

FACULTY COUNCIL
Tuesday, January 26, 2021
3:30 – 5:15 pm
Zoom

MINUTES

Councilors Present: D. Andersen, C. Bradley, N. Brogden, J. Buckley, M. Cunningham-Ford, L. Erdahl, A. Gerke, L. Glass, B. Janssen, L. Joseph, M. Kivlighan, A. Merryman, N. Nisly, M. Pizzimenti, G. Russell, T. Treat.

Officers Present: T. Marshall, A. Rodriguez-Rodriguez, J. Yockey.

Councilors Excused: None.

Councilors Absent: C. Sheerin.

Guests: M. Biger (Sustainability Charter Committee), A. Chaves (Westchester/Nuveen), M. Davies (Westchester/Nuveen), J. Garfinkel (Funded Retirement and Insurance Committee and Retirement Fund Investment Committee), L. Geist (Provost's Office), E. Gillan (Faculty Policies and Compensation Committee), L. Graham (Anthropology), E. Hildebrandt (*Daily Iowan*), E. Irish (Sustainability Charter Committee), D. Johnsen (Dentistry), M. Khandelwal (Anthropology), M. Lukas (General Counsel's Office), B. Noel (TIAA), J. Troester (University Human Resources and Retirement Fund Investment Committee), C. Wanat (Emeritus Faculty Council), D. Witt (Faculty Policies and Compensation Committee), L. Zaper (Faculty Senate Office).

I. Call to Order – President Yockey called the meeting to order at 3:30 pm.

II. Approvals

- A. Meeting Agenda – Professor Treat moved and Vice President Marshall seconded that the agenda be approved. The motion carried unanimously.
- B. Faculty Council Minutes (November 17, 2020) – Professor Buckley moved and Professor Russell seconded that the minutes be approved. The motion carried unanimously.
- C. Draft Faculty Senate Agenda (February 9, 2021) – Professor Janssen moved and Professor Glass seconded that the draft agenda be approved. The motion carried unanimously.
- D. Committee Appointments (Teresa Marshall, Chair, Committee on Committees)
 - *None at this time*

III. New Business

- *Central Academic Review Policy Revisions (Ed Gillan and Doris Witt, Faculty Policies and Compensation Committee Co-chairs; Lois Geist, Associate Provost for Faculty)*

Associate Provost for Faculty Lois Geist indicated that the Central Academic Review Policy (Operations Manual II, Chapter 28, <https://opsmanual.uiowa.edu/community-policies/academic-review>) is a procedure-focused policy that explains the review process for departments, programs, colleges, departmental executive officers, deans, and central administrative officers. Although the policy describes timing, content, frequency, and process for these reviews, detailed instructions for carrying out the reviews reside on the Provost's Office website. Departmental and programmatic reviews are overseen by the Associate Provost for Undergraduate Education. Collegiate and decanal reviews, along with reviews of other central units, such as the libraries and the art museum, are overseen by the Associate Provost for Faculty. Reviews are mandated by the Board of Regents, State of Iowa, which receives reports from reviews of degree-granting units.

Summarizing revisions to the Central Academic Review Policy, last updated eleven years ago, Associate Provost Geist commented that numerous redundancies were eliminated and that the policy was streamlined, so that a timely process can be delivered to the units and individuals reviewed. Additionally, the review process was realigned to meet current needs and to bring policy in line with current practice. Some sections of the current policy were transferred to a guidance document housed on the Provost's Office website; the revision process for documents housed here is much simpler and faster than for Operations Manual policies. As an example of a transferred section, Associate Provost Geist cited the questions that are required to appear on a survey assessing performance during a decanal review. Housing these questions in a guidance document would allow for timely updates to the survey questions as necessary. Concluding her remarks, Associate Provost Geist noted that colleges will be expected to formulate or update their processes for reviewing their departments and programs. She has asked the collegiate associate deans for faculty to begin work on their process documents.

