

The State Board of Regents met on Wednesday, May 16 and Thursday, May 17, 1990, at the Park Inn International, Mason City, Iowa. The following were in attendance:

	<u>May 16</u>	<u>May 17</u>
<u>Members of State Board of Regents</u>		
Mr. Pomerantz, President	All sessions	All sessions
Mr. Berenstein	All sessions	Excused
Mr. Fitzgibbon	All sessions	All sessions
Ms. Furgerson	All sessions	All sessions
Mr. Greig	All sessions	All sessions
Ms. Hatch	All sessions	All sessions
Mr. Tyler	All sessions	All sessions
Ms. Westenfield	Excused	Excused
Mrs. Williams	All sessions	All sessions
<u>Office of the State Board of Regents</u>		
Executive Director Richey	All sessions	All sessions
Deputy Executive Director Barak	All sessions	All sessions
Director Carter	All sessions	All sessions
Director Gilchrist	All sessions	All sessions
Director Volm	All sessions	All sessions
Compliance Officer Maxwell	All sessions	All sessions
Associate Director Hollins	All sessions	All sessions
Assistant Director Hudson	All sessions	All sessions
Assistant Director Kirker	All sessions	All sessions
Assistant Director Peters	All sessions	All sessions
Minutes Secretary Briggie	All sessions	All sessions
<u>State University of Iowa</u>		
President Rawlings	All sessions	Excused at 10:25 a.m.
Vice President Nathan	All sessions	Excused at 10:25 a.m.
Vice President Phillips	All sessions	Excused at 10:25 a.m.
Acting Director Rhodes	All sessions	Excused at 10:25 a.m.
<u>Iowa State University</u>		
President Eaton	All sessions	Excused at 11:05 a.m.
Provost Glick	All sessions	Excused at 11:05 a.m.
Vice President Madden	All sessions	Excused at 11:05 a.m.
Interim Director Anderson	All sessions	Excused at 11:05 a.m.
Director Jensen	All sessions	Excused at 11:05 a.m.
Assistant to President Bradley	All sessions	Excused at 11:05 a.m.
Assistant to President Crawford	All sessions	Excused at 11:05 a.m.
Assistant Vice President Pickett	All sessions	Excused at 11:05 a.m.
<u>University of Northern Iowa</u>		
President Curris	All sessions	Excused at 11:25 a.m.
Provost Marlin	All sessions	Excused at 11:25 a.m.
Vice President Conner	All sessions	Excused at 11:25 a.m.
Vice President Follon	All sessions	Excused at 11:25 a.m.
Exec. Ass't. to Pres. Stinchfield	All sessions	Excused at 11:25 a.m.
Director Chilcott	All sessions	Excused at 11:25 a.m.
<u>Iowa School for the Deaf</u>		
Superintendent Johnson	All sessions	Excused at 11:27 a.m.
Assistant Superintendent Balk	All sessions	Excused at 11:27 a.m.
Business Manager Nelson	All sessions	Excused at 11:27 a.m.
<u>Iowa Braille and Sight Saving School</u>		
Superintendent Thurman	All sessions	All sessions
Director Hauser	All sessions	All sessions

GENERAL

The following business pertaining to general or miscellaneous business was transacted on Wednesday, May 16 and Thursday, May 17, 1990.

APPROVAL OF MINUTES OF BOARD MEETING, APRIL 18, 1990. The Board Office recommended the Board approve the Minutes, as published.

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

ACTION: President Pomerantz stated the Board approved the Minutes of the April 18, 1990, meeting, as published, by general consent.

INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION. (a) Termination of Bachelor of Arts Degree in Science, University of Iowa. The Board Office recommended the Board approve the termination of the Bachelor of Arts in Science Education at the University of Iowa, effective when the last currently-enrolled student completes the program.

Last month University of Iowa officials requested approval to discontinue the Bachelor of Arts degree in Science Education. This matter was referred to the Interinstitutional Committee and the Board Office for review and recommendation. The Interinstitutional Committee and the Board Office reviewed this request and both recommended approval.

The university currently offers both the B.S. and B.A. major in Science Education. Only the B.A. option was recommended for discontinuance. Almost all of the students completing the Science Education major in the last several years have chosen the B.S. option.

The students who are currently in the B.A. program will be allowed to continue until they graduate.

MOTION: Regent Williams moved to approve the termination of the Bachelor of Arts in Science Education at the University of Iowa, effective when the last currently-enrolled student completes the program. Regent Berenstein seconded the motion, and it carried unanimously.

(b) Request for Bachelor of Arts Degree in African-American World Studies, University of Iowa. The Board Office recommended the Board approve the request for a Bachelor of Arts degree in African-American World Studies at the University of Iowa, effective August 1990.

University of Iowa officials requested approval of the Bachelor of Arts degree in African-American World Studies. The proposed degree would have two options: (1) the study of Blacks in the United States with some interrelationship of that culture and history with the culture and history of Blacks elsewhere in the world; and (2) an option with a greater emphasis on the study of the interrelationships of Black history and culture in various places in the world. Interest in such a program has been expressed on the part of some students.

The African-American World Studies program at the university originated in 1969 primarily through courses intended to foster awareness of the role of Afro-Americans in the development of the United States. The university currently offers an undergraduate minor in Afro-American Studies, a Master of Arts degree in Afro-American Studies, and concentrations of Afro-American Studies in programs leading to a B.A., M.A., or Ph.D. in American Studies and currently has the capacity to implement fully this program.

The program was reviewed by the Interinstitutional Committee on Educational Coordination and the Board Office and was recommended for approval. There are no additional costs involved in initiating this program since the university already offers a graduate degree and a minor in this program area. The program meets the Board's criteria for new programs.

MOTION:

Regent Berenstein moved to approve the request for a Bachelor of Arts degree in African-American World Studies at the University of Iowa, effective August 1990. Regent Williams seconded the motion, and it carried unanimously.

President Pomerantz recognized university presidents to introduce new Faculty Senate presidents of the University of Iowa and Iowa State University.

President Eaton introduced Associate Professor Olivia Madison who succeeded David Hojger. President Rawlings introduced Professor Steve Collins.

ACCREDITATION REPORTS. (a) University of Iowa Hospitals and Clinics by the Joint Commission on Accreditation of Health Care Organizations. The Board Office recommended the Board receive (1) the accreditation report of the Joint Commission on Accreditation of Healthcare Organizations on the University of

Iowa Hospitals and Clinics and (2) the Hospital and Clinics' status report responding to the Joint Commission's recommendations.

The University of Iowa Hospitals and Clinics received the maximum three year accreditation from the Joint Commission on Accreditation of Healthcare Organizations.

The Joint Commission made only 20 recommendations regarding changes at the Hospital and Clinics after reviewing the 4,000 characteristics that are required to meet the 138 accreditation standards. The Hospitals and Clinics have implemented all recommendations but one. The remaining unimplemented recommendation will be dealt with by 1993 as part of UIHC's phased capital replacement plan. Implementation of two of the recommendations require changes to Bylaws, Rules and Regulations of the University of Iowa Hospitals and Clinics and its Clinical Staff.

An oral report on this accreditation was provided by University Hospitals in conjunction with University of Iowa docket item "University of Iowa Hospitals and Clinics - Report to Board of Trustees" beginning on page 632.

Rather than criticizing the actual delivery of services, the evaluators' recommendations largely focused on a lack of written documentation to show that recommended procedures are being followed in specific areas. UIHC has responded to these recommendations by enacting procedures to ensure the documentary record reflects that recommended policies have been implemented and are followed.

ACTION: President Pomerantz stated this item was covered under SUI A-6.

(b) Iowa Braille and Sight Saving School Accreditation by North Central Association of Colleges and Schools. The Board Office recommended the Board receive the accreditation notification of the Iowa Braille and Sight Saving School by the North Central Association of Colleges and Schools.

The Iowa Braille and Sight Saving School received its annual notice of accreditation from the North Central Association of Colleges and Schools. This accreditation is a routine letter provided without site visit at the school. It is based on a report from the school. The accreditation is for the 1989-90 school year.

President Pomerantz congratulated Superintendent Thurman on the reaccreditation.

ACTION: President Pomerantz stated the Board, by general consent, received the accreditation notification of the Iowa Braille and Sight

Saving School by the North Central
Association of Colleges and Schools.

PRESENTATION OF STRATEGIC PLANS. (a) University of Northern Iowa and (b) Iowa School for the Deaf. The Board Office recommended the Board:

- (1) Hear the presentation of the strategic plan by the Iowa School for the Deaf.
- (2) Approve the strategic plan for the Iowa School for the Deaf as the framework for institutional development under the following conditions:
 - a. Editorial assistance will be sought to refine the document,
 - b. Specified sections of the plan will be referred to the Academic Affairs unit of the Board Office for review and study before implementation can occur. Factors addressed in these sections which should be reviewed include 1) the plans for a comprehensive public relations campaign; 2) the plans to provide services to the population of adult hard of hearing and deaf individuals; and 3) the plans to expand the programming of ISD such that it becomes a focal point for deaf education in the state.
 - c. A subgoal - 8.5.5 be added to the strategies of Goal 8 to read, "Continue and expand cooperative efforts with local school districts (e.g., Lewis Central) to mainstream ISD students, as appropriate."
- (3) Hear the presentation of the preliminary strategic plan by the University of Northern Iowa. The presentation is preliminary because the plan was not received by the Board Office in time for adequate review.
- (4) Redocket the University of Northern Iowa strategic plan in June for the Board's consideration of its approval.

The Board heard presentations of strategic plans from Iowa School for the Deaf and University of Northern Iowa officials.

The plan presented by University of Northern Iowa was preliminary and its approval will be sought during the June meeting of the Board. This action was taken because the plan was not received by the Board Office in time for adequate review before docketing.

The plans of University of Iowa, Iowa State University and Iowa Braille and Sight Saving School were heard and approved by general consent during the April meeting of the Board.

The presentations of the strategic plans focused on the aspirations, goals and strategies of the institutions for the next five years. The presentations included a description of the development of the plan and the steps to be taken toward full implementation, monitoring and evaluation.

The Iowa School for the Deaf plan conforms with the overall strategic goals adopted by the Board and recognizes the environmental parameters within which the Regent system must operate. Iowa School for the Deaf maintains that it will (1) ensure quality teaching and effective administration, (2) strengthen and expand creative programming, (3) attract and retain a diversified faculty and staff, (4) improve facilities, equipment and operating budgets, (5) develop a marketing strategy, (6) solicit private funds for program enhancement, (7) improve governance activities, and (8) encourage cohesiveness and cooperation within the Regent system. These goals directly parallel those adopted by the Board.

Certain aspects of the Iowa School for the Deaf strategic plan were recommended for referral to the Academic Affairs unit of the Board Office for appropriate review and study. Specifically, Academic Affairs should assess the implications and potential impact of Iowa School for the Deaf's Goal 5 -- "Develop and implement effective public information strategies and communication vehicles between the Iowa School for the Deaf and its constituencies." This item relates more to relationships between Iowa School for the Deaf and the Area Education Agencies than it does public relations efforts. It involves delicate relationships between the school and the agencies it must rely on for referrals of students to the school. Other items which were recommended for referral to Academic Affairs before implementation include:

- (1) Plans to begin service to the adult hard of hearing and deaf. The impact of this action on Deaf Services of Iowa and other vocational/rehabilitation services should be assessed. The statutory responsibility for the school will need to be changed before the school can legally provide services to deaf adults.
- (2) Plans for ISD to become a focal point for deaf education and the exact nature of such a vision. The implications should be assessed by Academic Affairs. This would include the provisions and feasibility of providing on-campus adult services in an elementary and secondary school setting.

The Board Office stated that a subgoal should be added to Iowa School for the Deaf's Goal 8 as follows: "8.5.5 - Continue and expand cooperative efforts with local school districts (e.g., Lewis Central) to mainstream ISD students, as appropriate."

Board approval of institutional strategic plans does not waive the Board's policy with respect to the need to obtain specific Board approval for new

programs, budgetary items, etc. As dictated by policy, all such items still will need to be brought before the Board for approval.

Superintendent Johnson introduced Assistant Superintendent John Balk, who coordinated the school's strategic planning effort.

Assistant Superintendent Balk gave an overhead presentation which highlighted the school's strategic planning effort. He said twenty-one men and women comprised the strategic planning committees. The planning effort was a new and refreshing concept for the school. The opinions and ideas of constituents were sought. He felt that the process was as important as the product. He acknowledged and thanked Director Carter for her assistance in the planning effort. He noted that the incidence of cocaine and crack babies could potentially increase the atypical clientele.

In regard to the Board Office recommendation that a subgoal 8.5.5 be added to Iowa School for the Deaf's Goal 8, Assistant Superintendent Balk stated that school officials absolutely agree with the recommendation. However, they felt the issue had been addressed in subgoal 1.3.1 and 1.3.3.

Superintendent Johnson said he felt they had done a lot of creative programming with the AEA and LEA. He thanked the Board Office for suggesting they not drop it but rather expand and stay with it. Mr. Richey stated that was absolutely crucial for the success of the school.

President Pomerantz asked for an indication of the resources the school would need to address such items as improved buildings, equipment and staff. Mr. Balk responded that additional resources would be needed to address all three of those areas especially with regard to the school's recreation center and recreation programming.

Superintendent Johnson stated that over the last few years there has been a lot of emphasis on remodeling the dormitories. Staff needs will depend on the joint agreements with the AEA and Lewis Central.

President Pomerantz said the idea of a strategic plan is to anticipate future needs. School officials need to take a look into the future and determine what the needs will be on more than a one-year basis. He suggested that be kept in mind for future planning efforts.

Superintendent Johnson said he agreed with President Pomerantz. There are some big decisions that will need to be made.

Regent Tyler asked about the status of a possible merger with the Nebraska School for the Deaf. Superintendent Johnson said he did not know if there had been more discussion. Nebraska School for the Deaf is projected to have about 50 students next year.

President Pomerantz asked if there was any opportunity for joint programming with Nebraska. Superintendent Johnson responded that whenever Iowa School for the Deaf has staff development activities at the school, Nebraska School for the Deaf staff as well as AEA staff are invited to participate. With respect to joint programming for students, he said they have had joint prom and mid-winter dances. Iowa School for the Deaf officials contacted the high school athletic association and determined that the Nebraska football team can join Iowa School for the Deaf's team.

Regent Williams asked for the number of students currently at Nebraska School for the Deaf. Superintendent Johnson responded that there are currently 65 students at Nebraska and next year anticipated enrollment is 50.

Regent Hatch asked for the number of students at Iowa School for the Deaf. Superintendent Johnson responded that Iowa School for the Deaf has 166 students.

Regent Hatch asked for the projected enrollment of ISD 5 years from now. Superintendent Johnson responded that enrollments are expected to increase slowly in the next couple of years and then to take a jump. They anticipate an enrollment of 200 students in 5 years.

President Pomerantz thanked Iowa School for the Deaf officials for the presentation. He then recognized University of Northern Iowa.

Provost Marlin stated that the university's strategic plan document must in many ways be considered a snapshot of the university's strategic planning. The strategic plans of the colleges are being completed. She presented a 4-minute slide show which illustrated how the institution has evolved since 1876.

Provost Marlin stated that quality teaching is the key priority at the University of Northern Iowa. It has maintained an applied emphasis on academic programs and is practitioner oriented. Another aspect of the University of Northern Iowa's character is service orientation focused on the needs of Iowa. It produces a high-quality work force for the state of Iowa. The university has the largest proportion of students from Iowa of any of the Regent universities. She said University of Northern Iowa is a student-centered university. She introduced Professor Peter Goulet, chair of the University of Northern Iowa Strategic Planning Committee.

Professor Goulet discussed where the university is headed. He said the university prepares students to deal with things the way they are as well as how they will be. This is accomplished by building on proven areas of distinction. Students need the ability to adapt to change. He said that within Goal 6 of the plan are major initiatives to deal with technological

change. The plan addresses enhancing the diversity of the student population and strengthening professional programs. It addresses expanding the scope of educational social science programs.

Professor Goulet said that no strategy can succeed without support. Goal 3 speaks to that issue. He discussed the various centers and programs at the university including the minorities in teaching program. He said the university's enrollments are rising.

Provost Marlin said that none of what university officials do is possible without the Regents' support, and that university officials appreciate their support. She introduced the next speaker, Reginald Green, Associate Director of Academic Advising.

Associate Director Green said that state, regional and national education communities are becoming much less homogenous. Two-thirds of student time is spent outside the classroom. The university is deeply involved and concerned with guiding the student community. It is enrolling a more diverse student population. The university encourages self discovery and development of self esteem. University officials strive to cultivate a learning community.

Provost Marlin introduced Lisa Raine, President of the Student Government.

Ms. Raine stated that University of Northern Iowa has a student-centered atmosphere. Students become familiar with faculty on a more one-to-one basis. It offers a wide variety of student services as well as social and extracurricular activities. The university offers 130+ student organizations. She found that University of Northern Iowa has a very warm and inviting atmosphere -- conducive atmosphere for obtaining higher education. It offers top-of-the line higher education.

Provost Marlin stated that the final presenter was President Curris who would discuss the implementation of the plan.

President Curris expressed appreciation to the Regents for allowing university officials to present the University of Northern Iowa strategic plan. He said university officials view the plan as a snapshot for this period of time. He said his discussion would focus on the areas of marketing, budgeting and future challenges. They must market themselves for what they are. The University of Northern Iowa aspires to be one of the U.S.' great teaching universities with an emphasis on the instructional area. Three strengths of the university are the primacy of undergraduate education, teacher education in liberal arts and its student-centered character. He said the budget is a numerical representation of the strategic plan. Over \$1 million in the upcoming budget is designated for new faculty positions. However, they are still short 30 additional faculty positions to address the current number of

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students. Thirty percent of every dollar needed comes from tuition. There are not enough dollars for educational equipment.

In regard to strengthening academic distinctiveness, President Curris said the \$475,000 veto of Leadership in Teacher Education Program funds stunned and dismayed the university. There is still a very strong commitment in that area.

President Curris identified the following issues for the future: How can University of Northern Iowa accommodate growth without changing its character? How can university officials ensure adequate funding to educate the students considering the heavy population of in-state students? How can the university prepare Iowans for life in an international society with a global economy? How can they adapt the university to meet the educational needs and demands of the adult citizenry of the state? He said the components of the last issue he identified are that there will be a call for convenience in providing educational opportunities and growing pressure to certify and not necessarily educate citizens.

Provost Marlin stated that University of Northern Iowa officials will be back in the fall with collegiate-level plans.

President Pomerantz said university officials alluded to what its goal really was which he felt was somewhat nebulous. He suggested that the University of Northern Iowa could serve as a model of the premier teaching institution in the nation. He felt they should have a more definitive target. In regard to the need for an additional 30 permanent faculty over a 5-year period, President Pomerantz asked where they would be used and how they would enhance a program.

President Curris stated that university officials will be in an excellent position to respond to that question in the fall.

President Pomerantz suggested that in the strategic planning process the issue of a 5-year goal for a program on capitals be addressed.

Regent Williams said she did not think it was out of line to strive to be the top teacher training institution in the country and maybe in the world. She encouraged University of Northern Iowa officials to continue in that vein. They should strengthen the words used in that goal.

Regent Williams thanked President Curris for the commitment to put additional funds in the Leadership in Teacher Education Program even though the university did not receive the requested \$400,000 appropriation.

Regent Hatch said she appreciated the message the university was sending to the Governor and legislature by allocating additional money to deferred

maintenance. She said the University of Northern Iowa was the only one of the three Regent universities that increased funding for deferred maintenance. She commended university officials for that effort.

Regent Hatch stated that University of Northern Iowa is a unique institution. She likes to walk the campus and feel the close-knit community. She referred to President Pomerantz' earlier suggestion about University of Northern Iowa serving as a model of a premier teaching institution, and said the university may have to create its own model.

President Pomerantz thanked University of Northern Iowa officials for a fine presentation.

ACTION: President Pomerantz stated the Board, by general consent, (1) heard the presentation of the strategic plan by the Iowa School for the Deaf, (2) approved the strategic plan for the Iowa School for the Deaf as the framework for institutional development under the conditions presented, (3) heard the presentation of the preliminary strategic plan by the University of Northern Iowa, and (4) redocketed the University of Northern Iowa strategic plan in June for the Board's consideration of its approval.

