

The Board of Regents, State of Iowa, met on Tuesday, Wednesday and Thursday, May 15, 16, and 17, 2001, at the Iowa School for the Deaf, Council Bluffs, Iowa. The following were in attendance:

| | <u>May 15</u> | <u>May 16</u> | <u>May 17</u> |
|--|---------------|---------------|---------------|
| <u>Members of Board of Regents, State of Iowa</u> | | | |
| Mr. Newlin, President | All sessions | All sessions | All sessions |
| Ms. Ahrens | All sessions | All session | All sessions |
| Dr. Arbisser | Excused | All sessions | All sessions |
| Dr. Becker | Excused | All sessions | All sessions |
| Mr. Fisher | All sessions | All sessions | All sessions |
| Dr. Kelly | All sessions | All sessions | All sessions |
| Mr. Neil | All sessions | All sessions | All sessions |
| Ms. Nieland | All sessions | All sessions | All sessions |
| Dr. Turner | All sessions | All sessions | All sessions |
| <u>Office of the Board of Regents, State of Iowa</u> | | | |
| Executive Director Stork | All sessions | All sessions | All sessions |
| Deputy Executive Director Barak | Excused | All sessions | All sessions |
| Director Elliott | Excused | All sessions | All sessions |
| Director Wright | All sessions | All sessions | All sessions |
| Associate Director Brunson | All sessions | Excused | Excused |
| Associate Director Hendrickson | Excused | All sessions | All sessions |
| Associate Director Kniker | Excused | All sessions | All sessions |
| Associate Director Racki | Excused | All sessions | All sessions |
| Assistant Director Gonzalez | Excused | All sessions | Excused |
| Assistant Director Stratton | All sessions | All sessions | All sessions |
| Minutes Secretary Briggie | All sessions | All sessions | All sessions |
| <u>State University of Iowa</u> | | | |
| President Coleman | Excused | All sessions | All sessions |
| Provost Whitmore | Excused | All sessions | Excused |
| Vice President True | Excused | All sessions | All sessions |
| Director Howell | Excused | Excused | All sessions |
| Associate Director Braun | Excused | All sessions | Excused |
| <u>Iowa State University</u> | | | |
| President Seagrave | Excused | All sessions | Excused |
| Provost Richmond | Excused | All sessions | Excused |
| Vice President Madden | Excused | All sessions | Excused |
| Executive Assistant to President Dobbs | Excused | All sessions | Excused |
| Director Bradley | Excused | All sessions | Excused |
| Director McCarroll | Excused | All sessions | Excused |
| Director Steinke | Excused | All sessions | Excused |
| Associate Director Baumert | Excused | All sessions | Excused |
| <u>University of Northern Iowa</u> | | | |
| President Koob | Excused | All sessions | Excused |
| Associate Vice President Koch | Excused | All sessions | Excused |
| Vice President Romano | Excused | All sessions | Excused |
| Interim Vice President Dell | Excused | All sessions | Excused |
| Assistant Director Saunders | Excused | All sessions | Excused |
| <u>Iowa School for the Deaf</u> | | | |
| Superintendent Johnson | All sessions | All sessions | All sessions |
| Director Heuer | Excused | All sessions | Excused |
| <u>Iowa Braille and Sight Saving School</u> | | | |
| Superintendent Thurman | All sessions | All sessions | Excused |
| Director Hooley | All sessions | All sessions | Excused |
| Director Utsinger | All sessions | All sessions | Excused |

GENERAL

The following business pertaining to general or miscellaneous business was transacted on Tuesday, Wednesday and Thursday, May 15 through 17, 2001.

President Newlin welcomed everyone to the May meeting of the Board of Regents, State of Iowa. He then introduced Sue Nieland, newly-appointed member of the Board of Regents. Regent Nieland received applause. Regents Arbisser and Becker were attending their first meeting as members of the Board of Regents, although they had been in attendance at last month's meeting. President Newlin said the Board of Regents members looked forward to the newly-appointed members' participation.

APPROVAL OF MINUTES OF BOARD MEETING OF APRIL 18-19, 2001.

President Newlin asked for additions or corrections to the minutes.

MOTION: Regent Fisher moved to approve the minutes of the April 18-19, 2001, meeting, as written. Regent Ahrens seconded the motion. MOTION CARRIED UNANIMOUSLY.

CONSENT ITEMS.

Approve the institutional personnel transactions;

Approve the Board meetings schedule;

Approve the University of Northern Iowa proposed holidays for calendar year 2003;

Approve the University of Iowa academic year and summer session calendars for 2001-2002 through 2005-2006; and

Refer the University of Iowa proposal to change the name of the Division of Planning, Policy and Leadership Studies to the Division of Educational Policy and

Leadership Studies in the College of Education to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

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

**INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION. (a)
Change Name of the Iowa Institute of Hydraulic Research to IIHR – Hydroscience and Engineering, University of Iowa.**

Provost Whitmore presented the recommendation on behalf of the Interinstitutional Committee on Educational Coordination.

Regent Turner asked for clarification of the wording of the name change. Provost Whitmore responded that the acronym IIHR would be retained and the words “Hydroscience and Engineering” added. The intent was to keep the former name and add the new wording.

Regent Fisher requested that, at some time when the Board of Regents visits the University of Iowa campus, the members receive a tour of the facilities.

MOTION: Regent Fisher moved to approve the University of Iowa proposal to change the name of the Iowa Institute of Hydraulic Research to IIHR – Hydroscience and Engineering. Regent Neil seconded the motion. MOTION CARRIED UNANIMOUSLY.

Provost Whitmore noted that University officials were renovating the original IIHR building. Within the building is a large room which is likely the coldest room one would enter in one’s life.

Regent Fisher stated that much of activity of this institute is supported by private industry.

President Newlin asked if the name change would affect students. Dean Butler responded that it was his belief that the name change would affect students in a positive sense. The College of Engineering recruits students from all over the world. The name “hydraulics” turned some students off. The new name will be attractive to the graduate student population.

President Newlin asked if the name change would provide additional opportunities to receive grant money. Dean Butler said the name change reflects what is happening in this field. He speculated that the name change would increase the receipt of grant funds.

REPORT ON MEETING OF THE IOWA COORDINATING COUNCIL FOR POST-HIGH SCHOOL EDUCATION.

President Koob reported on the meeting. He said the Council performed the routine passage of programs as listed in the meeting materials. There was discussion about the possibilities associated with distance education using the Web and other activities. He noted, for the newly-appointed Board members, that the Council has a new program approval process whereby proposed programs are posted to a list server. Council members have 15 days in which to respond with objections; otherwise, a new program is automatically accepted in 45 days.

Regent Turner asked about the status of the ISEEK program as described by Iowa State University Professor Duin at a previous Board of Regents meeting. President Koob responded that Professor Duin provided the same proposal to the Coordinating Council as was presented to the Board of Regents. The Council's executive committee will take up the matter to determine whether there is a role for the Coordinating Council in the effort. He said it was unclear in Iowa what is the vested interest in distance education and how that could come together without a significant directive.

President Newlin asked for the status of the Higher Education Center in Des Moines. President Koob said the initial year has gone well and the objectives have been met. Discussions are ongoing about the development of new programs. There is optimism about the new facility to be built as part of the new Gateway West project. Approximately one-half of the funds have already been raised.

President Newlin asked how many students were served this fall through the Higher Education Center. President Koob said he thought there were about 780 students served.

President Newlin said it was his recollection that there were approximately 100 students served last fall at the Des Moines site and 300 served this spring.

Regent Fisher stated that at a recent meeting of the Greater Des Moines Committee, he was provided with information about the funding that has been allocated for the Learning Center in line with all of the other city projects. He said the Learning Center was at the top of the list.

President Koob stated that the new facility for the Des Moines Higher Education Center has also been made part of the Vision Iowa program. He noted that the City of Des Moines has been most accommodating.

Regent Fisher said there is a \$500 million new project in downtown Des Moines, of which the Learning Center will be a very important part. The Des Moines Science Center is also moving downtown and a new library will be created. There will be many synergies which will be wonderful for Iowa.

President Koob noted that DMACC and the University of Northern Iowa are cooperating to initiate a 2+2 program in business at the Carroll community college site. A letter of intent has been signed.

President Newlin congratulated University of Northern Iowa officials on the collaboration with DMACC and thanked them for the collaboration activities with all 15 of Iowa's community colleges.

ACTION: President Newlin stated the Board received the report on the May 3, 2001, meeting of the Iowa Coordinating Council for Post-High School Education, by general consent.

REPORT ON LEGISLATIVE SESSION.

Executive Director Stork stated that the legislature completed its session on May 8. The Governor has 30 days in which to sign or veto bills, most of which involve appropriations and possible line item vetoes. The legislature will likely return for a special session for redistricting purposes. With respect to Regent operating appropriations, as contained in SF 535, he said the numbers remained the same as were presented at the April Board of Regents meeting. He distributed to Board members a spreadsheet which compared legislative final action with the Governor's revised recommendations. The legislature reduced Regent appropriations by an additional \$2 million from the Governor's revised recommendations. The largest portion of this reduction was new funding for the Plant Sciences Institute at Iowa State University. The legislature terminated funding of approximately \$285,000 for the Iowa Center for Agricultural Safety and Health at the University of Iowa. The legislature reallocated funds back into the general operating budgets for the three universities. The two special schools received the same approximate 6 percent reduction in operating appropriations as was proposed by the Governor. The Regents experienced a total reduction in appropriations of \$42 million.

With regard to capital appropriations, Executive Director Stork said one area of very good news was the appropriation of \$40.5 million in new capital funding which will be

cash-flowed over three years. There was a belief that the legislative funding commitment was firm.

Executive Director Stork stated that full funding of salaries from state appropriations was the Board of Regents' top priority. The Governor recommended a salary appropriation of \$91 million for full funding of salaries across state government. The legislature recommended just over \$71 million for total salary packages including health insurance increases. It was not known what the Regents' allocation of salary funds would be. The allocation decision will be made by the Governor and the Department of Management. One item that should be helpful to the Regents in the allocation process is that the legislature, with the Governor's strong assistance, included language requested by the Regents which includes tuition-funded positions in the calculation for salary funds. He said the Board members may recall that last year the legislature indirectly spent the tuition money for salary increases. That will not happen this year because of the language that was placed in the bill.

Regent Fisher asked what percentage of the total state salary costs was represented by Regent salaries. Executive Director Stork responded that the Regent salaries were about one-half of the total state salary costs.

Regent Fisher asked if the Regent salary appropriation could be less than the amount needed, due to the reduction in total salary appropriation by the legislature. Executive Director Stork said the Governor's top commitment is full funding of salaries and the Governor has the authority to allocate the appropriations across state government. He noted that some state agencies will be laying off personnel and not filling positions as a result of reductions in operating budgets. Those layoffs and vacancies would decrease the need for new salary dollars to those agencies.

Regent Turner asked if the amount of increase in health insurance premiums was known. Executive Director Stork said the Board Office is working with institutional officials to provide an estimate.

Regent Fisher said he expected the rate of increase in health insurance premiums would be 15 to 18 percent. Executive Director Stork said state government expected increases of 12 to 18 percent.

ACTION: President Newlin stated the Board received the report on the 2001 legislative session, by general consent.

ANNUAL REPORT ON REGIONAL STUDY CENTERS.

Assistant Director Gonzalez provided the Board members with a summary of the information that was provided for the report on regional study centers included the history of the three centers and the current enrollment.

Assistant Director Gonzalez stated that Quad-Cities Graduate Study Center Director Laws was unable to be in attendance for medical reasons. She read a few comments which had been provided by Director Laws for the Board. Enrollment has grown from 4,800 in 1994-95 to over 10,000 this year. In fact, there was nearly a 12 percent increase in enrollment in the last year. Contributory factors to the growth in enrollment included an increase in financial support from the state of Iowa, response of the Regent universities and Iowa's private universities to student demand, and active participation of campus representatives on the Graduate Center's governing board.

Regent Becker noted that there were no study centers in north central or south central Iowa. She asked if any consideration was being given to collaborative development of study centers in those two areas of the state.

Assistant Director Gonzalez stated that, while there are no formal study centers in those areas of the state, the programmatic offerings of the universities extend to all 99 of Iowa's counties. Citizens have an opportunity to take advantage of the offerings.

Regent Becker asked how the study centers got started. Assistant Director Gonzalez responded that the two graduate centers began as initiatives from business and industry. While distance education is one of the prevalent delivery formats, the face-to-face program offerings have greater enrollment. To meet the demand for face-to-face instruction, the graduate study centers were developed. She noted that each of the institutions has a department that works closely with the individual sites as well as business and industry to develop and deliver education.

President Newlin asked that the directors of the two centers who were present answer the questions which had been asked, and make any other comments they wished to make.

Dr. Barteck, Tri-State Graduate Study Center, asked to first note that Joan Kammerer, Assistant Director of the Center, was training her fifth director. She then reviewed the information that was provided for the Tri-State Graduate Study Center's annual report. Total student headcount enrollment for FY 2001 was 2,652, which was an increase of 542 students over FY 2000 enrollment. The increase resulted primarily from additional education offerings by the University of Northern Iowa and Wayne State College. Iowans accounted for 47.6 percent of the enrollments. The total enrollment, which

includes professional development courses offered by AEA 4 and AEA 12, was 4,247 during 2000-2001; this represented a decrease of 482 students from the prior year. The Tri-State Graduate Center added five degree programs and two certificate programs to its offerings during 2000-2001. One new degree program and one new certificate program were from Regent universities. She noted that the availability of the Internet and, particularly, the Iowa Communications Network has been very important to the Graduate Center. For example, many of the Master of Social Work classes offered from the University of Iowa are over the Internet and many of the courses offered by the University of Northern Iowa are over the Iowa Communications Network.

Regent Neil asked what is the biggest challenge in course offerings. Dr. Barteck said the biggest challenge was trying to determine what course offerings are desired by citizens in the area. Matching up what people are interested in with what the universities can provide is also challenging.

Regent Turner asked who makes the decisions as to what programs to add. Also, as programs are added, are others removed?

Dr. Barteck responded that the institutions determine the course offerings. Often, an institution will test market a course. At the Center's board of directors meetings, each institution's representative will say what programs the institution is considering offering. Other institutions are provided an opportunity to comment.

Director Barteck referred to the earlier question of how the Graduate Centers began. She said the Tri-State Graduate Study Center was a result of the Siouxland initiative to attract new businesses at a time when Siouxland was recovering from an economic depression. Business leaders thought it would be helpful to be able to tell companies that their employees could receive graduate degrees in the area. The chambers of commerce were very supportive of the Center. Development of the Center was strictly an economic initiative. She noted that the South Dakota Board of Regents is interested in participating in the Center from a Regental level.

President Newlin congratulated Dr. Barteck on her new assignment as Director of the Tri-State Graduate Study Center.

