The Board of Regents, State of Iowa, met on Wednesday and Thursday, October 16 and 17, 2002, at the University of Northern Iowa, Cedar Falls, Iowa. The following were in attendance:

Members of the Board of Regents, State of Iowa

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<tr>
<th>Name</th>
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<tr>
<td>Dr. Newlin, President</td>
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<td>Dr. Arbisser</td>
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<td>Ms. Arnold</td>
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<td>Dr. Becker</td>
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<td>Mr. Fisher</td>
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<td>Dr. Kelly</td>
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<td>Mr. Neil</td>
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<td>Ms. Nieland</td>
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<tr>
<td>Dr. Turner</td>
<td>Arrived at 2:15 p.m.</td>
<td>By telephone from 9:30 a.m. until 12:00 p.m.</td>
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Office of the Board of Regents, State of Iowa

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<td>Executive Director Nichols</td>
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<td>Director Barak</td>
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State University of Iowa

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<td>Interim President Boyd</td>
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<td>Vice President Kelch</td>
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<td>Associate Director Braun</td>
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Iowa State University

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<td>President Geoffroy</td>
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<td>Interim Provost Allen</td>
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<td>Vice President Hill</td>
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<td>Vice President Madden</td>
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<tr>
<td>Executive Assistant to President Dobbs</td>
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University of Northern Iowa

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<td>Assistant Vice President Gaston</td>
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Iowa School for the Deaf

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<td>Interpreter Gerischer</td>
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Iowa Braille and Sight Saving School

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THE CORRESPONDING DOCKET MEMORANDUM FOR EACH AGENDA ITEM IS AVAILABLE ON THE BOARD OF REGENTS WEBSITE AT:

www.state.ia.us/educate/regents

COPIES OF THESE MEMORANDA CAN ALSO BE OBTAINED FROM THE BOARD OFFICE BY CALLING 515/281-3934.
GENERAL

The following business was transacted on Wednesday, October 16, 2002.

APPROVAL OF MINUTES OF BOARD MEETING OF SEPTEMBER 18-19, 2002.

President Newlin asked if there were any additions or corrections to the minutes. There were none.

ACTION: President Newlin stated the Board approved the minutes of the September 18-19, 2002, meeting, as written, by general consent.

ANNUAL STUDENT FINANCIAL AID REPORT.

Assistant Director Gonzalez stated that the student financial aid report is prepared annually to describe the amounts and types of financial assistance disbursed to students by the Regent universities during the prior year. She said the report is also in keeping with the Board’s strategic plan, especially the key result area of access.

Assistant Director Gonzalez provided a PowerPoint presentation which summarized the information presented in the annual governance report on student financial aid. She said there are three types of financial aid available to students: grants and scholarships, loans, and employment. Aid can either be need-based or merit-based. Sources of funds include federal programs, state programs, and institutional programs. With regard to total number of financial aid awards over the past 5 years, she said there was an increase of 11.6 percent. The largest increase was at Iowa State University which experienced a 17.8 percent increase. The number of grant awards and the number of loan awards have been almost equal.

Regent Fisher noted that the meeting materials indicated that, for 2001-02, there were close to 70,000 awards of student financial aid. The enrollment report indicated there are 71,000 students enrolled at Regent universities. He then asked if some students receive multiple awards. Assistant Director Gonzalez responded affirmatively. She said a student who receives a grant and also qualifies for work study, for example, is counted in both categories of aid.
Assistant Director Gonzalez continued with the PowerPoint presentation. She stated that residents of Iowa received 77.9 percent of the total number of awards to undergraduates during 2001-2002. The amount of financial aid awarded by the Regent institutions is at an all-time high; it represents an increase of 28 percent during the past five years. Each of the institutions has shown a significant increase during that period. Approximately one-half of those funds has been distributed in the form of loans. More than 74 percent of the financial aid funds to undergraduates have been to Iowa residents. She noted that information about student indebtedness at the time of graduation was included in the report, as requested by Board members.

Undergraduate tuition set-asides were as follows:

- University of Iowa = $12,001,230 (70.2 percent need; 29.8 percent merit)
- Iowa State University = $17,821,897 (29.1 percent need; 70.9 percent merit)
- University of Northern Iowa = $5,039,063 (43.6 percent need; 56.4 percent merit)

Assistant Director Gonzalez stated that significant issues impacting on student financial aid include loss of state work-study funds, unmet grant need, and increases in loan volume. With regard to the Iowa Minority Academic Grants for Economic Success (IMAGES) program, Assistant Director Gonzalez stated that students can receive up to $3,500 per year. However, the average is generally less than $3,500 because of the limited amount of total funds available. She described some of the elements of the IMAGES and College Bound programs.

Regent Neil thanked staff of the universities for providing the student financial aid information by resident and non-resident. He said that, as tuition continues to increase, the Regents need to know the impact on in- and out-of-state students. He then asked what strategies are being used to divide awards between need- and merit-based financial aid.

Mark Warner, Director of Student Financial Aid at the University of Iowa, stated that the University has a financial aid advisory committee which meets three times per semester. Issues that relate to financial aid are brought to this group. The University also has an enrollment management committee. He said that, at the University of Iowa, the tuition set-aside funds for undergraduate students are divided 70 percent need-based and 30 percent merit based, which has evolved over the years. The percentages are determined on the criteria of scholarships that are available to students. With regard to characteristics of students, he said 43 percent of merit scholarship recipients also fall into the category of need based. In response to Regent Neil’s question, he said the Student Financial Aid Office and the two advisory committees determine the allocations between need- and merit-based financial aid.
Regent Becker asked if there was a relationship between the high percentage of funds going to need-based aid and the relatively low amounts of loan indebtedness at the University of Iowa, as compared to the other two Regent universities. Director Warner stated that $8 million of the $12 million in student financial aid funds is distributed to students based on need. The “packaging” philosophy, for some time, has been first award to students any and all grants and scholarships and then to award loans and employment. The student makes the choice in which order to receive the funds.

Regent Neil asked if 83 percent of the tuition set-aside funds at the University of Iowa go to need-based aid. Director Warner responded that 83 percent of the funds go to students who show financial need.

Regent Neil asked how the institution uses the data on unmet need from grant aid to develop financial aid strategies. Director Warner referred to the University of Iowa’s philosophy for packaging financial aid awards, which he described earlier. He said that awarding grants and scholarships first minimizes the need for other forms of aid. He noted that the aid funds over which the institution has control is very limited and does not include federal money.

Regent Neil asked if the data provided in the meeting materials indicated that there is a total $141 million of resident student unmet need. Director Warner said that figure was correct. Regent Neil noted that the amount of unmet need increased from $129 million to $141 million in the last year.

President Newlin asked that representatives of the other universities answer the question Regent Neil asked about the strategies being used to divide awards between need- and merit-based financial aid.

Earl Dowling, Director of Student Financial Aid, Iowa State University, responded that 11 percent of the tuition set-aside is done through the University’s budget process. In 2002, the 11 percent set-aside was nearly $7 million, one-half of which was awarded to Iowa residents. Of that amount, 94.3 percent was used to reduce a student’s financial need. With regard to the award of need-based aid, he provided the example of an Iowa State University freshman who grew up in an Iowa farm family. He described the student’s high school academic achievements and the family’s financial situation. After taking all of this information into consideration, the student financial aid office determined that her parents would not be expected to contribute anything to her college expenses. The student’s financial need was $12,519. Her student aid package included both need- and non-need-based aid. The source of aid was a combination of federal funds, tuition set-aside funds, and strategic-specific funds. The package was comprised of grants, scholarships and loans. The student is doing well in her freshman
year at Iowa State University. He noted that her story tells the complexity of how each student’s financial aid package is tailored to the individual student.

Regent Becker referred to information that indicated that 70.9 percent of Iowa State University’s awards are based on merit. She asked how those figures are derived. Director Dowling responded that there are two different “buckets” of money. One such bucket is the 11 percent tuition set aside, which was $7 million last year. He said $3.5 million of that $7 million was awarded to Iowans, 94.3 percent of which was awarded to reduce a student’s financial need based on the federal formula for need. The other bucket contains funds to meet strategic purposes of the University. Those strategic purposes are: a) to recruit high-achieving students, b) to increase diversity, c) to achieve balance between residents and non-residents, and d) to address retention.

Regent Neil asked for the size of the loan the freshman student to whom Director Dowling referred had to take out. Director Dowling stated that the lowest interest loan (Perkins) is used for the neediest students. Another loan is the Stafford loans. Because of the amount of scholarship dollars that the student received, he believes she elected to borrow under the Perkins loan program and not under the Stafford loan program.

Regent Becker noted that, at Iowa State University, one-half of the financial aid set-aside funds were awarded to residents although residents comprise more than one-half of the student population. She asked for an explanation of the allocation.

Director Dowling responded that decisions on how to award the money are based on student characteristics. Those award strategies are changed every year.

President Geoffroy stated that one component of the allocation decision is the source of the tuition revenues. The University’s total tuition revenues are approximately one-half from non-resident students and one-half from resident students.

Regent Nieland said she presumed that the University’s allocation decision provides the University with a pool of higher-qualified academically students, and it speaks to the continued excellence of the University.

Regent Becker referred to the large amount of unmet financial need at Iowa State University, as identified in the meeting materials, and asked about ideas for different strategies. She said it appeared that students at Iowa State University are much more economically disadvantaged than are students at the other two universities.

Director Dowling responded that the students at Iowa State University are financially needier than students at the other two schools. At Iowa State University, 64.5 percent of
undergraduates receive need-based financial aid. He said a tuition task force was created in response to the increases in tuition and in room and board. The task force recommended ensuring that students are aware of financial aid that is available and of the application deadlines. As a result of instituting the task force’s recommendation (emails and postcards were sent to current financial aid filers reminding them of the deadlines), there was a 30 percent increase in the number of students who filed for financial aid on time. He said 96.4 percent of minority student financial aid filers applied on time this year.

Regent Becker expressed appreciation for those efforts and for the increase in the amount of Iowa State University’s student financial aid set aside.

Roland Carrillo, Director of Financial Aid at the University of Northern Iowa, first addressed the question of the allocation of tuition set-aside funds between merit- and need-based aid. He said that, at the University of Northern Iowa, the allocation has been about 50 percent merit- and 50 percent need-based aid. University officials review applications of every student who files a FAFSA (Free Application for Federal Student Aid) to determine what percentage of those students have need.

Regent Fisher asked for a definition of non-need-based aid. Director Carrillo provided the example of a student with an educational budget of $8,000. Based on the federal need formula, the student is granted a need-based loan of $4,000. He said the difference between the $4,000 identified as need and the $8,000 budget is described as “non-need” based on a formula.

Regent Arnold stated that Iowa State University officials mentioned that the amount of tuition set-aside is 11 percent. She asked for the percentage of tuition set-aside at the other two universities.

Director Carrillo responded that, at the University of Northern Iowa, 19 percent is set aside, and has been set aside for a number of years. Even so, there remains a struggle with the amount of indebtedness of its students.

President Newlin referred to the Peterson index of average indebtedness that was presented in the meeting materials. He asked how that data could be reconciled with the average student indebtedness at each Regent university.

Assistant Director Gonzalez responded that information presented in the Peterson guide is for the year preceding the year addressed in the meeting materials. Data from the Peterson guide is for FY 2001 while the data in the meeting materials is for FY 2002. Also, the Peterson information does not include the PLUS loan. The Board Office has shown the indebtedness with and without the PLUS loan in the past.
President Newlin thanked the Board Office and institutional staff for the excellent work that went into this report.

Regent Becker expressed her appreciation for the excellent information.

Regent Arnold asked for the amount of tuition set-aside at the University of Iowa. Interim President Boyd responded that, traditionally, the set-aside was 16 percent. The set-aside on the incremental tuition revenue generated will be 20 percent.

President Geoffroy stated that, at Iowa State University, the tuition set-aside is 11 percent. The University supplements that to provide financial aid equivalent to 21 percent of tuition revenues.

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

TUITION POLICIES AND PROPOSED RATES.

Executive Director Nichols stated that, last month, the Board of Regents was presented with a thorough overview of the Board Office proposal for tuition policies and proposed rates. Since last month’s meeting, one change was made in the proposal, which was mailed to members of the Board and to student leaders. The proposed change would increase tuition for resident and non-resident students in the College of Veterinary Medicine at Iowa State University at the same rate as for resident and non-resident graduate students at Iowa State University. The change was requested by Iowa State University officials.

At this meeting, the university presidents would address the potential utilization of the additional tuition revenue. Executive Director Nichols said the student leaders would also provide comments about the proposal.