ORGANIZATIONAL AUDIT REPORTS. (a) Program Review. The Board Office recommended the Board (1) receive the report, (2) approve the actions recommended below for each KPMG recommendation and (3) request the Board Office, in consultation with the institutions, develop recommendations for enhancing the quality of the review effort.

This docket item concerns four reports related to program review by Peat Marwick, conducted as a part of the organizational audit. One report relates to the Board's program review activities and the others relate to the program review activities at each of the Regent universities.

The Board of Regents' critical role in academic affairs is carried out in large part by the Board's oversight and participation in aspects of the approval and review processes.

1. The Board's responsibility for proposed programs begins with approval of the institutional mission statements that set the parameters of program offerings and continues with the approval of strategic plans, new program proposals, and post-audits of programs after five years.
2. The Board's responsibility for evaluation of existing programs includes ensuring that the universities have in place effective mechanisms of

review, periodically receiving reports on the reviews, and approving actions resulting from the reviews in connection with the strategic planning and budgeting processes.

Peat Marwick's review of the Board's process resulted in nine recommendations for action. The Peat Marwick recommendations were reviewed by the Board Office and by the Interinstitutional Committee. The combined Board Office and Interinstitutional Committee recommendations are given below.

1. KPMG Recommendation: Develop Statement of Purpose. The Board of Regents should clearly codify and articulate the purposes for the program change processes. This statement should recognize the important linkages between planning, resource allocation, and evaluation. Further, it should identify overall roles in academic management of the Board, Board Office, Presidents, academic vice presidents, and other appropriate advisory groups. Finally, while the scope of this report is academic programs only, the statement should incorporate Board policies related to the approval of centers and institutes supporting the missions of the university.

Board Office Response: The following statement of purpose is proposed in response to this recommendation.

The role of Institutional Governance includes appropriate roles for the Board of Regents in the planning, budgeting, and academic programming of the Regent institutions. While these functions are interrelated, the Regents role in each process is different in both form and function. In the area of academic programming the Board's role is one of assuring the people of Iowa that the programs offered are quality programs, provided in the most effective manner possible, and are not unnecessarily duplicative.

The Board's process builds on similar processes carried out by the institutions but fulfills the Board's unique overall responsibilities. Together the processes ensure institutional readiness to offer a quality program and Board accountability. The Board's responsibilities include the approval of new programs (i.e., majors and minors) and the monitoring of new and existing programs. The Board is assisted in these roles by the Board staff and the Interinstitutional Committee on Educational Coordination. In the area of new program approval and post-audit of newly approved programs, the Board staff and the Interinstitutional Committee provide both reviews and recommendations. The Board Office's review takes into consideration the Board's long established criteria (i.e., quality, need/demand, cost, centrality to the mission of the institution, and duplication). The Interinstitutional Committee's review may take these criteria into consideration but is additionally concerned with

interinstitutional issues such as cooperative programs and potential program duplication.

In the area of existing programs (i.e., established programs currently offered at the Regent universities) the Board relies on the integrity of the institutional review processes to actually conduct the review. To assist the Board in its monitoring process each university annually prepares a report to the Board that includes: (1) a description of the process actually used to review each program including its relationship to planning and budgeting procedures; (2) a list of the programs reviewed; and (3) the procedures used for review if different from the general procedure described in #1; and (4) a description of the outcome and recommendations resulting from the review and the university-wide administration's proposed response to the recommendations in the strategic planning process. The Board can further assess the effectiveness of the reviews when it approves institutional budgets and strategic plans.

2. KPMG Recommendation: Provide for differentiated approval levels. KPMG recommended that not all program changes be approved by the Board and that Board time can be better utilized and more appropriately focused within a management environment that has shared responsibility as its cornerstone. The Board of Regents should stipulate what types of program changes require what level of university and Board approval.

Board Office Response: If this recommendation is adopted the Board would relinquish its responsibility for approval of certain academic program changes, such as, modifications of existing majors, and the establishment, reorganization, or termination of academic departments. The Board Office believes that adoption of this recommendation would be unwise and would invite others in state government to adopt this role to ensure appropriate state oversight and accountability. The KPMG recommended action would be inconsistent with the roles of statewide governing boards nationally.

The Board's current responsibilities in this area provide for meaningful Board oversight without undue burden on the institutions and should be retained.

3. KPMG Recommendation: Focus role of the Interinstitutional Committee. The advisory role of the ICC should be focused on those program changes which have inter-sector implications, rather than the practice of submitting all proposals for consideration.

Board Office Response: KPMG proposes that the reviews of the Interinstitutional Committee focus only on "intersector" matters (we assume this means interinstitutional matters). The Board Office disagrees with this recommendation because the recommended action views the value of the Committee's review far too narrowly. The "intersector" implications

of new programs are important but a broader review by the Interinstitutional Committee on Educational Coordination has other important benefits. Especially important is the review of proposed programs by faculty in like disciplines at other Regent universities. The latter frequently provide important insights on new program proposals. For example, recently the University of Northern Iowa's proposal for a Masters degree in Public Policy was positively enhanced as a result of the interinstitutional review that included a review and recommendations by faculty familiar with this field at the other two Regent universities. As a result, the University of Northern Iowa modified its proposal in a way that further enhanced the program being proposed. The Board should take advantage of every opportunity to enhance program quality, and improve interinstitutional cooperation.

4. KPMG Recommendation: Develop and maintain program inventory. The Board Office, in conjunction with the universities, should develop and maintain an automated academic program inventory.

Board Office Response: The Board Office already has a program inventory on computer which is sufficient for its needs. The additional administrative burden imposed on the institutions in this recommendation is simply not worthwhile.

5. KPMG Recommendation: Increase Board Office Staff Support. We support the additional position assigned to the Academic Affairs section of the Board Office, as recommended in a previous KPMG Peat Marwick study. This position is needed to support the program inventory function, the review and evaluation of proposals, management of the process, as well as assisting in planning and other special studies to support Board action.

Board Office Response: The Board Office agrees with this recommendation. This additional assistance is needed not only for the reasons noted here, but, also to carry-out the ongoing responsibilities of this unit. Board members will recall that the Board's budget request for additional staff for this unit was not recommended by the Governor but not funded in the legislative process.

6. KPMG Recommendation: Assign University Support Staff. Each university should assign to an individual, most likely within the Office of Vice President, Academic Affairs, responsibility for managing and monitoring program change processes, including program review. Each institution should also develop and maintain an academic program inventory to facilitate program change and evaluation processes.

Board Office Response: Each university either has or is taking steps to assign staff the responsibility for overseeing program change.

7. KPMG Recommendation: Link Post-Audit Review and Program Review Processes. Assuming that appropriate program review processes are in place and implemented, a program review should occur for new programs. The linkage of these processes should recognize that institutional review processes typically focus on departmental or collegiate units and the instructional programs they support and provide sufficient flexibility in scheduling the program review of new programs within a reasonable timeframe. Following the completion of the review, a report on the outcomes should be submitted for consideration by the Board. The report should incorporate the information stipulated by the post-audit questions in an executive summary format.

Board Office Response: Reviews of new programs are undertaken in the post-audit review. This is the purpose of these reviews. Summary reports are reported to the Board.

8. KPMG Recommendation: Enhance the functionality of a program change questionnaire. The idea of having standardized program change questionnaires is critical to effective Board action. The questionnaire, however, should provide for flexibility and reflect the outcomes of institutional deliberations. We recommend that the questionnaires be organized into an executive summary format and allow for narrative information. Distinctions in information should be made between proposals for new or expanded programs and those for program terminations. Information regarding linkages to university and Regents planning should be provided, and a summary of the key events in university deliberations of the proposal should be included. Goals and objectives for the proposed change should be clearly stated. In addition, information, both quantitative and narrative, regarding the impact of the proposed change on the university academic, research, and academic and administrative support units should be provided.

Board Office Response: A distinction needs to be made between summary information provided to the Board of Regents regarding proposed programs and sufficient information provided to the Board Office on a proposed program that would enable the staff to undertake a meaningful review.

Summary information is indeed provided to the Board at the time that the Board is expected to approve/disapprove a new program. This information in itself, however, is insufficient to allow the Board Office to undertake a comprehensive review of the proposed program in order to develop recommendations to the Board. The summary information currently provided to the Board appears to be sufficient.

The documentation provided by the institutions to the Board Office in the current forms is insufficient. The Board Office recommends that the Board request the Board Office to work with the institutions to improve the

quality of the data submitted (in some instances this may involve the quantity of data as well).

9. KPMG Recommendation: Codify and approve university program change processes. Each university should codify its respective program change processes. Careful attention should be given to processes regarding program reorganizations or terminations to ensure that they can result from deliberate planning agendas. The Board of Regents should then approve these processes.

Board Office Response: Clearer documents spelling out the details of the institutional review and approval processes would be valuable. It is recommended that this item be approved for institutional implementation where such documents do not presently exist.

University of Iowa officials identified two matters in the final report that require some clarification and comments.

1. KPMG Recommendation: The university should review, together with the schools, the data needed to support program review activities.

The Peat Marwick Main report states that "the University-wide management information system is not seen as the primary source for data collection for program review." This conclusion is not warranted. In fact, the Institutional Data Office, a component of the Office of Academic Affairs, provides much of the basic data required for reviews. It also fills many special requests from self-study and review committees for specialized data. At the same time, the university realizes that some of the data utilized in a review are more easily obtained by the college or department. Nevertheless, it is not true that the university's Institutional Data Office currently provides no support to academic reviews even though it might not be the primary source of all data collected for all program reviews.

2. KPMG Recommendation: Systematic reports on program review should be made to the Board of Regents.

The previously-described ad hoc method of submitting reports to the Board of Regents on program review has been replaced by a formal procedure that ensures that the Board now receives reports yearly on all program review activities.

3. KPMG Recommendation: The results of program review activities, university plans, and resource allocation decision-making should be more closely integrated.

University officials noted that they are developing procedures to ensure the results of program review activities are integrated into ongoing

strategic planning. By coupling the two processes, they expect to be better able to conduct university planning and resource allocation decision-making, and then to tie it to program review outcome.

Iowa State University officials agree with all of the recommendations of the May 1989 Peat Marwick report on "Methodology for Evaluation of the Academic Program Review" for Iowa State University. Furthermore, Iowa State has already taken steps to implement most of these recommendations. Listed below are the five specific recommendations and the actions Iowa State has taken or will take to implement them.

1. KPMG Recommendation: The new process for program review should clearly define responsibilities for all review activities.

Responsibilities of the various units involved in the periodic review of academic programs are presented in detail on page 22 of the April 1990 Strategic Plan for Iowa State University.

2. KPMG Recommendation: The university should seek to ensure that accreditation is not substituted for program review and that they are methodologically viewed as complementary processes.

The Board Office concurred with this recommendation, although the Board Office process for academic program review allows for program reviews to coincide with accreditation reviews in order to minimize unnecessary duplication of effort.

3. KPMG Recommendation: The university should review, together with the colleges, the data needs to support program review activities, as presented in the proposed process.

Iowa State's protocol for program review includes the development of a centralized data base for program review purposes. A broad-based ad hoc committee has been working since January 1990 to develop the data base that will be available for on-line access by units and can be downloaded to personal computers to perform various analyses. Workshops will be held to help appropriate personnel access, analyze, and interpret the data.

4. KPMG Recommendation: The results of program review activities, university planning and resource allocation decisions should be more closely integrated.

As noted by the Board Office in the docket materials prepared for the April 1990 meeting of the Board of Regents (G.D.3, page 4), "Planning at Iowa State University is designed to be continuous and inextricably linked with program reviews and budget decisions."

5. KPMG Recommendation: Systematic reports on program review activity should be made to the Board of Regents.

Iowa State University intends to submit annually to the Board of Regents a timetable for the periodic review of academic programs and a summary of the reviews that have been conducted during the previous year.

The following recommendations relate to the University of Northern Iowa.

1. KPMG Recommendation: The university should modify its program review process to incorporate institution-wide guidelines.

Agree. The institution-wide academic program review was started in January 1990. The purpose of the review is to assess program quality and effectiveness and to stimulate program planning and improvement. The goal of this process is to encourage improvements in the quality of each unit of the university. The product of this process will be a plan for phased improvement in each unit. Approximately six reviews will be conducted annually with a goal that each university program unit will be evaluated at least once every five to seven years.

2. KPMG Recommendation: Program review and accreditation processes should be identified as complementary, but separate, processes.

Agree. The Associate Vice President for Academic Affairs, along with the individual Deans, will discuss which Schools and Departments are being proposed for review each year, in order to coordinate the university's program review with external accreditation reviews. The Vice President and Provost will make the final determination on scheduling. The accreditation review is not a substitute for the university's process of program review.

3. KPMG Recommendation: The process for program review should clearly define responsibilities for all review activities.

Agree. The Associate Vice President for Academic Affairs has the oversight responsibilities for the process, and will discuss with individual Deans the list of programs that are proposed for review each year. The Vice President and Provost will be consulted about the appropriateness of scheduling administrative units. The roles of the Deans, Department Heads and supporting committees are defined.

4. KPMG Recommendation: The university should review, together with the schools, the data needs to support program review activities.

Agree. A written set of data will be provided about the programs and units that are identified by the Program Review Committee and, as much as possible, this information will be provided to the program units from

central sources (e.g., test scores from the Graduate College) by August immediately preceding the review. The units should review any data provided from the central sources to ensure an appropriate interpretation.

5. KPMG Recommendation: Systematic reports on program review activity should be made to the Board of Regents.

Agree. All units scheduled for the review process will be identified in a timely manner and notified at least one semester prior to the review process. A summary written report will be completed based on the unit self-study report. The Academic Program Review Committee also will make recommendations on the development and distribution of the final report. A summary of the annual report will be submitted to the Board of Regents. A summary table will be updated annually with a brief report highlighting any important planning, modification or resource allocation.

MOTION:

Regent Furgerson moved to (1) receive the report, (2) approve the actions recommended for each KPMG recommendation as presented and (3) request the Board Office, in consultation with the institutions, develop recommendations for enhancing the quality of the review effort. Regent Hatch seconded the motion, and it carried unanimously.

(b) Indirect Cost Study for Iowa State University. The Board Office recommended the Board receive the report from Iowa State University responding to the diagnostic review by Peat Marwick Main and Co. of Indirect Cost Preparation and Procedures, Methods and Related Support Systems dated January 1990.

A review was conducted by Peat Marwick Main and Co. of how the institution may improve its recovery of indirect costs incurred in support of federal programs. Proposed increased indirect cost revenues would be \$900,000 to \$1.4 million with an implementation cost of \$260,000.

An indirect cost recovery rate study is in process now for fiscal year 1989. This study is done every two years. There are a number of national discussions to propose new policies or principles for indirect cost reimbursement.

Vice President Madden stated the Iowa State University report was very similar to the University of Iowa report. In regard to the estimated increase in indirect cost revenues of \$900,000 to \$1.4 million, he said that was not likely to occur in the current federal environment. Also, indirect costs are especially difficult to recover from the State of Iowa.

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Mr. Richey said the State of Iowa is appropriating \$500 million to the Regents. Legislators feel they are already paying the overhead. When they get into discussion about trying to recover indirect costs from the State of Iowa, he said they are risking a lot more than they have to gain.

President Eaton said the federal government is putting caps on salaries for faculties under federal grants that may be problematic.

President Pomerantz said that they were trying to establish credibility. If the indirect cost is 9 percent then they should be charging 9 percent. President Eaton said Iowa State University officials will continue to work on the issue.

ACTION: President Pomerantz stated the Board, by general consent, received the report from Iowa State University responding to the diagnostic review by Peat Marwick Main and Co. of Indirect Cost Preparation and Procedures, Methods and Related Support Systems dated January 1990.

BIENNIAL REPORT ON FACULTY ACTIVITIES. The Board Office recommended the Board receive the biennial report on faculty activities.

The Biennial Report on Faculty Activities begins to implement the Peat Marwick recommendations and continues existing Procedural Guide requirements for reporting faculty workload. The report is divided into two parts: (1) Faculty Effort Report and (2) Faculty Activities Report.

The highest average number of hours faculty worked per week since 1984 occurred in 1988-89. The University of Iowa reported 58.1 average hours per week, Iowa State University reported 56.7 hours, and the University of Northern Iowa reported 59.4 hours. The average hours faculty worked per week during the last 5 years ranged from 54.9 to 59.4 hours and exceeded the U.S. Education Department national average of 53 hours.

Faculty effort exceeded the national average of 56 percent for teaching and is below the national averages for administration (13 percent) and other activities (15 percent). Teaching consumed the largest portion of faculty effort. Teaching activities represented 58 percent of faculty effort at the University of Iowa, 73 percent at Iowa State University, and 71 percent at the University of Northern Iowa.

Professors and Associate Professors used from 53.8 percent to 70 percent of their effort for teaching while Assistant Professors used between 62.8 percent and 79.3 percent. Full professors devoted more of their effort to research

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than other ranks while instructors and assistant professors contributed more effort to teaching and service than other ranks.

Measurements of faculty effort were relatively consistent since 1984. Shifts in the percentages of effort among activity categories appear to reflect the mission and goals of the universities. At the University of Iowa, small increases in the percentage of effort attributable to sponsored and non-sponsored research demonstrated the increasing success of faculty in obtaining research funding from outside the university. A comparison of the percentages of effort reported from 1984 to 1989 at Iowa State University revealed that sponsored research is the only activity exhibiting significant and consistent change.

University of Northern Iowa faculty members in the College of Education spent more effort on service than other collegiate units, which was consistent with its mission. The College of Business Administration had a slight reduction in the proportion of effort expended in instruction as a result of increased non-sponsored research.

Regent Hatch asked if the method utilized for compiling the data on Iowa's Regent universities was the same method utilized for compiling national data with which a comparison was being made. Assistant Director Kirker responded that the methods were close. With respect to teaching and research, she said the methods should be very close.

President Pomerantz said these are great statistics but he questioned the reliability of the numbers.

Provost Glick expressed great reservations about the data. He said how a workload is defined is a national problem. It is difficult to differentiate what is teaching from what is research. While the data is not harmful, he said he would not want to base decisions on the data base. Next year Iowa State University's data will look substantially different. The entire budgeting system has been changed.

Assistant Director Kirker said the greatest value of these statistics is over time.

Regent Tyler expressed concern about "teaching activities" and "teaching effort". He questioned how much time the faculty actually spends teaching in the classroom.

Vice President Nathan said he shared Regent Tyler's concern. He said the other side of the coin is that a faculty member keeps up in his/her field and provides exciting and interesting instruction. A certain amount of teaching takes place in the laboratory and in the field. He felt the concept should be broadened to include preparation and teaching outside the classroom.

President Pomerantz said that an average of 60 hours/week was not a credible number. Provost Glick said he had no reason to believe the number was wrong.

President Pomerantz suggested that if their top priority is undergraduate education then they need to validate the gross number.

Vice President Nathan stated that at every one of the Regent universities at least one-half of faculty members' time was devoted to teaching.

Regent Fitzgibbon said the figures are extremely high if they were talking about in-the-classroom teaching. He suggested they needed to define what they were talking about.

Regent Williams said that as a former faculty member she could guarantee that they spend at least 50 percent of their time preparing for the classroom session.

Regent Berenstein suggested that since they don't know what each other is saying the report should be done the same way at all 3 universities.

Vice President Nathan said there was also a measurement problem with self reporting.

ACTION: President Pomerantz stated the Board received the biennial report on faculty activities by general consent and looks forward to an improved reporting system.

IOWA COORDINATING COUNCIL FOR POST-HIGH SCHOOL EDUCATION. The Board Office recommended the Board receive the report on the May meeting of the Iowa Coordinating Council for Post-High School Education.

The May meeting of the Iowa Coordinating Council for Post-High School Education took place at Coe College in Cedar Rapids. The committee heard reports from several committees including an Audit Committee, a Data Committee, a Nominating Committee, and the Executive Committee.

A part of the meeting was devoted to goal setting with respect to the summer and fall activities of the Coordinating Council. It was agreed that special emphasis needed to be put on communication, minority student initiatives and telecommunications.

The Council approved the Bachelor of Arts degree in African-American World Studies from the University of Iowa. The Coordinating Council approved a Tool and Die Making program at Hawkeye Institute of Technology and Microcomputer Specialist, Child Care, Law Enforcement, Small Appliance Repair, and Auto Body Repair programs at Indian Hills Community College.

