

The Board of Regents, State of Iowa, met on Wednesday and Thursday, July 17 and 18, 2002, at the University of Northern Iowa, Cedar Falls, Iowa. The following were in attendance:

	<u>July 17</u>	<u>July 18</u>
<u>Members of the Board of Regents, State of Iowa</u>		
Dr. Newlin, President	All sessions	All sessions
Dr. Arbisser	Excused	Excused
Ms. Arnold	All sessions	All sessions
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	Excused at 1:45 p.m.
Dr. Turner	By telephone	By telephone until 12:00 p.m.
<u>Office of the Board of Regents, State of Iowa</u>		
Executive Director Nichols	All sessions	All sessions
Director Barak	All sessions	All sessions
Director Elliott	Excused	All sessions
Director Wright	All sessions	All sessions
Associate Director Hendrickson	Excused	All sessions
Associate Director Kniker	Excused	All sessions
Associate Director Racki	Excused	All sessions
Minutes Secretary Briggie	All sessions	All sessions
<u>State University of Iowa</u>		
President Coleman	All sessions	All sessions
Interim President-Designate Boyd	Excused	All sessions
Provost Whitmore	Excused	All sessions
Vice President Kelch	Excused	Arrived at 11:35 a.m.
Vice President True	Excused	All sessions
Interim Director Rice	Excused	All sessions
Director Parrott	Excused	All sessions
General Counsel Schantz	Excused	Excused at 12:00 p.m.
<u>Iowa State University</u>		
President Geoffroy	Excused	All sessions
Interim Provost Allen	Excused	All sessions
Vice President Hill	Excused	All sessions
Vice President Madden	Excused	All sessions
Assistant to President Chidister	Excused	All sessions
Director McCarroll	Excused	All sessions
Director Steinke	Excused	All sessions
Associate Director Baumert	Excused	All sessions
<u>University of Northern Iowa</u>		
President Koob	Excused	All sessions
Provost Podolefsky	Excused	All sessions
Vice President Romano	Excused	All sessions
Vice President Schellhardt	Excused	All sessions
Special Assistant to the President Gadelmann	Excused	All sessions
<u>Iowa School for the Deaf</u>		
Superintendent Johnson	Excused	Excused at 1:34 p.m.
Director Heuer	Excused	Excused at 1:34 p.m.
Interpreter Reese	Excused	Excused at 1:34 p.m.
<u>Iowa Braille and Sight Saving School</u>		
Superintendent Thurman	All sessions	Excused at 1:34 p.m.
Director Woodward	Excused	Excused at 1:34 p.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 was transacted on Wednesday, July 17, 2002.

EXECUTIVE SESSION. President Newlin requested that the Board meet in closed session to conduct a strategy meeting of a public employer for collective bargaining pursuant to Iowa Code §20.17(3); upon the request of employees whose performance was being considered, pursuant to Iowa Code §21.5(1)(i); and, to discuss a matter with counsel which is either in litigation or where litigation is imminent, pursuant to Iowa Code §21.5(1)(c).

MOTION: Regent Fisher moved to enter into closed session.
Regent Becker seconded the motion, and upon the roll being called, the following voted:
AYE: Arnold, 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 1:40 p.m. on July 17, 2002, and adjourned therefrom at 4:30 p.m. on that same date.

On Thursday, July 18, 2002, at 9:22 a.m., President Newlin welcomed everyone to the July meeting of the Board of Regents, State of Iowa. He noted that Regent Turner was present via telephone.

APPROVAL OF MINUTES OF BOARD MEETING OF JUNE 19-20, 2002.

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

ACTION: President Newlin stated the Board approved the minutes of the June 19-20, 2002, meeting, as written, by general consent.

CONSENT ITEMS.

Receive the annual report of the Iowa School for the Deaf Advisory Committee;

Receive the annual report of the Iowa Braille and Sight Saving School Advisory Committee;

Approve (1) an organizational change in the Board Office, (2) the Board Office Professional and Scientific (P&S) classification of Assistant Director, Administration, in pay grade 4, and (3) revisions to Board Office positions descriptions;

Approve the institutional and Board Office personnel transactions, as presented;

Approve the Board meetings schedule;

Ratify appointments to boards, committees and priority issue study groups, as presented;

Refer the University of Iowa's proposal to convert the Master of Physical Therapy Program to a Doctor of Physical Therapy Program to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation;

Refer the University of Iowa's proposal to establish Master's and Doctoral degrees in Community and Behavioral Health in the College of Public Health to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation; and

Refer Iowa State University's proposal to establish a new interdisciplinary graduate program in Biorenewable Resources and Technology to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

President Newlin announced there was a need in August 2002 to approve fees that would be considered at this meeting. He asked Board members to provide Minutes Secretary Briggie with their availability on August 22 or 23 for a short telephone meeting. (The meeting was scheduled for August 22, 2002, at 8:30 a.m.)

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

President Newlin recognized Provost Podolefsky to make introductions.

Provost Podolefsky introduced Marilyn Mercado, Dean of University of Northern Iowa's Rod Library, whose appointment was effective July 1, 2002.

Dean Mercado stated that she was pleased to serve as Dean of Library Sciences. She said she looked forward to working with the University community.

Provost Podolefsky stated that Thomas Switzer was resigning as Dean of University of Northern Iowa's College of Education. He introduced Associate Dean Dr. William Callahan, who has agreed to serve as Interim Dean.

Dr. Callahan stated that a newspaper reporter had asked him for the difference between being Associate Dean of the College of Education and Dean of the College of Education. He said he responded that deans make decisions; associate deans implement those decisions.

INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION.

(a) Course Changes, University of Iowa.

Provost Podolefsky presented the recommendation of the Interinstitutional Committee on Educational Coordination to approve the University's proposed course changes.

Regent Neil asked how the decision is made to add or drop courses, and what is the financial impact of the proposed course changes.

Provost Whitmore responded that curriculum, traditionally, is in the hands of the faculty, the departments and the deans. Curriculum decisions are made by faculty within a department. He provided examples of the reasons that courses change which included major curriculum review and new faculty. He pointed out that if a course has not been offered for three years, the department offering the course is notified and asked whether there is a desire to keep the course "on the books". With regard to the financial implications of course changes, he said it varies. Most of the course changes are made without additional faculty, and are made on the basis of available faculty. Courses in the College of Public Health are being added because it is a new college.

Provost Podolefsky referred to the financial impact of course changes, and said funds are expended according to the number of class sections that occur rather than the number of course titles. Board approval is of the offering of a course, not the number of classes.

President Newlin said he was pleased that the number of courses dropped was about the same as the number of courses added.

Regent Neil referred to an article in the July 19, 2002, issue of the Chronicle of Higher Education entitled, "Three Iowa Universities go Online to Preserve Eastern European Language Courses." The article reported that the University of Iowa, Iowa State University, and the University of Northern Iowa have formed a partnership to teach Eastern European languages and culture via an Internet-based videoconferencing system beginning next spring. He said it was a great move in the right direction. He then asked if University officials will be able to maintain the same quality as courses offered at each of the universities.

Provost Whitmore responded that the Board of Regents requires the same quality of coursework off campus as on campus. Faculty are of high quality. Additionally, new programs are reviewed every five years.

Regent Neil complimented the three institutions for developing this educational opportunity for Iowans.

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

ANNUAL REPORT ON FACULTY ACTIVITY.

President Newlin announced that Associate Director Kniker is retiring effective September 1, 2002; therefore, this was his last Board of Regents meeting. He expressed appreciation for Dr. Kniker's contributions in the areas of faculty activity and coordinating strategic planning efforts. Dr. Kniker did some original work, particularly with the Board's strategic plan. He said Associate Director Kniker will be missed.

Associate Director Kniker stated that it has been a joy to work for the Board of Regents over the past four years. He said he will continue to watch the Board's activities as a citizen of Iowa.

With regard to the faculty activities report, Associate Director Kniker provided a PowerPoint presentation which highlighted aspects of this year's annual report. He said he believes that the report is extensive and thorough. He referred to the Board Office recommendation that the universities revise indicators on faculty productivity to include qualitative as well as quantitative data, and said the Board Office was not requesting additional indicators. There are some recent books that raise questions about what are the best indicators for faculty activities. Therefore, there needs to be additional discussion about indicators.

The PowerPoint presentation presented tables and graphs regarding the faculty survey, faculty effort (a majority of which is devoted to teaching), faculty time, student credit hours taught by faculty (which has increased for tenured faculty and decreased for non-tenured faculty), and sponsored funding (which has increased). Associate Director Kniker stated that the Regent faculty spend slightly more time than their peers on instructional activities and a greater amount of time on research.

Regent Fisher noted that the meeting materials indicated a substantial decline in the percentage of undergraduate student credit hours taught by tenured and tenure-track faculty at the University of Northern Iowa. He asked that University officials comment on the reduction.

Provost Podolefsky responded that, with the budget declines of the last two to three years, including the lack of full funding by the state for salaries, University officials were faced with making a decision to either increase class sizes for those classes taught by tenured faculty, or to offer similar class sizes taught by adjunct faculty who have taught courses at the University for many years. The decision was to maintain the class size. He said it may be time to review that strategy. He noted that 2/10 of one percent of student credit hours are taught by graduate assistants.

Regent Fisher asked if there is a feeling among students that University officials made the right decision. Provost Podolefsky responded that students appreciate the "smaller" classes. He pointed out that the classes are not small and they are growing.

President Newlin asked each of the provosts if any of the data in the report clearly reflects the impact of the budget reductions. Provost Podolefsky responded that the struggle between class size and the offering of courses taught by tenure-track faculty reflects what has happened at the University of Northern Iowa. Interim Provost Allen stated that, at Iowa State University, the student credit hours per faculty and the class sizes reflect the impact of budget reductions. Provost Whitmore responded that, at the University of Iowa, there has been an increase in student credit hours per full-time equivalent from 204 to 217. In the end, that means that faculty are teaching more

students. He said there is a point at which that makes it more difficult to offer quality education.

Regent Becker referred to the formatting of the graphs in the report. She asked that the scales be identical when comparing the three institutions.

