

The State Board of Regents met on Wednesday, June 16, 1993, at the University of Iowa, Iowa City, Iowa. The following were in attendance:

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<u>Members of State Board of Regents</u>	
Mr. Berenstein, President	All sessions
Mr. Dorr	All sessions
Ms. Furgerson	All sessions
Mrs. Hendricks	All sessions
Mrs. Johnson-Matthews	All sessions
Mr. Newlin	All sessions
Mrs. Pellett	All sessions
Dr. Tyrrell	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	All sessions
Director Volm	All sessions
Associate Director Rasmussen	All sessions
Minutes Secretary Briggie	All sessions
<u>State University of Iowa</u>	
President Rawlings	All sessions
Vice President Nathan	All sessions
Vice President Rhodes	All sessions
Vice President True	All sessions
Associate Vice President Small	All sessions
General Counsel Schantz	All sessions
Legislative Counsel Stork	All sessions
Director Yanecek	All sessions
<u>Iowa State University</u>	
President Jischke	All sessions
Provost Kozak	All sessions
Vice President Madden	All sessions
Vice President Theilen	All sessions
Associate to the President Adams	All sessions
Executive Assistant to the President Mack	All sessions
Assistant to President Bradley	All sessions
Director Jensen	All sessions
<u>University of Northern Iowa</u>	
President Curris	All sessions
Provost Marlin	All sessions
Vice President Conner	All sessions
Vice President Follon	All sessions
Executive Ass't. to President Stinchfield	All sessions
Assistant to President Geadelman	All sessions
Director Chilcott	All sessions
<u>Iowa School for the Deaf</u>	
Superintendent Johnson	All sessions
Business Manager Nelson	All sessions
Interpreter Cool	All sessions
Interpreter Dommer	All sessions
<u>Iowa Braille and Sight Saving School</u>	
Superintendent Thurman	All sessions
Director Hauser	All sessions

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The following business pertaining to general or miscellaneous business was transacted on Wednesday, June 16, 1993.

APPROVAL OF MINUTES OF BOARD MEETING, MAY 19, 1993. The Board Office recommended the Board approve the Minutes, as mailed.

President Berenstein asked for corrections, if any.

MOTION: Regent Tyrrell moved to approve the Minutes of the May 19, 1993, meeting, as mailed. Regent Johnson-Matthews seconded the motion. MOTION CARRIED UNANIMOUSLY.

INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION. (a) Regent Articulation Agreement. The Board Office recommended the Board (1) receive the report on the articulation agreement pertaining to the mutual acceptance of general education programs among the University of Northern Iowa, the College of Liberal Arts at the University of Iowa, and the College of Liberal Arts and Sciences at Iowa State University, and (2) request the universities continue to explore possible additional articulation agreements among the Regent institutions and with non-Regent institutions.

The University of Northern Iowa, the College of Liberal Arts at the University of Iowa, and the College of Liberal Arts and Sciences at Iowa State University have entered into a "Regent Articulation Agreement".

Under the agreement, University of Northern Iowa and the liberal arts colleges at the University of Iowa and Iowa State University agree to accept fulfillment of the general education program of any of the three as equivalent to completion of the general education program at the other two.

The "Regent Articulation Agreement" potentially covers about two-thirds of all Regent undergraduates including: all undergraduates at University of Northern Iowa, about 85 percent of the undergraduates at the University of Iowa, and about 30 percent of the undergraduates at Iowa State University.

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Annually, there are 300-400 transfers from one Regent institution to another, accounting for about 8 percent of all transfer students at Regent universities.

The benefits of the agreement will apply only to those students in the units covered by the agreement who have completed the general education requirements at the university from which they are transferring.

Articulation agreements can greatly expedite the transfer process and reduce student problems and complaints.

The Board Office recommended that the possibility of additional agreements continue to be explored.

Provost Marlin introduced the newly-elected University of Northern Iowa Faculty Senate chair, Barbara Lounsberry, Professor of English Language and Literature.

Provost Marlin stated that the Regent universities have had a long-standing articulation agreement with the community colleges. This proposed articulation agreement was between the Regent universities themselves. The Committee on Educational Relations reviewed the articulation agreement and forwarded it to the Regents for approval.

ACTION:

President Berenstein stated the Board (1) received the report on the articulation agreement pertaining to the mutual acceptance of general education programs among the University of Northern Iowa, the College of Liberal Arts at the University of Iowa, and the College of Liberal Arts and Sciences at Iowa State University, and (2) requested the universities continue to explore possible additional articulation agreements among the Regent institutions and with non-Regent institutions, by general consent.

(b) Educational Relations Committee Annual Report. The Board Office recommended the Board (1) receive the annual report of the Regents Committee on Educational Relations (RCER) for academic year 1992-93; (2) request that the RCER provide goals for 1994-95 in next year's Annual Report; and (3) approve the following recommendations as goals for the RCER for 1993-94:

(a) Closely monitor progress by the Liaison Advisory Committee on Transfer Students on development of a pilot program to accommodate transfer of credit from vocational/technical programs to Regent universities. A report should

be made to the Board of Regents through the Committee on Educational Coordination in January 1994.

(b) Follow with the Registrars' Committee the effect of efforts to facilitate transfer credit among Regent universities and to provide flexibility in use of transfer credit hours from community colleges. Information on the effects after one year should be included in the RCER's next annual report.

- 1) Identify whether the articulation agreement which provides for mutual acceptance of general education programs among the Regent universities has been utilized and whether there are problems with the agreement which need to be addressed.
- 2) Identify whether the revision in the transfer credit policy which allows students flexibility to earn and apply 65 hours of transfer credit in the latter part of their bachelor's degree has assisted them to graduate earlier.

(c) Present a progress report on discussions to develop a common Regent university approach toward acceptance of credit from high school students participating in the Postsecondary Enrollment Options Act. The report should be presented to the Board of Regents through the Committee on Educational Coordination in January 1994.

(d) Monitor how recommendations made by RCER for enhancing opportunities for special population students have been implemented for American Indians at Regent universities. Report to the Board of Regents in the 1993-94 annual report on any changes in direction which need to be made.

(e) Develop an alternative method of communicating with community colleges about articulation concerns and how to improve the transfer process in lieu of Regent participation in community college approvals.

- 1) Articulation concerns expressed by the community colleges in their 1992-93 annual progress reports should be addressed by the RCER.
- 2) The Committee may want to consider a process of meeting regularly with the colleges via the Iowa Communications Network.
- 3) The process should be implemented no later than academic year 1994-95.

The annual report from the Regents Committee on Educational Relations (RCER) fulfills the requirement of Section 1.11 of the Procedural Guide.

The Regents Committee on Educational Coordination to whom RCER reports concurred in the recommendations of the RCER noted herein.

One function--participation of RCER with the Department of Education in community college approvals--will end on June 30, 1993. The State Board of Education will have sole approval authority as of July 1, 1993.

Both RCER and staff of the Department of Education believe it is essential that RCER continue to communicate with the community colleges about articulation concerns and how to improve the transfer process.

Last year, the RCER dealt with issues related to articulation, Regent admission requirements for transfer students, acceptance of credit for students participating in the Iowa Postsecondary Enrollment Options Act, enhancing opportunities for American Indians at Regent universities, and community college approvals.

MOTION:

Regent Hendricks moved to (1) receive the annual report of the Regents Committee on Educational Relations (RCER) for academic year 1992-93; (2) request that the RCER provide goals for 1994-95 in next year's annual report; and (3) approve the recommendations as goals for the RCER for 1993-94, as presented on page 864. Regent Newlin seconded the motion. MOTION CARRIED UNANIMOUSLY.

(c) Community College Approvals. The Board Office recommended the Board (1) approve recommendations in "Annual Evaluations of Community Colleges, Fiscal Year 1993" and (2) recommend that articulation concerns provided by the community colleges be addressed by the Regents Committee Educational Relations in 1993-94.

Chapter 260C.33 of the Iowa Code authorizes the State Board of Education and the State Board of Regents to develop approval standards for community colleges. Regent participation in this process is the responsibility of the Regents Committee on Educational Relations.

Administrative rules of the State Department of Education (DOE) require:

- * the community colleges to submit an annual report,
- * the State DOE to visit each college with Regent representatives invited, and
- * the Department and the Regents Committee on Educational Relations (RCER) to make a joint recommendation of approval to the two state boards.

Members of the RCER participated with staff from the State DOE in annual evaluations of community colleges.

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This year, the DOE indicated that it and the community colleges have committed considerable staff time and effort to development of accreditation standards and the accreditation process as required in the Code. For that reason, the DOE recommended, with the approval of the RCER, an abbreviated form of the community college approval process.

The approval process was simplified by excluding the visits to campuses; compliance with statutory requirements was met through the submission of annual progress reports by each community college.

The reports were reviewed jointly by DOE staff and a representative from RCER on April 27.

"Annual Evaluations of Community Colleges, Fiscal Year 1993" highlights improvements and planned changes and a summary of responses to the 1991-92 annual progress report.

General summaries of institutional analyses of local input on the preliminary accreditation standards and concerns and progress relating to articulation were provided to the Regents. One formal recommendation was made relating to establishment of a committee to implement a plan ensuring a safe dormitory environment for students at Iowa Central Community College.

Continuation of approval status was recommended for all colleges.

A report on a visit which focused on progress toward full implementation of Arts and Sciences programming at Hawkeye Community College was included in the report.

Authorization for Regent participation in the approval process expires on June 30, 1993, with the amendment of 260C.33 of the Code by the legislature. The State DOE will have sole approval authority as of July 1, 1993.

The extent and form of future Regent participation is unknown. An interim annual approval process will be in effect until July 1, 1994, when a new process and standards are implemented.

Both the RCER and the DOE staff believe it is essential that RCER continue to communicate with the community colleges about articulation concerns.

President Berenstein asked how Regent representatives intended to implement continuation of their role in advising the community colleges.

John Sjoblom, chair of the Regent Committee on Educational Relations, responded that they would work with the community colleges and the Department of Education, and would ask for the ways they might do this best. He said teleconferencing was one possibility. In the past, when they have gone to community colleges on visits, Regent representatives' primary

concern was articulation. They have been positively received by the community colleges with regard to addressing articulation concerns.

President Berenstein asked if there was any resistance from the community colleges toward continued participation by the Regents. Mr. Sjoblom said there was no resistance as far as addressing articulation issues was concerned. However, community college officials are bothered if Regent representatives look at facilities or other areas of the community colleges. He emphasized that they want to continue addressing articulation issues.

Regent Dorr asked if there was something the Regents should formally do to facilitate continued interaction between the sectors.

President Berenstein asked that Mr. Sjoblom coordinate with the Board Office continued interaction between the sectors.

MOTION: Regent Dorr moved to (1) approve recommendations in "Annual Evaluations of Community Colleges, Fiscal Year 1993" and (2) recommend that articulation concerns provided by the community colleges be addressed by the Regents Committee Educational Relations in 1993-94. Regent Newlin seconded the motion. MOTION CARRIED UNANIMOUSLY.

(d) Progress Report on Development of Policies on Notification of Students Regarding Class Content. The Board Office recommended the Board (1) receive the reports on the status of the development of policies on the notification of students regarding class content at the Regent universities and (2) instruct that university policies be developed that include specific wording that allows for prior notification of students regarding sexually explicit class content and procedures to ensure that students are not penalized for not attending such classes and that the policies be presented to the Board no later than its October 1993 meeting.

Each of the Regent universities provided a status report on the development of policies regarding notification of students concerning certain controversial matters.

University of Iowa officials provided a draft policy that is under consideration. University of Northern Iowa officials indicated that a policy is being developed for final review. Iowa State University officials indicated that the matter of a university-wide policy addressing the specific issue of protecting students from penalty will be referred to the Academic Affairs Council of the Faculty Senate this fall and that the issue of the presentation of controversial material in academic programs is being examined by faculty and administration at all levels.

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The Board has made clear its strong support of academic freedom but desires to assure the public that students are not forced to accept sexually explicit material that they might otherwise choose to avoid for religious or personal reasons.

Provost Kozak stated that Iowa State University officials had initiated review of existing policies concerning student notification. Out of that review a summary statement of the policies and actions to be taken will be developed. They had not as yet addressed explicitly the issue of notification. The notification issue will be brought to the Academic Affairs Council of the Faculty Senate in the fall. The resulting recommendation will then be brought to the Board.

Regent Hendricks stated that she liked the specificity in the University of Iowa's draft policy. She did not find that specificity in either of the other statements.

Provost Kozak stated that the Iowa State University Faculty Senate had not dealt with notification explicitly. The policy presented to the Regents at this meeting represented the existing state of affairs. He said the timing of the request for the additional policy concerning student notification was such that it was not docketed for the Faculty Senate's review this spring.

Regent Dorr said he was offended and bothered by the prior episodes concerning lack of student notification. However, he was concerned that by requiring policies on prior student notification the Regents are infringing in the area of academic freedom. With regard to the two episodes that arose at the University of Iowa, he said it reflected a lack of pedagogical capability. The issue involves faculty members not having the skills to teach sensitive material. He said it was a management issue, not a course content issue. They must have faculty that can teach sensitive matters in a sensitive manner. He had strong reservations about developing policies on how and when to notify students. They have to be more concerned with the people who are teaching these courses.

Mr. Richey stated that the Board of Regents asked the universities to develop policies relative to notification with a clear demarcation that the Board would not affect the content of the class itself. Students are not to be penalized if they elect not to attend a certain part of a course. The Board is very carefully avoiding any intrusion on academic freedom but rather is making the universities and faculty conscious of the need for sensitive presentation of sensitive material. He said the policy should help to ensure that prior notification takes place.

Regent Dorr stated that as long as they are clear that is what is wanted, he was comfortable with it. He wants to be sure they have pedagogically sound faculty in the classrooms.

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Regent Tyrrell said he saw no mention of a syllabus in any of the policies. If a syllabus is properly prepared, students will receive prior notification. He noted that students are a captive audience and professors owe students prior notification.

Provost Kozak stated that the syllabus is the other part of this that may be raised with faculty.

Vice President Nathan stated that the Regents had before them a proposed policy drafted by the University of Iowa Dean of Liberal Arts with the involvement of some faculty. The draft policy was reviewed by all the deans. The next step was for the policy to be taken up by the Faculty Senate at its first meeting in the fall. He then stated that University of Iowa officials feel that the issue of academic freedom is paramount. He feels this is a very important statement to include for all instructors and states more explicitly the existing guidelines.

President Berenstein stated that one of the issues raised by the Regents was that there should be an assurance to students that they would not be chastised if they did not participate in certain course activities.

Vice President Nathan said that was not in the draft policy. The deans felt strongly that the whole question of penalizing students belongs in the document concerning the interaction and relationship between students and faculty which is covered in other portions of the faculty handbook. They feel the draft policy is not the proper place for that to occur.

President Berenstein suggested that the draft policy reference the policy covered in another portion of the faculty handbook and asked if university officials would find it objectionable to make reference to the handbook. President Rawlings said that was a good suggestion.

Provost Marlin said the docket materials described the procedures taken. She stated that this was a very difficult academic item on campus. University officials are trying to deal with the matter by notifying students early on of the course content. However, they cannot guarantee that someone will not find something offensive. In education they want to expose students to different points of view and perspective. She said she recalled an article that was published in the student newspaper in which a student said he did not want to watch a film on the Holocaust. The faculty member said it was important that the student watch the film. The student subsequently agreed to the importance of the film to the student's education. There are very real problems of letting students decide what they want to watch. She said there was no question that students should be allowed to disagree with and not be punished for different points of view.

President Berenstein addressed all 3 universities with the following comments. He was concerned about the form and substance of the procedures.

He did not want procedure to be the excuse when substance is the issue. It is important that university officials understand that the Regents are looking for protection for both parties. They must be sensitive to both sides. He said he would be offended if it were said to him that this is a matter of substance as an excuse if it is actually a matter of form. He wants the problem resolved with due regard for sensitivity. He does not want that to be the rationale to get around this. He is looking for an answer to the problem so they can move on to other issues.

MOTION:

Regent Furgerson moved to (1) receive the reports on the status of the development of policies on the notification of students regarding class content at the Regent universities and (2) instruct that university policies be developed that include specific wording that allows for prior notification of students regarding sexually explicit class content and procedures to ensure that students are not penalized for not attending such classes and that the policies be presented to the Board no later than its October 1993 meeting, with the addition of the suggestion that the University of Iowa policy reference the portion of the faculty handbook which assures that students will not be chastised if they do not participate in certain course activities. Regent Tyrrell seconded the motion. MOTION CARRIED UNANIMOUSLY.

(e) Changes in the Listing of Approved Courses, University of Iowa. The Board Office recommended the Board approve the proposed course changes at the University of Iowa.

University of Iowa officials submitted its proposed course changes for Board approval consistent with Board policy. Courses are precursors of new program development.

Course changes include additions, courses dropped, changes in course credit, and changes in course titles.

The data indicate that since the last report 332 courses were added to the curriculum while 227 were dropped for a net increase of 105 courses.

The course additions that are related to new program requests were reported to the Board in separate actions in the university's docket last month and

are under review by the Board Office and the Interinstitutional Committee on Educational Coordination.

Curricular trends and course changes of the colleges include:

- * College of Dentistry. Reorganization and combining of courses, development of a national program of dentistry, and discontinuation of practice management clinical programs.
- * College of Medicine. Routine except for the increasing application of gene therapy, molecular biology, and biotechnology to the diagnosis and treatment of disease.
- * College of Nursing. Three trends: (1) enrollment growing in baccalaureate programs; (2) the teaching of technology; and (3) preparing students for 21st Century.
- * College of Pharmacy. Undertook an in-depth curricular review and reconfigured the undergraduate program to better prepare students for national movement to pharmaceutical care in the practice of pharmacy and shift to entry-level Pharm.D. degrees.
- * College of Liberal Arts. Some changes related to departmental reorganization, some proposed in anticipation of the implementation of the General Education requirement in cultural diversity, and the balance resulting from advances in the disciplines and addition of new faculty.
- * College of Business Administration. Continues to streamline its curriculum and course offerings.
- * College of Education. Reflect changes in contemporary curriculum emphases, expertise of new faculty and recommendations by accrediting agencies.
- * College of Engineering. Reflect technology developments and developments in biomedical and electrical engineering.
- * College of Law. Reflect expanding opportunities in international law and growing interdisciplinary competence.

MOTION: Regent Furgerson moved to approve the proposed course changes at the University of Iowa. Regent Tyrrell seconded the motion. MOTION CARRIED UNANIMOUSLY.

ACCREDITATION REPORTS. (a) Bachelor and Master's Degree at the College of Business Administration at the University of Northern Iowa. The Board Office recommended the Board receive the report on accreditation of the

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Bachelor of Arts and the Master of Business Administration degrees of the College of Business Administration at the University of Northern Iowa.

In April 1993, the American Assembly of College Schools of Business (AACSB) granted initial accreditation for five years to the baccalaureate and masters programs of the College of Business Administration at the University of Northern Iowa.

This is an important accreditation for at least two reasons--AACSB accreditation is difficult to achieve and the College has been interested in and working to achieve accreditation since 1980-81.

Events in the history of the College of Business Administration include:

- * 1969 - 14 faculty members left the Department of Business Education and formed a new Department of Business which offered a B.A. in Business Administration.
- * 1975 - MBA program established and the name of the Business unit changed to School of Business (a requirement of AACSB).
- * 1980-81 - Self study submitted to the AACSB--a site visit not recommended by the accrediting association.
- * 1983 to 1988 - university addressed areas identified by accreditation consultants retained to identify problem areas.
- * 1988 - the name of the School of Business changed to the College of Business Administration.
- * Summer 1990 - decision to declare 1990-91 academic year as self-study year for accreditation.

The current accreditation process spanned 23 months and included a self-study, a site visit, a report from the visiting team recommending deferral of a decision on accreditation for one year, a response to the report and a deferral progress report by the College, a second site visit and report by the deferral team which recommended accreditation.

The programs were initially deemed by the accrediting organization to have deficiencies in six areas. They included a need for:

- * A more comprehensive and systematic process for informing and communicating with faculty.
- * Development and establishment of a critical mass of appropriately doctorally qualified faculty in key functional areas of business.

- * Consistent evidence of the development of research productivity.
- * The quality and extent of research and publication and its consistency with masters-level accreditation.
- * Continuity and stability of plans and policies that encourage and provide a framework for continuing professional development.
- * Continued demonstration that the level of budgetary support is consistent with masters-level accreditation expectations.

The university provided a response to these concerns and a deferral progress report. Accreditation followed a second site visit and the report of the Deferral Team.

The deferral visiting team noted the following strengths:

- * New hires have added substantial strength and leadership to the faculty. The atmosphere in the College and on the overall campus appears exciting and intellectually charged. The planning process is in place and supported by faculty and administration alike. The university's administration is backing the leadership efforts of the Dean of the College, as well as providing necessary resource support.

ACTION: President Berenstein stated the Board received the report on accreditation of the Bachelor of Arts and the Master of Business Administration degrees of the College of Business Administration at the University of Northern Iowa, by general consent.

(b) Bachelor of Technology in Construction Management at the University of Northern Iowa. The Board Office recommended the Board (1) receive the report and (2) request that required progress reports be provided to the Board of Regents.

In February 1993, the American Council for Construction Education (ACCE) granted a full five-year accreditation to the Construction Management Program at the University of Northern Iowa. The action was in response to the initial effort by University of Northern Iowa to accredit this program although efforts to achieve accreditation spanned a number of years.

The Construction Technology program was instituted in 1978 as a general emphasis within Industrial Technology.

In 1986, a commitment was made to pursue accreditation and over the next 5 years extensive work was completed on the curriculum and other components of

the program to meet ACCE standards and needs within the construction industry.

The name of the program was changed in 1991-92 to Construction Management to portray more accurately the intent of the program.

The accreditation action was based on a self-study and the report of a team which visited the department in September 1992. The following strengths and areas of concern were noted by the team:

Strengths

The site visit team reported that strengths of the program include a strong faculty-student relationship; strong support from the construction industry in Iowa; well-maintained and adequate physical facilities; and program support from all administrative areas.

Areas to be Addressed

The site visit team reported weaknesses included the need for a formal comprehensive outcomes assessment plan in relation to program goals and objectives; to reduce duplication and enhance vertical articulation in the curriculum; for accessibility of the computer lab for program use; for greater development of communication skills of graduates; and to stabilize the status of program faculty.

The university provided the following responses to the concerns:

- * The new departmental computer laboratory has been made more accessible to students in general.
- * The program coordinator has met with the adjunct professor in the safety area to discuss the implementation of construction-related components to the Industrial Safety course.
- * The faculty are planning how to address the other findings indicated by the visiting team.

The accrediting organization requires that reports of progress be filed at the end of the first, second, and third year to ensure that cited weaknesses will be addressed. It was requested that copies of these reports be filed in the Board Office.

ACTION:

President Berenstein stated the Board (1) received the report and (2) requested that required progress reports be provided to the Board of Regents, by general consent.

(c) Education Administration and Counseling at the University of Northern Iowa. The Board Office recommended the Board receive the report.

