

The State Board of Regents met on Wednesday, May 18, 1994, at the University of Northern Iowa, Cedar Falls, Iowa. The following were in attendance:

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Members of State Board of Regents

Mr. Berenstein, President	All sessions
Mr. Collins	All sessions
Mr. Dorr	All sessions
Ms. Furgerson	All sessions
Mrs. Hendricks	Excused
Mrs. Johnson-Matthews	All sessions
Dr. Newlin	All sessions
Mrs. Pellett	All sessions
Dr. Tyrrell	All sessions

Office of the State Board of Regents

Executive Director Richey	All sessions
Deputy Executive Director Barak	All sessions
Director Specter	All sessions
Director Volm	Excused at 1:40 p.m.
Associate Director Houseworth	All sessions
Minutes Secretary Briggie	All sessions

State University of Iowa

President Rawlings	Excused at 2:10 p.m.
Provost Nathan	Excused at 2:10 p.m.
Vice President Manasse	Excused at 2:10 p.m.
Vice President Rhodes	Excused at 2:10 p.m.
Vice President True	Excused at 2:10 p.m.
Associate Vice President Small	Excused at 2:10 p.m.
Director Gibson	Excused at 2:10 p.m.
Director Yanecek	Excused at 2:10 p.m.
Legislative Counsel Stork	Excused at 2:10 p.m.

Iowa State University

President Jischke	Excused at 2:14 p.m.
Provost Kozak	Excused at 2:14 p.m.
Vice President Madden	Excused at 2:14 p.m.
Associate to the President Adams	Excused at 2:14 p.m.
Director Bradley	Excused at 2:14 p.m.
Director Jensen	Excused at 2:14 p.m.

University of Northern Iowa

President Curris	All sessions
Provost Marlin	All sessions
Vice President Conner	All sessions
Vice President Follon	All sessions
Executive Assistant to the President Stinchfield	All sessions
Assistant to the President Geadelmann.	All sessions
Director Chilcott	All sessions

Iowa School for the Deaf

Superintendent Johnson	Excused at 2:37 p.m.
Business Manager Heuer	Excused at 2:37 p.m.
Interpreter Cool	Excused at 2:37 p.m.
Interpreter Fowler	Excused at 2:37 p.m.

Iowa Braille and Sight Saving School

Superintendent Thurman	Excused at 2:17 p.m.
Director Woodward	Excused at 2:17 p.m.

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The following business pertaining to general or miscellaneous business was transacted on Wednesday, May 18, 1994.

APPROVAL OF MINUTES OF BOARD MEETINGS, APRIL 20 AND APRIL 25, 1994.

The Board Office recommended the Board approve the Minutes, as written.

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

MOTION:

Regent Tyrrell moved to approve the Minutes of the April 20 and April 25, 1994, meetings. Regent Pellett seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

CONSENT ITEMS. The Board Office recommended the Board approve the consent docket, as presented.

MOTION:

Regent Johnson-Matthews moved, seconded by Regent Tyrrell, to approve the consent docket, as follows:

Receive the Board Meetings Schedule;

Refer Iowa State University's post-audit report on the undergraduate program in Linguistics to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation; and

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Receive the Register of Capital Improvement
Business Transactions for Iowa Braille and Sight
Saving School.

President Berenstein stated that the June 1994 meeting was going to be held on Tuesday and Wednesday, June 14 and 15. The Regents would all be arriving in Iowa City on June 13 to attend a banquet honoring faculty at the three universities.

President Rawlings stated that the banquet would be held on Monday evening. The Board was scheduled to meet all day Tuesday and possibly one-half day on Wednesday.

President Berenstein stated that he would be out of the country from September 16 through the 24. He said Regents Tyrrell and Hendricks as well as President Rawlings would be gone from September 11 through 25. He asked that Mr. Richey determine a date in September when the Board could meet because he preferred to have the September meeting with as many Regents available as possible.

MOTION CARRIED UNANIMOUSLY.

INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION. (a) Curriculum Changes - University of Northern Iowa. The Board Office recommended the Board (1) approve the proposed changes in courses at the University of Northern Iowa (subject to [a] submission of additional required information to the Coordinating Council and [b] approval of the Iowa Coordinating Council for Post-High School Education at its June 8 meeting); (2) approve the proposed new majors and minors (Bachelor of Music, Composition Theory Major, Master of Music, Major in Jazz Pedagogy, Ethics Minor, and Bachelor of Science with Major in Computer Science); and (3) approve the programs proposed to be dropped.

University of Northern Iowa officials submitted proposals for program and curricular changes including those as a result of a separation of a department.. The report included 184 new courses proposed with 108 present courses proposed to be dropped.

New program majors and minors:

College of Humanities and Fine Arts
Bachelor of Music, Composition Theory Major
Master of Music, Major in Jazz Pedagogy
Ethics Minor

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College of Natural Sciences
Bachelor of Science with Major in Computer Science

Proposed majors and minor to be dropped were:

College of Natural Sciences
Earth Science Major

College of Social and Behavioral Sciences
Social Science Major

College of Humanities and Fine Arts
Philosophy and Religion Major
B.A. in Audiorecording Technology Minor.

The Board Office and the Interinstitutional Committee on Educational Coordination recommended approval.

Regent Furgerson stated that she appreciated the creation of the Master of Music with Major in Jazz pedagogy.

MOTION:

Regent Furgerson moved to (1) approve the proposed changes in courses at the University of Northern Iowa (subject to [a] submission of additional required information to the Coordinating Council and [b] approval of the Iowa Coordinating Council for Post-High School Education at its June 8 meeting); (2) approve the proposed new majors and minors (Bachelor of Music, Composition Theory Major, Master of Music, Major in Jazz Pedagogy, Ethics Minor, and Bachelor of Science with Major in Computer Science); and (3) approve the programs proposed to be dropped. Regent Dorr seconded the motion. MOTION
-CARRIED UNANIMOUSLY.

Regent Dorr said the ethics minor made a lot of sense and he was personally impressed with the implementation of that part of the curriculum.

ACCREDITATION REPORT. The Board Office recommended the Board receive the report on action by the Joint Commission on Accreditation of Healthcare Organizations.

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This was a status report on the efforts of University Hospitals and Clinics to obtain full compliance with accreditation standards of the Joint Commission on Accreditation of Healthcare Organizations.

In November and December 1992, a 5-member site visit team from the Joint Commission on Accreditation of Healthcare Organizations spent 17 days at University Hospitals and Clinics.

UIHC was notified in early-1993 that it had received full accreditation for the maximum three-year period; however the hospital did receive nine Type I recommendations (which may affect an accreditation status). In November 1993, UIHC reported that steps had been taken to correct four of the Type I recommendations. This month, UIHC officials reported that the Joint Commission had removed the remaining contingencies. The recommendations related to documentation on the time limits for use of restraints in the Psychiatric Unit, and to operations in several "Special Function Laboratories."

President Berenstein, on behalf of the Board of Regents, commended University Hospitals officials on obtaining full compliance with the standards of the Joint Commission.

ACTION: President Berenstein stated the Board received the report on action by the Joint Commission on Accreditation of Healthcare Organizations, by general consent.

ANNUAL REPORTS ON GRADUATE STUDY CENTERS. The Board Office recommended the Board receive the reports on the Quad-Cities Graduate Study Center, the Tri-State Graduate Center, and the Southwest Iowa Regents Resource Center.

Regent universities participate in three off-campus study centers—the Quad-Cities Graduate Study Center, the Tri-State Graduate Center, and the Southwest Iowa Regents Resource Center.—Annual reports on the graduate study centers are scheduled to be presented to the Board in May according to Section 1.04D of the Regents Procedural Guide, the Calendar of Governance Reports.

The centers vary considerably in age and size:

The Quad-Cities Center, a consortium of 11 universities, was established in 1969, serves 2 states (Iowa and Illinois), and reports total course enrollment of 4,708.

The Tri-State Center, which includes 11 universities, an AEA, and a community college as member academic institutions, was established in 1990, serves 3 states (Iowa, Nebraska, South Dakota), and reports course enrollment of 2,608 (including enrollments sponsored by the local AEA).

The Southwest Iowa Regents Resource Center was established in 1991, serves 8 counties in Southwest Iowa, and reports course enrollments of 516.

The Iowa Communications Network is beginning to play a major role in delivery of courses at all three centers, which are anticipating even greater utilization in the future.

Quad-Cities Graduate Study Center

The Quad-Cities Graduate Study Center, formed in 1969, is the oldest of the three centers. Its mission is to provide graduate-level educational opportunities to the Quad-Cities area.

The objectives of the Center are to:

- Promote and coordinate graduate degree programs, graduate non-degree courses, and post-baccalaureate non-credit continuing professional education programs that are comparable to member institutions' on-campus programs and courses.

- Promote interinstitutional cooperation/program efficiency by combining members' resources for program delivery.

- Serve as a model for interinstitutional cooperation in the delivery of off-campus degree programs.

The Center offers 16 Master's-level programs to residents of Illinois and Iowa by 11 participating public and private colleges and universities. Two doctoral-level courses in Education Administration are now available from Illinois State University.

The Center reported that from FY 1993 to FY 1994, total headcount enrollments (each student counted once) decreased from 2,569 to 2,519 and total enrollments (by course) decreased from 4,839 to 4,708.

The strategic plan of the Center includes five goals:

To continue to provide an opportunity for ongoing interinstitutional dialogue to strengthen cooperation and to expand and enrich course/program options for area students

The Center's course approval process will continue to signal to member institutions and to students that courses offered through the Graduate Center are appropriate to the Center site and that most Center member institutions will not count the course against a transfer limit.

To expand its support of member institution activities in economic development, community development, non-credit and certificate programs, research and cultural activities and to increase its outreach, needs assessment and marketing activities.

To reallocate its resources consistent with the demands of additional classroom/telecommunications sites, new registrations systems, and new areas of activity.

To participate in regional and state-wide efforts and represent the interests of its members in relation to these efforts as appropriate.

During most of the Quad-Cities Center's history, students from Iowa and Illinois have enrolled in approximately equal numbers. Over the last several years, the balance has shifted in favor of Illinois students. This year, Iowa residents comprised 38 percent of the 2,519 headcount enrollments and Illinois residents comprised 62 percent. Center officials noted that the reason for the shift is unclear; it is possible that in future years, the distribution will again approach 50-50.

The Quad Cities Center is supported by appropriations from the states of Iowa and Illinois. The FY 1994 budget lists support of \$151,000 from Illinois and \$142,000 from Iowa.

Tri-State Graduate Study Center

The Tri-State Center is completing its third academic year.

In May, 22 nurses and 23 educational administrators will complete their programs when they graduate from South Dakota State and University of Northern Iowa, respectively.

These are the first two programs to complete a first sequence in connection with this center.

The missions of the Tri-State Center are:

To develop in the 3-state area (Iowa, Nebraska, South Dakota) coordinated programs of study at the graduate level which are applicable toward degrees from member academic institutions; and

To expand continuing educational opportunities for individuals in the area.

Although the Center was created with a three-state concept, the majority of the population of greater Siouxland resides in Iowa and 90 percent of FY 1993 registrants were residents of the state of Iowa.

There are 11 Master's degree programs offered in cooperation with 13 post-secondary institutions.

The Center's plan for 1994-95 includes 3 goals: To develop a strategic plan, to increase graduate offerings for the citizens of Siouxland, and to increase services to member academic institutions.

An external audit by King, Reinsch, Prosser & Company, CPA, for the year ended June 30, 1993, reported total revenues of \$79,033 and expenditures of \$71,443. A carryover from FY 1992 resulted in a year-end balance of \$7,669.

The Center will have an approximate \$8,000 deficit in FY 1994 that is expected to be picked up by local funds through SIMPCO, a local development organization.

In April, the Nebraska legislature passed a bill funding the Center in the amount of \$40,000 for FY 1995. The Iowa appropriation is to be \$67,750, South Dakota is expected to contribute around \$10,000.

Southwest Iowa Regents Resource Center

The Board of Regents in 1991 approved establishment of the Southwest Iowa Regents Resource Center to provide access to Regent universities for citizens living in Southwest Iowa. The Center coordinates delivery of off-campus graduate education and assists with the delivery of two undergraduate programs to the area.

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The State Extension Council governs the Southwest Iowa Center with the assistance of a 17-member advisory committee composed of local citizens with links to the business and education communities.

The Center, which serves as a contact point for Regent university resources, cultural activities to the area, and internship programs, is located in Giangreco Hall on the campus of Iowa School for the Deaf.

Enrollment at the Southwest Iowa Center has increased by 47 percent (from 351 to 516) from its establishment in 1991 to 1994. Enrollment does not include courses conducted by AEAs or other colleges and universities.

The Center reported significant progress in achieving the following four goals established for FY 1994:

- To increase Southwest Iowa residents' access to Regent university programs and services.

- To increase area residents' access to non-credit professional development programming.

- To increase area residents' access to a wider range of graduate-level programming.

- To promote the Center as a convenient and effective contact point for Regent university information and assistance.

Support of \$67,300 from an appropriation by the State of Iowa supports a half-time Coordinator and a three-fifths time Secretary.

Additional funds would be required to implement the Center's plans to offer 5 to 6 additional graduate programs via the Iowa Communications Network in 1994-95. The funds would be used to support a full-time coordinator, a full-time secretary, and increases in travel, telephone, postage, printing, promotion and equipment.

Director Barak noted that the Tri-State Center report mentioned that its deficit would be picked up by SIMPCO. SIMPCO lends the Center the money to get through; the money is then repaid by income to the Center. Another issue he mentioned was the Iowa Communications Network in regard to the Centers. The basic problem is getting access to classrooms. This summer, for example, University of Northern Iowa and Iowa State University had to cancel program offerings because of lack of capacity in the

system and classroom space at the sites. He stated that the following directors/coordinators of the three Centers were present to answer questions: Janet Lessner, Quad-Cities Graduate Study Center; Helen Morten, Tri-State Graduate Study Center; Jeanne Trachta, Southwest Iowa Regents Resource Center.

President Berenstein asked if any of the representatives wished to make comments.

Ms. Morten said she was grateful to the Regent institutions for bringing classes to Northwest Iowa. The institutions have a definite presence there.

Ms. Trachta said she was very pleased with the level of activity of the Regent institutions in Southwest Iowa.

Ms. Lessner stated that the Iowa Communications Network is the most critical element for the future of the Quad-Cities Graduate Study Center. She has seen evidence of more activity from institutions that have been less active in the past because of distance due to the Iowa Communications Network.

Regent Dorr asked whether the budget proposal for fiscal year 1996 for the Quad-Cities Graduate Study Center was actually \$354,000 instead of \$336,000. Ms. Lessner responded that the budget figure was \$354,000. There are several components to the Center's revenues. The participating states each allocate a certain amount. A small component to bridge the gap between what is allocated by the states and the actual amount needed comes from the Center's reserve fund.

Regent Dorr stated that he had some general concerns regarding the tone of the reports, especially with the two Centers in western Iowa. He said it looked like the demand for services is minimal unless they expend a great deal of effort marketing. In this era of limited resources, he was concerned about how many markets they could effectively enter into, maintain a presence in and be effective in the long term. He was hesitant to establish new programs that ultimately take on a life of their own, become very costly, and must be sustained with fairly substantial subsidies from various and sundry sources. There is not an unlimited resource base. He stressed that he was not castigating the Regents or the Centers for their efforts but felt that they should proceed cautiously.

Regent Pellett said she had some of the same concerns as Regent Dorr. With regard to the courses that had to be canceled, she said it was her understanding that every county has one school with a classroom intact. Were the classrooms all in use?

Ms. Morten responded that in the Sioux City area there is only one classroom at present and that is at Western Iowa Technical Community College. The closest other Iowa Communications Network site is in LeMars, 25 miles away, and that classroom also was not available. The Tri-State Graduate Study Center does have some programming into LeMars; therefore, she said they are using the alternative sites as well. She said the ICN makes the delivery of programs in remote areas more cost effective.

Regent Tyrrell said it was his understanding that there is a point of presence in every county; therefore, the Tri-State Graduate Study Center wouldn't have just Sioux City and LeMars. There would also be classrooms in adjoining counties that have a point of presence which could be utilized. It would be a short drive for students but certainly would be preferable to canceling courses.

Ms. Morten said she refers to this as a "shakedown" period for the Iowa Communications Network. They are having to adjust their thinking as to where courses can be programmed. She felt this was a concern that would be alleviated in the future. Some people are willing to drive 50 miles in order to access programs.

Regent Tyrrell said he would appreciate Center officials investigating the other points of presence in adjoining counties and the feasibility of using those rather than having to cancel courses.

Ms. Morten said she was in the process of doing that. They are using the LeMars site. There are others in Storm Lake, for example, which is approximately 50 miles from Sioux City.

Regents Pellett and Tyrrell indicated that it was their understanding that there is a hook up in every single county by definition of the Iowa Communications Network.

Regent Dorr stated that in his local area there are community colleges embarking on fund drives to establish new facilities for accessing the Iowa Communications Network. Community high schools are having special fund-raising efforts to access the system. There are myriad efforts going on. A lot of money is being duplicated where it does not necessarily have to be. Everybody seems to think they have to have a "piece of the pie". At some point there has to be a coordination of some of these efforts. He said he understood that it was not the Regents' responsibility to coordinate efforts on a statewide basis but they needed to address how they interact. It would be prudent for Regent representatives and others to begin to develop some sort of policy on how to coordinate these efforts.

Ms. Morten stated that a regional committee consisting of representatives of all the users of a particular Iowa Communications Network site meets regularly. In Sioux City representatives on the committee include the area educational agency, Briarcliff College, Morningside College, public schools as well as the Tri-State Graduate Study Center. They are trying to work through the process and to satisfy all the users.

Regent Dorr asked about the Regents' representative to the Sioux City area regional committee. Would it be Ms. Morten of the Tri-State Graduate Study Center?

Ms. Morten responded that she could be considered the Regents' representative because she is programming for the Regent institutions through the Center.

Ms. Lessner stated that in the Quad-Cities Von Pittman from the University of Iowa represents the Regent institutions on the regional committee. Other members in addition to Ms. Lessner are the same array of potential users that compose the Northwest Iowa area's regional committee.

Ms. Lessner then addressed the comments about the points of presence in every county. She said the National Guard will have additional capacity for the education community to share; however, right now the demand for access to the system to provide courses is greater than the capacity to receive them. There is a very narrow window, basically Monday through Friday from 4:30 to 9:30 p.m., during which to provide programming. That narrow window of time begins to tax the system and causes people to think they perhaps need an infrastructure investment which they may or may not need eventually after the National Guard's and some of the other sites are established.

Regent Pellett asked, then, if the problem was not with the classroom availability but rather was with the network itself.

Regent Furgerson stated that Iowa Public Television has submitted a grant request to the U.S. Department of Commerce for equipment that would open up more pathways for courses. She said she and others were in Washington, D.C. last month. They called on all of Iowa's congressional delegation to let them know that this is one of the issues that we are very interested in because of the Iowa Communications Network. It would increase the amount of delivery capacity on the system.

Emmet Vaughan, Dean of the Division of Continuing Education, University of Iowa, asked to respond to the questions about capacity, the points of presence in each county and why that does not solve the problem. He said that in order to deliver interactive classes they need not only the wire but at each end there must be receiving

equipment plus space for the students. The points of presence that exist in the counties are not configured for educational uses. They are configured for the transmission of data. They simply do not have a classroom in every county. The system was designed with a classroom at each of the community colleges. The capacity problem arises from the fact that this is really two systems. It is a regional system. For example, Sioux City uses the classroom to program from Sioux City to other points within the Sioux City area. Regent representatives wish to use the classroom as a reception site for statewide programming. The competition between the regional usage and the statewide usage creates the limited capacity.

Dean Vaughan stated that there is a classroom in every community college but if the community college has scheduled it for their delivery of courses then the Regents cannot use it in the delivery of a course. He said that is the reason that Regent representatives have decided to move ahead with establishing secondary classrooms with selected community colleges which the three Regent universities will share. With the University of Iowa, for example, their present need is installing a second classroom at Western Iowa Technical College. It will be available on priority usage for the Regent universities. For any period of time that the Regents are not using it, Western Iowa Technical representatives will then schedule it for other uses within the area. He said the problem is that the point of presence in a county does not provide an educational facility.