Regent Neil asked if the pass rate of University of Iowa law school students is comparable to national statistics and to peer institutions. Provost Whitmore responded that he did not have the data with him but offered to send it to all of the Board members. He noted that, under normal circumstances, graduates of the University of Iowa are above the norm nationally.

Regent Neil asked if “sponsored funding” is from federal government grants. President Coleman responded that most of the sponsored funding is from federal grants.

Regent Neil stated that sponsored funding has increased at each of the three Regent institutions. He said the grant funds provide good jobs for Iowans, about which great pride should be taken. He pointed out that the leaders of this country are willing to invest in the state of Iowa.

President Newlin noted that sponsored funding is targeted for a specific purpose and cannot be used for other activities than those for which it is intended.

President Coleman expressed appreciation for the Board’s recognition of the efforts of the faculty at all three universities in garnering external funds, which are of great benefit to this state. She said there are very strict rules by the federal government and by private foundations on how the funds are used. While sponsored funds are for extremely important activities of the universities, those funds do not help in the mission of education directly because the funds cannot be used to hire professors to teach in the classrooms.

Regent Neil encouraged consideration of a different term than “sponsored funding”.

President Newlin asked the three provosts whether this report on faculty activities is a sufficiently comprehensive and accurate reflection of what faculty do, and whether there are any other indicators that should be used.

Provost Whitmore said the report does an excellent job of identifying several important areas of faculty activities including outreach and service. However, he knew of no other report that captures the unique activities on each of the campuses. The annual report on faculty activities has gotten more and more complicated as it has taken into account

the different activities of faculty. He noted that he had not read the book to which Associate Director Kniker had referred.

Interim Provost Allen stated that the report does not capture all of the nuances of what faculty do on a day-to-day basis. He cautioned that care be taken in interpreting some of the data on productivity. For example, student credit hours per faculty member would be one measure of productivity unless it is done through better technology or reorganization of how students are taught, as opposed to simply adding more students to the classroom.

Provost Podolefsky stated that one of the differences between this and other reports is the establishment of targets. He pointed out that the universities are not about credit hours but rather are about learning. He said he would be interested to see what the MGT study recommends about this governance report.

President Newlin stated that this report relative to measuring faculty productivity is extremely important because faculty make a university. He applauded everyone who contributed to this effort, and said the approach is valid.

Regent Turner referred to the percent of faculty responding to the survey. She said it would be helpful to know what percentage of the total faculty is represented by the number of respondents.

Provost Whitmore stated that there are approximately 1,700 faculty at the University of Iowa. He offered to include that information next year.

President Newlin referred to the Board Office recommended actions, and asked to defer until September or October, the second, third and fourth items.

ACTION: President Newlin stated the Board, by general consent, received the report, and deferred action on the requests that the universities a) revise indicators on faculty productivity to include qualitative as well as quantitative data, b) report specific examples from each college of institutional changes made as a result of the use of the faculty portfolio system, and c) increase analysis of peer institution data.

REPORT ON ORGANIZATIONAL REVIEW.

Director Barak asked to take a minute to personally thank Associate Director Kniker for his contribution to the Board Office. He said Dr. Kniker contributed greatly to work in the academic affairs unit. He brought the experience of a tenured faculty member at Iowa State University, of someone who has been a higher education institution (seminary) president, and of someone with broad experience in higher education. Dr. Kniker will truly be missed.

With regard to the report on the organization review, Director Barak provided a status report on phase II, which makes recommendations on five projects including a reduction in the number of Board of Regents meetings. He said the balance of the phase II projects will be reported to the Board in September, after being reviewed later this summer by the Priority Study Group on Organizational Review.

MOTION: Regent Becker moved to (1) receive a status report on the Organizational Review and (2) approve the five recommendations, as presented. Regent Turner seconded the motion. MOTION CARRIED UNANIMOUSLY.

FINAL APPROVAL OF DETAILED BUDGETS FOR FY 2003.

Associate Director Hendrickson stated that the final FY 2003 detailed budgets were presented for Board approval. She said the budgets consist of the general fund and the restricted fund budgets, and total \$2.8 billion. The institutional general fund operating budgets, including the University of Iowa Hospitals and Clinics, total \$1.6 billion. The UIHC budget includes revenue from a proposed 8 percent annualized rate increase for the University of Iowa Hospitals and Clinics, Psychiatric Hospital, and the Center for Disabilities and Development. The institutional restricted fund budgets total \$1.2 billion. She said that, in developing the individual budgets, institutional officials were guided by the strategic plans of the Board and of each respective institution.

The FY 2003 budget process presented challenges for the Regent institutions. Associate Director Hendrickson reported that state appropriations for the Regent institutions were reduced by \$42.6 million on top of the significant reductions of \$81.9 million that occurred during FY 2002. In addition, Regent salary appropriations were \$8 million less than the funding needed to implement the state's salary policy. As a result of these reductions, Regent universities' officials are utilizing incremental tuition and fee revenues to maintain, not improve, operations at their institutions.

With regard to revenue sources, Associate Director Hendrickson stated that a considerable shift has occurred since FY 2000. Students and their families are being forced to take on a significant additional burden for funding university operations. She said this shift is even more evident when comparing state appropriations and tuition revenues as a percent of educational expenditures since FY 1981.

Associate Director Hendrickson stated that the institutions have increased the student aid set-aside commensurate with the overall tuition increases. Total student aid as a percentage of total tuition dollars is 16.3 percent at the University of Iowa, 20.6 percent at Iowa State University and 19.3 percent at the University of Northern Iowa. She noted that, at Iowa State University, the amount of student aid set-aside had increased significantly from the target of 11 percent.

Associate Director Hendrickson reported that, with the appropriations reductions in FY 2002 and FY 2003, the Regent institutions have reallocated to maintain quality rather than to improve quality. Reallocations have been utilized to provide greater efficiency and effectiveness in achieving the institutional strategic plans by providing a structured means to strengthen good programs and eliminate weak programs.

Regent Neil stated that the Board of Regents supported state government's use of other state funds rather than cut the Regents appropriations to the degree they were cut. Unfortunately, the legislature did not choose to do that. Consequently, the Board of Regents was left with the budgets before it for approval.

Regent Neil referred to the budgets of the university athletics departments, and stated that he has heard comments that athletics is being funded at too great a degree, and that something else should be done with the money. He said he would not second guess the presidents and their staffs because they are the ones charged with doing the best they can with the resources they are given.

Regent Neil stated that the Board-approved tuition and fee increase of 19.5 percent will take effect this fall. He said the amount of support of educational costs borne by students has grown from 30 percent to almost 40 percent. He believes it is unfortunate because that is not the way the institutions were built.

Regent Neil expressed appreciation for all of the work that went into developing the budgets. He said that, until the leaders of this state, who have the resources, change their attitudes, higher education will continue to suffer. He stated that \$514 million in sponsored funding was brought into the state by the Regent universities, but the state's

leaders do not support Iowa's public higher education institutions to the greatest degree possible. He cautioned that, if the trend of reducing state support for the Regent institutions continues, the Board of Regents will have no choice but to look at a) the size of the institutions, b) whether to support athletics to the degree it has been supported, and 3) whether to change from division 1 athletics programs to division 2 programs. He stated that, until the public supports higher education to the degree its forefathers did, there will be a continuing trend of downgrading of the Regent institutions.

Regent Nieland asked to speak in support of Regent Neil's comments. She said she has been a member of the Board of Regents for one year and, therefore, cannot plead that she is a new Regent. She said she read an Associated Press article about the increase in the athletics budgets, and about the decrease in faculty and increase in class size. She stated that the Board members have heard at the last several Board meetings that the disabled students in the state of Iowa at the special schools are doing without programs. She acknowledged that athletics is a very complicated issue; however, with the systemic cuts throughout all of the institutions, it appeared that every department is taking the cuts except the athletic departments. She provided the analogy of a greedy child in a family who, in difficult times, holds out for more and more while everyone else is doing with less. She said it is the Board of Regents' responsibility, at some point, to address this. It does not appear to be doing so in the Athletics Priority Study Group meetings. She said there is a real disconnect when the excellence of education is suffering at the universities, and all of the budgets are being cut except those of the athletic departments. She acknowledged that Title IX is also a very complicated issue, but she did not believe the problem was being addressed in a way that will provide solutions.

Regent Becker said it was her understanding that a great part of the funding for athletics comes from athletics events proceeds. She believes that part of the issue is that people are willing to put money into athletics entertainment which helps to support other purposes in athletics. She questioned how to defend the fact that Iowans will put money into athletics entertainment but they are unwilling, through the legislature, to put money into academics. She was troubled by the general societal issue in our state of citizens putting money forward to buy athletics tickets but not to support the educational component of the universities, which has a long-term economic impact on the welfare of citizens. It is education of its citizens that grows a state and Iowans have a proud tradition of valuing education.

Regent Fisher said the athletics department budgets receive very few state funds. In addition to ticket revenue, television sponsorship is also a large revenue generator. He pointed out that private individuals are contributing at record levels to the university

foundations. Most of those contributions come from Iowans who have a high regard for the education provided at the three Regent universities. For example, the University of Iowa is in the midst of an \$850 million campaign that will benefit the University. Iowa State University concluded a very successful campaign about a year ago that raised over \$400 million. The University of Northern Iowa Foundation is on its best-ever campaign, which is approaching \$100 million. Therefore, people are contributing to the universities in areas other than athletics. He said most of the funds that come into the foundations, and some funds that come in directly to the universities as endowments, are restricted by the wishes of the contributor.

Regent Fisher stated that Iowans are very generous, despite what is going on in the stock market and the economy. He acknowledged that tax revenues are an important revenue but said private citizens also are contributing to the university foundations.

Regent Kelly proposed a plan of action at the three universities, in light of the fact that enrollment applications are up. He said there is a need for higher entrance requirements, higher retention requirements, and higher tuition and fees until the financial problems have been resolved. He feels there needs to be more reliance on scholarships and loans. He believes that something needs to be done about resolving the financial problems instead of just talking about it.

Regent Neil stated, for the record, that he totally disagrees with continuing to increase tuition and fees to make up for the public funding shortfall. Students are now paying 40 percent of the cost of their education. He said no one in attendance at this meeting, who attended an Iowa Regent university, paid as much as 40 percent of the cost of their education because the ratio of tuition revenues to state appropriations has always been lower. He believes that the state is not keeping up with its obligation, which is an issue that has to be put squarely before the public.

