

The Board of Regents, State of Iowa, met on March 15, 2005, at Iowa State University, Ames, Iowa. The following were in attendance:

Members of the Board of Regents, State of Iowa:

Amir Arbisser	All sessions
Mary Ellen Becker	All sessions
Tom Bedell, Regent-designee	All sessions
Robert Downer	All sessions
Michael Gartner (Confirmed 3/15/05)	All sessions
Ruth Harkin, Regent-designee	3/14/05 only
Owen Newlin	All sessions
Jenny Rokes	All sessions
Rose Vasquez	All sessions
Teresa Wahlert, Regent-designee	Absent

Representing the Regent Institutions:

SUI: David Skorton, Doug True, Phillip Jones, Michael Hogan
ISU: Gregory Geoffroy, Warren Madden, Ben Allen, Mark Chidister
UNI: Robert Koob, Pat Geadelmann, Aaron Podolefsky, Tom Schellhardt
ISD: Jeanne Prickett, Jim Heuer
IBS: Dennis Thurman, Dianne Utsinger

Board Office:

Gregory Nichols, Andrea Anania, Susan Anderson, Dianna Baker, Barb Boose, Carol Bradley, Marcia Brunson, Sheila Doyle, Pam Elliott, Thomas Evans, Tony Girardi, Diana Gonzalez, Deb Hendrickson, Marilee Mitchell, Joan Racki, Gary Steinke

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BOARD OF REGENTS, STATE OF IOWA
Iowa State University
Ames, Iowa

Public Session
Memorial Union, Sun Room

March 15, 2005 – 9:00 a.m. – 3:21 p.m.

The following business was transacted on March 15, 2005, beginning at 9:00 a.m.

Call to Order

President Downer called the meeting to order.

Closed Session

President Downer said the Board had need to meet in closed session, pursuant to Iowa Code, Section 21.5, (1)(j), to discuss the purchase of particular real estate, where premature disclosure could be reasonably expected to increase the price the Regents would pay for that property. The minutes and tape recording of a session closed under this paragraph shall be available for public examination, when the transaction discussed has been completed. A two-thirds majority must vote to enter into closed session for the Board to close its meeting.

MOTION	Regent Arbisser moved that the Board meet in closed session. Regent Rokes seconded the motion. MOTION CARRIED UNANIMOUSLY.
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Board of Regent Members	Aye	Nay
Regent Becker	X	
Regent Arbisser	X	
Regent Newlin	X	
Regent Rokes	X	
President Downer	X	
Regent Vasquez	X	

At 10:00 a.m., President Downer reconvened the public meeting.

Introductory Comments

President Downer introduced Michael Gartner and Tom Bedell as new Board members. He indicated that Regent Harkin was not able to attend day 2 of the meeting.

President Downer announced that Regent Vasquez had been confirmed by the Senate for a full term.

President Downer announced that at the Hoover-Wallace Dinner in Des Moines, Regent Gartner was honored for work he had done in connection with the resettlement of refugees in Iowa from Southeast Asia in the late 1970s. Former Vice President Mondale and former Iowa Governor Ray were also honored at the event.

Regent Gartner also commented that President Downer had recently been inducted into the Hall of Fame of Legal Aid, one of a few individuals to be admitted.

Item 1. A. Minutes of the December 29, 2004, Telephonic Meeting

MOTION	Regent Becker moved to approve the minutes of the December 29, 2004, telephonic meeting. Regent Rokes seconded the motion. MOTION CARRIED UNANIMOUSLY
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B. Minutes of the February 2-3, 2005 Board Meeting

President Downer received the minutes of February 2-3, 2005, and made a minor correction. He asked the Board to review the minutes so they could be approved at the next meeting.

Item 20. Ratification of Appointments by the President

President Downer said because of the vacancies that occurred as a result of recent Board resignations, Regent Vasquez has been designated chair of the Human Resources Committee, and Regent Newlin was appointed temporary chair of the Investment Committee.

Arthur Neu of Carroll and Kay Runge of Des Moines were appointed to the Executive Council of Iowa Public Radio. Michael Hogan, provost of the University of Iowa, has been proposed to serve as chair of the Council of Provosts for a two-year period, through 2006.

MOTION	Regent Rokes moved that the appointments listed be ratified by the Board. Regent Arbisser seconded the motion. MOTION CARRIED UNANIMOUSLY.
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Item 2. Institutional Personnel Transactions

Marcia Brunson, senior policy and operations analyst, said the registers were in order and Board approval was recommended.

MOTION	Regent Becker moved to approve the institutional personnel transactions. Regent Rokes seconded the motion. MOTION CARRIED UNANIMOUSLY.
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Item 3. Legislative Update (addendum 03-11-05)

Deputy Executive Director Steinke spoke on current activity in the Iowa Legislature. He said several legislative budget proposals have emerged to date. None are joint targets between the House and Senate, agreed upon by the Republicans and Democrats. At least five proposals are being considered in the legislature, including the Governor's. They range from fully funding the Regent's Transformation Plan, as the Board previously requested, at \$40 million, to a low of \$6 million in the House. There is a broad range of proposals for new dollars being discussed for the Transformation Plan. At this time, there is no way to gauge where the legislature may settle.

The Transformation Plan, however, is being seriously considered by all caucuses in the legislature. As deals get worked out between the House and Senate and between Republicans and Democrats, there will be a clearer picture about where the final funding proposal may be at the end of the legislative session.

Proposals that contain a cigarette tax increase provide a larger number for Regents' funding than those proposals in the legislature that have not built in a cigarette tax.

Regent Arbisser said a cigarette tax has major implications for the Board and in its role as a public body in terms of the greater good. He said it was a good thing to encourage people not to smoke. He said Regents, particularly as trustees of the University of Iowa Hospitals and Clinics, must be concerned with the economic consequences of smoking. He asked if it was appropriate to communicate the Board's thoughts about supporting that type of tax.

President Downer said it would be, if that were the will of the Board. He said there had not been formal Board action on that issue. There have been individual initiatives that several members of the Board have taken on the issue, however. If the Board wished to take an official position with respect to this issue at this point, they could do so.

Regent Becker said the Board could do this as trustees of UIHC, with an interest in health care and the health of lowans, and in their role as the Board of Regents, with the link that the revenues would go heavily into health care, freeing up other state dollars that would help support the universities.

President Downer asked if Deputy Director Steinke had a recommendation. Mr. Steinke said at least one of the university presidents has been vocal about the tobacco tax increase. Several members of the Board have written letters to the editor in support of the cigarette tax. With the shortfall in Medicaid funding that exists and talk in the legislature about dedicating some of the increased tobacco tax dollars to that issue, the tax would free up money in the state budget for other priorities. Those other priorities are not exclusive to the Regents, but do include Regent funding.

President Downer said Provost Hogan has circulated data with respect to the effect of this. Provost Hogan said he had nothing to add. He did say the information circulated comes from the College of Public Health and the College of Dentistry, which have been very active in the anti-smoking movement and are very supportive of the increase in tobacco taxes.

Regent Becker suggested a motion to support a Board statement that would indicate in the Board's roles as trustees of the University Hospitals and Clinics and as Regents, its support for the cigarette tax, both for the welfare and health of the citizens of Iowa and the positive impact that some of the cigarette tax funds towards health would provide in allowing some reallocation of resources to the universities, which benefit lowans.

MOTION	<p>Regent Becker made a motion that the Board in the its roles as trustees of the University Hospitals and as Regents of the Regents' institutions, its support of the cigarette tax, both for the welfare and health of the citizens of Iowa and the positive health impact that some of the cigarette tax funds would provide in allowing some reallocated resources to the universities, benefiting lowans. Regent Rokes seconded the motion.</p> <p>MOTION CARRIED UNANIMOUSLY.</p>
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Executive Director Nichols summarized the essence of the motion, which would allow the state relations officers to take an affirmative position on legislative efforts to increase the

tobacco tax. The real impact in terms of policies is that the Board has just expanded its public policy agenda for the legislative session to include a new item.

Deputy Director Steinke said the Regents adopted as a legislative priority in December a deregulatory bill, which, if passed, would allow the Regents to work outside of the current state government functions for auditing, ICN and other related issues, to seek the best costs for those functions, and to eliminate some redundant and outdated reporting requirements. That bill has received good support in the Iowa Legislature. Both the House and Senate have passed the bill out of the committees, and the bill is now on the House and Senate calendars, awaiting debate.

He said the Economic Development Appropriations Subcommittee has also passed a bill that is consistent with the economic development proposal and recommendation that the Regents made. That bill is ready to be debated in the full House Economic Development Committee.

Deputy Director Steinke said the state relations officers and Board staff are moving the Regents' agenda forward.

Regent Gartner thought there were two parts to the smoking statement – first, as trustees of UIHC, and second, as a funding mechanism. He thought a third part should be added, which was to discourage students from smoking. He said all studies show that if an individual doesn't start smoking by age 20, the individual probably won't. Studies also show that young people are influenced by two things when deciding to smoke – price and peer pressure.

Executive Director Nichols spoke on the deregulation initiative. He said it wasn't as simple as getting rid of redundant reporting requirements. Some of the provisions of the deregulatory bill would possibly save a million dollars collectively for the institutions. He said the Board's public policy agenda is balanced. Not only are they seeking funding for priorities from the state, but are also seeking to be relieved from mandates that cost them more to do business daily.

Deputy Director Steinke said as the legislature learns about the Regents and presidents' proposals to consolidate administrative functions and learn about the deregulation that the Regents have requested in areas that will save substantial amounts of dollars, the credibility of the Regents is at an all-time high. The legislature appreciates that kind of thoughtfulness in looking forward at all of the things that are possible and all the things that can be done. They know that after the Education Committee hearing, the legislature knows that the presidents, Regents, and students all are on the same page. He felt there was tremendous support for the whole package, not just the Transformation Plan, but also the other initiatives the Board has recommended.

President Downer received the report by general consent.

Item 4. Report on the Universities' Five-Year Strategic Plans

A. University of Iowa

Provost Hogan of the University of Iowa presented the university's Strategic Plan for 2005-2010, titled "The Iowa Promise."

