

The Board of Regents, State of Iowa, met on Thursday, September 16, 1999, at the University of Northern Iowa, Cedar Falls, Iowa. The following were in attendance:

September 16

Members of Board of Regents, State of Iowa

Mr. Newlin, President	All sessions
Ms. Ahrens	All sessions
Mr. Fisher	All sessions
Dr. Kelly	All sessions
Mrs. Kennedy	All sessions
Mr. Lande	All sessions
Mr. Neil	All sessions
Mrs. Smith	All sessions
Dr. Turner	All sessions

Office of the State Board of Regents

Executive Director Stork	All sessions
Deputy Executive Director Barak	All sessions
Director Elliott	All sessions
Director Wright	All sessions
Associate Director Hendrickson	All sessions
Associate Director Kniker	All sessions
Associate Director Racki	All sessions
Assistant Director Gonzalez	All sessions
Minutes Secretary Briggie	All sessions

State University of Iowa

President Coleman	Excused at 3:10 p.m.
Provost Whitmore	Excused at 3:10 p.m.
Vice President Jones	Excused at 3:10 p.m.
Vice President True	Excused at 3:10 p.m.

Iowa State University

President Jischke	Excused at 2:45 p.m.
Interim Provost Seagrave	Excused at 2:45 p.m.
Vice President Hill	Excused at 2:45 p.m.
Vice President Madden	Excused at 2:45 p.m.
Assistant to the President Mukerjea	Excused at 2:45 p.m.
Director McCarroll	Excused at 2:45 p.m.

University of Northern Iowa

President Koob	All sessions
Provost Podolefsky	All sessions
Vice President Conner	All sessions
Executive Assistant to President Gadelmann	All sessions
Director Chilcott	All sessions
Assistant Director Saunders	All sessions

Iowa School for the Deaf

Superintendent Johnson	Excused at 2:10 p.m.
Director Heuer	Excused at 2:10 p.m.
Interpreter Reese	Excused at 2:10 p.m.
Interpreter Young	Excused at 2:10 p.m.

Iowa Braille and Sight Saving School

Superintendent Thurman	Excused at 2:32 p.m.
Director Utsinger	Excused at 2:32 p.m.
Director Woodward	Excused at 2:32 p.m.

## GENERAL

The following business pertaining to general or miscellaneous business was transacted on Thursday, September 16, 1999.

**APPROVAL OF MINUTES OF BOARD MEETING OF JULY 14-15, 1999.** The Board Office recommended the Board approve the minutes.

President Newlin asked for additions or corrections to the minutes.

**MOTION:** Regent Fisher moved to approve the minutes of the July 14-15, 1999, meeting, as written. Regent Ahrens seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

Regent Fisher, on behalf of the Board of Regents, congratulated Iowa State University and the Baker family on the tremendous gift (\$80 million) the Baker family had contributed to the university. He believes the gift will be an eye opener for the citizens of Iowa. He said there has been a great deal of wealth created in our state despite the problems in the rural economy. He hoped Iowa citizens would look to the five Regent institutions and consider them in their financial plans. Those resources, along with appropriations and tuition, will help the institutions to achieve their quality goals. He hoped the Baker gift was a challenge to others to support these institutions. He knows there are others out there. On behalf of the Board of Regents, he offered sincere thanks to the Baker family for their commitment to Iowa State University. He also thanked Iowa State University officials for the fine job of recruiting that support.

President Jischke stated, for the record, that it was an anonymous gift.

**CONSENT ITEMS.** The Board Office recommended the Board approve the consent docket, as follows:

Ratify personnel transactions at the Regent institutions and the Board Office;

Approve the request from the University of Iowa to add CpG ImmunoPharmaceuticals, Inc., to the university's list of approved vendors with a potential conflict of interest;

Receive the annual affiliated organization report on the Stanton Memorial Carillon Foundation; and

Approve the Board meetings schedule.

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

**INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION.** (a)  
Request for Approval of the Plant Sciences Institute, Iowa State University. The Board Office recommended the Board approve the Iowa State University proposal to establish a Plant Sciences Institute.

Iowa State University officials requested approval to establish a Plant Sciences Institute to serve as the umbrella organization over several centers focused in specific areas of the plant sciences. The six initial centers that have been identified are:

- Center for Bioinformatics and Biological Statistics
- Center for Designer Crops
- Center for Plant Responses to Environmental Stresses
- Center for Plant Breeding
- Center for Plant Genomics
- Center for Plant Transformation and Gene Expression

The purpose of the institute is to establish an environment that fosters multidisciplinary collaboration in the fundamental and applied plant sciences. A dozen departments, primarily in the Colleges of Agriculture, Engineering, and Liberal Arts and Sciences, will be involved.

The proposal was reviewed by the Board Office and the Interinstitutional Committee on Educational Coordination (ICEC) and both recommended approval.

Provost Whitmore presented the report on behalf of the Interinstitutional Committee on Educational Coordination.

President Jischke stated that the goal of Iowa State University officials is to create one of the very best plant sciences programs in the world. He said the science that underlies plants is blossoming in a wonderful way. The science, which is quite remarkable, brings with it technology that could be quite profound and make a tremendous impact on Iowa's ability to feed the world. There is recognition within our state that Iowa has the opportunity to be the food capital of the world. He was struck by the support that idea has engendered. The proposed plant sciences institute builds on a very strong base at Iowa State University. The university has one of the very best agronomy programs.

Iowa State University officials requested the state to increase the university's base budget by \$10 million/year. Those funds would be matched with at least \$100 million in private fund raising. The anonymous gift provided the first \$80 million of that \$100 million. The institute will build upon the university's sponsored research programs. He said the early results were very encouraging. University officials are competing for some very large grants. He said this was as bold an initiative as Iowa State University has undertaken in a very long time. He requested the Board's support for this very important step in the evolution of plant sciences.

President Newlin asked how many of the centers are in place and how many have yet to be established. President Jischke responded that the plant sciences institute, as currently conceived, will have eight centers. Two centers are already in place. He said the Seed Science Center will affiliate with the Plant Sciences Institute although it reports through the Ag Experiment Station. The Crop Utilization Research Center is similarly organized.

Those two centers already exist and will become affiliated with the Plant Sciences Institute. The other six centers are new and represent the result of three years of planning and work within the university by faculty and others. He referred to the \$80 million gift that was announced two weeks ago, and said that would not be repeated real soon. Fund raising continues to go well and there will be other announcements later that represent continued support of this general initiative.

President Newlin asked President Jischke to expand on the economic benefits of the Plant Sciences Institute. President Jischke said there was no question that the agriculture industry and plant genetics requires people who are well trained in the sciences and technology. The university is preparing those people. Research will spin off new ventures. He said the plant sciences initiative is creating an environment that is intellectually very exciting. Almost 50 percent of Iowa State University's freshman national merit scholars are in the plant sciences.

MOTION: Regent Ahrens moved to approve the Iowa State University proposal to establish a Plant Sciences Institute. Regent Smith seconded the motion.  
MOTION CARRIED UNANIMOUSLY.

(b) New Degree Program: Ph.D. in Second Language Acquisition, University of Iowa. The Board Office recommended the Board (1) approve the proposed Ph.D. degree in Second Language Acquisition (SLA) at the University of Iowa and (2) remind the University of Iowa to begin to compile information on this program for reporting to the Board when the post-audit report on this program is due.

University of Iowa officials requested approval of a proposed Ph.D. degree in Second Language Acquisition (SLA), a multidisciplinary field whose goal is to understand the processes underlying the learning or acquisition of language other than one's native language. SLA also involves "learning the rules" of how learners acquire a second language, and why most second language learners do not achieve the same level of proficiency in the second language as they do in their native language.

The request relates to Key Result Area 3.0.0.0 of the Board of Regents' strategic plan, in that it encourages improvement of the climate for diversity. The request was also consistent with the University of Iowa's strategic plan, because it promotes global studies and encourages faculty diversity (Goal 5).

Demand for SLA specialists is high; there are approximately 100 openings per year in the United States for such specialists. Graduates can expect to find employment in Departments of Foreign Languages and Literature, Linguistics, and English, or outside of academia in educational publishing.

This program will place the University of Iowa among the national leaders in the field. It will help retain students within Iowa and attract others who wish to pursue a doctoral degree in SLA within the structure of an organized program and with faculty whose language expertise matches their interest. The proposed program would be the only program in SLA at the Ph.D. level in the state. Other programs, while relevant, differ substantially by level, focus, or both.

In the late-1980s the College of Liberal Arts, in conjunction with the College of Education, began a long-term plan of faculty recruitment in the area of SLA. As a result, there is a significant cadre of faculty with interests and training in SLA, led by 16 core members. This program will contribute to the quality of graduate education at the University of Iowa

and will enhance the quality of undergraduate education in foreign languages, especially the general education curriculum.

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

Regent Smith asked if this program would enhance efforts to fill teaching positions in English as a second language in the K-12 system. There is an incredible shortage in those positions.

Associate Professor Kathy Heilenman said the answer to the question was yes, but indirectly. This program will have a more theoretical base. The program will attract more qualified people to the state of Iowa so, yes, it eventually will help to fill those teaching positions.

MOTION:

Regent Fisher moved to (1) approve the proposed Ph.D. degree in Second Language Acquisition (SLA) at the University of Iowa and (2) remind the University of Iowa to begin to compile information on this program for reporting to the Board when the post-audit report on this program is due. Regent Turner seconded the motion. MOTION CARRIED UNANIMOUSLY.

(c) Post-audit Report: Bachelor of Music Major in Composition Theory, University of Northern Iowa. The Board Office recommended the Board receive the report on post-audit reviews at the University of Northern Iowa and approve continuation of the program.

Regent policy (*Procedural Guide* Section 6.07) requires that a post-audit report be prepared for each new program five years after initial approval by the Board to (1) assess its progress during the five year time period and to (2) ensure that the program is meeting original expectations. This program was presented for approval to the Board in 1994. The description of the program indicates to what extent it has met its originally-stated purpose, the accuracy of enrollment projections, employment patterns, and accuracy of expenditure projections for faculty, staff, and equipment.

The Board Office received a post-audit report for the following program: Bachelor of Music in Composition-Theory. This post-audit report was reviewed by the Board Office and the Interinstitutional Committee on Educational Coordination (ICEC) and was recommended for approval.

This report addressed the following key result areas and objectives which are included in the Board's strategic plan:

KRA 1.0.0.0 Become the best public education enterprise in the United States.

Objective 1.1.0.0 Improve the quality of existing and newly created educational programs.

KRA 2.0.0.0 Provide access to educational, research, and service opportunities within the missions of the Regent institutions.

Objective 2.2.0.0 Evaluate annually and, where appropriate, make recommendations to meet relevant educational and service needs of the state.

KRA 4.0.0.0 Meet the objectives of the Board and institutional strategic plans and provide effective stewardship of the institutions' state, federal, and private resources.

Objective 4.2.0.0 Improve the operational effectiveness and efficiency of the institutions.

Objective 4.4.0.0 Strengthen public understanding and confidence in the Board of Regents, its governance authority, and the programs and services of the institutions under its jurisdiction by measurable indicators of legislative outcomes and public support to be annually reported to the Board.

Interim Provost Seagrave presented the report on behalf of the Interinstitutional Committee on Educational Coordination.

Regent Kennedy referred to the finding that there is no systematic tracking of graduates. She asked if there is a plan to put mechanisms in place to track those individuals.

Provost Podolefsky responded that this is a small program. Responses have been received from one-half of the graduates in the last few days. University officials will make sure to track graduates in the future.

Regent Kennedy asked how the equipment that is being purchased would help make this program at the University of Northern Iowa unique. Associate Professor Vallentine responded that the equipment consisted mostly of computer software and keyboards in order to update the equipment and to keep it current.

Regent Lande asked for some guidance from the Regents who were members of the Board at the time the program was implemented. Is this program duplicative of programs at other schools? He said it appeared that the program was established initially as a niche program because it would focus more on technology. He cautioned that the Board not "niche" its way into program duplication. It seemed to him that any music theory program today would incorporate technology into some of the techniques.

Associate Professor Vallentine stated that many programs are now using technology. The University of Northern Iowa program is trying to stay at the top end of that and be the leaders in use of technology. The new performing arts center provides room to expand that effort which he said is very important for composers today.

Regent Lande said he did not oppose the program. It seemed to him that there should be a reexamination of the precepts of the Pappas report. This seems to be a good, strong program but it gets harder and harder to differentiate programs.

Regent Kennedy asked if there are any other changes to be made in the program as a result of the post-audit report. Associate Professor Vallentine said there will be a new faculty member hired this year who may come with some new ideas.

President Newlin asked about the tracking of graduates. Associate Professor Vallentine said he is new to the position of Acting Head of the School of Music. There will now be tracking.

**ACTION:** President Newlin stated the Board received the report on post-audit reviews at the University of Northern Iowa and approved continuation of the program, by general consent.

(d) Post-audit Report: Master of Music Major in Jazz Pedagogy, University of Northern Iowa. The Board Office recommended the Board receive the report on post-audit review at the University of Northern Iowa and approve continuation of the program.

This program was presented for approval to the Board in 1994. The description of the programs indicates to what extent it has met its originally stated purpose, the accuracy of enrollment projections, employment patterns, and accuracy of expenditure projections for faculty, staff, and equipment.

The Board Office received a post-audit report for the following program: Master of Music in Jazz Pedagogy. This post-audit report was reviewed by the Board Office and the Interinstitutional Committee on Educational Coordination (ICEC) and was recommended for approval.

This report addresses the following key results areas and objectives which are included in the Board's strategic plan:

KRA 1.0.0.0 Become the best public education enterprise in the United States.

Objective 1.1.0.0 Improve the quality of existing and newly created educational programs.

KRA 2.0.0.0 Provide access to educational, research, and service opportunities within the missions of the Regent institutions.

Objective 2.2.0.0 Evaluate annually and, where appropriate, make recommendations to meet relevant educational and service needs of the state.

KRA 4.0.0.0 Meet the objectives of the Board and institutional strategic plans and provide effective stewardship of the institutions' state, federal, and private resources.

Objective 4.2.0.0 Improve the operational effectiveness and efficiency of the institutions.

Objective 4.4.0.0 Strengthen public understanding and confidence in the Board of Regents, its governance authority, and the programs and services of the institutions under its jurisdiction by measurable indicators of legislative outcomes and public support to be annually reported to the Board.

Interim Provost Seagrave presented the report on behalf of the Interinstitutional Committee on Educational Coordination.

Regent Kennedy asked if any feedback had been received from graduates on the value of this program. Professor Washut reported on the feedback received from each of the four graduates of this program. All of the students have responded with very positive comments regarding the value of the program.

Regent Kennedy asked if the feedback from the graduates is documented. Professor Washut responded that he has letters from the students in a file. He noted that the small number of students in the program enhances the quality of the program. Students get much hands-on experience.

Regent Kennedy asked if any changes are made to the program as a result of post-audit reports. Professor Washut responded that this was the first post-audit report he had ever seen.

**ACTION:** President Newlin stated the Board received the report on post-audit review at the University of Northern Iowa and approved continuation of the program, by general consent.

(e) Post-audit Report: Bachelor of Science in Computer Science, University of Northern Iowa. The Board Office recommended the Board receive the report on post-audit review at the University of Northern Iowa and approve continuation of the program.

The Board Office received a post-audit report for the following program: Bachelor of Science in Computer Science. This program was presented for approval to the Board in 1994. This post-audit report was reviewed by the Board Office and the Interinstitutional Committee on Educational Coordination (ICEC) and was recommended for approval.

This report addressed the following key results areas and objectives which are included in the Board's strategic plan:

KRA 1.0.0.0 Become the best public education enterprise in the United States.

Objective 1.1.0.0 Improve the quality of existing and newly created educational programs.

KRA 2.0.0.0 Provide access to educational, research, and service opportunities within the missions of the Regent institutions.

Objective 2.2.0.0 Evaluate annually and, where appropriate, make recommendations to meet relevant educational and service needs of the state.



KRA 4.0.0.0 Meet the objectives of the Board and institutional strategic plans and provide effective stewardship of the institutions' state, federal, and private resources.

Objective 4.2.0.0 Improve the operational effectiveness and efficiency of the institutions.

Objective 4.4.0.0 Strengthen public understanding and confidence in the Board of Regents, its governance authority, and the programs and services of the institutions under its jurisdiction by measurable indicators of legislative outcomes and public support to be annually reported to the Board.

Interim Provost Seagrave presented the report on behalf of the Interinstitutional Committee on Educational Coordination.

Regent Kennedy noted that the program enrollment had exceeded expectations. She asked if there is a maximum number of students who can be admitted to this program.

John McCormick, chair of the computer science department, responded that there are always limitations and resources. The department is looking for new faculty. There is currently a very competitive market. He said class sizes are larger than he would like them to be. Utilization of equipment is higher than he would like it to be. The program is about at the maximum number of students.

Regent Kennedy asked if there are currently 74 majors. Professor McCormick responded that in the Bachelor of Science program there are two other undergraduate programs with a total of 230 majors.

Regent Kennedy asked about the feedback that had been obtained from graduates of this program. Professor McCormick stated that as part of student outcomes assessment, questionnaires were sent to all graduates. This is the second year that such questionnaires were sent to graduates. Responses were now being received and analyzed.

Regent Kennedy asked how Professor McCormick views the post-audit report. Professor McCormick responded that this was the first post-audit report with which he had been involved. This year the program is also under academic program review which he believes will be the major guide for examining the program.

Regent Lande stated that according to the report, the department officials do not feel that future accreditation is anticipated because faculty does not believe accreditation standards are valuable. Professor McCormick responded that currently there are only 150 programs in the U.S. that are accredited by the accreditation board for computer science. In the Midwest there is one program in Illinois, two in Missouri and two in Minnesota that are accredited. If and when the computer science accreditation board looks at its standards and makes changes, there may be a desire for accreditation.

Regent Lande asked what the accreditation board requires that University of Northern Iowa officials do not think is valid. Professor McCormick responded that there are some additional courses and a larger number of electives.

Provost Podolefsky stated that all of the academic programs at the University of Northern Iowa perform student outcomes assessment annually. There are a variety of measures and indicators that are used. University officials also perform program review every 5 to 7 years. A post-audit report is seen as an audit because it is not that deep of a review. He said he did not want to leave the impression that university officials are not reviewing academic programs.

Regent Lande questioned whether the post-audit process is perfunctory. Will the internal review sometimes cause an institution to change or modify a program? He believed it was unlikely that a program which an institution wants to continue would ever be challenged by this process. He asked that the Board Office and institutions discuss whether the post-audit process is creating work for the institutions while not accomplishing much.

Director Barak stated that the post-audit process is seen as an extension of the original academic program approval process. Post-audits are conducted 5 years after the initiation of a program to determine whether the program has achieved what was originally intended. He noted that 5 to 6 programs have been terminated because of post-audit reviews. He believes the post-audit review process has served a viable purpose because in all 5 or 6 instances there was agreement between the Board Office and the institutions to terminate the programs. He concluded by stating that the Board Office would be glad to review the post-audit process with institutional officials.

**ACTION:** President Newlin stated the Board received the report on post-audit review at the University of Northern Iowa and approve continuation of the program, by general consent.

**REAUTHORIZATION OF FEDERAL HIGHER EDUCATION ACT.** The Board Office recommended the Board (1) receive the report on the institutional reporting requirements of the Higher Education Act of 1998, and (2) request that the Board Office convene appropriate institutional representatives to consider the impact on new reporting requirements and cooperative approaches to reporting information to the U.S. Department of Education.

The Higher Education Amendments of 1998 add new federal disclosure and reporting requirements and revise existing requirements for colleges and universities that participate in the federal Student Financial Assistance Programs under Title IV of the Act (including the three Regent universities). This report provides a summary of the new and revised requirements and notes several studies that may require information to be collected from institutions. Some of the studies that have been mandated include "Institutional Procedures Regarding Reports of Sexual Assaults", "Institutional Expenditures", "Student Aid Recipient Survey", "Student Debt Study", and "Opportunities for Participation in Athletics Programs".

The new requirements are broad ranging and affect many areas of particular interest and concern to the Board of Regents such as student financial aid, cost of attendance, campus crime, athletics, and teacher education. Most of the information submitted will be widely disseminated to the public by the U.S. Secretary of Education. Some of this information will be made available to the public for the first time, such as the federally-defined "cost and price" of higher education at each institution. The resulting reports and analysis may have an important impact on future federal funding and other federal legislation.

Regulations will be developed in the next several months to implement these provisions, including definitions of essential terms. The U.S. Department of Education will be engaging in negotiated rule making with the higher education community to develop the proposed regulations. This will provide the Regent institutions with an opportunity to influence the nature and extent of the information required in the final regulations. Some of the amendments contained in HEA 1998 will affect existing data collections by the National Center for Education Statistics (NCES), such as the Integrated Postsecondary Data Systems (IPEDS) surveys and the National Postsecondary Student Aid Study (NPSAS). The resulting changes may also affect various reporting requirements to the Board of Regents and will require interinstitutional and Board Office consultation.