In 1991, the Council for Accreditation of Counseling and Related Educational Programs (CACREP) awarded conditional accreditation to three masters-level programs within the Department of Educational Administration and Counseling at University of Northern Iowa.

The two-year accreditation status was granted with a request that documentation be provided relative to deficiencies in meeting several CACREP standards.

The university provided a response to the issues in January 1993 and was notified by CACREP in March 1993 that the conditional status placed on Community Counseling, School Counseling, and Mental Health Counseling had been removed and accredited status had been extended through June 30, 1998.

Weaknesses cited in the original accreditation were addressed in the Accreditation Status Extension Report, as follows:

- * The department has significantly upgraded its clinical facilities and purchased additional audio, video and computers.
- * Systematic use of student evaluations of the program and experiences have been encouraged. Summaries of course evaluations are discussed in the student advisory committee and are shared at the annual counseling advisory committee meeting which is composed of school, mental health and community agency professionals in Iowa.
- * A number of curricular revisions were implemented to meet the program standards.

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

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

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

The proposed structure includes interinstitutional oversight and a designated director 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

Director Barak stated that several study groups have attempted to come up with recommendations concerning Lakeside Laboratory. He said the most recent effort resulted in the recommendations before the Regents. The recommendations included interinstitutional oversight, a designated director as well as goals to be achieved. The recommendation puts the Lakeside Laboratory on a planned program to move forward.

Regent Tyrrell asked about the goal toward reexamination of curriculum and about the buildings not being winterized. Director Barak stated that some of the facilities can be accommodated for winterization. Curriculum reexamination does not involve additional money. The proposal is to offer courses in a broader number of disciplines.

Regent Tyrrell asked if next month the Regents would be presented with more specific budget recommendations. Director Barak responded that they probably would not. There is a need to examine the expenses of the center and see what areas can be changed. He noted that at present the budget is developed through the University of Iowa and included in the university budget. The proposed structure would lead to a major review of the budget and the results of the review would be presented to the Board of Regents.

Regent Dorr asked for Lakeside Laboratory's budget for fiscal year 1994. Vice President Nathan responded that it was approximately \$200,000.

President Berenstein asked if the Regents were comfortable waiting until July to discuss this matter further.

Regent Dorr said he was not particularly comfortable with where this was going. He suspected an ancillary group's vision for what this may become is taking precedence over Regents' objectives. If the Lakeside Laboratory has served a fairly vital role in research perhaps that is what it should continue to do. He was concerned about expanding its horizons. He noted that what the Regents had received was a general sort of report with few parameters. Whether they handle it in July or August they will never know exactly what they have done.

President Berenstein stated that Regent Dorr was involved in the original committee studying the Lakeside Laboratory. He felt that Regent Dorr, more than any other Regent, knows the most about it. President Berenstein said

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he did not want to close Lakeside Laboratory but rather wanted some kind of comprehensive arrangement with the Okoboji area and the university. He then stated that he did not see anything in the recommendations before the Regents that addressed his concerns regarding funding.

Regent Dorr said his preference was to continue the programs as they are, maintain the Regents' presence in the Iowa lakes area, enhance the budget capability and not expand the programming.

President Berenstein suggested they should pass the motion and give specific direction on how to proceed.

Regent Dorr said he did not want to pass with the authorization to establish a director.

President Berenstein asked what happened with the other groups that met with the Regents concerning the Lakeside Laboratory. Director Barak responded that the local community has been involved in the development of these recommendations, supports the recommendations, and feels the recommendations achieve their goals. Okoboji Foundation representatives are willing to help in raising money for scholarships, modernizing facilities, etc. What was being presented was basically the same program as was presented to the Regents last summer, but is made more viable by adding more disciplines for greater usage of the facility.

President Berenstein asked who would monitor and supervise the programs. Director Barak responded that supervision would be provided interinstitutionally by the oversight committee.

Regent Hendricks stated that she thought the Board members made it clear that they wanted to see a financial commitment from the community organizations. What was proposed was a vague willingness to be supportive.

Director Barak stated that the community was willing to do that. Their points were: 1) they want to see a plan for improving the facility and 2) they want broader opportunities to offer programs of interest to the local community. He noted that the proposed director would not be a full-time position. The director would be a faculty member who would be responsible for providing leadership on a half-time basis. One of the concerns of the community is that there have been various offerings of workshops, etc., that they did not know about. One of the responsibilities for the director will be to provide the community with a contact person.

President Berenstein expressed concern about the commitment by the local community. He said it appeared that they had just "washed their hands" of it. He was uncomfortable with this report.

Regent Dorr said this report pretty much incorporates the community's agenda. He did not think they had "washed their hands" of it. What was presented was along the lines of what they wanted in the first place. The proposal develops another new entity that will become a consumer of fairly scarce resources. He suggested the community make hard decisions that will use cooperative extension, AEA or community college dollars to fund this. If a new entity is developed, the Regents will never have control of it until some structure is developed that says how the community will commit funding and who is responsible for what.

Mr. Richey said it seemed they were talking about a specific overall plan and procedure structure. The part the Regents were concerned about was the details that typically are included in annual plans and budgets. If annual plans and budgets for the Regents' specific approval were provided, that might allow this overall approach to go forward with the understanding that the Regents reserve the right to approve the annual plans and budgets. He had assumed there would be an annual plan and budget.

President Berenstein directed that this item be included on the docket for July. Somebody from the Okoboji community, with authority to do so, should be there to speak to the matters raised today. The Regents want to know how this will be done. The Regents should either get a commitment and go forward or forget it. The community has 30 days to address the Regents' concerns.

Regent Furgerson asked if the study group looked more broadly than higher education, into things like advanced courses at the secondary level.

Regent Dorr said they were talking about providing K-12 classes, tours, environmental shows and a series of other activities. That may be one of the things they might need to address next month.

President Berenstein said he wants to hear what they are saying and how it coordinates with the Regent institutions.

MOTION: Regent Hendricks moved to table this matter until the July Regents meeting. Regent Johnson-Matthews seconded the motion.
MOTION CARRIED UNANIMOUSLY.

ENVIRONMENTAL ASSESSMENT FOR REGENT STRATEGIC PLANNING. The Board Office recommended the Board (1) receive the environmental assessment of conditions and issues currently affecting higher education, and (2) request that the assessment be used in revision of strategic plans at the Regent universities.

A Regentwide environmental assessment is designed to present a wide-sweeping view of data, trends, and implications which each Regent university will use

as a foundation upon which to erect its more detailed and particular assessment.

This report was a comprehensive environmental assessment of conditions and trends affecting higher education. A comparable report for the special schools will be presented in May 1994 after completion of an environmental assessment tailored to the needs of the special schools and involving their constituents, colleagues and appropriate governmental officials.

This higher education environmental assessment covered key data and trends in five areas:

1. Demographics
2. Educational and related conditions
3. Economic and fiscal factors
4. Legal and regulatory environment
5. Technology

Officials of each Regent university reviewed this document during the past several weeks and made suggestions that were incorporated into the final draft.

Perhaps the most significant new development for Iowa is opening of the Iowa Communications Network. The implications of this resource for the instructional process, rural education, handicapped access, capital development, data transmission, and administrative interactions could be immense.

Key trends and implications for each area in the assessment are:

Demographics

Regent universities should expect modest gains in enrollment and an increase in minorities and nontraditional students.

If the needs of all Iowans are to be addressed, Regent institutions will probably need to continue to develop flexible programs and services for non-traditional aged students and rural residents.

Educational and Related Conditions

Increasing pressure is being brought to bear on universities to establish closer ties between universities and the work place. Student aspirations and needs, the nature of the job market for college graduates, and the likelihood of multiple career changes are factors exerting this pressure.

Increasing public concern about the quality of higher education will lead universities to focus on their strengths and specific missions and to define quality specifically in terms of these missions.

More intense public debate about higher education has increased the importance of enhanced communication about the nature of faculty work and the outcomes of the educational process.

There have been continuing efforts by external groups to become involved in the governance of Regent institutions. The Board will need to continue emphasizing accountability and good stewardship in its governance.

Competition for students will result in universities increasingly viewing their students as customers. This trend coincides with the growing emphasis on Total Quality Management principles in higher education.

Economic and Fiscal Factors

Growth in national and state revenues for higher education will be modest. Relatively high present levels of tuition and fees will make it difficult to implement additional large increases over the 1990s. New programs will most likely be created only through a reallocation of resources.

The student financial aid system is expected to change because of national administration initiatives coupled with concerns about access by low income, minority and nontraditional students.

An increasingly global marketplace will exert continuing pressure on university curricula to emphasize international education and foreign language.

Legal/Regulatory Environment

Legal issues affecting higher education are becoming increasingly diverse and complex and are causing colleges and universities to devote more attention and resources to legal matters.

Recent changes in two areas of law have long-term large potential impact: The Americans with Disabilities Act (ADA) and the 1991 Civil Rights Law.

Technology

Changes in technology, especially development of the Iowa Communications Network, make clear the need for strategic planning to make efficient and effective use of technology.

Although it is difficult at this time to determine the full potential for the Iowa Communications Network (ICN) to replace traditional classrooms,

campus expansion to accommodate increased enrollment may no longer be necessary.

Director Kominski highlighted some of the major points of the report: 1) there is expected to be modest gain in enrollment, 2) there will be a need for closer ties between the universities and work place, 3) there will be an emphasis on quality, 4) measures of faculty workload will be important, 5) Total Quality Management and looking at the student as a customer, 6) state and federal revenue growth will be modest or will decline, 7) student financial aid will be reformed. She said the issues are becoming more diverse and complex. Universities are devoting more resources to legal matters. With regard to technology, she said the Iowa Communications Network is the most significant event.

President Berenstein thanked Director Kominski for a comprehensive report.

Regent Hendricks cautioned that they not forget the administrative savings the universities can assume because of the fiber optics network. They will have some very fine opportunities for savings of money and reduction in administrative functions.

Regent Dorr stated that when they talk about demographics, etc., one of the statements made concerns the involvement of nontraditional-age students. He said he has never seen any specific data that shows the impact of the non-traditional student. How many 50-year-old students do they have? As they discuss demographics he felt it would be appropriate to have supporting documentation. They need to ask more in-depth questions of these assumptions.

With regard to the Iowa Communications Network, Regent Dorr said he was concerned that they were not discussing the matter in greater depth Regentwide particularly the issue of how it will develop and evolve. This matter is very important in their planning process.

President Berenstein stated that an individual at "Meet the Regents" that morning asked him what the Regents are doing to implement the Iowa Communications Network. President Berenstein said he was uncomfortable that he could only say that they were waiting for more information. They need to get plugged in or get it off the agenda. He then directed that at the next meeting the Regents be provided with a current update on the fiber optics network.

Mr. Richey stated the Board Office would present reports in July on the Iowa Communications Network and on the non-traditional student.

Regent Furgerson stated that a first-class job was done of providing course work toward the Master in Social Work on the Iowa Communications Network

with students participating at Iowa Public Television in Johnston. She said the course was offered by the University of Iowa.

Mr. Richey stated it was anticipated that the Priority Study Committee on Information Systems Technology would meet in July. He anticipated that the priority study committee and the interinstitutional committee will be very active this fall.

ACTION: President Berenstein stated the Board (1) received the environmental assessment of conditions and issues currently affecting higher education, and (2) requested that the assessment be used in revision of strategic plans at the Regent universities, by general consent.

REVIEW OF STRATEGIC PLANS OF THE UNIVERSITIES. The Board Office recommended that the Board (1) receive the report of the three Regent universities on a) progress in attaining strategic planning goals during 1992-93 and b) plans for the 1993-94 academic year, and (2) approve each university's 1993-94 strategic planning priorities.

Strategic planning at all Regent institutions is related to the thirteen strategic planning goals and strategies adopted by the Board of Regents in 1989 and modified in October 1992.

Regent goals and strategies are currently under review by the Board and institutional heads. Recommendations for action to guide the institutions during the upcoming year will be presented to the Board in September 1993.

Iowa School for the Deaf and the Iowa Braille and Sight Saving School officials will present reviews of their strategic planning progress and 1993-94 plans at the July Board meeting.

The Board of Regents approved each Regent institution's current strategic plan in the spring of 1990. In June or July each year the Board receives progress reports from each institution on attainment of high priority goals, revisions in environmental assessments, and specific plans for the upcoming year.

These planning progress reports are presented at the same time as budget proposals for the new fiscal year and prior to development of the Regents' fiscal year 1995 budget requests to the Governor and legislature. Budget proposals and requests are reviewed in light of past planning progress and future planning priorities.

Board of Regents current strategic planning goals are well reflected in the goals of each university. Particularly prominent are objectives relating to undergraduate education, graduate education, research and diversity.

Each university prepared a detailed report describing progress achieved during 1992-93 for the university as a whole and for each major college and administrative unit.

University of Iowa

For academic years 1992-93 the focus has been and for 1993-94 the focus will continue to be on the three primary goals of

1. comprehensive strength in undergraduate programs,
2. premier graduate and professional programs in a significant number of areas, and
3. an academic community diverse in gender, race, ethnicity and nationality.

The University of Iowa's focus on its three primary goals corresponds to the Regents' goals relating to teaching, undergraduate education, graduate education, diversity, access and minority participation.

The university's environmental assessment indicates that

1. The most current enrollment projections, submitted to the Board in November 1992, project that the number of Iowa high school graduates will moderately increase and that the number of University of Iowa undergraduates will stabilize and eventually increase.
2. Minority and nontraditional student enrollments have increased.
3. The profile of students by geographic origin has changed; the percentage of students from Iowa has decreased.

The university's Strategic Planning Committee reviewed and is in the process of revising the University of Iowa's Strategic Plan.

Accomplishments during 1992-93 in each of the university's three main goal areas are as follows:

Undergraduate Education

In July of 1992, a group of faculty, deans, and central administrators completed the Framework for Selected Instructional Improvement document. Its purpose was to set forth a framework for instructional improvement at the University of Iowa. The Board of Regents has approved this plan for implementation.

In response to the Framework document, each of the university's colleges developed comprehensive and college-specific plans for implementation of the identified strategies. In addition, two benchmark committees have now worked to develop preliminary indices of instructional improvement.

During the fall 1992 semester, each vice president, in consultation with appropriate constituencies, worked to identify for the steering group additional programs to be candidates for enhancement, reduction or elimination, based on the "Criteria for Institutional Enhancements and Reductions," developed by the Steering Group in October 1992.

Graduate and Professional Education

A new process for assessing strengths of graduate programs was used in the 1992-93 budget cycle to reallocate about 20 percent of the Research Assistant stipend, graduate fellowship and scholarship allocation among departments/programs on the basis of quality.

The Graduate College was integrally involved in formal academic program reviews for graduate aspects of programs in 18 areas. A similar number of reviews will be conducted during 1993-94. These reviews have been used to plan the appropriate size and composition of the faculty and student population within each department. A full report on the academic program reviews was given to the Board of Regents in March 1993.

New programs and degree subtracks have been approved or are pending, and several have been discontinued or are recommended for termination.

Diversity

Efforts to recruit and retain women and minority faculty have focused on the development of a mentoring program for junior faculty, a plan to aid spouses and partners of new faculty members in finding employment, and a very ambitious new orientation program for new faculty.

Efforts to recruit and retain minority students have focused on continued extensive outreach programs, largely through Opportunity at Iowa, as well as strengthened academic support programming.

The university will continue successful activities and programs designed to accomplish its three major planning goals. Specific initiatives with significant budgetary impact for 1993-94 are as follows:

- * The university has earmarked 15.8 percent (\$682,000) of the projected increase in tuition revenues for student aid to help in targeting the university's recruitment and retention efforts and to support graduate student financial aid programs that are need-based.

- * The university plans to make deferred maintenance, classroom and laboratory upgrades, fire and environmental safety improvements, and campus improvements (e.g., lighting, sidewalks) a major focus of construction funding.
- * The legislature's appropriation of \$500,000 for improvement in undergraduate education will be used to replace worn out and obsolete equipment in undergraduate laboratories, enhance the honors program, and recruit additional minority faculty.
- * University support for teaching/research assistant health insurance will be implemented next year, thereby beginning a process to make graduate student support more competitive with peer institutions.
- * An appropriation of \$330,000 for fiscal year 1994 will support the initial phase of the College of Medicine's plan to strengthen primary care emphasis in the undergraduate medical curriculum.
- * Opportunity at Iowa plans to spend \$160,000 to provide seed money for minority faculty during their first two to three years of employment at the university. In fiscal year 1994, the university plans to support minority hires in the Colleges of Business Administration, Liberal Arts, and Education.
- * An additional \$515,000 in funding for library acquisitions will be used to help maintain current library collections and to focus attempts to improve collections, services, and resources in selected strategic areas.

Iowa State University

The university supports five overall goals in its strategic plan:

1. An intellectually stimulating campus environment.
2. An outstanding undergraduate program.
3. Outstanding graduate and research programs.
4. Outstanding outreach programs.
5. National stature in technology.

The goals and strategies of Iowa State University's strategic plan are highly consistent with the planning goals of the State Board of Regents. All of the Regent goals are cross-referenced with Iowa State University goals in the university's strategic plan approved in April 1990.

Strategic planning at Iowa State University has become closely linked with a wide range of decision-making and review processes, including budget planning, program review (for academic programs, research centers, and support services and units), campus master planning and capital planning.

Additional efforts to link strategic planning with other institutional processes help to ensure that strategic planning is an ongoing and institutionalized process at Iowa State University.

Undergraduate enrollment has continued to exceed the strategic planning target of at least 20,000 students. In Fall 1992, undergraduate enrollment at Iowa State University was 20,757, the largest undergraduate enrollment in the state of Iowa. As a result of vigorous recruiting efforts, new undergraduate enrollment for Fall 1992 exceeded the figure for Fall 1991 and included 8.7 percent minority students, up from 6.5 percent the previous year.

Iowa State University has made significant progress in each goal area, as follows:

An Intellectually Stimulating Campus Environment

Among other accomplishments the university succeeded in

- * maintaining faculty salaries at 103 percent of the level of peer institutions.
- * adopting a diversity plan calling for aggressive efforts to recruit faculty, staff and students from diverse backgrounds.
- * initiating an administrative internship program for women and ethnic minorities and a faculty mentoring program for new faculty.
- * increasing over the last five years the number of minority undergraduates by 28 percent and the number of minority graduate students by 27 percent.
- * increasing tenure-track minority faculty from 5.8 percent to 9.2 percent of the total tenure track faculty over a five-year period.
- * increasing the percentage of women tenure track faculty from 18.2 percent in Fall 1988 to 20.3 percent in Fall 1992.

Outstanding Undergraduate Program

During 1992-93 some significant accomplishments were as follows:

- * The university established the Center for Teaching Excellence.
- * The number of senior faculty teaching undergraduate classes increased.
- * The university increased its success in attracting Merit Scholars and National Achievement Scholars.

Outstanding Graduate and Research Programs

Among other achievements, the university

- * increased total FY 92 sponsored funding for research and education over 10 percent to \$140.7 million (\$127 million in FY 91).
- * increased graduate enrollment for the eighth consecutive year.
- * increased minority graduate enrollment by 43 percent over 1987.
- * received \$18.5 million in FAX patent fees and increased the number of patent licenses awarded for the fifth consecutive year.

Outstanding Outreach

Significant achievements during 1992-93 include

- * nearly 2.5 million client contacts by Iowa State University Extension agents throughout Iowa.
- * several collaborative efforts with community colleges to expand educational offerings throughout the state.
- * an increase in graduate courses offered during weekend and evening hours and an expansion of non-credit continuing education enrollment.
- * growing involvement by faculty and staff in training in banking, agriculture, and economics for Eastern Europe and the former Soviet Union.
- * increased assistance to Midwest businesses developing commercial ties to Eastern Europe and the former Soviet Union.

National Stature in Technology

Among other achievements in technology, the university

- * expanded its efforts to link university computers to one another and to outside sources.
- * headed up through the university library a four institution team to improve access to biotechnology sources in INTERNET, the international collection of computer networks.

Planning priorities for 1993-94 include the following:

- * New advising services for freshmen and increased supplemental instruction and tutoring activities for freshmen courses in mathematics, biology and chemistry to boost retention rates.
- * Shifting of funds to individual colleges to enable them to hire several new minority advisers to boost minority retention rates.
- * A university-wide review of upper-division faculty advising to identify improvements that can be made to help undergraduates complete their degrees on time and be better prepared for employment or graduate study.
- * A reallocation of \$500,000 to increase the percentage of credit hours taught by tenure-track faculty and to provide increased sections of undergraduate courses needed for degree completion.
- * Full operation of the Center for Teaching Excellence.
- * Commitment of an additional \$840,229 for undergraduate scholarships and \$610,153 for graduate assistant tuition scholarships to increase access and to attract high-quality undergraduate and graduate students.
- * An additional \$656,800 in permanent funding to hire minority and women faculty in underrepresented areas, to increase retention of minority undergraduates, to fund additional positions in the Women's and African American Studies programs, to hire new minority graduate assistants and a minority public safety officer, and to increase gender equity in athletics.
- * Budgeting of an additional \$150,000 for distant education initiatives.
- * Spending of an additional \$162,000 to expand cooperative efforts with K-12 institutions, community colleges and other Regent universities.
- * Re-allocation of approximately \$400,000 for central building repairs to improve the university's infrastructure.
- * Substantial additional progress for agricultural research through the Experiment Station and for technology transfer through the Institute for Physical Research and Technology (IPRT) because of new funding for these efforts.

University of Northern Iowa

The university's strategic plan, Building on Excellence, commits the university to a process of continuous improvement in its academic programs culminating in the University of Northern Iowa being a premiere, student-oriented, comprehensive university.

The university's major strategic goals are:

1. Strengthen the academic distinctiveness of the University of Northern Iowa among the Regent institutions.
2. Strengthen the academic distinctiveness of the University of Northern Iowa nationally.
3. Increase awareness of the University of Northern Iowa's identity and distinctiveness as a premiere undergraduate institution.
4. Recruit and retain high-quality faculty.
5. Enhance racial and cultural diversity within the university.
6. Provide improved access to information systems and related technologies for faculty, students, and appropriate external constituencies.
7. Focus graduate programs to enhance quality and foster scholarly research.

The university's strategic plan is related to Board of Regents goals concerning teaching, undergraduate education, graduate education, research, access, diversity, minority participation, infrastructure, economic development, marketing and private fundraising.

The university's environmental assessment indicates that

- * In the next year or two, total enrollment at the university will probably stabilize, with only minor fluctuations. There may also be some shift from full-time to part-time students. For the mid- and long-term, however, enrollment pressures will likely be strong.
- * State resources will be increasingly scarce and new program initiatives must be funded from sources other than State general fund appropriations.

University of Northern Iowa officials agree with the Board Office regarding the need to incorporate legal risk assessment into planning processes.

The rapid evolution of technologies places new requirements on the university to keep current or it will become less effective as a unique public higher education resource in Iowa.

The University of Northern Iowa has continued to make significant progress in FY93 on its strategic plan, Building on Excellence.

In the third year of the university's implementation of its strategic plan, the following milestones have been achieved:

- * The university's ambitious general education program is approaching full implementation. In 1992-93 the capstone science course was fully implemented and staffed, and a plan for the phased implementation of the sole remaining course in oral communications has been designed.

