

The State Board of Regents met on Wednesday, March 15, 1989, at Iowa School for the Deaf. The following were in attendance:

March 15, 1989

Members of the State Board of Regents

Mr. Pomerantz, President	All sessions
Mr. Duchon	All sessions
Mr. Fitzgibbon	All sessions
Mr. Greig	All sessions
Dr. Harris	All sessions
Mr. Tyler	Excused
Miss VanEkeren	All sessions
Mr. VanGilst	All sessions
Mrs. Williams	All sessions

Office of the State Board of Regents

Mr. Richey	All sessions
Director Barak	All sessions
Director Eisenhauer	All sessions
Director Wright	All sessions
Associate Director Kading	All sessions
Assistant Director Peters	All sessions
Minutes Secretary Briggie	All sessions

State University of Iowa

President Rawlings	Excused at 5:27 p.m.
Vice President Phillips	Excused at 5:27 p.m.
Treasurer True	Excused at 5:27 p.m.
Acting Vice President Vernon	Excused at 5:27 p.m.
Associate Vice President Moll	Excused at 5:27 p.m.
Associate Vice President Small	Excused at 5:27 p.m.
Assistant to President Mears	Excused at 5:27 p.m.
Director Cooper	Excused at 5:27 p.m.

Iowa State University

President Eaton	Excused at 5:32 p.m.
Executive Vice President McCandless	Excused at 5:32 p.m.
Provost Glick	Excused at 5:32 p.m.
Vice President Madden	Excused at 5:32 p.m.
Vice President Theilen	Excused at 5:32 p.m.
Director Lendt	Excused at 5:32 p.m.

University of Northern Iowa

President Curris	Excused at 5:33 p.m.
Provost Martin	Excused at 5:33 p.m.
Vice President Conner	Excused at 5:33 p.m.
Vice President Follon	Excused at 5:33 p.m.
Exec. Ass't. to President Stinchfield	Excused at 5:33 p.m.
Director Chilcott	Excused at 5:33 p.m.

Iowa School for the Deaf

Superintendent Johnson	Excused at 5:34 p.m.
Business Manager Ahrens	Excused at 5:34 p.m.

Iowa Braille and Sight Saving School

Superintendent Thurman	Excused at 5:35 p.m.
Director Hauser	Excused at 5:35 p.m.

## GENERAL

The following business pertaining to general or miscellaneous business was transacted on Wednesday, March 15, 1989.

President Pomerantz recognized Superintendent Johnson. Superintendent Johnson welcomed the Regents to Council Bluffs. President Pomerantz stated it was a pleasure for the Board of Regents to be meeting at Iowa School for the Deaf this month, and they appreciated the hospitality.

### APPROVAL OF MINUTES OF BOARD MEETING, FEBRUARY 15-16, 1989.

President Pomerantz asked for corrections, if any, to the Minutes.

ACTION: President Pomerantz stated the Minutes of the February 15-16, 1989, meeting were approved by general consent.

### REPORT ON ORGANIZATIONAL AUDITS.

President Pomerantz recognized Dr. Alceste Pappas and Mr. James Carney of Peat Marwick Main and Co.

(a) Institutional Budget Planning Activities. The Board Office recommended the Board receive a summary of the final draft of the Budget Workbook portion of the Peat Marwick Main and Co. organizational audit in anticipation of the budget process final approval in April.

The revised Board of Regents Budget Process final report was submitted by Peat Marwick Main and Co. in October, and the Board approved an implementation plan on December 5, 1988. On February 17, 1989, Peat Marwick Main and Co. submitted the Budget Workbook which further implements the revised budget process.

It is anticipated that Board Office staff and the interinstitutional committee that developed the implementation plan will reconvene to review the workbook and document the revised operating budget process for Board approval in April. The budget process and the forms included in the workbook are designed to roll-up data from the individual budget unit within the institution to the institution and ultimately to the Board of Regents. All proposed forms were

GENERAL  
March 15, 1989

developed using electronic spreadsheet software (Lotus 1-2-3) which is commonly available and understood by budget staff in the institutions and the Board Office.

The workbook contains an appropriations request packet and an operating budget packet. Each packet contains instructions and forms designed to accomplish improvements to the Regent budget process.

Mr. Carney stated that the proposed budgeting process emphasizes and creates stronger linkage to the strategic planning process. It increases Board participation early in the budget process and allows maximum time for the Board Office and Board to review budget documents as they come forward.

Regent Fitzgibbon stated he felt that the elimination of paper between the institutions and Board Office was important. If something is needed it can be requested. He noted that there is also movement in the Banking Committee to eliminate unnecessary paperwork. He hoped the consultant's emphasis in that area was heavy because it will save time and effort. Mr. Carney said he agreed and he thought they had made significant strides in that area.

Mr. Carney stated that in the revised budgeting process the institutions would send appropriations requests to the Board Office and enter it directly into the state system.

President Pomerantz asked about the consultant's recommendation regarding the use of Lotus. Mr. Carney stated that all the budgetary sheets would be done in Lotus. They would be built up front at the departmental level. With automated spreadsheets staff does not have to re-key the data.

President Pomerantz pointed out that it also reduces dramatically the amount of administrative effort required. As they expand the automated system they will have the capability of measuring what is spent against what is allocated.

Mr. Carney stated that with the automation staff will be able to do some "what if" analysis.

Regent Fitzgibbon asked how they will get the overall hardware and software. President Pomerantz said they will need a new system. There is currently a legislative prohibition in that regard. He said they need to scope it and when it is scoped they would then determine the cost. The legislative issue then is how to fund that cost.

Mr. Richey said he anticipated they would be making the request for appropriation in 1990 and 1991.

President Pomerantz noted that the legislature had been informed that the Regents would not find funds somewhere else. This will be a legislative issue.

President Pomerantz pointed out that historically budgets are put together at the institutions by going back to last year's budget. This new system will give them the capability of going back to zero base or to some other point. He said there will be tremendous enhancements. They need to ensure that the budget process is done in a proactive way.

President Pomerantz stated that because of the very significant impact of the recommendations he felt they should schedule a special meeting to address the organizational audits for each institution. As far as this meeting, he felt the Regents should receive the reports but not deliberate the issues at length. That discussion could be held for the special meetings.

Regent Fitzgibbon said it was very important that the Regents have all the information in ample time prior to those meetings. The more lead time the better the Regents would be in a position to participate. President Pomerantz stated that the Regents will have the consultant's recommendations. There would not be a great deal of new material. He noted that the special meetings would probably be scheduled for May and June. That would give the Regents plenty of time to digest the reports.

**ACTION:** President Pomerantz stated the Board, by general consent, received a summary of the final draft of the Budget Workbook portion of the Peat Marwick Main and Co. organizational audit in anticipation of the budget process final approval in April.

(b) University of Iowa Review of Performance Evaluation Process for Professional and Scientific Staff. The Board Office recommended that the Board receive the Peat Marwick report on the University of Iowa Review of Performance Evaluation Process for Professional and Scientific Staff and request the university to prepare a schedule for implementation of the recommendations, as appropriate.

The Peat Marwick review was conducted through a review of university documents, responses to a questionnaire sent to a sample of staff, and interviews with a sample of the staff.

The university developed a Suggested Performance Appraisal for Professional and Scientific Staff in 1987. This program or an acceptable modification of it has been adopted in some colleges and departments. Slightly less than one-half of the professional and scientific staff receive annual evaluations pursuant to the program.

GENERAL  
March 15, 1989

Some staff see economic rewards and other benefits related to performance evaluation.

Peat Marwick recommended that the evaluation program be implemented for all professional-scientific staff. The university reports that to implement the recommendations would require additional staff for the short term. The Board Office stated that university officials should prepare an implementation schedule for the Peat Marwick recommendations.

Dr. Pappas said Mary Jo Small should receive special recognition for her efforts in regard to this organizational audit. The consultants conducted over 50 interviews. They developed a questionnaire to which they received 259 responses. Their focus was to assess the suggested performance evaluation system. They determined that the evaluation program had a number of very fine qualities and provided a very fine two-way evaluation process. Staff felt there should be a link between performance level and pay. They felt salary increases are not high enough to reward stellar merit employees.

Dr. Pappas stated the consultants provided the following recommendations:

1. Initiate assistance in the design of an appropriate performance evaluation process where one does not exist;
2. Review existing programs for possible improvement for greater effectiveness;
3. Initiate periodic updated training of supervisors on performance evaluation techniques, perhaps at the time the salary adjustment process is set in motion;
4. Establish and delegate to schools and operating units, a temporary monitoring system to determine whether periodic evaluations take place and to assess and improve their timeliness;
5. Explore, where appropriate, greater use of specific goal setting in direct support of department/unit and university goals and objectives;
6. Encourage supervisors to strengthen the performance evaluation process by using available non-monetary rewards and exploring additional ways to acknowledge employee performance;
7. Encourage the incorporation of effective performance evaluation as a part of each evaluator's own performance review; and

GENERAL  
March 15, 1989

8. Incorporate the use of self-appraisal as part of the Suggested Performance Appraisal approach as a means to involve the employees themselves in initiating ongoing feedback and periodic performance appraisal.

Regent Fitzgibbon asked if there were some resistance to the particular performance review. Dr. Pappas responded that the consultants did not feel resistance on the part of staff.

Associate Vice President Small stated that at the University of Iowa professional and scientific staff work in a wide variety of settings.

President Pomerantz stated that at the end of this process the Board needs to have comfort that the staffing size is appropriate to the task and that university officials are efficient in the use of staff. He said they should make sure that is cataloged.

Regent Williams asked if that was an area Peat Marwick Main examined. Mr. Carney said they reviewed that on a category by category basis. The consultants were fairly comfortable with the total increases in staff versus the increase in the budget. Dr. Pappas said she would be happy to share the seven years of data analyzed by the consultants.

President Pomerantz said the point is the perception in the state, particularly when there has been a reduction of state employees and an increase in Regent employees. He said the final report needs to be the perspective from Peat Marwick Main. The Regents need to make sure at the end of the process that the institutions are staffed properly.

President Rawlings stated that university officials are also in favor of very good efficiency. He said he wished to give the Board members a sense of how the university is doing in regard to research. He spoke the day before to the Faculty Senate. This is the best research year in the university's history. They are running 25 percent ahead of last year. He felt that was the strongest possible sign of the quality of the university's faculty. The country is very competitive in terms of research. The University of Iowa research productivity has been rising and its research record is outstanding. That is one of the reasons they are seeing a surge in the growth of staff.

Regent Duchen stated that a few years back the university was losing wonderful faculty. The fear was that by 1988 to 1990 they would find that research dollars would be lost. Therefore, he asked that if they have lost the faculty why is research up 25 percent.

Vice President Vernon responded that the loss was stemmed partly by the faculty salary increases. They were able to retain most of their top faculty members. He noted that two of the university's top faculty members are being heavily recruited. He said the main reason for the increase in research is

GENERAL  
March 15, 1989

that there is a great deal more activity on the part of the faculty. Month by month the figures show major increases in research grant applications. He said the University of Iowa has one of the top programs in the field of medicine in the United States. The University of Iowa College of Engineering and Physics Department are also among the best in the country.

ACTION: President Pomerantz stated that the Board, by general consent, received the Peat Marwick report on the University of Iowa Review of Performance Evaluation Process for Professional and Scientific Staff and requested the university to prepare a schedule for implementation of the recommendations, as appropriate.

(c) Management Review of Current Operations and Strategic Options for the Future of the Iowa School for the Deaf. The Board Office recommended the Board refer the report and recommendations concerning the Organizational Audit report for the Iowa School for the Deaf to the Iowa School for the Deaf Advisory Committee for review and recommendations.

Last month the Board and institutions received the final Peat Marwick Main report on the Iowa School for the Deaf. This month Iowa School for the Deaf officials provided responses to the recommendations contained in the Peat Marwick Main report.

Superintendent Johnson stated that in the entire report there were approximately 55 items that needed response. Iowa School for the Deaf officials feel that most of it was very positive. They were comfortable with the recommendation of the Board Office to go back to the advisory committee with the report. He noted that there is a lot of new territory for the school to be looking at. A lot of discussion will have to happen.

President Pomerantz stated that there would be time allocated at a subsequent meeting to discuss the report.

Regent Fitzgibbon asked how often the Iowa School for the Deaf Advisory Committee meets. Director Barak responded that they met quarterly or more often if there was a need.

ACTION: President Pomerantz stated the Board referred the report and recommendations concerning the Organizational Audit report for the Iowa School for the Deaf to the Iowa School for the Deaf Advisory Committee for review and recommendations, by general consent.

GENERAL  
March 15, 1989

(d) Management Review of Current Operations and Strategic Options for the Future of the Iowa Braille and Sight Saving School. The Board Office recommended the Board refer the report and proposed institutional responses to the Iowa Braille and Sight Saving School Advisory Committee for its review and recommendations.

Last month the Peat Marwick Main report on Iowa Braille and Sight Saving School was received. This month Iowa Braille and Sight Saving School officials provided responses to the Peat Marwick Main recommendations.

MOTION:

Regent Duchen moved to refer the report and proposed institutional responses to the Iowa Braille and Sight Saving School Advisory Committee for its review and recommendations. Regent Williams seconded the motion, and it carried unanimously.

(e) University of Iowa Organization and Staffing Review. The Board Office recommended the Board (1) receive the Organizational Audit report on the University of Iowa Organization and Staffing and (2) request that the University of Iowa undertake a comprehensive review of the Peat Marwick report and prepare recommendations for review and approval by the Board at a future special meeting.

This report makes nine recommendations with respect to the organization and staffing at the University of Iowa. The nine areas focused on in this report include Overall Organization Structure, Staffing, Academic Affairs, Educational Development and Research, Student Affairs, Finance and University Services, External Relations, and University of Iowa Hospitals and Clinics.

It was recommended that a "Provost" position be established and that it cover academically-related student functions such as enrollment reports and student services.

The consultants suggest that the major staffing recommendations in this report will yield an estimated savings of \$672,926.

Mr. John Fry of Peat Marwick Main stated that the consultants found that the University of Iowa has a very lean senior management group which includes the vice presidents and the next level below the vice presidents. The consultants looked at 10 peer organizations in making this determination. Currently the University of Iowa has ten senior managers. The peer groups ranged from 11 to 30 senior managers. The structure at the University of Iowa is very simple and serves the university quite well. He said staff levels have grown. In reviewing a 7-year period to determine the appropriateness of the staff level the consultants found that everything seems to be reasonable. The university's administrative functions are decentralized. The consultants

GENERAL  
March 15, 1989

expressed concern that decentralization might be going too far. University officials rely heavily on an informal communication process; therefore, decisions are made fairly rapidly.

Mr. Fry stated there have been three major retirements or replacements in senior-level managers recently. He noted there are strong personal relationships among senior-level managers. The consultants are looking for some structural things to cement those relationships.

Mr. Fry said there is no one division to address external relations. He stated that the consultants also found very strong linkages between University of Iowa Hospitals and Clinics and the university.

In terms of recommendations, Mr. Fry said the consultants recommended the creation of a provost position to oversee Academic Affairs, Student Services, and Educational Development and Research; placement of all student-related functions under one vice-provost for enrollment and student services, supported by two associate provosts responsible for academic support functions and student services; and creation of vice president for external affairs position. He said the proposed external relations division would give fund raising efforts more "punch".

Mr. Fry stated that other recommendations included considering the formation of a College of Fine and Performing Arts. The size of the College of Liberal Arts was another concern of the consultants. They felt the responsibility for student retention should be included in the student affairs area. That is currently happening in a piecemeal fashion. He said the consultants also recommend a number of new positions to enhance support to the President.

President Rawlings stated that in general university officials find the report very helpful and many of the recommendations are quite welcome. A number of the recommendations they agree with and have implemented. They have disagreement in a couple of areas. He noted that it was good to hear that in the consultant's view the administration is lean. He said he feels very lean. He noted that the faculty even feels it is underadministered.

President Rawlings stated that if individual Regents had particular concerns university officials would be happy to go over those with them prior to the special meeting.

President Rawlings noted that university officials are in the process of searches for vice presidents for academic affairs and for research. He said those searches are going very well.

ACTION: President Pomerantz stated the Board, by general consent, (1) received the report of the Organizational Audit report on the

GENERAL  
March 15, 1989

University of Iowa Organization and Staffing and (2) requested that the University of Iowa undertake a comprehensive review of the Peat Marwick report and prepare recommendations for review and approval by the Board at a future special meeting.

(f) Financial and Management Reporting. The Board Office recommended the Board receive a summary of the final report on Financial and Management Reporting and refer the consultant's recommendations to the Board's priority committee on Executive Management and Financial Performance to determine which recommendations should be implemented in order to accomplish adequate oversight of Regent institutions.

The purpose of the consultant's report is to provide a broad overview of the types of reports that are needed by the Board for the successful oversight of Regent institutions and to identify other changes which should be made in current reporting practices. At present, more than 132 separate reports are received by the Board each year. The nature of the reporting currently submitted to the Board varies from transaction-level, operational reports on such items as capital project expenditures, to higher-level analytical reports on enrollment or program trends.

The report contains eight general recommendations relating to the elimination, consolidation or continuation of current Board reports. The report recommends the elimination of 16 current reports, 60 consolidated reports, and 10 new reports. The current inventory of reports will be reduced from 132 to 90. In order to effectively perform its governing responsibilities the Board may want to critically review some of the reports suggested for elimination or consolidation. It was suggested that the Board should standardize reporting calendars to cluster similar reports and allow focused review of key areas.

The consultant recommended the creation of three separate on-going reporting review committees which would be responsible for reviewing all new reports to ensure that they adequately address the needs and information requirements of the Board and that the information requested is in a format which allows for timely and efficient reporting by the institutions.

Mr. Carney stated that in their recommendations the consultants attempted to minimize operational reports. The net result of the recommendations will enable the Regents to deal with the volume of information they receive and thereby reducing the impact on the institution.

