

The State Board of Regents met on Wednesday, July 21 and Thursday, July 22, 1993, at the University of Northern Iowa, Cedar Falls, Iowa. The following were in attendance:

	<u>July 21</u>	<u>July 22</u>
<u>Members of State Board of Regents</u>		
Mr. Berenstein, President	All sessions	All sessions
Mr. Collins	All sessions	All sessions
Mr. Dorr	All sessions	Excused
Ms. Furgerson	All sessions	Excused at 11:00 a.m.
Mrs. Hendricks	All sessions	All sessions
Mrs. Johnson-Matthews	All sessions	All sessions
Mr. Newlin	All sessions	All sessions
Mrs. Pellett	All sessions	All sessions
Dr. Tyrrell	All sessions	All sessions
<u>Office of the State Board of Regents</u>		
Executive Director Richey	All sessions	
Deputy Executive Director Barak	All sessions	
Director Kominski	All sessions	
Director Specter	Excused at 1:00 p.m.	Excused
Director Volm	All sessions	
Associate Director Racki	Excused at 1:00 p.m.	Excused
Associate Director Rasmussen	All sessions	
Minutes Secretary Briggie	All sessions	
<u>State University of Iowa</u>		
President Rawlings	All sessions	All sessions
Vice President Nathan	Excused at 3:10 p.m.	Excused
Vice President Rhodes	Excused at 3:10 p.m.	Excused
Vice President True	Excused at 3:10 p.m.	Excused
Associate Vice President Small	All sessions	All sessions
General Counsel Schantz	All sessions	All sessions
Director Yanecek	All sessions	All sessions
<u>Iowa State University</u>		
President Jischke	Excused at 3:12 p.m.	Excused
Provost Kozak	Excused at 3:12 p.m.	Excused
Vice President Madden	Excused at 3:12 p.m.	Excused
Vice President Theilen	Excused at 3:12 p.m.	Excused
Associate to the President Adams	Excused at 3:12 p.m.	Excused
Assistant to President Bradley	Excused at 3:12 p.m.	Excused
Treasurer Thompson	Excused at 3:12 p.m.	Excused
Interim Manager Anderson	Excused at 3:12 p.m.	Excused
<u>University of Northern Iowa</u>		
President Curris	All sessions	Excused
Provost Marlin	All sessions	Excused
Vice President Conner	All sessions	Excused
Vice President Follon	All sessions	Excused
Assistant to President Gadelman	All sessions	Excused
Secretary/Controller Shontz	All sessions	Excused
<u>Iowa School for the Deaf</u>		
Superintendent Johnson	Excused at 3:07 p.m.	Excused
Assistant Superintendent Balk	Excused at 3:07 p.m.	Excused
Interpreter Dommer	Excused at 3:07 p.m.	Excused
Interpreter Woeckener	Excused at 3:07 p.m.	Excused
<u>Iowa Braille and Sight Saving School</u>		
Superintendent Thurman	Excused at 3:08 p.m.	Excused
Director Hauser	Excused at 3:08 p.m.	Excused

GENERAL

The following business pertaining to general or miscellaneous business was transacted on Wednesday, July 21 and Thursday, July 22, 1993.

President Berenstein welcomed his good friend, newly-appointed Regent Thomas Collins.

President Berenstein expressed, on behalf of the Board of Regents, the Board's sincere sympathy for the many victims of the recent disastrous flooding throughout Iowa and neighboring states. He said the Board recognizes the profound tragedy that has beset many persons in recent weeks including their loss of personal possessions and the severity of the economic impact to individuals, businesses and to the state and region.

President Berenstein said the Regent institutions have also experienced losses as a result of flooding in a number of critical areas of the campuses. He hoped that the resulting interruption of services to citizens would be corrected as quickly as possible so that normal services can once again be provided. He asked the public's indulgence while these repairs are made and services restored.

On behalf of the Board, President Berenstein thanked the many Regent institutional and Board Office employees who have worked hard to provide essential services. He said the Board realizes that for many, conditions at home and at work are difficult, especially without the conveniences we normally have. These employees, like the people of Iowa, have responded to the worst disaster in the state's history with great fortitude and community spirit. The Board expressed its sincere appreciation for the commitment of the people of Iowa demonstrated by these personnel.

President Berenstein suggested they all keep their fingers crossed that additional rains do not come. He said he appreciated everyone's cooperation, consideration and compassion for one another. This is truly a terrible disaster and one which he hoped ends soon.

APPROVAL OF MINUTES OF BOARD MEETING, JUNE 16, 1993. The Board Office recommended the Board approve the Minutes, as mailed.

GENERAL
July 21-22, 1993

President Berenstein asked for corrections, if any. He noted that on page 934 of the Minutes it was noted that he had a conflict of interest. The Minutes showed that he voted aye and abstained at the same time. He asked that the Minutes be corrected to show that he abstained.

ACTION: President Berenstein stated the Board approved the Minutes of the June 16, 1993, meeting, as corrected, by general consent.

INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION. (a) MFA in Film Arts and Video Production - University of Iowa. The Board Office recommended the Board approve the proposal to establish a Masters of Fine Arts Degree Program in Film and Video Production at the University of Iowa.

University of Iowa officials' request for approval of a Masters of Fine Arts (MFA) program in Film and Video Production was reviewed by the Interinstitutional Committee and the Board Office, and was recommended for approval.

The proposed program will expand on an existing, highly regarded Master of Arts (MA) program by adding an extra year of study that will focus on the completion of a large scale, creative thesis project.

The MFA degree is considered the most advanced degree in creative and artistic areas of study and is a virtual requirement for college teaching positions in the field. The lack of an MFA option has put University of Iowa graduates at a disadvantage in pursuing employment opportunities at colleges and universities.

The need for the program is adequately demonstrated by student demand for the program and projected employment openings for faculty at colleges and universities.

The proposed program utilizes existing faculty and facilities, and can be established and maintained at no additional cost; however, the department requested an additional \$20,000 per year for graduate assistantships and general expenses associated with the thesis projects.

The program does not unnecessarily duplicate any other existing Regent or Iowa independent colleges' and universities' program.

The proposed program is consistent with the University of Iowa's mission statement and strategic plan.

Regent Furgerson asked when the program would go into effect and the first students would be accepted. Provost Nathan asked that the director of this program, Professor Franklin Miller, respond.

Professor Miller stated that the first admissions from the applicant pool would come one year from this fall.

Regent Tyrrell asked if the \$20,000 would be achieved through a reallocation. Provost Nathan responded affirmatively, stating that the graduate program allocated two of its very special fellowships for the program which is a mark of its distinction.

Regent Furgerson stated that this is a strong area at the University of Iowa and university officials are moving in the right direction.

Provost Nathan noted that Professor Miller is one of the nation's leaders in this area.

MOTION: Regent Hendricks moved to approve the proposal to establish a Masters of Fine Arts Degree Program in Film and Video Production at the University of Iowa. Regent Furgerson seconded the motion.
MOTION CARRIED UNANIMOUSLY.

(b) Ph.D. and M.S. in Oral Science - University of Iowa. The Board Office recommended the Board approve the proposal to establish a new degree program leading to the Master of Science and Doctor of Philosophy degrees in Oral Science at the University of Iowa effective immediately.

University of Iowa College of Dentistry officials proposed its first Ph.D. program and a related Masters degree in "Oral Science." "Oral Science" is the new and developing science that underpins the field of dentistry.

The proposed program meets the Regents' criteria for new programs.

Regent Tyrrell noted that the program would be funded by the National Institutes of Health. If the National Institutes of Health funding is discontinued, will students who are still in the program be guaranteed that they will be funded through the remainder of their schooling?

Provost Nathan stated that according to the docket materials the program will either be continued by reallocation of funds within the College of Dentistry or the program will be terminated.

Regent Tyrrell noted that they were talking about a lot of money.

Provost Nathan introduced Christopher Squier, director of the program and Associate Dean for Research in the College of Dentistry.

Associate Dean Squier stated that Regent Tyrrell's point was well taken. He said there are several mechanisms that exist should that large grant be

GENERAL
July 21-22, 1993

withdrawn to ensure that current students can finish their education. He proceeded to explain those opportunities.

MOTION:

Regent Tyrrell moved to approve the proposal to establish a new degree program leading to the Master of Science and Doctor of Philosophy degrees in Oral Science at the University of Iowa effective immediately. Regent Furgerson seconded the motion. MOTION CARRIED UNANIMOUSLY.

(c) M.A. in Women's Studies - University of Northern Iowa. The Board Office recommended the Board approve the proposed Master of Arts degree in Women's Studies at the University of Northern Iowa.

University of Northern Iowa officials proposed a Master of Arts degree in Women's Studies. The Interinstitutional Committee and the Board Office reviewed this proposal and recommended approval.

The University of Northern Iowa has offered an undergraduate minor program in Women's Studies since 1975, one of the first in the state.

University officials believe it is appropriate to establish an M.A. program without first implementing a bachelor's degree program:

- * because a strong potential population for a master's level degree has been identified and
- * because some undergraduates prefer to complement their major fields of study with a minor in women's studies rather than to pursue a major in it.

The M.A. degree program will provide an opportunity for students from a variety of undergraduate disciplinary backgrounds to pursue a graduate program in the liberal arts whose central organizing category of analysis is gender.

The M.A. program will represent progress toward achievement of the university's strategic planning goal to develop unique graduate programs that address emerging and unmet needs and will assist in retention of outstanding faculty who identify themselves as women's studies scholars.

Approval of this program may bring into question the need for another M.A. program that is being considered at the University of Iowa. The University of Northern Iowa program will focus on 1) gender and 2) preparation of students for leadership positions in service organizations and would probably be more attractive to women returning to school. The proposed University of Iowa program would 1) focus on feminist analyses of gender

GENERAL
July 21-22, 1993

relations and 2) be more research oriented and have a stronger focus on preparing students for Ph.D. work in other disciplines.

University of Northern Iowa officials estimated that the probable increases in expenditures for the next 3 years as a result of adoption of this program would range from \$45,500 to \$51,500. \$18,000 of the estimated cost is related to replacement costs for the Graduate Coordinator at \$3,000 per semester. \$12,000 will be requested to secure 4 computers through internal provision. The \$15,000-\$20,000 balance will be budgeted as start-up costs for the program and allocated to the Women's Studies program budget.

The proposed program at the University of Northern Iowa appears to meet the criteria for new programs.

Provost Nathan stated that this program is most attractive to women who would be returning to school. University officials believe there is a strong interest on the part of potential students in this program. Intensive dialogue has taken place with faculty at University of Northern Iowa and the University of Iowa. He said the University of Iowa will almost certainly bring within a year a proposal for a Master's program that will have a different focus and direction from this proposed program. He said the Interinstitutional Committee on Educational Coordination is satisfied that the program is strong and does not in any significant way overlap the program that will be proposed at the University of Iowa.

MOTION:

Regent Furgerson moved to approve the proposed Master of Arts degree in Women's Studies at the University of Northern Iowa. Regent Johnson-Matthews seconded the motion. MOTION CARRIED UNANIMOUSLY.

President Berenstein stated that at the Meet the Regents session that morning he met several woman who will be participating in the program. He then congratulated the women he met who would be the first student to graduate from this program.

(d) Combined Degree in Environmental Science/Technology - University of Northern Iowa. The Board Office recommended the Board approve the proposed combined BS/MS, BA/MA in Environmental Science/Technology.

University of Northern Iowa officials proposed a combined BA/MA or BS/MS program in Environmental Science/Technology. This represents the first Master of Science degree offered by the University of Northern Iowa and the College of Natural Sciences.

The proposed program meets the Board of Regents criteria for new programs.

GENERAL
July 21-22, 1993

Regent Hendricks stated that a few years ago the Regents eliminated unnecessary duplication in academic programs. She asked if they were now starting to waiver from the missions of the three universities.

Provost Marlin stated that when University of Northern Iowa reduced its academic programs, the intent was to reallocate resources to high priority programs. In the university's strategic plan the emphasis for graduate programs is to develop multi-disciplinary programs. She said this requested program was highly consistent with the Regents' overall plan to focus on the institution's strengths.

President Berenstein asked if this degree program is available at any other of the Regent institutions. Provost Marlin responded that there are environmental programs offered at both the University of Iowa and Iowa State University. However, none of those are precisely the kind of program that was being requested for the University of Northern Iowa. She said the sense of the Interinstitutional Committee was that the offering of programs in the environmental area is going to become even more important. There will continue to be a need for programs of this type at all the universities but they will be structured so as to not duplicate each other.

Provost Kozak stated that Iowa State University offers an undergraduate minor in environmental studies and an environmental major that is basically rooted in the College of Agriculture and the College of Liberal Arts and Sciences. There is presently under discussion a BS degree in Environmental Sciences. In the College of Engineering there is another proposal being considered this year for the development of an environmental engineering emphasis. He said the offering of those various environmental programs is a reflection of the fact that environmental studies and environmental sciences are so much a part of what the future will be that it will be as important for all Regent institutions to have a presence in this area as it would be in the case of mathematics or any of the basic sciences.

Provost Nathan stated that the point Regent Hendricks made was a very important one. He noted that this month University of Iowa officials were asking to terminate two graduate programs in areas where the university consistently ranks in the top 5 public universities offering those programs. He said it continues to be the philosophy of Regent universities officials to focus on their missions. They believe it is absolutely in their best interest to focus on their areas of strength. When university officials come to the Regents requesting permission to offer a new graduate program, the Regents can be virtually certain that it is going to be very much related to the university's mission; where they can be quite certain the university will have strong graduate students and very strong faculty.

Regent Dorr said he was concerned about the packaging of academic programs as multi-disciplinary degree programs that are perceived to be dispensable but become ensconced within the institutional framework. He said the

GENERAL
July 21-22, 1993

University of Northern Iowa obviously has a strong contingent of support for the degree. He said he probably would not support the request, that they were risking some deviations from their strategic planning process, and that they should be cautious as to how the Regents approach some of these developments.

Regent Newlin expressed his concern about the issue of duplication in academic programs.

President Berenstein stated that the Regents have taken steps with some degree of acrimony to eliminate programs because of lack of centrality to institutional missions. He had some concern particularly at the graduate level about creating programs that are already offered somewhere else. He then stated that environmental problems are exacerbated daily because of problems the average citizen does not even think about. He said he was vacillating between the point of duplication and relying on the fact the three provosts have said the degrees offered at their individual universities are similar but there are differences in each. In the complex area of environmental law perhaps there is justification for each of the Regent universities offering various programs. On the other hand, he said the Regents have spent a great deal of time, money, blood, sweat and tears to eliminate duplication in their academic programs. He concluded by stating that he would probably support the recommendation.

Regent Tyrrell stated that he has had great ambivalence about resources being allocated to this requested program. He reminded the Regents of how painful it was to make some of the decisions they made last year.

MOTION: Regent Furgerson moved to approve the proposed combined BS/MS, BA/MA in Environmental Science/Technology. Regent Collins seconded the motion.

Provost Marlin referred to the programs eliminated at the University of Northern Iowa and said those resources have been used for programs that have been in the university's strategic plan. University officials have followed the pathway of reallocating for their highest priorities. She stressed that the University of Northern Iowa has a long-standing academic strength in environmental programs which were started in 1915 and were called "conservation". The university has a great amount of activities in this area including the Iowa Waste Reduction Center and the Recycling and Reuse Center. This program will build on the strengths the university has established in the environmental area.

Regent Tyrrell asked where the funds would come from. Provost Marlin responded that the funds had already been identified for this program in the fiscal year 1994 budget request which was developed according to the university's strategic plan. For example, as a position became available in

GENERAL
July 21-22, 1993

biology, university officials hired a faculty member who could teach biology course work but who also had an emphasis in environmental studies. Faculty positions have been filled in preparation for the offering of this program. University officials are not going to request any additional funds.

Regent Johnson-Matthews asked what a person receiving this degree would be qualified to do. Edward Brown, Professor and Director of Environmental Programs, responded that the MA degree is an extension from a discipline degree at the BA level. This is a technical, research degree. He said they performed a market study and determined the jobs will be in the area of technical environmental science such as the Iowa Waste Reduction Center.

Mr. Richey pointed out that the Board Office did take into consideration the issue of duplication. They felt this was an appropriate degree for the University of Northern Iowa, would not unnecessarily duplicate programs at the other two universities and was within their resource capability. Additionally, environmental studies is something the university has been very concerned about over the past decade. The recommendation would broaden the academic offerings of the university and make this a broad-based heavily undergraduate, limited doctoral program institution. The offering of this program, he said, would make the institution more attractive to students.

VOTE ON THE MOTION:

Upon the roll being called, the following voted:

AYE: Berenstein, Collins, Dorr, Furgerson, Johnson-Matthews, Tyrrell.

NAY: Hendricks, Newlin, Pellett.

ABSENT: None.

MOTION CARRIED.

(e) Post-Audit - Ph.D. in Textiles and Clothing - Iowa State University.

The Board Office recommended the Board (1) receive the post-audit report on the Ph.D. program in Textiles and Clothing at Iowa State University, (2) approve the continuance of the program, and (3) commend Iowa State University for the thorough and comprehensive post-audit report provided to the Board Office.

Iowa State University officials prepared a post-audit report on the Ph.D. program in Textiles and Clothing approved by the Board of Regents in July 1988. The intentions of the program included:

- * enriching the undergraduate and master's degree programs by strengthening the theoretical base of the subject matter in the field,
- * attracting high quality faculty members with advanced degrees to the department,

GENERAL
July 21-22, 1993

- * permitting qualified students to proceed from the master's to the doctoral degree, and
- * providing highly qualified doctoral faculty for programs in home economics at the national level.

The program appears to have met and in some instances even exceeded expectations. Enrollment in the program has increased steadily and demand for graduates continues to exceed the supply.

Added expenditures for the doctoral program have come primarily from outside sources funding research. These funds have increased from \$8,585 in 1988 to \$60,448 in 1992-93.

There are 17 doctoral programs in this area in the U.S.; the Iowa State University program is ranked among the top 4 programs in this group.

The Board Office and the Interinstitutional Committee reviewed the post-audit report and recommended continuance of the program.

MOTION:

Regent Hendricks moved to (1) receive the post-audit report on the Ph.D. program in Textiles and Clothing at Iowa State University, (2) approve the continuance of the program, and (3) commend Iowa State University for the thorough and comprehensive post-audit report provided to the Board Office. Regent Johnson-Matthews seconded the motion. MOTION CARRIED UNANIMOUSLY.

ACCREDITATION REPORTS. (a) Hotel, Restaurant and Institutional Management - Iowa State University. The Board Office recommended the Board (1) receive the report on initial accreditation of the baccalaureate program in Hotel, Restaurant, and Institution Management at Iowa State University and (2) request that Iowa State University provide to the Board of Regents the program's Annual Report due in November 1993.

Iowa State University was notified by the Accrediting Commission for Programs in Hospitality Administration (ACPHA) that the undergraduate program in Hotel, Restaurant, and Institution Management had been granted accredited status. The next comprehensive review of the program by the accrediting agency will take place in Fall 1999.

The initial accreditation was based on a Self-Study Report, the report of the three member evaluation team that visited the campus October 4-7, 1992, and the institution's response to the team report.

GENERAL
July 21-22, 1993

The visiting team commended the program for many significant strengths. Included among them were:

- * The clearly stated mission statement, an environment of mutual respect between faculty and students, the curriculum provides a well-balanced educational menu for students, existing faculty members are well-qualified in terms of academic background as it relates to their responsibilities in the undergraduate program, Parks Library is a highly ranked facility with numerous resources available to students and faculty.

The visiting team asked that the university address the following specific aspects of its program in its first Annual Report due November 15, 1993.

- * Evidence that the new mission statement is publicly available.
- * Is there a mechanism to assure that students do take lodging courses?
- * Are there specific applications of the business accounting course in hospitality management? In the course? Elsewhere?
- * Evidence must be provided concerning progress being made with respect to adequacy of computer facilities.
- * Evidence that the newly-required work experience will be monitored and guaranteed by the department and/or by industry representatives.
- * Progress being made on the program's need for updated and/or renovated facilities.

The university responded to the specific concerns:

- * The mission statement is cited in the General Catalog.
- * Specific courses mentioned (i.e., lodging and business accounting) are included in the curriculum.
- * Concerns about the adequacy of computer facilities may result in requiring students to have their own computers and in increasing the availability of computer classrooms for scheduled courses.
- * The work experience will be monitored and guaranteed.
- * The program has limited dining room and kitchen space. Renovation may depend upon the College of Family and Consumer Sciences securing necessary funds.

GENERAL
July 21-22, 1993

The Accrediting Commission asked the university seriously to consider two of the issues raised by the visiting team.

1. Whether a student in a major approved by an articulation agreement with junior or community college may get a degree by taking only 15 credits.

The university responded that transfer students from junior/community colleges must complete at least 2 years of academic work at Iowa State University in order to earn an Iowa State University degree. HRIM transfer guidelines call for a minimum of 15 HRIM credits to be completed in the HRIM Department at Iowa State University to earn the Iowa State University HRIM degree. The current transfer plans with junior/community colleges result in 24-29 of the required 29 HRIM credits being completed in the HRIM Department at Iowa State University. Transfer credits vary based on the number of courses/credits available in 2-year colleges and how they are accepted as transfer credit into the HRIM program.

2. The extent to which the program has a commitment to seek academic diversity as faculty positions become available.

The university responded that the academic credentials of any new faculty member will be dependent upon the needs of the program. If an additional position were authorized, the program would seek a person with credentials to teach in the areas of lodging, finance, and operations management.

Provost Kozak noted that current enrollment in this program is very high.

ACTION: President Berenstein stated the Board (1) received the report on initial accreditation of the baccalaureate program in Hotel, Restaurant, and Institution Management at Iowa State University and (2) requested that Iowa State University provide to the Board of Regents the program's Annual Report due in November 1993, by general consent.

(b) Industrial Technology - Iowa State University. The Board Office recommended the Board (1) receive the report on initial accreditation (provisional) for the undergraduate Industrial Technology program at Iowa State University and (2) request a report to the Board of Regents in September 1994 on progress in addressing unmet standards.

In November 1992, the National Association of Industrial Technology (NAIT) Board of Accreditation granted the undergraduate Industrial Technology program at Iowa State University provisional accreditation for a period of

GENERAL
July 21-22, 1993

four years, effective October 1992. The university is to provide a report by September 1, 1994, addressing standards in partial compliance and noncompliance.

