

The Board of Regents, State of Iowa, met on Wednesday and Thursday, November 13 and 14, 2002, at Iowa State University, Ames, Iowa. The following were in attendance:

	<u>November 13</u>	<u>November 14</u>
<u>Members of the Board of Regents, State of Iowa</u>		
Dr. Newlin, President	All sessions	All sessions
Dr. Arbisser	All sessions	All sessions
Ms. Arnold	All sessions	All sessions
Dr. Becker	All sessions	All sessions
Mr. Fisher	All sessions	All sessions
Dr. Kelly	All sessions	All sessions
Mr. Neil	All sessions	By telephone from 9:00 a.m. until 9:42 a.m.
Ms. Nieland	All sessions	All sessions
Dr. Turner	All sessions	By telephone from 9:00 a.m. until 9:42 a.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 Racki	All sessions	All sessions
Assistant Director Anania	Excused	All sessions
Assistant Director Gonzalez	All sessions	All sessions
Assistant Director Lodge	All sessions	Excused
Assistant Director Nelson	All sessions	All sessions
Assistant Director Stratton	Excused	All sessions
Communications Specialist Boose	All sessions	All sessions
Minutes Secretary Briggie	All sessions	All sessions
<u>State University of Iowa</u>		
Interim President Boyd	All sessions	All sessions
Provost Whitmore	All sessions	All sessions
Vice President Kelch	All sessions	Excused
Vice President True	All sessions	All sessions
Director Katen-Bahensky	All sessions	Excused
Director Parrott	All sessions	All sessions
Associate Director Braun	All sessions	All sessions
Associate Director Rice	All sessions	All sessions
<u>Iowa State University</u>		
President Geoffroy	All sessions	All sessions
Interim Provost Allen	All sessions	All sessions
Vice President Hill	All sessions	All sessions
Vice President Madden	All sessions	All sessions
Executive Assistant to President Dobbs	All sessions	All sessions
Assistant to President Chidister	All sessions	All sessions
Director McCarroll	All sessions	All sessions
Director Steinke	All sessions	All sessions
Associate Director Baumert	All sessions	All sessions
<u>University of Northern Iowa</u>		
President Koob	All sessions	Excused at 2:03 p.m.
Provost Podolefsky	All sessions	Excused at 2:03 p.m.
Vice President Romano	All sessions	Excused at 2:03 p.m.
Vice President Schellhardt	All sessions	Excused at 2:03 p.m.
Associate Director Saunders	All sessions	Excused at 2:03 p.m.
<u>Iowa School for the Deaf</u>		
Superintendent Johnson	All sessions	Excused at 1:45 p.m.
Director Heuer	All sessions	Excused at 1:45 p.m.
Interpreter Reese	Excused	Excused at 1:45 p.m.
Interpreter Chicoine	Excused	Excused at 1:45 p.m.
<u>Iowa Braille and Sight Saving School</u>		
Superintendent Thurman	All sessions	Excused at 1:58 p.m.
Director Woodward	All sessions	Excused at 1:58 p.m.
Director Utsinger	All sessions	Excused at 1:58 p.m.

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

www.state.ia.us/educate/regents

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

BOARD OF REGENTS, STATE OF IOWA

The following business was transacted on Wednesday, November 13, 2002, beginning at 11:00 a.m.

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

MOTION: Regent Fisher moved to enter into closed session. Regent Kelly seconded the motion, and upon the roll being called, the following voted:
AYE: Arbisser, Arnold, 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 11:03 a.m. on November 13, 2002, and adjourned therefrom at 12:15 p.m. on that same date.

APPROVAL OF MINUTES OF BOARD MEETING OF OCTOBER 16-17, 2002.

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

MOTION: Regent Neil moved to approve the minutes of the October 16-17, 2002, meeting, as written. Regent Arbisser seconded the motion. MOTION CARRIED UNANIMOUSLY.

CONSENT ITEMS. (a) Conflict of Interest Vendors. Approval to add Wilson Sales Company/John Wilson to Iowa State University's list of approved vendors with a potential conflict of interest was requested.

(b) Proposed Bachelor of Arts Degree and Minor in International Studies, SUJ. Approval of the proposed Bachelor of Arts degree and Minor in International Studies was requested.

(c) Post-Audit Reports. Delay of consideration of this item was requested.

(d) Name Building Addition to Dey House as Glenn Schaeffer Library, SUJ. Approval to name the building addition to the Dey House to be occupied by the Iowa Writers Workshop as the Glenn Schaeffer Library was requested.

(e) Interdisciplinary Certificate in American Sign Language and Deaf Studies, SUJ. Approval of the University of Iowa undergraduate Certificate in American Sign Language and Deaf Studies was requested.

Regent Neil noted that the Regent institutions have come a long way in bringing the Certificate in American Sign Language and Deaf Studies to the Board for approval.

(f) Academic Calendars and Summer Sessions for 2005-2006 and 2006-2007, ISU. Approval of the proposed calendars for Iowa State University for 2005-06 and 2006-07 academic years and summer sessions was requested.

(g) Regent Merit System Classification Revision. Approval of revisions to the Regent Merit System classifications, as outlined, was requested.

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

PRELIMINARY REVIEW OF STRATEGIC PLANS.

Assistant Director Nelson stated that, pursuant to section 6.26 of the Board of Regents Policy Manual, strategic plans shall be developed by each Regent institution to cover a period of five years and shall be consistent with the Board's overall strategic planning policies. The annual strategic plan progress reports were presented at this meeting with approval scheduled for the January Board meeting. He said the annual reports presented progress on the institutions' strategic plans as measured by institutional performance indicators and selected Board performance indicators. In January, the Board will be presented with the Annual Report on Performance Indicators, which includes data, in the forms of tables and charts, on all 43 of the Board of Regents Performance Indicators.

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Assistant Director Nelson stated that, in addition to receiving annual progress reports from each institution, the Board would also receive the following at this meeting:

Iowa State University officials requested to change the language of two institutional performance indicators to recognize the independent relationship between Iowa State University and the Iowa State University Foundation.

Iowa School for the Deaf officials requested to change the language of one benchmark to make it consistent with language of other benchmarks that address a similar topic.

Iowa Braille and Sight Saving School officials introduced its proposed 2003-2007 strategic plan. One of the initiatives of the proposed plan relates to early childhood services. Additional information on this initiative was presented on the School's institutional docket later in this meeting.

(a) University of Iowa.

Interim President Boyd stated that he views his short period as the University of Iowa's President as a time of continuing to move forward. Now, more than ever, the Regent institutions are crucial to the future well-being of Iowa and constitute a wise investment of public funds. In these times of financial challenge, he was gratified that progress continues to be made in many of the University's measures of excellence.

By some important measures, 2001-2002 was a year of significant advancement for the University of Iowa. For example, Interim President Boyd said the University had already surpassed its five-year goals in the number of graduate and professional students receiving national fellowships and awards; in external funding for research, scholarship and artistic creation; and, in funding for new clinical initiatives. During this time of financial stringency, University officials have worked hard to maintain the University's top priority of excellence and accessibility in undergraduate education. He said performance indicators reveal success in providing quality education to students. The University continues to progress toward the Board's target of 60 percent of undergraduate credit hours taught by tenured and tenure-track faculty, this year rising to 57.2 percent. The number of students graduating with honors continues to climb. He said University officials continue to maintain the University's commitment to the 4-year graduation contract. However, with rising tuition and declining state appropriations, University officials are concerned about the ability to fulfill these obligations in the future.

Interim President Boyd reported that many of the undergraduate education performance measures that depend on support from the University's general fund have declined. Most significantly, class sizes have risen to an average of 33.2, against the Board target

of 32 students per class. Even more disturbing to Interim President Boyd was the fact that freshman/sophomore class sizes have risen from 36 to 40 over the last four to five years. He said undergraduate education has been funded at the expense of infrastructure. Progress toward replacing faculty and staff computers on a more reasonable cycle has been stagnated. Facilities renewal funds are declining significantly. He said University officials must be responsible stewards of the University's space, and students cannot be taught in poor instructional facilities.

On the personnel front, Interim President Boyd stated that the percentages of faculty and staff who are female or minority are stable, with modest increases in the percentage of female tenured/tenure-track faculty and minority merit staff. The University has experienced a strong increase in the percentage of women in executive, administrative, and managerial positions.

Interim President Boyd said minority student enrollment remains fairly stable. The number of minority undergraduate students continues to climb. The percentage of minority students declined slightly due to a decrease in the number of graduate school students and larger overall undergraduate enrollments. He noted that the number of undergraduate minority students from Iowa increased while the statewide pool of minority students remains flat.

Measures of the University of Iowa's external relationships with constituents show signs of progress. For example, the target for the number of students participating in the K-12 honors program through the Belin Blank Center for Gifted Education and Talent Development shows signs of progress. Interim President Boyd stated that efforts to connect with Iowans to accomplish goals are being strengthened. The University of Iowa is providing educational programs across the state. The College of Liberal Arts and Sciences offers many programs, such as a journalism "boot camp" for minority students in Davenport elementary schools. The School of Social Work has a partnership program with West Liberty Community Schools. The Computer Science Department offers a programming contest to Iowa high school and college students. The Spanish Department has a long-standing partnership with a number of Iowa high schools serving fourth-year Spanish course students.

The University of Iowa provides over one dozen continuing education degree programs statewide. Nearly 4,000 Iowans are currently enrolled in areas such as liberal studies, pharmacy, education, library sciences, computer science, and social work. The College of Business offers degree programs in four communities. The Bachelor of Science in Nursing completion program soon will be offered in a sixth location. The Colleges of Medicine and Dentistry have provided continuing education for thousands of physicians, dentists, and health care workers throughout the state. Interim President Boyd provided further examples of the University of Iowa's outreach efforts including, but not limited to,

international program offerings, Online Advanced Placement Academy for rural school students, Invent Iowa competition, Mini Medical School, and the Libraries' lending program.

With regard to economic and civic activities, Interim President Boyd provided examples involving the University of Iowa's Labor Center, the Institute of Public Affairs, the Small Business Development Center, and the Pappajohn Entrepreneurial Center. He next provided examples of health care outreach by the University of Iowa including UI Homecare, the Geriatric Mobile Dental Unit, and the Iowa Center for Public Health Preparedness. He said the work of such units as the University Hygienic Laboratory, the Office of the State Archaeologist, and the Center for Agricultural Safety and Health touches each of Iowa's 99 counties.

Interim President Boyd stated that a recent New York Times article featured University of Iowa Education Professor Lindquist's development, during World War II, of a test scoring machine for the Iowa Test of Basic Skills. He said the test scoring machine was sold to Westinghouse which is now NCS Pearson. Professor Lindquist and the University of Iowa Registrar invented the ACT. He said there are 1,050 ACT employees in Iowa City and nearly 1,700 NCS Pearson employees, many of whom are employed in Cedar Rapids.

Interim President Boyd concluded by stating that the University of Iowa is actively engaged in making Iowans' lives better through its direct presence in communities throughout the state.

Regent Neil asked, of the performance indicators in which progress was made in the last year, which two or three are the most important in meeting the University's strategic plan? Interim President Boyd said the University's ability to deliver on the 4-year graduation contract is very important. He feels strongly about students having projects to complete while they are undergraduates in order to learn to write and to think. He said he is very happy with the external funding and the leadership in that regard.

President Newlin asked Interim President Boyd to elaborate on the \$341 million that was brought in to the University as external funding by faculty and staff for research, scholarship, and artistic creation. Interim President Boyd responded that the faculty are very aggressive. Faculty want to be, and are, leaders nationally in the receipt of external funds.

President Newlin stated that external funding received by faculty and staff for research, scholarship, and artistic creation increased from \$278 million last year to \$341 million this year, much of which is from federal funds. He noted that these faculty activities represent an economic development engine.

Regent Neil asked if University officials measure how well the results of these faculty activities are transferred from research to the private sector. Interim President Boyd said that is a critical issue on which University officials want to focus more heavily. A major assignment of Vice President Kelch as Vice President for Health Affairs will be how to deliver on the transfer of knowledge within the health sciences. There needs to be a connection with the business community. University officials also need to recruit venture capital.

Regent Arbisser said there is an international venture capital group from Germany that will be based in Davenport. Representatives of the group have already talked with some people in Iowa City.

Interim President Boyd said the state of Iowa has to have a frame of mind that is venture oriented. Funds will have to be recruited, and not just from Iowa. He noted out his pleasure in the recent confirmation of the bond rating for the University of Iowa Hospitals and Clinics. Bond rating agency representatives observed that the University of Iowa and the University of Iowa Hospitals and Clinics are integrated as one university.

Vice President True noted that the AA-2 rating of the University of Iowa Hospitals and Clinics is a very high rating.

President Newlin referred to the University of Iowa's institutional performance indicators. He asked that University officials continue their efforts of the past and show graphs of every institutional performance indicator, with trend lines and data for the last five years as well as the targets.

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

(b) Iowa State University.

President Geoffroy provided a PowerPoint presentation of the Iowa State University strategic plan progress report. He stated that 2001-2002 was a very challenging year. He expressed his belief that significant progress was made in all areas of the strategic plan. The University's goals are in the areas of "learning," "discovery," and "engagement". The objective of the University's strategic plan is to achieve a high level of excellence. He referred Board members to the University's brochure that lists all of its performance indicators and examples of the progress that is being made that was presented in the meeting materials.

