

The Board of Regents, State of Iowa, met on Wednesday and Thursday, September 13 and 14, 2000, at the University of Iowa, Iowa City, Iowa. The following were in attendance:

|  | <u>September 13</u>  | <u>September 14</u> |
|--|----------------------|---------------------|
| <u>Members of Board of Regents, State of Iowa</u>    |                      |                     |
| Mr. Newlin, President                                | All sessions         | All sessions        |
| Ms. Ahrens   | All sessions         | All sessions        |
| Mr. Fisher   | All sessions         | All sessions        |
| Dr. Kelly  | All sessions         | All sessions        |
| Mrs. Kennedy   | All sessions         | All sessions        |
| Mr. Lande  | All sessions         | All sessions        |
| Mr. Neil   | All sessions         | Excused             |
| Mrs. Smith   | All sessions         | All sessions        |
| Dr. Turner   | Arrived at 2:07 p.m. | All sessions        |
| <u>Office of the Board of Regents, State of Iowa</u> |                      |                     |
| Executive Director Stork                             | All sessions         | All sessions        |
| Deputy Executive Director Barak                      | All sessions         | All sessions        |
| Director Elliott                                     | All sessions         | All sessions        |
| Director Wright                                      | All sessions         | All sessions        |
| Associate Director Hendrickson                       | All sessions         | All sessions        |
| Associate Director Kniker                            | All sessions         | Excused             |
| Associate Director Racki                             | All sessions         | All sessions        |
| Assistant Director Anania                            | All sessions         | Excused             |
| Assistant Director Gonzalez                          | All sessions         | Excused             |
| Minutes Secretary Briggie                            | All sessions         | All sessions        |
| <u>State University of Iowa</u>                      |                      |                     |
| President Coleman                                    | All sessions         | All sessions        |
| Provost Whitmore                                     | All sessions         | All sessions        |
| Vice President Jones                                 | All sessions         | Excused             |
| Vice President True                                  | All sessions         | All sessions        |
| Dean Kelch   | All sessions         | Excused             |
| Associate Vice President Foldesi                     | All sessions         | Excused             |
| Associate Provost Coulter                            | All sessions         | Excused             |
| Associate Director Braun                             | All sessions         | Excused             |
| <u>Iowa State University</u>                         |                      |                     |
| President Seagrave                                   | All sessions         | All sessions        |
| Provost Richmond                                     | All sessions         | All sessions        |
| Vice President Hill                                  | All sessions         | Excused             |
| Vice President Madden                                | All sessions         | All sessions        |
| Assistant to the President Bradley                   | All sessions         | Excused             |
| Assistant to the President Mukerjea                  | All sessions         | All sessions        |
| Associate Director Baumert                           | All sessions         | All sessions        |
| <u>University of Northern Iowa</u>                   |                      |                     |
| President Koob                                       | All sessions         | All sessions        |
| Provost Podolefsky                                   | All sessions         | All sessions        |
| Vice President Conner                                | All sessions         | All sessions        |
| Vice President Romano                                | All sessions         | Excused             |
| Assistant Director Saunders                          | All sessions         | All sessions        |
| <u>Iowa School for the Deaf</u>                      |                      |                     |
| Superintendent Johnson                               | All sessions         | All sessions        |
| Director Heuer                                       | All sessions         | All sessions        |
| Interpreter Gerischer                                | All sessions         | All sessions        |
| Interpreter Reese                                    | All sessions         | All sessions        |
| <u>Iowa Braille and Sight Saving School</u>          |                      |                     |

Superintendent Thurman  
Director Woodward

All sessions  
All sessions

All sessions  
All sessions

## GENERAL

The following business pertaining to general or miscellaneous business was transacted on Wednesday and Thursday, September 13 and 14, 2000.

**APPROVAL OF MINUTES OF BOARD MEETING OF JULY 19-20, 2000.** The Board Office recommended the Board approve the minutes.

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

**MOTION:** Regent Neil moved to approve the minutes of the July 19-20, 2000, meeting, as written. Regent Ahrens seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

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

Approve the University of Iowa's request to rename the doctoral degree program from the Doctorate in Physical Therapy to the doctorate in Physical Rehabilitation;

Approve the University of Iowa's request to change the name of the degree major and designated code for Master's and Ph.D. degrees in the College of Public Health;

Ratify personnel transactions at the Regent institutions;

Approve the addition of Arthur H. Konar, Ph.D., DAPBS, to Iowa State 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 Fisher moved to approve the consent docket, as presented. Regent Neil seconded the motion. MOTION CARRIED UNANIMOUSLY.

**INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION.**

(a) Rename the Doctoral Degree Program from Doctorate in Physical Therapy to Doctorate in Rehabilitation Science, University of Iowa. The Board Office recommended the Board approve the University of Iowa's request to rename the doctoral degree program from the Doctorate in Physical Therapy to the Doctorate in Physical Rehabilitation.

The Ph.D. in Physical Therapy is often confused with the professional clinical doctorate, the Doctor of Physical Therapy, now offered by a number of institutions. The new name more appropriately reflects the breadth of activities offered by the programs. Many other institutions and programs have changed the names of their academic degrees in light of these changes in the field of physical therapy. This is solely a change in name of the major of this existing degree and does not affect degree requirements, course offerings and other components.

There are no major costs or programmatic changes involved in this name change.

ACTION: This matter was approved on the consent docket.

(b) Change the Name of the Degree Major and the Designated Code for Master's and Ph.D. Degrees in the College of Public Health, University of Iowa. The Board Office recommended the Board approve the University of Iowa's request to change the name of the degree major and designated code for Master's and Ph.D. degrees in the College of Public Health.

The change from a Department of Preventive Medicine and Environmental Health to a College of Public Health (CPH) requires a change in the name of the degree major and designated code for Master's and Ph.D. degree programs to satisfy accrediting requirements and so that students receiving CPH degrees are better positioned for jobs and careers in the public health fields.

Degrees offered in Preventive Medicine and Environmental Health (PMEH) have a designated major with no way to designate the allowed areas of specialization: Biostatistics, Epidemiology, Occupational and Environmental Health, and Industrial Hygiene. Students will now receive degrees from the new College of Public Health with majors specified in the various specialty areas. The Master's in Health Administration currently offered will become a Master's of Health Administration offered by the new

Department of Health Management and Policy within the CPH. The Ph.D. in Hospital and Health Administration will change to a Ph.D. with a major in Health Management and Policy.

These are not new degrees but rather changes that reflect the relocation of the degree programs from the Department of Preventive Medicine and Environmental Health to the College of Public Health.

There are no major costs as a result of this proposed change nor program changes other than those noted.

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

**ACCREDITATION REPORTS, UNIVERSITY OF IOWA.** (a) Predoctoral Internship Program in Professional Psychology. The Board Office recommended the Board receive the report on accreditation of the Predoctoral Internship Program in Professional Psychology at the University of Iowa.

On May 2, 2000, the Committee on Accreditation of the American Psychology Association (APA) granted reaccreditation to the Predoctoral Internship Program in Professional Psychology at the University of Iowa, which is under the direction of the University Counseling Service (UCS). The next site visit for reaccreditation will be in 2004. An interim progress report is required in 2001.

The Program provides a one-year internship for doctoral students seeking a "clinical psychology" designation for their Ph.D. in Psychology. All standards, called domains by the APA, that were reviewed were judged to have been met, many with excellent ratings. The Committee has requested that the Program address, in its 2001 report, issues concerning evaluation of program goals and interns' awareness of the Program's goals and requirements.

Provost Whitmore presented the accreditation report on behalf of the University of Iowa.

Regent Ahrens asked for comment regarding the minor concerns noted in the accreditation report. Director Gerald Stone indicated that the program had responded to the two directives.

**MOTION:** Regent Neil moved to receive the report on accreditation of the Predoctoral Internship Program in Professional Psychology at the University of Iowa. Regent Smith seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

(b) Reaccreditation of the Oral and Maxillofacial Surgery Program. The Board Office recommended the Board receive the report on accreditation of the Oral and Maxillofacial Surgery Program at the University of Iowa.

On February 8, 2000, the American Dental Association (ADA) reaccredited the Oral and Maxillofacial Surgery Program in the College of Dentistry at the University of Iowa. All standards were met and the ADA's Accreditation Committee granted full approval of the program; no interim reports are needed. Last reaccredited in 1995, the new reaccreditation is in effect until 2004.

Provost Whitmore presented the accreditation report on behalf of the University of Iowa.

Regent Smith noted that there was some concern raised in the self study about restricting the performance of cosmetic, aesthetic, and plastic surgery to staff in the plastic surgery service of the University of Iowa Hospitals and Clinics.

Dr. Kirk Fridrich responded that presently it was felt that there was not a conflict. Program officials are not planning to revisit the matter because doing so could be counterproductive.

Regent Neil questioned whether the program's accreditation could be jeopardized if the matter is not revisited. Dr. Fridrich responded that program officials have done everything necessary to remain accredited. He noted that the issue related to an agreement between the two specialties and was not a restriction imposed by University of Iowa Hospitals and Clinics bylaws.

MOTION: Regent Smith moved to receive the report on accreditation of the Oral and Maxillofacial Surgery Program at the University of Iowa. Regent Kennedy seconded the motion. MOTION CARRIED UNANIMOUSLY.

(c) Reaccreditation of Physician Assistant Program, College of Medicine. The Board Office recommended the Board receive the report on reaccreditation of the Physician Assistant Program at the University of Iowa.

On April 30, 1999, the Commission on Accreditation of Allied Health Education Professionals (CAAHEP), through its Accreditation Review Committee on Education for the Physician Assistant (ARC-PA), granted continuing accreditation of the Physician Assistant Program at the University of Iowa. ARC-PA requested an interim report to provide information on behavioral objectives of several Physician Assistant (PA)

courses which are integrated with the sophomore medical student curriculum. The Program provided the information and the Committee granted reaccreditation until 2006, when the next site visit will be made.

Provost Whitmore presented the accreditation report on behalf of the University of Iowa.

Regent Kennedy noted that the next scheduled review was in 2006. She asked what are issues that the program is likely to face before the next accreditation review?

Dr. David Asprey stated that there are a number of issues ahead. There has been a dramatic increase in the number of physician assistant programs across the country, creating competition for faculty. Another issue is the continued competition for topnotch students.

MOTION: Regent Kennedy moved to receive the report on reaccreditation of the Physician Assistant Program at the University of Iowa. Regent Smith seconded the motion. MOTION CARRIED UNANIMOUSLY.

(d) Reaccreditation of Doctoral Program in Counseling Psychology, College of Education. The Board Office recommended the Board receive the report on reaccreditation of the Ph.D. Program in Counselor Psychology at the University of Iowa.

On May 11, 1999, the American Psychological Association (APA) informed the University of Iowa that it had reaccredited the doctoral program in Counselor Psychology. The program, administered by the College of Education, met all standards, although an interim report was requested for 2000. That report, filed on June 20, 2000, addressed a concern of the visiting team. The Doctoral Program in Counselor Psychology is reaccredited until 2005.

Numerous strengths of the program were cited, including the professional activities of the faculty, the number and diversity of practicum opportunities, the commitment to diversity (37 percent of the students are from underrepresented minority groups), excellent facilities, and strong administrative support. Also, program officials keep in close contact with alumni, inviting graduates back to lead seminars from time to time.

The chief concern expressed in the APA report that needs to be addressed involves faculty size and teaching resources, which limit the availability of faculty to mentor students for direct research. The University successfully addressed the concern in its interim report in 2000. A lesser concern is the need for more space for students. That concern had also been noted in the previous site visit of 1993. The interim report did not address this concern.

Provost Whitmore presented the accreditation report on behalf of the University of Iowa.

Regent Smith questioned whether there was an adequate number of faculty and whether space concerns had been addressed. Professor Elizabeth Altmaier said she believed there was adequate faculty at this time. The space issue was a little harder to solve. She said Dean Damico is working on space issues for the entire College of Education.

Provost Whitmore noted that Lindquist Hall was being evacuated which would create more space for the College of Education.

MOTION: Regent Neil moved to receive the report on reaccreditation of the Ph.D. Program in Counselor Psychology at the University of Iowa. Regent Fisher seconded the motion. MOTION CARRIED UNANIMOUSLY.

President Newlin congratulated University of Iowa officials on the accreditation reports and all of their successes.

**ANNUAL STUDENT FINANCIAL AID REPORT.** The Board Office recommended the Board receive the report.

Ability to pay for college has consistently ranked as one of the most significant considerations for entering freshmen when making college attendance decisions. In today's environment, students who choose to attend a Regent university can benefit both from reasonably priced tuition and from a financial aid package which combines scholarships/grants, student employment, and loans for those who have demonstrated financial need.

The purpose of this annual governance report is to inform the Board about 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.

The relative percentages of total financial aid resources made available through the Regent universities for 1999-2000 are as follows:

Grants/scholarships - 23.5%;  
Loans - 50.3%;  
Employment - 26.2%

During the 1999-2000 academic year, there were 153,822 student financial aid awards (all categories) at Regent universities, totaling \$471,690,425. This sum represented a 4.8 percent increase in funds and a 0.3 percent decrease in the number of awards from the previous year. The average award per student has increased from \$2,917 to \$3,066 (+5.1 percent).

During 1999-2000, the categorical breakdown of student financial aid provided by the Regent universities is as follows:

### Grants

58,390 individual grants were awarded, totaling \$110,752,212. This was an increase of more than \$4.9 million in funds (+4.7 percent) and a decrease of 56 awards (-0.1 percent) from the prior year. The average grant award was \$1,897, which increased by \$86 (+4.7 percent) from the previous year.

### Loans

63,380 individual loans were awarded, totaling \$237,278,707. This was an increase of 838 awards (+1.3 percent) and an increase of more than \$13.4 million (+6.0 percent) in funds from the previous year. The average loan award increased by \$164 from \$3,580 to \$3,744 (+4.6 percent) from the previous year.

### Employment

32,052 students received employment, totaling \$123,659,506. This was an increase of more than \$3.2 million (+2.7 percent) in funds and a decrease of 1,255 (-3.8 percent) in the number of student employment awards from the prior year. The average award increased by \$243 from \$3,615 to \$3,858 (+6.7 percent) from the prior year.

New features of this year's report include detailed information about student indebtedness and the financial aid awards made to residents of Iowa. Also, the IMAGES and College Bound Program report, previously made to the Board annually in December, was included as a part of this report.

### Indebtedness

For those students who incurred debt through Regent universities from all sources, the average indebtedness for graduating seniors in 1999-2000 was \$19,650. For those students who incurred debt through Regent universities from need-based loans, the average indebtedness for graduating seniors in 1999-2000 was \$11,586. It is important

to note, however, that approximately 35 percent of the seniors at the University of Iowa, 32 percent at Iowa State University, and 35 percent at the University of Northern Iowa graduated without having incurred debt through the university.

#### Financial Aid for Iowa Residents

In 1999-2000, 88,754 financial aid awards were made to undergraduates who are Iowa residents; this represents 82.3 percent of the total awards to undergraduates, which compares favorably with the Fall 1999 enrollment where 78.9 percent of the undergraduates were Iowa residents. During 1999-2000, \$226,821,772 was awarded to undergraduates who were Iowa residents; this represents 79.0 percent of all awards to undergraduates.

During 1999-2000, at least \$68,602,363 was awarded to graduate students who were Iowa residents; this represents 52.3 percent of all awards to graduate students. This compares quite favorably with the fact that 50.8 percent of all graduate students who are receiving aid are residents of Iowa.

#### IMAGES/College Bound Programs

In 1989, enabling legislation was approved to establish the College Bound and Iowa Minority Academic Grants for Economic Success (IMAGES) programs for the Regent universities.

IMAGES awards are made to racial/ethnic minority students who attend one of the Regent universities and who have demonstrated financial need. Students may receive grants of up to \$3,500 for a maximum of eight semesters. The Regent universities allocated a total of \$1,818,326 to the IMAGES programs for the 2000-2001 academic year: SUI, \$806,126; ISU, \$680,000; and UNI, \$332,200. This represents an increase of \$96,081 (+5.6 percent) from the prior year. This year, 734 students have received IMAGES awards.

College Bound programs are developed and provided by the Regent universities to racial/ethnic minority elementary and secondary school students throughout Iowa. The purpose of the programs is to assist students in their preparation for college. Attendance at a College Bound activity results in receiving a voucher which gives a student priority for an IMAGES grant after enrolling in a Regent university. In 1999-2000, the Regent universities allocated a total of \$286,727 to the College Bound programs: University of Iowa, \$110,000; Iowa State University, \$96,727; and University of Northern Iowa, \$80,000. This represents an increase of \$4,661 (+1.7 percent) from the prior year. More than 4,000 racial/ethnic minority students participated in College Bound activities in 1999-2000 and were eligible to receive vouchers.

Every six years, Congress reauthorizes the Higher Education Act of 1965, the law that establishes the Student Financial Assistance (SFA) programs. The Act was most recently re-authorized in 1998 with the following major changes:

- 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 or sale of a controlled substance.

The Regent universities have identified a number of concerns regarding the availability of student financial aid: federal aid has not kept pace with rising tuition and fees; relative lack of available state funding for student financial aid programs; and heavier student reliance on borrowing, due to limitations in federal and state aid.

Assistant Director Gonzalez reviewed the annual student financial aid report with the Regents. She said sources of funds include federal programs, state programs, and institutional programs. She presented figures on the amount of aid provided by each of the Regent universities from FY 1996 to FY 2000. Student aid includes grants and scholarships, loans, and employment; she presented the percentage of each type of award at each university. Residents received 79 percent of the aid provided to undergraduates while non-residents received 21 percent of the aid to undergraduates. She discussed the average undergraduate indebtedness at time of graduation at each of the three universities. Financial aid initiatives at the universities include student financial aid to farm families, debt counseling, scholarship program for University of Iowa students studying abroad and the Students First Campaign at the University of Northern Iowa. Assistant Director Gonzalez discussed the efforts of the IMAGES and College-Bound programs.

Regent Fisher asked if non-need based financial aid was encumbered by the parent. Assistant Director Gonzalez responded that non-need based financial aid is aid to the student.

Regent Neil asked if it was possible to break out the financial aid awards for in-state and out-of-state students. Assistant Director Gonzalez responded affirmatively. Regent Neil asked that such information be presented in next year's report.

Regent Lande asked what is encompassed in the parent-based loan. Assistant Director Gonzalez responded that the loan is taken out in the parent's name. The funding source is a pool of money that is available from the lender under the auspices of the federal government.

Regent Fisher stated that it was remarkable that \$471 million in financial aid was made available to students at the three Regent universities' campuses. He said that was a figure that needed to be broadcast.

Regent Smith congratulated the institutions for their efforts toward College-Bound activities.

Regent Neil asked what is the biggest concern for the future in helping students to obtain financial aid? President Coleman said she was very pleased with the progress that has been made. University officials want to maximize the resources. If funding could be shifted more toward grants than loans, they would certainly do so. University officials are trying to create more funding so students do not have to take out loans.

Director Mark Warner, University of Iowa, stated that the financial aid community has been struggling with getting increases in the federal Pell grant program, which is the major federal grant program. There is a need for Congress to appropriate the authorized amounts. He said financial aid directors continually try to identify sources of financial aid from outside the University.

President Seagrave stated that the concerns at Iowa State University were much the same as those expressed by University of Iowa officials. He was concerned about signs of shifting federal policy. Iowa State University has been successful in raising private funds for student financial aid. He said over \$13 million was raised by Campaign Destiny to fund scholarships.

Vice President Hill stated that the process of getting the funds through the financial aid process is one of the issues being addressed at Iowa State University.

Director Earl Dowling stated that it was imperative to improve and modernize student financial aid procedures. He noted that 60 percent of Iowa State University students applied for student financial aid electronically this year.

Regent Ahrens said it was her belief that the average indebtedness for the non-need student has been increasing. Director Dowling stated that Iowa State University officials made a decision three years ago, with regard to the non-need based students, to provide families with a choice of how to pay for college. In today's economy, families prefer not to use monies that are in high interest bearing accounts. Iowa State University partnered with the Iowa Student Loan Liquidity Corporation to provide students and parents with access to low interest rate student loans. Fixed interest rate loans are available at 8.4 percent while variable rate loans are currently at 7.6 percent.

Regent Ahrens asked for the strategy at the University of Iowa for the non-need based student. Director Warner stated that the three financial aid directors talk often. University of Iowa parents are borrowing through PLUS versus PARTNERSHIP loans which has an interest rate that is capped at 9 percent.

President Koob stated that at the University of Northern Iowa the #1 concern is the amount of financial aid that is available. He said it was that concern that drove University officials to the Students First campaign. Other concerns included the Board's goal for diversifying the campus and the non-need borrowing at the University of Northern Iowa.

Director Roland Carrillo discussed the trends in student financial aid at the University of Northern Iowa, noting that some parents elect not to borrow.

Regent Fisher referred to the amount of debt of students at the time of graduation, and said he felt it was a small investment for the return. The amount of debt was probably less than the student would pay for the first car they purchase after graduation. It was his recollection that the average annual income for an individual with a high school diploma was \$26,000 while a person with a 4-year college degree could expect an annual income averaging \$46,000.

Regent Kelly said he believed that the amount of debt upon graduation was large, especially for those students who have to set up a business upon graduation.

Regent Ahrens noted that former Regent Pellett was diligent about bringing up the farm economy in the Regents' discussions. She applauded the universities for the work that was done in that regard.

Regent Turner said there was an indication that the institutions' student employment numbers were down because of competition. She asked how many students are actually employed and whether that number is increasing.

Assistant Director Gonzalez referred Regent Turner to information contained in the meeting materials which outlined total employment by institution, total number of awards and the employment trends from year to year.

