

**Contact: Andrea Anania**

**MINUTES OF AUGUST 8-9, 2006  
BOARD OF REGENTS, STATE OF IOWA**

**IOWA MEMORIAL UNION - R. WAYNE RICHEY BALLROOM  
UNIVERSITY OF IOWA**

<b>Board Members</b>	<b>August 8, 2006</b>	<b>August 9, 2006</b>
Amir Arbisser	Present	Present
Mary Ellen Becker	Absent	Present
Tom Bedell	Absent	Absent
Jenny Connolly	Present	Present
Robert Downer	Present	Present
Michael Gartner	Present	Present
Ruth Harkin	Present	Present
Rose Vasquez	Present	Present
Teresa Wahlert	Present	Present

**Staff Members**

Andrea Anania, Andy Baumert, Brad Berg, Mark Braun, Marcia Brunson, Sheila Doyle, Pam Elliott Cain, Tom Evans, Diana Gonzalez, Joan Racki, Keith Saunders, Gary Steinke, Todd Stewart, Ilene Tuttle

**Regent Institutions**

- SUI Gary Fethke, Chris Atchison, Nancy Baker, Gary Barta, Arthur Bonfield, John Brandecker, Lee Carmen, Pam Creedon, Stacey Cyphert, Marcella David, Anthony DeFurio, Janet Fairley, Jed Hand, Meredith Hay, Michael Hogan, Mark Iannettoni, Terry Johnson, Deb Johnston, Donna Katen-Bahensky, Steve Larson, Jean Robillard, Abel Selician, Katherine Tachau, Doug True, Pam York
- ISU Gregory Geoffroy, John Brighton, Susan Carlson, Warren Madden
- UNI Benjamin Allen, James Lubker, Randy Pilkington, Tom Schellhardt, Jill Trainer
- ISD Jeanne Prickett, Jim Heuer
- IBSSS Jeananne Schild, Luann Woodward

**Others**

Richard Cowart, University of Dubuque  
Colin Foster, Optherion, Inc.  
Greg Hageman, Optherion, Inc.  
Andy Nielson, Office of Auditor of State  
David Vaudt, Office of Auditor of State

**Via Telephone**

Ed Bittle, Ahlers & Cooney, P.C.  
Barry Fick, Springsted, Incorporated

The corresponding docket memorandum for each agenda item, an integral component of the minutes, is available on the Board of Regents web site: [www.state.ia.us/educate/regents](http://www.state.ia.us/educate/regents).

Copies of these memoranda can also be obtained from the Board Office by calling 515-281-3934.

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BOARD OF REGENTS, STATE OF IOWA  
August 8, 2006, Minutes

President Gartner called the meeting to order at 9:10 a.m. on August 8, 2006.

**Executive Session**

- MOVED by ARBISSER, SECONDED by DOWNER, to enter into closed session pursuant to Iowa Code §21.5(1)(i) upon the request of individuals whose performance is being considered; and Iowa Code §20.17(3) to discuss strategy regarding a matter concerning collective bargaining. MOTION APPROVED by ROLL CALL:

<u>Regent</u>	<u>Arbisser</u>	<u>Becker</u>	<u>Bedell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Vasquez</u>	<u>Wahlert</u>
Aye	x			x	x	x	x	x	x
Nay									
Absent		x	x						

The Board convened in closed session at 9:15 a.m.

The Board reconvened in open session at 10:30 a.m.

- MOVED by VASQUEZ, SECONDED by ARBISSER, to:  
Increase the salary of Iowa State University President Gregory Geoffroy by 5.0% and increase the amount contributed to his five-year deferred compensation plan by \$15,000 annually. Both changes are retroactive to July 1, 2006.

MOTION APPROVED by ROLL CALL:

<u>Regent</u>	<u>Arbisser</u>	<u>Becker</u>	<u>Bedell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Vasquez</u>	<u>Wahlert</u>
Aye	x			x	x	x	x	x	x
Nay									
Absent		x	x						

- MOVED by VASQUEZ, SECONDED by CONNOLLY, to:  
Increase the salary of Iowa School for the Deaf Superintendent Jeanne Prickett by 5.0% and establish a deferred compensation plan with annual contributions of \$20,000. Both changes are retroactive to July 1, 2006. Dr. Prickett will benefit from the deferred compensation plan provided that she remains at ISD for the next five years.

MOTION APPROVED by ROLL CALL:

<u>Regent</u>	<u>Arbisser</u>	<u>Becker</u>	<u>Bedell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Vasquez</u>	<u>Wahlert</u>
Aye	x			x	x	x	x	x	x
Nay									
Absent		x	x						

On behalf of the Board, President Gartner expressed thanks to President Geoffroy and Superintendent Prickett for the terrific job that they both perform.

