

**Governing Iowa's public
universities and special schools**

University of Iowa
Iowa State University
University of Northern Iowa
Iowa School for the Deaf
Iowa Braille and Sight Saving School
Lakeside Lab Regents Resource Center
Quad-Cities Graduate Center
Southwest Iowa Regents Resource Center
Tri-State Graduate Center



David W. Miles, President, *West Des Moines*
Jack B. Evans, Pro Tem, *Cedar Rapids*
Bonnie J. Campbell, *Des Moines*
Robert N. Downer, *Iowa City*
Michael G. Gartner, *Des Moines*
Ruth R. Harkin, *Cumming*
Greta A. Johnson, *Le Mars*
Craig A. Lang, *Brooklyn*
Rose A. Vasquez, *Des Moines*

Robert Donley, *Executive Director*

Summary of March 18-19, 2009, Meeting of Board of Regents, State of Iowa

The audio file for the March 18-19, 2009, meeting of the Board of Regents is available at the following link to the Board of Regents web site:

<http://www2.state.ia.us/regents/Meetings/DocketMemos/09Memos/March/march2009.htm>

President Miles congratulated Regents Ruth Harkin, Bob Downer, and Greta Johnson, on their reappointments to the Board of Regents effective May 1, 2009. He also thanked the outgoing university student leaders for their service to their universities and to the Board of Regents.

President Miles announced that on April 24, 2009, the Board of Regents and the University of Northern Iowa will host U.S. Secretary of Education Arne Duncan on the University of Northern Iowa campus where he will deliver a policy speech on education. Secretary Duncan will also participate in the recognition of the 100th anniversary of the founding of the Board of Regents, with members of the Board of Regents and other invited guests who will speak on the future of higher education. Additional details of the April 24 events will be forthcoming.

Request to Offer Off-Campus Undergraduate Programs

With respect to the University of Iowa's request to offer off-campus, undergraduate programs at Eastern Iowa Community College and Des Moines Area Community College, President Miles expressed his support and praise to the University for its work in this effort. He stressed the importance of working cooperatively with other institutions around the state to deliver four-year baccalaureate degrees through different mechanisms and in different locations.

Annual Report on Campus Safety and Security

The Board requested that this report be resubmitted for consideration at the April 2009 Board meeting with greater clarification on the institutions' priorities and goals, the addition of explanations for key statistics, and improved uniformity among the institutional reports. The Board also asked that the three university campus police directors be in attendance at the April meeting to respond to questions.

Executive Director Report

Executive Director Robert Donley outlined proposed changes in the 2009 Board meeting schedule. The changes were proposed to reduce the time and number of the Board's meetings in an effort to provide costs savings. The changes include: reducing the August 2009 meeting to a one-day meeting; moving the September 2009 meeting from Iowa Lakeside Laboratory to the University of Iowa; and changing the December 2009 meeting to a telephonic meeting. He reported that the proposed changes would result in estimated savings of approximately \$20,000, or 29% in Board meeting costs for 2009. He added that a similar review of the Board meeting schedule and cost savings will continue for the 2010 calendar year.

Executive Director Donley also reported that the Board Office recently met with the purchasing directors of Iowa's public universities and special schools, and Ray Walton, Interim Director of Administrative Services for the State of Iowa. The group discussed the Board's current purchasing collaboration with all State agencies, the many associated efficiencies and savings in taxpayer dollars, and proposed future collaboration efforts for additional cost efficiencies. He added that Iowa's public universities and special schools have done a tremendous job in collaborating and identifying cost efficiencies, which is saving millions of dollars for Iowa taxpayers.

Legislative Update

State Relations Officer Joe Murphy reported the following on the legislative session:

- In anticipation of March 20 report of the Revenue Estimating Conference (REC), House and Senate leadership have cut an additional 2% from the Governor's budget for a total reduction of 8.5% in all appropriation subcommittee allocations. The appropriation bills are expected to move through the approval process in the next couple of weeks following the REC report.
- The legislature has a targeted adjournment date of mid-April; legislators would like to have their work completed prior to Easter (April 12), if possible.
- On the State stimulus package, the Governor and legislature are currently negotiating the size and scope of the bonding package. The Senate-approved version includes the re-designation of \$25 million in previously-approved bonding authorization for flood recovery projects at the University of Iowa.
- He thanked Representative Wendt, Chair of House Education Committee, for allowing the Board of Regents to work with his Committee and the community colleges in developing an articulation agreement; the language for the agreement is still under consideration.
- He thanked President Miles and the university presidents for their communication to legislative leaders and Governor's Office on the increased costs associated with the proposed purchasing bill.
- The veterans' tuition bill is expected to be debated in the House soon.