Interim President Boyd stated that this was a difficult situation because the amount of state appropriations for the budget was unknown. He said the University of Iowa has a responsibility to provide students with an excellent education and an accessible education. University officials plan to set aside a major component of the tuition proceeds for student financial aid. The University has lost over 100 faculty positions while experiencing a substantial enrollment increase. He said appropriate faculty compensation is critical to the University. He expressed his support for the proposal of the Board Office in terms of tuition, recognizing that the proposal puts into jeopardy students’ access to the University. Iowa’s Regent universities have a tradition of accessibility. In terms of access, he noted that over the past four years, the University
of Iowa Foundation has nearly doubled the amount of funds transferred each year to the University for scholarships ($7.9 million this year). Of the $850 million fund-raising campaign for the University of Iowa, $142 million is for student aid. University officials are working with officials of its sister institutions to restore funding for the Iowa Work-Study program. During 2000-2001, the state of Iowa provided the University of Iowa with more than $600,000 for the work-study program. Funding for the program was eliminated in 2001-2002.

Interim President Boyd referred to the tuition set-aside for financial aid and stated that the historic allocation has been 16 percent. In FY 2004, University officials plan to increase the allocation to 20 percent of the new tuition revenue which would yield another $800,000. He said the plan is to use the additional funds for continuing Iowa students; that is, to sophomores, juniors and seniors who are already enrolled at the University. He concluded by expressing concern about federal funding for student aid, which he said is a very important component in providing access.

Regent Neil asked if the decline of the stock market is affecting contributions to the institution. Interim President Boyd responded that, at this point, the decline in the stock market is not affecting the contributions. However, he is worried about the endowment. There was discussion at a recent University of Iowa Foundation meeting about what happens when the stock market goes down and the total return for the endowment is impacted. There is a question about the preservation of principal which has always been an academic question, until now. He said he is worried about the impact of the market.

Regent Neil asked about the impact of the stock market on the amount of funds that are being transferred from the Foundation to the University for scholarships. Interim President Boyd responded that maintaining the cash flow when the stock market declines was a topic of lengthy discussion at the recent University of Iowa Foundation meeting. The Foundation members are concerned about their fiduciary duties.

Regent Turner asked for clarification from each university president regarding student aid set aside. She stated that different phrases were used in the meeting materials for identifying the amount of tuition set-aside at each university. It was reported that the University of Iowa’s new marginal tuition revenue set aside would be 20 percent. Iowa State University’s set-aside would be more than 15 percent of the new tuition revenue. University of Northern Iowa’s set aside would be 18 percent of tuition revenues. She asked if those were all the same.

Interim President Boyd stated that, historically, the University of Iowa has set-aside 16 percent of total tuition revenue. Of the additional tuition money generated by the
proposal, 20 percent will be applied to student financial aid, which will be approximately an additional $800,000.

Executive Director Nichols stated that Regent Turner had identified a concern that he has had for some time. The information submitted by the universities was not in the same format, which was one of the reasons for the recommendation of the Board Office about the minimum set aside. He said the universities should all be commended for going beyond the minimum.

Regent Fisher stated that, at its recent meeting, the University of Iowa Foundation made policy adjustments to maintain the University’s scholarships despite the return on the endowment. He said Foundation members made prudent decisions to maintain the funds available to students. He noted that it is the new dollars flowing into the Foundations that have been hit the hardest.

President Geoffroy provided a PowerPoint presentation. He discussed the financial framework under which Iowa State University is operating as the tuition increase is considered. The first slide showed combined funds per FTE at peer universities. Iowa State University is at the very bottom of the list of institutions with which the University is expected to compete. He next presented data on resident tuition and fees of peer land grant universities (Iowa State University is ranked 9th of 11) and public universities in Iowa’s border states (Iowa State University is ranked 6th of 7). President Geoffroy discussed non-resident tuition and fees of peer land grant universities (Iowa State University is ranked 9th of 11) and public universities in Iowa’s border states (Iowa State University is ranked 5th of 7). He compared tuition and fees as a percent of per capita income. In comparison with peer states for 2001-02, Iowa is ranked 8th of 11, and in comparison with border states, Iowa is ranked 7th of 7. President Geoffroy stated that planned uses of new tuition revenues include student financial aid, mandatory and inflationary cost increases, and new faculty positions. He provided data on the impact of budget reductions on the increase in student-to-faculty ratio as well as on class size.

Regent Neil asked how many faculty have been lost. President Geoffroy responded that Iowa State University has lost 114 FTE faculty positions in the last two years due to the budget cuts.

President Koob stated that the University of Northern Iowa is below its agreed-upon strategic plan goal for tenured and tenure-track faculty by 106 positions. Prior to the budget cuts, the goal for the number of faculty had been reached.

Regent Fisher questioned whether it would have made more sense to have Kansas State University or Oklahoma State University as Iowa State University’s peers versus the University of California-Davis. President Geoffroy responded that Iowa State
University’s peers were selected a number of years ago. He believes it is inappropriate to use athletic conference schools for comparison. He stated that Iowa State University is a member of the American Association of Universities (AAU) which is a prestigious group of universities. Almost all of its peers are also members of the AAU. Kansas State University and Oklahoma State University are not members of the AAU.

Regent Fisher referred to information provided to Board members at their last meeting that indicated the cost of educating a resident student including capitals was about $11,000. Information provided by Iowa State University officials indicated that the combined funds per FTE student was $13,675. He asked for an explanation of the discrepancy.

Executive Director Nichols referred to a table of undergraduate unit costs with and without estimated capital for the three Regent universities that was included in the meeting materials. For FY 2003, the cost for a University of Iowa student was projected at $10,849. For an Iowa State University student, the cost was $9,532. For a University of Northern Iowa student, the cost was $9,363.

Regent Fisher asked for an explanation of the difference between the $13,675 cost presented in Iowa State University’s PowerPoint presentation, and the $9,532 cost provided in the meeting materials.

Executive Director Nichols responded that the $9,532 was the cost for an undergraduate student. He presumed that the $13,675 cost presented by Iowa State University officials was an average for all students.

President Geoffroy said the $13,675 figure was the cost for all students. He pointed out that the data in the table presented in Iowa State University’s PowerPoint presentation was from a national database of all universities and encapsulated the full mission of the universities. As a land grant university, Iowa State University not only has an educational mission, but also research, outreach and extension missions.

Executive Director Nichols said he believed that the figure presented for the cost of educating an Iowa student was based on a narrower definition of the cost of educating a student than was presented by Iowa State University. The larger figure is likely based on other costs a university incurs for its total operation.

Regent Fisher said there needs to be an explanation of the difference between the $9,532 and the $13,675 figures. President Geoffroy stated that part of the problem is that there are different methodologies in calculating the cost of education. Regent Fisher said the Board members need to know the correct figure.
Regent Neil stated that Kiplinger’s report shows Iowa State University’s total cost in 2001 was $12,592, which is taken from a national data base. He asked if the $12,592 equates to 12.7 percent of Iowa’s per capita income for 2001. President Geoffroy responded affirmatively.

Executive Director Nichols said there was also the cost to the student. The figure provided by the Board Office was an estimate of the cost the institution bears to educate an undergraduate student. The student will have additional costs of going to college.

Regent Neil stated that the same data must be used in all states in order to make appropriate comparisons.

Regent Fisher stated that he would like to see what it costs the taxpayers of Iowa to educate an undergraduate student. Executive Director Nichols responded that the Board Office’s best effort to provide that information was in the meeting materials. The data is figured with and without capital costs. With regard to the data on other states, he said some of the figures include graduate students.

Regent Fisher asked that the Board Office work to provide figures that are as accurate and as close to reality as possible.

Regent Nieland stated that the figures provided were not truly what it costs the taxpayer. The figures are the cost to educate the student. The taxpayer’s share of the cost is another figure.

Interim President Boyd pointed out that one is never looking at apples and apples. The type of instruction received by the student is different. There will always be variations depending upon the field of study.

Regent Nieland stated that she is very concerned about the loss of over 300 faculty positions in the last several years, which are the kinds of jobs we want in the state of Iowa. She asked how many new faculty hires were anticipated.

President Geoffroy responded that Iowa State University’s final budget included full funding of salary increases; therefore, tuition revenues would not be needed to fund salary increases. The additional revenue would fund 75 new faculty positions.

President Newlin pointed out that there may be additional appropriations cuts next year.

President Koob stated that the reduction in state support for the institutions is significantly greater than the revenues that will be generated by the tuition increase. With regard to the use of the new tuition revenues, he said the funds will basically
backfill the “holes” created by the budget cuts at the University of Northern Iowa. Eighteen percent will be set aside for student financial aid. University officials expect energy costs, a mandatory cost, to increase by nearly $800,000 this year. Insurance was another example of a mandatory cost increase. A third example of cost increases is the building repair budget.

With regard to the issue of faculty lines, President Koob stated that the University of Northern Iowa has a proud tradition of having professors in the classrooms and of offering class sizes that provide maximum opportunities for learning. In 1997-98, the University achieved its agreed-upon goal for the number of tenured and tenure-track faculty. The number of faculty dropped significantly as a result of subsequent budget cuts. The University is currently short of tenured and tenure-track faculty by 106 positions. With regard to Regent Nieland’s question about how many faculty would be added, he said that if the tuition increase proposal is approved as recommended by the Board Office, the University could add another 36 faculty positions from those revenues. However, University officials expect that the tuition increase will be used to hold the line another year.

President Koob stated that University of Northern Iowa officials have been working hard to increase scholarship dollars. Later this month there will be an announcement of a new goal for its capital campaign. University officials are pleased to have reached the initial goal of $75 million. The University of Northern Iowa has experienced an increase in the number of dollars transferred from the Foundation to the University for student financial aid.

Regent Neil asked about the impact of the recent stock market on the University of Northern Iowa Foundation and on the Iowa State University Foundation. President Koob responded that reserves were set aside in the good years to help cushion the Foundation in the down years. In the coming years, however, the reserves will not compensate for continued reduction in earnings from the down market. The capital campaign occurred fortuitously because total assets have increased despite the market decline. Losses in operations of the Foundation will be taken before scholarships are impinged upon. At the present time, there are no plans to reduce scholarships. However, reductions in scholarships may occur if the market does not turnaround fairly quickly.

President Geoffroy said that, at Iowa State University, a 3-year average of the return on the endowment is applied to the funds available for scholarships. As the principal goes down over three years, eventually the amount of monies available for scholarships will also go down.

President Newlin recognized the students to make their presentations.
Matt Blizek, Vice President of the University of Iowa Student Government, stated that when he was deciding where to go to college, he considered attending the University of Wisconsin. He chose the University of Iowa because of its affordability. Since enrolling at the University of Iowa, however, there have been unprecedented tuition increases. He said the effects of those tuition increases are being felt by students. Students are working more hours at on- and off-campus jobs. The tuition increases lessen the value of grants and scholarships every year. Funding for the work-study program has not been restored. The maximum amount available through the Pell grant, which he received last year, has not been increased at a rate which has kept pace with tuition increases. Interim President Boyd related to students how he fondly remembers the days when students were able to work their way through college. Today, students are working and still have to take out loans.

Mr. Blizek stated that, in the last several years, the Board of Regents has forced students to pay the costs that are not being financed by the state. He asked that the Board of Regents help beat back the assault on higher education, and requested that the following proposals be considered: 1) Institute a set tuition rate at the public universities. For example, beginning in a student’s first or second year, the then-current tuition rate would remain the tuition rate for the final years of a student’s education. 2) Work with students in lobbying the state legislature to change the November deadline for establishing tuition for the subsequent academic year. The November deadline requires setting tuition before the amount of state financial support is known. 3) For the University of Iowa, this is the wrong time to institute a $90 building fee.

Nick Herbold, President of the University of Iowa Student Government, thanked Board members for the opportunity to speak to the tuition proposal. He also thanked the students who were in attendance. He then provided a PowerPoint presentation. The first several slides showed the amount of state appropriations versus tuition and projections for the future based on current trends. The data illustrated that students would be covering substantially more of the cost of their education than the state. He said the charts were based on trends which the Board of Regents has the power to change. He noted that both gubernatorial candidates indicated they would over-ride the current tuition proposal, if elected.

