

ATTENDANCE PAGE: BOARD AND INSTITUTIONS

The Board of Regents, State of Iowa, met June 13-14, 2005, at the Iowa School for the Deaf in Council Bluffs, Iowa. The following were participants during committee meetings and the open sessions:

	June 13, 2005	June 14, 2005
<u>Members of the Board of Regents, State of Iowa</u>		
Amir Arbisser	Present	Present
Mary Ellen Becker	Present	Present
Tom Bedell	Present	Present
Robert Downer	Present	Present
Michael Gartner	Present	Present
Ruth Harkin	Present	Present
Jenny Rokes	Not Present	Present
Rose Vasquez	Present	Present
Teresa Wahlert	Present	Present

Representing the Regent Institutions

SUI David Skorton, Doug True, Donna Katen-Bahensky, Anthony DeFurio, Michael Hogan, John Staley
ISU Gregory Geoffroy, Warren Madden, Benjamin Allen, James Bloedel, Mark Chidister, Paul Tanaka
UNI Robert Koob, Tom Schellhardt, Gary Shontz
ISD Jeanne Prickett, Jim Heuer
IBS Jeananne Hagen Schild, Luann Woodward, Dianne Utsinger

Board Office

Gregory Nichols, Andrea Anania, Susan Anderson, Dianna Baker, Barb Boose, Marcia Brunson, Pam Elliott Cain, Tom Evans, Tony Girardi, Diana Gonzalez, Deb Hendrickson, Joan Racki, Gary Steinke, Mark Braun

Other Presenters

Marc Friedberg, Wilshire Associates; Sister Jude Fitzpatrick, State Board of Education; Rod Kruse, HLKB Architects

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BOARD OF REGENTS, STATE OF IOWA

Iowa School for the Deaf
Council Bluffs, Iowa

June 13-14, 2005

Call to Order

President Gartner called the meeting of the Board of Regents, State of Iowa, to order at 9:45 am on June 13, 2005

A MOTION was made by Regent Downer, seconded by Regent Arbisser, for the Board to enter closed session, pursuant to Iowa Code, Section 21.5(1)(i), to review the performance of employees who have requested the session be held in executive session. The motion was approved by roll call vote.

Board of Regents Members	Aye	Nay	Not Voting
Regent Arbisser	X		
Regent Becker	X		
Regent Bedell			X
Regent Downer	X		
Regent Harkin	X		
Regent Rokes			X
Regent Vasquez	X		
Regent Wahlert	X		
Regent Gartner	X		

Regent Bedell joined the meeting at 11:00 am. The Board continued in closed session, pursuant to Iowa Code, Section 21.5(1) (c), to discuss strategy with counsel in a matter where litigation was imminent and disclosure would be likely to prejudice or disadvantage the Board's position in that litigation.

Pursuant to Iowa Code, Section 21.5(1)(j), the Board discussed in closed session the purchase of particular real estate where premature disclosure could be reasonably expected to increase the price the Regents would pay for that property. At 1:55 pm, the Board recessed and returned to open session at 2:00 pm.

Meetings of the Investment Committee and the Education and Student Affairs Committee occurred between 2:00 pm and 3:55 pm.

The meeting was reconvened by President Gartner in public session at 3:55 pm on June 13, 2005.

Consent Agenda

- a. Minutes of the meeting of May 4-5, 2005
- b. Institutional Personnel Transactions
- c. Quarterly Conflict of Interest Vendors Report
- d. Adoption of Amendment to Administrative Rules (Parking)
- e. Equipment Purchase
- f. Revision to Policy Manual—Final Reading (Sarbanes-Oxley)
- g. Revision to Policy Manual—First Reading (mileage/meals)
- h. Draft Work Plan Focus Areas and Regents Schedule Outline for 2005-2006

Consent agenda items were received and reviewed. President Gartner noted that consent item 1c, quarterly conflict of interest vendor report, would be considered separately as Regent Downer has recused himself on that item.

A MOTION was made by Regent Wahlert, seconded by Regent Bedell, to approve the consent agenda, except item 1c. The motion was approved by voice vote.

A MOTION was made by Regent Arbisser, and seconded by Regent Harkin, to approve consent agenda item 1c, quarterly conflict of interest vendor report. Regent Downer abstained from the vote. The motion was approved by voice vote.

