

The Board of Regents, State of Iowa, met on Wednesday, May 15, 2002, at the Iowa Braille and Sight Saving School, Vinton, Iowa, and on Thursday, May 16, 2002, at the University of Iowa, Iowa City, Iowa. The following were in attendance:

	<u>May 15</u>	<u>May 16</u>
<u>Members of Board of Regents, State of Iowa</u>		
Mr. Newlin, President	All sessions	All sessions
Ms. Ahrens	All sessions	Excused at 2:44 p.m.
Dr. Arbisser	By telephone	All sessions
Dr. Becker	All sessions	All sessions
Mr. Fisher	All sessions	All sessions
Dr. Kelly	All sessions	All sessions
Mr. Neil	All sessions	All sessions
Ms. Nieland	All sessions	All sessions
Dr. Turner	By telephone beginning at 2:00 p.m.	By telephone beginning at 1:00 p.m.
<u>Office of the Board of Regents, State of Iowa</u>		
Executive Director Nichols	All sessions	All sessions
Director Barak	All sessions	All sessions
Director Elliott	All sessions	All sessions
Director Wright	All sessions	All sessions
Associate Director Hendrickson	All sessions	All sessions
Associate Director Kniker	All sessions	Excused
Associate Director Racki	All sessions	All sessions
Assistant Director Gonzalez	All sessions	Excused
Assistant Director Lodge	Excused	All sessions
Minutes Secretary Briggie	All sessions	All sessions
<u>State University of Iowa</u>		
President Coleman	All sessions	All sessions
Provost Whitmore	All sessions	All sessions
Vice President Jones	Excused	All sessions
Vice President Kelch	Excused	Arrived at 1:00 p.m.
Vice President True	All sessions	All sessions
Interim Director Rice	Excused	Arrived at 1:00 p.m.
Director Parrott	All sessions	All sessions
Associate Director Braun	All sessions	All sessions
<u>Iowa State University</u>		
President Geoffroy	All sessions	Excused at 2:40 p.m.
Provost Richmond	All sessions	Excused
Interim Provost-Designate Allen	Excused	Excused at 2:40 p.m.
Vice President Madden	All sessions	Excused at 2:40 p.m.
Assistant to President Chidister	All sessions	Excused at 2:40 p.m.
Director Steinke	All sessions	Excused at 2:40 p.m.
Associate Director Baumert	All sessions	Excused at 2:40 p.m.
<u>University of Northern Iowa</u>		
President Koob	All sessions	Excused at 2:40 p.m.
Provost Podolefsky	All sessions	Excused at 2:40 p.m.
Vice President Romano	Arrived at 1:30 p.m.	Excused at 2:40 p.m.
Assistant Vice President Gaston	Arrived at 1:30 p.m.	Excused
Associate Director Saunders	Arrived at 1:30 p.m.	Excused at 2:40 p.m.
<u>Iowa School for the Deaf</u>		
Superintendent Johnson	All sessions	Excused at 12:00 p.m.
Director Heuer	All sessions	Excused
Interpreter Reese	All sessions	Excused
Interpreter Gerischer	All sessions	Excused
<u>Iowa Braille and Sight Saving School</u>		
Superintendent Thurman	All sessions	Excused at 2:40 p.m.
Director Utsinger	All sessions	Excused
Director Woodward	All sessions	Excused

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

www.state.ia.us/educate/regents

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

GENERAL

The following business pertaining to general or miscellaneous business was transacted on Wednesday and Thursday, May 15 and 16, 2002.

President Newlin thanked Superintendent Thurman for his hospitality on May 15, 2002.

APPROVAL OF MINUTES OF BOARD MEETING OF APRIL 17, 2002.

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

ACTION: President Newlin stated the Board approved the minutes of the April 17, 2002, meeting, as written, by general consent.

CONSENT ITEMS.

Approve the institutional and Board Office personnel transactions (with correction to the docket memorandum that the beginning date for the Interim Provost [Benjamin Allen] is June 15, not June 25, 2002);

Approve the School calendar for the Iowa Braille and Sight Saving School for 2002-03;

Approve the Register of Capital Improvement Business Transactions for the Iowa Braille and Sight Saving School;

Approve the University of Northern Iowa calendar holidays for 2004 and academic calendars for 2002-2004;

Accept Iowa State University's report of a new center to be called the Center for Catalysis;

Accept Iowa State University's report of a new center to be called the Center for Food Security and Public Health;

Accept Iowa State University's report of a new center to be called the Agricultural Marketing Resource Center (AgMRC);

Accept Iowa State University's report of a new center to be called the Midwest Forensics Resource Center (MFRC);

Approve Iowa State University's request for approval of a new center to be called the Interdisciplinary Research Institute for Survey Science (IRISS);

Refer the post-audit report of the Bachelor of Science in Environmental Science major at Iowa State University to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation;

Approve Iowa State University's request to discontinue the Bachelor of Science in Professional Agriculture after the last student has completed the program;

Approve Iowa State University's request to discontinue the secondary major in Agricultural Extension Education;

Approve Iowa State University's request to discontinue the Minor in Health Studies;

Approve Iowa State University's request to discontinue the B.S. degree in Community Health (upon graduation of the last currently enrolled students, as required by Regent policy);

Approve Iowa State University's request to change the name of the major in Child and Family Services to Child, Adult, and Family Services;

Approve Iowa State University's request to change the name of the major in Exercise and Sport Science to Health and Human Performance;

Refer the University of Iowa's proposal to establish a Master's in Nursing and Healthcare Practice in the College of Nursing to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation;

Approve the University of Iowa academic year and summer session calendars for 2006-2007; and

Receive notice of the intent to suspend graduate admissions to the M.A. degree concentration, Management Information Systems (MIS) in Management Science at the University of Iowa.

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

INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION.

(a) Proposal for a M.S. Program in Veterinary Diagnostic and Production Animal Medicine, ISU.

Provost Whitmore presented the recommendation of the Interinstitutional Committee on Educational Coordination to approve the University's proposal.

MOTION: Regent Neil moved to approve Iowa State University's proposal for a M.S. program in Veterinary Diagnostic and Production Animal Medicine. Regent Becker seconded the motion. MOTION CARRIED UNANIMOUSLY.

(b) Post-Audit Report of the Bachelor of Arts in Performing Arts Major, ISU.

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

MOTION: Regent Becker moved to (1) receive the post-audit report for the Bachelor of Arts in Performing Arts Major at Iowa State University and (2) approve continuation of the program. Regent Fisher seconded the motion. MOTION CARRIED UNANIMOUSLY.

(c) Copyright Procedures.

Director Barak presented the recommendation of the Interinstitutional Committee on Educational Coordination and its Task Force on Scholarly Communication that the Board of Regents adopt the following general statement:

The Board strongly encourages faculty, students, and employees of Regent institutions to seek to retain intellectual property rights to the articles and reports that they publish in scholarly journals and equivalent types of publications where

feasible and appropriate without detriment to publishing agreements. Doing so on a systematic basis will ensure the widest possible dissemination at the lowest cost. Each institution is responsible for providing information, advice, and assistance to faculty, students, and employees to achieve this aim.

MOTION: Regent Ahrens moved to approve the proposed statement. Regent Neil seconded the motion.
MOTION CARRIED UNANIMOUSLY.

REPORT OF THE BANKING COMMITTEE.

Regent Fisher stated that the Banking Committee met on the morning of May 15 and accepted a favorable bid for the ISU Parking System Revenue Bonds.

Mark LeMay, Springsted, Inc., reported on the results of the sale for the \$6,110,000 Parking System Revenue Bonds, Series I.S.U. 2002. He said the bonds were rated by the two major rating agencies, as follows: Standard & Poor's provided a rating of A while Moody's provided a rating of A-1. Expressions of interest were originally received from four firms, although bids were received from only two firms. Those firms and their corresponding bids were as follows: Dain Rauscher bid a true interest rate of 4.675984 percent while U.S. Bancorp Piper Jaffray bid a true interest rate of 4.642367 percent.

Mr. LeMay compared the bid yields against a national yield curve scale (Delphis) from two days previous. He said every maturity had a superior yield (lower interest rate) than bonds rated AAA.

Mr. Haynie, Ahlers law firm, presented two resolutions for Board adoption.

MOTION: Regent Fisher moved to adopt the following resolutions: (1) A Resolution providing for the sale and award of \$6,110,000 Parking System Revenue Bonds, Series I.S.U. 2002, and approving and authorizing the agreement of such sale and award. (2) A Resolution authorizing and providing for the issuance and securing the payment of \$6,110,000 Parking System Revenue Bonds, Series I.S.U. 2002, to pay the costs of constructing, extending, improving and equipping the University parking facilities on the campus of the Iowa State University of Science and Technology, funding a debt service reserve fund, and paying the costs of issuing said Bonds.

Regent Neil seconded the motion, and upon the roll being called, the following voted:

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

NAY: None.

ABSENT: Turner.

MOTION CARRIED.

Regent Fisher stated that a second item approved by the Banking Committee was the setting of the date for the sale of University of Iowa Facilities Corporation Revenue Bonds (Medical Education and Biomedical Research Facility Project), Series 2002.

Mr. Haynie stated that the resolution would authorize the Executive Director to cooperate with the University of Iowa Facilities Corporation to receive bids for bonds in connection with the Medical Education and Biomedical Research Facility which is currently under construction. The purpose was to bring to the next meeting of the Board of Regents a proposal for purchase of the bonds of the University of Iowa Facilities Corporation.

MOTION:

Regent Fisher moved to adopt the following resolution: A Resolution authorizing the Executive Director to take any and all action deemed necessary to effect the issuance of not to exceed an aggregate principal amount of \$7,975,000 University of Iowa Facilities Corporation Revenue Bonds (Medical Education and Biomedical Research Facility Project), Series 2002. Regent Kelly seconded the motion, and upon the roll being called, the following voted:

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

NAY: None.

ABSENT: Turner.

MOTION CARRIED.

Regent Fisher said the Banking Committee received a report from the University of Iowa Internal Auditor, Carol Senneff, on the review and closure of several outstanding audits that have been open for several years.