With regard to the goal of learning (enhance learning through exceptional learner-centered teaching, services, and enrichment opportunities), President Geoffroy said the University has a record number of students with fewer faculty to serve those students. He presented a graph indicating student-to-faculty ratio for the past 10 years, noting that the University lost 60 faculty members over the last three years. The target is 17 students per faculty which would require hiring 192 additional faculty. Currently, there are 19.5 students per faculty. He said there was good news in that the diversity of students, faculty, and staff continues to increase. He presented graphs indicating one-year persistence (which is basically steady) and six-year graduation rates. The one-year persistence goal is 90 percent. He noted that the one-year retention of minority students is equal to or greater than that of the student body as a whole. However, the six-year graduation rate of minority students is considerably less than the student body as a whole, which is a concern. More good news was that the University's learning communities are having a significant impact. U.S. News and World Report ranked the learning communities as one of the top 5 in the country. University officials are very proud of the Science Bound program that is offered in the Des Moines community. President Geoffroy said this successful program has had nine graduates to date.

President Geoffroy stated that Iowa State University students excel on a national stage. Students' EZ Crust pizza won first place in a NASA competition as a food that can be prepared in space. Two students won international textile and apparel design competitions for their digital designs. He said the College of Design's laptop leasing and wireless access program has been a huge success and has had a positive impact on the quality of students' work. The College of Education has a new program called Techco, a technology-infused teacher education program for cohorts of pre-service teachers in a high-tech educational world. University officials are reshaping one of the University's most important mathematics courses, Math 150, the largest enrollment class on campus, with a Pew Foundation grant for course redesign. The course format uses extensive on-line tutorials coupled with face-to-face sessions between instructors and students.

With regard to the goal of discovery (promote discovery and innovation by preeminent scholarship, including increasingly interdisciplinary and collaborative activities), President Geoffroy stated that sponsored funding has increased by 50 percent in the last five years. Iowa State University ranks among the top universities in the country in the area of licenses/options executed. Maintenance of this level of achievement depends on the excellence of faculty. He stated that the decline in competitiveness of Iowa State University faculty salaries must be a very high priority for the University.

Iowa State University is a national leader in information assurance. The University's interdisciplinary Information Assurance Center is one of only six such programs in the nation. The Information Systems Security Lab has been designated a center of

excellence by the National Security Agency, for which a \$2.6 million NSF grant was recently received. President Geoffroy stated that the Ames Laboratory and the Institute for Physical Research and Technology had a great year last year. Grants totaling nearly \$8 million were received from federal agencies for important University initiatives. The Midwest Forensics Resource Center received a \$3 million grant, in partnership with crime labs and federal agencies, to help coordinate forensics education, training, research, and case work in this region of the country. Another successful Ames Laboratory activity is the area of biorenewable resources including the development of new ways to use soybean oil and new uses for agricultural products, all of which are being incorporated into curricula.

Iowa State University has been a leader in research in non-destructive evaluation, which uses non-invasive techniques to determine the integrity of a material. President Geoffroy showed a slide of an agricultural blade that was being inspected to identify defects. He said the University recently received a \$2 million grant from NASA to develop smart materials that sense their environment and adapt to changing conditions. One of the University's most important areas of research involves food safety and security. The University maintains a food safety website that provides unbiased research-based information on food safety and quality. Last year, Iowa State University launched a Center for Food Security and Public Health, a joint project between the College of Veterinary Medicine and the U.S. Centers for Disease Control, to increase the nation's preparedness for introduction of disease agents that affect both animals and humans.

President Geoffroy stated that Iowa State University's Plant Sciences Institute is one of the leading plant science research centers in the world. The Institute's scientists host genome data bases for two of the most important crops in Iowa: maize and soybeans. Two of the scientists have identified the entire set of genes required for starch production that could be important in giving producers the ability to alter composition and properties of starch to increase the value of crops.

The third goal of Iowa State University's strategic plan is engagement (engage with key constituents through synergistic sharing and partnership of knowledge and expertise to address needs of communities and society). President Geoffroy stated that, last year, Iowa State University connected with more than 1/5 of all Iowans. He presented graphs indicating the number of extension clients served and fall enrollment in credit and non-credit registrations. He noted that there has been a decline in registration in non-credit courses, which is likely due to charging fees for courses as a result of the University's budget situation. He stated that the Research Park continues to be a huge success. He highlighted three companies that have resulted from activities of the Research Park and the Pappajohn Center for Entrepreneurship: Iowa Thin Film Technologies, Phytodyne, and NovaScan Technologies. He said the Business Analysis Laboratory

has been supported by 3-M. The company's business problems are presented to the Laboratory for assistance in defining solutions. 3-M was recently joined by Lockheed in the Business Analysis Laboratory. There is a new venture called the Deere Institute/ISU Academy through which the University assists John Deere. Lean Manufacturing has been assisted with the introduction of new technologies to increase its competitiveness. He said Reiman Gardens continues to grow in stature.

President Geoffroy stated there are academic initiatives in six focus areas related to the goal of engagement:

- Bioeconomy
- Combinatorial discovery
- Food safety and food security
- Human computer interaction
- Information infrastructure
- Integrated animal genomics

In closing, President Geoffroy expressed appreciation for the efforts of faculty, staff, and students in making the last year successful. He said Iowa State University is a great university because of its outstanding people.

Regent Neil asked if the University receives remuneration from 3-M and Lockheed. President Geoffroy said he did not think the University receives remuneration; however, those companies financially support the Business Analysis Laboratory.

Regent Turner referred to the changes in the University's performance indicators in the past year, and asked President Geoffroy which ones were of most concern. Also, she asked University officials to address Iowa State University's relationship to the World Food Prize. President Geoffroy responded that the two indicators which cause him the most concern are the progressive decline in competitiveness of faculty salaries and the rapid rise in the ratio of students to faculty. If those trends cannot be reversed, the quality of academic programs will decline. With regard to the second question, he said the recognition of the World Food Prize has been strengthened in recent years. University officials were very fortunate to host the recent ceremony on the Iowa State University campus. He said it was a grand experience and a great way to showcase Iowa State University to people around the world.

Regent Arbisser referred to Iowa State University's six-year graduation rate and said he was surprised that graduation rates of Asian Americans were down in the most recent reporting year from the previous year. He asked if Asian Americans are considered a minority. He asked, also, if the number of Asian Americans is so small that it causes such fluctuation.

President Geoffroy responded that Asian Americans are considered minority. He then cautioned against generalizing about Asian Americans because they come from many different countries in Asia. Students who come from Southeast Asia face much different challenges than those from other countries in Asia.

Regent Becker said she applauded the persistence rates across the diverse ethnic and racial groups, and recognized there has been a tremendous effort to help students succeed. If the one-year persistence rates continue to be successful, she believes the six-year graduation rates of those groups will continue to increase.

President Geoffroy said there is something happening between year one and year six for minority students. University officials are in the process of trying to understand how students can have equal performance at year one but such different performance at year six.

Regent Arbisser said the success of the University's learning communities was very exciting.

ACTION: President Newlin stated the Board, by general consent, (1) received the progress report; (2) received, for preliminary review, a request to change ISU Performance Indicator #29 from "Private Gift Income" to "Dollars raised on behalf of Iowa State University by the Iowa State University Foundation;" and (3) received, for preliminary review, a request to change ISU Performance Indicator #30 from "Alumni Giving Rate" to "Percentage of living alumni who made gifts to the Iowa State University Foundation to support Iowa State University."

(c) University of Northern Iowa.

President Koob presented a PowerPoint presentation of the University of Northern Iowa's strategic plan progress report. He stated that, despite difficulties of the past couple of years, the University of Northern Iowa continues to put students at the center of what it does. Despite the budget difficulty this year, the University has maintained its national ranking of second in the Midwest's top public universities by U.S. News and World Report for the sixth consecutive year. University of Northern Iowa is ranked among the nation's top 100 best values in public colleges by Kiplinger's Personal Finance. President Koob presented a slide of the University's Performing Arts Center

and stated that facilities add to the intellectual vitality on campus. With regard to athletics, he presented a special story about women's volleyball. He said that, for the first time in the University's history, the team broke into the top 10 in the nation. All of the young women on the team are from the state of Iowa. President Koob stated that "experiential learning" is no longer listed as one of the University's performance indicators because it is so prevalent across the University.

With regard to problems faced at the University, President Koob discussed the goal for the percent of student credit hours taught by tenured and tenure-track faculty. The goal remains at 75 percent. He stated that the retirement plans offered by the University in recent years have enticed many faculty to retire. At the same time, the University's state appropriations were cut. The University was unable to hire replacement faculty for the retirees and was also forced to let go of faculty. He presented a graph of the resulting impact on class size. University officials have tried to reduce the size of the student body in order to bring the performance indicators back in line.

President Koob stated that, because of the Board's insistence, the University has begun a steady climb in the population of underrepresented students. Recruitment efforts are focused on under-represented students who will provide leadership on campus. There has been a steady increase in the number of international students enrolled. There has also been a steady increase in the number and percentage of faculty using instructional technology.

President Newlin asked that President Koob project five years into the future and whether all faculty will have the capability to use instructional technology. President Koob responded that all faculty have the ability to learn to use instructional technology. He said it was not clear that the tool is equally useful in all disciplines and with all teaching styles. University officials want every faculty member to provide the very best teaching environment possible.

President Koob discussed the University's off-campus efforts. He said enrollment in credit programs is close to the goal, although there was a small decline in the most recent reporting year from the previous year; non-credit course enrollment is experiencing increases. He noted it was likely that state budget difficulties may be part of the reason for a slight decline in continuing education enrollments. The primary source of continuing education enrollments is school districts who send teachers to conferences to fulfill continuing education requirements.

President Koob presented a graph related to the performance indicator of sponsored funding, and said that sponsored funding continues to grow. He provided information on the University of Northern Iowa's New Iowans program for immigrants. He said dollars available to the University from the Foundation have grown more rapidly than

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expected. Many of those funds are earmarked for scholarships. He noted that the rate of giving in the last year has declined, which is a national observation, attributable to the rapid decline in the economy. The new goal for the capital campaign is \$100 million.

President Koob referred to the performance indicator of “percent of graduates (of graduate programs) employed or placed within one year” that was presented in the meeting materials. He said the data are inappropriate to be presented and asked that this indicator be ignored. It is “bad” data.

Regent Arbisser noted that the University of Northern Iowa graduates nearly two-thirds of its students in six years. He asked how that compares to University of Northern Iowa’s peer institutions.

President Koob said the University of Northern Iowa is a public comprehensive university. The average graduation rate of public comprehensive universities nationally is about 40 percent. Therefore, the University of Northern Iowa’s graduation rate of 65 percent is in the top five nationally of institutions of its type.

Regent Fisher asked which one or two performance indicators show the most progress toward accomplishing the goals of the University. President Koob said he was most proud of the performance indicators that show the results of University officials’ recruitment of under-represented students to campus. The other performance indicator of which he was proud is the use of technology. When he arrived in Iowa, he learned that the University of Northern Iowa campus had not embraced technology. It has since moved from a program that was non-existent to one that has received national recognition. The performance indicator about which he was most concerned was the University’s fiscal environment, which is driving down quality.

Regent Nieland said she hoped that the University would expand its New Iowans program to western Iowa.

President Newlin asked that Board members be provided with copies of President Koob’s PowerPoint presentation and performance indicators. He asked that those materials be sent to the Board Office and that all of the performance indicators include five year trends and the targets.

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

(d) Iowa School for the Deaf.

Superintendent Johnson stated that Outreach Coordinator Cindy Angeroth would present the School's strategic plan progress report. He referred to the meeting materials which indicated that the number of faculty with national certification had increased. He said that information was incorrect; the number had actually decreased.

Coordinator Angeroth provided a PowerPoint presentation of the School's progress report. She said that, in October 2001, the Adam Leitch Greenhouse was opened. The Greenhouse, named in honor of a former student, was financed with memorial funds and provides opportunities for students with special needs. The Lied Multipurpose Complex, which she said is a beautiful facility, opened in May 2002. It contains the first gradual depth swimming pool in Council Bluffs. Primary Hall, built in 1904, was demolished. Its 7,800 pound cupola was saved to be integrated into a new structure. She said two of the School's students were chosen to participate in the Olympic Torch Relay. Iowa School for the Deaf students were the first deaf team in the nation to compete in the "We the People" contest, which is an intensive study of the U.S. Constitution. After completing the competition, the judges determined that the team was not large enough to officially enter the contest. If the team had been large enough to participate, it would have ranked second in the state.

With regard to success of the Iowa School for the Deaf Bobcats, Coordinator Angeroth presented a list of achievements of the sports teams, cheerleaders, and track athletes. She stated that the School's service area includes 53 towns in Iowa and 12 towns in Nebraska. Of the school's 124 students (16 of whom are from Nebraska), she said there are 52 girls and 72 boys. With regard to staff ethnicity, 94 percent are Caucasian, 3 percent are Hispanic, 2 percent are African American, and 1 percent are Asian.

Coordinator Angeroth stated that assessment of students is performed in three ways: 1) norm-referenced Stanford Achievement Test for the Hearing Impaired, 2) criterion-referenced (curriculum based), and 3) performance based (real-life application). She provided charts and graphs illustrating student performance data from each of the assessment methods. In some instances, students are tested against other U.S. students with hearing loss and, in other instances, students are tested against hearing students.

Reading initiatives, an emphasis in the last two years, include a new library area, an incentives reading program, and Camp Read-A-Lot.

President Newlin asked what percentage of students' families learn to use sign language. Coordinator Angeroth responded that 75 percent of the families use at least some sign language at home. Siblings become more proficient than do parents.

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Regent Fisher noted that the 16 students currently in attendance from Nebraska was about one-half as many as when the school began enrolling Nebraska students. He asked if School officials anticipate there will eventually be no students coming from Nebraska. Superintendent Johnson said that could well happen since Nebraska has established its four regional programs. He referred to the data on students' test scores that were presented by Coordinator Angeroth. He said it is unusual for deaf students to be on par with hearing students for the annual growth rate. That data will be shared with Nebraska officials.

