

The State Board of Regents met on Wednesday, June 17, and Thursday, June 18, 1992, at the University of Iowa, Iowa City, Iowa. The following were in attendance:

	<u>June 17</u>	<u>June 18</u>
<u>Members of State Board of Regents</u>		
Mr. Pomerantz, President	Excused at 3:51 p.m.	All sessions
Mr. Berenstein	Excused at 4:40 p.m.	Excused
Mr. Dorr	All sessions	All sessions
Mr. Fitzgibbon	All sessions	All sessions
Ms. Furgerson	All sessions	All sessions
Ms. Hatch	All sessions	All sessions
Ms. Johnson	All sessions	All sessions
Dr. Tyrrell	All sessions	All sessions
Mrs. Williams	All sessions	All sessions
<u>Office of the State Board of Regents</u>		
Executive Director Richey	All sessions	All sessions
Deputy Executive Director Barak	All sessions	All sessions
Director Kominski	All sessions	Excused
Director Smith	All sessions	Excused
Assistant Director Hudson	All sessions	All sessions
Minutes Secretary Briggie	All sessions	All sessions
<u>State University of Iowa</u>		
President Rawlings	All sessions	All sessions
Vice President Nathan	All sessions	Excused
Vice President Rhodes	All sessions	All sessions
Interim Vice President True	All sessions	Excused
Associate Vice President Small	All sessions	Excused
Director Yanecek	All sessions	Excused
<u>Iowa State University</u>		
President Jischke	Excused at 4:28 p.m.	Excused
Interim Provost Swan	Excused at 4:28 p.m.	Excused
Vice President Madden	Excused at 4:28 p.m.	Excused
Assoc. to the President Adams	Excused at 4:28 p.m.	Excused
Exec. Ass't. to Pres. Mack	Excused at 4:28 p.m.	Excused
Ass't. to President Bradley	Excused at 4:28 p.m.	Excused
Director Jensen	Excused at 4:28 p.m.	Excused
<u>University of Northern Iowa</u>		
President Curris	Excused at 4:46 p.m.	Excused
Provost Marlin	Excused at 4:46 p.m.	Excused
Vice President Conner	Excused at 4:46 p.m.	Excused
Vice President Follon	Excused at 4:46 p.m.	Excused
Executive Assistant to the President Stinchfield	Excused at 4:46 p.m.	Excused
Director Geadelmann	Excused at 4:46 p.m.	Excused
Director Chilcott	Excused at 4:46 p.m.	Excused
<u>Iowa School for the Deaf</u>		
Superintendent Johnson	Excused	
Business Manager Nelson	Excused at 4:29 p.m.	Excused
<u>Iowa Braille and Sight Saving School</u>		
Superintendent Thurman	Excused at 4:43 p.m.	Excused
Director Hauser	Excused at 4:43 p.m.	Excused

GENERAL

The following business pertaining to general or miscellaneous business was transacted on Wednesday, June 17, 1992.

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

MOTION: Regent Berenstein moved to enter into closed session. Regent Williams seconded the motion, and upon the roll being called, the following voted:
AYE: Berenstein, Dorr, Fitzgibbon, Furgerson, Hatch, Johnson, Pomerantz, Tyrrell, Williams.
NAY: None.
ABSENT: None.

The Board having voted at least two-thirds majority resolved to meet in closed session beginning at 9:17 a.m. on Wednesday, June 17, 1992, and recessed therefrom at 10:58 a.m. on that same date. The Board reconvened in open session at 1:08 p.m.

APPROVAL OF MINUTES OF BOARD MEETING, MAY 20, 1992. President Pomerantz asked for corrections, if any, to the Minutes.

Mr. Richey noted that the Regents had been provided with proposed corrections to the May 20, 1992, Minutes, pages 919-920.

Regent Fitzgibbon asked for a correction to the May 20 Minutes on page 924 to indicate that he voted "aye" on the motion.

ACTION: President Pomerantz stated the Board approved the Minutes of the May 20, 1992, meeting, as corrected, by general consent.

INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION. (a) American Sign Language. The Board Office recommended the Board receive the report on American Sign Language.

The Interinstitutional Committee on Educational Coordination reported on the actions taken with respect to the recommendations of the ad hoc American sign Language Committee established by the Board of Regents in response to Senate File 23. The ad hoc committee recommended that:

1. Regent universities accept American Sign Language as meeting the foreign language requirement for admission and graduation;
2. Regent universities offer coursework in American Sign Language; and
3. Regent universities begin to develop curriculum to meet the licensure requirements for American Sign Language.

The appropriate faculty governance bodies of each of the three Regent universities have approved American Sign Language as meeting the foreign language admission and graduation requirements.

University of Iowa officials are developing a proposal for a four semester sequence of American Sign Language that would meet the university's general education requirements and is investigating the establishment of a teacher education program to provide for the licensure requirements to teach American Sign Language in the public schools.

Provost Marlin reviewed with the Regents the ad hoc committee's recommendations. She thanked Superintendent Johnson for meeting with the committee members. It was truly educational to them. When the statewide telecommunications system is operational Superintendent Johnson hopes to link in some of the resources of the Iowa School for the Deaf.

Regent Dorr asked if the Regents are required to adopt the recommendations. Also, by adopting the recommendations are they suggesting the curriculum will be instituted at all three institutions? He also wanted to know what was the demand for this and can it be justified costwise?

Provost Marlin responded that the curriculum will be developed at only one of the universities. University of Iowa officials are currently investigating the questions of need and cost for the program. The answers to those questions would be determined before implementing the curriculum.

Director Barak noted that the recommended action at this point was just to receive the report.

ACTION: President Pomerantz stated the Board received the report on American Sign Language, by general consent.

(b) Annual Report of the Committee on Educational Relations and Community College Visitations. The Board Office recommended the Board:

- (1) Receive the annual report of the Regents Committee on Educational Relations.
- (2) Receive the report on the Annual Evaluations of Community Colleges and approve the recommendations.
- (3) Request that the Educational Relations Committee continue to work diligently and cooperatively with the Statewide Articulation Committee of the Iowa Coordinating Council for Post-High School Education to resolve articulation issues and problems.
- (4) Request that any proposed changes in Regent admission requirements be (a) brought to the Committee on Educational Relations for review and comment prior to formal institutional action; (b) discussed with representatives of secondary schools and that information regarding level of student compliance with admission requirements be provided to high school representatives through correspondence; and (c) brought to the Statewide Articulation Committee of the Iowa Coordinating Council for Post-High School Education for review and comment prior to formal institutional action and submission to the Board of Regents.
- (5) Request that the Committee on Educational Relations give consideration to the development of a common Regent university approach to the acceptance of credit for high school students participating in the Iowa Postsecondary Education Enrollment Act.
- (6) Request that the Committee develop recommendations for enhancing opportunities for Native American Indians at the Regent universities.

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

The Educational Relations Committee's functions include: (1) maintaining cooperative relationships with other postsecondary institutions in the state, (2) facilitating articulation between and among the high schools and postsecondary institutions in the state, (3) making recommendations on undergraduate admission requirements, and (4) participating along with the State Department of Education in developing and implementing approval standards for the state's community colleges.

Last year the Committee dealt with concerns related to articulation, Regent undergraduate admission requirements, the establishment of a Bachelor of Applied Technology degree, the establishment of an Indian (Native American) Education Specialist, and continued to assist in the annual evaluation of the community colleges.

On the issue of articulation the Committee sponsored the annual articulation conference, focusing this year on discipline-specific articulation, and agreed with the Statewide Articulation Committee of the Iowa Coordinating Council on Post-High School Education to jointly sponsor the conference in the future.

On issues related to admission requirements the Committee explored the issue of commonality among the three universities' requirements, and reviewed the recently imposed high school course requirements.

When University of Northern Iowa's required years of high school science are raised from two to three in 1995, the three universities will have the same basic high school course requirements in English, mathematics, science, and social studies. Differences will remain in foreign languages, elective courses, and in the restrictions placed on what high school courses may be counted toward the requirements.

The percentages of entering Regent students in 1991 who fully met the high school course requirements (SUI-84 percent, ISU-85 percent, UNI-92 percent) has increased significantly over 1990 (SUI-81 percent, ISU-83 percent, UNI-87 percent).

The Committee recommended that any changes in admission requirements be brought to the Committee for review and comment on issues related to commonality prior to implementation.

The Committee felt that program-by-program articulation is academically superior to offering a Bachelor of Applied Technology as a method for offering baccalaureate education to vocational/technical students.

The Committee recommended against establishing an Indian (Native American) Education Specialist position because establishing such a position for a single special population, when many other special populations also need attention, may lead to charges of bias or prejudice. The Committee does feel the overall objective of enhancing the education of special populations is desirable and made a number of suggestions related to this issue.

Members of the Educational Relations Committee participated in the annual evaluations of the state's community colleges. All the community colleges were recommended for approval. The statutory obligations for the participation of the Board of Regents in the evaluation process expires this year and the exact extent and form of future Regent participation is uncertain.

Jerald Dallam reviewed the committee's report with the Regents.

Regent Dorr referred to recommendation (6) requesting that the Committee develop recommendations for enhancing opportunities for Native Americans at the Regent universities. He noted that the Committee did not recommend establishing a Native American Education Specialist. Was the Board Office suggesting that further study be undertaken?

Mr. Richey noted that the Board had received a request from representatives of the Native Americans to make a presentation to the Regents. He said the Native American issue should be given serious consideration and further study.

Regent Berenstein said he did not understand the implications of the recommended action, and asked that the matter be tabled until next month.

Regent Williams noted that all that was being recommended was to authorize that they look at the questions.

President Pomerantz said there were no program implications and no money would be expended at this point.

Regent Dorr pointed out that he had some reservations about the suggestion in recommendation (6) to further study enhancing opportunities for Native Americans especially in light of the Committee's feeling that they did not want to establish a Native American Education Specialist. They could study this "forever".

Regent Williams stated that the Board Office recommendation was exactly what the committee recommended they do.

Mr. Richey stated that this issue has implications beyond what was presented. Representatives of the Native American population in Iowa have made extensive contacts with the institutions over the past several years. The Governor's Office asked the Regents to look into their concerns very seriously to ascertain what is possible. The recommended action continues to address the charge assigned to the Regents by the Governor's Office. Next month representatives of the Native American group will make suggestions to the Regents.

Regent Williams noted that what the report does not recommend is that an Indian Education Specialist be established.

MOTION:

Regent Furgerson moved to approve the recommended action. Regent Williams seconded the motion, and it carried unanimously.

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Regent Williams referred to the annual evaluations of the community colleges. The Regents have received this report every year. All of the community colleges were recommended for approval this year. She asked if this is a fairly perfunctory or a rigorous process.

Director Barak said the persons who do the actual visits perform a rigorous process. The Board's action is only perfunctory. He noted that this was the last time the Regents would receive the annual report on the community colleges.

Mr. Richey stated that the Board of Regents' involvement in the community college approval process was a matter of law. A couple of years ago an amendment was "slipped in" that removed the Board of Regents from the process but allowed that they be invited to participate. He pointed out that this was a very important issue in terms of the opportunity for the community colleges to get the views of the Regents' experts who participate in these visits. The visits help to link the two segments of post-secondary education in a somewhat informal way.

Regent Williams stated that the Iowa Higher Education Strategic Planning Council is dealing in this area. It is important for the Council to know what is going on.

Regent Hatch said she supported the need to continue to address the articulation problem. The secondary schools will be happy to participate in that effort. She noted that she knew of instances where the University of Iowa College of Education would not accept courses from the University of Northern Iowa College of Education, and the University of Northern Iowa would not accept courses from the University of Iowa.

(c) University of Iowa Course Changes. The Board Office recommended the Board approve the proposed course changes at the University of Iowa.

University of Iowa officials presented its list of course changes. The data indicate that during the period since the last report, 359 courses were added to the curriculum while 425 were eliminated, for a net decrease of 66 courses.

The greatest reduction in courses occurred in Liberal Arts, which added 234 courses while dropping 327 courses. The health colleges added 55 new courses while dropping 32 for a net of 23 additional courses. Other colleges made small changes in the numbers of courses offered.

The course changes were reviewed by the Interinstitutional Committee and the Board Office and were recommended for approval.

Regent Dorr asked if these were just course changes and did not add or subtract majors. Mr. Richey responded that these were just course changes. University officials have identified where the course changes may be leading.

MOTION: Regent Dorr moved to approve the proposed course changes at the University of Iowa. Regent Furgerson seconded the motion, and it carried unanimously.

(d) University of Iowa Physician Assistant Program. The Board Office recommended the Board approve the new degree program called the Master of Physician Assistant Studies at the University of Iowa effectively immediately.

University of Iowa officials requested approval of a new degree program called the Master of Physician Assistant Studies. This proposal concerns the conversion of an existing Physician Assistant baccalaureate program to a graduate-level program awarding a Master of Physician Assistant Studies upon completion.

The Physician Assistant profession has experienced a significant expansion in the role and clinical responsibilities that has necessitated changes in the level and breadth of the educational preparation for the degree.

The request was reviewed by the Interinstitutional Committee and the Board Office and was recommended for approval.

Sixty-eight percent of the students currently enrolled in this program are female.

University officials reported that there was no unnecessary duplication between this program and the Nurse Practitioner Program.

No additional resources were requested.

Interim Provost Swan stated that the Interinstitutional Committee felt this was an appropriate change in curriculum.

MOTION: Regent Berenstein moved to approve the new degree program called the Master of Physician Assistant Studies at the University of Iowa effectively immediately. Regent Dorr seconded the motion.

Regent Dorr asked what impact the recommendation would have on the availability of physician assistants in rural Iowa. Vice President Nathan responded that it is university officials' conviction that creating a Master's opportunity will significantly increase the quality of entering students making available to rural areas of Iowa even better quality physician assistants. It was his understanding that permitting this program to convert to a Master's program increases the pool of high-quality applicants. About

one-half of the graduates of the program remain in Iowa and many work in rural areas.

Interim Provost Swan stated that the Interinstitutional Committee on Educational Coordination found that of the students now entering the program, most already have Bachelor's degrees. The large majority of entering students desire to obtain the higher level curriculum that a Master's degree represents. In looking at the numbers, the committee members concluded there would not be an elimination of students on the basis of the credentials for getting into the program at the Master's level.

Regent Dorr stated that when the Physician Assistant program began Iowa was in desperate need of doctors. This was the way they got some qualified medical help. He expressed concern that the recommendation may limit the supply of Physician Assistant students.

Regent Tyrrell asked if there was a provision for students to obtain a combined degree. Professor Dennis Oliver, Director of the Physician Assistant program, stated that they currently have a combined program for Physician Assistants in Exercise Science as well as Preventive Medicine.

Regent Tyrrell said he did not have a degree when he entered the College of Medicine. He enrolled in a combined program. After attaining 96 credit hours he was able to enter the College of Medicine at the end of his freshman year. He received a combined degree and then finished his medical degree. He asked if it was necessary that students get a Bachelor's degree or is there coursework that they can complete at the end of 3 years and be accepted into the Physician Assistant program?

Professor Oliver responded that students have to have a baccalaureate degree prior to enrolling in the Physician Assistant program.

Interim Provost Swan stated that most of the students going into the Physician Assistant program already have a Bachelor's degree. She said it would be a fairly rare student who would need to complete some credits for a Bachelor's degree before entering this program.

Regent Tyrrell asked about the high school graduate who makes a decision that he or she wants to go back to his/her home community to be a Physician Assistant. Why penalize that students an extra year when they are not penalized an extra year to go to medical school? Could there be an alternative whereby when the student achieves 90 hours of credit he/she would receive a Bachelor's degree?

Professor Oliver responded that could not be done if Physician Assistant program officials adhere to the premise developed which includes a number of other issues, which he explained. The type of individual Regent Tyrrell referred to is rarely seen by university officials. There is currently an

applicant pool in excess of 100. Ninety percent of those students have their Bachelor's degree and are also very highly qualified.

Regent Williams asked if the Physician Assistant students would get their Bachelor's degree in some other discipline? Professor Oliver responded affirmatively.

Regent Williams asked if what was being requested was to eliminate the baccalaureate program and require that everyone enter the program with a Bachelor's degree in order to pursue their Master's degree in the Physician Assistant program. Professor Oliver responded affirmatively.

Regent Williams requested that the Board of Regents be kept apprised of the additional costs for the 5-year program. She said she found it interesting that the university now has enough money to begin basically a 5-year program for the Physician Assistant whereas the university had asked to cut other programs. She said she did not have a problem with increasing the quality of the individual who completes the Physician Assistant program; however, at a time when the universities are cutting programs and prioritizing, she found this to be a little disturbing. While she supports any improvement in health care professional training, she found it upsetting for the training for one profession to be upgraded at the time another is being downgraded.

Professor Oliver stated there would be no additional resources required to implement this program. In program officials' estimation, this program is already at the graduate level. The only additional coursework is a course in research methodology plus one more course.

Regent Williams noted that they had also restructured the requirements for the baccalaureate program. Professor Oliver agreed that the requirements for the baccalaureate program had been restructured. He then described the values to the student of the restructuring. This included enabling students to access student financial aid well in excess of what they would be able to access in a baccalaureate program.

Regent Hatch asked if by adding two courses students would receive a Master's degree from the program. Professor Oliver responded affirmatively.

Regent Hatch stated that most people who have received a Master's degree took many more courses than two beyond the baccalaureate level. Professor Oliver responded that the baccalaureate student who enters the Physician Assistant program will complete 102 semester hours of credit to earn the Bachelor's degree. One-half of that credit is from taking the sophomore medical student and dental student curriculum. Therefore, he said, the rigor of the curriculum from the very beginning has been at a graduate level. The university just did not award a Master's degree. He said there was no question that this professional degree is comparable and much more in excess

of the amount of work necessary than any other professional Master's degree program.

VOTE ON THE MOTION: The motion carried with Regents Hatch, Tyrrell and Williams opposed.

(e) University of Northern Iowa Department of Theatre. The Board Office recommended the Board approve the establishment of a Department of Theatre at the University of Northern Iowa.

University of Northern Iowa officials requested the establishment of a separate Department of Theatre. Theatre is currently a part of the Communications and Theatre Arts Department. Separate departmental status was a part of the strategic plan for the college housing this unit.

The proposed establishment of a Department of Theatre is needed to enhance the vision, direction, and focus specific to Theatre as well as to provide a more attractive environment for the recruitment of faculty and students.

The anticipated incremental costs for the establishment of this department have been estimated at \$11,000.

The proposed Department of Theatre was recommended by the Interinstitutional Committee and the Board Office.

Vice President Nathan noted that the incremental costs would be relatively small.

MOTION: Regent Furgerson moved to approve the establishment of a Department of Theatre at the University of Northern Iowa. Regent Johnson seconded the motion.

Regent Berenstein asked for the need for a separate department for theatre. Provost Marlin stated that the current structure was almost antiquated. It is a cumbersome department when dealing with academic issues.

Regent Berenstein asked if there was a separate theater department at the other two Regent universities. University officials from Iowa State University and University of Iowa responded that they did have separate Departments of Theatre.

Regent Tyrrell asked how \$11,000 can do all that was to be accomplished. Provost Marlin responded that the university already has a director of theatre and a part-time secretary. The \$11,000 is to increase the director's salary to a department head level and to change the secretary's status to full time.

VOTE ON THE MOTION: The motion carried unanimously.

(f) Iowa State University Linguistics Minor. The Board Office recommended the Board approve the interdepartmental graduate minor in Linguistics at Iowa State University effective immediately.

Iowa State University officials proposed an interdepartmental graduate minor in Linguistics. The program was proposed in response to requests from graduate students in several disciplines for an opportunity to minor in Linguistics.

The minor is designed to (a) provide opportunity for graduate students interested in investigating language and language behavior to receive systematic training in the methods of linguistic research that will complement work in their major disciplines, (b) assure quality of background preparation of graduate students writing theses or dissertations in other disciplines using language materials or linguistic methods and (c) provide formal recognition of student achievement and expertise in Linguistics.

The minor will be composed of Linguistic courses currently being offered in six departments: Anthropology, Computer Science, English, Foreign Languages and Literatures, Psychology, and Speech Communication.

Nine semester credits will be required for the Linguistics minor in a masters degree and 12 credits for a Ph.D. minor.

The proposed minor will not involve additional faculty members, courses, or laboratory equipment. The proposed minor was reviewed by the Interinstitutional Committee on Educational Coordination and the Board Office and both recommended approval.

Provost Marlin stated that the requested action formalizes the courses now available. There will be no additional costs because all are currently available linguistics courses.

Regent Tyrrell asked for the names of two linguistics courses. Provost Marlin responded with the following names: psycholinguistics and structure of language.

MOTION: Regent Williams moved to approve the interdepartmental graduate minor in Linguistics at Iowa State University effective immediately. Regent Dorr seconded the motion, and it carried unanimously.