Chief Business Office Patrice Sayre reported the following relative to federal stimulus funding:

- The education piece of the stimulus package to the State of Iowa is roughly \$386 million; the Governor has yet to make decisions on the distribution of the education funds.
- The State's development of action plans is moving very quickly, often with little guidance from the federal government.
- Some stimulus grants are strictly formulaic and will come into the state, while some are competitive on the state or federal level. The rules for applying for the federal grants are not yet promulgated.
- The Governor is very interested in ensuring that the Board pursues any research grants, and that the grants be tracked and reported back to the State; the method for tracking and reporting has yet to be determined.
- With the ongoing uncertainty regarding the rules and regulations governing the stimulus funding, the institutions are working to place themselves in a position to be as ready as possible to pursue this funding source.

Institutional Budget Strategies

The heads of Iowa's public universities and special schools outlined their plans for responding to the FY 2009 appropriation reversions totaling \$17 million.

Iowa State University

President Geoffroy outlined Iowa State University's FY 2009 budget reversions, as follows.

Iowa State University Mid-Year Reversion of FY09 State Appropriations March 19, 2009

The reversion of Iowa State's state appropriations for FY09 occurred in two stages - the first in November 2008 and the second in December 2008 for a total of \$7,169,797. This was accommodated by reducing the budgets of the major administrative units shown below.

Agriculture & Life Sciences	\$503,614	President	\$86,690
Business	122,919	Business & Finance	415,329
Design	103,169	Student Affairs	136,254
Engineering	390,991	Research	144,465
Human Sciences	213,632	University Extension	33,427
Liberal Arts & Sciences	733,668	Cooperative Extension	343,555
Veterinary Medicine	241,283	Iowa Agriculture & Home	260,646
Library	162,153	Economics Experiment Station	
Academic Administration	3,170,636	Other Special Appropriations	107,366

Units reduced their budgets in the following expense categories.

Supplies & Services	\$4,839,603
Salary & Fringe Benefit Savings	1,529,977
Voluntary Furloughs & Leave without Pay	413,369
Building Repair	280,001
Contributions through the Foundation	86,847
Equipment	20,000
Total	\$7,169,797

Nearly a quarter of the salary and fringe benefit savings was a result of the \$413,369 generated by voluntary furloughs and leave without pay. Note also the \$86,847 contributions that were made to the ISU Foundation by faculty and staff to assist with the reduction targets of their units. The impact of this loss of state funding has been widespread, with faculty and staff searches having been suspended in colleges and administrative units, faculty start-up commitments being delayed, and deferred maintenance and renovation projects being deferred (e.g. the Clinical Skills Assessment Laboratory in the College of Veterinary Medicine).

As we plan our budgets for FY 2010, we intend to have them reflect the combined \$7.2 million in mid-year reductions that we have already absorbed and the 8.5% budget reduction currently under consideration in the Iowa General Assembly. Together those represent a \$31 million (11%) reduction in state appropriations for FY10, as compared to our original FY09 appropriations, and we will be making strategic budget adjustments around that total amount. With the university's senior leadership team (vice presidents, deans, and others) and the University Budget Advisory Committee, we are formulating strategic budget decisions. We have also appointed a number of planning teams to examine a series of areas where we believe opportunities may exist for cost savings (see: <http://www.public.iastate.edu/~budget/StratBudPlan.shtml>). The vice presidents and college deans are separately planning how they will accommodate reductions in their allocated state funding. An example includes our decision to close the university's linear accelerator facility that has been used for more than 15 years for research into improved food safety through irradiation, saving approximately \$130,000/year.

President Geoffroy presented for Board approval the University's Early Retirement Incentive Program, as follows.

Iowa State University Retirement Incentive Program

March 19, 2009

Terms and Conditions

1. Eligibility

Effective with approval of this policy a university employee who has completed ten (10) years of continuous service and is sixty (60) years of age or older will be eligible. Employees must file an application by June 30, 2009 and fully retire no later than January 31, 2010. Employees in federal retirement programs must use the separate Retirement Incentive Option (Attachment 1) provided for such employees.

