

Contact: Andrea Anania

**MINUTES OF JUNE 20 - 22, 2006
BOARD OF REGENTS, STATE OF IOWA**

	Iowa State University Ames, Iowa	Lakeside Laboratory Okoboji, Iowa	
Board Members	June 20, 2006	June 21, 2006	June 22, 2006
Amir Arbisser	Via Phone	Via Phone	Via Phone
Mary Ellen Becker	Present	Present	Present
Tom Bedell	Via Phone	Present	Present
Jenny Connolly	Present	Present	Present
Robert Downer	Present	Present	Present
Michael Gartner	Present	Present	Present
Ruth Harkin	Present	Present	Present
Rose Vasquez	Present	Present	Present
Teresa Wahlert	Present	Present	Present

Staff Members

Andrea Anania, Susan Anderson, Andy Baumert, Brad Berg, Marcia Brunson, Sheila Doyle, Pam Elliott Cain, Tom Evans, Diana Gonzalez, Emiliano Lerda, Joan Racki, Gary Steinke, Todd Stewart, Ilene Tuttle

Regent Institutions

SUI Gary Fethke, Anthony DeFurio, Meredith Hay, Michael Hogan, Donna Katen-Bahensky, Jean Robillard, Doug True

ISU Gregory Geoffroy, Bonnie Bowen, Julie Bright, John Brighton, Susan Carlson, Jamie Pollard, Warren Madden, Steve Malchow

UNI Benjamin Allen, James Lubker, Randy Pilkington, Tom Schellhardt, Jill Trainer

ISD Jeanne Prickett, Jim Heuer

IBSSS Jeananne Schild, Luann Woodward

Student Body

SUI Peter McElligott, Addison Stark, Johnathan Gajdos, Punit Vyas

ISU Emily Jensen, Sara Faber, Andrew Brown

UNI Grant Erwin, Jennifer Younie

Others

Ed Bittle, Ahlers & Cooney, P.C.
Barry Fick, Springsted, Incorporated
Mary Lawyer, Iowa Department of Economic Development Director
Robert Bocken, Iowa Department of Economic Development Board Member
Toby Shine, Iowa Department of Economic Development Board Member

The corresponding docket memorandum for each agenda item, an integral component of the minutes, is available on the Board of Regents web site: www.state.ia.us/educate/regents.

Copies of these memoranda can also be obtained from the Board Office by calling 515-281-3934.

President Gartner called the meeting to order at 6:10 p.m. on June 20, 2006.

**BOARD OF REGENTS, STATE OF IOWA
June 20, 2006, Minutes**

President Gartner congratulated Regent (Rokes) Connolly on her recent marriage to Scott Connolly.

ISU President Geoffroy introduced Susan Carlson, Interim Provost.

Proposed Energy / Environment Surcharge

Undergraduate student body representatives Peter McElligott, Addison Stark (SUI); Emily Jensen, Sara Faber (ISU); and Grant Erwin (UNI) requested that the Board:

- ◆ Include a sunset provision to the proposed surcharge which requires expiration after one year;
- ◆ Provide for a collaborative examination by the Regents, University Presidents, and Student Government Presidents upon its expiration;
- ◆ Prohibit use of the surcharge in budget projections beyond FY 2008;
- ◆ Actively support student-led lobbying efforts regarding funding for public higher education;
- ◆ Reevaluate the legislative approach taken by the Regents, including discussion and input from student leaders; and
- ◆ Actively support energy-saving initiatives.

SUI Graduate Student Body Senate representative Johnathan Gajdos requested that the Board:

- ◆ Replace the surcharge proposal with a tuition increase of \$100/semester for full-time students to enable appropriate financial aid considerations;
- ◆ Support abandonment of the surcharge plan, address building moratorium and energy conservation, continue seeking additional ways to enhance the universities' educational mission, and continue working towards increased legislative support; and
- ◆ Exempt Graduate Research Assistants, Teaching Assistants, and Fellows from the surcharge.

If the surcharge is implemented as proposed, Johnathan Gajdos requested:

- ◆ Enhanced fiscal support in proportion to the additional revenue for the enumerated expenses that the surcharge was proposed to cover (most importantly, library acquisitions); and
- ◆ Enterprise-wide commitment to find and implement effective and beneficial methods to reduce energy and building operations/maintenance expenses.

President Gartner, Regent Connolly, and Executive Director Gary Steinke thanked the students for their efforts. President Gartner stated that he looks forward to working with them on legislative funding alternatives and on their idea to make the universities more energy efficient, Regent Connolly acknowledged their extensive research and inclusion of student input, and Executive Director Steinke thanked them for the amount of time they devoted to this project.

President Pro Tem Wahlert emphasized that the proposed surcharge is for one year and that any potential future charges would be addressed through a collaborative effort with the Board, university Presidents, and graduate and undergraduate students.

Regent Becker noted that the proposed surcharge does not include a 15% set-aside for financial aid and suggested that, should it be necessary to address additional surcharges in future years, consideration be given to providing financial aid.

President Gartner stated that the universities and the students will be requested to provide periodic updates on efforts to conserve energy.