Regent Turner asked about the total number of students being employed. Director Warner responded that there was a 7 percent decline in the number of students employed at the University of Iowa. University officials believe the students are working off campus. University officials have job fairs on campus to which employers are invited. Students are interviewed and are often hired on the spot.

Vice President Madden stated that, in total, Iowa State University students are working more off campus than on campus. The unemployment rate in central Iowa is very low. The University is competing for student employees.

Vice President Romano stated that, at the University of Northern Iowa, about 58 percent of students work. She said 25 percent of the students who work work only on-campus, 25 percent work only off-campus, and 8 percent work on- and off-campus. University officials encourage students to work on campus.

President Newlin thanked Assistant Director Gonzalez and her colleagues at the universities for the report. He said it was one of the best student financial reports that he had seen.

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

**STATUS REPORT ON TEACHER TRAINING PROGRAMS FOR HEARING AND VISUALLY IMPAIRED.** The Board Office recommended the Board receive the status report on teacher education programs for hearing and visually impaired.

At its July 2000 meeting, the Board received a summary report on teacher training programs for the blind and deaf. The report included three specific options concerning training programs at Regent universities for teachers of students who are hearing or visually impaired. The Board requested that the University of Northern Iowa take the lead role in creating articulated programs for preparation of teachers of the hearing and visually impaired.

University officials assigned this task to its Graduate College and Department of Special Education. University of Northern Iowa officials intend that the two programs of study will be constructed in the following manner:

- 1) Superintendents of the special schools will provide the University of Northern Iowa with illustrative curricula of appropriate graduate programs of preparation in each of the specialty areas.
- 2) University of Northern Iowa officials will review the respective example programs of study and identify which requirements of the program can be filled with courses already taught by the University. One resource already available are two background papers developed by the Task Force in early 2000. They reflect the preliminary reflections from University of Northern Iowa as well as the University of Iowa and Iowa State University of what each institution could provide to meet the specific endorsement areas.

- 3) The remaining requirements will be filled by establishing cooperative agreements with universities other than the University of Northern Iowa, or the two other Regent universities.
- 4) Special attention will be given to creating programs of study in such a way that prospective students could complete the programs in a length of time similar to comparable programs in other states.
- 5) University of Northern Iowa officials intend to complete the necessary cooperative agreements, or at least identify the conditions necessary to complete such agreements, no later than the end of the 2000-2001 academic year. This would allow a cohort of future teachers to begin their education in the Fall of 2001.

President Koob stated that at the last meeting, he presented Board members with his verbal recommendations regarding teacher training programs for the hearing and visually impaired. The Board members requested that his recommendations be provided to them in written form. He said the materials for this meeting were substantially similar to his verbal recommendation. One item that was not mentioned in July was the need, as part of the articulation agreement, to make certain that the Board of Educational Examiners accepted the material as comparable to in-state work. He said he was optimistic that can be done. One item which he had presented in his verbal report in July which was not included in the materials for this meeting was the suggestion that conversations take place with the Iowa College Student Aid Commission about the possibility of using that vehicle for financial support for students.

Executive Director Stork stated that, from his standpoint, those conversations could take place. He believes the Commission's "pots of money" are pretty well expended for the current time but they should at least have those conversations.

Director Barak said it was his understanding that there would be a need for legislation that would create applicable financial aid programs.

Regent Fisher asked about only offering a Master's degree. President Koob said that issue would be part of the upcoming discussions.

Regent Kelly thanked President Koob and his colleagues for their efforts. He offered Regent Neil's and his assistance with the legislature.

MOTION: Regent Smith moved to receive the status report on teacher education programs for hearing and

visually impaired. Regent Turner seconded the motion. MOTION CARRIED UNANIMOUSLY.

President Newlin recognized Provost Richmond for an introduction.

Provost Richmond introduced Iowa State University's new Vice Provost for Research and Advanced Studies, Dr. James Bloedel.

Dr. Bloedel stated that he was happy to have survived the search process. He said he had been on the job for eight days and it was great to be a part of Iowa State University.

**TUITION POLICIES AND PROPOSED RATES.** The Board Office recommended the Board consider the proposed 2001-02 academic year tuition rates and mandatory fees, effective with the summer session 2001, as set forth below.

*TUITION*

The Board Office recommended a 7.2 percent increase in base tuition, derived from the following two components:

1. By 5.2% to maintain quality and effectiveness; and
2. By 2.0% to improve quality to achieve the aspirations of the Board's strategic planning goals of excellence.

*MANDATORY FEES*

In addition to the above base tuition increases:

1. Consider the implementation of multi-year restructuring of tuition and mandatory fees at the three universities that will eliminate a portion of designated tuition and establish separate mandatory fees as outlined in this memorandum.
2. Consider increases in mandatory computer, student health, and health facility fees for the 2001-02 academic year as set forth.

*PROPOSED SURCHARGES (University of Iowa)*

In addition to the above base tuition increase,

1. Consider increasing the nonresident tuition rates for undergraduates at the University of Iowa by an additional 1 percent.

2. Consider the following permanent tuition surcharges at the University of Iowa for the 2001-02 academic year. Any subsequent year's implementation of these surcharges is to be brought to the Board for approval. All surcharges would be in addition to any other Regent tuition increase.

Henry B. Tippie College of Business

- Consider the implementation of the second \$1,065 tuition surcharge for resident and nonresident students entering the Masters of Business Administration (MBA) program in the fall of 2001. This additional surcharge would represent a total increase of \$2,130 over the two years.
- Consider the first year of a three-year plan for three annual tuition surcharges of \$1,065 for resident and nonresident students entering the Masters of Information Systems and the Masters of Accountancy programs. Students entering the program in the fall of 2001 would be charged the additional \$1,065, whereas students entering the program in subsequent years would be charged more.

College of Dentistry

Consider continuation of the second year of a four year implementation of a \$2,000 surcharge for resident and nonresident students entering the Dentistry program in the fall of 2001. The first year of the Dentistry surcharge was for students entering the program in the fall of 2000.

College of Law

Consider a surcharge of \$200 per academic year for all resident students and \$300 per academic year for all nonresident students.

College of Medicine

Consider a tuition surcharge of \$3,500 for resident and nonresident students entering the Medical education program in fall of 2001.

College of Pharmacy

Consider a tuition surcharge of \$3,000 for resident and nonresident students entering the Pharmacy education program in fall of 2001.

Physical Therapy

Consider a tuition surcharge of \$1,350 for resident and nonresident students entering the Masters of Physical Therapy program in the fall of 2001.

*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.

In December 1997, the Board approved this language 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 7.2 percent utilizes a HEPI rate of 5.2 percent and a quality factor of 2.0 percent. The projected range for the FY 2000-01 Higher Education Price Index is 2.6 percent to 6.4 percent.

As of June 2000, the actual HEPI rates for fiscal years 2000 and 2001 are estimated to be higher than the top end of the original projected ranges. The HEPI component approved by the Board for tuition increases the past two years has been at the lower end of the ranges. In other words, the Board has not utilized a HEPI rate during the past two years that has sufficiently recognized the actual rate of inflation for higher education. One result is that the Regent institutions have lost some ground in having the resources to maintain quality as measured by actual inflation costs.

The 2.0 percent quality factor is consistent with the increase approved by the Board in the previous two years 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 and Accountability*

The Regent universities' 2000-01 tuition and fees were among the lowest in each university's respective peer group of comparable institutions. During the past five years, per capita income in Iowa has kept pace with national averages but tuition has not done so as evidenced by the following:

- Regent tuition increases have averaged 4.1 percent, which is less than the average of national tuition increases of 4.8 percent.
- The average of Iowa's per capita income increases of 4.7 percent have been relatively close to the average of the national per capita income increases of 4.8 percent; the projected increase in Iowa per capita income for the year 2001 is 6.4 percent.
- The Regent 1999-2000 tuition and fees as a percentage of Iowa's per capita income for 1999 (11.7 percent) are less than the percentages for regional and peer states (which average 14.3 percent) and the national average (13.4 percent).

- The Regent institutions' tuition as a percent of per capita income has decreased by 2.5 percent while the national average tuition as a percentage of per capita income has remained constant.

The fact that Iowa's per capita income has risen faster than Regent tuition means that Iowans do have increased resources to purchase and invest in higher education. Iowans are able to obtain a high quality education at Regent universities for a reasonable price. The proposed tuition and fee increases will provide needed resources to enhance quality but are intended to assure that the price remains reasonable for Iowans, thus supporting the state's historical goal of broad access.

The Board Office recommended that the universities continue to 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 presented this month, total student financial aid dollars increased 4.8 percent in FY 2000.

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.

### *MANDATORY FEES*

#### *REDIRECTION OF TUITION TO MANDATORY FEES*

For the 2000-01 academic year, the Board approved a fundamental change in the structure of tuition and fees at the University of Iowa. The change took tuition revenues at the University of Iowa that historically had been designated for student activities and student services, and established 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 has allocated (designated) a portion of tuition for specific purposes such as student activities, student services, and debt service. Last October, the Board changed this system by approving a request of the University of Iowa to establish new mandatory fees for certain student activities and student services rather than using tuition revenues.

This redirection from tuition to mandatory fees at the University of Iowa had significant consequences:

- Tuition dollars became available for academic areas and needs.
- Students paid mandatory fees rather than tuition to support specific programs that promote student activities and services.
- Students continued to pay the same amount for tuition, plus any base tuition increase approved by the Board for next year (i.e. students continued to pay the same level of tuition but the funds are spent for different purposes).

The Board required the University to return for specific approval of any increase in fees and directed the University to do the following as it implemented 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.

Last year, the Board approved the University of Iowa's proposal to phase in the redirection of tuition to fees over two years. University of Iowa officials requested to implement the second year of this plan, which would establish two additional mandatory fees for the 2001-02 academic year: the student union fee of \$58 and the consolidated health fee of \$20. This proposal would allow the University to redirect \$1.9 million of tuition revenues to fund 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 at the University. This is consistent with the University's proposal last year and the Board's initial approval of the redirection of tuition.

The Board Office recommendation does not provide an inflationary increase to the proposed new fees (student union and consolidated health), which results in an additional \$78 in fees to be paid annually by students. With the redirected fees of \$76 approved by the Board last year, the total increase over the two-year period would be \$154. These amounts are separate from any tuition increase that the Board would

approve. The University of Iowa Student Government has previously expressed support of the University's two-year plan to redirect tuition dollars.

University officials also proposed a \$2 increase for the 2001-02 academic year in the student activities fee (5.7 percent) and the student services fee (4.9 percent) to bring the total increase over the two-year period to \$158. The Board Office, however, is not recommending the \$2 increase in either the student activities fee or the student services fee at this time, primarily because there may have been an understanding that no increase in these particular fees would occur during the initial two-year implementation period. The Board may want to solicit further input on this matter from University of Iowa officials and students.

Iowa State University and the University of Northern Iowa proposed to establish a similar redirection of tuition to mandatory fees so that an additional portion of their tuition revenues may be utilized for academic programs.

Iowa State University officials proposed a multi-year plan to redirect current designated tuition toward a student activities mandatory fee of \$56 for the 2001-02 academic year, \$130 for the 2002-03 academic year, and \$178 for the 2003-04 academic year. The University would commit the redirected tuition revenues of \$1.5 million in the 2001-02 academic year to selective strategic investments in student financial aid, University library support, information technology, and expanded course offerings for heavily enrolled classes. The Government of the Student Body of Iowa State University has indicated general support for this redirection of tuition to mandatory fees.

University of Northern Iowa officials proposed a single year plan to establish a new mandatory fee of \$129 for the 2001-02 academic year. The Board Office recommended that the University of Northern Iowa's proposal be implemented over two years, with a maximum of \$84 in the 2001-02 academic year. The University would commit the redirected tuition revenues of about \$488,000 (for the adjusted fee) to strategic initiatives to improve quality, including study abroad, first year student experience program, advising services, additional faculty to meet student demands, and faculty/staff professional and career development. The Board Office believes that the Northern Iowa Student Government is in support of the redirection of designated tuition over two years with a maximum amount of \$84 for the 2001-02 academic year.

The following table summarizes the universities' proposals, which are exclusive of any tuition increase that the Board would approve:

|  |      |
|--|------|
| Increased Costs for Mandatory<br>Fees to Redirect Tuition<br>2001-02 |      |
| SUI  | \$78 |
| ISU  | 56   |
| UNI  | 84   |

*PROPOSED INCREASES IN ESTABLISHED MANDATORY FEES*

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. Prior to this time, 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.

For 2001-02, the universities have proposed increases to the computer fees and health fees. No changes were proposed for the health facility fees.

| Computer Fees |   | <u>Actual<br/>2000-01</u> | <u>Proposed<br/>2001-02</u> |
|---------------|---|---------------------------|-----------------------------|
| SUI           | All students except Business Administration, Law, Engineering, and Medicine students        | \$110                     | \$116                       |
|               | Law students  | 220                       | 232                         |
|               | Business Administration and Engineering students  | 362                       | 382                         |
|               | College of Medicine students and students in division of associated medical sciences        | 136                       | 144                         |
| ISU           | All students except Engineering, Computer Science & Management Information Systems students | 108                       | 144                         |
|               | Engineering students  | 350                       | 366                         |
|               | Computer Science & Management Information Systems students                                  | 280                       | 292                         |
| UNI           | All students  | 122                       | 134                         |

|     | <u>Health Fees</u>        |                             | <u>Health Facility Fees</u> |
|-----|---------------------------|-----------------------------|-----------------------------|
|     | <u>Actual<br/>2000-01</u> | <u>Proposed<br/>2001-02</u> | (No increase<br>proposed)   |
|     |                           |                             | <u>Actual</u>               |
| SUI | \$102                     | \$107                       | \$10                        |
| ISU | 102                       | 110                         | 16                          |
| UNI | 102                       | 106                         | -                           |

University of Iowa officials proposed inflationary increases of 5.5 percent for all categories of computer fees to support the increasing use of computer and computer-related technology. Each summer, more faculty receive special training to incorporate technology into their classes, increasing the demand for access to technology and technology rich classrooms.

Iowa State University officials proposed a 33.3 percent increase in its basic computer fee and an inflationary increase of 4.6 percent in all other categories of computer fees for the 2001-02 academic year. 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. Iowa State University officials also proposed that the basic computer fee be increased to \$190 per year for the academic year 2002-03. The University would return to the Board for approval in the subsequent year.

University of Northern Iowa officials proposed a 9.8 percent inflationary increase per academic year in computer fees. University of Northern Iowa computer fees are used to maintain and improve academic and instructional computing services in a wide variety of methods. Students are expected to use e-mail and the Internet. Faculty use multimedia increasingly to enhance teaching and provide discipline-specific computer experiences for students.

The proposed increases in health fees, ranging from \$4 to \$8, are to meet growing student demand and rising health costs.

#### *SURCHARGES – UNIVERSITY OF IOWA*

##### *NONRESIDENT UNDERGRADUATE TUITION RATE INCREASE*

University of Iowa officials proposed an additional 1 percent tuition increase for all its nonresident undergraduate students for the 2001-02 academic year. This increase is above the rate of what would be approved by the Board for resident students.

University of Iowa officials proposed to earmark these revenues for scholarships in recruiting high quality nonresident students to the University. This type of differential for nonresident students was last approved by the Board for the 1996-97 academic year. The additional 1 percent will generate approximately \$530,000 in additional funds.

*SPECIFIC PERMANENT TUITION SURCHARGES*

University of Iowa officials requested increases in its tuition surcharges for the following graduate/professional areas: Henry B. Tippie College of Business (MBA Program and Masters Programs in Management Information Systems and Accountancy), College of Dentistry, Masters in Physical Therapy, College of Law, College of Medicine, and College of Pharmacy.

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 Surcharges   |                 |                          |
|---|-----------------|--------------------------|
|   | <u>Resident</u> | <u>Non-<br/>resident</u> |
| Business - MBA  | \$1,065         | \$1,065                  |
| Business - Masters of Information Systems &<br>Masters of Accountancy | 1,065           | 1,065                    |
| Dentistry   | 2,000           | 2,000                    |
| Law   | 200             | 300                      |
| Medicine  | 3,500           | 3,500                    |
| Pharmacy  | 3,000           | 3,000                    |
| Physical Therapy  | 1,350           | 1,350                    |

*ESTIMATED REVENUES*

The estimated gross revenues from proposed increases in tuition rates and surcharges are \$20.9 million. After tuition aid set aside of \$3.1 million, the net tuition revenues generated from the proposed tuition increase and permanent tuition surcharges are estimated to be \$17.8 million.

The estimated cost of attending the Regent universities, including proposed tuition and fees, room and board, and other costs is projected to average \$11,713 for the 2001-02 academic year.

Executive Director Stork presented the Board members with highlights of the information contained in the meeting materials. He said the Board Office recommendation and presentation would be made in September; however, by law, the Board does not take any action this month. He stated that there was a fair amount of material in the tuition memorandum, which was broken into four areas: 1) base tuition,

2) redirection of tuition to fees, 3) mandatory fees, and 4) surcharges for graduate and professional schools students at the University of Iowa. The Regent tuition policy has two components: 1) HEPI/inflation and 2) quality. He said the tuition recommendation was for a 5.2 percent increase for inflation and a 2 percent increase for quality, for a total increase of 7.2 percent in the base tuition.

Executive Director Stork stated that for the past two years, the Board, in establishing tuition, selected a Higher Education Price Index number which was at the low end of the range. This year the recommendation was for an increase that was a little higher on the range.

With regard to the quality factor, Executive Director Stork stated that quality is one of the four key result areas of the Board's strategic plan. Two percent has been the figure used for the amount of increase for quality consideration each year, based on the minimum reallocation required of the institutions by policy of the Board to improve quality.

In terms of the proposed dollar amount, Executive Director Stork said the base tuition would increase by \$210 for a total base tuition of \$3,116 at the three universities. Mandatory fees would be in addition to these amounts.

Executive Director Stork stated that the Board was fortunate to have at the meeting two University of Iowa faculty members who are experts in the area of inflation indexes. President Coleman introduced Associate Professor Beth Ingram and Professor Charles Whiteman.

Professor Whiteman presented an historical perspective of how the Institute for Economic Research predicts the Higher Education Price Index rate of inflation. He stated that the Institute has to forecast about 2 years ahead. He noted that the Consumer Price Index (CPI) and the Higher Education Price Index seem to move together. The Consumer Price Index is watched very closely by national forecasters; however, it is still difficult to forecast.

Associate Professor Ingram discussed the Higher Education Price Index for the last couple of years as well as the forecast for the future. She said the Consumer Price Index will be increasing as will the Higher Education Price Index. Higher rates of consumer spending are taking place.

Regent Lande referred to the actual Higher Education Price Index and Consumer Price Index as compared to the forecasts. He asked if there was available the forecasted rates in previous years contrasted to the actual rates. Associate Professor Ingram

presented a slide with a graph that provided the information requested by Regent Lande.

Regent Lande asked how much of the anticipated Consumer Price Index is fuel driven. Associate Professor Ingram said she could not answer that question specifically but she felt that it probably played a significant role.

The Regents asked questions of Associate Professor Ingram and Professor Whiteman about the graphs they presented. Questions included whether the HEPI forecast number on the graph was the number that was used each year for the tuition increase or was it the HEPI forecast itself; whether the number used in the forecast was high or low in the forecast range; and whether the Regents have been setting tuition below the actual Higher Education Price Index amount.

Executive Director Stork discussed the comparative tuition data that were provided in the meeting materials, including peer group averages and national averages. He addressed the redirection of designated tuition, including the following implications of the redirection: Tuition dollars would become available for instructional/academic purposes. Students will pay fees rather than tuition for selected student activities and services. Students will continue to pay the same amount of tuition plus any annual increases. He then addressed increases in mandatory fees including computer fees and health fees. With regard to surcharges, he said those were proposed only at the University of Iowa. He noted that the students shared some of their analyses with the Board Office one to two weeks ago. These added to the Board Office analysis, as well. He said he was quite impressed with what was presented by the students.

Regent Fisher asked if the surcharges proposed for the University of Iowa were new charges. Executive Director Stork responded affirmatively. He noted that how the University intended to spend the money was detailed in the meeting materials.

Regent Turner referred to the surcharge for the MBA program at the University of Iowa and asked if there would be a similar surcharge at Iowa State University. President Seagrave responded that Iowa State University officials were in the process of evaluating the success and cost of its major MBA program in Des Moines.

Regent Fisher asked if the surcharge in the College of Dentistry, which began last year, had a four-year implementation. Executive Director Stork responded that the College of Dentistry presented a four-year plan.

Regent Fisher asked if, in four years, the dentistry surcharge would be \$8,000. Vice President True responded affirmatively.

President Coleman complimented the Board Office on the presentation of its recommendation. She said she supported the 7.2 percent tuition increase proposed by the Board Office. If the increase is approved, she said University of Iowa officials will work diligently to utilize the revenue to advance the University. She stated that she had spent much time in the last few days discussing the recommendation with students. Students expressed their willingness to help the institution become better. Students want to know how the money will be used. She said University officials took action last year to increase student financial aid, including creation of the Farm Access program. University officials have committed funds to ensure that students can get the classes they want and need so they can graduate on time. Residence halls were rewired for faster Internet connection. The Hillcrest dining complex was renovated. For the first time, students have told her that they love eating in the residence hall. More funding has been provided for library acquisitions. Laboratories and classrooms have been improved. The physics classrooms have experienced dramatic improvements through the upgrading of equipment. Buchanan Auditorium seats have been replaced. The libraries are open longer. Schaeffer Hall has received modern equipment. President Coleman stated it was important that students know what University officials do with the funding. She desires for the University's web page to show the improvements for which students are paying that are being made on the campus.

President Coleman referred to the tuition increase proposal. She said the 2 percent increase for quality will allow University officials to make progress on the strategic plan. Funds will be dedicated to increasing student financial aid, modernizing auditoriums and classrooms, providing science faculty start-up, and improving student retention including tracking of outcomes and intervention. Electronic conductivity will be improved. More funding is needed for instructional equipment. University officials will continue offering more opportunities for women athletes.