Director Trachta of the Southwest Iowa Regent Resource Center reviewed the information that was provided for the Center's annual report. She said the Center was established to provide citizens in southwest Iowa with an opportunity to receive access to services provided by the Regent universities. Enrollment for FY 2001 totaled 467, which was a decrease of 61 students from the enrollment reported in FY 2000. This was the second year of enrollment decreases at the Center. The Southwest Iowa Regents Resource Center offers a variety of programming; unlike the other two centers,

however, the Resource Center offers baccalaureate programs in addition to graduate and certificate programs. During 2000-2001, the Resource Center added four new degree programs and six new certificate or endorsement programs. The Regent universities offer all of the programs. She said the Center will assist with the Bachelor of Liberal Studies initiative.

Regent Fisher referred to the enrollment decreasing since 1999 and said he was surprised that enrollment was not larger. Director Trachta stated that the enrollment decrease was due to the completion of two large cohorts from University of Northern Iowa programs. She said most of the Center's programs are delivered via distance education which results in serving a smaller number of students but also providing greater access.

Regent Fisher asked if Nebraska residents pay the same tuition as that of Iowa residents. Director Trachta responded that Nebraska residents pay the same tuition for the courses that are offered as distance education units. She said the Center's promotional efforts are focused toward Iowa constituents.

Regent Fisher asked about the Center's overall budget. Director Trachta responded that the budget was \$148,000, of which \$117,000 is from state appropriations.

Regent Neil asked what is the Center's biggest challenge. Director Trachta responded that matching student need with the universities' ability to deliver a particular program was her biggest challenge. She noted that there was great interest in business and computer programs, but the Center has no offerings in that area.

Regent Turner asked if there was any data available on the diversity of students of the Center. Director Trachta said she did not have the data from the institutions. She noted that there was an interest in providing opportunities such as in Latino cultural communications from Iowa State University.

Associate Director Gonzalez responded that diversity data was not available but the Board Office is moving toward trying to segregate the numbers as is done for the general enrollment data. A meeting is scheduled with registrars, at which this matter will be one of the topics for discussion for next year's report.

Regent Turner said she would like to see that data.

President Newlin noted that Director Trachta had identified three concerns related to operation of the Center in the materials provided for this meeting. He asked that she address those concerns.

Director Trachta said the first concern is that the Center is limited in its ability to use video conferencing, due to the speed that is required (56K frame relay). There is interest in installing video conferencing equipment in the Center's computer lab and options to increase the speed need to be explored. She said there is a need to explore options for delivery. A second concern is expansion of programming beyond the field of education. Business courses and programs at the undergraduate and graduate level are frequently requested. Third, budget limitations and increasing costs will curtail some marketing and advertising activities and necessitate continued exploration of other mechanisms for program promotion. There is a continuing challenge to get out the Center's message. Partnering is done with other agencies such as the Area Education Agency, Iowa Western Community College, and the Chambers of Commerce. She will continue to look at ways to market the Center's programs more effectively.

President Newlin asked about the Center's space in Careers Center at Iowa School for the Deaf (the building in which the Board of Regents meeting was taking place).

Director Trachta stated that, in addition to the office space, there is a classroom area for on-site program offerings and meetings. The Center also has access to the School's two Iowa Communications Network classrooms and, in fact, manages the two classrooms for the schools.

Regent Neil asked about the benefit to the institutions of the Center and the concern about the 56K frame relay. President Coleman said the Center does not have the infrastructure for the 56K frame relay. In terms of the benefit to the University of the Center, she said the Center allows the University to extend its programs. Program offerings are dependent on a critical mass, cost, and resources.

Regent Turner asked who at the university level coordinates the offerings with the Centers. President Coleman said the coordinating is usually through the office of continuing education.

President Seagrave referred to Iowa State University's graduate offerings around the state, and said those offerings tend to follow the demand and where the students are the most concentrated. The benefit of the Centers is that they allow the University to extend its offerings.

Provost Richmond stated that Iowa State University's extension offices are located in every county in the state. Those offices are used as a place where distance education can be delivered. University officials are working hard to improve Internet access in those offices. The availability of extension agents allows an opportunity to provide direct interaction.

Regent Fisher asked if there is a critical mass in southwest Iowa. Is there a sufficient benefit for the investment? Is there still a need for the Center in southwest Iowa, especially since it has not shown growth?

Regent Becker noted that the other centers are growing and those are the ones where there is a collaboration among providers and states.

Director Trachta stated that the Southwest Iowa Regent Resource Center provides visibility for outreach of the Regent universities to that part of the state. She said there was not a way to measure that impact. The fact that most of the programs are offered through distance education does affect the enrollment. There is not the large critical mass of students in a cohort. Most of the programs offered through the Center are in the field of education.

Regent Arbisser asked if there is much movement of students from the Center to the Regent universities. Director Trachta said there was no solid data; however, the Center responds to many calls from the public for information on the Regent universities. She said the Center will be working more actively with the BLS initiative that will provide a path from the 2-year community colleges to the 4-year institutions.

Regent Becker stated that the area education agencies partner with educational institutions to provide continuing education for teachers. In those cases, people are hired and credit is offered. Those are more face-to-face offerings. She asked if the Southwest Iowa Regent Resource Center has ever explored such an offering of university credit for continuing education for teachers by strengthening its partnerships with the area education agencies.

Director Trachta stated that the Center promotes the Regent universities through the area education agencies. The universities have not utilized adjuncts to provide offerings such as those suggested by Regent Becker through the area education agencies.

Director Barak stated that the Regent universities' continuing education staff are the board members for the Resource Center. Perhaps the question raised by Regents should be directed to the Center's board to address and to come back to the Board of Regents.

President Newlin thanked everyone for the presentations.

ACTION: President Newlin stated the Board received the report, by general consent.

ALLOCATION OF MANDATORY STUDENT FEES AND DESIGNATED TUITION FOR THE 2001-02 ACADEMIC YEAR.

Associate Director Hendrickson provided the Board members with a PowerPoint presentation concerning the agenda item. She explained the change in tuition policy (beginning October 1999) that established new mandatory fees for certain student activities and student services rather than using tuition revenues. Then she described the process for allocating those mandatory fees and designated tuition.

Regent Fisher asked for comment from University of Northern Iowa officials on the significant portion of student fees dedicated to intercollegiate athletics. Vice President Romano stated that the student representatives on the University's student fee committee have historically supported athletics through student activity fees. The athletics budget is structured to include the student fees revenue.

Regent Ahrens asked if the student fees revenue to the athletic department allows a reduction in ticket prices. Vice President Romano said the University Athletic Director meets with the student fee committee and provides a report on the budget. The committee works to lower athletic event admission for students. There is currently an effort to develop a Panther Pass to provide students with free admission.

Regent Fisher stated that last fall, during consideration of tuition, the Board members discussed approval of fees at the same time as the tuition policy consideration. Executive Director Stork said the discussion to which Regent Fisher referred was to forward for Board consideration the miscellaneous fees at the same time as mandatory fees and tuition. Allocation of mandatory student fees and designated tuition was a little different, in part, because it is set by statute. What was before the Board at this time was simply an allocation of a small portion of the tuition revenues.

President Newlin noted that the Board Office was working to accomplish what was requested by Regent Fisher last fall regarding consideration of fees at the same time as tuition.

MOTION:

Regent Neil moved to (1) approve the allocation of the Regent universities mandatory student fees for the 2001-2002 academic year, including the summer 2001 session, as set forth; and (2) approve the allocation of tuition at the Regent universities designated for student fees for the 2001-2002 academic year, including the summer 2001 session, as set forth. Regent Turner

seconded the motion. MOTION CARRIED
UNANIMOUSLY.

ANNUAL REPORT ON CHILD CARE.

Director Wright reviewed with the Board members the information on child care that was provided in the meeting materials. He stated that each university provides on-campus care centers and participates in community referral services. While centers exist on each campus, childcare needs are not being fully addressed, as demonstrated by large waiting lists for each center. Fees charged by the on-campus centers are comparable to those charged in communities surrounding the universities. All centers assess parent fees based on family incomes and student or staff status. He said financial contributions by the universities to the on-campus centers allow for lower fees to be charged to student parents. Each university proposed an increase in the general fund portion of its childcare budget as follows: University of Iowa -- a 4 percent increase; University of Northern Iowa – 3 percent increase; and Iowa State University – 1 percent increase.

Regent Turner asked about future plans to increase access and what happens with children who are on the waiting list for university child care. Director Wright said there are plans to try to improve access to on-campus child care. All three universities participate in community child care referral systems.

Vice President True stated that the University of Iowa has a number of child care centers sponsored by the student senate. Families on the waiting list have access to a referral system for other child care centers in the community. For graduate and professional students, the University provides approximately \$100/month for assist with child care elsewhere in the community. He noted that the University has had a waiting list for a long time. Children of students receive priority. There will probably continue to be a waiting list in the future. A group on campus has been looking at ways to increase availability of child care for 6 months, and no solutions have been found yet. He said the University's budget setbacks have not been helpful in terms of the University's flexibility.

President Newlin asked for the location of the University of Iowa's four child care centers. Vice President True responded that the centers are located on the west campus. There are along Melrose Avenue and one, the hospital facility, is located at Westlawn. He noted that the University owns the houses along Melrose that house those child care centers.

Regent Turner asked if the University of Iowa child care centers have a sick child care facility. Vice President True responded that University officials work through a county-wide organization to provide funds for access to a referral service including sick child care. A partial subsidy is offered for students.

President Newlin asked that officials of all three universities provide a campus map showing sites of the child care centers for the three new Regents.

Vice President Madden stated that Iowa State University has two on-campus child care centers. One such center is near the College of Veterinary Medicine and was recently toured by members of the Board of Regents. It is a relatively new facility and is operated by Bright Horizons. He said the demand for child care on the campus continues to grow, particularly for infant care. The second university child care center is on the north side of the campus. The Board of Regents approved a project to build a new north campus child care facility. The goal is to replace the existing facility with a new and expanded facility. Planning is underway for the new center which will expand child care availability. Iowa State University is part of a county-wide child care planning process to pool money to support child care. He said there seems to be a fairly effective coordinated process. It was his experience that when child care rates increase above \$125/week for full-time child care, parents start to move to home care providers. Parents must balance economics with quality of care. The University child care centers are certified and offer high-quality care. The University's sick child care, which is a successful program, is staffed in cooperation with the student health center for children with mild illnesses. He noted that the Iowa Department of Transportation has a child care facility in Ames which has university-affiliated users. The National Animal Disease facility has a brand new child care center. He concluded his remarks by stating that progress is being made but short-term problems are the result of budget reductions.

Regent Fisher asked if the site for the new child care center proposed to be built on the north side of campus would be located near Hawthorn Court. Vice President Madden responded that the center would be built north of Hawthorn Court near Schilletter Village. The exact site has not been determined. He noted that all of the Pammel Court housing facilities have been removed.

President Newlin asked for the number of children cared for at Pammel Court. Vice President Madden responded that 60 to 70 children were cared for at Pammel Court.

President Newlin asked how many children could be served at the new child care facility. Vice President Madden responded that 90 to 100 children would be served at the new facility. He noted that child care is becoming an increasing faculty and staff recruiting issue.

President Newlin referred to the waiting list for child care and said 150 may be too many on the list to make the University competitive in hiring people.

Associate Vice President Koch stated that many parents put their children on several waiting lists. She then addressed the report of the University of Northern Iowa. The University has one child care center, located in the lower level of the Price Laboratory School, currently serving 53 children. Ninety (90) children are on the waiting list. Child care has been included as part of the University's strategic plan. She said the student activity fee committee decided to increase the grant provided to student parents by 50 percent this year.

President Newlin asked for comment on the University of Northern Iowa's waiting list for child care. Associate Vice President Koch responded that University officials believe there are way too many children waiting. She believed that the opening next fall of the new Freeburg School, which is part of the Regents effort, would help somewhat with child care for 3-and 4-year-olds because there will be classrooms for that age group.

Regent Turner asked if the University of Northern Iowa is part of a community group. Associate Vice President Koch responded that the University is part of a large referral organization.

Regent Arbisser referred to the economic efficiency of providing child care at the institutions. He asked if the efficiency was approximately the same overall in terms of the number of children that receive care at one place versus another for the budget that is expended.

Director Wright said he would be glad to try get that information.

President Newlin stated that approximately 10 years ago, the legislature appropriated funds to all three universities for the provision of child care on campus.

Regent Becker asked if there was some idea of the unmet need for child care. What proportion of the students who have children have access to university child care?

Director Wright said he believed he could get those numbers. President Coleman said it was a very complicated question. Director Wright said the Board Office would work on it.

President Koob referred to the numbers for Black Hawk County. He said that 41 percent of the children in need of child care do not have child care available. Iowa, as a state, has not paid close attention to the care of its children. There will have to be a significant cultural change to deal with the issue. There are severely underserved children in this state. There is great need for safe, secure and stimulating environments (developmental education) for children, not for "parking places".

ACTION: President Newlin stated the Board received the annual reports on childcare programs at the University of Iowa, Iowa State University, and the University of Northern Iowa, by general consent.

APPOINTMENTS TO COMMITTEES, STUDY GROUPS AND ORGANIZATIONS.

President Newlin stated that he had spoken with each of the Regents to get his/her concurrence on the appointments.

MOTION: Regent Neil moved to ratify the appointments to boards, committees and study groups as set forth. Regent Ahrens seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

REPORT OF THE BANKING COMMITTEE.

Regent Fisher stated that at its meeting on the morning of May 16, the Banking Committee approved a reimbursement resolution for residence system projects at the University of Iowa. The Banking Committee investigated the possibility of hiring another fixed income manager, for which an interview process will be undertaken. The Banking Committee also received a report on follow-up internal audit reports. He said the internal audit follow-up reports were much more timely than they were a few months ago. The new internal auditor at the University of Iowa seems to be getting those on schedule.

MOTION: Regent Fisher moved to (1) Adopt A Resolution declaring an official intent under Treasury Regulation 1.150-2 to issue debt to reimburse the University of Iowa Residence System for certain original expenditures paid in connection with specified projects; and (2) Accept the report of the Banking Committee. Regent Ahrens seconded the motion, and upon the roll being called, the following voted:
AYE: Ahrens, Arbisser, Becker, Fisher, Kelly, Neil, Newlin, Nieland, Turner.
NAY: None.
ABSENT: None.

MOTION CARRIED.

ANNUAL REPORT ON FACULTY ACTIVITY.

President Newlin stated that, in his opinion, this report was one of the most important governance reports that is received by the Board of Regents. He said much progress has been in terms of productivity of faculty and time spent teaching.

Associate Director Kniker provided a PowerPoint presentation which highlighted information from the report. With regard to faculty effort, he presented data on the average number of hours worked per week by tenured and tenure-track faculty; and time allocations of tenured and tenure-track and non-tenured faculty in the areas of teaching, research, administration, service and other. He provided data on total student credit hours, total degrees awarded (the University of Northern Iowa reported the largest number of degrees ever given in its history); and sponsored funding. He noted that a section on performance indicators was added to the report this year. He said university faculty have been quite productive. He then presented a comparison of Regent university faculty activity as compared to faculty of peer institutions.