Regent Furgerson stated that she was pleased by the competition because when discussion began about the Iowa Communications Network people were saying that no one would use it.

Dean Vaughan stated that last semester the University of Iowa only offered about two-thirds of the courses it wanted to offer simply because of the lack of capacity.

Regent Pellett thanked Dean Vaughan for answering some of her questions.

Regent Collins stated that the usages of the system are increasing at warp speed. They will have to watch overbuilding the programs that are being used and the hours being used.

Regent Pellett stated that it was imperative that the Regents come up to "speed" on this and fast. The Graduate Study Centers are a major player in this.

President Berenstein asked if there was any overlapping of offerings in Western Iowa. Ms. Trachta responded that the Southwest Iowa Resource Center serves an eight-county region. The vast majority of enrollments are from the eight-county service area.

President Berenstein asked, if the Resource Center were not in existence, would those individuals go to Sioux City for programming at the Tri-State Graduate Study Center?

Ms. Morten responded that she believed those students would not travel the almost 100 miles from Council Bluffs. She said that when the Tri-State Graduate Center was established it was established as a center that would serve a radius of 50 miles from Sioux City which extends into South Dakota and Nebraska. They have never experienced any competition for classes. Representatives of the Graduate Study Center and the Resource Center cooperate and talk to each other about program interests, what each other is doing, and other ideas. She feels there is absolutely no competition between the two Centers. She noted that Ms. Trachta is doing a very good job at the Southwest Iowa Resource Center.

Ms. Trachta added that the Southwest Iowa Regents Resource Center also serves counties that border Missouri. It would be quite a distance for those people to travel to Sioux City.

ACTION: President Berenstein stated the Board received the reports on the Quad-Cities Graduate Study Center, the Tri-State Graduate Center, and the Southwest Iowa Regents Resource Center, by general consent.

ANNUAL REPORTS ON CHILD CARE. The Board Office recommended the Board:

- (1) Receive the annual reports on the child care programs at the University of Iowa, Iowa State University, and the University of Northern Iowa;
- (2) Encourage Regent universities to continue to assist students and employees to gain access to child care services including such activities as obtaining work-study funds, establishing or expanding child care referral services, and participating in community efforts to recruit child care providers;
- (3) Encourage child care committees of the three universities to continue to cooperate by sharing ideas and innovations in the delivery of child care services; and
- (4) Require the universities to continue to provide the Board with annual progress reports on child care programs as well as update five-year plans.

This was the fifth annual report on child care programs at the three Regent universities.

The Regent universities first assessed institutional child care needs in 1988. The first annual reports came to the Board in 1989 and included five-year plans. Subsequent reports included progress reports and updated five-year plans.

Each university has a very successful ongoing child care program which includes on-campus care as well as community referral services.

Each year since the inception of the programs the universities have expanded the child care services offered within available funding. The universities have plans to expand services in future years especially in the areas of part-time care, infant care, and care for mildly ill children.

The universities each offer a flexible benefits program available to non-organized faculty and staff. This program allows eligible employees to establish a spending account to be used for child care expenses. Employees covered under the negotiated agreement with AFSCME may elect to take a pre-tax reduction in wages to be paid to an account for allowable dependent care expenses.

General fund support for the child care programs at the University of Iowa is \$209,206; at Iowa State University, \$177,892; and at the University of Northern Iowa, \$101,439.

Associate Vice President Small stated that University of Iowa officials made significant progress this year particularly with regard to establishing a permanent relationship with the Student Senate-sponsored day care. The university contracts with the student organization for a certain number of slots at the centers. This was a variation from the approach university officials had suggested earlier which would have made the student centers part of the university's administrative structure. After long deliberation it was determined to be preferable to leave the centers as independent entities with which the university would contract. She said university officials hope to continue making progress in offering more child care available in the university setting particularly with the University of Iowa Hospitals and Clinics' center opening this fall. There will be 135 slots for children at the UIHC's new center which will also increase the number of infants and toddlers that can be served in that vicinity of the campus.

President Berenstein referred to correspondence from Gerhild Krapf, Assistant to the Director of University of Iowa Hospitals and Clinics. He asked for an explanation and whether the matter had been resolved.

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Associate Vice President Small responded that it was her belief that all of the issues related to the hospital day care had been resolved. The center will be operated under contract with a private entity.

President Berenstein asked if the service was contracted because the contractor assumes the risk and liability. Associate Vice President Small responded affirmatively. She said it was felt that it would be better to bring in a private entity which was experienced in the delivery of child care than to try to start from scratch themselves.

President Berenstein asked about the University of Iowa's staff use of the child care facility as opposed to students using the facility. Associate Vice President Small responded that the University of Iowa Hospitals and Clinics' facility will have a priority order of admission acceptance. First priority will go to hospital and health care center-related staff. After that it would be open to faculty and staff of other units.

President Berenstein asked whether the facility would be self supporting or subsidized. Associate Vice President Small responded that the hospital is providing certain services in return for which the contractor agrees that any revenues over 110 percent of the expenses would be returned to the hospital. In a sense the up-front cost is being provided by the hospital, but it should recover some of those costs in the annual revenues.

Regent Collins asked if there was a user's fee for the parents. Associate Vice President Small responded that there is a tuition cost. The Hospitals' child care center will probably be at the high end of the local market because it will be a very high-quality center. The operator assured university officials that it would be able to provide scholarships for those unable to meet the level of tuition.

Regent Collins asked if staff pays a certain amount per month to have their child cared for at the Hospitals' facility. Associate Vice President Small responded affirmatively, stating that the rates are at the high end of the local market.

Regent Dorr asked if university officials had performed a total cost analysis of how many slots are being used, cost of the facilities, cost of the service, and what is paid by the user to determine what level of subsidy is involved in child care.

Associate Vice President Small responded that she could provide those numbers for the Regents but that she did not prepare them for this report. She noted that she wanted to be clear about the relationships. The university provides the center with an amount of money to reserve a certain number of slots. Within that amount and the

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tuition that everyone pays, the center runs its operations. University officials try to stay out of the business of actually running the day care.

President Berenstein clarified that he believed Regent Dorr was trying to determine the actual amount of subsidy being provided by the university. Associate Vice President Small said she would get those numbers.

President Berenstein stated that as a Board from a philosophical standpoint they were concerned about people in the upper income brackets being subsidized for child care or anything else. Problems have been experienced with health care and other services that are available to university personnel. The Regents need to know where they stand on this matter so they have answers for the people who ask the questions.

Associate Vice President Small stated that written into the child care contracts are fee schedules that give the lowest charges to the students and the next higher charges to low-paid staff members. The next higher charges go to the next higher paid staff, etc.

Regent Furgerson asked if the university uses a sliding fee scale based on income. Associate Vice President Small responded that at the moment the fee is based on status. For next year a child care center was proposing charges be based on income, which she said university officials would probably support.

Regent Furgerson said it would be helpful for the Regents to know the sliding scale figures. Associate Vice President Small said university officials would get that information for the Regents

Regent Dorr stated that he has a great deal of concern that programs are going to take on a life of their own and become entitlements within the institutions. He said he understood the need to provide quality child care for those who wish to work; however, if they make that decision then there is a level of responsibility to pay for child care. He wants to make certain that the institutions provide a service that is needed and that is self supporting. He would not be supportive of child care becoming an entitlement of employment within the university system. When these programs were first started it was his understanding that they were primarily designed to provide child care for students who were trying to get an education to improve their lot in life. He had no problem with that. However, if child care is going to take on a life of its own within the entire gamut of the operations, he had some serious reservations.

Regent Furgerson stated that she serves in an advisory capacity for a non-profit child care center that is not university affiliated. She has become aware, over the past 10 years that she has served on the child care board, of how difficult it is to find quality

child care. In today's world women work; that means somebody has to look after children. From the board's studies they have found that the best option for really fine child care is child care centers. The worst option in most cases is home providers because they do not have to be registered and there is no requirement for training. She said there are many women who do not have a choice to stay home. They have to work. The economics are such that in terms of the family, if it is an intact nuclear family, both parents have to work. It becomes even more critical when the family is a single parent family.

Regent Furgerson stated that another issue is the income factor. Women don't make as much money as men. She said she thought Regent Dorr's concern was that well-paid employees were getting by with something. It was her belief that the majority of parents being served by the day care centers fall into the category of lower-paid staff and students.

President Berenstein asked if the sliding scale system of charges would help to alleviate some of those concerns? Regent Furgerson responded affirmatively, stating that was why it would be helpful for the Regents to have that information. The Regents need to make sure they are operating under correct assumptions concerning child care fees.

Regent Dorr stated that he had made his position clear. He would like to see those numbers. He said he suspected there were philosophical differences.

Associate Vice President Small stated that one of the reasons the University of Iowa contracted with the centers they use was because those were the ones that were sponsored by student government and were used by student parents. With regard to the faculty and staff, the university is at a competitive disadvantage if it does not offer some on-campus child care. When people are being recruited, one of the questions they now ask is what kind of child care is available on campus. She said they are not necessarily asking for the cheapest child care but whether something is available on campus. The university doesn't have enough child care slots to make it an entitlement. She concluded by stating that the University of Iowa is at the low end of what other similar universities provide.

Regent Dorr said he was not suggesting that the university shouldn't make child care available. However, he said it is not right to subsidize child care for people who have reasonably good incomes. He did not mean to denigrate the need for child care or the need to have it available to enhance their ability to hire people. He does object to subsidizing child care for those who can afford it.

Associate Vice President Small stated that she would get the requested information to the Regents. They can certainly take some of this into account in future negotiations.

President Rawlings noted that this year Associate Vice President Small received the first award from the child care centers at the University of Iowa for assistance to those centers. He stated that he appreciated her efforts with the child care centers over the years.

(Applause)

Regent Furgerson stated that she would get a copy of the child care study she referenced earlier. She said they all should see the study in terms of the availability of quality child care and the cost. It is very expensive. Most of the people served in the child care center she is associated with are low income. Because the child care center is approved by the Department of Human Services, DHS performs an audit each year. They figure the per-day rate on the basis of expenses. They have to charge everyone the same amount for each child. They have to find revenue sources, through fund raising, etc., to pick up the additional costs. They can charge the parents different amounts based on the same cost for each child.

President Berenstein said the Regents need to know the facts then they will go from there. He then recognized President Jischke.

President Jischke introduced Mary Ann Evans, Assistant to the Provost.

Assistant to the President Evans stated that Iowa State University is continuing to expand its child care availability because demand continues to grow. The university child care centers are at maximum capacity with waiting lists. Last year they began services at the Comfort Zone which provides day care for mildly-ill children. The usage of that center continues to grow. It provided services to 60 children this year and many were multiple use. She stated that based on a survey there is presently a need for 300 more slots on campus. There was a recommendation that the university develop a 10-year plan to meet the university community's child care needs. She is waiting for the response of the administration.

Regent Dorr asked if Ms. Evans had a census figure on the number of children using the university's child care on a daily basis. Ms. Evans responded that they did and that the information could be provided to the Regents. She said they also could provide information on the number of university personnel who are using child care, not only with university support but also otherwise.

Regent Dorr said that information would be very helpful and that he would appreciate receiving much more of that kind of information.

Regent Furgerson said they should all remember that by the time children are in first grade they often no longer use child care programs. Unfortunately, they then fall into another category called latch-key kids and the issue then becomes what happens with children of working parents who have no one at home when they come home from school.

President Curris stated that the University of Northern Iowa had a small child care program which was operational several years ago that served faculty and staff. With regard to what had been described as subsidy of general funds, he pointed out that general funds were earmarked by the General Assembly for child care for students. The amount that is spent from the general fund is spent for students. University officials are faithful to the legislative intent. The university has one child care center of which approximately 75 percent of the children are children of students. He stated that the University of Northern Iowa child care center is located in the Price Laboratory School with the specific intent of incorporating it into the university's academic training program. Students participate and observe child care as part of that setting.

President Curris introduced Jill Uhlenberg, director of the child care center at the University of Northern Iowa.

Ms. Uhlenberg stated that they were enjoying their new site at the Price Laboratory School. The new location doubled the capacity of children they can serve. She said students of Price Laboratory School visit the child care center. The center served approximately 75 students in various departments and colleges in the past year. The center serves as a field site for many different activities involving early childhood education including social work, speech and hearing.

President Berenstein said he assumed that the information Regent Dorr requested would be provided by all three universities and would be made available to all of the Regents.

President Jischke requested that it be put in the form of a request from the Board Office so university officials know what they are to provide.

President Berenstein asked that the information from all three universities be presented in the same format so the Regents are comparing like information.

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ACTION:

President Berenstein stated the Board, by general consent: (1) Received the annual reports on the child care programs at the University of Iowa, Iowa State University, and the University of Northern Iowa; (2) Encouraged Regent universities to continue to assist students and employees to gain access to child care services including such activities as obtaining work-study funds, establishing or expanding child care referral services, and participating in community efforts to recruit child care providers; (3) Encouraged child care committees of the three universities to continue to cooperate by sharing ideas and innovations in the delivery of child care services; and (4) Required the universities to continue to provide the Board with annual progress reports on child care programs as well as update five-year plans.

REPORT ON UTILIZATION OF THE IOWA COMMUNICATIONS NETWORK. The Board Office recommended the Board receive the report.

The report provided information on the status of the utilization of the Iowa Communications Network by the Regent institutions.

Three types of Iowa Communications Network service were identified: video, data and voice.

The Regent universities are major users of the Iowa Communications Network. In Fall 1993 and Spring 1994, a total of 50 courses were taught by the Regent universities at 115 sites and 331 administrative uses were made of the Iowa Communications Network. The two special schools are not currently hooked up to the Iowa Communications Network.

The availability of classroom sites for statewide programming is a factor limiting the use of the system by the Regent universities.

Administrative, patient and student voice traffic have been moving over the ICN since the beginning of 1994. The Iowa Communications Network is the principal carrier for university intrastate and interstate switched service.

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The Iowa Communications Network and the Board have agreements which govern long distance telephone services, prices, and procedures for ensuring continuous, quality voice service to campus customers.

Long distance voice traffic revenue for FY 1995 to the ICN from Regent universities is estimated at approximately \$1.7 million.

Director Barak stated that the report on the Iowa Communications Network docket item picked up from discussion that morning. One area he received additional information on since the report was prepared was with regard to data useage by the Regent institutions. There are some people who are preparing the data as part of the Star Schools program grant proposal.

Ms. Stinehart stated that Iowa State University has had repeated requests for certain programs over the years but there was no critical mass of students to justify expending the resources to offer those programs. The university is now able to offer those kinds of programs around the state through utilization of the Iowa Communications Network.

Glenn Hansen, Dean of Continuing Education, University of Northern Iowa, stated that the university currently offers five Master's programs on the Iowa Communications Network system. They hope to start one on English. At the University of Northern Iowa all faculty are required to attend a thorough three-day training program before they access the system.

Dean Vaughan, University of Iowa, made some general comments about all three Regent universities' use of the system. He noted that there was some discussion earlier about whether or not they were "biting off" more than they could "chew". He stated that during the last two semesters Regent universities collectively have offered 50 courses to 1,200 registrants via the Iowa Communications Network, without any budgetary impact. The courses were piggy-backed with on-campus courses. What they have done during the last two semesters could be multiplied many times over with budgetary allocations.

President Rawlings stated the University of Iowa is also spending a lot of time on the Iowa Communications Network for medical purposes, in particular telemedicine. They are very aggressively pursuing telemedicine opportunities over the network. The university has recently been awarded a \$7.25 million grant to become a national center for telemedicine, a model for the entire country in the use of telemedicine. The principal investigator is Mike Kienzle who is interim associate vice president under Dr. Manasse. It is his clinical work that is taking the university forward with these opportunities. University of Iowa Hospitals and Clinics is now teaming up with hospitals

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in Keosauqua, Ottumwa and Davenport. This is expected to be a model for the entire country. In addition, the University of Iowa has submitted grants to the National Library of Medicine for another \$1.67 million for electronic medical record service and another proposal to the National Library of Medicine for \$1.43 million. They have a proposal before the Department of Commerce for health and education also from Dr. Kienzle. Additionally, they have a joint proposal with the University of Northern Iowa for \$650,000 from the Department of Commerce for use of the national telecommunications infrastructure act funds. It is a one-year planning grant that would involve wide-ranging organizations such as State agencies, Iowa Public Television, the community colleges, school districts and local governments.

President Rawlings concluded by stating that in addition to the academic component to the Iowa Communications Network that Dean Vaughan described, the University of Iowa has an entire health component that is being pursued very vigorously. They have had some early successes. The medical component of the Iowa Communications Network is an important part of the university's mission to reach rural Iowans.

Regent Collins stated that the \$7.25 million was an important figure. It is important that Iowa is leading the country. He said the Iowa Communications Network has really been a step forward for Iowa.

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

REPORT ON LEGISLATION, 1994 SESSION. The Board Office recommended the Board receive the final report of the 1994 General Assembly.

Operating Appropriations

The 75th General Assembly completed its second session of the biennium on April 20, 1994.

The operating appropriations for all budget units under the control of the Board of Regents for FY 1995 total \$554,972,896 (+5.0 percent) and are contained in HF 2411 (Education Appropriation Bill), HF 2415 (Economic Development Appropriation Bill), SF 2314 (Agriculture Appropriation Bill), and the Salary Adjustment Legislation (HF 2429). Only HF 2411 and HF 2429 have been signed by the Governor as of today.

Legislated salary increases of \$16.7 million for the Regent institutions are \$700,000 less than the Governor's recommendation of \$17.4 million. The \$16.7 million received is \$6.1 million less than requested of the Governor and General Assembly. This

\$16.7 million salary appropriation is added after downward adjustment by \$7.4 million for non-recurring salary increases in FY 1994.

The Education Appropriations legislation includes tuition replacement appropriations totaling \$25,843,645 for FY 1995.

SF 2314, appropriating funds to agricultural agencies, contains lease purchase language that a state agency receiving an appropriation in this Act shall not enter a lease-purchase contract during FY 1996 unless the contract was itemized in a departmental estimate and included in the Governor's budget. (The Governor vetoed similar language in another appropriations bill, and a veto action is anticipated).

Capital Project Appropriations

SF 2330 includes appropriations for FY 1994 for the following projects at the special schools:

<u>Project</u>	<u>Amount</u>
ISD - Fire and Environmental Safety	\$ 75,000
IBSSS - Compliance with ADA	<u>\$ 60,000</u>
Total	\$135,000

Of the funding to the IBSSS for compliance with ADA, \$40,000 is contingent on receiving excess lottery revenues in FY 1994.

The bill has a non-reversion clause, which will allow the special schools to carry these funds forward to FY 1995 if they are not spent in FY 1994.

Capitol Complex Renovation and Regents Bonding Program (SF 2326)

Governor Branstad signed the bill authorizing a Regents Bonding Program. The \$30,750,018 funding for the Board includes \$2,004,901 for fire safety and deferred maintenance in addition to the \$28,745,117 in new capital projects.

This legislation permits the Board to issue up to 50 percent of its newly-authorized academic building revenue bonds as capital appreciation bonds.

The Governor vetoed by line-item funding of \$24.7 million for exterior and interior renovations to the Capitol and Old Historical Building.

Iowa Communications Network (SF 2089--not acted upon yet by Governor Branstad)

Creates a governing board for the Iowa Communications Network.

Allows hospitals and medical clinics to use the interactive video network for "telemedicine", which includes diagnosis of illnesses and the sharing of important medical records.

Grants access to the system to the U.S. Post and federal agencies if the state receives grants from the agencies.

Requires that the final links to Iowa schools be built by private companies, rather than the state.

Appropriations to Other State Agencies (SF 2229)

This bill appropriates funding to administrative agencies and divisions including General Services and Department of Management.

A new section relating to payroll deduction for dues specifies a minimum number of employees requesting the deduction for the same professional or trade organization: SUI and ISU - 100, UNI - 50, and ISD/IBSSS - 25.

The Governor vetoed provisions which would require the Department of Management to state staffing targets in terms of full-time equivalent positions and restrictions on ability of state agencies receiving appropriations under this bill to enter into lease-purchase contracts.

ICN Appropriation (SF 2329)

This bill appropriates \$5.6 million to be used solely for making a payment on the principal amount of the bonds issued for the Iowa communications network which is scheduled for June 1995.

It was the understanding of the Board Office that this is \$3 million short of their need.

