

The State Board of Regents met on Thursday, May 16, 1996, at the University of Iowa. The following were in attendance:

May 16

Members of State Board of Regents

Mr. Newlin, President	All sessions
Mr. Dorr	All sessions
Mrs. Kennedy	All sessions
Mr. Lande	All sessions
Ms. Mahood	All sessions
Mrs. Pellett	All sessions
Mrs. Smith	Excused at 12:15 p.m.
Dr. Tyrrell	Excused at 1:53 p.m.

Office of the State Board of Regents

Executive Director Richey	All sessions
Deputy Executive Director Barak	All sessions
Director Houseworth	All sessions
Director Williams	All sessions
Associate Director O'Rourke	All sessions
Associate Director Racki	All sessions
Research Associate Tieg	All sessions
Minutes Secretary Briggie	All sessions

State University of Iowa

President Coleman	All sessions
Acting Provost Becker	All sessions
Vice President Manasse	All sessions
Vice President Rhodes	All sessions
Vice President True	All sessions
Associate Vice President Small	All sessions
Director Yanecek	All sessions
Legislative Counsel Stork	All sessions

Iowa State University

President Jischke	All sessions
Provost Kozak	All sessions
Vice President Madden	All sessions
Assistant to the President Mukerjea	All sessions
Executive Assistant to President Dobbs	All sessions
Director Bradley	All sessions
Interim Director Anderson	All sessions
Assistant Director Steinke	All sessions

University of Northern Iowa

President Koob	Excused at 12:15 p.m.
Provost Marlin	All sessions
Vice President Conner	All sessions
Vice President Follon	All sessions
Director Chilcott	All sessions

Iowa School for the Deaf

Superintendent Johnson	All sessions
Director Heuer	All sessions
Interpreter Reese	All sessions
Interpreter Seiler	All sessions

Iowa Braille and Sight Saving School

Superintendent Thurman	All sessions
Director Hooley	All sessions
Director Utsinger	All sessions
Director Woodward	All sessions

## GENERAL

The following business pertaining to general or miscellaneous business was transacted on Thursday, May 16, 1996.

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

**MOTION:** Regent Dorr moved to enter into closed session.  
Regent Lande seconded the motion, and upon the roll being called, the following voted:  
AYE: Dorr, Kennedy, Lande, Mahood, Newlin, Pellett, Smith, Tyrrell.  
NAY: None.  
ABSENT: None.

**MOTION CARRIED UNANIMOUSLY.**

The Board having voted at least two-thirds majority resolved to meet in closed session beginning at 8:08 a.m. on Thursday, May 16, 1996, and adjourning therefrom at 8:56 a.m. on that same date.

President Newlin stated that since the last Regents' meeting, Tom Collins had resigned from the Board. He expressed the appreciation of the Regents and institutional officials for Regent Collins' efforts while he was on the Board. President Newlin also thanked Marvin Pomerantz for his work on the Board of Regents during the past year.

**APPROVAL OF MINUTES OF BOARD MEETINGS OF APRIL 15 AND MAY 1, 1996.** The Board Office recommended the Board approve the Minutes, as written.

Mr. Richey noted that he had made a correction to page 790 of the April 15 Minutes to change the word "ethic" to "ethos".

President Newlin asked for additional corrections, if any, to the Minutes.

**ACTION:** President Newlin stated the Board approved the Minutes of the April 15 and May 1, 1996, meetings, as corrected, by general consent.

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

Receive the Register of Capital Improvement Business Transactions for Iowa School for the Deaf (none);

Refer the proposed change in University of Northern Iowa entrance requirements to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation;

Receive the report on the Iowa State University Analog and Mixed-Signal VLSI Design Center;

Receive the Register of Capital Improvement Business Transactions for Iowa Braille and Sight Saving School (none);

Refer the University of Iowa's request to discontinue degree programs in Botany to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation; and

Approve the change in the name of the Center for Laser Science and Engineering to the Optical Science and Technology Center at the University of Iowa.

**ACTION:** President Newlin stated the Board approved the consent docket, as presented, by general consent.

**APPOINTMENTS TO COMMITTEES AND ORGANIZATIONS.** The Board Office recommended the Board approve the appointments, as proposed.

The appointment of Roger Lande and the resignation of Tom Collins necessitated changes in appointments to committees and organizations on which members of the Board serve.

President Newlin stated that after consulting with each Regent, the following were his recommendations for committee assignments:

<u>BANKING COMMITTEE</u>	<u>TERM EXPIRES</u>
Ellengray Kennedy, Chair	April 30, 1997
Thomas Dorr	April 30, 1997
Roger Lande	April 30, 1997
Owen J. Newlin	April 30, 1997

<u>IOWA COORDINATING COUNCIL FOR POST-HIGH SCHOOL EDUCATION</u>	
Nancy Pellett	July 31, 1998
Ellengray Kennedy	July 31, 1998
John Tyrrell	July 31, 1998
Roger Lande (Alternate to Ellengray Kennedy)	July 31, 1998
Aileen Mahood (Alternate to John Tyrrell)	July 31, 1998
(Alternate to Nancy Pellett)	July 31, 1998

<u>STRATEGIC PLANNING OVERSIGHT COMMITTEE FOR THE IOWA COORDINATING COUNCIL FOR POST-HIGH SCHOOL EDUCATION</u>	
John E. Tyrrell	Indefinite
Robert D. Koob	Indefinite
R. Wayne Richey	Indefinite

<u>IOWA PUBLIC BROADCASTING BOARD</u>	
Betty Jean Furgerson	June 30, 1997

<u>IOWA CENTENNIAL MEMORIAL FOUNDATION</u>	
Owen J. Newlin	Statutory

IOWA STATE UNIVERSITY RESEARCH FOUNDATION BOARD OF DIRECTORS

John Tyrrell

April 30, 1997

IOWA STATE UNIVERSITY FOUNDATION BOARD OF DIRECTORS

Owen J. Newlin (by virtue of Articles of Incorporation)

IOWA STATE UNIVERSITY MEMORIAL UNION BOARD OF DIRECTORS

Aileen Mahood

June 30, 1998

UNIVERSITY OF IOWA RESEARCH FOUNDATION

Nancy Pellett

Sept. 30, 1998

UNIVERSITY OF NORTHERN IOWA FOUNDATION BOARD OF TRUSTEES

Beverly Smith

April 30, 1998

STUDENT LOAN LIQUIDITY CORPORATION (Three-Year Terms)

John McDonald (Board of Regent Designee)

June 30, 1999

R. Wayne Richey (Governor's appointment)

June 30, 1998

IOWA COLLEGE STUDENT AID COMMISSION (ICSAC)

R. Wayne Richey

June 30, 1999

EDUCATIONAL TELECOMMUNICATIONS COUNCIL

Marcia Bankirer, Member

June 30, 1998

Robert Barak, Member

June 30, 1997

Emmett Vaughan, Alternate

June 30, 1998

Richard Varn, Alternate

June 30, 1997

PRIORITY ISSUE STUDY GROUPS

(cut and paste)

MOTION:

Regent Smith moved to approve the appointments, as proposed. Regent Lande seconded the motion. MOTION CARRIED UNANIMOUSLY.

**INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION:**

**UNIVERSITY CALENDAR HOLIDAYS, 1998.** The Board Office recommended the Board approve modifications to the Spring break dates of the 1997-1998 calendars and approve the proposed common spring break dates for 1999-2000, 1999-2001 academic years at Iowa State University, University of Northern Iowa and the University of Iowa as follows:

1998: classes recessed Friday, March 13, 11:00 p.m. and classes resume Monday, March 23, 7:00 a.m.

1999: classes recessed Friday, March 12, 11:00 p.m. and classes resume Monday, March 22, 7:00 a.m.

2000: Classes recessed Friday, March 10, 11:00 p.m. and classes resume Monday, March 20, 7:00 a.m.

2001: classes recessed Friday, March 9, 11:00 p.m. and classes resume Monday, March 19, 7:00 a.m.

One of the difficulties that faculty and students have been experiencing as a result of various course offerings by the Regent universities over the Iowa Communications Network has been different Spring semester calendars at the three universities.

The Interinstitutional Committee on Educational Coordination has worked with the various committees and individuals responsible for setting the university calendars to develop a uniform calendar for Spring semester.

Beginning in Spring 1998 the universities have agreed to a common Spring semester schedule.

ACTION:

President Newlin stated the Board, by general consent, approved modifications to the Spring break dates of the 1997-1998 calendars and approved the proposed common spring break dates for 1999-2000, 1999-2001 academic years at Iowa State University, University of Northern Iowa and the University of Iowa, as presented.

President Newlin then recognized President Coleman for a special introduction.

President Coleman stated that it was a great pleasure to introduce Jorie Graham of the Iowa Writer's Workshop. Professor Graham was awarded a Pulitzer Prize for her beautiful use of the English language.

Professor Graham presented the following remarks:

Nineteen Pulitzers, twenty percent of all Guggenheims, five MacArthurs, six National Book Awards, twenty-eight National Book Circle Award Nominations, fifteen National Poetry Series Awards, seven Whitings, one hundred eighty-four

NEA grants, five Pen/Faulkner Awards, four out of the last five United States Poet Laureatships, among other honors, have been garnered by the literary graduates of The Iowa Writers' Workshop -- yet it is a place we must think of as being composed not only of its sung and unsung poets and fiction writers, but also of playwrights, painters, musicians, film makers, sit-com writers, actors, lawyers, doctors, advertising executives, mathematicians, business leaders. Because not only do many of our writers go on to use their considerable writing skills in these other professions, but students already embarked on those other careers come into contact with the literary culture of the Workshop as students in the classes taught by its faculty, as well as in the many undergraduate classes taught by its graduate students -- some of the most passionate, convinced and urgent teaching in this university I would venture -- and even more simply as members of the extraordinary community we call the University of Iowa.

I stress this interrelationship first off because it is crucial to understand that the making of art is a way of thinking, feeling, knowing and transforming knowledge into wisdom, that does not come easily packaged in a specific genre. Sometimes specific gift is distinct in a person, but more often a bearing, a depth of spirit, a current of acute desire which, like our great Iowa River, is only free to go in certain directions, is barely present in the temperament of a young person: a certain slanted opening on nature: a sensitivity to things mostly overlooked by others: a need to ask certain questions about the nature of justice, of spiritual truth more often than is quite comfortable... We help them perfect their gift, as best we can, we nurture what is clear -- but, too, this community fosters such a remarkable cross-pollination of ideas, insights, intuitions, visions and ambitions, that simply the proximity of that much talent and ambition in conversation with itself gives rise--is giving rise--to what we might call the Golden Era of the Iowa School.

Everywhere I go in the world, always, at some point in the conversation--after the great Chianti, or the Courvoisier--someone leans over and asks me, *why Iowa? What on earth is in Iowa?* And over the years, having seen this place both as a student and as a teacher--and as a mother and as a citizen--I think I am beginning to understand the answer to that question.

First of all, the arts flourish at Iowa in a way that makes the whole world pay attention for many reasons: because of the relative smallness of the town and its isolation from any real big-city culture (with all its distractions, as well as its stimulations), because of its radical seasons--which make the world clear in almost classic symbolic terms--, because of the extraordinary availability of world-class performative art in the heart of this stunning contemplative space, because of the radical intermingling of many different disciplines in a small arena, because of the pressure of its almost mythic literary history and the weighty sense people have when they come here of entering into that history, because of the sheer enormity and depth of its pool of talent in so many disciplines....I could go on of course, but a single other factor seems, to me, to loom larger than many of these remarkable, and salient, facts.

And that is the region this work is situated in. Midwesterners--Iowans in particular--respect work. When one comes to live and work here, from whatever corner of the globe--usually some urban corner--one realizes after a while that one is working amidst people who work hard, who work with their hands, who stand between land and sky, corn prices and weather, with determination and faith and courage and an uncluttered understanding of the value of work. When

you sit down to work in their midst--you have a deep sense of their being at work in your midst. Whether it's the farmland that surrounds us, or the small businesses struggling around us, writers in Iowa are encircled--and instructed--by all kinds of other real work being done. When one sits down to the blank page, one knows in one's soul the blank field the farmer is trying yet again to bring awake, one can feel the cold eye cast up at the blank sky--the need to learn to read weather--the need for sustaining weather, inner and outer weather. One can feel the rightness of a well-planted thing, the incredible hard work it takes to make it come to fruition, the miracles and the sweat and the patience and the technique--and the long history of inherited techniques--fruition requires. And one feels oneself to be, here, as a writer, a worker among other workers. That what one is making of the experiences and images and stories and mysteries drawn from one's community--both literal and imaginary--are in fact poems or stories that carry in their marrow the values and the beliefs of that community.

If there is an "Iowa" school--and it would be so large we would find it easier to simply indicate what aspects of American literature during the last half century are not drawn from this soil--it is not a stylistic school but a school of beliefs: a belief that literature is another way of farming or mining or transforming the givens of one's geographic or historical world into a vision of who one should try to be and what we should aspire to become. There is a very deep moral component that comes out of the great literature written in Iowa--not merely by the people who continue to live here, but also by people who have, however unconsciously, because they worked here in their formative years, continued to transmit their early passion to their readers in a lifetime of work. I believe it comes from this small midwestern town's attitude towards art which understands its function more deeply perhaps than a more work-segregated environment would have done. Writers here are made to feel they are not asked to entertain, nor are they asked to shock, nor are they asked to decorate and fancify the world. The bracing environment that has produced this magic asks these young men and women decade after decade to think hard on behalf of the whole community, to think seriously about the intersections of man and fate, land and sky, desire and fortune, free will and a randomness that seems like a swollen river to rise in a breath and threaten belief itself. You will not find "Pulp Fiction" getting written here--it wouldn't be turned away, because we encourage every variety of work--but it's interesting to me, after almost 20 years of witnessing this place and its effect of writers, to notice how deeply the values of the place filter down into the syllables of verse, into the honesty of expression, into the decency of dignified music, into the actions of fictional characters and their destinies. Whether the young writers are Asian American, or African American, or of Irish or Anglo or Italian or Native American descent--something happens to their original gift in this place that turns them from talented kids into universal conveyers of something we call "truth".

I do not, with all my heart, believe it is an accident of geography. This program, so widely imitated everywhere, cannot, with all the money in the world, be reproduced because what it is made of is part genius, part history, part land, part weather, part dream, part trust in silence, part sly humor, part endurance. It is made of Iowa--and it is Iowa values we see transmitted--via vertiginously differing authors translated into dozens of other languages. Just as Twain passed on to the entire world values we would call, in the end, Missourian values, and Whitman passed on his local values until they became national self-description, and Dickinson and Emerson created one large sinew of what it is to

be a creature of the New World, and Faulkner made of his local tragedy a language by which we know ourselves to be American, Iowa has passed on to the world, in a wonderfully secret way, root values we are at great risk of losing in this country. It continues to do so--in secret, eyeing the land and eyeing the sky. Let's keep the secret healthy and strong and let's keep the magic keep working-- Because centuries from now the work sprung from here might very well be one of the documents people look back on the late great experiment called *The United States* and know it by.

President Newlin thanked Professor Graham for her remarks. He offered the Board's heartiest congratulations on her achievements.

Upon the request of several Regents, Professor Graham indicated that she would provide the Board Office with her written remarks for distribution to the Regents.

Mr. Richey indicated that Professor Graham's remarks would also be included in the Minutes of this meeting, in their entirety.

**PROPOSED POLICY ON NEW ACADEMIC PROGRAM LOCATIONS.** The Board Office recommended the Board approve the proposed policy on new program locations.

At the present time the Board does not require new program locations to be reported to or approved by the Board as long as the program itself has already been approved by the Board.

With the advent of the Iowa Communications Network (ICN) and the growth in distance learning activities of the Regent universities, the current policy is not adequate in preventing potential unnecessary duplication in programming.

The Board Office proposed that the following policy be approved:

All new academic degree programs to be offered by the Regent universities in new locations are to be reported to the Board of Regents for approval. Such requests shall be submitted to the Board by using the same procedures as those currently used for new programs. The Interinstitutional Committee on Educational Coordination and the Board Office will review and prepare a recommendation on all such proposals.

This policy becomes effective upon approval by the Board.

Mr. Richey stated that the proposed policy would address an important gap in the Board's procedures.

Regent Dorr stated that a significant issue was the overall coordination of all institutions that wish to provide educational programming. He questioned whether the Regents should be addressing the development of an operating system for scheduling for all educational sectors.

Mr. Richey responded that separate policies and procedures for scheduling on a statewide basis were being addressed in the strategic planning process of the ICCPHSE.

Regent Dorr stated that there was a need to eliminate the internal bickering of the institutions that are trying to offer programs, and suggested that there are templates available.

Regent Tyrrell said the Regent institutions are expected to take the lead in the development of procedures as an example for all higher education in the state. The Regents' policy on coordination will be the template for all of higher education in the state.

Regent Dorr said he was talking about something broader. The overall issue still needed to be addressed. There is a multitude of largely uncoordinated sites, and a need to eliminate duplication.

President Jischke stated that the Iowa Coordinating Council for Post-High School Education has a policy on new program offerings in which the Regent institutions have participated. However, the coordination of new program offerings has become more complicated with the availability of electronic communication. He noted that participation in the Iowa Coordinating Council for Post-High School Education was totally voluntary.

Regent Dorr noted that there seemed to be bits and pieces of policies. The Coordinating Council has been the traditional route for approval of program offerings. The introduction of electronic communication has made the issue much more complex and encompassing which perhaps would merit new creative thinking about cost, effective delivery method, and utilizing the backbone of the Iowa Communications Network. He said there was a need for a more proactive approach to delivering programming.

Regent Kennedy stated that there appeared to be two issues. The first was the Regents system. She agreed with Regent Dorr that the procedure could be fine tuned. The second was the issue of statewide coordination. She said the Regents need to start with the Regent institutions which the proposed policy was addressing.

Regent Dorr cautioned that unless an overall policy is developed, this will be a thorn in the whole process. He questioned why they should not develop the umbrella solution first.

Mr. Richey said the Regents need to address the Regents' issue now. As far as addressing the complex statewide issue, he said it also involves the Educational Telecommunications Council in addition to the Iowa Coordinating Council for Post-High School Education. He said that was a much bigger long-term issue than the one before the Board now.

Regent Pellett referred to the issue of statewide coordination and questioned whether the Governor's Office was intending to provide some leadership. Mr. Richey responded that the Governor does have an initiative to address the competitive aspect of the various sectors. That effort is in its early stages. The group has met a couple of times.

**ACTION:** President Newlin stated the Board approved the proposed policy on new program locations, by general consent.

**FACULTY WORK LOAD, EFFORT AND PRODUCTIVITY REPORTS.** The Board Office recommended the Board receive the reports.

## Faculty Effort

The average hours worked per week by faculty is presented in the table below for the current biennium. Historical data are also provided for comparison.

	1984-85	1986-87	1988-89	1990-91	1992-93	1994-95*
SUI	56.7	57.4	58.1	57.8	58.1	58.3
ISU	54.9	55.4	56.7	56.7	58.8	56.3
UNI	57.0	56.4	59.4	56.2	59.3	58.1

\*SUI data are for 1995-96 school year.

University of Iowa and Iowa State University officials also supplied the 25th and 75th percentile rankings for hours reported by faculty. These figures highlight the differences that exist among faculty members.

### Survey of Faculty Hours: 25th and 75th Percentile Rankings

	25th Percentile	75th Percentile
SUI	50	65
ISU	48.8	62

National studies have consistently shown that the average faculty member works between 50 and 60 hours.

## Faculty Activities

Although each university is compliant with the U.S. Office of Management and Budget, the reporting system used is unique to the institution. Consequently, differences appear in expectations among the three Regent institutions.

	SUI	ISU	UNI
Teaching Activities	60.4%	49.4%	60.2%
Administrative Activities	8.7%	5.6%	10.0%
Non-sponsored Research	17.6%	23.0%	12.7%
Sponsored Research	10.9%	8.7%	4.0%
Other University, Public, and Professional Services	1.5%	12.3%	9.3%
Other Sponsored Activity (SUI and ISU)	0.8%	0.9%	
Other Organized Instructional Activity (UNI)			3.8%

Teaching is the largest area of faculty activity and takes about half to three-fifths of faculty members' working time. The research activities of the faculty are the next largest block of faculty activities. Faculty at the University of Iowa and Iowa State University averaged between one-fourth and one-third of their time in research activities. At the University of Northern Iowa, the average was closer to one-sixth of their time. More time is spent on non-sponsored activities than on sponsored activities.

While these global university figures indicate some of the differences between the universities, the real value to the universities is in internal examinations of the data among the colleges, among ranks of professors, between tenure track and non-tenure track faculty, and between the genders.

## Instructional Workload

There are two measures of interest in discussing instructional workload: faculty credit hours and student credit hours. Faculty credit hours are presented for Fall 1986 (SUI and UNI) or 1987 (ISU), Fall 1991, Fall 1993, and Fall 1995.

	1986-87	1991	1993	1995
SUI	7.9	8.1	5.1*	5.4
ISU	6.1	6.3	6.0	6.1
UNI	11.4	11.3	11.3	11.6

\*A change in SUI's methodology occurred in 1993.

Another measure of instructional workload is provided by student credit hours per FTE faculty member.

	1986-87	1991	1993	1995
SUI	191	187	170	159
ISU	206	225	216	214
UNI	290	287	262	247

While the number of classes taught by faculty has remained relatively stable, there are fewer students in each class. The difference in averages among the three institutions is largely the result of the different missions of the universities.

Instructional workloads are highest at the University of Northern Iowa and reflect the university's commitment to teaching. The lower instructional workloads at the University of Iowa and Iowa State University result from their larger research missions and emphases on graduate and professional programs with relatively small faculty/student ratios.

The percentage of student credit hours taught by tenured and tenure track faculty, non-tenure track faculty, and graduate teaching assistants are presented in the following table:

		Tenured and Tenure Track Faculty	Non-tenure Track Faculty	Graduate Teaching Assistants	Other*
SUI	1986	42%	21%	37%	
	1991	46%	13%	41%	
	1993	64%	15%	21%	
	1995	61%	18%	20%	
ISU	1987	59%	24%	17%	
	1991	65%	16%	19%	
	1993	63%	17%	16%	5%
	1995	63%	20%	13%	4%
UNI	1986	65%	34%		1%
	1991	76%	23%		1%
	1993	75%	24%		1%
	1995	76%	22%		1%

\*ISU - Incomplete data records or taught by staff without faculty ranks.

UNI - Taught by individuals outside the regular faculty appointments, such as military science.

The 1993 jump in the University of Iowa figures resulted from a change in methodology and from changing the instructional format used by one of its colleges.

### Faculty Productivity

Since 1992, efforts have been made to enhance faculty productivity through use of instructional enhancement plans that are integrated with the institutional strategic plans. Elements in these plans include tactics for getting more senior faculty into lower division classrooms, curricular redesign to reduce the number of small enrollment classes, more efficient use of physical space, scheduling courses to meet the needs of non-traditional students, and improving recruitment of well-prepared students.

In an effort to assist the faculty to improve the quality of education on campus, each campus has created a center whose task is to help faculty and graduate teaching assistants to improve the quality of instruction provided.

Another component of the educational improvement plans has been to increase student-faculty interaction. Scholarships have been created that allow students new to the university to work with senior faculty on research projects. The increased use of senior faculty to teach freshman and sophomore level courses has been seen by many as one sign that increased vitality is present in campus educational opportunities.

The assistance provided by the universities to fund developmental leaves and other developmental opportunities are used to rejuvenate and retool faculty for the educational climate of society.

The complete texts of the reports on the faculty effectiveness enhancement plans are on file in the Board Office.

Provost Marlin stated that university officials take seriously the questions of faculty effort and productivity. She noted that the Regents had been provided with detailed quantitative and qualitative analyses. She said she would discuss the general issues and her colleagues would address some of the specifics. Faculty would also discuss what they do.

Provost Marlin stated that universities are human intellectual communities. Faculty have responsibilities in three basic areas. She said teaching load alone is a very incomplete measurement of faculty teaching. Faculty spend three hours outside the classroom for every hour spent in the classroom. The quality of faculty research and productivity is constantly evaluated. The three areas of faculty teaching, research and service are mutually supportive, not mutually exclusive. She noted that the University of Northern Iowa's primary mission is teaching. A vast majority of faculty time is devoted to teaching. Almost all senior faculty teach undergraduates.

Provost Marlin then introduced Professor Grace Ann Hovet.

Professor Hovet described various activities that she has been involved in during her tenure at the University of Northern Iowa, which included chairing several search committees. She developed a women's studies program with the assistance of Vice President Follon and Provost Marlin. She developed a program in leadership studies as well as a course in what can be done with a liberal arts major which is a career pre-planning course. Professor Hovet described herself as a service guru. She said her involvement in various activities while she has been at the University of Northern Iowa has been intense and she thanked the Regents for the opportunity to do so.

Provost Kozak stated that his comments would build on the comments of Provost Marlin. He said faculty effectiveness is key to the effective implementation of Iowa State University's strategic plan. Much attention is paid to the number of introductory courses provided by senior faculty. He described the amount of sponsored funding per faculty FTE particularly in science and engineering. Many faculty are principal or co-principal investigators.

With regard to outreach and extension, which Provost Kozak noted was certainly a feature of Iowa State University's mission, he said those were areas through which faculty can speak to the economic development of Iowa. The number of new technologies that are licensed and the number generating revenues were also indicators of economic development.

Provost Kozak discussed institutional efforts to enhance faculty effectiveness. He said all three Regent universities have centers for teaching. Iowa State University's center focuses on orientation programs for new faculty and teaching assistants as well as on mentoring. He said programs for more senior faculty include faculty improvement and study of second disciplines.

Provost Kozak introduced Professor Chuck Glatz, an Iowa State University chemical engineering faculty member with whom the Regents became familiar several years ago when he was videotaped to show a typical faculty member's day.

Professor Glatz provided the Regents with a contrast of what has happened over the past 4 years since his typical work day was profiled. He also discussed the affect of the strategic plan on the environment at Iowa State University. Undergraduate enrollment has increased from 340 to 490. Faculty FTE has risen from 15 to 15-1/2 which is 25 percent above the national average student-to-faculty ratio. A large class is now considered 60 students; a large class four years ago was 40 students. Faculty spend more hours grading exams, answering students' questions, and advising. He will be taking several students to London this summer for a 5-week program.

Professor Glatz stated that large classes of lower-level courses are divided into smaller classes. Faculty learn to introduce innovative and cooperative teaching techniques into

the classrooms through regularly meeting together. Those opportunities to meet with other faculty have greatly changed how he runs his classroom. He noted that he is chair of the engineering college honors program. A recent Rhodes scholar from the department of chemical engineering participated in that program. He is trying to get more students involved in work experiences.

Professor Glatz stated that it costs a significant amount of money to operate graduate engineering programs. Faculty spend a significant amount of time arranging funding.

Interim Provost Becker stated that one of the important recommendations in the Pappas report is to think of faculty productivity in terms of each faculty member's portfolio. He then introduced Professor Virginia Dominguez, Professor of Anthropology, and Director of the Center for International Studies.

Professor Dominguez said it was suggested to her that she talk about what she does in an average day. She related a conversation with a fellow airline passenger who asked her what she does. She told him she wears various hats: she teaches, reviews proposals, tutors, serves as a guidance counselor. All of those are activities she does and is expected to do. Professor Dominguez thinks of herself as someone who facilitates learning; there is less focus on her and more focus on the students. What happens in the classroom is a very small part of how people learn. She discussed the important distinction between community colleges and Regent universities. Community colleges promote adult education. She said the job of a research university is to constantly test existing knowledge and to produce new knowledge. She is often annoyed when some say that faculty members have three responsibilities -- teaching, research and service -- because there is not enough implication of the interconnection.

