

Contact: Andrea Anania

**MINUTES OF MARCH 11, 2008
BOARD OF REGENTS, STATE OF IOWA
R. WAYNE RICHEY BALLROOM, IOWA MEMORIAL UNION
UNIVERSITY OF IOWA
IOWA CITY, IOWA**

Board Members

	March 11th
Bonnie Campbell	Present
Jenny Connolly	Present (via phone)
Robert Downer	Present
Jack Evans	Present
Michael Gartner	Present
Ruth Harkin	Present
Craig Lang	Absent
David Miles	Present
Rose Vasquez	Absent

Staff Members

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

Regent Institutions

SUI Sally Mason, Ken Fisher, Meredith Hay, Ray Hohl, Lola Lopes, Jean Robillard, David Redlawsk, Von Stange, Doug True, Gordon Williams, Ann Williamson, Pam York

ISU Gregory Geoffroy, Pete Englin, Elizabeth Hoffman, Warren Madden

UNI Benjamin Allen, Michael Hager, Jim Lubker, Randy Pilkington, Tom Schellhardt

ISD Jeanne Prickett, James Heuer

IBSSS Jeananne Schild, Don Boddicker

Others

Mark Brubaker, Wilshire Associates Incorporated
Bob Carr, Terpenoid Therapeutics Inc.
Mike Dudkowski, Wilshire Associates Incorporated
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 Miles called the meeting to order at 9:10 a.m. on March 11, 2008.

Executive Session

- **MOVED** by EVANS, **SECONDED** by HARKIN, to enter into closed session pursuant to Iowa Code section 21.5(1)(c) to discuss strategy with counsel in matters that are presently in litigation and their disclosure would likely prejudice or disadvantage the Board's position in the litigation.

<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	
Nay									
Absent		x					x		x

MOTION APPROVED by ROLL CALL.

The Board convened in closed session at 9:15 a.m.

The Board reconvened in open session at 9:50 a.m.

President Miles asked that the Consent Agenda be the first agenda item presented at future meetings.

Consent Agenda

- ◆ Minutes of February 7, 2008, Board Meeting
- ◆ Institutional Personnel Transactions
- ◆ University of Iowa Equipment Purchase
- ◆ Request for a Name Change at the University of Iowa – Department of Speech Pathology and Audiology to Department of Communication Sciences and Disorders
- ◆ Request for a Name Change at the University of Northern Iowa – Department of Philosophy and Religion to Department of Philosophy and World Religions
- ◆ Request to Award an Honorary Doctor of Humane Letters Degree
- ◆ Request to Award an Honorary Doctor of Humane Letters Degree
- ◆ Request to Award an Honorary Doctor of Humane Letters Degree
- ◆ Request for Credit Hour Change at the University of Northern Iowa
- ◆ Proposed New Program at the University of Northern Iowa – Bachelor of Arts in Biochemistry
- ◆ Request to Suspend Admissions to the Master of Arts in Technology Program at the University of Northern Iowa
- ◆ Proposed New Program at the University of Northern Iowa – MS in Technology
- ◆ Report on Title II Grant Program
- ◆ Request to Re-Name the Dr. W. Eugene and Linda Lloyd Veterinary Teaching Hospital at Iowa State University
- ◆ Conflict of Interest Vendor

- **MOVED** by HARKIN, **SECONDED** by GARTNER, to approve the Consent Agenda.

<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	
Nay									
Absent							x		x

MOTION APPROVED by ROLL CALL.

Election of President and President Pro Tem

- MOVED by GARTNER, SECONDED by CONNOLLY, to elect David Miles as President of the Board of Regents beginning May 1, 2008, and ending April 30, 2010.

<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			
Nay									
Absent							x		x
Abstain								x	

MOTION APPROVED by ROLL CALL.

- MOVED by GARTNER, SECONDED by CONNOLLY, to elect Jack Evans as President Pro Tem of the Board of Regents beginning May 1, 2008, and ending April 30, 2010.

<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	
Nay									
Absent							x		x
Abstain				x					

MOTION APPROVED by ROLL CALL.

Regent Connolly noted that this is the last meeting for the outgoing student leaders, thanked them for all of their hard work, wished them well in their future endeavors, and welcomed the new student leaders.

President Miles said that he appreciated all of the outgoing student leaders' good work and that the Board will miss working with them.

University of Iowa Hospitals and Clinics Trustees

SUI Vice President for Medical Affairs and Carver College of Medicine Dean Jean Robillard, Associate Vice President for Finance and Chief Financial Officer Ken Fisher, Associate Vice President for Nursing and Chief Nursing Officer Ann Williamson, and Interim CEO Gordon Williams appeared before the Board.

Dr. Robillard discussed patient volume projections and the case mix index. He recapped comments from his last presentation to the Board and discussed the present status of the UIHC facility and how it is growing, citing the need for additional private rooms and larger operating rooms.