The accreditation was based on a self-study report, the report of the team that visited the site April 20-22, 1992, and the institution's response to the team report.

The visiting team commented on the strengths of the program:

The continued forward thrust which is ongoing, enthusiastic faculty who strive to enable the Industrial Technology program to become all it is capable of being, the department's reputation as caring and student oriented, support from the school and university for the department's efforts to prepare students to meet other needs of industry and society in general.

The visiting team noted that the program meets minimum standards but has minor deficiencies that can be easily corrected in a two-year period. Only 2 of the 63 standards were judged in noncompliance:

Study guides for each course did not include a complete range of materials.

Each college at Iowa State University has its own Career Planning & Placement Office. Industrial Technology students use the services of both the College of Education and the College of Engineering Placement Offices. Only one IT student had signed up to receive the services of the College of Education Placement Office by April 22, 1992. There was no evidence that placement of program graduates was tracked by the Placement Office. An additional concern is the fact that during the past few years, the majority of graduates have secured employment through their own efforts.

The university responded that:

it was developing study guides which would include all requisite materials and

it was working with the College of Education Placement Office to phase-in services involving the Education, Business, and Engineering Placement Offices to assist with the placement of Industrial Technology graduates.

University officials are also taking action to address six standards that were judged to be in partial compliance.

ACTION: President Berenstein stated the Board (1) received the report on initial

GENERAL
July 21-22, 1993

accreditation (provisional) for the undergraduate Industrial Technology program at Iowa State University and (2) requested a report to the Board of Regents in September 1994 on progress in addressing unmet standards, by general consent.

REPORT ON LAKESIDE LABORATORY. The Board Office recommended the Board (1) approve the proposed organizational structure, the three-year plan and proposed goals for the enhancement of Iowa Lakeside Laboratory and (2) approve the proposed reporting procedures.

The Board Office recommendation was revised since last month's meeting to reflect comments by Board members and meetings of the various parties that have taken place since the last Board meeting.

This completes a study undertaken a year and a half ago and makes recommendations for a three-year plan and a modified organizational structure for Lakeside Laboratory.

The proposed structure includes interinstitutional oversight and a designated half-time director, to be financed equally by all three universities, to provide leadership and coordination.

The goals for the three year plan include:

1. Enhance the Instructional Program
2. Increase Enrollment
3. Improve Financial Situation
4. Reexamine Curriculum
5. Improve Relations with the Lake Okoboji Community
6. Increase Tuition Scholarships
7. Examine Distant Learning Potential
8. Enhance Research Opportunities

Procedures for periodic reporting to the Board of Regents were outlined including an annual progress report and budget.

President Berenstein stated that during the past 30 days a variety of discussions had taken place between Regent Dorr, Mr. Richey, Director Barak, President Rawlings and President Berenstein. He said he had the pleasure of going to Lakeside Laboratory Saturday morning for a discussion with Professor Robert Cruden.

Director Barak reviewed the report and recommendations before the Board. He stated that this issue had probably been studied more and longer than anything else since he has been with the Regents. The recommendation was to move the matter out of the study mode and into an action mode.

GENERAL
July 21-22, 1993

President Berenstein stated that President Rawlings and he felt that officials involved with Lakeside Laboratory have a firm handle on what is going on up there. President Berenstein learned a lot about the process that he did not know existed.

Professor Cruden stated that he had been very pleased to have President Rawlings and President Berenstein at the Lab. The visit was educational to all of them. He then turned his attention to the recommendations. He said he would like to see the time frame extended from 3 years to 5 years. The new director will have several activities to undertake. It will take 2 years for the implementation of the programs to take place. He expressed concern that the documentation the Regents had received may be slightly misleading because of the money paid for room and board. He said the actual expenditures were substantially lower than the figures the Regents were given. He concluded by stating that they could live with the recommendations especially if they were given 5 years instead of three years.

Regent Dorr said it was his understanding that they were going to hold the Regents' allocation to \$200,000 to \$210,000 for the period of the extension. The future allocation would then be dependent on the director's success and the community's success.

Professor Cruden said that figure would be more than they had been receiving. They would like to be able to provide scholarships for outstanding students. They wish to select the best students from this year and offer support for them to come back next year.

Regent Dorr asked if it was reasonably understood that the recommendation will allow them to maintain a primarily academic function, that Lakeside Laboratory will not become a convention center.

President Rawlings said that was not only correct but by the nature of the facility itself it will always be a small academic center.

President Berenstein referred to the 3 year commitment and said it was his understanding that at the end of the first year if the response was not sufficient the funds can be divested. Director Barak responded that the recommendation was for a firm 3-year commitment.

Regent Dorr said there is a great deal of support in that community for this facility. He had no problem supporting Lakeside Laboratory in that regard.

President Berenstein said there was a unanimity of thought among the people in the community of what could be facilitated at Lakeside Laboratory. The new director can use his/her talents to figure out ways to make the Laboratory more productive.

MOTION:

Regent Dorr moved to (1) approve the proposed organizational structure, the three-year plan and proposed goals for the enhancement of Iowa Lakeside Laboratory and (2) approve the proposed reporting procedures. Regent Hendricks seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

REPORT ON STRATEGIC PLANNING - THE NON-TRADITIONAL STUDENT. The Board Office recommended the Board receive report of trends in non-traditional student enrollment at Regent universities.

At the June 1993 Board of Regents meeting the Board Office was asked to provide additional information on non-traditional students at the Regent universities during a discussion of an environmental assessment of conditions and trends affecting higher education.

This report provides statistics on trends over the past ten years in enrollment of older and part-time students at Regent universities. Non-traditional students are likely to be older and to enroll part-time.

The following table presents statistics on older than traditional students at each Regent university as of fall 1983 and fall 1992:

<u>University</u>	<u>Undergraduate</u>				<u>Graduate</u>			
	<u>1983</u>		<u>1992</u>		<u>1983</u>		<u>1992</u>	
	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>
University of Iowa	2,768	13%	2,601	14%	2,751	46%	3,306	51%
Iowa State University	1,802	8%	2,394	12%	1,184	31%	1,808	40%
Univ. of North. Iowa	1,652	16%	1,570	13%	469	44%	506	42%

The number and percentage of part-time students as of fall 1983 and fall 1992 are displayed in the following table:

<u>University</u>	<u>Undergraduate</u>				<u>Graduate</u>			
	<u>Part-time Student</u>				<u>Part-time Students</u>			
	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>
University of Iowa	3,442	16%	2,901	16%	2,811	47%	3,221	50%
Iowa State University	1,520	7%	1,616	8%	1,655	43%	2,011	45%
Univ. of Northern Iowa	1,730	17%	1,592	14%	759	72%	767	63%

Over the past decade the three Regent universities have become more similar to one another in terms of nontraditional students enrolled at both undergraduate and graduate levels.

The report shows that nontraditional students need to be taken into consideration in the development of the university's strategic plans.

Director Kominski reviewed the information provided to the Regents.

Regent Dorr said it was obvious that the role of the non-traditional student is not significantly different than it was 10 years ago. He noted that sometimes the non-traditional student is used as a qualifier for certain efforts. He questioned whether they may not be effectively marketing the Regent universities to the non-traditional student or the non-traditional student is a certain percentage of the population regardless of the era.

Director Kominski stated she believed that the Iowa Communications Network would change the educational picture in the future.

Regent Dorr indicated that the data indicate that the non-traditional student needs to continue to be a factor to be taken into consideration in the Board's planning efforts.

ACTION: President Berenstein stated the Board received the report of trends in non-traditional student enrollment at Regent universities, by general consent.

STRATEGIC PLANS OF THE SPECIAL SCHOOLS. The Board Office recommended that the Board (1) receive the report of the two special schools on a) review of strategic planning progress and goals during 1992-93 and b) plans for the 1993-94 academic year, and (2) approve each school's 1993-94 strategic planning priorities.

Strategic planning at the special schools relates as appropriate to the Board of Regents strategic planning goals and strategies as adopted by the Board in 1989 and modified in October 1992.

This was the third annual report of progress on strategic planning at each special school. In June the three universities presented similar reports on strategic planning.

The Board of Regents approved the strategic plan for the Iowa Braille and Sight Saving School in 1989 and the strategic plan for the Iowa School for the Deaf in 1990. Each year in June or July the Board receives progress reports from each institution reporting accomplishments in high priority goal areas, revisions in environmental assessments, and specific plans for the upcoming year.

These reports coincide with presentations on budget proposals for the new fiscal year and initial presentations of the following year's budget requests to the Governor and legislature.

Each school prepared a detailed report describing progress achieved during 1992-93 for the school and its major units.

Iowa School for the Deaf

The Iowa School for the Deaf conducted an extensive review of all the goals, subgoals, and objectives in its strategic plan and revised its plan on the basis of this review.

Accomplishments during 1992-93 included

- * Full operation and review of a teacher performance-based evaluation system.
- * An aggressive in-service program offered to Iowa School for the Deaf staff.
- * Development of the residential curriculum.
- * Hiring of a person responsible for marketing, public information, and public relations activities.
- * Establishment of an Iowa School for the Deaf Foundation by the Board in May 1993.
- * Completion of a manual for Iowa School for the Deaf Business Office Procedures and an Iowa School for the Deaf Employees Handbook.

The most significant factor affecting the school's planning is economic. The school's environmental assessment indicates that original 1990 budgetary growth projections were overestimated.

Demands for alternative programs for multiply handicapped deaf children are currently unmet and cannot be met without additional financial support and collaboration among a number of agencies.

Plans for 1993-94 were derived from an extensive review of the school's strategic plan. Highlights include

- * Increased emphasis on goals relating to instruction and creative programming through budget allocation.
- * Addition of two new subgoals relating to improvement of the school's technological systems and to the school's involvement in the state's developing technology systems.
- * Dropping of some low priority objectives relating to dissemination of public information.

- * Restructuring of some subgoals and objectives to take into account the establishment of a foundation and the hiring of a new Outreach Coordinator.
- * Addition of an objective to encourage continued support for the Southwest Iowa Regents Resource Center.
- * Addition of an objective to work with Regent universities to sponsor in-service workshop opportunities for Area Education Agency and Local Education Agency faculty and staff.
- * A year-long series of meetings with educational officials, parents, and Area Education Agency personnel to improve understanding and to assess emerging trends.

Iowa Braille and Sight Saving School

The Iowa Braille and Sight Saving School adopted eight strategic planning goals in 1989 based upon Board of Regents strategic planning goals. School officials wish to retain these goals as fundamental support for its operation.

In 1992-93 the school initiated the first full year of a system based on student outcomes.

The school's current strategic planning goals focus on improving the institution and its system of governance. Because of the school's movement to an outcomes-based educational system, these goals will need to be supplemented with goals based on student outcomes.

The school is currently consulting with its constituencies before presenting a recommended list of student outcomes to the Board. The Board will be asked to approve this list of student outcomes at some time during the coming academic year.

During 1992-93 the school initiated focus group discussions with Area Education Agencies, parents, and students and will continue these discussions during 1993-94 until all Area Education Agencies are consulted.

Major accomplishments during 1992-93 include

- * Receipt of traditional accreditation from the North Central Association of Colleges and Schools.
- * Successful initiation of a process of Outcomes Accreditation.
- * Continuing development of adaptive technology to meet the needs of the blind and visually impaired.

- * Formation of a performance appraisal task force to research more effective means of appraising faculty consistent with the Outcomes Based Accreditation Process.

The school's environmental assessment shows that Federal funding for residential programs for the blind could be reduced as much as 40 percent.

The school continues to monitor the debate over "full inclusion" of all students with disabilities in mainstream classrooms.

Priorities for 1993-94 include

- * Continued development of the outcomes accreditation process involving adoption of a set of desired broad student outcomes and a long-range plan to address school and staff needs.
- * Continued environmental assessment through meetings with Area Education Agency officials, parents, and students.
- * Presentation to the Board of a revised cooperative agreement between the special schools, the Iowa Department of Education and the Bureau of Special Education that will foster continued growth among all service providers.
- * Continued examination of the school's structures, functions, and decision making process to increase efficiency and effectiveness.
- * Creation of a technology initiative to enhance the school's statewide position of leadership in adaptive technology and to address internal instructional and administrative needs.
- * Complete review and modification of the school's performance appraisal system.

Assistant Superintendent Balk stated that it was an honor to speak to the Regents about students and faculty of the Iowa School for the Deaf and to focus their attention on pre-K-12 education. The population of children they serve have particular issues. He stated that the review and summary in the docket memorandum of the school's strategic planning efforts was excellent. He commended the Board Office staff for their hard work.

Assistant Superintendent Balk discussed the accomplishments during the Iowa School for the Deaf's 1992-93 school year. The performance-based evaluation system is in place. The evaluation system dovetails with the development of the school's whole language guide. The school is one of the very few residential schools for the deaf in the country that has gone to the extent to develop the whole language guide. It has helped improve the quality of instruction. He then illustrated the positive changes that have taken place

GENERAL
July 21-22, 1993

at the school by describing progress made by the boys' basketball team during the last 4 years. He stated that a lot of character building has taken place.

The Iowa School for the Deaf's in-service program is very important. The campus is staffed 24 hours per day. School officials have been able to attain an outreach coordinator and have begun work on the Iowa School for the Deaf Foundation.

Assistant Superintendent Balk stated that for the 1993-94 strategic plan, the school's strategic planning committee identified a few challenges. There will be increased emphasis on instructional programming such as transition programming, Talented and Gifted and joint initiatives. He said there are 5 children in the state of Iowa for whom there is no educational program available. The Department of Human Services, Department of Education's Bureau of Special Education, Area Education Agencies and special schools representatives have compiled a position paper on addressing the needs of these students within the state of Iowa. He noted that this is a collaborative ground-breaking effort to save taxpayers dollars. He said the effort dovetails with the school's year-long process to meet with constituency groups.

Regent Tyrrell questioned the hiring of a person responsible for marketing and the hiring next year of an outreach coordinator. Assistant Superintendent Balk responded that that was the same person; it is an outgrowth of the same position.

Regent Tyrrell referred to the school's multiply handicapped students and stated that it must be tremendously difficult to set outcomes and to evaluate those outcomes. He asked what kind of benchmarks are used.

Assistant Superintendent Balk said that question could be expanded to special education children as a whole. The question of establishing arbitrary outcomes has always been an issue. He stated that Iowa Braille and Sight Saving School officials have gone down that road this year and have some very good answers. The multiply handicapped child presents a whole series of challenges educationally and residentially. School officials have to provide programming to support those students.

Regent Hendricks referred to the five multiply handicapped children who cannot be served in state; they have to have out-of-state residential care at a cost to the State of Iowa of \$50,000 to \$75,000/student. If they were to serve those students within Iowa there is no fee to any of the agencies or parents. She was encouraged to hear that representatives of the various agencies who have never worked together before are sitting down and working on addressing serving these students within the state. Because of the net savings to the state as a whole they should have a decent chance of selling

any proposed solution. She said it is the State's moral obligation to serve those students.

Superintendent Johnson said he believed those students can be served within the state and at a cost savings.

Superintendent Thurman stated that he welcomed the opportunity to discuss the strategic plan of the Iowa Braille and Sight Saving School. During the past year school officials have been consumed by the move to become an outcomes accredited school. An outcomes accreditation process plan has been developed. One of the issues they have had to address in the past year is determining the school's role in special education in the state of Iowa. He said the school's total function has been to provide education to visually impaired students. In 1975 Congress passed the Education of the Handicapped Act which changed the basic framework in which special education is provided. The Iowa Braille and Sight Saving School's outreach and on-campus programs have grown. The type of student being served increasingly has had very additional needs. When Superintendent Thurman came to Iowa Braille and Sight Saving School in 1987, there was only one student in a wheelchair; the school now has 12 students in wheelchairs. He said blind children in wheelchairs creates special challenges; many of those students are able to learn.

In order to completely determine Iowa Braille and Sight Saving School's role, school officials performed an environmental assessment with local Area Education Agencies. After those meetings they met with faculty and staff, then parents of the school's students. He said seven questions were asked in order to focus on the role of IBSSS in serving those students. School officials are reviewing that data now. They will go to the remaining Area Education Agencies with revised questions to focus even further on the school's role. School officials will be addressing some broad-based student outcomes in the fall.

Superintendent Thurman stated that another activity this year has been a number of school-wide planning groups. School officials are confident that the road they are taking is the right one. However, the road is not without bumps.

Superintendent Thurman said he was very interested in the role of technology in the education of their students. He firmly believes that the Iowa Communications Network and other technology will change dramatically what Iowa Braille and Sight Saving School is. It is going to happen. They must outline those parameters and know what they are asking the institution to do with technology.

Regent Tyrrell questioned the report that federal funding will be reduced by 30 percent. Superintendent Thurman responded that chapter 9 money is being

reduced to the level of federal funding for all of special education. The reduction will amount to \$15,000 annually.

Regent Tyrrell asked Superintendent Thurman to address the debate about full inclusion of special education students in mainstream classrooms. Superintendent Thurman responded that the debate has been going on for 15 years. Educational issues are being related in terms of civil rights. He said it is a challenge they will have to continually face; it sometimes even gets dirty. He stated that he was tired of being called a segregationist.

Regent Hendricks stated that there is a federal mandate for special education students to be educated in the least restrictive environment.

Superintendent Thurman said that was why Iowa Braille and Sight Saving School has experienced a decrease in population over the last 15 years. He said the issue of mainstreaming special education students is being fought very emotionally. He has been fortunate in being involved in some of the issues in Washington.

President Berenstein expressed appreciation for the magnificent job the two superintendents do. Every time he visits the special schools he is amazed by the spirit and happiness generated at the institutions.

MOTION:

Regent Tyrrell moved to (1) receive the report of the two special schools on a review of strategic planning progress and goals during 1992-93 and b) plans for the 1993-94 academic year, and (2) approve each school's 1993-94 strategic planning priorities. Regent Furgerson seconded the motion. MOTION CARRIED UNANIMOUSLY.

President Berenstein recognized Provost Marlin.

Provost Marlin stated that each of the Regents had recently received a book entitled Iowa's Ethnic Roots. She said the book was rather unusual in that the authors are undergraduate students. She described the book and informed the Regents that the chapter beginning on page 45 recognizes one of their colleagues: Betty Jean Furgerson.

INSTITUTIONAL REPORTS ON FLOOD DAMAGE, STORM AND FIRE LOSSES. The Board Office recommended that the Board receive oral reports from the three universities and the Iowa School for the Deaf on flood damage, storm and fire losses.

Both the University of Iowa and Iowa State University have had flood damage. The estimated cost for repairing this damage is not yet available.

The University of Northern Iowa had a major fire loss to the gymnasium at the Price Laboratory School which was reported to the Board in June. Further report of that loss and updated estimates of the cost of this loss were reported to the Board. In addition, the university suffered some water damage due to a severe rain fall on Thursday, July 8. Water damage was experienced in Maucker Union, Noehren Hall, Industrial Technology, the Schindler Education Center and the Development House. Cost of clean-up and repairs have not yet been determined.

Iowa School for the Deaf experienced storm damage to a number of large trees on its property. No building damage was identified.

President Rawlings stated that he would like to be able to tell the Regents that the worst was behind them, but it was not so. The flood waters are rising in the Iowa River, and there are record water levels in the Coralville Reservoir and Clear Creek. University of Iowa officials are concerned about the threat posed by the high water especially to the university's water supply. The water is supposed to crest that night or the following morning. The University of Iowa emergency preparedness plans are in place. He said the emergency preparedness group has been meeting around the clock for several weeks. The emergency preparedness plan has worked extremely well thanks to all the people involved in the effort. He said health care needs and utilities are the primary concern. Communication has been excellent among all parties. He then asked Vice President True to provide the Regents with a visual presentation.

Vice President True distributed a map which highlighted the buildings and roads that have been closed due to flooding. The visual presentation was a videotape account of the campus and city taken from the air. He stated that the university's power plant is a major recipient of water. With regard to the total dollar amount of damage, he said that until the water recedes and they can get into all of the buildings they will be unable to determine an exact amount; however, at this time they are estimating the amount to be \$3.5 million. Fortunately, much of the damage will be in enterprises that have insurance. The academic buildings, materials, etc., will not be covered by commercial insurance. He stressed that maintenance of the water plant is critical. The pumping station is keeping the building from being inundated. People are working around the clock and they hope for periods without rain.

Regent Dorr asked if university officials had any indication of when the water levels will be manageable if there is no more rain. Vice President True responded that in that instance it would be a couple of weeks. There is not a great deal of hope that the situation will change radically in Iowa City.

Regent Hendricks asked for clarification regarding the buildings that are covered by insurance. Vice President True responded that the policy

GENERAL
July 21-22, 1993

covering the athletic fields has a \$750,000 aggregate deductible. Hancher Auditorium is covered by insurance but the Art Building is not. He said university officials will be sorting through all that. He stated that the most critical issue is Mayflower Residence Hall which has 9 feet of water.

Vice President Nathan stated that commencement ceremonies have been cancelled for safety reasons since Hancher Auditorium is not available. He said Hancher is the only air conditioned building on campus that could hold that amount of people. Carver Hawkeye Arena is not air conditioned and access is dramatically limited. The two principal roads into Iowa City are no longer available. Availability of hotel rooms for parents would be nil. He said University of Iowa officials know how difficult this will be for students and parents. They have given the matter a great deal of thought and felt this was the most responsible decision. There are continued safety risks.

Vice President Nathan stated that university officials project opening classes in the fall on schedule. He noted that even if Iowa City does not get further substantial rainfall, the water level of the Iowa River will continue to be high which means they will have a substantial problem with Mayflower Residence Hall which houses 1,000 students. He said there is almost certain to be substantial damage to the facility. They plan to house Mayflower student residents elsewhere. Some students will be back in tripled rooms that had been detripled in Burge Hall.

The University of Iowa arts campus in particular is currently experiencing a lot of water which is limiting access. Vice President Nathan stated that if water continues to limit access, university officials will have to find classrooms elsewhere. Fortunately, the Pappajohn Business Building will come on partly this fall. Some of the classes will be moved to that facility. He concluded by stating that University of Iowa officials feel very strongly that it is in the university's best interest to begin the fall semester on time.

Regent Hendricks stated that she received an extremely profane telephone call the night before from a parent. She said there was no way of getting through to the person. She hopes the press will emphasize that this flooding situation is a continuing problem and that it will take several weeks to resolve.

Vice President Nathan responded that university officials have received many telephone calls, also. He feels they are being responsible by addressing the safety issues. He hopes that most of the students and parents feel that university officials are doing the best they can do under the circumstances.