Professor Dominguez discussed her half-time administrative responsibility as Director of the Center for International Studies which includes fund raising. She said that what she had described as her typical day was what most of her colleagues do; there are many more who do even more. Faculty do much more than one can ever measure by any of the measures available at this time.

Regent Lande asked about the 1993 change in methodology at the University of Iowa. Interim Provost Becker responded that in 1993 University of Iowa officials started including dental and medical faculty in the faculty effort reports. Teaching in the medical and dental colleges is vastly different than teaching in the College of Liberal Arts. He said the statistics are depressed because of that change.

Regent Dorr stated that the three faculty members the Regents heard from at this meeting were marvelous and exemplified the efforts taking place on the campuses.

Interim Provost Becker stated that one of the points made by Professor Dominguez was terribly important: the vast majority of faculty are working very hard.

Regent Dorr said he thinks there will become a greater public perception issue of the amount of money spent versus performance. He expects that university officials will find themselves more frequently in a position of having to justify how money is being spent. To the extent possible, university officials should position themselves to rationalize the budget increases. He said it was absolutely imperative to maintaining the goodwill of the taxpayers.

Interim Provost Becker responded that doing as Regent Dorr suggested was difficult because of the level of complexity across the system. In a sense each faculty member

is doing something quite different than the others. He acknowledged that university officials had not been very skilled at communicating concerning this issue.

Regent Kennedy noted that the Pappas report recommendations addressed the issue of faculty productivity. President Newlin stated that recommendation #5 of the Pappas report addresses the issue in depth.

Regent Lande stated that he was very impressed by the faculty presentations and was confident that there are hundreds of other such faculty at the campuses. He said that during the past 8 weeks, the concerns expressed to him have had two focal points. The first is a concern about the number of hours of instruction by professors. The second concern is the amount of faculty time spent writing about matters which they are attempting to have published. He said those are the messages that he has received and the ones to which university officials need to respond.

Interim Provost Becker stated that university officials have to find a better way to communicate to the general public.

Regent Tyrrell expressed concern that the report tries to compare apples and oranges. He suggested it may be worthwhile to provide a comparison of undergraduate teaching of the three institutions. There were obvious distortions with the inclusion of graduate programs. He said the Regents need to have a better understanding themselves so they can relay the information to the constituencies.

President Newlin said that what Regent Tyrrell had suggested was what was intended to be done. This subject was also addressed in one of the Pappas recommendations.

President Coleman stated that university officials can certainly go back and compare the hours spent in undergraduate education recognizing that there is quite a bit of overlap. There is difficulty in trying to reduce the information to a comparison of "apples to apples" but university officials will try to do so. There is still the issue of how many hours faculty spend in the whole universe of what they do.

Regent Pellett stated that when she read through the materials she did not get the sense of the larger scope of faculty activity as she did listening to the faculty presentations.

Regent Dorr suggested there may be a need for an overall interpretation of the institutional budgets so the public better understands the complexity.

President Jischke stated that one of the dilemmas of university officials is that these are complicated institutions with multiple missions. The teaching function is the top priority but it represents roughly one-half of what the universities do. He suggested the Regents could help by conveying to the public the full richness of what the universities do. He said agriculture research is a very important responsibility of Iowa State University.

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

**PROPOSAL FOR IMPLEMENTATION OF ORGANIZATIONAL AUDITS.** The Board Office recommended the Board (1) approve the Request for Proposals for the review and follow-up on the Pappas report recommendations for the Board and the Board Office and (2) receive the institutional reports on the Pappas recommendations.

The proposed recommendations were reviewed by the Organizational Audit Oversight Committee and the institutional heads with the following suggestions.

- The Pappas proposal to appoint two Board members to serve on planning committees at the institutions should not be implemented; the Board continue to operate as a committee of the whole on its public policy agenda.
- The budget reallocations in the Pappas report (recommendation #7) of 10 percent over three years should be established at 10 percent over 5 years.
- The Interinstitutional Committee on Educational Coordination (ICEC) should be assigned to study the development of a process for interinstitutional collaboration (recommendation #2); the redesigning of an approach to defining faculty workload (recommendation #5 ); the streamlining program review (recommendation #6) and the outreach portion of off-campus instructional activities (recommendation #4).
- The preponderance of the data now collected is needed for Board governance and accountability and internal management by the institutions but improved data base management is required.
- Iowa State University should be designated to be responsible for follow-up on the recommendations regarding the future of the Extension Service covered in the Pappas report (recommendation #4).
- Recommendations relating to development of a vision statement (#1), report generation (#8), focus of Board efforts (#10), structuring of Board meetings (#12), the development of performance objectives (#13 & 14), delegation by Board (#17), and a planning policy analysis position in the Board Office (#19) would be included in the RFP for further development by outside consultants.
- The remaining recommendations should be referred to the individual institutions for analysis and follow-up with the Board.

A final draft of the RFP was presented for Board approval. The RFP contains general language pertaining to all state contracts as well as elements unique to this project.

The project would commence on July 20, 1996, and the final report would be due November 1, 1996. A preliminary draft of the final report would be submitted by October 25, 1996.

Consultants would be engaged with respect to ten of the nineteen Board Office and Board recommendations contained in the Pappas Report.

President Coleman discussed the comprehensiveness of the University of Iowa's strategic planning effort in relation to the Pappas report. She said university officials compared the Pappas report recommendations with the university's strategic plan and developed four areas to address. When President Coleman arrived at the University of Iowa she felt that university officials had done a good job of developing the strategic plan; however, two elements were missing: 1) core values and 2) indicators of progress. President Coleman has worked through those two issues with the university community in the last five months. Core values relate to people, quality, ideas, integrity, access and accountability.

President Coleman discussed the University of Iowa's institutional goals and indicators of progress which included the creation of benchmarks and strategic focus areas.

President Newlin stated that university officials had done excellent work. He then referred to the identification of core values and the seven goals, and asked whether those were well established.

President Coleman responded that the goals were well established. With regard to the core values, university officials sought input from all constituencies about what the University of Iowa should be. In essence, the set of values has also been agreed to.

Regent Dorr noted that there was nothing in the core value statement that alluded to the burden placed on the institutions for economic development. He believes that the reason it is difficult to identify and justify the high cost of education is because the system is burdened with absorbing the overhead cost of political demands from the legislature and others involved in funding the universities to generate economic opportunities and various other activities that do not necessarily relate to the teaching and basic research component of the universities.

President Coleman stated that clearly the university's role in economic development is articulated in its mission statement. The purpose of the core values is to identify values to be used in carrying out the university mission. She stressed that the university has a clear responsibility for economic development.

President Newlin asked whether economic development fit into any of the goals which President Coleman earlier described. President Coleman responded affirmatively, stating that research is not stopped when something of benefit to society is produced. She referred to the artificial blood product, some of the research for which occurred within the state of Iowa. She said university officials view research and economic development as a continuum and not as a delineation of responsibilities. She said the core values indicate the manner in which university officials will interpret the university's mission. Economic development is not one of the core values.

President Jischke stated that Iowa State University officials made the Pappas report available to the campus community and sought input from all constituencies. He complimented the Board of Regents for conducting the audit, stating he believes that this kind of review is both a healthy and an informative process. He hopes the effort assures the public that the Regent institutions are being managed wisely and effectively. The report indicated that the five Regent institutions are effective and well managed. The consultants had very high praise for Iowa's Regent system and the Board members should feel very good about that.

With regard to observations of the Pappas report concerning Iowa State University, President Jischke stated that university officials were in substantial agreement with recommendations numbered 34 through 44 which pertained to Iowa State University. The recommendations were quite consistent with the strategic plan of the university. He reviewed the overarching themes and recommendations, noting that the breadth and diversity of the university's land grant mission was not fully recognized in the report. He supported the recommendation of the oversight committee to reallocate 10 percent over 5 years, noting that to do so in three years was too aggressive.

President Jischke referred to the recommendation to review the extension system, and expressed concern that the Pappas report failed to distinguish between outreach and

the extension mission of the land grant university. He said the Pappas report accurately acknowledges that the current governance structure is one of the great strengths of the Regents system.

President Jischke stated that the Pappas report had little to say about research, economic development or funding. Since 1989 great strides had been made in these areas.

President Koob stated that the Pappas report was contained completely within the strategic plan of the University of Northern Iowa. The specific budget allocations address each of the four issues raised.

Regent Tyrrell referred to the recommendation to appoint two Board members to serve on planning committees at the institutions. He agreed that the campus Regents would have been intrusive but stated that the Regents need to have more first-hand information than they were currently receiving. With regard to the goal on budget reallocations of 10 percent over 5 years, as recommended by the Oversight Committee, Regent Tyrrell expressed concern that the establishment of quotas may force institutional officials to do more reallocating than is necessary. He suggested the reallocation figure be used as a guideline versus a specific goal, noting that the allocation amounts could be reviewed in 3 to 5 years.

Regent Dorr expressed concern that without some sort of goals, institutional officials would not be able to make as big of cuts as may be necessary. He asked that the language be left as it was proposed.

Regent Lande said it was his understanding that the language approved by the Oversight Committee was to reallocate "at least" 10 percent over 5 years.

President Coleman said it was her understanding that the intent was for an average 10 percent budget reallocation over five years but that the actual amounts might be three percent one year and five percent the next year.

The Regents agreed to add the words "at least" to the recommendation on budget reallocation.

Regent Tyrrell referred to the recommendation of the Oversight Committee that the Interinstitutional Committee on Educational Coordination should be assigned to study the outreach portion of the recommendation regarding off-campus instructional activities, noting that it addressed extension versus off-campus education, and did not include continuing education.

Mr. Richey responded that the Oversight Committee tried to distinguish between those two.

Regent Pellett questioned whether a Regent should be appointed to the ICEC for its deliberations on these issues. Mr. Richey responded that the recommendations would come from the ICEC to the Pappas Oversight Committee.

Regent Dorr pointed out that to do as Regent Pellett suggested would maintain the integrity of the process in terms of providing some insight into the establishment of good policy. He said these were areas of significant new delivery processes.

President Newlin stated that the issues would come back to the organizational audit Oversight Committee. Regent Dorr expressed concern that when the issues come back they will be in the form of a template which is very difficult to unwrap.

President Jischke suggested that before the Interinstitutional Committee on Educational Coordination concludes its work with formal recommendations to the Board, its members be invited to make a presentation to the Board of their deliberations so that everyone is involved long before any recommendations are made. Such an effort would provide the Regents with an opportunity to get a sense of what the issues are and to provide some guidance. He said he agreed with Regent Dorr, particularly on the issue of distributive education, that these are very profound policy questions.

Regent Lande stated that President Jischke's suggestion was good and might serve to answer some concerns. However, if a Regent is willing to spend the time to observe and listen to the debate of the Interinstitutional Committee on Educational Coordination as a non-faculty member, there might be some value to the Board in that, as well.

Mr. Richey noted that meetings of the Interinstitutional Committee on Educational Coordination are public meetings.

President Newlin said he believed that President Jischke's suggestion was the way they should go ultimately; to have the recommendations come to the entire Board as they are being deliberated.

Regent Kennedy expressed concern about the Oversight Committee's recommendation that the ICEC be assigned to redesign an approach to defining faculty workload. She questioned whether it was reasonable to think the ICEC could develop an approach to be accomplished on an individual departmental basis.

President Jischke stated that his understanding of the Board's desire was for a more individualized approach to faculty workload. He said there was discussion two or three meetings ago which suggested that each faculty member meet with his or her supervisor concerning the expectations. The development of those expectations would become the basis for guidance to the faculty member and for performance evaluations. He said it was the development of a policy that embodies that philosophy that would be what the Board would want developed by the ICEC. The actual implementation of the policy would be done at the departmental level.

Regent Kennedy questioned whether President Jischke felt that the Interinstitutional Committee on Educational Coordination could make such a recommendation to the Board. President Jischke responded affirmatively.

Interim Provost Becker suggested that it might be a good idea for each institution to develop its own policy and then to share ideas at the Interinstitutional Committee on Educational Coordination to see what they can learn from each other.

Regent Tyrrell referred to the different departmental needs and goals, and said it was extremely important that each department establish its own standards of excellence, quality and productivity so that the judgment is by the peers and the unit. Faculty members should help to determine in which areas of total performance they feel they can contribute most effectively. He said that doing so would lead to much better morale among the faculty members and a feeling that they are a part of the planning process.

Regent Lande said it was his understanding that the Oversight Committee recommended that the Board not implement the Pappas recommendation to nominate Regents as institutional representatives; however, the consultant's work plan as outlined in the RFP included the recommendation.

Mr. Richey responded that it was included in error, and would be removed.

Regent Pellett referred to Regent Tyrrell's earlier comments concerning Regents serving on institutional planning committees, and said she agreed that the Regents need to have more first-hand information. To the extent the Regents can spend more time on the campuses, they should do so.

Regent Mahood suggested that each month while the Regents are on the individual campuses they should take advantage of those opportunities.

Regent Tyrrell asked to whom the RFPs would be distributed. Research Associate Tiegls replied by reading the list of organizations, which included several Iowa firms. He said the officials of the Regent institutions contributed names of firms to be added to the list.

Regent Tyrrell asked for the approximate cost of the work to be performed by the consultant. Mr. Richey responded that the amount would be known when the responses to the RFP are received.

Regent Dorr questioned whether the RFP would include a strong Board Office component. Mr. Richey said the intent was that the consultant look at the entire operation, particularly the information and data base needs. The consultant would also be asked to review the Board's processes and its governance activities. He stated that he assumed the study would be very comprehensive.

Regent Dorr stated that he wanted to make sure that the Board Office is well encompassed in the RFP because the way the Board and the Board Office function are critical to the success of this effort.

MOTION:

Regent Kennedy moved to (1) approve the Request for Proposals for the review and follow-up on the Pappas report recommendations for the Board and the Board Office and (2) receive the institutional reports on the Pappas recommendations. Regent Mahood seconded the motion. MOTION CARRIED UNANIMOUSLY.

**ANNUAL REPORTS ON GRADUATE STUDY CENTERS.** The Board Office recommended the Board receive the annual reports of the graduate study centers

Quad Cities Graduate Study Center

Table 1  
Cooperating Institutions by State

<b>Illinois</b>	<b>Iowa</b>
Augustana College (Rock Island)	Iowa State University (Ames)
Bradley University (Peoria)	St. Ambrose University(Davenport)
Illinois State University (Normal)	Teikyo Marycrest University (Davenport)
Northern Illinois University (DeKalb)	University of Iowa (Iowa City)
University of Illinois (Chicago/Urbana/Springfield)	University of Northern Iowa (Cedar Falls)
Western Illinois University (Macomb)	

Figure 1  
Head Counts and Enrollments

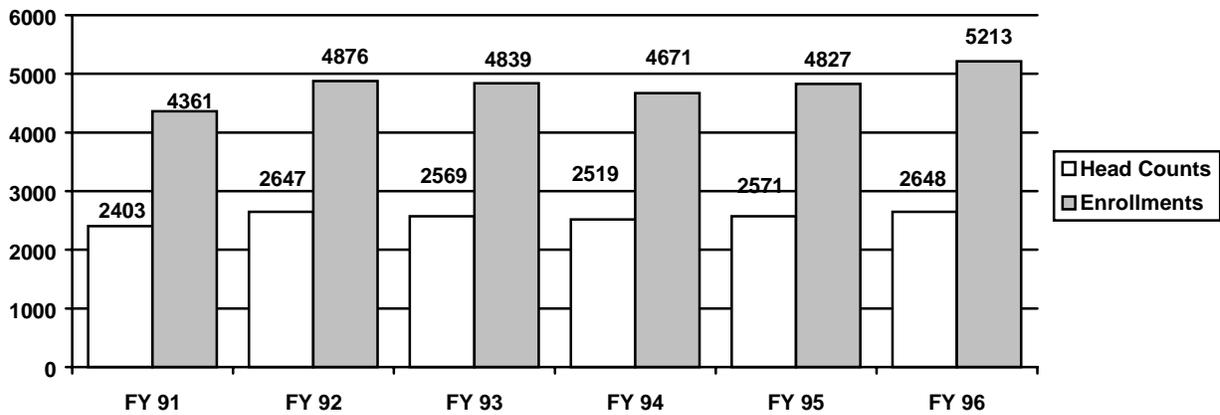


Figure 2  
Percent of Enrollment by State

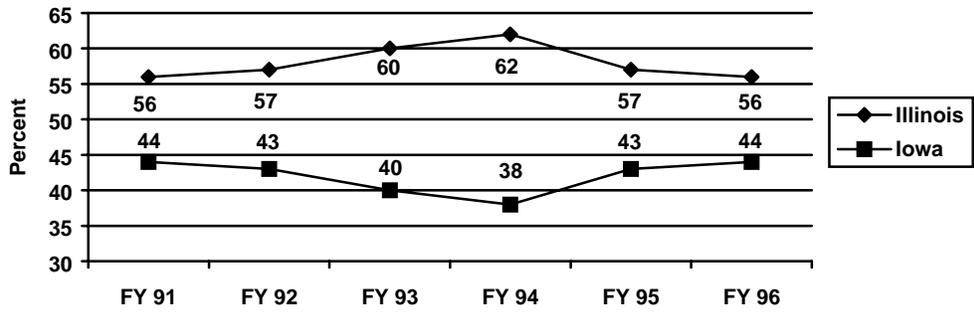
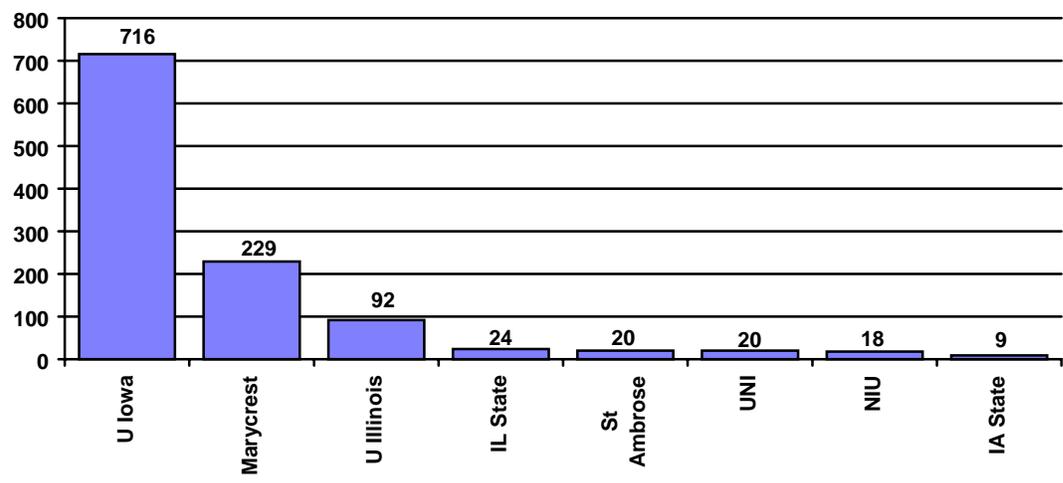


Figure 3  
Enrollments by Eight Institutions: FY 96

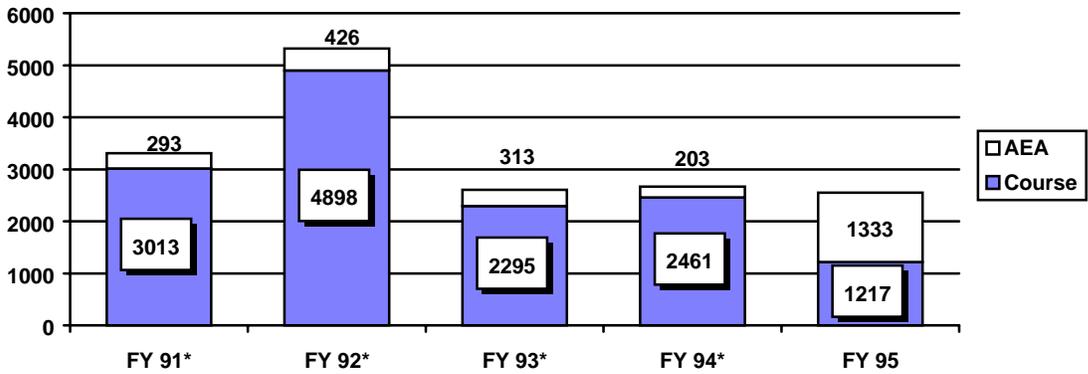


Tri-State Graduate Study Center

Table 2  
Cooperating Institutions by State

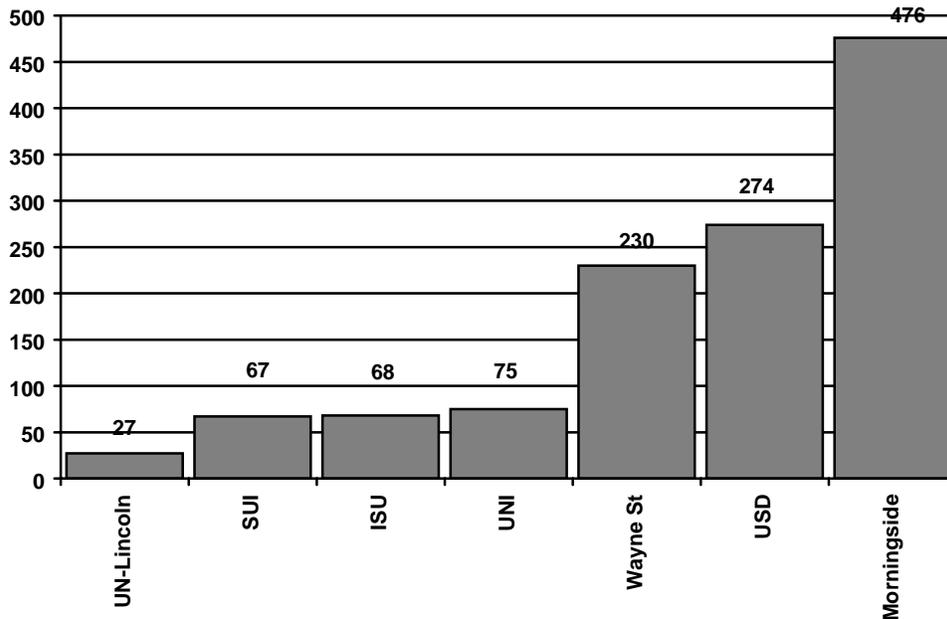
Iowa	Nebraska	South Dakota
Briar Cliff College (Sioux City)	Creighton University (Omaha)	South Dakota State University (Brookings)
Iowa State University (Ames)	University of Nebraska (Lincoln)	University of South Dakota (Vermillion)
Morningside College (Sioux City)	University of Nebraska (Omaha)	
University of Iowa (Iowa City)	Wayne State College (Wayne)	
University of Northern Iowa (Cedar Falls)		
Western Hills Area Education Agency 12 (Sioux City)		
Western Iowa Tech Community College (Sioux City)		

Figure 4  
Enrollments



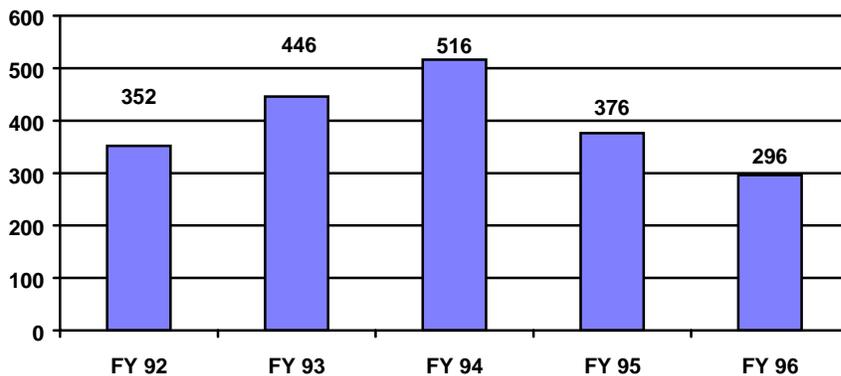
\* Course enrollments include some AEA enrollments.

Figure 5  
Enrollments by Institution FY 95



Southwest Iowa Regent Resource Center

Figure 6  
Credit Enrollments: FY 92 to FY 96



Charles Laws, Director, Quad-Cities Graduate Study Center, stated that the Board Office report summarized well the annual report of the center. He said he was pleased to have been appointed director of the graduate center on a full-time basis effective July 1, 1995. Dr. Laws stated that in the past year the graduate center has had a very successful operation and he looked forward to a successful next year. The community was very enthusiastic about the opportunities available through the graduate study center.

Regent Pellett asked whether the Quad-Cities Graduate Study Center has difficulty getting enough classrooms for the courses it wants to offer. Dr. Laws responded that in the coming year he looked forward to working with Scott Community College for two additional Iowa Communications Network classrooms which the study center will assist in scheduling for the Regent institutions through a to-be renovated building in downtown Davenport.

Robert Cox, Director, Tri-State Graduate Study Center, stated the graduate study center is a system that is growing. Dr. Cox joined the study center on October 1, 1995.

He said the material in the Board Office report accurately reflected the annual report of the center.

Regent Pellett stated that in last year's annual report of the Tri-State Graduate Study Center it was mentioned that there was difficulty getting enough classrooms for offering courses. Was that still a problem? Dr. Cox responded that the number of and access to ICN classrooms had greatly improved. The area educational agencies and community colleges have established classrooms. There are now five classrooms available for the graduate study center which really helps with scheduling.

Regent Pellett asked whether the Regent institutions can get all the courses into the area that are desired by the constituencies. Dr. Cox responded that the complication seemed to be with the scheduling of the classrooms. For example, the ICN classroom at the AEA is used all the time. He noted that the distance education systems of Nebraska and South Dakota have not yet reached the sophistication of Iowa.

Regent Pellett expressed concern that western Iowa is an area of the state that is not serviced geographically by any of the Regent universities; therefore, it is critical that instruction be provided via the ICN.

Dr. Cox stated that 53 percent of the courses offered by the Tri-State Graduate Study Center last year, 1994-95, were delivered by distance education. Those courses were delivered either by the Iowa Communications Network or some method of telecourses of the other states. However, distance education students represented only a small portion of the enrollment, less than 5 percent. Distance education reaches out to one or two students in various locations around the state, where there are not enough students to offer a course in one particular location.

Jeanne Trachta, Coordinator, Southwest Iowa Regents Resource Center, provided a summary of the center's activities during the past year. She noted that the center is a coordinating office. Although it was envisioned as a contact point in western Iowa for Iowa's Regent universities, this year four University of Northern Iowa graduate programs were completed. Those individuals were recognized in a ceremony attended by Regent Pellett. Ms. Trachta thanked Regent Pellett for participating in the event. Another activity was outreach from Iowa State University museums with an exhibit entitled "Land of the Fragile Giants". Ms. Trachta discussed the changes in attitudes toward the center's mission.

**ACTION:** President Newlin stated the Board received the annual reports of the graduate study centers, by general consent.

**FINAL REPORT ON 1996 LEGISLATIVE SESSION.** The Board Office recommended the Board receive the final report on the 1996 legislative session.

The 76th General Assembly completed its 1996 session on May 1, 1996.

### General Fund Operating and Salary Appropriations

The FY 1997 general fund operating appropriations for all budget units under the control of the Board of Regents total \$588.5 million and are contained in HF 2477 (Education Appropriation Bill), SF 2443 (Economic Development Appropriation Bill), SF 2195 (Phase III ICN), HF 2472 (Justice System Appropriations), SF 2063 (School Improvement Technology Program), SF 2470 (Standing and Other Appropriations), and HF 2114 (FY 1996 Supplemental Appropriations).

Appropriations for salary increases were included in a separate bill (HF 2497); the Regents' portion of salary adjustment appropriations was estimated at \$22.3 million less adjustments for decreases in health insurance rates.

