

The Board of Regents, State of Iowa, met on Tuesday and Wednesday, June 12 and 13, 2001, at Iowa State University, Ames, Iowa. The following were in attendance:

	<u>June 12</u>	<u>June 13</u>
<u>Members of Board of Regents, State of Iowa</u>		
Mr. Newlin, President	All sessions	All sessions
Ms. Ahrens	All sessions	All sessions
Dr. Arbisser	All sessions	All sessions
Dr. Becker	All sessions	All sessions
Mr. Fisher	All sessions	All sessions
Dr. Kelly	All sessions	All sessions
Mr. Neil	Excused	Excused
Ms. Nieland	All sessions	All sessions
Dr. Turner	All sessions	Excused
<u>Office of the Board of Regents, State of Iowa</u>		
Executive Director Stork	All sessions	All sessions
Deputy Executive Director Barak	All sessions	All sessions
Director Elliott	All sessions	All sessions
Director Wright	All sessions	Excused
Associate Director Hendrickson	All sessions	All sessions
Associate Director Kniker	All sessions	Excused
Associate Director Racki	All sessions	All sessions
Assistant Director Gonzalez	All sessions	Excused
Minutes Secretary Briggie	All sessions	All sessions
<u>State University of Iowa</u>		
President Coleman	All sessions	All sessions
Provost Whitmore	All sessions	Excused
Vice President True	All sessions	All sessions
Associate Vice President Foldesi	All sessions	Excused
Director Parrott	All sessions	All sessions
Associate Director Braun	All sessions	Excused
<u>Iowa State University</u>		
President Seagrave	All sessions	All sessions
Provost Richmond	All sessions	All sessions
Vice President Madden	All sessions	All sessions
Executive Assistant to President Dobbs	All sessions	All sessions
Assistant to President Chidister	All sessions	All sessions
Director Bradley	All sessions	Excused
Director McCarroll	All sessions	Excused
Director Steinke	All sessions	All sessions
Associate Director Baumert	All sessions	All sessions
<u>University of Northern Iowa</u>		
President Koob	All sessions	All sessions
Provost Podolefsky	All sessions	Excused
Vice President Romano	All sessions	Excused
Interim Vice President Dell	All sessions	Excused
Special Assistant to President Gadelmann	All sessions	Excused
Assistant Director Saunders	All sessions	All sessions
<u>Iowa School for the Deaf</u>		
Superintendent Johnson	All sessions	Excused
Interpreter Reese	All sessions	Excused
Interpreter Fowler	All sessions	Excused
<u>Iowa Braille and Sight Saving School</u>		
Superintendent Thurman	All sessions	Excused
Director Utsinger	All sessions	Excused

GENERAL

The following business pertaining to general or miscellaneous business was transacted on Tuesday and Wednesday, June 12 and 13, 2001.

President Newlin welcomed everyone to the June meeting of the Board of Regents, State of Iowa.

APPROVAL OF MINUTES OF BOARD MEETINGS OF MAY 15-17 AND MAY 21, 2001.

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

ACTION: President Newlin stated the Board approved the minutes of the May 15-17 and May 21, 2001, meetings, as written, by general consent.

CONSENT ITEMS.

Approve the institutional personnel transactions;

Receive the affiliated organization reports on the Committee for Agricultural Development associated with Iowa State University, the Iowa State University Research Park, and the Iowa School for the Deaf Foundation;

Approve the following update and addition to Iowa State University's list of approved vendors with a potential conflict of interest: Caps and Gowns Services (new ownership) and Ronald O. Risdal;

Refer the University of Iowa's proposed course changes to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation; and

Approve the proposed 2001-2002 school year calendar for the Iowa Braille and Sight Saving School.

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

INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION. (a)
Merge the Departments of Family and Consumer Sciences Education and Studies; Hotel, Restaurant and Institution Management; and Textiles and Clothing into the Department of Apparel, Educational Studies, and Hospitality Management, Iowa State University.

Provost Podolefsky presented the recommendation on behalf of the Interinstitutional Committee on Educational Coordination.

Regent Ahrens asked for the cause of the decline in enrollment in the International Studies option. Dr. Mary Gregoire, Department Executive Officer, responded that the international course is still offered for students; however, it is not listed as an option.

MOTION: Regent Becker moved to approve Iowa State University's proposal to merge the Departments of Family and Consumer Sciences Education and Studies; Hotel, Restaurant and Institution Management; and Textiles and Clothing into one department to be named the Department of Apparel, Educational Studies, and Hospitality Management. Regent Turner seconded the motion. MOTION CARRIED UNANIMOUSLY.

(b) Change Name of the Division of Planning, Policy and Leadership Studies in the College of Education to the Division of Educational Policy and Leadership Studies, University of Iowa.

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

Regent Fisher asked if there was any impact on students as a result of the proposed name change. Provost Whitmore said the proposal was for a name change only. In the previous version of the name, planning and policy was part of the program. However, that is not the direction in which this department is going nor is there student interest in those areas.

Regent Turner asked if the curriculum had already been changed and, therefore, the proposal was to reflect the current curriculum. Provost Whitmore responded

affirmatively. He noted that the faculty's research and coursework has changed as well. He said students who entered under the previous curriculum would be allowed to take those courses.

Regent Turner asked if there were any budgetary implications of the name change. Provost Whitmore responded that there were none.

MOTION: Regent Turner moved to approve the University of Iowa proposal to change the name of the Division of Planning, Policy and Leadership Studies to the Division of Educational Policy and Leadership Studies in the College of Education. Regent Becker seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

REPORT ON LEGISLATIVE SESSION.

Executive Director Stork stated that the Governor had taken final action on all bills. The Governor recommended \$91 million in salary funding. The legislature appropriated \$79 million for salaries, approximately \$30 million of which have been allocated for the Regents. With regard to capital appropriations bills, he said there was nothing new to report. The legislature will be convening a special session the following week, on June 19, primarily to address the redistricting plan.

Regent Turner asked about SF 476 which requires a Regent study of practitioner preparation credit transfer. Executive Director Stork said it was his recollection that the bill requires the study but he was unsure of any other details at this time.

Regent Turner said she would be interested in learning more about the study.

ACTION: President Newlin stated the Board received the final report on the 2001 regular legislative session, by general consent.

REPORT OF THE BANKING COMMITTEE.

Regent Fisher stated that, at its meeting, the Banking Committee approved the selection of Springsted as the Board of Regents financial advisor. Springsted has represented the Board of Regents for a number of years. He said the Banking Committee confirmed the recommendation of institutional officials to contract with Berens-Tate Consulting Group for arbitrage rebate services.

With regard to the search for an additional fixed income manager, Wilshire Associates recommended three companies for Banking Committee consideration. Upon completion of interviews, the recommendation of the Banking Committee was that Reams Asset Management be added as a fixed income portfolio manager for diversification purposes. Regent Fisher said institutional officials had been directed to negotiate a contract with Reams.

