

The Board of Regents, State of Iowa, met on Wednesday, April 21, 2004, at the Iowa Braille and Sight Saving School in Vinton. The following were in attendance:

April 21 .

Members of the Board of Regents, State of Iowa

Dr. Newlin, President	All sessions
Dr. Arbisser	All sessions
Dr. Becker	All sessions
Mr. Downer	All sessions
Mr. Forsyth	All sessions
Mr. Neil	All sessions
Ms. Nieland	All sessions
Ms. Rokes	All sessions
Dr. Turner	By telephone until 4:00 p.m.

Representing the Office of the Board of Regents at the Board Table

Executive Director Nichols	All sessions
Director Barak	All sessions
Director Elliott	All sessions
Director Evans	All sessions
Minutes Secretary Briggie	All sessions

Representing the State University of Iowa at the Board Table

President Skorton	All sessions
Interim Provost Cain	All sessions
Vice President True	All sessions

Representing Iowa State University at the Board Table

President Geoffroy	All sessions
Provost Allen	All sessions
Vice President Madden	All sessions

Representing the University of Northern Iowa at the Board Table

President Koob	All sessions
Provost Podolefsky	All sessions
Vice President Schellhardt	All sessions

Representing the Iowa School for the Deaf at the Board Table

Superintendent Prickett	All sessions
Director Heuer	All sessions

Representing the Iowa Braille and Sight Saving School at the Board Table

Superintendent Thurman	All sessions
Director Woodward	All sessions

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EACH AGENDA ITEM IS AVAILABLE ON THE  
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BOARD OF REGENTS, STATE OF IOWA

The following business was transacted on Wednesday, April 21, 2004, beginning at 9:10 a.m.

**EXECUTIVE SESSION.** President Newlin requested that the Board meet in closed session pursuant to Iowa Code §21.5(1)(i) at the request of employees whose performance was being considered.

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

MOTION CARRIED UNANIMOUSLY.

The Board having voted at least two-thirds majority resolved to meet in closed session beginning at 9:11 a.m. on April 21, 2004, and adjourned therefrom at 12:08 p.m. on that same date.

President Newlin reconvened the meeting at 1:45 p.m.

**APPROVAL OF MINUTES OF BOARD MEETING OF MARCH 10, 2004.**

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

MOTION: Regent Nieland moved to approve the minutes of the March 10, 2004, meeting, as written. Regent Neil seconded the motion. MOTION CARRIED UNANIMOUSLY.

President Newlin recognized President Skorton.

President Skorton presented information on two University of Iowa faculty who have been elected to the National Academy of Sciences – Kevin Campbell, Professor of Physiology and E. Pete Greenberg, Professor of Microbiology. He concluded his remarks by acknowledging support of the Board and of the state of Iowa for the University.

**CONSENT ITEMS.** (a) Board Meetings Schedule. Approval of the Board meetings schedule was requested.

(b) Report on Meeting of the Iowa Coordinating Council for Post-High School Education. Receipt of the report on the March 3, 2004, meeting of the Iowa Coordinating Council for Post-High School Education was requested.

(c) Approval of Vendors with a Potential Conflict of Interest. Approval was requested of the following additions to the respective institution's list of approved vendors with a potential conflict of interest: UNIVERSITY OF IOWA – Claudia McGehee dba Claudia McGehee Illustration, Gail L. Mitchell dba Sound Foundation, and PreventCVD LLC; IOWA STATE UNIVERSITY – Buster's Design Team and CanterBrooke Equestrian Center.

(d) Post-Audit Report: Institute for International Business, University of Iowa. Referral was recommended of the post-audit report of the Institute for International Business at the University of Iowa to the Board Office and the Interinstitutional Committee on Educational Coordination for review and recommendation

(e) P&S Classification Revisions, University of Iowa. Approval was requested of the addition of seven new classifications in the Professional and Scientific Classification System at the University of Iowa.

(f) Adoption of Administrative Rule Regarding the Regent Merit System. Adoption of an amendment to the Iowa Administrative Code §681, Regent Merit System; and authorization for the Executive Director to file the adopted rule in the appropriate format was requested.

(g) Educational Leadership Program to be Offered in China, University of Northern Iowa. Receipt of the report on the UNI Educational Leadership Program to be offered in China was requested.

(h) B.S. in Anthropology, University of Iowa. Referral was requested of the University of Iowa's proposal to establish a new Bachelor of Science Degree in Anthropology to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

Regent Neil asked to consider separately the request for addition of seven new classifications in the Professional and Scientific Classification System at the University of Iowa.

Regent Forsyth asked to consider separately the University of Iowa's proposal to establish a new Bachelor of Science Degree in Anthropology.

**MOTION:** Regent Nieland moved to approve the consent docket with the exception of the two University of Iowa items noted above. Regent Downer seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

Regent Neil questioned the reason for the new P&S classifications and asked how many people are involved. Vice President True provided the number of people in the groups, as follows: Human Resources Specialist I, II, and III – approximately 20 people; Human Resources Generalist I – approximately 30 people; Senior Assistant Director of Human Resources – none. He said the recommendation was the result of a systematic process for advancement as the human resources profession becomes more professional. The classifications will describe what people do, and be budget-neutral.

Regent Neil questioned the timing of the University's request, and noted that it is preferable to have employees who are multi-talented.

Vice President True responded that human resources is a very diverse area. He said he was assured that the proposal will not cost more money. The proposed classifications would allow staff to migrate through the system.

Kevin Ward, Senior Associate Director of Human Resources, University of Iowa, stated that University officials are in the process of reviewing classifications and eliminating those that are no longer current. The new classifications will better describe the role of human resources representatives throughout the campus.

**MOTION:** Regent Neil moved to approve the addition of seven new classifications in the Professional and Scientific Classification System at the University of Iowa. Regent Downer seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

Regent Forsyth questioned the process for consideration of new academic degree programs and the perception that the Board approves of a program when the program

is forwarded for review of the Interinstitutional Committee on Educational Coordination (ICEC). He stated he also has considerable concerns about whether the degree should be added at this time. He believes the demand statement is very weak.

President Skorton said it was important to deal with the issue of process and it was also important that any concerns of the Regents be communicated to the ICEC.

Regent Becker asked why the University would offer both a B.S. and a B.A. degree. How frequently are programs offered with the option of a B.S. and a B.A degree?

Discussion followed regarding the ICEC's review process for proposed degree programs and whether referral to the ICEC indicates Board approval of a program.

Regent Downer suggested the Board be provided with a projection of the number of majors, data on how many courses are currently being offered in the department and the number of enrollments.

MOTION:

Regent Neil moved to refer the University of Iowa's proposal to establish a new Bachelor of Science Degree in Anthropology to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation, with the Board's comments from this discussion. Regent Nieland seconded the motion. MOTION CARRIED UNANIMOUSLY.

#### **REPORT OF THE BANKING COMMITTEE.**

Regent Arbisser reported on the April 21, 2004, meeting of the Banking Committee. He said the Banking Committee approved bond resolutions representing present value savings of approximately \$1 million.

Ed Bittle of the Ahlers law firm, the Board's bond counsel, discussed the resolutions that were before the Board for approval.

Mark LeMay of Springsted, Inc., the Board's financial advisor, offered the following comments which were common to all four of the bond sales: The bonds were all purchased by a group led by Piper Jaffray. Using the Delphis scale, the interest rates equaled or were better than the interest rates on bonds with comparable ratings from the rating agencies.