President Jischke stated that he appreciated the opportunity to discuss the flooding problems at Iowa State University. He said the university sustained a substantial amount of damage on July 8 due to thunderstorms and

due to flooding on July 9. He then provided a summary of the damage and distributed pictures. Squaw Creek crested 11-1/2 feet above flood stage. One-third of the Iowa State University campus was under water at one time. He provided a map which showed the areas of flooding and the major buildings. The preliminary estimate of damage to and repair of Hilton Coliseum was \$2.7 million. He said the water was 14 feet deep in Hilton. The basketball floor which was stored in the lower level of Hilton Coliseum was ruined. The Scheman Continuing Education Building sustained approximately \$1.2 million in damages. He said Maple Willow Larch Residence Hall sustained approximately \$470,000 in damages. Repairs to the Recreation Facility will cost approximately \$150,000. Repair costs to utility systems around campus are difficult to assess but are estimated at approximately \$2.5 million. The golf course sustained approximately \$150,000 in damages. Damage was also done to apartments, the Olson Building, Cyclone Stadium, trees and storage buildings. President Jischke stated that the total preliminary estimate of the damage and repair is \$7.7 million.

President Jischke noted that other losses include loss of revenues from golf fees and from conferences at the Scheman Building. He stated that another cost that will come down the road will be for students whose families' financial circumstances will be impacted due to flood damage. Millions of dollars, as much as \$7 million to \$8 million, of additional financial aid will be needed for students.

With regard to the question of how much of the damage is covered by insurance, President Jischke stated that the facilities covered by insurance do not include flood damage. Insurance does cover wind and other storm damage. Some of the facilities are partially self-supporting and have reserve funds. He said Iowa State University officials have been in close contact with federal officials. The university should be eligible for grants from the Federal Emergency Management Agency for up to 75 percent of the damage.

President Jischke said they are making progress putting facilities back on line. The university lost only one day of classes. Clean up and repair is underway everywhere. The Iowa Games scheduled for August 6 and 7, 1993, are planned to continue to be held as scheduled. Commencement will be moved to Stephens Auditorium. He then stated that the good side to all this is that no one was hurt. Except for a small delay, there has been no interruption of the basic education and research enterprises. No building received structural damage.

President Jischke concluded by stating that response to this tragedy reinforces his belief in the people in the community. He said the people who work in business and finance, particularly Vice President Madden and facilities, were heroic. They are all very grateful to Vice President Madden and his staff. He could not say enough about the people of Iowa State University and Ames and how they responded to this tragedy.

President Berenstein asked if any access problems were being experienced. President Jischke responded that none were being experienced at this time.

Regent Dorr asked if Iowa State University officials had been in touch with university officials in California where they have experienced natural disasters in the form of earthquakes to request assistance in seeking federal government funds.

Vice President Madden responded that the first step is the President of the United States declaring disaster areas. The Federal Emergency Management Agency has its own set of procedures. He then said his office has been in contact with several universities in the California area and they talked about how to deal with federal agencies. He noted that there are some damage items that Iowa State University officials do not need to make decisions on right away.

President Berenstein asked if it would be possible for the University of Iowa to hold its graduation in Ames and suggested that some conversation along that line take place between officials of the two universities. The Regents wish to accommodate all the people they can.

President Curris stated that University of Northern Iowa has been very fortunate in being spared the kind of flooding that has been devastating to much of Iowa. Maucker Union was one of the buildings that received some flooding. He said the Industrial Technology Building was the only building they were concerned about. University officials have seen some cracks in that building. He estimated that the total damage to the campus was \$100,000. With reference to the fire in the Fieldhouse, he said contracts have been let for the clean up and structural repairs totaling \$150,000 for the two projects. The claim has been forwarded to the State Executive Council.

Superintendent Johnson stated that Iowa School for the Deaf received a lot of wind damage, which was not covered by insurance.

Superintendent Thurman stated that there was almost no damage on the Iowa Braille and Sight Saving School campus. A couple of basements filled up with water.

ACTION:

President Berenstein stated that the Board received oral reports from the three universities and the Iowa School for the Deaf on flood damage, storm and fire losses, by general consent.

EXECUTIVE SESSION. President Berenstein requested that the Board enter into closed session pursuant to the Code of Iowa section 21.5(1)(i) upon the request of employees whose performance was being considered.

MOTION:

Regent Dorr moved to enter into closed session. Regent Johnson-Matthews seconded the motion, and upon the roll being called, the following voted:
AYE: Berenstein, Collins, Dorr, Furgerson, Hendricks, Johnson-Matthews, Newlin, Pellett, 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 11:48 a.m. on July 21, 1993, and recessed at 1:38 p.m. on that same date, reconvened at 3:30 p.m. on July 21, 1993, and recessed at 4:24 p.m. on that same date.

USE OF THE STATE OF IOWA COMMUNICATIONS NETWORK. The Board Office recommended the Board receive the report on the Iowa Communications Network.

This was the third update on the Iowa Communications Network (ICN) to the Board of Regents. The report contained the following sections.

1. History and development of the network.
2. A description of the network structure.
3. The status of the video, data, and telecommunications aspects.
4. The design of the network into Part I. - links from the hub to the Regent universities and the community colleges, Part II - links from the community colleges to 4-11 other county access points, and Part III - links from each county inpoint to various users.
5. The status of network construction.
6. The network organization structure consisting of the Iowa Public Television and Narrowcast Advisory Committee (educational video) and the Department of General Services and Department of Management (data/telephone).
7. The status of Regent use of the network for each of the five Regent institutions in response to eight questions:
 - * How will the ICN affect the type of students enrolled?
 - * How will the ICN affect the way administrators conduct business?

- * What changes in capital construction priorities do you anticipate as a result of the ICN?
- * How will the ICN affect the way classroom and laboratory instruction is conducted?
- * What are the implications of the ICN for the conduct of various types of research?
- * What additional costs will full use of the ICN entail for Regent institutions?
- * How will the ICN affect relationships with other educational sectors? With area educational agencies?
- * What are other issues surrounding ICN that need to be addressed?

Director Barak stated that the Priority Study Group on Information Systems Technology, which Regent Dorr chairs, met that morning.

Regent Dorr stated that the Iowa Communications Network is a very exciting system. There was general consensus at that morning's committee meeting that the Regents need some vision and leadership in this area. The committee will take action that will give them the foundation for that and will ultimately lead to the development of an exciting approach to this new technology.

Regent Collins stated that the fiber optics system will probably be the most impacting thing the Regents will deal with in the next decade. The State of Iowa is ahead of the country in this area and the system is very important to the entire state.

President Rawlings stated that University of Iowa officials are working as assertively as possible for the university to be a major player in the network.

President Jischke said he was looking forward to the opportunity to extend Iowa State University's educational programs.

President Curris stated that, like his colleagues, he also was looking forward to full utilization of the Iowa Communications Network.

ACTION: President Berenstein stated the Board received the report on the Iowa Communications Network, by general consent.

APPOINTMENTS OF REGENTS TO COMMITTEES. The Board Office recommended that the Board approve the committee assignments recommended by President Berenstein.

President Berenstein recommended appointments to committees and study groups. Regent Thomas Collins was appointed to the Board of Regents by Governor Branstad on July 1. Some adjustments in the appointments of alternates to the Iowa Coordinating Council for Post-High School education were proposed. It was recommended that Regent Johnson-Matthews be appointed to the Affirmative Action priority issue study group.

President Berenstein recommended the appointment of Regent Collins as Legislative Liaison for the Board. It was further recommended that the study on Risk Management for Building and Casualty Losses be reinstated and that this study be assigned to the Banking Committee.

MOTION: Regent Furgerson moved to approve the committee assignments recommended by President Berenstein. Regent Collins seconded the motion. MOTION CARRIED UNANIMOUSLY.

REPORT OF THE BANKING COMMITTEE. The Board Office recommended the Board adopt reports on current Banking Committee items.

Regent Hendricks stated that the Banking Committee took action on the Pharmacy Building Addition preliminary bond resolution and requested that the Board do likewise.

MOTION: The motion for this item can be found in the University of Iowa section of these Minutes, page 87.

Regent Hendricks stated that the Banking Committee discussed and took action on bond refunding and defeasance opportunities. She said the Banking Committee adopted a schedule for bond refundings.

MOTION: Regent Hendricks moved to (1) establish a schedule for future bond refundings and redemption of project notes and (2) adopt a Resolution authorizing the defeasance of Iowa State University's \$9.8 million Computation Center Revenue Bonds, Series 1986, and directing the Executive Director to establish an escrow account to provide for payment of the bonds. Regent Collins seconded the motion, and upon the roll being called, the following voted:

GENERAL
July 21-22, 1993

AYE: Berenstein, Collins, Dorr, Furgerson,
Hendricks, Johnson-Matthews, Newlin,
Pellett, Tyrrell.
NAY: None.
ABSENT: None.

MOTION CARRIED UNANIMOUSLY.

Regent Hendricks stated that the Banking Committee received a request regarding financing of an Iowa State University Student Health Center (ISU B-3).

MOTION: Regent Dorr moved to authorize Iowa State University to proceed with preliminary project planning for the possible construction of a new Student Health Center. Regent Furgerson seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

Regent Hendricks stated that due to time constraints at that morning's meeting, the Banking Committee did not hear from internal auditors and postponed discussion of the State Auditor's report on Iowa Braille and Sight Saving School. She said the Banking Committee did approve the agreement with the Common Fund - Intermediate Cash Fund and requested that the Board do likewise.

MOTION: Regent Hendricks moved to approve a "Resolution authorizing participation in the Intermediate Cash Fund of the Common Fund for the endowment funds". Regent Tyrrell seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

Regent Hendricks stated that the University of Iowa set up a clinical family practice program at Lone Tree, Iowa. The university will deposit daily cash receipts and, therefore, requested approval to establish a bank account in Lone Tree, Iowa.

MOTION: Regent Hendricks moved to ratify administrative authorization by the Executive Director to establish a savings account at the Farmers and Merchants Bank, Lone Tree, Iowa, for the University of Iowa. Regent Newlin seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

Regent Hendricks stated that the Banking Committee members discussed a study of risk management coverage and requested that an interinstitutional

committee engage in a study that would bring the Regents up to date on what is being done around the country. In light of the flood situation, she said they realize the study may take some time.

MOTION: Regent Hendricks moved that the Board reinstitute the risk management study by the Banking Committee to review the Board's risk management policies on building and casualty losses. Regent Collins seconded the motion. MOTION CARRIED UNANIMOUSLY.

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

BOARD OFFICE PERSONNEL TRANSACTIONS. The Board Office recommended the Board approve the Register of Personnel Transactions which included:

Appointment: JOAN RACKI as Regents Facilities Officer effective July 12, 1993, at an annual salary of \$60,000 plus the usual fringe benefits.

Appointment: LOUISE HOUSEWORTH as Associate Director of Business and Finance effective August 9, 1993, at an annual salary of \$58,500 plus the usual fringe benefits.

MOTION: Regent Dorr moved to approve personnel transactions, as presented. Regent Furgerson seconded the motion. MOTION CARRIED UNANIMOUSLY.

REPORT ON FAMILY AND MEDICAL LEAVE POLICY. The Board Office recommended the Board receive a report on the status of development of family and medical leave policy.

The federal Family and Medical Leave Act was signed into law by President Clinton on February 5, 1993. It will become effective for most employers and employees on August 5, 1993. In general, the Act entitles eligible employees up to 12 weeks of unpaid leave per year for the birth or adoption of a child, to care for a spouse or an immediate family member with a serious health condition, or when an employee is unable to work because of a serious health condition.

Employers are required to continue contributions to health insurance coverage during the period of the leave if the employee elects to continue participation. On conclusion of the leave employers are required to reinstate the employee to the same or an equivalent job. The law further requires that employers notify employees of their rights under the law.

In June the Wage and Hour Division of the U.S. Department of Labor published "interim final" rules for implementation of the Act. It is anticipated by Wage and Hour staff that final regulations will be published within 1 to 3 months after the September 2 deadline for comments.

Board of Regent institutions are preparing to notify employees of their rights effective August 5 and they will respond, in accordance with the requirements of the law, to any early employee requests for leave. Internal consultation concerning the development of a policy to implement the detailed federal regulations will be completed when those regulations are finalized in the fall and a recommendation for a Regents policy for Family and Medical Leave will then be presented for consideration by the Board.

ACTION: President Berenstein stated the Board received a report on the status of development of family and medical leave policy, by general consent.

CONSENT ITEMS.

MOTION: Regent Furgerson moved, seconded by Regent Tyrrell, to approve the consent docket, as follows:

Approve final adoption of administrative rule providing flexibility for students to earn and apply two-year college credit hours toward a bachelor's degree at a Regent university and approve addition of effective date of rule, as recommended by Administrative Rules Review Committee;

Approve the recommended appointments to the Iowa Braille and Sight Saving School Advisory Committee and the Iowa School for the Deaf Advisory Committee;

Approve the recommended change to the Board Meetings Schedule;

Refer the University of Iowa request to suspend admission to the Master of Arts degree program in Criminal Justice to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation;

GENERAL
July 21-22, 1993

Refer the University of Iowa request to terminate the Master of Science and Doctor of Philosophy degree programs in Chemical Physics to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation;

Refer the Iowa State University request to establish an International Institute for Theoretical Physics to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation;

Approve Iowa State University's request to suspend enrollment in the Master of Science degree program in Architectural Studies to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation;

Refer the University of Northern Iowa post-audit reports on six academic programs to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation; and

Refer the University of Northern Iowa proposed name change for the Educational Media Center to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

MOTION CARRIED UNANIMOUSLY.

FINAL ADOPTION OF ADMINISTRATIVE RULE ON TRANSFER CREDITS. The Board Office recommended the Board (1) approve final adoption of administrative rule providing flexibility for students to earn and apply two-year college credit hours toward a bachelor's degree at a Regent university and (2) approve addition of effective date of rule, as recommended by Administrative Rules Review Committee.

In May 1993, the Board gave preliminary approval to a proposed change in Section 681.1.3(1) of the Iowa Administrative Code which would allow students flexibility to earn and apply two-year college credit hours in the latter part of their bachelor's degree studies. Under current policy, credit hours from two-year colleges cannot be applied toward a bachelor's

degree at a Regent university once the student has accumulated half the total credit hours needed for a degree.

The change would allow juniors and seniors to take general education courses and course work to strengthen basic skills at community colleges without delaying graduation.

A Notice of Intended Action was published in the Iowa Administrative Bulletin on June 9, 1993. A public hearing was held on June 29, 1993. No written comments were received and no one appeared at the hearing.

Philip Patton, Registrar of the University of Northern Iowa, appeared before the Administrative Rules Review Committee at its July 8, 1993, meeting to respond to Committee questions on the rule. The Rules Review Committee suggested only that wording be added to the rule indicating that it was to become effective on September 29, 1993.

The Adopted Rule will be resubmitted to the rules process, will be published on August 18, and will become effective September 29, 1993.

ACTION: This matter was approved by consent.

APPOINTMENTS TO SPECIAL SCHOOLS ADVISORY COMMITTEES. The Board Office recommended the Board approve the recommended appointments to the Iowa Braille and Sight Saving School Advisory Committee and the Iowa School for the Deaf Advisory Committee.

Recommendations were provided for university appointments to the Advisory Committees extending from 1993-1995. The two subject area consultants were appointed for two-year terms last year.

ACTION: This matter was approved by consent.

FINAL OPERATING AND CAPITAL BUDGETS - FY 1994. (A) Operating Budgets. The Board Office recommended the Board receive the overview report on the Regent system FY 1994 final budget proposals.

Revenues:

The proposed Regent system FY 1994 operating budgets (all funds) total \$1,800,552,616, of which \$537.7 million (29 percent) is State appropriations.

Revenues by category:	(\$ Millions)
State Appropriations	\$538
Federal Support	267
Interest	5
Tuition & Fees	202
Indirect Cost Recovery	30
Sales & Services	502
Other	<u>257</u>
Total	<u>\$1,801</u>

The Regent system general fund operating budgets total \$1.07 billion for FY 1994, an increase of \$36.9 million, or 3.6 percent over the estimated FY 1993 level.

State appropriations for the Regent system total \$537.7 million for FY 1994, an increase of \$24.3 million over the adjusted FY 1993 base, or 4.73 percent.

The \$24.3 million increment is allocated among general operating (\$10.5 million), tuition replacement (\$1.1 million) and salary adjustments (\$12.7 million). The salary adjustment figure includes approximately \$7.9 million of non-recurring bonus funding.

Exclusive of the salary adjustments, the Governor recommended an increase of \$10.4 million, or 2.02 percent; legislative additions to the Governor's recommendation total about \$1.3 million.

The salary adjustment appropriation of \$12.7 million is \$6.6 million or 34 percent less than needed. No funding was provided for annualization or cost increases in health insurance, and only 84.2 percent of the remainder was funded. The institutions intend to augment the salary adjustment appropriation with reallocated funds.

Tuition and fees are budgeted \$10.4 million (5.4 percent) higher than budgeted FY 1993. Sales and services revenue is expected to increase by \$30.7 million in FY 1994, an increase of 6.5 percent.

Indirect cost recovery is budgeted conservatively at 2 percent less than the FY 1993 estimate. Interest income growth is anticipated to be flat, due to anticipated low rates and invested balances comparable to last year.

Expenditures:

Expenditures by category:	(\$ Millions)
Salaries	\$1,013
Prof/Sci Supplies	382
Library Acquisitions	11
Utilities	7
Building Repairs	19
Equipment	40
Debt Service	78
Plant Capital	114
Other	<u>137</u>
Total	<u>\$1,801</u>

Total salary expenditures are expected to grow by 3.5 percent to \$1,012.8 million over the current year estimate. This figure includes appropriated monies, reallocated institutional funds and all restricted funds.

Equipment expenditures are expected to rise by \$11.3 million over the original FY 1993 budget but \$276,000 less than the FY 1993 estimated expenditure.

Part of the increase is a permanent reallocation to equipment which reflects partial restoration of equipment budgets which were cut in the 1992 legislative session and additional expenditures related to strategic initiatives.

Utilities are budgeted at \$2.1 million over the current year, or 4.0 percent. This reflects component cost increases and a conservative outlook on weather forecasting.

Budget savings will be generated from energy management projects on the campuses, which partially offsets the cost of opening new buildings. Library collections will be augmented by \$1.1 million (10.6 percent) in acquisitions in FY 1994. General supplies will increase by \$29.4 million (8.3 percent). This amount includes general inflation as well as new initiative spending.

Aid to students will grow \$6.0 million (7.8 percent) to \$82.1 million.

Restricted funds total \$733,997,480, up a projected \$29.4 million over estimated FY 1993.

KEY POLICY ISSUES

Salary increases will be only partially funded by State appropriations in FY 1994. The Board requested \$19.3 million but was funded at the level of

\$12.7 million, 66 percent of the request. No funding was appropriated for annualization or health insurance cost increases.

The \$6.6 million under funding of salaries will be funded through internal reallocation of other operating budget categories.

Building repair budgets were increased to \$19.3 million (115 percent increase over original FY 1993 budget) through permanent reallocation of anticipated salary vacancy savings and application of new revenues. This is in response to directives by the Board to eliminate fire safety deficiencies and reduce deferred maintenance on the campuses.

University of Iowa plans expenditures related to strategic planning goals of \$7.9 million. Included in the initiatives are \$1.25 million for restoration of equipment budgets, and \$330,000 for primary health care.

Iowa State University will direct \$4.5 million to specific strategic initiatives which include undergraduate education (\$2.4 million), graduate and research programs (\$1.6 million), extension and outreach (\$212,000), distant learning (150,000) and recruitment of minority faculty (\$145,000).

The Institute for Physical Research & Technology received additional State infusion of \$734,000 and an increment of almost \$3.5 million was appropriated to the Agricultural Experiment Station for agricultural research.

Enrollment growth funding of \$1,300,000 was requested for University of Northern Iowa. The university will add faculty and operating support to eight high-demand programs next year.

The institutions have identified additional programs to which they intend to direct incremental and reallocated resources within the context of strategic planning goals.

Mr. Richey stated that the total budgets projected for the Regent system for fiscal year 1994 for the first time exceeded \$1.8 billion.

ACTION: President Berenstein stated the Board received the overview report on the Regent system FY 1994 final budget proposals, by general consent.

President Berenstein stated that it was customary to set the salaries of institutional heads while approving budgets. In light of the discussion concerning the salaries of various administrators, President Berenstein recommended that Presidents Rawlings, Jischke and Curris receive a 1 percent salary increase. For Hunter Rawlings and Martin Jischke one percent equates

to \$1,750 for a fiscal year 1994 salary of \$176,750. For Constantine Curris one percent is \$1,380 for a fiscal year 1994 salary of \$139,380.

MOTION: Regent Hendricks moved to approve fiscal year 1994 salaries for Regent universities' Presidents Rawlings and Jischke of \$176,750 and Curris of \$139,380. Regent Johnson-Matthews seconded the motion. MOTION CARRIED UNANIMOUSLY.

President Berenstein recommended that the salaries of the special schools' superintendents be increased by 2 percent (\$1,400) to an annual salary of \$71,400.

MOTION: Regent Dorr moved to approve fiscal year 1994 special schools superintendents' salaries of \$71,400. Regent Tyrrell seconded the motion. MOTION CARRIED UNANIMOUSLY.

(A.I.a.) University of Iowa General University. The Board Office recommended the Board (1) approve the final budget of \$290,507,213 for the University of Iowa general education fund in fiscal year 1994 and (2) approve the restricted fund budget of \$405,050,000.

The \$290 million preliminary budget, a 4.1 percent increase, supports the general university of the University of Iowa.

State appropriations increase by \$6.4 million, or 3.60 percent for fiscal year 1994.

The non-salary budget increases \$5.7 million. State appropriations fund \$3.52 million of the increase. The remainder of the increase is funded in the amount of \$1.4 million from tuition and fees, and \$0.75 from reimbursed indirect costs.

The remaining \$2.9 million represents an increase in State appropriations for:

- 1) Partially funding net salary and benefit increases of \$5.8 million.
- 2) Tuition and fees of \$2.9 million make up the short-fall in salary increases not met by State appropriations.

The remaining revenues comes from tuition and fees, interest, reimbursed indirect costs plus a small amount of miscellaneous other income.