➤ **MOVED** by WAHLERT, **SECONDED** by DOWNER to:

- ◆ Approve a temporary Energy / Environment Surcharge of \$100 per full-time student per semester for the 2006-07 academic year, prorated for part-time students;
- ◆ Encourage students and the Universities to collaboratively reduce energy consumption on the campuses; and
- ◆ Approve a three-year moratorium on state capital funding requests for new buildings. Projects excluded from the moratorium would include the Hygienic Lab and College of Public Health Building at SUI; the Chemistry, and Agricultural and Biosystems Engineering buildings at ISU; and the Electrical Distribution System at UNI.

MOTION APPROVED by ROLL CALL:

<u>Regent</u>	<u>Arbisser</u>	<u>Becker</u>	<u>Bedell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Vasquez</u>	<u>Wahlert</u>
Aye	x	x	x	x	x	x	x	x	x
Nay									

President Gartner thanked the graduate and undergraduate students for their help, consideration, and consultation throughout this process.

President Gartner adjourned the meeting at 6:45 p.m.

BOARD OF REGENTS, STATE OF IOWA
LAKESIDE LABORATORY
OKOBOJI, IOWA

President Gartner called the meeting to order at 8:45 a.m. on June 21, 2006.

Regent Bedell thanked Lakeside Laboratory Executive Director Dr. Bonnie Bowen and her staff for their efforts to accommodate the Board of Regents meeting. He commended Dr. Bowen for her magnificent job leading the Lakeside Laboratory program over the last couple of years during difficult circumstances.

President Gartner acknowledged and thanked Iowa Department of Economic Development (IDED) Director Mary Lawyer and IDED Board members Bob Bocken and Toby Shine for attending this meeting.

➤ **MOVED** by WAHLERT, **SECONDED** by CONNOLLY to enter into closed session pursuant to Iowa Code section 21.5(1)(i) upon the request of individuals whose performance is being considered. **MOTION APPROVED** by ROLL CALL:

<u>Regent</u>	<u>Arbisser</u>	<u>Becker</u>	<u>Bedell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Vasquez</u>	<u>Wahlert</u>
Aye	x	x	x	x	x	x	x	x	x
Nay									

The Board convened in closed session at 8:46 a.m.

The Board reconvened in open session at 10:45 a.m.

ECONOMIC DEVELOPMENT COMMITTEE
June 21, 2006, Minutes

Committee Members

Ruth Harkin, Chair Tom Bedell Rose Vasquez

UNI President Allen introduced the new Associate Vice President for Sponsored Programs, Dr. Jill Trainer, who has been a faculty member at UNI for approximately 15 years and is currently a Professor in the Department of Biology.

Regent Bedell acknowledged the productive relationship that is building between the Board of Regents and the IDED and announced that the Regents, IDED, and the Okoboji Corridor of Opportunity will jointly sponsor the Okoboji Entrepreneurial Institute to be held July 30 – August 4, 2006. He reported that eight students from each campus will participate in the three-credit program. He stated that the program will tie together all of the various economic development interests in the state to build a model for successful rural economic development.

2006-2007 Committee Work Plan

State Relations Officer Andy Baumert reviewed the Committee work plan for the next 12 months.

Battelle Endowment / Salary Funding Proposals

University of Iowa Vice President for Research Meredith Hay, Iowa State University Vice Provost for Research John Brighton, and University of Northern Iowa Associate Vice Provost for Sponsored Programs Jill Trainer presented the universities' proposals for the use of \$5 million in state appropriations for creation of endowed chairs and professorships and for faculty salaries in the areas of bioscience, advanced manufacturing, and information technology research and commercialization.

Battelle Technology Development Infrastructure and Platform Projects Grants Processes

Drs. Hay, Brighton, and Trainer presented the universities' preliminary proposals for infrastructure and platform projects to implement the Battelle initiatives.

Technology and Commercialization Resources Organization and Suggested Review Criteria

Mr. Baumert summarized the review criteria which are part of the universities' preliminary proposals for Battelle infrastructure and platform projects. Regent Harkin stated that the criteria are similar to those used by the universities to evaluate Bioscience Alliance of Iowa proposals in 2005. Regent Bedell asked IDED Board member Bob Bocken if he believed the approach being taken on the Battelle proposals by the universities and the Board of Regents was appropriate from the perspective of the IDED Board. Mr. Bocken stated that he believed they were doing well.

Grow Iowa Values Fund Process for Fiscal Year 2007 Funding

Drs. Hay, Brighton, and Trainer reported on progress in development of the proposals for the Grow Iowa Values Fund (GIVF) program for FY 2007. Regent Harkin asked that a representative of the University of Dubuque be invited to attend the August Regent meeting to provide an update on their GIVF research project. Mr. Baumert reported that a meeting had been held with the Executive Director of the Iowa Association of Independent Colleges and Universities to develop a request for GIVF proposals for private college funding in FY 2007.