He briefly discussed the process of developing the plan. The Strategic Planning Committee included the president and vice president of the Faculty Senate, president of the Staff Council, president of the Student Government, faculty and administrators.

The work began by reviewing the current plan, particularly the mission statement, statement of aspiration, and list of core values.

Regent Becker expressed interest in hearing Provost Hogan's approach to value-added education as opposed to simply recruiting higher level students. Provost Hogan said the state has a rule that the Regent institutions have to admit high school graduates in the top half of the class. He said they are also interested in the ability to take students from the lower half and see them through the undergraduate program. He said it's a matter of evaluating the entire record of students when they apply, including ACT scores, curriculum, high school, GPA, letters of recommendation, and the assessment as to whether each student has a good chance not only to be admitted, but also to succeed at the university and ultimately graduate. The university's ability to make that decision wisely will determine the time to graduation, retention, and graduation rate.

Regent Becker wanted to develop a proactive stance of what they can do when people are admitted to also add value and help students be retained, rather than a passive approach that looks for high-achieving students who have a likelihood of being retained, regardless of what the institution does.

Provost Hogan said given the number of students that the Regent universities admit every year, they would not be able to fill up classrooms and dormitories if they admitted students with an ACT score of 27 or 28. Those are the averages at other Big Ten institutions. There will be plenty of students with ACT scores below 27. Provost Hogan also said he didn't want to leave the impression that he was indifferent to the need to recruit high-ability students; that is one of the areas the university should be doing, as well as recruiting other students and seeing them through the university. They are interested in all students who can come to the university, as long as they have a reasonable prospect of succeeding. He said he is not enthusiastic about admitting students who by every indicator will not succeed at the university; they are losing 13-17 percent of those students each year.

Provost Hogan said the Council of Provosts will be working to present the Board a full description of the various retention programs available, such as first-year programs, first-year transition programs, learning communities and other things being done to help students succeed in the first year.

Provost Hogan discussed the plan's core values and five goals in the following areas:

- Undergraduate education
- Graduate and professional education and research
- Diversity
- Vitality
- Public engagement, including economic development and work in the health sciences

He said each of the five areas of focus includes a carefully worked goal and a series of strategies to make progress toward the goal over the next five years. Under each goal are "action steps" that will be taken to implement the strategies. The performance indicators are clustered around each of the five goals and will be used to evaluate progress toward each of the goals in each of the next five years.

Regent Newlin said the last five-year plan had a mission, vision, values and culture statement. The culture statement was missing in this draft of the plan, and he wanted to know if it was possible to get it back in. Provost Hogan said the culture statement in this plan was embedded in the mission statement and statement of values, and not separated out as a culture statement. He said it would be no trouble to separate it back out as an individual culture statement.

Provost Hogan discussed goals in undergraduate education. He said the plan identifies a variety of strategies to advance that goal, including recruiting and graduating a student population that can succeed at the university, and building learning communities that leverage their strength as a research university in helping undergraduates prepare for life in an increasingly diverse and global environment.

Among the best of the performance indicators relating to undergraduate education are the first-year retention rate and six-year graduation rate. He said they are hoping to make progress in both of those areas.

President Downer asked Provost Hogan how the first-year retention and six-year graduation rates stacked up against the University of Iowa's peer institutions. Provost Hogan said moving the first-year retention rate up to 86 percent would still not be the median point in the CIC or Big Ten conference. The same would be true of the six-year graduation rate. President Downer questioned whether those percentages were high enough. Provost Hogan said they would be pretty aggressive and that it depends on the student population admitted. If the university could get to 86 percent in the next five years and 70 percent for six years, they could re-examine the data. The committee set goals that were realistic, but a stretch.

Regent Becker said one performance indicator for diversity in the Board's Strategic Plan, socioeconomic status, should be incorporated into the universities' plans. She felt that was very important for a state like Iowa that has a great deal of poverty and low- to middle-income individuals who fit the whole range of racial and ethnic categories. She felt that

related to Provost Hogan's comments regarding retention rate and does make it more of a challenge to help students succeed.

Provost Hogan said that was mentioned in another part of the plan, about raising more money for need-based scholarships and reducing students' dependence on loans. He said the university would be happy to mention it in the diversity section.

President Downer said he and Executive Director Nichols felt Regent Becker's point is reflected in the Board's Strategic Plan and felt that it would be appropriate to reflect that in the University of Iowa's plan.

Regent Bedell asked about the process. He said the aspiration statement of the University of Iowa's strategic plan established the goal to be one of the 10 best universities in the country. He assumed that was over the term of the planning period. Provost Hogan said that was the plan; he wasn't sure they would get there in five years, but they hope to be making steady progress in that direction. Regent Bedell said when goals aren't set to achieve that plan, it becomes inconsistent with the aspiration. He felt targets needed to be identified to achieve the goals and determine what the base plan is to get there.

Regent Bedell asked if there was a work plan prepared that said what it meant to be in the top 10. Provost Hogan said they could prepare that. Of peer-group institutions, one or two are already in the top 10, public and private. Michigan is both, Wisconsin is both and Illinois is both. Provost Hogan said they could give a parallel list, comparing current one-year retention rates and six-year graduation rates against what they are doing right now. President Downer thought that would be helpful and asked if that document could be sent to the Board Office and circulated to Board members.

Regent Becker commented that many peers in other states do not take the full range of students who are taken into the Regent institutions, as they are more restrictive about who they admit. She said it was a great challenge to maintain the broad access and still move up to the peer averages.

Provost Hogan commented on two additional performance measures. He said the university was very interested in internationalizing the educational experience for students. He said they also were also interested in giving students the benefit of a small class venue very early in the educational experience, where they can work directly on research with members of the faculty.

Regent Gartner asked what percentage of classes were taught by faculty as opposed to teaching assistants. Provost Hogan said the university has standard course requirements for faculty. If they have all of the freshman and sophomore courses taught by faculty members, the faculty's course load would triple, or more faculty would need to be hired.

Regent Gartner asked if that affected the quality of education; Provost Hogan replied he did not believe it did so. He also said that if the university used more teaching assistants, it might erode the quality of the graduate programs. He said they are always trying to get

higher-quality teaching fellows in the classroom and into the department. They want to be able to place them when they get their advanced degrees. The university wants to make sure when they put the assistants in the classroom that they are going to be competent. Maintaining a high-quality graduate population not only boosts the reputation of the institution, the graduate program, and the placement rate, but it also guarantees that those students will be very fit teachers. Provost Hogan said the teaching assistants go through rigorous TA training programs, and their classes are under constant supervision and are monitored and evaluated.

Provost Hogan said the second area of focus is graduate and professional education. The goal is to cultivate excellent graduate and professional programs and to advance the research and scholarly enterprise. He identified the strategies associated with this goal.

President Downer asked whether those percentages would go up when the Good, Better and Best Iowa Campaign is concluded. Provost Hogan said yes, that currently that number has risen from 12 percent to 16-17 percent. There have been 150 to 180 new endowed chairs; professorships and faculty fellowships have been added due to the campaign.

Regent Newlin asked if the university was at 90 percent of the goal of the Campaign. Provost Hogan said it was at approximately 90 percent.

Provost Hogan discussed the third area of focus, diversity. The university's goal is to promote excellence in education by increasing the diversity of the faculty, staff and students. There are performance indicators that will help them know if they are making progress in this area, which will be measured by increasing the percentage of under-represented minorities among the faculty, staff and students. He said they were not doing as well as he would like. Provost Hogan said he would like to increase the percentage of women on the tenure track, including women in executive positions at the university.

He also said this area of the plan addresses the issue that was raised in the Governor's Executive Order 27, specifically calling for creating a more welcoming and accessible environment for faculty, staff, students, and visitors with disabilities. The university is engaged in a full review of its compliance with the American with Disabilities Act.

Provost Hogan said the fourth goal was to strengthen the university's intellectual and community vitality, including faculty vitality. He outlined the strategies to achieve this goal.

Provost Hogan said there are a full set of performance indicators by which progress will be measured. The principle indicator is to move faculty salaries back into the top third of the peer group.

Provost Hogan said the fifth goal is engagement and identified the strategies and performance indicators associated with this goal.

Regent Bedell said in these times of tight budgets, the question is how to take the rich capabilities available at the University of Iowa and deliver them to more people in an efficient way. He suggested a stronger relationship with the infrastructure existing through the private colleges, community colleges, extension services, or other structures. Instead of rebuilding those or having to own all the existing infrastructure, he asked, how could the benefits of being a research facility be delivered in a broader way throughout Iowa? He did not see that as being a strong component of the university's plan.

Provost Hogan concluded with a discussion of the Iowa promise stated in the plan. On the one hand, the promise is the university's potential for greatness, reflected in the aspiration statement. On the other hand, the promise is the university's pledge to those in Iowa they serve – students, the people of the state and the Board of Regents. He said the university cannot realize its full potential of greatness except by fulfilling that promise to those constituencies.

B. Iowa State University

President Geoffroy said he wanted the university's strategic plan to be a roadmap for the future, to reflect current realities, to be inspiring, to have good specificity with flexibility, and be a good framework that other units on campus can use as they develop their individual strategic plans. He also wanted the plan to be short and easily readable. He also asked that a process be used that would be very open and inclusive, giving opportunities for input from all constituents interested in the university and the plan. One of the strongest indicators of the quality of the plan and the process used is that the plan was unanimously endorsed by the Faculty Senate before submission to the Board.

Provost Allen made the presentation of the plan to the Board, focusing on three major areas: the process the university used, the product of that process (the proposed plan), and next steps.

He said the planning committee consisted of 42 people who met eight times over the course of a calendar year. The committee's work was coordinated by a facilitation group.

For the first six months of planning, the committee:

- Reviewed the "old" plan and its mission, aspiration statements and various goals.
- Did an environmental scan, where they looked at a variety of documents and also met with a large number of people via forums and focus groups.
- Reviewed and re-evaluated a large number of reports.
- Looked at what individuals outside the university thought they should be doing or doing better.