Decisions Resulting from Executive Evaluation Sessions, June 13, 2005

President Gartner stated that during closed session, the Board conducted performance evaluations of the superintendent of the Iowa School for the Deaf and the executive director, Board of Regents.

A MOTION was made by Regent Downer, seconded by Regent Wahlert, to adjust the annual salary of Iowa School for the Deaf Superintendent Jeanne Glidden Prickett to \$117,200, plus ongoing benefits, including housing and automobile, effective immediately. The motion was approved by voice vote.

A MOTION was made by Regent Downer, seconded by Regent Arbisser, to adjust the annual base salary of Board of Regents Executive Director Gregory Nichols to \$130,000, effective immediately, with provision for a bonus of up to 3 percent of the new base if certain goals are achieved. The payment of any bonus will be at the discretion of the Board of Regents. The motion was approved by voice vote.

Legislative Report

Deputy Executive Director Gary Steinke reported on the final 2005 legislative session actions for appropriations and policy changes. An additional \$29,019,288 for FY 2006 was appropriated for the Regent universities by the Iowa Legislature, the first increase in four fiscal years.

Steinke stated that \$14,969,288 will be drawn from the state general fund to be used for part of the Partnership Plan for Transformation and Excellence and will become part of the universities' base budget funding, recurring; \$6,250,000 is one-time funding from the Rebuild Iowa Infrastructure Fund for building repair budgets to allow the universities to use \$6,250,000 of general funds for operating expenses at the institutions; and \$2,800,000 is one-time funding from the state general fund ending balance for operating budgets of the three universities.

Additionally, \$5 million in each of the next ten years will be appropriated from the Grow Iowa Values Fund for capacity building infrastructure in areas related to economic development and commercialization at the Regent institutions. This money has a one-to-one match requirement. The Board must provide a report to the Legislature about use of the money and the economic development benefits resulting from the funding. Regent Wahlert, Chair of the Audit and Compliance Committee, stated that an enterprise-wide tracking team, consisting of the three university presidents, Pam Elliott Cain and Gary Steinke, is being enlisted to follow and report on these appropriations. She stated that a first report of progress on accountability, including how it fits into the Transformation Plan, will be delivered to the Board in December 2005.

Steinke reported that the special schools received a 4 percent increase, or \$530,000 total, in allowable growth funding and a total capital appropriation of \$500,000 for major maintenance. He also stated the Legislature passed a substantial portion of the regulatory relief bill and gave the Board of Regents and the Executive Director the ability to work to effect a change that will create efficiencies and savings for the Regent enterprise.

President Gartner expressed the Board's appreciation to Steinke and the state relations officers for their diligent efforts on behalf of the Regent institutions. Steinke expressed gratitude for the widespread grassroots support.

Universities' Five-Year Strategic Plans

University of Iowa Provost Michael Hogan continued his description of the University of Iowa (SUI) Strategic Plan begun at the March 2005 meeting. He stated that several changes were incorporated since then as a result of comments by Board members, including the addition of a culture statement, reference to socioeconomic status in the diversity section of the plan, readiness to collaborate with K-12 institutions, and a few modifications in progress indicators.

Following Board discussion and recommendation, Hogan stated he will take to the Council of Provosts consideration of 1) the four-year graduation rate as an enterprise-wide indicator; 2) a measure of access to Iowa residents at the undergraduate level; 3) recruitment and retention of students from the special schools; and 4) an exploration of peer benchmarks in economic development.

Iowa State University Provost Benjamin Allen presented ISU's strategic plan and indicators. He said common performance indicators, with precise definitions, are being developed across the Regent institutions. Allen reviewed the ISU plan and the economic impact on Iowa. He stated the importance of using verifiable performance indicators, which are more output than input in nature, and for which the cost of collection is not larger than the benefit of collection.

Provost Allen said four key indicators address the ISU plan: 1) student diversity; 2) the number of tenured and tenure-tracked faculty; 3) class size, student-to-faculty ratio and interaction between students and faculty; and 4) faculty diversity. He stated that ISU is using the national survey of student engagement to help identify peer standing.

University of Northern Iowa President Robert Koob presented UNI's strategic plan and indicators, emphasizing the importance of the Regents and Regent institutions holding the same values, although at the same time noting what is accomplished is not based on values but on what is measured. He discussed how UNI developed its performance indicators in terms of fostering student success and readiness to participate in society.