Regent Fisher noted that the funding from Nebraska has been helpful. He asked if School officials are budgeting for fewer Nebraska students in the upcoming year.

Superintendent Johnson responded affirmatively. He said the Nebraska funds had helped with projects including capital projects. The School's reading program was recently reviewed by an outside consultant who indicated that more needs to be done with the program. Superintendent Johnson said money is tight; the School does not have funds to support that need in its general appropriations from the state.

Regent Fisher asked if Nebraska officials are supportive of the effort with Iowa School for the Deaf. Superintendent Johnson said he believes they are supportive but not encouraging. That is where the assessment data will be very important.

Regent Neil asked if local school systems in Nebraska have to pay for the education of the handicapped or if that is a state function. Superintendent Johnson responded that it is a combination of both. Of the approximate \$63,000 per year cost, the public school pays \$5,000 and the state pays the rest.

Regent Neil referred to the "No Child Left Behind" legislation and asked if there are any financial resources for the Iowa School for the Deaf. Superintendent Johnson said the expectation is that there will be \$140 million for the state of Iowa; however, he does not believe any of those funds will come to the special schools.

Superintendent Johnson noted that the Lied Center is open to the public. He said it is only closed to the public when there are School functions. The facility, which opened in May, had attendance of 103 people in June. By October, nearly 900 people attended.

President Newlin asked for the fees for the Lied facility. Superintendent Johnson responded that users pay \$2 for the weight room and \$3 for the swimming pool, which is the same fee charged for the public facilities in Council Bluffs and Omaha.

President Newlin asked if those revenues will be enough to cover the maintenance of the building on an annual basis. Superintendent Johnson responded that it would not. Some of the savings associated with closing the old swimming pool were transferred to the costs for the new pool. He estimated that there was enough Nebraska money to pay utilities costs for eight months.

President Newlin asked that Board members be provided with copies of the School's PowerPoint presentation. He also asked that the performance indicators be shown in the format that was used in past years.

Superintendent Johnson responded that School officials would do so. He said they also want to do the same by using charts and graphs to show trends in student achievement scores, some of which have only been used in the last 2 to 3 years. President Newlin asked that the tables show "NA" for the data the School does not have.

President Newlin asked what Superintendent Johnson considers to be the two most important performance indicators. Superintendent Johnson responded that the most important performance indicators are those that relate to the achievement and growth of students. He noted that the School's students are developing at about the same rate as hearing students. A second important area relates to faculty education. He said that, even though the School is not providing faculty with financial support, faculty continue to work on their graduate degrees. Both of those indicators tie directly to student learning.

President Newlin noted that Superintendent Johnson and his family would be recognized on the evening of November 13 in Council Bluffs for family leadership. He said it is a community leadership recognition.

Superintendent Johnson said it was a nice honor, about which he was surprised and delighted.

ACTION: President Newlin stated the Board, by general consent, (1) received the progress report and (2) received, for preliminary review, a request to change Benchmark 1.3.1.2 to make it consistent with the language in other benchmarks.

(e) Iowa Braille and Sight Saving School.

Superintendent Thurman presented the School's report on progress made in the final year of its 1998-2002 strategic plan and an outline of the proposed 2003-2007 strategic plan, *Celebrating Our Past...Embracing Our Future*. He stated that, since his coming to the Iowa Braille and Sight Saving School 15 years ago, a considerable amount of

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progress has been made in the introduction of technology. He referred Board members to the School's performance indicators report in the meeting materials. He said School officials will recommend a new way of looking at the School's performance indicators. The new strategic plan will begin the School's 151st year. The strategic plan of the past five years has guided some of the most important changes the School has undergone in recent history. Iowa Braille and Sight Saving School went from a residential school to a 12-month school that provides significant outreach. He credited the Board of Regents' leadership in strategic planning and said School officials hope to be as successful with the proposed strategic plan as they have been with the current strategic plan. He noted that the School's vision statement and mission statement are the same.

With regard to environmental assessment, Superintendent Thurman said that, during January through March, he made trips to six of the area education agencies (AEAs). He resumed meetings with the AEAs in September and has now met with 14 of the AEAs and with the Des Moines Public Schools system. He will be meeting with the last AEA during the following week.

Superintendent Thurman stated that an opportunity for considerable growth for the Iowa Braille and Sight Saving School has to do with the content of the IDEA reauthorization. He said special education students will be held to standards in literacy, math, science and other academic areas. For many of the students served by the Iowa Braille and Sight Saving School, he questioned the value of that kind of assessment and testing. Another issue developing in the state is that many of the AEAs are combining. Currently, each AEA has a vision supervisor who is responsible for itinerant teachers and orientation and mobility teachers within the AEA. As the size of the AEAs increases, there will be a regional supervisor responsible for all special education students in the region. Superintendent Thurman was concerned that, as the AEAs get bigger, there will be less attention given to the low incidence students, such as those with visual and hearing impairments. He believes that a new philosophy needs to be developed, one that is based on a circle of support in which all educators are responsible for all students in the state.

With regard to the new strategic plan, Superintendent Thurman stated there are four initiatives. The first initiative is to implement Quality Programming for Students who are Blind or Visually Impaired (QPVI) with on-campus students and with the AEAs. The second initiative is the early childhood proposal which he would discuss in more detail under the institutional docket as part of the Early Childhood Study. The third initiative is to improve literacy for students on campus and off campus. The fourth initiative is to continue collaborative efforts that are support mechanisms for creating and sustaining opportunities, resources, and support for students.

Iowa Braille and Sight Saving School is Iowa's primary service provider for children with visual impairments. Superintendent Thurman stated that, instead of doing performance indicators, which are statistical, School officials will recommend providing the Board with progress reports on five students for the next five years. He said this method will give Board members a better idea of the School's impact on children.

Superintendent Thurman stated that, for the last 25 years, the educational progress of children with visual disabilities has been most noted in where the students are placed. The greatest success of special education over the past 25 years is the inclusion of children with disabilities into regular schools. He believes the role of the Iowa Braille and Sight Saving School is to ensure that quality and the content of the program are in place. He then thanked the University of Northern Iowa for including him in interviewing candidates for the position of Professor of Professional Preparation in Visual Impairment.

President Newlin asked Superintendent Thurman to come to Des Moines for a review of the proposed strategic plan. He said he would like to hear in-depth reasons why the new plan is better than the old plan.

Regent Turner referred to Superintendent Thurman's suggestion to follow the progress of five students. She said she was interested in how School officials will benchmark students' progress.

Superintendent Thurman responded that benchmarking students' progress was a difficult issue. What standardized instrument would one use to benchmark a child who has cortical visual impairment, a broad generic term for a host of brain disabilities? One has to look at a life skills type of curriculum. He said it is difficult to get any kind of quantifiable data.

President Newlin asked that School officials send to the Board Office the 5-year trends as have been provided in the past.

Regent Neil referred to the new strategic plan and changes it may include for the School. He asked if the plan includes anything that will detract from the School, such as the outrage the Board members heard when School officials increased the School's focus on outreach.

Superintendent Thurman responded that there was no such action included in the new strategic plan. He said the increased focus on outreach was a recognition of where students are being educated. There was a corresponding movement of resources. The new strategic plan will address how the School will be organized to provide services

across the state within existing resources. He then stated that the biggest difficulty faced by the School is the budget.

Regent Neil asked if the budget is driving the changes at the School. Superintendent Thurman responded that the changes are not related to finances. School officials believe that, over the next two years, special education will undergo dramatic changes. The assessment of children with disabilities will focus on a standard curriculum. In fact, instead of providing a curriculum for each individual student, the Iowa Department of Education has firmly indicated that every child, regardless of disabilities, is to be part of one curriculum. He said that leads School officials to believe there will have to be standardized assessment processes.

ACTION: President Newlin stated the Board, by general consent, (1) received the 2002 progress report on Iowa Braille and Sight Saving School's 1998-2002 Strategic Plan and (2) received, for preliminary review, Iowa Braille and Sight Saving School's proposed 2003-2007 Strategic Plan, *Celebrating Our Past...Embracing Our Future*.

(f) Board of Regents.

Executive Director Nichols said there will be further data available to the Board members in January relating to measurements and performance indicators. He asked that Board members forward any suggestions for specific issues to be highlighted in January to the Board Office. He said the Board's strategic plan key result areas include quality, access, diversity, and accountability. He said the Board's strategic plan has a number of directives to put systems in place to monitor the implementation of strategies at the institutional level.

The Board's strategic plan is in its fifth and final year. Executive Director Nichols stated that the original strategic plan action steps have, by and large, been accomplished. Where those action steps required ongoing reporting on an annual or periodic basis, there are systems in place to provide the Board with that information. He said the Board's strategic plan is evolutionary and has been modified. He anticipated that the future strategic plan would also be reviewed and, when appropriate, modified annually as a result of changes in the environment.

Executive Director Nichols recommended that the Board Office continue to cooperate with the institutions in addressing the consistency and appropriateness of linkages between institutional plans, the current Board plan, and the new Board plan, which will be developed in the coming months. He said there will continue to be an ongoing

review of benchmarks and indicators. He referred Board members to the checklist of action items contained in the meeting materials.

Regent Turner stated that she spent time at Oxford last year. In discussing strategic planning, others were amazed to hear about the linkages between the Board of Regents' and the institutions' strategic plans.

Executive Director Nichols stated that the Board Office has begun preparations for the Board's new strategic plan. A team of staff members is beginning to develop a work plan to present to the Board in the next month. The staff team will work with a group of Board members to develop a process to ensure the new strategic plan is in place at the beginning of the next fiscal year.

President Newlin suggested that four Board members be appointed to work, as a priority study group, on the Board's strategic plan. He noted they have their work cut out for them. He then said he agreed with Regent Turner about the importance of linkages between the Board's plan and the institutions' plans. He thanked institutional officials for embracing strategic planning.

ACTION: President Newlin stated the Board, by general consent, (1) received the progress report and (2) encouraged the Board Office and institutions to maintain consistency and linkages between the institutional strategic plans and the Board of Regents' Strategic Plan.

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

Vice President True said there were a number of projects included in the capital register that were of importance to the University. One such project would complete the work on the remodeling of the Bowen Science Building for the Department of Biochemistry of the College of Medicine. One-half of the cost for the project was earned through the College of Medicine's successful application for grant funds.

Regent Neil asked if there were any surprises in the Old Capitol restoration project. Vice President True said the only surprises had been good ones. Very good bids have been received; some of the costs are less than were anticipated. He said work is underway.

President Newlin asked that University officials report on the amount of money that will be available from insurance for Old Capitol. Vice President True stated that University

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officials recently met with the insurer, FM Global, and requested an advance of \$3 million for current, ongoing costs. He was hopeful that the insurance company will honor that request.

President Newlin asked if the University had a claim totaling \$5 million from the insurance company. Vice President True responded that a claim totaling \$5.6 million had been documented. University officials requested to be provided with \$3 million for reconstruction costs so the University does not end up in a negative cash flow position.

President Newlin asked what the Board of Regents was being asked to approve at this meeting with respect to the Old Capitol project. Vice President True responded that University officials requested approval of the architectural agreement for phase 2 for the remaining design services and full design services for phases 3 and 4. The current contract for the exterior of the building includes the cupola dome and the bell tower. He said phase 2, which has not yet begun, is for interior work including correction of fire deficiencies and installation of a fire suppression system. University officials hope to bid phase 2 in the spring or summer of next year.

President Newlin asked for the estimated cost of phase 1. Vice President True responded that the estimated cost of phase 1 of the Old Capitol project is \$3 million.

President Newlin asked for an estimate of the cost for phase 2. Vice President True responded that phase 2 has two components. One component addresses fire safety, for an approximate cost of \$2.6 million. The second component addresses other elements of the project for a cost of \$3 million.

Regent Neil asked if the Board has approved phase 2. Vice President True responded that the Board has authorized preliminary architectural and engineering work. The Board has not approved any construction. At this meeting, University officials requested permission to continue to work with the architectural and engineering team to develop phase 2. He anticipates returning to the Board this winter to discuss those plans in more depth, with bidding to take place, hopefully, next spring or summer.

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

(b) Iowa State University.

Vice President Madden stated that Iowa State University officials would provide design presentations for the University Family Housing Community Center and the Union Drive Suite Building 2 projects. He introduced Kevin Monson of Neumann Monson Architects.

Mr. Monson presented the design for the University Family Housing Community Center. He said the site is located between Schilletter Village and University Village. The Community Center will serve both communities. The project has three components: 1) a convenience store which will replace the existing Pammel grocery, 2) a community center and 3) administrative offices. There will also be a small fitness and exercise space. He noted that infrastructure costs for this building are relatively low.

Regent Neil asked if the Community Center will service the Fredericksen Court apartments. Vice President Madden responded that the Fredericksen Court project is further to the south. This facility will serve married students and international students.

Mr. Monson presented slides of the different elevations. He said the buildings will have pitched roofs. The preference would be for a standing seam metal roof if the cost is within the budget. There is an alternate for a shingle roof, as well. The building materials will be stone or a pre-cast base, brick veneer and metal panels. He said there will be approximately 9,500 square feet with a net-to-gross efficiency of 78 percent. The construction budget is \$1.3 million.

Regent Neil asked how many students will be served by this facility. Director Alexander responded that the facility will serve 800 to 900 students.

Regent Neil asked about the funds for this project. Vice President Madden said there were two sources of funds. Of the total budget of \$1.8 million, the construction cost is \$1.3 million. He said \$450,000 will come from institutional funds. Office space that was in 100 University Village, which is being converted to a child care center, will be replaced within this facility. The remainder of the funds will come from the University's Residence System.