Director Barak provided the Regents with a summary of what he described as very complex legislation. He said the major new and expanded requirements for the institutions will create some burden on the institutions to gather and report the information. There are also some concerns about the information collection.

Regent Fisher asked the three presidents for their reactions to the legislation, what changes need to be made on campus and the cost implications.

President Coleman stated that she was not prepared to talk specifically about the cost. She said university officials were very concerned about the way some of the legislation is written. There is some duplication with what is provided to the NCAA. University of Iowa officials are preparing a response. Associate Vice President Willard has already submitted one response. University officials will be responding to the teacher education issues. The legislation provides for very simplistic ways in which to report the information. She said she would try to get some estimates regarding cost.

Regent Fisher asked what had prompted the change in the legislation. President Coleman responded that the Secretary of Education has been concerned about the teacher education programs. The upcoming number of teacher vacancies is far in excess of the number of teachers the teacher preparation programs are preparing. Previous legislative action to reduce class size is part of the problem. Those forces are colliding.

Regent Neil asked about the timeline. President Coleman responded that one comment period ended earlier this week and another concludes at the end of September. She said the proposed legislation is in the comment period. As a result of the comments, the regulations may change or they may not change.

Regent Neil asked if there was any merit in having the three institutions develop a position paper concerning the guidelines. President Coleman said that was something that should be asked of the institutions' federal relations officers. Her feeling was the more individual institutions the federal government hears from, the better.

President Newlin noted that the Board Office had suggested convening with representatives of the institutions to discuss the impact of the proposed legislation. Regent Neil's question could be addressed at that time.

Regent Kennedy stated that although there were concerns about the new regulations, it brings up some exciting opportunities for the universities. There will be a great turnover of teachers in the future. So much more is now known about learning and teacher preparation. What is being done to make sure our Colleges of Education have the resources and the innovation to be able to turn out top-notch teachers? She reminded the Regents of their previous meeting with the State Board of Education. At that meeting they discussed seamless education and how the two boards should be working together. She

recommended that the Board of Regents should again have conversations with the State Board of Education because ultimately they are the ones that hire the teachers that come out of the Regents' Colleges of Education. The two boards also need to be partners in looking at what the future teachers need to know to be licensed in a new and creative way instead of the traditional way.

Regent Smith stated that the Regent institutions have historically produced wonderful educators. She was concerned that there might be national standards imposed because of the new regulations.

President Jischke said it was understandable that the federal government would like information from the institutions. He was concerned that the government often asks for information because it is a low cost way to call attention to a matter. There is a pattern that when there are concerns about costs, the federal government asks for a report. What is really needed is more resources for preparing more teachers well. He was concerned about the cumulative impact of all of this reporting. Nineteen different reports will be required, all at different times, and there is no reimbursement for the expenses. There is little incentive for the federal government to make this easier for the universities. Providing information is good if the information is used to improve things. However, the act of collecting the information is not a useful purpose of university officials' time.

President Koob addressed the question of additional costs as a result of the new regulations. He expected it would require at least one full-time equivalent staff person. He said a very important issue is the commonality of the meaning of the definition. The exact meaning of a number is unknown when it is reported. The problem with that kind of information is that the numbers will lead to public opinion. He said that when bureaucracy takes over, mediocrity results. There is no way to say in the reports what are the most important aspects in teacher education. The regulations run the danger of over-emphasizing the importance of information which is very easy to collect.

Regent Turner asked if university officials can have some impact on the rules. Director Barak said the federal process is called the negotiated rule-making process. It provides an opportunity for input but does not necessarily mean there will be any changes as a result of the input.

MOTION:

Regent Fisher moved to (1) receive the report on the institutional reporting requirements of the Higher Education Act of 1998, and (2) request that the Board Office convene appropriate institutional representatives to consider the impact on new reporting requirements and cooperative approaches to reporting information to the U.S. Department of Education.. Regent Ahrens seconded the motion.  
MOTION CARRIED UNANIMOUSLY.

**ANNUAL STUDENT FINANCIAL AID REPORT.** The Board Office recommended the Board (1) receive the report and (2) encourage the universities to provide more scholarship/grant and employment opportunities to students and to decrease students' reliance on loans.

The purpose of this annual governance report is to identify sources and levels of financial assistance that are available to students who choose to attend the Regent universities. This information can be used as a productivity measure and for policy development by the Board of Regents.

Student financial aid is awarded in three major categories:

Grants/scholarships which account for 23.5 percent of financial aid resources;  
Loans which account for 49.7 percent of financial aid resources;  
Employment which accounts for 26.8 percent of financial aid resources.

During the 1998-99 academic year, there were 154,295 awards at Regent universities totaling \$450,085,852 in all three categories of student financial aid. This represented a

3.7 percent increase in funds and a 4.9 percent increase in awards from the previous year. The average award per student decreased slightly from \$2,952 to \$2,917.

During 1998-99, the Regent universities awarded 58,446 grants totaling \$105,820,382. This represented an increase of more than \$7.2 million in funds (+7.4 percent) and an increase of 4,566 awards (+8.5 percent) from 1997-98. The average grant award was \$1,811, which decreased by \$18 from the previous year.

During 1998-99, the Regent universities made 62,542 loan awards to students; this was an increase of 1,888 awards (+3.1 percent) from 1997-98. The total amount of funds disbursed was \$223,871,439, which was an increase of 4.3 percent from the previous year. The average loan award increased slightly from \$3,539 to \$3,580 (+1.2 percent). For those students who had incurred debt through Regent universities, the average indebtedness for graduating seniors in 1998-99 was \$16,833, which was an increase of 3.1 percent from the previous year. However, approximately 27 percent of the seniors at the University of Iowa, 32 percent at Iowa State University, and 18 percent at the University of Northern Iowa graduated without having incurred debt through the university.

The amount which Regent institutions awarded for student employment in 1998-99 totaled \$120,394,031. Although this represented a decrease of \$354,373 for student employment from the prior year, there was an increase of 820 in the number of students who received employment awards in 1998-99. The average award decreased slightly from \$3,717 to \$3,615 (-2.7 percent).

On October 7, 1998, President Clinton signed into law the Higher Education Amendments of 1998 that amended the Higher Education Act of 1965. The following provisions were authorized by the bill:

- Significant annual increases for the maximum Federal Pell Grant
- Reduced interest rates for the Federal Family Education Loan Program
- Increased allocation by institutions for community service activities
- Ineligibility for Title IV, HEA program funds by students who have been convicted under federal or state law of possession of sale of a controlled substance.

This report addressed the following key results areas and objectives which are included in the Board's strategic plan:

KRA 2.0.0.0 Provide access to educational, research, and service opportunities within the missions of the Regent institutions.

Objective 2.1.0.0 Annually assess educational opportunities, tuition policy, and financial aid policy to identify and to eliminate impediments to access and retention at Regent institutions.

KRA 3.0.0.0 Establish policies to encourage continuous improvement of the climate for diversity and ensure equal educational and employment opportunities.

Objective 3.1.0.0 Reaffirm or revise Board policy to ensure continuous improvement of the climate for diversity and ensure equal educational and employment opportunities.

KRA 4.0.0.0 Meet the objectives of the Board and institutional strategic plan and provide effective stewardship of the institutions' state, federal, and private resources.

Objective 4.4.0.0 Strengthen public understanding and confidence in the Board of Regents, its governance authority, and the programs and services of the institutions under its jurisdiction by measurable indicators of legislative outcomes and public support to be annually reported to the Board.

Assistant Director Gonzalez reviewed with the Regents the information that was provided in the docket memorandum.

Mark Warner, University of Iowa financial aid director, reviewed the university's report. He pointed out that even though there have been increases in student aid programs overall, private fund raising was particularly important to reduce the students' unmet needs. In 1998, the University of Iowa and the foundation received \$124 million which was committed as outright gifts, 26 percent of which was to support student financial aid initiatives. Of the \$40 million in future bequests, 40 percent of the money is earmarked for student financial aid. He stated that the default rates of University of Iowa students continue to be well below the national average. The Stafford loan program's national default rate is 10 percent to 10-1/2 percent and the University of Iowa's default rate for that program is about 3.9 percent. The national default rate 5 to 6 years ago was 19 percent to 20 percent while, even at that time, the University of Iowa's was 3 percent to 4 percent.

Regent Fisher asked for the university's responsibility with regard to collection. Director Warner responded that the university has different responsibilities and activities regarding collection. For some financial aid programs, the university is totally responsible for collection. With the largest loan program, the federal direct loan, the university has the responsibility to provide the student with rights and responsibilities in an in-person entrance interview. Over the course of the academic year, university officials must provide the student with information concerning their ongoing indebtedness. There is also a requirement to have a formal exit interview. For the loans for which the university has been directly responsible, such as the Perkins and health professional loans, the university has always had a low default rate. He said he was pleased that, for a second year, the average indebtedness of the University of Iowa's graduating seniors declined. Students are offered grants and scholarships first and loans last. Twenty-seven percent of students are not borrowing at all for their education. Of all graduating seniors in 1998 at the University of Iowa, the average indebtedness was \$11,000.

Director Warner stated that during this past summer, because of financial problems with farm families, university officials created the farm access program. The program has three parts: 1) A bridge loan is offered to students who may be having some difficulty making payments on their U-bill. Thirty to forty students have received \$40,000-\$50,000. 2) A farm access grant which will begin in the 2001 academic year. 3) Enhancing training of administrators and counselors so that university representatives will have a far better understanding of farm families' plights.

Regent Fisher asked if there are always funds available for resident students regardless of the demand for financial aid. Director Warner responded affirmatively but noted that the funds may not be grants and scholarships.

Regent Fisher asked how the availability of financial assistance is communicated to high school students. Director Warner responded that the information is made available to high school counselors. University financial aid officers also present workshops and outreach and have enhanced its Web page. Financial aid officers want to start working with students much earlier, particularly when they are in junior high school.

Regent Fisher asked about the average indebtedness of \$11,000 of University of Iowa graduates in 1998. Director Warner stated that for all students the average indebtedness was \$11,000. For those who borrowed, it was \$15,000.

Regent Fisher asked if roughly one-fourth of the total cost of a student's education was financed. Director Warner stated that for an on-campus student, tuition represents about 28 percent of the overall cost. The cost of books and room and board adds to the overall cost.

Regent Neil asked from where the money comes for the farm program grants and whether they are offered on an as-needed basis. Director Warner said the money will come from tuition revenues. Tuition set-aside funds support about 25-30 different grant and scholarship programs. The maximum grant will be \$1,000 and will be made available on a first-come first-served basis.

Regent Neil asked why the number of work-study awards was up but the dollars were down. Director Warner said university officials are struggling with the employment issue on campus. There are many unanswered questions right now because of the opening of the Coral Ridge Mall.

Regent Neil referred to the indebtedness carried by students and asked if the figures were for Iowa or out-of-state students. Director Warner said the figure was for resident and non-resident students.

Regent Neil asked if university officials have ever broken out the figures for resident and non-resident students. Director Warner said that was on the agenda to do in next year's report on student financial aid.

Regent Neil asked how difficult that task was and whether the Regents could have the information for this year's report. Assistant Director Gonzalez said there had been discussion about providing the break-out information for indebtedness of residents and non-resident students for this report. However, because of the computer time required, especially with the Y2K issue, the Board Office decided to allow the universities an entire year to be able to break out the information.

Regent Ahrens expressed appreciation for the efforts to accommodate farm families. She encouraged universities' officials to continually look at creative ways to do that. She believes that this year the farm economy is even worse than last year.

Vice President Hill presented the report for Iowa State University. He stated that last January student financial aid staff conducted an interactive program for 22 Iowa communities via the Iowa Communications Network. Iowa State University is participating in the federal quality assurance program. Iowa State University is one of seven universities in the nation piloting a federal initiative called Access America for College Students.

Regent Ahrens noted that the average indebtedness of graduating seniors at Iowa State University had increased by 9 percent. She asked what had contributed to the increase.



Vice President Hill responded that in reporting loan indebtedness, university officials must exclude Plus loans that are made to a student's parents. Iowa State University financial aid officers elected to emphasize a private student loan program as an alternative to the Plus loans. The total loan amounts for Iowa State University students would be more comparable to last year's if both forms of loans were used to calculate indebtedness. Iowa State University officials have chosen to emphasize the Iowa State University Partnership program over the Plus loan program because it has lower interest rates and fees as well as three repayment options. He noted that for the 1998-99 academic year, thirty-two percent of seniors graduated without having incurred debt through the university.

Regent Neil asked if the other two universities include or exclude the Plus loans in their reports. Vice President Hill responded that the Plus loans are excluded from reports of all Regent institutions.

Regent Neil said a loan is a loan. He would like to see figures of total indebtedness of those students who graduate.

Regent Turner noted that the number of employment awards is down. Does that mean the amount of work study is down? Vice President Hill responded that the work-study money was spread out across more areas to provide more opportunities for more students. He said the numbers have remained the same from one year to the next.

Regent Ahrens asked about farm student aid provided at Iowa State University. Vice President Hill responded that for years Iowa State University officials have offered financial aid services to those students who have been directly affected by the farm economy.

Earl Dowling, Director of Student Financial Aid, Iowa State University, stated that a year ago university officials began discussing with representatives of the Department of Agriculture ways the university could help address the needs of farm families. As university financial aid officers have made outreach presentations, they have made people aware that when they complete the federal financial aid application the information is not final. Circumstances will change. University officials have strived to make families aware that if anything happens between the time the family completes the aid application and the time the fee payment is due, they are to contact the financial aid office for a review of their total financial aid package. University officials have revised the financial aid packages for 46 Iowa farm families. In some cases, the revision has taken the farm family from ineligibility for the Pell grant to eligibility for the Pell grant.

Roland Carrillo, Director of Student Financial Aid, University of Northern Iowa, presented the university's report. He said there had been a slight increase in loans. The students' default rate of 3.6 percent has been below the national average for many years. He said borrowing continues to be a concern for parents. With regard to employment, of the 4,700 University of Northern Iowa students who work, 20 percent were on state and federal work study. He said the America Reads program is a very rewarding program. With regard to the farm crisis, the University of Northern Iowa has for years had the ability to make exceptions to situations. Staff are trained to do that and that ability to make exceptions is used liberally. University officials will not allow any student not to come to college because of financial hardships.

**ACTION:** President Newlin stated the Board, by general consent, (1) received the report and (2) encouraged the universities to provide more scholarship/grant

and employment opportunities to students and to decrease students' reliance on loans.

**TUITION POLICIES AND PROPOSED RATES.** The Board Office recommended the Board consider the proposed 2000-01 academic year tuition rates and mandatory fees, effective with the summer session 2000, as set forth below.

#### BASE TUITION

The Board Office recommended a 4.3 percent increase in base tuition, as follows:

Increase all base tuition categories at the University of Iowa, Iowa State University, and the University of Northern Iowa by 2.3 percent to maintain quality and effectiveness and 2.0 percent to improve quality to achieve the aspirations of the Board's strategic planning goals of excellence.

#### PROPOSED TUITION SURCHARGES (University of Iowa)

In addition to the above base tuition increase, consider the following permanent tuition surcharges at the University of Iowa:

##### College of Law

Establish a permanent tuition surcharge per academic year of \$300 added to resident Law tuition and \$500 added to nonresident Law tuition to be used in line with the college's strategic planning goals to advance the strategic plans of the College of Law.

##### College of Dentistry

Establish a new permanent tuition surcharge of \$2,000 per academic year for resident and nonresident first year students entering the University of Iowa Dentistry program. Implementation is expected to take four years with each subsequent year surcharge increase to be brought to the Board for approval.

##### College of Business Administration

Establish a new permanent tuition surcharge of \$1,065 per academic year for resident and nonresident students for the University of Iowa Master of Business Administration program for those students entering the full time MBA program in fall 2000. Implementation is expected to take three years. Each subsequent year surcharge increase is to be brought to the Board for approval.

#### MANDATORY FEES

In addition to the above base tuition increases:

1. Consider a multi-year restructuring of tuition and mandatory fees at the University of Iowa that will eliminate a portion of designated tuition and establish separate mandatory fees for that same portion of designated tuition, within proposed parameters, as outlined in this memorandum. With this restructuring, the Board Office recommends no increase in the proposed new student activities fee and student services fee at the University of Iowa:

University of Iowa			
Fees Per Academic Year			
	SUI Proposed		Board Office Recommended Fees <u>2000-01</u>
	Current Designated Tuition <u>1999-2000</u>	Separate Mandatory Fees <u>2000-01</u>	
Student Activities Fee	\$34.76	\$38	\$35
Student Services Fee	40.84	\$44	41

2. Consider mandatory computer fees for the 2000-01 academic year as follows:

Computer Fees				
		Actual <u>1999-2000</u>	Proposed <u>2000-01</u>	Board Office Recomm.
SUI	All students except Business Administration, Law, Engineering, and Medicine students	\$106	\$110	\$110
	Law students	180	220	220
	Business Administration students	350	362	362
	Engineering students	350	362	362
	College of Medicine students and students in division of associated medical sciences	106	194	136
ISU	All students except Engineering, Computer Science & Management Information Systems students	102	108*	108*
	Engineering students	338	350	350
	Computer Science & Management Information Systems students	266	280	280
UNI	All students	104	134	134

\* ISU is considering a proposed \$78 increase, which would establish a total \$180 charge, or a 76.5% increase. ISU is still obtaining institutional input regarding this proposal.

3. Consider student health fees for the 2000-01 academic year as follows:

	Health Fees			
	Actual	Proposed	Increase	
	<u>1999-2000</u>	<u>2000-01</u>	<u>\$</u>	<u>%</u>
SUI	\$96	\$102	\$6	6.3%
ISU	100	102	2	2.0%
UNI	98	102	4	4.0%

#### STUDENT FINANCIAL AID

Increase the general institutional financial aid for students to retain the same institutional proportion of tuition and mandatory fees as student aid set aside to assure access for those having financial need to attend the universities.

#### TUITION

##### POLICY AND PROCEDURE FOR BOARD ACTION

The Board of Regents strategic plan identifies the following four key result areas: quality, access, diversity, and accountability. The Board's tuition policy (including rate setting for mandatory fees) reflects aspects of all of these areas. For example, the Board's policy is intended to promote broad access for Iowa residents to the Regent institutions, but also requires consideration of resources necessary to promote excellence.

Iowa law requires the Board to have a policy for the establishment of tuition rates that provides some predictability for assessing and anticipating changes. Consistent with this requirement, the Board's tuition policy provides as follows:

Resident undergraduate tuition at the Regent universities shall be set annually to keep pace with the Higher Education Price Index and to provide support to finance university programs at levels sufficient to implement the Board's aspirations for excellence as outlined in the Board's strategic plan.

The Board approved this language in December 1997 to make the Board's tuition policy compatible with its strategic plan. Previously (since 1990), the Board's policy restricted a tuition increase to a rate no higher than the percentage change in the Higher Education Price Index (HEPI), unless this rate was insufficient to "finance university programs at a level that maintains their quality or effectiveness."

In order to increase tuition or mandatory fees, the Board of Regents is required by law to take action no sooner than 30 days after notification of the proposed increase to presiding officers of each student government organization at each affected institution and no later than November preceding the fiscal year in which the increase would apply.

#### RATIONALE FOR INCREASES IN BASE TUITION RATES

##### Implement Board Mission and Policy (Maintenance and Quality)

The Board's mission statement challenges its institutions "to become the best enterprise of public education in the United States through the unique teaching, research and outreach programs established for each university and school." The Board policy anticipates maintaining quality, through a HEPI adjustment, and improving quality, through

authorization of additional resources. The policy recognizes the joint aspiration of the Board and Regent institutions to achieve excellence. The Board Office recommendation reflects this aspiration and factors both maintenance and improvement into its recommended action.

The fundamental reasons for increasing the rates in tuition are, as mentioned above, to keep pace with inflation as measured by HEPI and to support aspirations for excellence as outlined in the Board's strategic plan.

The recommended increase of 4.3 percent utilizes a HEPI rate of 2.3 percent and an excellence factor of 2.0 percent. The projected range for the FY 2000-01 Higher Education Price Index is 2.3 percent to 3.5 percent. Accordingly, the Board Office recommended, this year, the lowest rate projected in the HEPI range.

The 2.0 percent quality factor is consistent with the increase approved by the Board last year and will assist the institutions in achieving quality in their strategic plans. This quality factor provides one benchmark and is not intended to be an exclusive factor with respect to future application of the Board's tuition policy. In fact, some flexibility in this area is essential for the Board as it addresses quality and improvement in strategic plans.

#### Assure Access

The Board Office recommended that the universities allocate a proportional share of the proposed tuition increases for student financial aid. This allocation will maintain access for needy students by offsetting the increases in tuition rates. As noted in the annual student financial aid report this month, total student financial aid dollars increased 3.7 percent for the 1998-99 academic year.

#### Provide Accountability and Stewardship

Tuition revenues constitute approximately 30 percent of total general university revenues and have remained fairly constant over a five-year period. The Governor and Legislature have provided increases averaging 5.3 percent over the last five years in general university appropriations to the Regents. The Regent tuition increases have averaged 4.0 percent for the same period. In August, the Revenue Estimating Conference (REC) for the state of Iowa met to review FY 2000 estimates for state general fund revenues and estimated them at a 4.7 percent increase over the FY 1999 estimate.