The University of Iowa mandatory fee increase of \$78 was phase 2 of what was begun last year. President Coleman stated that the University is meeting its commitments. University officials requested to substitute the figure of \$135 for the \$116 mandatory computer fee in order to remain competitive in this complex arena. She noted that the University had failed to provide that information to the Board Office. She believes the students will endorse the additional \$19 to be used for a menu of potential computer improvements.

Regent Ahrens asked how the University of Iowa's proposed surcharges compared to peer institutions. President Coleman responded that the University of Iowa has the lowest cost in all of its professional colleges. The surcharges were added specifically in order to create improvements for students in those programs.

Dean Kelch discussed the proposed surcharge of \$3,500 for the College of Medicine. He stated that College officials implemented a new curriculum 4-1/2 years ago which has produced a better doctor. However, College officials had to reallocate in a painful way to do so. The College is on the brink of opening a new facility. A new initiative addresses interpersonal skills observation in a simulation clinic. Classes will be divided into communities. He pointed out that the University of Iowa College of Medicine has been and will continue to be the lowest cost college among the Big 10 institutions and the 4th lowest cost in its peer group. He emphasized that, like all educators, College of Medicine officials are very concerned about student indebtedness. College officials are doing everything they can to increase student financial aid, examples of which he described.

Regent Fisher suggested that the proposed \$3,500 surcharge, which was a 34 percent increase, may be a little more palatable if it were spread over two years. He said students may have made plans based on the going rate. Also, it was his understanding from recent news articles, that enrollment in medical schools has somewhat declined.

Dean Kelch stated that the proposed surcharge would only be applied prospectively; it would not be applied to currently-enrolled students. College officials feel that it would be wiser to assess the entire surcharge up front with one significant permanent increase rather than spacing it out. With regard to the decrease in enrollment in the national pool of applicants to medical schools, he stated that especially disturbing was the disproportionate decrease in under-represented minorities. The University of Iowa has experienced a smaller decrease in the applicant pool.

Regent Fisher asked for the average indebtedness of medical students. Dean Kelch responded that the national figure was \$100,000 while last year at the University of Iowa the figure was \$72,000 to \$73,000. He noted that a disturbing trend was the increase in medical school indebtedness. He believed that trend may be due to the "borrow now, pay later" philosophy.

Regent Fisher asked if the debt would accumulate interest. Dean Kelch said it depended on the loan.

Regent Ahrens asked for the percent of in-state to out-of-state students in the medical school. Dean Kelch responded that 70 percent of the medical school entering-class students were residents while 30 percent were non-residents.

Regent Neil asked if the decreased enrollments in medical school is counter-balanced by the increased immigration of foreign doctors. Dean Kelch stated that nationally there are 26,000 to 28,000 internships per year. Approximately 16,500 medical school students graduate in the U.S. per year. Approximately 25,000 internship positions are

filled. Most of the U.S. graduates stay in America, therefore, medical students are being imported from other countries. Whether the production rate is meeting our nation's needs is open for debate. He noted that the U.S. is probably over-training on the primary care side which is likely an overcorrection from the previous shortage of primary care physicians.

Regent Kelly asked if any tuition money goes into athletics. President Coleman responded that tuition funds are not specifically earmarked for athletics. The general education fund includes tuition dollars, some of which are dedicated to increased opportunities for women athletes including scholarships.

President Seagrave expressed appreciation and commendation to the Board Office on the tuition memorandum. He thanked Iowa State University students for their assistance over the summer in separating out the fees. In return for the students' assistance, University officials have made some commitments. First, the computer fee committee task force at Iowa State University, which includes 12 students, will determine how the fee will be spent. The other agreement made with students is that the additional income will be pooled and directed into undergraduate education in the following areas: 1) student financial aid, 2) University library, 3) information technology, and 4) expanding course offerings for heavily-enrolled courses.

President Seagrave stated that Iowa State University's enrollment increase of 735 students is, in part, caused by retention of new students. University officials believe that retention efforts are beginning to pay off. He said learning communities are a fast-growing phenomenon at Iowa State University.

President Newlin asked for a report on when learning communities began at Iowa State University and the specific impact on retention. President Seagrave responded that Iowa State University had provided \$500,000/year for this activity. The first learning communities started in 1995 with 12 communities with 400 students participating. The effort has grown, this year, to over 1,800 freshmen in 42 learning communities. He noted that 42 percent of the freshman class was involved in a learning community. Also, he believes that some of the increased enrollment is due to the learning communities. Peer upperclassmen are hired to help in the communities. He said it was not easy to document the success of learning communities in improving retention.

Regent Turner referred to the issue of over-enrolled courses and asked if hiring more faculty was the answer. President Seagrave responded that additional faculty was fundamentally the long-term solution. Technology and the continued modernization of classrooms were also important. He said there are 238 classrooms on the Iowa State University campus.

President Koob added his appreciation to the Board Office staff for the tuition memorandum. He said it was the clearest he had seen. He knows that Board staff studied hard and put much time and effort into the recommendation.

President Koob stated that he was beginning his sixth full year in the state of Iowa. He has watched the fall enrollment grow each of those six years. The University of Northern Iowa, for the third year in a row, has experienced record growth. He said the Board of Regents posed a question to him the second or third year that he was at the University, due to the projected enrollment growth: How could the University of Northern Iowa handle a growth as large as was projected? Before the University of Northern Iowa finished enrolling students this fall, it had exceeded the projected enrollment. Therefore, the University is now not only at a record number but is at a larger number of students than the projection for the entire decade.

President Koob's response to the Board's question was that he thought the physical facilities at the University of Northern Iowa could handle the projected growth. He thought the community had ample opportunity to partner with the University in housing the students. However, the University absolutely needed to be able to continue to provide the personal services which characterize the University and have those services grow along with the student body. President Koob stated that the community has added apartment buildings to house the students. The University's physical facility personnel have planned carefully to make certain there are classes available. The University's schedulers have planned carefully to make certain that all the classes fit in one day and evening. He said what the University has not seen is a growth in the support from either the tuition collection or the state to allow maintenance of the same level of service that was available at the beginning of the growth spurt. It was for that reason he believed that serious consideration should be given to a significant tuition increment this year.

President Koob stated that the fee recommendation would need to be modified. University of Northern Iowa officials proposed that the \$12 computer fee increase be reduced to \$4 with the remaining \$8 to be applied to the new mandatory fee line, taking it from \$84 to \$92. Students have indicated that they have been given the computer-based services they need. He said the remaining \$42 is a student fee increase in order to achieve items desired by the students.

Regent Neil asked if the increase in enrollments was coming from the 2+2 programs with the community colleges. President Koob said the fact that the University has seen a record number of transfer students supports that as one of the reasons for the increased enrollments.

Andy Stoll, President of the University of Iowa Student Government, stated that student governments of all three Regent universities would provide a joint presentation.

Ben Golding, President of the Iowa State University Government of the Student Body, said he would make a presentation with his peers at the University of Northern Iowa and the University of Iowa on the proposed tuition increases. He thanked the Regents for the opportunity to come before them. He said the students had truly enjoyed putting the presentation together and that it had been an educational process.

Lisa Dlouhy, Iowa State University, stated that she headed up a survey to obtain the general opinion of Iowans. She provided the results to the survey questions in the following areas: state funding of Regent universities, importance of a college education, importance of resources provided to Iowans by Regent universities, quality of education currently provided by the Regent universities, Iowans attending an in-state versus out-of-state college or university, and various questions pertaining to the cost of education.

Dan Sterenchuck, President of the Northern Iowa Student Government, stated that it had been an intense last couple of days. He said the Northern Iowa Student Government and the Iowa State University Government of the Student Body contend that a Higher Education Price Index number of 5.2 percent is excessively high, and suggested a rate of 4.6 percent which is closer to the median of the range. The students believe 4.6 percent is a more reasonable figure, especially considering the estimated Consumer Price Index of 4.1 percent.

Mr. Golding stated that a key strength of Iowa's Regent universities is their accessibility. He said the cost of education and accessibility are inversely related. By increasing the cost of education, accessibility of students at the margin is diminished. With regard to affordability, he said another strength of Iowa's Regent universities is the affordability of a college degree. Students come to the Regent universities expecting to pay reasonable increases in the cost of education. He stated that a substantial increase in the cost of education would greatly diminish the ability of the average Iowan to obtain a college degree. With regard to quality, he said students feel that the quality factor in the tuition policy should come from the separation of tuition and fees. Students' strongest disagreement with the Board Office recommendation is that the fee split should address the quality increase.

Mr. Sterenchuck provided an explanation of the fee separation at the University of Northern Iowa which was a combination of a fee split and a fee increase proposed by the student government. In the last several years, the student government has pushed for renovation of the Maucker Union. He requested that the Board Office recommendation regarding mandatory fees be reconsidered because of new information not available at the time the Board Office presented its recommendation to the Board of Regents. He said the Northern Iowa Student Government supports a computer fee increase of \$4. The students recommended redirecting \$8 from the

proposed \$12 increase in the computer fee, raising the proposed mandatory fee from \$84 to \$92. Students recommended separating the Maucker Union Renovation Fee from tuition for FY 2002, with it becoming a mandatory student activity fee. The fee per student would then increase from \$19 in FY 2001 to \$55.05 in FY 2002 (an increase of \$36.05). To coincide with the bonding timeline, students also recommended separating from tuition for FY 2002, as a mandatory student activity fee, the Student Union Fee of \$15 per student. Students also recommended that the Maucker Union Renovation Fee for FY 2003 be increased an additional \$29.95 to reach a total of \$85 per student for bond payments. Students recommended separating the Student Organizations line item from tuition as part of the Mandatory Student Activity fee in the amount of \$16.45 per student. Students have expressed continued need for the Panther Shuttle Bus and, therefore, request separating from tuition the Panther Shuttle line item in the amount of \$5.50 per student.

Mr. Sterenchuck stated that University of Northern Iowa student leaders had a great opportunity to work with President Koob on the proposal presented to the Board for consideration. When the student leaders were elected, President Koob asked if they then wanted to start working on tuition. Students would like to continue the positive relationship.

Mr. Golding stated that, at Iowa State University, the separation of fees from tuition will create a significant amount of additional revenue in the University budget. The revenue generated by the tuition/fee split supports all of the quality initiatives outlined by Iowa State University. These are the same initiatives to be addressed by a two percent tuition increase for quality. He said the Government of the Student Body proposed that there be significant student input on the allocation of all additional revenue generated by the tuition/fee split. At Iowa State University, the proposed fee split of \$55.28, to which students have agreed, will generate \$1.43 million for Iowa State University. Students had indicated that the fee split would likely happen over three years. The students disagree with the Board Office proposal that the Memorial Union be included in the fee split. Discussion should take place in the next year between University administration and the student government, with suggestions forwarded to the Board Office, on how to handle the governance structure and financing of the Memorial Union. Until those issues are decided, students feel the Memorial Union should not become a part of the fee split.

With regard to the computer fee, Mr. Golding stated that the proposed increase in the computer fee will generate \$954,000 in additional revenue for Iowa State University over two years. He said this two-year quality increase is more than enough to support technological resource initiatives. He concluded the presentation for Iowa State University and University of Northern Iowa students with the following question that was

addressed to Iowa citizens in the student survey: What do you think is the best way to encourage Iowa high school graduates to attend one of Iowa's public universities?

Mr. Stoll presented the report of the University of Iowa Student Government entitled "Justification for a Tuition Increase in FY 2002" which included a resolution on 2001-2002 tuition and fee increases. Overall, the student assembly cautiously supported a 9.9 percent increase in resident tuition and fees and an 8.0 percent increase in non-resident tuition and fees. With regard to the quality increase of 2.0 percent, the student government understands from President Coleman that the money will be directed at the initiatives outlined in the Board Office recommendation. He said student opinions show a willingness to support reasonable quality increases, as long as students see the resulting improvements. The difference between the University of Iowa student government views and those of the other two universities' student governments is that they view the needs of the universities as fundamentally different.

Mr. Stoll stated that the University of Iowa Student Government believes that the process of separating tuition and fees will hold the University more accountable for its use of the money. Last year, University of Iowa students expressed their support for separation of fees. With regard to graduate and professional school surcharges, the University of Iowa Student Government understands that students in the departments and colleges have previously been consulted about the surcharges and are in agreement with their departmental increases.

Mr. Stoll questioned why tuition rates have to be the same. He stated that Board policy in the last two years has allowed for a significant difference in the cost of higher education among the three Regent universities. Between surcharges, fee splits and increases, room and board rates, and the proposed additional 1 percent non-resident tuition increase at the University of Iowa, equalized tuition rates have not equalized the cost of education. He stated that, due to legislative budget shortfalls, the three Regent universities are in different financial situations with different needs to cover the shortfall. Prospective students and parents look at the total cost of attendance, not strictly tuition rates.

Chris Linn, Vice President of the University of Iowa Student Government, outlined some of the students' responses about the proposal. He said he did not think it was likely that students would continue to support such large increases.

Mr. Sterenchuck stated that students would appreciate continued discussion of the issues over the next month, and would appreciate the opportunity to speak with the Regents again next month. He then emphasized that equalized tuition rates are not equalized costs of education.

Mr. Stoll addressed some of the factors that differentiate the universities. He said there are differences in programs, cost of living in the communities, and facilities. He stated that the universities have been treated differently by the state.

Mr. Sterenchuck stated that the student leaders understand the immense pressure on the Board to serve its constituency.

President Newlin thanked the students very much and expressed appreciation for their work. He said the input was well presented and well done.

**ACTION:** President Newlin stated the Board considered the proposed 2001-02 academic year tuition rates and mandatory fees, effective with the summer session 2001, as set forth, by general consent.

**PRESENTATION BY IOWA SECRETARY OF STATE'S OFFICE ON VOTER REGISTRATION LAW.**

Donald Stanley, Deputy Secretary of State, presented the Regents with the Campus Tour 2000 Proposal on behalf of Chet Culver, Iowa Secretary of State, who could not be in attendance due to illness. He discussed the lack of voter turnout nationally and locally, and statistics on young voters and college students. He said the Secretary of State's goal is to make Iowa #1 in voter registration and to increase voter participation especially among 18-24 year olds. He discussed the efforts to get young people registered and to increase participation among college students.

Regent Turner said she was very impressed with the efforts by the country's Secretaries of State. She asked if consideration had been given to dialoging with the governments of the student bodies of the Regent universities to put voter registration information on the student governments' web sites.

Mr. Stanley responded that the Secretary of State's office would be happy to do that. He said many of the partners in this effort put uplinks on their web sites that link to the Secretary of State's voter registration information.

President Newlin thanked Mr. Stanley for the presentation and wished the Secretary of State good luck on the program.

**OPERATING APPROPRIATIONS REQUESTS FOR FY 2002 AND FY 2003.** The Board Office recommended the Board:

- (1) Approve the appropriations requests for FY 2002 and FY 2003.

- (2) Approve the priorities for restoring the base operating appropriations for FY 2002 to fulfill state statutory requirements for budget development.
- (3) Authorize the University of Northern Iowa to continue efforts to secure targeted funding of University of Northern Iowa programs through state agencies, as identified.

The Board's strategic plan outlines strategies for quality (KRA 1.0.0.0) and accountability (KRA 4.0.0.0) which include specific action steps related to appropriations requests. The proposed FY 2002 and FY 2003 incremental appropriations requests reflect these strategic planning goals of the Board as well as those of the institutions and are based on continuation of current base operating appropriations.

*Operating Appropriations Requests for FY 2002 and FY 2003*

The Department of Management recently requested the addition of budget requests for FY 2003. Those requests were presented to the Board this month for the first time. There have been no changes in the budget requests for FY 2002, as submitted to the Board in July.

The first priority of the Regents and the institutions is full funding of the state's salary policy from state appropriations. Full funding of salaries from state appropriations is a critical state investment in the human resources necessary to assure quality of instruction and learning for Iowa's students, to continue extraordinary discovery of new knowledge through research, to enhance economic development through a myriad of research and service activities, and to improve Iowa's quality of life through educational, extension, cultural, clinical, athletic, and related outreach programs.

Regent institutional FY 2002 and FY 2003 incremental operating appropriations requests, totaling \$15.4 million and \$15.7 million respectively, are a key component in achieving the Board's and each institution's strategic plan.

|   | FY 2001<br>Budget | FY 2001<br>Direct State<br>Appropriations | FY 2002<br>Incremental<br>Appropriations<br>Request* | FY 2003<br>Incremental<br>Appropriations<br>Request* |
|---|-------------------|---|--|--|
| University of Iowa**                    | \$414,357,723     | \$255,836,163                             | \$6,000,000  | \$6,000,000  |
| Iowa State University**                 | 317,674,798       | 202,542,308                               | 6,000,000  | 6,000,000  |
| University of Northern Iowa**           | 129,426,368       | 90,643,431                                | 3,000,000  | 3,300,000  |
| Iowa School for the Deaf                | 8,735,589         | 8,178,008                                 | 280,000  | 265,000  |
| Iowa Braille and Sight Saving<br>School | <u>4,911,297</u>  | <u>4,671,023</u>                          | <u>150,000</u>                                       | <u>150,000</u>                                       |
| Total                                   | \$875,105,775     | \$561,870,933                             | \$15,430,000   | \$15,715,000   |

\* Excludes incremental funding for state salary policy which has not yet been determined.

\*\* General University budgets only

Incremental appropriations requests for FY 2002 and FY 2003 were included in the operating appropriations request, including the Board Office and Regional Study Centers. No additional funds were requested for the Clothing, Prescriptions, and Transportation appropriation.

*Priorities for Restoring Base Operating Appropriations*

Iowa Code §8.23 requires the institutions to develop modified budgets for the FY 2002 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 2001) and then prioritizes programs and services to restore the base appropriation budget to the current FY 2001 base funding level.

The institutions and the Board Office have 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 2001 base appropriations.

The FY 2001 base appropriations total \$687.3 million. At 75 percent, the base appropriations would be \$515.5 million. Restoration decision packages to add services back total \$171.8 million. Instructional and academic programs are listed as the first priorities for restoration. Student services, institutional support, and physical plant services priorities follow.

*FY 2002 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 incorporated their respective strategic planning goals into the development of the required budget format for FY 2002.

*University of Northern Iowa Special Requests*

Similar to previous years, University of Northern Iowa officials requested permission to pursue funding 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 seven 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, Geography Alliance of Iowa, and Iowa Mathematics and Science Coalition.

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

Executive Director Stork stated that the operating appropriations requests were the same as were submitted in July. The Regents' top priority is full funding of salary policy with state appropriations. He noted that this year the Department of Management requested that appropriations requests be submitted for FY 2003, to which the Regents have responded.

Regent Fisher referred to the priorities for restoring base operating appropriations upon the assumption that base appropriations for the current year will be reduced by 25 percent, in accordance with Iowa Code. He asked if this was a regular practice of state government. Executive Director Stork responded that all state agencies go through the process.

Regent Fisher asked if it was a good exercise. Executive Director Stork responded affirmatively.

Regent Fisher asked if the cut is taken across-the-board at each of the Regent institutions. Executive Director Stork responded affirmatively.

President Coleman expressed her support for full funding of salaries from state appropriations. She stated that the University of Iowa's Public Health Initiative is very important.

President Seagrave stated that Iowa State University had a few updates to its appropriations request since July. Iowa State University officials support full funding of salaries from state appropriations. He said the plant sciences was the #1 additional initiative. He noted that the University has moved closer to obtaining a director of the Plant Sciences Institute. Three new faculty have been hired. University officials are proceeding with the co-laboratory design. He stated that the other initiative for Iowa State University this year is the Healthy Life Start Initiative which, consistent with Iowa State University's history, mission and theme of strengthening families, plays on the University's strengths. With regard to the FY 2003 appropriations request, he said the request was broken out relative to the University's new strategic plan.

Regent Fisher referred to the area of priorities for restoring base operating appropriations, and asked what was used for a base. Executive Director Stork responded that the base was what was actually received, including the salary appropriation. He said these were incremental requests for operating appropriations, only, exclusive of the salary number which was not yet known.

Regent Fisher asked for the amount of appropriations requested last year compared to this year's request. Executive Director Stork responded that \$27.5 million was requested for salaries, exclusive of health insurance. For operating appropriations, there was approximately \$25 million for incremental requests in addition to the salary request. He noted that the approach this year was more modest and more focused. He said the state would probably have another lean budget year.

Regent Fisher asked for the amount of the request for salaries. Executive Director Stork responded that the request was for full funding for whatever is negotiated. He said negotiations with AFSCME form the basis for salary increases. The outside date for completion of a negotiated contract is March 15, 2001, which is about three-fourths of the way through the legislative session.

President Koob stated that University of Northern Iowa officials were very pleased to support the appropriation request for full funding of salaries from state appropriations. University officials wish to have the faculty level returned to the planned goal.

**MOTION:**

Regent Fisher moved to (1) approve the appropriations requests for FY 2002 and FY 2003; (2) approve the priorities for restoring the base operating appropriations for FY 2002 to fulfill state statutory requirements for budget development; and (3) authorize the University of Northern Iowa to continue efforts to secure targeted funding of University of Northern Iowa programs through state agencies, as identified. Regent Ahrens seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

**CAPITAL APPROPRIATIONS REQUESTS.** The Board Office recommended the Board (1) approve a FY 2002 capital improvement appropriations request of \$57,790,000 and (2) approve tuition replacement appropriations requests of \$27,356,714 for FY 2002 and \$26,692,212 for FY 2003 with the understanding that FY 2002 needs will be reassessed by November 15, 2000.