- * University of Northern Iowa's reputation and visibility continue to improve. There is growing recognition in the state, regionally and nationally that the university is committed to quality undergraduate education, encourages the accomplishments of its faculty, and contributes to community economic development and technology transfer throughout Iowa.
- * The university has created the Center for the Enhancement of Teaching to support faculty development, and continues to recruit faculty of the highest quality with a strong commitment to teaching, research and service.
- * The university has expanded its efforts to enhance cultural and racial diversity through curricular development projects, international faculty and student exchange programs, study- and work-abroad programs, recruitment of international students, intensive foreign language experiences, and campus educational and cultural programs.
- * The access of faculty, students and staff to educational, scientific and information technologies has been significantly improved, as have the technological infrastructure and administrative support systems.

In FY 94 the university's priorities will include:

- * further attention to enrollment management alternatives and revenues enhancement strategies to achieve equilibrium between enrollment needs and resources;
- * phased implementation of the oral communications requirement in general education and continued efforts to strengthen the undergraduate majors;
- * a new interdisciplinary graduate program in Environmental Sciences, pending Board of Regents approval;
- * designing and conducting new faculty orientation and faculty instructional support mechanisms under the auspices of the Center for the Enhancement of Teaching;
- * developing curriculum and training for distance-learning and technology-intensive learning environments, and delivering course instruction, conferences, and workshops via the Iowa Communications Network through University of Northern Iowa's Division of Continuing Education.

President Rawlings stated that he was very pleased with the University of Iowa's strategic plan and its implementation. He said a great deal of progress has been made and they were nearing their overall goal. He was extremely pleased with the progress that had been made. In general, there

has been strong support and participation on campus. He then asked Vice President Nathan to address the major points of the plan.

Vice President Nathan stated that last year at this time he expressed pride in the university's strategic plan and the hope that they would have a chance to prove its worth in good times as well as difficult ones. The university's primary goal is to be one of the 10 best public universities in the nation even in times of fiscal difficulty. The three primary goals are 1) strength in undergraduate education, 2) strength in graduate education and 3) diversity on the campus. He stated that each college had undertaken a review of the faculty development program. Student advising has steadily improved. He said the computer fees money had been put to good use. They have been successful in protecting the library acquisitions budget from inflation.

With regard to strength in professional programs, Vice President Nathan said the University of Iowa College of Dentistry is third in the nation, the College of Law is 7th, and rural medicine in the College of Medicine is second. A mentoring program has been developed for junior faculty. With regard to promotion and tenure, he said the most recent report indicated that a record number of women had achieved tenure and/or been promoted. He then said he was very proud to submit the University of Iowa's strategic planning progress report and that he was confident in their ability to achieve its ambitions.

Regent Hendricks said she would like to applaud the university's goal of making deferred maintenance a major goal for construction funding. That should be a goal in every one of the universities' plans.

Regent Furgerson thanked university officials for the specificity in addressing recruiting and retention of minorities. There were some items that would turn into action.

President Berenstein thanked universities' officials for getting the materials to the Regents 2 weeks ago.

Regent Tyrrell asked if the majority of students are able to graduate in 4 years. Are they able to get the coursework they need to graduate in 4 years?

Vice President Nathan responded that if students do not have to work to support themselves and are not in engineering or other programs that typically take longer to complete, then a student is able to graduate within 4 years. He stated that university officials constantly monitor the availability of courses.

President Jischke discussed the background on the development of the Iowa State University strategic plan. The aspiration in that plan is to make

Iowa State University the best land-grant university in the country. The strategic plan drives much of the important decision making at Iowa State University.

With regard to the goal of an intellectually stimulating campus environment, President Jischke said they are achieving competitive faculty salaries, have adopted and began implementation of a diversity plan, have initiatives for faculty development, and a child care program for mildly ill children. He said diversity is a high priority at Iowa State University. With regard to achieving outstanding undergraduate programs, he said a faculty effectiveness plan has been adopted and implemented, programs have begun at the Center for Teaching Excellence, they have maintained the largest undergraduate enrollment in Iowa, and have high-quality students.

President Jischke stated that in addressing the goal for outstanding graduate/professional and research programs, sponsored funding continues to grow. Graduate enrollment has increased. The university has received funding for agricultural research and progress continues to be made in technology transfer.

With regard to the goal toward outstanding outreach programs, President Jischke said university officials have completed reorganization of the university's extension program. They have developed partnerships with community colleges. Enrollment in off-campus courses is increasing. University officials have proposed budgeting additional funds for 1994 for distance learning opportunities.

President Jischke cited developments with Project Vincent in regard to the goal concerning national stature in technology. There are more computer labs, extension technology has been improved, and a library network project for access to biotechnology sources has been implemented.

President Jischke stressed university officials' continued commitment to maintaining the physical plant and infrastructure of the university. The building repair budget request was increased by \$900,000 from the fiscal year 1993 original budget.

Regent Hendricks asked if Iowa State University officials could assure the Regents that construction will be focused on deferred maintenance instead of new construction. President Jischke responded that they have to do both. They cannot do what needs to be done with the existing physical plant. There are programs that require new facilities especially for the growing research program. The university has seen a \$30 million increase in its sponsored research program. University officials have put the first priority on sustaining the buildings they have now.

Regent Hendricks suggested that tuition replacement funds should be used to get deferred maintenance and fire safety under control.

President Jischke said they have been discussing these matters at the university and have reallocated funds to sustain the current physical plant.

Regent Dorr stated that at that morning's Meet the Regents session one of the student leaders said they felt deferred maintenance and fire safety needed to be resolved.

President Berenstein said they need new buildings and to take care of what they have. They have to send a clear message that deferred maintenance is clearly a priority item.

With regard to specificity in recruitment and retention of minorities, Regent Furgerson asked that officials of all 3 universities be thinking about issues regarding campus climate, particularly problems in the dormitories. She said she was shocked when some high school students in Waterloo told her they would never go to Regent universities because of experiences friends had with the dormitories. She stressed that social life and living climate are more important to minority students than even classroom issues. At some point she would like to talk to people on the campuses concerning the information she received.

President Berenstein said that at that morning's Meet the Regents session several Chinese and Indian students talked to him about quality of life that their students do not enjoy here, part of which is because of communication. An example he provided was of students wishing to sell their own kinds of food on campus. He also said that hearing students' concerns that morning points out the importance of what they did that morning with the Meet the Regents session.

Regent Furgerson said minority students need to feel they are welcome in extracurricular activities including plays and concerts. University officials need to be aware of who they are reflecting in these activities.

Provost Marlin stated that although strategic planning was a forward-looking process, she wished to reflect on progress made in the past year toward achieving strategic planning goals. She said the University of Northern Iowa is a stronger institution than it was even a year ago. The U.S. News and World Report identified University of Northern Iowa as an up-and-coming university. The university is developing academic distinctiveness. She said nothing is more distinctive than their general education program, which she described. The general education program at University of Northern Iowa gets to the core question of what it means to be a liberally educated person. The only course left to fully implement is oral communication.

Another significant accomplishment for the University of Northern Iowa is that despite the enrollment growth, it is still a student-centered institution which encourages interaction between faculty and students. Provost Marlin said they have retained small classes. The vast majority

(90+ percent) of courses have less than 50 students in them. She said great progress has been made toward the goal of academic distinctiveness.

Provost Marlin stated that another goal of the University of Northern Iowa's strategic plan is national leadership in teacher education. The university already enjoys a lot of national visibility. University officials recently made a presentation on its Minorities in Teaching program in a national setting. Teaching is a valued and high priority. Since people teach the way they were taught, university officials have instituted the Center for the Enhancement of Teaching which encourages faculty to be more reflective.

With regard to internationalization of the University of Northern Iowa campus, Provost Marlin stated that this summer over 400 of its students will be studying abroad. Students will be teaching in Okinawa, Japan, next year. The percentage of students and faculty that represent ethnic groups is increasing; however, the rate of increase and retention needs to be a continuing emphasis of the university.

Provost Marlin discussed the ways in which University of Northern Iowa officials are good stewards of the resources they receive.

Regent Dorr stated that collectively university officials presented outstanding reports. A great deal of discipline and effort is made to achieve the goals particularly the emphasis on undergraduate education. One issue which he did not see mentioned in the reports and which is a concern to him is the role of the Regent universities in developing or establishing public policy. He cautioned that he did not think it was the role of the universities to develop policy but to adhere to the strength of the strategic planning guidelines.

President Berenstein said he wholeheartedly endorsed what was being done with the strategic plans. There is great communication and commitment to the strategic plans and he felt a debt of gratitude for the presentations. Universities' officials had taken great pains in these financially difficult times to accomplish what was set out.

ACTION:

President Berenstein stated the Board, by general consent, (1) received the report of the three Regent universities on a) progress in attaining strategic planning goals during 1992-93 and b) plans for the 1993-94 academic year, and (2) approved each university's 1993-94 strategic planning priorities.

EXECUTIVE SESSION. President Berenstein requested that the Board enter into closed session pursuant to Code of Iowa section 21.5(1)(c) to discuss a matter with counsel which is either in litigation or where litigation is

imminent; and section 21.5(1)(i) upon the requests of employees whose performance was being considered.

MOTION: Regent Hendricks moved to enter into closed session. Regent Furgerson seconded the motion, and upon the roll being called, the following voted:
AYE: Berenstein, 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 11:18 a.m. and recessed at 11:32 a.m.; reconvened at 11:39 a.m. and recessed at 12:25 p.m.; and reconvened at 4:03 p.m. and recessed at 5:05 p.m.

REVIEW OF PROGRAMS AND OPERATIONS BY THE INSTITUTIONS. The Board Office recommended the Board (1) receive the report on the review of programs and services at the Regent institutions, (2) encourage the institutions to continue their efforts to provide for greater effectiveness and efficiencies in programs and services and explore new avenues for improvement. Establish permanent structures or processes for improving operations if not already in place. (3) schedule the institutions to bring recommendations and actions taken for greater effectiveness and efficiencies in programs and services to the Board in June 1994, and (4) request that future reports include estimates of cost savings as a result of the review of programs and services.

Status reports were submitted by each Regent institution regarding ongoing activities with respect to increasing effectiveness and efficiencies. These reviews began at the Board's request in advance of similar activities required of other units of State government and in recognition of the need for greater accountability and strong stewardship.

This effort is but one of a number undertaken in the last five years to respond to a continuing desire on the part of the Board of Regents to ensure effectiveness and efficiency of the Regent institutions. This is especially needed in light of decreased State funding which requires even more stringent reviews of programs and services and the need for some eliminations.

Some of the institutional reports appropriately reflect the needed efforts for raising outside funds. It is likely that all the institutions will need to make greater efforts in this regard.

The enhancement of faculty productivity is critical to the process of reviews and to the quality of the institutions--a separate report in this area is due in the fall.

Some of the reports contain references to efforts at Total Quality Management (TQM) which should be under consideration for broader use at all of the institutions.

Many efforts are currently underway to promote efficiency and effectiveness. The following eliminations have been made:

- * At the University of Iowa, the Dental Hygiene program was eliminated and admissions were suspended prior to elimination of the masters program in Criminal Justice and Corrections.
- * At Iowa State University, the Publications Office was eliminated in May 1993.
- * At the University of Northern Iowa, six academic programs have been eliminated over the past two years, as well as the Iowa Principal's Academy.
- * At Iowa Braille and Sight Saving School, elimination of a vacant faculty position, decrease in funding for substitute employees, and elimination of appropriation-supported extended year faculty contracts.

UNIVERSITY OF NORTHERN IOWA - SUMMARY

Academic Division

The Academic Division continuously improves its efficiency by reallocating resources, both human and financial, from lower priorities to higher priorities to achieve the academic mission of the institution. A brief summary of some of these activities included the following:

- * Elimination of six academic programs over the past two years. The University of Northern Iowa has eliminated six programs and the Iowa Principals Academy.
- * Prioritization of academic support needs. Various units, including the library and media center, continue to improve their efficiency by maximizing use of available resources.
- * Increased faculty productivity. As reported earlier to the Board, this focuses on individual faculty accountability.

Administrative Actions

Administrative actions include the following:

- * Right-size the operations and maintenance department of the physical plant.
- * Expand use of alternative fuels.
- * Upgrade the fire extinguishers and computerized inspection.
- * Establish new turf maintenance program.
- * Initiate in-house laser printing.
- * Complete a new phase in the on-line accounts receivable and cashing project.
- * Implement a program to computerize parking registration.
- * Establish safety coordinator position.
- * Combine computer operator and telephone operator positions.
- * Reorganization of financial aid personnel to provide increased service to minority students.
- * Computerize registration system for placement and career services.
- * Merge print services and mail center.

IOWA STATE UNIVERSITY - SUMMARY

Activities at Iowa State University include the following:

- * A review of the functions and operations of Memorial Union includes improving the effectiveness of the food service operation, better utilization of personnel and development of a plan for physical modernization.
- * A review of placement services includes a proposal for improved oversight and coordination.
- * A review of graduate program in plant pathology and the programs in education are scheduled next year.
- * A study of technology transfer functions has resulted in improved organization structures to facilitate effectiveness.

- * A review of publications office was completed resulting in the elimination of this unit.
- * Reviews of all university publications and communications are scheduled to begin in Fall 1993.

UNIVERSITY OF IOWA - SUMMARY

Collegiate Units

- * College of Business Administration. Considering the possible elimination of the M.A. in Management Information Systems, and the M.A. in Industrial Relations and Human Resources. The B.B.A. program is developing two junior-level core courses to be taken while undergraduates. The undergraduate tracks in Operations Management and Administrative Management are being considered for elimination.
- * College of Dentistry. Departmental mergers and reorganization of administrative structure resulted in an endorsement of the current structure but with recommendations for continued review of that structure. A further study of the structure will look at the role of administrators, the sources of their funding, and their salary and titles.
- * College of Education. Consideration about dropping the housing of the North Central Association Elementary and Secondary Schools is continuing, the masters program in Special Education will consolidate this degree into a single degree with specialization and subtracks, Teacher Education Program in Physical Education and Sports Studies is undergoing a review to discuss a substantial revision in the program.
- * Graduate College. The M.A. in Criminal Justice and Corrections will be terminated and admission has been suspended. The M.S. and Ph.D. in Chemical Physics have been approved for closing and will be reported to the Board in July. The M.S. and Ph.D. in Radiation Biology have been studied and will be modified but retained. The Graduate Certificate for Dietetic Interns is under study.
- * College of Liberal Arts. Activities include enhancement to improve several departments, the college has focused on rebuilding efforts in several departments. The School of Library and Information Sciences is under study for possible improvements in cooperation and enrichment, the School of Social Work is considering ways to limit the number of students.
- * College of Medicine. The Department of Anatomy has just completed a review.

- * College of Pharmacy. The college will merge the divisions of Pharmaceutical Social Economics and Clinical/Hospital Pharmacy. A search is underway for a division head.

Non-Academic Programs and Services

Performance Appraisal. Performance appraisal processes were reviewed and a set of policies was put in place earlier this year. Every staff member will participate in annual written reviews and will be provided timely indications of performance.

Management and Organizational Structure. A management structure supervision and span of control review was completed for non-academic units similar to the study done by other State government agencies.

Small Order Purchases. The procedures utilized for low value purchases were examined by a campus group and a pilot program has begun allowing departments to use a university credit card for small purchases. Additional purchasing process reviews are planned.

Financial Services Support. The university is now completing the installation of a new General Ledger system which will completely change the university's accounting system. This will increase management information available for departments and permit full accrual accounting. A financial services support team was created in the office to assist university departments, centers, and other organizational units to use the new financial tools.

Mail Services. An extensive university-wide review of mail services was completed earlier this year with changes that result in the university expecting to save \$500,000 annually, spread among the many university units, but focused on the largest mail users.

Physical Plant. A year-long study of physical plant was completed last year. The recommendations are being acted on and will continue, including how to provide better price estimates to university departments, work force diversity and safety improvements.

Staff Development. The university has recognized the need to invest more in the development of its staff. The budget provides for a small addition to tuition support for staff and to provide an intensive week-long development program for academic and non-academic department directors offered by the College of Business Administration.

Child Care Review. As reported to the Board in May, ways are being explored to improve child care.

Intra-Campus Data Network. This past year the Office of Information Technology reviewed university-wide needs and in cooperation with the Architectural and Engineering Services Office developed a comprehensive campus data networking plan. When implemented the new network will significantly enhance the competitiveness of faculty, students, and the university as a whole, to link major units in the institution.

IOWA BRAILLE AND SIGHT SAVING SCHOOL - SUMMARY

The following items are new review activities at the Iowa Braille and Sight Saving School.

Fiscal Year Preliminary Operating Budget Development. School officials indicated that because of the shortfalls in the appropriation for fiscal year 1994, an in-depth review of all programs and services had become necessary. The end results of this review are three very difficult educational reductions. The first reduction is the elimination of a vacant faculty position. The second reduction decreases funding for substitute employees that were historically used when a permanent employee was absent. The third reduction is the elimination of all appropriation-supported extended-year faculty contracts. All three of these reductions will directly affect the quality and quantity of educational services provided to students, according to the institution.

Strategic Planning Activities. The school has continued its strategic planning activities which included several crucial reviews of programs and services. These reviews have been very important in planning the future strategic direction of the school. The first strategic planning activity has been the outcomes accreditation initiative and the second was the initiation of an educational environmental assessment. The third strategic planning activity was the initiation of internal school-wide planning groups. These planning activities represent the school's continuing strategic review of its educational programs and services.

IOWA SCHOOL FOR THE DEAF - SUMMARY

The Iowa School for the Deaf's review included a number of items previously reported to the Board that are not yet completed, and some new initiatives.

Items not yet completed include the sale of school farm land, the initiation of a student activity fee, increased privatization of services, increased use of technology at the schools, and efforts at improving energy efficiency.

The school has increased the amount of flexible staffing in the dormitories as a means to achieve salary savings. Initiatives include minimizing the number of floors supervised on weekends and improved work schedules which allow for meeting without utilizing additional staff.

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Reduced telephone expenditures have resulted from increased negotiation with vendors. The school has reduced its long-distance telephone costs per minute by 33 percent.

Improved transportation scheduling of students to their homes on a monthly basis has resulted in decreased staffing costs, reduction in charter bus expenditures, and increased utilization of existing fleet. Savings from this action are approximately \$25,000 annually. In addition, cooperative efforts with local school districts have decreased the cost of transporting area students to and from Iowa School for the Deaf on a daily basis.

President Rawlings stated that last year University of Iowa officials presented to the Board recommendations for eliminations and consolidation of some major programs, which were discussed and debated at some length. This year the report is not as lengthy. He discussed the programs that had been addressed during the year. He said consolidation has probably been the theme this year particularly in the College of Dentistry, College of Education and College of Business. There have also been efforts to rebuild some programs in the College of Liberal Arts particularly the School of Library and Information Sciences. The College of Pharmacy will merge the Division of Pharmaceutical Social Economics and Clinical Hospital Pharmacy. He noted that was taking place under the direction of Dean Banker.

President Rawlings stated that a number of additional programs and services were affected by these recommendations, particularly in the area of performance appraisal, management and organizational structure, and financial services support. Business aspects of the university, under the supervision of Vice President True, were also affected.

President Rawlings concluded by stating that University of Iowa officials are continuing the Regents' process of examining programs each year with an eye toward enhancements, reductions and eliminations.

President Curris stated that University of Northern Iowa officials looked carefully at its academic programs. They identified several programs to be eliminated or consolidated. With reference to the administrative functions of the institution, he said they have looked at every function in the institution to see where they can create greater efficiencies without any loss of effectiveness. He said they have been able to institute greater computer utilization and monitoring on the campus which has made differences in educational and student services as well as in utility consumptions. They also looked at administrative mergers, where appropriate, recognizing that there has to be cost savings associated with those mergers. There has been a conscientious effort to get a greater return to the institution based upon the limited number of dollars that are available.

University of Northern Iowa officials are very pleased with the results of efforts to enhance academic productivity. President Curris stated that faculty responded quite well.

President Jischke stated that Iowa State University's activities began with a report in December 1991. At that time, university officials recommended 93 actions for Board approval and 70 for follow up. The report presented this month summarized the last 9 follow-up items that were begun well over a year ago and were now being completed. He said they have completed a study of the functions and operations of the Memorial Union. There are changes being made in governance of the Memorial Union, in the programs it offers and its economics. A review was undertaken of the university's placement services resulting in the establishment of a committee to serve as liaison between the academic colleges and placement service, with greater efficiency. As the result of a review of the university's publications office, the decision was made to eliminate it. He said it would save money for the university and, in the long run, provide better services.

Iowa State University officials have undertaken a review of technology transfer activities of the campus. President Jischke stated that Vice Provost Pat Swan was given the job of coordinating technology transfer efforts at Iowa State University.

President Jischke concluded by stating that he believed they had completed all the follow-up studies that were associated with the initial report of December 1991.

Superintendent Thurman discussed the review of programs and services done this past year at Iowa Braille and Sight Saving School. He said school officials would be presenting to the Board the school's strategic plan for next year at the July Board meeting which will further detail the actual planning activities. In preparation for the preliminary fiscal year 1994 operating budget, Iowa Braille and Sight Saving School officials have made some very difficult decisions. First, a faculty position was eliminated. The school lost a fine teacher last fall to one of its national organizations but had hoped to fill that position. Due to a 48 percent shortfall (\$65,000) he said they are not going to fill that position. Second, they are severely reducing the amount of money for substitute employees. Substitutes work not only as teachers but also in the dormitories. Third, there will be an end to extended-year contracts. He said some of the school's professional staff work beyond 189 days for which they are compensated.

Superintendent Johnson stated that Iowa School for the Deaf's budget is about 82-83 percent staffed; therefore, all the efficiencies to be attained were directly related to staff. He said one of the school's electricians went on permanent disability. School officials saw they could change the way they had been operating in that and other areas.

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MOTION:

Regent Dorr moved to (1) receive the report on the review of programs and services at the Regent institutions, (2) encourage the institutions to continue their efforts to provide for greater effectiveness and efficiencies in programs and services and explore new avenues for improvement. Establish permanent structures or processes for improving operations if not already in place. (3) schedule the institutions to bring recommendations and actions taken for greater effectiveness and efficiencies in programs and services to the Board in June 1994, and (4) request that future reports include estimates of cost savings as a result of the review of programs and services. Regent Furgerson seconded the motion. MOTION CARRIED UNANIMOUSLY.

FINAL REPORT ON LEGISLATIVE SESSION. The Board Office recommended the Board receive the final report on the 75th General Assembly.

The 75th General Assembly completed its first year of the session on the morning of May 2, 1993.

The Governor has reviewed and signed legislation passed by the General Assembly in the last days of the session.

The legislature passed a number of bills that impacted Board of Regents' appropriations, Board of Regents' policies and institutional policies.

The appropriations for all budget units under the control of the Board of Regents for fiscal year 1994 total \$537,700,877 and are contained in SF 233 (Education Appropriation Bill), SF 227 (Economic Development Appropriation Bill), HF 623 (Agriculture/Natural Resources Appropriation Bill) and the Salary Adjustment legislation (SF 422).

