The Board of Regents, State of Iowa, met on Wednesday and Thursday, July 14 and 15, 1999, at Iowa State University, Ames, Iowa. The following were in attendance:

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<tr>
<th>Members of Board of Regents, State of Iowa</th>
<th>July 14</th>
<th>July 15</th>
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<tr>
<td>Mr. Newlin, President</td>
<td>All sessions</td>
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<tr>
<td>Ms. Ahrens</td>
<td>All sessions (by telephone)</td>
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<tr>
<td>Mr. Fisher</td>
<td>All sessions</td>
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<td>Dr. Kelly</td>
<td>All sessions</td>
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<tr>
<td>Mrs. Kennedy</td>
<td>All sessions</td>
<td>Excused</td>
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<tr>
<td>Mr. Lande</td>
<td>Excused at 5:00 p.m.</td>
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<td>Mr. Neil</td>
<td>All sessions</td>
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<td>Mrs. Smith</td>
<td>All sessions</td>
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<tr>
<td>Dr. Turner</td>
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<th>Office of the State Board of Regents</th>
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<tr>
<td>Executive Director Stork</td>
<td>All sessions</td>
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<td>Deputy Executive Director Barak</td>
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<td>Associate Director Hendrickson</td>
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<tr>
<td>Associate Director Kniker</td>
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<td>Associate Director Racki</td>
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<td>Assistant Director Gonzalez</td>
<td>All sessions</td>
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<td>Minutes Secretary Briggle</td>
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<th>State University of Iowa</th>
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<tr>
<td>President Coleman</td>
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<td>Provost Whitmore</td>
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<tr>
<td>Vice President True</td>
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<tr>
<td>Director Howell</td>
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<tr>
<th>Iowa State University</th>
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<tr>
<td>President Jischke</td>
<td>All sessions</td>
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<tr>
<td>Interim Provost Seagrave</td>
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<tr>
<td>Vice President Hill</td>
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<tr>
<td>Vice President Madden</td>
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<tr>
<td>Assistant to the President Mukerjea</td>
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<td>Director Bradley</td>
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<tr>
<td>Director McCarroll</td>
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<th>University of Northern Iowa</th>
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<tr>
<td>President Koob</td>
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<tr>
<td>Provost Podolefsky</td>
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<td>Vice President Conner</td>
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<tr>
<td>Executive Assistant to President Geadelmann</td>
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<td>Director Chilcott</td>
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<tr>
<td>Assistant Director Saunders</td>
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<th>Iowa School for the Deaf</th>
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<tr>
<td>Superintendent Johnson</td>
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<tr>
<td>Director Heuer</td>
<td>All sessions</td>
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<tr>
<td>Interpreter Reese</td>
<td>All sessions</td>
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<tr>
<td>Interpreter Young</td>
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<th>Iowa Braille and Sight Saving School</th>
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<tr>
<td>Superintendent Thurman</td>
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GENERAL

The following business pertaining to general or miscellaneous business was transacted on Wednesday and Thursday, July 14-15, 1999.

APPROVAL OF MINUTES OF BOARD MEETING OF JUNE 16-17, 1999. The Board Office recommended the Board approve the minutes.

President Newlin asked for additions or corrections to the minutes.

ACTION: President Newlin stated the Board approved the minutes of the June 16-17, 1999, meeting, as written.

CONSENT ITEMS. The Board Office recommended the Board approve the consent docket, as follows:

Ratify personnel transactions at the University of Iowa, Iowa School for the Deaf, Iowa Braille and Sight Saving School, and the Board Office;

Refer the post-audit reports from the University of Northern Iowa to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation; and

Refer the proposed Ph.D. degree in Second Language Acquisition (SLA) at the University of Iowa to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

MOTION: Regent Neil moved to approve the consent docket, as presented. Regent Fisher seconded the motion. MOTION CARRIED UNANIMOUSLY.

INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION. (a) Approval of a new Interdepartmental Graduate Minor in Complex Adaptive Systems, Iowa State University. The Board Office recommended the Board approve the request
by Iowa State University to establish a new interdepartmental graduate minor in Complex Adaptive Systems.

The proposed minor responds to Iowa State University's strategic plan, which calls for the development of innovative programs in information science and technology. The minor is a part of the developing information science initiative being developed by the provost and president. It may represent the first step toward the establishment of an interdisciplinary graduate major in this area.

The term "complex adaptive systems," or CAS, refers to natural as well as artificial systems exhibiting apparently complex adaptive behaviors that emerge as a consequence of nonlinear spatio-temporal interactions among a large number of components or systems. Examples from nature include: Immune systems; multicellular organisms; and nervous systems. An example of an artificial or human-constructed system includes a large communications network. Disciplines and fields of study using the research from CAS include psychology, sociology, neuroscience, economics, mathematics, physics, biology, and engineering.

Minor programs are meant to complement students' major fields of study by offering a sequence of critical knowledge and skills for the effective organization and utilization of information. The three goals of this proposed minor are: 1) to foster productive interaction and collaboration among faculty interested in CAS; 2) to provide a formal educational structure for interdisciplinary training of students in this emerging area; and 3) to attract outstanding graduate students to Iowa State University.

The program was reviewed by the Interinstitutional Committee on Educational Coordination and the Board Office, and was recommended for approval.

Regent Turner asked if this minor would include evaluation and study in both natural and artificial systems. Interim Provost Seagrave responded that the program would involve interactions between natural living systems and, in some cases, manufactured systems. Provost Whitmore said he suspected the issue was how can human systems learn from non-human systems and vice versa. President Jischke said the adaptive capacity of living systems provide human or “natural” models.

Regent Turner asked about the anticipated number of students who would participate in the program. Interim Provost Seagrave said university officials anticipated tens not hundreds, and that the students would come from graduate students who start out in some other major and then discover an interest in this area.

MOTION: Regent Turner moved to approve the request by Iowa State University to establish a new
interdepartmental graduate minor in Complex Adaptive Systems. Regent Kennedy seconded the motion. MOTION CARRIED UNANIMOUSLY.

(b) Approval of a new Interdepartmental Major in Bioinformatics and Computational Biology, Iowa State University. The Board Office recommended the Board approve the proposed new major, Bioinformatics and Computational Biology, at Iowa State University, contingent upon approval by the Iowa Coordinating Council for Post-High School Education.

The primary goal of the Bioinformatics and Computational Biology interdepartmental graduate major (BCB) is to prepare students for careers in bioinformatics/computational biology research and university teaching. There is a high demand for scientists in fields such as molecular biology, genetics, biochemistry, and biotechnology.

Graduates will be prepared for employment in either academia or industry, doing such tasks as genetic engineering of crop plans or animals, designing drugs in the pharmaceutical industry, and interpreting data gathered and stored in digital form.

The new interdepartmental major is related to two advanced degrees -- the Doctor of Philosophy in Bioinformatics and Computational Biology, and Master of Science in Bioinformatics and Computational Biology. The new major is to be offered initially by 33 faculty from 12 departments.

Currently, there is a vast shortage of scientists adequately trained in bioinformatics and computational biology. Demand for graduates is strong in both academia and industry.

The Board Office and the Interinstitutional Committee on Educational Coordination recommended approval of this request.

The University of Iowa has a Ph.D. program in Applied Mathematical and Computational Sciences, which has other specializations and is broader in some respects. There appears to be no duplication of this program.

President Newlin asked how the program would be administered with 33 different faculty in 12 departments. Provost Whitmore said he suspected there would be a coordinator for the program and that the coordinator would develop the sequence of courses, teaching schedules, etc.

Interim Provost Seagrave said Iowa State University officials hope that in the near future this will be one of the university’s centers. Research in this area will be done in the proposed institute for plant sciences. The program will be led by an interdisciplinary
group of faculty. University officials are working on how the individual centers will be organized and fit into the institute.

President Newlin asked for the anticipated number of graduates each year and what careers those individuals might pursue. Associate Dean John Mayfield responded that the number of students would be limited by how many students the faculty can handle. The university is already flooded with applications. He anticipates that at maturity the program would have 20 to 30 graduate students. With regard to career possibilities, he said people in this area are snapped up by the pharmaceutical industry for enormous salaries. One limitation is difficulty in hiring qualified faculty in this area which has mushroomed.

Regent Lande asked who coined the term “bioinformatics”. Interim Provost Seagrave stated that what we call information technology is called informatics in Europe.

MOTION: Regent Fisher moved to approve the proposed new major, Bioinformatics and Computational Biology, at Iowa State University, contingent upon approval by the Iowa Coordinating Council for Post-High School Education. Regent Turner seconded the motion. MOTION CARRIED UNANIMOUSLY.

(c) Approval of a Name Change for the Business Administrative Sciences Major in the College of Business M.S. Degree Program, Iowa State University. The Board Office recommended the Board approve changing the name of the "Business Administrative Sciences Major" to the "Master of Science in Business," in the College of Business.

The proposed new name for the only major offered in the College of Business under the Master of Science degree would be "Master of Science in Business." The new name provides clarity by avoiding confusion with the Master of Business Administration degree and offers a more commonly recognized name nationally, similar to such degrees as Master of Science in Accounting, Financing, and Marketing.

The Board Office and the Interinstitutional Committee on Educational Coordination recommended approval.

Regent Kennedy asked for the difference between the MBA and the MS in business. President Jischke responded that the MBA has requirements nationally that make it a more competitive degree program in terms of admission. The MS in business is for those who do not qualify for the MBA program or who do not want to take the range of
courses required for the MBA. The MS also has the option of being more research oriented.

Interim Provost Seagrave stated that a student pursuing a Ph.D. in business is more likely to have taken the MS in business than the MBA.

MOTION: Regent Smith moved to approve changing the name of the "Business Administrative Sciences Major" to the "Master of Science in Business," in the College of Business. Regent Kelly seconded the motion. MOTION CARRIED UNANIMOUSLY.

(d) Approval for Revisions for Graduate Majors in Animal Science, Iowa State University. The Board Office recommended the Board approve the report on the proposed revisions for graduate majors in Animal Science at Iowa State University subject to the approval of the Iowa Coordinating Council for Post-High School Education.

Officials of the Iowa State University Department of Animal Science proposed several changes in its graduate programs resulting from review of the program. Four current majors (animal production, muscle biology, nutritional physiology, and physiology of reproduction) are being discontinued. Department officials propose one completely new major (animal science) and one modified new major (animal physiology) that includes as specializations the former majors in physiology of reproduction and in muscle biology. Three current majors (animal breeding, animal nutrition, and meat science) are being continued, except that “and Genetics” will be added to the name of animal breeding. Therefore, department proposed to move from a total of seven majors to a total of five majors.

The Interinstitutional Committee on Educational Coordination and the Board Office reviewed the revisions of the graduate majors in Animal Science at Iowa State University. Both recommended approval. The proposal was sent to the Iowa Coordinating Council for Post High School Education for review and approval.

Regent Turner asked how students already in the program are accommodated. President Jischke responded that during the transition students have the choice of which program to follow.

Regent Fisher asked when was the last review of this program and whether the change was the result of a complete review of the program. Interim Provost Seagrave stated that the last review of this program was 3-5 years ago and likely contained recommendations leading to the proposed changes.
President Jischke stated that a new facility has been developed for the animal science department which provides the capacity to move in new directions in terms of research.

MOTION: Regent Kelly moved to approve the report on the proposed revisions for graduate majors in Animal Science at Iowa State University subject to the approval of the Iowa Coordinating Council for Post-High School Education. Regent Turner seconded the motion. MOTION CARRIED UNANIMOUSLY.

(e) Approval of Course Changes, University of Iowa. The Board Office recommended the Board approve the University of Iowa proposal for course changes effective immediately.

University of Iowa officials requested approval of its proposed course changes. This request was reviewed by the Interinstitutional Committee on Educational Coordination (ICEC) and the Board Office and both recommended approval.

The proposed course changes represent the continuing response of the university to the changing educational needs of students, changing disciplinary emphases, and vitality of University faculty. The course changes do not include any new programs of study.

Regent Kennedy questioned the effect of the course changes on students and whether there is a transition period. Interim Provost Seagrave stated that great attention is paid to ensure that students are not disadvantaged by the course changes. Most departments will have dual paths to a degree. Students will have a choice of which path to follow. Oftentimes the new courses are offered on an experimental basis. Also, the old courses do not disappear immediately.

Regent Kennedy asked how the changes are communicated to students. Interim Provost Seagrave responded that communications are a function of the advising system and the relationship between students and advisors. The various departments will handle the communications in different ways including the student information booklet and the World Wide Web. Much early warning takes place.

President Jischke stated that as a matter of law the students are enrolled in programs in accordance with the bulletin or catalog in place at the time of their enrollment. There is a finite time period but the university cannot arbitrarily make changes and disadvantage students.
Regent Kennedy stressed the importance of communication.

Regent Fisher asked for the budget impact of the changes. Provost Whitmore responded that the same subset of faculty would offer the courses. In liberal arts, for example, there are a number of courses with relatively low enrollments and some courses that are not offered very often. If a course has not been offered for a number of semesters, university officials indicate to the department that unless a course can be justified, it should be removed from the catalog. There are also many courses offered that are not required for a major but which students choose as options. Over time some courses fall out of interest by students and others fall into interest. In some cases, there are major revisions of programs like the one in animal science at Iowa State University.

Regent Smith referred to the additional courses in the College of Education and said she was excited to see those changes. With regard to the new Reading Recovery Consortium initiative, she asked if students will become trainers. Provost Whitmore responded that students will have the expertise to carry on those programs in their own areas, once they become teachers.

Regent Smith asked if students would be trained as teachers and not as trainers. Provost Whitmore said he did not know but would find out and would send the information to Regent Smith.

Regent Smith asked about the amount of state dollars for the program Reading Recovery Consortium. Executive Director Stork responded that the state had appropriated $100,000 which was not nearly enough. The university was matching the state funds by 3-to-1 or 4-to-1.

Regent Kennedy referred to the College of Education curriculum and stated that so much more is now known about how people learn and how the brain works. It is important to have that type of instruction in their course work. In traditional K-12 education, 20 percent of the students excel because teachers teach to those who learn in a certain way. What is being done in this regard in the College of Education?

Provost Whitmore stated that one of the advantages of being a research university is having faculty engaged in testing learning abilities matched with methods of training. He said that research gets translated back into what faculty take into the classroom for teaching students.
Regent Turner referred to the College of Medicine’s new curriculum and a statement that the effect of the new curriculum is reflected by a 100 percent pass rate for the boards. What was the previous pass rate for comparison purposes?

President Coleman said she would have to get the exact numbers. It was her understanding that this was the best-ever performance for College of Medicine students. This was the best performance in graduates sustained longitudinally. So far, the students have done extraordinarily well. She believes this is significant because of the drastic change in the curriculum. University officials are ecstatic with the results.

Provost Whitmore stated that College of Medicine officials proposed to improve the newly-changed curriculum. The university has graduated the first set of students under the new curriculum this year. Dean Kelch said he had learned some things and those were reflected in these proposals.

MOTION: Regent Kennedy moved to approve the University of Iowa proposal for course changes effective immediately. Regent Ahrens seconded the motion. MOTION CARRIED UNANIMOUSLY.

(f) Approval of Name Change: M.S. and Ph.D. Degrees in Radiation Biology to M.S. and Ph.D. Degrees in Free Radical and Radiation Biology, University of Iowa. The Board Office recommended the Board approve the University of Iowa request for a name change of the Radiation Biology graduate program and the M.S. and Ph.D. degrees in Radiation Biology to the Free Radical and Radiation Biology graduate program and the M.S. and Ph.D. degrees in Free Radical and Radiation Biology, effective immediately.

This proposal was reviewed by the Interinstitutional Committee on Educational Coordination (ICEC) and the Board Office, and both recommended approval.

The request was based upon the evolution of the field. Free radicals are species that are constantly being produced by the body’s metabolism. These free radicals are thought to produce changes in the body which lead to diseases such as diabetes, cancer, aging, heart attack, and stroke. This finding that all human diseases have a free radical component has generated increased interest and research funding in free radical science. At the same time that free radical science has grown in importance, the radiation sciences are experiencing a decline in interest, funding, and jobs.

The name change was requested for the following reasons:
• The new name more accurately reflects what students are being taught and the research projects being conducted by these students to meet their graduate degree objectives. The new title will reflect the relative importance of the two disciplines of free radical science and radiation science (which is actually a subset discipline of free radical biology because 80-90 percent of the effects of ionizing radiation are due to free radicals).

• The change in name will enable the university to compete better for funding. If the university is identified as a center of expertise in free radical biology, funds which are restricted to that area of study will become available to university researchers.

• Changing the name of the program will also enable the university to compete more effectively for new graduate students and post-doctorals. Most students who seek graduate education in free radical biology will look for programs which have that name in the title.

Regent Kelly asked for elaboration on why it seems so important to change the name and whether the name change will require additional courses or new courses for the students.

Interim Provost Seagrave responded that no new courses would be required. The proposed name is the more accepted and descriptive name of the work that goes on in this area. This area of study is important in understanding the function of free radicals and how it changes during disease state. Radiation biology scanning devises can identify certain chemical species. Those can be tracked and a course of efficacy of treatment of disease can be developed.

President Coleman said this area is of major interest in aging because damage from free radicals is thought to contribute significantly to the aging process. This area of study will have many applications.

President Newlin asked about the location of free radicals in a cell. President Coleman responded that free radicals are in the DNA, nucleus and cytoplasm.

MOTION: Regent Kelly moved to approve the University of Iowa request for a name change of the Radiation Biology graduate program and the M.S. and Ph.D. degrees in Radiation Biology to the Free Radical and Radiation Biology graduate program and the M.S. and Ph.D. degrees in Free Radical and Radiation Biology, effective immediately. Regent
Neil seconded the motion. MOTION CARRIED UNANIMOUSLY.

(g) Approval of a New Degree Program: M.S. and Ph.D. in Translational Biomedicine, University of Iowa. The Board Office recommended the Board approve the University of Iowa proposal to establish M.S. and Ph.D. programs in Translational Biomedicine effective immediately.

This proposal was reviewed by the Interinstitutional Committee on Educational Coordination (ICEC) and the Board Office, and both recommended approval.

Medical education (leading to the M.D. degree) produces physicians who are skilled clinicians highly trained in applying their skills to issues of health and disease. In the past, some physicians have devoted all or a majority of their professional effort to seeking new knowledge about health and disease through research. Recently, there has been a dramatic decline in the number of physician-scientists; this threatens the future ability of the medical research enterprise to continue significant advances in health care and prevention, treatment, and cure of disease.

The proposed graduate programs in Translational Biomedicine are designed to train clinicians to conduct rigorous and original clinical investigation by performing research that uses basic biological and physiological principles to address important health concerns. Students entering the program with an M.D. (or equivalent medical degree) will be trained to perform hypothesis-driven research using scientific principles from the basic sciences to address important clinical problems.

Applicants with an M.D. degree (or equivalent medical degree) will be admitted at various stages of their training (immediately upon receipt of the degree or during residency or sub-specialty training). The program of coursework, laboratory rotations, and mentored research will lead either to an M.S. or a Ph.D. degree.

This program will include a consortium of faculty from basic science programs/departments (e.g., biology, biochemistry, epidemiology) and clinical departments (e.g., medicine, surgery, radiology) and will provide clinicians with rigorous scientific training in translational biomedicine. The program will focus on translational research which is the interface between basic sciences and clinical sciences. Candidates will receive didactic training to study design, epidemiology, biostatistics, basic biology, physiology, and methods specific to translational biomedicine, such as the application of basic science principles to clinical diseases and the integration of clinical and basic sciences in research.
In addition, students will be expected to participate actively in mentored research in translational biomedicine. Mentored research opportunities include the following five broad areas of clinical investigation: (1) disease mechanisms or etiology; (2) new clinical insights into the diagnosis or natural history of disease; (3) objective assessment and outcome of therapeutic intervention; (4) medical informatics; and (5) development of new approaches to therapeutics. Extensive research opportunities are available in each of these areas among faculty participating in the training program.

External funding (including institutional training grants) will provide support for students prior to the mentored research phase of the Program; internal funds from the College of Medicine will provide support to students who are not eligible for external funding. During the mentored research years, students will be supported from external funding available to the program or from a combination of funds provided by their research mentor (50 percent), their department (25 percent), and the College of Medicine (25 percent) for those not eligible for external funding. Typically, master’s students will be supported for 2½ years and Ph.D. students will be supported for 4-5 years.

The College of Medicine will support the administrative costs of the program. After the graduate program in Translational Biomedicine is approved, key faculty in the program will apply for extramural support for this program. The college anticipates funds for a physician-scientist training grant from the National Institutes of Health.

Interim Provost Seagrave stated that translational medicine refers to the interface between clinical medicine and medical research/basic science.

Regent Turner asked, if a student were doing residency in OB/GYN and wanted to get a M.S. and Ph.D. in translational biomedicine, would a student have to be in one of the university’s training programs in order to apply for this degree?

Provost Whitmore said he did not believe so. Translational biomedicine is an area in which the National Institutes of Health is putting a lot of additional money. There is a need for people in this area to bring research into the care of patients. The University of Iowa will be one of the first in the country to have this program. There will be a big demand for this program.

Regent Fisher asked how the program would be marketed. Provost Whitmore said the program would be marketed through all kinds of networks. There will be advertisements soliciting applications. It will be a very competitive process.

Regent Fisher asked about the cost. Provost Whitmore responded that the university would be using current faculty. Students will be studying with clinical faculty as well as
basic research faculty. It will be an interesting mix of faculty with which the students will be working. It should be a very exciting program in which to be involved.

Regent Kelly noted that there has been a dramatic decline in the number of physician scientists. Is it known why this is occurring?

Provost Whitmore said that unless a student has a deep interest in connecting being a doctor with the basic science research, then it takes a special kind of person to want to go beyond physician training.

President Coleman said this program is specifically for the translational aspects of basic research to human medicine. The program is designed specifically for M.D.s who want to do basic research.

Regent Kelly stated that basic research used to be taught along with regular medical training, not after the M.D. degree was received. President Coleman stated that medical students learn basic science. The graduates of this program, people who understand the basic research and human disease, are the people who will be able to do clinical trials.

Provost Whitmore noted that less than 2 percent of physicians in the U.S. can be classified as clinician scientists.

MOTION: Regent Kelly moved to approve the University of Iowa proposal to establish M.S. and Ph.D. programs in Translational Biomedicine effectively immediately. Regent Lande seconded the motion. MOTION CARRIED UNANIMOUSLY.

ANNUAL GOVERNANCE REPORT OF THE IOWA SCHOOL FOR THE DEAF ADVISORY COMMITTEE. The Board Office recommended the Board (1) receive the report and (2) approve the appointments of Dr. Paul Retish (University of Iowa), Dr. John Schuh (Iowa State University), and Dr. Joseph J. Smaldino (University of Northern Iowa) to two-year terms on the Iowa School for the Deaf Advisory Committee (September 1, 1999 to August 30, 2001).

The Iowa School for the Deaf Advisory Committee presents its annual report as specified in the Board of Regents’ Procedural Guide (Section 1.07). The committee serves a three-fold purpose: (1) to advise the Board of Regents on policy matters relating to the education of deaf students; (2) to advise the superintendent regarding the development of policy based on current educational policy; and (3) to forge linkages
between the universities and the school for research and professional development opportunities.

The advisory committee consists of a faculty member and an administrator from each university, a consultant in deaf education from outside the State of Iowa, and, since last year, two "consumers", one from Iowa and one from Nebraska. The consultant and consumer nominations will be presented to the Board in September.

During the 1998-1999 school year, the advisory committee met twice. The committee approved changes in the sign language proficiency policy as well as high school graduation requirements, which were forwarded to the Board. At its initial meeting of the year, it reviewed Iowa School for the Deaf's strategic plan and asked Superintendent Johnson to provide more specific data relative to the benchmarks of the plan. At both its meetings, it reviewed those performance indicators which are relevant to the special schools and received from the superintendent and staff quantifiable data for both the performance indicators and benchmarks. A report on the impact of students from Nebraska was also received. The committee discussed the problems of finding qualified teachers and administrators for Iowa School for the Deaf and what role the Regent universities could play in teacher preparation. Consultant Dr. Gary Holman (from Washington state) prepared a presentation for the advisory committee on trends and issues in the education of the deaf. He also prepared an accountability chart, indicating the various requirements and performance indicators which Iowa School for the Deaf is to meet (federal and state mandates, Board of Regents' strategic plan, Iowa School for the Deaf's benchmarks, performance indicators, national certification standards).

Marion Thompson, Professor of Special Education, University of Northern Iowa, presented the report on behalf of the advisory committee. He noted that he has been a member of the Iowa School for the Deaf advisory committee for 21 years. He said he feels that the involvement of the committee most recently has been very beneficial to the school.

Regent Smith asked about the trends and issues that were presented in the report from the consultant. She said she was also interested in how the Regent system can support the effort to train teachers of the deaf and blind.

Dr. Thompson said the discussion has been ongoing. Several factors are the low incidence of the population and the reduction in federal funding. The traditional role of the training institutions and the national accreditation standards makes preparation an expensive process. In terms of the institutions’ efforts toward efficiency, he said low enrollment programs have not been looked upon favorably. The consultant's report
noted nationally a significant number of personnel vacancies in administrative and teaching positions. There are a number issues coming to bear at this time.

Superintendent Johnson stated that a major focus in teacher training for deaf students is in language development.