Consistent with the Board's strategic plan, each year the institutions request and the Board recommends capital funding from the state of Iowa. In July 1999, the Board approved a FY 2001 capital budget request of \$77,405,000. The 2000 General Assembly appropriated and the Governor approved funding of \$43,150,000 from the state Infrastructure Fund for FY 2001 projects. The funded projects included the Board's first three priorities plus the water system replacement at Iowa School for the Deaf. The funds were appropriated for FY 2001 – FY 2003.

The following table summarizes the funded projects and the appropriations by fiscal year:

| Project                            | FY 2001      | FY 2002      | FY 2003      | Total        |
|------------------------------------|--------------|--------------|--------------|--------------|
| SUI Biology Renovation             | \$ 4,400,000 | \$ 7,300,000 | \$ 3,000,000 | \$14,700,000 |
| ISU Gilman Hall – HVAC             | 8,500,000    | 2,500,000    |              | 11,000,000   |
| ISU College of Business – Planning | 300,000      |              |              | 300,000      |
| UNI McCollum Science Hall Addition | 2,700,000    | 5,800,000    | 8,400,000    | 16,900,000   |
| ISD Water System Replacement       | 250,000      |              |              | 250,000      |
| Total                              | \$16,150,000 | \$15,600,000 | \$11,400,000 | \$43,150,000 |

The institutions and Lakeside Laboratory requested capital funding of \$98,730,000 for FY 2002. Last year, the institutions requested FY 2001 funding of \$109,565,000 and the Board recommended funding of \$77,405,000.

The Board Office recommendation for the FY 2002 capital budget request was consistent with the preliminary recommendation presented to the Board in July 2000. The recommended request, in priority order, is as follows:

Board Office Recommendation  
FY 2002 Capital Appropriations Request

| <u>Inst</u> | <u>Project</u>                                      | <u>(\$ Thousands)</u> |    |
|-------------|---|-----------------------|----|
| ISU         | College of Business Building                        | \$10,900              | *  |
| Regents     | Lakeside Laboratory Improvements                    | 239                   | *  |
| SUI         | Art Building, Phase 1                               | 16,016                | *  |
| UNI         | Steam Distribution System                           | 12,700                | ** |
| ISU         | Livestock Units for Swine & Cattle Research         | 4,900                 | *  |
| ISU         | LeBaron Hall – Systems Upgrade                      | 1,700                 | *  |
| ISU         | General Classrooms and Auditoriums                  | 3,000                 |    |
| UNI         | Innovative Teaching Ctr. (East Gym Ren.) – Planning | 1,300                 |    |
| SUI         | Classroom / Journalism Building – Planning          | <u>1,200</u>          |    |
|             | Total Projects                                      | \$51,955              |    |
|             | Fire Safety and Deferred Maintenance                | <u>5,835</u>          |    |
|             | Total   | \$57,790              |    |

\* Project recommended by the Board for FY 2001, but not funded except for \$300,000 planning funds for ISU College of Business Building.

\*\* Planning funds recommended by the Board for FY 2001, but not funded.

Tuition replacement appropriations represent an ongoing commitment of the state to meet the debt service cost of Academic Building Revenue Bonds. The Board was asked to approve a tuition replacement appropriations request of \$27,356,714 for FY 2002. This amount is \$818,140 less than the FY 2001 appropriation. The Department of Management recently requested the addition of budget requests for FY 2003. Therefore, it was recommended that the Board approve a tuition replacement appropriation request of \$26,692,212 for FY 2003.

Executive Director Stork stated that the recommendation remained unchanged from July.

Regent Fisher asked if any of the projects had been approved for funding. Executive Director Stork responded that the projects had not yet been approved for funding.

Regent Fisher asked if the legislature would understand the Board's priorities for the projects presented for funding. Executive Director Stork responded affirmatively, noting that Regent representatives would be visiting with legislators, also. He noted that capital appropriations in the amount of \$43.15 million were approved last year to be cash-flowed over 3 years.

Regent Fisher asked if the amount requested for the upcoming session was an approximate \$14 million increase. Executive Director Stork responded that the amount of the appropriations requested varies from year-to-year depending on the projects. The Board's FY 2001 request was \$77.4 million.

Regent Fisher asked, once an amount is approved by the legislature for a capital project, whether the amount is committed until the project is finished. Executive Director Stork responded affirmatively, and indicated that the Regents do not go back to the legislature every year to request a recommitment. He noted, however, that there was an effort last year to deappropriate funding for FY 2001 for projects authorized by the 1997 General Assembly.

Regent Fisher asked how the state handles the accounting for the infrastructure account. Is the money that is appropriated kept separate or escrowed? Executive Director Stork said it was his understanding that the infrastructure funds are kept separate from the state general fund, in a distinct account.

President Coleman said she was very supportive of the Board Office recommendation. The Art and Art History Building is the University of Iowa's top priority. She noted that the Board had previously approved the use of University funds for planning purposes.

President Seagrave said he fully supported the request. Iowa State University's top priority is the College of Business Building. He noted that the requested state funding would be matched with \$11,500,000 in gifts.

President Koob said he was pleased to support the request for funds for the University of Northern Iowa's steam distribution system. He said the project would save the University significant repair and expense in the long run.

**MOTION:** Regent Kennedy moved to (1) approve a FY 2002 capital improvement appropriations request of \$57,790,000 and (2) approve tuition replacement appropriations requests of \$27,356,714 for FY 2002 and \$26,692,212 for FY 2003 with the understanding that FY 2002 needs will be reassessed by November 15, 2000. Regent Smith seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

**FINAL FIVE-YEAR CAPITAL IMPROVEMENT PLAN, FY 2002-FY 2006.** The Board Office recommended the Board (1) approve the five-year capital priority plan for FY 2002 - FY 2006 of \$295,975,000, including the amount of \$67,353,000 as the Board's request for FY 2003, to be funded by state Infrastructure fund appropriations or Academic Building Revenue Bonds and (2) approve the five-year program (FY 2002 – FY 2006) of \$62,787,000 for the University of Iowa Hospitals and Clinics to be funded by Hospital Building Usage Funds.

Two five-year capital plans for the period FY 2002 - FY 2006 were included for Board approval:

- a) Five-year capital program to be funded by capital appropriations or Academic Building Revenue Bonds; and
- b) University of Iowa Hospitals and Clinics five-year program to be funded by Hospital Building Usage Funds.

Development of these five-year capital programs is consistent with the Board's strategic plan and Procedural Guide, as well as the Iowa Code. The Iowa Code requires the Board to submit a five-year, state-funded building program to the General Assembly at the beginning of each legislative session.

The institutions submitted requests for funding from the state in the amount of \$469,950,000, which would be combined with \$32,773,000 in private funds, for the projects in the five-year period (FY 2002 - FY 2006). The Board Office recommendation

for the five-year capital priority plan to be funded by capital appropriations or Academic Building Revenue Bonds is \$295,975,000, combined with \$31,773,000 in private funds.

Recently, the Department of Management requested the addition of budget requests for FY 2003. It was recommended that the amount included in the five-year plan for FY 2003 be specifically approved as the Board's capital request for FY 2003.

The final recommendations total \$2,540,000 more than the preliminary recommendations presented to the Board in July. The following table summarizes the changes from the preliminary recommendations:

|   | July 2000<br>Recomm.<br>(\$ 000) | Sept. 2000<br>Recomm.<br>(\$ 000) | Adjustments<br>(\$ 000) | Total<br>(\$ 000) |
|---|----------------------------------|-----------------------------------|-------------------------|-------------------|
| July Five-Year Plan Total                                     |                                  |                                   |                         | \$293,435         |
| <u>University of Iowa</u>                                     |                                  |                                   |                         |                   |
| Oakdale Laboratory Renovation                                 | \$ 7,280                         | \$ 3,500                          | \$(3,780)               |                   |
| Seashore Hall Remodeling                                      | 30,010                           | 25,010                            | (5,000)                 |                   |
| Med. Education & Biomedical Research<br>Facility – Building C | --                               | 15,000                            | 15,000                  |                   |
| Macbride Hall – Remodeling / Renewal                          | 7,280                            | 1,500                             | (5,780)                 |                   |
| University of Iowa Adjustments                                |                                  |                                   |                         | 440               |
| <u>University of Northern Iowa</u>                            |                                  |                                   |                         |                   |
| Innovative Teaching Center                                    | 15,300                           | 17,400                            | 2,100                   | <u>2,100</u>      |
| September Five-Year Plan Total                                |                                  |                                   |                         | \$295,975         |

Last year, the institutions requested funding of \$469,213,000 and the Board recommended a five-year plan for state funds (FY 2001 – FY 2005) of \$320,945,000.

The University of Iowa Hospitals and Clinics Five-Year Capital Program (FY 2002 - FY 2006) will be financed by patient-generated funding. Projects totaling \$62.8 million are included in the program. Projects totaling almost \$49 million were included in University of Iowa Hospitals and Clinics five-year capital programs previously submitted to the Board. Not listed previously is the completion of shell space on the fourth level of the Pomerantz Family Pavilion for Department of Dermatology ambulatory care facilities (\$5.4 million). Other new projects include heating, ventilating and air conditioning, utility upgrades and refurbishment of corridors. All projects listed on the five-year plan will be brought forward for specific project approval as required by Board procedures.

Executive Director Stork stated that submission of a five-year capital improvement plan was required by statute. Upon the request of institutional officials, some priorities were reassigned. Board Office staff tried to keep the total amounts similar to what was

presented to the Board in July. He reviewed with the Regents the differences between the preliminary recommendation in July and the final recommendation in September. He emphasized that these were five-year plans. The further out the requests from the present time, the more likely the plans can change.

President Coleman expressed appreciation for the work of the Board Office in including MEBRF Building C and making the adjustments to other projects as shown in the meeting materials.

President Seagrave stated that Iowa State University officials were supportive of the plan at this point.

President Koob thanked the Board Office staff for moving the numbers to University of Northern Iowa officials' original request and for taking the time to understand what University officials think will be a very important development.

**MOTION:** Regent Turner moved to (1) approve the five-year capital priority plan for FY 2002 - FY 2006 of \$295,975,000, including the amount of \$67,353,000 as the Board's request for FY 2003, to be funded by state Infrastructure fund appropriations or Academic Building Revenue Bonds and (2) approve the five-year program (FY 2002 – FY 2006) of \$62,787,000 for the University of Iowa Hospitals and Clinics to be funded by Hospital Building Usage Funds. Regent Fisher seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

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

(1) Adopt the following:

A Resolution authorizing and approving the Execution and Delivery of the Ground Lease, the Amended Ground Lease, the Lease, the 2000 Amendments to Lease, the Indenture, the Supplemental Indenture, the Bond Purchase Agreements, the Tax Exemption Certificate, and the Continuing Disclosure Certificate and Authorizing and Providing for the Issuance of University of Iowa Facility Corporation (Medical Education and Biomedical Research Facility Project) \$22,250,000 Revenue Bonds Series 2000 and \$5,750,000 Revenue Bonds, Series 2000A, and Providing for the Payment Thereof.

(2) Adopt the following:

A Resolution providing for the sale and award of \$10,000,000 Athletic Facilities Revenue Bonds, Series S.U.I. 2000, and approving and authorizing the agreement of such sale and award.

A Resolution authorizing and providing for the issuance and securing the payment of \$10,000,000 Athletic Facilities Revenue Bonds, Series S.U.I. 2000, for the purpose of defraying costs of constructing and equipping athletic and recreational buildings, athletic fields, grounds and related facilities located on the campus of The State University of Iowa, funding a Reserve Fund and paying the costs of issuance.

(3) Receive the report of the Banking Committee.

Regent Fisher stated that at its meeting of September 13, the Banking Committee members had planned to hear from State Auditor Johnson; however, that presentation was rescheduled for October. He said the Banking Committee members approved resolutions authorizing and providing for the issuance of \$22,250,000 Series 2000 and \$5,750,000 Series 2000A University of Iowa Facilities Corporation Revenue Bonds (Medical Education and Biomedical Research Facility), and for the sale and award of \$10,000,000 Athletic Facilities Revenue Bonds, Series S.U.I. 2000. The Banking Committee members received an update on the Iowa State University Memorial Union refunding of a promissory note, a report on the costs of bond issuance, the investment and cash management report for the fiscal year, an update on the change in ownership interests of Sanford C. Bernstein, an external audit report of the Tri-State Graduate Study Center, and internal audits at the University of Iowa.

Regent Fisher recognized the Board's bond advisor and bond counsel for a report on the bids that were received.

Mr. Haynie, Ahlers law firm, stated that the interest rates received were unusually good. He said the winning bid for the \$10 million athletic facilities bond sale was received from a syndicate led by Paine Webber for a true interest rate of 5.0411 percent. With regard to the bond sale for the Medical Education and Biomedical Research Facility, he stated the bonds would be issued by the University of Iowa Facilities Corporation. The winning bid for the first series of bonds was submitted by a syndicate led by Morgan Stanley Dean Witter for a true interest rate of 5.2704 percent. The winning bid for the second series of bonds was also submitted by a syndicate led by Morgan Stanley Dean Witter for a true interest rate of 5.31 percent. Mr. Haynie noted that there would be one change in the bond documentation related to aggregating the annual maturities. He noted that from the University's standpoint, the change would make no difference.

Mr. Fick, Springsted, Inc., noted that the athletic facility revenue bonds would be double tax-exempt. He said the Medical Education and Biomedical Research Facility bonds were sold in two series and were exempt only from federal income tax. Bond insurance was used, which was received at a very favorable rate. He said the cost of insurance was more than offset by the interest rate savings on the bonds.

MOTION:

Regent Fisher moved to adopt A Resolution authorizing and approving the Execution and Delivery of the Ground Lease, the Amended Ground Lease, the Lease, the 2000 Amendments to Lease, the Indenture, the Supplemental Indenture, the Bond Purchase Agreements, the Tax Exemption Certificate, and the Continuing Disclosure Certificate and Authorizing and Providing for the Issuance of University of Iowa Facility Corporation (Medical Education and Biomedical Research Facility Project) \$22,250,000 Revenue Bonds Series 2000 and \$5,750,000 Revenue Bonds, Series 2000A, and Providing for the Payment Thereof. Regent Kennedy seconded the motion, and upon the roll being called, the following voted:  
AYE: Ahrens, Fisher, Kelly, Kennedy, Lande, Newlin, Smith, Turner.  
NAY: None.  
ABSENT: Neil.

MOTION CARRIED.

MOTION:

Regent Fisher moved to adopt (1) A Resolution providing for the sale and award of \$10,000,000 Athletic Facilities Revenue Bonds, Series S.U.I. 2000, and approving and authorizing the agreement of such sale and award. (2) A Resolution authorizing and providing for the issuance and securing the payment of \$10,000,000 Athletic Facilities Revenue Bonds, Series S.U.I. 2000, for the purpose of defraying costs of constructing and equipping athletic and recreational buildings, athletic fields, grounds and related facilities located on the campus of The

State University of Iowa, funding a Reserve Fund and paying the costs of issuance. Regent Kennedy seconded the motion, and upon the roll being called, the following voted:  
AYE: Ahrens, Fisher, Kelly, Kennedy, Lande, Newlin, Smith, Turner.  
NAY: None.  
ABSENT: Neil.

MOTION CARRIED.

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

**ANNUAL REPORT ON 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 2000 and (2) establish a present value rate of 6.1 percent for lump sum pay out under the early retirement program for fiscal year 2001.

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 50 employees entered into the phased retirement program during the past fiscal year. During fiscal year 2000, 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 2000, 218 employees entered the program. A net saving of approximately \$5.1 million will be realized during the period of time the fiscal year 2000 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. The programs are under review by the institutions and the Board Office to determine what modifications, if any, will be recommended to the Board later this fiscal year.

In addition to employees leaving the institutions through the early retirement program, 166 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% of faculty; 11% of P&S staff; and 17% of merit staff are age 55 or older.

Director Wright presented the Board members with highlights of the information contained in the meeting materials.

**MOTION:** Regent Kennedy moved to (1) receive reports from the institutions on the operation of the phased and early retirement programs in fiscal year 2000 and (2) establish a present value rate of 6.1 percent for lump sum pay out under the early retirement program for fiscal year 2001. Regent Ahrens 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.

Annually, the Board receives a 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's strategic plan.

Under Iowa Code §473.12, the Board was required to undertake by June 30, 1989, comprehensive engineering analyses 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 analyses.

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 21.5 percent at the University of Iowa, 24.2 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.

With the exception of Iowa State University, the institutions report decreases in energy consumption per gross square foot from FY 1999 to FY 2000. The decreases partially reflect the mild winter weather during the 1999-2000 heating season. The 16.7 percent increase in energy consumption at Iowa State University can be attributed to the occupancy of new facilities during FY 2000, particularly Howe Hall, the College of Design Auditorium, the Palmer Human Development and Family Studies Building, and the Communications Building Addition. These facilities utilize current technologies and therefore are more energy intensive than other campus buildings.

The institutions report little or no increases in energy costs per gross square foot from FY 1999 to FY 2000, with the exception of Iowa State University; energy costs per gross square foot increased 14.7 percent due to the addition of new energy-intensive space, while the University's energy costs per million BTU decreased by 1.1 percent.

Associate Director Racki presented the Regents with highlights of the information that was provided in the meeting materials.

Regent Fisher stated that officials of all of the institutions were to be commended for reducing the amount of BTUs used. Energy cost increases this year could be substantial; therefore, it is good that the institutions took action years ago to reduce the amount of energy consumed.

**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 reported there were no transactions on its personnel register this month.

**REVISED SPECIAL SCHOOL POLICY ON EDUCATIONAL REIMBURSEMENTS.**  
The Board Office recommended the Board:

- (1) Approve revisions to the Educational Assistance Program at Iowa School for the Deaf and Iowa Braille and Sight Saving School retroactive to January 1, 2000 --
  - to provide for permanent part-time staff to participate in the schools' Educational Assistance Program;

- to modify certain aspects of the existing program pertaining to eligibility for courses, reimbursement for courses, and credit hours permitted per semester; and
  - to delete a redundant and inconsistent paragraph.
- (2) Approve revision of the Regent Procedural Guide §4.10 to include the changes in the Educational Assistance Program identified in 1, above.

The special schools provide an Educational Assistance Program (Program) for permanent full-time employees. The superintendents recognize that providing opportunities for all permanent staff to enhance their skills and knowledge is vital to the success of the schools. The superintendents proposed to make the Program, with slight modification, available to permanent part-time staff. Part-time staff would have to remain in active employment with the school twice as long as full-time staff to avoid repayment of their reimbursed expenses.

The present Program appears ambiguous as to the requirement that the course of study be related to a current assignment. The revision provides the superintendents authority to look to future needs of the schools and provide for courses of study which are for the overall good of the school.

The revised Program would be available for not more than six credit hours per academic semester.

Director Wright reviewed with the Regents the information that was provided in the meeting materials. He noted that approval of this item would result in a revision to the Procedural Guide.

Regent Fisher asked how many people were expected to take advantage of the new program. Superintendent Johnson responded that Iowa School for the Deaf has only five permanent part-time employees. He has not received a request for educational reimbursement. Superintendent Thurman responded that the Iowa Braille and Sight Saving School has three permanent part-time employees, one of whom is actively taking courses.

MOTION:

Regent Fisher moved to (1) approve revisions to the Educational Assistance Program at Iowa School for the Deaf and Iowa Braille and Sight Saving School retroactive to January 1, 2000, as presented, and (2) approve revision of the Regent Procedural Guide §4.10 to include the changes in

the Educational Assistance Program, as presented. Regent Smith seconded the motion.  
MOTION CARRIED UNANIMOUSLY.

**APPOINTMENTS TO COMMITTEES AND INSTITUTIONAL APPOINTMENTS.** The Board Office recommended the Board (1) approve new appointments to the Educational Telecommunications Council (ETC) and (2) approve the appointment of Directors to the Iowa State University Equities Corporation.

Personnel changes at the three Regent universities have resulted in the need to appoint three new persons to serve on the Educational Telecommunications Council. The ETC is a statutory committee that is responsible for planning and policy development for educational uses of the Iowa Communications Network (ICN). The Board of Regents appoints four persons to the ETC, two regular appointments and two alternates. The alternates serve in the absence of a regular member (either alternate can serve in the place of either regular member).

Three new members were appointed at this time, including one regular member and two alternates. One regular member, Robert J. Barak, is continuing his appointment until it expires June 30, 2001. The new members are fulfilling the unexpired terms of personnel whose appointments were ratified in May 2000.

The new regular appointment is as follows:

James Bodensteiner, Director, Continuing Education and Credit Programs, University of Northern Iowa, replaces Emmett J. Vaughan, whose appointment will expire June 30, 2002.

The new alternate appointments are as follows:

Ann Hill Duin, Director of Extended and Continuing Education/Associate Provost, Iowa State University, replaces Lois A. Hunt, whose appointment will expire June 30, 2001.

Chet Rezonka, Interim Dean, Continuing Education, University of Iowa, replaces Joan E. Ketels, whose appointment will expire June 30, 2002.

Iowa State University Equities Corporation is a wholly-owned University non-profit corporation established by the Board of Regents to manage assets such as WOI-TV. It was originally created as part of corporate legal structure associated with the sale of WOI-TV, functioning as a holding corporation. It is not currently engaged in any actual business activities other than continuing its responsibilities under the WOI-TV sale and trust agreements. Its officers are University administrators holding the indicated positions whose appointments require Board of Regents' approval. With the retirements

and resignations of previously-named directors, University officials recommended the appointments as noted below.

The board member would be the person holding the position of the office noted below (the current incumbent is also listed).

|   |                       |
|---|-----------------------|
| President (or Interim President)        | Dr. Richard Seagrave  |
| Provost                                 | Dr. Rollin Richmond   |
| Vice president for Business and Finance | Mr. Warren Madden     |
| Assistant to the President              | Mr. Rabindra Mukerjea |

Director Barak provided the Regents with highlights of the information that was provided in the meeting materials.