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**AUDIT/COMPLIANCE AND INVESTMENT COMMITTEE**  
**August 8, 2006, Minutes**

**Committee Members**

Teresa Wahlert, Chair      Mary Ellen Becker (absent)      Robert Downer      Ruth Harkin

**CONSENT**

**Semi-Annual Claims Activity Reports – January 1 through June 30, 2006**

- The Committee received the reports by GENERAL CONSENT.

**REPORTS**

**FY 2005 State Audit Reports**

State Auditor David Vaudt stated that the FY 2005 reports issued by his office include the Comprehensive Annual Financial Report (CAFR), the Single Audit Report (SAR), and separate audits on each of the institutions and the Board Office. He reported that (1) the CAFR and SAR represent the Iowa state-wide financial statements, include the financial activities of the Board of Regents and its institutions, are unqualified, and contain a paragraph indicating that certain state appropriations were not in compliance or consistent with the regulations passed by the legislature; and (2) the separate audits on each of the institutions and the Board Office are unqualified and include recommendations on internal control and compliance issues, none are critical or material.

- The Committee received the reports by GENERAL CONSENT.

**FY 2007 Internal Audit Plans**

Internal Audit Director Todd Stewart introduced Deb Johnston, audit manager at UIHC, and reported that she has been doing an outstanding job of managing complex audits.

Mr. Stewart discussed the internal audit plan for FY 2007 and indicated that it changes daily due to postponements, cancellations, and additions. He noted that audit hours planned and budgeted increased over last year, enterprise-wide audits continue to be scheduled, and a new standardized timekeeping system has been implemented that will allow improved progress reports.

Regent Downer asked if there were specific criteria applied when audits are deferred or cancelled. Mr. Stewart responded that audits are scheduled a year in advance and that as things change, he considers timing and what is best when making priority decisions.

- The Committee received the audit plan by GENERAL CONSENT.

Regent Downer requested an update on the condition of the captive insurance company.

**Internal Audit Reports**

Mr. Stewart discussed the internal audit reports presented this month.

- The Committee received the three reports by GENERAL CONSENT.

Chair Wahlert asked if the internal audit function is adequately staffed. Director Stewart replied that SUI is well staffed, ISU staff needs training, and UNI is understaffed.

**Chair Report to the Full Board**

- President Pro Tem Wahlert, Chair, reported on the Audit/Compliance and Investment Committee's discussion during its August 8, 2006, meeting and the full Board received the reports by GENERAL CONSENT.
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**HUMAN RESOURCES COMMITTEE**  
**August 8, 2006, Minutes**

**Committee Members**

Rose Vasquez, Chair      Amir Arbisser                      Jenny Connolly                      Robert Downer

**Human Resources Committee Revised Work Plan**

Regent Vasquez reviewed the work plan. She noted that collective bargaining would be a major focus for the Committee and for the Board in the coming months.

- The Committee received the work plan by GENERAL CONSENT.

**Report on Compensation of Presidents in Peer Groups**

Regent Vasquez stated that the Board received information regarding salaries and additional compensation of presidents in the various peer groups. The peer groups were designated in the mid 1980's when faculty salaries were a great concern. The institutions within the peer groups are all public institutions with characteristics similar to the Regent institutions, i.e., land grant designations, teaching hospitals, veterinary medicine colleges, etc.

President Geoffroy stated that, when he first arrived at Iowa State University, he reviewed the institutions within the ISU peer group and determined that they were still appropriate.

President Pro Tem Wahlert thanked the institutions and the staff for compiling the compensation information. She indicated that it would be helpful as the search for the University of Iowa President progressed.

- President Gartner stated that the report was received by GENERAL CONSENT.

**Chair Report to the Full Board**

- Regent Vasquez, Chair, reported on actions of the Human Resources Committee during its August 8, 2006, meeting and the full Board received the work plan and the report by GENERAL CONSENT.
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BOARD OF REGENTS, STATE OF IOWA  
August 8, 2006, Minutes

**Consent Agenda**

- ◆ Minutes of June 20-22, 2006, Meeting
- ◆ Institutional Personnel Transactions
- ◆ Adoption of Amendment to Iowa Administrative Code
- ◆ University of Iowa Equipment Purchase
- ◆ Iowa State University College of Design Computer Lease Program
- ◆ University of Northern Iowa Overflow Housing Credit
- ◆ Conflict of Interest Vendors
- ◆ Appointments
- ◆ Policy Manual Revision

Regent Downer stated that he needed to excuse himself from participating in the vote taken for AAA Mechanical Contractors, Inc., a Conflict of Interest Vendor.

➤ MOVED by ARBISSER, SECONDED by HARKIN, to:

Approve the Consent Agenda with the exception of AAA Mechanical Contractors, Inc., a Conflict of Interest Vendor, which was pulled from the Consent Agenda to be voted on separately.

