

The Board of Regents, State of Iowa, met on Wednesday and Thursday, July 18 and 19, 2001, at the University of Northern Iowa, Cedar Falls, Iowa. The following were in attendance:

	<u>July 18</u>	<u>July 19</u>
<u>Members of Board of Regents, State of Iowa</u>		
Mr. Newlin, President	All sessions	All sessions
Ms. Ahrens	All sessions	Excused
Dr. Arbisser	Excused	Excused
Dr. Becker	All sessions	All sessions
Mr. Fisher	All sessions	All sessions
Dr. Kelly	All sessions	All sessions
Mr. Neil	All sessions	All sessions
Ms. Nieland	All sessions	All sessions
Dr. Turner	Excused	Excused
<u>Office of the Board of Regents, State of Iowa</u>		
Executive Director Stork	All sessions	All sessions
Deputy Executive Director Barak	All sessions	Excused
Director Elliott	All sessions	All sessions
Director Wright	All sessions	All sessions
Associate Director Brunson	All sessions	All sessions
Associate Director Hendrickson	All sessions	All sessions
Associate Director Kniker	All sessions	All sessions
Associate Director Racki	All sessions	All sessions
Assistant Director Anania	All sessions	All sessions
Assistant Director Gonzalez	All sessions	All sessions
Minutes Secretary Briggie	All sessions	All sessions
<u>State University of Iowa</u>		
President Coleman	All sessions	All sessions
Provost Whitmore	All sessions	All sessions
Vice President True	All sessions	All sessions
Dean Kelch	All sessions	Excused
Director Howell	All sessions	Excused
Director Parrott	All sessions	All sessions
Associate Director Braun	All sessions	All sessions
General Counsel Schantz	All sessions	Excused
<u>Iowa State University</u>		
President Geoffroy	All sessions	All sessions
Provost Richmond	All sessions	All sessions
Vice President Hill	All sessions	Excused
Vice President Madden	All sessions	All sessions
Vice Provost Johnson	All sessions	Excused
Assistant to President Chidister	All sessions	All sessions
Director Bradley	All sessions	All sessions
Director McCarroll	All sessions	All sessions
Director Steinke	All sessions	All sessions
Associate Director Baumert	All sessions	All sessions
<u>University of Northern Iowa</u>		
President Koob	All sessions	All sessions
Provost Podolefsky	All sessions	All sessions
Vice President Romano	All sessions	All sessions
Interim Vice President Dell	All sessions	All sessions
Associate Vice President Koch	All sessions	Excused
Special Assistant to President Gadelmann	All sessions	All sessions
Assistant Director Saunders	All sessions	All sessions
<u>Iowa School for the Deaf</u>		
Superintendent Johnson	All sessions	Excused at 9:53 a.m.
Director Heur	All session	Excused at 9:53 a.m.
Interpreter Reese	All sessions	Excused at 9:53 a.m.
Interpreter Gerischer	All sessions	Excused at 9:53 a.m.
<u>Iowa Braille and Sight Saving School</u>		
Superintendent Thurman	All sessions	Excused at 9:54 a.m.
Director Utsinger	All sessions	Excused at 9:54 a.m.
Director Woodward	All sessions	Excused at 9:54 a.m.

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

www.state.ia.us/educate/regents

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

GENERAL

The following business pertaining to general or miscellaneous business was transacted on Wednesday and Thursday, July 18 and 19, 2001.

President Newlin welcomed everyone to the July meeting of the Board of Regents, State of Iowa. He then introduced Gregory Geoffroy, the new President of Iowa State University.

President Geoffroy stated that his wife and he have had a wonderful introduction to Iowa, to Iowans and to the Ames community. He said it has been an exciting, fun and very busy two weeks since he took office.

President Newlin expressed the Board of Regents' pleasure that President Geoffroy is at Iowa State University.

President Koob asked that Vice President Romano introduce the University of Northern Iowa's student body president and vice president.

Vice President Romano introduced Adam Briddell, President, from West Des Moines, and Kellie Greiner, Vice President, from Johnston.

APPROVAL OF MINUTES OF BOARD MEETING OF JUNE 12-13, 2001.

President Newlin asked for additions or corrections to the minutes. There were none.

ACTION: President Newlin stated the Board approved the minutes of the June 12-13, 2001, meeting, as written, by general consent.

CONSENT ITEMS.

Approve the institutional and Board Office personnel transactions;

Approve the following additions to the respective university's list of approved vendors with a potential conflict of interest: Iowa State University – Dan Pratt

Design and Sharon Taylor; University of Northern Iowa – Joel Kidder/Kidder Construction, Inc.;

Approve the Board meetings schedule;

Approve the University of Iowa's proposal to change the name of the Physical Therapy Graduate Program to the Graduate Program in Physical Therapy and Rehabilitation Science in the College of Medicine;

Refer the Iowa State University proposal to establish an undergraduate minor in Emerging Global Diseases to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation;

Approve the Iowa State University proposal to change the name of the Master's Program in English with a Specialization in Teaching English as a Second Language (TESL) to the Master of Arts in Teaching English as a Second Language/Applied Linguistics; and

Refer the proposed change from a Joint Ph.D. program to an Independent Ph.D. program in the curriculum of the Department of Apparel, Educational Studies, and Hospitality Management to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

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

INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION. (a)
Course Changes, University of Iowa.

Provost Richmond presented the recommendation for approval on behalf of the Interinstitutional Committee on Educational Coordination.

Regent Fisher asked how much the nine new courses would cost the University of Iowa. Provost Richmond said the cost would depend on where a course is being taught and what faculty member is teaching the course. A course could cost as little as \$3,000 to \$5,000 to several times that amount. He estimated that the nine new courses would cost the University \$50,000 to \$75,000.

Provost Whitmore said the cost of course changes varies by college. For example, the University is investing a substantial amount of money in its new College of Public Health. Another consideration is that many of the courses are not taught every

semester. A determination is made as to whether there are faculty who can teach the courses in the right sequence. He noted that the University has an automatic review trigger if a course has not been offered in four years.

Regent Fisher asked if course additions would fit into each department's budget. Provost Whitmore responded affirmatively. Every year there is a review of faculty in the departments. All of the course changes would fit the person power available to teach the courses.

Regent Ahrens asked how decisions are made at the college level to add or drop courses and how those decisions affect students. Provost Whitmore responded that the individual course decisions are made in the department. The department's recommendation is forwarded to the dean who ensures the resources are available. There is also a committee of faculty that reviews any changes a department wants to make to ensure it fits the overall graduation expectations for the college.

Regent Ahrens asked about the affect of course changes on students' degree programs. Provost Whitmore stated that a vibrant university will change curriculum almost constantly. Basic writing programs and basic courses in history and math do not change on a regular basis.

Regent Neil noted that the College of Pharmacy proposed four new courses and asked what those were. Provost Whitmore stated that the College of Pharmacy program is going through a fundamental change in curriculum. When the Pharm.D program first began, the curriculum was designed for the students to participate in the regular undergraduate program for a year and then to spend five years as a pharmacy student. The national requirement now is for a student to participate in the regular undergraduate program for two years and then spend four years in the pharmacy program.

Provost Whitmore stated that the four new courses are: 1) Introduction to Pharmacy Literature, 2) Pharmacy Law and Ethics, 3) Clinical Practice Skills I and 4) Pathophysiology for Pharmacy Students. He offered to send to Regent Neil additional details. Regent Neil expressed appreciation.

MOTION:

Regent Neil moved to approve the University of Iowa's proposed course changes. Regent Ahrens seconded the motion. MOTION CARRIED UNANIMOUSLY.

ANNUAL GOVERNANCE REPORT OF THE IOWA SCHOOL FOR THE DEAF ADVISORY COMMITTEE.

Dr. Roger Kueter, Head of the University of Northern Iowa's Department of Teaching and Chair of the Iowa School for the Deaf Advisory Committee, presented the Committee's annual report. He stated that, during the 2000-01 school year, the Committee met three times. Since the Iowa School for the Deaf was in the process of seeking reaccreditation during this academic year, the Committee spent much time discussing the findings contained in the School's self-study document, the relationship of the School's strategic plan to its new school improvement plan, and additional performance measures or benchmarks. A number of recommendations were made that were incorporated in drafts of the Iowa School for the Deaf's strategic plan.

The Committee focused on five areas in 2000-2001. The first was the improvement of remedial reading skills of Iowa School for the Deaf students. The second was transitional programs that would help the 80-85 percent of graduates who attend post-secondary institutions to have more successful experiences at community colleges or four-year institutions. At each meeting, these two topics, along with relevant data, were discussed and reviewed.

A third area of focus was the anticipated need for more teachers and administrators of deaf and hearing-impaired children. The Advisory Committee closely followed the development of the University of Northern Iowa's proposals for training programs for teachers of the deaf and hard of hearing. At its spring meeting, the Committee learned that the University of Iowa was in the process of developing such a program. The Committee has not had the opportunity to review the University of Iowa plan.

The Committee also received reports on faculty and staff training. Such training is a major goal of the proposed strategic plan, with a number of new benchmarks. Meeting the needs of residential and non-residential students through a revised academic calendar was the fifth area explored by the Committee.

Regent Fisher asked if the Committee rendered any advice particularly on the School's strategic plan. Dr. Kueter responded affirmatively. He said a great deal of time was spent offering suggestions and advice.

Regent Fisher asked about the specific advice given on the strategic plan. Dr. Kueter said the Committee provided advice regarding benchmarks and, particularly, how to measure student progress.

Regent Fisher noted that the Nebraska consumer delegate to the Advisory Committee had not been appointed. He asked for the status of that appointment.

Superintendent Johnson said the issue was that of finding an individual. Most of the parents are quite a ways away from Council Bluffs. He said School officials would find someone from Nebraska to participate on the Advisory Committee by fall.

Director Barak referred to the issue of teacher training for teachers of the deaf, and said some advancement had been made. The University of Iowa is ready to start providing that program, which he said is a real achievement.

Provost Whitmore stated that the University of Iowa's College of Education and Department of Speech Pathology and Audiology have teamed up with the University of Northern Iowa to offer the program beginning in the fall. Some of the courses are offered already. He believed that one more person would be hired in order to be able to offer all of the required courses.

Regent Becker asked if there has been consideration given to including a representative of employers who hire these students to provide input regarding the curriculum and preparation for those teachers. Provost Whitmore said he did not know but he could find out.

Regent Becker offered to arrange for contact with the state directors of special education if it was so desired. Provost Whitmore stated that University officials perform surveys about the outcomes of the University's work; therefore, Regent Becker's suggestion would be right in line with that.

Regent Neil asked if the program to be provided through the University of Iowa will provide teachers for both the blind and deaf. Provost Whitmore responded that it would prepare teachers for the deaf.

President Newlin expressed appreciation to Dr. Kueter and members of the Advisory Committee for their work and their willingness to participate.

MOTION: Regent Becker moved to (1) receive the report and (2) approve the appointments to the Iowa School for the Deaf Advisory Committee. Regent Ahrens seconded the motion. MOTION CARRIED UNANIMOUSLY.

ANNUAL GOVERNANCE REPORT OF THE IOWA BRAILLE AND SIGHT SAVING SCHOOL ADVISORY COMMITTEE.

Dr. Kathryn Gerken, University of Iowa Associate Professor of Psychology and Quantitative Foundations, presented the annual report on behalf of Dr. Ann Thompson, chair of the Committee. She stated that she has served on the Advisory Committee since 1988. She said the Advisory Committee met twice during the 2000-2001 academic year. The following items were discussed at the meetings:

- Iowa Braille and Sight Saving School strategic plan update 1998-2002;
- performance indicators;
- teacher training for visually impaired students;
- study of preschool age children with visual impairments
- Summer 2000 and Summer 2001 programs;
- Fall 2000 enrollment;
- FY 2001 and FY 2002 budget;
- IBSSS reorganization; and
- Iowa Department of Education compliance review.

