

The Board of Regents, State of Iowa, met on Tuesday and Wednesday, March 11 and 12, 2003, at Iowa State University, Ames, Iowa. The following were in attendance:

	<u>March 11</u>	<u>March 12</u>
<u>Members of the Board of Regents, State of Iowa</u>		
Dr. Newlin, President	All sessions	All sessions
Dr. Arbisser	All sessions	All sessions
Ms. Arnold	All sessions	All sessions
Dr. Becker	Excused	All sessions
Mr. Fisher	All sessions	All sessions
Dr. Kelly	All sessions	All sessions
Mr. Neil	All sessions	All sessions
Ms. Nieland	Excused	Excused
Dr. Turner	Excused	All sessions
<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	All sessions	All sessions
Director Wright	All sessions	All sessions
Associate Director Hendrickson	All sessions	All sessions
Associate Director Racki	All sessions	All sessions
Assistant Director Anania	Excused	All sessions
Assistant Director Gonzalez	Excused	All sessions
Assistant Director Stockdale	All sessions	All sessions
Communications Specialist Boose	All sessions	All sessions
Minutes Secretary Briggie	All sessions	All sessions
<u>State University of Iowa</u>		
President Skorton	All sessions	All sessions
Provost Whitmore	Excused	All sessions
Vice President Jones	Excused	All sessions
Vice President Kelch	Excused	All sessions
Vice President True	All sessions	All sessions
Director Katen-Bahensky	All sessions	Excused
Director Parrott	Excused	All sessions
General Counsel Schantz	Excused	All sessions
<u>Iowa State University</u>		
President Geoffroy	All sessions	All sessions
Interim Provost Allen	Excused	All sessions
Vice President Hill	Excused	All sessions
Vice President Madden	All sessions	All sessions
Executive Assistant to President Dobbs	Excused	All sessions
Assistant to President Chidister	Excused	All sessions
Director McCarroll	All sessions	All sessions
<u>University of Northern Iowa</u>		
President Koob	All sessions	All sessions
Provost Podolefsky	Excused	All sessions
Vice President Romano	Excused	All sessions
Vice President Schellhardt	All sessions	All sessions
<u>Iowa School for the Deaf</u>		
Superintendent Johnson	Excused	Excused
Director Heuer	All sessions	All sessions
<u>Iowa Braille and Sight Saving School</u>		
Superintendent Thurman	Excused	All sessions
Director Woodward	Excused	All sessions
Director Utsinger	Excused	All sessions

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

[www.state.ia.us/educate/regents](http://www.state.ia.us/educate/regents)

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

## BOARD OF REGENTS, STATE OF IOWA

The following business was transacted on Tuesday, March 11, 2003, beginning at 3:30 p.m.

President Newlin stated that Superintendent Johnson would not be in attendance at this meeting. Over the previous weekend, he had slipped on ice in a parking lot and broken an ankle and a thumb. President Newlin said Board members wished Superintendent Johnson the best in his recovery.

**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); and, upon the request of an employee whose performance was being considered, pursuant to Iowa Code §21.5(1)(i).

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

MOTION CARRIED.

The Board having voted at least two-thirds majority resolved to meet in closed session beginning at 3:40 p.m. on March 11, 2003, and adjourned therefrom at 5:10 p.m. on that same date.

The following business was conducted on Wednesday, March 12, 2003, beginning at 8:33 a.m.

### **APPROVAL OF MINUTES OF BOARD MEETINGS OF JANUARY 15-16 AND FEBRUARY 19, 2003.**

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

BOARD OF REGENTS MEETING  
March 11-12, 2003

ACTION: President Newlin stated the minutes of the January 15-16 and February 19, 2003, meetings, were approved, as written, by general consent.

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

(b) Institutional and Board Office Personnel Transactions. Approval of the following was recommended: University of Iowa Register of Personnel Changes for December 2002 and January 2003; Iowa State University Register of Personnel Changes for January and February 2003 which included the resignation of David R. Bousquet, Assistant Vice President of Enrollment Services, effective February 28, 2003; University of Northern Iowa Register of Personnel Changes for December 2002 and January 2003; Iowa School for the Deaf Register of Personnel Changes for January and February 2003; and, Iowa Braille and Sight Saving School Register of Personnel Changes for December 2002 and January 2003. The Board Office had no personnel transactions for approval this month.

(c) Affiliated Organization Report – Iowa Measurement Research Foundation. Receipt of the report on the Iowa Measurement Research Foundation at the University of Iowa was recommended.

(d) Approval of School and Holiday Calendars for the Iowa School for the Deaf. Approval of the School and holiday calendars for the Iowa School for the Deaf for 2003-04 was recommended.

(e) New Center for Power System Engineering Research, ISU. Receipt of the report of a new center at Iowa State University to be called the Power System Engineering Research Center (PSerc) was recommended.

(f) Professional and Scientific Classification System Revisions, SUJ. Approval was recommended of the University of Iowa's proposed revision to the pay grade of Associate Director, Animal Care Unit from pay grade 12 (\$45,806 to \$84,954) to pay grade 14 (\$53,608 to \$99,447).

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

**INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION.** (a) Revisions for 2003-05 General Catalog, ISU.

Provost Podolefsky presented the recommendation of the Interinstitutional Committee on Educational Coordination to approve the proposed revisions to Iowa State University's general catalog. He said the catalog contained new programs that were previously approved by the Board. A total of 275 new courses were being added and 365 were being dropped.

MOTION: Regent Arbisser moved to approve the proposed revisions for Iowa State University's 2003-2005 general catalog. Regent Turner seconded the motion. MOTION CARRIED UNANIMOUSLY.

(b) New Interdisciplinary Graduate Minor in Women's Studies, ISU.

Provost Podolefsky presented the recommendation of the Interinstitutional Committee on Educational Coordination to approve the proposed new interdisciplinary graduate minor in Women's Studies at Iowa State University. He said the program meets the Board's criteria for new minors.

Regent Becker referred to information in the meeting materials that the proposed minor will allow masters and doctoral students to officially integrate the interdisciplinary work on women and gender into their programs of study. She said recent data identifies that boys are experiencing difficulty in progressing to high school graduation and in continuing their education beyond high school. She asked if the reference to gender will evolve to include boys.

Provost Allen said he would share that question with the Women's Studies program director and provide an answer to Regent Becker.

MOTION: Regent Fisher moved to approve Iowa State University's proposal for a new interdisciplinary graduate minor in Women's Studies. Regent Arbisser seconded the motion. MOTION CARRIED UNANIMOUSLY.

(c) New Interdisciplinary Major in Performing Arts Entrepreneurship, SUI.

Provost Podolefsky presented the recommendation of the Interinstitutional Committee on Educational Coordination to approve the proposed interdisciplinary major in performing arts entrepreneurship at the University of Iowa. He said the program meets the Board's criteria for approval. The University of Iowa has a long tradition of excellence in the arts and the program is consistent with the institutional role and mission.

MOTION: Regent Arbisser moved to approve the University of Iowa's request to establish a new interdisciplinary major in Performing Arts Entrepreneurship. Regent Becker seconded the motion. MOTION CARRIED UNANIMOUSLY.

(d) Establish Separate Major in Athletic Training by the College of Liberal Arts and Sciences, SUI.

Provost Podolefsky presented the recommendation of the Interinstitutional Committee on Educational Coordination to approve the proposed major in Athletic Training at the University of Iowa. He noted that the program is an extension of an existing "track" in Athletic Training and that having a separate major will be a benefit to students who graduate from the program. He said no new courses will be needed.

MOTION: Regent Becker moved to approve the University of Iowa's request to establish a separate major in Athletic Training to be granted by the College of Liberal Arts and Sciences. Regent Arbisser seconded the motion. MOTION CARRIED UNANIMOUSLY.

(e) Post-audit Report of the Master of Science in Agronomy Distance Education.

Provost Whitmore presented the recommendation of the Interinstitutional Committee on Educational Coordination to receive the post-audit report of the Master of Science in Agronomy distance education at Iowa State University and to continue the program. The report indicates that the program meets or exceeds the Board's criteria for post-audit review. He stated that the program has been even more successful than originally envisioned.

President Newlin said this was a rather unique program at Iowa State University, compared to many distance education programs. He asked for comment about the number of out-of-state students enrolled in this program.

Provost Allen stated that one-half of the total enrollment is of students from outside of Iowa. He noted that the post-audit report demonstrated that when a program is done well, it takes money. College officials have been very successful in trying to spread the costs.

President Newlin asked for the total investment for the program. Provost Whitmore responded that the program cost \$275,000, twice the cost of the initial estimates. He said it takes a lot of support and interaction to offer a degree program on the internet.

President Newlin asked if all of the funds for the program were from private contributions. Provost Allen responded affirmatively. He said College officials were currently seeking other sources of funding.

MOTION: Regent Fisher moved to (1) receive the post-audit report of the Master of Science in Agronomy major at Iowa State University and (2) approve continuation of the program. Regent Turner seconded the motion. MOTION CARRIED UNANIMOUSLY.

(f) Renaming of Department of Aerospace Engineering and Engineering Mechanics to the Department of Aerospace Engineering, ISU.

Provost Whitmore presented the recommendation of the Interinstitutional Committee on Educational Coordination to approve the renaming of the Department of Aerospace Engineering and Engineering Mechanics at Iowa State University to the Department of Aerospace Engineering. He stated that, in January, the Board of Regents approved the University's request to discontinue the Engineering Science program. This name change is due, in part, to that action.

The Board Office noted that approval of the name change did not constitute approval to offer new programs currently being considered by the College. These would need to be brought to the Board for separate approval.

MOTION: Regent Neil moved to approve Iowa State University's proposal for a change in the name of the Department of Aerospace Engineering and Engineering Mechanics. Regent Arbisser seconded the motion. MOTION CARRIED UNANIMOUSLY.

(g) Post-audit Reports, SUI.

Provost Allen presented the recommendation of the Interinstitutional Committee on Educational Coordination on the post-audit on the B.S. in Oral Health Science. Since the program is not meeting the post-audit requirements, the Interinstitutional Committee

recommended that the University review the program to determine whether or not it should be continued. A report is due back to the Board of Regents in Spring 2005.

Regent Turner said the post-audit report on the B.S. in Oral Health Science indicated it was a low enrollment program and the Interinstitutional Committee recommended the temporary continuation of the program for a period of two years. She asked if the recommendation for two years' continuation was in anticipation that there will be a higher enrollment or to allow students to complete the current program.

Provost Allen stated that review of the B.S. in Oral Health Science revealed that there are no additional resources required to continue the program. Also, the program was established to provide community college students with an opportunity to complete the Bachelor's degree.

Executive Associate Dean Jed Hand stated that this is a very low enrollment program. There has been only one graduate and there is only one enrollee in the program. The program was established to allow dental hygiene students in the community colleges to complete their Bachelor's degrees. University of Iowa officials want to keep the program open for the one student currently enrolled and to see if there is additional demand in the future. He stated that doing so does not require additional resources.

Provost Podolefsky presented the recommendations for the Doctoral Degree in Women's Studies and the Ph.D. in Social Work. The Interinstitutional Committee on Educational Coordination recommended that the post-audit reports be received and that the programs be continued. The programs met or exceeded the Board's post-audit criteria.

Provost Allen presented the Interinstitutional Committee's recommendation that the post-audit report for the Center for Macular Degeneration be received and the program continued. He stated that the Center is very successful.

Regent Neil noted that the macular degeneration program is the only such program in the state of Iowa. He asked about similar programs in the nation. Vice President Kelch responded that nowhere else in the world is there a program which is equal to the University of Iowa's cutting-edge program. Although there is a great deal of research taking place around the world, this is the jewel in the crown of the National Eye Institute.

Regent Kelly stated that his patients receive conflicting reports about prevention and treatment of macular degeneration such as avoiding ultraviolet rays. He asked for the current facts.



Vice President Kelch said there are numerous types of macular degeneration. There are no ideal therapies in terms of prevention or cures. He then suggested that Board of Regents member Dr. Amir Arbisser, who is very knowledgeable on this subject, respond to Regent Kelly's question.

