following agenda item - Allocation of Bonding Authorization for Deferred Maintenance, Fire Safety and Campus Security Improvements and Reimbursement Resolution.
- ◆ Approve the Consent Agenda as amended.

<u>Regent</u>	<u>Campbell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>
Aye		x	x	x	x	x	x	x	x
Nay									
Absent	x								

MOTION APPROVED by ROLL CALL.

FY 2009 Capital Appropriations Request

Joan Racki explained that the Board's FY 2009 capital appropriations request includes \$50 million to correct fire safety and deferred maintenance deficiencies at the Regent institutions. President Gartner clarified that while the requested funds would help to reduce the total amount needed to correct these deficiencies, the list of deferred maintenance items is still massive. Joan Racki confirmed that the list of deferred maintenance and fire safety deficiencies at the Regent institutions totaled more than \$400 million in the most recent Facilities Governance report to the Board.

- MOVED by HARKIN, SECONDED by EVANS, to approve a FY 2009 capital appropriations request of \$50 million to correct deferred maintenance and fire safety deficiencies at the Regent institutions.

<u>Regent</u>	<u>Campbell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>
Aye		x	x	x	x	x	x	x	x
Nay									
Absent	x								

MOTION APPROVED by ROLL CALL.

Five-Year Capital Plans

- The Board received the five-year capital plans by GENERAL CONSENT.

Institutional Agreements, Leases and Easements

- MOVED by CONNOLLY, SECONDED by HARKIN, to approve the lease agreements for the benefit of the University of Iowa and Iowa State University, subject to approval of the final documents by the Board Office and the Attorney General's Office.

<u>Regent</u>	<u>Campbell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>
Aye		x	x	x	x	x	x	x	x
Nay									
Absent	x								

MOTION APPROVED by ROLL CALL.

University of Iowa – Proposed Property Purchases

Vice President True outlined the University's request to purchase three properties from the University of Iowa Facilities Corporation. President Pro Tem Miles asked how the University's process would change if the Board voted not to approve these purchases. Vice President True explained that the Facilities Corporation would probably obtain a bank loan and the University would lease the properties from the Facilities Corporation for University use; the University would pay rent as it does with other University leases in the community. He further explained that in the case of one of the three properties, where the owners were anxious to sell, the University would not be able to accommodate the request for a quick sale without the use of the Facilities Corporation. He added that in the case of more complex property transactions beyond routine house purchases, the University consults with the Board Office.

Regent Lang asked whether the property sellers normally approach the University first, or if the University learns of available properties by other means. Vice President True confirmed that some property owners approach the University first, while others prefer to have the University contact them. He then explained the University's efforts to communicate with property owners in areas of potential University interest to cultivate positive relationships and to make them aware of the University's interest.

In response to a question from Regent Lang, Vice President True confirmed that if the Board approved the University's purchase of the three properties, the properties would no longer be listed on the property tax rolls of the City of Iowa City.

- MOVED by EVANS, SECONDED by MILES, to approve the following purchases on behalf of the University of Iowa from the University of Iowa Facilities Corporation, subject to approval of the final documents by the Board Office and Attorney General’s Office:
 - ◆ 422 North Clinton Street in Iowa City, Iowa, at the price of \$350,000.
 - ◆ 219 Melrose Court in Iowa City, Iowa, at the price of \$288,000.
 - ◆ 311 Melrose Court in Iowa City, Iowa, at the price of \$265,000.

<u>Regent</u>	<u>Campbell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>
Aye		x	x	x	x	x	x	x	x
Nay									
Absent	x								

MOTION APPROVED by ROLL CALL.

University of Iowa Proposed Property Purchase – Old Capitol Mall Theatre Space

Vice President True explained the history of the University of Iowa Facilities Corporation’s acquisition of space in the Old Capitol Mall. The Facilities Corporation currently owns 61 percent of the mall, primarily on the second level, which is leased to the University to provide office space for Public Safety and other University functions. The University now wishes to exercise its right, working with the Facilities Corporation under the agreement for the previous acquisition of mall property, to acquire, at a fixed price of \$90 per square foot, the former theatre space, which had been leased by Central States Theatre Corporation. He outlined the University’s plans to purchase, as a “turn-key,” the completed project of approximately 20,000 square feet at an estimated cost of \$5.8 million. Various University functions would be housed in the office space to be constructed.

In response to a question from President Gartner, Vice President True confirmed that the University has the Bijou Theater in the Iowa Memorial Union, which was recently remodeled. He added that another movie theater, the Englert Theater, is located in downtown Iowa City.

President Gartner noted that the family that owns Central States Theatres has been very generous to the University of Iowa over the years. Vice President True added that their name is located at a number of prominent places on campus because of their tremendous support and generosity.

- MOVED by CONNOLLY, SECONDED by EVANS, to approve the purchase and financing for the University of Iowa of the former theatre space (Unit 100D) of the Old Capitol Mall (Old Capitol Town Center) in Iowa City.

<u>Regent</u>	<u>Campbell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>
Aye		x	x	x	x	x	x	x	x
Nay									
Absent	x								

MOTION APPROVED by ROLL CALL.