In reporting on recent meetings with legislators, Regent Neil stated that some lawmakers indicated the ratio of student-to-state support of the cost of education should be anywhere from 50-50 to 80-20. He said there has been a 10 percent increase in the last two years in the amount of support the student is forced to pay. He believes the universities can no longer compare tuition rates only to peer institutions as justification for the rate increases because wage rates in Iowa do not compare with those of peer states. Iowa's wages are lower.

Regent Kelly said he would agree with Regent Neil, if state government were providing adequate appropriations. However, state government is not providing adequate appropriations and the Board of Regents has to face reality.

Regent Fisher cautioned against relying on the figures of 40 percent student-60 percent state support of educational costs. He said that, at last month's Board meeting, there was discussion about the true cost of educating students at Regent universities. University administrators are to report to the Regents after factoring in all of the costs to educate an undergraduate student. He believes that Board members will be surprised when the true cost is determined. He urged administrators to provide the Board with information that will facilitate further discussions.

At this point in the meeting, President Newlin recognized Associate Director Racki to present the athletics budgets. Associate Director Racki's presentation can be found on page 21 of these minutes.

(a) University of Iowa.

With regard to the general fund budget of the University of Iowa, President Coleman discussed how the appropriations reduction was accommodated. She said 48 positions were removed from the University in FY 2003, in addition to 315 positions that have been removed since July 2001. Many of those position losses were accommodated by attrition; however, there will be some layoffs within the latest 48 position losses, although the number was not yet known. Due to the growth in grants and contracts revenues, she said a number of individuals who would have been laid off or furloughed found employment in other areas of the University. Class sizes have been increased. Student-faculty ratio has increased. Purchases have been deferred and building repair budgets have been reduced.

President Coleman stated that, despite the budget cuts, the 4-year graduation contracts will continue to be honored. Student financial aid and library acquisitions have been protected from budget cuts. With regard to economic development funding, she said the 60 percent reduction in state appropriations has had a major impact on what can be done at the Oakdale Research Park and at the specialized research facilities that are funded by the state. Through the Vice President for Research and the College of Pharmacy, one-time funding is being provided for some of those units. Later in the calendar year, decisions will have to be made about whether those activities will be continued.

With regard to the athletics budget, President Coleman stated that one of the reasons for the increase in expenditures is the tuition and fee increases. She said the athletic department's tuition and fee expenses in FY 2003 will increase by \$650,000, which goes into the University general fund. The athletic department has experienced an

extraordinary increase in medical expenses for its student athletes. There have been increases in security requirements after September 11, resulting in additional costs. Of that amount, \$350,000 was returned to the athletics department for women's sports, women's coaches salaries and women's scholarships. University officials cut the athletics budget by \$76,000 going into FY 2003, which was a bigger percentage cut than was experienced by any other department at the University.

Regent Fisher referred to information provided by University of Iowa officials on the planned use of revenues from tuition increases. He said he hoped the other universities would do similarly in the future. One such planned use was "Liberal Arts Initiative/ Enrollment Related Costs" of \$3.4 million, for which he requested an explanation.

President Coleman stated that, approximately eight months ago, during tuition discussion of 2001, she informed the Board members of the plan for liberal arts education revitalization in high-demand areas. The Dean of the College of Liberal Arts presented a plan for going forward in new targeted areas. Despite the appropriations reductions, University officials have tried to adhere to the plan for liberal arts because of the importance of the undergraduate experience.

MOTION: Regent Fisher moved to (1) approve the University of Iowa final FY 2003 general fund operating budget of \$1,036,190,955 and the restricted fund budget of \$661,850,000 for a total of \$1,698,040,955, and (2) approve rate increases, effective August 1, 2002, for the University of Iowa Hospitals and Clinics, Psychiatric Hospital, and the Center for Disabilities and Development, which will provide an annualized increase of 8%. Regent Neil seconded the motion, with regret. MOTION CARRIED UNANIMOUSLY.

(b) Iowa State University.

President Geoffroy referred to Regent Fisher's request to be provided with the planned use of revenues from tuition increases. He indicated the location in the meeting materials of Iowa State University's planned use of new tuition revenues.

President Geoffroy provided the Board members with a PowerPoint presentation of Iowa State University's FY 2003 budget. He presented data comparing the FY 2001 appropriation (originally \$269,897,592) through the FY 2003 appropriation

(\$239,809,203), on which the budget was built. He itemized the appropriation reductions since the beginning of FY 2002 to the FY 2003 current appropriation which totaled \$34,457,354 (13 percent).

President Newlin asked for the percentage reduction represented by the \$1 million appropriation cut to the Leopold Center. President Geoffroy responded that it was 86 percent of the Leopold Center's programmatic budget.

President Geoffroy next described revenue changes at Iowa State University, which included a large reduction in revenue. He said there is a total of \$2,673,146 in new revenues from the original FY 2002 budget to the FY 2003 budget, while new expenditures amount to \$24,421,408. He presented an overall FY 2003 budget summary and noted that University officials made the budget balance, largely through internal programmatic reallocation. He itemized sources of mandatory and inflationary cost increases, and provided dollar amounts for new obligations and commitments.

President Geoffroy stated that Iowa State University began FY 2002 with a \$15,793,855 reduction in state appropriations, 28 fewer faculty, 40 fewer graduate assistantships, and 45 fewer merit staff, all while serving 978 additional students. He said the University has begun FY 2003 with a \$34,457,354 reduction in state appropriations, 29 fewer faculty, 37 fewer Professional & Scientific employees, 49 fewer merit staff and 26 fewer graduate assistantships, while experiencing a continuation of last year's record enrollment.

President Geoffroy concluded by providing a graphic illustration of the impact of the budget cuts on student-to-faculty ratio and on course size.

Regent Fisher expressed appreciation for President Geoffroy's report. He said it presented the bottom line and was very understandable.

President Newlin asked President Geoffroy to comment on the University's athletic budget. President Geoffroy responded that most of the relatively small growth in University support comes through increased scholarship support for increased tuition and fees for student athletes.

MOTION: Regent Nieland moved to approve Iowa State University's final FY 2003 general fund operating budget of \$409,721,602 and the restricted fund budget of \$431,936,869 for a total of

\$841,658,471. Regent Fisher seconded the motion. MOTION CARRIED UNANIMOUSLY.

(c) University of Northern Iowa.

President Koob stated that, in the 40 years he has been associated with higher education, this is the first time that the institution with which he is associated has entered a fiscal year with less money than in the previous fiscal year. He said the budget reduction was taking place despite a dramatic increase in the tuition rate. He believes the level of appropriations demonstrates a reversal in support for higher education, the reason given for which is a failing economy. President Koob said the definition of a recession is two successive quarters of decrease in the Gross National Product. While there has been an economic bubble burst, there has not been a recession for over a decade. He expressed his belief that the appropriations decisions are political, not economic. He said Board members need to understand that what is taking place is not only a fiscal crisis, but a political crisis and a will of the people crisis.

University of Northern Iowa officials have tried to maintain support for direct instruction, which means that support for virtually all other areas on campus has declined. The most dramatic fixed cost decline is in the building maintenance budget, which has experienced an 80 percent reduction. Funding has also been decreased for student support services. President Koob stated that new tuition revenues will be used to rebuild academic programs that were devastated by mid-year cuts in the last fiscal year. University officials have made a conscious effort to continue the service of "face" time of students with faculty.

President Koob stated that the University experienced dramatic reductions in economic development funding by the state. The University has reduced support of radio station KUNI by one-third.

President Koob stated that the University will have fewer students next fall. University officials have no choice but to reduce enrollment. He said enrollment management will continue until the strategic plan targets are met. He was disturbed that there has been a loss of tenure-track faculty in the classroom. Those numbers have to be increased to the appropriate ratio; otherwise, the strategic plan will have to be renegotiated. University officials are prepared to reduce the size of the University until such time as its quality, as measured by its performance indicators, is restored.

Regent Fisher asked how to respond to citizens who question the multi-million dollars of construction taking place on the University of Northern Iowa campus, in light of the state

budget crisis. President Koob referred to his earlier remarks, and said the construction that is taking place is also a part of the political decisions. He said there is not an absence of dollars but state appropriations are categorized as to how the money can be spent. The construction appropriations come from funds which cannot be used for the operating budget of the University. The University has also received excellent support from students and private citizens for construction projects. There is currently occurring on campus construction that is student fee supported, construction that is privately supported, and construction that is state supported.

Regent Fisher said he understands that, but it is a "tough sell".

President Koob stated that if decisions are not made to rectify the budget situation, Iowa will have no truly public universities. Ways have to be found to resolve the problem or Iowa will have given up on public higher education.

Regent Arnold asked for clarification regarding the University's enrollment management activities. Are University officials working to get students on campus at non-peak times to even out the enrollment?

President Koob responded that, in order to not diminish access to the University, fall enrollments will be reduced while off-term enrollments will be increased. University officials have experimented with increasing enrollments in the summer, which was a success. Record enrollments in the summer have been experienced for the last two years. University officials will consider changing the calendar to provide greater flexibility in shifting students from the fall term. In that way, they hope not to diminish the number of slots for new students but to diminish the intensity of the facilities usage at any one time.

Regent Arnold stated that President Koob had described a very creative solution, which she hoped would work. She asked what other options were being considered.

President Koob responded that the first option would be an increase in support from the state. Whatever political influence can be found to convince the public that the public good of public education has not disappeared, he said, would be very helpful.

Regent Neil stated that the situation regarding appropriations to the Regent institutions is shameful. He said the state has the money. It is a question of priority, a question of value, and a question of spending the funds.

MOTION: Regent Fisher moved to approve the University of Northern Iowa final FY 2003 general fund operating budget of \$133,548,947 and the restricted fund budget of \$153,337,395 for a total of \$286,886,342. Regent Becker seconded the motion. MOTION CARRIED UNANIMOUSLY.

(d) Iowa School for the Deaf.