FY 1994 tuition and fee increases of 4.98 percent for residents and 7.49 percent for nonresidents approved by the Board last fall are reflected.

Tuition and fees for FY 1994 will comprise 29.6 percent of revenues for the general university compared with 29.2 percent in 1993 and 21.3 percent, ten years ago, in 1982.

Student headcount is expected to decline 1 percent next fall.

Additional tuition and fee revenues of \$4.3 million, a 5.27 percent increase, are expected from the rising rates despite the declining enrollment.

Some \$682,000 will be set aside from the tuition increase to augment student aid expenditures.

The \$750,000, or 4.1 percent, increase in indirect cost recoveries depends upon the faculty's success in attracting external grants.

The new indirect cost recovery rate of 45 percent is being phased in on additional and renewed federal grants.

The new rate took effect July 1, 1992, rising from 43 percent.

Salary budgets proposed for general fund supported faculty, Professional & Scientific staff (P&S), and graduate student assistants was increased an average of 2.5 percent.

Some \$7.9 million for new salary and fringe benefit cost increases is 63 percent budgeted from State appropriations, with the remainder from tuitions and fees.

General Service Merit employees receive a one-step merit system pay increase for all eligible employees, plus one-time bonuses.

Reallocations of salary budgets totaling \$3.6 million will pay non-salary costs for Professional & Scientific supplies and equipment plus a smaller increment for State Auditor reimbursement.

Some \$5,661,347 for non-salary increases, a 2.0 percent rise, was budgeted. The non-salary increment is augmented by reallocation of \$3.6 million in salary vacancy savings.

The reallocations are generally directed to Professional and Scientific supplies, building repairs, and equipment.

The restricted fund budget totals \$405,050,000 for FY 1994. This represents a 5.45 percent budget increase over 1993.

The largest expenditure increase is for debt service in absolute amounts, \$16,500,000, some 46.6 percent in relative terms.

The largest increase in revenues is \$30,000,000 (28.9 percent) for federal support.

President Berenstein thanked all three university presidents for the outstanding job of preparing the budget information.

President Rawlings stated that he followed President Jischke's lead in condensing the information onto one piece of paper.

Vice President True stated that the proposed budget before the Regents at this meeting was unchanged from that presented last month except for a redistribution within the Psychiatric Hospital salary budget of \$65,000. He said Mr. Yerington would discuss that tomorrow during the Board of Trustees meeting with University of Iowa Hospitals and Clinics officials.

MOTION: Regent Furgerson moved to (1) approve the final budget of \$290,507,213 for the University of Iowa general education fund in fiscal year 1994 and (2) approve the restricted fund budget of \$405,050,000. Regent Tyrrell seconded the motion. MOTION CARRIED UNANIMOUSLY.

(A.I.b) University of Iowa Hospitals and Clinics and Other Health Service Units. The Board Office recommended the Board approve the final budgets for FY 1994 for the following University of Iowa budget units:

1) University of Iowa Hospitals and Clinics	\$341,276,800
2) Psychiatric Hospitals	15,341,900
3) Hospital School	7,251,000
4) Hygienic Laboratory	4,920,200
5) Specialized Child Health Services	652,800
Total	<u>\$369,441,000</u>

The total budget proposed for the statewide health service budget units was \$369,441,000.

Sales and services comprise 87.5 percent of the overall revenues for the health care units. State appropriations comprise the largest portion of revenues for units other than UIHC.

The University Hospitals budget is 3.3 percent greater than FY 1993. Appropriations to the University Hospitals comprise only 8.3 percent of its \$341.1 million budget, for indigent patient care payments.

University Hospitals officials budgeted sales and services revenue increases of 3.6 percent, based on a 1 percent to 2 percent decrease in inpatient days of care and a 1 percent increase in inpatient admissions. The decrease is

offset, in part, by a 2.5 percent increase in major surgical operations, a 2 percent increase in complexity of care, and a 1 percent increase in ambulatory patient volume.

Additional revenues are derived from increases in reimbursement levels from third party payors.

Substantial expenditure increases are budgeted for utilities (18 percent), building repairs (192 percent) and equipment (164 percent).

Special non-recurring transfers from the UIHC to the College of Medicine totaling \$6.8 million in FY 1994 conclude a three-year series of special payments.

Sales and services revenues for the Psychiatric Hospital, Hospital School and Hygienic Laboratory reflect the proposed rate increases of 4 percent, 3 percent and 5 percent, respectively.

A large increase (46 percent) is budgeted for utilities at the Psychiatric Hospital.

MOTION: Regent Furgerson moved to approve the final budgets for FY 1994 for the University of Iowa budget units, as presented on page 6. Regent Tyrrell seconded the motion. MOTION CARRIED UNANIMOUSLY.

(A.I.c) University of Iowa Oakdale Campus, Statewide Family Practice Program and Special Purpose Appropriations. The Board Office recommended (1) that the final budgets for FY 1994 for the following University of Iowa budget units be approved:

1) Oakdale Campus	\$3,480,795
2) Statewide Family Practice Program	1,816,919
3) Special Purpose Programs	2,537,016

(2) That separate final budgets for the fiscal year 1994 for the special purpose programs at the University of Iowa be approved in the amounts of:

3a) State Tumor Registry	\$ 187,173
3b) Iowa Substance Abuse Consortium	61,299
3c) Iowa Center for Agricultural Safety and Health	244,713
3d) Center for Advance Drug Development	492,157
3e) Center for Biocatalysis and Bioprocessing	1,280,797
3f) National Advanced Driving Simulator	270,877

The University of Iowa budgets included funds for eight specialized programs with proposed budgets totaling \$7.8 million.

The University of Iowa budgets include budgets for eight specialized units. Included in the fiscal year 1994 budget is funding for the following budgetary units:

- 1) Oakdale Campus
- 2) Statewide Family Practice Program
- 3) Special Purpose Programs

Oakdale Campus activities include the University Hygienic Lab, the Center for Advance Studies, the Technology Innovation and Small Business Development Centers, and a number of academic and health care-related activities.

The Statewide Family Practice Program provides community-based family physician training programs. The College of Medicine provides educational, administrative, and research support to the program. Included among the special purpose programs are six budgets for special programs. These six programs and their purposes include:

- | | |
|--|--|
| 3a) State Tumor Registry | Cancer incidence field studies |
| 3b) Iowa Substance Abuse Consortium | Substance abuse prevention and treatment |
| 3c) Iowa Center for Agricultural Safety and Health | Farm occupational safety and health improvement |
| 3d) Center for Advance Drug Development | Production of limited quantities of new medicines |
| 3e) Center for Biocatalysis and Bioprocessing | Provides a biotechnology contract research center for biocatalysis and bioprocessing |
| 3f) National Advanced Driving Simulator | A computer-based driving simulation facility |

No changes were made in these units since the Board received the preliminary budgets in June. The Board Office recommended approval of these proposed FY 1994 budgets.

MOTION:

Regent Furgerson moved (1) that the final budgets for FY 1994 for the University of Iowa budget units as shown on page 7 be approved and (2) that separate final budgets for the fiscal year 1994 for the special purpose programs at the University of Iowa be approved in the amounts indicated on page 7. Regent Tyrrell seconded the motion. MOTION CARRIED UNANIMOUSLY.

(A.II.) Iowa State University General University. The Board Office recommended the Board approve final FY 1994 operating budgets (all funds) for Iowa State University as follows:

General University	\$231,900,159
Ag. Experiment Station	31,643,224
Cooperative Extension	26,301,991
Inst. Physical Research & Tech.	3,949,658
Special Purpose Approps.	2,180,215
Restricted Funds	<u>269,700,000</u>
Total	<u>\$565,675,247</u>

The proposed all-funds budget of \$565,675,247 is 5.4 percent greater than the FY 1993 original budget.

Chief revenue components include \$200,182,812 in State appropriations for operations (+4.0 percent), \$74,793,616 in tuition and fees (+\$4.9 percent), federal support of \$120,320,819 (+2.4 percent), sales and services of \$19,575,160 (+146.1 percent) and indirect cost recovery of \$9,400,000 (+8.7 percent).

The increase in tuition and fees is attributed primarily to rate increases, from \$2,088 to \$2,192 for undergraduate residents; from 6,856 to \$7,226 for non-residents per academic year in FY 1994. Enrollment is projected to increase only slightly, with a shift toward more non-resident students.

Indirect cost recovery (ICR) is budgeted at \$9.4 million. The figure reflects a higher negotiated recovery rate and greater sponsored project funding. The FY 1993 year-end ICR estimate is \$10.1 million, which is 16.5 percent greater than originally budgeted last year.

The proposed budget includes general fund salary adjustments of \$6,006,775. This amount includes \$4,933,770 funded directly by the State and \$1,073,005 in reallocated revenues.

University officials proposed to fund mandated collective bargaining agreements for all general services staff, including annualization and health insurance increases not funded by the State.

Regular salary increases will average 2.3 percent for continuing faculty and 2.4 percent for continuing Professional and Scientific staff. When promotion, tenure and adjustments to new minimum pay levels are considered, average faculty salary increases will be 2.5 percent and average staff salary increases will be 3.1 percent. Full-time Merit System employees will receive a bonus of \$650 (\$325 part-time) plus merit step increases as appropriate.

The proposed expenditure budget is tied closely to the university's strategic plan.

President Jischke stated there were no changes in the budget presented at this meeting from the preliminary budget submitted to the Regents last month. He said the Board Office had provided an excellent summary that captured all the points in the budget.

MOTION: Regent Newlin moved to approve final FY 1994 operating budgets (all funds) for Iowa State University as presented on page 9. Regent Furgerson seconded the motion.
MOTION CARRIED UNANIMOUSLY.

(A.III.) University of Northern Iowa. The Board Office recommended the Board (1) approve the final University of Northern Iowa operating budget of \$156,532,000 for FY 1994 and (2) ratify the University of Northern Iowa United Faculty collective bargaining agreement for FY 1994.

University of Northern Iowa officials proposed a \$156,532,000 operating budget for FY 1994, including \$92,592,000 in general funds and \$63,940,000 in restricted funds. The budget is 3.2 percent higher than the FY 1993 original budget.

State appropriations will increase \$3.7 million, or 2.1 percent. Tuition and fees are estimated to rise by \$520,206, or 2.1 percent. All other revenue sources are budgeted at the same level as the current year estimate.

Enrollment decline of 45 students is projected for Fall 1993 relative to Fall 1992. More students are enrolling part-time, which may have an impact on revenues. In spite of these factors, tuition rate increases approved by the Board last fall are responsible for the net revenue growth in tuition and fees.

The State appropriations increment of \$3,672,543 is comprised of \$2,055,000 for planning initiatives and \$1,617,543 for salary adjustments.

Consistent with the goal of improving undergraduate education, \$1,300,000 of the new money will be directed toward strengthening the core program in general education and adding faculty for high demand programs.

Among the programs to receive enrollment-related faculty are Communication Studies, Modern Languages, Earth Science, Chemistry, Curriculum and Instruction, Social Work, Economics and Public Policy.

General supplies budgets will be augmented to support these new faculty lines.

Academic equipment expenditures will rise \$125,000, and \$85,000 is slated for library acquisitions.

Another strategic goal of the University of Northern Iowa is to achieve national leadership in teacher education. New funds in the approximate amount of \$150,000 will be directed to the university's education reform initiative.

The education reform program focuses on the use of technology to improve learning, and includes pre-service teacher training and specialized in-service for teachers and administrators in Iowa schools. The program intends to capitalize on the availability of the Iowa Communications Network.

The opening of Seerley Hall and improvements in computer information systems will be accomplished through a \$175,000 allocation.

The building repair budget will be incremented \$50,000 on a base of \$500,000. The University estimates its FY 1993 expenditure at \$1,500,000, with \$1,000,000 of temporary budget reallocation to this purpose.

The Recycling and Reuse Technology Transfer Center appropriation of \$240,000 in FY 1993 will remain static for FY 1994, excluding salary adjustments.

The Child Development Center budget will increase by \$20,000 in FY 1994. The Center provides child care services to students, faculty and staff. It is staffed by 5 full-time teachers and 35 student assistants. The Center offers the opportunity for practicum experience as part of Early Childhood teaching endorsements. Five graduate students participated in practica in FY 1993.

Of the \$1,918,600 requested for salary adjustments, \$1,617,543 or about 84 percent, was allocated. Unfunded costs of \$500,000 in annualization and health/dental insurance increases will be paid from tuition and fees, appropriations and reallocated institutional funds.

Salary decisions for United Faculty members are consistent with the collective bargaining agreement and average 2.5 percent over FY 1993. Academic administrators and Professional and Scientific staff are expected to be treated similarly.

Consistent with the AFSCME agreement, all full-time General Service employees will receive a one-time increase of \$650 paid over 12 months and merit step increases as appropriate.

The collective bargaining agreement for University of Northern Iowa United Faculty includes the economic settlement and contract language revision.

Restricted funds revenues total \$61,416,000, an increase of 8.6 percent. Interest income is estimated to rise by 12.2 percent on higher invested balances. Gifts and grants are anticipated to rise by 11.1 percent, and sales and services by 10.0 percent. The tuition replacement appropriation is increased 8.3 percent to reimburse University of Northern Iowa for debt service payments on its Library Addition bonds.

President Curris said the Board Office staff summary of the University of Northern Iowa budget was well expressed. The proposed budget before the Regents represented 3.2 percent growth. He called to the Board's attention an item he felt may be appropriate given the discussion of the fiber optics system. The university is actively engaged in helping Iowa public school teachers in using telecommunications as part of their instructional process. He then cautioned that much of the flexibility in this budget had been consumed by the lack of appropriations necessary to implement salary policy in the state. He said he mentioned that because one of the big issues university officials will face next year is an obligation to fund salary increases that were voluntarily agreed to.

MOTION: Regent Tyrrell moved to approve the final University of Northern Iowa operating budget of \$156,532,000 for FY 1994. Regent Johnson-Matthews seconded the motion. MOTION CARRIED UNANIMOUSLY.

MOTION: Regent Hendricks moved to ratify the University of Northern Iowa United Faculty collective bargaining agreement for FY 1994. Regent Tyrrell seconded the motion. MOTION CARRIED UNANIMOUSLY.

(A.IV.) Iowa School for the Deaf. The Board Office recommended that the final budget of \$6,670,922 for Iowa School for the Deaf in FY 1994 be approved.

The \$6.7 million final budget, a 2.3 percent increase, supports educational programs for hearing-impaired children.

The State appropriation increased by \$264,403 for fiscal year 1994 including \$134,403 from the salary adjustment fund. Included were appropriations for a summer school program with some \$80,000 budgeted, including \$50,000 in salaries, and \$30,000 for supplies.

Non-salary appropriations increase \$130,000 to permit needed building repairs such as high school roof replacement and completion of the Administration Building roof replacement.

The \$134,403 increase in State appropriations for salary and benefit adjustments did not fully fund the salary costs.

To cover the unfunded \$160,000 in salary increases by State appropriations, staff reductions and reductions of non-salary expenses will be implemented.

Faculty and Professional & Scientific employees would receive the equivalent of a 2.5 percent increase.

General Service employees would receive a one-step merit system pay increase for all eligible employees, plus one-time bonuses. Employees scheduled to work more than 32 hours a week would receive bonuses of \$650, and employees scheduled for fewer hours receive a \$325 bonus.

Institutional officials would receive an average 1.5 percent to 2 percent increase.

The sales and services adds 2.1 percent of revenues, with federal support and interest adding 1.1 percent. The \$20,000 increase in sales & services revenues is directed to faculty salary increases.

The sales and services revenue increases are derived from interpreting services provided to students enrolled in the off-campus mainstream program, though decisions of the two local school districts affect the total services provided and reimbursement.

Expenditure increases total \$150,000, exclusive of salary adjustments. The largest increases are \$15,000 for equipment, \$9,000 for utilities, and \$25,000 for building repairs.

MOTION:

Regent Furgerson moved that the final budget of \$6,670,922 for Iowa School for the Deaf in FY 1994 be approved. Regent Collins seconded the motion. MOTION CARRIED UNANIMOUSLY.

(A.V.) Iowa Braille and Sight Saving School. The Board Office recommended that the final budget of \$3,900,820 for Iowa Braille and Sight Saving School in FY 1994 be approved.

The \$3.9 million final budget supports educational programs for visually impaired and blind youth. The FY 1994 budget is 2.13 percent greater than the original FY 1993 plan.

The net State appropriation increases by \$200,947, or 5.8 percent, for fiscal year 1994 over the original FY 1993 budget including \$90,947 from the salary adjustment fund. The budget includes \$50,000 appropriated for a special summer school program.

The non-salary appropriation increases \$110,000; \$60,000 is to replace the gym floor in the Recreation Building and \$50,000 is to fund the summer school program salaries.

The \$90,947 increase in State appropriations for salary and benefit adjustments did not fully fund the salary costs. The unmet funding of \$82,714 for salaries and health insurance costs is covered by non-salary expenditure increase funds and by a reallocation of \$38,764 in Professional and Scientific supplies.

A one-step increase on the salary schedule was proposed for all eligible faculty plus a \$350 one-time bonus.

Professional and Scientific employees, in addition to the \$350 one-time bonus, receive a merit salary increase estimated to average 1-1/2 percent.

General service employees receive a one-step merit system pay increase for all eligible employees, plus one-time bonuses. Employees scheduled to work over 32 hours a week receive bonuses of \$650, and employees scheduled for fewer hours receive a \$325 bonus. Institutional officials receive a \$350 one-time bonus.

State appropriations comprise 90.2 percent of revenues. The remaining revenue sources are federal support (7.6 percent) in the form of two grants, interest income, indirect cost recovery, sales and services and other income (fractional percentages each).

MOTION: Regent Johnson-Matthews moved that the final budget of \$3,900,820 for Iowa Braille and Sight Saving School in FY 1994 be approved. Regent Furgerson seconded the motion. MOTION CARRIED UNANIMOUSLY.

(A.VI.) Board Office. The Board Office recommended the Board approve the Board Office budget of \$1,313,099 for fiscal year 1994.

The proposed budget for fiscal year 1994 is substantially as presented in preliminary form to the Board of Regents at its June meeting. The salary of the newly-appointed Associate Director of Business and Finance was adjusted to show the actual amount offered and accepted and estimated expenditures for fringe benefits were adjusted. The budget is predicated upon a full staff complement for the fiscal year and requires salary savings of approximately one percent during the fiscal year. No new services or programs are anticipated in the proposed budget.

The estimated expenditures for fiscal year 1993 were adjusted to reflect the latest experience including the expenditures for printing of the Procedural Guide and for the cost of interviewing prospective employees. The expenditures for outside services are significantly higher than usual because of the employment of a search firm to assist in the recruitment and selection of employees for the Business and Finance unit.

The salaries proposed for fiscal year 1994 are in conformity with the policies adopted by the Board at its June meeting. Merit System employees would receive a \$650 bonus plus any appropriate merit increases. For the most part, salary adjustments for Professional and Scientific Staff include nonrecurring bonuses equivalent to those paid State employees generally (\$650). In three cases additional adjustments were made either for merit increases based on performance or for pay equity. The salary of the Executive Director is established by the Governor within statutory ranges passed by the General Assembly.

The increases in the other operating expenditures in fiscal year 1994 over actual levels for fiscal year 1993 are based on a full staff on board and price inflation. Board travel expense is estimated to increase modestly.

MOTION: Regent Newlin moved to approve the Board Office budget of \$1,313,099 for fiscal year 1994. Regent Collins seconded the motion.
MOTION CARRIED UNANIMOUSLY.

(B.) Capital Budgets. The Board Office recommended the Board receive the report on the Board of Regents FY 1994 capital improvement plans and tuition replacement estimate, noting that the proposed projects are subject to further review by the Board and the availability of funding.

This report presented an overview of the institutions' anticipated projects for FY 1994, which was updated by the institutions since the preliminary report to the Board in June 1993.

The Regent institutions reported 74 anticipated projects for FY 1994 with a total estimated cost of approximately \$162.5 million. Costs for some projects have yet to be determined, and funding sources are not determined in all cases.

Fire and environmental safety and deferred maintenance projects are highest priorities for FY 1994.

Construction of the Pharmacy Building Addition at the University of Iowa and the Library Addition at the University of Northern Iowa will commence this summer, the result of authorization of Academic Building Revenue Bonds which restored construction funding for both projects.

The universities' list of anticipated projects also include the following:

University of Iowa

Construction of a Development Center to house the University of Iowa Foundation, Alumni Association, and Alumni Records, at an estimated cost of \$7 million to \$9 million, to be funded by the University of Iowa Foundation;

University of Iowa Hospitals and Clinics

Construction of a Family Care Center and Ambulatory Renal Dialysis Suite in the amount of \$5,780,270 to be funded by University Hospitals Building Usage Funds;

Iowa State University

The proposed \$6 million Student Health Center is a recent addition which was absent from the June docket and all previous capital plans presented to the Board;

Construction of the Ames Laboratory Center for Materials Synthesis and Processing project for office and research laboratory space for use by the Ames Laboratory at an estimated cost of \$34,080,000;

University of Northern Iowa

Reconstruction of the Field House Addition to the Price Laboratory School at an estimated cost of \$3 million.

Tuition Replacement

Tuition replacement appropriations represent an ongoing commitment of the Governor and General Assembly to meet the debt service cost of Academic Building Revenue Bonds.

Tuition and fee revenues are used for debt service payments on Academic Building Revenue Bonds. The tuition replacement appropriation replaces that university revenue.

The tuition replacement needs are comprised of debt service payments (principal and interest), less the net interest earned on the bonds' reserves and on cash flow during construction.

The Board's financial advisor, Springsted, Inc., projects tuition replacement needs for each campus based on known debt service obligations and the universities' estimates of investment earnings.

Tuition replacement for FY 1994 is estimated at \$24,370,588.

Project Notes for the University of Iowa and University of Northern Iowa may be refunded as early as August 1, 1993, although they are not due until FY 1995. The redemption schedule for Iowa State University's project notes is one year later than for University of Iowa and University of Northern Iowa.

The FY 1994 tuition replacement figure does not include the project note refinancings, which are assumed to occur at the due dates in FY 1995 and FY 1996.

Mr. Richey stated that this was an information report to the Board. Notice was being given at this time that the Regents intend to redeem project notes issued about 3 years ago through issuance of bonds. They are planning to do that next year assuming the State will not have the allocations necessary to do so.

President Jischke stated that Iowa State University operates the Ames Laboratory on behalf of the U.S. Department of Energy. Part of the government's plan is to add the materials processing portion to the current effort which would be totally federally funded.