ACCREDITATION REPORTS. (a) University of Northern Iowa by the North Central Association. The Board Office recommended the Board (1) receive the report of the Commission on Institutions of Higher Education of the North Central Association of Colleges and Schools on the continuing accreditation of the

University of Northern Iowa and the university's response to the report; (2) request that the special follow-up reports requested by the North Central Association be docketed for the Board of Regents in June 1994; and (3) request that the university prepare a report for the Board of Regents regarding its response to the concerns raised in the accreditation team report that are not responded to in the university's formal response to the accreditation team report, including General Education, Equipment Needs in the Sciences, Campus Information Infrastructure, Off-Campus Programs and Courses, and Compliance with Federal Regulations in areas other than environmental safety and human subjects.

This report relates to the major accreditation of colleges and universities that takes place every ten years.

The Commission on Institutions of Higher Education of the North Central Association of Colleges and Schools has granted continuing accreditation at the Doctor's degree-granting level to the University of Northern Iowa. Continuing accreditation was granted through 2000-2001.

The accreditation was based on a comprehensive evaluation of the university that included a self study, a site visit by an accreditation team on April 1-3, 1991; a report submitted by the accreditation team following the site visit, and the university's response to the accreditation team's report.

The accreditation covers the entire university and is recognized by virtually all higher education institutions and government agencies.

The accreditation team requested that special reports on general education and affirmative action be completed by May 31, 1994.

The accreditation team noted positive progress on concerns raised in the 1981 accreditation report. These included:

1. Strengthened intellectual climate.
2. Improved clarity in the institutional mission.
3. A more stable collective bargaining climate.
4. More effective communications in the university community.
5. A more integrated general education program.
6. Greater clarity regarding criteria for faculty advancement.

Other strengths cited were:

1. Productive relationships between faculty and administration.
2. Competitive entry-level faculty salaries.
3. The University Foundation was noted to provide good service and support through alumni and friends of the institution.
4. The Physical Plant was described as attractive, well-planned, and well-maintained.

5. The Library was noted as one of the significant strengths of the institution.
6. Student service areas were noted for providing excellent services and support for the student body and for integrating well with academic affairs.

Areas of concern that the accreditation team felt the university should continue to address and the university's response, where applicable, are noted below:

General Education. The team commended the considerable advancement that had been made in this area, but noted that the entire set of general education requirements is not yet in place because of a lack of resources.

Affirmative Action:

The accreditation team felt there was still a lack of racial and ethnic diversity at the university, and that extraordinary efforts will be required to bring about changes.

- * The university felt the team focused too narrowly on hiring and retention of black faculty and ignored the significant progress that had been made in the hiring of women and other minorities.

Faculty Scholarship, Research Productivity, and Graduate Education:

The team felt that low enrollments and a lack of quantity and quality in faculty research had a negative impact on the quality of graduate education, particularly the doctoral programs.

- * University officials felt the team employed a traditional orientation toward graduate education found at major research institutions, and that the practitioner-oriented programs at University of Northern Iowa should be viewed differently and more positively.

Sexual Harassment Policies and Procedures:

The accreditation team felt the university's procedures for reporting and handling sexual harassment complaints were "overly legalistic" and might discourage the reporting of problems and complaints.

- * University officials stated that while the current sexual harassment procedures might be overly legalistic, they were not developed, and are not knowingly construed, in such a manner as to discourage complaints.

Equipment Needs in the Sciences. The team felt there is a critical lack of contemporary equipment and instrumentation in the sciences due to inadequate

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funding, and suggested more funding for the purchase of contemporary equipment and instruments as well as for repair and maintenance.

Faculty Recruiting:

The team recommended that all departments should be guaranteed the opportunity to invite more than one candidate to the university to interview for open positions.

- * University officials responded that all departments are currently allocated funding sufficient to interview multiple candidates for open positions.

Campus Information Infrastructure. The team recommended that a formal mechanism be established to coordinate planning and expenditures among the Library, Educational Media Center, and Information Services and Computing Services.

Off-Campus Programs and Courses. The team suggested that careful review, evaluation, and control of off-campus programs and courses by the Graduate Dean is needed.

Handicapped Accessibility:

The team recommended that efforts to eliminate barriers in older facilities on campus should become a higher priority.

- * University officials responded that extensive efforts have been made to make all University of Northern Iowa facilities accessible to the disabled and that the campus is considered to be one of the most accessible in the midwest.

Compliance with Federal Regulations:

The team strongly recommended that University of Northern Iowa make every effort to meet federal regulations in issues such as human subjects in research, animal welfare, environmental safety, etc.

- * University officials responded that it already does meet federal regulations in the areas of environmental safety and human subjects in research.

University of Northern Iowa officials were congratulated for achieving this most important continuing accreditation.

President Pomerantz asked for the status of accreditation of the business school at University of Northern Iowa. Provost Marlin responded that the

final site visit will take place in January. University officials hope, at that point, to have some good news for the Regents.

President Pomerantz asked what follows the January site visit. Provost Marlin responded that university officials believe they will know the formal recommendation in April.

President Pomerantz asked if there are any other sections of the university that are in an accreditation mode of some kind that the Regents need to know about. President Curris responded that the industrial technology program is in the process of being reaccredited.

MOTION: Regent Williams moved to approve the recommended action. Regent Johnson seconded the motion, and it carried unanimously.

(b) University of Iowa Engineering. The Board Office recommended the Board receive the report on accreditation of the departments of Biomedical, Mechanical, Electrical, Civil, Industrial and Chemical Engineering in the College of Engineering at the University of Iowa.

The Engineering Accreditation Commission of the Accreditation Board for Engineering and Technology (ABET) reaccredited for six years to September 30, 1997, Biomedical, Mechanical, Electrical, Civil, Industrial and Chemical Engineering in the College of Engineering at the University of Iowa.

ABET based its action on a campus visit and the analysis of information submitted by the university. ABET noted that:

- * The College of Engineering has continued to make significant progress since the 1984-85 and 1985-86 accreditation actions.
- * A substantial number of new faculty members have been hired increasing faculty size to 82.
- * Faculty salaries have been increased sufficiently to be competitive with those in major midwestern state universities.
- * New laboratories have been added and existing facilities upgraded.
- * A limited portion of space needs have been met through space reassignments, building modifications, and construction of some facilities for research.
- * Plans must now be implemented to construct a major building addition if goals for the engineering programs are to be realized.

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A safety concern noted by ABET that gas cylinders were left unsupported has been addressed by the College. ABET notes that steps are being taken to improve the handling of gas cylinders and to increase safety awareness.

Vice President Nathan stated that it was not usual for all programs in Colleges of Engineering to be approved at the same time. He said significant progress has been made since the last visit 6 years ago. Areas of improvement since the last visit included quality of faculty, faculty productivity and faculty salaries. Laboratories have also been added. He noted that space is still a pressing problem in the College of Engineering.

Regent Tyrrell asked if there is a time line for implementing construction on a new College of Engineering building. President Rawlings responded that the building is on the list of capital priorities. Higher priorities have now about been completed. Every Engineering Dean candidate has said that serious consideration must be given to making the construction of a building a very high priority.

ACTION: President Pomerantz stated the Board received the report on accreditation of the departments of Biomedical, Mechanical, Electrical, Civil, Industrial and Chemical Engineering in the College of Engineering at the University of Iowa, by general consent.

(c) University of Iowa Journalism. The Board Office recommended the Board receive the report on the accreditation of the School of Journalism and Mass Communication at the University of Iowa.

The undergraduate and Master's professional programs in the School of Journalism and Mass Communication at the University of Iowa were reaccredited by the Accrediting Council on Education in Journalism and Mass Communication.

The accrediting association's site visit team noted the following strengths and weaknesses in the program:

Strengths

Focus on nurturing independent, critical thinkers and encouraging student initiative.

Emphasis on and implementation of writing as a central communications skill.

Requirement of a second major or second area outside the School.

Effective leadership and administration within the School.

Intelligent, intellectually curious student body.

Strong advising of students.

High-quality, collegial faculty, including senior and mid-level faculty with national and international reputations and promising new faculty.

Record of success in diversifying the faculty through hiring of women and minorities.

Highly effective programs with and service to scholastic journalism through the Iowa High School Press Association and the Quill and Scroll Honorary Society.

Weaknesses

Need more ties with media professionals and media enterprise.

Faculty need to (1) encourage students more vigorously to obtain internships related to their professional goals and (2) offer job placement assistance to students.

Facilities still are at minimally acceptable standards. Major renovation of the Communications Center is needed.

Equipment (e.g., computers) is still at a very basic level of acceptability and continual updating/replacement/repair must be funded by the university.

A separate concern in the report relating to the Master's Professional degree was being addressed by the university.

Regent Dorr commended the University of Iowa Journalism program officials. The first two strengths noted -- focus on nurturing independent, critical thinkers and encouraging student initiative and emphasis on and implementation of writing as a central communications skill -- were especially important comments, which he was very happy to see.

ACTION: President Pomerantz stated the Board received the report on the accreditation of the School of Journalism and Mass Communication at the University of Iowa, by general consent.

President Pomerantz stated that he had a personal conflict which meant that he had to be gone for a few hours. He then asked Regent Williams to take the chair. President Pomerantz was excused at 3:51 p.m. on June 17, 1992.

REVIEW OF STRATEGIC PLANS INCLUDING ENVIRONMENTAL ASSESSMENT. The Board Office recommended the Board receive the report on progress in attaining strategic plan goals during 1991-92 and conduct a preliminary review of fiscal year 1993 plans to be discussed in depth at the July Board meeting and approve the change in the mission statement for the Iowa School for the Deaf.

Director Kominski stated that each of the institutions except Iowa School for the Deaf would be making presentations and discussing tentative plans after commenting on her review of the strategic plans. She stated that each institution had to make significant changes due to reduced state appropriations. Despite the necessary adjustments due to reduced appropriations, she said the institutions had displayed a remarkable amount of dedication to strategic planning. The three universities focused on undergraduate education, graduate education and diversity. The special schools focused on coordinating operations with local school districts and Area Education Agencies. In July the Regents would receive more detail on the economic environment as a result of actions of the legislature and the Governor. During the summer Director Kominski plans to meet with institutional officials to initiate a more comprehensive environmental assessment.

Regent Hatch stated that in light of fact that the Regents had a 5:15 p.m. commitment that day, she would like for this matter to be deferred until the July Board of Regents meeting. This was an extremely important topic and she did not want to have to rush through the presentations. This was one of the most important topics for the Regents to give their consideration.

Chairwoman Williams noted that in July the Regents would also have a considerable agenda.

Chairwoman Williams asked if institutional officials had a problem with deferring this matter for a month. Institutional officials indicated they had no problem with deferring this matter until next month.

ACTION: Chairwoman Williams stated that this item was deferred so it could receive adequate coverage next month.

LEGISLATIVE ISSUES. The Board Office recommended the Board receive the report on legislative activities.

Governor Branstad completed action on legislation passed by the 74th General Assembly on June 3, 1992. The Governor item vetoed portions of bills concerning salary policy for fiscal year 1993, funding for educational units, funding for economic development initiatives and other appropriation bills. The Governor vetoed the bill that precluded the Board of Regents authority to sell WOI-TV.

The House failed to pass HCR 125 which would have required the Attorney General to conduct an investigation regarding the sale of WOI-TV. A formal request for an investigation of the sale of WOI-TV by the Attorney General was submitted by Representatives Hammond and Bernau on June 1, 1992.

Governor Branstad has stated that a second special session of the legislature will be held in June to address salary issues and other spending limits.

The item veto to the salary bill eliminated the funding for salary increases of \$101.0 million. The Regent's portion of this funding was approximately \$50.9 million.

In House File 2465 (Education Appropriation Bill) the Governor item vetoed a number of sections involving the Board of Regents. These sections included:

- * Eliminating the Board's ability to require the institutions to reimburse the Board Office for certain services.
- * Requiring the Higher Education Strategic Planning Council to undertake a study of dental hygienists in Iowa.
- * Repealing the Board of Regents' authority to employ attorneys for the purpose of carrying out its responsibilities for collective bargaining.
- * Requiring the Board of Regents to establish a policy requiring the institutions to charge fees for specific services to the non-student population.
- * Requiring the Board of Regents to pay for staff of the Office of Attorney General to perform and supervise all of the Regents legal business and to furnish office quarters for the staff assigned by the Attorney General to the Board.
- * Adding two new student members to the Iowa College Student Aid Commission Board.

Regent Dorr commended the Board Office for doing a good job during this legislative session.

Regent Williams asked that the Board Office express the Regents' appreciation to the Governor for his actions on what the Regents had requested.

ACTION:

Chairwoman Williams stated the Board received the report on legislative activities, by general consent.

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RESOLUTION TO PROVIDE INTERIM BUDGET AUTHORITY FOR FISCAL YEAR 1993. The Board Office recommended the Board authorize continuation of operations for the Regent institutions in fiscal year 1993 at the fiscal year 1992 budget level as adjusted by revisions in pay plans.

Appropriations for fiscal year 1993 have not been completed by the Governor and General Assembly.

The Regent institutions cannot conduct budget planning for or execute budgeted operations applicable to the fiscal year without budget authority for fiscal year 1993. The institutions need to be allowed to continue operations in fiscal year 1993 at fiscal year 1992 budget levels as adjusted by revisions in pay plans until their detailed budgets are approved by the Board.

The Governor has stated that another special session will be called prior to the beginning of fiscal year 1993 to address salary and other budget issues including revenues. The institutions need at least ten days to prepare preliminary budgets for fiscal year 1993 after the special session is concluded.

A special Board meeting to consider preliminary budgets is scheduled for July 20, 1992 at 1:30 P.M.

The Regent institutions will submit final fiscal year 1993 budgets to the Board of Regents for approval in August.

Mr. Richey stated that the resolution would be based on action the Regents have taken and any action they may take at their July meeting. The Regents will have an opportunity to review the matter thoroughly at their two July meetings.

Regent Berenstein asked that the Board Office give special consideration to holding the special July Board meeting the day after the regular July Board meeting since all the Regents will be at Okoboji. He said it would be beneficial to lump those two meetings together.

Mr. Richey stated that the reason he suggested the special Board meeting be held on July 20 was if this legislative session goes until the wee hours of the morning of July 1, the institutions simply will not have time to get their budgets ready. If the Board Office can get the information to the Regents in time for the Okoboji meeting, they will do so; however, the Regents may have less time in which to consider the information. He said he would be very happy to avoid asking the Regents to meet in Des Moines on July 20, if at all possible.

Chairwoman Williams stated that the sense of the Board was to do what is most convenient but to allow the institutions time in which to prepare their budgets. She assumed that would happen and that the Regents, hopefully, would be able to give the budgets the consideration needed.

MOTION: Regent Berenstein moved to authorize continuation of operations for the Regent institutions in fiscal year 1993 at the fiscal year 1992 budget level as adjusted by revisions in pay plans. Regent Furgerson seconded the motion, and it carried unanimously.

BANKING COMMITTEE. The Board Office recommended the Board (1) receive report on current Banking Committee items, (2) adopt A Resolution authorizing the Executive Director to fix the date or dates for the sale of up to \$10,680,000 Academic Building Revenue Refunding Bonds, Series S.U.I. 1992, (3) approve the creation of a policy on debt collection in the Board of Regents Procedural Guide, and (4) approve an amendment to the Board of Regents Investment Policy appendix to Section 7 of the Board of Regents Procedural Guide.

Regent Fitzgibbon stated the Banking Committee considered the following items: Interinstitutional Committee report on collections, Interinstitutional Committee report on investments, audit report of state-owned dwellings used by university employees, and report of the Director of University Internal Audit, University of Iowa. Regent Fitzgibbon noted that the recommended action was somewhat different than that indicated on the Board Office memorandum. One item was added so there were actually three items which needed Board action. The addition item was to adopt A Resolution authorizing the execution of an Escrow Agreement to provide for the payment of Academic Building Revenue Bonds, Series I.S.U. 1984

Regent Fitzgibbon stated the Banking Committee recommended that the Board adopt A Resolution authorizing the Executive Director to fix the date or dates for the sale of up to \$10,680,000 Academic Building Revenue Refunding Bonds, Series S.U.I. 1992.

MOTION: Regent Tyrrell moved to adopt A Resolution authorizing the Executive Director to fix the date or dates for the sale of up to \$10,680,000 Academic Building Revenue Refunding Bonds, Series S.U.I. 1992. Regent Hatch seconded the motion, and upon the roll being called, the following voted: AYE: Berenstein, Dorr, Fitzgibbon, Furgerson, Hatch, Johnson, Tyrrell, Williams.

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NAY: None.
ABSENT: Pomerantz.

MOTION:

Regent Fitzgibbon moved to adopt A Resolution authorizing the execution of an Escrow Agreement to provide for the payment of Academic Building Revenue Bonds, Series I.S.U. 1984. Regent Berenstein seconded the motion, and upon the roll being called, the following voted:

AYE: Berenstein, Dorr, Fitzgibbon, Furgerson, Hatch, Johnson, Tyrrell, Williams.
NAY: None.
ABSENT: Pomerantz.

MOTION:

Regent Fitzgibbon moved to approve the creation of a policy on debt collection in the Board of Regents Procedural Guide, and approve an amendment to the Board of Regents Investment Policy appendix to Section 7 of the Board of Regents Procedural Guide. Regent Tyrrell seconded the motion, and it carried unanimously.

Interim Vice President True introduced Juan Alejandro, the newly-appointed Director of University Internal Audit at the University of Iowa who comes from the University of Texas.

Mr. Alejandro said it was a pleasure to be associated with the University of Iowa. He noted that he discussed with Banking Committee members that morning the audit plan for the University of Iowa for the upcoming fiscal year.

ACTION:

Chairwoman Williams stated the Board received the report of the Banking Committee, by general consent.

ACADEMIC BUILDING REVENUE REFUNDING BONDS, SERIES S.U.I. 1992, RESOLUTION.

The Board Office recommended the Board (1) adopt A Resolution authorizing the Executive Director to fix the date or dates for the sale of up to \$10,680,000 Academic Building Revenue Refunding Bonds, Series S.U.I. 1992 and (2) adopt A Resolution authorizing the execution of an Escrow Agreement to provide for the payment of Academic Building Revenue Bonds, Series I.S.U. 1984.

It was anticipated that the Banking Committee would recommend to the Board adoption of a resolution authorizing the Executive Director to fix the date or dates for the sale of up to \$10,680,000 Academic Building Revenue Refunding

Bonds for the University of Iowa. The sale will take place at the July Board meeting.

The proceeds from the sale of these bonds will be used for the purpose of refunding Academic Building Revenue Bonds, Series S.U.I. 1984, presently outstanding in the principal amount of \$9,350,000. The refunding was being done for interest rate savings and principal restructuring.

The issue amount will be variable up to the acceptance of the winning bid because the amount of the bond proceeds required to fund the escrow account for the 1984 bonds will be dependent on the actual yield on the bonds.

This was the last of three refundings scheduled as part of the overall plan approved in early 1991.

Approval of the resolution authorizing the execution of an escrow agreement was the final action required by the Board to authorize the sale of \$9,425,000 Academic Building Revenue Refunding Bonds for Iowa State University. The proceeds of the Iowa State University refunding bonds must be placed in an escrow account in order for monies to be available to refund the 1984 Iowa State University bonds. The Board needed to authorize an escrow agreement with Norwest Bank which will establish that escrow account in the terms of the escrow arrangement.

ACTION: This matter was approved under Banking Committee, G.D. 8.

POLICY ISSUE, PURCHASING STANDARDIZATION. The Board Office recommended the Board receive the report and approve a General Policy Statement for Clarification of Purchasing Intent.

Representatives of private industry have raised questions about Regent policies related to standardized purchasing procedures.

The Board directed the Board Office, in consultation with the institutions, to study existing policies and procedures with respect to standardization of furniture purchases and recommend revisions, if appropriate.

All three Regent universities have established and practice standardized furniture acquisition strategies for several years consistent with Board policy as set forth in Chapter 8.05, Paragraph C of Board of Regents Procedural Guide. The governing Regent Policies and Procedures under question which are related to the issue of standardization are found in the Purchasing section, Chapter 8.05, Paragraph C, Specifications and Standards, as follows"

--Specifications shall be prepared to assure that they do not restrict or preclude competition.

--All requests for bids and proposals for materials, products, supplies, equipment, and other needed articles to be purchased at public expense shall, whenever possible and practical, be made in general terms and in general specifications rather than be brand, trade name, or other individual mark. Brand names and number, when used, are for reference purposes and indicate the character or quality desired. If brand names are used, the specifications shall contain an "or acceptable alternate" clause. The chief purchasing official shall determine what is an acceptable alternate.

--Recognition is also given to standardization and compatibility requirements which should be maintained for purposes of economies in replacement and maintenance.

The fundamental goal behind Board purchasing policy is to secure quality products at the lowest possible cost. Paragraph 8.05, B.5 of the Board of Regents Procedural Guide states:

--Nothing contained in these conditions shall be construed to mean that the lowest priced goods or inferior or substandard goods must be purchased. The Regent institutions are to purchase goods at the lowest cost consistent with the quality and service required.