President Koob said typical length of time to attain a degree today is 4.5 years due to the requirements placed on students. He noted the need for enterprise-wide measures for students who transfer within the Regent institutions; those measures currently encompass only those students who begin and end at a single institution.

A MOTION was made by Regent Downer, and seconded by Regent Wahlert, to approve the strategic plans of the three Regent universities. Following further discussion, Regent Downer amended his MOTION to accept the strategic plans

with modifications suggested by Regent Wahlert that an enterprise-wide dashboard of performance measures be developed, including three access issues noted by Regent Becker – geographic access; diversity, including racial-ethnic, socioeconomic; and disability, and economic development. The amended motion was seconded by Regent Harkin. The motions were approved by voice vote.

Employee Appeal

A MOTION was made by Regent Vasquez, seconded by Regent Downer, to remand the appeal back to the institution to correct identified procedural matters with reappointment of the employee for the purpose of completing the tenure evaluation process. The appeal is otherwise denied in all other regards. The motion was approved by voice vote.

FY 2006 Pay Plans—Professional and Scientific, Special School Faculty, Special School Extra-Curricular, Regent Merit System Supervisory

A MOTION was made by Regent Downer, seconded by Regent Wahlert, to approve the FY 2006 pay plans. The motion was approved by voice vote.

FY 2006 Budgets (Special Schools and Board Office)

A MOTION was made by Regent Becker, seconded by Regent Vasquez, to approve the FY 2006 budget of the Iowa School for the Deaf. The motion was approved by voice vote.

A MOTION was made by Regent Becker, seconded by Regent Downer, to approve the FY 2006 budget of the Iowa Braille and Sight Saving School. The motion was approved by voice vote.

A MOTION was made by Regent Becker, seconded by Regent Arbisser, to approve the FY 2006 budget of the Board Office. The motion was approved by voice vote.

President Gartner recessed the meeting at 6:00 pm.

University of Iowa Hospitals and Clinics Trustees

President Gartner reconvened the meeting of the University of Iowa Hospitals and Clinics Board of Trustees at 8:40 am on June 14, 2005. UIHC staff presented and discussed its strategic plan, the strategic planning process, and the IowaCare Act. The Trustees agreed that a quarterly update will be provided to the Board on progress of the strategic plan with indicators. UIHC staff reviewed the financial impact of a rate increase and who would pay the increased rates.

A MOTION was made by Regent Downer, seconded by Regent Wahlert, that the FY 2006 rates be increased by 6.5 percent and that the operating margin be 3.2 percent. The motion was approved by voice vote.

UIHC staff reviewed proposed changes to the bylaws. **A MOTION was made by Regent Arbisser, seconded by Regent Harkin, to approve proposed bylaw changes. The motion was approved by voice vote.** Regent Gartner recessed the meeting at 10:20 am.

The Property and Facilities Committee met from 10:35 am until 12:12 pm.

President Gartner reconvened the open session of the Board at 12:30 pm on June 14, 2005.

Report of the Investment Committee

Regent Bedell, Chair, reported on actions of the Investment Committee during its June 13, 2005, meeting, which included approval of the March 14, 2005, committee minutes; a report of the Investment and Cash Management Report for the quarter ending March 31, 2005; and approval of the FY 2006 committee work plan. Regent Bedell noted that a subcommittee, consisting of the Vice Presidents for Business and Finance and the Board Office, in consultation with Marc Friedberg from Wilshire and Associates, has been appointed to review and evaluate all investment policies. In September the subcommittee will present recommendations on investment policies for the investment portfolio strategy. **The committee report was received by general consent.**

Report of the Education and Student Affairs Committee

Regent Becker, Chair, provided a report on the Education and Student Affairs Committee meeting of June 13, 2005. Committee items included approval of minutes from the meeting of March 14, 2005, a request to create a Department of Cardiothoracic Surgery at SUI, the committee work plan, and consent agenda items:

- distance education strategic plan;
- request for program name changes and department name change in the College of Education at SUI;
- request for Bachelor of Applied Studies at SUI;
- request for Master of Arts in Education Program and an Undergraduate Minor for Teachers of Students with Visual Impairments/Special Education at UNI;
- Title 11A proposal;
- collaborative activities; and
- request for approval of the SUI academic year and summer session calendars for 2009-2010.