Regent Newlin said he appreciated the one-page summary of the proposed budget. He then asked that in the future the Regents be provided with two other pieces of information: 1) FTE employees and 2) number of students. He would like to see this information over a period of time.

President Rawlings said that was an excellent suggestion. He noted that research also drives the number of employees and suggested the Regents also be provided with the research dollars total for each year.

President Berenstein asked that the typeset be large enough that the information is easily read.

ACTION:

President Berenstein stated the Board, by general consent, received the report on the Board of Regents FY 1994 capital improvement plans and tuition replacement estimate, noting that the proposed projects

are subject to further review by the Board and the availability of funding.

PROPOSED OPERATING AND CAPITAL BUDGET REQUESTS - FY 1995. (A.) Operating Budgets. The Board Office recommended the Board (1) postpone consideration until the August telephonic Board meeting of a report on the FY 1995 general fund operating budget requests of Regent institutions and preliminary Board Office recommendations, and (2) approve a federal grant application for the University of Iowa which requires \$900,000 in matching State appropriations and indicate intent to request the funds from the 1994 General Assembly.

The preliminary recommendations for the FY 1995 State operating appropriations request will be forwarded to the Board in early-August for consideration during the August 18 telephonic Board meeting.

One segment of the recommendations requires Board consideration in July in order to meet an externally-imposed deadline for a federal grant application by the University of Iowa to participate in a funding consortium.

Grant applications which require the requested obligation of State funds must have Board approval and the Board must state its intent to request the funds from the General Assembly.

University of Iowa officials requested Board approval of a \$900,000 appropriations request to the 1994 General Assembly to qualify for a federal grant for Defense Technology Conversion Projects.

The grant is potentially worth \$45 million per year over six years to the consortium and represents a significant return on the State's investment.

The Board Office recommended approval of the federal grant application for the University of Iowa and indication of intent to request the funds from the 1994 General Assembly.

President Rawlings requested Board approval for submission of a set of grant proposals which came about as a result of work of Professor Ed Haug in the University of Iowa College of Engineering. He said some of the grants involve a match with State funds. University officials were requesting Board approval to take advantage of some opportunities available at the federal level. He said this was a very large proposal totaling \$45 million/year for 6 years. A \$900,000/year match would be needed from the State of Iowa.

MOTION:

Regent Tyrrell moved to approve a federal grant application for the University of Iowa which requires \$900,000 in matching State appropriations and to indicate intent to request the funds from the 1994 General

Assembly. Regent Furgerson seconded the motion. MOTION CARRIED UNANIMOUSLY.

ACTION: President Berenstein stated that action on the remainder of this item was postponed until August.

(A.V.) Board Office. The Board Office recommended that the Board receive the preliminary report on the Board Office budget request for fiscal year 1995.

The preliminary request for the Board Office budget for fiscal year 1995 was based on State salary policies, predicted price inflation rates, and the continuation of the request for office equipment requested by the Board for fiscal year 1994 but not funded. The salary policies for fiscal year 1995 assume average increases of four percent for professional and scientific employees, less the non-recurring portions of salary increases for fiscal year 1994. The non-recurring increases amount to one percent. The net increase for salaries of professional and scientific employees for fiscal year 1995 would be three percent over the current year.

Salary policies for Merit System employees are based on collective bargaining agreements and the application of those policies to non-contract Merit System employees. The \$650 bonus per Merit System employee on a full-time basis for fiscal year 1994 is not continued into fiscal year 1995. The increases for fiscal year 1995 are based on allowing employees to progress through merit step increases within the scales and the adjustment of the scales by two percent at the outset of the fiscal year and a further two percent at mid-fiscal year.

The proposed budgets for supplies and services excluding salaries is based on the projected price inflation of 4.1 percent in the Higher Education Price Index. The estimate does not include the salary component of the Higher Education Price Index.

The Board Office has extensive needs for upgrading of its computer equipment and expansion to allow greater utilization of current technology. The request for total office equipment budget of \$35,000 in fiscal year 1995 is identical to the approved request for fiscal year 1994 that was not included in the appropriations by the General Assembly.

No additional staff was requested at this time. However, an intensive review of staff needs is planned for late-August and the results of that review will be reflected in the revised request presented to the Board for the Board Office in the September meeting.

ACTION: President Berenstein stated that action on this item was postponed until August.

(B.) Capital Budgets. The Board Office recommended the Board (1) receive a report on preliminary FY 1995 capital budget requests submitted by the Regent institutions and consider the preliminary Board Office recommendations, and (2) receive a preliminary tuition replacement appropriation request of \$26,817,839 for FY 1995.

This report outlines the institutions' general fund capital budget requests for FY 1995. These requests total \$78.5 million and include:

- * \$2.1 million for projects to correct fire and environmental safety issues and \$15.9 million to address deferred maintenance.
- * Funds for new construction, renovation and utility infrastructure improvements including:

Recreation/Wellness Center (UNI)	\$12.8 million
Schaeffer Hall Remodeling (SUI)	\$ 6.3 million
Intensive Livestock Research Facilities (ISU) (planning funds)	\$ 2.0 million

The preliminary Board Office FY 1995 general fund recommendation totals \$54.8 million.

Last year the Board recommended projects totalling \$48.2 million for FY 1994 and \$80.8 million for FY 1995. Two of the projects totalling \$17.6 million were funded in FY 1994, leaving \$30 million in unfunded FY 1994 projects in addition to recommended FY 1995 projects.

FY 1995 is the first year of the five-year capital program. Details of the program will be presented to the Board at its September meeting.

The Board Office preliminary recommendations included projects to correct fire and environmental safety concerns (\$2.1 million) and deferred maintenance issues (\$15.5 million).

In addition, the Board Office preliminary recommendations address undergraduate teaching and research needs of the institutions. Highlights of the FY 1995 recommendations include:

Schaeffer Hall Remodeling (SUI)	\$ 6.3 million
Biology, Biology Annex Remodeling (SUI)	\$13.3 million
Recreation/Wellness Center (UNI)	\$12.8 million
Intensive Livestock Research Facilities (ISU)	\$ 2.0 million

A number of requested FY 1995 projects which were not included in the preliminary recommendations require further study:

- * Justification of the need for the recreational facility at Iowa School for the Deaf needs to be fully evaluated in light of Iowa School for the Deaf's possible opportunities for expanded contractual services with other states.
- * A number of requested utility and telecommunication infrastructure projects, such as the campus fiber optic network at the University of Iowa and increased chilled water capacity at Iowa State University, require further evaluation. Telecommunications or utility revenue or debt financing backed by these revenues may be a more appropriate funding mechanism than general funds.

A final recommendation for FY 1995 general fund capital budgets and a five-year capital program will be submitted to the Board for consideration at its September 1993 meeting.

Tuition Replacement Appropriation

Tuition replacement appropriations represent an ongoing commitment of the Governor and General Assembly to meet the debt service cost of Academic Building Revenue Bonds.

The preliminary tuition replacement request for FY 1995 is \$26,817,839. Tuition replacement in FY 1994 is estimated at \$24,370,588.

Tuition and fee revenues are used for debt service payments on Academic Building Revenue Bonds. The tuition replacement appropriation replaces that university revenue.

The tuition replacement needs are comprised of debt service payments (principal and interest), less the net interest earned on the bonds' reserves and earnings in investment of bond proceeds during construction.

The Board's financial advisor, Springsted, Inc., projects tuition replacement needs for each campus based on known debt service obligations and the universities' estimates of investment earnings.

The tuition replacement appropriation request may require modification due to changing interest rates, speed of construction draws, or deviation from anticipated bids on the University of Iowa Pharmacy Addition issue.

Project Notes for the University of Iowa and University of Northern Iowa may be refunded as early as August 1, 1993, although they are not due until FY 1995. The redemption schedule for Iowa State University's project notes is

GENERAL
July 21-22, 1993

one year later than for the University of Iowa and the University of Northern Iowa.

Tuition replacement projections include the project notes assumed to be refinanced at the due dates.

Mr. Richey stated the preliminary capital recommendations were before the Regents for their information. He said the highest priority was for fire and environmental safety and deferred maintenance including remodeling.

President Berenstein questioned why two University of Iowa projects, Schaeffer Hall remodeling and Biology, Biology Annex remodeling, were moved ahead of the University of Northern Iowa's Recreation/Wellness Center.

Mr. Richey responded that those project received priority because of their fire safety needs.

President Curris stated that he had some concerns although he understood this was a preliminary recommendation. He pointed out that for the past 2 years the Board of Regents has placed the Recreation/Wellness Center project as its highest priority for construction after fire and environmental safety and deferred maintenance and two projects previously approved by the legislature - University of Iowa's Pharmacy Building Addition and University of Northern Iowa's Library Addition. Now that those two projects have been funded, it seemed to President Curris that the Recreation/Wellness Center project should remain in its position. He was concerned about the Board Office recommendation that the two above-mentioned University of Iowa projects be moved ahead of the project of the University of Northern Iowa.

President Curris stated that at the request of the Board of Regents a few years ago the three university presidents developed a consensus-based priority listing of capital projects. He was dismayed that when the University of Northern Iowa project moves to the top of the list it gets shoved down again. The buildings that are currently serve the purposes of the Recreation/Wellness Center were constructed in 1904 and 1923. University officials could not renovate the facilities and solve the problem. He stressed that this was a critically-needed facility. He hoped the Board would reaffirm the previously agreed-upon priority listing and retain this facility as is highest priority after fire and environmental safety and deferred maintenance.

With regard to the rationale to take care of existing buildings before building new buildings, President Curris stated that was what the University of Northern Iowa had already done. All of the university's fire safety needs have been met. He did not know of an institution that was better maintained than the University of Northern Iowa. University officials have minimized the number of facilities that need renovated because they have done a good job of maintaining their facilities. He stressed that the needs of the institution should be recognized and that the university should not be disadvantaged

because they have done a good job of maintaining their facilities. He asked that the Board not adopt the recommendation to move the two University of Iowa projects ahead of the Recreation/Wellness Center.

President Curris said the University of Northern Iowa has some needs in the form of deferred maintenance. However, those building cannot be taken out of commission to take care of those issues. They are at a critical point where additional space is their number 1 need.

Regent Dorr asked why the Schaeffer Hall remodeling and Biology, Biology Annex remodeling projects were moved ahead of University of Northern Iowa's Recreation/Wellness Center. Mr. Richey responded that those project were reprioritized because of the fire safety and deferred maintenance aspects of those projects.

Regent Dorr asked if in fact, as President Curris had pointed out, there are 700 majors housed in 2 facilities on the University of Northern Iowa campus that are too small and are incapable of being taken out of service. What would happen if they had a fire?

Mr. Richey said that would be an issue on every campus in making alternative arrangements.

Regent Dorr noted that both of the other campuses have recreation centers. This has been on the University of Northern Iowa capital plan for some time. He sensed that it was a very important issue on campus. He said there was no reason to doubt the validity of President Curris' presentation. The Regents have to make sure they are making the right priority listings.

President Berenstein asked if Schaeffer Hall and the Biology Building became deferred maintenance projects this year for some reason. Mr. Richey responded affirmatively, stating that it was done so because of the concerns of the Board and legislature about deferred maintenance and fire safety.

President Berenstein asked if it would be appropriate for the Board to make a determination today whether it feels the Recreation/Wellness Center should be affirmed as the number 1 project ahead of Schaeffer Hall and the Biology Building.

Mr. Richey said the Board can instruct that to be done; it can put projects anywhere on the list it desires.

Regent Collins asked what would trigger a reanalysis of the listing. Mr. Richey responded that the issue of deferred maintenance and fire safety became an overwhelming concern of the legislature in the last session.

President Jischke said he joined President Curris in expressing concern because on last year's priority listing Iowa State University's Intensive

GENERAL
July 21-22, 1993

Livestock Research Facilities came after the Recreation/Wellness Center. Iowa State University officials worked in the legislature to gain approval for the Pharmacy Building Addition at the University of Iowa and the Library Addition at the University of Northern Iowa with the knowledge that in time Iowa State University would benefit from this system. He said they have been supportive of fire and environmental safety and deferred maintenance as the Regents' #1 and #2 priorities. Beyond that, he thought they had an understanding of the priority ranking of the capital projects. They all brought their efforts to this; changing the priority ranking like this makes it much more difficult.

Regent Furgerson stated that changes without prior consultation makes it quite difficult; universities officials should be involved in the discussion.

President Rawlings stated that he did not disagree with Presidents Curris or Jischke. He said they do have very critical problems in Schaeffer Hall and the Biology Buildings. Repairing of windows alone will cost \$1 million. Additionally, Phillips Hall has been on the list for several years. The University of Iowa remodeled Phillips Hall on its own with \$1.3 million from reallocations. He emphasized that both buildings are in very bad repair.

Regent Pellett stated that when Regent Newlin and she were on the University of Northern Iowa campus recently for orientation, they saw that both buildings, which were full of students, were in dire need of some basic renovation.

Regent Johnson-Matthews said she totally agreed with Regent Pellett. Students in those facilities are in buildings that are in very poor shape. She cautioned that they send mixed signals when they start flipping priorities.

Regent Hendricks stated that the wellness centers at the other 2 campuses do not have classroom facilities; they were built without State general funds. The University of Northern Iowa's facility is planned to be used for academic purposes. She then referred to the capital priority list that was developed 3 to 4 years ago and said she remembered sitting at the table while President Pomerantz and the 3 university presidents developed the list. She said times can change and they have to reconsider priorities as they uncover State budget problems. Sometimes they have to change plans.

President Berenstein said the fact that they were having this discussion was very healthy. Priorities are set by this Board. Once they consider making changes they should have input from everyone.

Regent Newlin said it seemed to him that the Recreation/Wellness Center and Intensive Livestock Research Facilities should retain their former priorities.

MOTION:

Regent Newlin moved that the Recreation/Wellness Center project at University of Northern Iowa and the Intensive Livestock

GENERAL
July 21-22, 1993

Research Facilities project at Iowa State University retain their former priorities. Regent Furgerson seconded the motion.

President Berenstein clarified the reprioritizing of the Regents capital program to put the Recreation/Wellness Center and Intensive Livestock Research Facilities back where they were before the Board Office recommendation was made. He said the first three priorities remained the same. Priority #4 would be the Recreation/Wellness Center, #5 would be the Intensive Livestock Research Facilities, the sixth priority would be Schaeffer Hall remodeling and the seventh would be Biology, Biology Annex remodeling.

Regent Hendricks stated that she would vote against the motion because she feels strongly that they should be fixing the buildings they have before building new buildings.

Regent Dorr said he strongly suspected they would not be building anything after the floods.

Regent Tyrrell stated that he was concerned about the severity of the maintenance and allowing buildings to deteriorate to a state where they have to build new buildings. There are serious maintenance items that need considered. In the future they have to take care of what they have.

Regent Furgerson said her concern was with the process.

VOTE ON THE MOTION:

Upon the roll being called, the following voted:

AYE: Berenstein, Dorr, Furgerson, Johnson-Matthews, Newlin, Pellett, Tyrrell.

NAY: Collins, Hendricks.

ABSENT: None.

MOTION CARRIED.

INSTITUTIONAL ROADS PROGRAM - CALENDAR YEARS 1994-1999. The Board Office recommended the Board (1) approve the recommended six-year institutional roads program for 1994 through 1999 totaling \$6,844,300, including projects totaling \$1,087,300 for FY 1994, and (2) receive the list of identified, unfunded institutional roads needs at the Regent institutions totaling \$15,634,000.

Funds for reconstruction, improvements and maintenance of the roads and streets at the Regent institutions are provided by State park and institutional roads program of the Iowa Department of Transportation.

The recommended institutional roads program for 1994 totals \$1,087,300, as follows.

GENERAL
July 21-22, 1993

University of Iowa	\$ 435,000
Iowa State University	435,300
University of Northern Iowa	217,000
Iowa School for the Deaf	0
Iowa Braille and Sight Saving School	<u>0</u>
TOTAL	<u>\$1,087,300</u>

The Regents' Six-Year Institutional Roads program, 1994 through 1999, totals \$6,844,300. The institutions have identified unmet institutional roads needs totaling \$15,634,000.

At this time, the special schools reported no institutional roads construction needs for the six-year period.

Regent Hendricks stated that they may need to redo this list as a result of the flooding. She said she understood they would be applying for Federal Emergency Management Agency funds to do some of the work.

Vice President Madden stated that in the case of Iowa State University, the Department of Transportation had already authorized repair of 6th Street. He said that would just slip a project further down on their list because of the revised priority.

MOTION:

Regent Hendricks moved to (1) approve the recommended six-year institutional roads program for 1994 through 1999 totaling \$6,844,300, including projects totaling \$1,087,300 for FY 1994, and (2) receive the list of identified, unfunded institutional roads needs at the Regent institutions totaling \$15,634,000. Regent Johnson-Matthews seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

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

August 18, 1993	Telephonic	
September 22-23	Iowa State University	Ames
October 20-21	University of Northern Iowa	Cedar Falls
November 17-18	Iowa School for the Deaf	Council Bluffs
December 15-16	University of Iowa	Iowa City
January 19, 1994	Telephonic	
February 16-17	Iowa State University	Ames
March 16-17	To Be Determined	Sioux City
April 20-21	Iowa Braille and Sight Saving School	Vinton
May 18-19	University of Northern Iowa	Cedar Falls

GENERAL
July 21-22, 1993

June 15-16	University of Iowa	Iowa City
July 20-21	Iowa State University	Ames
September 21-22	University of Northern Iowa	Cedar Falls
October 19-20	University of Iowa	Iowa City
November 16-17	Iowa State University	Ames
December 14-15	To Be Determined	Des Moines

ACTION: The Board Meetings Schedule was approved by consent.

President Berenstein 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 Wednesday, July 21 and Thursday, July 22, 1993.

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

Register of Personnel Changes for May 1993.

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

SUSPENSION OF ADMISSIONS TO MASTER OF ARTS DEGREE PROGRAM IN CRIMINAL JUSTICE. The Board Office recommended the Board refer the request to suspend admission to the Master of Arts degree program in Criminal Justice at the University of Iowa to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

Enrollments have been low. Only one student is enrolled now. The program will be studied to see if termination or some other action is needed.

ACTION: This matter was referred by consent.

TERMINATION OF MASTER OF SCIENCE AND DOCTOR OF PHILOSOPHY DEGREE PROGRAMS IN CHEMICAL PHYSICS. The Board Office recommended the Board refer the request to terminate the Master of Science and Doctor of Philosophy degree programs in Chemical Physics to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

The program has low enrollments. Other options are available for students in this field.

ACTION: This matter was referred by consent.

PROFESSIONAL AND SCIENTIFIC CLASSIFICATION SYSTEM. The Board Office recommended that the Board approve the following changes in the university's Professional and Scientific classification plan:

STATE UNIVERSITY OF IOWA
July 21-22, 1993

FROM	TO
1. Director of Pharmaceutical Care grade 16 (\$51,760 to \$90,535)	grade 17 (\$56,005 to \$97,945)
2. Assistant to the Director, University of Iowa Hospitals and Clinics grade 14 (\$44,220 to \$77,335)	grade 12 (\$37,775 to \$66,060)
3. Associate Director, Evaluation and Examination Service grade 12 (\$37,775 to \$66,060)	Director, Evaluation and Examination Service grade 12 (\$37,775 to \$66,060)
4. Assistant Director, Counseling Service grade 13 (\$40,870 to \$71,475)	grade 12 (\$37,775 to \$66,060)
5. New class	Director, Office of Telecommunications grade 15 (\$47,840 to \$83,670)
6. Associate Director of the Division of Sponsored Programs and Director of Research Services grade 13 (\$40,870 to \$71,475)	grade 15 (\$47,840 to \$83,670)
7. Supervisor of Student Loan Accounting grade 10 (\$32,270 to \$56,430)	grade 11 (\$34,915 to \$61,055)
8. New class	University Risk Manager grade 12 (\$37,775 to \$66,060)
9. Manager, Staff Benefits grade 11 (\$34,915 to \$61,055)	Assistant Director of Personnel and Benefits grade 12 (\$37,775 to \$66,060)
10. Director, Broadcasting grade 15 (\$47,840 to \$83,670)	Director, University Broad- casting Services grade 13 (\$40,870 to \$71,475)
11. New class	Director of Pharmacy Program Services grade 12 (\$37,775 to \$66,060)
12. Board of Regents Compliance Officer grade 10 (\$32,270 to \$56,430)	Affirmative Action Compliance Officer grade 13 (\$40,870 to \$71,475)

FROM	TO
13. Technical Operations Director grade 11 (\$34,915 to \$61,055)	Financial Operations Director grade 12 (\$37,775 to \$66,060)
14. Clinical Pharmacist grade 9 (\$29,820 to \$52,155)	grade 10 (\$32,270 to \$56,430)

University officials annually review its Professional and Scientific classification system and propose revisions needed to provide equitable recognition of work performed. All proposed pay grade assignments are based on application of the university's point count evaluation system and all recommended changes can be implemented within existing resources.

Increases of one to three pay grades were recommended for seven classifications based on changes in duties and responsibilities that have occurred since the positions were last revised. Three new classes were proposed to recognize current responsibilities and to provide needed administrative oversight.

A change in title with no change in grade was proposed for one class, and reductions in pay grade assignments were recommended for three classes.

Regent Dorr asked for the condition of the University of Iowa Professional and Scientific classification system in general relative to the recent restructuring at Iowa State University. Associate Vice President Small responded that the University of Iowa's system had undergone complete review several years ago and is reviewed annually.

MOTION: Regent Furgerson moved to approve the changes in the university's Professional and Scientific classification plan, as presented. Regent Collins seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

UNIVERSITY OF IOWA HOSPITALS AND CLINICS REPORT TO BOARD OF TRUSTEES. The Board Office recommended the Board receive the quarterly governance report of the University of Iowa Hospitals and Clinics.

President Berenstein welcomed everyone and said the Board was constituted as the Board of Trustees of the State University of Iowa Hospitals and Clinics. He then recognized President Rawlings.