Regent Neil asked Superintendent Thurman what was the School's greatest accomplishment this past year and what was its biggest challenge for the coming year. Superintendent Thurman responded that the greatest accomplishment this year was the early childhood study. This winter, School officials will be conducting a series of focus groups in the area education agencies to provide an opportunity for professionals to give input to the process. He said the biggest challenge is the lack of people trained in the field.

President Newlin thanked Dr. Gerken and her colleagues on the Advisory Committee for their work and willingness to serve.

MOTION:

Regent Neil moved to (1) receive the report and (2) approve the appointments to the Iowa Braille and Sight Saving School Advisory Committee for 2001 – 2003. Regent Becker seconded the motion. MOTION CARRIED UNANIMOUSLY.

REPORT ON REGENT ORGANIZATIONAL REVIEW PROCESS.

President Newlin stated that approval was needed for the Organizational Review Study Group to engage the services of a consultant for phase I of the organizational review in order to timely facilitate the process. He said the Request for Proposals has gone out and responses have been received. The Study Group will be meeting soon to make a

selection; therefore, authorization from the Board was required in order for the Study Group to engage those services.

MOTION: Regent Fisher moved to (1) grant approval for the Organizational Review Study Group to engage the services of a consultant for phase 1 of the organizational review and (2) receive the report on the organizational review. Regent Neil seconded the motion. MOTION CARRIED UNANIMOUSLY.

President Newlin stated that the organizational review will be addressed in three phases. Phase I is the identification of areas to be studied in Phases II and III. It is anticipated that Phase I will begin in the early fall.

REPORT ON SEARCH FOR EXECUTIVE DIRECTOR.

President Newlin stated that an ad hoc group composed of Regents Newlin, Becker, Fisher and Neil and Deputy Executive Director Barak interviewed three executive search firms in Des Moines on July 16. The group recommended that Lauer Sbarbaro, which was the same firm that assisted the Board of Regents in its search for an Executive Director three years ago, be selected to assist the Board and the search advisory committee in the search for a new Executive Director for the Board of Regents. The ad hoc group also recommended approval of the "Duties of the Executive Search Firm", the composition and membership of the "Executive Director Search and Screen Advisory Committee", the "Duties of the Executive Director Search and Screen Advisory Committee", and the "Proposed Schedule for the Selection of an Executive Director".

President Newlin stated that, with the approval of the Search Advisory Committee's recommendations at this meeting, the Committee will immediately commence activities related to the search.

MOTION: Regent Fisher moved to (1) approve the selection of the search firm, Lauer Sbarbaro, for the Executive Director search and (2) approve the duties of the search firm, the membership and composition of the search advisory committee, the duties of the search advisory committee, and the proposed search schedule. Regent Ahrens seconded the motion. MOTION CARRIED UNANIMOUSLY.

President Newlin stated that the Committee would follow nearly the same procedures as those followed three years ago when Frank Stork was selected as the Executive Director.

APPROVAL OF PROFESSIONAL AND SCIENTIFIC SALARY POLICY.

Director Wright stated that the salary recommendations for fiscal year 2001 are consistent with the state salary policy. It is expected that salary increases will not be fully funded by state salary allocations. The state salary policy assumes a 4 percent increase. He said that, in May, the Board approved salary schedules for the institutions and the Board Office. Salary increases for Professional & Scientific staff are determined by performance and based upon annual evaluations.

University of Iowa officials proposed a salary increment pool of 3.5 percent for its non-represented Professional & Scientific staff. This pool will fund annual merit-based increases along with reclassifications, promotions, compression problems, and equity and market adjustments. Iowa State University officials proposed a salary increment pool of 3.5 percent to fund annual increases and reclassifications, and address equity issues and has asked departments to try to add 0.5 percent to this pool to provide an average of not more than 4 percent. University of Northern Iowa officials proposed a salary increase pool of 5.6 percent for annual increases, reclassifications, promotions, and equity and market adjustments. Director Wright stated that salary increases at the Iowa School for the Deaf will average 4.4 percent. With an increase in the sign language communications skills certifications, salary increases will average 5.0 percent. Salary increases at the Iowa Braille and Sight Saving School will average 3.0 percent and will be awarded based upon merit. Merit-based salary increases in the Board Office will average 3.6 percent.

Director Wright stated that, pursuant to the state comparable worth law, Professional & Scientific staff must be paid salaries that are within the salary range to which their positions are assigned. Pursuant to Regent policy, changes made in an individual salary after approval of the budget must be reported on the monthly Register of Personnel Changes.

Regent Fisher noted that the University of Northern Iowa's salary increase pool is 5.6 percent, and asked if there were special circumstances that makes its pool higher than those of the other Regent institutions. President Koob stated that all University of Northern Iowa employees except Professional & Scientific employees are covered by collective bargaining. University officials believe that Professional & Scientific staff need to be treated comparable to other employees.

MOTION: Regent Neil moved to approve the proposed salary policies for fiscal year 2002 for professional and scientific staff at the five Regent institutions and the Board Office. Regent Becker seconded the motion. MOTION CARRIED UNANIMOUSLY.

APPROVAL OF SPECIAL SCHOOLS FACULTY PAY POLICY.

Director Wright stated that the pay matrix for faculty at the Iowa School for the Deaf and the Iowa Braille and Sight Saving School will increase by 3.0 percent with a cost of 4.3 percent at the Iowa School for the Deaf and 5.2 percent at the Iowa Braille and Sight Saving School. Faculty not at the top step will receive step increases. Faculty attaining additional education may move horizontally on the matrix in addition to receiving step increases. He said the amount of compensation given for certifications at Iowa Braille and Sight Saving School will not change as School officials intend to review the appropriate certification vehicle for staff. Compensation for provisional and permanent certifications by the Council of Educators for the Deaf will be increased from \$480 to \$600 for provisional and from \$900 to \$1,200 for permanent certification.

Iowa School for the Deaf officials proposed no change to its extra-curricular pay scale. Iowa Braille and Sight Saving School officials proposed revisions to its extra-curricular scale. Iowa School for the Deaf provides additional compensation to recognize attainment of various levels of proficiency in sign language.

Regent Fisher asked how a 3 percent increase in the pay matrix relates to a cost increase of 4.3 percent and 5.2 percent at the special schools. Director Wright responded that faculty move on the salary schedule vertically and horizontally. Vertical movement is by years of experience. A person moving from year one to year two, for example, receives some degree of increase beyond the 3 percent by which all of the cells are increased. The vertical movement provides for an average increase in the structure of approximately 4 percent. With regard to the difference in cost increases at the two schools, he said it depends on where the individual teachers are located in the salary structure and how many are moving horizontally.

MOTION: Regent Neil 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 2002 and (2) approve the proposed supplemental pay schedules for extracurricular activities at the special schools in fiscal year 2002. Regent Becker seconded the motion. MOTION CARRIED UNANIMOUSLY.

APPROVAL OF REGENT MERIT SYSTEM PAY PLAN.

Director Wright stated that the pay matrices for the Regent Merit System were being increased 3.0 percent in accordance with the collective bargaining agreement and state salary policy. He said eligible employees will receive automatic step increases in accordance with the AFSCME agreement and the rules of the Regent Merit System. The total increase will average approximately 4 percent. State salary allocations will not fully fund the pay plans and significant increases in employer health insurance premiums.

Regent Ahrens asked if the pay plan matrices ever vary for the non-merit staff versus merit staff. Director Wright said he believed that the Board had not varied the pay matrices for merit staff because the Board did not want to disadvantage employees who are in collective bargaining by paying those who are not in collective bargaining a higher salary, nor do the converse. Another reason for not varying the pay matrices is the comparable worth law. All of the merit system positions are assigned to a position on the salary structure based on the comparable worth law.

Regent Ahrens asked from where institutional officials will get the funds to pay for the pay matrices and the additional health insurance costs. Director Wright stated that institutional officials knew the amount of increases as budgets were being developed. It was his understanding that new sources of funds and reallocated funds would be used. (Later in the meeting, under final consideration of FY 2002 budgets, institutional heads addressed Regent Ahrens' question.)

MOTION: Regent Ahrens moved to (1) approve Regent Merit System pay schedules for fiscal year 2002, for the blue collar, security, technical and clerical bargaining units, as set forth and (2) approve the Regent Merit System supervisory pay schedule for fiscal year 2002, as set forth. Regent Kelly seconded the motion. MOTION CARRIED UNANIMOUSLY.

REPORT OF THE BANKING COMMITTEE.

Regent Fisher stated that, at its meeting, the Banking Committee considered a good-sized agenda. He said the Banking Committee members spent some time discussing, and ultimately approved, a pilot program for Iowa State University to provide a voluntary computer leasing program for students in the College of Design. He emphasized that this is a pilot project about which University officials will report back in a year. The

Banking Committee approved the University of Iowa's request to refinance the master lease agreement for University Services Building equipment and furnishings. The Banking Committee also approved the issuance of Requests for Proposals for the Board's investment advisor and provider of a master lease agreement. An interview process will take place.

Regent Fisher said the Banking Committee reviewed the FY 2002 internal audit plans through extensive reports given by each of the internal auditors. Also received were two State of Iowa statewide audit reports for FY 2000; state audit reports for the five Regent institutions and the Board Office for FY 2000; and internal audit reports from the University of Iowa and the University of Northern Iowa.

MOTION: Regent Fisher moved to authorize the University of Iowa to refinance the master lease agreement for University Services Building equipment and furnishings. Regent Neil seconded the motion. MOTION CARRIED UNANIMOUSLY.

MOTION: Regent Becker moved to approve an Iowa State University pilot program to provide a computer leasing program for students in the College of Design, on a voluntary basis, beginning the fall of 2001, subject to review by the Attorney General's Office and further consultation with the Board Office. In addition: (a) Authorize the Executive Director, on behalf of the Board and Iowa State University, to enter into a financing arrangement of up to \$900,000 for FY 2002 for the University's purchase of approximately 250 laptop computers, for leasing to students in the College of Design, subject to review by the Attorney General's Office. (b) Request the University provide an evaluation of the first year of the program prior to receiving authorization to continue the financing program. Regent Neil seconded the motion. MOTION CARRIED UNANIMOUSLY.

MOTION: Regent Fisher moved to receive the report of the Banking Committee. Regent Neil seconded the motion. MOTION CARRIED UNANIMOUSLY.

FINAL APPROVAL OF DETAILED BUDGETS FOR FY 2002.

Associate Director Hendrickson stated that the composite fiscal year 2002 institutional general fund operating budgets, including the operation of the University of Iowa Hospitals and Clinics, totaled \$1.5 billion. The institutional restricted fund budgets total \$1.2 billion for a combined budget totaling \$2.7 billion. The University of Iowa's budget includes the proposed annualized rate increase of 6 percent for the hospital units.

Associate Director Hendrickson said the fiscal 2002 budget process presented challenges for the Regent institutions. FY 2002 base operating appropriations are \$42.1 million less than FY 2001. The state allocation for incremental funding of the state salary policy is \$28.8 million with additional reimbursement funding of \$1.1 million for a component of health insurance. She said this amount compares to general fund compensation and benefit increases, exclusive of the fiscal year 2001 annualized health insurance premium increases, of \$34.7 million. A significant area of increased cost for which state funding was insufficient involved health insurance premium increases. She noted that this was the second consecutive year of reductions in operating appropriations. As a result of the reductions, the Regent universities are utilizing more tuition and fee revenues to maintain, not improve, operations at the institutions.

In the past two years, state appropriations for general university operations have decreased as a percentage of total operating funds by 3.3 percent while tuition and other university income have had a corresponding increase.

Associate Director Hendrickson said the Regent reallocation program requires the institutions to reallocate 2 percent of their budgets each year. The intent of the policy is to maintain current operations and improve quality by redirecting resources. With the appropriation reductions in FY 2001 and FY 2002, the Regent institutions have reallocated to maintain, rather than improve, quality.

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

(a) University of Iowa.