Mr. Richey presented the concluding report for this most recent legislative session. He said that in many respects it was an excellent session. With particular regard to the governance authority of the Regents, it was one of the best sessions they have had in a decade. It was excellent also from the standpoint of capital improvements. Other major occurrences included the full financing of tuition replacement. The salary policy, which was needed to be \$17.4 million, ended up being \$16.7 million. Appropriations

tables were distributed to each of the Regents. The overall growth in appropriations was 2.9 percent including tuition replacement. Appropriations increases for the Graduate Study Centers and Board Office were 3.2 percent.

Mr. Richey stated that some Regents had been hearing that the Regents had been treated more favorably than rates of appropriations increases for other sectors of education. He said the Regents' 2.9 percent aggregate growth was not dissimilar from other segments of education. The Regents were not treated favorably in relation to other sectors of education. With regard to the creation of a governing board for the Iowa Communications Network, he said that legislation was very important in terms of the report on the Iowa Communications Network that the Regents had just received.

President Berenstein, on behalf of the Board of Regents, thanked Frank Stork, Carol Bradley, Pat Geadelmann and Ted Yanecek for their yeoman service in the legislature.

ACTION: President Berenstein stated the Board received the final report of the 1994 General Assembly, by general consent.

BUDGET CEILING ADJUSTMENTS FOR FISCAL YEAR 1994. The Board Office recommended the Board approve FY 1994 budget ceiling increases for:

- a. University of Iowa
 - General Education Fund \$700,000
 - Oakdale Campus \$40,000
- b. University of Iowa Hospitals and Clinics \$5,356,800
- c. Iowa State University
 - General University \$1,000,000
 - Agriculture and Home Economics Experiment Station \$46,646
- d. University of Northern Iowa General Education Fund \$625,000
- e. Iowa School for the Deaf \$94,645

UNIVERSITY OF IOWA

General Education Fund

University of Iowa officials requested a budget ceiling increase in its budget for the General Educational Fund for FY 1994 of \$700,000. This represents a 0.24 percent increase over the original FY 1994 budget.

The increase in revenue at the University of Iowa in the budget of the General Educational Fund is due to additional income from indirect cost recoveries earned from sponsored grant and contract activities.

University officials proposed to direct the income outlined above to the following research support activities:

Bridge Funding (between grant cycles) for research support	
staff in Physics, Dentistry and Medicine	\$200,000
Health Protection Office - Waste Disposal	\$100,000
Sponsored Programs/Grant Accounting Support	\$150,000
Sponsored Grant Equipment Match	\$150,000
Faculty Start-up	\$100,000
Total	\$700,000

Oakdale Campus

University of Iowa officials requested a budget ceiling increase in its budget for the Oakdale Campus for FY 1994 of \$40,000. This represents a 1.1 percent increase over the original FY 1994 budget.

The increase in revenue is due to additional rental and cafeteria income.

University officials proposed to use the additional funding for deferred maintenance on the HVAC systems in Oakdale Hall.

UNIVERSITY OF IOWA HOSPITALS AND CLINICS

University of Iowa Hospitals and Clinics officials requested a budget ceiling increase for FY 1994 of \$5,356,800. This represents a 1.6 percent increase over the original FY 1994 budget.

The increase in revenue at the University of Iowa Hospitals and Clinics is the result of productivity increases and does not affect the rate of charge. The increase reflects a 2.2 percent overall growth in acute adult and pediatric admissions and a corresponding 3.0 percent increase in the flow of ambulatory patients to their clinics

The additional income flowing from the productivity increase will be used to support a concomitant operating expense budget. The expenses include:

\$685,000 credit for estimated lapsed salaries due to providing increased intensity of care

\$1,860,500 for pharmaceutical and intravenous fluid therapy services, which are projected to be 13.5 percent greater than last year's actual expenditures

\$2,811,300 for medical and surgical supplies and services, particularly surgically inserted implants, orthotics and prosthetics, instruments, and surgical procedure packs utilized in their Operating Rooms, Ambulatory Surgery Center, Center Sterile Service and Physical Therapy services reflect the increasing number and complexity of procedures performed at the UIHC.

IOWA STATE UNIVERSITY

General University

Iowa State University officials requested a budget ceiling increase in its budget for the General University for FY 1994 of \$1,000,000. This represents a 0.43 percent increase over the original FY 1994 budget.

The increase in revenue at Iowa State University for the general university is due to revenues exceeding budget projections in three categories:

\$700,000 in indirect cost revenues due to continued strength in grant and contract activity and a higher indirect cost rate

\$250,000 in interest income due to higher than originally anticipated interest rates and cash balances

\$50,000 in other revenue, primarily due to higher than anticipated application fee collections

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The additional revenues will be utilized to meet high priorities in the equipment and building repair categories where budgets are inadequate to meet ongoing needs:

\$500,000 for replacement and expansion of computing equipment

\$500,000 for building repairs and other high priority safety projects

Experiment Station

Iowa State University officials requested a budget ceiling increase for the Agriculture and Home Economics Experiment Station for FY 1994 of \$46,646. This represents a 0.15 percent increase over the original FY 1994 budget.

The actual Federal Hatch Act appropriation was \$46,646 greater than anticipated. The final budget had not been received at the time the budget was approved last July.

The Experiment Station intends to use the additional funding for building repair and replacement costs related to the Dairy Industry Building renovations.

UNIVERSITY OF NORTHERN IOWA

University of Northern Iowa officials requested a budget ceiling increase in its budget for the General Education Fund for FY 1994 of \$625,000. This represents a 0.68 percent increase over the original FY 1994 budget.

The increase in revenue at the University of Northern Iowa in the general education fund is due to revenues exceeding budget projections in the following categories:

\$150,000 in tuition and fees collections

\$25,000 in interest income

\$275,000 in reimbursed indirect cost revenues due to greater than anticipated grant activity

\$175,000 in sales and services revenues

The additional revenue will be used to fund fire safety and deferred maintenance projects.

IOWA SCHOOL FOR THE DEAF

Iowa School for the Deaf officials requested a budget ceiling increase in its budget for FY 1994 of \$94,645. This represents a 1.5 percent increase over the original FY 1994 budget.

The additional revenues anticipated and resulting expenses are as follows:

\$75,000 appropriation included in the Capital Project Appropriations bill (SF 2330) for a Visual Alert warning system to meet fire and safety requirements

\$1,500 additional revenue from sale of equipment will be used toward the purchase of two new vehicles

\$15,000 in greater than anticipated sales/services revenues due to increased interpreting services also will be used for the purchase of the two new vehicles

\$3,145 for funds received from the Drug-Free Schools and Communities Act, that had not been budgeted, will be used for student assistance programs, after school activities, and special one-time events such as after prom parties

MOTION: Regent Furgerson moved to approve FY 1994 budget ceiling increases, as presented. Regent Newlin seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

PROPOSED SALARY POLICIES FOR FISCAL YEAR 1995. (a) General Salary Policies and Allocation of Salary Adjustment Appropriation for Fiscal Year 1995. The Board Office recommended the Board approve the allocation of appropriations for FY 1995 salary increases to the Regent institutions, Board Office, and Regional Study Centers as presented.

Total institutional requests for FY 1995 salary adjustments, exclusive of health insurance and annualization costs, were \$21,748,996.

The Salary Appropriations bill (HF 2429) allocated \$16.7 million to the Board of Regents for salary increases. This represents 76.79 percent of the amount requested.

The shortfall in funding for salary increases for FY 1995 is \$5,048,996, which must be financed by reallocations, reductions in spending or by other revenue sources.

It was recommended that the appropriations for salary increases be allocated to the Regent institutions, Board Office and Regional Study Centers as presented.

Allocation of the appropriations for the special schools, Board Office and Regional Study Centers are recommended at the level requested (exclusive of health insurance), since they do not have tuition revenue available to offset the shortfall.

The remainder was recommended to be prorated among the universities based upon the Board's budget request.

Net increases in FY 1995 for faculty at the three universities will average 3 percent over FY 1994 salaries adjusted for non-recurring payments.

MOTION: Regent Newlin moved to approve the allocation of appropriations for FY 1995 salary increases to the Regent institutions, Board Office, and Regional Study Centers as presented. Regent Furgerson seconded the motion. MOTION CARRIED UNANIMOUSLY.

(b) Salary Policies for Professional and Scientific Employees. The Board Office recommended that the Board approve the following salary policies for the fiscal year beginning July 1, 1994: (1) Policies for granting increases consistent with appropriation legislation and based on performance and (2) The pay schedules proposed for the five institutions and the Board Office.

Appropriation legislation provided funding for base increases averaging 1.5 percent in FY 1994 and 1 percent for non-recurring bonuses.

Funding for FY 1995 is intended to provide increases of 4 percent after deducting non-recurring bonuses.

At the request of the universities the Board approved recurring base salary increases in FY 1994 averaging 2.5 percent with the understanding that increases in FY 1995 would average 3 percent.

Professional & scientific employees at the two special schools and the Board Office received base salary increases averaging approximately 1.5 percent and non-recurring bonus payments averaging approximately 1 percent.

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Salary scales proposed for FY 1995 reflect adjustments in ranges to meet particular needs:

University of Iowa officials proposed to increase range minimum and maximums by 1.5 percent, consistent with consultant's recommendations.

Iowa State University officials proposed no change in their P&S salary schedule for FY 1995 because of the major revision made in FY 1994.

University of Northern Iowa, Iowa School for the Deaf and the Iowa Braille and Sight Saving School officials, and the Board Office proposed increases of 3 percent to the minimums and maximums of their current salary ranges.

The proposed adjustments will maintain competitive relationships with comparable institutions.

The proposed salary policies for FY 1995 provide for increases based on performance that will average 3 percent at the University of Iowa and Iowa State University.

University of Northern Iowa officials proposes increases averaging 4 percent of FY 1994 salaries with the extra 1 percent to be financed by reallocation of funds from other sources.

The two special schools and the Board Office proposed average increases of 4 percent after deduction of bonuses (a net of 3 percent).

Special consideration is to be given to ethnic and gender equity and to decompression.

MOTION: Regent Tyrrell moved to approve the salary policies for the fiscal year beginning July 1, 1994, as presented. Regent Collins seconded the motion. MOTION CARRIED UNANIMOUSLY.

(c) Salary Scales for Faculties of the Special Schools. The Board Office recommended that the Board approve:

- (1) a revised teachers' salary schedule for the 1994-95 contract year as presented;
- (2) the continued provision of within track step increases and lane change increases;

- (3) a proposed supplemental pay schedule for extracurricular activities in 1994 as presented; and
- (4) an increase to two personal leave days annually with no change in the total allowed accrual of three days.

Legislation provides funding for increases of approximately 4 percent in compensation for faculty at the special schools in fiscal year 1995.

The revised schedule proposed for FY 1995 results in increases averaging 3.9 percent after adjustment for non-recurring bonuses.

The average increase in salaries of K-12 teachers in Iowa for 1994-95 is reported to be 3.9 percent.

The proposed schedule provides greater incentive for additional formal education by increasing the compensation for attainment of additional degrees or semester credit hours.

The proposed schedule incorporates a consistent spread of 2 percent between steps through which teachers progress based on years of satisfactory service.

It was recommended that the number of annual personal leave days increase from one to two in order to be comparable to what is provided by many K-12 schools in Iowa. Out of 304 K-12 schools responding to an Iowa Association of School Boards survey, 203 indicated they provided two days of paid annual personal leave.

No change was proposed in the current maximum accrual of 3 personal leave days.

Mr. Richey stated that special schools' faculty had worked diligently on the policy presented to the Regents.

MOTION:

Regent Furgerson moved to approve: (1) a revised teachers' salary schedule for the 1994-95 contract year as presented; (2) the continued provision of within track step increases and lane change increases; (3) a proposed supplemental pay schedule for extracurricular activities in 1994 as presented; and (4) an increase to two personal leave days annually with no change in the total allowed accrual of three days. Regent Tyrrell

seconded the motion. MOTION CARRIED
UNANIMOUSLY.

(d) Regent Merit System Pay Plans. The Board Office recommended that the Board approve the following provisions for the fiscal year beginning July 1, 1994:

- (1) The pay matrices for classifications in the blue collar, security, technical and clerical bargaining units will be increased by 2 percent on July 1, 1994, and by 2 percent on January 1, 1995, in accordance with the negotiated agreement;
- (2) The pay matrix for non-organized supervisory staff will be increased by 2 percent on July 1, 1994, and by 2 percent on January 1, 1995, consistent with legislation enacted by the General Assembly and signed by the Governor; and
- (3) Within-range step increases will be provided in fiscal year 1995 for contract-covered employees in accordance with the collective bargaining agreement and for non-contract employees in accordance with the provisions of the merit rules.

Legislation was enacted by the General Assembly and signed by the Governor to provide funding to implement the collective bargaining agreement covering Regents blue collar, security, technical and clerical employees. The legislation provides for comparable increases for merit system employees not covered by a collective bargaining agreement.

Salary schedules for contract-covered merit employees did not increase in FY 1994.

Increases of approximately 2 percent in the pay schedule for supervisory employees were approved and implemented by the Board for fiscal year 1994.

Supervisory employees were placed on a step in the new matrix where they would have been had they received the step increases given contract employees.

The FY 1994 increases in the supervisory pay schedule restored the relationships that were established in comparable worth between contract and non-contract employees.

The increases proposed for fiscal year 1995 will maintain that comparability.

In addition to schedule adjustments contract and non-contract covered employees will be eligible for step increases in FY 1995 in accordance with the collective bargaining agreement or the merit rules.

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President Berenstein asked that Mr. Richey discuss the matters addressed in Kathy Highland's letter to the Regents.

Mr. Richey pointed out that a matter of Board concern, and a matter of concern expressed by Ms. Highland, was the treatment two years ago of merit system supervisory employees. He said merit system supervisory employees were treated less favorably than regular merit system employees under union contract. The Board of Regents expressed serious concern at that time. It moved last year to redress the grievance on the part of those employees by adding two percent to the general pay scales. That fact was not noted in Ms. Highland's letter to the Regents. When that adjustment is taken into consideration, those employees were treated quite similarly to other contract employees. The only difference is they did not, and cannot, get the back pay that was given to contract employees two years ago.

MOTION:

Regent Dorr moved to approve the following provisions for the fiscal year beginning July 1, 1994: (1) The pay matrices for classifications in the blue collar, security, technical and clerical bargaining units will be increased by 2 percent on July 1, 1994, and by 2 percent on January 1, 1995, in accordance with the negotiated agreement; (2) The pay matrix for non-organized supervisory staff will be increased by 2 percent on July 1, 1994, and by 2 percent on January 1, 1995, consistent with legislation enacted by the General Assembly and signed by the Governor; and (3) Within-range step increases will be provided in fiscal year 1995 for contract-covered employees in accordance with the collective bargaining agreement and for non-contract employees in accordance with the provisions of the merit rules. Regent Collins seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

CAPITAL IMPROVEMENT BONDING AUTHORITY, 1994 SESSION. The Board Office recommended the Board allocate the bonding authority in Senate File 2326 as signed by the Governor as follows:

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SUI Schaeffer Hall Remodeling	\$ 8,499,305
SUI Fire Safety and Deferred Maintenance	<u>644,697</u>
Subtotal	\$ 9,144,002
ISU Swine/Cattle Units	\$ 3,179,552
ISU Livestock Research	2,118,676
ISU Fire Safety and Deferred Maintenance	<u>1,246,894</u>
Subtotal	\$ 6,545,122
UNI Wellness/Recreation Center	\$12,278,482
UNI Price Lab School Fieldhouse	2,669,102
UNI Fire Safety and Deferred Maintenance	<u>113,310</u>
Subtotal	\$15,060,894
TOTAL	<u>\$30,750,018</u>

The Seventy-fifth General Assembly, second session, passed and Governor Branstad signed Senate File 2326 authorizing the issuance of bonds by the State Board of Regents for capital improvements.

The law authorizes specific projects at each of the universities and provides approximately \$2 million for fire safety and deferred maintenance projects.

The projects and amounts are as follows:

SUI Schaeffer Hall Remodeling	\$ 8,499,305
ISU Swine/Cattle Units	3,179,552
ISU Livestock Research	2,118,676
UNI Wellness/Recreation Center	12,278,482
UNI Price Lab School Fieldhouse	2,669,102

The Board is authorized to allocate the funding for fire safety and deferred maintenance among the universities.

The distribution of these funds was recommended as follows:

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University of Iowa	\$ 644,697
Iowa State University	1,246,894
University of Northern Iowa	113,310
Total	<u>\$2,004,901</u>

President Berenstein stated that he had spent some time over the last 24 hours reviewing the proposed allocation of the \$2 million. He reminded the Regents that the \$2 million was to be distributed by the Board of Regents' discretion between the three universities. He has had the opportunity to review the specific budget flexibility and proposals. He would like the Board to defer action on the \$2 million until all of the Regents have had the opportunity to see the figures he had seen which had not yet been disseminated. He was comfortable with the proposed allocation because of the necessity for fire safety and deferred maintenance. They all should have the opportunity to see the breakdown on how the allocation was arrived at by the Board Office.

President Berenstein asked for a motion concerning the specific earmarked funds and to table the \$2 million allocation to the June meeting.

MOTION:

Regent Collins moved to allocate the bonding authority in Senate File 2326 as signed by the Governor, except that the approximate \$2 million for fire safety and deferred maintenance projects be deferred to June. Regent Dorr seconded the motion. MOTION CARRIED UNANIMOUSLY.

ALLOCATIONS OF TUITIONS AND FEES. (a) University of Iowa. The Board Office recommended the Board approve the university's proposed distribution of the portion of tuition designated for student activities, student services, and building fees for the 1994-95 academic year, including summer session 1994, as set forth.

The Board of Regents established tuition rates and mandatory fees for fiscal year 1995 at its October 1993 meeting.

A portion of the tuition paid by students is allocated to student services and activities as well as the costs of buildings supporting these services and activities. These fees are called designated tuition. The amount of designated tuition is reviewed and revised annually by the Board. Changes do not affect total tuition and fees approved in October.

Designated tuition is to be distinguished from a) Regent-wide mandatory fees such as the computer and health service fees approved at the same time as full-time tuition, and b) miscellaneous fees dependent on individual student choices and circumstances.

Total designated fees for fiscal year 1995 at the University of Iowa were proposed to increase to \$68.01 from \$67.05 (1.4 percent) per semester and to rise to \$21.59 from \$21.43 (.7 percent) for the summer session.

The largest specific categories for proposed allocation of designated tuition in 1994-95 were:

Category	Amount	Semester Rate Per Student 1993-94	Proposed Semester Rate Per Student 1994-95
Iowa Memorial Union	\$649,337	\$11.46	\$12.96
Arena/Recreation Project	\$644,145	\$12.86	\$12.86
Student Health Center	\$502,496	\$10.09	\$10.09
Cambus/Bionic Bus	\$477,857	\$9.64	\$ 9.95
UI Student Association	\$397,770	\$8.53	\$ 8.54
Student Publishers, Inc.	\$234,836	\$4.70	\$ 4.79

The proposed increase is expected to generate approximately \$3,329,962 in revenue, 3.6 percent of gross budgeted tuition income for fiscal year 1995.

Of the \$3,329,962, \$907,282 (27.2 percent) is designated for student activities and the balance is designated for student services and buildings.

Chapter 262.34B of the 1993 Code of Iowa requires that a ten-member student fee committee consisting of five student government appointees and five university employees make recommendations to the university administration on student fees by April 15. The Student Fee Committee was duly formed and made recommendations to the university president as required.

Recommendations were discussed with the University of-Iowa Student Association (UISA) on the distribution of that portion of tuition designated for student activities. University staff proposed to the UISA that Recreational Services be moved from the student activities portion of the fee to the student services category and UISA agreed.

The president of the university supported all of the recommendations.

Increases in fees are directed primarily to those programs where students have set priorities and desire to maintain services.

Fees are determined separately for fall/spring semesters and the summer session. This pattern is consistent with previous years.