Chair Report to the Full Board

Regent Harkin, Chair, reported on actions of the Economic Development Committee during its June 21, 2006, meeting and the full Board took the following action:

- MOVED by HARKIN, SECONDED by BEDELL to approve:
 - ◆ The Committee's work plan for 2006-2007; and
 - ◆ The universities' proposals for the use of \$5 million in state funding for endowed chairs and faculty salaries to implement the Battelle initiatives.

MOTION APPROVED UNANIMOUSLY.

**PROPERTY AND FACILITIES COMMITTEE
June 21, 2006, Minutes**

Committee Members

Robert Downer, Acting Chair Amir Arbisser (by telephone) Mary Ellen Becker Rose Vasquez

Institutional Agreements, Leases and Easements

- The Committee recommended Board approval of the leases and easements.

FY 2007 Capital Plans

Joan Racki explained that the Board was being asked to receive the report on the new anticipated FY 2007 capital improvement projects, and that all projects must follow Board approval processes. President Gartner requested a status report on the proposed Multi-Modal project at the University of Northern Iowa. President Allen explained that the previously proposed option for the Multi-Modal project is not viable based on location, the business model, and campus support. However, the project is included in the University's FY 2007 Capital Plan due to the investment of staff time and effort on the project, and the need for campus review of other options prior to making a final decision on the project. President Allen indicated that there has not been sufficient time for further review and a decision since he became president.

Register of University of Iowa Capital Improvement Business Transactions

Vice President True provided an overview of the **Carver-Hawkeye Arena – Replace Roof** project and explained that the need to replace the aging roof has been accelerated by damage from the April 2006 hail storm, and that the University's plan to schedule the roof replacement in the fall of 2006 would avoid disruption to Arena activities during its period of most intensive use (September through the spring of each year.) Mr. True also outlined the revised budget for the **West Campus Chilled Water Plant – Phase 1B** project and explained that the \$5 million increase is the result of unfavorable bids received for the project compared to the cost estimate prepared by Stanley Consultants. He expressed his disappointment with the cost estimating for the project and addressed the University's efforts to avoid similar bid results in the future.

- The Committee recommended Board approval of the projects on the University of Iowa capital register.

Iowa State University Athletics Department Master Plan

Athletic Director Jamie Pollard outlined the Master Plan booklet (provided to the Board), "Taking the Next Big Step," which proposes improvements to the athletic facilities at the Iowa State Center. He explained that the University was requesting permission to move forward with private fundraising for the initiatives since no state funds would be used for the project.

The Master Plan consists of four components:

- ◆ Hilton Coliseum (\$100 million) – construction of basketball and volleyball practice facility, office complex and hall of fame atrium gathering space; renovation to provide suites and additional seating, and expand concourses, restrooms and concessions; correction of deferred maintenance.
- ◆ Jack Trice Stadium (\$35 million) – bowling in of the south end zone to create stronger atmosphere; construction of 24 additional suites; upgrade of club seating area; expansion of concourse, restrooms and concessions; replacement of gates and fencing.
 - ◆ The proposed improvements would increase the stadium capacity from 46,000 to approximately 50,000.
- ◆ Student Recreation Center (cost to be determined) – construction of additional space for the aquatics and gymnastics programs and ISU students.
- ◆ Gateway Athletic Complex (cost to be determined) – construction of tennis and track and field facilities, and softball and baseball diamonds; creation of a visual presence on the back side of Jack Trice Stadium to connect with Reiman Gardens.

The University proposes to undertake the work for the four components in the following phases:

Phase 1 (\$70 million)

Hilton Coliseum – construction of practice facility, to be completed by fall 2009 (\$25 million.)

Hilton Coliseum – renovations, to be completed by fall 2010 (\$35 million.)

Jack Trice Stadium – construction of suites, upgrade of club seating, and replacement of gates and fencing, to be completed by fall 2008 (\$10 million.)

- ◆ Proposed funding includes suite and club seat revenue, private funds, National Cyclone Club, Athletics Department operations, and student fees.

Phase 2 (\$25 million)

Jack Trice Stadium – bowling in of the south end zone, to be completed by fall 2010.

- ◆ Proposed funding includes additional seating revenue, Athletics Department operations, and private funds.

Phase 3

Student Recreation Center (completion date, cost, and source of funds to be determined.)

Phase 4

Hilton Atrium/Office and Gateway Complex (completion date, cost, and source of funds to be determined.)

Regents Becker and Downer spoke of the need for feasibility studies for the project (similar to what was done for the UNI McLeod Center and SUI Kinnick Stadium projects), for external validation of the financial projections and evidence of sufficient demand and financial support. Mr. Pollard explained that the University shares the same concern, and that the ISU Foundation is ready to undertake a feasibility study. He further explained that the project was first being presented to the Board before the University goes public with fundraising, and that the University plans to return to the Board in the next six to 12 months with a status report.

The Committee agreed that authorizing permission to proceed would allow fundraising to begin for the project. Vice President Madden clarified that the University was specifically requesting authorization to proceed with planning for the Phase 1 project.

The Committee recommended that the Board grant permission to proceed with the **Jack Trice Stadium Improvements – 2006** and **Hilton Coliseum Renovation and Additions** projects subject to collaboration between the representatives of ISU and the Board Office staff for development of a submission of external validation of financial support to the Board comparable to those submitted by UNI in the case of the McLeod Center and the University of Iowa in the case of Kinnick Stadium.