The appropriation in fiscal year 1994 for the Regent institutions--excluding tuition replacement, the Board Office, and graduate centers--is \$512,994,039. This represents an increase of \$16.1 million (3.3 percent) over the fiscal year 1993 appropriation.

Tuition replacement appropriations total \$23,608,580 for FY 1994.

The Board Office and institutions identified the following items in SF 233 (Education Appropriation Bill):

- * Requires quarterly reporting of all institutional reimbursements to the Board Office for such services as presidential searches and interinstitutional studies.
- * The Board Office budget was cut \$20,000 from the Governor's recommendation, and stands at \$1,098,258.
- * Requires that the Board expend annually on resolution of fire safety and deferred maintenance deficiencies at least the amount budgeted for these purposes in FY 1993, in addition to State appropriations provided for these purposes.

The issues identified are under review.

SF 422 (Fiscal Year 1994 Salary Bill) provides funding for salary increases for State and Regent employees for fiscal year 1994. The bill funds increases for employees under negotiated collective bargaining contracts and similar increases for comparable non-contract employees. The amount to be allocated to Regent institutions is \$12.7 million. This amount is \$6.6 million less than needed (34 percent underfunded). No funding was provided for annualization or cost increases for health insurance. Factoring these out, the appropriation is still only 85 percent of the remaining need.

SF 227 (Economic Development Appropriation Bill) contains the following appropriations for Regent institutions:

State University of Iowa Advanced Drug Development	\$ 490,000
Iowa State University Institute for Physical Research and Technology	\$3,215,000
Iowa State University Small Business Development Center	\$1,035,000

Other bills that passed during the session that have policy implications include:

- * HCR 24 - Authorizes the Board to bond up to \$16,380,000 for the State University of Iowa Pharmacy Addition (\$8,939,000), and the University of Northern Iowa Library Addition (\$7,441,000).
- * HF 144 (Ethics Bill) (Analysis provided by Ann Rhodes)

Disclosure Provisions

1. Financial disclosure is specifically required of members of the Board of Regents. Disclosure is also required of executive agency heads and heads of major subunits or departments whose position involves substantial exercise of discretion in the expenditure of public funds. This will be further defined by agency rule.
2. The financial disclosure must contain all of the following:
 - a) a list of each business, occupation or profession in which the person is engaged and the nature of the business, occupation or profession, unless already apparent.
 - b) a list of any other sources of income if the source produces more than \$1000 per year in gross income. The sources of income may be listed under the following categories, or by other categories as may be established by rule:
 - (1) Securities
 - (2) Instruments of financial institutions
 - (3) Trusts
 - (4) Real estate
 - (5) Retirement systems
 - (6) Other income categories specified in state and federal income tax regulation

It is not clear whether income from stocks, for example, could be listed in aggregate or whether the disclosure would have to include income from specific stocks. Presumably, this would be addressed by rule.

Each executive department or independent agency shall adopt rules pursuant to chapter 17A to implement the requirements of the disclosure provisions. These rules will specify the time and manner for the filing of financial statements.

In the senate amendment, there is a new section designed to ensure public access to disclosure statements. This appears to apply only to those filed by candidates and elected officials, however.

No legislation was passed regarding the Iowa Telecommunications Network, centralized collections, the Midwest Higher Education Compact, or student employees.

The Board's legislative liaisons, Frank Stork, Carol Bradley, Pat Geadelmann and Ted Yanecek, performed in outstanding fashion and were congratulated.

Mr. Richey reported on appropriations signed by the Governor. He said some proposed legislation did not pass that was of significant concern to the Regents. In July, the Board would be provided with a report on the ethics legislation. Mr. Richey stated there was a high degree of effectiveness and professionalism of the Regents' legislative liaisons. The Regents' appropriations were increased. He felt it had been a very good session for the Regents particularly considering that some of the proposals concerning governance by the Regents of the institutions did not pass.

ACTION: President Berenstein stated the Board received the final report on the 75th General Assembly, by general consent.

SALARY POLICIES. (a) General Salary Policies and Allocation of Appropriation. The Board Office recommended the Board (1) approve allocation of appropriations to institutions and the Board Office, as presented, (2) approve a policy urging restraint on salary increases for major administrators (those earning \$100,000 or more who are above the level of academic department head) and approve the proposal of the university presidents that such increases shall not exceed an average of 1 percent except to fulfill a prior commitment or to make adjustments based upon gender or minority equity, and (3) approve the salary policies for professional and scientific employees, for faculties at the special schools, and the Regent Merit System pay plans as recommended.

The Department of Management allocated \$12,677,365 in appropriations from the salary adjustment to the Board of Regents.

Allocation of the appropriations to the various units under the Board's jurisdiction were recommended to be prorated based upon need exclusive of health insurance increases and annualization costs.

Total funds of \$15.0 million are needed for salary increases averaging 2.5 percent for faculty and professional employees and a bonus of \$650 plus merit step increases for Regent Merit System employees for fiscal year 1994.

When increased health insurance premiums and annualized costs of \$4.3 million are added, the need is \$19.3 million.

The shortfall in funding for salary increases is \$6.6 million in fiscal year 1994, which must be financed by reallocations, reductions in spending or by other revenue sources.

Mr. Richey stated that what was presented was the salary policy approved by the General Assembly.

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Regent Hendricks asked if the recommendation addressed the Regents' intent to make adjustments in salaries of Professional and Scientific employees because of the AFSCME settlement.

Mr. Richey stated that it was the Regents' merit system supervisory employees who were particularly discriminated against as a result of the AFSCME settlement. He said the issue of the Professional and Scientific employees has not been solved and cannot be solved. University officials will do what they can within the restriction of the total 2.5 percent. With all that being recurring, he said the understanding is that the increase in fiscal year 1995 for employees affected will be at 3 percent rather than the 4 percent covered in the State salary policy. Institutional officials are saying that by giving 2.5 percent recurring they will forego 1 percent of the other. Mr. Richey said it comes out to exactly the same amount of money.

Regent Hendricks asked if the Regents would be able to redress salary issues of those who were discriminated against. Mr. Richey said that could not be done except on an individual basis.

Regent Furgerson asked about gender inequities in Professional and Scientific salaries. She said there was a consultant study that said inequities do exist.

President Jischke stated that one of the reasons for the study was the question of equity. One of the results of the classification change they were requesting with the proposed policy and the 2.5 percent, will bring Iowa State University's Professional and Scientific employees within 1 percent of the market. Additionally, the classifications have been studied to assure equity among jobs. He now feels good about the competitiveness of Professional and Scientific salaries.

Mr. Richey noted that the Regents are, by law, required to have their salary policy meet the test of comparable worth. He said there still may be individual cases of inequities which the universities have tried to address.

Regent Hendricks said there is a feeling on the part of some women that they are being paid less than men in the same positions.

Director Volm said the policies proposed by all 3 universities include distribution of the 2.5 percent not only on the basis of merit but equity matters, also.

Mr. Richey said the distribution would be reflected in the detailed budgets presented in July.

Mr. Richey said the corrections made in the scale for supervisory merit system employees is being done by the institutions at their expense. That amount totalled \$145,000 approximately.

Regent Dorr referred to the 2.5 percent this year versus 3 percent to 4 percent next year. He said that in fact what they are doing is putting 2.5 percent into the base; they will take the 1 percent out of next year and reduce that to 3 percent. What collectively is wrong with leaving the 1 percent out of the base, putting the 1-1/2 percent in there and then working with the 4 percent next year? He said this actually aggregates to a higher level of pay increase when it is put in the base and then increases 3 percent for the long term.

Mr. Richey responded that it does not necessarily do that. It should not aggregate greater. The average base salary in fiscal year 1995 for all the employees affected by this policy would be identical; however, the individual distribution might be different. Someone might get a bonus of a non-recurring amount in fiscal year 1994 might not get it at all in fiscal year 1995; someone else is going to get that money if they stay with the same average in fiscal year 1995.

Regent Dorr asked if they are "locked into" the 3 percent for fiscal year 1995 or are those just assumptions at this point? Mr. Richey said the salary policy is based on collective bargaining settlements. They are "locked in" in terms of policies and goals but it is going to come down to the amount of funding for fiscal year 1995 that the Regents receive. Whatever it is, the institutions granting the recurring amounts this year will reduce that by one percent for 1995.

Regent Dorr said he would prefer to see this at 1-1/2 percent plus a 1 percent bonus rather than granting the entire 2-1/2 percent into the base. They could then "let the chips fall where they may" for fiscal year 1995.

Regent Dorr then stated that another issue is the Professional and Scientific classification compensation program at Iowa State University. He suggested they defer for a month until they can be given more in-depth information. There is a significant sector adjustment transpiring in this revamping. He said he received no information on it until receiving the docket on Friday. The ramifications of this sector adjustment need to be more thoroughly discussed. They should analyze the benefits costs of adjusting the sector.

Mr. Richey stated that the Iowa State University proposal was an issue of redistribution rather than increase in total cost. Everything is being done within the 2.5 percent. Anything in the future will be done within the amount of salary money allotted.

Regent Hendricks stated that the Regents had met countless times with Professional and Scientific staff. Their pay is not anywhere near market. She was glad that Iowa State University officials took the lead in doing such an analysis and she wished it could have been done at the other 2 universities.

Regent Dorr said they needed additional analysis particularly concerning the increase in minimums and compression at the top of those pay scales. He felt it would be prudent to have a little more analysis. If the recommendation is correct now it will be correct a month from now.

President Jischke stated that the last time university officials carefully studied Professional and Scientific salaries was in 1976. In the intervening time the research programs at Iowa State University have grown dramatically. The old classification system does not reflect the changes that have taken place. University officials engaged a private consultant to do a point count in order to create equity. He believes there is widespread support for the recommendation. There is essentially no impact on the university -- the cost will be less than \$120,000. There will be a relatively minor impact on salaries but it will have a major impact on the perception of equity. He stated that university officials did not see this as a controversial issue although they did inform the Board a year ago that they would be doing this. If the Board delays action on the recommendation university officials will have to refigure the budget.

Mr. Richey pointed out that the employees affected are non-contract employees. Contract employees have the negotiating table at which this kind of activity is done. For non-contract employees the process is as they have done here. In terms of non-recurring versus recurring, another way to distinguish for non-contract employees is that there is a process that works for them. He stressed that was of some relevance in the recommendation to the Board.

Regent Dorr said he was a little resentful that the implications were that he was opposed to the recommendation. Iowa State University officials were proposing a significant change and he had just received the materials on Friday. The Regents should have had an opportunity to review the information and have their questions answered. He was concerned about the long-term ramifications of this sort of reclassification. If it is ultimately good now it will ultimately be good later.

President Berenstein suggested that a separate motion take place for recommendation items (a), (c) and (d).

MOTION:

Regent Tyrrell moved to approve the recommendations for (a) General Salary Policies and Allocation of Appropriation as presented on page 907; (c) Salary Scales

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for Faculties of the Special Schools as presented on page 913; and (d) Regent Merit System Pay Plans presented on page 913. Regent Furgerson seconded the motion. MOTION CARRIED UNANIMOUSLY.

Regent Hendricks pointed out that University of Iowa officials did a study of Professional and Scientific salaries last year like the one presented by Iowa State University this month.

MOTION: Regent Hendricks moved to approve the following salary policies for the fiscal year beginning July 1, 1993: (1) Continuation of the current salary schedules for professional and scientific staff at the University of Iowa, the University of Northern Iowa, Iowa School for the Deaf, Iowa Braille and Sight Saving School, and the Board Office and the revised schedule recommended for Iowa State University by its consultant; and (2) Proposed policies for salary increases and other pay plan revisions, as presented in several appendices in the docket book provided to the Regents. Regent Furgerson seconded the motion.

AMENDMENT TO MOTION: Regent Dorr moved to table this matter for at least a month.

Regent Johnson-Matthews asked Iowa State University officials how far they would be set back if the Regents deferred on this matter. President Jischke said it was his belief that they would not be able to do their budget.

MOTION TO AMEND THE MOTION BY TABLING DIED FOR LACK OF SECOND.

VOTE ON THE ORIGINAL MOTION: The motion carried with Regent Dorr opposed.

(b) Salary Policies for Professional and Scientific Employees. The Board Office recommended that the Board approve the following salary policies for the fiscal year beginning July 1, 1993:

- (1) Continuation of the current salary schedules for professional and scientific staff at the University of Iowa, the University of Northern Iowa, Iowa School for the Deaf, Iowa Braille and Sight Saving School, and the Board Office and the revised schedule recommended for Iowa State University by its consultant; and

- (2) Proposed policies for salary increases and other pay plan revisions, as presented in several appendices in the docket book provided to the Regents.

Legislation provides funding for increases for Regents faculty and professional and scientific employees comparable to increases negotiated for the University of Northern Iowa faculty.

The University of Northern Iowa faculty who are covered under the negotiated agreement will receive an average increase of 2.5 percent of which 1 percent will be a non-recurring bonus.

The Regent institutions and the Board Office proposed increases for fiscal year 1994 in the amount of 2.5 percent for professional and scientific employees.

Proposals for the Iowa School for the Deaf, the Iowa Braille and Sight Saving School and the Board Office included a non-recurring payment of approximately 1 percent of average salaries.

Iowa School for the Deaf and Iowa Braille and Sight Saving School officials recommended continuation of their current professional and scientific salary schedule; the provision of a non-recurring bonus of \$350, which is approximately 1 percent of average salary and the same as the bonus for Iowa School for the Deaf and Iowa Braille and Sight Saving School teachers; and the provision of merit increases averaging approximately 1.5 percent.

The Board Office proposed continuation of its current professional and scientific salary schedule and the provision of a non-recurring bonus of \$650 which is slightly less than 1 percent of the average Board Office salary and is identical to the dollar amount of the bonus that will be provided for other employees on the State's central payroll system. Additional increases will be based on merit and will average no more than 1.5 percent.

University of Iowa, Iowa State University and the University of Northern Iowa officials proposed to incorporate the entire 2.5 percent increase into base salaries with the understanding that the average increase in fiscal year 1995 will be requested at 3 percent instead of 4 percent.

University of Iowa and the University of Northern Iowa officials proposed no change in their current professional and scientific salary schedules; individual increases averaging 2.5 percent that are based on merit and equity; and the continuation of policies permitting extra meritorious increases that are not part of base salaries.

Iowa State University's proposal included major revisions in its professional and scientific classification and pay plans that were recommended to implement a study conducted with the assistance of William Mercer and Associates.

Increases representing 2.5 percent of base salaries will be based on merit and will include increases needed to move employees to new grade minimums that will cost .5 percent.

THE MOTION FOR THIS ITEM CAN BE FOUND ON PAGE 911 OF THESE MINUTES.

(c) Salary Scales for Faculties of the Special Schools. The Board Office recommended that the Board approve (1) continuation of the current teacher's salary schedule for the 1993-94 contract year; (2) the provision of within track step increases and lane change increases; (3) the payment of a non-recurring bonus for meritorious service of \$350 for full-time teachers, spread in equal amounts in each pay check; and (4) continuation of the current supplemental pay schedules for extracurricular activities in 1993-94.

Legislation provides funding for increases of approximately 2.5 percent of which 1 percent is non-recurring.

The recommended action would continue current pay schedules; provide a bonus of \$350 which is 1 percent of the average teacher's salary; and provide for step and lane increases at a cost of approximately 1.5 percent.

The average increase of approximately 2.5 percent is reasonably competitive with the 3.1 percent average increase reported for K-12 teachers in Iowa.

THE MOTION FOR THIS ITEM CAN BE FOUND ON PAGE 911 OF THESE MINUTES.

(d) Regent Merit System Pay Plans. The Board Office recommended that the Board approve the following provisions for the fiscal year beginning July 1, 1993:

- (1) A non-recurring payment of \$650 for full-time employees to be spread across all pay periods. Employees working less than 32 hours a week will receive \$325 spread across all pay periods;
- (2) Merit step increases will be granted in accordance with the negotiated collective bargaining agreement for blue collar, security, technical and clerical employees, and in accordance with merit rules for non-contract employees;
- (3) Continuation of the pay matrices currently in effect for blue collar, security, technical and clerical employees, and an adjusted pay matrix for non-contract supervisory employees that will restore relationships established in comparable worth; and
- (4) The following classification changes that were approved in collective bargaining negotiations with AFSCME:

Title Change: Beautician to Cosmetologist

Deleted Classes: EEG Technician I, II, and III
Pipefitter/Steamfitter

New Classes: Electroneurodiagnostic Technician I, Pay Grade 410
Electroneurodiagnostic Technician II, Pay Grade 412
Electroneurodiagnostic Technician III, Pay Grade 415
Pipefitter, Pay Grade 210
Steamfitter, Pay Grade 210

Pay Grade Changes: Pharmacy Technician I from 405 to 406
Pharmacy Technician II from 407 to 408
Physical Therapy Assistant from 406 to 409
Seed Analyst I from 404 to 406
Seed Analyst II from 406 to 408
Seed Analyst III from 409 to 412

Pay plan proposals for the fiscal year beginning July 1, 1993, included the provision of a non-recurring \$650 bonus for full-time employees plus step increases for those eligible.

The recommended bonuses and step increases were consistent with what was negotiated for bargaining unit employees and with what was provided by legislation for non-contract covered employees.

The pay matrix recommended for non-contract supervisory employees included increases in the current matrix of 1.5 percent to 2 percent at each step and will restore the relationships that existed prior to fiscal year 1992 between supervisors and contract-covered employees.

The classification changes reviewed and approved during collective bargaining negotiations generally reflect expanding duties and advancing technology.

THE MOTION FOR THIS ITEM CAN BE FOUND ON PAGE 911 OF THESE MINUTES.

PRELIMINARY BUDGETS FOR FISCAL YEAR 1994. The Board Office recommended the Board (1) receive the overview report on the Regent System FY 1994 preliminary budget proposals, (2) approve the distribution of the Quad-Cities Graduate Center's appropriation of \$144,104 for fiscal year 1994, (3) approve the distribution of the Tri-State Graduate Center's appropriation of \$67,750 for fiscal year 1994, and (4) approve the distribution of the Southwest Iowa Resource Center appropriation of \$68,165 for fiscal year 1994.

The proposed Regents System General Fund operating budgets total \$1.07 billion for FY 1994, an increase of \$37.9 million, or 3.7 percent over the original FY 1993 budgets.

State appropriations for the Regents 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).

Exclusive of the salary adjustments, the Governor recommended an increase of \$10.3 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 \$8.3 million (4.7 percent) higher than FY 1993. Sales and services revenue is expected to increase by \$18.0 million in FY 1994, an increase of 3.75 percent.

Indirect cost recovery is expected to grow by \$1.5 million, or 6.06 percent. Interest income growth is anticipated to be \$160,000, or 18.9 percent, due to anticipated higher rates and larger invested balances.

Total salary expenditures are expected to grow by 3.46 percent to \$774.4 million. This figure includes appropriated monies and reallocated institutional funds.

Equipment expenditures are expected to rise to \$16.5 million, a 70 percent increase over the original FY 1993 budget but \$2.2 million less than the FY 1993 current estimated expenditure. This permanent reallocation to equipment 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 \$2.3 million over the current year, or 5.6 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 \$1.0 million (10.6 percent) in acquisitions in FY 1994. General supplies will increase by \$5.2 million (3.2 percent). This amount includes general inflation as well as new initiative spending.

Aid to students will grow \$2.4 million (8.6 percent) to \$30.2 million.

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 underfunding of salaries will be funded through internal reallocation of other operating budget categories.

Building repair budgets at the University of Iowa and Iowa State University have been augmented by a total of \$6.5 million through permanent reallocation of anticipated salary vacancy savings and application of new revenues. This is in response to legislative pressure to eliminate fire safety deficiencies and reduce deferred maintenance on the campuses.

The University of Northern Iowa increased its budget for building repair by \$50,000 to \$550,000. An additional million dollars was reallocated on a non-recurring basis in the current fiscal year.

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 a large number of specific programs to which they intend to direct incremental and reallocated resources within the context of strategic planning goals.

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

The Quad-Cities Graduate Center's appropriation for fiscal year 1994 is \$144,104. The Center will also receive a proposed appropriation of \$164,000 from Illinois, and from generated sales and service revenues estimated to be \$12,000 for a total budget of \$320,104.

The Tri-State Graduate Center's appropriation for fiscal year 1994 is \$68,165. The Tri-State Graduate Center anticipates receiving \$11,000 from the State of South Dakota, no funding from the State of Nebraska, and approximately \$33,000 from local support for a total budget of \$112,165.

The Southwest Iowa Resource Center's appropriation for fiscal year 1994 is \$67,750. The Southwest Iowa Resource Center is supported solely by Iowa contributions.

Director Specter stated that one of the goals of the Board Office for this budget submission was to simplify and clarify the process for the Board and institutions. Forms were revised for the universities to fill out with budget information. A group of 5 to 6 forms was distilled down to a small budget table. He said the form appears in the institutional docket and has 13 columns. Pie chart comparisons were also provided.

Director Specter then provided an overview of statistics. He said the general fund budgets are only slightly more than one-half the total institutional budgets. In July the Regents will be reviewing general fund budgets plus all the restricted fund budgets. The total general fund budgets are up 3.7 percent from last year. He said salary expenditures comprise 73 percent of the total general fund budgets. Student aid was proposed at \$32 million across the system.

MOTION:

Regent Dorr moved to (1) receive the overview report on the Regent System FY 1994 preliminary budget proposals, (2) approve the distribution of the Quad-Cities Graduate Center's appropriation of \$144,104 for fiscal year 1994, (3) approve the distribution of the Tri-State Graduate Center's appropriation of \$67,750 for fiscal year 1994, and (4) approve the distribution of the Southwest Iowa Resource Center appropriation of \$68,165 for fiscal year 1994. Regent Tyrrell seconded the motion. MOTION CARRIED UNANIMOUSLY.

Regent Dorr questioned the statement in the docket memorandum that total salary expenditures are expected to grow by 3.46 percent over the current year estimate. He said he thought they were just informed that salaries would increase an average of 2-1/2 percent.

Mr. Richey responded that the 2-1/2 percent figure is for the general employee salary increases. In addition to that the universities have to absorb the cost of annualization and the health insurance rate increases. The institutions also receive revenues for specific program additions that were approved by the Board, the Governor and the General Assembly. There is additional income from tuition rate increases that raise the tuition proceeds by more than 5 percent.

Regent Dorr asked if the aggregate compensation would be 3.46 percent. Mr. Richey responded that the 3.46 percent figure takes care of the health insurance increase cost and the annualization, but excludes the non-recurring costs that are in the current year.

President Rawlings said he thought there was confusion between salary increase and the overall budget increase for the institutions. The 2-1/2 percent is the increase in salaries but the 3.46 percent is for the overall budget increase. He said the two numbers are "apples and oranges".

President Jischke provided the following example to illustrate the point. He said Iowa State University's State appropriations include additional funding for agricultural research, the 3x5 program. Some of that money will be used to add faculty in agriculture and is part of the total compensation devoted to Iowa State University faculty. The rate of salary for the individuals who are on the faculty now and will be there next year is increasing approximately 3 percent.

