

UI Staff Council Meeting
2520D UCC
Wednesday, December 11, 2019

Present: Ewa Bardach, Damien Blair, Mihaela D. Bojin, Matsalyn Brown, Suzanne Doershuk, Em Domingues, Sally Fisher, Kathleen Ford, Jadvyga Gerasimovic, Shari Heick, Sara Heineman, Michael Hesseltine, Gregory Hopson, James Jorris, Jackie Kleppe, Tyler Lantz, John Laverty, Monica Madura, Emily Milke, Heather Mineart, Jamie O'Meara, Stephen Pacha, Robin Paetzold, Steve Paulsen, H J Pedelty, Yelena Perkhounkova, Lisa Piper, Ted Potter, Julie Qidwai, Teri Schnelle, Mary Shumaker, Sonia Slevinski, Glenda Smith, Brenda Van Dee, Linda Varvel, Jim Verry, Cassie Walizer, Angela Ward, Michael Weaver, Linda Weir Jacobi, Jessica Welter, John Weyer, Carrie Whittaker, Anne Wilson, Toni Woodbury, and Kevin Zihlman

Absent: Beau Finley, Amy Halvorson Bouffard, Genevieve Johnson, Karen Kluesner, Carrie Mahon, Carlton Petty, Kathryn Reynolds, Jessica Richardson, and Jennifer Stout

Administrative Liaisons: Provost Montse Fuentes, Terry Johnson, Cheryl Reardon, and Marla Rosenblum

Guests: Matthieu Biger, Cristobal McKinney, Diane Fountain, Erin Irish, Becky Keogh, Gail Robertson, and Gordon Tribbey

Welcome and Minutes: Mike Weaver, UISC President

- **Minute Adoption:**
November 13, 2019- UI Staff Council meeting: Accepted, no edits for review.
- **Minutes Review:**
December 4, 2019- UISC Executive Committee Meeting: minor edits brought forth for review.

Presentation Topics:

Office of the Provost Initiatives – Montse Fuentes, Executive Vice President and Provost Professor of Statistics and Actuarial Science and Biostatistics

- **Success at Iowa: Investing for the Future**
 - *Class of 2023*
 - Most academically accomplished so far, Admissions is on target with enrollment numbers. The class of 2023 hold a majority from Iowa and have increased the diversity of students,
 - 4,986 undergrads, 25.5 ACT, 3.76 HS GPA, 20% are identified belonging to an underrepresented minority group, 2,776 Iowa Residents, 22% 1st Generation college students, 1,849 Grad Prof students.
 - *Affordability and Accessibility- Commitment to Excellence*
 - The cost of college has shifted: who is paying for college has changed over time. Today students and their families pay the majority versus GEF through state appropriations.
 - The current debt levels show another picture- the current Iowa default rate is 2.7% while the national average (4 yr institutions) is 11%.
 - For Iowa to succeed over the next decade higher education needs to be properly funded.
 - The University of Iowa has a \$6.5 billion total impact for the State of Iowa.
 - *Becoming a Destination University*
 - Strategies for creating a destination university to attract high-ability students:
 - We will work to continue to strengthen partnerships with the community.
 - Provide opportunities after graduation such as guaranteed or preferential admission to graduate or professional school.
 - Develop a core set of recognized areas of excellence that provide a distinctive academic experience.
 - Offer high impact practices to all undergraduate students (internships, community service learning programs, research).
 - Training K-12 Teachers and Students.

- **Student Success**
 - *Student-Athlete Academic Services*
 - Gerdin Athletic Learning Center has state-of-the-art technology and study and computing spaces.
 - Hawkeye Life Program offers student-athletes educational opportunities beyond their athletic and academic responsibilities.
 - 90% departmental graduation success rate – 4th highest in the Big Ten.
 - *The Hawkeye First-Generation Initiative*
 - New program which aims to close the gaps between first-generation and continuing generation students by working to improve the first- to second-year retention and four-year graduation rates.
 - Creating a sense of belonging is key, as is providing engagement and mentoring opportunities.
 - Planning for roll out in summer 2020.
- **Building a Culture of Success and Appreciation**
 - Diversity, equity, and inclusion are fundamental to our pursuit of excellence in every area of our academic mission.
 - Recruitment and Retention of URM faculty/staff/students.
 - Professorships – to retain talented diverse faculty.
 - New Minority Postdoc Initiative: will create a small pool of new faculty members, which may assist in increasing the diversity of our faculty.
- **University of Iowa Strategic Plan – *Funding- Improving Outcomes for Students and Iowans***
 - Full implementation of the University of Iowa’s Strategic Plan will require additional resources
 - Total resources needed each year = \$33M per year.
 - \$11M per year: UI will generate through realignment, savings.
 - ~ \$7M (% increases vary): UI projects a portion of the strategic plan will be funded by resident and nonresident undergraduate, graduate, and professional students or an increase in appropriations above FY20 support.
 - ~ \$15M per year: UI will explore maximizing utilization of existing resources through the new P3 relationship.
- **University of Iowa – Utilities P3**
 - *Value Proposition:*
 - University of Iowa- Upfront resources to further investment in the quality of education and research for Iowans.
 - Operator/Investor- Steady long-term payment to Operator/Investor for 50 years (duration of the lease) and federal tax benefits.
 - *The Challenge: Maintaining Discipline:*
 - The beginning value in the P3 Endowment is ~\$999 million.
 - We must grow the P3 Endowment to fund all necessary cash flows over the 50 year term of agreement.
 - P3 Endowment must support at least \$3.03 billion in cash flow over 50 years.
 - *What does success look like? Implementation of the UI’s strategic plan which will:*
 - Keep students in school (retention)
 - Graduate in 4 years to decrease potential debt
 - Increase peer-reviewed research
 - Increase citations
 - Increase awards and National Academy Membership
 - Increase access to quality health care
 - Stimulate Iowa’s economic growth by:
 - Commercializing university technology
 - Increasing the workforce through increased graduation rates
 - World class utility system
 - Protecting choices for future UI leadership