Register of Iowa State University Capital Improvement Business Transactions

Vice President Madden provided an overview of the projects on the capital register.

- The Committee recommended Board approval of the projects on the Iowa State University capital register, with the exception of the projects included as part of the review of the Athletics Department Master Plan.

Register of University of Northern Iowa Capital Improvement Business Transactions

- The Committee recommended Board approval of the projects on the University of Northern Iowa capital register.

Requirements for Regent Construction Contractors

Regent Downer explained that the agenda item was an attempt to determine the Board's views on development of a policy requiring contractors on Regent construction projects to provide health insurance coverage for their employees, similar to what was required for employees working at projects funded by Vision Iowa after the projects had been completed. He indicated that there are a number of issues related to the proposed policy with respect to threshold levels (which have implications for small businesses), disadvantaged business enterprises, etc. He further indicated that the Board needs institutional comments on the proposed policy. President Gartner recommended that, due to the complexity of the legal, public policy, and financial issues involved, the Board authorize the Board Office to gather data from the institutions and other state agencies on the impact of such a policy.

Regent Becker expressed her confusion with the proposal to require employee health insurance by Regent construction contractors and not other firms that do business with the Regent institutions. Regent Bedell suggested studying any firms that have more than \$1 million in business transactions with the institutions. President Gartner recommended that the Board Office work with the three university business officers to determine the appropriate dollar threshold as part of the study.

University of Iowa Facilities Revenue Bonds, Series S.U.I. 2006A

Vice President True explained that approval of this Resolution would initiate the financing for Phase II, the Old Capitol Town Center Project. He reported that the bond sale would be scheduled for August 2006.

➤ MOVED by BEDELL, SECONDED by CONNOLLY to:

Adopt A Resolution authorizing the Executive Director to take any and all action deemed necessary to effect the issuance of not to exceed an aggregate principal amount of \$24,500,000 University of Iowa Facilities Corporation Revenue Bonds (Old Capitol Town Center), Series 2006.

MOTION APPROVED by ROLL CALL:

<u>Regent</u>	<u>Arbisser</u>	<u>Becker</u>	<u>Bedell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Vasquez</u>	<u>Wahlert</u>
Aye	x	x	x	x	x	x	x	x	x
Nay									

Preliminary Resolution for the Sale of Dormitory and Academic Building Revenue Refunding Bonds

Vice President Madden reported that \$475,000 is the estimated present value savings for the Dormitory refunding and \$240,000 is the estimated present value savings for the Academic Building Revenue Bonds.

➤ MOVED by WAHLERT, SECONDED by CONNOLLY to:

Adopt A Resolution authorizing the Executive Director to fix the date or dates for the sale of up to \$9,500,000 Dormitory Revenue Refunding Bonds, Series I.S.U. 2006A and for the sale of up to \$5,600,000 Academic Building Revenue Refunding Bonds, Series I.S.U. 2006.

MOTION APPROVED by ROLL CALL:

<u>Regent</u>	<u>Arbisser</u>	<u>Becker</u>	<u>Bedell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Vasquez</u>	<u>Wahlert</u>
Aye	x	x	x	x	x	x	x	x	x
Nay									

Other Business

Regent Downer explained that he represents the state of Iowa on the Midwestern Higher Education Compact (MHEC), one of four interstate compacts in the nation charged with promoting interstate cooperation and resource sharing in higher education. He stated that Iowa joined this compact as a result of legislative action in 2005; that annual dues for member states are \$90,000; and that the state of Iowa pays MHEC through a direct state appropriation, not out of Regent appropriations.

Regent Downer reported that participant payback is impressive and offered his assistance to the universities. Vice Presidents True and Madden acknowledged the universities' long history of cooperating with each other and participating in various purchasing groups.

EDUCATION AND STUDENT AFFAIRS COMMITTEE
June 21, 2006, Minutes

Committee Members

Mary Ellen Becker, Chair Tom Bedell Jenny Connolly

Consent

Faculty Senate Constitution Revisions at Iowa State University

Proposed Name Changes

- ◆ Department of Chemistry to Department of Chemistry and Biochemistry at the University of Northern Iowa
- ◆ M.S./Ph.D. in Industrial Education and Technology to M.S./Ph.D. in Industrial and Agricultural Technology at Iowa State University
- ◆ African American World Studies Program and Degree to African American Studies Program and Degree at the University of Iowa
- ◆ Interdisciplinary Graduate Program in Molecular Biology to Interdisciplinary Program in Molecular and Cellular Biology at the University of Iowa

Proposed Program Terminations at Iowa State University

- ◆ Bachelor of Science in Studies in Family and Consumer Sciences Program
- ◆ Undergraduate Secondary Major in Pest Management