The Regent universities' 1999-2000 tuition and fees were among the lowest in each university's respective peer group of comparable institutions. The Regent 1998-99 tuition and fees as a percentage of Iowa's per capita income for 1998 (12.0 percent) are less than the percentages for regional and peer states (which average 15.0 percent) and the national average (14.0 percent).

Over the past several years, Regent tuition increases have lagged behind the national per capita income increases. The projected increase in Iowa per capita personal income for the year 2001 is 6.4 percent, which does take into account the consequences of the projected decline in farm income for the state.

The estimated cost of attending the Regent universities, including proposed tuition and fees, room and board, and other costs is projected to average \$11,035 for the 2000-01 academic year.

The University of Iowa is the only one of the three universities requesting to increase tuition surcharges. The proposed increases are for the following graduate/professional areas: College of Law, College of Dentistry, College of Business MBA Program, and Masters of Physical Therapy.

Tuition surcharges represent earmarked amounts for specific colleges and purposes. Students enrolled in these colleges pay the surcharge in addition to the university's base tuition and receive the benefits of additional resources. Base tuition and base tuition increases are not earmarked for special academic units, but are part of the overall general university fund budgeting process.

The Board Office recommended the following tuition surcharges:

University of Iowa				
	Proposed Surcharge 2000-01		Recommended Surcharge 2000-01	
	<u>Resident</u>	<u>Nonresident</u>	<u>Resident</u>	<u>Nonresident</u>
Law	\$ 300	500	\$ 300	500
Dentistry	2,000	2,000	2,000	2,000
MBA	1,065	1,065	1,065	1,065
Physical Therapy	2,692	2,692	0	0

The Board Office recommended deferring the proposed tuition surcharge for the Masters of Physical Therapy. The university, over the next year, should gather additional information and develop a proposal.

## MANDATORY FEES

### PROPOSED CHANGE IN BOARD OF REGENTS TUITION AND MANDATORY FEES POLICY

University of Iowa officials requested a fundamental change in the structure of tuition and fees for the 2000-01 academic year. The proposal takes tuition revenues that historically have been designated for student activities and student services, and proposes to establish them as separate and distinct mandatory fees.

For many years, the Board has set tuition and mandatory fees in the fall of each year. During the following May Board meeting, the Board allocates (designates) a portion of tuition for specific purposes such as student activities, student services, and debt service.

During the early 1990s, the Regents approved three types of mandatory fees - health fees, computer fees, and health facility fees. In approving the student health fees, the Board, after several months of study, eliminated the existing voluntary health fees and approved mandatory student health fees for the benefit of all students. The mandatory computer fees were initiated in the fall of 1990 for FY 1992. Institutions had been charging numerous, miscellaneous computer fees for courses/programs. The Board consolidated these miscellaneous computer fees into a comprehensive mandatory computer fee for students at all three universities.

## REDIRECTION OF DESIGNATED TUITION TO MANDATORY FEES AT THE UNIVERSITY OF IOWA

In May of 1999, the Regents approved tuition allocations for the University of Iowa for the 1999-2000 academic year that included \$34.76 for student activities and \$61.02 for student services. University officials now asked that, in the future, the tuition revenues previously designated for these purposes be charged to students as mandatory fees.

This redirection of program support from tuition to fees has significant consequences:

- Tuition dollars (approximately \$3.8 million) become available for important academic areas and needs.
- Students will pay fees rather than tuition to support specific programs that promote student activities and services.
- Students will continue to pay the same amount for tuition, plus any base tuition increase approved by the Board for next year (i.e. students continue to pay the same level of tuition but the funds are spent for different purposes).

The proposal would allow the university to redirect previously-allocated tuition dollars (an estimated \$3.8 million for FY 2000, based upon fall 1998 enrollments) to selective, strategic investments in financial aid and financial aid services, revitalization of university libraries, and transformation of the instructional equipment in classrooms, laboratories, and studios. Additional funding to support these academic components was also requested from state appropriations.

The Board Office recommended modification of the Board's tuition policy to allow the University of Iowa to establish separate and distinct mandatory fees for student activities and student services. The university should be directed to do the following as it implements this change:

- Consult with students regarding the proposed expenditures of the newly-available tuition revenues released by redirection of tuition to fees (statutory procedure remains the same for consultation regarding student activities).
- Report to the Board on revenues and expenditures for all tuition and fees generated by this proposal (including the disposition of unallocated funds).
- Address the applicability of mandatory fees for part-time students, off-campus students, and summer session students.
- Return to the Board for specific approval of any proposed increase in fees in a subsequent year.

University of Iowa officials proposed a two-year phase-in schedule for the changes in the redirection of tuition to mandatory fees. Based upon the Board Office recommendation (which does not increase these fees for next year), the increased cost to each student would be \$76 in the first year and an additional \$78 increase in the second year, for a total increase over the two-year period of \$154. These amounts are exclusive of any tuition increase that the Board would approve.

## PROPOSED CURRENT MANDATORY FEE INCREASES

The Regents approved three types of mandatory fees in the early 1990s – health fees, computer fees, and health facility fees. The mandatory health fees replaced the voluntary health fees in order to benefit all students. The mandatory computer fee was initiated to



replace numerous, miscellaneous computer fees that were charged for various courses/programs.

For 2000-01, universities' officials proposed increases to the computer fees and health fees. No changes were proposed for the health facility fees.

#### Computer Fees

		<u>Actual 1999-2000</u>	<u>Proposed 2000-01</u>	<u>Board Office Recomm.</u>
SUI	All students except Business Administration, Law, Engineering, and Medicine students	\$106	\$110	\$110
	Law students	180	220	220
	Business Administration students	350	362	362
	Engineering students	350	362	362
	College of Medicine students and students in division of associated medical sciences	106	194	136
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ISU	All students except Engineering, Computer Science & Management Information Systems students	102	108*	108*
	Engineering students	338	350	350
	Computer Science & Management Information Systems students	266	280	280
<hr/>				
UNI	All students	104	134	134

\* ISU is considering a proposed \$78 increase, which would establish a total \$180 charge, or a 76.5% increase. ISU is still obtaining institutional input regarding this proposal.

	<u>Health Fees</u>		<u>Health Facility Fees</u>
	<u>Actual</u> <u>1999-2000</u>	<u>Proposed</u> <u>2000-01</u>	<u>Actual and Proposed</u>
SUI	\$96	\$102	\$10
ISU	100	102	16
UNI	98	102	-

University of Iowa officials proposed inflationary increases in its basic computer fees for all students, for Business Administration students, and Engineering students. University of Iowa officials proposed a \$40 increase per academic year in computer fees for law students to employ computer support personnel for the evenings and weekends and to offset the subscription rates for legal databases and services. University officials also proposed an \$88 increase per academic year in computer fees for medicine students to fund equipment replacement, upgrading, and enhancement of the new student e-mail system. The Board Office recommended these increases except for the proposed College of Medicine computer fee, for which a \$26 dollar increase was recommended. University officials were encouraged to further refine any proposal for increased fees in this area, with additional information on planned expenditures and consultation with students.

Iowa State University officials proposed inflationary increases for all categories of computer fees. These fees support microcomputing, as well as other student instructional computing facilities and services, such as print services, short courses, computer training opportunities, and library databases and other information services. Individual colleges use funds for hardware maintenance, hardware and software upgrades, student laboratory monitors, and printing supplies.

University of Northern Iowa officials proposed a \$30 per academic year increase in computer fees. Computer fees are used to maintain and improve academic and instructional computing services. Increased funding will substantially improve the computing environment at the university, as students are increasingly using e-mail and the Internet, while faculty are increasingly using multimedia to enhance their teaching and provide discipline-specific computer experiences for students.

The proposed increases in health fees, ranging from \$2 to \$6, are to meet the growing demands and rising health costs.

#### ESTIMATED REVENUES

The estimated gross revenues from the proposed increases in tuition rates are \$11.1 million. After tuition aid set aside of \$1.6 million, the net tuition revenues generated from the proposed tuition increase and permanent tuition surcharges were estimated to be \$9.5 million.

The revenues from tuition and fee increases are to be utilized to maintain and improve quality. After financial aid set aside, net revenues are to be utilized to meet the unavoidable and nondiscretionary rising costs of maintaining programs. In striving to achieve the Board's aspirations of excellence, the universities will use the revenues to improve the quality of undergraduate and graduate education for students, enhance student academic programs, and provide other enrichments to students' educational experiences.

Executive Director Stork reviewed the Board Office recommendation of a 4.3 percent increase in base tuition which was \$120 per undergraduate resident student. He said the

recommendation reflected application of Board policy approved in December 1997 to keep pace with the Higher Education Price Index and to improve quality. The 2.0 percent quality component was based upon the annual reallocation figure required of all three universities to improve quality according to their strategic plans. He noted that a proportional share of the increased revenues is allocated to student financial aid. With regard to process, he said the Board takes no action until its October meeting.

Executive Director Stork stated that the Board receives reports on how the tuition revenues are applied. He referred to comparative information included in the docket memorandum, and said tuition remains lower than the national averages. Regent tuition as a percentage of the national average is 78 percent, less than it was 5 and 10 years ago. Regent tuition is below the average and median of peer groups. He discussed information regarding income comparisons and higher education costs which were also included in the docket memorandum.

With regard to tuition surcharges, Executive Director Stork stated that University of Iowa officials had requested three tuition surcharges which would be phased in and applicable only to the entering class next year. The surcharges would apply to the Colleges of Law, Dentistry and Business Administration. Financial aid set aside applies to the surcharges. He noted that the requested surcharge for physical therapy was not recommended by the Board Office because there was not sufficient information to support such a large increase.

Executive Director Stork stated there were mandatory fees in three specific areas. The first was a proposed restructuring at the University of Iowa to redirect tuition revenues from designated tuition to separate mandatory fees for student activities and student services. The second area of mandatory fees was a mandatory computer fee increase. The third area was health fees inflationary adjustments to meet costs. He said provisions are set forth in the Regent Procedural Guide which guides the process for student input on expenditure of mandatory fees.

Executive Director Stork reviewed the recommendation for redirection of tuition to fees and the use of the Higher Education Price Index for the tuition recommendation. He said it is an economic indicator of inflation in higher education. The Board Office used a forecast of the Higher Education Price Index prepared by the Institute for Economic Research which looks at historical data as well as the Consumer Price Index, then uses a range to forecast the Higher Education Price Index.

Regent Neil referred to the percent of increase for quality component, and asked when the Board would receive a report on what that money was used for last year. Executive Director Stork responded that the institutions would come to the Board in May or June with a report on how tuition money is to be spent.

Regent Fisher said there was a concern last year about how the money would be spent. The Regents asked to have that spending tracked.

Executive Director Stork noted that the quality component was first approved by the Board last year.

President Coleman thanked Executive Director Stork and the Board Office for doing an excellent job of developing the recommendation. She supported the Board Office recommendation for a two-part tuition increase based on the Higher Education Price Index and on quality. She said it was important that the policy be supported year-in and year-out so university officials can count on the quality component. The base of

2.3 percent is at the bottom end of the Higher Education Price Index estimate. With regard to the 2.0 percent quality component, she said university officials report to the Board how they plan to use the funds and they report after the money has been spent. University officials consult with students, faculty and staff on what they believe are the most important issues. She said the 2.0 percent quality component will maintain a robust student aid program, meet the increasing enrollment demand, make more of the university's classrooms into smart classrooms, provide rapid response management teams to address problems with the technology, assist with recruitment of the next generation science faculty, provide furnishings for gathering places in academic buildings, increase opportunities for experiential learning, and provide for more student disability accommodations.

President Coleman addressed the proposed surcharges in three of the University of Iowa's professional colleges. She said she was very excited about the proposal and explained her reasons for proposing the surcharges. First, there are overwhelming academic needs. Second, there is competition with the university's peer group, mostly Big 10 universities. Currently, university officials designate \$154 in tuition funds for student services and student activities. University officials proposed over 2 years to charge that \$154 as fees, freeing up tuition that could be used for critical academic needs. Over the last decade, the university's peer universities have begun charging those costs as discreet mandatory fees. She provided the following peer group comparative data regarding mandatory fees: UCLA \$254, Ohio State \$327, Illinois \$1,146, Minnesota \$616, and Wisconsin \$406. University of Iowa officials want to bring the university in line with its peers. She said the freed up tuition revenue will be used for 1) financial aid set-aside for the most-needy students, 2) library revitalization, 3) instructional equipment and 4) writing excellence. The investments are very much a part of the university's strategic plan. She hoped that student leaders would continue to take an interest in what is done with the funds.

Regent Lande asked what was the advantage to separating out the designated tuition into mandatory fees. President Coleman responded that doing so brings the University of Iowa's mandatory fees in line with those of its peers. It provides an opportunity to generate, over a two-year period, \$3.8 million in additional tuition revenue which can be used for academic purposes. She stated that many years ago a decision was made to charge tuition for student services and activities. Doing so is draining tuition dollars that could be used for academic purposes. She said the mandatory fees proposal was a more honest approach. Students know what the fee amounts are and will have a say in how the funds are used. The fee will provide more funding to meet academic needs.

Regent Kennedy stated that President Coleman had shared with her that morning information from six of the institutions in the university's peer group regarding tuition plus appropriations per student. She asked that the information be made available to all of the Board member before next month. There is a fundamental philosophical idea as far as whether the state of Iowa is trying to fund higher education through tuition or through appropriations. She requested information for all three universities' peer groups. Different states have different philosophies on how they fund the total package of education. In Iowa, we have always tried to keep tuition to a level that encourages access for all.

President Newlin asked if Regent Kennedy was requesting peer group comparisons on tuition, fees and appropriations. Regent Kennedy responded affirmatively.

Executive Director Stork stated that last year the Board Office distributed some information on appropriations. It is quite challenging to gather such information. In some states, the process for setting tuition is very different. In some states, the legislature and

Governor actually set tuition as part of the appropriations process. Arizona has a constitutional requirement that mandates low tuition. There are not many states that have a governing board like Iowa's that has full authority to set tuition and "unbuckle" it from the appropriations process. Another factor is that, traditionally, Iowa has been a high per capita appropriation state. Iowa ranks probably 6<sup>th</sup> or 7<sup>th</sup> in the entire country in terms of appropriations per capita. Also, there is no way to separate undergraduate and graduate education appropriations as is done with tuition surcharges. He concluded by stating that the information can be gathered but there will be many caveats.

Regent Kennedy said there are philosophical differences which the Regents need to consider. At this time the Regents are being presented with philosophical changes in how the Board sets tuition and fees. She said they must be very careful when they make a philosophical change in the tuition and fee structure. The information she was requesting would assist the Regents in responding to constituents when asked why the Board approved this philosophical change, if it does.

Regent Neil referred to the Higher Education Price Index projections and asked if a final figure is ever published. Executive Director Stork responded affirmatively. The Institute for Economic Research follows up but there is a one- to two-year lag for that information. He said the 1998 actual Higher Education Price Index was 3.5 percent while the range was 2.1-3.9 percent.

Regent Lande said he believed that historically the actual Higher Education Price Index has been lower than what was projected. He noted that this year's recommendation was at the lower end of the projection.

Regent Neil said he would appreciate receiving historical data regarding the Higher Education Price Index projections versus actual figures.

Dean Hines, College of Law, stated that the surcharge proposal for the college was a continuation of a tuition surcharge that had been in effect for approximately 8 years. The purpose of the surcharge is to help carry forward the college's strategic plan to provide excellence in its educational offerings. There has been very good support from students. Students approve the student-directed purposes for the proposed increase.

Regent Kennedy said she appreciated that the surcharge was different for resident versus non-resident students.

Regent Fisher asked if the \$40 increase in the computer fee is above and beyond the current fee. Dean Hines said the additional computer fee will help pay for expensive data bases.

Dean Johnsen, College of Dentistry, stated that the college's faculty are advancing technology. There has been a tremendous explosion in technology in dentistry. The surcharge process started with the students. College officials look for trends in the student feedback. He said that students are included in all of the college's committees. The curriculum is determined by faculty with much input from adjunct faculty. He stated that the University of Iowa College of Dentistry has the lowest tuition of any of its peer institutions. Student debt and the burden the student will bear is a big concern. The college has a very strong student aid program. The demand for dental graduates is very strong. The president of the American Dental Association said the University of Iowa has the best deal of any dental school in the world.

Regent Fisher asked about the length of time for students to pay back the indebtedness. Dean Johnsen said it depended on the student's lifestyle. The potential is there to pay back the funds fairly quickly.

Regent Ahrens asked why the fee proposal was going from the \$1,000 range last year to the \$2,000 range now. Dean Johnsen responded that improvements in the facility and equipment was the reason for the earlier fee. People are desiring more dental care which demands a more intense instructional interaction between students and faculty as well as improved technology.

Regent Kennedy asked why the surcharges for non-resident and for resident students were proposed as the same. Dean Johnsen responded that college officials were working with university officials on that issue. He said he was willing to accept input.

Associate Dean Gaeth, College of Business Administration, presented the surcharge proposal for the college. He noted that the college's MBA program is ranked in the top 25 public programs in the country. College officials intend to use the funds directly for the students. One important area for the money will be development of career readiness. He said the college's tuition is the least expensive MBA program in the Big 10.

Regent Fisher asked if the student demand for the MBA program is increasing every year. Associate Dean Gaeth responded affirmatively. He said students come to the college with 4 years of work experience and leave an average salary of \$30,000. For the most-recent graduating class, 82 percent of the students left the college for jobs with starting salaries over \$65,000 and bonuses of \$9,000 or more. Their hiring bonuses are greater than what the students pay for two years of tuition.

Regent Kennedy asked about the same surcharge being proposed for non-resident and resident students. Associate Dean Gaeth responded that the proposed surcharges are equal. The college's students are approximately 1/3 in-state and 2/3 out-of-state. One-half of the out-of-state students are international students. Two-thirds of the graduates remain in the state of Iowa. He said there could be additional dialogue on the surcharge for in-state versus out-of-state students.

Regent Ahrens asked for an explanation for the use of permanent tuition surcharges. President Coleman responded that the College of Dentistry surcharge will be for faculty and technology. The College of Law surcharge is for technology. The MBA program surcharge will fund professional development and technology. The surcharges will revitalize what the university does in the next 5 years. Almost everything done in the business college will be affected by the transformation in technology.

President Jischke stated that Iowa State University officials were supportive of the recommendation of the Board Office. He believes the recommendation was consistent with Board of Regents policy to increase tuition to achieve the quality goals for the university. He stated that last year the Board followed a similar policy in establishing tuition. The additional 2.0 percent increase for quality generated an additional \$1.7 million for Iowa State University. University officials used those funds to improve undergraduate education, particularly in over-enrolled courses in the College of Business, and for information technology. The university is in the process of converting the library to an electronic library. Computer capacity is being expanded through Project Acropolis.

With regard to the tuition policy the Board adopted a year ago, President Jischke said it was his judgment that it in no way deterred students from coming to Iowa State University. In fact, enrollments and retention have increased. Compared to its peer groups, Iowa

State University's tuition and fees are pretty low. With regard to the impact of the increases on students, Iowa State University officials will set aside 11 percent of the funds for student financial aid. Financial aid funds are being increased in other ways including private fund raising.

President Jischke stated that if the Board approves the proposed tuition increase, the funds generated from the 2.0 percent quality component would be used for the same purpose the funds were used this year.

With regard to the recommendation for an inflationary adjustment in the computer fee, President Jischke stated that Iowa State University officials are in the midst of discussions with students about a much more significant increase in the computer fee. Some of the colleges are having a real problem keeping up with technology for educational purposes. Iowa State University officials may come to the Board with a revised recommendation on the computer fee.

Regent Turner referred to the proposal to change the University of Iowa's fees, and asked if doing so would impact Iowa State University. President Jischke said he believed that if the Board of Regents adopted a new policy with regard to designated tuition, Iowa State University officials would revisit that policy and would be back to the Board next year in light of the new policy.

President Koob stated that University of Northern Iowa officials supported the Board Office recommendation. With regard to the kinds of expenditures that would result from the increase, he said a significant component (19.5 percent) is student aid set aside. There are also the usual inflationary costs. There are costs to maintain and increase quality. This is the second year of increased enrollment at the University of Northern Iowa. University officials must make certain the university serves those students in the classroom. If any funds are left over, university officials will continue strategic approaches for experiential learning, retention programs and continued professional development of faculty and staff.

With regard to how the tuition money was spent last year, he invited the Board members to visit the university's home page. The results are included in the budget. With respect to the computer fee, he said the campus is in the midst of debate about what that amount should be.

Regent Turner referred to the proposal to change the University of Iowa's fees, and asked if doing so would impact the University of Northern Iowa. President Koob said it would be very difficult not to react to a change in Board policy. University of Northern Iowa's niche in the system is to make sure students have access; however, a significant new source of income would be difficult to ignore. He said this will require some important philosophical discussion.

President Coleman introduced Lana Zak, President of the University of Iowa Student Government.