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

BIENNIAL REPORT ON COOPERATION/COLLABORATION.

Director Barak presented the report on cooperation/collaboration, noting that it was a periodic report required by Board policy. He said the report indicated that 95 projects involved two or more of the Regent institutions.

President Newlin asked Dr. Barak for his recommendation for a definition of the term "periodic." Director Barak said he would recommend that the report be presented to the Board every two years.

President Newlin asked if the Board's Policy Manual could include a requirement that the report be presented every two years. Director Barak responded affirmatively.

President Newlin said that he was very impressed with the report. It was wonderful to see the example of collaboration among the institutions. He congratulated institutional officials on the efforts in this area.

Regent Fisher stated that it was unfortunate that more of the citizens of Iowa do not understand the relationships between the Regent universities. The cooperation and collaboration seems to increase every year. He stated that the citizens are getting a good "bang for the buck."

Regent Neil asked, in light of the state's financial picture, how can collaboration and cooperation be further promoted between the three universities? Director Barak responded that Board policy requires the institutions to consider opportunities for collaboration and cooperation when proposing new programs and new research projects.

President Newlin noted that the libraries cooperate on an ongoing basis. Director Barak stated that separate reporting is required for the libraries.

ACTION: President Newlin stated the Board received the report on Regent university collaboration/cooperation, by general consent.

Superintendent Thurman stated that Iowa Braille and Sight Saving School would benefit from reporting on its collaborative efforts. There were approximately 20 such collaborative efforts taking place currently.

President Newlin stated that Superintendent Thurman had a good idea. He asked that Iowa School for the Deaf officials also report on that School's collaborative activities.

REPORT ON MEETING OF THE IOWA COORDINATING COUNCIL FOR POST-HIGH SCHOOL EDUCATION.

Regent Becker stated that Sandy Boyd, former President of the University of Iowa, spoke to the Coordinating Council members. He reviewed the history of the Iowa Coordinating Council for Post-High School Education and the efforts of public and private higher education in the state to work together. Dr. Boyd encouraged the group to re-energize and determine future areas of focus. The Council has developed rough plans for upcoming initiatives to be addressed at its next meeting.

President Coleman stated that she will serve as the next chair of the Coordinating Council. At a retreat this summer, a schedule of topics for next year will be determined. She noted that the Board of Regents meeting materials listed topics which are being considered. Coordinating Council members would like to become more active in recruiting out-of-state businesses to Iowa. She added that the Coordinating Council's electronic system of accepting new academic programs has been very helpful.

President Newlin asked if Dr. Boyd had a written speech from which he spoke. Regent Becker responded affirmatively. President Coleman pointed out that the information he shared with the Coordinating Council was the same as he shared with the Governor's Education Roundtable.

President Newlin asked that the speech be provided to the Board Office for distribution to the members of the Board of Regents.

ACTION: President Newlin stated the Board received the report on the May 1, 2002, meeting of the Iowa Coordinating Council for Post-High School Education, by general consent.

REPORT ON LEGISLATIVE SESSION.

Executive Director Nichols presented the report on the legislative session, noting that it would be his concluding comments on the 2002 regular session of the General Assembly but, undoubtedly, not the concluding comments about the 2002 General Assembly in special session. He stated that the following three non-budget pieces of legislation were passed and signed into law: 1) sale of Iowa State University farm land in the Ankeny area, 2) University of Iowa Hospitals and Clinics bonding, and 3) regulation of cloning.

Executive Director Nichols referred to the appropriations reductions for FY 2002, and said those matters would be brought back before the Board in June and/or July as work is begun on proposed budgets for FY 2003. FY 2003 budget planning is well underway, based on actions of the General Assembly and Governor on several pieces of budget legislation.

Executive Director Nichols presented the following sequence of events that had taken place since the Board of Regents last met. He said the General Assembly adjourned its regular session, having passed budget bills in several areas of interest to the Board, including infrastructure and capitals, general education operations, and salaries. After the legislature adjourned its regular session, but before the Governor acted on the bills, the Revenue Estimating Conference met and reduced the projected income for the state for both FY 2002 and FY 2003. The legislature met during the last 30 days in a special session that was inconclusive in making changes in previously-passed bills. The Governor selectively signed some parts of the budget approved by the General Assembly and vetoed other parts of interest to the Board of Regents.

First, as it relates to infrastructure and capital projects, the bill passed by the legislature provided funding from tobacco dollars for a capital project at the top of the priority list for each of the five Regent institutions, and funding of tuition replacement.

Executive Director Nichols said the second piece of legislation is the Omnibus Appropriations Bill which contained operating funds for most of the state government enterprise. This bill was signed, in part, and was disapproved in a part of particular interest to the Regents. The economic development appropriations for the Regents (which includes the research parks), along with those of many other departments of state government, was vetoed. The general operating budget for the universities was signed into law and included a provision for a reduction of approximately \$20 million from the revised FY 2002 budgets. The current baseline for internal planning for the FY 2003 budget will be about \$25 million less than the current fiscal year budgets after the various cuts.

The third piece of the budget legislation is the appropriation to fund mandated salary increases which will take effect July 1, barring any action to the contrary. The salary legislation removes \$30 million from the proceeds of the Regents' demutualization agreement endowments, deappropriates \$5 million of university general operations funding, and appropriates \$25 million to the Regent institutions for funding salary increases for employees. Executive Director Nichols said this salary amount represents \$8 million less than the projected need for state-funded salary increases, which will have to be addressed in the budgets presented in June for FY 2003.

Executive Director Nichols stated that discussions between the Governor and General Assembly on how to deal with the projected shortfall in state revenues was still pending. There appears to be a consensus by both sides to avoid additional appropriation cuts in the current fiscal year, particularly due to the dwindling number of days left in FY 2002. However, there does not appear to be consensus on how to approach the budget base for FY 2003. The Board Office and institutions are preparing preliminary budgets based on the current legislation which is a 4 percent reduction in state appropriations plus a salary adjustment. There will be continued efforts to make policy makers and the general public aware of the impacts of the budget decisions on the Regent institutions.

ACTION: President Newlin stated the Board received the monthly report on the 2002 legislative session, by general consent.

ANNUAL REPORT ON REGIONAL STUDY CENTERS.

Assistant Director Gonzalez provided the Board members with a PowerPoint presentation of the report on regional study centers. The first information presented was a map of the state of Iowa showing the counties served by each Center.

President Newlin asked that the map in next year's report show counties served in the states of Illinois, Nebraska and South Dakota.

Assistant Director Gonzalez provided highlights of the Centers' annual report, noting that each Center is unique. She said the Quad-Cities Graduate Study Center was incorporated in 1969 as a not-for-profit organization at the request of local businesses seeking graduate training for their employees. The Regent universities offered 19 degree programs and 5 certificate programs at the Center during FY 2002. Approximately 51 percent of the total headcount enrollment at the Quad-Cities Center consists of Iowa residents. She stated that the Tri-State Graduate Center was founded in 1990 as a consortium of educational institutions in Iowa and South Dakota at the request of the Siouxland Interstate Metropolitan Strategic Council, a regional development organization in Iowa. The Regent universities offered 16 degree programs and 4 certificate/endorsement programs at the Tri-State Graduate Center during FY 2002. Approximately 48 percent of the enrollment at the Tri-State Graduate Center consists of Iowa residents.

Assistant Director Gonzalez stated that the Southwest Iowa Regents Resource Center was founded 11 years ago as a cooperative effort of the Regent universities to serve residents in the Southwest corner of the state. The Resource Center offered 4 undergraduate programs, 24 graduate programs, and 14 certificate/endorsement

programs during FY 2002. Approximately 85 percent of the total headcount enrollment at the Regents Resource Center consists of Iowa residents.

Quad-Cities Graduate Center Director Laws thanked the Board members for having the Centers' directors at their meeting, and noted that it is always good to meet with them. He also thanked Assistant Director Gonzalez for organizing a meeting between the Center director and the universities' continuing education directors to discuss enrollment reporting. He then provided highlights of the Quad-Cities Graduate Center's activities, enrollment and graduation data, mission, and governing board. He said the Center's governing board chair and he met with Board of Regents member Amir Arbisser who advised them to communicate with the Quad-Cities Development Group. Very positive results have come from that suggestion.

Director Laws introduced James Graham, general manager of KWQC Channel 6, and chair of the Quad-Cities Graduate Center governing board.

Mr. Graham stated that, in preparing for this meeting, he noticed similarities between the Board of Regents' key result areas and the Quad-Cities Graduate Center's strategic plan. Similarities included the importance of access, establishing policies to encourage diversity, and stewardship of resources. He also provided an update on current Graduate Center activities.

Tri-State Graduate Center Director Bartek stated that this has been a challenging and interesting year. She said there is a new economic development person in Siouxland who will be communicating to business all of the great educational opportunities in the area. She had a recent opportunity to do some television spots for the Graduate Center, as well as a 20-minute radio interview, speaking to organizations and strengthening links with businesses. She provided an update on Graduate Center activities that have taken place this year.

Southwest Iowa Regent Resource Center Director Trachta stated that the Regent universities offer all of the services at the Center. She reviewed data for this past year on the number of undergraduate, graduate and certificate programs that were offered. The Center experienced a 7 percent enrollment increase over the previous year. The Center assisted in offering the Bachelor of Liberal Studies Across Iowa (BLSAI). She said the Iowa Communications Network has proven to be a valuable resource in course delivery. Other activities at the Center included a premier dance performance of the Southwest Iowa Art Center. Resource Center officials are creating additional ways to provide access to Regent universities for citizens of southwest Iowa.

President Newlin referred to the Resource Center's enrollment level of 500, and asked if that would be its enrollment base going forward. Director Trachta responded that the enrollments tend to be at that level although 500 is higher than the 10-year average.

President Newlin expressed appreciation for Director Trachta's work, and said the Resource Center provides an important service to southwest Iowa.

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

ALLOCATION OF MANDATORY STUDENT FEES AND DESIGNATED TUITION FOR THE 2002-03 ACADEMIC YEAR.