IBSSS Report and Work Plan

The Committee received the IBSSS report and work plan from Interim Superintendent Jeananne Schild. Dr. Schild indicated that there are four state agencies that provide statewide services for students who are blind or visually impaired – IBSSS, the Iowa Department of Education, the Iowa Department for the Blind, and the Area Education Agencies/Local Education Agencies. The agencies must maximize resources through collaboration, rather than competition. The issues identified by the Coordinating Council include the need for early childhood services, literary services, and high expectations for students who are blind or visually impaired. Dr. Schild informed the Committee that all of the Regent institutions have provided collaborative services to the School – ISD enabled IBSSS to provide a regional summer program in western Iowa; UNI's graduate program for teachers of the visually impaired has yielded 15 new teachers; SUI has provided consultative services through the Center for Disabilities and Development; and ISU has assisted the School to conduct a feasibility study regarding efficient use of buildings on the Vinton campus. Dr. Schild indicated that she will assume responsibility for working with the other agencies and for following through on the work plan. The Board expressed thanks to Dr. Schild for her leadership in developing a strategic process and work plan that will address the needs of all students in the state who are blind or visually impaired. The Board also commended Regent Becker and Dr. Gonzalez for their work on the Task Force and Coordinating Council.

Proposed New Program – Master in Medical Education Program at the University of Iowa

The Committee recommended approval by the Board of SUI's request to offer a Master in Medical Education Program.

Proposed New Center – Iowa Center for Advanced Neurotoxicology at Iowa State University

The Committee recommended approval by the Board of ISU's request for an Iowa Center for Advanced Neurotoxicology.

Proposed New Center – Nutrition and Wellness Research Center at Iowa State University

The Committee recommended approval by the Board of ISU's request for a Nutrition and Wellness Research Center.

Request to Award Honorary Degree – Honorary Doctor of Humane Letters Degree at Iowa State University

The Committee recommended approval by the Board of ISU's request to award an honorary doctor of humane letters degree to The Honorable Robert D. Ray at the Fall 2006 Commencement.

Request to Award Honorary Degree – Honorary Doctor of Science Degree at Iowa State University

The Committee recommended approval by the Board of ISU's request to award an honorary doctor of science degree to Dr. R. Byron Bird at the Spring 2007 Commencement.

Review of Academic Program Review Procedure Changes at the University of Northern Iowa

The Committee received UNI's follow-up report on the changes implemented in its academic program review and student outcomes assessment procedures as a result of the 2004 Board Office audit. The Committee requested a follow-up report in March 2007 that includes details about the implementation of the changes as well as the role of the new Office of Academic Assessment to provide leadership for planning and implementing student outcomes assessment processes, program review, and other procedures that support academic program improvement, student learning, and accreditation.

Policy Manual Chapter 6 Proposed Changes Status Report

The Committee received a status report on the review of the Regent Policy Manual Chapter 6, titled "Academic Policies and Procedures."

Lakeside Laboratory Strategic Plan Status Report

The Committee received a status report which included the Lakeside Lab strategic plan and the proposal to restructure Lakeside Lab to become the Lakeside Lab Regents Resource Center. There was concern about the reporting structure for the executive director and the proposed budget increase from the universities. The Committee suggested that Regent Bedell and Executive Director Steinke meet with the university presidents and provosts to discuss possible reporting structures and to report to the Committee at the August 2006 meeting. The Committee commended Regent Bedell, Executive Director Steinke, and Dr. Gonzalez for their efforts.

Education and Student Affairs Committee Work Plan Evaluation of Progress

The Committee reviewed the 2005-06 work plan and recommended approval by the Board of the 2006-07 work plan. The Committee plans to meet at each Board of Regents meeting and to create opportunities for presentations at the host institutions on highlighted activities.

Other Issues

- ◆ The Committee received information from Dr. Gonzalez about House File 2395 which directs the "State Board of Regents to conduct a study of the admissions requirements common to the state universities, including administrative rule 681 IAC 1.1(1). The state board shall submit a report to the senate and house of representatives standing committees on education by January 8, 2007, regarding the findings and recommendations of the study." Dr. Gonzalez reported that an inter-institutional team has been constituted and will meet on June 30, 2006. The Committee requested that the study team include discussion of a common application for the three universities.
- ◆ The Committee received information from President Geoffroy that he approved a request from the Lakeside Lab to name the atrium in the Waitt Lab after Andrea Waitt Carlton, a long-time supporter of the Lab.
- ◆ The Committee recognized Lakeside Lab Executive Director Dr. Bonnie Bowen who thanked Mark and Judy Wehrspann, resident manager and business manager, respectively, for their long-time service to the Lakeside Lab.
- ◆ The Committee received an update from President Allen that he named Dr. Jan Hanish as interim vice president for educational and student services following the resignation of Dr. Renee Romano. Dr. Hanish has been employed at UNI since 1977. Dr. Hanish holds a Ph.D. in higher education administration from the University of Iowa and Master's and Bachelor's degrees in Spanish from UNI. Dr. Hanish's annual salary will be \$125,000.
- ◆ The Board was invited to visit Macbride Lab at 9:00 a.m. on Thursday. Macbride was recently renovated and includes a new microscope donated by the Friends of Lakeside Lab.