President Newlin congratulated Dr. Thompson for his 21 years of service to the committee. Dr. Thompson noted that he had been at the university for 21 years, also.

Superintendent Johnson thanked Dr. Thompson on behalf of everyone at the Iowa School for the Deaf. Dr. Thompson's advice has been valuable and important to the school. He will be missed.

Superintendent Thurman stated that Dr. Thompson also was on the Iowa Braille and Sight Saving School advisory committee for 20 years, for which he thanked him. He noted that Dr. Thompson had also operated a camp for blind children in Tennessee and had taught courses in education of the visually impaired at the University of Northern Iowa.

MOTION: Regent Turner moved to (1) receive the report and (2) approve the appointments of Dr. Paul Retish (University of Iowa), Dr. John Schuh (Iowa State University), and Dr. Joseph J. Smaldino (University of Northern Iowa) to two-year terms on the Iowa School for the Deaf Advisory Committee (September 1, 1999 to August 30, 2001). Regent Kennedy seconded the motion. MOTION CARRIED UNANIMOUSLY.

ANNUAL GOVERNANCE REPORT OF THE IOWA BRAILLE AND SIGHT SAVING SCHOOL ADVISORY COMMITTEE. The Board Office recommended the Board (1) receive the report and (2) approve appointment of Richard Nelson (University of Iowa), Ann Thompson (Iowa State University), and Christine Macfarlane (University of Northern Iowa) to two-year terms (September 1, 1999 to August 31, 2001) on the IBSSS advisory committee.

The Iowa Braille and Sight Saving School Advisory Committee presented its annual report as specified in the Board of Regents' Procedural Guide. The committee serves a three-fold purpose: (1) to advise the Board of Regents on policy matters related to the education of visually-impaired students; (2) to advise the superintendent in the development of policy based on current educational research; and (3) to forge linkages
between the universities and the school for research and professional development opportunities.

The committee includes an administrator and a faculty member from each Regent university, a consultant from outside of Iowa, and a consumer of services to the visually impaired.

The advisory committee met twice during the past year. The following items were included on the agenda for the meetings: Iowa Braille and Sight Saving School Strategic Plan and performance indicators; proposed admission guidelines; outcomes accreditation; summer school program; and technology plan. At the last meeting, committee members had an opportunity to tour the school.

Committee Chair Geoffrey Abelson, Professor of Education at Iowa State University, presented the report on behalf of the Iowa Braille and Sight Saving School Advisory Committee. He stated that this was his second year on the advisory committee.

Regent Neil asked what affect outcomes accreditation would have on students. Dr. Abelson responded that outcomes accreditation relates to students by making the school much more accountable for the quantity and quality of services. The process identifies specific strength and deficit areas and addresses those through the Individual Education Plan. School officials are able to do assessments along the way that will provide accountability for services. He said the motive behind outcomes accreditation is to provide much greater accountability of service to consumers and the state of Iowa, and for visually impaired students to be able to live, work and recreate independently in society.

Regent Neil asked what is the most difficult challenge facing the Iowa Braille and Sight Saving School in the coming year? Dr. Abelson said employment issues will certainly be a challenge. Also, there will be some work involved in the new outcomes-oriented curriculum.

Superintendent Thurman said the biggest challenge is the same challenge the school has had for the past 10 years: finding qualified, trained, experienced professionals to carry out the work of the school. He stated that Iowa and South Dakota are the only two states whose special schools report to the higher education board. There are 46 residential schools for the blind in the U.S. He said this gives the Board of Regents the opportunity to have a teacher training program in a university laboratory school in which student teachers can practice their skills and have a full range of outreach opportunities where they can work in a fully-inclusive environment. Iowa has every opportunity to train good teachers of the deaf and blind. Nationally, such programs are shutting down. The federal government has been hoping the teacher training programs would
voluntarily work together and the government would fund those efforts. The national effort has fallen far short of that goal.

Superintendent Thurman stated that in Iowa we have the opportunity to do the very best job of training teachers of the blind, considering Iowa’s three outstanding universities and two special schools under the direction of the Board of Regents. The special schools provide the state vision consultant and state hearing consultant as well as a wide network of support to the public schools. He said it takes money but the opportunity is there. He encouraged the Regents to think in terms of large programs and to develop a national presence that will attract people from all over the United States.

Regent Neil asked for cost estimates for developing such a program. Superintendent Thurman said he could not even begin to answer the question about cost. The universities would have a much better idea. Grants by the federal government are from $250,000 to $300,000 annually, depending on the number of students enrolled in a program. He said he would be happy to discuss the matter with one of the Regent universities.

Regent Turner asked about university students who enter a teacher training program and whether students are interested in learning to teach blind or deaf students from the beginning.

Superintendent Thurman stated that most of the programs are graduate programs. However, bachelor degree programs are very successful. There is almost 100 percent job placement capability. There are 250 jobs available in the field on any one day.

Regent Smith stated that the Regents should encourage the institutions to collaborate. She said this was a wonderful opportunity to investigate the provision of education for visually- and hearing-impaired students. She requested that a group be formed to determine whether there is some way of determining if this might be something that could work. She asked that the effort include addressing costs.

Executive Director Stork suggested the institutions interact to come up with a possible option and then perhaps bring that back to the Board.

President Newlin asked if a report could be brought to the Board in September. Executive Director Stork suggested that a progress report, at a minimum, could be provided to the Board at the October meeting.

Regent Neil said the effort may not have to involve all three universities but should at least include the University of Northern Iowa and the special schools.
President Koob stated that officials of the University of Northern Iowa and Iowa School for the Deaf have already begun discussions in this regard. Superintendent Johnson is gathering information on accreditation requirements. He stressed that this is a major issue and it is going to cost. The effort would serve a small number of people in a very intensive educational program. He said there was no lack of willingness to pursue the investigation and to provide the Regents with a number.

Regent Kennedy asked that availability of grants and federal dollars be included as part of the study.

Superintendent Johnson stated that Dr. Marion Thompson had taken the lead in talking with the Iowa School for the Deaf Advisory Committee about the federal government’s interest in these activities. There are federal grants. He said the area education agency in his area had appointed a committee to survey how many people have left the field. The data is being collected and will be presented to the Board Office and in the discussions with the University of Northern Iowa.

Regent Kennedy urged those involved in this effort to be creative. If there is a nationwide need then Iowa should do something creative to serve the nation and become a showpiece. Maybe Iowa could be very visionary. She encouraged those involved in this effort to come back with several proposals.

Superintendent Thurman stated that was exactly how Iowa has to go about it. He said federal money is literally drying up. He did not think there would be a lot of interest at the federal level. This a national problem which needs to be solved nationally. He thinks Iowa could provide the leadership nationally.

**MOTION:**
Regent Turner moved to (1) receive the report and (2) approve appointment of Richard Nelson (University of Iowa), Ann Thompson (Iowa State University), and Christine Macfarlane (University of Northern Iowa) to two-year terms (September 1, 1999 to August 31, 2001) on the IBSSS advisory committee. Regent Smith seconded the motion. MOTION CARRIED UNANIMOUSLY.

**REPORT OF THE BANKING COMMITTEE.** (a) General Report. The Board Office recommended the Board accept the report of the Banking Committee.

Regent Fisher stated that the Banking Committee met on the morning of July 14 and considered the following items: the Letter of Credit for the Human Biology Research
Facility at the University of Iowa, the FY 2000 annual internal audit plans, the external audit report on the Tri-State Graduate Center, State of Iowa reports, state audit reports on the institutions and Board Office, as well as internal audit reports. He said the Banking Committee members discussed compliance particularly with regard to the athletic departments. He said university officials have done a good job of avoiding problems encountered by other universities around the country regarding athletics. There was good discussion with all of the internal auditors and the Banking Committee members were comfortable with the internal audit process. Internal auditors are receiving good cooperation from management.

Regent Fisher stated that the recommendation for the Letter of Credit for the Human Biology Research Facility at the University of Iowa was to Norwest Bank at 50 basis points.

Regent Fisher stated that an additional item presented at the Banking Committee meeting was a request for approval of master lease financing for the ISU Fire Service Institute for a live-fire simulation trailer.

**MOTION:**

Regent Fisher moved to approve master lease financing for the ISU Fire Service Institute for a live-fire simulation trailer and the Letter of Credit for the Human Biology Research Facility at the University of Iowa. Regent Neil seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

**ACTION:**

President Newlin stated the Board received the report of the Banking Committee, as presented, by general consent.

(b) Sale and Award of Refunding Utility Bonds, Series ISU. The Board Office recommended the Board adopt the following resolutions subject to receipt of acceptable bids:

1. A Resolution providing for the sale and award of $13,190,000 Utility System Revenue Refunding Bonds, (Iowa State University of Science and Technology), Series I.S.U. 1999B, approving and authorizing the agreement of such sale and award and authorizing and approving the execution and delivery of the Tax Exemption Certificate, Continuing Disclosure Certificate, and other documents in connection therewith and related matters.

2. A Resolution authorizing the execution of a Refunding Trust Agreement to provide for the payment of the 2000 through 2013 maturities of the Utility System
Revenue Bonds, Series I.S.U. 1985, converted June 1, 1989, and authorizing
and directing the Bond Registrar to call the 2000 through 2013 maturities of the

The refunding trust agreement is needed since the indenture of trust for the 1985 bonds
requires that the proceeds of the refunding bonds be deposited with the trustee who will
use the proceeds to redeem the bonds which are to be refunded.

At its June 1999 meeting, the Board authorized the Executive Director to fix the date(s)
for the sale of the bonds, which would be issued to refund outstanding principal of the
variable interest rate Series 1985 Utility System Revenue Bonds converted to a fixed
interest rate in 1989. These bonds were issued to defray the costs of constructing,
improving and equipping a utility system at Iowa State University.

The refunding bonds would have the same payout year as the 1989 bonds (2013). The
estimated net and present value savings from the refunding exceed $2,025,000 and
$1,400,000 respectively. Estimated annual debt service savings will range from
$30,000 to $290,000. Debt service payments will continue to be made from utility
system charges and the proceeds of any utility system student fees which the Board
may establish in the future. The university’s utility system is a self-supporting operation.

Mr. Barry Fick, Springsted, Inc., stated that two syndicates had submitted bids. One
syndicate, led by Dain Rauscher, Incorporated, submitted a bid with a true interest rate
of 4.7921 percent. The second bid, which was the best bid, was submitted by a
syndicate led by U.S. Bancorp-Piper Jaffray for a true interest rate of 4.7237 percent.
Based on the bids, the issuance size was increased to $13,220,000 (from $13,190,000)
present value. There will be a savings of $1,334,000 to be realized over the life of the
bonds. The bid interest rate was approximately two percentage points better than the
average rate on the outstanding bonds. He said interest rates on these bonds was
slightly higher than the rates for the bonds sold in March which reflected the market
increase in rates.

Mr. Ken Haynie, Ahlers law firm, stated for the record that there needed to be
modifications to the advertised amount and the maturity schedule. The amount of the
bonds would be changed to $13,220,000 and the principal amounts due adjusted within
the maturity schedule.

MOTION: Regent Fisher moved to adopt the following
resolution:
A Resolution providing for the sale and award of
$13,220,000 Utility System Revenue Refunding
Bonds, (Iowa State University of Science and
GENERAL
July 14-15, 1999

NAY: None.
ABSENT: None.
MOTION CARRIED.

MOTION: Regent Fisher moved to adopt the following resolution: A Resolution authorizing the execution of a Refunding Trust Agreement to provide for the payment of the 2000 through 2013 maturities of the Utility System Revenue Bonds, Series I.S.U. 1985, converted June 1, 1989, and authorizing and directing the Bond Registrar to call the 2000 through 2013 maturities of the Utility System Revenue Bonds, Series I.S.U. 1985, converted June 1, 1989. Regent Neil seconded the motion, and upon the roll being called, the following voted: AYE: Ahrens, Fisher, Kelly, Kennedy, Lande, Neil, Newlin, Smith, Turner.
NAY: None.
ABSENT: None.
MOTION CARRIED.

Regent Neil asked if the savings of $1,334,000 was net of all costs. Mr. Haynie responded affirmatively.

(c) Preliminary Resolution of Refunding Utility Bonds, Series SUI. The Board Office recommended the Board adopt A Resolution authorizing the Executive Director to fix the date or dates for the sale of up to $17,500,000 Utility System Revenue Refunding Bonds, Series S.U.I. 1999B.
The bonds, which were included in the proposed bond issuance schedule for calendar year 1999 presented to the Banking Committee in February 1999, would be issued to refund outstanding principal of the variable interest rate Series 1985 Utility System Revenue Bonds converted to a fixed interest rate in 1989. These bonds were issued to defray the costs of constructing, improving and equipping a utility system at the University of Iowa.
The refunding bonds would have the same payout year as the 1989 bonds (2013). The estimated net and present value savings from the refunding exceed $3,500,000 and $2,470,000 respectively. Estimated annual debt service savings will range from $138,000 to $450,000; the new annual debt service is estimated at $1,670,000. Debt service payments will continue to be made from utility system charges and the proceeds of any utility system student fees which the Board may establish in the future. The university’s utility system is a self-supporting operation.

MOTION: Regent Fisher moved to adopt A Resolution authorizing the Executive Director to fix the date or dates for the sale of up to $17,500,000 Utility System Revenue Refunding Bonds, Series S.U.I. 1999B. Regent Kelly seconded the motion, and upon the roll being called, the following voted:
NAY: None.
ABSENT: None.

MOTION CARRIED.

FINAL APPROVAL OF DETAILED BUDGETS FOR FISCAL YEAR 2000. The Board Office recommended the Board refer to the individual budgets for FY 2000.

The final FY 2000 detailed budgets for both operating and restricted funds of the Regent institutions total $2.4 billion of which $1.0 billion represents the restricted fund budgets and $1.4 billion represents the general operating fund budgets. The general fund total is unchanged from the budget submitted to the Board in June.

The institutional budgets reflect the strategic plans of the Board and each respective institution. Institutional officials identified reallocations in accordance with the Board’s five-year program to increase effectiveness and efficiency consistent with Board strategic planning goals.
Executive Director Stork provided the Regents with a summary of the information presented in the docket materials.

(a) University of Iowa. The Board Office recommended the Board approve the final FY 2000 all funds budget for the University of Iowa in the amount of $1,397,557,310.

The final FY 2000 all funds budget at the University of Iowa totals $1.4 billion of which $537.0 million represents the restricted fund budget and $860.5 million represents the general fund operating budget.

The budget for the restricted fund of $537.0 million includes sponsored programs primarily for research and student aid, organized activities, auxiliary enterprises, as well as bonding activities and capital projects.

The general fund budget increased $3.4 million from the one submitted to the Board in June and reflects primarily an addition of financial support, mostly federal funds, for Specialized Child Health Services. Minor adjustments were made as a result of final
salary decisions and clarification of reallocations. The University of Iowa general fund budget reflects the university's commitment to the strategic plans of the Board and the institution.

President Coleman stated that this was an exciting budget for the University of Iowa. She expressed appreciation for the support the university had received and looked forward to a wonderful year. Much of the excitement on campus was due to the College of Public Health and the initiative for Health and Independence of Elderly Iowans. She said those were good developments for the state and went along with the university's new strategic planning activities. She noted that later in the meeting the Board would be asked to approve the appointment of Dr. Merchant as dean for the College of Public Health. Dr. Merchant said college officials are moving rapidly and are talking with health professionals around the state. There are already more than 20 students on the campus who are enrolled in the Master of Public Health program to begin this fall. She said the Department of Preventive Medicine is the nucleus of this college. Even though the university has done tremendous work in public health, it has been precluded from access to some federal funds, particularly as relates to rural public health, because it did not have an organized college. The college has had a dramatic increase in extramural funding during the past year.

President Coleman discussed other aspects of the university's budget including undergraduate and graduate education. University officials anticipate increased enrollments. This year there will be four floors of honors students in the residence halls. There will be some additional programming into the residence halls. Next year university officials will be setting aside a portion of tuition revenue for financial aid, making another $1 million available for student financial aid.

There is a major capital campaign coming up for the entire university. President Coleman said scholarships will be a major theme for the campaign. University of Iowa Hospitals and Clinics (UIHC) is a major part of the university's budget. She was very pleased that 10 of the 13 hospital specialties ranked among the very best in the nation. She noted that UIHC is available for all Iowans to receive services.

Regent Kennedy referred to the College of Public Health and asked President Coleman to comment about the rural public health initiative. President Coleman stated that Dr. Merchant believes that Iowa will present issues of environmental health in farming. The University of Iowa is conducting a 15-year project funded by the National Institutes of Health which looks at the health effects of the use of herbicides and pesticides. The project is an ongoing longitudinal study which is in its 6th or 7th year. She said the educational portion of the college provides education in the Master of Public Health degree or in a certificate program to provide individuals with the tools to allow them to ask the kind of questions that need to be asked.
Regent Kennedy asked if a recap or summary of the findings of the farming study were available. President Coleman responded affirmatively, saying she believed that Dr. Merchant would be pleased to share that information with Regent Kennedy.

Regent Fisher noted that state revenues were down substantially particularly from farm revenues. There is a marked decrease in revenue coming from farm operations. Are the Regent institutions’ budgets doable?

Executive Director Stork responded that for the current fiscal year the budgets were doable. He did not anticipate a deappropriation of this sum of money. He said the issue which Regent Fisher had raised was very important for the FY 2001 budgets, in terms of available revenues.

Regent Neil asked about the budget for the College of Public Health’s department of industrial medicine. President Coleman said the Regents had not been presented with the detailed departmental-level budgets but that she would be happy to provide that information to Regent Neil.

Regent Neil expressed concern about the number of meat packing injuries in this state. President Coleman suggested that issue could be raised during the quarterly report of the University of Iowa Hospitals and Clinics which the Regents would receive the following day. The hospital has a division of occupational health which contracts with companies to improve safety by evaluating companies and providing assistance.

Regent Lande asked for clarification of the $3.4 million addition federal support to the specialized child health services unit and the statement in the docket materials that the budget for the specialized child health services unit is $4.3 million. Where does the $3.4 million fit into the $4.3 million?

Vice President True responded that the $3.4 million is a reflection of the pass-through federal block grant money which was not reflected in the budget presented a month ago. The state also participates in funding this unit which adds to the total $4.3 million.

Regent Lande referred to a statement in the docket materials that the indigent patient care program consumed 10 percent of the budget versus 8 percent in the previous budget. Is there an increasing portion of the budget going to the program?

President Coleman said she would have to look at the detailed report before providing Regent Lande with an answer. She said she would be happy to go back and determine whether there was an overall increase.
Regent Turner stated that last month the Board approved a 4 percent rate increase at the psychiatric hospital and University of Iowa Hospitals and Clinics. In light of reduced payments from managed care, how is the 4 percent increase going to help?

President Coleman said the 4 percent increase was the best prediction of the people doing the modeling. Those individuals have done a very good analysis with a good experience base. She is confident the university will be able to meet the goals of a financially healthy hospitals and clinics enterprise. She noted there was also active cost control and cost reduction in the hospital.

Regent Turner noted that it did not do any good to increase rates by 4 percent if those charges will be denied.

MOTION: Regent Fisher moved to approve the final FY 2000 all funds budget for the University of Iowa in the amount of $1,397,557,310. Regent Smith seconded the motion. MOTION CARRIED UNANIMOUSLY.

(b) Iowa State University. The Board Office recommended the Board approve the final FY 2000 all funds budget for Iowa State University in the amount of $748,795,062.

The final FY 2000 all funds budget at Iowa State University totals $748.8 million of which $368.1 million represents the restricted fund budget and $380.5 million represents the general fund operating fund budget.

The budget for the restricted fund of $368.1 million includes sponsored programs, auxiliary enterprise functions, independent operations on campus as well as funding for bonding activities and capital projects.

The Iowa State University general fund budget reflects the university’s commitment to the strategic plans of the Board and the institution. The general fund total was unchanged from the budget submitted to the Board in June. Minor adjustments in line item and unit budgets were made as a result of final salary allocations.

President Jischke asked to recognize a member of the Iowa State University faculty who was recently elected to the National Academy of Sciences: Dr. Janice Miller. Dr. Miller is only one of two practicing veterinary scientists who is in the academy. The other, Harley Moon, is also on the Iowa State University faculty. President Jischke discussed the many honors and awards which Dr. Miller has received, noting that she is one of the most distinguished veterinary scientists in the world.
President Jischke stated that the final budget for FY 2000 was essentially the same budget as that submitted in June, and represents a very good budget. He called the Board’s attention to a few items contained in the summary of the budget. The largest single fraction of money goes to undergraduate education. The second largest fraction goes to graduate education and research. He said $28 million in budget decisions goes primarily to strategic planning initiatives after allowance for mandatory cost increases. He noted that university officials are managing costs very well. There are not large cost increases due to people paying attention to ways to be more efficient in the use of funds. He said the increase of $28 million was well over 7 percent.

President Jischke referred to discussion last fall regarding tuition and stated that the Board approved increasing tuition at rates higher than inflation in order to address quality. At that time, President Jischke said university officials would use the additional 2 percent quality funds to address library, heavily-enrolled courses and information technology. Allocations to the library include mandatory cost increases for library material inflation and an investment to begin creating the electronic library. With regard to undergraduate education, there are funds to address instructional support and learning communities. In the area of graduate education and research, there is a major investment in the basic plant sciences.

With regard to information technology, the $500,000 for academic technology addresses the first installment on Acropolis.

President Jischke stated that Iowa State University officials are true to the priorities that were discussed in the fall and that are included in the university’s strategic plan.

President Newlin asked for the reason for the substantial increase in income from self-supporting and ancillary sources. President Jischke stated that the university has had extraordinary success in its sponsored programs budget. University officials beat the goal last year by $20 million. Secondly, enrollments continue to grow which provides additional income. A third reason was the extraordinary success in private fund raising. He said all of those additional revenues contribute to the general statement about the increase.

President Newlin asked about scholarships. President Jischke referred to the FY 1999 Foundation fund raising of $124 million. When the $124 million is added to the other funds raised, it brings the total of the capital campaign to $360 million toward the goal of $425 million. Of that $360 million, a total of about $90 million has been raised for scholarships, the net present value of which is about $84 million. University officials expect to raise close to $100 million in scholarships which will allow spending about $5 million/year on scholarships for students.
Regent Neil referred to mandatory cost increases and asked about accommodation to students with disabilities. President Jischke stated that students come to the university with a variety of self-described or assessed disabilities. Some are physical disabilities for which university officials might, for example, remodel a residence hall room. Some students have physical impairments which make it difficult for them to participate in class. For those students the university might hire a stenographer or provide recording equipment. For students with learning disabilities the accommodation might be oral versus written exams. He said the university’s expenditures for students with disabilities is growing. There are more students who have disabilities and more of those students ask for help. There are 600-700 students in that population.

MOTION: Regent Kennedy moved to approve the final FY 2000 all funds budget for Iowa State University in the amount of $748,795,062. Regent Lande seconded the motion. MOTION CARRIED UNANIMOUSLY.

(c) University of Northern Iowa. The Board Office recommended the Board approve the final FY 2000 all funds budget for the University of Northern Iowa in the amount of $208,846,987.

The final FY 2000 all funds budget at the University of Northern Iowa totals $208.8 million of which $85.0 million represents the restricted fund budget and $123.8 million represents the general fund operating fund budget.

The budget for the restricted fund of $85.0 million includes state appropriations for capitals and tuition replacement, as well as revenues from sales and services, federal support, tuition and fees, and other gifts and grants.

The University of Northern Iowa general fund budget reflects the university’s commitment to the strategic plans of the Board and the institution. The general fund total was unchanged from the budget submitted to the Board in June. Minor adjustments were made as a result of final salary allocations.

President Koob stated that the University of Northern Iowa had a substantial budget in support of quality education for Iowans. He noted that over two-thirds of the university’s graduates stay in the state. Specific initiatives include the Master of Social Work program for which the university has hired the staff members necessary to begin program development.

President Newlin asked President Koob to expand on the Master of Social Work program. President Koob stated that when this program was approved, the cost
estimate was approximately $600,000. The Board Office suggested that the funding request be broken into “part a” and “part b”, which university officials agreed was sensible.

Regent Kennedy asked if the Master of Social Work would be delivered statewide. President Koob said it was university officials’ intention to offer the program at outreach centers as well as on campus.

President Newlin asked if there had been development of a program in Council Bluffs in the last 12 months. President Coleman stated that the University of Iowa is beginning a cohort program for that area of the state. President Koob and she have begun discussion about collaborating when the University of Northern Iowa program is up to speed.

President Koob stated that the University of Northern Iowa’s Master of Social Work program was a perfect example of how the university can take the information from the research universities (University of Iowa) and turn it into practical applications. The University of Northern Iowa program emphasis is on the practice of the research; therefore, if the university can partner in the delivery, it facilitates the quality of the program and gives the research university’s faculty more time to spend on research. He expressed appreciation for the support of the University of Iowa.

Regent Turner said she had noted that all three universities set aside money from tuition for financial aid. Is the percentage of set-aside mandated? President Koob responded that the percentage was not mandated. At the University of Northern Iowa, the set-aside amount is 19 percent; at the University of Iowa 16 percent; and at Iowa State University 11 percent. He said the percentages reflect, to some degree, the demand for financial aid and the health of the endowment programs.