Mr. Richey said the 3.46 percent is the total growth in the salary budget.

Regent Dorr asked if the 3.46 percent includes health insurance and other benefits. Mr. Richey responded affirmatively, stating that the 3.46 percent also includes some additional positions, particularly in the research positions at Iowa State University, and positions for enrollment growth at University of Northern Iowa. He reminded the Regents that the University of Northern Iowa received \$1.2 million for enrollment growth.

Regent Dorr asked if future budget presentations could present salary compensation against baseline against benefits, and then give an aggregate at the end.

Mr. Richey said he thought they were simplifying and clarifying the budget presentations this month; obviously, it needs to be refined. He said the Board Office would work on that at the very next meeting at which the detailed budgets come in.

CAPITAL IMPROVEMENT PLANS FOR FISCAL YEAR 1994. The Board Office recommended the Board receive the preliminary report on the Board of Regents fiscal year 1994 capital improvement plans, 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 fiscal year 1994 as well as the status of major ongoing capital projects at the Regent institutions.

Costs for some projects have yet to be determined, and funding sources are not determined in all cases.

In conjunction with the preliminary Five-Year Capital Program to come before the Board in July, the Board Office will update this report with funding source and amount information.

The Regent institutions reported 65 anticipated projects for fiscal year 1994 with a total estimated cost of approximately \$149 million. Fire and environmental safety and deferred maintenance projects are highest priorities for fiscal year 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 has 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

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.

Regent Dorr asked, in light of University of Northern Iowa's reconstruction of the Fieldhouse Addition, would it be appropriate to consider the Recreation/Wellness Facility in conjunction with that?

President Berenstein asked that the matter be discussed under the University of Northern Iowa docket.

ACTION:

President Berenstein stated the Board received the preliminary report on the Board of Regents fiscal year 1994 capital improvement plans, noting that the proposed projects are subject to further review by the

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Board and the availability of funding, by general consent.

BOARD OFFICE PERSONNEL TRANSACTIONS. The Board Office had no actions on the Personnel Register this month.

REPORTS OF AFFILIATED ORGANIZATIONS. The Board Office recommended the Board receive reports on two affiliated organizations.

The Board was provided with reports on two affiliated organizations at Iowa State University: (1) the Committee for Agricultural Development and (2) the ISU Agricultural Foundation.

The Committee for Agricultural Development (CAD) was organized in 1943. Working jointly with Iowa State University researchers, CAD purifies, increases, and distributes seed and germplasm of crop varieties developed by researchers from state experiment stations in the North Central Region and USDA.

This activity assists experiment station in their research programs by producing and distributing soybean, forage crop, small grain, horticulture crop, and corn seeds of Iowa Experiment Station approved varieties.

The financial report by D.D. Pyle Company, CPA, for the year ended December 1992, lists revenues of \$358,541 and expenses of \$259,648. Revenue exceeded expenses by \$98,893.

The ISU Agricultural Foundation was organized in 1938 with a grant of 9 farms and a \$100,000 contingency fund from C.R. Musser. Three more farms were added by Mr. Musser in 1941.

The farms, which were to be used for scientific and educational purposes, ranged in size from 120 to 320 acres. They provided a variety in soil and farming types and were representative of distressed, rented farms.

In Fall 1991, the Foundation, together with other Iowa State University College of Agriculture affiliates, purchased a 706-acre farm, 9 miles southwest of Ames. The Uthe Farm is being considered as a possible site for the new National Swine Research Center.

The 1992 annual review by Reinmund & Company, CPA, for the year ended December 1992, reported income of \$159,123 and expenses of \$311,471. Expenses exceeded income by \$152,348. Major factors in the deficit were expenses associated with the acquisition of the Uthe Farm, such as interest, additional crop and machinery expense, and taxes.

ACTION: President Berenstein stated the Board received reports on two affiliated organizations, by general consent.

PROPOSED BOARD OFFICE BUDGET FOR FISCAL YEAR 1994. The Board Office recommended (1) that the proposed budget for the Board of Regents Office of \$1,121,233 for fiscal year 1994 together with the budget of \$85,700 for the Facilities Officer and, the budget for the Regents Affirmative Action Officer of \$77,970 included in the University of Iowa budget and financed jointly by the institutions be approved; and (2) that the federal Eisenhower Title II Grant Program in the amount of \$28,196 be approved for fiscal year 1994.

The total proposed budget for operation of the Board Office including units contained within the university budgets is \$1,313,099.

The appropriation for the general office of \$1,073,283 for fiscal year 1993 was continued into fiscal year 1994 plus additional salary adjustment funds of \$24,975.

Because of across-the-board cuts in prior fiscal years and the further underfunding of salary policy for fiscal year 1994 in the amount of \$11,000, it was necessary to eliminate the position of Administrative Assistant to the Executive Director at a savings of \$41,000 in fiscal year 1994.

The authorized position count for the office of 15.6 positions will be continued without change by budgeting secretarial assistance for the facilities function in the Board Office proper and financing it by reimbursement from the institutions rather than moving the position into the University of Iowa budget.

Even with the elimination of the position of Administrative Assistant, additional salary savings of approximately \$9,000 will be required during fiscal year 1994 to bring the budget into balance.

Salaries for employees are budgeted in accordance with State policies with Merit System employees receiving step increases where eligible and a one-time bonus in the amount of \$650.

Salary increases for the professional staff are limited to a bonus of slightly less than 1 percent (\$650) except for three positions where unusual circumstances exist.

The proposed budget for other operating expenditures for fiscal year 1994 are budgeted at approximately the same level as actual expenditures for fiscal year 1992. They are approximately \$23,000 below projected expenditures in fiscal year 1993.

Mr. Richey stated that the Board Office is on a slightly different budget schedule than the institutions because the Board Office is on the central payroll system of the State.

MOTION: Regent Tyrrell moved (1) that the proposed budget for the Board of Regents Office of \$1,121,233 for fiscal year 1994 together with the budget of \$85,700 for the Facilities Officer and, the budget for the Regents Affirmative Action Officer of \$77,970 included in the University of Iowa budget and financed jointly by the institutions be approved; and (2) that the federal Eisenhower Title II Grant Program in the amount of \$28,196 be approved for fiscal year 1994. Regent Hendricks seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

Regent Hendricks expressed her disappointment in the continued erosion of the Board Office budget. Sometimes tremendous expectations are put on the staff. She said the Regents may need to start expecting less from staff.

CONSENT ITEMS.

ACTION: President Berenstein stated the Board, by general consent, approved the consent docket, as follows:

Referred the Iowa State University post-audit report on the Ph.D. program in Textiles and Clothing to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation;

Referred the University of Northern Iowa proposed new Master of Arts in Women's Studies degree program to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation;

Referred the University of Northern Iowa proposed new Master of Science in Environmental Science/Technology degree program to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

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NEXT MEETINGS SCHEDULE. The Board Office recommended the Board approve the Next Meetings Schedule, as revised.

July 21, 1993	University of Northern Iowa	Cedar Falls
July 22	Cliff and Beth Hendricks' Farm	Belle Plaine
August 18		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
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

Regent Hendricks stated that she would provide maps to her farm for everyone, including members of the press. She said a social event was planned in the afternoon and asked that she be notified of spouses who would be attending.

ACTION: President Berenstein stated the Board approved the Next Meetings Schedule, as presented, by general 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, June 16, 1993.

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

Register of Personnel Changes for April 1993, and

Approve the appointments of DOUGLAS TRUE as Treasurer and DOUGLAS YOUNG as Secretary in accordance with Chapter 262.9 of the Code of Iowa for fiscal year beginning July 1, 1993.

MOTION: Regent Furgerson moved to ratify personnel transactions, as presented. Regent Johnson-Matthews seconded the motion.
MOTION CARRIED UNANIMOUSLY.

APPOINTMENT OF INTERIM DIRECTOR OF UNIVERSITY OF IOWA HOSPITALS AND CLINICS. The Board Office recommended that the Board approve the appointment of JOHN H. STALEY as Interim Director of the University of Iowa Hospitals and Clinics at an annual salary of \$187,500 effective July 1, 1993.

MOTION: Regent Dorr moved to approve the appointment of JOHN H. STALEY as Interim Director of the University of Iowa Hospitals and Clinics at an annual salary of \$187,500 effective July 1, 1993. Regent Johnson-Matthews seconded the motion.
MOTION CARRIED UNANIMOUSLY.

President Rawlings presented the following two additional docket items:

APPOINTMENT OF PROVOST. The Board Office recommended the Board approve the appointment of Peter E. Nathan as Provost of the University of Iowa at an annual salary of \$150,077 effective July 1, 1993.

MOTION: Regent Dorr moved to approve the appointment of Peter E. Nathan as Provost of the University of Iowa at an annual salary of \$150,077 effective July 1, 1993. Regent Johnson-Matthews seconded the motion. MOTION CARRIED UNANIMOUSLY.

APPOINTMENT OF VICE PRESIDENT. The Board Office recommended the Board approve the appointment of John W. Colloton as Vice President for Statewide Health Services at an annual salary of \$258,000 effective July 1, 1993.

MOTION: Regent Dorr moved to approve the appointment of John W. Colloton as Vice President for Statewide Health Services at an annual salary of \$258,000 effective July 1, 1993. Regent Johnson-Matthews seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

MOTION: Regent Johnson-Matthews moved to adopt the following Resolution. Regent Furgerson seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

RESOLUTION

WHEREAS, JOHN W. COLLOTON has served the State of Iowa, the Iowa Board of Regents and the State University of Iowa as Director of the University of Iowa Hospitals and Clinics and Assistant to the President for Statewide Health Services since November 1971.

WHEREAS, through his vision and under his leadership the University of Iowa Hospitals and Clinics have become one of the premier teaching hospitals in the country and one of the State's greatest assets.

THEREFORE, BE IT RESOLVED, the Iowa Board of Regents heartily commends JOHN W. COLLOTON for his exemplary years of service to the State of Iowa and the University of Iowa, wishes him the best upon his retirement as Director of the State University of Iowa Hospitals and Clinics and Assistant to the President for Statewide Health Services, and looks forward to working with him in his new position of Vice President for Health Affairs at the university.

President Berenstein directed that a copy of the Resolution be sent to Mr. Colloton.

BUDGET CEILING ADJUSTMENT - OAKDALE CAMPUS. The Board Office recommended the Board approve fiscal year 1993 budget ceiling increase of \$28,000 to the University of Iowa budget for Oakdale Campus.

University of Iowa officials requested a budget ceiling increase of \$28,000 for Oakdale Campus for fiscal year 1993. This represents a 4.3 percent

increase over the original fiscal year 1993 budget. Rental income revenues increased by \$28,000.

The increase will be allocated toward the repairs for HVAC systems controls on Oakdale Campus. These repairs were deferred due to budget cuts in previous fiscal years. Savings in the Oakdale utilities budget will be realized after these repairs to the HVAC system.

MOTION: Regent Hendricks moved to approve fiscal year 1993 budget ceiling increase of \$28,000 to the University of Iowa budget for Oakdale Campus. Regent Johnson-Matthews seconded the motion.

Regent Dorr suggested, in light of the history of budget difficulties of the State, that some sort of process be developed by which these funds are put in a reserve account. Is that doable within reason?

Mr. Richey stated that the funds will lapse as of June 30. Also, they have to be used for the intended purpose.

VOTE ON THE MOTION: Motion carried unanimously.

PRELIMINARY BUDGET SUMMARIES - FISCAL YEAR 1993-1994. (a) General Education Fund - General University. The Board Office recommended the Board (1) approve the preliminary budget of \$290,507,213 for the University of Iowa General Education Fund in the fiscal year 1994, and (2) approve the preliminary Athletics budget of \$16,966,062, and Residence System budget of \$19,381,863.

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

The 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 funds \$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 million 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 come 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 have been 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.

Vice President True discussed the University of Iowa preliminary budget for fiscal year 1994 in relation to the fiscal year 1993 budget. He said \$4.1 million has been reallocated. This year they had an opportunity to save \$543,000 in utilities which is being applied to deferred maintenance. He stated that Regents Pellett and Newlin were at the University of Iowa a couple of weeks ago and asked for information concerning the university's employment growth compared with its peers. He distributed a sheet with a summary of that information. He said one of the categories measures percent of total employees that are managers or administrators. The University of Iowa has the lowest percent of total staff that are managers and administrators.

Vice President True then discussed equipment rescission, new revenues, faculty productivity and research productivity. He said there are a number of areas of great importance in the application of new revenues for non-salary expenses.

Regent Hendricks asked what was meant by the statement in the docket materials that the main source of funds to support women's athletics is from the transfer of funds from facilities revenue.

Vice President True responded that the facilities operations, particularly Carver Hawkeye Arena, generate revenue. That revenue goes toward supporting women's athletics at the university. The net revenue from the operation of those facilities from all sources of revenue is the principle source of support.

MOTION: Regent Furgerson moved to (1) approve the preliminary budget of \$290,507,213 for the University of Iowa General Education Fund in the fiscal year 1994, and (2) approve the preliminary Athletics budget of \$16,966,062, and Residence System budget of \$19,381,863. Regent Tyrrell seconded the motion.

Regent Hendricks stated that the budget memorandum indicated that University of Iowa officials proposed to provide health insurance for graduate assistants. She asked that any future health insurance requests go through the Priority Study Committee on Employee Health Insurance prior to submission to the Board of Regents for approval.

AMENDMENT TO MOTION: Regent Hendricks moved to amend the motion by deleting the health insurance for graduate assistants and that the matter be referred to the Priority Study Committee on Employee Health Insurance. Regent Dorr seconded the motion.

Vice President True stated that Iowa State University provides insurance for its research assistants and teaching assistants. What University of Iowa officials proposed was single coverage for people in those categories. He stressed that they were not breaking new ground.

Regent Hendricks suggested the Priority Study Committee on Employee Health Insurance could meet in the next month in order to get this matter on the docket for next month's Regents meeting.

President Rawlings stated that graduate students at the University of Iowa have begun to hold meetings about organizing a union. He said this budget does not do anything for them in terms of tuition support. The University of Iowa is simply uncompetitive in its offerings to graduate assistants. He asked to recognize one small need and stressed that they were not breaking new policy ground.

Regent Hendricks suggested that any future health benefits changes go to the Priority Study Committee.

WITHDRAWAL OF MOTION: Regents Hendricks and Dorr withdrew the amendment to the motion.

VOTE ON THE ORIGINAL MOTION: Motion carried unanimously.

(b) University of Iowa Hospitals and Clinics. The Board Office recommended the Board (1) approve the preliminary budgets for fiscal year 1994 for the following University of Iowa budget units:

a) University of Iowa Hospitals and Clinics	\$341,276,800
b) Psychiatric Hospitals	15,341,900
c) Hospital School	7,251,000
d) Hygienic Laboratory	4,920,200
e) Specialized Child Health Services	652,800

(2) Approve the fiscal year 1994 proposed rate increases effective July 1, 1993, as follows:

a) Psychiatric Hospital	Four percent
b) Hospital School	Three percent
c) Hygienic Laboratory	Five percent

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 these health care units.

In the latter four small budgets, State appropriations make up a larger portion of revenues. Appropriations to University Hospitals is 8.3 percent for payment for indigent patient care from State appropriations.

The University Hospitals budget increase is 3.30 percent. University Hospitals sales and services revenues have increased despite decrease in inpatient days of care, and low rate of increase in other indicia of patient care. University Hospitals officials budgeted sales and services revenue increases of 3.57 percent, based on a 1 percent to 2 percent decrease in inpatient days of care and a one 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 patients.

Added revenues come from increase in reimbursement levels from third party payors.

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

Special non-recurring transfers from the University of Iowa Hospitals and Clinics 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. A large increase (46 percent) was budgeted for utilities at the Psychiatric Hospital.

Associate Director Yerington discussed the preliminary budgets for fiscal year 1994 for the University of Iowa budget units for University of Iowa Hospitals and Clinics, Psychiatric Hospitals, Hospital School, Hygienic Laboratory and Specialized Child Health Services. He then described the proposed fiscal year 1994 rate increases. He said University Hospitals' aggregate salaries are up 2.7 percent over the current year. In the future, they should attempt to place in the operating budget more equipment replacement funding as opposed to new technology or enhanced technology. He foresaw increasing restrictions on hospital revenues.

Regent Dorr asked for a projection of University Hospitals' annual rate of increase in revenues over the next 5 years. Associate Director Yerington responded that it was difficult to answer that question considering that health reform is occurring nationally. He said the Medicare program represents 25 to 27 percent of the annual cash flow, Medicaid another 17 percent, and State appropriations approximately 8 percent. Those three revenue sources indicate that close to 50 percent of the annual cash flow is dependent on governmental programs. Health reform is addressing the other 50 percent. To project the annual rate of increase over the next 5 years would be very difficult. He hoped it would at least match general inflation. He stressed that they are being very prudent.

MOTION:

Regent Furgerson moved to (1) approve the preliminary budgets for fiscal year 1994 for the University of Iowa budget units, as presented on page 930; and (2) approve the fiscal year 1994 proposed rate increases effective July 1, 1993, as presented on page 930. Regent Tyrrell seconded the motion. MOTION CARRIED UNANIMOUSLY.

President Berenstein welcomed Ann Dorr, President of the Health Facilities Council, to this Regents meeting.

(c-e) Oakdale Campus, Family Practice Program and Special Purpose. The Board Office recommended the Board (1) approve the preliminary budgets for fiscal year 1994 for the following University of Iowa budget units:

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

(2) Approve the separate preliminary budgets for the fiscal year 1994 for the Special Purpose Programs at the University of Iowa in the amounts of:

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

The University of Iowa budgets include funds for eight specialized programs. The proposed budgets total \$7.8 million.

MOTION:

Regent Furgerson moved to (1) approve the preliminary budgets for fiscal year 1994 for the University of Iowa budget units as presented above, and (2) approve the separate preliminary budgets for the fiscal year 1994 for the Special Purpose Programs at the University of Iowa as presented above. Regent Johnson-Matthews seconded the motion. MOTION CARRIED UNANIMOUSLY.

LEASE OF PROPERTIES. The Board Office recommended the Board approve leases, as follows:

With NEURAL APPLICATIONS CORPORATION for its use of 2,004 square feet of business incubator space located in the Technology Innovation Center on

the Oakdale Campus at the rate of \$1,419.50 per month, for a one-year period commencing July 1, 1993, through June 30, 1994;

With 2060 PARTNERSHIP LP for the university's use of 6,630 square feet of office space located in the Town Centre Building, 221 Third Avenue, S.E., Cedar Rapids, Iowa, for use by the University of Iowa College of Business Administration, at the rate of \$6,492 per month for the initial three-year period, increasing to \$6,768 per month for the remaining two-year period, plus payment of the university's share of the landlord's operating costs, estimated at \$5.09 per square foot per year, for calendar year 1993, plus an additional \$176,000 for completion of improvements to the facility, for a five-year term commencing September 1, 1993, through August 31, 1998;

With TOWNCREST INVESTMENT ASSOCIATES for the university's use of 410 square feet of office space located in the Brewery Square Building, 123 North Linn Street, Iowa City, Iowa, for use by the Office of the State Archaeologist, at the rate of \$410 per month, for a one-year period commencing July 1, 1993, through June 30, 1994; and

With FARMERS AND MERCHANTS SAVINGS BANK for the university's use of 1,425 square feet of space located at 107 West Jayne Street, Lone Tree, Iowa, for use by the Department of Family Practice of the College of Medicine, at the rate of \$1,000 per month, for a one-year period commencing July 1, 1993, through June 30, 1994.

Director Specter introduced Acting Dean Gary Fethke to discuss the 2060 Partnership lease in Cedar Rapids for the University of Iowa College of Business.

Acting Dean Fethke stated that the proposed lease was primarily for an extension of the MBA program. He said the program has been in Cedar Rapids for 30 years. Two hundred (200) students are currently registered and there have been hundreds of graduates from the program. The university had been leasing space for the program in Cedar Rapids but that space is no longer adequate. They wish to accommodate state-of-the-art technology including fiber optics. The site they are looking at is in the heart of Cedar Rapids. They examined other sites but felt the primary advantage of this site is that it puts the University of Iowa at the center of the community and provides tremendous community support. Business college officials talked with business organizations and private colleges in the Cedar Rapids area to make sure the facility will be open to other university departments, other Regent universities and the community. He said the intention is to lease the facility and to cover one-half the rents through program costs. They then intend to raise the other one-half of the rent from the Cedar Rapids community. University officials feel it is important that this be a cooperative effort. He said the University of Iowa has a nationally-ranked MBA program.

President Berenstein referred to information provided by the Board Office which indicated the names of several individuals identified as principles involved in the lease. He asked if those individuals were actually representatives of the companies that would be involved.

Acting Dean Fethke responded affirmatively stating that the companies are principles.

President Berenstein stated that he would abstain from voting on the lease because he had a conflict.

Regent Hendricks stated she felt that she also had a conflict.

MOTION: Regent Furgerson moved to approve leases, as presented. Regent Johnson-Matthews seconded the motion, and upon the roll being called, the following voted:
AYE: Dorr, Furgerson, Johnson-Matthews, Newlin, Pellett, Tyrrell.
NAY: None.
ABSENT: None.
ABSTAIN: Berenstein, Hendricks.

MOTION CARRIED. (Regents Berenstein and Hendricks abstained because of possible conflict of interest regarding the 2060 Partnership lease but wished to be recorded as being in favor of the remainder of the leases.)

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 of Iowa Hospitals and Clinics--Development of a Pediatric Bone Marrow Transplant Unit in the John Pappajohn Pavilion

University officials requested permission to proceed with project planning for the development of an expanded Pediatric Bone Marrow Transplant Unit which will be relocated from the Carver Pavilion to the John Pappajohn Pavilion.

The Pediatric Bone Marrow Transplant Program (BMT) was established in 1986 to treat children suffering from several forms of leukemia, lymphoma, aplastic anemia, genetic disorders and severe immune deficiency syndromes. Bone marrow transplantation often offers the only hope of cure for these terribly debilitating and terminal illnesses when all other forms of treatment have failed. The Pediatric BMT Program has pioneered the use of partially-matched family donors or unrelated donors as the source for the transplanted bone marrow, and is one of only a few such programs in the United States. Because of this, the University Hospitals program can offer

transplants to every child who might benefit. As a result, this program has provided bone marrow transplant therapy to children from throughout the nation and a number of foreign countries.

The present Pediatric BMT inpatient unit shares the seventh floor of the Carver Pavilion with the Adult BMT unit. Due to the clinical success of both programs, the units need to be expanded in order to add beds and patient and support service space (predominately patient activity and treatment rooms, staff offices, and equipment and supply storage rooms). Although the shared use of this inpatient floor provided for the establishment of both programs, it is not possible for either unit to expand and reach full maturity in their present location.