Section 8.05, purchasing specifications and standards, of the Board of Regents Procedural Guide appears to be appropriate.

The following additional policy statement was recommended:

--Consistent with the Board's purchasing policies and procedures, institutions, when establishing standards and specifications and size of orders for products, equipment and services, shall give due consideration to the ability of Iowa businesses to compete in bidding for those products, equipment or services. The institutions shall continue to observe the goals of quality and economy in purchasing while meeting the needs of the institutions.

The term Iowa businesses, as expressed in the above proposal, includes the private sector based in Iowa, Iowa Prison Industries, and Targeted Small Business as defined in the Code of Iowa.

Regent Hatch said she was still a little insecure with this. She said she could certainly understand standardization from an economic point of view. Once they start buying a certain brand of furniture they want to continue with this one supplier. She was concerned that "due consideration" can be interpreted so broadly. The Regents, under the proposed policy, still are not giving the mandate to the institutions to strongly consider purchasing in Iowa. They have a real obligation to Iowa businesses.

Mr. Richey explained the intent of the policy statement. He said the policy encourages institutional officials to make purchases from Iowa business but in a way that does not encourage retaliation by other states.

Regent Dorr said he appreciated Regent Hatch's concern. He has had some discussion with Interim Vice President True and President Curris over the last 6 to 8 months. Although there may have been some problems in the past with purchasing practices, he felt fairly comfortable that the institutions are making real efforts to solve problems.

Regent Berenstein expressed concern about the proposed policy containing ambiguous language. Mr. Richey said the policy means the institutions should consider grouping orders, the source of the product and alternatives rather than blindly issuing standard specifications.

Regent Berenstein asked if all things were equal would the institutions prefer the Iowa products. Mr. Richey responded affirmatively.

Regent Berenstein asked that everyone should understand that Iowa businesses shall be given due consideration. That is also in the Iowa Code.

Regent Fitzgibbon said he felt that the institutions were doing a good job trying to address these matters.

MOTION: Regent Berenstein moved to receive the report and approve a General Policy Statement for Clarification of Purchasing Intent. Regent Tyrrell seconded the motion, and it carried unanimously.

Chairwoman Williams said it was clear that the institutions had taken very close note of this issue. She hopes it smooths out in the future.

BOARD OFFICE PERSONNEL TRANSACTIONS. The Board Office stated there were no personnel transactions during the last month.

REGENT APPOINTMENTS TO COMMITTEES. The Board Office recommended that the Board ratify the reappointments to committees as listed below:

Iowa State University Research Foundation Board of Directors - Regent John Fitzgibbon for a three-year term expiring June 30, 1995;

Iowa State University Foundation Board of Directors - Regent Melissa Johnson for a three-year term expiring June 30, 1995;

Iowa State University Memorial Union Board of Directors - Regent Melissa Johnson for a three-year term expiring June 30, 1995;

Iowa Braille and Sight Saving School Advisory Committee for academic years 1992 - 1994:

Kathryn C. Gerken, University of Iowa;
E. Ann Thompson, Iowa State University; and
William Callahan, University of Northern Iowa.

Iowa School for the Deaf Advisory Committee for academic years 1992 - 1994:

Charles Anderson, University of Iowa;
Anton Netusil, Iowa State University; and
Richard Stinchfield, University of Northern Iowa.

MOTION: Regent Berenstien moved to ratify the reappointments to committees, as presented. Regent Furgerson seconded the motion, and it carried unanimously.

REPORT ON THE IOWA COLLEGE STUDENT AID COMMISSION. The Board Office recommended the Board receive the report.

The Iowa College Student Aid Commission approved a program to establish a middle income student loan program in cooperation with the Iowa Student Loan Liquidity Corporation. This program had been under development for almost two years and is financed by matching funds from the College Student Aid Commission and the Iowa Student Loan Liquidity Corporation plus bonding.

The allocations of state student work study funds was made for fiscal year 1993. The initial allocation to the Board of Regents universities is \$1,533,000 as compared to initial allocations a year ago of \$1,634,000. Initial allocations for independent colleges and universities are almost at the same level as a year ago, while those for community colleges were increased to \$707,000 from the previous year's figure of \$609,000. Total resources available for the program in fiscal year 1992 are almost identical to those in fiscal year 1992.

ACTION: Chairwoman Williams stated the Board received the report, by general consent.

REPORT ON THE BOARD OFFICE BUDGET. The Board Office recommended the Board receive the report.

Projected expenditures through June 30, 1992, are within the approved budget. Expenditures for salaries are substantially below the budget because of a vacancy in the Associate Director of Business and Finance position. The position has not been refilled because the funds were removed from the budget in the appropriation for fiscal year 1993.

Funds have been reallocated to finance badly needed equipment for the office including telephone equipment, upgrading of desk computers, and to pay the balance on a printing machine.

Revenues are similar to projections except for additional reversions and for a drop in miscellaneous receipts.

The proposed budget for fiscal year 1993 will be presented to the Board at its July meetings after the level of appropriations is known.

MOTION: Regent Dorr moved to apply the resolution to provide interim budget authority for fiscal year 1993 to the Board Office. Regent Johnson seconded the motion, and it carried unanimously.

CONSENT ITEMS. Regent Dorr asked for the purpose of the Iowa State University request to discontinue the undergraduate major in Plant Pathology in the College of Agriculture and to establish an interdepartmental undergraduate major in Plant Health and Protection in the College of Agriculture. Is the new name more politically acceptable?

Interim Provost Swan responded that it was more than just a name change. The curriculum has been broadened. The new major is much more widely based in its approach to plant science and is more useful as a baccalaureate degree-level program. The program had been far too specialized.

Chairwoman Williams said she was impressed with the interdisciplinary approach.

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

Refer the Iowa State University request to establish a new undergraduate major in Management Information Systems to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation;

Refer the Iowa State University request to discontinue the graduate majors in Poultry Nutrition and Poultry Products Technology in the College of Agriculture to the Interinstitutional Committee on Educational

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Coordination and the Board Office for review and recommendation;

Refer the Iowa State University request to merge the graduate majors in Child Development and Family Environment into a single graduate major in Human Development and Family Studies to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation;

Refer the Iowa State University request to discontinue the undergraduate major in General Business in the College of Business to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation;

Refer the Iowa State University request to make the Bachelor of Science the primary undergraduate degree offered by the College of Business and to transfer the majors offered within the Bachelor of Business Administration degree to the Bachelor of Science Degree to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation;

Refer the Iowa State University request to suspend enrollment in the Master of Science in Architectural Studies program for one year to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation;

Refer the Iowa State University request to establish an interdepartmental undergraduate major in Plant Health and Protection in the College of Agriculture to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation;

Refer the Iowa State University request to discontinue the undergraduate major in Plant Pathology in the College of Agriculture to the Interinstitutional Committee on

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Refer the Iowa State University request to discontinue the Master of Engineering Program in Nuclear Engineering in the College of Engineering to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation;

Refer the Iowa State University request to establish an undergraduate major in Early Childhood Education to be administered jointly by the Department of Curriculum and Instruction and the Department of Human Development and Family Studies to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation;

Refer the Iowa State University request to discontinue the Master of Education degree in Industrial Education and Technology in the College of Education to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation;

Refer the Iowa State University request to discontinue the curriculum Art Education, Undergraduate, Leading to the B.A. and B.F.A. degree in the College of Design to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation;

Refer the Iowa State University request to reorganize the graduate majors and areas of specialization offered by the Department of Agronomy to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation;

Refer the Iowa State University post-audit report for the Master of Science and Ph.D. degrees in Plant Physiology to the Interinstitutional Committee on Educational

Coordination and the Board Office for review and recommendation;

Refer the Iowa State University request to restructure the graduate major in Genetics to an Interdepartmental Genetics graduate major in the College of Agriculture and the College of Liberal Arts and Sciences to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation;

Refer the University of Northern Iowa post-audit review of the Master of Philosophy degree to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation;

Continue the University of Northern Iowa baccalaureate degree in Industrial Technology Education for two more years and study the demand for graduates of the program and refer discontinuation of the M.A. program in Earth Science and the joint major in Philosophy and Religion to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation; and

Approve the Iowa School for the Deaf school calendar for the 1992-93 school year.

The motion carried unanimously.

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

July 15-16, 1992	Lakeside Laboratory	Okoboji
July 20	Marriott Hotel	Des Moines
August 26	Telephonic	
September 23-24	Iowa State University	Ames
October 21-22	University of Northern Iowa	Cedar Falls
November 18-19	University of Iowa/Iowa Braille and Sight Saving School	Iowa City/ Vinton
December 16-17	Iowa State University	Ames
January 20, 1993	Telephonic	
February 17-18	University of Northern Iowa	Cedar Falls
March 17-18	Marriott Hotel	Des Moines
April 21-22	University of Iowa	Iowa City

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May 19-20	Iowa State University	Ames
June 16-17	University of Northern Iowa	Cedar Falls
July 21-22	University of Iowa	Iowa City
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

Two additional meetings of the Board were proposed to discuss budget issues. They are scheduled for July 20 at the Marriott Hotel in Des Moines and August 26, 1992. The August meeting would be by telephone. The meeting on July 20 will be to consider proposed preliminary budgets for fiscal year 1993. The meeting on August 26 will be to approve final detailed institutional budgets for fiscal year 1993 and to discuss the budget askings for fiscal years 1994 and 1995.

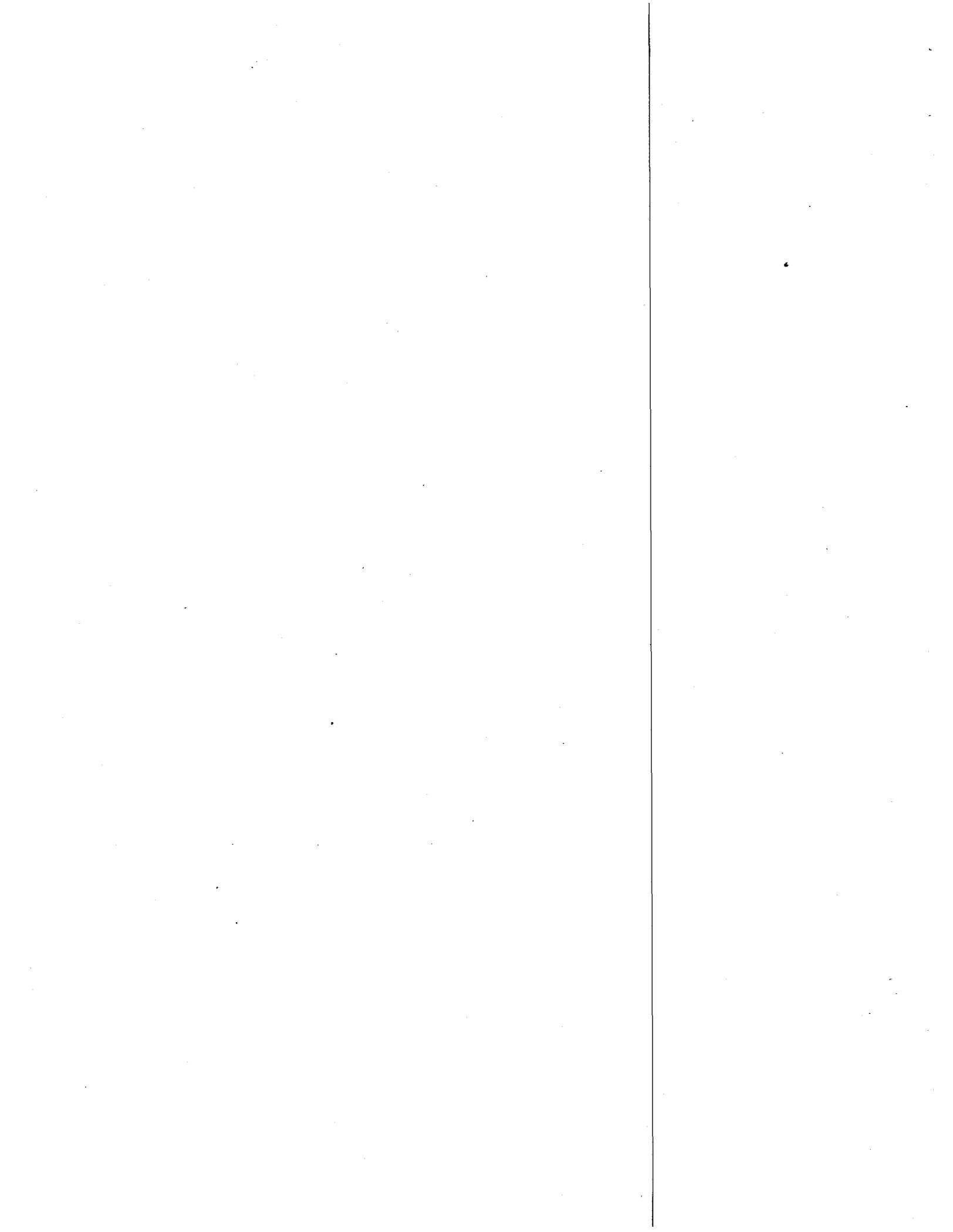
The September Board meeting will be delayed one week to September 23 and 24, 1992, at Iowa State University in order to allow adequate time to prepare the final budget requests.

The March 17, 1993, meeting was scheduled for the Marriott Hotel in Des Moines.

Mr. Richey stated that the Board members had discussed the July 20 meeting earlier in this meeting. The Board Office will work to fulfill the Board's desire on that. He noted that the telephonic meeting in August was unavoidable.

ACTION: Chairwoman Williams stated that the Board approved the Next Meetings Schedule, by general consent.

Chairwoman Williams then asked Board members and institutional executives 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 17 and Thursday, June 18, 1992.

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

Register of Personnel Changes for April 1992 which included early retirements 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.

MOTION: Regent Furgerson moved to ratify personnel transactions, as presented. Regent Berenstein seconded the motion, and it carried unanimously.

REVISION OF THE ADMINISTRATIVE RULES - POLICY ON SMOKING AT THE UNIVERSITY OF IOWA. The Board Office recommended the Board (1) approve revision of administrative rule on prohibition of smoking at the University of Iowa and (2) direct that the revision be submitted to the administrative rule process.

University of Iowa officials requested that its administrative rule relating to smoking (12.7(8)) be modified to bring it into conformity with amendments to Chapter 98A in the Code of Iowa. The revision also sets forth the authority of the president in designating smoking areas.

MOTION: Regent Furgerson moved to (1) approve revision of administrative rule on prohibition of smoking at the University of Iowa and (2) direct that the revision be submitted to the administrative rule process. Regent Tyrrell seconded the motion.

Regent Hatch asked if the proposed rule banned smoking in all public places. Vice President Rhodes responded that areas where smoking is allowed can be designated; otherwise, smoking would be prohibited.

President Rawlings said this policy goes beyond the Regents policy.

Vice President Rhodes said the university would still have smoking dormitories and tenant housing in which smoking is not prohibited because the leases were signed prior to enactment of this policy.

Regent Hatch asked why the policy was not coming from the Board Office and Vice President Rhodes said that if the Regents approve the rule, it will be applicable to all institutions.

Director Barak said there was no rule related to smoking in the Procedural Guide.

Mr. Richey stated that the rule was represented to him as being a University of Iowa rule. He suggested that the issues raised by the Board be reviewed. Regent Hatch suggested that the rule be reviewed and if it should be Regentwide, the Board Office should implement it.

In response to a question from Regent Dorr, Vice President Rhodes said smoking outside on campus is not prohibited.

MOTION: Regent Hatch moved that authorize Board Office to look into this and if indeed needs to be done as Iowa Administrative Code rule we authorize to do it. Regent Tyrrell seconded the motion, and it carried unanimously.

Mr. Richey said the matter would come back to the Board.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office recommended the Board approve the capital register for the University of Iowa.

PROJECT DESCRIPTIONS AND BUDGETS

University officials submitted five new projects for approval by the Board. The projects were included in the university's quarterly report of anticipated capital projects.

<u>North Campus Chilled Water Plant--Chilled Water Expansion</u>	<u>\$2,475,000</u>
Source of Funds: Academic Building Revenue Bonds, Treasurer's Temporary Investments or Utility Enterprise Improvement and Replacement Fund	

Preliminary Budget

Construction	\$ 2,120,000
Design, Inspection and Administration	
Architect/Engineering Services	123,000
Consultants	17,000
Contingencies	<u>215,000</u>
TOTAL	\$ 2,475,000

University officials requested approval of the project description and budget.

The North Campus Chilled Water Plant was completed in 1990. The facility was designed to eventually provide 7,000 tons of chilled water capacity to serve the air conditioning needs of the buildings on the Pentacrest and most major buildings along North Capitol and North Madison Streets. The plant presently provides 3,000 tons of chilled water and serves at least partially the Chemistry-Botany Building, the Iowa Advanced Technology Laboratories, the Iowa Memorial Union, Trowbridge Hall and Burge Hall. It is expected that additional chilled water will be required as systems in these buildings are expanded. These cooling requirements and those of the John Pappajohn Business Administration Building dictate the need for the present expansion project, an increase of 2,000 tons. This project will bring the capacity of the plant to 5,000 tons, which will be adequate to also partially serve Gilmore Hall, Macbride Hall and Jessup Hall. A subsequent expansion project will be necessary to serve the remainder of the buildings on the Pentacrest and will bring the plant to its ultimate capacity. The present project will include the purchase and installation of a 2,000 ton electrically-driven centrifugal chiller, including controls, pumps, piping, instrumentation and electrical service.

University Hospitals and Clinics--Development of Obstetrics \$712,300
and Gynecology Clinic Support Services

Source of Funds: University Hospitals Building Usage Funds

Preliminary Budget

Construction	\$ 576,800
Contingency	57,700
Architectural/Engineering Support	49,000
Planning and Supervision	<u>28,800</u>
	\$ 712,300

This project involves the expansion and renovation of the fourth floor Boyd Tower Obstetrics and Gynecology Clinic which will include expansion of reception, scheduling, chart control and billing facilities. In addition,

this project will enlarge the patient and family waiting room, provide additional examination rooms, patient restrooms, offices for nursing staff and space for equipment storage. It will also provide for the development of a patient library/resource center which will offer information, education and special programs on a variety of women's health and wellness issues and assist patients and members of their families in coordinating appointments with other departments.

Energy Management Program Implementation--Main Library \$650,000
Source of Funds: Utility System Revenue Bonds

Preliminary Budget

Construction	\$ 560,000
Design, Inspection and Administration	
Architect/Engineering Services	6,000
Physical Plant	20,000
Contingencies	<u>64,000</u>
	\$ 650,000

This project will include the following conservation measures in the Main Library: 1) occupancy sensor lighting controls, 2) variable air volume boxes, 3) outside air economizers, 4) new temperature controls, 5) synchronous belt drives, 6) low leakage dampers, 7) variable frequency drives, and 8) electric ballast and T-8 lamps. Annual savings from this project are estimated at \$132,000. Financing was proposed from reutilizing Series 1989 Utility System Revenue Bond proceeds and investment income derived from those proceeds.

Based upon a comprehensive energy audit of university facilities, in November 1989 the Board sold \$9.7 million in Utility System Revenue Bonds. The proceeds were designated for a Power Plant Energy Optimization project (\$4 million), Energy Management Control Program project (\$4 million), Oakdale Waste Incinerator (\$500,000), with the balance retained as bond reserves.

The Energy Management Control Program resulted in the completion of energy conservation projects in eight west campus buildings: Bowen Science, Dental Science, Field House, Boyd Law, Medical Laboratories, Art Building, Nursing Building, and Hardin Library for the Health Sciences at a total cost of \$4 million.

Savings from the conservation measures in those buildings has been significant, especially electrical energy savings. Based upon the savings to date, the annualized savings in electrical power is estimated at \$448,000 with total annualized energy savings estimated at \$624,000 for the eight buildings.

University Hospitals and Clinics--Colloton Pavilion West \$565,960
Entrance Enclosure and Lobby Development
Source of Funds: University Hospitals Building Usage Funds

Preliminary Budget

Construction	\$ 465,810
Contingency	46,580
Architectural/Engineering Support	30,280
Planning and Supervision	<u>23,290</u>
	\$ 565,960

This project involves the enclosure of approximately 2,700 gross square feet of exterior courtyard space at the present west entrance to the Colloton Pavilion as well as development of a public lobby and waiting area within the enclosed space. This project is an essential component in the phased development of the University Hospitals new main entrance, entrance drive and patient admitting and registration service and lobby facilities.

Calvin Hall--Repair Plaster Ceiling \$268,300
Source of Funds: Building Renewal, Income from Treasurer's
Temporary Investments, or Academic
Building Revenue Bonds

Preliminary Budget

Construction	\$ 215,500
Design, Inspection and Administration	22,000
Contingencies	<u>30,800</u>
	\$ 268,300

The plaster ceiling in Calvin Hall is in critical need of repair. Portions of the old plaster and lathe-type ceilings totaling approximately 16,000 square feet are disintegrating. Plaster pieces are beginning to fall on the suspended ceilings below and the situation is becoming increasingly serious. This project will serve to correct the problem throughout the building.