Regent Smith asked that the Regents have an opportunity soon to get into Bluedorn Gallagher facility at the University of Northern Iowa. President Koob stated that a significant part of the budget increase goes to opening that facility. University officials are conducting hard hat tours. If there is an interest on the part of the Board, he would be happy to arrange a tour when they are on campus.

President Newlin asked Executive Director Stork to consider such a tour when the Board next meets at the University of Northern Iowa.

MOTION: Regent Kennedy moved to approve the final FY 2000 all funds budget for the University of Northern Iowa in the amount of $208,846,987.
Regent Neil seconded the motion. MOTION CARRIED UNANIMOUSLY.

(d) Iowa School for the Deaf. The Board Office recommended the Board approve the final FY 2000 all funds budget for the Iowa School for the Deaf in the amount of $13,574,888.

The final FY 2000 all funds budget at the Iowa School for the Deaf totals $13.6 million of which $5.1 million represents the restricted fund budget and $8.4 million represents the general fund budget.

The restricted fund budget was increased slightly as a result of additional federal funding. The FY 2000 restricted fund budget of $5.1 million represents an increase of $3.5 million over FY 1999 due primarily to capital appropriations of $3.2 million for the school's recreation complex and $650,000 for major maintenance projects. Revenue generated from Nebraska students attending Iowa School for the Deaf accounts for $1.2 million of the restricted fund budget.

The general fund budget of $8.4 million was unchanged from the one submitted to the Board in June and reflects the school's commitment to the strategic plans of the Board and the institution.

Superintendent Johnson shared with the Regents a success the school has had. School officials have been recruiting six faculty members. He said they were extremely fortunate to have hired all six, and five of them are deaf.

Superintendent Johnson referred to the restricted fund budget and stated that the growth was all related to the recreation center. Last year the restricted fund budget consisted basically of Nebraska tuition funds. The state of Iowa appropriation for the recreation center increased the restricted fund budget level. He said the school had also experienced a significant increase in federal funds.

Regent Lande stated that last year Superintendent Johnson anticipated a slight increase in the number of Nebraska students and now there was an anticipated decrease in the number of Nebraska students. He asked for comment.

Superintendent Johnson stated that six seniors from Nebraska had graduated this year and school officials did not expect to receive any new students from Nebraska. Six other Nebraska students had requested permission to come to Iowa School for the Deaf but school officials were not counting on them to come. He stated that school officials have had over 30 hours of meetings regarding one boy from Nebraska. The local
Nebraska school district wants the student to stay in the district; the parents and the boy do not want the student to stay in Nebraska.

Regent Lande asked to what extent do Iowa School for the Deaf officials have an opportunity to make their case directly to the local school board or the Nebraska Department of Education? Superintendent Johnson responded that Iowa School for the Deaf officials do not try to convince anyone that Iowa School for the Deaf is the place to go. He said they talk about what the individual student needs for his/her program and where to best get that program. The Iowa School for the Deaf has a lot to offer but there are still financial decisions to be considered.

**MOTION:** Regent Turner moved to approve the final FY 2000 all funds budget for the Iowa School for the Deaf in the amount of $13,574,888. Regent Fisher seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

(e) Iowa Braille and Sight Saving School. The Board Office recommended the Board approve the final FY 2000 all funds budget for the Iowa Braille and Sight Saving School in the amount of $6,640,133.

The final FY 2000 all funds budget at the Iowa Braille and Sight Saving School totals $6.6 million of which $1.9 million represents the restricted fund budget and $4.8 million represents the general fund budget. The budget for the restricted fund of $1.9 million includes federal grants, outreach billings, capital appropriations, and endowment funds. The general fund budget of $4.8 million was unchanged from the one submitted to the Board in June. It reflects the school’s commitment to the strategic plans of the Board and the institution.

Superintendent Thurman referred to the Iowa Braille and Sight Saving School proposed budget and strategic plan and stated that those documents showed the kind of school the Iowa Braille and Sight Saving School is becoming. He noted that there was a huge increase in the FY 2000 restricted funds budget. He said school officials went through a 4.1 percent internal reallocation last year. In the last 5 years school officials have reallocated over 20 percent. School officials are using the strategic planning process and the budgeting process to change the school. Iowa Braille and Sight Saving School is now a 12-month school.

President Newlin congratulated school officials on what they are doing relative to the strategic plan and follow through.
MOTION: Regent Fisher moved to approve the final FY 2000 all funds budget for the Iowa Braille and Sight Saving School in the amount of $6,640,133. Regent Turner seconded the motion. MOTION CARRIED UNANIMOUSLY.

(f) Regional Study Centers. The Board Office recommended the Board approve the FY 2000 final budgets for the Quad-Cities Graduate Study Center ($384,376), the Tri-State Graduate Study Center ($137,426) and the Southwest Iowa Regents Resource Center ($144,348).

Each year funds are appropriated to the Board of Regents for distribution to the Quad-Cities Graduate Study Center, the Tri-State Graduate Study Center and the Southwest Iowa Regents Resource Center. The annual reports and budgets of the Regional Study Centers provide one method for addressing Action Step 2.1.1.1 - Annually Assess Access to Regent Institutions - of the Board of Regents Strategic Plan. The annual reports for the study centers were presented to the Board in May. Executive Director Stork reported that the FY 2000 final budgets were unchanged from those presented to the Board in May and June.

MOTION: Regent Fisher moved to approve the FY 2000 final budgets for the Quad-Cities Graduate Study Center ($384,376), the Tri-State Graduate Study Center ($137,426) and the Southwest Iowa Regents Resource Center ($144,348). Regent Turner seconded the motion. MOTION CARRIED UNANIMOUSLY.

(g) Lakeside Laboratory. The Board Office recommended the Board approve the FY 2000 final operating budget of $420,602 for the Iowa Lakeside Laboratory, including $343,842 in general funds to be provided as follows:

<table>
<thead>
<tr>
<th>Institution</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Iowa</td>
<td>$169,997</td>
</tr>
<tr>
<td>Iowa State University</td>
<td>104,555</td>
</tr>
<tr>
<td>University of Northern Iowa</td>
<td>69,290</td>
</tr>
<tr>
<td>Total</td>
<td>$343,842</td>
</tr>
</tbody>
</table>

Approval was requested for a total budget of $420,602 including a general fund budget of $343,842 for the FY 2000 operation of the laboratory. The general fund budget amount was consistent with the budgets presented to the Board in May and June. The proposed general fund budget was $9,502 (+2.8 percent) higher than the approved FY 1999 general fund budget. The additional funds will provide for salary increases, including summer faculty salary increases at the same rate of increase as faculty salary.
increases for the academic year. The general fund budget for the laboratory is provided by the universities; the recommended allocation of the budget among the three universities was presented above. The distribution of funding among the institutions was consistent with the distribution in prior and current years. Review and approval of the laboratory’s budget was consistent with the Board’s strategic plan (action step 4.1.1.2) and provides effective stewardship of resources.

Last year it was reported to the Board that for each fiscal year FY 1995 – FY 1997 expenditures of the laboratory exceeded the Board approved budget. In total, expenditures were $50,335 greater than the approved budgets. To improve the accounting of revenues and expenditures the Board approved establishment, beginning with FY 1998, of a budgeted account at Iowa State University. For FY 1999 the Board increased the budget of the laboratory by $12,000 (exclusive of salary increase funds) to sustain the operations and educational programs of the laboratory and ensure that the budget was balanced. Iowa State University was directed to put into effect pre-audit controls to ensure that the expenditures for this program were within the approved budget of the Board of Regents. FY 1999 expenditures did not exceed the available revenue.

MOTION: Regent Kennedy moved to approve the FY 2000 final operating budget of $420,602 for the Iowa Lakeside Laboratory, including $343,842 in general funds to be provided as presented. Regent Smith seconded the motion. MOTION CARRIED UNANIMOUSLY.

(h) Board Office. The Board Office recommended the Board approve the final FY 2000 budget of the Board Office in the amount of $2,015,840 from all funds, which includes $1,287,045 from state appropriations.

The final FY 2000 budget was increased by $44,907 from the preliminary budget amount presented in June. This increase relates to personnel expenses for positions on the University of Iowa budget and for the moving costs for the Assistant Director of Legal Affairs, Human Resources, and Information Systems, also on the University of Iowa budget. The institutional reimbursements have increased by a like amount.

The Board Office total budget for FY 2000 includes six positions and related expenditures in the University of Iowa budget. Board Office costs not covered by state appropriations were adjusted to reflect the change noted above. The institutional allocations are as follows:
Executive Director Stork stated that the budget was the same budget as the one presented last month with one exception. The budget was increased by approximately $45,000 due to hiring a new assistant director for human resources, a new intern and some moving expenses.

MOTION: Regent Smith moved to approve the final FY 2000 budget of the Board Office in the amount of $2,015,840 from all funds, which includes $1,287,045 from state appropriations. Regent Neil seconded the motion. MOTION CARRIED UNANIMOUSLY.

OPERATING BUDGET REQUESTS FOR FISCAL YEAR 2001. The Board Office recommended the Board (1) refer to the individual appropriations requests for FY 2001 and (2) approve the following Regent appropriations requests:

a. Regent-wide technology initiative of $10.1 million in state appropriations for FY 2001 for technology improvements.

b. Clothing, prescriptions and transportation of $18,400 for FY 2001.

The Board Office recommended operating appropriations for the five Regent institutions totaling $701.4 million for FY 2001. The recommended amount is exclusive of funds for Regent salary increases.

Following the June Board meeting, Board Office personnel visited the institutions concerning priorities for FY 2001 and developed recommendations based upon institutional priorities. Recommended incremental appropriations were approximately 4 percent excluding salaries. These recommendations include funding for sustaining excellence according to strategic plans (including costs to maintain operations) as well as a variety of institutional initiatives. The recommended appropriations follow the strategic planning goals of the Board and the Regent institutions.

A Regent-wide technology initiative was recommended at $10.1 million for state appropriations to support development and use of technological information, access to computerized data, and
other technological improvements. Funding for this initiative will help to ensure Iowa’s position of educational leadership and enhance educational opportunities for the 21st century. Each university has identified compelling and complex demands relating to technology. These critical needs, with budgetary requests for FY 2001, were recommended for Board approval.

Institutional Appropriations Requests
FY 2001

<table>
<thead>
<tr>
<th>Institution</th>
<th>Request</th>
<th>Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Iowa</td>
<td>$334,494,854</td>
<td>$322,091,653</td>
</tr>
<tr>
<td>Iowa State University</td>
<td>282,855,788</td>
<td>273,705,788</td>
</tr>
<tr>
<td>University of Northern Iowa</td>
<td>95,943,577</td>
<td>92,493,577</td>
</tr>
<tr>
<td>Iowa School for the Deaf</td>
<td>8,744,122</td>
<td>8,424,122</td>
</tr>
<tr>
<td>Iowa Braille and Sight Saving School</td>
<td>4,851,564</td>
<td>4,635,480</td>
</tr>
<tr>
<td>Total</td>
<td>$726,889,905</td>
<td>$701,350,620</td>
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</table>
**Incremental Institutional Appropriations**  
**FY 2001**

### University of Iowa

**General University**

<table>
<thead>
<tr>
<th>Category</th>
<th>Request</th>
<th>Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inflation</td>
<td>$2,151,000</td>
<td>$1,300,000</td>
</tr>
<tr>
<td>Preparing Students for Tomorrow’s Iowa</td>
<td>9,283,000</td>
<td>5,819,000</td>
</tr>
<tr>
<td>Research and Advanced Education: Iowa’s Economic Edge</td>
<td>3,450,000</td>
<td>1,500,000</td>
</tr>
<tr>
<td>Public Health Initiative for a Healthier Iowa</td>
<td>2,600,000</td>
<td>1,700,000</td>
</tr>
</tbody>
</table>

**UIHC**

<table>
<thead>
<tr>
<th>Project</th>
<th>Request</th>
<th>Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Repairs</td>
<td>37,044</td>
<td>-</td>
</tr>
<tr>
<td>Unfunded Statutory Requirement to Provide Transport and Related Housing Services to Iowa Medicaid Patients</td>
<td>2,488,000</td>
<td>-</td>
</tr>
<tr>
<td>Opening New Buildings</td>
<td>40,705</td>
<td>-</td>
</tr>
</tbody>
</table>

**Psychiatric Hospital**

<table>
<thead>
<tr>
<th>Project</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Building Repairs</td>
<td>10,622</td>
<td>-</td>
</tr>
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</table>

**Family Practice Program**

<table>
<thead>
<tr>
<th>Project</th>
<th>Request</th>
<th>Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>194,500</td>
<td>-</td>
<td></td>
</tr>
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</table>

**University Hygienic Laboratory**

<table>
<thead>
<tr>
<th>Project</th>
<th>Request</th>
<th>Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>109,000</td>
<td>90,000</td>
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</tr>
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</table>

### Special Purpose

<table>
<thead>
<tr>
<th>Project</th>
<th>Request</th>
<th>Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Health Care</td>
<td>71,837</td>
<td>-</td>
</tr>
<tr>
<td>Ag Health and Safety</td>
<td>160,837</td>
<td>-</td>
</tr>
<tr>
<td>State of Iowa Cancer Registry</td>
<td>165,270</td>
<td>50,000</td>
</tr>
<tr>
<td>Substance Abuse Consortium</td>
<td>31,828</td>
<td>-</td>
</tr>
<tr>
<td>Biocatalysis</td>
<td>44,598</td>
<td>-</td>
</tr>
<tr>
<td>Driving Simulator</td>
<td>23,252</td>
<td>-</td>
</tr>
<tr>
<td>Birth Defects Registry</td>
<td>160,000</td>
<td>50,000</td>
</tr>
<tr>
<td>Center for Advanced Drug Development</td>
<td>186,383</td>
<td>-</td>
</tr>
<tr>
<td>Oakdale Research Park/Tech. Innov. Center</td>
<td>124,882</td>
<td>-</td>
</tr>
<tr>
<td>Center for Health Effects of Environmental Contamination</td>
<td>50,000</td>
<td>-</td>
</tr>
<tr>
<td>Center for Global and Regional Environmental Research</td>
<td>500,000</td>
<td>-</td>
</tr>
</tbody>
</table>

### All Other Units: Inflation

<table>
<thead>
<tr>
<th>Request</th>
<th>Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>547,043</td>
<td>0</td>
</tr>
</tbody>
</table>

### Iowa State University

**Sustaining Excellence According to Strategic Plan** (Includes Costs to Maintain Operations)

<table>
<thead>
<tr>
<th>Project</th>
<th>Request</th>
<th>Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>$9,658,737</td>
<td>$3,058,737</td>
<td></td>
</tr>
</tbody>
</table>

**Building a Center of Excellence in Fundamental Plant Sciences**

| Request | 5,000,000 | 5,000,000 |

**Undergraduate Education**

| Request | 3,500,000 | 1,500,000 |

**Improving Iowans’ Quality of Life**

| Request | 3,350,000 | 1,000,000 |

### University of Northern Iowa

**Sustaining Excellence According to Strategic Plan (Includes Costs to Maintain Operations) “Maintaining the Campus”**

| Request | 1,700,000 | 900,000 |

**Continuous Improvement of Undergraduate Education**

| Request | 3,500,000 | 1,600,000 |

**Enhancing Post-Baccalaureate Workforce Development (Including Masters in Social Work)**

| Request | 1,800,000 | 1,050,000 |

### Iowa School for the Deaf

**Library Reading Literacy Program for Early Childhood**

| Request | 120,000 | 120,000 |

**Student Transition Program**

| Request | 117,713 | 117,713 |

**Residential Program of Computer Literacy**

| Request | 265,000 | 90,000 |

**Recreation Complex Programming and Operations**

| Request | 145,000 | 0 |
Incremental Institutional Appropriations (continued)

FY 2001

**Iowa Braille and Sight Saving School**

Sustaining Excellence According to Strategic Plan (Includes Costs to Maintain Operations) 46,281 37,197

Expanding Outreach Services in Western Iowa 300,000 123,000

Improving Library Services to Iowa’s Children and Youth who are Blind or Visually Impaired 50,000 20,000

Total $52,464,932 $25,125,647

Executive Director Stork presented the Regents with highlights of the information contained in the docket materials. He said the total recommendation of $701.4 million represented an increase of 4 percent. With regard to incremental increases, he said institutional officials would discuss with the Regents how the strategic planning goals of the institutions were followed in the development of the requests. Excellence is achieved through key initiatives at the institutions. He noted that the timetable was quite different this year. The Regents would be asked to give final approval to the budget requests at this meeting. In recent years they would not have been asked to do so until the September Board meeting. There may be some refinements that need to come before the Board following approval at this meeting. Another difference with this year’s requests is that the Board is approving the recommendations for only FY 2001. Governor Vilsack is proceeding on an annual fiscal year basis versus the two-year basis utilized by former Governor Branstad.

Executive Director Stork stated that following the June Board of Regents meeting, the Board Office visited with institutional officials regarding priorities and came to some resolution in terms of the recommendations before the Board. With regard to the technology initiative, this was the third year of a $10 million initiative request. The Regents have been a little disappointed in terms of the state’s interest in looking closely at the size of its technology needs. He hoped to have had more success this year. He said representatives of each institution would address specifics of its technology initiative.

Regent Lande noted that the University of Iowa Hospitals and Clinics had requested several items. The Board Office had not recommended funding for any of those items.

Executive Director Stork said that was an area which had been studied, including consultation with University of Iowa Hospitals and Clinics, particularly regarding the Medicaid request, which was a large request. The Board Office was not sufficiently convinced that, given the other institutional priorities, the Medicaid request was one that should receive attention this year. It is an area for which University of Iowa Hospitals and Clinics officials have requested some accommodation for the past several years. It
is a situation that has been growing since the mid-1980s to early-1990s when a change was made in state law concerning how transportation for Medicaid patients is funded.

Regent Lande asked if it is a cost that University of Iowa Hospitals and Clinics is incurring. Executive Director Stork said that was what the Board Office had been told. He said funding has been requested for the past two years. Prior to that time the institution had simply subsidized the cost similar to the manner in which excess costs are subsidized for the indigent patient care fund, for which the hospital receives reimbursement for about half of the real cost of the program. The Board Office believes the transportation costs fall in that same category. He said he was not suggesting it was not a real cost but, in considering the priorities for the institution, this was one area for which there does appear to be some other means of payment.

Regent Lande asked what are those means. Executive Director Stork responded that other means would include private-pay patient funds or other non-state funds.

Regent Lande expressed concern that there was something out of whack here. Either University of Iowa Hospitals and Clinics and others are making some egregious requests or the Regents are stonewalling it. He said he would like additional information.

Executive Director Stork said he would be happy to provide that information.

Regent Neil asked why the University of Iowa had included a figure for inflation in its request whereas the other institutions had not. Executive Director Stork said the institutions have, for many years, had an inflation factor which is included in the budget requests. This year University of Iowa officials decided to show inflation as a separate line item unlike the other institutions which included inflation as a component in their requests. He said inflation is a real cost but the means of presentation was merely different.

MOTION: Regent Kennedy moved to approve the following Regent appropriations requests: (1) Regent-wide technology initiative of $10.1 million in state appropriations for FY 2001 for technology improvements. (2) Clothing, prescriptions and transportation of $18,400 for FY 2001. Regent Kelly seconded the motion. MOTION CARRIED UNANIMOUSLY.
(a) University of Iowa. The Board Office recommended the Board approve the FY 2001 general fund operating appropriations request for the University of Iowa as follows:

<table>
<thead>
<tr>
<th></th>
<th>FY 2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>General University</td>
<td>$257,100,025</td>
</tr>
<tr>
<td>University Hospital</td>
<td>32,679,312</td>
</tr>
<tr>
<td>Psychiatric Hospital</td>
<td>8,241,465</td>
</tr>
<tr>
<td>Hospital School</td>
<td>7,305,037</td>
</tr>
<tr>
<td>Oakdale Campus</td>
<td>3,169,417</td>
</tr>
<tr>
<td>Hygienic Laboratory</td>
<td>4,074,514</td>
</tr>
<tr>
<td>Family Practice</td>
<td>2,398,895</td>
</tr>
<tr>
<td>SCHS</td>
<td>655,199</td>
</tr>
<tr>
<td>College of Public Health</td>
<td>2,750,000</td>
</tr>
<tr>
<td>Special Purpose</td>
<td>3,717,789</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$322,091,653</strong></td>
</tr>
</tbody>
</table>

These requests include incremental appropriations recommended by the Board Office totaling $10,509,000 that support the following university initiatives: Inflation; Preparing Students for Tomorrow’s Iowa; Research and Advanced Education; Iowa’s Economic Edge; and the Public Health Initiative for a Healthier Iowa.

The proposed operating appropriations request for the University of Iowa provides for the essential programs and initiatives as outlined by the university and follows the strategic planning goals of the university. The university goals include providing comprehensive strength in undergraduate programs, premier graduate and professional programs, faculty of national and international distinction, distinguished research and scholarship, a culturally diverse and inclusive university community, strong ties between the university and external constituencies, and a high-quality academic and working environment.

The Board Office recommended the appropriations request for FY 2001 in the amount of $322.1 million with recommended incremental funding for FY 2001 of $10,509,000 (4.0 percent of appropriated budget units less hospital units). The recommended amount was exclusive of funds for Regent salary increases. The incremental funding involves the following: Inflation; Preparing Students for Tomorrow’s Iowa; Research and Advanced Education; Iowa’s Economic Edge; and Public Health Initiative for a Healthier Iowa.

Full funding for the salaries of faculty, professional and scientific, and merit staff continues to be the highest priority of the University of Iowa for FY 2001. Quality faculty and staff are essential to the implementation of the strategic plan. To recruit and retain
top faculty and staff, the University of Iowa must pay competitive market salaries in each of the disciplines. Keeping up with inflation is not sufficient to remain competitive in the wide variety of high-demand occupational groups.

The Board Office recommended the following incremental appropriations for the University of Iowa for FY 2001:

<table>
<thead>
<tr>
<th></th>
<th>Requested Increase</th>
<th>Board Office Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>General University</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inflation</td>
<td>$2,151,000</td>
<td>$1,300,000</td>
</tr>
<tr>
<td>Preparing Students for Tomorrow’s Iowa</td>
<td>9,283,000</td>
<td>5,819,000</td>
</tr>
<tr>
<td>Research and Advanced Education:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Iowa’s Economic Edge</td>
<td>3,450,000</td>
<td>1,500,000</td>
</tr>
<tr>
<td>Public Health Initiative for a Healthier Iowa</td>
<td>2,600,000</td>
<td>1,700,000</td>
</tr>
<tr>
<td>University Hygienic Laboratory</td>
<td>109,000</td>
<td>90,000</td>
</tr>
<tr>
<td>Special Purpose</td>
<td></td>
<td></td>
</tr>
<tr>
<td>State of Iowa Cancer Registry</td>
<td>165,270</td>
<td>50,000</td>
</tr>
<tr>
<td>Birth Defects Registry</td>
<td>160,000</td>
<td>50,000</td>
</tr>
</tbody>
</table>

President Coleman stated that the University of Iowa budget was based on the university strategic plan. She noted that the budget had been prepared within a compressed time frame. She was pleased to have had the cooperation of budget committees on campus in developing the university budget. She expressed appreciation to Executive Director Stork and Board Office staff for coming to the campus in late-June and listening to university officials’ concerns.

President Coleman stated that the University of Iowa budget reflects university officials’ priorities. She supported the Board Office recommendation. With regard to the University of Iowa’s proportion of the technology appropriation ($4 million), she said the funds would be directed toward 1) the Internet, 2) Internet II, 3) technology equipment, and 4) connecting all students. She said the university needs $5.3 million to connect all the buildings on campus. The Internet 2 band width is beyond the standard high speed band width. The university needs new hardware for very high-end users. A classroom, sponsored by Gateway, is being created which will provide every student with a laptop computer. University officials wish to connect all students to the campus network regardless of where the student lives.

Regent Turner asked for the alternative if the technology initiative is not funded at the level requested from appropriations. President Coleman said it would be a matter of speed in getting things done.
Regent Kennedy asked what university officials would do with the $4 million appropriation if it were received. President Coleman responded that university officials would be able to make rapid progress on all four of those areas.

With regard to the rest of the University of Iowa budget request, President Coleman said there were some exciting initiatives. A high priority is to maintain competitive salaries which is considered as a separate item. A second item is inflation. University officials support the 2 percent that was recommended for inflation. There was a general request that is linked to an enhanced educational experience. Initiatives include preparing students for tomorrow’s Iowa, research and advanced education, Iowa’s economic edge, and the public health initiative for a healthier Iowa.

With regard to libraries, President Coleman said the university’s request addressed acquisitions, technology and service. University officials allocated $2.5 million from university funds to replace the software. She said they had no choice. University officials elected a software which is compatible with all Big 10 libraries. The libraries have to keep up the collections. People are also needed. In the latest report from the North Central Association, there was an alarm that the university did not have enough resources to keep the libraries at the quality it had in the past.

In the area of preparing students for tomorrow’s Iowa, President Coleman said university officials continue to pay attention to undergraduate students and their success. She was very pleased with the 4-year graduation plan, and noted that university officials have to deliver on that promise to students.

President Coleman addressed the budget area related to research and advanced education: Iowa’s economic edge. She said the university is reaping benefits now of recruiting excellent faculty. She noted that last month some of the Regents had met a scientist who was hired through an initiative called the Next Generation Scientist. Dr. Mary Hendrix, a cancer biologist, has been at the University of Iowa for 2-3 years. There have been dramatic gains in research funding for the university as well as much greater national visibility. The second initiative under Iowa’s economic edge was in the social sciences initiative. The last area under Iowa’s economic edge was additional investment in graduate and professional education support.