President Newlin asked if a different set of peer institutions was being utilized. Associate Director Kniker responded that, in some years, some of the peer institutions do not provide data; therefore, from time-to-time, substitute institutions are utilized. Normally, the same peer groups would be maintained.

Regent Ahrens congratulated the universities, and especially the University of Northern Iowa, on reaching targets for sponsored funding.

Regent Fisher acknowledged that some citizens of Iowa may think that professors do not put in a full work week. He said this report shows that all three universities have highly-energized faculty who spend a great deal of time in the classrooms. He was pleased with the progress that has been made in this area. He thought this report should be shared with the citizens of Iowa so they know that they are getting their money's worth. Faculty also help citizens in many areas in their communities.

Regent Becker referred to the percentage of senior faculty teaching undergraduates. She questioned why Iowa State University's target was a fair amount below what was actually being done. Provost Richmond responded that the performance indicators were developed some time ago. The University has made a substantial effort to ensure that students are exposed to senior faculty. Perhaps University officials may need to increase the indicators. He noted that the report indicates the demographics of the faculty. The number of tenured faculty is declining which will make retaining these levels more difficult. He noted that the number of senior faculty teaching undergraduates was quite good by national standards.

Regent Kelly stated that many residents of Iowa think professors are overpaid and underworked. He said that impression has not changed since he has been on the Board of Regents. He asked if the source of information for this report is from the individual faculty members.

President Newlin referred Regent Kelly to the faculty portfolio effort, and said the percent of time devoted to a faculty member's various activities is worked out with the department head.

Provost Richmond stated that, at Iowa State University, faculty have position responsibility statements. The department head individually assigns responsibilities to faculty based on the needs of the department and the proclivity of the faculty member.

Regent Kelly said the information provided in this report did not put him in a position of being able to respond to legislators' concerns.

Regent Arbisser said it might be useful to look at the distance learning activities which have expanded the capability of the universities to provide education to Iowa citizens.

Regent Ahrens stated that the universities' figures, as shown in the report, are right in line with what has been reported nationally. Therefore, she said they are in the right "ballpark".

Provost Richmond said there are some objective standards against which faculty can be judged. Student credit hour production, which is the primary mission of universities in this state, is increasing at Iowa State University while faculty numbers are decreasing. Research productivity has increased. There is good hard data which show that faculty are becoming more productive. He said one can argue all day about the various values that our society places on different professions. He believes that faculty work exceedingly hard. Faculty have a variety of missions which they attempt to serve. Research of the universities is terribly important to economic development of this state. He believes that message has not been made clearly enough to legislators and to the citizens of Iowa.

Regent Fisher said the "proof is in the pudding". One of the reasons for the improvement in faculty effort is the faculty portfolio review. The responsibility is on the individual faculty member through monitoring of the portfolio effort.

Provost Richmond said he agreed that the faculty portfolio review has contributed to the increased productivity of faculty. Iowa State University's faculty are evaluated annually. Post-tenure review is also in place.

Regent Neil said he thinks that in the legislators' world all they see is dollar signs. He believes that legislators do not want to take the time to educate themselves about what is going on in the universities. Secondly, the universities brought a substantial amount of sponsored funding to this state which should not be looked at lightly in consideration of Iowa's economy as a whole. He said the annual report on faculty development, which he was very pleased with, was put in place to verify what is really going on. On the whole, the universities look very good compared to the rest of the world. The Board members and institutional officials need to talk more about their good efforts and paint a bigger picture. He then asked when the targets for sponsored funding were adopted.

President Coleman stated that, at the University of Iowa, the sponsored funding targets were adopted in 1995. The University has new targets. In 1995, the University was well below \$250 million annually in grants and contracts. She noted that the small decline from the prior year in funding was due to timing; the National Institutes of Health held up funding some programs. The receipt of funds will be caught up this year. In 1995, when the last sponsored funding target was developed, University officials estimated that if a 7-8 percent increase/year could be achieved, they would be delighted to make that stretch. The University has a new, much larger target for external grants and contracts. The University has seen a 37 percent increase in sponsored funding during the past 6 years.

Regent Fisher noted that the new federal budget includes a large increase in funding for the National Institutes of Health, which should help increase sponsored funding for the University of Iowa.

President Coleman said the federal government intends to double the National Institutes of Health's budget in the next 5 years. Other areas of research at the federal level have not received the support that the National Institutes of Health has. University officials are pushing to increase the funding of those other agencies, also.

Regent Arbisser questioned whether legislators might respond well to something like a "report card" of some of the great success of these hard-working faculty.

Regent Kelly suggested that President Newlin and Executive Director Stork think about Regent Arbisser's suggestion regarding a report card and do something of that nature.

Regent Arbisser cautioned that one might not want to emphasize to legislators the universities' success in receipt of external grants because doing so might have the opposite effect than what is intended.

President Newlin asked why the faculty response rate to surveys on faculty activity was so high at Iowa State University. Provost Richmond said he believes that Iowa State

University faculty take the surveys quite seriously and appreciate the significance. Faculty pay attention to what the Board of Regents does. University officials ask department chairs to get faculty to respond.

President Newlin asked for the procedure to get the faculty to respond to the surveys. Provost Richmond said the department head would distribute the survey and keep track of the responses. Department heads follow up with those faculty who do not respond.

President Newlin asked why the response rate of University of Iowa faculty was only 73 percent. Provost Whitmore responded that, by most statistical sampling models, 73 percent is a very high number of responses.

President Newlin said Iowa State University's response rate was 90 percent. Provost Whitmore noted that the University of Iowa surveys go directly to faculty members.

President Newlin suggested that University of Iowa officials try to increase the response rate. Associate Provost Clark said the University of Iowa faculty activity surveys are sent to the faculty members anonymously. University officials feel that the department executive officer should not be an intermediary because it would interfere with confidentiality.

President Newlin asked Iowa State University about the issue of confidentiality. Provost Richmond said he did not believe it to be a problem. The number of hours that faculty work is part of the public record. He noted that the University of Iowa obtained very similar results from its faculty survey as did Iowa State University.

Associate Provost Clark stated that despite the two methodologies, each with strengths and weaknesses, very similar survey results were obtained from the University of Iowa and Iowa State University faculty. There is an overall stronger ability to make a point than if there is a single methodology that has the same weakness.

Regent Turner said the more interesting question would be whether there is a department that achieves a 30 percent response rate, for example, and another that has a 90 percent response rate. If there is not a similar response rate across the departments, that may be a problem.

Associate Vice President Koch stated that she spoke with the University of Northern Iowa's Director of Institutional Research about the 66 percent response rate of University of Northern Iowa faculty. It was still a valid percentage but was slightly lower than those of the other two Regent universities. The response rate was lower from non-tenured faculty; those who work part-time and evenings at the University. She believes the University can do better next year by performing more follow up.

President Newlin asked if the Board Office had information on the responses by department. Associate Director Kniker said the Board Office does not receive the data broken down by department.

President Newlin asked that future reports include response data by department, by college, and by tenure and tenure track status.

President Koob stated that, unless there is a 100 percent response rate, the actual response rate is not statistically valid. He said the only alternative to 100 percent responses is a statistically valid sub-sample of the numbers received to account for those who do not respond in the original sample. He described a similar issue with respect to a student placement survey at the University of Northern Iowa.

President Newlin asked for a suggestion on how such a survey could be accomplished. President Koob said a statistician could be hired. If the Board wants to make the surveys more defensible, a statistically valid subset of the data be utilized.

Director Barak pointed out that the faculty activity report that the Board of Regents receives annually is very different from what is reported around the rest of the country. Very few states provide as comprehensive a report on faculty activity. In order to improve the confidence of the overall effort, the Board of Regents over the years added a number of aspects to the faculty activity report. The Board's report includes the following items which in total provide a comprehensive look at faculty activity: Faculty effort and activities (average hourly work load; percentage of effort by colleges and rank); faculty instructional workload; faculty productivity (includes number of majors each fall; number of degrees; and sponsored research); faculty portfolios; and peer institution studies. He said each part may have some faults, but the total of the different methodologies demonstrates the effectiveness and productivity of the faculty.

President Newlin thanked Director Barak for the leadership he has provided in this area and for the efforts of Associate Director Kniker in this area, as well.

President Newlin asked that the sub-sampling, as President Koob suggested, be taken into consideration. He said he was sensitive to the concerns of Regent Kelly and pointed out that has gained confidence in this effort by being able to compare the data from year to year. The data for the last 7 to 8 years is within a range. He has developed a much higher degree of confidence in the data on the number of hours worked per week data than he had five years ago.

ACTION: President Newlin stated the Board received the report, by general consent.

BIENNIAL REPORT ON FACULTY CONSULTING ACTIVITIES.

Assistant Director Gonzalez provided the Board members with a PowerPoint presentation of data that were included in the meeting materials. She reviewed the types of consulting activities in which faculty are involved, the number of faculty who reported consulting, the number of consulting days at the universities, and the average number of days per full-time faculty consultants.

Regent Fisher asked if any major issues had been encountered in implementing the faculty consulting policies. Also, what are the benefits to other faculty, students and the university of the consulting activities?

Assistant Director Gonzalez responded to the first question by stating that all three universities have policies which were reviewed with the Board Office. In all cases, monitoring is taking place and data are being collected on how the policy is being implemented. In terms of benefit to the state, she said there are benefits to the individual in terms of experience gained. Another benefit is visibility of the university.

Provost Whitmore stated that, at the University of Iowa, there is an effort to provide as much contact with the "real world" as possible. Professionals who work in a particular field are invited to advise the university. Faculty are encouraged to get involved in the real world of their discipline. The advantage to students is in having faculty who have direct contact with those who are currently in the field. Faculty bring those experiences into the classroom, and into advising and counseling students.

Regent Ahrens stated that, as a student, she has had experience with that. One of her professors was a witness for Oprah Winfrey in her beef trial.

President Newlin asked Regent Ahrens to expand on her professor's participation in the Oprah Winfrey case.

Regent Ahrens stated that her agricultural business marketing professor was one of the witnesses for Oprah Winfrey. He proved that her comments about beef not being safe to eat did not affect the market. He laid out his evidence for the students.

Provost Whitmore stated that a member of the University of Iowa law school was a major consultant on the Microsoft litigation case.

Provost Richmond related some consulting experience he has had including service as an expert witness. He noted that he believed the Board policy on consulting to be conservative. Consulting has tremendous advantages for the university and for

students, as Regent Ahrens had related. He said consulting should be considered as part of outreach.

Associate Vice President Koch stated that what others had said about faculty consulting was true for the University of Northern Iowa. She said the guidelines for consulting vary somewhat at each university. In addition to the other benefits mentioned, she said consulting can be an important career placement activity for students. Consulting is quite a compliment to the faculty.

Regent Fisher said he knew one Regent university consultant, Ken Stone of Iowa State University, who has done a tremendous job for Iowa communities and businesses. Professor Stone is very knowledgeable and provides a great service to the state of Iowa.

Regent Turner asked if some of the consulting activities generate funding that comes back to the university. Also, the point should be made that consulting is not allowed to disrupt a faculty member's regular workload.

Provost Whitmore stated that, at the University of Iowa, the consulting funds result from an individual agreement between the faculty member and the contractor. There is no direct cut for the University. The University shares in funds that faculty receive from licensures and patents. Some faculty have donated funds received from consulting to the university but that is an individual faculty decision.

Provost Richmond stated that what had been described for the University of Iowa was largely the same for Iowa State University. There are funds from some contracts that come back to the University for applied research. Faculty, not infrequently, will use the funds to the benefit of students as well as to themselves.

President Koob stated that at the University of Northern Iowa there is no obligation to share funds with the University. He said there have been several instances where faculty activities brought money to the university to provide students with a similar experience to that of the faculty.

MOTION:

Regent Fisher moved to (1) receive the report and (2) request that the universities continue to review their policies to ensure that they are consistent with the Board's *Procedural Guide*. Regent Neil seconded the motion. MOTION CARRIED UNANIMOUSLY.

**PROPOSED SALARY POLICIES FOR PROFESSIONAL AND SCIENTIFIC STAFF
FOR FISCAL YEAR 2002.**

Director Wright stated that, normally, the Board of Regents considers a two-part proposal at this time of year. However, the Board would not be presented with the pay plan until the completion of the state budget process. He then reviewed with the Board members the pay schedule increases as proposed for each institution. The University of Northern Iowa's increase at the maximum was higher than the others, based on a survey of the market.

Regent Becker asked what staff positions would fall under the Professional & Scientific system. Director Wright responded that examples would include laboratory personnel, mid-level administrators, high-level administrators, and athletic department personnel. Professional & Scientific staff further the academic enterprise but are not faculty.

President Coleman introduced Pat Arkema, President of the University of Iowa Staff Council.

Ms. Arkema expressed appreciation, as a parent, for the quality and affordability of education at the University of Iowa. She then addressed some of the issues concerning staff at the University, acknowledging that in some instances she was probably "preaching to the choir". Concerns included the double digit increases in the cost of health insurance, the salary structure, and the pay matrices. There are positions at the lower end of the pay structure that are paid less than the positions they supervise. She said salary was not the only way to recognize and retain staff and faculty. The longevity award certificate signed by President Coleman had received an overwhelming response. Concerns have been raised about the elimination of the University's early retirement program which she said serves as a reward option for long-term employees and as a retention tool for other employees. She said the University needs to keep some "carrots in its bag" and not just "sticks".

Regent Fisher asked to be brought up to date on the early retirement program. Executive Director Stork said he believed that recommendations may be coming to the Board next month.

Regent Arbisser asked for clarification of the University of Iowa's proposed 3 percent increase on the minimums. President Coleman responded that what was presented was a scale adjustment for employees entering the pay levels. She said the proposal was for a group of employees and not for individuals.

President Seagrave introduced Tim Eggers, a member of the Iowa State University Professional & Scientific Council Executive Committee.

Mr. Eggers expressed the Council's support for the Iowa State University aspiration to become the best land-grant institution in the country. He said the proposal before the Board, in conjunction with average salary increases of 4 percent, will allow Iowa State University to remain competitive in the market place. Professional & Scientific staff will potentially take on additional job responsibilities due to the state budget cuts. He cautioned that financial solutions must be found before the budget reductions become the norm. The Professional & Scientific Council supports the continuation of the University's early retirement and health benefits programs. He concluded by stating that the Professional & Scientific Council has had a good working relationship with President Seagrave, and was thankful that the Board of Regents had selected Dr. Seagrave as Interim President of Iowa State University.

President Koob introduced Dennis Hayes, Vice President of the University of Northern Iowa Professional & Scientific Council.