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Regent Williams said she was fortunate enough to be nominated as chairperson of the Coordinating Council for next year. She thinks it will be an interesting year for the Coordinating Council since it will be operating under a new format. One concern she brought before the Board last year related to terminal or career options at the community colleges. The Council felt it needed more time to address this issue so discussion was delayed until fall. The Council's executive committee will be planning an agenda for the upcoming year. She hopes the Coordinating Council will work with the Higher Education Strategic Planning Committee and anticipate some of the concerns that may arise in that committee. She tentatively will be serving on that committee also and was interested in seeing how the two will work together.

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

LEGISLATIVE ISSUES. The Board Office recommended the Board receive the report on legislative activities and approve the Interinstitutional Committee on Educational Coordination to prepare a report on the process for assessing quality of instruction and for assessment of student learning for presentation to the Board at its May 1991 meeting.

On May 8, 1990, the Governor completed final action on all legislation passed in the 1990 session.

The Governor signed Senate Concurrent Resolution 133 authorizing the Board of Regents to issue \$41.3 million in bonds. The Governor vetoed language requiring the special schools to place sexually-abused students in neighboring state facilities and pay the costs associated with this transfer. The Governor vetoed language requiring the Board of Regents to issue bonds to finance certain energy-saving projects at the institutions. The Governor vetoed language that would have prohibited the Board of Regents from charging back the institutions expenses incurred in governing Regent institutions. The Governor signed the energy efficiency bill (Senate File 2403). The Governor signed Senate File 2430 (Amendment to Higher Education Task Force bill) which amended the Higher Education Task Force bill (Senate File 2410). This bill requires the Higher Education Strategic Planning Council to recommend a process for assessing quality of instruction and for assessment of student learning. This report is due to the Board of Regents by May 1991. An interinstitutional committee will be established to participate in this study.

The Governor vetoed \$200,000 for the University of Iowa Center for Simulation and Design and \$475,000 for the University of Northern Iowa Leadership in Teacher Education Program.

Senate File 2422 addressing salary appropriation was signed.

The Board Office had not had time since the issuance of the Governor's veto message on May 8 to do an in-depth analysis of all legislation being followed by the Board of Regents. The Board Office will bring a final legislative report to the Board at the June meeting.

Mr. Richey stated this was an outstandingly successful legislative session for the Regents. Much of the legislation which was not in the Regents' favor was either not passed during the session or was vetoed by the Governor. He noted that the information provided for this meeting was very preliminary. The Board Office still did not have all the information regarding the Governor's line item vetoes. He expected to have a much more detailed report to the Regents the following week. With respect to the recommendation for the Interinstitutional Committee on Educational Coordination to prepare a report on the process for assessing quality of instruction and for assessment of student learning, Mr. Richey said the Governor vetoed that language with the understanding that the Regents would undertake such an effort. The committee will provide the Regents with a preliminary progress report in December with the final report due early spring.

MOTION: Regent Hatch moved to receive the report on legislative activities and approve the Interinstitutional Committee on Educational Coordination to prepare a report on the process for assessing quality of instruction and for assessment of student learning for presentation to the Board at its May 1991 meeting. Regent Greig seconded the motion, and it carried unanimously.

CONSENT ITEMS. Regent Furgerson moved to approve the consent docket, as follows. Regent Greig seconded the motion.

MOTION: Regent Furgerson moved to receive the report of the Iowa College Aid Commission. Regent Greig seconded the motion, and it carried unanimously.

MOTION: Regent Furgerson moved to receive the Next Meetings Schedule. Regent Greig seconded the motion, and it carried unanimously.

MOTION: Regent Furgerson moved to refer to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation the University of Iowa proposed changes in the listing of approved courses. Regent Greig seconded the motion, and it carried unanimously.

- MOTION: Regent Furgerson moved to approve the University of Iowa request to change the name of the Security Department to Department of Public Safety. Regent Greig seconded the motion, and it carried unanimously.
- MOTION: Regent Furgerson moved to refer to the *Interinstitutional Committee on Educational Coordination* and the Board Office for review and recommendation the University of Iowa request to terminate the undesignated Bachelor of Science Degree in Engineering. Regent Greig seconded the motion, and it carried unanimously.
- MOTION: Regent Furgerson moved to refer to the *Interinstitutional Committee on Educational Coordination* and the Board Office for review and recommendation the Iowa State University request for merger and name change of the Departments of Child Development and Family Environment. Regent Greig seconded the motion, and it carried unanimously.
- MOTION: Regent Furgerson moved to refer to the *Interinstitutional Committee on Educational Coordination* and the Board Office for review and recommendation the Iowa State University request for approval to discontinue the B.S. in Metallurgy in the College of Sciences and Humanities. Regent Greig seconded the motion, and it carried unanimously.
- MOTION: Regent Furgerson moved to approve the Iowa State University Industrial Security Agreement Resolution. Regent Greig seconded the motion, and it carried unanimously.
- MOTION: Regent Furgerson moved to approve the University of Northern Iowa calendar of holidays for 1992. Regent Greig seconded the motion, and it carried unanimously.
- MOTION: Regent Furgerson moved to approve the Iowa School for the Deaf school calendar for the 1990-91 school year. Regent Greig seconded the motion, and it carried unanimously.

MOTION:

Regent Furgerson moved to approve the Iowa Braille and Sight Saving School agreements for occupational therapy services, physical therapy services, medical services, laundry services and musical consultation services. Regent Greig seconded the motion, and it carried with Regents Greig and Tyler voting "no" on the medical services agreement.

REPORT OF THE BANKING COMMITTEE. The Board Office recommended the Board approve the recommendations of the Banking Committee.

The Regents Banking Committee met at 10:00 a.m. on Wednesday, May 16, 1990.

Regent Fitzgibbon stated that considerable time was spent discussing the State Auditor's report on the University of Iowa Student Senate. The Banking Committee members also heard the report of Regent Fitzgibbon's and the Board Office's findings concerning their campus visit. They recommended strengthening policies and procedures in certain areas. The Banking Committee will receive more information on this issue in the next 30 to 60 days.

In regard to the proposed University of Iowa Equities Holding Corporation, Regent Fitzgibbon stated the Banking Committee was presented with the Articles of Incorporation and Bylaws. He said the Banking Committee members discussed the Regents risk management program. University officials are to report back at the October meeting with a plan that can be presented to legislative representatives in November. The Banking Committee received a report from Vice President Phillips on the University of Iowa Management and Financial Information Systems Report and held considerable discussion on the issue. The Banking Committee recommended approving the contract negotiated with Dunn and Bradstreet.

Regent Fitzgibbon said the Banking Committee received a status report on the University of Iowa Variable Rate Bond Conversion. Mr. Anderson and Treasurer True were asked to get everything in place so that a telephonic meeting of the Board of Regents could be held to receive the bids.

MOTION:

Regent Fitzgibbon moved to receive the report of the Banking Committee and to approve the action taken, as presented. Regent Berenstein seconded the motion, and it carried with Regent Tyler voting "no" on the Articles of Incorporation and Bylaws for the University of Iowa Equities Holding Corporation.

Regent Tyler stated that he had great concern about the Regent universities competing with private enterprise which was why he voted no.

SUMMARY OF PRELIMINARY OPERATING BUDGETS OF THE INSTITUTIONS. The Board Office recommended the Board approve the report on preliminary budgets for fiscal year 1991.

Overall general fund budget growth projected for fiscal year 1991 is 10.18 percent. The expenditure growth is principally in salary categories which increase 6.47 percent. The revenue growth is in three areas: appropriations, 10.16 percent; sales and services, 16.53 percent; tuition and fees, 2.78 percent.

The special schools proposed to adjust their salary schedules upwards by 5 percent for fiscal year 1991.

The Regent institutions received appropriation increases as follows:

University of Iowa	9.6 percent
Iowa State University	10.4 percent
University of Northern Iowa	11.0 percent
Iowa School for the Deaf	7.0 percent
Iowa Braille and Sight Saving School	6.7 percent

Appropriations as a percentage of the general university budgets and the special school budgets are as follows:

University of Iowa	66.4 percent
Iowa State University	67.8 percent
University of Northern Iowa	74.1 percent
Iowa School for the Deaf	96.7 percent
Iowa Braille and Sight Saving School	93.8 percent

These percentages do not include restricted funds. These funds will be reported to the Board at the June meeting. Restricted funds are a significant portion of the total budget at the University of Iowa and Iowa State University.

The University of Northern Iowa included an appropriation of \$475,000 for leadership in teacher education. This item was vetoed and the University of Northern Iowa will adjust its budget accordingly for the June meeting.

Major new initiatives funded by state appropriations include:

Enhancing Undergraduate Education	\$4,336,000
Agricultural Research	4,000,000
Enhancing Medical Education	445,000

The universities received an increase in IMAGE's funding of \$600,000. This will be in addition to the \$1.0 million received in fiscal year 1990 for minority programs.

The University of Iowa Hospitals and Clinics is incorporating an accounting change that will account for bad debts as an expenditure instead of a reverse income item. If this accounting change is taken into consideration and adjusted out of Regents preliminary budgets, the overall increase is 8.6 percent instead of 10.18 percent.

The legislature appropriated \$44.9 million of additional operating funds to the Board of Regents institutions. These funds are to fund salary increases and other operating expenditures. This represents a 10.16 percent increase in appropriations over fiscal year 1990. Despite this revenue growth, internal reallocations are required to meet the cost of faculty and professional and scientific staff salary policies due to the legislature reducing the Board of Regents salary request by \$2.6 million.

Faculty salary policy at the University of Iowa and Iowa State University will provide an average increase of 6 percent for faculty. The University of Northern Iowa will provide a faculty salary increase averaging 7 percent.

Professional and Scientific staff salary increases for Regent universities are as follows:

University of Iowa	6 percent
Iowa State University	6 percent
University of Northern Iowa	7 percent

The legislature appropriated the following operating expenditures for Regent institutions:

Inflation	\$2,671,000
Utilities	1,201,000
Salary Annualization	714,000
Opening New Buildings	279,000

The legislature reduced the Board of Regents salary appropriations by \$2.6 million from the recommended amount. It adopted language stating that the Board of Regents may request a \$3 million supplemental for essential equipment purchases in fiscal year 1991.

The University of Iowa Hospitals and Clinics proposed a 5 percent rate increase in their paying patient charges. The Psychiatric Hospital and Hospital School proposed a 9 percent rate increase. The Hygienic Laboratory proposed a 10 percent rate increase.

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Tuition revenue projections are approximately the same as projected by the Board Office last fall when rate increases were decided. There are variances by university with the University of Iowa decreasing \$318,000, Iowa State University decreasing \$565,000 and the University of Northern Iowa increasing \$960,000.

The tuition replacement appropriation is \$17.3 million. Revised tuition replacement figures compiled in April show a need of \$18 million in fiscal year 1991 for tuition replacement. The current appropriation may leave the Board of Regents with a shortfall of approximately \$700,000, unless offset by greater investment earnings.

The budget areas that were underfunded by the legislature included utilities and opening new buildings.

Special purpose appropriations will be presented to the Board at the June Board meeting.

The institutions will prepare more detailed budgets for review and action by the Board at its June meeting. Any changes proposed by the Board during the budget discussion are to be incorporated into the final fiscal year 1990 budgets. Individual budget docket items were presented for each institution, SUI B-4(a), SUI B-4(b), SUI B-4(c), SUI B-4(d), ISU B-10, UNI B-2, ISD B-3 and IBSS B-3.

Mr. Richey stated that one of the proposed budget actions was to raise the budget ceilings for the current year because of increased income at two of the Regent universities. The University of Northern Iowa experienced higher enrollments than projected and the University of Iowa research indirect cost recovery was larger than anticipated. Mr. Richey referred to the proportion of the universities' general fund which is financed by state appropriations. Overall, the total budgets of the institutions are financed 52 percent by appropriations and the rest are non-state funds.

President Pomerantz stated that when considering research funding, federal funding and University Hospitals revenue, state appropriations are 52 percent of the total Regent funds. However, when considering the pure cost of education of an undergraduate student, 30 percent state appropriations is a valid number.

Mr. Richey said that when considering general university, general fund which includes University Hospitals, and total operating budget from all sources, then one-third of the support is from state sources.

Regent Fitzgibbon cautioned that they should give some thought to the message they are sending to the people of this state.

Mr. Richey stated that when final operating budgets are submitted next month they will clearly show those figures.

Regent Hatch referred to the inadequate appropriations for utilities, opening new buildings and building repairs, and said she could not understand how the Regents could approve new buildings while continuing to defer repairs on existing buildings.

Regent Furgerson stated that since the appropriation to University of Northern Iowa for the Leadership in Teaching Education Program was vetoed it may be more appropriate to bring back how they plan to address that funding need. Mr. Richey responded that President Curris had indicated he was planning to do that.

President Curris said he would return to the Board with a recommendation on how to internally fund part of the amount which was vetoed. He cautioned that the university can only take one "leg" of the process and would have to fight it again in next year's legislative session.

President Pomerantz referred to the increased revenues for University of Northern Iowa and University of Iowa based on original estimates. He asked that the universities forward information on how they will use the additional revenue.

President Curris stated that the university periodically estimates tuition for the coming year. The first estimate is done after the fall enrollment figures are in. That estimate is roughly the same as in the budget document. A second estimate is done after the beginning of the second semester. A third estimate is done around the end of May and before the final budget occurs. The fourth and last projection is made in the summer from summer orientation figures. He said the Board Office statement that the University of Northern Iowa tuition went up 4.8 percent is incorrect; it is 3.8 percent plus 1 percent for student health fees. Another factor is the mix between full-time and part-time students. He said summer school enrollment declined last year and is projected to decline this year. There was a great rush the last two years to complete the permanent certification for teachers; therefore, summer school enrollments were driven by teachers. He said university officials would come back with the best projections possible for next year.

ACTION: President Pomerantz stated the Board approved the report on preliminary budgets for fiscal year 1991 by general consent.

PROFESSIONAL AND SCIENTIFIC PAY PLANS. The Board Office recommended that the Board (1) approve the revised salary schedules for professional and scientific staff for fiscal year 1991 and the distribution of within range salary increases on the basis of merit and (2) direct the institutions to study in consultation with the Board Office the effectiveness and appropriateness of

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current salary schedules particularly in regard to the spread between pay grade minimums and maximums, and report to the Board in conjunction with, or before, proposals for July 1, 1991, revisions.

The University of Iowa salary schedule proposed for professional and scientific staff for fiscal year 1991 was increased by 4 percent at the minimum of each grade and by 6 percent at the maximum of each grade except for grades five and six which are increased by 6.5 percent at the maximum.

The proposed fiscal year 1991 salary schedule for Iowa State University professional and scientific staff reflects increases in current minimums ranging from 1 percent at grade one to 4 percent at grades seven and eight. Maximums were increased from 3 percent at grade one to 9 percent at grade seven.

The University of Northern Iowa salary schedule for fiscal year 1991 proposed increases of 3.5 percent in the minimums of each salary grade and 7 percent in grade maximums.

Schedules for professional and scientific staff at Iowa School for the Deaf, Iowa Braille and Sight Saving School and the Board Office for fiscal year 1991 reflect increases of 5 percent at the minimum and the maximum of each grade.

Salary increases to the extent of funds available from appropriations and reallocations will be granted on the basis of merit.

MOTION:

Regent Furgerson moved to (1) approve the revised salary schedules for professional and scientific staff for fiscal year 1991 and the distribution of within range salary increases on the basis of merit and (2) direct the institutions to study in consultation with the Board Office the effectiveness and appropriateness of current salary schedules particularly in regard to the spread between pay grade minimums and maximums, and report to the Board in conjunction with, or before, proposals for July 1, 1991, revisions. Regent Hatch seconded the motion, and it carried unanimously.

FACULTY SALARY SCHEDULE - IOWA SCHOOL FOR THE DEAF AND IOWA BRAILLE AND SIGHT SAVING SCHOOL. The Board Office recommended that the Board approve (1) the proposed 1990-91 faculty salary schedule for Iowa School for the Deaf and Iowa Braille and Sight Saving School; (2) provision for extra-meritorious cash awards in the amount of \$500 for outstanding performance and \$1,000 for excellence for fiscal year 1991. A teacher may receive up to \$2,500 in supplemental merit pay inclusive of payments made in recognition of

outstanding service in prior years; and (3) the supplemental pay schedules for the performance of special activities.

State salary policy upon which appropriations were made assumed an average increase of 7 percent plus fringe benefits. The proposed faculty salary schedule for 1990-91 was increased by 5 percent at each cell. The proposed schedule will provide step movement for satisfactory performance where available at an average cost of 1.5 percent.

Current levels of funding for professional development and in-service programming will be maintained.

Supplemental pay for extra-curricular activities at the Iowa Braille and Sight Saving School were revised substantially to recognize the duties and hours devoted by faculty to these activities. No change in the pay schedule for extra-curricular activities at the Iowa School for the Deaf was recommended because it was revised substantially last year.

The proposed compensation increases compare favorably with those of Iowa public schools which average 6.7 percent.

Regent Hatch said she did not believe it was proper to compare a 6.7 percent increase for the special schools with a 6.7 percent increase in a public school sector since public school sector increases include fringe benefits. Mr. Richey described the way IPERS caps off and other factors which cause the increases to come out about the same.

Regent Tyler referred to the meritorious cash awards and asked if there are still Excellence in Teaching funds at the institutions. Mr. Richey responded that there were.

Regent Tyler said he recalled that approximately 3 years ago the Regents encountered a situation where a department head took the money for Excellence in Teaching awards and just split it equally among all faculty. The Regents requested at that time that university officials indicate specifically how the funds were to be allocated. He did not believe they were ever presented with that information.

Mr. Richey said he believed that the Board Office issued a report late last year on the faculties of the universities in this regard. He has gone through this issue with the special schools very carefully. Both superintendents convinced him that they do a very careful evaluation of merit. There is a highly-structured evaluation by each of the superintendents.

Regent Tyler asked for the process and the amount of money devoted for this purpose at the universities. Provost Glick stated that Iowa State University provided \$550,000 for this purpose. University officials reported to the Board after the decision on how to award the funds was made. He said one-

third of the faculty have received the awards. In addition to the funds in the base designation the university has also provided \$50,000 for one-time awards.

Regent Tyler said the Regents want to be assured the money is being used as intended. President Eaton responded that university officials would be happy to provide the Regents with the details of the awards ahead of time.

Vice President Nathan stated that in his letter to the University of Iowa deans, he indicated that university officials expected that no more than 8 percent to 10 percent of the faculty would merit the awards. The University of Iowa also has \$50,000 for a competitive program to provide more substantial awards.

MOTION:

Regent Williams moved to approve (1) the proposed 1990-91 faculty salary schedule for Iowa School for the Deaf and Iowa Braille and Sight Saving School; (2) provision for extra-meritorious cash awards in the amount of \$500 for outstanding performance and \$1,000 for excellence for fiscal year 1991. A teacher may receive up to \$2,500 in supplemental merit pay inclusive of payments made in recognition of outstanding service in prior years; and (3) the supplemental pay schedules for the performance of special activities. Regent Fitzgibbon seconded the motion, and it carried unanimously.

REGENTS MERIT SYSTEM PAY PLAN. The Board Office recommended that the Board approve effective July 1, 1990, the following changes in the Merit System Pay and Classification Plan and rules:

- (1) pay matrices for non-organized employees and blue collar, security, technical and clerical employees which have been increased by 5.0 percent in accordance with legislation and negotiated collective bargaining agreements;
- (2) two new classes, Biomedical Equipment Technician and Senior Biomedical Equipment Technician in pay grades 413 (\$21,445 - \$28,454) and 415 (\$23,088 - \$30,805);
- (3) other classification plan revisions consisting of revised descriptions and an increase of one pay grade for five classes (Epidemiology/Quality Assurance Technician, Field Laboratory Technician I, Field Laboratory Technician III, Greenhouse Caretaker, and Plant House Assistant), and revised descriptions with no change in pay grade assignment for 34 classes; and

- (4) a Merit Rule revision which will authorize the Merit System Director to approve an extension of the current one-year period during which the salary of an employee whose position is reclassified to a lower pay grade can be red-circled; i.e. maintained above the maximum of the new lower grade.

In addition to the 5.0 percent across-the-board increase effective July 1, 1990, eligible employees will receive a within range step increase of approximately 4.6 percent in accordance with Merit Rules or collective bargaining agreements.