President Coleman presented a brief description of budget development at the University of Iowa. She said the overall budget is a composite of many different areas. Her comments addressed only the general education fund. University officials incorporated \$14.7 million of reductions into the budget presented for Board approval. Consideration was given to tuition revenue projections and the inadequacy of state appropriations to meet salary and benefits costs. Units were permitted to reallocate up to another one-half of one percent of their budgets for salary increases.

Mandatory cost increases include items such as utility costs and opening new buildings. With regard to making up the shortfall in state appropriations, President Coleman said the reductions were not uniform but were accomplished through adherence to the University's strategic plan. Administrative and support units were given 4 percent or higher reductions. Collegiate units received cuts of 2.8 percent. Greater "belt tightening" was done in the administrative units than in the collegiate units. She noted that in the collegiate units there was a wide disparity in the amount of the budget reductions. The College of Liberal Arts took only a 1 percent cut because it teaches most of the undergraduates. The library and financial aid office were held harmless.

With regard to what this all means, President Coleman discussed the following information, which was included in the meeting materials:

The University reports that the appropriation reductions will result in the following consequences:

- Eliminate 107 general fund positions;
- Impair the University's ability to continue to improve the four-year graduation rate, which is currently over 35 percent, with a target of 40 percent;
- Reduce or eliminate freshmen seminars and other special courses due to 70 fewer faculty positions;
- Impair the University's ability to recruit high quality undergraduate students due to increased class sizes and reduced class offerings;
- Delay many improvements to general assignment classrooms and laboratories as a result of the reductions in building improvement funds of \$0.6 million and \$1.6 million in the previous year;
- Delay implementation of new certificate and joint degree programs, since existing faculty will be busy with required courses;
- Increase waiting time for counseling services;
- Reduce number of graduate assistantships and fellowships by 7.25;
- Reduce support for faculty start-up, including equipment and laboratory renovation as a result of the reductions in building improvement funds of \$0.6 million and \$1.6 million in previous year;
- Reduce travel and research support for graduate and professional students as a result of general expense budget reductions of \$400,000;
- Reduce graduate student seminars and courses due to 70 fewer faculty positions;

- Reduce student opportunities to experience an advanced laboratory facility due to 70 fewer faculty;
- Reduce postdoctoral support, seed grants, or faculty recruitment packages;
- Reduce service to the state of Iowa relative to archaeological matters;
- Reduce opportunities for students to work as a result of general expense budgets being reduced by \$400,000;
- Reduce support for interdisciplinary research activities;
- Reduce services to citizens of Iowa in areas related to agricultural safety and health; and
- Implement energy conservation measures.

President Coleman stated that University officials have done their best to achieve a reasonable and responsible budget. University officials will look at the budget again in October because some costs, such as annualized health insurance costs, are still unknown. Also unknown is how much attrition the University will experience and the amount of tuition revenue. She said University administrators have been advised that the budget will be revisited in October at which time additional belt tightening may have to be done. If so, University officials will come back to the Board to discuss every step.

President Newlin said he noticed that University officials decided to support women's athletics with new tuition money as opposed to increasing academic counseling services. President Coleman responded that the increase in general fund support for women's athletics results from long-term agreements with former Women's Athletic Director Christine Grant to support salary increases for women's coaches. The effort also complies with Title IX. There will be an increase in the costs of women's scholarships and increased scholarships for two relatively new women's sports.

Regent Nieland asked if the 70 faculty positions were being eliminated by termination of faculty. President Coleman responded that faculty were not being terminated; positions are not being filled. Those faculty will not be in the classroom teaching as a result of the elimination of the positions. She said each dean had to make a decision about allocating the individual college's portion of the budget cut.

MOTION:

Regent Ahrens moved to (1) approve the University of Iowa final FY 2002 general fund operating budget of \$972,669,082 and the restricted fund budget of \$599,630,000 for a total of \$1,572,299,082, including the proposed

changes in the allocation of tuition revenues.; and (2) approve rate increases, effective August 1, 2001, for the University of Iowa Hospitals and Clinics, Psychiatric Hospital, and the Center for Disabilities and Development, which will provide an annualized increase of 6 percent. Regent Becker seconded the motion. MOTION CARRIED UNANIMOUSLY.

(b) Iowa State University.

President Geoffroy provided a PowerPoint presentation of Iowa State University's budget proposal. He said the budget will allow the University to continue to move toward the aspiration, which he very much supports and endorses, to become the best land grant university in the country. He thanked Richard Seagrave and the administrative team for their good work in developing the budget. The overall budget included in excess of \$407 million in general funds, an increase of over \$9 million. He said the base budget was \$21.8 million less than last year's budget due to a state appropriation reduction, a reduction in state funding for health insurance cost increases, mandatory cost increases and a reduction in special projects. On the positive side, he said University officials are grateful to the Board for the salary funding. New revenues consist of \$11 million in salary appropriations and \$12 million in tuition and fees. Through adherence to the University's strategic plan, he said \$2.6 million in internal reallocations were accomplished. New revenues of \$8.6 million will be dedicated toward strategic plan initiatives. The Plant Sciences Institute will receive \$300,000 in reallocated funds.

President Geoffroy stated that University officials anticipate the receipt of \$4 million in new tuition revenue and \$1.5 million in energy savings.

President Geoffroy discussed the following information, which was included in the meeting materials:

The University reports that the appropriation reductions will result in the following consequences:

- Eliminate 214 full time equivalent positions, including 32 employee layoffs, and reduce appointments for 12 positions.
- Diminish competitiveness of faculty salaries, which are currently at an eleven-year low compared to peer institutions.
- Increase number of faculty resignations that are currently at a ten-year high.

- Diminish competitiveness of professional and scientific salaries.
- Decrease budgets for support of new faculty, instructional technology, and professional development.
- Increase the difficulty of recruiting top faculty and staff.
- Increase class sizes, thus reducing faculty to student interaction.
- Reduce the number of course offerings available, which may increase time to graduation for many students.
- Reduce building repair budget by \$1.7 million.
- Reduce outreach to citizens of Iowa, businesses, and industry.
- Diminish the engagement activities of the academic units, Agricultural Experiment Station, and the Cooperative Extension Service including the closing of two extension offices: the North Central office in Mason City and the East Central office in Cedar Rapids.
- Compromise advances made at Iowa State University over the last several years, placing the national standing of many programs at risk.

With regard to salaries, President Geoffroy stated that, although the University received an appropriation for an average 3.8 percent salary increase, Iowa State University's salaries are becoming less competitive.

President Newlin expressed appreciation for the detail relative to the impact of the appropriations reductions.

MOTION: Regent Ahrens moved to approve the Iowa State University FY 2002 general fund operating budget of \$407,048,456 and the restricted fund budget of \$423,041,358 for a total of \$830,089,814, including the proposed changes in the allocation of tuition revenues. Regent Becker seconded the motion. MOTION CARRIED UNANIMOUSLY.

(c) University of Northern Iowa.

President Koob thanked the Board members for the trust placed in him to work through the budget decisions. He has been in other states where the university governing board could not resist taking a hand in budget decisions. He then stated that there was \$6.65 million less funds than in previous years to dedicate to strategic planning initiatives due to the appropriations shortfall. The major difference in funding is the

salary shortfall. University of Northern Iowa's annual reallocations for the previous five years averaged 3.7 percent versus 2.5 percent as stated in the docket memorandum.

President Koob discussed the following information, which was included in the meeting materials:

The University reports that the appropriation reductions will result in the following consequences:

- Eliminate 34 full time equivalent faculty positions.
- Eliminate 5 full time equivalent professional and scientific and merit positions and 1 graduate assistant position in Educational and Student Services.
- Eliminate 3 full time equivalent professional and scientific positions in Financial Accounting and Purchasing.
- Eliminate 1.5 full time equivalent professional and scientific positions and 9 full time equivalent merit positions in the Physical Plant and Facilities Planning.
- Eliminate 3 full time equivalent professional and scientific positions in Public Relations and Marketing.
- Publish one less issue of Northern Iowa Today, the University's magazine – a 25 percent reduction.
- Reduce ability to achieve goal of 75 – 25 ratio of classes taught by tenure track faculty due to enrollment growth and reduced faculty.
- Reduce academic supplies and services budgets by \$1.5 million.
- Reduce professional and scientific positions in Academic Affairs that total approximately \$190,000.
- Reduce academic educational equipment budgets by approximately \$180,000.
- Reduce building repair budget by \$50,000.
- Reduce student wages budget, which is further compounded with the elimination of state work-study funds.
- Reduce significantly supplies and services budget for the Development Office.
- Student aid set-aside from tuition will be 18 percent of budget revenues as compared to the 19.5 percent projected during the tuition discussion.

With regard to the impact of the appropriations reductions, President Koob said it is expected that the University of Northern Iowa will be larger this fall by 200 additional

students with 34 fewer faculty to serve those students. Nonetheless, the intention is to meet the increased student demand. He then provided an analogy that occurred to him as a result of discovering that Regent Becker has her pilot license. He said there is an interesting relationship between running a university and flying an airplane. In each, there is a complex interaction of variables. The three major variables for education are: 1) cost, 2) quality and 3) access. In flying an airplane, the variables are: 1) power, 2) altitude and 3) speed. It takes 8 to 9 seconds after increasing power before a pilot experiences the change in power. After reducing power, an airplane either loses altitude or speed. He said this was very similar to what is happening at the University. With the funding reduction, one of the education variables will be affected. Neither will happen this year; there will be a lag time. Temporary faculty are asked to teach more and are paid less than full-time faculty. He said Iowa has three high-quality universities because the Board of Regents has paid attention to the faculty of the universities. It will not appear in the coming year that the University of Northern Iowa suffered significantly from the appropriation reduction because students will be on campus. He assured the Board members that, in the same way that an airplane's altitude or speed is reduced as the result of a reduction in power, the same will happen at the University as a result of the reduction in funding.

MOTION:

Regent Ahrens moved to approve the University of Northern Iowa FY 2002 general fund operating budget of \$133,803,370 and the restricted fund budget of \$140,663,332 for a total of \$274,466,702, including the proposed changes in the allocation of tuition revenues, subject to further review by the Board Office since information was not received in time to allow proper analysis. Regent Becker seconded the motion. MOTION CARRIED UNANIMOUSLY.

(d) Iowa School for the Deaf.

Superintendent Johnson stated that the School's final budget proposal was basically the same as last month's and as the first conceptual budget proposed to the Board. The School's budget priorities are quality teaching, pupil personnel, and administrative services; strengthen and expand creative and innovative programming; maintain facilities and equipment to provide a safe, healthy learning environment; and flexibility, efficiency, cooperation, and accountability. He noted that, as a result of the appropriations reduction, there will be four fewer faculty and two fewer residential counselor positions which will strain student-teacher ratios in the classroom and resident-staff ratios in the dormitories.

MOTION: Regent Ahrens moved to approve the Iowa School for the Deaf FY 2002 general fund operating budget of \$8,569,353 and the restricted fund budget of \$1,511,798, for a total of \$10,081,151. Regent Becker seconded the motion. MOTION CARRIED UNANIMOUSLY.

(e) Iowa Braille and Sight Saving School.

Superintendent Thurman stated that School officials undertook four initiatives to reduce costs, as follows:

- Reduce:
 - Facilities, food service, health center, and secretarial FTEs (\$75,611);
 - Summer School programming and a mini-camp (\$41,950);
 - Vehicle/bus replacement and general equipment budgets (\$22,840);
 - Building repair (\$17,784);
 - Extra-curricular salary costs (\$12,698);
 - Supplies and other contracted services (\$12,321);
 - Travel expenditures (\$11,940);
 - Staff in-servicing budgets (\$5,600);
 - Grant Wood AEA contracted services (\$3,596);
 - Library acquisitions (\$1,357);
- Save on starting salaries for new hires (\$8,494);
- Eliminate the unfilled Outreach Preschool Consultant position (\$36,026); and
- Restructure the center-based day and evening direct service staff (\$19,466).