MOTION APPROVED by ROLL CALL:

<u>Regent</u>	<u>Arbisser</u>	<u>Becker</u>	<u>Bedell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Vasquez</u>	<u>Wahlert</u>
Aye	x			x	x	x	x	x	x
Nay									
Absent		x	x						

➤ MOVED by CONNOLLY, SECONDED by WAHLERT, to approve AAA Mechanical Contractors, Inc., a Conflict of Interest Vendor. MOTION APPROVED by ROLL CALL:

<u>Regent</u>	<u>Arbisser</u>	<u>Becker</u>	<u>Bedell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Vasquez</u>	<u>Wahlert</u>
Aye	x			x		x	x	x	x
Nay									
Absent		x	x						
Abstain					x				

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**ECONOMIC DEVELOPMENT COMMITTEE**  
**August 8, 2006, Minutes**

**Committee Members**

Ruth Harkin, Chair   Tom Bedell (absent)   Robert Downer   Rose Vasquez   Teresa Wahlert

**Bioeconomy Policy Statement**

Chair Harkin reviewed a proposed policy statement related to the bioeconomy and asked for any comments from Committee members or University Presidents. ISU President Gregory Geoffroy commented in support of the resolution and stated that bioeconomy initiatives were one of ISU's highest priorities.

- By GENERAL CONSENT, the Committee recommended that the Board approve the policy statement.

**Technology and Commercialization Resources Organization Update (TCRO)**

Chair Harkin reviewed recent activities by the TCRO. She reported that the TCRO will review the Battelle platform proposals approved by the Board of Regents and provide recommendations back to the Board in time for its September 2006 meeting.

- The Committee received the report by GENERAL CONSENT.

**Battelle Infrastructure Proposals**

Drs. Hay, Brighton, and Trainer summarized the universities' proposals for the use of \$6.8 million in Battelle infrastructure funding. President Gartner asked Dr. Hay how soon an agreement would be finalized between SUI, Dermacia/NGI, and the Iowa Department of Economic Development (IDED). Dr. Hay indicated that confirmation would depend on action by IDED.

- By GENERAL CONSENT, the Committee recommended that the Board approve the proposals.

**Battelle Platform Proposals**

Drs. Hay, Brighton and Trainer summarized the universities' proposals for the use of \$8.2 million in Battelle platform funding. Chair Harkin asked if proposals not selected by the universities could come back for funding, if available. Dr. Hay indicated they could. President Pro Tem Wahlert asked if a project, which had received only one year of funding, could come back later for a second year of funding, if qualified. Dr. Hay indicated that it was possible. President Gartner asked for the amount of matching funding in the proposals. Dr. Hay indicated those numbers would be provided.

President Gartner asked Drs. Hay, Brighton, and Trainer to provide matching funding numbers for all of the proposals and to provide the number of total projects submitted compared to the number selected by the universities. President Gartner asked the universities to retain information on the proposals that were not selected in the event the Iowa Legislature approves future funding for the Battelle program.

President Pro Tem Wahlert stated that the amount of matching funding and the number of projects submitted should be communicated to the TCRO along with the full proposals. Regent Arbisser commented that several projects were related to food, nutrition, and health and stated that it would be beneficial if discoveries in these areas could be applied to the food service at the universities.

- By GENERAL CONSENT, the Committee recommended that the Board approve the proposals.

**Grow Iowa Values Fund Proposals (GIVF)**

Drs. Hay, Brighton and Pilkington summarized the universities' FY 2007 GIVF proposals. President Pro Tem Wahlert asked Dr. Pilkington to advise the Board of when the Small Business Development Center makes a decision on a cooperative arrangement with the UNI MyEntreNet program. President Gartner asked Dr. Pilkington about the relationship between the National Ag Based Lubricants (NABL) Center and the company, Environmental Lubricants Manufacturing (ELM). Dr. Pilkington reported that ELM is partly owned by UNI and must license technology from the University like other companies.

- By GENERAL CONSENT, the Committee recommended that the Board approve the proposals.

**University of Dubuque Grow Iowa Values Fund Update**

Dr. Cowart reported on the \$200,000 GIVF project being conducted by the University of Dubuque and the research progress and equipment and laboratory improvements that have been made with the GIVF funding.

- The Committee received the report by GENERAL CONSENT.

**Highlighted Project Presentation**

Dr. Hay introduced Pam York, SUI Research Foundation Director, and Dr. Greg Hageman and Colin Foster of Optherion, Inc. They reported on a macular degeneration diagnostic and therapeutic technology developed by Dr. Hageman and commercialized by Optherion, Inc. A discussion followed regarding commercialization work and tenure status, especially for junior faculty. Dr. Hay reported that commercialization work does factor into the overall dossier of faculty members seeking tenure. President Gartner, President Pro Tem Wahlert, and Regent Harkin agreed that further improvements should be made in the consideration of commercialization work in a manner similar to that given to scholarship and publishing in tenure consideration.

- The Committee received the report by GENERAL CONSENT.