The disruptive nature of the work will require that rooms be cleared of occupancy during construction, adding to the expense of the project. Work will involve the removal of the suspended ceiling and plaster ceiling, installation of gypsum board, and the installation of a new suspended ceiling and lights.

* * * * *

University officials reported 11 new projects with budgets of less than \$250,000 which were included in the university's quarterly report of anticipated capital projects. The titles, source of funds and estimated budgets for the projects were listed in the register prepared by the university.

* * * * *

ARCHITECT/ENGINEER AGREEMENTS

Schaeffer Hall--Replace Windows \$21,847
Shive-Hattery Engineers and Architects, Iowa City, Iowa

University officials requested approval of an agreement with Shive-Hattery Engineers and Architects to provide engineering design services on this project which will replace all window units in Schaeffer Hall. The agreement provides for a fixed fee of \$21,847, including reimbursables.

Amendments:

Academic Building to House the College of Business \$106,500
(John Pappajohn Business Administration Building)
Neumann Monson, P.C., Iowa City, Iowa

University officials requested approval of an amendment in the amount of \$106,500 to the agreement with Neumann Monson, which includes \$60,000 for additional services required to design audio/visual systems and \$46,500 for additional reimbursables.

The design of the audio/visual system is in addition to the basic design services requested for the Pappajohn Business Administration Building. These services, principally provided by the mechanical/electrical engineering consultant, Alvine and Associates, included the definition and development of audio/visual concepts, specifications, operation of systems, preparation of construction documents and the necessary coordination by Neumann Monson. The cost of the audio/visual system is estimated at \$1,200,000.

The original reimbursable allowance for this project has been expended. The original reimbursable budget was based on printing 150 sets of bidding documents where the actual demand for bidding documents was 275. In addition, a number of construction sets of documents were provided during the pre-bidding informational stage for this project. This all resulted in excellent bids from many interested contractors, as well as bids substantially under the estimate. The reimbursables are estimated at approximately \$2,900 per month for the remaining 16 months of the project.

Amendment No. 4 will not result in an increase in the total project budget.

University Hospitals and Clinics--Neurology Clinic Expansion \$4,656
Hansen Lind Meyer, Inc., Iowa City, Iowa

ACCEPTANCE OF COMPLETED CONSTRUCTION PROJECTS

University Hospitals and Clinics--Material Services Office Consolidation
Selzer-Werderitsch Construction Company, Inc., Iowa City, Iowa

University Hospitals and Clinics--Roof Replacement--4 West General Hospital
Maintenance Associates, Marion, Iowa

University Hospitals and Clinics--Clinical Cancer Center and Topping Out of
the John Pappajohn Pavilion
McComas-Lacina Construction Company, Inc., Iowa City, Iowa

College of Medicine Administration Wing
AAA Mechanical Contractors, Inc., Iowa City, Iowa

Biology Building-Remodel Rooms 134, 135, 136 and 137
Selzer-Werderitsch Construction Company, Inc., Iowa City, Iowa

MOTION: Regent Fitzgibbon moved to approve the university's capital register, as presented. Regent Furgerson seconded the motion, and it carried unanimously.

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

With EUGENE MEADE for the university's use of approximately 11,880 square feet of warehouse space, Lot 5, Inner City Industrial Park, North Liberty, Iowa, for a two-year period commencing July 1, 1992, through June 30, 1994, at a rate of \$3,360 per month.

MOTION: Regent Tyrrell moved to approve leases and agreements, as presented. Regent Dorr seconded the motion, and upon the roll being called, the following voted:
AYE: Berenstein, Dorr, Fitzgibbon, Furgerson, Hatch, Johnson, Tyrrell, Williams.
NAY: None.
ABSENT: Pomerantz.

MEETING OF THE IOWA STATE BOARD OF REGENTS AS THE BOARD OF TRUSTEES OF THE UNIVERSITY HOSPITALS AND CLINICS. The Board Office recommended the Board receive the report and approve the establishment of goals and strategies for 1992-93.

This was the quarterly report of the University of Iowa Hospitals and Clinics (UIHC) to the Board of Regents in its role as Trustees of the UIHC.

The topics covered in the oral report included: a review of fiscal year 1991-92 and a perspective of 1992-93; Total Quality Management; strategic planning; hospital construction; and the delegation of governance functions.

The strategic goals for the University of Iowa Hospitals and Clinics in 1992-93 are presented in Attachment I.

President Rawlings remarked on the tremendous job John Colloton and his colleagues are doing at University of Iowa Hospitals and Clinics. He pointed out that in these very volatile times University Hospitals continues to be managed in an extraordinary way. He referred to the recent rankings of university hospitals and stated that University of Iowa Hospitals and Clinics was ranked very high.

Mr. Colloton reviewed fiscal year 1991-92 progress and provided a perspective of 1992-93. Patient load experienced a one percent growth from 1991-92 to 1992-93. He said 2,372 health science students from 35 educational programs trained within University Hospitals. The Hospital has 480 resident doctors and 7,500 staff members. With regard to capital development, Mr. Colloton said that soon the UIHC will have all new operating rooms. The Eye Institute will be bid in August. Total capital financing beginning in 1970 and extending through 1995 amounts to \$427,329,932. The capital projects yet to be completed will cost about \$27 million. With regard to future issues to be addressed, Mr. Colloton said a top priority will be the non-competitiveness of professional salary scales. Iowa's salary scales have been frozen while others' are rising. He expressed concern about the percentage of positions vacant due to attrition and the mandatory merit staff salary increases unless professional salaries were increased comparably. Merit salary increases for the 2-year period total 21.6 percent. He cautioned that they needed to pay close attention to the internal equity of salaries. Hospital officials are watching closely the outcome of the legislative session.

Another problem area which Mr. Colloton addressed was the current trend in curtailment of payments to teaching hospitals for medical education costs. He said this trend is based on the premise that health insurance should be paying costs of medical treatment only. The impact of federal legislation on Medicare reimbursement reductions has caused further erosion of payments to teaching hospitals. Private sector third party payors have withdrawn from the practice of paying for medical education costs. Mr. Colloton explained how employers contract with firms for organ transplants and other expensive medical procedures. Another area Mr. Colloton addressed was indigent patient care and universal health insurance. He said that the University needs support to subsidize teaching costs of the College of Medicine. The College

The University of Iowa Hospitals and Clinics
STRATEGIC AREAS OF EMPHASIS DURING FISCAL YEAR 1992-93

- GOAL 1...Maintain UIHC's role as Iowa's comprehensive tertiary referral center by fostering the recruitment and retention of high-quality clinical and professional staff while enhancing the diversity of the staff and supporting the development, acquisition and evaluation of "cutting edge" diagnostic and treatment modalities and technologies to assist in meeting the University of Iowa's service, education and research needs in the health sector.
- Goal 2...Pursue the establishment of an alternative stream of financing for UIHC's graduate medical education programs and other educationally related costs.
- Goal 3...Sustain the governance responsibilities of the Iowa State Board of Regents as the ultimate governing body of the UIHC.
- Goal 4...Maintain and strengthen UIHC's role as the principal provider of tertiary referral services for enrollees in managed care programs in Iowa and Western Illinois.
- GOAL 5...Refine and enhance the operation of UIHC Ambulatory Care Clinics to assure that patients' health care needs, including those of U of I staff members and dependents, receive comprehensive high-quality attention within an environment that emphasizes patient convenience while meeting the educational objectives of the medical and other health science training programs conducted at UIHC.
- GOAL 6...Provide leadership in the reform of the Iowa health care system, health services research, development and assessment of severity of illness measurement systems and clinical appropriateness and quality improvement initiatives.
- GOAL 7...Enhance linkages to community health care providers, the general public, and the University of Iowa community at large.
- GOAL 8...Maintain and refine the internal operations of the UIHC to continually improve the quality of our services and to assure the continuing availability of resources for investment in new medical technology and patient care programs.

of Medicine is underfunded in terms of its educational mission (see Attachment II). University Hospitals cannot carry that load over the long term, as it is already causing budgetary problems (see Attachments III and IV).

Mr. Colloton then addressed University Hospitals' critical budget needs for 1992-93.

Regent Dorr asked if Mr. Colloton saw any change in the trend toward further reduction in paying for teaching by third party payors. Mr. Colloton responded that the trend is for reductions in payments to continue. He said even the federal government no longer considers medical education part of its responsibility. HMOs are increasingly insisting that they pay for patient care only. He noted that 80 percent of University Hospitals' and School of Medicine's total cash flow is from the flow of patients. A program needs to be devised by which more dollars are put into the College of Medicine for its basic educational mission, so that it does not rely on the UIHC to solve this problem.

Regent Hatch asked about the status of the State of Iowa's payments for indigent patient costs. Mr. Colloton stated that one of the major issues in the present discussion regarding the State budget is the Medicaid program. Those costs are escalating so fast that they are having trouble keeping pace with them. University Hospitals' indigent patient care has had a pretty stable appropriation for the last 6 to 7 years. The patient load has remained fairly stable, as well. The aggregate ratio of reimbursement to charges is 66.5 percent. On the physician reimbursement side the ratio is even lower. He emphasized that reimbursement for indigent patient care is a major problem.

Mr. Richey questioned what a one percent increase in hospital rates would yield in dollars. Mr. Colloton responded that simple arithmetic would say a one percent rate increase on \$350 million of revenue would yield \$3.5 million. If the rate increase was 5 percent, then one would expect it to amount to \$17.5 million; however, it does not work that way because payors have rates at which they will pay for particular procedures. A one percent rate increase in the first year will generate about \$1.2 million and thus a 5 percent rate increase will increase revenues \$6.0 million instead of \$17.5 million.

President Pomerantz stated that these issues have to get out in the public domain. They have a very difficult situation in terms of public policy. The state legislature must fund the cost of medical education as it does the cost of other forms of education in the state. He acknowledged that sounded simple enough but that it is a very difficult political situation. Many of the teaching faculty are considered by people of the state to be very high income earners which presents a very difficult political impasse. He said the fact is that the doctors' income in very many cases is not competitive with what could be earned in like institutions around the country. There is a lack of understanding on the part of many people in the state of the very unique

AGGREGATE ANNUAL EXPENDITURES FOR EDUCATION AND RESEARCH BY THE UNIVERSITY OF IOWA HOSPITALS AND CLINICS

<u>Mode of Support</u>	<u>Annual UINC Support</u>
● Direct Support of COM Education and Research Programs	\$23.4 Million
● Direct Support of Graduate Medical Education, Dental and Other Health Education Programs	16.0 Million
● Annual Capital Expenditures Related to Education and Research Programs	<u>4.5 Million</u>
Subtotal - Historical Annual UINC Operating and Capital Expenditures for Direct Support of Education and Research	\$43.9 Million
● Incremental Subsidy of COM by the UINC Due to Policy Revision Effective 7/1/92 ...	<u>12.5 Million</u>
TOTAL - ADJUSTED ANNUAL UINC OPERATING AND CAPITAL EXPENDITURES FOR DIRECT SUPPORT OF EDUCATION AND RESEARCH - 1993 THRU 1994 *	<u><u>\$56.4 Million</u></u> (18% of UINC Aggregate Expenditures)

*In 1991 - 1992 Dollars

Attachment III

STATE UNIVERSITY OF IOWA
June 17-18, 1992

UNDERFUNDING OF COM EDUCATIONAL COSTS

“Every effort should be made to obtain an increase in legislative appropriations for COM that is sufficient to ensure that all of the educational costs of COM are paid for by legislative appropriations and tuition. The Regents and the General Assembly should constantly be reminded of the extent to which the educational functions of COM are underfunded with appropriated monies, and the extent to which clinical earnings of COM faculty currently subsidize those functions.”

**College of Medicine External Review Committee
April 15, 1991**

STATE UNIVERSITY OF IOWA
June 17-18, 1992

Attachment 11

UIHC OPERATING BUDGET PROJECTIONS 1992-93

<u>● OPERATING REVENUE</u>	<u>ALLOCATIONS</u>
Gross Paying Patient Revenue	\$ 385,255,000
Gross Indigent Patient Revenue	<u>38,055,000</u>
Gross Patient Revenue	\$ 423,310,000
Less Charity - Care Rendered Indigent Patients	(38,055,000)
Less Third Party Payor Reimbursement and Other Adjustments	<u>(76,644,000)</u>
Net Paying Patient Revenue	\$ 308,611,000
State Appropriation for Indigent Patient Care	<u>27,293,058</u>
Net Patient Revenue	\$ 335,904,059
Other Operating Revenue	<u>13,157,000</u>
Total Operating Revenue	\$ 349,061,059
<u>● OPERATING AND CAPITAL EXPENSES</u>	
Operating Expense	\$ 326,971,900 ⁽¹⁾
Building and Equipment Depreciation	25,748,000
Interest Expense on Revenue Bonds	<u>2,330,000</u>
Total Operating Expense	\$ <u>355,058,900</u>
● Net Operating Revenue (Loss)	\$ <u>(5,997,841)</u>

(1) Anticipated Budget \$330,000,300 less Equipment and Building Repair Budgets \$3,028,400 equals projected operating expense \$326,971,900

status the teaching physicians at University of Iowa Hospital and Clinics enjoy. They must keep physicians' salaries competitive while keeping their rates competitive. They have to begin to deal with the situation or it will not get resolved in time to keep quality at the top.

Mr. Colloton said he agreed with President Pomerantz' comments. He stressed that University Hospitals was not in a position to sustain subsidy of medical education costs for the long term.

President Rawlings referred to a chart presented by Mr. Colloton which showed that a high percentage of the salary dollars to the physicians is earned by the physicians themselves. Only 8 percent of the College of Medicine income is derived from the State of Iowa. The College of Medicine and University Hospitals generate the other 92 percent. When newspapers publish the doctors' salaries he said it is important to indicate that tax dollars are not paying those salaries. If it is misrepresented that those salaries are paid for by state dollars it is acutely misleading. The doctors could earn far more money in other parts of society. He stated that for every dollar the State puts forward the University Hospitals and College of Medicine provide another \$9. He emphasized the need for the State to support these individuals.

Regent Hatch noted that the doctors in the surgical specialties subsidize salaries of other physicians who are performing important clinical work.

Regent Dorr stated that there are a number of excesses within the health care system. It will take more than simply getting the legislature to assume responsibility for the educational costs. They need to somehow provide a level of education as to why costs are what they are and what is driving them before they will ever get a political consensus.

Mr. Colloton said he agreed with the description of the totality of the process. He noted that University of Iowa Hospitals' costs are very low compared to its sister institutions.

President Pomerantz reminded the Regents that the only State appropriation to the Hospital is for indigent care. The amount of costs the Hospital absorbs is significant in terms of societal costs. The Hospital absorbs several millions of dollars per year in underfunding of indigent health care costs.

Regent Tyrrell noted that pressure from around the state to move some of the University Hospitals' funds to other services provided elsewhere in the state has also had an impact on indigent patient funds. They need to have an accurate figure of just how much the underfunding is of the indigent care program.

Mr. Colloton responded that underfunding was \$8 million for University Hospitals plus the medical faculty waived \$12 million in fees for a total of \$20 million.

Regent Tyrrell said they had identified the problem but did they have the solution? Mr. Colloton responded that implementation of the recommendations of the 1987 Governor's Blue Ribbon Commission on University of Iowa Hospitals and Clinics would be part of the solution. Additionally, the general university is asking for medical education costs to augment the general education funds for the College of Medicine. He has chosen to request nothing for indigent patient care because the universal health care issue will take care of indigent patient care costs. He noted that indigent patient care is a general societal problem. The recommendations need to be put in place over the long term to address the underfunding of the university for the College of Medicine.

Mr. Colloton then introduced William Petasnick, University Hospitals Administrator, Robert Reiter, Assistant Professor, Department of Obstetrics and Gynecology, and Pamela Triolo, Director, Quality Management Training and Development to discuss Total Quality Management at University Hospitals.

Mr. Petasnick identified the basic elements of Total Quality Management: 1) focus on the process, 2) data driven, 3) team oriented 4) commitment and involvement, and 5) value driven system of management. He said Total Quality Management is a process for guarding against complacency.

Dr. Triolo stated that Total Quality Management is a value-driven approach to management. There is increased accountability. She noted that over 200 ideas have been developed by staff. She then provided an overview of future plans concerning Total Quality Management at University of Iowa Hospitals and Clinics.

President Pomerantz stated that "Total Quality Management" is probably one of the greatest misnomers of our time. What they were talking about was a total system of management which employs a higher level of participation from all staff. He then questioned whether Total Quality Management at University Hospitals was a concept of substance. Many places that claim to have Total Quality Management have it in form but not much substance.

Dr. Triolo responded that University Hospitals was in the implementation stage of Total Quality Management. To get it "rolling" takes about 3 to 5 years but yes, theirs is a program of substance.

President Pomerantz asked, from a practical standpoint, how is a situation handled where a patient has an appointment and the doctor is called away. Dr. Triolo responded that was something they have been working on. They have performed a waiting room study. A subcommittee is working on the responses to the study. She noted that Total Quality Management works to enhance a greater

partnership between physicians and staff. Mr. Petasnick stated that the situation President Pomerantz described has come up in their study. The priority is for the patient to be seen. A process has been developed in certain departments to make sure the patient is seen at the time of their appointment. He noted that Total Quality Management was not just a concept but was a concrete attempt to look at problem areas and make changes.

Regent Furgerson asked how new staff are familiarized with the Total Quality Management system? Mr. Petasnick responded that Hospital officials have revamped their orientation program and laid out the expectations. Responsibility for Total Quality Management has also been built into the annual evaluation process.

Regent Hatch stated that she knew of a very good example. University Hospitals sees approximately 12,000 patients per day. It would be easy to run this Hospital as a bureaucracy. Her parents were recently seen at the Hospital and they commented on how nice everyone was to everyone. People were treated with dignity and respect. They were especially impressed with the personalization each patient received.

Regent Tyrrell wished Hospital officials good luck. He said even the best laid plans for a surgery schedule are fraught with errors and cannot anticipate everything that might happen. He cautioned that they not get so concerned with having patients seen on time that they cut out the service they are providing. If courtesy and an explanation that the doctor has been held up are provided, people are usually understanding.

Regent Williams asked for some examples of the interrelationships Mr. Petasnick referred to. Mr. Petasnick responded that there were problems when someone was seen in the Emergency Treatment Center and would be scheduled for a follow-up appointment. The patient would show up at the clinic and find that the appointment had not been made. Once the problem was understood, Hospital officials were able to change the computer system to prevent future occurrences of that type.

Dr. Triolo gave another example of a problem area that was resolved through Total Quality Management. Hospital officials found that there were 18 steps involved in the pharmacy process for patients being discharged. Through communications between the nursing and pharmacy staff, the problems in this regard were resolved.

President Pomerantz stated that other major hospitals in the nation are utilizing Total Quality Management. How much exchange of data and approaches takes place? Dr. Triolo said Hospital officials were looking at that. The concept of benchmarking to measure up is being developed.

Dr. Reiter discussed the managed care study at University Hospitals. This system helps reduce the occurrence of missed medications or laboratory tests.

The patient gets a copy of their care map and knows what should be happening each day of their stay.

Regent Hatch asked if that system may reduce the number of malpractice suits. Sometimes patients feel that no one listened to them and that they did not understand what was going on. Lack of communication can cause problems.

Dr. Reiter responded that one of the outcomes of the managed care study that they will be looking at is whether this reduces the number of cases of litigation.

Regent Tyrrell said there needed to be communication about a patient's expectations. Some patients may have unreasonable expectations. Dr. Reiter said that was absolutely true. Patients expect great outcomes from anything associated with high technology. They need to look at the level of a patient making decisions. Patients need to be given the facts including clinical outcomes, risks and alternatives. People basically are reasonable when given facts with which to work. Some patients may need to go to an advocacy program. Patients' expectations cannot be ignored.

Regent Furgerson asked if Total Quality Management would have an impact on the education of doctors. Dr. Reiter responded that he had recently read an editorial of a very distinguished group of people. The thrust of the article was the need for a reform movement for physicians to place an emphasis on efficiency. He said textbooks are now being written on medical decision making and quality. Quality and efficiency has to become an integral part of decision making. Students are excited about it.

Mr. Colloton introduced John Staley, Deputy Administrator of University Hospitals.

Mr. Staley discussed the Hospital's strategic planning program and provided a progress report. The Hospital has eight well-defined strategic planning goals and 52 strategies to attain the goals. In referring to the UIHC's "Priority Goals for 1992-93", he noted that while the special adjustments planned for July 1 would help, further adjustments for "hands on" health care professionals in future years would be needed to bring them into line with their counterparts in peer teaching hospitals. He also pointed out that while the special salary adjustments would be supported entirely from paying patient income in 1992-93, continued constrictions in third party reimbursement will make it necessary for the Indigent Patient Care appropriation to pay its fair share of such adjustments in future years.