ACTION:

President Pomerantz stated the Board, by general consent, received a summary of the final report on Financial and Management Reporting and refer the consultant's

GENERAL  
March 15, 1989

recommendations to the Board's priority committee on Executive Management and Financial Performance to determine which recommendations should be implemented in order to accomplish adequate oversight of Regent institutions.

(g) Framework Report for Faculty Workload Study. The Board Office recommended the Board (1) receive the Organizational Audit report entitled Faculty Workload Study: Framework Report and (2) authorize the Board President in consultation with the Executive Secretary and the University Presidents to establish an interinstitutional committee consisting of institutional and Board Office representatives to review this report and make recommendations to the Board by May 1989.

This report is an overall background piece on faculty workload which supplements the faculty workload reports being prepared for each Regent university. The report defines faculty workload as "a set of activities and outputs required to be performed by a faculty member in a given time frame." The scope of expected faculty activities ranges far beyond direct instructional activities.

Studies both nationally and in Iowa show the average faculty workload as 55-60 hours per week. Faculty activity includes instruction, scholarship (research and creative activity), and service. Sometimes, a fourth category - extension and clinical and other professionally-oriented activity - is added.

Instruction can be broken down into: direct instruction (undergraduate, graduate, and individual), committee membership for graduate degree work, and instruction of research for graduate or post-doctoral assistants. Preparation and evaluation activities include preparation of teaching materials, new courses/updating material, preparation and grading of assessment material, clinical practice, student conferences, and performance review. Advising and counseling duties include course-related meetings, counseling, and general academic advising.

Several measures of faculty activity are used to evaluate levels of instructional workload most of which use registration data and record only credit-generating course loads (the other activities noted above are not included in these measures which include - contact hours, faculty credit hours, and student credit hours). Many factors influence the actual level of a given faculty member's instructional load (use of graduate teaching assistants, team teaching, academic discipline, instructional delivery mode, class size and level, rank and individual strengths).

Scholarly activity includes scientific experimentation, field research; writing books and articles; artwork; dramatic, literary or musical works;

GENERAL  
March 15, 1989

rehearsing; practicing skills; and developing grant proposals. These are often measured by published and creative outputs or dollars generated (department or field). Service includes institutional, public and professional service. Institutional service is not always rewarded.

The consultants suggest "Faculty Resource Deployment" (FRD) as a way of managing faculty workload. Conceptually, FRD links faculty workload definition, allocation and assessment to strategic goals and operational plans of the institution. FRD requires heavy comment to the process on the part of department, college, and institutional administrators and specific indicators of performance need to be developed for its implementation. The consultants recommend that the Board of Regents and institutions engage in a long-term effort to develop an FRD process, indicators, and information system in addition to an expansion of the current faculty activity workload reporting known as FAAR.

Dr. Pappas stated that in this report the consultants attempted to begin to define faculty workload. The consultants spent a lot of time on campuses particularly with vice presidents for academic affairs. She said the consultants interviewed a number of faculty members to get a sense of how faculty expend their efforts. Those scenarios are referred to throughout the document. The consultants found that Iowa State University officials are looking at the some very innovative ways of addressing the issue of faculty workloads.

Regent Duchen referred to President Pomerantz' earlier comment about receiving an overview of the organizational audits at this meeting and reviewing the reports in depth at another meeting. He felt it was very important for the Regents to have a better understanding of the design of a faculty member's work schedule. He said he would like to see a lot of time spent on that topic.

Regent Fitzgibbon stated that the consultant's definition of faculty workload is different from his. He said he needed to better understand faculty workload. One of the things he felt that probably prompts a lot of the concern about faculty workload is the fact that some students don't see full professors more than one or two times per year.

Regent Duchen suggested that at the special meeting to be scheduled to address this organizational audit the consultants allow time to discuss their report in detail. Dr. Pappas said she would be very happy to do that. She said she could also include Karen Byer in that meeting. She was the one who worked on each campus. She noted that there has been very little done in the field in terms of research. Therefore, she cautioned Regents to not be frustrated -- it is a very elusive issue.

GENERAL  
March 15, 1989

President Pomerantz stated that the special meeting should include a significant allocation of time for the faculty workload study.

Regent Williams said she hoped that in this process that not only would the Board but the whole state of Iowa become more aware of the issue. She felt there was a real misunderstanding about this issue.

President Pomerantz stated that in the end they will have to rely on administration of the campuses to produce a fair amount of productivity on the part of faculty. One issue is that some teaching assistants have limited communication skills and that some very sophisticated and strong faculty members are doing research. He said the amount or quality of research is difficult to quantify. They will have to rely in the end on the university presidents.

ACTION: President Pomerantz stated the Board, by general consent, (1) received the Organizational Audit report entitled Faculty Workload Study: Framework Report and (2) authorized the Board President in consultation with the Executive Secretary and the University Presidents to establish an interinstitutional committee consisting of institutional and Board Office representatives to review this report and make recommendations to the Board by May 1989.

(h) Faculty Workload at the University of Northern Iowa. The Board Office recommended the Board receive the report on Faculty Workload at the University of Northern Iowa and defer consideration on recommendations until all four faculty workload reports are completed.

This report covers faculty workload at the University of Northern Iowa. It is one of four reports on faculty workload being conducted as part of the organizational audit. The other reports include an overall report and individual reports from Iowa State University and the University of Iowa.

The report includes peer data from three comparable institutions.

The report is divided into two sections: (1) faculty workload findings and conclusions at the University of Northern Iowa, and (2) the findings and conclusions on management responsibilities for faculty workload.

The report notes some confusion at the University of Northern Iowa regarding the role of teaching versus research and the role of graduate education but concludes that these confusions are manifestations of positive change at the university.

GENERAL  
March 15, 1989

The consultants conclude that the university's policy is not intended to turn all faculty into researchers but to "encourage all faculty members to engage in scholarship."

The consultants do not recommend that the university redefine its tenure and promotion policy.

The consultants report that the standard teaching load at the University of Northern Iowa has been reduced over the last two decades from 12-15 credits per term to 9 credits per term today. They report that individual faculty workloads vary from 9-12 credits per term. The consultants suggest that, given the University of Northern Iowa's current enrollment, the institution may be inadequately staffed to meet student demand.

The consultants note that with respect to instructional load the university has used non-tenure track faculty as a way of supplementing the teaching ranks. The consultants report that tenured and tenure track faculty are not overloaded in instruction; their loads all fall within a "reasonable range." Many non-tenured faculty are carrying the teaching burden of the institution, according to the consultants. Non-tenured track faculty are less expensive but may also be less effective teachers/scholars, according to the consultants.

The consultants report that the Board of Regents affirms the kind of faculty an institution should have by its approval of institutional and collegiate mission statements. The consultants report that there is universal agreement that the Board of Regents should not be intimately involved in determining faculty workload assignments or standards. The consultants recommend the development of improved indicators of faculty workload in addition to current activities.

Dr. Pappas stated that one of the extraordinary frustrations regarding this audit effort was trying to get data in this area. She underscored that the number of credits per term falls within the parameters of the University of Northern Iowa's peer institutions. She noted that the University of Northern Iowa evolved from a college to a university. They reduced the faculty workload to enable faculty to do research.

ACTION: President Pomerantz stated the Board received the report on Faculty Workload at the University of Northern Iowa and deferred consideration on recommendations until all four faculty workload reports are completed, by general consent.

(i) Iowa State University Organization Staffing Review. The Board Office recommended the Board receive the report on Iowa State University Organization

GENERAL  
March 15, 1989

and Staffing and request that the university begin a comprehensive review of the recommendations in preparation for a special meeting of the Board to discuss this issue and other organizational audit reports for Iowa State University.

The organizational audit report covers the organization and staffing recommendations from Peat Marwick for Iowa State University. Recommendations in nine major organizational aspects of Iowa State University are identified for special consideration in the report including the Proposed Organization Structure, General Organization and Staffing, Office of the President, Academic Affairs, Extension and Service, Research and Advanced Studies, Student Affairs, External Relations, and Business and Finance. A major realignment of administrative staff and the creation of new positions and dropping of others are included.

The net result of implementing the recommended changes will be a savings of approximately \$40,000 and an improved realignment of position assignments.

Mr. Fry stated that from 1982 to 1988 increases in enrollment necessitated staff increases. He felt the staffing level was appropriate. The consultants felt that too many senior administrators report to the president. He said university officials have been very responsive to suggestions. Currently eight senior-level administrators report to President Eaton. In many instances the types of responsibilities of the senior officials vary widely. The consultants had some concerns about staffing increases in the president's office but found that the staffing increases were quite reasonable. The consultants found there were no real comprehensive approaches to marketing and enrollment management.

In terms of specific recommendations, Mr. Fry said the consultants recommend the university adopt a proposed organizational structure which implies the following changes:

- \* Confirms the Provost as the second ranking officer of the university, with direct responsibility for overseeing Academic Affairs, Research, and University Extension;
- \* Eliminates the Executive Vice President and Vice President for Planning and Development positions and disbursts reporting units to other appropriate divisions;
- \* Shifts the reporting relationship of the Executive Director for International Affairs from the President to the Provost to strengthen the ties between International Affairs and all other academic programs and services.

GENERAL  
March 15, 1989

- \* Places all research support, technology development, and technology transfer functions under the Vice Provost for Research and Advanced Studies;
- \* Creates the position of Dean of Academic Support Services reporting to the Vice President for Student Affairs, with strong linkages to the Provost and academic colleges; and
- \* Creates the position of Vice President for External Relations, responsible for the Alumni Affairs, Corporate Relations, Development, Information Services, and Marketing functions of the university.

President Eaton stated that Iowa State University officials worked very closely with Mr. Fry. He noted that a few things university officials have done may not appear to incorporate the consultant's recommendations but they in fact do. As Vice President Moore retired his duties were assigned to Executive Vice President McCandless. Mr. McCandless functions as the vice president for external affairs. He said university officials have not developed a formal marketing plan. University officials have reduced by two the number of vice presidents since June 1988. President Eaton credited Peat Marwick Main officials for helping them see their way to this.

President Pomerantz stated that the Regents understand that these universities are great to start with. He said that when this process was devised it was with certain conditions. One was that where there is a financial savings on a given campus those funds will stay on the campus. He said the real thrust of this whole effort is to improve the quality of the institutions although the Regents believe they are high quality to start with.

Regent Duchen said he agreed with President Pomerantz' comments. He noted that they have had slippage in quality which he felt was the principal reason they were doing what they were doing. Erosion has been taking place and the time came to take a good hard look.

President Pomerantz said that Regent Duchen's comments did not put them in conflict because they agree to the need. In certain areas they will have to spend a lot of time and effort. He said the universities have an untold amount of human hours devoted to this process. They have to keep the objective and goal in mind.

Regent Williams said she felt that all of the activities that have gone on have given them all reason for new excitement about the direction in which they are going. She said that when the audit is over and the institutions start implementing the consultant's recommendation, no one should think that the process is over. If they do they will be back where they started. She said that while this particular undertaking has been a monumental task their future focus can be more ongoing and continue on with what has been started

GENERAL  
March 15, 1989

through this effort. They cannot assume they have reached quality when the organizational audit process is completed.

ACTION: President Pomerantz stated the Board, by general consent, received the report on Iowa State University Organization and Staffing and requested that the university begin a comprehensive review of the recommendations in preparation for a special meeting of the Board to discuss this issue and other organizational audit reports for Iowa State University.

(j) Organizational Audit Draft Report of Selected Policies and Procedures at Iowa State University. The Board Office recommended the Board receive a summary of the consultant's final report and approve the university's implementation plan.

The Board Office received the consultant's draft report which includes recommendations relating to the accounting, purchasing, internal audit, and utilities functions at Iowa State University.

Several areas in which the university has recently implemented effective policies and procedures were noted throughout the consultant's report. Data collection and interviews with university administrators took place several months ago. Since that time, most of the consultant's suggestions have been implemented or implementation is underway.

Board Office staff suggested that the Board direct the university to implement the recommendations as indicated.

Mr. Carney stated that generally speaking in the areas of accounting, purchasing and utilities Iowa State University is in good shape. The consultants pointed out 20 recommendations. He said they did find some cash management practices which they believe can be improved. One is the practice of holding some cash, such as tuition, for several days. On tuition payment plans university officials were not charging interest which created a significant loss of potential income. He said the norm across the country is to charge interest on those. The consultants took a special look at the internal audit department and its reporting relationship. He said the internal auditor still is not reporting directly to the university president and should be.

President Eaton stated the internal auditor is now reporting to him.

Regent Fitzgibbon stated that at last month's Banking Committee meeting the members agreed there was a "dotted line" relationship between the internal

GENERAL  
March 15, 1989

auditor and the vice president for business and finance, while the internal auditor is directly responsible to the president.

ACTION: President Pomerantz stated the Board received a summary of the consultant's final report and approve the university's implementation plan by general consent.

(k) University of Iowa Diagnostic Review of Indirect Cost Recovery Proposal.  
This organizational audit report was presented to the Board of Regents at this meeting and, as of this writing, has not been reviewed by the Board Office.

Dr. Pappas stated that Mr. Fry and his team believe university officials have the ability to raise the indirect cost rate from \$2.35 million to \$5 million/annually.

President Pomerantz said he hoped the consultants have some more of this kind of discovery.

President Rawlings stated that University of Iowa officials have written a response to the consultant's report. They have strong disagreement with this particular finding. He said he has visited with experts from the private sector and the university's researchers, and has come to several conclusions. One conclusion is that the university would not win many grants if it had an indirect cost recovery rate as high as was being suggested by Peat Marwick Main. The competition is very high. Secondly, he said the federal government has taken a very strong look at indirect cost recovery rates. Thirdly, he said they were not just talking about the indirect rate but also about direct funding of research. He cautioned that they needed to go at this very carefully. It is an extremely difficult area nationally right now.

Dr. Pappas suggested that a meeting be held which focuses on this issue. Peat Marwick Main will bring in their experts who do nothing but negotiate with federal officials.

President Pomerantz said this should be an agenda item for a day-long review. He said he expected some dialogue to be held between now and the special meeting between Peat Marwick Main's experts in the area and the University of Iowa's experts in the area.

Regent VanGilst said that as he was sitting here listening to all the discussion he was becoming concerned because everybody was agreeing with each other. He said he was glad to hear this discussion because it is good when intelligent people disagree.

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

Dr. Pappas distributed a summary of all the reports that have been done by the consultants. She noted that it provided an executive summary as well as a brief overview of the purpose of the audit. The consultants would like Board input regarding the format of the report.

**RESIDENCE AND DINING SYSTEM.** (a) Annual Report. The Board Office recommended the Board receive the fiscal year 1988 annual residence system report.

There are three parts to the annual governance report associated with the university residence departments. In response to bond covenants, preliminary budgets and rate proposals for the following year were reviewed this month with final approval given at the time the Board acts on all Regent institutional budgets. The fiscal year 1990 budgets were presented as separate docket items.

### Enrollment

University enrollment, peaking in fiscal year 1986 at 67.7 thousand students, has declined gradually from 67.5 thousand in fiscal year 1987 to 66.3 thousand in fiscal year 1988. Fall 1988 head count enrollment was 66.2 thousand. The ten-year plan reports revised enrollment projections through fiscal year 1999.

- Enrollments during the ten-year planning period are projected to be stable for the University of Iowa, decline 5.4 percent at Iowa State University, and decline 0.9 percent at the University of Northern Iowa, compared to declines projected a year ago of 16.3 percent, 7.5 percent, and 9.8 percent, respectively, for the ten year period.
- Lower division undergraduate enrollment, that is freshmen and sophomores, is projected to increase 3.4 percent at the University of Iowa, decline 10.6 percent at Iowa State University, and decline 3.8 percent at the University of Northern Iowa over the ten-year period. These are the enrollments that most heavily influence residence hall occupancy.
- The future demand for university housing is based on the university enrollment projections submitted to the Board in December 1988. Special attention has been given to issues raised by the Board last year relating to demographics, enrollment trends, and alternative uses for institutional facilities in the ten-year plan update.

Residence hall occupancies declined by 9.9 percent from fiscal year 1986 through the fall of 1988. During the same period enrollments declined by 2.2 percent. Apartment occupancies declined by 4.4 percent for the period.

- Undergraduate enrollment, while declining in the fall of 1986 and 1987 at all three universities, has shown some improvement in the fall of 1988. There are increases in freshmen and sophomores at the University

of Iowa, sophomores at Iowa State University, and freshmen at the University of Northern Iowa. Traditionally, freshmen and sophomores make up most of the residence hall occupants.

### Occupancy

Regent residence systems, both dormitories and apartments, continue to show a gradual decline in occupancy from 24.1 thousand in fiscal year 1986 to 23.7 thousand in fiscal year 1987, to 21.9 thousand in fiscal year 1988. Fall 1988 occupancy is reported at 21.6 thousand. The residence departments continue to try different strategies to encourage students to live in university housing.

### Organization and Program

Residence department administrative organizations remain unchanged for fiscal year 1988. Full-time equivalent staff positions reported for fiscal year 1988 were 444 at the University of Iowa, 759 at Iowa State University, and 316 at the University of Northern Iowa. The figures include a significant number of student workers. The institutions report a substantial effort to recruit and hire minority and women staff members.

Parietal rules at the University of Iowa and the University of Northern Iowa remain suspended during the report year. The University of Iowa's remains suspended through fiscal year 1992 while The suspension is subject to Regent review in fiscal year 1990 at the University of Northern Iowa. There is no parietal rule for Iowa State University.

Over the last decade the Board has chosen to suspend parietal rules for freshman and sophomores on the basis that it is preferred that students recognize and participate voluntarily in the learning and personal growth opportunities available in residence system life.

Student governance continues to operate at the house (floor), hall, and system level, including a judicial review function. Students have substantial participation in various decisions relating to residence system operations and program planning and implementation at all three universities. Student governance operations at each of the universities is responsible for the publication of various documents of student interest, including literary magazines, newsletters, and a variety of program-related matter. Student government assesses a modest level of dues ranging from \$6 to \$8 for the academic year per student. These dues support residence hall government and programming activities.