Associate Director Hendrickson stated that, in the fall of each year, the Board establishes base tuition and mandatory fees for each of the universities for the following academic year. At the subsequent May Board meeting, the Board allocates student fees. She said that, in October 1999, the Board made a fundamental change in the structure of tuition and fees, approving a request of the University of Iowa to establish new mandatory fees for certain student activities and student services rather than using tuition revenues. The change took tuition revenues that had been designated historically for student activities and student services, and established them as separate and distinct mandatory fees. In October 2000, the Board approved a similar redirection of tuition to new mandatory fees for Iowa State University and the University of Northern Iowa. These redirections were to be implemented over a number of years.

Associate Director Hendrickson said this allocation was consistent with the Iowa Code requirement for involvement of student fee committees prior to the Board changing allocations of student fees. The student fee committees at each university have met and made recommendations regarding the allocations of the student fees.

Regent Fisher asked what is included in the University of Northern Iowa's fees that make the fees substantially higher than those of the other two universities. Vice President Romano responded that \$90 of the \$173.50 is for the Maucker Union Renovation Project, \$30 is for Panther Pass, \$16.50 is for student organizations, and \$37 was diverted from tuition for the Fieldhouse fee for the UNI-Dome roof and for athletics.

Regent Fisher asked if the \$90 fee for the Maucker Union is a temporary fee. Vice President Romano responded that the Maucker Union renovation fee is for the debt service for bonds issued for the project. The Maucker Union fee increased from \$70 last year to \$90 this year.

Regent Fisher asked about the Memorial Union fee at Iowa State University, acknowledging that at the University of Iowa the fee is \$81. Vice President Madden responded that the student union fee is included in the \$175 student services fee component of designated tuition for Iowa State University. Last fall, University officials asked the Board to approve an additional year for phasing in those fees because of the size of the tuition increase. The third year of phasing in the fee will be presented next fall when the Board addresses tuition and fees. The fourth year of the phase in will be presented in the following year.

Regent Fisher asked if the students take part in the discussions concerning student fees. Vice President Madden responded affirmatively, noting that these fees were approved unanimously by the student fee committee.

Regent Nieland asked if Iowa State University and the University of Iowa have the equivalent of a Panther Pass included in the fees. Vice President Madden responded that, at Iowa State University, the student activity pass provides admission to students for most activities. Fees are charged for some athletics events. Vice President True stated that the same was true at the University of Iowa. The student activity pass provides admission to many activities, and reduced rates for performances at Hancher as well as athletic events.

MOTION: Regent Ahrens moved to (1) approve the allocation of the Regent universities mandatory student fees for the 2002-2003 academic year, including the summer 2002 session, as set forth, and (2) approve the allocation of tuition at the Regent universities designated for student fees for the 2002-2003 academic year, including the summer 2002 session, as set forth. Regent Turner seconded the motion. MOTION CARRIED UNANIMOUSLY.

ANNUAL REPORT ON CHILD CARE.

Director Wright provided highlights of the child care report. He stated that each of the three Regent universities provides on-campus child care centers and participates in community referral services. The campus centers operate at full capacity with extensive waiting lists. The centers are funded through fees assessed to parents, university subsidies and other funding sources, including federal funds. The financial contributions by the universities allow centers to charge student parents lower fees.

The centers could not continue to operate if they cared only for children of students within the current subsidized rate structures.

Director Wright stated that, based upon anticipated appropriations, each university has increased its child care budget for FY 2003 as follows: University of Iowa and Iowa State University by less than 1 percent; University of Northern Iowa by 5 percent.

Regent Turner asked if the waiting lists are fairly stable. Representatives of each of the three Regent universities indicated that their waiting lists are stable.

Regent Fisher said it was frustrating that the numbers on the waiting list continue to be high but he understood the reason.

Regent Fisher asked for the impact of the reduction in state appropriations on university child care. President Coleman said it was clear that the budget reductions will have an impact on child care at the University of Iowa. She asked Laura Reed, Assistant Director of Human Resources, to also respond to the question.

Assistant Director Reed stated that University officials have tried to protect the child care funding from state budget cuts. At present, none of the child care centers have experienced a decrease in budgets.

Vice President Madden stated that, this year, Iowa State University officials have protected the University's child care centers' budgets. The goal is to maintain the current level of services while absorbing cost increases.

President Koob stated that the University of Northern Iowa strategic plan includes meeting the child care needs of all students and faculty. The budget of the child care center has been protected from the state budget cuts. He said an unintended impact of the budget cuts is the lack of state funding for the work study program. The University now has to pay "full price" for student employees in the child care centers, which has required adding a subsidy to the child care program.

Regent Becker asked if there was a reason that Iowa State University has a much larger waiting list than do the other two universities. Vice President Madden responded that the data comes from a county-wide survey. He said a number of individuals will elect other-than-campus child care locations because they are unwilling to pay the prices of the campus child care centers. He was unsure whether the additional slots would be used if there were 300 more slots. He noted that one of the challenges is providing child care funds to students. The most need is in the infant to two-year-old category which is the most expensive child care to provide.

Regent Becker stated that, in comparing the number of child care slots of each institution, she noted that Iowa State University and the University of Iowa offer about the same number of slots. She asked if the number of faculty versus students served was comparable.

Vice President Madden responded that, at Iowa State University, 175 to 200 children are accommodated in on-campus child care. There will also be some growth in the number of children accommodated, although not by the child care centers. He said the Department of Child Development is changing the school program it offers on campus to a year-round program and provide some additional hours of care. The Department will be accommodating an increased number of children in that facility.

President Coleman stated that the University of Iowa has 225 slots which includes 100 slots at the University of Iowa Hospitals and Clinics which is exclusively for children of staff.

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

REVISED BUDGETS FOR FY 2002.

Director Elliott stated that, as Board members were aware, the Regent institutions' budgets have been cut drastically this year (by \$82 million). She said the appropriations reductions occurred three times during the year, as follows:

- A 6 percent reduction in base budget appropriations (\$40.6 million) compared to FY 2001 that was part of the original budgets approved by the Board in July 2001;
- A 4.3 percent across-the-board budget reduction (\$28.6 million excluding the special schools and the Hygienic Laboratory) mandated November 1, 2001, for which revised budgets were approved by the Board in November 2001; and
- A 1 percent across-the-board reduction and furlough allocation reduction (\$12.6 million) effective March 1, 2002.

Director Elliott stated that the Revenue Estimating Conference lowered the FY 2002 and FY 2003 revenue estimates on May 7. The revised FY 2002 budgets did not reflect any reduction that may occur as a result of the revised revenue estimates. She said the Regent institutions have tried to protect the educational programs from damage and have maximized non-state resources to the greatest extent possible. The revised

FY 2002 budgets presented at this meeting reflected the March reductions of state appropriations as well as other adjustments using the most current information available. Other adjustments included modifications for enrollments and grant activities.

On behalf of Superintendent Johnson, Director Elliott stated that the Iowa School for the Deaf received a furlough allocation deappropriation of approximately \$55,000. School officials were able to utilize savings from an unfilled administrative faculty positions to cover the loss.

President Coleman stated that this has been a very difficult fiscal year for the University of Iowa's budget, with a 12 percent cut in appropriations. She presented the following examples of efforts that have been undertaken in response to the loss of state appropriations, a more complete list of which was provided in the meeting materials. She said that, due to the number of deappropriations this year, there is not as much choice as before in what areas to cut. Class sizes are increasing. Admission to some programs has been suspended, all of which were brought to the Board of Regents prior to initiation. University officials will continue to consider closing programs during this next fiscal year as a mechanism for coping with budget problems. Faculty start-up has been reduced, as well as technology, training, and equipment for faculty. Searches have been slowed on many principal academic and key administrative positions. The search for a Vice President for External Relations has been halted, and the position was merged with another vice president position. The equipment budget has been reduced. Maintenance and building renewal budgets have been reduced. The University of Iowa Hospitals and Clinics has decreased budgets, as well.

President Geoffroy stated that Iowa State University began FY 2002 with a reduction in state appropriations of nearly \$16 million, 28 fewer faculty, 40 fewer graduate assistantships, and 45 fewer merit staff than the previous year. At the same time, the University was serving 978 more students. He outlined the following reductions in state appropriations to the University's general fund:

Original FY 2002 state appropriation	\$265,106,057
November reduction	\$ 11,399,562
March reduction	\$ 4,894,552
Final FY 2002 state appropriation	\$248,811,943
Appropriation reduction in FY 2002	\$ 16,294,114

President Geoffroy stated that the FY 2002 mid-year reduction were met largely with one-time budget reductions, including \$4.2 million in strategic initiatives, \$1.8 million in across-the-board cuts, \$1.8 million in energy savings, \$6.5 million in deferred construction, and \$2.0 million in building repair and campus maintenance. He said the

lack of state appropriations will require permanent reduction of budgets across campus in FY 2003. He provided the following examples of other impacts of reductions in the FY 2002 budget:

- Reduced support for courses and instructional technology
- Decreased student services
- Impacted faculty and staff retention and recruitment
- Decreased professional development opportunities
- Reduced library acquisitions
- Deferred repair of roofs, windows, walls and parapets
- Reduced campus maintenance
- Delayed building child care and student community center
- Deferred renovation of classrooms and graduate college space

President Geoffroy presented graphs illustrating the impact of the budget cuts on course size and on student-to-faculty ratio. He said the impact of less faculty and more students is obvious, and the numbers will increase next fall. University officials are having difficulty finding enough large classrooms on campus.

Regent Arbisser asked if there was any quantification of the impact on course size and student-to-faculty ratio of the more advanced courses. President Geoffroy responded that that information may be available but he did not have it in hand. He said there is data on the major impact of the increase in course size and student-to-faculty ratio on student retention.

President Koob stated that, at the initiation of this fiscal year, University of Northern Iowa faculty, who belong to a bargaining unit, were given larger salary increases than those provided to faculty of the other two Regent universities. He said the effect of higher faculty salary increases will be faced, again, in the coming year.

President Koob provided the following examples of actions taken as a result of the various fiscal year reductions in state appropriations:

- Reduced approximately 150 adjunct faculty and 217 classes during the spring semester; postponed professional development leaves; implemented larger class sizes; and assigned overload appointments to permanent faculty.
- Eliminated four and a half professional and scientific positions, six secretarial/clerical positions, five custodians, and a boiler operator.
- Reduced the number of hours for student employment.