Vice President Madden introduced Terry Gebard of OPN Architects, Inc., to present the schematic design of the Union Drive Suite Building 2 project.

Mr. Gebard stated that the project site is located on the southwest side of campus, west of Friley Hall, north of Lincoln Way, south of State Gym and south of the recently-constructed Union Drive Suite Building 1. He referred to Iowa State University's residence system master plan, which was approved by the Board of Regents several years ago, and said this was the third building of the four-building master plan.

The design objective on Suite Building 2 is to maintain the aesthetics of Suite Building 1 and the Union Drive Neighborhood. Mr. Gebard reviewed the floor plans. He highlighted the improvements from Suite Building 1 to Suite Building 2. There is an enhanced lobby/reception area, associate director's resident apartment, and access to the west parking from the first floor. Improvements to the second floor include enhanced and enlarged dens that include kitchenettes. The larger space provides room for house meetings. One of the major modifications is a redesign of the individual suites. Within the same "footprint" as Suite Building 1, an entry area was created off the common corridor that provides access to the bedrooms and toilet.

President Newlin asked if the first floor public toilets are gender equal. Mr. Gebard responded that the design currently provides for one set of public toilets adjacent to the multi-purpose rooms. The toilets will be designed to accommodate current code and gender equity criteria. The fixtures have not yet been determined.

Regent Becker asked about accommodation for computer use. Mr. Gebard responded that access to the campus computer system with data ports is provided within the individual dens. The individual suite rooms are also set up for data access.

Mr. Gebard stated that the fourth floor of Suite Building 2 contains the most significant improvements from Suite Building 1. He said 17 of the available 28 double suite rooms have been lofted to take advantage of previously-unutilized fifth floor attic space. The dormers would become habitable space.

President Newlin asked if the 4th floor would be considered the most or the least desirable space. Mr. Gebard said he thought the two-story environment would be desirable.

Mr. Gebard said the intent is to maintain the master design plan concept of Suite Building 1 in material, color, texture and detail. In reviewing conceptual drawings of the building from various elevations, he said the building will have a steeply-gabled roof with asphalt shingles, a predominantly brick façade, copper plaid dormers, copper gutters and downspouts, and brick veneer with stone detailing. There will be a custom-made terra cotta surround at the entry way that will be designed and fabricated by a local Iowa artisan.

President Newlin asked how long the asphalt shingles will last. Mr. Gebard responded that the shingles should last 30 years.

Regent Becker asked how a person in a wheelchair would get to the upper floors of the building. Mr. Gebard referred to the drawing of the first floor plan. He said an elevator is centered within the building which splits the two houses of each floor.

Vice President Madden asked that Director Alexander discuss the occupancy of Suite Building 1.

Director Alexander stated there was excess demand for Suite Building 1. Two such buildings could have been filled this year with students "left over". It was his belief that there will be no problem filling Suite Building 2.

Vice President Madden said the Suite Building 2 project will be financed with a bond issue.

Regent Neil asked what contributed to the cost over-run on the construction of Suite Building 1 which was subsequently built into the cost of Suite Building 2. Director Alexander said there were several reasons for the cost over-run. In April 2000, based on schematic design, the assumption was made that all three of the buildings would be the same size of 84,000 square feet. Suite Building 1 was actually 800 square feet larger. Suite Building 2 has more space for several reasons. The arcade that connects the three buildings is part of the footprint of Suite Buildings 1 and 3. In Suite Building 2, the arcade runs in front of the building which adds about 1,700 square feet to the building interior. Suite Building 2 was initially projected to be constructed this year and opened this fall. The project was delayed a year so the budget had to be increased 3 percent for inflation. Also, Suite Building 2 faces a bigger courtyard which makes it more open. That element adds square footage on all four floors amounting to 2,300 square feet. He said all of those would add \$1.2 million. Once soft costs are added, the total added cost would be \$1.5 million. The lofts add \$1 million to the total cost of the project. The per bed cost for the loft suite is higher so students will be charged more for that space. He said the estimated return on the investment exceeds the cost of the money.

Regent Fisher stated that 25 percent to 30 percent of the construction costs for soft costs seemed high. Vice President Madden stated that soft costs would typically include architectural design services, which is the largest component, construction supervision, landscaping and soil testing. Soft costs also include furniture and movable equipment, and art in state buildings costs.

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

(c) University of Northern Iowa.

Vice President Schellhardt stated the University's capital register was in order.

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

(d) Iowa School for the Deaf.

Superintendent Johnson said the School's capital register contained two requests which were explained in the meeting materials.

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

INSTITUTIONAL PERSONNEL TRANSACTIONS.

Interim President Boyd presented the University of Iowa's request to change the title of Robert Kelch from Vice President of Statewide Health Services to Vice President for Health Affairs, with revised responsibilities, at the current salary of \$431,900 plus an incentive of up to 15 percent of annual salary subject to a minimum 3 percent operating margin at University of Iowa Hospitals and Clinics and an extension of a pre-existing twelve-month retirement furlough for successful completion of vice presidential duties between now and 2005 to a maximum of eighteen months. He expressed his belief that this was a very important move for the University, and said University officials look forward to Dr. Kelch's leadership of the five health colleges, University of Iowa Hospitals and Clinics, and University Hygienic Laboratory. He said it was with great pleasure that he recommended the change in title for Dr. Kelch.

Vice President Kelch presented the University of Iowa's request to appoint Jean E. Robillard as Dean, Roy J. and Lucille A. Carver College of Medicine, and Professor with tenure, Department of Pediatrics, effective February 1, 2003, at an annual salary of \$390,000 plus an incentive of up to 15 percent of annual salary upon meeting requirements of an incentive agreement; longevity pay of one year's salary as an incentive to remain as Dean for at least five years, to be paid in twelve equal monthly

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installments following retirement as both Dean and tenured professor; and fringe benefits provided to University staff. He said the search committee for the College of Medicine had a successful work effort. Dr. Robillard had been on the faculty of the University of Iowa for 21 years.

MOTION:

Regent Turner moved to ratify the following personnel transactions at the Regent institutions: University of Iowa: Register of Personnel Changes for September 2002 which included a promotion and tenure action not previously reported; a change in the title of Robert Kelch, from Vice President of Statewide Health Services to Vice President for Health Affairs, with revised responsibilities, at the current salary of \$431,900 plus an incentive of up to 15 percent of annual salary subject to a minimum 3 percent operating margin at University of Iowa Hospitals and Clinics and an extension of a pre-existing twelve-month retirement furlough for successful completion of vice presidential duties between now and 2005 to a maximum of eighteen months; and appointment of Jean E. Robillard as Dean, Roy J. and Lucille A. Carver College of Medicine, and Professor with tenure, Department of Pediatrics, effective February 1, 2003, at an annual salary of \$390,000 plus an incentive of up to 15 percent of annual salary upon meeting requirements of an incentive agreement, longevity pay of one year's salary as an incentive to remain as Dean for at least five years, to be paid in twelve equal monthly installments following retirement as both Dean and tenured professor, and fringe benefits provided to University staff. Iowa State University: Register of Personnel Changes for October 2002. University of Northern Iowa: Register of Personnel Changes for September 2002. Iowa School for the Deaf: Register of Personnel Changes for October 2002. Iowa Braille and Sight Saving School: Register of Personnel Changes for September 2002. Regent Becker seconded the motion. MOTION CARRIED UNANIMOUSLY.

President Newlin congratulated Dr. Kelch on his new responsibilities and on the successful search and hiring of a new dean.

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

Interim President Boyd introduced Vice President Kelch.

Vice President Kelch stated this had been a very busy quarter for the Hospitals and a very hectic time for health care, in general. Patient care activity continues to grow. Numerous capital projects are underway. He said the University of Iowa Hospitals and Clinics went through a recent bond rating exercise in preparation for a large capital expansion. He then introduced Donna Katen-Bahensky to present the quarterly report.

Director Katen-Bahensky said she is beginning to feel like she is a part of the University of Iowa Hospitals and Clinics "family" and, therefore, feels much more comfortable talking to the Board about the status of the Hospitals from a financial standpoint. She stated that revenues continue to be depressed by reductions in the state of Iowa Medicaid program; however, revenues are up in other areas compared to this time last year. Clinic visits increased by 3 percent. In-patient admissions have increased by almost 2 percent compared to last year. During the first quarter of this year, in-patient stays decreased by 1.7 percent and in-patient days decreased by 1 percent. University of Iowa Hospitals and Clinics officials are working with faculty to bring down those numbers. The operating margin is 2-1/2 percent compared to 3 percent at this time last year. She said everything possible will be done to be at 3 percent by the end of the year. University Hospitals officials will work hard to bring down expenses, to review usage of agency staff, and to review supply costs.

Regent Arbisser noted there were large declines in the number of developmentally disabled and chemically dependent patients, and asked if there was a program shift. Mr. Staley said the numbers reflect a change in reimbursement practice. Many of those patients who were treated as acute in-patients were moved to the outpatient setting. The census on that unit remains steady – a year ago there were a total of 53 admissions to that unit and this year there have been 46 admissions.

Regent Arbisser stated that, despite the election rhetoric, Iowa will "get nailed" again in the area of Medicare reimbursement. He asked how that will impact the ability to achieve the operating margin goal. Director Katen-Bahensky responded that the Medicare reimbursement reductions were already built into the FY 2003 budget.

Director Katen-Bahensky continued her presentation on the quarterly report. She said that, in response to the Board's approval to issue \$25 million in bonds for capital needs,

Standard & Poor's and Moody's met with Hospitals staff three weeks ago to discuss strategies, strengths, abilities, and stability of the leadership, as well as past and projected operating margins and cost reduction initiatives. She was pleased that both agencies recommended a continued AA-2 (Moody's) and a AA (Standard & Poor's) rating. There are only three academic medical centers in the country that have that high a bond rating: University of Michigan, University of Kentucky and the University of Iowa. She said University of Iowa Hospitals and Clinics officials will be challenged to retain the bond ratings in the future because of the issues she had just discussed; however, they are working very hard on some long- and short-term plans.

During her last presentation, Director Katen-Bahensky reported that the Joint Commission on Accreditation of Hospitals had revised the University of Iowa Hospitals and Clinics' score for its 2001 visit. She said some improvements need to be made for the Commission's next visit in Fall 2004. In preparation, two high-qualified individuals have been assigned to deal specifically with those issues.

During the last quarterly report, Dr. John Buatti reported to the Board on construction of the Center of Excellence in Image-Guided Radiation Oncology. Director Katen-Bahensky stated that bids were received last week for the project. She was pleased to report that all bids came in under the estimates.

Director Katen-Bahensky introduced Dr. Matthew Howard, Professor and Head of the Department of Neurosurgery, University of Iowa Hospitals and Clinics, to make a presentation on leveraging the tripartite missions of research, education and patient care in neurosurgery.

Dr. Howard provided a PowerPoint presentation on the Department of Neurosurgery's strategy to seamlessly integrate all three of the Department's missions. Interdisciplinary collaboration is key to the success of this effort. He discussed medical advancements of the University of Iowa Hospitals and Clinics' Department of Neurosurgery and said the Department has received the largest number of patents of any such department in the country. The most common operations performed by neurosurgeons are in the human spine. He presented information on the Center for Human Brain Research including the Iowa-Wisconsin-Oxford Human Neurophysiology Laboratory. He presented a map of the United States that indicated Iowa is in the top tier in the number of publications per year per 100,000 population.

President Newlin thanked Dr. Howard for the presentation and noted that his efforts are extremely exciting.

Regent Kelly asked about the Department's activity in the area of surgery for trigeminal neuralgia. Dr. Howard responded that University of Iowa Hospitals and Clinics has two

experts in the area of trigeminal neuralgia. He said there are a number of different ways to treat it. One is a surgical procedure into the brain stem. In another procedure, a needle is inserted into the nerve to burn the nerve. A third procedure is an advanced radiation technique, an area in which the Department has two doctors who are experts.

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

EXECUTIVE SESSION. President Newlin requested that the Board meet in closed session to conduct a strategy meeting of a public employer for collective bargaining, pursuant to Iowa Code §20.17(3).

MOTION: Regent Kelly moved to enter into closed session. Regent Fisher seconded the motion, and upon the roll being called, the following voted:
AYE: Arbisser, Arnold, 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 4:39 p.m. on November 13, 2002, and adjourned therefrom at 5:33 p.m. on that same date.

The following business was conducted on Thursday, November 14, 2002, beginning at 8:57 a.m.

APPROVAL OF TUITION AND FEES.

Executive Director Nichols stated this was the third in a planned sequence of three meetings to consider the Board Office proposal for tuition and fees. He said the proposal was made public in early September. The first of the three public discussions was held in September in Iowa City; the second was held in October in Cedar Falls; and the third was being held in Ames. This sequence was planned to provide Board members with full opportunity to hear from students and institutional officials on the proposal and to allow the Board to meet the provisions of the law that requires a determination be made no later than November. In September, the proposal to increase tuition and related fees was thoroughly aired. In October, the Board of Regents was presented with detailed presentations from the institutions about planned

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uses of tuition proceeds on each campus, as well as detailed comments of student leaders. At this meeting, student government leaders and institutional heads were provided with an opportunity to make final comments.

President Newlin recognized the student leaders.

Nick Herbold, President of the University of Iowa Student Government, thanked the Board for allowing students to speak a third time. He reviewed the issues he had addressed in his first two presentations which included trends toward privatization of public higher education in Iowa and a conditional tuition proposal. At this meeting, he posed eight questions to the Board and provided a document with answers to seven of the eight questions. The question to which he did not provide an answer was, "Does the Board of Regents think that their decision today makes a difference?". He concluded by expressing his hope that the Board would support the conditional tuition proposal that he presented last month.

