

Contact: Andrea Anania

**MINUTES OF MAY 1, 2008
BOARD OF REGENTS, STATE OF IOWA
MAUCKER UNION, OLD CENTRAL BALLROOM, ROOMS A AND B
UNIVERSITY OF NORTHERN IOWA
CEDAR FALLS, IOWA**

Board Members

	May 1st
Bonnie Campbell	Present
Jenny Connolly	Present
Robert Downer	Present
Jack Evans	Present
Michael Gartner	Absent
Ruth Harkin	Present
Craig Lang	Present
David Miles	Present
Rose Vasquez	Present

Staff Members

Andrea Anania, Andy Baumert, Brad Berg, Mark Braun, Marcia Brunson, Tim Cook, Sheila Doyle, Tom Evans, Diana Gonzalez, Joe Murphy, Joan Racki, Keith Saunders, Patrice Sayre, Todd Stewart, Ilene Tuttle

Regent Institutions

SUI Sally Mason, Maison Bleam, Jordan Cohen, Susan Curry, Stacey Cyphert, Ken Fisher, Lola Lopes, Michael O'Hara, Jean Robillard, Tom Rocklin, Bridget Szeluga, Doug True, Mark Warner, Gordon Williams, Ann Williamson

ISU Gregory Geoffroy, Stephanie Fox, Tom Hill, Elizabeth Hoffman, Roberta Johnson, Kathy Jones, Ryan Myers, Brian Phillips, Joan Piscitello, Warren Madden

UNI Benjamin Allen, Roland Carrillo, Alex Davis, Becky Hawbaker, John Henning, Bev Kopper, Jim Lubker, Randy Pilkington, Tom Schellhardt, Gary Shontz

ISD Jeanne Prickett, James Heuer

IBSSS Jeananne Schild, Don Boddicker

Others

Ed Bittle, Ahlers & Cooney, P.C.
John Bunz, Ahlers & Cooney, P.C.
Mike Dudkowski, Wilshire Associates Incorporated
Travis Elliott, 4th Grade Teacher, Waterloo
Barry Fick, Springsted Incorporated
Andrew Nielsen, Auditor of State's Office
David Vaudt, Auditor of State's Office

The corresponding docket memorandum for each agenda item, an integral component of the minutes, is available on the Board of Regents web site: www2.state.ia.us/regents.

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

President Miles called the meeting to order at 8:40 a.m. on May 1, 2008.

Consent Agenda

- ◆ Minutes of March 11, 2008, Board Meeting
- ◆ Institutional Personnel Transactions
- ◆ Conflict of Interest Vendors
- ◆ Allocation of Mandatory Student Fees for 2008-09 Academic Year
- ◆ Annual Report on Competition with Private Enterprise
- ◆ Approval of University Parking for FY 2009
- ◆ FY 2007 Unit Cost of Instruction
- ◆ University of Iowa Equipment Purchase
- ◆ Revisions to 2009 Meeting Schedule
- ◆ Request to Suspend Admissions to the Ph.D. Program in Women’s Studies at the University of Iowa
- ◆ Proposed Curriculum Changes for the University of Northern Iowa
- ◆ Request to Terminate Master of Arts Program in Science Education for Elementary Schools (K-6) at the University of Northern Iowa
- ◆ Request to Terminate Master of Arts Program in Computer Science Education at the University of Northern Iowa
- ◆ Request to Terminate Bachelor of Arts Program in Sociology – Teaching at the University of Northern Iowa
- ◆ Request to Terminate Bachelor of Arts Program in Russian and East European Studies at the University of Northern Iowa
- ◆ Request for a Program Name Change at the University of Northern Iowa – Master of Arts Program in School Library Media Studies to Master of Arts Program in School Library Studies
- ◆ Request for a Program Name Change at the University of Northern Iowa – Bachelor of Arts Program in Mathematics – Applied to Bachelor of Arts Program in Mathematics – Computer Science Emphasis
- ◆ Request for a Program Name Change at Iowa State University – Bachelor of Arts Program in African American Studies to Bachelor of Arts Program in African and African American Studies
- ◆ Non-Tenure-Eligible Research Faculty Policy at Iowa State University

➤ MOVED by LANG, SECONDED by CONNOLLY, to approve the Consent Agenda.

<u>Regent</u>	<u>Campbell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>
Aye	x	x		x		x	x	x	x
Nay									
Absent					x				
Abstain			x						

MOTION APPROVED by ROLL CALL.

President Miles and the Board welcomed Robert Donley, Chief of Staff and Operations, Board of Governors, State University System of Florida, Tallahassee, Florida. The Board interviewed him for the position of Executive Director of the Board of Regents.

Executive Director Report

Interim Executive Director Andy Baumert provided an update on the 2008 legislative session. He thanked Governor Culver and the legislature for their commitment to higher education in Iowa. He said that the leadership in both chambers and in committees and subcommittees did excellent work to make sure that the priorities of public higher education were funded.

He described funding provided to the Regents in the following appropriations bills: Education, Standings, Rebuild Iowa Infrastructure Fund (RIIF), and Economic Development; and to the IowaCare Program and the Math and Science Initiative. He said that full funding of salaries is the most important component of the Board's ability to (1) maintain its commitment to moderate and predictable tuition increases; and (2) attract and keep world-class faculty. He also briefed the board on major policy legislation on student loans and textbook information.