Regent Arbisser discussed the current approaches from the standpoint of a clinician. He said there are dozens of different diseases which all manifest in the macula, the point of sharp vision in the back of the eye. The common feature of patients who have macular degeneration is the location of the occurrence. There are several types of recommended interventions which will work better for some patients and worse for others due to the variation in etiologies. One of the key symptoms for patients who have macular degeneration is that it takes longer for their eyesight to adapt when they go from the bright outside light to indoor lighting. He stated that the chemistry in the retina is impaired in patients with macular degeneration. Patients who wear proper protection can more quickly adapt to changes in light. He noted that a very large federal study for dry macular degeneration was concluded about 1-1/2 years ago. The study demonstrated that a certain vitamin regimen will slow the degeneration process in approximately 25 percent of the patients who have dry macular degeneration. The vitamin regimen has not been shown to be preventative. He said there are a number of laser treatments, one of which treats the new blood vessels which grow in the wet form of macular degeneration.

Regent Arbisser stated that Dr. Edwin Stone, Director of the University of Iowa Center for Macular Degeneration, and his team are trying to determine the basis and the genetics of macular degeneration in order to identify macular degeneration patients earlier in life and to provide earlier interventions. With regard to wearing ultraviolet filters, he recommends doing so to all of his patients. The current recommendations are to employ ultraviolet filter in glasses.

MOTION:

Regent Neil moved to (1) receive the post-audits from the University of Iowa; (2) approve the continuation of the Doctoral Degree in Women's Studies, the Doctoral Degree in Social Work, and the Center for Macular Degeneration; and (3) approve the temporary continuation of the Bachelor of Science in Oral Health Science for a period of two years, with the stipulation that the University provides the Board with a report six months prior to the end of the two-year period, justifying the continuation of the program. Regent Arbisser seconded the motion. MOTION CARRIED UNANIMOUSLY.

(h) Rename the Department of Civil and Construction Engineering to the Department of Civil, Construction and Environmental Engineering, ISU.

Provost Whitmore presented the recommendation of the Interinstitutional Committee on Educational Coordination to approve the renaming of the Department of Civil and Construction Engineering at Iowa State University to the Department of Civil, Construction and Environmental Engineering.

Regent Fisher asked for the timetable for bringing the new degree programs, as noted in the proposal, to the Board for approval. Dean Melsa responded that there was no intent to bring a degree program to the Board. The renaming is more a recognition of what currently takes place at the College of Engineering. College officials hope to attract more women into engineering.

Regent Becker stated that the materials for this item indicated that some universities offer environmental engineering as a stand-alone program. Why was it proposed to be housed with civil engineering at Iowa State University?

Dean Melsa responded that cost was one factor for including environmental engineering with civil and construction engineering. Secondly, College officials believe that the best location for environmental engineering is with the expertise within civil and construction engineering.

Regent Becker asked how the program at Iowa State University relates to the environmental engineering program at the University of Iowa. Dean Melsa responded that the Colleges offer a number of joint programs which are complementary. He pointed out that this proposal was a renaming and making visible of what already exists at Iowa State University.

President Newlin stated that Board members received a memorandum written by the Department Executive Officer which indicated that new degree programs will be developed in environmental engineering and environmental sciences. Dean Melsa responded that those new graduate degree programs are under discussion for consideration but there is no timetable for their development. He stated that the College of Engineering has no plan to offer an accredited environmental engineering program.

MOTION:

Regent Becker moved to approve Iowa State University's proposal for a change in the name of the Department of Civil and Construction Engineering to the Department of Civil, Construction and Environmental Engineering.

Regent Turner seconded the motion. MOTION  
CARRIED UNANIMOUSLY.

(i) Request to Establish a Clinical Doctorate of Audiology (AuD), SUJ.

Provost Podolefsky presented the recommendation of the Interinstitutional Committee on Educational Coordination to approve the establishment of a clinical Doctorate of Audiology at the University of Iowa. He pointed out that at the same time as the program is being established at the University of Iowa, University of Northern Iowa officials have made the decision to discontinue its graduate training program in audiology. Given the changes in requirements for certification that have been adopted by ASHA, the administration at the University of Northern Iowa has decided there are not sufficient faculty or resources to allow offering a clinical Doctorate in Audiology.

Regent Becker expressed concern about the increasing level of degree requirement for entry into a new field. She acknowledged that the case had been made that the accrediting body recommended the change. She said she understood the need to have available the courses to meet certification requirements. However, employers such as area education agencies will not need a large number of people with that very high level of expertise.

Provost Whitmore stated that this is the #1 ranked audiology program in the country.

Professor Richard Hurtig stated that he shared the concern that the move for the higher level of training for accreditation may create problems, particularly in the school systems. University of Iowa officials are working with area education agencies and colleges around the state to ensure that does not happen. He noted that the previous clinical fellowship year has been folded into this increased educational requirement. He then expressed disappointment that the University of Northern Iowa will no longer be training audiologists. He said he had lobbied to ensure that the University of Iowa's program would not mean closing the University of Northern Iowa's program.

Regent Becker asked if audiology students would receive paid internships. Professor Hurtig stated that, following this Board of Regents meeting, he would be attending a meeting with many of the people with whom the audiology students would be placed. One topic of the meeting would be student internships. He hoped to have an answer to Regent Becker's question when University officials next report to the Board on this program.

Regent Becker expressed appreciation for the quality of the program, which is what brought her to Iowa. She was pleased that University officials are working with potential employers of these individuals.

MOTION: Regent Fisher moved to approve the University of Iowa's request to establish a Clinical Doctorate of Audiology (AuD). Regent Arbisser seconded the motion. MOTION CARRIED UNANIMOUSLY.

President Newlin congratulated Dr. Hurtig on the #1 ranking of this program.

**REPORT ON COLLABORATION BETWEEN COLLEGES OF ENGINEERING AT THE UNIVERSITY OF IOWA AND IOWA STATE UNIVERSITY.**

University of Iowa Engineering Dean P. Barry Butler stated that, annually, the Colleges of Engineering celebrate National Engineers Week (February 16-22 in 2003). This year, the Deans made a presentation around the state, an abbreviated version of which would be presented to the Board of Regents. He said information pertaining to National Engineers Week was recently on display in the Statehouse rotunda. In past years, the themes of the Deans' presentations have varied. This year's theme was research and innovation. Information presented about the University of Iowa's College of Engineering included:

- Two President's National Medal of Science recipients
- 11 alumni in the National Academy of Engineering
- 1,159 undergraduate students
- 338 graduate students
- Six academic programs
- All disciplines have close teaching and research ties with five health sciences colleges
- \$23 million in research expenditures
- Undergraduate biomedical engineering program is one of only 22 accredited programs in the U.S.
- Over 25% of undergraduate students are women – exceeds national average

Regent Fisher stated that several years ago, Dean Butler provided members of the Board of Regents with a tour of the University of Iowa College of Engineering. At that time, a great amount of research was taking place on vehicle air bags. He asked if that research was continuing.

Dean Butler said the air bag research is his project. A significant amount of work in vehicle safety is being done at the College, but the research activity on air bags has decreased due to his administrative responsibilities.

Iowa State University Engineering Dean James Melsa presented information about Iowa State University's College of Engineering, including:

- 4,963 undergraduate students
- 881 graduate students
- Eight academic departments
- Comprehensive undergraduate engineering programs across all disciplines
- \$54 million in research expenditures
- 14<sup>th</sup> in number of engineering degrees awarded to minority students
- Birthplace of many "firsts" including the electronic digital computer and encoding technology essential to fax machines
- 37,000 alumni (8,500 in Iowa)

Dean Melsa pointed out that the Colleges of Engineering have been contributing to economic development since before it was "popular". He said both Colleges contribute to advanced manufacturing, life sciences and information technology.

Regent Fisher stated that several years ago, IPSCO, a steel manufacturing company, came to Eastern Iowa. One of the selling points for the company was that it would need to hire many engineers. He asked if many of the engineering students were employed by IPSCO.

Dean Melsa responded that a few students have been hired by IPSCO. He stated that the company that employs more of the Colleges' students than other companies hires approximately eight students each year. He noted that manufacturing companies hire a few engineering students at any one time, not hundreds.

Regent Fisher asked which Iowa company would be the main employer of College of Engineering graduates. Dean Melsa responded that the following Iowa companies hire the most Engineering graduates: Rockwell, Pella, Maytag, Amana, Hon and John Deere.

Dean Butler stated that both Colleges of Engineering fund and host the Invent Iowa competition each year. Scholarships are provided to the winners. Other examples of collaboration between the Colleges include the Biotechnology Byproducts Consortium, Nondestructive Evaluation and the Iowa Space Grant Consortium.

Dean Butler presented information on the International Engineering Service Program, a Rotary project which includes participation by both Colleges of Engineering and Water for People, an organization which helps impoverished people worldwide improve their quality of life by supporting locally sustainable drinking water, sanitation, and hygiene education. The program provides internships for students in environmentally and

economically sustainable engineering projects. The long-term plan is to improve the infrastructure of drinking water and waste management systems in Xicotepec, Mexico. The experience provides students with a sense of international responsibility as well as personal skills.

Dean Butler next presented examples of research at the University of Iowa in the areas of simulator excellence, bioinformatics, hydraulics and water resources, healthier environment, modeling and simulation processes, and medical imaging.

Dean Melsa presented examples of research at Iowa State University in the areas of the virtual reality applications, non-destructive evaluation, biorenewables, combinatorial discovery, and newly-engineered materials (including BAM [boron, aluminum and magnesium], the world's second-hardest material).

Regent Becker asked for the definition of a "dripless bubbler" (one example of non-destructive evaluation research). Dean Melsa explained the process of using ultrasound investigation in the Aloha Airlines in-air jet roof failure. The dripless bubbler system allowed water to be applied to the surface without the water dripping off.

Regent Fisher asked if the C-6 virtual reality simulator at Iowa State University generates \$10 million in outside income. Dean Melsa responded affirmatively.

Regent Fisher asked if the Ames Lab is a federal laboratory. Dean Melsa responded that the Ames Lab is a contractual laboratory of the Department of Energy on the Iowa State University campus. The laboratory is physically linked to the chemistry and physics complex but is used by materials science experts, as well. Iowa State University is the only location of a national laboratory on a university campus. He said the Ames Lab is a wonderful addition to the University campus.

Regent Fisher asked if students are employed as research assistants at the Ames Lab. Dean Melsa responded affirmatively. However, since September 11, 2001, there have been some problems experienced with foreign students' entry to the facility, which University officials have had to work through.

President Newlin stated that Board members are often asked by citizens and legislators about duplication. He asked why both Colleges of Engineering are needed.

Dean Melsa stated that the Colleges offer two very good programs which approach engineering from different perspectives. Secondly, the Colleges are serving the citizens of the state by responding to a desperate need.

Dean Butler suggested that one also look at what the presence of multiple Colleges of Engineering has done for other states' economic development and growth. For example, Colorado and Arizona have multiple Colleges of Engineering and those states enjoy a strong technology base.

Regent Neil said the statement that Iowa needs more engineers is not understood "under the Dome" in Des Moines. He recently read a statement by the head of the Iowa Senate that the Regent institutions have not suffered because of the reductions in state appropriations.

Dean Melsa responded that Iowa State University officials have worked diligently to try to insulate students from the impacts of budget cuts. There are some larger size classes but it should not take students any longer to get through their programs. An unfortunate consequence of the effort to protect students is the impression that the University has not suffered from the budget cuts. He said faculty are being pushed harder and are not provided with support services. Good faculty members are being lost. Some faculty members are not taking on graduate students, not writing grant proposals, etc. He said these responses to the reduced appropriations will have a long-term impact on the quality of programs. He then stated there was no doubt that the Colleges of Engineering are true economic drivers of states' economies. Technologically talented and educated people are this state's major resource.

Regent Neil asked how that message could be delivered. Dean Melsa responded that President Geoffroy has been delivering the message very strongly. However, the higher education constituency is not as large as the K-12 constituency. The concept of having a strong K-12 system without a strong higher education system does not make sense. He noted that Department of Education Director Stilwill does not see it as either/or; he sees it as an entire educational system. The message must be delivered about the importance of Iowa's K-16 educational system.