The third budget area was the public health initiative for a healthier Iowa and included the Health and Independence of Elderly Iowans initiative. The new College of Public Health began on July 1, 1999, and will serve as one of the nation’s leading colleges of this type.
With regard to the inflation adjustment identified in the budget request, President Coleman stated that university officials wanted to state the amount so the Board members would know what it is.

Regent Kennedy asked that in the future the current appropriation be identified along with the requested appropriation. Executive Director Stork said that was a good idea and the Board Office would do so in the future.

Regent Neil asked how the inflation index would apply across the budget. President Coleman said it would apply to every single budget unit.

Regent Neil said he would rather see the amount as whole dollars. President Coleman asked if Regent Neil wanted to see the base budget.

Executive Director Stork asked if Regent Neil was asking to see inflation as a part of each initiative or component, which was how it was done by the other institutions, as opposed to a separate line item. Regent Neil agreed.

Regent Neil asked if the 2 percent then is based on last year’s budget or with the incremental requested increases. President Coleman said this was not just inflation on the incremental but was on the total general fund. If inflation was reflected only with the budget units identified in the docket materials, the Regents would not see the part that is not going to be recommended for an incremental increase.

Executive Director Stork said the experience with inflation funding by the state has not been one of success. While he shares the interest and importance of inflation as a separate line item, his approach would be a little different. It may be more compelling to try to convince legislators and others that with respect to each item there is an inflation factor as part of maintaining and sustaining operations. He said it may be a nuance but it might also be a better approach. He noted that the Board Office discussed inflation with the institutions. The Board Office position was that it did see the need but the particular approach to addressing inflation was left to the institutions.

Regent Neil questioned whether legislators might say the institutions are double dipping. President Coleman stated that University of Iowa officials have not built in inflation increases in the items. They specifically did not do that.

Regent Turner referred to the Health and Independence of Elderly Iowans initiative which she said is a very exciting program. She said that as the University of Iowa becomes a leader in this area, there could be national collaboration with other states that have aging issues. She then asked if this was a program which would have research, teaching and clinical applications.
President Coleman stated that Dr. Buckwalter is the head of that program and she plans to have all three components. President Coleman would also expect the program to have partnerships with local communities.

Regent Kennedy asked where delivery of education statewide fits into the budget for FY 2001. President Coleman responded that the delivery of education statewide is distributed throughout the budget and was not a specific line item. The places where the most concentrated work is being done is the new program in Sioux City. She noted that in Muscatine the university is delivering a cohort program MBA degree.

Regent Kennedy asked for the process a college goes through if it wishes to deliver courses or programs through distance education. President Coleman said the college would first have to develop the plan, identify the market, identify the need, and then bring it to the provost’s office. Most of those offerings go through the division of continuing education. She noted that Dean Dreher went through this process recently for the BSN completion program. The College of Nursing enrolled almost three times as many students as were anticipated.

Regent Kennedy said the success of that nursing program was an example of what can happen if programs are delivered statewide.

President Coleman stated that, with her faculty, Dean Dreher transformed the BSN completion program into one that could be done one day per week for nurses who are employed full time. This was a dramatic change in an existing program and was a perfect example of what can be done through delivery of distance education.

Regent Kennedy agreed that distance education opportunities have to happen on the college level. She believes that a statewide master’s level nursing program will serve the state of Iowa well.

Regent Kelly stated that his nurse friends are extremely happy with the nursing program.

MOTION: Regent Smith moved to approve the FY 2001 general fund operating appropriations request for the University of Iowa, as presented. Regent Neil seconded the motion. MOTION CARRIED UNANIMOUSLY.
(b) Iowa State University. The Board Office recommended the Board approve the FY 2001 general fund operating appropriations requests for Iowa State University as follows:

<table>
<thead>
<tr>
<th>FY 2001</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>General University</td>
<td>$199,589,696</td>
</tr>
<tr>
<td>Plant Sciences</td>
<td>7,200,000</td>
</tr>
<tr>
<td>Experiment Station</td>
<td>36,252,371</td>
</tr>
<tr>
<td>Cooperative Extension</td>
<td>23,561,869</td>
</tr>
<tr>
<td>Institute for Physical Research and Technology</td>
<td>4,590,620</td>
</tr>
<tr>
<td>Small Business Development Center</td>
<td>1,262,364</td>
</tr>
<tr>
<td>Leopold Center</td>
<td>576,969</td>
</tr>
<tr>
<td>Research Park (ISIS)</td>
<td>392,822</td>
</tr>
<tr>
<td>Livestock Disease Research</td>
<td>279,077</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$273,705,788</td>
</tr>
</tbody>
</table>

These requests include incremental appropriations recommended by the Board Office totaling $10,558,737 that support the following university initiatives: Sustaining Excellence According to the University’s Strategic Plan, Building a Center of Excellence in Fundamental Plant Sciences, Undergraduate Education, and Improving Iowans’ Quality of Life.

The proposed operating appropriations request for Iowa State University provides for the essential programs that were requested by the university and follows the strategic planning goals of the university. The university goals include strengthening undergraduate education, strengthening graduate education and research programs, strengthening outreach and extension efforts, sustaining and enhancing an intellectually stimulating and supportive environment, integrating information technology and computation services, and stimulating economic development.

The Board Office recommended the appropriations requests for FY 2001 in the amount of $273.7 million with recommended incremental funding for FY 2001 of $10,558,737 (4.0 percent). The recommended amount was exclusive of funds for Regent salary increases. The incremental funding involves the following: Sustaining Excellence According to Strategic Plan, Building a Center of Excellence in Fundamental Plant Sciences, Undergraduate Education, and Improving Iowans’ Quality of Life.

Full funding for the salaries of faculty, professional and scientific, and merit staff continues to be the highest priority of Iowa State University for FY 2001. Quality faculty and staff are essential to the implementation of the strategic plan. To recruit and retain top faculty and staff, Iowa State University must pay competitive market salaries in each of the disciplines. Keeping up with inflation is not sufficient to remain competitive in the wide variety of high-demand occupational groups.
The Board Office recommended the following incremental appropriations for Iowa State University for FY 2001 as follows:

<table>
<thead>
<tr>
<th>Request</th>
<th>Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>$9,658,737</td>
<td>$3,058,737</td>
</tr>
<tr>
<td>5,000,000</td>
<td>5,000,000</td>
</tr>
<tr>
<td>3,500,000</td>
<td>1,500,000</td>
</tr>
<tr>
<td>3,350,000</td>
<td>1,000,000</td>
</tr>
<tr>
<td>$21,508,737</td>
<td>$10,558,737</td>
</tr>
</tbody>
</table>

President Jischke stated that the Iowa State University appropriation request for FY 2001 seeks to: 1) sustain the excellence at Iowa State University, 2) enhance the excellence of the university, and 3) respond to some of the opportunities and needs facing Iowa. He said two big components are: 1) sustaining the excellence of the university which includes continued competitive salaries for faculty and staff and funding to meet the necessary cost increases to sustain activities and 2) three targeted proposals toward enhancing the excellence of the university. The first proposal is the plant sciences initiative. The second proposal is for undergraduate education and the third proposal is for improving Iowans’ quality of life.

President Jischke discussed the three target proposals. He said university officials were requesting $5 million additional funding for the plant sciences initiative. The goal is to have the best plant sciences program of any university in the world. Molecular biology has revolutionary implications for agriculture. There is widespread recognition in Iowa that this is an area where Iowa State University can be world-class. There is a belief that the university can do it; the university would be building on an incredible foundation. The university’s proposal was for a total increase in state funding of $10 million in the university’s base budget which, over a decade, would represent an investment of $100 million. University officials pledge to match the $100 million with private funds for an investment of $300 million to $400 million. He said the funding gives Iowa State University an opportunity to truly become one of the best in the world. This proposal envisions collaboration. As he has described this idea around the state, it has become compelling. Iowa State University has received wonderful opinions and editorials in the Des Moines Register. President Jischke stated that this proposal is a key to Governor Vilsack’s vision of Iowa as the world food capital. It is an initiative that transcends a number of boundaries in our state political divisions, urban and rural Iowa, and industry and farmers. The progress that has been made to date is pretty good. With the first $200,000, university officials have created a bioinformatics initiative. University officials have put together a proposal describing the organization of this
program. Iowa State University has become a national player in some of the largest gene mapping. The next steps include approval of the institute concept. The state request of $5 million is to build toward the $10 million goal. He said a great number of fund-raising initiatives are taking place. The plant sciences initiative is Iowa State University’s highest priority for new funding for building the university.

The second proposal is undergraduate education and focuses on information science and technology which are having an enormous impact on the university in two basic ways. Information science and technology are changing how teachers teach and how students learn. President Jischke said the proposal addresses the importance of expanding computational power and bringing new, more active ways of learning into the curriculum. The Regent-wide initiative on information technology contained a description of Project Acropolis for building the platform needed at Iowa State University. The second part of the information technology request addressed enrollments in computer science and engineering and management information systems. The university has not been able to keep up with the growing enrollment demand. He said the demand for these graduates is extraordinary. Employers will pay $70,000 for a graduate in computer science with a $7,000 signing bonus. He noted that the Banking Committee members heard an example of the universities being unable to hire auditors in information technology.

The third proposal addresses improving Iowans’ quality of life. President Jischke stated that most Iowans have heard Governor Vilsack’s eloquent plea to enhance the quality of life to make Iowa a more compelling place to live, particularly for young people. President Jischke believes the universities can contribute to this effort by enhancing prospects for growth and development through the healthy life start initiative which provides outreach for child care, parenting and nutrition. This initiative will strengthen the university’s outreach activities. He noted that the first 3 years and 9 months are the most decisive in the development of a young person, particularly in cognitive development. If the development does not happen then, it cannot be fully repaired. Better parenting, nutrition and child care can make an enormous difference in this regard. A second initiative is to enhance Iowa’s environmental quality.

President Jischke stated that a third element of the initiative to improve Iowans’ quality of life seeks to enhance health through the College of Veterinary Medicine’s role in the public health initiative. He said all of the initiatives are very exciting proposals and will do much to strengthen the university’s capacity to serve the needs of the people of Iowa.

Regent Kennedy asked where does the delivery of education across the state of Iowa fit within the budget? What budget area supports delivery of education statewide? President Jischke responded that a component of the enhancing quality of life initiative
involves distance education. There is an element that addresses extending distance education opportunities for those in the community colleges to begin to offer the third year of studies through distance education. He said there is also a piece that deals with community education and environmental quality.

Regent Kennedy asked if a college within the university decides to start delivering a degree off campus, how would that be funded? President Jischke said it depends on the circumstance. Some of the university’s distance education will be self-financed, for which he provided some examples. There have been a few cases where the university has been able to initiate distance education opportunities through private fund raising. He noted that university officials are working hard to develop a master’s of agronomy program that is designed for the Web. The development of that coursework is being accomplished with private funds.

Regent Kennedy referred to the university’s request for $4 million for technology. She asked for some specifics of how the money would be spent if the university receives the appropriation.

President Jischke stated that the university’s proposal called Project Acropolis is directed at four areas: 1) make access to basic core academic resources much more ubiquitous, 2) expand use of information technology in learning and teaching, 3) develop common credit standards for electronic learning environments, and 4) take this ubiquitous access outside of the academic facilities into the residence halls and ultimately into homes. He said that is the vision of Project Acropolis. The first $4 million would be a major start on Project Acropolis.

Regent Turner asked if the $4 million technology funding would include bringing new buildings up to date technologically. President Jischke said there were several issues with regard to technology in buildings. First is how to deal with older buildings that were not designed for technology. Second, with new buildings, university officials try to take those to state-of-the-art right from the beginning. Third, there was a question of whether the technology is ready to do what some people envision it doing.

Regent Turner referred to the plant sciences initiative initial allocation from the state of $2.2 million. She asked for clarification regarding the request for FY 2001.

President Jischke stated that Iowa State University received $200,000 two years ago from the state. The state added $2 million this past year, for which university officials are very grateful, which brings the total to $2.2 million. University officials were now asking to get to $7.2 million which would leave $2.8 million more to get to the $10 million level. The promise is if the university gets to the $10 million level, university officials will match it with private funds of the scale of $100 million. University officials
will then leverage those two investments with substantially more grants and contracts. He said the real promise is that the university will create a world-class center of plant sciences. There will be four to five such centers in the world in five to ten years. President Jischke believes that Iowa State University has a shot at being one of them.

Regent Ahrens said she applauded Iowa State University officials for their vision regarding the plant sciences. She said plant sciences is an area of agriculture that is really changing. She was excited to say that she is from Iowa State University and she agrees with President Jischke that this is an opportunity.

MOTION: Regent Smith moved to approve the FY 2001 general fund operating appropriations requests for Iowa State University, as presented. Regent Ahrens seconded the motion. MOTION CARRIED UNANIMOUSLY.

(c) University of Northern Iowa. The Board Office recommended the Board approve the FY 2001 general fund operating appropriations requests for the University of Northern Iowa as follows:

<table>
<thead>
<tr>
<th></th>
<th>FY 2001</th>
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<tbody>
<tr>
<td>General University</td>
<td>$91,292,830</td>
</tr>
<tr>
<td>Institute for Decision Making</td>
<td>772,332</td>
</tr>
<tr>
<td>Recycle and Reuse Technology Transfer Center</td>
<td>248,878</td>
</tr>
<tr>
<td>Metal Casting</td>
<td>179,537</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$92,493,577</strong></td>
</tr>
</tbody>
</table>

The recommendations include incremental appropriations recommended by the Board Office totaling $3,550,000 that support the following university initiatives: Maintaining the Campus, Continuous Improvement of Undergraduate Education, and Enhancing Post-Baccalaureate Workforce Development (including Masters in Social Work).

The proposed operating appropriations requests for the University of Northern Iowa provide for the essential programs that were requested by the university and follow the strategic planning goals of the university. The university goals include promoting and maintaining intellectual vitality (goal #1); creating and nurturing a caring, diverse, and ethical community (goal #2); optimizing resources to support university programs and aspirations (goal #3); and developing external relations of appreciation and support for the values, programs, and services of the university (goal #4).

The Board Office recommended the appropriations requests for FY 2001 in the amount of $92.5 million with recommended incremental funding for FY 2001 of $3,550,000.
(4.0 percent). The recommended amount is exclusive of funds for Regent salary increases. The incremental funding involves the following: Sustaining Excellence According to Strategic Plan – “Maintaining the Campus”, Continuous Improvement of Undergraduate Education, and Enhancing Post-Baccalaureate Workforce Development including Masters in Social Work.

Full funding for the salaries of faculty, professional and scientific, and merit staff continues to be the highest priority of the University of Northern Iowa for FY 2001. Quality faculty and staff are essential to the implementation of the strategic plan. To recruit and retain top faculty and staff, the University of Northern Iowa must pay competitive market salaries in each of the disciplines. Keeping up with inflation is not sufficient to remain competitive in the wide variety of high-demand occupational groups.

The Board Office recommended the following incremental appropriations for the University of Northern Iowa for FY 2001:

<table>
<thead>
<tr>
<th>Request</th>
<th>Board Office</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustaining Excellence According to Strategic Plan</td>
<td></td>
</tr>
<tr>
<td>(Includes Costs to Maintain Operations) -</td>
<td></td>
</tr>
<tr>
<td>&quot;Maintaining the Campus&quot;</td>
<td>$1,700,000</td>
</tr>
<tr>
<td>$900,000</td>
<td></td>
</tr>
<tr>
<td>Continuous Improvement of Undergraduate Education</td>
<td>3,500,000</td>
</tr>
<tr>
<td>1,600,000</td>
<td></td>
</tr>
<tr>
<td>Enhancing Post-Baccalaureate Workforce Development</td>
<td>1,800,000</td>
</tr>
<tr>
<td>1,050,000</td>
<td></td>
</tr>
<tr>
<td>$7,000,000</td>
<td>$3,550,000</td>
</tr>
</tbody>
</table>

President Koob expressed appreciation for the Board’s continuing support. He particularly wished to thank Board Office staff for very lively and intelligent discussions. The Board Office had excellent suggestions and they listened to university officials’ priorities. He said the university’s request included three parts plus the technology request. The first initiative was called Sustaining the Excellence of the Campus and addressed inflation as well as library resources. He said the remaining two initiatives deal with undergraduate and post-baccalaureate education. One initiative addresses continuous improvement in undergraduate programs and includes three parts: tools, programs and people. Virtually every student at the University of Northern Iowa has an opportunity to “do” what they learn in the classroom. Expanding faculty-student interaction will be addressed.

The initiative for post-baccalaureate education addresses the shifting nature of the workplace and the need of society for better-educated professionals. President Koob stated that this initiative in particular supports the Master in Social Work program request. Another component of this initiative is reaching off the campus in direct response to the need for off-campus programming. The university would provide more support for programs off-campus and also repackage the on-campus programs to specifically meet the needs of the workplace.
With regard to the technology initiative, President Koob stated that in his first year at the University of Northern Iowa he articulated a model for what he expected technology to do on the campus. The university underwent a significant (10 percent) reallocation to begin that initiative to have every appropriate classroom wired for the Internet. University officials installed a new data voice integrated switch on campus. There is now access to the system not only in residence halls but in the community, as well. He said the university still has not gotten high capacity delivery of video and motion picture movie graphics into the system. In order to deliver that to the campus there is a need to increase the capacity.

Regent Kennedy asked that in the future the Regents receive a short presentation showing exactly how institutional officials would use the technology funding, if the Regents received the $10.1 million.

President Newlin noted that last year the Regents asked for $10 million and they received $100,000 which has to come from reversions.

Executive Director Stork stated that, in the prior year, the institutions received $450,000 for technology and the institutions did report on how those funds were spent.

Regent Kennedy said she would like to have special emphasis on that over the next two years. It would be interesting to see what the institutions are doing with the technology funding and how it is impacting students and faculty.

President Newlin asked that the matter be a docket item on a future Board meeting agenda.

Regent Turner referred to the MSW program and asked if university officials are looking at linkages to keep graduates in the state. President Koob said it was university officials’ intention to make use of clinical sites in the program. The students will be learning and practicing throughout the state of Iowa.

President Newlin asked if a 100 percent wired campus means that each seat in a classroom has a place to plug in a computer. President Koob said no, it meant that each classroom would have a port to a broadband system. Across the campus, different areas have differing uses for technology. The goal is to provide capacity for each department to decide how best to use the technology within their own discipline.

MOTION: Regent Ahrens moved to approve the FY 2001 general fund operating appropriations requests for the University of Northern Iowa, as presented.
Regent Kennedy seconded the motion. MOTION CARRIED UNANIMOUSLY.

(d) Iowa School for the Deaf. The Board Office recommended the Board approve the FY 2001 general fund operating appropriations requests for the Iowa School for the Deaf of $8,424,122.

The proposed operating appropriations requests follow the strategic planning goals of the Iowa School for the Deaf and provide continued programming for deaf and hard of hearing children and youth. The school’s goals include provision of quality teaching services; expansion of creative programming; use of technology, recruitment and retention of faculty; and improvement of facilities.

The Board Office recommended appropriations requests for FY 2001 in the amount of $8.4 million with recommended incremental funding for FY 2001 of $327,713 (4.0 percent). The recommended amount is exclusive of funds for Regent salary increases. The incremental funding involves the following items:

- Library Reading Literacy Program for Early Childhood
- Student Transition Program
- Residential Program of Computer Literacy
- Recreation Complex Programming and Operations

The recommended incremental appropriations for FY 2001 were consistent with priorities requested by the school.

Full funding for the salaries of faculty, professional and scientific, and merit staff continues to be the highest priority of the Iowa School for the Deaf for FY 2001.

The Board Office recommended the following incremental appropriations for the Iowa School for the Deaf for FY 2001:
Superintendent Johnson discussed the four initiatives in the school’s appropriations request. He said the funds for the school’s technology initiative would be used to purchase equipment and software for computers on campus.

MOTION: Regent Smith moved to approve the FY 2001 general fund operating appropriations requests for the Iowa School for the Deaf of $8,424,122. Regent Turner seconded the motion. MOTION CARRIED UNANIMOUSLY.

(e) Iowa Braille and Sight Saving School. The Board Office recommended the Board approve the FY 2001 general fund operating appropriations requests for the Iowa Braille and Sight Saving School of $4,635,480.

The proposed operating appropriations requests follow the strategic planning goals of the Iowa Braille and Sight Saving School and provide continued programming for visually impaired and blind children and youth. The goals of the school include quality and access in education, diversity, and finances.

The Board Office recommended appropriations requests for FY 2001 in the amount of $4.6 million, with recommended incremental funding for FY 2001 of $180,197 (4.0 percent). The recommended amount was exclusive of funds for Regent salary increases. The incremental funding involves several areas:

- Sustaining Excellence According to Strategic Plan
- Expanding Outreach Services in Western Iowa
- Improving Library Services to Iowa’s Children and Youth who are Blind or Visually Impaired.

The recommended incremental appropriations for FY 2001 was consistent with priorities requested by the school.

Full funding for the salaries of faculty, professional and scientific, and merit staff continues to be the highest priority of the Iowa Braille and Sight Saving School for FY 2001.
The Board Office recommended the following incremental appropriations for FY 2001 for the Iowa Braille and Sight Saving School:

<table>
<thead>
<tr>
<th>Request</th>
<th>Board Office Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustaining Excellence According to Strategic Plan (Includes Cost to Maintain Operations) $ 46,281</td>
<td>$ 37,197</td>
</tr>
<tr>
<td>Expanding Outreach Services in Western Iowa 300,000</td>
<td>123,000</td>
</tr>
<tr>
<td>Improving Library Services to Iowa’s Children and Youth who are Blind or Visually Impaired 50,000</td>
<td>20,000</td>
</tr>
<tr>
<td><strong>$396,281</strong></td>
<td><strong>$180,197</strong></td>
</tr>
</tbody>
</table>

Superintendent Thurman stated that one of the things he has enjoyed at Iowa Braille and Sight Saving School has been the constancy of the administrative team. He said he now has to replace the outreach director, Ian Stewart, who is leaving the school for other opportunities. Mr. Stewart has been an incredible support for the school. He was unable to attend this meeting because he was making a presentation at the low vision conference in New York City.

Superintendent Thurman addressed the school’s operating budget request. He said the funding to expand outreach services was even more important since Mr. Stewart is leaving. There will be difficulty finding top-notch people to fill positions around the state. Mr. Stewart occupied two positions: outreach services and state vision consultant. He doubted that the school would be able to replace him with one person.

Superintendent Thurman stated it was clear that the western part of Iowa is not receiving as many services for blind and visually impaired students as it could. Iowa Braille and Sight Saving School officials have met with the Board Office to discuss the school’s appropriation request. The school’s original request was for three outreach positions. School officials have amended the request to one position as a starting point to begin a more concentrated outreach effort in western Iowa. School officials have received positive responses from the AEAs in western Iowa.

Superintendent Thurman stated that the top priority for appropriations is that salaries be supported at 100 percent in order to maintain a strong salary base. School officials also requested $20,000 to improve library services.

Regent Kelly expressed enthusiasm for the school’s approach to outreach efforts off campus. He asked for a brief explanation about the expansion of the outreach program.

Superintendent Thurman stated that in western Iowa the itinerant teachers provide orientation and mobility services to the students as well as support for classroom
activities. Blind children need more services than what is typically provided in the classroom. School officials proposed to expand services to include: 1) basic educational consultation, 2) work experience and 3) adaptive technology.

MOTION: Regent Neil moved to approve the FY 2001 general fund operating appropriations requests for the Iowa Braille and Sight Saving School of $4,635,480. Regent Turner seconded the motion. MOTION CARRIED UNANIMOUSLY.

(f) Regional Study Centers. The Board Office recommended the Board approve the FY 2001 general fund operating appropriations request for the Regional Study Centers as follows:

<table>
<thead>
<tr>
<th>Center</th>
<th>FY 2000 Appropriations</th>
<th>FY 2001 Request</th>
<th>FY 2001 Board Office Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quad-Cities Graduate Study Center</td>
<td>$171,382</td>
<td>$177,422</td>
<td>$173,296</td>
</tr>
<tr>
<td>Tri-State Graduate Study Center</td>
<td>83,778</td>
<td>86,291</td>
<td>84,740</td>
</tr>
<tr>
<td>Southwest Iowa Regents Resource Center</td>
<td>114,324</td>
<td>145,378</td>
<td>115,338</td>
</tr>
<tr>
<td>Total</td>
<td>$373,374</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Three regional study centers serve residents of Iowa who are geographically distant from the Regent campuses. The Quad-Cities Graduate Study Center, the Tri-State Graduate Study Center, and the Southwest Iowa Regents Resource Center make requests for State of Iowa appropriated funds through the Board of Regents. Each year funds are appropriated to the Board for distribution to the centers.

The Board Office recommended the appropriations requests for FY 2001 in the amount of $373,374. The recommended amount was exclusive of funds for Regent salary increases. The incremental appropriation of $3,890 will provide for sustaining excellence, implementing needs survey recommendations, rent increases, and expanding participation in undergraduate off-campus programs.