Regent Downer thanked and congratulated Interim Executive Director Baumert and his colleagues for a superb job and a superb outcome.

In response to a question from Regent Downer on the fire safety request, Interim Executive Director Baumert said that the Regents asked for \$50 million in deferred maintenance, but no funding was provided.

President Miles thanked Governor Culver, legislative leadership, and the legislature for their commitment to higher education and for their continued financial support and said that it is greatly appreciated.

President Miles thanked Andy Baumert, Mark Braun, Keith Saunders, Joe Murphy, and Patrice Sayre for their concentrated effort during this past session. He said that their efforts have made an enormous difference for Iowans and for students at the Regent institutions, and have made it possible for the Regents to deliver another year of academic excellence.

Andy Baumert thanked the team for their extra efforts to help him while he fulfilled dual roles as Interim Executive Director and State Relations Officer. He also acknowledged Student Relations Officer Joe Murphy for his exceptional efforts during this past legislative session.

➤ The Board received the report by GENERAL CONSENT.

Institution Updates

University Presidents and Special School Superintendents updated the Board on recent institutional activities.

President Geoffroy discussed key dashboard indicators, fundraising, personnel changes, and research.

President Allen discussed student successes, campus events, personnel searches, the campus alert on March 11th, and Price Laboratory School legislation.

Superintendent Prickett discussed student achievements and activities and the University of Texas study on how ISD meets the needs of deaf students who have autism.

Interim Superintendent Schild discussed AmeriCorps and IBSSS's participation in the Science, Technology, Engineering, and Math (STEM) initiative.

President Mason discussed athletic and academic accomplishments and awards, as well as the sustainability initiative. Regent Lang commented on green efforts and wind-power infrastructure. President Mason introduced new student leaders President Mason Bleam and Vice President Bridget Szeluga, Faculty Senate President Michael O'Hara, College of Public Health Dean Dr. Susan Curry, Interim Vice President for Research Jordan Cohen, and incoming Executive Vice President and Provost Wallace Loh.

➤ The Board received the updates by GENERAL CONSENT.

Audit/Compliance and Investment Committee Report

Chair Evans briefed the Board on the presentations made to the Audit/Compliance and Investment Committee at its April 30, 2008, meeting.

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

- ◆ Receive the original and follow-up internal audit reports; and
- ◆ Direct university personnel to work with Wilshire Associates and review the Regents asset allocation policy and provide any recommendations to the Audit/Compliance and Investment Committee.

<u>Regent</u>	<u>Campbell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>
Aye	x		x	x		x	x	x	x
Nay									
Absent		x			x				

MOTION APPROVED by ROLL CALL.

University of Iowa Hospitals and Clinics (UIHC) Committee Report

Chair Downer briefed the Board on the presentations made to the UIHC Committee at its April 30, 2008, meeting.

➤ **MOVED** by DOWNER, **SECONDED** by EVANS, to approve, as Trustees of UIHC, the preliminary FY 2009 UIHC budget, including a 6.0% rate increase, 3.0% operating margin, and 11.2% Cash Flow Operating Margin.

<u>Regent</u>	<u>Campbell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>
Aye	x		x	x		x	x	x	x
Nay									
Absent		x			x				

MOTION APPROVED by ROLL CALL.

University and Special Schools Strategic Plan Progress Reports

University Presidents and Special School Superintendents presented annual progress reports on their institutional strategic plans as directed by Board Policy §6.05. The reports addressed the degree to which the institutions have advanced the Board’s own strategic objectives. Each university report also addressed the common academic indicators approved by the Board in February 2006.

- ◆ University of Iowa. President Pro Tem Evans asked President Mason how the University intended to study retention. She responded that a group has been convened by the provost’s office to examine student success initiatives and how they are related to retention and graduation.

Regent Harkin indicated that when benefits are factored into faculty salaries, the University ranks close to the top. President Mason agreed, but indicated that junior faculty may look more at salary and not factor in benefits. She indicated that the University was not losing faculty at an alarming rate. The salaries of faculty lines that have not been filled have been used to increase the salaries of existing faculty.

Regent Downer urged the University to continue to emphasize the four-year graduation plan.

Regent Vasquez asked if there were any way to measure or survey faculty about amenities in which they are interested. President Mason said that information was gathered informally at meetings attended by provosts and deans.

Regent Vasquez asked if there would be spot checks by the Higher Learning Commission during the ten-year period of accreditation awarded to the University. President Mason indicated that there would not be spot checks because the University received accreditation without a requirement for interim reports or evaluations.

President Miles asked the Board Office to develop a common reporting format for next year's reports which would include a summary of the institution's progress on its strategic plan. He indicated that, in August, he would discuss a time line and process for the Board to begin the next cycle of strategic planning. He also indicated that the evaluation of the institutional heads should have a close correspondence with the strategic plans and progress on the accomplishment of the goals.