Professor Gillan commented that the Faculty Policies and Compensation Committee (FPCC) had received the draft revised Central Academic Review Policy from the Provost's Office in the late fall. Over the course of about three meetings, the committee members considered these revisions and sought responses to their questions and concerns from the Provost's Office. Professor Gillan observed that the current version appears to have been created in the early 1980's, with newer sections added in later. This led to some redundancy throughout the policy. The revised policy is a clearer and cleaner document. The revision process did not make any significant changes to faculty involvement in collegiate and departmental reviews. Professor Gillan expressed satisfaction with the revised policy, including with the placement of more detailed instructions regarding implementation on the Provost's Office website.

President Yockey thanked Professors Gillan and Witt, along with all the members of the FPCC, for their extensive work on the revised policy. He also thanked Associate Provost Geist and Deputy General Counsel Maria Lukas for engaging with the committee on questions and issues raised by committee members. He added that the Faculty Senate officers are comfortable

with the revised policy and believe it will contribute to enhanced efficiency and transparency of the central academic review process.

Vice President Marshall moved and Secretary Rodriguez-Rodriguez seconded that the revised Central Academic Review Policy be approved. The motion carried unanimously.

- *Presidential Search Update (Joe Yockey)*

President Yockey reminded the group that the university has established a website for the presidential search, <https://presidentsearch.uiowa.edu/>. The position description is posted. The application and nomination portal, <https://www.agbsearch.com/searches/president-university-of-iowa>, went live on January 13 and will remain open until March 15. AGB Search, the firm assisting UI with the search, has reported that some nominations have already come in. AGB is pleased with the level of interest in the search and with the nominations that have come in so far. President Yockey encouraged councilors to submit nominations.

Professor Glass, who also serves as president of the UI Chapter of the American Association of University Professors (AAUP), commented that local AAUP members had noticed that the position description implied that the *ideal* candidate would possess the characteristics listed, leading them to conclude that there are no firm requirements for candidates. He expressed concern that the phrasing of the position description allows for and perhaps even anticipates exceptions to the criteria. President Yockey responded that his understanding of the rationale for this wording was that AGB had suggested that this was the best phrasing to attract the broadest possible pool of candidates, while still recognizing that these are the characteristics sought by the search committee and that any candidate not possessing a critical concentration of those factors would not receive the support of the search committee. He indicated his confidence that, given the values expressed by the committee members and by the search firm, these are the criteria that will be guiding evaluation of the candidates. Vice President Marshall noted that the search committee meetings during which the criteria were discussed were recorded and posted on the search website. She added that it is unlikely that we will find a candidate who possesses all of the criteria.

Professor Erdahl asked whether a contractual agreement exists with AGB regarding ensuring diverse candidates within the pool. President Yockey indicated that he did not know of the existence of a specific provision within the contract, but that a commitment has been made by the search firm to seek diverse candidates. He added that search committee members have emphasized at each meeting the need to attract a diverse pool of candidates. He will look into contract specifics concerning diversity.

- *President's Report (Joe Yockey)*

Regarding the ongoing COVID-19 pandemic, President Yockey commented that, as far as the vaccine rollout is concerned, the Board of Regents, State of Iowa; the Iowa Association of Colleges and Universities; the Iowa Association of Community College Trustees; and the Iowa Department of Education have all co-signed a letter yesterday to the Iowa Department of Public Health recommending that faculty in post-secondary institutions be added to the Phase 1B vaccine rollout. Professor Buckley asked if this letter specified which tier of Phase 1B that college

and university faculty be placed in. President Yockey and Joni Troester, Senior Assistant Vice President & Deputy Chief Human Relations Officer, responded that it was most likely in the first tier of Phase 1B, along with PreK-12 teachers. President Yockey added that he would forward the letter to councilors for their reference.