Social/cultural/educational/recreational services remain an integral part of residence hall activity. Beyond housing and food service, it is the activities within the residence setting that are recognized as the real value

of a residence system experience. The non-classroom educational experience is an underlying rationale for parietal rules.

All three residence systems offer a wide variety of programs and lifestyles. Residence housing encompasses co-educational as well as all-male and all-female facilities. Special housing is found for graduate students, quiet lifestyles, a no alcohol/smoking environment, language-based houses, international houses, and older student houses.

All three residence systems offer a wide variety of special lectures and workshops. All three continue to increase computer services in the residence halls. The University of Iowa continues to expand its course for credit offerings. Student surveys are used in order to keep programming activity useful.

Alcohol consumption policies are consistent with state law. The law establishes 21 as the legal drinking age, which includes most students.

In fiscal year 1988, Regent residence systems expended over \$2.6 million in salaries and other operating expenses to ensure social/cultural/educational/recreational services with professional supervision.

#### Dining Services

There were 7.0 million meals served in fiscal year 1988 compared to 7.4 million meals in fiscal year 1987. The reduced number of meals is part of a pattern of declining occupancy and associated board contracts. It also reflects missed meals on board contracts and expanded availability of board plans for less than 20 meals per week.

Dining revenue in fiscal year 1988 was \$23.4 million or 41.3 percent of total residence system revenues. This compares to \$23.2 million and 41.8 percent of total residence system revenues in fiscal year 1987.

#### Other Services

Basic and optional housekeeping services available to dormitory residents remained essentially the same for fiscal year 1988 compared to fiscal year 1987. Optional services, where available, are for an additional fee and include bedding and linen changes, refrigerators, and room cleaning services typically through private suppliers.

#### Financial Operations

Total revenue for the residence systems was \$56.5 million in fiscal year 1988, 1.9 percent more than the previous year. Total operating expenditures for fiscal year 1988, which exclude debt service payments and other mandatory transfers, were \$46.0 million or 4.1 percent more than the previous year.

In fiscal year 1988 net operating income amounted to \$10.5 million. This compares to \$11.3 million in fiscal year 1987, a decrease of 3.9 percent. Net income at Iowa State University was almost identical for 1987 and 1988. The University of Northern Iowa reported a reduction of 25.3 percent in fiscal year 1988. Both reduced revenues and increased expenditures compared to original budget in fiscal year 1988 account for this significant one year change at the University of Northern Iowa. Voluntary reserves continued to be adequate.

Reported ratios of net operating revenues to debt service payments for the three universities range from 2.1:1 to 2.4:1 in fiscal year 1988. A ratio of 1.5:1 is necessary for consideration of any additional bonding, according to Regent bond covenants.

Regent residence services revenues are derived from three basic sources. These are contracts for room and/or board, investment income, and other, which includes conference revenue, catering services, vending operations, training tables, and cash from cafeterias. The pattern of revenue has remained comparatively constant over the years. Contract revenue for room and food service is the primary source, ranging from 79.5 percent of total revenue at the University of Iowa to 89.8 percent at Iowa State University in fiscal year 1988.

Interest income has steadily declined as a share of total residence system revenues. This is primarily the result of interest rates declining and, to a lesser extent, changes in reserve balances available to invest. Residence system investments are managed through university treasurers and are part of institutional pooled investments. In the report year, interest income ranged from 2.0 percent to 4.8 percent of total residence system revenues.

The most significant change occurring in the pattern of expenditures by category is the continuing decline of the cost of food sold in relation to other expenditure categories. This is primarily the result of the inflation rate for food products being less, on the average, than that on salaries, utilities, maintenance and other operating expenses. Labor and the cost of food sold account for 56 percent to 68 percent of total operating costs.

In fiscal year 1988 Regent universities expended \$6.2 million on utilities purchased primarily through the university utility enterprises. The residence systems also paid the universities \$1.1 million in overhead reimbursement for university services.

Bond covenants require separate financial reports for residence department operations. For fiscal year 1988 Iowa State University and the University of Northern Iowa are reporting on the accrual basis according to Generally Accepted Accounting Principles.

GENERAL  
March 15, 1989

Regent residence system financial operations are under the same fiscal controls as all other university operations. Residence system operations are incorporated in sampling procedures used by State Auditors annually.

The replacement values of Regent residence systems in fiscal year 1988, as estimated through building and contents insurance coverage, are \$150 million at the University of Iowa, \$162 million at Iowa State University, and \$63 million at the University of Northern Iowa. This estimated \$375 million replacement value is approximately three times original cost.

### Debt Service

Residence system bond principal outstanding was \$54.8 million at the close of fiscal year 1988. Annual debt service was approximately 8 percent of total annual revenues. Iowa State University will complete repayment of one of its bond issues in fiscal year 1990 and, by so doing, will reduce its debt service payment by \$376,000, or 21 percent.

The three university residence systems completed fiscal year 1988 in a strong financial position even with reductions in occupancy, both in the residence halls and apartment units. The University of Iowa and the University of Northern Iowa completed fiscal year 1988 with voluntary reserves considered prudent in a period of declining occupancy. Iowa State University's voluntary reserve position needs improvement.

### Concerns

Lost revenue opportunities through declining occupancy coupled with costs of an aggressive remodeling and renovation program have drawn down voluntary reserves at Iowa State University below the level desired. The university has taken steps in fiscal year 1989 to improve the reserve level. The proposed budget for fiscal year 1990 will increase the reserves further through proposed rate increases, staff reductions, and continued attention to cost saving opportunities.

The continued reduced occupancy of apartments at the University of Northern Iowa will be addressed in the special report under study.

MOTION: Regent VanEkeren moved to receive the fiscal year 1988 annual residence system report.  
Regent Harris seconded the motion.

President Pomerantz stated that the bonding and financing of Regent residence facilities is a function of certain assumptions regarding occupancy. While competition from the private sector is important he said the universities must be able to deal with the obligations of the bonds.



GENERAL  
March 15, 1989

year's projections of declines of 16.3 percent, 7.5 percent, and 9.8 percent, respectively.

Lower division undergraduate enrollment (freshmen and sophomores) is projected to increase 3.4 percent at the University of Iowa, decline 10.6 percent at Iowa State University, and decline 3.8 percent at the University of Northern Iowa over the ten-year period.

Projected residence system occupancy will be stable at the University of Iowa, will decline 10.3 percent at Iowa State University, and will decline 0.8 percent at the University of Northern Iowa over the ten-year period. Only the University of Iowa projects residence housing occupancy above design capacity over the next ten years. Iowa State University occupancy is projected to range from 89.4 percent to 94.5 percent, and the University of Northern Iowa occupancy will range from 93.9 percent to 98.6 percent.

Reported gross square feet maintained is projected to decline from 6.7 million to 6.5 million during the ten-year period.

The universities project continuing annual maintenance cost ranging from \$6.8 million to \$9.2 million in 1989 dollars.

During the ten-year planning period the annual maintenance as a percent of replacement cost will run 1.4 percent for the University of Iowa, 1.0 percent at Iowa State University, and 1.1 percent at the University of Northern Iowa.

The universities project annual voluntary reserves to run 23.3 percent to 29.4 percent at the University of Iowa, 10.5 percent to 13.9 percent at Iowa State University, and 32.9 percent to 42.8 percent at the University of Northern Iowa.

Based on a joint report of the Association of College and University Business Officers in cooperation with Coopers & Lybrand entitled The Decaying American Campus--A Ticking Time Bomb, the recommended range for annual capital renewal funding is 1.5 percent to 3 percent of total replacement value of plant, which suggests a deferred maintenance pattern may be developing over the ten-year period.

MOTION:

Regent VanEkeren moved to receive the university residence system ten-year plan updates for fiscal year 1990-1999 and request the University of Northern Iowa to complete a study on apartment space utilization and provide appropriate recommendations to the Board. Regent Harris seconded the motion, and it carried unanimously.

GENERAL  
March 15, 1989

**PRIORITY ISSUES.** (a) Admission of Students and Articulation with High Schools and other Postsecondary Institutions. The Board Office stated an oral report and recommendation would be made by Regent Harris.

This report addresses the priority issue on Admission and Articulation. The report was prepared at the request of the priority issue study group and addresses common transfer policy, efforts to publicize the new unit requirements and impact of new requirements on admission of minorities. The Educational Relations Committee, which prepared the report, recommended against a common admission policy and indicates that problems with minority admission are minimal but need monitoring.

Regent Harris stated that he would present an oral progress report at this meeting. At the April meeting the Regents will receive a written report. He said much has already been done to address admission of students and articulation with high schools. He said that if he were to take the time to tell what the universities have done up to this point it would consume half an hour or more. Therefore, he said they are very busy on it.

Regent Harris said the Priority Study Group on Articulation with High Schools and Other Postsecondary Institutions met that morning to review a report from the ad hoc committee that was formed by the Regents Committee on Educational Relations. The report was requested for the purpose of addressing three issues: 1) the need for a common policy for transfer students, 2) the efforts on the part of the Regent universities for informing parents, prospective students and school personnel regarding the new unit requirements for admission, and 3) the impact of the new unit requirements on the admission of minority students. He said that after the new admission requirements were developed there were meetings held with various primary and secondary schools. The priority committee members learned that primary and secondary school officials should be consulted before the Regent institutions make changes that would affect the primary and secondary schools very much. They did not do that, which he said was a mistake that will not happen again.

Regent Harris stated there was a great deal of confusion related to the matter of students transferring to a Regent institution. The concern was that there was not a common grade point requirement. The ad hoc committee report noted that after comparing the advantages and disadvantages of a common admission policy, the committee concluded that there was no persuasive reason for changing the transfer admission requirements at this time. The priority committee accepted that recommendation and recommended the development of a poster with the transfer requirements similar to that developed for admission requirements at the Regent universities.

Regent Harris distributed posters that show the admission requirements for the three Regent universities. He said the posters have been delivered to all high schools in the state as well as the free-standing middle schools. He said 75,000 copies of the brochures with the same information as the poster

GENERAL  
March 15, 1989

were sent to 8th through 11th grade students. He said the feelings of the study group members were that the responsibility for seeing that this information is disseminated is a responsibility of the school principals.

Regent Harris stated that one other recommendation the priority study group members dealt with that morning was the matter of publicizing the Regent universities' new unit requirements and the affect on minority and disadvantaged students. These requirements are already in effect at the University of Northern Iowa and are scheduled for implementation at the University of Iowa and Iowa State University. While the ad hoc committee members agreed there will be a negative effect on minority and disadvantaged students, over time it will be corrected because of what the primary and secondary schools will be doing to see that those students have better opportunities. They will be pushed in school and by parents.

Regent Fitzgibbon asked for clarification of Regent Harris' remark about the new admission requirements having a negative effect on minority students.

Regent Harris responded that some students do not leave high school prepared to go to college. That number is higher for Blacks and disadvantaged students. He said that maybe the term "negative affect" was incorrect. He said many Black students come out of high school educationally crippled and afraid to take on the rigor of post-secondary education. The plan is to reduce the number of Blacks and minorities graduating as educationally crippled which may take less than 5 years. He noted that the ad hoc committee indicated that the new unit requirements may have a temporary negative impact on minority and disadvantaged students who apply for admission in fall 1990. The data suggests there appears to be significant movement among minority students to fulfill subject requirements, and the committee expects these numbers to improve significantly during the next two years.

Regent Williams stated that officials of all three universities have had contacts with K-12 school districts with high concentrations of Blacks and other minorities as well as contacts with churches and parents.

Regent Harris stated that a great deal will be started at the middle school level. It must also start even earlier than that, and it will.

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

(b) Minority Recruitment and Retention Status Report. The Board Office recommended the Board receive the priority issue report on Minority Recruitment.

In 1987, the Board of Regents approved 13 recommendations of an ad hoc committee on minority recruitment. This report contains a status report on the implementation of the 13 recommendations.

GENERAL  
March 15, 1989

It appears that some progress is being made in the overall procedures and activities aimed at increasing minority recruitment. New minority students and faculty have increased only slightly. Much remains to be done if the overall goal is to be achieved.

Regent Harris stated that minority recruitment and retention is part of the effort on admission of students and articulation with high schools. He said the goal of 8.5 percent minority enrollment by 1991 is achievable. The problem is money. He said the Governor did not include funding for minority recruitment in his budget but he felt that the Governor will make money available. Regents representatives need to keep impressing upon him the importance of this issue.

Regent VanGilst said the Governor gets the money from the legislature. Regent Harris said he thought there was a bill for funding for minority recruitment. Regent Fitzgibbon cautioned that 1991 was not far away.

President Pomerantz said everyone needed to understand that the Regent universities are not starting from point zero.

Regent Harris said they should do their very best to ensure that every Black resident who has the intent of going to college goes to one of the Regents institutions.

Regent Fitzgibbon said it gets back to their marketing programs.

Regent Williams said they also need to understand there is a severe problem with expectation at the K-12 level. She said there are two problems. One is the need to market the Regent universities. They also need to work with K-12 personnel so they understand the need to instill the desire for higher education very early in children's lives. She said it was not necessarily to promote Regent institutions but higher education generally. She said the K-12 districts' personnel do not see how severe the problem is. She agreed with Regent Harris' statement that they need to go to the principals instead of the school counselors. The principal has to be the lead person.

Regent Fitzgibbon said he felt they had really made some impact in the last year. He said the credit goes to the universities, the Board, the Board Office staff and Mr. Richey.

President Pomerantz said he was very optimistic about the future.

**ACTION:**

President Pomerantz stated the Board received the priority issue report on Minority Recruitment by general consent.

GENERAL  
March 15, 1989

(c) Interinstitutional Cooperation and Teamwork. The Board Office stated an oral recommendation on this item will be given by Regent Tyler at the Board meeting.

This priority issue study group was established in part to find ways to encourage interinstitutional cooperation. The study group met prior to the Board meeting to consider a proposed policy on cooperation that addresses five key areas: centers, programs, grant applications, research, and periodic reports in progress.

Regent Williams stated that Regent Tyler was not present at the committee meeting or this meeting; therefore, she would present the committee report. She said the study group had held its third meeting to discuss interinstitutional cooperation and teamwork. Two months ago the study group members asked Vice President Vernon, Executive Assistant to the President Stinchfield and Executive Vice President McCandless to develop a policy on interinstitutional cooperation. She recommended that the Board adopt the following policy, as approved by the priority issue committee:

#### POLICY ON INTERINSTITUTIONAL COOPERATION

In order to ensure positive actions toward greater interinstitutional coordination of research and teaching efforts, the following policy is adopted by the Board of Regents.

(1) All centers, institutes, and major research facilities shall establish and maintain mechanisms for interinstitutional cooperation and collaboration whenever an overlap in research interests exists. These mechanisms should include provisions to inform persons at other Regent institutions of research being undertaken, to promote collaboration, and to stimulate the shared use of research equipment. Depending on the institute or center's governing structure, representation on advisory/controlling bodies shall be tendered to persons in the other Regent institutions if research overlap exists. Faculty members doing research in related areas at other Regent institutions should be offered adjunct appointments or associate memberships in the center or institute.

(2) Proposals for new and expanded academic programs are to include provisions for meaningful interinstitutional cooperation and collaboration where appropriate faculty and programs exist at another Regent university.

(3) All faculty members applying for grants are strongly encouraged to consider joint interinstitutional proposals with investigators from other Regent universities.

(4) Copies of inventory of faculty research currently being used as a part of the Research Consortia should be shared by each university with the others.

(5) The Regent universities will submit biennially to the Board of Regents a list of cooperative programs.

MOTION: Regent Williams moved to adopt the policy, as presented. Regent Harris seconded the motion, and it carried unanimously.

Regent Williams thanked the institutional officials for the work they did.

President Curris said the statement in the policy that says faculty members doing research in related areas at other Regent institutions should be offered adjunct appointments or associate memberships in the center of institute may be a matter of concern. He asked that the Regents bear with the institutions as they hammer that out.

Regent Williams said the priority issue committee members understood it will take time to work out the details of how it will all work.

(d) Progress Report on Student Health Service Financing. The Board Office recommended the Board receive a report describing visits to the university student health centers by members of the Board's Student Health Priority Issue Study Group.

The Board asked the Priority Issue Study Group on Student Health to consider the matter of student health financing in preparation for final tuition decisions in November. The committee met on November 5 and concluded that overall policies relating to student fees needed further review and that changes in student health services financing should be made in the context of a Regent-wide policy on student fees.

The committee decided that visits to the university health centers would provide valuable information for subsequent discussions relating to student health services and their financing. Visits to all three centers included tours of the facilities, discussions with health center staff members, and visits with student leaders.

The cost of providing health care to students is increasing while the universities' abilities to increase general education fund support for student health services have diminished. General education funds are acutely needed to support essential academic programs. Current student health service financing structures promote increasing dependence on general education funds at the expense of academic programs.

Several approaches to financing student health services were discussed with university administrators, health center staff, and student leaders. Alternatives included increasing the mandatory student health fee at the University of Northern Iowa and the University of Iowa and establishing a

GENERAL  
March 15, 1989

mandatory health fee at Iowa State University. It was anticipated that financing student health services will be reviewed again by the Board in concert with its comprehensive review of student fees this summer.

Regent VanEkeren stated that during their February 20 visits to the different campus student health centers they visited with doctors, nurses and staff members, and had some very good student participation. The options the committee members are looking at currently include establishing a mandatory health fee at Iowa State University, and increasing the funding of the mandatory health fee at the other two universities. She emphasized that those are just proposals. She said the priority committee members feel the Regent university health centers are very fine facilities. The priority is to maintain the facilities and to make them more available to the students by making sure they are open hours that students are able to use them. They are also looking at providing emergency service. She said the issue of student health service financing is very crucial. The committee members want to look at this further and probably will bring recommendations to the Board in May or June.