The second phase of planning was spent in writing, getting input, revising, getting further input, and finalizing the document. Provost Allen said he found that people were very passionate about Iowa State University and particular aspects of the university. He also said they were very civil; that when discussion ensued, there were strong disagreements from inside and outside the university community, but the process proceeded very well.

Provost Allen said the web site was used to facilitate input and campus discussion. Opportunities were also available online for feedback and electronic open forums throughout the process. With the number of individuals participating online, Provost Allen felt that using the web page was very successful.

Provost Allen provided an overview of the full plan, containing the mission statement, vision statement, culture statement and core values and priorities. He said the summary statement reaffirmed the land grant values at Iowa State University with the "catch" of not as the university was, but as it should be. In the long-term vision statement, 25 years from now when people ask what a land grant university should be doing, they will automatically point to Iowa State University. He felt that Iowa State University should be the leader in the country in redefining land grant ideals. He said the institution should recommit to the emphasis and importance of science and technology, not only to the university, but to the state of Iowa.

Provost Allen reviewed the various statements, starting with the mission statement, which reflects the university's history, legacy and culture as a land grant university. He felt it is very important to create knowledge, share knowledge through teaching and outreach, and to apply that knowledge.

He briefly discussed the culture and core values, stating the university felt that culture represented how they do things on campus and that core values are very deep beliefs held by the university. He then discussed the plan's five priorities.

Provost Allen reviewed the university's next steps. He said strategies will be developed once the goals and priorities are established. He said a strategy has to have a budget attached to it, has to have a timeframe, and has to have someone responsible. He said the university is first defining responsibility, who will be accountable, setting a timeframe and putting together a budget. Provost Allen said there are three types of indicators: one for the university's use, those that would be public to the Board but not common to the other universities, and the common dashboard the three universities use.

Regent Becker talked about the diversity section of the draft strategic plan. She asked that socio-economic factors be added. Provost Allen felt that was very important to add this to the text.

President Geoffroy said they are using the strategic plan as a component of setting the priorities for the next comprehensive fund-raising campaign. He said the plan is also being used as the basis for the reallocation process of the Board's Transformation Plan. He said they want the reallocations to be directly aligned with the strategic plan priorities. He said he uses a Budget Planning Advisory Committee, and one of the budget requests he submitted was to implement the priorities identified in the strategic plan.

President Geoffroy said by keeping the plan short, it would be easy to communicate. When the plan is finalized, it will be distributed very widely to various individuals.

Regent Bedell said that three of the five priorities are based in Iowa. He thought it would be interesting to do a measurement five years from now and determine what percentage of graduates live in Iowa and what percentage doesn't and why. He thought that for the next five-year plan, it might help the framework for the Board to determine what needs to be accomplished and what needs to be improved or changed.

Regent Vasquez was intrigued about the dashboard that picks up some commonalities between the universities' and the Board's strategic plans. She felt it created a snapshot of where they have been and where they are going and that it would be a powerful tool, both for the legislative agenda and the fund-raising agenda.

Executive Director Nichols said the differences in the institutional plans in terms of format and substance showed an indication where the process was in the big picture. He said the institutions have begun a process that they worked through in the last year to refine their institutional drafts, consistent with the Board's work last year on the Board's five-year Strategic Plan. The next step is the universities' finalizing their institutional plans and bringing them back to the Board for final approval. In the near future will be discussion of the dashboard as it relates to shared institutional indicators and a subset of Board-specific indicators that the Board is counting on being put in the work plan in the next several months. He said the Board will want to consider whether they concur with the institutions' collective judgment about the small number of indicators they want to provide the Board for institutional indicators, and, secondly, whether the Board wants its own distinct set, also small in number. The Board Office envisions these issues will need consideration over the next few months into the summer of 2005.

C. University of Northern Iowa

President Koob made some announcements before presenting the university's strategic plan. He said Provost Podolefsky accepted a position as president of Central Missouri State University. He said a letter had been sent to the Board asking permission to appoint James Lubker, dean of the College of Humanities and Fine Arts, as interim Provost, at the May Board meeting.

President Koob said the vision for the university was "we are the best of class." The mission describes who they are, a public comprehensive university, with no research mission. He said that the University of Northern Iowa is presently regarded as one of the top leaders in public comprehensive schools. President Koob said the vision is to further develop and sustain that leadership position. The vision to be the very best is something that has nearly been achieved, if not already achieved.

President Koob said from his point of view, the strategic plan could best be viewed by looking at the values. He said that what guided them in decision-making when the world changed radically was values: commitment to students, commitment to a very high-quality learning experience for those students, commitment to the people in the university, and commitment to the general mission of the university.

President Koob discussed the mission statement. Its first element is providing a world-class university education. They expect their students to compete anywhere in the world, in any position in the world, suitable to their education. They have ample evidence that is in fact true. The way the university fosters that is by increasingly personalized experiences for the students. He said they feel the key to leadership in a public comprehensive university is meeting the needs of the students and adding value to each student. To do that, they must know the student as a person and add the types of things that person needs to achieve expected outcomes.

There are five goals in the UNI plan. President Koob said he was going to try and simplify each goal, rather than stress the complexity of the university.

- Create the best possible learning environment for each student.
- Create the best possible faculty the university can have.
- Provide service in and on the campus to the community and define the community as the city, county, state and anyone else the university serves.
- Aspire to have an ever-improving and appreciative culture on the campus. The culture statement has become one of the goals.
- Make sure the resources are available to achieve the goals.

Subpoints in each goal are intended to indicate the activities the university is either undergoing or continues to participate in, to illustrate they have success in achieving the goals.

The first goal is to provide the best possible learning experience for the students. President Koob pointed out the Education Trust has identified the University of Northern Iowa as one of the nation's leaders in graduation rates for peer institutions. He said of the 420 public comprehensives in the United States, 48 have been identified as peers of the University of Northern Iowa in terms of size, admission standards, ACT scores, etc. UNI ranks in the top of those 48 universities in terms of graduation rate.

President Koob talked about the Follon Student Services Center. He likened the experience to that of a personalized online home page. Staff at the center provides help to students immediately at the desk, via a Frequently Asked Questions approach, and via specialized help anywhere across the university. Instead of having to go to different offices for various services, students can access all services at a single place. President Koob said this kind of help has become very popular among the students.

President Koob discussed the university's second goal, having a high-quality faculty. He said roughly 20 percent of the faculty have turned over within the last three to four years; however, very high quality has been maintained during that period. He said the university believes very strongly in having qualified faculty in the classroom, with over 99 percent of classes being taught by individuals within the faculty rank. He said they feel a majority of the faculty should be permanent tenure track in order to make certain that planning for the future and stability of the culture of the institution is maintained, but they also like the knowledge of faculty who represent different points of view around the community. He

noted that the university maintained that ratio when it went through the last half of the 1990s with rapidly increasing resources and the first half of the new decade with rapidly decreasing resources. At the same time, they wanted to increase the faculty diversity. Over the same period, faculty of under-represented groups have increased on average.

President Koob said that although the University of Northern Iowa does participate in research, the goal of the research is less the generation of new knowledge and more to provide learning experiences for students. He said they hoped that any sponsored programs that bring funds to the campus provide new opportunities for students, whether it's undergraduate research, opportunities to express themselves in art, or participate in their craft if they're in the Business College.

President Koob spoke about the university serving the people of Iowa. As an example, he said one university professor has developed lubricants based primarily on soybean oils. More than 22 patents have come from this one area.

President Koob said in response to the Governor's Executive Order #27, the university has identified the various accessibility opportunities available on the campus. There is a Disabilities Office that continues to coordinate all activities to be in full compliance for individuals with special needs.

He said the university has students involved in a wide range of activities within the community, and that community can be local or international. An example is students volunteering services to young people and the elderly of the community.

President Koob said the University of Northern Iowa's Business and Community Services have served nearly 448 community clients, 4,000 businesses, and 34,5000 employment and community leaders, and has offered 250 training workshops.

He said the university continues its commitment of service to Iowa.

He discussed the fourth goal, the university culture, which empowers and makes every individual on campus feel respected for who they are and recognizes that everyone has an opportunity to contribute. The university does this by trying to maintain a safe working environment. The Phoenix Center is a new initiative that grew out of the Alcohol Management Program.

Regent Becker asked if socio-economic diversity would be integrated into the plan and, if so, into what goal. President Koob said their definition of diversity had been re-written and the Board would have that in a subsequent edition.

President Koob mentioned that the University of Northern Iowa had been selected by the Education Trust, a group primarily interested in K-12 education, as an exemplary school in terms of graduation rate, among comparable institutions. As a result of that selection, the University of Northern Iowa was chosen as one of 12 study venues across the United States to determine best practices for graduation rates.

Regent Becker said one of the important factors that President Koob talked about was that he was not discussing reaching goals of excellence by changing the student population. She felt that was a critical point; that there are many ways to improve the quality of education for all the students. She said it can be done, although not as easily, without narrowing access to lowans. She said they needed to keep access broad and keep reaching for those improvements.

President Koob said it was dangerous to look at a single number. He said because they care about the students, one of the things they would do for a student who is having difficulty at the University of Northern Iowa would be to counsel them into a more supportive educational environment, if one existed. He said institutions and individuals have personalities and at times they don't mesh well, for one reason or another. What needs to be done in the State of Iowa is to have an educational enterprise-wide understanding of where students go. He said it was his expectation that many of the students that leave other public universities will wind up at the University of Northern Iowa and go on to graduation. It was also his expectation that students who were not retained at UNI go on to other venues of education. He suspected the graduation rate in Iowa was significantly higher than the numbers presented, because the students are sorting out the environment that's most appropriate for their success. He said the Iowa College Student Aid Commission is on a mission to try to find a way for the university to do that, which would help them understand better how they are meeting the needs of young lowans in meeting the goal of a college education.

Regent Newlin asked if they were putting the culture statement back in and President Koob said he would do that.

President Downer announced that Regent Michael Gartner had been confirmed by the Iowa Senate earlier in the day.