Regent Hatch asked about child care for Hospital staff. Mr. Staley stated that Hospital officials have identified a site which they intend to convert in the coming fiscal year to a child care center for children of UIHC staff members.

Regent Hatch asked if staff were aware this was in the planning stages. Mr. Colloton said staff would know the details very soon. The general understanding is that they know it is in the planning stages.

Regent Hatch stated that child care has to be one of their very top goals because it relates to employee satisfaction, recruitment and retention.

Mr. Colloton stated that approximately 1-1/2 years ago a committee headed by a woman physician and composed of nurses and others completed the report on child care needs. It is on that committee's recommendations that Hospital officials are now acting.

Regent Williams stated that there has been a lot of focus in the national press on the issue of sexual harassment within the medical establishment. She asked for the status of supervisory training and awareness of this issue at University Hospitals and within the College of Medicine.

Mr. Staley responded that a very strong effort has been made to ensure that any problems are attended to. There is a university-wide program in which the Hospital participates.

Mr. Hesson said Hospital officials are more in the preventive mode than a reactive mode now. The university developed an extensive program to provide training to management personnel.

Mr. Colloton introduced Sally Mathis, Associate Director of University Hospitals and Head of the Department of Nursing.

Ms. Mathis said she endorsed what Mr. Hesson said regarding being in a preventive mode. One particular area for nurses and female physicians is in the operating rooms. Hospital officials are trying to create an environment where everyone works together.

Regent Hatch stated that a positive climate is very important.

Mr. Petasnick highlighted a few of the strategies that have broad institutional impact including the designation of University of Iowa Hospitals and Clinics as a comprehensive cancer center.

Regent Tyrrell asked if Mayo has that designation. Mr. Petasnick responded affirmatively.

President Rawlings stated that University of Iowa Hospitals and Clinics' national recognition as a cancer center was made possible, in part, by the substantial gift from the Pappajohns.

President Pomerantz asked about the Hospital's capacity to handle the approximately 500,000 patients forecasted for 1992. Mr. Colloton responded

that he hoped to have the staffing to accommodate that number of patients. With appropriate scheduling and some of the physical improvements that are coming about it would not be unreasonable to believe they could handle that amount of patients.

President Pomerantz said it was apparent from the excellent presentation that if Hospital officials succeed in all the programs presented today, the Hospital will likely grow. If it can grow it can take care of the anticipated amount of patients.

Mr. Colloton agreed that they would be able to take care of it.

Mr. Colloton stated that University of Iowa Hospitals and Clinics officials have recently established its first chief of staff. Dr. Robert Rodnitzky, Professor in the Department of Neurology, was elected for a two-year term.

Regent Tyrrell asked if the position would be rotating. Mr. Colloton stated that every 2 years there would be a reelection. The goal is to give Dr. Rodnitzky significant responsibility and with his expected superior performance, he could be reelected for several terms.

Mr. Colloton noted that all of the physician faculty in clinical departments of the College of Medicine are clinical staff members in the University Hospitals, and have teaching and research responsibilities as well.

Mr. Hesson discussed the Hospital's delegated governance functions.

ACTION: President Pomerantz stated the Board received the report and approved the establishment of goals and strategies for 1992-93, by general consent.

The Regents then toured the new Operating Room Suites, the Pediatric Cardiac Catheterization Laboratory, and the Pediatric and Adult In-Patient Psychiatric Units.

Regent Dorr asked how far into the future was the new operating room suite built to be compatible with new technology. The response was that it would be compatible with new technology for at least 10 years.

The Regents were informed that 200 to 250 procedures/year are performed in the pediatric cardiac catheterization laboratory, many of which are performed in the off hours. Heart catheterization costs about \$5,000 and open heart surgery costs between \$15,000 to \$20,000.

The inpatient child psychiatry unit includes an educational component for school-related aspects of a child's care plan. Children are seen between the ages of 2 and 14. This unit tends to be an acute short-term facility. The

adult psychiatric unit is a general psychiatric unit. Patients receive many special services such as recreational therapy and activities therapy.

BUDGET CEILING INCREASE FOR THE UNIVERSITY OF IOWA HOSPITALS AND CLINICS. The Board Office recommended the Board approve fiscal year 1992 budget ceiling increases for the following budget units:

University of Iowa Hospital and Clinics	\$13,248,700
Psychiatric Hospital	\$ 685,200
Hygienic Laboratory	\$ 204,900

University of Iowa Hospitals and Clinics officials requested a budget ceiling increase for fiscal year 1992 of \$13,248,700. This represents a 4.6 percent increase over the original fiscal year 1992 budget.

The increase in revenue at the University of Iowa Hospital and Clinics is the result of increases in the clinical complexity of patients. The increased revenues will be expended on salaries and wages, and supplies and services.

The increase in revenue at the Psychiatric Hospital is the result of patients utilizing more costly and complex services. The increased revenues will be expended on salaries and wages, and supplies and services.

The increase in revenue at the University Hygienic Laboratory is due to increases in use of services. The increased revenues will be expended on supplies and services.

MOTION: Regent Williams moved to approve fiscal year 1992 budget ceiling increases for the budget units presented. Regent Furgerson seconded the motion, and it carried unanimously.

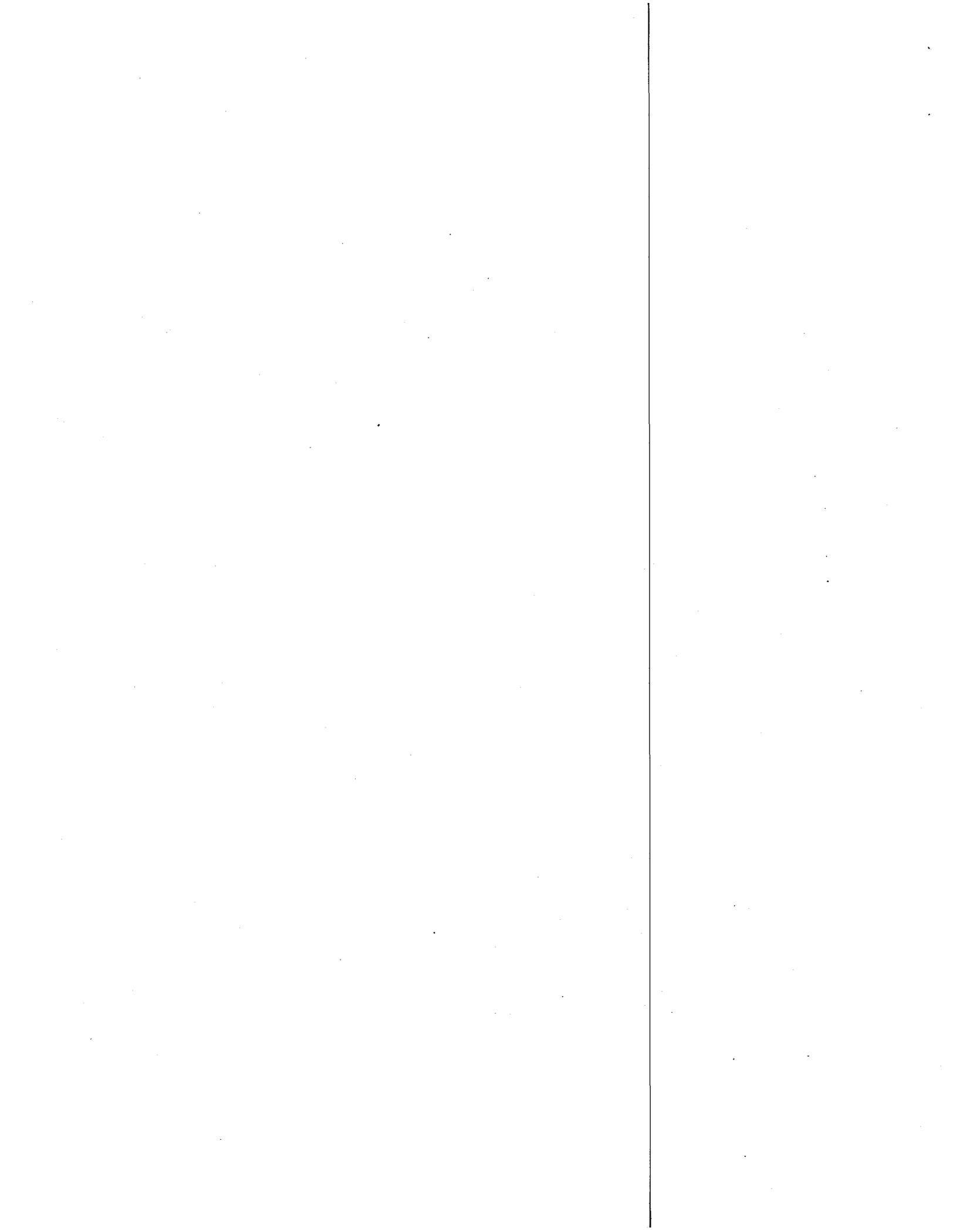
UNIVERSITY OF IOWA OAKDALE CAMPUS BUDGET CEILING INCREASE. The Board Office recommended the Board approve a budget ceiling increase for the Iowa Oakdale Campus of \$18,000 for fiscal year 1992.

University of Iowa Oakdale Campus officials requested a budget ceiling increase of \$18,000 for fiscal year 1992. The increase in the budget is due to higher than anticipated revenues from indirect cost recovery. The Oakdale Campus will expend the increased revenues for a roof replacement on Oakdale Hall.

MOTION: Regent Furgerson moved to approve a budget ceiling increase for the Iowa Oakdale Campus of \$18,000 for fiscal year 1992. Regent Fitzgibbon seconded the motion, and it carried unanimously.

STATE UNIVERSITY OF IOWA
June 17-18, 1992

President Pomerantz then asked Board members and institutional executives 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 17, 1992.

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

Register of Personnel Changes for April and May 1992 which included early retirements;

Accept the resignation of DAVID K. CREAMER, University Secretary and Controller, effective July 3, 1992; and

Approve the appointments of JOAN THOMPSON as University Treasurer and MARGARET S. PICKETT, currently Assistant Vice President for Business and Finance, with the added responsibility of Controller and University Secretary effective July 6, 1992, in accordance with Chapter 262.9 of the Code of Iowa.

MOTION:

Regent Furgerson moved to approve the university's personnel transactions, as presented. Regent Berenstein seconded the motion, and it carried unanimously.

APPROVAL OF NEW UNDERGRADUATE MAJOR. The Board Office recommended the Board refer the proposal to establish a new undergraduate major in Management Information Systems to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

Iowa State University officials requested approval to offer a BS degree in Management Information Systems (MIS) within the Department of Management of the College of Business.

The proposed new major will provide students with comprehensive training in the application, use, and management of information systems so as to provide effective information services and support to organizations. A formal MIS major would provide a student with the choice of courses to achieve a desired level of knowledge and competence in information technology.

The College of Business currently offers a BBA degree with a major in Management and a MIS option. The College proposed a change in degrees from the BBA to the BS degree (see ISU A-6) if the proposed new degree is approved.

Students already enrolled in the MIS option could change degree programs in order to receive a formalized major in MIS should they desire to receive formal recognition for their efforts.

All students entering the College of Business in Fall 1993 who wish to could pursue a major in MIS.

ACTION: This matter was referred by consent.

APPROVAL OF DISCONTINUATION OF GRADUATE MAJOR. The Board Office recommended the Board refer the university's request to the Interinstitutional Committee and the Board Office for review and recommendation.

Iowa State University officials proposed to discontinue the graduate majors (M.S. and Ph.D.) in Poultry Nutrition and Poultry Products Technology in the College of Agriculture.

The Provost's Efficiency Report recommended merging of graduate majors in the Department of Animal Science. The Department of Animal Science evaluated majors and determined that no major difficulties would be experienced by discontinuation of the Poultry Nutrition major. Students could exercise the option to major in Animal Nutrition. Current students in Poultry Nutrition will be allowed to complete their degree programs by 1994.

Termination of the Poultry Products Technology major was recommended for several reasons:

- * A graduate professor in this area has not been employed recently and because of budget restrictions may not be employed in the near term.
- * Students who desire to work in this expanding area of importance in Iowa can be served by the Meat Science major.
- * There are no current students in this program.

This request has been approved by the College of Agriculture, the Faculty Senate, and the university administration.

ACTION: This matter was referred by consent.

APPROVAL OF REORGANIZATION OF GRADUATE MAJOR. The Board Office recommended the Board refer the university's request to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

Iowa State University officials proposed to merge the graduate major in Child Development with the graduate major in Family Environment to create a single graduate major in Human Development and Family Studies (M.S. and Ph.D.)

The proposed merger is the result of recent action that created the Department of Human Development and Family Studies from the former departments of Child Development and Family Environment. The intent of the merger of the majors is to enable faculty and graduate students to pursue an integrated approach to the study of developing individuals and families across the life span.

University officials noted that the merger of the majors is consistent with the strategic plans of both the department and the college.

ACTION: This matter was referred by consent.

APPROVAL OF DISCONTINUATION OF UNDERGRADUATE MAJOR. The Board Office recommended the Board refer the proposal to discontinue the undergraduate major in General Business in the College of Business to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

Iowa State University officials requested approval to discontinue the undergraduate major in General Business in the College of Business. University officials reported that the proposal was consistent with the college's strategic plan and will help the college to emphasize the specialized majors currently offered by the five departments.

Students will still be able to obtain a general business program within the Management major, one of the five majors currently authorized. This major has the flexibility to structure a program of study to meet such needs.

ACTION: This matter was referred by consent.

APPROVAL OF EXPANSION OF UNDERGRADUATE DEGREE TO PRIMARY DEGREE. The Board Office recommended the Board refer the university's request to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

Iowa State University officials requested approval to make the Bachelor of Science degree the primary undergraduate degree offered by the College of Business. University officials proposed to transfer the majors currently offered within the Bachelor of Business Administration degree--Accounting, Finance, Management, Marketing, and Transportation and Logistics--to the Bachelor of Science degree.

The proposed change will provide students with greater flexibility to meet curriculum requirements and to arrange double majors more easily.

ACTION: This matter was referred by consent.

APPROVAL OF SUSPENSION OF ENROLLMENT FOR A GRADUATE MAJOR. The Board Office recommended the Board refer the proposal to suspend enrollment in the Master of Science in Architectural Studies program for one year to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

Iowa State University officials requested approval to suspend enrollment in the Master of Science in Architectural Studies (MSAS) program for one year. The request follows consideration of the proposal by the Budget Priorities Task Force to consolidate the MSAS program into the M.Arch. program (as a 30-credit option).

The Department of Architecture requested the suspension pending review of the overall graduate mission of the department. Based on the results of this review, the department will make a recommendation regarding the continuation or elimination of the degree.

The Faculty Senate Curriculum Committee, which approved the request, has specified that the department shall make a recommendation by April 1993 with respect to whether the program should be discontinued.

ACTION: This matter was referred by consent.

APPROVAL OF NEW UNDERGRADUATE MAJOR. The Board Office recommended the Board refer the university's request to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

Iowa State University officials requested approval to establish an undergraduate major in Plant Health and Protection in the College of Agriculture to take effect concurrently with the discontinuation of the undergraduate major in Plant Pathology (see ISU A-9).

University officials proposed that the new major will be a joint effort involving the departments of Agronomy, Entomology, Forestry, Horticulture, and Plant Pathology, with the latter the lead department.

University officials reported that current issues in agricultural practice require a multidisciplinary approach to resolve. Public concerns about environmental protection and sustainable agriculture demand solutions derived from a knowledge of interactions between plants and plant production practices and diseases and pests.

University officials reported that the proposed curriculum will provide undergraduate students with the training required for employment as professionals in agriculture as well as to prepare them for graduate studies.

ACTION: This matter was referred by consent.

APPROVAL OF DISCONTINUATION OF UNDERGRADUATE MAJOR. The Board Office recommended the Board refer the university's request to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

Iowa State University officials requested approval to discontinue the undergraduate major in Plant Pathology in the College of Agriculture, effective Fall 1993. University officials submitted this proposal concurrently with a request to establish an undergraduate major in Plant Health and Protection (ISU A-8) to provide a more appropriate program for undergraduate students.

The university has reached the conclusion that students would be better served in an interdepartmental curriculum dealing with the area of plant health. This area would include, in addition to plant pathology, background in plant nutrition, soils, weed science, entomology, meteorology, plant competition, and wildlife relationships.

University officials requested that if discontinuance is approved, currently enrolled students and those accepted for next Fall be allowed to finish their B.S. degree in Plant Pathology.

ACTION: This matter was referred by consent.

APPROVAL OF DISCONTINUATION OF GRADUATE MAJOR. The Board Office recommended the Board refer the university's request to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

Iowa State University officials requested approval to discontinue the Master of Engineering (M.Engr.) program in Nuclear Engineering in the College of Engineering. There are no students enrolled in this program, the last having graduated in 1987.

When the Nuclear Engineering Department merged with the Mechanical Engineering Department in 1991, the graduate program in Nuclear Engineering continued to offer an M.S. with thesis and an M.Engr., a nonthesis option. The Mechanical Engineering program, however, offers the M.S. with thesis and nonthesis options.

University officials proposed to be consistent regarding the two programs and seeks to eliminate the M.Engr. degree so that both Mechanical and Nuclear Engineering programs will offer the M.S. degree with thesis and nonthesis options.

ACTION: This matter was referred by consent.

APPROVAL OF NEW UNDERGRADUATE MAJOR. The Board Office recommended the Board refer the university's request to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

Iowa State University officials requested approval to establish an undergraduate major in Early Childhood Education (prekindergarten through third grade). The program would be administered jointly by the Department of Curriculum and Instruction in the College of Education and the Department of Human Development and Family Studies in the College of Family and Consumer Sciences.

University officials noted that the area of early childhood education is receiving much attention nationally and in Iowa.

The Iowa Department of Education has announced a new teacher licensure in Prekindergarten through Third Grade and numerous public school systems are seeking teachers with early childhood licensure to teach in the primary grades.

Iowa State University currently offers two teacher licensure programs in two different colleges that encompass this age range:

One leads to licensure in teaching children in kindergarten through sixth grade.

The other offers a major that leads to licensure in teaching prekindergarten and kindergarten children.

In order for Iowa State University students to obtain the Iowa Department of Education licensure in teaching prekindergarten and kindergarten children, a new major is needed that draws upon the faculty, coursework, and resources in the two departments.

ACTION: This matter was referred by consent.

APPROVAL OF DISCONTINUATION OF GRADUATE MAJOR. The Board Office recommended the Board refer the university's request to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

Iowa State University officials requested approval to discontinue the Master of Education degree in Industrial Education and Technology in the College of Education. The one student currently enrolled in the program will be allowed to complete it.

University officials noted that the vast majority of Masters degree students in the Department of Industrial Education and Technology pursue a Master of

Science degree. The limited enrollment (approximately one candidate every four years) does not make it feasible to justify this degree.

In the future, students interested in completing the Masters program would be required to complete the M.S. program of study.

ACTION: This matter was referred by consent.

APPROVAL OF DISCONTINUATION OF UNDERGRADUATE MAJOR. The Board Office recommended the Board refer the university's request to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

Iowa State University officials requested approval to discontinue the Curriculum: Art Education, undergraduate, leading to the B.A. and B.F.A. degree in the College of Design.

University officials reported that within the art education profession and throughout the American educational enterprise the call is for future teachers to gain a greater command of their academic subject before undertaking an educational program to acquire the skills to teach this subject matter.

In Iowa, teacher licensure laws require the acquisition of a master's degree plus several years of experience in order to earn a professional-level teaching certificate.

University officials proposed to have students complete an undergraduate degree prior to working for a master's degree and completing certification requirements.

The proposal will shift the emphasis in Art Education from the undergraduate to the graduate level. Elimination of the undergraduate Art Education program will allow the College of Design to focus resources on graduate Art Education. Expansion and improvement of graduate programs are major goals of the college's long-range plan.

ACTION: This matter was referred by consent.

APPROVAL OF REORGANIZATION OF GRADUATE MAJORS. The Board Office recommended the Board refer the university's request to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

Iowa State University officials requested approval to reorganize the graduate majors and areas of specialization offered by the Department of Agronomy in order to make the department's graduate program more efficient.

There are nine graduate majors under the current system; under the proposed reorganization, there would be four.

Agricultural Meteorology and Plant Breeding were proposed to remain as graduate majors and six current majors related to soils would be designated as areas of specializations under a new major of Soil Science. Two optional areas of specialization--Weed Science and Seed Science--would be added under the fourth graduate major, Crop Production and Physiology major.

University officials noted that the collapsing of the current six soils majors into one major was recommended by an external review committee two years ago. The additions of Weed Science and Seed Science specializations highlight study disciplines that are recognized as distinctly different disciplines by the Crop Science Society of America.

ACTION: This matter was referred by consent.