President Newlin stated that Director Elliott would be intimately involved in the contract negotiations.

Regent Fisher said the Banking Committee anticipated that Reams Asset Management would be on board no later than the end of September.

MOTION: Regent Fisher moved to approve (1) the selection of Springsted as financial advisor and Berens-Tate Consulting Group as provider of arbitrage rebate services; and (2) the selection of Reams Asset Management as the new fixed income manager. Regent Ahrens seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

Regent Fisher said the Banking Committee received a lengthy presentation on the quarterly cash and investment report, as of March 31. The Committee also received the Ice Arena Facility Revenue Note Fund Audit, and internal audit reports from Iowa State University. He then stated, for the record, that he had visited with each of the institutional internal audit managers about what is happening on each campus with regard to the internal audit processes and personnel. He was comfortable with the Board's fiduciary responsibility for the internal audits of the institutions.

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

BUDGET CEILINGS FOR FY 2001 AND REVISED CONCEPTUAL BUDGETS FOR FY 2002.

Associate Director Hendrickson stated that four of the five Regent institutions (not Iowa State University) requested approval of revised FY 2001 budgets that include revenues not previously anticipated, as illustrated in the meeting materials. At the May Board of Regents meeting, institutional officials presented conceptual operating budgets for FY 2002 that demonstrated the likely impact the 6 percent reductions in state appropriations would have on the strategic plans of the institutions. There was not

sufficient information available regarding state appropriations and salary allocations to permit the presentation of preliminary budgets at the May meeting.

This month, modified conceptual budgets for FY 2001 were presented for Board review before final budgets are presented for approval in July. Associate Director Hendrickson stated that the only modifications to the conceptual budgets presented in May were for the University of Iowa and Iowa State University. University of Iowa officials are not planning to propose changes to entry requirements and enrollment. Iowa State University officials plan to limit University operations for 12 days at semester break utilizing voluntary leave provisions, rather than closing the University during this period.

Regent Becker referred to the University of Northern Iowa's cost reduction proposal to reduce student aid set aside as a percent of tuition for merit and need-based scholarships, and said that caused her concern.

President Koob stated that the Board of Regents receives annually a financial aid report from each institution in which the institutions identify the target for percentage of tuition proceeds to be dedicated to scholarships. The target for the University of Northern Iowa has traditionally been 19-1/2 percent. The University of Northern Iowa dedicated an additional amount of the tuition proceeds to scholarships, bringing the total to in excess of 21 percent. University officials proposed to return to the Board-authorized level of financial aid.

Regent Becker asked what proportion of the tuition set aside is for merit scholarships and what proportion is for need-based scholarships. President Koob responded that the University's scholarships are mostly based on merit. Need-based scholarships are generally provided by the federal government. He noted that approximately two-thirds of the total financial aid is from federal funds. Therefore, the decision to reduce the percentage of tuition proceeds for scholarships will not significantly affect need-based aid, but some of the merit scholarships the University offers may be affected.

Regent Becker said it was her understanding that the federal financial aid which addresses need-based scholarships has not been increasing at a rate comparable to the increase in student need. President Koob stated that federal financial aid comes in a variety of packages. He believes that any student who has need can receive financial aid equivalent to the amount of need.

Regent Becker stated that financially-needy students seem to be much more concerned about taking on a great deal of debt, especially first-generation college students.

President Koob stated that higher education officials actively lobby the federal government for more student financial aid.

Regent Becker asked if there was anything that would ban the Regent institutions from providing more grant support. President Koob said doing so would require more money. He said the University's financial aid office has no pure awards. Financial aid is a complex package. In addition to funds from the federal government, there is state money, foundation-based scholarships and tuition set aside. There are specific policies on how each of those funds is awarded.

Regent Becker said it might be helpful to have more data on the different sources of financial aid before Board discussion of tuition. President Newlin stated that Regent Becker would be provided with information from last year's financial aid report.

MOTION: Regent Fisher moved to (1) approve the FY 2001 revised budgets and (2) receive the revised FY 2002 conceptual general fund operating budgets. Regent Ahrens seconded the motion.
MOTION CARRIED UNANIMOUSLY.

(a) Regional Study Centers.

Associate Director Hendrickson stated that the Board was asked to approve distribution of appropriated funds to the Quad-Cities Graduate Study Center, the Tri-State Graduate Center, and the Southwest Iowa Regents Resource Center, as outlined in the meeting materials. The distribution included individual appropriation amounts included in the education appropriations bill and represented a 6 percent reduction from the FY 2001 state of Iowa funding for the Centers. She said the allocation of funds for salary increases would be presented in July since that information was not yet available.

Regent Fisher referred to the proposal to undertake a study on the future of the Southwest Iowa Regents Resource Center. He asked if that process had begun. President Newlin stated that it had begun, under the leadership of Dr. Barak. Director Barak said the plan was to report to the Board in October.

MOTION: Regent Fisher moved to (1) approve the distribution of the Quad-Cities Graduate Study Center's FY 2002 appropriation of \$165,145; (2) approve the distribution of the Tri-State Graduate Center's FY 2002 appropriation of \$80,780; (3) approve the distribution of the Southwest Iowa Regents Resource Center's FY 2002 appropriation of \$110,493; and

(4) receive the FY 2002 conceptual general fund operating budgets of the Regional Study Centers. Regent Arbisser seconded the motion. MOTION CARRIED UNANIMOUSLY.

(b) Lakeside Laboratory.

Associate Director Racki stated that the Regent universities collectively provide the FY 2001 general fund budget of \$353,724 for Iowa Lakeside Laboratory. The Iowa Lakeside Laboratory Coordinating Committee, which includes the three provosts as the university representatives, directed that a FY 2002 budget be developed totaling 90 percent of the FY 2001 budget. Dr. Arnold van der Valk, Director of the Laboratory, prepared a budget at this level, with the major reduction being a decrease in his position from one-half time to one-quarter time during the academic year. This reduction in time could negatively impact the ability of the Laboratory to increase the number of organizations and groups using the Laboratory, and could impair efforts to generate more revenue to put the Laboratory on a sounder financial footing.

Associate Director Racki stated that, on that morning (June 12, 2001), the Iowa Lakeside Laboratory Coordinating Committee met and revised its direction regarding FY 2002 budget development. The budget will be developed based on 92 percent of the FY 2001 budget. Dr. van der Valk will not reduce his time; the reductions will be made in other line items. The detailed budget will be brought to the Board for approval next month.

ACTION: President Newlin stated the Board received the conceptual FY 2002 general fund operating budget for the Iowa Lakeside Laboratory, by general consent.

FY 2002 CAPITAL IMPROVEMENT PLANS.