Item 5. Governance Report on University Residence Systems

Deb Hendrickson, Senior Policy & Operations Officer, introduced the university representatives who would give individual reports: Tom Hill, Vice President of Student Affairs, Iowa State University; Phil Jones, Vice President of Student Services, University of Iowa; and Michael Hager, Director of Residence Administration, University of Northern Iowa.

Ms. Hendrickson said the Residence System Governance Report included three separate but interrelated reports:

- five-year residence system plans
- proposed rates for academic year 2005-2006
- residence system preliminary budgets for fiscal year 2006

Highlights from the fiscal year 2004 annual report presented in the fall with the comprehensive fiscal report were included.

She said the residence system reports are closely interrelated. Data from the annual report and the five-year plan provide necessary background to accurately evaluate the rate proposals for the coming year. The preliminary budgets are based upon the proposed rates and occupancy assumptions. The Board gives preliminary consideration to both the residence system rates and budgets in March, with final approval of rates in May and residence systems budgets in June.

She said the residence systems are self-supporting operations and do not receive state-appropriated funds for operating expenses or capital improvements. Historically, the Board has used the double occupancy room with full board, as a comparative measure for residence system rate increases. The universities do offer many other options. The universities' proposed rate increases for 2005-2006 for a double-occupancy room with full board are illustrated in the table on page 4 of the agenda item.

When combining tuition and fee increases previously approved for the 2005-2006 academic year with the proposed residence system increases, based on double occupancy and full board, the total incremental annual cost increase to an undergraduate student would be:

- \$407, or a 3.6 percent increase at the University of Iowa,
- \$383, or a 3.4 percent increase at Iowa State University,
- \$473, or a 4.4 percent increase at the University of Northern Iowa.

Student organizations at each of the Regent universities have been presented the rate increases and given an opportunity to respond to the proposals. The table on page 6 demonstrates the differences among the university residence system. Operating capacity ranges from a low of 5,286 beds at the University of Northern Iowa to a high of 9,362 beds at Iowa State University. Iowa State University has built new facilities over the past several years. All three universities have added at least one new or renovated dining facility with the marketplace concept recently.

Phil Jones, vice president of student services at the University of Iowa, discussed the university's five-year Plan. He said in the last five-year plan, they had Board approval for completing plans on the residence hall improvements and discussed at length the university apartment complex. Since that time, a new director has come on board and considerable planning has been done with respect to apartments. In the process of looking at apartments, they looked at the whole system, in terms of what would be done for single housing, as well as apartments. Consequently, the university will shortly bring to the Board a new master plan. They will continue to look at expanding the system to a limited degree, in order to have some space for moving people around as new space is built, while at the same time continue with the plan for flexibility in the system.

The university has what is called a "neighborhood concept," which has east, west and north side neighborhoods. The rooms with privacy components within the living space, such as bathrooms and lounges, are primarily on the west and north campus. Under consideration is new space at the central campus, which is the east side residence hall.

That had some bearing on their planning with respect to rates, because they were looking at a hall with about 500 beds originally and are now looking at it in terms of 300 beds and some other plans for the central campus.

Vice President Jones said the rate increases primarily represent areas for inflation, salaries and utilities. They made some changes in the operation to try to balance the room costs in comparison to board costs, which has had some impact on the rates, but still has kept it within range. The university is still among the lowest in the Big Ten. They still maintain the principle of zero deferred maintenance.

Vice President Jones feels the system is relatively healthy. They have continued their commitment to housing entering students. They work very hard to keep the occupancy they have. The improvements in the system, in terms of the marketplace concepts, the community centers, and entering new program activities, are actually making the university more attractive. They house approximately 97 percent of the incoming freshmen. The tradition has been for students to begin to move out in upper years. They are planning to keep that commitment and, hopefully, will be able to lower the number of students who have to live in temporary housing, as the university goes through the next few years in planning.

Tom Hill, vice president, student affairs, Iowa State University, discussed the five-year plan and proposed rates in the revised fiscal year 2005 and preliminary fiscal year 2006 residence system budgets.

Vice President Hill said the master plan for revitalizing the residence system had been built on the concept of neighborhoods that reflect the needs of students at different stages of their academic experiences and accommodate student families, when necessary. They have completed most of the commitments listed in the master plan.

In the five-year plan, they continue to address the consequences of the enrollment decline and challenges from a strong local housing market. The department had increased efforts to raise student awareness of the benefits of on-campus living through a significant marketing campaign. Currently, they are 364 contracts over the fall 2005 return goal and are keeping pace relative to the 3,700 freshman enrollment goal. The goal is to house 3,303 incoming freshmen. He said they are confident that they can maintain their current capture rates into the future.

Regarding major issues and challenges, the department has taken a variety of measures to address the budget shortfall. Some of those measures include closing facilities and re-organizing staff. They are conducting a search process for a new director of housing. They will close Wallace and Wilson Halls at the end of the current academic year. The estimates for the demolition of Knapp and Storms Hall were much higher than originally anticipated. They plan to proceed with demolition this summer, as the Board directed. The low reserves are a result of the cost associated with the project.

Vice President Hill said ISU Dining is engaged in a comprehensive review of operations and will present a plan as part of the annual budget presentation in June. Financial challenges have resulted from the reduced number of students on campus, increased costs resulting from the merger of food service operations, new university overhead, and the university commissions structure. All of those aspects are being reviewed. Dining activities that are subject to bonds will be short of the revenue target, and ISU Dining has reduced its expected board plan revenues. However, it is anticipated that catering and retail dining sales will offset that reduction. For dining activities not subject to the bonds, areas such as the cafes, the food court and Memorial Union catering, are expected to exceed their budgets, while vending and the Scheman Center will fall short.

The financial forecasts have been based on conservative room and board rates and expense rate increases. They assume no increases in their capture rate in the residence halls and Frederiksen Court, and they are confident they can rebuild occupancy in Schilletter and University Villages to the historical 90 percent occupancy level. He said a new Schilletter University Village Community Center would help that effort.

In discussing the proposed rates for 2005-2006, Vice President Hill said differential rates have been proposed for different housing areas, based on the popularity of those particular living areas. Schilletter and University Village, formerly University Family Housing, will see no increase in rates and capital reinvestment into the property is planned.

Students in residence halls, Frederickson Court and Schilletter and University Villages supported the rate proposals. The revised fiscal year 2005 budget included major reductions in expenditures in response to decreased enrollment. The preliminary fiscal year 2006 budget challenges will include the closing of additional residence halls, as well as the reorganization of facilities and residence life units within the Department of Residence.

President Downer said he noted that in the report on page 31, it is projected that the number of FTEs on staff is going to rise quite substantially; there were 704 for 2003-2004 year and are budgeted up to 751. It is now forecast at 757 and then shows a drop in the preliminary budget to 719. He asked why there was a substantial increase and what steps have been taken to cause the drop from 757 to 719 in the 2005-2006 year.

Vice President Hill said in order to adjust to reduced revenue projections, they made adjustments in staffing the facilities area and the residence life area. He said they have approximately 25 positions that will be eliminated in the facilities area. Additional positions will be eliminated in residence life, as a result of eliminating some of the academic support programs. He said that accounted for the reduction in the number of staff in that area.

Regent Becker asked why the number went up as much as it did in 2005, from 704 to 751. President Downer said it was projected to go down, and Vice President Hill agreed. Mr. Hill said new venues were brought on, such as the Community Center, and they also added some additional venues in the Food Service operation. He said there was some reallocation of staff as a result of closing the Friley Dining Center; some of the operation

was moved to the Union Drive Community Center, but they also had to add staff, because it is a much larger facility.

President Downer said in connection with the demolition of Knapp and Storms Halls, he wanted to know why the estimates have gone up substantially and how confident the university is about the current numbers. Vice President Hill said they were relatively confident in the numbers they currently have. Factors that contributed to the rise in the demolition costs include asbestos removal. He said they feel confident now that they will be on budget, and they are confident they can take down both buildings this summer, as planned.

President Downer said he was impressed by one particular aspect of the University of Northern Iowa report, the two-year Advantage Plan they had implemented to solve some of the same problems that have been affecting Iowa State University. He asked if that was something they had looked at and, if not, might that plan have merit in terms of an action that could increase occupancy in the residence halls. Vice President Hill said it was clearly something they would look at and consider. He said they were making a number of changes to improve the situation. As he said earlier, there are 364 contracts above what the projected number was for 2005, so a lot of the changes they made were making a difference.

Regent Arbisser said on page 31, the university projects a decline in the cost of utilities and wanted to know why. Vice President Hill said they took facilities off line, which will have some impact.

Regent Gartner said the university was "losing its shirt" in food service in the Union. He said the Union Food Operation owes the Department of Residence well over \$2 million and noted they would lose another \$606,000 in fiscal year 2005. He asked if there was a plan or had they considered outsourcing, either for the Union or ISU Dining as a whole.

Vice President Hill said they are entering a new environment. Food services were combined, and the university doesn't have a history of data to find out what the operation is generating. Before the combination of the two food service operations, the Union was an independent operation. Regent Gartner asked if it made money then. Vice President Hill said it was difficult to give a clear answer because of the differences in the operations. He said they are looking at the information they received from the Union and are trying to make sure those operations were profitable. He said outsourcing is a possibility, but before they get to that point, they would like to figure out what is happening. Regent Gartner said it was obvious what was happening – they were losing money. Vice President Hill said there were some unexpected expenses as a result of putting the two operations together. One example is technology; the first thing they realized after assuming responsibility for the Union was that the technology was severely outdated. Regent Gartner said this was the third year they have lost money and asked what the projection was for 2006. Vice President Hill said they are gathering data now and working on projections and would come back to the Board in June with additional information.

Regent Rokes referred to residence hall academic support on page 22 and the reductions made. She said the hours have been reduced and asked what the current hours were for students. Vice President Hill said the desk hours were the hours that were going to be reduced during the day, but he didn't know the exact hours.