In addition to the present space deficiencies, both programs require patients to be isolated from sources of infection for a number of weeks following transplant. During this time period, the patient lacks a sufficient quantity of functional white blood cells to ward off infection. If the unit's environment, especially the air, is not adequately clean the patient is much more susceptible to infection. Infection is, in fact, one of the major causes of death in patients immediately post-transplant. Due to the age difference in the two BMT unit patient populations and their level of activity, two vastly different types of air purification systems are required. The adult patients are better able to remain in their rooms after transplant and therefore require an "in room" (laminar) air purification system. This type of equipment is relatively simple to install and has already been integrated into a number of the adult patient rooms. However, because of the activity level and age of the Pediatric BMT Unit patients, it is not practical to restrict them to their rooms. These children often have the need to leave their rooms and, in fact, are encouraged to do so as part of their treatment. A number of tricycles and other exercise equipment is made available to them for their use in the Pediatric BMT Unit's corridors. Since these children are able to leave their rooms it is necessary to purify the air in a much larger area. To date, this has been somewhat successful through the installation of temporary hepafiltration equipment in the patient rooms and unit corridors. These units take space away in the corridors and patient rooms and are not as efficient at removing all contaminants as would be a central, hepafiltered HVAC system. However, the pediatric unit would need to be temporarily relocated to permit the installation of such a system and no temporary space exists of adequate size and with the proper environment.

To adequately meet the need to expand both the pediatric and Adult BMT Units, University Hospitals officials proposed to finish approximately 21,000 gross square feet of shelled-in space on the seventh level of the John Pappajohn Pavilion. This space will be used to develop a 15 bed Pediatric BMT Unit with the necessary patient and staff support facilities. A centralized hepafiltration air purification system will be incorporated into the design of this new unit. On completion of this project and

relocation of the pediatric BMT patient population, the former seventh floor Carver Pavilion Pediatric BMT Unit facilities will be utilized as expansion space for the adjacent Adult BMT Unit. This project will, therefore, meet two critical needs of University Hospitals and its tertiary-level programs for additional intensive inpatient unit space.

Over the past two years, University Hospitals has reviewed several alternatives to meet the space and environmental requirements of the Pediatric and Adult BMT Units. Relocation of one of these units to an existing inpatient floor was determined to be impractical due to the lack of any available units that could be made available through downsizing or closure. Furthermore, the cost to renovate an existing unit to meet the needs of the bone marrow transplant patient population and to provide an acceptable air purification system was determined too costly for the benefits that would be derived. There are no other alternatives that can effectively and efficiently meet the requirements of these two premier programs.

University officials also requested Board approval to seek architectural and engineering assistance for this project. The estimated construction cost is approximately \$3.7 million. Cost figures will be further developed and refined as project planning proceeds.

This project will be funded through University Hospital Building Usage Funds acquired from depreciation allowances of third parties underwriting the cost of care for paying patients. No state capital appropriated dollars or bonding will be involved.

PROJECT DESCRIPTIONS AND BUDGETS

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

University of Iowa Hospitals and Clinics--Development of Overhead Patient, Visitor and Staff Walkways Linking the Pappajohn Pavilion to the Eye Institute and Other Clinical Services in the South Pavilion \$4,626,720

Source of Funds: University Hospitals Building Usage Funds

	Proposed Budget <u>May 1993</u>	Revised Budget <u>June 1993</u>
Construction	\$ 4,388,600	\$ 3,808,000
Contingency	438,860	380,800
Architectural/Engineering Support	285,260	247,520
Planning and Supervision	<u>219,430</u>	<u>190,400</u>
Total	<u>\$ 5,332,150</u>	<u>\$ 4,626,720</u>

In May 1993 University Hospitals officials presented to the Board its proposed budget for this project in the amount of \$5,332,150. At the request of the Board, University Hospitals and its consulting architects evaluated alternatives for developing either a four-level, overhead pedestrian walkway linking levels two through five of the John Pappajohn Pavilion and the South Pavilion, or a two-level walkway at levels two and three. In addition, the preliminary cost estimate for the original proposal was revised from that presented to the Board in May. Following is a discussion of the factors which resulted in the university's request to revise the project budget, the alternatives that were evaluated, and the rationale for reaching the conclusion that a four-level walkway system is both economically and functionally the optimal and essential decision.

The revised budget reflects the architects' current evaluation of the cost to construct a four-level walkway system. The original estimate, which served as the basis for the preliminary budget, was based on early conceptual drawings and square footage cost estimates derived from similar projects the architects had previously designed. The architects now developed more precise schematic drawings which were refined to the point that the specific construction materials associated with this project were identified and cost estimates were obtained from potential suppliers of the materials to be used in the project. This refinement resulted in a revised construction cost estimate of \$3.8 million and a revised total project cost estimate of \$4.6 million, a reduction of approximately \$700,000 from the preliminary budget.

Using this new cost information, the architects also estimated the cost to construct a two-level walkway system with supporting structures which could accommodate future vertical expansion. The cost for this two-level walkway was estimated at \$3.5 million. If the university pursues the two-level walkway system with vertical expansion capability rather than a four-level walkway, the initial savings would total approximately \$1.1 million. However, for many functional reasons, the walkway would ultimately need to expand to four levels as the upper levels of the South Pavilion are completed. At that time, it will be vital for the South Pavilion patient care clinics and supporting service units to be fully integrated with the remainder of the University Hospitals ambulatory care clinics, diagnostic and therapeutic units, inpatient services and support services located in the Carver, Colloton and Pappajohn Pavilions. If this vertical expansion would occur in the year 2000, the project cost for these two additional walkway levels, including seven years of inflation, is estimated at \$3.9 million. Delaying construction of the third and fourth levels until the year 2000 would result in a four-level walkway cost of \$7.4 million, compared to \$4.6 million if all levels are constructed now.

The other alternative involves construction of a two-level walkway which would have no vertical expansion capability. Because the elevator support

for the John Pappajohn Pavilion and the South Pavilion was designed with the assumption that links would be established at each upper level, the present number of elevators in the Pappajohn Pavilion will not support the additional traffic constrained to a two-level walkway. Accordingly, this alternative would require the construction of an additional elevator bank at the north end of the walkway (Pappajohn Pavilion side) to provide the necessary elevator capacity for vertical transport of patients, visitors, and staff to and from the two walkway levels. The estimated total project cost under this alternative is \$4.5 million, only \$100,000 less than the four-level walkway. A four-level walkway would provide convenient access on every upper level where a linkage is possible. It would negate the frequent occurrence of having to use two elevators when traveling from one level of the South Pavilion to the same or another level of the Carver, Colloton or Pappajohn Pavilions. The cost difference is minimal when considering the inconvenience and additional operating costs.

The cost evaluation of the various alternatives indicated that a four-level walkway at this time is the appropriate solution. Anything less than complete facility integration, via a walkway, at each upper level will create severe difficulties for patients and visitors and compromise response times by emergency medical personnel in the event of emergency situations.

This four-level plan is consistent with the original 1970 facility master plan for replacement of University Hospitals antiquated facilities, including four southerly pavilions, endorsed by the Board on numerous occasions over the past 20 years. This plan was based on University of Iowa Campus Planning precepts that called for limiting the replacement facilities from reaching or exceeding the height of the General Hospital's landmark gothic tower. This height limitation was a key factor in developing the plan for a four pavilion horizontal expansion plan that has been closely adhered to over the past two decades and is now nearing completion. A great deal of care and planning has been required to ensure that the replacement patient care and support units were integrated with each other as conveniently as possible. This has required both vertical and, more importantly, horizontal integration.

Another important campus planning need, which has been set forth by the Campus Planning Committee and previously endorsed by the Board, called for University Hospitals to provide a means of pedestrian access between the west campus dormitories and Field House east of University Hospitals and Kinnick Stadium and other athletic facilities to the west. For this reason, the South Pavilion was designed and is being constructed as a separate facility with an east-west walkway and roadway system to be developed between it and the Pappajohn Pavilion. This physical separation of buildings necessitates horizontal linkage between floors and services above the first level of each pavilion; and these links can only be effectively provided through construction of overhead walkways wherever possible. The separation of the Pappajohn and South Pavilions and the absence of any

capability for linking the first levels of the two pavilions also dictated, in part, the location of services within the South Pavilion. This point will also be highlighted at the Board's meeting in June.

Based on all these factors, University Hospitals officials requested approval of the original four-level walkway project and its revised budget.

Project Cost Summary of Options

- Four Floor Walkway Constructed in 1993 \$4.6 million

- Two Floor Walkway Constructed in 1993 with Supporting Structures to Accommodate Future Vertical Expansion \$3.5 million
 - Future Expansion Cost to Add Two Floors of Walkways in the Year 2000 3.9 million
 - Total Cost of this Option \$7.4 million

- Two Floor Walkway Constructed in 1993 with no Vertical Expansion Capability \$3.4 million
 - Required Elevator and Attendant Lobby Space 1.1 million
 - Total Cost of this Option \$4.5 million

Mr. Staley introduced Richard Hansen of Hansen Lind Meyer Architects to discuss the functional and operational reasons for developing a 4-level walkway, which he did with a slide presentation.

Mr. Hansen stated that he hoped his firm had given the University of Iowa a 100-year hospital. He said there is very little room for future growth with the present facility.

Mr. Staley stated that the development of a 2-story or 4-story walkway has great implications for the care and convenience of patients, visitors, staff and students. There are significant implications for moving patients in emergency situations. He introduced Sally Mathis, Director of Nursing Services.

Ms. Mathis discussed her concerns about erecting a 2-story rather than a 4-story walkway. She said many of the patients are very ill and are eager to find their care giver. University of Iowa Hospitals and Clinics' patients are its customers. Hospital officials have taken great pains to humanize the environment. They wish to make patients' journeys within the University

of Iowa Hospitals and Clinics quick and convenient. With regard to service of the code team for cardiac arrests, she said emergency response time means life or death. She supported developing a walkway at all 4 levels. She strongly recommended that given the functional difficulties and construction cost savings, the Regents approve of the 4-story walkway.

West Campus Steam Distribution Improvements and Extensions \$1,662,500
Source of Funds: 1993 Utility System Revenue Bonds

Preliminary Budget

Design, Inspection and Administration	\$ 199,500
Construction	1,330,000
Contingencies	<u>133,000</u>
TOTAL	<u>\$1,662,500</u>

University officials requested approval of a project description and budget for steam distribution improvements for the west campus to serve University Hospitals, west campus academic facilities, and the Eye Institute. The project will be funded by Utility System Revenue Bonds which were authorized by the Board in March 1993.

This project will provide steam distribution improvements from South Grand Avenue westerly in the utility corridor beneath the University Hospitals emergency drive, entering a tunnel system within the Colloton Pavilion and terminating with a steam service to the Eye Institute, presently under construction. The project includes construction of a new steam tunnel beneath the emergency drive, and replacement of an 18" high-pressure steam line, which is a primary service line to west campus facilities. The project also includes installation of a new 14" high-pressure steam line to serve the steam requirements of the Eye Institute, and installation of a condensate return line.

University of Iowa Hospitals and Clinics--Development of an Audio and Video Production Center and Staff Offices in the Pappajohn Pavilion \$798,865
Source of Funds: University Hospitals Building Usage Funds

Preliminary Budget

Construction	\$ 657,500
Contingency	65,750
Architectural/Engineering Support	42,740
Planning and Supervision	<u>32,875</u>
Total	<u>\$ 798,865</u>

University officials requested approval of a project description and budget for the development of an audio and video production center, including offices and workrooms, for the staff of the University Hospitals Public Information Office. This project involves the finishing of approximately 7,700 gross square feet of shell space on the eighth floor of the John Pappajohn Pavilion.

The Public Information Office conducts a comprehensive program of essential outreach services, including patient education and information services to referring physicians, which is an integral element in communicating vital information to various constituencies. The new facilities are necessary to consolidate and provide additional space for the offices, workrooms, and audio and video production units of the Public Information Office which are presently located in three extremely congested and physically remote areas of University Hospitals.

University of Iowa Hospitals and Clinics--Pre-Surgical \$510,150
Workup and Same Day Surgery Admission Facility
Source of Funds: University Hospitals Building Usage Funds

Preliminary Budget

Construction	\$ 413,075
Contingency	41,310
Architectural/Engineering Support	35,110
Planning and Supervision	<u>20,655</u>
Total	<u>\$ 510,150</u>

University officials requested approval of a project description and budget for the development of a central area for the pre-surgical evaluation of patients admitted to inpatient units and discharged following surgical procedures. This project involves renovating approximately 3,400 gross square feet of space on the fifth floor of the Colloton Pavilion.

In the last five years, the number of outpatient and same day admission patients undergoing surgery in the main operating rooms has increased 85 percent. This facility will reduce the need for patients to report to specialty clinics prior to surgery, thereby increasing the efficiency of existing surgical services while reducing duplication of pre-surgical related functions. This facility will address the necessary patient care and education needs of surgical patients and will also provide a central patient changing/clothing storage, examination rooms, and a waiting and reception area for reporting on the day of surgery.

University of Iowa Hospitals and Clinics--Emergency Medical \$347,940
Services Learning Resources Center Relocation
Source of Funds: University Hospitals Building Usage Funds

Preliminary Budget

Construction	\$ 278,350
Contingency	27,835
Architectural/Engineering Support	27,835
Planning and Supervision	<u>13,920</u>
Total	<u>\$ 347,940</u>

University officials requested approval of a project description and budget for the renovation of space to house the Emergency Medical Services Learning Resources Center. This project involves renovating approximately 3,400 gross square feet of former Operating Suite staff locker room space on the sixth floor, South Wing of University Hospitals, for classroom, office and storage space for the Emergency Medical Services Learning Resources Center. The project is required to consolidate and provide additional classroom space for the emergency medical training of health care professionals from throughout Iowa. The project will also permit future development of a Same Day Admit and Presurgical Work-up Facility on the fifth level of the Colloton Pavilion upon relocation of the Emergency Medical Services Learning Resources Center.

Van Allen Hall--Install Fire Alarm \$297,025
Source of Funds: 73rd General Assembly Academic Revenue Bonds

Preliminary Budget

Design, Inspection and Administration	
Consultants	\$ 20,175
Architectural/Engineering Services	17,250
Construction	236,000
Contingencies	<u>23,600</u>
TOTAL	<u>\$ 297,025</u>

University officials requested approval of a project description and budget for the installation of a fire alarm system in Van Allen Hall. This project is a component of the Fire Safety Deficiencies Correction program for fiscal year 1990-1991, as approved by the Board in July 1990. The fire alarm system will include pull stations, smoke or heat detectors, visual and audible warning devices, and a control panel for the use of the fire department. The system will be programmable, with a voice package for communication with building occupants. Emergency controls for the buildings's ventilation system will also be included. The system will be equipped with a communicator for signalling the Department of Public Safety in case of a fire.

University of Iowa Hospitals and Clinics--Volunteer \$281,250
Program Adult Patient and Family Housing Unit (Westlawn)
Source of Funds: University Hospitals Building Usage Funds

Preliminary Budget

Construction	\$ 225,000
Contingency	22,500
Architectural/Engineering Support	22,500
Planning and Supervision	<u>11,250</u>
Total	<u>\$ 281,250</u>

University officials requested approval of a project description and budget for the development of a low-cost overnight housing unit for adult self-care and ambulatory clinic patients, and family members of adult inpatients. The need for such a facility is well documented in a University Hospitals task force study which indicates that an excess of 100 people per day would benefit from the availability of these accommodations. This unit is similar in concept to the Ronald McDonald House that provides on-campus housing for pediatric patients and their families.

This project involves the renovation of approximately 4,500 gross square feet of student dormitory space on the third floor of Westlawn. The facility to be developed will initially accommodate approximately 30 individuals. It will also provide a kitchen, dining room/lounge, laundry room and rest rooms with showers. Future projects may expand this Westlawn unit and will develop similar facilities for adult minimal care patients and their families on the fifth floor of the General Hospital.

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University officials presented the following revised budgets which were approved by the Executive Director to allow award of construction contracts.

Old Capitol--Exterior Repairs

Source of Funds: Gifts to the University of Iowa Foundation

	Budget Approved <u>4/93</u>	Revised Budget <u>5/24/93</u>
Design, Inspection and Administration		
Consultants	\$ 33,720	\$ 33,720
Architect/Engineering Services	4,080	4,080
Construction	242,000	306,210
Contingencies	<u>24,200</u>	<u>15,300</u>
TOTAL	<u>\$ 304,000</u>	<u>\$ 359,310</u>

The revised budget in the amount of \$359,310 was approved by the Executive Director on May 24, 1993, to allow award of the construction contract in the amount of \$306,210.

Van Allen Hall--Repair Exterior, Replace Roof

Source of Funds: 74th General Assembly Academic Building Revenue Bonds

	Budget Approved <u>3/93</u>	Revised Budget <u>5/25/93</u>
Design, Inspection and Administration		
Consultants	\$ 7,000	\$ 7,000
Architect/Engineering Services	64,150	64,150
Construction	744,250	868,547
Contingencies	<u>74,400</u>	<u>27,503</u>
TOTAL	<u>\$ 889,800</u>	<u>\$ 967,200</u>

The revised budget in the amount of \$967,200 was approved by the Executive Director on May 25, 1993, to allow award of the construction contract.

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

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ARCHITECT/ENGINEER AGREEMENTS

Pharmacy Building Addition \$162,500
Shive-Hattery Engineers and Architects, Iowa City, Iowa

University officials requested approval of an agreement with Shive-Hattery Engineers and Architects to provide utility design services for the Pharmacy Building Addition.

The university completed a utility and infrastructure support planning study in 1992 for the west campus facilities. The university recently restudied the system with an emphasis on the utility corridor south of the proposed Pharmacy Building Addition. The study identified additional modifications to the utility distribution system which would improve services to the University of Iowa Hospitals and Clinics, Pharmacy Building and Pharmacy Building Addition, Medical Laboratories and other existing facilities on the medical campus. The work will include the relocation of direct bury steam lines into existing tunnels, enlarging domestic water services and providing the necessary storm and sanitary services to the Pharmacy Building Addition.

The agreement with Shive-Hattery Engineers and Architects provides for a fee of \$162,500, including reimbursables.

Service Park Drive--Hawkeye Drive/Hawkeye Park Road \$88,605
Shive-Hattery Engineers and Architects, Inc., Iowa City, Iowa

University officials requested approval of an agreement with Shive-Hattery Engineers and Architects to provide roadway improvements in the Hawkeye Park area.

The University of Iowa Institutional Roads Improvement Program includes the planning, design and reconstruction of the roadway system in the Hawkeye Park area west of Finkbine Golf Course and Mormon Trek Road. This project is programmed over four years with planning authorized by the Board in 1992. An agreement authorizing funding for this project was finalized in early 1992 with the Iowa Department of Transportation. The project includes improved entrances to Hawkeye Park from Melrose Avenue and Mormon Trek Road, as well as to a future service area. The entrances will be widened to a four-lane boulevard at the approaches only, which will transition to a two-lane, 31-foot wide, concrete roadway.

The agreement with Shive-Hattery Engineers and Architects provides for a fee not to exceed \$88,605, including construction resident services.

University of Iowa Hospitals and Clinics--Development of an Eye Institute--Furnishings \$74,520
Hansen Lind Meyer, Iowa City, Iowa

University officials requested approval of an agreement with Hansen Lind Meyer to provide furnishings design services for the Eye Institute in Level One of the South Pavilion (Final Phase Facility). The agreement will also provide furnishings design for the Ambulatory Clinic, Minor Procedure Suite, Faculty and Support Staff Offices, Registration, Conference Rooms, Library, Audio Visual, Photography, Pupilometry, Echography, Perimetry and Commons Reading.

The agreement with Hansen Lind Meyer provides for a fee of \$74,520, including reimbursables.

University of Iowa Hospitals and Clinics--South Pavilion Utility Infrastructure Study **\$55,000**
Hansen Lind Meyer, Iowa City, Iowa

University officials requested approval of an agreement with Hansen Lind Meyer for the study of the utility infrastructure relating to the South Pavilion (Final Phase Facility) and the Physical Plant utilities.

Utilities to be evaluated include steam, chilled water, storm sewers, and sanitary sewers. The study is required to determine the South Pavilion utility requirements and the impact on the University Hospitals buildings and facilities. The capabilities of the Physical Plant utilities as they relate to University Hospitals will also be included in the evaluation.

The agreement with Hansen Lind Meyer provides for a fee of \$55,000, including reimbursables.

West Campus Steam Distribution Improvements and Extensions
Shive-Hattery Engineers And Architects, Inc., Iowa City

University officials requested Board approval to enter into a negotiated agreement with Shive-Hattery Engineers and Architects to provide design services for the project.

Amendments:

University of Iowa Hospitals and Clinics--A Multi-Disciplinary Rehabilitation Center, an Expanded Orthopaedic Clinic with Radiology Faculty Office **\$12,900**
Hansen Lind Meyer, Iowa City, Iowa

University officials requested approval of Amendment #2 to the agreement with Hansen Lind Meyer for expanded services on this project. The additional services include those provided by the firm of Counsilman/Hunsaker and Associates for design services on the orthopaedic therapy pool.

Amendment No. 2 will not result in an increase in the total project budget (\$10,895,690).

University Hospitals and Clinics--Patient and Public Patio Surface Replacement \$2,750
Hansen Lind Meyer, Iowa City, Iowa

CONSTRUCTION CONTRACTS

University Hospitals and Clinics--A Multi-Disciplinary Rehabilitation Center, an Expanded Orthopaedic Clinic with Radiology, and an Orthopaedic Faculty Office Suite \$7,616,600
Award to: Merit Construction Company, Cedar Rapids, Iowa
(3 bids received)

Medical Laboratories--HVAC and Building Upgrade-- Phases I and II \$663,000
Award to: Modern Piping, Inc., Cedar Rapids, Iowa
(4 bids received)

University Hospitals and Clinics--Colloton Pavilion West Entrance Enclosure and Lobby Development \$403,800
Award to: Merit Construction Company, Cedar Rapids, Iowa
(3 bids received)

Kinnick Stadium Masonry Restoration--Phase II \$310,312
Award to: E & H Restoration, Inc., Davenport, Iowa
(2 bids received)

Old Capitol--Exterior Repairs \$306,210
Award to: Selzer-Werderitsch Construction Company, Inc., Iowa City, Iowa
(3 bids received)

Van Allen Hall--Repair Exterior, Replace Roof-- Asbestos Abatement, Exterior Repairs Package \$203,507
Award to: Iowa-Illinois Thermal Insulation, Inc., Davenport, Iowa
(5 bids received)

Van Allen Hall--Repair Exterior, Replace Roof \$651,040
Award to: Rafoth Furnace and Sheet Metal Works, Inc., Cedar Rapids, Iowa
(3 bids received)

ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

Iowa Advanced Technology Laboratories
Hamilton Industries, Inc., Two Rivers, WI

University Hospitals and Clinics--Frozen Section Laboratory Development
McComas-Lacina Construction Company, Inc., Iowa City, Iowa

University Hospitals and Clinics--Concourse Window Replacement
Robinson Energy Efficient Products, Inc., Baxter, Iowa

University Hospitals and Clinics--Pediatric Faculty Office Development
McComas-Lacina Construction Company, Inc., Iowa City, Iowa

MOTION: Regent Furgerson moved to approve the university's capital register, as presented. Regent Hendricks seconded the motion. MOTION CARRIED UNANIMOUSLY.