Mr. Hayes stated that the University of Northern Iowa Professional & Scientific Council wished to bring to the Board a request for a change in distribution of salary increases, as follows: one-third of the salary increase pool awarded to Professional & Scientific staff to be allocated across the board in an equal dollar amount to those Professional & Scientific employees whose performance is rated satisfactory or above, with the remaining two-thirds to be allocated on the basis of merit and equity for employees whose performance is rated satisfactory or above. He expressed the Council's appreciation for the Board's considering of increasing both the minimum and maximum of the pay matrices. Other topics about which the Council was concerned included the early retirement program and state budget cuts. He asked that the early retirement program be continued in some fashion, if possible, and phased out, if not possible. With regard to the state budget cuts, he said everyone was in the same "boat". Hopefully the cuts will be of a brief in duration.

Regent Fisher said he liked the proposal to allocate salaries one-third across the board and two-thirds for merit and equity. He then asked for the reason to increase the University of Northern Iowa's pay schedule by 8 percent on the maximums. Mr. Hayes responded that the pay schedule has not been adjusted for quite some time. President Koob stated that the reason the review of pay schedules was delayed was due to a change in the human resource services office. The proposed 8 percent increase would make up for increases that were not provided to staff. In comparing the top end of the pay schedule with that of the market, the University is not leaping ahead in dollar amounts.

Regent Neil questioned whether the gap in pay between employees was being widened by the proposal. Mr. Hayes responded that the University has to offer higher salaries in order to recruit staff.

Director Wright stated that the market survey indicated that pay for information technology and many other professional positions was out of line with the market. In order to capture the type of employee needed by the University, the increase was proposed.

Regent Turner noted that the pay scales of each university indicate that salaries are pretty much comparable with the adoption of the recommended increases.

MOTION: Regent Neil moved to approve the proposed pay schedules for fiscal year 2002 for professional and scientific staff at the five institutions and the Board Office, as presented. Regent Becker seconded the motion. MOTION CARRIED UNANIMOUSLY.

PROPOSED SALARY POLICIES FOR FACULTY AT THE SPECIAL SCHOOLS FOR FISCAL YEAR 2002.

Director Wright reviewed with the Board members the information that was presented in the meeting materials.

Regent Becker stated that the legislature is looking at different types of teacher compensation. She asked if the special schools may wish to explore other means of teacher compensation.

Director Wright responded that, if there are funds made available, he believed the special schools would be interested. For now, they were not interested in such an exploration.

Regent Ahrens asked how salary of faculty at the special schools compare to teacher salaries in the local communities. Director Wright responded that the special schools faculty salaries are somewhat higher but not significantly higher than those of the local communities. He noted that the Board Office would provide that type of information prior to presentation of the pay plans for approval.

Regent Becker stated that faculty at the Iowa Braille and Sight Saving School and the Iowa School for the Deaf are in high demand across the U.S. Other Iowa employers of these types of staff have not been able to get a sufficient number of faculty to come to our state. Many of those employers contract for services through the Iowa Braille and

Sight Saving School; otherwise, there would be no one available in the area education agencies to teach the students.

Superintendent Thurman stated that, over the past year, the Board of Regents has had opportunities to hear from parents who feel very strongly about maintaining the School's programs. Looking beyond the temporary concern over salaries and to the long run, he said that what had just been said was absolutely correct. There is a huge demand for people in the field. He receives telephone calls on a regular basis from employers trying to recruit faculty to teach the visually impaired. If Iowa Braille and Sight Saving School is going to keep its current faculty and attract other faculty, the School has to pay those faculty well. He then introduced Jay Wilson, President of the Iowa Braille and Sight Saving School Faculty Senate.

Mr. Wilson presented a proposal to increase faculty salaries by 5 percent at the base and by 2-1/2 percent at the steps. Currently, faculty must wait one year to be eligible for tuition reimbursement. He suggested that eliminating the one-year requirement would assist in recruiting and retaining quality teachers. Faculty also requested the creation of a special fund to create grants to award to faculty toward improving student outcomes. He then expressed the faculty's appreciation for the support that the Board has given them in the past and he said they looked forward to the future.

Superintendent Johnson said he supported the comments of Superintendent Thurman about the competition for faculty. He noted that every state is getting more innovative in recruiting and attracting teachers.

ACTION: President Newlin stated the Board received a report regarding the pay schedules for teachers at the special schools, by general consent.

PROPOSED PAY PLAN FOR REGENT MERIT SYSTEM.

Director Wright reviewed with the Board members the information that was presented in the meeting materials. He said the chair of the Regent Interinstitutional Supervisory and Confidential Advisory Council, Karon Kolek, reviewed the Board Office proposal. Upon her request, Director Wright read a letter from her to the Board of Regents in support of the Board Office proposal.

Director Wright reported that the public hearing required by law for the pay plans was held on May 10, 2001, at Iowa State University. One person attended the hearing and expressed support for the pay schedules.

Regent Turner questioned why the Board has to approve the pay plan since the salary increase is set in collective bargaining. Director Wright responded that the Board's approval is perfunctory although it does have complete authority over the non-organized pay plan.

Regent Arbisser asked if there is large turnover in the Regent merit system. Director Wright responded that approximately 60 percent of the employees are at the top of their pay scale which would suggest there is not a large turnover.

Regent Fisher stated that he received many calls from private individuals and private business about this pay scale. He said it far exceeds, in pay and benefits, the private sector pay and benefits.

Regent Neil said Iowa's private sector wages are low in comparison to the rest of the nation.

Regent Kelly said he would like to see the information which supports Regent Neil's statement. Regent Neil said the information is available through the Iowa Department of Economic Development. Regent Fisher suggested that Regent Kelly also request the cost of living information of Iowa compared to the rest of the nation.

ACTION: President Newlin stated the Board, by general consent, (1) received the Regent Merit System pay schedules proposed to be effective for fiscal year 2002, for the blue collar, security, technical and clerical bargaining units, as set forth; and (2) received the Regent Merit System supervisory proposed pay schedule to be effective for fiscal year 2001, as set forth.

CONCEPTUAL GENERAL FUND OPERATING BUDGETS FOR FISCAL YEAR 2002.

Executive Director Stork stated that he had little to add from the legislative report presented earlier in the meeting. The legislature is finishing the session somewhat later than usual. The Governor will be signing or vetoing various appropriations bills. He noted that the Board Office and institutions would be moving at a slower pace in bringing specific budget information to the Board. He expects that the Board members will not be presented with concrete budget information until July. He said budget development depends on the Governor's action on appropriations bills as well as the receipt of more specific salary information.

In response to a question about the Regent budgeting process, Executive Director Stork stated that two years ago the Governor moved up one month the request process for all state agencies. Last year, the Board of Regents returned to the regular July and September process for appropriations requests for the subsequent year. What was being presented in this agenda item was the current legislative appropriations for fiscal year 2002. Generally, the Board Office and institutions would present the preliminary budgets for the next fiscal year in May, with more concrete details in June, and final approval in July. He hoped that the budget process this year would not affect the Board's ability to consider, in July, requests for the next legislative session.

Associate Director Hendrickson presented the Board members with a review of the information that was provided in the meeting materials.

President Coleman commended the Board Office for the materials prepared for the Board members for this item. She said it was very well done and explained the magnitude of the challenge at the University of Iowa. The University's challenge is an \$18.7 million appropriation reduction, \$14.7 million of which is in the general education component. She stated that University of Iowa officials began the budget process by establishing a set of principles that would be used in making the reductions. The most important principle was to continue to meet the 4-year graduation contract obligation to students. University officials have been working very hard on this effort in the last five years and have made tremendous progress.

President Coleman stated that the budget reduction targets for the University of Iowa are not being spread uniformly across the campus. The library acquisitions budget will not be cut and, in fact, will be increased. Financial aid is exempted from the reduction. University officials are trying to protect the College of Public Health because it is a new college and it is seeking accreditation. She said the College of Liberal Arts will receive a cut; however, it is being protected as much as possible because of its large load in undergraduate education and the importance of the college in adhering to the four-year graduation contracts. Many other differential cuts will unfold as the deans and vice presidents continue the budget process.

The largest impact at the University of Iowa will be in the reduced number of faculty and staff. President Coleman did not have final estimates but she believes the University will have at least 107 fewer FTEs supported by the general education fund. The best estimate currently is that there will be 62 fewer faculty members next year than there were this year. It was yet unclear whether, and to what degree, layoffs will be required. Every effort will be made to avoid layoffs, if possible.

President Coleman proposed to use a portion of the new tuition revenue that will be available next year to help academic units cope with budget reductions. A utility

savings plan will help reduce expenditures by at least \$700,000. As a result of that plan, the buildings will be kept warmer this summer and cooler in the winter. University officials are also starting a process of rigorous program reviews. President Coleman said nearly 20 programs have been identified to be reviewed carefully over the upcoming months to see if they should be supported and to what degree by the general education fund.

The University of Iowa will not be able to keep on track with some of the targets and indicators as a result of budget cuts. President Coleman plans to share with the Board members later this summer exactly how those aspirations will have to be modified. She said the University will not be able to do everything that she had thought possible last year at this time.

President Coleman next addressed salary issues. She said full funding of salaries from state appropriations remains the top priority. She expressed appreciation for the movement of salary appropriations at the end of the legislative session and said University officials now await the Governor's action and allocation of the state salary funds. She then introduced the University of Iowa Faculty Senate President, Amitava Bhattacharjee, to discuss possible implications of the budget reductions.

Professor Bhattacharjee stated that it is his privilege to represent the University of Iowa Faculty Senate. He teaches in the Department of Physics and Astronomy. Two weeks ago, the University of Iowa, the University of Chicago and the University of Texas at Austin won a national competition to create a high-performance computing consortium funded by the Department of Energy. Professor Bhattacharjee led that effort which will lead to the establishment of a center for magnetic reconnection research that will be administered from the University of Iowa. He said that was only one example of many wonderful activities that are taking place on the campus. Faculty teach and lead in research that informs their teaching.

Professor Bhattacharjee said there are dark clouds on the horizon. There has been an erosion of public financial support for the universities of Iowa, the effect of which shows. The 2001 U.S. News and World Report ranks the University of Iowa in the second tier of institutions. The University aspires to move to the first tier but it is thwarted by the lack of resources. He noted that it is difficult to build excellence and quite easy to demolish it. Some of the University's outstanding faculty have been lured away. Faculty salaries have begun to slip in comparison with peer institutions. Lack of start-up funds for research facilities do not allow the University to be competitive in attracting outstanding faculty who, in turn, can bring research grants. He cautioned that if this trend continues, the best faculty will see Iowa as a second or third choice. Consequently, so will the best students.

Professor Bhattacharjee stated that when the University loses its strength in faculty numbers and the student numbers increase, the quality of education offered to undergraduates will be compromised seriously. If the number of courses offered is reduced because there are not enough faculty to teach them, the University runs the risk of compromising its commitment to students to enable them to graduate in four years.

Professor Bhattacharjee concluded by stating that the underfunding of the University will have two consequences: 1) it will compromise the quality of the instruction and 2) it will delay the time to graduation of students.

Regent Becker referred to a suggestion in the materials submitted by the University of Iowa about increasing entry requirements and reducing enrollments. She expressed concern that many students drop out between community colleges and getting their four-year degrees and increasing entry requirements might exacerbate that issue.

President Coleman stated that University officials were not asking for Board approval of such a plan. She is not a proponent of changing the admission standards of the university. University officials were trying to indicate that if this trend continues something has to give; either access, quality or price.

President Newlin said he got the same impression from the University's materials, and suggested that University officials should rewrite that statement. President Coleman responded that it could be phrased differently.

President Seagrave presented remarks on behalf of Iowa State University regarding FY 2002 conceptual budgets. He said the last 2-1/2 years have been very interesting for him. He spent nine months as interim provost, six months as a faculty member, and nearly the last year as interim president. As provost, he learned the importance of infrastructure in recruiting faculty. As a faculty member, he realized how hard his colleagues had to work in the last year when the University gave up 55 FTE positions. In the last year as interim president, part of his job is to convince the Board that everything is going very well at Iowa State University. He said it has been a very good year in the history of the University in all measures. He now came before the Board of Regents to convince its members and others that the impact of this year's budget is going to be problematic, to say the least. University officials will do everything they can to protect quality and access. In planning for the budget reductions, University officials have to protect the initiatives in the plant sciences. He noted that it was very disappointing that the legislature chose not to keep its part of the bargain regarding funding of the Plant Sciences Initiative. University officials will try to protect student services including financial aid. He said it was extremely disappointing that the state chose not to fund the work study program. University officials are not going to do

anything to turn students away from Iowa State University. The library will not be compromised.

With regard to what Iowa State University will do to address the budget reductions, President Seagrave said the University will use some of the tuition revenues and some of the increases in indirect cost recovery. The University is enacting an extensive energy conservation program including serious consideration of closing the University from December 22 to January 2.

President Seagrave said there will still have to be targeted reductions. He estimated a reduction of 110 to 120 positions including roughly 60 faculty positions, 30 Professional & Scientific employees, and at least 20 people from the merit system. If University officials follow the recommendations of the deans, the University will lose the support of approximately 75 graduate students, many of whom are teaching assistants and research assistants. There will be an effort to reduce \$2.5 million from the current expense which will result in web sites taking longer to load, lines for service being longer, grass growing taller, etc. Some major changes will be carried out in extension. At least two offices will be closed. Area extension offices and small business operations will be consolidated. User fees will be increased and there will be greater reliance on grant income. Last year, there were 750,000 contacts with lowans through the University's extension program, and he expects the number for this year will be even higher. He then introduced Christy Pope, President of the Iowa State University Faculty Senate, to express thoughts of faculty regarding budget cuts and faculty salaries.

Associate Professor Pope stated that, as a historian, she is not on a 12-month salary. Most faculty in the humanities and social sciences work over the summer without pay, which is an important aspect of this issue. She presented the following concerns of Iowa State University. There has been a shift in philosophy in Iowa that schools are not that important. The Iowa State University strategic plan calls for the University to be a leading and premier land-grant institution but the University is not being given the resources to do that. The University has experienced increased enrollments over the past three years but the number of faculty has been reduced. By holding open faculty lines because the University cannot afford to fill them, the end result is unplanned structural change. Finally, faculty expressed concern about the possibility of furloughs.

Regent Arbisser proposed the following as a public relations issue. Iowa's aging population's concerns may not be about undergraduate education. He asked how the institutions reach out to the graying population. What efforts are there to reach out to that segment of the state?

President Seagrave said the institutions need to get the point across about connections between things that happen and fiscal policy. He did not think that people make a

connection yet between tax policy and what happens in the university. Institutional officials have to do a better job of convincing citizens that the universities do a tremendous job of adding value. Finally, education should not stop when a citizen leaves college with a bachelor's degree. The universities need to promote continuous learning to citizens of the state. The Des Moines Higher Education Center was a great example of continuous learning.

Regent Kelly thanked President Seagrave for his service to Iowa State University and the advice he has given to him in the last year. He stated that other states' legislators are very much in favor of privatizing. In his opinion, in order to help with this problem, the Board of Regents will have to consider a 15 percent increase in tuition the next time tuition policy is considered.