Regent Fisher referred to Mr. Herbold's conditional tuition proposal which included establishing a formula for the tuition increase. He stated that, in the early-1990s, the state budget was 66 percent on "auto pilot" through formulas. Formulas remove the ability to discuss funding of budget items and the subsequent voting up or down of a particular item. He was opposed to any kind of formula for budgeting, for appropriations or for expenditures.

Mr. Herbold said the proposed formula was intended to be used this coming year, only.

T.J. Schneider, President of the Iowa State University Government of the Student Body, thanked Board members for inviting students to speak about the tuition proposal. As he stated on the two previous occasions when he addressed the Board on this issue, Iowa State University students do not agree with the current proposal. He said the impact on students will be greatly felt throughout the student body. Students realize that many issues are taken into consideration in determining the tuition proposal, including the budget at the state level.

Joe Darr, Vice President of the Iowa State University Government of the Student Body, thanked Board members for their efforts, noting that the Board was put in this situation because of the lack of state funding. Students have been trying to address the issue of state funding with Iowa's citizens. He said citizens had spoken in the recent election. With regard to the issue of quality, he said Iowa State University students would like to see an increase in quality in return for the increased cost of attending the University. Instead, class sizes are increasing and the use of teaching assistants is increasing. Students wish to see educational quality increased, not just maintained.

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Mr. Schneider stated that alternatives had been presented in the last several months, which he encouraged the Board and Board Office to review closely. He referred to the upcoming legislative session and asked that the Board Office, Board members, students and university administrations work together to ensure that legislators and citizens understand the value of higher education in this state.

Regent Becker said Board members share students' concern that students are making greater-than-ever financial contributions to the universities while experiencing larger class sizes. She stated that the large tuition increases do not replace the shortfall in state funds, and the universities continue to do even more "belt tightening". She hopes that the legislature will assist the universities to rebuild losses of faculty and to reduce the need for large tuition increases.

Jeff Scudder, President of the Northern Iowa Student Government, stated that students are opposed to the tuition and fees proposal. He said he hoped that Board members had reviewed the documents students had previously provided, particularly with regard to the proposed building fee at the University of Northern Iowa, which is his biggest point of contention. He commended his colleagues at the University of Iowa for their innovative proposal. He said there were several key advantages to the proposal. The focus and accountability would be put back on the legislature. The proposal would also provide an incentive for students and parents to lobby the legislature. He then said he wished to publicly recognize and thank the University of Northern Iowa Faculty Senate for supporting students' efforts to minimize the amount of tuition increase. Faculty had voted to delay their own pay increases.

Emiliano Lerda, Vice President of the Northern Iowa Student Government, reminded Board members that, as he had said before, this was an issue about public education which is the public good. He thanked Board members for the opportunity to work with them on this issue. He thanked the University Faculty Senate for their support. He also thanked the University of Northern Iowa students who were in attendance to show their support.

Regent Neil commended the student leaders for taking a very responsible position on tuition, for the efforts they put forth and for understanding the real problem. He said the Board of Regents supported a proposal in the last legislative session that would have minimized the need for a large tuition increase. Unfortunately, the majority party did not choose to support that proposal. Consequently, the Board was left with the need for a large tuition increase. He encouraged students and their families to make strong presentations to the Iowa legislature and to let the public know the "public" is being taken out of "public education" in Iowa. He then expressed his intent to vote "no" to the Board Office recommendation to send a message to the legislature that it cannot continue to put the support of the three Regent universities on the backs of students.

President Newlin recognized the three university presidents.

Interim President Boyd expressed pride in the University of Iowa students for contributing an imaginative and forthright approach to the tuition proposal. He then stated that Iowa's Regent universities were faced with some of the largest budget cuts nationally and the proposed tuition increases were among the highest tuition increases nationally. He said they must all make a very strong case for the institutions to the General Assembly.

Interim President Boyd stated that financial aid is a critical and complex situation. Institutional officials are actively working to provide adequate financial aid. Traditionally, the University of Iowa has set-aside 16 percent of the tuition increase for financial aid. However, University officials plan to set-aside 20 percent of the proposed tuition increase which would provide an additional \$4 million to the approximate \$32 million in student financial aid provided per year, primarily for need-based scholarships for sophomores, juniors and seniors. He said another aspect of the financial aid program is for community college transfer students and IMAGES grants for minority Iowa residents. Much work is being done at the University of Iowa Foundation to focus its campaign on student financial aid. The goal is \$142 million, one-half of which has already been pledged. With regard to federal grants and loans, he said work needs to be done with Iowa's Congressional delegation to maintain that funding. University officials also want to work very hard to restore Iowa's work-study program for students. The University received over \$600,000 per year in the past for this program. He next discussed the large number of students who are working their way through college, 2,000 of whom are under the federal work study program. He said students have always worked hard to pay tuition and are now having to borrow their way through school, as well.

Regent Arbisser referred to the number of students who are working and asked if it was a correct assumption that the number did not include students who are working in the private sector. Interim President Boyd responded that the number did not include students who are working in the private sector. He noted that, because of the size of the University's health science operation, the University is able to employ non-health science students as well as health science students in its health science operations.

Regent Arnold referred to the University of Iowa's need-based financial aid and asked for the percentage that is provided in grants and the percentage that is provided in loans. Interim President Boyd responded that much of need-based financial aid is in the form of grants. Some of the private fund raising is for student loan programs.

Regent Becker thanked University officials for their efforts in the area of need-based student financial aid. She noted that whenever tuition is increased there is a potential

impact on access of students. Many students do not have parents who can pay the students' way through school. She thanked those persons who have donated to the campaign to raise funds for student financial aid. She said there has been an over-reliance on loans which is a barrier to higher education for many young people. With regard to the Iowa work-study program, she said she found it hard to believe that the legislature cut the funding for that program. She then encouraged University of Iowa officials to "keep up the good work" with regard to student financial aid, and said she hoped there were equal efforts with regard to grant and scholarship programs at the other two universities.

Interim President Boyd responded that the three universities have been working closely together on the issue of student financial aid. He then pointed out that another positive dimension of the federal work study program is funds for students to perform community services. He said the funds were helping in the community as well as on the campus.

President Geoffroy stated that Iowa State University officials regret the necessity for the Board to consider tuition increases of the magnitude being discussed. He noted that the tuition increase does not come close to covering the money lost due to appropriation cuts. As faculty are lost, the quality of educational programs is put at risk. He expressed his support for the proposed tuition and fees increase because everything possible needs to be done to increase the number of faculty. Increasing faculty will be Iowa State University's highest priority for new funds that become available because of its importance for the students. He added that a strong focus has been given to raising scholarships from private donors.

Regent Arnold asked for Iowa State University's specific goal for student aid set aside of the new tuition revenues. President Geoffroy responded that the University currently devotes approximately 21 percent of all tuition revenues to student financial aid, which will be maintained. He said the amount of funds for student financial aid from new tuition revenues will be of that order.

President Koob said they had all – Board members, university officials and students – been put in a difficult, no-win situation. The performance indicators for each of the institutions has clearly shown the impact on quality of the loss of state support. The rising tuition has had an impact on student attendance at the Regent universities. Enrollments at community colleges are increasing. He said the enrollment trends will have a significant impact on the future economics of the state of Iowa. It is well documented that baccalaureate degree graduates drive the economy of the state and the nation. He wished the Board his best on their deliberations and expressed his support for the proposal of the Board Office.

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Regent Fisher stated that, in considering the tuition recommendation, he took into consideration the amount of the average income of lowans represented by tuition which has been 11-1/2 to 12 percent in the last 5 to 10 years. As Iowa incomes have increased, so has tuition, but the ratio has remained fairly consistent through the years. Tuition at Iowa's Regent universities, compared to their peer institutions, remains very competitive. He referred to President Boyd's comments about private fund raising, and said he believes there is a renewed vigor to contribute to the universities by alumni. With regard to the issue of student debt when leaving the institutions upon graduation, he said the opportunity for earned income is nearly double that of persons not possessing a degree; therefore, the return on the investment is huge. The quality of these fine universities needs to be maintained. The Board needs to work with the Governor and the legislature. He believes there are one to two years of difficult times ahead; however, he was optimistic that within the next 18 months, there will be increased tax revenues.

MOTION:

Regent Fisher moved to (A) approve the following proposals for the 2003-04 academic year tuition and fees, effective with the summer session 2003: (1) A base tuition increase of: (a) \$650 for all resident classifications of students; (b) \$1,300 for all nonresident classifications of students; (c) A new minimum tuition set-aside for financial aid of 15% of gross tuition revenues with direction to the universities to focus on need-based aid; and (d) Differential professional tuition rates at the University of Iowa. (2) In addition to the proposed base tuition increase, changes to mandatory fees as outlined, which include: (a) A two-year phase out of all designated tuition allocations into mandatory fees and (b) Proposals for new and increased mandatory fees. (3) In addition to the proposed base tuition increases, the surcharges proposed by the University of Iowa, as outlined. (4) Tuition-related miscellaneous fees and charges, as presented. (5) Per semester credit hour tuition rates and fees, as presented. (B) Consider studies of the Board's tuition policy and the related statutory timing provisions during the upcoming discussion of the Board's five-year strategic plan. (C) Encourage legislators to support efforts to increase state and federal commitments to both public universities and state

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and federal student financial aid programs. This will assist current students with their education, and can help moderate future tuition requests. Regent Kelly seconded the motion.

Regent Kelly stated that he regretted the hardship on students and families but he must support the Board Office recommendation.

Regent Turner thanked the students for doing a wonderful job. To them and to everyone who sent letters, she stated that their comments had not fallen on "deaf ears". Their comments had been taken into account. She said there were some basic facts which she considered every year during tuition deliberations. Educating Americans in the public system is what makes the United States great. Iowa has a sound and well-thought-of educational system. In the past, education has always been a priority. She was concerned that education was no longer the number one priority. She stated that every Iowan is affected in a positive way by the Regent institutions, either through educational opportunity or through economic growth within his/her community. She said it was clear that the cuts in state support have been devastating to the Regent institutions. There has been a decrease in quality and a decrease in the quantity of the education that is provided.

Regent Turner stated that the way to make changes in our country as a whole is at the "ballot box". Iowans have to decide how important education is to them and then show that when they vote. Once they have voted, Iowans must go to their legislators and tell them that education is, indeed, a priority. She said the legislature has to understand that education is what will keep Iowa "on the map".

Regent Turner asked that they all remember this was not a fight for funding between the K-12 system, community colleges and the Regents. She said education is a total package. All of the sectors must work together to achieve the goal of making education a priority in Iowa. She said that, as a Regent, her charge is quality, access, diversity, and accountability. The only way she can be accountable is by maintaining the quality of and access to the universities. She hoped that, in the future, the Board would not be faced with the necessity for large tuition increases.

Regent Becker stressed the importance of all educational sectors working together and having students proceed as far as their abilities allow. She said the importance of education to economic development cannot be over-stated. Nationally, the progression toward a bachelor's degree is much stronger when people begin at 4-year institutions than at a community college. In Iowa, the Regents do not want to be pitted economically against the community colleges. Students need to have a range of choices. She wants Iowa citizens to know the Board of Regents is committed to

working with community colleges to improve the tendency of students to end their education at community colleges and not to seek 4-year degrees. The Regent institutions continue to work with community colleges to improve articulation. She said Iowa's educators need to talk with the state's legislators about what is good for students.

VOTE ON THE MOTION: Motion carried with Regents Arnold and Neil voting "no".

REGENT LEGISLATIVE PROGRAM.

Executive Director Nichols stated that the 2003 session of the Iowa General Assembly will convene on January 13, 2003. Shortly thereafter will be the inauguration for elected officials. He said the results of the election earlier in the month continues a pattern within the state legislature of Republicans controlling both houses of the state legislature and Democrats controlling the executive branch. Split party control will continue, at least for the next two years. In the next two months, the Board Office, institutional heads, legislative liaisons, and Board members will attend a number of outreach activities. He stated that over 40 of the 150 legislators will be new in this upcoming session. The outreach activities are designed to maximize opportunities to become acquainted with legislators.

Earlier this fall, the Board of Regents approved appropriation requests for FY 2004. Executive Director Nichols stated that, included in the appropriations requests, were full funding of incremental salary increases which will be determined, in part, by the collective bargaining process, and incremental increases in operating appropriations for strategic initiatives. The Board reaffirmed its support that the special schools be treated comparably to other K-12 schools. He said the Board approved capital requests of \$65.7 million and a tuition replacement request of \$24 million.

Executive Director Nichols presented the following non-appropriations requests and special funding requests for Board consideration:

- A coordinated economic development legislative initiative to stress the importance and effectiveness of these programs for the state of Iowa. Information will be presented to the Board at its January meeting that includes developing partnerships for enhancing areas of Iowa's economic growth, homeland security, and national reputation for educational excellence. Executive Director Nichols said the partnerships with public and private entities will specifically relate to economic development programs based at the universities and at the University of Iowa Hygienic Laboratory.

- Statutory legislative changes that move the Board and its institutions closer to “independent agency” status similar to other higher education entities. Executive Director Nichols reminded Board members that this matter was discussed at the October Board of Regents meeting.
- Modification of legislative language to allow the Board and the University of Northern Iowa to spend a portion of Academic Building Revenue Refunding Bond proceeds and to increase fees for the University of Northern Iowa’s Waste Reduction Center.
- Continuation of a series of special funding requests for University of Northern Iowa programs through other state agencies.

