
LEGAL UPDATE

Legal Services Division



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REGENTS UNIVERSITIES STUDY COMMITTEE MEETING — DECEMBER 6, 2021 HOUSE-ONLY INFORMATIONAL MEETING

Purpose. *Legal updates are prepared by the nonpartisan Legal Services Division of the Legislative Services Agency. A legal update is intended to provide legislators, legislative staff, and other persons interested in legislative matters with summaries of recent meetings, court decisions, Attorney General Opinions, regulatory actions, federal actions, and other occurrences of a legal nature that may be pertinent to the General Assembly's consideration of a topic. Although an update may identify issues for consideration by the General Assembly, it should not be interpreted as advocating any particular course of action.*

Overview. The Legislative Council approved the appointment of a Regents Universities Study Committee during the 2021 Legislative Interim. The committee is required to examine the administrative costs, staffing levels, and allocation of staff at the institutions of higher learning governed by the State Board of Regents (BOR), as well as graduation and student retention rates for each academic program at each such institution. The committee must submit a report to the General Assembly by December 15, 2021.

Procedural Business. Co-Chairperson Gary M. Mohr convened a House members-only informational meeting to order at 11 a.m. in Room 102 of the State Capitol Building. Representative Mohr noted the questions listed on the meeting agenda came from House caucus members and from constituents. The meeting adjourned at 1:40 p.m.

Panelists, State Board of Regents Members, and Board Office and State University Staff. Dr. Mark Nook, President, University of Northern Iowa (UNI); Dr. Wendy Wintersteen, President, Iowa State University (ISU); and Dr. Barbara J. Wilson, President, University of Iowa (SUI); served on each of the three panels established to respond to House members' questions and to participate in discussions involving financial, administrative, and staffing issues, and the future of Iowa's public universities. Also invited to respond to questions were Dr. Michael Richards, President of the BOR; Dr. David Barker, BOR member; Dr. Mark Braun, Executive Director, BOR; Mr. Brad Berg, Chief Business Officer, BOR; Dr. Jonathan Wickert, Senior Vice President and Provost, ISU; Dr. Kevin Kregel, Executive Vice President and Provost, SUI; Mr. Rod Lehnertz, Senior Vice President of Finance and Operations, SUI; Mr. Terry Johnson, Chief Financial Officer, SUI; and Ms. Pam Cain, Senior Vice President for Operations and Finance, ISU.

Financial Issues and Topics: The process used to determine tuition levels for in-state and out-of-state students; regional and national rankings of BOR universities and how state appropriations may affect the rankings; the gap between UNI tuition rates and ISU and SUI's tuition rates; cash balances, reserve funds, capital project expenditures, current and needed costs of operations, and funding for unexpected events, like COVID-19 and flooding, all of which are items approved by the BOR; how the state's appropriation is used by and distributed to the state universities; the success of foundation fundraising and the purposes for which foundation moneys are dedicated by donors; comparing Iowa's university endowments with that of peer institutions; the justification for FY2021-2022 status quo state funding for the universities based on the amount of federal COVID-19 moneys received for the fiscal year, and the exhaustion of such moneys; the level of state appropriations and the impact and expenditure of federal COVID-19 moneys; the need to increase and expand state funding for student financial assistance programs, including need-based aid and concurrent enrollment; universities' budgets and student debt loads; collaboration and communication between the universities and business and industry; the continuing need for high-quality online in addition to in-person classes; the university balance sheets, which meet national accounting standards and Governmental Accounting Standards Board financial reporting requirements; foreign espionage, theft of intellectual property, and cooperation with the FBI; policies to reward faculty who achieve patents and benchmarking those rewards against those of peer institutions to remain competitive; ISU's rank on a top 100 national ranking for patents, the

possible reasons SUI is not on the list, and potential remedies to place SUI on the list; current and future public/private partnerships, especially the utilities-related lease/service agreement entered into by SUI and how it benefits the university's students; priority for tuition relief; and loans the universities made last year to their athletic departments, including who authorized the loans, where the moneys came from, and how and when they will be repaid.

Administrative/Staffing Issues and Topics: The reasons behind recent increases in faculty hires and the changes to the student-to-faculty ratios; how the state universities' student/faculty/administrator ratios compare with the ratios at peer institutions; employment decisions and salary models, including whether to hire full-time or part-time faculty and whether the numbers of tenured faculty positions are increasing or decreasing; update on free speech training and module, the free speech survey, and the permanent establishment of a free speech committee by the BOR; and diversity, equity, and inclusion programs and the business community's support for such programs.

The Future of Iowa's Public Universities Issues and Topics: The establishment of a task force on online education by the BOR, greater focus on student needs and interests and aligning those needs and interests with the state's needs and interests, making education accessible and affordable while maintaining high quality, establishing more partnerships, making a lifelong commitment to students beyond the 18-22 age range, partnering with the state to strengthen workforce development, advancing medical research to achieve cures, and creating opportunities for economic growth through university research, research parks, and patents.

Information Requested. House members requested the following from the BOR and the universities:

- A list of the financial institutions holding university reserve and balance funds.
- A breakdown showing how the state's appropriations are used by and distributed to the state universities.
- Information regarding federal grant conditions and restrictions, contracts, and intellectual property rights and whether such federal contracts require that a portion of intellectual property revenues go to faculty.
- Analysis of the possible reasons SUI is not among the institutions in the top 100 national ranking for patents and a coordinated response regarding the potential remedies to get SUI on the list.
- A list of the student support activities funded by moneys received under the lease/service agreement with ENGIE North America and Meridiam.

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