- ◆ Iowa State University. President Miles asked about the changes in sponsored funding. President Geoffroy responded that this is an area of great concern to the University. There are several factors that have affected the decrease – fewer faculty submitting grant proposals; loss of some high profile faculty; and tightening of earmarks in Washington. Regent Harkin indicated that it is important to be as nimble as possible to take advantage of opportunities. President Geoffroy said that the University is considering developing a rolling five-year strategic plan.
- ◆ University of Northern Iowa. Regent Vasquez commended the University for creating the partnership with Gary, Indiana, to recruit minority students. President Miles asked about UNI's six-year graduation rates. President Allen responded that the Enrollment Management Council is working to enhance the rates.
- ◆ Iowa School for the Deaf. Regent Downer asked if students who want to attend one of the Regent universities have an opportunity to learn about the possibilities. Superintendent Prickett said that many ISD students do not have the academic preparation to attend a university; those who do choose Gallaudet or a similar university. Regent Downer said it is important that students who are capable of attending a post-secondary institution be given the opportunity to do so in the state.
- ◆ Iowa Braille and Sight Saving School. The Board had no comments or questions.

➤ The Board received the reports by GENERAL CONSENT.

Executive Session

➤ MOVED by CAMPBELL, SECONDED by DOWNER, to enter into closed session pursuant to Iowa Code sections 279.15 and 279.16 to discuss teacher termination proceedings at the Iowa School for the Deaf and the Iowa Braille and Sight Saving School.

<u>Regent</u>	<u>Campbell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>
Aye	x	x	x	x		x	x	x	x
Nay									
Absent					x				

MOTION APPROVED by ROLL CALL.

The Board convened in closed session at 11:55 a.m.

The Board reconvened in open session at 1:10 p.m.

Faculty Reduction in Force – Iowa School for the Deaf and Iowa Braille and Sight Saving School

Superintendent Jeanne Prickett recommended that the Board approve a reduction in force at the Iowa School for the Deaf by reducing the contracts of two faculty members. Interim Superintendent Jeananne Schild recommended that the Board approve a reduction in force at the Iowa Braille and Sight Saving School by terminating the contract of one teacher.

- MOVED by EVANS, SECONDED by CONNOLLY, to reduce the number of contracted days in the contract of ISD faculty member Jerry Siders from 196 to 189 days.

<u>Regent</u>	<u>Campbell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>
Aye	x	x	x	x		x	x	x	x
Nay									
Absent					x				

MOTION APPROVED by ROLL CALL.

- MOVED by CONNOLLY, SECONDED by HARKIN, to reduce the number of contracted days in the contract of ISD faculty member Jeanette Watson from 196 to 189 days.

<u>Regent</u>	<u>Campbell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>
Aye	x	x	x	x		x	x	x	x
Nay									
Absent					x				

MOTION APPROVED by ROLL CALL.

- MOVED by LANG, SECONDED by CONNOLLY, to terminate the contract of IBSSS teacher Stephen Orsborn.

<u>Regent</u>	<u>Campbell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>
Aye	x	x	x	x		x	x	x	x
Nay									
Absent					x				

MOTION APPROVED by ROLL CALL.

Resolution for the Sale and Award of \$25,000,000 Academic Building Revenue Bonds, Series S.U.I. 2008

Joan Racki introduced Barry Fick from Springsted, Incorporated, the Board’s financial advisor. Mr. Fick reported that five bids were received; the winning bid, submitted by Harris, N.A, had a true interest cost of 4.45%.

Mr. Fick reported that the rating agencies (Moody’s and Standard and Poor’s) reviewed all of the University of Iowa’s outstanding bonds and Standard and Poor’s upgraded the Parking System Revenue Bonds credit rating to A+ from A. He added that the general credit rating of the University was affirmed by both rating agencies.

In response to a question from President Pro Tem Evans, Mr. Fick reported that the cover bid was 4.47%.

- MOVED by EVANS, SECONDED by DOWNER, to approve A Resolution providing for the sale and authorizing and providing for the issuance and securing the payment of \$25,000,000 Academic Building Revenue Bonds, Series S.U.I. 2008, for the purpose of paying a portion of the costs of constructing and equipping the College of Public Health Academic Building, renovation of the Old Music Building, renewal and HVAC modernization of the Pentacrest, and fire and environmental safety, deferred maintenance, and campus security improvements on the campus of the University of Iowa, funding a reserve fund, and paying the costs of issuance.

<u>Regent</u>	<u>Campbell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>
Aye	x	x	x	x		x	x	x	x
Nay									
Absent					x				

MOTION APPROVED by ROLL CALL.

University of Iowa Facilities Corporation Revenue Refunding Bonds (Medical Education and Biomedical Research Facility Project) Series 2008

Barry Fick reported that five bids were received and the winning bid, submitted by Merrill Lynch & Company, had a true interest cost of 3.656%. He said the cover bid was 3.756%.

Mr. Fick stated that the purpose of the refunding was to achieve a lower interest rate and result in debt service savings over the remaining term of the bonds; net present value savings would be \$1,272,000, which represents 7.4% of the refunded debt service; and savings would range from \$130,000 to \$155,000 per year from 2009 to 2020.