- Cut expenditures from academic supplies and services and equipment line item budgets.
- Slowed the implementation of the Modern Executive Management and Financial Information System (MEMFIS) which delays access to timely and accurate information for decision makers and off campus reporting.
- Reduced building repairs line item budget by 83%.
- Delayed expenditures such as early retirement securitization to the next fiscal year, in a sense borrowing from FY 2003.

President Koob said the University of Northern Iowa was a finely-balanced institution. This year's appropriations reductions have knocked the University significantly out of balance. For example, the University's strategic plan indicates there should be a certain number of faculty in the classrooms. Therefore, something has to be done to compensate for the enrollment increase and the loss of faculty. University officials have instituted enrollment management to enable the University to not subsidize the student who is unlikely to succeed. Requirements for graduation have been changed to move students through more quickly. The University will have less patience with marginal students. Another example of the effect of the appropriations cuts is the reduction in the building repair budget. Only emergency repairs are being done; all optional repairs have been put on hold. Construction of the one-stop student services center has been postponed until the budget can be re-established. The University has more square footage of buildings to maintain with less custodial staff. He concluded by stating that the appropriations reductions have forced the creation of a different university than the one it was at the beginning of the year.

Superintendent Thurman stated that, for years, the Iowa Braille and Sight Saving School, under the Board of Regents' leadership, has developed a strategic planning process to expand services to blind students regardless of where those students go to school. School officials have consistently reallocated funds from the residential program to outreach activities. Over the past year, the strategic plan has been systematically taken apart. Consultants that were sent to provide services around the state a year ago have been brought back to the School. He said that, considering the discussions taking place among legislators regarding FY 2003 appropriations, the School's summer program will be in jeopardy. If the cuts continue, the School will begin denying specific services to blind students which will impact on "free and appropriate public education." If the budget crisis continues and resources continue to be taken away from the School, it will be faced with litigation that will be far more damaging to the School's services than the budget loss.

President Newlin asked for clarification regarding the University of Iowa's shortage of nurses and the use of agency nurses. President Coleman responded that the most difficult problem in hiring nurses is in the Intensive Care Unit and in the shift areas. In the very intense, difficult tough job areas, about 8.7 percent of the nursing staff are agency nurses. The only other option to hiring agency nurses would be to close down beds. University officials are working very hard with SEIU and in recruiting nursing graduates. She noted that the same pattern was being seen across the nation. She would like to make the University of Iowa Hospitals and Clinics a magnet hospital for nursing, to be the employer of choice for nursing.

Regent Arbisser stated that he knows of an agency nursing business which has seen a five-fold increase in the number of placements in the past 12 months.

Regent Nieland asked if the salaries paid to agency nurses are better than salaries paid elsewhere. President Coleman responded that University of Iowa Hospitals and Clinics (UIHC) pays the agency for the nurses. She believes the agencies pay their nurses a higher hourly rate than UIHC does. Interim Director Rice said that, although most of the agencies may pay a higher hourly rate than the UIHC, they offer limited or no employee benefits. UIHC officials are surveying nurses internally to determine what the Hospitals should offer. There may be a need to be more creative than in the past.

Regent Neil referred to the benefit package being paid by other companies and said the University of Iowa Hospitals and Clinics should not shift its insurance cost to other employers. The University should pay what the market requires.

Regent Becker stated that, at one time, many of the hospital-based nursing programs were less than 4 years in duration. She asked if the practice in nursing education has changed making the shorter programs no longer appropriate.

Interim Director Rice stated that community colleges in Iowa are very active in that area.

Regent Turner asked if there is any type of statewide approach to train more nurses or to improve nursing working conditions.

Interim Director Rice said the nursing shortage is an international problem. Professional societies are trying to find ways to make nursing a more attractive career path.

President Coleman stated that the University of Iowa College of Nursing has instituted a program whereby individuals with a BA degree in any area can enter an intensive 18-month program for nursing education. Dean Dreher has been very active statewide in trying to help solve this problem.

Regent Arbisser noted that it was not just a matter of the salaries and benefits package. Many nurses are interested in the flexibility of working in different locales at different seasons of the year.

Regent Kelly asked about the possibility of a cafeteria-type plan of nursing payment. Interim Director Rice responded that consideration has been given to that option. Regent Neil suggested that may be something that could be approached in negotiations.

Interim Director Rice stated that some people prefer to work weekends, for example. University of Iowa Hospitals and Clinics officials are trying to find ways to be flexible and to create more options.

Regent Neil stated that, in the past, the Board has discussed demand occupations including tuition tax credits and forgivable loans. He asked if there is any way to consider this an occupational shortage area for the whole state and to provide forgivable loans for students.

Executive Director Nichols said he believes there is a process in place that involves the Department of Workforce Development and the Department of Economic Development in labor surveys of shortage areas. It began as a program for teachers especially in identified shortage areas. He did not know the status of expanding that to the nursing occupation.

President Newlin asked if Executive Director Nichols could find out the options in that regard. Executive Director Nichols responded affirmatively.

MOTION: Regent Becker moved to approve the revised FY 2002 General Fund Operating Budgets for the Regent institutions and the Board Office. Regent Nieland seconded the motion. MOTION CARRIED UNANIMOUSLY.

Regent Neil stated he believes that officials of all five Regent institutions are doing a good job of trying to deal with a very difficult situation. He commended them, acknowledging that theirs was not an easy task.

POLICY MANUAL REVISIONS.

Director Wright provided the Board members with a summary of the revisions that have been presented to date, as well as those presented this month for review.

MOTION: Regent Fisher moved to (1) approve the replacement of Chapter I—"Board of Regents" and Chapter VI—"Academic Policies and Procedures" of the Board of Regents Policy Manual with revised versions of these chapters, and (2) receive the proposed revised versions of §4.37—"Regent Employees Representing the Board of Regents and the Regent Enterprise", §4.38—"Regent Employees Serving on State Committees as Regent Employees", §7.04--"Purchasing", and Chapter VIII—"Charges and Fees". Regent Neil seconded the motion. MOTION CARRIED UNANIMOUSLY.

APPEAL OF INSTITUTIONAL DECISION.

Director Wright stated that Board members had received a packet of confidential materials related to this appeal. Based on the record before the Board, the Board Office recommended that the Board affirm the final institutional decision in this matter.

MOTION: Regent Fisher moved to affirm the final institutional decision. Regent Ahrens seconded the motion. MOTION CARRIED UNANIMOUSLY.

APPEAL OF INSTITUTIONAL DECISION.

Director Wright stated that Board members had received a packet of confidential materials related to this appeal. Based on the record before the Board, the Board Office recommended that the Board affirm the final institutional decision in this matter.

MOTION: Regent Neil moved to affirm the final institutional decision. Regent Becker seconded the motion. MOTION CARRIED UNANIMOUSLY.

APPEAL OF INSTITUTIONAL DECISION.

Director Wright stated that the Malcolm Price Laboratory School Parent Teacher Partnership (MPLSPTP) petitioned the Board of Regents for a Declaratory Order in the matter of closing grades 10 through 12 of the Laboratory School. The petition also asked that the MPLSPTP be permitted to address the Board on this matter. (The request to address the Board was handled separately, as a part of the University of

Northern Iowa's institutional docket.) He stated that, earlier that week, the Board Office received a copy of a Joinder from the University's United Faculty. Both the original petition and the additional petition were referred to the Attorney General's Office. The Board's counsel, Special Assistant Attorney General Ann Marie Brick, reviewed the petition of the MPLSPTP and the Joinder of United Faculty and determined that it is outside the contemplation of the law for the matter to be addressed through a Declaratory Order. Ms. Brick advised that the request for a Declaratory Order be denied. Director Wright stated that the Board Office concurred with Ms. Brick's finding and recommended adoption of the response.

Special Assistant Attorney General Brick provided a summary of her analysis of the petitions. She said the conclusion was that the petitions should be denied. Denying the petition does not mean the merits of the group are being ruled upon. She said the case law was fairly clear. The petition to the Board of Regents was not an appropriate mechanism for resolution of the dispute. Ms. Brick asserted that, at this point, the Board of Regents had heard 100 percent of one-half of the story, and there are many disputed facts.

MOTION: Regent Fisher moved to adopt the Response to Petition for Declaratory Order to the request before the Board for a Declaratory Order in matters relating to the Malcolm Price Laboratory School at the University of Northern Iowa, as presented. Regent Becker seconded the motion.

Regent Neil asked if Special Assistant Attorney General Brick was saying that the order was premature. Special Assistant Attorney General Brick responded that was essentially correct. She stated that the upcoming hearing under the University of Northern Iowa's docket and open public discussion was appropriate.

VOTE ON THE MOTION: Motion carried unanimously.

INSTITUTIONAL AND BOARD OFFICE PERSONNEL TRANSACTIONS.

ACTION: The following personnel transactions at the Regent institutions were ratified on the consent docket: University of Iowa: Register of Personnel Changes for March 2002, including a promotion and tenure action not completed in time for last month's register, and approve the appointment of Dr. John C. Keller as Dean of the Graduate College at a salary of \$165,000, effective May 15,

2002; Iowa State University: Register of Personnel Changes for April 2002 and approve the appointment of Benjamin J. Allen as Provost for an interim time beginning June 15, 2002, at an annual salary of \$215,000; University of Northern Iowa: Register of Personnel Changes for March 2002; Iowa School for the Deaf: Register of Personnel Changes for April 2002; Iowa Braille and Sight Saving School: Register of Personnel Changes for March 2002.

BOARD MEETINGS SCHEDULE.

Executive Director Nichols stated that one change was proposed to the Board meetings schedule. The March 2003 meeting was proposed to be held on Tuesday and Wednesday, March 11 and 12, instead of Wednesday and Thursday, March 12 and 13. The reason for the proposed change was partly due to the institutional heads' schedules.

President Newlin asked that Board members review their calendars.

Regent Becker stated that she usually has an area education agency board meeting the evening of the second Tuesday of each month. She will probably have to return home that evening.