Superintendent Thurman said the School's loss of funding was nearly 8 percent. School officials will focus on maintaining the educational program. He addressed personnel's sense of professionalism and how the budget cuts impact how people value their work. Regardless of how School officials explain the budget process, there is a sense among employees that the budget is not equitable. He strongly suggested that, in the process for the upcoming budget, this psychological effect be kept in mind. It has a serious impact on how people work together.

MOTION: Regent Ahrens moved to approve the Iowa Braille and Sight Saving School FY 2002 general fund

operating budget of \$4,798,556 and the restricted fund budget of \$2,046,245, for a total of \$6,844,801. Regent Becker seconded the motion. MOTION CARRIED UNANIMOUSLY.

(f) Regional Study Centers.

Associate Director Racki stated that, at its June 2001 meeting, the Board approved the distribution of the FY 2002 educational appropriations to the regional study centers and received information on the FY 2002 conceptual operating budgets. At this meeting, the Board was asked to approve a revised distribution of funds to the study centers which included the individual appropriation amounts included in the education appropriations bill, which were allocated in June, and the allocation of funds for salary increases. She said the total FY 2002 appropriations for the study centers represented a 2.7 percent reduction from state of Iowa FY 2001 funding for the centers.

MOTION: Regent Ahrens moved to (1) increase the distribution of the FY 2002 appropriation to the Quad Cities Graduate Study Center to \$170,734 including salary increase funds; (2) increase the distribution of the FY 2002 appropriation to the Tri-State Graduate Center to \$83,619 including salary increase funds; (3) increase the distribution of the FY 2002 appropriation to the Southwest Iowa Regents Resource Center to \$114,672 including salary increase funds; and (4) receive the report on the FY 2002 operating budgets of the Regional Study Centers. Regent Becker seconded the motion. MOTION CARRIED UNANIMOUSLY.

(g) Lakeside Laboratory.

Associate Director Racki stated that the Board of Regents was asked to approve the budget of the Iowa Lakeside Laboratory as well as the donation, by Mr. Tom Rierson, of a house to the Laboratory. She noted that the budget reflected the direction of the Lakeside Laboratory Coordinating Committee, as reported last month.

MOTION: Regent Ahrens moved to (1) approve the FY 2002 final operating budget of \$430,839 for the Iowa Lakeside Laboratory as approved by the Lakeside Laboratory Coordinating Committee, including \$345,239 in general funds to be provided as

follows: University of Iowa \$170,679; Iowa State University \$104,978; and University of Northern Iowa \$69,582; and (2) accept the donation, by Mr. Tom Rierison, of a house to the Laboratory. Regent Becker seconded the motion. MOTION CARRIED UNANIMOUSLY.

(h) Athletics.

Executive Director Stork stated that the largest portion of the budgets came from sports income. The "other" income line was primarily from alumni and foundation support. He noted that this year's budget report included additional background information.

Associate Director Racki referred the Board members to the location of detail of the budgets contained within the meeting materials.

Regent Fisher asked if funds from outside contracts of the coaches is included in the revenue line item. President Coleman responded that those revenues were not included in the University of Iowa's athletic budget. President Geoffroy responded that the outside contract income for Iowa State University's athletic budget was included both as income and as expense.

Regent Fisher noted that internal factors impact revenue, one of which is income from ticket sales. He said he was concerned that it would not take much of a swing to cause a shortfall in revenue in the athletic departments.

President Coleman stated that attendance at the games, and particularly in the big revenue sports like football and basketball, is very important to revenues. She said those revenues are important in funding the non-revenue sports. Universities have to field good teams so that people will come to games. University of Iowa officials project, for the next six to seven years, a rather large increase in conference revenues as well as the NCAA basketball tournament revenues. University officials project that revenues will cover all of the expenses. She noted that Mark Schantz, University General Counsel, has been working closely with Athletic Director Bowsby to achieve efficiencies and control costs within the athletic budget.

Regent Fisher noted that sports income at the University of Iowa was down \$2 million. Vice President True said University officials were conservative in the revenue projections for athletics. In the Big 10 Conference, there is a very generous revenue sharing that tends to smooth out some of the "lumps" in the system.

Regent Fisher asked if University officials were prepared to review expenses if there is a revenue shortfall. Vice President True responded affirmatively. He noted that Mr. Schantz and Director Bowsby have been involved this year with gaining efficiencies from the convergence of men's and women's programs so that more money is available for sports.

Regent Fisher asked if there is a reserve fund in athletics on which to draw in bad years. Vice President True responded that there is not a reserve fund.

Regent Fisher asked what happens with the funds if the University of Iowa experiences a surplus. Vice President True responded that the money would go back into fixing the facilities.

President Geoffroy said he could echo the comments made for the University of Iowa with a few important differences for Iowa State University. The revenue sharing arrangements for the Big 12 Conference are not as lucrative for individual institutions as those for the Big 10 Conference. He believes that University officials can effectively plan an athletics budget for one to two years ahead. He has seen the budget projections and was quite confident they are accurate. If finances become a concern, University officials would enhance marketing and ticket sales efforts. He reminded the Board members that Iowa State University had to cut two sports this year to bring its athletic budget into balance. He said Iowa State University has a small reserve fund for athletics to provide a cushion in case, within a given year, revenues are not as high as projected.

Regent Fisher noted that, due to changes of lifestyle and demographics, not as many young families attend Saturday afternoon games. Those families are going to one game per year rather than buying season tickets. President Geoffroy suggested that was not the case with Iowa State University's women's basketball games.

President Koob stated that the University of Northern Iowa athletics program is in a different league than its sister universities. Its athletics program is generally funded by a three-legged stool: student fees, general funds and foundation support, plus income. It does not have a large amount of revenue sharing dollars and, therefore, is not likely to have wide variations in income. He said University officials reduced two positions within the athletics department. The athletic department has a small coaching staff, who have few opportunities to take vacation. When a coach moves on, the University has to pay a vacation payout on top of hiring a new coach. This will cause a spike in expenses on occasion.

Regent Neil asked about the significant reduction in alumni and foundation support for athletics at the University of Northern Iowa. President Koob said it was the result of

budget optimism from the previous year. Foundation support was reduced to a more realistic figure in the proposed budget. He stressed that it was not a loss of income but, rather, was a loss of the high projected budget.

Regent Fisher said the Regents often receive telephone calls about the salaries of coaches. He questioned whether, from a public relations standpoint, it could be better articulated from where the revenues come to pay the salaries of coaches. President Koob said he thought that suggestion would be more appropriate for the other two universities than for the University of Northern Iowa.

President Newlin asked President Coleman to comment on her involvement with the Knight Commission. President Coleman stated that the Commission members heard from all stakeholders in the athletic community and received a wide array of opinions. Conversation has begun about areas the Commission members believe to be very important. The arms race, which was included in the escalated costs being discussed at this meeting was one of many tough issues. As a consequence of the Knight Commission report, campus executives from the six most-prominent athletics leagues had a meeting with presidential representation from each of those conferences to discuss the issues. The group agreed to meet again to discuss some of the items brought up by the Knight Commission as the basis of a reform agenda. The Knight Commission members believe that, unless the big conferences decide they will pursue the Commission's recommendations, reform will not take place.

Regent Fisher asked if the Knight Commission was a regularly-established body. President Coleman responded that the Commission is funded by the Knight Foundation. The Commission is a body of people who are interested in athletics. It has no governing authority.

Regent Fisher said he hoped that President Coleman and her colleagues would continue to keep the Commission's positions on the "table". He liked what he read of the Commission's report, particularly with regard to academics. He hoped the athletic conferences would implement the recommendations. He also hoped the Knight Commission would continue to study and report to the people of this country. He was astounded at the academic performance of some of the top 10 schools, and said it has to change. He knows that the institutions in Iowa, with the current leadership, will make sure that happens.

President Coleman stated that the support of the Board of Regents has been critical over the years. She was proud of the Board for encouraging the institutions.

Regent Fisher asked from where the opposition was coming. President Coleman said it was a very complicated picture. The coaches say they do not have control. Coaches say that if they do not win, they get fired. Some university presidents say the recommendations will put their universities at a competitive disadvantage. Television representatives say the universities have to be willing to adjust their schedules. There are many stakeholders. In the end, it revolves around money. It is a complicated and difficult situation. She cautioned that they not lose sight of the student in the whole picture.

Regent Neil commended President Coleman for her work and that of the Knight Commission. He said these issues are important to keep in the public eye. He then asked if President Coleman sensed there was a willingness to reduce coaches' salaries.

President Coleman stated that, in the arms race, the issue was how much is spent on salaries and facilities. Universities cannot take collective action to institute caps because of antitrust regulations. The Knight Commission is concerned there has been an escalation of the arms race in the last 5 years. She said Athletic Director Bowsby said the only thing worse than being competitive in the salary race is not

being competitive. It is a vicious cycle. She suggested that discussion take place regarding requesting an exemption from the antitrust law.

Regent Kelly stated that the medical profession received some relief from antitrust, especially in Texas. He asked if there was a group that could privately approach the Justice Department about the antitrust issue.

President Coleman said she believes so. The NCAA tried, in the early-1990s, to address earnings limitations. The NCAA was taken to court and had to pay a \$54 million fine; therefore, the NCAA is wary about doing anything that might get in the way of the antitrust law. Throughout the work of the Knight Commission, she stressed that there are experts on the issue of antitrust on some of the university campuses. She hopes those people will get involved.

President Newlin reminded the Board members that the Board of Regents, in July 1991, adopted the Knight Commission's "one plus three" principle of intercollegiate athletics. In June 1999, the Board reaffirmed its Policy on Athletics and adopted the Statement of Principles identified by the Knight Commission which is detailed as part of the Board's Policy on Athletics in the Regent Procedural Guide. He said the minutes of this meeting should indicate that the Board still supports the affirmation of those principles.

ACTION: President Newlin stated the Board received the report on the FY 2002 athletic budgets for the University of Iowa, Iowa State University and the University of Northern Iowa, by general consent.

(i) Board Office.

Executive Director Stork stated that the proposed FY 2002 operating budget of the Board Office was \$2,008,027 from all funds. Major areas of reduction in budgeted expenditures, as a result of the 6 percent reduction in state appropriations, included travel, supplies and data processing.

Regent Fisher asked if there was a budget item for the executive search firm. President Newlin responded that there was not.

MOTION: Regent Ahrens moved to approve the FY 2002 operating budget of the Board Office in the amount of \$2,008,027 from all funds. Regent Becker seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

OPERATING BUDGET REQUESTS FOR FY 2003.

Associate Director Hendrickson stated that the Board's strategic plan outlines strategies for quality and accountability which include specific action steps related to

appropriations requests. She said the proposed FY 2003 incremental appropriations requests reflect the strategic planning goals of the Board as well as those of the institutions, and are based on continuation of current base operating appropriations. The first recommended priority of the Board and the institutions is full funding of the state's salary policy from state appropriations. Full funding of salaries from state appropriations is necessary for the institutions to be competitive with their peers, to enhance recruitment and retention of excellent faculty and staff, and to advance strategic planning goals.

Institutional incremental requests for FY 2003 operating appropriations, totaling \$16.1 million, are a key component in achieving the strategic plans of the Board and institutions. In addition to the institutions' requests, Associate Director Hendrickson stated that the Board Office requested \$50,000 for quality improvement, and the regional study centers requested approximately \$25,000 for sustaining excellence.

(a) University of Iowa.

President Coleman stated that the top priority of the University of Iowa is full funding for salaries from state appropriations. She said full funding was especially important in a nationally-competitive marketplace. There was a major push at the University 10 to 11 years ago, to make salaries more competitive in the Big 10 because salaries had slipped badly in the late-1980s. Ground has now been lost.