Ms. Zak shared with the Regents some of the feelings and concerns of students, parents and Iowa residents on the state of tuition and fees in Iowa's public higher education system and proposed tuition increase. She expressed appreciation for the Regents' dedication and concern. She said the student government is in the initial stages of a campaign to solicit opinions. There have been concerns expressed about continuing increases in tuition which she hoped the Regents would take into consideration.

Ms. Zak reviewed the demographics of the survey group as well as some preliminary survey results. A majority of respondents: 1) think that higher education should be a top priority for Iowa, 2) believe that public universities are a resource for all Iowans, 3) feel that the rising costs of higher education is a problem for Iowa, 4) agree that Iowa tax revenues should provide quality higher education at a reasonable price, 5) favor a bond referendum to help finance higher education, 6) prefer tuition and fees be charged separately, and 7) oppose increasing the costs for students in the coming year.

Regent Turner asked how University of Iowa Student Government officials plan to fully educate the public on the different aspects of the tuition debate. Also, for the people who have been polled, are student government representatives going to give them information and then go back and see if opinions change?

Ms. Zak stated that student government representatives, together with President Coleman, are embarking upon a campaign to fully educate the students. An open meeting will be held for all University of Iowa students at which both President Coleman and she will speak to the students and address their concerns. She said there has been much media coverage, especially regarding President Coleman's new idea. Through a series of editorials and press releases the student government will be educating students. In addition to the referendum, which will generate publicity, there will be flyers circulated throughout the campus.

Regent Turner asked how student government representatives determined the number of people to be polled. Ms. Zak responded that the Social Sciences Institute was consulted to make sure the random sampling was done accurately.

Ms. Zak stated that the feedback she received is that students are not opposed to the proposed increases but they want to know more about it. Students felt the idea of separating tuition and fees would provide them with a greater sense of where their money is going.

Regent Lande stated that the Regents are presented with many factors in trying to make their decisions. The Regents have to consider factors such as costs, competition and needs. He questioned whether the student government was going to do anything besides ask what the students want to pay.

Ms. Zak responded that if people were asked if they wanted to pay more money, the most likely answer would be no. Student government representatives have embarked on a dual education program to help students realize where the money will be going. Over 70 percent of the students did support a minor increase as long as it was for part of the proposal to separate tuition and fees.

Regent Lande asked if in the dialogue with students there was discussion about the tuition at other state universities outside of the state of Iowa. Ms. Zak said that one thing she hears overwhelmingly from students is that they come to Iowa's Regent universities because it is so affordable. She said the Board of Regents needs to strike the appropriate balance between quality and cost. The state universities in Iowa are affordable.

Regent Ahrens said it was interesting that students want separate fees but they do not want increased costs. She questioned whether students understand that funds are being taken out of tuition and put into fees. Do students realize there is an increased cost to that? Ms. Zak said she imagined that some students were confused about it.

Regent Ahrens encouraged Ms. Zak to continue educating students.



Regent Smith noted that students basically come to the Board every year and say they want accountability.

Regent Neil said the data presented by Ms. Zak suggested that students do not mind paying the additional cost but they do not trust the 2.0 percent quality component. Consumers are telling the administration they do not like where the 2.0 percent quality funds are being used.

Ms. Zak said the idea of paying a 6.9 percent overall increase is too much at once. Students understand the need for a slight increase because it will make the university better.

Regent Neil asked if students understand that President Coleman's increase is 6.9 percent, not 4.3 percent. Ms. Zak responded that students do understand the total cost increase will be 6.9 percent.

President Jischke introduced the President of the Iowa State University Government of the Student Body Matt Craft.

Mr. Craft stated that students have several concerns. Financial aid set aside at Iowa State University is 11 percent, the lowest of the three Regent universities. He said the average undergraduate student indebtedness has been increasing. With regard to the farm crisis, he compared average crop prices from December 1987 and September 1999. Prices now are lower than they were in 1987, and the figures were not adjusted for inflation. Commodity prices have not been this low in 12 years. He compared livestock prices from September 1989 and September 1999. Cattle are nearly \$16 lower now while hog prices are only \$0.50 above the breakeven amount.

Mr. Craft discussed students' attitudes on how funds for improvements to enhance the university's quality should be allocated. With regard to the University of Iowa proposal to restructure mandatory fees, he said the idea of paying more equaling a better education was entirely untrue. If the University of Iowa proposal is adopted, other Regent universities may have to adopt similar fees which means an overall higher cost to all students. The top priority should be to keep prices as low as possible.

Regent Fisher asked about Iowa State University students ranking information technology as third in priority on how funds to enhance quality should be allocated. Mr. Craft said that responses varied by major and by college. Regent Fisher noted that information technology is growing rapidly across all occupations.

President Koob introduced Northern Iowa Student Government President Nick Arnold and Vice President Andrea Nechanicky.

Mr. Arnold expressed appreciation for the Board's strong support for student input. He stated that student government representatives agree with the Board Office recommendation for a 4.3 percent tuition increase. He said President Koob had indicated that any increase over 3.5 percent would be allocated to the student activity fee committee. Priorities of students are: 1) enhance academic programs and 2) improve student activities.

Ms. Nechanicky discussed the student computer fee increase. Students had originally recommended a \$30 increase but would now prefer an increase in the fee of \$18. The fee increase was recommended at \$18 because of other priorities on campus including

improving the social climate. She said students believe \$18 is a reasonable computer fee increase.

Mr. Arnold concluded the presentation by stating that University of Northern Iowa students support the 4.3 percent recommend increase in tuition and a reduction in the \$30 computer fee increase to \$18.

Regent Turner stated to representatives of all three universities that it had been delightful to see the caliber of young people at the Regent institutions.

Regent Ahrens expressed appreciation, as a student, for the students' presentations. She said the students did a wonderful job.

Regent Neil asked if University of Northern Iowa student government representatives had a position on the proposed fees at the University of Iowa. Mr. Arnold responded that the students were not prepared to take a formal position on the issue at this meeting.

President Newlin expressed appreciation for the presentations of all of the student groups.

**ACTION:** President Newlin stated the Board considered the proposed 2000-01 academic year tuition rates and mandatory fees, effective with the summer session 2000, as presented, by general consent.

**APPROPRIATIONS REQUESTS FOR FY 2001.** The Board Office recommended the Board:

- (1) Receive a progress report on the FY 2001 appropriations requests.
- (2) Approve the priorities for restoring the base operating appropriations for FY 2001 to fulfill state statutory requirements for budget development.
- (3) Approve the allocation of budget requests by strategic planning goals for FY 2001 to fulfill state statutory requirements for budget development.
- (4) Authorize the University of Northern Iowa to pursue an increase in the allocation of fees to its Waste Reduction Center, and funding through other state agencies for several programs:
  - Agriculture - Based Industrial Lubricants Research Program
  - Community Recreation and Tourism Research and Service
  - Center for Energy and Environmental Education
  - Environmental Audit Training Initiative
  - Recycling and Reuse Technology Transfer Center Materials Testing Service
  - Native Roadside Vegetation Enhancement Center

### Budget Process

The Governor modified the planning process for departmental FY 2001 appropriations requests and employed a timetable that developed budget recommendations earlier than in past years. This change caused some adjustments to the Board's procedures for considering institutional requests. For this reason, the institutional preliminary budget requests for FY 2001 were presented to the Board for initial consideration and discussion in June. The Board approved the appropriations requests in July. No changes were made to the information presented in July.

### Operating Appropriations for FY 2001

The Board approved operating appropriations requests for the five Regent institutions totaling \$701.4 million for FY 2001 and operating appropriations requests for the Board Office, Regional Study Centers, and Clothing, Prescriptions, and Transportation of \$1.7 million. The approved amount was exclusive of funds for Regent salary increases and salary annualization. These numbers did not change from the budget requests presented in July. The approved appropriations requests follow the strategic planning goals of the Board and the Regent institutions.

### Regent Technology Initiative

The Board approved the Regent-wide technology initiative request for state appropriations of \$10.1 million to support development and use of technological information, access to computerized data, and other technological improvements.

Funding for this initiative will help to ensure Iowa's position of educational leadership and enhance educational opportunities for the 21st century.

### Tuition Replacement

Tuition replacement appropriations represent an ongoing commitment of the state to meet the debt service cost of academic building revenue bonds. The Board approved the tuition replacement appropriations request of \$28.2 million for FY 2001 with the understanding the amount will be reassessed prior to November 15, 1999.

### Capital Improvement Requests for FY 2001

The Board approved capital appropriations requests for the five Regent institutions and Lakeside Laboratory totaling \$77.4 million for FY 2001. These numbers did not change from the requests approved in July. The approved appropriations requests follow the strategic planning goals of the Board and the Regent institutions.

### Priorities for Restoring Base Operating Appropriations

In accordance with statutory requirements, the institutions must develop modified budgets for the FY 2001 appropriations requests by assuming that base appropriations of the current year will be reduced by 25 percent. The statutory exercise begins with only 75 percent of the base appropriations (FY 2000). Priorities add programs and services back to restore the base appropriation budgets to the current FY 2000 base funding level.

The institutions and the Board Office identified specific programs and services to be curtailed if only 75 percent of the base appropriation were funded by the state. The institutions and Board Office developed decision packages and prioritized each package to restore the FY 2000 base appropriations.

The FY 2000 base appropriations total \$668.0 million. At 75 percent, the base appropriations would be \$501.0 million. Restoration decision packages to add services back total \$167.0 million. Instructional and academic programs are listed as the first priorities for restoration. Student services, institutional support, and physical plant services priorities follow.

### FY 2001 Budget Requests by Strategic Plan

In accordance with statutory requirements for budget development, state departments are to utilize a "budgeting for results" format whereby budget requests are allocated by desired results. The Regent institutions have incorporated their respective strategic planning goals into the development of the required budget format for FY 2001.

### University of Northern Iowa Special Requests

Similar to previous years, University of Northern Iowa officials requested permission to pursue funding through state agencies for several special programs. University of Northern Iowa officials sought an increase in the allocation of fees to the Waste Reduction Center and funding through other state agencies for six special purpose appropriation projects. The projects through other state agencies include: ABIL (Ag-Based Industrial Lubricants Research Program), Community Recreation and Tourism Research and Service, Center for Energy and Environmental Education, Environmental Audit Training Initiative, Recycling and Reuse Technology Transfer Center - Materials Testing Service,

and Native Roadside Vegetation Enhancement Center. University of Northern Iowa officials requested funding in prior years for both ABIL and the Waste Reduction Center.

Each year at this time University of Northern Iowa officials seek Board approval of these special appropriations so that they can proceed with discussions.

The Board Office will work with the University of Iowa and Iowa State University to identify any similar special funding programs they may have for FY 2001.

Executive Director Stork said there were basically no changes in the operating appropriations requests from what was presented to the Board in July. He reviewed the recommended action with the Regents.

Regent Fisher asked if any of the University of Northern Iowa's requests were new requests. President Koob responded that the Center for Energy and Environmental Education and the Community Recreation and Tourism Research and Service were new requests.

MOTION:

Regent Fisher moved to (1) receive a progress report on the FY 2001 appropriations requests, (2) approve the priorities for restoring the base operating appropriations for FY 2001 to fulfill state statutory requirements for budget development, (3) approve the allocation of budget requests by strategic planning goals for FY 2001 to fulfill state statutory requirements for budget development, and (4) authorize the University of Northern Iowa to pursue an increase in the allocation of fees to its Waste Reduction Center, and funding through other state agencies for several programs:

Agriculture - Based Industrial Lubricants Research Program;

Community Recreation and Tourism Research and Service;

Center for Energy and Environmental Education Environmental Audit Training Initiative;

Recycling and Reuse Technology Transfer Center Materials Testing Service; and

Native Roadside Vegetation Enhancement Center

Regent Ahrens seconded the motion. MOTION CARRIED UNANIMOUSLY.

**FINAL FIVE-YEAR CAPITAL IMPROVEMENT PLANS, FY 2001-FY 2005.** The Board Office recommended the Board (1) approve the five-year capital priority plan for FY 2001 – FY 2005 of \$320,945,000 to be funded by state infrastructure fund appropriations and (2) approve the five-year capital program (FY 2001 – FY 2005) of \$64,400,000 for the University of Iowa Hospitals and Clinics to be funded by Hospital Building Usage Funds.

Capital Priority Plan, FY 2001 – FY 2005

Institutional officials requested capital appropriation funding from the state infrastructure fund of \$469.2 million for the five-year period (FY 2001 – FY 2005). This represents an increase of \$84,000 from the amount requested in July and included increased requests

for Lakeside Laboratory (\$44,000 for FY 2002 – FY 2004) and Iowa Braille and Sight Saving School (\$40,000 for FY 2004 – FY 2005).

The Board Office recommendation for the five-year capital priority plan was \$320.9 million, which was \$44,000 higher than the amount included in the preliminary recommendations presented to the Board in July 1999. The recommended amount included the additional requested funding for improvements at Lakeside Laboratory in fiscal years 2002 – 2004. The Board Office did not recommend the Iowa Braille and Sight Saving School's requested net increase of \$40,000 for FY 2004 and FY 2005 at this time since the recommendations included \$100,000 for deferred maintenance for the school in each of these years. No other changes were made to the preliminary recommendations presented to the Board at its July 1999 meeting.

The five-year capital priority plan for capital appropriation funding (FY 2000 – FY 2004) of \$264.8 million (approved by the Board last September) did not include any funds for the universities for FY 2000 (the first year of that plan) in accord with understandings reached during the 1997 legislative session.

University of Iowa Hospitals and Clinics Capital Program, FY 2001 – FY 2005

The University of Iowa Hospitals and Clinics five-year capital program (FY 2001 – FY 2005) will be financed by patient-generated funding. Projects totaling \$64.4 million are included in the program. More than \$50 million of the projects were included in University of Iowa Hospitals and Clinics five-year capital programs submitted to the Board in previous years.

Executive Director Stork reviewed with the Regents the information that was provided in the docket materials. He said the materials were basically the same as what was presented in July with the exception of Lakeside Laboratory.

**MOTION:** Regent Fisher moved to (1) approve the five-year capital priority plan for FY 2001 – FY 2005 of \$320,945,000 to be funded by state infrastructure fund appropriations and (2) approve the five-year capital program (FY 2001 – FY 2005) of \$64,400,000 for the University of Iowa Hospitals and Clinics to be funded by Hospital Building Usage Funds. Regent Smith seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

**STATUS REPORT ON YEAR 2000.** The Board Office recommended the Board (1) receive the updated report of the Peer Review Team on progress of the institutions in compliance with Year 2000 (Y2K) requirements; (2) receive the report delivered by the Peer Review Team to the Legislative Oversight Committee at its meeting of September 14, 1999; (3) receive information concerning the State's Emergency Management Division's Y2K activities for contingent operations; and (4) receive the report of the University of Northern Iowa on its Y2K compliance activities.

The institutions continue to progress in a manner calculated to bring timely Y2K compliance by September 30, 1999. "Compliance" in this instance means completion of all activities through testing and placing into production remediating computer code and replacing embedded chip technology as required prior to January 1, 2000; these activities ensure all critical functions will continue at the millennium transition and into 2000.

The Board's Peer Review Team (PRT) completed visits to the Regent universities and received visits from the special schools and Board Office during the month of August as a part of its regularly-scheduled activities. It prepared a report of those visits. The report shows that the institutions are nearing completion of all Y2K activities with current work focused on contingency planning. Regents received copies of the report and were asked to make comments on the report prior to its distribution to the Legislative Oversight Committee (LOC). The LOC also receives copies of the monthly status reports prepared by PRT members as required by law. The LOC scheduled a meeting for September 14 about which Director Wright provided a report.

The State's Emergency Management Division (EMD) conducted on August 18 a simulation/shake-down of millennium transition procedures and processes for contingent operations for both EMD and State agencies. The Board's Manager of Contingent Operations (MCO) participated in the exercise. A final simulation involving all facets of State government will take place on September 29. The Board's MCO also participated on August 24 in the "Statewide Y2K Community Conversation". EMD has experienced some difficulty securing information about all levels of health care providers in the state. A request from EMD for assistance in this area has been answered by John Staley, Chief Operating Office of University of Iowa Hospitals and Clinics,

University of Northern Iowa officials provided an update on its Y2K compliance activities at the Board meeting.

Director Wright reviewed with the Regents the information that was provided in the docket memorandum. He discussed the materials that were delivered to the legislative oversight committee this week.

Assistant to the President Mukerjea, chair of the Peer Review Team, discussed the second set of peer reviews which was conducted in August. He stated that university officials will continue to complete monthly reports.

President Newlin expressed the Board's appreciation for the work that has been done regarding preparation for the year 2000. He asked if university officials were confident that the Peer Review Team members would be ready for the change of millenium. Assistant to the President Mukerjea responded affirmatively.

Associate Vice President Bozylinsky stated that last April he presented the University of Northern Iowa's Y2K plan. University officials are at the very end of the Y2K remediation process, which he described. All testing was completed as of August 31. He provided an example of one binder with test results. He said the Peer Review Team was very satisfied with the results of the university's work.

President Newlin thanked Associate Vice President Bozylinsky for the hard work. He said it sounded as though the efforts had been very thorough.

**ACTION:** President Newlin stated the Board, by general consent, (1) received the updated report of the Peer Review Team on progress of the institutions in compliance with Year 2000 (Y2K) requirements; (2) received the report delivered by the Peer Review Team to the Legislative Oversight Committee at its meeting of September 14, 1999; (3) received information concerning the State's Emergency Management Division's Y2K activities for contingent

operations; and (4) received the report of the University of Northern Iowa on its Y2K compliance activities.

**REPORT OF THE BANKING COMMITTEE.** The Board Office recommended the Board:

- (1) Adopt the following resolutions subject to receipt of acceptable bids for the sale of SUI Utility System Revenue Refunding Bonds:

A Resolution providing for the sale and award of \$17,145,000 Utility System Revenue Refunding Bonds, (The State University of Iowa), Series S.U.I. 1999B, approving and authorizing the agreement of such sale and award and authorizing and approving the execution and delivery of the Tax Exemption Certificate, Continuing Disclosure Certificate, and other documents in connection therewith and related matters.

A Resolution authorizing the execution of a Refunding Trust Agreement to provide for the payment of the 2000 through 2013 maturities of the Utility System Revenue Bonds, Series S.U.I. 1985, converted January 3, 1989, and authorizing and directing the Bond Registrar to call the 2000 through 2013 maturities of the Utility System Revenue Bonds, Series S.U.I. 1985, converted January 3, 1989.



- (2) Adopt the following resolution for the conversion to a fixed rate of the University of Iowa Facilities Corporation variable rate bonds:

A Resolution authorizing proceeding with the conversion of the interest rate on \$13,080,000 of the University of Iowa Facilities Corporation's \$16,800,000 Variable Rate Demand Revenue Bonds (Human Biology Research Facility Project) Series 1985A from a variable interest rate to a fixed interest rate and with the remarketing of \$13,080,000 of said Bonds.

- (3) Accept the report of the Banking Committee.

Regent Fisher stated that at its meeting that morning, the Banking Committee adopted resolutions for the sale and award of \$17,145,000 Utility System Revenue Refunding Bonds, Series S.U.I. 1999B, and the Resolution for the Conversion of the University of Iowa Facilities Corporation 1985 Variable Rate Demand Revenue Bonds (Human Biology Research Facility Project) Series 1985A. He said the Banking Committee members discussed the investment and cash management reports for the fiscal year ended June 30, 1999, and internal audit reports.

Regent Fisher asked for a report on the bond sale.

Kathy Aho, Springsted, Inc., stated that the bonds had received an AA3 rating from Moody's. Two bids were received from syndicates led by A.G. Edwards and U.S. Bancorp. The A.G. Edwards bid was the best bid with a true interest rate of 4.819 percent. The U.S. Bancorp bid was for a true interest rate of 4.907 percent. Ms. Aho recommend that the issue size be increased to \$17,180,000 which was an increase of \$35,000. The nominal savings resulting from the sale were \$3,050,000 with a net present value savings of \$2,067,000.

**MOTION:**

Regent Fisher moved to adopt the following resolutions for the sale of SUI Utility System Revenue Refunding Bonds: (1) A Resolution providing for the sale and award of \$17,145,000 Utility System Revenue Refunding Bonds, (The State University of Iowa), Series S.U.I. 1999B, approving and authorizing the agreement of such sale and award and authorizing and approving the execution and delivery of the Tax Exemption Certificate, Continuing Disclosure Certificate, and other documents in connection therewith and related matters. (2) A Resolution authorizing the execution of a Refunding Trust Agreement to provide for the payment of the 2000 through 2013 maturities of the Utility System Revenue Bonds, Series S.U.I. 1985, converted January 3, 1989, and authorizing and directing the Bond Registrar to call the 2000 through 2013 maturities of the Utility System Revenue Bonds, Series S.U.I. 1985, converted January 3, 1989. Regent Ahrens seconded the motion, and upon the roll being called, the following voted:  
Aye: Ahrens, Fisher, Kelly, Kennedy, Lande, Neil, Newlin, Smith, Turner.  
NAY: None.  
ABSENT: None.