**ACTION:** President Newlin stated the Board, by general consent, (1) approved new appointments to the Educational Telecommunications Council (ETC) and (2) approved the appointment of Directors to the Iowa State University Equities Corporation.

**APPROVAL OF VENDOR WITH A POTENTIAL CONFLICT OF INTEREST.** The Board Office recommended the Board approve the addition of Arthur H. Konar, Ph.D., DAPBS, to Iowa State University's lists of approved vendors with a potential conflict of interest.

Iowa State University officials requested to add Arthur H. Konar, Ph.D., DAPBS, who would provide psychological counseling and assessment services for students in the Iowa State University athletic department, to its approved vendor list. Arthur Konar's wife, Lisa Larson, is an Associate Professor in the Department of Psychology at Iowa State University. Iowa State University officials state that Lisa Larson, will not participate in any evaluation or award decisions relative to the services provided by Arthur H. Konar.

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

**REGENT AFFILIATED ORGANIZATION REPORT.** 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 Iowa State University Foundation and are incorporated within the Iowa State University Foundation audits. The treasurer's report for the Stanton Memorial Carillon Foundation for the year ended March 31, 2000, lists revenues of \$4,244 from gifts and interest earnings, disbursements of \$2,518, transfers to the Guild of Carillonneurs of \$1,000 and to the Stanton Carillon Scholarship fund of \$4,000, net loss of \$3,274, and an ending cash balance in the treasury of \$68,518.

The Stanton Memorial Carillon Foundation celebrated its 100<sup>th</sup> anniversary in 1999 by hosting the 1999 Congress for the Guild of Carillonneurs of North America on the Iowa State University campus in June 1999. Over 125 carillonneurs from around the world attended the four-day conference. In September 1999, the anniversary was celebrated on central campus with a carillon concert and activities that were enjoyed by the Iowa State University community.

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

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

|                       |                                      |                |
|-----------------------|--------------------------------------|----------------|
| 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  | West Des Moines Marriott Hotel       | W. Des Moines  |
| January 16, 2002      | Telephonic Conference Call           |                |
| February 20-21, 2002  | University of Northern Iowa          | Cedar Falls    |
| March 13-14, 2002     | Iowa State University                | Ames           |
| April 17-18, 2002     | Iowa School for the Deaf             | Council Bluffs |
| May 15, 2002          | Iowa Braille and Sight Saving School | Vinton         |
| May 16, 2002          | University of Iowa                   | Iowa City      |

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|                       |                             |             |
|-----------------------|-----------------------------|-------------|
| June 19-20, 2002      | Iowa State University       | Ames        |
| July 17-18, 2002      | University of Northern Iowa | Cedar Falls |
| September 18-19, 2002 | University of Iowa          | Iowa City   |
| October 16-17, 2002   | University of Northern Iowa | Cedar Falls |
| November 13-14, 2002  | Iowa State University       | Ames        |
| December 18-19, 2002  | (To be determined)          | Des Moines  |

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 Wednesday and Thursday, September 13 and 14, 2000.

### **TOUR OF HOSPITAL SCHOOL AND VIEWING OF MEBRF BUILDING.**

Mr. Staley stated the University Hospital School is Iowa's federally-funded center for the care of disabled persons. It is Iowa's only tertiary program specifically created for people with disabilities. The Hospital School provides clinical services, training for students and professionals, collaboration with other agencies and organizations, research, and information sharing. He said the developmental disabilities program began in the 1940s when Dr. Rehmboldt headed up the Hospital School. Following Dr. Rehmboldt, Dr. Alfred Healy was the Hospital School administrator. Don Van Dyke became the Director of the Division of Developmental Disabilities upon the retirement of Dr. Healy. Mark Moser is now the Administrator of the Hospital School. The Hospital School serves 6,000 patients from 13 communities/year and receives funding through the Department of Public Health.

Regent Turner asked about the patient population. Dr. Van Dyke responded that 25 percent of the patient population is adult and 75 percent is children. Dr. Frank Morriss, Professor of Pediatrics, stated that the Hospital School works with families that have experienced child abuse.

Regent Fisher asked if the families of children patients are within driving distance of Iowa City. Dr. Morriss responded that the Hospital School serves in-patients and out-patients. The facility has 8 beds and a growing clinic population. Patients are seen from all over the state.

Regent Fisher asked about the term "school" in the facility's name. Dr. Morriss responded that "school" is an historical misnomer.

Regent Fisher asked what would be a better word. Administrator Moser responded that consideration was being given to renaming the facility the Center for Disabilities and Development.

Dr. Jeff Lobas, Director of the Regional Child Health Specialty Clinics, presented a brief explanation of the program offered through the Hospital School.

The Regents moved to another room and were presented with information regarding telemedicine activities. President Coleman stated that the activities were the result of Dean Kelch's and Director Howell's efforts to bring health care to all parts of Iowa.

Administrator Moser stated that the Hospital School provides consultation to small hospitals, all schools in the state that are wired, and all of the area education agencies. A referral network has been established and is expanding daily. The telemedicine efforts focus on lowans with disabilities and emphasize a family care orientation. He said the goal of the telemedicine study was to evaluate the effectiveness of telemedicine. As a result of the study, telemedicine services have moved from research to practice. He said 2,000 patients are seen per year. Consultation is also provided to selected group homes for senior citizens.

Dr. Dave Wacker, Biobehavioral Service Director, stated that he was one of the first to sign up for the telemedicine project. Last week, the Hospital School received the first statement from Medicaid that it will reimburse the Hospital School for telemedicine services. Medicaid paid for a team to go to the home and school of a patient, and for a telemedicine consultation.

President Coleman stated that the big challenge now is in the area of reimbursement. If a child comes to the University for consultation, it is considered billable; whereas telemedicine is not yet considered billable. Medicaid's acknowledgement of telemedicine as an allowable expense opens the door for funding of telemedicine by other insurers.

Dr. Wacker stated that discussions are taking place with Wellmark. Telemedicine has been done in Nebraska since 1955 and reimbursement for those services is built into their payment system. University of Iowa officials are cautiously optimistic that will happen here. First, Medicaid had to acknowledge the service as reimbursable, and that has now happened. Within a year or so there should be a regular billing system for telemedicine. He noted that remote cameras can be installed in school buildings so a patient at the University of Iowa who is receiving chemotherapy can be hooked up to his/her classroom at home.

A telemedicine-type connection was made with the following individuals in Ottumwa: Dr. Heitzman and Cheryl Jones, a nurse practitioner. Ms. Jones stated that she is the child health specialty clinic coordinator in the Ottumwa area. She said the children for whom telemedicine is utilized are the most difficult children dealt with in the clinic.

Anyone who works with a child can attend the telemedicine sessions. She has been involved with the project since its inception. She noted that she lives on a farm in rural Iowa. Telemedicine is helping to ensure that people in rural Iowa receive quality health care.

Dr. Heitzman stated that the biggest advantage of the telemedicine system is being able to have specialists from the University of Iowa present in the community. He was very satisfied with the evaluations that had been accomplished and the ability of all team members to be involved. He said the system has been used for telepsychiatry. ECGs have been done via the system with results received, usually, the same day.

Regent Turner asked if the telemedicine program is an option for families and their children or was it part of a regular program? Dr. Heitzman said it was definitely an option; not everyone chooses to participate. With regard to how the program is received by parents and patients, he said children are not afraid of TVs; in fact, they like it.

President Newlin asked for the Hospital School's relationship with Iowa Braille and Sight Saving School. Dr. Wacker responded that consultation has been provided but a telemedicine system has not yet been established.

Administrator Moser stated that the question about reimbursement is a very important issue for the system. A reimbursement system must be developed for the future of telemedicine activities. Legislation in California mandates telemedicine as a covered benefit. He hopes for similar legislation in our state.

Ms. Jones stated that reimbursement for telemedicine is being reviewed by the federal government. She noted that telemedicine does require a time commitment and a philosophical commitment on the part of the providers.

Dr. Wacker stated that telemedicine services are currently being provided. University Hospital School officials cannot tell parents and local providers that this service will no longer be available.

The Regents then moved to another room.

Deb Downey, Speech Pathologist, provided the Regents with a brief presentation on augmentative communication which is a team-to-team collaboration. Patients range from 18 months to 84 years of age. Services are often provided to special education children who are mainstreamed into the classroom, which is done more and more frequently. Outreach consultation is also provided, with the Iowa Communications Network being used for follow up. Remote cameras are installed at schools.

The Regents then received a demonstration of some of the assistive devices.

Regent Turner asked about means of funding for the patient devices. The response was that the Hospital School works with insurance companies, etc. A device must be approved by a physician and a speech pathologist. Evaluations are very dynamic. Both teams work together.

On the drive back, the Regents viewed the site of the MEBRF building.

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

Register of Personnel Changes for June and July 2000

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

**NAMING OF CANCER CENTER.** The Board Office recommended the Board approve the naming of the Cancer Center in recognition of an exceptional gift of \$25 million from the Roland Holden family.

In recognition of a landmark \$25 million gift for the Cancer Center at the University of Iowa from four generations of the Holden family, University officials wish to name the Center the Holden Cancer Center.

The gift from the Holden family is in honor of their father, Roland Holden, who died in 1995. Mr. Holden founded Holden Foundation Seeds, Inc., a corn seed research and genetics company based in Williamsburg, Iowa. His family chose to celebrate his legacy by supporting research and treatment that may eventually cure the disease that took his life.

Several years ago, Mr. Holden was a patient of University of Iowa faculty member Dr. Ray Hohl. The family and Mr. Holden were grateful for the superb care he received, even as his disease proved to be terminal. The family wishes to give back very generously to sponsor researchers, education, and to improve the care for patients.

In recognition of this important gift, University officials respectfully requested that the Center now be known as the Holden Cancer Center.

President Coleman presented the request on behalf of the University of Iowa. She then recognized Dean Kelch to provide a fundraising report.

Dean Kelch presented a report on fund raising for construction and renovation of College of Medicine facilities, including naming of the University of Iowa Cancer Center. He said the fund-raising goal for construction of the Medical Education and Biomedical Research Facility and renovation projects was \$15 million. Total gifts received as of September 2000 was \$18.5 million. He showed photographs and models of the facilities at present and in the future including the Roy J. Carver Molecular Science Research Center, the Sahai Medical Education Center, the Roland and Ruby Holden Cancer Research Laboratories, the Wilson entry, the Phi Beta Pi Medical Fraternity Computer Classroom, and the Beisner Lecture Hall.

**MOTION:** Regent Kelly moved to approve the naming of the Cancer Center in recognition of an exceptional gift of \$25 million from the Roland Holden family. Regent Fisher seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

**NAMING OF LIBRARY PARK.** The Board Office recommended the Board approve the naming of green space south of the Main Library in honor of Richard E. Gibson, former Associate Vice President and Director, Facilities Services Group.

When Richard Gibson first came to work at the University of Iowa, there were fewer than 12,000 students. During his forty years at the University, he played a substantial part in ensuring that the University's facilities grew appropriately to accommodate a substantial growth in population. He helped make the campus not only a more pleasant place to work and study, but a place of which all Iowans can be proud. He worked tirelessly to improve the quality of the services provided and to develop many outdoor spaces on campus to more closely align expectations of students, parents and other campus visitors with the University's campus plan.

Mr. Gibson, who graduated from the University of Iowa in 1957 with a Bachelor of Science in commerce, came to work at the University of Iowa in 1960 as assistant registrar. In 1965, he was named director of space assignment and utilization. He was appointed director of facilities planning and utilization in 1970, and director of planning and administrative services in 1985. In 1995, physical plant services were added to his responsibilities and, in 1996, he assumed his current title. The Facilities Services group includes 650 employees working in areas ranging among architectural engineering and custodial services to power plant operation and landscape design.

Because of Richard Gibson's long and exceptional service to the University, University of Iowa officials wish to honor him with the naming of this green space. A strong

endorsement of this naming request has come from the University Campus Planning Committee which is comprised of students, faculty and staff representatives.

Mr. Gibson retired from the University on June 30, 2000.

President Coleman presented the request on behalf of the University of Iowa.

MOTION: Regent Smith moved to approve the naming of green space south of the Main Library in honor of Richard E. Gibson, former Associate Vice President and Director, Facilities Services Group. Regent Turner 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 Iowa.

University Hospitals and Clinics—Development of New Patient Registration and Admitting Service Facilities

Proposed Source of Funds: University Hospitals Building Usage Funds

| <u>Project Summary</u> | <u>Amount</u> | <u>Date</u> | <u>Board Action</u> |
|------------------------|---------------|-------------|---------------------|
| Permission to Proceed  |               | Sept. 2000  | Requested           |

The new entrance area to be developed in Carver Pavilion will include replacement facilities for UIHC's patient admitting and registration services, Volunteer Program gift shop, patient and guest relations services, and main entrance lobby seating functions. The proposed location for the new entrance area is adjacent to the existing glass canopy and driveway, and south of and adjacent to the existing main entrance area in the south wing of the General Hospital.

The project will increase the size of the main entrance lobby from 11,150 gross square feet to approximately 18,000 gross square feet to accommodate the functions currently housed in the main entrance area. In particular, additional space is needed for the patient admitting and registration functions which have expanded their operations in response to current health care requirements. The expanded entrance area is also needed to meet the UIHC's growth in patient service volume. Over the past 25 years, the total annual number of patient admissions and clinic visits at UIHC has increased from approximately 324,000 in FY 1975 (when the present main entrance lobby was developed) to over 611,000 in FY 2000, an increase of approximately 90 percent. A

large proportion of these patients, as well as a substantial percentage of UIHC's patient visitors and staff, utilize the existing main entrance lobby as their point of entry and exit. Due to the increased usage, the UIHC's main entrance lobby has become heavily congested; more crowding is likely to occur as additional patient care services are provided on an outpatient basis.

The new entrance facilities will be developed by renovating the area of Carver Pavilion that previously housed the Department of Orthopaedic Surgery ambulatory care clinic and faculty offices, which have relocated to expanded facilities in the Pappajohn Pavilion. This vacated area in the Carver Pavilion is the only available space at UIHC that provides the adequate size and proper location for development of the new entrance facilities. The space will allow the functions to be configured to provide patient and visitor services in a comfortable and more private setting. The glass canopy and driveway adjacent to the area will serve the increased traffic volume and will provide additional space to accommodate patient valet parking.

The existing entrance area will be developed into a central patient discharge area which will provide a number of services for patients as they are discharged. Services will include dispensing pharmaceuticals and issuing medical supplies, preparing patients for travel in hospital vehicles, and providing special facilities to accommodate the needs of patients on stretchers or in wheelchairs prior to departure. These discharge services are currently provided in multiple locations throughout University Hospitals and their consolidation, in a central location, will improve patient convenience and increase the efficiency of the services.

The estimated cost for this project is approximately \$3 million. Cost figures will be further developed and refined as project planning proceeds.

Institute of Hydraulics Research—Hydraulics Laboratory Modernization

Source of Funds: Institute of Hydraulic Research Balances, Gifts, Building Renewal and/or Income from Treasurer's Temporary Investments

Project Summary

|   | <u>Amount</u> | <u>Date</u> | <u>Board Action</u> |
|---|---------------|-------------|---------------------|
| Permission to Proceed                       |               | Oct. 1999   | Approved            |
| Architectural Selection<br>(OPN Architects) |               | March 2000  | Approved            |
| Architectural Agreement                     | \$ 205,000    | April 2000  | Approved            |
| Program Statement                           |               | Sept. 2000  | Requested           |
| Schematic Design                            |               | Sept. 2000  | Requested           |

Project Description and Total Budget    4,250,000        Sept. 2000        Requested

This project will renovate the Hydraulics Laboratory to meet the modern teaching and research requirements of the Iowa Institute of Hydraulic Research of the College of Engineering. The facility, which was constructed between 1919 and 1931, is located along the west bank of the Iowa River adjacent to U. S. Highway 6 and south of Burlington Street. The current condition of the building is not conducive to contemporary research and teaching activities nor the recruitment of faculty, staff and students.

The goal of the project is to create a facility that meets the needs of the educational and research programs of the Institute of Hydraulic Research, which is one of the nation's oldest fluids research and engineering laboratories. The Institute seeks to educate students and to conduct research in the broad fields of hydraulics and fluid mechanics. Originally, the facility was used primarily for hands-on experiments and research. Today, this research is more computer-intensive. The renovation project will provide state-of-the-art office and research facilities and instructional spaces within an historic structure.

The Hydraulics Laboratory totals approximately 34,000 gross square feet on five levels plus a basement and subbasement. The renovation project will reconfigure space among the five levels (a total of 20,775 net square feet) to consolidate the various functions and to improve the layout and flow between the user groups, making more efficient use of the existing space. University officials indicated that the amount of space available for the various functions will not change significantly with the renovation.

Additions to the facility will include the fully-accessible entrance vestibule and plaza area at the north end of the facility, and mechanical penthouse on the roof; these additions will increase the total building area by approximately 965 net square feet. The project will also install new mechanical and electrical systems, replace the elevator to provide access to the five levels (the existing elevator does not serve the fifth level), construct new exit stairs, install new interior furnishings, replace windows and repair the exterior. The project will also include minor renovation work in the basement area to accommodate the Institute's high-performance computer system.

Included on the first floor will be the new entry vestibule, the lobby and reception areas, and corridor space along the west wall of the building. The lobby and corridor areas will provide multiple display opportunities to highlight the past, present and future of the Institute.

The first floor will also provide office and conference room areas for the administrative functions of the Institute. The instructional room on this level will provide a state-of-the-

art, undergraduate and graduate teaching laboratory, and an undergraduate fluids classroom. The conference room and instructional room will be equipped with data links to the campus and the Institute's Mississippi River Environmental Research Station to be constructed in Fairport, Iowa.

The majority of the space on levels two through five will be remodeled into workgroups that contain private offices and large workstations which will be utilized by faculty, and graduate and post-doctoral students. The second floor will also house the Floyd Nager Resource Room (an information resource center for the Institute), an Information Technology Services room, student lounge, and building maintenance area. In addition, the third floor will provide a staff lounge area, and the fifth floor will house an additional area linked to the Mississippi River Environmental Research Station for the purpose of receiving hydraulics and water resources data.

### Restrooms

The building will include a total of six, fully-accessible restroom areas (three male and three female) located on the first, second and third floors; levels four and five will be served by the restrooms on the third floor. The restrooms will provide a total of four male toilet fixtures, six female toilet fixtures, four urinals, and four male and four female lavatories. University officials indicated that the number of restroom fixtures for the renovated facility is consistent with the State Building Code based on total occupancy of the building. However, the number and ratio of male to female toilet fixtures is subject to change.

The renovation project will maintain the historic character of facility. The existing masonry walls and steel structure will remain exposed throughout most of the interior to showcase the architectural history of the facility.

STATE UNIVERSITY OF IOWA  
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The following is a space summary of the various components of the facility:

|  | <u>Net<br/>Square<br/>Feet</u> |
|--|--------------------------------|
| <u>First Floor</u>                                       |                                |
| Administrative Offices                                   | 1,530                          |
| Instructional Room                                       | 990                            |
| Fluids Classroom   | 990                            |
| Main Entrance Addition                                   | 180                            |
| Common Areas (Lobby/Corridor/Restrooms)                  | <u>1,990</u>                   |
| Total First Floor  | 5,680                          |
| <br><u>Second Floor</u>                                  |                                |
| Office Areas/Workstations                                | 3,195                          |
| Floyd Nager Resource Center                              | 850                            |
| Student Lounge   | 260                            |
| Information Technology Services Room                     | 110                            |
| Common Areas<br>(Lobby/Corridor/Restrooms/Maintenance)   | <u>1,000</u>                   |
| Total Second Floor                                       | 5,415                          |
| <br><u>Third Floor</u>                                   |                                |
| Office Areas/Workstations                                | 3,840                          |
| Staff Lounge   | 260                            |
| Common Areas<br>(Lobby/Corridor/Restrooms/Maintenance)   | <u>1,385</u>                   |
| Total Third Floor  | 5,485                          |
| <br><u>Fourth Floor</u>                                  |                                |
| Office Areas/Workstations                                | 1,480                          |
| Common Area (Lobby)                                      | <u>260</u>                     |
| Total Fourth Floor                                       | 1,740                          |
| <br><u>Fifth Floor</u>                                   |                                |
| Office Areas/Workstations                                | 1,155                          |
| Mississippi River Environmental Research Station<br>Room | 125                            |
| Common Area (Lobby)                                      | <u>370</u>                     |
| Total Fifth Floor  | 1,650                          |
| <br><u>Penthouse Level</u>                               |                                |
| Mechanical Penthouse                                     | <u>785</u>                     |

Total Net Assignable Space 20,775

During the construction project, the Hydraulics Laboratory will be vacated and the occupants relocated to other parts of the campus.

**Project Budget**

|                                       |                         |
|---------------------------------------|-------------------------|
| Construction                          | \$ 3,428,000            |
| Design, Inspection and Administration |                         |
| Consultants                           | 312,000                 |
| Design/Construction Services          | 167,000                 |
| Contingency                           | <u>343,000</u>          |
| <br>TOTAL                             | <br><u>\$ 4,250,000</u> |

Vice President True began the presentation on the Hydraulics Institute by making the following introductions: Richard Gibson's successor, John Amend, and V. C. Patel, Director of the Hydraulics Institute.

Director Patel discussed the history of the Hydraulics Lab, current research, the current state of the lab, and modernization goals.

Brad Brown, OPN Architects, presented the schematic design plans for the facility modernization. He said a new main entrance that is accessible would be provided on the north side of the building. The current entrance is on the west side which makes the building turn its "back" on the rest of the campus. The modernization will also provide accessible rest rooms.

Regent Fisher asked if teaching and research would continue while the construction is underway. Director Patel responded that 60 people would be relocated. Total vacation of the building is planned for mid-December with the return move to take place late fall of next year.