Director Eisenhower pointed out that pharmacy services are available to students at a discount.

Regent Greig said that as a parent with two students at Iowa State University the issue of how the health service works with his health insurance was a confusing issue. He said they needed better communication on how student health services at the universities dovetails with parents' health insurance policies.

Regent VanEkeren said the committee members received some information on that. She noted that all three university health services offer insurance. The committee is still looking at that issue.

Regent Harris stated that at the beginning of their study of this issue his personal feeling was that there must be some way to reduce the cost of medical care for the students by relying on insurance policies. He said he has since come to the conclusion that there is nothing that can be done outside of insurance and increasing the fee that students pay. He noted that there is a policy at most universities that may be purchased by families to cover students for-hospitalized care if the person is a full-time student and under age 25.

Regent Harris stated that he wanted to say before leaving the Board of Regents that even though it does mean an increase in the cost of an education he saw no way other than to have a required fee for health services. He said there might be a way to reduce the cost of care without reducing quality but that is in the thinking stage. He added that the students at all three universities have been involved in this matter and basically have come to the conclusion that a mandatory fee probably will be necessary to provide quality care.

GENERAL  
March 15, 1989

Regent Greig asked about the liability for the student who has no outside insurance.

Regent Harris said they would take care of them. In Iowa there really is little reason why a person in need of medical services could not get it. He said the ones who do not receive care probably do not because they don't know how to get into the system. If there was a health problem that could not be handled by the university health care system the student should be taken to a hospital. There are ways other than through health insurance that hospitals can be reimbursed.

Regent VanEkeren added that the committee members did agree in their discussion that if they decide to go with some kind of increased mandatory fee it would be phased in.

Regent Williams stated that in the discussion with students at all three campuses the committee members got the feeling from students that the more information students had about what was really offered the more likely they were to adopt a mandatory student health fee. The students said they would help by disseminating information to the students.

**ACTION:** President Pomerantz stated the Board received a report describing visits to the university student health centers by members of the Board's Student Health Priority Issue Study Group by general consent.

**REPORT OF INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION.** The Board Office recommended the Board approve the request to change the name of the Center for New Industrial Materials to the Center for Advanced Technology Development and Transfer.

In February, Iowa State University officials requested approval to change the name of the Center for New Industrial Materials to the Iowa Center for Industrial Technology Development. This request was referred to the Interinstitutional Committee where a concern was raised regarding a conflict in the title with a center at the University of Northern Iowa. Iowa State University officials agreed to change the proposed title to the Center for Advanced Technology Development and Transfer.

The Board Office and the Interinstitutional Committee recommended approval.

**MOTION:** Regent Williams moved to approve the request to change the name of the Center for New Industrial Materials to the Center for Advanced Technology Development and Transfer.

GENERAL  
March 15, 1989

Regent Harris seconded the motion, and it carried unanimously.

**REPORT OF THE IOWA COORDINATING COUNCIL FOR POST-HIGH SCHOOL EDUCATION.** The Board Office recommended the Board receive the report of the March meeting of the Iowa Coordinating Council for Post-High School Education.

The March meeting took place at the new American Institute of Commerce facility in Davenport. Lengthy discussions took place regarding articulation between the Regent institutions and the community colleges and the problems associated with interstate reciprocity. The development of the Data Digest for Iowa postsecondary education, a publication of the Iowa College Aid Commission was reviewed.

Three new programs for the community colleges were favorably received as was the termination of the M.S. in Otolaryngology-Head and Neck Surgery at the University of Iowa.

Regent Williams stated the council members talked at length about articulation between the Regent institutions, independent institutions and community colleges. They also focused on new programs and program terminations, including a new program in radio and television productions and broadcasting technology at the Eastern Iowa Community College District.

Regent VanGilst stated that he felt they had an excellent meeting. They discussed areas such as reciprocity. It was felt that if Iowa participates in reciprocity with other states it will be the loser because Iowa is an important state. He added that it really helps to know other institution's problems.

Regent Williams asked if students in private schools in are Iowa eligible for the Iowa Tuition Grant program. Mr. Richey responded that they are, depending on the budget. President Pomerantz stated that is how the system works -- the aid follows the student.

Mr. Richey said the program has been burdened very considerably by non-public postsecondary institutions, even some of those that were not originally considered.

Regent Williams expressed concern about the national problem with the student loan default rate, particularly for private-for-profit proprietary school students.

Mr. Richey stated that certain of the schools of barber and beauty are monitored by the Iowa College Aid Commission because some of those have very high default rates.

GENERAL  
March 15, 1989

ACTION: President Pomerantz stated the Board received the report of the March meeting of the Iowa Coordinating Council for Post-High School Education by general consent.

**REPORT ON LEGISLATIVE ACTIVITIES.** The Board Office recommended the Board receive the report on legislative activities and approve the recommended positions on bills being followed.

Senate File 363 Supplemental Appropriation Bill

Senate File 363 approved by the Senate Appropriations Committee and on the Senate Calendar for debate appropriates \$36 million for the 1988-89 fiscal year which will end on June 30, 1989. Of that amount, \$6.7 million is appropriated to the Board of Regents or its institutions. The specific appropriations are as follows:

Board of Regents:

UNI Boiler	\$1,100,000
UNI Business School Equipment	1,000,000
Library Automation	1,050,000
Iowa School for the Deaf Asbestos Removal	25,000
SUI McLean Hall Remodeling	1,275,000
ISU Agronomy Equipment	1,000,000
Fire Safety Improvements	<u>1,250,000</u>
TOTAL BOARD OF REGENTS	\$6,700,000

Other State Departments:

Human Services	\$8,650,000
Corrections	5,000,000
Judicial	4,200,000
General Services	7,970,000
State Fair Authority	1,000,000
Transportation	500,000
Miscellaneous	<u>500,000</u>
TOTAL OTHER DEPARTMENTS	27,820,000
TOTAL	34,520,000

The legislation specifies that fire safety funds be distributed \$500,000 each to the University of Iowa and Iowa State University and \$250,000 to the University of Northern Iowa. The library automation distribution is not specified. However, the \$1,050,000 is the same as the Board request which

GENERAL  
March 15, 1989

represented \$400,000 for the University of Iowa and \$325,000 for Iowa State University and the University of Northern Iowa.

Provisions in Senate File 363 prohibit the transfer of the appropriated funds for any other purpose. Unencumbered and unobligated funds remaining on April 30, 1990, will revert to the general fund. The proposed supplemental appropriation bill includes a provision requiring the Department of Management to reduce the monthly installments to the Board of Regents by the amount of funds required for the 1988-89 audit costs.

The bill does not include two items which had been requested by the Board of Regents as supplemental appropriations. The Board had requested \$1,095,000 to conduct energy conservation audits mandated by the 1988 General Assembly and due by June 30, 1989. There is an indication that funds will be provided yet this year for the energy conservation audits. The Regents also requested \$850,410 for payment of state audit costs. Of that amount, \$458,600 was for anticipated costs in the 1988-89 fiscal year.

Senator Lind will be sponsoring an amendment to require the Department of Management to release all of the \$10 million authorized for the boiler at the University of Northern Iowa. Currently funds are only released after vouchers are submitted.

#### Legislative Budget Hearing

Since the February Board of Regents meeting, the Joint Education Appropriations Subcommittee has held two meetings relating to the Board of Regents. On February 21 a round table discussion was held on student financial aid. Representatives from the financial aid offices at the Regent institutions served on the panel. The student aid directors unanimously agreed with legislators that there are unmet student financial needs and that the middle class students are particularly wanting in this regard.

On Thursday, February 23, the subcommittee met to discuss the Regent issues of faculty salaries, energy conservation, Board Office budget and Iowa Braille and Sight Saving School audit. Regents Williams and Tyler participated on behalf of the Board along with institution officials and Board Office staff.

Also on the evening of February 23, a hearing was held in the House Chambers regarding the Regent appropriation request for minority recruitment. This was an open hearing in which a number of groups and individuals were provided an opportunity to make comments on the minority recruitment appropriations request. All of the speakers were supportive of the request. The independent colleges, in their testimony, were supportive of the general idea of special funding for minorities but indicated that it should also be geared toward to independent sector.

The Joint Subcommittee's hearings appear to be completed. After revenue estimates are reviewed in light of February tax receipts, it is anticipated the subcommittee will approve an appropriation bill.

Bill of Interest to the Board of Regents

Some of the bills being followed which might be of particular interest to the Regents are briefly described below.

House File 269 freezes the tuition and related fees for the 1990-91 academic year. The percentage of tuition increase for the following three years is limited to the percentage increase in a higher education price index to be developed by the Board of Regents no later than July 1, 1990. The recommended Board position is to oppose this legislation because the Board should set tuition rates rather than the General Assembly. Additionally, a freeze in tuition income will adversely affect the operations of the universities unless state funds are appropriated to replace tuition dollars. An amendment suggested by the Board of Regents bond counsel specifying that the limitation shall not restrict the Board's authority to collect tuition revenue necessary to meet bond obligations was defeated on a voice vote. House File 269 passed the House on a vote of 62 to 32. Three motions to reconsider the bill have been filed.

House File 329 by Representative Shoultz changes the name of the Small Business Assistance Center for the Safe and Economic Management of Solid Waste and Hazardous Substances at the University of Northern Iowa. Additionally, the bill limits the liability of the State, the university, and employees of the Center. The bill was suggested by the University of Northern Iowa. The recommended position is to support the legislation.

House File 336 by Spenner and Black prohibits the use of public funds for lobbying before the General Assembly. The recommended Board position is to monitor.

House File 400 establishes a legislative capital projects committee and grants certain powers to the committee and to the Governor. The bill applies to any capital project, including equipment, costing \$100,000 or more regardless of the source of funds. It requires all state agencies to annually prepare a five year capital project priority plan to be submitted to the Department of Management. Additionally, all agencies are required to prepare quarterly status reports to the Department of General Services and to provide and maintain an inventory of all property and equipment. The bill authorizes the Department of General Services to prohibit the undertaking of capital projects until the inventory reporting requirements are met. It would remove a substantial portion of the

GENERAL  
March 15, 1989

Regents governance authority with respect to equipment and capital budgets.

Under the bill a capital project is defined as any project with a cost of \$100,000 or more involving new construction, acquisition, alteration or lease of land or buildings, and equipment purchases.

A recommended Board position is to oppose the legislation. While the bill is much improved over the draft approved by the fiscal committee this fall which required approval of capital projects, the amount of reporting is excessive. Senate File 363, the supplemental appropriation bill, is indicative of the problems the Board of Regents can expect if House File 400 is approved. The capital appropriations to the Department of Human Services and Department of Corrections are project specific. Those departments also have the language prohibiting transfers.

The Board Office and the Legislative Liaisons have prepared amendments to the bill and are working with Legislators, the Governor and Department of Management on changes.

Senate File 240 requires state agencies to reimburse the state general fund for the partial amount of state tort claim settlements. The reimbursement is based on the percentage of the agencies' budgets funded by other than state general fund revenues. No funding for the payment of claims or insurance is provided in the bill. The recommendation is for the Board of Regents to oppose Senate File 240.

The result of the legislation for the Regents is to require tuition, federal funds, patient revenue, and other revenue sources to absorb costs previously paid by the state general fund. Since tuition revenues represent a substantial portion of the universities' budgets it is possible that significant, unanticipated tuition increases would be necessary to pay claim settlements. Federal funds come from numerous sources for specific purposes and often could not be used for liability costs.

If Senate File 240 is approved and signed by the Governor, the Regent institutions would be forced to buy insurance. No funds are appropriated for that purpose. Additionally, since the Attorney General's Office handles all tort claims, the Board and the institutions will have no ability to hold down the cost of settlements.

House Study Bill 259/Senate Study Bill 233 are the Governor's bills to establish a science and technology foundation. For the 1989-90 year \$500,000 is appropriated for the start-up costs of the foundation. For the 1990-91 budget it is envisioned to include at least \$11

million of current lottery dollars. The foundation would make decisions on the approval of competitive grants under those research programs. Members of the foundation would include, the presidents of the three universities and the president of the Board of Regents in addition to other public and private sector representatives. The recommendation is to support the Governor's bill. At this point the legislature has held several meetings on the bill and it is uncertain the exact direction the subcommittee will follow.

Senate File 257 by Peterson restricts the Board of Regents institutions ability to offer specific goods and services in competition with private businesses. Specifically, the bill prohibits after January 1, 1992 the sale of computers and software, the direct or indirect dispensing of durable medical equipment or devices, commercial food or lodging available to the public at large, and the offering of credit or charge account services to students at campus stores. This bill is an attempt to further restrict the activities of the Regents following the adoption of earlier legislation concerning private competition. The recommended Board position is to oppose the legislation. The Board of Regents currently has rules concerning university competition with private enterprise. Additionally, the Board approved more detailed and restrictive rules at its February meeting. A public hearing is scheduled on those rules for April 4 in Des Moines. It is anticipated that the final rules will be presented to the Board at its April meeting and will be effective by July.

Senate File 297 increases the real estate fees and establishes a fund to be used for a real estate education program at the University of Northern Iowa. While the university did not initiate the legislation, it has held discussions with the State Realtors Association concerning establishing such a program. The recommendation is to monitor this bill. The only possible concern with the bill is the mandating of an educational program.

Senate File 341 by the Judiciary Committee allows the Board of Regents to enter into a reciprocal agreement with the Governing Board of a public higher education institution in a state contiguous to Iowa. The purpose of the agreement would be to allow graduate and professional students from the other state to obtain a degree without paying the non-resident tuition fee. The recommended position for this bill, as with other tuition reciprocity bills, is to oppose the bill unless funding is provided. The bill has been referred to the Senate Education Committee where its future is uncertain.

Associate Director Kading stated the supplemental appropriations bill had now passed the Senate. No changes were made in any of the items related to the Board of Regents. In the meantime an education appropriations bill draft has been disseminated for reaction. The dollar amount now listed is not what it

GENERAL  
March 15, 1989

will finally be. The revenue estimating forecasting committee is scheduled to meet tomorrow. After that committee meets staff will have a better idea of what the Regents dollar amount for appropriations will be. She said there is some intent language in the bill. Some of the key items include a requirement for line items for faculty salary increases and for student aid. There is also language requiring the Board of Regents to use bonds and notes for financing its energy conservation programs. Intent language allocates \$4 million for the driving simulation program at the University of Iowa, contingent on federal funds. She said there is also language which prohibits charging back to the institutions for the Board Office for some of the activities that are for the purposes of the institutions.

Mr. Richey said there is a draft of legislation for a three-pronged approach to minority recruitment at a funding level of \$1.5 million.

President Pomerantz stated there is also legislation pending for a program to award teaching excellence. He said not much thought has been given to how that would apply to the Regents. From a Regent perspective he said they need to make sure the universities hear the Regents on awarding teacher excellence. He said there is also an issue around new buildings. He didn't know if they would have the final answers until the legislature goes home which is probably at the end of April and beginning of May. He welcomed any opportunities other Regents might have to emphasize the importance of the new buildings. That is a critical issue in this session to get those buildings started. He said there is a meeting scheduled for the following day on the estimate for revenues for the year. His suspicion was that those estimates will be favorable and conservative.

Regent Greig asked about the ramification of the minimum wage bill, if it passes. Associate Director Kading said there are some exclusions. President Pomerantz stated that in terms of the market place and the macro economics the whole scale will eventually move up. Associate Director Kading said that is the main concern.

President Pomerantz stated that another issue was the effort on the part of the legislature and the Governor to impose risk management liability on the Regents. He said if there is a tort liability that comes down, according to the current thought process, the Regents would be liable. It is very serious because so far there has been no suggestion as to how that will be funded. He didn't understand why there is such an initiative underway without all the facts. The premium cost is very high. He questioned where in the Regents' budgets there is so much excess that the legislators think the Regents can afford such a move. He said they need to do a better job of communicating.

Regent Fitzgibbon said it seemed to him that the appropriate thing to do is delay this until they have some facts. The Board will have the facts in hand by June on which to make a rational judgment.

GENERAL  
March 15, 1989

Mr. Richey said staff will continue to keep the Board advised.

ACTION: President Pomerantz stated the Board received the report on legislative activities and approved the recommended positions on bills being followed, by general consent.

**ANNUAL REPORT FOR UNIVERSITY RADIO STATIONS.** The Board Office recommended the Board (1) receive the annual reports on the three university public radio stations for 1988, and 2) remind the institutions that any expansion of service through provision of additional relay translators or repeater stations must be presented to the Board of Regents for approval in timely fashion before any action is taken to allow for proper coordination with the other Regent stations.

This is the sixth year the university public radio stations have provided reports on funding, programming, listenership, and training opportunities for students. The university public radio stations are 24-hour cultural and informational resources which provide a wide range of education and community services. They are important outreach vehicles for their respective institutions.

The University of Iowa and Iowa State University each have an AM and an FM station. The University of Northern Iowa has two FM stations, an FM repeater station, and three relay translators in operation.

In Fiscal Year 1988, a total of \$1,889,886 in state appropriations was received by the three university radio stations--\$571,789 at the University of Iowa; \$671,356 at Iowa State University; and \$646,741 at the University of Northern Iowa.

Training opportunities for 90-100 students were provided by the three stations.

The Broadcasting Service at the University of Iowa also operates the Regents Telebridge System, which is shared by the three universities and allows up to 20 locations to be connected by telephone.

Mr. Richey questioned whether they should continue generating these annual reports. President Pomerantz said the Regents may be interested in continuing to receive a short report. Regent VanGilst said the reports are informational.

President Pomerantz stated the Board Office staff should be activists and stay up with the issues concerning the radio stations.

ACTION: President Pomerantz stated the Board, by general consent, (1) received the annual

GENERAL  
March 15, 1989

reports on the three university public radio stations for 1988, and 2) reminded the institutions that any expansion of service through provision of additional relay translators or repeater stations must be presented to the Board of Regents for approval in timely fashion before any action is taken to allow for proper coordination with the other Regent stations.