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

APPROVAL OF VENDOR WITH A POTENTIAL CONFLICT OF INTEREST .

Vice President True stated that two University of Iowa nursing faculty own and operate Liberty Country Living, a community-based, alternative living and adult day care facility for persons with dementia. The facility is located in Iowa City, Iowa. There are no similar facilities in Johnson County or contiguous counties. Liberty Country Living serves as a practicum site for students and practitioners from all health disciplines to learn and observe how an alternative environment is supportive and helpful to persons with dementia. The University of Iowa has received a grant from the United States Public Health Service for Geriatric Study. The two nursing faculty are investigators on the grant. The professors report that the grant is to be administered by the Geriatric Education Center of the University, which has no administrative connection to the College of Nursing.

MOTION: Regent Kelly moved to approve the addition of Liberty Country Living to the University of Iowa's list of approved vendors with a potential conflict of interest. Regent Becker seconded the motion. MOTION CARRIED UNANIMOUSLY.

ADOPTION OF ADMINISTRATIVE RULES GOVERNING THE REGENT MERIT SYSTEM.

Director Wright stated that revisions to the administrative rules governing the Regent Merit System, as approved by the Board of Regents in March, were necessitated by recent changes in Iowa Code, Chapter 19A and changes in pay matrices negotiated by AFSCME-covered employees. The Notice of Intended Action was published on April 3, 2002. The notice established a comment period ending April 23, 2002, and set the date for a public hearing on that day. The public hearing was held at the Board Office. No written or oral comments were received. Upon review of the amendments as published in the Administrative Bulletin, a few non-substantive changes were noted. These minor changes will be noted when the rules are filed for adoption.

MOTION: Regent Fisher moved to (1) adopt amendments to the Iowa Administrative Code §681, Regent Merit System and (2) authorize the Executive Director to file the adopted rules in the appropriate format. Regent Ahrens seconded the motion. MOTION CARRIED UNANIMOUSLY.

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

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

MOTION: Regent Becker moved to enter into closed session. Regent Neil seconded the motion, and upon the roll being called, the following voted: AYE: Ahrens, Arbisser, Becker, Fisher, Kelly, Neil, Newlin, Nieland, Turner.

NAY: None.
ABSENT: None.

MOTION CARRIED.

The Board having voted at least two-thirds majority resolved to meet in closed session beginning at 3:00 p.m. on May 15, 2002, and adjourned therefrom at 4:05 p.m. on that same date.

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

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

MOTION CARRIED.

The Board having voted at least two-thirds majority resolved to meet in closed session beginning at 10:20 a.m. on May 16, 2002, and adjourned therefrom at 11:50 a.m. on that same date.

STATE UNIVERSITY OF IOWA

The following business pertaining to the University of Iowa was transacted on Wednesday and Thursday, May 15 and 16, 2002.

MASTER'S IN NURSING AND HEALTHCARE PRACTICE.

ACTION: This matter was referred on the consent docket.

UNIVERSITY CALENDAR.

ACTION: This matter was approved on the consent docket.

PROPOSED ROY J. CARVER CENTER FOR COMPARATIVE GENOMICS.

Provost Whitmore stated that genomics is the study of genes and their function. University officials proposed to establish a center within the Department of Biology. He introduced the Chair of the Department of Biology Jack Lilien.

Dr. Lilien stated that scientists now have the capability to completely sequence the genetic code for multiple organisms. A month ago, a draft sequence for the human genome was developed. This week, the draft sequence for the mouse genome was developed. He said over 60 microorganisms have been sequenced to date.

President Newlin asked if any plants have been sequenced. Dr. Lilien responded affirmatively. He said a draft of the rice genome sequence has also been developed, and the wheat and corn genomes are in progress. He said genomics has become an industry at all universities.

President Newlin asked how many genes a human has. Dr. Lilien responded that a human has 30,000 to 40,000 genes.

President Newlin asked for a simple definition of genomics. Dr. Lilien that genomics is the sequencing of genes and to ultimately understand what the sequence means.

Provost Whitmore distributed to the Board members a one-page handout explaining the different kinds research that the five members of the program are conducting.

ACTION: President Newlin stated the Board received the report on a new research center at the University of Iowa, the Roy J. Carver Center for Comparative Genomics, by general consent.

**SUSPENSION OF GRADUATE ADMISSION TO THE M.A. DEGREE
CONCENTRATION MANAGEMENT INFORMATION SYSTEMS (MIS) IN
MANAGEMENT SCIENCE.**

ACTION: This matter was received on the consent docket.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS.

Vice President True began the presentation on the Old Capitol – Fire Restoration and Building Improvements project. He said the budget for phase 1 is \$4.5 million and will include restoring the exterior cupola dome that was destroyed in the fire last year. He introduced Marrie Ennis and David Coe of Einhorn Yaffee and Prescott, experts in historical restoration, and Bradd Brown of OPN Architects.

Ms. Ennis presented an historical background of the building and its renovations. She said the team began by researching the project, including a review of archival material. The detailed documenting of this building has been a real boon to the team. There are drawings and photographs, books, and interviews with people very knowledgeable about the building. The building's architectural style was the first national style to embody the expression of the early Republic. John Ragu was the architect.

By 1920, Old Capitol was suffering from a variety of problems including settlement, wood deterioration, and overloaded roof trusses. A comprehensive restoration program was undertaken at that time as well as fire proofing improvements to the building. The west portico was constructed at this time, also. In the 1970s, a time when the building was the administrative heart of the University, renovation began. The building was converted into a museum, an elevator was added, and mechanical, electrical and plumbing systems were installed. A halon fire suppression system was installed at this time, also.

With regard to the current conditions, Ms. Ennis stated that one of the main problems on the exterior of the building was a thick build-up of layers of paint on the wood elements. Water has been trapped and the wood underneath has deteriorated. Inferior stone was used in the stonework. The chimney has numerous open joints. The stairs' steps have displaced several times during the life of the building. The storm windows have deteriorated. Portions of the cupola were being restored in fall 2001. As the coating was removed and portions disassembled, areas of concealed rot were exposed.

Mr. Brown stated that his firm was asked to take a comprehensive look at the Old Capitol, including issues related to the fire as well as code and life-safety upgrades, ADA compliance, and possible program enhancements to the building. A master plan for the Old Capitol restoration was developed. Phase 1 of the master plan includes reconstruction of the dome, cupola, bell tower, and replacement of the roof. OPN Architects proposed a standing-seam metal roof. Construction would begin mid-summer

of 2002 and be completed in February 2003. He discussed the scope of work within the dome and tower. The architects proposed reintroduction of two windows into the west façade.

Mr. Brown addressed the roof replacement, noting that it was necessary due to the damage to the asphalt roof. He said the building has had a number of roofs over its life span. The roofing material would be either a turncoated stainless steel or lead-coated copper, both of which take on a dull gray appearance. The roof could have a life span of 50 to 90 years on the Old Capitol. He said the Director of the Old Capitol Museum performed considerable research into the bell. She located a company in Cincinnati, Ohio, that has a bell of a similar size and weight, by the same manufacturer, that was cast between 1860 and 1890. That bell is being refurbished and will be placed in the reconstruction of the bell tower.

Mr. Brown next discussed phase 2 which addresses interior issues of the building including fire-damaged items and reconstruction of those elements and code compliance upgrades. OPN Architects proposed a complete fire sprinkler system throughout the building, a fire alarm system, emergency and exit lighting, ADA compliance upgrades to the elevator and restroom facilities, enhancements and improvements to the program space in the lower level and upgrades to the lighting and electrical system. Plaster and wood trim that were damaged in the fire will be restored. Most of the ceiling restoration will take place within the rotunda space. He stated that the building's spiral stairs are currently closed to determine their condition. The belief is that the stairs are structurally sound but load tests will be conducted.

Another major issue is life safety upgrades, one of which is an automatic sprinkler system throughout the building. The restrooms will be relocated in line with mechanical spaces.

Phase 3 of the master plan will address exterior maintenance items including masonry repointing and restoration, window upgrades and storm window replacement. Phase 4 will address site improvements to the building including landscaping immediately surrounding the building, the west terrace and the steps down the west side.

Regent Neil noted that Old Capitol was under renovation at the time of the fire. What renovation was taking place at that time? Vice President True responded that the layers of paint and tuffcoat on the upper levels and porticos were being removed. Restoration of the dome and cupola was also taking place.

Regent Ahrens noted that phase 1 was to be funded by insurance proceeds and "other University sources". What were the other university sources? Vice President True responded that, with regard to the fire damage (phase 1), University officials were working diligently to have insurance proceeds cover all the costs. To the degree there are issues of the cost not being fully recovered from insurance proceeds, those costs will be financed by the University. With regard to the other issues in the project, University officials are in the process of refining costs that go beyond fire restoration. As those costs are refined, those will be brought back to the Board, along with the proposed source of funding.

Regent Ahrens noted that the men's restroom had 175 square feet of space while the women's had 170 square feet of space. President Newlin stated that the architects need to take into account the Regents preferred ratio of 2-1/2 women's restrooms to 1 men's restroom. President Coleman responded that University officials are very sensitive to those needs. However, this is not a high-traffic building. She cautioned that care must be taken because of the type of building. She said the rest rooms will be adequate.

Regent Neil noted that the standing-seam metal roof is more expensive than the asphalt roof it is replacing. From where will the extra money come for that? Vice President True responded that the \$100,000 difference in cost will not be recoverable from insurance proceeds and will be an obligation of the University. He said the new roof will return the building to what the experts say is the proper historical context.

Regent Neil asked if adequate donations had been received to cover the additional cost to replace the roof. Vice President True responded affirmatively. He said a number of donations have already been received and additional donations will be pursued. President Coleman stated that \$113,000 has been donated, with no real effort on the part of University officials. She said one of the reasons that she is so pleased with the historic work that has been done is that it will provide access to funds for historic preservation to which the University had not previously had access.

Regent Ahrens stated that, while she was unhappy that the fire happened, she believes that the experience is being turned into something positive.

MOTION: Regent Fisher moved to approve the master plan for the entire restoration and reconstruction of the Old Capitol and the schematic design for the Old Capitol – Fire Restoration and Building Improvements project. Regent Ahrens seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

Vice President True offered to answer questions concerning the remaining items on the University's capital register.