Mr. LeMay reported on the bid that was received that morning for the sale of \$6,695,000 Academic Building Revenue Refunding Bonds, Series S.U.I. 2004. He said the present value savings of \$258,301 reflected a net present value benefit of 3.669 percent (based upon the present value dollar savings divided by the present value dollar amount of the refunded debt service). The true interest cost for the refunding bonds was 3.7536 percent.

MOTION:

Regent Arbisser moved to adopt the following resolutions: (1) A Resolution providing for the sale and award of \$6,695,000 Academic Building Revenue Refunding Bonds, Series S.U.I. 2004, and approving and authorizing the agreement of such sale and award. (2) A Resolution authorizing and providing for the issuance and securing the payment of \$6,695,000 Academic Building Revenue Refunding Bonds, Series S.U.I. 2004, for the purpose of refunding the 2006 through 2015 maturities of the \$8,935,000 Academic Building Revenue Bonds, Series S.U.I. 1993, dated September 1, 1993; and for the purpose of refunding the 2006 through 2015 maturities of the \$1,345,000 Academic Building Revenue Refunding Bonds, Series S.U.I. 1994, dated July 1, 1994. Regent Becker seconded the motion, and upon the roll being called, the following voted: AYE: Arbisser, Becker, Downer, Forsyth, Neil, Newlin, Nieland, Rokes, Turner.  
NAY: None.  
ABSENT: None.

MOTION CARRIED UNANIMOUSLY.

Mr. LeMay reported on the sale of \$5,430,000 Academic Building Revenue Refunding Bonds, Series I.S.U. 2004A and \$3,135,000 Academic Building Revenue Refunding Bonds, Series I.S.U. 2004B. The 2004A sale resulted in a present value savings of \$418,822, which reflected a net present value benefit of 7.096 percent (based upon the present value dollar savings divided by the present value dollar amount of the refunded debt service). The true interest cost for the refunding bonds was 4.1774 percent. The 2004B sale resulted in a present value savings of \$128,636, which reflected a net present value benefit of 3.916 percent (based upon the present value dollar savings divided by the present value dollar amount of the refunded debt service). The true interest cost for the refunding bonds was 3.3061 percent.

MOTION:

Regent Arbisser moved to adopt the following resolutions: (1) A Resolution providing for the sale and award of \$5,430,000 Academic Building Revenue Refunding Bonds, Series I.S.U. 2004A and \$3,135,000 Academic Building Revenue Refunding Bonds, Series I.S.U. 2004B, and approving and authorizing the agreement of such sale and award. (2) A Resolution authorizing and providing for the issuance and securing the payment of \$5,430,000 Academic Building Revenue Refunding Bonds, Series I.S.U. 2004A, for the purpose of refunding the 2006 through 2020 maturities of the \$6,545,000 Academic Building Revenue Bonds Series I.S.U. 1994, dated October 1, 1994; and \$3,135,000 Academic Building Revenue Refunding Bonds, Series I.S.U. 2004B, for the purpose of refunding the 2005 through 2012 maturities of the \$5,315,000 Academic Building Revenue Refunding Bonds, Series I.S.U. 1994, dated January 1, 1994. Regent Downer seconded the motion, and upon the roll being called, the following voted:  
AYE: Arbisser, Becker, Downer, Forsyth, Neil, Newlin, Nieland, Rokes, Turner.  
NAY: None.  
ABSENT: None.

MOTION CARRIED UNANIMOUSLY.

Mr. LeMay reported on the bids received for Iowa State University Recreational Facility Revenue Refunding Bonds, Series I.S.U. 2004. The sale resulted in a present value savings of \$167,578, which reflected a net present value benefit of 2.327 percent (based upon the present value dollar savings divided by the present value dollar amount of the refunded debt service). The true interest cost for the refunding bonds was 2.9971 percent.

MOTION:

Regent Arbisser moved to adopt the following resolutions: (1) A Resolution providing for the sale and award of \$6,210,000 Recreational Facility Revenue Refunding Bonds, Series I.S.U. 2004, and approving and authorizing the agreement of



BOARD OF REGENTS MEETING  
April 21, 2004

such sale and award. (2) A Resolution authorizing and providing for the issuance and securing the payment of \$6,210,000 Recreational Facility Revenue Refunding Bonds, Series I.S.U. 2004, to pay the costs of refunding the 2005 through 2010 maturities of the Recreational Facility Revenue Refunding Bonds, Series I.S.U. 1994, dated March 1, 1994, including the debt service reserve fund, and paying costs of issuance. Regent Becker seconded the motion, and upon the roll being called, the following voted:

AYE: Arbisser, Becker, Downer, Forsyth, Neil, Newlin, Nieland, Rokes, Turner.

NAY: None.

ABSENT: None.

MOTION CARRIED UNANIMOUSLY.

Regent Arbisser offered the following motions as the result of Banking Committee recommendations:

MOTION:

Regent Arbisser moved to adopt A Resolution authorizing the Executive Director to fix the date or dates for the sale of up to \$19,000,000 Parking System Revenue Bonds, Series S.U.I. 2004.

Regent Forsyth seconded the motion, and upon the roll being called, the following voted:

AYE: Arbisser, Becker, Downer, Forsyth, Neil, Newlin, Nieland, Rokes, Turner.

NAY: None.

ABSENT: None.

MOTION CARRIED UNANIMOUSLY.

MOTION:

Regent Arbisser moved to adopt A Resolution authorizing and providing for the reissuance of \$1,870,000 University of Iowa Facilities Corporation qualified 501(c)(3) bonds, Series 2004, for the purpose of constructing and equipping the Roy J. and Lucille A. Carver Biomedical Research Building. Regent Neil

BOARD OF REGENTS MEETING  
April 21, 2004

seconded the motion, and upon the roll being called, the following voted:

AYE: Arbisser, Becker, Downer, Forsyth, Neil, Newlin, Nieland, Rokes, Turner.

NAY: None.

ABSENT: None.

MOTION CARRIED UNANIMOUSLY.

MOTION:

Regent Arbisser moved to adopt A Resolution directing the abandonment of Knapp Dormitory at Iowa State University of Science and Technology. Regent Neil seconded the motion, and upon the roll being called, the following voted:

AYE: Arbisser, Becker, Downer, Forsyth, Neil, Newlin, Nieland, Rokes, Turner.

NAY: None.

ABSENT: None.

MOTION CARRIED UNANIMOUSLY.

MOTION:

Regent Arbisser moved to approve the reallocation of proceeds of the master lease financing for the exterior stair replacement at Jack Trice Stadium at Iowa State University. Regent Neil seconded the motion, and upon the roll being called, the following voted:

AYE: Arbisser, Becker, Downer, Forsyth, Neil, Newlin, Nieland, Rokes, Turner.

NAY: None.

ABSENT: None.

MOTION CARRIED UNANIMOUSLY.

ACTION:

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

**APPROVAL OF RESIDENCE RATES.**

Associate Director Hendrickson stated there was one change from the recommendation presented last month. The University of Iowa had originally planned a 1 percent increase in apartment rates; that increase recommendation was withdrawn.