**Chair Report to the Full Board**

Regent Harkin, Chair, reported on actions of the Economic Development Committee during its August 8, 2006, meeting and the full Board took the following action:

- MOVED by WAHLERT, SECONDED by ARBISSER, to approve:
  - ◆ A policy statement regarding University initiatives in the bioeconomy;
  - ◆ Proposals for use of Battelle infrastructure funding;
  - ◆ Battelle Platform Proposals to be forwarded to the Technology and Commercialization Resources Organization; and
  - ◆ FY 2007 Grow Iowa Values Fund proposals.

MOTION APPROVED UNANIMOUSLY.

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**PROPERTY AND FACILITIES COMMITTEE**  
**August 8, 2006, Minutes**

**Committee Members**

Amir Arbisser, Chair                      Mary Ellen Becker (absent)      Robert Downer                      Rose Vasquez

**Institutional Agreements, Leases and Easements**

- By GENERAL CONSENT, the Committee recommended that the Board approve the institutional agreements, leases and easements.

**Policy Manual Revisions – Delegation of Approval of Leases**

Joan Racki explained the statutory change from the 2006 legislative session which allows the Board to delegate approval of leases to the universities. Subject to Board approval of the proposed policies for delegation, they would be incorporated into the Board's Policy Manual for final review and approval at the September 2006 Board meeting.

Regent Arbisser highlighted two points in the proposed policies. Item #4 would require the universities to report annually on new leases and lease renewals, and Item #7 would allow the universities to opt, at their discretion, to present leases for Board approval even if they fall within the parameters of leases to be delegated.

- By GENERAL CONSENT, the Committee recommended that the Board approve changes to Board policies related to the delegation of authority for approval of leases.

**Five-Year Institutional Roads Program**

- By GENERAL CONSENT, the Committee recommended that the Board approve the Five-Year Institutional Roads Program.

**Requirements for Regent Construction Contractors**

Joan Racki outlined the survey undertaken to determine the number of contractors who provide health insurance for their employees. She reported that the majority of the contractors surveyed do provide health insurance benefits; the contractors responded that the market requires them to do so to compete for personnel. She also outlined the results of the survey conducted of Big 10, Big 12, and other universities on their requirements for contractors to provide health insurance for their employees; none of the universities surveyed reported this requirement. Regent Arbisser added that the latter survey provides no precedent for the Regent universities to implement such a requirement.

President Pro Tem Wahlert indicated that since the market appears to be working, she would be uncomfortable developing a policy on this issue. She added that expectations appear to be met without such a policy and that contractors are finding innovative and flexible ways to provide health insurance benefits.

Tom Evans explained that he and legal counsel at the universities reviewed legal issues focusing on the Employee Retirement Income Security Act (ERISA) and the bidding requirements of the Iowa Code. He indicated that there are potential legal issues in both areas that may be barriers to any Board initiative.

**University of Iowa Property Purchase**

- By GENERAL CONSENT, the Committee recommended that the Board approve the proposed actions detailed in the agenda item related to 2656 Crosspark Road.

**University of Iowa Campus Recreation and Wellness Center – Financing Plan, Schematic Design, and Project Budget**

Interim President Fethke indicated that while the Campus Recreation and Wellness Center is a wonderful project with widespread and enthusiastic support, the University wished to defer discussion of the financing plan, schematic design, and budget for the project until the September Board meeting. He explained the need to review financing concerns, including reexamination of the possible use of private funds for the project with the new Foundation president.

**Register of University of Iowa Capital Improvement Business Transactions**

Vice President True explained that since the **Library – High-Density Book Storage Facility** project would not need to be constructed on campus, the University would like to solicit developers for the project. The University's intent would be for potential developers to identify possible building locations (on either University or private land) and construction methods that would add value to the project (possibly utilizing a turnkey process rather than the conventional design, bid, build process.)

Regent Arbisser asked about the evolution of library materials with the use of information technology and how this impacts the need for book storage. Nancy Baker, University Librarian, explained that because of current copyright law, only a very small percentage of books are in the public domain; only 15 percent of the library collection could be digitized without publisher consent. She added that there is not a great commercial demand or publisher incentive to digitize these materials.

She reported that the University Libraries purchased 115,000 new books in the last year alone, and that the book collections are overburdening other space needs at the libraries. Many of the specialized and little used book collections do not need to be stored at the libraries as long as they can be accessed from another location in a timely manner.

Associate Dean Arthur Bonfield of the College of Law spoke of the increasing quantity of print publications. Due to copyright and copyright extensions, the need for storage will continue at least over the next several decades. Professor Bonfield added that only 20 percent of Law Library publications are available on line.

Regent Downer spoke of the great work Professor Bonfield has done with Law Library, which was recently recognized as one of two top law libraries in the United States. He added that, while historically this has been a point of emphasis at the Law School, it has reached new greatness under Professor Bonfield's leadership.