The University's second priority is its Public Health Initiative. The College of Public Health is the University's first new college in 50 years. The College will tackle some difficult problems for the state. A goal of the College of Public Health is to become one of the best rural public health programs in the nation. In fiscal year 2000, the University of Iowa received \$2 million in funding from the state for the College of Public Health. Additional state funding of \$3.0 million is being requested for FY 2003.

President Coleman stated that the third priority of the University of Iowa is the Partnership to Improve Instructional Quality. The funding would be used to maintain library collections; increase access to libraries by digitizing collections; upgrade facilities and equipment in the sciences; and open the Medical Education and Biomedical Research Facility.

ACTION: President Newlin stated the Board considered the FY 2003 operating appropriations incremental requests for the University of Iowa, by general consent.

President Newlin requested that University of Iowa officials proceed with refining its

FY 2003 appropriations request.

(b) Iowa State University.

President Geoffroy stated that Iowa State University's FY 2003 budget continues the priorities for the University of the past several years. He said the appropriation request takes a positive and optimistic approach to what is intended to be accomplished. The appropriations request focuses on two priorities. The first priority is full funding of salaries from state appropriations for nationally competitive faculty and staff. Faculty salaries are at an 11-year low at Iowa State University compared to its peers. In some areas, salaries are significantly below those at peer institutions. Professional & Scientific staff salaries are also low, particularly in the area of information technology. Iowa State University salaries would have to be increased by 6 percent to reach the mean of its peer group.

The second priority of Iowa State University is funding for the Plant Sciences Institute, which President Geoffroy said has the potential to reshape the face of Iowa by generating a carbohydrate-based economy. University officials requested additional state funding of \$5.0 million for the Institute. The University's goal for state funding for the overall initiative is \$10 million per year. University officials have pledged substantial University funding of this effort, as well; however, the most important piece is the state piece. The University's request is to boost the state's investment to the \$10 million level.

President Geoffroy stated that both of Iowa State University's priorities are consistent with the Board's and Iowa State University's strategic plans as well as the Vilsack-Pederson vision for the state of Iowa. He said this was an excellent example of how education and opportunity work hand in hand.

Regent Kelly asked if the Biomass Energy Conversation Facility was included in the appropriation request. President Geoffroy responded affirmatively. He said the biomass activity provides wonderful opportunities to produce energy as well as products such as ethanol.

ACTION: President Newlin stated the Board considered the FY 2003 operating appropriations incremental requests for Iowa State University, by general consent.

President Newlin directed Iowa State University officials to continue to refine the Iowa State University appropriations request for FY 2003.

(c) University of Northern Iowa.

President Koob stated that University of Northern Iowa officials focused on two priorities in the appropriations request. The first priority was full funding of salaries from state appropriations. He said the University has been able to maintain its competitive position by reallocating from the University and by reducing the number of employees. The second priority is to fill in the gap between the strategic plan goal for tenure and tenure-track faculty and the actual number of those faculty.

ACTION: President Newlin stated the Board considered the FY 2003 operating appropriations incremental requests for the University of Northern Iowa, by general consent.

President Newlin directed University of Northern Iowa officials to proceed to refine the FY 2003 appropriations request.

(d) Iowa School for the Deaf.

Superintendent Johnson stated that two priorities in the Iowa School for the Deaf appropriations request were: 1) full funding of salaries from state appropriations, and 2) funding for opening and operation of the Recreation Complex. With regard to salaries, he noted that the School competes for employees on a national basis.

ACTION: President Newlin stated the Board considered the FY 2003 general fund operating appropriations incremental requests for the Iowa School for the Deaf, by general consent.

(e) Iowa Braille and Sight Saving School.

Superintendent Thurman stated that the two priorities of the Iowa Braille and Sight Saving School were: 1) full funding of salaries from state appropriations, and 2) funding for restoration of necessary services resulting from the reduction in state appropriations for FY 2002. He noted that the School has five positions vacant in the outreach program.

ACTION: President Newlin stated the Board considered the FY 2003 operating appropriations incremental requests for the Iowa Braille and Sight Saving School, by general consent.

CAPITAL BUDGET REQUESTS FOR FY 2003.

Executive Director Stork stated that FY 2003 capital budget requests were presented this month for preliminary approval. Final approval was scheduled for September. Board Office representatives will visit with institutional officials in the interim to further refine the recommendations. Institutional officials requested capital funding of \$96.6 million for FY 2003. The preliminary recommendation of the Board Office was just under \$72 million. He said that, in September 2000, the Board approved a FY 2002 capital budget request of \$57.8 million. Institutional officials had requested \$98.7 million. The General Assembly appropriated and the Governor approved funding of \$40.5 million for FY 2002.

President Coleman expressed appreciation for the support the University received this past year. She said the Art History Building Phase I funding begins to address the serious problem of the deteriorating facility. She then expressed appreciation to the

Board Office for staff's willingness to work with University officials on this request. She particularly appreciated that Associate Director Racki came to campus and worked with University officials on the development of the University's capital request.

President Coleman addressed the two projects of the University of Iowa that were represented in the Board Office capital request recommendation. The first was the Classroom/Journalism Building. She said University officials had to cap enrollments because of space limitations for the journalism program. The new facility will enable an expansion of enrollments and the ability to meet better the needs of students. The second project was the Chemistry Building – Renovation/Expansion. The project will expand the originally-planned renovations in that building. She noted that 7,800 students per semester take chemistry courses.

Regent Neil referred to the Journalism Building project and asked if the request was to replace or remodel the facility. President Coleman responded that the request was for a new building.

Regent Neil asked if the existing building would be torn down. President Coleman responded that, at some point, the existing building will be renovated for lower-demand usage.

Regent Neil asked about the building the journalism program currently occupies. Vice President True stated that Seashore Hall currently houses the program. Within the University's 5-year capital plan is a project to raze the building's center section and to restore the portions of the building that are structurally sound. He said all of the building's sections date from the turn of the century. The center section is now "home" to many termites.

President Geoffroy addressed the three capital budget priorities of Iowa State University, noting that he was pleased with their placement in the Board Office recommendation. He said the University's highest priority is to upgrade undergraduate classrooms and auditoriums, a combination of three previously separate requests. The University is investing in new instructional technology; classrooms have to be remodeled to create an environment that supports the technology. He said the second priority for capital funding is planning for an addition to and remodeling of Coover Hall. Coover Hall currently houses the electrical engineering and computer engineering departments. The third priority is a project to renovate and upgrade the livestock units for swine and cattle research.

President Koob expressed appreciation to the Board and to the legislature for support of the University of Northern Iowa's steam tunnel project. With regard to FY 2003 capital appropriations requests, he said the University's number one priority for the next

session is continuation of the remodeling plan for the University campus. He said Seerley Hall and Lang Hall have been renovated. The next building on the quad proposed to be renovated is the East Gym, which would become an Innovative Teaching Center. He noted that the University is developing a one-stop student services center in Gilchrist Hall, consistent with the student-centered emphasis of the University of Northern Iowa. University officials believe there should be a comparable teaching center that would provide a single facility with many different types of learning environments. He then said the University's second priority is planning for the Electrical Distribution Loop System/Load Break Switches project.

Superintendent Johnson stated that Iowa School for the Deaf's capital request was in the area of deferred maintenance.

Superintendent Thurman stated that Iowa Braille and Sight Saving School's capital request was to continue the upgrade of the heating, ventilating and air conditioning systems at the School.

ACTION: President Newlin stated the Board, by general consent, 1) considered the FY 2003 capital improvement requests of the Regent institutions and the Board Office preliminary recommendations of \$71,650,000, which include fire safety and deferred maintenance projects; and (2) considered a preliminary FY 2003 tuition replacement appropriations request of \$25,971,403.

EXECUTIVE SESSION. President Newlin requested that the Board meet in closed session pursuant to Iowa Code §21.5(1)(c) to discuss a matter with counsel which is either in litigation or where litigation is imminent; and upon the request of an employee whose performance was being considered, as provided by Iowa Code §21.5(1)(i).

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

MOTION CARRIED.

The Board having voted at least two-thirds majority resolved to meet in closed session beginning at 4:20 p.m. on July 18, 2001, and adjourned therefrom at 6:15 p.m. on that same date.

PRELIMINARY FIVE-YEAR CAPITAL IMPROVEMENT PLANS, FY 2003-FY 2007.

Executive Director Stork stated that the five-year capital improvement plans were submitted for preliminary consideration only. The following three capital plans for FY 2003-2007 were included: 1) capital program to be funded by capital appropriations or academic building revenue bonds; 2) University of Iowa Hospitals and Clinics program in the amount of \$152.4 million; and 3) capital programs of \$316.3 million for the universities, special schools and Lakeside Laboratory to be funded by other sources of revenue.

Associate Director Racki referred the Board members to details provided in the meeting materials, noting that on the previous day (July 18, 2001) consideration had been given to the fiscal year 2003 capital budget requests.

ACTION: President Newlin stated the Board, by general consent, (1) considered the Board Office preliminary recommendation of \$314.9 million for the five-year state-funded capital program for FY 2003 - FY 2007; (2) considered the five-year program (FY 2003 – FY 2007) of \$152.4 million for the University of Iowa Hospitals and Clinics to be funded by Hospital Building Usage Funds; and (3) received the report on FY 2003 – FY 2007 capital plans of \$316.3 million for the universities, special schools and Lakeside Laboratory to be funded by sources other than capital appropriations, Academic Building Revenue Bonds, or hospital funds.

REPORT ON EARLY RETIREMENT INCENTIVE AND PHASED RETIREMENT PROGRAMS.

Director Wright first addressed the phased retirement program which was initially approved by the Board of Regents in 1982 for faculty and professional and scientific staff. The program allows faculty and staff to transition from work to retirement over a period of time. The Board approved a slightly different phased retirement program for Regent Merit System staff in 1984 consistent with the program for state merit system staff. The programs provide for reduction of appointment time over a maximum of a five-year period with full retirement not later than the end of the fifth year. He said institutional officials feel that this program continues to be an

effective management tool. The program provides for incentives in pay and retirement contributions during the phasing period. The Board Office recommended that the existing phased retirement program be continued through June 30, 2007. Participation in the program continues to be at the discretion of the institution.

Director Wright stated that the early retirement incentive program was first approved by the Board in 1986 for faculty and professional and scientific staff to comply with legislation enacted by the General Assembly. Eligibility for participation in the program was extended to staff of the Regent Merit System effective July 1, 1990. The original program was set to expire on June 30, 1991. The Board approved a one-year extension of the original program through June 30, 1992. After review and evaluation by the Board Office and the institutions, the Board approved a modified program for a five-year period beginning July 1, 1992. In June 1996, the Board continued the program without change through June 30, 2002. He reported on the number of employees who have participated in the program since its inception.

The early retirement incentive program provides incentives in retirement contributions and payment of health, dental and life insurance for approved participants. An institution is not to approve an employee's participation if it is not in the best interest of the institution. Director Wright stated that the Board has previously approved the early retirement incentive program with the direction and understanding that participation in the program is not an employee right, and is subject to institutional approval on a case-by-case basis.

At the June Board of Regents meeting, the Board heard from employee groups and university administrators concerning operation of the early retirement incentive program. University of Iowa officials reported a preference to discontinue the program. With current low unemployment rates, the University needs to replace many of its employees who are approved for participation in the early retirement incentive program, and the highly competitive hiring environment for faculty and staff appears to have diminished the role of the program in meeting institutional management objectives.

Director Wright stated that, last month, Iowa State University officials reported a preference to continue the early retirement incentive program. University officials reported that the program facilitates faculty and staff reduction in an efficient and cost effective manner and contributes to faculty and staff vitality. University of Northern Iowa officials reported that use of the early retirement incentive program was limited and that it was not a vehicle the administration needed at this time. University officials were neutral about continuation of the program.