President Rawlings stated the Board would be reviewing operations of the University of Iowa Hospitals and Clinics and would receive a preview of the

coming year. He said University of Iowa Hospitals and Clinics were institutions of which they were all proud. He noted that in addition to hospital personnel, Dr. Richard Lynch, Interim Dean of the College of Medicine, would also assist in the presentation. He said it was clear that the College of Medicine and University of Iowa Hospitals and Clinics were mutually dependent organizations with a great number of central interrelationships, in the same way the Colleges of Dentistry, Nursing and Pharmacy have extremely close working relationships with University Hospitals, as well. For the health sciences center to function smoothly and effectively in this highly volatile and competitive era in health care delivery, there must be close planning and cooperation among the health units. President Rawlings assured the Regents that John Staley and Dick Lynch are excellent colleagues with a history of mutual respect and considerable work. They are experienced administrators.

President Rawlings referred to a memorandum from Interim Director Staley to all staff of University of Iowa Hospitals and Clinics, of which the Regents received a copy, stating that there is great stability at the hospital. Almost the entire staff who have made it such a successful enterprise over the past decade are still in place. They are strong and experienced and university officials were confident that they would meet the challenges of a rapidly changing health care environment.

Interim Director Staley referred the Regents to written materials they had been provided. He reviewed the service record and the organizational charts which reflected the new leadership structure. He discussed University of Iowa Hospitals and Clinics as Iowa's tertiary care referral facility, the number of patients served in the most recently completed fiscal year, the origin of admissions, ambulatory versus in-patient, the occupancy rate of the University of Iowa Hospitals and Clinics and the daily inpatient census.

Interim Director Staley said there has been a reduction in the length of the average patient stay. There has been a conversion of much of the care to an ambulatory basis. Exploratory surgeries have been reduced by diagnostic techniques. The hospitals experience a 75 percent to 80 percent occupancy rate. Almost 2,400 health science students train within University of Iowa Hospitals and Clinics. He said 1,280 students are training on a typical day. There are 681 resident and fellow doctors in training in a full complement of programs. There are a large number of highly-specialized physicians and dentists. The University of Iowa Hospitals and Clinics has 1,278 doctors in 125 specialty and subspecialty areas and 7,588 staff members. The daily population of University of Iowa Hospitals and Clinics is over 14,000 human beings which he noted was larger than all but 23 of Iowa's cities and towns.

With regard to University of Iowa Hospitals and Clinics' phased capital replacement program, Interim Director Staley stated that two major facilities have been opened in the last fiscal year, completing phases 8 and

9. He said \$54 million has been invested in capital replacement to date since 1976. He reviewed sources of capital development funds for Midwest state university-owned teaching hospitals. No State capital appropriations have been utilized in the University of Iowa Hospitals and Clinics' capital replacement program. It is the only university teaching hospital in the comparison group that has done so. He said rain has slowed down work this summer. They anticipate finishing the shell of the 2 pods of the final phase in the next year.

Interim Director Staley stated that University of Iowa Hospitals and Clinics has held charges to the lowest level of its comparison group of Midwestern member hospitals. He reviewed their increases in hospital service charges in comparison to national trends. University of Iowa Hospitals and Clinics has successfully limited increases to 30 percent in the last decade versus 87 percent nationally.

Regent Tyrrell asked how much the capital replacement program had reduced the number of beds. Interim Director Staley said that would be covered later in the presentation.

Regent Newlin referred to the average all inclusive per diem charges of Midwestern member teaching hospitals (Exhibit XXII), and asked if the severity of the patients was comparable. Interim Director Staley responded affirmatively. However, with regard to increases in hospital service charges in comparison to national trends (Exhibit XXIII), that exhibit includes a sampling across the nation indicative of growth in charges for all hospitals. Therefore, on average the severity of patients at University of Iowa Hospitals and Clinics would be higher than the average across the nation.

Regent Newlin asked what was done with the space where the beds were removed. Interim Director Staley said that for the most part the space had been converted into supporting services. They have transferred several of the buildings that were formerly used as hospital facilities over to the general university for other functions.

Regent Collins asked if many of the multiple rooms were converted to private rooms. Interim Director Staley responded in the negative, stating that for the most part those rooms were converted to semi-private rooms.

Mr. Richey referred to Exhibit XXII depicting the average all inclusive per diem charges of Midwestern member teaching hospitals which included the University of Chicago and Northwestern, and asked why the University of Illinois was not included. Interim Director Staley responded that University of Iowa Hospitals and Clinics is part of the University Hospital Executive Council and has shared data, such as that on Exhibit XXII, with that organization since the 1930s. The University of Illinois is not part of that organization.

Regent Hendricks asked if the all-inclusive data included the same factors. Interim Director Staley responded affirmatively.

Regent Hendricks asked if the all-inclusive data included capital or other sources of charges. Interim Director Staley responded that it would include those from the standpoint that there are capital costs associated with the per person charges.

Regent Hendricks asked if the same factors were used in arriving at the figures of each of the hospitals. Interim Director Staley responded that in general they were using the same factors.

Regent Hendricks noted that University of Iowa Hospitals and Clinics has shifted some of its funds to medical student training and support of the medical school. Have the other hospitals in the comparison group done that?

Interim Director Staley responded that in those hospitals where that has been done that figure would be included in the total cost. He noted that this was as close a group of hospitals as possible for them to compare themselves with.

In regard to sources of capital development funds, Regent Newlin asked about the \$13 million figure for University of Iowa Hospitals and Clinics. Interim Director Staley said the federal money within the gifts and grants category involved just a few small grants. Some of the money came out of programs for training. The bulk of it would be gifts including the \$3 million from Mr. Pappajohn.

Regent Hendricks referred to the paying patient monies, and asked if University of Iowa Hospitals and Clinics was receiving the same reimbursement from Medicare on the national level as all the other hospitals in its comparison group.

Interim Director Staley responded that the reimbursement amount was not identical and that Mr. Yerington would explain.

Director Yerington said he thought the University of Iowa Hospitals and Clinics' costs were pretty well under control. With regard to sources and uses of operating income and capital funds, he said he would focus on their revenues and how revenues are utilized. He discussed operating revenues on a cash basis. University of Iowa Hospitals and Clinics' officials have been engaged in implementing a management and financial information system which will permit them to generate accrual-based reports. With regard to revenue by source, he said 8 percent was from appropriations, 89 percent was from paying patient earnings and 8 percent from non-patient services. He discussed the types of funds and revenue sources of each fund.

With regard to average annual reimbursements from third-party payors and the Iowa Blue Cross payment, Mr. Yerington stated that if Medicare reimbursements decrease, Blue Cross built a factor into their charges that they will pay one-half of the Medicare shortfall and expect other private insurers to pay the other one-half of the Medicare shortfall. They have to build that shortfall into their charges. He noted that next fiscal year investment income will be around \$6.9 million.

Regent Newlin asked if they were projecting a negative margin for 1995. Mr. Yerington said that was difficult to answer unless they knew what health care reform would bring.

Regent Collins asked why the rate of patient charge is flat when they were talking about a drop in the bottom line. Mr. Yerington said Blue Cross moved into a new payment system in July 1992; therefore, there was an increase on January 1 of that reimbursement. It was anticipated that Blue Cross would allow some growth in the first 6 months of 1994. The Medicaid program is recalibrated every 3 years which was just done to be effective July 1. The recalibration is showing 7 percent to 8 percent higher than what they were recognizing before in their payments. There will be a 7 percent to 8 percent increase in revenue without a change in rate. Blue Cross recognized they were underpaying University Hospitals.

Regent Collins asked if under President Clinton's plan University of Iowa Hospitals and Clinics would be penalized for being on a flat rate. Mr. Yerington said they would not be penalized because reimbursement is not related to charges but to what the costs are. The main thing to be careful of with Blue Cross is to not let the aggregate payments get above the aggregate charges that appear on the claims. Hospital officials believe that leaving the charges the same in a competitive environment will not be a problem.

Director Yerington then discussed what the University of Iowa Hospitals and Clinics owes on capital projects. Three major debt items are Hospital Revenue Bonds, Telecommunications Facilities Revenue Bonds, and notes payable on the master lease. The aggregate is \$60 million with \$33 million outstanding. He said the average interest rate on the bonds is 6.97 percent.

Mr. Richey noted that one reason the Board Office did not recommend refunding the Hospital bonds is that they are not restricted on interest on federal arbitrage as they would be on a refunding issuance.

Regent Hendricks said the Banking Committee yesterday received a proposal to consider paying off some of the hospital bonds; however, that is an extremely complex process because of federal arbitrage laws.

Mr. Yerington said it had been several months since that possibility was last looked at. Last time the benefit of refunding was determined to be marginal. The Hospital bonds also have substantial call provisions. He said the lowest call premium is about 4.9 percent. With regard to the telecommunications bonds, he said that in 1985 the general university issued telecommunications bonds with an average interest rate of 7.09 percent. Mr. Yerington then referred to the amount owed on debt incurred for the capital development program, and stated that in 1999 no funding will be required that year. He assumed they would continue to acquire the bond sinking fund. If so, 1998 will be the final year they have any debt service to fund. He said the latest bond maturity is 2003.

Regent Newlin said that in view of the uncertainty they were facing that was probably a prudent thing to do.

Mr. Yerington discussed the comparative outstanding long-term debt of University Hospitals Executive Council members. University of Iowa Hospitals and Clinics has the least amount of debt. He also discussed debt ratio of the University of Iowa Hospitals and Clinics versus Iowa certificate of need guidelines.

Mr. Yerington stated that although the debt ratios show University Hospitals quite favorably, unlike most hospitals University of Iowa Hospitals and Clinics does not have free operating or capital reserves. All their funds are committed to projects. In their competitive environment, they have to be very concerned about the money needed to perform outreach, etc. They get very concerned when someone looks at \$114 million and does not look to see if it is restricted or committed. Flexible reserves are necessary in order to compete in this environment. Every dollar spent has to be earned by rendering a service.

Regent Collins noted that University of Iowa Hospitals and Clinics apparently compares favorably to other teaching hospitals but questioned how it compares to other large Iowa hospitals such as Iowa Methodist or Mercy in Des Moines or St. Luke's in Cedar Rapids. Insurance companies such as Blue Cross are looking for the lowest cost per patient day. He questioned whether they should be thinking about how competitive they are in relation to other large hospitals in the state.

Mr. Yerington responded that he planned to provide information later in the presentation that compares the hospitals along those lines. They would be competing against institutions that do not have the educational burden that University of Iowa Hospitals and Clinics does. They would have to absorb those costs in order to be competitive. Patients are being directed elsewhere than University of Iowa Hospitals and Clinics by their insurance companies.

Interim Director Staley suggested they may wish to hold a follow-up session to address those questions.

Mr. Yerington said the average patient charge covers everything including medical educational costs.

Interim Director Staley said a substantial portion of the University of Iowa Hospitals and Clinics' budget is devoted to educationally related costs.

Regent Tyrrell said they have to remember there is a severity of illness and intensity of service factor that is not present in many secondary hospitals. University of Iowa Hospitals and Clinics will have much more severe patient cases than community hospitals will have so the average cost per day at University of Iowa Hospitals and Clinics, by taking all the services and dividing it by the number of patients, is going to be higher. However, if they were to compare specific surgeries Regent Tyrrell believed they would find the UIHC is much more favorable.

Regent Collins said that when they get to capitation that is all "out the window".

Regent Tyrrell said that if they were to do capitation they may find that many of the community hospitals are subcontracting with University of Iowa Hospitals and Clinics for a portion of their capitation to take care of the severely ill people who need high intensity service.

Regent Hendricks asked about the statement that University of Iowa Hospitals and Clinics is the only tertiary hospital in the state and whether other hospitals, for instance Iowa Methodist in Des Moines, would agree.

Interim Director Staley clarified that the statement made by University of Iowa Hospitals and Clinics officials is that UIHC is the only comprehensive tertiary care academic medical center teaching hospital in the state of Iowa. There are a number of hospitals in the state that offer tertiary care but University of Iowa Hospitals and Clinics offers tertiary care across the board in all specialties of medicine.

Mr. Yerington stated that University Hospitals officials periodically perform an interesting analysis of patient claims. It was found that 10 percent of the admissions accounted for 50 percent of the revenues. He said that indicated the intensity factor. The high cost programs are very important and contribute to fixed costs, more than covering the marginal costs.

Mr. Yerington discussed the rate-setting process of the University of Iowa Hospitals and Clinics and the calculation of patient costs. There are 200 to 300 cost centers from which they go through and accumulate the direct and indirect costs. They know, for instance, what it costs to run the

electrocardiology laboratory and radiology departments unlike many hospitals that are smaller and that are often integrated. University of Iowa Hospitals and Clinics' rates, therefore, can be extremely low in one area in comparison to other hospitals or can be extremely high. He said other hospitals often do not have that kind of finite cost determinations and do not know what their cost is for one area versus another.

Mr. Yerington then discussed the President's proposed changes to the federal health care budget and its impact on Medicare reimbursement. He compared University of Iowa Hospitals and Clinics' average all inclusive per admission cost, charges and per diem charges to those of University Hospital Executive Council members. The University of Iowa Hospitals and Clinics' average per diem and ancillary service charges were also compared to those of major Iowa community hospitals.

In a comparison of University of Iowa Hospitals and Clinics' accumulated increases in hospital service charges to national trends during the last 120-month period, Mr. Yerington noted that nationally the increase was 87 percent while University of Iowa Hospitals and Clinics' increase was 30.2 percent for the same period.

Mr. Yerington then discussed the University of Iowa Hospitals and Clinics' financial support of the University of Iowa College of Medicine programs. He said there is a tremendous amount of interdependence between the Hospital and the College. Total UIHC budgeted financial support of College of Medicine operating costs for 1992-93 was \$41,790,400. He said certain departments are supported directly by the Hospital; the Department of Psychiatry more than any other department which is almost totally budgeted within the psychiatric hospital budget. He noted that because of the integration of the clinics (doctors' offices) within the Hospital, the Hospital pays the overhead and other expenses of the clinics.

Mr. Richey referred to the three-year contribution totaling \$25,410,400 for support of the College of Medicine faculty salaries. He asked whether those were for projects within the College of Medicine and whether the contribution would end with fiscal year 1994 or are built into a base salary.

Vice President True said the funds will be used for a broad array of activities within the faculty practice -- some recurring and some non-recurring. He was not prepared to provide a list of the details of it but said there are some of each type.

Mr. Richey said there would obviously be a budget problem in fiscal year 1995.

President Rawlings said it is a 2-year plan for general activities.

President Berenstein referred to an earlier statement about the University of Iowa Hospitals and Clinics paying all the normal office expenses for the doctors who are charging fees. He asked if the Hospital was receiving the income from those fees and whether the doctors are salaried?

Mr. Yerington responded that the Hospital does not pay all of the expenses. The doctors employ about \$10 million worth of staff directly from their budgets. The University of Iowa Hospitals and Clinics pays approximately 3/4 of the support. He said the fee income goes into a service fund out of which salaries are paid. Doctors are salaried but those salaries are not paid by the hospital. The salaries are paid by clinical revenues, grants, contracts, etc.

Regent Collins asked if since the doctors are salaried, wouldn't the Hospital be expected to pay for their offices, etc? Mr. Hesson responded affirmatively but said the distinction was that the doctors are salaried by the College not the Hospital.

Regent Hendricks suggested that at a follow-up meeting, Hospital officials explain where the patient charges go, how salaries are set, and how nurses, secretaries, supplies, utilities, etc., are budgeted.

With regard to revenues from Medicare and Medicaid clinic visits, Mr. Yerington said the Hospital was unable to obtain Medicare and Medicaid reimbursement for costs that in prior years they had been asking the practice plan to reimburse for. A favorable ruling identified UIHC's clinics as hospital-based clinics as opposed to office-based clinics. The ruling provided that Medicare would pay the Hospital for the clinics' costs. Previously, Medicare said the costs were part of the fees they paid to the physicians and that they would not pay the hospital for clinic costs. After the ruling was made, Medicare announced it would abide by the ruling but would make a reduction in the physician fees it pays. Mr. Yerington said the ruling turned out to be tremendously beneficial to University of Iowa Hospitals and Clinics because physician fees have been reduced about \$400,000 to \$500,000 but reimbursement from Medicare has increased \$6 million to \$7 million.

Mr. Yerington said Hospital officials wish very much to be supportive of the College of Medicine. He discussed the University of Iowa Hospitals and Clinics' subsidy of clinical departments' paying patient clinic costs.

Dr. Tinker, chair of the Strategic Planning Subcommittee of University of Iowa Hospitals and Clinics, discussed the efforts of the subcommittee. He stated that strategic planning is a process not just a document. The Hospital has to sustain its patient care base. He discussed the Hospital's educational role and its delivery of health care. He stressed that they need to be efficient in the delivery of care. They are achieving better coordination in planning for the upcoming managed care competitive

requirements. After discussing some of the significant issues facing their strategic planning efforts, he introduced Gerhild Krapf to discuss University of Iowa Hospitals and Clinics' new child care center.

Assistant to the Director Krapf stated that by mid-1994 they expect to have an established child care center which she noted would improve recruiting and retaining staff. She discussed the process they went through in planning for the center. The center will be housed on the first floor of Westlawn and services will be provided by a private contractor.

Regent Tyrrell asked if Westlawn was currently under water. Assistant to the Director Krapf stated that it was not.

Ms. Krapf discussed the floor plan and dietary provisions of the center as well as its tuition rates.

Interim Director Staley discussed the strategic planning goals. With regard to the Governor's Blue Ribbon Commission, he said it recommended that at such time as the indigent appropriation was not needed, University of Iowa Hospitals and Clinics use that funding to support its educational costs.

Specific strategic planning goals which Mr. Staley addressed were 1) maintaining University of Iowa Hospitals and Clinics' role as Iowa's comprehensive tertiary referral center, 2) pursue establishment of an alternative stream of financing for University of Iowa Hospitals and Clinics' graduate medical education programs, 3) sustain the governance responsibilities of the Iowa Board of Regents as its ultimate governing body, 4) maintain and strengthen University of Iowa Hospitals and Clinics' role as a major provider of comprehensive referral services for enrollees in managed care programs in Iowa and Western Illinois which includes an office for clinical outreach and joint contracting for patient care, 5) refine and enhance the operation of ambulatory care clinics, 6) provide leadership in the reform of the Iowa health care system under the leadership of John Colloton, 7) enhance linkages to community health care providers, the general public and the University of Iowa community at large and 8) maintain and refine the internal operations including enhancing cost effectiveness of the UIHC which he said has been an important strategy for the hospital for years.

Dr. Rodnitzky, chief of staff of UIHC, reported on the delegated governance functions of the University of Iowa Hospitals and Clinics. He said he has performed in the capacity of chief of staff for a year. He has several liaison functions which involve some of the delegated functions. Three major areas are quality assurance, credentialing and internal policies of the hospital. Groups discuss such issues as approving credentials and forums to inform one another of their department's functions so they understand what people in other parts of the hospital are doing, and improving services in the emergency treatment center. He said credentials

are reviewed on an annual basis. He is also involved in the quality assurance program of the hospital. The quality assurance groups meet on a regular basis with the Dean of the College of Medicine and Interim Director Staley.

Interim Director Staley referred to a matter which Regent Tyrrell raised earlier relating to how the capital replacement plan may have been modified. There has been a reduction in the length of in-patient stay and an increase in ambulatory care visits. The average length of patient stay decreased from 9.1 days in 1973 to 7.0 days in 1993. Ambulatory care visits increased from 215,500 in 1965 to 466,429 in 1993. Therefore, the Hospital no longer needs as many beds as it did 20 years ago. He said the original portrayal (12/20/72) of the University of Iowa Hospitals and Clinics' projected capital replacement facility showed 4 south pavilions. The big change that occurred in the final pavilion was that instead of developing an inpatient sector it was all made into clinic operations.

Another question which Mr. Staley said had been posed earlier in the presentation was about the changes in health care delivery and how those have impacted University of Iowa Hospitals and Clinics. He said Mr. Colloton, as Vice President for Statewide Health Services, is in charge of that dimension of planning. At some future point Mr. Colloton will probably be coming to the Board to discuss those points.

Mr. Staley stated that another question raised relates to the changing role of the Board of Regents. The specific question was "What should the role of the Board of Regents be in the future?" He said that when Mr. Colloton presented his final report as Director of University of Iowa Hospitals and Clinics in April, he noted that in view of the reorganization which was taking place within the university health sciences center and the transition in key leadership positions, the Board of Regents would need to provide close surveillance of the UIHC in its role as its trustees to assure that they are intimately linked to the policy-making apparatus. The Board exercises accountability through the Director of the University of Iowa Hospitals and Clinics. Further, Mr. Colloton noted that there is a great need to avoid the tendency which has existed in some universities to exploit financial resources of the university hospital under the justification of acting for the common good of the university. In this context, Mr. Staley referred to the 1990 statement by then-President Pomerantz. Mr. Pomerantz noted that the Board of Regents and the University of Iowa administration have traditionally recognized that third-party payors will not permit revenues which they pay teaching hospitals for care of patients to be used for resolving university general education funding problems.

Mr. Staley said that given the importance of the Regents' role in assuring prudent and appropriate use of the University of Iowa Hospitals and Clinics' fiscal resources and the likelihood of different philosophies emerging as new leaders assume responsibilities in the health sciences, it is vital that

in its future oversight of the University of Iowa Hospitals and Clinics, the Board of Regents continues to assure that revenues received by the UIHC for patient care are used for their intended purposes. He said the UIHC does receive some reimbursement for graduate dental and medical education programs which are residency training programs sponsored by the UIHC, and select professional and technical training programs also sponsored by the UIHC. However, major third party payors have made it very clear that funding will not be provided for university-based degree programs within universities. He said the Regents will certainly have an important role in the future in assuring that requests coming to them which involve use of UIHC financial resources are actually eligible for reimbursement from all major payors.

To illustrate this point, Mr. Staley cited an example of the kind of decisions the Regents may be faced with. He said the Regents were recently asked to approve a new degree program within one of the health colleges. He emphasized that the University of Iowa Hospitals and Clinics is very supportive of the college developing this new program. The UIHC employs several staff with the educational background these students would receive; and students who pursue the proposed training will have numerous opportunities for professional positions in community-based health care delivery systems and other components of the health care delivery system upon completion of this degree. Also, University of Iowa Hospitals and Clinics is very supportive of providing these students with the clinical training they require as long as funding for the program is provided from sources other than UIHC patient care reimbursement. However, in the full proposal for this program from which the request submitted to the Regents was drawn, the following suggestion for its support was included, which Mr. Staley quoted in part, deleting reference to the specific program:

There are a number of sources of support and funding for the new degree. One is to secure additional support from the UIHC.... The staff at the UIHC do have heavy workloads, and additional support will be required for them to be able to make the UIHC the flagship site for ...[this]... experiential education. ...The likely total cost of implementing this new degree program will be between \$500,000 and \$750,000 per year in recurring costs. Hopefully, the new Vice President for Health Sciences and the new Director of the University of Iowa Hospitals and Clinics will recognize that contributing to this educational program at the university is a very significant part of their educational mission.