Dean Butler said the contribution of higher education to wealth generation and economic development must be understood by Iowa's citizens. Students graduating from the Engineering Colleges with 4-year degrees earn \$50,000 on average at 22 years of age. That, alone, says much about the value of the education. When companies come to this state, one reason is the quality of students graduating from our universities. He said K-12 education and higher education are intertwined. The K-12 graduates must be given opportunities such as those provided by the Colleges of Engineering. He then commented that it was his understanding that, in this state, manufacturing is bigger than agriculture in terms of total dollars. To be successful in manufacturing, well-trained people in engineering and technology fields are required.

President Newlin provided the university presidents with an opportunity to comment on the duplication question.

President Geoffroy stated that, although some engineering programs have similar names, once one delves into the programs one finds the programs are complementary rather than a direct overlap. He agreed with the comments of both Deans that Engineering Colleges are economic drivers for a state. He stated that engineers are far-and-away some of the most highly-paid graduates of Iowa State University.

President Skorton stated that when asked the question about duplication, he points out four items: 1) Iowa, in past decades, never developed a state college system like was developed by other states, which creates an additional layer of duplication. 2) The University of Iowa and Iowa State University have very little duplication except for the core disciplines (which is necessary duplication). 3) He asks legislators who are in the business world to define a successful business. He then points out that the programs that fit those criteria are found at Iowa's two public research universities. The University of Iowa's strength in genetics would not exist if it were not for the engineering sciences. 4) \$80 million in revenue from outside the state was brought in last year by the two engineering schools. He concluded his response by stating that the best way to get the message out is to take the message to constituents all over the state.

President Newlin thanked the Deans for the presentation and expressed the Board's appreciation for their efforts.

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

### **SPRING ENROLLMENT REPORT.**

Assistant Director Gonzalez provided a PowerPoint presentation on the Spring 2003 enrollment report. She stated there were enrollment increases between Fall 1999 and Fall 2002 and between Spring 2000 and Spring 2003. The four-year fall increase was 4.4 percent. The four-year spring increase was 4.6 percent. She said the Board of Regents asked for a comparison between the total number of non-returnees from Fall 2002 to Spring 2003 and the total number of new students in Spring 2003. Data were provided in this report on the number of students who graduated in December 2002 and the total number of non-returnees. The report also included the number of new students.

Assistant Director Gonzalez presented a slide of headcount enrollment by residence, noting that the proportions remained relatively the same during the fall and spring semesters. Other data included a comparison between headcount and full-time



equivalent (FTE) enrollment. She said FTE enrollment is calculated on the number of credits students are taking. The closer the FTE index is to 1.00, the closer an institution is to having all of its students as full time (15.5 credits for undergraduates and 9 credits for graduate students).

Regent Fisher asked for clarification of the FTE index. Assistant Director Gonzalez responded that an undergraduate student is considered full-time if he/she takes at least 15.5 credits. Graduate students who take at least 9 credits are considered full time.

President Newlin said there was an aggregate of 71,500 students enrolled (headcount) in the fall. The full-time equivalency would be approximately 15 percent lower than the headcount enrollment for last fall.

Assistant Director Gonzalez presented a map which indicated the number of lowans receiving distance education from the Regent universities. She stated there is some type of program or certificate offering in approximately 68 percent of the counties. This spring, there was a 17.3 percent increase in the number of off-campus offerings. The Regent institutions are serving lowans not only through face-to-face classes, as represented on the map, but also through the Internet, videos, tapes and independent study, which were not represented on the map.

Regent Neil thanked Assistant Director Gonzalez for the additional comparison data presented in the enrollment report which, he said, helped to complete the "picture". He then asked for the reason for the large increase in off-campus enrollment.

President Geoffroy responded that, for Iowa State University, the increase was due to effective marketing and improvements in technology.

Provost Whitmore said the University of Iowa has a stronger presence in the Des Moines area where there are many students, especially with the addition of the Des Moines Higher Education Center.

Provost Podolefsky stated that the University of Northern Iowa's marketing efforts have improved as has the ability to deliver programming over the Iowa Communications Network and the World Wide Web. He said the University offers 17 complete graduate programs to students on the Iowa Communications Network and on the Web.

Regent Neil complimented officials of all three universities, noting that they had accomplished what they set out to do in the area of distance education.

Regent Turner asked if the enrollment increase of 1,749 students at the one-half year mark is of brand new students or transfer students. Assistant Director Gonzalez

responded that she did not have the breakdown but that institutional officials may be able to respond to the question.

President Geoffroy stated that, for Iowa State University, almost all of the new students are transfer students. Some of the new students come directly from high school. Provost Whitmore offered to locate the data for the University of Iowa and send it to Regent Turner.

Assistant Director Gonzalez referred to table 6 of the spring enrollment report and stated that the data presented new student enrollment by residence and by class.

Regent Turner stated that the reason for asking the question about the new mid-year students is because of concern about the provision of orientation activities and retention activities for those students. In the fall, when there are a large number of new students on campus, orientation and retention activities are readily available to new students. She wanted to make sure that the new students who enroll in the Spring have access to all of those activities.

Provost Whitmore stated that the University of Iowa offers special opportunities for new students in the second semester, including freshman seminar courses, although the offerings may not be as "rich" as in the first semester.

President Skorton stated that orientation activities for students enrolling mid-year is one area in which University officials can pay more attention. He said orientation activities are more intensive for students enrolling in the fall.

Regent Fisher asked for the status of the Des Moines Higher Education Center activities. President Geoffroy responded that the collaborative in the Des Moines Higher Education Center, in which the Regent universities participate, is going very well. A retreat of representatives of the member institutions was held the previous week; the institutions are working together very effectively. Enrollment at the Center is continuing to grow. He said the challenge is to determine what educational programs are desired by the Des Moines community.

Regent Fisher asked about funding of the Des Moines Higher Education Center, noting that the Pappajohns committed \$2 million. President Geoffroy responded that the facility is being constructed with private funds and with rent revenues. He did not anticipate that the facility will impact the universities' budgets.

President Newlin stated that the Des Moines Higher Education Center building cost \$7 million, approximately \$6 million of which has been raised privately.

Regent Neil asked if the Des Moines Higher Education Center is budget neutral—revenues from tuition pay all expenses. President Geoffroy said the response would vary by institution. For Iowa State University, the Center may actually generate a small profit, perhaps a few thousand dollars, which is shared with the business school. The University President's office subsidizes the annual fee so he would have to take all expenses and revenues into account in providing a precise answer.

Provost Whitmore said he did not believe the University of Iowa had experienced a net profit from the Des Moines Higher Education Center. He noted that the University's MBA program is not offered in the Center because the Center does not have a large enough classroom.

President Skorton stated that the universities try to be responsive to the Des Moines business community in the educational offerings at the Center. He said it was still fairly early in this endeavor but, as activities progress, University officials can provide the Board with a more precise answer to the budget question.

Regent Neil stated that some legislators have indicated the Regents have to look for places to cut expenses; therefore, he wondered if the expenses of the Des Moines Higher Education Center might be considered. President Skorton responded that there would not be much money gained by cutting offerings at the Des Moines Higher Education Center.

President Koob stated that the University of Northern Iowa has been holding classes in Des Moines in Iowa Communications Network sites. He said the University has been a participant in the Des Moines Higher Education Center to show its support for the concept of the collaborative but will not be offering courses until those courses can be offered through the Iowa Communications Network.

Regent Turner asked for an explanation of the data on the map which indicated there were no Regent distance learning opportunities in several counties in the southern tier of the state.

Regent Becker stated, as a citizen and employee of the area to which Regent Turner referred, there is sometimes a disconnect for citizens in the southern tier of counties with the Regent institutions. She encouraged greater visibility on the part of the universities in that area of the state. Some of the citizens in Southern Iowa are taking courses from Missouri universities. She offered to work with her area education agency's new instructional services director to increase offerings. She then asked if included within those numbers on the map were the K-12 students who receive advanced placement and those students who receive assistance through the Belin-Blank Center for Gifted Education and Talent Development.

Assistant Director Gonzalez responded that the numbers on the map reflected students enrolled at the three universities. She stated that the numbers included only the students who are enrolled in face-to-face classes or ICN classes.

Provost Podolefsky stated that students who take Web-based courses are not included in the numbers on the map because those students are not assigned by county. He pointed out that independent study students, including those who receive instruction through the Iowa Communications Network and World Wide Web, which is the smaller part of the institutional offerings, are included in the data on table 2a in the enrollment report.

Regent Becker expressed her belief that K-12 schools could benefit from the universities' strengths in outreach. She referred to the Virtual Academy and suggested the universities could provide some assistance to that group.

President Newlin asked if it would be possible to include on the map all University students receiving distance education offerings in next year's report. Assistant Director Gonzalez said she would follow up on that request with the institutions.

President Skorton stressed the importance of separating those students who are enrolled in college courses who are also in high school. With regard to the outreach of the Belin-Blank Center for Gifted Education and Talent Development, he said those students are not enrollees in the University. He suggested that University officials could provide Board members with a report on how many high school students in the state are being served by the Virtual Academy.

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

#### **REPORT ON FIRST YEAR STUDENT (NON-PERSISTENCE) SURVEY.**

Assistant Director Gonzalez provided a PowerPoint presentation summary of the first year student (non-persistence) survey that was conducted by the Regent universities last fall. She stated that, at its November 2000 meeting, the Board directed the Board Office and universities to collaborate on designing a non-persistence study to collect timely information regarding students' decisions to withdraw from the Regent universities prior to graduation. She thanked and commended her colleagues at the institutions for the efforts that went into designing this study.

Assistant Director Gonzalez stated that the cohort used for the study was the same cohort for the graduation and retention rates report in November 2001. In the

November 2001 graduation and retention rates report, the one-year retention rates were identified for the entering classes of 2001. The rates ranged from 81.4 percent at the University of Northern Iowa, to 82.5 percent at the University of Iowa, to 83.4 percent at Iowa State University. Out of the Fall 2001 cohort of 10,666 first-time, full-time freshmen, there were 1,857 non-returnees. However, only 1,322 were contacted; the others were not eligible to be included in the study. She said 506 former students responded to the survey. The survey was a one-page instrument with two parts – demographic information and reasons for leaving.

Assistant Director Gonzalez said the responses were analyzed using four categories of respondents – resident/non-resident and not on probation/on probation. Not all respondents identified either a major or minor reason. However, there was a pattern for those who did respond to the reasons. The most frequent major reasons cited by respondents were: increases in tuition and fees; transferred to a lower-cost institution; and, did not achieve a feeling of belonging.

Regent Arbisser asked if similar studies are conducted at other educational systems. Assistant Director Gonzalez responded affirmatively, stating that many studies are conducted.

Regent Arbisser asked if parallel patterns to the responses are found at other institutions. Assistant Director Gonzalez responded affirmatively, stating that one parallel is the environment the institutions create for making a student feel a part of the institution.

Regent Arbisser asked if the survey included a section where students could add their own remarks. Assistant Director Gonzalez responded affirmatively, noting that, in many cases, the more “meaty” information was provided in that section. She pointed out that the data from the study are meant to be considered in conjunction with other data at the institutions.

President Newlin thanked Assistant Director Gonzalez and the institutions for implementing the survey. He said they now need to build on the survey and achieve a better response rate. Once the reasons for non-persistence are determined, appropriation actions can be applied to improve persistence. He then asked each university president how the data might be used to improve persistence.

President Geoffroy stated that the reason cited by respondents that they did not achieve a feeling of belonging provided the best opportunity for making improvements. For example, Iowa State University’s learning communities have been hugely successful in addressing that issue.

President Newlin asked how many freshmen participate in the learning communities. President Geoffroy responded that Iowa State University has 45 learning communities. Over one-half of the freshmen belong to learning communities. Besides the learning communities, the Greek system and the marching band are communities that students can join.

President Newlin asked if the University has a goal for percentage of students involved in learning communities. President Geoffroy responded that the ideal goal would be 100 percent.

President Skorton said he agreed that the reason cited by students that they did not achieve a feeling of belonging was an area on which University officials should focus.