Professor Nisly commented that she and her health care colleagues have been inundated with questions from patients, faculty, staff, and students about obtaining the vaccine. While she appreciated the most recent messaging about the vaccine, she suggested that future information be given a higher visibility. Ms. Troester commented that she and Campus Health Officer Dan Fick are co-chairing a vaccine distribution work group charged with integrating the main campus and health campus distribution plans. Vaccine updates are provided three times per week in the daily COVID-19 Campus Updates. A dedicated website is also being created. With the state's release of the 1B guidelines to take effect on February 1, many questions have arisen regarding eligibility for the vaccine. Some additional communication will be rolled out this week to address those questions. Professor Nisly urged that this communication take forms that are short and succinct for maximum effectiveness.

President Yockey continued his report, noting that the nomination phase of the 2021 Faculty Senate elections is underway and will remain open until January 29. Participating colleges this year are Business, Law, Medicine, and Public Health. President Yockey encouraged Councilors in those colleges to submit nominations. Later this week, the call for nominations for the Michael J. Brody Award for Faculty Excellence in Service to the University and the State of Iowa will come out. The deadline to submit nominations is March 5. The Provost's Office is currently seeking nominations for the Lola Lopes Award for Undergraduate Student Advocacy. The nomination period for this award will remain open until February 26.

- *Farmland Investments: TIAA/Nuveen/Westchester Representatives*

Ms. Troester explained that, in her role as Senior Assistant Vice President in University Human Resources, one of the areas she oversees is benefits, including retirement plans. In response to concerns raised at an earlier Council meeting about TIAA's farmland investments in Brazil, representatives from TIAA and its investment partners, Nuveen and Westchester Group Investment Management, had agreed to speak to the Council today. She introduced Martin Davies, president and CEO of Westchester Group Investment Management, and Andre Chaves, the sustainability director at Westchester Group Investment Management. Mr. Chaves manages, develops, and implements social and environmental impact metrics to engage with the community and communicate with stakeholders and clients to look at greater transparency and accountability for farmland investments. Also joining the group was Brock Noel, a long-standing managing director at TIAA, who has worked with the university for over 15 years.

Mr. Davies began the presentation with a series of slides. He explained that Westchester Group Investment Management is part of the Nuveen investment management platform. Westchester has been in existence since 1986 and was acquired by TIAA in 2010. Westchester has been investing in farmland in the United States since it began and in farmland globally since 2007. Westchester now invests in seven countries, with a significant portion of that investment in the United States. Westchester strives to diversify its holdings by country, crop type, water source, and asset operation. This gives investment portfolios a hedge against inherent risks in

the agricultural sector. Westchester has 125 employees, who are all embedded in the agricultural sector. Mr. Davies noted that agriculture is a local business that only works when connections are maintained with the local agricultural community, no matter what country. Westchester manages 2.2 million acres across the seven countries in which it operates.

Turning to long-term farmland value drivers, Mr. Davies explained that agriculture is an industry in which 1 in 3 members of the global workforce is employed. We are experiencing an increase in global population along with a decline in available land. People also have more discerning diets. Today, 35% of the global population consumes less than 2500 calories daily; the Food and Agriculture Organization (FAO) of the United Nations predicts that this percentage will drop to less than 5% of the global population by 2050. Agricultural production needs to double between now and 2050, against the significantly declining availability of land. Farmland productivity is becoming increasingly important in underpinning returns in farmland and agricultural investments. Technology has also had a significant impact on agricultural investment returns. Because farmland is producing necessities of life, there is an inelasticity of demand, leading to low volatility in returns compared to other asset classes. Looking at records going back to 1966, U.S. Department of Agriculture data suggest that the total return from farmland is 11%, with 6% from income and 5% from capital growth. Also attractive from an investment point of view are the correlation characteristics. Farmland is strongly correlated to inflation and shows negative correlations to traditional asset classes. While there has been a significant downturn in the economy during the past twelve months, farmland has demonstrated durability and resilience. Data from the National Council of Real Estate Investment Fiduciaries index indicate that returns from farmland have been strong compared to returns from other asset classes over the past 20 years, including during the downturns from the tech bubble in the early 2000's and the financial crisis of 2007-08.