The proposed new classes, Biomedical Equipment Technician and Senior Biomedical Equipment Technician, are needed to appropriately recognize the special skills required of employees who fabricate, maintain and modify electronic and electro-mechanical life support, resuscitation, diagnostic, therapeutic and other equipment and systems used in a patient care or medical/biological environment.

The one pay grade increase from 409 to 410 for the classification of Epidemiology/Quality Assurance Technician is the result of increased technology and independence of action. The one grade increase proposed for Field Laboratory Technicians I and III, Greenhouse Caretaker and Plant House Assistant results from the newly-required certification for pesticide application.

New classes and pay grade changes are subject to implementation through the collective bargaining processes. Statements of required knowledge, skills and abilities are added to 34 classes as classifications with changes in descriptions with no change in pay grade.

Regent Tyler said it appeared that an employee could receive as much as a 9.6 percent salary increase, which he felt was excessive.

Regent Williams responded that not all employees were eligible. Some employees perform unsatisfactorily and others are at the top of their scale.

President Pomerantz stated that with merit increases and inflationary increases it was possible for an employee to receive a maximum salary increase of 9.6 percent. However, the average was 1-1/2 percent.

Vice President Madden stated that salary policy is bargained. Mr. Richey said this policy was based on a negotiated contract. He said the 5 percent is scale and 1-1/2 percent is progression in the scale.

MOTION:

Regent Furgerson moved to approve effective July 1, 1990, the changes in the Merit System Pay and Classification Plan and rules, as

presented. Regent Hatch seconded the motion, and it carried with Regent Tyler voting "no".

CAPITAL PROJECTS AND BONDING PROGRAM FOR FISCAL YEARS 1991 AND 1992. The Board Office recommended the Board receive the report on the Board of Regents fiscal year 1991 capital program and approve the recommended fire safety programs and bond issuance schedule as outlined for the three universities.

A status report was provided for major projects underway at the three universities. Four projects were listed for the University of Iowa, seven projects were listed for Iowa State University, and five projects were listed for the University of Northern Iowa.

Senate File 546 as passed in the 1989 legislative session requires all state agencies to submit Five-Year Capital Priority Plans to the Department of Management for submittal to the Legislative Capital Committee by July 1, 1990. This statutory time frame will require the Board to approve a five-year capital priority plan at the June meeting.

Senate Concurrent Resolution 133 provided \$41.3 million in bonding authorization for the universities' fiscal year 1991 capital program.

Of the \$41.3 million, \$6 million was authorized as bonding for fire and life safety projects, which was listed as the top Regent priority. In addition to the fire safety funding, two of the top six Regent priorities received some funding along with the 24th priority:

Priority #3--Academic Building (SUI)\$24.0 million
Priority #6--Sweeney Hall Addition (ISU)\$ 6.6 million
Priority #24--Seerley Hall Remodeling (UNI)\$ 4.7 million

The Board Office recommended issuance of bonds according to the following schedule:

March 1991	University of Iowa	\$15,000,000
July 1991	Iowa State University	\$ 9,185,000
October 1991	University of Northern Iowa	\$ 5,530,000
May 1992	University of Iowa	\$11,585,000

The recommended bond issuance schedule minimizes the level of net tuition replacement for fiscal year 1991 and 1992 and will make \$84,632 available to help offset any shortfall.

The Board Office recommended proportioning the \$6 million fire safety authorization as \$2.585 million to the University of Iowa, \$2.585 million to Iowa State University and \$830,000 to the University of Northern Iowa. The recommended fire safety proportioning will allow the University of Iowa to complete more than 44 of 103 identified deficiencies, Iowa State University to

complete more than 83 of 175 identified deficiencies and the University of Northern Iowa to complete 15 of its identified deficiencies.

The University of Iowa Hospitals and Clinics projected expenditures of \$6.422 million in fiscal year 1991 completely funded by University Hospitals Building Usage Funds with no state appropriations.

No funding was received for the special schools for fiscal year 1991. No funding was received for deferred maintenance for fiscal year 1991.

Regent Fitzgibbon said he would like to see more work done on the bonding schedule. He acknowledged that funding is always a problem but felt they should try to shorten the time up by at least a year on some of the projects.

President Pomerantz said he felt that some of it was being driven by state cash flow considerations.

Regent Fitzgibbon questioned what would happen to the cash flow if the schedule moved 1993 to 1992. He asked staff to review that possibility and bring it back to the Board.

President Pomerantz said the Board Office would respond to Regent Fitzgibbon's request. He said his point was that the building program should not be constrained by the state's cash flow schedule.

Mr. Richey said the Board Office was anticipating that the universities may have to advance funds and have the bond proceeds reimburse the universities.

Vice President Madden stated that at Iowa State University Sweeney Hall would proceed with private funds first. The university is advancing \$1 million of the fire safety funds. He cautioned that there was a limit to how many projects can be going on in the campus at one time.

President Pomerantz said there was a similar situation at the University of Iowa. Private funds were assisting with the construction of the new College of Business building. He suggested they continue to review where private funds can be used up front to allow for deferral of state funds. If needed, they should review accelerating the payments. He asked that the Board Office come back with information on Regent Fitzgibbon's request.

President Curris said that in University of Northern Iowa's situation, it would be helpful to have a potential adjustment in the schedule. The cash flow projections would delay construction on Seerley Hall about a year.

President Pomerantz pointed out that fire safety must go forward as their top priority. They must proceed on a very aggressive basis in order to not have anyone at risk. With regard to the issue of deferred maintenance, he asked for schedules for the coming year's deferred maintenance programs including

priorities. He asked that the deferred maintenance schedules be provided to Regents for the July meeting.

Vice President Madden stated that deferred maintenance schedules including prioritization were part of the legislative capital planning process.

MOTION: Regent Fitzgibbon moved to receive the report on the Board of Regents fiscal year 1991 capital program and approve the recommended fire safety programs and defer action on the bond issuance schedule as outlined for the three universities. Regent Furgerson seconded the motion, and it carried unanimously.

AFFIRMATIVE ACTION AND EQUAL OPPORTUNITY. (a) Change of Name of the Equal Employment Opportunity Committee and (b) Revised Procedures for Appointment of Institutional Director of Affirmative Action. The Board Office recommended that the Board approve (a) a change of name of the Equal Employment Opportunity Committee to the Committee on Affirmative Action and Equal Opportunity and (b) revised procedures for the appointment of institutional Directors of Affirmative Action.

The Interinstitutional Committee on Equal Employment Opportunity requested that the committee's name be changed to the Interinstitutional Committee on Affirmative Action and Equal Opportunity. The proposed change would reflect on "equal opportunity and affirmative action as they pertain to employment and educational programs". The committee's present name and role focus primarily on equal employment opportunity. This focus would be expanded to include affirmative action in employment and educational programs. The Board Office supports this request.

The Board of Regents Procedural Guide (Section 4.05 Other Board Appointments) should be amended to read: "Secretaries and treasurers of the institutions shall be nominated by the executive heads of the institutions. Names of secretaries and treasurers shall be submitted annually to the Board for appointment."

MOTION: Regent Furgerson moved to approve (a) a change of name of the Equal Employment Opportunity Committee to the Committee on Affirmative Action and Equal Opportunity and (b) revised procedures for the appointment of institutional Directors of Affirmative Action. Regent Williams seconded the motion, and it carried unanimously.

ANNUAL REPORT ON PRIVATIZATION. The Board Office recommended the Board receive the annual report on privatization.

The 1988 session of the General Assembly adopted House File 529 relating to government competition with private enterprise. In response to the legislation, the Board of Regents adopted rules in July 1989 setting forth the Regents' policy that activities in competition with private enterprise will be carried out only when they promote or relate to the mission of the Regent institutions. The rules require the institutions to establish an internal review process to determine whether goods/services compete with private industry and to consult with local business interests.

When the Board adopted the rules, it asked the institutions to report annually the results of the internal review process and any appeals during the previous year. All institutions were to use the same policy, with minor changes reflecting differences in title.

The University of Iowa and Iowa State University included correspondence relating to complaints concerning competition with private enterprise. No complaints were received at the University of Northern Iowa.

The institutions report that in response to the Board policy, they have monitored and discontinued some activities such as travel services, bicycle repair, and charter bus services. The universities indicate that they are meeting regularly with the business community.

Regent Tyler pointed out that all institutions were to use the same policy; however, it appeared that the institutions have submitted their policies which are not the same and vary considerably.

Regent Williams asked if there was any possibility of changing that situation.

Mr. Richey said there is an interinstitutional committee to address the issue which will report back in the fall.

Regent Hatch said the Regents have asked for consistency in various plans. She feels this should be referred back to the institutions to develop consistency.

Vice President Madden said he did not know exactly what the differences were. No one from the Board Office indicated where the inconsistencies were.

Mr. Richey said there were technical differences in the approach; the substance of the reports are essentially the same.

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

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REPORT ON INSTITUTIONAL CHILD CARE PROGRAMS. The Board Office recommended the Board:

- (1) Receive the annual report on child care programs at Regent universities as compiled by the Interinstitutional Committee on Child Care and provide any additional guidance to the institutions.
- (2) Encourage Regent universities actively to assist students and employees to gain access to child care services through a variety of means including such activities as implementing a flexible benefits plan, recruiting Work-Study funds, establishing or expanding child care referral services, and participating in community efforts to recruit child care providers.
- (3) Receive four recommendations made by the Interinstitutional Child Care Study Committee:
 - a. Funding should be sought from the College Aid Commission for additional Work-Study positions to assist in meeting campus child care goals. The universities included proposed alternatives for implementation which will require additional state Work-Study funding of \$100,000. These funds should not be included in the Regents budget request.
 - b. The universities should be encouraged to consider in their budget request for fiscal year 1992 funding to implement activities identified in their plans to meet child care needs.
 - c. The universities should be encouraged to share results of pilot projects and to work cooperatively to benefit from conferences, consultant visits, and workshops scheduled on Regent campuses.
 - d. The universities should continue to present annual reports on child care programs to the Board of Regents. Each report shall update the five-year plan.

The 1989 appropriation bill for the Board of Regents included a requirement for the Office of the State Board of Regents to update the 1988 study of the child care needs at each institution and to develop alternatives for providing assistance for child care. Each campus was to provide one or more of those alternatives for assistance for child care no later than Fall 1990.

The Interinstitutional Committee on Child Care, which compiled the 1989 report, recommended to the Board of Regents that an annual report and five-year plan to meet child care needs be required from each campus. The Board of Regents approved this recommendation. This is the first report.

In their five-year plans, the institutions outline activities to expand access to quality child care in cooperation with community agencies and private providers.

Provost Glick said he thought it had been a very helpful study for all three universities.

ACTION: President Pomerantz stated the Board approved the recommended action by general consent.

APPROVAL OF STUDENT TEACHING CONTRACTS. The Board Office recommended the Board (1) approve the proposed Cooperative Student Teaching Agreement form of the University of Iowa, Iowa State University, and the University of Northern Iowa for 1990-91 subject to changes in form to meet Iowa Code and (2) authorize the executive director and the president of each university, or their designee, to sign the individual agreements.

The universities submitted student teaching agreement forms for 1990-91 as required by the Regents Procedural Guide. Under these agreements, Iowa school districts contract with the Board of Regents to furnish instruction to pupils and to train teachers. The Board reviews and approves the format and conditions of contracts for the ensuing year.

The University of Northern Iowa, Iowa State University, and the University of Iowa submitted contracts with revised language indicating that teacher education programs are to be approved by the Director of the State Department of Education.

Iowa State University added language relating to impermissible discrimination as found in federal law and the university's affirmative action policy.

Universities compensate cooperating educational agencies \$120 per student teacher who completes a full semester assignment and prorates payments for incomplete assignments.

MOTION: Regent Furgerson moved to (1) approve the proposed Cooperative Student Teaching Agreement form of the University of Iowa, Iowa State University, and the University of Northern Iowa for 1990-91 subject to changes in form to meet Iowa Code and (2) authorize the executive director and the president of each university, or their designee, to sign the individual agreements. Regent Hatch seconded the motion, and it carried unanimously.

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

The Iowa College Aid Commission held its regular monthly meeting in Dubuque on May 8. The Commission was hosted by the University of Dubuque, Loras College and Clarke College.

Major issues coming before the Commission related to legislation passed during the 1990 session of the General Assembly. Major new programs were started including a new statewide need-based Iowa Grant Program for undergraduate resident students, a Graduate Student Financial Assistance Program, a new "Community College Access" Program, an Educational Savings Program, and new "Pilot Work for College Program".

ACTION: This matter was handled as a "Consent Docket" item.

COMMITTEE APPOINTMENTS AND NOMINATIONS. The Board Office recommended the Board (1) approve the appointments to Committees and Organizations as follows and (2) approve the nomination of President Marvin A. Pomerantz and Regent Mary C. Williams for appointment by Governor Branstad to the Iowa Higher Education Strategic Planning Council.

REGENT COMMITTEE ON EDUCATIONAL RELATIONS

<u>Appoint</u>	<u>Term Expires</u>
T. Anne Cleary	6/30/1993

IOWA ECONOMIC DEVELOPMENT BOARD

<u>Appoint</u>	<u>Term Expires</u>
Constantine Curris	6/30/1991

IOWA SCHOOL FOR THE DEAF ADVISORY COMMITTEE

<u>Appoint</u>	<u>Term Expires</u>
Dr. John W. Folkins	8/31/1991

IOWA BRAILLE AND SIGHT SAVING SCHOOL ADVISORY COMMITTEE

<u>Appoint</u>	<u>Term Expires</u>
Mr. Dwight Jensen	8/31/1991

IOWA STATE UNIVERSITY RESEARCH FOUNDATION BOARD OF DIRECTORS

<u>Reappoint</u>	<u>Term Expires</u>
John Fitzgibbon	6/30/1992

UNIVERSITY OF NORTHERN IOWA FOUNDATION BOARD OF DIRECTORS

<u>Reappoint</u> Betty Jean Furgerson	<u>Term Expires</u> 6/30/1992
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IOWA COLLEGE AID COMMISSION

<u>Reappoint</u> R. Wayne Richey	<u>Term Expires</u> 6/30/94
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Regent Hatch said she had a conflict with the meeting dates for the Iowa Coordinating Council and would no longer be able to serve on that council.

MOTION: Regent Tyler moved to (1) approve the appointments to Committees and Organizations as presented and (2) approve the nomination of President Marvin A. Pomerantz and Regent Mary C. Williams for appointment by Governor Branstad to the Iowa Higher Education Strategic Planning Council. Regent Greig seconded the motion, and it carried unanimously.

PRELIMINARY BOARD OFFICE BUDGET, FISCAL YEAR 1991. The Board Office recommended the Board approve the preliminary budget of \$1,187,924 for operation of the Board Office in fiscal year 1991 and accept report on the status of the budget for fiscal year 1990.

A proposed budget of \$1,187,924 represents an increase of \$99,546 in appropriations, a 9.2 percent increase. The proposed budget is based on state salary policies for merit system employees.

The Appropriation Act for salaries requires that the Board Office professional staff salaries be adjusted as provided for state employees on the central payroll system. This policy authorizes the Board to grant general increases averaging 5 percent at the outset of the fiscal year and provides for a mid-year merit adjustment averaging 5 percent for eligible employees.

Legislation was enacted during the 1990 session giving the Board Office employees the option of coverage under TIAA-CREF or IPERS at the discretion of the Board of Regents. All professional and scientific employees in the office have indicated a willingness to forego some direct salary increases in order to come under TIAA-CREF at the mid-point of fiscal year 1991 (January 1, 1991).

By providing TIAA-CREF coverage at mid-year instead of granting mid-year pay increases and by providing an average increase of 4 percent instead of 5

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percent at the outset of the fiscal year, TIAA-CREF can be financed at approximately the same budget levels in fiscal years 1991 and 1992.

The salary budget of the Board Office is under-financed by approximately \$28,000 in fiscal year 1991 based on the authorized staffing. To bring the budget into balance, one secretarial position will be left vacant (it has been frozen by the state). Part-time temporary help will be utilized on an emergency basis.

The proposed budget for other operating expenditures is based on actual cost patterns plus adjustments of 5 percent in certain budget categories.

The major problems in operation of the office in fiscal year 1991 will be in the area of lack of staffing for the handling of legal matters and in secretarial help.

The Board Office administers a Federal Title II program (Dwight D. Eisenhower for Math and Science Program). Iowa State University is the fiscal agent for the program in Iowa and reimburses the Board Office for administrative expense. The final budget to be submitted to the Board in June will include an estimate of the cost of administering the Eisenhower program.

The budget for fiscal year 1990 has been brought into balance with available resources primarily through unusually high salary savings from vacant positions. All authorized positions are currently filled except the secretarial position referred to above.

Estimated expenditures for fiscal year 1990 include approximately \$5,000 for acoustical treatment in the conference room of the Board Office and the room occupied by the Executive Director.

Mr. Richey noted that all pay increases to Professional and Scientific staff are based on performance evaluations of the employees; there are no "automatic" increases.

Regent Tyler asked for the approximate amount of money involved in chargebacks to the institution for a fiscal year. Mr. Richey said the proposed budget does not provide for chargebacks. There might be some in the coming year regarding the Regents Committee on Articulation or for special studies. He estimated the amount to be less than \$2,000 to \$3,000. Obviously, there would be expenses if an institutional head search became necessary.

MOTION:

Regent Furgerson moved to approve the preliminary budget of \$1,187,924 for operation of the Board Office in fiscal year 1991 and to accept report on the status of the budget for fiscal year 1990. Regent

Williams seconded the motion, and it carried unanimously.

Regent Hatch asked if more money was needed for data processing equipment. Mr. Richey said additional money was needed for equipment.

Regent Hatch asked to go on record as saying that if there was any way to get funds for equipment that it should be vigorously pursued.

President Pomerantz asked for the amount of the budget request for equipment. Mr. Richey responded that they were requesting \$20,000.

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

June 27-28	New Historical Building	Des Moines
July 18-19	Village West	Okoboji
September 18-19	University of Northern Iowa	Cedar Falls
October 17-18	Iowa State University	Ames
November 14-15	Iowa School for the Deaf	Council Bluffs
December 19-20	University of Iowa	Iowa City
January 16, 1991	Marriott Hotel	Des Moines
February 20-21	Iowa State University	Ames
March 20-21	University of Northern Iowa	Cedar Falls
April 17-18	University of Iowa and Iowa Braille & Sight Saving School	Iowa City Vinton
May 15-16	To Be Arranged	Fort Dodge
June 19-20	Iowa State University	Ames
July 10-11	Village West	Okoboji

ACTION: President Pomerantz stated the Board received the next meetings schedule as a consent item.

President Pomerantz then asked Board members and institutional executives if there were additional general or miscellaneous items for discussion. There were none.

STATE UNIVERSITY OF IOWA

The following business pertaining to the State University of Iowa was transacted on Wednesday, May 16 and Thursday, May 17, 1990.

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

Register of Personnel Changes for March 1990.

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

COURSE CHANGES. 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 submitted its proposed changes in the listing of approved courses. The changes represent a continuing response of the university to the changing educational needs of the students, changing disciplinary emphasis, and the vitality of its faculty.

The data indicate that during the period since the last report, 389 courses were added to the curriculum, while 432 courses were eliminated, for a net decrease of 43 courses. This represents an extensive review of course offerings by the university. The report includes the curricular trends in each college. No major trends are identified.

A total of 1,301 changes in course listings were reported. This includes course additions, deletions, and changes in numbering, titles, and credits.

ACTION: This matter was handled as a "Consent Docket" item.

DEPARTMENT NAME CHANGE. The Board Office recommended that the Board approve the request to change the name of the University of Iowa Security Department to Department of Public Safety.

University officials reported the proposed name more accurately reflects the duties and responsibilities of the department to provide a safe, secure and orderly campus through crime prevention, investigation, law enforcement, patrol, building watch and service programs. The proposed name is consistent with the name approved in March for Iowa State University and consistent with the name already in use at the University of Northern Iowa.

ACTION: This matter was handled as a "Consent Docket" item.

TERMINATION FOR UNDESIGNATED B.S.E. DEGREE. 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 the discontinuance of the undesignated Bachelor of Science degree in Engineering. This program is not accredited by the Accreditation Board of Engineering and Technology (ABET).

The program was initially created to serve individual students who cannot achieve their educational goals by pursuing one of the ABET accredited programs. The program is very small. This semester two students are enrolled in the program. Since Fall 1986-87, only one student has earned this degree.