RECEIVE REPORT ON CHANGE OF ADMINISTRATIVE REPORTING STRUCTURE OF CENTERS.

The Board Office recommended the Board approve a change in the administrative reporting structure of the Iowa Transportation Center and the Midwest Transportation Center.

The Iowa Transportation Center was approved by the Board of Regents in July 1991 as a University Extension Center. Subsequently, it has become a university-wide organization which involves faculty from all colleges.

The Iowa Transportation Center has taken over the management of the Midwest Transportation Center and, under the new administrative structure, now reports to the Vice Provost for Research and Advanced Studies. Purposes of the units remain unchanged. They are:

- * To transfer transportation technology to governmental units and to transportation industry
- * To conduct transportation research in the areas of management, planning, policy, maintenance and operation of system, and engineering.

The Center is funded almost totally by contract and grant moneys and by fee income.

Regent Dorr noted that this program was originally funded with Department of Transportation money made available through legislative action. He asked how the program fits in with the overall scope of the institution's programs and where it will ultimately end up.

Interim Provost Swan responded that there were two strong factors influencing this program. The university has had a very long-standing relationship with the Department of Transportation's research function. The Midwest

Transportation Center is a federally-supported center and reflects a great deal of strength in transportation-related disciplines both at Iowa State University and the University of Iowa. Since the same faculty are involved in these efforts and the leadership of the two centers was the same, she said it seemed appropriate to streamline the administrative structure in the way in which it has been done. Iowa State University has a great deal of strength in this area and these programs are thriving and growing in sponsored funding.

President Jischke stated that the center fits very much in with the long-range strategic plan of the university. It builds on the strengths particularly in material science and civil engineering which are high priority and strong programs at Iowa State University.

Regent Dorr asked whether there was any duplication with the functions of the Driving Simulator at the University of Iowa and whether the center is involved in any discussions about ethanol and other types of fuels.

Interim Provost Swan responded that there is some relationship between the Iowa Transportation Center and the Iowa Energy Center in the areas of alternative fuels. Some work is being done together in that area. She said there is no direct connection between the Transportation Center and the Driving Simulator. One of Iowa State University's Engineering Departments is involved in software animation development and has a relationship to Iowa's Driving Simulator through that connection.

MOTION: Regent Hatch moved to approve a change in the administrative reporting structure of the Iowa Transportation Center and the Midwest Transportation Center. Regent Tyrrell seconded the motion, and it carried unanimously.

ACCEPTANCE OF POST-AUDIT REPORT. The Board Office recommended the Board refer the post-audit report to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

Iowa State University has completed a post-audit report on the Master of Science and Ph.D. Degrees in Plant Physiology. The program appears to have met the original objectives outlined for the program at the time of its initial approval by the Board of Regents.

This was a routine referral to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

ACTION: This matter was referred by consent.

RECEIVE THE CHANGE OF GRADUATE MAJOR. The Board Office recommended the Board refer the university's request to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

University officials proposed to restructure the graduate degree in Genetics to an Interdepartmental Genetics graduate major in the College of Agriculture and the College of Liberal Arts and Sciences.

Iowa State University has traditionally granted graduate degrees in Genetics through the Departments of Genetics and Zoology. University officials anticipate that the Interdepartmental Genetics graduate major, which is proposed to be offered initially by 48 faculty in 12 participating departments, will generate new ideas for research as a result of increased cooperation of faculty in the participating departments.

The strength of the major will be provided by faculty in fields ranging from population and quantitative genetics to the regulation of genes at the level of DNA molecules.

ACTION: This matter was referred by consent.

APPROVAL OF NEW CENTER. The Board Office recommended the Board approve the Center for Teaching Excellence at Iowa State University.

Iowa State University officials proposed to establish a Center for Teaching Excellence for improvement of instruction for faculty at the university.

The Center will provide workshops, instructional materials, teaching assistant training, instructional development, orientation for new faculty, and assistance in teaching evaluations.

The proposed budget on an annual basis will be approximately \$125,000.

The coordinator of this Center will report to the Provost.

The establishment of this Center is in line with an objective that was reported in the April 1990 strategic plan--to focus on improving the activities of Iowa State University's instructional program.

This proposal is consistent with the Board's often stated desire for improvement in instruction, particularly at the undergraduate level.

Chairwoman Williams congratulated Iowa State University officials on making this recommendation.

MOTION: Regent Furgerson moved to approve the Center for Teaching Excellence at Iowa State

University. Regent Berenstein seconded the motion, and it carried unanimously.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office recommended that the capital register for Iowa State University be approved.

PROJECT DESCRIPTIONS AND BUDGETS

University officials submitted two new projects for approval by the Board. These projects were included in the university's quarterly report of anticipated capital projects.

Knoll (President's Residence)--Exterior Painting \$6,000
Source of Funds: Income from Treasurer's Temporary Investments

Preliminary Budget

Contracts	\$ 6,000
TOTAL	\$ 6,000

The exterior wood trim on the Knoll has not been painted for several years and the university wishes to perform this needed maintenance and improvement work during the summer of 1992. The university will take this opportunity to change the trim colors to more appropriately render the historic Victorian architecture of the home.

Curtiss Hall--Brenton Center Innovative Classroom \$40,000
Source of Funds: Fiscal Year 1992 Block Grant Funds

Preliminary Budget

Design Services	
Architect/Engineer Agreement	\$ 37,500
Facilities Design	2,125
Contract Administration	<u>375</u>
TOTAL	\$ 40,000

The initial phase of this project consists of the preparation of a feasibility study for the development of a modern classroom for instructional use in the College of Agriculture. The classroom is intended to utilize new computer technology with systems that allow for electronic interaction between students and instructors, with the possibility of statewide signal distribution through the Iowa Communications Network. The feasibility study will outline the remodeling program, equipment and cost estimates.

* * * * *

University officials presented a revised budget on the following project.

<u>1992 Institutional Roads Projects--</u>	Original Budget	<u>\$400,000</u>
<u>South Fourth Street Reconstruction</u>	Revised Budget	<u>\$600,000</u>

Source of Funds:	<u>Project Budget</u>	
	<u>Original Budget Feb. 1992</u>	<u>Revised Budget June 1992</u>
1992 Institutional Roads Funds	\$ 200,000	\$ 200,000
1993 Institutional Roads Funds	200,000	130,000
1994 Institutional Roads Funds		37,000
1995 Institutional Roads Funds		233,000
TOTAL	\$ 400,000	\$ 600,000

University officials requested approval of a revised budget in the amount of \$600,000 to allow award of the construction contract for this project. This is an increase of \$200,000 over the initial project budget approved in February 1992.

In May 1992 the Board approved the university's request to authorize the Executive Director to award the construction contract for this project, subject to the receipt of acceptable bids on May 19, 1992. University officials requested this action in order to avoid delaying award of the contract for Board approval in June. However, the four bids received all exceeded the engineering estimate of \$423,926.60 by at least 27 percent. University officials now requested Board approval of a revised project budget to allow award of the contract to the low bidder.

* * * * *

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

* * * * *

ARCHITECT/ENGINEER AGREEMENTS

Amendments:

Utilities--City of Ames Tie Line \$3,600
Brown Engineering Company, Des Moines, IA

CONSTRUCTION CONTRACTS

1992 Institutional Roads Projects--South Fourth Street
Reconstruction \$537,137.10
Manatt's, Inc., Ames, Iowa

University officials requested approval to award the construction contract to the low bidder, Manatt's, Inc., of Ames, Iowa.

Utilities--City of Ames Tie Line--Parking Lot #41 Modifications \$122,108
Award to: Manatt's, Inc., Ames, Iowa
(1 bid received)

Dairy Industry--Addition and Renovation--Phase 2, Part B \$242,000
Award to: Harold Pike Construction, Inc., Ames, Iowa
(2 bids received)

ACCEPTANCE OF COMPLETED CONSTRUCTION PROJECTS

Molecular Biology Building--Bid Package No. 81
Brown Brothers, Inc., Des Moines, Iowa

Molecular Biology Building--Bid Package No. 72
Blackhawk Automatic Sprinklers, Inc., Waterloo, Iowa

Utilities--Increased Chilled Water Capacity--Phase I--Mechanical Package No. 5
Cunningham, Inc., Oskaloosa, Iowa

Molecular Biology Building--Bid Package No. 53
Central Iowa Construction Services, Inc., Des Moines, Iowa

Molecular Biology Building--Bid Package No. 56
Color, Inc., Des Moines, Iowa

MOTION: Regent Fitzgibbon moved to approve the capital register for Iowa State University, as presented. Regent Hatch seconded the motion, and it carried unanimously.

APPROVAL OF LEASES. The Board Office recommended the Board approve leases, as follows:

With the CENTER FOR CONTINUOUS QUALITY IMPROVEMENT for its use of 110 square feet of business incubator space, Suite 608, in the Iowa State

Innovation System, for a two-month period commencing July 1, 1992, through August 31, 1992, at a rate of \$100 per month;

With the AGRICULTURAL RESEARCH SERVICE, UNITED STATES DEPARTMENT OF AGRICULTURE, for an additional 1,200 square feet of space located at the North Central Regional Plant Introduction Station, Ames, Iowa, as indicated in Amendment #1 to the lease agreement dated July 26, 1989, commencing upon Board approval through August 31, 2089, at no additional charge and with all other terms and conditions of the original lease agreement remaining in effect; and

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, Ames, Iowa, for a one-year period commencing July 1, 1992, through June 30, 1993, at a rate of \$4,645.57 per month.

MOTION:

Regent Tyrrell moved to approve leases, as presented. Regent Dorr seconded the motion, and upon the roll being called, the following voted:

AYE: Berenstein, Dorr, Fitzgibbon, Furgerson, Hatch, Johnson, Tyrrell, Williams.

NAY: None.

ABSENT: Pomerantz.

TRAFFIC AND PARKING REGULATIONS FOR 1992-93. The Board Office recommended the Board give final approval to Iowa State University's 1992-93 traffic and parking fees as described below.

1992-93 traffic and parking rate proposals were received by the Board last month, along with proposed changes in traffic and parking regulations. Changes in regulations were approved last month, and the changes in fees were now presented for final approval after the lapse of the required 30-day student notification period.

The proposed changes in rates for 1992-93 were:

Student residence hall

Fall semester	\$32.00
Spring semester	\$16.00
Summer session	\$ 8.00

University student apartments

First car	No charge
Second car	\$40.00

The 1992-93 rates represent a 33 percent increase over 1991-92 rates, and have been approved by the university's Transportation Advisory Council. Only the

residence hall and apartment parking permit fees were being raised; general campus parking permit fees were not being increased.

MOTION: Regent Berenstein moved to give final approval to Iowa State University's 1992-93 traffic and parking fees, as described. Regent Furgerson seconded the motion, and it carried unanimously.

SALE OF WOI-TV. The Board Office recommended the Board approve the following motions:

- (1) BE IT RESOLVED that after further public input and deliberation that the motion made and passed at this Board's May 20, 1992, meeting that the Board accept the terms offered for the purchase of the assets of WOI-TV by Citadel Communications Co., Ltd., be affirmed and ratified.

BE IT FURTHER RESOLVED that the proposed Asset Purchase Agreement by and between the State Board of Regents, Iowa State University of Science and Technology, Iowa State University Broadcasting Corporation, and Capital Communications Company be approved and that President Pomerantz be authorized to make necessary changes in the Asset Purchase Agreement and to cause any additional necessary documents to be developed and distributed to or filed with appropriate parties.

BE IT FURTHER RESOLVED that Iowa State University of Science and Technology, Iowa State University Equities Corporation, and Iowa State University Broadcasting Corporation be requested and authorized to complete all necessary action to accomplish the sale and lease of the operating assets of WOI-TV for subsequent approval and signature by this Board as soon as reasonably possible.

- (2) BE IT RESOLVED that the proposed Trust to be created in favor of Iowa State University of Science and Technology to be funded with proceeds of the sale of the assets of WOI-TV and any other allowed funds be approved, and the President and Executive Director be authorized to sign any necessary documents on behalf of this Board.
- (3) BE IT RESOLVED that the proposed escrow agreement by and between this Board, Iowa State University of Science and Technology, Iowa State University Broadcasting Corporation, Capital Communications Company, and Boatmen's National Bank of Des Moines for use in accomplishing the sale of WOI-TV assets be approved, and the President and Executive Director be authorized to sign any necessary documents on behalf of this Board.
- (4) BE IT RESOLVED that the proposed indemnification agreement by and between this Board, Iowa State University of Science and Technology, Iowa State University Broadcasting Corporation, and Capital Communications Company

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concerning the sale of assets of WOI-TV be approved, and the President and Executive Director be authorized to sign any necessary documents on behalf of this Board.

The Board of Regents accepted the terms offered for the purchase of the assets of WOI-TV by Citadel Communications Co., Ltd., at its meeting on May 20, 1992. The necessary agreements to effectuate the sale have been in development since the Board meeting.

The letters from Joel Levy to President Pomerantz and to the Executive Director, dated June 12 and June 15, 1992, set forth the components of the agreement. Among other things, the agreement includes the following:

- * A draft agreement for retention by the seller of the satellite uplink facilities and their continued use by the buyer and the seller.
- * A draft lease for the Ames studio.
- * The agreement maintaining the internship and training programs with Iowa State University that have been utilizing the facilities of the station to help train students.
- * The list of pending or threatened litigation.
- * The escrow agreement.
- * The purchase price allocation, listing of policies of insurance, and the indemnification letter regarding litigation expenses.
- * The commitment letter from Lynch, which has been approved by the firms.

The terms of the Asset Purchase Agreement run through the end of 1993, which should provide sufficient time for review of the application to the Federal Communications Commission.

The endowment trust document. The documents for the uplink and the lease for the Alleman facilities were not completed at the time of mailing of the docket materials for this meeting.

President Pomerantz stated that he would not comment to any greater extent than the events of the day would indicate. The Regents would not devote the entire meeting to WOI-TV. They have agreed to recognize Jack Shelley and associates for a ten-minute presentation. Joel Levy, Cohn and Marks, would present the basic agreement that had been drafted and answer questions. Wade Hauser, Ahlers Law Firm, would explain the trust documents. The recommended action was to process the documents and refer them to the Iowa State University Equities Corporation and the Iowa State University Broadcasting Corporation for their consideration and to facilitate progress on the sale.

All items not finally acted on today would be brought back to the Board for consideration and final action at a subsequent meeting.

President Pomerantz then recognized Professor Neil Harl.

Professor Harl stated that Mr. Shelley had a health problem in his family and could not be here today. Professor Harl has agreed to appear in his place. On behalf of Iowans for WOI-TV, Incorporated, its 37-member board of directors, and its 15-member executive committee, Professor Harl requested reconsideration of the action taken by the Board of Regents on May 20, 1992, regarding the sale of WOI-TV. The request for reconsideration was made on eight grounds.

First, Professor Harl said, the sale of WOI-TV is opposed by the President of Iowa State University, by the Faculty Senate, the Government of the Student Body, the Iowa Senate, the Iowa House of Representatives, by Iowans for WOI-TV, Incorporated, a non-partisan statewide group of citizens including several former legislators and Regents, and, he believes, by the vast majority of Iowans. He said the only group that has spoken up supporting the sale of the station over the past 4 months has been the Board of Regents by a vote of 6 to 3. He believes the proposed sale involves a sale of interests in real estate. Iowa Code sections 262.9(6) and 262.10 require the approval of the State Executive Council for the Board of Regents to sell real estate. He said the lease of the tower and related facilities cannot be transferred or assigned without the approval of the Executive Council.

Professor Harl said the Board of Regents initially accepted bids for the sale of WOI-TV without any established criteria. After rejecting the first round of bids the Board established some criteria but then ignored the criteria. Not all the other bidders were given an opportunity to make a bid under the changed criteria. No public notice was given. No public input on rules for the sale were allowed contrary to Chapter 17A of the Code and fundamental concepts of procedural due process.

Beyond what Professor Harl felt were serious legal problems, he said the fact was that the Board of Regents has delegated control of WOI-TV to Iowa State University Broadcasting Corporation. The board of that corporation has not acted and, to his knowledge, has not been consulted about the sale. Nor has the corporation that owns all the stock of Iowa State University Broadcasting Corporation been consulted, it appears. Under section 490.1108 of the Code of Iowa the directors of Iowa State University Broadcasting Corporation have a duty to consider the affects of a sale of WOI-TV on the employees of the corporation, its suppliers, creditors and customers.

Second, Professor Harl said representatives of the Board of Regents have made statements that WOI-TV has been losing money, or it will lose money in the future. He said there has never been any attempt to formally find the

facts on this issue or give anyone opposed to the sale opportunity to give evidence that the station is indeed making money. He said he wanted to set the record straight on the financial health of WOI-TV. \$80,000 a year in rent is paid to Iowa State University on a building built and paid for by station revenues. Approximately \$25,000 per year in utilities expense for WOI-AM/FM is paid by the television station without reimbursement. WOI-TV has paid Iowa State University \$305,000 in 1988, \$605,000 in 1989, \$505,000 in 1990, \$377,000 in 1991, and \$605,000 so far in 1992. He said the conservative projections of the station show the payments to Iowa State University trending gradually upward to \$1,175,000 in 1998. He said the earnings history and projections for the future hardly support statements from the Board Office that "future broadcast revenues to the station under the present management structure are likely to decline with the probability that WOI-TV would become a financial drain on Iowa State University". Or a statement of President Pomerantz that "the station soon will begin to drain resources away from the academic core of the university".

Third, Professor Harl said the opposition to sale of WOI-TV rests solidly on the devastating effects the sale would have on broadcast journalism, meteorology education, electronic media studies and on distance learning. With regard to distance learning, he said Iowa State University would lose the edge built so very carefully over the past several years in distance learning, an edge that is vital for a leading land-grant university on the threshold of the twenty-first century. If the station is sold, Professor Harl said, control of the uplink operations would be within the realm of the buyers as the proposed contract indicates. If the station is sold, history will mark this occasion as a dark day for higher education and an even darker day for Iowa State University. He said the commitment of the buyers to provide assistance to undergraduate and graduate students would end in three years. During that three-year period Citadel would have absolute control over the program.

Fourth, Professor Harl said that if the sale of WOI-TV is consummated it will stand as a monument to unprecedented and unparalleled disregard for the professionals of Iowa State University extension services and elsewhere who are striving to maintain service to Iowa and Iowans in the face of major resource constraints. With WOI-TV the university has the ability to produce educational programming for and to reach the rural populations of the state in order to perform its mandated extension functions.

Fifth, as to the point that the proceeds from the proposed sale will be sufficient to repair the damage, Professor Harl said that anyone would be naive not to see the threat that those funds will not be retained by Iowa State University. Even if the funds could be retained, why wrench this invaluable resource from Iowa State University causing gaping wounds that will take years to heal merely to say use the funds to restore what has been taken from the university? The proposed trust agreement gives complete but undefined discretion in the Board of Regents to remove and substitute the

trustee, who is initially the President of Iowa State University. There is no term of the trust. He said there is no provision for the use of the corpus of the trust or any disposition of it. The trust purports to be irrevocable but gives discretion to the donors to terminate it at any time.

Professor Harl stated that a sixth reason for reconsideration was that WOI-TV will play an even more vital part of Iowa State University's outreach function in the years ahead. It could easily be an internationally-recognized center for telecommunications excellence in teaching, in extension and in research. He urged the Regents to share this vision of what the station could become within a very short time. He said the Regents and their institutional officials strive everywhere to create centers of excellence. Here is one very close to realization.

Seventh, Professor Harl said he believes the proposed sale is clearly illegal under the laws of Iowa in several respects. The proposed sale involves interests in real property which requires approval of the Executive Council of the State of Iowa. The Board of Regents lacks authority over WOI-TV if the station assets are owned by a separate corporation with its own governing board which has not been involved in the negotiations for the sale. The bidding process was legally flawed. He said the voting procedure on May 20, 1992, was highly irregular. Certain individuals have conflicts of interest, he believes. Certain members of the Board of Regents appear not to have considered their fiduciary duties of loyalty, diligence and good faith.

Professor Harl then requested that the Regents not approve the final agreement to sell WOI-TV for each and all of the reasons stated. He further requested that the Board withdraw authority to further negotiate or further consider the sale of WOI-TV until such time as a lawful procedure for the sale of major assets of the governed institutions is formulated and promulgated. He further requested that the Board promulgate rules pursuant to chapter 17A of the Code of Iowa governing the sale of assets of the governed institutions.

On behalf of Iowans for WOI-TV, Inc., Professor Harl further requested that any transfer of an interest in real estate as well as any sale or assignment of a lease interest in real estate be submitted to the State Executive Council for approval. He requested that a formal factual hearing be held upon proper notice for a determination of whether or not WOI-TV has or will lose money and be a drain on the resources of Iowa State University. He further requested that the Board of Regents seek a legal determination of whether it has delegated its authority to manage the assets of WOI-TV to a separately-constituted board of directors of a separate legal entity, and whether it can now act unilaterally to negotiate and consummate the sale of the separate corporation's assets.