- MOVED by CAMPBELL, SECONDED by CONNOLLY, to approve A Resolution Authorizing and Approving the Execution and Delivery of the 2008 Amendments to Lease, the Third Supplemental Indenture, the Bond Purchase Agreement, the Tax Exemption Certificate and the Continuing Disclosure Certificate, Authorizing and Providing for the Issuance of University of Iowa Facilities Corporation (Medical Education and Biomedical Research Facility Project) \$15,315,000 Revenue Refunding Bonds, Series 2008, Providing for the Payment Thereof and Directing the Issuer to Accomplish Said Refunding.

<u>Regent</u>	<u>Campbell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>
Aye	x	x	x	x		x	x	x	x
Nay									
Absent					x				

MOTION APPROVED by ROLL CALL.

“The Status of Student Loans at Regent Universities”

ISU Financial Aid Director Roberta Johnson described the student loan programs affected by the crisis in the student loan industry, the status of loans at the Regent universities, and what is being done locally and nationally to address this issue.

President Miles asked if Regent university students are aware of potential challenges and if they are taking the necessary steps. The three financial aid directors responded that students have been notified about participating lenders.

President Miles asked how increasing the Stafford limit by \$2,000 would affect students. Ms. Johnson responded that it would reduce reliance on private loans by 50% at ISU.

Regent Connolly asked if students would be allowed to re-package after July 1 when the new Stafford limit goes into effect. The financial aid directors responded affirmatively; students will be eligible to change from a private loan to an unsubsidized Stafford loan.

President Pro Tem Evans asked how the interest on private loans is calculated. Ms. Johnson responded that it is tied to a number of factors, including the borrower's credit history. A borrower with an excellent credit history and a co-signer obtained a loan with a rate of 5.11% while a borrower with a poor credit history was offered a loan with an interest rate of 14%.

President Miles asked if it is too early to tell if there are more credit restrictions than a year ago. The directors responded affirmatively. Mark Warner, SUI Financial Aid Director and Assistant Provost, Enrollment Services, indicated that students are being encouraged to complete the FAFSA because it is a condition for eligibility for federal loans.

President Miles thanked financial aid directors Mark Warner (SUI), Roberta Johnson (ISU), and Roland Carrillo (UNI) for their diligent efforts working with students on this critical issue. He remarked that it appears that students at the Regent universities will be in good shape this fall regarding the student loan situation.

- The Board received the report by GENERAL CONSENT.

Report on Search for the Superintendent of the Iowa Braille and Sight Saving School

Regent Vasquez, Chair of the search committee for the next Superintendent of the Iowa Braille and Sight Saving School updated the Board on the progress of the search. She reported that the Committee anticipated interviewing applicants in late May and would refer at least three names to the Board for interview at the June meeting.

- The Board received the report by GENERAL CONSENT.

President Miles and the Board welcomed John C. Hayek, Ph.D., Interim Vice President for Finance and Associate Vice President for Planning and Performance, Council on Postsecondary Education, Frankfort, Kentucky. The Board interviewed him via videoconference for the position of Executive Director of the Board of Regents.

FY 2009 Preliminary Pay Policies

General Counsel Tom Evans introduced institutional representatives from the following non-organized faculty and staff groups; they made presentations to the Board regarding salary issues for the upcoming fiscal year:

- ◆ University of Iowa Faculty Senate President and Professor Michael O'Hara;
- ◆ University of Iowa Staff Council President Martha Greer;
- ◆ Iowa State University Faculty Senate President and Professor Clark Ford;
- ◆ Iowa State University Professional and Scientific Council President Dan Wooden; and
- ◆ Iowa Braille and Sight Saving School (IBSSS) Faculty Chad Brown, Lori Brown, and Lisa Lutz

General Counsel Evans noted that UNI Professional and Scientific Council President Carol Fletcher and Merit Supervisory Police Lieutenant and Regent Inter-Institutional Supervisory and Confidential Advisory Council (RISCAC) representative Douglas Widen provided written comments.

President Miles asked General Counsel Evans if the IBSSS request to change the policy on adoption leave is included in the preliminary pay policies. Mr. Evans clarified that what is included in the proposed institutional budgets relates to salary increases and that any change in benefits would be considered separately.

President Miles thanked everyone for their presentations.

- The Board received the presentations by GENERAL CONSENT.

Annual Governance Report on Faculty Tenure

Diana Gonzalez and Marcia Brunson presented the report. President Miles noted the decline of tenure-track faculty. Dr. Gonzalez indicated that there has been a decrease in the number of tenure-track faculty during the past four years. In 2007-08, the number is the lowest during the past four years. President Miles asked the institutional heads if there is any way to manage the rate of tenured faculty other than on an individual basis. President Mason responded that the rate is what it is.

➤ MOVED by HARKIN, SECONDED by EVANS, to:

- ◆ Approve the tenure and promotion recommendations for the 2008-09 academic year; and
- ◆ Receive the annual governance report on faculty tenure for 2007-08.

<u>Regent</u>	<u>Campbell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>
Aye	x	x	x	x		x	x	x	x
Nay									
Absent					x				

MOTION APPROVED by ROLL CALL.