The following is a summary of FY 2000 State of Iowa appropriations, FY 2001 requested funds, and the Board Office recommendations:
<p>| | | |</p>
<table>
<thead>
<tr>
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<tbody>
<tr>
<td>$369,484</td>
<td>$409,091</td>
<td>$373,374</td>
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</tbody>
</table>
The recommendations for the three regional study centers include inflationary costs and other priorities of 3 percent computed on the State of Iowa appropriations share of the centers’ non-personnel budgets and do not include amounts for salary increases.

Executive Director Stork noted that the request included only a modest increase.

MOTION: Regent Fisher moved to approve the FY 2001 general fund operating appropriations requests for the Regional Study Centers, as presented. Regent Neil seconded the motion. MOTION CARRIED UNANIMOUSLY.

(g) Board Office. The Board Office recommended the Board approve the FY 2001 appropriation request for the Board Office in the amount of $1,315,028.

The FY 2001 appropriation request utilizes the base appropriation for FY 2000 and includes an incremental addition of $8,398, primarily for inflation and technology needs. The FY 2001 request also included an additional FTE of .37 which would allow for a total of 16 FTE in the Board Office funded by state appropriations.

Executive Director Stork stated that the modest increase of $8,400 was for inflation and some technology needs.

MOTION: Regent Fisher moved to approve the FY 2001 appropriation request for the Board Office in the amount of $1,315,028. Regent Kennedy seconded the motion. MOTION CARRIED UNANIMOUSLY.

CAPITAL BUDGET REQUESTS FOR FY 2001. The Board Office recommended the Board (1) approve a FY 2001 capital improvement appropriations request of $77,405,000 and (2) approve a FY 2001 tuition replacement appropriations request of $28,174,854 with the understanding that needs will be reassessed by November 15, 1999.

Consistent with the Board’s strategic plan, each year the institutions request and the Board recommends capital funding from the state infrastructure fund. In September 1998 the Board approved a biennial capital budget request of $4,485,000 for FY 2000 for the special schools and $68,711,000 for FY 2001 for the universities and special schools. Funds were not requested for the universities for FY 2000 in accord with understandings reached during the 1997 legislative session. The Board's FY 2000 request was funded in its entirety. Although the General Assembly appropriated
$26,336,000 for FY 2001 for three Regent projects, the funding was item vetoed by Governor Vilsack, who vetoed most infrastructure projects that were beyond FY 2000 and not consistent with his recommendations.

Officials of the institutions and Lakeside Laboratory requested capital funding of $109,565,000 for FY 2001. Last year when the Board recommended FY 2001 funding of $68,711,000, the institutions had requested FY 2001 funding of $97,576,000. Last month the Board Office recommended that the capital funding for FY 2001 be as approved by the Board in September 1998. It was noted that the Board Office would continue to review in detail the institutional requests before making final recommendations for FY 2001 funding for Board approval at the July 1999 meeting.

Representatives of the Board Office met with representatives of each of the institutions to discuss their budget requests and highest priority needs. Based upon these discussions, the Board Office recommended a FY 2001 capital budget request of $77,405,000, which includes: $5,925,000 for fire safety and deferred maintenance; an inflation factor of 3 percent for each recommended project priority - $1,735,000; and $6,959,000 in additional funds for several projects that have increased in scope based upon additional planning and needs assessments. The increase totals $8,694,000 from the Board approved amount in September 1998.
The following table compares the Board approved FY 2001 request (September 1998) with the July 1999 Board Office recommendation; the priority order is as shown:

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>($ thousands)</td>
<td></td>
</tr>
<tr>
<td>ISU</td>
<td>Gilman Hall – Systems Upgrade</td>
<td>$ 8,750</td>
<td>$11,000</td>
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<tr>
<td>SUI</td>
<td>Biology Renovation, Phase 2</td>
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<td>UNI</td>
<td>McCollum Science (Biology Center) Addition</td>
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<td>16,900</td>
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<tr>
<td>ISU</td>
<td>College of Business Building</td>
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<td>Lakeside Laboratory Improvements</td>
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</table>

*The Board approved FY 2001 request (9/98) included an additional $4,700,000 for the UNI biology project in FY 2002 and an additional $4,850,000 for the SUI Art Building Phase I project in FY 2002. The Board Office FY 2001 recommendation (7/99) includes an additional $7,400,000 for the SUI Art Building Phase I project in FY 2002.

Explanations for increases above a 3 percent inflationary factor in the recommended amounts were as follows:

ISU – Gilman Hall – Systems Upgrade: An additional area of the building in which the systems upgrade work will be accomplished was added to the scope of the project.

SUI – Biology Renovation, Phase 2: More detailed planning of the renovation work was completed, increasing the estimated cost.

UNI – McCollum Science Addition: Last year the Board approved $10 million in FY 2001 and $4.7 million in FY 2002 for an addition to the Biology Center to address the shortage of space for the Biology Department. Consultants recently completed a study (May 1999) which determined that the best overall solution for the Biology Department and the other science departments was an addition to and subsequent renovation of McCollum Science Hall. The consultants also determined that increased square footage (from 61,000 to 70,000 gross square feet) was needed. The total cost
of the project has increased from $14.7 million to $16.9 million; the entire amount was recommended for FY 2001.

Because of the increase from $10.0 million to $16.9 million for FY 2001 for this project, which is the highest priority of the university, there were other recommended adjustments to the Board’s FY 2001 (September 1998) request for the University of Northern Iowa.

Regents - Lakeside Laboratory Improvements: The increased request and recommendation for improvements to Mahan Hall reflect the total cost of improvements needed to make Mahan Hall fully functional as a second year-round classroom facility.

SUI – Art Building, Phase I: Since preparation of the request last year, the Board authorized the university (July 1998) to retain an architect for the project. Programming and project scope are now much better defined, as a result of the architect’s work. The increase in estimated cost reflects this planning process.

Private gifts will significantly contribute to the projects for which state infrastructure funds are requested. The $10.3 million requested in state infrastructure funds for the Iowa State University College of Business Building will be matched by $11.5 million in private funds. University of Iowa officials have committed to raise $2.6 million from privately funded sources for the Art Building, Phase 1 project.

Tuition replacement appropriations represent an ongoing commitment of the state to meet the debt service cost of Academic Building Revenue Bonds. The Board was asked to approve a tuition replacement appropriations request of $28,174,854 for FY 2001 with the understanding the amount will be reassessed by November 15, 1999.

Executive Director Stork stated that Board Office staff had visited with institutional officials since the June Board meeting. The Regents were presented with the Board Office recommendation which included 1) $77.4 million for capital projects and 2) tuition replacement request of $28.2 million. He reviewed with the Regents the reasons for increases above a 3 percent inflationary factor in the recommended amounts for capital projects. He said he hoped that the Regents’ top priorities would receive fair consideration this year. Last year the legislature funded three university projects for FY 2001, in addition to the FY 2000 special schools projects. The FY 2001 projects were vetoed by the Governor because they were outside the budget recommendations for one fiscal year. Hopefully, the intention of the legislature would be to continue support for these projects this year.
President Coleman discussed the University of Iowa’s capital request for FY 2001. The
top priority is the Biology Project Phase 2. She said there has been an enormous
increase in interest in biology. University officials had developed new estimates on the
cost for the completion of the project. The Board Office recommended $14.7 million
which will be a challenge for university officials but one with which they will work. The
second priority project is a new art and art history building. In terms of the rest of the 5-
year capital plan, she said she looked forward to discussing it further with the Board
Office.

President Jischke stated that he was pleased with the recommendation of the Board
Office regarding Iowa State University’s capital request. The top priority of the Regent
system is a top priority for Iowa State University: Gilman Hall. He noted that last year
the legislature approved funding for the project but the Governor vetoed the funding.
He said it was essential to get the project funded this next year. The next priority for
Iowa State University is the College of Business building.

President Koob stated that the top priority for the University of Northern Iowa is the
addition to McCollum Science Hall for biology. Within the last two years there has been
such an increased interest in biology among high-quality students that the university
was forced to cap the program’s enrollments based on physical limitations. As a public
university, University of Northern Iowa should never cap a program. He said the only
way to meet the demand and enrollment pressure in biology is to increase the space
available. The second priority of the University of Northern Iowa is $1 million planning
funds for the steam distribution system, which has been on the list for a long time.

Regent Neil questioned whether the steam distribution system should have a higher
priority than the addition to the biology building. President Koob responded that the
distribution system is beyond its useful life. University officials can patch the system as
it fails. He believes the university should put academic needs above physical plant
needs which was why, in discussions with the Board Office, university officials agreed to
defer the project and ask for planning money to find some alternate ways to meet that
need. There are a number of state regulations with which the university has to be
concerned in terms of using operational dollars to make capital improvements.

Regent Neil asked what if the system should fail when the temperature is below zero?
President Koob said there would have to be an emergency repair. In the meantime, the
system will have lost efficiency. He said he was absolutely certain that if the university
were able to work out the financing for the system, a cost recovery over the expected
lifetime of the system could be done. The problem is getting the cash flow to make the
investment to make the repair to recover the cost. Therefore, the planning money is
important.
Regent Kelly questioned the change in the University of Northern Iowa request from $3.5 million to $12 million for the steam distribution system. President Koob said the original proposal was for three phases. The first phase had now been delayed so long that the project would have to be the sum of those three phases.

Superintendent Johnson stated that the Iowa School for the Deaf requests were to address deferred maintenance issues.

Superintendent Thurman stated that the Iowa Braille and Sight Saving School requests were in the general area of deferred maintenance.

MOTION: Regent Lande moved to (1) approve a FY 2001 capital improvement appropriations request of $77,405,000 and (2) approve a FY 2001 tuition replacement appropriations request of $28,174,854 with the understanding that needs will be reassessed by November 15, 1999. Regent Smith seconded the motion. MOTION CARRIED UNANIMOUSLY.

PRELIMINARY FIVE-YEAR CAPITAL IMPROVEMENT PLAN, FY 2001-FY 2005. The Board Office recommended the Board (1) consider the Board Office preliminary recommendation of $320,901,000 for the Five-Year State Infrastructure Fund Capital Program for FY 2001 - FY 2005; (2) consider the Five-Year Program (FY 2001 – FY 2005) of $64,400,000 for the University of Iowa Hospitals and Clinics to be funded by Hospital Building Usage Funds; and (3) receive the report on FY 2001 – FY 2005 capital plans of $288,371,000 for the universities, special schools and Lakeside Laboratory to be funded by sources other than capital appropriations or hospital funds.

Three five-year capital plans for the period FY 2001 - FY 2005 are included in this item:

a) Five-year capital program to be funded by capital appropriations;

b) University of Iowa Hospitals and Clinics Five-Year Program to be funded by Hospital Building Usage Funds; and

c) Capital programs of the universities, special schools and Lakeside Laboratory to be funded from all sources of funds excluding state requested capital appropriations and UIHC Hospital Building Usage Funds.

Development of these five-year capital programs is consistent with the Board’s strategic plan and Procedural Guide, and Iowa Code, which requires the Board to submit a five-
year, state-funded building program to the General Assembly at the beginning of each legislative session. Section 9.02 B2 of the Board’s Procedural Guide requires all-funds, five-year building programs to be presented to the Board in July. The programs include projects to be funded from all sources of funds.

The institutions submitted all-funds five-year capital plans (FY 2001 - FY 2005) totaling $836,00,000. Of this amount, the universities and special schools requested funding from the state in the amount of $469,129,000. The Board Office preliminary recommendation for the five-year capital priority plan to be funded by capital appropriations is $320,901,000. Last year the institutions requested funding of $422,427,000 and the Board recommended a five-year plan for state funds (FY 2000 – FY 2004) of $264,811,000. The recommended amount did not include any funds for the universities for FY 2000 (the first year of the plan) in accord with understandings reached during the 1997 legislative session.

The University of Iowa Hospitals and Clinics Five-Year Capital Program (FY 2001 - FY 2005) will be financed by patient-generated funding. Projects totaling $64.4 million are included in the program; more than $50 million of the projects have been included in University of Iowa Hospitals and Clinics five-year capital programs previously submitted to the Board. Projects not listed previously include renovation projects and heating, ventilating and air conditioning work in the General Hospital and elevator upgrades. All projects listed on the five-year plan will be brought forward for specific project approval as required by Board procedures.

The institutional five-year program to be financed from sources other than state appropriations or UIHC revenue totals $288.4 million. Included are projects for the residence, parking, utility and telecommunications systems as well as improvements to be undertaken with operating funds.

Executive Director Stork reviewed with the Regents the information that was contained in the docket materials. He discussed four projects that were on the 5-year program for the first time. In terms of process, he said Board Office staff will visit with institutional officials before returning to the Board in September for approval. He said he would consider it very fortunate if each Regent institution had more than one project approved by the state next year. Having two projects approved at an institution for the same fiscal year has happened before but it is not the regular order of business. By statute, the Regents have to prepare a five-year plan which also helps in terms of the institutional and Board planning initiatives.

Regent Fisher asked for the term of the capital improvements agreement with the legislature that was approved several years ago. Executive Director Stork said the
agreement was for three years and that this was the first year, since then, that the Regents may pursue new capital requests.

Regent Fisher asked if it makes sense to go back under that same scenario or just go year-to-year. Executive Director Stork responded that a multi-year agreement limits flexibility. Also, the Governor appears to be interested in funding capital projects on a year-to-year basis.

ACTION: President Newlin stated the Board, by general consent, (1) considered the Board Office preliminary recommendation of $320,901,000 for the Five-Year State Infrastructure Fund Capital Program for FY 2001 - FY 2005; (2) considered the Five-Year Program (FY 2001 – FY 2005) of $64,400,000 for the University of Iowa Hospitals and Clinics to be funded by Hospital Building Usage Funds; and (3) received the report on FY 2001 – FY 2005 capital plans of $288,371,000 for the universities, special schools and Lakeside Laboratory to be funded by sources other than capital appropriations or hospital funds.

INSTITUTIONAL ROADS PROGRAM. The Board Office recommended the Board (1) approve the recommended five-year institutional roads program with capital projects totaling $8,170,000 for calendar years 2000 through 2004, including projects totaling $1,634,000 for 2000 and (2) receive the list of identified, unfunded institutional roads needs at the Regent institutions totaling $27,520,039.

Funds for improvements and maintenance of the roads and streets at the Regent institutions are provided by the State Parks and Institutional Roads Program of the Iowa Department of Transportation. Currently, 65/100 of one percent of the Road Use Tax Fund is allocated to the program, which provides funds for both capital projects (improvements, reconstruction and repairs) and routine road maintenance for the roadways at the Regent institutions, as well as other State agencies.

Each year the Board is asked to approve the distribution of the Regents Institutional Roads allocation effective January 1 of the next calendar year. The Board of Regents allocation for calendar year 2000 totals $1,984,000. Of this amount, $1,634,000 is programmed for capital projects, with $350,000 set aside for general maintenance. Also presented was the five-year institutional roads program for calendar years 2000 through 2004, which includes capital projects totaling $8,170,000, with $350,000 set aside for maintenance in each year.
The projects included in the five-year program represent the institutions’ most urgent needs. However, the institutions have also identified unmet institutional roads needs totaling $27,520,039 which are not included in the current five-year program.

The calendar year 2000 allocation of $1,634,000 for capital projects represents a decrease of $726,141 from the calendar year 1999 allocation of $2,360,141. The reduction is due in part to a higher allocation for calendar year 1999 which included additional unallocated funds from previous years. The decreased allocation also reflects a reduction in the Regents share of the total Parks and Institutional Roads Program based upon the 1998 update of the Department of Transportation’s Quadrennial Needs Study, which evaluates the construction and maintenance needs of all State agencies, including the Regent institutions, and determines the funding allocations. The Board’s allocation decreased from 34.0 percent to 31.5 percent of total available funds as a result of the 1998 study.

The Board Office and the Regent institutions have encouraged the Department of Transportation to give greater consideration to the use of traffic counts in future studies. The institutions believe this would provide a better indicator of their funding needs, and would likely result in an increase in the Regents funding allocation under the Institutional Roads Program. The Department of Transportation has indicated that it will work to expand the use of traffic counts in future updates of the Quadrennial Needs Study.

MOTION: Regent Smith moved to (1) approve the recommended five-year institutional roads program with capital projects totaling $8,170,000 for calendar years 2000 through 2004, including projects totaling $1,634,000 for 2000 and (2) receive the list of identified, unfunded institutional roads needs at the Regent institutions totaling $27,520,039. Regent Turner seconded the motion. MOTION CARRIED UNANIMOUSLY.

APPOINTMENTS TO PRIORITY ISSUE STUDY GROUP ON DISTANCE EDUCATION. The Board Office recommended the Board approve the appointment of a Study Group on Distance Education.

Distance education has become a major issue in higher education both in Iowa and around the world. The shift to a global economy and the growth in technology has the potential to make higher education available to most persons around the world. Many of the persons who can now benefit from the availability of higher education are place-bound adults who were unable to take advantage of previous campus-based programs.
Board policy on distance education encourages the three Regent universities to make programs available around the state yet there are issues confronting the institutions as they seek to implement the Board’s policy. A review should facilitate thoughtful consideration of these issues and refinements, if any, to the Board’s policy on distance education.

It was proposed that the Board establish a priority study group to review policies, issues, and plans related to distance education. The Study Group will consist of three Board members: Ellengray Kennedy as Chair, David Fisher, David Neil; Executive Director Frank Stork; and Deputy Executive Director Robert Barak. The institutional heads will be invited to participate as well.

MOTION: Regent Smith moved to approve the appointment of a Study Group on Distance Education. Regent Lande seconded the motion. MOTION CARRIED UNANIMOUSLY.

President Newlin informed Regent Kennedy that the Regents would wait to hear from her on when she wanted to have a meeting of the Study Group on Distance Education.

PERSONNEL TRANSACTIONS FOR BOARD OFFICE, UNIVERSITY OF IOWA, IOWA SCHOOL FOR THE DEAF AND IOWA BRAILLE AND SIGHT SAVING SCHOOL. The Board Office recommended the Board ratify personnel transactions, as presented.

Appointment: Kayla Stratton as Assistant Director, Legal Affairs, Human Resources and Information Systems effective July 19, 1999, at an annual salary of $50,000 plus the usual fringe benefits.

ACTION: This matter was approved on the consent docket.

YEAR 2000 STATUS REPORT. The Board Office recommended the Board (1) receive the updated report of the Peer Review Team on progress of the institutions in compliance with Year 2000 (Y2K) requirements; (2) receive information concerning the State’s Emergency Management Division’s Y2K activities for contingent operations; (3) receive the report of CTA, Inc., as delivered to the Legislative Oversight Committee; and (4) receive the report (oral) of Iowa State University on its Y2K compliance activities.

The institutions continue to progress in a manner calculated to bring timely compliance by September 30, 1999.
The State’s Emergency Management Division (EMD) is scheduled to meet with agencies’ Managers of Contingent Operations on July 8. Director Wright provided an oral report of that meeting. The Board Office and institutions have timely complied with each request received from the EMD. The Continuity of Operation simulation activity originally scheduled for July 30 will be rescheduled for some date in August.

The State’s auditor, CTA, Inc., which was retained by the State to assist in the verification and validation (V&V) step of the Y2K process, delivered its report to the Legislative Oversight Committee (LOC) on June 29. The report covered CTA’s V&V review of 80,000 to 100,000+ lines of code for each of the Regent universities and University of Iowa Hospitals and Clinics (UIHC). The report assessed a wide range of values to the work of the identified Regent institutions. CTA, Inc., gave the University of Iowa Hospitals and Clinics a rating of “low risk” for failure of its Y2K remediation efforts. The State reports that CTA provided no rating better than “low risk” for any of the 2000 programs in 600 systems reviewed for State agencies. The University of Iowa received a rating of “low risk—qualified”. The qualification was challenged by the university because it related to a potential error that may occur in 2024. Iowa State University received a rating of “low risk—qualified” because CTA believed the system reviewed did not process enough dates. The qualification was challenged by the university as they had provided a mission critical program that met the requirements of CTA and no criteria was established by CTA for a minimum number of date calculations for a program to be reviewed. The University of Northern Iowa received a rating of “high risk” because it had not as yet undertaken future date testing. The designation was challenged by the university as it had at all times scheduled its future date testing for July and August, a time after the CTA evaluation, and that time frame had been reviewed by the Peer Review Team.

The members of the Board’s Peer Review Team (PRT) responded to questions of LOC members and to issues raised by the CTA report. The LOC was sufficiently satisfied with the responses that it excused the Regent institutions from reporting their progress at the LOC’s July meeting.

Director Wright reviewed with the Regents the information that was provided in the docket materials.

Assistant to the President Mukerjea presented the report of Iowa State University on year 2000 compliance. His comments focused on aspects of verification and validation and contingency planning. The overall aggregate completion level for various systems is 90 percent. Completion of compliance initiatives for all systems is targeted for September 30, 1999. Remaining tasks mostly involve completion of verification and validation by Regents’ Peer Review Team. He said university-wide contingency planning is in progress, providing overall direction and structure for various department
and unit-level plans. He described the activities of the campus Y2K command center. The command center will ensure overall coordination and control of contingency efforts, if needed.

Regent Lande said it seemed that everything was geared toward 12:01 a.m. What learning will take place as other parts of the world reach that time earlier than we do?

Assistant to the President Mukerjea said there will be great interest in hearing what is happening elsewhere. The entire country has an opportunity to learn from what is happening elsewhere.

ACTION:

President Newlin stated the Board, by general consent, (1) received the updated report of the Peer Review Team on progress of the institutions in compliance with Year 2000 (Y2K) requirements; (2) received information concerning the State’s Emergency Management Division’s Y2K activities for contingent operations; (3) received the report of CTA, Inc., as delivered to the Legislative Oversight Committee; and (4) received the report (oral) of Iowa State University on its Y2K compliance activities.

BOARD MEETINGS SCHEDULE. The Board Office recommended the Board approve the Board meetings schedule.

<table>
<thead>
<tr>
<th>Date</th>
<th>Location</th>
<th>City</th>
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</thead>
<tbody>
<tr>
<td>September 15-16, 1999</td>
<td>University of Northern Iowa</td>
<td>Cedar Falls</td>
</tr>
<tr>
<td>October 20-21, 1999</td>
<td>University of Iowa</td>
<td>Iowa City</td>
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<tr>
<td>November 17-18, 1999</td>
<td>Iowa State University</td>
<td>Ames</td>
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<tr>
<td>December 15-16, 1999</td>
<td>West Des Moines Marriott Hotel</td>
<td>W. Des Moines</td>
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<tr>
<td>January 19, 2000</td>
<td>Telephonic Conference Call</td>
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<td>February 16-17, 2000</td>
<td>University of Iowa</td>
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<tr>
<td>March 15-16, 2000</td>
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<td>April 19-20, 2000</td>
<td>Iowa School for the Deaf</td>
<td>Council Bluffs</td>
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<td>May 17, 2000</td>
<td>Iowa Braille and Sight Saving School</td>
<td>Vinton</td>
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<tr>
<td>May 18, 2000</td>
<td>University of Northern Iowa</td>
<td>Cedar Falls</td>
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<tr>
<td>June 14-15, 2000</td>
<td>Lakeside Laboratory</td>
<td>Okoboji</td>
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<tr>
<td>July 19-20, 2000</td>
<td>University of Northern Iowa</td>
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<td>September 13-14, 2000</td>
<td>University of Iowa</td>
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<td>October 18-19, 2000</td>
<td>Iowa State University</td>
<td>Ames</td>
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<tr>
<td>November 15-16, 2000</td>
<td>University of Iowa</td>
<td>Iowa City</td>
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<tr>
<td>December 13-14, 2000</td>
<td>West Des Moines Marriott Hotel</td>
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January 17, 2001  Telephonic Conference Call
February 21-22, 2001  Iowa State University  Ames
March 21-22, 2001  University of Northern Iowa  Cedar Falls
April 18, 2001  Iowa Braille and Sight Saving School  Vinton
April 19, 2001  University of Iowa  Iowa City
May 16-17, 2001  Iowa School for the Deaf  Council Bluffs
June 12-13, 2001  Iowa State University  Ames
July 18-19, 2001  University of Northern Iowa  Cedar Falls
September 12-13, 2001  University of Iowa  Iowa City
October 17-18, 2001  Iowa State University  Ames
November 14-15, 2001  University of Iowa  Iowa City
December 12-13, 2001  (To be determined)  Des Moines

ACTION: The Board meetings schedule was approved on the consent docket.

President Newlin then asked Board members and institutional officials if there were additional general or miscellaneous items for discussion. There were none.
STATE UNIVERSITY OF IOWA

The following business pertaining to the University of Iowa was transacted on Wednesday and Thursday, July 14-15, 1999.

RATIFICATION OF PERSONNEL TRANSACTIONS. The Board Office recommended the Board ratify personnel transactions, as follows:

Register of Personnel Changes for May 1999.

The register included the appointment of Dr. James A. Merchant as Dean of the University of Iowa College of Public Health effective July 1, 1999, at an annual salary of $214,000.

ACTION: The personnel transactions were approved, as presented, on the consent docket.

NEW DEGREE PROGRAM: PH.D. IN SECOND LANGUAGE ACQUISITION. The Board Office recommended the Board refer the proposed Ph.D. degree in Second Language Acquisition (SLA) at the University of Iowa to the Interinstitutional Committee on Educational Coordination (ICEC) and the Board Office for review and recommendation.