Turning to the impact of agricultural technologies, Mr. Davies noted that agriculture has experienced a data revolution recently. Technologies such as remote sensors and satellite imagery have had an enormous impact on the sector, leading to greatly enhanced efficiency in conversion of inputs into outputs. Mr. Davies then explained that structural changes in agriculture require significant outside investment. The farming population throughout the world is aging. For example, in 2018, 32% of farm managers in the EU were 65 or older. A generational transfer of agricultural assets is underway, resulting in much farmland coming onto the market. In this environment, entrepreneurial family businesses are expanding their footprints, through leasing additional land and investing in technology. Family-sized businesses are critical to all locations in which Westchester operates. The World Bank estimates that the worldwide agricultural sector requires \$80 billion of capital annually. Statistics from the FAO indicate that \$350 billion is needed in the agricultural and food sector to transform it into sustainable food production systems every year for the next ten years. Institutional capital can provide this needed investment. In the U.S., Westchester manages 270,000 acres of row crops across different states. It has about 155 tenants; all but three of these tenants are family businesses (the other three are corporate businesses).

Regarding climate change, Mr. Davies commented that the Paris Climate Accords call for a reduction of agriculture's global footprint from 12 gigatons to 4 gigatons by 2050. Agriculture has been criticized for its footprint, but there is a realization now that with a regenerative

approach to agriculture, farming and timber are the most natural, scalable ways to take carbon dioxide out of the atmosphere. About 40% of the earth's surface is used for food production. Research suggests that 1- 1.8 tons per acre of carbon dioxide can be taken out of the atmosphere and sequestered in soil on an annual basis in a regenerative cropping system. Also, biofuels have a significant impact on the environment. Brazil has benefitted significantly in vehicle emission reduction with ethanol from sugar cane. Summarizing some points related to the role of institutional capital in farmland ownership, Mr. Davies commented that it is a source of capital that the sector needs. It facilitates the separation of operating businesses and capital, allowing family farms to expand. It is a relatively untapped sector from the investment perspective and does need structural change. Investing in agriculture and its associated technologies will be important in capitalizing on what agriculture can do to combat climate change.

Westchester has five key parts to its approach to sustainability and to incorporating environmental, social, and governance (ESG) factors into its operations. The first of these parts is policy and processes. Westchester is a founding member of the United Nations Principles for Responsible Investment in Farmland and has reported against those principles on an annual basis. Westchester practices proactive community engagement, partners with non-governmental organizations and is affiliated with the TIAA Center for Farmland Research at the University of Illinois. It has sponsored the Nuffield Farming Scholarships, to support young people with an interest in agricultural careers. The company practices independent validation, through annual ESG and sustainability audits on properties and through third party crop certifications. Transparency and reporting are important company practices. Regarding measurement and monitoring, continuous improvement is prioritized. Westchester is implementing a new sustainability key performance indicator framework to determine quantitative metrics to understand the impact on the land of current farming practices.

Mr. Chaves continued the presentation, describing pre- and post-acquisition procedures for farmland. Among the pre-acquisition procedures are reliance on local sources of knowledge, third-party environmental site assessment, and zero deforestation policy. Post-acquisition procedures include annual site visits and inspection, satellite monitoring, and key performance indicators, among other practices. Mr. Chaves referred to three sources upon which Westchester's approach to farmland investment is based. These include the United Nations Principles for Responsible Investment in Farmland (referred to earlier by Mr. Davies), a code of conduct against which an annual audit of farmland operations in Brazil is carried out, and specific policies, such as the zero deforestation policy, which prohibits Westchester from acquiring land in Brazil that has been deforested after a certain date (each region has a different date). Westchester proactively engages with stakeholders, Mr. Chaves commented, including numerous non-governmental organizations (NGO's). Westchester helped to foster the Leading Harvest organization, which will provide standards and certification programs for universal application to improve sustainability outcomes and create transparency. Rather than being crop-specific, the organization will attest to the responsibility of asset managers.