- Coal-free by 2023
- Seamless transition of staff and operational responsibility
- New student learning experiences in energy management
- New sustainability research opportunities

P3 Update – Terry Johnson, Chief Financial Officer and Treasurer

- **University of Iowa – Current Utility System Structure**

- UI plant produces steam for heating and cooling and 25% of the electricity needed for campus (UIHC/Residence Halls/Athletics/Main Campus) and UI water treatment plant produces potable water for campus needs.
- Each Campus Unit Pays for its Share of Utility Consumption- Each segment of the UI pays for its consumption of steam, cooling, water, and electricity (~\$98 Million budget)
 - ~\$41 million for Fuel/Electricity/Purchased Services
 - ~\$23 million in Operations and Maintenance
 - ~\$34 million in Debt/Capital Expenditures

- **P3 Utility System Structure**

- ENGIE has extensive experience operating 350+ district energy systems worldwide, including the University of Maryland, The Ohio State University, and other education and healthcare systems and Meridiam is a long-term investor. Meridiam is an investor only, they have over \$7 billion invested in 9 countries around the globe.
- UI Energy Collaborative Holdings is the new holding company and UI Energy Collaborative will be the new operator name.
- This partnership....
 - is not a sale of university assets.
 - is not a strategy to eliminate jobs.
 - is not forgoing the UI's environmental responsibility.
 - is not forgoing the UI's research opportunities on alternative fuels.
 - is not a replacement for state appropriations.
- The Agreement-
 - Operating Agreement will contain special provisions for Key Performance Indicators (KPI) and a commitment to becoming coal-free.
 - The KPI's indicators are listed in the ~2,000 page contract. They include performance standards and if they fail to meet these standards there are financial penalties.
 - Lump sum payment from UI Energy Collaborative Holdings will be finalized at the financial close, within 90 days from the commercial close date of 12-10-19.
 - UI pays annual (50 years) fixed fee. Fixed fee set at \$35 million in years 1-5 and increases by 1.5% each year thereafter. UI pays for Operations and Maintenance (employees) and Capital improvements to the system.

- **Next Steps:**

- Lump sum payment to UI of \$1.165B
 - UI pays off existing utility bonds ~ \$153M
 - UI pays off consulting fees ~ \$13M
- Establish 501c3 and invest the net proceeds.
 - Goal is to provide the UI \$15M annually to support strategic plan implementation and to subsidize utility expenses to keep within historical trends.
- Utility Fee Composed of Three Parts:
 - Fixed Fee
 - Operations and Maintenance Costs: Employee salary and benefit costs; Materials and other contracts
 - Capital Expenditures: Principal repaid over 20 years; Interest assessed on unrecovered capital expenditures; rate repriced every 5 years
- New 501c3 Board:
 - Need to be disciplined from day 1 and monitoring the investment over 50 years
 - There will be a grant process to apply for funds:
 - Funds will be nonrecurring grants which are time limited (1-5 years).

- Ideas will come from campus and be vetted through the Path Forward Steering Committees, Path Forward Executive Committee, and the Budget Review Board.
 - Final process is still being reviewed and not in place at this point in time.
 - First round of funding may not be available until fiscal 2021.
- **Public slide deck from Board of Regents website:**
https://www.iowaregents.edu/media/cms/P3_Informational_Webinar_98EB668801FCD.pdf

Climate Resolution; Discussion and Vote – Mike Weaver

- **A Resolution in Support of the Declaration of a Climate Emergency**
 - Adapted from UISG-sponsored resolution approved at July 20, 2019 Association of Big Ten Students Summer Conference.
 - Approved at the October 1, 2019 meeting of The University of Iowa Presidential Sustainability Charter Committee.
 - Approved at the December 10, 2019 meeting by Faculty Senate.
- **Discussion:**
 - No questions or comments.
- **Call for vote:**
 - Heather Mineart motioned; Linda Varvel confirmed motion.
 - The vote passed with all in favor, 0 against, and 0 abstentions.

Meeting adjourned: Jim Verry motioned; Kevin Zihlman confirmed motion.

Next Meeting: January 8, 2:30-4:30 PM 2520D UCC