The university and the UISA recommended the following increases:

increases from \$18.35 to \$18.95 (3.3 percent) per semester and \$3.25 to \$3.35 (3.1 percent) in the summer session for student activity fees to fund increased operating costs of student organizations.

an increase from \$9.64 to \$9.95 (3.2 percent) per semester and from \$1.89 to \$1.95 (3.2 percent) for the summer session for CAMBUS for increased services and operating expenses.

an increase from \$1.15 to \$1.20 (4.3 percent) per semester for Recreational Services to support activities of Student Sports Clubs.

an increase in the Iowa Memorial Union fee allocation from \$11.46 to \$12.96 (13.1 percent) per semester with a complementary decrease in the fee for the Recreation Building from \$3.50 to \$2.00 (-42.8 percent) per semester to meet debt service requirements without increasing the amount of designated tuition going toward building fees.

Vice President True noted that Dean of Students Phil Jones had worked very closely with the students.

MOTION:

Regent Johnson-Matthews moved to approve the university's proposed distribution of the portion of tuition designated for student activities, student services, and building fees for the 1994-95 academic year, including summer session 1994, as set forth. Regent Furgerson seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

(b) Iowa State University. The Board Office recommended the Board approve the university's proposed distribution of the portion of tuition designated for student activities, student services, and building fees for the 1994-95 academic year, including summer session 1994, as set forth.

The Board of Regents established tuition rates and mandatory fees for fiscal year 1995 at its October 1994 meeting. A portion of the tuition paid by students is allocated to student services and activities as well as the costs of buildings supporting these services and activities. These fees are called designated tuition.

The amount of designated tuition is reviewed and revised annually by the Board. Changes do not affect total tuition and fees approved in October.

Designated tuition is to be distinguished from a) Regent-wide mandatory fees such as the computer and health service fees approved at the same time as full-time tuition, and b) miscellaneous fees largely dependent on individual student choices and circumstances.

Total designated fees for fiscal year 1995 at Iowa State University were proposed to increase to \$110.83 from \$106.06 for each semester and the summer term. University officials proposed increases in these categories for 1994-95:

Category	1993-94 Semester Fee	1994-95 Semester Fee	Percent Change
Student Government	\$21.14	\$22.56	6.7%
Memorial Union Operation	\$20.14	\$20.74	3.0%
Cy-Ride Bus System	\$14.10	\$14.87	5.4%
Recreation (General)	\$7.32	\$8.30	13.4%
United Students of Iowa	\$6.65	\$7.75	15.3%

The proposed increase is expected to generate approximately \$5,962,654 in revenue, 7.7% of gross budgeted tuition income for fiscal year 1995.

The \$9.75 per semester student fee for Intercollegiate Athletics is unchanged.

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

The Student Fee Committee was duly formed and made recommendations to the university president as required. Recommendations were discussed with the student government association on the distribution of that portion of tuition designated for student activities.

The president of the university supported all of the recommendations.

Increases in fees are directed primarily to those programs where students have set priorities and desire to maintain services.

Fees are stated on a per semester basis and apply to the academic semesters and summer term. This pattern is consistent with previous years.

Consistent with the Board's decisions to allocate one percent of the increase in tuition and fees for 1994-95 to building maintenance, the Student Fee Committee recommended the initiation of a Building Maintenance Fee of \$1.16 to fund building maintenance projects of high priority to students.

University officials proposed a decrease from \$.62 to \$.36 (-41.9 percent) in the fee for Reserve for Student Organization Deficits.

The largest specific categories for allocation of proposed 1994-95 designated tuition were:

Category	Amount	Semester Rate Per Student
Memorial Union Operation & Programming	\$1,233,634	\$22.93
Student Government	\$1,213,728	\$22.56
Recreation Facility Debt Service	\$820,450	\$15.25
Cy-Ride (Bus System)	\$800,006	\$14.87
Intercollegiate Athletics	\$524,550	\$9.75
Hilton Coliseum Debt Service	\$511,100	\$9.50
Recreation Operations (including General Recreation & Facility Fee)	\$500,340	\$9.30

Vice President Madden noted that the student union building programming was funded out of tuition at Iowa State University but not at the other two Regent universities.

MOTION:

—Regent Dorr moved to approve the university's proposed distribution of the portion of tuition designated for student activities, student services, and building fees for the 1994-95 academic year, including summer session 1994, as set forth. Regent Tyrrell seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

(c) University of Northern Iowa. The Board Office recommended the Board approve the university's proposed distribution of the portion of tuition designated for student activities, student services, and building fees for the 1994-95 academic year, including summer session 1994.

The Board of Regents established tuition rates and mandatory fees for fiscal year 1995 at its October 1993 meeting. A portion of the tuition paid by students is allocated to student services and activities as well as the costs of buildings supporting these services and activities. These fees are called designated tuition. The amount of designated tuition is reviewed and revised annually by the Board. Changes do not affect total tuition and fees approved in October.

Designated tuition is to be distinguished from a) Regent-wide mandatory fees such as the computer and health service fees approved at the same time as full-time tuition, and b) miscellaneous fees dependent on individual student choices and circumstances.

Total designated fees for fiscal year 1995 at the University of Northern Iowa were proposed to increase to \$74.10 from \$71.10 (4.2 percent) per semester and to \$32.50 from \$31.15 (4.3 percent) for the summer session.

The university and Northern Iowa Student Government recommended the following increases:

Category	1993-94 Semester Fee	1994-95 Semester Fee	Percent Change
Intercollegiate Athletics	\$22.00	\$23.10	5.0%
Building Fund for Student Activity	\$9.70	\$10.00	3.1%
Student Union Fee	\$8.40	\$8.70	3.6%
Fine Arts/Cultural	\$5.05	\$5.55	9.9%
Campus Recreation	\$4.50	\$4.70	5.0%
Intercollegiate Academics	\$2.20	\$2.45	11.4%

The proposed increase is expected to generate \$1,871,600 in revenue, 7.0 percent of gross budgeted tuition income for fiscal year 1995.

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

April 15. The Student Fee Committee was duly formed and made recommendations to the university president as required.

Recommendations were discussed with Northern Iowa Student Government on the distribution of that portion of tuition designated for student activities.

The president of the university supported all of the recommendations.

Increases in fees were directed primarily to those programs where students have set priorities and desire to maintain services.

Fees are determined separately for fall/spring semesters and the summer session. This pattern is consistent with previous years.

The largest specific categories for proposed allocation of designated tuition in 1994-95 are:

Category	Amount	Semester Rate Per Student
Intercollegiate Athletics	\$556,900	\$23.10
Fieldhouse Fee	\$305,800	\$12.50
Building Fund for Student Activity	\$254,400	\$10.00
Student Union Fee	\$226,900	\$8.70
Fine Arts/Cultural	\$144,600	\$5.55
Student Organizations	\$157,600	\$5.25

The University of Northern Iowa has the highest allocation to Intercollegiate Athletics of the three Regent universities.

With the proposed rates, the University of Northern Iowa will have an allocation of \$556,900 compared to an allocation of \$524,550 for Iowa State University. The University of Iowa does not allocate any designated tuition to Intercollegiate Athletics.

University officials recommended that the allocation to student organizations be reduced from \$6.10 to \$5.25 per semester, a 13.9 percent decrease and that two new line items normally included under student organizations be funded separately.

University officials recommended that two new line items be created as follows:

Northern Iowan (student newspaper) - \$.95 per semester
Homecoming - \$.25 per semester

Vice President Follon stated that this would probably be the last time Keith Saunders, student government president, would present information to the Regents. She said he graduated last weekend. She has especially enjoyed working with Mr. Saunders this year. He chaired the committee that made the decision on allocation of tuition and fees.

Mr. Saunders described the process the committee went through in determining the recommendations for allocations.

Regent Furgerson asked about the process that student organizations use to request funding. Mr. Saunders responded that each student organization is represented by a line item. The student government association has control of the line item.

Vice President Follon stated that funding is allocated by the student government's finance committee.

Regent Furgerson asked whether each organization when formed is given guidelines about the annual budget process. Mr. Saunders responded that they were.

MOTION: Regent Dorr moved to approve the university's proposed distribution of the portion of tuition designated for student activities, student services, and building fees for the 1994-95 academic year, including summer session 1994. Regent Collins seconded the motion.

Regent Dorr commended Mr. Saunders for his presentation to the Board. He said that if all student presentations were that concise it would be delightful.

VOTE ON THE MOTION: The motion carried unanimously.

President Berenstein added his personal commendation to Mr. Saunders. He said Mr. Saunders did not preach to the Regents and was always very kind. He appreciated his good work.

President Rawlings introduced the new student leaders at the University of Iowa: John and Gretchen Lohman. He noted that Lyle Muller of the Cedar Rapids Gazette had recently written an article on the siblings. The Lohmans have been able to get far more students to sign up for student government involvement.

President Berenstein welcomed the Lohmans and said it was great to have them.

Provost Nathan noted that Gretchen graduated from the University of Northern Iowa and was now a graduate student at the University of Iowa.

REPORT OF THE BANKING COMMITTEE. The Board Office recommended the Board (1) receive the report on current Banking Committee items; (2) approve partial liquidation (\$3.5 million) of the Utility Enterprise System bond reserve to finance modifications of Boiler #11 (SUI); and (3) preliminarily approve the selection of Walter Scott and Partners as International Equities Fund Manager, subject to satisfactory resolution of custodial issues.

The Banking Committee met on May 18, 1994. Regent Dorr noted that he had chaired the Banking Committee meeting upon the request of Regent Hendricks who was unable to attend due to an injury. He said the Banking Committee members discussed the proposed schedule for issuance of bonds and the quarterly investment and cash management reports of the institutions.

Regent Dorr stated that the Banking Committee discussed the sale of \$1,345,000 Academic Building Revenue Refunding Bonds, Series SUI 1994. He recommended that the Board approve the sale as outlined in the University of Iowa's docket.

MOTION:

Regent Dorr moved to adopt a Resolution authorizing the Executive Director to fix the date or dates for the sale of \$1,345,000 Academic Building Revenue Refunding Bonds, Series S.U.I. 1994. Regent Newlin seconded the motion, and upon the roll being called, the following voted:
AYE: Berenstein, Collins, Dorr, Furgerson, Johnson-Matthews, Newlin, Pellett, Tyrrell.
NAY: None.
ABSENT: Hendricks.

MOTION CARRIED UNANIMOUSLY.

Regent Dorr stated that the Banking Committee discussed the sale of \$2,180,000 Academic Building Revenue Refunding Bonds, Series UNI 1994. He recommended that the Board approve the sale as outlined in the University of Northern Iowa's docket.

MOTION:

Regent Dorr moved to adopt a Resolution authorizing the Executive Director to fix the date

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or dates for the sale of \$2,180,000 Academic Building Revenue Refunding Bonds, Series U.N.I. 1994. Regent Collins seconded the motion, and upon the roll being called, the following voted:
AYE: Berenstein, Collins, Dorr, Furgerson, Johnson-Matthews, Newlin, Pellett, Tyrrell.
NAY: None.
ABSENT: Hendricks.

MOTION CARRIED UNANIMOUSLY.

Regent Dorr stated that Iowa State University officials had requested permission to draw at some future date up to \$150,000 under the master lease. He said the issue at hand was that several of the aerocommander airplanes had aged to such a point where it was no longer economically feasible to maintain them. Another newer airplane would be purchased. The purchase was proposed to be funded through the sale of one aerocommander and 4 warrior airplanes, plus the \$150,000 from the master lease.

MOTION:

Regent Dorr moved that Iowa State University be permitted to draw \$150,000 under the Norwest Master Lease Agreement to finance the purchase of an airplane for Iowa State University Flight Service at such time as a suitable plane becomes available for purchase, subject to approval of the Executive Director per section 8.11 of the Board of Regents Procedural Guide. Regent Collins seconded the motion, and upon the roll being called, the following voted:
AYE: Berenstein, Collins, Dorr, Furgerson, Johnson-Matthews, Newlin, Pellett, Tyrrell.
NAY: None.
ABSENT: Hendricks.

MOTION CARRIED UNANIMOUSLY.

Regent Dorr stated that the Banking Committee had received a request from University of Iowa officials to approve the partial liquidation of the Utility Enterprise System Bond Reserve to finance modifications of boiler #11. The Banking Committee recommended Board approval of the liquidation. The liquidation would require a minimal amount of additional expense.

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Regent Dorr stated that the Banking Committee recommended preliminary approval of the selection of Walter Scott and Partners as the Regents' international equities fund manager for up to 10 percent of the endowment funds, subject to satisfactory resolution of custodian issues. He said this matter was one that the Banking Committee, Regent institutions and Board Office had been working on for two months. He noted that Regents Newlin and Collins had been very instrumental in the process. The committee was also given great assistance from Director Specter.

MOTION:

Regent Dorr moved to (1) approve the partial liquidation (\$3.5 million) of the University of Iowa Utility Enterprise System bond reserve to finance modifications of Boiler #11 and (2) approve the preliminary selection of Walter Scott and Partners as the Regents' international equities fund manager, subject to satisfactory resolution of custodial issues. Regent Collins seconded the motion.

President Berenstein questioned the custody of the securities in Edinburgh, Scotland. Regent Dorr stated that the Walter Scott firm is currently being utilized by the Iowa State University Foundation. The firm normally uses the Royal Bank of Scotland as custodian. Regent administrators will work with the State Auditor and legal counsel to make sure the custody issues are acceptable in terms of state Code requirements and effective reporting. The Regents will not enter into an agreement with the firm until the custody matters have been agreed to by the State Auditor and approved by legal counsel.

Regent Newlin stated that Director Specter would work on the custodian matter.

VOTE ON THE MOTION:

The motion carried unanimously.

REPORT ON IMPLEMENTATION OF THE AMERICANS WITH DISABILITIES ACT, UNIVERSITY OF IOWA. The Board Office recommended the Board (1) receive the report; (2) request the University of Iowa evaluate the accessibility of specific academic programs with the understanding that if facility modifications are needed to achieve accessibility, the university will work with the Board Office to develop cost effective solutions to meet the requirements of the law; and (3) request an institutional progress update in three months and a comprehensive report addressing the above in six months.

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The Board Office and the university agreed to the need to evaluate the accessibility of specific academic programs. A format was developed for the review.

When facility modifications are needed for program accessibility, appropriate nationally-accepted standards should be used.

The University's Office of Personnel has been physically accessible to persons with disabilities for several years.

The university has established the position of Reasonable Accommodation Specialist; this person assists departments in making good faith efforts to provide reasonable accommodations where warranted.

Faculty, staff and students with disabilities were actively involved in the ADA self-evaluation process.

Mechanisms for enhanced consultation with the disabled have been developed.

The university provides programs using alternative materials and methods of instruction and relocates programs to accessible locations.

President Rawlings introduced Susan Mask, Director of Affirmative Action.

Director Mask stated that University of Iowa officials had been working to meet some of the concerns raised last month. They will comply with both the letter and the spirit of the Americans with Disabilities Act. University officials have worked very hard. The process of self evaluation has been very helpful and will be a continual process.

President Berenstein asked if Director Mask had any concerns with the reporting requirements. Ms. Mask responded that university officials essentially came to an agreement on it with the Board Office.

MOTION:

Regent Tyrrell moved to (1) receive the report; (2) request the University of Iowa evaluate the accessibility of specific academic programs with the understanding that if facility modifications are needed to achieve accessibility, the university will work with the Board Office to develop cost effective solutions to meet the requirements of the law; and (3) request an institutional progress update in three months and a comprehensive

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report addressing the above in six months.
Regent Newlin seconded the motion. MOTION
CARRIED UNANIMOUSLY.

VENDORS WITH POTENTIAL CONFLICT OF INTEREST. The Board Office recommended the Board (1) approve the request of the University of Iowa to add the name of Tom Heald to the list of approved vendors with a potential conflict of interest; (2) approve the request of Iowa State University to add the name of DNZ Consulting and Associates to the list of approved vendors with a potential conflict of interest; and (3) approve the request of Iowa State University to add the name of Engineering Animation, Inc., to the list of approved vendors with a potential conflict of interest.

University of Iowa

University of Iowa officials requested that the name of Tom Heald be added to the list of approved vendors with a potential conflict of interest. Tom Heald dba Summit Street Gallery sells original fine art by area artists on a consignment/commission basis and offers services as a fine artist, sign painter and designer.

Mr. Heald is employed as Design Artist II at the Hygienic Laboratory, Oakdale Research Campus. Mr. Heald states that his area of job responsibility consists of production duties of a specialized, scientific nature.

Mr. Heald has no responsibilities for recommending or influencing any university department at the University of Iowa concerning decisions to purchase fine art.

Iowa State University

Iowa State University officials requested that DNZ Consulting and Associates be added to the list of approved vendors with a potential conflict of interest. The owners of DNZ Consulting and Associates are Noa V. Zanolli Davenport, Ph.D., Adjunct Assistant Professor in the Department of Anthropology, and Aaron L. Davenport, Sr., Associate Director for Administrative Services for the Iowa State University Institute for Physical Research and Technology.

DNZ Consulting and Associates will contract for conflict resolution, team building, diversity and human resource consulting and training for Regent institutions. All contracts sought by DNZ Consulting and Associates will be competitively bid.

Neither principal can affect, direct or influence any decision from any department regarding the types of contracts sought.

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Iowa State University officials requested that Engineering Animation, Inc., be added to the list of approved vendors with a potential conflict of interest. Engineering Animation, Inc., is a high technology company which sells software for advanced computer visualization and animation, and consulting services for a wide variety of clients.

Dr. Martin Vanderploeg, faculty member in Mechanical Engineering, and Dr. James Bernard, Director of the Iowa Center for Emerging Manufacturing Technology, have an interest in Engineering Animation, Inc.

Dr. Vanderploeg will not be involved on behalf of the university in the request for purchase of any service or product of Engineering Animation, Inc. Any request for purchase of a service or product Engineering Animation, Inc., from Dr. Bernard as Director of Iowa Center for Emerging Manufacturing Technology will be signed by Dr. Bernard's immediate supervisor, who is director of the Institute for Physical Research and Technology.

MOTION:

Regent Newlin moved to (1) approve the request of the University of Iowa to add the name of Tom Heald to the list of approved vendors with a potential conflict of interest; (2) approve the request of Iowa State University to add the name of DNZ Consulting and Associates to the list of approved vendors with a potential conflict of interest; and (3) approve the request of Iowa State University to add the name of Engineering Animation, Inc., to the list of approved vendors with a potential conflict of interest. Regent Tyrrell seconded the motion, and upon the roll being called, the following voted:

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

NAY: None.

ABSENT: Hendricks.

MOTION CARRIED UNANIMOUSLY.

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

PROPOSED REORGANIZATION AND BOARD OFFICE BUDGET FOR FISCAL YEAR 1995. The Board Office recommended that the Board:

- (1) Approve the proposed reorganization of the Board Office as follows:
 - (a) Abolish the position of Associate Director, Academic Affairs and Research and Director, Planning, Pay Grade 6, effective August 31, 1994;
 - (b) Approve the revised classification description for Research Associate, Pay Grade 3, and authorize an additional position in that class, effective September 1, 1994;
 - (c) Reinstate the position of Director, Human Resources, Pay Grade 7, effective September 1, 1994.
- (2) Approve the application for Early Retirement of Donald R. Volm, Associate Director, Human Resources and Director, Regents Merit System, effective September 30, 1994;
- (3) Commend Donald R. Volm for his twenty-four years of service to the Board of Regents and its institutions;
- (4) Approve the proposed preliminary budget for the Board Office for fiscal year 1995; and
- (5) Receive the status report on the Board Office budget for fiscal year 1994.

Reorganization of the Board Office staff is essential in fiscal year 1995:

- o to restore effective leadership in the administration of Human Resources;
- o to operate within the financial resources available for the operations of the Board Office;
- o to continue a satisfactory level of staff services to the Board in the Academic Affairs and Planning Unit;
- o to allow a long-term employee to take a well-deserved early retirement in September of 1994.

The reorganization will maintain the same number of full-time positions in Academic Affairs and Planning.

The current and proposed organizational charts were presented to the Regents.

Leadership of the Human Services Unit has been the responsibility of the Executive Director since funding for the position was eliminated three years ago. Restoration of effective leadership in the vital area of Human Resources is essential and can be done in conjunction with the early retirement of Mr. Volm, the Associate Director, Human Resources, and Director, Regents Merit System.

The elimination of the position of Associate Director, Academic Affairs and Research and Director, Planning coupled with the addition of the position of Research Associate is required to reduce costs to fit within resources available for fiscal year 1995.