Mr. Herbold stated that the state forces the Board of Regents to identify non-appropriated revenue through tuition before the legislature decides how much it will provide to the institutions. He believes that the most-recent tuition increases were not in line with the Higher Education Price Index but, rather, were established to cover operating expenses. He said students come in record numbers and should not leave with record debt. Students may not continue coming if the large tuition hikes continue.
Mr. Herbold stated that the current tuition proposal for an additional $650 from in-state students and an additional $1,300 from out-of-state students, would net approximately $39 million. Students do not dispute the needs of the University of Iowa; however, students want the state to pay at least part of the $39 million. Students requested that the Board of Regents get as much money from the state as possible before setting the tuition increase. He said this could be accomplished by passing a formula rather than a percentage or dollar increase that includes a “floor” and a “ceiling”. The ceiling should be the current proposal and the floor should be $150 for in-state students and $300 for out-of-state students. He presented a chart showing options for the “conditional” tuition proposal which indicated the relationship between the amount of funding provided by the state and the resulting amount required from students.

Mr. Herbold said he hoped his proposal would convince the Board that a non-traditional approach to the tuition increase is needed.

Regent Neil stated that, by statute, the Board of Regents can only postpone the tuition decision until next month. He referred to Mr. Herbold’s statement that both gubernatorial candidates indicated they would over-ride the current tuition proposal, if elected. He reminded everyone that, last year, Governor Vilsack proposed and the Board of Regents supported utilizing funds from the road use tax fund, approximately $60 million, to devote to education. The effort was unsuccessful. He said that, while Governors can propose, it takes the legislature to approve the proposal. If the Regent institutions had received one-half ($30 million) of those funds, there would probably not be the proposed tuition increase that was being considered.

Regent Neil referred to the students’ proposal to set tuition at the amount in effect in a student’s first or second year. He said that, by doing so, the costs would be allocated to the new freshmen each year. The only way to make the budgets balance is to downsize, to provide less services, or to provide fewer educational opportunities. He asked the students, as the customer, from where the University of Iowa could make reductions in order to reduce the proposed tuition increase.

Mr. Herbold first stated that Mr. Blizek’s proposal for freezing a student’s tuition in their first or second year was not included in his “conditional” tuition proposal. Rather, it was one idea presented for consideration. He then asked to make clear that he was requesting the passage of an equation in the “conditional” tuition increase proposal. In response to Regent Neil’s question of where cuts should come from if cuts are needed, he said part of the Regents’ responsibility is to find the money to fund the institutions. At the University of Iowa, if the goal is to provide undergraduate education that is accessible, he said consideration should be given to looking at the graduate programs. He believes that undergraduate education should be a first priority.
Regent Neil asked if larger class sizes would be acceptable. Mr. Blizek stated that, last year, he had a class of 300 to 400 students, and people were sitting in the aisles. He does not think that larger class sizes is an option because it reduces the quality of education. He agreed with Mr. Herbold’s comment about the emphasis on undergraduate education. Additionally, Mr. Blizek does not agree with increased funding of athletics. Perhaps, the athletics program could move toward becoming self-supporting.

Regent Neil asked if Mr. Blizek disagrees with a portion of his tuition going to athletics. Mr. Blizek said he does have a problem with a portion of his tuition going to athletics. He said a small portion of the general fund should go to athletics.

Regent Neil asked about funding for buildings and facilities. Mr. Blizek stated that many new buildings are being built on the University of Iowa campus.

Regent Neil said there are essential building programs and non-essential building programs. There are also costs for heat, lights and maintenance for each building. He then asked students if the current facilities at the University of Iowa are adequate.

Mr. Herbold responded that, at the University of Iowa, students are trying to improve the Iowa Memorial Union to turn it into a student center. Doing so would save students money in the long run because they could go there for extracurricular activities.

Mr. Blizek stated that the Chemistry Building looks like it is from the Middle Ages. He said there is a need to prioritize the essential building projects.

Regent Neil pointed out that when today’s college students started attending college, the Board of Regents had a reliable partnership with the state. Today it does not appear that partnership is as strong as it used to be.

Regent Nieland referred to Mr. Blizek’s statement that he had considered going to the University of Wisconsin. If he had, what would the tuition situation be today? Mr. Blizek responded that the University of Wisconsin’s tuition has increased about the same as Iowa’s. The main reason he chose to attend the University of Iowa is the affordability of the University. He said the University of Iowa has one of the lowest tuitions of its peers, which should not be used as a reason for the tuition increase.

Regent Arbisser thanked students for bringing to everyone’s attention that, aside from data provided by the financial aid offices on student employment, students are employed in off-campus positions that do not show up on the University’s data. He then said he hoped that when students go to Des Moines to convey their concerns to the legislature, they take their parents or letters from their parents with them. Their parents
are the people who put the elected officials in office, and are the ones who can convey their expectations and needs for their families.

Mr. Blizek stated that student leaders are attacking the issue on all fronts. There is a massive drive to get students to vote. Students are also working with parents and with the Alumni Association to get more parents involved in lobbying the legislature.

Regent Arnold referred to Mr. Blizek’s comment about students working in off-campus positions. She said it would be revealing to see data on how many hours the average student works, how that number has increased since tuition increased, and how the number of semester hours taken by students has changed since the recent large tuition increases.

Mr. Herbold said he believes the “conditional” tuition proposal would be helpful in getting people to lobby the legislature in support of higher education. If the current Board Office tuition proposal is approved in November, he feels it will be a significant step toward privatization of higher education in Iowa.

Regent Neil asked if students were proposing the tuition increase would be $150 for in-state students and $300 for out-of-state students, and the rest would be something like a legislative surcharge. Mr. Herbold responded that the proposal would provide an equation for determining the amount of tuition increase after the state indicates how much it will appropriate for higher education. Mr. Blizek said the proposal puts the “ball” back in the state’s “court”.

T.J. Schneider, President of the Iowa State University Government of the Student Body, first thanked the members of the Iowa State University student community who had made the trip to attend the meeting. He stated that students remain steadfast in opposition to the proposed record increase in tuition. He said students are witnesses to the need for an increase in tuition. Classes are getting bigger while, at the same time, harder to get into. Students believe that a reasonable tuition increase is essential to the health of the University. However, he requested that the entire costs not be passed on to the students. Students are willing to do their part but they must all work together to ensure the Regent institutions can weather this financial downturn. As the number one destination of Iowa high school graduates, he said it is essential to nurture Iowa State University.

Mr. Schneider stated that fewer students are attending Iowa State University. He said there are less faculty in the classrooms. Graduate students are being forced to teach more classes while working on their own educations.
Joe Darr, Vice President of the Iowa State University Government of the Student Body, stated that tuition is only one portion of the cost of a college education. He said the real cost of attending Iowa State University has increased by 150 percent. The real costs are going up at a higher rate than the rate of tuition increase.

Mr. Schneider stated that students have worked with the Iowa State University administration in the last month. They presented a joint request to bring the proposed veterinary medicine tuition increase in line with the proposed tuition increase for rest of the student body. He said students agree with the size of the tuition set-aside for financial aid. Students know the fight belongs at the Statehouse in Des Moines. They all must work together or fall together. He challenged everyone to do everything possible to ensure that the citizens of Iowa vote for higher education.

Regent Neil said he wished to reiterate some of the questions that he posed to the University of Iowa students, and to reiterate that the Governor and the Board of Regents tried unsuccessfully to convince the legislature to utilize some of the road use tax funds for education. He noted that there did not seem to be many citizens who were upset that tuition has increased by 18-1/2 percent. He then asked the Iowa State University students, as the customers, if there were areas of the University where economizing could take place.

Mr. Schneider acknowledged that the Board of Regents has been working to get more funds for the universities. He said there was an effort to move capital funds to the general fund budget which students supported. As far as areas to cut, he said state funding for Iowa State University has been cut $50 million in the last two years. Additional cuts will continue to decrease the quality of the University. He stated that the students of Iowa State University have trust in the University’s administration to continue to find creative ways to manage the budget deficits.

Regent Neil asked if Iowa State University students viewed the tuition proposal of the University of Iowa students as viable. Mr. Schneider responded that students would agree with whatever can be done to reduce the tuition burden while maintaining the quality of the institutions.

Emiliano Lerda, Vice President of the Northern Iowa Student Government, stated that he is from Argentina where public education is free. He believes that everyone deserves equal access. He thanked the Board members for their support of the University of Northern Iowa and said students want to continue to work together to advance public education. Students are routing a petition for signatures which will be used to communicate with state leaders. They need to tell state leaders that public higher education is extremely important to society.
Mr. Lerda referred to the proposal of the Board Office to increase the minimum student financial aid set-aside from tuition revenues, and said the additional set aside simply will not be enough. He said he works in the Financial Aid Office. He answered a telephone call from a mother who was crying. He tried to explain that money could be borrowed. However, it is not easy for a lower-income family to borrow a large amount of money. He said people should be able to decide on higher education based on academics, not on economics.

Mr. Lerda concluded by stating that students know they need to register and vote. Students want to help the Board fight for public higher education.

Jeff Scudder, President of the Northern Iowa Student Government, expressed appreciation for the comments of all of the students and noted that most of the important points had already been made. Mr. Scudder began by addressing aspects of the proposal that students support. He said Northern Iowa Student Government supports the proposed student services fee increase of $18. The Northern Iowa Student Government supports the proposed increases in the computer fees and the health fees. The Northern Iowa Student Government supports the creation of a $26 health clinic fee.

Mr. Scudder emphasized that students are taking a reasonable approach to the Board Office recommendation. He said the willingness to be a partner must be balanced by maintaining access. Therefore, the Northern Iowa Student Government cannot support the proposed creation of a $90 building fee. Students feel the proposed fee is ill-timed and should be delayed until a time when tuition is not being increased by such a large percentage. He said the students recognize that an increase in tuition above the Higher Education Price Index is probably called for, but a $650 increase will reduce affordability and access. For that reason, students cannot support the proposed $650 increase in resident tuition.

Mr. Scudder stated that, last month, he provided Board members with a report regarding financial aid, which he hoped the Regents had read. He said Des Moines Register reporter Jonathan Carlson had written an article following last month’s Board of Regents meeting which indicated that tuition at Iowa’s public universities is increasing to the point where their affordability is similar to that of Iowa’s private universities. He said the tuition increase will amplify recruitment problems in the future.

University of Northern Iowa students care about these issues and are willing to speak to legislators. Mr. Scudder stated that two elements that contribute to the privatization of public higher education are reduced state appropriations and increased tuition. Students believe the only way to stop the cycle of the legislature expecting the Board of Regents to increase tuition to cover the lack of state appropriations is to take a stand
now. The Northern Iowa Student Government does not believe the proposed increase in the minimum tuition set-aside for financial aid will have an impact on the affordability and accessibility of the University of Northern Iowa. Mr. Scudder said the well-intentioned proposal simply will not help students afford the huge tuition increases. Student debt loads will increase as will student work hours.

Regent Neil said he was glad to hear that the students recognize the Board is on their side. He referred to recent political advertisements and noted that no one is saying that higher education has to be funded. He does not hear reactions from the public to the tuition proposal. He then asked the Northern Iowa Student Government representatives if they are willing to risk larger class sizes or reduced funding for athletics. Did they have any ideas from where to reallocate funds?

Mr. Scudder responded that educating the public is a long-term effort. Student government leaders have been registering students to vote and encouraging students to write letters to the editors. The efforts represent a culture change among the student body. In terms of what expenses can be cut, he said President Koob is the one who sees the big picture and can make those decisions intelligently. He commended President Koob for his efforts in that regard. He then said increased class sizes are not a good option and he hopes that further cuts to academics can be avoided at all cost. He does not advocate cutting funding of athletics since a larger percentage of athletics funding comes from the general fund at the University of Northern Iowa as compared to athletics funding at the other two universities.

Regent Neil stated that, although students express opposition to the increases in tuition, the Board members hear nothing from students opposing the increases in room and board rates. Mr. Scudder stated that the Department of Residence has strong program offerings and quality facilities. Students do not complain about increases in the room and board rates.

President Newlin stated that the Board of Regents is faced with a difficult balancing act among quality, affordability and access. He said the proposed tuition increase will not replace the funds from all of the budget cuts that have been made. If tuition is not increased, quality will absolutely be cut, and it may happen anyway if the institutional budgets are cut again next year.

Mr. Scudder responded by expressing his hope that students will be more motivated to rally for state support to mitigate the potential cuts. However, without some concession that students are suffering from the tuition increases, he said it is very tough to sell to his constituents that they should be politically active.
Regent Neil stated that there was $141 million of unmet need in tuition assistance last academic year. The tuition proposal will increase the amount of unmet need. He said that message has to be delivered to the electorate and to the parents.

Executive Director Nichols thanked the student government presidents and vice presidents for the constructive problem solving presented at this meeting. He informed Board members that he had asked the student leaders to provide analysis, statement of impact on campus, and suggestions for alternatives, if any, which they had done. He then reminded Board members that, at their meeting the previous month, they had approved a request for state operating appropriations of $11.5 million for strategic initiatives on each of the campuses. As Board members consider students’ proposal for additional state support in lieu of tuition, he asked that they remember the $11.5 million request that was built into the planning for FY 2004.