ACTION: This matter was handled as a "Consent Docket" item.

PROFESSIONAL AND SCIENTIFIC CLASSIFICATION CHANGE. The Board Office recommended that the Board approve the following change in class description and pay grade assignment:

<u>From</u>	<u>Pay Grade</u>
Executive Assistant to the Director, University Hospitals and Clinics	18 (\$55,490 - Open)
<u>To</u>	<u>Pay Grade</u>
Executive Assistant to the Director, University Hospitals and Clinics	17 (\$51,285 - \$88,000)

This classification had not been used from 1983 until January 1990. A review of current duties and responsibilities following a recent administrative reorganization indicated changes in the overall level of responsibility which resulted in the proposed change from pay grade 18 to pay grade 17.

MOTION: Regent Tyler moved to approve the change in class description and pay grade assignment, as presented. Regent Hatch seconded the motion, and it carried unanimously.

UNIVERSITY OF IOWA HOSPITALS AND CLINICS - REPORT TO BOARD OF TRUSTEES. The Board Office recommended the Board receive the report from University of Iowa Hospitals and Clinics (UIHC) and approve the amendments to the Bylaws.

This was a periodic report from University of Iowa Hospitals and Clinics to the Board of Regents in its role as trustee for the University of Iowa Hospitals and Clinics. The report covers the University of Iowa Hospitals and Clinics Outreach Programs, an Academic Medical Center consortium, accreditation of University of Iowa Hospitals and Clinics, and amendments to the Bylaws.

The University of Iowa Hospitals and Clinics offer an array of outreach services that now serve 26,000 patients. The outreach report includes a new affiliation with St. Joseph Mercy Hospital in Mason City.

Activities of a research consortium composed of medical centers was described in the report. The recent positive accreditation of University of Iowa Hospitals and Clinics was reported.

Non-substantive changes to the Bylaws were proposed, including two that fulfill recommendations made by the Joint Commission on Accreditation of Health Care Organizations during their recent accreditation evaluation.

President Rawlings introduced John Colloton to give a presentation focusing particularly on outreach.

Mr. Colloton said the annual admissions have seen a 2.1 percent increase over fiscal year 1989. Total patient days are up 3.5 percent. In regard to the hospital's capital replacement program he said they are proceeding with the shelling in of the remaining 5 levels of the Pappajohn Pavilion due to the receipt of favorable bids. The nurse vacancy rate is only 5 percent. They are experiencing shortages in nursing, physical therapy and pharmacy.

In regard to outreach, Mr. Colloton said the hospital's program commenced in 1936. He stated that Dr. Richard Nelson, Director of the Child Health Specialty Clinics, provides excellent leadership.

Dr. Nelson shared his observations of Iowa's long-standing commitment to health care especially to the children of Iowa. The University of Iowa Hospitals and Clinics' efforts in this regard have developed into the Mobile Child Health Specialty Clinics. He provided an overview of the scope of activities which include regional child health specialty centers, and Iowa's Childhood Cancer Diagnostic and Treatment Program. Through this second program a pediatric oncology nurse extends service into the home community. Other services include Rural Comprehensive Care Program for Hemophilia Patients, Iowa Newborn Screening Program, Regional Genetic Consultation Service, Muscular Dystrophy and Related Genetic Disease Programs, and Community-Based Prenatal Health Clinics. With respect to this last item, Dr. Nelson said it has significantly addressed infant mortality. Iowa's mortality rate is among the best rates in the nation. More women receive access to prenatal health care -- over 87 percent enter health care in the first trimester. He said other child health specialty clinics include Tertiary and

Intermediate Perinatal Care Centers and the High Risk Infant Follow-Up Program. He said Iowa has a strong system of statewide services through linkages within the individual communities. More than that the partnership the Board of Regents has established with state-level institutions has been vital especially for services to low income women and children.

Dr. Nelson stated that most of the programs are accomplished through joint efforts of public sector institutions, and private sector physicians and hospitals. He said that as they look at some of the health status measures of Iowa children, Iowa consistently ranks very high in the health of its citizens. He commended the Regents for their support.

Mr. Colloton introduced Associate Deputy Director John Staley to address other UIHC outreach initiatives.

Mr. Staley said one outreach initiative is the Resident Physicians and Medical Student Training Program. Residencies usually last 1 to 3 months. Residents rotate to Iowa communities for training. Another outreach program is the Statewide Endstage Renal Disease Network. He said 769 patients are undergoing dialysis in this system. Another 100 patients have been trained to perform dialysis at home. He said the University Hospitals and Clinics is Iowa's major kidney transplant center and also serves as Iowa's statewide organ procurement program. In 1988 it was designated as the certified program for Iowa. The program is designed to enhance organ donation within the state through affiliation with Iowa Methodist Hospital in Des Moines.

Mr. Staley stated that 98 percent of Iowa's hospitals now participate in the Statewide Epidemiology Education and Consultation Program. He said Iowa's Comprehensive and Regional Emergency Facilities support the statewide emergency medical services system. He discussed the evolving role of University of Iowa Hospitals and Clinics in Iowa's statewide emergency medical services system. Other outreach programs addressed by Mr. Staley include University of Iowa Worksafe Iowa Outreach Program, the Nursing Department's Alzheimer's Disease Programs, and the Computer-Assisted EKG Service.

Regent Greig asked how many of the possible organ transplants are going into the system. Mr. Staley said there could be more organs available if they worked harder at meeting with families.

Regent Fitzgibbon asked if any progress was being made to try to bring the western part of the state into the University Hospitals' network more than has been done in the past.

Mr. Staley said there are some programs that extend to the western half of Iowa such as the air care program. It is faster and more economical beyond 150 to 175 miles to use fixed wing aircraft. To some extent the western counties relate more to the facilities in Omaha than to Iowa City.

Regent Berenstein noted that the Work Safe Iowa program is coming to Sioux City.

Mr. Colloton introduced Mr. David Vellinga, President and CEO of St. Joseph Mercy Hospital, to address support provided by the University of Iowa Hospitals and Clinics for development of cardiac catheterization and open heart surgery service at St. Joseph Mercy Hospital, Mason City, Iowa. He said many of the doctors who participate in this program are graduates of the University of Iowa.

Mr. Vellinga expressed pride in the long-standing relationship of St. Joseph Mercy Hospital with University of Iowa Hospitals and Clinics. He said assistance was provided in the following manner:

- * Assistance in evaluating the feasibility of developing a cardiac catheterization and open heart surgery service at St. Joseph Mercy Hospital.
- * Refresher training for St. Joseph Mercy Hospital physicians.
- * Orientation and training for nurses and other health care professional and technical staff selected for service in the new cardiac catheterization and open heart surgery programs.
- * Assistance in assessing the need for, estimating the costs of, and designing and selecting cardiac catheterization laboratory and cardiac surgery suite facilities and technology.
- * Assistance in preparing a Certification of Need application for St. Joseph Mercy Hospital to initiate cardiac catheterization and surgery services.
- * Assistance in establishing policy and procedures manuals, charging mechanisms and fee structures, and determining supply, instrument, pharmaceutical and other resource requirements for initiation of the new program.
- * Aid in recruiting a cardiac perfusionist and provision of interim perfusion service for the initial open heart surgery procedures performed at St. Joseph Mercy Hospital.
- * Public information collaboration in jointly communicating the initiation of cardiac catheterization and open heart surgery services at the hospital.
- * Conducting quality assurance reviews of the St. Joseph Mercy Hospital cardiac catheterization and surgery programs by UIHC cardiologists, cardiac surgeons and anesthesiologists.

Mr. Vellinga provided background information on St. Joseph Mercy Hospital and the quality and caliber of its medical staff. He said the majority of the physicians are from University of Iowa Hospitals and Clinics.

Regent Fitzgibbon asked for a definition of "management services". Mr. Vellinga stated that in 1979 he was hired by St. Joseph Mercy Hospital to administer two hospitals in Hardin County and provide access to resources of St. Joseph Mercy Hospital in Mason City.

Mr. Colloton introduced Dr. Samuel Porter, loyal alum of University of Iowa Hospitals and Clinics, and Vice President for Medical Staff Affairs, St. Joseph Mercy Hospital.

Dr. Porter discussed the historical services in Mason City. They have been leaders in the development of a rural referral center.

Mr. Colloton introduced Dr. Timothy Thomsen, Cardiothoracic Surgeon, St. Joseph Mercy Hospital.

Dr. Thomsen assured the Regents that he is a strong Iowa advocate. He said that in April 1989 when the cardiovascular surgery unit first opened at St. Joseph Mercy Hospital, they were in the Mayo Clinic's "back yard". St. Joseph Mercy Hospital officials went to Mayo and asked if they wanted to be the hospital's tertiary care affiliate. Mayo officials declined the offer. When the program was first beginning they projected 50 to 60 heart cases. They actually performed 178. They established a 2.7 percent mortality rate for the first year. He said that in the last 35 days they have performed 34 open heart operations. Prior to the opening of the cardiovascular surgery unit, patients were grossly underserved. This area of the state sees a very high incidence of coronary heart disease. In regard to what is "in it" for University Hospitals and Clinics, Dr. Thomsen said the key is enhanced visibility for the University Hospitals within the state.

Mr. Colloton introduced Dr. Nicholas Rossi, Professor, Division of Cardiothoracic Surgery, University of Iowa Hospitals and Clinics

Dr. Rossi discussed the philosophy of the staff.

Mr. Colloton thanked his colleagues from Mason City and congratulated them for bringing this effort to this part of the state. He then introduced Dr. R. Michael Massanari, Associate Hospital Epidemiologist and Associate Professor, University of Iowa Hospitals and Clinics.

Dr. Massanari reported on the Academic Medical Center Consortium/Rand/AMA initiative in health services research. He said the consortium's mission is to foster and support research in health practices and to develop methods, criteria and policy guidelines to improve the outcomes and cost effectiveness

of health care in the United States. University of Iowa Hospitals and Clinics' medical procedure study area for 1990 is cataract removal.

Regent Hatch stated for the record that the ophthalmologists in the state of Iowa have agreed to submit to peer review and submit a proposal to the federal government in consultation with Massachusetts. Dr. Massanari clarified that he did not intend to single out ophthalmology; that is merely the area which University of Iowa Hospitals and Clinics will be studying.

Mr. Colloton introduced William Hesson, Senior Assistant Director, University of Iowa Hospitals and Clinics.

Mr. Hesson summarized the Joint Commission on Accreditation Survey of University of Iowa Hospitals and Clinics, and presented the Regents with the following proposed amendments to the Bylaws, Rules and Regulations of the University of Iowa Hospitals and Clinics and its Clinical Staff:

Amend Article III, Section 5(b) by inserting the following subsection 5(B)(6) and renumbering as necessary:

6. Hospital Information Systems Advisory Subcommittee
To review strategic planning for application system development and assist with the prioritization of specific requests which require three or more staff months of development effort. To evaluate the appropriateness of requests to utilize Hospital Information Systems data and authorize the downloading to microcomputers when concerns regarding security, performance, and backup are satisfactorily addressed. To review for consistency the strategic plans of projects of the University of Iowa Hospitals and Clinics which have incremental computing equipment implications and/or an impact on patient and management data maintained on the Hospital Information System. To authorize the use of computer generated electronic signature facilities for patient reports or other administrative functions within the University of Iowa Hospitals and Clinics on an application by application basis. To review the use of any computers in the University of Iowa Hospitals and Clinics administrative and patient care settings with particular regard to security of patient information.

Amend Article VII, Section 4 by adding the following new paragraph at the end of the section:

For the purpose of these Patient Care Rules and Regulations, the words "sign" and "signature" include an electronic signature entered pursuant to a verification protocol approved by the Hospital Information Systems Advisory Subcommittee.

Article III, Section 5(B) is amended by adding the following subsection (7) and renumbering as necessary:

4. Intensive Care Subcommittee

To formulate cross-departmental policies, procedures and programs to enhance the overall utilization and operating efficiency of all UIHC intensive care units so that standards of patient care may be maintained at the highest level.

Article IV, Section 5 (I) is amended to read as follows:

Physicians and Dentists who are members of the Active Clinical Staff, Emeritus Staff, Adjunct Teaching Staff, or Temporary Staff authorized to practice without supervision, must report to the Head of the Clinical Service in which privileges are held or sought any of the following items:

1. Previously successful or currently pending challenges to any licensure or registration, the voluntary relinquishment of such licensure or registration, or any lapse in licensure or registration.
2. Any currently pending or previously filed lawsuits, administrative claims, or other legal action(s) that allege a breach of the professional standard of care on the part of the physician or dentist, whether or not he or she is a named defendant.
3. Any settlements, judgments or verdicts entered in an action in which the physician or dentist was alleged to have breached the standard of care, whether or not he or she was a named defendant.
4. Any voluntary or involuntary termination of clinical staff membership or voluntary or involuntary limitation, reduction or loss of clinical privileges at another hospital.

These items must be reported, in the case of an initial application for clinical privileges, at the time application is made, or, if occurring subsequent to the initial granting of clinical privileges, at the time they become known to the affected physician or dentist. The Clinical Service Head shall immediately forward the information to the Chairpersons of the applicable Credentials Panel (Medical or Surgical). That Credentials Panel shall review the information provided by the physician or dentist and may request that additional information be submitted. The Panel may recommend action pursuant to Article IV, Section 5 of these Bylaws.

Article III, Section 5 (A) is amended by adding the following paragraph at the end of the section:

Standing subcommittees shall meet at least annually. Minutes shall be kept of such meetings that shall include a listing of the members in attendance. Any member who misses two consecutive meetings without an excuse approved by the Chairperson of the subcommittee shall be notified that a third consecutive unexcused absence shall be deemed a resignation from the subcommittee. Upon a third consecutive unexcused absence, the Chairperson shall notify the member and the Chairperson of the University Hospital Advisory Committee that the member's position is vacant and a new member shall be appointed by the Chairperson of the Hospital Advisory Committee subject to approval by the Hospital Advisory Committee membership.

MOTION: Regent Berenstein moved to approve the amendments to the Bylaws, as presented. Regent Hatch seconded the motion, and it carried unanimously.

President Pomerantz congratulated Mr. Colloton on the occasion of his receiving an award for distinguished service from the hospital association.

Mr. Colloton said an award of this nature is flattering. He thanked the Regents for making it all possible.

ACTION: President Pomerantz stated the Board received the report from University of Iowa Hospitals and Clinics (UIHC) by general consent.

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

PERMISSION TO PROCEED WITH PROJECT PLANNING

University Hospitals and Clinics--New Main Entrance, Drive, and Admitting Service

Source of Funds: University Hospital Building Usage Funds

When the University Hospitals main entrance, drive and admitting service was opened in the early 1970s the total number of patients admitted to the Hospitals and served in ambulatory clinics numbered approximately 250,000 annually. In fiscal year 1990 this number is projected to grow to an annual number of approximately 480,000 patients. Since an average of approximately one visitor accompanies each ambulatory clinic patient and two persons visit each inpatient daily, the number of people accompanying or visiting patients has risen from an annual number of approximately 700,000 to over one million during this period. The result is an additional 550,000 patients and visitors using the Hospitals main entrance, drive and admitting service lobby on an annual basis.

The primary focus of patient care activities within the Hospitals has shifted from the north end of the original hospital to the new three pavilion complex located to the south. As the John Pappajohn Pavilion is completed and the remaining non-conforming patient care units in the General Hospital are relocated to replacement facilities to the south, virtually all patient care functions will be located to the south of the present main entrance and admitting area.

In developing the pavilion complex to the south two subsidiary entrances have been built into the plans, one for psychiatric patients and another for Sports Medicine. However, a single entrance for the majority of patients and visitors to University Hospitals is still functionally appropriate. Unfortunately, the present location of the main entrance, drive and admitting service lobby preclude any opportunity to significantly improve the present facilities. There is inadequate expansion space available within the Hospitals at the main entrance to accommodate the high volume of patients, visitors, and staff.

As presented for construction in fiscal year 1992 in the University Hospitals Ten-Year Capital Program, University Hospitals is planning to develop a reconfigured entrance drive, a new main entrance and admitting service lobby in a centralized location to all patient care units and services. The plan also includes the use of the present entrance, drive and admitting service for patient discharge and departure activities. This separation of incoming and departing traffic will reduce the volume now placed on one drive and lobby area. It will substantially diminish the congestion which occurs at the present main entrance and will facilitate the flow of patients and visitors entering University Hospitals as well as those departing.

University officials proposed to incorporate this project into the completion of the John and Mary Pappajohn Clinical Cancer Center within the Pappajohn Pavilion. The university believes that it is highly practical to proceed with the construction of the new drive and main entrance at this time. The area where the proposed new drive and main entrance would be built is now closed for construction of the Pappajohn Pavilion, and construction equipment is currently on-site. Consequently, it is likely that the university would receive favorable bids from these contractors.

To expedite construction and to obtain the most attractive bids possible this project will be bid as an add alternate to the John and Mary Pappajohn Clinical Cancer Center finishing project in December 1990. Construction of a new entrance, drive and admitting lobby is estimated to cost approximately \$3.9 million. Subsequent phases, including renovation of the present admitting lobby to serve patient discharge functions and the construction of overhead pedestrian causeways connecting the Hospitals parking structures to the new entrance lobby, will be bid at a later time. The cost figures for these phases will be presented to the Board as planning for these functions develops.

PROGRAM STATEMENTS AND DESIGN DOCUMENTS

Pharmacy Building Addition

In January 1990 the Board approved the site selection and design concept for this project. Approval of the site was necessary before it was possible to complete the program statement. Since the addition will be interconnected with the existing building, it has been necessary to further refine the design concept in order to complete the program. The program has now been completed and approved by the College of Pharmacy and the university.

According to Board of Regents Capital Procedures the Board must approve the program statement prior to completion of the project description and preliminary budget. The complexities of this project have made it difficult to separate programming from preliminary design. This will likely make it difficult for the Board to approve the program statement without an opportunity to review preliminary design proposals. For this reason, the university proposed only that the Board receive the program statement at this time and defer final consideration until such time as the university presents the preliminary design for the project.

In keeping with Board procedures a preliminary budget will be presented for the Board's consideration along with schematic plans for the building at an upcoming meeting.

PROJECT DESCRIPTIONS AND BUDGETS

University officials submitted one new project for approval by the Board. This project was included in the university's quarterly report of anticipated capital projects.

Hancher Auditorium Steam Line Construction \$463,000

Source of Funds: Utility Enterprise Improvement and Replacement Fund

Preliminary Budget

Planning/Design	\$ 27,000
Project Administration	26,000
Construction	375,000
Contingency	<u>35,000</u>
TOTAL	\$ 463,000

The existing steam line to Hancher Auditorium and associated concrete manholes is in poor condition. Replacement of the existing steam and condensate return

line is necessary at this time if reliable service is to be provided to the Hancher Auditorium/Music Building complex.

The project consists of the installation of approximately 1,000 linear feet of pre-insulated, direct buried steam and condensate return piping to be operated at 20 pounds per square inch. Replacement of the existing steam and condensate return system with a modern system will result in labor, material and energy savings estimated at \$100,000 per year.

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University officials presented a revised budget on the following project.

Hillcrest Residence Hall--Replace Hot and Cold Water Lines
 Source of Funds: Dormitory Improvement Funds

Nov. 1989 Budget \$611,300
 Revised Budget \$689,000

Project Budget

	<u>Nov. 1989 Budget</u>	<u>Revised Budget April 1990</u>
Design, Inspection and Administration	\$ 57,800	\$ 70,000
Construction	503,500	601,000
Contingency	<u>50,000</u>	<u>18,000</u>
 TOTAL	 \$ 611,300	 \$ 689,000
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The revised budget on this project was approved by the Executive Director on April 19, 1990, and was presented for Board ratification. University officials requested Executive Director approval of the revised budget to accommodate the award of two contracts which exceeded the engineer's estimate. Based on the number and the range of the bids it was determined that the receipt of more favorable bids at a later date was unlikely. University officials also requested Executive Director approval of the revised budget so that it could begin work on this project during the limited availability of the Hillcrest Dormitory.