He discussed the proposed request for permission to proceed with project planning for the children's hospital and critical care tower; short-term plan for resolving capacity issues; renovation of the existing facility; plan to work with the University for parking, utilities, improved access, and traffic pattern impact; and the timeline for these efforts.

CEO Williams said that timelines would be more specific as the process moves along, anticipated that the new facilities would be available in mid 2013, and emphasized that the replacement of facilities and relocation of programs are an imperative piece of this process. He added that the process will be carefully coordinated with financial planning and that the Board would receive regular reports.

Dr. Robillard thanked the Board for its continued support and said that he looked forward to the Board, as Trustees of UIHC, to do the right thing at the right time for the people of Iowa. He said it is the responsibility of this generation to continue developing facilities to serve the people of Iowa and beyond so that they have access to the best care in the world.

President Pro Tem Evans asked about ownership of this plan and the management structure that will drive it. CEO Williams said that the plan will include a project director who is assigned to own the process and elaborated on the plan's subcomponents including finances, facilities, hospital programs, and patients.

Regent Gartner said he believed that the hospital needs a second campus. He asked about the convenience for patients versus the convenience for the staff and if UIHC is positive that this is the site in which to move ahead, especially for the children's hospital.

Dr. Robillard agreed that the campus is congested and said that UIHC is in the process of developing a plan to remove all ambulatory care and services that don't need to be at the hospital. Regent Gartner asked if this would be at one site. Dr. Robillard said that the idea of the ambulatory care campus is to have comprehensive care and that it is possible and likely that clinics will be at different locations. He stressed that capacity is the most urgent issue.

Regent Gartner asked why the plan is to add to or greatly expand the children's hospital in a congested area and not in an area with greater access. Dr. Robillard said that physicians should be close to science labs and research groups if the hospital is to create new knowledge, make new discoveries, and translate them to patients. He said that if the hospital and the campus are separated by just a few miles, the interaction will not be the same.

Regent Gartner noted that there is enough trauma with an ill child without the added problems of traffic and parking issues. Dr. Robillard said that UIHC is aware of this problem and that they will consider how to improve access. He emphasized that if the children's hospital were to be moved away from campus, the quality of the academics, including reputation and the ability to attract physicians, would not be the same. Regent Harkin shared Regent Gartner's concerns and asked if UIHC had considered building facilities on close-by University land. Dr. Robillard said that it had been considered and elaborated on the surrounding land.

In response to a question from Regent Downer, CFO Fisher elaborated on major teaching children's hospitals in the country and noted that almost all are located on campus and next to the synergies that come from being part of an academic medical center. He added that the institution is not driven by the physical building; it is driven by the programs that go in it.

Regent Harkin said that access is not patient friendly. CFO Fisher said that the building is made patient friendly on the inside and that parking and access issues are problems that need to be solved.

President Miles asked if President Mason wanted to comment. President Mason said that Dr. Robillard's plan is well thought out and that the physical constraints are understood and need to be addressed. Dr. Robillard added that access will improve after ambulatory care is placed off campus.

Regent Gartner asked what percentage of people and car traffic will move away after ambulatory care is off campus. CEO Fisher approximated that 100,000 patients per year will be moved off the main campus.

Regent Harkin requested that access, traffic control, and patient convenience issues be addressed in future planning updates to the Board. Dr. Robillard said that he shares her concern and added that it has to be patient friendly.

President Miles thanked UIHC for the presentation and said that the Board's sense is that UIHC should continue to give thoughtful consideration to patient access.

➤ The Board received the report by GENERAL CONSENT.

Institution Updates

University Presidents and Special School Superintendents provided oral reports highlighting recent institutional activities.

Superintendent Prickett:

- ◆ Reported two students were selected to participate in a National Science Foundation Grant and perform research on the Southern California fault line, including taking measurements and learning how to prepare a research report on their findings;
- ◆ Said three students were selected to participate in the Close-Up program and will learn about the political process and how government works;
- ◆ Praised six students from the middle and high schools who won regional awards in oratorical competitions; the top two awards included monetary scholarships; and
- ◆ Reported high school students attended a workshop on the Iowa Test of Educational Development; the goal was to help students see their own role in their educational success. All four grade levels showed significant improvement on the test, which is attributed to the students' new-found understanding of the importance of paying attention to what they are doing and taking initiative for their own learning, as well as the emphasis placed on literacy over the last several years.

Interim Superintendent Schild:

- ◆ Reported on the three directions set by the Coordinating Council in its report accepted by the Board at its June 2006 meeting:
 - ◆ Efficiency: The report said that IBSSS needed to spend more money on programs and less on buildings. Interim Superintendent Schild reported on the School's consolidation of its programs into one building and on new tenant AmeriCorps who will be on campus July 1, 2008. She thanked ISU and the Board Office for their assistance.
 - ◆ Equity: The report said that students should have access to the same services throughout Iowa. Interim Superintendent Schild reported on the new state-wide system, agreements, and management committee meetings.
 - ◆ Excellence: The expectation is that blind children will achieve at the same level as their sighted peers and they do not right now. Interim Superintendent Schild reported on current efforts to achieve that expectation and said that the School is making a difference.