Executive Director Nichols requested the Board’s support to proceed to develop legislative proposals in the above areas.

Regent Fisher asked which of the proposals were for new initiatives. Executive Director Nichols responded that the development of independent agency status was a new legislative initiative.

MOTION:

Regent Fisher moved to (1) reaffirm the Regent appropriations requests for operations, including salaries, and capitals; (2) encourage the Board Office and the institutions to work in partnership with others to enhance Iowa's economic growth, homeland security, and national reputation for educational excellence; (3) authorize the Board Office and the legislative liaisons to actively pursue regulatory relief and seek modifications to other statutory sections; and (4) give the University of Northern Iowa permission to seek specified funding through other state entities. Regent Arbisser seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

REPORT OF THE BANKING COMMITTEE.

Regent Fisher recognized Ken Haynie, Ahlers law firm, the Board’s bond counsel, and Barry Fick, Springsted, Inc., the Board’s bond advisor, to report on a bond sale.

Mr. Fick stated that bids were accepted for \$25,000,000 Hospital Revenue Bonds, Series 2002 for the University of Iowa Hospitals and Clinics. He said the bonds were

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rated AA-2 by Moody's and AA by Standard & Poor's, which are the same ratings as in the past. One bid was submitted by all underwriters that work within the state of Iowa, with U.S. Bancorp Piper Jaffray listed as the manager, for a true interest rate of 4.73 percent. In comparison to interest rates received for similar issues across the country, he said the rates for the 2004-2016 maturities were at or lower than a AAA-rated bond would trade. For the 2017-2028 maturities, the rates were exactly what the credit rating would indicate. He said the interest rates were, overall, very favorable.

Mr. Haynie stated the term bond option was specified by the bidder; therefore, several maturities will be rolled into term bonds. He noted there was an option for the bidder to purchase municipal bond insurance; however, that option was not exercised.

Regent Fisher asked why these bonds sold for approximately 80 basis points more than the bonds that were sold last month. Mr. Fick responded that the term of the bonds was different. Also, the market is not quite as favorable as it was last month.

Regent Fisher asked about the receipt of only one bid. Mr. Fick responded that the underwriters teamed up just prior to submitting the bid.

Regent Becker asked what would have been done if there was only one bidder and the rate bid was unacceptable. Mr. Fick responded that the Board always retains the right to reject all bids and rebid at a later time. He said the Board's bond consultants would have asked the underwriters what would have made the bonds more marketable.

President Newlin asked if there had ever been a time that bids have been rejected. Mr. Fick responded that it had not happened in Iowa.

Regent Arbisser asked that Mr. Fick address the bond ratings of the University of Iowa Hospitals and Clinics. Mr. Fick said the bond rating of the University of Iowa Hospitals and Clinics is one-half grade higher than that of the University overall, which is unusual. The University of Iowa Hospitals and Clinics has a small amount of outstanding debt and has a good financial operation. Across the nation, there has been a substantial number of downgrades for hospital-type revenue bonds. Because of the strength and the financial management of the institution, it has retained its bond rating which has been in place since the 1970s.

Regent Fisher pointed out that the bond rating agencies conducted a thorough review of University of Iowa Hospitals and Clinics' finances before determining its bond rating.

Vice President True stated that the bond proceeds would finance a portion of the cost of the Center for Excellence in Image-Guided Radiation Therapy and the three stories of

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shell space above the Center. The facility will be located west of the Pomerantz Family Pavilion and east of Kinnick Stadium. There is currently a parking lot on the site.

MOTION:

Regent Fisher moved to adopt (1) A Resolution providing for the sale and award of \$25,000,000 Hospital Revenue Bonds, Series 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 \$25,000,000 Hospital Revenue Bonds, Series S.U.I. 2002, to pay the costs of constructing, improving, remodeling, repairing, furnishing, and equipping inpatient and outpatient facilities and patient care facilities, including facilities for image-guided radiation therapy services and mechanical and other supporting facilities at the University of Iowa Hospitals and Clinics on the campus of the State University of Iowa, funding a debt service reserve fund, and paying the costs of issuing said Bonds. Regent Arbisser seconded the motion, and upon the roll being called, the following voted:

AYE: Arbisser, Arnold, Becker, Fisher, Kelly, Newlin, Nieland.

NAY: None.

ABSENT: Neil, Turner.

MOTION CARRIED.

Regent Fisher said the Banking Committee received a report on the bond issuance schedule for 2003 which totals \$117 million. He noted that bond issuance schedules sometimes change throughout the year. Each bond sale will come before the Banking Committee for approval.

Regent Fisher said the Banking Committee recommended proceeding with the sale of bonds for the Indoor Multi-Purpose Use and Training Facility for Iowa State University. The revenue to repay the bonds will come from private contributors. Student fees would provide a back-up revenue source.

MOTION:

Regent Fisher moved to adopt A Resolution authorizing the Executive Director to fix the date or dates for the sale of up to \$6,200,000 Indoor

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Multipurpose Use and Training Facility Revenue Bonds, Series I.S.U. 2003. Regent Becker seconded the motion, and upon the roll being called, the following voted:

AYE: Arbisser, Arnold, Becker, Fisher, Kelly, Newlin, Nieland.

NAY: None.

ABSENT: Neil, Turner.

MOTION CARRIED.

Regent Fisher said the Banking Committee recommended proceeding with the sale of Dormitory Revenue Bonds on behalf of the University of Northern Iowa.

MOTION:

Regent Fisher moved to adopt A Resolution authorizing the Executive Director to fix the date or dates for the sale of up to \$9,500,000 Dormitory Revenue Bonds, Series U.N.I. 2003. Regent Arbisser seconded the motion, and upon the roll being called, the following voted:

AYE: Arbisser, Arnold, Becker, Fisher, Kelly, Newlin, Nieland.

NAY: None.

ABSENT: Neil, Turner.

MOTION CARRIED.

Regent Fisher stated he was very pleased to report that Iowa State University's Government of the Student Body ratified a proposed agreement through which the Board of Regents, State of Iowa, would take ownership of Memorial Union property and assume its outstanding debt of approximately \$4.7 million. He said students worked with the University administration to relinquish governance of the Memorial Union to the University administration. He said students "did their homework" and were to be commended for a job well done. The facility needs to be renovated, after which he expects it will be a crown jewel on the campus.

MOTION:

Regent Fisher moved to adopt A Resolution establishing a self liquidating Memorial Union Facility, and approving a Memorandum of Agreement between and among the Iowa State Memorial Union Corporation, the Government of the Student Body at Iowa State University, and the

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Board of Regents, State of Iowa. Regent Nieland seconded the motion, and upon the roll being called, the following voted:

AYE: Arbisser, Arnold, Becker, Fisher, Kelly, Newlin, Nieland.

NAY: None.

ABSENT: Neil, Turner.

MOTION CARRIED.

Regent Fisher said the Banking Committee recommended that the Board approve the addition of Banc of America Securities LLC for general brokerage services.

MOTION: Regent Fisher moved to approve the addition of Banc of America Securities LLC for general brokerage services to the Board's list of authorized brokerage firms. Regent Arbisser seconded the motion. MOTION CARRIED UNANIMOUSLY.

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

INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION. (a)
Establish Master's and Doctoral Degrees in Community and Behavioral Health, SUJ.

Interim Provost Allen said he was pleased to present the recommendation of the Interinstitutional Committee on Educational Coordination to approve the University of Iowa's request to establish a Master's degree and a Doctoral degree in Community and Behavioral Health. He stated that the Master's program will prepare students to be researchers. The Ph.D. subtrack will offer specialized training in addiction studies. The doctoral program will prepare students for academic, research, and policy-making careers.

President Newlin asked how the program will interface with the University's and with the Board's strategic plan. Provost Whitmore stated that, two years ago, the Board approved the establishment of a College of Public Health. Within the new college is the area of community and behavioral health, which is part of the overall strategy for public health programming at the University of Iowa.

President Newlin asked about the recruitment of students for this program. John Lowe, Professor in the Department of Community and Behavioral Health, stated that there is a

5-year marketing plan for the program. He expects there will be no difficulty in meeting the projected enrollment for the program.

MOTION: Regent Nieland moved to approve the University of Iowa's proposal to establish Master's and Doctoral degree programs in Community and Behavioral Health. Regent Arbisser seconded the motion. MOTION CARRIED UNANIMOUSLY.

(b) Regent Committee on Educational Relations Annual Report.

Kathy Jones, Iowa State University Registrar, stated that she was the chair of the Regent Committee on Educational Relations last year. She reviewed with the members a summary of the 2001-02 annual report that was provided in the meeting materials. Information included the function, structure and membership of the Committee, and of the Regents Registrars and Admissions Officers Coordinating Committee which was merged with the Regent Committee on Educational Relations. In discussing the Committee's goal to update the high school preparation pamphlet, she distributed the updated pamphlet, "Building Your Future," to Board members. She noted that a Web version of the pamphlet is also available.

With regard to the Committee's goal to explore seamless articulation strategies, Registrar Jones distributed to Board members, "The Public Connection," which is a report on statewide articulation agreements between Iowa's community colleges and the Regent universities. "The Public Connection" can be accessed on the Regents Web site as well as the websites of each of the Admissions Offices of the three universities. Building Your Future was also distributed to all Iowa middle schools last year. She stated that articulation of transfer students is a primary focus of the Regent Committee on Educational Relations.

President Newlin asked if the credits that are accepted for transfer from a community college apply toward a student's graduation. Registrar Jones said it would depend on the student's degree program. A credit may not apply toward graduation if a student changes his/her focus once enrolling at a university or if a student does not plan well.

President Newlin asked if it is very clearly indicated to transfer students when a particular credit that is accepted for transfer does not apply toward graduation. Registrar Jones said it depends on the requirements of the student's degree program at the Regent university. She noted that sometimes students at the Regent universities who are not transfer students take courses that do not apply toward graduation.

President Newlin asked that there be a definition of terms on the universities' websites explaining that the word "accepted" does not necessarily mean that a credit will apply toward graduation. Registrar Jones agreed to do so.

Registrar Jones referred to the collection and reporting of retention and graduation data of transfer students from Iowa's community colleges to Regent universities as compared to transfers from other sectors of higher education and said new tables were added to this year's governance report on graduation and retention rates. Representatives of the Iowa Department of Education and the community colleges, who have a special interest in the success of students who transfer to the Regent universities, have responded favorably to the new tables.

With regard to electronic data interchange with Iowa community colleges and high schools, Registrar Jones said the Regent universities interchange data with five Iowa community colleges and six Iowa high schools. This effort will continue to expand.

President Newlin said he was very pleased that the Committee is working on enhancing collaboration with community colleges. He asked for a characterization of the current status of electronic data interchange. Registrar Jones responded that University officials are working with staff of the community colleges that have not yet joined the effort to bring them "on board". When an educational institution is brought into the electronic data interchange program, transfer of data such as student transcripts takes place in dual mode to verify that the process is working correctly. The goal is to be able to use information that is received from the electronic data interchange immediately. She said she was excited about the long-term prospects of this activity.

President Newlin noted that six of the 15 community colleges in the state currently participate in electronic data interchange. He asked for the goal for participation.

Registrar Jones responded that last year's goal was two-thirds participation. The community colleges are having a difficult time identifying staff to work on the effort. She noted that DMACC is nearly ready to begin interchanging data.

Regent Arnold referred to the "Building Your Future" brochure. She said she particularly liked that the University of Northern Iowa had identified its foreign language requirements for admission and for graduation. She suggested that the other two universities similarly provide their foreign language requirements.

President Newlin expressed the Board's appreciation for the work of the Regent Committee on Educational Relations.

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

FALL ENROLLMENT REPORT – PART II.

Assistant Director Gonzalez provided Board members with a PowerPoint presentation of part II of the enrollment report. She stated that this Fall's enrollment of 71,521 is an all-time high for the Regent universities. The universities continue to attract highly-qualified students. The mean ACT scores of Regent university students surpass the national and state means. She said 87.2 percent of the incoming freshman class graduated in the top half of their high school class. The majority of transfer students come from Iowa community colleges; approximately one-third of the transfers are from colleges outside of Iowa. Total headcount enrollment for all Iowa colleges and universities in Fall 2002 increased 2.2 percent from last fall. The three largest sectors (Regent universities, independent colleges and universities, and community colleges) account for 97.9 percent of the post-secondary enrollments in Iowa. She discussed the change in market share for the Regent universities.

International student enrollment increased by 7.5 percent in Fall 2002. Foreign students represent 7.1 percent of total enrollment. The mean age of students ranges from 22.7 at Iowa State University to 23.8 at the University of Iowa. The number of non-traditional undergraduate students decreased by 2.7 percent. The proportion of women students increased slightly. Assistant Director Gonzalez stated that 1,365 students identified themselves as having disabilities. She said enrollments are projected to remain steady during the next ten years.

Regent Fisher referred to a map that was included in the PowerPoint presentation, and asked for clarification of the country of origin of a particular group of international students. Assistant Director Gonzalez responded that the continent to which Regent Fisher referred was Asia which includes Russia.

President Newlin stated that Russia is often classified as part of Europe.

Assistant Director Gonzalez offered to review the classification of Russia.

President Newlin asked Assistant Director Gonzalez to expand on the market share relative to the number of students enrolling in the community colleges and the Regent universities. Assistant Director Gonzalez referred to a graph utilized in her PowerPoint presentation. She stated that, until this year, the headcount enrollment at the community colleges was lower than at the Regent universities. Last year, the Regent universities had 36.4 percent of the market while community colleges had 35.3 percent.

This year, the Regent universities have 36.0 percent of the market while the community colleges have 37.1 percent of the market.

