The Board of Regents, State of Iowa, met electronically on Wednesday, January 14, 2004. The following were in attendance:

	January 14
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
Dr. Turner	Excused at 3:54 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
Minutes Secretary Briggle	All sessions
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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 <i>Iowa State University</i> at the Board	
<u>Table</u>	
President Geoffroy	All sessions
Vice President Madden	All sessions
Representing the <i>University of Northern Iowa</i> at	
the Board Table	
President Koob	All sessions
Vice President Schellhardt	All sessions
Representing the <i>Iowa School for the Deaf</i> at the	
Board Table	
Superintendent Prickett	All sessions
Representing the Iowa Braille and Sight Saving	
School at the Board Table	
Superintendent Thurman	All sessions
Director Utsinger	All sessions
Director Otolinger	VII 909910119

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

www.state.ia.us/educate/regents

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

## BOARD OF REGENTS, STATE OF IOWA

The Board of Regents, State of Iowa, held an electronic Board meeting on Wednesday, January 14, 2004, commencing at 3:05 p.m., in accordance with §21.8 of the <u>Code of Iowa</u>. The meeting was not held in person because it was not practical to have the Regents assemble in one location for this brief meeting. Public access was provided at the following locations:

Board of Regents Office, 11260 Aurora Avenue, Urbandale University of Iowa, 111 Jessup Hall Conference Room, Iowa City Iowa State University, 1750 Beardshear Hall Conference Room, Ames University of Northern Iowa, Presidential Room, Maucker Union, Cedar Falls Iowa School for the Deaf, Superintendent's Office, Council Bluffs Iowa Braille and Sight Saving School, Superintendent's Office, Vinton

## APPROVAL OF MINUTES OF BOARD MEETING OF DECEMBER 15-16, 2003.

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

ACTION: President Newlin stated the Board approved the

minutes of the December 15-16, 2003, meeting,

as written, by general consent.

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

- (b) Proposed New Partnerships in Prevention Science Institute, Iowa State University. Acceptance of the report of a new institute to be called the Partnerships in Prevention Science Institute was requested.
- (c) Institutional and Board Office Personnel Transactions. Ratification of the following personnel transactions was requested. *University of Iowa*: Register of Personnel Changes for November 2003. *Iowa State University*: Register of Personnel Changes for December 2003. *University of Northern Iowa*: Register of Personnel Changes for

December 2003. *Iowa School for the Deaf*: Register of Personnel Changes for December 2003. *Iowa Braille and Sight Saving School*: The Register of Personnel Changes had not been received in the Board Office and will be reported next month. *Board Office*: The Register of Personnel Transactions included the retirement of Charles K. Wright, Director, Legal Affairs, Human Resources and Information Systems, effective December 31, 2003, and the appointment of Marcia R. Brunson as Interim Director of the Regent Merit System, effective January 1, 2004. In recognition of his 15 years of service to the Board of Regents and in accordance with <u>Policy Manual</u> §3.03S, the following designation of emeritus status was requested: Charles K. Wright as Director Emeritus, Legal Affairs, Human Resources and Information Systems effective January 1, 2004.

(d) Employee Appeal. Denial of the request of the employee for a personal appearance before the Board related to the employee's appeal of a final institutional decision; and acceptance of the decision of the institution as the Board's response to the employee's appeal were requested.

(e) <u>Iowa Administrative Code Revision – Regent Merit System Rules</u>. Approval of a revision in the Administrative Rules of the Regent Merit System, and authorization for the Executive Director to file the rule revision in the required form were requested.

MOTION:

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

## **REPORT ON BOARD 2004-2009 STRATEGIC PLAN.**

Executive Director Nichols presented for preliminary review the draft of the Board of Regents 2004-2009 strategic plan.

The strategic plan was reviewed and revised by the Board's Strategic Planning Priority Study Group. The Board Office also consulted with institutional officials. The Board was asked to provide preliminary approval with the understanding that further discussion would occur, particularly with regard to the performance indicators. The preliminary strategic plan priorities are: 1) educational opportunities, 2) research and scholarship, 3) service and economic growth, and 4) public accountability. It was anticipated that the Board would be presented with the strategic plan at its February meeting for final approval.