Regent Rokes asked if the Fresh Start Program was just in Maple Hall or over the campus. Vice President Hill said the program was in other selected facilities. Regent Rokes asked if these were like the learning communities. Vice President Hill said some learning communities were involved, but not all were learning communities. Regent Rokes said those services were very important to students and asked that the university keep in mind how it would affect those students. Vice President Hill said they do understand and are trying to compensate within the Division of Student Affairs from other areas.

Regent Vasquez noted several positions were being eliminated, two of which were in academic services and residential minority. She said those were the kinds of programs that would be critical to retention and students adjusting. She asked where the funding stream was and how much money would be saved with the eliminations. Vice President Hill said the Department of Residence revenues were the funding stream. The amount was \$200,000 to \$300,000. He said they were making a concerted effort to provide those services in other places within the Division of Student Affairs, and are relying on the Academic Success Center and Multicultural Student Affairs Office to provide some of those services. He said the students would be served, but they had no choice but to make the necessary budget cuts to try and balance the budget.

Michael Hager, director of residence administration, University of Northern Iowa, reported that the Department of Residence continues to offer excellent housing and dining for students. Students participated in national surveys that allowed the university to benchmark its program against other schools in the country. The program at the University of Northern Iowa continues to rank in the top 10-20 percent nationally, with many key services provided to students.

He said this past August, after a year-long renovation, the Towers Dining Center was opened. He said this was the end of a five-year master plan for their dining operations. The model for delivering students' food and a variety of dining experiences available to them is now a hallmark of their program. They know students are pleased with the outcome of the dining master plan, based on their behavior. Two examples:

- Student participation rate in the meal plans is up 5 percent this year. Essentially, a student on a 19-meal plan is going to miss a certain number of meals, which is called the participation rate. The upside is it shows that students are using the meal plan; the downside is it is wreaking havoc with the food budget.
- Among students who are re-contracting for next year, they are seeing a significant shift off the traditional board plan into the programs that have dining dollars, which is the flexibility for students to eat at all the new venues. As students actually exhibit behavior, in addition to what they say on the surveys, their actual behavior says that they're very happy with the conclusion of the master plan for the dining operation.

Director Hager said they are developing a master plan for the housing side of the equation and will have that plan to the Board by the end of the calendar year.

With both the housing and dining programs, the most important element is that they are able to deliver the outstanding services at a very affordable rate. One of the challenges they faced in the last few years is a decline in occupancy. They analyzed data and saw that most of this happened at the sophomore level. Some of the drop was a result of a 1,000 new apartment beds constructed six to eight blocks from campus. This year, the university implemented a much more assertive marketing program. They increased communication with parents that was timely and more focused. They have also shared more complete information with students on all the costs that are included on campus, compared to the off campus options. As a result, the university was seeing significant increases in the rate of students re-contracting to stay on campus.

Director Hager said that during the past few years, they have taken their fiduciary responsibility very seriously. They have managed the program so that they have more than met the requirements of the bond obligations. For next year, the budget shows a slight decrease in occupancy. This is a conservative estimate. They anticipate growth over the next five years. The rate increases are detailed in the docket item with the majority of the increases coming from traditional inflationary adjustments, as well as a small amount to cover maintenance and repairs.

He said the only major change in the program worthy of note involves a renovation of Shull Hall, which was brought to the Board in October. Based on market survey, they used a cost-effective approach to renovate Shull Hall and change it into upper class student housing. This was done with existing funds, with no borrowed funds. He reported the concept for reopening Shull Hall has met with success, and the building will be full for next year. The rate increases were reviewed with the Council of Presidents, which consists of every president of all the residence halls. The Council was pleased with the increase and was fully supportive of that increase.

Director Hager talked about the Two-Year Advantage Plan. The program is available exclusively at the University of Northern Iowa. The program allows students and their families to freeze room and board rates for two years. Students who utilize the Two-Year Advantage program will pay the same rates for two years. The rate increase presented to the Board would not apply to the students on the Two-Year Advantage Program. He said they are in the third and final year of the trial program. At the next meeting, based on the success of the program, they will be asking for permission to continue the program permanently as long as it is economically advantageous to the university.

Regent Rokes commented on the Two-Year Advantage Plan. She said students see the apartments and think that would be fun and then realize they have a Two-Year Advantage Plan option. The stipulations of getting out of a contract are more harsh, so they stay on. A lot of those students actually are staying on for a third year, as they realize they are not

ready to live off-campus and they enjoy all the benefits of living on campus. She said Shull Hall has been a huge hit with students.

Regent Gartner asked if a student signed up for a third year, if that cost would be the same as the first two years. Director Hager said no, that they could sign up for another two years at a new rate. Regent Gartner asked if students could sign up for the Plan any time during their academic years. Director Hager said they could. Regent Gartner asked what happens if a student drops out, if the student was out of money and if they had to make good on the debt. Director Hager said it is a two-year contract, instead of a one year contract. A student commits to follow through for the two years and the university commits to giving them the lower rate the second year.

Regent Arbisser said on page 3 there was discussion about housing some community college students. He asked for more information. Director Hager said the arrangement with the community college helps the synergy between the two institutions. There are students that migrate from Hawkeye Community College to the University of Northern Iowa. He said one of the challenges the community college faces is not offering the same type of student support mechanisms. By having some of those students on campus, they can offer the same type of support for that initial adjustment to a college experience. Ultimately, there are some students who come to the institution and finish their degree with the university. He said it has helped financially, but more importantly, it has helped the student adjust to college and helped the relationship with the community college.

Regent Arbisser asked if he had any different observations concerning the conduct of such students. Regent Rokes said she had quite a few in her building and that they weren't different; they all have the same expectations and work under the same rules. They cause just as much trouble, or don't cause just as much trouble, as any other normal student.

President Downer asked the four individuals who made the presentations if they would collaborate on the answer. He said there seems to be a wide disparity among the systems on FTEs; that there is not a direct correlation with the size of the systems. The University of Iowa is in the area of 275; Iowa State is in the 700+ area and UNI is the 400+ area. He wondered if these were true comparisons and if they were, if there wasn't some way for the two institutions who appear to be on heavy end to eliminate some positions. He said as sensed from the questions raised, there is concern about the systems in terms of their operating costs.

Ms. Hendrickson said she raised the issue with the University of Iowa as being low. She took the salary dollars divided by the FTEs, which seemed fairly high. She said this was the first year all the universities were asked to report this data consistently. She felt FTEs is a valid measure but felt there wasn't enough time to fully review or recalculate institutional data. She said she thought the University of Iowa was not including all of their part-time help. She also pointed out that the systems are very different in size.

President Downer asked that by the time this issue comes back to the Board, if there was some way that there might be a way they could make sense of the FTE disparity, he felt it would be helpful.

MOTION	Regent Arbisser moved that the Board receive the reports, consider the academic year 2005-2006 proposed rates and consider the preliminary Residence Systems budgets, which are subject to further review and action when the Board approves the fiscal year 2006 institutional budgets. Regent Rokes seconded the motion. MOTION WAS ADOPTED UNANIMOUSLY
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Item 6. Proposed Miscellaneous Fees and Charges

Andrea Anania, Policy & Operations Analyst, said that in accordance with the Policy Manual, the Board reviews miscellaneous fees and charges for the coming academic year, after it has acted upon tuition rates in the fall of each year. Miscellaneous fees include both tuition related and non-tuition related fees. Tuition related fees are in lieu of tuition charges and were approved in November 2004 with the Board's annual discussion of tuition and mandatory fees. She said examples of tuition related fees include continuing education courses and workshops. Non-tuition related fees are in addition to tuition charges and are presented this month for the Board's consideration. These fees will be presented in May for approval. Examples of non-tuition related fees include course delivery fees and private music lessons. An alphabetical listing of all fees may be found on pages 9-14 of the agenda item memorandum.

For fiscal year 2006:

- The University of Iowa requested four new fees, ranging from \$10 to \$300, increases in fees ranging from \$6 to \$1500 and the elimination of one fee.
- Iowa State University requested five new fees, ranging from \$5 to \$636, the elimination of five fees, ranging from \$5 to \$85 and one name change.
- The University of Northern Iowa requested no new fees and increases in seven fees ranging from \$7 to \$30.

Regent Arbisser asked about a University of Iowa fee regarding criminal background checks for students involved in patient care. He asked if there were other sensitive areas where there was a potential for risk. Regent Rokes said at the University of Northern Iowa, because she is going into student teaching, she has to pay for a full background check and to get finger printed once she begins her internship.

Vice President Madden said that at Iowa State University, they were continuing to review the kind of background checks that are appropriate, occurring in certain areas without specific fees being associated; in essence a cost of the programs. He said that one of the challenges in this area is whether the databases used to do the kinds of background checking are thorough and accurate. The university is trying to assess the cost benefit ratio. The alternative of moving into that in a major kind of way involves substantial issues. Currently, there is not a national database that lets you do this effectively. The reality is, unless you can reach fairly broadly, the university may not collect all the information it looks for.

President Downer asked if this was something that could be looked into and have a report back to the Board before its final consideration.

Regent Arbisser asked about Iowa State University. He asked how much of the time the university was involved in remedial instruction in foreign languages. He said that was a concern and a manifestation of budget cuts that happen before students come to the Regents' Enterprise.

President Geoffroy responded by saying remedial instruction is not a large fraction of their activities. He said compared to most similar sized universities around the country, as public institutions, they offer relatively little remedial instruction. He thought overall that was a reflection of generally how well-prepared incoming students were.

Regent Arbisser asked about the student counseling no-show appointment fees. He asked how they would collect those fees. Vice President Madden said they would be billed if the student doesn't show up. He said this was an effort to get better utilization of the counseling time. Then for that student to register for the next academic term, they need to take care of the incurred expenses.

Regent Vasquez asked how frequently that situation occurred. Vice President Madden said with reduced staffing in the counseling areas, they were trying to maximize use of counseling services. He said it's not a major problem but significant enough to propose a fee

Regent Rokes asked about the University of Northern Iowa's Peer Advocate program, the previous orientation services. She wanted to know if it was the first year, every year or just going through orientation. Vice President Schellhardt said the original goal was to be for the new students entering the institution for the fall, primarily directed toward freshman. He said they were looking at a transitional period, relating to the student as they transition into the institution. He said doing so in a peer environment so that ease and the relationship could be established to create a sense of belonging that is critical in the first year.