Director Wright discussed the review process undertaken by the Board Office in consideration of the retirement programs. He referred the Board members to additional information that was provided for the Board's consideration, as requested last month. He then said the Board Office recommended that the current Regentwide early retirement incentive program be discontinued effective June 30, 2002; that employees who meet the threshold requirements for participation in the early retirement incentive program on June 30, 2002, be permitted to apply for participation in the ERIP through June 30, 2004, at the discretion of the appropriate institutional head; that the institutions and Board Office develop, for review and approval by the Board in November 2001, a single set of principles to guide Regent institutions in the development of any

retirement incentive program which may be recommended in the future; and that each institution propose, no later than the Regent meeting in February 2002, any early retirement incentive program it wishes to have in place on July 1, 2002.

President Koob introduced Dan Power, chair of the University of Northern Iowa Faculty Senate, who had requested an opportunity to address the Board.

Mr. Power stated that he was speaking on behalf of Campus Voices, which represented various groups including faculty, professional and scientific employees, AFSCME employees, and supervisory/confidential employees of the University of Northern Iowa. He noted that six representatives of Campus Voices as well as many other University employees were in attendance because they care about this issue. Campus Voices supports the continuation of the current phased retirement program but hopes it would be modified to provide that faculty, Professional & Scientific staff and Merit staff would have the same eligibility requirements. It supports the proposed revision that allows for implementation of new early retirement programs as well as the proposal to extend the current program for two years. He stated that, in the past few weeks, more than 500 faculty and staff have signed a statement supporting the continuation of the early retirement incentive program. Employees believe that the program continues to be a valuable retirement tool. He said retirement is a major life altering decision. The current uncertainty of the retirement program is creating difficult choices for some of his colleagues. Waiting until February 2002 for resolution of the issue would likely increase turnover. He requested that the Board move up the deadline from February 2002 to November 2001 for the institutions to propose any early retirement incentive programs to have in place on July 1, 2002.

MOTION:

Regent Neil moved to (1) Approve continuation of the phased retirement program as currently structured and the requirement of annual reports to the Board through June 30, 2007; (2) Discontinue the current Early Retirement Incentive Program (ERIP) and direct the institutions and Board Office (a) to develop, for review and approval by the Board in November 2001, a single set of principles to guide Regent institutions in the development of any retirement incentive program which may be recommended in the future; and (b) to propose, no later than the Regent meeting in February 2002, an early retirement program for any institution requesting such a program effective July 1, 2002. (3) Authorize each institutional head to exercise discretion as to whether faculty and staff who are qualified for participation in the current ERIP on June 30, 2002, may have two years after expiration of the program in which to

request to participate. Regent Becker seconded the motion. MOTION CARRIED UNANIMOUSLY.

INTERIM UNIT COST STUDY REPORT.

Director Elliott stated that, last year, during discussion of the biennial report on unit cost of instruction, the Board requested an interim report with comparative data. She said no common data base for the unit cost of instruction, comparable to the Regent unit cost of instruction, is available. She provided examples of the variables that make comparison difficult. The diverse nature of higher education institutions, for example, presents significant challenges in any comparative research. Higher education institutions vary in size and include public, private, comprehensive, research, two-year, four-year, broad-based curriculum, and singular-focus curriculum institutions. There are wide disparities in expenditure levels between and among different instructional levels and disciplines. For example, courses in the "hard" sciences are typically more expensive to offer than courses in the humanities or social sciences. Allocations of costs among teaching, research, and service are difficult to determine and equally hard to understand and discuss.

Regent Fisher asked for clarification of the Regent unit cost of instruction and the variable cost of instruction. Director Elliott responded that the Regent unit cost is broken down into variable cost and fixed cost. Variable costs change in proportion to the number of students. Fixed costs remain stable within a reasonable enrollment range.

President Newlin stated that, in the future, it should be possible for the Board to receive information on variable cost, fixed cost and then a sum of the two that would be the total. Director Elliott said the Board Office would see what could be done in that regard.

Regent Becker noted that the fixed costs were identified as 1999 figures and asked if more current information was available. Director Elliott said that was a typographical error. It should have read "2000".

President Newlin highlighted the following which were contained in the meeting materials. He said calculations must be made on an FTE basis, not on the total number of students. Professional curricula are much more expensive than liberal arts education. Lower division (freshmen and sophomore) education costs are markedly different than upper division (junior and senior) costs. He stressed the importance of those differences, noting that, in the past, calculations had not taken those factors into consideration.

Director Elliott said there are some differences, even in the first two years, in the expense of each curriculum. The unit cost information presented an aggregate of all of the costs for freshmen and sophomores.

Executive Director Stork stated that the unit cost study is an attempt to estimate the cost of instruction on a unit basis and should not be confused with the methodology used by the state to fund the Regent institutions. Some sectors of education are funded on a per pupil basis. Confusion can occur in the legislative process when comparing the method of funding public higher education with the funding method of other educational sectors.

Regent Neil asked if the Regents were inadvertently creating information that does not compare favorably. President Newlin responded that this calculation is better than calculations that have been done by other sources.

Regent Neil cautioned that others might use this information and use it any way they want. Executive Director Stork stated that the cost comparison has been utilized by the Board of Regents since 1969. He stressed that this was never intended to be a methodology to be used to indicate how the legislature should fund the Regent institutions. The Board Office is trying to do a more careful job of explaining what this means. Hopefully, legislators would not try to use this in a funding situation because it is not the same.

President Koob pointed out that the state of Iowa has one of the highest student FTE counts of any state in the nation (15-1/2 credit hours per semester). If the Board of Regents was to use the federal definition of 12 credit hours per semester for FTE, the cost per student would decline by that percentage.

ACTION: President Newlin stated the Board received the interim unit cost study, by general consent.

INSTITUTIONAL ROADS PROGRAM.

Associate Director Racki said the funds for the institutional roads program are provided by the Iowa Department of Transportation. Currently, 65/100 of one percent of the Road Use Tax Fund is allocated to the program, which provides funds for both capital projects and routine maintenance. The total estimated funding available for calendar year 2002 is \$2,129,000.

MOTION: Regent Fisher moved to (1) approve the recommended five-year institutional roads program with capital projects totaling \$8,500,000 for calendar years 2002 through 2006, including projects totaling \$1,700,000 for 2002; and (2) receive the list of identified, unfunded institutional

roads needs at the Regent institutions totaling \$28,106,699. Regent Neil seconded the motion. MOTION CARRIED UNANIMOUSLY.

BOARD OFFICE PERSONNEL TRANSACTIONS.

ACTION: The personnel transactions, which included the following item, were approved on the consent docket: Termination: Kimberly Halverson, Clerk III, effective June 21, 2001.

APPROVAL OF VENDORS WITH A POTENTIAL CONFLICT OF INTEREST.

ACTION: This matter was approved on the consent docket.

BOARD MEETINGS SCHEDULE. The Board Office recommended the Board approve the Board meetings schedule.

September 12-13, 2001	University of Iowa	Iowa City
October 17-18, 2001	Iowa State University	Ames
November 14-15, 2001	University of Iowa	Iowa City
December 12-13, 2001	West Des Moines Marriott Hotel	W. Des Moines
January 16, 2002	Telephonic Conference Call	
February 20-21, 2002	University of Northern Iowa	Cedar Falls
March 13-14, 2002	Iowa State University	Ames
April 17-18, 2002	Iowa School for the Deaf	Council Bluffs
May 15, 2002	Iowa Braille and Sight Saving School	Vinton
May 16, 2002	University of Iowa	Iowa City
June 19-20, 2002	Iowa State University	Ames
July 17-18, 2002	University of Northern Iowa	Cedar Falls
September 18-19, 2002	University of Iowa	Iowa City
October 16-17, 2002	University of Northern Iowa	Cedar Falls
November 13-14, 2002	Iowa State University	Ames
December 18-19, 2002	(To be determined)	Des Moines
January 15, 2003	Telephonic Conference Call	
February 19-20, 2003	University of Iowa	Iowa City
March 12-13, 2003	Iowa State University	Ames
April 9, 2003	Iowa Braille and Sight Saving School	Vinton
April 10, 2003	University of Northern Iowa	Cedar Falls
May 21-22, 2003	University of Iowa	Iowa City
June 18-19, 2003	Iowa School for the Deaf	Council Bluffs
July 16-17, 2003	University of Northern Iowa	Cedar Falls

September 17-18, 2003	Iowa State University	Ames
October 15-16, 2003	University of Iowa	Iowa City
November 12-13, 2003	University of Northern Iowa	Cedar Falls
December 17-18, 2003	(To be determined)	Des Moines

ACTION: The Board meetings schedule was approved on the consent docket.

PRESENTATION ON 21ST CENTURY LEARNING.

Provost Podolefsky stated that this was the third of six presentations on information technology arranged by the Interinstitutional Committee on Educational Coordination. He said he was confident that the Board members were already aware of how information technology has affected institutional missions. It is challenging to find the proper balance. Information technology is costly. He then noted that, in 2000, the University of Northern Iowa was awarded an honorable mention from Educause for excellence in campus networking.

Garry Bozylinsky, Associate Vice President for Academic Affairs and Chief Information Officer, University of Northern Iowa, provided a presentation on information technology initiatives of the University. The In-Time Project provides students with an opportunity to view a website containing strong pedagogical mapping of student needs and faculty interaction. Faculty workshops on information technology are available and include Web CT. The 21st Century Learning Initiative provides digital content to Iowa K-12 schools. Associate Vice President Bozylinsky provided an example of a student portal that students can access on the University's Website.

Regent Becker asked if it was possible to provide student counseling through use of the student portal. Associate Vice President Bozylinsky responded affirmatively, and noted that there is a section on healthy living and a link to the Wellness Center. Students can also email counselors.

Regent Becker asked about academic advising through the student portal. Associate Vice President Bozylinsky said academic advising is one of the items available on the portal. He noted that a campus advisory committee helped to design the student portal.

Regent Becker asked if advisors have Web cam technology that allows responses to be sent on video. Associate Vice President Bozylinsky responded that the University has the technology but it is not being offered through the counseling center.

Regent Nieland asked about the student portal link to Yahoo as opposed to other search engines. Associate Vice President Bozylinsky responded that the student portal used for this demonstration was an example of how an individual could create his/her own personal links. The person who designed the sample student portal linked to Yahoo. Students can customize their own links.

Regent Kelly stated that he supports what is being done but felt the information should not go unchallenged. He questioned how to separate, within the materials, the correct opinion from myth. Associate Vice President Bozylinsky responded that Regent Kelly's point underscored the importance of involving faculty in designing the courses to ensure there is a critical thinking component.

President Newlin thanked Associate Vice President Bozylinsky for the presentation.

President Newlin then asked if there were additional general or miscellaneous items for discussion.

SETTING OF SALARIES OF INSTITUTIONAL HEADS FOR FY 2002.

MOTION:

Regent Neil moved that, in recognition of the market that exists for institutional heads as the Board determined in its recent search for a President of Iowa State University, which resulted in hiring President Geoffroy at a fiscal year 2002 salary of \$275,000, and in recognition of the leadership demonstrated by the heads of the Regent institutions, the Board set the salaries of other institutional heads, as follows:
President Coleman, State University of Iowa, \$275,000; President Koob, University of Northern Iowa, \$216,660; Superintendent Johnson, Iowa School for the Deaf, \$105,000; and Superintendent Thurman, Iowa Braille and Sight Saving School, \$96,400. Regent Fisher seconded the motion.
MOTION CARRIED UNANIMOUSLY.

STATE UNIVERSITY OF IOWA

The following business pertaining to the University of Iowa was transacted on Wednesday and Thursday, July 18 and 19, 2001.

REGISTER OF PERSONNEL TRANSACTIONS.

ACTION: The Register of Personnel Changes for May 2001 was approved on the consent docket.

CHANGE NAME OF PHYSICAL THERAPY GRADUATE PROGRAM TO THE GRADUATE PROGRAM IN PHYSICAL THERAPY AND REHABILITATION SCIENCE.

ACTION: This matter was approved on the consent docket.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS.