Regent Gartner stated that the strategic repositioning for the Iowa Braille and Sight Saving School has been one of the most important things that has happened at the School and could not have occurred without the work of Interim Superintendent Schild and former Regent Mary Ellen Becker. He added that the AmeriCorps training/deployment site at the School would have never happened without the active intervention of Senator Tom Harkin.

President Allen:

- ◆ Announced UNI received its largest grant of \$11.5 million from a private foundation to study unintended pregnancies. He acknowledged Dr. Mary Losch, Assistant Professor of Psychology and Assistant Director of UNI's Center for Social and Behavioral Research, who was the key person in securing the grant;
- ◆ Stated the University launched an alcohol task-force, involving students, faculty, and staff;
- ◆ Noted UNI had its largest voter turnout in the history of student elections in February 2008. He introduced the next Student Body President, Pernel Cezar, and acknowledged the exceptional work of outgoing Student Body President, Andrew Morse;
- ◆ Reported UNI conducted its first full-scale test of the campus-alert system. He said that the goal was to alert the entire campus community in 20 minutes or less and reported on the results;

- ◆ Said UNI received over \$1.1 million from the estate of Arlene Estes for students entering the K-12 teaching profession; Ms. Estes taught second grade for 40 years and donated to UNI over the years;
- ◆ Noted UNI is in the final stage in the search for the next Executive Vice President of Academic Affairs and Provost;
- ◆ Said UNI is participating in a nationally-recognized program, Foundations of Excellence, to help the University improve the experience of first-year students and develop a firm foundation for their future success; and
- ◆ Reported that UNI graduate Nancy Aossey was awarded the title as Distinguished Alum of the Year for the American Association of State Colleges and Universities.

President Mason:

- ◆ Congratulated Coach Tom Brands and the University of Iowa wrestlers who won the Big Ten championship and who are looking forward to the NCAA tournament in St. Louis on March 30th;
- ◆ Announced that University women's basketball Head Coach Lisa Bluder led the Hawkeyes to a share of the Big Ten Conference title and reported that she has been named 2008 Big Ten Coach of the Year;
- ◆ Stated that: (1) she has not been happy with the unusually high number of off-the-field incidents with some of the University football players during the past year, but has been very pleased with the way each incident was handled by Coach Kirk Ferentz and Athletic Director Gary Barta who have been swift and fair with appropriate action; (2) there are times when a second chance is deserved, but the University will not back down on its expectations; (3) several of the football players who have made poor decisions are no longer with the program; (4) the University is proactive in its programming on issues such as drug and alcohol abuse, sexual harassment, and sexual assault as well as informing potential students that competing for the Hawkeyes is a privilege; and (5) the vast majority of student athletes work hard to do things right;
- ◆ Praised excellent role-model students Emily Alden and Garth Strohbahn, 2 of 45 national winners of the Gates Cambridge Scholarships, a highly-selective international award. Established by the Bill and Melinda Gates Foundation, these scholarships offer talented students from around the world the opportunity to pursue graduate study at Cambridge University in England;
- ◆ Noted that the University is near the end of its search for the next Executive Vice President and Provost and thanked the search committee for bringing a talented and diverse range of candidates to campus;
- ◆ Thanked Lola Lopes for her stellar work as Interim Executive Vice President and Provost;
- ◆ Said that the academic advancement the University is proudest of is its recent ranking as first in the nation for the 2007 fiscal year funding from the National Institute of Dental and Craniofacial Research of the National Institutes of Health. She noted that, while much of the funding is due to the University's internationally-recognized College of Dentistry (COD), it represents grant recipients from across the entire University as the COD maintains a strong record of research collaboration all across campus;
- ◆ Expressed her excitement about the University's growing prominence in energy efficiency and energy independence. She noted that the University saved more than \$5 million in reduced energy expenditures for the two-year period that ended in June of 2007 and discussed how the University's innovations extend into the student curriculum; and
- ◆ Reported that the 14th annual Dance Marathon raised over \$1 million to help provide support for pediatric oncology patients and their families at the children's hospital.

Regent Campbell, following up from the Regents earlier meeting with student leaders, directed the following comments to all of the Regent institutions. She said that: (1) she was shocked to learn that orientation materials did not include anything about personal safety, protocols, policies, etc., but that a brochure may have been available amidst other information; (2) having dealt with these issues much of her career, this approach is not enough; (3) good policies are needed, but are worthless if no one knows what they are and hoped to see much more from all of the Regent institutions; and (4) parents need to know that their children are safe and students need to feel safe on a college campus.