FY 2009 Budget Issues and FY 2008 Budget Ceiling Adjustment

Brad Berg said that state funding coupled with tuition revenue and reallocation of internal funds will again need to be applied to vitally important fundamental cost increases in the upcoming fiscal year. He reported that budgets for the special schools and the Board Office will be presented to the Board in June, and budgets for the universities will be presented to the Board in August.

Institution heads thanked the Board, the Governor, and the legislature for their continued support and provided brief comments on their respective budgets.

Regent Harkin noted that the docket memorandum reports that salaries comprise approximately 73% of the total operating budget. She asked if the amount reflects salaries only or salaries and benefits. Brad Berg replied that it is both salaries and benefits. She asked for the percentage breakdown. Brad Berg said that approximately 75% of the total cost is salaries and 25% is fringe benefits.

➤ MOVED by DOWNER, SECONDED by CAMPBELL, to:

- ◆ Set the FY 2009 reallocation target at 1% of the FY 2008 budgets; and
- ◆ Consider approval of the proposed FY 2008 budget ceiling adjustment of \$2.97 million in the general university operating budget for the University of Northern Iowa.

<u>Regent</u>	<u>Campbell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>
Aye	x	x	x	x		x	x	x	x
Nay									
Absent					x				

MOTION APPROVED by ROLL CALL.

Approval of Residence System Proposed Rates and Transfers for 2008-2009 Academic Year

Brad Berg said that the proposed rates and transfers are unchanged from those presented to the Board for consideration at its March meeting.

- MOVED by EVANS, SECONDED by HARKIN, to approve:
 - ◆ The universities' academic year 2008-2009 proposed rates for all residence halls, apartments, and board options as detailed in Attachments A, B, and C of the docket memorandum.
 - ◆ Transfers from the residence system surplus funds to the improvement funds: \$11,311,632 at SUI; \$5,835,000 at ISU; and \$3,200,000 at UNI.

<u>Regent</u>	<u>Campbell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>
Aye	x		x	x		x	x	x	x
Nay									
Absent					x				
Abstain		x							

MOTION APPROVED by ROLL CALL.

Proposed Non-Tuition-Related Miscellaneous Fees for FY 2009

Andrea Anania explained that non-tuition-related miscellaneous fees are those fees that are in addition to tuition and that students pay only those fees that apply to them. She also reviewed the applicable laws and Regent policies.

Ms. Anania stated that the Board is asked to: (1) approve the filing of a notice to amend the Administrative Rules; and (2) consider the fees as outlined in the docket memorandum. She added that the Board will be asked to approve changes to the fees at the June 2008 Board meeting.

- MOVED by CONNOLLY, SECONDED by HARKIN to:
 - ◆ Give preliminary consideration to the proposed changes to non-tuition-related miscellaneous fees for FY 2009 as illustrated on page 2 of the docket memorandum; and
 - ◆ Approve the filing of a notice to amend the Administrative Rules to increase the University of Northern Iowa's undergraduate application fee from \$30 to \$40.

<u>Regent</u>	<u>Campbell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>
Aye	x	x	x	x		x	x	x	x
Nay									
Absent					x				

MOTION APPROVED by ROLL CALL.

Institutional Agreements, Leases and Easements

Joan Racki provided an overview of the proposed lease agreement with AmeriCorps National Civilian Community Corps (NCCC) for its use of space for a regional service campus at the Iowa Braille and Sight Saving School. She thanked several individuals who were instrumental in the development of the agreement and the needed physical improvements, including Regent Harkin, Senator Harkin, Don Boddicker at IBSSS, the Board Office legal staff, and the Iowa State University Facilities Management staff. President Miles also thanked Regent Harkin for her assistance, and asked that the Board prepare a letter to Senator Harkin thanking him for his assistance, as well.

- MOVED by EVANS, SECONDED by CONNOLLY, to approve the lease agreement for the benefit of the Iowa Braille and Sight Saving School as summarized in the Agenda Item, subject to approval of the final documents by the Board Office and Attorney General's Office.

<u>Regent</u>	<u>Campbell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>
Aye	x	x	x	x		x	x	x	x
Nay									
Absent					x				

MOTION APPROVED by ROLL CALL.

Register of University of Iowa Capital Improvement Business Transactions

Vice President True provided a brief overview of the projects on the capital register.

- MOVED by DOWNER, SECONDED by CONNOLLY, to authorize permission to proceed with project planning, and the selection of Shive-Hattery, Cedar Rapids, Iowa, for the **Oakdale Campus – Non-Energy Utility Infrastructure Improvements** project; approval of the schematic design and project description and budget (\$5,975,000) for the **University Hospitals and Clinics – Institute for Orthopaedics, Sports Medicine and Rehabilitation – Phase 1** project; approval of project descriptions and budgets for the **Oakdale Campus – Upgrade Electrical Distribution** project (\$7,471,000), and **Power Plant Boiler #10 – Conversion to Partial Biomass Fuel Capability** project (\$2,700,000); and approval of a revised project budget (\$46,988,790) and construction contract award to Cardinal Construction, Waterloo, Iowa (\$12,790,700) for the **Chemistry Building Renovation** project.

<u>Regent</u>	<u>Campbell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>
Aye	x	x	x	x		x	x	x	x
Nay									
Absent					x				

MOTION APPROVED by ROLL CALL.