Mr. Chaves then displayed a chart of third-party certifications, which verify the responsible practices employed on Westchester's farmland properties. These certifications are awarded based on crop and country. He commented that Westchester is committed to transparency in communicating ESG and sustainability progress. Each year an interactive map is created to

show the location of Westchester's land holdings and crop types. Annual reports are produced, as well. An in-house initiative is the measurement benchmarking and monitoring framework, established to provide data on farmland properties, including such aspects as soil and water health, agricultural chemicals, etc. Commenting specifically on Westchester investments in Brazil, Mr. Chaves noted that farmland assets are acquired with a long-term, often 20-year time horizon. Only 1% of the portfolio has been sold since Westchester began operating in Brazil. The land held in the Cerrado region of Brazil was converted to farmland approximately 25 years ago; this is consistent with Westchester's zero deforestation policy, which seeks to discourage deforestation. Mr. Chaves indicated that land change use and deforestation are responsible for 15-18% of greenhouse gas emissions in global food production systems, which in turn account for 25% of total global emissions. To combat climate change and lower greenhouse gas emissions, the first step should be stopping deforestation. Westchester has been conducting ESG audits since 2015 in all regions where it operates in Brazil, Mr. Chaves continued. Among other findings from this year's assessment, zero instances of child or bonded labor were discovered. Also, 100% of tenants adhere to conservation practices.

President Yockey reminded the group that Councilors began looking into this issue at the November meeting. Questions that Councilors had at that time led to the invitation extended to Westchester and TIAA representatives to speak today. The conversation will continue at the March meeting, when Ms. Troester will offer the employer perspective. The Sustainability Charter Committee will also be invited to bring speakers to that meeting, if they choose. President Yockey then opened the floor to questions from Councilors.

Professor Nisly, who indicated that she is from Brazil and that her sister owns farmland near the TIAA holdings, commented that she has read a report jointly produced by the Association of Lawyers of Rural Workers, Rede Social, and GRAIN. This report discussed the land holdings of the Harvard University endowment fund and TIAA in a large savanna area of Brazil called the Cerrado. The unique, biodiverse Cerrado is burning at a rate over 50% faster than the Amazon, Professor Nisly commented, adding that she found several aspects of this report concerning. She noted that the Brazilian Federal Agency of Land Reform and Management, INCRA, reviewed the acquisition of lands both by Harvard and by TIAA. INCRA determined that the acquisition of the land, thousands of hectares, violated Brazilian laws regulating land acquisitions by foreign institutions. This determination was made even though TIAA partnered with local agents to acquire its land. INCRA further determined that these land sales were invalid. A local judge also declared that the land acquisitions violated Brazilian law. Furthermore, an investigation discovered practices of land grabbing, in which land was acquired in unethical ways, for example, through falsified titles. Some of this unethically-acquired land was obtained from native Brazilian communities that have legal claims to this land and have entered into litigation to retain their land. Professor Nisly pointed out that U.S. media outlets such as Bloomberg have concluded that TIAA could lose investment money if its land purchases are judged to be invalid by the Brazilian government.

Mr. Davies acknowledged that there is an ongoing investigation by INCRA of land acquisitions, but indicated that the investigation relates to the ownership structure of Cosan, a local partner for international investors such as TIAA. Cosan is a Brazilian company that produces bioethanol, sugar, and energy. He explained that Cosan controls the local entities that

own the land. The investigation is not related to the background structure of TIAA. The investigation has not concluded yet and TIAA is cooperating with INCRA and with Cosan to resolve the situation. The controlling shareholder of Cosan is a Brazilian national, therefore putting the company in compliance with Brazilian laws regarding land ownership. Professor Nisly also expressed concern about reports, accompanied by satellite photographs, in various media outlets on deforestation and burning taking place on TIAA landholdings in Brazil. Mr. Davies responded that TIAA and other investors have also raised questions about these reports. He offered to provide maps and other data from TIAA indicating that the burning shown in the photographs is not taking place on TIAA landholdings. Mr. Chaves added that in the dry season, unintentional fires can simply occur. There may also be incidents in which an individual purposely sets a fire. However, he explained, TIAA is not engaged in deforestation on its lands.