The total Regents appropriation for FY 1997 was estimated at \$610.7 million including estimated salary appropriations and tuition replacement.

The FY 1997 Regents appropriation increase including estimated salary appropriations and tuition replacement was 4.7 percent; other FY 1997 appropriation increases were 4.2 percent for community colleges, 5.7 percent for K-12 and 8.4 percent for Iowa Tuition Grants.

Of the appropriation bills listed above, only HF 2114 and SF 2063 had been signed by the Governor.

### Education Appropriations (HF 2477)

The Education Appropriations legislation (HF 2477) included \$582.0 million for operation of the Regents system, which was \$630,162 less than the Governor's recommendation.

Although the University of Northern Iowa's appropriation reflected a \$328,155 reduction in this bill, new appropriations for University of Northern Iowa of \$500,000 for the Center for Educational Technology and \$175,000 for the Criminal Justice Program were included in other appropriation bills.

Tuition replacement was \$337,007 below the Governor's recommendation, but the appropriation amount was consistent with the Board's revised request; the \$26,984,350 appropriated plus the estimated carryforward from FY 1996 of \$505,586 represented the estimated FY 1997 tuition replacement need of \$27,489,936.

The Governor will be asked to line item veto sections of the bill which are obtrusive to the Regents governance authority.

#### Salary Appropriations (HF 2497)

This bill appropriated \$27.0 million, net of health insurance adjustments, for FY 1997 salary adjustments averaging four percent for state agencies, including the Board of Regents. It was intended to fund in full the needs of the institutions for the approved pay policies for all general fund employees with the exception of those funded from indirect costs and federal support for the Agricultural Experiment Station and Cooperative Extension Service at Iowa State University.

The Regents portion of salary adjustment appropriations was estimated at \$22.3 million, exclusive of any health insurance adjustments. The allocation of salary funds will be completed by the Department of Management over the next several weeks.

#### Economic Development Appropriations (SF 2443)

This bill provided \$5.7 million in FY 1997 appropriations for Advanced Drug Development at the University of Iowa and the Institute for Physical Research and Technology and the Small Business Development Center at Iowa State University; the funding for these programs was at the same level recommended by the Governor.

#### Phase III ICN (SF 2195)

This bill included \$500,000 for the Center for Educational Technology at the University of Northern Iowa to coordinate staff development.

#### Justice System Appropriations (HF 2472)

This bill included \$175,000 for the criminal justice program at the University of Northern Iowa.

#### School Improvement Technology Program (SF 2063)

This bill, which establishes a school improvement technology program and appropriates \$150 million over a five-year period to the Department of Education, included \$15,000 (minimum) for the University of Northern Iowa Price Laboratory School, the Iowa School for the Deaf and the Iowa Braille and Sight Saving School.

#### Standing and Other Appropriations (SF 2470)

This bill included \$70,000 to be appropriated in FY 1997 from FY 1995 lottery revenues for Lakeside Laboratory to fix a sewage line, expand a phone system and install a natural gas pipeline. This bill included \$200,000 for FY 1996 to the State Hygienic Laboratory at the University of Iowa for conducting analyses of test samples for alcohol or illegal controlled substances.

### FY 1996 Supplemental Appropriations (HF 2114)

This bill included appropriations of \$47,000 to each of the special schools in FY 1996 (\$45,000 for technology and \$2,000 for prescription reimbursements). The technology funding will be carried forward and spent in FY 1997.

### Capital Appropriations (HF 2421)

This bill included appropriations of \$66.1 million for FY 1997 - FY 1999 for the five highest building priorities of the Board of Regents plus the National Advanced Driving Simulator (NADS) building as recommended by Governor Branstad.

<u>Project</u>	<u>Total Appropriated Amount FY 1997 - FY 1999</u>
National Advanced Driving Simulator (SUI)	\$4.3 million
School of Music Classroom Bldg./Performing Arts Center (UNI)	6.5 million
Intensive Livestock Research Facilities (ISU)	15.3 million
Biological Sciences Renovation/Addition, Phase 1 (SUI)	14.9 million
Engineering Teaching and Research Complex, Phase 1 (ISU)	11.0 million
Engineering Modernization/Addition (SUI)	<u>14.1 million</u>
TOTAL	\$66.1 million

The Board is authorized, effective July 1, 1996, to enter into contracts for the full cost of the projects for which appropriations are made for FY 1997 - FY 1999; construction contracts for all projects will thus be able to be awarded in FY 1997.

#### Agriculture Appropriations (SF 2446)

The bill provides appropriations from the Organic Nutrient Management Fund for FY 1997 to Iowa State University to support the following programs:

\$400,000 to support odor control applications of animal feeding operations, including confinement feeding operations regulated by the department of natural resources.

\$50,000 to support a person connected with USDA who engages in animal control.

\$25,000 to support multiflora rose eradication research and projects.

\$80,000 to sponsor, in cooperation with the farm section of the Attorney General's Office and assistance by the Department of Agriculture and Iowa commodity organizations, an Iowa agriculture 2000 conference for independent agricultural producers and other persons interested in the future of Iowa agriculture.

#### Other Legislative Bills

HF 2416, which appropriates FY 1997 funds to various state departments and agencies including the auditor, departments of commerce, general services, management, personnel, revenue and finance, IPERS, secretary of state and treasurer of state, requires the Department of Personnel to report:

Semi-annually to the Joint Appropriations Subcommittee on Administration and Regulation concerning the number of vacancies in existing full-time equivalent positions and the average time taken to fill the vacancies; and

Annually to the subcommittee on the number of private consultant contracts of one year or more which are entered into or extended each year by the departments and agencies of the state.

HF 2433, which relates to the state's program to dispose of waste tires in an environmentally sound manner, provides that the Board of Regents universities are encouraged to use, to the fullest extent practicable, tire-derived fuels to generate heat, electricity, or power.

SF 2157 requires any postsecondary school having a presence in Iowa and maintaining or conducting courses, including correspondence courses, in Iowa, other states, or foreign countries, must register annually with the secretary of state and will be issued a letter of registration.

SF 2331 prohibits certain uses and false representations relating to academic degrees, grades, or honors in an application for employment, admission to an educational program, an award or other recognition, or the issuance of an academic degree to the person. This bill was signed by the Governor on April 2.

The Board's legislative liaisons -- Frank Stork, Gary Steinke and Pat Geadelmann -- performed in an outstanding manner and were congratulated.

Mr. Richey stated that the Regents had experienced a very successful legislative session. He said it was outstanding in terms of the capital program.

Regent Pellett asked whether the Governor had signed any legislation. Mr. Richey responded that the Governor had not. He noted that there would perhaps be line item vetoes of some of the language that is offensive to the Board's governance authority.

**ACTION:** President Newlin stated the Board received the final report on the 1996 legislative session, by general consent.

**REPORT OF THE BANKING COMMITTEE.** The Board Office recommended the Board accept the report of the Banking Committee and authorize the selection of the Board's Investment Advisor, screening process for selection of the Board's Financial Advisor and Bond Counsel, and approval of a brokerage firm.

President Newlin stated that the Banking Committee had been unable to meet the previous day due to complications caused by the weather.

Regent Dorr stated that the screening committee recommended the selection of Wilshire Associates as the Board's investment advisor.

Vice President True stated that university officials fully supported the recommendation and looked forward to working with Wilshire Associates.

**MOTION:** Regent Dorr moved to select Wilshire Associates as the Board's investment advisor. Regent Kennedy seconded the motion, and upon the roll being called, the following voted:  
AYE: Dorr, Kennedy, Lande, Mahood, Newlin, Pellett, Smith, Tyrrell.  
NAY: None.  
ABSENT: None.

**MOTION CARRIED UNANIMOUSLY.**

**BUDGET CEILING ADJUSTMENTS FOR FISCAL YEAR 1996.** The Board Office recommended the Board approve FY 1996 budget ceiling increases for:

- a. University of Iowa

	Oakdale Campus	\$ 100,000
	Family Practice Program	4,000
b.	Iowa State University General Education Fund	2,100,000
c.	University of Northern Iowa General Education Fund	1,450,000
d.	Iowa School for the Deaf	27,000
e.	Iowa Braille and Sight Saving School	98,000

## UNIVERSITY OF IOWA

### Oakdale Campus

University of Iowa officials requested a budget ceiling increase in its budget for the Oakdale Campus for FY 1996 of \$100,000. This represented a 2.7 percent increase over the original FY 1996 budget. The increase in revenue was due to additional rental income and reimbursed indirect costs. The additional funding will be used to update the HVAC systems on the Oakdale Campus.

### Family Practice

University of Iowa officials requested a budget ceiling increase in its budget for Family Practice for FY 1996 of \$4,000. This represented a 0.2 percent increase over the original FY 1996 budget. The increase was due to additional income received from the Statewide Family Practice Training Program. The additional revenue will be used for travel costs and general expenses associated with university outreach activities at the sites of the community-based residency programs.

## IOWA STATE UNIVERSITY

Iowa State University officials requested a budget ceiling increase in its budget for the general education fund for FY 1996 of \$2,100,000. This represented a 0.8 percent increase over the original FY 1996 budget. The additional income was projected as follows:

- \$1.0 million in tuition income due to strong summer session enrollment, slightly higher than projected of resident enrollment in the spring term, and prior year collections.
- \$1.1 million in indirect cost revenues due to conservative estimates based on uncertainties related to Federal funding levels.

The major portion of additional revenues will be used to meet high priority equipment and building repair needs.

## UNIVERSITY OF NORTHERN IOWA

University of Northern Iowa officials requested a budget ceiling increase in its budget for the general education fund for FY 1996 of \$1,450,000. This represented a 1.4 percent increase over the original FY 1996 budget. The increase was due to revenues exceeding budget projections in the following categories:

- \$850,000 in tuition and fees
- \$100,000 in interest income
- \$350,000 in reimbursed indirect cost revenues due to greater than anticipated grant activity
- \$150,000 in sales and services

The additional revenue will be used for equipment and/or building repair projects.

## IOWA SCHOOL FOR THE DEAF

Iowa School for the Deaf officials requested a budget ceiling increase in its budget for FY 1996 budget of \$27,000. This represented a 0.4 percent increase over the original FY 1996 budget. The additional income was projected as follows:

- \$25,000 from rental income for space leased to Iowa State University Cooperative Extension and Lutheran Family Services
- \$2,000 from FY 1996 supplemental appropriation for prescription reimbursements.

The additional rental income will be used for fire and safety improvements and purchase of additional computers.

## IOWA BRAILLE AND SIGHT SAVING SCHOOL

Iowa Braille and Sight Saving School officials requested a budget ceiling increase in its budget for FY 1996 of \$98,000. This represented a 2.5 percent increase over the original FY 1996 budget. The additional income was projected as follows:

- \$2,000 from the FY 1996 supplemental appropriation for prescription reimbursements
- \$55,000 in federal support resulting from the Orientation to World of Work Summer Programs
- \$10,000 in interest income due to higher than projected cash balances and interest rates
- \$31,000 sales and services revenues due to increased outreach services with an Area Education Agency, vehicle sales in DOT auction and refunds and reimbursements.

The \$41,000 from additional interest income and sales and services revenues will be spent for Phase II of the telephone system replacement and other equipment needs.

MOTION: Regent Tyrrell moved to approve FY 1996 budget ceiling increases, as presented. Regent Kennedy seconded the motion. MOTION CARRIED UNANIMOUSLY.

**ALLOCATIONS OF STUDENT ACTIVITY FEES AND DESIGNATED TUITION.** (a) University of Iowa. The Board Office recommended the Board approve the university's proposed distribution of the portion of tuition designated for student activities, student services, and building fees for the 1996-97 academic year, including summer session 1996, as set forth.

University of Iowa officials proposed to increase its designated tuition allocation by 3.9 percent for fall and spring semesters and by 3.6 percent for summer session, which were slightly higher than the resident tuition rate increase of 3.4 percent for 1996-97 previously approved by the Board.

In order to establish the initial recreational fee of \$2.50 for the Hawkeye Area Recreational Fields project, which was approved by the Board in February 1996, and begin a 5-6 year repayment schedule for the internal loan used as an advance for the

project, the fall and spring semester rates were proposed slightly higher than the resident tuition rates.

The summer session fees are very slightly above the resident tuition rate due to a proposed increase for Student Publishers, which had been reduced from previous levels by approximately 33 percent for FY 94 and FY 95; the increase would support the Daily Iowan at the prior rate of \$1.50, indexed for inflationary impact in the intervening years.

The increase in total allocation was consistent with the overall increase in undergraduate resident tuition and fees.

Specific changes in student activity fees were developed after consultation with students.

Requests from the university for increases in student services fees and building fees appeared to be based on needs and requirements that are reasonable. The proposed amounts were expected to generate \$3,736,017 million in revenue and comprise 3.8 percent of gross budgeted tuition income for FY 1997.

Total University of Iowa designated fees for FY 1997 will increase:

to \$73.57 from \$70.84 for fall and spring semesters - a 3.9% increase.  
to \$23.28 from \$22.48 for the summer term - a 3.6% increase.

The Student Fee Committee of five students and five university administrators reviewed and discussed University of Iowa Student Government recommendations on distribution of that portion of tuition designated for student activities. University officials concur with recommendations of the Student Fee Committee on distribution of that portion of tuition designated for student activities.

Regent Tyrrell noted that membership in United Students of Iowa was discontinued by the students. He was concerned that students at each institution believe that students have credibility with the Board and said he hoped the action would not be viewed as a decrease in students' opportunity to contribute to the process.

MOTION:

Regent Tyrrell moved to approve the university's proposed distribution of the portion of tuition designated for student activities, student services, and building fees for the 1996-97 academic year, including summer session 1996, as set forth. Regent Mahood seconded the motion. MOTION CARRIED UNANIMOUSLY.

(b) Iowa State University. The Board Office recommended the Board approve the university's proposed distribution of the portion of tuition designated for student activities, student services, and building fees for the 1996-97 academic year, including summer session 1996, as presented.

Iowa State University officials proposed to increase its designated tuition allocation by 3.5 percent for both fall and spring semesters and the summer session. The increase in total allocation was consistent with the overall increase in undergraduate resident tuition and fees.

Specific changes were developed after considerable consultation with students and consideration of the implications of each change.

The proposed amounts were expected to generate approximately \$6,221,039 in revenue, 8.1 percent of gross tuition income for fiscal year 1997.

The largest fee increases proposed were in the high-priority areas of intercollegiate athletics (16.9 percent), based upon a partnership between the university and the students to maintain the existing non-revenue sports; recreation (11.6 percent), reflecting the continuing commitment to provide quality recreation facilities and a strong intramural program consistent with student interests; and Cy-Ride and Nite-Ride bus service (11.6 percent), to maintain existing service levels while offsetting reduced federal transit funding and inflationary impact.

MOTION: Regent Pellett moved to approve the university's proposed distribution of the portion of tuition designated for student activities, student services, and building fees for the 1996-97 academic year, including summer session 1996, as presented. Regent Mahood seconded the motion. MOTION CARRIED UNANIMOUSLY.

(c) University of Northern Iowa. The Board Office recommended the Board approve the university's proposed distribution of the portion of tuition designated for student activities, student services, and building fees for the 1996-97 academic year, including summer session 1996, as presented.

University of Northern Iowa officials proposed to increase its designated tuition allocation by 3.5 percent for fall and spring semesters and by 3.4 percent for summer session. The increase in total allocation was consistent with the overall increase in undergraduate resident tuition and fees.

The university has consulted appropriately with students and has presented adequate supporting explanations for its recommended increases, reductions, and new fees.

The proposed amounts were expected to generate \$2,015,400 in revenue, 7.3 percent of projected gross tuition income in FY 1997.

MOTION: Regent Mahood moved to approve the university's proposed distribution of the portion of tuition designated for student activities, student services, and building fees for the 1996-97 academic year, including summer session 1996, as presented. Regent Tyrrell seconded the motion. MOTION CARRIED UNANIMOUSLY.

**RESULTS OF AAUP FACULTY SALARIES SURVEY FOR 1995-96.** The Board Office recommended the Board receive the report.

The March-April issue of Academe, the Bulletin of the American Association of University Professors, contained the results of the AAUP 1995-96 faculty salary survey. Average salaries by rank for the Regent universities as reported by Academe follows:

	Professor	Associate Professor	Assistant Professor	Average
SUI	\$74,300	\$54,300	\$45,500	\$61,600
ISU	\$72,400	\$53,600	\$43,400	\$59,900
UNI	\$62,000	\$48,800	\$41,600	\$49,900

The University of Iowa remained in 8th place in its comparison group; Iowa State University rose from 9th to 6th in its group; and the University of Northern Iowa stayed in 6th place for average salary (all ranks).

The University of Iowa remained in 5th place in the Big 10 and Iowa State University stayed in 2nd place in the Big 8 in overall average salaries

#### Faculty Salary Rankings within Comparison Groups and Athletic Conferences 1995-96

	SUI Comparison Group		SUI BIG 10		ISU Comparison Group		ISU BIG 8		UNI Comparison Group	
	1994-95	1995-96	1994-95	1995-96	1994-95	1995-96	1994-95	1995-96	1994-95	1995-96
Professor	6	7	5	6	6	6	1	1	4	4
Associate	5	3	4	2	2	1	2	1	3	3
Assistant	6	6	4	4	10	10	3	3	2	3
Overall Average	8	8	5	5	9	6	2	2	6	6

In many instances there are just a few hundred dollars difference in the salaries in the place above and below those of our institutions. University of Iowa is ranked 8th in average salary at \$61,600. 7th place is University of Minnesota at \$61,800. Iowa State University is ranked 6th in average salary at \$59,900. 5th place is Ohio State University at \$60,300. University of Northern Iowa is ranked 6th in average salary at \$49,900. 5th place is University of North Carolina, Greensboro, at \$50,400.

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

**PROPOSED REVISIONS IN THE REGENTS MERIT SYSTEM PAY PLAN FOR FISCAL YEAR 1997.** The Board Office recommended that the Board approve the following provisions for the fiscal year beginning July 1, 1996:

1. The pay matrices for classifications in the blue collar, security, technical and clerical bargaining units will be increased by 2.5 percent on July 1, 1996, in accordance with the negotiated agreement.
2. The pay matrix for non-organized supervisory staff will be increased by 2.5 percent on July 1, 1996, consistent with the salary policies approved by the General Assembly.
3. Within-grade step increases will be provided in fiscal year 1997 for contract- covered employees in accordance with the collective bargaining agreement and for non-contract employees in accordance with the provisions of the merit rules of the Regents Merit System.

4. Consistent with the AFSCME negotiated agreement and salary policies approved by the General Assembly, full-time employees (those regularly scheduled to work 32 hours or more per week) in the Regents Merit System who are on step 8 will receive a one-time cash payment of \$300 on the first payday in December 1996. Part-time employees (those working less than 32 hours per week) will receive \$150.

The recommended actions were consistent with the collective bargaining agreement negotiated for 1995-97 between the State of Iowa and AFSCME and the pay policies established in the salary bill passed by the General Assembly.

Pay matrices will be increased 2.5 percent. Contract and noncontract covered employees will be eligible for step increases in fiscal year 1997 in accordance with the collective bargaining agreement or the merit rules.

On the first payday in December 1996, full-time employees who are on step 8 will receive a one-time cash payment of \$300. Part-time employees (those working less than 32 hours per week) will receive \$150. The payment will not be added to the employees' base salaries. As of June 30, 1995, approximately 53 percent of the employees in the Regents Merit System were on Step 8.

The salary legislation provides for comparable increases for merit system employees (supervisory and confidential) not covered by a collective bargaining agreement.

The total increase to be given to contract-covered and noncontract-covered employees in the Regents Merit System will average approximately 4 percent including within grade step increases and the \$300 cash payment.

Director Williams stated that a public hearing on the proposed pay plan was held on May 14, 1996, at 7 p.m. No one was present.

MOTION: Regent Tyrrell moved to approve the provisions for the fiscal year beginning July 1, 1996, as presented. Regent Pellett seconded the motion.  
MOTION CARRIED UNANIMOUSLY.

**PROPOSED SALARY POLICIES FOR PROFESSIONAL AND SCIENTIFIC STAFF FOR FISCAL YEAR 1997.** The Board Office recommended that the Board (1) approve the salary recommendations for the fiscal year beginning July 1, 1996, which are consistent with appropriation legislation and based on performance, and (2) approve the pay schedules proposed for the five institutions and the Board Office, as presented.

University of Iowa officials proposed to modify the P&S salary schedule to reflect state salary policy and the external market by increasing the range minimum for each pay grade by 2.0 percent and the range maximums by 3.0 percent. The salary increases will average 4.0 percent (including promotional, decompression and equity increases). These increases will be supported by the general education fund.

University of Iowa Hospitals and Clinics officials proposed to provide an average increase of 3.1 percent for its P&S staff for fiscal year 1997; UIHC professional and scientific employees are on the same pay scale as university P&S staff.

Iowa State University officials proposed to increase the professional and scientific pay scale range minimum by 2.3 percent and the range maximum will remain unchanged for fiscal year 1997.

University of Northern Iowa officials proposed a two percent increase to the minimums and maximums of the professional and scientific pay scale range. The salary increases will average 4.0 percent which was consistent with the 4.0 average salary increase negotiated with the organized faculty.

Iowa School for the Deaf and Iowa Braille and Sight Saving Schools officials proposed to increase the current salary ranges by increasing the minimum by 2.0 percent and the maximum by 3.0 percent.

Board Office grades 1 through 8 of the professional and scientific pay scale will be increased 2.0 percent at the minimums and 3.0 percent at the maximums, an average of 2.5 percent, based on general state policy.

Regent Dorr stated that he would appreciate receiving some in-depth background information on how the salary schedules and spreads were determined, etc., because he was not particularly familiar with those types of issues.

Mr. Richey responded that the Board Office would provide the information.

**MOTION:** Regent Dorr moved to (1) approve the salary recommendations for the fiscal year beginning July 1, 1996, which are consistent with appropriation legislation and based on performance, and (2) approve the pay schedules proposed for the five institutions and the Board Office, as presented. Regent Kennedy seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

**PROPOSED SALARY POLICIES FOR FACULTY AT THE SPECIAL SCHOOLS FOR FISCAL YEAR 1997.** The Board Office recommended that the Board approve (1) faculty salary schedule for the Iowa School for the Deaf and the Iowa Braille and Sight Saving School for fiscal year 1997 and (2) proposed supplemental pay schedules for extracurricular activities in 1996-97, as presented.

The revised schedule proposed for fiscal year 1997 provides for increases of 3.3 percent to base salaries. The proposed cost for progression within the salary scale is 0.78 percent for ISD and 1.38 percent for IBSSS, resulting in an overall salary increase of approximately 4.0 percent for ISD and 4.7 percent for IBSSS.

The revised supplemental schedule proposed for fiscal year 1997 provides an increase of 4 percent to the scales for extracurricular activities at the two institutions.

Compensation for the AER and the CED professional certification has been increased from \$551.00 to \$700.00 which will be funded through state appropriations.

A limited number of contract settlements at K-12 schools in Iowa have been concluded. According to the Iowa Association of School Boards the average increase in faculty salaries for 1996-97 for those contracts is reported to be 4.3 percent.

Regent Dorr asked which retirement program the special school employees are covered under -- IPERS or TIAA-CREF?

Mr. Richey stated that employees have the discretion of enrolling in either retirement program. For those employees who elect coverage by TIAA-CREF the same limits apply as for IPERS -- 5.7 percent employer and 3.7 percent employee -- up to the ceilings approved by the legislature.

Regent Dorr asked whether it was anticipated that the ceilings would be removed for the special schools employees. Mr. Richey responded that he did not anticipate that the ceilings would be removed. He said that what was presented was analogous to a community college. The legislature changed the ceilings but did not change the contribution rates.

MOTION: Regent Tyrrell moved to approve (1) faculty salary schedule for the Iowa School for the Deaf and the Iowa Braille and Sight Saving School for fiscal year 1997 and (2) proposed supplemental pay schedules for extracurricular activities in 1996-97, as presented. Regent Kennedy seconded the motion. MOTION CARRIED UNANIMOUSLY.

#### **FACULTY CONTRACT MODIFICATIONS FOR FACULTY OF SPECIAL SCHOOLS.**

The Board Office reported that the recommendations had been withdrawn.

**PRELIMINARY GENERAL FUND OPERATING AND ATHLETIC BUDGETS FOR FISCAL YEAR 1997.** The Board Office recommended the Board receive the FY 1997 preliminary general fund operating budgets for the Regent institutions, as presented.

The preliminary budgets will be revised and re-submitted to the Board in June based on the Governor's action on the appropriations bills affecting the Regents, Department of Management allocation of salary appropriations, updated revenues estimates, and any revisions in institutional priorities based on Board comments and actions at this meeting. The revised preliminary operating budgets will be presented in June and incorporate responses to questions or concerns raised by the Board at this meeting.

Following approval of the revised preliminary operating budgets in June, the institutions will determine specific salaries for each staff member and allocate funding to colleges, academic departments, support and administrative units.

Capital improvement budgets for FY 1997 will be presented to the Board in June.

The preliminary FY 1997 general fund operating budgets for the five Regent institutions total \$1.2 billion for FY 1997, an increase of 3.3 percent over the revised FY 1996 budgets.

FY 1997 state operating appropriations for the five Regent institutions, excluding tuition replacement, total \$582.3 million, an increase of 5.0 percent over FY 1996.

The general operating funds are distributed among the institutions as follows:

University of Iowa	\$ 751,142,840
Iowa State University	328,096,370
University of Northern Iowa	107,073,500
Iowa School for the Deaf	7,293,911
Iowa Braille and Sight Saving School	<u>4,162,158</u>
TOTAL	\$1,197,768,779

The budgets were developed by the institutions based on the Board's and institutions' approved strategic plans as well as the actions of the Governor and General Assembly. The final FY 1997 operating budgets presented to the Board in July also will reflect restricted funds.

The FY 1997 budgets include \$13.2 million for strategic planning initiatives of the University of Iowa; \$9.6 million for Iowa State University, which will be funded through increased state appropriations, other new revenues and reallocations; and \$7.1 million for the University of Northern Iowa.

Tuition and fee revenues for FY 1997 are 3.0 percent higher than the revised FY 1996 budget, based on the rate increase approved by the Board last fall and fall 1996 enrollment projections. Although each of the universities is projecting enrollment increases for fall 1996, Iowa State University's tuition revenues are constant due to decreased numbers of non-resident students and a higher ratio of part-time students.

Total salary expenditures are expected to grow 2.7 percent over the FY 1996 revised budget. Net increases for faculty at the three universities will average 4.0 percent.

Faculty salary increases for the special schools average close to 4.0 percent including a one step advance on the salary schedule for all eligible faculty and a 3.3 percent increase adjustment of the pay matrix. Salary increases for professional & scientific staff average 4.0 percent and are based on performance. Salary increases for merit staff covered by collective bargaining and supervisory merit staff include a 2.5 percent increase on July 1, 1996, a merit step increase for those eligible, and a \$300 one-time bonus for those at the top of their pay scale.

The Regents portion of salary adjustment appropriations is estimated at \$22.3 million, before health insurance adjustments. The allocation of salary funds will be completed by the Department of Management over the next several weeks.

The salary increases are offset by salary cost reductions of \$9 million in the statewide health services budget units resulting from budget savings identified through operational benchmarking and restructuring.

Library collections have been augmented by the \$1.1 million (8.5 percent increase) in state appropriation funding to help offset inflationary increases for library materials at the Regent institutions.

Aid to students will grow \$1.9 million (5.5 percent) as a result of the tuition rate increase approved by the Board last fall.