The following sections of the draft strategic plan were highlighted by Board members for additional work:

- 1.1.2.2 Profile of undergraduate, graduate, and professional student populations by race, ethnicity, gender, and disability. (Consideration is to be given to including socioeconomic status.)
- 1.1.2.4 Retention rates of students by race, ethnicity, and gender. (Consideration is to be given to including <u>disability and</u> socioeconomic status.)
- 1.1.3 Expand educational experiences for lowa's future workforce and foster cultural understanding by recruiting and retaining a highly qualified and diverse faculty, staff, and administration. (Consideration is to be given to tracking legally allowable demographics of faculty.)
- 1.2.2.4 (Consideration is to be given to creating a new indicator for the level of state support relative to peer groups and other benchmarks.)
- 1.3 Provide value-added educational experiences that foster student success in degree attainment. (Consideration is to be given to adding a measure for using the phrase "value added".)
- 3.2.1.4 Number of invention and patent applications and approvals; intellectual property disclosures; licenses executed; licenses producing income; amount of annual external funding and other types of support for Regent institutions' research, incubator capabilities and facilities; activities of university research parks and related programs, including job creation in lowa. (Consideration is to be given to adding an indicator for the number of start-up companies utilizing technology developed at the Regent universities.)
- 3.3.1.2 Numbers of individuals, organizations, and communities served annually by other public services of the Regent institutions, including University of Iowa State Hygienic Laboratory, Iowa State University Extension, University of Northern Iowa Business and Community Services, and other programs. (Consideration will continue to be given to defining what data to accumulate and what areas of the institutions will be the focus.)
- 4.3 Expand opportunities for individuals by strengthening lowa's educational system through collaboration with other education sectors. (Consideration is to be given to adding a measure about interactions with other educational sectors, perhaps as 1.2.1.5. Regent Turner is to be consulted on this.)

4.5 Serve as an active and enthusiastic advocate and communicator for the Regent institutions, their students, and the citizens they serve by maintaining positive relationships with elected officials, other education sectors, the media and the public at large. (Consideration is to be given to adding an indicator 4.5.1.3 about developing an annual Regent public policy agenda and/or strategic plan for advocacy. Consideration is also to be given to taking into account whether a student changes his/her major.)

President Skorton raised a general question about including diversity. Executive Director Nichols said that material the University of Iowa had sent to him was still under review.

President Newlin thanked the Strategic Planning Priority Study Group members, Executive Director Nichols and his staff for their hard work on the strategic plan.

ACTION:

President Newlin stated the Board considered for preliminary review the Board's 2004-09 strategic plan, by general consent.

#### LEGISLATIVE UPDATE.

Executive Director Nichols provided details of a proposal to adequately fund education which was presented in the Governor's Condition of the State address the previous day. Revenues would come from a modernized sales tax system, resulting in \$131 million of increased support for education next year. The funds would be used to:

- Fully fund allowable growth, restore state funds for K-12 cut from last year's budget
- Provide state incentives for local districts to reduce administrative costs and redirect savings into greater support for teacher compensation and professional development
- Continue and expand teacher compensation-student achievement effort from two years ago
- Continue to reduce class sizes, improve reading and prevent dropouts
- Launch new efforts in Waterloo and Sioux City to correct the achievement gap
- Provide additional support for early childhood education
- Increase aid to community colleges
- Provide support to Regents' universities to fully fund faculty and staff salaries
- Support the Iowa Tuition Grant program
- Better support tuition assistance for Iowa National Guard members

Board members will be provided with the Governor's outline and proposal on education. Executive Director Nichols anticipates there will be more detailed and robust discussion

at the February Board meeting, at which time the Board will also be presented with current legislative activities.

President Newlin noted that at its December meeting the Board passed a resolution addressing issues should further cuts in state appropriations materialize. Regents' state appropriations are \$104 million annually less today than in FY 2001. He stated his view that fair and sensible increases in state revenues to support needed additional funds for lowa students at all levels of education are critical to rebuild the top quality status lowans expect and deserve. Additional revenue, he stated, is needed to provide funds to education, specifically to the state universities and the special schools.

ACTION: President Newlin stated the Board received an

update on legislative-related information, by

general consent.

#### **REVISIONS TO POLICY MANUAL.**

Assistant Director Newell presented the proposed revisions to the Policy Manual.

Regent Downer asked to retain the report on competition with private enterprise and that Policy Manual §7.07C remain unchanged.

MOTION: Regent Downer moved to (1) approve for

publication editorial changes to Board of Regents

Policy Manual, as follows: §1.09: Affiliated Organizations, §7.04B: Lease Financing of Equipment and Facilities, §7.04C: Parietal Rules and Dormitories, §7.05I: Reporting, §8.06A: University Housing; and (2) approve as a first reading, revisions to Board of Regents Policy Manual §1.03E: Governance Reports. Regent

Neil seconded the motion. MOTION CARRIED

UNANIMOUSLY.