Provost Whitmore stated that University of Iowa officials are undertaking a number of activities to improve student persistence, including the offering of a new course to help students orient themselves to the University and offering of residential learning communities, which have become very popular. All of the activities are designed to provide students in a large university with units of support. He noted that national data indicates that not achieving a feeling of belonging is a common reason why students do not persist at many universities. Freshmen who live off campus have a three times greater chance of not returning to the University than those who live on campus.

President Koob stated that only one student from the University of Northern Iowa reported not achieving a feeling of belonging as a reason for non-persistence. At the University of Northern Iowa, the reason for non-persistence is more a matter of "match". He noted that nearly 84 percent of the survey respondents were enrolled at another university. With regard to the students' welfare as a whole, he said they should all be heartened that most students ended up at another institution.

Regent Becker referred to students who leave a university because of cost. She asked if there are routine reviews by the financial aid office of a student's financial situation.

President Geoffroy responded that University officials first have to know that financial reasons are why a student is leaving the University. Once that information is known, University officials are aggressive about connecting students with financial aid counselors to see if anything can be done to help the student to continue his/her education.

Provost Whitmore stated that the same was true at the University of Iowa. Once it is determined that finances are an issue for a student, the student is connected with the financial aid office for re-evaluation.

President Koob said the University of Northern Iowa financial aid office maintains a highly personal relationship with each student. He noted that financial reasons often mask personal reasons.

Regent Becker suggested that the universities disseminate information to remind students, as the time to register draws near that, if there are financial issues, their financial aid package can be revisited.

Provost Whitmore noted that when students indicate they have transferred to a lower cost institution, students must be transferring to community colleges. Money would not likely be saved by transferring between Regent universities, and it costs more to attend a private institution than a Regent institution.

Regent Turner expressed appreciation for the efforts put into this survey. She said she looked forward to perhaps receiving even more data on why students do not persist at the Regent universities, noting that "going to the source" as soon as possible is the key. She then referred to President Koob's statement that sometimes students use financial reasons when the real reason may be something else. She suggested that perhaps a method could be developed to uncover some of those other issues.

Assistant Director Gonzalez responded that one reason why the survey did not require students to narrow down their reasons to one major reason was to get to underlying issues. She then referred to President Koob's statement that 84 percent of the survey respondents continue their education, and pointed out that the education takes place primarily in the state of Iowa.

Regent Kelly asked if scholarships are more readily available at the Regent universities or at the private institutions. President Geoffroy said he would guess that the availability of scholarships is the same or perhaps somewhat more at the private colleges. He explained that the private colleges have a system of discounting tuition for those who cannot pay full cost from those who pay full cost.

President Koob stated that tuition at the Regent institutions is discounted between 18 percent and 20 percent, and is called "student aid set aside". At private institutions, discounting averages 45 percent. Also, according to a recent survey, the endowments for private institutions outrank the endowments for public institutions on a per-student basis. Therefore, one can reasonably conclude that at least equivalent or larger numbers of scholarships are available at private institutions. He noted the larger amount of scholarship funds needs to be offset against a significantly higher tuition at the private institutions.

Regent Kelly stated that, although his experience is anecdotal, it appeared that students have a better chance of getting financial assistance at the private colleges. President Geoffroy pointed out that tuition at the private colleges is substantially higher than tuition at the public universities. Although a student may receive a scholarship from a private institution, it will only lower the tuition somewhat and probably will not lower it to the Regent tuition level.

Provost Podolefsky referred to earlier discussion concerning unnecessary duplication, and said the Board members should be pleased to see students transfer among Regent institutions.

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

#### **ANNUAL REPORT ON INTERNATIONAL AGREEMENTS AND STUDY ABROAD.**

Dr. Charles Kniker presented a brief overview of the many student profile statistics included in the report on international agreements and study abroad. He stated that the following three trends, which were different from the 2001 report, merited additional comment from university officials:

1. The overall number of agreements and the number of Regent students studying abroad are down.
2. Institutional officials believe this decline is due more to a weakened national economy and increased costs of the programs reflecting institutional policies to have work abroad/study abroad programs become financially independent of university operating budgets than to the events of September 11, 2001.
3. Each university has experienced significant costs related to new federal requirements related to tracking international students.

Dr. Kniker stated that one action step of the Board's strategic plan is that each institution undertake efforts to ensure that curricula reflect internationalization and enhance global awareness. He said meaningful education involves the building of a global understanding.

Regent Turner referred to students who are receiving scholarship funds to pay for their education at a Regent university. If such a student elects to have an international experience, are these expenses covered by the scholarship?



Provost Whitmore responded that the scholarship funds remain with the student. He noted that the University of Iowa also has a pool of funds to assist students who wish to study abroad.

President Skorton stated that the University of Iowa's international activities have increased because Provost Whitmore put more resources and activities into the effort a few years ago.

President Geoffroy stated that the decline in the number of Iowa State University students studying abroad is due not only to the international situation but also to the additional out-of-pocket costs borne by students when studying abroad.

President Koob reported for the University of Northern Iowa. He said the scholarship funds remain with the students. He believes the major cause of the reduction in students studying abroad is economics.

President Newlin expressed appreciation for the reports and noted that the Board of Regents is very supportive of international programs. He said it is important that students are exposed to different cultures and peoples, despite the universities' budget cuts.

**ACTION:** President Newlin stated the Board received the report on international agreements/study and work abroad programs of the Regent universities, by general consent.

#### **ACCREDITATION REPORTS, IOWA STATE UNIVERSITY.**

Provost Allen stated that the typical accreditation process includes the development of a self-study by the unit under review, site visits by outside peers representing the accreditation agency, and the development of a final report and recommendations by the accreditation agency. He presented a summary of the accreditation reports for the following six University programs:

- Bachelor of Architecture and Master of Architecture Programs
- Student Counseling Service
- Bachelor of Science in Forestry Program
- Bachelor of Science and Master of Science in Community and Regional Planning
- Athletic Training Program
- Computer Science

Regent Neil referred to the comment by the visiting team of the National Architectural Accreditation Board that previous teams reviewing the Department of Architecture have noted the potential for collaborative efforts within the College of Design and the greater University. He asked why these suggested collaborations have failed to be realized.

Dean Engelbrecht responded that the suggestion was that the program's array of talent be made available to the University. He said the team simply asked the question about the involvement of departmental faculty with ongoing design projects of the campus. The issue continues to be discussed with the University administration and with representatives of Facilities Planning and Management. He noted that, when he was a student at Iowa State University, the head of the Department of Architecture was the Campus Architect, so the collaboration was logical. Over time, however, issues of conflict of interest between faculty and professional contracts have arisen. It became easier not to directly engage the Department's talent with the ongoing work of the University's facilities planning. He stated that he finds it frustrating that the University is not in a metropolitan area because architecture, in many ways, is an urban art form. He then said efforts would be undertaken to try to build some associations on campus, but that it would not be as easy as it should be.

Regent Neil encouraged University officials to improve the ease of developing such a collaboration. He then asked if there would be cost savings to the University if such collaboration were to take place.

President Geoffroy responded that there are several members of the Department of Architecture faculty who would be logically called upon to assist in a collaboration. Those faculty are principals of major architectural firms in Iowa that may be involved in bidding on University contracts.

Regent Becker referred to the promotion of student involvement in architectural projects on campus. She suggested that perhaps there could be an arrangement where students are provided an opportunity to collaborate with architectural firms on designs of University buildings. Doing so would be an extension of the learning opportunity.

Dean Engelbrecht said Regent Becker's suggestion may be rather difficult to implement. He noted, however, that many students have internships with architectural firms and participate in projects at all of the Regent institutions. There is also a design-build activity in the College of Design which provides for student participation.

Provost Allen stated that Iowa State University officials were very proud of the six programs that were approved for re-accreditation.

President Newlin congratulated University officials on all six accreditations.

MOTION: Regent Arbisser moved to receive the accreditation reports for Iowa State University noted. Regent Neil seconded the motion.  
MOTION CARRIED UNANIMOUSLY.

## **REPORT ON LEGISLATIVE SESSION.**

Executive Director Nichols stated that, since the Board of Regents met in January, a number of actions have occurred in the legislature. The first significant action was that the Governor released his budget recommendations for fiscal year 2004. Executive Director Nichols characterized the Governor's budget recommendations as providing for relatively flat operating appropriations for the three universities and a two percent increase in operating appropriations for the two special schools, consistent with the Governor's recommendations for other K-12 schools. Also included in the Governor's budget recommendations was full funding of incremental increases in salaries for the Regent institutions, which at the end of January, were still being negotiated. He said another significant item in the Governor's budget recommendations related to capitals. There were no recommendations for new capitals, either for specific university projects that the Board had requested or for the high priority request for deferred maintenance at all five institutions. Executive Director Nichols stated that another item in the Governor's budget recommendation was the Iowa Values Fund, which is being actively discussed in several different iterations in the legislature. He said the Iowa Values Fund is dedicated to transforming Iowa's economy for the future. The Iowa Values Fund recommendation included a component that would involve the Regent universities, particularly in the area of life sciences research facilities, for approximately \$50 million.

A joint task force of the executive and legislative branches of state government are reviewing the different plans for economic stimulus in the state. Regent representatives have participated with the executive and legislative branches in reviewing those programs. Executive Director Nichols stated that, in the month of February, institutional heads, the Board President and the Board's Executive Director appeared before the Education Appropriations Subcommittee, and the Appropriations Subcommittee on Capitals and Infrastructure. He said the institutional heads and a number of institutional staff have appeared before other legislative committees, including the standing committees and budget committees on economic development. The President of the Board of Regents and the presidents of the universities have had private meetings with legislative leaders to further discuss each other's priorities.

Executive Director Nichols stated that the budget targets for the legislative subcommittees were released early in March. He said those legislative targets were approximately \$115 million below the Governor's recommendations. On the

expenditure side, the targets released by legislative leaders included expenditures for the Education Appropriations Subcommittee of \$29 million below the Governor's recommendation. How the reduction in education expenditures below the Governor's request will be managed is being discussed privately. While no specific information is available, he said there have been indications from legislators that the lion's share of the reduction in educational appropriations may be recommended to come from the Regent institutions.

In February and March, specific bills were presented in the legislature. Executive Director Nichols stated that the meeting materials included a list of recommended Board positions on bills. He said this week was "funnel" week in the legislature, meaning that standing committees are meeting on these and many other proposals. The Board's lobbyists are busy in Des Moines keeping track of actions in the various committees.

President Newlin presented the following statement with regard to state appropriations of Iowa's Regent institutions:

Recently, a few state legislators have incorrectly said that tuition revenues have exceeded state funding reductions imposed on the Regent institutions. In reality, state appropriation cuts over fiscal years 2001, 2002 and 2003 have totaled \$127.3 million.

In addition, legislation has mandated that the Regent institutions increase salaries for employees, but the state failed to provide the institutions the funds to do so. These underfunded salary mandates through the three fiscal years have totaled \$31.7 million.

When the appropriation cuts and underfunded salary mandates are combined, the total hit to the Regent institutions in the past three fiscal years is \$159 million – at least \$2,400 for each full-time equivalent student.

Actual and budgeted net tuition proceeds over those same three fiscal years total just over \$89 million – revenues of \$89 million compared to cuts of \$159 million.

The tuition increases were significant, but they have fallen far short of covering these state reductions and underfunded salary mandates. State support at the public universities has been reduced more than support for other education sectors.

The Board of Regents and its institutions will keep working with legislators to carefully consider – and, we hope, avoid – future cuts and salary underfundings.

President Newlin said he wanted to make sure the record reflects the actual numbers.

Regent Neil stated that the message seemed to be falling on “deaf” ears. He referred to a report in the Legislative News Service that Senator Iverson said the Regents have not suffered financially. Senator Iverson went on to state that the Regents raised tuition to cover costs and that the Regents need to cut costs this year. Regent Neil said the Board of Regents’ message is either not getting through or legislators choose to disbelieve the correct figures quoted by President Newlin. According to Senator Iverson, the Regents need to start looking at what will have to be cut. Regent Neil said the Board cannot continue to raise tuition; tuition has increased 50 percent in three years. The crossroad is near where either tuition will have to be raised significantly or costs cut significantly.