MOTION CARRIED.

MOTION: Regent Fisher moved to adopt the following resolution for the conversion to a fixed rate of the University of Iowa Facilities Corporation variable rate bonds: A Resolution authorizing proceeding with the conversion of the interest rate on \$13,080,000 of the University of Iowa Facilities Corporation's \$16,800,000 Variable Rate Demand Revenue Bonds (Human Biology Research Facility Project) Series 1985A from a variable interest rate to a fixed interest rate and with the remarketing of \$13,080,000 of said Bonds. Regent Neil seconded the motion, and upon the roll being called, the following voted:  
Aye: Ahrens, Fisher, Kelly, Kennedy, Lande, Neil, Newlin, Smith, Turner.  
NAY: None.  
ABSENT: None.

MOTION CARRIED.

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

**ANNUAL REPORT ON PHASED AND EARLY RETIREMENT PROGRAMS.** The Board Office recommended the Board (1) receive reports from the institutions on the operation of the phased and early retirement programs in fiscal year 1999 and (2) establish a present value rate of 5.03 percent for lump sum payout under the early retirement program for fiscal year 2000.

There are two ongoing programs in place relating to retirement at earlier than the normal retirement age for employees of the Board of Regents. The phased retirement program provides incentives to employees to reduce to part-time in anticipation of retirement. A total of 48 employees entered into the phased retirement program during the past fiscal year. During fiscal year 1999, an estimated net saving of \$1.6 million was realized through the phased retirement program. The early retirement program provides incentives to employees who retire as early as age 57. In fiscal year 1999, 216 employees entered the program. A net saving of approximately \$10.8 million will be realized during the period of time the fiscal year 1999 retirees are participating in the early retirement program. Savings are reallocated within the institutions.

In June 1996, the Board reviewed the two programs and renewed them without change for the period July 1, 1998, through June 30, 2002.

In addition to employees leaving the institutions through the early retirement program, 294 faculty and staff left via regular retirement.

As a part of this annual governance report, the age distribution of faculty and staff is reported by the institutions. Currently, 28 percent of faculty; 8.8 percent of P&S staff; and 16.8 percent of merit staff are age 55 or older.

Director Wright reviewed the information that was provided in the docket materials.

Regent Fisher asked if most of the participants in the phased retirement program take the full 5 years to complete the program. Director Wright responded that the majority of participants are no longer employed after the third year.

Regent Fisher asked if the retirement programs provide the institutions with flexibility in dealing with retirement issues. Director Wright responded affirmatively, noting that institutional officials indicated they would like to begin discussions of modifying the programs to make them less expensive.

Regent Lande asked whether institutional officials anticipate that participation in the retirement programs will plateau, increase or decrease in the next 5 years. Director Wright responded that the expectation nationally was that the requests to participate will increase.

MOTION:

Regent Fisher moved to (1) receive reports from the institutions on the operation of the phased and early retirement programs in fiscal year 1999 and (2) establish a present value rate of 5.03% for lump sum payout under the early retirement program for fiscal year 2000. Regent Turner seconded the motion.

MOTION CARRIED UNANIMOUSLY.

**ANNUAL REPORT ON ENERGY CONSERVATION.** The Board Office recommended the Board (1) receive the annual report on energy conservation and (2) encourage the institutions to continue to pursue actively energy conservation measures and other methods to control energy costs.

The Board of Regents receives an annual report on energy conservation efforts at the Regent institutions. The report includes information on energy usage and energy costs for the past fiscal year and a status report on the completion of energy conservation measures. The report also provides a means of assessing the efficiency and effectiveness of the operations of the Regent institutions consistent with action step 4.2.1.2. of the Board of Regents strategic plan.

Under Section 473.12 of the Code of Iowa, the Board was required to undertake by June 30, 1989, a comprehensive engineering analysis of its facilities and implement energy conservation measures which were economically feasible and practical. The section also requires the Board to report by October 1 of each year to the Department of Natural Resources on both the results of energy usage analyses of the Board's facilities, and the status of energy conservation measures identified in the comprehensive engineering analysis.

The Regent institutions have significantly reduced their energy consumption on a BTU (British Thermal Unit) per gross square foot basis since FY 1979, the peak consumption year. Consumption has declined from 1979 by approximately 16.0 percent per gross square foot at the University of Iowa, 35.0 percent at Iowa State University, and 16.4 percent at the University of Northern Iowa. The reductions since 1979 are more impressive than the data indicate considering the growth in the installation of energy-consuming research and diagnostic equipment, personal computers and air conditioning equipment. The three universities report only slight increases in energy consumption on a BTU per gross square foot basis from FY 1998 to FY 1999, while the special schools report decreases from the previous year.

There are wide differences among the institutions in the cost of energy because of the mix of fuels used, the amount of electricity generated versus purchased, and local utility rate structures. The institutions report decreased or moderate increases in energy costs per gross square foot and per million BTUs from FY 1998 to FY 1999. To control energy costs, the institutions contract for fuel at the lowest cost, use the least costly fuel if there is a choice, and schedule air handling units around class schedules.

In accordance with Section 473.12 of the Code of Iowa, the institutions undertook engineering analyses of the Regent facilities in 1989 to identify energy conservation measures in an effort to reduce energy consumption and control energy costs. The analyses identified a total of \$83.7 million in energy conservation measures, which were to be implemented if economically feasible and practical and if they did not require a payback period of more than six years. Of this total, projects totaling \$41.3 million had individual payback periods of six years or less and were identified as the projects most likely to be implemented, although a number of these projects were later determined not to be feasible. It was estimated that the identified projects would save approximately \$10.2 million annually for a simple payback of 4.05 years. To date, approximately \$24.4 million have been spent on these identified projects, saving approximately \$5.7 million annually.

Approximately 70 percent of the identified energy conservation measures with payback periods of six years or less have been implemented in the ten years since the engineering analyses were undertaken. The University of Iowa is the only institution to complete additional 1989 identified projects in FY 1999. This consisted of 14 projects estimated to provide additional savings of approximately \$350,000 per year (1999 dollars). The other institutions did not complete any 1989 identified projects in FY 1999. The majority of the energy conservation measures implemented at the institutions have been complete for a number of years.

The feasible identified projects which have not yet been completed for the Iowa State University Ag Experiment Station and the University of Northern Iowa residence system should be evaluated for implementation. Projects which were previously identified as not being feasible may now be feasible. These measures should be evaluated relative to new energy conservation measures that have been identified by the institutions since the 1989 analyses. The institutions report that they will work to address the remaining measures to the extent that funding is available.

In addition to the projects identified in the 1989 analyses, the institutions also undertake other energy conservation projects and incorporate energy conservation measures into new construction and remodeling projects. Additional energy conservation projects, including those in the residence systems, should be undertaken and incorporated into major renovation projects if they are cost effective and feasible. Installation of energy efficient boilers and improvements to campus steam distribution systems can significantly reduce energy consumption on a BTU per gross square foot basis and can reduce operating costs.

Utility restructuring is in the beginning stages in Iowa; it is likely that deregulation legislation will be considered by the Iowa legislature during the 2000 session. In preparation for a restructured electrical utility industry, major energy consumers are engaging in contract negotiations with utilities. The University of Iowa and Iowa State University have entered into agreements with their local electrical utilities (MidAmerican Energy and the City of Ames) to ensure the availability of a sufficient supply of purchased electricity at the most economical price. The University of Northern Iowa is currently reviewing its electrical cogeneration system in anticipation of potential changes in purchased electricity costs.

There is still uncertainty surrounding the effect of deregulation on utility costs for lowa consumers, including the Regent institutions. Any reductions in energy costs due to deregulation are not likely to be significant enough to negate the positive impact of implementing well-planned conservation efforts. As utility restructuring progresses, the institutions will continue to monitor the potential impact on their energy programs.

Associate Director Racki reviewed the information provided in the docket materials.

President Newlin noted that it was quite clear there had been a big payout in terms of energy conservation. Associate Director Racki agreed, noting that the savings were \$5.7 million/year.

Regent Turner asked if there was a strategic planning goal for energy conservation. President Coleman responded affirmatively, noting that it was included in the first-level plan. Energy conservation is one of the processes to create additional efficiencies.

Vice President Madden stated that Iowa State University officials look at the economics of all aspects of the university. University officials continue to modernize the power plant. New control systems are being installed which will incorporate some efficiencies. As more electronic instrumentation is brought onto the campus, electric consumption increases. A number of activities are taking place on campus including encouraging people to be more energy conscious.

President Koob stated that the University of Northern Iowa strategic plan includes a goal to balance resources.

**ACTION:** President Newlin stated the Board, by general consent, (1) received the annual report on energy conservation and (2) encouraged the institutions to continue to pursue actively energy conservation measures and other methods to control energy costs.

**BOARD OFFICE PERSONNEL TRANSACTIONS.** The Board Office recommended the Board ratify personnel transactions, as presented.

Appointment of Dotti Hale as Administrative Assistant, Academic Affairs and Research Unit, effective August 6, 1999, at an annual salary of \$35,100.

**ACTION:** This matter was approved on the consent docket.

**STUDENT APPEAL.** The Board Office recommended the Board deny the appeal for residency reclassification.

A student at the University of Iowa appealed a decision from the university denying reclassification as a resident for purposes of tuition. The student appealed to the Board and the appeal was referred to the Interinstitutional Residency Review Committee. The Residency Review Committee concluded that there was no merit to the appeal. The committee recommended that the appeal be denied.

**MOTION:** Regent Lande moved to deny the appeal for residency reclassification. Regent Kelly seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

**APPROVAL OF VENDOR WITH A POTENTIAL CONFLICT OF INTEREST.** The Board Office recommended the Board approve the request from the University of Iowa to add CpG ImmunoPharmaceuticals, Inc., to the university's list of approved vendors with a potential conflict of interest.

University of Iowa officials requested approval to add CpG ImmunoPharmaceuticals, Inc., to its list of approved vendors with a potential conflict of interest. CpG is a licensee of immune technology developed by Dr. Arthur M. Krieg, a professor of Internal Medicine at the University of Iowa. Dr. Krieg is also a director and shareholder of CpG.

The University of Iowa has a research agreement with the Defense Advanced Research Project Administration (DARPA) that calls for the university to acquire certain proprietary material from CpG. DARPA is the central research and development organization for the U.S. Department of Defense (DoD) that manages and directs selected basic and applied research and development projects for DoD. DARPA also pursues research and technology where risk and payoff are both very high and where success may provide dramatic advances for traditional military roles/missions and dual-use applications.

The material to be obtained from CpG, valued at approximately \$240,000, will be used at various sites, including Iowa, where research is being conducted for DARPA. Due to unique patented properties of the CpG material, it is only available from CpG.

The purchase and distribution of the CpG material will be handled by the University's Sponsored Research Office.

**ACTION:** This matter was approved on the consent docket.

**REGENT AFFILIATED ORGANIZATION REPORT ON THE STANTON MEMORIAL CARILLON FOUNDATION—IOWA STATE UNIVERSITY.** The Board Office recommended the Board receive the annual affiliated organization report on the Stanton Memorial Carillon Foundation.

The Stanton Memorial Carillon Foundation, affiliated with Iowa State University, was incorporated on December 31, 1954, to preserve, improve, and further the advancement of the carillon. The carillon of 50 bells is housed in the campanile on the campus of Iowa State University.

Funds of the Stanton Memorial Carillon Foundation are managed by the ISU Foundation and are incorporated within the ISU Foundation audits. The treasurer's report for the Stanton Memorial Carillon Foundation for the year ended March 31, 1999, lists revenues of \$11,708 from gifts and interest earnings, disbursements of \$2,770, net income of \$8,938, and an ending cash balance in the treasury of \$71,792.

Calendar year 1999 is the 100<sup>th</sup> anniversary of the Stanton Memorial Carillon Foundation. In celebration of the event, the Stanton Foundation hosted the 1999 Congress for the Guild of Carilloners of North America on the Iowa State University campus June 16-19, 1999. Over 125 carilloneers from around the world attended the four-day conference.

**ACTION:** This matter was received on the consent docket.

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

October 20-21, 1999	University of Iowa	Iowa City
November 17-18, 1999	Iowa State University	Ames

December 15-16, 1999	West Des Moines Marriott Hotel	W. Des Moines
January 19, 2000	Telephonic Conference Call	
February 9-10, 2000	University of Iowa	Iowa City
March 15-16, 2000	University of Northern Iowa	Cedar Falls
April 19-20, 2000	Iowa School for the Deaf	Council Bluffs
May 17, 2000	Iowa Braille and Sight Saving School	Vinton
May 18, 2000	University of Northern Iowa	Cedar Falls
June 14-15, 2000	Lakeside Laboratory	Okoboji
July 19-20, 2000	University of Northern Iowa	Cedar Falls
September 13-14, 2000	University of Iowa	Iowa City
October 18-19, 2000	Iowa State University	Ames
November 15-16, 2000	University of Iowa	Iowa City
December 13-14, 2000	West Des Moines Marriott Hotel	W. Des Moines
January 17, 2001	Telephonic Conference Call	
February 21-22, 2001	Iowa State University	Ames
March 21-22, 2001	University of Northern Iowa	Cedar Falls
April 18, 2001	Iowa Braille and Sight Saving School	Vinton
April 19, 2001	University of Iowa	Iowa City
May 16-17, 2001	Iowa School for the Deaf	Council Bluffs
June 12-13, 2001	Iowa State University	Ames
July 18-19, 2001	University of Northern Iowa	Cedar Falls
September 12-13, 2001	University of Iowa	Iowa City
October 17-18, 2001	Iowa State University	Ames
November 14-15, 2001	University of Iowa	Iowa City
December 12-13, 2001	(To be determined)	Des Moines

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

President Newlin then asked Board members and institutional officials if there were additional general or miscellaneous items for discussion. There were none.

## STATE UNIVERSITY OF IOWA

The following business pertaining to the University of Iowa was transacted on Thursday, September 16, 1999.

**RATIFICATION OF PERSONNEL TRANSACTIONS.** The Board Office recommended the Board ratify personnel transactions, as follows:

Register of Personnel Changes for June 1999.

Appointment of Dr. Joe Dan Coulter as Associate Provost for Diversity and Director, Opportunity at Iowa effective July 1, 1999, at an annual salary of \$147,477.

Approval of three additional promotion and tenure recommendations effective 1999-2000.

**ACTION:** The personnel transactions were approved, as presented, on the consent docket.

**UNIVERSITY OF IOWA STRATEGIC PLAN 2000-2005.** The Board Office recommended the Board receive the preliminary report on the new University of Iowa strategic plan.

The new University of Iowa strategic plan was reviewed this month and would be presented again in October for approval by the Board. Following the Board's approval of the plan in October, it will be used by university officials to guide strategic planning and budgeting decisions for the next five years (2000-2005). A status report on the current plan will be presented to the Board in November 1999 along with the status reports of the plans at the other Regent institutions.

President Coleman presented the members of the Board of Regents with the new strategic plan for the University of Iowa. The new plan is called *New Century Iowa: Bridges to the Next Horizon*.

The University of Iowa's aspiration -- to be among the ten most distinguished public research universities in the nation -- has not changed. President Coleman stated that in some areas the university is already number one.

The mission of the University of Iowa is to seek to advance knowledge and creative endeavor through leading-edge research and artistic production, and to use the research and creativity to enhance undergraduate, graduate and professional education, health care and other services provided to the people of Iowa, the nation and the world, and conduct activities in a culturally-diverse, humane, technologically-advanced and increasingly global environment.



The culture of the University of Iowa has been formed through historic adherence to core values. President Coleman stated that the culture is characterized by decentralized collaborative decision making within the community, which fosters open and consultative communication.

President Coleman stated that she wanted to create a strategic plan that was a living document and would be short and concise, no more than 10 pages long. The document would be distributed throughout the community. She wanted to be able to link the budget process to the planning process. Therefore, rather than starting with a strategic planning group of people who are divorced from the budgeting process, the process started with her and the vice presidents. In December 1998 a plan was presented to the strategic planning committee. In January 1999 the plan was submitted to a number of committees and groups on campus. The plan continued to be revised and refined. In March 1999 the plan was included on the University of Iowa web site and comments were received for a four-month period. It was also included in the publication FYI from which comments were also received. In June and July 1999 faculty focus groups were held for in-depth discussion of the plan. In late-August 1999, the plan was finalized and printed.

President Coleman discussed the five fundamental principles of the strategic plan which she said will have indicators for progress and targets. Principles include a culturally-diverse community, strong ties between the university and external constituencies, responsible stewards of fiscal resources, promote fiscally sound auxiliary and ancillary enterprises, enhance patient care and ensure the fiscal integrity of the clinical enterprise.

President Coleman discussed the five strategic goals of the plan. The first goal is to create an undergraduate experience that enables students to fulfill not only their intellectual needs but their social and career objectives. The second goal is to have premier graduate and professional programs in a significant amount of areas. The third goal is to foster continuous research, scholarship and artistic creation. The fourth goal is to facilitate interdisciplinary interaction. The fifth goal is to develop a highly-productive organization that supports the university's mission and values.

With regard to the first goal, President Coleman stated that university officials want to provide learning opportunities for students that will permit them to become aware of their place and responsibility in the world; to learn respect for differences among people; to become aware of global interdependence of people's cultures and environments. University officials want students to experience interactive learning and use technological innovation, and to prepare for life after graduation. President Coleman wants the notion of preparing for life after graduation to be much more explicit in the strategic plan. University officials want the undergraduate teaching and learning to optimize the university's resource as an international research university.

With regard to the second goal, President Coleman stated that university officials want to identify new ways to attract, retain and develop a first-rate and diverse faculty and student body. She said the math department has 20 percent minority students in its master's and Ph.D. programs. More diversity needs to happen throughout the university. University officials want to revise the graduate and professional education programs to address some national issues and to prepare students for a broader range of career options. Graduate students will be encouraged to plan for their lives after graduation and foster an ongoing relationship with the university. University officials want to create incentives for faculty, students and staff to seek external funding and to participate in review panels at the national and international levels.

With regard to the third goal of the strategic plan, President Coleman stated that university officials need to continue to create an intellectual environment that supports critical exchange and analysis of ideas. University officials want to cultivate a distinguished and diverse community for the critical mass of people who can work together on new problems. She said that several weeks ago university officials learned that the University of Iowa has been selected for a \$10 million grant from the National Institutes of Health to study cranial facial abnormalities. The program is an example of what can be done when people from different disciplines work together. University officials also wish to continue to promote the role of the university in technology transfer and economic development.

With regard to the fourth goal, President Coleman said she wants to lower the barriers to interdisciplinary activities and increase the reward for faculty and staff to engage in such interactions. A perfect example is the recently-approved public health college. Faculty from many colleges came together to form a new college and to work on activities which are going to help create a healthier Iowa. University officials want to establish an international prominence by nurturing interdisciplinary initiatives that build on areas of strength.

With regard to the fifth goal, President Coleman stated that university officials want to review, modify and modernize administrative processes and lower barriers to progress. Most of the central computer systems are being converted. Many activities are taking place that will allow the university to be a better organization. University officials want to develop and mandate a comprehensive system of individual performance assessment and goals for every employee of the university.

Regent Neil referred to the \$10 million grant from the National Institutes of Health and asked with whom did the University of Iowa compete. President Coleman responded that the university competed with the most prestigious universities in the nation. There were only three or four other universities in the country of the 30 to 40 universities that competed that received grants.

Regent Neil asked how often the university competes for but does not receive grants. President Coleman stated that she receives a monthly report of the number of grant applications submitted versus those that are awarded. It is a very competitive process. At the National Institutes of Health, the funding rates for applications are only one-in-five or one-in-six. She did not know the exact numbers but guessed that approximately one out of three grant applications the University of Iowa submits is funded. She offered to get the exact numbers for Regent Neil.

President Coleman stated that the overall strategic plan of the university is linked with the strategic plans at the vice presidential level and the collegiate level. The individual vice presidential plans support the overall university plan. Every single unit at the university was asked to link itself in that way, and to develop indicators of progress and targets. For the first time in the history of the University of Iowa, there will be a system to see how everything is linked and how everyone is working on the common goal.

President Newlin asked President Coleman about using the term “critical mass” with regard to the third strategic plan goal -- to foster distinguished research, scholarship, and artistic creation – and the performance indicator “to create an intellectual environment that supports the exchange and critical analysis of ideas”.

President Coleman stated that in many research areas of the university, the critical mass of scholars is being developed in order to do the necessary interdisciplinary research.

Regent Kennedy congratulated President Coleman and University of Iowa officials on their strategic planning efforts. It was her recollection that when President Coleman first came to Iowa one of her goals was to focus the strategic planning process. She has more than exceeded expectations.

President Newlin thanked President Coleman for the excellent work, and said he looked forward to the next iteration.

**ACTION:** President Newlin stated the Board received the preliminary report on the new University of Iowa strategic plan, by general consent.

**REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS.** The Board Office recommended the Board approve the Register of Capital Improvement Business Transactions for the University of Iowa.

### Vacation of the Southwest Wing of Seashore Hall

University officials presented a report on the need to vacate the southwest wing of Seashore Hall.

