

---

## FISCAL UPDATE Article

Fiscal Services Division

June 7, 2019



---

Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

### BOARD OF REGENTS MEETING — JUNE 2019

**Meeting.** The Board of Regents met on June 6, 2019, at Iowa State University. Following are highlights from the meeting:

**University of Iowa Utilities P3 Agreement.** As part of his report on the University of Iowa (UI) strategic plan, President Bruce Harreld discussed the UI's consideration of a public-private partnership (P3) agreement to manage campus utilities. He assured the Regents that if the UI goes forward with such an agreement, the University will still own the utility system, including the power plant, the water treatment facility, the chilled water system, and the distribution tunnels under the campus.

President Harreld explained that under a P3 agreement, the UI would receive an upfront payment that would be placed in an endowment. Only the proceeds from the endowment would be used to fund UI's long-term strategic plan. The prospective partner in the agreement would receive a steady financial return for managing the system and would accrue tax benefits that the UI is not eligible for as a public nonprofit entity.

President Harreld also explained that under a P3 agreement, if an employee chooses not to work for the partner, the employee will have the option to continue employment with the UI. He also assured the Board that the UI will continue its commitment to being coal-free by 2025.

If the UI decides to move ahead with the P3 agreement, the timeline calls for issuance of a Request for Proposals by September 2019, with selection of the winning bid and finalization of the contract by the end of December 2019. The first allocation of resources would occur in FY 2021.

**FY 2020 Tuition and Fees.** The Board approved FY 2020 tuition and mandatory student fees, as well as the allocation of the fees, as recommended at the April meeting and outlined in an earlier [Fiscal Update article](#). The Board also approved common and program-specific fees as recommended at the April meeting.

**Compensation for Institutional Heads and Executive Director.** The Board approved the following compensation changes:

Superintendent Steve Gettel, Iowa School for the Deaf and Iowa Educational Services for the Blind and Visually Impaired:

- A 2.1% increase in base salary for FY 2020.
- Award of \$20,000 in performance incentive for FY 2019.
- Establishment of a new performance incentive of \$20,000 for FY 2020.

Executive Director Mark Braun, Board of Regents:

- Extension of employment agreement through June 30, 2024.
- Award of \$35,000 in performance incentive for FY 2019.
- Establishment of a new performance incentive of \$60,000 for FY 2020.
- Establishment of a new deferred compensation plan effective July 1, 2019, through June 30, 2021, with annual contributions of \$75,000.

President Wendy Wintersteen, Iowa State University:

- Extension of employment agreement through June 30, 2023.
- Extension of 2017 deferred compensation plan through June 30, 2023, with additional contributions of \$200,000 annually from November 1, 2020, through June 30, 2023.

President Bruce Harreld, University of Iowa:

- Extension of employment agreement through June 30, 2023.
- Extension of 2015 deferred compensation plan through June 30, 2023, with the following additional contributions:
  - An increase of \$200,000 annually from July 1, 2019, through October 31, 2020.
  - \$400,000 annually from November 1, 2020, through June 30, 2023.

President Mark Nook, University of Northern Iowa:

- Extension of employment agreement through June 30, 2025, with an option to renew for two additional years through June 30, 2027.
- Extension of 2018 deferred compensation plan through June 30, 2025, with the following additional contributions:
  - An increase of \$25,000 from July 1, 2019, through June 30, 2020.
  - \$100,000 annually from July 1, 2020, through June 30, 2025.

**Next Meeting.** The next meeting of the Board of Regents will be a telephonic meeting from the Board of Regents office in Urbandale, Iowa.

**More Information.** The meeting agenda and docket items can be found on the Board of Regents website [here](#).

LSA Staff Contact: Robin Madison (515.281.5270) [robin.madison@legis.iowa.gov](mailto:robin.madison@legis.iowa.gov)

1050137