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


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- UIISC 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**
  o **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.
  o **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**
  o 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**
  o **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.
  o **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.
  o **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
  o 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.
  o 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)
    o ~$41 million for Fuel/Electricity/Purchased Services
    o ~$23 million in Operations and Maintenance
    o ~$34 million in Debt/Capital Expenditures

• P3 Utility System Structure
  o 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.
  o UI Energy Collaborative Holdings is the new holding company and UI Energy Collaborative will be the new operator name.
  o This partnership....
    o is not a sale of university assets.
    o is not a strategy to eliminate jobs.
    o is not forgoing the UI’s environmental responsibility.
    o is not forgoing the UI’s research opportunities on alternative fuels.
    o is not a replacement for state appropriations.
  o The Agreement-
    o Operating Agreement will contain special provisions for Key Performance Indicators (KPI) and a commitment to becoming coal-free.
    o 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.
    o 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.
    o 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:
  o Lump sum payment to UI of $1.165B
    o UI pays off existing utility bonds ~ $153M
    o UI pays off consulting fees ~ $13M
  o Establish 501c3 and invest the net proceeds.
    o Goal is to provide the UI $15M annually to support strategic plan implementation and to subsidize utility expenses to keep within historical trends.
  o Utility Fee Composed of Three Parts:
    o Fixed Fee
    o Operations and Maintenance Costs: Employee salary and benefit costs; Materials and other contracts
    o Capital Expenditures: Principal repaid over 20 years; Interest assessed on unrecovered capital expenditures; rate repriced every 5 years
  o New 501c3 Board:
    o Need to be disciplined from day 1 and monitoring the investment over 50 years
    o 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