QUARTERLY BUSINESS OFFICERS MEETING
JUNE 2021
TODAY’S AGENDA

I. Cyber Threat Briefing – Shari Lewison

II. Cyber Liability Insurance Policy – Josey Bathke

III. Future of Work@Iowa Update – Cheryl Reardon & Lois Geist

IV. Person-to-Person Payment Policy and Introduction of Central E-Commerce for Campus – Sara Jedlicka

V. Facilities Reinvestment & Capital Renewal – Andrea Morrow
Cybersecurity Threat Briefing

Quarterly Budget Officers – Summer 2021
June 17, 2021

Shari Lewison, Director, Information Security
Background: Threat Briefing

What we will discuss today
- CISA CERT Bulletin 10/28/2020
- White House Memo 06/02/2021

Peer Institution Case Study
- University of Nebraska Medical Center

University of Iowa Security Strategies
- Initiatives
- Investment
Bulletins and Memos

• Bulletins and Memos: New Normal
  • CISA CERT Bulletin 10/28/2020
  • White House Memo 06/02/2021

• Timeline and escalation in the past 6 months

• FireEye and SolarWinds Cyberattacks
  • The result of the initiative to tear down ransomware infrastructure
  • The implications: escalating attacks
  • **White House Memo
Peer Example: UNMC

Peer Institution Case Study

- University of Nebraska Medical Center Cybersecurity Event
- September 20, 2020
  - Complete Data Center shut down with 60 minutes
  - All applications and networks
  - All patient systems were offline for 4 weeks
  - 30% of systems were still offline at 8 weeks
  - Pre-incident budget $500k-$750k; next year’s budget $5M-$6M
  - CapEx increase by 6x  OpEx increased by 75%
  - Staffing increased by 120%
- October 28, 2020
  - Indicators of compromise released by CISA/FBI/HHS were the same as the IOCs from UNMC
- June 8, 2021
  - Federal Judge awarded a class action lawsuit settlement to 219,000 plaintiffs
UIowa Security Initiatives

What we have done recently
- 2019 BRB investment directed towards security
- Mandiant Retainer for Cybersecurity Incident
- ProCircular Retainer for Digital Forensics and Disaster Recovery
- Cyberliability Insurance

FY2022-FY2024 Four Key Areas to Manage Risk
- Disaster Recovery
- Enhanced Internal and External Security Protection
- Automation, Efficiency, and Customer Service
- Meeting Regulatory and Compliance Expectations
UIowa Security Investments

Total Ongoing Project Costs: $2.058 Million - $3.148 Million

• Starting in FY22 - $1,078K - 1,468K
• Starting in FY23 - $730K – 1,280K
• Starting in FY24 - $250K - 400K

Why the significant range?

• Some projects are well defined at this point but others are still in an early phase. Early phase projects have wider ranges as we have not yet done all of the work to determine the final technology solutions or costs of mitigation.
The White House Memo

Ransomware Activity Targeting the Healthcare & Public Health
Thank You
CYBER LIABILITY INSURANCE POLICY

JOSEY BATHKE, CHIEF RISK OFFICER, RISK MANAGEMENT, INSURANCE AND LOSS PREVENTION
Any major cyber event will result in:
- Public relations, response, and continuity costs
- Immediate and extended revenue loss
- Restoration expenses
- Defense costs

Third parties will seek to recover:
- Civil penalties and awards
- Consequential revenue loss
- Restoration expenses

Physical damage is possible:
- Property damage
- Bodily injury

Physical damage may cascade to others:
- 3rd party property damage
- 3rd party bodily injury
CYBER LIABILITY INSURANCE COVERAGE OVERVIEW

Operational Risk
- Network Business Interruption
- System Failure
- Dependent Business Interruption/System Failure
- Cyber Extortion
- Digital Asset Restoration

Privacy and Network Security Risk
- Privacy and Network Security Liability
- Privacy Regulatory Fines and Penalties
- Media Liability
- PCI Fines and Penalties
- Breach Event Expenses
FUTURE OF WORK@IOWA UPDATE

CHERYL REARDON, CHIEF HR OFFICER & ASSOCIATE VICE PRESIDENT
LOIS GEIST, ASSOCIATE PROVOST
Reimagining how and where University of Iowa employees work after COVID-19
Future of Work - Estimated Timeline

Kick-Off
- Nov 2020

Preliminary Guidelines
- Pre-planning Phase
- Campus Input

Final Recommendations
- March 2021

Implementation
- June/July 2021

Fall Semester
- Aug. 2021

Pilot
- Fall 2021

Evaluation Of Pilot
- March 2022
Will help the university compete for talent and satisfy employee calls for more options.