President Newlin thanked the students for their presentations and stated that tuition and fees would be on the Board’s agenda again next month.

ACTION: President Newlin stated the Board, by general consent, (A) Considered the following proposals for the 2003-04 academic year tuition and fees, effective with the summer session 2003: (1) A base tuition increase of: (a) $650 for all resident classifications of students; (b) $1,300 for all nonresident classifications of students; and (c) A new minimum tuition set-aside for financial aid of 15% of gross tuition revenues with direction to the universities to focus on need-based aid. (d) Differential professional tuition rates at the University of Iowa and Iowa State University. (2) In addition to the proposed base tuition increase, changes to mandatory fees as outlined, which include: (a) A two-year phase out of all designated tuition allocations into mandatory fees. (b) Proposals for new and increased mandatory fees. (3) In addition to the proposed base tuition increases, the surcharges proposed by the University of Iowa, as outlined. (4) Tuition-related miscellaneous fees and charges, as presented. (B) Considered studies of the Board’s tuition policy and the related statutory timing provisions during the upcoming discussion of the Board’s five-year strategic plan. (C) Considered providing multiple
public comment opportunities on the tuition proposals prior to making a final decision.
(D) Encouraged those seeking elective office to support efforts to increase state and federal commitments to both public universities and state and federal student financial aid programs. This will assist current students with their education, and can help moderate future tuition requests.

CONSENT ITEMS.  (a) Institutional and Board Office Personnel Transactions. The following items were presented for ratification:

   Register of Personnel Changes for August 2002 for the University of Iowa;
   Register of Personnel Changes for September 2002 for Iowa State University;
   Register of Personnel Changes for August 2002 for the University of Northern Iowa;
   Register of Personnel Changes for September 2002 for Iowa School for the Deaf; and
   Register of Personnel Changes for August 2002 for Iowa Braille and Sight Saving School.

(b) Board Meetings Schedule. There were no changes to the Board meetings schedule as presented at the last Board of Regents meeting.

(c) Approval of Vendors with a Potential Conflict of Interest. Chichaqua Bend Studios/Dean W. Biechler was requested to be added to Iowa State University’s list of approved vendors with a potential conflict of interest.

(d) International Studies Major, University of Iowa. The proposed Bachelor of Arts degree and Minor in International Studies was referred to the Board Office and the Interinstitutional Committee on Educational Coordination for review and recommendation; the Global Studies Major, Asian Studies Major, Russian, East European and Eurasian Major, the African Studies track in the African World Studies Major, and the African Studies certificate were requested to be phased out.

(e) Professional and Scientific Classification System Revisions. The addition of a new classification to the University of Iowa Professional and Scientific Classification System was requested.
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(f) The George Washington Carver Teacher Education Program: A Partnership for Minority Teacher Preparation, Iowa State University. The report on the George Washington Carver Teacher Education Program was presented for information.

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

EXECUTIVE SESSION. President Newlin requested that the Board meet in closed session to conduct a strategy meeting of a public employer for collective bargaining, pursuant to Iowa Code §20.17(3); and, upon the request of an employee whose performance was being considered, pursuant to Iowa Code §21.5(1)(i).

MOTION: Regent Neil moved to enter into closed session. Regent Nieland seconded the motion, and upon the roll being called, the following voted:
NAY: None.
ABSENT: None.

MOTION CARRIED.

The Board having voted at least two-thirds majority resolved to meet in closed session beginning at 4:00 p.m. on October 16, 2002, and adjourned therefrom at 5:45 p.m. on that same date.

The following business was conducted on Thursday, October 17, 2002.

INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION.
(a) Interinstitutional Library Report.

Marilyn Mercado, Dean of Library Services, University of Northern Iowa, presented an overview of the interinstitutional library report. The report included information on: (1) scholarly communication; (2) cooperative interinstitutional programs; (3) interinstitutional library committee; and (4) institutional reports. The report also provided examples of collaborative institutional activities and local initiatives to bridge the physical and virtual libraries. Dean Mercado reminded Board members that, in 1999, the Interinstitutional Committee on Educational Coordination appointed an Interinstitutional Task Force on Scholarly Communication to explore ways that the libraries of the three universities can more effectively use professional journals, in light
of escalating costs and such developments as electronic publication. During FY 2002, the Task Force submitted a proposal for a Board of Regents policy encouraging faculty members to retain copyright for their published works, which the Board adopted.

President Newlin expressed appreciation for the collaborative work among the libraries and encouraged continued collaboration.

ACTION: President Newlin stated the Board, by general consent, (1) received the report and (2) encouraged the Regent university libraries to continue their collaborative activities and, where feasible, extend such efforts.

(b) Establish Master’s and Doctoral Degrees in Community and Behavioral Health, University of Iowa.

ACTION: President Newlin stated that this item was deferred to the November Board of Regents meeting.

FALL ENROLLMENT REPORT – PART I.

Assistant Director Gonzalez provided the Board members with a PowerPoint presentation of highlights of the first of two annual reports on enrollment. This report highlighted characteristics that the Board identified as significant in its strategic plan and performance indicators, such as access, diversity, service to Iowa residents, and accountability. She stated that Regent universities experienced an all-time high headcount enrollment of 71,521 during Fall 2002. There was a 3.2 percent increase at the University of Iowa and a slight increase at Iowa State University. The University of Northern Iowa had a 1 percent decrease. Most of the increases in enrollment occurred at the undergraduate level (+1.1 percent) for a total of 55,768. She said undergraduates represent approximately 78 percent of the total enrollment, which is slightly less than last year.

Assistant Director Gonzalez stated that new freshman enrollments are important planning components for the universities as they project enrollments and plan services for the coming years. In the most recent ten period, new freshman enrollment has grown by 22.8 percent. However, this is the first year in the last ten years that new freshman enrollment has decreased. Approximately 72 percent of all students enrolled at Regent universities are Iowa residents. She said the number of resident students decreased slightly from the prior year.
In terms of diversity, Assistant Director Gonzalez stated that the number of racial/ethnic minority students at Regent universities increased to a high of 5,370 students in Fall 2002, an increase of 3.6 percent from last year. Racial/ethnic minority students represent 7.5 percent of total enrollment. The largest increase occurred at the University of Northern Iowa (5.7 percent), followed by Iowa State University (4.9 percent). She said the off-campus headcount enrollment for Fall 2002 is 3,203, an increase of 13.4 percent from last year. Almost 70 percent of the off-campus enrollment was graduate or professional school students.

Assistant Director Gonzalez stated that Regent special schools and Price Laboratory School enrolled 993 students in Fall 2002, 59 percent of which were on-campus enrollments. She said the enrollment by grade varies significantly by school.

President Newlin asked University of Iowa officials what contributed to the increase in enrollment of new freshmen at the University. Associate Provost Lopes responded that, from the beginning of last fall, the numbers were up significantly for resident and non-resident applicants. The Iowa population continues to be flat so University officials were surprised about the increase in resident applications.

Interim President Boyd noted that the University of Iowa had a significant increase in students from western Iowa.

Regent Fisher stated that the 2003 academic year is forecast to be the peak year for graduation of high school seniors. Following 2003, the forecast is for a downward trend. Even so, the Regent universities continue to attract a majority of Iowa high school graduates.

Provost Whitmore stated that today’s students understand the need for post-high school education to be competitively employed in the future.

President Geoffroy referred to the number of new freshmen enrolled at the institutions, and said the two most important factors are the admissions offices’ recruitment efforts and the financial aid packages that are offered. Iowa State University officials wanted a smaller freshman class and, therefore, limited enrollment as compared to previous years through its recruitment activities.

President Koob stated that the University of Northern Iowa’s enrollment management intended to shrink enrollment by about 200 students. He said he has noticed that each of the three universities appears to have been especially attractive to students in each of the last 4 years. Each of the universities had spikes in freshman enrollments during those years.
Regent Neil asked for the reason that Iowa State University officials intentionally reduced the size of the freshman class. President Geoffroy responded that the intent to reduce the size of the freshman class was driven by the quality of the educational experience. He said the University is saturated in terms of students and the ability to maintain quality if its budget does not grow.

Regent Arbisser asked if University officials were saying it is not in their control how many students are accepted. What happens if they have more students than they can take care of?

President Koob responded that the University of Northern Iowa can control the number of students that are allowed to enroll. He said it is difficult to predict which factors of those they are trying to control will actually be controlled. In the end, University officials almost always reach their goals. In the current climate, the only way to allow enrollment growth is by increasing the number of out-of-state students. University officials intend to continue to shrink enrollments until enrollment matches the resources available according to the University’s strategic plan.

Regent Neil noted that the University of Iowa’s enrollment grew this year. He asked for the status of meeting the quality indicators and the increased enrollment numbers.

Interim President Boyd first stated that University officials try to adjust enrollment to demand. For example, the law school is inundated with applications. That was not the case just a couple of years ago. Even though officials of the College of Law try to hold enrollment to a certain number, they usually enroll more students than planned. Those additional students are absorbed in one way or another. He said he is very proud of the liberal arts faculty. With the loss of 100 positions, the remaining faculty have done everything possible to absorb and teach the students. There is no question that there is a challenge in managing enrollment. He said there is also a desire on the part of all three university presidents to meet the needs of students.

President Geoffroy said the Iowa State University admissions staff have indicated that enrollments can be controlled in the admissions that occur late in the process.

Regent Nieland asked if University of Iowa moved its enrollment application dates this year and, if so, still experienced increased enrollments. Associate Provost Lopes responded that University officials did move the dates to apply. Next year, the University will embark on a system for students who are marginally eligible to enroll to defer enrollment decisions until February, which will provide more control. She said there is only one group of students who the University must admit, and that is those within the top 50 percent of their high school class who have completed their unit requirements. University officials have discretion over the others who apply for
enrollment. University officials have found that enforcing deadlines has provided a strategic edge.

Regent Fisher stated that not every high school is equal. For example, there are students who come from lower-caliber schools who are in the top 50 percent of their class and there are also students who come from very good high schools who are in the top 55 percent of their class.

Regent Arbisser said he presumed that the students who are considered marginal at one university are also considered marginal at the other two universities. He asked what type of duplication of effort occurs for the marginal students at the end of the enrollment period.

Provost Whitmore responded that only 15 percent of the applicants to any one of the Regent universities applies to more that one university. Almost all Iowa students decide which of the three universities they want to attend, and that is where the student applies. He believes that is partly because the universities are very well defined to their broader constituencies and partly because the universities have the same admission standards.

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

ANNUAL DISTANCE EDUCATION REPORT.

Assistant Director Nelson stated that the annual report on distance education included reports from the Coordinating Council for Virtual Learning and the 2 + 2 Council, which were established by the Board of Regents Distributed Learning Priority Study Group. He said the report contains data on credit and non-credit programs, courses, and enrollments along with narratives on continuing and new collaborative initiatives that underscore the reality that distance education has become much more than credit courses through continuing education.

Assistant Director Nelson provided a PowerPoint presentation of the annual report on distance education. In 2001-02, Regent universities responded to the needs of citizens of Iowa by offering:
Credit courses and programs
60 credit programs
3,496 individual courses/sections
45,154 total student enrollments (duplicated headcount)

Bachelor of Liberal Studies program
1,160 students enrolled in coursework
139 students graduated
328 students newly admitted
17 students in SUI’s Liberal Studies Interest program

Non-credit continuing education courses
474,757 total student enrollments (duplicated headcount)

Iowa Communications Network (ICN)
4,341 total student enrollments
221 courses

Iowa Counties and Communities Served
99 counties
357 communities (unduplicated headcount)

Assistant Director Nelson stated that the Bachelor of Liberal Studies program’s record enrollment (1,160) was a 12.6 percent increase from the previous year. Collectively, Iowa Communications Network enrollments were down 5.4 percent and courses were down 8.7 percent from the previous year. Officials of the University of Iowa and Iowa State University cited the availability of more preferred delivery options and Iowa Communications Network usage costs as reasons for the decrease. However, both the number of Iowa Communications Network credit enrollments and the number of courses increased at the University of Northern Iowa. He reported that the number of Regent students enrolled in the Regional Study Centers increased by 11.7 percent from the previous year. He said the total duplicated headcount enrollment in non-credit courses (474,757) decreased by 7.9 percent from the previous year.