Superintendent Johnson stated that the School's budget proposal was similar to the preliminary budget presented last month. He noted that the restricted fund budget is lower because fewer Nebraska students will be attending the Iowa School for the Deaf.

MOTION: Regent Nieland moved to approve (1) the final Iowa School for the Deaf FY 2003 general fund (operating) budget of \$8,559,913; and (2) the restricted fund budget of \$1,325,692 for a total of \$9,885,605. Regent Kelly seconded the motion. MOTION CARRIED UNANIMOUSLY.

(e) Iowa Braille and Sight Saving School.

Superintendent Thurman said it was time for the Iowa Braille and Sight Saving School officials to "turn the page". Students will be returning to campus in a month. It is his intention to focus clearly on the needs of vision-impaired students in the state of Iowa. School officials will present a new strategic plan in September. While finances will be an issue, more important is how to organize and provide services. Included in the new strategic plan will be proposals to establish an early childhood program, to establish a relationship with the Texas School for the Blind, to establish a new accreditation model, and to address technology needs. School officials have made a commitment to support the University of Northern Iowa's new program of educating teachers of the visually impaired. Other strategic plan initiatives will address literacy skills and fund raising. He believes the next few years will be a very exciting time in special education.

Superintendent Thurman reported that a state task force is looking at cooperative efforts to support many children who do not have access to the Iowa Braille and Sight Saving School. He referred to a newly-issued report on excellence in special education, and said it appears there will be some changes that will allow a continuation of services to children. He noted that meetings are continuing with Grant Wood Area Education Agency on the TEACCH program for children with autism.

Superintendent Thurman said that, in tough times, he finds it helpful to return to the mission of the School. He believes there will be a recommitment to the mission of the Iowa Braille and Sight Saving School.

Regent Fisher asked about the reason for the decline in federal support for the School. Superintendent Thurman responded that, for the past several years, the School has offered a cooperative program with the Department of the Blind called "Orientation to the World of Work." The Department of the Blind was able to access money through the Rehabilitation Act to support that program and, therefore, discontinued its arrangement with the School.

President Newlin asked how many children are served by the Iowa Braille and Sight Saving School. Superintendent Thurman responded that 604 children throughout the state were served by the School this year, forty of whom were served on campus.

President Newlin asked if the School was serving all of the blind children in the state. Superintendent Thurman responded that they were trying to do so.

Regent Neil asked how many children attended the School's summer program last year. Superintendent Thurman responded that 120 students were served last summer.

Regent Neil asked if it was correct that 120 children would not be served this summer. Superintendent Thurman responded that 35 to 40 children were served in June of this year. The July 2002 program was cancelled as was the June 2003 program. If money can be found, the June 2003 summer program will be reinstated.

Regent Neil asked if, in January, the legislature were to provide a special appropriation for the summer school, would School officials be able to put a program together in time? Superintendent Thurman responded that would absolutely be possible.

MOTION: Regent Kelly moved to approve (1) the final Iowa Braille and Sight Saving School FY 2003 general fund (operating) budget of \$4,776,425; and (2) the restricted fund budget of \$2,041,181 for a total of \$6,817,606. Regent Becker seconded the motion. MOTION CARRIED UNANIMOUSLY.

Regent Turner asked to add the following comments to those of other Board of Regents members regarding the budgets and state appropriations. She stated that the United

States of America is a world leader, in part, because public education is available to all of our citizens. She said she believes the Regents are victims of their own success. They have strived for excellence in education but it appears that the state wants the Regent institutions to be mediocre.

Regent Turner described several myths which, she said, are apparently believed by the legislature about the Regent institutions. The first myth is that the budget cuts are not real. She said it was made very clear at this meeting that the cuts in funding are real and that the institutions have been impacted. Institutional officials are not shuffling numbers on a piece of paper. The second myth is that the cuts to educational sectors have been equal. If one looks back at the history of the cuts in the last several years and the effect of the cuts on education, she said it is quite real that the Regent institutions have been cut greater than other segments of education in the state of Iowa. The third myth is that quality has not suffered. She said there appears to be a belief that, because institutional officials continue to figure out a way to deal with the cuts in funding, quality is not suffering. At this meeting, institutional officials reported that there are less faculty, increased class sizes, decreased course offerings, and much more taking place within the institutions. She stated that quality has suffered. Iowa families are being impacted, which people do not seem to believe. The citizenry of Iowa is paying more and getting less, which must be understood.

Regent Turner said she believes that Iowa has a choice. In recent meetings around the state where Regents and institutional representatives met with legislators, legislators encouraged the Regents to prioritize. The Regents have prioritized. It has been shown that cuts have been made. She said it is time for the state of Iowa and the legislature to prioritize. This state absolutely has to decide what is important, what can be given up and what cannot be given up. She said Iowans cannot give up education and keep our state progressive. Iowans cannot give up education and move our state forward.

When it comes to education, Regent Turner believes that no child should be a victim of circumstance of birth. It appeared to her that what is being said in Iowa today is that, if a child is unable to fund his/her education, that is too bad; that there are "throw-away people" in this society. The attitude appears to be that when there are more dollars, those individuals can receive public higher education. She stated that is wrong. She said Iowa citizens and the Iowa legislature have to make a decision.

The final myth to which Regent Turner referred is that there is major duplication within the Regent system; that money could easily be saved by simply getting rid of duplication. She said it has been shown that is not the case.

President Newlin stated that Regent Turner's remarks had been well stated.

(f) Lakeside Laboratory.

Associate Director Racki stated that the FY 2003 general fund budget for the Iowa Lakeside Laboratory was developed by Dr. Arnold van der Valk, Director of the Laboratory, and approved by the Lakeside Laboratory Coordinating Committee. The proposed general fund budget is 0.7 percent higher than the FY 2002 budget excluding salary increase funds and 3.0 percent higher including salary funds. She then offered to answer questions.

Regent Fisher stated that the Okoboji community has been very active in supporting the Lakeside Laboratory with private funds. He asked how much money is received annually from the private sector. Director Barak responded that Friends of Lakeside Laboratory has been extremely active in garnering private funds for support of the Laboratory. A golf tournament scheduled for this summer is expected to raise nearly \$15,000. The group is raising funds for an endowment for the Water Quality Laboratory. The front entrance to the Laboratory was rebuilt, stonework was restored, and landscaping was accomplished, all with private funds. He noted that the group does not provide operating funds for the Laboratory.

Regent Fisher stated that the Board of Regents should recognize the contributions of the Okoboji community and express its appreciation.

Regent Nieland stated that Lakeside Laboratory is a lovely facility and that, if Board members have not had an opportunity to visit, they should do so. She then noted that two former Regent student athletes will participate in the golf tournament.

Regent Becker noted that one of the benefits of Lakeside Laboratory is a summer program for K-12 science teachers.

President Newlin stated that the Board Office is trying to schedule a Board meeting to be held at Lakeside Laboratory next summer.

MOTION: Regent Kelly moved to approve the FY 2003 final operating budget of \$452,743 for the Iowa Lakeside Laboratory as approved by the Lakeside Laboratory Coordinating Committee, including \$355,643 in general funds to be provided as follows: University of Iowa \$175,821, Iowa State

University \$108,140, and University of Northern Iowa \$71,682. Regent Fisher seconded the motion. MOTION CARRIED UNANIMOUSLY.

(g) Athletics.

This agenda item was taken up prior to Board consideration of final institutional FY 2003 budgets. See page 12 of these minutes.

Associate Director Racki stated that intercollegiate athletics at the Regent universities are not self-supporting activities. Each University provides some general university support to its athletic department. She reported that the FY 2003 athletic budgets of the universities total \$70.2 million, and referred Board members to the detailed budget information contained in the meeting materials. She stated that sports income from gate receipts and game guarantees provides slightly more than 40 percent of the FY 2003 budgeted athletic revenue at the University of Iowa and Iowa State University. Mandatory fees and designated tuition provide a portion of the operating budget at Iowa State University and the University of Northern Iowa. General university support is a significantly larger portion of the budget at the University of Northern Iowa since a smaller percentage of the budget is derived from sports and athletic conference income.

Associate Director Racki reported that athletic budget expenses include salaries, sports operational costs and scholarships. The athletic departments pay for goods and services from other campus entities, many of which are self-supporting enterprises. She stated that when the athletic departments award athletic scholarships, the department is responsible for paying the tuition related to those scholarships. Thus, the tuition payments are an expense of the department and a source of revenue for the general university.

Associate Director Racki stated that, five years ago, the Board requested that specific information on athletic scholarships be included in the docket materials, which was presented. She said scholarships for FY 2003 are estimated at \$12.1 million.

Regent Fisher noted that athletic scholarships provided through the University of Iowa totaled \$5.4 million, a good share of which is from private funds.

ACTION: President Newlin stated the Board received the report on the FY 2003 athletic budgets for the University of Iowa, Iowa State University and the University of Northern Iowa, by general consent.

(h) Board Office.

Executive Director Nichols stated that, presented for Board review, was the proposed Board Office FY 2003 all-funds budget. As part of the effort to provide a more complete internal budget management system, the Board Office instituted a new method of budgeting which provides the Board with a more complete picture of its budget. He said the two major sources of revenues are state appropriations and institutional allocations, in similar proportions. In addition to on-going activities to support the Board, three additional initiatives, unique to FY 2003, were included in the budget: 1) completion of the on-going process of organizational review, 2) preparation of the new five-year strategic plan for the Board, and 3) support of collective bargaining activities.

Executive Director Nichols reported that modest internal reallocations related to internal organizational changes were reflected in the budget. He stated that state revenues to support the Board Office have declined from FY 2002 to FY 2003. Institutional support of the Board's budget is essentially at the same level as FY 2002. The bottom line is that the overall Board Office budget to support on-going and new activities will be slightly reduced from the FY 2002 budget.

Regent Fisher asked about the level of institutional reimbursement of \$506,000 compared to \$363,000 within the category of "University of Iowa positions". Executive Director Nichols said that number was a subtotal; total institutional reimbursements are roughly \$1.3 million each year. Within the category to which Regent Fisher referred, the amount of the total that will be devoted to staff in the Board Office is increasing. The amount that the institutions have been previously asked to reimburse for purposes such as outside consultants is declining. Therefore, through internal reallocation, funds have been moved from one category to the other.