**ANNUAL REPORT OF ADVISORY COMMITTEES FOR SPECIAL SCHOOLS.** The Board Office recommended the Board receive the reports of the Advisory Committees at Iowa School for the Deaf and Iowa Braille and Sight Saving School.

The Board of Regents established Advisory Committees to the Iowa School for the Deaf and the Iowa Braille and Sight Saving School in 1978. These committees are charged with responsibilities which include advice and assistance to the special schools in programs, agreements, policies, resource and research needs, and intergovernmental relationships. The committees are also responsible to provide recommendations to the Board of Regents on various matters as requested by the Board of Regents.

Committee annual reports for 1987-88 indicate that members have provided guidance, encouragement, assistance, and leadership in the responsibilities designated to them.

Associate Vice President Moll said he was Chairperson of the Iowa Braille and Sight Saving School Advisory Committee last year. He said Director Barak did a very good job of summarizing the year's activities in the docket memorandum. The committee dealt with three significant issues during the past year: 1) the need for teacher preparation for visually-impaired students, 2) policies for staff handbook and student handbook and 3) assisted in the planning activities of the school. He said it was a very good year for the advisory committee and hoped that school officials felt the committee members have helped them.

Regent Fitzgibbon asked if the advisory committee members felt they knew what their charge was.

Associate Vice President Moll responded that Director Barak had laid that out very well in the docket memorandum. He noted that the function of the committee has changed somewhat in the past 2 to 3 years.

Associate Professor Charles Anderson stated the Iowa School for the Deaf Advisory Committee had also addressed some significant issues this past year: 1) sign language policy for the school's faculty and staff, 2) staff development and policies, and 3) educational interpreters in cooperation with the state Department of Education. He said the Iowa School for the Deaf Advisory Committee members also felt very comfortable with their charge. He

GENERAL  
March 15, 1989

said the question should be whether the superintendents and the Board of Regents feel comfortable with their charge. He said last year's productivity should be credited to Dr. Johnson for bringing issues to the committee that the members could help with.

**ACTION:** President Pomerantz stated the Board received the reports of the Advisory Committees at Iowa School for the Deaf and Iowa Braille and Sight Saving School by general consent.

**ANNUAL REPORT OF FAMILY PRACTICE RESIDENCY EDUCATION.** The Board Office recommended the Board approve the annual report on the Statewide Family Practice Training Program.

The Statewide Family Practice Training Program was inaugurated by Governor Robert Ray and the General Assembly in 1973 and appropriations provided to subsidize residency programs for physicians in several communities throughout Iowa. The purpose of the program was to encourage physicians to remain in Iowa, particularly in small towns, to practice medicine.

Nine programs enrolling 170 physician residents are currently supported. Fifty-four percent of the 1988 residents are graduates and did practice in Iowa. The fifteen year average is 58 percent. Approximately 55 residents "graduate" annually. Residents from 38 different medical colleges are represented in the nine programs.

During the past fourteen years, 23 percent of the University of Iowa medical graduates entered family practice residences, nearly twice the national average for all medical graduates.

Total cost of the program in fiscal year 1988 was \$18.9 million, of which \$1.5 million was financed by state appropriations. Training grants account for \$1.2 million of the state appropriations and the remainder is used for educational support services including the visitor professor program. Sponsoring hospitals provide 46 percent of the financial support of the program while the family practice centers themselves provide 45 percent of the budget.

Dr. Paul Seebohm stated this was the 15th year of the reporting on this program. He said there is a geographic maldistribution of family physicians in this state. There are nine family practice programs in the state in Sioux City, Mason City, Waterloo, Cedar Rapids, Davenport, Iowa City and three in Des Moines. Medical graduates from the University of Iowa are entering careers in family practice at a rate that is nearly twice the national average for all medical graduates. Last year there were 31 graduates that went into family practice. The number of residents in the training programs is 170 this year. Twenty-nine percent of those are women. The number of people graduating from the statewide system numbers 50 to 60 each year. He said the

GENERAL  
March 15, 1989

big pay-off is how many stay in the state of Iowa, which is running about 58 percent.

Dr. Seebohm referred to the location of the graduates of the program who are practicing in Iowa. One-half of the graduates are in towns of 10,000 population or less. In regard to the success of graduates in passing the board certification requirements he said there is only a 2 percent failure rate.

Sources of support for the program include 45 percent from the family practice centers, 46 percent from the community hospitals, 6 percent from a state grant, 1 percent from a federal grant and 2 percent from other sources. The state appropriation is \$1.5 million and the per capita payment is \$7,000/year.

Mr. Roger Tracy, coordinator of the statewide system and director of the College of Medicine Office of Community-Based Programs, presented a report on the status of medical manpower in the state of Iowa. He reported that there has been a progressive increase in the total number of doctors in the state of Iowa in the past 10 years -- going from 2,996 in 1977 to 3,585 in 1987. On average, 209 physicians have left practice in Iowa because of retirement, illness, death or better practice opportunities outside the state, and 268 new physicians have established practices in Iowa annually over the past 10 years. There has resulted an overall net gain of 649 physicians.

Mr. Tracy said that on the other hand, the number of family physicians entering and leaving practice in Iowa during this period has been almost the same with a net loss of -37. Although the statewide system has been quite effective in retaining graduates in the state of Iowa -- 60 percent locate in Iowa with half in communities of 10,000 population or less -- we still fall short of optimal replacement of the physicians leaving practice, particularly in rural practice, by a narrow margin. It is evident, however, that the residency programs in family practice have slowed the rate of decline of family physicians considerably over the decreases noted in the sixties before the establishment of the programs in the early seventies.

In addition to monitoring the movement of physicians in and out of Iowa, the Office of Community-Based Programs operates a "Medical Practice Development Program" which provides both communities and physicians technical advice on the viability of medical practice in various medical and community settings. In conjunction with the Iowa Medical Society, the OCBP holds a "Practice Opportunities Fair" which is attended by over 70 community representatives and over 60 resident physicians annually.

Mr. Tracy stated that Iowa needs more family physicians than many states because of the rural distribution of so much of its population. In some 57 counties the family physicians are the sole medical providers. Even geographic distribution of physicians is therefore more dependent on a good supply of family physicians than any other medical specialty. He said the

Statewide Family Practice Residency Network has been effective in providing the needed physicians for rural Iowa, but to keep from falling behind, the programs of the network and the Office of Community-Based Programs should be maintained and possibly reinforced to keep up with the medical manpower needs of Iowa.

Regent VanGilst said it was his observation that previously when physicians retire they would phase out of practice but now they quit automatically. Mr. Tracy said that in the last 5 years physicians have shaved 5 years off the average retirement age.

Regent Harris asked how many of the deliveries in the state are done by family practitioners. Dr. Seebohm stated that it was approximately one-half. He noted that there is a tendency of family practitioners to abandon obstetrics in their scope of practice because of the cost of malpractice insurance. He said 75 percent of the family practitioners in the rural areas are practicing obstetrics.

**ACTION:** President Pomerantz stated the Board approved the annual report on the Statewide Family Practice Training Program by general consent.

**REPORT ON INSTITUTIONAL TELEPHONE SYSTEMS.** The Board Office recommended the Board receive a report describing telecommunications systems at Regent institutions.

All Regent institutions own their telecommunication systems. The three universities' underlying rationale for the new systems was obsolescence in existing system services and/or capacity and inability to control significant elements of cost. All systems are reported to be generating savings through more favorable local and long-distance service costs, stabilization of equipment costs, and reduced system upgrading costs.

The University of Iowa and Iowa State University systems are enterprise systems with outstanding bonds and user charges established to pay for operations and debt service. Unit costs have risen with the new systems, but so have the number and quality of services. The current telephone systems support 18,000 instruments at the University of Iowa, 13,000 instruments at Iowa State University, and 4,100 instruments at the University of Northern Iowa.

At the University of Northern Iowa and the special schools where there is no telephone system debt or enterprise operation, savings accrue to the user departments at the University of Northern Iowa and to central operating accounts at the special schools.

Regent VanGilst asked how much money university officials were saving or whether it was a matter of what they are getting that they didn't have before.

GENERAL  
March 15, 1989

Vice President Madden stated that Iowa State University officials put their system in place in 1985 through a competitive bidding process. They purchased a system designed by AT&T. University officials estimated they would save \$5 million and today believe they are pretty much on target with that. They have gained greater abilities in the data and video areas. They now have uplink and downlink capabilities which can basically be utilized by anyone. That will generate some additional revenues. Their long-distance service rates are 10 to 20 percent below traditional long-distance rates. He noted that telephone rates have gone up quite a bit since deregulation of the industry. If university officials had stayed with their previous system it would now be costing them \$4 telephone line/month.

Regent VanGilst asked if university officials figured efficiency in on the \$5 million savings. Vice President Madden responded that the capability of the new system to the old system has been factored into that. They designed it for all of this to pay off in 10 years. He said the fiberoptics should last the university into the next century.

Regent VanGilst stated that originally he was opposed to spending the amount of money necessary on this telephone system. He said he was now glad they had done it.

Vice President Madden added that university officials recently received a \$1 million equipment gift from AT&T.

Regent Fitzgibbon asked if they make adjustments in user fees. Vice President Madden responded that they do. With all other bond issues there are reserve and surplus funds. Some of the money is being used for maintenance. He said that unless they have a catastrophe in the system, it is a self-supporting enterprise.

President Pomerantz asked if it is a System-85. Vice President Madden responded that it is. It has six nodes that connect the campus.

Regent Fitzgibbon asked what that reserve is now. Vice President Madden said he did not have those figures available but would provide the information in the morning. (Figures supplied later were \$1,650,000 in the restricted debt service reserve and \$897,000 in the remodeling, renovation and surplus reserve.)

Regent VanGilst asked if University of Iowa officials were experiencing the same results with their recently-purchased telephone system. Vice President Phillips said they were. They view it as a telecommunications system since the system has the capability of networking with other computer systems. They use it for student registration and bill payments. She noted that she was not with the university at the time the system was put on campus, but said it was her understanding that the university was facing the potential of a hefty rate increase. University officials are very pleased with the system and the

technology. She added that the bond reserves are allowing some maintenance of the system.

Regent Fitzgibbon asked for the number of adjustments in user fees. Vice President Madden responded that there had been two user fee adjustments in the last 4 years at Iowa State University.

**ACTION:** President Pomerantz stated the Board received the report describing telecommunications systems at Regent institutions by general consent.

**ANNUAL REPORT OF INSURANCE AND RETIREMENT PROGRAMS.** The Board Office recommended the Board receive the Annual Governance Report of Insurance and Retirement Programs for Fiscal Year 1988.

Costs of insurance and retirement programs at the three universities ranged from 21.35 to 22.55 percent of nonstudent payroll for fiscal year 1988. Costs of insurance and retirement programs at the Iowa School for the Deaf were 19.80 percent of payroll for fiscal year 1988 and 20.51 percent at the Iowa Braille and Sight Saving School. Board Office costs for fiscal year 1988 were 12.62 percent of payroll. Total cost of the insurance and retirement programs at Regent institutions for fiscal year 1988 was \$119.8 million. Costs for specific programs are as follows:

Social Security	\$36.9 million
Unemployment & Workers Compensation	\$529,652
Retirement Programs -	
IPERS	\$ 1.2 million
Federal	\$ 1.1 million
TIAA/CREF	\$48.7 million
TIAA/CREF Waiver of Premium	\$ 1.1 million
Life Insurance	\$ 3.2 million
Health Insurance	\$25.1 million
Accidental Death Insurance	\$314,305
Long-Term Disability Insurance	\$ 3.4 million
Dental Insurance	\$ 1.7 million

Actual expenditures were reduced by \$3.3 million due to interest on reserves paid by the carriers.

All permanent employees (faculty, professional-scientific, and Regent Merit System staff) of the three universities with a budgeted annual salary of at least \$7,800 are eligible to participate in the Teachers Insurance and Annuity Association--College Retirement Equities Fund (TIAA-CREF) or in a plan substituted in accordance with Board policy. Eligible employees may choose between TIAA-CREF or a substitute plan or IPERS. A number of comparable

GENERAL  
March 15, 1989

institutions provide TIAA-CREF coverage to only faculty or in some instances to faculty and professional employees.

The contribution to TIAA-CREF for university employees with more than five years of service is 15 percent of all salary. The contribution to TIAA-CREF is 10 percent of the first \$4,800 of salary for staff members with less than five years of service. The employer pays two-thirds of the contribution. The employee pays one-third.

Employees of the special schools and the Board Office are required to participate in the Iowa Public Employees Retirement System (IPERS). The covered salary is \$24,000 and the contribution rate is 9.45 percent, of which 5.75 percent is paid by the employer and 3.7 percent is paid by the employee. (In the first six months of fiscal year 1988, the Board contributed 5.75 percent and the employee 3.7 percent of the first \$23,000 of salary. In the second half of the fiscal year, the base was raised to \$24,000.)

University-based health and dental insurance programs cover only faculty and professional-scientific employees. The universities each offer different programs, but the benefits received are comparable. The University of Iowa and University of Northern Iowa carrier is Blue Cross/Blue Shield of Iowa. The insurance coverage at Iowa State University is provided by Principal Financial Group.

Employees of the special schools, the Board Office and the Regent Merit System employees at the universities who are covered under collective bargaining contracts are covered by the State of Iowa health and dental insurance programs. Blue Cross/Blue Shield is the carrier for the state program.

The universities are estimating their health care premiums will increase from 18 to 20 percent. At least an 18.5 percent increase in health insurance costs is expected for the Blue Cross/Blue Shield programs covering AFSCME employees beginning August 1, 1989. It is anticipated the rates will increase an additional 35 percent beginning August 1, 1990.

The three Regent universities offer benefits that are similar to those offered by comparable institutions.

Director Wright stated there is a Regent priority issue committee reviewing fringe benefits and health insurance. Between now and the April Board meeting the Board members will be asked to decide how to proceed. He noted that each of the universities has provided a study document. Director Wright thanked Assistant Director Peters for the fringe benefits report.

President Pomerantz asked that university officials give significant priority to his following comments. He said the universities are losing a significant amount of their purchasing power by not combining their strengths toward the

GENERAL  
March 15, 1989

purchase of fringe benefits. These increased costs are extremely significant and he felt they should do everything they can about containing the costs.

Director Wright stated the premiums for the state-bargained AFSCME group, which is the largest employee group the state governs, will be going higher than for any single Regent institution.

President Pomerantz stated the issue is to combine the purchasing power to make the determination of whether there is a savings to go that way. He said they are talking about really big dollars.

**ACTION:** President Pomerantz stated the Board received the Annual Governance Report of Insurance and Retirement Programs for Fiscal Year 1988 by general consent.

**PROPOSED POLICY FOR A DRUG-FREE ENVIRONMENT.** The Board Office recommended the Board approve the following drug-free policy statement for inclusion in the Board of Regents Procedural Guide and direct the Regent institutions to continue efforts to be in compliance with the Drug-Free Workplace Act of 1988.

The policy is as follows:

BOARD OF REGENTS  
DRUG-FREE WORKPLACE POLICY

It is the policy of the Board of Regents to provide drug-free workplaces for its employees. Employees, as a condition of employment, shall abide by the following provisions:

Employees are expected and required to report to work on time and in appropriate mental and physical condition.

The unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance at any institution under the governance of the Board of Regents is absolutely prohibited. Violations of this policy will result in disciplinary action, up to and including termination and may have legal consequences.

The Board of Regents recognizes drug dependency as an illness and a major health problem and that drug abuse is a potential health, safety and security problem. Employees with drug problems are encouraged to use the employee assistance programs or other means as appropriate.

Employees must report any conviction under a criminal drug statute for violations occurring on or off Regent premises while conducting official business. As mandated by the Drug-Free Workplace Act of 1988, report of a conviction must be made within five days after the conviction.

GENERAL  
March 15, 1989

The University of Iowa, Iowa State University, University of Northern Iowa, Iowa School for the Deaf, and the Iowa Braille and Sight Saving School will develop policies consistent with the Board policy and disseminate those policies to employees.

**MOTION:** Regent Greig moved to approve the drug-free policy statement for inclusion in the Board of Regents Procedural Guide, as presented, and to direct the Regent institutions to continue efforts to be in compliance with the Drug-Free Workplace Act of 1988. Regent VanEkeren seconded the motion, and it carried unanimously.

**CONSENT ITEMS.** The items on the consent docket appear in the appropriate sections of these Minutes and were approved by general consent of the Board.

**BOARD OFFICE PERSONNEL TRANSACTIONS.** The Board Office recommended the Board approve the Register of Personnel Changes for March 1989 including the following appointment:

Dr. Glenda F. Carter as Director of Planning and Policy Analysis, effective May 22, 1989, at an annual salary of \$60,000 plus the usual fringe benefits. Dr. Carter is currently Coordinator of Research, Administration and Strategic Planning at Grambling State University in Louisiana.

**MOTION:** Regent Williams moved to approve the appointment, as presented. Regent Harris seconded the motion, and it carried unanimously.

**ENDOWMENT FUND MANAGER AGREEMENTS.** The Board Office recommended the Board delegate to the Executive Secretary the authority to approve formal agreements with the Board's endowment fund managers.

In February, the Board retained INVESCO Capital Management of Atlanta, Georgia, and Warburg, Pincus Counselors of New York, New York, as endowment fund managers. In order to accomplish the expeditious transfer of institutional endowment funds to the investment managers, it was requested that the Board delegate the authority to the Executive Secretary to approve the formal agreements with the endowment fund managers. The President of the Board, the Banking Committee and university officials would be consulted.

**MOTION:** Regent Harris moved to delegate to the Executive Secretary the authority to approve formal agreements with the Board's endowment

fund managers. Regent VanEkeren seconded the motion, and it carried unanimously.