2. Approval of Retirement Incentive

Any full-time employee who is eligible may apply for the retirement benefit, with the approval of the appropriate supervisor and vice president. The decision to request such a benefit is voluntary and initiated by the employee.

3. Incentive Benefit

Upon retirement, the participant will receive health and dental insurance incentives for a period of 5 years after retirement. The university will pay the employer and employee shares of health and dental insurance up to the employee and spouse rate (Tier II) for the university's PPO program until the employee is eligible for Medicare. After eligibility for Medicare, the university will continue to pay the incentive at the retiree health and dental insurance rates for the balance (if any) of the 5-year period.

In the event of the employee's death the university's obligation to pay the cost of health and dental coverage will cease on the first day of the month following the date of death. The employee's surviving spouse or dependent may elect to continue coverage as provided by law.

4. Implementation Process

Subject to the Board approving the Retirement Incentive Option, the university will develop detailed policies and procedures for implementation of the programs including the limited number of staff with other family contribution rates. The process will include the ability of participants to make additional contributions if they wish to obtain family coverage. Based upon experience, future programmatic and budget assessment the university will determine if the program should be extended.

5. Financial Cost and Projected Savings

Financial Cost Projections		
Annual cost of premiums/employee		
	Employee & Spouse Rate	Medicare Eligible Retiree Rate
Single	\$ 5,700/year	\$3,504/year
Two person	\$13,008/year	\$7,680/year

Number of staff potentially eligible: 550

The projected cost savings of this plan will depend upon the number of eligible staff who elect to participate.

**Iowa State University
Retirement Incentive Option for Extension Employees in
Federal Retirement Programs**

Terms and Conditions

With Approval of the USDA and the Federal Office of Personnel Management, Extension employees in federal retirement programs (“Federal Retirement Plan Employees”) may retire under the following terms:

1. Eligibility

Federal Retirement Plan Employees are eligible if they:

- a. Have reached the age of 50 by the time of retirement;
- b. Have 20 years of service by the time of retirement (as defined by the applicable federal retirement program);
- c. File an application to retire by May 31, 2009; and
- d. Fully and finally retire after the effective date of this program, but on or before the date of January 31, 2010.

2. Approval of Retirement Incentive

Any employee who is eligible may apply for the retirement benefit, with the approval of the appropriate supervisor and Vice President for Extension. The decision to request such a benefit is voluntary and initiated by the employee.

3. Incentive

Upon retirement, the participant will receive health and dental insurance incentives for a period of 5 years after retirement. The university will pay the employer and employee shares of health and dental insurance up to the employee and spouse rate (Tier II) for the university’s PPO program until the employee is eligible for Medicare. After eligibility for Medicare, the university will continue to pay the incentive at the retiree health and dental insurance rates for the balance (if any) of the 5-year period.

In the event of the employee’s death the university’s obligation to pay the cost of health and dental coverage will cease on the first day of the month following the date of death. The employee’s surviving spouse or dependent may elect to continue coverage as provided by law.

4. Coordination with Other Benefits

This incentive shall not affect the rights employees have to employee sick leave and vacation leave payout. Federal retirement program employees may not be re-employed at Iowa State University either as employees or independent contractors.

5. Implementation Process

Subject to the Board approving the Retirement Incentive Option, the university will develop detailed policies and procedures for implementation of the programs including the limited number of staff with other family contribution rates. The process will include the ability of participants to make additional contributions if they wish to obtain family coverage. Based upon experience, future programmatic and budget assessment the university will determine if the program should be extended.

6. Financial Cost and Projected Savings

Financial Cost Projections

Annual cost of premiums/employee

	Employee & Spouse Rate	Medicare Eligible Retiree Rate
Single	\$ 5,700/year	\$3,504/year
Two person	\$13,008/year	\$7,680/year

Number of staff potentially eligible: 110

The projected cost savings of this plan will depend upon the number of eligible staff who elect to participate.