Regent Rokes asked what the Peer Advocate Program was. The program is new and funding is being sought through the orientation fee to provide the training and staffing for those individuals to work in the new student area and the fee would be applied only once.

MOTION	Regent Arbisser moved to give preliminary consideration to the proposed changes for fiscal year 2005-2006, as shown as Agenda Item #6. Regent Rokes seconded the motion. MOTION CARRIED UNANIMOUSLY
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Item 7. Proposed Parking Rates and Policy Manual Revisions

Andrea Anania, Policy and Operations Analyst, said parking systems at the universities provide many services, including control, patrol, maintenance, repair, snow removal, resurfacing and construction. Parking systems also provide meters, signage, salt and sand, equipment and supplies. She said each university has parking systems that are self-supporting operations. User fees and fines support operation, maintenance and capital improvements. She said the parking systems do not receive any state appropriated funds.

Ms. Anania continued by saying each year in March the Board is asked to consider any changes to the University's parking rates and/or policy manuals for the upcoming year. The Board is then asked to approve the changes at the next meeting, which is May.

The universities request that the Board consider increases to the published parking rates.

- The University of Iowa annual charges would range from \$42 to \$1800.
- Iowa State University annual charges would range from \$36 to \$692.
- University of Northern Iowa annual charges would range from \$6.25 to \$300.

All changes to parking rates and regulations require Board approval. Certain changes to parking rates and regulations require Board approval, as well as changes to the Iowa Administrative Code.

Ms. Anania said Iowa State University requested approval for two changes that require changes to the Iowa Administrative Code. The Board was asked to approve the revision of the Administrative Rules regarding parking offenses at Iowa State University and authorize the Executive Director to file the rule revision in the required form. The Board will be asked to give final approval for the charges to publish parking rates at the May Board meeting.

Regent Arbisser asked about the volume of parking that occurs at the University of Iowa Hospitals ramps.

Vice President True said what happens currently is that patient parking is comped, paid by the clinical department with the revenue stream still going to the parking system. He said the parking system still needs to see that revenue stream and in some instances, other departments elect to pay that directly and relieve the patients of that burden as well.

Regent Arbisser said that if he got a coupon at ENT, there is money that changes hands. Vice President True said that was true. Regent Arbisser asked if that was at the same rate as the commercial rates. Dave Ricketts said yes, although it did not include the standard hourly rate.

Regent Becker asked about a change in procedure. She wanted to know the difference between the words “forging” and “counterfeiting”. Regent Vasquez said that counterfeiting is trying to duplicate a document and forging is trying to replicate a signature.

MOTION	Regent Becker moved to consider the proposed parking rate increases and to approve the revision of the Administrative Rules regarding parking offenses at Iowa State University as set forth in Agenda Item #7. Regent Rokes seconded the motion. MOTION CARRIED UNANIMOUSLY
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Item 8. Status Report on Implementation of Iowa Public Radio

Diana Gonzalez, Policy and Operations Analyst, said there were three components to this item. The first component reflected the discussion that the Board had last month on Policy §1.06, concerning the definition of the membership on the Iowa Public Radio (IPR) Executive Council. The change discussed last month was to remove the IPR Executive Director as part of the IPR Executive Council and to remove the Friends representative from the IPR Executive Council and to include two public members on the IPR Executive Council, to be appointed by the Board; this change has been made. In the future, a statewide Friends representative could be appointed as an ex-officio, non-voting member of the IPR Executive Council.

Dr. Gonzalez discussed the second component, which is the appointment of two new members, Mr. Arthur Neu and Ms. Kay Runge, who were approved by the Board at the beginning of the meeting.

The third component, which was requested by the Board, was an update on the work of the IPR Executive Council. The university presidents have appointed their representatives to the IPR Executive Council. The IPR Executive Council has engaged the services of Tom Livingston as a consultant regarding the search and recruiting of the Executive Director of Iowa Public Radio. The IPR Executive Council is also looking at some possible grant opportunities that might assist in the transition.

MOTION	Regent Gartner moved to receive the status report on implementation of Iowa Public Radio and to approve the revised policy §1.06C regarding the membership and term of membership on the Iowa Public
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	Radio Executive Council. Regent Becker seconded the motion. MOTION WAS ADOPTED UNANIMOUSLY
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Item 9. Quarterly Review of Conflict of Interest

Andrea Anania, Policy and Operations Analyst, reported that vendors at the Regent institutions with a potential conflict of interest are required by statute to be approved by the Board. This month, the University of Iowa requested that five vendors be added to the standing list of vendors with a potential conflict of interest. The Board office has reviewed the five vendors and recommended approval.

MOTION	Regent Arbisser moved that the Board approve the five additions to the University of Iowa's list of approved vendors. Regent Rokes seconded the motion. MOTION WAS ADOPTED UNANIMOUSLY
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Item 10. Institutional Agreements, Leases and Easements

Joan Racki, Senior Policy and Operations Analyst, reported that the leases before the Board are recommended for approval.

Regent Arbisser asked about the property listed on page 5, as to where it was located. Ms. Racki indicated she would locate that information and provide it to Regent Arbisser.

MOTION	Regent Becker moved that the board approve the leases presented. Regent Rokes seconded the motion. MOTION WAS ADOPTED UNANIMOUSLY
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Vote for or against the Resolution

Board of Regent Members	Aye	Nay
Regent Becker	X	
Regent Arbisser	X	
Regent Newlin	X	

Regent Rokes	X	
President Downer	X	
Regent Vasquez	X	
Regent Gartner	X	

Item 11. Education and Student Affairs Committee Report

Regent Becker said the Education and Student Affairs Committee accomplished the following at the committee meeting.

- A vote was taken to accept the minutes from previous meetings.
- The Committee received the Distance Education Strategic Plan for review and comment and forwarded it to the Council of Provosts for final review.
- The Committee received the Regent Financial Aid Study and held discussion about the implications of that Study.
- The Committee received the Guidelines for Recruitment of Perspective Student Athletes and asked for some modification of those guidelines and the addition of a joint statement of recruiting philosophy for the June 2005 meeting.
- The Committee received information regarding the University of Iowa's efforts to develop code of conduct procedures for action on students involved with legal issues.
- The Committee discussed the changing expectations of high school students. Ms. Judy Jeffrey, Director of the Department of Education, and Gene Vincent, President of the State Board of Education, presented information to the Board about the work the Department is doing and how the Department can work with the Board in assisting high schools to strengthen the preparation of students and collaborating to help accept and retain students at a higher rate at the universities.
- The Committee recommended to the Board to approve the Filing of Notice of Intended Action to Amend Section 681 of the Iowa Administrative Code. Those amendments address collective disturbance and related behavior under the Board's uniform rule of personal conduct for students and staff at the Regent universities. The Committee agreed to move to take public comment on the issues involved. On May 6, the Committee will be taking the public's oral and written comments.
- The Committee received the post-audit reports on academic programs. The reports received from the two areas were positive and the Committee recommended that the Board approve continuation of the two programs.

- The Committee was updated on catalog changes and approved the proposed revisions for the 2005-2007 general catalog.
- The Committee recommended to the Board a name change from the Department of Chemical Engineering at Iowa State University to Department of Chemical and Biological Engineering, which better reflects the scope of their educational and research programs.
- The Committee received an update on the Iowa School for the Deaf's sesquicentennial celebration later this year.
- The Committee received information on the establishment of the Iowa Center for Immigrant Leadership and Integration at the University of Northern Iowa.
- The Committee received accreditation reports for a number of programs from the University of Iowa. All of the programs were re-accredited for the maximum term possible.
- The Committee received accreditation reports from Iowa State University for a number of programs. All of the programs except the College of Veterinary Medicine and Bachelor of Science in Computer Science were re-accredited for the maximum term possible. Both programs are expected to be in full compliance after their next accreditation process.

MOTION	<p>Regent Becker moved that the Board approve the following actions:</p> <ul style="list-style-type: none">- Filing of Notice of Intended Action to Amend Section 681 Iowa Administrative Code Chapter 9.- Continuation of ISU's programs – Ph.D. in Health and Human Performance and M.S. and Ph.D. in Bioinformatics and Computational Biology.- Proposed changes to Iowa State University's Proposed Revisions for the 2005-07 General Catalog.- Iowa State University's request to change the name of the Department of Chemical Engineering to the Department of Chemical and Biological Engineering. <p>Regent Rokes seconded the motion.</p> <p>MOTION CARRIED UNANIMOUSLY</p>
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Item 12. Investment Committee Report

Regent Newlin said the Committee accomplished the following at the meeting:

- The Committee approved the minutes of December 15, 2004 meeting.
- The Committee received the Investment Report from Mark Friedberg of Wilshire Associates who commented on general market returns and the quarterly performance of the Regent Endowment Portfolios and three of the Board's Fund Managers. The Portfolios as of December 31 were: Operating Portfolio at \$973 million and the Endowment Portfolio at \$417 million, for a total of \$1.4 billion. The Committee received the investment report by general consent.
- The Committee was presented the performance evaluation of three external investment Fund Managers. Representatives from these external investment managers presented general market reviews, as well as each firm's investment philosophy and return performance for the year ending December 31, 2004.
 - BlackRock, a fixed income manager,
 - Reams Asset Management, a fixed income manager, for the Regent Endowment portfolio, and
 - LSV Asset Management, a small cap value domestic equity manager for the Regent Endowment portfolio.

The Committee received all three reports by general consent.

- The Committee voted to recommend that the Board approve its investment policy to increase the maximum percentage allowed for initial common stock offerings in each Endowment Portfolio, from 5% to 8%.
- The Committee received an updated Work Plan which extended the Committee's planned activities through the end of fiscal year 2006. One modification was made to delete a September item for selecting a new fund manager.

The Committee received the modified work plan by general consent.