MOTION: Regent Arbisser moved to (1) approve the university proposed rates for family housing, student apartments, residence halls, and dining contracts for the 2004-2005 academic year, as presented, and (2) approve transfers from the Dormitory System Funds to the Improvement Funds as follows: (a) \$5,564,278 at the University of Iowa and (b) \$1,536,000 at Iowa State University. Regent Becker seconded the motion.

Regent Neil said it was his understanding that the problem with housing occupancy at the University of Northern Iowa is a lack of students. He asked if there was a plan for attacking the lack of students. President Koob responded that a review of the data show that the occupancy rates of the residence halls have not changed. The decline in residence system occupancy is the result of competition from apartment buildings that are being built in the Cedar Falls community. University of Northern Iowa officials will first address residence dining which will provide an income stream for renovating the residence halls.

VOTE ON THE MOTION: Motion carried unanimously.

**APPROVAL OF MISCELLANEOUS FEES AND CHARGES.**

Assistant Director Anania stated there were no changes from the recommendation presented last month.

MOTION: Regent Downer moved to approve changes to miscellaneous fees and charges for FY 2005, as presented. Regent Arbisser seconded the motion.  
MOTION CARRIED UNANIMOUSLY.

**APPROVAL OF PARKING RATES.**

Assistant Director Anania stated there were no changes from the recommendation presented last month.

Regent Downer noted that the parking rates at the University of Northern Iowa are considerably lower than those at the other two universities. He asked if the reason was the absence of debt.

Vice President Schellhardt responded that the absence of debt in the parking system was a major reason for the University of Northern Iowa's parking rates. He noted that the number of parking spaces and the parking rates are reasonable, and are close to those of Iowa State University.

Regent Arbisser noted there are fewer parking spaces at the University of Iowa than at Iowa State University.

Vice President True pointed out that the University of Iowa has far more ramp spaces than does Iowa State University while Iowa State University has many more parking spaces on the perimeter of campus.

Director Ricketts noted that the University of Iowa's parking occupancy rates are very high. Additional parking is being built. Six thousand net spaces have been added in the last 10 years.

Vice President True said the University would like to offer more commuter lots where commuters can be brought onto campus from the perimeter. The University currently has one such facility.

Director Ricketts pointed out that Iowa City has one of the highest rates of people commuting to work in ways other than in single occupancy vehicles in the entire nation.

MOTION: Regent Becker moved to approve the parking rate increases at the three Regent universities, as presented. Regent Arbisser seconded the motion.  
MOTION CARRIED UNANIMOUSLY.

#### **LEGISLATIVE UPDATE.**

Executive Director Nichols stated the legislature adjourned on April 20. One of the Regents' bright spots in the legislative session related to the two special schools. The funds lost as a result of the 2.5 percent across-the-board cuts of FY 2004 were restored. An additional 2 percent was provided in the FY 2005 operating budgets for the special schools. Infrastructure funding included a \$500,000 appropriation for maintenance and other capital projects at the special schools.

With regard to the budget that will be sent to the Governor, the operating and economic development funds for the three universities were held at the reduced FY 2004 level for FY 2005. Executive Director Nichols noted this was the first time in a number of years that there has not been a reduction in those funds from the prior years. He said tuition replacement was funded at the requested level of \$13 million in general funds. Legislative action on the budget included: 1) language which contemplates changes in funding of the indigent patient care program at the University of Iowa and related changes in Medicaid funding and 2) the Regents' request for multi-year bonding authority of up to \$120 million for six specific projects at the three universities.

Executive Director Nichols stated that the tuition timing bill to remove all dates was amended and passed. Legislation regarding sale of assets of the Iowa Communications Network did not pass. Bills regarding preference for Iowa vendors did not pass in any form. The issue of Iowa joining the Midwest Higher Education Commission will likely be studied further by the legislature.

A bill that proposes a constitutional amendment requiring public referendum before major increases in state taxes passed both houses. The Senate confirmed the appointment of Jenny Rokes as a member of the Board of Regents. Executive Director Nichols noted that the budget bills have many extraneous provisions that will be reviewed.

Executive Director Nichols stated that the Governor has thirty days from the end of the legislative session to review and make a determination about each of the bills.

President Skorton asked that the Board be apprised of the Medicaid committee language that was added to the budget bill. Executive Director Nichols stated there were some conditional changes to the Medicaid and indigent patient care programs. There was another provision added to the bill that, if the Governor approves, will take effect relatively soon. The language proposes a commission to study the Medicaid program and make recommendations on addressing program efficiency and cost increase pressures. The bill also designated the President of the University of Iowa as the commission chair.

Regent Arbisser asked for comment on the non-economic caps on the malpractice awards and other such issues pertaining to the University of Iowa. President Skorton responded that it was too early to know what the effect might be. He is preparing information to share with the Board regarding those issues.

MOTION: Regent Arbisser moved to (1) receive the monthly report on 2004 legislative session and (2) ratify the Board position on identified bills. Regent Becker

seconded the motion. MOTION CARRIED  
UNANIMOUSLY.

### **PRELIMINARY OPERATING BUDGET ISSUES FOR FY 2005.**

Executive Director Nichols stated the Board Office was changing how it presents budgets for Board review, in an effort to increase the Board's opportunities to provide input about the upcoming year's budgets as early as possible in the process.

Director Elliott provided a presentation on the overall budget issues. She stated that the universities received no new funding for their operating budgets. The funds lost by the special schools as a result of the 2.5 percent across-the-board cuts of FY 2004 were restored in FY 2005. An additional 2 percent in appropriations was provided in the FY 2005 operating budgets for the special schools. Although tuition was increased for the upcoming academic year, the expected tuition revenue is much less (\$16 million less) than what was anticipated in November.

Director Elliott stated the Board adopted a new reallocation policy that requires each institution to reallocate at least 1 percent of its continuing base budget for focused strategic initiatives. Institutional officials indicated they would use the reallocations to fund salary increases. Each institution must address unavoidable cost increases including utilities, insurance premiums and opening new buildings. Over the last several years, the Regent institutions have significantly reduced their building repair budgets due to the budget cuts.

Director Evans addressed salaries, noting that over 75 percent of the institutional general fund budgets are comprised of salaries and benefits. With regard to faculty pay, the University of Iowa is planning for an overall salary increase of 2 percent. Iowa State University is planning for a 1-1/2 to 2 percent salary increase for faculty, staff and graduate assistants. The University of Northern Iowa proposed an average increase of 3.75 percent for professional and scientific staff, consistent with the increase negotiated with the organized faculty.

President Newlin asked that the institutional heads provide an overview of their budget issues for FY 2005.

President Skorton provided a PowerPoint presentation (Attachment A) of the University of Iowa's budget issues. His presentation included a review of the current fiscal year's budget situation as well as budget issues for the upcoming fiscal year. Some of the issues addressed included programmatic reductions, tuition revenue assumptions, indirect cost recovery assumptions, and salary policy. During the current fiscal year, President Skorton established a general education fund task force. The task force,

chaired by Professor Jonathan Carlson, was charged with identifying \$12 million in sustainable, recurring programmatic budget reductions that would be targeted for implementation beginning in FY 2005. The task force's report was originally due the following week but was delayed until April 30.