* * * * *

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

Stadium Park Road/Melrose Avenue Intersection Reconstruction \$44,800
South Grand Avenue/Melrose Avenue Intersection Reconstruction
 Shive-Hattery Engineers and Architects, Iowa City, Iowa

Preliminary Budget

	<u>Stadium Park Rd.</u>	<u>S. Grand Avenue</u>	<u>TOTAL</u>
Design, Inspection and Administration	\$ 4,800	\$ 2,500	\$ 7,300
Construction	22,900	10,700	33,600
Contingency	<u>2,300</u>	<u>1,600</u>	<u>3,900</u>
TOTAL	\$30,000	\$14,800	\$44,800

This reconstruction project includes improvements at two intersections. The Stadium Park Road and Melrose Avenue intersection will be widened to accommodate one inbound and two outbound traffic lanes. The South Grand Avenue and Melrose Avenue intersection will be widened at the northwest quadrant and the corner radius will be increased to accommodate turning movements of bus traffic.

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ARCHITECT/ENGINEER AGREEMENTS

Approval Requested:

Hancher Auditorium Steam Line Construction \$48,736
 Shive-Hattery Engineers and Architects, Iowa City, Iowa

University officials requested approval of an agreement with Shive-Hattery Engineers and Architects, Iowa City, for engineering services. The basic services under the agreement will be provided at a fixed fee of \$45,976, with reimbursable expenses not to exceed \$2,760.

Oakdale Hall--Replace Windows \$18,753
 Pierce King Architect and Associates, Iowa City, Iowa

University officials requested approval of an agreement with Pierce King Architects and Associates, Iowa City, for final design services for this project. Basic services will be provided at a fixed fee of \$16,053, with reimbursable expenses not to exceed \$2,700.

Stadium Park Road/Melrose Avenue Intersection Reconstruction \$6,200
South Grand Avenue/Melrose Avenue Intersection Reconstruction
Shive-Hattery Engineers and Architects, Iowa City, Iowa

University officials requested approval of a design agreement with Shive-Hattery Engineers and Architects, Iowa City, for engineering services on this project. Services to be provided include surveys and construction resident engineering services and project administration. The agreement provides for a fee not to exceed \$5,600. Reimbursables are set at \$600.

Amendments:

Jessup Hall--Renovation of Registrar's Office \$4,358
Roman Scholtz and Associates, Davenport, Iowa

University Hospitals and Clinics--Blood Donor Center Expansion \$2,510
Design Engineers, Cedar Rapids, Iowa

CONSTRUCTION CONTRACTS

Awarded:

University Hospitals and Clinics--2 Boyd Tower \$308,961
Obstetrics/Gynecology Recovery Room
Award to: McComas-Lacina Construction Company, Iowa City, Iowa
(4 bids received)

Hillcrest Residence Hall--Replace Hot and Cold Water Lines-- \$301,200
Phase II
Award to: R. M. Boggs Company, Inc., Iowa City, Iowa
(3 bids received)

University Hospitals and Clinics--Colloton Pavilion--
Installation of Mechanical and Electrical Systems \$296,860
Award to: R. M. Boggs Company, Inc., Iowa City, Iowa
(4 bids received)

Hillcrest Residence Hall--Replace Hot and Cold Water Lines-- \$59,500
Phase II--Asbestos Abatement
Award to: Curry Environmental Services, Milan, IL
(4 bids received)

ACCEPTANCE OF COMPLETED CONSTRUCTION PROJECTS

Currier Hall--Replace Secondary Wiring
Gerard Electric, Inc., Iowa City, Iowa

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

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

with RESPONSE TELEVISION CORPORATION for its use of approximately 550 square feet of space in the Technology Innovation Center at the Oakdale Campus for six months commencing June 1, 1990 and ending October 31, 1990, at a monthly rate of \$275;

with DICK CHAPUIS for his use of approximately 80 acres of farmland (77.6 tillable acres) on the Helen M. Johnston farm located in Van Buren County, Iowa, for one year commencing March 1, 1990 and ending February 28, 1991, at an annual rate of \$6,596;

with various tenants in university-owned apartments, rooms, duplexes and houses for 103 units, ranging in rent from \$85 per month to \$650 per month for a term established by the university not exceeding one year and not beyond the date of June 30, 1991.

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

BUDGET CEILING ADJUSTMENTS - 1989-90. (a) General Education Fund. The Board Office recommended the Board approve an increase of \$900,000 in the budget for the general education fund to reflect additional income and expense.

University officials requested an increase in the fiscal year 1990 budget ceiling to reflect \$900,000 of unanticipated revenue from the following sources:

Indirect Cost Recoveries	\$700,000
Investment Income	<u>200,000</u>
TOTAL	\$900,000.

The budget ceiling increase will be expended as follows:

State Audit Costs	\$100,000
Student Health	450,000
Health Protection Office	175,000
Instructional & Research Equipment	<u>175,000</u>
TOTAL	\$900,000.

Vice President Phillips said the indirect cost recoveries were achieved by negotiating a higher rate with the federal government. The additional income reflects a very good year last year for grants and contracts. She cautioned that the Regents should not expect the same increase for next year. There have been tremendous cutbacks at the federal level.

President Pomerantz asked if university officials could use \$200,00 to fund the driving simulator for the engineering school. Vice President Phillips said the \$200,000 President Pomerantz referred to was for next year. That will have to be addressed probably in June in a fashion similar to University of Northern Iowa's situation with the veto of funds for teacher education. University of Iowa officials did not know about the veto of funding for the driving simulator when they submitted their budget materials.

Regent Tyler noted that the Board Office memorandum indicated the amount billed by the State Auditor will exceed the budget by \$100,000 but did not say what the total will now be. Vice President Phillips said university officials budgeted for this year \$135,000 which was a forced reallocation.

President Rawlings stated that the increased revenues illustrates the quality of faculty at the University of Iowa. Grants are moving at a strong pace despite federal funding constraints. He said that another important point to emphasize is that university officials raised their overhead reimbursement rates by 2 percent for this year with an additional percentage point to be added each of the next 2 years. Around the country most of the rates are going the other direction. He recognized the role that Vice President Phillips played in getting those rates raised.

MOTION:

Regent Williams moved to approve an increase of \$900,000 in the budget for the general education fund to reflect additional income and expense. Regent Hatch seconded the motion, and it carried unanimously.

(b1) University Hospitals and Clinics. The Board Office recommended the Board approve an increase of \$875,000 in the fiscal year 1990 budget ceiling for the University of Iowa Hospitals and Clinics.

The University of Iowa Hospitals and Clinics has experienced significant increases in the clinical complexity of patients referred to them as well as

substantial productivity increases reflected by growth in numbers of referred in-patients and ambulatory clinic patients. These increases have resulted in unanticipated revenues of \$875,000 for fiscal year 1990.

The budget ceiling increase will be expended in the following budget categories:

Credit for Lapsed Salaries	\$307,400
Wages Nursing Services	285,600
Supplies and Services	<u>282,000</u>
TOTAL	<u>875,000</u>

MOTION: Regent Tyler moved to approve an increase of \$875,000 in the fiscal year 1990 budget ceiling for the University of Iowa Hospitals and Clinics. Regent Hatch seconded the motion, and it carried unanimously.

(b2) University Hospital School. The Board Office recommended the Board approve the fiscal year 1990 budget ceiling increase of \$82,000.

The unanticipated increase in revenue is due to increased patient levels resulting in revenues of \$82,000. The University of Iowa Hospital School will expend the budget ceiling increase in the following expenditure categories:

Credit for Est. Lapsed Salaries	\$36,000
Wages Nursing & Other Support Serv.	16,000
Supplies and Services	<u>30,000</u>
TOTAL	<u>\$82,000</u>

MOTION: Regent Furgerson moved to approve the fiscal year 1990 budget ceiling increase of \$82,000. Regent Hatch seconded the motion, and it carried unanimously.

(c) Family Practice Program. The Board Office recommended the Board approve a fiscal year 1990 budget ceiling increase of \$5,000.

The Statewide Family Practice training program expects to receive unanticipated revenues of \$5,000 from other income sources. The Family Practice Training program would use these funds for travel costs associated with the community-based training programs. Specifically, the funds would be used to offset in-year travel expense increases associated with faculty trips to community training sites.

MOTION: Regent Tyler moved to approve a fiscal year 1990 budget ceiling increase of \$5,000.

Regent Fitzgibbon seconded the motion, and it carried unanimously.

(d) Oakdale Campus. The Board Office recommended the Board approve a fiscal year 1990 budget ceiling increase of \$10,000.

The Oakdale Campus expects to experience unanticipated increase in revenues from cafeteria sales of \$10,000 in fiscal year 1990. The budget ceiling increase will be expended on building repairs.

MOTION: Regent Williams moved to approve a fiscal year 1990 budget ceiling increase of \$10,000. Regent Furgerson seconded the motion, and it carried unanimously.

PRELIMINARY BUDGET SUMMARIES - FY 1990-91. (a) General Education Fund. The Board Office recommended the Board approve the fiscal year 1991 preliminary general education fund budget for the University of Iowa of \$272,539,709.

The proposed general university operating budget of \$272,539,709 represents an increase of 6.8 percent over the Regent revised fiscal year 1990 budget.

University officials proposed an average salary increase for faculty and professional and scientific staff of 6 percent in fiscal year 1991. The general service salary expenditure category will fund a 5 percent cost of living adjustment and merit step increases as negotiated in the collective bargaining agreement.

The university received \$1,889,000 to enhance undergraduate programs. These funds will be used to employ full-time faculty in departments where enrollment increases are being experienced.

The University of Iowa received a \$180,000 appropriation for increased expenditures in the Iowa Minority Academic Grants for Economic Success (IMAGES) program. Legislation passed by the General Assembly requires the university to expend an additional \$280,000 in fiscal year 1991. The university will accommodate this legislative mandate by reallocating \$100,000 to this area.

University of Iowa officials proposed to increase the library expenditures by 12 percent in fiscal year 1991. This is an increase in expenditures of \$553,000.

The University of Iowa will increase marketing expenditures by \$100,000 in fiscal year 1991.

The State appropriation represents approximately 66 percent of total revenues for the general university. The University of Iowa received an appropriation

for inflation of \$1,319,000. The university will expend these funds in the following areas:

Physical Plant	\$470,000
Marketing Programs	100,000
Office of Academic Affairs (Collegiate Departments)	150,000

The remaining \$599,000 will be applied to library acquisitions, building repair and equipment budgets.

Tuition revenues are projected to increase by \$2 million in fiscal year 1991. This is an increase of 2.7 percent. This appears appropriate in light of enrollment decreases. The University of Iowa is projecting Fall 1990 projected headcount enrollment to be 224 lower than Fall 1989 headcount enrollment. The university has reallocated salary expenditures to non-salary items in response to legislative responses. The university will keep the Board, legislature and Department of Management informed when any extraordinary transfers are anticipated.

The university submitted a preliminary athletic budget but it has yet to be approved by the University of Iowa Finance Committee of the Board of Control of Athletics or the University of Iowa Board in control of athletics. The preliminary budget shows revenues of \$15.6 million and expenditures of \$12.6 million resulting in a net increase to the operating balance of \$3.1 million. This budget will be revised by the university with final submission in June for Board approval.

The University of Iowa is allocating \$935,774 of the supplies and services to the Student Health program, the same budget level as was in effect for fiscal year 1990.

President Rawlings commented on several areas of the budget. In regard to undergraduate education, he said university officials will be able to hire additional faculty members throughout the colleges experiencing the most strain from enrollments: Liberal Arts, Business, Engineering. Faculty salaries are now extremely competitive. University officials are able to hire, in almost every case, their first choice. They are able to add far more sections taught by full-time faculty, many of which are freshman classes. He said medical education also benefitted from the proposed budget in the amount of \$446,000 which was added to its base budget. The College of Medicine generates 90 percent of its own budget and he felt it was time to get more state support. The increases to the library budget amounted to 12 percent for inflation plus a portion of the tuition increase. The three areas of the library to be addressed are acquisitions, staff and automation. He said minority recruitment, including IMAGES funding, was addressed. Minority numbers look good for the coming year as the university moves toward the target of 8-1/2 percent. University officials are beginning work on the new

building to house the College of Business. He said that project will also be moving ahead.

President Rawlings summarized by saying university officials were able to begin implementing the strategic plan with this budget. He then asked Vice President Phillips to address salary policy.

Vice President Phillips stated that the entire budgeting process related to the planning process; therefore, there were fewer surprises in this budget implementation than in the past year. The budget reflects the strategic planning effort and appropriations targeted to specific areas. In regard to salary policy, she said faculty and Professional & Scientific staff will be receiving the same increase. University officials are hopeful of achieving an average 5.8 percent to 6 percent salary increase. At this time, university officials do not have complete assurance that all units will be able to meet the 6 percent. That will be reported to the Regents separately. In regard to fringe benefits, she said the university began a flexible benefits program last year. Health insurance costs will increase 24 percent. She said \$1.319 million was budgeted for inflationary increases in targeted areas.

In regard to reallocation efforts, Vice President Phillips said the funds will be used to deal with maintenance projects on campus. University officials had requested appropriations in the amount of \$1.6 million to address maintenance needs in Hancher Auditorium but did not receive the requested appropriations; therefore, they will have to reallocate. University officials project an increase in utilities' indirect cost recovery of \$500,000 which will be allocated completely to debt service for the Eckstein Building.

Vice President Nathan addressed the University of Iowa marketing and retention program. Efforts in this regard include innovative teaching programs, councils on institutional advancement, programs for exceptional students, strategic planning initiatives, academic advising, support services, Opportunity at Iowa, residence hall programs, State of Iowa Valedictorian Scholarship as well as many other scholarship funds.

Regent Tyler asked about the Board in Control of Athletics. President Rawlings responded that the Board in Control of Athletics reports through Acting Director Rhodes to whom the Athletic Directors report. He considers the board as an advisory council.

President Pomerantz pointed out that the Board of Regents looks to the university presidents for accountability for the athletic programs.

President Eaton noted that the Iowa State University Athletic Council serves in an advisory capacity and advises President Eaton.

MOTION:

Regent Tyler moved to approve the fiscal year 1991 preliminary general education fund

budget for the University of Iowa of \$272,539,709. Regent Furgerson seconded the motion, and it carried unanimously.

(b) University Statewide Health Service Units. The Board Office recommended the Board

(1) Approve the fiscal year 1991 preliminary budgets for the following budget units:

University of Iowa Hospitals and Clinics	\$277,133,200
Psychiatric Hospital	12,521,300
Hospital School	6,944,500
Hygienic Laboratory	4,327,500
Specialized Child Health Services	636,200

(2) Approve the fiscal year 1991 proposed rate increases as follows:

University Hospitals	5 percent
Psychiatric Hospital	9 percent
Hospital School	9 percent
Hygienic Laboratory	10 percent

The proposed preliminary operating budget for the University of Iowa Hospitals and Clinics for fiscal year 1991 is \$277,133,200. This is an increase of 14.7 percent above the fiscal year 1990 Board-approved budget. The Hospital requested approval of a 5 percent rate increase. This increase includes an accounting adjustment of \$13.5 million for bad debts that if adjusted out results in a net increase of 9.1 percent.

The preliminary operating budget for the Psychiatric Hospital for fiscal year 1991 is \$12,521,300. This is an increase of 8.73 percent over the Board-approved fiscal year 1990 budget. The Psychiatric Hospital requested approval of a 9 percent rate increase.

The preliminary operating budget for the University of Iowa Hospital School for fiscal year 1991 is \$6,944,500. This is an increase of 9.51 percent over the Board of Regents-approved fiscal year 1990 budget. The Hospital School requested approval of a 9 percent rate increase.

The preliminary operating budget for the University of Iowa Hygienic Laboratory for fiscal year 1991 is \$4,327,500. This is an increase of 7.36 percent over the fiscal year 1990 budget. The Hygienic Laboratory requested approval of a 10 percent rate increase.

The preliminary operating budget for the Specialized Child Health Services is \$636,200. This is an increase of 7.14 percent over the Board-approved fiscal year 1990 budget.

Mr. Yerington noted that the salary policy follows the general university policy except in the staff nurse category.

MOTION: Regent Tyler moved to approve, for the University Statewide Health Service Units, the fiscal year 1991 preliminary budgets and the fiscal year 1991 proposed rate increases, as presented. Regent Furgerson seconded the motion, and it carried unanimously.

(c) Oakdale Campus. The Board Office recommended the Board approve the preliminary operating budget for fiscal year 1991 of \$3,498,891 for the University of Iowa Oakdale Campus.

The Oakdale Campus preliminary budget for fiscal year 1991 is \$3,498,891. This is an increase of \$144,135 or 4.3 percent from the Board of Regents-approved fiscal year 1990 budget.

State appropriation growth is \$144,135. Other revenue sources will remain unchanged in the aggregate.

The salary expenditure category will be decreased by \$131,950 and reallocated to other operating expenditures being incurred by undertaking the operation of additional buildings on the Oakdale Campus. Non-salary expenditures will increase by 19.35 percent or \$276,085.

MOTION: Regent Tyler moved to approve the preliminary operating budget for fiscal year 1991 of \$3,498,891 for the University of Iowa Oakdale Campus. Regent Furgerson seconded the motion, and it carried unanimously.

(d) Family Practice Program. The Board Office recommended the Board receive the fiscal year 1991 preliminary budget of \$1,875,360 for the Family Practice Program.

The fiscal year 1991 preliminary budget is \$1,875,360 for the Family Practice Program. This is an increase of \$116,413 over the Board-approved fiscal year 1990 budget or a 6.62 percent increase. The increase is attributed to a State appropriation of \$111,413 and an expected increase in interest revenue of \$5,000. The entire increase will be used for salary increases.

MOTION: Regent Tyler moved to receive the fiscal year 1991 preliminary budget of \$1,875,360 for the Family Practice Program. Regent Furgerson seconded the motion, and it carried unanimously.

PARKING RATES. The Board Office recommended that at its June 27, 1990, meeting the Board approve revisions to the parking rates charged faculty, students, staff and commuters at the University of Iowa.

Section 262.9(18) of the Iowa Code provides for notification to students thirty (30) days prior to action by the Board when tuition, fees or charges are to be increased. Presenting this item on the May docket ensures compliance with the above-referenced notice requirement.

University of Iowa officials proposed to increase faculty and staff rates by \$1.00 per month and commuter rates by \$.25 per month. A new rate of \$8.50 per month was proposed for the evening lot in an effort to better regulate demands for evening parking and to assist in the equitable sharing of costs.

Rates at storage lots would be increased by \$.50 per month.

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

MANDATORY STUDENT FEE DISTRIBUTION/DESIGNATED STUDENT TUITION DISTRIBUTION. The Board Office recommended the Board approve the university's proposed designated tuition (student activity fee) allocations for 1990-91, including summer session 1991.

Designated tuition is a portion of the annual tuition rates already approved by the Board of Regents. This allocation is not assessed in addition to the annual tuition charge to the students. It is developed by each university in consultation with its students.

Total 1990-91 recommended designated tuition at the University of Iowa is the same as in 1989-90 with adjustments in the distribution to various student organizations.

The University of Iowa Student Association agreed with the university's recommendation of no increase in total designated tuition as a logical follow-up to changes in the organization of student government. Reorganization of student government has resulted in the replacement of two separate student organizations with one organization--the University of Iowa Student Association--and a lessening in the level of funding needed to operate student government.

The students recommended a decrease in the amount of money allocated to student government (from \$18.42 to \$16.62 per student annually) and redistribution of that amount to other student activities.

University officials recommended that \$40,000 be allocated for salary and benefits to employ a full-time, senior accountant. This staff person will

implement procedures to govern the fiscal activities of student government and have day-to-day financial budgeting oversight responsibilities. Allocation of \$1.54/student/year to an accounting position will result in student government receiving \$15.08 per student instead of \$16.62 as recommended by the students.

In addition to the decrease proposed for allocation to student government, the students recommended a decrease from \$7.20 to \$6.80 a year in the allocation for the Daily Iowan Board.

The students proposed redistribution of the above funds as follows: \$.30 increases in the annual allocations to student broadcasters and the lecture committee, a \$.46 annual increase for United Students of Iowa, a \$.10 annual increase in student video productions, and a \$.04 annual increase in recreation services. The largest annual allocations continue to be the building fees assessed for the Arena/Recreation Project (\$25.72) and the Iowa Memorial Union (\$22.92).

In its recommendations on allocation of designated tuition, the University of Iowa Student Association reiterated its request for the university to remodel the office for student organizations and install computer equipment. This request has been endorsed by the Dean of Students and will be forwarded to the Facilities Renewal and Equipment Committee.