Chair Report to the Full Board

Regent Becker, Chair, reported on actions of the Education and Student Affairs Committee during its June 21, 2006, meeting and the full Board took the following actions:

- MOVED by CONNOLLY, SECONDED by BECKER to approve:
 - ◆ Faculty Senate Constitution Revisions at ISU;
 - ◆ Proposed Name Change at UNI from Department of Chemistry to Department of Chemistry and Biochemistry;
 - ◆ Proposed Name Change at ISU from M.S./Ph.D. in Industrial Education and Technology to M.S./Ph.D. in Industrial and Agricultural Technology;
 - ◆ Proposed Name Change at SUI from African American World Studies Program and Degree to African American Studies Program and Degree;
 - ◆ Proposed Name Change at SUI from Interdisciplinary Graduate Program in Molecular Biology to Interdisciplinary Program in Molecular and Cellular Biology;
 - ◆ Proposed Program Termination – Bachelor of Science in Studies in Family and Consumer Sciences Program at ISU; and
 - ◆ Proposed Program Termination – Undergraduate Secondary Major in Pest Management at ISU.
- MOVED by HARKIN, SECONDED by CONNOLLY to approve IBSSS's work plan. MOTION APPROVED UNANIMOUSLY.
- MOVED by DOWNER, SECONDED by HARKIN to approve:
 - ◆ SUI's request to establish a Master in Education Program in the Carver College of Medicine;
 - ◆ ISU's request to establish the Iowa Center for Advanced Neurotoxicology;
 - ◆ ISU's request to establish the Nutrition and Wellness Research Center;
 - ◆ ISU's request to award an honorary doctor of humane letters degree to Governor Robert D. Ray at the Fall 2006 Commencement; and
 - ◆ ISU's request to award an honorary doctor of science degree to Dr. R. Byron Bird at the Spring 2007 Commencement.

MOTION APPROVED UNANIMOUSLY.

**BOARD OF REGENTS, STATE OF IOWA
June 21, 2006, Minutes**

President Gartner thanked Regent Becker and IBSSS Interim Superintendent Jeananne Schild for their work on the Iowa Braille and Sight Saving School's future services. Regent Becker also thanked Dr. Gonzalez for her efforts.

AUDIT/COMPLIANCE AND INVESTMENT COMMITTEE
June 21, 2006, Minutes

Committee Members

Teresa Wahlert, Chair Mary Ellen Becker Robert Downer

Proposed Audit/Compliance and Investment Committee Work Plan

President Pro Tem Wahlert stated that the Audit/Compliance and Investment Committee would address Audit and Compliance issues and Investment issues at alternate meetings.

Investment and Cash Management Report for the Quarter Ended March 31, 2006

Pam Elliott Cain reminded the Committee that new investment policies and new targets were adopted in September 2005 due to the addition of different types of asset allocations and that new fund managers were selected in November 2005. Ms. Elliott Cain reported that the endowment investments for the quarter ended March 31, 2006, were close to target and anticipated that they will meet the target for the quarter ended June 30, 2006. She stated that the institutions exceeded their benchmarks for the operating portfolios benchmarks except for UNI and noted that it was due to timing when they switched from BlackRock to the Commonfund.

Chair Report to the Full Board

- President Pro Tem Wahlert, Chair, reported on the Audit/Compliance and Investment Committee's discussion during its June 21, 2006, meeting and the full Board received the report by GENERAL CONSENT.

BOARD OF REGENTS, STATE OF IOWA
June 21, 2006, Minutes

President Gartner noted that it was an alert employee, followed by internal audit employees, that uncovered a facilities vendor that was over-billing ISU. He stated that the Board reported the situation to the Iowa Attorney General and the Iowa Auditor of State.

Vice President Madden reported that the employee has been recognized, the University has ceased conducting business with that vendor, and that legal counsel has been contacted to assist with removing this vendor from an approved status according to Board policies. Mr. Madden also reported that ISU has implemented additional procedures as a result of an internal audit. He said that the matter is in the court system and that ISU is confident that recovery of the funds will occur.

President Pro Tem Wahlert commended Internal Audit Director Todd Stewart for his leadership and efforts to collaborate with state officials. Mr. Stewart reported that he briefed facilities personnel at the universities of this situation and that he plans to include a review of controls and other factors in next year's audit plan.

Consent Agenda

- ◆ Minutes of April 24, 2006, Meeting
- ◆ Minutes of April 28, 2006, Meeting
- ◆ Minutes of May 3-4, 2006, Meeting
- ◆ Revisions to Board Meeting Schedule
- ◆ Appointments by the Board (This docket item included the reappointment of Joan Thompson as Treasurer at ISU; Joan Thompson became Joan Piscitello after the memo was written.)
- ◆ FY 2005 Unit Cost of Instruction
- ◆ Agreements with the Nebraska Department of Education
- ◆ Institutional Personnel Transactions with Secretary and Treasurer Appointments
- ◆ Calendars
- ◆ Conflict of Interest Vendors
- ◆ Revisions to the Regent Policy Manual

➤ MOVED by HARKIN, SECONDED by CONNOLLY to:

Approve the Consent Agenda with the exception of the Conflict of Interest Vendors item, which was pulled from the Consent Agenda to be voted on separately.