President Mason agreed and said exposure is not what it should be and the University of Iowa would work harder on it, student athletes probably receive more information than the average student, and her message is very well taken and heard.

President Mason introduced College of Pharmacy Dean, Donald Letendre, and College of Nursing Dean, Rita Frantz. President Miles welcomed them.

President Geoffroy:

- ◆ Discussed Iowa State University's 150th Sesquicentennial. He (1) reported that Iowa Governor Ralph Lowe signed legislation in 1858 to accept terms of the Federal Morrill Act that established land-grant universities in the United States and added that Iowa was the first state in the nation to sign the Act; (2) elaborated on the special exhibition in Morrill Hall that runs through April 27, 2008, and features the original Morrill Act, which was signed by President Abraham Lincoln in 1862; and (3) discussed the activities planned for Sesquicentennial Day in the State Capitol on April 3, 2008.
- ◆ Praised the great students at ISU who make the University proud, noting their deep involvement in the 700+ clubs and organizations on campus. He highlighted a few and described some of the honors and national competitions they have won.

President Miles thanked the institution heads for their updates and said they serve as a reminder of why we should be proud of Iowa's public universities and special schools.

- The Board received the updates by GENERAL CONSENT.

Report on the Search for the Executive Director

President Miles, Chair of the Executive Director Search Committee, said the Search Committee reviewed a list of candidates at its February 18th meeting, anticipated some would be selected for interviews at its next meeting on March 19th, said interviews would be conducted in mid-April, and hoped the final candidates could be brought to the Board at its May 1st meeting. He added that the search has gone well and that he looked forward to concluding this process the first part of May.

- The Board received the report by GENERAL CONSENT.

Establishment of Board Committees

President Miles:

- ◆ Discussed the current Board policy, named the six current standing committees, and reviewed their structure and responsibilities;
- ◆ Said that he intends to resume the committees at the April 30-May 1 Board meeting after their suspension in May of 2007 when four new Regents were appointed;
- ◆ Reviewed the different ways that committees were operated throughout the years and said his perspective on the appropriate role of committees is that they should help the Board be more effective, divide the workload among Regents, and develop greater expertise;
- ◆ Emphasized that nothing should cause or allow any information to be unavailable to any and all Regents or limit any Regent from pursuing any item or issue he or she may wish to make an inquiry or to express an opinion;
- ◆ Asked that committee meetings be held as much as possible the day before the full Board meeting, and that each committee be staffed consistently with a person designated by the Board Office and with institutional personnel, as needed;
- ◆ Identified two committees to begin at the next meeting, the Audit/Compliance and Investment (ACI) Committee and the University of Iowa Hospitals and Clinics (UIHC) Committee and asked President Pro Tem Evans and Regent Downer, respectively, to chair them;
- ◆ Requested that all Regents serve as members of the ACI and UIHC for the initial meeting and until the Board further specializes as more committees are activated;
- ◆ Requested that at the first ACI and UIHC meetings, the committees: review their charge and discuss how they intend to fulfill it, familiarize themselves with recent actions of those committees prior to suspension, prepare an annual committee plan, receive and review reports as appropriate, and adopt recommendations to the full Board;
- ◆ Asked that, on April 30th, the ACI and UIHC meetings start around 1:00 p.m. and 3:30 p.m., respectively, and not overlap; and
- ◆ Asked for reaction from other Board members and institutional leadership if there are other committees that should be reactivated immediately, added, or eliminated.

Regent Harkin asked if all Board members are to be on both the ACI and UIHC committees. President Miles clarified that all Board members are asked to be on both committees initially and then decisions can be made as more committees are reactivated.

In response to Regent Downer’s request, President Miles said that he would ask the Board Office to circulate the charge for the first committee meetings.

Regent Gartner noted that, by statute, the Board of Regents are Trustees of UIHC and questioned whether a UIHC Committee is appropriate. President Miles asked the Board Office to review the appropriateness of this structure.

➤ **MOVED** by HARKIN, **SECONDED** by CAMPBELL to appoint:

- ◆ President Pro Tem Evans Chair of the Audit/Compliance and Investment Committee; and
- ◆ Regent Downer Chair of the University of Iowa Hospitals and Clinics Committee, pending review of the appropriate structure.

<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	
Nay									
Absent		x					x		x
Abstain									

MOTION APPROVED by ROLL CALL.

Legislative Update

Interim Executive Director Andy Baumert reported that draft budget bills are being prepared by various subcommittees in the key areas of education, economic development, and human resources; elaborated on the following bills: salary, infrastructure, education and appropriations, economic development, campus security upgrades, and allowable growth for the special schools; and reported that the State Relations Officers are working with the campuses on active policy bills.

In response to a question from Regent Downer, Interim Executive Director Baumert reported that the target adjournment date is April 22nd.