7. Information About The Federal Retirement Program

Iowa State University has 110 Extension employees who are in federal retirement programs (the Civil Service Retirement System—CSRS, and the Federal Employees retirement System—FERS). These programs are defined benefit programs with full retirement eligibility based upon years of service. Employees aged 55 years or older with 30 years of service, or 60 years with 20 years of service are eligible for Immediate Retirement benefits. Extension may request a Discontinued Service Authorization for staff involuntarily separated that would make them eligible as early as age 50, with 20 years of service. Extension employees not in federal retirement programs may retire under the University's Retirement Incentive Option.

Eligibility to participate in this federal retirement program was eliminated by the federal government a number of years ago but existing participants were permitted to continue.

- President Geoffroy explained that a number of faculty and staff are expected to take advantage of this program, which will create vacancies that will help the University meet budget reduction targets without layoffs.
- He reported that an estimated 550 employees would be eligible for early retirement under this plan; if only 100 faculty and staff take advantage of this, it could generate between \$7 million and \$10 million in savings, and would mitigate the University's need to reduce employment in other areas of the University.
- The proposal responds to the biggest concern of employees considering early retirement, which is health care costs; it could provide up to 5 years in health care benefits (current retirees pay full cost for health care).
- The Board approved the Iowa State University Early Retirement Incentive Program, as presented by the University.

Iowa Braille and Sight Saving School

Superintendent Clancy provided the following comments on the Iowa Braille and Sight Saving School budget:

- The FY 2009 1.5% reduction was covered through an unfilled administrative position, the regional director position on western side of state, which was vacated this year; it will be important to fill this position in the future.
- In the FY 2010 budget, the School may face as much as a 10% reduction, unless there is alignment with K-12 allowable growth (2%), which is uncertain at this time.
- The School has identified cost-saving measures ranging from freezes or minimal salary increases, reductions in expenditures (travel), one-time costs that can be deferred, not filling vacant positions, and possibly contracting for services and reducing staff in the process.
- The School has also identified an early retirement benefit package that it wishes to offer its employees. It consists of a window program where individuals age 57 or above with a minimum of 15 years of service would receive 30% of their salary at the time of retirement (July 1, 2009), and paid health care at the current level until the time of Medicaid eligibility; a very small number of employees would qualify for this retirement benefit.
- The potential benefit from federal stimulus package to the School is likely to be minimal.

Iowa School for the Deaf

Superintendent Prickett provided the following comments on the Iowa School for the Deaf budget:

- The FY 2009 \$154,000 reversion was covered with unfilled positions, decrease in fuel and utility costs, and eliminating travel.
- An anticipated 6.5% reduction in FY 2010 would result in significant program cuts since 96% of the School's funding is from the State general fund.
- The true budget effect would be a cut of 12% - 16% depending on the increase in health insurance and other fixed costs.
- Even if the School receives a minimum increase of 2% through K-12 allowable growth funding, the School would need to restructure its dormitory, offer fewer services in the dormitory, extend the distance that students return home every day (reducing dormitory staff and after-school activities program), reduce direct instruction, and retire two teachers and one dormitory staff person without replacing these individuals.
- If the School has to cut deeper, it would reduce funding for additional repair and maintenance needs, defer facility updates except for those vital to health and safety, reduce travel and professional development, and possibly restructure food service and the nursing staff.
- The School is also examining a retirement option. If it offers a retirement option at age 57, the School will lose the vast majority of its highly qualified teachers, with no hope of replacing them. If the retirement offer is increased to age 60 with 15 years experience, the School will lose some of its highly qualified teachers with a slightly better opportunity to replace them. If the School exercises anything broader, it will have difficulty meeting the needs of all students due to the lack of a teacher training program in Iowa from which the School can draw, and the difficulty in attracting more than a single teacher or two per year.
- Similar to the Iowa Braille and Sight Saving School, the potential benefit from the federal stimulus package to the Iowa School for the Deaf is likely to be minimal. Efforts were made to include language in the stimulus bill that would specifically address special education and special schools, but these efforts were not successful.

University of Iowa

President Mason outlined the University of Iowa's FY 2009 budget reversions, as follows.

University of Iowa

Implementation of the Fiscal Year 2009 Budget Cuts

What follows is an outline of how the University of Iowa has adjusted its current year budgets (FY2009) to reflect \$7.5 million in appropriation reversions. Of the total \$7.5 million assigned to the University of Iowa, \$509,000 has been allocated to non General Education Fund units. These units report a number of changes ranging from hiring deferrals to redirection in expense for non-personnel items. The remainder of \$6,991,000 is approximately 1.2% of the General Education Fund and will be managed as shown below.