Increased state appropriations will be utilized for the following programs at the Regent universities:

<b><u>All Universities</u></b>		
	Undergraduate Education	\$1,021,945
	Library Inflation	1,119,511
<b>SUI</b>	Educational Computing	\$250,000
	Graduate Assistance	350,000
	Bioscience Initiative	500,000
<b>ISU</b>	Healthy Livestock for Iowa	\$700,000
	Pork and Beef Industry Centers	200,000
<b>UNI</b>	Criminal Justice Program	\$175,000
	Center for Educational Technology	500,000
<b>ISD</b>	Building Repairs	\$ 25,000
	Technology Improvements	60,000
<b>IBSSS</b>	Building Repairs	\$ 25,000
	Technology Improvements	60,000
	Lakeside Laboratory Infrastructure	\$ 70,000

Officials of the University of Iowa, Iowa State University, and the University of Northern Iowa have identified \$8.1 million, \$6.6 million and \$7.1 million in reallocations, respectively, which will be used to fund strategic planning initiatives and mandatory cost increases. The mandatory cost increases include utilities, environmental regulatory compliance, opening new buildings and space rental. The funding for strategic planning initiatives is allocated in accordance with the Board's and institutional strategic plans; the specific initiatives are reviewed in the individual budget docket memos.

The Iowa School for the Deaf and the Iowa Braille and Sight Saving School have identified \$223,991 and \$203,130 in reallocations, respectively.

FY 1997 state appropriations for tuition replacement of \$26,984,350 plus \$505,586 estimated carryforward from FY 1996 represents the \$27,489,936 currently estimated for full coverage of debt services for academic revenue bonds in FY 1997.

State appropriations for regional study centers of \$341,117 include \$8,172 in additional appropriations for salaries. Additional funding was appropriated to the Southwest Iowa Regents Resource Center of \$20,000 to develop a small computer lab and provide an Internet connection and \$10,000 to increase the coordinator position from .5 FTE to .67 FTE.

Other components of the Iowa portion of the budgets remain unchanged.

The preliminary FY 1997 budget for Lakeside Laboratory is \$451,541. The \$304,781 funding provided by the Regents universities is funded in accordance with the current formula of 50 percent University of Iowa, 30 percent Iowa State University and 20 percent University of Northern Iowa. One-time state appropriation funding of \$70,000 is allocated from FY 1995 lottery revenues to fix a sewage line, expand a telephone system and install a natural gas line. Room and board revenue and expenses are estimated at \$76,760.

ACTION: President Newlin stated the Board received the FY 1997 preliminary general fund operating budgets for the Regent institutions, as presented, by general consent.

(a) University of Iowa. The Board Office recommended the Board receive the report on the FY 1997 preliminary general fund operating budget for the University of Iowa in the amount of \$751,142,840.

The preliminary FY 1997 general fund operating budget for the University of Iowa of \$751,142,840 is 3.2 percent greater than the revised FY 1996 budget. The funds are distributed among budget units as follows:

General University	\$339,281,864
University Hospital	372,838,000
Psychiatric Hospital	16,204,300
Hospital School	7,824,700
Oakdale Campus	3,808,687
Hygienic Laboratory	5,468,000
Family Practice	2,166,433
SCHS	723,300
Special Purpose	<u>2,827,556</u>
Total	\$751,142,840

The FY 1997 state appropriation of \$267,991,608 is 4.8 percent greater than FY 1996.

Salary increases will be allocated as follows:

- Salary increases for faculty average 4 percent (including promotional and equity increases); increases will be granted based on the quality of teaching, research and scholarship, and service.
- Salary increases for clinical faculty in the College of Medicine are based on the Board policy approved in September 1994; increases for the clinical services component are fully derived from earnings in the College of Medicine Faculty Practice Plan (FPP). For FY 1997 it is expected that FPP revenue will grow insufficiently to support 4 percent salary funding and that the average increase for the clinical component of the salary increase for faculty clinicians will therefore be less than 4 percent.
- Salary increases for professional & scientific staff (P&S) average 4 percent, and are based on merit and equity; the university continues its program to eliminate salary compression.

These salary guidelines will apply regardless of source of funding, except for health care professionals employed by UIHC; UIHC officials proposed to provide an average increase of 3.1 percent for FY 1997. In recent years, UIHC health care professionals, especially nurses, have received average annual salary increases which exceeded those paid to other university P&S (7.0 percent vs. 4.0 percent) for a seven-year period. This differential and the desire to limit the number of staff positions which must be eliminated to reduce expenditures by \$65 million over four years (part of UIHC's operational plan from FY 1997 through FY 2000) have been taken into consideration in developing the average recommended increase.

Providing an average increase of 3.1 percent rather than 4 percent will save approximately \$1.0 million in FY 1997.

Salary increases for merit staff covered by collective bargaining and supervisory merit staff include a 2.5 percent increase on July 1, 1996, and merit step increases for those eligible; those employees working more than 32 hours per week and not receiving a step increase will receive a \$300 bonus at the end of November 1996.

#### General University

The FY 1997 preliminary general fund general university budget, including primary health, is \$339,281,864, which represents an increase of \$16.5 million (5.1 percent) over the FY 1996 budget.

The general university state appropriation of \$212,360,445 represents an increase of \$10.9 million (5.4 percent) over FY 1996. The general university state appropriation includes a base reduction of \$300,000 from the FY 1996 appropriation for nonrecurring items.

Projected revenue from tuition and fees for FY 1997 of \$103,641,419 represents an increase of \$5,211,510 (5.3 percent) over the FY 1996 budget. Projected tuition revenue and fee revenue is based on enrollment estimates and the Board's general rate increases approved for the University of Iowa of 3.4 percent for resident students and 4.9 percent for nonresidents.

Fall 1996 student headcount enrollment is projected at 27,888, an increase of 144 over projected fall 1995 headcount enrollment and 291 over actual fall 1995 headcount enrollment. The increase of 291 headcount enrollment is expected to include an increase of 395 undergraduate students and a decrease of 104 graduate and professional students.

Base tuition rate increases and surcharges for pharmacy and law students were approved by the Board in October 1995. Approximately \$833,840 will be set aside from the additional tuition revenues to augment student financial aid.

General education fund indirect cost recoveries from sponsored research and other grant and contract activities are projected to be \$22,055,000 for FY 1997; this is the amount budgeted for FY 1996. FY 1996 year-to-date information regarding indirect cost recoveries indicates that FY 1996 receipts may be as much as \$800,000 (3.6 percent) below the budgeted level. This potential shortfall and an increase in the indirect cost rate from 46 percent in FY 1996 to 47 percent in FY 1997 have been considered in establishing FY 1997 budget estimates.

Interest income revenues are projected to be \$1,150,000, which represents an increase of \$400,000 (53.3 percent) increase over the FY 1996 budget. Interest income is expected to increase because of favorable cash flows through the earlier collection of tuition revenue.

The FY 1997 budget reflects reallocations totaling \$8.1 million, which recognize both permanent and temporary shifts in the use of general education fund resources.

The \$24.6 million new revenues and reallocations will be allocated for salary compensation increases (\$10.0 million), other unavoidable cost increases (\$1.5 million) and strategic planning initiatives (\$13.1 million). Unavoidable cost increases include utilities inflation, load growth, and rate increases (\$531,000), library inflation (\$561,000), opening new buildings - Pharmacy (\$250,000), and graduate assistant collective bargaining (\$100,000).

The strategic planning initiatives (\$13.2 million) include:

- Computing Resources (\$632,279) - Funding will support approximately 2,000 new connections to the new fiber-optic campus telecommunications utility and will be used for desktop computing equipment for faculty and academic support services.
- The sum of \$130,000 has been allocated to academic building maintenance to provide added weekend custodial service and to initiate trainee positions in area maintenance serving academic buildings.

- Recruitment of faculty, specialized professional and scientific staff, student stipends and equipment purchases in support of the university's biosciences initiative (\$780,000).
- An increase of \$400,000 in the building renewal budget will provide for additional improvements affecting students, including repairs and renovation of classrooms and laboratories and support for external campus improvements, particularly pedestrian walkways, safety lighting and bicycle parking.
- The sum of \$725,000 has been allocated to improving undergraduate education including support for additional general education requirement (GER) courses in fall 1996 to meet the anticipated needs of 400 additional undergraduate students (\$475,000); faculty start-up funding (\$100,000), enabling the university to remain competitive in attracting and maintaining faculty; student academic advising and support services (\$75,000); and the Center for Teaching (\$75,000).
- For the second consecutive year the university has budgeted funds to help address critical instructional equipment needs in the academic departments and colleges (\$350,000).
- The addition of \$235,000 in support to the university libraries will enable it to meet more fully critical campus information needs including the costs of maintaining and operating the on-line catalog (OASIS).
- An allocation of funds to human resource training and retraining (\$150,000).
- Support for the third year of the women's crew team (\$210,000) and the addition of an intercollegiate women's soccer team (\$75,000).

#### University of Iowa Hospitals and Clinics

The preliminary FY 1997 general fund budget for the University of Iowa Hospitals and Clinics is \$372,838,000, which represents a \$6,309,500 increase (1.72 percent) over FY 1996. UIHC's FY 1997 budget was prepared in accordance with its strategic plan which was presented to the Board at its July 1995 meeting; the 1995 strategic plan emphasizes goals and strategies that address the implications of market driven health reform.

The state appropriation of \$30,127,428 represents an increase of \$725,941 (2.47 percent) over FY 1996. State appropriations represent 8.08 percent of University Hospitals' FY 1997 revenue.

Based on anticipated levels of patient service and the projected indigent patient census for FY 1996, the indigent patient census in FY 1997 will utilize approximately a 10.3 percent proportion of the FY 1997 operating budget versus the 8.08 percent of the operating budget supported from appropriated funds.

UIHC officials requested Board approval of a 3.0 percent rate increase, to be effective July 1, 1996.

FY 1997 revenues will be impacted by the anticipated general decreases in patient volumes (decreased admissions and patient days partially offset by the growth in

ambulatory patient clinic visits) as well as reduced payments for services due to expansion of managed care payer penetration among UIHC's patients.

It is anticipated that Congress and the President will reach a compromise on a FY 1997 balanced budget proposal that will reduce Medicare and Medicaid payment levels to UIHC. While the magnitude of these reductions is unknown at this time, current year proposals would have reduced Medicare reimbursement to UIHC between \$7.2 million and \$8.5 million.

UIHC's rates of charge have increased moderately during the past ten years, averaging 3.8 percent annually and including 2 years without a rate increase. The modest increase has been achieved through productivity increases and multiple major cost containment initiatives. For the ten-year period (1987-1997), UIHC has kept its rate increase nearly 42 percent below the national average.

Productivity increases are expected to continue for FY 1997; these increases are anticipated to arise from the major program which UIHC is undertaking to manage value in the evolving competitive health care environment. This program will permit UIHC through restructuring and benchmarking of its operations to curtail its expenses within the anticipated FY 1997 revenue levels.

UIHC's program to manage the value of the care it provides includes multiple efforts to reduce costs and enhance productivity levels, including minimization of unit costs in all departments and restructuring of cross departmental operations and clinical processes.

The operational plan involves reducing expense budgets from FY 1996 through FY 2000.

UIHC removed \$18 million from its operating budget for FY 1996 and estimates that an additional \$65 million in 1996 dollars will need to be removed over the remaining four years of the program.

A significant reduction of \$22 million was initially targeted for FY 1997; the budget, as presented, provides for a \$15.5 million annualized expense reduction.

In addressing the remaining \$6.5 million, UIHC will remain sensitive to the significant increase during FY 1996 in the medical complexity of inpatients, growth in sub-acute unit utilization and the fact that no unanticipated reductions in reimbursements for educationally related costs occurred during FY 1996.

MECON/PEER is a commercially available operational benchmarking service which has been made available to UIHC's departments as an assistive tool in managing value for FY 1996 and FY 1997.

Use of MECON/PEER and restructuring of operations have identified annualized expense budget growth curtailment opportunities for FY 1997 totaling \$13.8 million; these identified savings would be offset in FY 1997 by \$3.5 million in non-recurring payments to UIHC professional staff during their furlough notice period.

#### Nursing Services (\$4,301,000)

A restructuring of inpatient nursing unit services over the next two years will remove 93 acute care beds; four acute care inpatient units will be closed with the patients being integrated into other patient care units.

Main Operating Room nursing staff schedules will be adjusted to match the patient groups being cared for, complex schedule demands and patient acuity.

Benchmarking and comprehensive assessment of the scheduling and staff patterns of all other Nursing service areas and general expense budgets indicate that additional cost savings are achievable.

#### Ambulatory Clinics Services (\$1,973,000)

A comprehensive review and restructuring of operations in each of UIHC's 35 ambulatory clinics has identified the possibility for eliminating 102 FTE positions; approximately 39% of the positions are funded from clinical department budgets administered by the College of Medicine with the remaining 61% funded by UIHC's budget.

#### Other Hospital Services (\$7,544,800)

A review of other UIHC departments has resulted in a number of opportunities for cost savings, including expansion of purchasing through group programs; restructuring and streamlining operations in multiple departments to reduce unit costs; and changes in administrative and supervisory structures in several departments.

The initiatives have resulted in significant opportunities for reducing staffing levels (150 FTE positions) primarily through attrition and reassignment.

Salary increases of \$8,509,600 will be funded from state appropriations (\$725,941) and sales and services revenues (\$7,783,659).

Inflationary adjustments of 4.5 percent for supplies and services, rentals, building renewals and equipment (\$5,798,600) and additional funds for building renewal (\$651,900) will be funded from additional sales and services revenues, and reimbursable indirect costs.

A budgetary allocation for bad debt expense totaling \$347,800 arising from increasing the financial participation of patients in the cost of their health care services will be funded from sales and service income.

Additional funds totaling \$2,232,800 funded from sales and service income have been allocated for additional supplies and services and equipment due to the increasing medical complexity of patients seen and rapidly evolving medical technology and service needs.

The cost of university utilities services will decline by \$452,400 excluding decreases in the labor component of utilities service costs; this amount includes an inflationary increase in the non-labor component and a reduction in usage.

UIHC provides direct payments for various university services.

Reduced carry forward adjustments for university administrative services will reduce the UIHC university administrative overhead charge by \$300,200 in FY 1997.

Historically the UIHC has provided support to the College of Medicine's (COM) clinical departments, including the COM's Faculty Practice Plan (FPP), for activities which are

of a mutual benefit to the UIHC. Total support was proposed to increase \$3,359,700 from FY 1996 levels.

FY 1997 direct payments to COM include an increase of \$4.1 million over FY 1996 budgeted levels for compensatory payments to the COM for clinical faculty's residency teaching and hospital related governance, supervisory and other administrative efforts in support of the UIHC; the payments are funded from savings in UIHC's FY 1996 budgets arising from operational efficiencies which are anticipated to be recurring in FY 1997.

### Psychiatric Hospital

The preliminary FY 1997 General Fund budget for the Psychiatric Hospital is \$16,204,300 which represents a .8 percent increase over FY 1996.

The state appropriation of \$7,440,922 represents an increase of \$227,356 (3.2 percent) over FY 1996.

State appropriations represent 45.9 percent of the Psychiatric Hospital's FY 1997 revenue.

Board approval of a 4.0 percent rate increase for the Psychiatric Hospital, effective July 1, 1996 is requested; this rate increase is necessitated by a significant decrease in anticipated reimbursement levels due to managed care contracting.

Salary increases of \$481,800 will be funded from state appropriations (\$227,356), indirect cost reimbursement (\$86,000), and sales and services revenues (\$168,444).

Inflationary adjustments of 4.5 percent for supplies and services, rentals, building renewals and equipment (\$122,000) and the net inflation adjustment for the cost of university utilities services (-\$20,000) will be funded from additional sales and services revenues, and reimbursement of indirect costs.

Use of MECON/PEER operational benchmarking service and/or restructuring of operations have identified annualized expense budget curtailment opportunities totaling \$640,900; this amount is estimated to be offset by non-recurring payments to UIHC professional staff during their furlough notice period (\$188,000) for a net FY 1997 reduction of \$452,900.

Benchmarking and comprehensive assessment of the nursing services scheduling and staffing patterns resulting in position changes; reduced utilization of hourly wage staff and overtime; and curtailment of purchased supplies and services (\$390,300).

Restructuring and position changes in other diagnostic, professional and clinical services (\$112,000).

Administrative, dietary, environmental, material and other support services (\$138,600).

### University Hospital School

The preliminary FY 1997 General Fund budget for the University Hospital School is \$7,824,700, which represents a 1.7 percent increase over FY 1996.

The state appropriation of \$6,180,820 represents an increase of \$265,848 (4.5 percent) over FY 1996.

State appropriations represent 79.0 percent of the Hospital School's FY 1997 revenues.

UIHC officials requested Board approval of a 5.0 percent rate increase for the University Hospital School, effective July 1, 1996; the increase is needed to assure revenue flows necessary to earn necessary sales and service income as detailed in the FY 1997 preliminary budget.

Managed care "price" reductions and reductions in reimbursement revenues due to utilization reductions will likely occur, resulting in decreased reimbursement revenues for services of \$213,000 in FY 1996.

Salary increases of \$248,100 will be funded from state appropriations.

Inflationary adjustments of 4.5 percent for supplies and services, rentals, building renewals and equipment (\$40,900), additional funds for building renewal (\$15,000), and the net inflation adjustment for the cost of university utilities services (\$600) will be funded from additional sales and services revenues.

Expense budget curtailment opportunities identified by operational benchmarking and restructuring total \$171,400.

Restructuring of inpatient nursing staffing schedule and elimination of 1.0 FTE staff nurse position and 1.0 nursing assistant (\$101,000).

Consolidation of University Hospital School's Building Services Department with UIHC's Facilities Management Department, resulting in general expense savings (\$70,400).

#### Oakdale Campus

The preliminary FY 1997 General Fund budget for the Oakdale Campus is \$3,808,687, which represents a 1.9 percent increase over the revised FY 1996 budget; the revised budget is a \$100,000 (2.7 percent) increase over the original FY 1996 budget.

The state appropriation of \$2,958,687 represents an increase of \$71,908 (2.5 percent) over FY 1996.

The increase in state appropriations will be used to fund the cost of salary adjustments.

Increases in utilities costs will be funded through reallocations from professional and scientific supplies.

#### University Hygienic Laboratory

The preliminary FY 1997 general fund budget for the University Hygienic Laboratory is \$5,468,000, which represents a 3.9 percent increase over FY 1996.

The state appropriation of \$3,466,359 represents an increase of \$172,425 (5.2 percent) over FY 1996.

State appropriations represent 63.4 percent of the Hygienic Laboratory's FY 1997 revenues.

Board approval of a 2.0 percent rate increase for the University Hygienic Laboratory, effective July 1, 1996, is requested; the increase will assure adequate revenue to cover inflationary and salary increase costs.

Salary increases of \$177,500 will be funded from state appropriations (\$172,425) and sales and services revenues (\$5,075).

Inflationary increases of 2.5 percent for supplies and services, rentals and equipment (\$25,300) will be funded from sales and services revenues.

#### Family Practice Program

The preliminary FY 1997 General Fund budget for the Family Practice Program is \$2,166,433 which represents an 3.8 percent increase over the FY 1996 revised budget; the revised budget is \$4,000 (.2 percent) higher than the FY 1996 original budget.

State appropriations fund \$2,139,433 of the FY 1997 Family Practice Program General Fund, and represent a \$79,767 (3.9 percent) increase over FY 1996.

Salary increases of \$79,767 will be funded from the increase in state appropriations.

Eighty percent of the appropriated funds will be spent in community-based family physician training programs consistent with statutory requirements and twenty percent will be spent on university-sponsored activities in support of the community-based training programs.

#### Specialized Child Health Services - Cancer, Hemophilia, High Risk Infant Program

The preliminary FY 1997 General Fund budget for Specialized Child Health Services (SCHS) - Cancer, Hemophilia, High Risk Infant Program is \$723,300, which represents a 3.5 percent increase over FY 1996.

The state appropriation of \$489,958 represents an increase of \$25,799 or 5.6 percent over FY 1996.

Federal support is budgeted to decrease by \$3,899 (2.7 percent) for a total of \$139,740.

Other income of \$93,602, an increase of \$2,400 over the amount budgeted for FY 1996, is anticipated from the Department of Pediatrics and UIHC.

Salary increases of \$23,600 will be funded from state appropriations.

Another program of the SCHS, Mobile and Regional Clinics, receives an appropriation through the Department of Health and subsequently contracts with the UIHC for the operation of the clinics.

#### Special Purpose Appropriations

The preliminary FY 1997 General Fund budget for the Special Purpose Appropriations is \$2,827,556, which represents a decline of \$224,588 (7.4 percent) from the FY 1996 general fund budget.

The Special Purpose Appropriations for FY 1997 are as follows:

	<u>FY 1996</u>	<u>FY 1997</u>	<u>% Change</u>
Center for Agricultural Health and Safety	253,213	259,695	2.6%
Center for Biocatalysis and Bioprocessing	1,293,776	1,038,903	(19.7%)
Center for Advanced Drug Development	318,299	324,582	2.0%
Iowa Substance Abuse Consortium	64,037	66,561	3.9%
National Advanced Driving Simulator	607,593	617,569	1.6%
State of Iowa Cancer Registry	194,226	199,246	2.6%
Oakdale Research Park	221,000	221,000	0%
Technology Innovation Center	<u>100,000</u>	<u>100,000</u>	<u>0%</u>
Total	\$3,052,144	\$2,827,556	(7.4%)

Funding for the Center for Agricultural Health and Safety, Center for Advanced Drug Development, Iowa Substance Abuse Consortium, National Advanced Driving Simulator, and State of Iowa Cancer Registry represent increased appropriations for salary adjustments.

Funding for construction of the National Advanced Driving Simulator facility (\$4.3 million) is included in the capital appropriation bill.

The Board's request was for a reduction in funding for the Center for Biocatalysis and Bioprocessing.

The Technology Innovation Center and the Oakdale Research Park were previously supported by the Wallace Technology Transfer Foundation; the amounts appropriated are the same amounts as recent years.

President Coleman reviewed with the Regents the preliminary budget summary for the University of Iowa. She said the biosciences initiative is ongoing. The university has received additional funding in that area. Approximately \$8.1 million has been reallocated.

**ACTION:** President Newlin stated the Board, by general consent received the report on the FY 1997 preliminary general fund operating budget for the University of Iowa in the amount of \$751,142,840.

(b) Iowa State University. The Board Office recommended the Board receive the report on the preliminary FY 1997 general operating budget for Iowa State University in the amount of \$328,096,370.

The preliminary FY 1997 general fund operating budget for Iowa State University of \$328,096,370 was 2.9 percent greater than the FY 1996 revised budget. The FY 1997 state appropriation of \$227,233,427 was 4.8 percent greater than FY 1996.

The funds are distributed among budget units as follows:

General University	\$256,687,367
Agriculture Experiment Station	36,623,188
Cooperative Extension	28,130,695
Institute for Physical Research and Technology	4,204,915
Special Purpose Appropriations	<u>2,450,205</u>
Total General Funds	\$328,096,370

University officials proposed to fund mandated collective bargaining agreements for all general services staff, including a 2.5 percent increase July 1, 1996; in addition, eligible employees will receive step increases and bonuses.

General services employees on Step 8 as of December 1996 will receive a one-time cash payment of \$300; part-time employees (less than 32 hours per week) will receive \$150. Per state policy, general services staff not covered by the AFSCME agreement will receive the same increase as negotiated.

Salary increases for continuing faculty and professional and scientific staff will be based on performance and were estimated to be in the range of 3.5 percent - 3.7 percent, owing to the impact of reduced salary adjustment appropriations.

Unlike previous years, Iowa State University did not receive salary adjustments in FY 1997 for salaries that correspond to federal funds and indirect costs, which represented a reduction of \$597,789. This reduction will affect general university, the Agriculture Experiment Station (IAHEES), and the Cooperative Extension Service (CES), with the impact on CES being the most severe.

University officials proposed to spread 50 percent of the reductions across all general fund budget units, and accommodate the balance through internal reallocations, thus spreading the impact on salaries and salary-driven benefits uniformly across all areas of the university.

University officials proposed internal reallocations totaling \$6.6 million (2.0 percent) of total FY 1997 preliminary budget) to fund strategic planning initiatives and the above-mentioned reductions salary adjustment appropriations related to federal funding and indirect cost recovery.

The university's commitment to the strategic planning process is reflected in a total of \$9.6 million new and reallocated revenue that will be used for initiatives in accordance with the six goals of Iowa State University's new strategic plan. These strategic planning initiatives are highlighted below.

Goal #1: Undergraduate Education -- \$5,046,405, including \$1,679,000 for restructuring the College of Engineering, \$749,057 for improving undergraduate education/instructional support, \$671,066 for recruitment and retention initiatives, and \$596,513 for redirected faculty positions/disciplinary effort.

Goal #2: Graduate/Professional Education and Research -- \$1,892,066, including \$534,689 for redirected faculty positions/disciplinary effort, \$240,000 for Miller Graduate Fellowships, and \$215,881 for leadership positions in various departments/units.

Goal #3: Outreach Efforts -- \$1,415,234, including \$506,129 for personnel and support for technology/initiatives, \$233,333 for healthy livestock (1/3), and \$200,000 for Iowa Pork and Beef Industry Centers.

Goal #4: Stimulating and Supportive Environment -- \$522,833, including \$100,000 for African American Studies, \$94,920 for enhancing human resource services, and \$44,056 for increased custodial services.

Goal #5: Technology and Computation Services -- \$358,500, including \$139,293 for redirected faculty positions/disciplinary effort.

Goal #6: Economic Development Initiatives -- \$319,746, including \$233,333 for the Healthy Livestock program (1/3), and \$86,413 in support for initiatives and research projects.

### General University

The preliminary FY 1997 operating budget for general university is \$256,687,367, an increase of 3.0 percent over the FY 1996 revised budget. The state appropriation of \$167,833,659 represents a 5.3 percent increase.

General university revenue components include:

State appropriations for operations (+5.3%)	\$167,833,659
Tuition and fees (+0.1%)	\$ 78,579,708
Indirect cost recovery (-10.0%)	\$ 7,650,000
Interest income (-9.8%)	\$ 1,151,000
Sales and services (0.0%)	\$ 210,000
Other income (0.0%)	\$ 1,263,000

Tuition revenues are constant despite the tuition increases approved by the Board last fall, due to a combination of flat enrollment totals, decreased non-resident students, and an increase of part-time versus full-time students.

Tuition and fees revenue estimates were based upon the registrar's headcount enrollment projection, Board-approved tuition rate increases for FY 1997 of 3.6 percent for resident and 3.5 percent for nonresident students, and model parameters based on FY 1996 actual results.

Interest earnings were estimated to decrease \$125,000 (-9.8 percent), due to lower cash balances attributable to the general fund.

Projected decreases in indirect cost recovery of \$850,000 (-10 percent) reflect a downturn in federal grant awards.

General university salary adjustments and annualization total \$7.0 million.

Mandatory cost increases were estimated at \$214,738:

Utility Increases	\$113,314
Direct Deposit of Student Funds	10,400
Classroom Data Extensions	8,000
Fire Safety Systems/Inspection/Maintenance	4,400
Property Insurance Premiums	7,984
Space Rental Increases	68,940
Paper and Postage (Purchasing)	<u>1,700</u>
Total	\$214,738

The increase in state appropriated funds includes \$437,501 for library inflation.

University officials continue to place highest priority on strengthening undergraduate education; state appropriated funding of \$350,000 will be deployed as follows:

- \$200,000 for programs to increase student retention and success;
- \$75,000 for Project Open Door, aimed at enhancing the diversity of Iowa State University's student body; and
- \$75,000 for programs designed to internationalize the undergraduate experience.

The increase in state appropriated funds includes \$700,000 for continuation of the Healthy Livestock for Iowa initiative, which was begun in FY 1996.