Assistant Director Nelson stated that the number of collaborative initiatives among the Regent universities with other in- and out-of-state postsecondary institutions and with public and private business and industry illustrated the Regent universities’ commitment to distance education. He provided three examples of such initiatives. He next presented a map of Iowa which indicated the number of communities within each county in which one or more of the universities offered courses in 2001-02, as well as the number of students enrolled. Collectively, the Regent universities offered distance education courses in all 99 Iowa counties and in 357 Iowa communities, compared to 98
counties and 339 communities the previous year. There were 15,783 total student enrollments in 3,496 courses or course sections offered through a variety of delivery methods including the ICN, Iowa Public Television, the Web and face-to-face instruction.

In summary, Assistant Director Nelson stated that the Regent universities are providing access through a variety of distance education offerings, through an increasing variety of delivery methods, and with an increasing variety of collaborators and partners. Collectively and individually, the Regent universities are serving the educational needs of Iowa.

Regent Fisher stated that he recently attended a presentation by University of Iowa Dean Fethke. Dean Fethke reported that students engaged in distance learning prefer to travel 1 to 2 hours to attend a class than to attend class via the Iowa Communications Network. Students feel they understand the material better and have a better educational experience in the classroom. Regent Fisher asked university officials about the use of the Iowa Communications Network for educational purposes.

Interim President Boyd stated that he likes the Iowa Communications Network. He recently attended a law school classroom that was connected to the Iowa Communications Network and found the students were riveted. He believes it is important for students to see faculty on occasion and experience some one-on-one communication with faculty through the week. He is enthusiastic about the use of the Iowa Communications Network.

Provost Whitmore stated that there are also some emerging technologies that allow two-way video instruction that do not require the Iowa Communications Network. He provided the example of a freshman course that he taught on October 16, 2002, from the University of Northern Iowa’s Communications Center by using interactive video.

Regent Fisher asked if the quality of the educational experience described by Provost Whitmore is comparable to the Iowa Communications Network’s. Provost Whitmore responded that the quality is not quite as good.

Regent Fisher referred to information provided in the meeting materials which indicated that the cost of using the Iowa Communications Network has been an issue. He asked for the cost per hour of the Iowa Communications Network.

Chet Rzonca, Interim Dean of the University of Iowa’s Division of Continuing Education, responded that the cost is $8.50 per hour per site and tends to increase every year. There are also engineering and other costs. He said the Iowa Communications Network is usually less expensive than sending a faculty member to teach on-site. The
universities have a responsibility to reach out to the state, and that is where the Iowa Communications Network and Web technologies can be of assistance. He noted that there are some problems with the quality of the Iowa Communications Network infrastructure that need to be addressed.

Regent Fisher asked if university officials feel the Iowa Communications Network is staying on the cutting edge of technology. Interim Dean Rzonca responded that he feels those responsible for the Iowa Communications Network are trying to stay current with technology, but, with the budget cuts, have been unable to do so.

President Koob stated that he has learned and what most national studies will support is that there is no one best method. For example, he said the Iowa Communications Network is probably not the best educational delivery method if it is the only delivery method used. It is a good idea for the professor to travel to the classroom to meet the students. Once a personal connection is made, the faculty member can teach over the Iowa Communications Network and do it very well.

President Geoffroy expressed his belief that there will be a move to more courses being taught over the Internet and less courses taught over the ICN. Reliability problems with the Iowa Communications Network are increasing in frequency. Also, he said the cost is high, particularly if delivering a course to one or two students per location.

Regent Fisher asked for the cost to use the Internet for course delivery. President Geoffroy responded that it is free to use the Internet.

Regent Arbisser stated that the citizens in the peripheral communities sometimes indicate that they do not receive the benefits of all of the Regent universities. He asked how the universities promote their statewide educational opportunities to the average citizen.

Interim Dean Rzonca responded that advertisements are placed in newspapers and on radio stations. Professional associations are also provided with information.

Kris Phelps, Continuing Education Specialist, Iowa State University, responded that distance education offerings are also marketed through the Regional Study Centers. Areas of the state are targeted based on the local industry.

Jim Bodensteiner, Interim Dean of the University of Northern Iowa’s Continuing Education Program, stated that the University of Northern Iowa uses the same resources as identified by representatives of the other two universities. Offerings are targeted to various constituencies. With regard to on-site offerings versus offerings using the Iowa Communications Network, he said that if there is a small number of
students in various locations, the Iowa Communications Network works well. For teaching a larger number of students in one place, it makes more sense to send a faculty member to the site.

Regent Arbisser expressed concerns that some state legislators may not realize all of the options available to constituents within their communities. He asked if it would be difficult to provide annually a list to legislators of the direct benefits that were made available to their constituents in the past year.

Executive Director Nichols responded that, in the strategic communications effort, there has been discussion about developing an inventory of services available in the remote areas of the state. He then stated that, during his visits to the Regional Study Centers in Sioux City and the Quad-Cities, he learned that the reason students prefer the Internet-based method of instruction over the Iowa Communications Network is because the Iowa Communications Network requires the student to go to a particular site, whereas the Internet can be accessed from wherever the student is.

Regent Neil said it was his understanding that there are two community colleges with which the Regent universities do not have articulation agreements. He asked which two those are. President Koob responded that, to his knowledge, the Regent universities have articulation agreements with every community college in the state. He noted that articulation generally takes place by program rather than by campus.

ACTION: President Newlin stated the Board, by general consent, received the annual report on distance education, which included reports from the Coordinating Council for Virtual Learning and the 2 + 2 Council.

COMPREHENSIVE FISCAL REPORT FOR FY 2002.

Associate Director Hendrickson provided a PowerPoint presentation of the FY 2002 comprehensive fiscal report. She stated that the report compares actual revenues and expenditures with the Board-approved budgets, after three separate appropriation reductions, and identifies significant issues. The report focuses on the general operating funds and restricted funds at each of the institutions. She said the Board’s strategic plan requires the Board to exercise effective stewardship of institutional resources to maintain the confidence and support of the public in the utilization of existing financial resources. The comprehensive fiscal report addresses accountability by informing the Board of the institutions’ performance in relation to Board-approved budgets. The Board’s strategic plan requires the development of a matrix of capital expenditures from all funds and a comparison of year-to-year trends.
Within the general operating funds, Associate Director Hendrickson said are funds from operating appropriations, federal funds, interest income, tuition and fee revenues, reimbursed indirect costs, and sales and services. The combined general fund revenues for FY 2002 were $1.5 billion or 99.9 percent of final revised budgets. This amount includes $537.9 million in revenues from Hospital appropriation units. She said salaries comprise 70.5 percent of the total general fund budget. Institutional salary expenditures were slightly over the revised budgets at 100.7 percent.

Associate Director Hendrickson noted that this was the sixth year for the comprehensive fiscal report. FY 2002 was a challenging year with three separate reductions in state appropriations totaling $81.9 million. As a result of the significant reductions in state appropriations, the Regent institutions had no new state appropriations for strategic initiatives and were unable to spend tuition revenue or reallocate as planned. She said the total FY 2002 tuition increases, net of student financial aid, were $29.5 million. With appropriation reductions of $81.9 million, the new tuition revenues fell short, even if 100 percent of it had been redeployed to meet the shortfall. Therefore, the Regent institutions have had to make significant reductions. She referred Board members to the location in the meeting materials where those reductions were listed.

Associate Director Hendrickson reported that restricted fund revenues are specifically designated or restricted for a particular purpose or enterprise and include capital appropriations, tuition replacement, gifts, sponsored funding from federal and private sources, residence system revenues, athletics, as well as other auxiliary or independent functions such as parking and utility systems. The combined restricted fund revenues were $1.0 billion, which was 99.5 percent of the budgeted amount.

Associate Director Hendrickson stated that residence system and athletic budgets are part of the restricted budget, however, each is presented to the Board individually for approval. Tables comparing athletic and residence system budgeted revenues and expenditures with actual revenues and expenditures as well as the variances were provided in the meeting materials. Additionally, she said the residence system annual report is now presented with the comprehensive fiscal report, rather than in March, to provide more timely financial information to the Board.

Regent Fisher stated it appeared that, in the restricted fund, salaries were $29 million over budget, while building repairs were under budget by $31 million and plant capital was under budget by $17 million. He asked if the building repairs and plant capital funds had financed salaries. Associate Director Hendrickson responded that institutional officials had to make adjustments. The data in the report reflects the final revised budgets after three separate appropriations reductions.
Regent Fisher asked what is included in the category of plant capital. Associate Director Hendrickson responded that plant capital includes construction.

Regent Fisher asked if $175 million in cash was spent on new construction projects. Associate Director Hendrickson responded that the figure reflected the projects from all sources of revenue including bonds and gifts. Vice President True stated that plant capital includes anything that is capitalized. Examples would be bricks and mortar, as well as equipment.

Regent Fisher said it appeared that plant capital was not a discretionary expense yet it was nearly $18 million less than budgeted. Vice President True stated that this is a cash document not accrual. As a result, there are certain variables that cannot be predicted on June 30. This was especially true in the restricted fund categories. He said the differences have to do with volatility of revenues, receipts and expenditure outflows.

Regent Fisher asked if it was fair to say that most of the $175 million was for new facilities on campus. Vice President True responded affirmatively.

President Newlin asked why the Board began receiving the comprehensive fiscal report. Director Elliott responded that FY 1997 was the first year the Board asked for the report. The reason was to provide Board members with information on how the institutions did compared to what the Board had approved. The Board approves budgets, appropriations requests, tuition increases, and various funding requests. This report closes the “circle”.

Regent Fisher stated, from the standpoint of the Board’s fiduciary responsibilities, this is a very important report.

President Newlin expressed appreciation for the work that went into this report and said it is very important relative to the Board’s fiduciary responsibility.

**ACTION:** President Newlin stated the Board received the FY 2002 comprehensive fiscal report, by general consent.

**ANNUAL SALARY REPORT.**

Director Wright presented highlights of the annual salary report. He reported that the state’s salary policy for FY 2003 was established primarily, as in past years, through its collective bargaining agreement. The state collective bargaining agreements basically provide for increases of “3% plus incremental steps in the pay matrices”. Institutional
salary polices based on the state salary policy and approved by the Board provided that faculty and professional and scientific staff increases would average 3 percent plus incremental steps, which generally provide for average pay increases of 4 percent. He said the state allocation to the Regents for incremental funding of the state’s salary policy was $25 million, while funding needed to implement the state’s salary policy was in excess of $33 million. The Board allowed the institutions flexibility in establishing salary increases this year because of the state funding shortfall. He noted that, due to the wage delay in place for faculty, Professional & Scientific and institutional officials at the University of Northern Iowa, University officials will not be able to provide salary increase data until the increases go into effect on November 1. Therefore, the salary report for the University of Northern Iowa will be presented at the January meeting of the Board.

Director Wright stated that average increases for faculty for FY 2003 were:

- SUI – 3.76%
- ISU – 3.1%
- ISD – 3.2%
- IBSSS – 3.7%

Average increases for Professional & Scientific staff were:

- SUI – 4.0%
- ISU – 2.9%
- ISD – 2.5%
- IBSSS – 3.5%

Salaries increases for staff in the Regent Merit System ranged from 5.2 percent to 7.1 percent.

Annually, faculty salaries are compared with those salaries in the university peer groups and the athletic conferences. The comparison is based upon survey data published in “Academe” by the American Association of University Professors. Rankings for FY 2002 and FY 2003 are shown below:
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<th>PEER GROUP RANKING</th>
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<th>FY 2003</th>
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<td>SUI</td>
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<td>ISU</td>
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<td>ISU – Big 12</td>
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Director Wright stated that using peer group and athletic conference rankings for faculty salary comparisons is questioned by some. He said these comparisons have been done for years and are valuable for comparison purposes.

Regent Fisher pointed out that the compensation for Regent Merit System employees is not under the Board’s governance. The Board has no control whatsoever over those salary increases.

President Geoffroy said the report illustrates a serious concern about how faculty salaries compare to those at peer institutions. Lack of funding for faculty salaries makes it very difficult for the universities to be competitive in recruiting and retaining faculty.

President Newlin asked if President Geoffroy had a suggested remedy. President Geoffroy stated that resources need to be found to allocate to salary increases. Sources of such revenues might include tuition increase revenues, special appropriations or internal reallocation, although internal reallocation is particularly challenging with the budget cuts of the last two years.

Interim President Boyd said the universities need to receive adequate salary appropriations on an annual basis. Recovering lost faculty positions was another issue.

Regent Fisher said the salary funding issue probably impacts the universities more with their faculty who are “rising stars”. He noted that on the evening of October 16, the Board of Regents honored several faculty members. Two of those outstanding faculty members have had opportunities to move to other universities but their quality of life and families kept them in Iowa.