Vice President True stated that it was wonderful to have the opportunity to modernize an older building.

Bowen Science Building—Remodel Core 2-500, Pharmacology Package 6, and Core 6-500, Physiology Package 3

Source of Funds: College of Medicine Gifts and Earnings and/or Income from  
Treasurer’s Temporary Investments

Project Summary

|   | <u>Amount</u> | <u>Date</u> | <u>Board Action</u> |
|---|---------------|-------------|---------------------|
| Permission to Proceed with Health Sciences Campus Plan                    |               | May 1996    | Approved            |
| <u>Bowen Science Building—Remodeling for Physiology and Pharmacology</u>  |               |             |                     |
| Project Descriptions & Total Budgets (7)                                  | \$ 5,800,000  | 1997-1999   | Approved            |
| <u>Bowen Science Building—Remodeling for Physiology and Pharmacology—</u> |               |             |                     |
| <u>Additional Renovations</u>   |               |             |                     |
| Permission to Proceed   |               | March 2000  | Approved            |
| Architectural Selection (Rohrbach Carlson)                                |               | March 2000  | Approved            |
| <u>Core 2-500, Pharmacology Package 6</u>                                 |               |             |                     |
| Project Description and Total Budget                                      | 1,715,000     | Sept. 2000  | Requested           |
| Architectural Agreement (Rohrbach Carlson)                                | 133,200       | Sept. 2000  | Requested           |
| <u>Core 6-500, Physiology Package 3</u>                                   |               |             |                     |
| Project Description and Total Budget                                      | 915,000       | Sept. 2000  | Requested           |
| Architectural Agreement (Rohrbach Carlson)                                | 75,200        | Sept. 2000  | Requested           |

University officials requested approval of two project descriptions and budgets for the renovation of space in the Bowen Science Building for use by the Departments of Physiology and Pharmacology of the College of Medicine. (Renovation of space in Bowen Science Building is a component of the Health Sciences Campus Plan.) Previous projects to remodel space in the Bowen Science Building for the two departments have addressed approximately 69,000 net square feet at a cost of approximately \$6 million.

The proposed additional renovation work includes 12,000 square feet for the Department of Pharmacology and 5,900 square feet for the Department of Physiology. The projects will include demolition and installation of new partitions, doors, fume

hoods, and casework. Mechanical improvements will include the installation of new ductwork, electrical systems, and plumbing. In addition, the projects will remodel four existing restrooms to meet accessibility standards.

| <u>Project Budget</u>                 |                     |
|---------------------------------------|---------------------|
| <u>Core 2-500</u>                     |                     |
| Construction                          | \$ 1,387,500        |
| Design, Inspection and Administration |                     |
| Design and Construction Services      | 51,600              |
| Consultants                           | 137,000             |
| Contingency                           | <u>138,900</u>      |
| TOTAL                                 | <u>\$ 1,715,000</u> |

| <u>Project Budget</u>                 |                   |
|---------------------------------------|-------------------|
| <u>Core 6-500</u>                     |                   |
| Construction                          | \$ 742,100        |
| Design, Inspection and Administration |                   |
| Design and Construction Services      | 32,100            |
| Consultants                           | 76,000            |
| Contingency                           | <u>64,800</u>     |
| TOTAL                                 | <u>\$ 915,000</u> |

In addition to approval of the above budgets, University officials requested approval of agreements with Rohrbach Carlson to provide design services as noted in the project summary.

Power Plant—Upgrade of Make-Up Water System  
Source of Funds: Utilities Enterprise Improvement and Replacement Fund

| <u>Project Summary</u>                   |               |             |                     |
|--|---------------|-------------|---------------------|
|  | <u>Amount</u> | <u>Date</u> | <u>Board Action</u> |
| Project Description and Total Budget     | \$ 590,000    | Sept. 2000  | Requested           |
| Engineering Agreement<br>(Shive-Hattery) | 65,000        | Sept. 2000  | Requested           |

This project will address safety and reliability issues with the make-up water system in the University Power Plant. The system, which was installed in the late 1980s, provides high purity water which is necessary for proper operation of the boilers.

Recently-identified system deficiencies include the need to replace the sulfuric acid storage tank due to normal system wear. University officials indicated that corrosion has reduced the thickness of the tank to approximately half of its original level; this is consistent with the expected rate for the age of the tank. According to the University, at this level of corrosion it is recommended that the tank be replaced.

The project will also provide additional safety provisions to contain and ventilate a sulfuric acid or caustic soda spill. In addition to addressing the various deficiencies, the project will provide improvements to the controls, instrumentation and miscellaneous piping. Permission to proceed with the project was not required since the project budget does not exceed \$1,000,000.

University officials requested approval to enter into an agreement with Shive-Hattery to provide design services for the project. The agreement provides for a fixed fee of \$65,000, including reimbursables.

Project Budget

|                                       |                   |
|---------------------------------------|-------------------|
| Construction                          | \$ 475,000        |
| Design, Inspection and Administration |                   |
| Consultants                           | 65,000            |
| Utilities Staff                       | 35,000            |
| Contingency                           | <u>15,000</u>     |
| TOTAL                                 | <u>\$ 590,000</u> |

University Hospitals and Clinics—Faculty and Staff Office and Locker Room Development

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 | \$ 531,250    | Sept. 2000  | Requested           |

This project will develop approximately 3,500 gross square feet of space on the fifth level of the Pappajohn Pavilion to provide faculty and staff offices for the Department of

Anesthesia (3,000 gross square feet of renovated space) and a locker room to serve the Surgical Intensive Care Unit (500 gross square feet of completed shell space).

Permission to proceed with the project was not required since the project budget does not exceed \$1,000,000.

Project Budget

|                                       |                       |
|---------------------------------------|-----------------------|
| Construction                          | \$ 425,000            |
| Design, Inspection and Administration |                       |
| Architectural/Engineering Support     | 42,500                |
| Planning and Supervision              | 21,250                |
| Contingency                           | <u>42,500</u>         |
| <br>TOTAL                             | <br><u>\$ 531,250</u> |

Nursing Building—Replace Domestic Water Piping  
Source of Funds: Building Renewal Funds

Project Summary

|                                      | <u>Amount</u> | <u>Date</u> | <u>Board Action</u> |
|--------------------------------------|---------------|-------------|---------------------|
| Project Description and Total Budget | \$ 382,000    | Sept. 2000  | Requested           |

This project will replace the deteriorating, domestic water piping system in the Nursing Building. The piping was installed in 1971 when the building was constructed. Deficiencies in the system are causing high maintenance costs, compromised water quality, and water damage to some ceiling materials.

The project will replace 2,200 linear feet of galvanized domestic water piping with new copper or plastic piping; replace faucets and flush valves; repair approximately 9,000 square feet of ceiling material, and provide associated lighting improvements. The project will be phased to minimize disruption of academic activities.

Permission to proceed with the project was not required since the project budget does not exceed \$1,000,000.

Project Budget

|                                       |                   |
|---------------------------------------|-------------------|
| Construction                          | \$ 301,684        |
| Design, Inspection and Administration |                   |
| Design/Construction Services          | 43,100            |
| Consultants                           | 7,000             |
| Contingency                           | <u>30,216</u>     |
| TOTAL                                 | <u>\$ 382,000</u> |

Power Plant—Rebuild Steam Tunnel

Source of Funds: Utilities Enterprise Improvement and Replacement Fund

Project Summary

|  | <u>Amount</u> | <u>Date</u> | <u>Board Action</u> |
|--|---------------|-------------|---------------------|
| Project Description and Total Budget           | \$ 375,000    | Sept. 2000  | Ratification*       |
| Engineering Agreement<br>(Stanley Consultants) | 40,000        | Sept. 2000  | Ratification*       |

\*Approved by Executive Director in accordance with Board procedures.

This project will correct severe structural deficiencies in the north campus steam tunnel which connects to the Main Power Plant. The deficiencies were discovered during a recent project which provided improvements to an associated steam vault. Temporary shoring was installed, and it was necessary to begin immediate repairs to the steam tunnel to maintain reliable steam service to the campus.

Due to the urgent nature of the project, University officials requested Executive Director approval of the project budget and engineering agreement. The work was authorized in accordance with Procedural Guide §9.01 which allows the Executive Director to take immediate action, subject to Board ratification, when failure to do so would have an adverse impact on institutional programs.

The project will include demolition, reconstruction and repair of approximately 60 feet of the steam tunnel. The agreement with Shive-Hattery will provide design services and construction technical assistance for the project at a fixed fee of \$40,000.

Permission to proceed with the project was not required since the project budget does not exceed \$1,000,000.

Project Budget

|                                       |                       |
|---------------------------------------|-----------------------|
| Construction                          | \$ 285,000            |
| Design, Inspection and Administration |                       |
| Consultants                           | 40,000                |
| Design/Construction Services          | 25,000                |
| Contingency                           | <u>25,000</u>         |
| <br>TOTAL                             | <br><u>\$ 375,000</u> |

Medical Education and Biomedical Research Facility—Completion of Basement Level of East Wing

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

Project Summary

|   | <u>Amount</u> | <u>Date</u> | <u>Board Action</u> |
|---|---------------|-------------|---------------------|
| Permission to Proceed with Health Sciences Campus Plan              |               | May 1996    | Approved            |
| Project Description and Total Budget                                | \$ 1,654,000  | June 2000   | Approved            |
| Construction Contract Award (Knutson Construction Services Midwest) | 1,054,000     | Sept. 2000  | Ratification*       |
| Amended Project Budget  | 1,654,000     | Sept. 2000  | Requested           |

\* Awarded by Executive Director in accordance with Board procedures.

This project will develop the animal care facility in the basement shell space of the east wing of the Medical Education and Biomedical Research Facility. The completed area will total approximately 5,700 net square feet of space.

University officials requested Board approval of an amended budget for the project. The budget will include the addition of revenue bonds as a source of funds for the project. University officials indicated that this fund source was inadvertently omitted from the project description and budget approved by the Board in June 2000. The sale of a total of \$28 million in University of Iowa Facilities Corporation Revenue Bonds to finance additional construction of the Medical Education and Biomedical Research Facility, including completion of the basement level of the east wing, is scheduled for the September Board meeting.

The total budget amount and line items will remain unchanged from the budget approved by the Board in June 2000.

**Project Budget**

|                                       |                     |
|---------------------------------------|---------------------|
| Construction                          | \$ 1,471,000        |
| Design, Inspection and Administration | 36,000              |
| Contingency                           | <u>147,000</u>      |
| TOTAL                                 | <u>\$ 1,654,000</u> |

Cleary Walkway/Market Street Development

University officials requested approval of architectural agreements for the Honors Center and Careers Center, which will be constructed on the east side of the T. Anne Cleary Walkway between Market and Bloomington Streets (across from the Chemistry Building). The Honors Center, which will house the University’s honors program and the Connie Belin and Jacqueline N. Blank International Center for Gifted Education and Talent Development, will be constructed on the north half of the site. The Careers Center, which is proposed to house expanded career counseling and placement services and other academic/student service functions, will be developed on the south half of the site. The estimated project costs are approximately \$10 million for each facility.

Honors Center (Cleary Walkway/Market Street Development)

Source of Funds: Gifts and Grants, and Income from Treasurer’s Temporary Investments

Project Summary

|   | <u>Amount</u> | <u>Date</u> | <u>Board Action</u> |
|---|---------------|-------------|---------------------|
| <u>Cleary Walkway/Market Street Development</u>                       |               |             |                     |
| Permission to Proceed   |               | Oct. 1999   | Approved            |
| <u>Honors Center</u>  |               |             |                     |
| Architectural Selection<br>(Herbert Lewis Kruse Blunck)               |               | Feb. 2000   | Approved            |
| Architectural Agreement—Site Planning<br>(Herbert Lewis Kruse Blunck) | \$ 100,500    | April 2000  | Approved            |
| Architectural Agreement—<br>(Herbert Lewis Kruse Blunck)              | 1,033,350     | Sept. 2000  | Requested           |

University officials requested approval to enter into an agreement with Herbert Lewis Kruse Blunck to provide design services for the Honors Center. The agreement will also review the feasibility of incorporating a below-grade parking facility into the project. (The University indicated with permission to proceed with the project that an underground parking facility might also be developed at the site.)

The agreement provides for a fee of \$1,033,350, including reimbursables.

Careers Center (Cleary Walkway/Market Street Development)

Source of Funds: Private Gifts, and Other Sources to be Determined (if Needed)

Project Summary

|   | <u>Amount</u> | <u>Date</u> | <u>Board Action</u> |
|---|---------------|-------------|---------------------|
| <u>Cleary Walkway/Market Street Development</u>   |               |             |                     |
| Permission to Proceed   |               | Oct. 1999   | Approved            |
| <u>Careers Center</u>   |               |             |                     |
| Permission to Proceed   |               | March 2000  | Approved            |
| Architectural Selection<br>(Savage-Ver Ploeg & Associates)  |               | March 2000  | Approved            |
| Architectural Agreement—Pre-Design<br>and Programming Services<br>(Savage-Ver Ploeg & Associates) | \$ 41,408     | Sept. 2000  | Requested           |

University officials requested approval to enter into an agreement with Savage-Ver Ploeg and Associates to provide pre-design and programming services for the Careers Center. The agreement provides for a fee of \$41,408, including reimbursables.

University Hospitals and Clinics—Mental Health Clinical Research Center Office Development

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          | \$ 975,000    | June 2000   | Approved            |
| Architectural Agreement<br>(Rohrbach Carlson) | 78,500 (est)  | Sept. 2000  | Requested           |

This project will renovate approximately 5,000 square feet of space on the second level of General Hospital to provide office space for faculty and staff associated with the Mental Health Clinical Research Center. The development of these office areas is necessary to accommodate the Center's growth in clinical research initiatives. The project will also include installation of a fire detection and protection system to bring this area of the General Hospital into compliance with fire codes. Upon completion of the

project, a number of staff will relocate from the second level of the Pappajohn Pavilion, allowing this space to be developed into patient care facilities.

University officials requested approval to enter into an agreement with Rohrbach Carlson to provide design services for the project. The agreement provides for a fee equal to 10 percent of actual construction costs (estimated at \$780,000) for an estimated fee of \$78,000, plus reimbursables not to exceed \$500, for a total estimated fee of \$78,500.

Institutional Roads—Hawkeye Athletic/Recreation Facilities Complex Roadway  
Source of Funds: Institutional Roads

Project Summary

|  | <u>Amount</u> | <u>Date</u> | <u>Board Action</u> |
|--|---------------|-------------|---------------------|
| Engineering Agreement<br>(Shive-Hattery) | \$74,235      | Sept. 2000  | Requested           |

The Hawkeye Athletic/Recreation Facilities Complex project will develop athletic and recreation facilities on the University's far west campus to meet the growing needs for student athletic and recreational space which cannot be accommodated on the main west campus. The facilities will be developed to serve men's and women's intercollegiate teams, recreational activities, and physical education, at a total cost of approximately \$37 million.

The roadway for the complex is a separate project. It will be constructed from Mormon Trek Boulevard west to the entrance to the athletic/recreation complex, and then will connect with Hawkeye Park Road.

The project was included in the Institutional Roads program approved by the Board in July 2000. University officials indicated that the project description and budget will be submitted for Board approval later this fall after a portion of the engineering services for the project have been completed. Construction is expected to begin in the spring of 2001.

Health Sciences Campus Plan

University officials requested approval of architectural amendments and an architectural agreement for Health Sciences Campus projects. Included were five amendments totaling \$434,985 to the design agreement for various Health Science Campus facilities, and an agreement for bidding and construction administration services for landscaping the Health Sciences Campus.

Capital Plan for the Health Sciences Campus, Related Medical Education and Biomedical Research Facilities

Source of Funds: State Appropriations, Revenue Bonds, College of Medicine Gifts and Earnings, and Income from Treasurer's Temporary Investments

Project Summary

|  | <u>Amount</u> | <u>Date</u> | <u>Board Action</u> |
|--|---------------|-------------|---------------------|
| <u>Health Sciences Campus Plan</u>   |               |             |                     |
| Permission to Proceed  |               | May 1996    | Approved            |
| Architectural Agreement<br>(includes schematic<br>landscape design services)                 |               |             |                     |
| (Payette Assoc., Boston, MA)   | \$ 3,750,700  | Nov. 1996   | Approved            |
| Architectural Amendments #1-7  | 1,844,200     |             | Approved            |
| Architectural Amendment #8-<br>Landscape Design<br>Development and<br>Construction Documents | 423,000       | Dec. 1999   | Approved            |
| Architectural Amendment #9   | 131,185       | Sept. 2000  | Requested           |
| Architectural Amendment #10  | 92,000        | Sept. 2000  | Requested           |
| Architectural Amendment #11  | 89,500        | Sept. 2000  | Requested           |
| Architectural Amendment #12  | 55,900        | Sept. 2000  | Requested           |
| Architectural Amendment #13  | 66,400        | Sept. 2000  | Requested           |

The agreement with Payette Associates provides construction phase design services for the Medical Education and Biomedical Research Facility, programming and schematic design services for the renovation of the Bowen Science Building Auditoriums 1 and 2, and schematic landscape design services for the total health sciences campus.

Prior approved amendments provided design services for finishing the east wing shell space of the Medical Education and Biomedical Research Facility; site development for the building; design services for telecommunications, audio-visual

and lighting systems, vibration and acoustical analysis, and additional building code review; graphic signage design services for the Medical Education and Biomedical Research Facility; renovation of an additional auditorium in the Bowen Science Building; additional site visits and printing costs for bidding the Medical Education and Biomedical Research Facility; completion of design services for the Animal Care Facility; and additional landscape design services for the Health Sciences Campus. The University now requests approval of Amendments #9 through #13 to the design agreement with Payette Associates.

Amendment #9 (\$131,185) will provide design services to complete shell space on levels 1 and 5 which will be used as reception and conference room areas, and for revisions to the design of the east wall of the east wing of the Medical Education and Biomedical Research Facility in preparation for construction of Building B which will connect at that point.

Amendment #10 (\$92,000) will provide additional design services for the increased scope for the door hardware and security system for the Medical Education and Biomedical Research Facility.

Amendment #11 (\$89,500) will provide additional design services related primarily to the upgrade of laboratory water systems for the Medical Education and Biomedical Research Facility.

Amendment #12 (\$55,900) will provide for the re-design of the seating in both the 250 station auditorium and 125 station seminar room to integrate the power and data connections for the stations into the individual seating areas rather than the building infrastructure.

Amendment #13 (\$66,400) will provide landscape design services for the area between Westlawn and Newton Road and for a memorial to Dr. Steindler on the Health Sciences Campus.

Health Sciences Campus Landscape Improvements—Phase 1

Source of Funds: Income from Treasurer’s Temporary Investments  
and/or College of Medicine Gifts and Earnings

Project Summary

|  | <u>Amount</u> | <u>Date</u> | <u>Board Action</u> |
|--|---------------|-------------|---------------------|
| Project Description and Total Budget   | \$ 990,000    | June 2000   | Approved            |
| Construction Contract Award (McComas-Lacina Construction)  | 650,401       | Sept. 2000  | Ratification*       |
| Landscaping Design Agreement—Bidding and Construction Administration—Phase I (Michael Van Valkenburgh Associates, Cambridge, MA) | 48,200        | Sept. 2000  | Requested           |

\* Awarded by Executive Director in accordance with Board procedures.

This is the first of three phases of the project to landscape the Health Sciences Campus. The landscaping work will develop quadrangle spaces and other features to create a sense of identity for the Health Sciences Campus. (The landscaping plan was presented to the Board at the June 2000 meeting.) The Phase 1 project will include landscaping the Newton Road corridor; removal of pavement and curbs along the decommissioned Newton Road and near the Medical Education Building; landscaping the sites of the Materials Management Facility and the Newton Road Parking and Chilled Water Facility; and revitalizing the landscape on the west side of Westlawn.

To date, the design work for landscaping the overall Health Sciences Campus has been provided by Payette Associates under the design agreement approved in November 1996 for various components of the Campus Plan (as indicated with the previous item for the Health Sciences Campus). Payette Associates has consulted with Michael Van Valkenburgh Associates for the landscape design services. Since the project budget has been developed for the Phase 1 landscaping work based on the design services completed to date, University officials wish to contract directly with Michael Van Valkenburgh Associates to provide bidding and construction administration services for the Phase 1 landscaping work. The agreement will provide for a fee of \$48,200, including reimbursables.

University Hospitals and Clinics—Neuroimaging Laboratory Relocation

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          | \$ 440,000    | June 2000   | Approved            |
| Architectural Agreement<br>(Rohrbach Carlson) | 35,700 (est)  | Sept. 2000  | Requested           |

This project will renovate approximately 2,000 gross square feet of space in the General Hospital to house the Department of Psychiatry's Neuroimaging Laboratory which will relocate from the Medical Education Building. The project will provide additional space for the Laboratory and will also include installation of a fire detection and protection system to bring this area of the General Hospital into compliance with fire codes. The vacated space in the Medical Education Building will provide classroom and office facilities for the College of Medicine.

University officials requested approval to enter into an agreement with Rohrbach Carlson to provide design services for the project. The agreement provides for a fee equal to 10 percent of actual construction costs (estimated at \$352,000) for an estimated fee of \$35,200, plus reimbursables not to exceed \$500, for a total estimated fee of \$35,700.