MOTION: Regent Fisher moved to approve the FY 2003 operating budget of the Board Office in the amount of \$2,490,058 from all funds, which includes institutional billings for special services. Regent Kelly seconded the motion. MOTION CARRIED UNANIMOUSLY.

EXECUTIVE SESSION.

Director Wright stated that, on July 17, 2002, the Board of Regents conducted a closed session as a public employer. He said such strategy sessions are exempt from the open meetings law, pursuant to the collective bargaining law. In executive session, the

Board was informed that Executive Director Nichols had received an offer from the Board's previous chief negotiator, Joseph E. Flynn, to continue his 25-year history of representing the Board in collective bargaining negotiations at the same rate that he charged for the last fiscal year, \$130 per hour. Mr. Flynn's offer to continue as the Board's chief negotiator without an increase in his hourly rate was in recognition of the economic difficulties of the state of Iowa and the Regent institutions. He said the Board Office recommended that the Board approve Mr. Flynn's contract for the next two years.

MOTION: Regent Fisher moved to approve the contract with Joseph E. Flynn, as outlined by Director Wright. Regent Kelly seconded the motion. MOTION CARRIED UNANIMOUSLY.

REPORT OF THE BANKING COMMITTEE.

Regent Fisher stated that the Banking Committee met on the morning of July 18, and spent a great deal of time visiting with university internal auditors regarding audit plans for the upcoming year. He said that, although the name of the committee is the Banking Committee, it also serves as the audit committee. In light of the publicity of financial auditing problems in private enterprise, he said it had increased the visibility of the Banking Committee's fiduciary responsibility. He assured the citizens of Iowa that the Banking Committee members are accepting and exercising that fiduciary responsibility. The internal audit process is very thorough for all of the institutions. The Banking Committee members ask the "right" questions of the internal auditors and have a good understanding of the internal auditing process. The State Auditor also audits the Regent institutions. The Banking Committee members have a great deal of confidence in the people who are charged with auditing and presenting the books.

Regent Fisher then called on Barry Fick, Springsted, Inc., and Ken Haynie, Ahlers law firm, to report on bids received.

Mr. Fick stated that bids were accepted on the morning of July 18 on behalf of Iowa State University for the sale \$7,000,000 Academic Building Revenue Project Notes, Series I.S.U. 2002. He said the bonds were rated both by Moody's and Standard and Poor's, and received the highest rating for short-term notes. The bonds will mature in 18 months. While four firms expressed an interest in bidding, two firms submitted bids, with the winning bid being submitted by a syndicate led by Dain Rauscher, with a 2 percent coupon rate and a 1.9571 percent true interest rate. He recommended acceptance of the bid of Dain Rauscher.

Mr. Haynie stated, as a matter of interest, that one bid was received by fax machine (old technology) and one was received by Internet (new technology). The Internet bid receipt time was 9:59:30 a.m., for the 10:00 a.m. deadline.

MOTION: Regent Fisher moved to Adopt the following resolutions: (1) A Resolution providing for the sale and award of \$7,000,000 Academic Building Revenue Project Notes, Series I.S.U. 2002, and approving and authorizing the agreement of such sale and award. (2) A Resolution authorizing and providing for the issuance and securing the payment of \$7,000,000 Academic Building Revenue Project Notes, Series I.S.U. 2002, for the purpose of financing all or part of the cost of completion of the Engineering Teaching and Phase II Project on the campus of the Iowa State University of Science and Technology, and paying certain costs of issuance. Regent Neil seconded the motion, and upon the roll being called, the following voted:
AYE: Arnold, Becker, Fisher, Kelly, Neil, Newlin, Nieland.
NAY: None.
ABSENT: Arbisser, Turner.

MOTION CARRIED.

Regent Neil asked Mr. Fick to elaborate on the bond rating received which, he assumed, was also based on the state of Iowa's financial condition. Mr. Fick responded affirmatively, saying the bonds were, in essence, paid from state reimbursements to the University. He said Moody's rated the bonds MIG-1, which is its top short-term rating. Standard and Poor's rated the bonds SP-1+, which is its top short-term rate. The rating agencies affirmed the underlying rating of the University with a stable outlook which was very positive, in Springsted's perspective, given the budget issues that Iowa, as well many other states, have experienced. The rating agencies expressed confidence that the Board's management and the University's management of those issues will allow a continuance of the high standards.

Regent Neil stated that, in other words, forces outside of Iowa still have faith in Iowa. Mr. Fick said that was correct.

Regent Fisher next stated that the Banking Committee adopted a preliminary resolution for the sale of \$25,000,000 University of Iowa Facilities Corporation Revenue Bonds (Roy J. and Lucille A. Carver Biomedical Building), Series 2002A. He then recognized Mr. Haynie.

Mr. Haynie stated that the bond sale is intended for September. He said this is the first issue in connection with Building B of the Medical Education and Biomedical Research Facility, now known as the Roy J. and Lucille A. Carver Biomedical Building. The project will be financed largely from lease revenue bonds issued by the University of Iowa Facilities Corporation with repayment from lease payments of the University. He said it is a mixed-use facility which is dedicated, in large part, to research. The building will also house administrative and office space.

MOTION: Regent Fisher moved to Adopt the following resolution: A Resolution authorizing the Executive Director to take any and all action deemed necessary to effect the issuance of not to exceed \$25,000,000 University of Iowa Facilities Corporation Revenue Bonds (Roy J. and Lucille A. Carver Biomedical Building), Series 2002A. Regent Neil seconded the motion, and upon the roll being called, the following voted:
AYE: Arnold, Becker, Fisher, Kelly, Neil, Newlin, Nieland.
NAY: None.
ABSENT: Arbisser, Turner.

MOTION CARRIED.

Regent Fisher stated that the next action taken by the Banking Committee, which is done annually, is to renew contracts with professional firms that handle the Board's bonding requirements. He noted that the firms have worked well together and have served the Board well.

MOTION: Regent Fisher moved to approve the annual renewal of the contracts with: Ahlers Law Firm as bond counsel to the Board of Regents; Springsted, Inc., as financial advisor to the Board of Regents; and Berens-Tate Consulting Group for arbitrage rebate services. Regent Becker seconded the motion. MOTION CARRIED UNANIMOUSLY.

ACTION: President Newlin stated the Board accepted the remainder of the report of the Banking Committee, by general consent.

SALARIES OF INSTITUTIONAL HEADS – FY 2003.

MOTION: Regent Becker moved that the salaries of the five institutional heads be increased by 2.5 percent for FY 2002-03, making their salaries as follows: University of Iowa Interim President Willard Boyd \$281,875; Iowa State University President Gregory Geoffroy \$281,875; University of Northern Iowa President Robert Koob \$222,077; Iowa School for the Deaf Superintendent William Johnson \$107,625; and Iowa Braille and Sight Saving School Superintendent Dennis Thurman \$98,810. Regent Neil seconded the motion.

Regent Kelly said he only wished the salary increase could be more.

VOTE ON THE MOTION: The motion carried unanimously.

CONCEPTUAL GUIDELINES FOR FY 2004 OPERATING APPROPRIATIONS REQUESTS.

Director Elliott reported that Iowa statutes require that requests for state appropriations be submitted to the Department of Management on or before October 1 of each year. This necessitates Board action in September and work by institutional officials and the Board Office in July and August. She stated that full funding of salaries continues to be the first priority of the Board and its institutions. Competitive salaries are crucial in attracting and retaining outstanding faculty and staff. A strong professional workforce is essential for the Board and the institutions to achieve their strategic planning goals. She said the second priority for developing the FY 2004 operating appropriations requests is in the area of strategic investments. She presented information on four categories for strategic investments, as follows:

- Educational excellence
 - Enhance libraries
 - Improve student-teacher ratios, class sizes, graduation rates

- Focused program enhancements
 - Strengthen programs for students
 - Address state needs
- Improved stewardship of facilities
 - Maintain, operate, repair, and accomplish technological improvements to facilities.
- Revitalized economic development programs, understanding that there has been a 60 percent reduction in economic development appropriations
 - Increase return on investment and leveraging of resources
 - Emphasize local, state, and national priorities
 - Restructure to maximize value to the state

Director Elliott stated that the most recent projected range for the FY 2004 Higher Education Price Index is 2.8 percent to 5.1 percent. The Board Office recommended that incremental appropriations for educational/programmatic investments, other than salary funding, be reasonably limited to increases at or below the midpoint of the Higher Education Price Index on base FY 2003 operating appropriations.

Regent Neil referred to the strategic investment to improve student-teacher ratios which was listed under the category of “educational excellence”. He suggested that different wording be used to indicate the need to reclaim lost ground.

ACTION: President Newlin stated the Board considered the conceptual guidelines for FY 2004 operating appropriations requests, by general consent.

CAPITAL BUDGET REQUESTS FOR FY 2004.

Executive Director Nichols stated that, consistent with Board policy and institutional strategic plans, University officials submitted requests for capital funding for FY 2004 from the state. Last September, the Board approved an FY 2003 request of \$71.7 million in capital projects out of total requests from the institutions of \$96.6 million. By actions of the 2002 legislature, \$51.5 million in new capital projects, primarily funded by tobacco settlement dollars to the state, were approved. For FY 2004 the institutions requested capital funding of \$118.4 million. The Board Office preliminary recommendation was for projects totaling \$65.7 million to be forwarded to the state. The specific Board Office-recommended projects, for final action in September, included a series of fire, environmental safety and deferred maintenance projects for all of the institutions including Lakeside Laboratory, Coover Hall Information Science at Iowa

State University, Electrical Distribution Loop System at the University of Northern Iowa, Chemistry Building Renovation at the University of Iowa, Veterinary Teaching/Diagnostic Laboratory Planning at Iowa State University, and Science Building Renovation at the University of Northern Iowa. These projects total \$65,737,000.

The Board Office top priority, funding for fire and environmental safety and deferred maintenance of \$14,937,000, was determined with an awareness that deferred maintenance issues would likely be more prominent in the future because of cuts in institutional operating budgets. Executive Director Nichols stated that also included was a recommendation for a preliminary request of \$23,793,797 for tuition replacement appropriations for academic building bonded indebtedness projects.