Regent Fisher referred to the Athletic Learning Center project. He asked for clarification regarding the statement that additional funds will come from Athletic Department earnings. Vice President True responded that a couple of months ago, the Board members were informed that University officials plan to finance this project with gift funds. He said the cost may have to be bridged with Athletic Department earnings.

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

APPROVAL OF LEASES AND AGREEMENTS.

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

MOTION: Regent Ahrens moved to approve lease renewals with The Human Capital Company, Essential Sciences, and Digital Artefacts, for their use of business incubator space in the Technology

Innovation Center at the Oakdale Campus, and tenant property rental rates for FY 2003 for the University's residences and child care centers, reflecting proposed rate increases ranging from 2.6 percent to 6.1 percent for the majority of the rental units. Regent Fisher seconded the motion, and upon the roll being called, the following voted: AYE: Ahrens, Arbisser, Becker, Fisher, Kelly, Neil, Newlin, Nieland, Turner.

NAY: None.
ABSENT: None.

MOTION CARRIED.

PROPERTY ACQUISITIONS.

Vice President True stated that University officials proposed to purchase three residential properties on the west side of the campus. Two of the properties would be purchased from the University of Iowa Facilities Corporation, and the third would be purchased from the current owner.

MOTION: Regent Becker moved to approve the purchase of the following properties, subject to approval of the Executive Council of Iowa: (a) 2 Melrose Place, Iowa City, Iowa, from the University of Iowa Facilities Corporation, at the purchase price of \$151,000; (b) 6 Melrose Place, Iowa City, Iowa, from Imogene Rehovit, at the purchase price of \$198,500; and (c) 320 Melrose Avenue, Iowa City, Iowa, from the University of Iowa Facilities Corporation, at the purchase price of \$290,000. Regent Neil seconded the motion, and upon the roll being called, the following voted:
AYE: Ahrens, Arbisser, Becker, Fisher, Kelly, Neil, Newlin, Nieland, Turner.
NAY: None.
ABSENT: None.

MOTION CARRIED.

MEETING OF THE BOARD OF REGENTS, STATE OF IOWA, AS THE BOARD OF TRUSTEES OF THE UNIVERSITY OF IOWA HOSPITALS AND CLINICS.

President Coleman introduced Ann Madden Rice to present the quarterly report of the University of Iowa Hospitals and Clinics.

Interim Director Rice stated that, since the Board of Trustees of the University of Iowa Hospitals and Clinics last met in March, the Hospitals' bonding bill was signed into law, after passing unanimously in both chambers. The signing of the bill was a landmark

occasion for the University of Iowa Hospitals and Clinics. She asked that the Board accept University of Iowa Hospitals and Clinics officials' heartfelt thanks. The Board's bond counsel is beginning preparation of documents for the first bond sale.

Interim Director Rice presented highlights of the Hospitals' operations for the first nine months of the fiscal year. With regard to the summary of operating statistics and financial performance measures through March 31, 2002, she discussed revenues and expenses and other institutional measures for the year to date. One year ago, 63.5 percent on each dollar billed was collected. In FY 2002, to date collections have declined to 60.2 percent of billings. When considering that gross billings will be approximately \$865 million, she said the resulting loss of revenue amounts to almost \$28 million annually. She said expenses are 8 percent higher than one year ago. Bad debt has increased from 2 percent of charges last year to 2.4 percent this year. The Hospitals' operating margin was 1.2 percent at the end of December. There are signs of some recovery in the third quarter of the fiscal year, with the operating margin at the end of March at 1.5 percent. University of Iowa Hospitals and Clinics officials hope to hold the operating margin at this level for the remainder of the fiscal year.

Regent Fisher asked if revenue was anticipated to be approximately \$800 million. Interim Director Rice responded that gross revenue was anticipated to be \$800 million. The net revenue would be approximately 60 percent of that amount. In accordance with generally-accepted auditing standards, the net revenues are shown.

President Newlin asked if the net amount is \$433 million. Interim Director Rice responded affirmatively.

Regent Neil asked if the percentage of gross billings collected takes into account the negotiated discounts, etc. Interim Director Rice responded affirmatively. She said all negotiated discounts and contractual arrangements, including Medicare and Medicaid, are included.

Regent Neil asked what the percentage would be if those elements were removed. Interim Director Rice responded that, if those elements were removed, the percentage would be above 90 percent. The piece uncollected would be bad debt.

Regent Neil said he would appreciate it if that information were shown in the exhibit in the future. Interim Director Rice said University of Iowa Hospitals and Clinics officials would do so.

Regent Arbisser asked if there have been large shifts in business in the area of Medicare, noting that there appeared to be an increase in Medicare as a source of revenue. Interim Director Rice responded that University of Iowa Hospitals and Clinics has had an increase in Medicare revenue, which she believes will be a long-term trend for Iowa hospitals.

Mr. Staley presented a summary of operating statistics through March 31, 2002. He reviewed admissions data for the first nine months of the fiscal year. Admissions were down 1.2 percent from a year ago, but acute admissions have increased in every one of the last five reporting years. The decrease in the admitted outpatient numbers was partly due to better coordination of outpatient clinic visits and transportation arrangements. With regard to the average length of patient stay, he said stays of acute patients have risen about 1/10 of a day. The average length of stay for admitted outpatients has also decreased due to better coordinated appointments and transportation schedules. He then presented data on the case mix index of all acute inpatients and the Medicare case mix analysis.

Regent Arbisser asked if the case mix study is conducted every 5 years. Mr. Staley responded that the study is done every year by the federal government.

Regent Becker noted that the case mix index of the University of Iowa Hospitals and Clinics' patients increased quite a bit while the case mix index of Iowa secondary level hospitals did not change much. She asked if the larger increase in the case mix index at University of Iowa Hospitals and Clinics was because it serves sicker people or because it receives more patients who might otherwise have gone to Mayo Clinics.

Mr. Staley said he believed the correct response would be "all of the above". The increase in the case mix index reflects the kind of patients being served at University of Iowa Hospitals and Clinics who are sicker than those served at Iowa secondary level hospitals, in general. Also, because of the resources at University of Iowa Hospitals and Clinics, patients who might have had to go out of state can receive their care in Iowa.

Mr. Staley reviewed data on clinic visits including average daily census and managed care patient volume. With regard to progress in meeting capital replacement objectives, he said projects that have been completed were separated from those that have been initiated, per the Board's request.

Regent Becker asked for the status of the imaging center project. Mr. Staley responded that the bond issue authority has been approved for the Center of Excellence in Image-

Guided Radiation Oncology. University of Iowa Hospitals and Clinics officials expect to return to the Board in September with the final budget for the project.

Interim Director Rice introduced Deborah Thoman, recently-appointed Compliance/Privacy Officer, to discuss the Health Insurance Portability and Accountability Act (HIPAA) legislation of 1996 and the University of Iowa Hospitals and Clinics' compliance. She said Ms. Thoman has over 20 years of experience in health information management and was featured this month in an article on the role of privacy officers in hospitals.

Ms. Thoman stated that HIPAA has five sections, Titles I through V. Her comments would focus on Title II – Preventing Health Care Fraud and Abuse. HIPAA basics are as follows:

- Designed to protect worker's health insurance coverage
- Ensure confidentiality of patient healthcare information
- Guarantee health insurance coverage when workers change or lose their jobs
- Reduce fraud and abuse
- Protect patient information
- Establish standards for administrative simplification

Ms. Thoman discussed federal government administration simplification which, she said, is considered by some to be an oxymoron! The impact of the regulations on hospitals is significant. The clock has begun for transactions and code sets. She discussed the areas of medical data code sets, transactions (electronic), and security versus privacy. The clock has also begun for the privacy regulation. The next area will be security standards. She then discussed administrative procedures, physical safeguards, technical data security services, technical security mechanisms, and UI Healthcare activities.

Regent Kelly asked about the benefits of the legislation for patient care. Ms. Thoman responded that one of the benefits is for patients to truly understand their rights. There will also be an impact in the physician-patient relationship.

Regent Turner asked about the costs to implement as well as the ongoing costs. Interim Director Rice responded that University of Iowa Hospitals and Clinics officials are concerned about the cost putting more of a financial demand on a limited resource base. Many of the regulations have not been written.

Regent Turner suggested that the costs related to the effort, including "man" hours, be tracked. She believes this issues will continually be visited on a national level. She referred to Regent Kelly's comment regarding the effect on the quality of patient care. She said there will be benefits to the legislation, but there will also be shortcomings. Access to care may become difficult.

Regent Arbisser stated that some other industries have added surcharges to their customers' bills to pay, for example, for mandated environmental requirements. He suggested that consideration be given to such a surcharge for costs associated with HIPAA. He then asked how University of Iowa Hospitals and Clinics deal with the issue of trash, with regard to patient privacy.

Ms. Thoman responded that the University of Iowa Hospitals and Clinics currently utilize a confidential recycling program in which the materials are boxed and shipped to be shredded. She said the housekeeping department is in the process of negotiations for on-site recycling. Part of the process will be educating employees about what is (anything with patient identifiers) and is not confidential.

Regent Arbisser noted that a privacy issue now involves calling out a patient's name in the waiting area.

Regent Becker said she believed that the keeping of electronic records will be helpful with privacy and confidentiality. Ms. Thoman said the less paper that is printed, the less paper that has to be shredded.

Regent Turner said the other side of the issue of electronic records is that, in order to have medical records rapidly available, there is significant cost.

President Newlin expressed the Board's appreciation for the presentation by University of Iowa Hospitals and Clinics on a very important topic.

ACTION: President Newlin stated the Board received the report on the University of Iowa Hospitals and Clinics, by general consent.

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

IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was transacted on Wednesday and Thursday, May 15 and 16, 2002.

REPORT OF A NEW CENTER TO BE CALLED THE CENTER FOR CATALYSIS.

ACTION: The report was accepted on the consent docket.

REPORT OF A NEW CENTER TO BE CALLED THE CENTER FOR FOOD SECURITY AND PUBLIC HEALTH.