Regent Becker asked if there is any data on Iowa residents that shows who is attending which higher education institution based on Iowa residency. Assistant Director Gonzalez said the 36.0 percent market share for the Regent universities this year includes approximately 25 percent non-residents. Regent Becker said it would be interesting to have the data for residents, only, if possible.

Regent Arbisser asked if community college students can be considered equivalent to those students who attend Regent universities. For instance, some students may attend a community college for a specific training purpose. He said those students would not necessarily be interested in pursuing a 4-year degree at a Regent institution. Assistant Director Gonzalez responded that the data was unduplicated headcount, not full-time equivalent, and included students in the transfer programs and the vocational-technical programs. She said the vocational-technical students probably transfer at a lower rate than the college parallel students.

President Newlin asked if information is available on the number of full-time equivalent students. Assistant Director Gonzalez responded that the data is available for the community colleges and noted that it was shared with Board members last year. She was unsure whether the independent colleges and universities report the data.

President Newlin asked that next year's report show both headcount and FTE data for the Regent universities and for the community colleges. If the data for the private colleges and universities is available, he asked that it also be presented.

President Koob said the data for the private colleges and universities, which he believes can be made available, will be similar to that of the Regent universities.

President Newlin asked for the ratio of full-time equivalents at the Regent universities. Assistant Director Gonzalez responded that the ratio is close to 0.9 percent headcount to full-time equivalent.

President Koob stated that data on full-time students at the community colleges are not equivalent to data on full-time equivalent students at the Regent universities. Therefore, comparing raw headcount data is misleading.

Director Barak said he believes there is comparable full-time equivalent data for the community colleges.

Assistant Director Gonzalez stated that the community college equivalency data are based on 24 credits. The Regent universities full-time equivalent data are based on 31 credits. The Board Office translates the community college data to the 31 credits of a Regent university full-time equivalent student.

President Newlin asked for an interim report, in the next 30 days, on headcounts, full-time equivalents on an “apples-to-apples” comparison basis, and market share relative to the community colleges. If it is available, he would also like the report to include data for the private colleges and universities.

Assistant Director Gonzalez pointed out that the community college headcount enrollment data are only for lower division enrollment; the Regent universities’ data include lower and upper division enrollment.

President Newlin asked if there are currently any limits on undergraduate program enrollments. President Geoffroy said there are limits on several programs in the College of Design at Iowa State University. The veterinary medicine program and the management information systems program require grade point averages of 2.75 for admission.

Provost Whitmore stated that some University of Iowa programs, such as nursing, limit the number of students who can enroll. The College of Business has a grade point average requirement that allows control of the number of students. There are portfolio requirements in the art program. He stated that all of the University’s graduate programs have enrollment limitations.

Associate Provost Lopes stated that the University of Iowa’s communications studies and journalism programs also have grade point average requirements.

President Newlin asked if the budget cuts have had an impact on enrollment limits. Provost Whitmore responded that, at the University of Iowa, the business school recently increased the grade point average requirement because of the budget crunch. He expects that those types of efforts to control enrollments will continue.

President Geoffroy said there is increased pressure to adopt enrollment controls because of the budget cuts.

Provost Podolefsky said the University of Northern Iowa’s enrollment management strategy is primarily through entrance requirements. At the graduate level, the clinical programs have enrollment limits.

President Newlin thanked Assistant Director Gonzalez for her work on the enrollment report. He said it is always a good report with graphs that are easy to understand. He said the Board members looked forward to receiving the full-time equivalent information for the community colleges and Regent universities.

MOTION: Regent Becker moved to (1) receive the report and (2) approve the enrollment projections for Fall 2003 to Fall 2012. Regent Arnold seconded the motion. MOTION CARRIED UNANIMOUSLY.

GOVERNANCE REPORT ON STUDENT RETENTION AND GRADUATION RATES.

Assistant Director Gonzalez provided a PowerPoint presentation of the annual report. She stated that retention of students is the rate at which members of an entering class return to that same institution in successive years until the completion of a degree. She presented information on one-year retention and six-year graduation rates, and the factors that affect retention. There has been significant emphasis recently on a student's first-year experience. She said the one-year retention rates decreased for the entering class of 2001 for all three Regent universities. There were increases in six-year graduation rates for both Iowa State University and the University of Northern Iowa. At all three universities, the six-year graduation rates for women are significantly higher than for men. The six-year graduation rates by race/ethnicity were lower at all three institutions than the rates for the majority. Assistant Director Gonzalez said the six-year graduation rates for Iowa community college transfer students, separated by completion of AA degree, was a new feature of the report.

Regent Fisher asked what strategies are used to address the six-year graduation rates of transfer students. Associate Provost Lopes responded that, at the University of Iowa, goals are set for graduation rates for transfer students. There has recently been discussion about several new initiatives. Consideration is being given to establishing residential learning communities for transfer students. The University has been successful with its residential learning communities for freshmen. Consideration is also being given to a first-year transition course that would be directed at transfer students. Using the Iowa Communications Network, coursework would be provided to potential transfer students while the students are finishing their last semester at the community college.

Regent Nieland said she thought it was a very good idea to have a learning community for transfer students.

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

STUDENT APPEAL OF INSTITUTIONAL DECISION.

Assistant Director Stratton stated that Board members had been provided with a confidential memorandum outlining the positions of the parties relative to the student appeal. The Board Office recommended that the University's decision be affirmed and that the case be remanded for a new hearing.

MOTION: Regent Fisher moved to affirm the University's decision to remand the case for a new hearing. Regent Becker seconded the motion. MOTION CARRIED UNANIMOUSLY.

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

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

MOTION CARRIED.

The Board having voted at least two-thirds majority resolved to meet in closed session beginning at 11:30 a.m. on November 14, 2002, and adjourned therefrom at 12:15 p.m. on that same date.

GOVERNANCE REPORT ON DEFERRED MAINTENANCE.

Associate Director Racki stated this was the tenth time that she has presented to the Board the annual governance reports on deferred maintenance and fire and environmental safety! She said the reports help ensure accountability and the effective stewardship of institutional resources.

Associate Director Racki provided Board members with a PowerPoint presentation which outlined information contained in the annual report on deferred maintenance. She said Regent facilities contain more than 32 million gross square feet with a replacement value in excess of \$5.9 billion. A conservative estimate of the replacement value of the utility and telecommunications systems is \$0.6 billion. The deferred

maintenance report focuses on general fund facilities and utilities, which total more than 19 million square feet with a replacement value greater than \$3.8 billion. The report also includes information on the utility systems, which are an integral part of the campus infrastructure.

The following background information was provided by Associate Director Racki: Operating budget building repair funds are used for renewal projects and to correct deferred maintenance and fire safety deficiencies at the Regent institutions. Over the past ten years, building repair funds have been the major source of funds for deferred maintenance projects and fire safety improvements, exclusive of the improvements which have been completed as part of renovations. In the late-1990s, expenditures from the building repair budget line item increased. Subsequently, because of significant budget reductions, institutional building repair expenditures were significantly reduced between FY 2000 and FY 2002 (a reduction of \$8.8 million [43 percent]). The FY 2003 budgeted amount is \$13.6 million; the amounts by institution range from .06 percent to .59 percent of the replacement value of the general education facilities. To reach a minimal goal of building repair budgets being equal to 1 percent of the replacement value, building repair budgets, in the aggregate, would need to increase by more than \$15 million.

Because of the increased competition for scarce resources, the Board's top FY 2004 capital request is for \$14.9 million to help correct deferred maintenance and fire safety deficiencies at the Regent institutions. The five-year plan includes a total of \$73.9 million to correct individual deferred maintenance and fire safety components. The major renovations included in the plan would also correct a significant number of deficiencies.

Associate Director Racki stated that the common definition of deferred maintenance is "the repair or replacement of a capital asset not repaired or replaced on time due to lack of funds." She said deferred maintenance results from inaction on normal maintenance as well as on renewal and replacement projects. The deferred maintenance report focuses on historical expenditures, amount and characteristics of the type of deferred maintenance. She said significant sums have been spent to correct deferred maintenance in the last ten years. Deferred maintenance can be corrected as individual projects or as part of major renovation projects. Completed and ongoing renovation projects which have corrected or are correcting deferred maintenance total approximately \$150 million since 1993. Deferred maintenance in Fall 2002 totals \$145.7 million, as reported by the institutions. Included within that number is \$93.2 million in individual projects and \$52.5 million of components which are part of major renovations included in the Board-approved five-year plan for state-funded projects. She said the \$145.7 million compares to \$153.6 million reported in the Fall of 2000 and \$145.9 million in the Fall of 2001.

Regent Fisher referred to information on the amount of deferred maintenance at each of the institutions, and said the amount for Iowa State University seemed high and the amount for the University of Iowa seemed low.

Vice President True responded that, for the last 10 years, University of Iowa officials have been auditing space to identify deferred maintenance. He said state capital programs have substantially reduced the amount of deferred maintenance at the University. The major capital program to create new space for the College of Medicine and the health sciences campus has made enormous improvements in the deferred maintenance accumulation.

Vice President Madden responded that Iowa State University has three times the amount of utility deferred maintenance as the University of Iowa. He suspected that was a reflection of the ages of their utility plants. Included in the University's five-year capital plan are a number of projects that would address deferred maintenance. He said the College of Veterinary Medicine is a major facility that needs to be upgraded. In the last year, because of the budget reductions, Iowa State University's deferred maintenance backlog has increased. He said University officials are doing the best they can with the resources they have. University officials have tried to balance institutional priorities by first addressing the most critical life safety issues.

Regent Arbisser referred to the average replacement value of Regent facilities of \$200 per foot, and said that figure seemed modest. He asked if there are any capital projects which can be created at \$200 per foot.

Associate Director Racki responded that the replacement value has been updated every year. The figure is an average for all space types and includes research laboratories and general classroom space as well as storage facilities.

Vice President True said the facilities could not be rebuilt at those valuations. The minimum cost to replace space would be \$200 per foot. He believes the figure understates the true value of Regent facilities.

Vice President Madden said that, from an insurance point of view, the footings and foundations would not need to be replaced. Therefore, those costs are removed from the equation.

ACTION: President Newlin stated the Board, by general consent, (1) received the governance report on deferred maintenance and (2) encouraged the institutions to continue to correct identified

deficiencies within the limits of available resources.

GOVERNANCE REPORT ON FIRE AND ENVIRONMENTAL SAFETY.

Associate Director Racki provided a PowerPoint presentation of the annual fire and environmental safety report. She stated that included in the report is the identification of fire safety deficiencies, prioritization of projects, and environmental safety issues. All institutions cooperate with the State Fire Marshal whose office conducts biennial inspections. Deficiencies may also be identified by institutional personnel. Each of the institutions has a method for prioritizing the identified fire safety projects and undertaking those projects as funding becomes available. She stated that, while projects continue to be identified during the State Fire Marshal's inspections, major efforts have been made to correct deficiencies. There were \$33.7 million in projects completed from FY 1993 through FY 2002. FY 2003 planned projects total \$4.2 million.

Associate Director Racki stated that future progress is challenged by safety standards, aging buildings and changes in building usage. Institutional officials need to continue to address and correct deficiencies.

Regent Kelly asked if occupants of the buildings are in any significant danger. Vice President True responded that when a dangerous issue is identified, the problem is fixed or the facility is closed.

ACTION: President Newlin stated the Board, by general consent, (1) received the governance report on fire and environmental safety and (2) encouraged the institutions to continue to correct identified deficiencies as expeditiously as possible within the limits of available funding.

GOVERNANCE REPORT ON PURCHASING.

Assistant Director Anania provided Board members with a PowerPoint presentation of the annual report on purchasing for FY 2002. Major topics included within the report were central purchasing, cooperative purchasing, Iowa-based businesses, targeted small businesses, Iowa Prison Industries, and conflict of interest vendors. With regard to central purchasing, she described cost-saving benefits and value-added services provided by institutional purchasing professionals. She presented information on the benefits and usage of procurement cards and electronic procurement initiatives. Additional information related to central purchasing included professional services

contracts, vendor complaints, accomplishments during FY 2002, and plans for continuing improvements in FY 2003.

With regard to cooperative purchasing, Assistant Director Anania stated that costs have been reduced by leveraging purchasing power and by providing value-added services. She provided examples of institutional cooperative purchases of \$163.3 million.

Assistant Director Anania stated that Iowa-based businesses are those businesses that use an Iowa ZIP code. She said the institutions collectively increased purchases from Iowa-based businesses in FY 2002 by \$30.6 million (12.9 percent) over FY 2001.

Assistant Director Anania stated that targeted small businesses are those businesses that are at least 51 percent owned, operated and actively managed by one or more women, minorities or persons with disabilities; are located in Iowa; are operated for profit; and have an annual gross income of less than \$3 million computed as an average of the three preceding fiscal years. She said the institutions purchased nearly \$8.2 million from state-certified targeted small businesses during FY 2002.

Regent institutions purchased nearly \$1.8 million from Iowa Prison Industries in FY 2002, a decrease of almost \$862,500 (32.4 percent) from FY 2001. Assistant Director Anania said the decrease was primarily due to the one-time purchase of furniture for Iowa State University's Hawthorn Court in FY 2001. Budget cuts were also a factor. Demand for Iowa Prison Industries products fluctuates from year to year due to the cyclical nature of higher-cost product purchases, such as furniture.

Conflict of interest vendors are those officials or employees of Regent institutions who wish to sell goods and services to their respective institutions. Assistant Director Anania stated that, during FY 2002, 16 new vendors were approved and 18 vendors were removed because they no longer posed a conflict. Purchases totaled \$402,719 for the year.