- The Board received the update by GENERAL CONSENT.

Residence System Governance Report

Brad Berg introduced residence systems directors, Von Stange (SUI), Pete Englin (ISU), and Michael Hager (UNI). Mr. Berg highlighted the governance report and noted that the Board is asked to receive the five-year plans. He added that the Board will be asked to consider approval of the proposed room and board rates at its May meeting and the budgets later in the summer.

Regent Downer asked why a pessimistic outlook is reflected in ISU's FY 2009 budget. Mr. Englin said that proposed occupancy is intentionally conservative and added that it provides (1) realized net revenue in the fall so ISU can moderate future rate increases; and (2) an opportunity to consider acceleration of life-safety projects, establishment of a base budget that meets all operating obligations, and maintenance of a solid debt ratio.

President Miles asked if the University of Iowa should be planning for 99.9% occupancy through 2013. Mr. Stange said that the University has historically housed students in temporary housing even in the years with lower enrollment and explained how renovation projects affect occupancy planning. Mr. Stange stated that most students in temporary housing are placed in permanent housing within the first three weeks and that 30-40 students remain in temporary housing the entire semester for a variety of reasons such as discounted cost; they can leave at any time; and they benefit from staffing, support systems, and academic rigor.

Regent Gartner asked how much money is in surplus funds at each university. Mr. Berg said that the surplus fund balances may be found in the preliminary budgets in the attachments. Vice President True elaborated on how those funds are used at SUI and confirmed that the revenue generated from the proposed rate increases will be reinvested in residence system facilities and operations.

President Miles addressed the financial projection through FY 2013 and requested an update of the assumptions used for the projections in the five-year plans at the next meeting.

Regent Downer noted that students residing on campus at ISU and UNI had a substantially higher probability of graduating within 4-6 years than students that reside off campus. He asked if this information is included in the universities' marketing materials provided to prospective students and their families. Mr. Hager responded affirmatively and attributed the information to why occupancy rates have increased over the last four years. Mr. Englin also indicated that the information is shared with prospective students and their families at ISU.

President Miles asked for a description of the Educational Benchmarking, Inc. (EBI) survey. Mr. Hager said that EBI is a private company that surveys students on a variety of issues, including student unions, housing, and dining operations. He said that the results allow the universities to assess progress, compare themselves with other institutions, and make changes to programs. He added that it is a valuable tool for gauging student satisfaction.

In response to Regent Gartner's question on survey results being subject to the Iowa open records law, the residence systems directors planned to check with other institutional personnel.

- The Board received the report by GENERAL CONSENT.

Proposed University Parking

Andrea Anania said that the Board is asked to consider changes to the annual parking rate increases and that Board approval will be requested at its May meeting. She reported that universities have parking systems that are self-supporting and that user fees and fines support operations, maintenance, and capital improvements.

In response to a question from Regent Harkin, Ms. Anania said that parking is for faculty, staff, students, and visitors.

- The Board received the report by GENERAL CONSENT.

Investment and Cash Management Report for the Quarter Ended December 31, 2007

Mark Brubaker and Mike Dudkowski from Wilshire Associates Incorporated appeared before the Board.

Mr. Brubaker provided a performance overview on the universities' endowment funds and Mr. Dudkowski reported on the universities' operating funds. Both discussed the sub-prime mortgage issue and its impact on fixed-income and equity markets.

In response to a question from President Miles on the poor performance of fund manager Commonfund, Mr. Brubaker explained that the primary driver was that most of the managers, including Commonfund, had more exposure to asset-backed securities than projected by the benchmark.

President Miles asked if there is a way to get a better understanding on how the private equity funds are performing. Mr. Brubaker said Wilshire could request that each manager prepare a J-curve for each portfolio and Wilshire would then track the progress in terms of funding and returns.

Mr. Brubaker provided an appraisal of the portfolio, managers, and managers' performance at President Miles' request.

President Miles asked that Wilshire Associates attend the April 30th Audit/Compliance and Investment Committee meeting.

- The Board received the report by GENERAL CONSENT.

President Miles honored Regent Gartner for his service to the Board and read the Resolution inscribed on the plaque that was presented to him.

Resolution of the Board of Regents, State of Iowa

WHEREAS, Michael G. Gartner was appointed to the Board of Regents in March 2005 and served as its President from April 2005 through December 31, 2007; and

WHEREAS, Mr. Gartner brought to the Board considerable business expertise as Chairman and principal owner of the Iowa Cubs; extensive experience as a Pulitzer Prize winning journalist; and outstanding leadership abilities honed by his professional and civic activities; and

WHEREAS, under Mr. Gartner's leadership, the Board hired two excellent university presidents, secured full funding for operations and capital projects from the Iowa General Assembly, saw the creation of Iowa Public Radio, the implementation of a strong internal-auditing system; and enormous success in economic-development initiatives at the universities; and

WHEREAS, under Mr. Gartner's leadership, the Board continued its strong emphasis on accessibility to students by keeping tuition increases at a minimum and strong educational programs at its institutions.