Professor Janssen referred back to earlier comments on the stability of farmland values over the past two decades, thereby providing a safe investment option, and on the expansion of farms as a result of investment. Since the amount of farmland is not increasing, however, expansion can only occur when landowners lease additional land and become tenants. She questioned how this situation could be advantageous for farmers. Professor Janssen further noted that Iowa has laws prohibiting ownership of land by entities such as TIAA. Regions that do allow external land ownership have seen fewer sustainability practices and fewer economic returns for local people. Mr. Davies responded that Westchester holds about 45,000 acres across Illinois, Ohio, and Indiana. These acres are leased to family farming businesses. All of these farmers own their core land, which was settled by their families at some point in time. Over the past ten years, these farmers have significantly expanded the size of their businesses. It is not always possible or desirable for them to purchase enough land to meet their expansion goals, so they turn to leasing, from another private owner or from an institutional owner. Mr. Davies added that data show that the dynamics of the agricultural sector in Illinois, for example, are not significantly different from those in Iowa. Given the enormous cost of new agricultural machinery, along with the costs of new technology, a farm business needs to have a certain scale in order to justify the purchase of such equipment. Farmers can attain that scale through leasing additional land. Generational change also plays a role. Young people do not always want to continue the family tradition of farming, so farmland then comes onto the market. Some of it is purchased by other family farmers, but as mentioned earlier, family farmers do not necessarily want to own all the land that they farm. This extra land then becomes available for purchase by institutional buyers. In other sectors, Mr. Davies pointed out, owning the premises is not necessary for growing one's business.

Professor Janssen commented that many young people do want to farm, but they cannot do so if there are already large-scale farms expanding in rural communities. This contributes to rural depopulation, as well. Mr. Davies reiterated Westchester's support of young people interested in farming careers through the Nuffield Farming Scholarships. He added that there are supply chain, food retail, and food processing sector consolidation issues that impact consolidation in agriculture, but TIAA cannot do anything about these issues. Institutional ownership, done in a thoughtful way, can provide opportunities for businesses to expand by providing capital for grain storage, irrigation equipment, etc.

President Yockey requested that Councilors send any additional questions to him, so that he could relay them to today's speakers after the meeting. He indicated that he would pass on to Councilors any follow-up material sent to him by the TIAA and Nuveen/Westchester representatives.

IV. From the Floor – There were no items from the floor.

V. Executive Session

- Regents Award for Faculty Excellence recipients
- Potential Policy Proposals and Possible Faculty Survey

Professor Pizzimenti moved and Professor Bradley seconded that the Council move into executive session. The motion carried unanimously.

President Yockey announced the recipients of the 2021 Regents Award for Faculty Excellence. The names will be publicly announced at the February 9 Faculty Senate meeting.

Councilors then discussed some potential faculty-related policy proposals that may come before them in the next few months. They also discussed whether a survey of faculty was desirable at this time.

Professor Treat moved and Professor Janssen seconded that the Council move out of executive session. The motion carried unanimously.

VI. Announcements

- The next Faculty Senate meeting will be Tuesday, February 9, 3:30 – 5:15 pm, via Zoom.
- The next Faculty Council meeting will be Tuesday, March 9, 3:30-5:15 pm, via Zoom.

VII. Adjournment – Professor Bradley moved and Professor Janssen seconded that the meeting be adjourned. The motion carried unanimously. President Yockey adjourned the meeting at 5:20 pm.