**NEXT MEETINGS SCHEDULE.** The Board Office recommended the Board review the next meetings schedule.

April 12	University of Iowa	Iowa City
April 13	Iowa Braille and Sight Saving School	Vinton
May 24-25	Best Western Country Squire	Atlantic
June 21-22	University of Northern Iowa	Cedar Falls
July 25-26	Village West Inn	Okoboji
August	NO MEETING	
September 20-21	Iowa State University	Ames
October 18-19	University of Iowa	Iowa City
November 15-16	University of Northern Iowa	Cedar Falls
December 13-14	(To Be Designated)	Des Moines
January 17-18, 1990	Iowa State University	Ames

**ACTION:** President Pomerantz stated the meetings schedule was received by general consent.

President Pomerantz then asked Board members and institutional executives if there were additional general or miscellaneous items for discussion.

**COAL CONTRACTS SPECIFICATIONS.**

Mr. Richey stated he had a supplemental item for discussion. Coal specifications have been in the process of revisions for several years now. They have been reviewed on an interinstitutional basis. Iowa State University officials wish to contract for coal for three years. They would like to have a contract that gives a firm price the first year and adjusts the price based on an index the second and third years. Mr. Richey said problems with that type of contract are as follows: 1) If university officials get a bid for all three years, they will get a higher price for the first year than they would otherwise. 2) The Attorney General's Office feels there will be litigation if an index is used. The Attorney General's Office will not approve an index for a 3-year contract. Mr. Richey expressed concern about doing something against the advice of legal counsel.

Vice President Madden said the advantage of the index comes from the industry in Iowa. They need a long enough contract to go out to their lender. He said an index protects the university on price fluctuation. Iowa State University officials would prefer an index arrangement; otherwise, they would prefer multi-year contracts.

President Pomerantz asked that staff request the Attorney General to put his opinion in writing. Director Eisenhauer said staff received a letter today from the Attorney General advising against a three-year contract based on the index because it opens the university up to litigation. The Attorney General's Office says the chances for prevailing in litigation are better if the rates are not tied to an index. President Pomerantz asked for a copy of that letter. He said that unless university officials can get some kind of appropriate indexing arrangement they should buy their coal every year.

Regent Fitzgibbon noted that if they buy it on an annual basis coal will cost more.

Vice President Madden said university officials need to have coal deliveries beginning in July. They need a contract for unwashed coal for their new boilers. Director Eisenhauer asked if they would be willing to go with a fixed rate. Vice President Madden asked if the Board would authorize them to go out for a three-year bid for a fixed contract.

Regent Fitzgibbon said he had a problem with a three-year fixed price.

Regent VanGilst suggested they could have a motion for a one-year contract subject to the President and Executive Secretary working with the Attorney General's Office.

President Pomerantz said there are also other Regents available in Des Moines if the Board members felt that was appropriate to include them in discussions with the Attorney General's Office.

Regent Williams asked that the Regents be informed of the final outcome.

MOTION:

Regent VanEkeren moved to authorize the university to seek a contract for coal subject to the President and Executive Secretary working out the details with the Attorney General's Office. Regent Williams seconded the motion, and it carried unanimously.

## STATE UNIVERSITY OF IOWA

The following business pertaining to the State University of Iowa was transacted on Wednesday, March 15, 1989.

### STATEMENT ON STUDENT/ATHLETE ACADEMIC ELIGIBILITY.

President Rawlings stated that recent testimony presented in the trial of sports agents Norby Walters and Lloyd Blume has questioned the quality and effectiveness of standards governing academic progress of student/athletes at the University of Iowa. These questions have also cast a shadow on the integrity of the entire university. University officials are not happy with the widely-publicized allegations, many of which were erroneous and arose from a deliberate effort by defense attorneys to put the university on trial rather than their client.

President Rawlings said the strategy deliberately chosen by Walters and Bloom in their defense against multiple criminal charges is to tarnish the reputation of respected universities, including the University of Iowa. Two former University of Iowa student/athletes, Ronnie Harmon and Devon Mitchell, were among the first witnesses. Contrary to media reports based on erroneous testimony, he said both were eligible under academic progress rules established by the NCAA, the Big Ten and the University of Iowa. All student/athletes at University of Iowa must meet NCAA, Big Ten and University of Iowa academic standards before they are permitted to participate in intercollegiate athletics at the university. University officials tolerate no exceptions. Moreover, the University of Iowa is fortunate to have athletic programs widely respected for their nationally-competitive quality, and more importantly, their integrity.

President Rawlings said a much broader question is whether minimum eligibility standards are appropriately and sufficiently rigorous for student/athletes enrolled in undergraduate programs at the University of Iowa. University of Iowa officials do not view mere compliance with minimum standards as sufficient. The student/athlete must be a student first, an athlete second. Anything short of that standard is unfair and irresponsible.

University officials are working to ensure that individual students have every opportunity to graduate from the University of Iowa. Officials are engaged in systematic efforts to provide the clearest, most effective oversight and monitoring of the progress of each individual. As a result of their ongoing scrutiny, several significant changes have occurred in the past several years. These changes include regular collegiate review of all student/athlete's transcripts, additional review of all student/athlete's transcripts annually by faculty representatives to the Big Ten, institution of an academic progress policy under which student/athletes are expected to take at least two required

general education courses each semester until the requirement is met -- a standard more rigorous than the requirements for non-athletes, a conscious effort to recruit student/athletes who will be academically successful at the university, rigorous attention to student/athlete's academic progress, and abolishment of the Town Hawks, a well-intentioned community support group for student/athletes.

President Rawlings said the issue of academic accountability is a national problem. As president, it is his responsibility to see to it not only that we tolerate no violation of rule or policy, but that we are not satisfied with mere compliance. The university has academic progress requirements that exceed NCAA and Big Ten requirements. However, he said they can make those considerably better and will. He has asked Acting Vice President Vernon, Vice President Phillips and Professor Annette Fitz to identify and recommend specific additional ways in which the University of Iowa should enhance its academic progress requirements and procedures for ensuring compliance. They will report to President Rawlings in a few weeks and he will share the results of their studies.

President Pomerantz thanked President Rawlings for his very strong statement. He said the Board is receptive to and joins in offering its support to accomplish the goals set out.

**PERSONNEL TRANSACTIONS FOR JANUARY 1989.** The Board Office recommended the Board approve the following personnel transactions:

1. Register of Personnel Changes for January 1989.
2. Appointment of Laurence J. Fuortes, M.D., effective immediately, as Acting Director of the University Occupational Health Service at an annual salary of \$69,027.

**ACTION:** President Pomerantz stated the Board approved the personnel transactions as a consent item.

**ACADEMIC CALENDAR FOR 1990-91.** The Board Office recommended that the Board (1) request that the university explain the proposed academic year calendar for 1990-91 in terms of the guidelines identified by the university and (2) approve the calendar for the 1991 summer session.

The proposed 1990-91 academic year calendar contains 74 class days each semester or 148 days for the academic year. This is an increase of one day per semester over the 1988-89 academic year calendar. The university's proposed calendar does not conform to the minimum instructional time set forth in the guidelines submitted by the university. The guidelines contained in "What is an Academic Year and How Long is a Term" were provided by the university in response to the Board's request last year for additional information on calendar length.

University officials reported that in the Big Ten six of the universities are on semester calendars. Their semester lengths vary from 68 days at the University of Michigan to 75 days at Purdue University.

For the decade prior to 1987 the university had 149 class days in all but one of its academic years. For 1987-88 the number was 148, for 1988-89 the number is 146, and for 1989-90 the number is also 146. The proposed move to 148 days in 1990-91 moves the calendar toward its more traditional number of days. One of the primary differences between the approved 1989-90 calendar and the proposed 1990-91 calendar is an increase in the time between semesters of almost one week.

For the 1991 summer session there are 38 class days proposed.

Vice President Vernon stated that this year and next year the university will have a 74 day calendar which is at the high end of the range for other Big Ten universities. In the Big Ten the range is 68 to 75 days per semester.

Regent Williams asked about the Board Office concern that the calendar doesn't conform to the minimum guidelines. Vice President Vernon said he believed that was a misunderstanding of the Board Office.

President Pomerantz noted that the calendar has more days than the last year's calendar which he thought was the right direction.

**MOTION:** Regent Fitzgibbon moved to approve the calendar for the 1991 summer session, and for the 1990-91 academic year. Regent Greig seconded the motion.

Regent Williams asked if this is not what University of Iowa officials would like the Board to consider, then what would they like considered. Vice President Vernon said there is no formula for determining semester length and there is no standard such as there is in the public school system. Some of the professional schools require so many numbers of minutes of class. He emphasized that university officials were doing what is normally done.

President Pomerantz said he felt the Board's message was delivered.

**VOTE ON THE MOTION:** The motion carried unanimously.

**ORAL AND MAXILLOFACIAL IMPLANT CENTER.** The Board Office recommended the Board refer this matter to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

University of Iowa officials requested approval of an Oral and Maxillofacial Implant Center. The center was requested to facilitate research and

instruction in the use of implants as a therapeutic modality. The center would use approximately \$65,000 from the university general fund thus requiring Board approval.

**ACTION:** President Pomerantz stated the Board referred this matter to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation by general consent.

**REVISED RESOLUTION ON THE GOVERNANCE OF UNIVERSITY OF IOWA HOSPITALS AND CLINICS.** The Board Office recommended the Board approve the revised resolution reaffirming the need for continuity in state appropriation support for the University of Iowa Hospitals and Clinics.

Last month the Board deferred action on a suggestion to reaffirm its position on funding for the University of Iowa Hospitals and Clinics to allow for an opportunity to make some revisions in the statement to bring it up to date.

The statement was reformatted and strengthened. It was requested that the revised statement be approved by the Board of Regents.

Assistant Director Hesson stated the revised resolution before the Board updated and emphasized two primary areas: 1) the Blue Ribbon Commission report which documented the need for educationally-related appropriations and 2) the need for continuing support of its educationally-related costs given the current legislative initiatives to provide greater access to health care for persons in Iowa currently uninsured and underinsured.

**MOTION:** Regent Fitzgibbon moved to approve the revised resolution reaffirming the need for continuity in state appropriation support for the University of Iowa Hospitals and Clinics. Regent Williams seconded the motion, and it carried unanimously.

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

#### PROJECT DESCRIPTIONS AND BUDGETS

University officials submitted one new project for approval by the Board.

Medical Laboratories--Remodeling for Pediatrics \$949,200  
Source of Funds: Medical Service Earnings

Preliminary Budget

Design, Inspection and Administration	\$116,500
Construction	757,000
Contingency	<u>75,700</u>
TOTAL	\$949,200

This College of Medicine project will provide for the general upgrading of office and laboratory spaces in the north and south central areas of the Medical Laboratory Building. Work will include replacement of ceilings, partitions, lighting and casework. A new HVAC system will also be installed to serve the south central laboratory suite, enabling that area to function as an isolated environment.

Much of the Pediatric Laboratory space on the second floor of the Medical Laboratories has deteriorated with age and no longer meets current requirements for research facilities. This project will remove these deficiencies. Design, inspection and contract administration will be provided by university Architectural/Engineering Services.

The project will be funded by medical services earnings which are fees charged to patients for professional services provided by staff of the College of Medicine and used to support medical services activities.

\* \* \* \* \*

University officials presented one new project that will be initiated in the coming months with a budget of less than \$200,000. The title, source of funds and estimated budget for the project were listed in the register prepared by the university.

\* \* \* \* \*

ARCHITECT/ENGINEER AGREEMENTS

Approval Requested:

University Hospitals and Clinics--Positron Emission Tomography  
Imaging Center \$59,800  
Hansen Lind Meyer, Iowa City, Iowa

In January 1989 the Board approved the project description and preliminary budget for the Positron Emission Tomography (PET) Imaging Center. This professional services agreement is in the form of a standard form of agreement and provides for design services throughout the project, including services during the bidding and construction phases of the Positron Emission Tomography Imaging Center.

This agreement for professional services provides for basic services at a fixed fee of \$52,000. Additional services will be at a multiple of 2.5 of direct personnel expenses and at fixed rates for principals. Services of professional consultants will be at a multiple of 1.15 of the amount billed. Reimbursable expenses shall not exceed \$7,800.

University Hospitals and Clinics--Diagnostic Radiology Faculty  
Office Consolidation

\$37,437

Hansen Lind Meyer, Iowa City, Iowa

In December 1988 the Board approved the project description and preliminary budget for the Diagnostic Radiology Faculty Office Consolidation. This agreement provides for design services throughout the project, including services during the bidding and construction phases of the Diagnostic Radiology Faculty Office Consolidation.

This agreement for professional services provides for basic services at a fixed fee of \$32,552. Additional services will be at a multiple of 2.5 of direct personnel expenses and at fixed rates for principals. Services of professional consultants will be at a multiple of 1.15 of the amount billed. Reimbursable expenses shall not exceed \$4,885.

University Hospitals and Clinics--Material Services Office  
Consolidation--Phase IV

\$22,220

Hansen Lind Meyer, Iowa City, Iowa

In December 1988 the Board approved the project description and preliminary budget for the Material Services Office Consolidation--Phase IV of the Consolidated Materials Distribution System. This agreement is for design services throughout the project, including services during the bidding and construction phases of the Material Services Office Consolidation--Phase IV.

This agreement for professional services provides for basic services at a fixed fee of \$19,320. Additional services will be at a multiple of 2.5 of direct personnel expenses and at fixed rates for principals. Reimbursable expenses shall not exceed \$2,900.

Amendments:

Chilled Water Plant Parking Structure

\$7,927

Rich and Associates, Inc., Southfield, Michigan

This amendment to the professional services agreement provides for revisions to the design of the service entrance and parking, steam lines, and traffic control equipment, and providing for a record storage mezzanine and record storage room. The amendment provides for an increase in basic services not to exceed \$7,927.

A summary of all changes to the agreement is as follows:

Maximum Payable Original Agreement		\$169,500
Change No. 1	\$ 90,000	
Change No. 2	26,400	
Change No. 3	43,500	
Change No. 4	<u>7,927</u>	
Subtotal All Changes	\$167,827	
Maximum Amount Payable Including This Change		\$337,327

CONSTRUCTION CONTRACTS

Awarded:

University Hospitals and Clinics--Operating Room Suite and  
Support Facilities Replacement Project--Shell \$3,044,000

Award to: The Weitz Company, Inc., Des Moines, Iowa  
(3 bids received)

University Hospitals and Clinics--Psychiatric Pavilion  
Replacement Facility, Phase B \$3,723,600

Award to: Mid-America Construction Company of Iowa, Iowa City, Iowa  
(6 bids received)

Laser Laboratory Building--Phase 2 (C3) \$689,591

Award to: Larson Construction Company, Inc., Independence, IA  
(8 bids received)

Jessup Hall--Remodel Business/Cashier Office \$222,341

Award to: Larson Construction Company, Inc., Independence, IA  
(5 bids received)

Van Allen Hall--Remodel Rooms 408 and 418 \$259,266

Award to: McComas-Lacina Construction Company, Inc., Iowa City, IA  
(1 bid received)

CHANGE ORDERS TO CONSTRUCTION CONTRACTS

University Hospitals and Clinics--High Field MRI  
Installation

McComas-Lacina Construction Company, Inc., Iowa City, IA

Deduct \$31,483.92

ACCEPTANCE OF COMPLETED CONSTRUCTION PROJECTS

University Hospitals and Clinics--High Field Strength MRI Installation  
McComas-Lacina Construction Company, Inc., Iowa City, IA

Bowen Science Building--Remodel 3-700 Area  
McComas-Lacina Construction Company, Inc., Iowa City, IA

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

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

With SEAVAC, INC. for their use of approximately 264 square feet of space in the Technology Innovation Center at the Oakdale Campus, for one year commencing April 1, 1989, and ending March 31, 1990, at an annual rent of \$2,112.

Regent Greig asked about the farm lease the Board questioned last month. Vice President Phillips said she had some information she needed to submit to the Board Office concerning that lease. University officials have gotten some background information from the farm manager concerning that lease arrangement. As it turns out, it is not a piece of prime land and not what would be expected from regular farm land. She said they can negotiate an average lease on a per acre basis but it would not produce any more income for the university.

Regent Greig asked that Vice President Phillips mail him a recap of the discussions university officials held with the university's farm manager.

MOTION: Regent Williams moved to approve the lease, as presented. Regent Greig seconded the motion, and upon the roll being called, the following voted:  
AYE: Duchen, Fitzgibbon, Greig, Harris, Pomerantz, VanEkeren, VanGilst, Williams.  
NAY: None.  
ABSENT: Tyler.

RESIDENCE SYSTEM. (a) Rates for 1989-90. The Board Office recommended the Board (1) approve the proposed rate schedule for the residence halls beginning with the 1989-90 academic year; (2) approve the proposed rate schedule for family housing units beginning with new and renewed leases May 1, 1989; and (3) accept the preliminary residence system budget for 1989-90, subject to

further review and action when university operating budgets are approved for 1989-90.

University of Iowa officials proposed a dormitory rate for a double occupancy room with full board of \$2,580 per student. This is an increase of 3.7 percent over the 1988-89 rate. University officials recommended that monthly rates for apartment housing be increased approximately 3.8 percent for 1988-89. With the tuition increase previously approved by the Board, a resident student living in a double occupancy residence hall room with full board will experience a 5 percent increase in tuition, room and board costs.

University officials reported that representatives of the Associated Residence Halls reviewed and recommended the plan being requested by the university. The university also has held a meeting for family housing residents.

The occupancy in single student housing is expected to remain stable.

The 1988-89 revised budget has an increase of \$154,589 in revenues over the amount originally budgeted. Budgeted expenditures are decreased by \$387,154. This provides a net revenue increase after debt service and mandatory transfers of \$541,743 over the original 1988-89 budget.

The university's preliminary budget for 1989-90 projects a \$421,477 (1.9 percent) increase in revenues over the revised 1988-89 budget and a \$1,438,161 (8.4 percent) increase in operating expenditures.