President Gartner indicated that while this is a new facility, it is not subject to the Board's moratorium since it is not funded with state appropriations.

- By GENERAL CONSENT, the Committee recommended that the Board approve the Register of University of Iowa Capital Improvement Business Transactions.

**Register of University of Northern Iowa Capital Improvement Business Transactions**

While addressing the \$650,000 budget increase for the McLeod Center project, Vice President Schellhardt reported that an additional \$411,000 is available for the project since the May 2006 Board meeting, including \$250,000 in donations to the UNI Foundation. He explained that, while the remaining \$239,000 for the revised budget has yet to be raised, the Foundation anticipates \$155,000 of that amount would be raised in the next couple of weeks to fund the media room and the second elevator.

President Allen reaffirmed that the University will not make any additional requests to the Board for budget increases prior to the opening of the facility.

- By GENERAL CONSENT, the Committee recommended that the Board approve the Register of University of Iowa Capital Improvement Business Transactions.

**Chair Report to the Full Board**

Regent Arbisser, Chair, reported on actions of the Property and Facilities Committee during its August 8, 2006, meeting and the full Board took the following actions:

- MOVED by CONNOLLY, SECONDED by WAHLERT, to approve the institutional agreements, leases and easements. MOTION APPROVED by ROLL CALL:

<u>Regent</u>	<u>Arbisser</u>	<u>Becker</u>	<u>Bedell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Vasquez</u>	<u>Wahlert</u>
Aye	x			x	x	x	x		x
Nay									
Absent		x	x					x	

- MOVED by BECKER, SECONDED by DOWNER, to approve changes to Board policies related to the delegation of authority for approval of leases.

<u>Regent</u>	<u>Arbisser</u>	<u>Becker</u>	<u>Bedell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Vasquez</u>	<u>Wahlert</u>
Aye	x			x	x	x	x		x
Nay									
Absent		x	x					x	

- MOVED by ARBISSER, SECONDED by DOWNER, to approve the Five-Year Institutional Roads Program.

<u>Regent</u>	<u>Arbisser</u>	<u>Becker</u>	<u>Bedell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Vasquez</u>	<u>Wahlert</u>
Aye	x			x	x	x	x		x
Nay									
Absent		x	x					x	

- MOVED by ARBISSER, SECONDED by WAHLERT, to approve the following, with all further documentation subject to approval by the Board Office and the Attorney General's Office:

1. Exercise of the option to purchase property located at 2656 Crosspark Road (Building Two) at the price of \$1,300,000 from Myriad Developers;
2. Improvement costs to the space of \$1,100,000;
3. Granting of a cross easement to Myriad for utility lines and parking lots; and
4. Lease with the Dermacia/National Genecular Institute for 7,200 square feet of space in Building Two.

<u>Regent</u>	<u>Arbisser</u>	<u>Becker</u>	<u>Bedell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Vasquez</u>	<u>Wahlert</u>
Aye	x			x	x	x	x		x
Nay									
Absent		x	x					x	

- MOVED by ARBISSER, SECONDED by DOWNER, to approve the Register of University of Iowa Capital Improvement Business Transactions.

<u>Regent</u>	<u>Arbisser</u>	<u>Becker</u>	<u>Bedell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Vasquez</u>	<u>Wahlert</u>
Aye	x			x	x	x	x	x	x
Nay									
Absent		x	x						

- MOVED by ARBISSER, SECONDED by DOWNER, to approve the Register of University of Northern Iowa Capital Improvement Business Transactions.

<u>Regent</u>	<u>Arbisser</u>	<u>Becker</u>	<u>Bedell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Vasquez</u>	<u>Wahlert</u>
Aye	x			x	x	x	x	x	x
Nay									
Absent		x	x						

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**BOARD OF REGENTS, STATE OF IOWA  
August 8, 2006, Minutes**

Regent Downer stated that there have been a significant number of refundings made since he became a Board member and asked if projections have been made to determine if significant savings are still possible. Joan Racki reported that Springsted provides the Board Office periodic updates for review and indicated that she thinks the Board has realized the maximum benefit of refundings in the near term. She noted that the current refundings received better rates than had been anticipated.

**University of Iowa Facilities Corporation Revenue Bonds, Series 2006**

Barry Fick of Springsted, Incorporated, the Board's financial advisor, reported that four bids were received and that the winning bid was submitted by UBS Securities LLC, Citigroup Global Markets, Inc., with Cronin and Company, Inc. Mr. Fick reported that the revenue bonds had a true interest cost of 4.5511%, which was lower than predicted, resulting in lower interest costs.

➤ **MOVED** by ARBISSER, **SECONDED** by HARKIN, to:

Adopt A Resolution authorizing and approving the execution and delivery of the lease, the indenture, the bond purchase agreement, the tax exemption certificate and the continuing disclosure certificate, and authorizing and providing for the issuance of University of Iowa Facilities Corporation (Old Capitol Town Center) \$23,800,000 Revenue Bonds, Series 2006.