President Newlin asked how the University of Iowa's average salary increase of 1.7 percent would impact the University's salary ranking in comparison with peer institutions. President Skorton responded that the budget cuts have caused the University's faculty salary ranking to fall below the median of its peer institutions. A 1.7 percent average increase will not move the University up in the rankings. University officials will continue to focus on innovative ways to retain faculty. (Note: The University of Iowa changed its average percentage increase from 2 percent to 1.7 percent between docket day and the Board meeting.)

Regent Nieland asked that the recommendations of Professor Carlson's task force be forwarded to Board members. President Skorton responded that Board members will be provided with the task force's report within 48 hours of President Skorton's receipt of the report.

Regent Nieland said she had enjoyed learning about the University of Iowa's career development awards presented to faculty members and the outstanding work that faculty are doing in many fields. She requested to receive similar information from Iowa State University and the University of Northern Iowa.

Regent Neil asked about the University of Iowa's anticipated reduction in its fringe benefits rate. President Skorton responded that the rate changes from year to year. Vice President True said the University is benefiting from very good experience in health insurance costs among its faculty and professional staff.

Regent Neil asked if the proposed 1.7 percent average salary increase will result in any lay offs. President Skorton said it depends on the report of Professor Carlson's task force and whether the recommendations can be acted upon immediately to reduce a significant amount of spending from the general fund. Layoffs cannot be totally ruled out.

President Geoffroy provided a PowerPoint presentation (Attachment B) of Iowa State University's budget issues. He said the good news was that the FY 2004 budget was in balance and the FY 2005 budget was being built to be in balance. There will be no change in state appropriations and no funds provided for salaries. New revenues for FY 2005 total \$6 million--\$5 million from growth in tuition income and \$1 million from growth in indirect cost recovery. Cost increases total \$14.4 million (\$10 million for compensation costs and \$4.4 million in general cost increases). Internal reallocation is

essentially providing the funds to balance the budget; units are cutting their operating expenses and reducing positions to fund the compensation costs.

President Newlin asked about the effect of the University's faculty salary increases on the University's ranking with its peers. President Geoffroy said he did not expect there would be much change in Iowa State University's ranking among its peers. The University ranks last or next to last with regard to faculty salaries, an issue which is critical for the University to address going forward.

Regent Neil asked if any layoffs were anticipated for Iowa State University. President Geoffroy responded that 6-1/2 merit and 17 P&S positions were planned to be eliminated.

Regent Neil referred to the uncompetitive nature of Iowa State University's salary program and asked what it bodes long term for the University. President Geoffroy responded that the uncompetitive nature of Iowa State University's salary program foretold a decrease in excellence of the University. The University's business faculty salaries are significantly below the average of peer universities. He stated that 12 faculty members at any one time have offers from other universities. Some such faculty are successfully retained, while others are not.

President Koob provided a PowerPoint presentation (Attachment C) of the University of Northern Iowa's budget issues. The presentation included graphs which illustrated what has happened at the University over the last 5 years in the areas of employment/enrollment comparison and percent of classes taught by tenure/tenure track faculty and average class size. He said those trends set the tone for what will be done with the FY 2005 budget. The only way to respond to the budget cuts is to take positions out of the system. Previous significant tuition increases allowed recovery of some of the positions, but further reductions in operating appropriations prevented those recoveries from persisting. The overall effect is that the University of Northern Iowa now has 10 percent fewer positions than it had five years ago.

President Koob addressed the affect of management decisions on enrollment. He stated that the enrollment declines from FY 2002 to FY 2003 were almost entirely due to the tuition increase. The sharper enrollment decline that occurred in the next year was almost entirely the result of management decisions to move students through the system more quickly.

President Koob addressed the myth that the budget reductions caused significant increases in average class size. Other than in an earlier fiscal year in which the University was given no warning nor an opportunity to plan for the budget reduction, the University's average class size has remained in accordance with the strategic plan-



approved average class size for the University. The same was true for the ratio of tenure and tenure-track to part-time faculty. Through a number of management decisions, the University has been able to adjust its tenure and tenure-track faculty back to its strategic plan goal of 75 percent. Therefore, the University has not only moved through this very difficult time without significantly impacting quality indicators, but the quality indicators have actually improved. These efforts were achieved at the expense of the number of students and the number of employees at the University.

President Newlin asked for a comparison of University of Northern Iowa's faculty salaries with those of its peer institutions. President Koob responded that the University's ranking has been improving. It is now at the mid-point to slightly above the mid-point in comparison with its peer institutions. He noted that competitive faculty salaries are at the expense of the number of faculty positions.

Regent Neil asked if the University will experience any layoffs. President Koob said there will be no additional layoffs in FY 2005. The University is in the midst of a layoff plan for the current fiscal year.

Superintendent Prickett discussed budget issues for the Iowa School for the Deaf, noting the situation was much less complex in part because of restoration of the 2.5 percent increment and the 2 percent appropriation increase. Reallocations as well as reorganizing programs will assist in accomplishing the School's budget goals. The main goal is to remain competitive in hiring. She expects there will be a number of retirements in the next decade; the School will be competing in a fierce national market for teachers. The absence of an in-state training program hampers the School's ability to recruit teachers locally.

Superintendent Prickett provided Board members with a document from Iowa School for the Deaf faculty which contained the faculty's salary proposal. She pointed out that faculty's third proposal was of particular importance to the School:

Please consider a more beneficial sick leave package for retiring ISD employees. The minimal compensation we currently receive for the multitude of accumulated unused sick leave, coupled with the elimination of our paid health insurance package has left eligible faculty unable to retire.

Superintendent Thurman discussed budget issues for the Iowa Braille and Sight Saving School. He stated that, beginning four years ago, the School was faced with severe long-term budget reductions. As a result, the programs offered to students throughout the state have been reduced. Restoration of the 2-1/2 percent appropriations reduction has occurred only recently; School officials have not had an opportunity to discuss how those funds will be incorporated into the School's budget. The same was true with the

capital funds recently provided to the School. School officials very much want to restore the length of the summer school program; four years ago the summer session was eight weeks in length.

Superintendent Thurman stated that Iowa Braille and Sight Saving School faculty were prepared to present their ideas about the faculty matrix. He said he would be pleased to discuss the faculty's proposal with the Board Office and return with revisions to the budget in May.

President Newlin recognized employee representatives to make presentations to the Board.

Margaret Raymond, President of the University of Iowa Faculty Senate, presented the faculty's perspective as the University of Iowa's FY 2005 budget is developed. Among the points she made were that the University's best and brightest faculty are being attracted elsewhere, and that compensation is complicated and includes a number of types of support.

Jack Girton, President of the Iowa State University Faculty Senate, presented the faculty's perspective as Iowa State University's FY 2005 budget is developed. Among the points he made were that the faculty salary situation is bad, the quality of the University is determined by the quality of faculty, and the University's faculty are being recruited away from Iowa State University.

(a) P&S Pay Plans.

Cheryl Reardon, President of the University of Iowa Staff Council, presented the staff's perspective as the University of Iowa's FY 2005 budget is developed. She noted that Professional and Scientific staff account for 38 percent of all staff on campus.

Brenda VanBeek, Vice President of the Iowa State University P&S Council, presented the staff's perspective as Iowa State University's FY 2005 budget is developed. She said Professional and Scientific staff are the largest group of employees on campus. Compensation issues at Iowa State University are similar to those at the other two universities.

Bob Frederick, President of the University of Northern Iowa P&S Council, presented the staff's perspective as the University of Northern Iowa's FY 2005 budget is developed.