University Hospitals and Clinics—Development of a Hospital Dentistry Institute  
Source of Funds: University Hospitals Building Usage Funds

Project Summary

|  | <u>Amount</u> | <u>Date</u> | <u>Board Action</u> |
|--|---------------|-------------|---------------------|
| Permission to Proceed  |               | Sept. 1998  | Approved            |
| Program Statement  |               | Feb. 1999   | Approved            |
| Schematic Design   |               | Feb. 1999   | Approved            |
| Project Description and Total Budget                         | \$ 4,020,000  | Feb. 1999   | Approved            |
| Architectural Agreement<br>(HLM Design of Northamerica)      | 223,850       | April 1999  | Approved            |
| Revised Project Budget                                       | 4,457,625     | April 2000  | Approved            |
| Construction Contract Award<br>(McComas-Lacina Construction) | 3,592,000     | April 2000  | Approved            |
| Architectural Amendment #1                                   | 52,074        | July 2000   | Approved            |
| Furnishings Design Agreement<br>(Shive-Hattery)              | 35,500        | Sept. 2000  | Requested           |

This project will finish 15,000 square feet of space on the fifth level of the Pomerantz Pavilion for relocation of the Department of Hospital Dentistry from the General Hospital. The project will resolve various deficiencies with the department's existing space and permit expansion of existing services and development of new clinical initiatives.

University officials requested approval to enter into an agreement with Shive-Hattery to provide design services for furnishing the Hospital Dentistry Institute. The agreement provides for a fee of \$35,500, including reimbursables.

The purchase of the furnishings will be funded by UIHC operational accounts.

Institutional Roads—Highway 6 Pedestrian Overpass—Westlawn to International Center

Project Summary

|  | <u>Amount</u> | <u>Date</u> | <u>Board Action</u> |
|--|---------------|-------------|---------------------|
| Project Description and Total Budget                     | \$ 1,343,000  | June 1999   | Approved            |
| Engineering Agreement<br>(Shive-Hattery)                 | 182,990       | Sept. 1998  | Approved            |
| Engineering Amendment #1                                 | 30,016        | July 1999   | Approved            |
| Revised Project Budget                                   | 1,746,000     | March 2000  | Requested           |
| Construction Contract Award<br>(Iowa Bridge and Culvert) | 1,242,357     | March 2000  | Not Required*       |
| Engineering Amendment #2                                 | 29,843        | Sept. 2000  | Requested           |

\* Administered by City of Iowa City in accordance with Board of Regents / Department of Transportation Agreement

This project will provide a safe, accessible link between the Iowa Center for the Arts Campus and Health Sciences Campus. The project is funded by the Iowa Department of Transportation, the City of Iowa City, and Income from Treasurer's Temporary Investments.

University officials requested approval of Amendment #2 to the engineering agreement with Shive-Hattery. The amendment will provide compensation for additional design services associated with the use of a utility ductbank rather than direct buried utility lines at the project site. The additional services include the design of the ductbank, the relocation of a water line, re-design of the roadway and traffic control drawings, utility load analysis, and the preparation of easement documents.

\* \* \* \*

Included in the University's capital register were nine project budgets under \$250,000, one amendment to an architect/engineer agreement which was approved by the University in accordance with Board procedures, 11 construction contracts awarded by the Executive Director, and the acceptance of 13 completed construction contracts. These items were listed in the register prepared by University officials.

MOTION: Regent Lande 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 AND EASEMENTS.** The Board Office recommended the Board approve leases and easements, as presented.

University officials requested approval to renew its lease with the American Institute of Sustainable Science and Technology for its use of 308 square feet of business incubator space at the Technology Innovation Center. The space will be leased 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, 2000, through September 30, 2001. This is the same rate as paid under the current lease agreement.

University officials requested approval to enter into permanent and temporary easement agreements with the City of Coralville. The easements were requested by the City for the reconstruction and widening of the intersection of First Avenue and Highway 6 adjacent to the University's softball complex. The improvements will be undertaken by the City to increase the safety of this major arterial intersection.

Associate Director Racki reported that the Attorney General's Office had reviewed the leases and easements, and recommended approval.

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

**MOTION CARRIED.**

**PROPERTY ACQUISITIONS.** The Board Office recommended the Board approve the purchase of property located at 414 and 416 South Madison Street, Iowa City, Iowa, from Laurence David Goodwin, Ellinor Goodwin Green, and Robert William Green, at the purchase price of \$300,000, subject to approval of the Executive Council of Iowa.

University officials requested approval to purchase property located at 414 and 416 South Madison Street in Iowa City. The property consists of two single-family rental houses on a 12,000 square foot lot within the southern portion of the campus.

University officials proposed to raze the rental houses on the site, which are in poor condition, and develop an additional parking lot to serve this area of campus. The

purchase price of \$300,000 is consistent with Board policy for the purchase of property. The purchase agreement has been reviewed by the Attorney General's Office and was recommended for approval.

Vice President True presented the request on behalf of the University of Iowa.

MOTION: Regent Ahrens moved to approve the purchase of property located at 414 and 416 South Madison Street, Iowa City, Iowa, from Laurence David Goodwin, Ellinor Goodwin Green, and Robert William Green, at the purchase price of \$300,000, subject to approval of the Executive Council of Iowa. Regent Smith seconded the motion, and upon the roll being called, the following voted:  
AYE: Ahrens, Fisher, Kelly, Kennedy, Lande, Newlin, Smith, Turner.  
NAY: None.  
ABSENT: Neil.

MOTION CARRIED.

**REPORT ON NURSING FACULTY PRACTICE PLAN.** The Board Office recommended the Board (1) receive the status report on the University of Iowa College of Nursing Faculty Practice Plan and (2) request the University to provide a full report to the Board on the Plan and its progress no later than September 2001.

At its July 1999 meeting, the Board authorized development of a Faculty Practice Plan for the University of Iowa College of Nursing within prescribed parameters. This action followed a College of Nursing May 1999 report to the Board on the need to develop a Plan, which would integrate opportunities for practice into the faculty role.

When the Board authorized development of the Plan, it asked the University to provide a report on the Plan and its activities no later than September 2000. The recently-received report from the College of Nursing notes that formal initiation of the Plan was postponed due to the delay in hiring a Director of Faculty Practice. A director has been hired and began her duties on September 1, 2000. With initiation of the Plan during this fiscal year, it was recommended that the Board be provided with the requested report by September 2001.

The College further reports that it is developing, in collaboration with the UIHC Department of Nursing, an initiative called "Home Safe", which is a program designed to assist senior citizens to remain independent, in their own homes, for as long as

possible. The program, which the College of Nursing reports does not compete with visiting nurses or other current health care services, began in the summer of 2000.

Associate Professor Janet Specht presented the report on behalf of the College of Nursing. She introduced the new Associate Dean of Faculty Practice, Michelle Robnett.

Associate Dean Robnett stated that she is an alumna of the University of Iowa, has a Ph.D., MBA and Master's of Nursing. She described how she came to receive her degrees and said she was thrilled to join the University of Iowa College of Nursing.

Associate Professor Specht described activities of the College of Nursing, including the Home Safe program.

Regent Turner referred to the following information provided in the meeting materials, and asked how it all fits together:

“Home Safe” is organized under the direction of the University of Iowa Nursing Enterprise. The Enterprise is one of the first initiatives of the University of Iowa Nursing Collaboratory, a formal partnership between the UIHC Department of Nursing Services and Patient Care, and the University of Iowa College of Nursing. The purpose of the Collaboratory is to improve professional nursing practice and education through collaboration between College of Nursing faculty and Department of Nursing staff in four areas of nursing – practice, education, research and informatics.

Associate Professor Specht responded that the start-up funds for Home Safe are from the Collaboratory. The initial funding was provided with the idea that the program would be able to support itself and repay the money to the Collaboratory. Those repaid funds would then be made available to others.

Regent Turner asked if the participants in the Home Safe program would all be from the University of Iowa Department of Nursing. Associate Professor Specht responded that there would be a total of three positions that would all be University of Iowa positions. One position is a half-time nurse coordinator, a second position is a clinical position and the third position is a nursing assistant.

Regent Turner asked for clarification regarding the statement in the meeting materials that the program would not compete with services currently available.

Associate Professor Specht responded that many of the health care insurers, such as Medicare, will only pay for services that are immediately post-hospital. Many home care

agencies will only provide services that are reimbursed. As an example, a woman was diagnosed with Alzheimer's disease. She wanted very much to stay in her home. The Home Safe staff arranged for someone to call her at 9 p.m. every day. She was enrolled into the senior day care system; a Home Safe representative visits her on Saturday mornings, helps with laundry and cleaning, and takes her to lunch. On Sunday, she is hooked up with a neighbor. The Home Safe team mobilized the resources that were available.

Regent Turner asked if there are grants available to help with these kinds of services. Associate Professor Specht responded that the Home Safe staff will be looking for those types of funding.

Regent Turner commended College of Nursing officials on the Home Safe project, and thanked them for a very exciting enterprise.

MOTION: Regent Turner moved to (1) receive the status report on the University of Iowa College of Nursing Faculty Practice Plan and (2) request the University to provide a full report to the Board on the Plan and its progress no later than September 2001. Regent Kennedy seconded the motion.  
MOTION CARRIED UNANIMOUSLY.

**MISSISSIPPI RIVER ENVIRONMENTAL RESEARCH STATION.** The Board Office recommended the Board:

- (1) Authorize the Executive Director, on behalf of the Board, to enter into a 28E agreement with the Iowa Department of Natural Resources based upon the parameters detailed in the meeting materials, for construction of the Mississippi River Environmental Research Station at the Department of Natural Resources Fish Hatchery in Fairport, Iowa, subject to:
  - Review of the Agreement by the Board Office;
  - Review and Approval of the Agreement by the Attorney General's Office; and
  - Necessary approvals from the U.S. Fish and Wildlife Service.
- (2) Approve the program statement, schematic design, and project description and budget for the Mississippi River Environmental Research Station project, with the understanding that construction of the facility will not begin until the 28E Agreement has been finalized.

University officials requested approval to negotiate a 28E agreement with the Department of Natural Resources to locate the Mississippi River Environmental Research Station project at the Fairport Fish Hatchery. University officials also requested approval of the program statement, schematic design, and project description and budget (\$1,200,000) for the project which will construct a facility to house the research station for the Iowa Institute of Hydraulic Research.

The proposed 28E agreement would authorize the University to construct and operate the facility at the Fairport Fish Hatchery. University officials requested that the Executive Director be authorized to sign the negotiated agreement on behalf of the Board. The agreement would be subject to necessary review and approvals. If negotiations with the Department of Natural Resources result in different parameters than those outlined in the meeting materials, the resulting changes to the 28E Agreement would be presented to the Board for approval.

Regent Procedural Guide §9.07 provides, in part, as follows: "Program statements will be submitted for Board review for all new buildings, major additions, or remodeling projects with an estimated project cost of \$1 million or more. The Board will be provided with an executive summary of the program statement for approval by the Board prior to the initiation of project design." Accordingly, development of the schematic design typically does not proceed until the program statement has been approved.

However, due to the small size of the proposed facility, the programming and schematic design occurred simultaneously. Therefore, University officials requested that the Board waive the requirements of Procedural Guide §9.07 and approve the schematic design for the project.

Vice President True presented the request on behalf of the University of Iowa.

Regent Kennedy asked how long it would take to receive the necessary approvals from the U.S. Fish and Wildlife Service. Vice President True responded that it seemed to be a pretty straightforward issue. He said University officials will do everything in their power to advance this effort. University officials will keep the Board apprised, through the Board Office.

MOTION:

Regent Kelly moved to approve the recommended action, as outlined on page 216. Regent Kennedy seconded the motion. MOTION CARRIED UNANIMOUSLY.

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

## IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was transacted on Wednesday and Thursday, September 13 and 14, 2000.

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

Register of Personnel Changes for July and August 2000.

Resignation of Eugene Smith, Director of Intercollegiate Athletics, effective August 11, 2000.

Appointment of Elaine J. Hieber as Interim Director of Intercollegiate Athletics beginning August 12, 2000, at an annual salary of \$125,000.

Resignation of John B. Parks, Director of the ISU Research Park, effective September 15, 2000.

Appointment of Steven T. Carter as Interim Director of the ISU Research Park beginning September 1, 2000, at an annual salary of \$135,000. Carter will also continue to serve as Director of the ISU Pappajohn Center for Entrepreneurship and the ISU Small Business Development Center.

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

**REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS.** The Board Office recommended the Board (1) approve the design development drawings for the Honors Program Building project; and (2) approve the remaining items on the Register of Capital Improvement Business Transactions.

Honors Program Building

Project Summary

|   | Amount    | Date       | Board Action |
|---|-----------|------------|--------------|
| Permission to Proceed   |           | March 1999 | Approved     |
| Architectural Agreement—Pre-Design Through Schematic Design Services (Architects Smith Metzger) | \$ 24,000 | June 1999  | Approved     |
| Program Statement   |           | Sept. 1999 | Approved     |
| Schematic Design  |           | July 2000  | Approved     |
| Project Description and Total Budget  | 2,000,000 | July 2000  | Approved     |
| Architectural Amendment #1  | 29,555    | July 2000  | Approved     |
| Architectural Agreement—Design Development Through Construction (Architects Smith Metzger)      | 197,275   | July 2000  | Approved     |
| Design Development Drawings   |           | Sept. 2000 | Requested    |

This project will construct a facility of approximately 7,400 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 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 proposed site for the facility is an area north of Curtiss Hall and south of the Horticulture Building in the northeast area of the central campus.

The University has progressed with design development drawings for the facility based on the schematic design approved by the Board at the July meeting. In this process, the University has revisited the site and design issues in consultation with the project architects.

The siting concerns expressed by Board members related to the proximity of the building to central campus, and the perception that the building would encroach onto the

central lawn and encumber one of the University's premier physical assets. The building's footprint has been physically "staked" on site according to dimensioned building plans. The outline of the building falls behind a dense planting of trees which visually terminates views from the central campus lawn. The height of the proposed building will also fall below the tops of most of the trees as seen from central campus. Additionally, a shadow study was prepared which confirmed that no significant shadow would be cast onto an adjacent greenhouse structure. It is still the opinion of the design consultants and the University administration and design staff that the building location is appropriate and will neither encroach on the central lawn nor be a visual distraction to the central campus.

The other concern raised by Board members at the July meeting was the prairie style architecture of the building and its relationship to other central campus facilities. Rather than attempting to match the design of the Honors Program Building to one of the surrounding facilities, the project architects chose a low profile building design that replicates the prairie style while attempting to blend the surrounding landscape with the structure. This sensitivity to Iowa State University's landscape has been an important element of this project.

The design proposes extensive glazing that will open toward central campus. The glazing will reflect the existing landscape as well as visually extend the enclosed spaces of the building toward central campus. In response to concerns relative to the horizontal orientation of the glass, the project architects have arrived at an alternative that will orient the glass vertically. This orientation will recall the proportions of double hung windows that are prevalent on campus and will also help vision lines out of the building.

The proposed exterior materials were chosen to replicate some of the late 19<sup>th</sup> and early 20<sup>th</sup> century buildings of similar scale on campus. The scale of brick as the primary building material was chosen to fit the overall size of the building. The darker color of the brick will help the building to recede into its environment. The building will have accents of limestone, or materials closely resembling the rustication found on similar campus buildings.

The roofline is low, with broad overhangs, which tends to lead the eye from the building to the surrounding environment. The use of darker materials for the roof is consistent with other pitched roofs on campus and will help the building to recede further into its environment.

Birch-Welch-Roberts Roof Replacement—Phase 2  
Source of Funds: Dormitory System Surplus Funds

Project Summary

|   | Amount  | Date       | Board Action  |
|---|---------|------------|---------------|
| Project Description and Total Budget  | 456,800 | Sept. 1998 | Approved      |
| Architectural Agreement<br>(Benjamin Design Collaborative)                                | 31,500  | Dec. 1998  | Approved      |
| Architectural Amendment #1  | 2,500   |            | Approved      |
| Construction Contract Award—North<br>Slope of Roberts, South Side of Welch<br>(Vis, Ltd.) | 285,690 | Sept. 2000 | Ratification* |
| Revised Project Budget  | 631,800 | Sept. 2000 | Requested     |
| Architectural Amendment #2  | 5,800   | Sept. 2000 | Requested     |
| Construction Contract Award—Birch and<br>East Side of Welch<br>(Vis, Ltd.)                | 271,000 | Sept. 2000 | Requested     |

\*Awarded by Executive Director in accordance with Board procedures.

This project is the second phase of work to complete the replacement of the slate shingle roofing of the residence hall. The construction contract for a portion of the roof area was awarded by the Executive Director in July 2000. The contract was bid to allow completion of the entire area, but the three bids exceeded the engineering estimate by at least 35.8 percent, which the University attributed to the construction market.

Therefore, University officials requested award of the construction contract for the Base Bid plus two of the four alternates which could be awarded within the project budget. The two alternates provided for replacement of the roof areas on the north slope of Roberts Hall and the south side of Welch Hall. The contract for the work in the remaining two alternates was re-bid on August 10, 2000, in an effort to complete the remainder of the roofing work this summer. This contract includes replacement of the roof on the east half of Welch Hall and all of the pitched roof areas of Birch Hall.

Based on the results of the bid opening, University officials requested approval of a revised project budget in the amount of \$631,800, an increase of \$175,000, and award of the construction contract in the amount of \$271,000 for completion of the remainder of the roof area. Amendment #2 to the engineering agreement will provide compensation for the preparation and distribution of the additional bidding documents.

Project Budget

|                    | Initial<br>Budget<br><u>Sept. 1998</u> | Revised<br>Budget<br><u>Sept. 2000</u> |
|--------------------|--|--|
| Construction Costs | \$ 409,500                             | \$ 580,000                             |
| Professional Fees  | <u>47,300</u>                          | <u>51,800</u>                          |
| <br>TOTAL          | <br><u>\$ 456,800</u>                  | <br><u>\$ 631,800</u>                  |

Gilman Hall Systems Upgrade

Source of Funds: Capital Appropriations

Project Summary

|  | Amount     | Date       | Board Action |
|--|------------|------------|--------------|
| Prior Board Approvals  |            |            |              |
| Permission to Proceed  |            | May 1992   | Approved     |
| Engineering Agreement<br>(KJWW Engineering Consultants)                                    | \$ 100,000 | March 1993 | Approved     |
| Permission to Proceed  |            | June 2000  | Approved     |
| Project Description and Total Budget   | 11,000,000 | June 2000  | Approved     |
| Engineer Selection to Complete<br>Design Services<br>(KJWW Engineering Consultants)        |            | June 2000  | Approved     |
| Current Approval Requests  |            |            |              |
| Engineering Agreement—Pre-Design<br>Through Construction<br>(KJWW Engineering Consultants) | 700,000    | Sept. 2000 | Requested    |

This project will replace the aging heating, ventilating and air conditioning and fume hood exhaust systems in the 1965 addition to Gilman Hall. Various mechanical systems which serve the 1965 addition to Gilman Hall are in danger of complete failure. The current activities of the Gilman Hall occupants, which include the Departments of Chemistry, Chemistry Stores and Shops, Material Science and Engineering, and the Ames Laboratory, require much more intensive fume hood exhaust than was designed into the original building.

The majority of planning and design services for the project were completed in anticipation of funding for the project prior to July 1993; the remaining design services were put on hold pending future State funding for the project. However, since that time, the scope of the project has increased to include additional areas of Gilman Hall.

University officials requested approval to enter into an agreement with KJWW Engineering Consultants to complete the remaining design services for the previously-approved project, and provide design services for the additional project component. The agreement provides for a fee of \$700,000, including reimbursables.

Hilton Coliseum—Interior Handrails  
Source of Funds: Hilton Coliseum Surplus Funds

Project Summary

|   | Amount     | Date       | Board Action |
|---|------------|------------|--------------|
| Project Description and Total Budget                    | \$ 300,000 | June 2000  | Approved     |
| Architectural Agreement<br>(Herbert Lewis Kruse Blunck) | 36,300     | Sept. 2000 | Requested    |

The handrails will be installed to improve safety and accessibility in the parquet and mezzanine areas which currently do not have handrails. With completion of this project, handrails will be provided for all permanent seating areas in Hilton Coliseum.

University officials requested approval to enter into an agreement with Herbert Lewis Kruse Blunck to provide design services for the project. The agreement provides for a fee of \$36,300, including reimbursables.

\* \* \* \* \*

Included in the University's capital register were 17 project budgets under \$250,000, three amendments which were approved by University officials in accordance with Board procedures, five construction contracts awarded by the Executive Director, the acceptance of three completed construction contracts, and 11 final reports. These items are listed in the register prepared by University officials.

MOTION: Regent Fisher moved to (1) approve the design development drawings for the Honors Program Building project; and (2) approve the remaining items on the Register of Capital Improvement Business Transactions. Regent Turner seconded the motion. MOTION CARRIED UNANIMOUSLY.

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

University requests 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 in 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, 2000 through June 30, 2001, at the rate of \$640 per month (\$5.49 per square foot, \$7,680 per year). This is the same rate as paid under the current lease agreement.

University officials requested approval to renew its lease as lessee with Dayton Road Development Corporation for the University's use of 2,401 square feet of office space located in Ames, Iowa, for the Small Business Development Center. The lease will be renewed at the rate of \$2,551 per month (\$12.75 per square foot, \$30,612 per year) for a one-year period commencing October 1, 2000, through September 30, 2001. This rate is an increase of 2 percent over the rate paid under the current lease agreement.

University officials requested authorization to enter into lease negotiations with Marfair Joint Venture, Washington, D.C., for the University's use of office space to accommodate its federal governmental relations staff. The University's proposal to locate a staff member in Washington, D.C. will support University federal initiatives and federal regulatory issues, and improve the University's competitive position. The proposal is also consistent with the University's strategic plan and operating budget.

Associate Director Racki reported that the Attorney General's Office had reviewed the leases, and recommended approval.

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

MOTION CARRIED.

**ENTRY TO JUDGE FARM--PURCHASE OF RIGHT-OF-WAY.** The Board Office recommended the Board (1) authorize Iowa State University to proceed with negotiations for the sale of 1.77 acres of University property located northwest of the main campus to Hunziker and Associates Realtors, at the sale price of \$41,000, to be dedicated as a public right-of-way to the City of Ames for the construction of a public road to serve a proposed residential development; and (2) subject to authorization to proceed with the sale, authorize Iowa State University also to proceed with development of an easement to the City of Ames for construction of a sewer line across University property to serve the proposed residential development.