Regent Fisher asked if any complaints had been received from the private sector about competition from the universities. Director Elliott responded that the Board is presented with a report annually in April on competition with private enterprise. She said no complaints had been received since the April 2002 report to the Board.

Regent Arbisser referred to the \$8.6 million in joint Regent purchasing contracts and asked what were some of the "big ticket" items. Vice President Madden responded that tires, batteries, automobiles, light bulbs and toilet paper would be included in that category.

Regent Kelly asked about purchasing from targeted small businesses. Vice President Madden responded that Iowa State University had made purchases from a couple of targeted small businesses. When a company's volume reaches \$3 million, it is no longer considered a targeted small business. The University may continue to do business with the company but no longer counts it in this report.

Regent Kelly asked to be provided with a more statistical analysis of targeted small businesses including how many have succeeded and how many have failed. Vice President Madden responded that the University does not have a mechanism for keeping track of which companies fail. He said state government may have that information.

Regent Kelly asked if state government could be approached for that information. Vice President True responded affirmatively.

ACTION: President Newlin stated the Board received the annual governance report on purchasing activity at the Regent institutions for FY 2002, by general consent.

GOVERNANCE REPORT ON FRINGE BENEFITS.

Director Wright provided Board members with a summary of the annual report on fringe benefits. He said the total employer cost of insurance and retirement programs at Regent institutions for FY 2002 was \$308.9 million, an increase of 4.3 percent over last year. This cost is approximately 27 percent of non-student payroll. The most recent American Association of University Professors survey shows that these benefits cost comparable institutions between 19 percent and 33 percent of non-student payroll. For retirement programs, the Regent institutions spent \$184.9 million. He said employees choose their retirement program from among IPERS (2,962 participants), TIAA/CREF (21,894 participants), and institutionally-qualified alternatives (46 participants).

The institutions also offer dental insurance, life insurance, accidental death and dismemberment insurance, and long-term disability insurance. Sick leave use at the Regent institutions averages 6.7 days per year, an increase of 0.1 days from last year. Director Wright stated that the use of sick leave by Regent employees is slightly less than the average for all other state government agencies. Vacation used by all Regent employees is valued at approximately \$65 million, an average of 17.6 days per year.

ACTION: President Newlin stated the Board received the FY 2002 report, by general consent.

REVISIONS TO POLICY MANUAL.

Assistant Director Stratton stated that revised versions of several sections and chapters of the Policy Manual were submitted for Board approval at this meeting, with approval to be sought at the next full meeting of the Board. She said two conflict of interest sections were moved into the “Personnel” chapter. An inclement weather policy clarified institutional closings due to emergency weather conditions. The “Business Procedures” chapter incorporates sections that were previously dispersed. Existing procedures were updated and clarified. The chapter on “Property and Facilities” incorporated changes impacted by the Board’s adoption of new threshold levels for the approval of capital projects.

MOTION: Regent Arbisser moved to accept for review the proposed revised versions of §§4.39 and 4.40--“Conflicts of Interest”, §4.41--“Inclement Weather”, selected sections of Chapter VII—“Business Procedures”, and selected sections of Chapter IX—“Property and Facilities”. Regent Becker seconded the motion. MOTION CARRIED UNANIMOUSLY.

President Newlin thanked Assistant Director Stratton for all of her work on the Policy Manual.

INSTITUTIONAL AGREEMENTS, LEASES AND EASEMENTS.

Associate Director Racki stated that leases for the University of Iowa and Iowa State University were presented for Board approval.

MOTION: Regent Fisher moved to approve the following leases: University of Iowa: 1) With the University of Nebraska Medical Center, Omaha, Nebraska, and Redwood Square, Baltimore, Maryland, for the University’s use of apartment space by UI Health Care students/residents. 2) With the American Institute of Sustainable Science and Technology for its use of business incubator space at the Oakdale Research Park. Iowa State University: With Dennis L. Elwell for the University’s use of space in Ankeny, Iowa, to house the Iowa Manufacturing Extension Partnership. 2) With Determan Investments for the University’s use of

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space in Mason City, Iowa, by the Department of Human Development and Family Studies. Regent Arbisser seconded the motion, and upon the roll being called, the following voted:

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

NAY: None.

ABSENT: Neil, Turner.

MOTION CARRIED.

BOARD MEETINGS SCHEDULE.

Executive Director Nichols asked that Board members note the newly-added Board meeting dates on their calendars.

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

EARLY CHILDHOOD STUDY, IOWA BRAILLE AND SIGHT SAVING SCHOOL.

Superintendent Thurman reminded Board members that the School's Early Childhood Study report was recently mailed to them. He stated that, approximately two years ago, Iowa Braille and Sight Saving School officials became interested in services that are being received by children from newborn to kindergarten. With the Board's approval, the School conducted a study with the Center for Social and Behavioral Research at the University of Northern Iowa between December 2000 and April 2002. Self-administered questionnaires were mailed to parents with children who are visually impaired and 8 years of age or younger. There was a return rate of 42 percent. There was also a series of focus groups conducted in conjunction with the area education agencies. As a result of the early childhood study, School officials requested the Board 1) receive the results of the study and 2) reinstate the Early Childhood Specialist faculty position.

Superintendent Thurman drew the Board's attention to particular sections of the School's submission that addressed the results of the Early Childhood Study. He said about one-half of the respondents reported a moderate awareness of the technical educational information they need for their children. Eighty-two percent said they had a greater need for programmatic issues for children with multi-disabilities. About two-thirds said they would like to have more opportunities to participate in family and other parent organizations. Seventy-one percent said there were too few teachers of the visually impaired to serve their children. Sixty-six percent reported that too few orientation and mobility specialists were available. Sixty percent indicated there were

too few professionals dealing with deaf blindness. He reported that the most common suggestion was that the Iowa Braille and Sight Saving School should expand its role in focusing on family services especially for parents and siblings.

Superintendent Thurman referred Board members to a description of the role of the Early Childhood Specialist that was provided in the School's submission, and then offered to answer questions.

President Newlin said it was obvious that Superintendent Thurman and his staff had put a lot of work into this effort, and he was sure that students would benefit from it.

Superintendent Thurman referred to the Board Office recommendation that the School work collaboratively with the Iowa Department of Human Services, the Iowa Department of Public Health, and the Iowa Department of Education to collect baseline data regarding the number of children, birth through kindergarten, who are blind or visually impaired, including those with additional disabilities. He stated that School officials contacted the Department of Public Health to find out how many blind children are born in Iowa each year. Such information is not available. He said School officials will take the Board Office suggestions to heart but he wished to make it clear that Iowa Braille and Sight Saving School cannot be called upon to be the primary repository for information for the state of Iowa.

Regent Becker stated that in the last couple of years there has been a great effort to expand services for hospitals to perform hearing tests on newborn children. She questioned whether a parallel effort might be needed to check for visual impairment. Perhaps the Iowa Braille and Sight Saving School could work with the Department of Public Health to develop protocols for the hospitals.

Superintendent Thurman said that was a good suggestion, and that he looked forward to having those discussions with the Department of Public Health.

Regent Becker said that as the early access system develops with a more cooperative inter-agency approach than was previously in place, it might provide a good vehicle to expand this focus.

Superintendent Thurman stated that, several years ago, the Iowa Braille and Sight Saving School and the Department of Education cooperated to develop vision screening guidelines. The result was a best practice for determining visual impairment of all children before they go to school. He said it was a great effort which was given to the Department of Public Health and the Department of Education, but it has not "gone anywhere".

ACTION: President Newlin stated the Board, by general consent, (1) received the report; (2) approved the reinstatement of the Early Childhood Specialist faculty position to provide services to children from birth to kindergarten who are blind or visually impaired, including those with additional disabilities; and (3) requested that the School work collaboratively with the Iowa Department of Human Services, the Iowa Department of Public Health, and the Iowa Department of Education to collect baseline data regarding the number of children, birth through kindergarten, who are blind or visually impaired, including those with additional disabilities.

MILLARD TRUST, IOWA BRAILLE AND SIGHT SAVING SCHOOL.

Superintendent Thurman presented the School's request to have some of the restrictions of the Millard Trust modified so that proceeds of the Trust can be spent to benefit students of the School.

MOTION: Regent Arbisser moved to authorize the Executive Director to request the Office of the Attorney General to seek a change in the spending authority of Iowa Braille and Sight Saving School pursuant to the terms and conditions of the Millard Trust. Regent Becker seconded the motion.
MOTION CARRIED UNANIMOUSLY.

APPROVE CENTER FOR ADVANCED STUDIES IN MEASUREMENT AND ASSESSMENT, UNIVERSITY OF IOWA.

Provost Whitmore presented the University's request for a new center, the Center for Advanced Studies in Measurement and Assessment, which will be directed by Robert Brennan, the E.F. Lindquist Chair in Measurement and Testing, and report to the Dean of the College of Education. Creation of the Center was recommended by a group of faculty and administrators who convened to consider ways in which the University could capitalize on its national reputation in the testing arena. The Center provides a model to use the University of Iowa educational testing expertise to advance the effective use of testing nationally, and to grow the educational testing activities of the University of Iowa. He said the new Center will allow the University to expand its national reputation.

MOTION: Regent Nieland moved to approve the University of Iowa Center for Advanced Studies in Measurement and Assessment. Regent Arnold seconded the motion. MOTION CARRIED UNANIMOUSLY.

Regent Becker said this is an important effort and she is glad to see what the University of Iowa is doing.

Interim President Boyd introduced Dean Damico from the College of Education in which this Center is located. He noted that, pursuant to the Board's request about the relationship of the Teacher Training Program with the Iowa School for the Deaf, Dean Damico has consulted with Superintendent Johnson and she will be visiting with Professor Hurtig.

Dean Damico expressed appreciation for the Board's approval of the Center. She said she has consulted with Superintendent Johnson. University officials will return to the Board with a report on the relationship between the Teacher Training Program and the Iowa School for the Deaf as a site for practicum for student teachers.

PURCHASE OF PROPERTY, UNIVERSITY OF NORTHERN IOWA.

Vice President Schellhardt presented the University's request to purchase the undivided one-half interest in the residential property located at 1809 West 27th Street, Cedar Falls, Iowa, which it does not currently own. The property is located south of the UNI-Dome.

MOTION: Regent Fisher moved to approve the purchase of an undivided one-half interest in the property located at 1809 West 27th Street, Cedar Falls, Iowa, from Nancy and Arnold Goland, Sigrid and Gary Jones, and Lynne and Daniel Jordan, at the price of \$267,000, subject to approval of the Executive Council of Iowa. Regent Becker seconded the motion, and upon the roll being called, the following voted:
AYE: Arbisser, Arnold, Becker, Fisher, Kelly, Newlin, Nieland.
NAY: None.
ABSENT: Neil, Turner.

MOTION CARRIED.

President Newlin congratulated University officials on the conclusion of this long process.

HONORARY DOCTORATE OF SCIENCE DEGREE FOR M. DANIEL LANE AT FALL COMMENCEMENT, IOWA STATE UNIVERSITY.

President Geoffroy presented the University's request to award an honorary doctorate of science degree to M. Daniel Lane. University officials wish to recognize Dr. Lane for his pioneering contributions to and leadership in the fields of biochemistry and nutrition. Dr. Lane has received much prestigious recognition for his work, including election to the National Academy of Science, the American Academy of Arts and Sciences, and the American Society for Nutritional Sciences. He has served as President of the American Society of Biochemistry and Molecular Biology.

MOTION: Regent Fisher moved to approve award of an honorary doctorate of science degree to M. Daniel Lane at Fall Commencement 2002. Regent Nieland seconded the motion. MOTION CARRIED UNANIMOUSLY.

NEW INSTITUTE FOR FOOD SAFETY AND SECURITY, IOWA STATE UNIVERSITY.

Interim Provost Allen presented the University's request to establish an Institute for Food Safety and Security. He said the Institute will serve as an umbrella institute over seven units that address food problems and food issues.

MOTION: Regent Becker moved to approve Iowa State University's request for a new institute to be called the Institute for Food Safety and Security. Regent Arnold seconded the motion. MOTION CARRIED UNANIMOUSLY.

NEW CENTER FOR SURVEY STATISTICS AND METHODOLOGY, IOWA STATE UNIVERSITY.

Interim Provost Allen presented the University's request to rename the Survey Section of the Statistical Laboratory and to confer it with status as a center.

Regent Becker stated that this is an important area for education and one with good potential for collaboration. She said she hoped there would be collaboration and

communication with the University of Iowa because the need is very great in the education field.

Interim Provost Allen said he agreed with Regent Becker's remarks.

MOTION: Regent Becker moved to approve Iowa State University's request for a new center to be called the Center for Survey Statistics and Methodology. Regent Fisher seconded the motion. MOTION CARRIED UNANIMOUSLY.

President Newlin asked if Iowa State University's Statistics Department is still ranked high nationally. President Geoffroy responded affirmatively. He said the Department has come under attack from other institutions trying to recruit Iowa State University's faculty members. It is imperative that University officials work hard to retain those faculty.

NAMING OF THE NEW UNION DRIVE SUITE BUILDING I, IOWA STATE UNIVERSITY.

President Geoffroy presented Iowa State University's request that the Board of Regents name the new Union Drive Suite Building I as the Gordon P. Eaton Hall. He said Dr. Eaton was the 12th President of Iowa State University, from 1986-1990.

MOTION: Regent Fisher moved to approve Iowa State University's request to name the new Union Drive Suite Building I as the Gordon P. Eaton Hall. Regent Nieland seconded the motion. MOTION CARRIED UNANIMOUSLY.

ADJOURNMENT.

The meeting of the Board of Regents, State of Iowa, adjourned at 2:08 p.m. on Thursday, November 14, 2002.


Gregory S. Nichols
Executive Director