University of Iowa Proposed Property Purchases

For the proposed purchase of the St. Thomas More Church property, Vice President True explained that the University convinced the Church to partition its total property into two parcels. The University's proposed purchase is for one of the parcels, which includes the church facility and a parking area. The University is not purchasing the second parcel since it is more suitable for commercial development.

Vice President True further explained that the property acquisition could provide valuable swing space during future projects, including remodeling of the Pentacrest buildings, as well as additional parking for the nearby University Development Center.

Regent Downer commended Vice President True for his work in persuading the Church to divide the property. He explained that the result is favorable for both the University and the community, and will enable the highest and best use of each parcel.

- MOVED by EVANS, SECONDED by HARKIN, to approve the purchase of a two-story home located at 103 Grove Street in Iowa City, Iowa, at the purchase price of \$216,000, and St. Thomas More Church located at 405 North Riverside Drive in Iowa City, Iowa, at the purchase price of \$1,400,000.

<u>Regent</u>	<u>Campbell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>
Aye	x	x	x	x		x	x	x	x
Nay									
Absent					x				

MOTION APPROVED by ROLL CALL.

Register of Iowa State University Capital Improvement Business Transactions

Jack Trice Stadium Improvements – 2006 – Phase 2

Vice President Madden provided an overview of the Jack Trice Stadium – Phase 2 project. He explained that the University wishes to proceed with planning for Phase 2 at this time based on the success of the sale of suite and club seating areas currently being developed in the Phase 1 project. The Athletic Department expects actual revenues this fiscal year to exceed projections by approximately \$1 million.

He indicated that the total cost of the Phase 2 project, which could be constructed in phases, is estimated at approximately \$65 million. He explained that the project could only be accomplished if the Athletic Department is successful in developing a sound financial plan, which would require increasing private fund raising and major giving (which is currently underway with some interested donors), and additional debt financing based on the revenue streams of the stadium. He reported that the University would undertake a financial analysis with independent consultants to include a review of projected ticket sales and other revenue streams. He noted that with Board approval to proceed with the Phase 2 project, the University would move forward with the development of fund raising materials for use with prospective donors.

In response to a question from Regent Lang, Vice President Madden explained that the closure of the south end zone with additional seating would be a separate project from the Phase 2 improvements on the east side of the stadium. He added that the development of additional suites, or an upper deck seating area in the south end zone, would be dependent upon the determination of seating demand in the financial analysis.

Recreation Facilities Expansion and Renovation

Vice President Madden addressed the need for improved recreation facilities at Iowa State University given the age of the existing facilities (which average more than 56 years), and the need for modern facilities that match current campus needs, demands and expectations for recreational use. He explained that the University's proposal is the result of a great deal of ongoing study and work for approximately the past five years which has included significant student input and consulting. As further explained by Vice President Hill, this process was initiated with a 2002 student recreation survey, and followed by a needs assessment study, architectural feasibility study, as well as many open student forums and educational meetings, and student government meetings.

Brian Phillips, outgoing ISU Government of the Student Body (GSB) president, reiterated that for the past five years the University has been undergoing serious discussions, initiated by student leaders, regarding improved recreational opportunities on campus. He emphasized that students have been involved in every step of the process including a review of what components should be included in the facilities to provide the best value for students. Based on this level of student involvement, and the affirmative GSB and student votes on the proposal, he expressed his confidence in continued student input as the project moves forward.

Brian Meyers, outgoing ISU GSB finance director, addressed the educational campaign and student referendum. He stressed that this was a student-led campaign, with assistance from the University administration, to educate students on the proposed measure and the complexity of the project. He explained that students prepared all of the educational materials and also spoke to various student groups to allow students to voice any questions or concerns on the proposal. He indicated that the students did their best to ensure the educational materials were unbiased and nothing was hidden regarding the high project cost. He expressed that students were very informed for the vote, which was considered a great success with a turnout of 6,000 students, which was higher than any of the University's student government elections.

President Miles stated that he received more e-mails from ISU students on this particular topic than all other e-mails he has received in the past year; he expressed the importance of taking these student concerns seriously. He explained the concerns he received relative to the vote itself and the suggestion that the vote was unfair. This includes concerns that the student communication efforts were for the purpose of advocacy rather than education. In response, Brian Meyers spoke of the GSB's efforts to maintain a neutral position on the vote, with the goal of educating students while presenting both sides of the issue fairly. He added that the educational materials clearly outlined the project costs and provided additional information on the process for implementing the phased-in student fee. He suggested that since the phased-in fee is more complex than a regular student fee, the additional explanation may have given the impression of advocacy.

President Miles also addressed the suggestion that the success of the referendum benefitted from the emphasis on the low, early fees, with the higher fee to be delayed. Vice President Madden, whose office was involved in the financial projections, verified the development of a phased approach to the student fees, where the students paying the higher fee would be the students that would have access to the improved facilities. He explained that the installation of air conditioning in the Lied Recreation Facility would be one of the first projects undertaken, since this would provide a more immediate benefit to students and could be funded at the beginning of the project.