The incumbent Associate Director, Academic Affairs and Research and Director, Planning has been offered the position of Research Associate effective September 1, 1994, at the maximum annual salary of \$48,830 for the position. Approximately four months' notice will have been given to allow time for exploration of other job opportunities by the person involved.

The classification description of the Research Associate was revised to include duties related to planning.

Mr. Donald R. Volm, who has served the Board for twenty-four years as Regent Merit System Director and Associate Director, Human Resources, has requested early retirement effective September 30, 1994. The early retirement benefits will cover a period of eighteen months at a cost of \$29,700 including among others:

- o a lump sum payment of \$6,177 for IPERS;
- o \$3,340 for continued coverage of health and dental insurance;
- o \$2,000 for sick leave payout;
- o \$16,152 for payment of accrued annual leave.

The proposed preliminary budget of \$1,198,449 reflects an increase of 3.9 percent over projected expenditures for fiscal year 1994 and:

- o includes the cost of early retirement for Mr. Volm;

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- o reflects net savings of \$15,000 by eliminating the Associate Director, Academic Affairs and Planning, and substitution of the Research Associate position;
- o provides for \$5,000 for maintenance of the new computer equipment;
- o reduces Board travel to a more normal pattern of expenditure;
- o continues Board Office travel expense at the same level as budgeted for the current year and assumes a full staff complement;
- o provides for deletion of the salary bonuses and funds average increases of 4 percent (net of 3 percent over fiscal year 1994).

The final comprehensive Board Office budget for fiscal year 1995 will be presented to the Board in June and will include all functions including those financed in the institutional budgets.

Projected expenditures for fiscal year 1994 were not changed materially from those presented to the Board in April.

The proposed preliminary budget shows a modest increase in total over the expenditures level of the current year. It requires institutional reimbursements of \$73,827, an increase of \$18,769. Every effort will be made to hold down costs in order to ease the burden on the institutions. Hopefully, they will benefit from improved services by the office.

President Berenstein commended Director Volm for his 24 years of service to the Board of Regents. He thanked him for his valuable leadership in the human resources area during that period. He noted that Mr. Volm led the creation of the Regents Merit System.

MOTION:

Regent Collins moved to (1) Approve the proposed reorganization of the Board Office as follows: (a) Abolish the position of Associate Director, Academic Affairs and Research and Director, Planning, Pay Grade 6, effective August 31, 1994; (b) Approve the revised classification description for Research Associate, Pay Grade 3, and authorize an additional position in that class, effective September 1, 1994; (c)

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Reinstate the position of Director, Human Resources, Pay Grade 7, effective September 1, 1994; (2) Approve the application for Early Retirement of Donald R. Volm, Associate Director, Human Resources and Director, Regents Merit System, effective September 30, 1994; (3) Commend Donald R. Volm for his twenty-four years of service to the Board of Regents and its institutions; (4) Approve the proposed preliminary budget for the Board Office for fiscal year 1995; and (5) Receive the status report on the Board Office budget for fiscal year 1994. Regent Johnson-Matthews seconded the motion.
MOTION CARRIED UNANIMOUSLY.

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

June 14-15	University of Iowa	Iowa City
July 20-21	Iowa State University	Ames
September 20-21	University of Northern Iowa	Cedar Falls
October 19-20	University of Iowa	Iowa City
November 16-17	Iowa State University	Ames
December 14-15	To Be Determined	Des Moines
January 18, 1995	Telephonic	
February 15-16	University of Northern Iowa	Cedar Falls
March 15-16	Iowa State University	Ames
April 19-20	University of Iowa	Iowa City
May 17-18	Iowa School for the Deaf	Council Bluffs
June 21-22	University of Northern Iowa	Cedar Falls

Mr. Richey stated that he had discussed the matter of the September 1994 Board meeting date with the Regents since the discussion held earlier in this meeting. It was determined that the meeting would be held at the University of Northern Iowa beginning the afternoon of September 7 and would continue on Thursday morning, if necessary.

ACTION: The Board Meetings Schedule was approved, by consent.

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

STATE UNIVERSITY OF IOWA

The following business pertaining to the State University of Iowa was transacted on Wednesday, May 18, 1994.

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

Register of Personnel Changes for March 1994 which included one additional promotion and tenure action.

Provided for the Board's information was the appointment of GARY C. FETHKE as Dean of the College of Business Administration, effective July 1, 1994, at an annual salary of \$143,000.

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

ACADEMIC CALENDAR. The Board Office recommended the Board approve the designation of a university holiday for Martin Luther King, Jr., Day for 1994-95, 1995-96, and 1996-97.

University of Iowa officials proposed that the date of Martin Luther King's birth be designated a university holiday.

The approval of this holiday would constitute a revision to the university calendars already approved for 1994-95, 1995-96, and 1996-97.

This holiday designation will not add to the number of holidays provided faculty and staff. Currently, the university provides eleven holidays in the form of eight fixed days and three personal holidays. Personal holidays have been treated as vacation days for administrative purposes but are not, however, a part of the vacation entitlement for staff and faculty.

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University officials proposed to provide nine fixed holidays and two personal days if the addition of the Martin Luther King, Jr., birthday holiday is approved.

The proposed change is consistent with the current collective bargaining agreement covering most merit staff.

The state collective bargaining agreement covering most merit staff and the state Code section which sets the limit for other faculty and staff prevent the university from adding another holiday to the eleven already provided.

MOTION: Regent Furgerson moved to approve the designation of a university holiday for Martin Luther King, Jr., Day for 1994-95, 1995-96, and 1996-97. Regent Tyrrell seconded the motion.
MOTION CARRIED UNANIMOUSLY.

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

PROJECT DESCRIPTIONS AND BUDGETS

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

West Campus Parking Ramp Expansion \$10,390,000

Preliminary Budget

Design, Inspection & Administration		
Consultants	\$	730,000
Architect/Engineering Services		385,000
Construction		
Site Work Package	\$	287,600
Construction Package		8,472,300
Utility Package		<u>75,100</u>
	\$	8,835,000
Contingency		<u>440,000</u>
TOTAL		<u>\$10,390,000</u>

Source of Funds: Parking System Improvement and Replacement Fund
and University Hospitals Building Usage Fund

(The distribution of funding between these sources will be determined in subsequent planning and submitted to the Board in a final budget within three months. Sufficient resources are available to conduct the project without borrowing funds.)

University officials requested approval of the project description and preliminary budget. The architects were in attendance at the May Board meeting to make a presentation of the project design. The project manual was included with the docket materials for Board members' review.

The new parking facility will serve patients and visitors of the new University Hospitals and Clinics Eye Institute, Family Care Center and other functions in the South Pavilion. It will also serve students, faculty, staff and the general public who require parking to access adjacent recreation and academic facilities. The need for the facility and location were presented to the Board in 1991 when plans for the University Hospitals South Pavilion were reviewed.

The proposed five-story, above-ground structure, which has received approval of the university's Campus Planning Committee, will be built on the site of an existing one-story parking structure and adjacent space just to the west of the Field House Addition and east of the South Pavilion project. The proposed ramp will contain approximately 675 spaces. Including adjacent surface parking, the number of spaces at this site will increase from 473 to approximately 900.

The structure will have three access points. The main access will be on the north end where it will be served by internal hospital drives to be constructed in connection with the South Pavilion. There will be an entry located on South Grand Avenue which will access the structure through the existing surface parking facility located south of the Field House Addition. Finally, a secondary entry will be accessed from Melrose Avenue at the south end of the structure where the entry to the Family Care Center will be located.

The ramp will be served by two elevators located in the north west corner where the structure will be connected to the South Pavilion project by an underground tunnel and an overhead passage way. Lighted stairwells will be located at the southwest, northwest and northeast corners of the structure.

The structure will be constructed of post-tensioned, cast-in-place concrete. The south end of the structure and limited areas of the east and west facade will be clad in a perforated stainless steel panel system to enhance the aesthetic value of the facility. The university has worked very closely with the project architect and parking consultant to make the proposed facility as compatible as possible with its surroundings. This will continue as the planning proceeds and will include landscaping along Melrose Avenue, pedestrian street crossing, bus drop off and pick up points, the management of ramp access at the secondary entrance for Family Care Center patients and similar issues.

In addition to parking, the ramp will be designed to provide space for proposed University Hospitals' functions. One level below the north end of the structure will be a hospital records storage facility with approximately 20,000 gross square feet. The precise dimensions will be determined during final planning. It will be connected to the South Pavilion via a second underground tunnel and served at grade with an access facility which includes enclosed parking for one service vehicle and an elevator.

Enclosed space for two Mobile Critical Care Vehicles will be located on the ground floor of the new facility. Finally, the area between the north end of the new ramp and the lower level at the south end of the Pappajohn Pavilion will be shelled-in, minimizing the costs of developing below grade expansion space for Department of Orthopedic Surgery functions. These elements will be submitted to the Board for approval in the future.

The University Hospitals share of the project cost will consist of the estimated cost of support facilities that will be developed for hospital use and appropriate support for costs of parking facility space.

Vice President True introduced Rod Kruse from the architectural firm of Herbert Lewis Kruse and Blunck.

Mr. Kruse presented the proposed design of the West Campus Parking Ramp Expansion project. He noted that there would be record storage space below the structure. The emergency area will be maintained. He said they have responded with literal interpretations of the Americans with Disabilities Act. The skin is a perforated stainless steel panel system and is reflective to respond to the environment. The skin allows ventilation while screening the cars and is very durable. The panels are 4 feet by 9-10 feet.

Vice President True stated that University of Iowa officials had spent a lot of time on this project. He said it is functional, cost effective and reflects the proper image.

MOTION: Regent Furgerson moved to approve the project description and preliminary budget for the West Campus Parking Ramp Expansion. Regent Johnson-Matthews seconded the motion.
MOTION CARRIED UNANIMOUSLY.

Main Power Plant--Modification of Boiler No. 11 \$7,500,000

Preliminary Budget

Project Management, Administration and Technical Assistance	\$ 100,000
Equipment Modification and Replacement	7,000,000
Contingencies	<u>400,000</u>
TOTAL	<u>\$7,500,000</u>

Source of Funds:

Utility Enterprise Improvement and Replacement Funds	\$1,500,000
Treasurer's Temporary Investment Income	2,500,000
Utility Enterprise Debt Service Reserve Funds	<u>3,500,000</u>
TOTAL	<u>\$7,500,000</u>

As reported in February, university officials proposed to replace the combustion unit of Boiler No. 11 with a new unit of proven technology. The existing unit has exhibited numerous problems since its completion, including the inability to operate consistently at acceptable steam generation levels, excessive outages, and excessive maintenance and repair costs. Increasing steam loads require that a reliable, efficient boiler be in operation prior to the 1995-96 heating season. Modification of Boiler No. 11 to ensure reliability and efficiency, while providing for the use of alternate fuels such as petroleum coke and western coal, is expected to provide savings of at least \$1 million annually in fuel, operating, maintenance and repair costs.

In June 1985 the Board of Regents approved a project and preliminary budget in the amount of \$29.5 million for the main power plant boiler replacement program. In March 1986, a contract for the steam generating unit (Boiler No. 11), a fluidized bed boiler, was awarded to Riley Stoker Corporation, in the amount of \$8,170,445. As the contract approached completion, Riley was unable to attain the levels of steam production or efficiency guaranteed in the contract. Similar problems occurred with all other boilers

of this design at other installations. In September, 1990, a settlement with Riley was approved by the Board of Regents which included Riley furnishing two new 150,000 lbs./hour natural gas/fuel oil fired boilers and other services. This non-cash settlement was valued at \$3.9 million.

Since 1990, university officials have attempted to improve the reliability and efficiency of Boiler No. 11, expending considerable resources in the process. Efforts have included participating in a users group with other owners of similar Riley boilers, use of engineering consulting services from Fluidized Bed Technologies (which has worked to correct problems with other Riley units) and a number of repair/renovation projects on the boiler unit.

University officials believe that the basic design of the existing unit will not permit reliable, efficient operation of the boiler. The combustion unit is insufficiently sized, causing uncombusted solids to carry over and continue the combustion process in the cyclone and external heat exchanger. This results in damage to components and refractory, and boiler outage. Because of the thick refractory, it takes nearly a week to cool the unit sufficiently to permit repairs to internal portions and about 24 hours to bring the boiler up to operating temperature from a cold start.

In recent months consideration has been given to the option of modifying Boiler No. 11 by replacing the combustion unit with a fluidized bed combustion unit of proven technology, reliability and efficiency. Research has also been done on the potential for burning alternate fuels. The resulting findings indicate that modification of the boiler unit is feasible, and that, combined with burning alternate fuels in a modified unit, could result in savings of at least \$1 million annually.

Fuel savings would result from burning petroleum coke and western coal, although modifications of the fuel handling system would be required to burn a mix in excess of 10 percent petroleum coke. Maintenance and repair costs are conservatively estimated to decline by \$200,000 to \$300,000 annually. The increased use of coal versus national gas is estimated to save \$.80/MMBTU. Additionally, the amount of steam generated by coal will increase significantly due to higher coal-generated production per hour and improved operational availability.

University officials proposed to pre-qualify potential contractors. The pre-qualification evaluation criteria will include at a minimum the following: experience in fluidized bed boiler technology and modification, engineering expertise, specific components of the project, techniques in accomplishing the project, life-cycle cost, project schedule, and financial capacity. After contractors have been pre-qualified the project will then be bid as required by Section 262.34 of the Code of Iowa.

Pharmacy Building - Pharmaceutical Services Renovation \$1,301,505
Source of Funds: Division of Pharmaceutical Services Earnings

Preliminary Budget

Design, Inspection and Administration	
Consultants	\$ 198,555
Architect/Engineering Services	50,250
Construction	957,000
Contingency	<u>95,700</u>
 TOTAL	 <u>\$ 1,301,505</u>

University officials requested approval of a project description and budget for the renovation of 2,500 square feet of space for the Pharmaceutical Services Division of the College of Pharmacy. This remodeling project will allow the university to maintain compliance with Good Manufacturing Practices, a set of federal regulations that govern the pharmaceutical industry. The project also will increase capacity to manufacture sterile pharmaceutical formulations for clinical trials, a major source of support for the Pharmaceutical Services Division.

The university received permission in May 1993 to initiate planning for this project with approval of the selection of Raytheon Engineers and Contractors as project designers. The project will provide a filling suite for the processing of pharmaceuticals with the following areas: two filling rooms for processing both lyophilized (freeze-dried) and non-lyophilized aseptic products; separate men's and women's gown areas; a clean corridor to support these filling rooms; a component prep area where all glassware and other components for supporting the filling operation will be prepared; a weigh room and weigh and mix room for weighing of active and inactive ingredients and preparation of final solutions for filling; an equipment cleaning and storage room; the relocation of an existing large autoclave; and a small label and pack room for preparing finished products to be sent to final packaging.

Since pharmaceutical products are manufactured in this facility, the remodeling must be in compliance with strict Federal regulations that govern the pharmaceutical industry. This was the reason for the selection of Raytheon as design consultant, since it has substantial experience in similar projects.

The work will include the following: demolition of existing ceilings, walls, doors and frames, electrical distribution systems, HVAC systems and selected plumbing and

pipng systems; installation of new HVAC systems designed for the environmental requirements of the spaces, a new electrical distribution system to power the relocated and new equipment as well as general power requirements for the spaces, new piping and plumbing systems to service equipment and spaces and a new sterile air system and oxygen system; extension of an existing "water for injection" system and an existing nitrogen oxide system; construction of new walls with doors and frames, windows, air lock devices with a new ceiling with lights and new flooring; coordination of new fire alarm devices for this space with the fire alarm system that was bid as part of the Pharmacy Building Addition project; and, extension of a chilled water line into the Pharmacy Building sized to handle the existing building as well as the new HVAC units required for this project (the cost for this work will be shared with a separate Utilities Enterprise project).

Regent Dorr asked that someone from the University of Iowa discuss the Pharmacy Building - Pharmaceutical Services Renovation. He said he was satisfied with the explanations he had received. Although this was an expansion of an existing program it appeared to be necessary.

Vice President True stated that this was a critical project for the university. He then deferred to Vice President Manasse to describe the project.

Vice President Manasse stated that the College of Pharmacy has a unique program called "Pharmaceutical Services". The University of Iowa is one of three institutions in the United States that manufactures pilot-scale productions of particular dosage lines. Before testing occurs they have to make the raw ingredient that gets into the body. Before massive manufacturing takes place the dosage is designed and it is then prepared in small-run units. In addition to the manufacturing function, the laboratory also serves as a excellent environment in which Ph.D. students work. Many of those students eventually go to work in project development laboratories. He said their clients include hospitals and world health organizations.

Regent Dorr asked if what was presented was basically the extent of the cost of the project. Vice President Manasse responded that it was the extent of the cost of the project as they know today. The only other item anticipated would be the validation required by the FDA. If a different approach comes out through the validation process it could add costs. Unanticipated cost overruns could also occur.

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University officials presented the following revised project budget:

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Hancher Auditorium Renovation

Original Budget \$2,030,000
Revised Budget \$2,095,000

Project Budget

	Original Budget <u>Feb. 1994</u>	Revised Budget <u>May 1994</u>
Construction	\$ 1,575,650	\$ 1,761,500
Design, Inspection and Administration		
Consultants	231,300	231,300
Architect/Engineering Services	65,300	65,300
Contingencies	<u>157,750</u>	<u>36,900</u>
 TOTAL	 <u>\$ 2,030,000</u>	 <u>\$ 2,095,000</u>
 Source of Funds:		
Private Gifts	\$ 1,250,000	\$ 1,315,000
National Endowment for the Arts	150,000	150,000
Building Renewal	315,000	315,000
Income from Treasurer's Temporary Investments	<u>315,000</u>	<u>315,000</u>
 TOTAL	 <u>\$ 2,030,000</u>	 <u>\$ 2,095,000</u>

The revised project budget in the amount of \$2,095,000 was approved by the Executive Director on April 29, 1994, to allow award of the construction contract for this project. The revised budget reflects the addition of \$65,000 in private gifts raised by the University of Iowa Foundation.

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

ARCHITECT/ENGINEER AGREEMENTS

Pharmacy Building--Pharmaceutical Services Renovation \$160,000
Raytheon Engineers and Contractors, Inc., Philadelphia, PA

University officials requested approval of an agreement with Raytheon Engineers and Constructors to provide the additional services. The agreement provides for a fee of \$160,000, including reimbursables; \$42,320 of the fee is for validation preparation services. Reimbursable expenses are not to exceed \$27,700.

Lot 33 Parking Lot Improvements \$47,775
(Dentistry Patient/Visitor Lot)
Shoemaker and Haaland Professional Engineers, Coralville, Iowa

University officials requested approval of an agreement with Shoemaker and Haaland to provide preliminary design services for the repair and overlay of Parking Lot 33. The project will also include expansion and realignment of the space to develop more accessible parking for persons with disabilities, sidewalks, drainage improvements, landscaping, new entrances and exit, utility service extensions and improved parking lot lighting. The university plans to present the project description and budget for Board approval in the near future.

The agreement provides for a fee of \$47,775, including reimbursables.

Multi-Tenant Facility, Oakdale Research Park--Remodel for \$43,490
Transgenic Facility
CPMI, Inc., Coralville, Iowa

University officials requested approval to enter into an agreement with CPMI, Inc., to serve as construction manager for this project. CPMI is co-owner of the building. The agreement provides for a fee of \$43,490, including reimbursables.

Schaeffer Hall--Remodeling and Renewal \$40,000
Herbert Lewis Kruse Blunck, Des Moines, Iowa

University officials requested approval of a negotiated agreement in the amount of \$40,000 for services necessary to establish the scope of services that will be required for the project. The results of this work will permit the negotiation of a more informed agreement for full services for the project

The firm proposed to provide a preliminary study including a space utilization study, code review and value engineering for the project for a fee of \$40,000, including reimbursables. Actual costs will be incorporated into a full services agreement to be negotiated and presented to the Board for approval.

Engineering Building--Remodel for College Administrative and \$35,300
Student Service Areas
Stouffer and Smith, Des Moines, Iowa

University officials requested approval of an agreement with Stouffer and Smith to provide design services for the project.

The agreement provides for a fee of \$35,300, including reimbursables.

University Hospitals and Clinics--Completion of Family Care Center
Hansen Lind Meyer, Iowa City, Iowa

University officials requested approval to negotiate an agreement with Hansen Lind Meyer to provide design services for the completion of a Family Care Center at University Hospitals. They will return to the Board at a future date for approval of the negotiated agreement.