Vice President True stated that he wished to bring to the Board's attention several projects included in the University's capital register. The first was permission to proceed with project planning and the architectural selection process for the Melrose Avenue Parking Facility Expansion project, which would expand the Melrose Avenue Parking Facility located along the north side of Melrose Avenue between the Field House and the Pomerantz Pavilion. He said there was a need to increase patient and visitor parking for the University of Iowa Hospitals and Clinics.

President Newlin asked where the expansion would take place. Vice President True said the exact location in relation to the buildings was still being discussed.

Vice President True said there were two residence system projects included on the capital register. Included was the program statement for the Burge Residence Hall—Remodel Food Service Area, which would remodel the space to create a “marketplace” food service area similar to the recently-remodeled space in Hillcrest Residence Hall. The second project was the schematic design and the project description and budget for the Hillcrest Residence Hall—Construct Reception Area and Modify Student Rooms project, which would relocate the main building reception and information desk, and managerial offices to the rotunda area adjacent to the primary entrance.

The final project highlighted by Vice President True was the program statement and engineering agreement with Shive Hattery for the Medical Laboratories—Cancer Biology and Immunology Renovation project, which would remodel spaces and create state-of-the-art research laboratories for the Department of Pathology to carry out research in cancer biology and immunology.

Regent Neil referred to the request for approval of a revised budget and construction award for the Old Capitol—Exterior Repairs, and asked why the project had to be bid twice. Vice President True responded that, both times the project was bid, the prices came in shockingly high. He said the cost was hard to predict because of the construction materials. University officials do not want to lose this construction season and believe it is important to revise the project budget so that essential portions of the work can begin immediately. He noted that Old Capitol is a major attraction and University officials have a duty to maintain the building. University officials are seeking financial partners with external foundations.

MOTION: Regent Neil moved to approve the Register of Capital Improvement Business Transactions for the University of Iowa, as presented. Regent Nieland seconded the motion. MOTION CARRIED UNANIMOUSLY.

APPROVAL OF LEASES.

MOTION: Regent Neil moved to approve lease agreements with AudioNet International, LLC; AMRI Biocatalysis Division (formerly EnzyMed); and Optimal Electronics Corporation for their use of business incubator space in the Technology Innovation Center at the Oakdale Campus; and a lease agreement with M & L Partners for storage space for building materials and equipment for use by the University of Iowa Hospitals and Clinics. Regent Fisher seconded the motion, and upon the roll being called, the following voted:
AYE: Becker, Fisher, Kelly, Neil, Newlin, Nieland.

NAY: None.

ABSENT: Ahrens, Arbisser, Turner.

MOTION CARRIED.

PROPERTY ACQUISITIONS.

Vice President True presented this matter on behalf of the University of Iowa. He said University officials requested approval to purchase three properties which are located at 701 and 707 Melrose Avenue, and 430 North Clinton Street, in Iowa City. The sale of the properties on Melrose Avenue is timely because the University has needs in that area of campus. One such need is for housing for faculty who are visiting for short periods of time. The housing market is very tight in the Iowa City-Coralville area. The Melrose Avenue properties are in good condition and will be used for housing or alternatively, depending on their configuration, for other important university functions.

The property located at 701 Melrose Avenue consists of a 1,500 square foot, one-story frame house in average condition on a 21,900 square foot lot. The adjacent property located at 707 Melrose Avenue consists of a 1,600 square foot, two-story frame house in average condition on a 19,800 square foot lot. The properties are located on the south side of Melrose Avenue directly to the south of the Pomerantz Family Pavilion. The purchase price for the two properties of \$155,000 and \$185,000, respectively, is consistent with Board policy for the purchase of property. The purchase agreements for the properties were reviewed by the Attorney General's Office and were recommended for approval.

Vice President True said the property at 430 North Clinton Street is a parking lot. University officials intend to use the property as a site for the Shambaugh House. The Shambaugh House is currently located about three blocks away on Clinton Street on the site for the new Careers Center and Honors Building. The property consists of approximately 9,000 square feet, including a parking lot of approximately 6,000 square feet, at the southeast corner of the intersection of Fairchild and North Clinton Streets on the east campus. The property is located directly to the east of the Currier residence hall. The purchase price for the property of \$360,000 is consistent with Board policy for the purchase of property. The purchase agreement for the property was reviewed by the Attorney General's Office and was recommended for approval.

MOTION:

Regent Fisher moved to approve the purchase of properties located at 701 Melrose Avenue and 707 Melrose Avenue, Iowa City, Iowa, from the Synod

of Lakes and Prairies of the Presbyterian Church, at the purchase price of \$155,000 and \$185,000, respectively, effective September 14, 2001, subject to approval by the Executive Council of Iowa. Regent Kelly seconded the motion, and upon the roll being called, the following voted:
AYE: Becker, Fisher, Kelly, Neil, Newlin, Nieland.
NAY: None.
ABSENT: Ahrens, Arbisser, Turner.

MOTION CARRIED.

MOTION:

Regent Fisher moved to approve the purchase of property located at 430 North Clinton Street, Iowa City, Iowa, from the First Baptist Church, at the purchase price of \$360,000, effective August 14, 2001, and approval of the property purchase by the Executive Council of Iowa. Regent Kelly seconded the motion, and upon the roll being called, the following voted:
AYE: Becker, Fisher, Kelly, Neil, Newlin, Nieland.
NAY: None.
ABSENT: Ahrens, Arbisser, Turner.

MOTION CARRIED.

President Newlin then asked Board members and institutional officials if there were additional items for discussion pertaining to the University of Iowa. There were none.

IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was transacted on Wednesday and Thursday, July 18 and 19, 2001.

REGISTER OF PERSONNEL CHANGES.

ACTION: The Register of Personnel Changes for June 2001, which was approved on the consent docket, included the appointment of Gregory Geoffroy as President of Iowa State University, effective July 1, 2001.

PROPOSAL FOR AN UNDERGRADUATE MINOR IN EMERGING GLOBAL DISEASES.

ACTION: This matter was referred on the consent docket.

PROPOSAL FOR CHANGE IN THE NAME OF THE MASTER'S PROGRAM IN ENGLISH WITH A SPECIALIZATION TO THE MASTER OF ARTS IN TEACHING ENGLISH AS A SECOND LANGUAGE/APPLIED LINGUISTICS.

ACTION: This matter was approved on the consent docket.

PROPOSAL FOR CHANGE FROM A JOINT PH.D. PROGRAM TO AN INDEPENDENT PH.D. PROGRAM, AND A CHANGE IN NAME FOR BOTH THE PH.D. AND MASTER OF SCIENCE PROGRAMS TO FOODSERVICE AND LODGING MANAGEMENT.

ACTION: This matter was referred on the consent docket.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS.

Vice President Madden presented the capital register on behalf of Iowa State University. Projects brought forward this month included a project description and budget for the Extension 4-H Youth Building which would construct a new building to accommodate a number of University extension and 4-H programs. A project description and budget for

the Utilities Infrastructure-College of Business Building, which would extend utility services, including electrical, steam, compressed air, and chilled and domestic water, to the College of Business Building site, was also included on the capital register. He said there were also a number of minor projects in the register.

Regent Neil asked for the domicile of the architectural and engineering firms included on the capital register. Vice President Madden stated that Brooks Borg Skiles is from Des Moines. Smith Metzger is an Iowa firm. Flad and Associates of Wisconsin is one of the few firms in the country that specializes in veterinary medicine clinics.

Regent Becker referred to the Telecommunications - Inside Plant Systems Upgrade project and asked if the upgrade was part of the change to wireless technology. Vice President Madden responded that the project was an upgrade of the basic cable system on the campus to provide high-speed access.

President Newlin noted that over one-half of the money for the 4-H project was from private gifts. Vice President Madden agreed, and said Vice Provost Johnson had been aggressive in the fund-raising efforts.

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

APPROVAL OF LEASES AND EASEMENTS.

MOTION: Regent Neil moved to approve easement agreements with the City of Ames for a bike path on the Iowa State University campus, east of Elwood Drive, and an electric substation and water pumping substation at the southeast corner of Mortenson Road and State Avenue in Ames; a lease agreement extension with Dayton Road Development Corporation for office space used by Iowa State University's Small Business Development Center; a lease renewal with Indian Hills Community College (Ottumwa) for office

space to be used by the Iowa State University Extension Service for the Area Extension Office/ Outreach Center; and a lease agreement with Ramaanchar Technologies for its use of business incubator space in the Iowa State Innovation System (ISIS) at the ISU Research Park. Regent Fisher seconded the motion, and upon the roll being called, the following voted:
AYE: Becker, Fisher, Kelly, Neil, Newlin, Nieland.
NAY: None.
ABSENT: Ahrens, Arbisser, Turner.

MOTION CARRIED.

President Newlin then asked Board members and institutional officials if there were additional items for discussion pertaining to Iowa State University. There were none.

UNIVERSITY OF NORTHERN IOWA

The following business pertaining to the University of Northern Iowa was transacted on Wednesday and Thursday, July 18 and 19, 2001.

TOUR OF EARLY CHILDHOOD CENTER IN WATERLOO, IOWA.

Assistant Professor Betty Zan led the tour. She said the Early Childhood Center building project cost \$2 million, all of which came from gifts to the Foundation. The building is a University of Northern Iowa Foundation project which was a design-build, fast-track project. The facility will be operated in conjunction with the Waterloo school system and the students will come from that system. The building is owned by the University Foundation and is on land leased from Allen College which is located in a lower income community. Jennifer Hartman will be the director of the school.

The Center will serve three- and four-year-olds as well as kindergarten and first grade students. Enrollment is limited to those who live or whose parents work within one mile of the Center. There are four classrooms, each of which contains fixtures lowered to the appropriate height for the students. Assistant Professor Zan stated that the Waterloo school system pays tuition for the kindergarten and first grade students and Head Start pays the tuition for twenty of the younger children. Classes begin on August 23. She said the Early Childhood Center is a unique collaboration. Allen College and Allen Health Systems are major collaborators. The Center will include a nurse's suite with the nurses to be provided by Allen College, a kitchen, and a teacher work room. The sick bay will include pilot electronic record keeping, modeled after the John Deere Clinic. Waterloo schools is providing a teacher to serve children with various disabilities and a full-time special educator for the teachers. University of Northern Iowa students will utilize the Center for field experiences. Early childhood teachers must be prepared to serve all students up through eighth grade. She noted that the University of Northern Iowa prepares more early childhood teachers than all other colleges in the state combined.

No state taxpayer funding is involved in the project. A federal grant paid for the technology. Bill Calhoun of the University of Northern Iowa Foundation said the fund-

raising effort had been fabulous. The Foundation raised just over \$2 million and had received another \$1 million gift to assist with operating expenses.

Assistant Professor Zan said the Center will receive tuition payments from families that are not low income. Twelve slots will be reserved for three- and four-year-olds whose families pay the full tuition. Tuition is \$525 per month for full-time care of three- and four-year-olds. Parents can also elect before- and after-school care for kindergarten and first-grade children for \$250 per month.

The classrooms are set up for research on best practices and curriculum development. Observation booths with one-way glass are built into all four of the classrooms. There will be VCRs in the observation booths. Two ceiling-mounted video cameras are in each classroom as well as numerous microphones. Each camera will have a digital tape recorder. A teacher can call the control room from the classroom telephone and request a particular location in the classroom be recorded.

Regent Fisher asked who owns the Early Childhood Center. Assistant Professor Zan responded that the Foundation owns the building and the Regents Center for Early Childhood Development is responsible for the programming.

Assistant Professor Zan then described how Dean Switzer's dream to build a state-of-the-art early childhood center had become a reality. A goal in designing the building was to make it homey, nurturing, warm and inviting. Assistant Professor Zan referred to an octagonal area on the lobby floor which contained a quilt pattern and said the pattern is repeated throughout the building. An individual is making doll quilts to go in the "pretend area". There are display cabinets for children's art work; the children will decorate the school.