Regent Turner asked for clarification of information in the meeting materials about the difference in salaries between male and female faculty and male and female
Professional & Scientific employees. Also, do the figures presented for average faculty salaries include the professors in the professional schools at the University of Iowa?

Interim President Boyd stated that the Office of the Provost at the University of Iowa seeks to ensure an equitable faculty environment. Because there is a difference in the raw numbers of average salaries between male and female, the Provost’s Office recently conducted a faculty salary analysis by gender and by ethnic minority status. The results indicated that when relevant factors, such as field and rank, are taken into account, there are no differences in salaries between minority and non-minority faculty or between male and female faculty. Faculty who are in the same field with equivalent educational degrees, with the same rank and years of experience are paid the same. In addition, merit-based salary increases for female faculty have been slightly larger than for male faculty for the past few years. He said the University will continue its course toward obtaining concrete employment and compensation gains for minority and women faculty. In addition to monitoring initial salaries for new employees and annual salaries for all staff, the Human Resources Department, in the last six months, conducted a first-time-ever equity analysis based on race and gender of merit and Professional & Scientific reclassifications for the three-year period of 1999-2001. The analysis indicates no pattern or pocket of disproportionate reclassifications based on gender or race at the University. Given that reclassification is a significant factor in determining staff salaries, he said the Human Resources Department will continue to conduct its analysis periodically. He then asked that Provost Whitmore respond to Regent Turner’s second question.

Provost Whitmore said it was his understanding that the data includes all of the faculty of the University of Iowa, including costs of benefits packages.

President Geoffroy stated that the answer to the gender equity question for Iowa State University was exactly the same as for the University of Iowa. Analysis takes place every year. Salaries of faculty members are compared by discipline and rank on a gender basis. Women’s salary increases exceeded men’s increases over the last couple of years.

Regent Turner said it would be helpful if future reports include commentary in the paragraph after the salary comparisons that explains the differences. Director Wright responded that the Board Office will certainly do so.

ACTION: President Newlin stated the Board received the annual salary report for FY 2003, by general consent.
ANNUAL REGENT MERIT SYSTEM REPORT.

Director Wright presented highlights of the annual report on the Regent Merit System. The Regent Merit System provides employment rules and practices for nonprofessional employees categorized as supervisory, blue collar, security, technical, and clerical staff. He said there were 8,087 employees in 295 titles/job classifications. The number of Regent Merit System employees is down 3 percent (-234) from the previous year. The highest number of employees was in 1991 (8,658). He stated that most of the reductions were achieved through attrition and not through lay off. Two-thirds of the employees were female; 6.6 percent were minority, an increase of 0.4 percent. The average salary was $29,464. Base salaries increased 4 percent. About 50 percent of the Regent Merit System staff were at the top of their pay range.

Director Wright stated there were 250 reclassification requests in FY 2002; 171 new positions classified; and 9 classification appeals heard by an independent panel. Promotions by gender and minority status mirrored approximately their proportions in the Regent Merit System population. The turnover rate was approximately 11 percent. He said pay grade assignments of classification are based on comparable worth and the position evaluation instrument.

Regent Fisher asked how one could rectify the statement in the meeting materials for this item that base salaries increased 3 percent and step increases averaged 1 percent with the statement in the meeting materials for the annual salary report that Regent Merit System salary increases at the University of Iowa averaged 7.1 percent and at Iowa State University averaged 5.8 percent.

Director Wright responded that the difference was a result of employees being raised to the minimum of their respective salary ranges.

Regent Fisher asked if some employees receive automatic pay increases when the Board approves increases in salary ranges. Director Wright responded affirmatively, noting that was the result of collective bargaining.

Regent Neil stated that there were less employees and record enrollments; therefore, everyone must be working a little harder. Director Wright said that was correct.

ACTION: President Newlin stated the Board received the governance report on the operation of the Regent Merit System for FY 2002, by general consent.
REPORT ON ORGANIZATIONAL REVIEW PROJECT.

Deputy Executive Director Barak stated that, last month, the Board received the report on all of the Organizational Review Phase II and Phase III projects except for the report on “State Regulatory Statutes” (Phase II, Project II-10) which had not yet been completed. This month, the final “Statutory” project report was presented to the Board. He introduced Kent Caruthers, MGT of America, Inc., to make a presentation.

Regent Neil asked how many employees are in the entire Regent system. President Geoffroy said the answer depends on how the question is asked.

Regent Neil asked that someone provide him with that information, showing the full-time and the part-time employees separately.

Director Elliott stated that the Board Office provides monthly payroll reports to the state. The report includes headcount data on all classifications of employees.

[Note: Later in the Board meeting, Executive Director Nichols provided Board members with the following information from the September 2002 report entitled, “Employee Census from Institutional Payrolls, All Institutions.” There were 41,900 total Regent employees, 16,500 of which were paid from general fund sources and more than 17,000 of which are student employees. Regent Neil asked for information on how many dollars are returned to the state for every dollar invested by the state. Executive Director Nichols stated that the National Association of State Universities and Land Grant Colleges published a report on the economic development impact of state dollars. The report indicated that, for every dollar invested in public higher education institutions, the return is five-fold.]

Mr. Caruthers stated that, when MGT began Phase I a year ago, they found there was a broad concern about excessive state regulations. In recommendation II-10, MGT addressed the benefits that would come from regarding Regents as an “independent agency” rather than as a “state agency.” He said the specific issues ranged from construction approval thresholds, charges for the state auditor, and budget management practices, to how insurance settlements are handled. MGT found that, despite frequent proposals that the universities operate more like a business, state laws prevented the institutions from operating with more efficient management practices. He noted that these concerns were not unique to Iowa. An article in a recent edition of the Chronicle of Higher Education calls for deregulation of universities. The notion is that there ought to be greater procedural autonomy of universities and boards with state control of the institutions’ missions.
Mr. Caruthers reviewed activities that took place during Phase II with regard to gaining more flexibility with regulatory issues. Many of the issues have been on the Board’s legislative agenda for several years. He said the ever-tighter budgets that the universities have faced in recent years have spurred efforts to find opportunities to be more efficient. MGT representatives learned that the Regent institutions were required to operate like typical state agencies despite having the benefit of strong oversight by the Board of Regents.

Mr. Caruthers referred to the chapter of the report that addresses the requirement that the universities secure certain professional and support services from other state agencies rather than on a competitive basis. The example of the State Auditor’s services was provided in the report. Other examples include the Attorney General’s services and the Iowa Communications Network. MGT recommends the universities be allowed to secure those services on a low-bid basis; state agencies can compete with the private sector to perform the work. He said the chapter on budget policies and practices focused on the end of the year requirement to revert any unspent funds. Charts were included in MGT’s report which showed that the universities have been very effective in avoiding the need to revert unspent state funds. However, in the hurry to spend funds at the end of the year, the universities perhaps are not spending on their highest priorities or building reserves to help weather the difficult budget years.

With regard to the chapter on investment management, Mr. Caruthers said MGT reviewed the composition of the portfolios. MGT recommended that the restriction on investment in securities of less than 63 months be removed. With regard to the chapter on insurance issues, MGT reviewed the areas of property loss and workers compensation. MGT recommends that the universities be given permission to explore operating their own risk management programs rather than being part of larger state programs. In the final chapter, construction issues, MGT reviewed the approval thresholds as well as alternative contracting methods such job order contracting, construction manager at risk and design-build. MGT found that current state regulations unduly prevent the institutions from being more efficient and proceeding with projects in a more timely manner. MGT recommended that the Board pursue regulatory relief in the areas identified in the report. MGT also encouraged the Board to consider seeking even greater legislative recognition of the need for the institutions to operate as independent agencies.

Mr. Caruthers thanked the members of the Organizational Review Priority Study Group for working with MGT this past year.

Regent Fisher referred to the idea of the Board of Regents becoming an independent agency. He asked Mr. Caruthers if doing so would provide the Board with more flexibility in its oversight responsibilities. Mr. Caruthers responded that the purpose
would be to allow the Board of Regents to operate the institutions rather than state laws that were written for the whole state government to govern the institutions.

Regent Fisher asked if Mr. Caruthers was suggesting, for example, that the institutions be allowed to go to the market place for auditing services. Mr. Caruthers responded affirmatively. Included in MGT’s report were charts of other states that allow their institutions to solicit audit services through a competitive process.

President Newlin asked which governmental groups in Iowa are currently allowed to go to the market place for auditing. Mr. Caruthers responded that local agencies, such as local governments and local school districts, are able to do so. He said the Board of Regents is considered a state agency. The Regent institutions have their own board that exercises certain types of oversight. Very few other state agencies have monthly meetings where the board goes over issues in such detail as this Board does.

Regent Fisher asked if any universities have been successful in going from agency status to independent status. Mr. Caruthers responded that universities in some states, Pennsylvania, for instance, have been that way for a number of years. Florida made such a change in the past year. Florida’s statute refers to the universities’ governing board as a public corporation.

Regent Neil asked, if the Board were to pursue regulatory relief, whether Board members would be required to carry errors and omissions insurance. Mr. Caruthers responded that it would depend on how the regulatory relief was obtained. In Florida, the board of the universities remains under the sovereign immunity laws of the state.

Executive Director Nichols stated there are two different types of recommendations flowing through the MGT report. One type of recommendation has to do with the efficiency by which the Board considers issues and with the Board’s authority. Another type of recommendation has to do with allowing the institutions to pursue less expensive ways to perform tasks, such as auditing. He said MGT did a good job of identifying areas to explore with state government leaders where the same work could be done at less cost.

Regent Neil asked if the Board Office plans to separate the issues into a list for the Board’s consideration. Executive Director Nichols responded that the issues need to be separated into a list.

Regent Neil asked that estimated savings be included in the list.

Executive Director Nichols stated that the Board Office contemplated beginning the process when it provides the Board with legislative proposals in November.
President Newlin thanked Mr. Caruthers and his organization for working with the Board of Regents. He said he hopes the Board can make progress as a result of MGT’s assistance.

**ACTION:** President Newlin stated the Board received the MGT of America, Inc., report on the “State Regulatory Statutes” project, Phase II, Project II-10, by general consent.

**INSTITUTIONAL AGREEMENTS, LEASES AND EASEMENTS.**

Associate Director Hendrickson stated the Iowa Code requires institutional agreements, leases and easements involving real property be approved by the Board by roll call vote. The Board Office recommended that leases be approved subject to completion of legal reviews.

Regent Fisher asked for the appraised value of the home at 111 Church. Vice President True responded that there was quite a range in the appraisals -- $40 to $58 per square foot. The property was to be acquired by the University of Iowa Facilities Corporation for $45 per square foot for the land which is quite high by the University’s long-term standards, but quite reasonable in terms of recent sales.

Regent Fisher asked if there was an agreement with the University of Iowa Facilities Corporation to lease the property to the University. Vice President True responded affirmatively. He said the objective is to a) control the land that is very important to the university and b) work on arrangements, perhaps, to provide housing options which would produce a cash flow. University officials will work on future plans for the property with their colleagues at the University of Iowa Facilities Corporation.

President Newlin stated there were some legal issues that had not been completely resolved regarding 111 Church Street.

**MOTION:** Regent Fisher moved to approve the following leases, subject to completion of legal reviews:
- University of Iowa: 1) lease agreement with the University of Iowa Facilities Corporation for the residential property located at 111 Church Street, Iowa City; 2) lease amendment with Richard DeRegnier for the University’s use of space in Sigourney, Iowa, for a research project of the College of Public Health; and 3) lease renewal
with Selim Laboratories for its use of business incubator space at the Oakdale Research Park.

**Iowa State University:** Lease renewal with Banner Investments for the University’s use of space in Dubuque, Iowa, by the Department of Human Development and Family Studies. **University of Northern Iowa:** Lease renewal with TEAM Property Management for the University’s use of space in Cedar Falls for the Iowa Waste Reduction Center. Regent Neil seconded the motion, and upon the roll being called, the following voted:

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

**NAY:** None.

**ABSENT:** Becker.

**MOTION CARRIED.**

**NATIONAL REPORT CARD ON HIGHER EDUCATION.**

Executive Director Nichols presented a summary of the National Report Card on Higher Education, which Board members may have seen referenced in the news media. The National Center for Public Policy and Higher Education, a private, nonprofit organization, recently released its second biennial report, “Measuring Up 2002,” that grades states on their performance in higher education. Its first such report was issued in 2000. He said complete information was available at the Board Office. The report evaluated states using “A” through “F” grades in the areas of Preparation, Participation, Affordability, Completion, and Benefits. Iowa higher education, which includes all public and private postsecondary institutions in the state, was graded as follows:

- **Preparation – B,** the same grade Iowa received in the 2000 report. Iowa was ranked 18th in this category; among Midwestern states, Illinois, Kansas, Nebraska, North Dakota and Wisconsin were ranked higher. Nineteen states earned grades of B+, B or B-.