Vice President Phillips stated that university officials always consult with students regarding how fees are allocated. University officials recommended the same level of students fees as are in effect for fiscal year 1991. She said the reorganization of student government resulted in streamlining of operations which meant that no additional funds were needed. The students were being asked to allocate some funds to pay for an additional internal auditor. University officials currently do not charge students for their costs to the administration.

Vice President Nathan introduced Mark Havlicek, newly-elected President of the University of Iowa Student Association.

Mr. Havlicek addressed the following questions: What specifically would the auditor's position be? How and by whom would the auditor be paid? He said the docket memorandum was very clear on the role of the proposed auditor. His concern was the reference to "governance". He said the role of the auditor as presented to the students by the administration was much different from what was described in the docket memorandum. Students understand the need for oversight but not governance. A 22.1 percent decrease in funding has been experienced by the student government. The university administration assured students that they will not be responsible for the entire \$40,000 annual cost for the internal auditor, just rather for the services provided to student government. The new student government would like to be given a chance to implement its new policies and procedures.

Regent Fitzgibbon said the Banking Committee and the Board Office very clearly outlined the procedure to be utilized by the university in regard to the additional auditor. He said he was disturbed by how the docket memorandum was written. The new auditor will report directly to the internal auditor. The university will have one internal auditor only. He also said the internal auditor should play a part in retaining and hiring the additional auditor.

President Pomerantz said the issue is who is going to pay for the new auditor. Regent Fitzgibbon said that issue was discussed by the Banking Committee and Board Office. It was his understanding that if an additional audit was needed, such as for the student government, the internal auditor would assign someone to perform that function and a dollar amount would be designated for that service.

Regent Hatch asked how much the proposed \$1.54/student fee generates. Vice President Nathan responded that it would generate approximately \$41,000. He said university officials are uncertain how much time will be required for the auditor to audit the student government. They also do not know the amount of additional burden to implement the new procedures. He said that when he discussed with Mr. Havlicek the assessment to students for the audit costs he thought it was understood that the assessment would be for the worst case scenario.

President Pomerantz asked if Mr. Havlicek was comfortable with the understanding he has with the university. Mr. Havlicek responded affirmatively.

Vice President Nathan said the university will charge students only for the audit and associated costs.

Regent Fitzgibbon referred to the docket memorandum, page 2, the last full paragraph which contained the word "govern". He said he thought "oversight" was a much better word. Mr. Richey stated that "govern" was not the Board Office wording but was rather university wording.

MOTION:

Regent Williams moved to approve the university's proposed designated tuition (student activity fee) allocations for 1990-91, including summer session 1991. Regent Furgerson 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 University of Iowa. There were none.

IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was transacted on Wednesday, May 16 and Thursday, May 17, 1990.

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

Register of Personnel Changes for April 1990 which included early retirements as follows:

JORDAN L. LARSON, Professor of Mechanical Engineering, retiring July 31, 1990;
GEORGE K. SEROVY, Distinguished Professor of Mechanical Engineering, retiring July 31, 1990; and
THORA J. RUNYAN, Associate Professor of Food and Nutrition, retiring June 30, 1990;

and phased retirements of:

EDGAR V. COLLINS, Associate Professor in Chemical Engineering; and
MELVIN J. TSCHETTER, Associate Metallurgist, Ames Laboratory.

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

APPROVAL OF DEPARTMENT MERGER AND NAME CHANGE. The Board Office recommended the Board refer this matter to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

Iowa State University officials requested approval for a merger and name change of the Department of Child Development and the Department of Family Environment to form the Department of Human Development and Family Studies effective July 1, 1990. This merger is a result of an aspect of the university's strategic planning efforts.

The proposed change is in response to a proposal of the faculties of the Child Development and Family Environment Departments. The proposed title reflects the focus of the areas represented by the merger and is descriptive of the programmatic thrust of the Department.

ACTION: This matter was handled as a "Consent Docket" item.

APPROVAL OF DEGREE DISCONTINUANCE. 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 officials requested approval to discontinue the B.S. in Metallurgy in the College of Science and Humanities. The university offers two degrees in this general area, one is in Metallurgy in the College of Science and Humanities and the other is in Metallurgical Engineering in the College of Engineering.

As a result of the strategic planning effort at the university, transfer of administrative responsibility for the Department to the College of Engineering was proposed and this program was proposed for elimination.

Enrollment in the program has been small and this action eliminates a duplicative program situation. The students currently in the program will be allowed an opportunity to complete their program.

ACTION: This matter was handled as a "Consent Docket" item.

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

PERMISSION TO PROCEED WITH PROJECT PLANNING

Utility Projects

For the past several years the university has had in its capital utility projects list the construction of a tie line to the City of Ames electric utility and modifications to the university's chilled water system. Neither of these projects was funded. As a result of the increased installation of scientific equipment and the growth of additional space, the university has reached the point where it will be unable to provide adequate utility service to all of the buildings on campus if planning and construction of these utility projects is not completed by the summer of 1991.

The university has several critical utility needs which must be addressed. Electrical and chilled water capacity have been outpaced by the demand for these utilities to the point where university functions are being severely affected and university programmatic growth cannot be supported. Electrical outages are no longer unexpected events and chilled water capacity to support increased building and equipment loads is non-existent. By the summer of 1991 these two systems will be unable to meet the university's needs.

PROJECT DESCRIPTIONS AND BUDGETS

University officials submitted one new project. This project was included in the university's quarterly report of anticipated capital projects.

Marston Hall--Remodel Classrooms 204 and 205 \$613,500

Preliminary Budget

Contracts	\$ 388,000
Design Services	59,300
Construction Administration	8,300
University Services	8,500
Miscellaneous	1,000
Movable Equipment	100,000
Building Automation	5,000
Telecommunications	5,000
Reserved for Future Contracts and Contract Changes	<u>38,400</u>

TOTAL \$ 613,500

Source of Funds: College of Engineering	
Block Grant Funds	\$ 100,000
ISU Foundation	<u>513,500</u>

TOTAL \$ 613,500

The remodeling of classrooms in Marston Hall was reported as an anticipated project in the university's second quarterly report for fiscal year 1990. At that time the project specified the remodeling of classrooms 204 and 210. University officials now requested authorization to proceed with the project for the remodeling of classrooms 204 and 205.

ARCHITECT/ENGINEER AGREEMENTS

Marston Hall--Remodel Classrooms 204 and 205 \$58,200
Walker Metzger Architects, Des Moines, Iowa

University officials requested permission to negotiate an agreement with Walker Metzger Architects for architectural/engineering services for the project through completion of construction. Design services for the media equipment will be provided by the Iowa State University Media Resources Department and construction will be contracted.

CONSTRUCTION CONTRACTS

Residence Halls--Fire Safety Improvements--Phase II \$453,002
Award to: R. H. Grabau Construction, Boone, Iowa
(2 bids received)

Utilities--Heating Plant--Ash Conditioning \$282,100
Award to: ACI Mechanical Corporation, Ames, Iowa
(2 bids received)

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

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

with SHELDAHL DEVELOPMENT CORPORATION for the university's use of approximately 6,400 square feet of space located at 3809 - 109th Street in Urbandale, Iowa, for a five-year term beginning September 1, 1990 and ending August 31, 1995 at an annual rate of \$54,400;

with the MARSHALL COUNTY BOARD OF SUPERVISORS for the university's continued use of the experimental site at the Marshall County Care Facility in accordance with the terms of the Memorandum of Understanding;

with the UNITED WAY OF CENTRAL IOWA for the university's use of approximately 1,027 square feet of space located within the building at Ninth and Enos Streets in Des Moines, Iowa, for an additional six months from July 1, 1990 through December 31, 1990, at a rate of \$9.80 per square foot, or \$838.72 per month.

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

INDUSTRIAL SECURITY AGREEMENT. The Board Office recommended the Board approve the proposed resolution.

Federal regulations permit the adoption of resolutions so that boards of trustees will reaffirm that they will not require access to classified information in the possession of the institution, and so that the Board

members do not occupy positions that would enable them to affect adversely the organization's policies and practices in the performance of such contract. The adoption of this resolution was necessary to allow the university to continue to keep its status as a "cleared facility" with the federal government.

ACTION: This matter was handled as a "Consent Docket" item.

DESIGNATED TUITION, 1990-1991. The Board Office recommended the Board approve the university's proposed designated tuition (student activity fee) allocations for FY 1991.

Iowa State University officials proposed a total increase in the annual designated tuition of 3 percent, from \$179.96 per year for 1989-90 to \$185.36 for 1990-91. This increase matches the resident tuition increase approved by the Board.

Two major increases in individual allocations were sought--a 21 percent increase in the recreation fee (from \$9.30 to \$11.30 annually) and an 18 percent increase in the Recreation Facility Debt Service (from \$23.48 to \$27.68 annually). A one percent increase was sought for CY Ride (from \$21.70 to \$21.90) to provide partial support for evening service (Nite Ride).

A 5 percent reduction in debt service for Hilton Coliseum was proposed (from \$21.00 to \$20.00 per year).

Regent Hatch referred to the Hilton Coliseum project and asked if university officials were actually "robbing Peter to pay Paul". Vice President Madden acknowledged that to some extent they were doing that. University officials decided to open and operate the new Recreation Facility building. The university has generated surplus funds above what was original projected.

MOTION: Regent Furgerson moved to approve the university's proposed designated tuition (student activity fee) allocations for FY 1991. Regent Tyler seconded the motion, and it carried unanimously.

TRAFFIC AND PARKING REGULATIONS. The Board Office recommended that at its June 27, 1990 meeting the Board approve revisions to the parking fees charged faculty, students and staff at Iowa State University.

Section 262.9(18) of the Iowa Code provides for notification of students thirty (30) days prior to action by the Board when tuition, fees or charges are to be increased.

Iowa State University officials proposed to increase student parking fees by \$2.00 per semester. Annual general fees shall be increased by \$2.20 and reserved fees increased by \$10.00 per year. Parking fees for certain university employees are addressed in collective bargaining agreements. The increases proposed by the university were in compliance with the terms of those agreements.

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

BUDGET CEILING ADJUSTMENT. The Board Office recommended the Board approve a fiscal year 1990 budget ceiling increase of \$121,911.

The Agricultural and Home Economics Experiment Station received confirmation that their fiscal year 1990 federal funds will be \$121,911 higher than originally budgeted. The \$121,911 budget ceiling increase will be expended on equipment purchases.

MOTION: Regent Williams moved to approve a fiscal year 1990 budget ceiling increase of \$121,911. Regent Fitzgibbon seconded the motion, and it carried unanimously.

PRELIMINARY BUDGET FOR FY 1991. The Board Office recommended the Board (1) approve the Iowa State General University preliminary operating budget for fiscal year 1991 of \$217,428,675; (2) approve the Iowa State University Agriculture and Home Economics Experiment Station preliminary operating budget for fiscal year 1991 of \$26,486,462; and (3) approve the Iowa State University Cooperative Extension Service preliminary operating budget for fiscal year 1991 of \$24,494,689.

Proposed general university operating budget of \$217.4 million for fiscal year 1991 represents an increase of \$15.6 million or 7.7 percent over the fiscal year 1990 Board of Regents-approved budget.

The university received a state appropriation that allows a 5.5 percent salary increase after setting aside funds to provide for anticipated fringe benefit increases. Through turnover and internal reallocations, the university anticipates providing an average increase for faculty and professional and scientific staff of 6 percent.

The university received \$1,317,000 for undergraduate education. These funds will be used to fund additional tenure track faculty positions, to convert temporary positions to tenure track positions and to provide technical staff and other necessary support for new microcomputer laboratories established primarily to serve undergraduate students. Part of the new funds will also be used to provide new undergraduate laboratory courses in selected areas and to improve instrumentation available in continuing laboratory courses.

The university received an additional \$280,000 for IMAGES to provide minority scholarships.

University officials proposed to expend an additional \$170,000 on marketing programs. They proposed a number of new initiatives for marketing in the 1990s.

The university received an additional \$4.0 million for agricultural research; \$1.6 million of the total is to be designated for biotechnology programs. The increased funds designated for fiscal year 1991 will be used to strengthen agricultural research throughout Iowa State University.

General service staff will receive a 5 percent cost of living adjustment and merit step increases in accordance with a collective bargaining agreement.

Health insurance increases have been projected at 18 percent for faculty and professional and scientific staff, and 24 percent for general service staff.

The university received an appropriation of \$932,000 for inflationary adjustments in the general university fund. These funds will be distributed as follows:

\$158,000	Offset Non-Approp. Revenue Shortfalls
339,000	Library Acquisitions
170,000	Admissions and Marketing Expenses
100,000	Patent and Technology Transfer Efforts
165,000	Utility Expenditures

University officials proposed a \$2.9 million increase in the utility budget for the general university. This increase will be funded by a \$724,000 appropriation and reallocations from other areas such as building repairs and equipment purchases.

The university anticipates a \$150,000 reduction in tuition revenue due to the State of North Dakota ending its cooperative veterinary medicine education agreement for future students.

Tuition income is projected to be \$63.7 million for fiscal year 1991 or an increase of \$1.5 million. Iowa State University is projecting an enrollment decrease of 65 in enrollment headcount between Fall 1989 and Fall 1990.

The university budgeted \$781,000 of the general university fund for student health fees. This is an increase of \$56,000. The total student health budget is \$2.8 million. The other revenue sources include a mandatory fee, a voluntary fee and generated income.

Iowa State University submitted a preliminary athletic budget summary indicating total income for fiscal year 1991 of \$10.4 million and expenditures of \$10.5 million resulting in a net decrease to the operating balance of approximately \$100,000.

The proposed preliminary operating budget for the Agricultural and Home Economics Experiment Station for fiscal year 1991 is \$26.5 million. This is a 23.8 percent increase above the fiscal year 1990 Board of Regents-approved budget. This increase reflects a \$4 million increase requested by the Iowa Board of Regents and approved by the legislature for fiscal year 1990-91 for agricultural research.

The preliminary operating budget for the cooperative extension service for fiscal year 1991 is \$24.5 million. This is an increase of 6.0 percent over the Board of Regents-approved fiscal year 1990 budget.

President Eaton stated that university officials were very pleased with the resources being provided for the fiscal year 1991 budget. The budget will allow the university to add tenure track faculty. He said the provost asked the deans for specific proposals on how to best utilize funds in specific colleges. Iowa State University enjoys a decentralized decision-making system regarding the expenditure of funds. Central administration is responsible for tracking what is going on. In regard to faculty salary increases university officials anticipate an average 6 percent faculty salary increase. He said that in a 4-year period they elevated salaries nearly 40 percent. There is not any other set of universities that can point to improvements in salaries equal to that. Faculty salaries was one of President Eaton's top two priorities when he came to the university 4 years ago. Salaries have now caught up and have to be kept up. This 6 percent increase on the heels of an 11 percent increase does well for the university's ability to keep up. They have been able to hire some outstanding faculty.

A second priority for President Eaton was increasing funding for agriculture and home economics research. Last year the university received less funding than had been hoped for. In regard to the underfunding of utilities, he said they have experienced four brown outs on the campus in the last four years, and will continue to see more and more unless the utility problem is solved.

Another issue which President Eaton said concerns everyone is support for buildings once they are built. The State is providing a disincentive to continue to build new buildings.

Vice President Madden said there were no major changes in the fringe benefits programs. The university is anticipating a 13 percent health insurance premium increase. They made progress in managing health care costs by adding deductibles a couple of years ago. He said university officials are moving forward with the library automation system which will be funded through internal reallocation and the equipment budget. Another area of the budget

which Mr. Madden addressed was intellectual property and patent manufacturing which will assist with economic development to Iowa.

Regent Fitzgibbon referred to the utilities situation and said university officials needed to review their options and bring the Regents up to date.

President Pomerantz said the tie line to the City of Ames was one issue and the boiler was another issue. Forecasts were made regarding potential savings in order to justify the boiler expenditure. The legislature has taken an attitude that the "savings" should pay for the project.

Regent Tyler added that the legislature did not keep its promise.

MOTION:

Regent Williams moved to (1) approve the Iowa State General University preliminary operating budget for fiscal year 1991 of \$217,428,675; (2) approve the Iowa State University Agriculture and Home Economics Experiment Station preliminary operating budget for fiscal year 1991 of \$26,486,462; and (3) approve the Iowa State University Cooperative Extension Service preliminary operating budget for fiscal year 1991 of \$24,494,689. Regent Furgerson seconded the motion, and it carried unanimously.

Assistant to the President Custer provided the Regents with a brief presentation on the Iowa State University marketing program.

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, May 16 and Thursday, May 17, 1990.

REGISTER OF PERSONNEL CHANGES. The Board Office recommended the Board approve the Register of Personnel Changes for April 1990.

MOTION: Regent Fitzgibbon moved to approve the Register of Personnel Changes for April 1990. Regent Hatch seconded the motion, and it carried unanimously.

UNIVERSITY CALENDAR HOLIDAYS - 1992. The Board Office recommended that the Board approve the university's calendar for 1992 as presented.

The proposed holiday schedule for the 1992 calendar year is based on current collective bargaining contracts and revision may be necessary if the 1991-92 negotiations change contractual provisions on holidays.

ACTION: This matter was handled as a "Consent Docket" item.

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

PERMISSION TO PROCEED WITH PROJECT PLANNING

Seerley Hall Renovation

This project involves the renovation of Seerley Hall, which was built in 1904. The primary purpose of this renovation is to restore the building to its original focus and condition. The building underwent a partial renovation in 1966 to accommodate the growing College of Business Administration. This renovation created some spaces from converted closets and hallways which do not serve as functional classroom and academic spaces.

With the completion of the Classroom-Office Building, which will house the College of Business Administration, Seerley Hall requires restoration and remodeling to adapt to the modern, functional classroom space necessary to accommodate scattered departments of the College of Social and Behavioral Sciences. Most of the departments of this College are assigned to two or more

buildings for instructional space and offices. This renovation project will enable some departments to be assigned to one building.

The total cost of this project is \$4.7 million. The project will be funded by Academic Building Revenue Bond proceeds as authorized by the 73rd General Assembly. Until the time that the bonds are actually sold and the proceeds become available, the project will be funded by other university sources.

PROJECT DESCRIPTIONS AND BUDGETS

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

* * * * *

CONSTRUCTION CONTRACTS

Classroom-Office Building--Communication Cables \$90,876
Award to: Trinity Engineering Company, Inc., Huxley, Iowa
(4 bids received)

Wright Hall Renovation--Asbestos Abatement \$29,700
Award to: Environmental Management Services, Inc., Dubuque, Iowa
(7 bids received)

Bender Hall Window/Screen Repair \$43,259
Award to: A. N. Hauschild, Inc., Iowa Architectural Products,
Swisher, Iowa

Classroom-Office Building--Equipment \$477,809
Award to: Pigott, Inc., Cedar Rapids, Iowa

CHANGE ORDERS TO CONSTRUCTION CONTRACTS

Power Plant Replacement Project--Boiler-- \$37,618.37
Contract 201--Fluidized Bed Boiler
Pyropower Corporation, San Diego, California

ACCEPTANCE OF COMPLETED CONSTRUCTION PROJECTS

Maucker Union--Phase II Addition--Electrical Contract \$145,658
Freeman Electric, Inc., Independence, Iowa

Maucker Union--Phase II Addition--General Contract \$1,016,350.98
Larson Construction Company, Inc., Independence, Iowa

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

PRELIMINARY OPERATING BUDGET. The Board Office recommended (1) the Board approve the fiscal year 1991 preliminary operating budget as adjusted by revisions upward of estimates of tuition income by \$750,000 and by reduction of appropriations of \$475,000 for leadership in teacher education and (2) that the University of Northern Iowa, given its mission statement as a leading teacher college, consider initiating its leadership in teacher education program with increased tuition revenues.

University of Northern Iowa officials proposed a budget for fiscal year 1991 of \$80,610,000. This is an increase of 9.0 percent or \$6.6 million from the fiscal year 1990 revised budget.

The University of Northern Iowa's budget includes an appropriation of \$475,000 for leadership in teacher education. This item was vetoed and the university will adjust its budget accordingly in June taking into consideration its tuition income.

Approximately 73 percent of all increased funding received will be allocated to salaries.

An additional \$1,130,000 of undergraduate education funding will allow the university to acquire additional full-time faculty members devoted to teaching, research and community service.

Additional funding of \$140,000 to supplement the Iowa Minority Academic Grants for Economic Success Program will further the goal to provide four-year scholarships for Iowa's eligible minority students.