The voluntary reserve balance for 1989-90 is projected to be \$5,823,450 or 26 percent of gross revenues.

George Droll, Director of Residence Halls, said he was glad to hear the feedback that there was a realization that a lot of progress has been made in the last decade. He said the inflation assumptions were very low resulting in the request for a 3.7 percent increase in the room and board rates in the single system. The enrollment projection for the University of Iowa presents a more favorable occupancy figure. University officials are able to forecast in the 10-year plan the ability to fund the program over the next 10 years. Director Droll said that in visiting with students he found they are providing most of the programs that students consider important.

University of Iowa student Barb Allmart said the students were given the figures by Director Droll. The students worked together with residence hall officials to make several proposals that representatives of each of the residence halls were comfortable with.

Regent Fitzgibbon asked for a report at the next Board meeting concerning security on campus.

MOTION:

Regent VanGilst moved to (1) approve the proposed rate schedule for the residence halls beginning with the 1989-90 academic year; (2) approve the proposed rate schedule for family housing units beginning with new and renewed leases May 1, 1989; and (3) accept the preliminary residence system budget for 1989-90, subject to further review and action when university operating budgets are approved for 1989-90. Regent Williams seconded the motion, and it carried unanimously.

(b) Fund Transfer. The Board Office recommended the Board approve a proposed transfer of \$1,750,000 to the dormitory improvement fund from the dormitory surplus fund.

The Residence System dormitory improvement fund provides for major repairs, replacements, and renovations to the university residence system. Existing bond resolutions require a mandatory transfer of \$600,000 per year from operating revenues to the dormitory improvement fund. The mandatory transfer specified in the bond resolution is generally not adequate to cover the cost of dormitory renovation and capital improvement projects.

University of Iowa officials requested approval of a proposed transfer of \$1,750,000 from the dormitory surplus fund to the dormitory improvement fund. This transfer would bring the June 30, 1989, surplus fund balance to approximately \$3.3 million.

MOTION:

Regent Fitzgibbon moved to approve a proposed transfer of \$1,750,000 to the dormitory improvement fund from the dormitory surplus fund. Regent Harris seconded the motion, and it carried unanimously.

**OAKDALE RESEARCH PARK DOCUMENTS.** The Board Office recommended the Board approve the following enabling documents:

- 1) Articles of Incorporation and By-Laws of the University of Iowa Oakdale Research Park Corporation.
- 2) Ground Lease for the research park property.
- 3) Covenants, Conditions and Restrictions between the Research Park Corporation and all lessees and tenants.
- 4) 28E Agreement between the City of Coralville and the university pertaining to the research park.

Treasurer True stated the faculty advisory committee on the research park reviewed the documents and will be meeting with university officials in the future.

President Pomerantz asked if there was a reason the advisory committee is restricted to faculty. President Rawlings said there are two additional members -- one from the Professional and Scientific staff and a graduate student. The university has a board that consists of other people to oversee the park.

President Pomerantz questioned whether it would be appropriate to have some community people as part of the advisory group. President Rawlings said that was a good idea. Vice President Phillips said university officials have provided for a larger board. They wanted to get it started and hope to expand it later.

MOTION:

Regent Williams moved to approve the enabling documents for the Oakdale Research Park, as presented. Regent VanGilst seconded the motion, and upon the roll being called, the following voted:

AYE: Duchen, Fitzgibbon, Greig, Harris, Pomerantz, VanEkeren, VanGilst, Williams.

NAY: None.

ABSENT: Tyler.

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, March 15, 1989.

**RATIFICATION OF PERSONNEL ACTIONS FOR FEBRUARY 1989.** The Board Office recommended that the Board approve the personnel actions, as follows:

1. Register of Personnel Changes for February 1989 including early retirements as follows:
  - a. Clifford E. Smith, Professor of Industrial Engineering, retiring August 20, 1989, will have a total cost of \$26,925 for incentives, and the college will use the cost savings for faculty replacement and reallocations.
  - b. Loran Mohr, Professor of Industrial Engineering, retiring June 30, 1989, will have a total cost of \$52,298 for incentives, and the college will use the cost savings for faculty replacement and reallocations.

**ACTION:** President Pomerantz stated the Board ratified the personnel actions as a consent item.

**APPROVAL OF ADMINISTRATIVE CHANGES.** The Board Office recommended that the Board approve the elimination of the position of Vice President for Planning and Development and reorganization of administrative responsibilities for the Executive Vice President, effective immediately.

**MOTION:** Regent Harris moved to approve the elimination of the position of Vice President for Planning and Development and reorganization of administrative responsibilities for the Executive Vice President, effective immediately. Regent Greig seconded the motion, and it carried unanimously.

**REPORT ON STUDENT RECRUITMENT.** The Board Office recommended the Board receive the report on student recruitment at Iowa State University.

President Eaton introduced Carole Custer, Assistant to the President, Tom Theilen, Vice President for Student Affairs, and Carsten Smedal, Director of Admissions.

Ms. Custer addressed the marketing aspect of undergraduate recruitment. She defined marketing as serving the needs of the university's clientele. Marketing permeates the entire university. The land grant mission includes 1) attract, enroll, educate and graduate students, 2) research to create knowledge, and 3) outreach efforts to provide workable solutions to society. Ms. Custer said Iowa State University officials promise a quality education at an affordable cost. She said that is easy to say but takes a lot to get there. There must be quality of faculty, advising and student life. She said it doesn't just happen in the Admissions Office. Some quality assessments include 1) is the campus safe, 2) do they offer accessible office hours, 3) is the advising system doing a professional job, and 4) are faculty creative teachers.

Ms. Custer stated that marketing research forms a foundation for planning. They have to start with a research base. Students are asked what makes them decide where to go to school. Data collection is helpful. She noted that last month University of Iowa officials gave some glaring information on what might happen if university officials don't do a better job of student recruitment.

Vice President Theilen said his role in the presentation was to look at some long-range plans and short-term goals. Iowa State University currently has 25,500 students which consists of 21,500 undergraduate students and 4,000 graduate students. Their five-year goal is to maintain a student level in the 24,000 to 25,000 range. According to the data of the state this goal will be challenging. The number of traditional high school graduates in the state is expected to drop 24 percent. Illinois high school graduates, where most of Iowa's out-of-state students come from, is expected to drop 16 percent. Iowa State University officials expect to draw their students from Iowa. University officials would like to enroll more community college transfer students. Sixty percent of Iowa high school graduates go on to post-high school education. Iowa State University's short-term goal for 1989-90 is to enroll 5,000 to 5,100 new undergraduates for fall 1989. A few sub-goals include 1) increase the academic quality of newly-enrolled students -- ACT test scores of 26 to 32, 2) ethnic diversity -- enroll at least 300 new minority students, 3) increase enrollment of non-traditional students -- 12 percent of enrollment is students 25 years and older working on their undergraduate degree, and 4) increase the number of women who enroll -- right now the breakdown is 40 percent women to 60 percent men.

Vice President Thielen stated that Iowa State University officials have shifted more funds for grants and scholarships to award high achievers. They gave ten Scholarships for Excellence (tuition and fees for four years). There usually are 500 applicants. Starting last fall, all eligible applicants received at least a \$500 scholarship. This fall, they have had an increase to 600 eligible applicants. Fifteen will be given the four-year \$10,000 award;

20 will be given an in-state tuition scholarship (over \$1,800); the remainder will be offered a \$500 scholarship.

Vice President Thielen said one more area related to scholarships is the National Achievement Scholars program for minority students. University officials have made a special effort to enroll Black and Hispanic students. Iowa State University ranks 24th in the country with 14 National Achievement Scholars enrolled. Last fall, the only three qualifiers in the state of Iowa enrolled at Iowa State University. Presently, they have admitted 25 Black National Achievement Scholars and 14 Hispanic National Achievement Scholars to the freshmen class of 1989.

Iowa State University officials are expanding their offerings in the evenings and Saturdays in order to attract the non-traditional student. One-half of their daytime students work 15 hours/week. Vice President Thielen said they need to use their telecommunications capabilities. He said that based on research with their prospective and present students, Iowa State University has a comparative edge on other universities. The students say they want a broad-based undergraduate education. Iowa State University offers a personal educational experience. Last summer Iowa State University was selected as one of 12 colleges and universities in the country for a national study on out-of-classroom involvement in undergraduate education. He noted that two of the 12 colleges and universities selected were from the state of Iowa. Those twelve were narrowed down to 7 institutions. Iowa State is among those 7 and is the only land grant institution. Those final 7 will be involved in in-depth study.

Director Smedal said he would address recruitment plans and activities. He said that as was mentioned by Vice President Thielen, Iowa State's new undergraduate student enrollment goal for the Fall of 1989 is 5,000 students. University officials will be involved in a lot of activities to attempt to achieve that goal. Off-campus efforts will include visits by admissions counselors to approximately 1200 high schools, attendance at 130 college nights and fairs, and visits to 50 community college campuses. They consider Iowa to be their primary recruitment area. He noted that many of the schools are visited twice/year. Students receive telephone calls the day after the school visit. University officials also sponsor 12 Planning for College Seminars in Iowa, Illinois, Minnesota, and Nebraska in January and February during which Iowa State University faculty, staff and enrolled students present the "Iowa State Story". There is also a network of alumni who have volunteered to help recruit prospective students.

Specific on-campus efforts to attract students include:

1. Annually receiving more than 3,700 prospective students and their parents on drop-in visits during which they are given information about admission,

financial aid, and housing, arrange academic adviser appointments and departmental visits, and provide tours of the campus and residence halls.

2. Hosting 2,200 visitors during nine Cyclone Stay-a-Day programs which are planned 9:00 a.m. - 3:00 p.m. visits jointly sponsored by the Admissions Office and the Student Alumni Association.
3. Sponsoring a Call-a-Thon whereby Iowa State students call approximately 7,000 admitted students to encourage them to enroll and ask if they have applied for college aid and housing.
4. Holding a spring recognition banquet for applicants for the Scholarships for Excellence.
5. Last month 60 high-ability minority students came to the campus.
6. A Visiting Scholars Program with students on campus for 2-1/2 days.
7. Participating in an Academic Achievers program through which Iowa State recognizes all of the seniors in the Iowa high schools who rank in the top 5 percent of their class with a certificate and letter from President Eaton.

Director Smedal stated that university officials are working diligently to attract minority students in particular. These efforts include:

1. Direct-mail of 10,000 letters to minority students in their student search effort.
2. Visiting approximately 300 high schools which have a substantial enrollment of minority students.
3. Participating in seven National Scholarship and Service Fund for Negro Students college interview programs.
4. Mailing 2,000 letters inviting prospective minority students to visit with university staff at the NSSFNS programs and the National College Fairs one week before the programs take place.
5. Bringing 100 admitted students to campus for the Summer Enrichment Program, an intensive academic and social orientation to the university and Ames community.

Regent VanEkeren stated that Iowa State University has a very strong network of alumni in which she participates.

Regent Fitzgibbon said he felt that Iowa State University officials had set their goals low. Vice President Theilen noted there were 1,200 fewer high school seniors this year.

President Pomerantz stated that if enough people know about Iowa State University and university officials tell the story that was told at this meeting, he suspected that whatever obstacles there are to increasing enrollments will be overcome. He said they probably need to embellish it some. University officials must have the ability to reach out far enough and in a significant way.

**ACTION:** President Pomerantz stated the Board received the report on student recruitment by general consent.

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

#### PROJECT DESCRIPTIONS AND BUDGETS

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

Hilton Coliseum Improvements--Phase I \$990,000  
Source of Funds: Hilton Coliseum Field Auditorium  
Revenue Bond Surplus Fund

In the university's contract for Hilton Coliseum with Ogden Allied, the university requested recommendations for increasing utilization and revenue of the facility. Some projects proposed were improving the concession operations, adding restroom facilities, and adding box or suite seating. Ogden Allied hired a consultant to prepare a feasibility study to address these issues. During the study the consultants found that the exterior doors to Hilton Coliseum are insufficient to accommodate the capacity of the building. The university wishes to create a multi-phased project and proceed with the first phase as quickly as possible. The first phase will consist of improvements to exiting capacity only, bringing the facility into compliance with current safety standards. In order to ensure proper coordination of all phases, design of the improvements to restroom facilities and concession stands will be included in the first phase design.

In a separate capital register item the university recommended the selection of Brooks Borg and Skiles Architects and Engineers, Des Moines, Iowa, to perform design services for the project. In making this recommendation university officials also requested the Board waive Section 9.05 A.2. of the Board of Regents Procedural Guide regarding the architectural selection process for projects expected to cost more than \$1 million. Specifically, university officials requested the Board waive requirements for advertising

and interviewing for architectural services. The only variation from the existing policies would be the selection of the architect without going through formal architectural interviews which is required on projects that exceed \$1 million. The university estimates this process would take a minimum of 90 days. The opportune time to make modifications or renovations is during the summer, particularly the summer of 1989. Summer event scheduling is lighter in the summer of 1989 than in the summer of 1990. The university would like to complete the exiting improvements this summer, and the architectural selection process would make it virtually impossible for the university to accomplish this.

Although Phase I (exiting improvements) is estimated at \$990,000, the design work includes improvements to restroom facilities and concession stands. If construction of the restroom facilities and concession stands were included the project would be in excess of \$1 million.

University officials recommended approval of the selection of Brooks Borg and Skiles based on the following:

- \* the university does not want to begin next year's basketball season without having addressed the modifications needed to comply with current safety standards;
- \* the firm's familiarity with the facility (it is one of two firms that designed the facility);
- \* the project does not constitute a major addition or substantial remodeling of the building; and,
- \* it allows construction of exiting improvements to take place in the summer of 1989.

The Board Office concurred that it would be in the best interest of the university and the Board to expeditiously move forward with the project.

Cattle Barn Razing

\$105,000

Source of Funds: Overhead Reimbursement for Use of  
Facilities

The Board approved the schematic design master plan for the Meats Laboratory Addition at the January 1989 meeting. University officials now requested permission to raze the Cattle Barn to prepare the site for the addition.

The Cattle Barn is located directly east of the Meats Laboratory and must be razed in order to proceed with implementation of the master plan. The Cattle Barn's condition has deteriorated substantially over the years and utilization has been decreased in anticipation of its removal in order to accommodate

development of this new facility. The building currently houses a small research and teaching area for the Animal Science Department and provides storage for a number of other departments. Animal Science activities will be relocated to adjacent buildings and storage space will be found for the other departments.

Engineering services will be negotiated with a consultant and demolition will be contracted.

\* \* \* \* \*

University officials presented a revised budget on the following project.

<u>VMRI Building No. 6--Remodeling</u>	Amended Budget	<u>\$250,000</u>
Source of Funds: Building Repair Fund	Revised Budget	<u>\$293,000</u>

Project Budget

	<u>Amended Budget Dec. 1988</u>	<u>Revised Budget March 1989</u>
Construction	\$148,700	\$184,350
Design Services	19,900	20,460
Construction Administration	10,500	10,500
University Services	30,400	32,708
Miscellaneous	500	500
Utility Extensions	28,400	33,400
Telecommunications	600	600
Reserved for Future Contracts and Change Orders	<u>11,000</u>	<u>10,482</u>
TOTAL	\$250,000	\$293,000

This project was last reported to the Board at the December 1988 meeting. The project provides the necessary research facilities for studying viral enteric disease. This project, along with two others, is funded through the \$2 million special appropriation building repair fund. University officials now wish to revise the budget for the VMRI Building No. 6 Remodeling project. The \$43,000 increase in the budget is due to the low bid being higher than the architect's construction estimate. Three bids were received on the project.

\* \* \* \* \*

University officials presented six new projects that will be initiated in the coming months with budgets of less than \$200,000. The titles, source of funds

and estimated budgets for the projects were listed in the register prepared by the university.

\* \* \* \* \*

ARCHITECT/ENGINEER AGREEMENTS

Approval Requested:

Agricultural Facilities Comprehensive Engineering Analysis \$25,647  
Sega, Inc., Des Moines, Iowa  
(Engineering Services)

University officials requested permission to enter into an agreement with Sega, Inc., of Des Moines, Iowa. This agreement will provide the technical engineering consulting services that are necessary to complete a comprehensive engineering analysis on all agricultural facilities by June 30, 1989. The agreement is based on hourly rates and a fixed maximum of \$25,647, including reimbursables.

Hilton Coliseum Improvements--Phase I \$100,000  
Brooks Borg and Skiles, Des Moines, Iowa

University officials recommended the selection of Brooks Borg and Skiles for design services on the Hilton Coliseum Improvements project. The agreement will be in the Board of Regents standard form of agreement with compensation based on a multiple of direct personnel expense with a fixed maximum of \$100,000, including reimbursable expenses.

Amendments:

Molecular Biology Building \$16,000  
Stanley Consultants, Inc., Muscatine, Iowa

University officials requested Board approval to revise the scope of professional services provided by Stanley Consultants, Inc., of Muscatine, Iowa, to include development of contract specifications and drawings for the North Campus Substation and electrical ductbanks to serve the Molecular Biology Building. The maximum amount billable for these additional services is \$16,000. Change Order No. 2 will not result in an increase in the total project budget of \$30,500,000.