- **Participation – B+,** a slight improvement from B in 2000. Iowa was ranked 9th; Midwestern states Illinois, Kansas and Nebraska were ranked higher. Sixteen states earned grades of B+, B or B-. 
Affordability – C, a decline from B in 2000. Iowa was ranked 11th, after Midwestern states Illinois, Minnesota and Wisconsin. Twelve states earned grades in the C range.

Completion – A, a slight improvement from A- in 2000. Iowa was ranked 6th, the highest among Midwestern states. Eight states earned grades of A or A-.

Benefits – C+, the same grade as in 2000. Iowa was ranked 21st, after Midwestern states Illinois and Minnesota and tied with North Dakota. Twenty-one states earned grades in the C range.

Executive Director Nichols stated that the report places Iowa in the top one-half of the "class" in every category including affordability, and in the top 10 of the two categories of Participation and Completion. He said Iowa’s decline in the category of affordability was mirrored in many states. There is still some controversy about the data sources for the analyses. He concluded by stating that Iowa had no significant declines in any of the report’s categories, and there were improvements in some areas. As data becomes available two years from now, the Board will receive a "report card" about this time.

Regent Kelly questioned the value of a report such as this from a private organization. Executive Director Nichols said the value is in the eye of the beholder. He believes the categories reviewed are appropriate because they are issues often dealt with in Iowa. As for the National Center for Public Policy and Higher Education, to the best of Executive Director Nichols' knowledge, it has not engaged in lobbying. The real question is whether the Center receives “good” data from all 50 states for making comparisons.

Regent Fisher said he was surprised about the affordability data. All of the information he has received, particularly with regard to Iowa’s neighboring states, indicates that Iowa is much more competitive. Executive Director Nichols responded that Iowa received a “C” in the category of affordability and it was the 11th best state in the nation according to the report. One can gather from that there are many states with “D”s and “F”s.

Regent Turner noted the report indicated that affordability was good for two- and four-year public colleges and universities in Iowa but the data were not as reliable when it came to Iowa’s private institutions. She said data on the affordability of private institutions are not readily available to the Board of Regents. Therefore, there may be value in the report for receipt of that type of information.

ACTION: President Newlin stated the Board received the report, by general consent.
REPORT OF THE BANKING COMMITTEE.

President Newlin recognized Ken Haynie, Ahlers law firm, the Board’s bond counsel, and Barry Fick, Springsted, Inc., the Board’s bond advisor, to report on a bond sale.

Mr. Haynie stated that Board members were provided with two resolutions to approve the bond sale and to authorize issuance of the bonds.

Mr. Fick stated that two bids were received on the morning of October 17 for the sale of $9,535,000 Dormitory Revenue Refunding Bonds, Series U.N.I. 2002. The winning bid was submitted by a group led by A.G. Edwards for a true interest rate of 3.87 percent. The interest rate will result in an overall present value savings of $952,826 over the existing bonds. He said there will be a savings of 8.7 percent of the total debt service which is well above the Board’s threshold of 5 percent for refunding bonds. The second bid was submitted by a group led by U.S. Bancorp Piper Jaffray for a true interest rate of 4.02 percent. He said there was a larger spread between the two bids than has been seen recently. He said the University of Northern Iowa and the Board of Regents are the beneficiary of the extremely low interest rate market. The yields to the purchasers are 1.5 percent to 4.3 percent. By way of comparison, the University is rated by the rating agencies at the A level. The interest rates received would be typical for AAA to AAA- bonds; therefore, the rates were better than A-rate bonds would typically receive.

Regent Neil asked for the interest rate received for the last Dormitory Revenue Bonds sale. Mr. Fick responded that the rate was 4.3 percent. Mr. Haynie noted that these bonds were of a shorter duration than those of the last dormitory bond issue sold.

MOTION:

Regent Fisher moved to adopt A Resolution providing for the sale and award of $9,535,000 Dormitory Revenue Refunding Bonds, Series U.N.I. 2002, and approving and authorizing the agreement of such sale and award. Regent Kelly seconded the motion, and upon the roll being called, the following voted:

NAY: None.
ABSENT: Becker.

MOTION CARRIED.
Regent Fisher reported that the Banking Committee approved a resolution to set the date for the sale of University of Iowa Hospitals and Clinics bonds.

Mr. Fick stated that the Board's bond advisors and Hospital officials have been working with bond rating agencies for a number of weeks. The Hospital has not issued bonds for a number of years. He anticipated a favorable sale if the interest rate environment remains the same.

Regent Fisher noted that the outstanding debt of the Hospital is only $2.6 million.

MOTION: Regent Fisher moved to adopt A Resolution authorizing the Executive Director to fix the date or dates for the sale of up to $25,000,000 Hospital Revenue Bonds (The State University of Iowa), Series 2002. Regent Kelly seconded the motion, and upon the roll being called, the following voted:

NAY: None.
ABSENT: Becker.

MOTION CARRIED.

Regent Arbisser stated that, at the Banking Committee meeting, he learned that refunding bonds can provide efficiencies in addition to financial savings.

Mr. Haynie stated that bond counsel tries to anticipate problems and solutions, and to make evolutionary changes to the covenants and agreements of existing bond resolutions. Those changes can only be done on a future effective date. He said the universities are ahead of the bond refunding schedule because of the good fortune of the current bond market. In the case of the University of Northern Iowa, all of its outstanding dormitory bonds that were eligible for refunding have been refunded. Insurance provisions and continuing disclosure provisions have been modified to current requirements (as opposed to the requirements of the 1960s). Similar activities remain to be completed for the other two universities.

Regent Neil asked what the reaction in the market would be to a bond issuance for research since the state did not meet its obligations with regard to economic development appropriations. Mr. Haynie responded that the Board's bond advisors would work with the university to develop a financial model. Revenue sources to assure repayment to the bond holders would be developed. He said the reception would be
based, in part, on the relative strength and predictability of the revenues. He then said it would certainly be a possibility.

Regent Fisher stated that the Banking Committee also received the semi-annual master lease report and internal audit reports.

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

INSTITUTIONAL REGISTERS OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. (a) University of Iowa. Vice President True stated that the University’s capital register included permission to proceed with project planning for the West Campus Chilled Water Plant Development and Parking Facility. He said the project would construct an addition to the existing plant to increase its chilled water capacity to serve the expanding needs of the west campus and Arts Campus. The project would replace equipment from 1970. He said financing of the project would require the issuance of debt.

An item which was not on the University’s capital register about which Vice President True said he wished to make Board members aware related to the Carver Biomedical Research Building project. University officials were pleased to report that bids came in somewhat below budget. He noted there was a lot of competition.

Interim President Boyd stated that University officials would provide Board members with a presentation on the schematic design for the Pomerantz Center project. He said the project would construct a facility to house expanded career counseling and placement services and other academic/student service functions, including general assignment classroom space, on the east side of the T. Anne Cleary Walkway across from the Chemistry Building. He said the facility will be a student-oriented instructional and student services building. The auditorium of the 1920s Chemistry Building, about which students had commented during the tuition discussion, will be moved to this facility. The building will have eight major classrooms and will house the undergraduate academic advising center, as well as the MBA and the Executive MBA programs. He noted that each of those functions is central to the University’s mission.

Interim President Boyd introduced Scott Hatfield of SVPA Architects and Beverly Robalino, Senior Architect at the University of Iowa.

Mr. Hatfield reviewed the history of the project to date. He presented a vicinity map, noting that the building will be north of Market Street and directly north of the Pappajohn
Business Building. He reviewed the site plan and described the location in relation to the Chemistry Building and Blank Honors Center.

Regent Neil asked about parking for users of this facility, other than the Memorial Union parking ramp which is frequently full. Mr. Hatfield said it was his understanding that the North Campus Parking Facility would also serve the users of this building.

Mr. Hatfield continued reviewing the site plan. He said the building’s main entrance will be accessed by the T. Anne Cleary Walkway. A second entrance will be accessed by the new terraced area at the north end of the site which is being constructed as part of the Blank Honors Center. He noted the site is fairly compact. One of the important criteria of the project was to locate entrances to the building in such a way to discourage students from crossing Market Street other than at the Walkway.

Mr. Hatfield next reviewed the building floor plans, noting that the building will be connected to the Blank Honors Center via a tunnel at the north end of the building. He said level 1 will house the admissions visitor center and classrooms. Level 2 will house the academic advising center and lactation room. Level 3 will house the careers center and an interview suite. Level 4 will house the MBA career services and Executive MBA program. He stated that the floor plans of the building were in response to the site and user needs.

Mid-American Energy hired a consultant to analyze the proposed building. Mr. Hatfield reported that the energy savings identified by the consultant would be in excess of 50 percent of the maximum permitted by Code. He said a tremendous amount of energy will be saved by using the most energy efficient glass available, using sunscreens over all of the windows, and using translucent glass. The exterior materials will be limestone colored pre-cast panels to match the Pappajohn Business Building and the new Blank Honors Center. Metal panels will be used for the remaining portions of the building, including the penthouse.

Mr. Hatfield presented renderings of the building from different directions. He pointed out that sunshades and sun fins will prevent direct sunlight from entering the building.

Regent Fisher asked if the offices housed in the building will be made with business partitions or with permanent partitions. Mr. Hatfield responded that the vast majority of the offices will be made of gypsum board walls. A majority of the users of the building will be visitors to the admissions visitor center, academic advising visitor center and the MBA Career Center, all of which require private offices.

Regent Fisher asked if the choice of metal on the exterior was due to cost or design considerations. Mr. Hatfield said it was both. With regard to the energy analysis of the
building, he said office buildings require cooling, even in the winter time. Therefore, the lighter the colors on the exterior, the better the building performs. The metal panels are a bone white color which is very reflective and similar to the Levitt Center panels. The metal panels are also light in weight. Mr. Hatfield noted that College of Business Dean Fethke and the campus planning committee had reviewed the schematic design.

Regent Kelly asked for additional information about Mr. Hatfield’s statement that the most energy efficient glass available will be used on the exterior windows. Mr. Hatfield responded that, based upon the value, the most energy efficient glass available would be used. It is a product manufactured in Canada called Vision Wall which is available in a three-type or a four-type system. The four-type system is the most energy efficient window in the world. The three-type system will be used in two places on this project: the lobby space on the south and the lobby space on the north. Solex-tinted green glass will also be used. He said the same Solex-tinted green glass will be used for the rest of the windows in the building.

Regent Kelly asked if the green tint will make the people within the building look green. Mr. Hatfield responded that it would not. The green is on the outer layer of glass and does not affect perception.

Regent Kelly asked if Mr. Hatfield was sure the flat roof would not leak. Mr. Hatfield stated that the roof slopes ¼” per foot. The architects are considering two different types of roofing materials, both of which have a 15- to 20-year life. The roof types under consideration are an EDPM ballast system and an EDPM mechanically-adhered system.

Regent Arbisser stated there are several populations of people who will use the building for whom he was not convinced there will be adequate parking. When prospective students and their parents visit the campus, it would be inhospitable for them to be stuck in their cars driving around the building looking for a parking place. Another group of people who will visit the building are the Executive MBA students who may be coming from distant communities.

Mr. Hatfield stated that the architects were involved in an analysis of the entire site. Underground parking for both the Pomerantz and the Blank buildings was considered but was found to be extremely expensive. The architects were directed at that time to look at surface parking, only. He said the 23 surface parking spaces will be for recruiters and handicapped parking for the two buildings.

Vice President True stated that University officials wanted to make sure there were parking accommodations for commuting students and visitors. Four parking venues for this building are: 1) the Memorial Union ramp, 2) the North Campus ramp, which is only
½ block from the building site, 3) underground parking at Pappajohn Business Building, which is used extensively by students on Saturdays and evenings, and 4) limited parking on the site. Vice President True said he would like to prepare something more quantitative and specific for the Board and the Board Office.

Regent Arbisser said he looked forward to a more extensive report. He firmly believes the plan as currently designed will make the area more congested than it is already.

President Newlin referred to the vicinity map and asked for the location of the North Campus parking ramp. Vice President True responded that it is north of the Chemistry Building. One can walk out of the ramp and be very close to the Memorial Union at the lower level and very close to the dormitory facilities as well as the Honors Center, Chemistry Building, and this new facility at the upper level. He noted that University officials want the University to be particularly inviting to corporate recruiters which is the reason for the adjacent 23-space surface parking.