MOTION	Regent Newlin moved immediate approval of the proposed policy manual change increasing the maximum percentage allowed for initial common stock offerings in each endowment portfolio from five percent to eight percent. Regent Vasquez seconded the motion. MOTION CARRIED UNANIMOUSLY
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Audit and Compliance Committee Report

President Downer said that although the agenda item was not listed in the docket material, it had been posted, so it was proper for action to be taken at this meeting.

Regent Newlin said the Committee accomplished the following at the meeting:

- The Committee approved the minutes of November 3, 2004, and February 2, 2005, meetings.
- The Committee voted to recommend the Board authorize a temporary waiver of Board policy to allow the universities to extend current audit services contracts for one year until various audit matters are resolved. This will line up all three universities so changes can be made simultaneously at the end of the one year. The Board can decide whether to put out requests for proposals and pick one auditor for all three universities.

MOTION	Regent Newlin moved that the Board authorize a temporary waiver of Board policy to allow the universities to extend current audit services contracts for one year until various audit matters are resolved. Regent Rokes seconded the motion. MOTION CARRIED UNANIMOUSLY
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Item 13. Human Resources Committee Report

Regent Vasquez said the Committee met on Tuesday, March 15, 2005, and discussed the following items.

- The Committee voted to accept the minutes of its previous meetings on November 22, 2004, and December 15, 2004, without any change.
- The Committee discussed and accepted its work plan for the remainder of the year, without change, by general consent.
- The Committee reviewed a draft work plan for fiscal year 2006.
- The Committee discussed and voted to recommend that the Board approve a new furlough option for career status professional and scientific staff at the University of Iowa.

- The Committee discussed the tentative 2005-2007 labor agreements reached with the UNI-United Faculty; Campaign to Organize Graduate students, UE Local 896/C.O.G.S. and UIHC Tertiary Health Care Unit/Service employees International Union, Local 199 (SEIU). The Committee also discussed an impasse Arbitration decision and award involving the Board of Regents and SEIU Local 199, that adopted the Regents' final wage offer. The Committee voted to recommend that the Board ratify the agreements and accept the Arbitrator's decision and award.

MOTION	Regent Vasquez moved that the Board accept this report and also accept the recommended actions to ratify those actions of the Committee. Regent Becker seconded the motion. MOTION CARRIED UNANIMOUSLY
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Item 14. Economic Development Committee Report

President Downer said the Committee discussed the following items:

- The Committee approved minutes of meetings held on November 3 and December 14, 2004, and February 2, 2005.
- There were reports given on the Biosciences Alliance for which the Committee is coordinating with the Department of Economic Development in attempts to assemble satisfactory bill.
- President Downer reported on commercialization of technology endeavors of the University of Illinois.
- The presidents indicated they would be prepared to provide a review of their patent intellectual property and related policies by the June Board meeting.

The report was adopted by general consent.

Item 15. Resolutions for the Sale and Award of \$15,200,000 Academic Building Revenue Refunding Bonds, Series SUI 2005.

Barry Fick of Springsted said on the morning of March 15, 2005, on behalf of the Board of Regents', they accepted bid proposals for refunding two series of the State University of Iowa Bond Academic Building Revenue Bonds Series 1996 and 1996.

By way of background, Mr. Fick said Springsted constantly monitors the outstanding level of Regents' bonds, the rates held on those by investors, as well as market rates, to

determine if there is opportunity to refund those bonds in order to take advantage of lower interest rates.

The terms of the bonds are the same as the prior bonds. The life of the bonds are not being extended; it is simply a refunding the bonds to take advantage of the lower interest rate to receive interest rate savings.

Mr. Fick said that a bid was received on March 15, 2005, from the lead firm of Piper Jaffray and Company for the sale of the bonds. Included in the Piper Jaffray and Company group were the firms A.G. Edwards and Sons, Citigroup Global Markets, Edward Jones, Morgan Stanley, RBC Dain Rauscher, Robert W. Baird, UBS Financial Services and Wells Fargo Brokerage Services.

The true interest cost received on the bonds was at a rate of 3.8448%. It will save, on a present value basis, approximately \$1,578,500 over the life of the bonds, which extend out to 2020. That represents a savings of 8.6% of the total refunded debt service, which is significantly above the Board's threshold of 5% savings to be realized on a refunding. It will result in approximately \$140,000 yearly savings to 2013 when the 1995 bonds are paid off and from 2014-2020, approximately \$105,000 of savings per year. That translates directly into lower costs for the Academic Building Revenue Bonds from state appropriations for tuition replacement.

President Downer asked how the rates compare to what Springsted had anticipated on this particular issue. Mr. Fick said for this particular issue, the rates were within three or four basis points, very close to what they had originally anticipated. It was a good size for the market to absorb at \$15,200,000. Springsted always works to try and keep the bonds for the Regents at a certain size level so they may be completely sold to Iowa residents within the state allowing them to take full advantage of the double tax exemption from federal and state of Iowa taxes. Mr. Fick said additionally that the bonds are rated by both Moody's and Standard & Poor's, who affirmed the ratings: Moody's at Aa2, a very high rating, Standard & Poor's is AA-minus, both with stable outlooks. Compared to how they would have expected the bonds to trade, based on national market scales, they traded again slightly below what the anticipated interest rates for an AA bond.

Regent Arbisser said last year when the Board was doing refundings, they were keeping an aggregate sum to show to other interested parties who might like to see how good a job the Board and its advisors do in saving money for the residents of the state. He said he would like to see a return to that tall as it is informative for those individuals who are interested in what the Board is doing. Mr. Fick said they would compile those results and make them available at the next Board meeting. President Downer asked that the information be made available to the Board Office before the next meeting so the information could be used with the legislature.

MOTION	Regent Gartner moved that the resolutions, as presented, be adopted. Regent Arbisser seconded the motion. MOTION CARRIED UNANIMOUSLY
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Vote for or against the Resolution

Board of Regent Members	Aye	Nay
Regent Becker	X	
Regent Arbisser	X	
Regent Newlin	X	
Regent Rokes	X	
President Downer	X	
Regent Vasquez	X	
Regent Gartner	X	

Item 15. Resolutions for the Sale of \$5,110,000 Academic Building Revenue Refunding Bonds, Series UNI 2005

Barry Fick, Springsted, said on March 15, 2005 bids were accepted on behalf of the University of Northern Iowa for the refunding of the Series 1996 University of Northern Iowa Academic Building Revenue Bonds. A bid was submitted by the lead firm of Piper Jaffray and Company for the sale of the bonds. Included in the Piper Jaffray and Company group were the firms A.G. Edwards and Sons, Citigroup Global Markets, Edward Jones, Morgan Stanley, RBC Dain Rauscher, Robert W. Baird, UBS Financial Services and Wells Fargo Brokerage Services. There are two term bonds. The true interest cost was 4.1% which results in a total present value savings in excess of \$620,000 over the life of the bond, which is 2006-2020. The average annual savings ranged between \$30,000 to \$70,000 from 2006-2020 and averaged \$45,000 per year. The bonds were very equivalent to the University of Iowa bonds that were also sold, just smaller in size. The combination of the two refundings gets close to the limit for bonds to be sold in a single lump within the State of Iowa and full double tax exemptions.

Mr. Fick said the bonds have a true interest cost of 4.1% slightly higher than the University of Iowa bonds. That is attributable to the fact there were two series, and they were more front loaded with the principal. They are functionally equivalent. The rates on the bonds, for the long term, were 4.25% for both of the institutions.

MOTION	Regent Gartner moved that that the resolutions be adopted. Regent Becker seconded the motion. MOTION CARRIED UNANIMOUSLY
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Vote for or against the Resolution

Board of Regent Members	Aye	Nay
Regent Becker	X	
Regent Arbisser	X	
Regent Newlin	X	
Regent Rokes	X	
President Downer	X	
Regent Vasquez	X	
Regent Gartner	X	

Item 17. Preliminary Resolutions for the Sale of up to \$11,100,000 SUI Memorial Union Revenue Bonds, Series SUI 2005.

Vice President True said this is not a refunding but a new money issue that is being proposed. The bonds would be sold, if approved, at the Regents May meeting, to finance Phase 1 of remodeling work at the IMU. That phase would include a river terrace that has been something the students have sought for some time. This would allow individuals to enjoy the river in a productive way, as well as constructing space and a niche in the current IMU which would be used to expand the lounge and study space for students. The project has been before the Board on numerous other times. This step is to take the necessary step to finance the project which would be done in May.

President Downer asked, for the benefit of the new Regents, if Vice President True would give a brief description of the project. Vice President True said that, in addition to the river terrace which would be between the Union and river, the schematic design of which would be brought to the Board in May, there is going to be a three story addition built within a niche that is on the east side of the IMU. That addition would do two things: increase the connectivity of the building, which is still poor and most importantly increase the amount of space that students could have for study and lounge space and promote it more for student activities. It also would provide better facilities for student government offices. It would also fund deferred maintenance in the building. The building was constructed in stages running back to the 1920s, and there is deferred maintenance that needs to be addressed.

Vice President True said the bonds themselves would be supported by an additional student fee the Board approved a year ago, \$29 per year, to support this and the debt service that would subsequently be required upon sale of the bonds in May.

Regent Gartner asked how much the deferred maintenance was. Vice President True said it is a \$10 million project and thought between \$1-2 million would be spent for deferred maintenance. Regent Gartner asked if that would wipe out the deferred maintenance. Vice President True said that would take care of the most urgent needs of deferred

maintenance. He said there is another phase of the project, and some of the deferred maintenance may be accomplished there so that sections of the building would not be opened up unnecessarily. The second phase of the project was also presented to the Board a few months ago which involves other sections of the building they hope to get into. The deferred maintenance in the areas they are touching on will be cured. This also includes items, such as elevators, roof, tuck pointing, etc., that are core issues for the building. There will be areas in Phase 2 they will want to focus deferred maintenance work on that are directly in line with the areas that will be affected by Phase 2 which is principally in the food services areas.