MOTION: Regent Becker moved to (1) approve the proposed FY 2005 Professional and Scientific salary schedules for the five Regent institutions

and the Board Office, as presented, and (2) approve the proposed pay policies for FY 2005 for Professional and Scientific staff at the five Regent institutions and the Board Office, as presented. Regent Downer seconded the motion.

Regent Forsyth commented that the Professional and Scientific compensation plans and policies as submitted were necessary under the circumstance, but observed that the policy of not increasing the minimum of pay ranges or increasing the minimum or maximum of the ranges without corresponding funding was not a sound compensation policy over an extended period of time.

VOTE ON MOTION: Motion carried unanimously.

(b) Special Schools Faculty Matrix.

Director Evans presented an overview of the special schools faculty matrix.

President Newlin referred Board members to the letter that had been distributed from Iowa School for the Deaf faculty. He then recognized Jay Wilson of the Iowa Braille and Sight Saving School.

Mr. Wilson presented the perspective of Iowa Braille and Sight Saving School faculty on the proposed pay matrix. He noted that the Board has done an excellent job of supporting the Braille school.

MOTION: Regent Forsyth moved to (1) approve the faculty salary schedule for the Iowa School for the Deaf and the Iowa Braille and Sight Saving School for fiscal year 2005, as presented; (2) approve the proposed supplemental pay schedule for extra-curricular activities at the Iowa School for the Deaf for fiscal year 2005, as presented; and, (3) approve the proposed supplemental pay schedule for extra-curricular activities at the Iowa Braille and Sight Saving School for fiscal year 2005, as presented. Regent Neil seconded the motion. MOTION CARRIED UNANIMOUSLY.

Superintendent Thurman stated that School officials requested deferral of the proposed supplemental pay schedule for extra-curricular activities until the next Board meeting.

MOTION: Regent Neil moved to defer the proposed supplemental pay schedule for extra-curricular activities at Iowa Braille and Sight Saving School. Regent Nieland seconded the motion. MOTION CARRIED UNANIMOUSLY.

(c) Merit (Non-Bargained) Pay Plan.

Director Evans presented the proposed non-bargained merit employees pay plan. He referred to the public hearing on the proposed pay plan which was held on April 15, and stated that no individuals attended and no comments were received.

Regent Becker asked if the merit non-bargained employees supervise AFSCME employees.

Kaela Black, Chair of the Regents Interinstitutional Supervisory and Confidential Council, responded that merit non-bargained employees supervise AFSCME employees as well as student employees. She then presented the group's perspective on and support of the proposed pay plan.

Regent Forsyth noted there was no performance-related pay for employees in the supervisory categories, which was not a good long-term philosophy for the Regents.

MOTION: Regent Forsyth moved to approve the Regent Merit System pay schedules for FY 2005 for supervisory employees, as presented. Regent Becker seconded the motion. MOTION CARRIED UNANIMOUSLY.

(d) Other Significant Budget Issues.

Executive Director Nichols presented Board members with an opportunity to provide comments to be considered as part of the preparation of detailed budgets.

Regent Forsyth requested that Board members be provided with a crisp definition of strategic initiatives. He asked that consideration be given to a multi-year plan to increase the ranking of faculty and staff salaries with their peer groups. He said he did not consider bringing new buildings on line to be an unavoidable cost increase; a decision was made to bring those costs on line. Should consideration be given to endowing with private funds the operating costs of buildings that are built with private funds? He said there needs to be a strategy relative to state appropriations and to

mitigate the rate of increase in tuition. Tuition should not be viewed as the way to balance budgets.

Regent Forsyth suggested the development of a budgeting process where budget assumptions are laid out over a five-year period. By doing so, the Board can look at the issues and consider actions that might be necessary.

**ACTION:** President Newlin stated the Board, by general consent, considered and discussed possible guidance on other significant issues related to FY 2005 budgets

### **ELECTION OF PRESIDENT, BOARD OF REGENTS, STATE OF IOWA.**

Regent Downer first noted his immense gratitude to Governor Vilsack for his appointment to the Board of Regents and for the opportunity to serve in this capacity. He then stated that, since the Board meeting in Des Moines last month, he has thought a great deal about the leadership of the Board of Regents. He did not want any action to be taken which would impair the Regents' ability to work together as an effectively-functioning Board in the best interests of the institutions and of the state of Iowa. As a result, Regent Forsyth and he have had three extended meetings, as well as numerous phone calls and emails over the past several weeks. They have discussed how they might work together to move the Board forward and effectively discharge their duties and responsibilities in these challenging times.

Regent Downer requested that his name be withdrawn as a nominee for the presidency of the Board of Regents, State of Iowa.

**NOMINATION:** Regent Downer nominated John Forsyth as the next President of the Board of Regents, State of Iowa, for the term beginning May 1, 2004, and ending on April 30, 2006. Regent Nieland seconded the nomination. **NOMINATION CARRIED UNANIMOUSLY (WITH REGENT TURNER ABSENT).**

Regent Forsyth stated that President Newlin has served almost two complete terms on the Board, and has served as the Board President with distinction for eight years. He thanked Regent Turner for the year she served as President Pro Tem, noting she was the first Regent to serve in that new position.

Regent Forsyth indicated these are very difficult and challenging times, but there are also great opportunities ahead. He looks forward to working with the Board, and thanked everyone for their support and confidence. He commended Regent Downer for being the statesperson that he is.

**RATIFICATION OF NOMINEE FOR PRESIDENT PRO TEM, BOARD OF REGENTS, STATE OF IOWA.**

Regent Forsyth presented Robert Downer as the person who he would like to serve as President Pro Tem. He expressed his belief that they will make a very effective leadership team.

MOTION: Regent Forsyth moved to ratify the nomination of Robert Downer for the position of President Pro Tem, Board of Regents, State of Iowa, for the term beginning May 1, 2004, and ending on April 30, 2006. Regent Neil seconded the motion. MOTION CARRIED UNANIMOUSLY (WITH REGENT TURNER ABSENT).

**FACULTY REDUCTION IN FORCE, ISD.**

Superintendent Prickett presented her recommendation for a faculty reduction in force at Iowa School for the Deaf. After reviewing the potential budget reductions, the School's strategic plan, and workload and staffing patterns, she recommended a reduction in force by seven teaching positions. She said one individual had requested a private hearing, but that request was subsequently withdrawn.

MOTION: Regent Rokes moved to approve the recommendation of the Superintendent of the Iowa School for the Deaf to conduct a reduction in force at the campus by terminating the contract of Amy Sturm. Regent Arbisser seconded the motion, and upon the roll being called, the following voted: AYE: Arbisser, Becker, Downer, Forsyth, Neil, Newlin, Nieland, Rokes. NAY: None. ABSENT: Turner.

MOTION CARRIED UNANIMOUSLY.

MOTION: Regent Rokes moved to approve the recommendation of the Superintendent of the Iowa School for the Deaf to conduct a reduction in force at the campus by terminating the contract of Bradley Kruse. Regent Arbisser seconded the motion, and upon the roll being called, the following voted:  
AYE: Arbisser, Becker, Downer, Forsyth, Neil, Newlin, Nieland, Rokes.  
NAY: None.  
ABSENT: Turner.

MOTION CARRIED UNANIMOUSLY.