May yield space-management and cost-saving benefits by reducing demand for on-site space.

Savings may be redirected to student-facing programs; competitiveness may attract more world-class teachers and researchers and talented staff.

Flexibility may help some university employees stay in their Iowa hometowns.
Many university jobs require on-campus work.

- Teaching
- Health care
- Positions with in-person interaction

Enable a successful return to in-person teaching starting in Fall 2021

- Ensure excellent experience for students
- Support for faculty and instructors
- Research support
- Retain virtual options where appropriate but expect mostly in person
THEMES

- Adopt Common Framework for:
  - Consistent, fair and transparent process
  - Consistent local-level decision making
  - Business rationale for remote/hybrid work

- Establish and update policies and practices for work arrangements
  - Operations manual – HR policies
  - Security/data
  - University managed IT equipment

- Develop resources and guidance for supervisors and leaders
  - Training and resources
  - Managing and evaluating performance
  - Guidance for virtual meetings
THEMES

- Process Improvement by formalizing work arrangements through workflow application
  - Out of state/out of country work
  - Work modality (all remote/hybrid/on-campus; flexible scheduling)
  - Identify appeals process

- Support Employees
  - Mental health, caregiving, family, well-being, existing health conditions, etc.
  - Reskilling and retooling
EMPLOYEES WORKING REMOTELY

- Will provide their own workspaces and large furnishings (e.g., desks) as needed.
- Must minimize distractions and keep environments conducive to quality work.
- Will be responsible for their own internet service and home network, ensuring bandwidth and coverage.
- Use of university equipment rather than personal equipment is strongly preferred.
- The university will provide equipment only for primary work location.
- The university can provide IT equipment, some non-IT equipment (e.g., office chairs), and supplies for remote-work locations.
Work Arrangements

- Utilization
  - Demographics
  - By job type
  - By work arrangement type

Remote/Hybrid Arrangements vs. On-Campus

- Employee engagement/Wellbeing
- Employee productivity
- Supervisor perceptions
- Customer perceptions (faculty, staff, students)
Impact on Talent Issues

- Turnover/retention
- Recruitment
- Diversity of talent
PERSON-TO-PERSON PAYMENT POLICY
CENTRAL E-COMMERCE PROJECT

SARA JEDLICKA, TREASURY OPERATIONS
The use of Person-to-Person payment applications (such as Venmo) is not approved. Individuals should not accept payment for University of Iowa goods and services to personal bank accounts or virtual payment accounts.

https://treasury.fo.uiowa.edu/electronic-receipts
What types of revenue activities?

- Sales of goods
- Registration for conferences or events
- Payment for services
WHY OFFER A CENTRAL SOLUTION?

- **Risk management** – reduce the University’s PCI Scope
- Provide a user-friendly solution for University departments
UI DEPARTMENTS IMPACT

Today

- Local IT resources to build & maintain website OR purchase 3rd party product
- UI Technology Review
- eDeposit
- PCI Compliance: SAQ & vulnerability scans
- Credit Card Processing Fees
- Gateway Processing Fees

UIOWA Online Payments

Department

- Customize template for departmental sales
- Review PCI checklist
- Fees: 3% of sales (comparable to current)

Treasury Services and ISPO

- Technology Review
- eDeposit
- PCI Compliance managed by Treasury Services and ISPO
PROJECT TIMELINE