A summary of all changes to the agreement is as follows:

Maximum Payable Original Agreement		\$10,650.00
Change No. 1	\$ 1,109.42	
Change No. 2	<u>16,000.00</u>	
Subtotal All Changes	\$17,109.42	
Maximum Amount Payable Including This Change		\$27,759.42

CONSTRUCTION CONTRACTS

Awarded:

VMRI Building No. 6--Remodeling \$186,206  
Award to: SKT Construction, Inc., West Des Moines, Iowa  
(3 bids received)

CHANGE ORDERS TO CONSTRUCTION CONTRACTS

Beardshear Hall--West First Floor Renovation and Fire Stairs \$42,720

ACCEPTANCE OF COMPLETED CONSTRUCTION PROJECTS

Car Pool Fueling Station  
R. H. Grabau Construction, Inc., Boone, Iowa

ISU Research Park--Phase I--Telecommunications  
Trinity Engineering Company, Huxley, Iowa

Molecular Biology Building--Utilities--North Campus Feeder  
Hurst & Sons Contractors, Waterloo, Iowa

Utilities--Replace Steam Generators No. 1 & 2--Power Wiring  
Meisner Electric, Inc., Newton, Iowa

FINAL REPORTS

Utilities--Heating Plant--Replace No. 5 Boiler Superheater \$304,481.81

Utilities--Heating Plant--Steam System Improvements \$225,242.92

MOTION: Regent Harris moved to approve the university's capital register, as presented. Regent VanEkeren seconded the motion, and upon the roll being called, the following voted:

IOWA STATE UNIVERSITY  
March 15, 1989

AYE: Duchen, Fitzgibbon, Greig, Harris,  
Pomerantz, VanEkeren, VanGilst, Williams.  
NAY: None.  
ABSENT: Tyler.

**IOWA STATE UNIVERSITY/IOWA STATE CENTER REPORT.** The Board Office recommended that the Board receive the report of Ogden-Allied on the operation of Iowa State Center for July 1 to December 30, 1988, and approve modifications in the operating arrangements as identified below.

Ogden-Allied began operating Iowa State Center in February 1988. The period from February 1 to June 30, 1988, was considered by the university to be a "stub" and was not included in the projected operating advantages to be achieved by Ogden-Allied when those advantages were presented to the Board in December 1987 and January 1988.

Regent Tyler conducted a meeting with Vice President Madden and Board Office staff concerning the operation of the Center by Ogden-Allied. As a result of that meeting it was agreed that

July 1, 1988, the Board Office would consider the first year of operation to begin for purposes of evaluating Ogden-Allied's performance;

Random audits of operation of concession stands and in-house ticket sales should take place to ensure a full reporting of sales;

The university's internal auditor would develop an audit program to ensure the proper handling of funds by Ogden-Allied and to identify any premiums or penalties to be assessed on behalf of Ogden-Allied by the university; and

The Board would be notified that the university had changed the accounting practice of daily receiving deposits from Ogden-Allied of all cash they had received through the Center and was not permitting Ogden-Allied to hold funds in its own accounts with frequent transmittals to the university of those funds.

A metering process has been refined for charging for utilities received at Iowa State Center. The result is that the cost of utilities is higher than was projected. This utility charge is treated as a pass-through and paid by the university.

University officials reported that Ogden-Allied appears to be on schedule with the savings and improvements identified for the Board at the time it approved the initial contract.

Vice President Madden stated that university officials had much discussion with Regent Tyler regarding this matter. His help, advice and guidance were very helpful.

President Pomerantz asked about the internal audit function. Vice President Madden stated that the internal auditor will do random, unannounced checks.

**ACTION:** President Pomerantz stated the Board, by general consent, received the report of Ogden-Allied on the operation of Iowa State Center for July 1 to December 30, 1988, and approved modifications in the operating arrangements, as presented.

**REAL ESTATE PURCHASE - LUCAS COUNTY MCNAY MEMORIAL RESEARCH CENTER.** The Board Office recommended that the Board authorize the university to purchase the 239 acre farm known as the H.R. Lazear farm in Lucas County for \$130,400, subject to approval by the State Executive Council.

This 239 acre farm is currently owned by the Committee for Agricultural Development, an Iowa State University affiliate. The university had always planned to purchase this farm from the Committee when funds were available.

The university will pay the Committee the \$130,400 that the Committee paid for the farm in 1972. This is \$545.60 per acre. The university's Economics Department indicates medium to high-grade land in this area sells for from \$472 to \$773 per acre. The purchase must be approved by the Executive Council following Board approval.

**MOTION:** Regent Greig moved to authorize the university to purchase the 239 acre farm known as the H.R. Lazear farm in Lucas County for \$130,400, subject to approval by the State Executive Council. Regent Williams seconded the motion, and upon the roll being called, the following voted:  
AYE: Duchen, Fitzgibbon, Greig, Harris, Pomerantz, VanEkeren, VanGilst, Williams.  
NAY: None.  
ABSENT: Tyler.

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

1. With CYGNUS APPLIANCE CORPORATION for their use of approximately 165 square feet of space in the university's ISIS Center at 2501 North Loop Drive, Ames, for a period of two months commencing March 1, 1989, at a monthly rental of \$75.63;

2. with SPECTROCHROM, LTD. for their use of approximately 514 square feet of space in the university's ISIS Center at 2501 North Loop Drive, Ames, for a period of two months commencing March 1, 1989, at a monthly rental of \$321.25;
3. with HEALTH INNOVATION, INC. for their use of approximately 165 square feet of space in the university's ISIS Center at 2501 North Loop Drive, Ames, for a period of three months commencing March 1, 1989, at a monthly rental of \$130.13;
4. with AMERICAN RADON SERVICES, LTD. for their use of approximately 910 square feet of space in the university's ISIS Center at 2501 North Loop Drive, Ames, for a period of six months commencing March 1, 1989, at a monthly rental of \$568.75;
5. with ELECTRONIC LEARNING TECHNOLOGY for their use of approximately 165 square feet of space in the university's ISIS Center at 2501 North Loop Drive, Ames, for a period of six months commencing March 1, 1989, at a monthly rental of \$103.13;
6. with SPECTROCHROM, LTD. for their use of approximately 210 square feet of space in the university's ISIS Center at 2501 North Loop Drive, Ames, for a period of six months commencing March 1, 1989, at a monthly rental of \$131.25;
7. with TELFAX COMMUNICATIONS for their use of approximately 514 square feet of space in the university's ISIS Center at 2501 North Loop Drive, Ames, for a period of six months commencing March 1, 1989, at a monthly rental of \$321.25;
8. with UNIVERSITY SYSTEMS TECHNOLOGY for their use of approximately 514 square feet of space in the university's ISIS Center at 2501 North Loop Drive, Ames, for a period of six months commencing March 1, 1989, at a monthly rental of \$321.25;
9. with ENGINEERING ANIMATION, INC. for their use of approximately 165 square feet of space in the university's ISIS Center at 2501 North Loop Drive, Ames, for a period of six months commencing March 1, 1989, at a monthly rental of \$103.13;
10. with FRAGRANCE OF LIFE, INC. for their use of approximately 165 square feet of space in the university's ISIS Center at 2501 North Loop Drive, Ames, for a period of six months commencing March 1, 1989, at a monthly rental of \$103.13; and
11. with FARMERS HOME ADMINISTRATION for the university's use of 160 acres of land in Pocahontas County at a rate of \$20 per acre per year, with an

agreement that the university will use not more than 110 acres per year under this lease and will participate with Farmers Home Administration in making available to John and Shawn Behrendsen not less than 40 acres of the land each year, for a period of five years commencing on or about March 1, 1989, and ending February 28, 1994.

Vice President Madden stated that Iowa State Innovation System tenants have now moved into their new facility.

**MOTION:**

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

AYE: Duchen, Fitzgibbon, Greig, Harris, Pomerantz, VanEkeren, VanGilst, Williams.

NAY: None.

ABSENT: Tyler.

Regent VanGilst asked if the lease in Pocahontas County is unusual. Vice President Madden stated that it was a new program and university officials will be expanding that program throughout the state.

**RESIDENCE SYSTEM RATES 1989-90.** The Board Office recommended the Board (1) approve the proposed rate schedule for residence halls, effective May 21, 1989, (2) approve the proposed rate schedule for family/single student apartment housing, effective July 1, 1989, and (3) accept the preliminary residence system budget for 1989-90 subject to further review and action when university operating budgets are approved for 1989-90.

Iowa State University officials proposed a dormitory rate for an undergraduate room with full board of \$2,600 per student. This is an increase of 4.8 percent over the 1988-89 rates.

After experimenting with the proposal this year, university officials proposed a new \$500 add-on for using a double-room as a single and a new \$400 add-on for a single room. However, any resident whose roommate leaves will not have to pay additional fees or be forced to consolidate during the 1989-90 academic year.

University officials recommended that monthly rates for apartment housing be increased by an average of 7 percent.

University officials reported that student leaders were informed of the proposed rate increases and understand the need.

A less-than-expected drop in occupancy and reduced expenditures in the 1988-89 budget has caused a revised estimate of the resident system budget. The 1988-89 revised budget has an increase of \$424,830 in revenues compared to the

original approved budget. Budgeted expenditures are decreased \$1,073,810. This provides a net revenue after debt service and mandatory transfers of \$1,498,640 over the original 1988-89 budget.

The university preliminary budget for 1989-90 projects a 1.8 percent increase in revenues over the 1988-89 budget and a 5.2 percent increase in expenditures for operations. These budget projections assume a decrease of 300 students in single student housing and a decrease of 56 apartments in Pammel Court.

The voluntary reserve balance for June 30, 1990, is projected to be \$2.7 million or only 10.4 percent of gross revenues. The projected reserve balance for the University of Iowa is 26 percent and for the University of Northern Iowa it is 38 percent. Iowa State University's objective is to maintain a 15 percent balance of voluntary reserves to gross revenues.

Charles Frederickson, Director of Residence Programs, stated the university's rate proposal represents a 4.8 percent rate increase in the residence halls and a 7 percent increase in the apartment's rates. He noted that Iowa State University officials also have a very involved student process when determining rates.

Director Frederickson addressed the status of reserves. He said that a few years ago a student government leader was opposed to reserves of any kind. He was an effective and articulate student. As a result of this student's efforts, university officials intentionally downsized their reserves. That came at a time when the residence systems were fully occupied. University officials are now in the process of rebuilding reserves. Even though they have experienced declining occupancy they have maintained the facilities well. He said their rate proposal will increase the reserve balances. Mr. Frederickson noted that Iowa State University has been the only institution in Iowa that had a single room and board for all residents whether it was for single or double occupancy. The students liked the idea of a single rate.

Regent VanGilst asked what the reserve will be. Director Frederickson answered that it would be 10-1/2 percent.

President Pomerantz asked how many years of servicing it covers. Director Frederickson said 15 years is their objective.

Regent VanEkeren said she received a telephone call from an individual who was concerned about student vandalism and neglect. She asked how much of that is going on. Director Frederickson said that is a real judgment call. All he can do is compare it to something. He said we are fortunate that in Iowa we attract a high quality student and therefore vandalism is low. There is some vandalism that goes on at all times; however, university officials do not see vandalism as a serious problem.

Regent Fitzgibbon asked that the report he asked for earlier in this meeting to be reported next month about campus security include all kinds of security problems including vandalism and rape.

**ACTION:** President Pomerantz stated the Board, by general consent, (1) approved the proposed rate schedule for residence halls, effective May 21, 1989, (2) approved the proposed rate schedule for family/single student apartment housing, effective July 1, 1989, and (3) accepted the preliminary residence system budget for 1989-90 subject to further review and action when university operating budgets are approved for 1989-90.

**DORMITORY IMPROVEMENT TRANSFER FUND.** The Board Office recommended the Board approve a proposed transfer of \$750,000 to the Dormitory Improvement Fund from the Dormitory Surplus Fund.

The Residence System Dormitory Improvement Fund provides for major repairs, replacements and renovations to the University Residence System. Existing bond resolutions require a mandatory transfer of \$300,000 per year from operating revenues to the dormitory improvement fund. The mandatory transfer specified in the bond resolution is generally not adequate to support the cost of dormitory renovation and capital improvement projects.

Iowa State University officials requested approval of a proposed transfer of \$750,000 from the dormitory surplus fund to the dormitory improvement fund. This transfer is necessary to support the ongoing program of equipment replacement, refurbishing and major repairs and improvements. The transfer would bring the June 30, 1989, surplus balance to \$2.25 million.

**MOTION:** Regent Duchen moved to approve a proposed transfer of \$750,000 to the Dormitory Improvement Fund from the Dormitory Surplus Fund. Regent Williams seconded the motion.

Regent Duchen asked if in general the dormitories are in better physical condition than other university buildings. Vice President Madden said that at Iowa State University the answer is generally "yes". In their case maintenance of dormitories is an ongoing process. A recent state fire marshall report stated the dormitories are in compliance with current fire codes. There are much fewer improvement needs in those buildings.

Regent Duchen referred to President Pomerantz's comment of a few weeks ago concerning the need for a reserve for these kinds of repairs in their other properties. President Pomerantz said the need is for an annual appropriation for capital. They need to keep talking about that. Regent Fitzgibbon said

IOWA STATE UNIVERSITY  
March 15, 1989

the figure that he thought they were looking at for one year's appropriation is \$59 million.

VOTE ON THE MOTION:                      The motion carried unanimously.

President Pomerantz then asked Board members and institutional executives 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, March 15, 1989.

**RATIFICATION OF PERSONNEL TRANSACTIONS FOR FEBRUARY 1989.** The Board Office recommended the Board ratify the university's personnel transactions, as follows:

1. Register of Personnel Changes for February 1989.
2. Approval of promotion and tenure actions effective with the 1989-90 academic year.

**ACTION:** President Pomerantz stated the Board ratified the university's personnel transactions as a consent item.

**NAME CHANGE FOR SCHOOL OF BUSINESS.** The Board Office recommended the Board refer the request to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation to be submitted to the Board following the study of program duplication.

University of Northern Iowa officials requested that its "School of Business" be changed to the "College of Business Administration." The current title causes confusion due to the independent status of the School of Business and other "schools" of the university that are sub-units of "colleges."

**MOTION:** Regent VanGilst moved to refer the request to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation to be submitted to the Board following the study of program duplication. Regent Harris seconded the motion, and it carried unanimously.

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

### ARCHITECT/ENGINEER AGREEMENTS

#### Amendments Reported:

Classroom-Office Building  
Hansen Lind Meyer, Iowa City, Iowa

\$1,056.25

**ACTION:** President Pomerantz stated the Board approved the university's capital register as a consent item.

**RESIDENCE SYSTEM RATE CHANGES AND PRELIMINARY BUDGET.** The Board Office recommended the Board (1) approve the proposed rate schedule for residence halls contracts effective with the fall semester, 1989, (2) approve the proposed rate schedule for apartment housing contracts effective July 1, 1989, and (3) accept the preliminary residence system budget for 1989-90, subject to further review and action when university operating budgets are approved for 1989-90.

University of Northern Iowa officials proposed a dormitory rate for a double occupancy room with full board of \$2,236 per student. This is an increase of 4.0 percent over the 1988-89 rates. Information concerning the proposed 1989-90 rate increases was shared with the Residence Hall Association.

University officials recommend that monthly rates for apartment housing be held constant for the fifth year in a row. A significant decrease in the projection for occupancy in 1987-88 has caused a revised estimate of the residence system budget. The 1988-89 revised budget reflects an increase of \$708,037 in revenues compared to the original approved budget. Budgeted expenditures are increased \$312,000 resulting in an increase of \$1,182,893 in net revenues.

The university preliminary budget for 1989-90 projects a 2.6 percent increase in revenues over the revised 1988-89 budget and 7.1 percent increase in operating expenditures. These budget projections assume stable occupancy in the university apartments and a decline of 39 in residence hall occupancy.

Vice President Follon stated that life in residence halls is one of the strengths of the University of Northern Iowa. She said university officials involved the students in discussion of these rate increases.

**MOTION:** Regent Williams moved to (1) approve the proposed rate schedule for residence halls contracts effective with the fall semester, 1989, (2) approve the proposed rate schedule for apartment housing contracts effective July 1, 1989, and (3) accept the preliminary residence system budget for 1989-90, subject to further review and action when university operating budgets are approved for 1989-90. Regent Greig seconded the motion, and it carried unanimously.

UNIVERSITY OF NORTHERN IOWA  
March 15, 1989

President Pomerantz 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, March 15, 1989.

**REGISTER OF PERSONNEL CHANGES.** The Board Office recommended the Board approve the Register of Personnel Changes for January 1989.

**ACTION:** President Pomerantz stated the Board approved the Register of Personnel Changes for January 1989 as a consent item.

**SUMMER PROGRAMS.** The Board Office recommended the Board approve the three programs to be offered by the Iowa School for the Deaf the summer of 1989.

Iowa School for the Deaf officials requested approval of three summer programs. One program is the continuation of the Parent/Infant Workshop in conjunction with the Iowa Department of Education, Iowa Lions Federation, and the University of Iowa. The second program will focus on computer orientation for hearing-impaired students. The proposed new program would be a leadership camp sponsored by Iowa Association for the Deaf.

Total cost is estimated at \$20,000.

**MOTION:** Regent VanGilst moved to approve the three programs to be offered by the Iowa School for the Deaf the summer of 1989. Regent VanEkeren seconded the motion, and it carried unanimously.

President Pomerantz 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, March 15, 1989.

**RATIFICATION OF ACTIONS REPORTED IN THE REGISTER OF PERSONNEL CHANGES FOR JANUARY 22 TO FEBRUARY 18, 1989.** The Board Office recommended the Board approve the Register.

**ACTION:** President Pomerantz stated the Board approved the Register as a consent item.

**POLICY FOR SCHOOL/COMMUNITY RELATIONS PROGRAM.** The Board Office recommended the Board approve the proposed policy for the Iowa Braille and Sight Saving School for School and Community Relations Program.

Iowa Braille and Sight Saving School officials requested approval of a policy for school and community relations. The Board has previously approved the school's community relations programs and this policy is consistent with that program. The school's Advisory Committee has reviewed and the changes suggested were included.

**MOTION:** Regent Harris moved to approve the proposed policy for the Iowa Braille and Sight Saving School for School and Community Relations Program. Regent Williams seconded the motion, and it carried unanimously.

President Pomerantz then asked Board members and institutional executives if there were additional matters for discussion pertaining to the Iowa Braille and Sight Saving School. There were none.

**ADJOURNMENT.** The meeting of the State Board of Regents adjourned at 5:45 p.m., on Wednesday, March 15, 1989.

  
R. Wayne Richey  
Executive Secretary