MOTION: Regent Rokes moved to approve the recommendation of the Superintendent of the Iowa School for the Deaf to conduct a reduction in force at the campus by terminating the contract of Tim McGrath. Regent Arbisser seconded the motion, and upon the roll being called, the following voted:  
AYE: Arbisser, Becker, Downer, Forsyth, Neil, Newlin, Nieland, Rokes.  
NAY: None.  
ABSENT: Turner.

MOTION CARRIED UNANIMOUSLY.

MOTION: Regent Rokes moved to approve the recommendation of the Superintendent of the Iowa School for the Deaf to conduct a reduction in force at the campus by terminating the contract of Jennifer Herzog. Regent Arbisser seconded the motion, and upon the roll being called, the following voted:  
AYE: Arbisser, Becker, Downer, Forsyth, Neil, Newlin, Nieland, Rokes.  
NAY: None.  
ABSENT: Turner.

MOTION CARRIED UNANIMOUSLY.

BOARD OF REGENTS MEETING  
April 21, 2004

MOTION: Regent Rokes moved to approve the recommendation of the Superintendent of the Iowa School for the Deaf to conduct a reduction in force at the campus by terminating the contract of Susan Trucano. Regent Arbisser seconded the motion, and upon the roll being called, the following voted:  
AYE: Arbisser, Becker, Downer, Forsyth, Neil, Newlin, Nieland, Rokes.  
NAY: None.  
ABSENT: Turner.

MOTION CARRIED UNANIMOUSLY.

MOTION: Regent Rokes moved to approve the recommendation of the Superintendent of the Iowa School for the Deaf to conduct a reduction in force at the campus by terminating the contract of Kelli Cantrell. Regent Arbisser seconded the motion, and upon the roll being called, the following voted:  
AYE: Arbisser, Becker, Downer, Forsyth, Neil, Newlin, Nieland, Rokes.  
NAY: None.  
ABSENT: Turner.

MOTION CARRIED UNANIMOUSLY.

MOTION: Regent Rokes moved to approve the recommendation of the Superintendent of the Iowa School for the Deaf to conduct a reduction in force at the campus by terminating the contract of Doreen DeBeck. Regent Arbisser seconded the motion, and upon the roll being called, the following voted:  
AYE: Arbisser, Becker, Downer, Forsyth, Neil, Newlin, Nieland, Rokes.  
NAY: None.  
ABSENT: Turner.

MOTION CARRIED UNANIMOUSLY.



## **REPORT ON ECONOMIC DEVELOPMENT.**

Executive Director Nichols stated that the Regents Economic Development Committee had recently made a presentation to the Iowa Department of Economic Development Board on activities of the Regent institutions. Regent representatives are also working on the Battelle report which was commissioned by the Department of Economic Development to help develop a focused biotechnology plan for the state of Iowa. He said details of the Battelle plan are scheduled to be released mid-summer. Board Office Communications Specialist Boose recently participated in a panel discussion in Sioux City about economic development activities. The group which hosted the panel discussion, Iowans for a Better Future, is seeking opportunities for economic growth for the state.

Regent Downer expressed appreciation to Communications Specialist Boose for participating in the program in Sioux City on very short notice. He said she did a terrific job as part of that program. He noted that at the Board of Regents meeting in Sioux City on August 3 and 4, the Regents Economic Development Committee will invite area legislators, community leaders and others to provide comments. While the bulk of university economic development activities take place within close proximity to the institutions, there are also activities taking place throughout the state.

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

## **POLICY MANUAL REVISIONS.**

**MOTION:** Regent Becker moved to (1) approve a revision to Board of Regents Policy Manual §1.02: Strategic Plan for the Board of Regents (2004 – 2009) and (2) approve as a first reading revisions to the following sections of the Board of Regents Policy Manual §7.08B5: Reference to audit report activity revised to coincide with the revised Board meeting schedule and §6.29: Revised definition of “distance education”. Regent Arbisser seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

**INSTITUTIONAL REGISTERS OF CAPITAL IMPROVEMENT BUSINESS  
TRANSACTIONS.**

(a) University of Iowa.

Vice President True offered to answer questions on items on the University's capital register other than the Campus Recreation Facility Planning and the West Campus Master Plan, for which a presentation was scheduled.

Regent Forsyth referred to the University Hospitals and Clinics—Institute of Neurosciences Development project. He asked for the percentage of funds that are provided by the Hospital and by the medical school, and whether the use of Hospital funds for the project is appropriate.

Senior Associate Director Staley said the project will benefit both the University of Iowa Hospitals and Clinics and the School of Medicine. This project will provide an opportunity for further collaboration which will stimulate clinical development of the neurosciences as well as expand the research horizons.

President Skorton offered to specifically address why a patient care enterprise would invest in an academic project that does not immediately result in patient care dollars flowing to the enterprise. He said there are projects which provide opportunities to demonstrate to federal agencies or insurance entities that reimbursement for an activity is appropriate. For example, the University of Iowa Hospitals and Clinics was one of the first hospitals to utilize rapid CT technology. There is also an interdependence between the Hospital and the College of Medicine in recruiting and retaining faculty members. He stated that the rationale for a patient care enterprise investing in an academic project falls within those two purposes.

President Skorton stated that in the future, University officials will provide the rationale across that spectrum. Regent Forsyth said that would be helpful.

Vice President True introduced Vice President Jones, Rod Lehnertz, the University's Director of Planning, and Hugh Barry, a senior engineer.

Director Lehnertz began a PowerPoint presentation (Attachment D) of the West Campus Master Plan and the comprehensive campus recreation facility planning.

Vice President Jones continued with the PowerPoint presentation, specifically addressing the University of Iowa campus community concept.

Regent Becker expressed concern about linking recreation areas that would be as useful for families with young children as for adults. For example, young children may wander onto a rugby field. Has consideration been given to including a buffer zone between adult fields and youth fields?

Vice President Jones responded that University officials are working on developing ways of routing people into and around the fields, not only for the security of children but also for those who might have mobility impairments.

Vice President Jones continued with the PowerPoint presentation by providing a comparison of indoor recreation space of comparable institutions. The project would increase the University of Iowa's square footage to or above the national average.

Regent Downer asked if a determination had been made as to what size facility will be supported by bonds secured by the \$80 per semester student fee included in the presentation. Vice President Jones responded that University officials anticipate 250,000 to 300,000 square feet of space for indoor recreation on the entire campus.

Regent Downer asked if the 250,000 to 300,000 square feet of indoor recreation space could be financed with an \$80 student fee. Vice President Jones responded that University officials anticipate the student fee for that amount of space would be between \$80 and \$110. Vice President True noted that other revenues would also be used for the facility, including fees for the public, faculty and staff use of the facilities.

Regent Rokes stated, as a student at the University of Northern Iowa which has an indoor recreation facility, that the University's proposal was a good idea to pursue. She said students are willing to pay extra for indoor recreation facilities.

Regent Neil asked that when University officials return to the Board with further elements of the project, Board members be provided with maps illustrating the location of the sites with respect to the entire campus. He then stated that he was not ready to move forward with spending money for the projects.

Vice President Jones stated that University officials will present a plan that is coherent, and meets the needs of students and the campus.

President Newlin suggested that an alternative would be to allow the University to move ahead with the tennis courts (Klotz Courts) that have to be relocated due to the Kinnick Stadium Renovation project.