President Koob referred to the nature of institutions and said universities are the second oldest set of institutions in the world. When universities undergo sharp changes in support, they are unable to change quickly. When considering how to reallocate to provide for the shortfall in appropriations, University of Northern Iowa officials divided the issue into short-term and long-term consequences. With regard to long-term consequences, there are only three variables: cost, access and quality. He said the university presidents are committed to quality. Similar to remarks of President Seagrave regarding Iowa State University experience in this past year, he said this was a year where everything was done right at the University of Northern Iowa. The University is ranked fourth in the nation in comprehensive universities. To be rewarded in this way (by having the University's appropriations reduced), feels odd. In the long term, University officials do not want to sacrifice the quality of the institution. The issue was how to balance access and price to help deal with the future which University officials will be discussing with the Board.

In the short term, University of Northern Iowa officials have made a social contract with students to graduate in four years. President Koob said the University has experienced six years of constant growth and the last three years have been of record growth. The University has to serve those students. Tuition, by law, is set 18 months in advance of the time it is collected by the universities. He stated that University officials have no choice in the short term but to do those things that diminish quality. At the University of Northern Iowa, there are very few choices. The University is a relatively simple institution; it is predominantly a teaching institution at the undergraduate level for Iowans. All University officials can do is reduce the number of faculty and the collateral support for those faculty. In March, University officials immediately froze positions when the Governor's budget reduction of 6 percent was announced. Unlike the other two Regent universities, University of Northern Iowa faculty salaries are covered by a collective bargaining agreement. For that reason, he said he would not ask the Faculty Senate President to discuss salaries.

President Koob stated that University of Northern Iowa officials were forced, by freezing positions, to not fill tenure and tenure-track positions. As retirements have occurred, those faculty have been replaced with part-time faculty. University officials said last fall, during discussion of tuition increases, that they would commit an important share of the tuition increase to hiring new faculty. Twenty-two new positions were identified from tuition revenues. However, the 6 percent cut forces the University to freeze 32 faculty positions. University officials are, therefore, unable to turn around the loss of faculty positions. In the long-term, University officials are committed to bringing the number of faculty back to the benchmark. At the present time, President Koob is planning to not fill five senior-level (dean, director or above) administrative positions. Over 27 staff positions will not be filled. The collateral support for those are student wages. He said supplies and services of \$1.5 million will not be expended. Another \$250,000 in equipment will not be expended as support for those faculty positions that were frozen. He said that was the equivalent of reducing services to 490 students on campus.

As a result of the reductions outlined by President Koob, class size will increase some. There will be more part-time faculty to serve students. In the long term, if there is no change in price, President Koob said the net impact is a reduction in the ability to serve nearly 500 students as a consequence of this budget. He then introduced Dan Power, the new Faculty Senate chair, who is a Professor of Management.

Professor Power stated that the University of Northern Iowa has made enormous strides since he first came to the University. It now has an outstanding College of Education that does much more than train teachers. The University has a wonderful business school. On behalf of the faculty, he expressed confidence in President Koob and Provost Podolefsky in dealing with the budget cuts. He said he was very impressed at the commitment of all of the members of the Board of Regents, noting that they were all partners in this effort.

Professor Power said Iowa is not the same place it was when he graduated from high school, and Iowa will be very different when his children go to college. We have to prepare ourselves and our children for that world, which is what higher education does. He hoped they would continue to be strong partners.

Regent Becker referred to information provided by the University of Northern Iowa for this agenda item that indicated there would be a reduction in student said set aside. She said she also believes the Board of Regents will have to look at a substantial tuition increase and they should make the increase substantial enough to provide the necessary need-based scholarships. If something has to be cut, she said it should not be need-based scholarships. President Koob said he agreed with Regent Becker.

Regent Neil said it appears that the state does not value education to the degree it did a few years back. Legislators apparently have not decided whether they want three great universities. The Board members try to make the right decisions to protect quality at all costs and then somebody "opens up the back door" and it is all gone. There appears to be no planning for the future on the part of the legislature. The mentality is to remove the tax base and so there's nothing left on which to build for the future.

President Koob said he recently sat across the table from a local businessman. President Koob asked the businessman if he liked what was being done at the University. The man replied that the University was doing a wonderful job; he just did not want to pay for it. President Koob said his hope was that ways can be found to maintain quality in the belief that a new generation will migrate to Iowa. He believes that quality has to be protected at all costs. In the meantime, if the University has to be smaller and good, he was willing to accept that. If the University has to be more expensive and good, he was willing to accept that. However, he cautioned that they not diminish the quality they have worked so hard to achieve.

Superintendent Johnson said there are significant reductions at the Iowa School for the Deaf. Positions of people who are retiring or leaving the School are not being filled. About 12 positions will not be filled. Another 15 to 18 employees will have reduced contracts. He said it was important to ask that funding for faculty and Professional & Scientific staff be on par with that of merit staff. He concluded by stating that Iowa School for the Deaf officials will do their best with what they have and with what the Board expects them to do.

Superintendent Thurman presented an analogy of a plane flying from Des Moines to London and losing three of its engines, one at a time, to the budget situation at the Iowa Braille and Sight Saving School. He said the School has not lost its first engine but it is sputtering. He said the impact is not on the Iowa Braille and Sight Saving School as much as it is on blind children who will receive less consultants in very specific need areas including independent living skills and technology services to multi-impaired students. Services will also be lost for students who come on campus. He concluded by stating that the budget reductions will impact children.

President Newlin stated that he wished to make a few comments in light of budget cuts of this year and last year, and the projections relative to similar problems a year from now. He said the Governor has announced a reorganization of state government. The press release states "to develop strategies for state departments, to increase accountability through strategic planning, performance measurement, results-oriented budgeting, performance reporting, program reviews and performance audits, performance contracting and return on investment." The Governor has stated, both privately and publicly, that he is exempting the Board of Regents from this

reorganization of state government. However, the Governor expects that the Board of Regents shall do something comparable. In 1991 there was a reorganization of state government. Concurrently, there was an organizational audit of the Board of Regents in all areas of the universities, the Board Office and the two special schools. The Board of Regents hired an independent third-party consultant to perform the audit.

President Newlin said the task ahead of the Board of Regents in the next several months is going to be an organizational audit of the Board and the Regent institutions. He was quite grateful that the Governor saw fit to allow the Board of Regents to perform the audit itself. The Board would not take the responsibility lightly. An outside third-party will assist in this process. President Newlin will appoint four members of the Board Regents to a study group to oversee the process. He concluded by stating that they have a lot of work ahead of them.

MOTION: Regent Fisher moved to receive the FY 2002 conceptual general fund operating budget presentations. Regent Turner seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

President Newlin asked for a motion authorizing him to proceed with appointing the above-mentioned study group and to proceed with the new organizational audit.

MOTION: Regent Turner moved to 1) authorize President Newlin to appoint a study group to oversee the organizational audit process and 2) to proceed with the new organizational audit. Regent Ahrens seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

BOARD OFFICE PERSONNEL TRANSACTIONS. The Board Office reported there were no transactions on its personnel register this month.

EMPLOYEE APPEAL.

Assistant Director Stratton stated that an employee at the University of Northern Iowa appealed the final institutional decision to find him in violation of the University's policies on gender discrimination and sexual harassment and to impose sanctions. The Board members received confidential memoranda and supporting documents in this matter. She noted that the employee's attorney requested an opportunity to make an oral statement to the Board. He was informed that this was at the Board's discretion but that the Board Office would recommend that the request be denied. He was given an opportunity to submit an additional written to the statement until 4:30 p.m. on May 16,

but did not do so. The Board's vote approving the Board Office recommended action would result in denying the attorney's request to present an oral statement.

MOTION: Regent Fisher moved to deny the request of the employee for review of a final institutional decision. Regent Neil seconded the motion.
MOTION CARRIED UNANIMOUSLY.

FACULTY APPEAL.

Director Barak stated that the Board members had received a packet of confidential materials related to an appeal by a faculty member concerning the denial of tenure and promotion. He said a review of the materials submitted by the faculty member and by the University suggested that the University's position be upheld.

MOTION: Regent Kelly moved to deny the request for appeal. Regent Becker seconded the motion.
MOTION CARRIED UNANIMOUSLY.

POLICY REGARDING PLACEMENT OF STUDENT TEACHERS IN NON-PUBLIC SCHOOLS.

Assistant Director Stratton reviewed with the Board members the information that was provided in the meeting materials. She stated that the Regent institutions have been restricted from placing students in parochial schools for their student teaching experience by a number of court rulings. However, the legal landscape was recently altered with the U.S. Supreme Court's decision in *Mitchell v. Helms*, (June 28, 2000), making it clear that, constitutionally, students at public universities may be placed in parochial schools. These placements are acceptable as long as there are appropriate restrictions to ensure that no "symbolic union" is created with parochial schools.

Assistant Director Stratton stated that, because of the limited availability of student teaching openings in public schools, the Regent universities are eager to utilize appropriate non-public school placement options for students who request such a placement. The policy regarding placement of student teachers in non-public schools will ensure that placement of student teachers is consistent with state and federal law.

Regent Kelly expressed his support for this proposal. He then referred to a statement in the materials that indicated that any compensation will go to the supervising teacher and not to the non-public school. He asked, if the school decides that since the teacher is getting money for the student teacher and the school reduces its payment to the teacher, would that be considered money to the school?

Assistant Director Stratton responded that, usually, the payment to the teacher is not very much, approximately \$50.

MOTION: Regent Fisher moved to adopt the policy regarding placement of student teachers in non-public schools for inclusion in the Board of Regents Procedural Guide. Regent Ahrens seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

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

| | | |
|-----------------------|--------------------------------------|----------------|
| 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 | West Des Moines Marriott Hotel | W. Des Moines |
| January 16, 2002 | Telephonic Conference Call | |
| February 20-21, 2002 | University of Northern Iowa | Cedar Falls |
| March 13-14, 2002 | Iowa State University | Ames |
| April 17-18, 2002 | Iowa School for the Deaf | Council Bluffs |
| May 15, 2002 | Iowa Braille and Sight Saving School | Vinton |
| May 16, 2002 | University of Iowa | Iowa City |
| June 19-20, 2002 | Iowa State University | Ames |
| July 17-18, 2002 | University of Northern Iowa | Cedar Falls |
| September 18-19, 2002 | University of Iowa | Iowa City |
| October 16-17, 2002 | University of Northern Iowa | Cedar Falls |
| November 13-14, 2002 | Iowa State University | Ames |
| December 18-19, 2002 | (To be determined) | Des Moines |

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

TECHNOLOGY PRESENTATION.

Provost Richmond stated that we live in a time when much of our culture is undergoing substantial change, one of the most important agents of which is the information technology revolution. He said it is the intention of the Regent provosts to provide the Board of Regents with a vision of where the Regent institutions should be going in the development of information technology, and to urge the Board's advocacy of these

issues. The provosts proposed to provide six presentations over the next few months on various aspects of information technology.

The information technology presentations would begin with a presentation at this meeting by Professor Diana Oblinger of the University of North Carolina-Chapel Hill business school. Provost Richmond stated that Professor Oblinger is known for her leadership in teaching and learning with technology and for descriptive learning efforts, as well as for ways in which technology can be better used to manage institutions of higher education. He named the following as a few of her distinctions: senior fellow in Educause (a center for applied research), former vice president for information resources and the chief information officer for the North Carolina system, served for 10 years as director of the IBM institute for academic technology, and served on faculties of various universities. Provost Richmond said he learned about Dr. Oblinger's work by reading a book entitled, "What Business Wants from Higher Education". He found that book so compelling and straight forward that he wanted to meet Dr. Oblinger. She has also been to campus to address the Iowa State University faculty.

Provost Richmond stated that Dr. Oblinger is a triple alumna of Iowa State University: B.S. in Botany, M.S. in Plant Breeding and Ph.D. in Plant Breeding from Iowa State University. She was also inducted into Phi Beta Kappa while at Iowa State University.

Dr. Oblinger discussed the importance of information technology. She demonstrated a prospective student portal that was developed at the University of North Carolina. She said people like to visit interactive web sites, such as the student portal. The portal included an admissions timeline which was particularly helpful for first-time college goers. The University of North Carolina uses the Web as the front end introduction to the University. After discussing the student side of the technology, she demonstrated uses by faculty and staff of information, including a simulation of ocean warming. She said Iowa is more competitive because information technology resources are made available to faculty. With regard to libraries, she said researchers need libraries. The purchasing power of university libraries has declined 50 percent in the last 20 years. Without those resources, higher education institutions become less competitive. She discussed data-driven management systems which include a balanced scorecard approach.

Dr. Oblinger said information technology is not just for teaching and research. Wonderful things can be done with instructional technology. Information technology is not a panacea or a black hole but it does cost money. In thinking about information technology, one needs to plan for an unplanned revolution. Information technology is causing a re-evaluation of how to retain the best of the past and find the best of the future and merge those into what is best for Iowa.

Regent Fisher referred to the prospective student portal demonstration and asked how far along Iowa's Regent universities are in providing that type of automated information to prospective students. President Coleman responded that the University of Iowa admissions office has been working for years to ensure a good portal for students; there is continuous improvement of the methods. Peaking the interest of students and individualizing the experience is crucial.

Regent Nieland asked if students can apply for admission on line. President Coleman responded affirmatively, noting that the number of students who do so increases every year.

Regent Kelly said he found the presentation fascinating. He was particularly interested in a demonstration provided by Dr. Oblinger on music education. Dr. Oblinger responded that there were also many good examples in math education. Typically, young people cannot visualize the math problems so information technology visualization tools allow students to see a graph or move a line. In the sciences, visualization facilitates understanding, as well, such as animating DNA replication.

Regent Ahrens stated that she had a similar experience in a crop physiology class.

Regent Kelly questioned how information technology relates to reading, writing and math. He said 40 percent of students graduating in many states cannot read their diplomas. If everything is so great now, why can't kids read? Dr. Oblinger responded that technology is not responsible for how students are being tested, a student refuses to work or to go to class, or the provision of the right environment. Technology is not a panacea. Technology is a tool and it must be applied wisely.

Regent Becker stated that in addition to being able share information more readily with data bases is the ability to search on line.

Dr. Oblinger concluded her presentation by stating that she had not intended to indicate that Iowa's Regent institutions are not highly responsible in moving as quickly as possible. When there are many areas that the institutions are trying to address, it is very difficult to move into some of these new areas unless there is an ability to reprioritize.

Dr. Oblinger received applause.

President Newlin thanked Dr. Oblinger for the presentation.

GENERAL
May 15-17, 2001

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 Tuesday, Wednesday and Thursday, May 15 through 17, 2001.

REGISTER OF PERSONNEL TRANSACTIONS.

ACTION: The Register of Personnel Changes for March 2001 was approved on the consent docket.

PROPOSED UNIVERSITY OF IOWA ACADEMIC YEAR AND SUMMER SESSION CALENDARS FOR 2001-2002 THROUGH 2005-2006.

ACTION: This matter was approved on the consent docket.