University officials have been monitoring the structural condition of Seashore Hall for a number of years, with a particular focus on potential structural problems in the oldest portions of the facility (the center and southwest wings), which were constructed in 1899. The university commissioned an engineering study in 1989 to evaluate the structural condition of the wood-framed roof of the southwest wing of the building. In accordance with the recommendations of that report, the university has been monitoring the condition of the wing since that time.

As part of that monitoring process, university officials recently commissioned a second analysis of the roof's condition which was conducted by the structural engineering firm of NNW, Incorporated, of Iowa City. The university has received the report which indicates that the southwest wing could fail in an indeterminate manner, under certain severe snow and/or wind conditions. The consultant recommended that the roof be replaced or the structure abandoned.

The estimated cost to replace the roof of the southwest wing is in excess of \$400,000. University officials indicated that replacement of the roof while the wing is occupied is not feasible since the project would expose all areas of the wing to the weather elements. In addition, the demolition and replacement of the southwest and center wings of the building are components of the Seashore Hall Remodeling project which is included in the Board Office recommendation for the Five-Year Infrastructure Fund Capital Plan for fiscal years 2003 through 2005. Given these factors, university officials decided not to proceed with any improvements at this time and to begin to vacate the southwest wing of Seashore Hall. The university will vacate this area as soon as possible, with completion expected by October.

The primary obstacle to vacating the 12,350 gross square foot area is the lack of available space in which to relocate the occupants. The top level is occupied by an undergraduate art teaching studio, two classrooms, and the librarian of the Psychology Library. The middle floor is occupied by Sociology faculty, graduate students, research and teaching assistants, and a research institute. The ground floor is occupied by the video editing facility of the School of Journalism, a Sociology research laboratory, and teaching and

research assistants of the School of Journalism. A total of 42 individuals are housed in these areas.

According to university officials, the timely relocation of some of these occupants will require fast-track renovation of existing and recently-acquired university space. It will likely be necessary to proceed with projects on an emergency basis to expedite the relocation process. University officials indicated that it may be necessary to consult with the Executive Director for approval of capital projects to accommodate this relocation effort in a timely manner. Any work authorized by the Executive Director will be reported to the Board for ratification.

Vice President True stated that a month ago university officials reported to the Board Office that a local structural firm indicated that potential snow or wind blows could cause the roof structure of Seashore Hall to fail. Therefore, during the month of October, 42 people in three departments which are located in the southwest wing of Seashore Hall will be relocated.

Regent Lande asked for identification of Seashore Hall. Vice President True responded that Seashore Hall was the Hospitals and Clinics location before it was on the west campus. The building was built in 1899. It has a lovely tile roof but, unfortunately, the roof is failing. University officials intended to eventually raze that section as well as the center section of the building and build additional space.

Vice President True stated that university officials would continue to work with the Board Office to create space suitable for the departments of journalism, sociology and psychology.

Regent Neil noted that Vice President True was only talking about one wing of the building. What kind of analysis has been done on the rest of the building? Vice President True responded that it is a series of buildings, constructed at a variety of times. The part being addressed at this time was the oldest structure, built in 1899, as well as the center wing. These portions are wood-framed construction so they inherently do not have much value. There are other portions of Seashore Hall that are quite sound and will continue to be used. He said the center wing as well as the southwest wing need to be razed at some point. Once that is done, additional capacity will need to be built.

### Fine Arts Campus Air Conditioning

#### Project Summary

	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Permission to Proceed		Sept. 1999	Requested
Selection of Engineering Firm (Burns and McDonnell)		Sept. 1999	Requested

University officials requested permission to proceed with project planning to upgrade the air conditioning service for all of the facilities of the Fine Arts Campus. The initial step in the project is the development of a long-term strategy to provide reliable air conditioning service for all of the Fine Arts Campus facilities which consists of Hancher Auditorium, Voxman Music Building, Theatre Building, Museum of Art and Art Building.

Reliable cooling is needed for the performing arts both for the performers and the audience and for academic and academic-related programs. In addition, the Museum of Art system requires replacement prior to next summer to assure reliable cooling for the

preservation of the university art collection. The manner in which the museum's system is replaced will need to be consistent with the long-term strategy to be developed.

The university will consider alternative plans for providing improved air conditioning service to the buildings, including the feasibility of developing a chilled water distribution system which would incrementally integrate all facilities on the Fine Arts Campus, including the proposed addition to the Art Building, funding for a portion of which is included in the Board's FY 2001 capital budget request. The Fine Arts Campus is the only area of the university not presently served by central chilled water service.

University officials requested approval of the selection of Burns and McDonnell Engineers to undertake a feasibility study which will serve as a basis for the long-term strategy to guide this work for the Fine Arts Campus. University officials will return to the Board for approval of the negotiated agreement.

Medical Education Building—Materials Management Facility

Source of Funds: College of Medicine Gifts and Earnings, Treasurer's Temporary Investments and/or Revenue Bonds

Project Summary

	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Architectural Agreement (Baldwin White Architects)	\$ 175,000	April 1998	Approved
Project Description and Total Budget	\$ 2,327,000	Sept. 1999	Requested

This project includes development of a new Materials Management Facility (enlarged service dock area) to accommodate the growing needs of the Health Sciences Campus. The new facility will be constructed as an addition to the existing Medical Education Building and will expand the existing service dock at this location.

This project will construct an addition of approximately 7,400 gross square feet consisting of a main floor and a partial lower level. The main floor will house three loading docks, a holding/distribution area, and support rooms. The lower level will be used for general storage and will be accessible by a freight elevator.

The building addition will be architecturally consistent with the existing Medical Education Building. A cupola that was salvaged from the Steindler Building prior to demolition will be incorporated into the roof of the facility.

Preliminary Budget

Construction	\$ 1,863,200
Design, Inspection, Administration	
Design and Construction Services	180,400
Consultants	97,700
Contingency	<u>185,700</u>
TOTAL	<u>\$ 2,327,000</u>

## Residence Halls—Telecommunications Improvements

### Project Summary

	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Architectural Agreement for Telecommunications Design Services (Alvine and Associates)	\$1 74,035	July 1999	Approved
Project Descriptions and Total Budgets			
Mayflower Residence Hall	\$1,230,000	Sept. 1999	Requested
Hillcrest Residence Hall	\$ 892,000	Sept. 1999	Requested
Daum Residence Hall	\$ 512,000	Sept. 1999	Requested

University officials requested approval of a project description and budget for each of the three residence hall telecommunications projects.

The exterior fiber optic ductbank, which will serve the residence halls, was partially constructed under the Campus Fiber Optic Network project which was approved by the Board in April 1995. The new projects will complete the ductbank pathway, install fiber optic cable from each building to the campus network, and construct entrance facilities and telecommunication closets for each facility. The projects will provide data and telecommunications connections for more than 1,200 student rooms and office locations in the three residence halls.

The projects will take advantage of concurrent efforts to install fire detection and sprinkler systems in the residence halls. Each of the projects will be designed to ensure that shared pathways are properly utilized and potential conflicts are minimized. Also included is the replacement of the antiquated cable television infrastructure and minor architectural modifications to facilitate routing of the cable pathways.

The projects will be funded by a combination of Dormitory System Revenue Bonds, Telecommunications Improvement and Replacement Funds, and Campus Video System Reserves. The allocation of each budget among the fund sources was determined by evaluating the specific components of each project.

The detail of the proposed individual project budgets follows:

	<u>Mayflower</u>	<u>Hillcrest</u>	<u>Daum</u>
Construction	\$ 1,012,064	\$ 726,202	\$ 410,854
Design, Inspection, Administration			
Consultants	83,350	63,825	43,050
Design and Construction Services	33,300	28,600	16,600
Contingency	<u>101,286</u>	<u>73,373</u>	<u>41,496</u>
 TOTAL	 <u>\$ 1,230,000</u>	 <u>\$ 892,000</u>	 <u>\$ 512,000</u>
 Source of Funds:			
Dormitory System Revenue Bonds	\$ 868,300	\$ 768,600	\$ 414,000
Telecommunications Improvement and Replacement Funds	214,500	0	38,500
Campus Video System Reserves	<u>147,200</u>	<u>123,400</u>	<u>59,500</u>
 TOTAL	 <u>\$ 1,230,000</u>	 <u>\$ 892,000</u>	 <u>\$ 512,000</u>

Bowen Science Building—Remodel Portion of Core 5-400, Physiology Package 7  
Source of Funds: College of Medicine Gifts and Earnings

Project Summary

	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Architectural Agreement for Dept. of Physiology Projects (Rohrbach Carlson)	\$ 248,200	April 1997	Approved
Project Description and Total Budget	\$ 1,033,000	Sept. 1999	Requested

This project will remodel approximately 6,313 square feet of space in the Core 5-400 area of the Bowen Science Building for the Department of Physiology of the College of Medicine. This is one of a series of projects to remodel space in the Bowen Science Building for use by the College of Medicine; these projects are components of the Health Sciences Campus Plan. This project represents the final remodeling project for the Department of Physiology.

The project will include demolition, installation of new partitions, ceilings, sinks, fume hoods, casework, lighting, painting and carpeting. Mechanical improvements will include the installation of a new cold room, new ductwork, electrical systems and plumbing.

Preliminary Budget

Construction	\$ 843,700
Design, Inspection, Administration	
Consultants	71,400
Design and Construction Services	33,500
Contingency	<u>84,400</u>
 TOTAL	 <u>\$ 1,033,000</u>



Main Campus—Steam Vault Repairs

Source of Funds: Utilities Enterprise Improvement and Replacement Funds

Project Summary

	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Project Description and Total Budget	\$ 996,000	Sept. 1999	Requested
Engineering Agreement (Stanley Consultants)	\$ 87,500	Sept. 1999	Requested

This project will complete necessary steam tunnel and piping repairs to the main campus steam distribution system. These repairs are required to maintain an acceptable level of reliability and employee safety in the campus steam distribution infrastructure. The work will address various locations in the steam tunnel system and will include structural repairs to steam vaults and tunnel entrances and piping modifications. The work will be scheduled for the spring of 2000 following the winter heating season.

University officials requested approval of the project description and budget in the amount of \$996,000, and approval to enter into an agreement with Stanley Consultants to provide engineering services for the project. The agreement provides for a fee of \$87,500, including reimbursables.

Preliminary Budget

Construction	\$ 796,800
Design, Inspection, Administration	
Design and Construction Services	32,000
Consultants	87,500
Contingency	<u>79,700</u>
 TOTAL	 <u>\$ 996,000</u>

Gilmore Hall—Replace Air Conditioning System—Second Floor

Source of Funds: Building Renewal Funds and/or Income from Treasurer's  
Temporary Investments

Project Summary

	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Project Description and Total Budget	\$ 332,000	Sept. 1999	Requested

This project will replace the air conditioning system which serves the second floor of Gilmore Hall. The present system is 25 years old and can no longer be maintained. The new system will utilize central chilled water from the North Campus Chilled Water Plant. This method is the same as is used to cool the remainder of Gilmore Hall.

The project will include removal of the existing obsolete equipment and installation of a new air handler and control system. The new air conditioning system will meet modern ventilation standards and will provide energy savings with the use of variable frequency drives and direct digital controls.

Preliminary Budget

Construction	\$ 262,246
Design, Inspection, Administration	
Design and Construction Services	38,150
Consultants	5,700
Contingency	<u>25,904</u>
 TOTAL	 <u>\$ 332,000</u>

Dental Science Building—Replace Oral Evacuation System Piping

Source of Funds: Building Renewal Funds and/or Income from Treasurer's  
Temporary Investments

Project Summary

	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Project Description and Total Budget	\$ 318,000	Sept. 1999	Requested
Engineering Agreement (A and J Associates)	\$ 29,140	Sept. 1999	Requested

This project will replace the oral evacuation system piping which serves the dental clinics in the Dental Science Building. Many portions of the piping are clogged or have deteriorated from exposure to chemicals. University officials plan to schedule the work during evenings and weekends to allow the dental clinics to remain in operation during normal working hours.

University officials requested approval of the project description and budget in the amount of \$318,000, and to enter into an agreement with A and J Associates to provide design services for the project. The agreement provides for a fee of \$29,140, including reimbursables.

Preliminary Budget

Construction	\$ 255,442
Design, Inspection, Administration	
Consultants	29,940
Design and Construction Services	9,000
Contingency	<u>23,618</u>
 TOTAL	 <u>\$ 318,000</u>

University Hospitals and Clinics—General Hospital Electrical Distribution Systems Upgrade—Phase B

Source of Funds: University Hospitals Building Usage Funds

Project Summary

	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Project Description and Total Budget	\$ 262,000	Sept. 1999	Requested

This project is the second phase of a two-phase project to upgrade the electrical distribution system in the General Hospital to comply with current electrical codes. The existing electrical distribution panels will be refurbished or replaced and the electrical loads will be realigned to provide a balanced distribution system, leading to improved efficiencies and reliability.

Preliminary Budget

Construction	\$ 210,000
Architectural/Engineering Support	21,000
Planning and Supervision	10,000
Contingencies	<u>21,000</u>
 TOTAL	 <u>\$ 262,000</u>

Oakdale Studio A—Renovate West Wing—Phase I

Source of Funds: Oakdale Building Renewal Funds

Project Summary

	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Project Description and Total Budget	\$ 279,000	April 1999	Approved
Construction Contract (Apex Construction Company)	\$ 249,000	Aug. 1999	Approved
Revised Total Project Budget	\$ 299,500	Sept. 1999	Ratification*

\* Approved by Executive Director.

This project will remodel 8,500 square feet of space in Oakdale Studio A to provide studio space for the School of Art faculty. University officials presented for Board ratification a revised project budget in the amount of \$299,500, which was approved by the Executive Director in accordance with Board procedures on August 9, 1999, to allow award of the construction contract to the low bidder. The low bid exceeded the engineering estimate by approximately 14 percent, but university officials indicated that the low bid appeared to be a fair representation of the work and that re-bidding the contract was not likely to result in the receipt of more favorable bids.

Revised Budget

Construction	\$ 255,000
Design, Inspection and Administration Consultants	24,300
Design and Construction Services	9,200

Contingencies	<u>11,000</u>
TOTAL	<u>\$ 299,500</u>

University Hospitals and Clinics—General Hospital Alley Drainage Replacement

Source of Funds: University Hospitals Building Usage Funds

Project Summary

	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Project Description and Total Budget	\$ 575,000	July 1999	Approved
Engineering Agreement (Shive-Hattery)	\$ 49,600	Sept. 1999	Requested

This project will correct water leakage in the foundation walls of the lower level of the General Hospital to maintain normal hospital operations in areas located adjacent to the exterior building wall. The project will replace damaged drains and a storm sewer in an alley adjacent to the building, and will provide improvements to the building roof.

University officials requested approval to enter into an agreement with Shive-Hattery to provide design services for the project. The agreement provides for a fee of \$49,600, including reimbursables.

Hillcrest Residence Hall—Remodel Dining Wing  
Source of Funds: Dormitory System Revenue Bonds

Project Summary

	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Permission to Proceed		Nov. 1997	Approved
Program Statement		Jan. 1999	Approved
Schematic Design		Feb. 1999	Approved
Project Description and Total Budget	\$ 8,271,000	Feb. 1999	Approved
Revised Total Project Budget	\$ 9,371,000	April 1999	Approved
General Construction Contract (McComas-Lacina Construction)	\$ 7,583,057	April 1999	Approved
Architectural Agreement (Rohrbach Carlson)	\$ 706,000	July 1998	Approved
Previous Amendments (1)	\$ 20,000	Nov. 1998	Approved
Amendment #2	\$ 109,000	Sept. 1999	Requested

This project will upgrade and expand the Hillcrest food service and dining areas and consolidate the west campus dining operations. University officials requested approval of Amendment #2 in the amount of \$109,000 to the design agreement with Rohrbach Carlson.

The amendment will provide additional services for mechanical system commissioning and associated reimbursable expenses. University officials originally planned to retain a separate engineering firm to serve as commissioning agent for the project. However, as the project progressed, university officials determined that these services could best be provided by the Rohrbach Carlson firm.

The commissioning work will consist of testing and balancing of the new equipment and systems. This will include functional performance tests for the fire protection, kitchen, and heating, ventilating and air conditioning systems, temperature controls, emergency generator, and fire alarms. A total commissioning report will be prepared by the consultant.

## Biological Sciences Renovation/Replacement—Phase I

Source of Funds: Capital Appropriations, Income from Treasurer's Temporary Investments and/or Building Renewal Funds, Gifts and Grants

### Project Summary

	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Permission to Proceed		Oct. 1994	Approved
Program Statement		Nov. 1996	Approved
Schematic Design		Nov. 1996	Approved
Project Description and Total Budget	\$ 17,710,000	Nov. 1996	Approved
Construction Contract—Biology Building East			
(McComas-Lacina Construction)	\$ 9,544,390	Oct. 1997	Approved
Architectural Agreement			
(Brooks Borg and Skiles)	\$ 1,290,500	June 1996	Approved
Previous Amendments (4)	\$ 167,505		Approved
Amendment #5	\$ 68,275	Sept. 1999	Requested

This project includes construction of a new Biological Sciences building (Biology Building East), and renovation of the existing Biology Annex which was constructed in 1902. University officials requests approval of Amendment #5 in the amount of \$68,275 to the design agreement with Brooks Borg and Skiles.

The amendment will provide interior design services for Biology Building East. The services will include space planning, furniture selection and the preparation of bidding documents.

Utilities—East Campus Steam Line Cross Connection

Source of Funds: Utilities Enterprise

Project Summary

	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Project Description and Total Budget	\$ 2,090,000	Dec. 1998	Approved
Construction Contract (American Piping Group)	\$ 1,621,675	June 1999	Approved
Engineering Agreement (Stanley Consultants)	\$ 90,580	Dec. 1998	Approved
Amendment #1	\$ 12,311	Sept. 1999	Requested

This project will replace two sections of steam and condensate lines on the east campus near the Memorial Union. University officials requested approval of Amendment #1 in the amount of \$12,311 to the engineering agreement with Stanley Consultants.

The amendment will provide for a design revision which will relocate the concrete utilities trench to avoid a conflict with an existing telecommunications ductbank. The amendment also includes printing and mailing costs for additional bidding materials.

Mayflower Residence Hall—Replace Roof

Source of Funds: Dormitory Improvement Reserves

Project Summary

	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Project Description and Total Budget	\$ 611,000	April 1999	Approved
General Construction Contract (D. C. Taylor)	\$ 351,414	June 1999	Approved
Architectural Agreement (Benchmark)	\$ 28,810	April 1998	Approved
Amendment #1	\$ 7,792	Sept. 1999	Requested



This project will replace the original roof of the Mayflower Residence Hall which was installed in 1966. University officials requested approval of Amendment #1 in the amount of \$7,792 to the design agreement with Benchmark.

The amendment will provide for additional services which will include incorporating asbestos removal into the roofing bid package, incorporating the demolition of the existing heating, ventilating and air conditioning equipment in the pool room into the project, and re-designing the piping in the pool room area. The amendment is necessary to resolve coordination issues with the concurrent project to renovate the lobby and associated service areas of the facility.

\* \* \* \* \*

Included in the university's capital register were project budgets under \$250,000 and amendments to architectural/engineering agreements which were approved by the university (in accordance with Board procedures), construction contracts which were awarded by the Executive Director, and the acceptance of completed construction contracts. These items were listed in the register prepared by the university.

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

**APPROVAL OF LEASES.** The Board Office recommended the Board approve leases, as presented.

University officials requested approval to enter into a lease agreement as lessee with Plaza Centre Associates for the university's use of 1,301 square feet of office space in downtown Iowa City. The space will house the College of Medicine Department of Psychiatry's new satellite operation which will consist of one physician and three to four therapists. The satellite facility will be developed to provide the department's patients with an anonymous setting at a convenient location. The space will be leased at the rate of \$1,301 per month (\$12 per square foot, \$15,612 per year), for a three-year period commencing October 1, 1999 through September 30, 2002.

University officials requested approval of an amendment to its sublease as sublessee with the Quad-Cities Graduate Study Center which leases space on the Augustana College campus in Rock Island, Illinois. The amendment will extend the lease term for a one-year period and increase the rental rate by approximately 1.1 percent.

University officials requested approval of the following lease agreements as lessor for business incubator space in the Technology Innovation Center at the Oakdale Campus.

With aJile Systems for its use of 362 square feet of space at the rate of \$181 per month (\$6.00 per square foot, \$2,172 per year) for a one-year period commencing October 1, 1999 through September 30, 2000.

With Sustainable Science International for its use of 308 square feet of space at the rate of \$218.17 per month (\$8.50 per square foot, \$2,618.04 per year) for a one-year period commencing October 1, 1999 through September 30, 2000. The new rate, which is an increase of 41.7 percent over the current lease rate, is consistent with the university's rate schedule for tenants of the Technology Innovation Center.

MOTION:

Regent Fisher moved to approve leases, as presented. Regent Ahrens seconded the motion, and upon the roll being called, the following voted:  
AYE: Ahrens, Fisher, Kelly, Kennedy, Lande, Neil, Newlin, Smith, Turner.  
NAY: None.  
ABSENT: None.