Register of University of Iowa Capital Improvement Business Transactions

Vice President True addressed the Chemistry Building Renovation project, in which the Carver Trust has been a partner in the project funding. The proposed revised budget includes an additional \$1.86 million from the Carver Trust, with University matching funds, to convert additional obsolete space in the building’s west wing into research laboratories. Vice President True explained that this very important next step in the renovation project would not be possible without the participation of the Carver Trust. He expressed the University’s gratitude for the generosity and support of the Carver Trust.

Vice President True provided a brief overview of the College of Public Health Academic Building project, which includes construction of 18 percent of the building as shell space. The University would plan to finish the shell space as soon as possible at an estimated cost of \$5 million to \$6 million. President Gartner asked if the total project funding of \$47 million was currently in hand.

Vice President True explained all of the funding sources for the project, noting that the University will return to the Board for the sale of revenue bonds. He also reported that the University has received \$1.725 million of the \$6 million budgeted from private funds, and it hopes to receive \$3 million in federal grant support later this year.

Acknowledging the current shortage of private and federal funding for the project, President Gartner asked if it was the University's intention to begin the project before these funds are received. Vice President True explained the University's intention to continue to be aggressive in its efforts to obtain the additional private and federal funds. He added that the University has tested these goals and believes they are realistic. He further explained the University's plans to proceed with the project through design development, with the goal of bidding the project next spring.

President Gartner asked if the University would proceed with bidding if the additional funds had not been received. Vice President True expressed his optimism on reaching these funding goals since the University has previously undertaken similar projects with different sources of money, with good success in both fundraising and obtaining federal and state support. He further indicated that the decision to bid the project would be made in the spring, and he once again expressed optimism that the University would be in a position to proceed with construction at that time. He explained that while the project would not need to come back to the Board, the University could provide frequent status reports to the Board Office.

Regent Harkin noted that the College of Public Health is currently spread out in several different locations. Vice President True confirmed that the College is currently housed in 16 locations, and he addressed the importance of consolidating the existing faculty and research functions and creating a home for the College.

- **MOVED** by CONNOLLY, **SECONDED** by HARKIN, to authorize permission to proceed with project planning for the **Power Plant – Boiler Make-Up Water System** project, approval of the schematic design and project description and budget (\$47,700,000) for the **College of Public Health Academic Building** project, and approval of the revised budget (\$45,104,500) for the **Chemistry Renovation** project.

<u>Regent</u>	<u>Campbell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>
Aye		x	x	x	x	x	x	x	x
Nay									
Absent	x								

MOTION APPROVED by ROLL CALL.

Iowa State University – East Campus Dining Improvements

Vice President Madden explained that the University would return to the Board at a future date to sell the bonds for the project, with the goal of beginning construction in May or early June of next year. He addressed the need for the project on campus as higher enrollments continue to exert pressure for improved dining facilities. Regent Downer noted that this was good pressure for the University.

- **MOVED** by LANG, **SECONDED** by DOWNER, to approve the financial plan, project description and budget (\$15 million) and the schematic design for the **East Campus Dining Improvements** project, and to adopt A Resolution authorizing the Executive Director to fix the date or dates for the sale of up to \$13,750,000 Dormitory Revenue Bonds, Series I.S.U. 2007.

<u>Regent</u>	<u>Campbell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>
Aye		x	x	x	x	x	x	x	x
Nay									
Absent	x								

MOTION APPROVED by ROLL CALL.

Iowa State University – Proposed Naming of College of Design Pavilion

President Geoffroy explained that Steve and Barb King, the lead donors for the project, have been strong advocates for a high level of green design. The University’s goal is to receive platinum certification (the highest level) of green design for the College of Design Foundations Pavilion project. He added that this will provide a very important demonstration project for the University, especially for the training of College of Design students.

- MOVED by EVANS, SECONDED by LANG, to name the College of Design Foundations Pavilion addition as the King Pavilion, in recognition of the leadership of Iowa State University alumni Steve and Barb King of Maple Plain, Minnesota.

<u>Regent</u>	<u>Campbell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>
Aye		x	x	x	x	x	x	x	x
Nay									
Absent	x								

MOTION APPROVED by ROLL CALL.

Register of Iowa State University Capital Improvement Business Transactions

- MOVED by LANG, SECONDED by DOWNER, to approve the project description and budget (\$10,084,332) for the **Various Deferred Maintenance – 2007** project.

<u>Regent</u>	<u>Campbell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>
Aye		x	x	x	x	x	x	x	x
Nay									
Absent	x								

MOTION APPROVED by ROLL CALL.

University of Northern Iowa – Proposed Naming

President Allen provided an overview of the University’s request to name the Human Performance Complex in honor of Richard O. Jacobson, who has committed a \$3 million challenge grant for the Complex, subject to a \$2 million University match. In response to a question from President Gartner, Vice President Calhoun explained that there is no time limit on the University’s match, but that the University expects to reach this goal within the first two years. President Gartner added that Mr. Jacobson told him that one of the main reasons for his gift is his great confidence in President Allen and the UNI administration.