REQUEST TO CHANGE THE NAME OF THE DIVISION OF PLANNING, POLICY, AND LEADERSHIP STUDIES IN THE COLLEGE OF EDUCATION TO THE DIVISION OF EDUCATIONAL POLICY AND LEADERSHIP STUDIES.

ACTION: This matter was referred on the consent docket.

NAMING A FACILITY.

Vice President True, on behalf of the University of Iowa, requested that this item be deferred and brought back to the Board at another time.

ACTION: President Newlin stated that the Board deferred action on this item, by general consent.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS.

Vice President True offered to answer any questions regarding the projects on the University's capital register.

Regent Neil asked if the deadline could be met for completion of the WSUI Radio Towers—WSUI Transmitter Site Relocation project by September 2001 to meet Federal

Emergency Management Agency and Federal Communications Commission requirements. Vice President True responded that the deadline had better be met. If not, someone will have to explain to him why the deadline is not met.

MOTION: Regent Neil moved to approve the University's capital register, as presented. Regent Fisher seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

APPROVAL OF LEASES AND RENTAL RATES.

MOTION: Regent Fisher moved to approve lease agreements with The Human Capital Company and Entrepreneurial Learning Systems for their use of business incubator space at the Oakdale Research Park; a lease amendment with Methodist Medical Plaza II Limited Partnership for the University's continued use of space at the Iowa Methodist Medical Center, Des Moines, for the Women's Health Initiative Research Study of the College of Public Health; and tenant property rental rates for FY 2002 for the University's residences, and pre-school and daycare centers, reflecting proposed rate increases ranging from 2.7 percent to 5.9 percent. Regent Neil seconded the motion, and upon the roll being called, the following voted:
AYE: Ahrens, Arbisser, Becker, Fisher, Kelly, Neil, Newlin, Nieland, Turner.
NAY: None.
ABSENT: None.

MOTION CARRIED.

MEETING OF THE BOARD OF REGENTS, STATE OF IOWA, AS THE BOARD OF TRUSTEES OF THE UNIVERSITY OF IOWA HOSPITALS AND CLINICS.

President Coleman stated that financing for health care continues to be a challenging environment. The effects of the Balanced Budget Act of 1997 are continuing. She was pleased with the proactive approach the University of Iowa Hospitals and Clinics took, beginning five or six years ago, to anticipate the change in health care financing. She said the upcoming presentation would demonstrate the continuing results of those

efforts as well as the challenges that exist to create the highest quality environment for health care in a way that is fiscally sound.

Director Howell stated that this was the third quarterly report of the fiscal year. Overall, the operating and financial performance remains solid. There are some workforce challenges due to a nursing shortage as well as shortages in some other health care professions. He emphasized that, despite budgetary impacts emanating from the legislative session, University of Iowa Hospitals and Clinics continues to actively recruit individuals for those positions. He said the operating margin is solid, especially compared to other teaching hospitals.

President Newlin asked for the number of teaching hospitals in the U.S. Director Howell responded that there are approximately 1,100, of which 300 are members of a council that provides such data.

Director Howell stated that, in 1995, University of Iowa Hospitals and Clinics officials undertook a \$65 million expense management program in response to projected reductions in Medicare reimbursement and pressures from managed care. The expense management program is now complete. He said \$65 million has been removed from operating expenses. When adjusted for inflation, the amount of reduction is \$73 million. He noted that no one has involuntarily lost his or her employment relationship with University of Iowa Hospitals and Clinics as a result of the expense management program. Had this task not been undertaken, the financial statement would be showing a very difficult financial picture.

President Newlin noted that there was one month remaining in the fiscal year. Would the University of Iowa Hospitals and Clinics achieve a 3.8 percent operating margin at the conclusion of the fiscal year? Director Howell responded affirmatively.

Regent Fisher referred to the \$65 million expense reduction and asked if those were "hard" dollars. Director Howell responded affirmatively.

Regent Fisher asked for the potential impact of the new Medicare reduction which is focused on teaching hospitals. Director Howell said that had been incorporated in the anticipatory efforts in regard to the Balanced Budget Act. The net aggregate impact in the next fiscal year is \$14 million less revenues. The Balanced Budget Act reductions do not occur all in one year. Many teaching hospitals had not accounted for the aggregate impact of the Balanced Budget Act. He noted that the Balanced Budget Act reductions will end in 2002.

Regent Turner asked for the operating margins of other teaching hospitals. Director Howell responded that 20 percent of teaching hospitals were losing money as of the

third quarter of last year. University of Iowa Hospitals and Clinics officials have calculated that 3 percent is the absolute minimum needed.

President Newlin asked if the FY 2002 budget had built in a 3 percent margin. Director Howell responded affirmatively.

Regent Fisher asked if any Big 10 teaching hospitals were losing money. Director Howell responded that the teaching hospital at the University of Indiana has been sold. Ohio State University's teaching hospital is losing money. Michigan is making money. He was unsure about the status of Penn State. Wisconsin is not doing so well. Minnesota has been sold.

Regent Fisher asked if the states are coming forth to subsidize those teaching hospitals that are below the operating margin. Director Howell said that is often the request. The medical school in Minnesota requested \$48 million in additional support from its state this past year for additional stabilization of its financial position.

Regent Turner asked for an explanation of how the University of Iowa Hospitals and Clinics is funded. Director Howell responded that state appropriations to the University of Iowa Hospitals and Clinics are received through the indigent patient care program. Those were the only appropriations received from the state. The majority of University of Iowa Hospitals and Clinics revenues (93 percent) are from patient fees.

President Newlin asked if the indigent care program costs the University of Iowa Hospitals and Clinics more than it receives in appropriations. Director Howell responded affirmatively, noting that it was a good bargain for the state and the right thing for the Hospital to do. University of Iowa Hospitals and Clinics has consistently over-earned the appropriation.

President Newlin asked how much the state contributed to the University of Iowa Hospitals and Clinics when the facility began. Mr. Staley responded that the original 1928 general hospital was funded in part by a grant from the Rockefeller Foundation of \$2.75 million and it was matched by a like sum from the legislature. For the major capital replacement since the 1960s, all of the financing has been self generated.

Director Howell stated that University of Iowa Hospitals and Clinics officials will share, at a future meeting, a comparison of state appropriations provided to other Big 10 hospitals.

Regent Fisher asked if there is ever an opportunity to tell this story to elected officials. Director Howell responded affirmatively and stated that, in the summer, he visits various parts of the state and gives presentations on the indigent care program and answers

questions of local legislators. He stressed that the self sufficiency of the state's teaching hospital is a uniquely Iowa message.

Regent Neil asked if there was a brochure that would provide the information which Director Howell had been describing. Director Howell said there is a brochure on the capital program and one on the indigent care program.

President Newlin stressed the importance of the message that the University of Iowa Hospitals and Clinics capital replacement program has largely been pay-as-you-go. Over a 30-year period of time the University of Iowa Hospitals and Clinics complex was developed.

Mr. Staley presented a status report on the operations and programs. He reviewed patient census data and noted that UIHC admits patients from every county in the state; 91 percent of the patients come from Iowa, 85 percent of which are from outside of Johnson County. He then reviewed data on the average length of patient stay, case mix index, and clinic visits.

Regent Turner asked if the increase in clinic visits was concentrated in a particular area. Mr. Staley responded that the visits were pretty much across the board.

Regent Becker asked about the increase in the case mix index of Medicare patients. Director Howell stated that the Medicare patients case mix index was increasing, so was the case mix index of all other patient populations. Medicare patient information is the only data that is maintained for all hospitals.

Regent Becker asked if University of Iowa Hospitals and Clinics is the only tertiary care hospital in the state. Director Howell responded that it is the only comprehensive tertiary care hospital in the state.

Regent Arbisser noted that data suggests the population of Iowa is aging, which increases the Medicare population. Mr. Staley agreed that as the state's population ages, University of Iowa Hospitals and Clinics see more critically ill patients.

Regent Fisher asked if there was a greater increase for inpatients in any particular department. Mr. Staley responded that the increase was pretty much across the board. All of the specialty services are experiencing an increase in the volume of patients they serve. He noted that some new services are added every year. There is also an emphasis on moving patient care into the outpatient setting.

Regent Neil said "word of mouth" may also be contributing to the increase in patient census because of the University of Iowa Hospitals and Clinics' patient friendly attitude,

of which he had heard. Regent Becker said people have told her of the proactive approach of advisory committees of clients and parents of children with disabilities.

Regent Nieland asked if there was an expectation that the outreach clinics census would continue to increase. Mr. Staley responded affirmatively. He said future financing for the off-site clinics appears to be very positive. He noted that the clinics were developed in response to community needs. As long as those needs continue, University of Iowa Hospitals and Clinics officials would expect to see continued growth.

Mr. Staley next reviewed data on average daily clinic census and managed care patient volume. He noted that University of Iowa Hospitals and Clinics officials recently reclassified some of the Blue Cross patients that fit better into a managed care program.

Regent Neil asked for a definition of "managed care". Mr. Staley responded that managed care is basically any health care plan in which all of the delivery, the financing and the management of the care is integrated into a total program.

Mr. Staley reviewed the progress in meeting capital replacement objectives. He noted the new Hospital Dentistry Institute on the top floor of the Pomerantz Pavilion would be opened the following week.

Regent Becker asked for the link between the School of Dentistry and the new Hospital Dentistry Institute. Mr. Staley responded that all of the dental faculty within the Department of Hospital Dentistry (formerly referred to as the Department of Oral Surgery) are faculty members of the College of Dentistry.

Mrs. Rice reviewed with the Board members the financial statistics for the fiscal year through March 31, 2001. She noted that interest expense had increased because of participation with the University of Iowa in a bond issue for telecommunications.

Regent Fisher asked the reason for the 20 percent increase in general expenses. Mrs. Rice responded that the increase was due to higher costs for pharmaceuticals and surgical implants. She noted that the types of patients served at the University of Iowa Hospitals and Clinics tend to have more complex clinical issues. Pharmaceuticals and surgical supplies for the first three quarters of the fiscal year are \$15 million more than this time last year, which is a 25 percent increase. She stated, for that reason, University of Iowa Hospitals and Clinics officials would be bringing a budget ceiling increase to the Board.

Mrs. Rice stated that patient revenue was up 8.3 percent due to a combination of patient volume, complexity of cases, and pharmaceuticals and implants. She noted that there was also a 6 percent rate increase for this fiscal year.

Regent Turner noted that the increased costs for pharmaceuticals and supplies cannot all be passed on to the patient. Mrs. Rice stated that some of the payors will pay part of the cost increase. About 80 percent of payors do not increase their reimbursements for increased pharmaceutical costs.

Regent Arbisser stated that some of the managed care companies have report cards on pharmaceuticals. Does the University of Iowa Hospitals and Clinics have a program like that? Mrs. Rice responded that the University of Iowa Hospitals and Clinics has a very active committee, coordinated by the Pharmacy Department, that looks at every new drug to decide whether to include it on the formulary.

Regent Arbisser asked if there is an educational effort to inform physicians about prescribing formulary drugs. Mr. Staley said there is a large educational effort on pharmaceuticals for physicians, dentists and house staff. The Pharmacy and Therapeutics Subcommittee carefully reviews every new drug to decide if it will go into the formulary and also on what basis it will be prescribed.

Regent Fisher stated that his company is in the process of renewing its health care coverage. Employees are being educated about formularies.

Director Howell stated that Wellmark is planning for a 48 percent increase in the pharmaceutical component of its insurance costs. In regard to education, he said there was also the issue of education of the consumer with the increasing direct marketing by drug companies.

Mrs. Rice addressed the University of Iowa Hospitals and Clinics' operating margin. She said 3 percent is the lowest operating margin that prudent management of an operation like the University of Iowa Hospitals and Clinics should have. A revenue increase of 7-1/2 percent along with an expense increase of 10.3 percent resulted in the operating margin dropping by \$8 million in one year which was a dramatic decline from a year ago.

Regent Fisher referred to depreciation in the operating margin and asked what kind of resources are available for reinvestment. Mrs. Rice responded that depreciation annually is about \$37 million.

Regent Turner asked if the decline in collections is continuing. Mrs. Rice responded affirmatively. Regent Turner asked if the decline was due to contractual arrangements. Mrs. Rice responded affirmatively.

Mr. Hesson presented the Board members with a review of the nature and purpose of the Bylaws, Rules and Regulations of the UIHC and its Clinical Staff. He then presented the proposed amendments to the document. One amendment reflected the establishment of the Departments of Neurosurgery and Radiation Oncology and the Program in Emergency Medicine and revising the charge to the Environment of Care Subcommittee. The second amendment related to review of outside tissues.

Regent Turner said she was pleased about the amendment related to the review of outside tissues. She said it was a proactive measure. She then asked about the Program in Emergency Medicine. Mr. Hesson responded that it is a separate program in the College of Medicine.

Regent Becker asked for the purpose of the review of outside tissues. Regent Turner provided the example of a patient who is diagnosed with cancer following surgery at another medical facility. When the patient comes to the University of Iowa Hospitals and Clinics to be treated, the University of Iowa Hospitals and Clinics' pathologist will be required to review the tissue that was used for the diagnosis.

MOTION: Regent Fisher moved to approve the amendments to the Bylaws, Rules and Regulations of the UIHC and its Clinical Staff, as presented. Regent Neil seconded the motion. MOTION CARRIED UNANIMOUSLY.

Mrs. Rice discussed the conceptual planning upon which University of Iowa Hospitals and Clinics officials are basing the FY 2002 operating budget. She described the principles and reimbursement assumptions. UIHC officials anticipate continued growth with a modest increase in patient admissions and continued growth in outpatient visits. An increase in revenue of 8 percent was being projected. Some of the constraints on the revenue include those resulting from the Balanced Budget Act of a \$14 million reduction. She said Iowa Medicaid reimbursement likely will be reduced by 3 percent which is a \$2 million loss in revenue. Wellmark is changing how it pays for inpatient care by moving to a case rate similar to how DRGs are paid. The indigent patient care program may be decreased by 6 percent which would be a \$3 million loss of revenue. She said the expenses will not decline.

Regent Becker asked if the University of Iowa Hospitals and Clinics saw any impact of the Hawk-I children's health program. Mrs. Rice responded that University of Iowa Hospitals and Clinics officials thought there might be a more dramatic growth than was experienced; however, the program is being promoted more now so there may be an increase.

Regent Arbisser asked for additional information regarding Wellmark moving to a case rate for reimbursement. Mrs. Rice stated that Wellmark uses a different weighting system than does Medicare. Medicare will become more the national standard for payment.

Regent Arbisser stated that in several counties the Medicare patients may no longer have a managed care alternative. Those patients will revert to a commercial plan. What is the impact when one of those patients is treated at the University of Iowa Hospitals and Clinics? Mrs. Rice responded that those patients would be covered by Medicaid's regular rates. If coverage is uncertain, a social worker would work with them.

Regent Arbisser asked if there was an expectation of an increase in uninsureds because of increased health insurance premiums. Mrs. Rice stated that is a great concern because many of the insurance companies are quoting increases of 10 to 20 percent which will be very difficult to finance, especially for smaller employers.