Additional tuition revenue of \$400,000 from the Board-approved rate increase will be used to improve the university's library resources and the university's computing facilities.

University officials proposed an increase in tuition income of only 2.0 percent or \$400,000 in fiscal year 1991. The rate increase approved by the Board last fall would support a tuition increase of 4.8 percent or \$960,000. The university is expecting an enrollment increase of 102 students which would justify a tuition increase of \$150,000. It would appear that tuition revenues are understated by \$750,000.

Through a combination of state appropriations and internal reallocations, faculty salaries will increase an average of 7 percent for fiscal year 1991. Professional and scientific salaries will be increased an average of 7

percent. Professional and scientific salary annualization reflects funding necessary to bring all salary lines to current rates following a mid-year merit increase awarded during fiscal year 1990. The University of Northern Iowa was not proposing to continue mid-year increases in fiscal year 1991. General service staff employees will receive a 5 percent cost of living adjustment on July 1, 1990 and step increases during the year consistent with collective bargaining agreements.

University of Northern Iowa officials proposed a marketing strategy for the 1990s that includes broadening the program offerings at the university so as to diversify the type of students that are attracted to the campus. In addition to program diversification, university officials proposed to expand its recruiting program more heavily at out of state students and non-traditional students.

The University of Northern Iowa will receive an appropriation increase in the supplies and services budget of \$359,000, utilities of \$54,000 and opening new buildings of \$216,000. The opening new buildings appropriation will be used primarily for custodial and maintenance staff for the Classroom/Office Building.

The mandatory student health fee approved by the Board will be used by the university to provide adequate health services to students.

University of Northern Iowa officials proposed a preliminary athletic budget of \$3,255,720. A final detailed athletic budget will be presented at the June Board meeting.

President Curris stated that this was one of the more satisfying budgets with which he has been involved. The primary focus is on strengthening undergraduate education for the second year of a 4-year effort. There are critical needs for faculty especially in the business area. The business school has never pursued professional accreditation because there were not enough resources for faculty. This funding gives the school a big step toward achieving accreditation. The budget also provides a significant increase in supplies and services which received basically no increases in the 6 years President Curris has been at the university. The budget provides computer software and assistance, and a significant increase in library services and acquisition and education equipment. The education equipment budget is up \$350,000.

President Curris said the university needed additional money to accommodate student growth. Salary increases will be 7 percent in conjunction with negotiated agreements and the coupling of Professional and Scientific salary increases with faculty salary increases. The university will be spending close to \$250,000 for early retirement provisions. He said the increase in minimum wage has a positive impact for the students but is costing the

university close to \$200,000/year. In the budgeting process that is a fixed cost that needs increased.

Regent Fitzgibbon asked what had been done about combining libraries and computers among the three universities. President Curris said they are making progress. They have a good program of exchanging materials. All the universities are trying to automate. There are important, expensive scientific journals that people on all the campuses want access to. He said there is a tendency to maintain duplicate copies within the systems which receive minimal use. Combining that effort he felt would be a tremendous step forward. Regent Fitzgibbon asked that the Board Office bring the Regents up to date on that effort.

President Pomerantz asked if university officials felt they were catching up with regard to library acquisitions. Provost Marlin responded that this year a significant impact was made in that regard. All the journals' costs have outpaced inflation. The university has not had the resources and has had to cut out journals. This year for the first time they are adding journals back.

President Pomerantz asked if once a journal is on the acquisition list, does it ever get off. President Curris said that more "blood is let" over which journals will be reduced on campus than on any other issue. Faculty members that are never heard from on any other issue speak up in this regard.

President Pomerantz asked if the budget for fire safety will cover all the university's arrearage. President Curris responded that it would. With regard to category 1, the cost is \$880,000 which is covered by the bond issue. This category is given high priority and will be starting directly.

President Pomerantz asked about the building repair backlog. President Curris responded that the university was making some progress this year. He said the ideal situation is to have an adequate amount of funding every year for building repair.

MOTION:

Regent Tyler moved (1) the Board approve the fiscal year 1991 preliminary operating budget as adjusted by revisions upward of estimates of tuition income by \$750,000 and by reduction of appropriations of \$475,000 for leadership in teacher education and (2) that the University of Northern Iowa, given its mission statement as a leading teacher college, consider initiating its leadership in teacher education program with increased tuition revenues. Regent Greig seconded the motion, and it carried unanimously.

BUDGET CEILING ADJUSTMENT. The Board Office recommended the Board approve a budget ceiling increase for fiscal year 1990 of \$1,500,000 for the University of Northern Iowa's general education fund.

The University of Northern Iowa has experienced an increase in tuition and fees revenues due to record fall and spring enrollments amounting to \$1,271,000. Other increased revenue sources for the University of Northern Iowa include supplemental appropriations from the State of \$60,000 for opening new buildings and an unexpected increase in other income from reimbursed indirect costs, investment income and miscellaneous fees amounting to \$169,000.

The budget ceiling increase of \$1,500,000 will be expended in the following expenditure categories:

\$ 25,000	Library Acquisitions
350,000	Academic Equipment
60,000	Opening New Buildings
1,065,000	Building Repairs.

President Curris said that about \$750,000 was set aside to be allotted to specific departments for faculty tenure-track positions. Another \$50,000 will be used to address existing part-time temporary positions for converting those to full-time positions. There will be fringe benefit costs on top of the salaries. Virtually all the funds will be used for new faculty positions with some money being used for educational equipment.

MOTION: Regent Tyler moved to approve a budget ceiling increase for fiscal year 1990 of \$1,500,000 for the University of Northern Iowa's general education fund. Regent Greig seconded the motion, and it carried unanimously.

STUDENT ACTIVITY FEES. The Board Office recommended the Board approve the university's proposed student activity fee allocations for academic year 1990-91 and summer session 1991.

The proposed aggregate increase in student activity fee allocations for 1990-91 is 3 percent, an increase from \$127.50 per year for 1989-90 to \$131.30 for 1990-91. This increase is less than the 3.9 percent undergraduate resident tuition increase approved by the Board for the University of Northern Iowa.

The proposed increases in allocations are in response to inflation and programmatic needs expressed by the students, faculty, and administration.

One major increase in an individual allocation was sought--an 18 percent increase for student organizations (\$10.00 to \$11.80 a year).

An 8 percent increase was proposed for the fine arts/cultural allocation (from \$8.90 to \$9.60 annually)

A 3 percent increase was proposed for intercollegiate athletics--the largest allocation--from \$36.00 to \$37.10 a year. This fee supports athletic scholarships and the increase reflects the tuition increase approved by the Regents.

A one percent increase was proposed for the Building Fund for Student Activity, from \$15.00 to \$15.20 annually. Use of this fund, which has a current balance of \$2.6 million, is restricted to facility projects directly related to student life. It is being developed and enhanced to support funding for a wellness/recreation facility. The fund has previously been used for auditorium renovations (1980-81), auditorium lighting (1982-83), carillon renovations (1984-85), and the addition to Maucker Union (1986-87).

MOTION: Regent Hatch moved to approve the university's proposed student activity fee allocations for academic year 1990-91 and summer session 1991. Regent Fitzgibbon seconded the motion, and it carried unanimously.

MOTOR VEHICLE AND BICYCLE REGULATIONS. The Board Office recommended that the Board (1) approve the 1990-91 motor vehicle and bicycle regulations for the University of Northern Iowa except for proposed parking rates and (2) defer approval of revisions to the parking rates for faculty, students and staff until its meeting on June 27, 1990.

MOTION: Regent Furgerson moved to (1) approve the 1990-91 motor vehicle and bicycle regulations for the University of Northern Iowa except for proposed parking rates and (2) defer approval of revisions to the parking rates for faculty, students and staff until its meeting on June 27, 1990. Regent Williams seconded the motion, and it carried unanimously.

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

with JOHN MCCARTER for the university's use of approximately 5,400 square feet of warehouse space located at 308 Roosevelt Street in Cedar Falls, Iowa, for a two-year period beginning July 1, 1990 and ending June 30, 1992, at an annual rate of \$7,290;

with TAU KAPPA EPSILON FRATERNITY for its use of the house located at 1203 West 23rd Street at a monthly rental of \$560 for the 12 months beginning July 1, 1990 through June 30, 1991 as part of a long-term lease ending July 31, 1993, said rate to continue unless revised by the university;

with GAMMA PHI BETA SORORITY for its use of the house located at 1209 West 23rd Street at a monthly rental of \$560 for the 12 months beginning July 1, 1990 through June 30, 1991 as part of a long-term lease ending July 31, 1993, said rate to continue unless revised by the university.

MOTION:

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

AYE: Fitzgibbon, Furgerson, Greig, Hatch, Pomerantz, Tyler, Williams.

NAY: None.

ABSENT: Berenstein, Westenfield.

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, May 16 and Thursday, May 17, 1990.

REGISTER OF PERSONNEL TRANSACTIONS. The Board Office recommended the Board approve the Register of Personnel Changes for March 1990.

MOTION: Regent Fitzgibbon moved to approve the Register of Personnel Changes for March 1990. Regent Hatch seconded the motion, and it carried unanimously.

APPROVAL OF 1990-1991 SCHOOL YEAR CALENDAR. The Board Office recommended that the Board approve the school calendar for the 1990-91 school year.

State law requires common schools to meet for at least 180 student-teacher contact days. While this law does not technically apply to the Board's special schools, Iowa School for the Deaf elects to follow this pattern for its school calendar.

The school year shall commence Monday, August 20, 1990 and end Friday, June 7, 1991. The calendar provides for 180 school days with each day 5-1/2 hours long.

The calendar provides for nine (9) in-service training days for faculty. The calendar features extended homegoing on several months to provide students with more time at home with the family.

ACTION: This matter was handled as a "Consent Docket" item.

BUDGET CEILING INCREASE FOR FISCAL YEAR 1989-90. The Board Office recommended the Board approve a general fund budget ceiling increase of \$53,000 for fiscal year 1990.

The Iowa School for the Deaf is anticipating an increase in revenues of \$53,000 over their original budget due to the sale of excess and obsolete equipment amounting to \$20,000 and from higher than anticipated income from interpreting service agreement with Area Education Center 13 of \$33,000.

The budget ceiling increase would be expended on professional staffing needs and the purchase of two new mini-vans.

MOTION: Regent Furgerson moved to approve a general fund budget ceiling increase of \$53,000 for

fiscal year 1990. Regent Williams seconded the motion, and it carried unanimously.

PRELIMINARY BUDGET FOR FISCAL YEAR 1991. The Board Office recommended the Board approve the fiscal year 1991 preliminary budget of \$6,342,232 for the Iowa School for the Deaf.

Iowa School for the Deaf officials proposed a budget for fiscal year 1991 of \$6,342,232. This is an increase of 6.77 percent or \$402,000 from the Board-approved fiscal year 1990 budget.

The school preliminary budget has an increase of \$434,469 for salary expenditures. The Iowa School for the Deaf will create two professional positions in the faculty salary expenditure group that have been previously contracted through the professional and scientific supplies expenditure category. The two positions represent a transfer of \$72,000.

Non-salary expenditure items are budgeted to decrease by \$32,469 or a negative 2.7 percent compared to the Board of Regents-approved fiscal year 1990 budget. The dollars being saved in non-salary expenditure areas will be reallocated to salary categories.

Appropriations are approximately 97 percent of all school revenues. The appropriated funds are expected to increase by \$402,000 or 7.01 percent for fiscal year 1991. All other sources of revenue are expected to remain constant at fiscal year 1990 levels.

Superintendent Johnson stated that for next year school officials are looking at starting many of the strategic planning initiatives. What needs to happen now is a year of review and development with the Board Office on some very different initiatives the school is proposing. He said this is a maintenance type of budget to meet the needs of the institution at this time.

MOTION:

Regent Furgerson moved to approve the fiscal year 1991 preliminary budget of \$6,342,232 for the Iowa School for the Deaf. Regent Williams 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, May 16 and Thursday, May 17, 1990.

REGISTER OF PERSONNEL CHANGES. The Board Office recommended the Board approve the school's Register of Personnel Changes for the period April 1 to April 28, 1990.

MOTION:

Regent Fitzgibbon moved to approve the school's Register of Personnel Changes for the period April 1 to April 28, 1990. Regent Hatch seconded the motion, and it carried unanimously.

ACCEPTANCE OF HILTON-PERKINS PRESCHOOL GRANT. The Board Office recommended the Board authorize Iowa Braille and Sight Saving School to accept the Hilton-Perkins Preschool Grant.

Iowa Braille and Sight Saving School has received a 3-year grant of \$104,350 per year from the Conrad Hilton Foundation and the Perkins School for the Blind to provide services to preschool age children with multihandicaps including visual impairment. Two additional preschool outreach consultants, supplementing one already employed by Iowa Braille and Sight Saving School, will be employed to provide consultive "mentoring" services to parents, local school districts, and area education agencies throughout the state.

The program's emphasis on serving rural areas and the inclusion of services to parents were important favorable factors in its selection by the grantors. The program will emphasize consultive services, rather than direct, center-based services, and the three consultants will be placed at strategic locations around the state. The two additional consultants will be hired on a temporary term basis, for the duration of the grant only, with no indication of possible continued employment at Iowa Braille and Sight Saving School after the grant expires.

Iowa Braille and Sight Saving School hopes to obtain a federal grant to continue the program after the Hilton-Perkins grant expires. The grant will completely cover the costs of the two new consultants, including indirect administrative costs. Costs are comparable to that of the currently-employed consultant with additional funds added for office rental at off-campus locations for the two new consultants.

The expanded consultant services are expected to be in place by October 1990.

Dr. Ian Stewart of Iowa Braille and Sight Saving School and Mr. Michael Collins of the Perkins School for the Blind discussed this program with the Regents.

Mr. Collins discussed the nature of the project. The grant goes to Perkins School for the Blind which is a private school for the blind located in Boston. He said that Conrad Hilton during his lifetime developed an interest in the lifetime of Helen Keller. He wished to improve services for blind children as well as multihandicapped blind and deaf-blind children. The grant has helped develop services abroad in Asia, Africa and Latin America. He said that typically services to multi-impaired as well as infants and toddlers is lacking. The grant funds model programs from which others can learn. They are looking to establish such programs with private grant funds used in a seed money capacity.

Of special concern to the grantor is early intervention services for sensory-impaired children. It also assists the families of such children in identifying handicaps early. It supplements and assists colleges and universities in training of teachers of the handicapped. Another category of emphasis is to help expand parent organizations to address how to take positive action to improve service delivery. The final category of funding is to develop good training materials in an in-service and pre-service capacity.

Mr. Collins concluded by saying that the grantors view the funding of Iowa Braille and Sight Saving School as an opportunity for new and exciting model projects whereby others can learn.

Dr. Stewart stated that it is said that all of what we learn is learned within our first 5 years. Ninety percent of that learning is through the visual sense. Early identification of handicapping conditions enables children to get off to a good start. Many currently-offered services are generic. He said the school will probably have to hire a consultant from the national market and the school's salaries do not compete well nationally.

President Pomerantz congratulated Superintendent Thurman on seeking and achieving this kind of funding. He also expressed appreciation to Mr. Collins and thanked Dr. Stewart for his support and assistance.

Superintendent Thurman noted that there would be annual reports to the Board.

ACTION: President Pomerantz stated the Board authorized Iowa Braille and Sight Saving School to accept the Hilton-Perkins Preschool Grant, by general consent.

APPROVAL OF SERVICE CONTRACTS FOR FY 1991. The Board Office recommended that the Board approve contracts for services as follows:

with KAREN RANDALL, OTR, to provide Occupational Therapy Services at a rate of \$27.60 per hour, not to exceed four hours per week;

with VIRGINIA GAY HOSPITAL, Vinton, for Physical Therapy Services at a rate of \$27.60 per hour of service, not to exceed four hours per week;

with DR. SHERMAN L. ANTHONY, Vinton, for medical services at a base fee of \$1,980 for the 1990-1991 school year and an examination fee of \$20 for each student examined or administered service at the school or at the Vinton Clinic;

with the MENTAL HEALTH INSTITUTE, Independence, to provide laundry services at a rate of 16 and one-half cents per pound of laundry processed;

with PHYLLIS NESBIT to provide musical consultation services at a rate of \$25 per hour of service.

With the renewal of the agreement with Ms. Randall, occupational therapy services will be provided at the school for the 1990-1991 academic year at an hourly rate of \$27.60, which is 5.1 percent above the current hourly rate.

The agreement with Virginia Gay Hospital will provide physical therapy services to students for the 1990-1991 school year at a cost of \$27.60, which is 5.1 percent above the current charge.

The agreement with Dr. Anthony for medical services for students provides for a base fee of \$1,980 for the 1990-1991 school year, an increase of 4.8 percent over the current agreement. The cost of \$20 for each student examined is the same as in the current agreement.

The agreement with the Mental Health Institute provides laundry services for a one-year term beginning July 1, 1990 and ending June 30, 1991 at a rate of 16 and one-half cents per pound of laundry processed.

The agreement with Phyllis Nesbit provides musical consultation services to the students for the 1990-1991 school year at a rate of \$25 per hour.

Provision of these services is a partial fulfillment of federal and state regulations for school services for handicapped students.

ACTION: This matter was handled as a "Consent Docket" item.

APPROVAL OF PRELIMINARY OPERATING BUDGET FOR FISCAL YEAR 1991. The Board Office recommended the Board approve the fiscal year 1991 preliminary budget of \$3,608,306 for the Iowa Braille and Sight Saving School.

The Iowa Braille and Sight Saving School proposed a budget for fiscal year 1991 of \$3,608,306. This is an increase of 6.25 percent or \$212,342 from the fiscal year 1990 Board of Regents-approved budget.

The school preliminary budget has an increase of \$170,873 for salary expenditures. Salary increases will average approximately 6 percent for all employees.

The Iowa Braille and Sight Saving School will implement the Hilton Perkins pre-school program at an expense of \$140,000. This program is funded with federal funds.

The school will provide an orientation to mobility instructor to the area education agencies on a cost recovery basis of \$40,000.

The school intends to refurbish selected residential areas at a cost of \$40,000.

The school plans to establish and implement a technology plan to include staff development, provide up-to-date technology for visually impaired persons at an expense of \$60,000.

The school plans to work with existing services in students' homes or targeted communities for both summer activities and adult placement through the service specialist for the blind rehabilitation counselor located on the Iowa Braille and Sight Saving School campus at an expense of \$42,000.

The non-salary expenditures budgeted for fiscal year 1991 are expected to increase by \$41,469 over the fiscal year 1990 Board of Regents-approved budget.

Appropriations are approximately 94 percent of all school revenue in the general operating fund. The appropriated funds are expected to increase by \$212,342 or 6.7 percent for fiscal year 1991. All other sources of revenue will remain constant in the aggregate.

Director Hauser said there are 12 facilities on the campus with an average age of 50 years. He noted that a great effort was put into the budget process this year to accurately reflect where expenditures will be next year.

Superintendent Thurman stated that although the process of accurately portraying budget needs is lengthy, an issue that must always be kept in mind is the number of students with increasingly-involved medical conditions. He provided an example of one such student which he said was an expense for which school officials could not plan. Thirty percent of the students have seizure difficulty, some have orthopedic difficulty, while still others have behavioral difficulties. He said it is difficult to plan for such expenses.

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The school is losing budgetary flexibility to meet the changing needs of the student population. He cautioned that they may have to do some changing in and out of budget categories throughout the year.

President Pomerantz asked what school officials could do about the issues raised by Superintendent Thurman. Superintendent Thurman said it would be helpful if they could do a better job of projecting the severity level of students coming to the school; however, that is very difficult.

President Pomerantz suggested that school officials carefully monitor and incorporate into the planning and budgeting process if the issue is persistent.

Regent Hatch asked if the school could be reimbursed from Medicare. Superintendent Thurman said it could not be reimbursed from Medicare.

Regent Hatch suggested the Regents work on the legislature with regard to Medicare reimbursement. Mr. Richey said the issue would be added to the legislative list.

MOTION:

Regent Furgerson moved to approve the fiscal year 1991 preliminary budget of \$3,608,306 for the Iowa Braille and Sight Saving School. Regent Tyler 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 Iowa Braille and Sight Saving School. There were none.

ADJOURNMENT. The meeting of the State Board of Regents adjourned at 11:34 a.m., on Thursday, May 17, 1990.



Robert J. Barak
Deputy Executive Director