Demand for SLA specialists is high and this program will place the University of Iowa among the national leaders in the field. This program will help retain students within Iowa and attract others who wish to pursue a doctoral degree in SLA within the structure of an organized program and with faculty whose language expertise matches their interest. The proposed program would be the only program in SLA at the Ph.D. level in the state. Other programs, while relevant, differ substantially by level, focus, or both.

In the late 1980s the College of Liberal Arts, in conjunction with the College of Education, began a long-term plan of faculty recruitment in the area of SLA, and as a result has a significant cadre of faculty with interests and training in SLA, led by 16 core members. This program will contribute to the quality of graduate education at the University of Iowa and will enhance the quality of undergraduate education in foreign
languages, especially the general education curriculum. The SLA field is relatively young, and too few programs exist to meet the already-great demand and none can offer the faculty resources and national visibility of the University of Iowa.

ACTION: This matter was referred on the consent docket.

**NAMING OF NEW WOMEN’S SOFTBALL FACILITY PEARL FIELD.** The Board Office recommended the Board approve the naming of the new Women's Softball Facility at the University of Iowa, "Pearl Field".

The University of Iowa received a major gift to its Grand Stand Campaign, which is raising private funds for the women's softball facility. Consistent with this gift and request of the Scanlon Foundation, university officials proposed naming the women's softball field in honor of former university baseball player, Bob Pearl. Mr. Pearl was the first African-American letter winner at the University of Iowa. He is a past president of the I-Club and the Letterman's Club.

The new facility includes concession stands, locker rooms for players, restrooms, and new stands for spectators.

The Advisory Committee on the Naming of Buildings and the Campus Planning Committee gave its approval to this proposal, as did Men's Athletic Director Bob Bowlsby and Women's Athletic Director Christine Grant.

**MOTION:** Regent Neil moved to approve the naming of the new Women’s Softball Facility at the University of Iowa, "Pearl Field". Regent Fisher seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

**REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS.** The Board Office recommended the Board approve the Register of Capital Improvement Business Transactions for the University of Iowa.
University Hospitals and Clinics—General Hospital Alley Drainage Replacement  
Source of Funds: University Hospitals Building Usage Funds

Project Summary

<table>
<thead>
<tr>
<th>Amount</th>
<th>Date</th>
<th>Board Action</th>
</tr>
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<tbody>
<tr>
<td>Project Description and Total Budget</td>
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<td>July 1999</td>
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University officials requested approval of a project description and budget to correct water leakage in the foundation walls of the lower level of the General Hospital. The water, which leaks into this area during rain showers, impedes normal operations in eight rooms located adjacent to the exterior building wall. To correct the problem, the project will replace damaged drains and a storm sewer in an alley adjacent to the building, and will provide improvements to the building roof.

The preliminary project budget is as follows:

Preliminary Budget

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<tr>
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<td>Planning and Supervision</td>
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TOTAL $ 575,000

Spence Laboratories of Psychology Renovation

Project Summary

<table>
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<th>Amount</th>
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<tr>
<td>Permission to Proceed</td>
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<tr>
<td>Architectural Selection (RDG Bussard Dikis)</td>
<td>June 1999</td>
<td>Approved</td>
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</table>

This project will provide for the phased renovation of laboratory space in the Spence Laboratories of Psychology facility and Seashore Hall to provide modern research laboratories for the Department of Psychology. University officials requested approval of the selection of RDG Bussard Dikis to provide design services for the project.
The university received expressions of interest from six firms to provide the requested services. Three of the firms were selected for interviews with the university’s Architectural Selection Committee, which included representatives from the Department of Psychology, in accordance with Section 9.05A.2. of the Board of Regents Procedural Guide for projects over $1,000,000. Based on the interviews and review of the firms’ experiences with this type of project, university officials recommended the selection of RDG Bussard Dikis to provide design services. University officials will return to the Board for approval of the negotiated agreement.

Residence Halls—Telecommunications Improvements

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<tr>
<th>Project Summary</th>
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<tr>
<td>Architectural Agreement for Telecommunications Design Services (Alvine and Associates)</td>
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<td>$174,035</td>
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University officials requested approval to enter into an agreement with Alvine and Associates to provide telecommunications design services for the extension of the campus fiber optic network to the Daum, Hillcrest and Mayflower residence halls. University officials reported that the firm is familiar with the residence halls as a result of its work for the installation of fire detection and sprinkler systems in the facilities. This experience will help ensure that shared pathways are properly utilized and potential conflicts are minimized in the design of the projects. The agreement provides for a fee of $174,035, which includes $164,552 for basic services plus $9,483 for reimbursables.

University officials indicated that the project description and budget will be presented to the Board on the September capital register.

University of Iowa Research Park at Oakdale—Multi-Tenant Facility—Building Addition

<table>
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<th>Project Summary</th>
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<tr>
<td>Permission to Proceed Architectural Selection (Herbert Lewis Kruse Blunck)</td>
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<tr>
<th>Architectural Agreement (Herbert Lewis Kruse Blunck)</th>
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<tr>
<td></td>
<td></td>
<td>Feb. 1999</td>
<td>Approved</td>
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This project will construct an addition of approximately 36,000 gross square feet to the Multi-Tenant Facility at the Oakdale Research Park. The existing facility consists of 48,600 square feet of space and houses various research activities of the College of Medicine. The additional space will provide for the consolidation of a number of research programs for more efficient use of space and equipment. Other College of Medicine space can then be utilized for other research programs.

University officials requested approval to enter into an agreement with the project architects, Herbert Lewis Kruse Blunck. The agreement will provide for the completion of design development, construction documentation, bidding, and construction administration services for construction of the building shell, along with mechanical design services. The agreement provides for a fee of $158,320, which includes a fixed fee of $143,320 for basic services and reimbursable expenses not to exceed $15,000. University officials will return to the Board at a future date for approval of a design agreement for interior development of the space.

Engineering Building Modernization/Addition

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<tr>
<th>Project Summary</th>
<th>Amount</th>
<th>Date</th>
<th>Board Action</th>
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<tbody>
<tr>
<td>Project Description and Total Budget</td>
<td>$28,022,000</td>
<td>Nov. 1997</td>
<td>Approved</td>
</tr>
<tr>
<td>General Construction Contract</td>
<td>$21,387,500</td>
<td>Nov. 1997</td>
<td>Approved</td>
</tr>
<tr>
<td>(Mid-America Construction Co.)</td>
<td></td>
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<tr>
<td>Engineering Agreement</td>
<td>$1,807,000</td>
<td>Sept. 1996</td>
<td>Approved</td>
</tr>
<tr>
<td>(Neumann Monson)</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Previous Amendments (10)</td>
<td>$400,654</td>
<td></td>
<td>Approved</td>
</tr>
<tr>
<td>Amendment #11</td>
<td>$208,180</td>
<td>July 1999</td>
<td>Requested</td>
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This project will renovate approximately 78,000 square feet of space in the existing Engineering Building and construct an addition of 69,000 square feet. The project will improve the learning environment for students by relieving overcrowded conditions, modernizing outdated facilities, and improving access to electronic learning facilities and the ICN. The project is being funded by capital appropriations ($14,340,000), Income from Treasurer’s Temporary Investments and Building Renewal funds ($4,100,000), and College of Engineering gifts, grants and earnings ($9,582,000).

University officials requested approval of Amendment #11 in the amount of $208,180 to the agreement with Neumann Monson. The amendment will provide interior design services, including space planning and furniture selection, for the project.
Institutional Roads—Highway 6 Pedestrian Overpass—Westlawn to International Center

Project Summary

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<th>Amount</th>
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<th>Board Action</th>
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<tr>
<td>Project Description and Total Budget</td>
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<td>June 1999</td>
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<tr>
<td>Engineering Agreement</td>
<td>$182,990</td>
<td>Sept. 1998</td>
</tr>
<tr>
<td>(Shive-Hattery) Amendment #1</td>
<td>$30,016</td>
<td>July 1999</td>
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This project will construct a pedestrian/bicycle bridge over Highway 6 from the International Center to Westlawn to provide a safe, accessible link between the Iowa Center for the Arts Campus and Health Sciences Campus. The project is being funded by Institutional Roads funds from the Iowa Department of Transportation ($757,705), Federal Department of Transportation Funds from the City of Iowa City ($527,000), and Income from Treasurer’s Temporary Investments ($58,295).

University officials requested approval of Amendment #1 in the amount of $30,016 to the agreement with Shive-Hattery. The amendment will provide compensation for additional services relating to the development and presentation of various project alternatives, and the preparation of a utility relocation study.

University Hospitals and Clinics—Development of Rheumatology Clinic and Orthopaedic Surgery—Clinical Research and Support Facilities

Source of Funds: University Hospitals Building Usage Funds

Project Summary

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<th>Board Action</th>
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<tr>
<td>Project Description and Total Budget</td>
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<td>Oct. 1998</td>
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<tr>
<td>Architectural Agreement</td>
<td>$70,500</td>
<td>Oct. 1998</td>
</tr>
<tr>
<td>(HLM Design of Northamerica) Award of Construction Contract</td>
<td>$693,140</td>
<td>July 1999</td>
</tr>
<tr>
<td>(O. F. Paulson Construction Company)</td>
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This project will develop 5,400 square feet of shell space on the lower level of the Pappajohn Pavilion for use by the Rheumatology Clinic. The space is located adjacent to the Orthopaedic Surgery ambulatory clinic and will provide the Rheumatology Clinic...
with the capacity to serve patients in conjunction with their visits to the Orthopaedic Clinic.

Award of the construction contract for this project was deferred from the June meeting. University officials requested award of the construction contract for the project to O. F. Paulson Construction Company, the second low bidder for this project. Six bids were received for the construction contract on May 20, 1999. The low base bid was submitted by Hillebrand Construction of the Midwest in the amount of $635,202. The six bids had a range of 15.9 percent.

Following the bid opening, Hillebrand Construction reported a mistake in the calculation of its bid which caused it to be understated by $143,993. As a result, Hillebrand requested approval to withdraw its bid without prejudice. The university’s initial recommendation (June 1999) was award of the construction contract to Hillebrand Construction with forfeiture of the firm’s bid bond should it not enter into the contract.

Subsequent to the June Board meeting, representatives of the university met with Hillenbrand Construction. Based upon an analysis of the information provided by Hillebrand and reviewed by the university’s Office of General Counsel, university officials recommended that Hillebrand be allowed to withdraw its bid and its bid bond be returned. Accordingly, university officials requested award of the construction contract to the low responsible bidder, O. F. Paulson Construction Company of Cedar Rapids, for the base bid of $693,140, which is approximately 11 percent below the engineering estimate of $779,993.

* * * * *

Included in the university’s capital register was change order #1 to the construction contract with Hillebrand Construction of the Midwest for the Mayflower Residence Hall—Remodel Lobby project; the change order was approved by the Executive Director as authorized by the Board at the April 1999 meeting. Also included was a project budget under $250,000 which was approved by the university, construction contracts which were awarded by the Executive Director, and the acceptance of a completed construction contract. These items were listed in the register prepared by the university.

MOTION: Regent Turner moved to approve the Register of Capital Improvement Business Transactions for the University of Iowa, as presented. Regent Kelly seconded the motion. MOTION CARRIED UNANIMOUSLY.
MEETING OF THE BOARD OF REGENTS AS THE TRUSTEES OF THE UNIVERSITY OF IOWA HOSPITALS AND CLINICS. The Board Office recommended the Board receive the report on the University of Iowa Hospitals and Clinics (UIHC).

The Board of Regents, in its role as Trustees of the University of Iowa Hospitals and Clinics, was provided with a quarterly report on the operations of the UIHC. Areas covered in the report included: 1) quarterly update on UIHC operations, programs, and finances; 2) status of UIHC Y2K preparations; 3) 1999-2000 final operating budgets and rate increases for the University of Iowa Statewide Health Service Units; and 4) thoracic malignancies.

President Coleman said she was pleased to present the quarterly report of the University of Iowa Hospitals and Clinics. She introduced Director Howell.

Director Howell stated that this was the first quarterly report for FY 2000. He referred to the July 19 edition of the U.S. News and World Report and stated that 10 specialties of the University of Iowa Hospitals and Clinics were ranked among the best in the nation. When combined with other rankings, he said the trustees should have great pride knowing they govern one of the finest hospitals in U.S. right here in Iowa.

Director Howell said inpatient and outpatient volume is stable. Overall clinic volume has grown 30 percent in the last 5 years. UIHC officials continue to manage expenses. The University of Iowa Hospitals and Clinics is being paid less for the services it provides. Revenues have not kept pace with expenses. Managed care volume is up 25 percent. He noted that once one-third of an institution’s volume is covered by managed care the organization needs to function as though the entire patient volume is managed care. The University of Iowa Hospitals and Clinics is now close to that one-third threshold.

Director Howell introduced Ann Madden Rice, Associate Director and Chief Financial Officer, noting that this was her first presentation to the Board. She has been with UIHC approximately 60 days.

Associate Director Rice stated that every day she becomes more impressed with the great things going on at University of Iowa Hospitals and Clinics. She reviewed the operating financial measures for the 11 month period through May 1999 including net revenues, expenses and operating margin. She said the UIHC is being paid less for its services. The net revenues received from Medicare have changed very little; however, the volume of service has increased 7.7 percent for the year. University of Iowa Hospitals and Clinics has provided an additional $12.5 million of care to Medicare beneficiaries for which Medicare did not pay, due mainly to the Balanced Budget Act of 1997. Medicare and managed care combined constitute more than one-half of University of Iowa Hospitals and Clinics’ revenue categories. Thirty-two percent of all outpatient visits are
now under a managed care contract, limiting University of Iowa Hospitals and Clinics' overall net revenue growth. There have been significant price increases in pharmaceuticals and surgical implants. The operating margin is lower than it was a year ago; however, at 5.8 percent at the end of May, she said University of Iowa Hospitals and Clinics is a strong financial performer. The minimum operating margin for hospitals to sustain routine operations is 3 percent.

Regent Fisher referred to bad debt and asked if it is handled by a reserve or write off. Associate Director Rice said UIHC officials set up a reserve based on a formula. Bad debt deemed to be most likely uncollectible is written off to that allowance account.

Regent Fisher asked for the amount of reinvestment in plant equipment for the year. Associate Director Rice stated that the capital equipment budget for the coming year will be $15-16 million plus $20 million for plant expenses.

Regent Fisher asked if the Board members are provided with a balance sheet or cash flow. Associate Director Rice said UIHC officials report that information on a yearly basis; the information will be available soon.

Regent Fisher asked about the status of cash. Associate Director Rice responded that for 1999 cash is comparable to what it was at the end of 1998.

Regent Turner asked if there is a way of tracking over the last 5 to 10 years the increased costs of administering managed care programs. Associate Director Rice said she could not identify those increased costs in dollars but a number of people in the business office had to be trained for managed care. Two staff people do nothing but check precertifications with managed care companies.

Director Howell stated that UIHC officials keep track of the increased costs programmatically. Financial support systems need to be developed to support managed care. UIHC has to establish systems in the clinics to accept copays and deductibles. Also, there has to be an assurance that the UIHC has had a pre-approval admission for managed care patients. That has administrative and programmatic expenses. He did not have a running tally of what all those costs would be in the aggregate.

Regent Turner said she would be interested in knowing that amount at some time.

President Newlin noted that the operating margin had dropped 1 percent. Can UIHC officials make a projection of where the margin will level off? Associate Director Rice said that for the year just ended, 5.8 percent would probably be the final figure. Over time, she expects the margin to drop down to the 3 percent level.
President Newlin asked if the operating margin could be leveled off at 3 percent. Associate Director Rice said it needs to level off at 3 percent.

Regent Fisher asked if the charges for Medicaid and Medicare patients is the same as charges to other patients. Director Howell said there is a single charge file for all patients. UIHC officials will negotiate a different contract with each insurance provider. Each of those contracts has some specification rate against one single charge profile.

Mr. Staley reviewed the operating statistics. Admissions to University of Iowa Hospitals and Clinics as of the end of May were 37,991. He said there are two categories of admissions: acute and admitted outpatients. The number of acute admission grew by 3 percent; admitted outpatients dropped by about the same number. With regard to the average length of patient stay, he said the length of stay for all patients dropped about 1 percent, which is greatly influenced by managed care. Acute patient census dropped 3 percent and admitted outpatients dropped 1.8 percent.

Regent Turner asked if there are targets for length of stay. Mr. Staley said there are not specific targets but UIHC officials are working toward a reduction in accord with national standards.

Mr. Staley said the case mix index is 1.5543 through May 1999. A comparison of case mix index of the UIHC versus secondary level and all Iowa hospitals shows that University of Iowa Hospitals and Clinics has highest case mix index of any hospital in the state. With regard to clinic census, he said that within the University of Iowa Hospitals and Clinics the clinic visits growth was about 1.2 percent. The largest growth has come in the off-site clinics which experienced a 38 percent increase. With regard to managed care patient volume, he said acute discharges are now heavily covered (28.8 percent) by managed care. Thirty-two percent of clinic patients and 25.6 percent of University of Iowa Hospitals and Clinics income is from managed care.

Regent Kelly referred to the percent of gross charges for managed care and asked what would that be for Medicare? Mr. Staley responded that Medicare is about 27 percent of total gross charges.

Mr. Howell stated it was important that the Board be fully appraised of UIHC’s Y2K preparedness. He said UIHC officials have emphasized emergency planning and support of other providers in the area. He noted that last summer UIHC experienced an extended power outage. Faculty and staff responded admirably. He said this experience provided some insight in terms of how to deal with Y2K problems.

Director Wagner presented the University of Iowa Hospitals and Clinics’ update on Year 2000 preparations. He stated that the CTA audit recommendations had some very
flattering things to say about the University of Iowa Hospitals and Clinics’ preparations. CTA reviewed only a small fraction of the overall operation; nevertheless, the review helped to raise UIHC officials’ comfort level. Preparations relate to six specific areas and UIHC officials are closing in on 100 percent completion on each area. He discussed the UIHC’s contingency planning. Emergency preparedness drills took place last weekend. Power was turned off to the Carver Pavilion and some interesting things were found. UIHC officials also will be simulating an overall computer failure. There is a business continuity plan and user contingency plans for each area of the hospital. He presented an excerpt from one of the disaster plans.

Director Wagner stated that despite the work being done at University of Iowa Hospitals and Clinics, many other regional providers may not be as well prepared. In a recent survey, UIHC officials identified other health care providers that would be a potential source of patient referrals. Letters were mailed to 1,450 such providers, virtually all in Iowa. The Board members were provided with a copy of the letter. He said the next activities include finishing testing, conducting rehearsals, coordinating referrals, and finalizing the communication plan.

Regent Kelly suggested that UIHC officials should fill all of the vehicles with gas at the end of December. Also, they should consider using mobile radio units because telephone service may be out.

Director Wagner stated that UIHC officials have planned for both of those eventualities. Because of diesel power generators, University of Iowa Hospitals and Clinics has additional reserves. Arrangements have been made with diesel fuel providers that UIHC will have top priority for fueling. UIHC officials are also working closely with University of Iowa officials to handle communications. They will be using short wave radios on the same frequencies.

President Newlin noted that CTA checked 200,000 lines of code and UIHC has 10 million lines of code; therefore, CTA checked 2 percent of the code lines. He asked if that is an appropriate sample size. Director Wagner said the important aspect was focusing on the process. UIHC officials recognized from the outset that this would be a small sample and they should not draw widespread conclusions. UIHC officials are continuing to proceed as though the review had not taken place.

President Newlin asked by what month do UIHC officials expect to be close to 100 percent complete. Director Wagner responded that UIHC officials will be testing until the very last moment. This a situation for which they can never do too much testing. UIHC officials are targeting October 1 as a date after which they will not make major changes to the system. At that time the completion will be approximately 99 percent.
Regent Neil asked if UIHC officials are tracking the costs associated with Y2K. Director Wagner responded that the costs are being very closely tracked. Over 2 years the estimated cost was $2,250,000 for the entire project. In addition, other not so obvious costs have been incurred, much of which involves the overall testing and development of the contingency plans.

Director Howell stated that the UIHC has also purchased approximately $8 million of capital equipment which was at the end of its life cycle. UIHC officials decided to advance purchase the equipment 1-2 years rather than try to fix the Y2K problems. Some element of that cost should be added to the Y2K costs.

Director Howell said he wanted to reassure the Board of UIHC’s preparedness. It should be most reassuring that during last summer’s 6-hour power outage it was found that the talent, skills and dedication of the staff really made the difference. UIHC has skilled staff who can deal with almost any crisis.

Director Howell stated the next item for discussion was the 1999-2000 final operating budgets and rate increases for the University of Iowa Hospitals and Clinics statewide health service units.

Associate Director Rice stated that the total budgets were the same as had been presented at both the May and June Board meetings. The Board previously approved a 4 percent rate increase effective July 1, 1999. The budgets reflected the rate increase. Total revenues were projected to increase 4.11 percent based on the approved rate increase plus volume changes and mix of services. She said the indigent patient care program is an important part of University of Iowa Hospitals and Clinics’ mission. The indigent program is projected to utilize 10 percent of the budget while the state appropriation is only 7.8 percent of University of Iowa Hospitals and Clinics’ total funding. The University of Iowa Hospitals and Clinics continues to over-earn its appropriation.

President Newlin asked for the difference in the amount of the appropriation versus the cost of the program. Associate Director Rice said the difference was about $20 million. She said the expenditure has increased 4.11 percent. Part of the program called managing value has removed $65.5 million total from University of Iowa Hospitals and Clinics’ base budget.

Regent Turner questioned, since most contracts have set fees, whether the 4 percent rate increase is going to be satisfactory. Associate Director Rice stated that on average the UIHC receives about $0.68 on the dollar of what it charges. UIHC will not receive
the full 4 percent rate increase. UIHC officials planned for the net amount (about 2.7 percent) to support the budget.

Director Howell discussed the value of the indigent care program. He said the $20 million does not include the portion of the College of Medicine budget that supports the program. Over $21 million in physician fees are completely waived. The total cost of the program compared to the appropriation is $41 million.

President Coleman stated that the University of Iowa Hospitals and Clinics plus physician services provide over $70 million worth of care to indigent patients. The state pays about $32 million and the federal government reimburses the state about $20 million of that $32 million. In essence, for a little over $10 million net, the state is getting over $70 million in care. She said this is a wonderful bargain for the people of Iowa.

Director Howell stated that the University of Iowa Hospitals and Clinics has been working very hard to effectively manage within its resources. However, with the growing coverage of managed care, this provides quite a challenge. He said an even greater challenge looms on the horizon with phase-in of the Balanced Budget Act of 1997.

Director Howell next discussed the impact of Medicare cuts resulting from the Balanced Budget Act of 1997. The UIHC has experienced a reduction of $64 million in reimbursement from Medicare. Thus, efforts to control costs within FY 2000 have barely offset the reduction in reimbursement resulting from the Balanced Budget Act. He said the reduction in Medicare reimbursement in FY 2001 and 2002 are even greater than that projected for this coming year. Medicare also provides support for graduate medical education. He said that while all hospitals in Iowa are being significantly impacted by the Balanced Budget Act, the impact on the University of Iowa Hospitals and Clinics is even greater because of its dependency on additional mission-related payments. The country is concluding the second year of the Balanced Budget Act. Savings accrued to the federal government from the reductions in Medicare payments have far exceeded projections; the excess is in the range of $100 billion. There are now discussions regarding distribution of a budget surplus that resulted from this act by enhancing some of the Medicare programs. Unfortunately, the enhancements are being borne on the shoulders of health care providers especially teaching hospitals.

Director Howell said that if one examines the honor roll hospitals in the earlier-mentioned U.S. News and World Report, at least 50 percent of the hospitals have either recently reported operating losses or are currently reporting operating losses. This is not currently the case at the University of Iowa Hospitals and Clinics. However, with projected future reductions, UIHC faces challenging times ahead. UIHC officials
are working with medical associations to express their concern to the congressional delegation and to try to draw public attention to the difficulties that the Balanced Budget Act has created for hospitals. With the much greater-than-anticipated impact of the Balanced Budget Act cuts, there is no need to continue the reductions as originally projected. There is certainly no need to extend the reductions beyond the original projected dates. Relief can be given to providers and at the same time achieve a balanced budget position as originally desired. He said it may even be possible to do all this and still provide some opportunities for modest program enhancement.

Director Howell stated that University of Iowa Hospitals and Clinics officials brought this matter to the Board's attention because the Balanced Budget Act has the potential to threaten all health care providers in Iowa especially University of Iowa Hospitals and Clinics.

Regent Kelly asked about the current status on federal lobbying by associations to which the University of Iowa Hospitals and Clinics belongs. Director Howell responded that each association has been trying to press the point with the congressional delegation regarding the Balanced Budget Act. There are bills before the House and Senate that provide relief. None of Iowa’s congressional delegation is currently backing any of those bills.

Regent Neil asked for a definition of “subprovider” operating cost. Director Howell responded that those expenditures include, for example, a home health agency for which the UIHC has some financial obligation.

Regent Turner asked that the Board members be kept abreast of any bills that are actively being brought forward and discussed.

Director Howell stated that the final agenda item was a presentation on thoracic malignancies. He introduced Dr. Kemp Kernstine, Associate Professor, Division of Cardiothoracic Surgery.