Professor Harl then said he would be pleased to answer questions. President Pomerantz informed Professor Harl that his presentation took close to 20 minutes, and suggested that his accuracy in requesting time was probably correlated to the accuracy of much of the content of his presentation.

President Pomerantz requested that Joel Levy of the firm of Cohn and Marks present the basic agreement that had been submitted.

Mr. Levy stated that he had been working diligently on the documentation for the last 3 weeks. The Regents were in receipt of two letters that Mr. Levy wrote transmitting the draft documentation and the basic asset purchase agreement that had been negotiated with the buyer, along with certain very relevant attachments which would be exhibits to the final document.

Mr. Levy then discussed who the formal buyer is. In January Citadel Communications Company was the name of the buyer that was one of many interested in purchasing the station at the time. It was the Citadel group with whom this Board met in its meeting in May, and authorized the preparation of a final document. The name of the buying entity on the draft Asset Purchase Agreement is not Citadel but Capital Communications Company. Capital Communications Company is the name of a new entity but it is exactly the same group of people, particularly Phillip Lombardo, with whom the Regents have dealt with in the last several months. Capital Communications Company is a new general partnership created specifically to hold the assets of WOI-TV when the sale is completed.

The owners of Capital Communications Company are two other corporations: 1) Lombardo Television which will be owned completely by Phillip Lombardo and will hold 50 percent of capital, and 2) Lynch Entertainment Two, which is a new company that is a wholly-owned subsidiary of Lynch Corporation. Mr. Levy stated that Lynch Corporation is a publicly-traded company on the American Stock Exchange. The chairman of the board is a Mario Gabelli, well known in investment circles, and who has invested with Mr. Lombardo in other transactions involving television. While there is a new name, he said it was essentially the same people that the Regents have dealt with before. No strangers are entering the deal.

Mr. Levy stated that the documentation before the Regents was an approximate 65-page Asset Purchase Agreement in draft form, where the sellers will be three entities: the Iowa State Board of Regents, Iowa State University Equities Corp., and the holder of the license for WOI-TV the Iowa State University Broadcasting Corporation. The reason for the three entities being joint sellers relates to various ownership interests of the assets that are being conveyed. Mr. Levy emphasized that each of the entities must independently arrive at a judgment according to their own corporate charter to proceed with the sale. This includes particularly Iowa State University Broadcasting Corporation which is the holder of the FCC license and which is responsible to the FCC for all actions involving that license.

Mr. Levy said the agreement contains the normal provisions that would accompany the sale of a commercial television broadcast station for cash at closing, with certain major changes to reflect understandings and promises made by the buyer to carry out certain activities that have been ongoing as part of the educational function of the station as well as its commercial function. These include retaining the internship and training programs that the university has had access to with the television station over the years. Mr. Levy has worked with people who are responsible for those programs both in the university and at the station, and with Mr. Lombardo to try and put down on paper an accurate representation of what those programs are today and the responsibility of Mr. Lombardo to continue them in the future.

In response to Professor Harl's comment about the length of those programs, Mr. Levy said it is accurate that they are for an initial three-year term; however, they do not end automatically at the end of three years. Built into the agreement is a requirement that the programs go on indefinitely after the three-year period unless either party wants to cancel. Either party can, on a year's notice, cancel. He gave the reasons why either party might wish to cancel that program. He stressed that to mandate that the university be bound forever to the program would be imprudent, just as it would be imprudent for Mr. Lombardo to agree to carry them on forever no matter what might happen in the future. Nonetheless, the university is assured of at least a four-year term, not a three-year term.

Mr. Levy stated that the agreement also provides for the university to maintain the satellite uplink arrangements for distant learning that are in place now. Ownership and control of the equipment will be retained by the university. He did not anticipate any problem in meeting the needs of both Mr. Lombardo to service the commercial accounts or the educational needs of the university. He said the television station will be delegated the authority and the responsibility to manage the equipment and to cooperate with the university in scheduling so that the commercial use of the satellite system and its educational purpose are all met. He said that given the number of hours available and the procedure being established, there should be no more difficulty in meeting the commercial and educational needs of both parties than there is today.

Mr. Levy then discussed the financial arrangements which are not any different, in essence, than what the Board approved last month. The purchase price is \$12,700,000 in cash to be delivered at closing. The accounts receivable, approximately \$1,300,000, will be retained by the university. The total purchase price, including accounts receivable, is therefore \$14,000,000. Mr. Lombardo will be required to deposit \$500,000 into an escrow account to be maintained by a local Des Moines bank. The escrow deposit will secure his performance. If he fails to show up at the closing with the \$12,200,000 he will forfeit the \$500,000. That provides a strong economic incentive for him to carry through on the transaction. It

is a larger sum of money than Mr. Levy had seen in comparable deals, and he said it represents Mr. Lombardo's commitment to the transaction.

Mr. Levy has also taken steps to assure that Mr. Lombardo will have the remaining \$12,200,000 at closing. The steps taken in this regard revolve around the letter in which the Lynch Corporation has agreed to take \$12,200,000 of its funds, deposit it into a separate segregated account which will be dedicated only for the use of meeting the commitment of Capital Communications Company to complete the purchase of WOI-TV.

Mr. Levy said he had built in safeguards in the eventuality that Lynch Corporation might not be able to fulfill its financial commitment to Capital. Should that occur, Mr. Lombardo will be given 60 days to come up with another firm financial commitment. If he does not come up with that commitment, he has two options. He can increase the escrow deposit by as much as \$200,000 and then proceed with the transaction. If Mr. Lombardo does not close when this has all been approved, he will forfeit not \$500,000 but \$700,000. If he decided that he could not get a firm financial commitment or that the deal is not attractive to him, he can terminate the deal but he must leave behind the \$500,000 deposit which will then go to the university.

Mr. Levy then referred to the attachments to the Asset Purchase Agreement involving termination rights, indemnification, remedies on breach, representations and warranties of each of the parties involving such things as environmental matters. He said they were standard and that he would answer questions but preferred not to address them at length. He then addressed the essential points that he felt were of interest to the Regents.

The first item was the indemnification letter. Mr. Levy stated that one of the points that Mr. Lombardo and his lawyers made was that agreeing to buy the television station for cash and raising his bid from a deferred payment to an all-cash offer was a very drastic change for him. He wanted to do it because he wanted to buy the station and he wanted to be sure that he satisfied the needs of the seller. However, he did not feel it was fair to put upon him the cost of the risk of the transaction being defended from attack by those who have expressed their views that it is improper, inappropriate and illegal. Mr. Levy believes Mr. Lombardo's request was appropriate. The question of impending litigation is an issue of the seller and not one that the buyer should take upon himself to defend. Mr. Levy agreed to indemnify Mr. Lombardo for any costs that he may have to incur in defending against any attacks that may be brought for entering into this transaction. The indemnification is not unlimited, though. He said that any issues involving Mr. Lombardo alone that might be raised either in the Iowa courts or before the Federal Communications Commission, Mr. Lombardo will have to take the responsibility for. He is prepared to do so and there will be no indemnification for those issues.

Two leases are in the process of being completed. Mr. Levy said one is a lease of space in the building that houses the WOI-TV studio in Ames which will be leased to Mr. Lombardo on the terms established at the last Regents meeting. The terms are \$80,000 a year rent for three years, \$100,000 a year rent for the fourth year, his right to terminate on 90 days' notice, his picking up the cost of utilities, maintenance, janitorial services, etc. There are certain technical details that have to be addressed, but the lease that was presented to the Regents contained all those essential provisions as they were agreed to by Mr. Lombardo. A second lease, which had not yet been drafted, was described in a page and one-half statement which involves property owned by the university and the Board of Regents located at the transmitter site in Alleman, Iowa. That property will be used by Mr. Lombardo and his group under a lease that will run on the same terms as the underlying ground lease on which the property is located. The ground lease is from Palmer Broadcasting Company for which WOI-TV has a lease. The original terms of the lease will govern the lease to Mr. Lombardo on the physical assets that are located on the property. There will be no sale of that real estate; only a lease of it to Capital Communications Company. There are a number of technical issues that need to be agreed upon before that lease can be completed.

Mr. Levy referred to the other exhibits which he said were fairly pro forma. Exhibits which were not attached for the Regents' review were the inventory of personal property that is to be sold as well as program agreements that will be assigned to Mr. Lombardo. Those are all fairly standard parts to selling the television station.

Mr. Levy said the documentation presented to the Regents for this meeting was not totally complete but represented the essence of what they had authorized him to prepare. He did not foresee any significant disagreements on any essential terms with Mr. Lombardo. He hoped to complete all the documentation within the next week. The documentation would next be presented to Iowa State University Equities Corporation and Iowa State University Broadcasting Corporation for their independent review before the documents are returned to the Board of Regents for their final review.

Regent Fitzgibbon expressed concern about the financial accountability of Lynch Corporation. He said Lynch Corporation may have \$50 million working capital today and may have zero tomorrow. Another concern regarding the financing was a statement in the Minutes of the last Board meeting that this offer should include a Letter of Credit that will ensure cash payment. What was presented at this meeting was not a Letter of Credit but was an Assurance Letter that Lynch Corporation would set aside a certain amount of funds in a separate account. He said the Board of Regents would have no control over the account. There would be no protection like they would get with a Letter of Credit. Therefore, he said there is exposure with an Assurance Letter rather than a Letter of Credit. He acknowledged that Letters of Credit cost money. Depending on the financial institution the

cost could be half of one percent to two percent which would be around \$100,000 to \$150,000

Mr. Levy said that for a Letter of Credit that would be a year in length the cost might be around \$125,000 but for a year and one-half it could cost \$200,000.

Regent Fitzgibbon said the Board should consider whether it is worthwhile to see that additional money is spent to get a Letter of Credit.

Mr. Levy said he also read the Minutes of last month's meeting and the suggestion that they should obtain a Letter of Credit. Mr. Levy took it as direction to him to negotiate a transaction which would include a Letter of Credit. Mr. Lombardo did not read that transcript the same way. Mr. Levy pressed very hard for Mr. Lombardo to deliver a Letter of Credit in accordance with what he thought was the understanding at that meeting. There will be no deal, though, if Mr. Lombardo is required to spend \$125,000 to \$200,000 for a Letter of Credit. What he would do is secure a letter from Lynch stating that Lynch has the money, would keep it separate and promised to Capital Communications that they will make it available. Mr. Levy said he knew of no buyer who would agree to obtaining a Letter of Credit.

Regent Fitzgibbon suggested that this organization ought to come up with the money for a Letter of Credit to assure they have a sale. The buyer would not necessarily have to spend the money for a Letter of Credit. Maybe the buyer would obtain a Letter of Credit at the seller's expense.

Mr. Levy stated that if the Regents insist on a Letter of Credit they are going to so diminish the university's potential buyers that they may end up not selling the station at all. Mr. Lombardo is interested in buying the station on an all-cash basis. If the Regents layer the transaction with a requirement that Mr. Lombardo also put down the purchase price in advance under the Regents' control while the transaction is under attack from opposing groups in court and before the FCC, they probably would not have a sale.

Regent Hatch asked for clarification concerning the \$200,000 mentioned by Mr. Levy. Mr. Levy responded that the \$200,000 relates to the Assurance Letter that will be provided by Lynch Corporation. If, for some reason, the funding from Lynch disappears and if Mr. Lombardo wants to keep the deal alive, he has to either get another firm commitment from a financial source or he can add as much as \$200,000 to the escrow, which will start at \$500,000, and then proceed with the transaction.

Regent Hatch asked for an estimate of the amount of expenses Mr. Lombardo will incur in an effort to get this closed. She noted that relates back to his good faith effort, also. Mr. Levy responded that it was going to cost

Mr. Lombardo approximately \$25,000 to \$100,000 before he is finished with this transaction, in addition to the time he has put into it.

Regent Berenstein referred to the Minutes of the May Board of Regents Minutes and stated that the questions he raised pertaining to the Letter of Credit were not part of the motion. They were merely direction to Mr. Levy to negotiate with Mr. Lombardo. Mr. Lombardo indicated that the Regents' requests were acceptable which Regent Berenstein said did not mean that they were going to be in the contract. He then stated that it was important for the Regents to understand that if this deal does not proceed as planned, the university only gets \$500,000 and it keeps the station. They cannot sue Mr. Lombardo or his companies.

President Pomerantz pointed out that the Regents were acting like they were taking a twenty-year contract on the sale of this station. This is a cash sale. If they could deliver good title and license and supplement the franchise transfer in the next thirty days, they would have \$14 million. It is not the buyer's fault that it takes time to get the sale into conditions so the title can be transferred. No buyer is going to put an inordinate amount of capital out there and let it hang, just for the seller's convenience. With regard to the idea that they are taking extraordinary chances in terms of the \$500,000 up-front money by Mr. Lombardo, he asked how often a seller gets \$500,000 in escrow on a transfer of a station.

Mr. Levy responded that it did not happen very often.

President Pomerantz asked if Mr. Levy would say the likelihood was quite rare. Mr. Levy responded that it was a negotiable item. The escrow amount sometimes reflects a percentage of the total price. The creditworthiness of the buyers is also important in deciding the amount as well as the desperation of the seller. He then acknowledged that it was a very substantial amount of money by any comparison.

President Pomerantz said they needed to understand that it was a substantial amount of money that was being placed in escrow. The sooner they work through the process and make the transfer available, the sooner the university gets its \$14 million.

Regent Berenstein stated that a Des Moines Register article on Monday showed the television market encompassed by the Lombardo entities. He said this becomes an attractive deal for Mr. Lombardo. Yet, if he walked away from this deal he would certainly suffer bad reputation with his other two stations in the vicinity. Therefore, that would also serve as a deterrent for Mr. Lombardo to not walk away.

President Pomerantz asked Mr. Levy to comment on high definition television requirements that are lurking in the future and what impact that might have on WOI-TV. Mr. Levy stated that the impact on WOI-TV would be the same as

every other television station in the country. There has been a lot of talk about the FCC moving toward requiring that all television stations obtain the capacity to broadcast in high definition television which will be a digital form of broadcasting as compared to the analog form in place today. No one can know exactly what will happen but there is good reason to believe that it is a mixed blessing, particularly in the short term, to the commercial television broadcasters of this country. He then described the program the FCC will require of every broadcaster. It will require a capital investment \$5 million to \$7 million.

Regent Dorr asked, for the record, how long Mr. Levy has been in the business of providing legal advice to the communications industry. Mr. Levy responded that he has been in the business for 27 years in private practice and five years at the Federal Communications Commission where he worked immediately out of law school.

Regent Dorr asked, in light of that background, for Mr. Levy to describe the current environment for commercial television. He also asked whether the contract he had drafted for the Regents and Iowa State University is better than normal, normal or below normal.

Mr. Levy responded that the contract falls square in the middle on the usual aspects of a standard sale of a television broadcast station. Where it is unusual is the provisions regarding the facilities of the university and WOI Radio in that the buyer has agreed to all sorts of concessions to maintain those services and carry at no cost to the university the radio stations. In that respect it is highly unusual. In terms of meeting the stated purposes of the university to have a sale on commercially-reasonable grounds and to retain all the benefits that are now in place for the university's educational mission, Mr. Levy said the contract accomplishes that in a very reasonable way.

With regard to the question concerning the environment for commercial televisions, Mr. Levy said it is very bad. The broadcast industry in the last year and a half to two years has been in a terrible recession as a direct result of the recession that the rest of the country is in but exacerbated because advertising is down dramatically. For broadcast stations that were bought in the 1980s people overpaid and took on huge amounts of debt. Many of those are now in bankruptcy. Much of Mr. Levy's time is spent trying to work out stations' financial problems. Exacerbating all of this is the lack of credit in the financial markets to invest in properties. To find a buyer who is willing to commit cash at closing for a television broadcast property today, he said, is very unusual.

Regent Berenstein asked whether some of the clauses in this contract's indemnity language are exacerbated because of the political nature of this sale which perhaps will elongate the process. Mr. Levy responded affirmatively. Mr. Lombardo requires indemnification and remedies because

of the exposure he is going to have over a long period of time before this is closed.

President Pomerantz recognized Wade Hauser.

Mr. Hauser stated that the Ahlers law firm has been working with Mr. Levy and his firm on the development of the documents during the last 3 weeks, attempting to aid in the local issues involved in the transaction. The trust document with which the Regents were provided would be necessary after the sale is closed and all of the money is received. The trust document was developed in conjunction with Iowa State University administrators. The trust will be the residence of the sale proceeds. The purpose of the trust is to fund activities at Iowa State University as recommended by the president of the university. The president of the university will be the trustee, serving at the pleasure of the Board of Regents. In summary, he said the sale proceeds will be managed and available for the university under control of the university within the normal domain and control of the Board of Regents.

President Pomerantz asked for Mr. Hauser's comments on the Board of Regents right to lease certain portions of the assets it owns. Mr. Hauser responded that it was his opinion that the Regents have the right to lease assets that they own. There will be no sale of real estate in the proposed transaction. The Board of Regents has leased substantial assets that are under its control for years without the approval of the State Executive Council. It was his opinion that this transaction as presently constituted does not require the approval of the Executive Council. He assured the Regents that Ahlers would opine in that regard for the benefit of both the buyer and seller in this transaction. Should their view in that regard change he would advise the Regents as their counsel. He said the opinion would be part of the rest of the warranties before the documents are signed. He noted that he was cognizant of what Professor Harl had said here today and that he would review Professor Harl's comments. If necessary he would discuss the matter with Professor Harl.

Regent Hatch referred to page 8, number 12 of the trust agreement language that stated the trust shall be irrevocable but may be terminated at any time by a donor. She asked Mr. Hauser to comment on that language. Mr. Hauser responded that the donors are the Board of Regents, Iowa State University and Iowa State University Broadcasting Corporation. Those entities are empowered with the responsibility to act in the best interest of Iowa State University. Any entity that is created by statute probably is one of the least secure types of legal entities that can exist. The legislature can disband the Board tomorrow. It is conceivable that a scenario could come to pass that would affect the availability of the use of these proceeds for Iowa State University but he did not think there was a reasonable foreseeability of that happening.

Regent Hatch asked if that was why Mr. Hauser wrote the trust as irrevocable but in the event something unforeseeable happens that it could be terminated.

Mr. Hauser responded affirmatively, stating that was standard trust language.

Regent Berenstein noted, with regard to the trust document, that prior to the time of execution after the money is in the Board's control, the Regents can make any additions or corrections to safeguard against some eventuality that might be raised at a later time.

Mr. Hauser said Regent Berenstein was absolutely right. The trust is not going to come into "play" until after the closing which he noted was not going to happen until sometime in 1993.

President Pomerantz recognized Regent Hatch.

MOTION:

Regent Hatch moved: BE IT RESOLVED that after further public input and deliberation that the motion made and passed at this Board's May 20, 1992, meeting that the Board accept the terms offered for the purchase of the assets of WOI subject to the terms of a definitive agreement be affirmed and ratified with the understanding that Citadel Communications is now referred to as Capital Communications Company. Regent Dorr seconded the motion, and upon the roll being called, the following voted:
AYE: Berenstein, Dorr, Furgerson, Hatch, Johnson, Pomerantz, Tyrrell.
NAY: Fitzgibbon, Williams.
ABSENT: None.

President Pomerantz recognized Regent Hatch.

MOTION:

Regent Hatch moved: BE IT FURTHER RESOLVED that the proposed Asset Purchase Agreement by and between the State Board of Regents, Iowa State University of Science and Technology, Iowa State University Broadcasting Corporation, and Capital Communications Company be approved and that President Pomerantz be authorized to make necessary changes in the Asset Purchase Agreement and to cause any additional

necessary documents to be developed and distributed to or filed with appropriate parties. BE IT FURTHER RESOLVED that Iowa State University of Science and Technology, Iowa State University Equities Corporation, and Iowa State University Broadcasting Corporation be requested and authorized to complete all necessary action to accomplish the sale and lease of the operating assets of WOI-TV for subsequent approval and signature by this Board as soon as reasonably possible. Regent Tyrrell seconded the motion, and upon the roll being called, the following voted:
AYE: Berenstein, Dorr, Furgerson, Hatch, Johnson, Pomerantz, Tyrrell, Williams.
NAY: Fitzgibbon.
ABSENT: None.

President Pomerantz recognized Regent Hatch.

MOTION:

Regent Hatch moved: BE IT RESOLVED that the proposed Trust to be created in favor of Iowa State University of Science and Technology to be funded with proceeds of the sale of the assets of WOI-TV and any other allowed funds be approved, and the President and Executive Director be authorized to sign any necessary documents on behalf of this Board. Regent Dorr seconded the motion, and upon the roll being called, the following voted:
AYE: Berenstein, Dorr, Furgerson, Hatch, Johnson, Pomerantz, Tyrrell, Williams.
NAY: Fitzgibbon.
ABSENT: None.

President Pomerantz recognized Regent Hatch.