Regent Neil referred to the necessity to tear down one of the buildings on the tennis court site and stated he was not willing to allow the University to move ahead with the tennis courts.

Vice President Jones stated there are two buildings on the site. One is an obsolete power plant that has for years been slated for demolition. The second is the office and maintenance shop for the apartments which will have to be moved to redevelop apartments at some time in the future. The tennis courts would occupy the current site of the office and maintenance shop. He noted there is no Residence System revenue involved in the relocation of the tennis courts or the construction of the indoor or outdoor tennis facilities.

Regent Downer stated he was unable to support the proposal for the Hawkeye Recreation/Athletic Facilities Complex, Phase 2—Tennis, Recreation and Sports Activity Fields project. The principle reason he could not support the project was because he believes the priorities between the two projects are reversed. An indoor recreational facility (discussed as being located on the east campus) that is placed within walking distance of the largest segment of students on the campus should be given a higher priority than a facility on the far west campus where there are very few students within walking distance. He said he would like to see the outdoor tennis courts replaced because of the Kinnick project; however, he was opposed to the proposed location. He has the same concerns as Regent Neil with regard to demolition of the office and maintenance building.

Regent Downer stated there is a serious problem among the student body at the University of Iowa with respect to binge drinking. Sufficient attention has not been given to development of alternative ways in which students could better spend their time.

Regent Downer stated he would support the outdoor tennis courts if those could be placed in a location where it would not involve demolition of the housing office and maintenance building. Before proceeding further, he would like to see a comprehensive plan that includes prioritization of the projects, a reasonable timetable and determination of how the projects will be accomplished.

President Newlin asked if there were portions of the capital register which Board members wished to approve.

MOTION:

Regent Nieland moved to approve the program statement, schematic design, and project description and budget (\$1,413,000) for the University Hospitals and Clinics—Institute of Neurological Disease Development project.

Regent Arbisser seconded the motion. MOTION CARRIED UNANIMOUSLY.

Executive Director Nichols suggested the Board could approve the balance of the University's capital register with the exception of the Hawkeye Recreation/Athletic Facilities Complex, Phase 2—Tennis, Recreation and Sports Activity Fields project.

Regent Forsyth referred to the West Campus Utility Extension project. The meeting materials indicated that the cost for the work had increased to \$2,300,000 since the March 2004 estimate of \$1,250,000. He stated it would be helpful if figures are more refined when they come to the Board the first time.

Vice President True responded that the comparison to the March 2004 estimate was not totally correct since the March dollar amount had not included professional fees or contingencies.

MOTION: Regent Forsyth moved to approve the remaining items on the University of Iowa's capital register, with the exception of the Hawkeye Recreation/Athletic Facilities Complex, Phase 2—Tennis, Recreation and Sports Activity Fields project. Regent Downer seconded the motion. MOTION CARRIED UNANIMOUSLY.

Regent Forsyth stated that Regent Downer's views on the Hawkeye Recreation/Athletic Facilities Complex, Phase 2—Tennis, Recreation and Sports Activity Fields project reflect the views of a number of other Regents.

Regent Rokes encouraged University officials to look for an east campus site. Vice President True responded that east campus sites have been narrowed to two or three. University officials will continue working with focus groups to determine for what elements people are willing to pay.

Regent Rokes asked if parking for off-campus students will be incorporated into the project. Vice President True responded affirmatively.

Vice President True asked for some guidance on the program brought to the Board at this meeting. Executive Director Nichols said it was his understanding that the Board wants to discuss further the east campus recreation opportunities before making a determination on the west campus building. He was less clear about the Board's direction on siting and timing of the relocation of the outdoor courts but suggested that

perhaps siting and timing of the outdoor courts would be the next element of the project. Reporting on the other issues for the larger facility would come at a later time.

Regent Becker suggested that consideration be given to proceeding with the west campus recreation area in stages. The first stage could be placement of the Klotz outdoor tennis courts without taking down the housing building.

Regent Downer expressed willingness to proceed faster than was suggested by Regent Becker. He said the outdoor courts are substantially funded as part of the Kinnick Stadium renovation project which has already been approved. If the outdoor tennis courts can be sited in a way that does not involve removal of the housing building, he would be prepared to support that element next month. With regard to the rest of the project, he would like to see a comprehensive plan, proposed prioritization, and a financing plan.

(d) Iowa School for the Deaf.

MOTION: Regent Becker moved to approve Iowa School for the Deaf's capital register, as presented. Regent Neil seconded the motion. MOTION CARRIED UNANIMOUSLY.

(b) Iowa State University.

Vice President Madden stated there were some relatively routine projects and some major projects in this month's capital register. A schematic design presentation on the Memorial Union Renovation project would be provided by representatives of Herbert Lewis Kruse Blunck.

Regent Forsyth referred to the Memorial Union Renovation project. In light of the limited retail tenant space, he asked if the space will be rented in such a way to minimize complications with merchants in the community. Vice President Madden responded that University officials intend to solicit competitive proposals for renting the retail space.

Architects Kirk Blunck and Rick Seeley provided a PowerPoint presentation of information that was contained within the schematic design booklet. Information included the project goals and specific plans for the four levels of the building.

President Newlin asked if the ratio of women's to men's restrooms will be 2-1/2 to 1. Mr. Seeley responded that the ratio will be 2-1/2 to 1 in the areas that are being improved. The increased restroom ratio will be introduced in the alternates.

Regent Nieland asked if the kitchen will be included in this phase of the project. Mr. Seeley responded that a small portion of the kitchen will be included in this phase of the project. Vice President Madden stated that some of the catering functions that were historically housed in the Union will be moved to the consolidated catering enterprise at the Towers site. Less food preparation will take place in the Memorial Union building.

MOTION: Regent Arbisser moved to approve Iowa State University's capital register, as presented. Regent Downer seconded the motion. MOTION CARRIED UNANIMOUSLY.

(c) University of Northern Iowa.

MOTION: Regent Forsyth moved to approve the University of Northern Iowa's capital register, as presented. Regent Downer seconded the motion. MOTION CARRIED UNANIMOUSLY.

**INSTITUTIONAL AGREEMENTS, LEASES AND EASEMENTS.**

MOTION: Regent Rokes moved to approve the leases for the benefit of the institutions as summarized below: University of Iowa— Tenant property rental rates for FY 2005 for the University's residences and child care centers, reflecting proposed rate increases ranging from 2.3 percent to 5.0 percent for the majority of the rental units. Iowa State University— Lease agreement with Vibroacoustics Solutions, Inc., for its use of business incubator space at the ISU Research Park. University of Northern Iowa—Lease agreement with Tower Asset Sub, Inc., for the University's use of tower space in Mitchellville, Iowa, for KUNI Radio. Iowa Braille and Sight Saving School—Lease agreements with the Arc of East Central Iowa and Vinton-Shellsburg Community School District for their use of space on the Iowa Braille and Sight Saving School campus. Regent Becker seconded the motion, and upon the roll being called, the following voted:  
AYE: Arbisser, Becker, Downer, Forsyth, Neil, Newlin, Nieland, Rokes.

NAY: None.  
ABSENT: Turner.

MOTION CARRIED UNANIMOUSLY.

**INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION. (a)**  
Curriculum Changes, University of Northern Iowa.

MOTION: Regent Forsyth moved to (1) approve proposed curriculum revisions for the University of Northern Iowa's 2004-2006 general catalog; (2) approve the University of Northern Iowa's proposals to establish the following minors: Undergraduate minor in Severe Disabilities and Undergraduate minor in Speech-Language-Hearing Sciences; and (3) approve the University of Northern Iowa's request to terminate the following programs: M.A. in Audiology, M.A. in Political Science, M.A. in Theatre, B.A. in Mental Disabilities: Moderate/Severe/Profound. Regent Downer seconded the motion. MOTION CARRIED UNANIMOUSLY.

(b) Post-Audit Reports: Master of Public Health and Bachelor of Science in Applied Physics, University of Iowa.

MOTION: Regent Becker moved to receive the post-audit report from the University of Iowa on the Master of Public Health and approve continuation of the program. Regent Neil seconded the motion. MOTION CARRIED UNANIMOUSLY.

Regent Becker stated she would be willing to support continuation of the Bachelor of Science in Applied Physics at the University of Iowa if University officials were asked to return in another two or three years instead of five years. She would like to see if the program can be better marketed.

Interim Provost Cain stated that a three-year review was perfectly reasonable. She then introduced the Chair of the Physics Department, Dr. Thomas Boggess, Jr.

Dr. Boggess stated that a three-year review cycle was acceptable to the Department. He noted this was essentially a revenue-neutral program.



MOTION: Regent Downer moved to receive the post-audit report on the Bachelor of Science in Applied Physics and to approve continuation of the program pending outcome of another review in three years. Regent Forsyth seconded the motion.

Regent Forsyth said he seconded the motion with the understanding that the Board will now determine the criteria for success, not three years from now. He asked that this matter be brought back next month with a definition of success.

President Skorton stated that University officials will report back next month with targets in both of the following areas: 1) people who enroll as a major and 2) people who enroll in the course.

VOTE ON THE MOTION: Motion carried unanimously.

#### **ANNUAL REPORT ON COMPETITION WITH PRIVATE ENTERPRISE.**

Assistant Director Anania presented an overview of the annual report on competition with private enterprise. No complaints were received during the past year at the Regent institutions; however, other comments and concerns were received and addressed in the meeting materials.

Regent Arbisser referred to Iowa State University's CyCash Program card. He questioned why merchants would challenge the card's usage off campus. He wanted to know if the program operated through a University in-house system, or if the University contracted with a company to provide wider usage of the card?

Vice President Madden responded that the card's wider usage is provided through a financial institution (currently U.S. Bank) which is chosen through a competitive bidding process. Students have the option to add that expanded feature to their CyCash card.

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

#### **INSTITUTIONAL AND BOARD OFFICE PERSONNEL TRANSACTIONS.**

MOTION: Regent Neil moved to ratify the following personnel transactions. *University of Iowa*: Register of Personnel Changes for February 2004; appointment of Carolyn C. Jones as Dean of the

BOARD OF REGENTS MEETING  
April 21, 2004

College of Law effective July 1, 2004, at an annual salary of \$245,000; and, promotion and tenure actions for the 2004-05 academic year. *Iowa State University*: Register of Personnel Changes for March 2004; appointment of Michael C. Whiteford as Dean of the College of Liberal Arts and Sciences effective April 1, 2004, at an annual salary of \$185,000; notification of the resignation of Walter H. Gmelch, Dean of the College of Education, effective August 1, 2004; and, promotion and tenure actions for the 2004-05 academic year. *University of Northern Iowa*: Register of Personnel Changes for February and March 2004 and promotion and tenure actions for the 2004-05 academic year. *Iowa School for the Deaf*: Register of Personnel Changes for March 2004. *Iowa Braille and Sight Saving School*: Register of Personnel Changes for February 2004. *Board Office*: There were no transactions this month on the Board Office personnel register. Regent Arbisser seconded the motion. MOTION CARRIED UNANIMOUSLY.

**PURCHASE AND LEASE OF PROPERTY AT 1215 WEST 23<sup>RD</sup> STREET, CEDAR FALLS, UNI.**

**MOTION:**

Regent Becker moved to (1) approve the purchase of property located at 1215 West 23<sup>rd</sup> Street, Cedar Falls, Iowa, from the Epsilon Theta-Alfa Phi Fraternity, at the purchase price of \$152,500, subject to approval of the Executive Council of Iowa and (2) approve the lease agreement with Epsilon Theta-Alfa Phi Fraternity for its use of the property for a five-year term. Regent Downer seconded the motion, and upon the roll being called, the following voted:  
AYE: Arbisser, Becker, Downer, Forsyth, Neil, Newlin, Nieland, Rokes.  
NAY: None.  
ABSENT: Turner.

MOTION CARRIED UNANIMOUSLY.

**RAZING OF HOUSE, GARAGE AND KUNI TOWER, UNI.**

MOTION: Regent Arbisser moved to approve the demolition of house #19 and garage, and KUNI tower, located to the southeast of the UNI-Dome. Regent Becker seconded the motion, and upon the roll being called, the following voted:  
AYE: Arbisser, Becker, Downer, Forsyth, Neil, Newlin, Nieland, Rokes.  
NAY: None.  
ABSENT: Turner.

MOTION CARRIED UNANIMOUSLY.

**FACULTY TERMINATION OF CONTRACT, IBSSS.**

Superintendent Thurman stated that the docket item, as written, calls for the termination of two faculty members for cause. Both had requested private hearings. However, since the item was written, one faculty member has withdrawn her request for a hearing. The second faculty member has agreed that she will have the requisite teaching certification by a predetermined date, and Superintendent Thurman is withdrawing his recommendation that her contract be terminated.

Regent Becker asked if the second faculty member acknowledged that her employment would not be continued if she did not receive the appropriate certification. Assistant Director Newell responded that the faculty member agrees that if she does not receive certification by a particular date, then she is terminated the following day.

MOTION: Regent Neil moved to approve the recommendation of Superintendent Thurman for the termination of the continuing contract of Ruby Eschen at Iowa Braille and Sight Saving School, who had not obtained the requisite teaching license. Regent Nieland seconded the motion, and upon the roll being called, the following voted:  
AYE: Arbisser, Becker, Downer, Forsyth, Neil, Newlin, Nieland, Rokes,  
NAY: None.  
ABSENT: Turner.

MOTION CARRIED UNANIMOUSLY.

**FACULTY REDUCTION IN FORCE, IBSSS.**

Superintendent Thurman presented his recommendation to conduct a reduction in force at the Iowa Braille and Sight Saving School by terminating the contract of one probationary teacher.

**MOTION:**

Regent Becker moved to approve the recommendation of the Superintendent of the Iowa Braille and Sight Saving School to conduct a reduction in force at the campus by terminating the contract of one probationary teacher. Regent Arbisser seconded the motion, and upon the roll being called, the following voted:  
AYE: Arbisser, Becker, Downer, Forsyth, Neil, Newlin, Nieland, Rokes.  
NAY: None.  
ABSENT: Turner.

MOTION CARRIED UNANIMOUSLY.

**ADJOURNMENT.**

The meeting of the Board of Regents, State of Iowa, adjourned at 6:55 p.m. on Wednesday, April 21, 2004.

  
\_\_\_\_\_  
Gregory S. Nichols  
Executive Director