NOW THEREFORE, BE IT RESOLVED that the Board of Regents, State of Iowa, expresses its deep gratitude to Mr. Gartner for his strong leadership, bold vision, and valuable business acumen; and presents to him this plaque in public recognition and honor of his extraordinary service and contributions to the Board of Regents, its institutions, students and families.

Regent Gartner thanked President Miles and the Board.

Faculty Presentation at the University of Iowa – “The Iowa Caucuses and Presidential Nominations: Lessons from 2008”

Interim Provost Lola Lopes introduced Associate Professor David Redlawsk, one of the directors of the Hawkeye Poll.

Dr. Redlawsk presented findings from the Poll that help us understand the role of Iowa in the nomination process and the importance of this year’s historic caucuses. Dr. Redlawsk indicated that the Poll was created to connect students to the real world of politics. It is a civic engagement project and platform to conduct survey research.

The Poll included three pre-caucus surveys in March, August, and October, one in-caucus survey in January, and a post-caucus survey following Super Tuesday. He mentioned that the Poll generated a large amount of media attention. Dr. Redlawsk pointed out that the survey focused on four items: (1) issues important to caucus goers; (2) satisfaction of caucus goers with the candidates; (3) voter involvement; and (4) campaign activity.

Regent Harkin asked if it was unusual for issues to focus on international activities. Dr. Redlawsk responded affirmatively. He said that issues typically are focused on domestic concerns. Dr. Redlawsk said that the importance of the caucuses starting in Iowa has to do with the fact that Iowa has experienced voters and it has a manageable population size. Regent Harkin stated that another role of the caucuses is to teach candidates how to be candidates. Dr. Redlawsk agreed.

➤ The Board received the presentation by GENERAL CONSENT.

Proposed New Center at Iowa State University – Egg Industry Center

Provost Elizabeth Hoffman noted that the proposed Center will create a mechanism to promote and enrich the relationship between the egg industry and faculty at land-grant institutions across the country. It will provide funding and support collaborations to encourage development of new ideas and technologies that address emerging needs of the egg industry.

Recently, the Iowa Egg Council made a \$2 million pledge over 10 years to support the creation of a national egg industry center at ISU. The funds will be directed to an endowment with annual proceeds used to fund new research programs, educational courses, and extension/outreach components. There is no center/institute at other Iowa colleges and universities that addresses the needs of the egg industry.

➤ MOVED by HARKIN, SECONDED by DOWNER, to approve the Egg Industry Center at Iowa State University.

<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	
Nay									
Absent		x					x		x

MOTION APPROVED by ROLL CALL.

Resolution for the Sale and Award of \$12,000,000 Academic Building Revenue Bonds, Series U.N.I. 2008

Joan Racki introduced Barry Fick from Springsted, Incorporated, the Board's financial advisor. Mr. Fick said that while two bidders had signed up, only one submitted a bid, a group of underwriting firms led by UBS Securities, Incorporated, with 12 member firms. He reported that the bid had a true interest rate of 4.9228%.

President Pro Tem Evans asked if just one bid was received. Mr. Fick responded affirmatively and added that the other bidder reported that it was confident it would not be able to meet the rate of the bidder who submitted.

In response to a question from President Miles, Mr. Fick reported that the projected rate was 4.82% and that a rate of 4.92% was received.

- **MOVED** by GARTNER, **SECONDED** by EVANS, to approve A Resolution providing for the sale and authorizing and providing for the issuance and securing the payment of \$12,000,000 Academic Building Revenue Bonds, Series U.N.I. 2008, for the purpose of paying a portion of the costs of improving, remodeling, repairing, and equipping the Electrical Distribution System, Sabin Hall, fire and environmental safety, deferred maintenance, and campus security improvements on the campus of the University of Northern 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	
Nay									
Absent		x					x		x

MOTION APPROVED by ROLL CALL.

Resolution for the Sale and Award of Not to Exceed \$11,000,000 Dormitory Revenue Refunding Bonds, Series I.S.U. 2008

Barry Fick from Springsted, Incorporated, reported that two bids were received. He said the winning bid was submitted by a group of 12 underwriting firms led by UBS Securities, Incorporated, and had a true interest cost of 3.73%.

Mr. Fick reported that these bonds result in a present-value reduction in interest costs over the remaining life of the bonds of over \$705,000. He said that this represents a 6.3% reduction in the overall debt service cost for these bonds, which averages out to \$60,000 or more per year in net savings. As a result of this performance, the issue size was reduced to \$10,500,000.

President Pro Tem Evans asked if there was another bid. Mr. Fick replied that the other bid had a true interest cost of 3.92%.