Dr. Kernstine stated that he is a general thoracic surgeon, a relatively new profession within the medical profession. He said one of the fastest growing patient care services at University of Iowa Hospitals and Clinics is the thoracic oncology service. Thoracic is the chest from the diaphragm to the top of the chest. He said there are 4,900 smoking-related deaths/year in Iowa and 440,000/year nationally. Issues related to lung cancer and smoking have not significantly changed in the last 5 years. Eighty-seven percent of patients who get lung cancer will die within 5 years. People are victims of a multi-million dollar advertising campaign. He noted that smoking is the second most common cause of impotence in men and women. He described a children’s conference which was recently held at Hancher Auditorium and delivered across the Iowa Communications...
Network to 5,000 young people. The message was that smoking is not cool. Three additional restaurants in the Iowa City area have gone smoke free and their business has increased. Dr. Kernstine stated that cigarette smoke is a perfect substance to cause disease in human beings.

Dr. Kernstine discussed the clinical aspects of treating patients with smoking-related illnesses. The UIHC uses a multi-disciplinary team approach. He described various techniques for diagnosing lung cancer. Lung cancer patients can be diagnosed at an earlier stage using a bronchoscopy.

Regent Neil asked how accurate is a CT scan for identifying a cancer? Dr. Kernstine responded that a CT scan identifies lesions at 5-6 millimeters. The CT scan can identify how much of the trachea needs removed. Radioactive materials, such as those used in the PET scan, will go wherever there is metabolically active cancer.

Dr. Kernstine described surgical procedures to remove tumors, some of which are performed using a video screen due to the small incisions. He said that for lung cancer that has spread to the brain, there is a 20 percent cure rate. He then described research which is taking place at the University of Iowa Hospitals and Clinics.

Regent Fisher asked if there has been any progress on retarding the growth of emphysema. Dr. Kernstine stated that emphysema is a terminal event. Lung transplantation may be an option for younger patients.

Regent Kelly asked for the lung cancer rate between life-long non-smokers and long-time smokers. Dr. Kernstine said there are approximately 55,000 to 80,000 non-smokers who die from lung cancer every year. If a person stops smoking, after 15 years of abstinence their rate of developing lung cancer is four times that of a person who has never smoked. The rate of developing lung cancer for smokers is 15 to 20 times that of those who have never smoked. Those who have been exposed to radon are 30 times more likely to develop lung cancer.

Regent Kelly asked, then, if a smoker has a 14 times greater chance of getting lung cancer as a non-smoker. Dr. Kernstine responded affirmatively. He said the rate goes up with the number of cigarettes consumed and how long they have been consumed. Families with a history of lung cancer would be another factor.

Regent Kelly asked if there have been any substantive studies on the effect of second-hand smoke. Dr. Kernstine stated that second-hand smoke is absolutely harmful. Benzene, a chemical in second-hand smoke, is a classic carcinogen.
Regent Kelly asked how to overcome government subsidies for raising tobacco and the unresponsiveness of the government because of high tax revenues from tobacco. Dr. Kernstine said he did not know how to get through to our government. He said he is from North Carolina and he has picked tobacco. Tobacco is a relatively easy substance to produce. One issue is the subsidy paid to tobacco farmers to not grow tobacco. He noted that to try to come up against the “Jesse Helmses” of the world takes people like him. In the long term, it costs our society $7-$8/pack of cigarettes in health care. Cigarettes are not taxed enough to pay for the patients' health care.

Regent Smith asked about preventive efforts and outreach to K-12 students. Dr. Kernstine stated that his office has an organized presentation for children, which he described.

Regent Turner asked if Dr. Kernstine is working with Tobacco Free Iowa. Dr. Kernstine responded affirmatively.

President Newlin expressed appreciation to Dr. Kernstine and UIHC officials for the presentation.

ACTION: President Newlin stated the Board received the report on the University of Iowa Hospitals and Clinics (UIHC), by general consent.

EXECUTIVE SESSION. President Newlin requested that the Board enter into closed session pursuant to the Code of Iowa section 20.17(3) to conduct a strategy meeting of a public employer for collective bargaining.

MOTION: Regent Smith moved to enter into closed session. Regent Fisher seconded the motion. MOTION CARRIED UNANIMOUSLY.

The Board having voted at least two-thirds majority resolved to meet in closed session beginning at 10:25 a.m. on July 15, 1999, and adjourned therefrom at 10:31 a.m. on that same date.

COLLEGE OF NURSING FACULTY PRACTICE PLAN. The Board Office recommended the Board authorize development of a Faculty Practice Plan for the University of Iowa College of Nursing within the parameters detailed in the attachment to the docket memorandum.

At the May 1999 Board meeting, Associate Dean Mary Blegen presented a report to the Board on a proposed Faculty Practice Plan for the University of Iowa College of
Nursing. The Board Office raised a number of questions regarding the proposed plan; as a result of subsequent discussions, the Board Office recommended that the Board authorize development of a Faculty Practice Plan within the parameters detailed.

Both full- and part-time faculty of the college would be eligible, but not required, to participate in the Faculty Practice Plan. University officials indicated that faculty members participating in the plan would be covered by the Iowa Tort Claims Act, but that the university would obtain any supplemental coverage warranted by sound principles of risk management.

Faculty Practice Plan revenue would include all funds from activities defined as practice under the plan. The financial obligations of the plan and operating costs related to it will be met from non-general, institutional funds.

According to college officials, the plan would integrate opportunities for practice into the faculty role. The College of Nursing seeks to: Increase its ability to recruit and retain faculty; make visible the contribution of nursing to health care; collaborate more with other health science units at the University of Iowa; create opportunities for including students in high quality nursing care activities; and stabilize its financial base.

Dean Dreher discussed with the Regents the information which had been provided in the docket materials.

Regent Kelly stated that he has a great deal of concern that some of the money could go to individual nurses as payments. Dean Dreher responded that the faculty practice plan does provide salary incentives for faculty. Faculty receive their base academic salary. If faculty engage in the practice plan they could earn some additional revenue. The revenue would go into the general nursing fund and then be paid out in incentives.

Regent Lande asked if the incentive payout was dollar-for-dollar. Dean Dreher said the payout depends on the kind of project in which faculty would engage. The payout would be negotiated for the faculty and would not be a dollar-for-dollar payout. Some of the revenues would have to go to the college and the department.

Regent Neil asked if there would be eligibility for third-party reimbursement. Dean Dreher stated that Iowa has a pretty liberal nurse practitioner law but that is not the kind of practice being envisioned. The practice would probably be with the hospital.

Regent Turner asked, for faculty members who volunteer to participate in the practice plan, whether time would be taken away from teaching and from the university. Dean Dreher said the practice would not cut into faculty’s teaching time unless, like
researchers, they bought out part of their teaching time. Doing so would provide the revenue to employ someone else to teach those courses.

MOTION: Regent Kelly moved to authorize development of a Faculty Practice Plan for the University of Iowa College of Nursing within the parameters detailed in the docket memorandum (which requires a full report to the Board about the plan and its activities no later than September 2000). Regent Kennedy seconded the motion. MOTION CARRIED UNANIMOUSLY.

President Newlin then asked Board members and institutional officials if there were additional items for discussion pertaining to the University of Iowa. There were none.
IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was transacted on Wednesday and Thursday, July 14-15, 1999.

RATIFICATION OF PERSONNEL TRANSACTIONS. The Board Office recommended the Board approve the personnel transactions at Iowa State University as follows:

Register of Personnel Changes for June 1999, which included six requests for early retirement.

Appointment: Rollin C. Richmond as Provost effective September 15, 1999, at an annual salary of $200,000.

President Jischke called the Board’s attention to the appointment of Rollin C. Richmond as Provost starting September 15, 1999.

MOTION: Regent Smith moved to approve the personnel transactions at Iowa State University, as presented. Regent Turner seconded the motion. MOTION CARRIED UNANIMOUSLY.

PRESENTATION ON LEARNING COMMUNITY INITIATIVES. The Board Office recommended the Board receive the oral presentation on learning community initiatives.

President Jischke stated that one of the most important priorities for Iowa State University is success of the undergraduate program. One measure is whether students stay at Iowa State University and if they graduate. He said 80 percent of Iowa State University freshmen return for the second year. He wishes to increase that number to 90 percent.

President Jischke provided an overview of the learning community initiative. He said students are grouped according to academic interest. Students room together in the residence halls and take many classes together. Retention rates in some cases are at 100 percent. He said this is the first program that he has seen that has shown dramatic improvement in retention rates. Last fall the university had 59 learning community
teams involving over 1,300 students. University officials are expanding the learning community initiative. This fall university officials anticipate having 1,600 freshmen involved in learning communities. There will be learning communities focused on diversity. With regard to learning community initiative resources, he said university officials have invested a very major part of the budget to create a learning environment that really works.

President Jischke introduced the following individuals who are involved in the leadership of the learning communities: Howard Shapiro, Vice Provost, who coordinates the learning communities initiative and Corly Petersen Brooke, Director of the Center for Teaching Excellence. He also introduced Laura Clark, a student involved in a learning community.

Vice Provost Shapiro stated that the 1995-2000 Iowa State University strategic plan goal #1 addresses the undergraduate program. He said the learning community initiative fits right in with that goal. A learning community is people learning together. Learning communities are active. A learning community is a combination of curriculum-based activities, academic services and student support services. Most are first-year experiences although university officials intend to expand the initiative to higher levels. He said learning communities extend learning beyond the classroom and have unifying themes. They build collaboration and active learning. The initiative began in 1995. He described how the program has grown since its inception.

President Newlin asked from where the $144,000 comes for the multi-cultural learning community this budget year. President Jischke responded that the funding comes from reallocation and tuition income.

Regent Fisher asked where the money is spent. Vice Provost Shapiro responded that the expenses are for staff support and activities. Each of the learning communities has a staff coordinator and peer mentors. There are various operating budgets for the communities. There is some support in the Department of Residence to help with the activities.

Regent Turner asked how students become a part of a learning community. Vice Provost Shapiro responded that students self select for admission to the program. There is a big push at orientation. He expects that roughly one-third of incoming students choose to participate in a learning community. University officials do not want to make participation mandatory.

Regent Kelly asked if there is much of a conflict between what students want and what students need. Vice Provost Shapiro responded that the learning communities are built in a sound educational way. Student choices have to do with the theme base of the
team. University officials know what the students need and students have to choose what fits. In their assessment, university officials are looking at which communities work and which do not work.

Regent Turner asked what happens to students after the end of the first year experience in a learning community. Vice Provost Shapiro responded that the student would be connected with their department. The major would be another type of learning community.

Director Brooke stated that she has taught at Iowa State University for 22 years. She enjoys being the Director of the Center for Teaching Excellence. She said the learning communities initiative is one of the most exciting activities with which she has been involved. The initiative is building bridges not just between students but also between faculty and staff. She provided illustrations of the components of a learning community.

President Newlin asked if there are any other large research universities offering learning communities. Vice Provost Shapiro responded affirmatively, noting the Iowa State University officials have performed eight seminars this year regarding learning communities. Many of the Research 1 institutions are beginning to offer such programs.

Director Brooke stated that the Women in Science and Engineering program (WISE) is one living option. There are over 180 freshmen women enrolled in the program. Multiple cohorts have been assessed for 4 years. Retention is about 98 percent.

Ms. Clark stated that she is from Dorchester, Iowa. She anticipates beginning her second year at Iowa State University. Last year she was dreading her first year at Iowa State University. She described how she went from fearing Iowa State University to calling it home. When she arrived on campus she became involved with the WISE learning community. She has met many supportive success-driven friends. She has accepted a job through WISE to be a peer mentor next year.

Regent Turner asked how Ms. Clark decided to become part of the WISE group. Ms. Clark stated that WISE recruits heavily. She received a lot of information in the mail. She found out about the learning team through orientation.

Regent Turner asked if Ms. Clark knows students in other learning teams. Ms. Clark responded affirmatively, stating that other students also have positive thoughts on their learning teams.

President Newlin thanked Ms. Clark for joining the Regents at their meeting.
President Jischke referred to President Newlin’s earlier question regarding other universities’ activities regarding learning communities. He said that while there is lots of interest nationally in learning communities, other universities do not have quite as large an effort or as robust communities. He stated that Vice Provost Shapiro and Director Brooke are putting Iowa State University in a leadership position.

President Newlin asked from where the original concept for learning communities came. President Jischke stated that for the last decade people have been asking questions of how to enhance success of undergraduate students at large research universities. Alan Tinto began to write about this effort as has Larry Ebbers. There is growing recognition that the entire student experience is absolutely key to dealing with enhancing success. He said Ms. Clark was a classic example. Iowa State University officials have begun to tackle the question of how to do this at a large school.

President Newlin asked how many students in the freshman class were anticipated to participate in learning communities. President Jischke said the freshman class would consist of approximately 2,000 students. Easily one-half of the freshman class will sign up for participation in learning communities.

Regent Turner referred to the new initiative for the multicultural learning community. She asked how many minority students are currently involved in learning communities. Vice Provost Shapiro said there were not very many minority students involved in learning communities.

President Jischke stated that university officials have been trying to answer the question of how specifically to increase retention rates of minority students. University officials have identified several initiatives to address the issue. One is the multi-cultural learning communities. Second, university officials have expanded the Carver scholarship program and have put together a group of faculty fellows who will lead a Carver seminar. University officials have invited 35 students to participate in the seminar and no one has turned them down. A third initiative to be implemented a year from now is to try to create a Hixson-like program for minority students built around the IMAGES program.

Regent Turner noted that the issues Ms. Clark talked about regarding freshman fears about coming to a university are the same for minority students.

President Newlin asked that each of the Regents be provided with a copy of Dr. Ebbers’ book regarding learning communities. He thanked university officials for the presentation and congratulated them on their efforts.
ACTION: President Newlin stated the Board received the oral presentation on learning community initiatives, by general consent.
EXECUTIVE SESSION. President Newlin requested that the Board enter into closed session pursuant to the Code of Iowa section 21.5(1)(i) upon the request of an employee whose performance was being considered.

MOTION:  Regent Fisher moved to enter into closed session. Regent Turner seconded the motion, and upon the roll being called, the following voted:

NAY: None.
ABSENT: Ahrens.

MOTION CARRIED.

The Board having voted at least two-thirds majority resolved to meet in closed session beginning at 5:45 p.m. on July 14, 1999, and adjourned therefrom at 7:02 p.m. on that same date.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office recommended the Board approve the Register of Capital Improvement Business Transactions for Iowa State University.

Hilton Coliseum Improvements—1999

Project Summary

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<tr>
<th>Amount</th>
<th>Date</th>
<th>Board Action</th>
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<tbody>
<tr>
<td>Permission to Proceed</td>
<td>July 1999</td>
<td>Requested</td>
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</table>

University officials requested permission to proceed with project planning and the architectural selection process for improvements to Hilton Coliseum. University officials anticipate that the project will address exiting and life safety deficiencies, and the concession and restroom areas of the facility.

Hilton Coliseum was a state-of-the-art facility when it opened in January of 1971. However, the present-day facility requires improvements to increase its functionality and ensure its economic future. The improvements are necessitated by changing demographics and life safety codes, the increasing demand for guest amenities, and the mix of events currently held in the facility. There is a higher ratio of females to males currently attending events at Hilton Coliseum than existed when the facility was constructed, thereby increasing the need for additional women’s restrooms. There is
also the desire among Hilton patrons for new concession offerings. The improvements will increase Hilton Coliseum’s competitiveness with other facilities and promoters, especially in light of current plans for new or renovated facilities in competing markets.

The basis of the proposed project is a feasibility study completed in August of 1996 by the sports facility architectural firm of HNTB of Kansas City, Missouri. The feasibility study identified the goals of a Hilton Coliseum improvement project as follows:

- Position Hilton Coliseum as one of the premier university facilities in the country;
- Become the best venue for students, fans, guests and clients by improving fire safety, accessibility, guest amenities and the overall seating capacity; and
- Position Hilton Coliseum to withstand competition from other facilities in the area, state, and region due to conceptual and/or planned renovations to those competing venues, particularly those located in Des Moines and Omaha.

The consultants surveyed Hilton Coliseum, reviewed previous design studies, and consulted with university and Iowa State Center management staff to explore the various options for meeting the identified goals. The study resulted in a report entitled “Hilton Coliseum – Facility Improvements Concept Plan.” A copy of this study is on file at the Board Office.

The community of Ames did not support an increase in the hotel/motel tax this spring that would have expanded the seating capacity of Hilton Coliseum. Due to the defeat of the proposed increase and the limited funds that are available for the project, not all of the recommended improvements will be incorporated into the proposed project. The highest priority will be given to compliance with current building codes and expansion of restroom facilities. University officials indicated that the project will not address expansion of or improvements to the seating areas of the facility, with the possible exception of life safety improvements (handrails, lighting, etc).

University officials estimate the project budget at approximately $3,500,000. University officials proposed to fund the project with $3,000,000 from Field House (Hilton Coliseum) bond reserves, and $500,000 from flood reimbursements from the Federal Emergency Management Agency (FEMA). The project description and budget will be developed during the planning process and will be presented for Board approval at a future date.

University officials will return to the Board for approval of the selected architectural firm and the negotiated agreement.
College of Business Building

Project Summary

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<th>Amount</th>
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<tbody>
<tr>
<td>Permission to Proceed</td>
<td>July 1999</td>
<td>Requested</td>
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</table>

University officials requested permission to proceed with project planning and the architectural selection process to construct a building to house the College of Business. The facility will consolidate the college’s programs which are currently located in inadequate and dysfunctional space in Carver Hall, as well as the English Office Building, the Engineering Annex, and off-campus space. The project will accommodate the university’s newest and fastest-growing college by providing office, laboratory, and classroom spaces to meet the unique needs of modern business programs.

One of the college’s most pressing needs is for learning spaces designed for programs such as the MBA Program, whose students spend entire Saturdays on campus. These classes often require collaborative settings that are not well accommodated by the existing classrooms designed for one-hour sessions. In addition, these and other regularly scheduled classes often require computer access, video projection facilities, and distance education presentations.

The college is also in need of additional office space. The research programs of the college have grown to the point that graduate students on appointment must share desk space. The crowding also means that some faculty members have to share offices.

The proposed facility will consist of approximately 100,000 gross square feet at an estimated cost of $21,800,000. The Board Office recommendation for FY 2001 capital funding includes $10,300,000 in state infrastructure funds. The remainder of needed funding would be provided from private sources. The project description and budget with source of funds will be developed during the planning process and presented for Board approval at a future date.

University officials indicated that the university has sufficient funds available to finance the initial planning for the project, and that it will not proceed with detailed design development until the project funding is finalized. University officials will return to the Board for approval of the selected architectural firm and the negotiated agreement.
Beardshear Hall Remodeling

Project Summary

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<tr>
<th>Amount</th>
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<th>Board Action</th>
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<tbody>
<tr>
<td>Permission to Proceed</td>
<td>July 1998</td>
<td>Approved</td>
</tr>
<tr>
<td>Project Description and Total Budget</td>
<td>$5,750,507</td>
<td>July 1998</td>
</tr>
<tr>
<td>Architectural Agreement through Schematic Design (Brooks Borg and Skiles)</td>
<td>$80,390</td>
<td>Oct. 1998</td>
</tr>
<tr>
<td>Program Statement</td>
<td>June 1999</td>
<td>Approved</td>
</tr>
<tr>
<td>Schematic Design Architectural Agreement through Construction Services (Brooks Borg and Skiles)</td>
<td>$621,720</td>
<td>July 1999</td>
</tr>
</tbody>
</table>

This project will remodel space in Beardshear Hall to consolidate various student-related functions in one central campus location. The project will also relocate and consolidate other administrative offices within the building, and address building code, accessibility, and life safety deficiencies.

University officials requested approval of the schematic design for the project. Representatives of the university and the project architects were in attendance at the Board meeting to make a presentation of the schematic design for the project.

The Student Answer Center will be developed on the ground level of Beardshear Hall to consolidate various student service units. The Student Help Desk, a major component of the Student Answer Center and the focus of the remodeling project, will be developed in the center of the rotunda. It has been designed to be visible, inviting and accessible from all three major ground level entry points as well as the first floor balcony. The open and highly interactive “public zone” of the Student Help Desk will be surrounded by student service administrative departments which comprise the Student Answer Center. These “semi-public zones,” which will be visually connected to the atrium with new and inviting entry doors, will provide transition areas between the public functions of the Help Desk and the more private functions of the departments, enhancing the operation of the entire floor.

Public zones will be defined for each floor at each stairway landing and immediately adjacent to the central rotunda, where the elevator will be located. Entry into the individual administrative departments will be provided from the public zones. The doors
to the departments will be designed with varying degrees of transparency to encourage openness and maximize visibility.

The office suites on the ground, second and third levels will be reconfigured to meet the space needs of the departments to be relocated on these floors in support of the Student Answer Center. Several new openings will be made through interior walls to facilitate the operation of the departments.

The existing elevator shaft occupying a prominent location near the south side of the central atrium will be removed. A new, fully-accessible elevator will be installed east of the atrium area facing the proposed west vestibule. The relocation of the elevator from the atrium will increase natural light penetration into the ground level and remove visual barriers. The areas around and under the stairs will be designed to encourage student interaction and to accommodate use by student organizations for fund raising activities.

The project will also add three new vestibules at the ground level entrances to better control the effects of outside weather conditions on the interior space. With the exception of this change, the original layout of the building will be maintained.

The remainder of the project will include better distribution of restrooms on other floors, renovation of parts of the atrium (as funding permits), and upgrades to mechanical and electrical systems to meet building codes and modern office demands.

University officials requested approval to proceed with design development, construction documents and construction of the project. University officials also requested approval to enter into an agreement with Brooks Borg and Skiles to provide design development through construction services. The agreement provides for a maximum fee of $621,720, including reimbursables.

Steve Stimmel of Brooks Borg and Skiles discussed the project statement including the individual floor plans, repairs and upgrades, project costs and project schedule.

Regent Kelly referred to the $250,000 cost for roof repairs and stated that the Regent institutions have had quite a time with bad roofs in recent years. Mr. Stimmel stated that much better materials are being used than what was used in the past. The roof material will include a rubber membrane.
Reiman Gardens Conservatory
Source of Funds: ISU Foundation

Project Summary

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<thead>
<tr>
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<th>Amount</th>
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<th>Board Action</th>
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<tbody>
<tr>
<td>Permission to Proceed</td>
<td></td>
<td></td>
<td>Approved</td>
</tr>
<tr>
<td>Project Description and Total Budget</td>
<td>$ 7,835,300</td>
<td>July 1999</td>
<td>Requested</td>
</tr>
<tr>
<td>Architectural Agreement through Schematic Design (Smith Metzger)</td>
<td>$ 739,740</td>
<td>July 1999</td>
<td>Requested</td>
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</tbody>
</table>

This project will construct a facility of approximately 29,000 gross square feet at the Reiman Gardens to include a garden conservatory, greenhouse, auditorium, meeting rooms and office space. University officials requested approval of the project description and budget in the amount of $7,835,300, and approval to enter into an agreement with Architects Smith Metzger to provide design services for the project.

The university received expressions of interest from nine firms to provide the requested services. Three of the firms were selected for interviews with the university’s Architectural Selection Committee in accordance with Board procedures for projects over $1,000,000. Based on the interviews, university officials recommended the selection of Smith Metzger to provide design services. The firm was recommended based on its knowledge of the Reiman Gardens and the expertise of the design team assembled by the firm. University officials requested approval to enter into an agreement with Smith Metzger to provide pre-design through construction phase design services for the project. The agreement provides for a fee of $739,740, including reimbursables.

Following initial planning, the program statement will be presented for Board approval. After the program is approved, the schematic design will be presented to the Board for approval.
The detail of the proposed budget is as follows:

**Preliminary Budget**

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Construction Costs</td>
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<tr>
<td>Professional Fees</td>
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<tr>
<td>Movable Equipment</td>
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<td>Project Contingency</td>
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<td><strong>TOTAL</strong></td>
<td><strong>$7,835,300</strong></td>
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</tbody>
</table>

**Telecommunications—Inside Plant Systems Upgrade**

**Project Summary**

<table>
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<tr>
<th>Amount</th>
<th>Date</th>
<th>Board Action</th>
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<tbody>
<tr>
<td>Project Description and Total Budget</td>
<td>$1,500,000</td>
<td>July 1999</td>
</tr>
</tbody>
</table>

University officials requested approval of a project description and budget to upgrade the communications infrastructure in a number of campus buildings. The project will address various deficiencies such as the location of equipment entrances into the buildings, system security issues, outdated wiring that will not support current technology, and the lack of video and backup power systems.

The university has identified and prioritized the various deficiencies associated with the communications infrastructure for each campus building. The initial project will address 12 campus buildings including the Parks Library, Student Health Center, Coover Hall, Food Science and Olsen Building. The remaining campus buildings have been assigned priority numbers and will be addressed as funding becomes available.

The scope of work at each building will vary from basic improvements such as enclosing the building entrance equipment, to the detailed rebuilding of the telecommunication systems which will require relocation of the entrance equipment and rewiring of the entire building. The work in each building will be handled as a separate project due to the complexities associated with maintaining and coordinating services while the upgrade is in progress.

The project will be funded primarily by available Telecommunications Facilities Revenue Bond funds estimated at $1,000,000. This amount represents the unspent balance of the bonds issued in 1997. The primary use of the bonds was for the
Telecommunications—Outside Plant System Upgrade project to upgrade the main campus network backbone which connects the campus buildings. This project is in the final stages of construction and university officials anticipate completion of the work by the end of the year. The terms of the bond offering also permit the bond proceeds to be used for other telecommunication improvements including upgrade of the communications infrastructure within the campus buildings.