A MOTION was made by Regent Becker, seconded by Regent Harkin, to receive the committee report and consider the committee's recommendations to the Board to approve the renewal of the education services agreement with the Nebraska Department of Education for FY 2006, the renewal of the Nebraska summer school agreement for the summer school program of 2005, and the notification of the Board's intent to renew each agreement with the Nebraska Department of Education for FY 2007, pursuant to provisions of the agreement. The motion was approved by voice vote.

A MOTION was made by Regent Becker, seconded by Regent Vasquez, to approve final adoption of amendments to the Iowa Administrative Code §681, Chapter 9, administrative rules on uniform personal conduct, and authorize the Executive Director to file the appropriate documents; and to approve the memorandum of understanding with Iowa Vocational Rehabilitation Services and the Iowa Department for the Blind to allocate costs relating to university students who also are clients of these two agencies and direct the Executive Director to enter into such a memorandum. The motion was approved by voice vote.

A MOTION was made by Regent Becker, seconded by Regent Arbisser, to adopt the resolution honoring former Regent, Dr. Beverly Smith, for her leadership as Chair of the IBSSS Task Force. Regent Becker read the resolution. The motion was approved by voice vote.

Report of the Property and Facilities Committee

Regent Arbisser, Chair, stated that the committee reviewed and discussed revisions to the responsibilities of the Property and Facilities Committee; reviewed the Board's responsibilities for property and facilities; approved the FY 2006 committee work plan; received a report of anticipated capital improvement plans for FY 2006; discussed requests for approval of leases, real estate matters for SUI and ISU, and capital register items for SUI and ISU; and discussed UNI's Human Performance Complex.

A MOTION was made by Regent Arbisser, seconded by Regent Wahlert, to approve the revised responsibilities for the committee, and to adopt on the first reading changes to the Board's Policy Manual, Section 1.05d, specifically including naming of campus facilities and properties and clarifying the role of the committee related to the capital projects of the UIHC. The motion was approved by voice vote.

A MOTION was made by Regent Arbisser, seconded by Regent Rokes, to approve the institutional agreements, leases and easements. The motion was approved by roll call vote.

Board of Regent Members	Aye	Nay	Not Voting
Regent Arbisser	X		
Regent Becker	X		
Regent Bedell	X		
Regent Downer	X		
Regent Harkin	X		
Regent Rokes	X		
Regent Vasquez	X		
Regent Wahlert	X		
Regent Gartner	X		

A MOTION was made by Regent Arbisser, seconded by Regent Bedell, to authorize SUI to proceed with a lease with the University of Iowa Facilities Corporation for property, approximately 68,000 gross square feet, in the Old Capital Mall in Iowa City to be acquired by the University of Iowa Facilities Corporation. The motion was approved by voice vote.

A MOTION was made by Regent Arbisser, seconded by Regent Harkin, to approve ISU's plan for sale of the Ankeny Dairy farm, in accordance with the 2002 legislation authorizing that sale, with proceeds from the sale to be used for the purchase of land and development of a new Dairy/Animal Science Education and Discovery Facility and the sale of the Ankeny Dairy Farm to the City of Ankeny, Iowa, at a sale price of \$20,605,933, with the real estate contract (to be signed at closing) to be approved by the Board Office and Attorney General's Office. The motion was approved by roll call vote.

Board of Regent Members	Aye	Nay	Not Voting
Regent Arbisser	X		
Regent Becker	X		
Regent Bedell	X		
Regent Downer	X		
Regent Harkin	X		
Regent Rokes	X		
Regent Vasquez	X		
Regent Wahlert	X		
Regent Gartner	X		

A MOTION was made by Regent Arbisser, seconded by Regent Downer, for approval of the SUI capital register improvement business transactions, which included the west chilled water plant development/expansion – Phase 1B expansion project and approval of option B exterior design of the Iowa Memorial Union Renovation project. The motion was approved by voice vote.

A MOTION was made by Regent Arbisser, seconded by Regent Vasquez, for approval of the ISU capital improvement register business transactions, which included a revised budget for Phase 1 of the Memorial Union renovation project, and selection of Alvine and Associates, Des Moines, Iowa, to provide engineering services for the Telecommunications – Inside Plant Systems Upgrade – Phase 5. The motion was approved by voice vote.