- **MOVED** by GARTNER, **SECONDED** by CAMPBELL, to approve A Resolution providing for the sale and authorizing and providing for the issuance and securing the payment of \$10,500,000 Dormitory Revenue Refunding Bonds, Series I.S.U. 2008, funding the debt service 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	
Nay									
Absent		x					x		x

MOTION APPROVED by ROLL CALL.

Institutional Agreements, Leases and Easements

- MOVED by HARKIN, SECONDED by CAMPBELL, to approve the lease and easements for the benefit of the University of Iowa and ratification of the subleases for the benefit of Iowa State University as summarized in the agenda item, subject to approval of the final documents by the Board Office and 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	
Nay									
Absent		x					x		x
Abstain			x						

MOTION APPROVED by ROLL CALL.

Register of University of Iowa Capital Improvement Business Transactions

Vice President True provided an overview of the projects on the capital register. President Miles requested a reminder relative to authorizing permission to proceed with a project without a budget at this point in the process. Vice President True explained that after granting permission to proceed for most projects, the University would not return to the Board until completion of the schematic design, and project budget, which require Board approval prior to bidding the project. However, he indicated that in the case of the **University of Iowa Hospitals and Clinics – FY 2006-2035 Strategic Facilities Master Plan**, Vice President Robillard plans to attend each UIHC Trustees Board meeting to update the Board on the proposed components of the Master Plan as the projects evolve; this would include cost estimates to be refined with project planning. Vice President True acknowledged that while this process is out of the ordinary, the size and scope of the proposed UIHC projects warrant more frequent reporting to the Board.

- MOVED by EVANS, SECONDED by GARTNER, to authorize permission to proceed with project planning, including the architectural and construction manager selection process, for the **University of Iowa Hospitals and Clinics – FY 2006-2035 Strategic Facilities Master Plan**; permission to proceed with project planning, including the architectural selection process, for the **Lindquist Center – Renovate First Floor** project; and project descriptions and budgets for the **Lindquist Center – Upgrade Utility Support Systems for Room 14** project (\$2,977,943), the **Cretzmeyer Track and Field Complex – Renovation** project (\$2,000,000), and the **102 Church Street – Install Elevator** project (\$160,000).

<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	
Nay									
Absent		x					x		x

MOTION APPROVED by ROLL CALL.

University of Iowa Building Naming

President Mason provided an overview of the University’s request to name the Rowing Team Boat House for Dr. P. Sue Beckwith, in recognition of her \$1 million gift to the project. President Miles asked President Mason to express to Dr. Beckwith the sincere gratitude of the Board of Regents for her generous gift.

- MOVED by DOWNER, SECONDED by HARKIN, to name the Rowing Team Boat House the “P. Sue Beckwith, M.D., Boathouse.”

<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	
Nay									
Absent		x					x		x

MOTION APPROVED by ROLL CALL.

Register of Iowa State University Capital Improvement Business Transactions and Building Naming
Vice President Madden provided an overview of the revised budget for the **Chemistry Facilities** project. President Geoffroy addressed the University’s request to name the building for the late Clifford Hach and his widow, Kathryn Hach Darrow, in recognition of a \$10 million gift to the project from Kathryn Hach Darrow. President Miles asked President Geoffroy to express the gratitude of the Board of Regents for this tremendous gift.

- **MOVED** by GARTNER, **SECONDED** by HARKIN, to approve a revised project budget (\$77,500,000) for the **Chemistry Facilities** project, and to name the building “Hach Hall.”

<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	
Nay									
Absent		x					x		x

MOTION APPROVED by ROLL CALL.

Annual Student Financial Aid Report

Diana Gonzalez indicated that the annual student financial aid report describes the volume of student financial aid awarded at the Regent universities. There are four funding sources and three types of awards.

In 2006-07, total student financial aid increased by 4.0%. The largest percent increase (10.5%) occurred in the form of grants and scholarships. The number of grant awards increased by more than 6.0%, but the average award increased by only \$99. While employment funds increased by more than 3.0%, state work-study employment has been severely limited since 2000-01. At that time, approximately \$2 million funded more than 1,600 awards. In 2006-07, there was a total of \$85,626 of funds which provided 113 awards. Growth in employment has come from institutional student employment. The total loan awards had the smallest percent increase from the prior year, but the average award of \$5,509 had a 4.5% increase. While the College Cost Reduction and Access Act will provide increases in the Pell Grant during the next five years, it is still not keeping pace with tuition increases. The Regent universities developed and implemented a number of initiatives in 2006-07 relating to financial aid, including achieving efficiencies through expanded technology; emphasis on augmenting grant aid opportunities; and counseling programs for students to make informed decisions about financial aid.

President Miles asked about the definition of need-based indebtedness. Dr. Gonzalez responded that need-based aid is awarded to low income students whose expected family contribution is at or below the expected family contribution defined by the institution.