MOTION CARRIED.

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

## IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was transacted on Thursday, September 16, 1999.

**RATIFICATION OF PERSONNEL TRANSACTIONS.** The Board Office recommended the Board approve the personnel transactions at Iowa State University as follows:

Register of Personnel Changes for July and August 1999.

Appointment of Gary Steinke as Director of Governmental Relations effective August 6, 1999, at an annual salary of \$90,000.

Appointment of Jeffery W. Johnson as Executive Director of ISU Alumni Association, effective September 7, 1999, at an annual salary of \$115,000.

Appointment of James O. Nelson as Director of the Student Health Center effective September 15, 1999, at an annual salary of \$110,000.

**ACTION:** The personnel transactions were approved, as presented, on the consent docket.

**REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS.** The Board Office recommended the Board approve the Register of Capital Improvement Business Transactions for Iowa State University.

Project Summary

	Amount	Date	Board Action
Permission to Proceed		Oct. 1998	Approved
Agreements for Development and Operation of Facility		April 1999	Approved
Architectural Agreement (RDG Bussard Dikis/Bonestroo Rosene Anderlik and Associates)	\$ 330,000	May 1999	Approved
Program Statement/Schematic Design		Sept. 1999	Requested
Project Description and Total Budget	\$ 3,800,000	Sept. 1999	Requested

This project will develop a new joint City of Ames/ISU Ice Arena to be constructed on university land immediately adjacent to the existing ice arena located south of the Iowa State University campus. The program statement and schematic design was presented for Board approval. Approval of the project description and budget was also requested.

The ice facility will total 36,300 gross square feet including a National Hockey League regulation-size hockey rink measuring 200 feet by 85 feet. The facility will also provide spectator seating for a minimum of 1,000 people which will extend two levels along the south wall of the facility. Team boxes will be located along the north side of the rink.

Locker rooms and storage areas will be constructed below the seating area. The locker areas will provide separate men's and women's locker rooms (630 net square feet each) in addition to the five team locker rooms for use by college and high school teams (totaling 2,730 net square feet), all with restroom and shower areas. A separate dressing room for figure skaters, as well as skate rental and concession areas, office space, and a multi-purpose room, will be located along the east wall of the facility; these areas will total 1,640 net square feet of space. Public restrooms totaling 670 net square feet (with the women's restroom more than twice the square footage of the men's restroom) will be located at the southeast corner of the facility near the main entrance.

The building frame will be constructed of pre-engineered steel with a standing seam metal roof. The ice rink system will consist of the ice rink floor with a sand surface, the refrigeration system which will circulate refrigerant throughout the floor surface and will provide year-round ice, and the dasherboards which will be constructed of heavy-duty welded steel. Spectator shielding of tempered glass will be installed with netting provided above the shielding. The interior lighting will be installed at two levels to balance function with energy efficiency.

Exterior architectural surface treatments will be concentrated on the east and south sides of the facility; the treatments have been limited to two walls due to budgetary considerations. The exterior material will consist of masonry in contrasting earth tone colors and textures to create variety and reflect the colors associated with the campus buildings.

Under the terms of the Development Agreement for the Ice Arena approved by the Board in April 1999, the City of Ames will also be required to approve the design. The city is expected to consider approval after the Board has acted. The Board will be advised of any proposed changes to the schematic design following review by the City of Ames.

### Preliminary Budget

Construction Costs	\$ 3,088,000
Professional Fees	544,700
Movable Equipment	110,700
Project Contingency	<u>56,600</u>
TOTAL	<u>\$ 3,800,000</u>
Source of Funds:	
University Financing Supported by Allocation of Designated Tuition	\$ 1,700,000
City of Ames	1,800,000
ISU Foundation	<u>300,000</u>
TOTAL	<u>\$ 3,800,000</u>

#### Honors Program Building

#### Project Summary

	Amount	Date	Board Action
Permission to Proceed		March 1999	Approved
Architectural Agreement (Smith Metzger)	\$ 24,000	June 1999	Approved
Program Statement		Sept. 1999	Requested

This project will construct a facility of approximately 6,800 gross square feet to house the functions of the university's Honors Program which will relocate from its current location in approximately 2,200 square feet of inadequate space in the Osborn Cottage. The program statement for the project was presented for Board approval.

The project goal is to provide an environment that will enable motivated and gifted students to pursue and stimulate their interests, skills and curiosity, and to develop a strong sense of community and personal responsibility. The facility will be designed to house academic and social functions, and office and support areas for faculty and staff associated with the Honors Program. The proposed site for the facility is an area north of Curtiss Hall and south of the Horticulture Building. The estimated project budget is \$1,900,000, which will be funded by the ISU Foundation.

The following is a space summary of the proposed areas for the facility:

	Square Feet
Academic/Social Spaces	
Classrooms	1,550
Conference Rooms	925
Reception/Lounge	575
Resource Room	325
Computer Lab	300
Project Room/Kitchenette	200

Total Net Square Feet	3,875
Staff/Faculty Spaces	
Office Areas	725
Workroom/Filing/Storage	500
Total Net Square Feet	1,225
Grand Total Net Square Feet	5,100
Total Gross Square Feet	6,800
Net-to-Gross Ratio	75 percent

University officials will proceed with the schematic design which will be presented to the Board for approval at a future date. The project will be designed to accommodate a future multi-purpose classroom addition of approximately 2,000 square feet; however, this area will not be designed as part of the current project. The addition may be constructed at a future date depending on the need for additional space and the availability of funds.

Marston Hall—Remodel Rooms 305, 305A-B and 306  
Source of Funds: General University Funds

#### Project Summary

	Amount	Date	Board Action
Project Description and Total Budget	\$ 409,050	Sept. 1999	Requested

University officials requested approval of a project description and budget to remodel approximately 2,500 gross square feet of existing computer laboratory and storage space on the third floor of the north wing of Marston Hall. The area will be remodeled to provide interview rooms and a waiting area for use by the Engineering Career Services office of the College of Engineering. This office is currently located in the Engineering Annex, which will be demolished to permit construction of the East Wing of the Engineering Teaching and Research Complex on the site. The computer and storage functions currently located on the third floor of Marston Hall will be relocated to the fourth floor of the facility.

The schematic design to be prepared for this project will include the entire third floor area to accommodate the future development of additional interview rooms, administrative offices and accessible restrooms.

#### Preliminary Budget

Construction Costs	\$ 313,000
Professional Fees	63,930
Movable Equipment	20,260
Relocation	2,000
Project Contingency	<u>9,860</u>
TOTAL	<u>\$ 409,050</u>

## Engineering Teaching and Research Complex

### Project Summary

	Amount	Date	Board Action
Permission to Proceed		May 1993	Approved
Planning Funds	\$ 2,190,700	July 1996	Approved
Phase 1 Revised Project Budget	\$ 33,763,869	July 1996	Approved
Phase 2 Revised Project Budget	\$ 25,066,393	July 1996	Approved
Total Revised Project Budget	\$ 61,020,962	Sept. 1997	Approved
Architectural Agreement—Phase 1 (Brooks Borg and Skiles)	\$ 748,000	Nov. 1996	Approved
Architectural Agreement—Phase 2 (Brooks Borg and Skiles)	\$ 1,325,000	Sept. 1997	Approved
Architectural Agreement—C6 Facility (Brooks Borg and Skiles)	\$ 289,000	Sept. 1999	Requested

University officials requested approval to enter into an agreement with Brooks Borg and Skiles to provide design services for the C6 virtual reality system to be located in the southwest portion of the atrium of Howe Hall. The C6 will provide a six-sided, full immersion virtual reality system for the projection of computer-generated images on four walls, the ceiling and floor, for a full 360 degree three-dimensional immersion. The system will also include an enhanced three-dimensional sound field capability. The system will serve as the major experimental facility for the Virtual Reality Application Center (VRAC) which will be located adjacent to the C6 system in the south wing of Howe Hall.

The C6 will allow researchers to interact with computer-generated, three-dimensional simulations of machines, devices, or geometries, which will reduce or eliminate expensive and time-consuming physical prototyping. It is the desire of the College of Engineering to feature this facility in the upcoming Immersive Projection Technology Conference to be held at Iowa State University in June of 2000.

The agreement with Brooks Borg and Skiles will provide architectural and engineering services from design development through construction. The agreement provides for a fee of \$289,000, including reimbursables.

Student Services Building Remodeling

Project Summary

	Amount	Date	Board Action
Permission to Proceed		Sept. 1997	Approved
Project Description and Total Budget	\$ 4,383,820	Sept. 1997	Approved
Architectural Agreement (Baldwin White Architects)	\$ 3 27,250	Dec. 1997	Approved
Schematic Design		Sept. 1998	Approved
Construction Contract (HPC, L.L.C.)	\$ 2,412,700	June 1999	Approved
Change Order #1	\$ 148,900	Aug. 1999	Ratification *

\* Approved by Executive Director.

This project will remodel approximately 26,000 square feet of space in the Student Services Building for use by the Departments of Student Financial Aid and Minority Student Affairs. The project will consolidate these student service-oriented departments into one location for student convenience. The project also includes an upgrade of the electrical, heating, ventilating and air conditioning systems and replacement of the building roof.

University officials requested Executive Director approval of change order #1 to the construction contract with HPC, L.L.C., which will provide for the installation of replacement windows throughout the Student Services Building. University officials indicated that the existing windows are in very poor condition, and that replacing the windows would substantially improve the performance and appearance of the facility. The window replacements had been excluded from the project due to budget concerns, but the receipt of favorable bids for the construction contract provided savings to allow replacement of the windows as part of the project.

University officials requested Executive Director approval of the change order prior to the September Board meeting in order to avoid any project delays and additional costs associated with the window replacement work. In accordance with Board procedures, the change order was approved by the Executive Director on August 24, 1999, and was reported for Board ratification.

\* \* \* \* \*



Included in the university's capital register were project budgets under \$250,000 which were approved by the university, amendments to architect/engineer agreements which were approved by the university, construction contracts awarded by the Executive Director, and the acceptance of completed construction contracts. These items were listed in the register prepared by the university.

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

**APPROVAL OF LEASES.** The Board Office recommended the Board approve leases, as presented.

University officials requested approval to enter into a lease agreement as lessee with Crestwood, LTD., for the university's use of 2,817 square feet of space at the Cedar Falls Industrial and Technology Park. The space will house the Northeast Iowa Area Extension Office which will relocate from its current location at Hawkeye Community College in Waterloo. The space will be leased at the rate of \$2,979 per month (\$12.69 per square foot, \$35,748 per year) for a five-year period commencing December 1, 1999 through November 30, 2004.

University officials requested approval to enter into a long-term lease agreement as lessor with the U.S. Government for its use of 0.73 acres of land at the Agronomy/ Agricultural Engineering Research Center in Boone, Iowa. The land will be leased by the Agricultural Research Service of the U. S. Department of Agriculture for a 30-year period for the construction and operation of a machine storage building at the research center. [The university has no immediate plans to utilize the building.](#)

University officials requested approval of an amendment to its lease as lessee with Dayton Road Development Corporation for the university's use of 2,401 square feet of office space located at 137 Lynn Avenue in Ames, for the Small Business Development Center. The lease will be renewed at the rate of \$2,501 per month (\$12.50 per square foot, \$30,012 per year) for a one-year period commencing October 1, 1999, through September 30, 2000. This represents an increase of 1.2 percent over the current lease agreement. The lease is of the Board's standard form.

University officials requested approval of an amendment to its lease as lessee with Determan Investments for the university's use of 1,400 square feet of office space located at 22 North Georgia, Mason City, Iowa, for the Child Welfare Research and Training Project of the Department of Human Development and Family Studies. The amendment will extend the lease for a one-year period commencing July 1, 1999, through June 30, 2000, at the rate of \$640 per month (\$5.49 per square foot, \$7,680 per year). This is the same rate as the current lease agreement.

University officials requested approval of the following lease agreements for business incubator space at the Iowa State Innovation System at the ISU Research Park. In all cases the tenants agree to indemnify, defend, and hold harmless the university as customarily required.

- a. University officials requested approval to enter into a new lease agreement with Innovative Material Testing Technologies for its use of 173 square feet of space at the rate of \$210 per month (\$14.57 per square foot, \$2,520 per year) for a six-month period commencing July 1, 1999, through December 31, 1999.

- b. University officials requested approval to enter into a new lease agreement between the Research Park and the National Food Technology Commercial Space Center for its use of 1,038 square feet of space in Suite 3350 at the rate of \$1,384 per month (\$16 per square foot, \$16,608 per year). This space will be occupied on an interim basis through approximately April 30, 2000, which is the estimated completion date for the space to house the center (Suite 3600), which is currently under construction in an expansion area of the research park. Suite 3600 will consist of 1,500 square feet of space and will be leased at the rate of \$2,000 per month (\$16 per square foot, \$24,000 per year) for the remainder of the lease term, which is effective for a five-year period commencing October 1, 1999 through September 30, 2004. In addition, the tenant will be responsible for any finishing costs for Suite 3600 which exceed \$20 per square foot. The Research Park has agreed to release the tenant from its obligation for Suite 3350 upon its relocation to Suite 3600.

**MOTION:**

Regent Fisher moved to approve leases, as presented. Regent Ahrens seconded the motion, and upon the roll being called, the following voted:  
AYE: Ahrens, Fisher, Kelly, Kennedy, Lande, Neil, Newlin, Smith, Turner.  
NAY: None.  
ABSENT: None.

**MOTION CARRIED.**

**IOWA CENTRAL COMMUNITY COLLEGE AND KTPR RADIO MEMORANDUM OF UNDERSTANDING.** The Board Office recommended the Board authorize Iowa State University to continue negotiations with Iowa Central Community College (ICCC) regarding the transfer of KTPR Radio to Iowa State University and to develop a memorandum of understanding with ICCC regarding the transfer and operation of KTPR Radio by WOI Radio. The memorandum of understanding will be reviewed by the Board Office and the Attorney General's Office prior to presentation for approval by the Board of Regents.

Iowa Central Community College has offered to make a voluntary reassignment of its FCC license for KTPR Radio and transfer of operations of KTPR Radio to Iowa State University and WOI Radio. This transfer will be phased in over a two-year period in order to facilitate the maintenance and development of high-quality public radio services in the north central region of Iowa.

In addition to the license transfer, ICCC will transfer all fixed assets including studio equipment and office furnishings to Iowa State University. During the first year of the transfer, ICCC will contribute \$80,000 toward the operation of the station. During the second year, ICCC will contribute \$50,000 toward the operation of the station. After the second year, ICCC will evaluate its continued role in the operation of the station.

The following key results area and action steps are addressed in this report:

KRA 2.0.0.0 Provide access to educational, research, and service opportunities within the missions of the Regent institutions.

Action Step 2.1.2.2 Increase collaboration and cooperation with other sectors of postsecondary education in marketing efforts.

Action Step 2.2.2.7 Encourage development of strategic alliances to increase access to services as measured by annual reports of individuals served.

Regent Neil asked what happens if, for example, Iowa Central Community College pulls out of the agreement after two years. Vice President Madden responded, considering the conversations that had taken place to date, that was not a likely outcome.

Regent Neil asked who would represent Iowa State University on the advisory board. Bill McGinley, general manager of WOI Radio, responded that Iowa Central Community College appoints the members. The advisory group consists of community members in the region. Mr. McGinley serves as an ex officio member.

Regent Neil asked how this activity related to the WOI Radio strategic plan. Mr. McGinley stated that this transfer enhances the station's outreach efforts which coincides with the land grant mission. This activity will allow some WOI programming to be carried on the other radio station. This type of development is happening in the entire public radio business. There is a new synergy in looking at efficiencies and operating agreements.

MOTION:

Regent Lande moved to authorize Iowa State University to continue negotiations with Iowa Central Community College (ICCC) regarding the transfer of KTPR Radio to Iowa State University and to develop a memorandum of understanding with ICCC regarding the transfer and operation of KTPR Radio by WOI Radio. Regent Turner seconded the motion.  
MOTION CARRIED UNANIMOUSLY.

**LAND PURCHASE—ISU RHODES RESEARCH AND DEMONSTRATION FARM.** The Board Office recommended the Board approve the purchase of 223.64 acres of farm land located in Rhodes, Iowa, from the Committee for Agricultural Development at the purchase price of \$216,000 (\$981 per acre), subject to review by the Attorney General's Office and approval of the Executive Council of Iowa.

Iowa State University officials requested approval to purchase 223.64 acres of farm land adjacent to the Rhodes Research and Demonstration Farm, Rhodes, Iowa, from the Committee for Agricultural Development (CAD), an affiliate of the College of Agriculture. The Rhodes Farm, which is located in Marshall County, consists of 1,780 acres and provides a research facility for the College of Agriculture, the ISU Agricultural Experiment Station, and the Iowa Beef Industry.

The property was purchased by CAD under a lease agreement with a purchase price option of \$216,000 for the 223.64 acres (\$981 per acre). CAD proposes to sell the property to the university at the same price and will receive no economic gain from the proposed sale. The additional farm land will allow the College of Agriculture to expand its operations at the Rhodes farm and relocate some existing agricultural research activities which will result in operational savings. The additional land will also increase the total tillable acres at the Rhodes Farm and provide improved access to Iowa Highway 330.

The purchase price of \$981 per acre reflects the marginal quality of the farm land, which is below average for Marshall County. In addition, the majority of the property is classified as pastureland, while the higher-value tillable farm land comprises only 42 percent of the area. The proposed purchase price of \$216,000 is consistent with Board procedures.

The property purchase is subject to review by the Attorney General's Office and requires approval of the Executive Council of Iowa.

MOTION:

Regent Lande moved to approve the purchase of 223.64 acres of farm land located in Rhodes, Iowa, from the Committee for Agricultural Development at the purchase price of \$216,000 (\$981 per acre), subject to review by the Attorney General's Office and approval of the Executive Council of Iowa.

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

AYE: Ahrens, Fisher, Kelly, Kennedy, Lande, Neil, Newlin, Smith, Turner.

NAY: None.

ABSENT: None.

MOTION CARRIED.

President Newlin then asked Board members and institutional officials if there were additional items for discussion pertaining to Iowa State University.

President Jischke stated that this was the last Board of Regents meeting at which Dick Seagrave would be serving as Interim Provost. He stated that Professor Seagrave had done an absolutely splendid job in the interim position.

President Newlin said he assumed that Professor Seagrave would be available to assist with a smooth transition, to which Professor Seagrave agreed. President Newlin thanked him for all of his work in the interim position.

## UNIVERSITY OF NORTHERN IOWA

The following business pertaining to the University of Northern Iowa was transacted on Thursday, September 16, 1999.

**RATIFICATION OF PERSONNEL TRANSACTIONS.** The Board Office recommended the Board ratify personnel transactions, as follows:

Register of Personnel Changes for July and August 1999.

**ACTION:** The personnel transactions were approved, as presented, on the consent docket.

**APPROVAL OF APPOINTMENT.** The Board Office recommended the Board approve the appointment of Dr. C. Renee Romano as Vice President for Educational and Student Services, effective not later than January 1, 2000, at an annual salary of \$125,000.

From 1997 to the present, Dr. Romano served as Vice President for Student Services at Hollins University, Roanoke, Virginia. Dr. Romano served as Director of Maucker Union and Student Activities at the University of Northern Iowa from 1988 to 1997.

Dr. Romano holds the following degrees: Ph.D., Professional Studies in Higher Education from Iowa State University; M.S.Ed., Higher Education from Southern Illinois University, B.A., Art/General Studio from Southern Illinois University; and A.A., Liberal Arts from Lincoln Land Community College, Springfield, Illinois.

**MOTION:** Regent Kennedy moved to approve the appointment of Dr. C. Renee Romano as Vice President for Educational and Student Services, effective not later than January 1, 2000, at an annual salary of \$125,000. Regent Smith seconded the motion.  
**MOTION CARRIED UNANIMOUSLY.**

**ESTABLISHMENT OF A STATE-WIDE PUBLIC RADIO PLAN.** The Board Office recommended the Board provide preliminary endorsement for the development of a Statewide Public Radio Plan which addresses the following components:

- a. Work to acquire the radio frequencies to achieve the goal of making available at least one high quality Iowa public radio signal at all locations in the State.
- b. Continue to develop strategies for funding public radio services which favor the use of contributed or donor funds.

- c. Take advantage of the efficiencies in pooling Regent and other State of Iowa radio station resources to enhance the quality of services and reduce unnecessary duplication.
- d. Establish communications and foster cooperation with the Iowa Department of Education for the purpose of providing stability and continuity for the public radio stations under its authority.

Previously, the Board of Regents granted permission to the University of Northern Iowa to submit proposals to the FCC to build eight non-commercial FM public radio stations. The Board also authorized Iowa State University to submit three applications to the FCC. The Regent institution proposals which have been submitted to the FCC will provide first protected FM services to the cities of Dubuque, Oskaloosa, Ottumwa, and Fairfield.