According to Board policy (9.05A2a), architectural/engineering services for projects expected to cost more than \$1 million that constitute major additions, substantial remodeling or a new building, must be selected by the institution's Architectural Selection Committee. Specific procedures, including the advertisement of the need for design services and evaluation of proposals, are detailed in the Board of Regents Procedural Guide.

The request to negotiate an agreement with Hansen Lind Meyer was fully consistent with action taken on the South Pavilion project by the Board of Regents in November 1991. At that time the Regents determined that the last phase of the hospital activity was a continuum, indicating that it would be unfair to the architectural community to put it "through the rigors of a competitive selection process with the strong likelihood and probability that HLM would be selected" (Board of Regents minutes, page 397).

Amendments:

Iowa Memorial Union--Footbridge Repairs \$19,481
Shive-Hattery Engineers and Architects, Iowa City, Iowa

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University officials requested approval of Amendment No. 1 in the amount of \$19,481 to the agreement with Shive-Hattery Engineers and Architects. The amendment will provide for architectural studies of ADA approach ramps, landings and lighting and their redesign, the evaluation of an added utility (steam and/or telecommunication), and an reexamination of the project budget.

Phillips Hall Remodeling \$888
Sholtz-Gowey-Marlof Architects and Interior Designers, Davenport, Iowa

CONSTRUCTION CONTRACTS

Hancher Auditorium--Renovation \$887,100
Award to: Merit Construction Company, Cedar Rapids, Iowa
(5 bids received)

University Hospitals and Clinics--Development of an Eye Institute-- \$13,017,000
Completion
Award to: McComas-Lacina Construction Company, Inc., Iowa City, Iowa
(3 bids received)

Recreation Building--Athletic Facility Improvement Program-- \$802,000
Basement Remodel
Award to: Merit Construction Company, Cedar Rapids, Iowa
(3 bids received)

Medical laboratories--Renovate Research Laboratory \$302,290
Award to: Aanestad Construction Company, Coralville, Iowa
(4 bids received)

University Hospitals and Clinics--Headend Air Handling Unit \$283,400
System Installation
Award to: Bowker Mechanical Contractors, Inc., Cedar Rapids, Iowa
(4 bids received)

ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

Medical Education Building--Construct Undergraduate Teaching Laboratory
Merit Construction Company, Cedar Rapids, Iowa

MOTION: Regent Furgerson moved to approve the university's capital register, as presented. Regent

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Pellett seconded the motion. MOTION CARRIED
UNANIMOUSLY.

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

With the UNITED STATES OF AMERICA for the use and benefit of the Veterans Administration Hospital, Iowa City, Iowa, for its use of 170 parking spaces located at the Finkbine Commuter Lot at the rate of \$30 per parking space, \$5,100 per month, for the period commencing June 1, 1994, through September 30, 1994;

With various tenants in the university-owned apartments, rooms, duplexes and houses for 102 units ranging rent from \$195 to \$800 effective July 1, 1994, through June 30, 1995.

MOTION:

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

MOTION CARRIED UNANIMOUSLY.

REPORT TO BOARD OF REGENTS AS TRUSTEES OF THE UNIVERSITY OF IOWA HOSPITALS AND CLINICS. The Board Office recommended the Board receive the report.

President Rawlings introduced Vice President Manasse.

Vice President Manasse thanked the members of the Board for suggesting agenda items. He said the report would be responsive to those suggestions and reviewed the major issues to be covered. He introduced Interim Director Staley.

Mr. Staley expressed appreciation to the Regents for setting aside the first two hours of the Board of Regents meeting for the University of Iowa Hospitals and Clinics' quarterly report. The first section of the presentation covered the quarterly update on operations, programs, finances and capital replacement. University of Iowa Hospitals and Clinics officials this month requested a budget ceiling increase. He noted that the

first 11 exhibits in the booklet the Regents received related to the need for the budget ceiling increase and an update on operations.

With regard to patient census data, Mr. Staley noted that admissions and patient days were up. They are caring for a larger number of patients in a shorter time period which means that productivity is increasing. There has been a three percent increase in clinic visits. The case mix index growth of 5.9 percent is a measure of the clinical complexity of the hospitals' census. There was a 17.8 percent increase in pediatric cardiology admissions, one of the more complex areas.

Mr. Staley briefly addressed organ transplants. He noted that the Regents had asked a number of questions regarding the organ transplant program and said they would review that area in more depth in September. He said there has been a substantial growth in both kidney and pancreas transplants. He presented figures for number of procedures of heart, lung and liver transplants.

Of special significance was the increase in the specialty inpatient care units census. Those areas included cardiovascular intensive care unit, medical intensive care unit and the burn unit. Mr. Staley noted that the biggest increase in the number of operating suite procedures has been in the ambulatory surgery center. With regard to pharmaceutical and intravenous solution costs, he said there has been a 13.5 percent increase over what was budgeted for the current fiscal year. There has also been a substantial increase in expenditures for medical and surgical supplies and services.

Mr. Staley introduced Associate Director Yerington, noting that Mr. Yerington is regarded as the "dean of financial management".

Associate Director Yerington discussed the request for a 1.6 percent budget ceiling increase (\$5,356,800). Much of the additional income was from the new cancer center and from an increase in the number of organ transplants. He noted that 64-1/2 percent of all drugs used in-house are used by only 25 percent of the patients. Other increased expenses were lapsed salaries and medical/surgical supplies. Increases in patient service levels were case mix index, 5.9 percent; ambulatory clinic visits, 3.0 percent; acute admissions, 2.2; and surgical procedures, 2.7 percent. Other factors include a reduction of salary lapsing to meet service increases, pharmaceutical costs impacted by technology and high medication intensity, increased medical/surgical supplies due to growth in complexity of procedures performed; and there has been no impact on State appropriation askings.

Regent Dorr said it was his recollection from the last report that there was some concern regarding available reserves. Would it not be practical to apply some of the additional revenues to reserves?

Mr. Yerington responded that to the extent actual revenues exceed the \$5.3 million estimated budget ceiling increase, and they were conservatively estimating that amount, the additional funds would contribute to reserves.

Regent Tyrrell thanked University of Iowa officials for getting the information for this meeting to the Regents before the session. He stated that, in looking at the increase in both pharmaceuticals and special materials, it appeared to be about half of what the increase was over last year.

Mr. Yerington responded that it was because they provide within the current year budget for some increase over last year, just not that scale of increase.

Mr. Yerington discussed a summary analysis of revenues and expenses for fiscal years 1989 through 1996 (projected). He noted that the figures were presented on an accrual basis. "Gross patient revenues" are the billings at standard rates of charge. Less than 20 percent of the patients pay full charge. For those who do not pay full charge there are contractual adjustments which are net patient revenues, not cash income.

Mr. Richey referred to the transfers of funds to the College of Medicine for 1991-92 and projected for fiscal year 1995 and 1996 of \$14 million and \$14.6 million, respectively. When extrapolating the base year of \$8.5 million with 8 percent annual growth, it would yield \$11 million not \$14 million.

Mr. Yerington responded that 1991-92 was the first year that University of Iowa Hospitals and Clinics remitted to the College of Medicine. He said \$10 million came in for a budget ceiling increase at the end of the year. The \$10 million represented the money expected to be collected for the faculty services for supervision and education of residents. The University of Iowa Hospitals and Clinics remitted \$8.5 million in 1992-93 and for the current year the anticipated amount was about \$6.8 million. The amount remitted to the College of Medicine is decreasing. He noted that the first \$10 million included some retroactivity. The anticipated \$6.8 million applies fully to this year. They are projecting for next year that they will only be able to collect \$4.2 million.

Mr. Richey asked if the revenues were revenues that the hospital was not previously receiving. Mr. Yerington responded that it would be a pass through to the College of Medicine of all the moneys the hospital collects for faculty services.

Mr. Richey asked if the pass through related to hospital educational expenditures. Mr. Yerington responded that the hospital had not changed its rate structure for this element of cost.

Mr. Richey questioned whether the amount actually transferred to the College of Medicine depended on the receipts. Mr. Yerington said that was how those funds were budgeted. It depends upon how successfully they are able to negotiate the reimbursement amount.

Regent Tyrrell referred to previous discussion concerning the hospitals' process of negotiating with Medicare for an amount of reimbursement. He asked for the status of the negotiation. Mr. Yerington responded that on March 1 University of Iowa Hospitals and Clinics officials went to Baltimore and appeared before a provider reimbursement review board. They felt they had a very successful hearing although most of the questions were supportive questions rather than otherwise. He said the review board does not render its decisions promptly. The attorney representing the hospital before the review board had one case that took almost a year for a decision. He concluded by stating that they were very positive about their success in this matter.

Regent Tyrrell asked if the moneys in dispute were counted as revenue in the budget figures presented in the packet of information for this report. Mr. Yerington responded that for the most part the funds would be supplemental when they come. They expect the decision will not be made for a year. If the decision is negative they will probably appeal which takes up to 8 years.

Mr. Yerington reviewed with the Regents the pattern of revenues and expenses by year and an analysis of operating revenue. He noted that they were approaching the end of University of Iowa Hospitals and Clinics' capital development program. He stated that one of the Regents had asked him to present operating revenues by payer, which he presented.

Mr. Yerington stated that Medicare reimbursement's average annual increase was 4.3 percent historically and was expected to remain at that approximate rate. He noted that there will be more Medicare patients especially those over 80-years-old. He said those are the patients who will be more complex.

Regent Dorr questioned whether as the medical environment evolves to more managed care cases shouldn't something else have a negative growth? Mr. Yerington responded that the others are much larger than managed care. Referrals, in all probability, will be more complex.

Regent Tyrrell said it appeared that the case mix index would increase much more in the Medicare population of their patients. It appeared that they may be anticipating fewer patients but an increase in the case mix index. Mr. Yerington responded that even in Medicare they are anticipating some growth in those kinds of patients.

Mr. Richey referred to the charges to various payers in billings for physician services and asked whether the percent of billings was pretty much the same. Mr. Yerington said that was not the case. They are using a different payment system and different base reference points. Vice President Manasse stated that typically the physician reimbursement rate is lower than the reimbursement to the Hospital. Mr. Richey asked whether the trend in the decline of payments relative to charges had been as dramatic. Vice President Manasse responded that it had and that is was perhaps more dramatic on the managed care side.

Mr. Richey questioned whether that would not only have an impact on the hospital but also on the College of Medicine portion of their support. Vice President Manasse responded that, as they increase the volume of managed care patients, they are increasing the volume of patients subject to bigger discounts.

Regent Collins referred to the contractual adjustments and asked the reason for the percentage increase between 1988-89 to 1995-96 as related to gross billings. Mr. Yerington said it was because the payers are paying proportionately less each year. Every year Medicare picks away at what it will reimburse. There is an inflation adjustment every year but Medicare never pays the full charge. It always pays less.

Mr. Yerington reviewed net patient revenue by payer as a percentage of charges. In 1988-89 Medicaid paid 94.5 percent of charges but in 1992-93 it paid only 65.3 percent of charges. In comparing percentage of charges paid by managed care payers, he stated that in 1988-89 it paid 95.4 percent of charges compared to an estimated 88.1 percent of charges for 1995-96. Reimbursement for indigent patients is expected to go from 76.6 percent of charges in 1988-89 to 61.4 percent in 1995-96.

Mr. Richey asked whether University Hospitals' billings for indigent patients included costs for facilities. He said it was his understanding that they had dropped the portion allocated for the facilities building usage fund from indigent patient charges. Mr. Yerington responded that their standard rates are charged for indigent patients. Mr. Staley stated that the reimbursement for indigent patients does not cover capital costs.

Mr. Richey asked if they were saying that University Hospitals is not reimbursed by the State for the capital cost portion of indigent patient charges. Mr. Yerington said that

was correct. Percentage of charges received from State appropriations is also losing ground. He noted that University of Iowa Hospitals and Clinics serves many Illinois public aid patients. They receive CHAMPUS payments for civilian employees of uniform services as well as for Veteran's Administration patients.

Regent Tyrrell questioned whether managed care patients are mostly for contractual arrangements for tertiary services from other plans. Mr. Yerington responded that most of it was.

Regent Tyrrell referred to the State's indigent patient care program and said it was his understanding that each county gets a quota of the State funds for indigent care use. If the county exceeds its allotment, the county has to reimburse University Hospitals. Mr. Yerington said that was correct.

Regent Newlin stated that he appreciated the way the information in the quarterly report was laid out; it was much easier to follow.

Mr. Yerington reviewed with the Regents the University of Iowa Hospitals and Clinics' operating expenses from 1988-90 through 1995-96 (projected). He said increases in salaries and wages have averaged 8.2 percent collectively in the salary budget. University Hospitals officials project it will moderate to 4.8 percent in the coming years. He said there will continue to be an "explosion" in the cost of pharmaceuticals and intravenous fluids. Other costs continue to rise; pacemakers cost \$18,000 each. The costs and number of cardiovascular and orthopedic surgeries continue to increase. They have opened additional space which means they are using more electricity. He stated that an increase in insurance companies requiring coinsurance and deductibles of their subscribers is helping to drive bad debt.

Regent Dorr asked how efficiencies in facilities are measured. Associate Director Yerington responded that hospitals have a wealth of statistical information with which to begin. They then determine benchmarks by what is happening in the industry, and work toward those goals.

Regent Dorr asked how they know if they are efficient. Mr. Yerington responded that University of Iowa Hospitals and Clinics officials try to identify broad measures such as the cost per admission compared to others rather than how many square feet a housekeeper cleans in a day. It is a very complex matter and it can become too detailed. They also have to be careful in adopting benchmarks that they are comparing like items.

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Mr. Staley addressed salaries and fringe benefits. The University of Iowa Hospitals and Clinics will not have any special salary adjustments this year. He said they are encountering some concerns with salary structure raised by nursing staff.

Regent Newlin asked for clarification about the salary concerns. Interim Director Staley responded that it was not a concern with the level of expenditures but with the way the salary structure is set up. Addressing the concern will not require more money.

Mr. Staley discussed progress in meeting capital replacement objectives. He highlighted the contract award to construct the Eye Institute on the first level of the Pomerantz Family Pavilion. He expressed his pleasure at several Regents attending the dedication of the Pomerantz Family Pavilion last week. He stated that immediately to the east of the Pomerantz Family Pavilion was an area for which University of Iowa officials, later that day, would request permission for the construction of a parking facility. He said that construction project will be important to University of Iowa Hospitals and Clinics and would be essential in accommodating patients coming into the new Pomerantz Family Pavilion. He said he would appreciate the Board's support for that project.

Mr. Staley discussed the University of Iowa Hospitals and Clinics' cost effectiveness in the past and future. He highlighted benchmarks and how the Hospital compares to its peers. He said University of Iowa Hospitals and Clinics ranked last in comparison of University Hospital Executive Council Members' average all inclusive per diem costs. There was an average difference of \$530 in the per diem cost of the UIHC and Northwestern University. A similar comparison of per admission costs shows the University of Iowa Hospitals and Clinics is ranked as the next to the lowest cost university hospital. In a comparison of per admission charges among the same university hospitals, the University of Iowa Hospitals and Clinics again ranks last. He noted that the University of Iowa Hospitals and Clinics' case mix index is substantially higher than that for the next lowest cost university hospital. The University of Iowa Hospitals and Clinics has a conservative pricing policy.

The University of Iowa Hospitals and Clinics' personnel expense per adjusted occupied bed for fiscal year 1992 was just over \$204,000 and ranked in the fourth quartile among members of the National Council of Teaching Hospitals. A similar comparison for non-payroll expenses ranks the University of Iowa Hospitals and Clinics in the third quartile.

Mr. Staley discussed the growth in the University of Iowa Hospitals and Clinics' service charges versus those nationally. He noted that hospitals and the health care sector in general have been criticized because their rates of charge have increased at a rate faster than the average level of prices as measured by the CPI. That was not true for

the University of Iowa Hospitals and Clinics. The CPI accumulated total increase for the 120-month period from 1985 through 1995 is 36.6 percent compared to the UIHC's increase for the same period of 29.5 percent (based on projections for the final period).

Mr. Staley emphasized that the University of Iowa Hospitals and Clinics does not fall under the same category of escalation of rates.

Mr. Staley discussed factors contributing to cost and charge differentials between University of Iowa Hospitals and Clinics and Iowa community hospitals. He said fully 23 percent of University of Iowa Hospitals and Clinics' total financial needs of \$353.4 million for 1993-94 are devoted to educationally-related costs. Educationally-related costs now total \$79.9 million, having risen from \$4.8 million in 1970. In comparison to Iowa community hospitals, the University of Iowa Hospitals and Clinics' average per diem costs and average cost per admission are the highest. Because the UIHC has maintained a conservative pricing policy, which has been made possible by stringent cost control measures, its average per diem charges rank third in the state. He said the University of Iowa Hospitals and Clinics incurs major expenses for education. After removing the 23 percent of cost for educational services, the University of Iowa Hospitals and Clinics' patient care services costs are comparable to those of community hospitals in Sioux City and Dubuque. Part of the educational expenses include support within the College of Medicine. It does not include investment for faculty offices and classrooms within the UIHC.

With regard to the University of Iowa Hospitals and Clinics' cumulative cost containment and avoidance achievements for FY 1981 to FY 1993, Interim Director Staley said the total was \$23,276,719; from \$1,162,675 in FY 1981 to \$2,133,069 in FY 1993.

Mr. Staley discussed the current initiatives and future plans for reducing costs, controlling utilization, and enhancing organizational, operational and clinical effectiveness. He said University of Iowa Hospitals and Clinics has always been a cost effective hospital. The evolution of competition has enhanced and increased their cost effectiveness efforts.

Mr. Yerington discussed how UIHC officials are creating those efficiencies within their budgeting this year. He said they normally start working with departments in December to January of the current year for the upcoming fiscal year's budget. The budget process has been used as a means for exercising cost control throughout the entire organization. In preparing the 1993-94 operating budget, administrative staff were charged with reducing operating expenses by \$7.2 million. In the previous two years they were also asked to make similar cuts. In looking at salary policy and inflation UIHC officials questioned what they would be able to do with regard to a rate increase.

They thought a 5 percent rate increase for 1994-95 would be a reasonable request considering the circumstances; however, a 5 percent rate increase does not present a 5 percent growth in revenue, which would be somewhere around \$17.5 million. It would probably only produce \$7.9 million because not all charges get paid. Therefore, departments were asked to cut back from their budgets what they would otherwise have by an additional 2.3 percent.

Regent Newlin referred to the exhibit entitled "Development of Global Target Budget" and asked for the intent of the use of the word "global". Mr. Yerington said it referred to the total institution.

Mr. Staley highlighted two ways in which departments have been cutting back on expenditures. He said the most successful was the Department of Pathology. He then asked Richard Lynch, head of the Department of Pathology, to describe the process the department followed and the results, which were very impressive.

Dr. Lynch stated that the Department of Pathology converted from a revenue center to a cost center. In the past each time a test was performed a bill was generated. Payers paid a smaller fraction of the billings each year which impacted the correlation between the number of tests and the amount of income. Payers are changing to a system where they allot a certain amount of money for the performance of tests. If the test provider spends more than is allotted, it has to absorb the additional expense, look for places to cut costs or perform less tests. If doctors do not order enough tests, quality of care will suffer.

The Department of Pathology has developed a program to address quality of care in relation to test costs and department efficiency, and to avoid what happens at other institutions in trying to address these issues. For instance, UCLA laid off over 100 employees. The University of Iowa Hospitals and Clinics' Department of Pathology will not have to lay off any employees. Dr. Lynch stated that everyone in the department was involved in the reorganization. The department was reduced from 24 to 7 sections. It had been top heavy with management. The department went from a supervisor to staff ratio of 1:10 to 1:29. They had to displace supervisors to staff positions. Former supervisors' salaries were not reduced but when those supervisors leave the department they will be replaced with individuals who will be paid at the appropriate staff levels. Also, every time a position opens up a committee determines whether it is necessary to fill that position. Attrition is generated on that basis. He said this process has been helpful.

The University of Iowa School of Business assisted the Department of Pathology with a self-directed work team. In this process they identified 100 cost saving items. They will

continue to move forward with those. They have also developed a plan for other departments in the Hospital to use. Dr. Lynch stressed that the key is to have everyone involved because it is not so threatening. Eighty to 85 percent of the personnel in the Department of Pathology are very strongly behind this effort.