Mr. Staley stated that University of Iowa Hospitals and Clinics cannot obtain reimbursement from third party payors for any of the costs which would be incurred in providing the requested \$500,000 to \$750,000 in annual support or any portion of the requested support.

Mr. Staley said the Medicare program, which covers 27 percent of UIHC's patients would not support such a cost. The Medicaid program, which covers 18 percent of their patients, will not cover such costs. The Blue Cross program, which covers 16 percent of their patients, will not support such costs. HMOs and other managed care programs now cover 7 percent of UIHC's patients and they will not pay such charges. The indigent patient care program, which covers 12 percent of their patients, now has a State appropriation shortfall of \$14 million and could not support such a cost. Some 3 percent of their patients are total charity care patients and have no resources to pay for any of their care let alone the cost for a new degree program.

Mr. Staley stated that consequently, the only way the UIHC could support expenditures for providing staff to train students in an academic degree program would be to increase charges and collect additional revenue from those few self-paying patients and commercial insurers who still pay full charges. He said this is a rapidly decreasing portion of the patient population and now represents less than 15 percent of the total patients served by the UIHC. As managed care programs continue to grow, the number of patients covered by commercial insurers that pay full charges will continue to decline.

Furthermore, Mr. Staley noted that in the competitive health care environment, it would not be highly prudent for University of Iowa Hospitals and Clinics to raise charges in order to assume additional educational costs for which no third party reimbursement can be obtained. He said this point was especially pertinent since several proposals have been set forth to cut back Medicare reimbursement for currently-supported educational costs; and as Medicare goes, so go the other major third party payors. Thus, it is unlikely that University of Iowa Hospitals and Clinics will be able to continue supporting even the present level of educationally-related costs unless another stream of financing, such as that recommended by the Governor's Blue Ribbon Commission on the Future Financing of Educationally-Related Costs of the UIHC becomes available.

For these reasons, Mr. Staley stated that the only correct and prudent policy for financing educational programs is that UIHC expenditures are justified if, and only if, third party payors will reimburse for the incurred educational costs. If that is not the case, then it is simply inappropriate and fiscally imprudent for teaching hospital revenues to be used for funding the education program since it is a sure way to run the teaching hospital into deficit finance, a calamity they all wanted to avoid.

Mr. Staley concluded by stating that he very much appreciated the opportunity to meet with the Regents today as the Board of Trustees of University of Iowa Hospitals and Clinics.

Regent Hendricks asked if salaries of residents and fellows in medical programs are paid by third party payors. Interim Director Staley responded that Medicare, Medicaid, Blue Cross and commercial insurers will generally reimburse for those salaries and salaries of physicians engaged in specialty training. They will also reimburse to some extent for programs that are hospital based.

President Berenstein thanked Interim Director Staley for the fine presentation. He said the Regents were not unmindful of the reorganization of the medical complex. The appointment of Dr. Manasse was an indication of their attempt to address the very problem Mr. Staley alluded to in his final statement. He hoped the Regents could coordinate with University of Iowa Hospitals and Clinics officials and the other related groups. The Regents were not shirking their responsibility but were relying on the great relationship among officials of the health sciences center. He again thanked Mr. Staley and his colleagues for the time they spent that morning.

President Berenstein stated that in the 4 years he had been on the Board of Regents he had never received this comprehensive a presentation.

Regent Tyrrell asked about Mr. Staley's suggestion for a follow-up session. He said the Regents should periodically have in-depth discussion as they had done today. They have to have this information and he felt that Mr. Staley and his staff could orient the Regents even more.

Interim Director Staley said they would be pleased to come back and address other points that came up today.

President Berenstein suggested that at the next session they briefly review the items discussed today and have in-depth discussion on the specific items they did not have time to get into. He thanked Mr. Yerington for his financial report which he said was comprehensive and meaningful.

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

President Rawlings then presented the following supplemental docket item:

APPROVAL OF APPOINTMENT. The Board Office recommended the Board approve the appointment of Henri R. Manasse, Jr., Ph.D., to the position of Vice President for Health Sciences, effective September 1, 1993, at an annual salary of \$195,000.

President Rawlings stated that University of Iowa officials had been through extensive interviews on the campus with candidates for the position of Vice President for Health Sciences. They also met with large numbers of faculty

members of the four health colleges. There is strong support on the campus for the appointment of Dr. Manasse. Dr. Manasse can begin his duties on September 1, 1993. Vice Presidents True and Skorton and Provost Nathan are preparing a transition document to enable Dr. Manasse to "hit the ground running". This completes the reorganization of the University of Iowa's administration which was initially presented to the Board of Regents and to university officials by Peat Marwick Main representatives during their review of the university. University of Iowa officials have adopted most of Peat Marwick's suggestions of 4 years ago in implementing this reorganization.

MOTION:

Regent Collins moved to approve the appointment of Henri R. Manasse, Jr., Ph.D., to the position of Vice President for Health Sciences, effective September 1, 1993, at an annual salary of \$195,000. 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

University Hospitals and Clinics--Completion of an Overhead Patient and Visitor Walkway System Linking Hospital Parking Ramp #1 to the New University Hospitals Main Entrance

University officials requested approval to proceed with this project which will complete the overhead patient and visitor walkway system by constructing the final section extending from Hospital Parking Ramp #1 to the new main entrance canopy at the second level. The walkway system was shelled-in beneath the entrance canopy when the canopy was constructed and this shelled-in section will also be completed by this project.

This final section of the walkway will enable patients and visitors to avoid inclement weather when entering and departing University Hospitals and will also make the facilities more accessible for the handicapped. The walkway will be of the same design as the walkway now under construction between the new entrance canopy and Hospital Parking Ramp #2. As such, it will be enclosed and environmentally controlled and will be of sufficient height to accommodate fire trucks and other large service vehicles passing beneath it. It will link the southeast elevator and stairtower of University Hospitals Parking Ramp #1 with the new entrance canopy.

There are no alternatives that can as effectively and conveniently provide weather-protected access to University Hospitals from this parking structure. As previously described, the need for this project has been

endorsed by the Board on several occasions through approval of other phases of the University Hospitals new main entrance/registration lobby development project.

The estimated construction cost to develop this overhead walkway is \$1.6 million. Cost figures will be further developed and refined as the project planning proceeds. The project will be funded through University Hospital Building Usage Funds. No State capital appropriated dollars or bonding will be involved.

PROJECT DESCRIPTIONS AND BUDGETS

University officials submitted six new projects for approval by the Board.

Lindquist Center to Bowen Science Building--Install \$974,300
Communication Ducts
Source of Funds: Telecommunications Improvement and Replacement Fund

Preliminary Budget

Design, Inspection and Administration	
Consultants	\$ 94,400
Architectural/Engineering Services	18,600
Construction	736,000
Fiber Optic Cable	47,000
Contingencies	<u>78,300</u>
 TOTAL	 <u>\$ 974,300</u>

University officials requested approval of a project description and budget for this project which is one component in the ongoing effort to link the campus with fiber optic cables. The project will comprise a major portion of a backbone system that will connect five communication hubs, located at Lindquist Center, Bowen Science Building, Chemistry Building, International Center, and Phillips Hall. Work will include the construction of a 700 feet, concrete 15 cell duct bank containing PVC conduit from the Lindquist Center to the northeast corner of Madison Street and Washington Street. The project will also include construction of either a six cell or nine cell duct bank from Madison and Washington Streets to the Bowen Science Building (2,205 feet), a nine cell duct bank from the Bowen Science Building to the South Grand Avenue Service Vault (1,640 feet), and a nine cell duct bank from Madison Street to the west side of the Pentacrest service drive (220 feet). The project includes the installation of fiber optic cable, construction of 13 concrete vaults and site restoration.

University Hospitals and Clinics--UIHC Child Care Center \$794,490
Source of Funds: University Hospital Building Usage Funds

Preliminary Budget

Construction	\$ 653,900
Contingency	65,390
Architectural/Engineering Support	42,500
Planning and Supervision	<u>32,700</u>
TOTAL	<u>\$ 794,490</u>

University officials requested approval of a project description and budget for the renovation of approximately 10,500 square feet of space on the first level, west wing, of Westlawn. The space will be developed into a Child Care Center for use by University Hospitals and other university staff. The need for this Child Care Center has been well documented by several University of Iowa and University Hospitals committees and task forces. Development of the Child Care Center is a component of the University Hospitals Strategic Plan, and also responds to legislative and Board of Regents mandates. The center will accommodate 135 children from infancy through early school age. Facilities to be developed include child care classrooms, a multi-purpose activity room, reception area, staff office, child and staff toilets, kitchen, laundry room, storage and housekeeping rooms, and staff lounge.

University Hospitals and Clinics--I.V. Admixture and Sterile Products Preparation Facility \$768,750

Source of Funds: University Hospital Building Usage Funds

Preliminary Budget

Construction	\$ 625,000
Contingency	62,500
Architectural/Engineering Support	50,000
Planning and Supervision	<u>31,250</u>
TOTAL	<u>\$ 768,750</u>

University officials requested approval of a project description and budget for the conversion of 2,500 square feet of existing space in Boyd Tower to an I.V. Admixture and Sterile Product Compounding Facility for the Department of Pharmacy. The project is required to meet American Society of Hospital Pharmacists and United States Pharmacopeia standards for facilities preparing sterile products. The facility will contain a Class 100,000 and a Class 10,000 clean room, in addition to preparation/pre-assembly areas, and storage area and biological safety cabinets for cytotoxic drug preparation. A locker room and office space is also included in the project.

University Hospitals and Clinics--Pappajohn Pavilion \$774,565
Mechanical and Electrical Systems Development
Source of Funds: University Hospital Building Usage Funds

Preliminary Budget

Construction	\$ 637,500
Contingency	63,750
Architectural/Engineering Support	41,440
Planning and Supervision	<u>31,875</u>
TOTAL	<u>\$ 774,565</u>

University officials requested approval of a project description and budget for the installation of miscellaneous mechanical and electrical equipment required for future development of patient care and support functions in levels five through eight of the John Pappajohn Pavilion. Installation of this equipment will facilitate the future phased development and occupancy of each of these levels. Specific equipment to be installed includes an air handling unit, emergency bus duct, general exhaust fan, electrical motor controls, and a clean steam generator.

University Hospitals and Clinics--Shipping and Receiving \$398,875
Facility Office and Mechanical/Electrical Systems Development
Source of Funds: University Hospital Building Usage Funds

Preliminary Budget

Construction	\$ 328,290
Contingency	32,830
Architectural/Engineering Support	21,340
Planning and Supervision	<u>16,415</u>
TOTAL	<u>\$ 398,875</u>

University officials requested approval of a project description and budget to finish approximately 2,200 gross square feet of shell space on the second floor of the University Hospitals Shipping and Receiving Facility, and installation of mechanical and electrical equipment to support the finished space. The space will be utilized by supervisory and support staff offices of the Department of Medical Records, which will be relocated from basement space in the Medical Research Center.

University Hospitals and Clinics--Patient Fiscal and \$356,250
Admitting Service Expansion
Source of Funds: University Hospital Building Usage Funds

Preliminary Budget

Construction	\$ 285,000
Contingency	28,500
Architectural/Engineering Support	28,500
Planning and Supervision	<u>14,250</u>
TOTAL	<u>\$ 356,250</u>

University officials requested approval of a project description and budget for the renovation of approximately 4,700 gross square feet of former Pediatric Cardiology space in the General Hospital to provide expansion space for the University Hospitals Business Office. The project represents the first phase of a two-phased program to renovate and expand the Business Office facilities to meet the critical need for additional staff work space. The expansion project will also provide greater privacy for patient consultations with Business Office staff concerning billing and insurance matters.

* * * * *

University officials reported 14 new projects with budgets of less than \$250,000 which were included in the university's quarterly report of anticipated capital projects. The titles, source of funds and estimated budgets for the projects were listed in the register prepared by the university.

* * * * *

ARCHITECT/ENGINEER AGREEMENTS

Pharmacy Building Addition \$96,207
Brooks Borg and Skiles, Des Moines, Iowa

University officials requested approval of the renegotiated agreement with Brooks Borg and Skiles which reflects the addition of \$96,207 for employee salary adjustments and an increase in project scope to include utility connections and the change to central chilled water.

University Hospitals and Clinics--Development of an Audio and Video \$48,740
Production Center and Staff Offices in the Pappajohn Pavilion
Hansen Lind Meyer, Inc., Iowa City, Iowa

University officials requested approval of an agreement with Hansen Lind Meyer to provide design services for the project. The agreement provides for a fee of \$48,740, including reimbursables.

University Hospitals and Clinics--Pappajohn Pavilion Mechanical and Electrical System Development \$47,240
Hansen Lind Meyer, Iowa City, Iowa

University officials requested approval of an agreement with Hansen Lind Meyer to provide design services for the project. The agreement provides for a fee of \$47,240, including reimbursables.

University Hospitals and Clinics--Pre-Surgical Workup and Same Day Surgery Admission Facility \$40,010
Hansen Lind Meyer, Iowa City, Iowa

University officials requested approval of an agreement with Hansen Lind Meyer to provide design services for the project. The agreement provides for a fee of \$40,010, including reimbursables.

Multi-Tenant Facility, Oakdale Research Park--Construct Center for Biocatalysis and Bioprocessing Laboratory \$38,990
Cost, Planning and Management International, Inc., Coralville, Iowa

University officials requested approval to enter into an agreement with Cost, Planning and Management International, Inc., to provide project inspection services at a fee of \$38,990. The agreement will be funded from the project budget with the funds originally designated for university Architectural/ Engineering Services (\$36,300) plus project contingency funds.

Bowen Science Building--Microbiology Laboratory Remodeling--Master Plan \$31,860
Brooks Borg and Skiles, Des Moines, Iowa

University officials requested approval of the negotiated agreement with Brooks Borg and Skiles in the amount of \$31,860, including reimbursables.

Pharmacy Building--Pharmaceutical Services Remodeling \$30,400
Raytheon Engineers and Constructors, Philadelphia, PA

University officials requested approval of the agreement with Raytheon Engineers and Constructors to provide planning, preliminary design and cost estimating services. The agreement provides for a fee of \$30,400, including reimbursables.

Development Center
Brooks Borg and Skiles, Des Moines, Iowa, in association with Gwathmey Siegel and Associates, New York, NY

University officials requested approval of the selection of Brooks Borg and Skiles, in association with Gwathmey Siegel and Associates, to provide

design services for the project. University officials will proceed with negotiation of the design agreement which will be presented to the Board for approval.

Under this arrangement, Charles Gwathmey would serve as project designer and the firm of Gwathmey Siegel and Associates would provide programming, schematic design and design development services. Brooks Borg and Skiles would serve as architect of record and perform mechanical, electrical and structural engineering, and construction administration services. Each firm would participate as appropriate to ensure design continuity while the other firm was performing lead activity.

The university's selection of these firms was based on the record established by Brooks Borg and Skiles on many other university projects, and the outstanding record of the Gwathmey Siegel firm for producing quality architecture for a number of years.

Amendments:

University Hospitals and Clinics--A Multi-Disciplinary Rehabilitation \$30,092
Center, an Expanded Orthopaedic Clinic with Radiology Faculty Office
Hansen Lind Meyer, Inc., Iowa City, Iowa

University officials requested approval of Amendment #3 in the amount of \$30,092 to the agreement with Hansen Lind Meyer for this project. The amendment is the result of additional design services for six alternates to the construction contract prior to the bid opening on May 25, 1993.

Amendment No. 3 will not result in an increase in the total project budget.

Steam Distribution System Improvements--Power Plant to \$6,720
South Grand Avenue
Stanley Consultants, Inc., Muscatine, Iowa

University Hospitals and Clinics--Development of a Surgical \$2,535
Intensive Care Unit in the John Pappajohn Pavilion
Hansen Lind Meyer, Inc., Iowa City, Iowa

University Hospitals and Clinics--Development of Radiology \$1,600
Faculty Offices
Hansen Lind Meyer, Inc., Iowa City, Iowa

University Hospitals and Clinics--Overhead Pedestrian Link-- \$1,260
Pappajohn Pavilion to Hospital Parking Ramp #2
Hansen Lind Meyer, Inc., Iowa City, Iowa

University Hospitals and Clinics--Colloton Pavilion West Entrance Enclosure and Lobby \$663
Hansen Lind Meyer, Inc., Iowa City, Iowa

CONSTRUCTION CONTRACTS

Multi-Tenant Facility--Oakdale Research Park--Construct Center for Biocatalysis and Bioprocessing Laboratory

Package 1--General \$220,296
Award to: Selzer-Werderitsch Construction Company, Inc.,
Iowa City, Iowa
(2 bids received)

Package 2--Plumbing and Piping \$168,850
Award to: Modern Piping, Inc., Cedar Rapids, Iowa
(5 bids received)

Package 3--Ventilating \$125,000
Award to: Johnson Contracting Company, Inc., East Moline, IL
(2 bids received)

Package 4--Controls \$66,023
Award to: Control Installations of Iowa, Inc., Des Moines, Iowa
(3 bids received)

Package 5--Electrical \$121,560
Award to: Nelson Electric Company, Cedar Rapids, Iowa
(5 bids received)

North Capitol Improvements Project \$549,300
Award to: Suburban Contractors, Inc., Cedar Rapids, Iowa
(2 bids received)

South Grand Avenue Telecommunication Cable Replacement \$190,383
Award to: Meisner Electric, Inc., Newton, Iowa
(3 bids received)

Bowen Science Building--Microbiology Laboratory Remodeling--
Core 3-700 \$173,995
Award to: Aanestad Construction, Coralville, Iowa
(2 bids received)

Power Plant Improvements--Asbestos Removal \$93,882
Award to: Hayden and Associates, Inc., Memphis, MO
(4 bids received)

the Pharmacy Building on the University of Iowa campus. The remainder will be used for issuance costs and to capitalize the reserve fund.

The initial funding for the Pharmacy Addition project was deappropriated during the 1991 legislative session. House Concurrent Resolution 24, as passed during the 1993 legislative session and signed by the Governor, restored funding for the project for FY 1994.

The resolution was prepared by the Ahlers law firm and was reviewed by the Board's financial advisor, Springsted, Inc.

MOTION:

Regent Hendricks moved to adopt a Resolution authorizing the Executive Director to fix the date or dates for the sale of \$8,935,000 Academic Building Revenue Bonds, Series S.U.I. 1993. Regent Tyrrell seconded the motion, and upon the roll being called, the following voted:
AYE: Berenstein, Collins, Dorr, Furgerson, Hendricks, Johnson-Matthews, Newlin, Pellett, Tyrrell.
NAY: None.
ABSENT: None.

MOTION CARRIED UNANIMOUSLY.

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

IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was transacted on Wednesday, July 21, 1993.

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

Register of Personnel Changes for June 1993 which included four requests for early retirement and one phased retirement request and

Provided for the Board's information was the appointment of LOWELL CHRISTY as Director of Federal Relations, effective July 1, 1993, at an annual salary of \$80,000.

MOTION:

Regent Dorr moved to approve the university's personnel transactions, as revised. Regent Furgerson seconded the motion. MOTION CARRIED UNANIMOUSLY.

APPROVAL OF NEW CENTER. The Board Office recommended the Board refer the request for approval of the International Institute for Theoretical Physics to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

The goals of the International Institute for Theoretical Physics would be:

- * to empower theoretical scientists of developing countries to carry out research and teaching in their own countries and thereby to help strengthen the science and technology infrastructure of their regions, and
- * to foster collaborations between U.S. scientists and their colleagues throughout the world.

The International Institute for Theoretical Physics would be a unique program for the U.S. The closest similar unit is the International Center for Theoretical Physics in Trieste, Italy.

The Center would be funded by internal reallocations of \$500,000 annually for the first three years. Outside funding is being pursued.

Dr. James P. Vary was appointed director of the Institute effective July 1, 1993.

ACTION: This matter was referred by consent.

RESTORATION OF GRADUATE DEGREE. The Board Office recommended the Board approve the request to remove suspension of enrollment in the Master of Science degree program in Architectural Studies at Iowa State University.

In July 1992, Iowa State University received approval to suspend enrollment in the Master of Science in Architectural Studies (MSAS) program for one year.

Admissions were suspended to allow the College of Design, as part of its consideration of budget priorities, to clarify the structure of the post-professional degree programs offered by the Department of Architecture and to examine the relationship between program needs and available resources.

The department and the college completed their review and requested approval to remove the suspension. They concluded that the MSAS program:

- * does provide a worthwhile complement to the college's graduate programs,
- * benefits the department at little expense, and
- * is integral to the department's research activities.

At the time of suspension of enrollment, the department's funded research was limited and there was no clear relationship between faculty research specializations and the work of the post-professional students.

The department has now put in place a research structure that has produced over \$200,000 in funded projects. The structure provides an area of designated specialization to the graduate program.

Since all assistantships will be funded by external sources, no additional funds will be required.

ACTION: This matter was approved by consent.

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

PROJECT DESCRIPTIONS AND BUDGETS

University officials presented revised budgets on the following projects.

<u>Gilman Hall--Partial Third Floor Remodeling</u>	Original Budget	<u>\$450,000</u>
	Revised Budget	<u>\$470,000</u>

Project Budget

	Original Budget <u>Oct. 1992</u>	Revised Budget <u>July 1993</u>
Contracts	\$ 310,000	\$ 221,900
Design Services	48,500	52,500
Construction Administration	9,765	26,093
University Services	2,000	42,000
Miscellaneous	2,000	2,000
Movable Equipment	34,100	67,100
Telecommunications	1,000	5,000
Project Reserve	<u>42,635</u>	<u>53,407</u>
TOTAL	<u>\$ 450,000</u>	<u>\$ 470,000</u>
<u>Source of Funds:</u>		
FY 1992 Block Grant Funds	\$ 50,000	\$ 50,000
FY 1993 Block Grant Funds		20,000
ISU Foundation	<u>400,000</u>	<u>400,000</u>
TOTAL	<u>\$ 450,000</u>	<u>\$ 470,000</u>

University officials requested approval of a revised budget in the amount of \$470,000, an increase of \$20,000 over the project budget approved in October 1992, for the remodeling of 12,000 net square feet of space for the Department of Materials Science and Engineering. The revised budget reflects an additional source of funds in the amount of \$20,000 from the Department of Materials Science and Engineering. These funds are being committed by the department in accordance with provisions of Section 8.33 of the Code of Iowa in anticipation of the receipt of federal funds for the project.