President Coleman thanked the Board Office for doing an excellent job of taking into consideration the University of Iowa's capital priorities. She said the University's top priority is the renovation of the Chemistry Building, which is a very old building. She noted that Vice President True says there has been no change in that building since he was an undergraduate! University officials plan to renovate the northeast and central portions of the building which will provide 19,000 net square feet for teaching laboratories and 23,000 square feet for research. The project will also address ADA deficiencies and provide new windows.

President Geoffroy said he, also, thanked the Board Office for the placement of Iowa State University's priorities in the capital budget request. The University's highest priority is renovation and expansion of Coover Hall. Coover Hall is a 50-year-old building that houses computer and electrical engineering, the fastest growing of the University's engineering programs. University officials propose to provide \$10 million in private support for the project to complement the requested \$15 million from the state. He stated that the University's second priority, which is longer range, is to renovate the Veterinary Medicine Teaching/Diagnostic Laboratory. He said the project is particularly important for the College of Veterinary Medicine's reaccreditation, which comes due in a couple of years.

President Koob stated that the capital improvement budget is one of the bright spots of the University of Northern Iowa's budget. He was appreciative of the support for the Regent institutions. He said University of Northern Iowa's requests address long-overdue upgrades in physical facilities. He noted that there was a recent power failure in the building in which his office is housed, which caused work to stop. The electrical distribution loop system is deferred maintenance in a real sense.

President Koob referred to a comment that was made at a dinner event the previous evening, that the science facilities at the University of Northern Iowa were built for a

student population of 8,000. One of the science facilities is the Physics Building which has not been renovated since it was built in 1906. He said the opportunity to renovate the Physics Building is long overdue, and is part of the general upgrades for science education that began two years ago with the addition to McCollum Science Hall.

President Newlin asked if “Physics Building’ is synonymous with “Science Building”. President Koob said that was correct. He stated that the science buildings at the University of Northern Iowa are at two locations. One is the Physics Building and the other is McCollum Science Hall. The Renovation of the Physics Building is phase 1a of the Science Building Renovation project. Phase 1b will be planning for renovation of the remaining components of McCollum Science Hall and includes renovation of the central campus greenhouse.

President Newlin asked if the \$10.9 million Science Building Renovation project is broken into two pieces. President Koob responded affirmatively.

Regent Fisher asked about the Innovative Teaching Center project. President Koob said that is the East Gym, the remaining eyesore on campus, which has to be renovated from the outside-in. The building is no longer required for the physical education program. Within the open space of that building is a great opportunity to 1) model the advancements in teaching that have occurred over time and 2) provide a teacher mentoring environment for students who have special needs.

Superintendent Johnson stated that the Iowa School for the Deaf’s capital projects address deferred maintenance and utilities, the funding recommendation for which was appreciated.

Superintendent Thurman expressed appreciation for the support of the last few years for the Iowa Braille and Sight Saving School’s capital projects.

President Newlin asked that, while the Board was on the topic of capital expenditures, Executive Director Nichols provide information on the source of capital funds and the state’s choice for using certain funds for capital projects, only.

Executive Director Nichols said that, while it is the state’s expressed policy to use gambling money, otherwise known as the Rebuild Iowa Infrastructure fund, for capital projects, that was not done in this legislative session. Some of those funds were used to balance the state’s books. With regard to the tobacco funds, he said the state was owed 15 to 20 years of settlement proceeds from the national tobacco settlement. A choice was made a year ago to sell those proceeds in the financing market in return for a guaranteed payment stream. Those funds were put into a special purpose use fund

which, under the tax law, can only be used for certain types of capital expenditures. The tobacco funds were the primary source of the \$50 million of capital projects recently funded at the Regent institutions. He said he could not envision any scenario where the tobacco funds would be available for any operating fund purpose.

ACTION: President Newlin stated the Board, by general consent, (1) considered the FY 2004 capital improvement requests of the Regent institutions and the Board Office preliminary recommendations of \$65,737,000 and (2) considered a preliminary FY 2004 tuition replacement appropriations request of \$23,793,797.

PRELIMINARY FIVE-YEAR CAPITAL IMPROVEMENT PLANS, FY 2004-FY 2008.

Executive Director Nichols stated that the five-year capital improvement plans incorporate the FY 2004 capital requests, which were approved in the previous agenda item, and include a sequence of capital projects for the five Regent institutions for the following four years. The Board Office recommendation is drawn from requests of the institutions which total \$582.8 million over the five fiscal years. The Board Office preliminary recommendation is for projects totaling \$368.7 million. He referred Board members to the location in the meeting materials for the number of projects and changes in institutional project requests and priorities from prior years.

Executive Director Nichols highlighted two other items included in the five-year capital improvement plans. He said one project for which a dollar amount was not included was the Price Laboratory School renovation/addition project in FY 2005. There is an ongoing evaluation at the University of Northern Iowa of the future direction and programming of the laboratory school that makes it difficult, at this time, to present a cost estimate.

Executive Director Nichols stated that the Board Office recommended the Board consider the five-year program of \$158.8 million for the University of Iowa Hospitals and Clinics to be funded by Hospital Building Usage Funds and Hospital Revenue Bonds. He concluded his remarks by stating that this was a preliminary recommendation for Board review, with approval to be requested at a later date.

ACTION: President Newlin stated the Board, by general consent, (1) considered the Board Office preliminary recommendation of \$368.7 million for the Five-Year State-Funded Capital Program for FY 2004 - FY 2008; (2) considered the Five-Year

Program (FY 2004 – FY 2008) of \$158.8 million for the University of Iowa Hospitals and Clinics to be funded by Hospital Building Usage Funds and Hospital Revenue Bonds; and (3) received the report on FY 2004 – FY 2008 capital plans of \$276.4 million for the universities, special schools and Lakeside Laboratory to be funded by sources other than capital appropriations, Academic Building Revenue Bonds, UIHC Building Usage Funds or Hospital Revenue Bonds.

INSTITUTIONAL ROADS PROGRAM.

Associate Director Racki presented a brief summary of the five-year institutional roads program, with capital projects totaling \$8,000,000 for calendar years 2003 through 2007, including projects totaling \$1,600,000 for 2003.

MOTION: Regent Fisher moved to (1) approve the recommended Five-Year Institutional Roads Program with capital projects totaling \$8,000,000 for calendar years 2003 through 2007, including projects totaling \$1,600,000 for 2003, and (2) receive the list of identified, unfunded Institutional Roads needs at the Regent institutions totaling \$30,630,801. Regent Neil seconded the motion. MOTION CARRIED UNANIMOUSLY.

INSTITUTIONAL AGREEMENTS, LEASES AND EASEMENTS.

Associate Director Racki stated that the leases, easements and agreements were reviewed by the Attorney General's Office and were recommended for approval.

MOTION: Regent Fisher moved to approve: University of Iowa: lease renewals with Optimal Electronics Corporation, AudioNet International, and Vertex (formerly Quorum Sciences), for their use of business incubator space at the Oakdale Research Park; a sublease amendment with the Quad Cities Graduate Study Center for the University's use of space at Augustana College, Rock Island, Illinois, by the School of Social Work; and a lease agreement with the University of Iowa

Facilities Corporation for the University's use of a vacant lot located at 530 North Clinton Street, Iowa City, immediately south of the President's Residence. Iowa State University: a lease agreement with Phytodyne for its use of laboratory space in the Molecular Biology Building while new laboratory space is being constructed at the ISU Research Park; a lease renewal with Dayton Road Development Corporation for the University's use of space in Ames for the Small Business Development Center; and an easement agreement with Qwest Corporation for the installation of fiber optic cable along State Avenue in Ames. University of Northern Iowa: farm lease renewals with Fruchtenicht and Fruchtenicht and Charles J. Murphy for their continued use of University farmland located in Cedar Falls, Iowa. Regent Becker seconded the motion, and upon the roll being called, the following voted:
AYE: Ahrens, Becker, Fisher, Kelly, Neil, Newlin, Nieland, Turner.
NAY: None.
ABSENT: Arbisser.

MOTION CARRIED.

INSTITUTIONAL SEARCH COMMITTEES. (a) Appointments to Search and Screen Advisory Committee, University of Iowa.

President Newlin stated that, last month, the Board of Regents authorized the Board President, in consultation with Jeffrey Cox, President of the University of Iowa Faculty Senate, and Jonathan Carlson, Chair of the University of Iowa Search and Screen Advisory Committee, to nominate members for the Search and Screen Advisory Committee for approval by the Board. He said consultation had taken place and a slate of members was presented for approval.

The Board of Regents also authorized the Board President to identify and contract with an executive search firm. President Newlin stated that Korn-Ferry International, which assisted with several of the Board's most recent presidential searches, was selected as the executive search firm. He noted that the selection of Korn-Ferry was subject to continuing discussions concerning the University of Minnesota executive search with which the firm is currently assisting.

Regent Fisher asked for the timetable for the search at the University of Minnesota. President Newlin responded that, theoretically, the University of Minnesota search will be completed in September.

MOTION: Regent Kelly moved to (1) approve the appointment of members to the University of Iowa Presidential Search and Screen Advisory Committee and (2) receive the report on the selection of an executive search firm. Regent Fisher seconded the motion. MOTION CARRIED UNANIMOUSLY.

President Newlin recognized Jeffrey Cox, President of the University of Iowa Faculty Senate.

Professor Cox stated that there has been extensive consultation across campus on the selection of Search and Screen Advisory Committee members. He believes the chosen individuals will provide a very strong and diverse group.

Regent Fisher stressed the importance of moving quickly with the search process. He said the Board wants to find the best candidate but also wants the process to move as rapidly as possible.

Professor Cox stated that the members of the Search and Screen Advisory Committee understand that the Committee is on a shorter-than-usual time schedule.

(b) Appointments to Search and Screen Advisory Committee, Iowa School for the Deaf.

President Newlin stated that, last month, the Board of Regents authorized the Board President to nominate members for the Iowa School for the Deaf Search and Screen Advisory Committee for approval by the Board. Nominees were presented at this time for approval, with the understanding that, due to summer travel, the confirmation of one proposed member had not yet been received.