General Education Fund cuts to reach the \$6,991,000 reversion:

1. \$2,843,000 – from tuition revenue-supported building repairs that would have been contributed toward FEMA flood recovery match during FY 2009.
2. \$2,148,000 – from various non-flood recovery capital project deferrals, cost shifts and capital project savings. This will alter completion and occupancy of the former theater space within the University Capitol Center, shift General Education Fund support earmarked for the College of Public Health project budget (will not change project scope or timing), and will result in deferral of at least one year of the Library archives facility project to be built on the Oakdale Campus.
3. \$2,000,000 – from allocating budget reductions to General Education Fund operating units, with exclusions. Exclusions are student financial aid, library acquisitions, utility non-labor budget (fuel and debt service), and departments still substantially recovering or engaged in flood recovery. The provost office is approving all collegiate plans after reviewing them against overlying University budget objectives. It is clear thus far that personnel hiring delays are occurring coupled with substantial deferrals of classroom and teaching lab equipment replacements and elongation of refresh cycles on computing technology. The provost office and each of the VP units at their discretion are encouraged to further reallocate to help cushion impacts on the most critical individual sub-units (departments).

The overarching principles employed in management of the \$7.5 million reversion include protecting a high quality student academic experience offered by the University and the continuance of flood recovery and protections against further flood damage. The protection of tenure/tenure track faculty positions supported through the General Education Fund is particularly critical, and the Provost Office is working with deans to protect these positions, especially within the undergraduate colleges. Parallel with this the University must continue sustainability initiatives discussed with the Board in December. The most visible implication of this will be the hiring over the next year of a cluster of five new tenure/tenure track faculty with a focus on sustainability.

President Mason provided additional comments on the University of Iowa budget:

- The University is absolutely committed to preserving its top priorities of education, research, creative excellence, and outstanding patient care.
- The University will work to protect certain critical areas: student financial aid, library acquisitions, research funding, and the growth of emerging centers of excellence that represent the future of science and industry as well as of arts and culture. In addition, the University will support pioneering initiatives, including its certificate in sustainability studies which it will begin offering this fall.
- The University is prepared to make certain students can and will continue to come to the University of Iowa, regardless of their financial circumstances, through the continued use of variety of University grants and scholarships, which the University plans to increase in FY 2010 to \$32.7 million (an increase of more than \$3 million).
- Thanks to generous contributions from people around the world to the University's flood relief fund, nearly \$500,000 will be used for scholarships and other support for music and art students who were profoundly affected by last summer's flood.
- President Mason has appointed six central task forces to explore potential cost savings in human resources-related options (early and phased retirement plans, feasibility of furloughs, temporary reductions in pay, reductions in career development awards); reallocations of planned capital expenditures to ensure flood and non-flood related expenses are managed as efficiently and cost-effectively as possible; and organizational changes (consolidation of department administrative staffs, increased faculty teaching loads in some areas, program reductions, and class size changes, some of which are already underway).
- The University is examining every program and function for potential long-term savings.
- The University is looking at opportunities for early retirement plans and expects to have a very targeted window plan for future presentation to the Board. The University is uncertain at this time of the number of employees who might be willing to take advantage of such a plan.

University of Northern Iowa

President Allen outlined the University of Northern Iowa's FY 2009 budget reversions, as follows.



FY09 Budget Reversions

11/20/08	1 st Reversion (1%)	= \$1,020,000
12/19/08	2 nd Reversion (1.5%)	= <u>\$1,548,937</u>
	Total (2.5%)	= \$2,568,937

11/20/08 budget reversion:

- Reduced purchases of additional Information Technology and Security Systems
- Delayed Library purchases
- Deferred work on building maintenance projects

12/19/08 budget reversion:

Fifty percent of the \$1.55 million (minus some special line-item appropriations of \$74,641) was covered centrally, using one-time funds.

The other half (\$737,148) of the reversion was distributed across the divisions - proportionate to their respective share of the general-fund budget.

Each vice president determined how their division administered the FY09 reversions.