#### Iowa Agriculture and Home Economics Experiment Station

The FY 1997 preliminary budget for the Iowa State University Agriculture and Home Economics Experiment Station (IAHEES) is \$36,623,188, an increase of 2.7 percent over the FY 1996 revised budget.

The state appropriation of \$32,768,953 represented a 3.3 percent increase.

The estimated FY 1997 federal appropriation of \$3,849,235 through the Hatch Act represented a 1.6 percent decrease from the amount budgeted in FY 1996; based upon plans of both the President and Congress to balance the federal budget in seven years, it is evident that Hatch Act funds may progressively become a smaller proportion of the IAHEES budget.

Continuing challenges facing the agriculture sector include:

- ensuring profitability, particularly for the livestock components in the face of very high feed costs;
- structural changes with different size farms and operating procedures;
- environmental and societal problems related to animal waste, changes in practices associated with the "Freedom to Farm" legislation (1995 Farm Bill); and
- increases in the production of horticultural products.

A series of reallocations are planned for the FY 1997.

- \$75,000 will be reallocated for solving problems related to animal waste management.
- \$75,000 will be reallocated to improve/further the capability of the Center for Rural Health and for rural development.
- \$80,000 will be reallocated to enhance research efforts in producing value-added products from Iowa commodities.
- \$150,000 will be reallocated to support joint research between IAHEES and the University of Missouri in forages, animal genetics, and site-specific agriculture.

For each of the 17 major departments associated with IAHEES, excellence fellowships (\$5,000 per year for four years), as a supplement to assistantships, will be provided.

\$500,000 will be reallocated for repair, renovation, and additions to enhance the research capacity of departments and outlying research and demonstration farms associated with IAHEES.

### Cooperative Extension Service

The FY 1997 preliminary budget for the Cooperative Extension Service of \$28,130,695 represents a 2.8 percent increase over the FY 1996 revised budget.

The state appropriation of \$19,975,695 represents a 4.8 percent increase.

Federal revenue for FY 1997 is budgeted at \$8,150,000, a 1.8 % decrease from the FY 1996 budget.

The FY 1997 budget includes \$100,000 of new state-appropriated support for the Iowa Pork Industry Center, targeted toward adding new swine field specialists to reduce the number of counties served by each specialist.

The FY 1997 budget includes \$100,000 of new state appropriations for the Iowa Beef Cattle Industry Center to assist in the effort to coordinate research-based information, manage information databases, and conduct field activities in coordination with farm management, agricultural engineering, and crop specialists.

The proposed budget of \$4,204,915 for the State of Iowa component of the Institute for Physical Research and Technology (IPRT), which is entirely funded from state appropriations, represents a 2.0 percent increase from the FY 1996 revised budget.

The FY 1997 funding for IPRT includes funding of approximately \$1.0 million in support for outreach programs, \$2.0 million for center capabilities, and \$1.2 million for Iowa-focused technology development and commercialization.

The priority goals of IPRT are enhancing its strongest research programs, positioning them to attract continued funding streams; successful transfer of technology from research efforts to Iowa industry; and attracting supplemental, more secure funding for non-Ames Laboratory research centers that currently rely on resources from the Department of Energy.

In FY 1995, the total budget for IPRT was more than \$60 million.

#### Special Purpose Appropriations

<u>Unit</u>	<u>FY 1996</u>	<u>FY 1997</u>	<u>% Increase</u>
Livestock Producers Assistance	\$ 100,000	\$ 0	-100.0%
Leopold Center	560,593	574,961	2.6%
Small Business Development Cntr.	1,214,470	1,225,379	0.9%
Livestock Disease Research	276,022	279,865	1.4%
Research Park/ISIS	<u>370,000</u>	<u>370,000</u>	<u>0.0%</u>
	<u>\$2,521,085</u>	<u>\$2,450,205</u>	<u>-2.8%</u>

Special appropriations provided by the Iowa Legislature for the Livestock Producers Assistance Program (LPAP) of \$300,000 in FY 1994, \$200,000 in FY 1995, and \$100,000 for FY 1996 were based on the intent that LPAP would become self supporting through user fees; there will be no appropriation in FY 1997, and any shortfall will be made up through use of prior year carry-forward and/or reductions in program scope.

General fund support for the Leopold Center for Sustainable Agriculture is devoted to the competitive grant programs operated by the center; in addition, the center conducts interdisciplinary programs with funds from the agriculture management account.

The Small Business Development Center incremental appropriation increase will be used to fund salary and benefit increases for personnel at the 16 non-ISU offices.

The Livestock Disease Research program provides funding for research projects of major importance to the livestock industries of Iowa; the incremental appropriation increase will be used to fund salary improvements.

Begun in 1988, the Iowa State University Research Park/Iowa State Innovation System (ISIS) has developed into a major growth center in the central Iowa region for technology-related businesses, which represent and are served by the university's core technology strengths. Iowa State University previously received \$370,000 in funding from the Wallace Technology Transfer Foundation; funding for FY 1997 will continue at the same level for support of new technology-based firms in the Research Park/ISIS.

President Jischke stated that what was presented was a good budget and would allow for progress on Iowa State University's strategic plan. He noted that the budget did not

include the recommended appropriations for capital projects. He distributed and reviewed a one-page summary of the preliminary budget which included general fund revenue sources, allocations, reallocations, cost increases and relation to strategic planning goals. He stated that nothing was more important to the success of the university than the quality of faculty; therefore, salaries are critical. He noted that mandatory cost increases were the lowest since he has been at the university and reflected efforts to contain costs.

**ACTION:** President Newlin stated the Board received the report on the preliminary FY 1997 general operating budget for Iowa State University in the amount of \$328,096,370, by general consent.

(c) University of Northern Iowa. The Board Office recommended the Board receive the report on the FY 1997 preliminary general fund operating budget for the University of Northern Iowa in the amount of \$107,073,500.

The FY 1997 preliminary operating budget was \$107,073,500, an increase of \$4,921,500 (4.8 percent) over the FY 1996 revised budget. The state appropriation of \$76,105,009 represented a \$4,271,238 increase (5.9 percent) over the FY 1996 revised budget.

Approximately \$7.1 million of internal reallocations (6.6 percent of the University of Northern Iowa FY 1997 preliminary operating budget) were developed toward achievement of the school's primary mission and strategic planning objectives. These reallocations include:

- Development of an enrollment management plan to increase under-represented population groups.
- Reorganization of the University of Northern Iowa budget in accordance with strategic planning objectives.
- Development of a "network of goodwill" to assist the university in initiatives including admissions, placement, and alumni contact.
- Stabilization of annual building repair expenditures at 1 percent of assessed value.
- Provision of enhanced capability in personal productivity tools, particularly in computing and communications.
- Consolidation of information technology functions.
- Community services and applied technology.

Salary adjustment and annualization costs of \$3,054,393 will be funded from state appropriations.

- Faculty - Individual salary decisions for United Faculty will average 4.0 percent, and will be made consistent with the provisions of the master agreement.
- Non-contract administrators will receive comparable increases.

- Professional and Scientific - University officials proposed to increase the salary ranges by 2.0 percent at the minimum and 2.0 percent at the maximum for all pay grades.
- General Service - The negotiated contract provides for a 2.5 percent increase July 1, 1996; in addition, eligible employees will receive step increases and bonuses.
- General services employees on Step 8 as of December 1996 will receive a one-time cash payment of \$300; part-time employees (less than 32 hours per week) will receive \$150.
- Other Regent merit employees not covered by the contract will be treated similarly.

State appropriations include \$120,000 for library inflation.

State appropriations provide \$421,845 for undergraduate education; these funds will be dedicated to meeting the university's goal of making instruction for each University of Northern Iowa student more individualized by providing increased opportunities for undergraduate research, service learning, on-site experience, co-ops, and internships.

State appropriations provide \$175,000 for the Criminal Justice Program.

This initiative provides non-partisan research on selected criminal and juvenile justice issues in Iowa.

The program generates data and background information to facilitate informed policy development, and builds a pool of talent for the state through involvement of students in the research and focusing faculty expertise on state and local priorities.

State appropriations provide \$500,000 for the Center for Education Technology.

Approximately \$250,000 will be used to increase the opportunities for pre-service teachers to develop instructional technology skills.

The balance will be used to continue the operation of the Center's in-service education efforts, which are a primary source of technology training for Iowa's teachers.

General fund revenue from tuition and fees is estimated to increase by \$1,000,262 (3.5 percent) from the FY 1996 revised budget.

This estimate is based on Board approved tuition rate increases and a .5 percent projected increase in enrollment.

Interest income is expected to decline by \$100,000 (-33.3 percent) from the FY 1996 revised budget, based upon anticipated lower rates of return.

Indirect cost recovery revenue is expected to decrease by \$250,000 (-22.7 percent) from the FY 1996 revised budget.

Sales and services revenue is budgeted at the same level as in FY 1996 revised.

Expenditures for building repairs in FY 1997 are expected to decline by \$700,000

(-27.5) from the FY 1996 revised budget; a program of funding one-time repairs during the remainder of FY 1996 through the proposed ceiling increase will be followed by a return to the FY 1996 base level of expenditure for next year.

Services and supplies expenditures will increase by \$1,377,107 (18.2 percent) over the FY 1996 revised budget, reflecting increased spending commensurate with new state appropriation increments.

Equipment expenditures are proposed to increase by \$250,000 (12.7 percent) over the FY 1996 revised budget.

Vice President Conner stated that the Board Office summary presented well the University of Northern Iowa's direction and intent. He said the preliminary budget incorporated significant reallocations and would be refined for the June meeting. He noted that the process on campus of budget development had been an interesting one.

Regent Mahood asked about the amount of reallocations reflected in the preliminary budget. Vice President Conner responded that reallocations were 6.6 percent of the total budget and just over 9 percent in terms of the state budget.

Regent Dorr asked what was involved in consolidating information technology services on the University of Northern Iowa campus. Vice President Conner responded that there were information technology initiatives, activities and personnel throughout the university. Shortly after President Koob arrived at the University of Northern Iowa, he created a policy committee to address long-term technology issues. He brought together principals of the Center for Educational Technology, the Information Systems and Computing Services, and some networking units to address how to draw the units together to find efficiencies. He noted that this was a very important initiative which had been discussed on the campus for a couple of years.

**ACTION:** President Newlin stated the Board received the report on the FY 1997 preliminary general fund operating budget for the University of Northern Iowa in the amount of \$107,073,500, by general consent.

(d) Iowa School for the Deaf. The Board Office recommended the Board receive the report on the FY 1997 preliminary general operating budget for the Iowa School for the Deaf in the amount of \$7,293,911.

The FY preliminary general operating budget for the Iowa School for the Deaf of \$7,293,911 was a 4.6 percent increase over the FY 1996 revised budget. The FY 1997 state appropriation for ISD was \$6,975,448, a \$305,351 (4.6 percent) increase over the FY 1996 revised budget.

The FY 1997 budget included \$15,000 to establish a school technology fund, an amount appropriated annually for five years by SF 2063. Additional state-appropriated funds include \$530 for library inflation and \$25,000 for building repair projects.

The FY 1997 budget included retention of \$52,000 one-time funding appropriated in FY 1996 for the purchase of a school bus to begin funding a vehicle/bus replacement program.

Salary adjustment costs of \$211,793 will be funded from state appropriations.

- Faculty - The teachers' salary schedule for the 1996-97 contract year results in increases averaging 4.0 percent, including a one step advance on the salary schedule for all eligible faculty and a 3.3 percent increase on the pay matrix.
- Professional and Scientific - The salary adjustments are based on average increases of 4.0 percent based on merit.
- General Service - The negotiated contract provides for a 2.5 percent increase to the scale and 1.0 percent for step increases for those eligible.
- General Services employees on Step 8 as of December 1996 will receive a one-time cash payment of \$300; part-time employees (less than 32 hours per week) will receive \$150.

The FY 1997 budget also reflects that the FY 1996 supplemental appropriation of \$45,000 for technology will be carried forward to FY 1997. The FY 1997 budget includes an increase of \$16,000 (9.5 percent) in sales and services to reflect increased revenues from a new tenant lease for a day care center.

In total, approximately \$224,000 of internal reallocations (3.1 percent of the ISD FY 1997 preliminary operating budget) have been developed toward achievement of the school's strategic planning objectives, school improvement plan, and instructional technology plan. These reallocations include:

- Increased technology for teaching staff and computer hardware and software.
- Establishment of a Deaf Resources Center and funding a new position to facilitate the instruction of deaf history, heritage, and culture both on-campus and across the state.
- Hiring a teacher in the specialized cross-curricular area of literacy enhancement to assist students in becoming more articulate.
- Increased funding in sign language to enhance the awareness and proficiency of staff.

An historically determined salary savings/vacancy factor of .5 percent was included in the budget development process, and projected savings have been reallocated to technology and utilities.

The FY 1997 preliminary budget will support::

- Provision of pre-K through 12th grade instruction to 185 students, designed to meet each child's individual education requirements as specified in their Individual Education Plan (IEP), a plan that is developed in cooperation with parents and local representatives annually;
- Off-campus and mainstream educational programs in the Lewis Central, Council Bluffs, Atlantic, and Missouri Valley schools serving other students with Iowa School for the Deaf staff, thus providing instructional services within their students' own school districts;

- A “Reverse Mainstream” programming option that permits non-disabled students to receive classroom instruction with deaf and hard of hearing peers on the Iowa School

- for the Deaf campus, including preschool classes for toddlers of deaf or hard of hearing parents as well as those toddlers who have deaf or hard of hearing siblings, and vocational classes;
- A parent/infant education program serving 20 families, which provides very young children who have hearing difficulties and their families with educational programs in the years before schooling traditionally begins; and
- The Summer Learning Adventure program serving 20 students, which targets basic skills remediation, computers and technology enrichment, and pre-school learning activities for deaf and hard of hearing children.

The Iowa School for the Deaf preliminary operating budget was developed using the school's strategic planning process and includes continued extensive efforts to achieve efficiency and effectiveness.

- All vacant positions are reviewed by the school's Executive Council with consideration to reallocation, sharing, or redirection and support of staff development; during FY 1996, ISD restructured its Residential Program by combining the elementary residence with the boys and girls residence.
- State appropriations and internal reallocations will be utilized in progressing toward the technology initiative contained in the school's strategic plan, with a preliminary Technology Plan to be presented to the Board in June, 1996.
- The ICN classroom has been completed with regard to room preparation and furniture; the school anticipates all related equipment will be in place and the room operational by June 1, 1996.

**ACTION:** President Newlin stated the Board received the report on the FY 1997 preliminary general operating budget for the Iowa School for the Deaf in the amount of \$7,293,911, by general consent.

(e) Iowa Braille and Sight Saving School. The Board Office recommended the Board receive the report on the FY 1997 preliminary general fund operating budget for the Iowa Braille and Sight Saving School in the amount of \$4,162,158.

The FY 1997 preliminary operating budget was \$4,162,158, a 4.1 percent increase over the FY 1996 revised budget. The state appropriation of \$3,916,520 represented a \$213,454 increase (5.8 percent) over the FY 1996 revised budget.

The FY 1997 budget included \$15,000 to establish a school technology fund, an amount appropriated annually for five years by SF 2063. Additional state appropriated funds include \$480 for library inflation and \$25,000 for building repair projects.

The FY 1997 budget includes retention of \$52,000 one-time funding appropriated in FY 1996 for the purchase of a school bus to begin funding a vehicle/bus replacement program.

Salary adjustment costs of \$120,017 will be funded from state appropriations.

- Faculty - The teachers' salary schedule for the 1996-97 contract year results in increases averaging 4.0 percent, including provision of a one step advance on the salary schedule for all eligible faculty and a 3.3 percent increase in the pay matrix.
- Professional and Scientific - The salary adjustments average 6.4 percent based on merit (this classification includes only two employees).
- General Service - The negotiated contract provides for a 2.5 percent increase to the pay scale and 1.0 percent for step increases for those eligible.
- General Services employees on Step 8 as of December 1996 will receive a one-time cash payment of \$300; part-time employees (less than 32 hours per week) will receive \$150.

The FY 1997 budget also reflects that the FY 1996 supplemental appropriation of \$45,000 for technology will be carried forward to FY 1997.

An \$11,000 decrease (-50 percent) in interest income is the result of projected lower rates of return and lower cash balance in FY 1997 from FY 1996, when the school maintained higher cash balances due to receipt of capital funding.

A decrease of \$5,181 in reimbursed indirect costs (-24.3 percent) is primarily a result of being a subrecipient of the Eisenhower Math and Science Grant for FY 1996 and not a grant recipient in FY 1997.

A decrease in sales and services of \$17,680 (-24.3 percent) is due to reduction in tenant rental for termination of a lease in the Old Hospital, which is the site for the ICN classroom; anticipated reduction in itinerant services to AEAs; and reduction in miscellaneous sales, as no vehicle sales are anticipated in FY 1997 whereas four were sold in FY 1996.

The FY 1997 budget reflects a decrease in federal support of \$13,861 (9.4 percent), which is primarily the result of moving funding for the State Depository Assistive Device staff support to the Restricted Fund, since the new part-time position will be funded with federal grant dollars.

In total, approximately \$203,000 of internal reallocations (4.9 percent of the IBSSS FY 1997 preliminary operating budget) have been developed toward achievement of the school's primary mission and strategic planning objectives.

These reallocations include:

- Establishment of technology and visually impaired teaching positions.
- Speech Pathologist service contract with Grant Wood AEA.
- Establishment of a residential programmer (P&S) position.
- Increased funding for building repair.

An historically determined salary savings/vacancy factor of .5 percent was included in the budget development process, with the projected savings reallocated to building repair.

The preliminary operating budget continues support of three main educational programs for visually impaired and blind youth from throughout Iowa:

- The daytime instructional program includes all the normal K through 12 educational programs adapted for visually impaired and blind youngsters.
- The residential program extends the normal school day into the evenings, focusing on daily living skills, recreation, and many other educational activities.
- The outreach program provides numerous specialized support services to visually impaired and blind students who attend school in their local school districts.

The Iowa Braille and Sight Saving School preliminary operating budget was developed using the school's strategic planning process and includes continued extensive efforts to achieve efficiency and effectiveness, including:

- Utilization of both state appropriations and internal reallocations in progressing toward the technology initiative contained in the school's strategic plan, with a preliminary Technology Plan to be presented to the Board in June 1996;
- Continued programmatic reorganization of constructing units around student needs, which is a logical continuation of the Individual Education Plan (IEP) process as outlined in the school's Child Advocate Approach;
- Continuation of the cooperative program with the Vinton-Shellsburg Community schools, wherein students benefit from the opportunity to participate part-time in regular schools; and
- Continued review of possibilities for outsourcing of services, including a contract with Grant Wood AEA for speech-language services, enabling creation of an additional part-time position to support the assessment activities of the school.

Mr. Richey noted that included in the budgets of both special schools was an additional position for technology services. At the outset of the legislative session \$45,000 was appropriated for the special schools for technology. He said each school, to some extent, has used the resources of Iowa State University. Both Iowa School for the Deaf and Iowa Braille and Sight Saving School are required to develop a technology plan for submission to the Department of Education before the funds are released.

With regard to budget approval, Mr. Richey has informed the special schools superintendents that he intends to withhold approval of the technology positions until the technology plans have been developed and then reviewed by the Board Office.

**ACTION:** President Newlin stated the Board received the report on the FY 1997 preliminary general fund operating budget for the Iowa Braille and Sight Saving School in the amount of \$4,162,158, by general consent.

(f) Regional Study Centers. The Board Office recommended the Board receive the report on the FY 1997 preliminary budgets for the Quad-Cities Graduate Study Center

(\$335,200), Tri-State Graduate Study Center (\$123,878) and Southwest Iowa Regents Resource Center (\$106,109).

Each year funds are appropriated to the Board of Regents for distribution to the Quad-Cities Graduate Study Center, the Tri-State Graduate Study Center and the Southwest Iowa Regents Resource Center.

Legislative action on the FY 1997 Iowa educational appropriations for the study centers totals \$332,945; in addition, estimated salary appropriations of \$8,172 for the Regional Study Centers will fund an average 4 percent salary increase.

	<u>FY 1996</u>	<u>FY 1997</u>	<u>Est. Salary</u>	<u>Est. FY 1997</u>
Quad-Cities Graduate Study Center	\$154,278	\$154,278	\$3,952	\$158,230
Tri-State Graduate Study Center	74,511	74,511	2,267	76,778
Southwest Iowa Regents Resource Center	<u>73,538</u>	<u>104,156</u>	<u>1,953</u>	<u>106,109</u>
TOTAL	\$302,327	\$332,945	\$8,172	\$341,117

The recommendation for distribution of the educational appropriation and salary increase funds will be brought forward for Board approval at its June meeting after the appropriation bills have been signed.

The budgets for the Quad-Cities Graduate Study Center and the Tri-State Graduate Study Center include funds in addition to moneys appropriated by the State of Iowa.

#### Quad-Cities Graduate Study Center

The FY 1997 educational appropriation for the center from the State of Iowa is \$154,278; salary increase funds are estimated at \$3,952. The Iowa estimated total appropriation of \$158,230 has been used to prepare the preliminary budget.

The Center anticipates receiving approximately \$168,000 from the State of Illinois for FY 1997 and estimates sales and services revenues at \$8,970, for a total budget of \$335,200.

#### Tri-State Graduate Study Center

The Center's FY 1997 educational appropriation from the State of Iowa is \$74,511; salary increase funds are estimated at \$2,267. The Iowa estimated total appropriation of \$76,778 has been used to prepare the preliminary budget.

The FY 1997 budget for the Center totals \$123,878 and includes \$40,000 from the State of Nebraska, \$3,000 from the University of South Dakota and \$4,100 in interest income.

Southwest Iowa Regents Resource Center

The Center's FY 1997 projected educational appropriation from the State of Iowa is \$104,156; salary increase funds are estimated at \$1,953. The Iowa estimated total appropriation of \$106,109 has been used to prepare the preliminary budget.

Included in the FY 1997 appropriations are \$20,000 to develop a small computer laboratory and provide an Internet connection, and \$10,000 to increase the coordinator position from .5 FTE to .67 FTE; these increases were included in the Board's FY 1997 request.

The Center is supported solely by Iowa contributions.

**ACTION:** President Newlin stated the Board received the report on the FY 1997 preliminary budgets for the Quad-Cities Graduate Study Center (\$335,200), Tri-State Graduate Study Center (\$123,878) and Southwest Iowa Regents Resource Center (\$106,109), by general consent.

(g) Lakeside Laboratory. The Board Office recommended the Board receive the report on the FY 1997 preliminary operating budget of \$451,541 for the Iowa Lakeside Laboratory, including \$304,781 in general funds to be funded as follows:

University of Iowa	\$152,086
Iowa State University	92,653
University of Northern Iowa	60,042
Total	<u>\$304,781</u>

The FY 1997 preliminary operating budget of \$451,541 includes general funds of \$304,781, a one-time appropriation of \$70,000 for infrastructure improvements, and room and board revenue and expenses estimated at \$76,760.

Funding by the universities of the general fund portion of the budget was recommended as follows:

University of Iowa	\$152,086
Iowa State University	92,653
University of Northern Iowa	60,042
Total	<u>\$304,781</u>

This amount is \$1,030 (.34 percent) higher than the FY 1996 budget and includes a 2.5 percent increase in the supplies and service budget to cover inflationary increases in the costs of these services. Adjustments for salary increases, when approved, will need to be incorporated into the budget.

The General Assembly appropriated \$70,000 from excess lottery revenues (non-recurring funds) to fix a sewage line, expand the phone system and install a natural gas pipeline.

Non-recurring institutional funds totaling \$30,000 will be needed to match these appropriated funds to total the \$100,000 estimated cost of the projects as included in the Board's request for Lakeside Laboratory for FY 1997. If the appropriation is

approved by the Governor, the allocation of the \$30,000 institutional match will be included in the June docket.

Room and board revenue and expenses were estimated to increase by \$35,765 (87.2 percent) in FY 1997 because of the addition of new housing units and increased enrollment.

In the summer of 1993 the Board of Regents approved a three-year plan and a new organizational structure for the Lakeside Laboratory including a Lakeside Laboratory Coordinating Committee and a new directorship. The goals of the three year plan, which began July 1, 1994 were:

- Enhance the Instructional Program
- Increase Enrollment
- Improve Financial Situation
- Reexamine Curriculum
- Improve Relations with the Lake Okoboji Community
- Increase Tuition Scholarships
- Examine Distant Learning Potential
- Enhance Research Opportunities

The Lakeside Laboratory Coordinating Committee selected Dr. Arnold van der Valk, a faculty member, as Director of the Lakeside Laboratory and he assumed this position on July 1, 1994. Dr. van der Valk serves half-time during the academic year and full time for two months during the summer.

Significant progress has been made in all of the approved goals except the one related to distance learning where the lack of a connection to the Iowa Communications Network hampers development.

Enrollment in Lakeside Laboratory 1995 summer courses was up over 50 percent from the previous year; current enrollments for the 1996 summer session exceed 1995 levels.

During the 1995 summer session, 17 courses (versus 11 in 1994) were taught, 75 percent of which were new or substantially revised and shortened; two new courses, consistent with the on-going curriculum revisions, are in place for the 1996 summer session.

Income from increased enrollment and expenses associated with the additional courses will be addressed in the June budget presentation.

A detailed maintenance plan has been developed which will take many years to complete although all of the highest priority projects to correct problems that were potentially life or health threatening have been completed.

In March 1995 the Board approved the acquisition, moving and setup of motel buildings from the Brooks Resort to provide improved housing for faculty and staff. These new housing units and the air-conditioning installed in the new computer facility will increase the annual utility costs for Lakeside Laboratory. Additional housing facilities to be built entirely by housing income are under consideration; these new units will replace obsolete units.

Continued upgrading of living, teaching and laboratory facilities is an on-going priority for the Laboratory.

Substantial improvements have been made in working with the local community.

Funding by the universities, excluding adjustments for salary increases, is recommended as follows:

<u>Institution</u>	<u>Amount</u>	<u>Percentage</u>
University of Iowa	\$152,086	49.9%
Iowa State University	92,653	30.4%
University of Northern Iowa	<u>60,042</u>	<u>19.7%</u>
Total	\$304,781	100%

The allocation by university is the same percentage as for FY 1996.

A substantial fund raising effort by the community is underway and is expected to be concluded this summer with funding for a new Water Quality Lab and Classroom facility.

Mr. Richey noted that a \$70,000 appropriation for sewer system infrastructure improvements at the Lakeside Laboratory had been approved by the legislature, although \$100,000 had been requested.

Regent Pellett questioned whether at a future meeting the Regents would be provided with a report from the Lakeside Laboratory on student enrollment, programming and so forth. Mr. Richey responded affirmatively.

Regent Dorr asked whether the local community has assisted in funding this effort as was indicated it would a couple of years ago. Mr. Richey responded that the community was at this time embarked on a major fund-raising effort.

Regent Dorr asked whether the funding-raising was reflected in the budget before them at this meeting. Mr. Richey responded that the fund raising proceeds would be reflected in the capital side of the budget, primarily.

Regent Pellett asked that the community effort be included in the report on the Lakeside Laboratory to be provided at a future meeting.

President Newlin stated that the lakes community was in the early stages of its capital drive although quite a few pledges had already been received.

Mr. Richey stated that the Board Office would provide the requested report on Lakeside Laboratory in June, if at all possible.

**ACTION:** President Newlin stated the Board, by general consent, received the report on the FY 1997 preliminary operating budget of \$451,541 for the Iowa Lakeside Laboratory, including \$304,781 in general funds to be funded as presented.

(h) Athletic Budgets. The Board Office recommended the Board receive the report on FY 1997 preliminary athletic budgets for the University of Iowa, Iowa State University and the University of Northern Iowa.