Regent Turner stated that if the message is not being heard in the Statehouse, it has to be heard somewhere. She commended President Newlin and Executive Director Nichols for their well-written op ed pieces in the Des Moines Register recently which relayed the message very clearly.

Regent Neil stated that President Newlin and Executive Director Nichols have done a tremendous job of trying to help people understand. He said there is a lack of support by the legislature for higher education in Iowa. At the same time, it appears that the Regent institutions will be relied upon to provide leadership to stimulate the state’s economy through activities associated with the Iowa Values Fund.

MOTION: Regent Arbisser moved to (1) receive the monthly report on the 2003 legislative session and (2) approve the recommended Board positions. Regent Turner seconded the motion. MOTION CARRIED UNANIMOUSLY.

#### **RATIFICATION OF COLLECTIVE BARGAINING AGREEMENTS FOR 2003-05.**

Director Wright provided Board members with a summary of the tentative contracts, as bargained. He stated that all of the contracts have been ratified by the respective unions, and fit within the parameters for bargaining that were developed in the Board’s discussions with institutional heads in January. The major aspects of the tentative collective bargaining agreements were as follows:

United Faculty—620 full-time faculty members and 230 adjunct faculty at the University of Northern Iowa are represented in this unit. The first year of the contract provides 3.5 percent average salary increase and the second year provides 3.75 percent salary increase. Thirty percent of the increases are given for extra-meritorious and

distinguished service, and for promotions. Academic freedom was added to the contract this year consistent with what the Board has already adopted on this subject. Additional items in the contract amount to less than 1/10 of one percent in terms of cost and include summer fellowships and travel expenses.

Campaign to Organize Graduate Students—2,208 employees are represented in the unit. In the first year of the contract, there will be no salary increase and each student in the bargaining unit will receive a tuition grant of not less than \$750, which is approximately 15 percent of the tuition cost. In the second year, students receive a 1 percent salary increase and the minimum tuition grant increases to \$1,500, which is projected to be approximately 25 percent of tuition. There is a minor health insurance concession on the part of the students who increased their out-of-pocket by approximately \$200 per employee for medical coverage.

Service Employees International Union—over 2,200 employees are represented in this tertiary health care unit at the University of Iowa Hospitals and Clinics. The economic parameters include a two percent across-the-board salary increase for all unit members. Issues addressed in terms of employment at the Hospitals included retention of current staff and recruitment of new staff. For example, 50 percent of the nurses turn over in the first five years of entry into the profession at the Hospitals; and the Hospitals has a nursing vacancy rate of 15 percent as compared to a statewide average of 10 percent. Additional issues include less-than-market compensation for some professionals in this unit, including pharmacists and in-patient nurses. Therefore, an additional 2 percent was set aside for retention of current employees and 2.5 percent in the first year and 2.44 percent in the second year was targeted to selected staff within the unit. Other minor changes in the contract language involve length of time for filing grievances and for other administrative duties. In the last bargaining session with institutional administrators and Service Employees International Union representatives, it was determined that resolving issues of scheduling of hourly employees and staffing ratios would not be accomplished through the bargaining process. Institutional administrators offered to meet with Service Employees International Union representatives on each of those subjects.

Director Wright thanked Board members for allowing him to serve as chair of the bargaining teams for the three contracts. He commended the professional staff and administrators of the institutions who served on the bargaining committees, as well as Deputy Executive Director Barak who served on two of the committees. He also commended Joe Flynn who has been the Board's chief negotiator for 26 years.

MOTION: Regent Arbisser moved to (1) ratify the tentative collective bargaining agreement with the UNI-United Faculty; (2) ratify the tentative collective

bargaining agreement with the Campaign to Organize Graduate Students (C.O.G.S.) for the graduate assistants at the University of Iowa; and (3) ratify the tentative collective bargaining agreement with Service Employees International Union (SEIU) for the tertiary health care unit at the University of Iowa Hospitals and Clinics. Regent Turner seconded the motion. MOTION CARRIED UNANIMOUSLY.

President Newlin thanked Director Wright for his hard work and perseverance.

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

Regent Fisher said the Banking Committee had met for 3-1/2 hours on March 11, 2003. Reports were received on quarterly investment and cash management and on the performance of external investment fund managers. He noted that the Board of Regents has fiduciary responsibility for combined operating and endowment portfolios of over \$1.2 billion. Representatives of the Board's fund managers appeared before the Banking Committee and provided data on calendar year performance for 2002. The figures for the year were not good. He said the Banking Committee approved a new fund manager, Wellington Management Company, as a short-duration fixed income manager for the operating portfolios. The Banking Committee approved a revised bond issuance schedule and utilization of the master lease for a property purchase by the University of Iowa. He said the Banking Committee also approved continuation of the successful computer leasing program at Iowa State University's College of Design.

Regent Fisher stated the Banking Committee received reports on costs of bond issuance and on internal audits. With regard to the sale of bonds, Regent Fisher asked that Barry Fick of Springsted, the Board's financial advisor, and Ed Bittle of the Ahlers law firm, the Board's bond counsel, report on the bids received.

Mr. Fick stated that two bids were received for the sale of \$21,575,000 Dormitory Revenue Bonds, Series I.S.U. 2003 from syndicates led by U.S. Bancorp Piper Jaffray, Inc., and by Bank of America Securities, LLC. He said the winning bid was submitted by U.S. Bancorp Piper Jaffray for true interest rate of 4.38 percent which represented a very favorable rate. In comparison, the interest rate was 10 to 15 basis point lower than interest rates received for AAA-rated bonds in the market. The bonds traded much higher than their rating level would indicate. The winning bid was approximately 5-1/2 basis points lower than the second bid. He said the bond issues were submitted to Moody's and Standard & Poor's for review, and both affirmed the ratings. Moody's commented that the University has a favorable student marketing position and its

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operating balance is expected to be maintained despite the stalling economic environment. The winning bid included two term bonds.

Mr. Bittle said a modification will be made in the resolution to address the two term bonds.

MOTION: Regent Fisher moved to adopt: (1) A Resolution providing for the sale and award of \$21,575,000 Dormitory Revenue Bonds, Series I.S.U. 2003, and approving and authorizing the agreement of such sale and award; and (2) A Resolution authorizing and providing for the issuance and securing the payment of \$21,575,000 Dormitory Revenue Bonds, Series I.S.U. 2003, for the purpose of constructing, furnishing and equipping a residence hall and related facilities and making other necessary improvements to existing residence halls and related facilities, all located on the campus of the University, including funding the debt service reserve fund, and paying the costs of issuance of the Bonds. Regent Becker seconded the motion, and upon the roll being called, the following voted:  
AYE: Arbisser, Arnold, Becker, Fisher, Kelly, Neil, Newlin, Turner.  
NAY: None.  
ABSENT: Nieland.

MOTION CARRIED.

Regent Fisher recognized Mr. Fick to discuss the upcoming sale of Academic Building Revenue Refunding Bonds for the University of Iowa.

Mr. Fick stated that the proposed sale of up to \$10,600,000 Academic Building Revenue Refunding Bonds, Series S.U.I. 2003, was the result of the continuing decline in overall interest rates in the market. The anticipated savings was \$600,000 to \$800,000.

MOTION: Regent Fisher moved to adopt A Resolution authorizing the Executive Director to fix the date or dates for the sale of up to \$10,600,000 Academic Building Revenue Refunding Bonds, Series S.U.I.



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2003. Regent Arbisser seconded the motion, and upon the roll being called, the following voted:  
AYE: Arbisser, Arnold, Becker, Fisher, Kelly, Neil, Newlin, Turner.  
NAY: None.  
ABSENT: Nieland.

MOTION CARRIED.

Regent Fisher recognized Mr. Fick to discuss a proposed refunding of bonds for the University of Northern Iowa.

Mr. Fick said the proposed sale of up to \$9,200,000 Academic Building Revenue Refunding Bonds, Series U.N.I. 2003 was to refund two series of bonds for an anticipated combined savings of \$700,000 to \$900,000.

Mr. Bittle stated that the refunding must be coordinated with the Tobacco Settlement Authority. Correspondence was sent to the Tobacco Settlement Authority on February 25 requesting the necessary approvals; a response has not been received. If a response is not received by March 14, 2003, an April sale could not go forward.

MOTION: Regent Fisher moved to adopt A Resolution authorizing the Executive Director to fix the date or dates for the sale of up to \$9,200,000 Academic Building Revenue Refunding Bonds, Series U.N.I. 2003. Regent Becker seconded the motion, and upon the roll being called, the following voted:  
AYE: Arbisser, Arnold, Becker, Fisher, Kelly, Neil, Newlin, Turner.  
NAY: None.  
ABSENT: Nieland.

MOTION CARRIED.

Regent Fisher stated that motions were required to ratify the Banking Committee's selection of Wellington Management Company as the new short-duration fixed income manager. It was felt by the members of the selection committee that Wellington should be recommended to the Board of Regents.

MOTION: Regent Fisher moved to approve the selection of Wellington Management Company as the new short duration fixed income manager for optional

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use by the Regent institutions for their operating portfolios. Regent Neil seconded the motion.  
MOTION CARRIED UNANIMOUSLY.

Regent Fisher stated that a motion was required to ratify the Banking Committee's authorization for master lease financing.

MOTION: Regent Fisher moved to authorize the University of Iowa to utilize master lease financing in the amount of \$700,000 for the purchase of property located at 2421 James Street, Coralville, Iowa. Regent Arbisser seconded the motion. MOTION CARRIED UNANIMOUSLY.

With regard to the leasing of laptop computers at Iowa State University's College of Design, Regent Fisher stated that Dean Engelbrecht had indicated that the program was successful beyond expectations.

MOTION: Regent Fisher moved to (1) grant approval to the College of Design at Iowa State University to continue to offer a computer lease program to students and (2) authorize the Executive Director, on behalf of the Board and Iowa State University, to enter into a financing arrangement of up to \$600,000 for FY 2004 for the third year of the computer lease program. Regent Becker seconded the motion. MOTION CARRIED UNANIMOUSLY.

Regent Fisher asked for ratification of the Banking Committee's approval of the revised bond issuance schedule.

MOTION: Regent Fisher moved to approve a revised schedule for the issuance of bonds for April and May 2003. Regent Arbisser seconded the motion. MOTION CARRIED UNANIMOUSLY.

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

**REPORT ON MEETING OF THE IOWA COLLEGE STUDENT AID COMMISSION.**

Executive Director Nichols presented highlights of the January 2003 meeting of the Iowa College Student Aid Commission. He called the Board's attention to data provided in the meeting materials about the loan volume for student loans in Iowa that were guaranteed through the Commission. He said the volume was relatively stable as compared to a year ago. He stated that information from the Commission's next meeting, to be held later in March, would be provided at the next Board of Regents meeting.

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

**RESIDENCE SYSTEMS – FIVE-YEAR PLANS, PRELIMINARY FY 2004 BUDGETS, AND PROPOSED 2003-2004 RESIDENCE RATES.**

Associate Director Hendrickson provided a PowerPoint presentation of the residence system governance reports which included three separate but interrelated reports, as follows: five-year residence system plans, proposed rates for academic year 2003 – 2004, and residence system preliminary budgets for FY 2004. In addition, highlights from the FY 2002 annual report that was presented in the fall with the comprehensive fiscal report were included. She said data from the annual report and the five-year plan provide necessary background to accurately evaluate the rate proposals for the coming year. The preliminary budgets are based upon the proposed rates and occupancy assumptions. She presented a timeline of the Board's consideration of residence system rates and budgets.

Associate Director Hendrickson stated that the residence systems, which include dining services, are operated by each of the Regent universities as part of their educational responsibilities. The residence systems are self-supporting operations and do not receive state appropriated funds for operating expenses or capital improvements. She said the five-year plans include enrollment and occupancy projections, capital renewal and new construction plans, and financial forecasts. Enrollment projections drive residence systems occupancy projections. Current enrollment projections indicate a steady demand for Regent residence system housing. This demand forms the basis for residence system financial forecasts.