- Cashnet eMarket selected vendor
- Implementation period April – July
  - Public Records – simple payments
  - Iowa Made – shopping cart
  - Student Life (student orgs) – dues and event registrations
- Fall 2021
  - Treasury Operations will contact eligible existing merchants
  - Go-live for new accounts
- Contact: treasury-creditcards@uiowa.edu
Facilities Reinvestment and Capital Renewal

Andrea Morrow, Manager, Accounting & Financial Analysis
You’re Never Going to Have Enough Funding

- Need to Establish Additional Factors to Prioritize with...
  - Institutional Priorities
  - Operational Costs
  - Student Impact
- Something Today is Better than the Perfect Measure Tomorrow
- Improve Data Over Time
Iowa Falls Short by $42.4M to Target in FY20

Years of missed targets increases the risk on campus

Total Capital Investment vs. Funding Target


- Annual Stewardship
- Asset Reinvestment
- Annual Investment Target
- Life Cycle Need
How are capital dollars being spent?
Capital Investment

FY 18
- Annual Stewardship: $8.0 Million
- Asset Reinvestment: $30.2 Million
Total: $38.2 Million

FY 19
- Annual Stewardship: $4.0 Million
- Asset Reinvestment: $23.0 Million
Total: $27.0 Million

FY 20
- Annual Stewardship: $4.0 Million
- Asset Reinvestment: $10.6 Million
Total: $14.6 Million
Capital Investment – Including New Buildings

<table>
<thead>
<tr>
<th>FY 18</th>
<th>FY 18 Type</th>
<th>FY 19</th>
<th>FY 19 Type</th>
<th>FY 20</th>
<th>FY 20 Type</th>
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<tr>
<td>$95.2 Million</td>
<td>$23.0 Million</td>
<td>$82.0 Million</td>
<td>$59.4 Million</td>
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<td>Capital Investment – Including New Buildings</td>
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- **Annual Stewardship**: $10.00
- **Asset Reinvestment**: $20.00
- **Space Renewal**: $30.00
- **Building Systems/Envelope**: $40.00
- **Safety/Code**: $50.00
- **New Space**: $60.00
- **Grounds/Non-Facilities**: $70.00
- **Utility Infrastructure**: $80.00
- **FY 18**: $90.00
- **FY 18 Type**: $100.00
- **FY 19**: $95.2 Million
- **FY 19 Type**: $82.0 Million
- **FY 20**: $59.4 Million
- **FY 20 Type**: $38.2 Million

- **Annual Stewardship**: $38.2 Million
- **Asset Reinvestment**: $23.0 Million
- **Space Renewal**: $14.6 Million
- **Safety/Code**: $59.4 Million
What were the largest spending projects?
FY 18-20 Top 10 Expenses:
New Spaces - $135.4 Million

- College of Pharmacy New Building $89.3 Million
- Psychological and Brain Sciences New Building $26.0 Million
- Stanley Museum of Art - New Facility $13.5 Million
- Engineering – South Annex Addition $6.5 Million
FY 18-20 Top 10 Expenses:
Space Renewal - $14.1 Million

- Eckstein Medical Research Building – Renovate Lab Floors 1-5: $5.8 Million
- University Capitol Centre – Remodel Space for Chief Diversity Office and UI Service Center: $3.3 Million
- Advancement Services Building – Remodel for UICA: $5.0 Million
FY 18-20 Top 10 Expenses:

Building Systems/Utilities - $26.2 Million

Bowen Science Building – Modernize Building Systems $9.3 Million

College of Nursing Building – Building Modifications $8.2 Million

Replace Riverside Drive/Grand Avenue Steam Distribution System $8.7 Million
What are the funding sources?
Total funding for the project was used to calculate funding for the next set of charts – skewing the timing of the funding

Funding is normally prioritized with external funding being utilized first, then internal sources

Internal funding is usually, but not always, at the end of the project

Central Funding available is stable year over year
### Detail of Central Funding

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<td><strong>BR Funds</strong></td>
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<td><strong>M312/313 Funds</strong></td>
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<tr>
<td><strong>Musser Davis</strong></td>
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## Detail of Non-Centralized Funding

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<td>$10.3</td>
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<td>FM</td>
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<td>$1.7</td>
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*IN MILLIONS*
Questions?