Utilities--Heating Plant--Turbine General #3 Overhaul

Source of Funds: Utility Repairs

March 1993 Budget \$750,000
 Revised Budget \$900,000

	<u>Project Budget</u>	
	Budget Approved <u>March 1993</u>	Revised Budget <u>July 1993</u>
Contracts	\$ 660,000	\$ 741,799
Design Services	5,000	5,000
University Services	35,000	100,000
Project Reserve	<u>50,000</u>	<u>53,201</u>
 TOTAL	 <u>\$ 750,000</u>	 <u>\$ 900,000</u>

University officials requested approval of a revised budget of \$900,000, an increase of \$150,000 over the project budget approved in March 1993, for the overhaul of Turbine Generator #3.

During reassembly and initial operation of the generator, additional parts were needed and extensive field service work was required to complete the overhaul. Factory service and engineering personnel were involved in resolving initial operational problems affecting proper operation of the unit.

The last major overhaul on this unit was completed in 1986. This overhaul will restore the unit to safe, efficient and reliable operation for the next five to six years.

Regent Dorr asked why there were substantial increases in the budget for this utility project. Vice President Madden responded that during the overhaul of the generator, when it was taken apart, it was found that greater work was needed. He noted that was typical for this type of utility project.

Dairy Industry--Addition and Renovation--Phase 2

October 1992 Budget \$2,030,910
 Revised Budget \$2,380,910

Project Budget

	<u>Budget Approved Oct. 1992</u>	<u>Revised Budget July 1993</u>
Contracts	\$ 1,571,198	\$ 1,951,985
Design Services	165,700	202,020
Construction Administration	46,133	54,625
University Services	11,500	42,120
Miscellaneous	8,000	8,000
Building Automation	47,000	47,000
Telecommunications	25,000	5,000
Project Reserve	<u>156,379</u>	<u>70,160</u>
TOTAL	<u>\$ 2,030,910</u>	<u>\$ 2,380,910</u>
<u>Source of Funds:</u>		
USDA-CSRS Grant	\$ 2,030,910	\$ 2,030,910
Agricultural Experiment Station		
Funds: FY 1994		150,000
FY 1995		<u>200,000</u>
TOTAL	<u>\$ 2,030,910</u>	<u>\$ 2,380,910</u>

University officials requested approval of a revised budget in the amount of \$2,380,910, an increase of \$350,000 over the project budget approved in October 1992.

The construction contract for Part C of Phase 2 of this project was awarded to Harold Pike Construction Company on May 17, 1993, for the base bid of \$639,000. At the time of the contract award, the university requested that Harold Pike Construction Company hold its prices for five alternates which were also included in the bid, pending supplemental funding to allow award of the alternates.

Part C of Phase 2 of the project includes the renovation of laboratory and office space on a portion of the third floor of the facility. Award of the five alternates, totaling \$169,700, will allow the university to complete remodeling for the remainder of the third floor. The alternates include casework, electrical and plumbing for three individual lab bays (alternates one through three), repair of exterior walls and new finishes in the lab bays (alternate 4), and replacement of the second floor corridor ceiling (alternate 5).

The revised budget reflects the addition of \$350,000 from the Agricultural Experiment Station to allow award of the alternates (\$169,700) plus

equipment purchases totaling \$150,000. The remaining \$30,300 will be applied to the project reserve.

* * * * *

University officials reported 11 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

<u>Applied Science Center--Office Building</u> Shiffler Associates, Des Moines, Iowa (Architectural Services)	<u>\$51,000</u>
---	-----------------

University officials received expressions of interest from 24 firms to provide architectural services for the project. The university selected three firms for interviews by the university's Architectural Selection Committee. University officials recommended approval to enter into an agreement with Shiffler Associates of Des Moines, Iowa. The firm was selected because of its extensive experience in the design of similar projects and its ability to proceed with the design on an accelerated time schedule.

The university has tentatively negotiated an agreement with Shiffler Associates, which provides for a fee of \$51,000, including reimbursables.

Amendments:

<u>Carrie Chapman Catt Hall Remodeling</u> Baldwin Clause Architects, Des Moines, Iowa	<u>\$570</u>
---	--------------

CONSTRUCTION CONTRACTS

Agronomy Addition--Replace Window Caulking
Reject All Bids

Four bids were received for this project on May 20, 1993. Three of the four bids exceeded the engineering estimate of \$12,300 by at least 90 percent. The remaining bidder, with a bid of \$9,726, requested approval to withdraw its bid due to an estimating error. The Executive Director authorized the university to reject all bids on June 4, 1993.

<u>Fire Safety Improvements--FY 1991--Eyewashes and Safety Showers</u> Award to: Manning-Seivert Mechanical Contractors, Inc., Granger, Iowa (4 bids received)	<u>\$61,415</u>
--	-----------------

Gilman Hall Renovation--Phase 3, Stage 3--Northeast Wing \$2,533,500
Award to: Harold Pike Construction Company, Inc., Ames, Iowa
(5 bids received)

Iowa School for the Deaf--Giangreco Hall--Roof Membrane \$449,315
Replacement and Exterior Repair
Award to: Special "T" Roofing Company, Bellevue, NE
(2 bids received)

CHANGE ORDERS TO CONSTRUCTION CONTRACTS

Dairy Industry Building--Addition and Renovation--Phase 2 \$169,700
Harold Pike Construction Company, Ames, Iowa

University officials requested approval of a change order in the amount of \$169,700 to the agreement with Harold Pike Construction Company to reflect the inclusion of five alternates with the construction contract.

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

APPROVAL OF LEASES. The Board Office recommended the Board approve the following leases:

With THE LIVERY PARTNERSHIP for the university's use of 700 square feet of space located at 806 Seventh Street, Boone, Iowa, at the rate of \$350 per month, for a one-year term commencing September 15, 1993, through September 14, 1994;

With the AGRICULTURAL RESEARCH SERVICE, UNITED STATES DEPARTMENT OF AGRICULTURE, for its use of 7,800 square feet of space, a reduction of 1,200 square feet, at the Plant Introduction Station for construction of a greenhouse, at no cost to the university.

With the AGRICULTURAL RESEARCH SERVICE, UNITED STATES DEPARTMENT OF AGRICULTURE, for its use of 1.78 acres of land, an increase of 0.63 acres, at the National Soil Tilth Laboratory for construction of the National Swine Center, at no cost to the university.

MOTION: Regent Collins moved to approve the leases, as presented. Regent Tyrrell seconded the motion, and upon the roll being called, the following voted:
AYE: Berenstein, Collins Dorr, Furgerson, Hendricks, Johnson-Matthews, Newlin,

Pellett, Tyrrell.
NAY: None.
ABSENT: None.

MOTION CARRIED UNANIMOUSLY.

STUDENT HEALTH CENTER. The Board Office recommended that the Board (1) defer approval of the Iowa State University request to proceed with planning for the construction of a new Student Health Center; (2) request Iowa State University to conduct a comprehensive study of existing student health services and their relationship to facility needs and to conduct an in-depth examination of alternatives to construction of a new facility; and (3) require Iowa State University to examine financing alternatives that do not require special additional student fees.

Iowa State University officials requested permission to plan for construction of new Student Health Center facility.

Each Regent university charges a mandatory student health fee of \$40 per semester for the 1993-94 academic year. This fee pays for basic health services and allows students to receive specialized services at reduced cost.

The mandatory health fee was initiated over a four-year phase-in period to reduce reliance on the general fund for rapidly rising student medical costs.

In adopting the mandatory fee, the Board directed that general fund support be eliminated and that the money saved be re-allocated to instructional purposes.

Based on Board policy to strive for uniform tuition rates and mandatory student fees across all three Regent institutions, the Board Office recommended that funding of new or remodeled space be from some source other than additional student fees.

Health services provided by each Regent university differ. Iowa State University appears to provide the widest range of services at present. The nature and scope of services provided determine the type and total amount of space needed.

Student Health Services at Iowa State University provides a full range of primary health care services for students and spouses. Most services are available on a "walk-in" basis. Pharmacy, X-rays, and laboratory services are provided at reduced costs.

Student Health Center physicians support Iowa State University athletics programs. A Student Health Center physician has a salary partially supported by the Athletic Department.

Iowa State University provides the only Regent university clinic open during evening hours.

Space needs are dependent upon services provided. Whether it is desirable and/or necessary to provide this full range is a question that should be addressed in any study to determine the need for a new Student Health Center facility.

Extension to other service areas might attract and retain faculty, staff, and students. On the other hand, the issue of unfair competition with private enterprise must be considered.

The present facility has 11,400 square feet. The general appearance of the Student Health Services facility is one of a small suburban medical clinic, albeit in a somewhat older two story building.

The layout of the facilities is one cause of congestion, though not the only cause. To lessen congestion Iowa State University prepared a list of other possible facilities. The new facilities emphasize a square shaped, one story facility with 23,000 to 29,000 square gross square feet.

Ten available sites have been identified. A lower 23,000 square footage facility is based on continuing present services. A higher square footage facility would be large enough to permit added services.

Proper planning will require a comprehensive look at the services needed from the Student Health Center, including those now provided. Each of the university's assumptions should be carefully and conservatively examined both in terms of health services needs and of fiscal constraints.

After more carefully identifying basic health service needs, the space utilization, and the cost per square foot, the planning process should revisit the alternative facilities and sites studied.

At the end of the 1993 fiscal year, the Student Health Service had reserves totaling \$1.2 million.

The head of the Student Health Service has indicated a \$200,000 to \$250,000 reserve is needed routinely in case of widespread medical needs or equipment failure.

When the mandatory fee phase-in schedule was initiated, Iowa State University developed surpluses of \$510,000 and \$270,000 in FY 1991 and

FY 1992 respectively. These surpluses were added to a quarter of a million dollar reserve in FY 1990.

The Board Office examined several indices of health center usage over the last five years. With relatively stable student numbers and declining undergraduate enrollment, total consultations remained stable over this time period.

In FY 1993 the cost per consultation had risen to about \$50 per visit from \$40 per visit in FY 1988.

If financing and construction of a Student Health Service facility were approved, the cost per consultation is expected to rise to \$60.

Iowa State University officials cited two studies showing that students save \$667,000 in medical fees, and \$705,000 in insurance premiums. These estimates may be overstated.

Estimates of debt service financing costs were developed by Springsted, Inc., in August 1992. Assuming that \$1 million could be provided from health service reserves, a bond issue of \$4.2 million was examined.

From a \$462,000 yearly debt service estimate, the university developed a recommendation for an \$8 per semester mandatory student health facility fee.

Several alternatives to funding a new Student Health Center could be considered:

1. Designated tuition within the standard tuition and fee total.
2. General university support.
3. Private fundraising.
4. Increased fees for services.
5. Additional services.

Among the five funding alternatives discussed, designated tuition and private fundraising are the most desirable sources. Allocations from the general fund are contrary to Board of Regents policy established with enactment of the uniform mandatory health fee.

The Board Office recommended that the Board request the university to conduct a comprehensive study of existing student health services and their relationship to facility needs and to conduct an in-depth examination of alternatives to construction of a new facility. The proposed financing using bonding should be held in abeyance.

MOTION:

The motion for this item can be found under the report of the Banking Committee on page 30 of these Minutes.

IOWA STATE UNIVERSITY
July 21-22, 1993

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

UNIVERSITY OF NORTHERN IOWA

The following business pertaining to the University of Northern Iowa was transacted on Wednesday, July 21, 1993.

RATIFICATION OF PERSONNEL TRANSACTIONS. The Board Office recommended the Board approve the university's personnel transactions, as follows:

Register of Personnel Changes for June 1993.

MOTION: Regent Dorr moved to ratify the university's personnel transactions, as presented. Regent Furgerson seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

ACCEPTANCE OF POST-AUDIT REVIEWS OF ACADEMIC PROGRAMS. The Board Office recommended the Board refer the post-audit reports on six academic programs at the University of Northern Iowa to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

University of Northern Iowa officials completed its minimal post-audit reviews on the following six programs:

- B.A. - Early Childhood Special Education-Teaching
- B.A. - Special Education Mental Disabilities-Moderate/Severe/Profound-Teaching
- B.A. - Teaching English to Speakers of Other Languages-Teaching
- B.A. - Graphic Communications
- B.A. - Anthropology-Teaching
- B.S. - Home Economics-Dietetics

All of the programs reported relatively small but stable enrollments during the five-year period.

None of the Bachelor of Arts programs are offered at the undergraduate level at other universities in Iowa. The B.S. major in Home Economics-Dietetics is offered at Iowa State University.

The programs appear to have met the original objectives outlined at the time of initial approval by the Board of Regents.

ACTION: This matter was referred by consent.

PROPOSED NAME CHANGE FOR EDUCATIONAL MEDIA CENTER. The Board Office recommended the Board refer the proposed name change for the Educational Media Center at the University of Northern Iowa to the Board Office and the Interinstitutional Committee on Educational Coordination for review and recommendation.

University of Northern Iowa officials requested that the name of the Educational Media Center be changed to the Center for Educational Technology.

This Center originated at the University of Northern Iowa in 1948 as the Audio-Visual Center and was renamed the Educational Media Center in 1965.

University officials proposed that the name be changed to the Center for Educational Technology:

- * to reflect current terminology, new directions and types of services needed to meet communication needs at University of Northern Iowa,
- * to embrace the broad concept of educational technology, and
- * to place a new emphasis on serving the needs of teacher education.

ACTION: This matter was referred by consent.

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

PERMISSION TO PROCEED WITH PROJECT PLANNING

Price Laboratory School--Field House Replacement

University officials requested permission to proceed with project planning and authorization to select an architect for replacement of the Field House Addition to the Price Laboratory School which was destroyed by fire on June 8, 1993. The estimated project cost is \$3 million. University officials plan to request a State appropriation for replacement of the facility.

The project will include the necessary site work, consisting of replacement and/or repairs to driveways, walks and tennis courts. A replacement cost study has been conducted which will assist in the planning process and selection of an architectural firm.

PROJECT DESCRIPTIONS AND BUDGETS

University officials submitted one new project for approval by the Board.

1994 Institutional Roads--Jennings Drive \$505,000

Preliminary Budget

Contracts/Purchase Orders	\$ 421,000
Consultant/Design Services	63,000
Contingencies	<u>21,000</u>
 TOTAL	 <u>\$ 505,000</u>

Source of Funds

Institutional Roads Funds:	
1994	\$ 136,000
1995	180,000
1996	<u>189,000</u>
 TOTAL	 <u>\$ 505,000</u>

This project will provide for the reconstruction of Jennings Drive pavement from South Main Street to G Street, and repair of Jennings Drive pavement from G Street to College Street. Pavement repairs, removal, reconstruction, grading, storm sewer and lighting modifications and incidental work will be necessary.

* * * * *

University officials presented two projects at the Price Laboratory School totaling \$157,000 with budgets of less than \$250,000. The following projects will provide for the demolition and clean-up of the Field House Addition which was destroyed by fire, and structural repairs to the Price Laboratory School. University officials requested an allocation of \$157,000 from the Executive Council of Iowa for these projects.

Price Laboratory School Field House--Demolition and Clean-up \$64,300
 Source of Funds: Anticipated State Allocation

Preliminary Budget

Contracts/Purchase Orders	\$ 58,000
Consultant/Design Services	500
Contingencies	<u>5,800</u>
 TOTAL	 <u>\$ 64,300</u>

This project will provide for demolition and clean-up of the Field House Addition which was destroyed by fire.

Price Laboratory School--Repairs \$92,700
Source of Funds: Anticipated State Allocation

Preliminary Budget

Contracts/Purchase Orders	\$ 69,000
Consultant/Design Services	16,700
Contingencies	<u>7,000</u>
 TOTAL	 <u>\$ 92,700</u>

This project will provide for structural repairs to the Price Laboratory School. Consultants will be retained for structural analysis, design of repairs, and a Field House replacement cost study.

* * * * *

ARCHITECT/ENGINEER AGREEMENTS

Price Laboratory School--Structural Analysis and Design \$7,600
Rietz Consulting Engineers, Ames, Iowa

The remaining structure of the Price Laboratory School suffered damage in the west section of the facility which must be repaired before occupancy. The structural analysis will recommend repairs, and the design of repairs will lead to the receipt of competitive quotes. The university has scheduled the repairs so that the facility will be available for classes in August.

The agreement provides for a fee of \$7,600, including \$2,800 for the structural analysis portion of the agreement and \$4,800 for design.

Price Laboratory School--Replacement Cost Study \$4,300
Grimes Port Jones Schwedtfeger, Waterloo, Iowa

This cost study will assist in obtaining funding for replacement of the Field House Addition, estimated at \$3 million. The agreement provides for total compensation at \$4,300.

Amendments:

Center for Energy and Environmental Education \$453.95
Wells Woodburn O'Neill, Des Moines, Iowa

CONSTRUCTION CONTRACTS

Commons Renovation--Phase I \$810,050
Award to: Cardinal Construction Company, Waterloo, Iowa
(4 bids received)

Commons Renovation--Phase I--Asbestos Abatement \$24,500
Award to: Advanced Technologies Corporation, Waterloo, Iowa
(6 bids received)

Latham Hall Renovation--Art Work \$14,250
Janet Lofquist, Minneapolis, MN

Library Addition \$4,914,500
Award to: Story Construction Company, Ames, Iowa
(5 bids received)

The contract was awarded to the low bidder, Story Construction Company, for the base bid of \$4,574,000 plus seven alternates, for a total award of \$4,914,500. The bids for the Library Addition project ranged from \$4,574,000 to \$5,088,000, and all were within the engineering estimate of \$5,169,234.

Library Addition--Asbestos Abatement \$41,395
Award to: Economy Solar Corporation, Springville, Iowa
(3 bids received)

Sabin Hall Roof \$112,860
Award to: Paul G. Christensen Construction Company, Cedar Falls, Iowa
(3 bids received)

Price Laboratory School--Field House Demolition and Clean-up \$55,767
Award to: Prairie Construction Company, Inc., Waterloo, Iowa

MOTION: Regent Dorr moved to approve the university's capital register, as presented. Regent Johnson-Matthews seconded the motion. MOTION CARRIED UNANIMOUSLY.

President Berenstein then asked Board members and institutional officials if there were additional items for discussion pertaining to the University of Northern Iowa.

Professor Longnecker stated that this was his last Regents meeting as president of the University of Northern Iowa Faculty Senate. He said it had been a pleasure to work with the Board and thanked the Regents for their patience with the University of Northern Iowa faculty.

IOWA SCHOOL FOR THE DEAF

The following business pertaining to Iowa School for the Deaf was transacted on Wednesday, July 21, 1993.

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

Register of Personnel Changes for June 1993 including one request for early retirement.

MOTION: Regent Dorr moved to approve the personnel transactions, as presented. Regent Furgerson seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

APPROVAL OF LEASE. The Board Office recommended the Board approve the following lease:

With the MIDWEST ATHLETIC ASSOCIATION OF THE DEAF for its use of 1,120 square feet of office space in Giangreco Hall on the Iowa School for the Deaf campus for a ten-month term commencing September 1, 1993, through June 30, 1994, in return for providing various in-kind services to the school.

MOTION: Regent Collins moved to approve the lease, as presented. Regent Tyrrell seconded the motion, and upon the roll being called, the following voted:
AYE: Berenstein, Collins, Dorr, Furgerson, Hendricks, Johnson-Matthews, Newlin, Pellett, Tyrrell.
NAY: None.
ABSENT: None.

MOTION CARRIED UNANIMOUSLY.

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

IOWA BRAILLE AND SIGHT SAVING SCHOOL

The following business pertaining to Iowa Braille and Sight Saving School was transacted on Wednesday, July 21, 1993.

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

Register of Personnel Changes for May 22 to June 19, 1993.

MOTION: Regent Dorr moved to approve personnel transactions, as presented. Regent Furgerson seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

APPROVAL OF CONTRACTS FOR OCCUPATIONAL THERAPY SERVICES, PHYSICAL THERAPY SERVICES AND MEDICAL SERVICES. The Board Office recommended that the Board approve contracts for services as follows:

- 1) with KAREN RANDALL, Registered Occupational Therapist, to provide Occupational Therapy Services at a rate of \$40 per hour, consisting of four days at the beginning of the year and a maximum of three hours per week during the year;
- 2) with KAREN HARTING, Licensed Physical Therapist, to provide Physical Therapy Services at a rate of \$40 per hour of service, consisting of four days at the beginning of the year and a maximum of three hours per week during the year;
- 3) with DR. SHERMAN L. ANTHONY, Vinton, for medical services at a base fee of \$2,182 for the 1993-1994 school year and an examination fee of \$28 for each student examined or administered service.

The service contracts were reviewed by the Attorney General's Office and were recommended for approval.

The agreement with Karen Randall will provide occupational therapy services at the school for the 1993-1994 academic year at an hourly rate of \$40, which is an increase of approximately 8.1 percent over the current rate of \$37 per hour.

The agreement with Karen Harting will provide physical therapy services at the school for the 1993-1994 school year at a cost of \$40 per hour, which is an increase of approximately 8.1 percent over the current rate of \$37 per hour.

IOWA BRAILLE AND SIGHT SAVING SCHOOL
July 21-22, 1993

The agreement with Dr. Anthony for medical services for students provides for a base fee of \$2,182 for the 1993-1994 school year, which is an increase of approximately 2.5 percent over the current rate of \$2,129. The cost of \$28 for each student examined is the same rate as the current agreement.

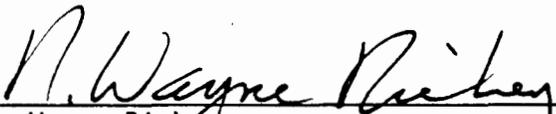
The total estimated fiscal year 1994 cost for these services is \$5,600 each for occupational and physical therapy services.

Provision of these services is a partial fulfillment of federal and state regulations for school services for handicapped students.

MOTION: Regent Furgerson moved to approve contracts for services as presented. Regent Tyrrell seconded the motion. MOTION CARRIED UNANIMOUSLY.

President Berenstein 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. The meeting of the State Board of Regents adjourned at 11:41 a.m., on Thursday, July 22, 1993.



R. Wayne Richey
Executive Director