Cuts included:

- Closed the search for the Center for the Enhancement of Teaching and Learning Director. Suspended plans to reinstitute the Center.
- Delayed hiring a new Assistant Provost for Information Technology.
- Delayed replacement of computer hardware and software, vehicles, building services equipment, and other needed university equipment.
- Delayed additional building repair and deferred maintenance projects.
- Lengthened the implementation of a new Student Information System.

President Allen provided additional comments on the University of Northern Iowa budget:

- The University is preparing for FY 2010 cuts in range of 11%, which is the University's preliminary estimate until the legislative session is concluded and the state budget is finalized.
- The University has instituted a university-wide hiring freeze and imposed carefully monitored restrictions for travel.
- The University has created two task forces – one to engage community on issues of cost containment, the other on revenue enhancement; more than 400 suggestions from the campus community have been received to date, which the University is evaluating.
- The University will continue to take a close look at all areas, including auxiliary enterprises and outreach programs.
- Providing UNI students with a sound and broadly-based education remains the core function of UNI; thus, maintaining its academic core remains the center of the University's thinking in addressing budget reductions.
- The University has in place an efficiency examination of all academic programs. The primary focus of review is to identify the University's very best signature programs, those that would benefit from reorganization or consolidation to improve their quality, and programs that could possibly be eliminated if they no longer meet the focus of the University.
- The University is firmly committed to maintaining academic quality, but the proposed cuts (currently at 11%) will threaten the principles and priorities the University has vowed to protect for its students and the state's future.
- Since State appropriations comprise approximately 59% of UNI's FY 2009 general budget, the appropriation reductions could have a severe impact on the University.
- The University is interested in exploring an early retirement option, but it is not yet certain of the expected savings. One option being considered is retirement at 60 years of age with 10 years of service, of which the University would have approximately 275 eligible employees. The University will continue its analysis on different combinations of ages and benefits.

The Board will consider for approval early retirement incentive programs that may be presented at the April 2009 meeting for the University of Iowa, University of Northern Iowa, or the special schools.

With respect to FY 2010, President Miles asked the institutional heads to begin their review once revenue sources and appropriations are finalized, to the extent that sufficient information is available on the impact of the stimulus bill, and return to the Board and present proposed plans for FY 2010, at the April meeting, if possible based on the availability of information.

With respect to potential measures to address budget reductions, President Miles stressed that nothing is off table for consideration. He explained that the universities should consider measures that would make them stronger in the future, and make programmatic, systemic changes necessary to reach those goals. He invited the other Regents to provide additional guidance to the institutional heads in this effort. Regent Harkin suggested a review of class enrollments and the guidelines for determining whether to cut classes based on student needs and interests. Regent Downer suggested that the universities look at consolidating and providing similar academic programs on line to give opportunities for students to pick up courses across institutional lines.

President Miles requested Board approval of a resolution directing the heads of the University of Iowa, Iowa State University, the University of Northern Iowa, Iowa School for the Deaf, and the Iowa Braille and Sight Saving School, to hold flat the salaries for non-bargaining unit employees in FY 2010. Individual exceptions to this directive may be approved solely by the president of each university if, upon consultation with the Board Office, he or she determines that such salary adjustment is of great importance to the institution. He also thanked the five institutional heads for agreeing to forego salary increases for FY 2010, as well as bonuses at the end of this fiscal year.

President Miles explained that this is not the only step to address appropriation reductions, and it will not be the last step. Regent Gartner added his hope that the institutions will be equally prudent in the hiring of consultants, and President Miles expressed his agreement.

Ratification of Collective Bargaining Agreements

The Board approved collective bargaining agreements with the Campaign to Organize Graduate Students (COGS) at the University of Iowa, UNI – United Faculty at the University of Northern Iowa, and Service Employees International Union (SEIU) at the University of Iowa Hospitals and Clinics, as summarized in Agenda Item 6 which can be found at the following link to the Board's web site:

http://www2.state.ia.us/regents/Meetings/DocketMemos/09Memos/March/0309_ITEM06.pdf

Report on Updated FERPA Regulations and Clarification on the Application of FERPA and HIPAA to Student Health Records

The Board received a report on new regulations for the Family Educational Rights Privacy Act (FERPA) promulgated by the Department of Education in December 2008, and clarifications issued by the Department of Education, in conjunction with Department of Health and Human Services, regarding the application of FERPA and the Health Insurance Portability and Accountability Act (HIPAA) to student health records maintained by an educational institution. This information is outlined in Agenda Item 7, which can be found at the following link to the Board's web site:

http://www2.state.ia.us/regents/Meetings/DocketMemos/09Memos/March/0309_ITEM07.pdf

Residence System Governance Report

The Board received the university residence systems' five-year plans and gave consideration to the preliminary FY 2010 residence system budgets, and the 2009-2010 proposed rates for residence halls, board options, and apartments. The proposed rate increases for double occupancy rooms with full board are 4.2% at the University of Iowa, 4.6% at Iowa State University, and 2.5% at University of Northern Iowa.