ACTION: The report was accepted on the consent docket.

REPORT OF A NEW CENTER TO BE CALLED THE AGRICULTURAL MARKETING RESOURCE CENTER (AgMRC).

ACTION: The report was accepted on the consent docket.

REPORT OF A NEW CENTER TO BE CALLED THE MIDWEST FORENSICS RESOURCE CENTER (MFRC).

ACTION: The report was accepted on the consent docket.

PROPOSAL FOR A NEW INSTITUTE TO BE CALLED THE INTERDISCIPLINARY RESEARCH INSTITUTE FOR SURVEY SCIENCE (IRISS).

ACTION: This matter was approved on the consent docket.

POST-AUDIT REPORT OF THE BACHELOR OF SCIENCE IN ENVIRONMENTAL SCIENCE MAJOR.

ACTION: This matter was referred on the consent docket.

REQUEST TO DISCONTINUE THE BACHELOR OF SCIENCE IN PROFESSIONAL AGRICULTURE.

ACTION: This matter was approved on the consent docket.

REQUEST TO DISCONTINUE THE SECONDARY MAJOR IN AGRICULTURAL EXTENSION EDUCATION.

ACTION: This matter was approved on the consent docket.

REQUEST TO DISCONTINUE THE MINOR IN HEALTH STUDIES.

ACTION: This matter was approved on the consent docket.

REQUEST TO DISCONTINUE THE B.S. IN COMMUNITY HEALTH EDUCATION.

ACTION: This matter was approved on the consent docket.

REQUEST TO CHANGE THE NAME OF THE MAJOR IN CHILD AND FAMILY SERVICES TO CHILD, ADULT AND FAMILY SERVICES.

ACTION: This matter was approved on the consent docket.

REQUEST TO CHANGE THE NAME OF THE UNDERGRADUATE MAJOR IN EXERCISE AND SPORT SCIENCE TO HEALTH AND HUMAN PERFORMANCE.

ACTION: This matter was approved on the consent docket.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS.

Vice President Madden stated that the University's capital register was in order, and that he would be pleased to respond to questions. There were none.

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

APPROVAL OF LEASE.

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

MOTION: Regent Ahrens moved to approve a lease renewal with AmerUs Life Holdings for the University's continued use of space in downtown Des Moines for its evening MBA program. Regent Fisher seconded the motion, and upon the roll being called, the following voted:
AYE: Ahrens, Arbisser, Becker, Fisher, Kelly, Neil, Newlin, Nieland, Turner.
NAY: None.
ABSENT: None.

MOTION CARRIED.

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

UNIVERSITY OF NORTHERN IOWA

The following business pertaining to the University of Northern Iowa was transacted on Wednesday and Thursday, May 15 and 16, 2002.

UNIVERSITY CALENDAR HOLIDAYS FOR 2004 AND ACADEMIC CALENDARS FOR 2002-2004.

ACTION: This matter was approved on the consent docket.

PRESENTATION OF PETITION REGARDING PRICE LAB SCHOOL AT THE REQUEST OF PRESIDENT KOOB.

Before the Board this month was a petition from the Malcolm Price Laboratory School Parent Teacher Partnership (MPLSPTP). It was recommended by the Board's legal counsel that as the Petitioners identified two objectives with their written submission – a Petition for Declaratory Order and a Request to Appear Before the Board – each objective should be handled separately. The Petitioners' request for a Declaratory Order was addressed under the general docket for this Board meeting.

President Koob stated that, at its telephonic Board meeting in February, he informed the Board of Regents that University officials would be opening discussion with the faculty of the University's Malcolm Price Laboratory High School about the possibility of a change in venue for that instructional activity. At that time, he indicated there were several reasons to pursue that change. One reason was strictly academic. He said there is a growing success for profession-developing schools across the United States, which University officials want to explore. There was also the factor of a rapidly-declining budget situation. A third reason cited was the observation that the Cedar Falls School District was losing enrollment. Since the time he informed the Board of the possible change at Price Laboratory School, the University's budget has continued to decline. The budgetary reasons for making the change at the School have become a very important part of the discussion. There has been keen interest in this subject

expressed by parents and teachers associated with the School. He felt it was appropriate that the Board should hear a representative opinion from that group. The elected assembly for the Price Laboratory School is the Parent-Teacher Partnership (PTP). He asked that Kathleen McKenna, a parent and the president of PTP, and Dr. Jody Stone, a faculty member at the Price Laboratory School, be allowed to make a presentation to the Board.

Mrs. McKenna stated that the PTP and the University administration have formed an agreement to keep Price Laboratory School a K-12 school for the 2002-03. The agreement provides that work will continue through December 1, 2002, to create a mutually-agreed upon plan for the future of Price Laboratory School. She said she looked forward to presenting the findings to the Board of Regents, in conjunction with President Koob, at a future Board of Regents meeting.

Dr. Stone stated that this was her 24th year at Price Laboratory School; therefore, she felt qualified to speak to the varied roles of the Price Laboratory School. She said the School's mission, as stated in the Code of Iowa, is to "instruct students, to train teachers, and to advance teaching methods". With regard to training teachers, she stated that the University of Northern Iowa is considered to be the premier teacher education institution in Iowa. University of Northern Iowa has something that no other institution in the state has: a laboratory school which provides extensive field experience. With regard to advancing teaching methods, she stated that Price Laboratory School faculty are charged with assisting practicing Iowa teachers in improving their teaching. She provided examples of curriculum that has been developed at Price Laboratory School and distributed throughout the state over the past decade.

Dr. Stone stated that Price Laboratory School faculty, staff and students look forward to the opportunity provided by President Koob to work in a creative and innovative environment.

President Koob provided the following summary of the status of discussions: There is agreement to take \$800,000 from the operating budget for Price Laboratory School immediately in FY 2003. Discussions would be entered into about what can be done to either replace those or other dollars that would be taken from the budget in subsequent years. A conclusion will be reached by December 1. At the present time, there is an agreement to maintain the high school, grades 10 through 12, for one more year. The default position is that it would be closed, with an immediate savings of \$800,000. That is the current status. If it were to be closed, University officials would return to the Board with appropriate information in the docket at that time.

President Newlin asked President Koob to clarify what he said. President Koob stated that, relative to discussions on this day, there is agreement to continue the Price Laboratory School grades 10-12 through the 2003 school year, and to prepare a plan for future years that will be made available to the Board by December 1. The plan is to be submitted to his office by December 1 and then be presented to the Board whenever it is ready following his review.

President Newlin asked if President Koob had said the Price Laboratory School budget would likely need to be reduced in the coming year as a result of state appropriations reductions to the University. President Koob clarified that if there are future budget reductions comparable to the rescissions that the University has received this year, the amount of reduction in the School's budget would be increased by the same proportional percentage. He pointed out that the Price Laboratory School has been protected from budget cuts in the past.

Regent Fisher asked for clarification regarding the savings of \$800,000. President Koob responded that, for the coming fiscal year, \$800,000 less will be spent on Price Laboratory School than was spent in the previous fiscal year on an operational basis.

Regent Fisher asked how much money would be saved if grades 10 through 12 were closed right now. President Koob said there would be an additional \$1 million to \$1.2 million reduction in the School's operating expenses. If the high school had closed immediately, the University's budget would have been reduced by 2.15 percent.

Regent Becker said she had read there was an issue about timing of closing the school and the ability for families to open enroll students to other locations. Since the open enrollment papers need to be filed in January, she asked that the planning move forward before December 1. If the decision is to close the Laboratory School's grades 10 through 12, parents would have time to prepare open enrollment papers, if so desired.

Mrs. McKenna stated that the PTP, the Price Laboratory School administration and the University of Northern Iowa administration were fully aware of the January 1 deadline for open enrollment. A November 1 deadline for the report has been considered. The deadline was established as December 1 just in case more time was needed. If the Board wishes that the matter be resolved by November 1 for presentation of a recommendation at the November Board of Regents meeting, she believed everyone would be willing to accommodate that deadline.

There was general agreement that the plan for future years will be provided to the Board of Regents in sufficient time for consideration at its November 2002 meeting.

Regent Kelly asked what the PTP has proposed as a reasonable way out of the dilemma. President Koob said there was agreement to have continuing discussion involving all of the constituencies. A number of alternatives have been put on the table but nothing has been agreed to at this point.

Mrs. McKenna said the PTP and administrations have all agreed to work together to come to a mutually-agreed-upon solution to the budget difficulties recognizing the desire to keep Price Laboratory School open.

Regent Kelly said they may never come to an agreement and they may never solve this cost issue. He stated that he wants the School's grades 10 through 12 to stay open. He asked if any innovative thinking has been done to cure the problem.

Mrs. McKenna stated that, in the beginning stages of investigating possibilities, consideration of a chartered school and exploration of fund-raising campaigns were considered. On behalf of the parents, she said she would appreciate the Board of Regents' support in providing ideas on how to keep Price Laboratory School a Nursery-12 program. If the matter cannot be resolved by December 1, 2002, there is a realization that it might not remain a Nursery-12 school. She said there is a willingness to do what needs to be done to keep all grades open.

Regent Kelly asked if the group had discussed paying tuition. Mrs. McKenna said the group has explored that possibility. She said there is a possibility that, in June or July, President Koob will ask to increase the fee that is already established at Price Laboratory School.

Regent Neil asked President Koob whether he was confident that the current quality and mission can be maintained and preserved despite the \$800,000 cut in the Price Laboratory School's budget. President Koob responded that a reduction in any budget leads to quality reduction. It was his hope that the solution will maintain the quality of the institution. Unfortunately, the rapid reduction of the budget has temporarily diminished the quality.

Regent Neil commended both "sides" for coming together to try to find a workable solution. He noted that other schools are building laboratory schools and, in Iowa, we are closing them. He noted that the University celebrated the opening of the Early Childhood Center last year. He referred to the proposal by Ron Bremner which he and, he assumed other Regents, had received by fax transmission. Mr. Bremner presented a fairly well-thought-out proposal about working with the Cedar Falls School District. He said the proposal ought to be explored in its entirety. It would be a great loss to the state of Iowa to lose this valuable resource that is Price Laboratory School.