Mr. Staley introduced Colleen Goode, Director of the Department of Nursing, to illustrate one other mechanism being used to cut costs within the clinical services.

Director Goode stated that the Department of Nursing has developed a system that will enhance clinical effectiveness and that has restructured the way care is provided. They have developed care maps which are practice guidelines. Care maps provide the critical path of care for each day of a patient's stay for a particular procedure. Multidisciplinary teams are being established to develop care maps for most procedures done at UIHC. For instance, there is a care map for the cesarean section patient population. The patient gets a copy of the care map in lay terms. The care map is also discussed with the patient. She said patient satisfaction is increased when using a care map. Data comes back to the multidisciplinary team. Care maps result in cost savings.

Ms. Goode concluded by stating that there are currently six care maps in use at UIHC. An additional 35 to 40 will be in use during 1994-95. When the savings from implementation of the first eight care maps is realized, it is anticipated that approximately \$560,000 of annual operating costs can be eliminated from patient care and support service budgets.

Regent Dorr commended University of Iowa Hospitals and Clinics officials on the efficiency efforts.

President Berenstein said the report was more responsive to Regents' questions than it had been in the past. More importantly, they received the material in plenty of time in advance of the presentation. He said this would probably be Mr. Staley's last report as acting director. He thanked him for the job he had done and for the many years they had worked together.

(The Board applauded Mr. Staley following President Berenstein's statement.)

Mr. Staley said he appreciated those comments. He looked forward to working with the Regents in the upcoming years.

ACTION:

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

PRELIMINARY RESOLUTION FOR SALE OF \$1,345,000 ACADEMIC BUILDING REVENUE REFUNDING BONDS, SERIES SUI 1994. The Board Office recommended the Board adopt a Resolution authorizing the Executive Director to fix the date or dates for the sale of \$1,345,000 Academic Building Revenue Refunding Bonds, Series S.U.I. 1994.

The bid opening and award is scheduled for Tuesday, June 14, 1994.

The purpose of this issue is to refund at maturity (August 1, 1994) the principal of the Academic Building Project Notes, Series S.U.I. 1991, which were issued in the same principal amount.

The legislation which authorized the Project Notes permits them to be refunded with Academic Building Revenue Bonds in the event funds are not appropriated for payment of the Project Notes at maturity.

The entire principal amount of the bond proceeds will be applied to repayment of the Project Note principal. Issuance costs will be reimbursed from the tuition replacement account.

The final six-month interest payment due on the Project Notes initially will be paid from university resources to be reimbursed through the tuition replacement process.

With settlement expected in late July, there will be little if any investment of the bond principal prior to its application to payment of the Project Note principal on August 1.

No escrow account need be established since it is a current refunding.

Springsted recommended providing for optional redemption of the refunding bonds (which mature July 1, 2005, and later) beginning July 1, 2004, with no redemption premium.

MOTION:

The motion for this item can be found under the Report of the Banking Committee, beginning on page 949.

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

IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was transacted on Wednesday, May 18, 1994.

President Jischke introduced two newly-elected leaders on the campus: Tony Netusil, Faculty Senate President, and Katie Rice, President of the P&S Council.

President Berenstein stated that he had received several telephone calls concerning Diversity 101. He asked that Iowa State University officials supply the other members of the Board of Regents with the information pertaining to an article in the Des Moines Register a couple of weeks ago.

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

Register of Personnel Changes for April 1994.

The register included two requests for early retirement and two requests for phased retirement.

MOTION:

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

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

Iowa State University officials, consistent with a recommendation approved by the Board of Regents in 1990 to review the undergraduate interdisciplinary program in Linguistics in four years to address concerns about the program in a post-audit report, resubmitted a report on this program. A preliminary review of the new report indicated that the concerns noted in the original post-audit have been addressed.

A number of changes were made in the program since 1990 that have had a positive effect on the resources available to the program and enrollment has grown.

ACTION: This matter was referred by consent.

ELIMINATION OF FLIGHT TRAINING SCHOOL COURSES. The Board Office recommended the Board receive the report.

Iowa State University officials plan to eliminate flight training courses and reallocate the resources to purchase replacement aircraft. The flight training courses have been offered for a number of years to meet various needs of the university including at various times the ROTC program, the ISU Flight Service, the Industrial Education Department and the Aerospace Engineering program.

At the present time the only academic department with a direct interest in flight training is the Aerospace Engineering Department. It currently has one course involving two hours of in-flight experience.

The principal source of financial support for both the university transportation service and flight instruction has been revenue from user charges.

With high current costs of flight training, the limited student interest, and the availability of flight instructional programs in the private sector the university plans to discontinue flight training.

MOTION: Regent Johnson-Matthews moved to receive the report. Regent Newlin seconded the motion.
MOTION CARRIED UNANIMOUSLY.

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

PROJECT DESCRIPTIONS AND BUDGETS

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

Laboratory of Mechanics Remodeling

\$830,000

Preliminary Budget

Contracts	\$ 560,000
Design Services	69,275
Construction Administration	20,085
University Services	1,000
Miscellaneous	3,000
Landscaping	5,000
Movable Equipment	73,500
Building Automation	11,000
Telecommunications	5,500
Project Reserve	<u>81,640</u>

TOTAL \$ 830,000

Source of Funds:

Income from Treasurer's Temporary Investments	\$ 448,000
73rd General Assembly Academic Building Revenue	
Bonds, Series 1991	275,000
FY 1994 Block Grant Funds/ISU Research	
Foundation Funds	<u>107,000</u>

TOTAL \$ 830,000

This project will provide improvements to the Laboratory of Mechanics facility to include a second exit stair from the second and third floors, and accessibility to all areas of the building in accordance with the Americans with Disabilities Act. The project will also remodel space on the third floor for occupancy by the Iowa State University Research Foundation and the Office of Intellectual Property and Technology Transfer.

The third floor of the building has been unusable since 1992 by order of the State Fire Marshal because there was no second means of egress. This project will construct a new exterior stairway to accommodate the required egress from third floor as well as improve egress from the second floor, thereby providing code complying exiting for 8,000 gross square feet of space. Accessibility will be achieved by installation of an elevator that will serve the second and third floors and by raising floors in areas of the first floor to provide a total of 12,000 gross square feet of accessible space. Remodeling of third floor will provide 4,000 gross square feet of finished office space.

This building is the oldest occupied building on the campus and is on the National Register of Historic Places. Because of this, care will be taken to ensure that all alterations to the exterior of the building will be consistent with the character of the existing structure.

The FY 1994 Block Grant Funds are being committed in accordance with provisions of Section 8.33 of the Code of Iowa.

Americans With Disabilities Act (ADA) Facilities Review-- \$143,750
Residence Department--Phase I
Source of Funds: Dormitory System Surplus Funds

Preliminary Budget

Design Services	\$ 135,000
Miscellaneous	1,000
Project Reserve	<u>7,750</u>
 TOTAL	 <u>\$ 143,750</u>

In 1990 the federal government passed the Americans with Disabilities Act (ADA). The proposed assessment will map out ADA deficiencies in all Residence Hall facilities and begin the initial Phase 1 study of University Student Apartment Complex, as well as prioritize the correction of such deficiencies. The study will begin June 1, 1994, with completion scheduled for June 30, 1995. This comprehensive study will be conducted with faculty and students from Iowa State University's Department of Architecture.

University officials presented the following revised project budget:

Fire Safety Improvements--FY 1991

Source of Funds: Academic Building Revenue Bonds

Original Budget \$2,585,000

Revised Budget \$2,310,000

Project Budget

	Original Budget <u>July 1990</u>	Revised Budget <u>May 1994</u>
Contracts	\$ 790,000	\$ 627,508
Design Services	300,000	355,521
Environmental Health and Safety	25,000	36,575
Construction Administration	15,000	35,228
University Services	1,200,000	1,057,099
Miscellaneous	5,000	5,000
Project Reserve	<u>250,000</u>	<u>193,069</u>
 TOTAL	 <u>\$ 2,585,000</u>	 <u>\$ 2,310,000</u>

University officials requested approval of a revised project budget in the amount of \$2,310,000, which reflects the transfer of \$275,000 to the Laboratory of Mechanics Remodeling project budget. The fire safety improvements to the Laboratory of Mechanics are included in the remodeling project for the facility, and \$275,000 in Academic Building Revenue Bonds is listed as one source of funds for the project.

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

ARCHITECT/ENGINEER AGREEMENTS

General Campus Water and Wind Damage 1993

University officials requested approval of the following consultant agreements for this project.

Rietz Engineering Consultants, Ames, Iowa \$13,500

University officials requested approval to enter into an agreement with Rietz Engineering Consultants to provide design services for the replacement of a flood-damaged animal crossing bridge over Worle Creek near the Veterinary Medicinal Research Institute complex.

The agreement provides for a fee of \$13,500, including reimbursables.

Fox Engineering Associates, Inc., Ames, Iowa \$10,850

University officials requested approval to enter into an agreement with Fox Engineering Associates to provide design services for the restoration of the flood-damaged heating plant railroad spur base.

The agreement provides for a fee of \$10,850, including reimbursables.

Amendments:

Friley Hall--Phase 5 Masonry Improvement \$2,500
Rietz Engineering Consultants, Ames, Iowa

University officials requested approval of Amendment #2 in the amount of \$2,500 to the agreement with Rietz Engineering Consultants for the development of plans for the restoration of the east elevation of Friley Hall.

The Residence Department wishes to delete the add alternate for the loading dock and use the funds to incorporate the restoration of the east elevation into the scope of the project. Changing room conditions have resulted in space that cannot be occupied if restoration work is not complete prior to the fall semester.

Amendment No. 2 will not result in an increase in the total project budget.

CONSTRUCTION CONTRACTS

Gilman Hall Renovation--Phase 3, Remodel Rooms 1651 and 1653 \$44,242.31
Award to: Daniels Home Improvement and Construction Company,
Waterloo, Iowa
(4 bids received)

Sweeney Hall--Addition and Renovation--Phase 2 \$146,000.00
Award to: Koester Construction Company, Inc., Des Moines, Iowa
(1 bid received)

CHANGE ORDERS TO CONSTRUCTION CONTRACTS

Carrie Chapman Catt Hall Remodeling \$125,470
Harold Pike Construction Company, Inc., Ames, Iowa

University officials requested approval of a change order in the amount of \$125,470 to the agreement with Harold Pike Construction Company for the remodeling of Carrie Chapman Catt Hall. The change order will provide for the demolition of the Botany Annex.

The original scope of work for this project called for remodeling Botany Hall (Carrie Chapman Catt Hall), leaving the Botany Annex in place and removing the link between the two buildings. Recently, structural problems were discovered in the Botany Annex which curtailed its use. This building is slated for demolition as part of a future building project for new space related to the College of Family and Consumer Sciences as shown on the university's campus master plan.

Demolition of the annex building at this time provides several advantages to the university over waiting and bidding this work at a future date. Costs are escalating for disposal of waste material and could easily double the cost of demolition in the coming year. The university is also incurring costs to maintain the utilities to the annex and keep its structure safe during and after the Carrie Chapman Catt Hall project. These costs are for a building which cannot be used and which is slated for demolition in the future. The contractor will experience material storage, truck loading and delivery and staging area problems with the current confined site. These problems would be lessened by the demolition of the building, which would reduce the demand for off-site facilities.

This proposal was reviewed in detail and found to be acceptable by the project architect and university staff. The change order can be accomplished within the existing project budget.

ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

Dairy Industry--Addition and Renovation--Phase 3
Harold Pike Construction Company, Inc., Ames, Iowa

FINAL REPORTS

Marston Hall--Remodel Classrooms 204 and 205

\$565,158.79

MOTION: Regent Newlin moved to approve the Iowa State University capital register, as presented. Regent Tyrrell seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

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

With SOFTWARE INNOVATIONS INCORPORATED for its use of 334 square feet of office space located at the Iowa State Innovation System at the ISU Research Park at the rate of \$525 per month for the period commencing June 1, 1994, through May 31, 1995;

With SUBSURFACE IRRIGATION SYSTEMS, INC., for its use of 272 square feet of office space located at the Iowa State Innovation System at the ISU Research Park at the rate of \$275 per month for the period commencing June 1, 1994, through May 31, 1995;

With the MEMORIAL UNION for the Iowa State University Book Store's continued use of approximately 20,000 square feet of space at the rate of \$7.80 per square foot per year, \$13,000 per month, for an annual rental of \$156,000 commencing July 1, 1994;

With the MEMORIAL UNION for the Iowa State University Administrative Data Processing Department's continued use of approximately 380 square feet of space at the rate of \$9.35 per square foot per year, \$888.25 per quarter, for an annual rental of \$3,553 commencing July 1, 1994; and

With the MEMORIAL UNION for the Iowa State University Copy Center's continued use of approximately 1,400 square feet of space at the rate of \$3.25 per square foot per year, \$379.17 per month, for an annual rental of \$4,550 commencing July 1, 1994.

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

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

MOTION CARRIED UNANIMOUSLY.

TRAFFIC AND PARKING REGULATIONS FOR 1994-95. The Board Office recommended the Board give final approval to fee-related changes in traffic and parking regulations for 1994-95 at Iowa State University (preliminary action was taken at the April Board meeting).

Iowa State University officials requested Board approval of changes in its traffic and parking regulations for 1994-95, as required by section 10.07 (C) of the Board of Regents Procedural Guide.

No rate increases were proposed for any permit fees for the next year.

Proposed changes in penalties were:

4.48 Penalties

		Current	Proposed
Revised:	(2)j. Illegal parking (4.29 (4)	\$10.00	\$12.00
	(2)k. Improper parking (4.29 (5)	\$10.00	\$12.00

It was estimated that this income will generate approximately \$50,000 in fine revenue next year. These funds will be used for capital improvements in the university parking system, primarily for complying with the Americans with Disabilities Act. Additional handicapped parking spaces, improved signage and unloading areas will be established.

The university's total parking system capital improvements supported from permit and fine revenue is \$560,000 for FY 1995. It includes parking lot overlay, bicycle path improvements, lighting and the new ADA improvements.

The cost of operating the traffic system and the construction and maintenance of parking lots is funded by permit fees, fines and penalties.

Iowa State University's recommendations received approval from the Transportation Advisory Council and the Iowa State University administration.

MOTION: Regent Tyrrell moved to give final approval to fee-related changes in traffic and parking regulations for 1994-95 at Iowa State University. Regent Furgerson seconded the motion, and upon the roll being called, the following voted:
AYE: Berenstein, Collins, Dorr, Furgerson, Johnson-Matthews, Newlin, Pellett, Tyrrell.
NAY: None.
ABSENT: Hendricks.

MOTION CARRIED UNANIMOUSLY.

MASTER LEASE FOR AIRCRAFT. The Board Office recommended that Iowa State University be permitted to draw \$150,000 under the Norwest Master Lease Agreement to finance the purchase of an airplane for Iowa State University Flight Service at such time as a suitable plane becomes available for purchase, subject to approval of the Executive Director per section 8.11 of the Board of Regents Procedural Guide.

Iowa State University officials requested use of the master lease to finance the purchase of an airplane for Iowa State University Flight Service at such time as a suitable plane becomes available for purchase.

The Board has a master lease financing agreement with Norwest Investment Services, which runs through November 25, 1996. This agreement permits a total of \$15 million to be borrowed, of which approximately \$7.3 million remains available.

Iowa State University plans to replace the oldest Aerocommander with a different aircraft. Iowa State University will sell the Aerocommander at an estimated value of \$90,000-\$110,000, and four Warrior aircraft with a combined estimated value of \$110,000-\$125,000, for a total of \$200,000-\$235,000.

Approximately \$45,000 will be spent to re-engine the Aerocommander with runout engines, which will leave between \$155,000 and \$190,000 for use in the purchase of the replacement aircraft.

University officials intend to drop its flight training program at the end of this year and sell its four Warrior training aircraft. Based on the current market value for an appropriate replacement aircraft of \$275,000-\$375,000 and the anticipated income

from the sale of the five aircraft, the amount to be financed will be approximately \$140,000.

Some flexibility was recommended in the maximum amount to be drawn under the lease, hence the recommended \$150,000 limit.

The current quote for a ten-year lease is 6.18 percent.

The source of payment will come from an increase in average mileage fees of approximately \$0.15/nautical mile spread across all four remaining transportation aircraft.

The incremental charges will generate \$19,000 in revenue which will cover the lease payments.

Dropping the flight training program will stem annual losses of \$55,000.

The full mileage charge covers all operating costs plus a maintenance reserve for major repair work such as engine overhauls.

ISU Flight Service provides air transportation for all state agencies including the Regent Institutions and the Board of Regents Office, the Governor's Office, and other state agencies such as the Iowa Department of Economic Development.

It is appropriate and necessary for the long-term viability of ISU's Flight Service to move along a path of equipment replacement which ultimately replaces the Aerocommander fleet with air craft that will hold or appreciate in value, provide quality, safe, and dependable service and be supported by the manufacturer.

The Aerocommanders, although good aircraft and fundamentally sound, have been the subject of numerous airworthiness directives (ADs) require fairly frequent and expensive inspection procedures. As these ADs are published, the value of the aircraft continue to decline and the cost to maintain them goes up.

The original manufacturer is now out of business and parts are becoming more and more difficult and expensive to find.

Careful analysis of the market and the manufacturers still in business today, indicates that only one or two aircraft are viable alternatives. Typical of the choices available would be a Cessna 414A of 1980 vintage.

As quality used planes do not remain on the market long, it is necessary for Iowa State University to get prior approval for the lease purchase in order to expedite the purchase of an airplane when it becomes available.

The Board's moveable equipment policy (Procedural Guide 8.11) requires Executive Director approval of the purchase prior to commitment of funds.

Chapter 8.46 of the Code of Iowa requires that before any State agency enters into a contract involving a lease-purchase arrangement in which any part or the total amount of the contract is at least \$50,000, the agency shall notify the Legislative Fiscal Committee of the Legislative Council regarding the contract.

ACTION: The motion for this item can be found under the Report of the Banking Committee, page 950.

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

UNIVERSITY OF NORTHERN IOWA

The following business pertaining to the University of Northern Iowa was transacted on Wednesday, May 18, 1994.

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

Register of Personnel Changes for April 1994.

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

UNIVERSITY CALENDAR OF HOLIDAYS FOR 1996. The Board Office recommended that the Board approve (1) revised calendar holidays for 1995 and (2) proposed calendar holidays for 1996.

University of Northern Iowa officials proposed that the 1995 holiday calendar be revised by substituting Martin Luther King's birthday, January 16, 1995, for the previously-approved university holiday of December 28, 1995.

University of Northern Iowa officials proposed nine holidays for 1996 including an observance of Martin Luther King's birthday on January 15, 1996.

Both schedules were consistent with current collective bargaining agreements and were proposed with the understanding that they are subject to change on the basis of agreements that might be reached through the collective bargaining process for the 1995-97 period.

MOTION: Regent Furgerson moved to approve (1) revised calendar holidays for 1995 and (2) proposed calendar holidays for 1996. Regent Johnson-Matthews seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

REPORT ON OUTREACH ACTIVITIES IN THE COLLEGE OF EDUCATION. The Board Office recommended the Board receive the report.

University of Northern Iowa officials presented an oral report on the outreach activities in the College of Education.

Provost Marlin introduced the Dean of the College of Education, Thomas Switzer.

Dean Switzer stated that he was very proud of the outreach activities of the University of Northern Iowa's College of Education. He discussed the uniqueness of the University of Northern Iowa's teacher education program including the Minorities in Teaching Program. The College of Education was awarded the Krista McAuliff award for excellence in teacher education.

Dean Switzer then introduced several faculty and students to provide a presentation of some of the outreach activities of the College of Education, which they did.

President Berenstein thanked them for the presentation and stated that they offered a very nice program!

(Applause)

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

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

PROJECT DESCRIPTIONS AND BUDGETS

University officials presented the following revised budget.