Regent Neil referred to health insurance plans having higher deductibles and co-payments. He asked if that contributed to the increase in bad debt. Mrs. Rice responded affirmatively. She said that, for the most part, people try to address those expenses. Usually something can be worked out with a patient who has a financial hardship.

Director Howell stated that Iowa's indigent care program has been in place since 1905. It is a dependable program. When the state experiences an economic downturn, a growth is seen in the program. He said an important point to tout for the new members of the Board was that the University of Iowa Hospitals and Clinics last year provided 42 percent of all the charity care in the state. He said economic trends may buffet the University of Iowa Hospitals and Clinics up and down, but the dependability of the indigent patient care program is something in which great pride is taken.

George Weiner, Director of the Holden Comprehensive Cancer Center, provided the Board members with a report on the activities of the Center. He described the Center's three missions of state-of-the-art compassionate cancer care, research and education which decreases the burden of cancer for Iowans. The Center is a National Cancer Institute-designated comprehensive cancer center. He discussed the provision of clinical care, and trends in patient visits and chemotherapy procedures. Education is provided for patients, the public, care-givers and scientists. The Center is involved with 180 faculty members, 27 departments, and 7 colleges across the University. He described the types of cancer research which take place in the Center and peer reviewed research support to Center members. Support for the Center is provided by the National Institutes of Health/National Cancer Institute, private foundations, private donations, and collaborations with biotechnology and pharmaceutical companies.

Dr. Weiner concluded by describing the current challenges for the Center.

Regent Fisher stated that several years ago Dr. Mary Hendricks presented information to the Board which indicated that great advancements in cancer research and treatment were on the horizon. He asked how close is a major breakthrough?

Dr. Weiner said a breakthrough was closer than ever. There is a better understanding of what cancer is and what genes go haywire. The first drug (Glevak) was recently approved by the FDA for treatment of chronic myogenous leukemia.

Regent Kelly asked about some of the important breakthroughs that have occurred in the last 10 to 20 years. Dr. Weiner responded that great advances have occurred in the treatment of childhood leukemia and testicular cancer. There is now an understanding of what cancer is. Research is being done on cancer gene modification in patients with ovarian cancer.

Regent Turner stated that, within the last few years, the 50 percent mark had been achieved -- more than 50 percent of cancer patients' survival. Mortality and the incidence of cancer is declining.

Regent Kelly stated that young people are smoking like smokestacks. What, in Dr. Weiner's opinion, were the best approaches to keep young people from smoking. Dr. Weiner responded that all the data suggests that price is the best deterrent.

Director Howell stated that the University of Iowa Hospitals and Clinics' greatest assets are its people. He said Dr. Weiner's accomplishments speak volumes to the asset he brings to the University of Iowa Hospitals and Clinics.

PROPERTY ACQUISITION AND LEASE – 511 SOUTH MADISON STREET.

Vice President True presented this item on behalf of the University of Iowa.

MOTION: Regent Fisher moved to (1) Approve the purchase of property located at 511 South Madison Street, Iowa City, Iowa, from William, Marilyn and Harvey Laschke, at the purchase price of \$234,000, effective June 15, 2001, subject to approval of the Executive Council of Iowa; and (2) Approve the lease agreement with Harvey Laschke for his use of the property located at 511 South Madison Street, effective June 15, 2001, through June 14, 2002, subject to University purchase of the

property. Regent Neil seconded the motion, and upon the roll being called, the following voted:
AYE: Ahrens, Arbisser, Becker, Fisher, Kelly, Neil, Newlin, Nieland, Turner.
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 Iowa. There were none.

IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was transacted on Tuesday, Wednesday and Thursday, May 15 through 17, 2001.

REGISTER OF PERSONNEL CHANGES.

ACTION: The Register of Personnel Changes for April 2001, which was approved on the consent docket, included the following actions: Resignation of Murray M. Blackwelder, Vice President for External Affairs, effective June 30, 2001; Resignation of Prem S. Paul, Associate Vice Provost for Research and Advanced Studies, effective June 30, 2001.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS.

Vice President Madden presented the capital register on behalf of Iowa State University. He said the materials were straight forward and then offered to answer any questions.

Regent Neil asked about the amendment to the architectural design of the Union Drive project. Vice President Madden responded that University officials are in the process of redesigning the community center to address the concerns raised by members of the Board of Regents at the time the design was presented and to rearrange the use of the space in the building. University officials anticipate bringing the project back to the Board in September for review. He said the project will not move forward until the Board has had an opportunity to review it.

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

APPROVAL OF LEASES.

MOTION:

Regent Fisher moved to approve a lease renewal with Loran Simpson for the University's use of storage and warehouse space in Ames; a lease renewal with H. L. Munn Company for the Department of Residence's use of storage space in Ames; a lease agreement with Carroll Broadcasting Company for the University's use of tower space located near Carroll, Iowa, for construction of a repeater station for the transmission of WOI Radio to the west central area of the state; and a conservation easement with the Soil and Water Conservation District of Dickinson County, Iowa, for the restoration of approximately 27 acres of farm land to prairie at the Iowa Lakeside Laboratory. Regent Neil seconded the motion, and upon the roll being called, the following voted:

AYE: Ahrens, Arbisser, Becker, Fisher, Kelly, Neil, Newlin, Nieland, Turner.

NAY: None.

ABSENT: None.

MOTION CARRIED.

DEMOLITION OF MAINTENANCE BUILDING AT REIMAN GARDENS.

Vice President Madden presented this item on behalf of Iowa State University.

Regent Ahrens asked why the location of the maintenance building was not included in the original plan for development of Reiman Gardens. Vice President Madden responded that the maintenance building is located near the existing Mahlstedde Building. When the current maintenance building was planned, University officials thought the length of time it would take to develop Reiman Gardens would be substantially more years than has occurred. Secondly, since the original Reiman Gardens planning, the Athletic Department has developed grass practice fields to the west of the football stadium. He said the site of the new building was chosen to serve the Reiman Gardens while preserving the grass needs of the practice fields. At the time the original maintenance building was built, grass practice fields were not anticipated.

Regent Ahrens asked where the new building would be located. Vice President Madden responded that the building would be built on the north side of the drive going into Reiman Gardens.

MOTION:

Regent Turner moved to approve the demolition of the maintenance building located at the Reiman Gardens. Regent Fisher seconded the motion, and upon the roll being called, the following voted:
AYE: Ahrens, Arbisser, Becker, Fisher, Kelly, Neil, Newlin, Nieland, Turner.
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. There were none.

UNIVERSITY OF NORTHERN IOWA

The following business pertaining to the University of Northern Iowa was transacted on Tuesday, Wednesday and Thursday, May 15 through 17, 2001.

REGISTER OF PERSONNEL TRANSACTIONS.

ACTION: The Register of Personnel Changes for March 2001 was approved on the consent docket.

UNIVERSITY CALENDAR HOLIDAYS FOR 2003.

ACTION: The proposed holidays for calendar year 2003 were approved, as presented, on the consent docket.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS.

Vice President Dell presented the capital register on behalf of the University of Northern Iowa. She said the materials were in order and then she offered to answer questions. There were none.

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

SOUTH CAMPUS DEVELOPMENT/PLANNED RETIREMENT COMMUNITY.

President Koob reviewed, for the sake of the new members of the Board of Regents, the activities that have taken place with this project to date. At the December 2000 Board meeting, University of Northern Iowa officials provided background information on a proposed retirement community in the south area of campus. The Board requested that the University provide a follow-up report on discussions with developers by May

2001. He said development of the retirement community would be a collaborative effort between the University and the University of Northern Iowa Foundation. The Foundation has had initial conversations with potential developers about their interest in the retirement village. The Foundation plans to schedule a meeting in the late summer or early fall with the developers who have expressed an interest in the project. The Foundation will issue a Request for Proposals following the meeting.

Regent Fisher said he thinks the project will be great for the University, for the community, and for its future occupants. He asked if University officials had any idea of the price range. President Koob said the answer to that question would not be known until after responses to the Request for Proposals are received.

Regent Turner referred to the proposed native roadside vegetation enhancement and asked if the reference was to prairie. President Koob responded that it was a variety of federally-funded activities ranging from prairie to wildflowers. Plants that were native to Iowa will be used. The Department of Transportation is the University's primary partner in that endeavor.

ACTION: President Newlin stated the Board received the oral progress report on the proposed South Campus Development / Planned Retirement Community, by general consent.

MOTOR VEHICLE AND BICYCLE REGULATIONS, 2001-2002.

Vice President Dell presented this item on behalf of the University of Northern Iowa.

MOTION: Regent Neil moved to approve the proposed FY 2002 parking rates and changes to the Motor Vehicle and Bicycle Regulations at the University of Northern Iowa, as follows: Increase parking rates for FY 2002 at the University of Northern Iowa as set forth; Establish a new penalty of \$20 for illegal parking in a service vehicle zone; Create a new policy for doubling fines of habitual violators; Reclassify the display of a lost or stolen permit and double its fine; and Revise UNI's *Parking Manual for Motor Vehicles, Bicycles, Roller Blades, Roller Skates, and Skateboards*. Regent Ahrens seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

APPROVAL OF LEASES AND EASEMENTS.

MOTION:

Regent Fisher moved to approve a lease agreement and FY 2002 rental rate for a faculty and staff housing unit located at 2115 Merner Avenue, Cedar Falls; FY 2002 rental rate increase of 6.1 percent for faculty and staff housing units located at 3214 Hudson Road and 8712 University Avenue in Cedar Falls; FY 2002 rental rate increase of 5.7 percent for the houses leased to Tau Kappa Epsilon Fraternity and Gamma Phi Beta Sorority; FY 2002 rental rate increase of 5.9 percent for a student housing unit located at 1233 West 22nd Street, Cedar Falls; an easement agreement with the City of Cedar Falls for the City's installation of a sanitary sewer line on University property; and a right-of-way lease agreement with the Iowa Department of Transportation for the University's use of 34.42 acres of property in Black Hawk County to support the Native Roadside Vegetation Program. Regent Neil seconded the motion, and upon the roll being called, the following voted:
AYE: Ahrens, Arbisser, Becker, Fisher, Kelly, Neil, Newlin, Nieland, Turner.
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. There were none.

IOWA SCHOOL FOR THE DEAF

The following business pertaining to the Iowa School for the Deaf was transacted on Tuesday, Wednesday and Thursday, May 15 through 17, 2001.

TOUR OF RECREATION CENTER.

On the morning of May 17, the Board members were given a tour of the site of the recreation center. Superintendent Johnson discussed the revenues for the project and noted that all of the money was accounted for before the Board permitted School officials to proceed with the project. Two-thirds of the revenues were from other than general state appropriations. He described the process by which the proposed \$4.2 million building ended up being designed as a \$9.2 million building. One element of the facility is an effort to make hearing people more comfortable with deaf people. Artwork will also contribute to the awareness. The School recently received its first request to use the community room next May! He described the efforts to receive additional community money for operation of the facility so the School can afford to run it.

The Board members were informed that the roof is not flat; it drains to ¼"/foot for the pitch. There are no mechanicals on the roof. The "u"-shaped pool will have a zero depth with 5 foot being the most depth. There will be no diving in the pool.

Regent Neil asked if the recreation center is supposed to be self supporting. Superintendent Johnson responded that consideration is being given to forming an alliance with the YMCA and the city of Council Bluffs.

Regent Ahrens asked if there would be a special coating on the windows around the pool to prohibit the development of fog. The response was that there would be normal paned windows which, theoretically, should not fog up.

President Newlin asked for the number of female to male toilets. Superintendent Johnson responded that the ration was 8 to 4.

Superintendent Johnson stated that, with the opening of this facility, it would be the first time that the football players' locker room will be near the playing field. He noted that

School officials were offering the Recreation Center as a neutral site for the state basketball tournament.

President Newlin thanked Iowa School for the Deaf officials for the tour.

REGISTER OF PERSONNEL CHANGES.

ACTION: The Register of Personnel Changes for April 2001 was approved on the consent docket.

STRATEGIC PLAN.

President Newlin referred to the strategic planning process. He said the Board would receive the Iowa School for the Deaf report at this meeting and act on the plan next month. An interim report would be presented in November.

Cindie Angeroth, Outreach Coordinator, provided the Board members with an overview of activities and accomplishments of the Iowa School for the Deaf. She said 86 percent of Iowa School for the Deaf graduates pursue post-secondary education. Ninety (90) percent of students measured above the national deaf and hard-of-hearing norms for academic performance. Students have more than 40 extracurricular opportunities. Iowa School for the Deaf serves 30 school districts in satellite programs in 7 counties. She said obstacles include a decreased budget, low reading scores, teacher licensure and endorsement, and students leaving post-secondary settings. Iowa School for the Deaf received commendations from two accreditation teams.

Iowa School for the Deaf officials established five new critical issues, three of which relate to academic achievement. The first critical issue was that all students will increase performance of applying math concepts/facts. With regard to math trends in the current school year, Ms. Angeroth stated that 90 percent of students taking the TASK scored below the national hearing norms. One hundred (100) percent of students taking the SAT-HI scored at or above the national norms for deaf and hard-of-hearing students. The second critical issue was that all students will locate, comprehend and interpret written information in prose and reading materials such as subject areas, manuals and directives. With regard to reading trends, she said 52 percent of students taking the SAT-HI scored at or above norms for comprehension. Eighty (80) percent of students taking the TASK scored at or below the norms for vocabulary and comprehension.

Regent Turner asked if students at all levels take the TASK and SAT-HI tests. Ms. Angeroth responded that the SAT-HI test is taken by students from 4th grade until high school. TASK is only for the high school students.

Ms. Angeroth described the shared reading project designed to increase vocabulary skills. The project teaches hearing parents how to read to their deaf/hard-of-hearing child.

Regent Becker noted that deaf children with parents who are deaf have better reading scores than those with parents who are hearing. Superintendent Johnson stated that deaf children of deaf parents achieve about 3 to 5 grade levels above deaf students with hearing parents.

Iowa School for the Deaf's third critical issue was that each student will demonstrate progressive increase of scientific knowledge/skills. With regard to science trends, Ms. Angeroth stated that 65 percent of students taking the TASK scored at or below hearing norms. Progress in this area was demonstrated by a one-year decrease by 64 percent of 9th grade students who scored in the lowest quartile.

Regent Turner asked what caused the dramatic change in a year. Superintendent Johnson responded that two or three science teachers were added, all of whom happen to be deaf.

Ms. Angeroth noted that Iowa School for the Deaf's teachers are "buying into" the school improvement plan.

Regent Neil asked about diversity of the Iowa School for the Deaf students. Ms. Angeroth responded that there is much diversity (18 students). There is one student from Cambodia, one from Vietnam, and several from Mexico.

The fourth critical issue was that all Iowa School for the Deaf students will demonstrate satisfactory career development skills and employability skills. Efforts to eliminate barriers to successful work/school experiences include 5th year high school, the transitional alliance program, careers classes through which students can have up to 7 years of experience, and the honors residential areas. Ms. Angeroth said the honors residential areas are special areas of the residence halls. Students have to earn 850 ISD dollars to stay in the honors residential area.