REFINANCING OF CHEMISTRY RESEARCH EQUIPMENT UNDER THE MASTER LEASE AGREEMENT. The Board Office recommended the Board approve refinancing of the Chemistry Research Equipment at University of Iowa under the Master Lease Agreement.

Refinancing the Chemistry Research Equipment balance of \$381,395.64 over the remaining four years (of a seven-year lease) will yield present value savings of approximately \$21,300.

The refinancing rate under the Norwest Master Lease is expected to be approximately 4.93 percent, well below the current lease rate of 7.25 percent.

\$5.8 million is available under the current Norwest lease.

MOTION: Regent Tyrrell moved to approve refinancing of the Chemistry Research Equipment at University of Iowa under the Master Lease Agreement. Regent Furgerson seconded the motion. MOTION CARRIED WITH REGENT BERENSTEIN ABSTAINING.

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, June 16, 1993.

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

Register of Personnel Changes for May 1993, which included two requests for early retirement and one phased retirement request; and

Approve the appointments of MARGARET PICKETT, Controller, as University Secretary and JOAN K. THOMPSON as University Treasurer for the fiscal year beginning July 1, 1993, in accordance with Chapter 262.9 of the Code of Iowa.

President Jischke indicated that one of the tenure recommendations included in the Iowa State University personnel register had been deferred from consideration this month.

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

APPROVAL OF POST-AUDIT REPORT. The Board Office recommended the Board refer the post-audit report on Ph.D. Program in Textiles and Clothing at Iowa State University to the Board Office and the Interinstitutional Committee on Educational Coordination for review and recommendation.

Iowa State University officials submitted a post-audit review on the Ph.D. in Textiles and Clothing five years after the initiation of the program. Post-audits are required five years after the Board's approval of a new program to ensure that programs are meeting the goals established at the time that the program was approved.

The preliminary review of this program indicates that it appears to have met and in some instances even exceeded expectations. Enrollments exceeded estimates. Costs have been less than anticipated. Program quality appears to be good. Demand for graduates exceeds supply.

ACTION: This matter was referred by consent.

FISCAL YEAR 1993 BUDGET CEILING INCREASE. The Board Office recommended the Board approve fiscal year 1993 budget ceiling increase of \$667,000 in the General University budget for Iowa State University.

Iowa State University officials requested a budget ceiling increase for fiscal year 1993 of \$667,000. This represents a 0.35 percent increase over the original fiscal year 1993 budget.

The total university revenues will exceed the Regent approved budget by \$667,000 due to the following factors:

- * Greater-than-anticipated indirect cost reimbursements. These are difficult to predict because they are dependent on grant expenditures. In late April 1993, Iowa State University experienced an unusual surge in indirect cost reimbursements which exceeded those of the previous April by almost \$400,000.
- * Interest income exceeded projections because State appropriation transfers to the university have been more timely this year relative to those of the prior two years.
- * Iowa State University's collection experience with tuition and fee assessments has resulted in an improved tuition revenue projection.

The net increase of \$667,000 will be allocated toward the cost of additional space for research-related activities at the Applied Science Center.

MOTION: Regent Tyrrell moved to approve fiscal year 1993 budget ceiling increase of \$667,000 in the General University budget for Iowa State University. Regent Newlin seconded the motion. MOTION CARRIED UNANIMOUSLY.

PRELIMINARY OPERATING BUDGET FOR 1993-94. The Board Office recommended the Board (1) approve preliminary FY 1994 General Fund operating budgets 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
	<u>\$295,975,247</u>

(2) Approve preliminary FY 1994 Athletics and Residence System budgets as follows:

Athletics	\$11,625,000
Residence System	\$30,299,130

(3) Defer action on the proposal to offer medical and dental insurance programs to employees who have responsibility for a domestic partner with whom they have a spousal-type relationship but cannot marry, and refer it for study and recommendation by the Priority Study Committee on Employee Health Insurance.

The proposed General Fund budget of \$295,975,247 is 4.3 percent greater than the FY 1993 original budget. The funds are distributed among budget units 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

Chief revenue components include \$200,182,812 in State appropriations (+4.0 percent), \$74,793,616 in tuition and fees (+\$4.9 percent), federal support of \$12,320,819 (+1.6 percent), and indirect cost recovery of \$6,700,000 (+11.7 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 is estimated to increase by \$700,000 due to a higher negotiated recovery rate and greater sponsored project funding.

The proposed budget includes salary adjustments of \$6,042,825. This amount includes \$4,933,770 funded directly by the State and \$1,109,055 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.

Iowa State University will pay an average 2.5 percent increase for Faculty and Professional & Scientific employees. Full-time Merit System employees will receive a bonus of \$650 (\$325 part-time) plus merit step increases as appropriate.

University officials proposed to offer medical and dental insurance programs to employees who have responsibility for a domestic partner with whom they have a spousal-type relationship but cannot marry. The Board Office

recommended that the Board defer action on this proposal, and refer it for study and recommendation by the Priority Study Committee on Employee Health Insurance.

The proposed expenditure budget is tied closely to the university's strategic plan, as explained in the discussion that follows.

President Jischke distributed a one-page summary of the fiscal year 1994 preliminary budget for Iowa State University. He then discussed the general fund budget by source of revenue, State appropriations increases, changes in revenues, reallocations and central allocations, unavoidable cost increases in the general fund budget, allocation of revenues by strategic planning goals, and increased funding for diversity. With regard to State appropriations increases, he said university officials have no discretion in the use of those funds. Where they have discretion, the strategic plan drives budget decisions.

President Jischke referred to the recommendation on extension of health benefits to domestic partners and said Iowa State University officials would prepare to move forward.

MOTION: Regent Furgerson moved to approve preliminary FY 1994 General Fund operating budgets for Iowa State University as presented on page 950. Regent Tyrrell seconded the motion. MOTION CARRIED UNANIMOUSLY.

MOTION: Regent Tyrrell moved to approve preliminary FY 1994 Athletics and Residence System budgets as presented on page 950. Regent Johnson-Matthews seconded the motion. MOTION CARRIED UNANIMOUSLY.

MOTION: Regent Hendricks moved to defer action on the proposal to offer medical and dental insurance programs to employees who have responsibility for a domestic partner with whom they have a spousal-type relationship but cannot marry, and refer it for study and recommendation by the Priority Study Committee on Employee Health Insurance. Regent Dorr seconded the motion.

Regent Furgerson stated that she did not wish to treat Iowa State University's request different than that of the University of Iowa. She preferred to vote on the matter at this meeting.

Regent Dorr said he still had the same concerns as he expressed when the University of Iowa made its request. He believes it is a policy matter for someone other than the Board of Regents.

Regent Hendricks said she preferred to defer this matter. She did not like the idea of piecemealing these requests for insurance coverage. The Regents should decide if this is a concept they could support. They need to take a more global look.

Regent Tyrrell asked for the rationale for the Board Office recommendation. Mr. Richey responded that the Board established a priority study committee last month to deal with health insurance matters. He felt that as a procedural matter they should honor the role of that study group.

Regent Tyrrell asked if this referral would give Iowa State University a timely answer. President Jischke stated, in light of the Board's action last October concerning the University of Iowa's similar request, the Iowa State University campus committee recommend extending like benefits on its campus for a 3-year trial basis. The Faculty Senate, Professional and Scientific Council and Supervisory and Confidential Council recommended adoption. He said there will be no cost to the university and he felt it would be the appropriate thing to do.

Regent Furgerson stated that University of Iowa officials stated that it had only 16 incidences where this kind of insurance had been taken out. She said that approving the request now would not prevent the recommended study from taking place.

Regent Dorr said he keeps hearing references to the actuarial insignificance of this offering. He has never seen any of it documented. He asked if Blue Cross/Blue Shield had provided a letter to that effect.

Vice President Madden responded that Iowa State University officials had received a letter from Principal Mutual Insurance Company, one of its carriers, that the offering would have no effect on the university's rate structure.

Regent Pellett asked if it was the Board's intent when it passed a similar policy for the University of Iowa a year ago that it would approve similar policies for the other two universities.

President Berenstein stated that he fully expected to treat Iowa State University the same way as the University of Iowa had been treated.

Regent Hendricks asked about the University of Iowa's upcoming increase in insurance rates. Vice President True stated that the university experienced a zero percent rate increase in the last calendar year. University officials are assuming an approximate 14 to 15 percent annual increase.

Mr. Richey noted that the State's increase is close to 19 percent for its comparable policy.

Regent Hendricks stated that she read in the docket information that the University of Iowa was intending to offer health insurance to graduate assistants. She could anticipate a request to cover domestic partners of graduate assistants, also. These issues should be look at by a committee.

- President Berenstein called for the question on the motion to defer this matter to the priority study committee.

VOTE ON THE MOTION:

The motion was voted on, as follows:

AYE: Dorr, Hendricks.

NAY: Berenstein, Furgerson, Johnson-Matthews, Newlin, Pellett, Tyrrell.

ABSENT: None.

MOTION FAILED.

MOTION:

Regent Furgerson moved to approve the proposed change in the health insurance program of Iowa State University which would permit eligible faculty and staff members who have responsibility for a domestic partner whom they cannot marry to cover that partner (at the expense of the faculty or staff member) in the university's health insurance group, effective for a three-year trial period beginning July 1, 1993, and ending June 30, 1996. Regent Tyrrell seconded the motion. MOTION CARRIED WITH REGENTS DORR AND HENDRICKS OPPOSED.

STUDENT HEALTH CENTER. The Board Office recommended the Board refer this matter to the Regents Banking Committee in July for discussion regarding the feasibility of financing and request that the Board Office conduct a review of the funding of the student health center at Iowa State University.

Iowa State University officials requested approval to undertake preliminary project planning of possible construction of a new student health center.

Financing would come from a \$1 million reserve fund and debt financing supported by an additional \$8.00 per student per semester increase in student fees. The proposed student fee support was approved by both the Government of the Student Body and the Graduate Student Senate. The fee would be presented to the Board for approval in the fall as part of the Board's action regarding tuition and fee approval.

The financing of student health centers has been a matter of special concern of the Regents that resulted in a study of their financial support five years ago that recommended fee increases to make them self-supporting. This fee would be in addition to hefty fee increases over the previous three years.

The proposed fee would be in addition to basic tuition and fees and would cause Iowa State University to have higher basic fees than the University of Iowa.

The student health center has an extensive fee structure for the many medical procedures available. Approximately 42 percent of the center's income is derived from these fees for services that the university plans to continue.

The \$1 million surplus raises a question regarding the adequacy of the process of reducing university support to the center, as the new fees were being phased-in, that needs to be clarified.

ACTION: President Berenstein stated the Board, by general consent, referred this matter to the Regents Banking Committee in July for discussion regarding the feasibility of financing and request that the Board Office conduct a review of the funding of the student health center at Iowa State University.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office recommended the Board (1) approve the Register of Capital Improvement Business Transactions for Iowa State University, except for the Student Health Center project; and (2) defer planning approval of the Student Health Center pending further study and a report by the Board Office in July 1993.

PERMISSION TO PROCEED WITH PROJECT PLANNING

Curtiss Hall--Brenton Center Innovative Classroom

The proposed center will utilize new computer technology with systems that will allow electronic interaction between students and instructors, with the possibility of statewide signal distribution through the Iowa Communications Network. The center will include a presentation classroom, video classroom, interactive computer facility, conference facility, and an office and preparation area.

The anticipated space required to accommodate the program is approximately 6,000 net square feet. The center will be located on the ground floor of Curtiss Hall, which will require the remodeling of existing spaces to accommodate the program. Preliminary cost projections are anticipated to exceed \$1 million, not including operational expenses. The project will be funded by private gifts.

Applied Science Center--Office Building

In the fall of 1990 the Federal Aviation Administration established the Center for Aviation Systems Reliability (FAA-CASR) at Iowa State University as part of the Institute for Physical Research and Technology. FAA-CASR was established as a companion center to the Center for Non-Destructive Evaluation (NDE). The FAA-CASR staff conduct research and education development efforts at the Applied Science Complex II at Iowa State University. This facility was originally designed as an NDE research facility paid for from federal funds for NDE staff, as well as the Center for Advanced Technology Development (CATD). Because of the expansion of research and education development activities in the FAA-CASR program, present facilities usage is exceeding maximum capacity.

Ultimately, the facilities needs of the FAA-CASR program will be met by completion of the Engineering Research and Teaching Building. The university received Board approval to begin project planning in May 1993. However, it will be several years before the building will be completed, and there is a need for office space now. Therefore, university officials requested permission to proceed with project planning for the construction of a 12,000 gross square feet building for use as office space in the interim period prior to the completion of the Engineering Teaching and Research Building.

It was anticipated that an open-office concept will be used in the design of the building, limiting permanent walls to a minimum using a modular furniture system to divide office space. The modular furniture will be reused in the Engineering Research and Teaching Building when it is completed. When the FAA-CASR occupants move out, it is planned that the space will be reassigned for library storage and initial design will reflect this plan.

Alternatives to constructing new space were explored, but all involved locations remote from the Applied Sciences Complex. Because FAA-CASR is using laboratories and equipment at the Applied Sciences Complex, it is imperative that office space be there also. The amount of space required would necessitate leasing space at several locations scattered throughout Ames, a situation that is also unacceptable.

The increased sponsored project activity and higher level of indirect cost recovery are providing funding to support the cost of developing this additional space.

In order to expedite the planning and construction process, university officials also requested permission to proceed with the selection of an architect. It is anticipated that the university will return to the Board at the July meeting for approval of the architect selection and negotiated agreement.

Student Health Center

University officials requested permission to proceed with project planning for the proposed construction of a new Student Health Center. The Board Office recommended deferral of a decision on planning until it presents a comprehensive report on the Student Health Center to the Board in July 1993. The university has studied options for providing adequate facilities to meet the Student Health Center's growing demand for health services to the student community. The existing Student Services Building was constructed in 1924 as a 95 bed college hospital. The building was remodeled in 1974 to provide for outpatient medical services, counseling services, and a number of other student affairs activities. The Student Health Center has not experienced any significant renovation since that time. The facility can no longer meet the increasing demand for medical services from an expanding student body in an efficient manner.

The university is considering construction of a 23,000 to 29,000 square feet facility at an estimated cost of \$5 million to \$6 million, to be funded by health fees designated for construction of the facility.

PROJECT DESCRIPTIONS AND BUDGETS

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

Industrial Education II--Raze Northwest Wing \$110,000
Source of Funds: FY 1993 General University Funds

Preliminary Budget

Contracts	\$ 80,000
Design Services	9,600
Construction Administration	4,800
University Services	2,000
Miscellaneous	1,000
Project Reserve	<u>12,600</u>
TOTAL	\$ 110,000

This project will raze 15,500 gross square feet of the northwest wing of the Industrial Education II building. This wing was identified for razing in the space study completed by the university's Committee on Use and Productivity of Space. The facility is currently not in use and has deteriorated to the point that it is unsafe for further use or maintenance.

1993 Institutional Roads Projects--Special Maintenance \$120,000
Source of Funds: 1993 Institutional Roads Maintenance Funds

University officials identified paving maintenance and traffic signal work for the summer of 1993. The campus has experienced significant deterioration in the pavement condition on separate sections of four streets on campus. The streets which require additional maintenance are Stange Road, Union Drive, Lagomarcino turnaround and Hayward Avenue. The work includes milling of existing surfaces, patching and a surface overlay. The traffic signal work includes pedestrian-activated controls, optically-limiting lenses at specified locations, and the removal of signals no longer warranted according to a study by Johnson, Brickell, Mulcahy and Associates, approved by the Board in June 1991 for the Northwest Campus Area--Traffic Signal Study project.

Based on consultation with the Iowa Department of Transportation and Park and Institutional Roads program staff, the university is rebudgeting funds for the maintenance repairs. According to the Board of Regents Institutional Roads program submitted in July 1992, the project work was to be accomplished in 1995 and 1996. However, with the severe deterioration, the recommendation was to accomplish the work this summer. The university intends to extend repayment of the Osborn Drive project into 1995 to permit the maintenance work to proceed in 1993.

The estimated total cost for the five projects is \$120,000. The university will contract the work through their annual maintenance contract.

Applied Science Center--Office Building \$1,150,000

Preliminary Budget

Contracts	\$ 600,000
Design Services	54,625
Construction Administration	19,185
University Services	6,000
Miscellaneous	4,500
Landscaping	6,000
Utility Extensions	30,000
Movable Equipment	330,000
Art Work	5,750
Building Automation	9,000
Telecommunications	12,000
Project Reserve	<u>72,940</u>
 TOTAL	 \$ 1,150,000

Source of Funds

FY 1993 Block Grant Funds or Income from Treasurer's Temporary Investments	\$ 700,000
FY 1994 Provost Office Funds	50,000
FY 1993 and 1994 IPRT Block Grant Funds	<u>400,000</u>
TOTAL	\$ 1,150,000

University officials requested approval of a project description and budget in the amount of \$1,150,000, as outlined above.

* * * * *

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.

* * * * *

CONSTRUCTION CONTRACTS

Dairy Industry--Addition and Renovation--Phase 2, Part C \$639,000
Award to: Harold Pike Construction Company, Inc., Ames, Iowa
(3 bids received)

MOTION: Regent Newlin moved to (1) approve the Register of Capital Improvement Business Transactions for Iowa State University, except for the Student Health Center project; and (2) defer planning approval of the Student Health Center pending further study and a report by the Board Office in July 1993. Regent Furgerson seconded the motion. MOTION CARRIED UNANIMOUSLY.

APPROVAL OF LEASES AND EASEMENTS. The Board Office recommended the Board approve the following leases and easements:

With LORAN SIMPSON for the university's use of 24,887 square feet of storage and research space located at Highway 30 and Interstate 35 in Ames, Iowa, at the rate of \$4,645.57 per month, for a one-year period commencing July 1, 1993, through June 30, 1994;

With the CITY OF AMES for an easement agreement across a portion of university property for the construction of a storm sewer at no cost to the university; and

C O R R E C T E D

IOWA STATE UNIVERSITY
June 16, 1993

With the IOWA STATE RESEARCH FOUNDATION for the transfer of 2.2 acres of land to the university, at an assessed value of \$31,700, for the Reiman Garden project.

MOTION:

Regent Furgerson moved to approve the leases and easements, as presented. Regent Johnson-Matthews seconded the motion, and upon the roll being called, the following voted:
AYE: Dorr, Furgerson, Johnson-Matthews, Newlin, Pellett, Tyrrell.
NAY: None.
ABSENT: None.
ABSTAIN: Berenstein, Hendricks.

MOTION CARRIED. (Regents Berenstein and Hendricks abstained because of possible conflict of interest regarding the University of Iowa's 2060 Partnership lease but wished to be recorded as being in favor of the remainder of the leases.)

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, June 16, 1993.

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

Register of Personnel Changes for May 1993 and

The appointment of JOHN CONNER, Vice President for Administration and Finance, as University Treasurer and GARY SHONTZ, Controller, as University Secretary for the fiscal year beginning July 1, 1993, in accordance with Chapter 262.9 of the Code of Iowa.

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

PROPOSED NEW MASTER OF ARTS IN WOMEN'S STUDIES DEGREE PROGRAM. The Board Office recommended the Board refer the proposed new Master of Arts in Women's Studies degree program to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

University of Northern Iowa officials proposed to establish an M.A. in Women's Studies. The program will be open to persons with a wide variety of undergraduate degrees.

The program does not appear to duplicate any existing M.A. programs.

ACTION: This matter was referred by consent.

PROPOSED NEW MASTER OF SCIENCE IN ENVIRONMENTAL SCIENCE/TECHNOLOGY, COMBINED BS/MS OR BA/MS DEGREE PROGRAM. The Board Office recommended the Board refer the proposed Master of Science in Environmental Science/Technology program to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

University of Northern Iowa officials proposed a new combined B.S./M.S., B.A./M.S. degree program in Environmental Science/Technology. The curriculum emphasizes environmental-related coursework.

Similar programs exist at Iowa State University and the University of Iowa so the Board Office and the Interinstitutional Committee on Educational Coordination will need to look closely at the implications for potential unnecessary duplication.

Anticipated increased costs are \$388,000 in continuing commitments to be funded by State appropriations.

ACTION: This matter was referred by consent.

PRELIMINARY OPERATING BUDGET. The Board Office recommended the Board (1) approve the preliminary University of Northern Iowa operating budget of \$92,592,000 for FY 1994, and (2) approve the University of Northern Iowa Athletic budget of \$4,009,750 and the Residence System budget of \$14,742,637 for FY 1994.

University of Northern Iowa officials proposed a \$92,592,000 budget for FY 1994, an increase of 2.0 percent over 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.

Building repair budget will be incremented \$50,000 on a base of \$500,000. University officials estimate 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 1992-93.

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.

Athletic revenue budgets total \$4,009,750. Expenditures are budgeted at \$3,935,435, with net revenue of \$74,315.

Residence System budgeted revenue is \$14,742,637. Expenditures are anticipated to be \$12,622,445, with net revenue of \$2,120,192 (14.4 percent

of revenue). The balance is used to fund mandatory bond reserves, sinking fund, construction fund, and voluntary reserve funds.

President Curris stated that 82 percent of the University of Northern Iowa's budget was devoted to salaries for fiscal year 1994 due to the labor intensive nature of universities and particularly the University of Northern Iowa. University officials anticipate the total personnel budget will increase 5 percent, that library acquisitions costs will increase 8 percent and that the building repairs budget will increase 10 percent.

MOTION:

Regent Newlin moved to (1) approve the preliminary University of Northern Iowa operating budget of \$92,592,000 for FY 1994, and (2) approve the University of Northern Iowa Athletic budget of \$4,009,750 and the Residence System budget of \$14,742,637 for FY 1994. Regent Furgerson seconded the motion. MOTION CARRIED UNANIMOUSLY.

ALLOCATION OF STUDENT ACTIVITY FEES AND DESIGNATED TUITION. The Board Office recommended that the Board approve University of Northern Iowa proposed distribution of the portion of tuition designated for student activities, student services, and building fees for the 1993-94 academic year, including summer session 1993.

This recommended action relates to approval of the distribution of the portion of tuition designated for student activities, student services, and building fees for 1993-94 and summer 1993.

These funds, known as "designated tuition," are distinguished from mandatory fees required of all students such as computer and health fees that are approved at the same time as full-time tuition (usually in October); and miscellaneous fees largely dependent on individual choices and circumstances such as whether a student signs up for an individualized musical instrument instruction course or wishes a number of transcripts of her/his academic work.

Chapter 262.34B of the 1993 Code of Iowa requires that a ten-member student fee committee consisting of five student government appointees and five university employees make recommendations to the university administration on designated student fees by April 15.

The student fee committee for the University of Northern Iowa was duly formed and made recommendations to the president of the university by the designated date. These recommendations are endorsed by University of Northern Iowa Student Government and were proposed by the university administration.

Summary of Rate Proposal

Proposed increases in designated tuition for fall, spring, and summer terms average 4.4 percent compared to a full time tuition increase of 5.0 percent. The proportion of total tuition that designated tuition represents is 6.5 percent.