Executive Director Stork stated that this item presented an overview of all anticipated capital improvement projects for the next fiscal year as well as the status of previously-approved projects by the Board exceeding \$1 million. Institutional officials brought to the Board all of the projects in various stages of completion or planning. In fiscal year 2002, the estimated total cost of all projects in the various stages totaled approximately \$360 million. Those projects, for the most part, are subject to further review, availability of funding, and specific approval by the Board.

Regent Ahrens referred to the anticipated Iowa State University projects for Friley Hall Dining and Food Services, and asked how the projects relate to the new Community Center which is being built.

Vice President Madden stated that the new Community Center would accommodate the Union Drive Neighborhood dining. University officials anticipate bringing to the Board in September a revised exterior appearance of the building. He said projects would come forward for the use of space that is being vacated by current dining operations. The freed-up space will likely be used for learning communities which are in need of additional interactive spaces. He noted there was a list of projects that University officials are seriously considering.

President Newlin referred to the University of Northern Iowa's anticipated project in Gilchrist Hall for an Integrated Student Services Center. He asked what would be included in the project and what were the anticipated sources of funds. Vice President Romano responded that the project would integrate in Gilchrist Hall many of the student services on campus including registrar, registration, academic advising, career services, admissions and financial aid. Building repair funds will be utilized. The purpose of the project is to better serve students.

Regent Ahrens asked if student advising was not based in the departments. Vice President Romano responded that the academic advising proposed to be housed in the Integrated Student Services Center is for those students who have not chosen a major.

ACTION: President Newlin stated the Board, by general consent, (1) received the report on institutional FY 2002 anticipated capital improvement projects with the understanding that the proposed projects are subject to further review, availability of funding, and specific project approval by the Board; and (2) received the status report on previously-approved projects with budgets exceeding \$1 million.

REPORT ON MEETING OF THE IOWA COLLEGE STUDENT AID COMMISSION.

Executive Director Stork stated that the meeting of the Iowa College Student Aid Commission was quite brief. The most significant discussion item of the meeting was the deletion of the entire state appropriation for the work study program. He said the loss of funding will have a significant negative impact on students of the Regent universities.

Regent Turner asked for the definition of a 28E Agreement. Executive Director Stork responded that 28E Agreements are established by Iowa Code as agreements between government agencies.

Regent Kelly asked why the work study program is so valuable. President Coleman responded that, at last month's meeting, Dr. Andreasen of the University of Iowa reported that she has 20 students in her lab every semester. Those work study students are employed in a lab where they learn at the same bench as one of the most renowned psychiatrists in the world. Very often, a work study experience will lead a student to a career choice. Work study funds provide academic departments with good people to do quality work at little cost to the department.

President Koob stated that the University of Northern Iowa has had a long history of involving students in work across the campus. Experiential learning provides students with an opportunity to learn while working. He said the removal of work study funds after most of the financial aid has been awarded means that a number of departments will be disproportionately impacted.

ACTION: President Newlin stated the Board received the report of the Iowa College Student Aid Commission meeting, by general consent.

President Newlin recognized Dr. Seagrave for introductions.

President Seagrave introduced three new members of the Iowa State University administrative team. Dr. Mark Chidister, the new Assistant to the President for Budget Policy and Strategic Planning, is also an Associate Professor of Landscape Architecture. Dr. Norm Chevillie of the College of Veterinary Medicine was the new Dean of Veterinary Medicine. Dr. Ben Allen was appointed as Interim Vice President for External Affairs following the departure of Murray Blackwelder. He said he was pleased to introduce the team.

Dr. Allen stated that it was a pleasure to meet again with the Board. He looked forward to and was eager to serve in this capacity.

Dr. Chevillie said he was glad to be in his new position. There were some projects to which he looked forward.

Dr. Chidister said he looked forward to working with Dr. Geoffroy.

President Newlin expressed the Board's appreciation to the three team members for accepting their new assignments.

President Newlin then stated that it was his pleasure to recognize Dr. Richard Seagrave, Interim President of Iowa State University. He presented Dr. Seagrave with a plaque in recognition of his service as Interim President.

Dr. Seagrave received a standing ovation.

President Newlin said he knew that being Interim President was difficult. The Board of Regents appreciated the way in which he took over the position, his enthusiasm and the job he did.

President Seagrave expressed his appreciation to the Board and Board Office for the great support during the year. He also expressed appreciation to the fantastic administrative team at Iowa State University. He said there is a great atmosphere at Iowa State University where the University is really trying to "become the best".

BOARD OFFICE PERSONNEL TRANSACTIONS. The Board Office reported there were no transactions on its personnel register this month.

EARLY/PHASED RETIREMENT PROGRAMS.

Director Wright reviewed with the Board members the information that was provided in the meeting materials. He said the phased retirement program was first approved by the Board in 1982 for faculty and professional and scientific staff. The phased retirement program allows faculty and staff to transition from work to retirement over a period of time. The Board approved a slightly different phased retirement program for Regent Merit System staff in 1984 consistent with the program for state merit system staff. The programs provide for reduction of appointment time over a maximum five-year period with full retirement not later than the end of the fifth year. Through June 30, 2000, 470 faculty and staff have participated in the program. The institutions feel that this program continues to be an effective management tool. The program provides for incentives in pay and retirement contributions during the phasing period. Director Wright stated that the Board Office recommended that the existing phased retirement program be continued through June 30, 2007. Participation in the program continues to be at the discretion of the institution.

The early retirement incentive program was first approved by the Board in 1986 for faculty and professional and scientific staff to comply with legislation enacted by the General Assembly. Director Wright stated that eligibility for participation in the program was extended to staff of the Regent Merit System effective July 1, 1990. The original

program was set to expire on June 30, 1991. In order that the institutions and the Board Office could properly evaluate the use, costs and the benefits of the program and determine what effect, if any, changes in the Older Workers Benefit Protection Act had on the program, the Board approved a one-year extension of the original program through June 30, 1992. After review and evaluation by the Board Office and the institutions, a modified program was developed and approved by the Board for a five-year period beginning July 1, 1992. The modified program changed the eligibility from a minimum age 57 and a maximum age of 63 with ten years of service to age 57 with 15 years of service. Changes were also made reducing the level of benefits provided under the program. In June 1996, the Board continued the program without change through June 30, 2002.

As of June 30, 2000, the last reporting period, 2,058 faculty and staff have participated in the early retirement incentive program since its inception.

Director Wright stated that, since 1998, there have been 662 regular retirees at the institutions. During the same period of time, there have been 580 employees approved for participation in the early retirement incentive program. The early retirement incentive program provides incentives in retirement contributions and health, dental and life insurances for those approved for participation in the program. As the early retirement incentive program currently exists, participation is not to be approved by the institution if it is not in the best interest of the institution. This has meant either that the position will be eliminated at the faculty or staff member's retirement; or that faculty or staff revitalization will be enhanced through replacement; or that significant savings will be achieved by replacing the faculty or staff member with a lower salaried individual. For these reasons, each time the Board has approved the early retirement incentive program, it has stated that participation in the program is not an employee right, and that individual participation must be approved by the institution.