University officials requested Board authorization to proceed with the sale of 1.77 acres of University property, located northwest of the main campus and southwest of the Applied Science Center, to Hunziker and Associates Realtors. The sale of the land has been requested by the realty company to provide for development at the current site of the Judge Farm. The proposed roadway, which would extend west from Scholl Road to the site of the proposed development, would be dedicated as a public right-of-way to the City of Ames. University officials believe this will provide the best method to ensure that the land will be developed as a City right-of-way rather than as a private roadway.

University officials were not requesting Board approval of the property sale or the easement at this time. Board authorization to proceed with these arrangements as proposed will allow Hunziker and Associates to enter into further negotiations with the City of Ames for the roadway construction project. University officials did not wish to proceed with these arrangements without input from the Board.

The proposed sale price for the property of \$41,000 represents the higher amount of two appraisals for the property. Since the University has been asked to cooperate in this development and has not initiated the project, University officials believe the higher sale price is appropriate.

University officials also requested Board authorization to proceed with development of an easement agreement with the City of Ames for construction of a sewer line to serve the proposed development. The sewer line would be installed across a second parcel of University property which is located to the east of Scholl Road.

University officials will return to the Board for approval of both the property sale and easement agreement; both will also require approval of the Executive Council of Iowa.

Vice President Madden presented the request to the Board of Regents, on behalf of Iowa State University.

**MOTION:** Regent Ahrens moved to (1) authorize Iowa State University to proceed with negotiations for the sale of 1.77 acres of University property located northwest of the main campus to Hunziker and Associates Realtors, at the sale price of \$41,000, to be dedicated as a public right-of-way to the City of Ames for the construction of a public road to serve a proposed residential development; and (2) subject to authorization to proceed with the sale, authorize Iowa State University also to proceed with development of an easement to the City of Ames for construction of a sewer line across University property to serve the proposed residential development. Regent Turner seconded the motion. MOTION CARRIED UNANIMOUSLY.

**AMENDMENT TO IOWA STATE UNIVERSITY 1993 TRUST AGREEMENT.** The Board Office recommended the Board (1) appoint Dr. Richard C. Seagrave as Trustee of the Iowa State University 1993 Trust with the corresponding removal of Dr. Martin C. Jischke as Trustee of the Iowa State University 1993 Trust; and (2) establish a policy regarding the removal and appointment of the Trustee of the Iowa State University 1993 Trust.

Martin C. Jischke, past president of the University, has served as the only Trustee of the Iowa State University 1993 Trust (Trust). As Dr. Jischke has left the presidency of the University, University officials would like to remove him as the sole Trustee of the Trust and appoint Interim University President Richard C. Seagrave in his place.

In order to ensure that future transitions in the Trustee position occur with a change in the presidency of the University, University officials proposed a policy statement to make the Trustee change automatically with the resignation of one president and the appointment of another, unless the Board acts to prevent a new president from serving as Trustee.

Vice President Madden presented the request to the Board of Regents, on behalf of Iowa State University.

President Newlin asked for an historical perspective as to why there is only one trustee for a public trust. Vice President Madden responded that the Board of Regents created

the trust in order to meet the legal requirements which included a trustee. He noted that the funds are managed as part of the Regent investment portfolios which are overseen by the Banking Committee. The proceeds are used for activities within the institution which were determined at the time the trust was established.

Regent Lande asked if there was any legal reason to continue to maintain the funds as a separate trust. Vice President Madden said he would need to pose that question to legal counsel. He suspected that legal counsel would say this is the best legal arrangement. It was his understanding that the trust must remain in place until the Alleman tower ceases to exist. He noted that the trust has a value of approximately \$18 million.

President Newlin said the trust had grown 50 percent in seven years.

Vice President Madden noted that the Iowa State University campus, generally, today accepts the sale of WOI-TV as being a wise decision.

MOTION: Regent Lande moved to (1) appoint Dr. Richard C. Seagrave as Trustee of the Iowa State University 1993 Trust with the corresponding removal of Dr. Martin C. Jischke as Trustee of the Iowa State University 1993 Trust; and (2) establish a policy regarding the removal and appointment of the Trustee of the Iowa State University 1993 Trust. Regent Ahrens seconded the motion. MOTION CARRIED UNANIMOUSLY.

**UPDATE ON UNION DRIVE ASSOCIATION (UDA) NEIGHBORHOOD PROJECTS.**

The Board Office recommended the Board (1) receive the University's report on the consolidation of food service operations, detailed assumptions used for developing proforma financial statements for the Union Drive Neighborhood, and planned visits with bond rating agencies; and (2) request that the University provide:

- a) A report on meetings with bond rating agencies regarding the proposed projects and the required bonded indebtedness;
- b) A recommendation regarding proceeding with the Union Drive Neighborhood projects, subsequent to the rating agency visits and prior to adoption by the Board of the bond issuance schedule for calendar year 2001; and
- c) Periodic reports on the consolidation of food service operations, with the understanding that the final plan be submitted to the Board for approval.

At its July 2000 meeting, the Board received (1) the Department of Residence Master Plan Progress Report: July 2000, and (2) the program and schematic design concept reports for the Union Drive Neighborhood projects. The Board also authorized proceeding with further design of the Union Drive utilities infrastructure, Union Drive Suite Building 1, and Union Drive Community Center with the design development drawings for the facilities to be presented for Board approval.

The Board requested that, at its September 2000 meeting, the University:

1. Report on the consolidation of University food service operations including: a) the impact that this consolidation may have on the size, program elements, and services to be provided by the proposed Community Center Building, and b) the means for allocating revenues and costs of the new food service operation to the Residence System;
2. Provide detailed assumptions used for developing proforma financial statements for the Union Drive Neighborhood including room rates for the various types of accommodations (traditional, suite, apartment), proposed annual residence system rate increases, and the financial impact on the Residence System of the planned demolition of any residence facilities; and
3. Report on discussions with the bond rating agencies regarding the proposed projects and the required bonded indebtedness.

University officials report that the food service consultants who have been working on the food service consolidation study have been involved in the planning of the Residence System Community Centers. Thus, the effects of the consolidation on the components included and their square footage have been factored into the program and schematic design for the Union Drive Community Center.

In its docket exhibit, University officials noted that it is currently in the process of working out the details of how to manage effectively its food operations to meet operating objectives of the Residence System and the Memorial Union, and bond covenants legal and financial obligations. University officials intend to develop the necessary methods for allocating revenues and expenses between entities during FY 2001. The University pledges to continue to work with the Board Office, and the Board's bond counsel and financial advisor to ensure continued adherence to all provisions of the Residence System bond covenants.

The financial proformas, which show that the Residence System can issue debt for the Union Drive projects and meet the requirements of the bond covenants, are based on average annual room rate increases of 5 percent per year through FY 2004 and 4 percent per year from FY 2005 to FY 2010 for all categories of rooms except for Hawthorn Court for which an annual increase of 3.51 percent is projected. For a traditional double occupancy dormitory room, the rate would increase from \$2,454 in FY 2001 to \$3,595 in FY 2010, a cumulative increase of \$1,141 or 46.5 percent.

The University's plans and the financial proforma show the demolition of 2,358 beds in Helser, Storms, Knapp, Westgate Halls and the 1927 wing of Friley Hall. Hawthorn Court (Phases 1 and 2) and the three proposed Union Drive Suite buildings will add 2,952 beds to the system for single students. There would thus be a net total increase of 594 single student beds.

The University's projections show a peak of 9,353 single student beds in FY 2003. Based upon the undergraduate enrollment projections presented to the Board in October 1999, this number of beds would house approximately 41.8 percent of the undergraduate enrollment. Based upon enrollment projections and the planned demolitions, the percentage housed would then decline slightly to approximately 39.1 percent in FY 2010.

Bond rating agency visits have been scheduled for October 4 and 11 in Ames. Fall 2000 enrollment, residence occupancy data, and the June 30, 2000 residence system financial report will all be available for these meetings. A report on the visits will be provided at the October Board meeting.

Work on the design of the Union Drive Suite 1, Union Drive Community Center, and associated infrastructure is continuing. As requested at the July meeting, University officials will return to the Board for approval of the design development drawings for these components of the Union Drive Neighborhood. University officials also reported that they are continuing to review the overall housing master plan to be sure that the Union Drive Neighborhood project can be completed and operated on a fiscally sound basis.

Vice President Madden presented the report on behalf of Iowa State University.

Regent Fisher stated that there was lengthy discussion the previous day at the Banking Committee meeting regarding governance of the Memorial Union. He noted that University officials were consolidating the food service of the residence system and the Memorial Union.

Vice President Madden stated that University officials are working with national food service consultants to develop the structure. He believes the organizational arrangement will be a food service unit operated by the University and reporting to the Vice President for Student Affairs. Operating agreements with the residence department and the Memorial Union will be developed. Vending operations on campus will also have to be addressed. He noted that the Iowa State Center has been operated under contract with Ogden Allied. Ogden Allied has sold the food service component of its business to Aramark. The University's contract with Ogden Allied ends this year. University officials will be reviewing the matter and will probably bring a recommendation to the Board this spring.

Regent Turner asked if the national food consultants, with whom the University is working, have done similar projects for other universities in the past. Vice President Madden responded affirmatively. He stated that what is being done at Iowa State University is being done at many other campuses.

Regent Ahrens asked for the timeline for completion of developmental design and for construction to begin. Vice President Madden responded that the Board would be presented with the design development drawings before December.

**MOTION:**

Regent Turner moved to (1) receive the University's report on the consolidation of food service operations, detailed assumptions used for developing proforma financial statements for the Union Drive Neighborhood, and planned visits with bond rating agencies; and (2) request that the University provide: a) A report on meetings with bond rating agencies regarding the proposed projects and the required bonded indebtedness; b) A recommendation regarding proceeding with the Union Drive Neighborhood projects, subsequent to the rating agency visits and prior to adoption by the Board of the bond issuance schedule for calendar year 2001; and c) Periodic reports on the consolidation of food service operations, with the understanding that the final plan be submitted to the Board for approval. Regent Kennedy seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

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

UNIVERSITY OF NORTHERN IOWA

The following business pertaining to the University of Northern Iowa was transacted on Wednesday and Thursday, September 13 and 14, 2000.

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

Register of Personnel Changes for June and July 2000.

**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 the University of Northern Iowa.

Institutional Roads 2001—Reconstruction of 31<sup>st</sup> Street

Source of Funds: Institutional Roads

Project Summary

|                                      | <u>Amount</u> | <u>Date</u> | <u>Board Action</u> |
|--------------------------------------|---------------|-------------|---------------------|
| Project Description and Total Budget | \$ 401,157    | Sept. 2000  | Requested           |

This project will reconstruct the area of 31<sup>st</sup> Street from Nebraska to Kansas Streets, and extend 31<sup>st</sup> Street approximately 1,000 feet west of Kansas Street; the project will also re-paint the Hudson Road overpass just north of 27<sup>th</sup> Street. The extension of 31<sup>st</sup> Street will improve access to the west campus and the Native Roadside Vegetation Enhancement Center, which will be developed at Warehouse #1.

The project is consistent with the institutional roads program approved by the Board in July 2000.

Permission to proceed with the project was not required since the project budget does not exceed \$1,000,000.

**Project Budget**

|                            |                   |
|----------------------------|-------------------|
| Contract/Purchase Orders   | \$ 317,000        |
| Consultant/Design Services | 48,200            |
| Contingency                | <u>35,957</u>     |
| TOTAL                      | <u>\$ 401,157</u> |

President Newlin asked if the extension of the road would take place at some future time. Vice President Conner responded affirmatively.

\* \* \* \* \*

Included in the University's capital register were seven project descriptions and budgets under \$250,000, a construction contract awarded by the Executive Director, the acceptance of one completed construction contract, and three final reports. These items are listed in the register prepared by University officials.

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

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

## IOWA SCHOOL FOR THE DEAF

The following business pertaining to the Iowa School for the Deaf was transacted on Wednesday and Thursday, September 13 and 14, 2000.

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

Register of Personnel Changes for July and August 2000

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 school's capital register, as presented.

Campus Water Distribution System Replacement—Phase 3  
Source of Funds: FY 2001 Capital Appropriations

### Project Summary

|                                      | <u>Amount</u> | <u>Date</u> | <u>Board Action</u> |
|--------------------------------------|---------------|-------------|---------------------|
| Project Description and Total Budget | \$ 250,000    | Sept. 2000  | Requested           |

The Phase 3 project will provide for the installation of a new circular water loop which will provide domestic water to all campus buildings.

### Project Budget

|                   |                   |
|-------------------|-------------------|
| Construction      | \$ 202,000        |
| Professional Fees | 38,000            |
| Contingency       | <u>10,000</u>     |
| TOTAL             | <u>\$ 250,000</u> |

Long Hall Plaza Replacement—Phase 3

Source of Funds: Nebraska Restricted Funds

Project Summary

|                                      | <u>Amount</u> | <u>Date</u> | <u>Board Action</u> |
|--------------------------------------|---------------|-------------|---------------------|
| Project Description and Total Budget | \$ 60,000     | Sept. 2000  | Requested           |

The Phase 3 project will include the installation of exterior lighting, landscaping, center stone work and art work.

Superintendent's Residence, Director of Student Life's Residence, Director of Facilities Residence—Re-Carpeting and Painting

Source of Funds: Lease Income

Project Summary

|                                      | <u>Amount</u> | <u>Date</u> | <u>Board Action</u> |
|--------------------------------------|---------------|-------------|---------------------|
| Project Description and Total Budget | \$ 24,460     | Sept. 2000  | Requested           |

The carpet in each residence is more than 12 years old and in need of replacement. The project will also re-paint selected areas of the residences.

The cost of the work in each of the three facilities is as follows:

|                                      |              |
|--------------------------------------|--------------|
| Superintendent's Residence           | \$ 16,000    |
| Director of Student Life's Residence | 5,760        |
| Director of Facilities Residence     | <u>2,700</u> |
| Total                                | \$ 24,460    |

Superintendent's Residence—Installation of New Window Awnings

Source of Funds: Lease Income

Project Summary

|                                      | <u>Amount</u> | <u>Date</u> | <u>Board Action</u> |
|--------------------------------------|---------------|-------------|---------------------|
| Project Description and Total Budget | \$ 3,500      | Sept. 2000  | Requested           |

The awnings are needed to provide shade for the residence in lieu of a diseased tree which was removed from the front yard.

Utility Distribution System Replacement—Phase 2

Source of Funds: FY 2000 Capital Appropriations

Project Summary

|  | <u>Amount</u> | <u>Date</u> | <u>Board Action</u> |
|--|---------------|-------------|---------------------|
| Project Description and Total Budget                 | \$ 400,000    | Oct. 1999   | Approved            |
| Engineering Agreement<br>(Alvine and Associates)     | 35,000        | Oct. 1999   | Approved            |
| Construction Contract Award<br>(Grunwald Mechanical) | 312,900       | July 2000   | Ratified*           |
| Engineering Amendment #1                             | 2,200         | Sept. 2000  | Requested           |

\*Awarded by Executive Director in accordance with Board procedures.

This project will replace the steam generating equipment and associated distribution piping in the school's power plant and the adjacent utility tunnel. State-of-the-art, high-efficiency boiler units will be installed to replace two water tube boilers, which are 35 years old.

The engineering amendment will provide reimbursement for the printing and shipping of additional sets of contract documents for the project.

Regent Fisher asked for an update on the recreation building. Superintendent Johnson responded that dirt was being moved off the site. Iowa State University facilities personnel met with the contractor a month ago. It is hoped that construction of the building can begin this week or next week. The contractor is Lueder Construction of Omaha.

Regent Ahrens pointed out that on page 11 of the Iowa School for the Deaf year book is a picture of Dr. Johnson's staff presenting him with an \$8 million bill.

MOTION: Regent Smith moved to approve the school's capital register, as presented. Regent Kelly seconded the motion. MOTION CARRIED UNANIMOUSLY.

**LEASE RENEWAL WITH IOWA WESTERN COMMUNITY COLLEGE.** The Board Office recommended the Board approve the lease renewal, as presented.

Iowa School for the Deaf officials requested approval to renew its lease as lessor with Iowa Western Community College for its use of 800 square feet of space located in Room C of the Careers Building on the Iowa School for the Deaf campus. The lease will be renewed at the rate of \$800 per month (\$12 per square foot, \$9,600 per year) for a one-year period commencing September 1, 2000, through August 31, 2001. This is the same rate as paid under the current lease agreement.

MOTION:

Regent Ahrens moved to approve the lease renewal, as presented. Regent Fisher seconded the motion, and upon the roll being called, the following voted:

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

NAY: None.

ABSENT: Neil.

MOTION CARRIED.

President Newlin then asked Board members and institutional officials if there were additional items for discussion pertaining to the Iowa 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 Wednesday and Thursday, September 13 and 14, 2000.

**RATIFICATION OF PERSONNEL TRANSACTIONS.** The Board Office reported that the Register of Personnel Transactions had not been received and would be reported next month.

**REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS.** The Board Office recommended the Board approve the school's capital register, as presented.

### Rice Hall Dormitory—Upgrade of Heating, Ventilating and Air Conditioning System

#### Project Summary

|                                      | <u>Amount</u> | <u>Date</u> | <u>Board Action</u> |
|--------------------------------------|---------------|-------------|---------------------|
| Project Description and Total Budget | \$ 576,000    | Sept. 2000  | Requested           |

Upon receipt of the FY 2000 capital appropriation, the School, with assistance from Iowa State University, requested proposals from engineering firms to make recommendations regarding an upgrade of the School's heating, ventilating and air conditioning system. Based upon the study completed by Howard R. Green Company, School officials recommended installation of a geothermal heat pump system to provide central cooling for Rice Hall. This system was recommended due to its lower annual energy and maintenance costs, and its environmental compatibility.

#### Project Budget

|                               |                   |
|-------------------------------|-------------------|
| Source of Funds:              |                   |
| FY 2000 Capital Appropriation | \$ 410,000        |
| Unrestricted Endowment Funds  | 114,000           |
| Building Repair Funds         | <u>52,000</u>     |
| TOTAL                         | <u>\$ 576,000</u> |

IOWA BRAILLE AND SIGHT SAVING SCHOOL  
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MOTION: Regent Smith moved to approve the school's capital register, as presented. Regent Turner seconded the motion. MOTION CARRIED UNANIMOUSLY.

**FY 2001 UNRESTRICTED ENDOWMENT FUND BUDGET.** The Board Office recommended the Board (1) approve the unrestricted endowment portion of the restricted fund budget totaling \$321,320 for the Iowa Braille and Sight Saving School and (2) approve the proposed guidelines for the School's use of unrestricted endowment funds as outlined below.

In July 2000, the Board approved the Iowa Braille and Sight Saving School final FY 2001 general fund operating budget of \$4,911,297 and the FY 2001 restricted fund budget, except for the use and expenditure of the unrestricted endowment funds. School officials had proposed to use over \$500,000 of its reported \$4.3 million of endowment funds in FY 2001.

During the July meeting, questions were raised about procedures relative to the use of unrestricted endowment funds. Neither the School nor the Board has policies or procedures concerning use of the funds. Superintendent Thurman agreed to work with the Board Office on the matter. The Board deferred approval on the uses of unrestricted endowment funds until further analysis was conducted.

After discussion between the School and the Board Office, the following guidelines for the planned expenditure of unrestricted endowment funds were agreed upon:

Endowment resources would be used only to the extent that general fund resources are not available to support educational and related expenditures according to the School's strategic plan.

The budgeted annual use of unrestricted endowment resources will not be greater than the average earnings generated by the endowment over the preceding three years. This will serve to provide the integrity and availability of these funds well into the future.

The School will continue to provide, for Board approval, expenditure details during the budget process for the proposed use of unrestricted endowment funds and will distinguish between on-going operating uses and one-time funding needs.

Superintendent Thurman stated that, upon further consultation with the Board Office, he agreed with the guidelines.

MOTION: Regent Fisher moved to (1) approve the unrestricted endowment portion of the restricted

IOWA BRAILLE AND SIGHT SAVING SCHOOL  
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fund budget totaling \$321,320 for the Iowa Braille and Sight Saving School and (2) approve the proposed guidelines for the School's use of unrestricted endowment funds as outlined below. Regent Smith seconded the motion. MOTION CARRIED UNANIMOUSLY.

President Newlin then asked Board members and institutional officials if there were additional items for discussion pertaining to the Iowa Braille and Sight Saving School.

President Newlin recognized Superintendent Thurman to make an introduction.

Superintendent Thurman stated that the School was very fortunate to have attracted Dr. Karen Blankenship as the state vision consultant. He has known Dr. Blankenship for many years and believes that she ranks high in knowledge of needs of visually impaired children.

Dr. Blankenship said she was happy to be at the Iowa Braille and Sight Saving School.

President Newlin welcomed Dr. Blankenship.

**EXECUTIVE SESSION.** President Newlin requested that the Board meet in closed session pursuant to Iowa Code §20.17(3) to conduct a strategy meeting of a public employer for collective bargaining; and Iowa Code §21.5(1)(c) to discuss a matter with counsel which is either in litigation or where litigation is imminent.

MOTION:

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

MOTION CARRIED.

The Board having voted at least two-thirds majority resolved to meet in closed session beginning at 11:15 a.m. on September 14, 2000, and adjourned therefrom at 12:03 p.m. on that same date.

IOWA BRAILLE AND SIGHT SAVING SCHOOL  
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**ADJOURNMENT.**

The meeting of the Board of Regents, State of Iowa, adjourned at 12:03 p.m. on Thursday, September 14, 2000.

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Frank J. Stork  
Executive Director