MOTION:

Regent Hatch moved: BE IT RESOLVED that the proposed escrow agreement by and between this Board, Iowa State University of Science and Technology, Iowa State University Broadcasting Corporation, Capital Communications Company, and Boatmen's National Bank of Des Moines for use in accomplishing the sale of WOI-TV assets be approved, and the President and

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Executive Director be authorized to sign any necessary documents on behalf of this Board. Regent Tyrrell seconded the motion, and it carried with Regent Fitzgibbon opposed.

MOTION:

Regent Hatch moved: BE IT RESOLVED that the proposed indemnification agreement by and between this Board, Iowa State University of Science and Technology, Iowa State University Broadcasting Corporation, and Capital Communications Company concerning the sale of assets of WOI-TV be approved, and the President and Executive Director be authorized to sign any necessary documents on behalf of this Board. Regent Dorr seconded the motion, and it carried with Regent Fitzgibbon opposed.

Chairwoman Williamsy 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 17, 1992.

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

Register of Personnel Changes for May 1992 and

Approve the appointments of JOHN CONNER as Treasurer and GARY SHONTZ as Secretary 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 Berenstein seconded the motion, and it carried unanimously.

ACCEPTANCE OF POST-AUDIT REVIEW OF MASTER OF PHILOSOPHY DEGREE. The Board Office recommended the Board refer the post-audit report to the Interinstitutional Committee and the Board Office for review and recommendation.

University of Northern Iowa officials reported on its post-audit review on the Master of Philosophy program five years after the program was initiated.

The Master of Philosophy degree program was designed to be a highly selective and individualized research-based graduate degree with a very limited number of students enrolled in it at any given time.

University officials recommended that the program not be discontinued.

ACTION:

This matter was referred by consent.

REVIEW OF PROGRAMS AND SERVICES. The Board Office recommended the Board (1) continue the baccalaureate degree in Industrial Technology Education for two more years and study the demand for graduates of the program; and (2) refer discontinuation of the M.A. program in Earth Science and the joint major in Philosophy and Religion to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

In December, the Board approved recommendations from the University of Northern Iowa to study the masters degree in Earth Science, the baccalaureate degree joint major in Philosophy and Religion, and the baccalaureate degree in Industrial Technology Education and report back to the Board in June.

University officials recommended that because of special circumstances related to the development of a need for the program that the baccalaureate degree in Industrial Technology Education be continued for two more years while the need for the program is substantiated.

University officials recommended that the M.A. program in Earth Science and the joint major in Philosophy and Religion be discontinued.

ACTION: This matter was referred by consent.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office recommended the Board approve the Register of Capital Improvement Business Transactions as submitted by the University of Northern Iowa.

PROJECT DESCRIPTIONS AND BUDGETS

University officials reported a revised budget for the Institutional Roads--Biology Research Complex Road and Nebraska Street at UNI-Dome project in the amount of \$205,000.

<u>Price Laboratory School--Day Care Center</u>	Original Budget	<u>\$214,000</u>
Source of Funds: Building Repair Funds	Revised Budget	<u>\$275,000</u>

Project Budget

	Original Budget <u>April 1992</u>	Revised Budget <u>June 1992</u>
Contract/Purchase Orders	\$ 187,000	\$ 241,000
Consultant and Design Services	18,000	26,500
Contingencies	<u>9,000</u>	<u>7,500</u>
TOTAL	\$ 214,000	\$ 275,000

University officials requesting approval of a revised budget in the amount of \$275,000 to allow award of the construction contract for this project. This is an increase of \$61,000 over the initial project budget approved in April 1992.

Five bids were received for the construction contract for this project on June 2, 1992. All bids exceeded the engineering estimate of \$192,286 by at

least 29 percent. University officials determined that the heating and air conditioning system is the significant element impacting the cost overrun. Deleting the air conditioning system is not an acceptable alternative in that operations and state licensing would be negatively impacted.

University officials requested approval of the revised project budget to allow award of the construction contract to the low bidder.

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ARCHITECT/ENGINEER AGREEMENTS

Amendments:

Campbell Dining Center--HVAC System \$12,590
Design Engineers, P.C., Cedar Rapids, Iowa

University officials requested approval of an amendment in the amount of \$12,590 to the agreement with Design Engineers to provide for construction inspection services in accordance with the consultant agreement.

Amendment No. 1 will not result in an increase in the total project budget.

Electrical Distribution System Improvements--Phase I \$34,984
Design Engineers, P.C., Cedar Rapids, Iowa

University officials requested approval of an amendment in the amount of \$34,984 to the agreement with Design Engineers to provide for construction inspection services in accordance with the consultant agreement.

Amendment No. 1 will not result in an increase in the total project budget.

Institutional Roads--Biology Research Complex Road and Nebraska Street at UNI-Dome \$5,000
Kirkham, Michael and Associates, Cedar Falls and Urbandale, Iowa

University officials requested approval of an amendment in the amount of \$5,000 to the agreement with Kirkham, Michael and Associates to provide for additional consultant services and related fees associated with a change in scope on this project.

Amendment No. 1 will not result in an increase in the total project budget.

Fiber Optics--Phase I \$4,912
Design Engineers, P.C., Cedar Rapids, Iowa

CONSTRUCTION CONTRACTS

Electrical Distribution System Improvements--Phase I \$706,820
Award to: Youngblut Contracting, Inc., Washburn, Iowa
(2 bids received)

Electrical Distribution System Improvements--Cable \$143,420.10
Award to: Terry Durin Company, Cedar Rapids, Iowa
(5 bids received)

Wright Hall Equipment \$55,690.14

Price Laboratory School--Day Care Center \$233,742
Prairie Construction Company, Waterloo, Iowa

University officials requested Board approval to award the construction contract to the low bidder, Prairie Construction Company, Waterloo, Iowa.

Base Bid of \$248,442, less Alternate #1 of \$4,200, less Alt. #2 of \$5,100, less Alternate #3 of \$5,400 =

TOTAL AWARD OF: \$233,742

(5 bids received)

FINAL REPORTS

Central Campus--Pedestrian Circulation Improvements \$324,272.54

MOTION: Regent Furgerson moved to approve the university's capital register, as presented. Regent Johnson seconded the motion, and it carried unanimously.

RESIDENCE SYSTEM FUND TRANSFER. The Board Office recommended the Board approve the transfer of \$2,100,000 to the dormitory improvement fund from the dormitory surplus fund.

University of Northern Iowa officials requested approval to transfer \$2,100,000 from the dormitory surplus fund to the dormitory improvement fund. The funds will be used for equipment replacement, renovations, and major repairs. After making this transfer, the dormitory surplus fund will have a balance of \$1,759,734.

The dormitory bond covenant requires Regent approval of proposed transfers from the surplus fund.

Chairwoman Williams asked if the dollar amount of the transfer was about the same amount as is ordinarily transferred each year. Vice President Conner responded that the amount was larger than the mandatory amount. Vice

President Follon stated the amount was larger than usual because some work is being done on the heating and ventilation system for a residence hall.

MOTION: Regent Dorr moved to approve the transfer of \$2,100,000 to the dormitory improvement fund from the dormitory surplus fund. Regent Furgerson seconded the motion, and it carried unanimously.

LEASES OF PROPERTY. The Board Office recommended the Board approve leases, as follows:

With NAZARETH EVANGELICAL LUTHERAN CHURCH for its use of two strips of university-owned land located on the site of the Nazareth Evangelical Lutheran Church north of Jennings Drive, Cedar Falls, Iowa, for a ten-year period commencing July 1, 1992, through June 30, 2002, at a rate of \$1 per year for each year of the lease term;

With JOHN MCCARTER for the university's use of 5,400 square feet of warehouse storage space located at 308 Roosevelt Street, Cedar Falls, Iowa, for a two-year period commencing July 1, 1992, through June 30, 1994, at a rate of \$607.50 per month;

With JERRY A. CARLSON for his use of approximately 12 acres of crop land described as the southwest quarter of Section 24, Township 89 North, Range 14 West of the fifth P.M., Black Hawk County, Iowa, for the period commencing May 20, 1992, through February 28, 1994, at a rate of \$500 per year payable on or before December 1, 1992, and December 1, 1993; and

With CEDAR FALLS UTILITIES for amendments to Article IV, Section 4.1, Article VII, Section 7.10, and Article VII, Section 7.11, to the university's Electric Interconnection Facilities and Service Agreement dated April 1, 1988.

MOTION: Regent Tyrrell moved to approve leases, as presented. Regent Dorr seconded the motion, and upon the roll being called, the following voted:
AYE: Berenstein, Dorr, Fitzgibbon, Furgerson, Hatch, Johnson, Tyrrell, Williams.
NAY: None.
ABSENT: Pomerantz.

MOTOR VEHICLE AND BICYCLE REGULATIONS - FINAL APPROVAL. The Board Office recommended the Board give final approval to the University of Northern Iowa's 1992-93 parking permit fees, as presented.

The 1992-93 proposed parking permit fees were received by the Board last month along with proposed changes in traffic and parking regulations. Changes in regulations were approved last month, and changes in fees were presented for final approval after the lapse of the required 30-day student notification period.

The proposed changes in rates for 1992-93 parking permit fees were the same as presented last month.

MOTION:

Regent Fitzgibbon moved to give final approval to the University of Northern Iowa's 1992-93 parking permit fees, as presented last month. Regent Tyrrell seconded the motion, and it carried unanimously.

Chairwoman Williams then asked Board members and institutional executives 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 17, 1992.

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

Register of Personnel Changes for May 1992 and

Approve the appointments of CHRIS NELSON as Treasurer and BARBARA LINDSLEY as Secretary in accordance with Chapter 262.9 of the Code of Iowa.

MOTION: Regent Furgerson moved to ratify personnel transactions, as presented. Regent Berenstein seconded the motion, and it carried unanimously.

REQUEST FOR APPROVAL OF SCHOOL CALENDAR. The Board Office recommended that the Board approve the Iowa School for the Deaf school calendar for 1992-93 school year.

State law requires common schools to meet for at least 180 student/teacher contact days. The proposed 1992-93 calendar meets this standard. The proposed calendar provides for 9 days in addition to the 180 days for in-service faculty development. This is the same as the institution has set aside in previous years.

The Faculty Senate at the school was consulted in determining the most appropriate calendar. The Senate supports adoption of the proposed school year calendar.

ACTION: This matter was approved by consent.

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

PROJECT DESCRIPTIONS AND BUDGETS

Iowa School for the Deaf officials presented the following building improvement projects to be funded by building and repair maintenance funds.

<u>High School--Second Floor Remodeling</u>	<u>\$56,000</u>
Source of Funds: Building and Repair Maintenance Funds	

Preliminary Budget

Floor Coverings	\$ 17,500
Blackboards and Instructional Equipment	12,000
Paint	9,500
New Drywall and Plaster Repair	9,000
Acoustic Ceilings	<u>8,000</u>
TOTAL	\$ 56,000

This remodeling project is the continuation of the school's ongoing attempt to address its primary instructional areas. The school has undertaken similar projects in the Elementary School and the first floor of the High School. This project will upgrade and renovate 11,000 square feet of space.

New Primary Hall--First Floor Remodeling--Dormitory Area \$48,050
Source of Funds: Building and Repair Maintenance Funds

Preliminary Budget

Asbestos Abatement	\$ 20,000
Floor Coverings	11,300
Asbestos Monitoring/Project Management	8,000
Window Treatments	6,750
Ceiling Re-texture	<u>2,000</u>
TOTAL	\$ 48,050

This project is a continuation of the school's master plan initiated during fiscal year 1988 to upgrade and renovate the dormitory living areas. The roof over this area was replaced in fiscal year 1991. This project will now address the interior areas.

Primary Hall Bathroom--Handicap Accessibility Modifications \$40,000
Source of Funds: Building and Repair Maintenance Funds

Preliminary Budget

Mechanical/Construction	\$ 24,000
Plumbing	<u>16,000</u>
TOTAL	\$ 40,000

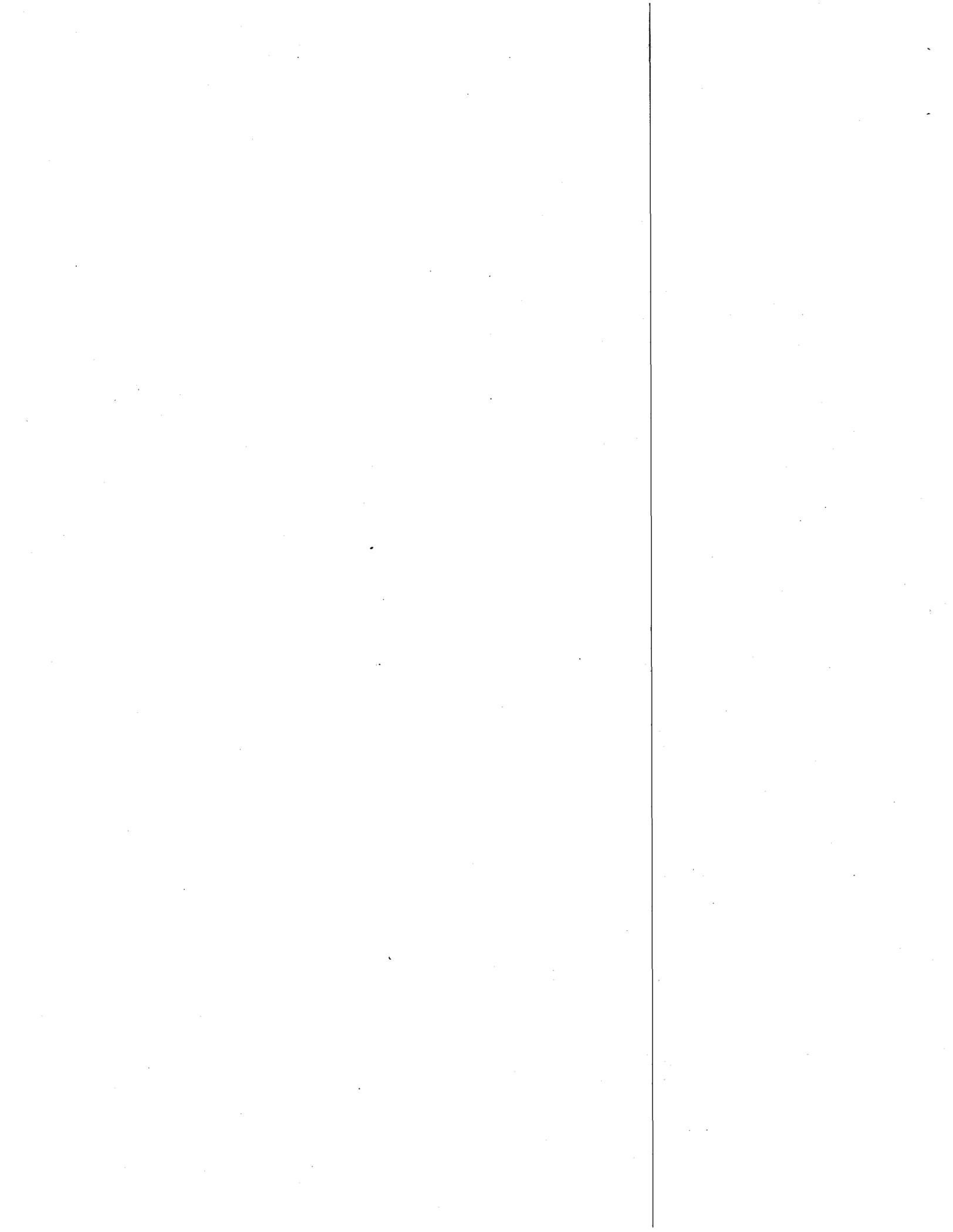
This project will include the installation of new privacy shower stalls and other associated fixtures in order to comply with the Americans with Disabilities Act. As the school population continues to shift to more multiply-handicapped students, the school will continue to develop plans to

address the most obvious and pressing areas which will be affected by this act.

MOTION:

Regent Hatch moved to approve the school's capital register, as presented. Regent Furgerson seconded the motion, and it carried unanimously.

Chairwoman Williams then asked Board members and institutional executives 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 17, 1992.

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

Register of Personnel Changes for the period April 26 to May 23, 1992, and

Approve the appointment of SCOTT HAUSER as Secretary-Treasurer in accordance with Chapter 262.9 of the Code of Iowa.

MOTION:

Regent Furgerson moved to approve personnel transactions, as presented. Regent Berenstein seconded the motion, and it carried unanimously.

RECEIVE REPORT ON DEPARTMENT OF EDUCATION COMPLIANCE REVIEW. The Board Office recommended the Board receive the report from the Iowa Department of Education-Bureau of Special Education concerning compliance of the Iowa Braille and Sight Saving School.

Every three years the Iowa Department of Education conducts a review of the two special schools under the Board of Regents under a joint agreement between the two boards undertaken a decade ago. This report concerns a compliance visit to the Iowa Braille and Sight Saving School in March.

A number of strengths were identified including:

1. Parent notification procedures encourage a high level of participation.
2. Quarterly progress reports are well-designed and effective.
3. There appears to be good communication between the educational staff members.
4. Student/parent Handbook is comprehensive and well organized.
5. The physical education program is a diverse curriculum; facilities are excellent.
6. There was documentation in each file that AEA personnel were invited to attend all IEP meetings and other placement-related activities. (An

"IEP" is an Individual Education Program, which is required by federal law for each special education child).

7. Appropriate special education policies are in place.
8. Opportunities for integration with non-disabled peers are provided to many students through the cooperative program with the Vinton Community Schools.
9. Procedures are in place for transition.
10. The IEP forms are conducive to relating present levels of functioning with the goals required for each student period.
11. The IEPs encourage parent participation.

Several corrective actions were also noted:

1. Objectives on specific IEPs have been rewritten to match more closely the present level of functioning described for individual students.
2. A plan for monitoring hearing aids has been written and filed with the Department of Education.
3. A process to document the need for required three-year evaluations has been established and reviewed by the Iowa Department of Education. The school will more closely monitor this need in the future.
4. Several staff members had the appropriateness of their licensure questioned; the school asked for further evaluation and discussion of the Department of Education's procedures. As of this date, only two staff members are still out-of-compliance; their coursework will be completed by the end of the 1992-93 school year so that they can be brought into compliance.

Superintendent Thurman pointed out that there was a continuing issue regarding teacher certification. He said he looked forward to continuing to work with University of Northern Iowa officials to ensure that teacher training is available in this state.

Regent Hatch asked how that effort was coming along. Provost Marlin responded that a proposal has been developed but the current fiscal situation of the Regent institutions precludes taking any action. She noted that the university has appointed a grant writer to submit a grant application for this project. The grant proposal submission deadline is sometime in October.

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ACTION: Chairwoman Williams stated the Board received the report from the Iowa Department of Education-Bureau of Special Education concerning compliance of the Iowa Braille and Sight Saving School, by general consent.

ORAL REPORT ON HILTON-PERKINS PRESCHOOL GRANT. The Board Office recommended the Board receive an oral report on the Hilton-Perkins Grant.

In May 1990, the Board authorized Iowa Braille and Sight Saving School to accept a three-year grant from the Conrad Hilton Foundation and the Perkins School for the Blind to provide services to infants and pre-school age children with multi-handicaps. The grant, which began July 1, 1990, was to provide a maximum of \$100,000 per year.

School officials provided an oral report on the status of the grant. The report included the following topics:

1. Overview of services provided to blind infants and preschool children.
2. The effect of these services on those served.
3. Activities during the 1991-92 year.
4. Future plans.

Superintendent Thurman introduced Ian Stewart, Director of Iowa Braille and Sight Saving School's Outreach Program.

Director Stewart stated that last year Iowa Braille and Sight Saving School served 360 visually-impaired children in Iowa. He noted that was a very good effort considering that the Iowa Department of Education reports that there are only 270 visually-impaired children in the state. The children served through this grant are 5 years of age and younger. He noted that Superintendent Thurman is a great believer in outreach services.

Director Stewart stated that the project goals are 1) expand preschool consultation services, 2) educate the educational community and parents on the needs of young children who are visually impaired, and 3) offer support to parents and early childhood education programs. He noted that early intervention means less services will need to be provided to the child in the future.

Superintendent Thurman referred to a letter he sent to the Regents 2 weeks ago from TASH (The Association for Persons with Severe Handicaps) stating they would no longer print advertisements for the Iowa Braille and Sight Saving School because it is a segregated facility. He hoped the Regents

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would share with him his outrage at being denied the right to advertise in their newsletter for a position aimed at integrating students in the local schools.

Chairwoman Williams stated that Superintendent Thurman had clarified his position in terms of willingness to work with more than the residential population. She said the emphasis on prevention in their outreach services was commendable. The program is a real tribute to Iowa Braille and Sight Saving School and Superintendent Thurman's administration.

ACTION:

Chairwoman Williams stated the Board received the report on the Hilton-Perkins Grant, by general consent.

Chairwoman Williams then asked Board members and institutional executives 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 12:45 p.m., on Thursday, June 18, 1992.



R. Wayne Richey
Executive Director