President Miles asked about the significance of need-based indebtedness. Dr. Gonzalez responded that indebtedness for low income students has been shown to place an undue burden on families. For that reason, the universities continuously review and upgrade their grants programs.

Regent Gartner asked if the number quoted about “74% of all full-time undergraduates worked in 1999-2000 and they averaged 25.5 hours per week” included off-campus employment. Dr. Gonzalez responded affirmatively.

Regent Gartner asked if employment was truly aid. Dr. Gonzalez responded that employment is defined as aid because it produces funds that can be applied toward the cost of education.

Regent Downer asked if there were a reason why the state work-study funds had been significantly reduced; were any studies conducted to show that the program was not working. Dr. Gonzalez responded that she was not aware of any such studies and, in fact, there were more students eligible for work-study aid than funds available. Regent Downer indicated that he felt that the work-study program is a good program which limits the need for off-campus employment and which provides additional educational value. He indicated that he would like to see a restoration of the program because it would be helpful to students.

President Pro Tem Evans pointed out that the state default rate of 5.3% is considerably higher than the default rate of the Regent universities. He said it was a credit to the universities. Dr. Gonzalez agreed and said that the Regent universities work closely with the students who take out loans so that they borrow only what they need and that they are aware that they must repay the money. Vice President Madden pointed out the state default rate also includes the default rate of proprietary schools in the state.

➤ The Board received the report by GENERAL CONSENT.

Annual Regent Student Financial Aid Study

Dr. Gonzalez indicated that this study was implemented in 2004 at the request of the Board of Regents to analyze the financial aid awarded by socio-economic characteristics. The study analyzes student financial aid by adjusted gross income and by expected family contribution for full-time, resident, dependent undergraduate students who filed a Free Application for Federal Student Aid (FAFSA) and who received and accepted financial aid at one of the Regent universities. The data in this study differ from the data presented in Agenda Item 17 because these data refer to individual students while the data in Agenda Item 17 refer to awards.

President Miles pointed out that approximately 30% of the students in the study had financial need that was not met by total financial aid accepted and asked how this occurred. Dr. Gonzalez responded that all students are offered a financial aid package that covers the cost of attendance. However, some students choose not to accept certain types of aid, such as loans; sometimes employment aid is also not accepted.

President Miles asked how these students were filling the gap to meet the financial need. Dr. Gonzalez responded that there were a number of ways that students could fill the gap, including: (1) working full-time during the summer; working during the school year in jobs that might pay more than on-campus jobs might pay and that might allow them to work extra hours; (2) receiving assistance from extended family members; this assistance is not included as part of the expected family contribution; (3) using credit cards (Dr. Gonzalez mentioned that a professor at ISU had conducted a case study of students who have relied heavily on the use of credit cards.); and (4) obtaining private loans which are not offered as part of the institution's financial aid package.

President Miles asked President Geoffroy if he wanted to comment but President Geoffroy said that Dr. Gonzalez had summarized very well the ways that students might use to fill the gap.

➤ The Board received the study by GENERAL CONSENT.

**Grow Iowa Values Fund (GIVF) and Battelle Project Update
Highlighted Technology Transfer Presentation**

University of Iowa Vice President for Research Dr. Meredith Hay, Iowa State University Provost Elizabeth Hoffman, and Executive Director of Business and Community Services Randy Pilkington provided updates on the universities' economic development and technology transfer projects which receive funding through the GIVF or Battelle programs.

Dr. Hay announced that this is her last Board of Regents meeting; she has accepted a position as Provost and Executive Vice President at the University of Arizona. She thanked the Board and said that it has been a distinct honor and privilege to work with the Board and for the University of Iowa.

Dr. Hay introduced Pam York, Executive Director of the University of Iowa Research Foundation; Dr. Ray Hohl, Associate Professor of Internal Medicine and Pharmacology in the Carver College of Medicine at the University of Iowa; and Dr. Bob Carr, CEO of Terpenoid Therapeutics Inc., an SUI spinout company focused on trying to discover new drugs for patients.

Dr. Hay discussed the culture of entrepreneurialism to commercialism, Pam York highlighted the Entrepreneur-in-Residence Program, and Dr. Carr discussed his involvement with Terpenoid Therapeutics Inc.

In response to a question from Regent Campbell, Dr. Carr said that the drugs have potential to treat many types of cancer, including the four most frequent types: colon, lung, breast, and prostate, as well as an application in the treatment of metastatic disease to bone, and osteoporosis.

President Miles thanked Dr. Carr for the update and wished Dr. Hay well in her new role at the University of Arizona.

Regent Harkin said that Dr. Hay has made a presentation at every Board meeting and that she appreciated Dr. Hay's leadership in establishing a culture of entrepreneurship at the University of Iowa.

➤ The Board received the update and the presentation by GENERAL CONSENT.

President Miles adjourned the meeting at 2:50 p.m.