The FCC has also received proposals from out-of-state organizations; these proposals compete for every channel sought by the Regent institution stations. Because the channels are the last ones available in each area, the out-of-state proposals are in conflict with the Regent institution proposals; therefore, the FCC cannot take action until it establishes criteria to determine which of the competing applicants has better qualifications. One of the criteria which has been proposed by the FCC will award points to a proposal which is part of a statewide plan. Therefore, the Regent institution proposals will benefit if they are incorporated into a statewide plan.

Furthermore, because out-of-state organizations are applying for much of the FM educational reserved radio spectrum, there is a need for the statewide plan to foster the extension of FM public radio public service to the unserved areas of the state before all of the remaining channels are allocated.

Doug Vernier, Director of Broadcasting Services, reviewed with the Regents the information that was provided in the docket materials. He said the more formal establishment of a plan would ensure public radio in the state that is cost effective and would enhance programming statewide.

Regent Fisher said he applauded the effort.

Regent Turner asked about the proposals from out-of-state stations which had been received by the FCC. Director Vernier stated that the Regent institutions' applications were for every available frequency and were competitive with applications from others out of state. Currently there is no way for the FCC to process competitive applications. He said the FCC is considering either a lottery or a point system; institutional officials favor a point system. The FCC will release a proposal shortly that should address the issue. It is very important for the state of Iowa to have its plan in place when the FCC announcement takes place, which could be as early as next month.

President Newlin asked about the importance of having a statewide public radio plan. Director Vernier said this was something that probably should have been done a long time ago. Iowa has independent stations. Radio is a cost effective medium for local services. The independent stations have never taken advantage of the efficiencies that are available. He said there were two important aspects to the plan. First, the cooperative efforts will maximize efficiencies. The second aspect involves a strategy that might save the last frequencies in the state.

President Newlin stated that the Board of Regents has a policy regarding public radio. What will this new plan do with respect to changing the Board's policy or conforming to it?

Director Vernier said he thought the plan would enhance the Board's policy. The Regent institutions would be working among themselves to increase efficiency.

Regent Kennedy asked about the community college radio stations. Director Vernier said the community college station in Council Bluffs was on the auction block four years ago and would have generated \$2-3 million when sold. It did not sell which was good because those frequencies are a state resource. He said it does point to the fact that there needs to be better insight at the community colleges regarding the importance of those services and how those can be enhanced by partnerships with the state universities.

Regent Kennedy thanked Executive Director Stork for the collaboration with the community colleges.

MOTION: Regent Neil moved to provide preliminary endorsement for the development of a Statewide Public Radio Plan which addresses the components, as presented. Regent Smith seconded the motion. MOTION CARRIED UNANIMOUSLY.

**REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS.** The Board Office recommended the Board approve the Register of Capital Improvement Business Transactions for the University of Northern Iowa.

Towers Dining Center, Bender Hall and Dancer Hall Plaza

Project Summary

	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Permission to Proceed		Nov. 1998	Approved
Architect/Engineer Agreement (Kirkham Michael and Associates)	\$ 35,500	Jan. 1999	Approved
Project Description and Total Budget	\$ 1,750,000	Feb. 1999	Approved
Construction Contract (Rampart Corporation)	\$ 897,224	April 1999	Approved
Revised Total Project Budget	\$ 1,100,000	Sept. 1999	Requested

University officials requested approval of a revised project budget in the amount of \$1,100,000, a decrease of \$650,000, to replace the concrete walks, steps and curbing, and a storm sewer in the plaza area which serves the Towers Dining Center and Bender and Dancer residence halls. The improvements will address safety, utility and accessibility issues for the plaza area which was constructed in 1969. The revised budget reflects savings in the construction contract.

The revised budget includes the addition of \$240,000 in Building Repair Funds to replace a portion of the funding from Dormitory System Revenue Bonds, which has been the only funding source for the project. University officials included building repair funds to finance the underground utility work.

### Project Budget

	<u>Initial Budget Feb. 1999</u>	<u>Revised Budget Sept. 1999</u>
Contracts/Purchase Orders	\$ 1,487,500	\$ 880,000
Consultant/Design Services	148,750	160,000
Contingencies	<u>113,750</u>	<u>60,000</u>
TOTAL	<u>\$ 1,750,000</u>	<u>\$ 1,100,000</u>
Source of Funds:		
Dormitory System Revenue Bonds	\$ 1,750,000	\$ 860,000
Building Repair Funds	<u>0</u>	<u>240,000</u>
TOTAL	<u>\$ 1,750,000</u>	<u>\$ 1,100,000</u>

### Bender Hall Elevators

### Project Summary

	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Project Description and Total Budget	\$ 109,000	Feb. 1998	Approved *
Elevator Consultant (Lerch-Bates)	\$ 9,632	Feb. 1999	Approved *
Revised Total Project Budget	\$ 400,000	Sept. 1999	Requested
Architect/Engineer Agreement (Rietz Consultants)	\$ 18,000	Sept. 1999	Requested

\* Approved by university in accordance with Board procedures.



## Dancer Hall Elevators

### Project Summary

	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Project Description and Total Budget	\$ 175,000	March 1999	Approved *
Elevator Consultant (Lerch-Bates)	\$ 9,363	Feb. 1999	Approved *
Revised Total Project Budget	\$ 400,000	Sept. 1999	Requested
Architect/Engineer Agreement (Rietz Consultants)	\$ 18,000	Sept. 1999	Requested

\* Approved by university in accordance with Board procedures.

University officials requested approval of revised project budgets to upgrade the elevators in Bender and Dancer residence halls. The elevators are original to the facilities, which were constructed in 1970, and are nearing the end of their useful lives. The new elevator systems will have greater reliability and reduced repair and maintenance costs. The two projects are part of a series of improvement projects funded by the sale of Dormitory System Revenue Bonds in April 1999.

The initial project budgets included the replacement of system controls, refurbishing of the elevator cars, and reconstruction of the elevator doors to meet code requirements. The revised project budgets will incorporate several additional items to meet current elevator codes. Included are the rearrangement of the equipment room, installation of a heating, ventilating and air conditioning system to accommodate the new system controls, and creation of an exterior entrance to the equipment room.

The total budget increase of \$516,000 will be funded by proceeds from the April 1999 sale of Dormitory System Revenue Bonds. The additional bond funds are available from the savings on the Towers Plaza project.

University officials also requested approval to enter into two agreements, each for a fee of \$18,000, including reimbursables, with Rietz Consultants, to provide engineering services for the projects. Included are design, construction coordination and periodic construction observation services.

The detail of the initial and proposed budgets with source of funds follows.

Bender Hall Elevators

Source of Funds: Dormitory System Revenue Bonds

Project Budget

	Initial Budget <u>Feb. 1999</u>	Revised Budget <u>Sept. 1999</u>
Contracts/Purchase Orders	\$ 104,000	\$ 340,000
Consultant/Design Services	1,000	30,000
Contingencies	<u>4,000</u>	<u>30,000</u>
TOTAL	<u>\$ 109,000</u>	<u>\$ 400,000</u>

Dancer Hall Elevators

Source of Funds: Dormitory System Revenue Bonds

Project Budget

	Initial Budget <u>March 1999</u>	Revised Budget <u>Sept. 1999</u>
Contracts/Purchase Orders	\$ 147,000	\$ 340,000
Consultant/Design Services	14,000	30,000
Contingencies	<u>14,000</u>	<u>30,000</u>
TOTAL	<u>\$ 175,000</u>	<u>\$ 400,000</u>

Redeker Dining Center Improvements

Project Summary

	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Permission to Proceed		Dec. 1998	Approved
Architect/Engineer Agreement (Rietz Consultants)	\$ 735,000	Sept. 1999	Requested

University officials requested approval to enter into an agreement with Rietz Consultants to provide design services for improvements to the Redeker Dining Center. The project will renovate the food service areas of the dining center, at an estimated cost of \$7,000,000, based on the recommendations of the Campus Food Service Master Plan, a summary of which was included in the Residence System Master Plan presented to the Board in March 1999. The master plan was developed to provide projections of future campus food service needs and capital investment requirements consistent with the university's mission and strategic plan. The study was to help determine the most effective method of providing high quality food service to students, faculty, staff and guests, and will be used to guide the renovation of dining facilities and the replacement of equipment in the food service areas.

The university's residential dining facility kitchens and serving systems are nearing the end of their useful lives and are dramatically in need of renovation and reconfiguration to facilitate modern production and serving techniques. The Redeker Dining Center is the university's largest dining unit (with seating for 818), and houses some of the oldest food service equipment on campus. Center operations include the campus bakery and the central food stores which serve the other campus dining units.

The university received expressions of interest from seven firms to provide design services for the project. Four firms were selected for interviews with the university's Architectural Selection Committee in accordance with Board procedures for projects over \$1,000,000. University officials recommended the selection of Rietz Consultants and requested approval to enter into an agreement with the firm to provide full design services for the project, including further evaluation of the recommendations in the master plan. In addition to mechanical/electrical and cost control consultants, the agreement will include the services of architectural and food service consultants who have national reputations for dining center and food preparation design and have demonstrated experience in the type of work associated with this project. The agreement provides for a total fee of \$735,000, including reimbursables.

School of Music Classroom Building/Performing Arts Center

Project Summary

	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Permission to Proceed Architectural Agreement (Hammel Green Abrahamson)	\$ 1,528,750	Sept. 1994 April 1995	Approved Approved
Program Statement		Feb. 1996	Approved
Schematic Design		April 1996	Approved
Revised Total Project Budget	\$ 21,894,000	Jan. 1999	Approved
Construction Contract (Story Construction Company)	\$ 17,231,000	June 1997	Approved
Previous Change Orders (24)	\$ 1,927,250		Approved
Change Order #25	\$ 419,218	Sept. 1999	Requested

University officials requested approval of Change Order #25 to the contract with Story Construction Company for construction of the School of Music Classroom Building/Performing Arts Center. The change order will provide for the installation of acoustical curtains and telescoping seating in the large rehearsal room, and acoustical curtains in the organ/choral room. The change order will also include installation of speaker systems in the main performance hall, large rehearsal room, and organ recital/large classroom.

The revised budget approved in January 1999 of \$21,894,000 included additional private funds to reinstate various building enhancements which were previously removed from the project due to budgetary constraints. Since that time, the university has received Board approval of six construction change orders totaling \$1,484,153. These change orders have provided for the finishing of the dressing room areas, installation of orchestra pit lifts, and the installation of additional fixed equipment for the main performance hall. In accordance with Board procedures, which allow university approval of change orders which are less than \$50,000 or do not increase the project budget or scope, university officials approved 18 change orders totaling \$443,097. With approval of Change Order #25, the construction contract will total \$19,577,468.

\* \* \* \* \*

Included in the university's capital register was a project budget under \$250,000 which was approved by the university, the acceptance of a completed construction contract, and final reports. These items were listed in the register prepared by the university.

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

**APPROVAL OF LEASES.** The Board Office recommended the Board approve leases, as presented.

University officials requested approval to enter into a lease agreement as lessee with TEAM Property Management for the university's use of 1,000 square feet of office space

located in Cedar Falls for the Iowa Training Opportunities Program. The space will be leased at the rate of \$942 per month (\$11.30 per square foot, \$11,304 per year) for an 18-month period commencing September 17, 1999 through March 16, 2001.

University officials requested approval to enter into a lease agreement as lessee with DL Olson for the university's use of 5,000 square feet of warehouse space in Cedar Falls. The space will provide an indoor practice facility and storage space for the university baseball team. The space will be leased at the rate of \$1,100 per month (\$2.64 per square foot, \$13,200 per year) for the period commencing September 17, 1999 through April 30, 2000.

MOTION: Regent Fisher moved to approve the leases, as presented. Regent Ahrens seconded the motion, and upon the roll being called, the following voted:  
AYE: Ahrens, Fisher, Kelly, Kennedy, Lande, Neil, Newlin, Smith, Turner.  
NAY: None.  
ABSENT: None.

MOTION CARRIED.

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

**EXECUTIVE SESSION.** President Newlin requested that the Board enter into closed session pursuant to the Code of Iowa section 21.5(1)(c) to discuss a matter with counsel which is either in litigation or where litigation is imminent, and section 21.5(1)(i) upon the request of an employee whose performance was being considered.

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

MOTION CARRIED.

The Board having voted at least two-thirds majority resolved to meet in closed session beginning at 3:25 p.m. on September 16, 1999, and adjourned therefrom at 5:17 p.m. on that same date.

## IOWA SCHOOL FOR THE DEAF

The following business pertaining to the Iowa School for the Deaf was transacted on Thursday, September 16, 1999.

**RATIFICATION OF PERSONNEL TRANSACTIONS.** The Board Office recommended the Board ratify personnel transactions, as presented.

### Register of Personnel Changes for July and August 1999

**ACTION:** The personnel transactions were approved, as presented, on the consent docket.

**APPOINTMENT OF ISD ADVISORY COMMITTEE MEMBERS.** The Board Office recommended the Board approve the reappointments of Dr. Gary Holman (consultant), Mrs. Shirley Hicks (Iowa consumer representative), and Mrs. Peggy Scherling (Nebraska consumer representative) to the Iowa School for the Deaf advisory committee, for terms beginning September 1, 1999 and ending August 30, 2001.

In July 1998, the Board of Regents approved expanding the Iowa School for the Deaf advisory committee to include a public member from Nebraska.

Each of the nominees was being reappointed, upon recommendation of the superintendent and the Board Office. Their term of service will be September 1, 1999 to August 31, 2001.

The duties of the advisory committee include: (1) facilitating cooperative agreements among the universities and the specialized schools; (2) advising the Board regarding the specialized schools in the areas of services to students, training, and research; (3) preparing an annual report for presentation to the Board; and assisting the schools in governance by the development of such items as annual reports, long-range plans, program review structures, and the development of mission statements.

These duties are especially significant in light of the Board of Regents' strategic plan, including KRA 4.0.0.0 (accountability) and strategies including 4.4.2.0 (collaboration among the Regent institutions) and such action steps as 1.1.1. 7 (special schools report to the Board annually on student outcomes), 4.1.2.1 (review and analyze progress on and modification of strategic plans), and 4.4.2.4 (explore opportunities for collaboration between the special programs and LEAs, AEs, and other state agencies).

Associate Director Kniker reviewed with the Regents the information provided in the docket materials.

MOTION: Regent Fisher moved to approve the reappointments of Dr. Gary Holman (consultant), Mrs. Shirley Hicks (Iowa consumer representative), and Mrs. Peggy Scherling (Nebraska consumer representative) to the Iowa School for the Deaf advisory committee, for terms beginning September 1, 1999 and ending August 30, 2001. Regent Kennedy seconded the motion. MOTION CARRIED UNANIMOUSLY.

**APPROVAL OF LEASE.** The Board Office recommended the Board approve the lease, as presented.

School officials requested approval to enter into a lease agreement as lessor with Tim James for his use of a residence located at 2901 Valley View Drive on the Iowa School for the Deaf campus. The house consists of 1,440 square feet of space and will be leased at the rate of \$600 per month (\$7,200 per year) on a monthly basis.

MOTION: Regent Fisher moved to approve the lease, as presented. Regent Ahrens seconded the motion, and upon the roll being called, the following voted:  
AYE: Ahrens, Fisher, Kelly, Kennedy, Lande, Neil, Newlin, Smith, Turner.  
NAY: None.  
ABSENT: None.

MOTION CARRIED.

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

## IOWA BRAILLE AND SIGHT SAVING SCHOOL

The following business pertaining to Iowa Braille and Sight Saving School was transacted on Thursday, September 16, 1999.

**RATIFICATION OF PERSONNEL TRANSACTIONS.** The Board Office recommended the Board approved personnel transactions, as presented.

Register of Personnel Changes for the period of May 16 through August 21, 1999.

Resignation of Dr. Ian Stewart, Director of Outreach Services effective August 13, 1999.

**ACTION:** The personnel transactions were approved, as presented, on the consent docket.

**NCA ACCREDITATION: OUTCOMES ENDORSEMENT.** The Board Office recommended the Board receive the report from the North Central Association of Colleges and Schools granting Iowa Braille and Sight Saving School an outcomes endorsement as of June 9, 1999.

The regional accreditation organization for schools and higher education institutions is the North Central Association of Colleges and Schools (NCA). A new type of NCA accreditation is "outcomes endorsement." It focuses on student learning more than on such traditional indicators as governance structure, facilities, faculty backgrounds, and financial support.

Since 1992, Iowa Braille and Sight Saving School officials have been engaged in the process of obtaining this new type of accreditation. Its strategic plan has incorporated evidence of its efforts to increase student learning and methods of assessing student outcomes. Iowa Braille and Sight Saving School faculty and staff, through several committees, developed a comprehensive student profile through surveys, revised a vision statement, established three target areas (life skills, behavior skills, communication) with strategies and assessment measures, conducted family inventories, redrafted a statement on school climate, and devised a comprehensive school improvement plan.

NCA review teams visited the campus in October 1992, April 1995 and March 1999. The Iowa North Central Association of Colleges and Schools granted an outcomes endorsement on June 9, 1999, for a period of five years. Iowa Braille and Sight Saving School officials will continue to make annual reports to the national NCA office.

Superintendent Thurman introduced Kay Jahnel, chair of the Iowa Braille and Sight Saving School outcomes endorsement steering committee.



Ms. Jahnel stated that seven years ago Iowa Braille and Sight Saving School officials embarked on a very exciting journey toward continuous improvement for student learning. She reviewed with the Regents the processes that had taken place during that time period. She said school officials are committed to quality education and acknowledge the need for continuous improvement. Outcomes endorsement is a framework to help meet that goal. The first accreditation team visit was in 1995. The school received full accreditation in March 1999. She thanked the Regents for their support of the school's efforts.

President Newlin questioned the change in terminology from "accreditation" to "endorsement". Superintendent Thurman responded that the North Central Association changed the terminology. He noted that there are other accrediting bodies throughout the U.S., several of which offer an outcomes approach. To his knowledge, the only school for the blind that is now accredited in this fashion is Iowa Braille and Sight Saving School. He noted that the commitment to this process was huge.

**MOTION:** Regent Kennedy moved to congratulate Iowa Braille and Sight Saving School officials and to express the Board of Regents' appreciation for the efforts and good results that have come from this accreditation process. Regent Neil seconded the motion.  
**MOTION CARRIED UNANIMOUSLY.**

**ACTION:** President Newlin stated the Board received the report from the North Central Association of Colleges and Schools granting Iowa Braille and Sight Saving School an outcomes endorsement as of June 9, 1999, by general consent.

**SUMMER 1999 PROGRAMS REPORT.** The Board Office recommended the Board receive the report.

The 1999 summer programs at Iowa Braille and Sight Saving School were designed and implemented as a result of changes in the school's strategic plan. The school provided three on-campus programs - extended core curriculum, functional skills, and temporary care - which were offered in 2 four-week sessions. A total of 72 students were served. A technology workshop also was offered on-campus to parents and teachers. The school also offered off-campus services, including extended year special education, Orientation to the World of Work, and Camp Life, to 76 students.

This report addressed the following key results area and objectives which are included in the Board's strategic plan:

KRA 4.0.0.0 Meet the objectives of the Board and institutional strategic plans and provide effective stewardship of the institutions' state, federal, and private resources.

Objective 4.2.0.0 Improve the operational effectiveness and efficiency of the institutions.

Objective 4.4.0.0 Strengthen public understanding and confidence in the Board of Regents, its governance authority, and the programs and services of the institutions under its jurisdiction by measurable indicators of legislative

outcomes and public support to be annually reported to the Board.

Director Hooley reviewed with the Regents the school's summer programming including the wide variety of activities in which students participated. School officials are very proud of the summer school. He expressed appreciation for the Board's guidance and support as the school moves from programs of the past to programs of the future.

Regent Neil asked for the reaction of parents to the summer school programming. Director Hooley responded that the reaction had been very positive.

Regent Turner asked if school officials anticipated making any changes in next year's summer program and whether there was any way to formally assess the response of families. Director Hooley stated that each student will receive an individual report from summer school which will include a survey of the summer school program. The survey responses will determine whether any programming changes need to be made. He noted that four weeks may be a bit long for some of the younger students, for example.

President Newlin asked if there was any special therapeutic value of horseback riding for blind children. Director Hooley responded that the therapeutic value of horseback riding was not well documented but anecdotally it was positive for the students. Their enjoyment of that activity was rather surprising. Superintendent Thurman noted that one of the values in something like horseback riding is for students to develop the concept of body and space. The therapeutic value probably lies at the individual level.

Superintendent Thurman described the summer program activities that took place throughout the state. Four such activities were 1) extended year special education for students who attended Iowa Braille and Sight Saving School through the school year, 2) services to 580 public school students for orientation and mobility instruction, 3) a program offered at the University of Northern Iowa called Orientation to the World of Work, and 4) Camp Life which is held in Council Bluffs on the campus of the Iowa School for the Deaf.

President Newlin thanked school officials for the presentation.

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

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

## **ADJOURNMENT.**

The meeting of the Board of Regents, State of Iowa, adjourned at 5:17 p.m. on Thursday, September 16, 1999.

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Frank J. Stork  
Executive Director