President Koob said it was the very success of the Early Childhood Center that led to the proposals in February that we look for some innovative solutions.

Regent Neil stated that applause is nice but is not necessary. Their work is cut out for the administration and PTP, as it is for the Board of Regents. He said these are not pleasant tasks. December 1 will come quickly. It is not only the Laboratory School that is at stake in this state. Other programs at other universities are also at stake because there is not the political will in this state to spend the money. There is \$1 billion in the state treasury. He concluded by stating that the day of reckoning is coming unless something is done.

Regent Becker asked that in the deliberations, consideration be given to the role of a Regent institution in generating ideas and concepts that can be applied across the state, particularly at this time when there is a great deal discussion about what a high school should be. To make an argument that the high school needs to continue, she said the only argument that would be strong enough to justify the cost would be to have a joint effort with the State Department of Education on demonstration of new concepts in secondary education. She hoped that consideration of the statewide view would be given.

President Koob thanked the Board for the courtesy of accommodating the presentation.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS.

President Koob stated that the University's capital register included the appointment of Herbert Lewis Kruse Blunck to provide design services for the McLeodUSA Center and Human Performance Center projects. The contract amount is \$1.9 million.

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

TENANT PROPERTY RENTALS.

MOTION: Regent Ahrens moved to approve tenant property rental rates for FY 2003 for the University's residences, fraternity and sorority houses, reflecting proposed rate increases ranging from 4.6 percent to 4.9 percent for the majority of the

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

MOTION CARRIED.

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

IOWA SCHOOL FOR THE DEAF

The following business pertaining to the Iowa School for the Deaf was transacted on Wednesday and Thursday, May 15 and 16, 2002.

2002-2003 SCHOOL AND HOLIDAY CALENDAR.

Director Wright stated that the legislature provided the Iowa School for the Deaf with the opportunity to conduct a three-year pilot project using a school calendar that would reduce the number of calendar days it is in session. He said Iowa School for the Deaf officials proposed 175 days of instruction instead of 180. The number of hours of instruction in the school year would remain the same. Iowa School for the Deaf is required to evaluate student progress during the pilot project. As of May 6, the Governor had not signed the legislation authorizing the pilot project.

School officials identified a revised calendar and a student evaluation process which the Board was asked to approve, contingent upon the Governor signing the legislation.

MOTION: Regent Fisher moved to approve the school and holiday calendars for the Iowa School for the Deaf for 2002-03 contingent upon the Governor's signing of SF 2326. Regent Neil seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

EARLY RETIREMENT OF SUPERINTENDENT JOHNSON.

President Newlin stated that Superintendent Johnson had requested Board approval for early retirement effective September 1, 2003, which leaves a little more than one year for the search process. He said he was very sorry that Superintendent Johnson feels that he needs to retire but that was his choice and the Board respected his wishes. He stated that, by June or July, the procedures and process for selection of a new Superintendent will be ready for Board approval.

MOTION: Regent Fisher moved to (1) approve the request for early retirement for William P. Johnson, Superintendent of the Iowa School for the Deaf and (2) request that President Newlin develop procedures and processes for a search to replace Superintendent Johnson. Regent Becker seconded the motion. MOTION CARRIED UNANIMOUSLY.

President Newlin noted that Executive Director Nichols and he had met with Superintendent Johnson and determined that he will be very helpful in the transition.

FACULTY REDUCTION IN FORCE.

Director Wright stated that the continuing contracts of teachers identified below were recommended to be terminated pursuant to Iowa Code §279.15. The statute requires that this process be used to reduce the length of the contract of employment of any teacher. He noted that none of the faculty had requested a hearing before the Board.

Jane Gradoville, reduced from 196 days to 192 days of service effective the end of the current school year;

Jerry Siders, reduced from 199 days to 193 days of service effective the end of the current school year;

Robert Schulze, reduced from 199 days to 193 days of service effective the end of the current school year;

Jeanette Watson, reduced from 199 days to 193 days of service effective the end of the current school year; and

Shirley Hicks, reduced from 199 days to 193 days of service effective the end of the current school year.

Superintendent Johnson stated that the reduction in the number of days of these faculty will not allow the School to do all that is normally done. However, with the budget situation, he feels that the recommendation to reduce the days of these faculty is in the best interest of the School.

Regent Neil asked for the effect of the recommendation on the teachers. Superintendent Johnson responded that the number of days of the faculty contracts was

reduced by an amount that is anticipated to equal the increase in the faculty salary schedule. Doing so will "flatten out" the salaries for these five faculty members.

Regent Neil asked if that reasoning had been explained to the effected faculty members. Superintendent Johnson responded affirmatively.

MOTION: Regent Becker moved to approve the recommendation of Superintendent Johnson to terminate the continuing contract of Jane Gradoville. Regent Neil seconded the motion, and upon the roll being called, the following voted:
AYE: Ahrens, Arbisser, Becker, Fisher, Kelly, Neil, Newlin, Nieland.
NAY: None.
ABSENT: Turner.

MOTION CARRIED.

MOTION: Regent Fisher moved to approve the recommendation of Superintendent Johnson to terminate the continuing contract of Jerry Siders. Regent Ahrens seconded the motion, and upon the roll being called, the following voted:
AYE: Ahrens, Arbisser, Becker, Fisher, Kelly, Neil, Newlin, Nieland.
NAY: None.
ABSENT: Turner.

MOTION CARRIED.

MOTION: Regent Ahrens moved to approve the recommendation of Superintendent Johnson to terminate the continuing contract of Robert Schulze. Regent Neil seconded the motion, and upon the roll being called, the following voted:
AYE: Ahrens, Arbisser, Becker, Fisher, Kelly, Neil, Newlin, Nieland.
NAY: None.
ABSENT: Turner.

MOTION CARRIED.

MOTION: Regent Kelly moved to approve the recommendation of Superintendent Johnson to terminate the continuing contract of Jeanette Watson. Regent Fisher seconded the motion, and upon the roll being called, the following voted:
AYE: Ahrens, Arbisser, Becker, Fisher, Kelly, Neil, Newlin, Nieland.
NAY: None.
ABSENT: Turner.

MOTION CARRIED.

MOTION: Regent Fisher moved to approve the recommendation of Superintendent Johnson to terminate the continuing contract of Shirley Hicks. Regent Kelly seconded the motion, and upon the roll being called, the following voted:
AYE: Ahrens, Arbisser, Becker, Fisher, Kelly, Neil, Newlin, Nieland.
NAY: None.
ABSENT: Turner.

MOTION CARRIED.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS.

Superintendent Johnson requested approval of a project description and budget to replace the deteriorated roofing material over the entire roof area of the Power Plant. He said this was the last building on campus which was in need of a new roof.

MOTION: Regent Ahrens moved to approve the capital register, as presented. Regent Neil seconded the motion. MOTION CARRIED UNANIMOUSLY.

President Newlin asked if approval of this project meant that no roofs will have to be replaced for 20 years. Superintendent Johnson responded that was the theory!

LEASE AGREEMENTS.

MOTION: Regent Ahrens moved to approve (1) lease renewals with Children's Choice Country, Iowa

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Association of the Deaf and Loess Hills Alliance for their continued use of space on the Iowa School for the Deaf campus; and, (2) tenant property rental rates for FY 2003 for the School's residences and apartments, reflecting proposed rate increases ranging from 5.2 percent to 5.6 percent. Regent Fisher seconded the motion, and upon the roll being called, the following voted:
AYE: Ahrens, Arbisser, Becker, Fisher, Kelly, Neil, Newlin, Nieland, Turner.
NAY: None.
ABSENT: None.

MOTION CARRIED.

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

IOWA BRAILLE AND SIGHT SAVING SCHOOL

The following business pertaining to the Iowa Braille and Sight Saving School was transacted on Wednesday and Thursday, May 15 and 16, 2002.

COLLABORATIVE MODEL TEACCH PROGRAM.

Superintendent Thurman stated that School officials had hoped to present the program proposal at this time; however, there are many “players” in the process and it was not ready. He hoped to bring it back in June or July.

President Newlin asked Superintendent Thurman to elaborate on the program.

Superintendent Thurman said the program would be coordinated with Grant Wood Area Education Agency (AEA). Four months ago, the AEA’s Executive Director approached Iowa Braille and Sight Saving School officials about the possibility of some students who are autistic, not blind, being served at Iowa Braille and Sight Saving School. In the course of the discussion, it became apparent that the number of students could become substantial. According to Superintendent Thurman, there are 200 children with autism in Grant Wood AEA. There was discussion about the AEA renting space in the School to operate a program; however, if the number of students being served in the program became sizable, Superintendent Thurman’s perspective is that the two schools would be competing. He proposed that Iowa Braille and Sight Saving School hire the AEA’s specialized staff members for the program. By doing so, the School would be able to build in everything that is needed for the students. Additionally, the program’s intervention strategies may benefit the School’s blind students who have autistic-like characteristics. He said there are currently six children in the school who have autistic-like characteristics for whom the intervention techniques work well.

Superintendent Thurman stated that School officials are discussing with representatives of the University of Iowa Hospitals and Clinics, Attorney General’s office and the Board Office how the School can legally offer this program and what the nature of the collaboration would be.

Regent Becker asked if the students would be “day” students. Superintendent Thurman responded that the students would be non-residential students. He anticipates beginning the program with three to five students.

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

SCHOOL CALENDAR 2002-2003.

ACTION: This matter was approved on the consent docket.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS.

ACTION: This matter was approved on the consent docket.

LEASE AGREEMENTS.

ACTION: Regent Ahrens moved to approve lease renewals with the Arc of East Central Iowa and Vinton-Shellsburg Community School District for their continued use of space on the Iowa Braille and Sight Saving School campus. Regent Fisher seconded the motion, and upon the roll being called, the following voted:
AYE: Ahrens, Arbisser, Becker, Fisher, Kelly, Neil, Newlin, Nieland, Turner.
NAY: None.
ABSENT: None.

MOTION CARRIED.

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

ADJOURNMENT.

The meeting of the Board of Regents, State of Iowa, adjourned at 3:31 p.m. on Thursday, May 16, 2002.



Gregory S. Nichols
Executive Director