- MOVED by CONNOLLY, SECONDED by DOWNER, to name a group of facilities serving the University’s School of Health, Physical Education and Leisure Services and UNI Intercollegiate Athletics as the Jacobson Human Performance Complex in honor of Richard O. Jacobson of Des Moines, Iowa.

<u>Regent</u>	<u>Campbell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>
Aye		x	x	x	x	x	x	x	x
Nay									
Absent	x								

MOTION APPROVED by ROLL CALL.

Register of University of Northern Iowa Capital Improvement Business Transactions

Vice President Schellhardt provided an overview of the Sabin Hall Renovation project, explaining that the project would considerably reduce the University’s deferred maintenance list as it addresses mechanical, electrical, and accessibility issues in the building. In response to a question from President Gartner on the University’s list of deferred maintenance deficiencies relative to the other universities, Vice President Schellhardt noted that the \$70 million in deferred maintenance deficiencies is considered large to the University of Northern Iowa.

- **MOVED** by LANG, **SECONDED** by DOWNER, to authorize permission to proceed with project planning, including the architectural selection process, for the **Sabin Hall Renovation** project.

<u>Regent</u>	<u>Campbell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>
Aye		x	x	x	x	x	x	x	x
Nay									
Absent	x								

MOTION APPROVED by ROLL CALL.

Investment and Cash Management Report for the Quarter Ended June 30, 2007.

Vice Presidents True and Madden provided brief comments on the report. Discussion was held on fund manager benchmarks, manager performance, diversity, asset allocation, rebalancing, long-term performance, and gifts to universities and foundations.

President Gartner asked if the information provided in this report contains any foundation funds. Vice President Madden said that these are not foundation funds and that they are separate funds managed by each university.

- The Board received the report by GENERAL CONSENT.

Faculty Presentation at the Iowa School for the Deaf – “ISD Literacy, Accelerated Reader, Power Up Programs”

Superintendent Prickett explained that hearing impairments can significantly delay language and literacy skill development in children. She reported that ISD uses two programs that have resulted in significant reading improvements for students.

Ms. Susan Trucano, high school reading specialist, and Ms. Rhonda Matthew, elementary/middle school reading teacher, described the reading programs and their effect on students. Ms. Elizabeth Gates, resident counselor and facilitator of the Accelerated Reader™ program between the schools and the dorms, explained how she works with students in the dorms to enhance their reading involvement. Robby Peterson, 10th grader from Atlantic, and Curtis Dobias, 6th grader from Greenwood, Nebraska, described their enthusiasm for the reading programs and the effect the programs have had on their reading skills and interest. President Gartner thanked the presenters.

- The Board received the report by GENERAL CONSENT.

Architecture Programs Accreditation Report at Iowa State University

Provost Hoffman explained that the architecture programs received accreditation for the maximum period of six years. She reported that the department is working on the unmet conditions and is scheduled for a focused evaluation in 2009.

President Pro Tem Miles expressed surprise that the programs had received the maximum period of accreditation based on the number of unmet conditions that the visiting team identified. Provost Hoffman explained that the accrediting body typically issues a critical report even when a program receives accreditation for the maximum period.

- The Board received the report by GENERAL CONSENT.

Coordinating Council for Vision Services Annual Report

Regent Vasquez reported that she has taken over as co-chair of the Coordinating Council for Vision Services as well as for the new Coordinating Council for Hearing Services. She explained that the progress report was very well written and that much progress has been made to serve the needs of all visually-impaired students in Iowa. She commended Superintendent Schild and Dr. Gonzalez. Regent Vasquez indicated that the framework used for this Coordinating Council will be very useful for the other Coordinating Council.

President Gartner asked if the State Board of Education had also received the report. Dr. Gonzalez responded that the report would be discussed at the next meeting. She said that Sr. Jude Fitzpatrick was involved in the preparation of the report. President Gartner expressed his appreciation for the work of the team.

- The Board received the report by GENERAL CONSENT.

Board of Regents Policy Manual – Revisions to Chapter 6 – First Reading

Dr. Gonzalez explained that §6.29 was not part of the changes to Chapter 6 that the Board approved in August 2007. She said that the proposed changes resulted from an in-depth review, which addressed efficiency and effectiveness; the changes were also reviewed by the Attorney General's Office.

President Gartner asked Dr. Gonzalez if the first reading could be combined with the second reading and she responded affirmatively. However, Regent Lang requested that the second reading occur at another Board meeting because Regent Campbell was not in attendance at this meeting.

- MOVED by LANG, SECONDED by CONNOLLY, to approve the first reading of the Revisions to Chapter 6. MOTION APPROVED UNANIMOUSLY.

President Gartner reported that the Grow Iowa Values Fund and Battelle Project Update, FY 2006 State Audit Reports, and University of Iowa Hospitals and Clinics Trustees reports would be deferred. He noted that the State Auditor Reports are available on the Auditor of State's web site.

Regent Downer noted that state appropriations from the Rebuild Iowa Infrastructure Fund were made that were inconsistent with the fund's legislatively established purpose and asked to what extent the Regents were affected. President Gartner said that the State Auditor's Office would answer that question at the next Board meeting.

President Gartner adjourned the meeting at 3:35 p.m.