MOTION APPROVED by ROLL CALL:

<u>Regent</u>	<u>Arbisser</u>	<u>Becker</u>	<u>Bedell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Vasquez</u>	<u>Wahlert</u>
Aye	x			x	x	x	x	x	x
Nay									
Absent		x	x						

**Dormitory Revenue Refunding Bonds, Series I.S.U. 2006A**

Barry Fick reported that three bids were received and that the winning bid was submitted by Merrill Lynch & Company at a true interest cost of 4.4185%. He stated that, based on the comparison of the interest rates, premiums, and other related items, the total present value benefit from the refunding is just over \$600,000.

➤ **MOVED** by HARKIN, **SECONDED** by ARBISSER, to:

Adopt A Resolution providing for the sale and authorizing and providing for the issuance and securing the payment of \$9,200,000 Dormitory Revenue Refunding Bonds, Series I.S.U. 2006A, funding the debt service reserve fund, paying costs of issuance, and approving a Refunding Trust Agreement.

MOTION APPROVED by ROLL CALL:

<u>Regent</u>	<u>Arbisser</u>	<u>Becker</u>	<u>Bedell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Vasquez</u>	<u>Wahlert</u>
Aye	x			x	x	x	x	x	x
Nay									
Absent		x	x						

**Academic Building Revenue Refunding Bonds, Series I.S.U. 2006**

Barry Fick reported that three bids were received; the winning bid was submitted by Merrill Lynch & Company; the bonds have a true interest rate of 3.9769%; and the present value savings of the refunding realized between FY 2007 and FY 2015, when the bonds mature, will be approximately \$313,000. The savings will reduce needed tuition replacement appropriations from the state of Iowa, all other factors being the same.

➤ MOVED by WAHLERT, SECONDED by DOWNER, to:

Adopt A Resolution providing for the sale and authorizing and providing for the issuance and securing the payment of \$5,510,000, Academic Building Revenue Refunding Bonds, Series I.S.U. 2006.

MOTION APPROVED by ROLL CALL:

<u>Regent</u>	<u>Arbisser</u>	<u>Becker</u>	<u>Bedell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Vasquez</u>	<u>Wahlert</u>
Aye	x			x	x	x	x	x	x
Nay									
Absent		x	x						

President Gartner asked Springsted to prepare information on the amount of money the Regents have saved from refunding bonds in two categories: (1) the amount saved on money that is a direct reimbursement from the state; and (2) the amount saved directly to the universities.

**SUI – Presidential Search Update**

President Pro Tem Wahlert, University of Iowa Presidential Search and Screen Committee Chair, briefed the Board on recent efforts including development of a web site and hard copy room for Committee members to review nominee information, finalization of a brochure, and implementation of another round of advertising in journals, periodicals, and publications. She said that the next Search Committee meeting will be August 16, 2006.

Dr. Katherine Tachau, Co-Vice Chair, reported that the Committee is working well together.

➤ The Board received the report by GENERAL CONSENT.

President Gartner acknowledged the amount of work the Committee is doing and expressed thanks.

**Selection of Bond Associated Providers**

Pam Elliott Cain reported that thorough due diligence was performed on potential bond counsel, financial advisor, and arbitrage rebate service providers and that different committees interviewed the candidates. Regent Downer reported that representatives from the Board, Board Office, and institutions participated in the interviews and that this process worked very well.

➤ MOVED by WAHLERT, SECONDED by ARBISSER, to:

Approve the selection of Ahlers & Cooney as bond counsel; Springsted, Inc. as financial advisor; and Berens-Tate Consulting Group as arbitrage rebate service provider and authorize the Executive Director to execute the contracts on behalf of the Board.

MOTION APPROVED by ROLL CALL:

<u>Regent</u>	<u>Arbisser</u>	<u>Becker</u>	<u>Bedell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Vasquez</u>	<u>Wahlert</u>
Aye	x			x	x		x	x	x
Nay									
Absent		x	x						
Abstain						x			

**Other**

SUI Interim President Gary Fethke introduced Ms. Marcella David, the new Special Assistant to the President for Equal Opportunity and Diversity and Associate Provost. She is a law professor at the University of Iowa and has a law degree from the University of Michigan and a degree in Computer and Systems Engineering from Rensselaer Polytechnic Institute. Professor David stated that she is inspired by the University's commitment and support for diversity and highlighted several of the University's efforts in this area.

Interim President Fethke introduced Gary Barta, the new Athletic Director at the University and briefed the Board on his background. Athletic Director Barta noted the great history and tradition at the University and expressed his appreciation at being able to address the Board.