Director Wright said officials of the institutions and Board Office are reviewing the early retirement incentive program and will request Board action in July. Current low unemployment rates, the need to replace many of the employees who are approved for participation in the program, and the highly competitive hiring environment for faculty and staff appear to have diminished the role of the early retirement incentive program in meeting certain management objectives of the Regent institutions. The institutions and Board Office anticipate that the recommendation to the Board in July will be to discontinue the early retirement incentive program effective June 30, 2002, but will include a recommendation allowing each institution to determine if faculty and staff eligible on June 30, 2002, will have until June 30, 2004, to apply for the early retirement incentive program. This two-year extension would allow the institutions to diminish the impact of an abrupt end to the program, which might cause a large number of employees to seek participation in the program prior to June 30, 2002. The foundation

for the anticipated recommendation is that the early retirement incentive program was always approved with recognition that it did not create a right vested in the faculty or staff member for participation in the program and that participation was to be approved only if it was in the best interest of the institution.

Director Wright suggested that institutional representatives may wish make additional comments.

Associate Vice President Foldesi presented the views of University of Iowa officials on the early retirement incentive program, much of which was a reiteration of Director Wright's remarks. He said the retirement programs have served the institutions well; however, circumstances and the employment environment have changed. University officials have discussed the retirement programs with groups on campus. The Funded Retirement Insurance Committee recommended support of the continuation of the phased retirement program, that the early retirement program be allowed to expire, and that other models of early retirement programs be reviewed. After a thorough review of the subject, the Committee concluded the early retirement program does not meet the needs of the University.

Regent Neil referred to the Funded Retirement Insurance Committee recommendation that other early retirement programs which may meet the University's needs be reviewed. He asked what kind of programs were being looked at.

Associate Vice President Foldesi said other programs around the country would be reviewed. The problem for the University of Iowa is getting good people and then retaining them. There was a question as to whether 57 is the right age at which to incent retirement and whether a larger number of years of service should be required. He noted that window programs that fit the needs of the University might also be needed.

President Seagrave stated that the situation at Iowa State University is a little different than that at the University of Iowa. The University's benefits committee and other groups all recommend continuation of the early retirement program with the preservation of the option that some units do not have to use the program. He asked Vice President Madden to explain what makes the Iowa State University situation different and the direction in which University officials would like to see the programs move.

Vice President Madden stated that this may be a case where the needs of each institution are somewhat different. He said the early retirement incentive program at Iowa State University has not been an entitlement program; it has been an effective management tool which generally is supported on the campus. The University's major

administrators indicated that the early retirement program is a valuable tool in managing the human resource base. Although the tentative Board Office recommendation would provide an additional two years of the program which would certainly be of help, Iowa State University officials would like a further extended period of time or a continuation of the program. He said the phased retirement program is the program on the Iowa State University campus which is not used as much.

Regent Kelly asked for an analysis of the cost of health care coverage for retirees. Vice President Madden responded that Iowa State University maintains a group retiree health care program but does not subsidize the program. The retirees pay the cost fully as individuals. During the phasing period of the phased retirement program, the University continues to provide the employer contribution.

President Koob stated that University of Northern Iowa officials are either neutral or ambivalent on this subject. The retirement program is viewed as a management tool and University officials have no need for the management tool. However, University officials would be interested in the offer of a window program. He stated that if the Board chooses to continue either retirement program, it should be thought of as a management tool. University officials no longer need to encourage retirement because the current rate of retirement is more than adequate.

President Koob introduced Doreen Hayek, a speaker on behalf of the University of Northern Iowa campus group known as Campus Voices.

Ms. Hayek stated that Campus Voices represents various constituent groups including supervisory/confidential employees, AFSCME employees, Professional & Scientific employees, faculty and United Faculty. She introduced representatives of the various groups who were in attendance. Ms. Hayek stated that Campus Voices discusses issues of common concern. Over the last six months the group has been discussing the future of the early retirement program. Members of each of the constituent groups were surveyed and asked for feedback. There was found to be nearly universal support for continuation of the retirement programs. Campus Voices performed financial and actuarial analyses of the programs, which she shared with the Board members. Employees recognize the need to have a sound financial base for the programs. She requested that the Board take into consideration all of the financial factors. Employees desire equitable benefit packages. (Campus Voices recommends the eligibility requirement for phased retirement for merit staff be consistent with the requirement for faculty and Professional & Scientific staff.) The group requested centralized record keeping concerning the retirement programs and noted that additional analysis must be done regarding costs and savings. She said the benefits of the retirement programs extend beyond salary savings to include the maintenance of an effective, high-quality workforce, and better technologically intellectual workforce.

Ms. Hayek stated that it takes 5 to 10 years to adequately prepare to retire. Although all of the documents stated the early retirement program was not an entitlement program, no University of Northern Iowa faculty have been denied taking early retirement.

Karon Kolek, chair of the Regent Interinstitutional Supervisory and Confidential Advisory Council, stated that membership consists of employees of each of the five Regent institutions and includes non-bargaining merit system staff. She was in attendance on behalf of those 1,000 employees. Everyone knows that the future of the early retirement incentive program hangs in the balance. Reasons given for maintaining the program include recruitment and retention of employee. She suggested reward was another reason. She said employees of the University of Northern Iowa had done a wonderful job of assessing the programs. She focused her comments on the people who are impacted by the Board's decision. It appeared that something would be taken away from employees. The Regent Interinstitutional Supervisory and Confidential Advisory Council supports the existing early retirement program.

President Newlin thanked everyone for their comments.

Regent Neil stated that when he first became aware of this issue, he asked the Board Office for background on the retirement plans. One item missing was the cost of the programs. The last time these programs were reviewed there was complete information on costs. None of that information, even for the phased retirement program, was presented for consideration at this meeting. He did not have the necessary facts with which to make consider the issues.

MOTION: Regent Neil moved to defer action on this item.
Regent Kelly seconded the motion.

Regent Becker stated that, in addition to the financial information, she would like to know how many retirements are anticipated in the coming 5 to 6 years. She said that has an impact on the future work force. She thinks the institutions will have a harder time if employees as young as 57 are encouraged to participate in retirement.

Regent Turner inquired about retirement programs of the peer institutions and said she would like more information on any similar programs.

Regent Kelly noted that one of the speakers had stated that a large percentage of faculty complain that they spend too many hours in the classroom. On the other hand, most state legislators feel just the opposite is true. The Board of Regents is then caught in between. He said there is quite a difference of opinion between what the faculty wants and maybe what the people of Iowa and the legislature want. He then stated that

he has had many employees in his life. He learned early to treat people well and fairly. He also learned very early that one cannot take things away from employees once something had been given to them. If the decision is to make a change that appears to take benefits away from employees, a satisfactory replacement has to be made.

VOTE ON THE MOTION: Motion carried unanimously.

AFFILIATED ORGANIZATION REPORTS.