MOTION APPROVED by ROLL CALL:

<u>Regent</u>	<u>Arbisser</u>	<u>Becker</u>	<u>Bedell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Vasquez</u>	<u>Wahlert</u>
Aye	x	x	x	x	x	x	x	x	x
Nay									

➤ MOVED by DOWNER, SECONDED by BECKER to approve the Conflict of Interest Vendors.
MOTION APPROVED by ROLL CALL:

<u>Regent</u>	<u>Arbisser</u>	<u>Becker</u>	<u>Bedell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Vasquez</u>	<u>Wahlert</u>
Aye	x	x	x	x	x	x	x	x	
Nay									
Abstain									x

Legislative Update

Mark Braun reported that the Governor signed all of the major pieces of legislation that the Board Office tracked during the 2006 legislative session. He pointed out that the education appropriations bill included \$11 million of recurring funds for the Regent transformation plan.

President Gartner thanked State Relations Officers Mark Braun, Andy Baumert, Keith Saunders and Executive Director Steinke for their efforts during the session and stated that they are highly respected on both sides of the aisle. He also acknowledged that a great thing for the people of Iowa is that the Hygienic Lab went from no funding to total funding.

Regent Bedell stated that the Board should be proactive in its legislative agenda for next year.

President Geoffroy urged that the highest priority be to increase operating budgets at least to the level that keeps up with inflation.

FY 2007 Budgets - Special Schools and Board Office

Brad Berg reported on the proposed FY 2007 ISD and IBSSS operating and restricted fund budgets; the FY 2007 Board Office operating budget; and the FY 2006 IBSSS budget ceiling adjustment. He stated that the special schools' operating budgets reflect appropriation increases; the restricted fund budgets reflect decreases, primarily due to no capital appropriations; the IBSSS budget ceiling adjustment reflects various revenue adjustments; and the Board Office budget reflects a billing change by the Attorney General's Office.

- MOVED by HARKIN, SECONDED by WAHLERT to approve the:
 - ◆ ISD FY 2007 operating budget of \$9,746,422 and the restricted fund budget of \$935,098;
 - ◆ IBSSS FY 2007 operating budget of \$5,704,977 and the restricted fund budget of \$1,923,088;
 - ◆ IBSSS FY 2006 budget ceiling adjustment of \$52,957; and
 - ◆ Board Office FY 2007 operating budget of \$3,102,686.

MOTION APPROVED by ROLL CALL:

<u>Regent</u>	<u>Arbisser</u>	<u>Becker</u>	<u>Bedell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Vasquez</u>	<u>Wahlert</u>
Aye	x	x	x	x	x	x	x	x	x
Nay									

- MOVED by CONNOLLY, SECONDED by BEDELL to:

Increase the salary of Executive Director Gary Steinke to \$145,430, effective July 1, 2006. This salary level is consistent with the amount allowed under Iowa law and reflects the Board's view that Mr. Steinke is doing a superior job.

MOTION APPROVED by ROLL CALL:

<u>Regent</u>	<u>Arbisser</u>	<u>Becker</u>	<u>Bedell</u>	<u>Connolly</u>	<u>Downer</u>	<u>Gartner</u>	<u>Harkin</u>	<u>Vasquez</u>	<u>Wahlert</u>
Aye	x	x	x	x	x	x	x	x	x
Nay									

President Gartner adjourned the meeting at 4:05 p.m.

President Gartner called the meeting to order at 9:30 a.m. on June 22, 2006.

HUMAN RESOURCES COMMITTEE
June 22, 2006, Minutes

Committee Members

Rose Vasquez, Chair Amir Arbisser Jenny Connolly Robert Downer

Human Resources Committee Work Plan

Regent Vasquez stated that the work plan would be amended as needed throughout the year.

➤ The Committee received the work plan update by GENERAL CONSENT.

FY 2007 Salary Policies

Regent Vasquez stated that the Committee heard an excellent discussion at its May meeting from representatives of the various constituent groups affected by these pay policies.

Revision to Policy Manual – TIAA-CREF Convertibility

Regent Vasquez stated that the Committee received an overview of the need to revise this policy when it approved an exception to the policy in May.

The revision to the Policy Manual would remove the age restriction for former employees to be able to have full access to their TIAA-CREF retirement funds. It would also eliminate the need for former employees to complete the waiver of liability forms when requesting access to their funds.

Report on Salaries of Presidents in Peer Groups

Regent Vasquez stated that the report outlined the base salaries of presidents in the three peer groups. It was felt that comparison of base salaries was the simplest method of showing where the salaries of the presidents of the Iowa Regent universities fell within their respective peer groups and provided a good benchmarking tool.

There was discussion by the members of the Committee and the Board about the additional amenities received by peer group presidents. President Pro Tem Wahlert, who chairs the University of Iowa Presidential Search Committee, stated that she would like to see a listing of the types of amenities provided to peer group presidents without quantifying them.

Regent Arbisser stated that he would like see the salaries of the last four presidents of the University of Iowa and the salaries at the institutions where they each assumed the presidency.