**President Gartner adjourned the meeting at 3:50 p.m.**

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**President Gartner called the meeting to order at 9:15 a.m. on August 9, 2006.**

**BOARD OF REGENTS, STATE OF IOWA  
August 9, 2006, Minutes**

Interim President Fethke announced that Professor Jim Van Allen, an active scholar and devoted University faculty member, passed away last night at UIHC. He extended sympathy to the Van Allen family and stated that Professor Van Allen represented the best in scientific imagination, intellectual rigor, dedication, and excellence in education, and that the University and the academic and scientific worlds at large have lost a giant. He stated that Professor Van Allen was an Iowa native from Mount Pleasant, whose humble beginnings realized revolutionary accomplishments by achieving world-renowned excellence and that he will always remain a great inspiration and one of the greatest members of the University of Iowa community.

Regent Downer expressed sympathy to the Van Allen family and recognized the monumental contributions that Professor Van Allen made to the Regent enterprise and to the state of Iowa. President Gartner said that Professor Van Allen was an Iowa treasure.

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**EDUCATION AND STUDENT AFFAIRS COMMITTEE  
August 9, 2006, Minutes**

**Committee Members**

Mary Ellen Becker, Chair      Tom Bedell (absent)      Jenny Connolly      Ruth Harkin

**CONSENT**

- ◆ Proposed Course Changes at the University of Iowa
  - ◆ Proposed Name Change – Department of Exercise Science to the Department of Integrative Physiology at the University of Iowa
  - ◆ Proposed Name Change – Department of Physiology and Biophysics to the Department of Molecular Physiology and Biophysics at the University of Iowa
- By GENERAL CONSENT, the Committee recommended that the Board approve the Consent Agenda.

**REPORTS**

**IBSSS Report**

The Committee received the IBSSS report from Interim Superintendent Jeananne Schild. Interim Superintendent Schild reported that she addressed the State Board of Education regarding the Coordinating Council's recommendations and the IBSSS work plan to consolidate services for students with visual impairments. The IBSSS report has been submitted to the Government Oversight Committee as directed by HF 2527. There will be a monthly IBSSS report to the legislature during the legislative interim.

- The Committee received the report by GENERAL CONSENT.

**Proposed New Program at Iowa State University – Bachelor of Science in Business Economics**

- By GENERAL CONSENT, the Committee recommended that the Board approve ISU's request to offer a Bachelor of Science in Business Economics Program.

**Accreditation Report at the University of Iowa – College of Dentistry**

The Committee received the accreditation report on the College of Dentistry at the University of Iowa. The Board requested that future accreditation reports be submitted to the Board Office on a more timely basis.

- The Committee received the report by GENERAL CONSENT.

**Accreditation Report at the University of Iowa – School of Journalism and Mass Communication**

The Committee received the accreditation report on the Master's professional program. The School has addressed the standard which was not in compliance by upgrading the internship/work experience. Professor Pam Creedon, Director of the School of Journalism and Mass Communication, also described the new accreditation focus on assessing student learning. The Committee urged Professor Creedon to link with high school teacher organizations to increase outreach to high school students.

- The Committee received the report by GENERAL CONSENT.

**Flu Pandemic Response Plan Report**

The Committee received the report. There was discussion about how this model could be applied to planning for other disasters. The Board Office was asked to review and update the disaster plan prepared several years ago. Associate Dean Atchison informed the Committee that there will be a table top exercise on September 25, 2006, to test the flu pandemic response plan. Interim President Fethke indicated that Dean James Merchant was appointed as Special Assistant to the President on Public Health Policy to be proactive on discussing these issues. The special schools should also be included as partners in disaster planning.

- The Committee received the report by GENERAL CONSENT.

**Education and Student Affairs Committee Work Plan Evaluation of Progress**

Chair Becker discussed the changes in the work plan, including monthly IBSSS reports which will also serve as legislative reports, monthly Admissions Study reports, and a report from UNI on implementation of changes in the academic program review process.

- The Committee received the work plan by GENERAL CONSENT.

### Other Issues

- ◆ The Committee received information from President Geoffroy about a cooperative agreement between ISU and the University of Nebraska. Students admitted to ISU's College of Veterinary Medicine will complete their first two years at the University of Nebraska and transfer to ISU to complete its Veterinary Medicine program, which is not available in Nebraska. Nebraska students will pay the in-state tuition rate; the University of Nebraska will pay the differential between the in-state tuition rate and the non-resident tuition rate. The focus will be on food production animal medicine. Availability of seats for Iowa residents will not be affected by this agreement because the class size was expanded to accommodate Nebraska students.
  - ◆ The Committee received information from Dr. Gonzalez about House File 2395 which directs the "State Board of Regents to conduct a study of the admissions requirements common to the state universities, including administrative rule 681 IAC 1.1(1)." Dr. Gonzalez reported that the team has met three times and is looking at a number of variables, including ACT scores and college success. The Board Office is planning a presentation at the September 2006 Education and Student Affairs Committee meeting with invited guests from ACT to present the 2006 Iowa ACT report and highlights from the Admissions Study team. Iowa Department of Education Director Judy Jeffrey has been invited to participate in the discussion.
  - ◆ On an another effort, the Board Office is collaborating with the Department of Education to collect data connecting ITED scores and ACT scores with an overlay of students participating in free and reduced price lunches.
- The Committee received the reports by GENERAL CONSENT.