ACTION: This report was received on the consent docket.

APPROVAL OF VENDORS WITH A POTENTIAL CONFLICT OF INTEREST.

ACTION: This matter was approved on the consent docket.

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

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

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

ACTION: President Newlin stated the Board meetings schedule was approved by general consent.

TECHNOLOGY PRESENTATION.

Provost Richmond stated that it is the intention of the Regent provosts to provide the Board of Regents with a vision of where the Regent institutions should be going in the development of information technology, and to urge the Board's advocacy of these issues. This was the second of six presentations on various aspects of information technology. He then introduced Dr. James Bernard, Director of Iowa State University's Virtual Reality Applications Center.

Dr. Bernard discussed the steady incremental change of technology and provided examples of such in the areas of automobiles and medical care. He said technology is "exploding". The Iowa Center for Emerging Manufacturing Technology (1990-97) specialized in the integration of design and manufacturing computer visualization. The Center's name was changed to the Virtual Reality Application Center in 1997. He noted that centers are for the whole university. The Virtual Reality Application Center has contracted with the University of Iowa's National Advanced Driving Simulator to tie in the Simulator with Iowa State University's C2 and C6 virtual reality caves. This marvelous collaborative effort is expected to be operational by October. Proposals will be written for funding the collaboration.

Funding for the Virtual Reality Application Center is one-third from industry, one-third from the National Science Foundation and one-third from the military. The Center has received \$10 million in research funding for 30 funded projects involving 22 faculty from 6 colleges and with 100 students in participation. He said the Center's funding has doubled in the last year since the C6 virtual reality cave came on line.

Dr. Bernard discussed the economic impact of virtual reality research at Iowa State University. Mechdyne Corporation in Marshalltown is using skills learned in the virtual reality cave. Demonstratives.com has provided computer animation of such national events as the bombing of the federal building in Oklahoma City, the TWA flight crash, and the O.J. Simpson murder investigation. Electronic Data Systems, Ross Perot's company, has a location in Ames since buying out Engineering Animation Incorporated.

He said the University's technology has had an enormous economic impact on the state. First the investment in technology has to take place and then other results happen. He noted that 25 percent of Iowans who work are in minimum wage jobs.

Dr. Bernard provided the example of technology development in the key punch versus the personal computer. He said there will come a time when people think about personal computers the way the key punch is now thought of. With regard to what is next economically, he provided a comparison of Ireland and Iowa. Both are geographically about the same size. Their economies are driven by manufacturing and farming. When Dr. Bernard was in Ireland last summer, he noticed that the cars being driven were all new. Ireland's economy is "jumping". Ireland made large investments in technology and it is really paying off. He thinks Iowa needs to do so also. The purpose of his presentation, in part, was to lobby the Board of Regents so that the Regent system might convince the state of Iowa that it is time to invest in technology. He believes the state will be better off if it makes technology investments.

President Newlin thanked Dr. Bernard for the presentation and for the tour that morning of the virtual reality facilities of the College of Engineering. He said it was obvious that the technology was state-of-the-art in the U.S. and perhaps in the world.

President Newlin then asked Board members and institutional officials if there were additional general or miscellaneous items for discussion.

EXECUTIVE DIRECTOR RESIGNATION.

Regent Turner stated that the Board had received the resignation of Frank J. Stork as Executive Director of the Board of Regents effective August 1, 2001. Mr. Stork is leaving to accept a position as Associate General Counsel of Wellmark, Inc. It was with sadness but also with happiness for his opportunity that the Board accepted Mr. Stork's resignation. She said the resignation necessitated the appointment of an Interim Executive Director to serve until the new Executive Director assumes the position. The recommendation was to appoint Robert J. Barak, Deputy Executive Director, as Interim Executive Director. Dr. Barak has worked with the Board of Regents for many years. She said the Board would need to approve a process by which to carry out a search for an Executive Director. The recommendation was that the President of the Board of Regents develop procedures for the search, including recommendations for an executive search firm to assist the Board in the search, for consideration by the Board at its July meeting.

President Newlin recommended that the salary of the Interim Executive Director be set at the current salary of the Executive Director.

MOTION: Regent Kelly moved to (1) receive the resignation of Frank J. Stork, effective August 1, 2001; (2) approve the procedures for a search for a new Executive Director; and (3) appoint Robert J. Barak as Interim Executive Director effective August 1, 2001. Regent Ahrens seconded the motion. MOTION CARRIED UNANIMOUSLY.

President Newlin stated that Frank Stork had done an excellent job as Executive Director in the last three years. He said Mr. Stork would be missed greatly and, on behalf of the Board of Regents, he wished him the best.

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

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

MOTION CARRIED.

The Board having voted at least two-thirds majority resolved to meet in closed session beginning at 3:30 p.m. on June 12, 2001, and adjourned therefrom at 6:10 p.m. on that same date.

STATE UNIVERSITY OF IOWA

The following business pertaining to the University of Iowa was transacted on Tuesday and Wednesday, June 12 and 13, 2001.

REGISTER OF PERSONNEL TRANSACTIONS.

ACTION: The Register of Personnel Changes for April 2001, which contained the following items, was approved on the consent docket: Reappointments of Douglas True as Treasurer and Douglas Young as Secretary for the fiscal year beginning July 1, 2001, in accordance with the Iowa Code §262.9.

PROPOSED COURSE CHANGES.

ACTION: This matter was approved on the consent docket.

NAMING OF NEW HONORS FACILITY.

Following completion of the site master plan for the Honors Center and Careers Center projects and the schematic design for the Honors Center, President Coleman requested the Board's approval to name the University of Iowa's new honors facility as the Myron and Jacqueline N. Blank Honors Center. She said the Blanks have been long-standing supporters of the University of Iowa. Through their vision and extraordinary commitment to gifted education, they have helped to establish several endowments and scholarships. In November 1999, the Blanks contributed \$5 million for the construction and program development of a new honors facility which will provide the University with an extraordinary opportunity to enhance the education of Iowa's best and brightest students.

Regent Fisher stated that the Blank family has been very generous to this state. Their idea and their money, along with David Belin's foresight, started this effort many years ago. He said he was honored to make the motion.

MOTION: Regent Fisher moved to approve naming the University of Iowa's new honors facility as the Myron and Jacqueline N. Blank Honors Center. Regent Arbisser seconded the motion. MOTION CARRIED UNANIMOUSLY.

PROFESSIONAL AND SCIENTIFIC CLASSIFICATION REVISIONS.

Director Wright presented the Board members with highlights of the University's request.

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

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS.

The following is a summary of the presentation on the site master plan for the Honors Center and Careers Center projects and the schematic design for the Honors Center.