Vice President Madden also noted that access to the facility by faculty and staff would require some type of fee structure that has yet to be developed. He added that there is a great deal of interest in developing a wellness program that would encourage faculty and staff to utilize the facility and lower health care costs.

This led to discussion of other concerns expressed to President Miles relative to the voting process, specifically the monitoring of the results during the vote by Recreation Services staff. Vice President Madden acknowledged that, in retrospect, this was probably not a good decision; however, he added that there was no indication that anything was done with the information or that it altered the outcome of the vote. He also noted that he was not aware of the monitoring of the votes until after the fact when this was becoming an issue on campus. President Miles concurred with Vice President Madden's statement relative to the inappropriate monitoring of the votes, and he requested additional comments on the impact this might have had on the outcome of the vote.

Brian Phillips explained that the students gave approval for Recreation Services to monitor the voting results to ensure the votes were coming in normally and being recorded correctly. He further indicated that since there were some initial glitches that made it difficult for people to log into the system, the monitoring of the votes was a good idea since it ensured the votes were being recorded. However, he further indicated that the students gave implicit instructions that nothing be done with the results.

Regent Downer expressed strong disagreement that monitoring the votes was a good idea since it has a serious appearance of impropriety. In addition, he views the decision as a very serious mistake that has given ammunition to opponents of the project. He explained that he is very supportive of the project, and that it is important that everyone see that the referendum was conducted fairly. He requested that Board staff develop a policy for the use of such referenda on any campus in the future with definite benchmarks on how the voting would be conducted. He expressed the need for the Board to ensure that a similar incident does not happen again.

Brian Phillips clarified for Regent Downer that while the monitoring of votes seemed like a good idea at the time of the voting, in retrospect, he no longer believed this was true. He added that if a referendum were done in the future, the monitoring of votes would not take place. Vice President Hill affirmed that Recreation Services clearly understands Regent Downer's concerns, they know it was not a good idea, and it will never happen again.

President Miles asked about continued student involvement in the project if the Board authorized permission to proceed. Vice President Madden explained that subject to Board authorization, the University would create a planning committee comprised of a majority of students with representation from across campus (GSB, undergraduate students, graduate students, residence organizations located adjacent to the recreation facilities, etc.). He expressed the need to include a cross section of student views, not just those interested in recreation with positive views, but also those with concerns. He further explained that this committee would select the design firm and develop the building program to define the facility. He stressed the importance of student involvement and leadership in development of the building program to determine exactly what should be included in the facility. He also expressed willingness to provide progress reports to the Board relative to student representation on the project.

President Miles thanked Vice President Madden for his candor on this issue and the University's commitment to continued student involvement. He also thanked Brian Meyers and Brian Phillips for their leadership and service to their fellow students, and acknowledged that their work was done in good faith. He added, in response to the individuals who have expressed strong opinions to Board members on the project, that their opinions are valued and their concerns are respected, and he encouraged their continued involvement in this process.

- MOVED by CONNOLLY, SECONDED by CAMPBELL, to authorize permission to proceed with project planning for **Jack Trice Stadium Improvements – 2006 – Phase 2**, including the selection of RDG Planning and Design, Des Moines, Iowa (design professional), and The Weitz Company Des Moines, Iowa (construction manager); permission to proceed with project planning for the **Poultry Farm – Layer Research Facility**; permission to proceed with project planning for the **Recreation Facilities Expansion and Renovation**, including the architectural selection process; and revised project budget (\$6,619,197) for the **College of Design – Foundations Pavilion** project.

<u>Regent</u>	<u>Campbell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>
Aye	x	x	x	x		x	x	x	x
Nay									
Absent					x				

MOTION APPROVED by ROLL CALL.

Register of University of Northern Iowa Capital Improvement Business Transactions

Vice President Schellhardt provided an overview of the projects on the capital register.

- MOVED by EVANS, SECONDED by CONNOLLY, to approve revised project budgets for the **Gilchrist Hall Renovation/Restoration – Phase 2** project (\$6,450,101) and the **Russell Hall Renovation** project (\$10,360,000).

<u>Regent</u>	<u>Campbell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>
Aye	x	x	x	x		x	x	x	x
Nay									
Absent					x				

MOTION APPROVED by ROLL CALL.

University of Northern Iowa Proposed Property Purchase

Vice President Schellhardt provided an overview of the proposed property purchase.

- MOVED by DOWNER, SECONDED by EVANS, to approve the purchase 2.04 acres and a three-level split home located at 3104 Hudson Road in Cedar Falls, Iowa, at the purchase price of \$400,000.

<u>Regent</u>	<u>Campbell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>
Aye	x	x	x	x		x	x	x	x
Nay									
Absent					x				

MOTION APPROVED by ROLL CALL.

Report of Regent Inter-Institutional Task Force on Graduation and Retention Rates by Race/Ethnicity

The report was presented by Diana Gonzalez, SUI Vice Provost Tom Rocklin, ISU Assistant Vice-President for Enrollment and Registrar Kathy Jones, and UNI Associate Provost Bev Kopper.

Regent Campbell noted that there is a co-existence between minority status and economic status. She asked if socio-economic class is the limiting factor. Vice Provost Rocklin responded that a number of programs at the universities include low socio-economic participants. He indicated that climate issues are different for low socio-economic students and for minority students.