The detail of the proposed budget is as follows:

**Preliminary Budget**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Construction Costs</td>
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<td>Professional Fees</td>
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<td>Project Contingency</td>
<td>42,000</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$1,500,000</strong></td>
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</tbody>
</table>

Source of Funds:
- Telecommunications Facilities Revenue Bonds $1,000,000
- Telecommunications Improvement and Extension Funds 500,000

**TOTAL** $1,500,000

Maple Hall Remodeling and Flood Mitigation

**Project Summary**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Date</th>
<th>Board Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Description and Total Budget</td>
<td>$13,900,000</td>
<td>Nov. 1997</td>
<td>Approved</td>
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<tr>
<td>Engineering Agreement (Rietz Consultants)</td>
<td>$1,054,000</td>
<td>Dec. 1997</td>
<td>Approved</td>
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<tr>
<td>Phase 1 Construction Contract</td>
<td>$10,166,600</td>
<td>June 1998</td>
<td>Approved</td>
</tr>
<tr>
<td>Revised Total Project Budget</td>
<td>$14,905,180</td>
<td>July 1999</td>
<td>Requested</td>
</tr>
</tbody>
</table>

This project will complete structural repairs, modernize and make site improvements at the Maple Hall residence facility (Phase 1), and provide flood mitigation work for the Maple-Willow-Larch residence complex (Phase 2). The initial project budget was funded solely by Residence System Revenue Bonds. University officials requested...
approval of a revised project in the amount of $14,905,180, an increase of $1,005,180, which reflects additional funding for the project and an increase in the project scope.

The university has been awarded a grant from the Iowa Emergency Management Division which will fund 75 percent ($737,180) of the cost of the flood mitigation portion of the project. In addition, the project scope has been increased to include installation of an access control system for Maple Hall. This will allow the facility to be integrated with the campus-wide electronic access system which is in the very early stages of implementation. This component was not included in the initial project budget approved in November 1997 since the system had yet to be bid and therefore the extent of equipment required for Maple Hall could not be determined. The additional cost for the electronic access system is $268,000, which will be funded by Dormitory System Surplus Funds.

The detail of the revised budget is as follows:

Revised Budget

<table>
<thead>
<tr>
<th>Description</th>
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<tbody>
<tr>
<td>Construction Costs</td>
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<td>Professional Fees</td>
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<tr>
<td>Movable Equipment</td>
<td>1,215,000</td>
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<tr>
<td>TOTAL</td>
<td>$14,905,180</td>
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Source of Funds:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residence System Revenue Bonds</td>
<td>$13,900,000</td>
</tr>
<tr>
<td>Iowa Emergency Management Grant</td>
<td>737,180</td>
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<tr>
<td>Dormitory System Surplus Funds</td>
<td>268,000</td>
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<tr>
<td>TOTAL</td>
<td>$14,905,180</td>
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</tbody>
</table>
Utilities—North Campus Extensions
Source of Funds: Utility Repair Funds

Project Summary

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<tr>
<th>Description</th>
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<tr>
<td>Project Description and Total Budget</td>
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<td>July 1998</td>
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<tr>
<td>Engineering Agreement</td>
<td>$44,400</td>
<td>Feb. 1999</td>
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<td>(Farris Engineering)</td>
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<tr>
<td>Mechanical/Electrical Construction</td>
<td>$222,980</td>
<td>June 1999</td>
<td>Approved</td>
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<tr>
<td>Contracts</td>
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<tr>
<td>Revised Total Project Budget</td>
<td>$880,000</td>
<td>July 1999</td>
<td>Requested</td>
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</table>

This project will install electrical system and water main extensions from the west areas of campus to the north campus. The project is necessary to provide sufficient and redundant utility capacity to serve the Library Storage Facility and Administrative Services Office Building.

University officials requested approval of a revised project budget in the amount of $880,000, an increase of $294,664. The revised budget reflects the need to extend additional utilities to the north campus area to serve the Hawthorn Court Development project. This includes the extension of storm and sanitary sewer lines and natural gas lines. In addition, the existing 4,160 volt electrical service will not be adequate to serve the Hawthorn Court area and must be upgraded to a 13,800 volt system. This upgrade will require the installation of an additional substation and replacement of electrical service to the three university buildings located east of the Hawthorn Court Development site.

The detail of the revised budget is as follows:

**Revised Budget**

- Construction Costs: $762,000
- Professional Fees: 118,000

**TOTAL**: $880,000
Union Drive Neighborhood

Project Summary

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<th>Amount</th>
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<tr>
<td>Permission to Proceed</td>
<td>Feb. 1999</td>
<td>Approved</td>
</tr>
<tr>
<td>Architectural Agreement through Schematic Design (Baldwin White Architects)</td>
<td>$1,142,000</td>
<td>July 1999 Requested</td>
</tr>
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</table>

This project will develop the Union Drive Neighborhood which will provide residence facilities on the west campus to accommodate the needs of new undergraduate students. The project includes the possibility of a new Community Center, replacing or renovating the existing food service, potential demolition of portions of Friley and Helser Halls, and the construction of suite-style residence facilities. University officials requested approval to enter into an agreement with Baldwin White Architects to provide pre-design and schematic design services for the project.

The university received expressions of interest from ten design firms to provide the requested services. Five of the firms were selected for interviews with the university's Architectural Selection Committee in accordance with Board procedures for projects over $1,000,000. Based on the interviews, university officials recommended the selection of Baldwin White Architects to provide the design services. The firm was recommended based on its extensive experience, ability, and exuberance to complete the project.

The services to be provided in the proposed agreement include validation of the Department of Residence Master Plan, and development of the building program, conceptual planning alternatives, and schematic design for the total Union Drive Neighborhood complex. The agreement includes the services of specialized consultants in the planning and design of university residential and food service facilities. The agreement provides for a maximum fee of $1,142,000, including reimbursables.
4-H/Extension Building

Project Summary

<table>
<thead>
<tr>
<th>Amount</th>
<th>Date</th>
<th>Board Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permission to Proceed</td>
<td>March 1999</td>
<td>Approved</td>
</tr>
<tr>
<td>Architectural Agreement through Schematic Design (Brooks Borg and Skiles)</td>
<td>$ 55,500</td>
<td>July 1999</td>
</tr>
</tbody>
</table>

This project will construct a facility to house the 4-H Youth Development Program and portions of the ISU Extension Service. The goal of the project is to increase the visibility of both the Extension Service and the 4-H Youth Development Program and generate opportunities for all Iowa youth. University officials requested approval to enter into an agreement with Brooks Borg and Skiles for a maximum fee of $55,500 to provide pre-design and schematic design services for the project.

The university received expressions of interest from 16 design firms to provide the requested services. Five of the firms were selected for interviews with the university’s Architectural Selection Committee in accordance with Board procedures for projects over $1,000,000. Based on the interviews, university officials recommended the selection of Brooks Borg and Skiles to provide the design services. The firm was recommended based on its past experience with university projects, its creative designs with similar projects, and its proposed use of technology during the pre-design and design phases.

Coover Hall—Feasibility Study

Project Summary

<table>
<thead>
<tr>
<th>Amount</th>
<th>Date</th>
<th>Board Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feasibility Study (Smith Metzger)</td>
<td>$127,800</td>
<td>July 1999</td>
</tr>
</tbody>
</table>

University officials requested approval to enter into an agreement with Architects Smith Metzger to conduct a feasibility study for the remodeling of Coover Hall. The study will evaluate the growth potential of the Electrical and Computer Engineering Department of the College of Engineering. In addition, the agreement will develop a master plan to facilitate future remodeling of the building and guide new construction to meet current and anticipated program needs of the department.
The Board Office recommendation for the Five-Year Infrastructure Fund Capital Plan (FY 2001 – FY 2005) included $13,600,000 in FY 2002 for the Coover Hall project.

The agreement was presented for Board approval in accordance with Board procedures, which require Board approval of agreements for feasibility studies which exceed $50,000. The agreement provides for a fee of $127,800, including reimbursables.

* * * * *

Included in the university’s capital register were project budgets under $250,000 which were approved by the university, construction contracts awarded by the Executive Director, the acceptance of completed construction contracts, and final reports. These items were listed in the register prepared by the university.

MOTION: Regent Turner moved to approve the Register of Capital Improvement Business Transactions for Iowa State University. Regent Fisher seconded the motion. MOTION CARRIED UNANIMOUSLY.

APPROVAL OF LEASES AND EASEMENTS. The Board Office recommended the Board approve leases and easements, as presented.

University officials requested approval to enter into a lease agreement as lessor with the U. S. Government for its use of 12 acres of land at the ISU Kelly Farm in Boone County. The land will be leased for a five-year period commencing July 1, 1999 through June 30, 2004. In addition to providing the land, the university will provide the seed, fertilizer and pesticides. In return for the use of the land, the university will receive the crop to sell. The USDA will provide modifications, including the installation of electrical power on the western edge of the site and the installation of field tile for use in groundwater monitoring. The latter will result in a well-tiled tract of land; the tile will remain after the lease agreement ends.

The Iowa Great Lakes Sanitary District is upgrading its system. A portion of the new underground sanitary sewer line will cross Iowa Lakeside Lab property. Approval was requested to enter into an easement agreement with the district for the land for this new underground line. The easement requires the district to reimburse Lakeside Lab for loss of income based on the total crop area disturbed, as well as income from the remaining undisturbed crop area. The agreement also requires the district to prepare the disturbed area for the planting of native prairie grasses at the conclusion of the project, and to compensate Lakeside Lab for the cost of reestablishing vegetative cover.
on the disturbed area to an appropriate native prairie grass mix. The easement agreement requires approval of the Executive Council of Iowa.

MOTION: Regent Kennedy moved to approve leases and easements, as presented. Regent Turner seconded the motion, and upon the roll being called, the following voted:
NAY: None.
ABSENT: None.

MOTION CARRIED.

President Newlin then asked Board members and institutional officials if there were additional items for discussion pertaining to Iowa State University.

President Newlin thanked Iowa State University officials for their hospitality in hosting this meeting.
The following business pertaining to the University of Northern Iowa was transacted on

RATIFICATION OF PERSONNEL TRANSACTIONS. The Board Office recommended
the Board ratify personnel transactions, as follows:


Appointment: Carol Bodensteiner, two-year term appointment as Special
Assistant to the President for Marketing, effective September 1, 1999, at an
annual salary of $75,000 for part-time services (eighty hours per month) with
renewability dependent on future organizational structure.

Change of Status: Bill Calhoun, from Interim Vice President for Advancement to
Vice President for Advancement, for a two-year term (with renewability
dependent on future organizational structure) effective July 1, 1999, at a salary
rate of $120,000.

Appointment: Nick Bambach as Director of Human Resource Services and
Resident Director effective June 28, 1999, at an annual salary of $80,000.

President Koob stated that university officials had restructured the Vice President for
Advancement position to the first two positions listed. He noted that he had made a
verbal offer and received a verbal acceptance for the position of Vice President for
Education and Student Services.

Regent Smith referred to the position of Director of Human Resource Services and
Resident Director and asked if that was always one position. President Koob
responded affirmatively.
MOTION: Regent Fisher moved to ratify personnel transactions, as presented. Regent Kelly seconded the motion. MOTION CARRIED UNANIMOUSLY.

POST-AUDIT REVIEWS. The Board Office recommended the Board (1) receive the reports and (2) refer the reports to the Board Office and the Interinstitutional Committee on Educational Coordination for review and recommendation.

Regents policy (Procedural Guide Section 6.07) requires that a post-audit report be prepared for each new program five years after initial approval by the Board to (1) assess the program's progress during the five-year time period and to (2) ensure that the program is meeting original expectations. The programs were presented for approval to the Board in 1994. The descriptions of the specific programs indicate to what extent they have met their original stated purposes, the accuracy of enrollment projections, employment patterns, and accuracy of expenditure projections for faculty, staff, and equipment.

Post-audit reports were received for the following programs: Bachelor of Music in Composition Theory; Master of Music in Jazz Pedagogy; and Bachelor of Science in Computer Science. The reports will be reviewed by the Interinstitutional Committee on Educational Coordination (ICEC) and the Board Office; the results will be reported next month.

ACTION: This matter was referred on the consent docket.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office recommended the Board approve the Register of Capital Improvement Business Transactions for the University of Northern Iowa.

The University of Northern Iowa capital register consisted of items for Board ratification. This included a project budget under $250,000 which was approved by the university, and a construction contract which was awarded by the Executive Director. These items were listed in the register prepared by the university.

MOTION: Regent Smith moved to approve the Register of Capital Improvement Business Transactions for the University of Northern Iowa, as presented. Regent Turner seconded the motion. MOTION CARRIED UNANIMOUSLY.
APPROVAL OF LEASES AND EASEMENTS. The Board Office recommended the Board approve leases and easements, as presented.

University officials requested approval to enter into a General Settlement and Easement Agreement with U. S. West Communications. The agreement will document university ownership of telecommunications cable installed by U. S. West, and provide payment by the university for the use of conduit space and installation of the cable. In addition, the agreement will provide an easement to U. S. West for the maintenance of telecommunications lines owned by the utility. The agreement will also document the transfer of ownership of certain telecommunications cable and conduit to the university, and the existence of a U. S. West right-of-way on university property.

Approximately two years ago, U. S. West undertook a project to install replacement telecommunications cable to serve the university. This was done to “decontaminate” or separate the university service from the existing U. S. West cable, which had provided service to both parties. The new cable installed for the university service is the property of the university. The proposed agreement will document ownership of the telecommunications cable by each party, and provide for the university to rent the conduit space which houses its cable for a 99-year period. The agreement requires the university to pay a one-time fee of $15,000, which represents the university’s cost for rental of the conduit space and decontamination of the cable. University officials believe this is a reasonable fee for the service.

U. S. West has also installed a new cable entrance to Gilchrist Hall to support the installation of a new telecommunications system by the university. This cable is owned by U. S. West, and the proposed agreement will provide an easement to the utility for maintenance of the cable. The easement will be in effect for a 99-year period.

The proposed agreement will also document transactions between the two parties which took place in previous years but for which no official record exists. This includes the transfer of ownership to the university of buried cable and conduit at two campus locations which provide university service only. In addition, the agreement will provide documentation of a U. S. West right-of-way for a portion of 27th Street located on university property.

The easement agreement requires approval of the Executive Council of Iowa.

University officials requested approval of an amendment to its lease with Iowa Wireless Services which was approved by the Board in September 1998. The lease agreement provides for the construction and maintenance of a microwave relay tower and antenna facilities on a 5,625 square foot tract of land on the University of Northern Iowa campus.
The amendment is required to adjust the tract of land leased to Iowa Wireless. At the May Board meeting, the university received approval to sell 2.07 acres of right-of-way to the City of Cedar Falls for the reconstruction of a portion of 27th Street on the University of Northern Iowa campus. The right-of-way requires 20 feet of the southern border of the parcel leased to Iowa Wireless. The amendment will remove 20 feet from the southern border, and add the same amount to the northern border of the parcel.

All other terms of the existing agreement will remain in effect.

MOTION: Regent Kennedy moved to approve leases and easements, as presented. Regent Turner seconded the motion, and upon the roll being called, the following voted:

NAY: None.
ABSENT: None.

MOTION CARRIED.

President Newlin then asked Board members and institutional officials if there were additional items for discussion pertaining to the University of Northern Iowa.

Vice President Conner presented the following supplemental docket item for Board consideration:

GENERAL EDUCATION FUND REVISED INCOME AND EXPENSE BUDGET, FY 1999. University officials requested the Board approve the revised FY 1999 income and expenditure budget for the University of Northern Iowa.

Revenue recorded during the last two months of the fiscal year exceeded earlier revenue projections. Tuition and fees collected exceeded earlier estimates primarily because of unexpected collections of tuition and fees billed in prior years. Previous estimated revenue from reimbursed indirect costs and grant revenue was understated. This additional revenue was being applied toward administrative software purchased and received in FY 1999.

Vice President Conner stated that university officials usually bring budget ceiling adjustments to the Board in May. However, the above-noted revenue additions were
unknown at that time. University officials requested approval of a $350,000 budget ceiling adjustment.

Director Elliott stated that the Board Office reviewed and discussed the budget ceiling adjustment with university officials. The Board Office recommended approval of the university’s request.

MOTION: 

Regent Fisher moved to approve the revised FY 1999 income and expenditure budget for the University of Northern Iowa, as presented. Regent Kennedy seconded the motion. MOTION CARRIED UNANIMOUSLY.
The following business pertaining to the Iowa School for the Deaf was transacted on Wednesday and Thursday, July 14-15, 1999.

**RATIFICATION OF PERSONNEL TRANSACTIONS.** The Board Office reported that the Register of Personnel Changes had not been received and would be reported in September.

**REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS.** The Board Office recommended the Board (1) receive the report by Superintendent Johnson on the Recreation Complex project and (2) approve the Register of Capital Improvement Business Transactions for the Iowa School for the Deaf.

**Utility Tunnel Reconstruction**  
Source of Funds: FY 2000 Capital Appropriations

**Project Summary**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Date</th>
<th>Board Action</th>
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<tr>
<td>Project Description and Budget</td>
<td>$125,000</td>
<td>July 1999</td>
<td>Requested</td>
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This project will reconstruct approximately 250 feet of the main campus utility tunnel that serves the girls dormitory and the high school. The project is a continuation of the work begun in FY 1999 which addressed the tunnel areas from the power plant to the elementary school and administration building. The project will be coordinated through Iowa State University.

Superintendent Johnson stated that in May the Board had asked school officials to do the project in a single project. It has been moved into a single project that would include the gym, classrooms, community rooms, swimming pool and a walking track. The restroom and exit issues that were raised have been addressed. One issue that can be addressed later relates to the location of the pool. The pool needs to be turned because individuals entering the pool area enter at the deep end of the pool.
Superintendent Johnson referred to revised drawings which included the pool that he assumed had been mailed earlier to the Regents. President Newlin stated that the Regents had not received the drawings and it was his understanding that they would not be sent.

Superintendent Johnson stated that there was a question concerning whether the swimming pool can be done before the gym. The answer was no, the gym needs to be done first. The pool can be an alternate. Superintendent Johnson said the total estimated cost including the pool is $8.8 million to $9 million. With regard to funding, he said the state has appropriated $3,260,000. The school has commitments or has received approximately $1,600,000. In May, school officials discussed reallocation of approximately $740,000. He requested Board consideration to utilize approximately $1 million of Nebraska tuition moneys over the next couple of years. If all of those revenues are accomplished, the school would have approximately $6.6 million. He said that amount was well on the way toward the total project budget. School officials are very confident that they will get there. Late-September and early-October is a critical time for a couple of big donations.

At the September Board meeting, Superintendent Johnson will provide the Regents with an update on the private fund raising.

President Newlin cautioned that school officials were still going to find a lot of resistance. He said Superintendent Johnson sold this project to the Regents on having the pool in the project. The pool ought to be in the project.

Superintendent Johnson said the pool was included. President Newlin said it was not included in the initial project as presented to the Board.

Superintendent Johnson said the pool is included in the project budget of $8.8 million. The additional cost is to be raised privately.

President Newlin said the Regents need to discuss this matter in September.

Regent Kelly said he was so pleased with the way things are working out with the state of Nebraska. He thought it would be great to use $1 million of the Nebraska money for this project. Was there any legal problem with doing that?

Executive Director Stork stated the Board Office was in the process of looking at that issue, and was working with Superintendent Johnson.
IOWA SCHOOL FOR THE DEAF
July 14-15, 1999

MOTION: Regent Neil moved to (1) receive the report by Superintendent Johnson on the Recreation Complex project and (2) approve the Register of Capital Improvement Business Transactions for the Iowa School for the Deaf, as presented. Regent Kennedy seconded the motion. MOTION CARRIED UNANIMOUSLY.

Regent Neil asked for the cost of the project minus the pool. Superintendent Johnson said the pool was estimated at $2 million.

APPROVAL OF LEASE. The Board Office recommended the Board approve the lease, as presented.

Iowa School for the Deaf officials requested approval to renew its lease as lessor with Iowa Western Community College for its use of 800 square feet of space located in Room C of the Careers Building on the Iowa School for the Deaf campus. The lease will be renewed at the rate of $800 per month ($12 per square foot, $9,600 per year) for a one-year period commencing September 1, 1999, through August 31, 2000. The proposed lease rate is the same rate paid under the current agreement.

MOTION: Regent Kennedy moved to approve the lease, as presented. Regent Turner seconded the motion, and upon the roll being called, the following voted:
NAY: None.
ABSENT: None.

MOTION CARRIED.

AEA LEASE AGREEMENT. The Board Office recommended the Board approve a five-year agreement between Iowa School for the Deaf and Area Education Agency 13 for educational and other professional services, and office space and services.

Area Education Agency 13 (AEA) and Iowa School for the Deaf (ISD) have had an agreement for more than a decade through which ISD provides office space to the AEA and some professional and educational services to deaf students in the AEA. The AEA provides educational physical and occupational therapy for the student population at ISD and provides media and educational services (as it does to local education agencies). The AEA pays ISD rent through in-kind services (professional staff) and
pays for internet access fees and telephone services. ISD pays a portion of the cost of professional staff and services provided by the AEA. The entities seek to modify their current five-year agreement and to extend it for another five-year period.

The Board Office consulted with the counsel for AEA in addressing some of the issues in this arrangement and consulted with Special Assistant Attorney General Diane Stahle, who believes the agreement, as modified through consultation, is satisfactory.

Regent Turner noted that in the past the payment has been yearly and has been at $6/square foot. Is the new agreement acceptable?

Superintendent Johnson said the $6/square foot was merely to put a value on it. The two organizations have exchanged services.

MOTION: Regent Smith moved to approve a five-year agreement between Iowa School for the Deaf and Area Education Agency 13 for educational and other professional services, and office space and services. Regent Kelly seconded the motion. MOTION CARRIED UNANIMOUSLY.

President Newlin then asked Board members and institutional officials if there were additional items for discussion pertaining to the Iowa School for the Deaf. There were none.
IOWA BRAILLE AND SIGHT SAVING SCHOOL

The following business pertaining to Iowa Braille and Sight Saving School was transacted on Wednesday and Thursday, July 14-15, 1999.

RATIFICATION OF PERSONNEL TRANSACTIONS. The Board Office reported that the Register of Personnel Changes had not been received and would be reported in September.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office recommended the Board approve the Register of Capital Improvement Business Transactions for the Iowa Braille and Sight Saving School.

Replacement of the Old Main Building Roof

Project Summary

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
<th>Date</th>
<th>Board Action</th>
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</thead>
<tbody>
<tr>
<td>Revised Project Budget</td>
<td>$ 472,650</td>
<td>June 1999</td>
<td>Approved *</td>
</tr>
<tr>
<td>Award of Construction Contract</td>
<td>$ 411,000</td>
<td>June 1999</td>
<td>Approved *</td>
</tr>
<tr>
<td>(Modern Builders)</td>
<td></td>
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</tbody>
</table>

* Approved by Executive Director

Three bids were received by Iowa State University on behalf of the Iowa Braille and Sight Saving School for this construction contract on June 15, 1999. The low base bid submitted by Modern Builders of Waverly, Iowa, in the amount of $239,000, was approximately 2.4 percent below the engineer's estimate of $245,000. School officials requested approval to award the construction contract for the base bid plus Alternates #1 and #3, which will provide for the installation of a copper roof and removal of the existing roofing material. The copper roof was requested since it will provide a long, maintenance-free life, which makes this the most life-cycle, cost-effective roofing alternative. The removal of the existing roofing material was requested for a number of reasons, including the opportunity to remove asbestos from this area of the building.

Following the bid opening, school officials entered into negotiations with the low bidder in an effort to reduce the total cost of the two alternates. The negotiations resulted in a reduction of $38,500 in the cost of the alternates. However, since the proposed
contract award of $411,000 still exceeded the initial project budget of $335,000, school officials requested Executive Director approval of a revised project budget to allow award of the negotiated construction contract. The revised budget, which includes contingency funds and construction supervision and inspection, totals $472,650. The revised budget and contract award were approved by the Executive Director on June 30, 1999.

The original and revised source of funds for the project are as follows:

<table>
<thead>
<tr>
<th>Source of Funds</th>
<th>Original</th>
<th>Revised</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred Maintenance/Building Repair Funds</td>
<td>$187,500</td>
<td>$250,150</td>
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<tr>
<td>FY 2000 Capital Appropriation</td>
<td>140,000</td>
<td>140,000</td>
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<tr>
<td>Unrestricted Endowment Funds</td>
<td>0</td>
<td>75,000</td>
</tr>
<tr>
<td>Roof Settlement Proceeds *</td>
<td>7,500</td>
<td>7,500</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$335,000</strong></td>
<td><strong>$472,650</strong></td>
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</table>

* Amount received from Georgia-Pacific, manufacturer of current roofing material, as settlement of claim

MOTION: Regent Turner moved to approve the capital register for the Iowa Braille and Sight Saving School, as presented. Regent Fisher seconded the motion. MOTION CARRIED UNANIMOUSLY.

President Newlin then asked Board members and institutional officials if there were additional items for discussion pertaining to the Iowa Braille and Sight Saving School. There were none.

**ADJOURNMENT.**

The meeting of the Board of Regents, State of Iowa, adjourned at 10:31 a.m. on Thursday, July 15, 1999.

____________________________
Frank J. Stork
Executive Director