President Coleman presented an overview of the projects including the activities which culminated in the planning for this facility. She said that 25 years ago the Belin and Blank families started a tremendous collaboration for gifted and talented education, which has reached 30,000 young people. The 58,700 gross square foot Honors Center will house the administrative office areas for the Belin-Blank Center for Gifted and Talented Education and the University Honors Program, as well general instructional areas. The \$13.9 million project will be funded primarily by gifts to the University, including a major gift from the Blank family. The plan is to combine and co-locate administrative offices and get synergies between the programs. She said there are 4,500 undergraduate students involved in the University's honors program. The site is at the center of the campus and is contiguous with Daum Residence Hall. The building reflects the hopes and dreams of the Belins and the Blanks.

Mr. Rod Kruse of Herbert Lewis Kruse and Blunck presented that master plan for the Honors Center and Careers Center projects, including the site concept and the schematic design for the Honors Center. Many different issues were considered in the master plan development. One such issue was the desire to create a campus "front door" because of the site location on Market Street, a major entrance to the campus. A setback requirement was intentionally included for the Careers Center which created a green space in front of the Careers Center and Honors Center. The setback also

increases pedestrian visibility. He said both buildings front the T. Anne Cleary Walkway. On the site is a copper beech tree which is 50 to 75 years old. That tree became a major deciding factor in where the building sat. There is also a canopy of over-story ash trees which creates an outdoor room. The trees will be protected. He addressed how parking needs would be accommodated for visitors to the site. Visitors will have access to a 23-car parking lot off Clinton Street. Additionally, the North Campus parking Facility provides access for the facilities and the Iowa Memorial Union parking ramp also provides access to parking. He discussed how utilities would be brought into the site to minimize the disturbance to the root systems of the trees.

The Honors Building will be a six-story building with approximately 9,500 square feet per floor. Mr. Kruse described each level of the building's floor plan.

Regent Fisher stated that the façade of the buildings on the Pentacrest is limestone as is the Pappajohn Building facade. He acknowledged that the exterior architecture of the Honors Center was designed to blend with Daum Hall. He asked that consideration be given to using limestone to coordinate more with the Pappajohn Business Building.

Mr. Kruse stated that the first choice would be limestone; however, using limestone would increase the project cost by \$125,000.

Regent Fisher said he would like to see as much limestone as possible used on the building. Mr. Kruse stated that limestone could be offered as an option.

Regent Fisher asked if the use of limestone would change any of the glass exposure currently included in the building design. Mr. Kruse said he did not think so. He believes the limestone and glass is a good mix with the campus as a whole. He noted that the Careers Center would probably be a stronger influence on the site.

Regent Fisher noted that metal seems to date itself quicker than does limestone.

Regent Arbisser asked about parking for the site. President Coleman said the site is across from the north campus parking structure. A 23-car parking area near the entranceway will be included for visitors. She said there would be no problem accommodating the people who work in that building in the north campus parking structure.

Vice President True said it was his understanding that 23 parking spots is adequate for the needs of the Honors Center and the Careers Center. He described other parking initiatives around the campus which he expected would reduce congestion. The north campus parking structure is one-half block from this building site. Another parking ramp (Memorial Union ramp) is one block south of this site.

Professor Alice Fulton stated that the parking needs for the University Honors Program versus the Belin-Blank Center are very different. Activities in the honors program mostly take place during the school hours and almost all of the program participants walk to the facility. Activities of the Belin-Blank program tend to take place on weekends and in the summer time, which are times when the north campus parking structure is almost empty.

Regent Ahrens referred to the large amount of glass in classrooms and asked if there would be a way to close off the glass. Mr. Kruse responded affirmatively.

Regent Kelly asked if there was adequate food service for the site. Vice President True responded that University officials were planning a remodeled major food service venue similar to the newly-opened Hillcrest Dining Facility. This food service would be located in Burge Hall which is directly across the street from this project. He said it will be a fabulous dining facility. He noted that the Union dining personnel were also providing opportunities for quick dining in the Pappajohn Building, University Services Building, and the Engineering Building.

President Newlin asked for the cost of relocating the Shambaugh House and how the relocation would be funded. Vice President True stated that University officials are looking for a site where the Shambaugh House, the current location of the Honors Program, can be moved to showcase the building. University officials hope to be able to move the building yet this summer. The cost estimate is \$100,000, with the funds for the relocation coming from Treasurer's Temporary Investments.

President Newlin asked for a brief status report on fund raising, etc., for the Careers Center. Vice President True responded that the Board had authorized University officials to hire an architectural firm, Savage Ver Ploeg. University officials anticipate that detailed planning can begin next month. It will be at least 6 months before the Board is presented with a program statement. The source of funds for the Careers Center will be predominantly gift funds. The University has or will have the money required to be spent for the project. Vice President True stated that, linked with this project, would be the consolidation of the careers programs and the hiring of a new executive director. Doing so will allow the program personnel to work with the University's design staff to develop a program for the building to be brought back to the Board.

Vice President True offered to answer any questions regarding the projects on the University's capital register.

MOTION: Regent Ahrens moved to approve the University's capital register, as presented. Regent Fisher seconded the motion. MOTION CARRIED UNANIMOUSLY.

APPROVAL OF LEASES AND EASEMENTS.

MOTION: Regent Fisher moved to approve a sublease amendment for the School of Social Work with the Quad-Cities Graduate Study Center which leases space on the Augustana College campus in Rock Island, Illinois; and a permanent easement and lease agreement with Digital Teleport, Inc. (DTI) which is constructing telecommunications facilities from Kansas City to Chicago through University property; as consideration, DTI would provide fiber optic connections between the Main Campus, and the Hawkeye Area and the Oakdale Campus. Regent Turner seconded the motion, and upon the roll being called, the following voted:
AYE: Ahrens, Arbisser, Becker, Fisher, Kelly, Newlin, Nieland, Turner.
NAY: None.
ABSENT: Neil.

MOTION CARRIED.

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

IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was transacted on Tuesday and Wednesday, June 12 and 13, 2001.

TOUR OF VIRTUAL REALITY C-6.

Dr. James Bernard, Director of the Virtual Reality Application Center, and Dr. Judy Vance, Associate Professor of Mechanical Engineering, facilitated the tour.

In the C-6 virtual reality cave, when one wears the “magic glasses” the images look perfect. The magic glasses are tracked by computer to position pictures to be correct with the head of the person wearing the glasses. The cave is a rear-projected movie theater. The projectors are connected to a computer. The cave has six walls and an eight-speaker sound system. The C-6 has two more walls than that of the C-2. The C-2 is 12 feet by 9 feet while the C-6 is 10 feet by 10 feet by 10 feet. The C-6 projection is wireless and every surface is rear projected. Shadows are not projected. The C-6 has been operational since June 2000. Research projects are taking place in it including those for the Air Force and for driving simulation. Over 30 projects are funded including next-generation battlefield simulation. The C-6 is one of the two most advanced virtual reality caves in the world. The other one is in Germany.