### Chair Report to the Full Board

Regent Becker, Chair, reported on actions of the Education and Student Affairs Committee during its August 9, 2006, meeting and the full Board took the following actions:

- MOVED by CONNOLLY, SECONDED by ARBISSER, to approve the following items:
- ◆ Proposed Course Changes at SUI;
  - ◆ Proposed Name Change – Department of Exercise Science to the Department of Integrative Physiology at the University of Iowa; and
  - ◆ Proposed Name Change – Department of Physiology and Biophysics to the Department of Molecular Physiology and Biophysics at the University of Iowa.

MOTION APPROVED UNANIMOUSLY.

- MOVED by CONNOLLY, SECONDED by WAHLERT, to approve ISU's request to establish a Bachelor of Science Program in Business Economics. MOTION APPROVED UNANIMOUSLY.

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## BOARD OF REGENTS, STATE OF IOWA

### August 9, 2006, Minutes

### Approval of FY 2007 Institutional Budgets

University Presidents Gary Fethke (Interim), Gregory Geoffroy, and Ben Allen discussed the budget challenges that the universities must address due to continued reduced state appropriations.

- MOVED by CONNOLLY, SECONDED by BECKER, to approve the FY 2007 Regent Institutional budgets. MOTION APPROVED by ROLL CALL:

<u>Regent</u>	<u>Arbisser</u>	<u>Becker</u>	<u>Bedell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Vasquez</u>	<u>Wahlert</u>
Aye	x	x		x	x		x	x	x
Nay									
Absent			x						

President Gartner acknowledged the enormous amount of work put into preparing the budgets and reported that the Board Office has brochures available that contain the latest accurate data on financial historical trends.

**Preliminary Legislative Discussion Topics for FY 2007**

Executive Director Steinke briefed the Board on the preliminary legislative discussion topics and reported that final approval by the Board will be requested in September. He reported that state appropriations for FY 2007 are \$46 million less than for FY 2001, not adjusted for inflation; costs have escalated to a very dramatic point; and \$9 million in recurring costs are paid for with non-recurring dollars. President Gartner noted that during that same period, revenue has decreased by 10.1% and the Higher Education Price Index has increased by 20.2%. Mr. Steinke stated that the burden has fallen to students and their parents.

➤ The Board received the report by GENERAL CONSENT.

**University of Iowa Hospitals and Clinics (UIHC) Committee Report**

Regent Downer and UIHC Director/CEO Donna Katen-Bahensky reported on the UIHC Committee meetings held on July 19, 2006, and August 2, 2006. Primary responsibilities of the UIHC Committee to be added to the Regent Policy Manual were proposed and presented as a second reading. The next UIHC committee meeting will be held at UIHC on September 6, 2006.

**University of Iowa Hospitals and Clinics Trustees Meeting Agenda**

- ◆ Clinical Leadership Presentation: Cardiothoracic Surgery  
Mark D. Iannettoni, MD, discussed the history, growth, and current abilities of cardiothoracic surgery at the University of Iowa.
  - ◆ Operating and Financial Performance Report  
Ms. Katen-Bahensky and Associate Director Anthony DeFurio provided a review of the financial situation of the UIHC. President Pro Tem Wahlert requested that an additional metric be included on the Comparable Accounts Receivable Chart that shows bad debt being written off.
  - ◆ IowaCare Update  
Ms. Katen-Bahensky and Stacey Cyphert provided a one-page handout about the costs and history associated with treating individuals who are in institutions under the control of the Iowa Department of Human Services or the Iowa Department of Corrections. Regent Downer indicated that the issue would continue to be studied by the Committee.
  - ◆ Director's Report  
Ms. Katen-Bahensky discussed awards and recognition, recruitments, market share, the smoke free campus, disaster preparedness, facility access, the task force on physician workforce, Hope Lodge, and the U.S. Senate field hearing on cancer.  
Ms. Katen-Bahensky announced that Ann Madden Rice, Associate Director and Chief Operating Officer, will be leaving UIHC to become the Chief Executive Officer at the University of California, Davis campus, in Sacramento, California, and wished her great success.
- The Board received the reports and approved the following by GENERAL CONSENT:
- ◆ The reports from the Committee's July 19, 2006, and August 2, 2006, meetings; and
  - ◆ As a second and final reading, the proposed primary responsibilities of the UIHC Committee for incorporation into the Regent Policy Manual.

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**President Gartner adjourned the meeting at 12:20 p.m.**