Also last month, the Board of Regents authorized the Board President to identify and contract with an executive search firm to assist in the search for a new Superintendent of the Iowa School for the Deaf. President Newlin stated that Francis and Associates, a Des Moines-based executive search firm, had been selected to assist with the search. Francis & Associates assisted with previous searches for superintendents at the special schools.

MOTION: Regent Neil moved to (1) approve the appointment of members to the Iowa School for the Deaf Superintendent Search and Screen Advisory Committee, as presented, (2) authorize President Newlin to appoint alternate members to the Iowa School for the Deaf Superintendent Search and Screen Advisory Committee if any of the named individuals are unable to serve, and (3) receive the report on the selection of an executive search firm. Regent Becker seconded the motion. MOTION CARRIED UNANIMOUSLY.

REVISIONS TO POLICY MANUAL.

Director Wright stated that §7.04 (purchasing) of the Policy Manual was before the Board for approval at this meeting. An earlier version of the purchasing section was presented to the Board in May, about which institutional officials raised a number of concerns. Further consultation and revision was undertaken. He said the proposed section was restructured for greater clarity and ease of use. A Professional Services section was added to comply with the Accountable Government Act, and redundancy with the Iowa Administrative Code was eliminated.

Director Wright stated that two more sections were yet to come before the Board.

MOTION: Regent Fisher moved to approve the proposed revised version of §7.04—"Purchasing" of the Board of Regents Policy Manual. Regent Neil seconded the motion. MOTION CARRIED UNANIMOUSLY.

President Newlin asked for the schedule for completing Chapter 9 of the Policy Manual. Director Wright said it was his hope to have the entire manual completed by December 2002.

APPEALS. (a) Student Appeal.

ACTION: President Newlin stated that this item was deferred until a later date because of the late submission of written materials from the parties and the need to consult with the Office of the Attorney General.

(b) Student Appeal.

ACTION: President Newlin stated that this item was deferred until a later date because of the late submission of written materials from the parties and the need to consult with the Office of the Attorney General.

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

ACTION: This report was received on the consent docket.

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

ACTION: This report was received on the consent docket.

BOARD OFFICE TABLE OF ORGANIZATION AND POSITION DESCRIPTIONS.

ACTION: The recommended actions for this item were approved on the consent docket.

INSTITUTIONAL AND BOARD OFFICE PERSONNEL TRANSACTIONS.

ACTION: The following personnel transactions were ratified on the consent docket: University of Iowa: Register of Personnel Changes for May 2002; Iowa State University: Register of Personnel Changes for June 2002, appointment of Labh S. Hira, Professor of Accounting and Interim Dean, as Dean of the College of Business, beginning July 1, 2002, at an annual salary of \$195,000, resignation of Carol M. Bradley, Assistant to the President, effective June 28, 2002; University of Northern Iowa: Register of Personnel Changes for May and June 2002; Iowa School for the Deaf: Register of Personnel Changes for June 2002; Iowa Braille and Sight Saving School: (The Register of Personnel Changes was not received in the Board Office and, therefore, will be reported in September.)

BOARD MEETINGS SCHEDULE.

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

APPOINTMENTS TO COMMITTEES, PRIORITY ISSUE STUDY GROUPS AND ORGANIZATIONS.

ACTION: This matter was approved on the consent docket.

President Newlin then asked if there were additional general or miscellaneous items for discussion. There were none.

STATE UNIVERSITY OF IOWA

CONVERT MASTER OF PHYSICAL THERAPY TO DOCTOR OF PHYSICAL THERAPY.

ACTION: This matter was referred on the consent docket.

ESTABLISH MASTER'S AND DOCTORAL DEGREES IN COMMUNITY AND BEHAVIORAL HEALTH.

ACTION: This matter was referred on the consent docket.

NAMING OF THE NEW FOOTBALL PRACTICE FACILITY.

President Coleman presented the University of Iowa's request to name the new football practice facility after Ronald and Margaret Kenyon. She reminded the Board members that the new Football Practice Facility was the result of the University of Iowa Hospitals and Clinics needing a new parking facility and the Athletics Department needing a new football practice facility. The site for the practice field was moved to provide room for the Hospital parking ramp 3.

President Coleman stated that she enthusiastically brought forward this naming request. She said the Kenyons have been wonderful contributors to the University of Iowa and to its athletics program for 29 years. They are both members of the Presidents Club as well as charter members of the Kinnick Society. The Kenyons have directed their support to Hawkeye Horizons, the Carver-Hawkeye Arena, Men's Athletics and the Iowa Scholarship Fund. Mr. Kenyon has served as a member of the Hawkeye Horizons Campaign National Steering Committee and as a leader in the Carver-Hawkeye Arena campaign.

MOTION: Regent Fisher moved to approve the University of Iowa's request to name the new football practice facility as the Ronald D. and Margaret L. Kenyon Football Practice Facility. Regent Becker seconded the motion. MOTION CARRIED UNANIMOUSLY.

PROFESSIONAL AND SCIENTIFIC CLASSIFICATION SYSTEM REVISIONS.

Director Wright stated that, as part of its annual review of the Professional & Scientific classification system, University officials requested several changes. He noted that one of the new positions is the Regent Communications Specialist that is being added in the Board Office. He said the pay grade assignments were based upon application of the Job Evaluation Instrument in compliance with the state's comparable worth law.

MOTION: Regent Becker moved to approve the revisions to Professional and Scientific Classification System at the University of Iowa, as presented. Regent Neil seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

APPROVAL OF APPOINTMENT OF DIRECTOR AND CEO OF THE UNIVERSITY OF IOWA HOSPITALS AND CLINICS.

President Coleman stated that the search process to replace R. Edward Howell started in earnest in January. University officials were very happy with the outcome. She asked that Vice President Kelch introduce the nominee for Director and CEO of University of Iowa Hospitals and Clinics, and added her enthusiasm about the appointment.

Vice President Kelch stated that, last month, he reported to the Board that he was cautiously optimistic that there would be an appointment recommendation in the very near future. He thanked the co-chairs of the search committee for their good work, and said he was pleased to announce the acceptance of the nomination by the preferred candidate, Donna Katen-Bahensky. He stated that agreement had been reached on salary and other particulars. He noted that Ms. Katen-Bahensky has extensive experience in hospital administration.

MOTION: Regent Fisher moved to approve the appointment of Donna M. Katen-Bahensky as the Director and Chief Executive Officer of the University of Iowa Hospitals and Clinics effective August 26, 2002, at an annual salary of \$350,000. Regent Becker seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

Ms. Katen-Bahensky stated she was honored that the Board had approved her appointment. She thanked President Coleman, Vice President Kelch and the search

committee members for her selection. She thanked Ann Madden Rice for serving as Interim Director and CEO of University of Iowa Hospitals and Clinics. She said the University of Iowa Hospitals and Clinics has a great foundation about which the Board members should be proud. She looked forward to working with the Board as the Board of Trustees of the University of Iowa Hospitals and Clinics.

President Newlin noted that Regent Turner and Interim President Designate Boyd had served on the search committee.

Regent Fisher stated that in a recent edition of U.S. News & World Report, the University of Iowa Hospitals and Clinics was ranked at the top in nine medical specialty categories. Interim Director Rice said that was correct, and she distributed copies of the magazine to Board members.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS.

Vice President True stated that the University's capital register included a request for approval of a project description and budget (\$16.8 million) for the Classroom Building/ Journalism project, financed by state appropriations and private gifts. Another item he brought to the Board's attention was the request for permission to proceed with project planning for the three-story shell space above the Center of Excellence in Image-Guided Radiation Therapy. He then stated that University officials were prepared to present the schematic design for the Dey House Addition project.

President Coleman stated that the project has great meaning for the University of Iowa. The project will add a wing onto the Dey House, the home of the Iowa Writer's Workshop, the premier writing program in the country. She believes the addition to the Dey House is consistent with the Workshop's proud tradition. The project will ensure the future of the Iowa Writer's Workshop as a premier writer's program for many years to come. She said the Director of the Iowa Writer's Workshop is enthusiastic about the design of the project. She then introduced Steve Knierim of OPN Architects to present the schematic design.

Regent Neil asked if this was the same writer's workshop about which there had been controversy a few years ago. President Coleman responded that it was not. The controversy was about the international writing program, which is a writing program for visiting international writers, and not a degree program.

Regent Becker asked about the decision to keep the older house and to add a new section to the house, as opposed to razing the house. President Coleman stated that the Dey House has long been an interesting and valuable structure. Before it was coveted by the Director of the Iowa Writer's Workshop, academic advising offices were

in the building. Five years ago, the building was completely renovated. Academic advising was moved to a better location for students. She said this proposed addition to the Dey House will provide an archive for the works of the authors who have gone through the Iowa Writer's Workshop, additional teaching space, and a student Commons.

Mr. Knierim stated that the project is an addition to an historic residence. The site, which he described as dynamic, is triangular, and is located on the west side of Clinton Street, north of Currier Residence Hall and southwest of the President's Residence. The west edge of the site is a 70' bluff falling to the Iowa River valley below. He said the Dey House was built in the 1850s. He described the exterior design and materials of the proposed addition, and its relationship to the current structure as well as the campus. He said the use of rough-cut limestone and wood exterior skin would help the building nestle against the tree line of the limestone bluff. He said a third material to be used is natural copper roof/wall shingles.

Mr. Knierim pointed out that separating the Dey House and the addition would provide space for the creation of two separate courtyards.

Mr. Knierim presented a diagram of the site development plan, as well as diagrams of the lower level, upper level, and roof level of the addition. He next provided conceptual renderings of the building from different views.

Regent Neil asked if the building takes on some of the Craftsman design. Mr. Knierim responded that it may seem that way because of the strong repetitive wood elements. However, in terms of pure architectural style, it was not Craftsman design.

Regent Neil stated that he liked the proposal for the roof. He then asked if the glass that will be used on the building will be energy efficient. Mr. Knierim responded affirmatively.

Regent Neil asked if the Board's "potty parity" standards are met with the proposed design. Mr. Knierim said it was his understanding that the Board desires 2-1/2 women's restrooms to each men's restroom. The building design includes five stalls for women and the building's occupancy is 100 students. If fifty students are women and fifty are men, that would provide one restroom per ten women which is a much higher ratio, almost 3-to-1, than what the Building Code requires.