Regent Becker stated that the Board of Regents has not provided a lot of extra amenities to the presidents. This report shows that Iowa universities are low within the comparison groups without taking into consideration what amenities might be provided by the peers.

Regent Harkin noted that, as indicated in the report, the Board has not given special consideration for the President of the University of Iowa in recognition of the complexity that the hospital adds to the position.

President Pro Tem Wahlert stated that it has been tradition in the past to keep the salaries at the University of Iowa and Iowa State University very close. She noted that she was continuing to verify that the scope of the two jobs is very different.

Regent Arbisser stated that automatic paid directorships are often associated with the position of university president. President Pro Tem Wahlert stated that would not be included in any surveys, but would be the responsibility of the corporations to publish lists of directors.

Regent Vasquez stated that, given the number of issues raised, the work plan would be amended to include an additional report on presidential salaries at the August meeting.

Report on Tuition Assistance Programs

Regent Vasquez stated that this report arose out of discussions at the May meeting of the Human Resources Committee.

Regent Downer asked if courses could be taken at other institutions. Each of the universities responded that the courses could be taken at any accredited institution but that reimbursement was at the tuition level at the Regent university.

Vice President True stated that the report reflected tuition assistance funding that was provided centrally. He noted that individual departments at the University of Iowa provided an additional \$500,000 in tuition assistance through individual departmental budgets.

President Pro Tem Wahlert stated that she would like the institutions to consider raising the tuition reimbursement from one class to two during a semester. She asked that the policies be revisited, and that serious consideration be given to an enterprise-wide policy.

Vice President True said that the financial vice presidents meet on a regular basis with Board Office staff, and that this would be an appropriate venue to discuss the policies and come back to the Committee with some comprehensive recommendations.

Regent Vasquez stated that, in order to provide time for the financial vice presidents to discuss the topic, tuition assistance programs would be added to the work plan for September.

Chair Report to the Full Board

Regent Vasquez, Chair, reported on actions of the Human Resources Committee during its June 22, 2006, meeting, and the full Board took the following action:

- MOVED by VASQUEZ, SECONDED by CONNOLLY to approve:
 - ◆ Salary policies for FY 2007 as presented; and
 - ◆ As a first reading, the revision to Chapter 4 of the Policy Manual to remove the age restriction for former employees to access their TIAA-CREF retirement funds.

MOTION APPROVED UNANIMOUSLY.

**BOARD OF REGENTS, STATE OF IOWA
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SUI – Presidential Search Update

President Pro Tem Wahlert, Chair of the University of Iowa Presidential Search and Screen Committee, introduced the Committee's Vice Chair, Dr. Francois Abboud, and reported that Dr. Katherine Techau, the other Vice Chair, was out of the country. Dr. Abboud briefed the Board on recent efforts with regard to the presidential search.

President Pro Tem Wahlert distributed the job description and reported that it will be advertised as soon as possible. She said that the next Search Committee meeting will be July 19, 2006.

President Gartner thanked President Pro Tem Wahlert, Dr. Abboud, and Dr. Techau for their time and efforts.

University of Iowa Hospitals and Clinics Committee Report

Regent Downer and University of Hospitals and Clinics (UIHC) Director/CEO Donna Katen-Bahensky reported on the first UIHC committee meeting held on May 31, 2006. Primary responsibilities of the UIHC Committee were proposed and presented as a first reading. After a second reading anticipated in August 2006, the Committee will recommend Board approval. Once approved by the Board, they will be incorporated into the Regent Policy Manual. President Gartner and President Pro Tem Wahlert requested copies of the background materials given to the UIHC Committee members. The next UIHC committee meeting will be held at UIHC on July 19, 2006.

University of Iowa Hospitals and Clinics Trustees Meeting Agenda

- ◆ Operating and Financial Performance Report FY 2005 and FY 2006 through April 2006
Ms. Katen-Bahensky and Associate Director Anthony DeFurio provided a review of the financial situation of the UIHC. President Gartner requested that investment and other income be added to the revenue statement.
 - ◆ IowaCare Update
Ms. Katen-Bahensky provided an update on the implementation and utilization of the IowaCare program. Regent Downer reported a conversation with a legislator with regard to prisoners being treated at the UIHC. President Pro Tem Wahlert requested a one-page sheet about prisoners treated at UIHC and specifically the pharmaceutical example cited in the discussion.
 - ◆ Purchased Services Agreement
Ms. Katen-Bahensky and the College of Medicine Dean, Dr. Jean Robillard, discussed the partnership between the UIHC and the College of Medicine. Iowa's physician workforce was also discussed.
 - ◆ Director's Report
Ms. Katen-Bahensky discussed accreditations, the new chief of staff, recruitment, and the smoke free campus.
- The Board received the following reports by GENERAL CONSENT:
- ◆ The report from the Committee's May 31, 2006, meeting; and
 - ◆ For first reading, the proposed primary responsibilities of the UIHC Committee for incorporation into the Regent Policy Manual.

President Gartner adjourned the meeting at 11:14 a.m.