## University of Iowa

University officials proposed an athletic budget of \$19,147,447 for FY 1997. Revenues for FY 1997 are estimated to be 2.7 percent higher than the FY 1996 estimate.

FY 1997 income from football and men's basketball ticket sales is budgeted to increase by 4.1 percent and 5.6 percent respectively over FY 1996 estimates.

These projections are based upon conservative attendance estimates and an increase in ticket prices.

Ticket prices will increase by \$1.00 per game for both football (\$25 to \$26) and men's basketball (\$16 to \$17).

FY 1997 university general support (supplies & service) is budgeted to increase by 39.4 percent from the FY 1996 estimate (from \$438,000 to \$723,000); this increase will provide support for the third year of the Women's Crew Team (\$210,000) and the addition of an intercollegiate women's soccer team (\$75,000).

The university does not have an earmarked student athletic fee for operating expenses.

Student activity fees of \$13.86 per semester, \$6.80 for the summer session, support a portion of the Recreation Building and Arena debt; the sum of \$695,000 in income from these fees is included in the athletic budget along with debt service costs.

FY 1997 Athletic Conference income is projected to equal the FY 1996 estimate, which is \$385,000 or 8.6 percent higher than the FY 1996 budget.

FY 1997 alumni/foundation support is estimated to decrease by \$108,272 (17.7 percent) from the FY 1996 estimate.

Expenses for FY 1997 for men's sports are budgeted to increase 4.1 percent from the FY 1996 estimate.

Expenses for women's sports are expected to increase 15.0 percent from the FY 1996 estimate.

The FY 1997 budget includes handicapped access improvements, energy savings initiatives and refurbishment of approximately 2,000 square feet of Carver Hawkeye Arena space.

## Iowa State University

University officials proposed an athletic budget of \$15,861,621 for FY 1997. This amount was 10.7 percent higher, \$1,537,559, than the FY 1996 estimate.

The proposed FY 1997 budget is part of a five-year financial plan developed last year.

University support is expected to decline from FY 1996 estimated support by \$53,880 (2.4 percent) to \$2,154,945. FY 1996 estimated university support is \$106,835 or 5.1 percent higher than the Board approved budget; year-end funds have been allocated to improve athletic facilities and grounds and provide effective use of information technology.

The FY 1997 student activity fee for intercollegiate athletics will increase from \$14.75 to \$17.25 per semester and will generate an additional \$150,000; revenue from the fee is projected at \$908,000 in FY 1997.

FY 1997 sports income is expected to increase by \$1,154,211 or 22.0 percent from the FY 1996 estimate.

Projected revenue for FY 1997 includes increases in football ticket prices from \$18 to \$20 per game; the men's basketball ticket price remains at \$15 per game. There are five scheduled home football games in the 1997 season versus six home games in the 1996 season.

Expenses for sports are budgeted to increase by 7.5 percent or \$237,046 from the FY 1996 estimate.

FY 1997 projected expenditures for administration are estimated to increase by 21.9 percent from the FY 1996 estimate; the increase includes increased utility costs for the move into the new Jacobson building, additional support for the band, and inflationary adjustments for general administrative expenses.

The 15.9 percent increase in sports salaries from the FY 1996 estimate to the FY 1997 preliminary budget includes the annualization of 4 new positions added during FY 1996, 10 new positions to be added in FY 1997, and coaching contract salary increases.

FY 1996 estimated income is \$1.5 million more than originally budgeted; expenses are estimated to be higher by a similar amount.

#### University of Northern Iowa

University officials proposed an athletic budget of \$4,659,854 for FY 1997.

Revenues are estimated at 7.0 percent higher than the FY 1996 estimate.

Sports income is expected to decline by 10.1 percent from the FY 1996 estimate.

Football income reflects a \$100,000 reduction in guarantees from FY 1996 and stable season and gate sales.

Income from men's basketball reflects lower gate receipts and increasing shares from the NCAA basketball tournament distribution.

FY 1997 general university support will increase 3.4 percent from the FY 1996 estimate to \$2,146,271.

The FY 1997 student activity fee of \$24.00 per semester, an increase of \$.40 per semester from FY 1996, will generate \$597,000 in FY 1997.

The projected increase in general income, 31.2 percent from FY 1996 estimated, reflects a new UNI-Dome contract and scoreboard signage sponsorship.

Alumni/foundation support is projected to increase 45.0 percent or \$205,650 over the FY 1996 estimate.

Expenses for men's sports are expected to increase by approximately 5.2 percent while expenses for women's sports are projected to increase by approximately 12.3 percent from FY 1996 estimated expenditures.

**ACTION:** President Newlin stated the Board received the report on FY 1997 preliminary athletic budgets for the University of Iowa, Iowa State University and the University of Northern Iowa, by general consent.

(i) Board Office Budget for Fiscal Year 1997. The Board Office recommended the Board receive the proposed preliminary budget for the Board Office for fiscal year 1997.

The total Board Office budget for fiscal year 1997 would be \$1,537,420 of which \$1,344,120 would be budgeted for the Board Office proper with the remainder carried in institutional budgets.

The proposed budget of \$1,537,420 would be financed by estimated appropriations of \$1,578,520, institutional reimbursements of \$352,400 plus miscellaneous receipts.

The total proposed budget increase for fiscal year 1997 is 7.3 percent.

Average compensation would increase by no more than 4 percent for fiscal year 1997.

Total salary budget for the general office is up by \$72,484 an increase of slightly more than 4 percent with no increase in FTE staffing.

An increase of \$18,000 is budgeted for office equipment, primarily for refinement of the computer system, which is subject to further review following the report of the consultant that will be engaged to study the issue of the data system in the office.

The total office staffing complement is 17.6 FTE positions including those located within the institutional budgets, the Facilities Officer and the Affirmative Action/Business and Finance Position.

Additional staffing needs will be reviewed following the recommendations of the consultant to be engaged to study the operations of the Board and the Board Office; that report should be available in late-October.

The detailed operating budget of the Board Office will be presented to the Board for approval in June based on Board comments at the May meeting, salary allocations for the Department of Management and any additional needed adjustments.

Mr. Richey noted that there would be some reorganizations presented to the Regents at the June Board meeting.

Regent Pellett asked about the reluctance on the part of the legislature to fully fund the Board Office. Mr. Richey responded that he believed the legislators think the institutions have the money and that the amount of the Board Office budget is not much given the size of the institutional budgets. He noted that the budget of the Board's Office gets a far more detailed review than other aspects of the Regents' operations.

Mr. Richey stated that in the past, the legislature has dealt with Board Office budget funding in different ways. It has appropriated all of the funds and subsequently taken

the same amount of funds away from the institutions. It has also reduced the amount of appropriation and required the institutions to make up the deficit. He said the institutions have taken a beating in relation to the funding of the Board Office over the past 20 years. Difficulties with funding of the Board Office began with the imposition of additional duties on the Board for collective bargaining and centralization of personnel as a result of the passage of the state personnel act.

Regent Kennedy expressed concern that the Board maintain autonomy and not become a tool of the universities.

Mr. Richey stated that there are those implications but there appeared to be no concern on the part of the legislature in that regard.

**ACTION:** President Newlin stated the Board received the proposed preliminary budget for the Board Office fiscal year 1997, by general consent.

**PROPOSED RETIREMENT INCENTIVE PROGRAM.** The Board Office recommended the Board approve the retirement incentive program effective July 1, 1996, through June 30, 1997, as presented.

The proposed new retirement incentive program effective July 1, 1996, through June 30, 1997, will not replace the early retirement program but will be an additional program available for one year.

Elements of the proposed program are:

- Eligibility for the proposed program is age 55 with 20 years of service.
- Retiree will have full access to TIAA-CREF accumulations under TIAA-CREF rules for cashability.
- Life insurance benefit of \$5,000 and pre and post Medicare contributions for health and dental insurance.
- Participation is limited to a specific number of participants established in advance by the institution and approved by the Board.

The policy requires the institution to formulate a plan for use of the Retirement Incentive Program for a specified "window" period for approval by the Board.

The Pappas Report recommended instituting an "enriched" early retirement program. The proposed Retirement Incentive Program offers greater benefits than the existing Early Retirement Program.

Reasons for proposed program:

- The University of Iowa and its academic health center face the immediate need to adjust staffing to better position the institution to meet the challenges of a changing health care environment.
  - If the Board approves the Retirement Incentive Program, the University of Iowa anticipates limiting participation to 100 faculty and staff.

- It is estimated that these 100 retirements would have a an overall total cost of \$8.6 million over the period of time retirees are receiving benefits under the program.
- It is estimated these 100 retirements would generate a net saving of \$78 million over the period of time benefits are paid to retirees under the program.
- It is anticipated that most of these positions would be eliminated.
- Both Iowa State University and the University of Northern Iowa indicate they do not anticipate a need to use the Retirement Incentive Program during the foreseeable future.

The Early Retirement Program allows retirement at age 57 with 15 years of service. It provides for normal employer contributions to health and dental insurance until Medicare eligibility is reached. The employer will pay both the employer and employee share of retirement contributions for three years and just the employer for an additional two years.

The Phased Retirement Program allows faculty and P&S staff to enter at age 57 with 15 years of service. Merit System employees are eligible at age 60 with 20 years of service.

The phasing period is a maximum of five years with full retirement at its conclusion with a maximum appointment of 75 percent.

Salary for the first four years is proportionate to time worked plus 10 percent of budgeted salary. Proportionate salary is paid in the fifth year. Retirement and insurance benefits are paid as if full time.

The Regent Early and Phased Retirement Programs will expire on June 30, 1997, unless reauthorized. The institutions and Board Office believe the programs have been working well and should be continued for an additional five years without change in the benefits offered. It is anticipated that the Board will be asked to approve continuation of these two programs in September when the annual governance report is presented

Effective December 31, 1993, mandatory retirement for tenured faculty at age 70 was eliminated. This exemption had been allowed by the Age Discrimination in Employment Act. Current age distributions show that the Regent universities have less than one percent of faculty age 70 and above.

Mr. Richey stated that one of the major innovations of the proposal is for those electing early retirement under this window to receive their entire TIAA accumulations, if they wish, under the rules of cashability.

Regent Dorr asked for clarification of Mr. Richey's statement that employees can receive their entire TIAA accumulations, if they wish, under the rules of cashability.

Associate Vice President Small said the TIAA accumulation can only be withdrawn over a 10-year period but an employee has immediate access to the entire CREF accumulation. Currently, employees are limited to withdrawing one-third of the CREF component.

Mr. Richey noted that the proposal was intended as a retirement incentive program with a limited window. This program would be of major benefit to the university this coming fiscal year.

Regent Dorr asked how many employees were expected to participate in the program. Associate Vice President Small responded that university officials proposed to limit participation to 100 employees.

Regent Dorr asked whether university officials expected to reach 100 participants. Associate Vice President Small responded affirmatively, noting that employees have to meet the specified criteria.

**MOTION:** Regent Tyrrell moved to approve the retirement incentive program effective July 1, 1996, through June 30, 1997, as presented. Regent Lande seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

John Cazin, Professor of Microbiology, University of Iowa, stated that he had contacted the Board Office and Board on several occasions over the past two years relating to the TIAA-CREF issue. He said that if he is able to take advantage of this particular window of opportunity the Board just approved, they would not hear from him again. However, he suggested that the Regents revisit this issue in the near future. Current policy provides that Regent employees who participate in the TIAA- CREF retirement program forfeit most if not all of their principal to the insurance company at the time they either die or their annuity period expires. He said that is a lot of money going from Iowa to an insurance company in New York.

Regent Dorr asked when the Regents could expect to revisit this issue. Mr. Richey stated that in order for this window to have its intended effect, the issue would not be revisited until the expiration of this window.

Regent Dorr said this issue had been in front of the Regents for at least three years, and recommended that the Board take some appropriate action to revisit this issue as quickly as possible. The Board needs to find out what is involved and be fully apprised of all the ramifications, sooner versus later. He wants the review done in terms of what is appropriate relative to the newly-established window. The Board should begin an investigation of the whole rollover issue of TIAA-CREF so the matter is not forgotten.

Regent Lande said that while the Regents may be precluded from taking action in the next year, they can still address the questions and make a plan.

Mr. Richey cautioned that the timing was of critical importance. It could become a legislative issue.

Regent Dorr said he agreed with Regent Lande's suggestion to proceed to study the matter and devise a plan.

**ANNUAL REPORT ON CHILD CARE.** The Board Office recommended the Board receive the annual reports on child care programs at the University of Iowa, Iowa State University, and the University of Northern Iowa and refer them to the Priority Study Group on Child Care for review.

ACTION: President Newlin stated that the report was deferred to the Priority Study Group on Child Care.

**BOARD OFFICE PERSONNEL TRANSACTIONS.** The Board Office recommended the Board approve the Register of Personnel Changes, which included the following item:

Appointment: RICHARD SUTTON as Associate Director, Academic Affairs, effective August 1, 1996, at an annual salary of \$75,000 plus the usual fringe benefits.

MOTION: Regent Kennedy moved to approve the Register of Personnel Changes, as presented. Regent Pellett seconded the motion. MOTION CARRIED UNANIMOUSLY.

**APPROVAL OF VENDORS WITH POTENTIAL CONFLICT OF INTEREST.** The Board Office recommended the Board approve the request of Iowa State University to add Mr. Ed Dobelis to the list of approved vendors with a potential conflict of interest.

Ed Dobelis is an independent contractor who provides painting and minor wall repair services. Mr. Dobelis' wife is employed as a secretary in the Research Institute for Studies in the Education Department at Iowa State University. His wife, Pat Dobelis, does not have any job responsibilities for purchasing decisions or approvals.

Mr. Dobelis requests the opportunity to be placed on the bidders list for providing contract services to Iowa State University.

The 1990 Session of the General Assembly in House File 2057 amended Section 68B.4 of the Code of Iowa, which prohibits an official or employee of a regulatory agency from selling goods or services to the agency of which the individual is an official or employee. The amendment allowed for exceptions to the prohibition if certain conditions are met, including prior authorization of such sales by roll call vote of the Board.

MOTION: Regent Kennedy moved to approve the request of Iowa State University to add Mr. Ed Dobelis to the list of approved vendors with a potential conflict of interest. Regent Mahood seconded the motion, and upon the roll being called, the following voted:  
AYE: Dorr, Kennedy, Lande, Mahood, Newlin, Pellett, Tyrrell.  
NAY: None.  
ABSENT: Smith.

MOTION CARRIED.

**UNIVERSITY CALENDAR HOLIDAYS.** The Board Office recommended the Board:

University of Iowa

- Approve the proposed academic calendar for 2000-2001 academic year at the University of Iowa.

- Approve the proposed calendars for the 1998, 1999, 2000 and 2001 spring break sessions.

### Iowa State University

- Approve the proposed calendars for the 1999-2000, 1999-2001 academic years at Iowa State University
- Approve the proposed calendars for the 1998, 1999, 2000, and 2001 summer sessions.

### University of Northern Iowa

- Approve the attached calendar holidays as recommended for observance during the 1998 calendar year.
- The schedule is proposed with the understanding that it is subject to change on the basis of an agreement that might be made through the collective bargaining process for the 1997-1999 period.

Universities officials requested that these calendars be changed to accommodate the recommendations of all three Regent universities that courses taught by ICN hold Spring breaks the week of the 11th Monday of the year.

The instructional days recommended are consistent with past Board approved practices. The holidays recommended for observance are consistent with current labor/management contracts.

The proposed calendars were approved by the appropriate bodies at the three Regent institutions.

The action is consistent with the entire university calendar being proposed by the three senior Regent institutions.

MOTION:

Regent Kennedy moved to approve the recommended action. Regent Pellett seconded the motion. MOTION CARRIED UNANIMOUSLY.

### **REPORT ON THE IOWA COORDINATING COUNCIL FOR POST-SECONDARY EDUCATION MEETING.**

The Board Office recommended the Board receive the report on the May meeting of the Iowa Coordinating Council for Post-High School Education.

The May meeting of the Iowa Coordinating Council for Post-High School Education took place at the Hamilton College campus in Davenport, Iowa on May 8. Below is a summary of actions taken at this meeting.

The Council approved a "Statement on Membership". The statement is intended to clarify some membership questions that relate to recent matters that have come before the Council.

The Council heard status reports on the activities of the Program Approval Criteria Committee and the Strategic Planning Committee. The former is reviewing the criteria

and procedures used to review new program requests and the latter is developing a plan for all of postsecondary education in Iowa.

Officers for the 1996-97 Academic Year (beginning in Sept.) were elected. Robert Koob was elected as Chair of the Council. The Vice-Chair of the Council will be James Ross, President of Mt. St. Clare College.

The Council took a number of actions which resolve various conflicts and concerns in proposed new program requests including programs proposed by Mercy School of Health Sciences, Westmar College, William Penn College and Mt. St. Clare College. This activity on the part of the Council is seldom acknowledged but serves a valuable purpose for the state of Iowa.

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

**BOARD MEETINGS SCHEDULE.** The Board Office recommended the Board approve the Board Meetings Schedule.

June 19-20, 1996	University of Northern Iowa	Cedar Falls
July 17-18	Iowa State University	Ames
September <u>17-18</u>	University of Iowa	Iowa City
October 16-17	University of Northern Iowa	Cedar Falls
November 20-21	Iowa State University	Ames
December 17		Des Moines
January 15, 1997	Telephonic	
February 19-20	University of Iowa	Iowa City
March 19-20	Iowa State University	Ames
April 16-17	University of Northern Iowa	Cedar Falls

Regent Lande stated that he would prefer a schedule where the Regents arrive in the evening, have a "working" dinner, and then meet the entire following day. The schedule as proposed ties up two days each month.

Regent Smith suggested that the committee meetings be held in the evening prior to the Board meeting.

The Regents discussed taking advantage of the full Board meeting day and the night before.

Mr. Richey referred to discussion concerning the Pappas report recommendation for "campus Regents" and suggested that if the Regents were going to take advantage of visits to the campuses to become more familiar with campus issues, they could dedicate the second half of the second day to that effort.

**ACTION:** President Newlin stated the Board accepted the Board Meetings Schedule, by general consent.

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 State University of Iowa was transacted on Thursday, May 16, 1996.

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

Register of Personnel Changes for March 1996.

**MOTION:** Regent Kennedy moved to ratify personnel transactions, as presented. Regent Pellett seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

**DISCONTINUE DEGREE PROGRAMS.** The Board Office recommended the Board refer the university's request to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

University of Iowa officials proposed to discontinue the M.S. and Ph.D. programs in Botany. Several years ago the Board of Regents approved the merger of the Botany and Biology Departments. As a further step in this action University of Iowa officials requested approval to close the M.S. and Ph.D. programs in Botany when the currently-enrolled students complete their degrees. The M.S. and Ph.D. in Biology will be retained. The M.S. and Ph.D. degrees in Botany are currently offered at Iowa State University

Any savings resulting from this action will be reallocated.

**ACTION:** This request was referred by consent.

**NAME CHANGE.** The Board Office recommended the Board approve the change in the name of the Center for Laser Science and Engineering to the Optical Science and Technology Center at the University of Iowa.

University of Iowa officials requested approval to change the name of the Center for Laser Science to the Optical Science and Technology Center. In recent years, the center's director has made an effort to encourage cross-disciplinary interaction resulting in the fostering of new interdisciplinary research initiatives. The name change was proposed to emphasize the broader and more inclusive research scope.

There will be no financial implications resulting from the change in name of the center. The proposed name change will serve to emphasize the broader and more inclusive research scope.

**ACTION:** This request was approved by consent.

**REVISIONS TO P&S CLASSIFICATION SYSTEM.** The Board Office recommended that the Board approve the following revisions to the University of Iowa Professional and Scientific Classification System (salaries are fiscal year 1996 ranges.):

1. Establish the classification of DIRECTOR OF PURCHASING AND BUSINESS SERVICES, pay grade 17 (\$57,985 - \$102,400).
2. Abolish the classification of DIRECTOR OF PURCHASING, pay grade 15 (\$49,535 - \$87,475).
3. Establish the classification of DIRECTOR, UNIVERSITY REGULATORY COMPLIANCE, pay grade 17 (\$57,985 - \$102,400).
4. Establish the classification of ASSOCIATE COUNSEL, pay grade 12 (\$39,115 - \$69,070).
5. Establish the classification of ASSISTANT COUNSEL, pay grade 9 (\$30,873 - \$54,530).
6. Establish the classification of PURCHASING AGENT I, pay grade 7 (\$26,385 - \$46,585).
7. Abolish the classification of BUYER, pay grade 6 (\$24,390 - \$43,255).
8. Establish the classification of SENIOR ASSOCIATE DIRECTOR OF PURCHASING, pay grade 13 (\$42,315 - \$74,730).

University officials proposed a number of revisions to its Professional and Scientific Classification Plan. Funding for these revisions is available through reallocation in the university's general education fund.

These changes are a result of internal realignment of duties and responsibilities. Several of the changes stem from Continuous Quality Improvement (CQI) efforts in the Division of Finance and University Services which have led to significant reorganization of the administrative structure of the division.

Regent Lande asked for clarification of the various purchasing positions. Vice President True responded that the purchasing personnel are responsible for the entire stores operation of the university, \$20 million worth of activities. Associate Vice President Small noted that in one instance the proposal was for a more appropriate title.

Regent Lande questioned whether the department would end up with fewer people. Vice President True responded that they would end up with fewer people, and that the employees would be doing higher level work.

Regent Lande asked how many less positions there would be. Associate Vice President Small responded that the number of positions would be reduced by two.

**MOTION:**

Regent Kennedy moved to approve the revisions to the University of Iowa Professional and Scientific Classification System, as presented. Regent Dorr seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

**REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS.** The Board Office recommended the Board approve the university's capital register.

## PERMISSION TO PROCEED WITH PROJECT PLANNING

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

At its April meeting the Board received a presentation from President Coleman, Dean Kelch and the project architects on the Capital Plan for the Health Sciences Campus, Related Medical Education and Biomedical Research Facilities. University officials had requested approval to proceed with project planning for various components of the plan.

The Board deferred action on the university's request and asked for additional information from the university administration and College of Medicine. Since the April meeting, all Regents were briefed on the project and had an opportunity to visit the site.

The overall plan calls for the displacement of Newton Road to the north perimeter of the campus and the construction of a parking facility. Newton Road currently passes through the central campus just to the north of the hospital. The removal of the detracting and potentially unsafe vehicular traffic from this pedestrian intensive area of the campus will greatly improve the suitability of this area of the campus for academic pursuits. The parking facility will be constructed along the new path of Newton Road to compensate for surface parking displaced in the overall project and to add parking to help meet demands created by the new academic and research space. This work will require significant relocation of utilities and extension of new utility services to the new construction.

Paralleling this project university officials plan to continue to undertake the systematic modernization of instructional and research facilities in the Bowen Science Building, the Medical Laboratories and the Medical Education Building. A great amount of information and planning will be required to complete the detail. Planning for and completion of all individual elements of the plan will be carried out according to the Board's standard procedures for capital projects. Included will be the receipt of Board approval of design agreements, program statements (where applicable), project descriptions and preliminary budgets, and construction contracts.

The major elements of the overall plan are summarized as follows:

#### Medical Education and Biomedical Research Facility

University officials proposed that an agreement be negotiated for professional services for the design of this facility with Payette and Associates in association with Baldwin-White Architects. University officials will return to the Board for approval of the negotiated agreement.

Preliminary plans indicate that the new building and roadway will be located on the site of present utility installations. Arrangements will need to be made for the temporary and permanent relocation of these utilities as well as for the utility services to the new building. This planning needs to proceed simultaneously with planning for other related facilities.

## Relocation and Remodeling for Student Health Service

Preliminary plans are to relocate the Student Health Service from the Steindler Building to modernized space in nearby Westlawn. Planning for relocation must begin immediately if the time line for starting new construction is to be realized. Planning for this project will be completed in-house or by Baldwin-White Architects. The Baldwin-White firm recently completed planning for the student health facility at Iowa State University.

## Relocation of Newton Road

Newton Road must be at least partially relocated prior to the start of construction of the new building. The plan for the new road will have to be carefully coordinated with the new building, utility relocations, new utility services and the parking facility. University officials requested permission to seek engineering assistance for this project.

## Parking Structure

A parking structure is required to replace surface parking that will be lost in the project. The new structure will assist in meeting the presently under served parking demand of the health sciences colleges in this area of the campus. A structure with a capacity of 600 to 800 vehicles is presently contemplated along the northernmost portions of Newton Road and adjacent to the Veteran's Administration Hospital. The planning for the parking structure will have to be carefully integrated with the planning for the road relocation, utilities relocation and the new building and needs to proceed simultaneously. University officials proposed to conduct a search for an architect for this project according to Board policy.

## Clearance of Steindler Building Site

The Steindler Building is uneconomical to operate and is past its useful life as an academic facility. The building seriously underutilizes a valuable parcel of campus real estate; the Bowen Science Building located just to the south contains over three times as much building space in a similar area. The Steindler Building will have to be razed to permit the construction of the new facilities. Initially, the west, north and south wings of this quadrangular building will be razed to permit construction of the new building. Following the availability of relocation space in University Hospitals and approximately coincident with the completion of the new building, the east wing of the Steindler Building will be razed. The vacated site will be landscaped and held in reserve for the construction of facilities according to needs that develop in the future.

## Financing Plan

The project has several distinct elements, with the core being the Medical Education and Biomedical Research Facility and related site development and relocation costs. The very preliminary cost of this element is \$69,765,000. The dual centerpieces of the financing will be the university's request for state support approved in the Regents Five Year Capital Plan (\$27 million) and a combination of gifts, earnings and indirect cost support of the College of Medicine. The university administration and the College of Medicine academic leadership believe the financial goals can be met to make the project feasible. The overall financing plan will include debt required to even the cash flows and thereby better match incoming resources expected of the project. Any debt would be expected to be well within the university's ability to manage without undercutting any existing programs.

The estimated cost for the relocation of Newton Road and construction of a parking structure is \$15 million. This work will be financed by parking system revenues and institutional roads funds.

The continued modernization of instructional and research facilities in the Bowen Science Building, the Medical Laboratories and the Medical Education Building will be financed by the College of Medicine and the university.

Dean Kelch thanked the Regents for the time they spent on campus to view the pressing needs of the educational program of the College of Medicine. He then reviewed the rationale for the project, the expected outcomes, and the university's request.

Regent Dorr stated that at the last Regents meeting there was some debate as to how rapidly the university should move forward with this project. As a result of that discussion, there were requests from the private sector to make presentations to the Board. He was of the opinion that to allow the public to make presentations would have been appropriate at this meeting because there was a significant communication issue relative to taxpayer support and the public's perception and understanding of what the university is trying to do. He was concerned that a taxpayer was not allowed the opportunity to present her observations.

Regent Dorr said he believed it was appropriate that the Regents took the extra month, listened to the campus presentations and were much better prepared to take action today. After having been given a very fine presentation and a great deal of background information, he wanted to go on record that he believes this project is essential to the long-term operation, functioning and maintenance of a high-quality institution. He noted, however, that the Regents find themselves in the position of supporting this because of decisions of previous Boards. He said the background and perspectives of some of these decisions need to be clearly inculcated into the mentality of the Board so there is some tradition as to how these decisions came about.

Regent Dorr stated that in the past there was some reluctance on the part of earlier leadership to fully apprise the Board of all the background activities and planning that had gone into this project. He said that in this first month of operation of this particular Board and Board leadership, that has not been the case, which he appreciated. He wholeheartedly encouraged the continuation of a much more open dialogue and discussion of major issues. It is absolutely essential to maintaining the trust, goodwill and integrity of the Board of Regents.