The Early Childhood Center also provides a parent education program while Head Start provides a full-time family social worker. Center staff will work closely with the families. John Deere provided funding for the family room. One business partner is lined up to work with the children and Assistant Professor Zan hoped to find other partners. There is a fire station across the street with which she hoped the Center would develop a close relationship.

President Newlin asked about the relationship between the University of Northern Iowa and Allen Community Hospital. President Koob stated that the Early Childhood Center was the result of several dreams converging. There is an interest by the federal government in early childhood education. Senator Harkin held a hearing at the University of Northern Iowa's laboratory school. He challenged University officials to provide a similar environment in a real-world mixed-income community setting. An alum of the University of Northern Iowa with an explicit interest in early childhood education

indicated that she would be interested in making a donation. University officials approached the Waterloo schools to see if there was an interest in having the early childhood school attached to one of its buildings. The corresponding bond issue failed. In the meantime, the McElroy Trust had made a commitment to early childhood education, but could not find an appropriate project until trust officials heard about the University of Northern Iowa's proposal for an Early Childhood Center. Allen College officials were then contacted about a site for the Center. He said this was the most elaborate collaboration he has ever seen in the community of Waterloo.

The Board members then toured the 4-year-old classroom which contained in excess of 1,000 square feet of space. Assistant Professor Zan said there was a desire to provide the children with lots of space in which to be very active. She noted that children can become aggressive if they are too crowded. She pointed out cooking facilities in the classroom and stated that the children in the Early Childhood Center will cook, even as young as three years old. University officials spent a great deal of time researching how to design an early childhood center. Classrooms have in-floor radiant heat which makes the floors very warm. Young people spend much time on the floor. There are separate playgrounds for the 3- and 4-year-olds, and kindergarten and first graders. Children move smoothly between inside and outside. Window blinds are enclosed in between the panes of glass so no cords are exposed. There are two restrooms in each classroom, one of which is fully handicapped accessible.

Professor Zan provided an example of the Center's project-oriented curriculum, and how daily activities may revolve around a particular theme. The observation booths are raised up allowing for drawers underneath. The drawers pull out for storing cots. An office for the teacher is located adjacent to each classroom.

The playgrounds will be completely handicapped accessible and will include raised beds for gardening. The playgrounds are part of the educational program. Materials for the playground will be a combination of grass, wood and carpet, with concrete paths for tricycles. Early Childhood Center officials collaborated with the National Program for Playground Safety on the playground design and have also traveled to look at other playgrounds. Special Assistant to the President Geadelmann explained that the National Program for Playground Safety is headed by University of Northern Iowa Professor Donna Thompson. She said the State of Hawaii has adopted the national program's standard for all of the playgrounds in that state.

Professor Zan stated that Early Childhood Center officials hope to expand the school to serve children age zero through third grade. She said there is a desire to provide teacher education and professional development for which funding is currently being sought. Teachers would be brought to the Early Childhood Center for professional development, with extended follow up provided in the teachers' classrooms.

President Newlin thanked everyone for the informative tour.

REGISTER OF PERSONNEL TRANSACTIONS.

ACTION: The Register of Personnel Changes for May 2001 was approved on the consent docket.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS.

Vice President Dell presented the capital register on behalf of the University of Northern Iowa. She said the first item was the schematic design for the Maucker Union/Center for Multicultural Education.

Vice President Romano stated that University officials believe the Maucker Union/Center for Multicultural Education project represents a significant advancement in student life and student services at the University of Northern Iowa. She discussed the purpose of the project, and then introduced University officials involved with the project, as well as the architectural team from InVision Architecture.

Mr. Broshar, Architect in Charge, provided a PowerPoint presentation of the schematic design. He discussed the current Maucker Union building, the three proposed additions to the building, and the renovation to the existing building. The grass area to the east of the building will be maintained. There will be a new loading dock. He reviewed the floor plans of each level. The Board members were presented with a handout that showed two alternative skins for the east addition.

Regent Becker noted there was a large amount of glass on one of the new sections and asked if the use of the materials would create problems with heating and cooling the facility. Mr. Broshar responded that sunscreens were being used to provide solar shading.

President Newlin asked about the ratio of male-to-female restrooms. Mr. Broshar responded that, in the new areas, female restrooms were 63 percent to male restrooms of 37 percent.

President Newlin said he did not think those percentages meet the Board's standard. Mr. Broshar stated that, based on the Universal Building Code and the Iowa Code, the number of restrooms was greatly in excess of the minimum requirements.

Regent Neil said the Board of Regents favors restroom ratios of 2-1/2-to-1, female-to-male. Mr. Broshar said that requirement could be accommodated.

Mr. Broshar then discussed the project construction cost (\$9.25 million), budget details and the anticipated two-year construction period.

Regent Nieland said the labeling of the building was interesting. She asked if there is a hierarchy of signs since the project contains the names of the Maucker Union and the Center for Multicultural Education. Mr. Broshar responded that the Center for Multicultural Education will be located at the Maucker Union but it will retain its own identity. Vice President Romano said the Center for Multicultural Education is within the Maucker Union. The Center's identity is very important because it plays a strong role in recruiting and retaining students of color.

Regent Fisher referred to the handout of the two alternative skins for the east addition and expressed his personal preference for the brick material. He then asked if the cost of the tunnel is expensive.

Mr. Broshar said the tunnel is expensive. He hoped to be able to achieve both the tunnel and southeast entrance. At present, those project elements have been identified as alternates. Brad Leeper, Project Architect, said the tunnel was estimated to cost \$600,000 to \$700,000.

Regent Fisher questioned the practicality of the inclusion of a tunnel. Vice President Romano stated that University officials believe the tunnel will help bring students into the Union and enhance the ability to reach more people.

Mr. Broshar stated that the tunnel will provide a link to Lang Hall.

Regent Kelly stated that he agreed with Regent Fisher about the external appearance of the addition. He then asked about the security of people traveling through the underground tunnel.

Mr. Broshar stated that the control of the tunnel needs to be looked at closely. Assuming the tunnel is well used, well lit, and situated between three occupied buildings, he said security should not be an issue.

Vice President Romano stated that University officials would have to be cognizant of security in the design of the tunnel. Being a high-traffic area would minimize the security risk. President Koob said walking in the tunnel would be no different than walking in a hallway in any of the University's buildings. The tunnel location was chosen to move students between the highly-occupied Lang Hall and the coffee house area of the Maucker Union. A major issue for students is having access to the Lang

Hall Auditorium; having a “hallway” between the coffee house and the auditorium was a high priority for students.

Regent Becker encouraged University officials to proceed with the tunnel because usability of the auditorium will be much greater if there is a tunnel. She thinks the issue of safety is real. The addition of monitored video cameras or closing the tunnel during certain hours may address those concerns.

President Newlin stated that Board members would have an opportunity to discuss it again when the contract is brought back to the Board for approval.

President Newlin then asked if there was consensus that the Board members prefer the brick façade. The Board members agreed that they preferred the brick.

Regent Neil asked if the mechanicals are all located inside the facility. Mr. Broshar responded affirmatively.

Regent Neil asked if it would be possible to eliminate the flat roof. Mr. Broshar said there would be the appearance of a flat roof but the roof would be sloped to drain. The “flat” roof cannot be eliminated very easily. The concern would be maintaining the character of the existing building.

Regent Neil asked if there are as-built blueprints of the Maucker Union. Director Mikkelsen responded affirmatively.

Regent Neil expressed opposition to the large amount of windows to the west. Mr. Broshar said the amount of windows could certainly be studied.

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

APPROVAL OF LEASES.

MOTION: Regent Neil moved to approve a lease agreement with the City of Waverly, Iowa, for space to be used by the UNI Ag-Based Industrial Lubricants (ABIL) Research Program; and a lease amendment with the Team Property Management, L.C., for an additional 900 square feet of office

space for use by the Iowa Waste Reduction Center. Regent Fisher seconded the motion, and upon the roll being called, the following voted:
AYE: Becker, Fisher, Kelly, Neil, Newlin, Nieland.
NAY: None.
ABSENT: Ahrens, Arbisser, Turner.

MOTION CARRIED.

President Newlin then asked Board members and institutional officials if there were additional items for discussion pertaining to the University of Northern Iowa.

Provost Podolefsky introduced the new Dean of the College of Natural Sciences, Dr. Kichoon Yang. President Newlin welcomed Dr. Yang.

IOWA SCHOOL FOR THE DEAF

The following business pertaining to the Iowa School for the Deaf was transacted on Wednesday and Thursday, July 18 and 19, 2001.

REGISTER OF PERSONNEL CHANGES.

ACTION: The Register of Personnel Changes for June 2001, which contained the following item, was approved on the consent docket: appointment of Deb LeHeup as Director of Human Resources effective July 1, 2001, at an annual salary of \$43,500.

APPROVAL OF ISD STRATEGIC PLAN.

Superintendent Johnson stated that presentation of the School's strategic plan was delayed as the School went through an accreditation process. The written accreditation report, which will be presented to the Board of Regents in September, was complimentary of the school. With regard to the strategic plan, Superintendent Johnson said the new plan is more focused and the format is different. The benchmarks are included with the activities, strategies and objectives to be pursued. He said he would appreciate the Board's approval of the strategic plan, as presented, for the next five years, and noted that an update would be provided in November.

Regent Fisher stated that Superintendent Johnson had expressed concern in the recent past about two areas: 1) improving reading scores and 2) enhancing the transitional program for students going into postsecondary education. He asked how School officials plan to evaluate those areas over the years.

Superintendent Johnson stated that an off-campus program employee with reading specialization was brought back on campus to assistant faculty in focusing on student reading. He described several measurements for reading. The Stanford Achievement Test provides measurements that compare deaf students to non-deaf students, and also compare deaf students as a separate group. The Northwest Education

Association's Criterion Reference Testing provides information on what the individual student is learning.

President Newlin asked for an example of a strategy or benchmark in the new strategic plan for continuing skill improvement. Superintendent Johnson stated that reading skills is the greatest emphasis. School officials want students to increase their reading skills by a specific percentage every year. There will be an indication every year of how students are doing.

President Newlin expressed appreciation and congratulations to the Iowa School for the Deaf Advisory Committee, staff and School officials on incorporating benchmarks with the objectives.

MOTION: Regent Becker moved to approve the Iowa School for the Deaf strategic plan for 2001-2006. Regent Nieland seconded the motion. MOTION CARRIED UNANIMOUSLY.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS.

Superintendent Johnson stated that the capital register was in order.

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

APPROVAL OF LEASE.

MOTION: Regent Neil moved to approve a new lease with Loess Hills Alliance for its use of office space on the School's campus. Regent Fisher seconded the motion, and upon the roll being called, the following voted:
AYE: Becker, Fisher, Kelly, Neil, Newlin, Nieland.
NAY: None.
ABSENT: Ahrens, Arbisser, Turner.

MOTION CARRIED.

President Newlin then asked Board members and institutional officials if there were additional items for discussion pertaining to the Iowa School for the Deaf. There were none.

IOWA BRAILLE AND SIGHT SAVING SCHOOL

The following business pertaining to Iowa Braille and Sight Saving School was transacted on Wednesday and Thursday, July 18 and 19, 2001.

REGISTER OF PERSONNEL CHANGES.

ACTION: The Register of Personnel Changes for May 2001 was approved on the consent docket.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS.

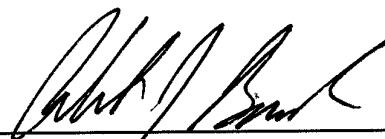
Superintendent Thurman stated that the capital register was in order.

MOTION: Regent Neil moved to approve the Register of Capital Improvement Business Transactions for the Iowa Braille and Sight Saving School. Regent Becker seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

President Newlin then asked Board members and institutional officials if there were additional items for discussion pertaining to the Iowa Braille and Sight Saving School. There were none.

ADJOURNMENT.

The meeting of the Board of Regents, State of Iowa, adjourned at 11:50 a.m. on Thursday, July 19, 2001.



Robert J. Barak
Interim Executive Director