UNIVERSITY OF NORTHERN IOWA

May 18, 1994

Campanile Improvements

Source of Funds: Building Repairs

Original Budget \$247,000
March 1994 Budget \$520,000
Revised Budget \$571,500

Project Budget

	Original Budget <u>April 1993</u>	Revised Budget <u>March 1994</u>	Revised Budget <u>May 1994</u>
Contract/Purchase Orders	\$ 206,000	\$ 433,000	\$ 489,500
Consultant/Design Services	31,000	59,000	56,500
Contingencies	<u>10,000</u>	<u>28,000</u>	<u>25,500</u>
 TOTAL	 <u>\$ 247,000</u>	 <u>\$ 520,000</u>	 <u>\$ 571,500</u>

University officials requested approval of a revised budget in the amount of \$571,500 for the Campanile Improvements project, an increase of \$51,500 over the project budget approved in March 1994. They requested approval of the revised budget in order to allow award of the construction contract.

The revised project budget includes an increase in the Contract/Purchase Orders line item to \$498,500, which will allow award of the construction contract to the low bidder for the base bid less deduct Alternate #2 (total award of \$489,500).

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

ARCHITECT/ENGINEER AGREEMENTS

Amendments:

Price Laboratory School--Field House Replacement
RDG Bussard Dikis, Des Moines, Iowa

\$929.51

CONSTRUCTION CONTRACTS

Campanile Improvements \$489,500
Story Construction Company, Ames, Iowa

University officials requested approval to award the construction contract for the project to the low bidder, Story Construction Company, as follows:

Base Bid	\$ 519,500
Alternate #2	<u>(30,000)</u>

TOTAL AWARD OF: \$ 489,500

(2 bids received)

Electrical and Communication Distribution Systems
Award to: Youngblut Contracting, inc., Washburn, Iowa
(3 bids received)

<u>Division 1--Nebraska and 27th Street Loops</u>	<u>\$360,000</u>
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<u>Division 2--Russell Hall/West Gym/Schindler Education Center Loop</u>	<u>\$148,000</u>
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Sabin Hall--Windows and Doors
Award to: Robinson Energy Efficient Products, Inc., Baxter, Iowa \$243,528
(3 bids received)

MOTION: Regent Johnson-Matthews moved to approve the university's capital register, as presented. Regent Collins seconded the motion. MOTION CARRIED UNANIMOUSLY.

MOTOR VEHICLE AND BICYCLE REGULATIONS. The Board Office recommended the Board give preliminary consideration to fee-related changes in traffic and parking regulations for 1994-95 at the University of Northern Iowa (final action to be taken at the June Board meeting).

University of Northern Iowa officials requested Board approval of changes in its traffic and parking regulations for 1994-95, as required by section 10.07 (C) of the Board of Regents Procedural Guide.

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8.1 Registration--proposed changes in permit and fees were:

Per Year:

Type of Registration	Fees FY 1994	FY 1995 Fees Proposed	% Increase
G Permit	100.00	\$103.00	3.00%
A Permit	64.00	65.90	2.97%
Ag Permit (Graduate Assistant)	47.00	48.40	2.98%
B Permit	39.40	40.60	3.05%
C Permit	24.60	25.35	3.05%
M Permit (Additional Vehicle)	24.60 12.30	25.35 12.70	3.05% 3.25%
R Permit	10.00	10.00	0.00%
L Permit	16.00	16.00	0.00%
Temporary Permit	2.75 per week	3.00 per week	9.09%
Motorcycle Permit	13.30	13.70	3.01%
Pool/2nd vehicle	2.75	3.00	9.09%

2nd Semester:

Type of Registration	Fees FY 1994	FY 1995 Fees Proposed	% Increase
G Permit	\$50.00	\$51.50	3.00%
A Permit	32.00	32.95	2.97%
Ag Permit (Graduate Assistant)	23.50	24.20	2.98%
B Permit	19.70	20.30	3.05%
C Permit	12.30	12.70	3.25%
M Permit (Additional Vehicle)	12.30 6.15	12.70 6.35	3.25% 3.25%
R Permit	5.00	5.00	0.00%
L Permit	8.00	8.00	0.00%
Motorcycle Permit	6.65	6.85	3.01%

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Summer Only:

Type of Registration	Fees FY 1994	FY 1995 Fees Proposed	% Increase
G Permit	\$25.00	\$25.75	3.00%
A Permit	16.00	16.50	3.13%
Ag Permit (Graduate Assistant)	11.75	12.10	2.98%
B Permit	9.85	10.15	3.05%
C Permit	6.15	6.35	3.25%
M Permit (Additional Vehicle)	6.15 3.10	6.35 3.20	3.25% 3.23%
R Permit	2.50	2.50	0.00%
L Permit	4.00	4.00	0.00%
Motorcycle Permit	3.30	3.45	4.55%

There were no increases in the parking violation offense schedule.

Unpaid Parking Fines:

- Staff member - may be deducted from salary
- Student - may prevent the student from registering
- May result in a suspension of parking privileges on university property.

In the event of nonpayment of an assess penalty or the failure to initiate an appeal action within ten (10) days following the issuance of a violation citation or the denial of an appeal, an additional penalty of two dollars (\$2.00) will be assessed.

University of Northern Iowa officials had not submitted its parking services plans or appropriate justification for the proposed increase. Accordingly, the Board Office made no recommendation at this time.

Next month's docket will include the university's plans for parking improvements and the relationship between projected marginal revenues-and expenditures associated with the proposed increase.

The cost of operating the traffic system and the construction and maintenance of parking lots is funded by permit fees, fines and penalties.

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MOTION:

Regent Newlin moved to give preliminary consideration to fee-related changes in traffic and parking regulations for 1994-95 at the University of Northern Iowa. Regent Tyrrell seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

TENANT PROPERTY RENTALS 1994-95. The Board Office recommended the Board approve the following leases:

With TAU KAPPA EPSILON FRATERNITY for its continued use of property located at 1203 West 23rd Street, Cedar Falls, Iowa, at the rate of \$730 per month commencing August 1, 1994; and

With GAMMA PHI BETA SORORITY for its continued use of property located at 1209 West 23rd Street, Cedar Falls, Iowa, at the rate of \$730 per month commencing August 1, 1994.

MOTION:

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

MOTION CARRIED UNANIMOUSLY.

RAZE HOUSE AT 2211 MERNER AVENUE. The Board Office recommended the Board authorize the University of Northern Iowa to raze the house located at 2211 Merner Avenue, Cedar Falls, Iowa.

University of Northern Iowa officials requested approval to raze the house located at 2211 Merner Avenue in Cedar Falls. The property is located north of Bartlett Hall near the Commons parking lot. They proposed to raze the house for expansion of the Commons parking lot.

The house is currently used as a college rental house; the lease expires May 31.

MOTION:

Regent Newlin moved to authorize the University of Northern Iowa to raze the house located at 2211 Merner Avenue, Cedar Falls, Iowa. Regent

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Johnson-Matthews seconded the motion, and upon the roll being called, the following voted:
AYE: Berenstein, Collins, Dorr, Furgerson, Johnson-Matthews, Newlin, Pellett, Tyrrell.
NAY: None.
ABSENT: Hendricks,.

MOTION CARRIED UNANIMOUSLY.

PRELIMINARY RESOLUTION FOR SALE OF \$2,180,000 ACADEMIC BUILDING REVENUE REFUNDING BONDS, SERIES UNI 1994. The Board Office recommended the Board adopt a Resolution authorizing the Executive Director to fix the date or dates for the sale of \$2,180,000 Academic Building Revenue Refunding Bonds, Series U.N.I. 1994.

The Board was requested to adopt A Resolution authorizing the Executive Director to fix the date or dates for the sale of \$2,180,000 Academic Building Revenue Refunding Bonds, Series U.N.I. 1994.

The bid opening and award is scheduled for Tuesday, June 14, 1994.

The purpose of this issue is to refund at maturity (August 1, 1994) the principal of the Academic Building Project Notes, Series U.N.I. 1991, which were issued in the same principal amount.

The legislation which authorized the Project Notes permits them to be refunded with Academic Building Revenue Bonds in the event funds are not appropriated for payment of the Project Notes at maturity.

The entire principal amount of the bond proceeds will be applied to repayment of the Project Note principal. Issuance costs will be reimbursed from the tuition replacement account.

The final six month interest payment due on the Project Notes initially will be paid from University resources to be reimbursed through the tuition replacement process.

With settlement expected in late July, there will be little if any investment of the bond principal prior to its application to payment of the Project Note principal on August 1.

No escrow account need be established since it is a current refunding.

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Springsted recommended providing for optional redemption of the refunding bonds (which mature July 1, 2005 and later) beginning July 1, 2004, with no redemption premium.

MOTION:

The motion for this item can be found under the Report of the Banking Committee, page 950 of these Minutes.

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

IOWA SCHOOL FOR THE DEAF

The following business pertaining to Iowa School for the Deaf was transacted on Wednesday, May 18, 1994.

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

Register of Personnel Changes for April 1994.

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

REVISION OF SIGNED COMMUNICATION PROFICIENCY POLICY. The Board Office recommended the Board approve revisions in the Sign Communication Proficiency Interview Policy as used at the Iowa School for the Deaf.

Recently the Iowa School for the Deaf Advisory Committee approved some modifications to the school's policy requiring sign language proficiency for all employees at the school.

The Board of Regents approved the original policy in February 1989.

The proposed changes add an appeals process, increase the time frame to attain advanced proficiency, and incorporate procedures to increase confidentiality.

The school requires that all permanent staff have sign language skills appropriate for their individual job position.

The Sign Communication Proficiency Interview tests for proficiency in a conversational format and is the means the school uses to determine if individual employees have met specified levels of proficiency. Failure to meet proficiency requirements by a specified time is cause for termination.

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The school establishes requirements for each position based upon the amount of contact likely between the employee and deaf students and/or staff, the type of contact involved, and the nature of the subject matter.

Many opportunities are provided for training in sign language at the school. Employees may request an extension of deadlines and may appeal termination of employment through an appeals process.

Confidentiality of all Sign Communication Proficiency Interviews is assured.

MOTION: Regent Pellett moved to approve revisions in the Sign Communication Proficiency Interview Policy as used at the Iowa School for the Deaf. Regent Furgerson seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

REPORT ON MAINSTREAMING POLICIES. The Board Office recommended the Board receive the report.

Superintendent Johnson provided an oral report on the protests at Iowa School for the Deaf regarding mainstreaming.

Superintendent Johnson stated that approximately three weeks ago a protest was held at the Iowa School for the Deaf. He noted that it was the sixteenth that had occurred nationwide in the schools for the deaf as a follow-up to a Gallaudet movement of 1988. He said four families were involved; no staff were involved. Six Iowa School for the Deaf students out of 65 students total were involved. All six students were from the four families mentioned above.

Superintendent Johnson stated that he had corresponded with the Regents about the particular issues involved in the protest. The first issue concerned American Sign Language. The individuals felt that everyone at the school should be proficient and, if not, they should be terminated. Superintendent Johnson agreed to establish a committee to review the issue to determine whether more classes could be provided to staff. Most of the Iowa School for the Deaf students have hearing parents. There may be a need for more classes for parents; however, at this time the Area Education Agencies in the home districts are responsible for providing those classes.

The second issue of concern to those protesting was the need to address the cultural, historical and heritage issues of the deaf community. Superintendent Johnson asked

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that the above-mentioned committee make recommendations to him concerning that issue, also.

The third issue of concern to the protesters related to deaf employees. The protesters demand that Iowa School for the Deaf employ 51 percent deaf employees. School officials have made a strong effort in that area during the last 7 years. Superintendent Johnson said nine of the 20 dormitory staff are deaf. Four of the 6 most-recently hired teachers have been deaf. He stressed that they must hire the best qualified person. With regard to the deaf teacher area, he recently visited Gallaudet University. The college had 35 students graduating that week with teaching majors, only nine of whom were deaf. Not one of those nine graduates had a job or was interested in finding a job. They indicated they wanted to get their diplomas, leave the campus and think about a job later.

Superintendent Johnson stated there are 1,500 vacancies every year in the field of deaf education teachers. He said the area of deaf teachers was something that needed to be looked at because the numbers just are not there. With regard to the issue of deaf nursing staff, he said he did not see deaf nurses graduating anywhere in the United States.

With regard to the issue of mainstreaming, Superintendent Johnson said the school does not force anyone to participate in a mainstream program. He noted that they do have reverse mainstreaming, which he felt was an appropriate activity. The deaf students are the school's first priority; however, Lewis Central students do come to the Iowa School for the Deaf campus for classes such as auto body and printing which would otherwise be unavailable to them.

Superintendent Johnson concluded by stating that with regard to the issue concerning American Sign Language, the committee may determine that more could be done. With regard to the concern about culture, he said school officials will continue their efforts just as they do for African American students and others. They would all like to have role models. School officials would like to accommodate everyone but they cannot. With regard to the issue of deaf employees, he said school officials will continue to choose the best applicants from an applicant pool. He said mainstreaming is a parent choice and a programming choice. He did not think that was an issue for further discussion.

Regent Collins asked if Superintendent Johnson had said that the protests that had been written up in the newspapers involved only 6 students.

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Superintendent Johnson responded that it was six hearing students who had nothing to do with Iowa School for the Deaf. Parents of the Iowa School for the Deaf students called and told their students not to miss school. He noted that the majority of the Iowa School for the Deaf students do not agree with what has been happening with the protests.

Regent Collins asked for the optimum percentage of deaf versus hearing teachers at the school, if they could recruit as many as they desired. Superintendent Johnson responded that he does not believe in a quota system. Fifteen percent of the current teaching staff are deaf. The highest percentage of deaf teaching staff at any school for the deaf in the U.S. is 20 percent. No school has been successful in recruiting more than 20 percent of its teaching staff from the deaf community. He said there is a requirement that even vocational education teachers be certified in teaching the deaf. All of the Iowa School for the Deaf's teachers are certified and have a deaf endorsement, also. He noted that the school has only one deaf teacher in a particular department today because of certification changes.

Regent Collins asked about Gallaudet University. Superintendent Johnson responded that Gallaudet University in Washington, D.C., is the only 4-year liberal arts college for deaf people in the world. Its undergraduate program is focused on the deaf individual. The graduate program accepts both deaf and hearing students. It has a total enrollment of 2,000 students.

Regent Tyrrell asked to go on record as strongly affirming the handling of this protest matter by Superintendent Johnson. He said the superintendent's attitudes were balanced, fair and reasonable. Superintendent Johnson manages the Iowa School for the Deaf and has the Board of Regents' confidence.

Regent Furgerson stated that it was important that Superintendent Johnson has kept the lines of communication open because communication will reduce the amount of frustration. He has a relatively small universe to choose from. Some of the requests are not realistic.

MOTION:

Regent Tyrrell moved to affirm Superintendent Johnson's handling of the protest at Iowa School for the Deaf. Regent Dorr seconded the motion.
MOTION CARRIED UNANIMOUSLY.

ACTION:

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

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

Iowa School for the Deaf officials presented the following project description and budget for Board approval.

Fire Alarm System Upgrade, Phase I (Visual Alert System)

\$85,000

This project will upgrade the fire alarm system for the Elementary School, Long Hall (junior/senior high school), and the Careers Center. Phase I will upgrade the fire detection and annunciation system to comply with the State Fire Marshal's directive. The new system will be designed and specified by the staff of Iowa State University's Facilities Planning and Design. The system would be purchased through the Iowa State University Purchase Department.

Senate File 2330, as passed by the General Assembly, includes \$75,000 for fire and environmental safety projects at the Iowa School for the Deaf. Docket item G.D. 9 includes a budget ceiling request in this amount; these funds will be used for this project. The remaining \$10,000 of the project budget will be funded from building repair funds.

Superintendent Johnson stated that the visual alert system has been a high priority. Iowa School for the Deaf officials will work on the project with Iowa State University.

MOTION:

Regent Collins moved to approve the school's capital register, as presented. Regent Dorr seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

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

IOWA BRAILLE AND SIGHT SAVING SCHOOL

The following business pertaining to Iowa Braille and Sight Saving School was transacted on Wednesday, May 18, 1994.

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

Register of Personnel Changes for the period to March 27 to April 23, 1994.

Appointment of LUANN WOODWARD docketed separately per Board procedures.

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

STUDENT BEHAVIORAL POLICY. The Board Office recommended the Board (1) approve the revised Student Behavior Policy of the Iowa Braille and Sight Saving School and (2) rescind policy IB-75 (Non-Aggressive Physical Intervention).

In April, Iowa Braille and Sight Saving School officials submitted a Student Behavior Policy which emphasizes desirable behavior and intervention based on the ability and maturity of each student.

The docket item was tabled when Regent Hendricks expressed concern about a portion of the policy. IBSSS has since revised the policy and the additions (underlined) address the concerns raised by Regent Hendricks:

Notification (Bottom of p. 4)

After being informed of a student's alleged serious violation the Director of Educational Services notifies the student and the Superintendent and the Director of Residential Services or vice versa depending on which administrator first learns of the violation.

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Decision Making (2nd section, p. 5--Changes made to #s 3 and 4 only)

When evidence supports student misconduct, parents will be notified and given an opportunity to present the student's side of the event.

When evidence supports student misconduct, one or a combination of the following actions will be employed.

IBSSS officials requested Board approval to rescind policy IB-75 (Non-Aggressive Physical Intervention), which was incorporated into the new Student Behavior Policy.

MOTION:

Regent Johnson-Matthews moved to (1) approve the revised Student Behavior Policy of the Iowa Braille and Sight Saving School and (2) rescind policy IB-75 (Non-Aggressive Physical Intervention). Regent Pellett seconded the motion. MOTION CARRIED UNANIMOUSLY.

APPOINTMENT OF DIRECTOR OF ADMINISTRATIVE SERVICES. The Board Office recommended that the Board ratify the appointment of LUANN WOODWARD as Director of Administrative Services at an annual salary of \$41,000 effective May 9, 1994.

Following an extensive search, Superintendent Thurman recommended the appointment of Ms. Woodward. The Board has previously been given resumes of the semi-finalists and informed of the proposed appointment. The appointment was given administrative approval by the Executive Director in order to avoid interruption in the business operations of the school.

Ms. Woodward is a graduate of the University of Northern Iowa with a BA in Accounting and is a CPA. She has a number of years of experience as a tax auditor.

Superintendent Thurman stated that he was very happy to bring the proposed appointment to the Board.

Director Woodward said she was glad to be part of the Regents' organization.

President Berenstein welcomed Ms. Woodward.

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MOTION:

Regent Collins moved to ratify the appointment of LUANN WOODWARD as Director of Administrative Services at an annual salary of \$41,000 effective May 9, 1994. Regent Johnson-Matthews seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office stated that Iowa Braille and Sight Saving School officials reported no transactions on its Capital Register.

President Berenstein then asked Board members and institutional officials if there were additional items for discussion pertaining to Iowa Braille and Sight Saving School. There were none.

OTHER BUSINESS. Regent Furgerson stated that the twelfth annual Way Up Conference would be held on November 10 and 11, 1994, at the Five Seasons Center in Cedar Rapids. The theme will be "Women of the '90s -- Partnerships for Change". The planning committee, of which she belongs, will meet next Wednesday. Regent Furgerson requested that she be on the agenda for next month's Board of Regents meeting because by that time she should have information on the speakers and agenda. She encouraged any Board members who could attend to do so. The attendees would be students, faculty and staff in the area of higher education. They are looking at ways to make improvements, particularly for women.

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

MOTION:

Regent Tyrrell moved to enter into closed session. Regent Furgerson seconded the motion, and upon the roll being called, the following voted:
AYE: Berenstein, Collins, Dorr, Furgerson, Johnson-Matthews, Newlin, Pellett, Tyrrell.
NAY: None.
ABSENT: Hendricks.

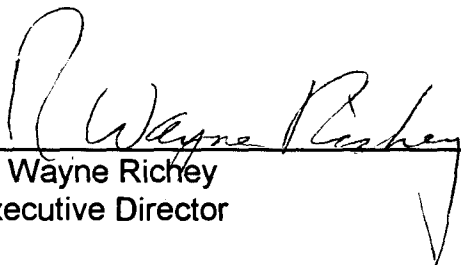
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MOTION CARRIED UNANIMOUSLY.

The Board having voted at least two-thirds majority resolved to meet in closed session beginning at 3:02 p.m. on Wednesday, May 18, 1994, and arose therefrom at 3:56 p.m. on that same date.

ADJOURNMENT.

The meeting of the State Board of Regents adjourned at 3:56 p.m., on Wednesday, May 18, 1994.



R. Wayne Richey
Executive Director