In the Black Engineering Building, the Board members were provided with a tour of the C-2 virtual reality cave. Denis Dorozhkin, a master’s student, provided the Board members with a demonstration of the cave’s capabilities and uses. Dr. Vance stated that the cave takes research from a monitor, mouse and keyboard environment into an immersible environment. She said the C-2 does not project onto the floor. The C-2 and C-6 caves are linked together in the auditorium. Increased grant funding has been received since the opening of the C-6. She said the C-6 is a premier center for this kind of research. The C-6 is the only 6-sided cave in the U.S. She stated that when Mr. Dorozhkin graduates with a degree in mechanical engineering, he will be able to do traditional mechanical engineering as well as computer-oriented mechanical engineering in which the virtual reality technology is developed.

In the Howe Hall auditorium, which is similar to an Imax theater, Dr. Bernard provided the Board members with additional information regarding Iowa State University’s virtual

reality activities. The auditorium allows a class of 50 students to see what is going on in the virtual reality caves. It is the only room like it in the world.

Regent Ahrens asked for the cost for John Deere and Procter and Gamble to build their own virtual reality caves. Dr. Bernard responded that the cost varies greatly, but was approximately \$75,000 per wall. Most of the cost is for the computer and the projectors.

Dr. Bernard presented the Board members with a demonstration on the screen of a student project of a virtual reality nexus. The Board members wore glasses which "talk" to the computer. Wearing the glasses, one is able to see in stereo because the images are polarized. He noted that in 10 years the technology would be completely realistic. He said that what they were seeing was not a movie. It was presented in real time with no animation. He pointed out that the flashing blue lights below the screen were sensors for the tracking system.

Dr. Bernard concluded by stating that people who visit the facility are amazed, including representatives from the Massachusetts Institute of Technology, who recently visited the facility. He said Iowa State University is a leader in the field of virtual reality. It is rare to be a leader in a high-tech field.

REGISTER OF PERSONNEL CHANGES.

ACTION: The Register of Personnel Changes for May 2001, which was approved on the consent docket, included the following actions: Approve the reappointments of Margaret Pickett as Secretary and Joan Thompson as Treasurer for the fiscal year beginning July 1, 2001, in accordance with the Iowa Code §262.9; the appointment of Norman F. Cheville, Distinguished Professor and Interim Dean, College of Veterinary Medicine as Dean, College of Veterinary Medicine beginning May 1, 2001, at an annual salary of \$172,403; appointment of Mark J. Chidister, Associate Professor of Landscape Architecture, as Assistant to the President for Budget Planning and Analysis beginning June 1, 2001, at an annual salary of \$115,000; appointment of Benjamin J. Allen, Distinguished Professor and Dean, College of Business, as Interim Vice President for External

Affairs beginning July 1, 2001, at an annual salary of \$215,000; appointment of Labh S. Hira, Professor and Senior Associate Dean, College of Business as Interim Dean, College of Business, beginning July 1, 2001, at an annual salary of \$179,000; and appointment of Susan L. Carlson, Professor of English, as Associate Provost beginning July 16, 2001, at a nine-month academic year salary of \$75,479.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS.

Vice President Madden presented the capital register on behalf of Iowa State University. Projects brought forward this month included a Reiman Gardens Conservatory project budget adjustment. University officials have taken bids and are moving ahead with the Conservatory, which he said is an important project at Iowa State University. Several fire safety improvement projects are moving along. University officials proposed to expand the Beardshear Hall project to include the replacement of windows and some additional interior work. As the project, which was planned in 1996, has progressed, it has become apparent that the windows need to be replaced. The windows are 100 years old and experience a large amount of air infiltration. With the cost of energy continuing to increase, University officials concluded that it would be appropriate to move ahead with the window replacement. He said there was a proposal for elevator modernization in Heady Hall. With regard to the College of Business building, he said the capital appropriation allows the University to move forward with that project.

President Newlin referred to the Beardshear Hall Remodeling project completion date and asked how much the date would be extended due to the expansion of the project scope to include window replacement and repair, etc. Vice President Madden responded that the expansion of the project scope would not extend significantly the completion date. He said the current (first) phase, which is the ground floor, of the project provides for a Student Answer Center, which will consolidate various student service units. The project is to be completed this summer so that it will be in use this fall when students return to campus. The remodeling has necessitated a series of moves of people because the building is still occupied. On the first floor, where the major administrative offices are housed, there will be relatively little modification other than window replacement. Over the last 10 to 15 years those areas have, by-and-large, been renovated. He said the second and third floors, which will house a number of other administrative functions and conference rooms, will be remodeled over the next two years. The project will be finished in the 2002-03 academic year.

Vice President Madden stated that the investment in the Beardshear Hall Remodeling project will retain one of the historic structures on the campus. The stained glass skylight structure on the roof of the building will be restored. A new elevator will be installed. The large open atrium will be retained. It was believed that this remodeling project would extend the life of the building 100 years. He noted that the original 100-year-old oak window frames would be reused.

Regent Kelly asked that he be provided with an accurate description (chemical information) of the type of glass that will be installed for the Beardshear project. Vice President Madden responded that it would be a thermal pane insulated glass that also addresses light penetration. He said he would get the chemical information requested by Regent Kelly.

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

APPROVAL OF LEASES AND AGREEMENTS.

MOTION: Regent Fisher moved to approve renewal of Memoranda of Agreements with the Iowa State University Book Store and University Copy Center for their use of space in the Union; renewal of agreement with AmerUs Life Holdings for the University's continued use of space in the AmerUs Conference Center located at 699 Walnut Street, Des Moines, Iowa for the MBA program; and cooperative agreement among Iowa State University, the Government of the Student Body of Iowa State University, and the City of Ames in support of transit services in the City of Ames, commonly known as Cy-Ride. Regent Turner seconded the motion, and upon the roll being called, the following voted:
AYE: Ahrens, Arbisser, Becker, Fisher, Kelly, Newlin, Nieland, Turner.
NAY: None.
ABSENT: Neil.

MOTION CARRIED.

DEMOLITION OF OSBORN COTTAGE.

Vice President Madden presented this item on behalf of Iowa State University. He said the funding was now in place for the new College of Business Building, the site for which was the current location of Osborn Cottage. The cottage had been offered to Habitat for Humanity, which declined the offer due to the prohibitive cost of abatement of the building's asbestos and lead paint.

MOTION: Regent Fisher moved to approve the demolition of the Osborn Cottage. Regent Becker seconded the motion, and upon the roll being called, the following voted:
AYE: Ahrens, Arbisser, Becker, Fisher, Kelly, Newlin, Nieland, Turner.
NAY: None.
ABSENT: Neil.

MOTION CARRIED.

IOWA STATE CENTER CONTRACT MANAGEMENT AGREEMENT WITH SMG.

Vice President Madden presented the request on behalf of Iowa State University. He noted that Spectator Management Group (SMG) is jointly owned by Aramark and Hyatt.