The Board will be asked to approve the 2009-2010 room, board, and apartment rates at the April 2009 meeting. The Board will be asked to approve the FY 2010 residence system budgets with other university budgets at a future meeting in the summer of 2009.

The residence systems' five-year plans, FY 2010 budgets, and the 2009-2010 proposed rates for residence halls, board options, and apartments, are outlined in Agenda Item 8 which can be found at the following link to the Board's web site:

http://www2.state.ia.us/regents/Meetings/DocketMemos/09Memos/March/0309_ITEM08.pdf

Proposed University Parking

The Board gave consideration to proposed FY 2010 parking rate increases for Iowa State University, including the Memorial Union, and the University of Northern Iowa, as outlined in Agenda Item 9 which can be found at the following link to the Board's web site:

http://www2.state.ia.us/regents/Meetings/DocketMemos/09Memos/March/0309_ITEM09.pdf

The Board will be asked to approve the parking rate increases at its April 2009 meeting.

Presentation on Report on Investigation of Expanding Price Laboratory School as a Research, Development, Demonstration, and Dissemination School

University of Northern Iowa President Ben Allen made a presentation on the report submitted to the General Assembly on January 15, 2009, on the investigation of expanding the Price Laboratory School at the University of Northern Iowa as a research, development, demonstration, and dissemination (R&D) school for the State of Iowa. Additional information is provided in Agenda Item 10, which can be found at the following link to the Board's web site:

http://www2.state.ia.us/regents/Meetings/DocketMemos/09Memos/March/0309_ITEM10.pdf

The following are highlights of President Allen's presentation to the Board:

- The University of Northern Iowa has placed pre-K-12 issues as a top priority, with the goal of being a leader in the state and the nation.
- The practical application of this leadership would include administration of a statewide research and development school that enhances the future viability of the state by ensuring 21st century readiness of our students.
- The R&D school's primary function would be to research, develop, demonstrate, and disseminate innovative and effective teaching and learning practices to Iowa schools.

- The three guiding principles of the initiative include:
 1. To raise and sustain Iowa's pre-K-12 student educational attainment through the development of innovative and promising practices;
 2. To enhance the preparation and professional competence of Iowa's educators through a collaborative inquiry and exchange of research; and
 3. To meet the changing needs of Iowa's educational system with research that transforms practice.
- The statewide R&D school would represent a partnership between the University of Northern Iowa and Iowa Department of Education, in collaboration with Iowa State University, the University of Iowa, area education agencies, and state public and private schools, at all levels.
- The R&D school's educational program would focus on Iowa's educational priorities, such as Iowa's core curriculum, as well as innovative and promising instructional practices.
- Education at all levels in Iowa will participate in, collaborate with, and benefit from a facility technologically designed to support 21st century learning and teaching.
- Information would be disseminated to every corner of the state, through an AEA network, pre-K-12 schools, pre-service teacher development models, and media such as Iowa Public Television and the ICN.
- UNI faculty are committed to providing leadership in preparing educators for a changing world of practice. An R&D school would allow the University to focus with more intensity on its statewide connection to schools in partnership with the Department of Education, and in collaboration with Iowa State University and the University of Iowa.
- The establishment of a statewide R&D school would be a very real investment in the state's 472,000 pre-K-12 students and more than 35,000 practicing teachers, to sustain Iowa's competitive vitality for generations of future students and teachers.

University of Iowa Flood Recovery

On Wednesday, March 18, the University of Iowa provided the Board of Regents with a tour of three of the four Arts Campus facilities that received significant damage from the flood of June 2008. The three facilities – Art Building East, Hancher Auditorium, and Voxman Music Building – have been identified by FEMA as eligible for one of two financing options: 1) 90% of the replacement cost of the facilities, or 2) 90% of the cost of in-place restoration and mitigation of the facilities. (The fourth eligible facility is Clapp Recital Hall.)