**EARLIER IN THE BOARD MEETING, REGENT TYRRELL MADE THE FOLLOWING ANNOUNCEMENT:**

Regent Tyrrell stated that he had to leave the Board meeting early. Prior to his departure, he wanted to enthusiastically endorse the University of Iowa capital plan for the health science campus. He said the Regents were provided with an opportunity to have an on-campus visualization and presentation. Research at the university is so important not only for the state of Iowa but hopefully eventually to Cystic Fibrosis and some of the other diseases being researched.

Replacement of Laundry Facility

University officials requested permission to proceed with project planning and the selection of a consulting engineering firm for the development of a replacement laundry facility.

The University of Iowa operates a laundry facility that is in acute need of replacement. The replacement is essential to maintain high quality and low cost laundry services to university customers, particularly the University of Iowa Hospitals and Clinics. The new facility would be located away from the main campus area but close enough to provide frequent and reliable delivery service, thus requiring minimum uniform and linen inventories. Very preliminary assessments are that the cost for facility and equipment replacement would be \$3.75 million. Immediate and significant operating cost reductions are expected from this project.

In addition to a new laundry building, a significant investment in modern processing equipment is needed. The majority of the equipment is over 20 years old, having outlived its design life many years ago. Equipment breakdowns are frequent. In some cases replacement parts are no longer available and must be custom made, seriously jeopardizing reliability to University Hospitals and other customers. The university administration and University Hospitals officials agree that a modern laundry facility is urgently needed to ensure reliability and reduce long term costs.

The current facility processes approximately 8 million pounds of soiled material each year; of this amount approximately 5.9 million pounds comes from University Hospitals. Volume from the University Hospitals is expected to remain relatively constant for the foreseeable future. Residence Services, the Iowa Memorial Union, Physical Plant, and Hancher Auditorium are other large customers among 160 units and departments served by the central laundry facility.

Several Laundry Service reviews have been completed over the past few years. In 1990 the Laundry Consulting Division of Cini-Little, Chicago, Illinois, conducted a thorough evaluation of the laundry operation including the feasibility of utilizing commercial laundry services. Cost analyses were completed for three facility modernization alternatives including remodeling the existing building, constructing an addition to the existing facility, and constructing a new building. In 1992, the Victor Kramer Laundry Consulting firm re-evaluated the 1990 study, updating the financial data and validating the findings. In 1994 Deloitte & Touche reviewed the Laundry operation and verified the previous studies.

Each review recommended constructing a new facility due to operating efficiencies and lower overall costs. Constructing a new building will allow optimal use of modern processing equipment.

A new building would most likely be a standard pre-engineered metal building. The university anticipates constructing the building through a design/build process. A request for design/build proposals would be distributed to building contractors asking them to propose a site and turnkey building.

Replacement equipment would be specified and acquired through the Regents purchasing procedures and would be installed in the completed building.

Project costs for the new building are estimated at \$1.75 million. Replacement equipment is estimated at \$2 million.

## PROJECT DESCRIPTIONS AND BUDGETS

Campus Fiber Optic Network--Project 10

\$1,704,000

Source of Funds: Telecommunication Revenue Bonds, or a  
Combination of Income from Treasurer's  
Temporary Investments and Telecommunications  
Improvement and Replacement Funds

Preliminary Budget

Construction	\$ 1,362,700
Design, Inspection and Administration	205,000
Contingencies	<u>136,300</u>
 TOTAL	 <u>\$ 1,704,000</u>

University officials proceeded with the Campus Fiber Optic Network Projects 1 through 9 totaling \$12,159,365 and requested approval of a project description and budget for Project 10 in the amount of \$1,704,000. Project 10 will install the telecommunications infrastructure, including wiring and associated components in office spaces, within 19 buildings. The work will include the distribution of copper and fiber optic media and the construction of telecommunications closets where media will be interconnected and system support equipment will be located.

Iowa Advanced Technology Laboratories--Construct Laboratory in Room E121 \$917,000

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

Preliminary Budget

Construction	\$ 723,000
Design, Inspection and Administration	
Consultants	85,800
Architectural/Engineering Services	35,400
Contingencies	<u>72,800</u>
 TOTAL	 <u>\$ 917,000</u>

University officials requested approval of a project description and budget to construct laboratory room E121 within the unfinished area of the Iowa Advanced Technology Laboratories. The laboratory will accommodate research in the growth of semiconductors to be carried out by a newly recruited faculty member in Physics and Astronomy. These research activities must be carried out in a class 10,000 laboratory cleanliness environment. Instrumentation used in the research (ultra high vacuum molecular beam epitaxy) requires sophisticated utility services and an on-site source of liquid nitrogen.

The project will include construction of the laboratory and installation of a 6,000 gallon liquid nitrogen tank which will be located north of the electrical utilities area outside the building. The liquid nitrogen tank will be connected to the laboratory via an underground insulated delivery system.

University Hospitals and Clinics--IVF Laboratory and Operating Room \$722,100

Source of Funds: University Hospitals Building Usage Funds

Preliminary Budget

Construction	\$ 584,000
Architectural/Engineering Support	50,500
Planning and Supervision	29,200
Contingencies	<u>58,400</u>

TOTAL

\$ 722,100

University officials requested approval of a project description and budget to develop approximately 2,400 gross square feet of shell space into an In Vitro Fertilization (IVF) Program Procedure Suite. The suite will be located adjacent to the main O.R. Suite on the fifth floor of the Pappajohn Pavilion. The project will include construction of two patient treatment rooms, a laboratory with adjoining anteroom, an IVF procedure room (which will be designed to function also as an operating room), and an operating room equipment clean-up and storage room.

The project will provide the Department of Obstetrics and Gynecology with expanded IVF procedure facilities to meet the growing demand for these services. Over the past six years the IVF Program procedure volume has more than doubled and the program's ambulatory clinic visits have increased by 40 percent.

The project will also address facility deficiencies which cannot be addressed in the program's existing laboratory and procedure facility located in the 1926-vintage General Hospital. The project will also provide the O.R. Suite with a facility to clean and store equipment.

\* \* \* \* \*

Hawkeye Area Recreation Fields  
 Source of Funds: Recreation Services Student Fees  
\$965,000

Original Budget \$872,000  
 Revised Budget

Project Budget

	Original Budget <u>Feb. 1996</u>	Revised Budget <u>May 1996</u>
Construction	\$ 697,000	\$ 830,000
Design, Inspection and Administration		
Consultants	90,000	90,000
Architectural/Engineering Services	15,300	15,300
Contingencies	<u>69,700</u>	<u>29,700</u>
TOTAL	<u>\$ 872,000</u>	<u>\$ 965,000</u>

University officials requested approval of a revised project budget in the amount of \$965,000 an increase of \$93,000. The revised budget reflects additional design requirements which were identified during the final project design. The additions resulted primarily from underground site utilities, increased storm water drainage system demands and higher service building costs. The revised budget will allow optimum development of the site to meet the high user demands for outdoor recreation sports facilities.

The project will be funded by Recreation Services Student Fees with bridge financing to be provided by Income from Treasurer's Temporary Investments. Designated tuition for Recreation Services was increased by \$.80 to \$2.00 in 1995-96 to provide funding for the development of additional recreational opportunities for students to participate in outdoor activities and fitness programs. The \$.80 increment of the Recreational Services fee will be transferred to a newly created building fee for repayment of the advance to fund the fields.

\* \* \* \* \*

University officials reported four new projects with budgets of less than \$250,000. The titles, source of funds and estimated budgets for the projects were listed in the register prepared by the university.

## ARCHITECT/ENGINEER AGREEMENTS

### Amendments

West Campus Chilled Water Loop--Final Phase  
\$23,237

Amendment #1

Shive-Hattery Engineers and Architects, Iowa City, Iowa

University officials requested approval of Amendment #1 to the agreement with Shive-Hattery Engineers and Architects for the West Campus Chilled Water Loop--Final Phase project. The amendment will provide additional design services for changes requested by the university during the construction period.

Two primary changes were requested. The first was to perform design and construction inspection services to relocate the entry point of chilled water service to the Pomerantz Family Pavilion. The point was moved from the northwest corner of the building to an existing utility tunnel. The second change extended chilled water approximately 200 feet to provide service to the Medical Research Center.

Amendment #1 will not result in an increase in the total project budget.

Campus Fiber Optic Network--Project 3  
\$8,830

Amendment #4

Shive-Hattery Engineers and Architects, Iowa City, Iowa

University officials requested approval of Amendment #4 to the agreement with Shive-Hattery Engineers and Architects for the Campus Fiber Optic Network--Project 3. The amendment will provide design services to include an additional communication closet in the Bowen Science Building. The amendment will also address changes in the design of telecommunication closets and will provide assistance to Information Technology Services to accommodate the installation of a cable tray in the Lindquist Center.

Amendment #4 will not result in an increase in the total project budget.

Campus Fiber Optic Network--Project 4  
\$6,565

Shive-Hattery Engineers and Architects, Iowa City, Iowa

Art Building--Correct Fire Safety Deficiencies  
\$5,600

Wertzberger Architects, Marshalltown, Iowa

University Hospitals and Clinics--Emergency Generator Room

\$3,910

Fire Suppression Systems

A & J Associates, Iowa City, Iowa

CONSTRUCTION CONTRACTS

Hawkeye Area Recreation Fields

\$864,000

Award to: Peterson Contractors, Inc., Reinbeck, Iowa

Base Bid of \$729,000, plus Alternate #1 of \$30,000, plus Alternate #2 of \$65,000, plus Alternate #3 of \$10,000, plus Alternate #4 of \$30,000 =

TOTAL AWARD OF: \$864,000

(3 bids received)

University officials requested approval to award the construction contract to the low bidder, Peterson Contractors, in the amount of \$864,000. Three bids were received for the project on March 28, 1996. The low bid as submitted by Peterson Contractors exceeded the engineering estimate by approximately 40.5 percent. Approval of the revised project budget in the amount of \$965,000 will allow award of the contract to the low bidder for the Base Bid plus Alternates #1 through #4 for a total award of \$864,000. This exceeds the revised construction budget by \$34,000, but university officials will issue a deduct change order in this amount to bring the contract in line with the construction budget.

Schaeffer Hall--Remodeling and Renewal--Exterior Repairs

\$223,475.00

Award to: Wm. Sewell and Company, Mount Vernon, Iowa

(5 bids received)

Hydraulics Laboratory--Upgrade Primary Electrical Service

\$69,371.00

Transformer Vault

Award to: L. B., Inc., Iowa City, Iowa

(3 bids received)

Pharmacy Building Addition--Site Development

\$29,026.61

Award to: Iowa City Landscaping, Iowa City, Iowa

(2 bids received)

## CHANGE ORDERS TO CONSTRUCTION CONTRACTS

Expansion of the East Campus Chilled Water Distribution System--Exterior Pipe Installation  
Hurst and Sons Contractors, Inc., Waterloo, Iowa

Change Order #2 \$80,000

University officials requested approval of Change Order #2 in the amount of \$80,000 to the agreement with Hurst and Sons Contractors. The change order will provide for the removal and replacement of additional concrete pavement on Madison Street.

## ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

University Hospitals and Clinics--Replace General Hospital and Boyd Tower Roofs  
Maintenance Associates Corporation, Marion, Iowa

Main Power Plant--Modification of Boiler No. 11  
Pyropower Corporation, San Diego, CA

Medical Laboratories--HVAC and Building Upgrade, Phase III--Mechanical Systems  
Universal Climate Control, Inc., Iowa City, Iowa

MOTION: Regent Kennedy moved to approve the university's capital register, as presented. Regent Dorr seconded the motion. MOTION CARRIED UNANIMOUSLY.

**TENANT PROPERTY RENTAL RATES.** The Board Office recommended the Board approve the rates, as presented.

University officials requested approval of its tenant property rates for FY 1997; all but 12 of the university's 51 rental units will receive rate increases.

MOTION: Regent Tyrrell moved to approve the rates, as presented. Regent Kennedy seconded the motion, and upon the roll being called, the following voted:  
AYE: Dorr, Kennedy, Lande, Mahood, Newlin, Pellett, Tyrrell.  
NAY: None.  
ABSENT: Smith.

MOTION CARRIED.

**PARKING RATES.** The Board Office recommended that the Board give preliminary approval to parking rates for 1996-1997 at the University of Iowa.

Fees proposed for 1996-1997 (Table 1) are in accordance with recommendations by the University of Iowa Parking and Transportation Committee, composed of students, faculty and staff representatives.

TABLE I  
UNIVERSITY OF IOWA  
PROPOSED 1996-1997 PARKING RATES

1995 - 1996	Proposed 1996 - 1997	Percent
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	<u>Rate</u>		<u>Rate</u>		<u>Increase</u>		<u>Increase</u>
Faculty/Staff Lot Reserved	\$17.00	/mo	\$18.00	/mo	\$1.00	/mo	5.9%
Faculty/Staff Ramp Reserved	25.50	/mo	27.00	/mo	1.50	/mo	5.9%
Commuter	4.25	/mo	4.50	/mo	0.25	/mo	5.9%
Storage	8.00	/mo	8.50	/mo	0.50	/mo	6.3%
Evening Ramp	17.00	/mo	18.00	/mo	1.00	/mo	5.9%
Evening Lot	8.50	/mo	9.00	/mo	0.50	/mo	5.9%
Student Meter Parking	0.30	/hr	0.40	/hr	0.10	/hr	33.3%
Library Lot	0.30	/hr	0.40	/hr	0.10	/hr	33.3%
Public Meter Parking	0.40	/hr	0.50	/hr	0/10	/hr	25.0%

Written notification of the amount of the proposed increases was mailed to the student government president of the University of Iowa at the student government office as listed in the university directory.

**ACTION:** President Newlin stated that the Board gave preliminary approval to parking rates for 1996-1997 at the University of Iowa, by general consent.

**MEETING OF IOWA STATE BOARD OF REGENTS AS THE BOARD OF TRUSTEES OF THE UNIVERSITY OF IOWA HOSPITALS AND CLINICS.** The Board Office recommended the Board receive the report on the operations of the UIHC.

The Board of Regents in its role as the Trustees of the University of Iowa Hospitals and Clinics was provided with a quarterly report on operations of the UIHC.

### Quarterly Update on UIHC Operations, Programs, and Finances:

The UIHC budget is consistent with the five-year plan to remove \$65 million from the operating expense budget. \$22 million was originally targeted for reduction on the expense base for FY97; however, the current projection is a \$15 million reduction. The adjustments include projections for a 2.9 percent decrease in total admissions, a 1.2 percent increase in surgical activity and a 2.5 percent increase in clinic volume.

The report reflected a 32 percent increase in managed care activity in FY96 over the previous year.

The budget reflected an inflationary increase for supply expenditures and incorporated a salary plan for FY97.

The UIHC is currently experiencing a positive financial position which was reflected in the budget. UIHC officials believe that continued growth in managed care activity, combined with reductions in the Federal budget for Medicare and other programs, will have an adverse impact upon revenue in the upcoming budget year.

A 3 percent rate increase on charges for services during the upcoming fiscal year was included.

The budget maintains a capital development schedule that was previously approved by the Board of Regents and was consistent with the operating plan which was also approved by the Board of Regents.

### Other Agenda Items:

Dr. Bruce Gantz, Chair, Department of Otolaryngology, gave a presentation regarding a promising new clinical initiative to provide hope for the profoundly hearing impaired.

Vice President Manasse stated that the University of Iowa Hospitals and Clinics continues to be fiscally and programmatically healthy. Hospital officials continue to focus on managing value and managing markets. He said the University of Iowa Hospitals and Clinics is a high quality care-giving organization. The recent exit interview of the accreditation reviewers confirmed a strong team atmosphere and strong institutional quality.

Director Howell stated that the University of Iowa Hospitals and Clinics is having a very positive year of serving Iowans. He reviewed the third quarter operating statistical measures, noting that the UIHC experiences over 2,000 clinic visits per day.

Mr. Yerington summarized the operating financial measures noting that, unlike the budget, the information was prepared on an accrual accounting basis, and included all funds not just operating funds.

Regent Dorr questioned whether the anticipated decrease in FTEs would be accomplished entirely through attrition. Mr. Yerington responded affirmatively.

President Newlin asked for UIHC officials' projections for the increase in acute discharges. Could they go as high as 50 percent? Mr. Yerington projected that by the end of the 4-year cycle the UIHC's acute discharges could easily be in the 30 percent to 50 percent range. Director Howell said it was important to use the 30 percent to 50 percent range as a reference point. The UIHC will be operating in a highly-leveraged

managed care environment when it crosses over that threshold. The attainment of the threshold does not require 90 to 100 percent penetration of managed care.

Mr. Yerington reviewed the progress in meeting capital replacement objectives.

Regent Lande asked for clarification of the figure which indicated that bad debts had decreased by 18 percent. Mr. Yerington responded that at the end of December 1995 the variance was even greater. Last year UIHC officials determined a need to increase the reserve for bad debts (accrual accounting) which in turn increased last year's accrual expenses. Last year was abnormal in terms of the amount of bad debt.

Mr. Howell reviewed with the Regents the report on the accreditation surveys of UIHC, which were very positive. He noted that the UIHC is surveyed by 46 different organizations. Mr. Howell presented an overview of the preliminary FY 1997 budget of the University of Iowa Hospitals and Clinics, which was developed in the context of the strategic plan. The budget reflected a 1.7 percent increase over the current expense budget, which he said compared very favorably to the national health care consumer price index.

Mr. Yerington provided a more detailed overview of the budget, which he said was prepared on a cash and encumbrance basis versus accrual basis. He stated that 92 percent of the budget is earned through paying patient revenues. The budget anticipates a \$19 million revenue loss and \$24.4 million revenue gain for a net gain of \$5.4 million. The budget recognizes federal budget reductions, trends in utilization, trends in payment, revenue deferred in accounts receivable, and expansion of the adult bone marrow transplant program. With regard to expenditures, the UIHC is currently \$1.7 million over budget on drugs for hemophiliacs. He noted that \$600,000 was provided in the preliminary FY 1997 budget for education and retraining if employees have to leave the university due to budget reductions, although he did not believe that would happen.

President Newlin referred to the FY 1997 budget and asked how many positions were projected to be eliminated at the hospital. Director Howell responded that the FY 1997 budget was predicated on reducing 246 FTEs, compared to 175 FTEs that were taken out of this year's budget. He noted that in this year's operating statement all the individuals within the 175 FTEs have been provided opportunities for continued employment within the organization. Further, in developing the FY 1997 budget, UIHC officials have identified alternative employment opportunities for approximately one-half of the 246 FTEs. He noted that many of those employees are in career status with their positions not scheduled to terminate until well into FY 1997.

Regent Lande asked whether alternative employment within "the organization" meant University of Iowa Hospitals and Clinics or University of Iowa. Director Howell responded that a significant amount would be within the hospital but it also extended to the university, as well.

President Newlin asked whether that meant the individuals will have a job. Director Howell responded affirmatively.

Regent Pellett stated that the correspondence she had received led her to believe that a good number of the employees that have been displaced are nurses. Director Howell said that was absolutely not the case. In fact, the majority of the UIHC's employees are in caregiver positions. The majority of the FTEs to be eliminated are in non-caregiver areas. Therefore, the reductions are in reverse to the work force.

Dr. Judy Ryan, Director of Nursing, requested the Board's assistance in communicating a very difficult message to the state of Iowa. She said that for the last three years UIHC officials have been engaged in consolidating in-patient resources in response to the shift in patient volume to the outreach clinics, ambulatory settings, and emerging community-based sites. This year they were faced with very significant budgetary challenges and asked for help across the organization in assessing the efficiency of staffing in the nursing units. The determination was made that nursing services are staffed very efficiently and effectively. Any further consolidation would require the assistance of the clinical departments, the other hospital support departments, as well as nursing. She said a work group consisting of representatives of all those groups was formed to determine how to consolidate in-patient units to better integrate patient care populations in order to improve clinical care and make way for the newly-emerging managed care environments.

Regent Pellett asked if Dr. Ryan felt comfortable that patient care was not suffering. Dr. Ryan responded that methods are in place to meet those needs. She said she did not mean to understate the challenge of managing change and of retraining personnel. However, she felt absolutely confident that the quality of care would not be jeopardized.

Regent Newlin asked whether all of the individuals whose positions had been eliminated in 1995 and 1996 had jobs. Director Howell responded that all of those individuals had been provided with an opportunity to have a job.

President Newlin asked whether it was anticipated that jobs would be found for the other people whose positions will be eliminated. Director Howell responded that UIHC officials continue to be optimistic that opportunities will be found for those people; however, he did not want to guarantee that would happen. It is difficult to predict where vacancies will occur.

Vice President Manasse stated that replacement positions for employees whose jobs are being eliminated was a university issue. University officials are striving to resolve employment issues for those who might be displaced. All units have been requested to give first priority to hiring those who may be displaced. In the longer term additional opportunities are expected to arise as research activities are expanded. He stressed that university officials were not under any illusion that somewhere down the line an individual may have to find employment outside the university.

Associate Vice President Small stated that the university is doing no hiring from outside for any position that could provide an opportunity for an employee who is being displaced. However, for employees under the merit system contract, the position that is eliminated in the hospital may have an affect elsewhere in the university because personnel changes have to take place by seniority. University officials will not know for a while how all that is going to work out.

Mr. Richey stated for the record that the Board, through its staff, did not negotiate the merit system contract.

Director Howell stated that the majority of people who have chosen reduced incomes to remain employed, including those who volunteered to go to part time, were previously in management or supervisory positions.

Director Howell introduced Bruce Gantz, Director of the Department of Otolaryngology. He noted that Dr. Gantz was featured in the April edition of Pacemaker.

Dr. Gantz provided the Regents with a presentation on the cochlear implant and multichannel brainstem implant programs of the UIHC. He noted that the programs were an outgrowth of 16 years of research. That morning he had placed his 200th cochlear implant into a patient. He said 83 percent of the children who receive the implant are able to understand words; over 60 percent of the adults can now talk on the telephone.

Regent Lande said he read a newspaper article which indicated that the implant was a rather severe surgery. Dr. Gantz responded that the cochlear implant he had done that morning on a 2-year-old child took 40 minutes. One brainstem implant he performed took 14 hours for the surgery but included removing a tumor.

Dr. Gantz provided a video presentation on the brainstem implant. The implant contains 8 electrodes and can reach 11 frequency band stimulations. Less than 30 of the multi-channel devices have been implanted.

Director Howell stated that it is easy to understand why the UIHC Department of Otolaryngology is consistently ranked as one of the top departments in the country. It was ranked third most recently.

Director Howell referred to 200th cochlear implant that Dr. Gantz had performed that morning, and said the patient was initially denied the procedure. The parents had to insist. As they talk about the impact of managed care, attendance to quality needs to be addressed.

**ACTION:** President Newlin stated the Board received the report on the operations of the UIHC, by general consent.

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

## IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was transacted on Thursday, May 16, 1996.

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

Register of Personnel Changes for April 1996 which included three requests for early retirement and two requests for phased retirement.

Approve the appointment of MURRAY BLACKWELDER as Vice President of External Affairs, effective July 1, 1996, at an annual salary of \$144,000.

Presented for the Board's information was the appointment of CARLA ESPINOZA as Assistant Vice President for Human Resource Services, effective May 28, 1996, at an annual salary of \$85,000.

MOTION: Regent Kennedy moved to approve the university's personnel transactions, as presented. Regent Pellett seconded the motion. MOTION CARRIED UNANIMOUSLY.

**CHANGE IN CENTER STATUS FOR THE CENTER FOR AVIATION SYSTEMS RELIABILITY (CASR).** The Board Office recommended the Board receive the report on the change of status of the Center for Aviation Systems Reliability (CASR).

Iowa State University officials reported on a change of status for the Center for Aviation Systems Reliability (CASR) that was prompted by a recent external review of CASR and the Center for Nondestructive Evaluation (CNDE) in which it was recommended that the CASR be closed as a separate center and be realigned as a program under the CNDE. This recommended action by the external reviewers was made solely for administrative reasons and will have little impact beyond administrative efficiency and better program coordination.

Effective immediately, the Center for Aviation Systems Reliability (CASR) will cease to exist as an ISU center.

Funding for the CNDE (FY96) is provided as follows:

\$3,131,970 (Federal)  
634,000 (State)  
1,054,666 (Private)

Funding for CASR is \$11,027,179 (Federal)

ACTION: President Newlin stated the Board received the report on the change of status of the Center for Aviation Systems Reliability (CASR), by general consent.

**NEW ISU CENTER TO BE CALLED THE ANALOG AND MIXED-SIGNAL VLSI DESIGN CENTER.** The Board Office recommended the Board receive the report on the Iowa State University Analog and Mixed-Signal VLSI Design Center.

Iowa State University is establishing an Analog and Mixed-Signal VLSI Design Center to be supported entirely from outside sources. In the event that external funding is exhausted, this center will cease to exist. Initial funding is provided by Texas Instruments at the rate of \$150,000 per year for three years.

The purpose of this center will be to educate MS and Ph.D. level students in the analog and mixed-signal VLSI field, to conduct research that will advance the state of the art in the field, to promote industrial interactions and development, to promote extended learning opportunities for off-campus students, and to provide substantive exposure to undergraduate students to analog and mixed-signal design issues.

ACTION: The report was received by consent.

**REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS.** The Board Office recommended that (1) the Register of Capital Improvement Business Transactions for Iowa State University be approved and (2) the Board ratify the selection of construction managers for the Intensive Livestock Research and Instruction Facilities and Library Storage Building/Administrative Services Facilities Office Building projects.

## PERMISSION TO PROCEED WITH PROJECT PLANNING

### Library Storage Building/Administrative Services Facilities Office Building

Since receiving permission to proceed with the Library Storage Building project in January, university officials have recognized an opportunity to solve other pressing space issues by amending the scope of the project. To address these issues, university officials proposed to construct a free-standing office building with approximately 28,500 net assignable square feet in parallel with the Library Storage Building. The new Administrative Services Facilities Office Building facility would provide office space to house the functions of Extension Communications, Administrative Data Processing, Business and Finance, and Purchasing.

University officials wish to utilize a construction manager approach to construct the two buildings simultaneously. The project architect, the construction manager, and the university will form a team to design the buildings, divide the work into appropriate packages of material and labor, receive bids for each package in accordance with State and Board requirements, and manage all construction activities. This process is designed to maximize the quality of the finished project while at the same time minimizing time and cost of construction. University officials expect to save at least 25 percent in time and 5 percent in costs as compared to the conventional approach for project delivery.

University officials estimate that the cost for the Library Storage Building/Administrative Services Facilities Office Building project will be \$4.8 million to be funded by Income from Treasurer's Temporary Investments and Building Repair funds. When the appropriate level of planning has been reached, a detailed project budget will be developed and presented to the Board for approval.

Regent Dorr asked for an explanation of the expansion of the library project. President Jischke responded that the intent was to create more space for students in the library. Currently, seating space is being used to house books. What was proposed was a rather inexpensive solution to the problem. A second aspect is that there are some efficiencies in doing the two projects jointly. The proposal targets undergraduate education and student services. Some of the library services that are not crucial for students will be moved to the peripheral areas of the campus.

With regard to whether there will be more of this type of project in the future, President Jischke stated that university officials were wrestling with the question of how to deal with Morrill Hall. The funds had not yet been identified for the project.

## PROJECT DESCRIPTIONS AND BUDGETS

Applied Science Center 1--IPRT Advanced  
Semiconductor Materials Characterization  
Laboratories--Phase 1  
\$910,000

Original Budget \$700,000  
Revised Budget

Laboratories--Phase 1

Source of Funds: Institute for Physical Research and Technology

### Project Budget

<u>Original Budget Feb. 1994</u>	<u>Revised Budget May 1996</u>
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Contracts	\$ 450,000	\$ 640,000
Design Services	78,500	158,145
Demolition	20,000	0
Project Administration	15,950	20,255
University Services	27,000	12,000
Miscellaneous	3,000	3,000
Fixed Equipment	20,000	15,000
Building Automation	20,000	20,000
Telecommunications	5,000	5,000
Project Reserve	<u>60,550</u>	<u>36,600</u>
 TOTAL	 <u>\$ 700,000</u>	 <u>\$ 910,000</u>

University officials requested approval of a revised project budget in the amount of \$910,000, an increase of \$210,000, which reflects an increase in the project scope. The project will now include structural support for a future second floor. The additional support will permit more efficient use of existing space in the future and will result in minimum disruption to active laboratory space when the second floor is constructed.