A MOTION was made by Regent Arbisser, seconded by Regent Downer, regarding the UNI Human Performance Complex. Items in the motion included: approval of the business plan, which incorporates a plan of finance including authorization to borrow not more than \$2.25 million; approval of an agreement between UNI and the Northeast Iowa Physical Therapy and Sports Medicine LLC; approval in concept of the lease between the Board and NIPTSM, with the Board being asked to approve the actual lease at a later date; acknowledgement of receipt of the University’s final submission of information to address the Board’s capital project evaluation criteria; and approval of the schematic design and project description and budget (\$6.95 million). The motion was approved by voice vote.

Preliminary Resolution for Sale of Athletic Facilities Revenue Bonds, Series SUI 2005A and SUI 2005B

Vice President of Finance and Operations Doug True reported on the preliminary resolution. and stated that SUI, the Board office, the financial adviser, and bond counsel agreed that \$15 million of the total sale would be taxable, and the \$25 million would be double tax-exempt, and stated the revenue bonds are part of a series of bonds approved a year ago to finance a portion of the cost of the Kinnick Stadium renovation.

A MOTION was made by Regent Becker, seconded by Regent Downer, to adopt a resolution authorizing the Executive Director to fix the date or dates for the sale of up to \$25 million Athletic Facilities Revenue Bonds, Series SUI 2005A, and up to \$15 million Athletic Facilities Revenue Bonds, Series SUI 2005B, (taxable). The motion was approved by voice vote.

FY 2006 Budgets and FY 2005 Budget Adjustments (Universities)

Policy and Operations Officer Analyst Deb Hendrickson reported that the budget process this year is slightly different due to timing of legislative appropriations for the universities budgets. She stated the Board will be asked to consider the universities strategic initiatives, measures and reallocations this month and once supplemental tuition determinations are made, detailed budgets will be brought to the Board in August with all information outlined in one presentation. Hendrickson stated Board action was needed on several items this month, including budget adjustments at ISU and UNI.

A MOTION was made by Regent Downer, seconded by Regent Becker, to approve the FY 2005 budget ceiling increase of \$2,383,978 for a revised General University

Budget of \$358,152,619 for Iowa State University. The motion was approved by voice vote.

A MOTION was made by Regent Becker, seconded by Regent Downer, to approve the FY 2005 budget ceiling increase of \$27,314 for a revised General University Budget of \$138,896,821 for the University of Northern Iowa. The motion was approved by voice vote.

A MOTION was made by Regent Wahlert, seconded by Regent Becker, to authorize the universities to continue operating until the final detailed budgets receive approval at the August Board meeting. The motion was approved by voice vote.

ISU President Geoffroy asked and received clarification that the universities may proceed with salary increases for FY 2006.

A MOTION was made by Regent Becker, seconded by Regent Harkin, to allocate the FY 2006 appropriations per the agreed-upon division of the incremental money. The motion was approved by voice vote.

A MOTION was made by Regent Becker, seconded by Regent Downer, to approve the distribution of the Regional Study Centers FY 2006 appropriations, as identified in Board agenda materials. The motion was approved by voice vote.

Supplemental Tuition Proposal

Executive Director Nichols reported on the universities' supplemental tuition requests and UNI computer fee charges. He stated the item, consistent with Board policy that was adopted in 2003 and supplemented in 2004, provides a first consideration of supplemental tuition requests presented by the university presidents. Nichols stated the policy established a formula approach for setting base tuition by the Board, and created an option for the university presidents to provide, in consultation with one another, requests for supplemental tuition. He further stated the three presidents have made submissions that are, in essence, a three percent supplemental tuition increase beginning at the conclusion of the fall term on all three campuses and the proposal also would incorporate the requested supplemental tuition requests as part of base tuition. In addition, UNI has requested Board approval of an increase in its mandatory computer fees. Nichols stated the Board's review of the proposals at this meeting should be considered a first reading with no further action needed at this time.

Nichols stated that final Board action on the supplemental tuition proposal is scheduled for July 14, 2005, and will be the lone item on the agenda. The Board will convene at 10:00 am in the ISU Memorial Union. Nichols stated that student leaders will defer their comments on the proposal until that meeting.

The meeting of the Board of Regents, State of Iowa, adjourned at 12:55 pm on June 14, 2005.