The fifth critical issue was that all students will demonstrate an increased awareness of community resources by participating in a variety of family/community activities. Ms. Angeroth said students will increase participation in activities for the deaf. Students will participate in at least five volunteer activities with a minimum of 5 hours in each activity. She described several such activities in which students have become involved.

Regent Becker asked if the School was successful in transitioning students to other Regent institutions for a university education. Superintendent Johnson responded that very few Iowa School for the Deaf students go to a Regent university. His son was probably the first, in 1998, to attend Iowa State University as an honor student in electrical engineering. His experience did not work out. Many of the classes were taught by foreign teachers whom the interpreters could not understand. Another Iowa School for the Deaf student will attend Iowa State University this fall. Iowa School for the Deaf students are enrolled the University of Nebraska at Omaha and Lincoln, and Gallaudet, for example. Most of the students go to community colleges first to make sure they can succeed.

Regent Turner asked if the students who attend the University of Nebraska are primarily Nebraska students. Superintendent Johnson responded that both Nebraska and Iowa students attend the University of Nebraska.

Regent Turner asked about the effort to train teachers of the deaf in Iowa. Director Barak responded that two simultaneous actions in that regard were taking place. Consideration of a joint program with Nebraska is taking place as reported to the Board in April. The University of Iowa has also indicated an interest in possibly developing a training program for the deaf. A meeting is scheduled to take place the next week to try to work out something in that regard.

Superintendent Johnson noted that the Iowa School for the Deaf needs to make a contribution to that effort. He said there are over 2,500 deaf teacher vacancies every year throughout the U.S. Diversity of teachers was another issue. Iowa School for the Deaf's teachers are white.

Superintendent Johnson reviewed the proposed modifications to the Iowa School for the Deaf strategic plan. Changes were not been made to the mission, the values, the vision or the beliefs. In Key Result Area 1.0, Administrative and Teaching Personnel, proposed changes relate to staff development, increased focus on daily living skills of students, and staff compensation. In Key Result Area 2.0, Programming [Curriculum], Iowa School for the Deaf officials proposed to develop prioritized lists of unmet needs, to direct more attention in the curriculum to reading, literacy, newborn screening, and student/adult mentoring programs. Teachers and staff will develop portfolios for all students and increase efforts in student evaluation. In Key Result Area 3.0, Maintenance, Iowa School for the Deaf will enhance its efforts to better identify and deal with maintenance/replacement plans. In Key Result Area 4.0, Accountability, the plan calls for an annual review of the Employee Handbook.

Superintendent Johnson said there were specific benchmarks which were new. He asked for Board direction on what areas and which benchmarks were desired, such as how many faculty have post graduate degrees, diversity, etc.

President Newlin said he would be willing to meet with Superintendent Johnson about categorizing benchmarks and priorities before the next Board meeting, taking into account the advisory committee recommendations. He asked about Superintendent Johnson's availability to meet at the Board Office with Director Barak and Associate Director Kniker. Superintendent Johnson said he would meet where and when President Newlin requested.

President Newlin thanked Superintendent Johnson and his staff for the work they had done with the School's strategic plan and benchmarks.

ACTION: President Newlin stated the Board received the Iowa School for the Deaf Strategic Plan for 2001-2006, by general consent.

FACULTY REDUCTION IN FORCE.

See the Iowa Braille and Sight Saving School section of these minutes, beginning on page 811.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS.

Superintendent Johnson stated that the capital register was in order.

MOTION: Regent Neil moved to approve the Register of Capital Improvement Business Transactions for the Iowa School for the Deaf, as presented. Regent Becker 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.

EXECUTIVE SESSION. President Newlin requested that the Board meet in closed session pursuant to Iowa Code §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 Neil seconded the motion, and upon the roll being called, the following voted:
AYE: Ahrens, Arbisser, Becker, Fisher, Kelly, Neil, Newlin, Nieland, Turner.
NAY: None.
ABSENT: None.

MOTION CARRIED.

The Board having voted at least two-thirds majority resolved to meet in closed session beginning at 4:15 p.m. on May 16, 2001, and adjourned therefrom at 5:52 p.m. on that same date.

IOWA BRAILLE AND SIGHT SAVING SCHOOL

The following business pertaining to Iowa Braille and Sight Saving School was transacted on Tuesday, Wednesday and Thursday, May 15 through 17, 2001.

REGISTER OF PERSONNEL CHANGES.

MOTION: The Register of Personnel Changes for March 2001, which included the return from professional development leave of Dennis Thurman, Superintendent, effective April 30, 2001, was approved on the consent docket.

FACULTY REDUCTION IN FORCE.

President Newlin stated that Superintendent Thurman, Iowa Braille and Sight Saving School, recommended the Board consider termination of continuing contracts of two teachers who did not request private hearings, pursuant to Iowa Code section 279.15. Additionally, Superintendent Johnson recommended the termination of continuing contracts of five teachers who did not request private hearings. He then recognized Director Wright.

Director Wright stated that Ann Marie Brick and Gordon Allen of the Attorney General's Office were present. Ms. Brick was serving as counsel for the Board of Regents and Mr. Allen was serving as counsel to Superintendent Thurman. He discussed the notices that had taken place to date. At this meeting, this matter had two distinct parts: 1) public session for those who did not request a private hearing and 2) a private session for those who had requested a private hearing.

Superintendent Johnson stated that Iowa School for the Deaf officials requested approval of the termination of employment of three teachers and a reduction in the number of contracted days for two teachers. He offered to answer questions.

President Newlin asked if there were any questions from Regents concerning the Superintendent's recommendation for any one of the teachers.

Regent Neil asked if the employees were being laid off in inverse seniority. Superintendent Johnson said that was the case in the graphic arts area. With the reduction of number of days the person still has more than the other people. One person is being terminated in the library area which is being closed.

Regent Neil asked if the school's reductions involved the area education agency. Superintendent Johnson responded that the AEA 13 person had been refit on Iowa School for the Deaf's payroll. When Nebraska students came to the School, one-fifth more time was added to this person's contract for speech therapy for those students. The fifth day started about three to four years ago when this individual began working with AEA 13 as a speech therapist for young students. The area education agency indicated it did not need that service next year.

President Newlin recognized Deputy Attorney General Allen.

Deputy Attorney General Allen presented information regarding the Iowa Braille and Sight Saving School reduction in force. He stated that on April 26, 2001, Acting Superintendent Michael Hooley timely notified two teachers of his intent to recommend termination of their employment to the Board at its meeting of May 15, 2001, as required by Iowa Code §279.15. On April 25, 2001, he timely notified three teachers of his intent to recommend a reduction in the number of contracted days (one of these teachers has since been restored to full contract status by the area education agency), and five teachers of his intent to recommend a termination of their 1988-89 faculty bonus (granted by the Board in 1988-89 pursuant to statutory authority and continued through 2000-2001). Two of these teachers were also recommended for a reduction in the number of contracted days.

Pursuant to Iowa Code §279.15, the teachers had five days following notification in which to request a private hearing before the Board concerning the recommendations. Deputy Attorney General Allen said the two teachers recommended for termination of contracts did not request a private hearing and the Board can make a decision concerning the superintendent's recommendation regarding their contracts at any time prior to May 31, 2001. The Board's decision is final for these two teachers, one of whom has a probationary contract that was recommended for termination, and one of whom has a non-probationary continuing contract that was recommended for termination.

Deputy Attorney General Allen stated that five teachers requested a private hearing before the Board on the School's recommendation, pursuant to Iowa Code §279.15(2). Two of the teachers are recommended to receive a reduction in the number of contracted days from 199 to 189, along with the elimination of their 1988-89 performance bonus. Three of the teachers who requested a hearing are appealing the

recommendation that their 1988-89 performance bonus be eliminated. All of the teachers are non-probationary.

Deputy Attorney General Allen stated that the recommendation was for a reduction in force. Presently sitting before Governor Vilsack is a budget for the Board of Regents which reduces the FY 2002 appropriation by 6 percent. Because of the statute regarding teacher termination of continuing contracts, action is required prior to May 15. He said the reduction from 199 days to 189 days will place those affected faculty on par with other teachers. The recommendation to terminate the faculty bonus will save money in the general fund salary line item. The bonus termination proposal was designed to provide those affected faculty members with the same amount of money as they were currently receiving now.

Deputy Attorney General Allen stated that, as a result of the adoption of the recommended actions on items that were under appeal, approximately \$15,000 would be saved out of \$300,000 in necessary reductions. He said Superintendent Thurman had done a commendable job of trying to accomplish the reductions in the most unobtrusive way to the employees. He stressed that the reductions were not performance based. The affected teachers are the finest teachers that can be provided to the students. This was simply a reduction in force due to a reduction in available funding to the school.

President Newlin asked if there were any questions from Regents concerning the Superintendent's recommendation for any one of the teachers.

Regent Fisher asked for an explanation of the bonus. Superintendent Thurman stated that, in 1987-88, the special schools were asked to present a performance-based professional appraisal plan, which they did. The plan had a bonus award attached to it. In the first year, the bonus was awarded on the basis of performance in the 1988-89 school year. Subsequently, it was decided that the bonus would be an ongoing award, not an annual award.

Upon additional questions of the Board members, Superintendent Thurman expanded on the recommendation regarding the bonus, the reduction in contract days and the amount of money that would be saved if the recommendations were approved.

Director Wright stated that the Board had before it recommendations involving seven teachers who did not appeal the Superintendents' recommendations. Those faculty members from the Iowa Braille and Sight Saving School were Jennifer McGlashing and Terri Knipper. Those faculty members from the Iowa School for the Deaf were Charles Grandick, Jean Luedtke, Lori Seifering, Robert Schulze, and Mary Sue Miles.

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EXECUTIVE SESSION. President Newlin stated that, pursuant to Iowa Code section 279.15, the Board must go into closed session to conduct a private hearing for teachers who have requested a private hearing.

MOTION: Regent Nieland moved to enter into closed session. Regent Fisher seconded the motion, and upon the roll being called, the following voted:
AYE: Ahrens, Fisher, Kelly, Neil, Newlin, Nieland.
NAY: None.
ABSENT: Arbisser, Becker, Turner.

MOTION CARRIED.

The Board having voted at least two-thirds majority resolved to meet in closed session beginning at 4:25 p.m. on May 15, 2001, and adjourned therefrom at 6:40 p.m. on that same date.

MOTION: Regent Kelly moved that Superintendent Thurman's recommendation for the termination of the continuing contract of Jennifer McGlashing be accepted. Regent Fisher seconded the motion, and upon the roll being called, the following voted:
AYE: Ahrens, Fisher, Kelly, Neil, Newlin, Nieland.
NAY: None.
ABSENT: Arbisser, Becker, Turner.

MOTION CARRIED.

MOTION: Regent Kelly moved that Superintendent Thurman's recommendation for the termination of the continuing contract of Terri Knipper be accepted. Regent Ahrens seconded the motion, and upon the roll being called, the following voted:
AYE: Ahrens, Fisher, Kelly, Neil, Newlin, Nieland.
NAY: None.
ABSENT: Arbisser, Becker, Turner.

MOTION CARRIED.

MOTION: Regent Fisher moved that Superintendent Johnson's recommendation for the termination of the continuing contract of Charles Grandick be

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accepted. Regent Neil seconded the motion, and upon the roll being called, the following voted:
AYE: Ahrens, Fisher, Kelly, Neil, Newlin, Nieland.
NAY: None.
ABSENT: Arbisser, Becker, Turner.

MOTION CARRIED.

MOTION:

Regent Kelly moved that Superintendent Johnson's recommendation for the termination of the continuing contract of Jean Luedtke be accepted. Regent Ahrens seconded the motion, and upon the roll being called, the following voted:
AYE: Ahrens, Fisher, Kelly, Neil, Newlin, Nieland.
NAY: None.
ABSENT: Arbisser, Becker, Turner.

MOTION CARRIED.

MOTION:

Regent Kelly moved that Superintendent Johnson's recommendation for the termination of the continuing contract of Lori Seifering be accepted. Regent Neil seconded the motion, and upon the roll being called, the following voted:
AYE: Ahrens, Fisher, Kelly, Neil, Newlin, Nieland.
NAY: None.
ABSENT: Arbisser, Becker, Turner.

MOTION CARRIED.

MOTION:

Regent Kelly moved that Superintendent Johnson's recommendation for the termination of the continuing contract of Robert Schulze be accepted. Regent Neil seconded the motion, and upon the roll being called, the following voted:
AYE: Ahrens, Fisher, Kelly, Neil, Newlin, Nieland.
NAY: None.
ABSENT: Arbisser, Becker, Turner.

MOTION CARRIED.

MOTION: Regent Kelly moved that Superintendent Johnson's recommendation for the termination of the continuing contract of Mary Sue Miles be accepted. Regent Neil seconded the motion, and upon the roll being called, the following voted:
AYE: Ahrens, Fisher, Kelly, Neil, Newlin, Nieland.
NAY: None.
ABSENT: Arbisser, Becker, Turner.

MOTION CARRIED.

Regent Neil stated, for the record, that it was unfortunate that the Board has to take this kind of action at a time when the Schools are trying to recruit faculty to teach the deaf and blind. He said it was unfortunate that the legislature did not fund these salaries and the result was being taken out on the least fortunate in the state.

Regent Kelly said he supported Regent Neil's comments.

On May 17, 2001, while considering the remainder of the Iowa Braille and Sight Saving School agenda, President Newlin announced that the Board of Regents would hold a telephonic meeting on Monday, May 21, 2001, at 11:00 a.m. to consider the remaining personnel actions related to the reduction in force.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS.

Superintendent Thurman stated that the capital register was in order.

MOTION: Regent Fisher moved to approve the Register of Capital Improvement Business Transactions for the Iowa Braille and Sight Saving School. Regent Ahrens seconded the motion. MOTION CARRIED UNANIMOUSLY.

APPROVAL OF TENANT LEASE AGREEMENT.

MOTION: Regent Fisher moved approval of a lease agreement with the Arc of East Central Iowa for its use of space for a summer children's program in Palmer Hall on the School's campus. Regent Neil seconded the motion. MOTION CARRIED UNANIMOUSLY.

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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.

EXECUTIVE SESSION. President Newlin requested that the Board meet in closed session pursuant to Iowa Code §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:
AYE: Ahrens, Arbisser, Becker, Fisher, Kelly, Neil, Newlin, Nieland, Turner.
NAY: None.
ABSENT: None.

MOTION CARRIED.

The Board having voted at least two-thirds majority resolved to meet in closed session beginning at 10:43 a.m. on May 17, 2001, and adjourned therefrom at 11:41 a.m. on that same date.

ADJOURNMENT.

The meeting of the Board of Regents, State of Iowa, adjourned at 11:41 a.m. on Thursday, May 17, 2001.



Frank J. Stork
Executive Director