Associate Director Hendrickson said the proposed rate increases are based on a double occupancy room and full board. She pointed out that the increase at Iowa State University is primarily the result of changes to board plans to provide more opportunities for students to eat by changing from per-day plans to per-week plans. University

officials believe that students may not purchase the full board plan. However, the full board plan was provided for comparison with past rates.

Student organizations at each of the Regents universities were presented with the proposed rate increases and were given an opportunity to respond to the proposals. With regard to the proposed range of rates for room and for board, Associate Director Hendrickson stated that each university offers a variety of room and board options to meet the varied needs of the students. The range is significant because it includes all room types from the standard double occupancy room to a single suite. The proportion of room types varies across the campuses. She said all three universities are continuing the process of changing from traditional meal plans to plans with greater flexibility. The intent is to provide students with more opportunities to use the board plans and greater variety within the plans. In addition, significant changes have been made or are currently underway to facilities to provide marketplace dining.

Associate Director Hendrickson referred to the total dollar increase to students. When combining the tuition and fee increases previously approved for 2003-2004 academic year with the proposed residence system increases based on double occupancy and full board, she said the total incremental cost increase to an undergraduate student would be \$1,248 at the University of Iowa, \$1,638 at Iowa State University, and \$1,077 at the University of Northern Iowa.

With regard to the preliminary FY 2004 budget, Associate Director Hendrickson stated that gross revenues for FY 2004 at all three universities are expected to increase from the revised FY 2003 estimates, while net revenues are expected to decrease. Debt service and mandatory transfers are expected to increase due to the issuance of new bonds.

Vice President Jones presented highlights of the University of Iowa's residence system five-year plan, preliminary FY 2004 budget, and proposed rate increases. He said the University's five-year plan provides enrollment and occupancy projections, policy and program considerations, plans for renovation of facilities, and financial forecasts. The most recent enrollment projections estimate occupancy will be 5,590 students, which is 150 more students than the planned level. University officials intend to address the issue by re-tripling some rooms in Burge Hall. He said the residence system occupancy capacity will be reduced by 35 rooms due to the phased program to renovate Mayflower. He noted that, over the last 5 years, the University has experienced a consistent increase in requests for student housing, which was expected to continue.

Vice President Jones stated that fire safety upgrades have been completed in Mayflower, Gilchrist, Currier and Stanley Halls. Upgrades in Burge and Daum Halls are scheduled to be completed in November 2003. Upgrades in Reinow, Quadrangle and

Parklawn Halls are in the final stages of design, and construction will begin this summer. He stated that, in late-2002, work began on converting the existing Burge food service from a straight line cafeteria to a marketplace concept, similar to the Hillcrest marketplace concept. The total project cost, to be financed entirely by bond proceeds, is \$14.4 million. With regard to the renovations in Mayflower Hall, which will total \$15 million, he said the areas to be renovated include heating and cooling distribution systems, replacement windows, replacement galvanized plumbing, and bathroom modernization.

There are plans for a new residence hall at the University of Iowa. Vice President Jones stated that requests for semi-private rooms with bath continue to increase every year. If the University's residence system is to be successful, it must respond to student demands. He said that, to fund the planned capital expenditures and increase the debt service requirements to maintain voluntary reserves, the five-year plan will require rate increases in excess of inflationary costs over the next several years. The residence system size will not change significantly but the demand will be met.

Vice President Jones stated there is only a \$40,000 variance between the FY 2003 and FY 2004 residence system budgets, which he attributed to the good work of the business office. He said the decline in voluntary reserves is based on the timing of expenditures for capital projects. A \$1 million budget adjustment will be made when bonds are sold in September for renovation projects.

Regent Neil asked how much higher than inflation the rates are expected to increase for the University of Iowa residence system. Vice President Jones responded that University officials do not know right now how much to anticipate the rates will increase; all that is known at this time is that the increases will be higher than inflationary increases.

Regent Neil asked if the rate increases will be based on the Consumer Price Index. Vice President Jones responded that the increases could be based on the Consumer Price Index or on the increased costs of salaries and utilities. He referred to the need for capital improvements and said University officials anticipate a rate increase separate from the cost increases for salaries and utilities, the percentage of which will be based on the need for substantial construction financing.

Regent Neil asked if an analysis of what the market will bear had been performed. Vice President Jones expressed his belief that the market will bear the projections that are anticipated. University officials will try to be within a reasonable range for quality but without extravagance. He said he did not expect the University of Iowa's position for housing and dining rates in the Big 10 would be significantly changed.

Regent Becker asked if the pricing might vary for the older facilities versus the newer facilities. Vice President Jones said he anticipated the University will charge more for the additional amenities.

Vice President Hill presented highlights of Iowa State University's residence system five-year plan, preliminary FY 2004 budget, and proposed rate increases. He said enrollment projections are for 200 fewer freshmen for FY 2004 and occupancy between 91 percent and 93 percent of the current design capacity. Major changes in the plans for the next five years include delaying for at least two years construction of Union Drive Suite Building 3, originally scheduled to open in Fall 2005. The previous schedule assumed contributions of \$2 million for each of the three suite buildings. However, state budget cuts have eroded the University's ability to provide funds beyond the \$1 million contribution to Eaton Hall, the first suite building. Iowa State University recently received permission to conduct a feasibility study on the remodeling of Friley Hall. At the conclusion of the study, University officials will make a specific recommendation regarding the future scheduling of Suite Building 3.

Vice President Hill stated that Iowa State University officials recommended that \$8.6 million of the Buchanan project budget be financed through bonding. Buchanan Hall would operate with a positive cash flow, with the debt service, the first year. He said the financial forecast for the next five years was based on the following assumptions: proceeding with two projects financed by bonding—Union Drive Association Suite Building 2 for \$21.6 million and Buchanan Hall for \$8.6 million; continuing to address life safety issues; Union Drive Association Suite Building 2 site clean-up; Helser Hall demolition in FY 2008; declining enrollment; building repairs; demolishing Westgate Hall; and, taking Storms Hall and Knapp Hall off line in FY 2004 and 2005 respectively, to be demolished in FY 2007 and 2009 respectively.

The Iowa State University Department of Residence continues to offer a variety of housing types and prices which meet the housing needs of the widest variety of students. Vice President Hill stated that, for the second consecutive year, the room rates will not increase for Knapp Hall, offering a low-price alternative for students seeking the most economical option. In addition, residents of Knapp Hall will be able to remain in their rooms throughout semester break at no additional charge. He said other unit type increases range from 5 percent to 7.75 percent, depending upon location, unit type and amenities.

Iowa State University Campus Dining Services officials proposed to "overhaul" the meal plan program to provide students with more flexibility, variety and value. Campus Dining Services consulted the student government and the residence hall association in developing the revisions. Vice President Hill stated that, overall, student reaction is very positive. All future meal plans are slated to include dining dollars which can be used at

any retail restaurant or convenience store on campus. The new plans offer meal distribution by the week rather than by the day. He provided examples of some of the new meal plans.

Vice President Hill stated that the following revenues and expenditures required adjustments from the FY 2003 budget. He said revenue from room and board is down because of decreased enrollment of freshman students. There are 325 fewer contracts yielding \$1.8 million less revenue. Revenue from Odyssey of the Mind and other contracted conferences provided more revenue than expected. Retail dining revenues have exceeded expectations. He said five new dining positions were needed for the new consolidated food service and the cost of benefits assumed for employees for the department is an additional \$626,000.

With regard to the preliminary FY 2004 budget, Vice President Hill stated that University officials anticipate 200 fewer freshmen. There will also be the increased cost of consolidating the Department of Residence and the Memorial Union dining services.

Regent Fisher asked for clarification of the assumed contributions of \$2 million for each of the three Union Drive Association suite buildings. Vice President Hill responded that the original plan was that the University would provide \$2 million per building for construction. However, because of the budget cuts, the University is unable to provide any funds beyond the \$1 million it has already provided. The Department of Residence had to make up for the lack of funds.

President Geoffroy stated that he made the decision that the University could not provide the \$5 million, and that it had to be absorbed within the residence system.

Regent Neil stated that when the Board approved the Union Drive Association project, Board members were told that University officials anticipated a 4.5 percent annual increase in rates. He asked if the shortfall from the state legislature and the resulting loss of the anticipated \$5 million from the University is part of the reason for the proposed exorbitant increase in residence rates.

Vice President Hill responded that the reasons cited by Regent Neil were partly the reason for the proposed increases. Consolidation of the food services and increases in salaries and fringe benefits also contributed to the need for the proposed rate increase.

Regent Neil stated that the model should have taken into account the increases in wages and benefits. He pointed out that the proposed increase in housing rates for occupants of the Union Drive Association suite building was 7.75 percent. The increase in housing cost was in addition to the large increase in tuition. He then asked for the anticipated rates of increase in the future.

Vice President Hill responded that he was reluctant to state a specific rate increase. When University officials provided the estimate to which Regent Neil earlier referred, it was believed to be an accurate estimate. He stated that University officials want to keep rates as low as possible.

Regent Neil asked if there is currently a model that provides an indication of what the future rate increases may be. Vice President Hill responded that the assumptions used in the model may not bear up in the future. For example, actual increases were more than the previous assumptions that were used.

Vice President Madden referred to the anticipated \$2 million contribution by Iowa State University for each of the three Union Drive Association suite buildings. He said Former President Jischke made the decision to support the learning community and additional space in the facilities for academic programming. The model used a set of assumptions including salary increases of 4 percent per year. Wage costs are almost one-third higher than the assumption. Health care costs have continued to increase. He said the model was intended to provide a margin of about 1 percent between the projected costs and the rate increases. The object was to identify the differential between the cost and the charge necessary to generate revenues to meet the debt service obligations, which he said was pretty much "on track". However, costs have increased more than was projected in 1996-97. If costs return to the levels of inflation, he said he would expect the rate increases would be less significant because of the required revenues to meet the differential. He pointed out that representatives of the Board Office and the institution had agreed that the assumptions were the best that could be made in the five-year models at the time the models were established.

Vice President Hill said Iowa State University officials will keep rate increases as low as possible in the future.

Regent Arbisser expressed his belief that University officials have responded creatively by offering a variety of prices for families sending children to college. He said it would be interesting to receive a report from University officials in the future about whether or not students are taking advantage of the lower-price housing options.

Vice President Hill stated that, to date, of the 1,825 incoming freshmen, only 48 of those individuals requested a low-cost housing option.

Regent Fisher noted that students are paying the higher costs for the new facilities.

Vice President Hill stated that if the University does not provide the new type of housing desired by students, students will pay for that type of housing off campus.



Regent Arnold expressed appreciation for the range of options for students choosing on-campus housing. She then asked why the dining dollars were built into the board plan. Vice President Hill responded that the dining dollars were a feature desired by students.

Regent Arnold asked if the dining dollars are included in the board plan costs. Vice President Hill responded that if students pay for the dining dollars in their board plans they are eligible to receive the services provided by the dining dollars. If a student does not pay the additional cost, the student does not receive the additional services.

Regent Arnold asked if all the plans currently include the dining dollars. Vice President Hill responded that students can purchase the dining dollars with all board plans.

Regent Turner asked if students are required to buy dining dollars. Vice President Hill responded that certain plans require the purchase of dining dollars, but there are also plans without dining dollars.

President Newlin asked for the occupancy of the Union Drive Association Suite Building 1.

Director Alexander stated that more than 500 freshman students had requested housing in Eaton Hall (Union Drive Association Suite Building 1), which is the University's most expensive facility. He said that, to date, 28 percent of next fall's freshmen have requested housing in that facility. Requests for Eaton Hall housing equal 221 percent of the occupancy level.

Director Hartman presented highlights of the University of Northern Iowa's residence system five-year plan, preliminary FY 2004 budget, and proposed rate increases. He said the residence system experienced a decrease in occupancy this year due to market conditions in the local community and enrollment, particularly enrollment of first-year students. There has been a proliferation of off-campus housing within one-half mile of campus. Many older students are willing and able to pay the rates charged in the community. University officials predict that occupancy will fluctuate over the next 5 years. He said deferred maintenance will continue to be addressed through residence system improvement funds rather than through bonding. The bond sale for the Commons dining facility has been moved out at least one year. Students will continue to be offered the many dining options that are in place. He stated that when the Maucker Union renovation is complete, many more services will be available to students. This summer, the Towers dining renovation project will begin. He noted that there has been increased faculty and staff participation, as well as student participation, in the piazza facility in Redeker dining hall.