At the meeting of the Board of Regents on Thursday, March 19, the University outlined the two options under consideration for restoration of the Hancher-Voxman-Clapp complex and Art Building East:

- Replacement (rebuilding in a modern form in new locations) at a total estimated cost of \$743 million; FEMA would pay approximately \$558 million, and the University would be responsible for the remaining \$185 million.
- Restoration and Mitigation (repairing in existing locations).at a total estimated cost of \$589.5 million; FEMA would pay approximately \$415 million, and the University would be responsible for the remaining \$174.5 million.

The University plans to make a recommendation to the Board for approval of one of the options at a future date, possibly the April 2009 meeting, based on additional review of a number of issues including costs, future program needs, site issues, mitigation opportunities, the role of FEMA, and implications for protecting the buildings from future flood losses.

President Miles requested that the University also provide recommendations for funding its portion of the replacement or restoration/mitigation costs when the University returns to the Board with a recommendation for the buildings. Vice President True noted that this funding gap is a keystone piece in meeting the University's objective of full flood recovery. He added that the University clearly will need assistance in this effort.

The Board authorized the issuance of \$30 million in Flood Recovery and Mitigation Revenue Bond and Revenue Anticipate Project Notes to assist the University in its flood-related expenses. Vice President True noted that the University anticipates that the General Assembly and Governor will approve the redeployment of the University's Academic Building Revenue Bond authorization to its flood recovery projects.

Steve McGuire, art education professor in the School of Art and Art History, and Alan MacVey, Director of the Division of Performing Arts, addressed concerns with student retention and recruitment in the School of Art and Art History and the School of Music given the need to use temporary facilities. They explained that these concerns were positively addressed with the timely relocation of art studios in 30 days to the former Menards building, and with funding provided by the University for scholarships and other recruitment and retention efforts. As a result, they reported that applications have increased for many art studio programs, as well as for the School of Music, and all art students are set to graduate on time.

President Miles explained that based upon available information presented by the University, the replacement option for the Hancher-Voxman-Clapp complex and Art Building East, in the long term, appears to be in the best interest of the State of Iowa. He also noted that it is very reasonable for the University to work with this option as a likely possibility. Vice President True added that the University will be working to also identify good site alternatives for possible facility replacements.

President Miles thanked the University leadership for their terrific work in advance of, during, and since the flood, to protect the University's, and Iowans' assets. He added that the Board has made requests to the Governor and the legislature for assistance in rebuilding these great assets for the citizens of Iowa, explaining that the Board will shoulder as much of the costs as it can but that financial assistance will be needed as time goes by.

Campus Sustainability – Part II – A Board of Regents Initiative

The Board received a report on the Board's Campus Sustainability Initiative – Part II, as outlined in Agenda Item 15 which can be found at the following link to the Board's web site:

http://www2.state.ia.us/regents/Meetings/DocketMemos/09Memos/March/0309_ITEM15.pdf

Iowa State University Capital Register

The Board authorized Iowa State University to proceed with the Recreation Facilities Expansion and Renovation project (\$52.8 million) which will install air conditioning in the Lied Recreation Center, remodel Beyer Hall, and construct an addition and provide exterior restoration for State Gym, in response to student demand for improved recreational facilities. The project will be supported by student fees.

Additional information can be found in Agenda Item 17 at the following link to the Board's web site:

http://www2.state.ia.us/regents/Meetings/DocketMemos/09Memos/March/0309_ITEM17.pdf

Annual Student Financial Aid Report

This annual report, which describes the volume of student financial aid awarded at Iowa's public universities, is outlined in Agenda Item 20 which can be found at the following link to the Board's web site:

http://www2.state.ia.us/regents/Meetings/DocketMemos/09Memos/March/0309_ITEM20.pdf

Annual Regent Student Financial Aid Study

This annual report, which looks at characteristics of students receiving financial aid, is outlined in Agenda Item 21 which can be found at the following link to the Board's web site:

http://www2.state.ia.us/regents/Meetings/DocketMemos/09Memos/March/0309_ITEM21.pdf

sd/docket/0309BoardMeetingReport.doc