Regent Fisher said he noticed that contractors are working on Hilton Coliseum. Vice President Madden stated that a series of restroom projects at Hilton will be completed in the coming year. Capital projects are being scheduled to accommodate events that are scheduled for the building. Contractors were also installing railings in the aisles. University officials hope to have the exterior work completed before basketball season.

Regent Becker asked for information regarding the use of an outside vendor to operate events facilities. Vice President Madden stated that each of the universities has approached this matter differently. Iowa State University officials chose, a decade ago, to use a large national management firm. Doing so has proven to be a win-win situation for the University. The arrangement provides training opportunities for students and has held down the University's costs. He noted that the Iowa State Center is not completely self supporting.

MOTION: Regent Fisher moved to (1) approve the selection of SMG to manage the Iowa State Center at Iowa

State University for the five-year period beginning July 1, 2001; and (2) subject to the review of the contract terms by Board Office staff and the Attorney General's Office, authorize the Executive Director to enter into the contract on behalf of the Board. Regent Nieland seconded the motion. MOTION CARRIED UNANIMOUSLY.

PROFESSIONAL AND SCIENTIFIC CLASSIFICATION REVISIONS.

Vice President Madden presented this item on behalf of Iowa State University.

MOTION: Regent Turner moved to approve the proposed revisions to the professional and scientific classification system at Iowa State University. 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 Iowa State University. There were none.

UNIVERSITY OF NORTHERN IOWA

The following business pertaining to the University of Northern Iowa was transacted on Tuesday and Wednesday, June 12 and 13, 2001.

REGISTER OF PERSONNEL TRANSACTIONS.

ACTION: The Register of Personnel Changes for April 2001, which contained the following item, was approved on the consent docket: reappointment of Gary Shontz as Secretary and Treasurer for the fiscal year beginning July 1, 2001, in accordance with the Iowa Code §262.9.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS.

Vice President Dell presented the capital register on behalf of the University of Northern Iowa. She apologized for the omission of a map for the Steam Distribution System Replacement, Phase 1 project.

Regent Ahrens asked when construction was scheduled to begin on the steam system project. Vice President Dell responded that the University would soon be going out for bids. She noted that the project was funded with state appropriations.

President Newlin asked for a status report on the Redeker Dining Center project. Vice President Romano responded that the project is right on schedule. The Regents will be served dinner in the facility next month. The facility will be open to students in the fall. University officials are excited about showing the fabulous facility to the Board members.

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

COLLEGE HILL NEIGHBORHOOD ASSOCIATION LEASE.

MOTION:

Regent Fisher moved to approve a sublease agreement with College Hill Neighborhood Association for the University's use of space for the Students Against a Violent Environment Center. Regent Turner seconded the motion, and upon the roll being called, the following voted:
AYE: Ahrens, Arbisser, Becker, Fisher, Kelly, Newlin, Nieland, Turner.
NAY: None.
ABSENT: Neil.

MOTION CARRIED.

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

IOWA SCHOOL FOR THE DEAF

The following business pertaining to the Iowa School for the Deaf was transacted on Tuesday and Wednesday, June 12 and 13, 2001.

REGISTER OF PERSONNEL CHANGES.

ACTION: The Register of Personnel Changes for May 2001, which contained the following items, was approved on the consent docket: reappointment of James Heuer as Secretary and Treasurer for the fiscal year beginning July 1, 2001, in accordance with the Iowa Code §262.9; appointment of John Cool as Level I child abuse investigator and Lori Green and Jeanette Watson alternates for the fiscal year beginning July 1, 2001.

APPROVAL OF STRATEGIC PLAN.

ACTION: President Newlin stated the Board deferred action until July on the Iowa School for the Deaf Strategic Plan.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS.

Superintendent Johnson stated that the capital register was in order. He presented highlights of the Utility Tunnel Replacement, Phase 2 project.

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

AGREEMENTS WITH THE NEBRASKA DEPARTMENT OF EDUCATION.

Superintendent Johnson stated that the agreements provided for the same fees per student as those of the last three years.

Regent Turner asked if there was an anticipated change in the number of Nebraska students to be served at the Iowa School for the Deaf next year. Superintendent Johnson responded that the number of Nebraska students seemed to be declining. There are not as many Nebraska students coming to the Iowa School for the Deaf as are graduating from the School. School officials anticipate 16 Nebraska students at the Iowa School for the Deaf this fall, and 8 Nebraska students in the summer school.

MOTION:

Regent Fisher moved to (1) approve the renewal of the education services agreement with the Nebraska Department of Education for the FY 2002 at a tuition rate of \$62,759 per Nebraska student (\$39,252 for educational and related program services and \$23,507 for residential services); (2) approve the renewal of the Nebraska Summer School Agreement for the summer school program of 2001 with a tuition rate of \$472 per Nebraska student, per week (\$240 for educational and related program services and \$232 for residential services); and (3) approve the notification of the Board's intent to renew each agreement with the Nebraska Department of Education for FY 2003, pursuant to the provisions of the agreement. Regent Turner 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. There were none.

IOWA BRAILLE AND SIGHT SAVING SCHOOL

The following business pertaining to Iowa Braille and Sight Saving School was transacted on Tuesday and Wednesday, June 12 and 13, 2001.

REGISTER OF PERSONNEL CHANGES.

ACTION: The Register of Personnel Changes for April 2001, which included the following items, was approved on the consent docket: reappointment of Luann Woodward as Secretary and Treasurer for the fiscal year beginning July 1, 2001, in accordance with the Iowa Code §262.9; appointment of Dianne Utsinger as Level I child abuse investigator and Barbara Roberts and Nick Fisher alternates for the fiscal year beginning July 1, 2001.

SCHOOL CALENDAR.

ACTION: This matter was approved on the consent docket.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS.

Superintendent Thurman stated that the capital register was in order. He presented highlights of the project description and budget for the Conversion of Barn into a Bus Storage Facility project (\$40,000), which would convert the existing barn into a vehicle storage facility to house the School's bus fleet. He said a second project on this month's capital register was a revised budget for the HVAC system to be installed in Rice Hall and award of the construction contract to Modern Piping, Inc., of Cedar Rapids in the amount of \$731,683.

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

APPROVAL OF TENANT LEASE AGREEMENTS.

MOTION:

Regent Fisher moved to renew lease agreements for space on the School's campus with: Happy Time Child Development Center for its use of space as a day care center; Iowa Department of Public Health for its use of office space; and Vinton-Shellsburg Community School District for its use of space for offices and an early childhood program. Regent Turner seconded the motion, and upon the roll being called, the following voted: AYE: Ahrens, Arbisser, Becker, Fisher, Kelly, Newlin, Nieland, Turner.
NAY: None.
ABSENT: Neil.

MOTION CARRIED.

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

ADJOURNMENT.

The meeting of the Board of Regents, State of Iowa, adjourned at 10:11 a.m. on Wednesday, June 13, 2001.



Frank J. Stork
Executive Director