Director Hartman stated that residence system rate increases for the 2004 budget year were the result of increased food costs, increased debt, inflation, decreased occupancy, and long-range Ethernet services addition to University apartments. Additional factors include salaries and fringe benefits and debt increase due to the Towers Center project. He said the 2003 budget reflected a decrease in revenue and expenses, many of which came with staff reductions. Positions were kept open while residence system staff continued to offer excellent service.

Director Hartman stated that increased meal plans for University of Northern Iowa's off-campus population was a goal which has been achieved. "Old" debt was refinanced which resulted in reduced cost to students over the life of the bond issue of over \$1 million. He thanked Associate Director Racki for her assistance in the refinancing of debt. He also noted that the residence system is provided with excellent support and cooperation of other campus units.

Regent Arbisser asked if the addition of Ethernet services to University apartments resulted in increased charges to students. Director Hartman responded affirmatively, stating that apartment rent increased approximately \$10 per month.

Regent Arbisser referred to the occupancy ratios for the University of Northern Iowa's residence halls and apartments. With the remaining capacity, he asked if there might be an opportunity to offer a discount to those students for whom there are economic barriers.

Director Hartman stated that Residence on the Hill (ROTH) has differentiated rates, and acknowledged that rates are very important. He said students often speak to what they want and what they need in their housing and students are often willing to financially support those desires.

Regent Fisher referred to the increase in the University of Northern Iowa's older students living off campus. He asked if the off-campus students come on campus to dine. Director Hartman responded affirmatively, noting that students dining together builds community.

Regent Fisher stated that officials of all three universities have done an outstanding job with food services.

Regent Neil asked for the number of full-time equivalent positions included in the University of Iowa's residence system budget. Vice President Jones responded that he did not have a total number but could get that information for Regent Neil.

Regent Turner asked if the universities have an on-campus living requirement for all freshmen. Vice President Madden responded that there is not an on-campus living requirement.

In response to a question by Regent Turner for the percentage of freshmen currently living on campus at each of the three universities, the following information was provided: 92 percent at the University of Iowa; 88 percent at Iowa State University; and 90 percent at the University of Northern Iowa.

**MOTION:** Regent Arbisser moved to (1) receive a summary report on the university residence systems including the five-year plans for FY 2004 through FY 2008; (2) consider the universities' academic year 2003-2004 proposed rate increases for a combined double occupancy residence hall room and full board plan of \$5,701 at SUI, \$5,740 at ISU, and \$4,918 at UNI; (3) consider the universities' academic year 2003-2004 proposed rates for all residence halls, board options, apartments, and miscellaneous residence charges as presented; (4) consider the universities' preliminary FY 2004 residence system budgets, which are subject to further review and action when the Board approves the final FY 2004 institutional budgets in July; and (5) approve the transfer of \$2.0 million from the UNI Residence System (Dormitory) Surplus Fund to the Improvement Fund. Regent Becker seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

President Newlin asked that officials of the three universities provide a map of each campus showing the names and location of each residence hall. Vice President Madden responded that Iowa State University officials would provide a map for the next Board meeting.

### **PROPOSED PARKING RATES.**

Director Elliott stated that the Board of Regents recently requested that discussion of fees be limited to the fall and the spring. She presented highlights of the information provided in the meeting materials, noting that each university's parking system is self-supporting. User fees and fines support operation, maintenance and capital improvements. The parking systems do not receive any state appropriated funds. She

noted that, at a previous Board meeting, there was a request that the University of Iowa provide plans for parking for the new Pomerantz Center. Those plans will be presented at the Board meeting in April.

Regent Fisher asked for an explanation of the fee at the University of Iowa for a department business placard. Vice President True stated that the department business placards are for department use for an individual's temporary parking privilege.

Regent Fisher asked about Iowa State University's 24-hour reserved parking. Vice President Madden responded that there are a limited number of areas on campus where parking is reserved 24 hours a day, 7 days a week. One such need would be for researchers who access their research projects at all times of the day and night.

**ACTION:** President Newlin stated the Board gave consideration to the proposed parking rate increases and parking manual changes at the three Regent universities, by general consent.

#### **PROPOSED MISCELLANEOUS FEES AND CHARGES.**

Director Elliott stated that miscellaneous fees include both tuition-related and non-tuition-related fees. She said tuition-related fees were approved in November 2002. The fees presented this month were non-tuition related. However, the MBA course fees were somewhat unique because the fees are tuition-related and non-tuition-related. She noted that the off-campus MBA delivery fee was accidentally omitted. The MBA fees will be brought forward next month for approval and then will likely be moved to consideration in the fall when the Board considers tuition and fees.

Regent Neil referred to the University of Iowa's \$20 charge for College of Education e-Portfolio per selected courses. He asked for the purpose of the e-Portfolio and for which courses the fee will be charged. Vice President True responded that the \$20 per course fee will apply to selected courses. The e-Portfolio will enable students to present themselves well to employers, which is something about which College officials are very excited.

Regent Arnold said she was told that the fee would apply to 10 to 15 courses.

Regent Becker stated that the e-Portfolio will be helpful for new Iowa school teachers. The "quality" legislation requires a demonstration of skills in certain areas. She said some school districts are using a Web format for certifying new teachers, similar to that of the University of Iowa. She noted that University officials indicated that some of the funds will help offset other new costs to the College of Education.

Regent Neil asked if similar charges will be instituted by the Colleges of Education of the other two Regent universities. President Koob responded that the University of Northern Iowa has been offering e-Portfolios but has not charged for that service. Provost Allen responded that if there are costs associated with the service, Iowa State University may follow the lead of the University of Iowa.

**ACTION:** President Newlin stated the Board, by general consent, gave preliminary consideration to: (1) proposed changes to miscellaneous fees and charges for 2002-2003 as presented; (2) revise the administrative rules and submit a Notice of Intended Action regarding university graduate application fees for ISU; and (3) recommended changes related to MBA course and delivery fees.

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

Director Wright provided Board members with a summary of the Policy Manual revisions presented at this meeting. He stated that the Board began receiving proposed changes to the Policy Manual in January 2002. All of the items presented to the Board this month were presented for the first reading. In the future, the Board will receive the remainder of Chapter IX and the banking and investment activity sections of Chapter VII.

Executive Director Nichols highlighted the changes that relate directly to the Board's authority and explained that those three policy changes were recommended as a result of the ongoing review of emergency management procedures. Changes/additions were proposed for the following policies: 1) selection of a permanent president pro tem, 2) continuity of administration on the campuses, and 3) sharing staff among institutions in emergencies.

**MOTION:** Regent Neil moved to approve for first reading the revised sections of the Board of Regents Policy Manual with changes as follows: (1) Chapter I. Board of Regents—Delete §1.03: Report of Special Schools Advisory Committees; Add to §1.04: Board Officers, subsection C, a provision for the nomination of a president pro tem of the Board to serve in the absence of the Board president; Delete the current §1.04E; Add a new §1.04E providing for continuity of operations at the

institutions; Delete the current §1.06I: Regent Advisory Committees on Iowa School for the Deaf and Iowa Braille and Sight Saving School; Delete reference (first paragraph) to the Special Schools Advisory Committees in §1.06: Interinstitutional Committees; (2) Chapter IV. Personnel—Add a new §4.42: Interinstitutional Staff Sharing to provide for institutions to share staff in emergencies; (3) Chapter VI. Academic Policies and Procedures—Delete from §6.05: Academic Review and Program Approval references to “certificates”; Revise §6.05B(3) to reflect current practice for format of reports; and (4) Chapter IX. Property and Facilities—Revise §9.07: Consultant Agreements and Amendments to clarify the process for the selection of design professionals for Regent capital projects. Regent Arbisser seconded the motion. MOTION CARRIED UNANIMOUSLY.

## **INSTITUTIONAL AGREEMENTS, LEASES AND EASEMENTS.**

Associate Director Racki stated that the agreements, leases and easements were in order.

### **MOTION:**

Regent Fisher moved to approve the following leases: University of Iowa: (1) Farm lease renewals with Tom Williams and Scott Ogden for their use of University farm land at the Hawkeye Farm and Oakdale Farm in Johnson County, Iowa. (2) Lease agreements for the College of Public Health with: Myriad Developers for space at the Oakdale Research Park to house the Department of Occupational and Environmental Health during the renovation of the Department’s existing facility; Gary Bain and SilverTree Investments for space in Sigourney, Iowa, and Lone Tree, Iowa, for research projects of the College; Towncrest Investment Associates (amendment) for additional space in Iowa City for a research study of the College. (3) Lease agreements with Innovative Software Engineering, Goldfinch Diagnostics, and

Market Technology Systems for their use of business incubator space at the Oakdale Research Park. Iowa State University: (1) Farm lease agreements with the Committee for Agricultural Development (CAD) and the Iowa State University Foundation for the College of Agriculture's use of various parcels of farm land located in Story, Boone and Marshall Counties. (2) Lease agreements with the Carroll Community School District, Carroll, Iowa, for the University's use of space to house transmission equipment for KWOI in Carroll, and for the School District's use of WOI studio equipment to be installed in Carroll. (3) Lease agreement with BioForce Nanosciences for its use of business incubator space at the ISU Research Park. Regent Turner seconded the motion, and upon the roll being called, the following voted:

AYE: Ahrens, Arbisser, Becker, Fisher, Kelly, Neil, Newlin, Turner.

NAY: None.

ABSENT: Nieland.

MOTION CARRIED.

**INSTITUTIONAL REGISTERS OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. (a) University of Iowa.**

Vice President True highlighted several projects included this month on the University of Iowa's capital register. He said University officials requested permission to proceed with planning of what will be a long process of renovating Kinnick Stadium. Approval was requested of the program statement and architectural agreement for the University Hospitals and Clinics—Pediatric Inpatient Unit Renovation project which would upgrade the unit to accommodate current patient care practices and provide additional conveniences for patients and their families. He said University officials also requested approval of an engineering agreement for the Mayflower Residence Hall—Replace Piping project. He noted that after spending \$15 million on this project for Mayflower, the building will look just like it did before the project was initiated.

Regent Turner referred to the Kinnick Stadium renovation project which included renovation of restrooms. She asked if the renovation will include adjusting the number of women's to men's restrooms to adhere to the Board of Regents' standard for potty

parity. Vice President True responded that the restroom ratio will meet state and national codes as well as Regent objectives.

President Newlin referred to the \$80 million to \$90 million cost to renovate Kinnick Stadium. He asked about the possibility of moving the stadium to the west, which would also provide more room for the University of Iowa Hospitals and Clinics.

Director Bowsby responded that it would cost over \$400 million to build a new facility. Also, even with the logistical problems with the location of Kinnick Stadium, University officials value its traditions and ambiance. He noted that renovation makes more sense from a fiscal standpoint, as well.

Regent Becker noted that the renovation of Kinnick Stadium included the addition of another elevator for the press box area and acknowledged there had likely been an issue with the press moving equipment in and out of the stadium with only one elevator.

Director Bowsby pointed out that the existing elevator is slow, as well. He stated that having multiple elevator locations is an important consideration going forward.

Regent Becker asked if a more permanent type of structure was being considered for the south bleacher area. Director Bowsby responded affirmatively, stating that University officials have in mind an on-grade structure with poured-in-place and pre-stressed concrete, given the long-term nature of the expansion.

Regent Becker asked if the north side of the stadium would have to be replaced at some time in the future. Director Bowsby responded that the north end was renovated in the mid-1980s.

Regent Kelly asked if University officials had factored in the traffic congestion on football game days. Director Bowsby responded that traffic congestion was a factor. He said that if all things were equal, consideration would certainly be given to building a new stadium outside of town. He noted that the traffic congestion should not get any worse with the proposed renovation because the capacity of Kinnick Stadium was anticipated to remain the same.