MOTION	Regent Rokes moved that the preliminary resolution be adopted. Regent Becker seconded the motion. MOTION CARRIED UNANIMOUSLY
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Vote for or against the Resolution

Board of Regent Members	Aye	Nay
Regent Becker	X	
Regent Arbisser	Absent	
Regent Newlin	X	
Regent Rokes	X	
President Downer	X	
Regent Vasquez	X	
Regent Gartner	X	

Item 18. Preliminary Resolution for the Sale of up to \$7,700,000 Field House Revenue Refunding Bonds, Series UNI

Barry Fick, Springsted, said this financing would be a refinancing of the existing Series 1997 University of Northern Iowa Field House Revenue Bonds which were originally issued in the amount of \$9,150,000. It is anticipated that based on the interest rates received on the Refunding Bonds, which were very close to projections, that the information noted in Agenda Item 18 showing a cash flow refunding in a present value basis of approximately \$500,000 from this financing, should be able to remain in place, which would result in annual savings of approximately \$40,000 per year, as a result of the refinancing.

Again, as with the earlier refinancings, the terms of the bonds that are being refinanced will not be affected. The term of the bonds will remain the same out through 2022, no extension of term, no change in the security of the bonds. They will be prepared to move forward with the refinancing, pending the Board's approval.

MOTION	Regent Gartner moved that the resolution be adopted by the Board. Regent Becker seconded the motion. MOTION CARRIED UNANIMOUSLY
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Vote for or against the Resolution

Board of Regent Members	Aye	Nay
Regent Becker	X	
Regent Arbisser	Absent	
Regent Newlin	X	
Regent Rokes	X	
President Downer	X	
Regent Vasquez	X	
Regent Gartner	X	

Item 19. Register of Capital Improvement Business Transactions for Period of December 17, 2004 through February 3, 2005: SUI

President Downer asked the Board that this item be covered under two separate motions: one covering everything but the Glen Shaeffer Library and a separate motion on the Library, as he has a conflict of interest with respect to the general contractor on the latter project.

Vice President True said he had an answer for Regent Arbisser's question regarding the address for the pediatric lease space in the Quad Cities, which is 1140 East Kimberly Road.

John Staley, Senior Associate Director of the University of Iowa Hospitals and Clinics, said they were requesting the Board's approval of the schematic design, project description, and budget for Phase 2 of the Magnetic Resonance Imaging Center renovation and systems installation project.

By way of background, the Board approved the first phase of the project in October 2003, so the university could begin addressing a series of issues related to the age of the technology within the MRI Center and a significant backlog of requests for performing both clinical and research magnetic resonance imaging studies.

The MRI Center opened in 1983 when the UIHC became the first hospital in Iowa to offer this service. Over time, the Center was expanded to incorporate advances in technology and meet growing needs for clinical and research studies. In accordance with original plans, a total of three MRI systems were ultimately installed. With continued growth for both clinical and research MRI scans, it became evident that the three units in the MRI

Center could not meet the need for this service even with operating two shifts a day and on weekends. For these reasons, a plan was developed to renovate the Center, replace the older units with state-of-the-art technology, that could offer more precise scanning capabilities, and also to add two new MRI systems.

Director Staley said the two oldest of the three MRI systems in the Center, prior to beginning the project, were purchased in 1987 and in 1993. During the first phase of the project, the university replaced the 1993 unit with a state-of-the-art with a 1.5 Tesla MRI unit and added a 3 Tesla MRI system. These new units greatly enhanced their capabilities for conducting state-of-the-art clinical studies and for meeting a host of very specialized research needs. The 3 Tesla unit is devoted to clinical service and research on a 50/50 basis. With the addition of the 3 Tesla unit and the efficiencies gained with the replacement unit, the Hospitals and Clinics have been able to make significant progress in addressing the backlog of MRI requests.

The Phase 2 project will provide for renovation of the remaining 9,000 gross square feet of space in the MRI Center, replacement of the oldest MRI unit, which was purchased in 1987, and the addition of one new state-of-the-art MRI system. The schematic designs of the existing floor plan for the MRI Center and the proposed plan for Phase 2 of the project are presented on pages 18 and 19, respectively, of the University of Iowa Register of Capital Improvement Business Transactions.

The expanded capacity for performing MRI studies that will become possible once the project is completed will allow the Hospitals and Clinics consistently serve patients on the day that examinations are requested.

Regent Newlin asked what is an MRI primarily used for, in terms of outpatients.

Dr. Vincent Magnata, Assistant Professor, Department of Radiology and Director of Physics for the MRI Center within the University of Iowa Hospitals, said it is used for screening purposes. He said a large portion of studies are neuroimaging, but they also do a large number of cardiovascular as well as body imaging techniques. Orthopedics also makes up another substantial portion of the exams, for knees, ankles, hips and spine.

Regent Gartner asked if the project was paid for through depreciation. Dr. Magnata said it would be paid for from reserves that are accumulated either from depreciation reimbursement or from earnings on the total operation.

Vice President True discussed the East Campus Recreation Project that is underway. The University is coming to the Board to request to use OPN Architects to help them sort through the variety of issues for the site that was selected and replacing functions that are there. As noted in the photographs included in the docket material, most of these buildings are at or beyond their useful life. These are not buildings of great value, but they do need to replace those functions, which include the facilities management groups, as well as their Public Safety operation which is now operating out of a series of trailers that have been attached together.

Vice President True commented on Kinnick Stadium. He said the Board received a report providing an update. He said they are not asking for any Board action. He said a lot of activity was occurring daily and he wanted to bring the Board up-to-date.

As background for the new Regents, Vice President True said that over the last two years, the University has been reporting regularly to the Board about Kinnick Stadium because of the scope, size and cost of the project; and they would continue doing that throughout the remainder of the project. The project is to occur between two periods between seasons; one of which is going on currently and the second of which will follow the upcoming season this fall. While not asking for action now, the University does plan to be before the Board in May to talk more about the budget and project status. The project is on schedule, so far. There has been extensive value engineering done and certain rebidding that has been and will be done on the last two packages (5 and 6) to make sure they bring that as close to the overall budget (\$86.8 million) as possible. They are closely aligned to the budget, and the Board will receive more details at the May meeting. One of the items that was promised to the Board over the last year was that they were going to do everything possible to bring Iowa construction contractors into the business. They have accomplished that so far. He said there has only been one small contract of a quarter million dollars that was not awarded to an Iowa contractor.

The university has recommended the Board Office award \$13 million in project construction contracts, six individual contracts, within bid packages 5 and 6. Vice President True said they will be working through the rest of the bid packages and be in touch with the Board Office and Board leadership.

Vice President True said they were pleased to announce they have exceeded the \$10 million gift level, their target in the project financial plan. There is an additional, ongoing gift campaign in place in order to raise as much gift money as possible for the project.

Regent Newlin asked how much they had exceeded the target. Vice President True said the total was just under \$11 million. He said they have not begun what they call the "grass roots campaign". He said their target and financial plan was \$10 million and they counted on that, but are now targeting \$15 million and possibly beyond that.

MOTION	Regent Rokes moved that Item 1 be adopted of Agenda Item 19, being the East Campus Recreation Center and Field House Renovation and University Hospitals and Clinics Magnetic Resonance Imaging Center renovation and system installation. Regent Gartner seconded the motion. MOTION CARRIED UNANIMOUSLY
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Dey House Addition-Glen Shaeffer Library

Vice President True said this project was brought before the Board a month ago. At the urging of the Board, the university took another look at trying to restore some of the architectural effects of the exterior. That has been accomplished and has now been brought back to the Board. He said it very much restores the original attempt for the look of the property. They are prepared to accomplish this rapidly and get work underway, as soon as they are capable, through McComas-Lacina Construction Company. There are photographs comparing what was proposed a month ago and what was proposed at the meeting.

Regent Gartner asked if the Writers Workshop people were happy about the changes. Vice President True said they were and were also excited about it getting started quickly

Regent Becker said in the original drawing, there are taller windows that would allow more light into that one section of the building, and in the later two editions, it is down to one small window on the far right. She asked if that was a cost-saving measure or was it something the architect did when they had to modify it. Vice President True wasn't sure but asked individuals who were present at the meeting.

Bradd Brown said from the time the original design was done over a couple of years, there was one small modification made to move a graduate student office down to the lower level and expand it down there so the space is combined together. That makes it a more efficient use of the space and then moving a mechanical component upon into that area. Originally where it was a long window, it is a slight change of the use. Regent Becker said they didn't need the light in that case, and Mr. Brown said that was correct.

MOTION	Regent Rokes moved that the Board approve Agenda Item 19, section 2, Dey House Addition. Regent Newlin seconded the motion. MOTION CARRIED UNANIMOUSLY
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President Downer abstained from voting on the above resolution due to a conflict of interest.

Regent Newlin congratulated Vice President True on the fund raising efforts for Kinnick Stadium. Vice President True said the individuals in the Foundation and Athletic Department worked very hard and said those individuals deserved the credit. Regent Newlin asked if they were moving along with selling the seats. Vice President True said the financial plan was approved by the Board last December, over a year ago, and everyone is working very hard. He said in every instance they are at or beyond what was expected at this time.

Item 21. University of Northern Iowa Human Performance Complex

President Downer said President Koob indicated a desire to supplement certain of the information that was provided possibly at the May meeting so action on this item would be deferred.

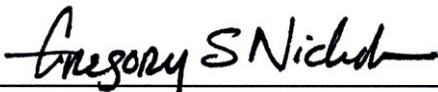
Item 22. Two Honorary Doctorates of Humane Letters – University of Northern Iowa

President Koob said the University of Northern Iowa was pleased to present the results of its Honorary Doctorate process to the Board suggesting that two honorary degrees be awarded to distinguished Iowans: Rex B. Eno and Christine H.B. Grant.

MOTION	Regent Gartner moved that the requests be approved. Regent Becker seconded the motion. MOTION CARRIED UNANIMOUSLY
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ADJOURNMENT

The meeting of the Board of Regents, State of Iowa, adjourned at 3:21 p.m. on March 15, 2005.



Gregory S. Nichols, Executive Director