Designated tuition rates are the same for fall and spring terms. A separate rate is set for summer term. The rate for fall and spring semesters is \$71.10 and for summer semester is \$31.15.

Total designated tuition revenues projected for 1993-94 are \$1,795,700, a 4.4 percent increase over 1992-93 revenues.

Purposes of Fees and Reasons for Rate Increases

A portion of the tuition paid by students is allocated to student services and activities as well as for the costs of buildings supporting these services and activities.

The proposed increases are in response to inflation, facility, and program needs expressed by students, faculty, and administrators.

Increase Requests by Category

No increases were proposed in monies allocated to student activities, United Students of Iowa, intercollegiate academics or the Fieldhouse.

The largest percentage fall/spring semester increase is to improve the availability of officials and program support staff for Campus Recreation which supports the university's intramural program. The increase proposed was 12.5 percent from \$4.00 to \$4.50.

The largest fall/spring dollar increase and the second highest percentage increase is for Intercollegiate Athletics to support athletic scholarships. The increase proposed was 6.3 percent from \$20.70 to \$22.00.

Other proposed fall/spring semester increases were:

- * an increase of 5.7 percent from \$7.95 to \$8.40 for the Student Union fee for repair and renovation of Maucker University Union.

- * an increase of 5.4 percent from \$9.20 to \$9.70 for the Building Fund to support funding for a wellness/recreation facility and a performing arts center.
- * an increase of 5.0 percent from \$4.80 to \$5.05 for fine arts/cultural activities to enhance cultural and artistic programming for students.

The total amount of designated tuition allocated to student services and activities for the entire fiscal year is projected to be \$1,795,700. The categories in order from largest to smallest are

	Total Amount	Fall/Spring Rate per Student	
		92/93	93/94
Intercollegiate Athletics	\$530,400	\$20.70	\$22.00
Fieldhouse Fee	\$305,800	\$12.50	\$12.50
Building Fund	\$245,400	\$ 9.20	\$ 9.70
Student Union	\$217,800	\$ 7.95	\$ 8.40
Student Organizations	\$177,600	\$ 6.10	\$ 6.10
Fine Arts/Cultural	\$132,900	\$ 4.80	\$ 5.05
Campus Recreation	\$112,200	\$ 4.00	\$ 4.50
Intercollegiate Academics	\$ 55,700	\$ 2.20	\$ 2.20
United Students of Iowa	\$ 17,900	\$.65	\$.65

Vice President Follon stated that this item was well presented by the Board staff. She then introduced Mike Dawson, President of the Northern Iowa Student Government.

Mr. Dawson discussed how the students developed their recommendations.

MOTION: Regent Johnson-Matthews moved to approve University of Northern Iowa proposed distribution of the portion of tuition designated for student activities, student services, and building fees for the 1993-94 academic year, including summer session 1993. Regent Furgerson seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

RESIDENT SYSTEM FUND TRANSFER. The Board Office recommended the Board approve the University of Northern Iowa request for transfer of \$300,000 to the Residence System Improvement Fund from the Residence System Surplus Fund.

University of Northern Iowa officials requested a transfer of \$300,000 to the Residence System Improvement Fund from the Residence System Surplus Fund.

The Residence System Improvement fund supports renovation and capital improvement projects for the residence system. Each year the university places in the Residence System Improvement Fund \$250,000 taken from annual residence system operating revenues.

Article III, Section 3.02(e) of the university's 1964 dormitory bond resolution states that transfers from the Residence System Surplus Fund are permissible under certain conditions with Board approval.

University officials stated that it has met all the conditions stated in the bond resolution so that a transfer of funds would be allowable.

University officials requested the transfer because current annual mandatory transfers are inadequate to cover actual renovation and improvement projects that are planned. Failure to transfer funds will result in a curtailment of the ongoing program of equipment replacement, renovation and major repairs.

President Berenstein asked if university officials had met all the conditions set forth in the bond indenture. Vice President Follon responded that they had.

MOTION: Regent Furgerson moved to approve the University of Northern Iowa request for transfer of \$300,000 to the Residence System Improvement Fund from the Residence System Surplus Fund. Regent Johnson-Matthews seconded the motion. MOTION CARRIED UNANIMOUSLY.

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

PERMISSION TO PROCEED WITH PROJECT PLANNING

Recreation/Wellness Center

University officials requested approval to proceed with project planning for the development of a Recreation/Wellness Center to serve the university's increased emphasis on wellness teaching, research, recreation and community services. The new facility will be designed to deliver wellness programming and services to students, faculty and staff.

The university's general education program requires students to complete a semester in personal wellness. Currently, minimal outdated and inadequate space is available on campus to direct the university's wellness programming in addition to the academic programs in health, physical education and leisure services.

The total project cost for the center is estimated at \$17.97 million, with \$12.8 million being requested from the State general fund. The remainder, \$5.17 million, would be funded by building funds for student activities. The building will contain wellness laboratories, classrooms, lecture halls, multi-purpose activity/sports courts, conditioning areas, faculty offices, swimming facilities and supporting service areas.

A building program has been developed. Permission to proceed with project planning would allow refinement of the program document. Planning costs are estimated not to exceed \$1.3 million.

Regent Hendricks stated that much credit should be given to the students for saving \$4 million to go to this project. In light of the deferred maintenance needs, she said she wished they would seek private funds to fund a large majority of the Recreation/Wellness Center so they would not have to go to the legislature for tuition replacement funds. She suggested the Regents incorporate something to encourage private donations and not necessarily request tuition replacement funds for this project.

Mr. Richey stated that the Regents have a standing request before the legislature for this biennium for the amount reported. The legislature did not act on it this session so it is pending. The Regents' existing policy is that the project be funded this way.

Regent Furgerson noted that the request was for planning money.

Regent Hendricks said she wanted to have the option of looking at where the funding for this project will be coming from.

PROJECT DESCRIPTIONS AND BUDGETS

University officials submitted one revised project budget for Board approval.

Library Addition

Nov. 1989 Budget	<u>\$7,000,000</u>
Sept. 1991 Budget	<u>\$7,000,000</u>
June 1993 Budget	<u>\$7,837,000</u>

Project Budget

	Original Budget <u>Nov. 1989</u>	Revised Budget <u>Sept. 1991</u>	Revised Budget <u>June 1993</u>
Contracts/Purchase Orders	\$ 5,080,000	\$ 5,080,000	\$ 5,437,000
Consultant and Design Services	610,000	610,000	610,000
Furnishings and Equipment	650,000	650,000	650,000
Utility Connections	150,000	150,000	150,000
Art Work	35,000	35,000	35,000
Miscellaneous	200,000	200,000	200,000
Bond Issuance Costs	0	0	40,000
Pre-Funded Bond Reserve Fund	0	0	440,000
Contingencies	<u>275,000</u>	<u>275,000</u>	<u>275,000</u>
TOTAL	<u>\$ 7,000,000</u>	<u>\$ 7,000,000</u>	<u>\$ 7,837,000</u>

Source of Funds:	Academic Building Revenue Bonds	\$ 7,440,000
	Project Notes, Series 1991	382,700
	State Appropriations, 73rd General Assembly, 1989 Session	<u>14,300</u>
TOTAL		<u>\$ 7,837,000</u>

University officials requested approval of a revised budget for the Library Addition project in the amount of \$7,837,000 to reflect increased construction costs since approval of the initial project budget in 1989 and authorization of \$7,440,000 in Academic Building Revenue Bonds for construction of the project. The bonds will be issued by the Board at this meeting, and construction of the project will commence this summer.

* * * * *

University officials presented the following project for the President's Residence.

President's Residence--Exterior Painting and Repair \$18,500
Source of Funds: Building Repairs

Preliminary Budget

Contract/Purchase Orders	\$ 17,500
Contingencies	<u>1,000</u>
TOTAL	\$ 18,500

This project will provide repair and replacement of gutters, cleaning and painting of porches, handrails, overhangs, cornice, ventilators, dormers, gutters, downspouts and related items. This project was presented to the Board in accordance with Section 9.06.E of the Board of Regents Procedural Guide, which requires that renovation, modification or improvement projects to the residence of an institutional head which exceed \$5,000 be approved by the Board.

* * * * *

ARCHITECT/ENGINEER AGREEMENTS

Commons Renovation--Phase I--Asbestos Abatement \$5,500
Iowa Environmental Services, Des Moines, Iowa

University officials requested approval of an agreement with Iowa Environmental Services, Des Moines, Iowa, for asbestos abatement services prior to renovation of the Commons. The agreement provides for a fee of \$5,500.

Library Addition--Asbestos Abatement \$6,950
Iowa Environmental Services, Des Moines, Iowa

University officials requested approval of an agreement with Iowa Environmental Services, Des Moines, Iowa, for asbestos abatement services for the roof of the University Library prior to beginning construction of the Library Addition. The agreement provides for a fee of \$6,950.

Amendments:

Center for Energy and Environmental Education \$1,701.28
Wells, Woodburn, O'Neil, Des Moines, Iowa

ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

Classroom Office Building--Art Work \$71,500
Fletcher C. Benton, San Francisco, CA

Seerley Hall Renovation--Classroom Furnishings \$54,800
J. S. Latta Company, Cedar Falls, Iowa

FINAL REPORTS

Price Laboratory School--Day Care Center \$274,831.93

MOTION: Regent Dorr moved to approve the university's capital register, as

presented. Regent Hendricks seconded the motion. MOTION CARRIED UNANIMOUSLY.

SALE AND AWARD OF \$7,440,000 ACADEMIC BUILDING REVENUE BONDS, SERIES U.N.I. 1993. The Board Office recommended the Board, subject to the receipt of acceptable bids:

- (1) Adopt A Resolution providing for the sale and award of \$7,440,000 Academic Building Revenue Bonds, Series U.N.I. 1993, and approving and authorizing the agreement of such sale and award.
- (2) Adopt A Resolution authorizing and providing for the issuance and securing the payment of \$7,440,000 Academic Building Revenue Bonds, Series U.N.I. 1993, for the purpose of constructing, equipping and improving an addition to the Donald O. Rod Library to be located on the campus of the University of Northern Iowa, and paying costs of issuing the Bonds.

The proceeds from the sale of these bonds will be used for the construction of an addition to the Donald O. Rod Library on the University of Northern Iowa campus.

Bond Specifics

Average Maturity: 14.63 years

Bonds Dated: July 1, 1993

Interest Due: July 1 and January 1 commencing January 1, 1994

Optional Call: Bonds maturing on or after July 1, 2004, are callable commencing July 1, 2003, at par

Denomination: \$5,000 and integral multiples thereof

Mr. Anderson stated that three bids were opened at 11:30 that morning. He reported on the bids, as follows: The first bid was received from Merrill Lynch and Co. for a total interest cost of \$5,446,862.60 and a true interest rate of 5.0015 percent. The second bid was received from Piper Jaffray, Inc. for a total interest cost of \$5,338,637.70 and a true interest rate of 4.9028 percent. The third bid was received from Chiles Heider, Division of Lehman Brothers for a total interest cost of \$5,252,480.10 and a true interest rate of 4.8242 percent. Mr. Anderson said the last of the bids was the lowest and was an extremely attractive proposal. He then recommended acceptance of the bid of Chiles Heider, Division of Lehman Brothers.

MOTION: Regent Hendricks moved to adopt A Resolution providing for the sale and award

of \$7,440,000 Academic Building Revenue Bonds, Series U.N.I. 1993, and approving and authorizing the agreement of such sale and award. Regent Newlin seconded the motion, and upon the roll being called, the following voted:

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

NAY: None.

ABSENT: None.

MOTION CARRIED UNANIMOUSLY.

MOTION:

Regent Hendricks moved to adopt A Resolution authorizing and providing for the issuance and securing the payment of \$7,440,000 Academic Building Revenue Bonds, Series U.N.I. 1993, for the purpose of constructing, equipping and improving an addition to the Donald O. Rod Library to be located on the campus of the University of Northern Iowa, and paying costs of issuing the Bonds. Regent Furgerson seconded the motion, and upon the roll being called, the following voted:

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

NAY: None.

ABSENT: None.

MOTION CARRIED UNANIMOUSLY.

REPORT ON FIRE AT PRICE LABORATORY SCHOOL. The Board Office recommended the Board receive the oral report on the fire at Price Laboratory School.

President Curris circulated 4 snapshots of the fire which occurred on June 8, 1993. He said the Fieldhouse, which is connected to and part of Price Laboratory School, is a total loss. It has now been determined that the cause of the fire was arson. Three 10-year-olds set gym mats on fire which was aided by strong winds that day. He noted that the individuals had been remanded to juvenile authorities. He said he would be coming before the Board with a request to authorize University of Northern Iowa officials to transmit to the State Executive Council a couple of requests. The State of Iowa is engaged in self insurance.

President Curris stated that the immediate task was to clean up and remove the debris. Asbestos was added in the ceilings when the facility was built. It was estimated that the cost would be approximately \$170,000 to totally clean up the site. He noted that a fire wall separated the rest of the laboratory school from the gymnasium and prevented the fire from expanding to the rest of the facility.

University of Northern Iowa officials are proceeding under the provisions of the State of Iowa to replace the facility through the self-insurance program. University officials are in the process of securing the services of an independent architect to assign a financial figure to replacement of the facility. He said the State Auditor's Office is responsible for assessing the value of the claim and the Department of Management provides staff services.

President Curris said he hoped to be back to the Board in July with some indication of what the cost of replacement would be. University officials are in the process of securing the services of an outside independent architect. The temporary arrangements for the facility that was destroyed will be satisfactory for the summer. Electricity has been restored. He said there would be no problem making full utilization of the facility for the fall. Their major concerns deal with physical education and health education. The facility assisted with Price Laboratory School student teachers and prospective students. It was a primary place for observation and teaching. University officials are in the process of planning alternate arrangements.

President Curris concluded by stating that he appreciated the willingness of all parties to participate in the planning process.

President Berenstein suggested that President Curris prepare a press release of what happened and the timetable he had outlined. He would appreciate the press talking to President Curris.

President Berenstein then stated that President Curris had handled the situation well. He had taken a difficult situation and in a short period of time was moving toward resolution. He commended President Curris on how he had handled this matter and kept damage to a minimum.

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

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

IOWA SCHOOL FOR THE DEAF

The following business pertaining to Iowa School for the Deaf was transacted on Wednesday, June 16, 1993.

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

Register of Personnel Changes for May 1993 and

Approve the appointment of CHRIS NELSON as institution Secretary and Treasurer for the fiscal year beginning July 1, 1993, in accordance with Chapter 262.9 of the Code of Iowa.

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

REPORT ON ACCREDITATION BY NORTH CENTRAL ASSOCIATION. The Board Office recommended the Board receive the report on the accreditation renewal of the Iowa School for the Deaf by the North Central Association of Colleges and Schools.

Elementary and secondary schools in Iowa are accredited by the North Central Association of Colleges and Schools, the U.S. Department of Education-recognized accrediting agency for this region of the country.

Each school undertakes a major review every seven years and a review of progress reports every year--this renewal is based only on progress reports. A similar report was given to the Board last month for the Iowa Braille and Sight Saving School.

The only deficiency noted was the provisional certification of one of the pre-school faculty. This teacher has taken the required coursework to obtain full certification since the last review of credentials by the NCA Committee.

Superintendent Johnson stated that the one deficiency had been corrected.

ACTION: President Berenstein stated the Board received the report on the accreditation renewal of the Iowa School for the Deaf by the North Central Association of Colleges and Schools, by general consent.

REQUEST FOR APPROVAL OF IOWA SCHOOL FOR THE DEAF NATURE TRAIL. The Board Office recommended the Board approve the project description and budget for the Environmental Education Nature Trail at the Iowa School for the Deaf.

Iowa School for the Deaf officials requested approval of a project description and budget for the development of the Environmental Education Nature Trail. The nature trail will be a public area dedicated to serve the comprehensive environmental education needs of children and adults of all abilities.

The cost of developing the nature trail is estimated at \$200,000.

The project has been designed in a three-phase format to be completed over a five- to ten-year time frame.

The majority of the project costs will be obtained through donations, volunteer contributions and grants from various entities.

Superintendent Johnson distributed a brochure from the landscape architect. With regard to funding, he stated that Pheasants Forever had given more than \$2,000 for the prairie grass. Ducks Unlimited and Quail Unlimited had given the same amount of money. The Department of Transportation has given \$5,000 for the roadside portion of the project. United States Fish and Wildlife is interested in the wetland project and will fund that fully. He said there are a number of things that are ready to be done. This project is designed to be instructional in nature and to be accessible to anyone. It is a unique situation for the area and for the schools in the area.

MOTION: Regent Pellett moved to approve the project description and budget for the Environmental Education Nature Trail at the Iowa School for the Deaf. Regent Johnson-Matthews seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

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

PROJECT DESCRIPTIONS AND BUDGETS

School officials presented a revised project budget for the Administration Building Roof Replacement project.

Administration Building Roof Replacement

May 1993 Budget \$375,000
Revised Budget \$490,000

Preliminary Budget

	<u>May 1993 Budget</u>	<u>Revised Budget</u>
Engineering Fees	\$ 50,000	\$ 20,000
Construction	275,000	449,315
Masonry	0	12,000
Contingency	<u>50,000</u>	<u>8,685</u>
TOTAL	<u>\$ 375,000</u>	<u>\$ 490,000</u>
 <u>Source of Funds</u>		
Building and Repair Maintenance Funds	\$ 75,000	\$ 95,000
FY 1993 Tuition Replacement Funds	<u>300,000</u>	<u>395,000</u>
TOTAL	<u>\$ 375,000</u>	<u>\$ 490,000</u>

Iowa School for the Deaf officials requested approval of a revised budget in the amount of \$490,000, an increase of \$115,000 over the budget approved by the Board in May 1993.

Two bids were received for the roof replacement project on May 27, 1993. The bids totaled \$449,315 and \$728,500 for the base bid plus four alternates, and exceeded the project budget of \$375,000 by at least 19 percent. School officials requested approval of the revised budget to allow award of the construction contract to the low bidder in the amount of \$449,315. The contract will be awarded by the Executive Director.

A major factor for the increased cost of the project is the need to remove asbestos materials which were found in the underlayment of the tile roof. The project budget presented at the May Board meeting in the amount \$375,000 was approved by the Board subject to possible modification, depending on the result of the asbestos assessment.

The revised budget reflects an increase in Building and Repair Maintenance Funds, for a total commitment from the Iowa School for the Deaf of \$95,000. The budget also reflects an increase in the amount of tuition replacement funds to be transferred to the school, for a total of \$395,000. The Director of the Department of Management has given preliminary approval to the transfer of the additional tuition replacement funds.

Director Specter stated that when this project was presented to the Board last month the budget was recommended as a preliminary budget because of the uncertainty of what the asbestos abatement costs would be.

Environmental Education Nature Trail

Iowa School for the Deaf officials requested approval of a project description and budget for the development of a nature trail to surround the Iowa School for the Deaf campus.

MOTION: Regent Furgerson moved to approve the school's capital register. Regent Tyrrell seconded the motion. MOTION CARRIED UNANIMOUSLY.

TENANT LEASES. The Board Office recommended the Board approve leases, as follows:

With various tenants in the school-owned residences, apartments and garages ranging in rent from \$114 per month for the residences, \$208 per month for the apartments, and \$20 per month for the garages, for the term July 1, 1993, through June 30, 1994.

MOTION: Regent Furgerson moved to approve leases, as presented. Regent Johnson-Matthews seconded the motion, and upon the roll being called, the following voted:
AYE: Dorr, Furgerson, Johnson-Matthews, Newlin, Pellett, Tyrrell.
NAY: None.
ABSENT: None.
ABSTAIN: Berenstein, Hendricks.

MOTION CARRIED. (Regents Berenstein and Hendricks abstained because of possible conflict of interest regarding the University of Iowa's 2060 Partnership lease but wished to be recorded as being in favor of the remainder of the leases.)

FISCAL YEAR 1994 BUDGET. The Board Office recommended the Board approve the preliminary budget of \$6,501,264 for Iowa School for the Deaf in the fiscal year 1994.

The \$6.5 million preliminary budget, a 2.8 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 appropriation increased \$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 \$11,000 for equipment, \$9,000 for utilities, and \$25,000 for building repairs.
- * Reduced the largest amount by reallocation are Professional and Scientific Supplies by an amount of \$44,135.

MOTION:

Regent Furgerson moved to approve the preliminary budget of \$6,501,264 for Iowa School for the Deaf in the fiscal year 1994. 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 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, June 16, 1993.

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

Register of Personnel Changes for the period April 25 to May 22, 1993, and

Appointment of SCOTT HAUSER as institution Secretary and Treasurer for the fiscal year beginning July 1, 1993, in accordance with Chapter 262.9 of the Code of Iowa.

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

APPROVAL OF 1993-94 SCHOOL CALENDAR. The Board Office recommended the Board approve the calendar proposed by the Iowa Braille and Sight Saving School for the 1993-94 school year.

Iowa Braille and Sight Saving School officials requested approval of its 1993-94 school calendar, which is similar to the one approved by the Board in May 1992.

The proposed calendar has 189 faculty days of which 180 are scheduled as teaching days. This policy is specified in the IBSSS Employee Handbook, which was approved by the Board in July 1989.

The calendar adheres closely to that of Vinton Community Schools.

The calendar was developed in accordance with the plan approved by the Board in December 1991 to bus students home every weekend beginning with the 1992-93 school year.

The school year will begin August 30, 1993, and end on June 3, 1994.

MOTION: Regent Johnson-Matthews moved to approve the calendar proposed by the Iowa Braille and Sight Saving School for the 1993-94 school year. Regent Furgerson seconded the motion. MOTION CARRIED UNANIMOUSLY.

PRELIMINARY OPERATING BUDGET PROPOSAL FOR FISCAL YEAR 1994. The Board Office recommended the Board approve the preliminary budget of \$3,701,982 for Iowa Braille and Sight Saving School in the fiscal year 1994.

The \$3.7 million preliminary budget, a 2.1 percent increase, supports educational programs for visually impaired and blind youth.

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. Also, \$50,000 was 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.

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 95.8 percent of revenues.

The remaining revenue sources are federal support (2.7 percent), interest income, indirect cost recovery, sales and services and other income (fractional percentages each).

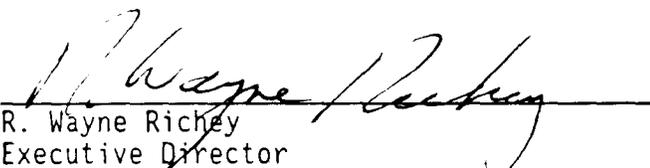
Director Hauser stated that Iowa Braille and Sight Saving School officials were pleased to be expecting three sources of new funding. He discussed the projected enrollment on campus, outreach off campus and summer school, and said they were expecting all-time highs.

MOTION:

Regent Furgerson moved to approve the preliminary budget of \$3,701,982 for Iowa Braille and Sight Saving School in the fiscal year 1994. 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 Iowa Braille and Sight Saving School. There were none.

ADJOURNMENT. The meeting of the State Board of Regents adjourned at 5:05 p.m., on Wednesday, June 16, 1993.


R. Wayne Richey
Executive Director