Regent Kelly asked if the University has a complex traffic control plan, such as bussing fans from outside of the stadium area. Director Bowsby responded that bussing is provided from Hancher Auditorium and many other remote locations. He noted that the University has had the assistance of a traffic consultant. There is a desire to maintain multiples lanes in and out of the area. Access against traffic has to be maintained for the Hospitals.



Regent Turner referred to the University Hospitals and Clinics—Roofing Replacement, Carver Pavilion Roof Level 142 project and asked about the substance to be used for the replacement of the roof on the helipad. Senior Associate Director Staley responded that the roof, which will be replaced beginning this summer, surrounds the helipad. The roofing material is the same material as is used on other roofs of the Hospitals. It is a very durable product which is inspected annually. University officials anticipate a very good “life” out of the material.

Regent Turner asked if the material is used for other helicopter roofs. Senior Associate Director Staley responded affirmatively.

Regent Fisher offered the following history about the roofing material. He stated that the only time in his tenure on the Board of Regents that the Board ever held a public hearing was on the roofing material selected for use on the Hospitals. He said Hospitals officials determined that the proposed material is the best roof for the Hospitals.

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

(b) Iowa State University.

Vice President Madden addressed several projects on the capital register for Iowa State University. He said there were a number of projects which would provide fire safety improvements in various campus buildings and residence halls. The register included the Jack Trice Stadium—Deferred Maintenance 2003 project which would provide improvements to four concession/toilet buildings. He noted that the project will meet the appropriate standards of potty parity. University officials also requested permission to proceed with project planning for the Coover Hall Renovation project which would upgrade the facility to meet the modern needs of the Department of Electrical and Computer Engineering. He stated that the Coover Hall renovation is the University’s number one capital priority. University officials probably will not move ahead with the Coover Hall project until there is a better idea of the legislative action that will be taken on the Board’s request for \$15.6 million in capital appropriations.

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

(c) University of Northern Iowa.

Vice President Schellhardt stated there were no major items on the capital register for the University of Northern Iowa.

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

(d) Iowa Braille and Sight Saving School.

Superintendent Thurman stated that 141 years ago, the School was designed with a cooper roof. He said the copper roof was now installed. School officials were told that the roof would last 100 years.

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

**FINAL APPROVAL OF STRATEGIC PLAN, IBSSS.**

Superintendent Thurman presented the strategic plan of the Iowa Braille and Sight Saving School for final approval. He said the plan had been through a number of reviews.

MOTION: Regent Arbisser moved to (1) approve the 2002 progress report on Iowa Braille and Sight Saving School's 1998-2002 strategic plan and (2) approve the Iowa Braille and Sight Saving School's 2003-2007 strategic plan, *Embracing Our Future*. Regent Turner seconded the motion. MOTION CARRIED UNANIMOUSLY.

Superintendent Thurman distributed to Board members a copy of an article in the Journal of Visual Impairment and Blindness entitled, "What Does the Future Hold: A Follow-up Study of Graduates of a Residential School Program." The article was written by Nancy Oddo, a member of the Iowa Braille and Sight Saving School staff, and

Dr. Patricia Sitlington, a University of Northern Iowa faculty member. He said there is much information in the article of which to be proud. Iowa Braille and Sight Saving School has exceeded the placement rate and residential living rate of all other residential schools in the country as well as those of students who attend public school programs.

President Newlin asked how many non-resident students around the state are served by the Iowa Braille and Sight Saving School. Superintendent Thurman responded that 596 non-residential (off-campus) students were served by the School last year.

**PROPERTY ACQUISITION – 2421 JAMES STREET, CORALVILLE, IOWA, SUI.**

Vice President True presented the University's request to acquire the property located at 2421 James Street in Coralville, Iowa. The property consists of 15,000 square feet of commercial condominium space located west of the University's far west campus and south of Highway 6. He said the property will be used to house a model of the Priest Rapids Dam, Grant County, Washington, for a research project of the Institute of Hydraulics Research. The research project is funded by a grant from Public Utility District No. 2, Grant County, Washington. He stated that the Banking Committee approved the University's request to fund the property purchase using the Board's master lease; funding for the semi-annual master lease payments would be from grant funds received from the Utility District.

**MOTION:**

Regent Fisher moved to approve the purchase of property located at 2421 James Street, Coralville, Iowa, from MTE Project Development (Michael Evans), at the purchase price of \$700,000, subject to approval of the purchase by the Executive Council of Iowa. Regent Neil seconded the motion, and upon the roll being called, the following voted:  
AYE: Arbisser, Arnold, Becker, Fisher, Kelly, Neil, Newlin, Turner.  
NAY: None.  
ABSENT: Nieland.

**MOTION CARRIED.**

**COLLEGE OF DENTISTRY CONTINGENCY COMPENSATION PLAN, SUI.**

Executive Associate Dean Hand stated that the College of Dentistry requested permission to implement a mechanism to increase faculty compensation to a

competitive level to enhance recruitment and retention. He noted there is a national shortage of dental faculty, and quality programs depend on quality faculty. The contingency compensation plan will increase the compensation for faculty at a time when salaries are becoming less competitive.

Regent Kelly asked for the difference in income between private dental practitioners and University faculty members. Executive Associate Dean Hand responded that the data from calendar year 2000 showed that private practice specialists in the region on average earned over \$274,000. The University of Iowa's full professors on average earned \$120,000.

Regent Fisher referred to information in the meeting materials which indicated that the awards would be contingent upon a pool of funds available after all expenses of the clinics have been paid and three months' operating reserve retained. He asked for the current operating reserve and the amount of time to reach three months' operating reserve. Executive Associate Dean Hand responded that the departments in the faculty practice plan have currently in reserve more than 3 months' operating balance. The language to which Regent Fisher referred was designed to prevent over-drawing of the fund to where it would be unable to operate.

Regent Fisher asked if the Board will receive a report at the end of three years of operation of the plan. Executive Associate Dean Hand responded that there will be a formal review in three years.

Regent Arbisser noted that many private practitioners are volunteer clinical instructors. He asked if there would be any change in that practice, and whether the use of volunteer instructors is in response to an inadequate number of paid faculty.

Executive Associate Dean Hand responded that the use of volunteer instructors is not to make up for an inadequate number of paid faculty. The College has over 100 adjunct faculty who usually teach one day per week and contribute their expertise to the College. He said their contribution is very valuable and will continue.

Regent Neil asked if the funds that are generated for the additional faculty compensation are from charges to patients. He asked about the competitiveness of the University of Iowa's salaries.

Executive Associate Dean Hand responded that the funds come from patient charges. The College has a faculty practice plan whereby faculty provide service to patients 1 to 1-1/2 days per week. The fees charged are similar to those of dentists in private practice. Patient charges currently fund a proportion of faculty salaries. With regard to Regent Neil's question about competitiveness, he said the University of Iowa College of

Dentistry salaries rank near the mean for public dental schools. He said he believes the quality of the dental school is better than the mean. The goal is for compensation to be at the 75<sup>th</sup> percentile, although this proposed plan would not provide compensation at that level.

Provost Whitmore stated that the University of Iowa College of Dentistry is the third highest ranked dental school in the country.

**MOTION:** Regent Becker moved to approve a contingency compensation plan for College of Dentistry faculty, as presented. Regent Arbisser seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

### **FACULTY PRACTICE PLAN SELF INSURANCE 28E AGREEMENT, SUI.**

Vice President Kelch stated that University of Iowa officials requested approval to formalize a self-insurance program which has been in place for quite some time through a 28E Agreement with the Iowa Attorney General's office. There is a long history of cooperation between the faculty practice plan and the state, which was being formalized through the proposed inter-agency agreement. He said there is a national crisis in professional liability coverage for physicians. The proposal presented a cost-effective manner in which to protect the state, the Board of Regents and the practicing physicians at the University of Iowa. Expenses would be paid from the faculty practice plan net patient care revenues which, last year, was approximately \$135 million. He emphasized that there would be no state appropriations involved in this activity. The proposal would provide insurance over and above what the state normally provides through the Tort Claims Act. In the past, the University has been self insured with an additional external balloon coverage insurance policy.

Regent Turner asked that Vice President Kelch discuss the significant change that has occurred with balloon coverage. Vice President Kelch stated that balloon coverage insurance policy costs have increased seven-fold since September 11, 2001. Other factors include the tumult in the insurance industry and the skyrocketing malpractice costs around the nation. The University recently received three quotes for balloon coverage, all of which were unreasonable.

Regent Kelly asked if the self-insurance plan will be re-insured in a private manner. Vice President Kelch responded that it would not be re-insured.

**MOTION:** Regent Arbisser moved to (1) authorize the University to formalize the self-insurance program to protect the state and members of the faculty

practice plan from liability claims resulting from the operation of the plan and (2) delegate to the Board's Executive Director authority to review and approve the self-insurance program, based upon the counsel and advice of the Board and the Board President, prior to implementation. Regent Becker seconded the motion. MOTION CARRIED UNANIMOUSLY.

**SCHOLARSHIP FUNDING – KATHERYN D. SHARP ESTATE, ISU.**

Vice President Madden presented Iowa State University's request to delegate authority to the Director of Student Financial Aid at Iowa State University to distribute scholarships from the designated "Sharp Memorial Scholarship Fund." He reported that Iowa State University and Ohio State University have become the beneficiaries of the Katheryn D. Sharp Estate. Katheryn D. Sharp's husband, Silas Sharp, received his Ph.D. from Iowa State University's College of Agriculture in 1947. The Last Will and Testament states that a scholarship fund be established. The scholarship fund would provide four years of financial support for one or more students to attend Iowa State University. According to Ms. Sharp's Will and Testament, the selection of the recipients of the scholarships are to be made by the Board of Regents of the respective universities.

Vice President Madden expressed the University's appreciation to the family of Katheryn D. Sharp for their inspiring generosity.

Regent Fisher asked for the size of the bequest. Vice President Madden responded that the University would receive \$500,000 from the estate.

MOTION: Regent Turner moved to delegate authority to the Director of Student Financial Aid at Iowa State University to distribute scholarships from the designated "Sharp Memorial Scholarship Fund." Regent Fisher seconded the motion. MOTION CARRIED UNANIMOUSLY.

**NEW INSTITUTE FOR INFORMATION INFRASTRUCTURE, ISU.**

Provost Allen stated that last year a competition was held on campus to identify key initiatives that reflect the quality and strengths of Iowa State University. He said one proposal that resulted from the competition was presented at this meeting for Board approval. The proposed Information Infrastructure Institute at Iowa State University will serve as an umbrella organization for conducting and coordinating information technology-related research and

applications. Current efforts in the information technology area are fragmented and the University lacks a consolidated effort to advance multidisciplinary learning, discovery and engagement in order to develop information solutions for the general good of society. This new Institute will provide leadership to guide, foster and lead strong research and education programs. Activities of the Institute will promote seed funding for innovative and collaborative research projects and will also promote the organization of focus groups within the participating departments.

**MOTION:** Regent Fisher moved to approve Iowa State University's request to establish a new institute to be called the Information Infrastructure Institute. Regent Turner seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

#### **NEW INSTITUTE FOR COMBINATORIAL DISCOVERY, ISU.**

Provost Allen stated that a second proposal that resulted from the competition discussed in the previous item was for a new Institute for Combinatorial Discovery. He said the purpose of the proposed Institute is to build a cross-disciplinary program that establishes Iowa State University as an internationally-recognized center for excellence in research, technology development, and technology transfer in the combinatorial sciences.


President Newlin asked for the meaning of the word "combinatorial" and the derivation of the word. Provost Allen said he was unsure about the derivation. He stated that combinatorial discovery is a way to reduce the research and development time through parallel experiments as opposed to sequential experiments.

**MOTION:** Regent Arbisser moved to approve Iowa State University's request to establish a new institute to be called the Institute for Combinatorial Discovery. Regent Becker seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

BOARD OF REGENTS MEETING  
March 11-12, 2003

**ADJOURNMENT.**

The meeting of the Board of Regents, State of Iowa, adjourned at 3:05 p.m. on Wednesday, March 12, 2003.

  
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Gregory S. Nichols  
Executive Director