Regent Fisher asked if the North Campus parking facility has room for growth. Vice President True responded that was a possibility with the University’s acquisition of the former Iowa City water plant. He said there are some other problems in the area with traffic, generally, because there is only one way in and out of that area. There was no question that the campus is congested; University officials deal with that issue every day. He said that, with the Board’s challenge, University officials will focus more directly on the issue.

Regent Neil asked where the Executive MBA program is currently offered. Vice President True responded that the program is currently in the Pappajohn Building. A general assignment classroom will be created in the Pappajohn Building as a result of moving the Executive MBA to the new Pomerantz Center.

Regent Neil asked for the use of the lecture area in the Chemistry Building when the auditorium function is moved to this building. Vice President True responded that it is not a practical space for teaching. He said the plan will likely involve dividing the space into two levels, one of which would be teaching labs.

Regent Neil asked about the financing for this project. Vice President True responded that the project budget is $17.6 million based on current estimates which, he believes, is conservative. He said $14 million of the $17.6 million will be in private support through the Foundation. He hoped the remainder would be through funds such as Treasurer’s Temporary Investments and interest balances, and other University capital resources. He noted that, in the last 8 or 9 months, University officials have tried to incorporate some fundamental needs of the University into this space.
Regent Neil asked if the $17.6 million budget for the building includes furnishings and opening new building costs. Vice President True responded that the budget includes furnishings. Opening new building is an annual obligation for operating costs (about $480,000 per year), not a capital cost.

Regent Neil asked if the amount of space dedicated to the MBA program will be about the same as is currently dedicated to the MBA program. Vice President True responded that there would be somewhat more space because some careers activities will be included in the new facility. The current classroom will probably be used for the College of Liberal Arts and Sciences.

Regent Neil asked if there are any properties that could provide parking opportunities on the other side of Clinton Street. Vice President True responded that the University acquires properties from time to time. He said the University also purchases parking spaces in ramps owned by the city of Iowa City.

Regent Fisher asked if Old Brick is owned by the University. Vice President True responded that it is not. He said it is used as a campus ministry. The main facility is used for weddings and other events. He stated that University officials will continue to talk to the owners about issues of mutual benefit, such as parking.

President Newlin stated that the Board Office is in the process of developing a policy on “potty ratios”. He said, if the Board approves this schematic design, it would be subject to the new potty ratio. He noted the current design is not in compliance with current targets.

Architect Robalino referred to the information provided in the meeting materials which indicated that the women’s facilities totaled 22, and said that was incorrect. The correct number is 49. The ratio is 2.25 to 1 in the building.

MOTION: Regent Fisher moved to approve the schematic design for the Pomerantz Center project, subject to it meeting the new policy on "potty ratios". Regent Turner seconded the motion. MOTION CARRIED UNANIMOUSLY.

MOTION: Regent Fisher moved to approve the remaining items in the Register of Capital Improvement Business Transactions for the University of Iowa. Regent Nieland seconded the motion.
Regent Neil referred to all of the architectural overruns included in the University’s capital register, nearly $1 million worth. He said it seemed like the Board was frequently asked to amend the agreements.

Vice President True said he would not characterize it as overruns. Typically, the original contract includes basic principles, hourly rates and charges for development of the schematic design. The agreement may then be amended to include construction drawings. The agreement may again be amended to include construction management. He said the vast majority of amendments is the result of that process.

Regent Neil called attention to the Capital Plan for the Health Science Campus and noted that the architectural agreement had almost doubled in cost. He stated that, in the future when the Board is presented with architectural agreements, he would like to be presented with an estimate of what percentage of the total cost will be covered by the agreement.

Vice President True stated that University officials can do a better job of providing a sense, at the originating contract, of where the agreement will be going in the entire project.

VOTE ON THE MOTION: MOTION CARRIED UNANIMOUSLY.

(b) Iowa State University.

Vice President Madden stated there were a number of projects on the University’s capital register with which University officials wished to move ahead, specifically:

Project description and budget for the Utilities—Veterinary Medicine Chilled Water System Upgrade project ($693,070) which would replace the building’s deteriorated cooling coils to increase the efficiency of the cooling system.

Project description and budget for the Parking Lot 93 Reconstruction project ($573,570) which would reconstruct the deteriorated parking lot located north of the Veterinary Medicine complex.

Revised budget for the Indoor Multipurpose Use and Training Facility project ($9,371,800) which reflects a revised estimate of project costs for construction of a training and practice facility near Jack Trice Stadium.

Revised budget for the Reiman Gardens—Conservatory project ($10,348,300) for expanded equipment requirements for the butterfly laboratory.
Revised budget for the College of Veterinary Medicine—Biosecurity Unit project ($3,337,559) for Board ratification; the revised budget was approved by the Executive Director to allow award of the construction contract.

President Newlin referred to the Indoor Multipurpose Use and Training Facility project. He said it was his understanding that there were some additional components that University officials were interested in pursuing, such as portable flooring, restrooms and air conditioning. He asked if there was a cost estimate for those additional items.

Vice President Madden responded that the current budget does not include any of those items. The cost estimate for the floor is $750,000. Discussion has taken place about portable air conditioning equipment being brought in, as necessary.

President Newlin asked if there would be private funding sources if University officials wish to pursue that. Vice President Madden responded affirmatively. He said there might also be user fees for groups that wish to have air conditioning for a particular event. Feasibility studies are being undertaken.

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

(c) University of Northern Iowa.

Vice President Schellhardt stated that included in the University’s capital register was the program statement for the McLeodUSA Center project. The project would construct a new arena for men’s and women’s basketball and volleyball that would be more appropriate in size, seating capacity, and acoustics than the current venues of the West Gym and the UNI-Dome. He said University officials will return to the Board in January with schematic design for the Center.

Regent Neil questioned whether this was an appropriate time to pursue this kind of expansion. President Koob responded that the McLeodUSA project is funded from external resources. Those funds cannot be reallocated to other parts of the University. He said the McLeod project was part of the University’s capital campaign. Money was collected specifically for that project prior to the budget downturn. The University has already received $15 million in pledges for the project, and he said the University did not wish to return those funds. He stressed that, at the present time, there are no state dollars for this project.
Regent Neil said there will be ongoing costs. President Koob agreed there will be ongoing costs but said the enterprise structure pays those costs. Dome enterprise facilities are revenue-generating for the University.

Regent Nieland stated that many Board members have raised concerns about these types of construction issues in recent months. The Board has very little time at the end of its meetings in which to address issues with capitals. For instance, Regent Neil was not the only Regent who is concerned with the number of architectural agreement amendments. She said there needs to be a vision as to where this is going. Are there other ways to deal with opening new buildings costs and other issues about which Board members are concerned in these difficult budget times?

President Koob said he is much more concerned with the opening of McCollum Science Hall, for example, for which there are no enterprise funds. With regard to the McLeod Center, however, it will be part of a self-liquidating Dome operation. Money will be raised from concerts, wrestling matches, home shows, antique shows, etc., creating a net profit for the University after operating expenses. The McLeod Center expands the opportunity to bring groups on campus.

Regent Neil asked if there is a feasibility study that shows the payback on the McLeod Center is going to more than cover its operating costs. President Koob responded affirmatively. He said the city of Cedar Falls is considering creating a partnership with the University as part of the local economic development activities. The issue raised by Regent Nieland, however, is very important. He said there are facilities presently under construction for which funds will be needed for ongoing operations.

Regent Neil stated that he has heard criticism of President Koob from business leaders about how the campus is all torn up for construction but the University is broke. He said they have to get the word out so that the general public understands the importance of the steam line project, for example, to the University.

President Koob stated that the Iowa method of appropriating dollars keeps those dollars in different, fairly impregnable “silos” under the current system. The University receives funds for building academic facilities from the Rebuild Iowa Infrastructure Fund, complicated by the securitization of the tobacco settlement funds which allows those dollars to be spent only on capital improvements. He understands the public perception. He said there may be a need for a much more intensive outreach effort.

Interim President Boyd stated that all of these points are well taken but the importance of having good facilities cannot be forgotten. While he appreciated Board members’ concerns, he said providing students with a high-grade education requires adequate and up-to-date facilities.
MOTION: Regent Neil moved to approve the Register of Capital Improvement Business Transactions for the University of Northern Iowa. Regent Fisher seconded the motion. MOTION CARRIED UNANIMOUSLY.

(d) Iowa School for the Deaf.

Superintendent Johnson stated that the School’s capital register included the following two project descriptions and budgets for which School officials requested approval:

Girls’ Dormitory/Elementary School Curtain Wall and Window Replacements project which would replace leaking windows in selected areas of the facilities; and

Long Hall Plaza Reconstruction—Phase IV project which would reconstruct deteriorated steps and walkway areas that serve Long Hall (the high school building), and replace a section of utility tunnel at the site.

MOTION: Regent Fisher moved to approve the Register of Capital Improvement Business Transactions for the Iowa School for the Deaf. Regent Arbisser seconded the motion. MOTION CARRIED UNANIMOUSLY.

REPORT ON MEETING OF THE IOWA COLLEGE STUDENT AID COMMISSION.

Executive Director Nichols addressed the report on the September 17, 2002, meeting of the Iowa College Student Aid Commission. He said the most relevant item for the Board of Regents was that the Commission will request that the legislature reinstate the Iowa Work-Study program at a level of $2.7 million.

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

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

PROPERTY ACQUISITION AND LEASE – LEOLA BERGMAN – 124 GRAND AVENUE COURT.

Interim President Boyd stated that the two-story home, which is in excellent condition on a 4,000 square foot lot, has been the home of a long-time faculty member who was brought to Iowa as a refugee of the Holocaust. His wife became a great printmaker. He said the basement of the home contains wonderful printmaking equipment which the wife wants to give to the University. It is a great house, on a wonderful location, and the printing equipment is a great gift for the University.

The proposed purchase price of $190,000, which would be financed by income from Treasurer’s Temporary Investments, is consistent with Board policy for the purchase of property. The purchase agreement was reviewed and approved by the Attorney General’s Office.

MOTION: Regent Neil moved to (1) approve the purchase of the property located at 124 Grand Avenue Court, Iowa City, Iowa, from Leola Bergmann, at the purchase price of $190,000, subject to approval of the Executive Council of Iowa; (2) authorize the University to lease the property to Leola Bergmann for the one-year period commencing November 9, 2002, through November 8, 2003, for no rental fee; and (3) authorize the University to add the dwelling to its tenant property inventory at the end of the lease term with Leola Bergmann, with the rental rate to be determined and approved by the Board at a future date. Regent Arbisser seconded the motion, and upon the roll being called, the following voted:

NAY: None.
ABSENT: Becker, Turner.

MOTION CARRIED.

President Newlin asked, with the purchase of the house, if the University now owns all of the property in that area. Vice President True responded affirmatively.

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.
NAMING OF THE NEW INDOOR MULTIPURPOSE USE AND TRAINING FACILITY.

President Geoffroy presented Iowa State University’s request that the Board of Regents name the Indoor Multipurpose Use and Training Facility as the Stephen and Debora Bergstrom Indoor Training Facility in honor of Stephen and Debora Bergstrom of Kingwood, Texas. He said the Bergstroms made the lead gift of $2 million for this facility and are long-time supporters of Iowa State University. Their commitment to this project is the largest one-time gift to a capital project in the Department of Intercollegiate Athletics’ history. Their generous personal and financial support of this new facility reflects the Bergstrom’s strong confidence in the quality of the athletic programs at Iowa State University and the positive role intercollegiate athletics can play for the University.

MOTION: Regent Fisher moved to approve Iowa State University’s request to name the Indoor Multipurpose Use and Training Facility as the Stephen and Debora Bergstrom Indoor Training Facility. Regent Arbisser seconded the motion. MOTION CARRIED UNANIMOUSLY.

President Newlin then asked Board members and institutional officials if there were additional items for discussion pertaining to Iowa State University. There were none.
President Newlin asked Board members and institutional officials if there were items for discussion pertaining to the University of Northern Iowa other than those which were addressed on the General Docket. There were none.
President Newlin asked Board members and institutional officials if there were items for discussion pertaining to the Iowa School for the Deaf other than those which were addressed on the General Docket. There were none.
IOWA BRAILLE AND SIGHT SAVING SCHOOL

President Newlin asked Board members and institutional officials if there were items for discussion pertaining to the Iowa Braille and Sight Saving School other than those which were addressed on the General Docket. There were none.

ADJOURNMENT.

The meeting of the Board of Regents, State of Iowa, adjourned at 12:35 p.m. on Thursday, October 17, 2002.

[Signature]
Gregory S. Nichols
Executive Director