# PRELIMINARY RESOLUTION FOR THE SALE OF STUDENT HEALTH SYSTEM REVENUE BONDS, SERIES UNI 2004.

Vice President Schellhardt presented the University's request to sell bonds for the Student Health Center Expansion project.

MOTION: Regent Forsyth moved to adopt A Resolution

authorizing the Executive Director to fix the date or

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dates for the sale of up to \$4,000,000 Student Health System Revenue Bonds, Series U.N.I. 2004. Regent Turner seconded the motion, and upon the roll being called, the following voted: AYE: Arbisser, Becker, Downer, Forsyth, Neil, Newlin, Nieland, Turner.

NAY: None. ABSENT: None.

MOTION CARRIED.

# PRELIMINARY RESOLUTION FOR THE SALE OF FIELD HOUSE REVENUE BONDS, SERIES UNI 2004.

Vice President Schellhardt presented the University's request to sell up to \$10,500,000 in bonds to provide partial financing for construction of the Arena.

Regent Forsyth expressed concern about the amount of bonds proposed to be sold. He said he understood the reason for adding \$200,000 due to uncertainty of the interest rate environment as well as the increase in the debt service reserve multiplier to 1.14 from 1.11. It was his understanding that University officials proposed an additional \$500,000 increase in the proposed bond sale amount because of the timeliness of pledges. He stated his preference that the bond sale not exceed \$10 million and that the finance plan coincide with what was previously agreed.

President Koob indicated that University of Northern Iowa officials would accept the Board's request to lower the amount of bonds to be sold to up to \$10,000,000.

MOTION: Reger

Regent Downer moved to adopt A Resolution authorizing the Executive Director to fix the date or dates for the sale of up to \$10,000,000 Field House Revenue Bonds, Series U.N.I. 2004. Regent Becker seconded the motion.

Upon the Board's request, Bond counsel (Edgar Bittle of the Ahlers law firm) presented information on the source of debt service payments. Mr. Bittle stated that this would be part of the Field House enterprise at University of Northern Iowa. The enterprise is currently the UNI-Dome; however, the way that enterprise is defined it would include the additions to the Field House so it is necessary to make this addition part of the same enterprise. Some events that are being held in the UNI-Dome will move to the Arena, and the facilities will work together. If the Arena were a separate enterprise, you would

potentially dilute the revenue in the UNI-Dome and cause a problem with the security for that bond issue.

The pledge to support the debt service payments for the outstanding bonds of the UNI-Dome are revenues from the facility and existing Field House student building fees. Those would be the same pledged revenues for this proposed issue. In addition, the University, in its presentation in November, indicated that it would also pledge athletic student fees so that there would be an additional source of funds available to pay debt service. In the years that revenue from the athletic student fees are not needed for debt service payments, these funds would be released and available for athletic operations. Those are the pledged revenues and the security mechanisms for this transaction.

When asked if the University of Northern Iowa were comfortable with the fact that athletic fees are pledged to this project and what that means to the scholarship program within athletics, President Koob assured the Board that they were. President Koob stated that they are confident in their fund raising efforts and they do not plan to use student fees for debt service payments.

VOTE ON THE MOTION: Upon the roll being called, the following voted:

AYE: Arbisser, Becker, Downer, Forsyth, Neil,

Newlin.

NAY: Nieland. ABSENT: Turner.

MOTION CARRIED.

# INSTITUTIONAL REGISTERS OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS.

#### (a) Iowa State University.

Vice President Madden presented Iowa State University's capital register, the major project in which was the Carver Hall renovation.

There was discussion about the 2003 Institutional Roads—Union Drive/Knoll Road Intersection Reconstruction project, the budget for which had more than doubled in a 16-month period. The main reason for the budget increase related to changes mandated by the Iowa Department of Transportation for necessary grade changes to the roadway and bridge.

MOTION: Regent Forsyth moved to approve the University's

capital register, as presented. Regent Downer

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seconded the motion. MOTION CARRIED UNANIMOUSLY.

## (b) University of Northern Iowa.

Vice President Schellhardt offered to answer questions regarding the University of Northern Iowa's capital register. There were none.

MOTION: Regent Becker moved to approve the University's

capital register, as presented. Regent Forsyth seconded the motion. MOTION CARRIED

UNANIMOUSLY.

#### ADJOURNMENT.

The meeting of the Board of Regents, State of Iowa, adjourned at 4:10 p.m. on Wednesday, January 14, 2004.

Gregory S. Nichols Executive Director