Vice President True stated that University officials were aware of the Board's interest in buildings being designed to provide 2-1/2 women's restrooms for every men's restroom. He said there were issues and challenges about which University officials would like to talk with the Board Office. He provided the Board members with a commitment that

either the “potty parity” standard will be met or University officials will return to the Board to discuss the matter further.

MOTION: Regent Neil moved to approve the schematic design for the Dey House Addition. Regent Fisher seconded the motion. MOTION CARRIED UNANIMOUSLY.

MOTION: Regent Neil moved to approve the remaining items on the Register of Capital Improvement Business Transactions for the University of Iowa. Regent Becker seconded the motion. MOTION CARRIED UNANIMOUSLY.

PURCHASE AND LEASE OF PROPERTY LOCATED AT 609 MELROSE AVENUE.

Vice President True presented the University’s request to purchase and lease the property located at 609 Melrose Avenue, which is a single-family, two-story home in fair condition on a 1.55 acre lot. He said the property is located near the University’s west campus to the south of the Melrose Avenue Parking Facility. The purchase price for the property of \$249,000 is consistent with Board policy for the purchase of property. University officials proposed to utilize Income from Treasurer’s Temporary Investments for the property purchase, and to lease the property at the rate of \$850 per month for FY 2003.

MOTION: Regent Becker moved to (1) approve the purchase of property located at 609 Melrose Avenue, Iowa City, Iowa, from the University of Iowa Facilities Corporation, at the purchase price of \$249,000, subject to approval of the Executive Council of Iowa and (2) authorize the University to add the dwelling to its tenant property inventory to be leased at the rate of \$850 per month for FY 2003. Regent Fisher seconded the motion, and upon the roll being called, the following voted:
AYE: Ahrens, Becker, Fisher, Kelly, Neil, Newlin.
NAY: None.
ABSENT: Arbisser, Nieland, 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

**PROPOSAL FOR A NEW INTERDISCIPLINARY GRADUATE PROGRAM IN
BIORENEWABLE RESOURCES & TECHNOLOGY.**

ACTION: The proposal was referred on the consent docket.

FINAL APPROVAL OF IOWA STATE UNIVERSITY ADMINISTRATIVE RULES.

Vice President Madden stated that presented at this meeting for final approval were Chapter 681-13 of the Iowa Administrative Code (IAC) which contains rules applicable to the use of facilities and general organization at Iowa State University and IAC §§ 681—4.26 to 4.32 which contain rules applicable to parking and traffic at Iowa State University. He said the proposed changes comply with the Administrative Procedure Act and with Governor Vilsack’s Executive Order Number 8.

MOTION: Regent Becker moved to (1) approve adoption of Iowa Administrative Code Chapter 681-13, Iowa State University Organization and General Rules as amended, and grant authority to the Executive Director and university to file and implement the adopted rules; and (2) approve adoption of Iowa Administrative Code §§ 681-4.26 to 4.32, Iowa State University Parking and Traffic Rules, as amended, and grant authority to the Executive Director and university to file and implement the adopted rules. Regent Neil seconded the motion.
MOTION CARRIED UNANIMOUSLY.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS.

Vice President Madden stated that the principal item on the University’s capital register was the schematic design for the Indoor Multi-Purpose Use & Training Facility, which will promote better use of some of the current facilities. He introduced Allan Oberlander of RDG Bussard Dikis to make the presentation.

Regent Neil asked if the project was being financed by donations. Vice President Madden responded that the funds to construct this facility were either from fund raising or were athletics-driven revenues. He said no direct state funds were being used to construct this facility.

Mr. Oberlander presented an overview of the project. He said the facility will be constructed adjacent to the Jacobson-Olsen complex and Jack Trice Stadium over the existing artificial turf practice field. The practice field is the focal point of the facility and dominates the design. The exterior of the facility was designed to minimize the visual impact of the large volume of space and to be compatible with existing buildings and the adjacent residential neighborhood. He said the exterior features an exposed super-truss that spans the length of the main building. The truss is exposed to the exterior which helps to reduce the height and massive scale of the facility. A metal roof, of the same materials as the roof of the Jacobson Building, and the exterior walls, which will be constructed of pre-cast concrete panels, will provide a visual link to the Jacobson-Olsen complex, Jack Trice Stadium and the Iowa State Center.

With regard to the large indoor space, Mr. Oberlander said the facility will provide a regulation-size football field. The facility will be designed for field goal kicking practice, which requires height, but not for punting. It will be designed to accommodate large gatherings (up to 6,000 people). A portable protective floor for large gatherings (not part of the current project) will be required to protect the artificial turf playing field. He said the floor plan was straight forward. He indicated that the ratio of women's to men's restrooms will meet the 2-1/2 to 1 standard. He pointed out the area where temporary outdoor grilling is anticipated to occur, adjacent to the west face of the building, which will be accessed by large overhead doors.

President Newlin referred to the area for outdoor grills on the west side of the building, and asked if that location had a steep grade. Mr. Oberlander responded that there is a flat spot of about 50 feet.

Mr. Oberlander presented an image of the interior of the building, and stated that a number of activities could take place in the building. The south end is 60 feet tall and 40 feet wide.

Regent Fisher asked if it might be a good idea to have a room for initial care of an injured person since the facility will be used primarily for athletics. Mr. Oberlander responded that the Olsen Building, located across the parking lot, has such facilities.

Regent Becker asked if the heating and air conditioning is sufficient. Mr. Oberlander responded that the facility will be heated to about 55 degrees and will not be air conditioned. He noted that portable air conditioning equipment had been used in the Lied Center, which would be less expensive to do for this facility than to include air conditioning in the design.

MOTION: Regent Neil moved to approve the schematic design and project description and budget for the Indoor Multi-Purpose Use & Training Facility. Regent Becker seconded the motion. MOTION CARRIED UNANIMOUSLY.

Vice President Madden stated that the only other major item on the University's capital register was the architectural agreement for the University Family Housing Community Center. He said the building which currently serves as the community center will be converted into a child care facility.

MOTION: Regent Becker moved to approve the remaining items on the University's capital register. Regent Kelly seconded the motion. MOTION CARRIED UNANIMOUSLY.

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

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS.

Vice President Schellhardt stated that the capital register for the University of Northern Iowa included agreements with an engineering firm to assist in designing the Electrical Distribution Loop System and with an architectural firm to provide design services for the Innovative Teaching and Technology Center. Additional work was required for the Maucker Union/Center for Multicultural Education Renovation/Expansion and for the Steam Distribution System Replacement—Phase 1 projects; therefore, amendments to architectural/engineering agreements were presented for approval.

Regent Fisher asked for the purpose of the additional space in the Maucker Union. Director Mikkelsen responded that it would be used for multi-purpose and student space. He said that, when the Union Renovation/Expansion project was originally designed, excavation of the lower level to connect underground to Lang Hall was not anticipated.

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

PRELIMINARY CONSIDERATION OF NON-TUITION RELATED FEE – PRICE LABORATORY SCHOOL.

Vice President Schellhardt presented the University's proposal of a \$340 per-student fee at the Price Laboratory School for FY 2003. This is a \$100 (41.7 percent) increase from the fee approved in April 2002 and a \$140 (70 percent) increase from the FY 2002 fee. He said the fee was recommended by parents of students, the Dean of the College of Education, and the University Provost.

Regent Fisher asked if the \$340 fee is enough. President Newlin responded that the fee proposal would provide an extra \$50,000. President Newlin said an amount closer to \$5,000 per student is actually needed.

MOTION: Regent Neil moved to give preliminary consideration to the proposed increase of the K-12 fee for Price Laboratory School at the University of Northern Iowa from \$240 to \$340 per student per year for FY 2003. 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 University of Northern Iowa. There were none.

IOWA SCHOOL FOR THE DEAF

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS.

Superintendent Johnson stated that the School's capital register included an amendment to the engineering agreement for the Demolition of Old Primary Hall.

MOTION: Regent Fisher moved to approve the School's capital register, as presented. 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 School for the Deaf.

President Newlin asked that Superintendent Johnson report to the Board members about a memorandum he provided to the Board Office on swimming pool safety procedures.

Superintendent Johnson stated that School officials received swimming pool safety rules from those responsible for many of the pools in Council Bluffs and Omaha, both private and public, as well as the Iowa Department of Health. From that information, School officials developed a proposal on how Iowa School for the Deaf's new swimming pool would be operated, which was provided to the Board Office.

Regent Neil asked if the crack in the swimming pool was fixed. Superintendent Johnson responded that it had been fixed but it had cracked a second time. Although it is believed to be fixed, the pool is not currently in use.

President Newlin asked that School officials develop a one-page sheet of rules and safety procedures for the swimming pool.

IOWA BRAILLE AND SIGHT SAVING SCHOOL

President Newlin asked Board members and institutional officials if there were items for discussion pertaining to the Iowa Braille and Sight Saving School other than those which were handled on the General Docket. There were none.

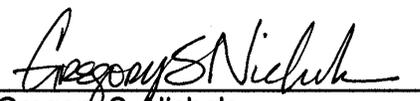
ADJOURNMENT.

President Newlin stated that an event was held the previous evening in honor of President Coleman's departure from the University of Iowa. Although many remarks were made at that time, he said he wished to acknowledge publicly the excellent work of President Coleman at the University of Iowa.

President Coleman thanked everyone for the wonderful event of the previous evening. She could not imagine anything nicer or more nostalgic than to have the event held on the University of Northern Iowa campus. She said the University of Northern Iowa community means a great deal to her because she grew up there. She thanked the Board for the opportunity to serve as the President of the University of Iowa, and said she had loved every minute of it. She would miss everyone and would do her best to make them proud of her at the University of Michigan.

President Newlin said this was Neala Arnold's first meeting as a member of the Board of Regents. He welcomed her and said the Board members looked forward to continuing to work with her.

The meeting of the Board of Regents, State of Iowa, adjourned at 2:25 p.m. on Thursday, July 18, 2002.


Gregory S. Nichols
Executive Director

IOWA SCHOOL FOR THE DEAF
July 17-18, 2002