Regent Campbell noted that family experience with education has a significant effect on students. She commended the Task Force for capturing the issues of concern.

Regent Connolly asked if the Board should be playing a role in advocating a state-mandated ACT. Vice Provost Rocklin responded that the legislature has addressed this issue in the last two sessions.

Regent Campbell asked what the downside would be for mandating the ACT for all Iowa students. Vice Provost Rocklin responded that the cost would be significant.

Regent Vasquez asked who was paying for the mandated ACT in the Des Moines public schools. Vice Provost Rocklin responded that the cost is being borne by the Des Moines public schools. Dr. Gonzalez mentioned that student participation in the state-mandated ACT in Illinois is paid by the state.

Regent Downer noted that there is a significant difference in the six-year graduation rate of Native Americans and African Americans from the non-minority rate. He asked if the universities are targeting efforts sufficiently to groups that need the most assistance. The university representatives responded that the programs available at the universities are designed to provide support services as early and as often as possible.

President Miles noted that the gap in retention and graduation rates for minority students has been a persistent issue. He asked if the actions of the universities will likely change this trajectory. The universities responded affirmatively. Vice Provost Rocklin indicated that the actions will make a difference, but it will not be immediate and it will not be enormous. Developing a pool of students will result in a critical mass and this will likely affect the institutional climate which will have a positive effect on the retention and graduation rates of minority students.

The Board commended the Task Force for work on this important issue.

➤ The Board received the report by GENERAL CONSENT.

Grow Iowa Values Fund (GIVF) and Battelle Project Update Highlighted Technology Transfer Presentation

University of Iowa Interim Vice President for Research Jordan Cohen, Iowa State University Provost Elizabeth Hoffman, and Executive Director of Business and Community Services Randy Pilkington provided updates on the universities' economic development and technology transfer projects which receive funding through the GIVF or Battelle programs.

Mr. Cohen talked about Economic Development in the state of Iowa; Provost Hoffman reviewed ISU's proposals; and Randy Pilkington introduced: (1) Ron Padavich, Director of Strategic Marketing Services (SMS), a market research organization; and (2) Nick Evans, owner of Porta-Vet, a company that develops and manufactures mobile fiberglass veterinarian clinics.

Mr. Padavich explained Strategic Marketing Services and how the program provides learning experiences for students. Mr. Evans provided an overview on Porta-Vet and how GIVF funds helped the business grow.

In response to a question from Regent Lang, Mr. Evans said that he recommends doing market research prior to buying a business. Regent Lang asked Mr. Padavich if what SMS offers is the ability to do research prior to purchase. Mr. Padavich responded affirmatively.

Regent Vasquez asked how many students are allowed into the program. Mr. Padavich said that the program has eight, on average, but have had as many as 18 students. He reported that SMS makes it very clear to clients that these are not student-based projects, but rather students that are working with full-time professional market researchers. He added that the oversight provided to students is very intense.

Regent Connolly said that this program is a great opportunity for students and that the experience will look good on their resumes. Mr. Pilkington said that students that have been through this program find employment quickly. He added that the experience is attractive to employers around the country, but that UNI tries to keep these students in Iowa.

➤ The Board received the update and the presentation by GENERAL CONSENT.

Faculty Presentation at the University of Northern Iowa “Improving Teacher Education Through a Stronger K-12 Partnership: The Professional Development School Pilot Study”

Interim Provost Jim Lubker introduced Associate Professor John Henning who described the initiative to strengthen the University’s partnership with the Cedar Falls and Waterloo school districts for the purpose of improving teacher education.

Professor Henning introduced Travis Elliott, 4th grade teacher in Waterloo; Becky Hawbaker, Price Lab School teacher and field experience supervisor; and Alex Davis, undergraduate student who completed Level 2 field experience.

Regent Connolly noted that Professor Henning and Ms. Hawbaker provided immense support to her when she was completing her field experience.

Regent Lang asked if the six additional field sites will be in the Waterloo/Cedar Falls area. Professor Henning said that the specific sites had not yet been selected but that they will be in the Waterloo/Cedar Falls area.

President Miles thanked Professor Henning for the update on the professional development school pilot study and for future efforts in this area.

- The BOARD received the presentation by GENERAL CONSENT.

Executive Session

- MOVED by LANG, SECONDED by HARKIN, to enter into closed session pursuant to Iowa Code section 21.5(1)(i) to evaluate the professional competency of candidates who are being considered for hire as the Executive Director of the Board of Regents, State of Iowa. Each candidate has requested that their candidacy be discussed by the Board in closed session.

<u>Regent</u>	<u>Campbell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Evans</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Lang</u>	<u>Miles</u>	<u>Vasquez</u>
Aye	x	x	x	x		x	x	x	x
Nay									
Absent					x				

MOTION APPROVED by ROLL CALL.

The Board convened in closed session at 5:42 p.m.

The Board reconvened in open session at 6:40 p.m.

President Miles announced that no action will be taken at this time on the appointment of next Board of Regents Executive Director.

President Miles adjourned the meeting at 6:40 p.m.