Seed Science Building AdditionOriginal Budget \$538,100

Revised Budget

\$632,000Project Budget

	Original Budget <u>Dec. 1995</u>	Revised Budget <u>May 1996</u>
Contracts	\$ 300,000	\$ 350,000
Design Services	30,500	47,420
Project Administration	16,500	23,460
University Services	9,400	9,400
Miscellaneous	2,250	2,250
Landscaping	3,000	3,000
Movable Equipment	131,500	158,600
Building Automation	6,000	6,000
Telecommunications	750	750
Project Reserve	<u>38,200</u>	<u>31,120</u>
TOTAL	<u>\$ 538,100</u>	<u>\$ 632,000</u>
Source of Funds:		
ISU Foundation	\$ 538,100	\$ 532,000
Agriculture Experiment Station	<u>                    </u>	<u>100,000</u>
TOTAL	<u>\$ 538,100</u>	<u>\$ 632,000</u>

University officials requested approval of a revised project budget in the amount of \$632,000, an increase of \$93,900, which reflected the addition of a hallway to the project scope. The revised budget also reflected the addition of the Agriculture Experiment Station as a source of funds for the project.

Curtiss Hall--Partial First Floor Remodeling and

\$756,000

Air Handling Unit

\$841,000

Combined Budget

Revised Budget

Project Budget

	<u>Combined Budget</u>	<u>Revised Budget May 1996</u>
Contracts	\$ 510,200	\$ 572,850
Demolition	15,000	15,000
Design Services	64,550	86,800
Project Administration	33,290	36,790
University Services	5,400	5,400
Miscellaneous	2,800	2,800
Landscaping	3,000	3,000
Movable Equipment	23,100	23,100
Building Automation	32,100	32,100
Telecommunications	5,900	5,900
Project Reserve	<u>60,660</u>	<u>57,260</u>
TOTAL	<u>\$ 756,000</u>	<u>\$ 841,000</u>
Source of Funds:		
Academic Building Revenue Bonds	\$ 150,000	\$ 150,000
ISU Foundation	125,000	125,000
Building Repair Funds	15,000	15,000
General University Funds	30,000	30,000
Agriculture Experiment Station	<u>436,000</u>	<u>521,000</u>
TOTAL	<u>\$ 756,000</u>	<u>\$ 841,000</u>

University officials requested approval of a revised project budget in the amount of \$841,000, an increase of \$85,000, which reflects a change in the project scope. The project will now include work in two additional rooms and additional millwork. The revised budget also reflects additional funding from the Agriculture Experiment Station.

## ARCHITECT/ENGINEER AGREEMENTS

### Use of Construction Manager for Intensive Livestock Research and Instruction Facilities and Library Storage Building/Administrative Services Facilities Office Building

University officials proposed to utilize the Construction Manager (CMc) approach to project delivery for the Intensive Livestock Research and Instruction Facilities and Library Storage Building/Administrative Services Facilities Office Building projects. They believe this approach would enable the attainment of a higher quality level of construction, lower overall costs, and a shorter construction time than the conventional construction delivery process.

Planning funds for the Intensive Livestock Research and Instruction Facilities project were authorized by the 1994 legislature. Construction documents are nearing completion. Legislative action includes funding of \$15.3 million for the project. These funds and the commitment of private funds will permit construction of the Kildee/Meats Lab Addition portion of the project to begin this summer.

A key aspect of the proposed CMc process is the pre-qualification of contractors. University officials realize it is important that pre-qualification be done fairly. This will involve defining the criteria for evaluation very precisely and making sure the potential contractors are aware of that criteria. The evaluation process must be done in an objective manner by a team composed of the CMc, the project architect, and the university. The university will make the determination whether or not a contractor is qualified and there will be a process to appeal that decision. The actual criteria will be specific to each bid package and will be developed by the CMc, the project architect, and the university at the time the bid packages are formulated. Potential contractors will be notified through public advertisement via trade associations and newspaper that the university is seeking to pre-qualify contractors for the specific bid packages.

The CMc, the project architect, and the university will perform an initial evaluation of the submitting firms. Any firms that appear to not be qualified will be notified of the areas in which they appear to be deficient and will be allowed to provide additional information. All contractors who have submitted pre-qualification information will be notified in writing by the university of the results of the evaluation process. Those contractors that dispute the university's decision will have the right to appeal to the Vice President for Business and Finance, and in turn, the President, and the Board of Regents.

## Intensive Livestock and Research Facilities

University officials wish to begin construction as soon as possible after the funds become available, thereby necessitating that the process proceed quickly. Facilities Planning and Management has proceeded with the qualifications based selection process for the CMc. Advertisements were placed in The Des Moines Register Official Notices section. A selection committee was formed consisting of user representatives, Facilities Planning and Management staff, and the project architect. Three firms, Story Construction Company, Taylor Ball, and the Weitz Company, were selected from the respondents for further consideration.

Interviews were held on April 8, 1996. After a brief discussion, the committee came to the conclusion that Taylor Ball is the most qualified firm for the ILRIF-Kildee/Meats Lab project. Although at least two of firms, Taylor Ball and Weitz, were very qualified for this project, Taylor Ball's extensive experience with similar types of projects and the qualifications of the specific team members that were proposed, led the committee to the decision to recommend selection of this firm for Board approval.

University officials requested approval to negotiate an agreement with Taylor Ball and requests that the Board grant the Executive Director power to approve the agreement with the construction manager prior to the June Board meeting.

## Library Storage Building/Administrative Services Facilities Office Building

This project must proceed quickly due to commitments made to the State Fire Marshal that Morrill Hall would be vacated and the occupants relocated. The existing library storage building has no environmental controls and is continuing to deteriorate. The relocation of these materials and development of additional student study space in the Parks Library are a high priority. The architect selection was approved at the April meeting and it is desirable that the CMc selection process proceed quickly to stay on schedule.

Because of the need to proceed with this project on an accelerated time schedule, Facilities Planning and Management has proceeded with the qualifications based selection process. An advertisement was placed in the Des Moines Register Official Notices section. A selection committee was formed consisting of user representatives, Facilities Planning and Management staff, and the project architect. Four firms, Story Construction Company, Taylor Ball, The Weitz Company, and CPMI were selected from the respondents for further consideration.

After conducting interviews, the committee recommended the firm of Story Construction Company for construction manager on this project. Story Construction Company has substantial recent experience with the type of building envisioned for this project and the committee recommends their selection for Board approval. University officials requested approval to negotiate an agreement with Story Construction Company and requested that the Board grant the Executive Director power to approve the agreement with the construction manager prior to the June Board meeting.

## Amendments:

Utilities--West Campus Infrastructure Development  
Ament Engineering Associates, Cedar Rapids, Iowa

Amendment #1 \$34,126

University officials requested approval of Amendment #1 in the amount of \$34,126 to the agreement with Ament Engineering Associates. The amendment will provide additional design services resulting from a revised project scope approved by the Board in March 1996. Amendment #1 will not result in an increase in the total project budget.

Curtiss Hall--Partial First Floor Remodeling and Amendment #1 \$22,350  
Air Handling Unit

Savage-Ver Ploeg and Associates, West Des Moines, Iowa

University officials requested approval of Amendment #1 in the amount of \$22,350 to the agreement with Savage-Ver Ploeg and Associates. The amendment will provide additional design services for revisions to the air handling portion of the project, the remodeling layout, and the additional area which will be added to the project scope. Amendment #1 will not result in an increase in the total project budget.

Carver Hall--Second Floor--Remodel for ICN Classroom \$3,125  
Savage-Ver Ploeg and Associates, West Des Moines, Iowa

## CONSTRUCTION CONTRACTS

Telecommunications--Cable Enhancement--FY 1996  
Reject Bids

The university received one bid for this project on April 25, 1996. The bid exceeded the engineering estimate by approximately 108 percent. On April 29, 1996, the

Executive Director authorized the university to reject the bid, reevaluate and re-bid the project at a future date.

Carver Hall--Second Floor-Remodel for ICN Classroom \$206,900  
Award to: Welker Construction Company, Marshalltown, Iowa  
(7 bids received)

#### ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

Athletic Office and Training Facility--Steam Service  
ACI Mechanical, Ames, Iowa

Reiman Gardens  
Woodruff Construction Company, Fort Dodge, Iowa

President Newlin noted that he would abstain on the vote on the Seed Science Building Addition.

MOTION: Regent Pellett moved that (1) the Register of Capital Improvement Business Transactions for Iowa State University be approved and (2) the Board ratify the selection of construction managers for the Intensive Livestock Research and Instruction Facilities and Library Storage Building/Administrative Services Facilities Office Building projects. Regent Mahood seconded the motion. MOTION CARRIED UNANIMOUSLY.

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

University officials requested approval to renew its lease as lessee with the North Iowa Area Community College for the university's use of 855 square feet of office space and 150 square feet of storage space located in Mason City, Iowa, at the rate of \$851.56 per month (\$11.25 per square foot for office space, \$4 per square foot for storage space, \$10,218.72 per year) for a five-year period.

University officials requested approval to renew its Memorial Union Memorandums of Agreement for FY 1997 with the Iowa State University Book Store, the Administrative Data Processing Department, and the University Copy Center.

University officials requested approval to renew its lease as lessee with Loran Simpson for the university's use of 24,887 square feet of storage and research space located in Ames, Iowa, at the rate of \$4,645.57 per month (\$2.24 per square foot, \$55,746.84 per year) for a one-year period.

University officials requested approval to enter into a lease as lessor with Sprint Spectrum L.P. for its use of space on the roof of Ross Hall for the installation and operation of a Personal Communication Service facility at the rate of \$6,000 per year for a five-year period.

University officials requested approval to enter into an easement agreement with IES Utilities, Inc., for its use of a portion of land at the Rhodes Research and Demonstration Farm in Marshall County for the installation of a new electric line.

MOTION:

Regent Tyrrell moved to approve leases, easements and agreements, as presented. Regent Kennedy seconded the motion, and upon the roll being called, the following voted:  
AYE: Dorr, Kennedy, Lande, Mahood, Newlin, Pellett, Tyrrell.  
NAY: None.  
ABSENT: Smith.

MOTION CARRIED.

**P&S CLASSIFICATIONS.** The Board Office recommended that the Board approve the additions of new classifications and the deletion of obsolete titles within the Professional and Scientific Classification System of Iowa State University, as presented (salaries are fiscal year 1996 ranges).

Additions:

Assistant Vice President for Enrollment, pay grade 20 (\$58,218 - no maximum)  
Assistant Counsel, pay grade 15 (\$30,344 - \$51,089)

New Series:

Add Title	Pay Grade	Delete Title	Pay Grade
Telecommunications Engineer I	14 (\$27,474-\$45,558)	Telecommunications Engineer	14 (\$27,474-\$45,558)
Telecommunications Engineer II	15 (\$30,344-\$51,089)	N/A	N/A
Telecommunications Engineer III	16 (\$33,867-\$57,881)	Telecommunications Systems/Network Specialist	16 (\$33,867-\$57,881)
Telecommunications Specialist I	14 (\$27,474-\$45,558)	Telecommunications Specialist	14 (\$27,474-\$45,558)
Telecommunications Specialist II	15 (\$30,344-\$51,089)	Telecommunications Network Specialist	15 (\$30,344-\$51,089)

Pay Grade Change:

Supervisor, Glass Shop from pay grade 14 (\$27,474-\$45,558) to pay grade 13 (\$25,140 - \$41,048)

Deletions:

Computer Support Services Specialist, pay grade 15 (\$30,344 - \$51,089)  
Employee Assistance Program Counselor, pay grade 14 (\$27,474 - \$45,558)  
Coordinator Special Events, pay grade 14 (\$27,474 - \$45,558)  
Agriculture Teaching Station Coordinator, pay grade 12 (\$23,252 - \$37,373)  
Assistant Manager Campus Services, pay grade 13 (\$25,140 - \$41,048)  
Assistant Manager Material Handling, pay grade 14 (\$27,474 - \$45,558)  
Engineering Lab Equipment Specialist, pay grade 14 (\$27,474 - \$45,558)  
Instructional Development Coordinator, pay grade 16 (\$33,867 - \$57,881)  
Manager, ADP Rel and Documents, pay grade 16 (\$33,867 - \$57,881)  
Manager, Alumni/Foundation Records, pay grade 15 (\$30,344 - \$51,089)  
Manager, Construction Administration, pay grade 17 (\$38,191 - \$66,244)  
Manager, Custodial Services, pay grade 15 (\$30,344 - \$51,089)  
Manager, FAPRI Data Systems, pay grade 16 (\$33,867 - \$57,881)  
Manager, Facility Services, pay grade 18 (\$43,511 - \$76,579)  
Manager, Technical Training, pay grade 17 (\$38,191 - \$66,244)  
Manager, University Farm Services, pay grade 16 (\$33,867 - \$57,881)  
Personnel Records Supervisor, pay grade 13 (\$25,140 - \$41,048)  
Supervisor, Materials Handling, pay grade 13 (\$25,140 - \$41,048)  
Safety Specialist, pay grade 13 (\$25,140 - \$41,048)

**MOTION:**

Regent Kennedy moved to approve the additions of new classifications and the deletion of obsolete titles within the Professional and Scientific Classification System of Iowa State University, as presented (salaries are fiscal year 1996 ranges). Regent Mahood 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 Thursday, May 16, 1996.

**REGISTER OF PERSONNEL TRANSACTIONS.** The Board Office recommended the Board approve the university's personnel transactions, as follows:

Register of Personnel Changes for March 1996.

**MOTION:** Regent Kennedy moved to approve the university's personnel transactions, as presented. Regent Pellett seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

**PROPOSED CURRICULAR CHANGES.** The Board Office recommended the Board refer the University of Northern Iowa proposed curriculum changes to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

The proposed changes include six new programs including:

- Educational Technology - MA
- Physical Education Major - BA
- Modern Language Dual Major - BA
- Modern Language Dual Major - Teaching - BA
- Major in Biology - MS
- Major in Computer Science - MS

The proposed changes include seven new minor programs including:

- Marketing
- Leisure Services
- Inter-American Studies
- Leadership Studies
- Communication/Public Relations
- Meteorology
- Nutrition and Food Science

Two majors were proposed for discontinuance including:

- Major in Computer Applications in Education - MAE
- Major in Educational Technology - MAE

Regent Pellett referred to the proposed minor in Nutrition and Food Science, and stated that Iowa State University has a very specialized, nationally-renowned program in nutrition and food science. Why is the University of Northern Iowa proposing to offer this minor?

Provost Marlin responded that the University of Northern Iowa offers a major called Design, Family and Consumer Sciences. This proposal was for a minor.

**ACTION:** President Newlin stated the Board, by general consent, referred the University of Northern Iowa proposed curriculum changes to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

**PROPOSED CHANGE IN ADMISSION REQUIREMENT FOR MATHEMATICS.** The Board Office recommended the Board refer the proposed change in University of Northern Iowa entrance requirements to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

University of Northern Iowa officials proposed a change in entrance requirements from three years, including one year of algebra and sequential courses of increasing difficulty, to three years, including the equivalent of two years of algebra and one year of geometry.

This change is intended to update and clarify the university's admission requirements by being more specific about what is required.

All three Regent Universities have slightly different mathematics requirements. The proposed change at the University of Northern Iowa would make the entrance requirements at the three universities somewhat more similar.

All three Regent Universities currently require three years of mathematics:

Iowa State University requires 1 year each of Algebra, Geometry and Advanced Algebra.

University of Iowa requires 2 years of Algebra and one year of geometry (Liberal Arts) and 4 years of mathematics including 2 years of Algebra, 1 year of Geometry, and 1 year of higher mathematics, Trigonometry, analysis, or calculus (College of Engineering).

The proposed change would be effective for students admitted Fall, 1998.

University officials should make a special effort to convey the change to potential students, high schools, etc.

**ACTION:** This matter was referred by consent.

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

#### PROJECT DESCRIPTIONS AND BUDGETS

<u>Physical Education Center Roof</u>	<u>\$300,000</u>
Source of Funds: Building Repair Funds	

Project Budget

Contracts/Purchase Orders	\$ 268,000
Consultant/Design Services	18,000
Contingencies	<u>14,000</u>
TOTAL	<u>\$ 300,000</u>

University officials requested approval of a project description and budget to replace the Physical Education Center roof. The project will include the removal of the original roofing, flashing and wet insulation materials installed in 1970 and the installation of new roofing materials.

The roof replacement project will be coordinated with the Physical Education Center Building Envelope project, which will provide repairs to the exterior building walls, and construction of the Wellness/Recreation Center, which will connect with the Physical Education Center.

\* \* \* \* \*

University officials reported three new projects with budgets of less than \$250,000. The titles, source of funds and estimated budgets for the projects were listed in the register prepared by the university.

\* \* \* \* \*

ARCHITECT/ENGINEER AGREEMENTS

Baker Hall--Exterior and Electrical Repairs--Roof System \$6,870  
Howard R. Green Company, Cedar Rapids, Iowa

University officials requested approval to enter into an agreement with Howard R. Green Company to provide design services for the replacement of 8,500 square feet of the building roof. The agreement provides for a fee of \$6,870, including reimbursables.

Physical Education Center Roof \$17,700  
Howard R. Green Company, Cedar Rapids, Iowa

University officials requested approval to enter into an agreement with Howard R. Green Company to provide design services for replacement of the Physical Education Center roof. The agreement provides for a fee of \$17,700, including reimbursables.

Amendments

Wellness/Recreation Center Amendment #3 \$18,900  
RDG Bussard Dikis, Des Moines, Iowa

University officials requested approval of Amendment #3 in the amount of \$18,900 to the agreement with RDG Bussard Dikis. The amendment will provide additional services for the design of repairs to the walls of the Physical Education Center that will be shared with the connection of the Wellness/Recreation Center to the existing Physical Education Center. The Wellness/Recreation Center project includes remodeling of portions of the Physical Education Center to facilitate connection to the Wellness/Recreation Center.

Amendment #3 will not result in an increase in the total project budget.

## ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

Industrial Technology Center--Research Space

\$285,113.00

## FINAL REPORTS

Commons Renovation--Phase I

\$969,933.71

### MOTION:

Regent Dorr moved to approve the university's capital register, as presented. Regent Kennedy seconded the motion. MOTION CARRIED UNANIMOUSLY.

**RESIDENCE SYSTEM FUND TRANSFER.** The Board Office recommended the Board approve the transfer of \$600,000 from the residence system surplus fund to the residence system improvement fund.

The Board of Regents authorized and sold \$24,645,000 of Dormitory Revenue Bonds between 1964 and 1992 for the University of Northern Iowa. The remaining principal outstanding on the bonds as of June 30, 1995, was \$14,945,000, with the final payout year being 2018.

The bond resolution provides for an annual mandatory transfer to the Residence System Improvement Fund of \$250,000 per year to be taken from annual operating revenues. This amount is not adequate to cover actual renovation and capital improvement projects that are planned.

University officials requested a fund transfer of \$600,000 from the surplus fund to the improvement fund to continue the ongoing program of equipment replacement, renovation, and major repairs.

The FY 1996 estimated voluntary reserve balance as of June 30, 1996, is \$3.4 million, an increase of approximately \$1.3 million from the approved FY 1996 budget. The surplus fund balance, as of March 31, 1996, was \$2,222,907.

### MOTION:

Regent Kennedy moved to approve the transfer of \$600,000 from the residence system surplus fund to the residence system improvement fund. Regent Mahood seconded the motion. MOTION CARRIED UNANIMOUSLY.

**MOTOR VEHICLE AND BICYCLE REGULATIONS.** The Board Office recommended the Board (1) give preliminary approval to changes in: a) the traffic and parking regulations; and b) permit fees and parking violation schedules for 1996-97 at the University of Northern Iowa; and (2) approve submitting: a) a Notice of Intended Action to the Administrative Rules Committee to amend sub-rule 681-4.70(5); and b) an Adopted and Filed Emergency action of the same sub-rule, to be effective July 1, 1996.

University of Northern Iowa officials requested Board approval of changes in its traffic and parking regulations for 1996-97, as required by section 10.07 (C) of the Board of Regents Procedural Guide. University officials also sought to conform its sub-rules regarding parking fees in the Iowa Administrative Code with those of the University of Iowa and Iowa State University.

The cost of operating the traffic system and the construction and maintenance of parking lots is funded by permit fees, fines, and penalties.

Increases in fees proposed for 1996-97 range from 7.21 percent to 16.67 percent, with the greatest increase occurring in the temporary and pool/2nd vehicle parking permits, which will each increase from \$3.00 to \$3.50 per year. There were no increases in the university's parking violation offense schedule.

University officials project that parking permit, fine, and meter revenue will total approximately \$717,000 in FY 1997, which includes an additional \$25,000 that would be generated by the proposed fee increases. Increased funds will be used to cover the increased cost of construction, repair, and maintenance of the university's parking lot system.

Planned improvements for FY 1997 include the reconstruction of the Commons parking lot and Hillside Courts parking lots.

Written notification of the amount of these proposed increases was mailed to the student government president of the University of Northern Iowa at the student government office as listed in the university directory. To allow for the required 30-day notification period, final action on the changes in fees and fines cannot take place until the June Board meeting.

The major changes to the regulations are: addition of a new section pertaining to safe operation of bicycles; parking lot designations are lifted for certain lots during non-academic periods; and a new section is added specifying revocation of parking privileges for usage of altered or stolen parking permits and for habitual violators.

MOTION:

Regent Mahood moved to (1) give preliminary approval to changes in: a) the traffic and parking regulations; and b) permit fees and parking violation schedules for 1996-97 at the University of Northern Iowa; and (2) approve submitting: a) a Notice of Intended Action to the Administrative Rules Committee to amend sub-rule 681-4.70(5); and b) an Adopted and Filed Emergency action of the same sub-rule, to be effective July 1, 1996. Regent Kennedy seconded the motion. MOTION CARRIED UNANIMOUSLY.

**TENANT PROPERTY RENTALS.** The Board Office recommended the Board approve tenant property rentals, as presented.

University officials requested approval of tenant property rental rate increases for Tau Kappa Epsilon fraternity and Gamma Phi Beta sorority at the rate of 4.6 percent for FY 1997; and of faculty and staff housing rental rate increases for properties located at 3214 Hudson Road and 8712 University Avenue, Cedar Falls, at the rate of 4.3 percent for FY 1997.

MOTION:

Regent Tyrrell moved to approve tenant property rentals, as presented. Regent Kennedy seconded the motion, and upon the roll being called, the following voted:

AYE: Dorr, Kennedy, Lande, Mahood, Newlin,  
Pellett, Tyrrell.  
NAY: None.  
ABSENT: Smith.

MOTION CARRIED.

**LEASE OF PROPERTIES.** The Board Office recommended the Board approve leases, as presented.

University officials requested approval to renew its lease as lessee with John McCarter for the university's use of 5,400 square feet of warehouse space located in Cedar Falls, Iowa, at the rate of \$607.50 per month (\$1.35 per square foot, \$7,290 per year) for an eight-month period.

University officials requested approval to enter into a lease as lessor with Frank Hardie Advertising, Inc., for its use of billboard space located on university property in Cedar Falls, Iowa, for a five-year period, in return for posting two months of university billboard advertising per year anywhere in the northeast quarter of Iowa.

MOTION: Regent Tyrrell moved to approve leases, as presented. Regent Kennedy seconded the motion, and upon the roll being called, the following voted:  
AYE: Dorr, Kennedy, Lande, Mahood, Newlin, Pellett, Tyrrell.  
NAY: None.  
ABSENT: Smith.

MOTION CARRIED.

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

Regent Pellett asked to make some remarks which she acknowledged should have been made while President Koob was still in attendance. She said the Regents who were in attendance at President Koob's investiture a month ago had a beautiful day. It was just perfect from beginning to end -- from the remarks that Regent Smith made to the other speakers -- and especially the remarks of President Koob. She said it made the Regents in attendance doubly proud they were a part of his being chosen as President of the University of Northern Iowa.

Regent Kennedy noted that President Koob's remarks were "off the cuff" but asked whether he might have subsequently written them down. She said he made some very good points and that she would appreciate having copies of his remarks provided to the Regents.

Provost Marlin stated that she would discuss the matter with President Koob. If his comments are available, they would certainly be provided to the Regents.

## IOWA SCHOOL FOR THE DEAF

The following business pertaining to Iowa School for the Deaf was transacted on Thursday, May 16, 1996.

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

Register of Personnel Changes for April 1996 which included two requests for early retirement.

MOTION: Regent Kennedy moved to approve the personnel transactions, as presented. Regent Pellett seconded the motion. MOTION CARRIED UNANIMOUSLY.

**REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS.** The Board Office reported that there were no transactions this month on the Iowa School for the Deaf Register of Capital Improvement Business Transactions.

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

## IOWA BRAILLE AND SIGHT SAVING SCHOOL

The following business pertaining to Iowa Braille and Sight Saving School was transacted on Thursday, May 16, 1996.

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

Register of Personnel Changes for the period of March 24 through April 20, 1996.

**MOTION:** Regent Kennedy moved to approve personnel transactions, as presented. Regent Pellett seconded the motion. MOTION CARRIED UNANIMOUSLY.

**PROGRAM: SEVENTY-FIFTH ANNIVERSARY OF THE AMERICAN FOUNDATION FOR THE BLIND.** The Board Office recommended the Board receive the presentation.

On June 28, 1921, the American Foundation for the Blind was founded on the campus of the Iowa Braille and Sight Saving School.

A program was held on Wednesday, May 15, 1996, in McCutchan Chapel on the IBSSS campus to celebrate the seventy-fifth anniversary of this organization. A reception followed.

Due to weather complications, the only Regents who were able to attend the celebration were Aileen Mahood and John Tyrrell.

Regent Mahood thanked representatives of the Iowa Braille and Sight Saving School for the wonderful program and afternoon activities on the campus.

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

**REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS.** The Board Office reported there were no transactions on the Iowa Braille and Sight Saving School Register of Capital Improvement Business Transactions.

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

## **ADJOURNMENT.**

President Newlin thanked the Regents for their assistance in getting through his first meeting as President. He appreciated the help everyone had provided. He hoped that together they can address the challenges which the Regents and the challenges which are faced by the five institutions which the Board oversees.

President Newlin read the following excerpt from the Pappas report, stated that he hoped doing so would help put things into perspective relative to the issues that had arisen in the last few weeks.

We are confident that the considerable progress that has occurred at all five institutions which comprise the Board of Regents and the strong leadership of the campuses and the Board enable even more fundamental transformation and positioning given the uncertainty of the future. This report begins in essence with the conclusion that the Regents' strengths greatly overshadow its weaknesses. Credit for these achievements can be shared by the Regents, the leadership, the faculty and staff of the institutions. As we have just elucidated in the previous section of this report, it is not an accident that the three senior institutions are generally in the strong shape which they find themselves today. Clearly this affirmation of their financial and programmatic strengths is the result of hard work, persistent and consistent support, and ongoing lively debate between the institutions and their constituents. It is a credit to all involved that the Board, the staff and the institutional officials have steered a course over the past decade which has positioned the University of Iowa, Iowa State University and the University of Northern Iowa as institutions being among the more valuable and successful public institutions in the country.

The meeting of the State Board of Regents adjourned at 4:08 p.m., on Thursday,  
May 16, 1996.

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R. Wayne Richey  
Executive Director